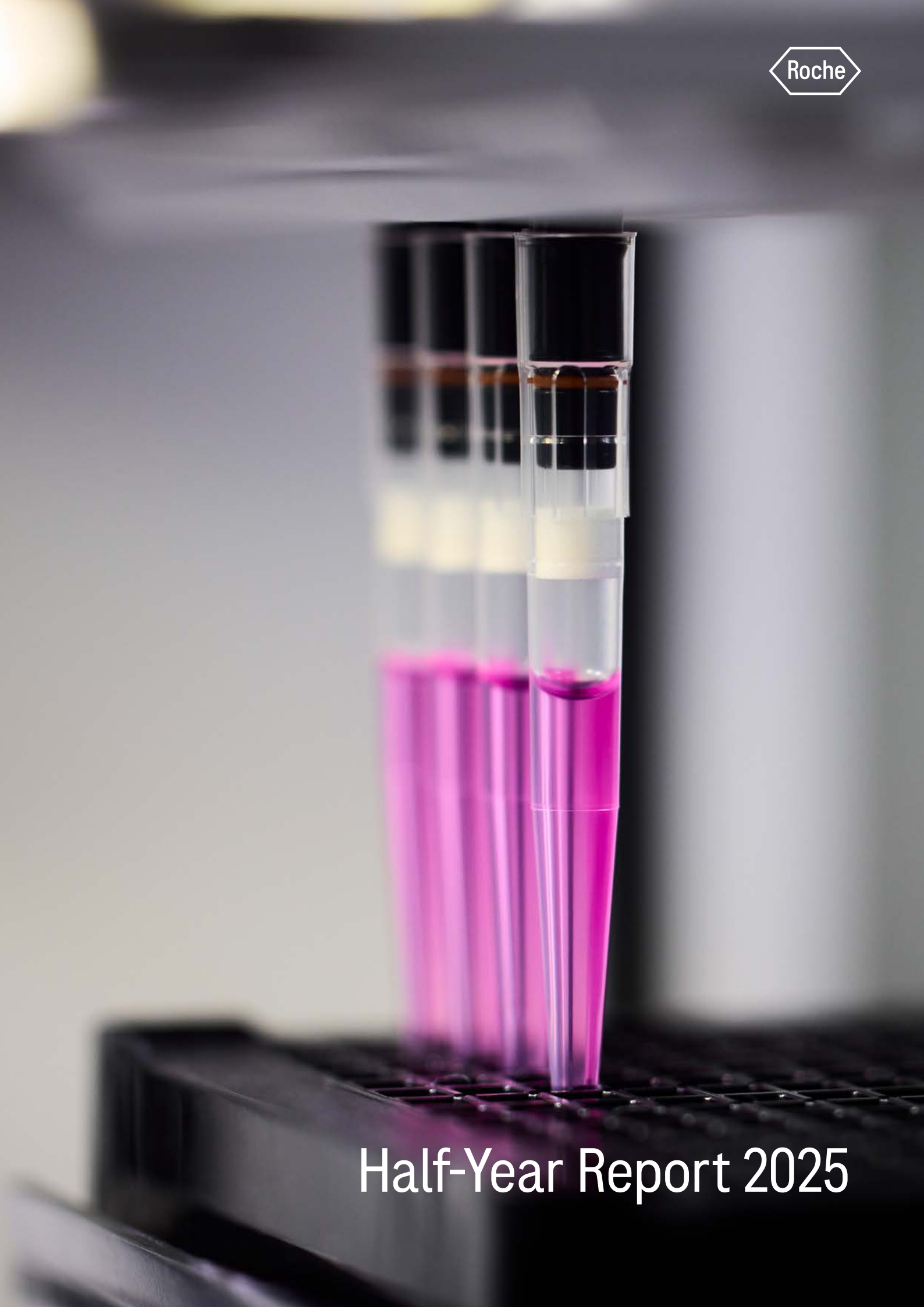
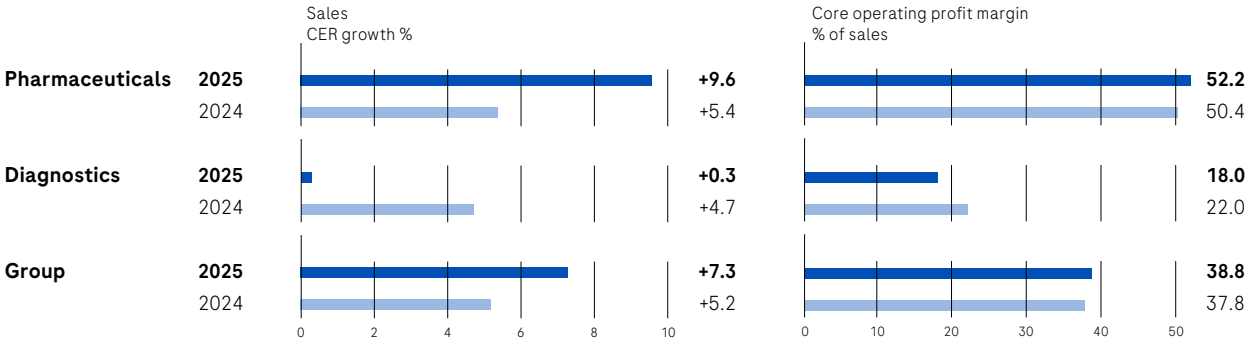


Half-Year Report 2025

Finance in Brief

Key interim results



	Six months ended 30 June 2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)	% of sales (2025)	% of sales (2024)
IFRS results						
Sales	30,944	29,848	+4	+7		
Operating profit	10,330	9,071	+14	+19	33.4	30.4
Net income	7,832	6,697	+17	+23	25.3	22.4
Net income attributable to Roche shareholders	7,410	6,258	+18	+25	23.9	21.0
Diluted EPS (CHF)	9.23	7.80	+18	+23		
Core results						
Research and development	6,074	6,268	–3	–1	19.6	21.0
Core operating profit	12,010	11,293	+6	+11	38.8	37.8
Core EPS (CHF)	11.08	10.23	+8	+12		
Free cash flow						
Operating free cash flow	6,114	8,053	–24	–20	19.8	27.0
Free cash flow	3,319	5,591	–41	–37	10.7	18.7

	30 June 2025 (CHF m)	31 December 2024 (CHF m)	% change (CHF)	% change (CER)
Net debt	(21,005)	(17,337)	+21	+37
Capitalisation	66,075	70,815	–7	0
– Debt	33,031	34,654	–5	+4
– Equity	33,044	36,161	–9	–3

CER (constant exchange rates): The percentage changes at constant exchange rates are calculated using simulations by reconsolidating both the 2025 and 2024 results at constant exchange rates (the average rates for the year ended 31 December 2024). For the definition of CER see page 86.

Core results and Core EPS (earnings per share): These exclude non-core items such as global restructuring plans and amortisation and impairment of goodwill and intangible assets. This allows an assessment of both the actual results and the underlying performance of the business. A full income statement for the Group and the operating results of the divisions are shown on both an IFRS and core basis. The core concept is fully described on pages 78–81 and reconciliations between the IFRS and core results are given there.

Free cash flow is used to assess the Group's ability to generate the cash required to conduct and maintain its operations. It also indicates the Group's ability to generate cash to finance dividend payments, repay debt and to undertake merger and acquisition activities. The free cash flow concept is used in the internal management of the business. The free cash flow concept is fully described on pages 81–83 and reconciliations between the IFRS cash flow and free cash flow are given there.

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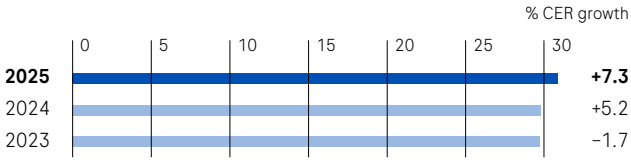
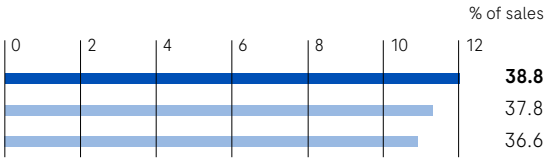
Financial Review

Group results

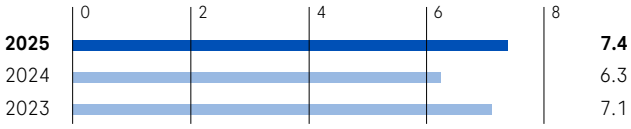
Sales in billions of CHF



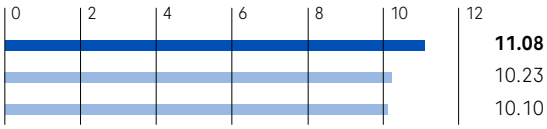
Core operating profit in billions of CHF



Net income attributable to Roche shareholders in billions of CHF



Core EPS in CHF



In the first half of 2025 the Roche Group reported sales growth of 7% and a core operating profit growth of 11% at CER. IFRS net income increased by 23% while Core EPS increased by 12% at CER. The appreciation of the Swiss franc against many currencies, notably the US dollar, compared to the first half of 2024, had an adverse net impact on the results expressed in Swiss francs of 3 percentage points on sales, 5 percentage points on core operating profit, 6 percentage points on IFRS net income and 4 percentage points on Core EPS.

Sales in the Pharmaceuticals Division were CHF 24.0 billion (2024: CHF 22.6 billion), an increase of 10% at CER, driven by increased sales of Phesgo, Xolair, Hemlibra, Vabysmo and Ocrevus. These medicines in total contributed an additional CHF 1.7 billion (CER) of sales. Sales of Avastin, Herceptin, MabThera/Rituxan, Esbriet, Lucentis and Actemra/RoActemra decreased by a combined CHF 0.3 billion (CER), as the impact of biosimilar and generic competition continued.

Sales in the Diagnostics Division were stable at CHF 7.0 billion. Growth in demand, notably for pathology and molecular solutions, was offset by the impact of healthcare pricing reforms in China, specifically across the portfolio of cardiac and oncology tests in the Core Lab customer area.

Divisional operating results for the six months ended 30 June 2025 in millions of CHF

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales	23,985	6,959	–	30,944
Core operating profit	12,522	1,250	(1,762)	12,010
– Margin, % of sales	52.2	18.0	–	38.8
Operating profit	11,632	717	(2,019)	10,330
– Margin, % of sales	48.5	10.3	–	33.4
Operating free cash flow	8,533	(232)	(2,187)	6,114
– Margin, % of sales	35.6	–3.3	–	19.8

Divisional operating results – Development of results compared to the six months ended 30 June 2024

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales				
– % change at CER	+10	0	–	+7
Core operating profit				
– % change at CER	+13	–14	+5	+11
– Margin: percentage point change	+1.7	–3.2	–	+1.1
Operating profit				
– % change at CER	+25	–43	+5	+19
– Margin: percentage point change	+6.1	–8.5	–	+3.3
Operating free cash flow				
– % change at CER	–9	–	+6	–20
– Margin: percentage point change	–7.1	–9.3	–	–7.0

The Pharmaceuticals Division's core operating profit increased by 13% at CER (increase of 10% in CHF). Cost of sales increased by 8%, growing at a lower rate than sales growth, primarily driven by changes in the product mix. This was partly offset by higher royalty expenses and expenses for collaboration and profit-sharing agreements, driven by increased sales of Ocrevus and Xolair. Research and development costs decreased by 1%, with the oncology therapeutic area being the primary focus of spending including investments in giredestrant and in the line extensions of in-market products. Increased spending on recent acquisitions and collaborations, including Poseida, Carmot and Telavant, was offset by savings from the completion of several studies and portfolio prioritisation initiatives. Selling, general and administration costs increased by 4% due to marketing and distribution costs for ongoing launches, notably that of Vabysmo and that of Xolair in the food allergy indication.

In the Diagnostics Division, core operating profit decreased by 14% at CER (decrease of 21% in CHF). This was in contrast to stable sales and was driven by an increase of 8% in cost of sales. The reduction of the cost of sales margin was caused primarily by the healthcare pricing reforms in China. In addition, there were higher costs from the manufacturing ramp-up of the Accu-Chek SmartGuide continuous glucose monitoring solution, as well as higher costs from the increasing number of installed instruments.

The Group's core operating profit was 11% higher at CER (increase of 6% in CHF), reflecting the increased sales in the Pharmaceuticals Division coupled with cost management, notably efficiency gains realised from the research and development portfolio prioritisation in the Pharmaceuticals Division.

The core basis excludes non-core items such as global restructuring costs, amortisation and impairment of goodwill and intangible assets, legal and environmental cases, and mergers and acquisitions and alliance transactions. The IFRS operating profit increased by 25% (CER) in the Pharmaceuticals Division driven by the 13% growth in core operating profit and due to lower intangible asset impairment charges. In the Diagnostics Division, IFRS operating profit decreased by 43% (CER), driven by the 14% decline in core operating profit and due to higher global restructuring plan charges. The 2025 interim results for the Group included CHF 1.0 billion charges for restructuring costs, CHF 0.3 billion for intangible asset amortisation and CHF 0.2 billion for goodwill and intangible asset impairment. Group IFRS operating profit increased by 19% at CER (increase of 14% in CHF).

Financing costs remained stable at CHF 0.7 billion, with interest expenses from the debt issued throughout 2024 replacing the interest expenses on the bridge facility incurred in the first half of 2024. The Group's effective core tax rate was broadly stable at 17.4%. The tax reform enacted in the canton of Basel-Stadt in Switzerland during the first half of 2025 had a non-core transitional impact on the Group's deferred tax positions of CHF 0.1 billion.

Net income increased by 13% at CER (increase of 8% in CHF) on a core basis to CHF 9.3 billion and by 23% at CER (increase of 17% in CHF) on an IFRS basis to CHF 7.8 billion due to the impact of lower impairment charges for intangible assets. Core EPS increased by 12% at CER (increase of 8% in CHF) to CHF 11.08.

Operating free cash flow was CHF 6.1 billion, a decrease of 20% at CER (decrease of 24% in CHF) mainly due to CHF 1.2 billion paid to Zealand Pharma. For the Pharmaceuticals Division this was due to an increase in trade receivables and investments in intangible assets related to the collaboration with Zealand Pharma. This was partly offset by the higher underlying cash generation. The Diagnostics Division showed an outflow of CHF 0.2 billion due to reduced operating results of the business together with settlements of year-end payables and accruals as well as increased inventories. The free cash flow was CHF 3.3 billion, a decrease of 37% at CER (decrease of 41% in CHF) driven by the lower operating free cash flow and the higher tax payments.

Income statement

	Six months ended 30 June 2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)
IFRS results				
Sales	30,944	29,848	+4	+7
Other revenue	905	908	0	+2
Revenue	**31,849**	**30,756**	**+4**	**+7**
Cost of sales	(8,006)	(7,870)	+2	+6
Research and development	(6,676)	(7,388)	–10	–8
Selling, general and administration	(7,078)	(6,852)	+3	+6
Other operating income (expense)	241	425	–43	–42
Operating profit	**10,330**	**9,071**	**+14**	**+19**
Financing costs	(693)	(708)	–2	+1
Other financial income (expense)	(49)	(140)	–65	–65
Profit before taxes	**9,588**	**8,223**	**+17**	**+22**
Income taxes	(1,756)	(1,526)	+15	+18
Net income	**7,832**	**6,697**	**+17**	**+23**
Attributable to				
– Roche shareholders	7,410	6,258	+18	+25
– Non-controlling interests	422	439	–4	–7
EPS – Basic (CHF)	9.31	7.85	+19	+23
EPS – Diluted (CHF)	9.23	7.80	+18	+23
Core results[a)]				
Sales	30,944	29,848	+4	+7
Other revenue	905	908	0	+2
Revenue	**31,849**	**30,756**	**+4**	**+7**
Cost of sales	(7,562)	(7,300)	+4	+8
Research and development	(6,074)	(6,268)	–3	–1
Selling, general and administration	(6,508)	(6,376)	+2	+5
Other operating income (expense)	305	481	–37	–35
Operating profit	**12,010**	**11,293**	**+6**	**+11**
Financing costs	(680)	(698)	–3	0
Other financial income (expense)	(49)	(140)	–65	–65
Profit before taxes	**11,281**	**10,455**	**+8**	**+12**
Income taxes	(1,962)	(1,804)	+9	+12
Net income	**9,319**	**8,651**	**+8**	**+13**
Attributable to				
– Roche shareholders	8,899	8,205	+8	+14
– Non-controlling interests	420	446	–6	–9
Core EPS – Basic (CHF)	11.18	10.29	+9	+12
Core EPS – Diluted (CHF)	11.08	10.23	+8	+12

a) See pages 78–81 for the definition of core results and Core EPS.

Competition from biosimilar and generic medicines

The introduction of a generic, biosimilar or non-comparable biologic version of the same or a similar medicine usually results in a significant reduction in net sales for the relevant product, as other manufacturers typically offer their versions at lower prices.

Avastin, Herceptin and MabThera/Rituxan. The Group's basic, primary patents for these three products have expired worldwide. Interim sales, including regional breakdowns, for Avastin, Herceptin and MabThera/Rituxan are disclosed in the Pharmaceuticals Division's operating results and are summarised in the table below. The year-on-year movements were also driven by regular price and volume changes. Biosimilar competition is only one factor in the overall picture.

Total interim Avastin, Herceptin and MabThera/Rituxan sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% divisional sales (2025)	% divisional sales (2024)
United States	664	759	–10	2.8	3.4
Europe	246	275	–9	1.0	1.2
Japan	87	119	–26	0.4	0.5
International	715	947	–20	2.9	4.2
Total sales	**1,712**	**2,100**	**–15**	**7.1**	**9.3**

The first biosimilar versions of Herceptin and Avastin were launched in the US from mid-2019 and the first biosimilar versions of MabThera/Rituxan in late 2019. In Europe the first biosimilar versions of MabThera/Rituxan and Herceptin were launched from mid-2017 and from mid-2018, respectively, and are now marketed in most EU countries. The first biosimilar versions of Avastin came to market in Europe from mid-2020. The first biosimilar versions of MabThera/Rituxan and Herceptin were launched in Japan in 2018 and the first biosimilar versions of Avastin in late 2019. Sales of these three products in Japan were impacted by government price cuts as well as biosimilar competition. In the International region, biosimilar versions of all three products have been launched in many countries and this, together with the impacts of regular price and volume changes, has led to the decline in sales.

Esbriet. The first generic versions of Esbriet came to market in the second quarter of 2022. The interim sales of Esbriet were CHF 20 million (2024: CHF 49 million), a decline of 58% at CER. The rights for Esbriet in the US market were divested in the first quarter of 2025.

Lucentis. The Group's basic, primary patents have expired in the US. The first biosimilar version of Lucentis with a restricted label came to market in the US at the beginning of the third quarter of 2022. Interim US sales of Lucentis were CHF 41 million (2024: CHF 87 million), a decline of 52% at CER due to the ongoing switch of patients from Lucentis to Vabysmo, as well as competitive pressure.

Actemra/RoActemra. The Group's basic, primary patents have expired in the US and the EU. The first biosimilar versions of Actemra/RoActemra came to market in the EU in the fourth quarter of 2023 and in the US in the second quarter of 2024. Global interim sales of Actemra/RoActemra were CHF 1,279 million (2024: CHF 1,276 million), an increase of 4% at CER. Sales increased mainly in the US due to the delayed impact from biosimilar competition.

Xolair. The Group's basic, primary patents have expired, and the formulation patent will expire in the US in late 2025. Based on publicly available information, the Group currently anticipates that the first biosimilar versions could come to market in the US in 2026. Interim sales of Xolair in the US in 2025 were CHF 1,445 million.

Perjeta. The Group's basic, primary patents in the US and the EU expired in the second quarter of 2025. Based on publicly available information, the Group currently anticipates that the first biosimilar versions could come to market in the US and Europe in 2026. Interim global sales of Perjeta in 2025 were CHF 1,613 million.

Mergers and acquisitions

Poseida. On 8 January 2025 the Group completed the acquisition of Poseida Therapeutics, Inc. ('Poseida'). With this acquisition, the Group obtained access to Poseida's research and development portfolio, which includes various preclinical and clinical-stage CAR-T therapies across several therapeutic areas, as well as manufacturing capabilities and technology platforms. The total consideration was USD 1.1 billion, of which USD 0.9 billion was paid in cash, USD 0.1 billion arose from a deferred cash consideration and USD 0.1 billion arose from a contingent consideration arrangement. Further details are given in Note 6 to the Interim Financial Statements.

Alliance transactions

In the first half of 2025 in-licensing and alliance transactions resulted in intangible assets of CHF 1.4 billion (2024: CHF 0.3 billion) being recognised. Transactions in 2025 included the collaboration and licence agreement with Zealand Pharma A/S ('Zealand Pharma') to co-develop and co-commercialise petrelintide in the US and Europe as a potential foundational therapy for people who are overweight or have obesity. The Group obtained exclusive rights to commercialise petrelintide in the rest of the world and will be responsible for commercial manufacturing and supply. The initial payment resulted in the recognition of CHF 1.2 billion of intangible assets.

Global restructuring plans

During the first half of 2025 the Group continued the implementation of various global restructuring plans initiated in 2025 and prior years.

