

Summary of the financial reports for Bristol-Myers Squibb from 2003-2013

First, some definitions:

-Sales/revenue: Some companies report total sales only, some total revenue only and some itemize total sales then add extra revenue. I use total revenue whenever it's an option.

-Profit: Net income after taxes. Many companies will add or subtract money from taxes or other revenue/fees from discontinued items to that net income. In such cases I'll use net income attributable to that company for profit.

-Research includes research and development and purchased in-process research.

-Marketing is usually listed as marketing/sales/informational/advertising/administrative. I realize that some companies lump other things in that budget that wouldn't be strictly considered marketing (like ongoing litigation costs) but, it was the company's choice to lump those costs in their marketing budget so there's not much I can do about it. Anyway, much of what Pharmaceutical companies call research is really just marketing so all figures should be taken with a grain of salt.

-Revisions: When a figure is revised in a subsequent report I normally use the revised figure. This can be challenging when, for example, frequent revisions occur over multiple years (see Pfizer). In general, I did my best to use the numbers that I felt most accurately reflected the actual revenues, profits and expenditures of these companies.

Bristol-Myers Squibb is a US pharmaceutical company that markets the drugs Plavix, Abilify, Erbitux and Avapro among other things. Close to 60% of their revenue comes from sales in the US. Part of this is because the prices of their products are typically much higher in the US than in other Countries but, also, because some of the drugs they market are sold by other pharmaceutical companies in other Countries.

For some reason Bristol-Myers Squibb listed their advertising budget separately from their marketing budget. I have no idea why they didn't believe advertising was a part of marketing but, since no other pharmaceutical company saw this distinction, I didn't either. I added both expenses together as marketing.

There were a considerable number of revisions in Bristol-Myers Squibb's financial reports. Most of the numbers I used were from the statements of earnings that are in the report one to two years after the year on which I'm reporting. One set of revisions I chose not to include in my analysis were the revisions in the 2008 and 2007 earnings statements made in the 2009 report.

These revisions were the result of the fact that two companies; Mead Johnson and Conva Tec, split away from Bristol-Myers Squibb in 2009. Bristol-Myers Squibb chose to revise the 2007 and 2008 figures to show what the company made without the

contributions of Mead Johnson or Conva Tec. Since those revision struck me as artificial (they were still all one company in 2008) I decided not to use them.

Now the composite numbers for Bristol-Myers Squibb from 2003-2013:

Total Revenue (Sales):	\$205 Billion
Total Profit:	\$39 Billion
Total Spent on Research:	\$36 Billion
Total Spent on Marketing:	\$62 Billion
US Revenue:	\$119 Billion
Revenue from All Other Countries:	\$86 Billion

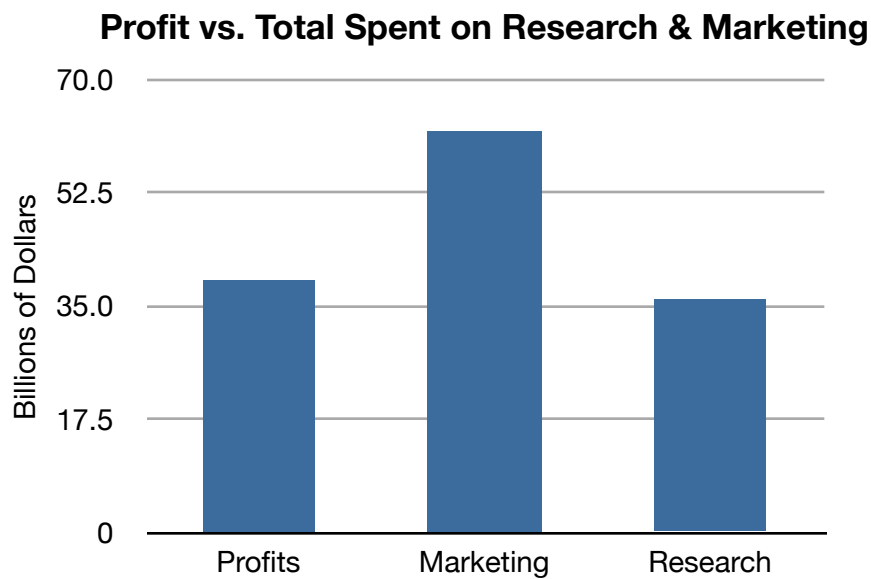


Figure 1: Total amount Bristol-Myers Squibb earned in profit (net income after taxes) from 2003-2013 compared to how much they spent on research and marketing. Figure 2 (below) shows the proportion of Bristol-Myers Squibb's total revenue that was allocated toward research, marketing and profits.

