SANDOZ

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MEDIA RELEASE

Sandoz delivers strong full-year results; guidance for 2026 reflects an expected acceleration in growth

Basel, February 25, 2026 – Sandoz (SIX: SDZ; OTCQX: SDZNY), the global leader in affordable medicines, today presents its financial results for the full year and net sales for the fourth quarter of 2025.

FINANCIAL RESULTS

	FY 2025	FY 2024	change		
	USD m	USD m	USD %	CC %[1,2]	CGR %[3]
Net sales	11,086	10,357	7%	5%	6%
Generics	*7,794*	*7,504*	*4%*	*2%*	*2%*
Biosimilars	*3,292*	*2,853*	*15%*	*13%*	*18%*
Core EBITDA	2,405	2,080	16%	14%	
Core EBITDA margin	21.7%	20.1%			
Core diluted earnings per share	USD 3.64	USD 2.71	34%	33%	
Management free cash flow	1,547	1,112	39%		
Core return on invested capital	14.5%	12.3%			

Richard Saynor, Chief Executive Officer of Sandoz, said: “Our strong financial results in 2025 demonstrate the excellent headway we’re making. It was a year marked by the progress of our industry-leading pipeline, a record number of launches and significant investment in securing our biosimilars leadership for years to come. Our unrelenting focus on top-line growth, profitability and cash generation positions Sandoz well to deliver even more for patients and shareholders.

“We will build on this momentum in 2026. Alongside our launch program, we plan to extend patient access, expand the pipeline and make further efficiency gains. As we cement our leadership in affordable medicines, we have an excellent platform to meet the unprecedented opportunities ahead and deliver strong results in a high-growth, attractive market.”

[1] Constant currencies.
[2] Non-IFRS measures are defined in the Supplementary financial information section of the Integrated Annual Report 2025.
[3] 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.

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FINANCIAL HIGHLIGHTS

- FY 2025 net sales of USD 11.1 billion
  - Up by 5% at CC and 7% in USD in the year, with volume growth of 8%; on a CGR basis, net sales grew by 6%
  - Biosimilar sales up by 13% at CC in the year and by 18% at CGR; generics growth of 2% at CC and CGR
  - The biosimilar share of total net sales increased to 30% (FY 2024: 28%)
  - The 10 largest-selling medicines grew by a combined 10% at CC in the year and represented 33% of net sales
  - In the fourth quarter, net sales of USD 3.0 billion represented growth of 6% at CC and 12% in USD; on a CGR basis, net sales grew by 7% in the quarter
- Core EBITDA-margin expansion in FY 2025 of 160 basis points to 21.7%, driven by a favorable mix of sales, operational efficiencies and cost discipline
- Core diluted earnings per share in the year up by 33% at CC to USD 3.64, mainly benefitting from growth in core net income
- Management free cash flow, defined as free cash flow adjusted for one-off items, amounted to USD 1.5 billion (FY 2024: USD 1.1 billion), with the increase primarily driven by the growth in core EBITDA
- A core return on invested capital (ROIC) of 14.5% in FY 2025 (FY 2024: 12.3%), principally a result of the strong growth in core operating income
- A proposed dividend per share of CHF 0.80[4] (FY 2024: CHF 0.60), representing 27% of core net income
- Full-year 2026 guidance of mid-to-high single-digit net-sales growth[5] and core EBITDA-margin expansion of around 100 basis points

BUSINESS HIGHLIGHTS

2025 was a milestone year for Sandoz, marked by a wave of launches across biosimilars and generics, significant progress on the transformation journey and strong financial results. The biosimilars business continued to perform strongly, supported by major launches:

- Pyzchiva® (ustekinumab) was launched in the US in February 2025, offering new treatment options for around 12 million patients with chronic inflammatory diseases such as psoriasis and psoriatic arthritis. The rollout included a full suite of dosing options and extended stability compared to the reference medicine
- The Pyzchiva autoinjector was launched in Europe in May 2025, the first ustekinumab biosimilar in Europe available in a pre-filled pen, with an improved self-administration experience supporting better treatment adherence and quality of life
- Wyost® & Jubbonti® (denosumab) were launched in the US in June 2025 as the first FDA[6]-approved interchangeable denosumab biosimilars, providing affordable treatment options for osteoporosis and cancer-related skeletal events, cementing Sandoz's leadership in oncology and immunology biosimilars

[4] Subject to approval at the Annual General Meeting on April 9, 2026.
[5] At CC.
[6] US Food & Drug Administration.

