



Finance Report *2016*

Celltrion, Genentech

Pharmaceuticals Division operating results

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	2016 (CHF m)	2015 (CHF m)	% change (CHF m)	% change (CER)
Revenues				
Net operating income	39,103	37,331	+5	+3
Research and development	(1,944)	(2,119)	-8	-10
Selling and distribution	(6,391)	(10,249)	+1	-1
Administrative	(1,056)	(6,154)	+4	+2
Financial	(822)	(8,367)	+21	+20
Other	(1,677)	(51)	-51	-52
Profit	13,285	13,003	+2	+1
% of sales	34.0	34.8	-0.8	-0.7
Operating assets				
Net operating income	39,103	37,331	+5	+3
Research and development	(1,944)	(2,119)	-8	-10
Selling and distribution	(8,175)	(7,900)	+3	+1
Administrative	(6,382)	(6,066)	+5	+3
Financial	(8,588)	(8,134)	+6	+4
Other	(1,013)	(1,295)	-22	-23
Operating profit	16,509	16,055	+5	+4
% of sales	43.2	43.0	+0.2	+0.1
Capital				
Free cash flow	4,582	4,437	+3	0
Operating assets	26,174	26,179	0	-2
Operating assets	30,756	30,616	0	-2
Flow				
Free cash flow	13,659	14,482	-4	-6
% of sales	35.4	38.6	-3.4	-3.5

3 137-140 for the definition of Core results and Core EPS.

View

Pharmaceuticals Division - Sales by therapeutic area

	2016 (CHF m)	2015 (CHF m)	% change (CER)	% of sales (2016)	% of sales (2015)
Revenues					
Net operating income	24,841	23,661	+4	64	63
Research and development	6,970	6,228	+10	18	17
Selling and distribution	1,773	2,051	-14	5	5
Administrative	1,406	1,520	-10	4	4
Other	657	648	+2	2	2
Financial	3,456	3,223	+3	7	9
Profit	39,103	37,331	+3	100	100

Pharmaceuticals Division sales increased by 3% at CER to CHF 39.1 billion led by growth in oncology and immunology products. Sales are primarily driven by Perjeta, Herceptin, Actemra/RoActemra, MabThera/Rituxan, Esbriet and Xolair. These products together added CHF 1.4 billion at CER to sales growth in 2016. Sales of Pegagys, Tarceva and Lucentis declined by a total of CHF 0.6 billion due to competitive pressure and sales of Valcyte/Cymevene decreased due to generic competition. The recently launched products Tecentriq and Cotellic added CHF 0.4 billion of sales.

The growth of 8% in the HER2 franchise resulted from increased demand for Perjeta and Herceptin in combination therapy and continued uptake of Kadcyla. Sales increases in immunology mainly came from increasing use of Actemra/RoActemra in Europe and the US, and from Xolair and Esbriet sales in the US. MabThera/Rituxan sales continued to grow, especially in the US, China and Germany. Avastin sales were stable with the lower US sales offset by growth in the International region, particularly in China. Sales in the US, notably of MabThera/Rituxan and Herceptin, were negatively impacted by an increase in reserves for mandatory discounts to hospitals under the 340B Drug Discount Program.

Product sales

Pharmaceuticals Division - Sales

	2016 (CHF m)	2015 (CHF m)	% change (CER)	% of sales (2016)	% of sales (2015)
Oncology					
Avastin	6,783	6,684	0	18	18
Herceptin	6,782	6,538	+4	18	18
MabThera/Rituxan ¹⁾	5,823	5,640	+2	15	15
Perjeta	1,846	1,445	+26	5	4
Tarceva	1,024	1,181	-15	2	3
Kadcyla	831	769	+7	2	2
Xeloda	506	513	-3	1	1
Gazyva/Gazyvaro	196	128	+52	1	0
Others	1,050	763	+33	2	2
Total Oncology	24,841	23,661	+4	64	63
Immunology					
Actemra/RoActemra	1,697	1,432	+16	4	4
Xolair	1,498	1,277	+15	4	3
MabThera/Rituxan ¹⁾	1,477	1,405	+5	4	4
Esbriet	768	563	+34	2	2
CellCept	741	785	-6	2	2
Pulmozyme	685	652	+4	2	2
Others	104	114	-18	0	0
Total Immunology	6,970	6,228	+10	18	17
Infectious diseases					
Tamiflu	794	705	+10	2	2
Valcyte/Cymevene	306	369	-17	1	1
Rocaphin	288	279	+7	1	1
Pegagys	259	538	-52	1	1
Others	116	160	-27	0	0
Total Infectious diseases	1,773	2,051	-14	5	5
Ophthalmology					
Lucentis	1,406	1,520	-10	4	4
Total Ophthalmology	1,406	1,520	-10	4	4
Neuroscience					
Macipar	290	275	+6	1	1
Others	373	373	-1	1	1
Total Neuroscience	667	648	+2	2	2
Other therapeutic areas					
Actiase/TNKase	1,108	935	+16	2	3
Micera	512	475	+2	1	1
NeoRecom/Epogin	328	366	-9	1	1
Others	1,508	1,447	+2	3	4
Total other therapeutic areas	3,456	3,223	+3	7	9
Total sales	39,103	37,331	+3	100	100

1) Total MabThera/Rituxan sales of CHF 7,300 million (2015: CHF 7,045 million) split between oncology and immunology franchises.