Global restructuring plans: costs incurred for the six months ended 30 June in millions of CHF

	2025	2024
Global restructuring costs		
– Employee-related costs	553	269
– Site closure and other costs related to physical assets	32	142
– Divestment of products and businesses	0	0
– Other reorganisation expenses	438	351
Total global restructuring costs	**1,023**	**762**

The Pharmaceuticals Division incurred restructuring costs of CHF 351 million, primarily for research and development optimisation initiatives and a business process transformation to simplify the systems landscape. The Diagnostics Division incurred costs of CHF 408 million for initiatives to drive organisational effectiveness across manufacturing, research and development and administrative areas. Corporate costs were CHF 264 million and included a business process transformation to simplify the systems landscape as well as to reduce process complexity. This transformation is a multi-year cross-divisional programme to drive efficiency gains through system and process optimisation. Further details are given in Note 7 to the Interim Financial Statements.

Impairment of goodwill and intangible assets

The Pharmaceuticals Division recorded impairment charges to intangible assets of CHF 190 million in total. These charges included CHF 104 million related to the full impairment of the product intangible asset for SPK-9001, acquired as part of the Spark Therapeutics acquisition. The Diagnostics Division recorded impairment charges to goodwill of CHF 39 million for the full write-off of the goodwill from the Medingo acquisition following a strategic reassessment carried out in the first half of 2025. Further details are given in Notes 8 and 9 to the Interim Financial Statements.

Legal and environmental cases

Based on the development of the various litigations, including the Avastin/Lucentis investigation in France, there was a net expense of CHF 90 million. There were no other significant developments in the first half of 2025. Further details are given in Note 10 to the Interim Financial Statements.

Net income and earnings per share

IFRS net income, which included lower charges for the impairment of intangible assets, increased by 23% at CER (increase of 17% in CHF) while net income on a core basis increased by 13% at CER. Core EPS increased by 12% at CER to CHF 11.08. The core basis excludes non-core items such as global restructuring costs, amortisation and impairment of goodwill and intangible assets, legal and environmental cases, and mergers and acquisitions and alliance transactions. The amount of net income attributable to non-controlling interests decreased by 7% on an IFRS basis and by 9% on a core basis due to the base effect of the impairment of intangible assets in 2024 that were not included in the net income attributable to non-controlling interests.

Net income

	Six months ended 30 June			
	2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)
IFRS net income	**7,832**	**6,697**	**+17**	**+23**
Reconciling items (net of tax)				
– Global restructuring	825	622	+33	+35
– Intangible asset amortisation	289	332	–13	–11
– Goodwill and intangible asset impairment	196	908	–78	–78
– Mergers and acquisitions and alliance transactions	(6)	34	–	–
– Legal and environmental cases	74	21	+252	+254
– Transitional effect of Swiss tax reform	114	0	–	–
– Normalisation of equity compensation plan tax benefit	(5)	37	–	–
Core net income	**9,319**	**8,651**	**+8**	**+13**

Supplementary net income and EPS information is given on pages 78 to 81. This includes calculations of Core EPS and reconciles the core results to the Group's published IFRS results.

Financial position

Financial position

	30 June 2025 (CHF m)	31 December 2024 (CHF m)	% change (CHF)	% change (CER)
Pharmaceuticals				
Net working capital	4,132	2,230	+85	+99
Other net operating assets	31,493	32,217	–2	+6
Diagnostics				
Net working capital	4,045	3,023	+34	+41
Other net operating assets	13,359	14,506	–8	–2
Corporate				
Net working capital	(453)	(653)	–31	–28
Other net operating assets	186	192	–3	+3
Net operating assets	**52,762**	**51,515**	**+2**	**+10**
Net debt	(21,005)	(17,337)	+21	+37
Lease liabilities	(1,602)	(1,700)	–6	+3
Pensions	(2,468)	(2,125)	+16	+22
Income taxes	5,209	5,229	0	+14
Other net non-operating assets	148	579	–74	–75
Total net assets	**33,044**	**36,161**	**–9**	**–3**

Compared to the start of the year the Swiss franc appreciated against most currencies, notably the US dollar and to a lesser extent, the Japanese yen, which had a significant effect on the carrying value of the Group's net operating assets as reported in Swiss francs. This negative translation effect was partially compensated by the natural hedge from the Group's US dollar-denominated debt. The exchange rates used are given on page 35.

Net working capital in the Pharmaceuticals Division increased by 99% (CER), driven by a significant increase in trade receivables due to the sales growth of Ocrevus, alongside increased sales of Xolair and Vabysmo. Other net operating assets include increases in goodwill and intangible assets arising from the Poseida acquisition and the collaboration and licence agreement with Zealand Pharma. These increases were offset by amortisation and impairment charges, and depreciation charges on property, plant and equipment. In the Diagnostics Division, net working capital increased by 41% (CER) driven by a lower net liability for other receivables (payables) following from the settlement of year-end positions. There was also an increase in inventories from the higher volume of instruments pending installation and a stock-up of the latest generation of serum work area systems.

The increase in net debt was due to dividend payments of CHF 7.9 billion and the payments of CHF 0.9 billion for the acquisition of Poseida, partly offset by the free cash flow of CHF 3.3 billion. The net pension liability was higher following an increase of the limit on asset recognition of certain Swiss pension plans which more than offset the positive impact from higher discount rates on the defined benefit obligation in Switzerland. The net tax assets increased at CER due to the settlement of tax positions and the deferred tax effects of the Poseida acquisition.

Free cash flow

Free cash flow

	Six months ended 30 June 2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)
Pharmaceuticals	8,533	9,647	–12	–9
Diagnostics	(232)	491	–	–
Corporate	(2,187)	(2,085)	+5	+6
Operating free cash flow	**6,114**	**8,053**	**–24**	**–20**
Treasury activities	(558)	(486)	+15	+18
Taxes paid	(2,237)	(1,976)	+13	+16
Free cash flow	**3,319**	**5,591**	**–41**	**–37**

See pages 81–83 for the definition of free cash flow.

The Group's operating free cash flow for the first six months of 2025 was CHF 6.1 billion, a decrease of 20% at CER (decrease of 24% in CHF) mainly due to CHF 1.2 billion paid to Zealand Pharma. In addition, in the Pharmaceuticals Division there was an increase in trade receivables partly offset by the underlying results of the business. The operating free cash outflow of CHF 0.2 billion for the Diagnostics Division was due to reduced underlying results of the business, the settlements of year-end payables and accruals as well as increased inventories. The free cash flow of CHF 3.3 billion, a decrease of 37% at CER (decrease of 41% in CHF), was a result of the lower operating free cash flow and higher tax payments. The appreciation of the Swiss franc in the first half of 2025 relative to the first half of 2024 had a significant adverse impact on the cash flows expressed in Swiss francs.

Pharmaceuticals Division operating results

Pharmaceuticals Division interim operating results

	2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)
IFRS results				
Sales	23,985	22,637	+6	+10
Other revenue	870	886	–2	0
Revenue	**24,855**	**23,523**	**+6**	**+9**
Cost of sales	(4,363)	(4,536)	–4	+2
Research and development	(5,638)	(6,408)	–12	–10
Selling, general and administration	(3,401)	(3,400)	0	+3
Other operating income (expense)	179	414	–57	–56
Operating profit	**11,632**	**9,593**	**+21**	**+25**
– Margin, % of sales	48.5	42.4	+6.1	+6.1
Core results[a]				
Sales	23,985	22,637	+6	+10
Other revenue	870	886	–2	0
Revenue	**24,855**	**23,523**	**+6**	**+9**
Cost of sales	(4,119)	(4,031)	+2	+8
Research and development	(5,181)	(5,335)	–3	–1
Selling, general and administration	(3,242)	(3,197)	+1	+4
Other operating income (expense)	209	449	–53	–52
Core operating profit	**12,522**	**11,409**	**+10**	**+13**
– Margin, % of sales	52.2	50.4	+1.8	+1.7
Financial position				
Net working capital	4,132	2,230	+85	+99
Other net operating assets	31,493	32,217	–2	+6
Net operating assets	**35,625**	**34,447**	**+3**	**+12**
Free cash flow[b]				
Operating free cash flow	8,533	9,647	–12	–9
– Margin, % of sales	35.6	42.6	–7.0	–7.1

a) See pages 78–81 for the definition of core results.
b) See pages 81–83 for the definition of free cash flow.

Sales overview

Pharmaceuticals Division – Interim sales by therapeutic area

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
Oncology/Haematology	12,147	11,764	+7	50.6	52.0
– *of which Oncology*	*7,827*	*8,008*	*+2*	*32.6*	*35.4*
– *of which Haematology*	*4,320*	*3,756*	*+19*	*18.0*	*16.6*
Neurology	4,872	4,586	+10	20.3	20.3
Immunology	3,321	3,015	+14	13.8	13.3
Ophthalmology	2,148	1,891	+17	9.0	8.4
Other therapeutic areas	1,497	1,381	+11	6.3	6.0
Total sales	**23,985**	**22,637**	**+10**	**100**	**100**

Sales in the Pharmaceuticals Division were CHF 24.0 billion (2024: CHF 22.6 billion), an increase of 10% at CER. Phesgo and Xolair were major growth drivers with increased sales of CHF 0.4 billion (CER) each. There was also increased sales for Hemlibra, Vabysmo, Ocrevus and Polivy totalling CHF 1.2 billion (CER). These six products contributed an additional CHF 2.0 billion (CER) of sales. This growth was partly offset by a combined decrease of CHF 0.3 billion (CER) in sales of Avastin, Herceptin, MabThera/Rituxan, Esbriet, Lucentis and Actemra/RoActemra, as the impact of biosimilar and generic competition continued. In addition, sales of Perjeta also decreased by CHF 0.2 billion (CER), due to the conversion of patients to Phesgo.

Sales in the oncology/haematology therapeutic area increased by 7%, with the growth being driven by Phesgo, Hemlibra and Polivy, partially offset by lower sales of Avastin, Herceptin and MabThera/Rituxan due to biosimilar erosion. Sales of Tecentriq were CHF 1.7 billion, a decrease of 1%, driven by lower US sales due to continued pressure from competition, partially compensated by positive performance in the International region. In the HER2 franchise, sales were CHF 4.4 billion, an increase of 3%, with the 55% increase in Phesgo sales to CHF 1.2 billion being partly offset by the 12% decline in Perjeta sales due to the conversion of patients from Perjeta to Phesgo. In haematology, Hemlibra sales increased by 17% to CHF 2.4 billion, led by growth in the International region as a result of expanded access to the non-inhibitor indication. Polivy sales increased by 46% to CHF 0.7 billion, reflecting growth across all regions.

Sales in neurology grew by 10% mainly due to Ocrevus, Elevidys and Evrysdi. Ocrevus continued as the Pharmaceuticals Division's highest-selling medicine with sales of CHF 3.5 billion, an increase of 8%, which included 5% growth in the US.

In the immunology therapeutic area, Xolair sales in the US were 34% higher driven by the continued roll-out of the medicine in the food allergy indication and growth in the chronic spontaneous urticaria indication. Actemra/RoActemra sales increased by 4% to CHF 1.3 billion, especially in rheumatoid arthritis, despite the recent launches of biosimilars.

Sales in ophthalmology significantly increased reflecting the growth in Vabysmo sales. Sales of Vabysmo were 18% higher at CHF 2.1 billion due to growing demand across all regions, especially in the US.

Product sales

Pharmaceuticals Division – Interim sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
Oncology/Haematology					
Tecentriq	1,733	1,798	–1	7.2	7.9
Perjeta	1,613	1,921	–12	6.7	8.5
Phesgo	1,197	799	+55	5.0	3.5
Kadcyla	1,037	999	+9	4.3	4.4
Alecensa	802	766	+8	3.3	3.4
Herceptin	560	740	–21	2.3	3.3
Avastin	522	654	–17	2.2	2.9
Erivedge	132	123	+12	0.6	0.5
Others	231	208	+15	1.0	1.0
Total Oncology	***7,827***	***8,008***	***+2***	***32.6***	***35.4***
Hemlibra	2,421	2,143	+17	10.1	9.5
Polivy	730	513	+46	3.0	2.3
Gazyva/Gazyvaro	490	445	+14	2.0	2.0
MabThera/Rituxan[a)]	487	549	–8	2.0	2.4
Columvi	123	67	+88	0.5	0.3
Others	69	39	+79	0.4	0.1
Total Haematology	***4,320***	***3,756***	***+19***	***18.0***	***16.6***
Total Oncology/Haematology	**12,147**	**11,764**	**+7**	**50.6**	**52.0**
Neurology					
Ocrevus	3,506	3,359	+8	14.6	14.8
Evrysdi	869	838	+7	3.6	3.7
Madopar	193	200	+1	0.8	0.9
Enspryng	177	143	+27	0.7	0.6
Elevidys	117	29	+316	0.5	0.1
Others	10	17	–36	0.1	0.2
Total Neurology	**4,872**	**4,586**	**+10**	**20.3**	**20.3**
Immunology					
Xolair	1,445	1,110	+34	6.0	4.9
Actemra/RoActemra	1,279	1,276	+4	5.3	5.6
Pulmozyme	239	225	+11	1.0	1.0
CellCept	196	197	+2	0.8	0.9
MabThera/Rituxan[a)]	143	157	–6	0.6	0.7
Others	19	50	–58	0.1	0.2
Total Immunology	**3,321**	**3,015**	**+14**	**13.8**	**13.3**
Ophthalmology					
Vabysmo	2,067	1,794	+18	8.6	7.9
Others	81	97	–14	0.4	0.5
Total Ophthalmology	**2,148**	**1,891**	**+17**	**9.0**	**8.4**
Other therapeutic areas					
Activase/TNKase	550	593	–4	2.3	2.6
Mircera	174	173	+2	0.7	0.8
Others	773	615	+29	3.3	2.6
Total other therapeutic areas	**1,497**	**1,381**	**+11**	**6.3**	**6.0**
Total sales	**23,985**	**22,637**	**+10**	**100**	**100**

a) Total MabThera/Rituxan sales of CHF 630 million (2024: CHF 706 million) split between oncology/haematology and immunology franchises.

Ocrevus. For relapsing forms of multiple sclerosis (RMS) and primary progressive multiple sclerosis (PPMS).

Ocrevus interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	2,462	2,411	+5	70.2	71.8
Europe	706	639	+12	20.1	19.0
International	338	309	+19	9.7	9.2
Total sales	**3,506**	**3,359**	**+8**	**100**	**100**

Ocrevus sales grew across all regions driven by continuous and increasing demand in both indications. Patients on Ocrevus demonstrated higher treatment persistence than those on other multiple sclerosis medications. In the US, Ocrevus remained the market leader despite increased competition, driven by growth from the treatment of both new and existing patients. Sales also increased outside the US, notably in Germany. The recently launched subcutaneous formulation has enabled continued growth in the US and in European markets.

Hemlibra. For haemophilia A.

Hemlibra interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	1,324	1,231	+11	54.7	57.4
Europe	493	468	+7	20.4	21.8
Japan	183	171	+8	7.6	8.0
International	421	273	+66	17.3	12.8
Total sales	**2,421**	**2,143**	**+17**	**100**	**100**

Hemlibra sales grew as the medicine is being increasingly established as the standard of care in the treatment of haemophilia A. The US remains the largest market for Hemlibra, and sales there grew by 11%, due to a mix of price and demand increases. The growth in Europe and the International region resulted from expanded access to the non-inhibitor indication in various countries in both regions.

Vabysmo. For neovascular or 'wet' age-related macular degeneration (nAMD), diabetic macular oedema (DME) and macular oedema following retinal vein occlusion (RVO).

Vabysmo interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	1,450	1,371	+9	70.1	76.4
Europe	378	287	+33	18.3	16.0
Japan	70	53	+31	3.4	3.0
International	169	83	+118	8.2	4.6
Total sales	**2,067**	**1,794**	**+18**	**100**	**100**

Vabysmo continued to be a key growth driver in the Pharmaceuticals Division in the first half of 2025. The sales increase in the US was driven by Vabysmo as the most prescribed drug in nAMD treatment and its growth in the DME indication, despite the contraction of the branded market. The roll-out of Vabysmo in Europe continued and there was significant uptake in markets such as Spain and Italy where Vabysmo was launched only recently. Sales also increased in the International region driven by China following the inclusion of the medicine in the National Reimbursement Drug List (NRDL) from this year.

Tecentriq. For extensive-stage small cell lung cancer (SCLC), initial therapy of non-squamous non-small cell lung cancer (NSCLC), advanced lung cancer, unresectable or metastatic hepatocellular carcinoma (HCC), advanced bladder cancer and PD-L1-positive triple-negative breast cancer (TNBC).

Tecentriq interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	819	898	–6	47.3	49.9
Europe	434	429	+3	25.0	23.9
Japan	174	182	–4	10.0	10.1
International	306	289	+13	17.7	16.1
Total sales	**1,733**	**1,798**	**–1**	**100**	**100**

Sales decreased by 1%, impacted by the decline in the US and Japan due to competitive pressure in the HCC and NSCLC indications. This was partially offset by growth in the International region, primarily China, and in Europe. Competitive pressures are impacting patient shares across all geographies, despite the positive performance of the subcutaneous formulation.

HER2 franchise (Perjeta, Phesgo, Kadcyla and Herceptin). For HER2-positive breast cancer and HER2-positive metastatic (advanced) gastric cancer (Herceptin only).

Perjeta interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	677	694	+1	42.0	36.1
Europe	282	341	–16	17.5	17.8
Japan	37	66	–44	2.3	3.4
International	617	820	–18	38.2	42.7
Total sales	**1,613**	**1,921**	**–12**	**100**	**100**

Phesgo interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	348	258	+39	29.1	32.3
Europe	401	354	+15	33.5	44.3
Japan	90	50	+80	7.5	6.3
International	358	137	+182	29.9	17.1
Total sales	**1,197**	**799**	**+55**	**100**	**100**

Kadcyla interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	396	381	+7	38.2	38.1
Europe	266	288	–6	25.7	28.8
Japan	45	46	–2	4.3	4.6
International	330	284	+28	31.8	28.5
Total sales	**1,037**	**999**	**+9**	**100**	**100**

Herceptin interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	121	138	–10	21.6	18.6
Europe	150	154	–1	26.8	20.8
Japan	4	8	–51	0.7	1.1
International	285	440	–32	50.9	59.5
Total sales	**560**	**740**	**–21**	**100**	**100**

Sales in the HER2 franchise increased by 3% to CHF 4.4 billion. Sales of Kadcyla increased by 9% with sales growth in the International region and in the US. Phesgo sales increased by 55% with growth across all regions due to the ongoing conversion of patients to Phesgo as the preferred treatment over Perjeta and Herceptin. Sales of Perjeta were consequently 12% lower. Herceptin sales were 21% lower because of biosimilar erosion.

Xolair. For chronic spontaneous urticaria, allergic asthma and food allergies.

Xolair interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	1,445	1,110	+34	100	100
Total sales	**1,445**	**1,110**	**+34**	**100**	**100**

Sales increased by 34% driven by the launch of the medicine in the food allergy indication and the growth in the chronic spontaneous urticaria indication. Xolair is the only biologic medicine approved for chronic spontaneous urticaria and food allergies and remains a market leader in the larger allergic asthma indication.

Actemra/RoActemra. For rheumatoid arthritis, forms of juvenile idiopathic arthritis, giant cell arteritis, CAR-T cell-induced severe or life-threatening cytokine release syndrome and COVID-19.

Actemra/RoActemra interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	619	595	+7	48.4	46.6
Europe	308	363	−14	24.1	28.4
Japan	152	146	+5	11.9	11.4
International	200	172	+26	15.6	13.6
Total sales	**1,279**	**1,276**	**+4**	**100**	**100**

Sales increased by 4%, led by the International region and the US, partially offset by a decline in Europe. The growth in the US and in Japan reflected continued demand for the medicine, especially for rheumatoid arthritis. In the US, the growth was achieved despite the entry of the first biosimilar versions to the US market in the second quarter of 2024. The sales decline in Europe was due to biosimilar competition as the first biosimilar versions of Actemra/RoActemra were introduced in the fourth quarter of 2023.

Evrysdi. For spinal muscular atrophy (SMA).

Evrysdi interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	309	283	+12	35.6	33.8
Europe	292	286	+4	33.6	34.1
Japan	46	44	+5	5.3	5.3
International	222	225	+5	25.5	26.8
Total sales	**869**	**838**	**+7**	**100**	**100**

Sales increased by 7% due to continuous gains in patient share across all regions. The sales growth in the US was led by the treatment of new patients, including previously untreated adults. Sales growth continued in the International region and in Europe, notably in Spain and Germany, driven by newly treated patients and patients transitioning to Evrysdi from other treatment options.

Alecensa. For ALK-positive non-small cell lung cancer (NSCLC) in both the metastatic and adjuvant settings.

Alecensa interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	276	236	+20	34.4	30.8
Europe	133	145	–7	16.6	18.9
Japan	100	96	+5	12.5	12.5
International	293	289	+7	36.5	37.8
Total sales	**802**	**766**	**+8**	**100**	**100**

Sales growth of 8% came mainly from the US and the International region, partially offset by a decline in Europe. In the US, Alecensa remains the standard of care, and the growth was driven by new and continuing patients. Growth in the International region was led by China following the inclusion of the medicine in the National Reimbursement Drug List (NRDL) for the adjuvant indication. The growth in these regions was partly offset by a sales decline in Europe, primarily in France and Italy due to competition.