- Tyruko® (natalizumab) was launched in the US in November 2025 as the first and only multiple-sclerosis biosimilar, approved for all indications of the reference medicine
- Afqlir® (aflibercept) was launched in Europe in November 2025, offering an affordable-treatment option for retinal diseases such as neovascular age-related macular degeneration, expanding Sandoz's presence in the ~USD 15 billion anti-VEGF[7] market
- Wyost & Jubbonti were launched in Europe in December 2025

In November 2025, Sandoz signed a global license agreement with EirGenix Inc. to commercialize a proposed biosimilar of pertuzumab for HER2-positive early and metastatic breast cancer, a market worth approximately USD 4.1 billion[8], strengthening the Company's oncology portfolio and complementing its trastuzumab biosimilars.

In December 2025, Sandoz completed the strategic acquisition of Just-Evotec Biologics EU SAS, including a site in Toulouse, France, expanding in-house development and manufacturing capabilities. In addition, Sandoz acquired an indefinite license to Just-Evotec Biologics, Inc.'s cutting-edge continuous-manufacturing technology. These acquisitions complemented ongoing investments in Slovenia, as Sandoz builds a vertically integrated European biosimilar development and manufacturing network.

In 2025, Sandoz increased the availability of affordable medicines through several important generic launches, including rivaroxaban in Germany, expanding access to high-quality antithrombotic treatment options with multiple dosage forms. In September 2025, Sandoz launched its iron-sucrose injection in the US, broadening access to affordable treatment for iron-deficiency anemia in patients with chronic kidney disease and complementing its injectable iron-therapy portfolio.

The Sandoz pipeline is industry-leading, with 27 biosimilar assets and around 400 generics in development, targeting around USD 420 billion in originator sales. In 2025, the pipeline benefited from positive shifts in regulatory streamlining across key biosimilar programs - developments that are expected to deliver meaningful advantages for both patients and Sandoz.

FULL-YEAR 2026 GUIDANCE

Sandoz anticipates an acceleration of net-sales growth in 2026, partly reflecting the expected performance of recently launched biosimilars. This growth, alongside a favorable movement in the mix of sales, further operating efficiencies and cost discipline, is expected to result in expansion in the core EBITDA margin.

As a result, the Company provides its financial guidance for 2026:

- Net sales to grow at CC by a mid to high single-digit percentage
- Core EBITDA-margin expansion of around 100 basis points

No material contribution from any potential launch of generic semaglutide is expected in 2026, while overall pricing is expected to decline by a low to mid single-digit percentage. The guidance excludes any impacts of

[7] Vascular endothelial growth factor.
[8] Evaluate Pharma, Summary: worldwide sales (last accessed November 2025).

unforeseen events or unconfirmed developments, including the imposition of new tariffs emanating from the US government.

PENICILLINS: TRADE DISTORTION

As part of its vertically integrated penicillins production, the Company sells certain amounts of active pharmaceutical ingredients (APIs) to other businesses. The imposition of tariffs by the US government in 2025 led to reduced exports from China to the US, prompting Chinese suppliers to significantly lower global prices for key penicillin APIs, including 6-Aminopenicillanic acid (6-APA), the foundational compound for all penicillins. This price decline coincided with an increase in global market supply. These dynamics adversely impacted the Sandoz generics net-sales performance in H2 2025; a similar impact is expected in the first half of 2026. No imminent return to prior market conditions is anticipated.

The recently announced introduction of a minimum import price of 6-APA in India is expected to curb the inflow of low-priced imports, primarily from China, and support the domestic fermentation-based antibiotic production in India. This risks a diversion of the supply of low-cost 6-APA towards Europe, which continues to depend on Asia for key intermediates.