Proportional Allocation of Revenue



Figure 2

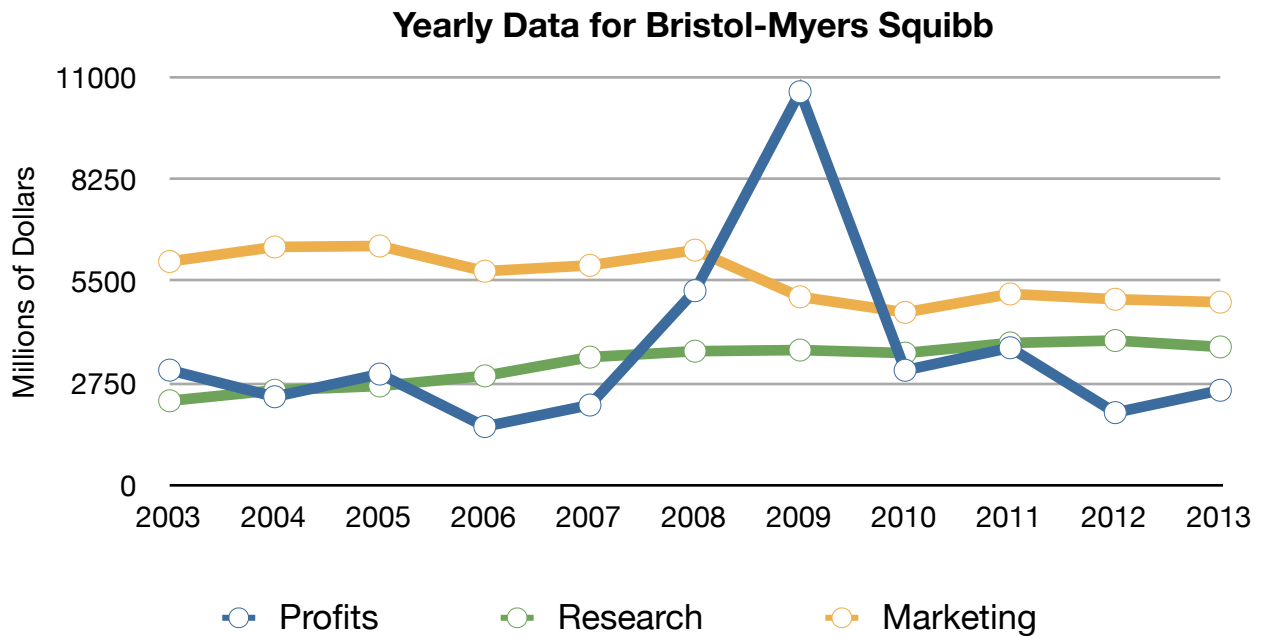


Figure 3: Bristol-Myers Squibb's profit compared with amount spent on research and marketing each year from 2003-2013

