

18 Jul 2023 | News

Novartis Sets Out Next Steps For Sandoz Spinoff

Parent Company Reveals Details Of Upcoming Process As Board Approves Separation

by **David Wallace**

Following unanimous approval by the Novartis board of directors for the spinoff of Sandoz, the generics and biosimilars giant's parent company has set out some key dates in the lead-up to separation later this year.

Novartis has set out the next steps for its separation from *Sandoz*, after the parent company's board unanimously endorsed the long-planned spinoff that will set up the generics and biosimilars giant as an independent standalone company.

Indicating that the separation from Sandoz is expected to be completed "in early Q4 2023," Novartis said that the next step in the process following the board vote would see shareholders invited to vote on the proposed spin-off – and a related reduction of the share capital of Novartis – at an extraordinary general meeting that is planned for 15 September 2023.

"The invitation to the EGM, a shareholder brochure and listing prospectus, which will be published by Sandoz, are planned to be distributed in August 2023," Novartis added.

Sandoz is planned to be listed on the SIX Swiss Exchange, with an American depositary receipt (ADR) program in the US.

Generics Bulletin Explains: Sandoz's Spinoff From Novartis

By **David Wallace**

06 Jun 2023

Ahead of a Sandoz capital markets day on 8

“The proposed spin-off is planned to occur early in the fourth quarter of 2023,” Novartis specified.

“In addition to Novartis shareholder approval, completion of the proposed Sandoz spin-off is subject to satisfaction of certain conditions, including obtaining the necessary approvals for the listing of the Sandoz shares, no order prohibiting (and no other event outside the control of Novartis preventing) the spin-off and no material adverse change.”

Sandoz’s spinoff has been long in the making (*see sidebar*), with the separation formally announced nearly a year ago after a 10-month strategic review of ownership of the off-patent business. (Also see "[Sandoz Set To Become Public Company In 2023 As Novartis Confirms Spin-Off](#)" - Generics Bulletin, 25 Aug, 2022.)

At a pair of capital markets days in New York and London that took place in June, Sandoz set out the rationale for the spinoff, as well as expectations for its future – including key financial indicators – while also emphasizing the importance of its growing biosimilars business. (Also see "[Biosimilars Loom Large As Sandoz Sets Stage For Spinoff](#)" - Generics Bulletin, 19 Jun, 2023.)

Biosimilars And Europe Boost Sales

The significance of biosimilars was reinforced by the second-quarter results published by Novartis at the same time as it set out the next steps for Sandoz.

In Q2, Sandoz’s sales grew by 5% as reported and by 8% at constant currencies to around \$2.4bn, with the biosimilars business helping to push up the total as it grew by 12% as reported and 13% in constant currencies to \$531m (*see sidebar*).

And for the full first half of 2023, turnover growth of 4% to \$4.8bn – translating to an 8% increase at constant currencies – was lifted by global biosimilars sales again increasing by 12% as reported, and by 13% at constant currencies, to \$1.0bn.

June, *Generics Bulletin* explains what we know so far about the firm’s spinoff from parent company Novartis – as well as the questions that the companies are yet to answer.

[Read the full article here](#)

Sandoz Lifted By Growth In Europe And Biosimilars

By [David Wallace](#)

19 Jul 2023

Double-digit growth in the Europe region and in its biosimilars business helped to push up sales for Sandoz in the second quarter and first half of 2023.

[Read the full article here](#)

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For the full year of 2023, Novartis expects Sandoz's sales to grow at a mid-single-digit rate while core operating income is expected to decline at low double-digits, "reflecting required stand-up investments to transition Sandoz to a separate company and continued inflationary pressures." (Also see "[*Sandoz Expects 'Trough Year' In 2023 As It Counts Cost Of Spinoff*](#)" - Generics Bulletin, 3 Feb, 2023.)