

# Novartis Financial Results - Q1 2018

Novartis delivered a strong first quarter and acted to become a more focused medicines company



**+4%**  
NET SALES (cc<sup>1</sup>)

**12.7 bn**

NET SALES (USD)

**3.3 bn**

CORE<sup>2</sup> OPERATING INCOME (USD)  
+4% (cc)

**1.9 bn**

FREE CASH FLOW<sup>3</sup>  
+15% (USD)

## Key Growth Drivers



Net sales grew, mainly driven by Entresto® (+126% cc), Cosentyx® (+35% cc) and Oncology



Oncology returned to growth (+6% cc) driven by Promacta®/Revolade®, Tafinlar® + Mekinist®, Jakavi® and recent launches

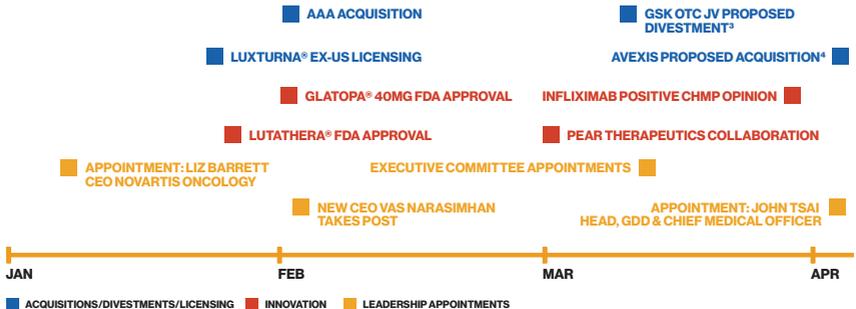


Alcon<sup>2</sup> continued to grow sales (+7% cc) and core operating income (+29% cc) as a result of improved operations, customer relationships and product launches

## Q1 at a glance

Actions to support strategic priorities

Click each item to learn more



**“We continued our transformation this quarter to become a more focused medicines company.**

**Operationally, we drove solid growth across all financial metrics, strong performance across our key growth brands, and continued Alcon’s strong recovery.”**



@VasNarasimhan  
CEO, Novartis

## Executive Committee Appointments

(pictured left to right)

**Liz Barrett** appointed to CEO, Novartis Oncology

**Bertrand Bodson**, Chief Digital Officer, appointed to the Executive Committee of Novartis (ECN)

**Steffen Lang**, Global Head Novartis Technical Operations, appointed to the ECN

**Shannon Klinger** named Chief Ethics, Risk and Compliance Officer, appointed to the ECN

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



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 43 of the Condensed Financial Report. Unless otherwise noted, all growth rates in this Release refer to same period in prior year. 2. Following the product transfers announced on October 24, 2017 and January 24, 2018, results from the Alcon Division in 2018 and 2017 include the Ophthalmic OTC products and a small portfolio of surgical diagnostic products, transferred from the Innovative Medicines Division effective January 1, 2018. 3. OTC Joint Venture sale subject to approval of GSK shareholders. 4. AveXis acquisition subject to the successful completion of the tender offer and customary closing conditions.