



Novartis Italy

Reimagining medicine

Marco Venturelli, Country CFO

LIUC

Oct 11, 2019



Marco Venturelli

Be a CFO and you can help make the World Happy

Milan Area, Italy

Add profile section ▼

More...

 Novartis Italia

 SDA Bocconi

 See contact info

 See connections (500+)

Strategic Business Partner, leads the Performance and Financial Strategy and drives the Operational Excellence program. International Markets oriented CFO with Pharmaceutical Management and Global Services experiences, Marco joined Novartis in 1991. Board Member.

We have a vital purpose, supported by a strong culture and clear values



Purpose

Reimagine medicine to improve and extend people's lives



Culture

Inspired, curious, unbossed



What we value

Innovation, collaboration, courage, performance, integrity, quality

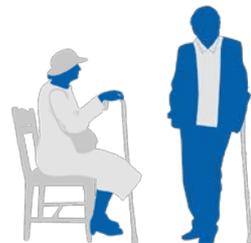


We touch the lives of millions of people worldwide



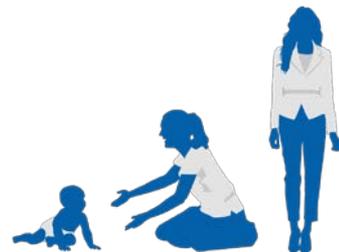
155 Countries

where Novartis products are sold



750m Patients

reached in total



24m Patients

reached through access programs

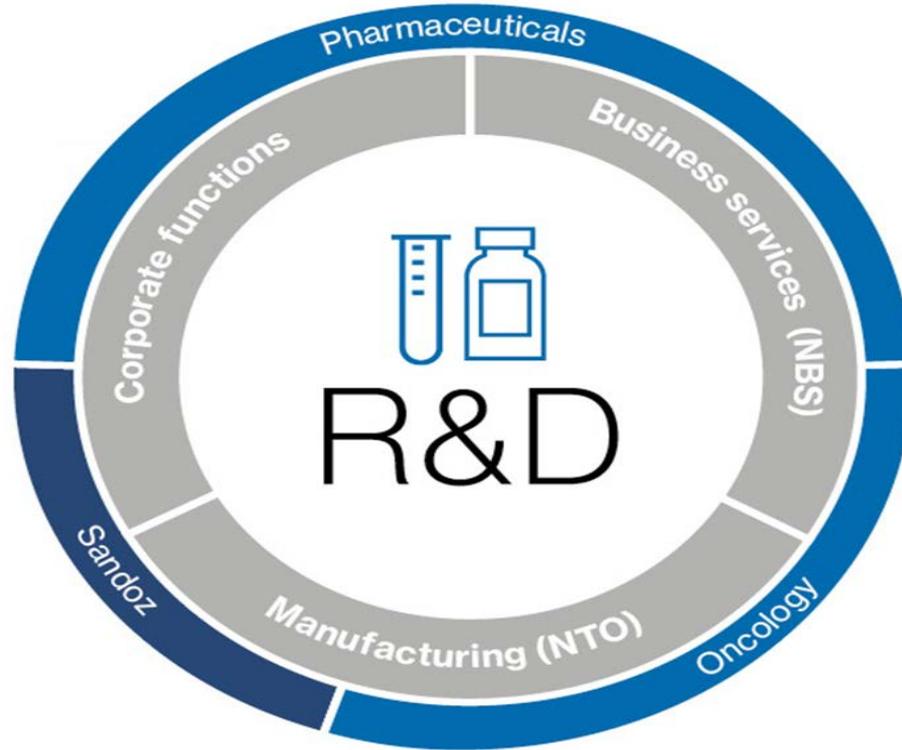
All numbers are for continuing operations

Novartis AG

4 Business Use Only



We are a focused medicines company



We operate in a world where powerful forces are transforming healthcare

Accelerating Innovation



+49%

Increase in the average annual number of new drugs in the US in 2014-2018 vs. 2009-2013

Rapid Aging



1.4 bn

The projected number of people age 60 or older in the world by 2030, an increase of 46% from 2015

Increasing healthcare spending



+5.4%

Expected annual average growth in healthcare spending between 2018 and 2022

We aim to create value for our company, our shareholders and society

- Our strategy is to build a leading, focused medicines company powered by advanced therapy platforms and data science
- We have five strategic priorities

