

A close-up photograph of a woman with a shaved head, looking upwards and to the left. She has a thoughtful expression. Her right hand is resting near her ear. On her left forearm, there is a clear medical bandage with a pink cap. The background is a plain, light-colored wall.

Roche

# Roche in Brief 2017

## Key figures 2017

**CHF 53,299 million**

Group sales +5%

**CHF 12,079 million**

Diagnostics sales +5%

**CHF 41,220 million**

Pharmaceuticals sales +5%



**CHF 19,012 million**

core operating profit +3%\*

**CHF 8.30**

dividend

**CHF 10,392 million**

R&D core investments +5%

**137 million patients**

treated with Roche medicines

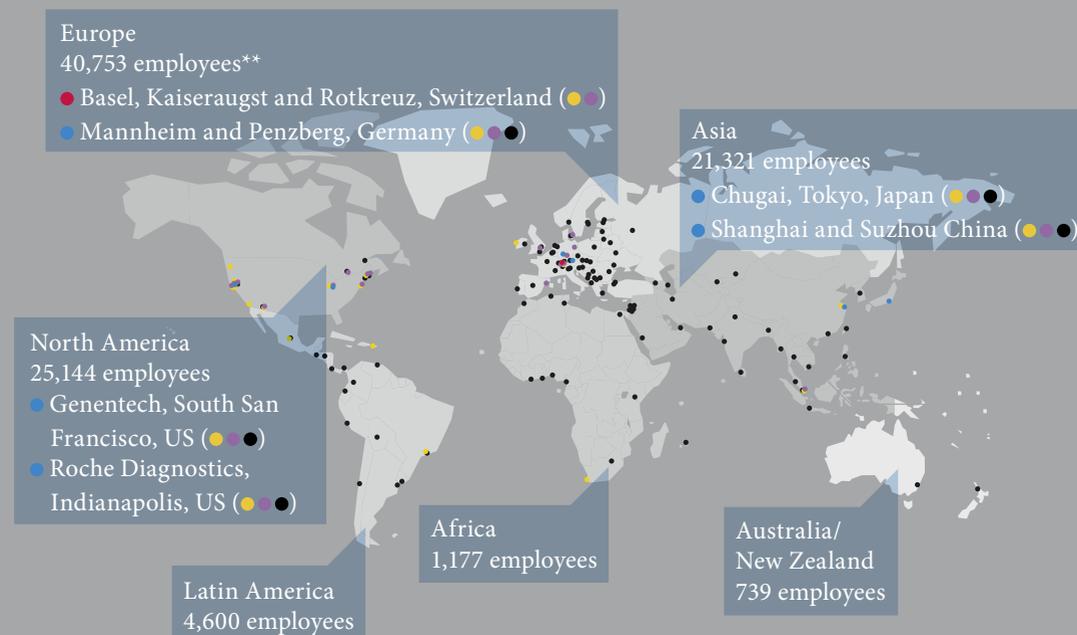
**30 Roche medicines**

on the WHO Model List of Essential Medicines

**19 billion tests**

conducted with Roche products

## Roche's global presence



**93,734 employees**

in more than 100 countries

**30**

Research and development sites in Pharmaceuticals and Diagnostics worldwide

**26**

Manufacturing sites in Pharmaceuticals and Diagnostics worldwide

\* All growth rates in this report are at constant exchange rates (CER; average 2016).

\*\* Number of employees expressed in full-time equivalents

● Roche Group headquarters    ● Largest sites based on number of employees  
 ● Manufacturing sites in Pharmaceuticals and Diagnostics    ● Sales sites in Pharmaceuticals and Diagnostics  
 ● Research and development sites in Pharmaceuticals and Diagnostics

## Who we are

*Innovation: It's in our DNA. We have always worked across disciplines and geographies to drive scientific discovery and redefine what is possible to improve patients' lives.*

Roche is working on understanding how diseases differ down to the molecular level, so we can develop new tests and medicines that prevent, diagnose and treat these diseases. With our combined strengths in diagnostics and pharmaceuticals, our personalised healthcare strategy aims to fit the right treatment to the right patient.

