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At the Meet Novartis Management investor event, Novartis highlights strategy to focus the company and drive sustainable growth

- Full pipeline of late stage assets with blockbuster potential
- Positioned to deliver sales growth and margin expansion through 2022
- Pipeline depth in key therapeutic areas and building new, distinctive platform capabilities
- Alcon returning to a position of strength as the world’s leading eye care devices company

Basel, May 16, 2018 – Today Novartis holds its annual Meet Novartis Management event at its global headquarters in Basel, Switzerland, giving investors and analysts the opportunity to meet with key executives across the company in six separate breakout sessions. The meeting provides a deeper view into the company’s strategy for sustainable value creation, and addresses investors’ questions via an open Q&A format.

“We would like to thank all our investors for their commitment to our company. We are excited and confident that our portfolio of novel medicines, together with our strategy to become a more focused medicines company, will result in sustainable top and bottom line growth. We also have made mistakes recently and the world rightly expects more from a leading healthcare company. Our new executive team and I have a deep commitment to ensure we always operate with the highest integrity and sound judgment and will work hard to rebuild lasting trust with society,” said Novartis CEO, Vas Narasimhan M.D.

For the Innovative Medicines Pharmaceuticals business unit, management highlights Cosentyx and Entresto, as well as 10 potential blockbuster launches in the next three years including Aimovig, BAF312 and RTH258. Cosentyx has taken NBRx leadership in Rheumatology (PsA and AS) where IL-17A has shown strong lasting efficacy and a favorable safety profile. Head-to-head superiority trials of Cosentyx vs. adalimumab in PsA and AS are ongoing. Entresto sales have continued to build with a growing body of evidence showing Entresto helps patients live longer and have a better quality of life.

The Innovative Medicines Oncology business unit returned to growth with sales +6% (cc) in Q1 2018, driven by Tafinlar + Mekinist, Promacta and Jakavi. Three new potential blockbuster launches, Kisqali, Kymriah and Lutathera, are expected to further drive growth in the mid-term. Oncology is expected to have 15 major filings and 13 approvals in 2018 and sizable filing opportunities in 2019, including SEG101 and PDR001 + Tafinlar + Mekinist.

In Sandoz, management highlights continued leadership in biosimilars and plans for major launches in the US and Europe. Despite continuing US pricing pressure, globally, the Sandoz gross margin is improving, driven by an increased focus on higher-margin portfolio segments and geographies, as well as productivity. In the US, Sandoz is optimizing the portfolio through targeted pruning and learning from recent setbacks. Outside the US, growth continues across regions and Sandoz is the market leader in Europe.

In Alcon, management highlights the actions that have returned the business to growth and improved margins. Alcon is the global market leader in eye care devices, with leading global sales positions in the growing Surgical and Vision Care markets. With continued innovation, investment and improved operations, Alcon expects to return to long-term, sustainable growth with margins in line with industry peers. The strategic review is on track with action not expected before the first half of 2019.
Novartis has a strong track record of R&D excellence, including being #1 in US/EU approvals over the last 10 years. The Global Drug Development (GDD) team provides insight into the full pipeline of late stage assets with blockbuster potential. These late stage assets are followed up with a strong and diverse set of emerging phase II assets from the Novartis Institutes for Biomedical Research (NIBR). Novartis is building new platform capabilities in advanced therapies and leveraging internal and external innovation to build and accelerate our pipeline.

In closing, Group management reiterates the overall strategy. We have taken steps to focus the company and our capital in areas where we have the key ingredients to lead. We announced the sale of our stake in the Consumer Healthcare JV to GSK and invested more in gene therapy and oncology. We are positioned to deliver sales growth and margin expansion through 2022, driven by our key in-market products, our full late-stage pipeline and ongoing productivity efforts. We are working to capture the potential of digital technologies in every function. We have pipeline depth in our key therapeutic areas, and are building new, distinctive platform capabilities for the future. Novartis management is focused on driving our strategy and sustainable growth.

For background slides and webcast (audio only) please refer to the following link: http://www.novartis.com/investors/event-calendar/index.shtml

The background slide decks will be available on Wednesday May 16, 2018 at 7:15 am CET.

