

Ad hoc announcement pursuant to art. 53 SIX Swiss Exchange Listing Rules

MEDIA RELEASE

Sandoz reports third-quarter and nine-month 2024 sales

- Strong third-quarter biosimilars growth of 37% in constant currencies from existing portfolio and recent launches
- Generics growth acceleration driven by Europe
- Third-quarter net sales¹ of USD 2.6 billion, up 12% in constant currencies (up 11% in USD)
- Nine-month net sales of USD 7.6 billion, up 9% in constant currencies (up 8% in USD)
- Net sales growth guidance increased to high-single digit in constant currencies (from mid- to high-single digit) and core EBITDA margin² guidance of around 20% confirmed

Basel, October 30, 2024 – Sandoz (SIX:SDZ/OTCQX:SDZNY), the global leader in generic and biosimilar medicines, today announced net sales for the third quarter and nine months ended September 30, 2024. For the third quarter, net sales were USD 2.6 billion, an increase of 12% in constant currencies compared to the same quarter of the prior year. For the first nine months of 2024, net sales were USD 7.6 billion, an increase of 9% in constant currencies compared to the prior year.

Richard Saynor, Chief Executive Officer of Sandoz, said: “We remain focused on execution, meeting key milestones in our biosimilars business and progressing on our journey as a standalone company. In recent months, we received approval for Pyzchiva® and Enzeevu™ in the US, launched Pyzchiva® in Europe and see continued strong uptake of Hyrimoz® in the US.

“Net sales growth was achieved across generics and biosimilars, with generics accelerating in the third quarter and strong double-digit biosimilars growth in both the third quarter and first nine months. Additionally, all three regions contributed to this strong performance. We expect momentum in our business to continue, driving margin expansion through favorable product mix and leveraging our cost base. We have further advanced on our path to simplifying our business, including progression on the transformation program we launched earlier this year.”

¹ Net sales in this document refer systematically to net sales to third parties. In the first nine months of 2023, third-party sales excluded sales to our former parent. Post spin-off, sales to our former parent are reported as third-party sales.

² An explanation of non-IFRS measures can be found in the Supplementary financial information of the Half-Year Report 2024

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THIRD-QUARTER AND NINE-MONTH SALES

Net sales for the third quarter were USD 2.6 billion, up 12% in constant currencies, compared to the third quarter of 2023. Volume contributed 13 percentage points of growth. This was partially offset by price erosion of 1 percentage point. Biosimilars were the key driver of growth in the quarter, while generics experienced solid demand. Growth accelerated in both businesses.

Net sales for the first nine months of 2024 were USD 7.6 billion, up 9% in constant currencies compared to prior year. Volume contributed 11 percentage points of growth. This was partially offset by price erosion of 2 percentage points. The growth was primarily driven by biosimilars, with strong demand for both the base business and new in-market organic and acquired products in the US.

Net sales by business

USD millions unless indicated otherwise	Q3 2024	Q3 2023	Change %		9M 2024	9M 2023	Change %	
			USD	cc*			USD	cc*
Generics	1 854	1 794	3	4	5 558	5 512	1	2
Biosimilars	741	543	36	37	2 084	1 592	31	32
Net sales to third parties	2 595	2 337	11	12	7 642	7 104	8	9

*constant currencies

Generics overview

Net sales for the third quarter were USD 1.9 billion, up 4% in constant currencies, compared to the third quarter of 2023. Net sales for the first nine months were USD 5.6 billion, up 2% in constant currencies versus prior year.

Growth in the Europe region accelerated in the third quarter, mainly driven by recent launches. The momentum continued in the International region, aided by demand for the antifungal agent Mycamine® and favorable pricing dynamics, partly offset by the divestment of the Chinese business. North America declined due to timing of new launches in the US.

Biosimilars overview

Net sales for the third quarter were USD 741 million, up 37% in constant currencies, compared to the third quarter of 2023. Net sales for the first nine months were USD 2.1 billion, up 32% in constant currencies versus prior year.

The strong double-digit biosimilars growth reflects the uptake of Hyrimoz® (adalimumab) in the US, the acquisition of Cimerli® (ranibizumab), the continued strong demand for our first-ever biosimilar, Omnitrope® (somatropin), and the launches of Tyruko® (natalizumab) and Pyzchiva® (ustekinumab) in Europe.

Net sales by region

USD millions unless indicated otherwise	Q3 2024	Q3 2023	Change %		9M 2024	9M 2023	Change %	
			USD	cc			USD	cc
			Europe	1 362			1 204	13
North America	598	510	17	18	1 742	1 514	15	15
International	635	623	2	8	1 904	1 839	4	9
Net sales to third parties	2 595	2 337	11	12	7 642	7 104	8	9

Europe overview

Net sales for the third quarter were USD 1.4 billion, up 12% in constant currencies, compared to the third quarter of 2023. Net sales for the first nine months were USD 4.0 billion, up 6% in constant currencies versus prior year.