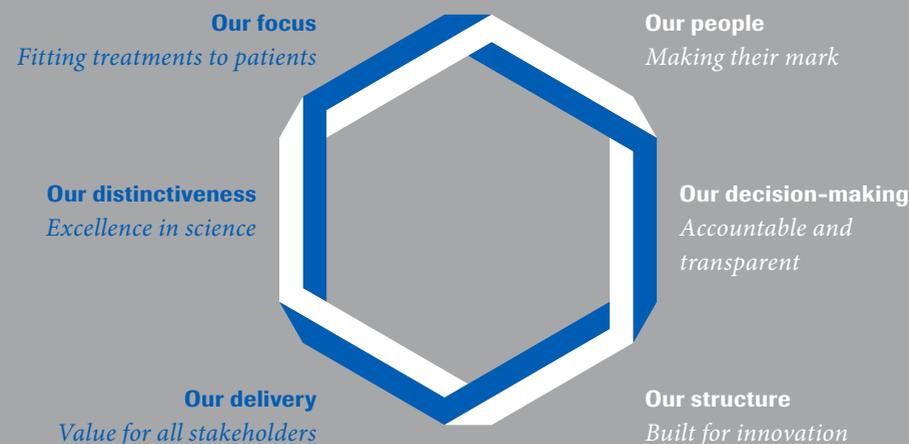
As the world's largest biotech company, we develop breakthrough medicines, improving the standard of care across oncology, immunology, infectious diseases, ophthalmology and neuroscience. Roche is also the world leader in the *in vitro* diagnostics business. This track record allows us to build lasting and meaningful partnerships across the world with research academia and public healthcare institutions.

The founding families continue to hold the majority voting stake in the company. This stability allows for a tradition of sustainable thinking, so we can learn from setbacks and focus on lasting value for patients and society. We remain dedicated to the highest standards of quality, safety and integrity. Our legacy is based on respect for the individual as well as the communities and the world we live in.

## Our strategy

*We focus on finding new medicines and diagnostics that help patients live longer, better lives and evolve the practice of medicine.*

## What we do



## How we do it



Our strategy:  
[roche.com/our-strategy](https://roche.com/our-strategy)

## Our performance

*2017 was a good year for Roche. We were able to introduce new products in areas with significant unmet medical need.*



### Key highlights



#### Managing multiple sclerosis

Ocrevus successfully launched for treatment of two forms of multiple sclerosis, a debilitating disease



#### Testing for infectious diseases

Portfolio of cobas Liat system tests extended for fast diagnosis to help control the spread of infectious diseases



#### Treating rare blood disorder

Hemlibra approved for the treatment of people with haemophilia A with factor VIII inhibitors, a blood disorder



#### Improving access to healthcare

Reimbursement for four Roche medicines in China—making them available to the entire population



#### Progress in cancer immunotherapy

Results from a number of Tecentriq clinical studies to date demonstrate its significant medical benefit



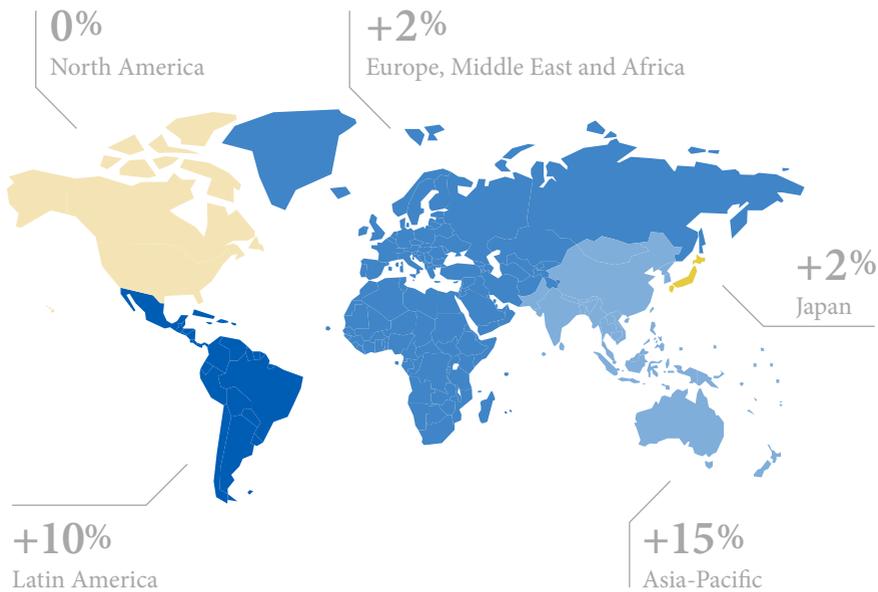
#### Contributing to sustainability

Roche ranked most sustainable healthcare company in the Dow Jones Sustainability Indices for the ninth year running