Polivy. For the first-line treatment of diffuse large B-cell lymphoma (1L DLBCL).

Polivy interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	327	255	+32	44.8	49.7
Europe	160	86	+90	21.9	16.8
Japan	99	92	+8	13.6	17.9
International	144	80	+88	19.7	15.6
Total sales	**730**	**513**	**+46**	**100**	**100**

Polivy was a significant driver in divisional sales growth, with increased sales coming from continued US demand. There was also market access expansion in Europe, notably in Germany, and in the International region, particularly in China.

MabThera/Rituxan. For non-Hodgkin lymphoma (NHL), chronic lymphocytic leukaemia (CLL), follicular lymphoma (FL), pemphigus vulgaris (PV), rheumatoid arthritis (RA) as well as certain types of antineutrophil cytoplasmic antibody (ANCA)-associated vasculitis.

MabThera/Rituxan interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	387	422	–6	61.4	59.8
Europe	70	77	–8	11.1	10.9
Japan	7	9	–14	1.1	1.3
International	166	198	–11	26.4	28.0
Total sales	**630**	**706**	**–8**	**100**	**100**

Sales were 8% lower due to biosimilar erosion across all regions. Sales in the US decreased by 6%, with a decline in both the oncology/haematology and immunology therapeutic areas. The sales decline in the International region is due primarily to China.

Activase/TNKase. For acute ischaemic stroke (AIS) and acute myocardial infarction (AMI).

Activase/TNKase interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	527	561	–3	95.8	94.6
International	23	32	–25	4.2	5.4
Total sales	**550**	**593**	**–4**	**100**	**100**

Sales were 4% lower mainly due to supply constraints during the first half of 2025 in the US and declining demand.

Avastin. For advanced colorectal, breast, lung, kidney, cervical and ovarian cancer, relapsed glioblastoma and liver cancer in combination with Tecentriq.

Avastin interim regional sales

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	156	199	–20	29.9	30.4
Europe	26	44	–40	5.0	6.7
Japan	76	102	–25	14.6	15.6
International	264	309	–9	50.5	47.3
Total sales	**522**	**654**	**–17**	**100**	**100**

Sales decreased by 17% across all regions due to the continuing impact of biosimilars. In Japan, the decrease was a result of the continued market penetration of biosimilar competition as well as government price cuts.

Pharmaceuticals Division – Interim sales by region

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
United States	12,670	11,882	+10	52.8	52.5
Europe	4,566	4,425	+5	19.0	19.5
Japan	1,425	1,366	+5	5.9	6.0
International	5,324	4,964	+14	22.3	22.0
– *of which China*	*1,702*	*1,609*	*+9*	*7.1*	*7.1*
Total sales	**23,985**	**22,637**	**+10**	**100**	**100**

United States. Sales grew by 10%, due primarily to the continued growth of Xolair which added CHF 0.4 billion (CER) of sales in the US. Other major growth drivers were Hemlibra, Ocrevus, Vabysmo, Phesgo and Polivy. This growth more than compensated for the combined 10% fall in the sales of Avastin, Herceptin and MabThera/Rituxan. Ocrevus remained the highest-selling product in the US, with CHF 2.5 billion of sales and an increase of 5% driven by both new and retained patients. Vabysmo showed a high uptake and achieved CHF 1.4 billion of sales, with both newly diagnosed patients as well as patients transitioning from other treatment options. Xolair sales increased by 34% and reached CHF 1.4 billion, driven by the growth in the recently launched food allergy indication and the continued demand in chronic spontaneous urticaria. Despite a slower growth rate, Hemlibra sales were 11% higher at CHF 1.3 billion due to a mix of price and demand increases. Sales of Tecentriq were CHF 0.8 billion, with the decline in sales due to the competitive environment in the HCC and NSCLC indications. Sales of Phesgo, as the treatment preferred over Perjeta and Herceptin, increased by 39% and reached CHF 0.3 billion.

Europe. Sales increased by 5% driven by the roll-out of Vabysmo, continuous growth in Ocrevus and Polivy as well as the uptake of Phesgo. This growth was partially offset by a 16% sales decline in Perjeta due to the ongoing conversion of patients to Phesgo and a 14% sales decline in Actemra/RoActemra from biosimilar competition. There was also a combined sales decline of 9% for Avastin, Herceptin and MabThera/Rituxan. Ocrevus sales increased by 12% due to continued growth in both the relapsing and primary progressive multiple sclerosis indications, primarily in Germany. Hemlibra sales grew 7% due to expanded market penetration in the non-inhibitor indication, mainly in France, Italy and Spain. The high uptake of Phesgo resulted in a 15% sales growth, with Italy and Spain being the key drivers. The sales increase of Vabysmo of 33% was driven by growth in the UK and Germany and by the uptake in markets such as Spain and Italy where Vabysmo was recently launched.

Japan. Sales increased by 5%, primarily driven by the uptake of Phesgo and Vabysmo, together with PiaSky, an anti-C5 recycling antibody for paroxysmal nocturnal haemoglobinuria. This growth was partially offset by a sales decline in Perjeta, due to the conversion of patients to Phesgo, and Avastin, as the impact of biosimilar competition continued.

International. Sales increased by 14%, led by Phesgo, Hemlibra and Xofluza, with Vabysmo and Elevidys also reporting growth. Sales in China increased by 9%, driven by the uptake of Phesgo based on the new inclusion in the National Reimbursement Drug List (NRDL) from this year. Sales of Xofluza in China were higher as a result of a strong flu season in the first half of 2025, and there was also growth in China from the roll-out of Polivy and Vabysmo. The growth in China was partially offset by a decline in sales of Avastin, Herceptin and MabThera/Rituxan due to biosimilar competition, as well as a decrease in sales of Perjeta, due to the shift to Phesgo.

Operating results

Pharmaceuticals Division – Other revenue for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Royalty income	404	386	+6
Profit-share income	388	380	+5
Other income from collaboration and out-licensing agreements	73	114	–35
Other	5	6	–25
Total – IFRS and Core basis	**870**	**886**	**0**

Other revenue was stable at CER as the higher royalty income and profit share income were offset by the lower milestone income from out-licensing agreements. Royalty income was higher due to increased sales of out-licensed products, notably Mircera, partially offset by lower royalty income from Lucentis due to lower sales outside the US. Profit-share income increased mainly based on higher sales of Venclexta/Venclyxto in the US.

Pharmaceuticals Division – Cost of sales for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Manufacturing cost of goods sold and period costs	(2,510)	(2,527)	+7
Royalty expenses	(884)	(840)	+9
Collaboration and profit-sharing agreements	(705)	(638)	+14
Amortisation of commercial software intangible assets	(1)	(2)	–59
Impairment of property, plant and equipment and right-of-use assets	(19)	(24)	–20
Cost of sales – Core basis	**(4,119)**	**(4,031)**	**+8**
Global restructuring plans	(27)	(82)	–66
Amortisation of intangible assets	(113)	(105)	+9
Impairment of intangible assets	(104)	(318)	–66
Total – IFRS basis	**(4,363)**	**(4,536)**	**+2**

Core costs increased by 8% at CER, primarily driven by manufacturing costs of goods sold and period costs, which grew by 7%. As a percentage of sales, cost of sales was 17.2%. The increase in manufacturing costs of goods sold and period costs was lower than the increase in sales volumes due to the product mix, partially offset by higher inventory write-offs. In addition, period costs include global costs that are not variable with respect to sales growth. Royalty expenses were 9% higher, driven by increased sales of certain royalty-bearing products, notably Ocrevus. Expenses for collaboration and profit-sharing agreements increased by 14% following the higher sales of Xolair in the US.

The costs of global restructuring plans decreased, reflecting the nearing completion of the manufacturing network strategy review, notably in the US. The impairment of intangible assets in 2025 was triggered by an alliance partner's decision to stop the commercialisation of SPK-9001, which had been acquired as part of the Spark Therapeutics acquisition. There was a partial impairment recorded for Rozlytrek in 2024, triggered by reduced sales expectations.

Pharmaceuticals Division – Research and development for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Research and development – Core basis	**(5,181)**	**(5,335)**	**–1**
Global restructuring plans	(215)	(171)	+29
Amortisation of intangible assets	(150)	(169)	–10
Impairment of intangible assets	(92)	(733)	–87
Total – IFRS basis	**(5,638)**	**(6,408)**	**–10**

Core costs decreased by 1% at CER and, as a percentage of sales, decreased by 2.0 percentage points to 21.6%. Oncology continued to be the therapeutic area with the highest expenditure, primarily driven by investments in giredestrant for the treatment of certain types of breast cancer and investment in line extensions for in-market products. There was increased spending in cardiovascular and metabolic diseases for the molecules from the Carmot acquisition including CT-388 for the treatment of obesity with differentiated efficacy, and for zilebesiran for patients with hypertension. There was also increased spending in immunology, due to a study of afimkibart from the Telavant acquisition for the treatment of inflammatory bowel disease. These increases were more than offset by the efficiency gains realised from the portfolio prioritisation and the savings from the completion of several studies. In research and early-stage development, continued efforts were focused on making selective, high-impact investments in capabilities such as computational biology and human model systems. The costs also reflected investments following the Poseida acquisition and recent infrastructure projects, such as the new research and development centre in Basel, Switzerland, and at the Genentech site in South San Francisco, US.

Additionally, in-licensing transactions, business combinations and asset acquisitions resulted in the recognition of intangible assets totalling CHF 1.7 billion (2024: CHF 2.0 billion), of which CHF 0.3 billion arose from the Poseida acquisition and CHF 1.2 billion from the collaboration and licence agreement with Zealand Pharma. See the above sections on ‘Mergers and acquisitions’ and ‘Alliance transactions’ for further details.

The increase in global restructuring plan costs was primarily due to employee-related expenses as well as programme closure costs for efficiency and portfolio prioritisation initiatives. Amortisation of intangible assets decreased reflecting recent impairments. The impairment charges for intangible assets of CHF 0.1 billion were significantly lower than the charges in 2024.

Pharmaceuticals Division – Selling, general and administration for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Marketing and distribution	(2,673)	(2,621)	+5
Administration	(483)	(477)	+4
Business taxes and capital taxes	(44)	(92)	–52
Other general items	(42)	(7)	+460
Selling, general and administration – Core basis	**(3,242)**	**(3,197)**	**+4**
Global restructuring plans	(158)	(200)	–19
Amortisation of intangible assets	(1)	(3)	–82
Total – IFRS basis	**(3,401)**	**(3,400)**	**+3**

Core costs increased by 4% at CER and, as a percentage of sales, decreased by 0.6 percentage points to 13.5%. Marketing and distribution costs increased by 5% reflecting the investments in ongoing launches, particularly of Vabysmo and Xolair in the food allergy indication. The higher administration costs were also due to the recent acquisition of Poseida. Business taxes and capital taxes decreased mainly due to lower US excise tax. Other general items costs reflected the timing of expenses, resulting in higher costs compared to the same period last year. The decrease in costs for global restructuring plans was primarily driven by the completion of commercial operations initiatives in the US.

Pharmaceuticals Division – Other operating income (expense) for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Gains (losses) on disposal of products	0	353	–100
Gains (losses) on disposal of property, plant and equipment and right-of-use assets	0	0	–
Gains (losses) on disposal of subsidiaries	103	0	–
Other income (expense)	106	96	+16
Other operating income (expense) – Core basis	**209**	**449**	**–52**
Global restructuring plans	49	(1)	–
Mergers and acquisitions and alliance transactions	10	(32)	–
Legal and environmental cases	(89)	(2)	Over +500
Total – IFRS basis	**179**	**414**	**–56**

Core other operating income (expense) decreased by 52% at CER due to gains on disposal of products in 2024 which included the sale of rights for Roaccutane/Accutane for CHF 250 million. Gains on disposal of subsidiaries related to the divestment of InterMune, which included the US rights to Esbriet. Other income (expense) increased mainly due to income from the positive resolution of a dispute in the US in 2025. Income from global restructuring plans arose from a gain from the disposal of property at Chugai. The cost of legal and environmental cases increased mainly reflecting the development of the Avastin/Lucentis investigation in France.

Roche Pharmaceuticals and Chugai subdivisional operating results

Pharmaceuticals subdivisional interim operating results in millions of CHF

	Roche Pharmaceuticals		Chugai		Pharmaceuticals Division	
	2025	2024	2025	2024	2025	2024
Sales						
– External customers	22,560	21,271	1,425	1,366	23,985	22,637
– Within division	612	652	1,546	1,472	2,158	2,124
Core operating profit	10,869	9,964	1,475	1,561	12,522	11,409
– Margin, % of sales to external customers	48.2	46.8	103.5	114.3	52.2	50.4
Operating profit	9,968	8,173	1,486	1,536	11,632	9,593
– Margin, % of sales to external customers	44.2	38.4	104.3	112.4	48.5	42.4
Operating free cash flow	7,153	8,619	1,379	1,025	8,533	9,647
– Margin, % of sales to external customers	31.7	40.5	96.8	75.0	35.6	42.6

The Pharmaceuticals Division's total core operating profit and operating profit both include the elimination of plus CHF 178 million of unrealised intercompany gains between Roche Pharmaceuticals and Chugai (2024: minus CHF 116 million).

The appreciation of the Swiss franc in the first half of 2025 relative to the first half of 2024 against the Japanese yen had an adverse impact of approximately 4 percentage points on the Chugai core results when expressed in Swiss francs for the Group's consolidated results. At CER (as reported in Japanese yen), sales by Chugai to external customers increased by 5% due to the stable sales growth and sales within the division increased by 6% driven by higher sales of Actemra/RoActemra. Chugai's core operating profit decreased by 9% due to higher research and development costs and lower other revenue. Operating free cash flow at Chugai increased by 28% mainly due to net working capital movements.

Financial position

Pharmaceuticals Division – Net operating assets

	30 June 2025 (CHF m)	31 Dec. 2024 (CHF m)	% change (CHF)	% change (CER)	Movement: Transactions (CHF m)	Movement: CTA and other (CHF m)
Trade receivables	9,123	8,371	+9	+18	1,442	(690)
Inventories	4,320	4,442	–3	+1	114	(236)
Trade payables	(2,023)	(2,240)	–10	–4	77	140
Net trade working capital	**11,420**	**10,573**	**+8**	**+16**	**1,633**	**(786)**
Other receivables (payables)	(7,288)	(8,343)	–13	–7	574	481
Net working capital	**4,132**	**2,230**	**+85**	**+99**	**2,207**	**(305)**
Property, plant and equipment	13,862	14,437	–4	+1	127	(702)
Right-of-use assets	606	608	0	+8	49	(51)
Goodwill and intangible assets	18,212	18,380	–1	+10	1,744	(1,912)
Provisions	(2,029)	(2,038)	0	+7	(144)	153
Other assets (liabilities)	842	830	+1	+7	56	(44)
Other net operating assets	**31,493**	**32,217**	**–2**	**+6**	**1,832**	**(2,556)**
Net operating assets	**35,625**	**34,447**	**+3**	**+12**	**4,039**	**(2,861)**

The absolute amount of the movement between the 30 June 2025 and 31 December 2024 consolidated balances reported in Swiss francs is split between actual 2025 transactions (translated at average rates for 2024) and the currency translation adjustment (CTA) that arises on consolidation. The 2025 transactions include non-cash movements and therefore the movements in this table are not the same as the amounts shown in the operating free cash flow (which only includes the cash movements). A full consolidated balance sheet is given on page 48 of the Interim Financial Statements, and a reconciliation between that balance sheet and the information given above is on page 85.

Currency translation effects on balance sheet amounts. Compared to the start of the year the Swiss franc appreciated against most currencies, notably the US dollar, which had a significant negative effect on the net operating assets of the Pharmaceuticals Division, notably the goodwill and intangible assets. The exchange rates used are given on page 35.

Net working capital. The increase was driven by a significant increase in trade receivables. The increase in trade receivables of 18% was driven by the sales growth of Ocrevus and Vabysmo, which both have extended payment terms in the US, alongside increased sales of Xolair. Inventories increased by 1% in support of continued sales growth. The 4% decrease in trade payables was mainly related to research and development. The net liability position for other receivables (payables) decreased by 7% driven by receivables from Zealand Pharma and lower employee-related accruals.

Other net operating assets. Property, plant and equipment increased by 1% due to additions in manufacturing facilities in Japan, the US and Switzerland, as well as site developments in the US and Switzerland, partially offset by depreciation expenses. The Poseida acquisition increased goodwill by CHF 0.5 billion and intangible assets by CHF 0.3 billion. The collaboration and licence agreement with Zealand Pharma increased intangible assets by CHF 1.2 billion. This increase was partially offset by amortisation and impairment charges as previously mentioned in the ‘Group results’ section.

Free cash flow

Pharmaceuticals Division – Operating free cash flow for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)
Operating profit	**11,632**	**9,593**	**+21**	**+25**
Depreciation, amortisation and impairment	1,127	2,028	–44	–43
Provisions	11	49	–78	–74
Equity compensation plans	274	291	–6	–3
Other	51	103	–50	–48
Operating profit cash adjustments	**1,463**	**2,471**	**–41**	**–40**
Operating profit, net of operating cash adjustments	**13,095**	**12,064**	**+9**	**+12**
(Increase) decrease in net working capital	(2,129)	(1,070)	+99	+101
Investments in property, plant and equipment	(873)	(919)	–5	–4
Principal portion of lease liabilities paid	(110)	(97)	+13	+18
Investments in intangible assets	(1,450)	(331)	+338	+364
Operating free cash flow	**8,533**	**9,647**	**–12**	**–9**
– as % of sales	35.6	42.6	–7.0	–7.1

See pages 81–83 for the definition of free cash flow and a detailed breakdown.

The Pharmaceuticals Division's operating free cash flow decreased by 9% at CER (decrease of 12% in CHF) to CHF 8.5 billion, mainly due to CHF 1.2 billion paid to Zealand Pharma. The cash generation of the business, measured by the operating profit, net of operating cash adjustments, increased by 12%. This was in line with the 13% increase in core operating profit. Net working capital absorbed an additional CHF 2.1 billion of cash, driven by the reasons described above in the 'Financial position' section, notably the increase in trade receivables. Capital expenditure was lower, due to investments in manufacturing technology and site developments in the US in the first half of 2024. Investments in intangible assets increased notably due to CHF 1.2 billion paid with respect to the collaboration and licence agreement with Zealand Pharma. Cash outflows for mergers and acquisitions, such as the Poseida acquisition, are not included in the definition of free cash flow.

Diagnostics Division operating results

Diagnostics Division interim operating results

	2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)
IFRS results				
Sales	6,959	7,211	–3	0
Other revenue	35	22	+59	+67
Revenue	**6,994**	**7,233**	**–3**	**+1**
Cost of sales	(3,643)	(3,334)	+9	+12
Research and development	(1,038)	(980)	+6	+8
Selling, general and administration	(1,576)	(1,510)	+4	+8
Other operating income (expense)	(20)	16	–	–
Operating profit	**717**	**1,425**	**–50**	**–43**
– Margin, % of sales	10.3	19.8	–9.5	–8.5
Core results[a]				
Sales	6,959	7,211	–3	0
Other revenue	35	22	+59	+67
Revenue	**6,994**	**7,233**	**–3**	**+1**
Cost of sales	(3,443)	(3,269)	+5	+8
Research and development	(893)	(933)	–4	–2
Selling, general and administration	(1,429)	(1,485)	–4	0
Other operating income (expense)	21	37	–43	–39
Core operating profit	**1,250**	**1,583**	**–21**	**–14**
– Margin, % of sales	18.0	22.0	–4.0	–3.2
Financial position				
Net working capital	4,045	3,023	+34	+41
Other net operating assets	13,359	14,506	–8	–2
Net operating assets	**17,404**	**17,529**	**–1**	**+6**
Free cash flow[b]				
Operating free cash flow	(232)	491	–	–
– Margin, % of sales	–3.3	6.8	–10.1	–9.3

a) See pages 78–81 for the definition of core results.
b) See pages 81–83 for the definition of free cash flow.

Sales

The Diagnostics Division's sales remained stable at CER at CHF 7.0 billion. Growth in demand, notably for pathology and molecular solutions, offset the impact of healthcare pricing reforms in China, which were the main driver for the sales decline in the Core Lab customer area.

Diagnostics Division – Interim sales by customer area

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
Core Lab	3,839	4,072	–2	55.2	56.5
Molecular Lab	1,250	1,257	+3	18.0	17.4
Near Patient Care	1,018	1,094	–3	14.6	15.2
Pathology Lab	852	788	+12	12.2	10.9
Total sales	**6,959**	**7,211**	**0**	**100**	**100**

Effective 1 January 2025, the Diagnostics Division changed its internal customer areas. Consequently, the comparative 2024 sales by customer areas information has been restated in the financial statements in 2025.

Core Lab. This customer area focuses on central labs and provides diagnostics solutions in the areas of immunoassays, clinical chemistry and custom biotech. The overall sales decrease of 2%, and particularly the decline in China for products such as cardiac and oncology tests, resulted from the Chinese healthcare pricing reforms. This led to a sales decline of 19% in the Asia-Pacific region, which was partly offset by sales growth elsewhere, particularly from immunodiagnostic products across all the other regions.

