

Roche Group

Consolidated Financial Statements

Roche Group consolidated income statement for the year ended 31 December 2017 in millions of CHF

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales ²	41,220	12,079	-	53,299
Royalties and other operating income ²	2,284	163	-	2,447
Cost of sales	(11,978)	(6,201)	-	(18,179)
Marketing and distribution	(6,960)	(2,887)	-	(9,847)
Research and development ²	(9,704)	(1,588)	-	(11,292)
General and administration	(1,620)	(1,262)	(543)	(3,425)
Operating profit ²	13,242	304	(543)	13,003
Financing costs ³				(839)
Other financial income (expense) ³				84
Profit before taxes				12,248
Income taxes ⁴				(3,423)
Net income				8,825
Attributable to				
- Roche shareholders ²¹				8,633
- Non-controlling interests ²³				192
Earnings per share and non-voting equity security ²⁷				
Basic (CHF)				10.12
Diluted (CHF)				10.04

Roche Group consolidated balance sheet in millions of CHF

	31 December 2017	31 December 2016	31 December 2015
Non-current assets			
Property, plant and equipment ⁷	20,912	19,957	18,473
Goodwill ⁸	10,077	11,282	11,082
Intangible assets ⁹	8,368	12,046	13,861
Deferred tax assets ⁴	3,576	2,826	2,564
Defined benefit plan assets ²⁵	801	738	642
Other non-current assets ¹⁴	1,370	1,300	959
Total non-current assets	45,104	48,149	47,581
Current assets			
Inventories ¹⁰	7,407	7,928	7,648
Accounts receivable ¹¹	9,577	8,760	8,329
Current income tax assets ⁴	348	335	239
Other current assets ¹⁵	2,243	2,540	2,795
Marketable securities ¹²	7,278	4,944	5,440
Cash and cash equivalents ¹³	4,719	4,163	3,731
Total current assets	31,572	28,670	28,182
Total assets	76,676	76,819	75,763
Non-current liabilities			
Long-term debt ²⁰	(15,839)	(16,992)	(17,100)
Deferred tax liabilities ⁴	(495)	(838)	(545)
Defined benefit plan liabilities ²⁵	(7,421)	(7,678)	(8,341)
Provisions ¹⁵	(1,548)	(1,777)	(2,204)
Other non-current liabilities ¹⁷	(206)	(532)	(505)
Total non-current liabilities	(25,509)	(27,817)	(28,695)
Current liabilities			
Short-term debt ²⁰	(3,121)	(5,363)	(6,151)
Current income tax liabilities ⁴	(3,408)	(2,713)	(2,781)
Provisions ¹⁵	(2,042)	(2,271)	(2,432)
Accounts payable ¹⁶	(3,454)	(3,375)	(3,207)
Other current liabilities ¹⁸	(10,135)	(8,878)	(9,197)
Total current liabilities	(22,160)	(22,600)	(23,768)
Total liabilities	(47,669)	(50,417)	(52,463)
Total net assets	29,007	26,402	23,300
Equity			
Capital and reserves attributable to Roche shareholders ²¹	26,441	23,911	20,979
Equity attributable to non-controlling interests ²³	2,566	2,491	2,321
Total equity	29,007	26,402	23,300

Roche Group consolidated statement of cash flows in millions of CHF

	2017	2016
Cash flows from operating activities		
Cash generated from operations ²⁸	22,256	21,225
(Increase) decrease in net working capital	427	(1,023)
Payments made for defined benefit plans ²⁵	(538)	(880)
Utilisation of provisions ¹⁹	(621)	(762)
Disposal of products	410	179
Other operating cash flows	(1)	-
Cash flows from operating activities, before income taxes paid	21,933	18,739
Income taxes paid	(3,909)	(3,738)
Total cash flows from operating activities	18,024	15,001
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,509)	(4,144)
Purchase of intangible assets	(704)	(1,001)
Disposal of property, plant and equipment	100	151
Disposal of intangible assets	-	-
Business combinations ⁵	(280)	(74)
Divestment of subsidiaries ²²	11	-
Interest and dividends received ²⁸	30	24
Sales of equity securities and debt securities	762	597
Purchases of equity securities and debt securities	(319)	(631)
Sales (purchases) of money market instruments and time accounts over three months, net	(2,612)	683
Other investing cash flows	62	(118)
Total cash flows from investing activities	(6,459)	(4,513)
Cash flows from financing activities		
Proceeds from issue of bonds and notes ²⁰	1,502	3,158
Redemption and repurchase of bonds and notes ²⁰	(3,068)	(3,985)
Increase (decrease) in commercial paper ²⁰	(1,258)	(454)
Increase (decrease) in other debt ²⁰	(385)	(133)
Hedging and collateral arrangements	235	(211)
Changes in non-controlling interests	-	-
Equity contribution by non-controlling interests	5	-
Interest paid	(648)	(849)
Dividends paid ²²	(7,140)	(7,040)
Equity-settled equity compensation plans, net of transactions in own equity ²⁸	(358)	(557)
Other financing cash flows	-	-
Total cash flows from financing activities	(11,115)	(10,071)
Net effect of currency translation on cash and cash equivalents	106	15
Increase (decrease) in cash and cash equivalents	556	432
Cash and cash equivalents at 1 January	4,163	3,731
Cash and cash equivalents at 31 December ¹³	4,719	4,163

The Group has expanded the presentation of investing cash flows relating to marketable securities. Sales and purchases of money market instruments and time accounts over three months are now shown separately, on a net basis. The comparative period information has been restated accordingly.

* DEPRECIATION & AMORTIZATION

2,547