**Unleash
the power
of our people**



**Deliver
transformative
innovation**



**Embrace
operational
excellence**



**Go big on
data and digital**



**Build trust
with society**

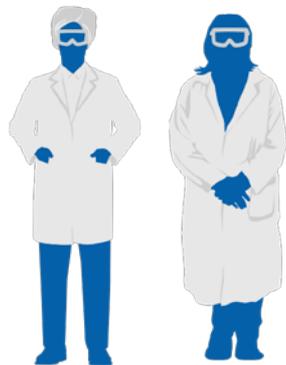


Unleashing the power of our people



- We are transforming our culture
 - inspired, curious and unbossed
- We have enhanced our strategy for attracting, developing and retaining talented individuals
- We continue to promote diversity and inclusion (D&I)

Our strength is the diversity, energy and creativity of our people



Headcount

105 000

Annual training hours per employee

22.6*

Nationalities

140

Women in management

43%



All numbers are for continuing operations, except annual training hours, which includes discontinued operations

Novartis AG

9 Business Use Only



Our innovation engine sustains an industry-leading pipeline

USD 8.5bn

Invested in research and development

200+

Projects in clinical development

21 000

People working in research and development worldwide

20

Major regulatory approvals in 2018 (US, EU and Japan)

All numbers are for continuing operations

Novartis AG

10 Business Use Only



Top Companies by Market Cap

Symbol	Company	Cap Rank 10-7-19	Market Cap 10-7-19	1d Chg 10-7-19	1m Chg 10-7-19	12m Chg 10-7-19
MSFT	Microsoft	1	1,047.0	-0.7%	-1.4%	22.3%
AAPL	Apple	2	1,026.1	0.0%	6.5%	1.2%
AMZN	Amazon	3	857.1	-0.4%	-5.5%	-8.3%
GOOGL	Alphabet	4	837.6	-0.2%	0.2%	3.5%
FB	Facebook	5	512.6	-0.4%	-4.2%	14.2%
BRK.A	Berkshire Hathaway	6	507.9	-0.6%	1.1%	-5.7%
BABA	Alibaba	7	438.2	-1.2%	-4.7%	8.9%
V	Visa	8	380.0	-0.6%	-5.8%	20.3%
JPM	JPMorgan Chase	9	365.7	-0.2%	1.6%	-0.2%
JNJ	Johnson & Johnson	10	351.4	-0.4%	3.9%	-4.3%
WMT	Walmart	11	333.4	-0.8%	2.2%	25.6%
PG	Procter & Gamble	12	307.4	-0.9%	0.0%	49.5%
XOM	Exxon Mobil	13	287.8	-1.4%	-4.1%	-20.3%
T	AT&T	14	275.2	0.4%	3.9%	10.8%
MA	Mastercard	15	273.0	-0.7%	-6.6%	27.6%
CMCSA	Comcast	30	202.7	-0.3%	-3.8%	29.0%
PFE	Pfizer	31	198.2	-0.3%	-1.8%	-20.2%
NVS	Novartis AG	32	197.6	0.3%	-3.9%	0.8%
PEP	Pepsi	33	192.9	-1.4%	0.7%	29.9%
TM	Toyota	34	182.9	-0.5%	-0.7%	7.9%

Novartis AG

Novartis market Capitalization CHF 196M

Novartis AG (NVS)

NYSE - Nasdaq Real Time Price. Currency in USD

85.05 +0.70 (+0.83%)

As of 12:32PM EDT. Market open.

Summary	Company Outlook 	Statistics	Historical Data	F
Previous Close	84.35	Market Cap	195.857B	
Open	84.51	Beta (3Y Monthly)	0.55	
Bid	84.99 x 900	PE Ratio (TTM)	17.47	
Ask	85.04 x 800	EPS (TTM)	4.87	
Day's Range	84.23 - 85.12	Earnings Date	N/A	
52 Week Range	73.20 - 95.00	Forward Dividend & Yield	2.83 (3.36%)	
Volume	1,266,920	Ex-Dividend Date	2019-03-04	
Avg. Volume	1,970,810	1y Target Est	101.00	
Trade prices are not sourced from all markets				

