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MEDIA RELEASE

Sandoz delivers strong H1 2025 results, with accelerated sales growth in the second quarter

Basel, August 7, 2025 – Sandoz (SIX: SDZ; OTCQX: SDZNY), the global leader in generic and biosimilar medicines, today presents its financial results for the first half of 2025. Growth in this document is shown at constant currencies (CC)[1] unless stated otherwise.

FINANCIAL RESULTS

	H1 2025	H1 2024	change		
	USD m	USD m	USD %	CC %	CGR %[2]
Net sales	5,232	5,047	4%	4%	6%
Generics	*3,736*	3,704	*1%*	*1%*	*2%*
Biosimilars	*1,496*	1,343	*11%*	*12%*	*17%*
Core EBITDA	1,046	885	18%	20%	
Core EBITDA margin (%)	20.0%	17.5%			
Core diluted earnings per share (USD)	1.46	1.12	30%	33%	
Management free cash flow	503	237	nm[3]		

Richard Saynor, Chief Executive Officer of Sandoz, said: “The first half of the year marked another phase of good progress for Sandoz. Strong underlying sales growth was underpinned by the double-digit performance from our biosimilars which, in the second quarter, represented 30% of net sales for the first time, marking a true milestone for the company. Europe and International also performed particularly well, while we launched more important medicines for patients in North America.

“Reflecting this year’s launch program, weighted to the second half, we anticipate an even stronger sales performance in the second half, particularly in North America. Further investments in our biosimilars future, in Slovenia and via the proposed acquisition of Just-Evotec Biologics EU SAS, reflect the latest step in our strategic plan to capitalize on the unprecedented patent-expiries’ opportunity over the next ten years. This will only be enhanced by the effects of regulatory streamlining. It is the combination of the growing platform of opportunities, consistently strong financial results and our unrelenting focus on patients that offers such attractive long-term value for our stakeholders.”

[1] Non-IFRS measures are defined in the Supplementary financial information section of the Half-Year Report 2025.
[2] Sandoz defines the comparable growth rate (CGR) as the growth rate of net sales at CC excluding the effects of material acquisitions and divestments. In the case of divestments, net sales are excluded for the corresponding period. Similarly, for acquisitions, the relevant net sales are excluded for the corresponding period. Material acquisitions and divestments are transactions in scope of significant transactions in the company’s Consolidated financial statements. Sandoz believes the presentation of CGR is meaningful for management and investors to evaluate the performance of the business over time. In this announcement, adjustments relate to the impact of the 2024 acquisition of US biosimilar Cimerli® (ranibizumab) and the 2024 divestment of the Sandoz business in China.
[3] Not meaningful.

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FINANCIAL HIGHLIGHTS

- H1 2025 net sales of USD 5,232 million:
  - Up by 4% at CC and USD, with volume growth of 7%; on a CGR basis, H1 net sales grew by 6%
  - In the second quarter, accelerated growth of 5% at CC and 8% in USD; growth of 7% at CGR
  - Biosimilars H1 sales up by 12% at CC and 17% at CGR
  - H1 generics growth of 1% at CC and 2% at CGR
  - The 10 largest-selling medicines grew by a combined 10% at CC and represented 33% of net sales
- A core EBITDA margin in H1 of 20.0%, representing a 2.5 percentage-point year-on-year improvement, primarily driven by operating leverage and the mix of sales
- Management free cash flow in H1 of USD 503 million (H1 2024: USD 237 million). Free cash flow of USD 207 million (H1 2024: USD 21 million)
- Core diluted earnings per share of USD 1.46 in H1 represented growth of 33% at CC and 30% in USD
- Full-year 2025 guidance confirmed: mid-single-digit net-sales growth at CC and a core EBITDA margin of around 21%

BUSINESS HIGHLIGHTS

There were a number of business highlights since the publication of the Q1 2025 sales update.