## Diagnostics performance

**CHF 12,079 million**

Diagnostics sales +5%\*



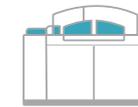
## Top-selling products in 2017 (CHF millions)



**3,813** +13%

**cobas**, Immunodiagnostics

Modular analyser series for maximum consolidation at a high throughput and continuous operation



**1,733** +3%

**cobas**, Clinical chemistry

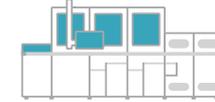
Automated systems offering highly efficient workflow, yet requiring minimised operator intervention



**779** +11%

**Ventana**, Advanced staining

Automated system, improving workflow in the histopathology lab and providing exceptional staining quality



**642** 0%

**cobas**, Virology

cobas 6800/8800 systems setting new industry standards for throughput, time to results, automation and flexibility



**1,965** -4%

**Accu-Chek**, Diabetes Care

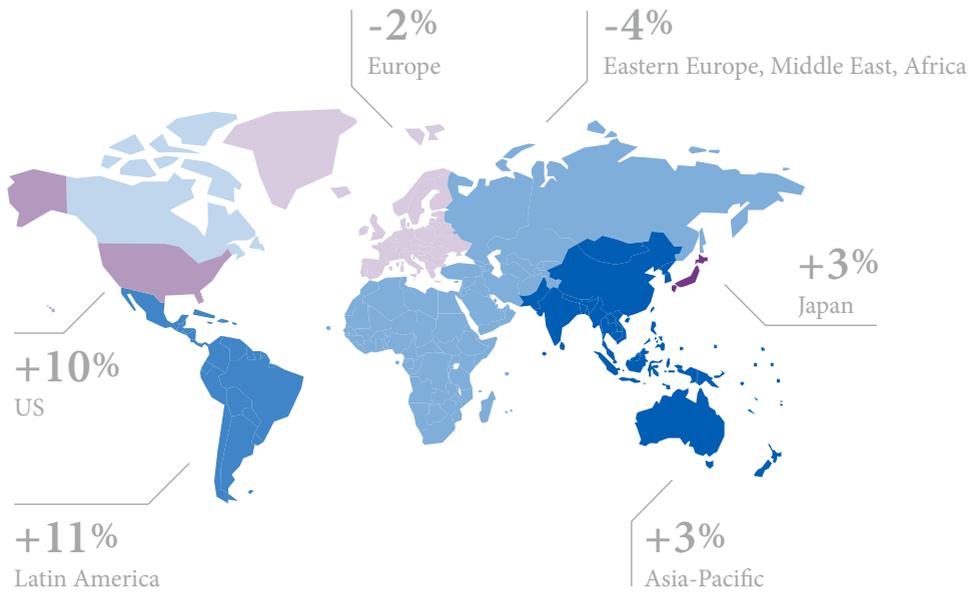
Products to make blood glucose monitoring easier and to provide advanced accuracy for diabetes management

\* All growth rates in this report are at constant exchange rates (CER; average 2016).