CONFERENCE CALL

A conference call and webcast for investors and analysts will begin today at 9.30am CET. Details can be found here, with the accompanying presentation here.

NOTES

The performance shown in this announcement covers the twelve-month period ended December 31, 2025 (FY 2025), the six-month period ended December 31, 2025 (H2 2025) and the three-month period ended December 31, 2025 (Q4 2025), compared to the twelve-month period ended December 31, 2024 (FY 2024), the six-month period ended December 31, 2024 (H2 2024) and the three-month period ended December 31, 2024 (Q4 2024), respectively. Commentary is based on the performance in FY 2025, unless stated otherwise. In this announcement, ‘Company’ refers to Sandoz Group AG. Over one billion patients were reached by Sandoz in 2025, including an estimated 0.2 billion patients reached through API sales.

INTEGRATED ANNUAL REPORT

Sandoz published its Integrated Annual Report 2025 today, which can be found here.

CALENDAR

The Company intends to publish its first-quarter sales update on April 29, 2026.

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ABOUT SANDOZ

Sandoz (SIX: SDZ; OTCQX: SDZNY) is the global leader in affordable medicines, with a growth strategy driven by its Purpose: pioneering access for patients. More than 20,000 colleagues of 100 nationalities work together to ensure over one billion patients are reached by Sandoz, generating substantial global healthcare savings and an even larger social impact. Its leading portfolio of approximately 1,300 medicines addresses diseases from the common cold to cancer. Headquartered in Basel, Switzerland, Sandoz traces its heritage back to 1886. In 2026, Sandoz celebrates 20 years of pioneering biosimilars, 80 years of antibiotics manufacturing and 140 years of heritage.

NET SALES BY BUSINESS

FY 2025

	FY 2025 USD m	% of net sales	FY 2024 USD m	change USD %	change CC %	change CGR %
Generics	7,794	70%	7,504	4%	2%	2%
Biosimilars	3,292	30%	2,853	15%	13%	18%
Net sales	**11,086**	**100%**	**10,357**	**7%**	**5%**	**6%**

Net sales amounted to USD 11.1 billion, reflecting growth of 5% at CC and 6% at CGR. Volumes grew by 8%, partly offset by price erosion of 3%. Net-sales growth was primarily driven by the strong performance of biosimilars, which continued to benefit from an extensive pipeline and launch program.

Generics overview

Net sales of generics amounted to USD 7.8 billion, reflecting growth of 2% at CC and CGR. Generics represented 70% of net sales in the year (FY 2024: 72%).

The increase in net sales of generics in Europe of 2% at CC and CGR was driven by the impact of launches in 2024 and 2025. International net sales of generics grew by 2% at CC and by 4% at CGR, after adjusting for the 2024 divestment of the Sandoz business in China; sales benefited from continued price increases and launches. In North America, net sales of generics were stable at CC and CGR, with the impact of strong levels of competition offset by the impact of the successful Q4 2024 US launch of paclitaxel, as well as a good performance in Canada.

Biosimilars overview

Net sales of biosimilars amounted to USD 3.3 billion in the year, reflecting growth of 13% at CC and 18% at CGR; biosimilars represented 30% of total net sales (FY 2024: 28%).

Strong Europe biosimilars net-sales growth of 14% at CC and CGR reflected several good performances, including Pyzchiva, Binocrit® (epoetin alfa) and Hyrimoz® (adalimumab). Afqlir, Wyost & Jubbonti were launched in Europe in Q4 2025. International biosimilar net-sales growth of 30% at CC and CGR reflected strong contributions from Omnitrope® (somatropin) and Hyrimoz. Wyost & Jubbonti were launched in Q3 2025 in the International region. North America biosimilar net sales grew by 2% at CC and by 19% at CGR, with the difference reflecting the withdrawal of Cimerli® (ranibizumab) in Q1 2025. The strong underlying performance was partly a result of the successful launch of Wyost & Jubbonti in Q2 2025. Tyruko was launched in the US in Q4 2025.

