



In 2023, Big Drug Companies Raked in \$684 Billion and Spent \$106 Billion Rewarding Shareholders



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In 2023, 16 of the largest drug companies reported \$684 billion in earnings, a figure that is higher than the gross domestic product (GDP) of 88 percent of the countries in the world. This eye-popping revenue reflects the [record-high prices](#) drug companies set for drugs they launched in 2023, and overall prices that are [three to eight times higher](#) for U.S. patients than for patients in other high-income countries.

For too long, drug companies have been allowed to charge whatever they want, gouging patients to the point that [more than 1 in 3](#) Americans report cutting pills or skipping doses because they can't afford their medication. Fortunately, President Biden and Democrats passed a law to lower drug costs for people on Medicare, including by finally allowing Medicare to negotiate lower drug prices on behalf of patients.

Research [establishes](#) that pharmaceutical manufacturers could lose \$1 trillion in revenue over a decade and *still* be the most profitable industry, yet big drug companies claim the new Medicare drug price negotiation program threatens their ability to invest in bringing innovative drugs to market. However, in the year following the passage of the Inflation Reduction Act, drug companies [increased investment](#) in bringing new drugs to market through higher spending on research, development, and acquisitions.

While drug companies increased their innovation budgets, they also rewarded their shareholders handsomely. Each company spent at least approximately \$1 billion on dividends and stock buybacks. Johnson & Johnson, AbbVie, Bristol Meyers Squibb, and Novo Nordisk spent more lining the pockets of shareholders than on their research and development budgets.

Table 1: 2023 Big Drug Company Earnings and Spending

| Drug Manufacturer | 2023 Total Revenue | 2023 Shareholder Compensation (Dividends and Stock Buybacks) | 2023 Lobbying Spending | 2023 Marketing Spending | 2023 Research and Development Spending |
|--|------------------------|--|--------------------------------|-------------------------|--|
| Johnson & Johnson | \$85.2 billion | \$16.8 billion | \$7.5 million | \$21.5 billion | \$15.1 billion |
| Roche | \$66.7 billion | \$11 billion | \$11.4 million | \$15.4 billion | \$15.2 billion |
| Merck | \$60.1 billion | \$1.0 billion** | \$10.2 million | \$10.5 billion | \$30.5 billion |
| Pfizer | \$58.5 billion | \$9.3 billion | \$14.4 million | \$14.8 billion | \$10.7 billion |
| AbbVie | \$54.3 billion | \$12.1 billion | \$3.7 million | \$12.9 billion | \$7.7 billion |
| AstraZeneca | \$45.5 billion | \$4.5 billion | \$4.6 million | \$19.2 billion | \$10.9 billion |
| Novartis | \$45.4 billion | \$7.3 billion | \$5.8 million | \$12.5 billion | \$11.4 billion |
| Bristol Myers Squibb | \$45.0 billion | \$9.9 billion | \$8.9 million | \$7.8 billion | \$9.3 billion |
| Sanofi^a | \$41.1 billion | \$5.5 billion | \$5.4 million | \$11.6 billion | \$7.3 billion |
| GSK^b | \$37.6 billion | \$2.8 billion | \$5.1 million | \$11.7 billion | \$7.7 billion |
| Eli Lilly | \$34.1 billion | \$5 billion | \$8.4 million | \$7.4 billion | \$9.3 billion |
| Novo Nordisk^c | \$33.7 billion | \$8.9 billion | \$5.2 million | \$8.2 billion | \$4.7 billion |
| Amgen | \$28.2 billion | \$4.6 billion | \$14.3 million | \$6.2 billion | \$4.8 billion |
| Gilead | \$27.1 billion | \$4.8 billion | \$8.4 million | \$6.1 billion | \$5.7 billion |
| Regeneron | \$13.1 billion | \$1.5 billion | \$1.7 million | \$2.6 billion | \$4.4 billion |
| Astellas^d | \$8.5 billion* | \$0.9 billion* | \$2.6 million | \$3.9 billion* | \$1.5 billion* |
| Total | \$684.1 billion | \$105.9 billion | \$117.6 million | \$172.3 billion | \$156.2 billion |

* partial-year financial earnings

** share repurchases only

^a EUR converted to USD based on the [average 2023 exchange rate](#) of €0.924 to \$1

^b GBP converted to USD based on the [average 2023 exchange rate](#) of £0.804 to \$1

^c DKK converted to USD based on the [average 2023 exchange rate](#) of 6.89 kr. to \$1

^d YEN converted to USD based on the [average 2023 exchange rate](#) of ¥140.511 to \$1

Spotlight on Medicare Negotiation: Drug Companies Suing to Block Medicare from Negotiating Lower Prices Reported Over \$343 Billion in Revenue and Spent \$53 Billion on Shareholders

In 2023, the seven publicly held companies that are currently suing (either directly, through a subsidiary, or through a trade organization) to ban Medicare from negotiating lower drug prices reported over \$343 billion dollars in revenue. Those same companies reported shareholder compensation in the form of stock buybacks and dividends totaling \$53 billion.

- Amgen, the manufacturer of Enbrel, reported [\\$28.2 billion](#) in revenue and spent \$4.6 billion on stock buybacks.

- AstraZeneca, the manufacturer of Farxiga, reported [\\$45.5 billion](#) in revenue and spend \$4.5 billion on shareholder compensation.
- Bristol Myers Squibb, which manufactures Eliquis, raked in [\\$45 billion](#) and spent \$9.9 billion on shareholder compensation.
- Johnson and Johnson, which manufactures three of the ten drugs with lower prices being negotiated - Xarelto, Stelara, and Imbruvica - made [\\$85.2 billion](#) in revenue and spent \$16.8 billion on shareholder compensation.
- Merck, which manufactures Januvia and charges U.S. patients over 10 times more than it charges patients in Germany, raked in \$60.1 billion and spent \$1 billion on stock buybacks.
- Novartis, which manufactures Entresto, reported [\\$45.4 billion](#) in revenue while spending \$7.3 billion on investors.
- Novo Nordisk, the manufacturer of Fiasp/NovoLog, far exceeded even their earnings expectations, bringing in [\\$33.7 billion](#) and spending \$8.9 billion on shareholder compensation.