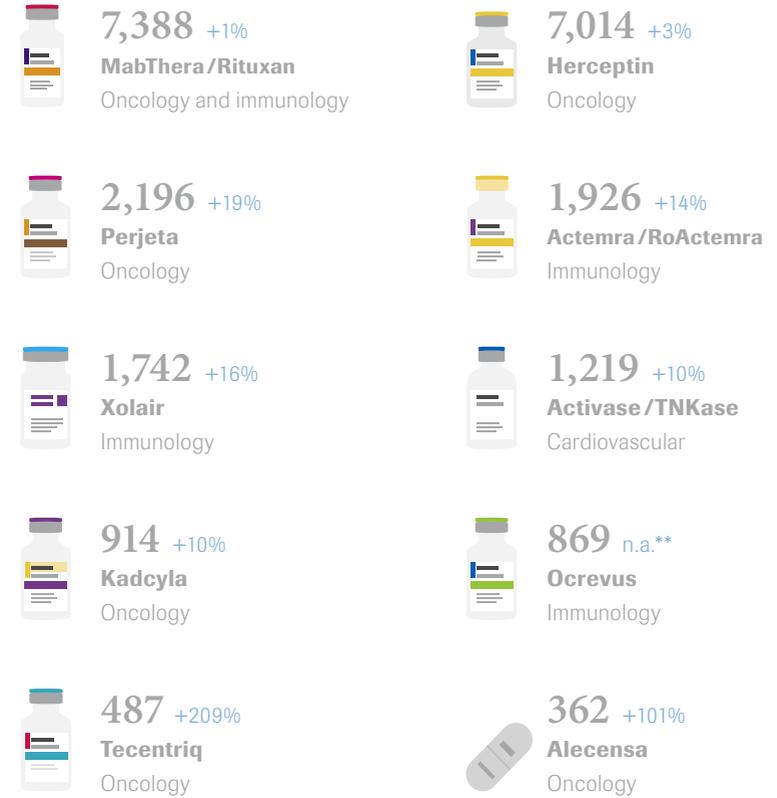
## Pharmaceuticals performance

**CHF 41,220 million**

Pharmaceuticals sales +5%\*



## Key growth-driving products in 2017 (CHF millions)



\* All growth rates in this report are at constant exchange rates (CER; average 2016).

\*\* not applicable

## Science and innovation

*With our specialised knowledge we are translating ideas into medicines that really matter for patients.*



To ensure that we can continue to provide innovative products and services for patients, we invest about one-fifth of our sales in research and development (R&D) activities every year. Thanks to our focus on science in areas of high need, and with our expertise in pharmaceuticals and diagnostics under one roof, Roche has been successful in introducing six new medicines in different diseases and indications and many new diagnostic tests, instruments and services since late 2015. Additionally, we have broad and exciting pipelines in both our Pharmaceuticals and Diagnostics Divisions.

### **Investing today to bring hope for tomorrow**

We focus on therapeutic areas where we can make significant contributions to society. This includes disorders of the central nervous system such as Alzheimer's disease and autism spectrum disorder, where we are conducting studies that need a high level of investment. In Diagnostics, we are advancing our vision of the Integrated Core Lab with a broad range of diagnostic tests and fully automated processes.

Roche is also innovating in areas of unmet need by developing new medicines for diseases in which there has been no major progress for decades, including bladder cancer (Tecentriq), multiple sclerosis (Ocrevus) and giant cell arteritis (Actemra/RoActemra). Approved by the FDA in November 2017, Hemlibra offers immense possibilities for an improved quality of life for those with haemophilia A. Our point-of-care cobas Liat system provides precise test results rapidly, when time is of the essence for a patient's survival.

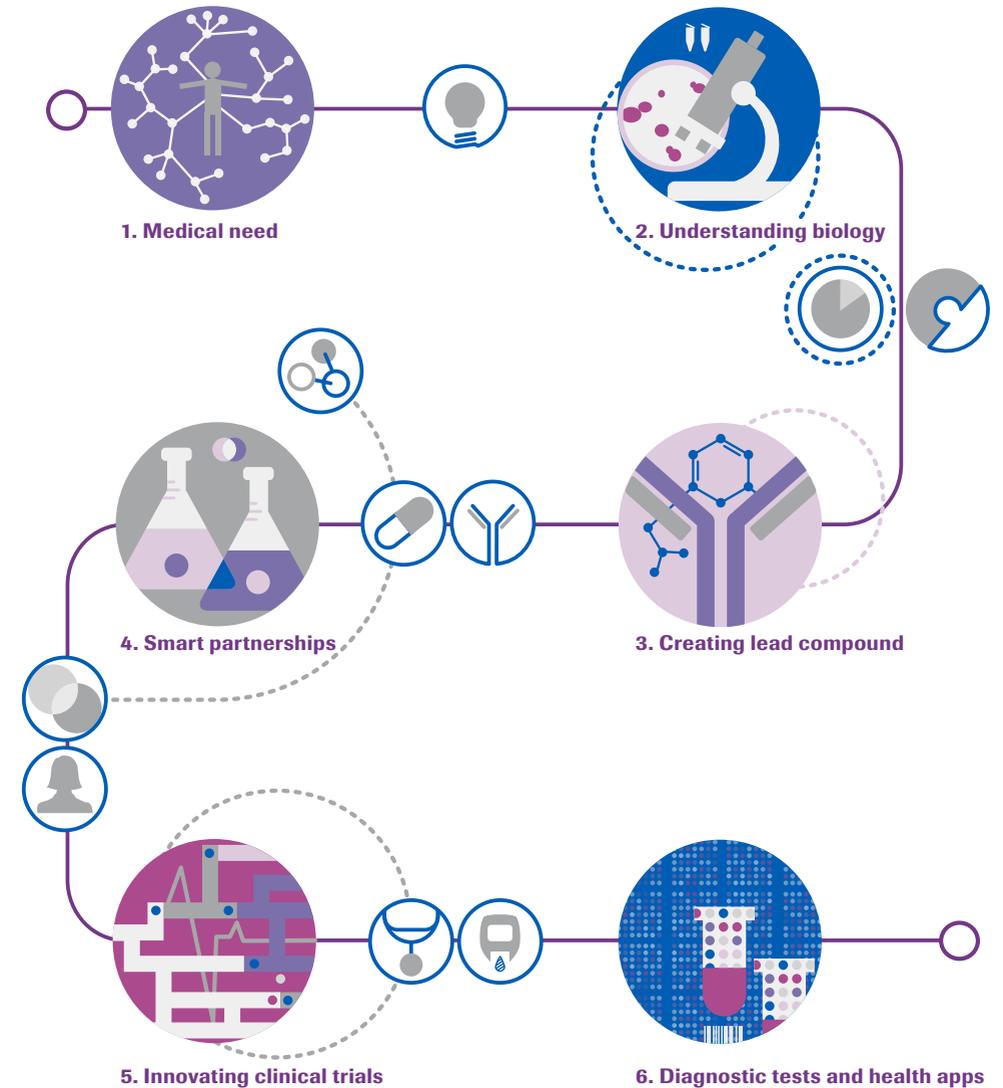
## Understanding, targeting and interfering

