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Biogen Reports Q4 and Full-Year 2024 Results: Strong EPS Growth Amid Revenue Challenges

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With Q4 revenue reaching $2.5 billion and full-year EPS surging 40%, Biogen navigates MS revenue declines through strategic cost management, rare disease growth, and Alzheimer's pipeline advancements.



Key Financial Highlights

Biogen Inc. reported its fourth-quarter (Q4) and full-year 2024 results on February 12, 2025. The company's financial performance reflected a moderate increase in revenue, strong product launches, and strategic cost management.

Q4 2024 Performance:

- **Total Revenue:** $2.5 billion, reflecting a **3% year-over-year (YoY) growth**.
- **GAAP Diluted EPS:** $1.83, up **7% YoY**.
- **Non-GAAP Diluted EPS:** $3.44, increasing **17% YoY**.

Full-Year 2024 Performance:

- **Total Revenue:** $9.7 billion, reflecting a **2% decline YoY**.
- **GAAP Diluted EPS:** $11.18, up **40% YoY**.
- **Non-GAAP Diluted EPS:** $16.47, up **12% YoY**.

The decline in annual revenue was largely attributed to the continued erosion of multiple sclerosis (MS) product revenue, which was offset by gains from new product launches.

Revenue Breakdown

Biogen's revenue breakdown for Q4 and FY 2024 highlights varying performance across its key therapeutic areas. Multiple Sclerosis (MS) revenue saw a decline, with Q4 generating $1.07 billion, an 8% year-over-year (YoY) drop, while full-year revenue stood at $4.35 billion, down 7% YoY. This decline was primarily attributed to increased competition and shifting market dynamics impacting Biogen's MS franchise. In contrast, the Rare Disease portfolio demonstrated strong growth, reaching $535 million in Q4, a 13% YoY increase, and totaling $1.99 billion for the full year, up 10% YoY. A major contributor to this growth was SKYCLARYS, which recorded $102 million in Q4 revenue and nearly doubled its patient base since the end of 2023.

The Biosimilars segment also experienced steady growth, generating $202 million in Q4 revenue, a 7% YoY increase, and $793 million for the full year, up 3% YoY. This growth was driven by sustained demand for Biogen's biosimilar offerings. Additionally, the company saw a significant rise in Alzheimer's collaboration revenue, with Q4 reaching $27 million compared to just $2 million in Q4 2023. The full-year revenue for this segment amounted to $60 million, reflecting progress in the commercialization of LEQEMBI.

Lastly, revenue from contract manufacturing, royalties, and other sources reached $130 million in Q4, reflecting a 12% YoY increase. However, full-year revenue in this category declined by 27% to $653 million, primarily due to a reduction in contract manufacturing revenue. While some segments faced challenges, particularly in the MS portfolio, the company's growth in rare diseases, biosimilars, and Alzheimer's collaborations provided key areas of strength.

Key Expense Analysis

Biogen's key expense analysis for Q4 and FY 2024 reflects strategic cost management and shifting investment priorities. The cost of sales declined as a percentage of total revenue, primarily due to lower idle capacity charges and an improved product mix, which helped optimize production efficiency and reduce waste. This improvement contributed to better overall margins, even as revenue in certain segments faced competitive pressures.

Research and Development (R&D) expenses saw a notable decrease, with Q4 spending at $532 million, a 7% year-over-year (YoY) decline, while full-year R&D expenses totaled $2.04 billion, reflecting a significant 17% reduction. This decrease was driven by Biogen's prioritization efforts and cost-saving initiatives, focusing on high-impact programs while streamlining less strategic projects. The company's disciplined approach to R&D spending aligns with its long-term strategy of optimizing resource allocation while maintaining investments in critical pipeline assets, particularly in neurology and rare diseases.

Selling, General & Administrative (SG&A) expenses exhibited a mixed trend. In Q4, SG&A spending rose to $680 million, marking a 12% YoY increase, largely due to increased marketing investments supporting new product launches, particularly in the rare disease and Alzheimer's segments. However, on a full-year basis, SG&A expenses declined by 6% to $2.40 billion, reflecting the impact of the Fit for Growth initiative, which aimed to enhance operational efficiency and streamline administrative costs. Despite the increase in Q4, the overall reduction in SG&A spending underscores Biogen's commitment to balancing growth initiatives with disciplined financial management.

Cash Flow & Financial Position

- **Q4 Net Cash Flow from Operations:** $761 million.
- **Full-Year Net Cash Flow from Operations:** $2.9 billion.
- **Cash & Cash Equivalents (as of Dec 31, 2024):** $2.4 billion.
- **Total Debt:** $6.3 billion.
- **Free Cash Flow (FY):** $2.7 billion.

Pipeline & Strategic Developments

Biogen continued to advance its pipeline with key regulatory and clinical developments while refining its portfolio through strategic prioritization. A significant milestone was achieved for LEQEMBI, as the FDA approved its intravenous maintenance dosing regimen, enhancing treatment accessibility for Alzheimer's patients. Additionally, the subcutaneous maintenance dosing application is under review, with a Prescription Drug User Fee Act (PDUFA) target date set for August 31, 2025, potentially offering a more convenient administration method.

In the neuromuscular space, SPINRAZA's higher-dose regimen was accepted for review by both the FDA and the European Medicines Agency (EMA), marking an important step in optimizing treatment for spinal muscular atrophy (SMA) patients. The FDA has set a PDUFA date of September 22, 2025, signalling potential regulatory action within the next year. Meanwhile, Biogen's nephrology and transplant pipeline saw progress with felzartamab, which received Orphan Drug Designation in the European Union for solid organ transplantation and IgA nephropathy, highlighting its potential to address significant unmet medical needs.

Additionally, Biogen initiated a second Phase 3 trial for dapirolizumab pegol in systemic lupus erythematosus, reinforcing its commitment to autoimmune disease research. However, in alignment with its strategic focus, Biogen streamlined its portfolio by discontinuing certain development programs in Alzheimer's, Parkinson's disease, multiple system atrophy, and diabetic peripheral neuropathic pain. These decisions reflect the company's ongoing efforts to concentrate resources on high-value programs with the strongest clinical and commercial potential while optimizing its R&D investment strategy.

2025 Outlook & Guidance

Biogen's 2025 outlook reflects a cautious yet strategic approach as the company navigates competitive pressures and optimizes its operations. Total revenue is expected to decline by a mid-single-digit percentage year-over-year (YoY), driven by ongoing challenges in the multiple sclerosis (MS) portfolio, increased competition in certain therapeutic areas, and potential pricing pressures. However, growth opportunities in the rare disease and biosimilars segments, along with continued momentum from the Alzheimer's franchise, could help partially offset these headwinds.

The company's non-GAAP earnings per share (EPS) guidance is projected to fall within the range of $15.25 to $16.25, reflecting a balance between revenue pressures and cost management initiatives. A key factor supporting profitability is the Fit for Growth program, which remains central to Biogen's financial strategy. The initiative is expected to generate $1 billion in gross savings by 2025, with $800 million in net savings after reinvestment into strategic areas, including pipeline development and commercialization efforts. These cost efficiencies are designed to sustain long-term growth while ensuring financial discipline in an evolving market landscape. Biogen's 2025 guidance underscores its focus on operational resilience, portfolio optimization, and disciplined investment in high-value programs to drive future innovation and shareholder value.

Biogen continues to navigate a challenging but evolving market, focusing on new product launches and pipeline developments while managing declines in legacy product revenue. Strong financial discipline and strategic prioritization should position the company for long-term growth despite near-term revenue pressures.