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Q4 2025

	Q4 2025 USD m	% of net sales	Q4 2024 USD m	change USD %	change CC %	change CGR %
Generics	2,095	69%	1,946	8%	2%	2%
Biosimilars	934	31%	769	21%	16%	20%
Net sales	**3,029**	**100%**	**2,715**	**12%**	**6%**	**7%**

Net sales for the fourth quarter were USD 3.0 billion, reflecting growth of 6% at CC and 7% at CGR. Volumes grew by 9%, partly offset by price erosion of 3%.

NET SALES BY REGION

FY 2025

	FY 2025 USD m	% of net sales	FY 2024 USD m	change USD %	change CC %	change CGR %
Europe	5,936	54%	5,363	11%	6%	6%
International	2,713	24%	2,557	6%	7%	9%
North America	2,437	22%	2,437	0%	0%	5%
Net sales	**11,086**	**100%**	**10,357**	**7%**	**5%**	**6%**

Europe overview

Net sales in Europe in the year amounted to USD 5.9 billion, reflecting growth of 6% at CC and CGR. Europe net sales of generics increased by 2% at CC and CGR, with biosimilars up by 14% at CC and CGR. Notable growth included that from Pyzchiva, Binocrit and Hyrimoz.

International overview

Net sales in International in the year amounted to USD 2.7 billion, with growth of 7% at CC and 9% at CGR. International net sales of generics grew by 2% at CC and by 4% at CGR, with biosimilars up by 30% at CC and CGR. The performance was supported by strong sales of Omnitrope and Hyrimoz.

North America overview

Net sales in North America in the year amounted to USD 2.4 billion, reflecting a stable performance at CC. Growth at CGR, namely excluding the impact of the acquisition of Cimerli, amounted to 5%. Generics net sales in the year were stable at CC and CGR, with the effects of strong levels of competition offset by the impact of the successful 2024 US launch of paclitaxel, as well as a good performance in Canada. North America biosimilar net sales grew by 2% at CC and by 19% at CGR.

Q4 2025

	Q4 2025 USD m	% of net sales	Q4 2025 USD m	change USD %	change CC %	change CGR %
Europe	1,574	52%	1,367	15%	6%	6%
International	770	25%	653	18%	14%	14%
North America	685	23%	695	-1%	-2%	2%
Net sales	**3,029**	**100%**	**2,715**	**12%**	**6%**	**7%**

The table of net sales by region and by business can be found in the Supplementary financial information.

The North America performance in the fourth quarter was adversely affected by the impact of a one-time generics gross-to-net adjustment in Q4 2024.

FY 2025 OPERATING RESULTS

	FY 2025 USD m	FY 2024 USD m	change USD %	change CC %
Net sales	11,086	10,357	7%	5%
Gross profit	5,284	4,926	7%	5%
EBITDA	1,980	820	nm[9]	nm
Operating income	1,425	307	nm	nm
Core gross profit	5,613	5,253	7%	5%
Core gross profit margin (%)	50.6%	50.7%		
Core EBITDA	2,405	2,080	16%	14%
Core EBITDA margin (%)	21.7%	20.1%		
Core operating income	2,094	1,821	15%	13%
Core operating income margin (%)	18.9%	17.6%		

[9] Not meaningful.

Core gross profit amounted to USD 5.6 billion (FY 2024: USD 5.3 billion), resulting in a core gross-profit margin of 50.6% (FY 2024: 50.7%). A favorable mix of sales, reflecting double-digit biosimilars growth, and operational improvements were offset by the impacts of inflation on the cost of goods sold and price erosion.

Core EBITDA was USD 2.4 billion (FY 2024: USD 2.1 billion), resulting in a core EBITDA margin of 21.7% (FY 2024: 20.1%). The increase in the margin was partly driven by the impacts of cost discipline on selling, general & administrative expenses and favorable other income and expenses, partly offset by growth in development & regulatory investment.

EBITDA was USD 1,980 million (FY 2024: USD 820 million). Core adjustments of EBITDA in the year were USD 425 million (FY 2024: USD 1,260 million). These adjustments primarily reflected separation costs of USD 336 million, costs of the rationalization of internal manufacturing sites of USD 92 million, software-implementation cost-accounting impacts of USD 43 million and favorable effects from adjustments for legal costs of USD 58 million.