The human body can be likened to a 'machine' of mind-boggling complexity. More often than not, it works miraculously well. When things go awry, causing a disease, it is the research scientists who are called upon to understand, target and repair the underlying malfunction. Is this 'error' the result of a single missing gene in a specific cell? Or is the immune system in overdrive? More often than not it could be the combination of diverse factors that have gone amiss.

Identifying the precise biological origin of a disease, and the potential disease-modifying targets for intervention, is the first step in the modern discovery of a medicine at Roche. This approach has proven valuable in oncology, neuroscience, ophthalmology and rare diseases and albeit quite new is now consistently used in Roche's immunology research as well.

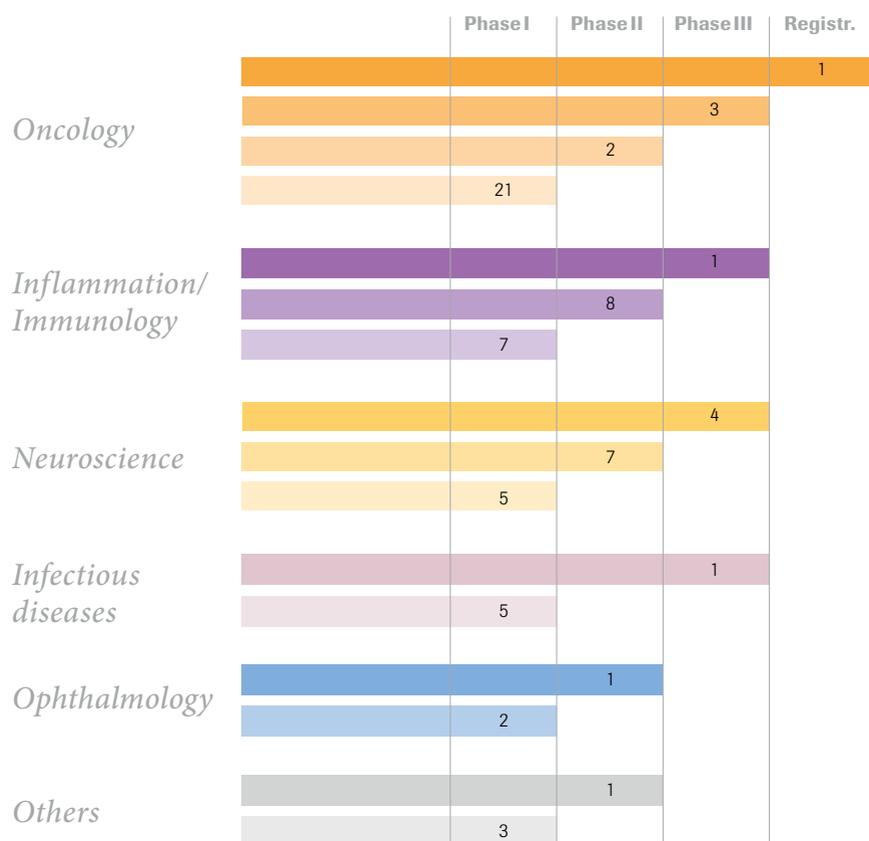
Researchers at Roche are facing huge complexities in the medical sciences today and it is impossible to master the challenges alone. In view of the naturally limited resources of any one single company, collaborations with diverse partners are therefore essential.

