Rejuvenating the portfolio

Severin Schwan
CEO

Bernstein Strategic Conference, New York, May 2018
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Performance update

Rejuvenating the portfolio

Outlook
Q1 2018: Sales growth for the sixth consecutive year

All growth rates at Constant Exchange Rates (CER)
2018: New products with annualized sales of >CHF 8bn*  
> 80% of growth driven by new products

* Venclexta sales are booked by partner AbbVie.
2017: Strong Core results and significant operating free cash flow

Operating profit

- % of sales: 36.4% in 2015, 36.4% in 2016, 35.7% in 2017
- CHFbn: 17.5 in 2015, 18.4 in 2016, 19.0 in 2017
- +3% at CER

EPS

- +5% at CER

Operating free cash flow

- CHFbn: 14.9 in 2015, 14.1 in 2016, 17.8 in 2017
- +26% at CER

CER=Constant Exchange Rates
Performance update

Rejuvenating the portfolio

Outlook
Replace and extend the business
Through continuously improving standard of care

Replace existing businesses

<table>
<thead>
<tr>
<th>MabThera</th>
<th>Gazyva, Venclexta, polatuzumab vedotin, Sub Cut</th>
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Entering new franchises

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Achievements Q1 2018

- Perjeta: Launched in eBC in US
- Gazyva: Launched in FL in US/EU
- Tecentriq: IMpower150 with OS benefit
- Venclexta: Launched in 17p del; Filed in CLL R/R
- baloxavir: Filing initiated in US
- entrectinib: Acquisition of Ignyta completed
- VA2: Strong Ph2 data in DME

VA2=anti-VEGF/anti-angiopoietin-2 bispecific antibody; MS=multiple sclerosis; SMA=spinal muscular atrophy; eBC=early breast cancer; FL=follicular lymphoma; BTD=Breakthrough Therapy Designation; CLL R/R=relapsed/refractory (R/R) chronic lymphocytic leukemia; DME=diabetic macular edema
Replace and extend the hematology franchise: Improving standard of care, entering new indications

Incidence rates (330,000 pts¹)

¹ Datamonitor; incidence rates includes the 7 major markets (US, Japan, France, Germany, Italy, Spain, UK); CLL=chronic lymphoid leukemia; DLBCL (aNHL)=diffuse large B-cell lymphoma; iNHL=indolent non-hodgkin’s lymphoma; AML=acute myeloid leukemia; MM=multiple myeloma; MDS=myelodysplastic syndrome; ALL=acute lymphoblastic leukemia; Venclexta in collaboration with AbbVie; Gazyva in collaboration with Biogen; Polatuzumab vedotin in collaboration with Seattle Genetics
Replace and extend breast cancer franchise: APHINITY new standard of care in Her2+ BC, potential new opportunities in TNBC
Replace and extend ophthalmology franchise: Address real-world efficacy gaps and reduce the treatment burden

Roche strategic focus

- **VA2:** Improved efficacy via novel MOAs
- **Port delivery:** Long-Acting Delivery technologies
- **Biomarkers for personalized healthcare and novel endpoints**

**Why long-acting matters**

"Patients received a mean of 5.0 and 2.2 injections in the 1st and 2nd year, respectively. More frequent visits and injections were associated with greater improvements in visual acuity" F.G Holz, Br J Ophth, 2015

In US, also only ~5 injections in first year (wet AMD), even fewer in DME (2011-2014 US Marketscan data)

VA2 and long acting port delivery to address major medical needs
Replace and extend the business

Through continuously improving standard of care

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Extend current business base: Ocrevus

>7% US market share after three quarters
Extend current business base: Alecensa

Market leadership in 1L ALK+ within first quarter of launch

- Updated PFS data at ASCO 2018

Note: *US Alecensa Share modified based on TBT (see Feb 2018 1L Launch Dashboard) Source: US Alecensa Key Metrics Tracker (Q4 2017), Feb 2018 1L Launch Dashboard
Extend current business base: Hemlibra

HAVEN 3 and 4 submitted to WFH

**2015**
- HAVEN 1
  - Non-interventional
  - BTD

**2016**
- HAVEN 2
  - inhibitor children (0–11 years old), weekly dosing
  - BTD

**2017**
- HAVEN 3
  - non-inhibitor adults/adolescents (≥12 years old), weekly and every two weeks dosing
  - BTD

**2018**
- HAVEN 4
  - non-inhibitor/inhibitor adults/adolescents, monthly dosing

- **US approval in Q4 17**
- **EU approval in Q1 18**
- **Positive results announced**
- **BTD granted**
- **Positive interim results announced**

HAVEN 3 and 4 presented at WFH (Glasgow, May 20–24)

Hemlibra designated as Part B drug by CMS
Extend and replace current business base: CIT 1L lung cancer program reading out in H1 2018

IMpower133\(^1\)
(Tecentriq+cb+etoposide)
PFS/OS

IMpower131
(Tecentriq+cb+pac/nab-pac)
PFS/OS

IMpower130
(Tecentriq+cb+nab-pac)
PFS/OS

IMpower132
(Tecentriq+cp/cb+pem)
PFS/OS

March 26: IMpower150 met co-primary OS endpoint at interim analysis
March 20: IMpower131 met co-primary PFS endpoint

Source: Datamonitor; incidence rates 7 major markets (US, Japan, France, Germany, Italy, Spain, UK); Note: Outcome studies are event driven, timelines may change;

\(^1\)IMpower133 in extensive stage SCLC; CIT=cancer immunotherapy; cb=carboplatin; pac=paclitaxel; nab-pac=nab-paclitaxel (Abraxane); cp=cisplatin; pem=pemetrexed
Performance update

Rejuvenating the portfolio

Outlook
Record number of NMEs at pivotal stage

**Q1 entrants: Anti-VEGF/Ang2 biMAb, entrectinib, baloxavir marboxil**

NME=new molecular entities; For details on the indications and line extensions please consult the pipeline appendix. Cap Endonuclease inhibitor (baloxavir marboxil)
2018 outlook raised

From “stable to low single digit” to “low single digit”

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<th>Group sales growth¹</th>
<th>• Low-single digit</th>
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| Core EPS growth¹    | • Broadly in line with sales, excl. US tax reform benefit  
                     | • High-single digit, incl. US tax reform benefit |
| Dividend outlook    | • Further increase dividend in Swiss francs |

¹ Sales growth at Constant Exchange Rates (CER)
Doing now what patients need next