FY 2025 NON-OPERATING RESULTS

	FY 2025 USD m	FY 2024 USD m	change USD %	change CC %
Net financial result	(218)	(318)	31%	36%
Income taxes	(293)	12	nm	nm
Net income	914	1	nm	nm
Diluted earnings per share	USD 2.09	USD 0.00	nm	nm
Core net financial result	(219)	(325)	33%	36%
Core income taxes	(286)	(320)	11%	12%
Core effective tax rate (%)	*15.3%*	*21.4%*		
Core net income	1,589	1,176	35%	33%
Core diluted earnings per share	USD 3.64	USD 2.71	34%	33%

The core net financial result was an expense of USD 219 million (FY 2024: expense of USD 325 million). The decline reflected an improved net-currency result, as well as lower net interest expenses mainly driven by the repayment of EUR and USD term loans and local debt.

The core effective tax rate was 15.3% (FY 2024: 21.4%), a reflection of changes in the mix of profit, adjustments to provisions for uncertain tax positions and the reorganization of the intellectual-property structure within the Company.

Core net income of USD 1.6 billion (FY 2024: USD 1.2 billion) primarily reflected an increase in core operating income, and a decline in the core net financial result and in core income taxes.

Core diluted earnings per share of USD 3.64 (FY 2024: USD 2.71) benefited from an increase in core net income. The weighted average number of shares diluted was 436.8 million as of December 31, 2025, versus 434.0 million as of December 31, 2024.

CASH FLOW

	FY 2025 USD m	FY 2024 USD m	change USD m
Net cash flows from operating activities	1,594	656	938
Cash flows used for capital expenditures	(711)	(554)	(157)
Other investing cash flows	(9)	(4)	(5)
Free cash flow	**874**	**98**	**776**
Payments for legal settlements, fees and expenses	663	29	634
Payments from restructuring provisions	128	40	88
Separation costs	336	348	(12)
Separation-related capital expenditures	90	89	1
Other payments and receipts[10]	(544)	508	(1,052)
Management free cash flow	**1,547**	**1,112**	**435**

Sandoz generated net cash flows from operating activities of USD 1,594 million (FY 2024: USD 656 million). This was mainly driven by an increase in operating income and stable net working-capital levels versus December 31, 2024.

Cash flows used for capital expenditures were USD 711 million (FY 2024: USD 554 million), reflecting an increase in purchases of property, plant & equipment and intangible assets. This included the Company's ongoing investments 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.

Free cash flow amounted to USD 874 million (FY 2024: USD 98 million). The improvement was mainly due to increased net cash flows from operating activities, partly offset by the growth in cash flows used for net capital expenditures.

Management free cash flow, defined as free cash flow adjusted for one-off items, amounted to USD 1,547 million (FY 2024: USD 1,112 million). The performance was primarily a result of the growth in core EBITDA.

[10] In FY 2025, other payments and receipts included the disbursements from qualified settlement funds relating to government generic-pricing antitrust investigations, antitrust class actions, opioid litigations in the US, and the payment for a technology acquisition from Just-Evotec Biologics, Inc. In FY 2024, other payments and receipts included two deposited settlement amounts of USD 233 million and USD 275 million, related to government generic-pricing antitrust investigations and antitrust class actions in the US.

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CAPITAL RESOURCES

	Dec 31 2025 USD m	Dec 31 2024 USD m	change USD m
Inventories	2,845	2,800	45
Trade receivables	2,508	2,205	303
Trade payables	(1,850)	(1,519)	(331)
Net working capital	**3,503**	**3,486**	**17**
Non-current financial debts and derivative financial instruments	4,700	4,390	310
Current financial debts and derivative financial instruments	614	145	469
Total financial debts	**5,314**	**4,535**	**779**
Derivative financial instruments	(12)	(15)	3
Cash and cash equivalents	(1,739)	(1,191)	(548)
Total current financial assets	**(1,751)**	**(1,206)**	**(545)**
Net debt	**3,563**	**3,329**	**234**
Net debt to core EBITDA ratio	1.5x	1.6x	
Core ROIC (%)	14.5%	12.3%	

Net working capital remained broadly stable year-on-year, despite strong sales growth. Total inventories increased by USD 45 million, with lower levels of inventory more than offset by currency-translation effects. Trade receivables increased by USD 303 million, with trade payables up by USD 331 million, primarily reflecting currency-translation effects.