Source Yahoo Oct 2019

Novartis Global P&L 2018

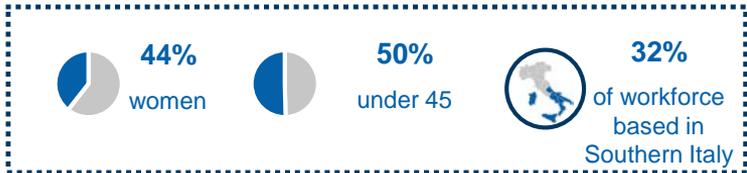
USD m	2018	%
Net sales	51,900	100%
Other revenues	1,266	2.4%
Cost of goods sold	-18,407	-35.5%
Gross profit	34,759	67.0%
Marketing & Sales	-14,271	-27.5%
Research & Development	-9,074	-17.5%
General & Administration	-2,200	-4.2%
Other I/E	-1,045	-2.0%
Operating income	8,169	15.7%
Net income	12,614	24.3%
Free cash flow	11,717	22.6%
Dividends	6,966	

Novartis in Italy, leader in the pharma industry

2018

Net sales
1,753 million euros
Export
179 million euros
R&D investments
66 million euros

People*
2,670



* Novartis Farma, Sandoz, Alcon, Advanced Accelerator Applications (AAA)

Novartis in Italy, the role in the national economy

<p>Added value to GDP Generated by the activation of several economic supply chains</p>	<p>1.1 billion euros</p>	<p>Multiplier 3.1 *</p>
<p>Contribution to public finances</p> <ul style="list-style-type: none"> ▪ Taxes ▪ Pay-Back ▪ Cost Avoidance ▪ Savings from equivalents and biosimilars Sandoz 	<p>447 million euros</p>	
<p>Novartis drugs social impact Productivity achieved thanks to the lower burden of the disease</p>	<p>1.5 billion euros</p>	
<p>Direct, indirect and induced employment</p>	<p>13,000 people</p>	<p>Multiplier 5.6</p>

Leader in innovation

Clinical research

In Italy, Novartis is among the most committed pharmaceutical companies in terms of innovation, at the top of clinical research

- Investments of **200 million euros** expected in the next **3 years**
- **247 clinical trials** in 2018

Disease area	Patients	Centres	Trials
Oncology & Hematology	5,832	1,331	158
Cardio-Metabolic	2,440	220	17
Immunology & Dermatology	2,036	232	35
Neuroscience	2,264	235	19
Respiratory	223	76	9
Ophthalmology	1,031	76	9
Total	13,826	2,170*	247

(*) Centres involved in studies related to different disease areas, are repeatedly counted; inside the same disease area, the centre is counted only once (even if it's involved in different studies)

Novel and advanced therapeutic platforms

The radiopharmaceutical company **Advanced Accelerator Applications (AAA)** is part of Novartis since 2018. Is present also in Italy