Molecular Lab. This customer area focuses on molecular labs and provides diagnostics solutions for the detection and monitoring of pathogens, donor screening, sexual health and genomics and includes the Foundation Medicine business. The 3% sales increase included growth from blood screening. This growth was partially offset by lower sales in HIV testing in Africa driven by changes in USAID funding.

Near Patient Care. This customer area provides diagnostics solutions in decentralised settings such as in emergency rooms, general practitioners' practices and directly with patients, and includes integrated personalised diabetes management solutions. Lower sales in blood glucose monitoring, due to competitive pressure, and fewer lateral flow testing sales were the main drivers of the 3% sales decrease. This decline was partially offset by growth in the cobas liat molecular point-of-care product line.

Pathology Lab. This customer area focuses on pathology labs and provides diagnostics solutions for tissue biopsies and companion diagnostics. These are targeted diagnostics to aid in the choice of specific therapies for each patient. Sales increased by 12% and across all regions due to growth in the advanced staining and the companion diagnostics businesses.

Diagnostics Division – Interim sales by region

	2025 (CHF m)	2024 (CHF m)	% change (CER)	% of sales (2025)	% of sales (2024)
Europe, Middle East and Africa (EMEA)	2,485	2,431	+5	35.7	33.7
North America	2,235	2,163	+6	32.1	30.0
– *of which US*	*1,959*	*1,917*	*+5*	*28.2*	*26.6*
Asia-Pacific	1,729	2,102	–15	24.9	29.2
– *of which China*	*914*	*1,273*	*–26*	*13.1*	*17.7*
Latin America	510	515	+14	7.3	7.1
Total sales	**6,959**	**7,211**	**0**	**100**	**100**

Sales in the Europe, Middle East and Africa (EMEA) region increased by 5% driven by higher sales of immunodiagnostic products and the clinical chemistry portfolio. This was partly offset by the continued contraction of the blood glucose monitoring market. In North America the overall sales growth was driven by all customer areas. In the Asia-Pacific region sales decreased by 15%, mainly due to the impact of healthcare pricing reforms in China.

Operating results

Diagnostics Division – Other revenue for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Royalty income	2	19	–94
Profit-share income	0	0	–
Other income from collaboration and out-licensing agreements	29	0	–
Other	4	3	+33
Total – IFRS and Core basis	**35**	**22**	**+67**

Other revenue included income from the settlement of a patent infringement claim leading to an out-licensing agreement. Royalty income continued to decline due to the expiry of patents on out-licensed products.

Diagnostics Division – Cost of sales for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Manufacturing cost of goods sold and period costs	(3,376)	(3,198)	+9
Royalty expenses	(66)	(70)	–6
Collaboration and profit-sharing agreements	0	(1)	–
Amortisation of commercial software intangible assets	(1)	(1)	+40
Impairment of property, plant and equipment and right-of-use assets	0	1	–100
Cost of sales – Core basis	**(3,443)**	**(3,269)**	**+8**
Global restructuring plans	(126)	2	–
Amortisation of intangible assets	(74)	(67)	+15
Total – IFRS basis	**(3,643)**	**(3,334)**	**+12**

Core cost of sales increased by 8% at CER, while sales remained stable. As a percentage of sales, the core cost of sales ratio increased by 4.2 percentage points to 49.5%, with the deterioration of the margin being driven by the healthcare pricing reforms in China. The increasing number of installed instruments at customers led to higher depreciation and technical servicing costs. In addition, there were manufacturing ramp-up costs for new products, notably the Accu-Chek SmartGuide continuous glucose monitoring solution. Global restructuring plan costs for efficiency measures and manufacturing and supply chain optimisations mainly comprised employee-related costs.

Diagnostics Division – Research and development for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Research and development – Core basis	**(893)**	**(933)**	**–2**
Global restructuring plans	(143)	(44)	+231
Amortisation of intangible assets	(2)	(3)	–33
Total – IFRS basis	**(1,038)**	**(980)**	**+8**

Core research and development costs decreased by 2% at CER as a result of efficiency initiatives. The main areas of activity included the development of high medical value assays, notably in the oncology disease area, as well as for digital solutions and sequencing. In addition, there were continuing investments in cardiometabolic diseases, particularly for continuous blood glucose monitoring. As a percentage of sales, research and development core costs decreased to 12.8% from 12.9% in 2024. Global restructuring costs from portfolio prioritisation and other measures to drive efficiency were primarily incurred for employee-related matters.

Diagnostics Division – Selling, general and administration for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Marketing and distribution	(1,209)	(1,262)	–1
Administration	(219)	(232)	–3
Business taxes and capital taxes	(9)	(10)	–3
Other general items	8	19	–57
Selling, general and administration – Core basis	**(1,429)**	**(1,485)**	**0**
Global restructuring plans	(139)	(17)	Over +500
Amortisation of intangible assets	(8)	(8)	+9
Total – IFRS basis	**(1,576)**	**(1,510)**	**+8**

Marketing and distribution costs decreased by 1% at CER due to effective cost management including lower personnel costs partly offset by increased spending on new product launches. Administration costs decreased by 3% following lower general management costs. On a core basis, selling, general and administration costs as a percentage of sales decreased to 20.5% compared to 20.6% in 2024. Costs for global restructuring plans primarily consisted of organisational efficiency initiatives and were incurred for employee-related matters.

Diagnostics Division – Other operating income (expense) for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Gains (losses) on disposal of products	0	0	–
Gains (losses) on disposal of property, plant and equipment and right-of-use assets	0	0	–
Gains (losses) on disposal of subsidiaries	1	0	–
Other income (expense)	20	37	–40
Other operating income (expense) – Core basis	**21**	**37**	**–39**
Global restructuring plans	0	(1)	–
Impairment of goodwill	(39)	0	–
Legal and environmental cases	(2)	(20)	–91
Total – IFRS basis	**(20)**	**16**	**–**

Core other operating income (expense) declined by 39% at CER due to the base effect of US government grants related to COVID-19 in 2024. The full write-off of the goodwill from the Medingo acquisition arose from a strategic reassessment carried out in the first half of 2025.

Financial position

Diagnostics Division – Net operating assets

	30 June 2025 (CHF m)	31 Dec. 2024 (CHF m)	% change (CHF)	% change (CER)	Movement: Transactions (CHF m)	Movement: CTA and other (CHF m)
Trade receivables	2,912	3,052	–5	+4	104	(244)
Inventories	3,277	3,164	+4	+7	215	(102)
Trade payables	(1,075)	(1,295)	–17	–13	165	55
Net trade working capital	**5,114**	**4,921**	**+4**	**+10**	**484**	**(291)**
Other receivables (payables)	(1,069)	(1,898)	–44	–40	743	86
Net working capital	**4,045**	**3,023**	**+34**	**+41**	**1,227**	**(205)**
Property, plant and equipment	7,593	7,801	–3	+2	145	(353)
Right-of-use assets	493	543	–9	–1	(7)	(43)
Goodwill and intangible assets	6,120	6,799	–10	–2	(99)	(580)
Provisions	(671)	(620)	+8	+15	(89)	38
Other assets (liabilities)	(176)	(17)	Over +500	Over +500	(172)	13
Other net operating assets	**13,359**	**14,506**	**–8**	**–2**	**(222)**	**(925)**
Net operating assets	**17,404**	**17,529**	**–1**	**+6**	**1,005**	**(1,130)**

The absolute amount of the movement between the 30 June 2025 and 31 December 2024 consolidated balances reported in Swiss francs is split between actual 2025 transactions (translated at average rates for 2024) and the currency translation adjustment (CTA) that arises on consolidation. The 2025 transactions include non-cash movements and therefore the movements in this table are not the same as the amounts shown in the operating free cash flow (which only includes the cash movements). A full consolidated balance sheet is given on page 48 of the Interim Financial Statements, and a reconciliation between that balance sheet and the information given above is on page 85.

Currency translation effects on balance sheet amounts. Compared to the start of the year the Swiss franc appreciated against most currencies, notably the US dollar, which had a negative translation effect on the net operating assets of the Diagnostics Division. The Diagnostics Division does not have a significant net asset position in Japanese yen and so the appreciation of the Swiss franc against the Japanese yen had only a minor impact. The exchange rates used are given on page 35.

Net working capital. The increase in net working capital was driven by a lower net liability for other receivables (payables). Trade receivables increased by 4% due to a slowdown in payments, partly driven by relatively higher sales in locations with longer payment terms. The increase of 7% in inventories was driven by instruments pending installation, notably from the latest generation of serum work area systems. The decrease in trade payables and the decrease in the net liability for other receivables (payables) both arose from the settlement of year-end positions and accruals.

Other net operating assets. Property, plant and equipment increased due to higher instrument placements and site investments in Germany. Goodwill and intangible assets decreased due to the regular intangible asset amortisation charges and the impairment of goodwill from the Medingo acquisition. Provisions were higher following the increase of restructuring provisions.

Free cash flow

Diagnostics Division – Operating free cash flow for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)
Operating profit	**717**	**1,425**	**–50**	**–43**
Depreciation, amortisation and impairment	817	718	+14	+18
Provisions	88	(109)	–	–
Equity compensation plans	76	75	+1	+5
Other	101	123	–18	–13
Operating profit cash adjustments	**1,082**	**807**	**+34**	**+39**
Operating profit, net of operating cash adjustments	**1,799**	**2,232**	**–19**	**–13**
(Increase) decrease in net working capital	(1,138)	(864)	+32	+37
Investments in property, plant and equipment	(783)	(770)	+2	+6
Principal portion of lease liabilities paid	(84)	(70)	+20	+23
Investments in intangible assets	(26)	(37)	–30	–27
Operating free cash flow	**(232)**	**491**	**–**	**–**
– as % of sales	–3.3	6.8	–10.1	–9.3

See pages 81–83 for the definition of free cash flow and a detailed breakdown.

The operating free cash flow of the Diagnostics Division was a net outflow of CHF 0.2 billion driven by the reduced operating results of the business. The cash generation of the business, measured by the operating profit, net of operating cash adjustments, decreased by 13% in line with the 14% decrease in the core operating profit. Net working capital absorbed an additional CHF 1.1 billion of cash in the first half of 2025, which was primarily attributable to the settlement of year-end payables and accruals, and due to increased inventory levels, as described above in the 'Financial position' section. The 6% increase in capital expenditure included higher instrument placements as well as site investments in Germany.

Corporate operating results

Corporate – Selling, general and administration for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Administration	(1,822)	(1,683)	+10
Business taxes and capital taxes	(15)	(11)	+39
Other general items	0	0	–
Selling, general and administration – Core basis	**(1,837)**	**(1,694)**	**+10**
Global restructuring plans	(264)	(248)	+7
Total – IFRS basis	**(2,101)**	**(1,942)**	**+10**

Selling, general and administration costs increased by 10% at CER on a core basis. Administration expenses increased as a result of increased informatics costs from cloud-based solutions and projects in artificial intelligence. In addition, administration costs were further centralised following organisational changes in the Diagnostics Division. Total costs on an IFRS basis also increased by 10% at CER and included restructuring activities for a business process transformation to simplify the systems landscape and reduce process complexity.

Corporate – Other operating income (expense) for the six months ended 30 June

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Other operating income (expense) – Core basis	**75**	**(5)**	**–**
Global restructuring plans	0	0	–
Legal and environmental cases	7	0	–
Total – IFRS basis	**82**	**(5)**	**–**

Other operating income (expense) on a core basis included governmental grants. The income from legal and environmental cases was due to a release of provisions.

Corporate – Interim financial position and free cash flow

	2025 (CHF m)	2024 (CHF m)	% change (CER)
Financial position			
Net working capital	(453)	(653)	–28
Other net operating assets	186	192	+3
Net operating assets	**(267)**	**(461)**	**–41**
Free cash flow			
Operating free cash flow	(2,187)	(2,085)	+6

The change in net working capital resulted from an increase in other receivables in respect of governmental grants, as well as from the settlement of payables and accruals. The operating free cash flow includes costs of global functions such as informatics, human resources, finance and procurement as well as restructuring costs for business process transformation. There was an increased outflow mainly due to higher administration costs and changes in net working capital.

Foreign exchange impact on operating results

The Group's exposure to movements in foreign currencies affecting its operating results, as expressed in Swiss francs, is summarised by the following key figures and comments.

Growth (reported in Swiss francs and at CER) for the six months ended 30 June 2025

	% change (CHF)	% change (CER)
Pharmaceuticals Division		
Sales	+6	+10
Core operating profit	+10	+13
Operating free cash flow	–12	–9
Diagnostics Division		
Sales	–3	0
Core operating profit	–21	–14
Operating free cash flow	–	–
Group		
Sales	+4	+7
Core operating profit	+6	+11
Operating free cash flow	–24	–20

Exchange rates against the Swiss franc

	30 June 2025	Average to 30 June 2025	31 December 2024	Average to 30 June 2024
1 USD	0.80	0.86	0.90	0.89
1 EUR	0.94	0.94	0.94	0.96
100 JPY	0.55	0.58	0.58	0.58

The results expressed in Swiss francs were negatively impacted by the appreciation of the Swiss franc against many currencies, notably the US dollar, in the first half of 2025 relative to the first half of 2024. The sensitivity of Group sales and core operating profit to a 1% change in average foreign currency exchange rates against the Swiss franc during the first half of 2025 is shown in the table below.

Currency sensitivities for the six months ended 30 June 2025

Impact of 1% increase in average exchange rate versus the Swiss franc	Sales (CHF m)	Core operating profit (CHF m)
US dollar	153	48
Euro	46	22
Japanese yen	16	19
All other currencies	83	54

Treasury and taxation results

Treasury and taxation interim results

	2025 (CHF m)	2024 (CHF m)	% change (CHF)	% change (CER)
IFRS results				
Operating profit	10,330	9,071	+14	+19
Financing costs	(693)	(708)	–2	+1
Other financial income (expense)	(49)	(140)	–65	–65
Profit before taxes	**9,588**	**8,223**	**+17**	**+22**
Income taxes	(1,756)	(1,526)	+15	+18
Net income	**7,832**	**6,697**	**+17**	**+23**
Attributable to				
– Roche shareholders	7,410	6,258	+18	+25
– Non-controlling interests	422	439	–4	–7
Core results[a]				
Operating profit	12,010	11,293	+6	+11
Financing costs	(680)	(698)	–3	0
Other financial income (expense)	(49)	(140)	–65	–65
Profit before taxes	**11,281**	**10,455**	**+8**	**+12**
Income taxes	(1,962)	(1,804)	+9	+12
Net income	**9,319**	**8,651**	**+8**	**+13**
Attributable to				
– Roche shareholders	8,899	8,205	+8	+14
– Non-controlling interests	420	446	–6	–9
Financial position				
Net debt	(21,005)	(17,337)	+21	+37
Lease liabilities	(1,602)	(1,700)	–6	+3
Pensions	(2,468)	(2,125)	+16	+22
Income taxes	5,209	5,229	0	+14
Equity, debt and fund investments	379	600	–37	–35
Derivatives, net	(318)	(12)	Over +500	Over +500
Collateral, net	87	(42)	–	–
Interest payable	(275)	(298)	–8	0
Associated companies and other, net	275	331	–17	–9
Total net assets (liabilities)	**(19,718)**	**(15,354)**	**+28**	**+43**
Free cash flow[b]				
Treasury activities	(558)	(486)	+15	+18
Taxes paid	(2,237)	(1,976)	+13	+16
Total	**(2,795)**	**(2,462)**	**+14**	**+16**

a) See pages 78–81 for the definition of core results.
b) See pages 81–83 for the definition of free cash flow.

Financing costs

Core financing costs were CHF 0.7 billion, which was stable at CER compared to 2024. Interest expenses remained stable with interest from the debt issued throughout 2024 replacing the interest on the bridge facility incurred in the first half of 2024. A full analysis of financing costs is given in Note 4 to the Interim Financial Statements.

Other financial income (expense)

Core other financial income (expense) was a net expense of CHF 49 million compared to a net expense of CHF 140 million in 2024. This decline in the net expense was driven by lower losses from the net foreign exchange results and the net monetary positions in hyperinflationary economies, partially offset by losses from equity securities. The core income from equity securities, which reflects the fair value changes in the Roche Venture Fund investments as well as gains or losses realised upon sale of those investments, was a loss of CHF 63 million compared to a gain of CHF 9 million in 2024. The main driver was a significant fall in stock markets in the first half of 2025 leading to a reduction in the fair values of the publicly traded positions combined with the weakening of the US dollar against the Swiss franc. Interest income from debt securities was CHF 113 million (2024: CHF 112 million). The net foreign exchange results, which reflect hedging costs and gains and losses on unhedged positions, were net losses of CHF 93 million (2024: net losses of CHF 144 million) with the reduction primarily driven by unrealised losses on unhedged positions denominated in Egyptian pound in 2024. Losses on the net monetary positions in hyperinflationary economies in Argentina and Türkiye were CHF 31 million (2024: losses of CHF 89 million). A full analysis of other financial income (expense) is given in Note 4 to the Interim Financial Statements.

Income taxes

The Group's effective core tax rate was broadly stable at 17.4% in the first half of 2025 compared to 17.3% in the first half of 2024. The effective tax rate on an IFRS basis decreased to 18.3% in the first half of 2025 mainly due to lower impairment of non-deductible intangible assets in the first half of 2025. Changes to the tax laws in the canton of Basel-Stadt in Switzerland were enacted during the first half of 2025, which increased the tax rate on an IFRS basis. The relevant changes for the Roche Group include an increase in the Basel-Stadt tax rate, effective from 1 January 2026, and changes to limitations. The Group has carried out a remeasurement of its deferred tax positions, which resulted in a transitional deferred tax expense of CHF 114 million in the first half of 2025. This has been reported as a non-core item. Further details of the Group's income tax expenses are given in Note 5 to the Interim Financial Statements.

Analysis of the Group's effective tax rate for the six months ended 30 June

	2025			2024		
	Profit before tax (CHF m)	Income taxes (CHF m)	Tax rate (%)	Profit before tax (CHF m)	Income taxes (CHF m)	Tax rate (%)
Group's effective tax rate – Core basis	**11,281**	**(1,962)**	**17.4**	**10,455**	**(1,804)**	**17.3**
Global restructuring plans	(1,023)	198	19.4	(762)	140	18.4
Goodwill and intangible assets	(583)	98	16.8	(1,406)	166	11.8
Mergers and acquisitions and alliance transactions	1	5	–	(37)	3	8.1
Legal and environmental cases	(88)	14	15.9	(27)	6	22.2
Transitional effect of Swiss tax reform	0	(114)	–	0	0	–
Normalisation of equity compensation plan tax benefit	0	5	–	0	(37)	–
Group's effective tax rate – IFRS basis	**9,588**	**(1,756)**	**18.3**	**8,223**	**(1,526)**	**18.6**

Financial position

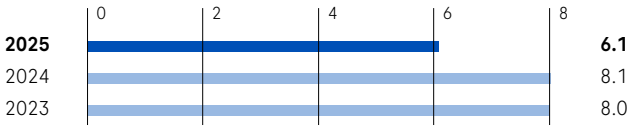
The increase in net debt was due to dividend payments of CHF 7.9 billion and the payments for the Poseida acquisition of CHF 0.9 billion, partly offset by the free cash flow of CHF 3.3 billion. The net pension liability was 22% higher at CER following an increase of the limit on asset recognition of certain Swiss pension plans which more than offset the positive impact from higher discount rates on the defined benefit obligation in Switzerland. The net tax assets increased at CER due to the settlement of tax accruals and the deferred tax effects of the Poseida acquisition. As at 30 June 2025 the Group held equity, debt and fund investments with a market value of CHF 0.4 billion, which consist mostly of holdings in biotechnology and other pharmaceuticals companies which were acquired as part of licensing transactions and scientific collaborations or as investments of the Roche Venture Fund. The net derivative liabilities increased to CHF 0.3 billion as a result of interest rate and exchange rate movements.

Free cash flow

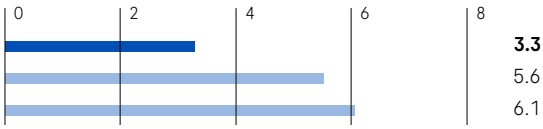
The net cash outflow from treasury activities was CHF 0.6 billion compared to an outflow of CHF 0.5 billion in the first half of 2024. Interest paid increased due to the timing of interest payments on newly issued and recently redeemed debt instruments. Total taxes paid in the first half of 2025 were CHF 2.2 billion compared to CHF 2.0 billion in the first half of 2024 mainly due to higher tax payments in Japan driven by the phasing of tax payments and the underlying business results of Chugai.