Biosimilars

- The company recently signed a non-binding term sheet with Evotec SE to acquire its Just-Evotec Biologics' in-house development and manufacturing capabilities in Toulouse, France. The proposed transaction would seamlessly align with the strategic objective of capitalizing on the projected USD 300 billion biosimilar-market opportunity over the next 10 years[4]
- Sandoz recently announced the start of construction for a new, state-of-the-art biosimilars production center for sterile product manufacturing in Brnik, Slovenia. This complements ongoing investments in Slovenia, namely a new biosimilar drug-substance production center in Lendava and a biosimilar development center in Ljubljana
- Following feedback from major regulatory authorities, Sandoz has decided to streamline the clinical-development programs for its proposed nivolumab and ocrelizumab biosimilars, respectively. The company is winding down the Phase III NivoReach trial for its proposed biosimilar nivolumab. Sandoz is also modifying its Strive-MS integrated Phase I/III trial to become a comparative pharmacokinetic trial for its proposed ocrelizumab biosimilar. The development programs, including comprehensive analytical and clinical pharmacokinetic data, have been designed to align with updated regulatory guidance and confirm biosimilarity to their respective reference medicines, while maintaining the highest scientific and regulatory standards

[4] Based on March 2025 data from IPD Analytics Evaluate Pharma, covering the period 2026–2035.

– The aforementioned streamlining reflects ongoing encouraging and favorable regulatory developments for biosimilars and follows Sandoz's decision earlier in the year to minimize its Phase III trial for its proposed pembrolizumab biosimilar

Launches

– Sandoz recently launched Wyost® and Jubbonti® in the US, the first and only interchangeable denosumab biosimilars. Pyzchiva® (ustekinumab) was also launched in the US, including in private label. Finally, a Pyzchiva autoinjector was also rolled out to become the first commercially available ustekinumab biosimilar in a pre-filled pen in Europe

– Anticipated biosimilar launches in the second half of the year include Wyost & Jubbonti and Afqlir® (aflibercept) in Europe, while the company retains its ambition to launch Tyruko® (natalizumab) in the US before the end of the year[5]

FULL-YEAR 2025 GUIDANCE

The company expects further major biosimilar launches this year, while price erosion is expected to return to normalized levels of a low to mid-single-digit percentage. Sandoz continues to anticipate core EBITDA-margin expansion this year to reflect the mix of sales, simplification of the external network and the ongoing transformation program. As a result, the company confirms its expectations for 2025:

– Net sales to grow at CC by a mid-single-digit percentage

– A core EBITDA margin in FY 2025 of around 21%

This guidance excludes any impacts of unforeseen events or unconfirmed developments, such as significant further potential trade tariffs emanating from the US government.

H1 AND Q2 2025 NET SALES

Net sales by business

H1

	H1 2025	% of net sales	H1 2024	change		
	USD m		USD m	USD %	CC %	CGR %
Generics	3,736	71	3,704	1%	1%	2%
Biosimilars	1,496	29	1,343	11%	12%	17%
Net sales	**5,232**	**100**	**5,047**	**4%**	**4%**	**6%**

[5] Subject to regulatory approval of John Cunningham virus assay and pending litigation.

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Net sales for the first half of 2025 were USD 5,232 million, up by 4% at CC and by 6% at CGR. Volumes grew by 7%, partly offset by price erosion of 3%; the erosion was in line with a full-year assumption of a low to mid-single-digit decline. Net-sales growth was primarily driven by the performance of biosimilars, which continues to benefit from an extensive pipeline and launch program.

Generics overview
Net sales of generics in H1 were USD 3,736 million, reflecting growth of 1% at CC and 2% at CGR. Generics represented 71% of net sales (H1 2024: 73%, Q2 2025: 70%).

