

Boehringer Ingelheim registers impressive financial growth

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Research driven German Pharmaceutical giant Boehringer Ingelheim registered net sales of 17.5 billion Euros in 2018 and with net sales of 12.6 billion euros of the human pharma division its share share in total net sales was 72 per cent. The company is investing 230 million euros to expand and improve its biopharmaceutical development capacities.

“Compare to the earlier year, on one hand the currency effects have had significant negative impact on the net sales and on the other hand decline in net sales from discontinued operations plays a significant role,” Michael Schmelmer, Member of the Board of Managing Directors responsible for Finance, told a press conference at the company headquarter here.

Still, the income before taxes increased by 320 million euros, 11.2 per cent to 3.5 billion euros and profit after tax increased to 2.1 billion euros. The company was able to increase the return on net sales from 19.3 to 19.8 per cent, said Scamelmer. Adjusted for currency effects, as well as one-off effects due to the asset swap with Sanofi in 2017, net sales grew in 2018 by 4 per cent, he added.

The company continued to be in a solid position in liquidity and healthy equity ratio, which is fundamental to any company's financial health. “At 3 billion euros, the cash flow from operating activities, once again significantly exceeded our investment in tangible and intangible assets of 1.1 billion euros,” he added.

The equity ratio has increased from 38 per cent to 40 percent with equity of 12.3 billion euros and total assets of 30.9 billion euros.

The company has invested in setting up new production facilities or expanding the existing ones in four countries. Besides the investments in physical infrastructure, Boehringer also invested 2.8 billion euros in human pharma R&D, 22.1 per cent of the net sales from the human pharmaceuticals. Keeping aside the income from global licensing business, the company registered growth of 5.1 per cent in human pharmaceuticals.

At almost 1 billion euros (+9 per cent), investments in tangible assets were highest than ever before. Operating income amounted to 3.5 billion euros (-0.4 per cent).

Foreseeable declines in net sales, due to expiring patents for innovative medicines, were more than compensated for, the human pharma business thereby achieving currency-adjusted growth of 5.1 per cent. Revenues from the global licensing

business were lower than the previous year and have reduced the overall rate of growth in this business area to 3.3 per cent.

Respiratory medicine SPIRIVA achieved the highest net sales contributions with 2.4 billion euros followed by type 2 diabetes medicine family JARDIANCE, including SYNJARDY and GLYXAMBI with 1.8 billion euros, the anticoagulant PRADAXA with 1.5 billion euros and the type 2 diabetes medicine TRAJENTA with 1.4 billion euros as well as OFEV for the treatment of idiopathic pulmonary fibrosis with 1.1 billion euros.

(As Reported by Milind Kokje present at the Boehringer Ingelheim headquarters in Germany at the invitation of the company)