

Healthcare industry BW

Boehringer Ingelheim continues to grow

Boehringer Ingelheim executives are very positive about the continued success of the company throughout 2007 and are confident about the future. Boehringer Ingelheim, Germany's second largest pharmaceutical company, enjoyed continued success in 2007 and its growth is outpacing the pharmaceuticals market for the eighth year in a row. A host of compounds in the pipeline means that the company can afford to feel confident about the near future. At a press conference given by the family-run company it was once again clear that its managers are given the scope and time for medium-term planning.

The company's turnover rose by 8.8% in local currency (+3.6% in euro terms) to almost EUR 11 billion. At EUR 2.1 billion, operating income - comparable to the EBIT - is at the same level as 2006. This corresponds to an operative margin (ratio of operating income to net sales) of 19.2%. Income after tax was a good EUR 1.8 billion, signifying an increase of 4.8% over the previous year. The number of employees worldwide rose by almost 1,400 to around 39,800.

Growth despite strong euro and generics





Pleased with the 2007 figures - Alessandro Banchi – Chairman of the Board of Directors (Photo: Boehringer Ingelheim)

The company had to deal with challenges like the strength of the euro against the US dollar and the Japanese yen and a sharp fall in net sales compared to 2006 for the product Mobic®, whose US patent expired in 2006. Overall, the company had to offset a fall in net sales of EUR 340 million for this product. The Chairman of the Board of Directors, Alessandro Banchi, said that the fact that Boehringer Ingelheim successfully achieved growth of 3.6% in euro terms despite these challenges, highlights the excellent dynamic growth of its product portfolio.

According to figures from IMS, a healthcare information service, Boehringer Ingelheim grew by 7.1%, thus once again outpacing the pharmaceuticals market which experienced growth of 6.0%. In 2007, Boehringer Ingelheim again secured a stable market share of almost 2%, ranking 15th among the international pharmaceutical companies, two places behind Bayer Schering.

In 2007, the Company's prescription medicines again benefitted from a very high degree of acceptance, all three achieved sales of more than one billion euros each. Spiriva® (tiotropium bromide; a drug for the treatment of chronic obstructive pulmonary disease (COPD) that has gradually been introduced into the European market since autumn 2007) sales rose by 35% in local currency terms to just under EUR 1.8 billion. Spiriva can be administered through an innovative inhaler developed by the company. Micardis® (telmisartan), which is used for the treatment of high blood pressure, achieved net sales of EUR 1,123 million. Flomax®/Alna® for the treatment of benign prostatic hyperplasia achieved net sales of EUR 1,020 million. In addition, Sifrol®/Mirapex® (pramipexole) for the symptomatic treatment of Parkinson's disease and for the treatment of moderate to severe cases of restless leg syndrome achieved net sales of EUR 644 million. And Aggrenox®, a medication for secondary stroke prevention, also generated very positive net sales of EUR 278 million.

USA – largest contribution to global net sales

Business in the most important strategic business area, Human Pharmaceuticals, Prescription Medicines accounts for 79% of the total net sales of Boehringer Ingelheim. Here, net sales rose in 2007 by almost 10% in local currency terms (4.2% in euro terms) to over EUR 8.6 billion. The self-medication business increased by 11.7% in local currency terms (7.2% in euro terms) to EUR 1.14 billion. Total net sales of the Industrial Customer business (Biopharmaceuticals, Pharmaceuticals Production and Pharma Chemicals) amounted to EUR 739 million and was therefore less than the previous year's figures (-6.5% after currency adjustment, -8.6% in euro terms). In addition to the exchange rate effect, the fall in net sales in the biopharmaceuticals segment is also partly due to the fact that planned technical upgrades of the older of the two Biberach plants rendered the plant inoperable for almost four months. Hans-Jürgen Leuchs, who is in charge of this business area, expects that the current year will see a growth of 15 per cent in the biopharmaceuticals business.

Only 50% of all medications sold in Germany is prescribed

The growth of Boehringer Ingelheim in 2007 was evident in three regions. Last year, North and South America was again the region with the strongest turnover in the company, where net sales exceeded EUR 5.4 billion (2007: EUR 5.3 billion). In Europe, the company achieved net sales of EUR 3.6 billion (+8.6% in local currency terms); Germany with total net sales of EUR 853 million, prescription medicines only accounted for EUR 444 million of this figure; Asia, Australia and Africa achieved net sales of EUR 1.9 billion, including Japan with EUR 1.2 billion.

New product launches and a host of products in the pipeline

Dr Banchi sees positive prospects for the future, in particular with regard to the company's Pradaxa®, the first oral anticoagulant from the class of direct thrombin inhibitors and a product of Boehringer Ingelheim's own R&D, was successfully approved by the European Commission in its first indication for the prevention of venous thromboembolic events in adults after elective hip and knee replacement surgery. A further four indications are currently in clinical development. 2008 will also

be marked by the publication of various landmark studies (Phase IV studies). The company expects results from trials involving Telmisartan (Micardis®), Aggrenox® and Spiriva®.

Four substances in Phase III

In addition, several innovative substances from the company's own R&D for various therapeutic areas have progressed to the next clinical development phase. Clinical phase III includes two substances from oncology, one substance for diabetes type II and one substance in development for pre-menopausal women with hypoactive sexual desire disorder.

In 2007, over EUR 1.7 billion was invested in research, development and medicine, representing an increase on the previous year of just under 10%. Research spending thus accounted for more than 19% of sales in prescription medicines.

CFO Muff sees positive prospects

Professor Muff highlighted the very solid financial figures. Despite losses of EUR 1 billion, in particular in the US generics business involving Flomax®, current and future products stand to achieve sales of up to EUR 2.5 billion. Andreas Barner from R&D only foresees a slight dent in the results and has a positive outlook regarding the competition from Aventis who have plans to launch a product to compete with Pradaxa.

Press release

08-Apr-2008

Source: On Demand Webcast/wp