Impact on environmental sustainability

Continuous reduction in water and energy consumption and waste production



2,500
millions liters
of **water less**

Equal to the daily
water needs
of 11.3 million people



47,000
GigaJoules
of **energy saved**

Equal to the energy needed
to illuminate almost
2 Eiffel Tower for a whole
year

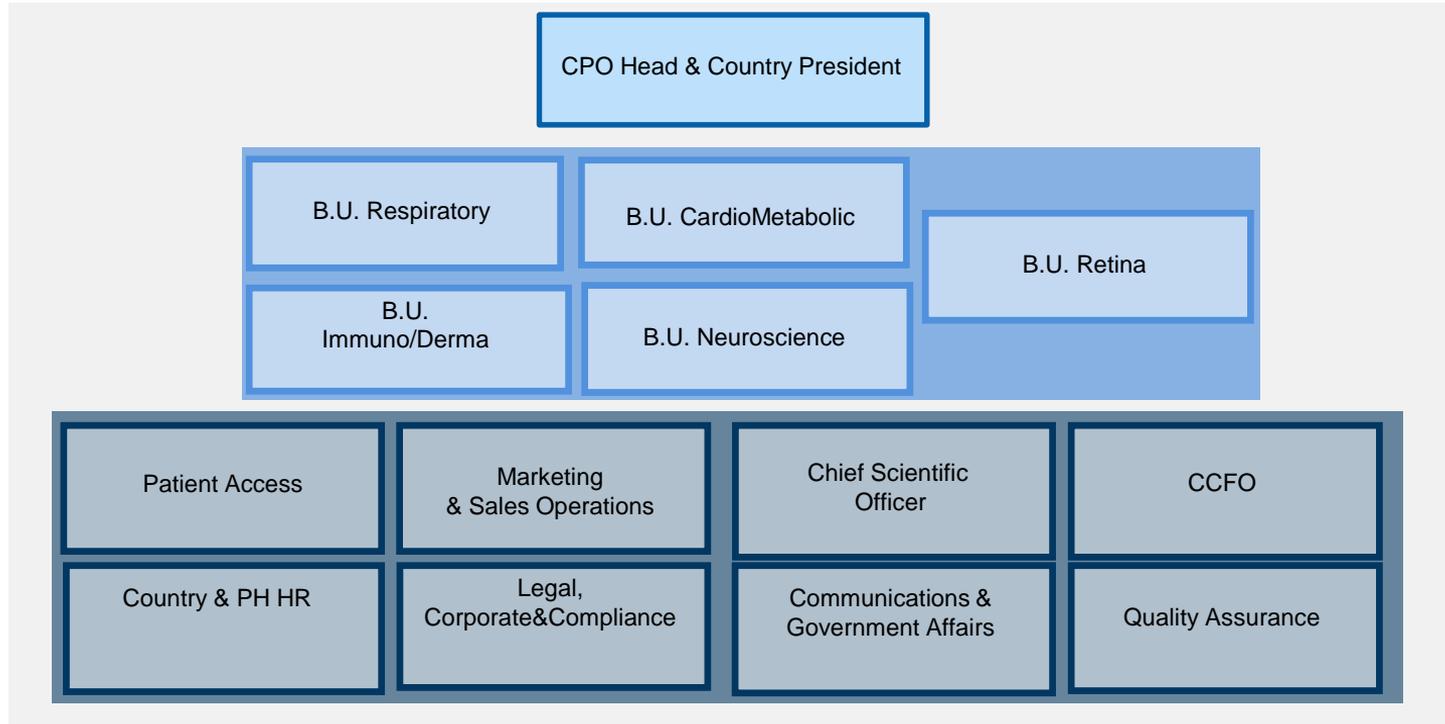


1,000
tons
of **waste less**

Equal to the annual waste
production of an urban core
of 1,925 inhabitants

Data 2016/17

Pharmaceuticals Organigram - Italy



Novartis in Italy, the commitment in society

Commitment to patients and caregivers

- Collaboration with patient associations to identify real needs and the most effective ways to satisfy them
- Information and awareness initiatives, in all the diseases areas in which it is present

Volunteering

- Community Partnership Day
- Dynamo Camp

Partnership

- Alleati per la salute
- Academy of Health Care Management and Economics
- BioUpper

Novartis Community Partnership Day: volunteer associates for a day



- Since 1997, every year Novartis associates in Italy and around the world remember the founding values of the Group dedicating a working day to the weakest
- Hundreds of associates who choose to take part in one of the initiatives promoted, in collaboration with partner associations, in the name of solidarity, acceptance and sharing



Dynamo Camp, an established relationship

Since 2007, Novartis has supported Dynamo Camp, a Tuscan facility that welcomes for free children and young people aged 6-17 suffering from serious and chronic illnesses (oncohematological and neurological diseases).

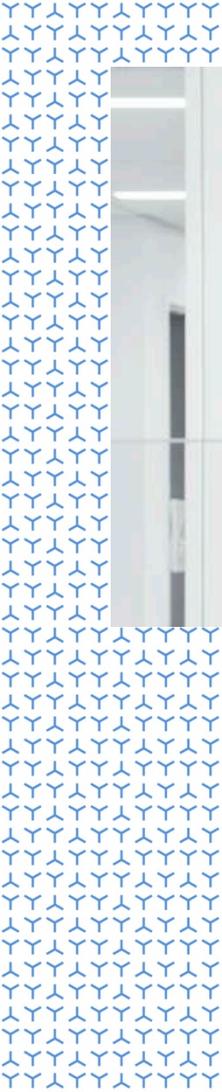
Many initiatives carried out over the years in favor of the Camp: voluntary activities, support for training and educational programs, both for young people and healthcare professionals

Dynamo Team Challenge since 2015

Novartis is the main sponsor of the sports fundraising initiative for Dynamo Camp.

In addition, the company promotes among its associates – by bearing the participation fees - the formation of a Novartis team, participating in the competition in different disciplines proposed





Thank you