

Biogen profit beats estimates, raises 2013 forecast

BY [BILL BERKROT](#)

Biogen Idec Inc ([BIIB.O](#)) reported higher-than-expected first quarter profit on Thursday and raised its full year forecasts, and the U.S. biotechnology said it sees its new drug Tecfidera becoming the leading oral medicine for multiple sclerosis.

Biogen management declined to give any sales details from Tecfidera's first few weeks on the market, but Chief Executive George Scangos called the March 27 U.S. approval "a watershed event for our company."

Shares in the company jumped 4.3 percent in early trading to \$215.00 on Nasdaq.

Tecfidera is widely seen as Biogen's most important future growth driver, with analysts estimating 2013 sales of about \$300 million and eventual peak sales in excess of \$3 billion.

The new drug is expected to gain European approval during the current quarter, with an initial launch in Germany, followed by other European nations in 2014, the company said.

Biogen also said it expects to launch two new long-acting drugs for the hereditary blood disorder hemophilia in 2014.

Tecfidera is the third oral MS drug on the market, but is expected to eclipse both Gilenya, sold by Novartis AG [NOVN.VX](#), and Sanofi's ([SASY.PA](#)) Aubagio due to its favorable safety profile and efficacy demonstrated in clinical trials.

Biogen's stock has advanced more than 40 percent so far this year and has nearly quadrupled over the past three years, largely driven by positive Tecfidera data and expectations for its future sales potential.

The company's quarterly results were helped by low taxes and sales growth of its older injectable multiple sclerosis treatments, Avonex and Tysabri.

Biogen said it now expects earnings, excluding items, of \$7.80 to \$7.90 per share, up from its prior view of \$7.15 to \$7.25 per share. The company now sees full-year revenue growth of 16 percent to 18 percent. It had previously projected 10 percent growth. Analysts are estimating adjusted earnings of \$7.81 per share on revenue of \$6.44 billion.

Biogen said it raised the forecast due to its greater share of Tysabri revenue following a deal last month with partner Elan Corp [ELN.I](#), a tax benefit seen in the first quarter, and strength in its core business.

"We are on a very promising trajectory for the remainder of the year and for years to come," Scangos told analysts on a conference call.

TYSABRI BOOSTS REVENUE

Biogen said it had a net profit of \$426.8 million, or \$1.79 per share, in the first quarter, up from \$302.7 million, or \$1.25 per share, in the year earlier period.

Excluding special items, the company earned \$1.97 per share, topping analysts' average forecasts by 36 cents, according to Thomson Reuters I/B/E/S.

The results were helped by a \$33 million tax benefit and other tax credits that added 16 cents a share to net profit. Its tax rate for the quarter was just 13.2 percent.

Total revenue grew 10 percent to \$1.42 billion, matching Wall Street expectations.

Sales of Avonex jumped 13 percent to \$746 million, edging past Wall Street estimates of about \$740 million.

Elan, which shares revenue from the MS drug Tysabri with Biogen, said on Wednesday that global sales of the medicine grew 14 percent in the quarter to \$456 million. That, too, was a bit better than Wall Street estimates of about \$447 million.

Beginning in May, Biogen will get a far higher percentage of Tysabri sales after the company paid Elan \$3.25 billion to gain full rights to the lucrative product. Under the agreement, Elan will get just 12 percent of global Tysabri sales for the first 12 months, rising to 18 percent after that.

Scangos addressed an article in this week's New England Journal of Medicine, which attracted the attention of analysts. The report detailed four previously known cases of patients who suffered a potentially fatal brain infection, known as PML, after taking a drug for psoriasis that used an active ingredient also in Tecfidera.

Scangos stressed that there have been no cases of PML or other serious infections with Tecfidera.

"It's hard to understand why these old reports are deemed worthy of publishing. This is old news," he said.

(Additional reporting by Ransdell Pierson; Editing by Jeff Benkoe and Bernadette Baum)