Non-current financial debts and derivative financial instruments increased by USD 310 million, a reflection of the issuance of three bonds in the first half of 2025, totalling 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, as well as the reclassification of USD 504 million from non-current to current financial debts of a CHF-denominated bond, maturing in 2026.

Current financial debts and derivative financial instruments increased by USD 469 million, primarily a result of the reclassification of USD 504 million from non-current to current financial debts.

Cash and cash equivalents increased by USD 548 million, as cash generated from operating activities and proceeds from the issuance of non-current financial debts were partly offset by the repayment of term loans, the annual dividend payment, purchases of property, plant & equipment, purchases of intangible assets and the acquisition of Just-Evotec Biologics EU SAS.

As a result, net debt increased to USD 3,563 million (December 31, 2024: USD 3,329 million), mainly driven by currency-translation effects of USD 442 million. Excluding these effects, net debt amounted to

USD 3,121 million. An increase in core ROIC to 14.5% (FY 2024: 12.3%) was a result of strong growth in core operating income and a lower core effective tax rate.

DIVIDEND

A dividend of CHF 0.60 per share in respect of the 2024 financial year was approved by the Annual General Meeting on April 15, 2025, and paid. A dividend proposal of CHF 0.80 per share in respect of the 2025 financial year, representing 27% of core net income, is subject to approval at the Annual General Meeting on April 9, 2026.

SUPPORTING FINANCIAL INFORMATION

2025 NET SALES

BY BUSINESS

	H1 2025	change		H2 2025	change		FY 2025	change	
	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %
Generics	3,736	1%	1%	4,058	7%	2%	7,794	4%	2%
Biosimilars	1,496	11%	12%	1,796	19%	14%	3,292	15%	13%
Net sales	**5,232**	**4%**	**4%**	**5,854**	**10%**	**6%**	**11,086**	**7%**	**5%**

BY REGION

	H1 2025	change		H2 2025	change		FY 2025	change	
	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %
Europe	2,832	8%	6%	3,104	14%	6%	5,936	11%	6%
International	1,284	1%	5%	1,429	11%	9%	2,713	6%	7%
North America	1,116	-2%	-1%	1,321	2%	2%	2,437	0%	0%
Net sales	**5,232**	**4%**	**4%**	**5,854**	**10%**	**6%**	**11,086**	**7%**	**5%**

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BY REGION AND BUSINESS: H2

	H2 2025	H2 2024	change		
	USD m	USD m	USD %	CC %	CGR %
Europe	**3,104**	**2,729**	**14%**	**6%**	**6%**
Generics	*2,095*	*1,888*	*11%*	*3%*	*3%*
Biosimilars	*1,009*	*841*	*20%*	*11%*	*11%*
International	**1,429**	**1,288**	**11%**	**9%**	**9%**
Generics	*1,135*	*1,058*	*7%*	*5%*	*5%*
Biosimilars	*294*	*230*	*28%*	*30%*	*30%*
North America	**1,321**	**1,293**	**2%**	**2%**	**6%**
Generics	*828*	*854*	*-3%*	*-3%*	*-3%*
Biosimilars	*493*	*439*	*12%*	*12%*	*27%*
Net sales	**5,854**	**5,310**	**10%**	**6%**	**7%**
Thereof:					
Total generics	**4,058**	**3,800**	**7%**	**2%**	**2%**
Total biosimilars	**1,796**	**1,510**	**19%**	**14%**	**18%**