Since 2013, the FDA has granted Roche 19 breakthrough therapy designations (BTDs) to expedite the development and review of medicines with early evidence of potential clinical benefit in serious or life-threatening diseases. Roche leads the industry in terms of the number of BTDs which bears witness to the innovative power of our R&D efforts and clearly reflects the value of our products for patients, and for society at large. In 2017, regulatory approvals were provided for two new medicines, Ocrevus and Hemlibra, and a number of additional approvals for existing medicines, including Perjeta, Tecentriq and Alecensa.



This discovery-to-delivery 'value chain' can deliver 'value' only if all the links in the chain work to perfection.

## Pharmaceuticals clinical pipeline



Our pipeline of 72 new molecular entities (NMEs) covers a broad range of diseases and highly innovative technologies are applied to create and produce the active molecules.

## Key Diagnostics product launches planned in 2018

### Instruments/devices

Area	Product name	Description	Market
Central Laboratory	cobas pro integrated solutions	Serum Work Area solutions for medium-throughput to lower high-throughput labs	CE
Specialty Testing	cobas m 511	World's first fully digital morphology analyser and cell counter	US
Workflow	CCM connectivity to cobas c 513	Connection of cobas c 513 to CCM Automation System for high-volume HbA1c testing	ww*
Tissue Dx	BenchMark ULTRA Plus	New and differentiated Advanced Staining System	CE
Digital Pathology	VENTANA DP200	Reliable low-volume scanner with superior image quality	CE
Diabetes Care	Solo Patch Pump	Small and tubeless insulin delivery device operated through a remote control which includes a blood glucose meter	CE

### Tests/assays

Endocrinology	IGFBP3	Completion of the existing growth hormone menu of hGH and IGF-1	CE
Infectious diseases	Zika IgG	Highly specific immunoassay for the <i>in vitro</i> qualitative detection of IgG antibodies to Zika virus in human serum and plasma	CE
	cobas CT/NG	Highest throughput CT/NG test on the market with workflow efficiency benefits	US
Microbiology	cobas 6800/8800 MTB/MAI	High-volume solution for MTB/MAI testing; efficient approach to disease management (mixed testing) for infectious diseases	CE
	Virology	Plasma Separation Card	Card-like sample collection device; separates plasma from whole blood; for use with CAP/CTM HIV-1 and cobas HIV-1 (6800/8800)
Sequencing	AVENIO FFPET RUO oncology kits	Three separate tissue-based assay kits for solid tumours	ww*

### Software

Decision Support	NAVIFY Tumour Board v 1.x	EMR integration	ww*
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\* ww = worldwide | FFPET = Formalin-Fixed Paraffin-Embedded Tissue | RUO = Research Use Only



Pipeline:  
roche.com/pipeline



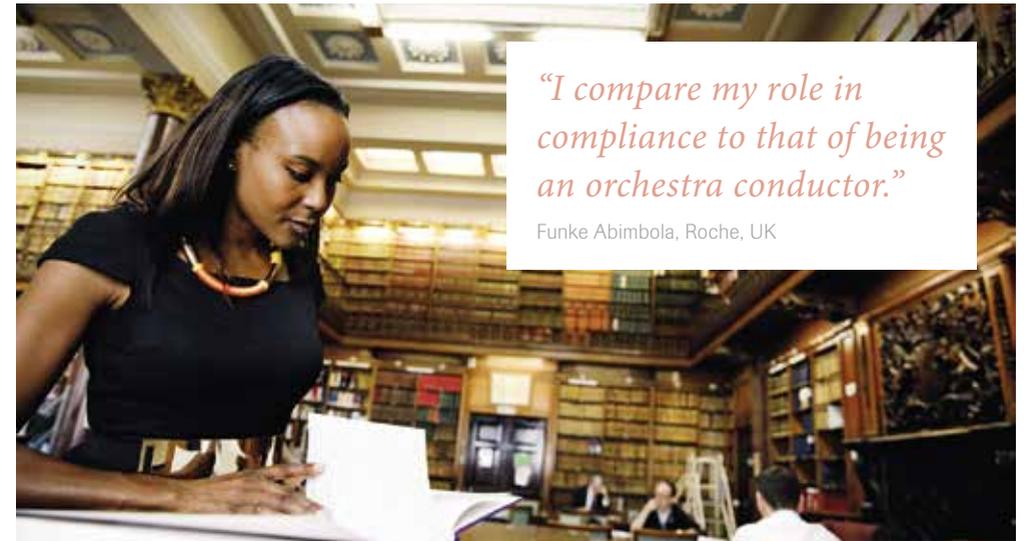
*“Multiple sclerosis patients truly do suffer a lot.”*

