Rejuvenating the portfolio

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6. increased government pricing pressures;
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9. litigation;
10. loss of key executives or other employees; and
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Performance update

Rejuvenating the portfolio

Outlook
Q2 2019: Group sales growth for the eighth consecutive year

All growth rates at Constant Exchange Rates (CER)
Innovation driving portfolio rejuvenation
Increasing share of sales coming from recent launches

All absolute values are presented in CHFm reported; 1 Erivedge, Perjeta, Kadcyla, Gazyva, Esbriet, Cotellic, Alecensa, Tecentriq, Ocrevus, Hemlibra, Xofluza, and Polivy; 2 MabThera and Herceptin in Europe and Japan
Successfully managing the transition

New products contribution

% of Pharma sales

- HY 2017: 13.6%
- HY 2018: 19.7%
- HY 2019: 28.1%

CHFbn

- HY 2017: 2.8
- HY 2018: 4.3
- HY 2019: 6.8

Core operating profit Pharma

- HY 2017: 9.3
- HY 2018: 10.3
- HY 2019: 11.5
26 Breakthrough Therapy Designations
Reflecting the quality of our research

**Breakthrough Therapy Designations (BTD)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Molecule</th>
<th>Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Venclexa + Gazyva</td>
<td>1L unfit CLL</td>
</tr>
<tr>
<td></td>
<td>Kadryla</td>
<td>Adjuvant HER2+ BC</td>
</tr>
<tr>
<td>2018</td>
<td>satralizumab</td>
<td>NMOSD</td>
</tr>
<tr>
<td></td>
<td>Xolair</td>
<td>Food allergies</td>
</tr>
<tr>
<td></td>
<td>Tecentriq + Avastin</td>
<td>HCC</td>
</tr>
<tr>
<td></td>
<td>Hemlibra</td>
<td>Hemophilia A non-inhibitors</td>
</tr>
<tr>
<td></td>
<td>entrectinib</td>
<td>NTRK+ solid tumors</td>
</tr>
<tr>
<td></td>
<td>balvaptan</td>
<td>Autism spectrum disorders</td>
</tr>
<tr>
<td>2017</td>
<td>pemetrexed vedotin</td>
<td>R/R DLBCL</td>
</tr>
<tr>
<td></td>
<td>Venclexa + LDAC</td>
<td>1L unfit AML</td>
</tr>
<tr>
<td></td>
<td>Zeformat</td>
<td>BRAF-mutated EGFR</td>
</tr>
<tr>
<td></td>
<td>Rituxan</td>
<td>Pemphigus vulgaris</td>
</tr>
<tr>
<td>2016</td>
<td>Actemra</td>
<td>Giant cell arteritis</td>
</tr>
<tr>
<td></td>
<td>Alecensa</td>
<td>1L ALK+ NSCLC</td>
</tr>
<tr>
<td></td>
<td>Ocrevus</td>
<td>PPMS</td>
</tr>
<tr>
<td></td>
<td>Venclexa + HMA</td>
<td>1L unfit AML</td>
</tr>
<tr>
<td></td>
<td>Venclexa + Rituxan</td>
<td>R/R CLL</td>
</tr>
<tr>
<td>2015</td>
<td>Actemra</td>
<td>Systemic sclerosis</td>
</tr>
<tr>
<td></td>
<td>Tecentriq</td>
<td>NSCLC</td>
</tr>
<tr>
<td></td>
<td>Venclexa</td>
<td>R/R CLL 17p del</td>
</tr>
<tr>
<td></td>
<td>Hemlibra</td>
<td>Hemophilia A inhibitors</td>
</tr>
<tr>
<td>2014</td>
<td>Esbriet</td>
<td>IPF</td>
</tr>
<tr>
<td></td>
<td>Lucentis</td>
<td>Diabetic retinopathy</td>
</tr>
<tr>
<td></td>
<td>Tecentriq</td>
<td>Bladder</td>
</tr>
<tr>
<td>2013</td>
<td>Alecensa</td>
<td>2L ALK+ NSCLC</td>
</tr>
<tr>
<td></td>
<td>Gazyva</td>
<td>1L CLL</td>
</tr>
</tbody>
</table>

**Product launch up-take in oncology**

1 Selected oncology products launched over 2013-2016; 2 Market shares represent sales of target product relative to sales competing products in similar indications; Data source: Evaluate Pharma, Decision Resources, Prismaccess