Cash flows and net debt

Operating free cash flow in billions of CHF



Free cash flow in billions of CHF



Free cash flow for the six months ended 30 June in millions of CHF

	Pharmaceuticals	Diagnostics	Corporate	Group
2025				
Operating profit – IFRS basis	11,632	717	(2,019)	10,330
Operating profit cash adjustments	1,463	1,082	64	2,609
Operating profit, net of operating cash adjustments	**13,095**	**1,799**	**(1,955)**	**12,939**
(Increase) decrease in net working capital	(2,129)	(1,138)	(203)	(3,470)
Investments in property, plant and equipment	(873)	(783)	(24)	(1,680)
Principal portion of lease liabilities paid	(110)	(84)	(5)	(199)
Investments in intangible assets	(1,450)	(26)	0	(1,476)
Operating free cash flow	**8,533**	**(232)**	**(2,187)**	**6,114**
Treasury activities				(558)
Taxes paid				(2,237)
Free cash flow				**3,319**
2024				
Operating profit – IFRS basis	9,593	1,425	(1,947)	9,071
Operating profit cash adjustments	2,471	807	68	3,346
Operating profit, net of operating cash adjustments	**12,064**	**2,232**	**(1,879)**	**12,417**
(Increase) decrease in net working capital	(1,070)	(864)	(166)	(2,100)
Investments in property, plant and equipment	(919)	(770)	(35)	(1,724)
Principal portion of lease liabilities paid	(97)	(70)	(5)	(172)
Investments in intangible assets	(331)	(37)	0	(368)
Operating free cash flow	**9,647**	**491**	**(2,085)**	**8,053**
Treasury activities				(486)
Taxes paid				(1,976)
Free cash flow				**5,591**

See pages 81–83 for the definition of free cash flow and a detailed breakdown.

The free cash flows expressed in Swiss francs were heavily impacted by the appreciation of the Swiss franc in the first half of 2025 relative to the first half of 2024 against many currencies, notably the US dollar and the euro. The Pharmaceuticals Division reported a high level of cash generation from the underlying business. Net working capital for the Group increased more than in the prior half year, mainly due to the increased trade receivables in the Pharmaceuticals Division and the settlement of year-end payables and accruals in the Diagnostics Division. Investments in intangible assets were higher due to the collaboration with Zealand Pharma. Interest payments were higher due to the timing of payments on debt instruments. Tax payments increased due to the phasing of payments in Japan and the underlying business results at Chugai.

Net debt – Movement in carrying value in millions of CHF

At 1 January 2025	
Cash and cash equivalents	6,975
Marketable securities	10,342
Long-term debt	(30,722)
Short-term debt	(3,932)
Net debt at beginning of period	**(17,337)**
Change in net debt during interim period 2025	
Free cash flow	3,319
Dividend payments	(7,943)
Transactions in own equity instruments	(504)
Mergers and acquisitions, net of divestments of subsidiaries	(901)
Hedging and collateral arrangements	(156)
Currency translation, fair value and other movements	2,517
Change in net debt	**(3,668)**
At 30 June 2025	
Cash and cash equivalents	7,554
Marketable securities	4,472
Long-term debt	(26,464)
Short-term debt	(6,567)
Net debt at end of period	**(21,005)**

Net debt – Currency profile in millions of CHF

	Cash and marketable securities		Debt	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
US dollar	1,837	2,223	(23,161)	(24,129)
Euro	2,174	4,166	(3,978)	(4,930)
Swiss franc	2,062	4,793	(5,319)	(5,320)
Japanese yen	5,188	5,231	0	0
Other	765	904	(573)	(275)
Total	**12,026**	**17,317**	**(33,031)**	**(34,654)**

The net debt position of the Group at 30 June 2025 was CHF 21.0 billion, an increase of CHF 3.7 billion from 31 December 2024. The increase was primarily due to the dividend payments of CHF 7.9 billion and the CHF 0.9 billion payments for the Poseida acquisition, partly offset by the free cash flow of CHF 3.3 billion. The CHF 0.5 billion for transactions in own equity instruments were purchases in connection with the Group's equity compensation plans. The positive currency translation effect was due to the appreciation of the Swiss franc against the US dollar during the first half of 2025, which decreased the carrying value in Swiss francs of the Group's US dollar-denominated debt.

Pensions and other post-employment benefits

Funding status and balance sheet position in millions of CHF

	30 June 2025	31 December 2024
Funded plans		
– Fair value of plan assets	18,588	18,561
– Defined benefit obligation	(15,810)	(16,724)
Over (under) funding	**2,778**	**1,837**
Unfunded plans		
– Defined benefit obligation	(3,690)	(3,980)
Total funding status	**(912)**	**(2,143)**
Limit on asset recognition	(1,586)	(18)
Reimbursement rights	30	36
Net recognised asset (liability)	**(2,468)**	**(2,125)**

Overall the funding status on an IFRS basis of the Group's funded defined benefit plans increased to 118% compared to 111% at the start of the year. This came from a reduction of the defined benefit obligation due to an increase in discount rates in Switzerland together with the appreciation of the Swiss franc against currencies in all relevant regions compared to the end of 2024. The limit on asset recognition was higher compared to the start of the year due to a larger portion of the surplus of certain Swiss pension plans being not recognisable under IFRS. The funding status of the pension funds is monitored by the local pension fund governance bodies as well as being closely reviewed at a Group level.

The unfunded plans are mainly those in the Group's German affiliates, where the fully reserved pension obligations are invested in the local affiliates' operations. The defined benefit obligations for unfunded plans decreased due to higher discount rates in Germany compared to the end of 2024.

Full details of the Group's pensions and other post-employment benefits are given in Note 26 to the 2024 Annual Financial Statements.

Debt

Issuance of new debt

During the first half of 2025 the Group did not undertake any debt offerings.

Redemption of debt

During the first half of 2025 the Group redeemed the following debt at the due date:
- 25 February 2025: fixed rate notes with an outstanding amount of EUR 1 billion and an effective interest rate of 0.93%.
- 10 March 2025: fixed rate notes with an outstanding amount of USD 1 billion and an effective interest rate of 2.19%.
- 10 March 2025: floating rate notes with an outstanding amount of USD 750 million and an effective interest rate of 4.87%.

The combined cash outflow was CHF 2.5 billion and there was no gain or loss recorded on these redemptions.

Bonds and notes: nominal amounts at 30 June 2025 by contractual maturity

	US dollar (USD m)	Euro (EUR m)	Swiss franc (CHF m)	Total[a] (USD m)	Total[a] (CHF m)
2025	506	0	500	1,131	905
2026	3,050	0	425	3,581	2,864
2027	2,100	600	825	3,834	3,066
2028	3,900	0	140	4,075	3,259
2029	1,775	750	600	3,403	2,722
2030–2034	7,850	650	2,010	11,124	8,897
2035 and beyond	5,654	2,250	805	9,295	7,433
Total	**24,835**	**4,250**	**5,305**	**36,443**	**29,146**

a) Total translated at 30 June 2025 exchange rates.

The Group plans to meet its debt obligations using existing liquid funds as well as cash generated from business operations. In the full year 2024 the free cash flow was CHF 15.3 billion, which included the cash generated from operations as well as the payment of interest and taxes. In the first half of 2025 the free cash flow was CHF 3.3 billion.

For short-term financing requirements, the Group has a commercial paper program in the US under which it can issue up to USD 7.5 billion of unsecured commercial paper notes and has committed credit lines of USD 7.5 billion available as back-stop lines. Commercial paper notes totalling USD 4.2 billion were outstanding as at 30 June 2025 (30 June 2024: USD 1.8 billion). For longer-term financing the Group maintains high long-term investment-grade credit ratings of AA by Standard & Poor's, Aa2 by Moody's and AA by Fitch which should facilitate efficient access to international capital markets.

Further information on the Group's debt is given in Note 11 to the Interim Financial Statements and Note 21 to the 2024 Annual Financial Statements.

Financial risks

As at 30 June 2025 the Group had a net debt position of CHF 21.0 billion (31 December 2024: CHF 17.3 billion). The financial assets of the Group are managed in a conservative way with the objective to meet the Group's financial obligations at all times.

Asset allocation. Liquid funds are either held as cash or are invested in high-quality, investment-grade fixed income securities with an investment horizon to meet those liquidity requirements.

Cash and marketable securities

	30 June 2025		31 December 2024	
	(CHF m)	(% of total)	(CHF m)	(% of total)
Cash and cash equivalents	7,554	63	6,975	40
Money market instruments and time accounts over three months	4,016	33	9,831	57
Debt securities	456	4	511	3
Equity securities	0	0	0	0
Total cash and marketable securities	**12,026**	**100**	**17,317**	**100**

Credit risk. Credit risk arises from the possibility that counterparties to transactions may default on their obligations causing financial losses for the Group. The rating profile of the Group's CHF 12.0 billion of cash and fixed income marketable securities remained high with 94% being invested in the A–AAA range. The Group has signed netting and collateral agreements with the counterparties in order to mitigate counterparty risk on derivative positions. Bad debt expenses and overdue receivables remained at a relatively low level.

Liquidity risk. Liquidity risk arises through a surplus of financial obligations over available financial assets due at any point in time. The Group's approach to liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements at any point in time. In addition to the current liquidity position, the Group has high cash generation ability. Those future cash flows will be used to repay debt instruments in the coming years. Free cash flow was CHF 3.3 billion as compared to CHF 5.6 billion in the first half of 2024.

The Roche Group continues to enjoy high long-term investment-grade credit ratings of AA by Standard & Poor's, Aa2 by Moody's and AA by Fitch. At the same time Roche is rated at the highest available short-term ratings by those agencies. In the event of financing requirements, the credit ratings of the Roche Group should permit efficient access to international capital markets, including the commercial paper market. The Group has committed credit lines with various financial institutions totalling USD 7.5 billion available as back-stop lines for the commercial paper program. As at 30 June 2025 no debt has been drawn under these credit lines.

Market risk. Market risk arises from changing market prices of the Group's financial assets or financial liabilities. The exposures are predominantly related to changes in interest rates, foreign exchange rates and equity prices. The Group uses Value-at-Risk (VaR) to assess the impact of market risk on its financial instruments. VaR data indicates the value range within which a given financial instrument will fluctuate with a preset probability as a result of movements in market prices. The Group's VaR has decreased since 31 December 2024.

Interest rate risk. Interest rate risk arises from movements in interest rates which could affect the Group's financial result or the value of the Group equity. The Group may use interest rate derivatives to manage its interest rate-related exposure and financial result.

Further information on financial risk management and financial risks and the VaR methodology is included in Note 31 to the 2024 Annual Financial Statements.

International Financial Reporting Standards

The Roche Group has been using International Financial Reporting Standards (IFRS Accounting Standards) to report its consolidated results since 1990.

New and revised standards applied in 2025

In 2025 the Group implemented various minor amendments to existing accounting standards and interpretations which have no material impact on the Group's overall results and financial position. See Note 1 to the Interim Financial Statements for further details.

Roche Group Interim Consolidated Financial Statements

The Interim Consolidated Financial Statements have been reviewed by the Group's auditor and their review report is presented on page 77.

Roche Group consolidated income statement for the six months ended 30 June 2025 in millions of CHF

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales [2, 3]	23,985	6,959	–	30,944
Other revenue [2, 3]	870	35	–	905
Revenue [2, 3]	**24,855**	**6,994**	**–**	**31,849**
Cost of sales	(4,363)	(3,643)	–	(8,006)
Research and development [2]	(5,638)	(1,038)	–	(6,676)
Selling, general and administration	(3,401)	(1,576)	(2,101)	(7,078)
Other operating income (expense)	179	(20)	82	241
Operating profit [2]	**11,632**	**717**	**(2,019)**	**10,330**
Financing costs [4]				(693)
Other financial income (expense) [4]				(49)
Profit before taxes				**9,588**
Income taxes [5]				(1,756)
Net income				**7,832**
Attributable to				
– Roche shareholders				7,410
– Non-controlling interests				422
Earnings per share and non-voting equity security [14]				
Basic (CHF)				9.31
Diluted (CHF)				9.23

Roche Group consolidated income statement for the six months ended 30 June 2024 in millions of CHF

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales [2, 3]	22,637	7,211	–	29,848
Other revenue [2, 3]	886	22	–	908
Revenue [2, 3]	**23,523**	**7,233**	**–**	**30,756**
Cost of sales	(4,536)	(3,334)	–	(7,870)
Research and development [2]	(6,408)	(980)	–	(7,388)
Selling, general and administration	(3,400)	(1,510)	(1,942)	(6,852)
Other operating income (expense)	414	16	(5)	425
Operating profit [2]	**9,593**	**1,425**	**(1,947)**	**9,071**
Financing costs [4]				(708)
Other financial income (expense) [4]				(140)
Profit before taxes				**8,223**
Income taxes [5]				(1,526)
Net income				**6,697**
Attributable to				
– Roche shareholders				6,258
– Non-controlling interests				439
Earnings per share and non-voting equity security [14]				
Basic (CHF)				7.85
Diluted (CHF)				7.80

Roche Group consolidated statement of comprehensive income in millions of CHF

	Six months ended 30 June	
	2025	2024
Net income recognised in income statement	**7,832**	**6,697**
Other comprehensive income (OCI)		
Remeasurements of defined benefit plans	(470)	339
Fair value changes on equity investments at fair value through OCI	(170)	136
Items that will never be reclassified to the income statement	**(640)**	**475**
Fair value changes on debt securities at fair value through OCI	2	0
Cash flow hedges	(112)	(20)
Currency translation of foreign operations	(2,186)	430
Items that are or may be reclassified to the income statement	**(2,296)**	**410**
Other comprehensive income, net of tax	**(2,936)**	**885**
Total comprehensive income	**4,896**	**7,582**
Attributable to		
– Roche shareholders	4,715	7,388
– Non-controlling interests	181	194
Total	**4,896**	**7,582**

Roche Group consolidated balance sheet in millions of CHF

	30 June 2025	31 December 2024
Non-current assets		
Property, plant and equipment	21,744	22,557
Right-of-use assets	1,130	1,183
Goodwill [8]	7,565	7,876
Intangible assets [9]	16,767	17,303
Deferred tax assets	8,440	8,569
Defined benefit plan assets	1,560	2,256
Other non-current assets	1,857	2,021
Total non-current assets	**59,063**	**61,765**
Current assets		
Inventories	7,597	7,606
Accounts receivable	11,918	11,297
Current income tax assets	441	415
Other current assets	3,720	3,401
Marketable securities	4,472	10,342
Cash and cash equivalents	7,554	6,975
Total current assets	**35,702**	**40,036**
Total assets	**94,765**	**101,801**
Non-current liabilities		
Long-term debt [11]	(26,464)	(30,722)
Deferred tax liabilities	(861)	(832)
Defined benefit plan liabilities	(4,028)	(4,381)
Provisions [10]	(1,030)	(1,079)
Other non-current liabilities	(1,758)	(1,603)
Total non-current liabilities	**(34,141)**	**(38,617)**
Current liabilities		
Short-term debt [11]	(6,567)	(3,932)
Current income tax liabilities	(2,811)	(2,923)
Provisions [10]	(1,815)	(1,726)
Accounts payable	(4,512)	(4,894)
Other current liabilities	(11,875)	(13,548)
Total current liabilities	**(27,580)**	**(27,023)**
Total liabilities	**(61,721)**	**(65,640)**
Total net assets	**33,044**	**36,161**
Equity		
Capital and reserves attributable to Roche shareholders	28,678	31,767
Equity attributable to non-controlling interests	4,366	4,394
Total equity	**33,044**	**36,161**

Roche Group consolidated statement of cash flows in millions of CHF

	Six months ended 30 June	
	2025	2024
Cash flows from operating activities		
Cash generated from operations [15]	13,791	12,772
(Increase) decrease in net working capital	(3,470)	(2,100)
Payments made for defined benefit plans	(326)	(313)
Utilisation of provisions	(658)	(469)
Income taxes paid	(2,237)	(1,976)
Total cash flows from operating activities	**7,100**	**7,914**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,680)	(1,724)
Purchase of intangible assets	(1,476)	(368)
Disposal of property, plant and equipment	73	19
Disposal of intangible assets	2	0
Disposal of products	0	353
Business combinations [6]	(890)	(2,456)
Asset acquisitions	(5)	0
Divestment of subsidiaries [13]	6	0
Interest and dividends received on marketable securities and other investments	88	106
Sales of equity securities and debt securities	123	130
Purchases of equity securities and debt securities	(61)	(78)
Sales (purchases) of money market instruments and time accounts over three months, net	5,665	1,168
Other investing cash flows	(12)	(15)
Total cash flows from investing activities	**1,833**	**(2,865)**
Cash flows from financing activities		
Proceeds from issue of bonds and notes [11]	0	4,852
Redemption and repurchase of bonds and notes [11]	(2,479)	(1,849)
Increase (decrease) in commercial paper [11]	3,453	713
Increase (decrease) in other debt [11]	292	40
Hedging and collateral arrangements	(156)	(108)
Interest paid	(588)	(521)
Principal portion of lease liabilities paid	(199)	(172)
Dividends paid [15]	(7,943)	(7,889)
Equity-settled equity compensation plans, net of transactions in own equity	(504)	(514)
Other financing cash flows	1	(1)
Total cash flows from financing activities	**(8,123)**	**(5,449)**
Net effect of currency translation on cash and cash equivalents	(231)	(152)
Increase (decrease) in cash and cash equivalents	**579**	**(552)**
Cash and cash equivalents at beginning of period	6,975	5,376
Cash and cash equivalents at end of period	**7,554**	**4,824**

Roche Group consolidated statement of changes in equity in millions of CHF

	Share capital	Retained earnings	Fair value reserves	Hedging reserves	Translation reserves	Total	Non-controlling interests	Total equity
Six months ended 30 June 2024								
At 1 January 2024	107	42,347	(97)	(90)	(12,952)	29,315	3,948	33,263
Net income recognised in income statement	–	6,258	–	–	–	6,258	439	6,697
Net change in fair value – financial assets at fair value through OCI	–	7	129	–	–	136	0	136
Cash flow hedges	–	–	–	(12)	–	(12)	(8)	(20)
Currency translation of foreign operations	–	–	1	4	662	667	(237)	430
Remeasurements of defined benefit plans	–	339	–	–	–	339	0	339
Total comprehensive income	**–**	**6,604**	**130**	**(8)**	**662**	**7,388**	**194**	**7,582**
Dividends	–	(7,650)	–	–	–	(7,650)	(208)	(7,858)
Equity compensation plans, net of transactions in own equity	–	(111)	–	–	–	(111)	0	(111)
Changes in non-controlling interests	–	0	–	–	–	0	0	–
At 30 June 2024	**107**	**41,190**	**33**	**(98)**	**(12,290)**	**28,942**	**3,934**	**32,876**
Six months ended 30 June 2025								
At 1 January 2025	107	43,842	(28)	(41)	(12,113)	31,767	4,394	36,161
Net income recognised in income statement	–	7,410	–	–	–	7,410	422	7,832
Net change in fair value – financial assets at fair value through OCI	–	0	(168)	–	–	(168)	0	(168)
Cash flow hedges	–	–	–	(68)	–	(68)	(44)	(112)
Currency translation of foreign operations	–	–	0	4	(1,993)	(1,989)	(197)	(2,186)
Remeasurements of defined benefit plans	–	(470)	–	–	–	(470)	0	(470)
Total comprehensive income	**–**	**6,940**	**(168)**	**(64)**	**(1,993)**	**4,715**	**181**	**4,896**
Dividends	–	(7,731)	–	–	–	(7,731)	(213)	(7,944)
Equity compensation plans, net of transactions in own equity	–	(72)	–	–	–	(72)	3	(69)
Changes in non-controlling interests	–	(1)	–	–	–	(1)	1	–
At 30 June 2025	**107**	**42,978**	**(196)**	**(105)**	**(14,106)**	**28,678**	**4,366**	**33,044**

Notes to the Roche Group Interim Consolidated Financial Statements

1. General accounting principles

Basis of preparation

These financial statements are the unaudited condensed interim consolidated financial statements (hereafter 'the Interim Financial Statements') of Roche Holding Ltd, a company registered in Switzerland, and its subsidiaries (hereafter 'the Group') for the six months ended 30 June 2025 (hereafter 'the interim period'). These Interim Financial Statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024 (hereafter 'the Annual Financial Statements'), as they provide an update of previously reported information. They were approved for issue by the Board of Directors on 22 July 2025.

Statement of compliance

The Interim Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group since the Annual Financial Statements.

Management judgements and estimates

The preparation of the Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and related disclosures. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the Annual Financial Statements.

Seasonality

The Group operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the financial year.

Accounting policies

Except as described below, the accounting policies applied in these Interim Financial Statements are the same as those applied in the Annual Financial Statements. Changes in accounting policies will also be reflected in the Group's Consolidated Financial Statements for the year ending 31 December 2025.

Changes in accounting policies

In 2025 the Group has implemented various minor amendments to existing accounting standards and interpretations, which have no material impact on the Group's overall results and financial position.

Future new and revised accounting standards

The Group is currently assessing the potential impacts of the various new and revised accounting standards and interpretations that will be mandatory from 1 January 2026 and which the Group has not yet applied. Based on the analysis to date, the Group does not anticipate that these will have a material impact on the Group's overall results and financial position. The Group is also assessing other new and revised accounting standards which are not mandatory until after 2026, including IFRS 18 'Presentation and Disclosure in Financial Statements'.

2. Operating segment information

The Group has two divisions, Pharmaceuticals and Diagnostics. Revenues are primarily generated from the sale of prescription pharmaceutical products and diagnostic instruments, reagents and consumables, respectively. Both divisions also derive revenues from the sale or licensing of products or technology to third parties. Residual operating activities from divested businesses and certain global activities are reported as 'Corporate'. These include the Corporate Executive Committee and global Group functions for informatics, communications, human resources, finance (including treasury and taxation), legal, safety and environmental services. Subdivisional information is also presented for the Roche Pharmaceuticals and Chugai operating segments within the Pharmaceuticals Division.

