BioScrip 2Q profit slides on buyout and taxes

The Associated Press

BioScrip Inc.'s net income fell 29 percent in the second quarter, the pharmacy benefits manager said Friday, because of an acquisition and higher taxes.

Earnings per share were shaved by a penny because of the company's buyout of Critical Homecare Solutions. The company reported a lower-than-normal tax rate last year due to a reduction in its valuation allowance.

BioScrip said its quarterly profit decreased to $3.1 million, or 6 cents per share, from $4.4 million, or 11 cents per share. Revenue grew 25 percent, to $412 million from $328.7 million.

Analysts expected a profit of 9 cents per share and revenue of $428.8 million, according to Thomson Reuters. Those estimates usually exclude one-time charges, like the penny per share from the Critical Homecare deal.

Also, the company's per-share profit was lowered because BioScrip issued 13.1 million new shares in connection with the buyout. It had 54.8 million shares on the market during the latest quarter, up from 39.2 million a year ago.

BioScrip said revenue from its infusion and home health business jumped to $106.7 million from $36.4 million in the second quarter. Critical Homecare Solutions contributed $64.8 million of that total. Pharmacy service revenue rose 3 percent, to $305.4 million from $293 million.

BioScrip has forecast revenue of $1.67 billion to $1.72 billion in 2010, and now says it expects to reach the low end of that range because of a plan to target drugs that are more profitable, but bring in less revenue. Analysts expect $1.65 billion in revenue on average.

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