Dr Amr Khairy, former Taekwondo World Champion, Egypt



*“I was there to teach, but I also learned a lot from them.”*

Belinda Holdsworth, Roche, Switzerland



*“I compare my role in compliance to that of being an orchestra conductor.”*

Funke Abimbola, Roche, UK



*“By doing our jobs well, we are making a contribution to the community.”*

Micha Nussbaum, Roche, Brazil

## Our responsibility

*At Roche, our common purpose is to make a difference to the lives of patients and their families, and to society at large.*



## Innovating for patients



### We drive innovation

We are a pioneer in healthcare and constantly search for new innovative ways to treat medical needs. Therefore, Roche invested CHF 10.4 billion in research and development in 2017. The WHO currently lists 30 of our products as essential medicines. These medicines are selected due to public health relevance, evidence on efficacy and safety, and comparative cost-effectiveness.



### Focus on patients

We focus on developing innovative medicines and diagnostic tests that help patients live longer, better lives. Two-thirds of all diseases are either still not treated adequately or not treated at all. This medical need is enormous and better diagnostics and medicines can make a huge difference to the lives of millions of patients and their families. We are trying to tackle these challenges, and in late 2017, we had 72 new molecular entities in clinical development.



### Combined strengths

We are embracing the best technologies and partnerships that leverage the power of our unique pharmaceutical-diagnostic structure to advance science and develop new therapies. In 2017, 137 million patients were treated with our medicines and 19 billion tests were conducted with our Diagnostics products.

## Providing a great workplace



### We are a strong team

For more than 120 years our employees have been driving healthcare innovations that touch the lives of millions of patients. A total of 93,734 employees (in full-time equivalents) were active in more than 100 countries as per 31 December 2017.



### Fostering gender equality and diverse work experiences

Our goal is to increase the number of female leaders and leaders that bring experience from diverse markets. The percentage of women in key leadership roles at Roche overall has risen 28% since 2014. In terms of leaders with breadth of experience, we have also achieved our initial milestones.



### Compensation and benefits

Roche offers a highly competitive salary and performance-based rewards. There is a variety of benefits tailored by the needs and expectations of our locations. These may include pension plans, health insurance, child care, on-site medical facilities and fitness centres, preventive health screenings, and transportation to and from the workplace.

## Being a trustworthy partner



### Joining forces

Open and constructive dialogue with our stakeholders is crucial to creating sustainable value and growth. It helps us to better understand how to serve patients, their caregivers and physicians. Eventually, we are focusing our activities on creating value for both the company and society.



## Protecting the environment



### Protecting the climate

We are reducing our carbon footprint by purchasing energy-efficient equipment. Since 2010, 1,411 projects have been completed, resulting in the reduction of 177,050 tonnes of CO<sub>2</sub> emissions in 2017.



### We save resources

Our goal is to fully substitute the fossil and nuclear energies we use with energy from renewable sources. Roche utilises a wide range of practices, techniques and skills to keep energy consumption to a minimum. In 2017, our energy consumption decreased by 5.4%.



### Sustainable water management

In 2017, for the first time, Roche has been identified as a global leader for its actions to manage water more sustainably. Our approach is to manage and monitor water use locally. Even though most of the sites that use large volumes of water are not located in areas of water scarcity, we adopt conservation and reduction programmes according to local needs.



*“I think about the impact we had and the magnitude of the unmet need.”*

Ashley Magargee, Roche, Singapore



*“Our partnership helped change the world’s attitude towards viral load testing.”*

Alan Staple, Clinton Health Access Initiative, US

## Our approach to sustainability

What sustainability means to us: It's the alignment of an individual's goals with the interests of society. Preserving natural resources ultimately helps to meet those goals. By acting sustainably, we contribute positively towards the development of the world.

We have been committed to sustainability for many years and contribute to a number of the 17 United Nations Sustainable Development Goals.