Strong growth in biosimilars continues, led by demand for Omnitrope® and the contribution from the recent launches of Tyruko® and Pyzchiva®. Generics momentum accelerated in the third quarter, driven by recent launches and the lapping of the strong prior-year comparison in the first half.

North America overview

Net sales for the third quarter were USD 598 million, up 18% in constant currencies, compared to the third quarter of 2023. Net sales for the first nine months were USD 1.7 billion, up 15% in constant currencies versus prior year.

Growth was driven by the ongoing uptake of Hyrimoz® in the US, the acquisition of Cimerli®, share gain of Omnitrope® in the US and the launch of Wyost®/Jubbonti® in Canada. This was partly offset by a decline in generics sales due to the timing of new launches in the US.

International overview

Net sales for the third quarter were USD 635 million, up 8% in constant currencies, compared to the third quarter of 2023. Net sales for the first nine months were USD 1.9 billion, up 9% in constant currencies versus prior year.

This was primarily a result of strong volume growth across both generics and biosimilars, contribution from the acquisition of Mycamine® in the prior year, favorable price dynamics and recent launches, partly offset by the divestment of the Chinese business in the second quarter.

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GUIDANCE 2024

On the back of strong momentum in its biosimilars business and solid generics demand, the company is increasing its full-year 2024 net sales guidance to high-single digit growth in constant currencies versus prior year (from mid- to high-single digit) and is confirming its core EBITDA margin guidance of around 20%.

THIRD-QUARTER STRATEGIC MILESTONES

Sandoz continued to execute on its strategy and passed additional milestones in its biosimilars portfolio. On July 1, the company announced the US FDA approval of biosimilar Pyzchiva® for all indications of the reference medicine. The company intends to launch Pyzchiva® in the US among the first wave of ustekinumab biosimilars in February 2025.

On July 25, Sandoz announced the launch of biosimilar Pyzchiva® across Europe to treat chronic inflammatory diseases. Pyzchiva® was the first biosimilar to launch in Europe with all reference medicine strengths, including an initiation dose for Crohn's disease.

On August 12, Sandoz received FDA approval for Enzeevu™ to treat neovascular age-related macular degeneration. This approval further enhances the company's leading US ophthalmology portfolio and increases access for patients. Launch timing will be dependent on several factors, including the progress and outcome of pending or potential litigation or any potential settlements.

KEY LINKS

[Webcast](#) – Live at 9am CET

[Analyst call presentation](#)

[Analyst consensus](#)

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 of the Half-Year Report 2024.

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 800 million patient treatments are provided by Sandoz, generating substantial global healthcare savings and an even larger social impact. Its leading portfolio of approximately 1,500 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 2023, Sandoz recorded net sales of USD 9.6 billion.

CONTACTS

Global Media Relations contacts

Global.MediaRelations@sandoz.com

Steffen Kurzawa
+41 79 800 8501

Joerg E. Allgaeuer
+49 171 838 4838

Investor Relations contacts

Investor.Relations@sandoz.com

Laurent de Weck
+41 79 795 7364

Tamara Hackl
+41 79 790 5217

SUPPORTING FINANCIAL INFORMATION

Quarterly net sales

2024

USD millions unless indicated otherwise	Q1 2024	Change %		Q2 2024	Change %		Q3 2024	Change %	
		USD	cc		USD	cc		USD	cc
Generics	1 869	0	1	1 835	-1	1	1 854	3	4
Biosimilars	623	21	21	720	35	37	741	36	37
Net sales to third parties	2 492	5	6	2 555	7	9	2 595	11	12

USD millions unless indicated otherwise	Q1 2024	Change %		Q2 2024	Change %		Q3 2024	Change %	
		USD	cc		USD	cc		USD	cc
Europe	1 326	4	2	1 308	2	3	1 362	13	12
North America	524	6	6	620	22	23	598	17	18
International	642	4	12	627	5	9	635	2	8
Net sales to third parties	2 492	5	6	2 555	7	9	2 595	11	12

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2023

USD millions unless indicated otherwise	Q1 2023	Change %		Q2 2023	Change %		Q3 2023	Change %		Q4 2023	Change %	
		USD	cc		USD	cc		USD	cc		USD	cc
Generics	1 868	2	6	1 850	4	6	1 794	5	4	1 920	6	6
Biosimilars	516	11	17	533	13	14	543	7	4	623	29	26
Net sales to third parties	2 384	4	9	2 383	5	8	2 337	6	4	2 543	11	10

USD millions unless indicated otherwise	Q1 2023	Change %		Q2 2023	Change %		Q3 2023	Change %		Q4 2023	Change %	
		USD	cc		USD	cc		USD	cc		USD	cc
Europe	1 270	10	16	1 277	14	12	1 204	11	3	1 272	10	4
North America	496	-5	-3	508	-4	-2	510	-4	-3	615	20	20
International	618	-1	4	598	-3	8	623	3	12	656	4	14
Net sales to third parties	2 384	4	9	2 383	5	8	2 337	6	4	2 543	11	10