Divisional information in millions of CHF

Six months ended 30 June	Pharmaceuticals 2025	Pharmaceuticals 2024	Diagnostics 2025	Diagnostics 2024	Corporate 2025	Corporate 2024	Group 2025	Group 2024
Revenue from external customers								
Sales	23,985	22,637	6,959	7,211	–	–	30,944	29,848
Other revenue	870	886	35	22	–	–	905	908
Total	**24,855**	**23,523**	**6,994**	**7,233**	**–**	**–**	**31,849**	**30,756**
Revenue from other operating segments								
Sales	–	–	28	57	–	–	28	57
Other revenue	–	–	1	1	–	–	1	1
Elimination of interdivisional revenue							(29)	(58)
Total	**–**	**–**	**29**	**58**	**–**	**–**	**–**	**–**
Segment results								
Operating profit	11,632	9,593	717	1,425	(2,019)	(1,947)	10,330	9,071
Capital expenditure								
Business combinations	868	2,808	0	0	–	–	868	2,808
Asset acquisitions	10	0	0	0	–	–	10	0
Additions to property, plant and equipment	729	800	785	765	24	35	1,538	1,600
Additions to right-of-use assets	179	211	66	64	6	7	251	282
Additions to intangible assets	1,375	243	26	37	–	–	1,401	280
Total	**3,161**	**4,062**	**877**	**866**	**30**	**42**	**4,068**	**4,970**
Research and development								
Research and development costs	5,638	6,408	1,038	980	–	–	6,676	7,388
Other segment information								
Depreciation of property, plant and equipment	575	546	588	557	29	31	1,192	1,134
Depreciation of right-of-use assets	79	88	72	69	5	5	156	162
Amortisation of intangible assets	265	279	85	79	–	–	350	358
Impairment (reversal) of property, plant and equipment	18	38	33	13	4	3	55	54
Impairment (reversal) of right-of-use assets	0	26	0	0	0	0	0	26
Impairment of goodwill	0	0	39	0	–	–	39	0
Impairment of intangible assets	190	1,051	0	0	–	–	190	1,051
Equity compensation plan expenses	274	291	76	75	42	41	392	407

Pharmaceuticals subdivisional information in millions of CHF

Six months ended 30 June	Roche Pharmaceuticals 2025	Roche Pharmaceuticals 2024	Chugai 2025	Chugai 2024	Pharmaceuticals Division 2025	Pharmaceuticals Division 2024
Revenue from external customers						
Sales	22,560	21,271	1,425	1,366	23,985	22,637
Other revenue	832	827	38	59	870	886
Total	**23,392**	**22,098**	**1,463**	**1,425**	**24,855**	**23,523**
Revenue from other operating segments						
Sales	612	652	1,546	1,472	2,158	2,124
Other revenue	92	10	356	372	448	382
Elimination of income within division					(2,606)	(2,506)
Total	**704**	**662**	**1,902**	**1,844**	**–**	**–**
Segment results						
Operating profit	9,968	8,173	1,486	1,536	11,454	9,709
Elimination of results within division					178	(116)
Operating profit	**9,968**	**8,173**	**1,486**	**1,536**	**11,632**	**9,593**
Capital expenditure						
Business combinations	868	2,808	0	0	868	2,808
Asset acquisitions	10	0	0	0	10	0
Additions to property, plant and equipment	503	653	226	147	729	800
Additions to right-of-use assets	112	193	67	18	179	211
Additions to intangible assets	1,372	238	3	5	1,375	243
Total	**2,865**	**3,892**	**296**	**170**	**3,161**	**4,062**
Research and development						
Research and development costs	5,138	5,937	594	496	5,732	6,433
Elimination of costs within division					(94)	(25)
Total	**5,138**	**5,937**	**594**	**496**	**5,638**	**6,408**
Other segment information						
Depreciation of property, plant and equipment	504	476	71	70	575	546
Depreciation of right-of-use assets	62	73	17	15	79	88
Amortisation of intangible assets	263	276	2	3	265	279
Impairment (reversal) of property, plant and equipment	18	38	0	0	18	38
Impairment (reversal) of right-of-use assets	0	26	0	0	0	26
Impairment of goodwill	0	0	0	0	0	0
Impairment of intangible assets	190	1,051	0	0	190	1,051
Equity compensation plan expenses	273	290	1	1	274	291

Net assets in millions of CHF

	Assets		Liabilities		Net assets	
	30 June 2025	31 Dec. 2024	30 June 2025	31 Dec. 2024	30 June 2025	31 Dec. 2024
Net operating assets						
Pharmaceuticals	49,085	48,926	(13,460)	(14,479)	35,625	34,447
Diagnostics	21,670	22,553	(4,266)	(5,024)	17,404	17,529
Corporate	714	631	(981)	(1,092)	(267)	(461)
Total	**71,469**	**72,110**	**(18,707)**	**(20,595)**	**52,762**	**51,515**
Current income tax net assets (liabilities)					(2,370)	(2,508)
Deferred tax net assets (liabilities)					7,579	7,737
Defined benefit plan net assets (liabilities)					(2,468)	(2,125)
Lease liabilities					(1,602)	(1,700)
Marketable securities					4,472	10,342
Cash and cash equivalents					7,554	6,975
Debt					(33,031)	(34,654)
Other net assets (liabilities)					148	579
Total net assets					**33,044**	**36,161**

Net operating assets – Pharmaceuticals subdivisional information in millions of CHF

	Assets		Liabilities		Net assets	
	30 June 2025	31 Dec. 2024	30 June 2025	31 Dec. 2024	30 June 2025	31 Dec. 2024
Roche Pharmaceuticals	45,600	45,523	(13,887)	(14,882)	31,713	30,641
Chugai	6,216	6,383	(805)	(886)	5,411	5,497
Elimination within division	(2,731)	(2,980)	1,232	1,289	(1,499)	(1,691)
Pharmaceuticals Division	**49,085**	**48,926**	**(13,460)**	**(14,479)**	**35,625**	**34,447**

3. Revenue

Disaggregated revenue information

Disaggregation of revenue in millions of CHF

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Revenue from contracts with customers	Revenue from other sources	Total	Revenue from contracts with customers	Revenue from other sources	Total
Pharmaceuticals Division						
Sales by therapeutic area						
Oncology/Haematology	12,147	–	12,147	11,764	–	11,764
– *of which Oncology*	*7,827*	–	*7,827*	*8,008*	–	*8,008*
– *of which Haematology*	*4,320*	–	*4,320*	*3,756*	–	*3,756*
Neurology	4,872	–	4,872	4,586	–	4,586
Immunology	3,321	–	3,321	3,015	–	3,015
Ophthalmology	2,148	–	2,148	1,891	–	1,891
Other therapeutic areas	1,497	–	1,497	1,381	–	1,381
Sales	**23,985**	**–**	**23,985**	**22,637**	**–**	**22,637**
Royalty income	244	160	404	229	157	386
Profit-share income	0	388	388	0	380	380
Other income from collaboration and out-licensing agreements	73	0	73	114	0	114
Other	5	0	5	6	0	6
Other revenue	**322**	**548**	**870**	**349**	**537**	**886**
Diagnostics Division						
Sales by customer area						
Core Lab	3,529	310	3,839	3,782	290	4,072
Molecular Lab	1,200	50	1,250	1,206	51	1,257
Near Patient Care	1,008	10	1,018	1,082	12	1,094
Pathology Lab	804	48	852	741	47	788
Sales	**6,541**	**418**	**6,959**	**6,811**	**400**	**7,211**
Royalty income	2	0	2	19	0	19
Profit-share income	0	0	0	0	0	0
Other income from collaboration and out-licensing agreements	29	0	29	0	0	0
Other	0	4	4	0	3	3
Other revenue	**31**	**4**	**35**	**19**	**3**	**22**
Total	**30,879**	**970**	**31,849**	**29,816**	**940**	**30,756**

In the second half of 2024, retrospectively effective 1 January 2024, the Pharmaceuticals Division changed its internal therapeutic areas split for revenues. Consequently, the comparative sales by therapeutic areas information for the six months ended 30 June 2024 has been restated in this table.

Effective 1 January 2025, the Diagnostics Division changed its internal customer areas. Consequently, the comparative sales by customer areas information for the six months ended 30 June 2024 has been restated in this table.

Revenue from other sources primarily relates to lease revenue in the Diagnostics Division and revenue from collaborations in which the counterparty is not considered a customer, such as certain royalty income from collaborative partners and income from profit-sharing agreements with collaborative partners in the Pharmaceuticals Division.

Gross-to-net sales reconciliation for the Pharmaceuticals Division

The gross-to-net sales reconciliation for the Pharmaceuticals Division is shown in the table below. The companies in the Diagnostics Division have similar reconciling items, but at much lower amounts.

Pharmaceuticals Division sales gross-to-net reconciliation in millions of CHF

	Six months ended 30 June	
	2025	2024
Gross sales	31,065	29,546
Government and regulatory mandatory price reductions	(3,533)	(3,507)
Contractual price reductions	(2,858)	(2,666)
Cash discounts	(158)	(170)
Customer returns reserves	(161)	(171)
Others	(370)	(395)
Net sales	**23,985**	**22,637**

Government and regulatory mandatory price reductions. These consist of mandatory price reductions. The major elements are the 340B Drug Discount Program, Medicaid and other plans in the US, which totalled USD 3.2 billion equivalent to CHF 2.8 billion (six months ended 30 June 2024: USD 3.0 billion equivalent to CHF 2.7 billion).

Contractual price reductions. These include rebates and chargebacks that are the result of contractual agreements that are primarily volume based and performance based.

Cash discounts. These include credits offered to wholesalers for remitting payment on their purchases within contractually defined incentive periods.

Customer returns reserves. These are allowances established for expected product returns.

Sales reductions that are expected to be withheld by the customer upon settlement, such as contractual price reductions and cash discounts, are recorded in the balance sheet as a deduction from trade receivables. Sales reductions that are separately payable to customers, governmental health authorities or healthcare regulatory authorities are recorded in the balance sheet as accrued liabilities. Provisions for sales returns are recorded in the balance sheet as other provisions.

4. Net financial expense

Financing costs in millions of CHF

	Six months ended 30 June	
	2025	2024
Interest expense	(583)	(601)
Amortisation of debt discount	(4)	(5)
Net gains (losses) on debt derivatives	0	(1)
Fair value loss on debt derivatives designated as cash flow hedges – transferred from OCI	(1)	(1)
Net gains (losses) on redemption and repurchase of bonds and notes	0	0
Discount unwind	(15)	(12)
Net interest cost of defined benefit plans	(69)	(69)
Interest expense on lease liabilities	(21)	(19)
Total financing costs	**(693)**	**(708)**

Other financial income (expense) in millions of CHF

	Six months ended 30 June	
	2025	2024
Net gains (losses) on equity investments/securities at fair value through profit or loss	(63)	9
Net income (expense) from equity investments/securities	**(63)**	**9**
Interest income (expense) from debt securities at fair value through OCI and at amortised cost	113	112
Net gains (losses) on sale of debt securities at fair value through OCI	0	0
Net gains (losses) on debt investments/securities at fair value through profit or loss	1	0
Net gains (losses) on fund investments at fair value through profit or loss	0	2
Net interest income (expense) and income from debt investments/securities and fund investments	**114**	**114**
Net foreign exchange gains (losses)	94	(20)
Net gains (losses) on foreign currency derivatives	(187)	(124)
Foreign exchange gains (losses)	**(93)**	**(144)**
Gains (losses) on net monetary position in hyperinflationary economies	(31)	(89)
Net other financial income (expense)	7	(2)
Associates	17	(28)
Total other financial income (expense)	**(49)**	**(140)**

Net financial expense in millions of CHF

	Six months ended 30 June	
	2025	2024
Financing costs	(693)	(708)
Other financial income (expense)	(49)	(140)
Net financial expense	**(742)**	**(848)**
Financial result from treasury management	(690)	(751)
Financial result from pension management	(69)	(69)
Associates	17	(28)
Net financial expense	**(742)**	**(848)**

5. Income taxes

Income tax expenses are recognised based upon management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income for the six months ended 30 June 2025.

Income tax expenses in millions of CHF

	Six months ended 30 June	
	2025	2024
Current income taxes and Pillar Two income taxes	(2,234)	(2,346)
– *of which current income taxes*	*(2,034)*	*(2,160)*
– *of which Pillar Two income taxes*	*(200)*	*(186)*
Deferred taxes	478	820
Total income tax (expense)	**(1,756)**	**(1,526)**

The Group's effective tax rate for the six months ended 30 June 2025 decreased to 18.3% (six months ended 30 June 2024: 18.6%). The decrease was mainly due to lower impairment of non-deductible intangible assets in the first half of 2025. This was partially offset by the impacts from the tax reform in the canton of Basel-Stadt in Switzerland in the six months ended 30 June 2025, as described below.

Changes to the tax laws in the canton of Basel-Stadt in Switzerland were enacted during the first half of 2025. The relevant changes for the Group include an increase in the Basel-Stadt tax rate, effective from 1 January 2026, and changes to limitations. The Group has carried out a remeasurement of its deferred tax positions, which increased the impacted net deferred tax liability positions on the balance sheet by CHF 163 million. This remeasurement does not have an impact on tax payments and resulted in a transitional deferred tax expense of CHF 114 million during the six months ended 30 June 2025. The remaining amount of CHF 49 million was recorded to other comprehensive income, in so far as it relates to temporary differences arising on items that were themselves recorded to other comprehensive income, such as actuarial gains/losses on Swiss pension plans.

6. Mergers and acquisitions

Business combinations – 2025

Poseida Therapeutics, Inc. On 8 January 2025 the Group acquired a 100% controlling interest in Poseida Therapeutics, Inc. ('Poseida'), a publicly owned US company based in San Diego, California, that had been listed on Nasdaq. With this acquisition, the Group obtained access to Poseida's research and development portfolio, which includes various preclinical and clinical-stage CAR-T therapies across several therapeutic areas, as well as manufacturing capabilities and technology platforms. The acquisition builds on the existing partnership between the Group and Poseida following the collaboration and licence agreement established in 2022, which included P-BCMA-ALLO1, an allogeneic CAR-T therapy in phase I targeting B-cell maturation antigen for the treatment of multiple myeloma, and P-CD19CD20-ALLO1 in phase I, an allogeneic dual CAR-T in B-cell malignancies which is also investigated for the treatment of multiple sclerosis and systemic lupus erythematosus. Poseida is reported in the Pharmaceuticals Division. The total consideration was USD 1,132 million, of which USD 891 million was paid in cash on the acquisition date, USD 99 million was deferred consideration paid in cash on 17 January 2025 which related to the settlement of Poseida's own equity compensation plans, and USD 142 million arose from a contingent consideration arrangement. The contingent payments are based on the achievement of predetermined performance-related milestones, and the range of undiscounted outcomes is between zero and USD 472 million.

The identifiable assets acquired and liabilities assumed are set out in the table below. The amounts are provisional based on preliminary information and valuations of the assets and liabilities and are subject to adjustment during the second half of 2025.

Business combinations – 2025: net assets acquired in millions of CHF

	Poseida
Property, plant and equipment	15
Right-of-use assets	22
Intangible assets	
– Product intangibles: not available for use [9]	304
Deferred tax assets	178
Cash and cash equivalents	10
Marketable securities	153
Deferred income	(19)
Provisions	(7)
Short-term debt [11]	(59)
Lease liabilities	(22)
Deferred tax liabilities	(66)
Other net assets (liabilities)	(7)
Net identifiable assets	**502**
Goodwill [8]	527
Total consideration	**1,029**
Cash	810
Deferred consideration	90
Contingent consideration [16]	129
Total consideration	**1,029**

The fair values of the intangible assets were determined using an income approach that is based on management forecasts and observable market data for discount rates, tax rates and foreign exchange rates. The present value was calculated using a risk-adjusted discount rate of 12.3%. The valuations were performed by an independent valuer.

Goodwill represents a control premium and a number of preclinical programmes, technology platforms and manufacturing capabilities that do not qualify for separate recognition of intangible assets. None of the goodwill is expected to be deductible for income tax purposes.

Directly attributable transaction costs of CHF 11 million were reported in the Pharmaceuticals operating segment within other operating income (expense).

In the six months to 30 June 2025 Poseida contributed no material revenue and a net loss (after tax) of CHF 93 million to the results reported for the Pharmaceuticals Division and the Group. Management estimates that the results of the Group would not have been materially different had the acquisition been completed on 1 January 2025. This information is provided for illustrative purposes only and is not necessarily indicative of the future results of the Group.

Business combinations – 2024

Carmot Therapeutics, Inc. On 26 January 2024 the Group acquired a 100% controlling interest in Carmot Therapeutics, Inc. ('Carmot'), a privately owned US company based in Berkeley, California. Carmot is reported in the Pharmaceuticals Division. The total consideration was USD 3,094 million, of which USD 2,913 million was paid in cash and USD 181 million arose from a contingent consideration arrangement. The contingent payments are based on the achievement of predetermined performance-related milestones, and the range of undiscounted outcomes is between zero and USD 400 million.

Cash flows from business combinations

Business combinations: net cash outflows in millions of CHF

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Pharmaceuticals	Diagnostics	Total	Pharmaceuticals	Diagnostics	Total
Cash consideration paid	(810)	0	(810)	(2,526)	0	(2,526)
Deferred consideration paid	(90)	0	(90)	0	0	0
Contingent consideration paid	0	0	0	0	0	0
Cash in acquired company	10	0	10	70	0	70
Total net cash outflows	**(890)**	**0**	**(890)**	**(2,456)**	**0**	**(2,456)**

Asset acquisitions

The Group did not complete any material asset acquisitions during the six months ended 30 June 2025 or during the six months ended 30 June 2024.

Future asset acquisitions

Kolm Therapeutics Inc. On 1 July 2025 the Group acquired a 100% controlling interest in Kolm Therapeutics Inc. ('Kolm'), a privately owned US company based in Woodbridge, Connecticut. With the acquisition, the Group obtained ownership of a preclinical conditional small molecule programme for potential applications in oncology. Kolm is reported in the Pharmaceuticals Division. The cash consideration paid at the acquisition date was USD 125 million. Additional contingent payments may be made based upon the achievement of performance-related milestones.

7. Global restructuring plans

During the six months ended 30 June 2025 the Group continued the implementation of various global restructuring plans initiated in 2025 and prior years.

Global restructuring plans: costs incurred in millions of CHF

	Six months ended 30 June	
	2025	2024
Global restructuring costs		
– Employee-related costs	553	269
– Site closure and other costs related to physical assets	32	142
– Divestment of products and businesses	0	0
– Other reorganisation expenses	438	351
Total global restructuring costs	**1,023**	**762**
Additional costs		
– Legal and environmental cases	0	0
Total costs	**1,023**	**762**

The Pharmaceuticals Division incurred restructuring costs of CHF 351 million (six months ended 30 June 2024: CHF 454 million), primarily for research and development optimisation initiatives and a business process transformation to simplify the systems landscape. These costs also included a gain of CHF 50 million from the disposal of property at Chugai. The Diagnostics Division incurred costs of CHF 408 million (six months ended 30 June 2024: CHF 60 million) for initiatives to drive organisational effectiveness across manufacturing, research and development and administrative areas. Corporate costs were CHF 264 million (six months ended 30 June 2024: CHF 248 million) and included a business process transformation to simplify the systems landscape and reduce process complexity. This transformation is a multi-year cross-divisional programme to drive efficiency gains through system and process optimisation.

Global restructuring plans: summary of costs incurred in millions of CHF

	Six months ended 30 June	
	2025	2024
Employee-related costs		
– Termination costs	345	157
– Defined benefit plans	3	0
– Other employee-related costs	205	112
Total employee-related costs	**553**	**269**
Site closure costs and other costs related to physical assets		
– Impairment of property, plant and equipment and right-of-use assets	32	45
– Accelerated depreciation of property, plant and equipment and right-of-use assets	8	22
– (Gains) losses on disposal of property, plant and equipment and right-of-use assets	(50)	4
– Other site closure costs	42	71
Total site closure and other costs related to physical assets	**32**	**142**
Divestment of products and businesses		
– (Gains) losses on divestment of subsidiaries	0	0
– Other (gains) losses on divestment of products and businesses	0	0
Total (gains) losses on divestment of products and businesses	**0**	**0**
Other reorganisation expenses		
– Impairment (reversal) of commercial software intangible assets	(6)	0
– Other	444	351
Total other reorganisation expenses	**438**	**351**
Total global restructuring costs	**1,023**	**762**
Additional costs		
– Legal and environmental cases	0	0
Total costs	**1,023**	**762**

Global restructuring plans: classification of costs in millions of CHF

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Depreciation, amortisation and impairment	Other costs	Total	Depreciation, amortisation and impairment	Other costs	Total
Cost of sales						
– Pharmaceuticals	(6)	33	27	2	80	82
– Diagnostics	33	93	126	7	(9)	(2)
Research and development						
– Pharmaceuticals	0	215	215	27	144	171
– Diagnostics	4	139	143	2	42	44
Selling, general and administration						
– Pharmaceuticals	3	155	158	19	181	200
– Diagnostics	0	139	139	7	10	17
– Corporate	0	264	264	3	245	248
Other operating income (expense)						
– Pharmaceuticals	0	(49)	(49)	0	1	1
– Diagnostics	0	0	0	0	1	1
– Corporate	0	0	0	0	0	0
Total costs	**34**	**989**	**1,023**	**67**	**695**	**762**
Total by operating segment						
– Roche Pharmaceuticals	(3)	366	363	48	384	432
– Chugai	0	(12)	(12)	0	22	22
– Diagnostics	37	371	408	16	44	60
– Corporate	0	264	264	3	245	248
Total costs	**34**	**989**	**1,023**	**67**	**695**	**762**

8. Goodwill

Goodwill: movements in carrying value of assets in millions of CHF

Six months ended 30 June 2025	
At 1 January 2025	7,876
Business combinations [6]	527
Impairment charges recorded within other operating income (expense)	(39)
Currency translation effects	(799)
At 30 June 2025	**7,565**
Allocated by operating segment	
Roche Pharmaceuticals	3,034
Chugai	61
Diagnostics	4,470
Total Group	**7,565**

Impairment charges – 2025

Following a strategic reassessment in the six months ended 30 June 2025, along with an updated valuation that indicated no surplus from estimated future revenues, the Group recognised a full impairment of CHF 39 million for the goodwill acquired in 2010 as part of the Medingo acquisition. This impairment was recorded in the Diagnostics Division.