**NEWS: BTD Gazyva in Lupus granted**
Performance update

Rejuvenating the portfolio

Outlook
Roche transitioning: Replace and extend the business

Replace/extend existing businesses

MabThera/Rituxan
- Gazyva, Venclexta, Polivy, mosunetuzumab, CD20 x CD3

Herceptin
- Perjeta, Kadcyla, Herceptin + Perjeta FDC-SC

Avastin
- Tecentriq, Alecensa, Rozlytrek, ipatasertib

Lucentis
- faricimab
  Port delivery system (PDS)

Tamiflu
- Xofluza

Entering new franchises

MS:
- Ocrevus

Hemophilia A:
- Hemlibra

CNS:
- NMOSD, SMA, Huntington’s, Autism, Alzheimer’s

Sales mix (100%)
(Conceptual)

2018
- New products launched before mid 2019
- Other products
- Herceptin + Rituxan + Avastin

2023

FDC=fixed dose combination; NMOSD=neuromyelitis optica spectrum disorder; SMA=spinal muscular atrophy
Oncology: We focus on leadership across established core areas, while still investing in differentiated growth opportunities

**Lead in Hematology**
- **NHL:** Rituxan, Gazyva, Venclexta, Polivy, mosunetuzumab, CD20xCD3
- **CLL:** Venclexta, Gazyva
- **AML:** Venclexta, idasanutlin
- **MM:** Venclexta
- **Hemophilia A:** Hemlibra

**Lead in Breast Cancer**
- **HER2+ BC:** Herceptin, Perjeta, Kadcyla, H+P FDC SC
- **TNBC:** Tecentriq, ipatasertib
- **HR+ BC:** ipatasertib, PI3Kα inhibitor (RG6114); SERD (RG6171)

**Growth in Lung**
- **ALK+/ROS1+/NTRK+:** Alectinib, Rozlytrek
- **SCLC:** Tecentriq
- **NSCLC:** Tecentriq, Avastin

**Establish presence**
(with Tecentriq and combos)
- **mUC:** Expand in 1L; Move into adjuvant
- **HCC:** Potential new SOC
- **CRPC:** Potential new SOC
- **OC:** Potential new SOC
- **RCC and CRC:** Explore opportunities

**High medical need in later lines, aNHL and AML**

> 80% patients in adjuvant

>70% still metastatic
Immunology and Ophthalmology
Addressing high medical need

- Develop industry leading portfolio
- Build ex US infrastructure
- Gene-based therapies (4D)

- Establish etrolizumab as SOC in UC and Crohn’s
- First in class

1 Decision Resources, Evaluate Pharma 2017; 2 Disease modifying treatment, based on UpToDate; 3 Lupus – Benlysta SRI-4; UC & CD – TNF Sustained Remission; Asthma – Dupixent exacerbations; IPF – Esbriet FVC; RA – TNF ACR50. McKinsey analysis based on data from Evaluate
# Pushing towards new frontiers in Neuroscience

*Creating new opportunities across modalities*

<table>
<thead>
<tr>
<th>Neuroimmunology Disorders</th>
<th>Neuromuscular Disorders</th>
<th>Neurodegenerative Disorders</th>
<th>Neurodevelopmental Disorders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ocrevus</strong></td>
<td><strong>Risdiplam</strong></td>
<td><strong>HTT-ASO</strong></td>
<td><strong>Balovaptan</strong></td>
</tr>
<tr>
<td><em>First B-cell targeted therapy in MS</em></td>
<td><em>First oral therapy for spinal muscular atrophy</em></td>
<td><em>First disease modifying therapy for Huntington’s disease</em></td>
<td><em>First treatment for core social and communication deficits</em></td>
</tr>
<tr>
<td><strong>Satralizumab</strong></td>
<td><strong>Duchenne Muscular Dystrophy (DMD)</strong></td>
<td><strong>Parkinson’s</strong></td>
<td></td>
</tr>
<tr>
<td><em>BTD in NMOSD</em></td>
<td><em>Anti-myostatin with the potential to treat core symptoms</em></td>
<td><em>First disease modifying agent</em></td>
<td></td>
</tr>
</tbody>
</table>
Performance update

Rejuvenating the portfolio

Outlook
New product growth with strong momentum

Considerable optionality

Biosimilar gap (18-23)