Disclaimer
This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, that can generally be identified by words such as "strategy," "pipeline," "potential," "positioned to," "building," "commitment," "excited," "confident," "will," "ongoing," "expected," "plans," "optimizing," "continues," "expects," "strategic review," "on track," "emerging," "to build and accelerate," "working to," "future," "sustainable," or similar expressions, or by express or implied discussions regarding potential new products, potential new indications for existing products, or regarding potential future revenues from any such products; or regarding potential future sales or earnings of Novartis; or regarding the potential outcome of the strategic review being undertaken to maximize shareholder value of the Alcon Division; or regarding the potential financial or other impact of the significant acquisitions and reorganizations of recent years; or regarding potential future sales or earnings of the Novartis Group or any of its divisions or potential shareholder returns; or by discussions of strategy, plans, expectations or intentions. You should not place undue reliance on these statements. Such forward looking statements are based on our current beliefs and expectations regarding future events, and are subject to subject to significant known and unknown risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward looking statements. There can be no guarantee that any new products will be approved for sale in any market; or that any new indications will be approved for any existing products in any market, or that any approvals which are obtained will be obtained at any particular time, or that any such products will achieve any particular revenue levels. Neither can there be any guarantee that the strategic review being undertaken to maximize shareholder value of the Alcon Division will reach any particular results, or at any particular time, or that the result of the strategic review will in fact maximize shareholder value. Neither can there be any guarantee that Novartis will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of the significant acquisitions and reorganizations of recent years. Neither can there be any guarantee that shareholders will achieve any particular level of shareholder returns. Nor can there be any guarantee that the Group, or any of its divisions, will be commercially successful in the future, or achieve any particular credit rating or financial results. In particular, our expectations could be affected by, among other things: global trends toward health care cost containment, including government, payor and general public pricing and reimbursement pressures and requirements for increased pricing transparency; regulatory actions or delays or government regulation generally, including potential regulatory actions or delays with respect to the development of the products described in this release; the potential that the strategic benefits, synergies or opportunities expected from the proposed acquisition of AveXis, Inc. may not be realized or may take longer to realize than expected; the successful integration of AveXis into the Novartis Group subsequent to the closing of the transaction and the timing of such integration; potential adverse reactions to the proposed transaction by customers, suppliers or strategic partners; dependence on key AveXis personnel and customers; the potential that the strategic benefits, synergies or opportunities expected from the significant acquisitions and reorganizations of recent years may not be realized or may take longer to realize than expected; the inherent uncertainties involved in predicting shareholder returns; the uncertainties inherent in the research and development of new healthcare products, including clinical trial results and additional analysis of existing clinical data; our ability to obtain or maintain proprietary intellectual property protection, including the ultimate extent of the impact on Novartis of the loss of patent protection and exclusivity on key products which commenced in prior years and will continue this year; safety, quality or manufacturing issues; uncertainties regarding actual or potential legal proceedings, including, among others, actual or potential product liability litigation, litigation and investigations regarding sales and marketing practices, intellectual property disputes and government investigations generally; uncertainties involved in the development or adoption of potentially transformational technologies and business models; general political and economic conditions, including uncertainties regarding the effects of ongoing instability in various parts of the world; uncertainties regarding future global exchange rates; uncertainties regarding future demand for our products; and uncertainties regarding potential significant breaches of data security or data privacy, or disruptions of our information technology systems; and other risks and factors referred to in Novartis AG’s current Form 20-F
on file with the US Securities and Exchange Commission. Novartis is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

About Novartis
Novartis provides innovative healthcare solutions that address the evolving needs of patients and societies. Headquartered in Basel, Switzerland, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, cost-saving generic and biosimilar pharmaceuticals and eye care. Novartis has leading positions globally in each of these areas. In 2017, the Group achieved net sales of USD 49.1 billion, while R&D throughout the Group amounted to approximately USD 9.0 billion. Novartis Group companies employ approximately 124,000 full-time-equivalent associates. Novartis products are sold in approximately 155 countries around the world. For more information, please visit http://www.novartis.com.

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