Our contribution to the UN SDGs:

[roche.com/un-sdgs](https://roche.com/un-sdgs)



*“Our engagement will lead to a sustainable contribution to the local community.”*

Ben Fu, Roche, China

### Our environmental responsibility

Roche proactively seeks new, more sustainable technologies and processes to achieve our environmental goals. We focus our efforts and activities on many environmental issues, supporting several of the world's serious environmental challenges.

We foster measures to reduce our energy consumption and, in parallel, to decrease CO<sub>2</sub> emissions. For example Roche's site at Vacaville, US, installed solar power arrays; since the solar plant came online in May 2017, it has generated approximately 7,700 MWh of electrical energy, avoiding 5,489 t of carbon dioxide.

## Access to healthcare

*Our aim is for every person who needs our diagnostic tests and medicines to be able to access them, no matter where they live. We are working to remove barriers and improve every step of a patient's journey.*



Access to healthcare is a multidimensional challenge that does not have a 'one size fits all' solution. Complex treatments, such as those for cancer, often require sophisticated diagnosis, specialised training and hospital infrastructure for successful treatment. The barriers to this differ from country to country. Roche focuses on locally tailored solutions because access is so intricately linked to how healthcare systems work. We address the complex challenge of access by focusing on four key areas: awareness, diagnosis, healthcare capacity and funding.

In order to properly address these four factors, we need a deep understanding of the root causes behind why people might not have access to medicines and diagnostics. To this end, we systematically apply our Access Planning Framework country by country creating comprehensive access plans which are then embedded into our business strategy. To date, we have these detailed plans in more than 70 countries.

### **Joining forces to make a difference**

Roche is playing an active role in an initiative which brings together more than 20 leading biopharmaceutical companies along with the World Bank and the Union for International Cancer Control (UICC). The Access Accelerated Initiative was launched in 2017 and focuses on improving access to treatments for non-communicable diseases (NCDs), such as cancers, cardiovascular diseases, chronic respiratory diseases and diabetes. In doing so, it takes up the UN Sustainable Development Goal to reduce deaths from NCDs by a third by 2030.



### Awareness

Successful treatment begins with an awareness of the symptoms of a disease and a visit to a healthcare professional. Lack of awareness can keep patients from accessing care. Roche runs awareness campaigns and builds strong partnerships all over the world to improve this.



### Diagnosis

Diagnosis is critical and can be complex, requiring specialist laboratory technicians or facilities for testing that may not be accessible for many people. Proper diagnosis is the only way to ensure that the right treatment choice is made.

Early, accurate diagnosis can significantly increase a patient's chance of survival. In breast cancer for example, 98.8% of patients survive five years if diagnosed early compared with only 26.3% if diagnosed with the disease at an advanced stage.<sup>1</sup> As a result of modern diagnosis and therapy, breast cancer death rates dropped 39% between 1989 and 2015 in the US.<sup>2</sup>



### Healthcare capacity

Limited healthcare infrastructure—such as a lack of healthcare facilities and trained healthcare professionals—is often a major barrier to accessing modern medicines and diagnostics in some of the world's poorest countries. To help overcome these barriers, Roche has established a number of programmes aimed at making lasting improvements in local capabilities. These range from educating and training healthcare professionals and regulatory personnel to helping establish clinics and laboratories and strengthening local manufacturing capabilities and supply chains.



### Funding

We have developed a number of pricing solutions, such as Personalised Reimbursement Models, which enable pricing according to the value the medicine brings in different indications, and International Differential Pricing, which sets the price of a medicine according to a country's economic situation with a purchasing power parity adjusted GDP per capita formula. One example of how this hurdle has been overcome is Roche's collaboration with private insurance companies in countries where public coverage may not be adequate.

<sup>1</sup> National Cancer Institute, SEER available at <https://seer.cancer.gov/statfacts/html/breast.html>

<sup>2</sup> DeSantis C E et al. Breast cancer statistics, 2017. *A Cancer Journal for Clinicians*. DOI: 10.3322/caac.21412, 2017.

## *For more information*

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# Doing now what patients need next

*We believe it's urgent to deliver medical solutions right now—even as we develop innovations for the future. We are passionate about transforming patients' lives. We are courageous in both decision and action. And we believe that good business means a better world.*

*That is why we come to work each day. We commit ourselves to scientific rigour, unassailable ethics, and access to medical innovations for all. We do this today to build a better tomorrow.*

*We are proud of who we are, what we do, and how we do it. We are many, working as one across functions, across companies, and across the world.*

**We are Roche.**





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Cover shows woman diagnosed with cancer.

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