

# Key drug sales push Pfizer profit up 50 percent

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This Monday, Nov. 23, 2015, file photo, shows the Pfizer logo on display at the company's world headquarters in New York. Pfizer Inc. (PFE) on Tuesday, Aug. 1, 2017, reported second-quarter profit of \$3.07 billion. (AP Photo/Mark Lennihan, File)

Rising sales of most key drugs, lower one-time charges and reduced manufacturing costs helped drive Pfizer's second-quarter profit up 50

percent.

The top U.S. drugmaker beat Wall Street profit forecasts, tweaked its own 2017 forecast, and predicted numerous lucrative drugs will be approved over the next half-decade. Still, cheaper generic competition continues to gnaw away at Pfizer's revenue, which fell short of analyst expectations.

Meanwhile, CEO Ian Read told analysts during a conference call Tuesday that Pfizer is avoiding any big acquisitions—long its chief growth strategy—as it waits for the administration and Congress to enact tax reform. He said that would affect the valuation of assets at Pfizer and potential purchase targets.

The Viagra maker reported quarterly profit of \$3.07 billion, or 51 cents per share, up from \$2.05 billion, or 33 cents per share, a year earlier. Adjusted income of 67 cents per share beat analysts' average estimate by two cents.

The New York drugmaker posted revenue of \$12.9 billion, down 2 percent and below forecasts for \$13.02 billion.

Top sellers including new breast cancer drug Ibrance and blood thinner Eliquis produced higher sales, helping lift revenue from Pfizer's patented-protected drugs by 8 percent, to \$7.67 billion. Pfizer's essential health segment, which sells older products that are mostly off patent, had sales drop 14 percent to \$5.23 billion.

Their sales were led by Lipitor, the cholesterol-fighting pill that reigned as the world's top seller for a decade. Nearly six years after getting generic competition, Lipitor still ranks No. 7 in sales, at \$445 million in the quarter, partly because a few newer drugs have produced lower-than-expected sales.

Some new medicines are coming, though. In May, Bavencio got U.S. approval for treating advanced bladder cancer, and Pfizer's drug for a type of leukemia could get approved this month. But new eczema treatment Eucrisa, approved in February, managed only \$9 million in second-quarter sales.

Over the next five years, Pfizer expects to win approvals for up to 18 new drugs and a half-dozen "biosimilars," near-generic versions of complex injected drugs manufactured inside cells. However, Pfizer's first approved biosimilar—Inflectra, a near-copy of blockbuster immune disorder drug Remicade launched in November—had only \$94 million in second-quarter sales. Pfizer executives said it only has a 2 percent market share as commercial insurers mainly are sticking with Remicade so far due to deals offered by its maker, Johnson & Johnson.

Sales at Pfizer's consumer health business edged up 1 percent, to \$846 million.

Pfizer now expects adjusted full-year earnings of \$2.54 to \$2.60 per share, with the lower end up 4 cents from its May forecast. The company still expects 2017 revenue of \$52 billion to \$54 billion.

In afternoon trading, Pfizer shares were unchanged at \$33.16.

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