Europe net sales of generics grew by 2% at CC in the first half, reflecting the impact of launches in 2024. International net sales of generics declined by 1% at CC; after adjusting for the 2024 divestment of the Sandoz business in China, International net sales of generics grew by 3% at CGR. In North America, generics net-sales growth of 2% at CC benefited from the successful launch of paclitaxel in 2024.

Biosimilars overview
Net sales of biosimilars in H1 of USD 1,496 million reflected growth of 12% at CC and 17% at CGR. Biosimilars represented 29% of total net sales (H1 2024: 27%, Q2 2025: 30%).

Strong Europe biosimilars net-sales growth of 17% at CC benefited from a number of good performances, including recently launched Pyzchiva and Tyruko, while strong International biosimilar net-sales growth of 30% at CC partly reflected the strong contribution from Omnitrope® (somatropin). Major biosimilar launches in International in 2025 will all occur in the second half of the year.

North America biosimilar net sales declined by 9% at CC in the half, reflecting the withdrawal of Cimerli in Q1 2025 and the effect of private-label adalimumab pricing; excluding the impact of the 2024 acquisition of Cimerli, North America biosimilar net sales grew by 9%.

Q2

	Q2 2025	% of net sales	Q2 2024	change		
	USD m		USD m	USD %	CC %	CGR %
Generics	1,927	70	1,835	5%	2%	3%
Biosimilars	825	30	720	15%	12%	20%
Net sales	**2,752**	**100**	**2,555**	**8%**	**5%**	**7%**

Net sales for the second quarter were USD 2,752 million, up by 5% at CC and by 7% at CGR. Volumes grew by 8%, partly offset by price erosion of 3%.

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Net sales by region

H1

	H1 2025 USD m	% of net sales	H1 2024 USD m	change USD %	change CC %	change CGR %
Europe	2,832	54	2,634	8%	6%	6%
International	1,284	25	1,269	1%	5%	8%
North America	1,116	21	1,144	-2%	-1%	4%
Net sales	**5,232**	**100**	**5,047**	**4%**	**4%**	**6%**

Europe overview
Net sales in Europe in H1 were USD 2,832 million, reflecting growth of 6% at CC and CGR. Europe net sales of generics grew by 2% at CC in the first half, with growth in biosimilars of 17% at CC primarily a result of commercial execution and recent launches, including Pyzchiva and Tyruko.

International overview
Net sales in International in H1 were USD 1,284 million, with growth of 5% at CC and 8% at CGR. In the second quarter, International net sales grew by 11% at CC and by 13% at CGR, despite major biosimilar launches this year all coming in H2. Pricing increased in generics during the first half of 2025, with strong International biosimilar net-sales growth of 30% at CC partly a result of the continued good performance from Omnitrope.

North America overview
Net sales in North America in H1 were USD 1,116 million, reflecting a decline of 1% at CC. Growth at CGR however, namely excluding the impact of the acquisition of Cimerli, amounted to 4%. A good performance from generics was driven by the successful recent launch of paclitaxel, as well as continued strong growth in Canada. Biosimilar net-sales growth would have been positive when excluding the aforementioned impact of the Cimerli acquisition. Price erosion was driven by reduced Cimerli sales, private-label adalimumab pricing and Omnitrope.

Q2

	Q2 2025 USD m	% of net sales	Q2 2024 USD m	change USD %	change CC %	change CGR %
Europe	1,460	53	1,308	12%	6%	6%
International	694	25	627	11%	11%	13%
North America	598	22	620	-4%	-3%	5%
Net sales	**2,752**	**100**	**2,555**	**8%**	**5%**	**7%**

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H1 2025 KEY OPERATING AND NON-OPERATING RESULTS