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BY REGION AND BUSINESS: FY

	FY 2025	FY 2024	change		
	USD m	USD m	USD %	CC %	CGR %
Europe	**5,936**	**5,363**	**11%**	**6%**	**6%**
Generics	*4,036*	*3,769*	*7%*	*2%*	*2%*
Biosimilars	*1,900*	*1,594*	*19%*	*14%*	*14%*
International	**2,713**	**2,557**	**6%**	**7%**	**9%**
Generics	*2,154*	*2,113*	*2%*	*2%*	*4%*
Biosimilars	*559*	*444*	*26%*	*30%*	*30%*
North America	**2,437**	**2,437**	**0%**	**0%**	**5%**
Generics	*1,604*	*1,622*	*-1%*	*0%*	*0%*
Biosimilars	*833*	*815*	*2%*	*2%*	*19%*
Net sales	**11,086**	**10,357**	**7%**	**5%**	**6%**
Thereof:					
Total generics	**7,794**	**7,504**	**4%**	**2%**	**2%**
Total biosimilars	**3,292**	**2,853**	**15%**	**13%**	**18%**

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QUARTERLY 2025 NET SALES

BY BUSINESS

	Q1 2025	change		Q2 2025	change		Q3 2025	change		Q4 2025	change	
	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %
Generics	1,809	-3%	0%	1,927	5%	2%	1,963	6%	3%	2,095	8%	2%
Biosimilars	671	8%	11%	825	15%	12%	862	16%	13%	934	21%	16%
Net sales	**2,480**	**0%**	**3%**	**2,752**	**8%**	**5%**	**2,825**	**9%**	**6%**	**3,029**	**12%**	**6%**

BY REGION

	Q1 2025	change		Q2 2025	change		Q3 2025	change		Q4 2025	change	
	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %	USD m	USD %	CC %
Europe	1,372	3%	7%	1,460	12%	6%	1,530	12%	6%	1,574	15%	6%
International	590	-8%	-2%	694	11%	11%	659	4%	4%	770	18%	14%
North America	518	-1%	1%	598	-4%	-3%	636	6%	7%	685	-1%	-2%
Net sales	**2,480**	**0%**	**3%**	**2,752**	**8%**	**5%**	**2,825**	**9%**	**6%**	**3,029**	**12%**	**6%**

QUARTERLY 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%**

SANDOZ

FY 2025: RECONCILIATION FROM IFRS RESULTS TO CORE RESULTS

(USD millions unless indicated otherwise)	IFRS results	Amortization of intangible assets[11]	Impair-ments[12]	Acquisition or divest-ment of businesses and related items[13]	Other items[14]	Core results
Net sales	**11,086**	**–**	**–**	**–**	**–**	**11,086**
Other revenues	71	–	–	–	–	71
Cost of goods sold	(5,873)	214	16	–	99	(5,544)
Gross profit	**5,284**	**214**	**16**	**–**	**99**	**5,613**
Selling, general and administration	(2,529)	–	–	–	67	(2,462)
Development and regulatory	(1,050)	–	2	–	2	(1,046)
Other income	353	–	–	(10)	(200)	143
Other expense	(633)	–	–	12	467	(154)
Operating income[15]	**1,425**	**214**	**18**	**2**	**435**	**2,094**
Interest expense	(220)	–	–	–	–	(220)
Other financial income and expense	2	–	–	–	(1)	1
Income before taxes	**1,207**	**214**	**18**	**2**	**434**	**1,875**
Income taxes[16]	(293)					(286)
Net income	**914**					**1,589**
Basic earnings per share (USD)	2.12					3.68
Diluted earnings per share (USD)	2.09					3.64

[11] Amortization of intangible assets: cost of goods sold includes the amortization of rights to currently marketed products and other production-related intangible assets.
[12] Impairments: cost of goods sold and development and regulatory include impairment charges related to intangible assets.
[13] Acquisition or divestment of businesses and related items: other income includes a release related to the China business divestment; other expense includes costs related to the Just-Evotec Biologics EU SAS acquisition.
[14] Other items: cost of goods sold, other income and other expense include the Company-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; cost of goods sold, 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 consideration; selling, general and administration includes software implementation cost accounting impacts; 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.
[15] For further breakdown of core adjustments by category, refer to table 'Reconciliation from IFRS operating income to core net income'.
[16] 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 668 million to arrive at the core results before tax amounts to USD -7 million. The average tax rate on the adjustments was not meaningful.