Impairment charges – 2024

There were no impairments of goodwill during the six months ended 30 June 2024.

9. Intangible assets

Intangible assets: movements in carrying value of assets in millions of CHF

	Product intangibles: in use	Product intangibles: not available for use	Other intangibles	Total
Six months ended 30 June 2025				
At 1 January 2025	3,908	13,054	341	17,303
Business combinations[6]	0	304	0	304
Asset acquisitions	0	2	0	2
Additions	193	1,182	26	1,401
Disposals	(2)	0	0	(2)
Transfers	3	(3)	0	–
Amortisation charge	(315)	–	(35)	(350)
Impairment reversal (charge)	(106)	(90)	6	(190)
Currency translation effects	(241)	(1,443)	(17)	(1,701)
At 30 June 2025	**3,440**	**13,006**	**321**	**16,767**
Allocated by operating segment				
Roche Pharmaceuticals	2,300	12,651	158	15,109
Chugai	7	0	1	8
Diagnostics	1,133	355	162	1,650
Total Group	**3,440**	**13,006**	**321**	**16,767**

Significant intangible assets: additions recorded during the six months ended 30 June 2025 in millions of CHF

	Operating segment	Net book value 30 June 2025	Remaining amortisation period
Product intangibles not available for use			
petrelintide (Zealand Pharma in-licensing transaction)	Roche Pharmaceuticals	1,126	n/a
P-BCMA-ALLO1 (Poseida acquisition)	Roche Pharmaceuticals	178	n/a

Classification of intangible asset amortisation and impairment expenses in millions of CHF

Six months ended 30 June	Amortisation 2025	Amortisation 2024	Impairment 2025	Impairment 2024
Cost of sales				
– Pharmaceuticals	(114)	(107)	(98)	(318)
– Diagnostics	(75)	(68)	0	0
Research and development				
– Pharmaceuticals	(150)	(169)	(92)	(733)
– Diagnostics	(2)	(3)	0	0
Selling, general and administration				
– Pharmaceuticals	(1)	(3)	0	0
– Diagnostics	(8)	(8)	0	0
Total	**(350)**	**(358)**	**(190)**	**(1,051)**

Impairment charges – 2025

Pharmaceuticals Division. Impairment charges totalling CHF 190 million were recorded. The major items related to:

- A charge of CHF 104 million for the product intangible asset for SPK-9001, acquired as part of the Spark Therapeutics acquisition, due to the decision to stop the commercialisation by the alliance partner. The asset concerned, which was being amortised, was fully written down.
- A charge of CHF 43 million following the decision to terminate the development of a compound and the collaboration with an alliance partner. The asset concerned, which was not yet being amortised, was fully written down.
- A charge of CHF 36 million following the decision to stop the development of a compound with an alliance partner. The asset concerned, which was not yet being amortised, was fully written down.

Impairment charges – 2024

Pharmaceuticals Division. Impairment charges totalling CHF 1,051 million were recorded. The major items related to:

- A charge of CHF 354 million for three separate assets following decisions to stop the development of these compounds with the respective alliance partners. The assets concerned, which were not yet being amortised, were fully written down.
- A charge of CHF 318 million for the partial impairment of the product intangible asset for Rozlytrek, acquired as part of the Ignyta acquisition, due to reduced sales expectations. The asset concerned was written down to its estimated recoverable amount of CHF 222 million. The intangible asset in use continues to be amortised over its remaining estimated useful life.
- A charge of CHF 152 million following the decision to terminate the development of a compound and the collaboration with an alliance partner. The asset concerned, which was not yet being amortised, was fully written down.
- A charge of CHF 120 million following the decision to terminate the development of a programme and the collaboration with an alliance partner. The asset concerned, which was being amortised, was fully written down.

10. Provisions and contingent liabilities

Provisions in millions of CHF

	30 June 2025	31 December 2024
Legal provisions	213	181
Environmental provisions	287	331
Restructuring provisions	864	703
Contingent consideration provisions [16]	306	227
Other provisions	1,175	1,363
Total provisions	**2,845**	**2,805**
Current	1,815	1,726
Non-current	1,030	1,079
Total provisions	**2,845**	**2,805**

During the six months ended 30 June 2025 CHF 748 million of provisions were utilised (six months ended 30 June 2024: CHF 469 million). Thereof, CHF 658 million (six months ended 30 June 2024: CHF 469 million) are included in the cash flow from operating activities and mainly related to the utilisation of restructuring and other provisions. The remaining amount of CHF 90 million (six months ended 30 June 2024: nil) is included in the cash flows from investing activities in relation to deferred consideration payments in a business combination (see Note 6).

As part of the regular review of litigation matters, management has reassessed the provisions recorded for certain litigation matters. Based on the development of the various litigations, including the Avastin/Lucentis investigation in France, there was a net expense of CHF 90 million during the six months ended 30 June 2025.

Other than as described below, no significant changes in the Group's contingent liabilities for legal cases have occurred since the approval of the Annual Financial Statements by the Board of Directors.

Avastin/Lucentis investigations. The matters related to the Avastin/Lucentis investigations are described in Note 20 to the Annual Financial Statements. With respect to the investigation in France, on 25 June 2025, the French Supreme Court (Cour de cassation) issued its decision on the appeal of the French Competition Authority overturning the Paris Court of Appeal's ruling from 2023 for insufficient reasoning. With respect to the investigation in Türkiye, Roche received the reasoned decision from the Turkish Competition Authority in January 2025, and a fine of TRY 64 million was paid under protest to avoid additional fees. The Group is vigorously defending itself in these matters. The outcome of these matters cannot be determined at this time.

University of Pennsylvania litigation. On 31 January 2022 the University of Pennsylvania filed a patent litigation action in the US against Genentech, Inc. ('Genentech') based on a claim that Herceptin, Perjeta, Phesgo and Herceptin Hylecta would infringe their US Patent No. 7,625,558 (the '558 patent). According to the complaint, the '558 patent generally relates to methods of treating ErbB (HER2) protein-mediated cancer tumours by administering a compound that inhibits the formation of ErbB (HER2) followed by radiation. Genentech filed a partial motion to dismiss the University of Pennsylvania's claims of wilfulness on 24 March 2022, which was granted on 2 December 2022. The University of Pennsylvania filed a motion to amend its complaint to add wilfulness back in, which was granted by the court on 5 May 2023. The University of Pennsylvania filed a first amended complaint on 17 May 2023. On 17 January 2025 the court orally issued a tentative ruling on Genentech's motion for summary judgment of no enablement by holding 13 claims invalid and leaving three claims remaining. On 6 March 2025 the parties executed a settlement agreement. On 13 March 2025 the University of Pennsylvania filed its notice of dismissal of the case. The matter is now concluded.

Belgian Competition Authority investigations. On 17 March 2025 the Belgian Competition Authority issued a Statement of Objections against Roche SA and Roche Holding Ltd (together 'Roche') concerning the implementation of a strategy aimed at delaying the entry of biosimilars of two anticancer medicines into the Belgian market between 2017 and 2020. The Group is vigorously defending itself in this matter. The outcome of this matter cannot be determined at this time.

There have been certain procedural developments in the significant litigation matters described in Note 20 to the Annual Financial Statements. These do not significantly affect the assessment of the Group's management concerning the adequacy of the total provisions recorded for legal matters.

11. Debt

Debt: movements in carrying value of recognised liabilities in millions of CHF

Six months ended 30 June 2025	
At 1 January 2025	34,654
Proceeds from issue of bonds and notes	0
Redemption and repurchase of bonds and notes	(2,479)
Increase (decrease) in commercial paper	3,453
Increase (decrease) in other debt	292
Changes from financing cash flows	**1,266**
Net (gains) losses on redemption and repurchase of bonds and notes [4]	0
Amortisation of debt discount [4]	4
Financing costs	**4**
Business combinations [6]	59
Net foreign currency transaction (gains) losses	0
Currency translation effects	(2,967)
Changes in foreign exchange rates	**(2,967)**
Changes in fair values of hedging instruments	15
Other changes	0
At 30 June 2025	**33,031**
Bonds and notes	29,100
Commercial paper	3,359
Amounts due to banks and other financial institutions	572
Other borrowings	0
Total debt	**33,031**
Long-term debt	26,464
Short-term debt	6,567
Total debt	**33,031**

Unamortised discount included in the carrying value of bonds and notes at 30 June 2025 was CHF 52 million (30 June 2024: CHF 78 million).

Issuance of bonds and notes – 2025

The Group did not undertake any debt offerings during the six months ended 30 June 2025.

Issuance of bonds and notes – 2024

On 8 March 2024 the Group completed an offering of USD 0.875 billion fixed rate notes with a coupon of 4.790%, USD 0.75 billion fixed rate notes with a coupon of 4.909%, USD 1.25 billion fixed rate notes with a coupon of 4.985% and USD 1.0 billion fixed rate notes with a coupon of 5.218%. The notes will mature on 8 March 2029, 8 March 2031, 8 March 2034 and 8 March 2054, respectively. The Group received CHF 3,392 million aggregate net proceeds from the issuance and sale of these fixed rate notes.

On 3 May 2024 the Group completed an offering of EUR 0.65 billion fixed rate bonds with a coupon of 3.227% and EUR 0.85 billion fixed rate bonds with a coupon of 3.564%. The bonds will mature on 3 May 2030 and 3 May 2044, respectively. These bonds have a primary listing at the SIX Swiss Exchange. The Group received CHF 1,460 million aggregate net proceeds from the issuance and sale of these fixed rate bonds.

Redemption and repurchase of bonds and notes – 2025

On the due date of 25 February 2025 the Group redeemed the 0.875% fixed rate notes with a principal amount of EUR 1.0 billion. The cash outflow was CHF 939 million, plus accrued interest. The effective interest rate of these notes was 0.93%.

On the due date of 10 March 2025 the Group redeemed the 2.132% fixed rate notes with a principal amount of USD 1.0 billion. The cash outflow was CHF 880 million, plus accrued interest. The effective interest rate of these notes was 2.19%.

Also on the due date of 10 March 2025 the Group redeemed floating rate notes with a principal amount of USD 0.75 billion. The cash outflow was CHF 660 million, plus accrued interest. The effective interest rate of these notes was 4.87%.

Redemption and repurchase of bonds and notes – 2024

On the due date of 5 March 2024 the Group redeemed floating rate notes with a principal amount of USD 0.35 billion. The cash outflow was CHF 310 million, plus accrued interest. The effective interest rate of these notes was 2.85%.

Also on the due date of 5 March 2024 the Group redeemed the 0.45% fixed rate notes with a principal amount of USD 0.5 billion. The cash outflow was CHF 442 million, plus accrued interest. The effective interest rate of these notes was 0.49%.

On the due date of 8 March 2024 the Group redeemed the 1.882% fixed rate notes with a principal amount of USD 1.25 billion. The cash outflow was CHF 1,097 million, plus accrued interest. The effective interest rate of these notes was 1.95%.

Commercial paper

Roche Holdings, Inc. commercial paper program. Roche Holdings, Inc. has an established commercial paper program under which it can issue up to USD 7.5 billion of unsecured commercial paper notes guaranteed by Roche Holding Ltd. The committed credit line that is available as a back-stop supporting the commercial paper program is USD 7.5 billion at 30 June 2025. The maturity of the notes under the program cannot exceed 365 days from the date of issuance. At 30 June 2025 unsecured commercial paper notes with a principal amount of USD 4.2 billion and an average interest rate of 4.326% were outstanding.

Movements in commercial paper obligations in millions of CHF

Six months ended 30 June 2025	
At 1 January 2025	180
Net cash proceeds (payments)	3,453
Currency translation effects	(274)
At 30 June 2025	**3,359**

12. Equity attributable to Roche shareholders

Share capital and non-voting equity securities (*Genussscheine*)

The authorised and issued share capital of the Group and the number of issued non-voting equity securities have not changed during the six months ended 30 June 2025. The weighted average number of shares and non-voting equity securities in issue during the six months ended 30 June 2025 was 796 million (six months ended 30 June 2024: 797 million).

Dividends

On 25 March 2025 the shareholders approved the distribution of a dividend of CHF 9.70 per share and non-voting equity security (2024: CHF 9.60) in respect of the 2024 business year. The distribution to holders of outstanding shares and non-voting equity securities totalled CHF 7,731 million (2024: CHF 7,650 million), which was recorded against retained earnings in the six months ended 30 June 2025.

Own equity instruments

Holdings of own equity instruments in number of shares and non-voting equity securities

	30 June 2025 (millions)	31 December 2024 (millions)
Shares	0.5	0.5
Non-voting equity securities	12.4	13.4
Total	**12.9**	**13.9**

Own equity instruments are held for the Group's potential conversion obligations that may arise from the Group's equity compensation plans (described in Note 27 to the Annual Financial Statements).

Retained earnings

In addition to net income attributable to Roche shareholders of CHF 7,410 million (six months ended 30 June 2024: CHF 6,258 million) and the dividend payments described above, retained earnings also include net losses on remeasurements of defined benefit plans of CHF 470 million, after tax (six months ended 30 June 2024: net gains of CHF 339 million, after tax). These were based on updated actuarial calculations for major plans. There were gains mainly due to a positive performance of plan assets in Switzerland and the US and a lower defined benefit obligation from higher discount rates for plans in Switzerland and Germany compared to the start of the interim period. These gains were more than offset by an increase in the limit on asset recognition on the surplus in certain defined benefit plans in Switzerland. This resulted in overall net losses on remeasurements of defined benefit plans recorded in the six months ended 30 June 2025.

13. Subsidiaries and associates

Chugai

Chugai is a fully consolidated subsidiary of the Group and at 30 June 2025 the Group's interest in Chugai was 61.1% (31 December 2024: 61.1%). The common stock of Chugai is publicly traded and is listed on the Tokyo Stock Exchange under the stock code 'TSE:4519'. Chugai prepares financial statements in accordance with IFRS Accounting Standards that are filed on a quarterly basis with the Tokyo Stock Exchange.

The dividends distributed to third parties holding Chugai shares during the six months ended 30 June 2025 totalled CHF 212 million (six months ended 30 June 2024: CHF 150 million) and were recorded against non-controlling interests. Dividends paid by Chugai to Roche are eliminated on consolidation as intercompany items.

Divestment of subsidiaries

On 5 February 2025 the Group sold its wholly-owned subsidiary InterMune, Inc. in South San Francisco, US, including the intellectual property rights to Esbriet (pirfenidone) in the US, to a third party. The total consideration of USD 17 million consisted of a fixed amount of USD 1 million received in cash and a variable amount, of which USD 6 million had been received by 30 June 2025 and an additional deferred amount estimated at USD 10 million will be received by the end of 2030. The total gain on this divestment is shown in the table below.

Gains (losses) on divestment of subsidiaries in millions of CHF

	Six months ended 30 June 2025
Cash consideration	6
Deferred consideration	8
Total consideration	**14**
Net assets disposed of as part of the divestment	0
Currency translation of foreign operations – accumulated differences transferred to the income statement	89
Gains (losses) on divestment of subsidiaries recorded within other operating income (expense)	**103**

14. Earnings per share and non-voting equity security

Basic earnings per share and non-voting equity security

	Six months ended 30 June	
	2025	2024
Net income attributable to Roche shareholders (CHF millions)	**7,410**	**6,258**
Number of outstanding shares (millions)	107	107
Number of outstanding non-voting equity securities (millions)	703	703
Weighted average number of own shares and non-voting equity securities held (millions)	(14)	(13)
Weighted average number of outstanding shares and non-voting equity securities used to calculate basic earnings per share (millions)	**796**	**797**
Basic earnings per share and non-voting equity security (CHF)	**9.31**	**7.85**

Diluted earnings per share and non-voting equity security

	Six months ended 30 June	
	2025	2024
Net income attributable to Roche shareholders (CHF millions)	7,410	6,258
Increase in non-controlling interests' share of Group net income, assuming all outstanding Chugai stock options exercised (CHF millions)	0	0
Net income used to calculate diluted earnings per share (CHF millions)	**7,410**	**6,258**
Weighted average number of outstanding shares and non-voting equity securities (millions)	796	797
Adjustment for assumed exercise of equity compensation plans, where dilutive (millions)	7	5
Weighted average number of outstanding shares and non-voting equity securities used to calculate diluted earnings per share (millions)	**803**	**802**
Diluted earnings per share and non-voting equity security (CHF)	**9.23**	**7.80**

15. Statement of cash flows

Cash generated from operations in millions of CHF

	Six months ended 30 June	
	2025	2024
Net income	7,832	6,697
Add back non-operating (income) expense		
– Financing costs [4]	693	708
– Other financial (income) expense [4]	49	140
– Income taxes [5]	1,756	1,526
Operating profit	**10,330**	**9,071**
Depreciation of property, plant and equipment [2]	1,192	1,134
Depreciation of right-of-use assets [2]	156	162
Amortisation of intangible assets [2]	350	358
Impairment of goodwill [2]	39	0
Impairment of intangible assets [2]	190	1,051
Impairment (reversal) of property, plant and equipment [2]	55	54
Impairment (reversal) of right-of-use assets [2]	0	26
Operating (income) expense for defined benefit plans	281	261
Operating expense for equity-settled equity compensation plans	392	407
Net (income) expense for provisions	740	397
Bad debt (reversal) expense	(3)	10
Inventory write-downs	222	194
Net (gain) loss on disposal of products	0	(353)
Other adjustments	(153)	0
Cash generated from operations	**13,791**	**12,772**

Dividends paid in millions of CHF

	Six months ended 30 June	
	2025	2024
Dividends to Roche shareholders	(7,731)	(7,650)
Dividends to non-controlling shareholders		
– Chugai	(212)	(150)
– Other non-controlling interests	(1)	(58)
Increase (decrease) in dividends payable	0	2
Dividend withholding tax	1	(33)
Total	**(7,943)**	**(7,889)**

16. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in Note 31 to the Annual Financial Statements.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 – observable inputs other than quoted prices in active markets for identical assets and liabilities.
- Level 3 – unobservable inputs.

Fair value hierarchy of financial instruments in millions of CHF

	Level 1	Level 2	Level 3	Total
At 30 June 2025				
Marketable securities:				
– Debt securities at fair value through OCI	399	57	–	456
– Money market instruments at fair value through OCI	0	3,640	–	3,640
Derivative financial instruments	–	80	–	80
Equity investments at fair value through OCI	28	35	–	63
Equity investments at fair value through profit or loss	59	154	–	213
Debt investments at fair value through profit or loss	0	64	–	64
Fund investments at fair value through profit or loss	–	0	39	39
Financial assets recognised at fair value	**486**	**4,030**	**39**	**4,555**
Derivative financial instruments	–	(398)	–	(398)
Contingent consideration	–	–	(306)	(306)
Financial liabilities recognised at fair value	**–**	**(398)**	**(306)**	**(704)**

At 30 June 2025 Level 1 financial assets consisted of bonds and quoted shares. Level 2 financial assets consisted primarily of commercial paper and certificates of deposit.

The Group determines Level 2 fair values using the following valuation techniques:

- Marketable securities and derivative financial instruments are based on valuation models that use observable market data for interest rates, yield curves, foreign exchange rates and implied volatilities for similar instruments at the measurement date.
- Equity and debt investments at fair value through OCI and at fair value through profit or loss are based on a valuation model that uses the most recently published observable market data.

The Group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer occurred. There were no significant transfers between Level 1 and Level 2 during the six months ended 30 June 2025.

Level 3 fair values

Details of the determination of Level 3 fair value measurements are set out below.

Contingent consideration arrangements in millions of CHF

Six months ended 30 June 2025	
At 1 January 2025	(227)
Arising from business combinations [6]	(129)
Utilised for settlements [6]	0
Total gains and losses included in the income statement	
– Unused amounts reversed – recorded within other operating income (expense)	29
– Additional amounts created – recorded within other operating income (expense)	(6)
– Discount unwind included in financing costs	(9)
Total gains and losses included in other comprehensive income	
– Currency translation effects	36
At 30 June 2025	**(306)**

Contingent consideration arrangements

The Group is party to certain contingent consideration arrangements, including those from business combinations. The fair values of contingent consideration from business combinations are determined considering the expected payments and, where payments are expected to be made beyond the next 12 months, discounted to a risk-adjusted present value using a discount rate of 5.5% at 30 June 2025 (31 December 2024: 5.5%). The expected payments are determined by considering the possible scenarios of forecast sales and other performance criteria, the amount to be paid under each scenario and the probability of each scenario. The significant unobservable inputs are the forecast sales, other performance criteria and the discount rate. The estimated fair value would increase if the forecast sales or other performance criteria rates were higher or the discount rate was lower. At 30 June 2025 the total potential payments under contingent consideration arrangements arising from business combinations could be up to CHF 0.8 billion (31 December 2024: CHF 0.5 billion).