	H1 2025	H1 2024	change	
	USD m	USD m	USD %	CC %
Net sales	5,232	5,047	4%	4%
Gross profit	2,411	2,380	1%	2%
Operating income	602	332	81%	90%
EBITDA	870	576	51%	55%
Net income	377	151	nm	nm
Core results				
Core gross profit	2,575	2,544	1%	2%
Core gross profit margin (%)	**49.2%**	**50.4%**		
Core operating income	901	763	18%	20%
Core operating income margin (%)	**17.2%**	**15.1%**		
Core EBITDA	1,046	885	18%	20%
Core EBITDA margin (%)	**20.0%**	**17.5%**		
Core net income	635	484	31%	34%
Core diluted earnings per share (USD)	1.46	1.12	30%	33%

Core gross profit amounted to USD 2,575 million (H1 2024: USD 2,544 million), resulting in a core gross profit margin of 49.2% (H1 2024: 50.4%). The favorable product mix from double-digit biosimilars growth, as well as operational improvements, was more than offset by price erosion and inflation on cost of goods sold.

Core EBITDA was USD 1,046 million (H1 2024: USD 885 million), resulting in a core EBITDA margin of 20.0% (H1 2024: 17.5%). The strong increase was primarily driven by leveraging expenses from a growing top line and savings from the transformation program. EBITDA was USD 870 million (H1 2024: USD 576 million). Core adjustments for EBITDA in the first half of 2025 were USD 176 million (H1 2024: USD 309 million). These were mainly driven by separation costs of USD 156 million, costs of rationalization of internal manufacturing sites of USD 54 million and favorable impacts from adjustments for legal costs of USD 28 million.

Core net income was USD 635 million (H1 2024: USD 484 million), mainly driven by higher core operating income and a lower core net financial result, partly offset by higher core income taxes, while the effective tax rate remained broadly unchanged. Core diluted earnings per share were USD 1.46 (H1 2024: USD 1.12). The weighted average number of shares diluted was 435.8 million as of June 30, 2025, versus 432.2 million in the prior-year period.

NET CASH FLOW, NET WORKING CAPITAL AND NET DEBT

	H1 2025 USD m	H1 2024 USD m	change USD m
Net cash flows from operating activities	523	229	294
Cash flows used for net capex	(310)	(205)	(105)
Free cash flow	207	21	186
Management free cash flow	503	237	266

Sandoz generated net cash flows from operating activities of USD 523 million in the first half of the year (H1 2024: USD 229 million). This was mainly driven by working-capital enhancements through improvements in receivables; inventory levels were stable versus December 2024.

Cash flows used for capital expenditures were USD 310 million (H1 2024: USD 205 million). This included the company's ongoing investment in Slovenia, namely a new biosimilar drug substance production center in Lendava, a biosimilar development center in Ljubljana and a new production plant in Brnik. It also included separation-related investments in facilities and technology.

Management free cash flow, defined as free cash flow adjusted for one-off items, was USD 503 million (H1 2024: USD 237 million). The increase was mainly driven by a higher core EBITDA. Free cash flow amounted to USD 207 million (H1 2024: USD 21 million). The improvement was mainly due to increased net cash flows from operating activities, partly offset by higher cash flows used for capital expenditures.

	Jun 30, 2025 USD m	Dec 31, 2024 USD m	change USD m
Net working capital	3,638	3,486	152
Net debt	**3,909**	**3,329**	**580**

Net working capital increased by USD 152 million, largely due to currency-translation effects of USD 305 million, offset by improvements in underlying net working capital.

Non-current financial debt increased by USD 811 million, reflecting the issuance of three bonds in the first half of 2025 of EUR 500 million and CHF 400 million, respectively and currency-translation effects. This was partly offset by the repayment of USD 750 million equivalent in USD and EUR term loans.

Cash and cash equivalents increased by USD 198 million as cash generated from operating activities and proceeds from the issuance of non-current financial debt were partly offset by the repayment of term loans, the annual dividend payment and purchases of property, plant and equipment.

As a result of the above, net debt increased to USD 3.9 billion compared to USD 3.3 billion on December 31, 2024, mainly related to currency-translation effects of USD 422 million.