Proportin of Revenue from US vs. All Other Countries

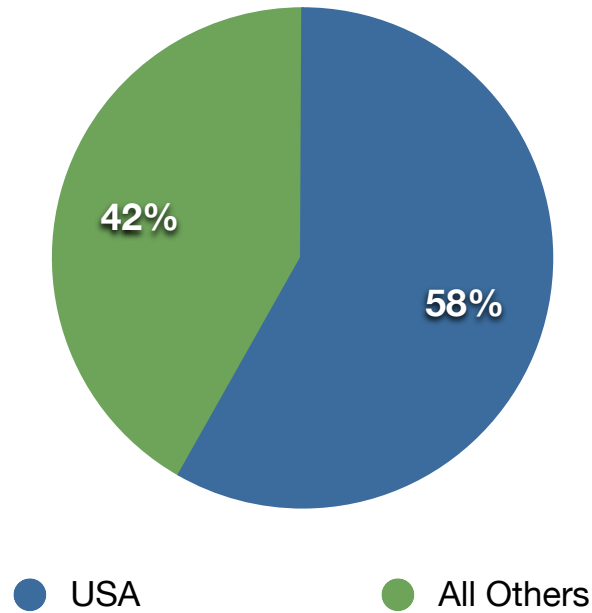
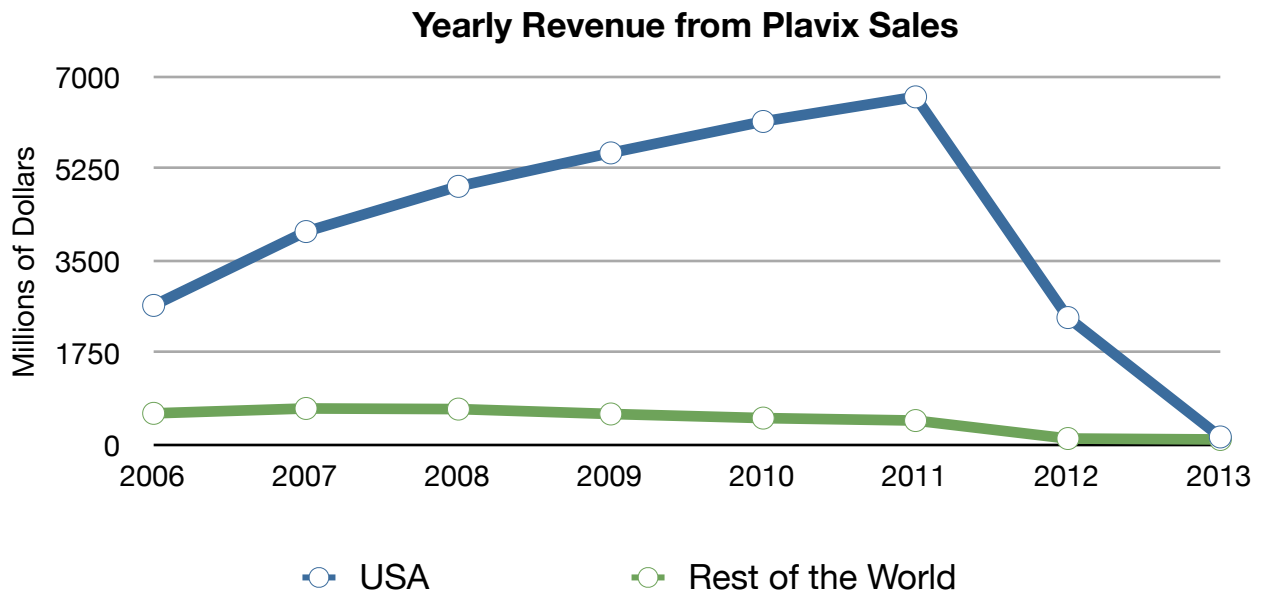


Figure 4



Figures 5&6 show the revenues Bristol-Myers Squibb made from the sale of Plavix (above) and Abilify (below) in the US and outside of the US. For both drugs, revenue was far greater from sales in the US but in 2012 BMS lost their patent for Plavix which had a very dramatic affect on US revenue.