Carrying value and fair value

At 30 June 2025 the carrying value of bonds and notes was CHF 29.1 billion compared to a fair value of CHF 28.0 billion, and the carrying value of total debt was CHF 33.0 billion compared to a fair value of CHF 32.0 billion. The carrying values of financial assets are a reasonable approximation of the fair values at 30 June 2025.

Independent Auditor's Report on the Review of Interim Consolidated Financial Statements

to the Board of Directors of Roche Holding Ltd, Basel

Introduction

We have been engaged to review the accompanying consolidated income statement and consolidated statement of comprehensive income of Roche Holding Ltd for the six-month period ended 30 June 2025, the related consolidated balance sheet as at 30 June 2025, the consolidated statements of cash flows and changes in equity for the six-month period then ended, and selected explanatory notes (the interim consolidated financial statements) on pages 45 to 76. The Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements as at 30 June 2025 are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

KPMG AG

François Rouiller
Licensed Audit Expert

Paul Nichols

Basel, 22 July 2025

KPMG AG, Grosspeteranlage 5, CH-4002 Basel

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Supplementary Information

Alternative Performance Measures

The financial information included in the Financial Review includes certain Alternative Performance Measures (APMs) which are not accounting measures as defined by IFRS Accounting Standards, in particular the core results, net working capital, net operating assets, free cash flow and constant exchange rates. These APMs should not be used instead of, or considered as alternatives to, the Group's consolidated interim financial results based on IFRS Accounting Standards. These APMs may not be comparable to similarly titled measures disclosed by other companies. All APMs presented in the Financial Review relate to the performance of the current reported period and comparative periods.

Core results

Core results allow for an assessment of both the Group's actual results as defined by IFRS Accounting Standards and the underlying performance of the business. The core results concept, which is used in the internal management of the business, is based on the IFRS results, with the following adjustments:

- Global restructuring plans (see Note 7) are excluded.
- Amortisation and impairment of intangible assets (see Note 9), with the exception of commercial software intangible assets, and impairment of goodwill (see Note 8) are excluded.
- Acquisition accounting and other impacts from the accounting for mergers and acquisitions (M&A) and alliance transactions (see Financial Review) are excluded.
- Discontinued operations (currently none) are excluded.
- Legal and environmental cases (see Financial Review) are excluded.
- Global issues outside the healthcare sector beyond the Group's control are excluded.
- Material treasury items such as major debt restructurings (currently none) are excluded.
- Pension plan settlements are excluded.
- The tax benefit recorded under IFRS Accounting Standards in respect of equity compensation plans (ECPs), which varies according to the price of the underlying equity, is replaced by a normalised tax benefit, being the IFRS 2 expense multiplied by the applicable tax rate (see Note 5).

The Group's IFRS results, including the divisional breakdown, are reconciled to the core results in the tables below. The calculation of Core EPS is also given in the tables below. Additional commentary to the adjustment items is given in the Financial Review.

Core results reconciliation – Six months ended 30 June 2025 in millions of CHF

	IFRS results	Global restructuring	Intangibles amortisation	Intangibles impairment	M&A and alliance transactions	Legal and environmental	Pension plan settlements	Global issues	Normalisation of ECP tax benefit	Core results
Sales	30,944	–	–	–	–	–	–	–	–	30,944
Other revenue	905	0	–	–	–	–	–	–	–	905
Cost of sales	(8,006)	153	187	104	0	–	–	–	–	(7,562)
Research and development	(6,676)	358	152	92	–	–	–	–	–	(6,074)
Selling, general and administration	(7,078)	561	9	0	–	–	–	–	–	(6,508)
Other operating income (expense)	241	(49)	–	39	(10)	84	0	–	–	305
Operating profit	**10,330**	**1,023**	**348**	**235**	**(10)**	**84**	**0**	**–**	**–**	**12,010**
Financing costs	(693)	0	–	–	9	4	–	–	–	(680)
Other financial income (expense)	(49)	–	–	–	0	–	–	–	–	(49)
Profit before taxes	**9,588**	**1,023**	**348**	**235**	**(1)**	**88**	**0**	**–**	**–**	**11,281**
Income taxes	(1,756)	(198)	(59)	(39)	(5)	(14)	0	114	(5)	(1,962)
Net income	**7,832**	**825**	**289**	**196**	**(6)**	**74**	**0**	**114**	**(5)**	**9,319**
Attributable to										
– Roche shareholders	7,410	828	288	196	(6)	74	0	114	(5)	8,899
– Non-controlling interests	422	(3)	1	0	0	0	0	0	–	420

Core results reconciliation – Six months ended 30 June 2024 in millions of CHF

	IFRS results	Global restructuring	Intangibles amortisation	Intangibles impairment	M&A and alliance transactions	Legal and environmental	Pension plan settlements	Global issues	Normalisation of ECP tax benefit	Core results
Sales	29,848	–	–	–	–	–	–	–	–	29,848
Other revenue	908	0	–	–	–	–	–	–	–	908
Cost of sales	(7,870)	80	172	318	0	–	–	–	–	(7,300)
Research and development	(7,388)	215	172	733	–	–	–	–	–	(6,268)
Selling, general and administration	(6,852)	465	11	0	–	–	–	–	–	(6,376)
Other operating income (expense)	425	2	–	0	32	22	0	–	–	481
Operating profit	**9,071**	**762**	**355**	**1,051**	**32**	**22**	**0**	**–**	**–**	**11,293**
Financing costs	(708)	0	–	–	5	5	–	–	–	(698)
Other financial income (expense)	(140)	–	–	–	0	–	–	–	–	(140)
Profit before taxes	**8,223**	**762**	**355**	**1,051**	**37**	**27**	**0**	**–**	**–**	**10,455**
Income taxes	(1,526)	(140)	(23)	(143)	(3)	(6)	0	0	37	(1,804)
Net income	**6,697**	**622**	**332**	**908**	**34**	**21**	**0**	**0**	**37**	**8,651**
Attributable to										
– Roche shareholders	6,258	616	331	908	34	21	0	0	37	8,205
– Non-controlling interests	439	6	1	0	0	0	0	0	–	446

Divisional core results reconciliation – Six months ended 30 June 2025 in millions of CHF

	IFRS results	Global restructuring	Intangibles amortisation	Intangibles impairment	M&A and alliance transactions	Legal and environmental	Pension plan settlements	Core results
Pharmaceuticals								
Sales	23,985	–	–	–	–	–	–	23,985
Other revenue	870	0	–	–	–	–	–	870
Cost of sales	(4,363)	27	113	104	0	–	–	(4,119)
Research and development	(5,638)	215	150	92	–	–	–	(5,181)
Selling, general and administration	(3,401)	158	1	0	–	–	–	(3,242)
Other operating income (expense)	179	(49)	–	0	(10)	89	0	209
Operating profit	**11,632**	**351**	**264**	**196**	**(10)**	**89**	**0**	**12,522**
Diagnostics								
Sales	6,959	–	–	–	–	–	–	6,959
Other revenue	35	0	–	–	–	–	–	35
Cost of sales	(3,643)	126	74	0	0	–	–	(3,443)
Research and development	(1,038)	143	2	0	–	–	–	(893)
Selling, general and administration	(1,576)	139	8	0	–	–	–	(1,429)
Other operating income (expense)	(20)	0	–	39	0	2	0	21
Operating profit	**717**	**408**	**84**	**39**	**0**	**2**	**0**	**1,250**
Corporate								
Selling, general and administration	(2,101)	264	–	–	–	–	–	(1,837)
Other operating income (expense)	82	0	–	–	0	(7)	0	75
Operating profit	**(2,019)**	**264**	**–**	**–**	**0**	**(7)**	**0**	**(1,762)**

Divisional core results reconciliation – Six months ended 30 June 2024 in millions of CHF

	IFRS results	Global restructuring	Intangibles amortisation	Intangibles impairment	M&A and alliance transactions	Legal and environmental	Pension plan settlements	Core results
Pharmaceuticals								
Sales	22,637	–	–	–	–	–	–	22,637
Other revenue	886	0	–	–	–	–	–	886
Cost of sales	(4,536)	82	105	318	0	–	–	(4,031)
Research and development	(6,408)	171	169	733	–	–	–	(5,335)
Selling, general and administration	(3,400)	200	3	0	–	–	–	(3,197)
Other operating income (expense)	414	1	–	0	32	2	0	449
Operating profit	**9,593**	**454**	**277**	**1,051**	**32**	**2**	**0**	**11,409**
Diagnostics								
Sales	7,211	–	–	–	–	–	–	7,211
Other revenue	22	0	–	–	–	–	–	22
Cost of sales	(3,334)	(2)	67	0	0	–	–	(3,269)
Research and development	(980)	44	3	0	–	–	–	(933)
Selling, general and administration	(1,510)	17	8	0	–	–	–	(1,485)
Other operating income (expense)	16	1	–	0	0	20	0	37
Operating profit	**1,425**	**60**	**78**	**0**	**0**	**20**	**0**	**1,583**
Corporate								
Selling, general and administration	(1,942)	248	–	–	–	–	–	(1,694)
Other operating income (expense)	(5)	0	–	–	0	0	0	(5)
Operating profit	**(1,947)**	**248**	**–**	**–**	**0**	**0**	**0**	**(1,699)**

Core EPS (basic)

	Six months ended 30 June	
	2025	2024
Core net income attributable to Roche shareholders (CHF millions)	8,899	8,205
Weighted average number of outstanding shares and non-voting equity securities used to calculate basic earnings per share (millions) [14]	796	797
Core earnings per share (basic) (CHF)	**11.18**	**10.29**

Core EPS (diluted)

	Six months ended 30 June	
	2025	2024
Core net income attributable to Roche shareholders (CHF millions)	8,899	8,205
Increase in non-controlling interests' share of core net income, assuming all outstanding Chugai stock options exercised (CHF millions)	0	0
Net income used to calculate diluted earnings per share (CHF millions)	**8,899**	**8,205**
Weighted average number of outstanding shares and non-voting equity securities used to calculate diluted earnings per share (millions) [14]	**803**	**802**
Core earnings per share (diluted) (CHF)	**11.08**	**10.23**

Free cash flow

Free cash flow is used to assess the Group's ability to generate the cash required to conduct and maintain its operations. It also indicates the Group's ability to generate cash to finance dividend payments, repay debt and to undertake merger and acquisition activities. The free cash flow concept is used in the internal management of the business.

Operating free cash flow is calculated based on the IFRS operating profit and adjusted for certain non-cash items, movements in net working capital and capital expenditures (investments in property, plant and equipment and intangible assets as well as the principal portion of lease liabilities paid for leased assets). Operating free cash flow is different from cash flows from operating activities as defined by IAS 7 in that it includes capital expenditures (which are within the responsibility of divisional management) and excludes income taxes paid (which are not within the responsibility of divisional management). Cash outflows from defined benefit plans are allocated to the operating free cash flow based on the current service cost with the residual allocated to treasury activities.

Free cash flow is calculated as the operating free cash flow adjusted for treasury activities and taxes paid. Free cash flow is different from total cash flows as defined by IAS 7 in that it excludes dividend payments, cash inflows/outflows from financing activities such as issuance/repayment of debt, purchase/sale of marketable securities and cash inflows/outflows from mergers, acquisitions and divestments.

Operating free cash flow and free cash flow are calculated as shown in the tables below. Additional commentary to the adjustment items is given in the Financial Review.

Operating free cash flow reconciliation in millions of CHF

	Six months ended 30 June	
	2025	2024
Cash flows from operating activities (IFRS basis in accordance with IAS 7)	**7,100**	**7,914**
Add back		
– Income taxes paid	2,237	1,976
Deduct		
– Investments in property, plant and equipment	(1,680)	(1,724)
– Principal portion of lease liabilities paid	(199)	(172)
– Investments in intangible assets	(1,476)	(368)
– Disposal of property, plant and equipment	73	19
– Disposal of intangible assets	2	0
– Disposal of products	0	353
Pensions and other post-employment benefits		
– Add back total payments for defined benefit plans	326	313
– Deduct allocation of payments to operating free cash flow	(281)	(261)
Acquisition-related items, including transaction costs	12	3
Other operating items	0	0
Operating free cash flow	**6,114**	**8,053**

Free cash flow reconciliation in millions of CHF

	Six months ended 30 June	
	2025	2024
Cash flows from operating activities (IFRS basis in accordance with IAS 7)	**7,100**	**7,914**
Deduct		
– Investments in property, plant and equipment	(1,680)	(1,724)
– Principal portion of lease liabilities paid	(199)	(172)
– Investments in intangible assets	(1,476)	(368)
– Disposal of property, plant and equipment	73	19
– Disposal of intangible assets	2	0
– Disposal of products	0	353
– Interest paid	(588)	(521)
Other operating items, including acquisition-related items	12	3
Other treasury items	75	87
Free cash flow	**3,319**	**5,591**

Supplementary information used to calculate the divisional operating free cash flow is shown in the table below.

Divisional operating free cash flow information in millions of CHF

Six months ended 30 June	Pharmaceuticals 2025	Pharmaceuticals 2024	Diagnostics 2025	Diagnostics 2024	Corporate 2025	Corporate 2024	Group 2025	Group 2024
Depreciation, amortisation and impairment								
Depreciation of property, plant and equipment	575	546	588	557	29	31	1,192	1,134
Depreciation of right-of-use assets	79	88	72	69	5	5	156	162
Amortisation of intangible assets	265	279	85	79	–	–	350	358
Impairment (reversal) of property, plant and equipment	18	38	33	13	4	3	55	54
Impairment (reversal) of right-of-use assets	0	26	0	0	0	0	0	26
Impairment of goodwill	0	0	39	0	–	–	39	0
Impairment of intangible assets	190	1,051	0	0	–	–	190	1,051
Total	**1,127**	**2,028**	**817**	**718**	**38**	**39**	**1,982**	**2,785**
Other adjustments								
Add back								
– Expenses for equity-settled equity compensation plans	274	291	76	75	42	41	392	407
– Net (income) expense for provisions	501	372	224	9	15	16	740	397
– Net (gain) loss from disposals	(152)	(350)	0	3	0	0	(152)	(347)
– Non-cash working capital and other items	143	99	87	102	0	0	230	201
Deduct								
– Utilisation of provisions	(490)	(323)	(136)	(118)	(32)	(28)	(658)	(469)
– Proceeds from disposals	60	354	14	18	1	0	75	372
Total	**336**	**443**	**265**	**89**	**26**	**29**	**627**	**561**
Operating profit cash adjustments	**1,463**	**2,471**	**1,082**	**807**	**64**	**68**	**2,609**	**3,346**

EBITDA

The Group does not use Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in either its internal management reporting or its external communications. In the opinion of the Group's management, operating free cash flow gives a more useful and consistent measurement of 'cash earnings' than EBITDA, which includes many non-cash items such as provisions, allowances for trade receivables and inventories, and certain non-cash entries arising from acquisition accounting and pension accounting. Operating free cash flow also includes the cash used for investments in property, plant and equipment, leased assets and intangible assets, whereas EBITDA excludes all costs and cash outflows for these items.

For the convenience of those readers who do use EBITDA, this is provided in the table below. As the starting point this uses the core results, which already exclude the amortisation and impairment of goodwill and intangible assets.

EBITDA (using core results) in millions of CHF

Six months ended 30 June	Pharmaceuticals 2025	Pharmaceuticals 2024	Diagnostics 2025	Diagnostics 2024	Corporate 2025	Corporate 2024	Group 2025	Group 2024
EBITDA								
Core operating profit	12,522	11,409	1,250	1,583	(1,762)	(1,699)	12,010	11,293
Depreciation and impairment of property, plant and equipment – Core basis	590	549	585	554	33	31	1,208	1,134
Depreciation and impairment of right-of-use assets – Core basis	78	101	72	69	5	5	155	175
Amortisation and impairment of commercial software intangible assets – Core basis	1	2	1	1	–	–	2	3
EBITDA	**13,191**	**12,061**	**1,908**	**2,207**	**(1,724)**	**(1,663)**	**13,375**	**12,605**
– Margin, % of sales	55.0	53.3	27.4	30.6	–	–	43.2	42.2

Net operating assets

Net operating assets allow for an assessment of the Group's operating performance of the business independently from financing and tax activities. Net operating assets are calculated as property, plant and equipment, leased assets ('right-of-use assets'), goodwill, intangible assets, net working capital and long-term net operating assets minus provisions.

The calculation of the net operating assets disclosed in Note 2 is shown in the table below.

Net operating assets reconciliation – 30 June 2025 in millions of CHF

	Pharmaceuticals	Diagnostics	Corporate	Treasury and taxation	Group
Property, plant and equipment	13,862	7,593	289	–	21,744
Right-of-use assets	606	493	31	–	1,130
Goodwill	3,095	4,470	–	–	7,565
Intangible assets	15,117	1,650	–	–	16,767
Inventories	4,320	3,277	–	–	7,597
Provisions	(2,029)	(671)	(145)	–	(2,845)
Current income tax net liabilities	–	–	–	(2,370)	(2,370)
Deferred tax net assets	–	–	–	7,579	7,579
Defined benefit plan net liabilities	–	–	–	(2,468)	(2,468)
Lease liabilities	–	–	–	(1,602)	(1,602)
Marketable securities	–	–	–	4,472	4,472
Cash and cash equivalents	–	–	–	7,554	7,554
Debt	–	–	–	(33,031)	(33,031)
Other net assets (liabilities)					
– Net working capital	(188)	768	(453)	–	127
– Other net operating assets	842	(176)	11	–	677
– Other	–	–	–	148	148
Total net assets	**35,625**	**17,404**	**(267)**	**(19,718)**	**33,044**

Net debt

Net debt is used to monitor the Group's overall short-term and long-term liquidity. Net debt is calculated as the sum of total long-term and short-term debt less marketable securities, cash and cash equivalents.

Net debt calculations, including details of movements during the current reported period, are shown in the table on page 40 in the Financial Review.

Net working capital

Net working capital is used to assess the Group's efficiency in utilising assets and short-term liquidity. Net trade working capital is calculated as trade receivables and inventories minus trade payables. Net working capital is calculated as net trade working capital adjusted for other receivables and other payables.

Net working capital and net trade working capital calculations are shown in the tables on page 26 (Pharmaceuticals Division), page 32 (Diagnostics Division) and page 34 (Corporate) in the Financial Review.

Constant exchange rates

Certain percentage changes in the Financial Review have been calculated using constant exchange rates (CER) which allow for an assessment of the Group's financial performance with the effects of exchange rate fluctuations eliminated. The percentage changes at constant exchange rates are calculated using simulations by reconsolidating both the current reported period and the prior period numbers at constant currency exchange rates, equalling the average exchange rates for the prior year. For example, a CER change between a 2025 line item and its 2024 equivalent is calculated using the average exchange rate for the year ended 31 December 2024 for both the 2025 line item and the 2024 line item and subsequently calculating the percentage change with respect to the two recalculated numbers.

Foreign exchange gains and losses and the gains (losses) on the net monetary positions in hyperinflationary economies are excluded from the calculation of CER growth rates in the earnings per share disclosures. In countries where there is a significant devaluation in the local currency in the current reported period, the simulations use the average exchange rate of the current reported period instead of the prior period to avoid that CER growth rates are artificially inflated.

Roche Securities

Number of shares and non-voting equity securities[a]

	30 June 2025	31 December 2024
Number of shares (nominal value: CHF 1.00)	106,691,000	106,691,000
Number of non-voting equity securities (*Genussscheine*) (no nominal value)	702,562,700	702,562,700
Total issued	**809,253,700**	**809,253,700**
Number of own shares and non-voting equity securities (*Genussscheine*) held	(12,936,528)	(13,853,005)
Total outstanding	**796,317,172**	**795,400,695**

Data per share and non-voting equity security in CHF

		Six months ended 30 June 2025	2024
Earnings (basic)		9.31	7.85
Earnings (diluted)		9.23	7.80
Core earnings (basic)		11.18	10.29
Core earnings (diluted)		11.08	10.23
Stock price of share[b]	Opening	270.60	261.40
	High	328.20	279.00
	Low	247.20	231.60
	Period end	275.00	273.80
Stock price of non-voting equity security (*Genussschein*)[b]	Opening	255.50	244.50
	High	311.10	255.40
	Low	235.40	214.10
	Period end	258.40	249.50

Market capitalisation in millions of CHF

	30 June 2025	31 December 2024	30 June 2024
Period end	207,532	204,829	201,380

a) Each non-voting equity security (*Genussschein*) confers the same rights as any of the shares to participate in the available earnings and any remaining proceeds from liquidation following repayment of the nominal value of the shares and the participation certificate capital (if any). Shares and non-voting equity securities are listed on the SIX Swiss Exchange. Roche Holding Ltd has no restrictions as to ownership of its shares or non-voting equity securities.

b) All stock price data reflect daily closing prices.

Published by
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