Sensitivity analysis: Assuming conservative planning assumptions of 60-70% erosion from biosimilars

<table>
<thead>
<tr>
<th>2018 Sales</th>
<th>2023 Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avastin</td>
<td>6.8 bn</td>
</tr>
<tr>
<td>MabThera</td>
<td>6.8 bn</td>
</tr>
<tr>
<td>Herceptin / Her2</td>
<td>7.0 bn</td>
</tr>
<tr>
<td>Perjeta Kadcyla Herceptin H+P SC-FDC</td>
<td>4.0 bn</td>
</tr>
</tbody>
</table>

Gap to fill: 9.6 bn

Consensus sales growth (18-23)

Post-HY 2019 consensus survey

- Ocrevus: 3.8 bn
- Tecentriq: 3.5 bn
- Hemlibra: 3.5 bn
- Gazyva: 0.8 bn
- Alecensa: 0.9 bn
- Xofluza: 0.5 bn
- Polivy: 0.9 bn
- Rozlytrek: 0.4 bn
- In-market & mature: (0.9) bn
- Pipeline value: 2.9 bn

Total: 16.3 bn

Up-side potential to consensus above are:

- **Oncology** (Venclexta, mosunetuzumab/CD20xCD3, PI3Kα, SERD)
- **Autism** (balovaptan)
- **Alzheimer’s** (gantenerumab)
- **Ophthalmology** (port delivery system)
- **Immunology** (Gazyva in lupus)
- **Infectious diseases** (chronic hepatitis B)

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1 Gap value including the total HER2 franchise change from 2017 to 2023, assuming Lucentis will be replaced by faricimab;
2 Ebitriet, Tarceva, Xolair, Pulmozyme, Rocephin, CellCept, Mircera, NeoRecormon/Epogen, Activase/TNKase, Xeloda, Valcyte/Cymeve, Actemra/RoActemra, Tamiflu, Madopar, Pegasys; 3 satralizumab, etrolizumab, idasanutlin, ipatasertib, risdiplam, HTT-ASO
What has changed since our Pharma day a year ago?

*Further increased confidence in delivering growth*

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Gap to fill</th>
<th>New product contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2022 consensus view&lt;sup&gt;1&lt;/sup&gt;</td>
<td>10.1 bn</td>
<td>10.8 bn</td>
</tr>
<tr>
<td>2018-2023 consensus view&lt;sup&gt;2&lt;/sup&gt;</td>
<td>9.6 bn</td>
<td>16.3 bn</td>
</tr>
</tbody>
</table>

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*Strong new product contribution & ongoing launches driving growth*

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<sup>1</sup> Roche Post-HY 2018 consensus survey; <sup>2</sup> Roche Post-HY 2019 consensus survey
Strong commercial potential throughout late stage portfolio

14 blockbusters
- MabThera
- Herceptin
- Avastin
- Perjeta
- Ocrevus
- Actemra
- Lucentis
- Xolair
- Esbriet
- Activase
- Hemlibra
- Tecentriq
- Alecensa
- Kadcyla

+17 late-stage assets with large sales potential
- Polivy
- Rozlytrek
- Venclexta*
- Xofluza
- risdiplam filing 2019
- satralizumab filing 2019

10 blockbusters
- Ocrevus
- MabThera
- Herceptin
- Avastin
- Perjeta
- Ocrevus
- MabThera
- Herceptin
- Avastin
- Perjeta

* Venclexta sales are booked by partner AbbVie

- Neurosciences
- Immunology
- Oncology
- Infectious Disease
- Ophthalmology

- balovaptan
- HTT-ASO
- gantenerumab
- idasanutlin
- PI3Kα (RG6114)
- ipatasertib
- bi-specifics
- Gazyva
- etrolizumab
- PDS w/ ranibizumab
- faricimab

✔ launched

16
2019 outlook further raised

Sales growth to “mid- to high-single digit” from “mid-single digit”

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group sales growth¹</td>
<td>• Mid- to high-single digit (from mid-single digit)</td>
</tr>
<tr>
<td>Core EPS growth¹</td>
<td>• Broadly in line with sales</td>
</tr>
<tr>
<td>Dividend outlook</td>
<td>• Further increase dividend in Swiss francs</td>
</tr>
</tbody>
</table>

¹ At Constant Exchange Rates (CER)
Doing now what patients need next