Novartis Financial Results - Q2 2018

Novartis delivers solid growth in second quarter and continues transformation to a focused medicines company



13.2 bn

3.5 bn

CORE¹ OPERATING INCOME (USD)

3.6 bn

FREE CASH FLOW +10% (USD)

Key Growth Drivers



Cosentyx® grew to USD 701 million, (+40% cc) with strong growth in all indications in the US and EU



Entresto® sales more than doubled to USD 239 million, (+113% cc) driven by continued uptake worldwide



Oncology grew 10% (cc) driven by Promacta®/Revolade®, Tafinlar® + Mekinist® and Jakavi®, uptake of Kisqali® and Kymriah® and contribution from the AAA acquisition

Q2 at a glance

Continued strategy to become a focused medicines company

Click each item to learn more

AVEXIS ACQUISITION COMPLETED

ALCON SPINOFF PROPOSED²

ALCON SPINOFF PROPOSED²

GSK OTC JV DIVESTMENT COMPLETED

AIMOVIG® POSITIVE CHMP OPINION

KYMRIAH® DLBCL FDA APPROVAL

BAF312 FDA SUBMISSION COMPLETED

JUN

TAF/MEK BRAF FDA APPROVAL

KYMRIAH® POSITIVE CHMP OPINION

APPOINTMENT: JOHN TSAI HEAD, GDD & CHIEF MEDICAL OFFICER

APPOINTMENTS: SHANNON KLINGER, GROUP GENERAL COUNSEL ROBERT WELTEVREDEN, HEAD NBS

ALCON APPOINTMENTS: MIKE BALL, CHAIRMAN DESIGNATE; DAVID ENDICOTT, CEO

APR MAY

ACQUISITIONS/DIVESTMENTS/LICENSING INNOVATION LEADERSHIP APPOINTMENTS

"We made significant progress this quarter to transform Novartis into a focused medicines company.

Operationally we delivered solid growth, and also advanced our transformational medicines portfolio."

Leadership Appointments

(pictured left to righ

John Tsai appointed to Head of Global Drug Development and Chief Medical Officer

Shannon Thyme Klinger appointed Group General Counsel Robert Weltevreden appointed Head of Novartis Business Services (NBS)

Mike Ball appointed Chairman Designate, Alcon

David Endicott appointed CEO, Alcon



@VasNarasimhan CEO, Novartis











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1 Constant currencies (cc), core results and free cash flow are non-IFRS measures. An explanation of non-IFRS measures can be found on page 54 of the Condensed Interim Financial Report. Unless otherwise noted, all growth rates refer to same period in prior year. 2 Completion of the transaction is subject to general market conditions, tax rulings and opinions, final Board of Directors endorsement and shareholder approval at the 2019 AGM in line with 1986 secreporate at the 2019 AGM in line with 1986 accordance.

