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AbbVie Stays On Script With Michael As Next CEO

Michael To Replace Gonzalez As CEO On 1 July

by **Joseph Haas**

As previously indicated, AbbVie will go with an internal candidate, president and COO Robert Michael, to succeed Richard Gonzalez as CEO. The company has recently positioned Michael prominently.

[AbbVie Inc.](#) chairman and CEO Richard Gonzalez laid out the company's succession plan clearly during its fourth quarter 2023 earnings call on 2 February, but offered no indication that the transition would come so imminently. Just weeks after that call, AbbVie announced on 20 February that president and chief operating officer Robert Michael will become the company's second CEO on 1 July, with Gonzalez moving into the role of executive chairman.

The carefully managed transition, coming just over a year past the US arrival of Humira biosimilars, turns the reins over from one long-term employee to another. Gonzalez, who had signaled the company was looking internally for its next chief exec, has been CEO since AbbVie's creation in 2013 and prior to that was a long-time veteran of the former corporate parent [Abbott Laboratories Ltd](#); Michael is similarly a 31-year veteran of AbbVie and before that Abbott. The choice suggests AbbVie is content with its long-game and not looking to rock the boat.

AbbVie has positioned Michael conspicuously during recent public presentations, with the executive leading the firm's presentation at the J.P. Morgan Healthcare Conference on 10 January, while Gonzalez did not appear during that talk. (Also see "[AbbVie: Expect Smaller Deals Near-Term After 2023's Big Finish](#)" -

AbbVie's Gonzalez Outlines CEO Succession Process

By **Joseph Haas**

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Scrip, 10 Jan, 2024.) At J.P. Morgan, Michael told investors not to expect large M&A transactions in the near term after AbbVie committed nearly \$19bn to acquire [ImmunoGen, Inc.](#) and [Cerevel Therapeutics Holdings, Inc.](#) in separate transactions during the fourth quarter of last year. (Also see "[AbbVie Spends \\$10bn On ImmunoGen To Improve Chances In ADC Space](#)" - Scrip, 30 Nov, 2023.)

Gonzalez indicated during the 2 February earnings call that he would recommend to the board of directors that it was time to begin a transition to turning the CEO's chair over to an internal candidate when he felt assured that AbbVie was on a stable path back to profitability following the early 2023 entrance of Humira biosimilars onto the US market. (Also see "[AbbVie Gets Humira Erosion Right, But Skyrizi/Rinvoq Disappoint Investors](#)" - Scrip, 27 Apr, 2023.)

Although the loss of exclusivity for its top-seller Humira (adalimumab) was the biggest in history, AbbVie has weathered that loss remarkably well. The firm's estimates of Humira biosimilar competition impact in the US have been close to the mark for the past year, and for Q4 2023, the company reported better than 12% growth for its immunology franchise despite a 41% year-over-year decline in Humira sales. (Also see "[AbbVie: Humira Competition Has Gone 'Exceptionally Well' For Us](#)" - Generics Bulletin, 24 Jan, 2024.)

Much of that success is attributable to long-term planning; a major plank of AbbVie's corporate strategy since its inception in 2013 was to determine how it would get through biosimilar competition to Humira, which comprised more than 50% of sales in the company's initial years. (Also see "[AbbVie: Rinvoq And Skyrizi Will Bridge US Humira Sales Erosion Through 2025](#)" - Scrip, 14 Dec, 2020.)

That strategy has positioned Skyrizi (risankizumab) and Rinvoq (upadacitinib) as

AbbVie may look to an internal successor to Rick Gonzalez once he is satisfied the company is back on a growth trajectory. Skyrizi and Rinvoq continue meteoric growth, with increased sales projections.

[Read the full article here](#)

Key Takeaways

- AbbVie announced that current president Robert Michael will succeed CEO Richard Gonzalez on 1 July, with Gonzalez becoming executive chairman.
- The announcement follows guidance Gonzalez offered on a 2 February earnings call, indicating a gradual transition to an internal candidate.
- Like Gonzalez, Michael is a 30-year-plus veteran of AbbVie and Abbott.

immunology/inflammation successors to Humira with one or both being approved for each of Humira's indications. It also involved AbbVie diversifying through M&A activity, including the recent purchases of cancer-focused ImmunoGen and neurology-focused Cerevel, as well as the transformative \$63bn merger with [Allergan plc](#) in 2019, which added immediate revenues and differentiation. (Also see "[AbbVie Will Use Allergan Revenue To Fund Combined Firm's Large R&D Pipeline](#)" - Scrip, 27 Jun, 2019.)

AbbVie reported on 2 February that full-year 2023 revenue came in at \$54.3bn, down 6.4% from full-year 2022 revenue, but in line with what it told investors to expect in the first year of US biosimilar competition to Humira. It has guided that it expects to return to growth in 2025 and for the rest of the decade.

On 2 February, Gonzalez said the optimal time to bring in a new CEO would be about four to six months after he determined that "we've navigated the [Humira] LOE and the rest of the business is performing at a high level." He added that AbbVie had been focused for four-to-five years on how to ideally set up the transition.

Michael Given Prominent Position On Recent Calls

On recent earnings calls, Gonzalez typically has opened the call with some top-level thoughts before turning over the microphone to Michael, followed by other top execs such as chief commercial officer Jeffrey Stewart and chief financial officer Scott Reents, to provide most of the depth of that quarter's presentation.

At this year's J.P. Morgan meeting, Michael led the corporate presentation joined by Stewart and chief medical officer-global therapeutics Roopal Thakkar. Michael told the meeting that AbbVie's main priority is to return to "strong growth" in 2025, driven by Skyrizi, Rinvoq, migraine therapies Qulipta (atogepant) and Ubrelvy (ubrogepant), the atypical antipsychotic Vraylar (cariprazine) and the aesthetics portfolio headed up by Botox (onabotulinumtoxinA).

"We're obviously very excited about both deals [ImmunoGen and Cerevel] and of, course, managing the US Humira biosimilar erosion, which has gone exceptionally well," Michael said. "But I'd say it's really about the growth platform advancing the pipeline and then closing and integrating these deals."

AbbVie's leadership transition announcement stated that Gonzalez will formally retire as CEO on 1 July, becoming executive chairman of the board, with Michael succeeding him as CEO and also taking a seat on the board of directors. Gonzalez credited Michael with establishing AbbVie's financial planning organization following the spinout from Abbott, as well as playing key roles in managing the patent expirations for Humira and the firm's business development efforts over the prior 11 years.

Michael was promoted to CFO in 2018, then again to vice chairman, finance and commercial operations in 2021, to vice chairman and president in 2022, and again to president and COO in 2023. Previously, he worked in several Abbott and AbbVie divisions, including pharmaceuticals, aesthetics, diagnostics, diabetes care and nutrition.