CONFERENCE CALL

A conference call and webcast for investors and analysts will begin today at 9am CET. Details can be found here, with the accompanying presentation here.

NOTES

The performance shown in this announcement covers the six-month period to June 30, 2025 (H1 2025) and the three-month period to June 30, 2025 (Q2 2025), compared to the six-month period to June 30, 2024 (H1 2024) and the three-month period to June 30, 2024 (Q2 2024), respectively. Commentary is based on the performance in H1 2025, unless stated otherwise.

CALENDAR

The company intends to publish its nine-months' and third-quarter sales update on October 30, 2025.

HALF-YEAR REPORT

Sandoz published its Half-Year Report 2025 today, which can be found here.

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DISCLAIMER

This media release contains forward-looking statements, which offer no guarantee with regard to future performance. These statements are made on the basis of management's views and assumptions regarding future events and business performance at the time the statements are made. They are subject to risks and uncertainties including, but not confined to, future global economic conditions, exchange rates, legal

provisions, market conditions, activities by competitors and other factors outside of the control of Sandoz. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. Each forward-looking statement speaks only as of the date of the particular statement, and Sandoz undertakes no obligation to publicly update or revise any forward-looking statements, except as required by law.

This media release includes non-IFRS financial measures as defined by Sandoz. An explanation of non-IFRS measures can be found in the Supplementary financial information section of the Half-Year Report 2025.

ABOUT SANDOZ

Sandoz (SIX: SDZ; OTCQX: SDZNY) is the global leader in generic and biosimilar medicines, with a growth strategy driven by its Purpose: pioneering access for patients. More than 20,000 people of 100 nationalities work together to ensure 900 million patient treatments are provided by Sandoz, generating substantial global healthcare savings and an even larger social impact. Its leading portfolio of approximately 1,300 products addresses diseases from the common cold to cancer. Headquartered in Basel, Switzerland, Sandoz traces its heritage back to 1886. Its history of breakthroughs includes Calcium Sandoz in 1929, the world's first oral penicillin in 1951, and the world's first biosimilar in 2006. In 2024, Sandoz recorded net sales of USD 10.4 billion.

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SUPPORTING FINANCIAL INFORMATION

2025 NET SALES

By business

	Q1 2025	change		Q2 2025	change		H1 2025	change	
	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %
Generics	1,809	-3%	0%	1,927	5%	2%	3,736	1%	1%
Biosimilars	671	8%	11%	825	15%	12%	1,496	11%	12%
Net sales	**2,480**	**0%**	**3%**	**2,752**	**8%**	**5%**	**5,232**	**4%**	**4%**

By region

	Q1 2025	change		Q2 2025	change		H1 2025	change	
	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %
Europe	1,372	3%	7%	1,460	12%	6%	2,832	8%	6%
International	590	-8%	-2%	694	11%	11%	1,284	1%	5%
North America	518	-1%	1%	598	-4%	-3%	1,116	-2%	-1%
Net sales	**2,480**	**0%**	**3%**	**2,752**	**8%**	**5%**	**5,232**	**4%**	**4%**

By region and business

	H1 2025	H1 2024	change		
	USD m	USD m	USD %	CC %	CGR %
Europe	2,832	2,634	8%	6%	6%
Generics	*1,941*	*1,881*	*3%*	*2%*	*2%*
Biosimilars	*891*	*753*	*18%*	*17%*	*17%*
International	1,284	1,269	1%	5%	8%
Generics	*1,019*	*1,055*	*-3%*	*-1%*	*3%*
Biosimilars	*265*	*214*	*24%*	*30%*	*30%*
North America	1,116	1,144	-2%	-1%	4%
Generics	*776*	*768*	*1%*	*2%*	*2%*
Biosimilars	*340*	*376*	*-10%*	*-9%*	*9%*
Net sales	**5,232**	**5,047**	**4%**	**4%**	**6%**