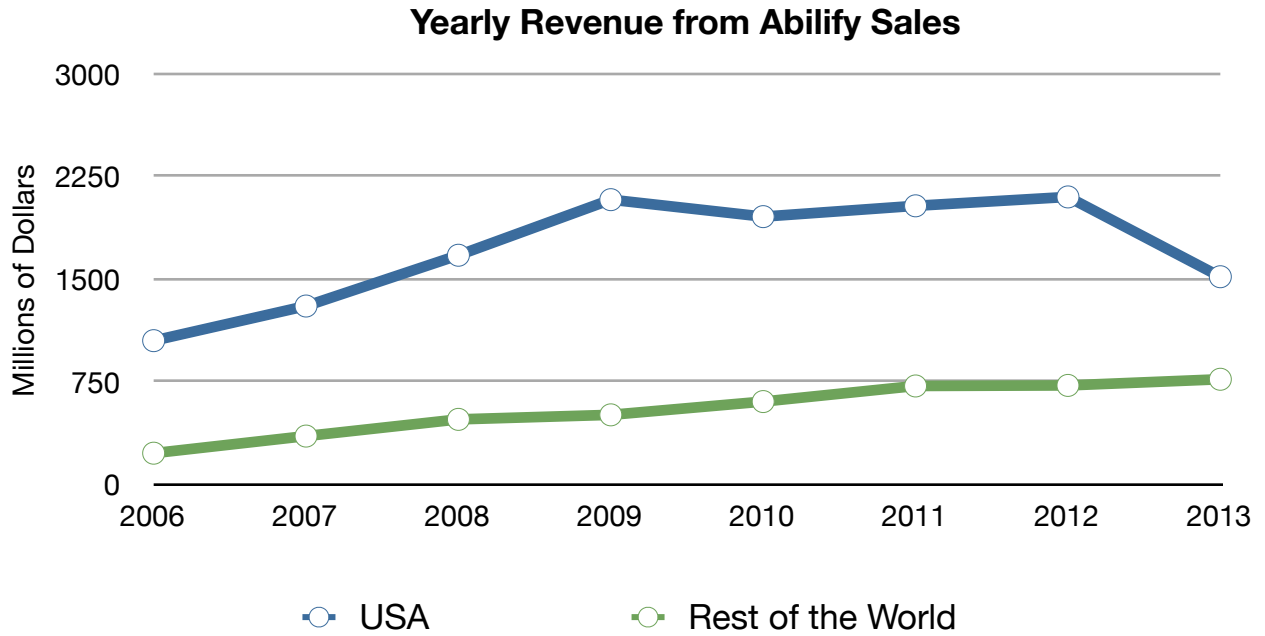


Figure 6

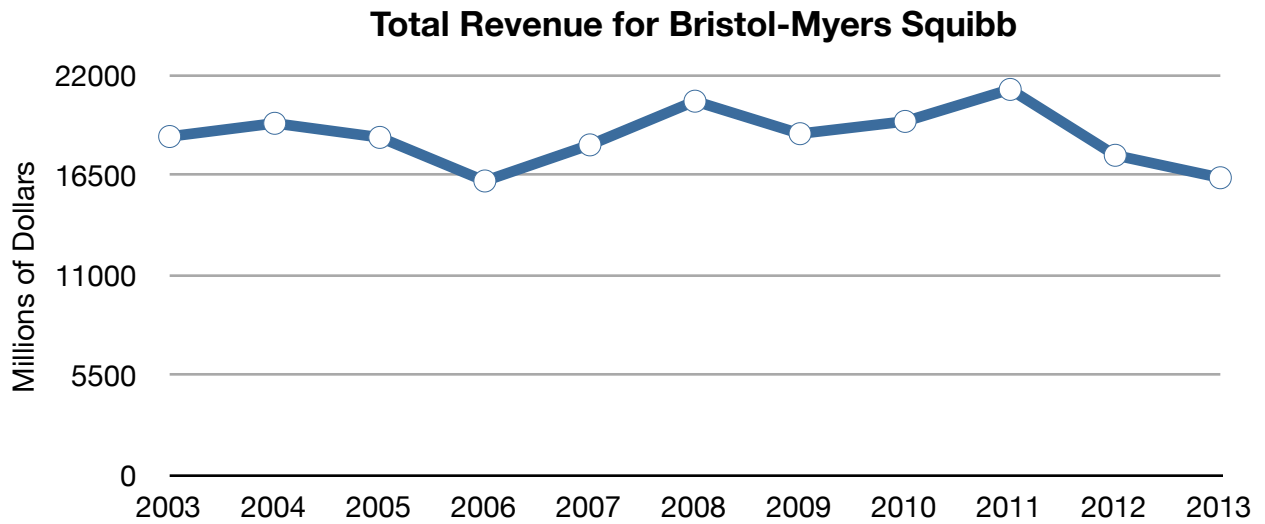


Figure 7