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2024 NET SALES

By business

	Q1 2024	change		Q2 2024	change		Q3 2024	change		Q4 2024	change	
	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %
Generics	1,869	0	1	1,835	-1	1	1,854	3	4	1,946	1	4
Biosimilars	623	21	21	720	35	37	741	36	37	769	23	25
Net sales	**2,492**	**5**	**6**	**2,555**	**7**	**9**	**2,595**	**11**	**12**	**2,715**	**7**	**9**

By region

	Q1 2024	change		Q2 2024	change		Q3 2024	change		Q4 2024	change	
	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %
Europe	1,326	4	2	1,308	2	3	1,362	13	12	1,367	7	8
International	642	4	12	627	5	9	635	2	8	653	0	6
North America	524	6	6	620	22	23	598	17	18	695	13	14
Net sales	**2,492**	**5**	**6**	**2,555**	**7**	**9**	**2,595**	**11**	**12**	**2,715**	**7**	**9**

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H1 2025: RECONCILIATION FROM IFRS RESULTS TO CORE RESULTS

(USD millions unless indicated otherwise)	IFRS results	Amortization of intangible assets[1]	Impairments[2]	Acquisition or divestment of businesses and related items[3]	Other items[4]	Core results
Net sales	**5,232**	**–**	**–**	**–**	**–**	**5,232**
Other revenues	33	–	–	–	–	33
Cost of goods sold	(2,854)	101	15	–	48	(2,690)
Gross profit	**2,411**	**101**	**15**	**–**	**48**	**2,575**
Selling, general and administration	(1,192)	–	–	–	10	(1,182)
Development and regulatory	(504)	–	1	–	2	(501)
Other income	222	–	–	(10)	(109)	103
Other expense	(335)	–	–	–	241	(94)
Operating income[5]	**602**	**101**	**16**	**(10)**	**192**	**901**
Interest expense	(111)	–	–	–	–	(111)
Other financial income and expense	13	–	–	–	3	16
Income before taxes	**504**	**101**	**16**	**(10)**	**195**	**806**
Income taxes[6]	(127)					(171)
Net income	**377**					**635**
Basic earnings per share (USD)	0.87					1.47
Diluted earnings per share (USD)	0.87					1.46

1. Amortization of intangible assets: cost of goods sold includes the amortization of rights to currently marketed products and other production-related intangible assets.
2. Impairments: cost of goods sold and development and regulatory include impairment charges related to intangible assets.
3. Acquisition or divestment of businesses and related items: other income includes a release related to the China business divestment.
4. Other items: cost of goods sold, other income and other expense include the Group-wide rationalization of manufacturing sites; cost of goods sold, selling general and administration, development and regulatory, other income and other expense include the separation costs related to the spin-off; selling general and administration, development and regulatory, other income and other expense include the costs related to the transformation program and other restructuring charges; other income and other expense include legal related charges and adjustments to contingent considerations; other expense includes an onerous contract adjustment; other financial income and expense includes the net monetary impacts on the restatement of non-monetary items for subsidiaries in hyperinflationary economies.
5. For further breakdown of core adjustments by category, refer to table Reconciliation from IFRS operating income to core net income in the Half-Year Report 2025.
6. Taxes on the adjustments between IFRS and core results take into account, for each individual item included in the adjustment, the tax rate that will finally be applicable to the item based on the jurisdiction where the adjustment will finally have a tax impact. Generally, this results in amortization and impairment of intangible assets and acquisition-related restructuring and integration items having a full tax impact. There is usually a tax impact on other items, although this is not always the case for items arising from legal settlements in certain jurisdictions. Due to these factors and the differing applicable tax rates in the various jurisdictions, the tax on the total adjustments of USD 302 million to arrive at the core results before tax amounts to USD 44 million. The average tax rate on the adjustments was 14.6%.

Further reconciliations of core results are available in the Supplementary financial information of the Half-Year Report 2025, which can be found here.