Roche Holding AG

Fr 390.30 As of Sun 8 Nov 2026, 12:00 UTC

SWX:RO	Healthcare	Country	Switzerland	PE (Fwd)	17.74	TSR 10Y CAGR	9.05%
Drug Manufacturers (General)		Beta (5Y)	0.32	PE TTM	25.52	TSR TTM	55.37%

Div yield	2.51%	ROE	40.22%
Mkt cap	Fr 310.9B	ROIC	29.20%

SE Grade™	★★☆
Value	★★★
Quality	★★★
Moat	★★☆

Consensus	Reference
Fr 405	*Fr 666*
3.66%	70.61%

Buy 7|4|10|0|1



2H24	1H25	2H25	1H26
Earnings per share			Fr
2.51	9.23	6.81	**8.52**
(53.86%)	18.33%	171.31%	(7.69%)
Revenue			Fr B
31.64	31.85	31.51	**31.45**
6.08%	3.55%	(0.42%)	(1.25%)
Next earnings			28 Jan

TTM	FYE 31 Dec	CHF	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	Trend	5Y	10Y	Peers
62.96	Revenue	Fr B	52.64	55.75	59.50	63.75	60.34	65.85	65.81	60.44	62.40	63.36	*63.27*		0.98%	2.08%	93
(0.83)	*Revenue growth*	%	–	*5.91*	*6.73*	*7.15*	*(5.35)*	*9.13*	*(0.05)*	*(8.16)*	*3.23*	*1.54*	*(0.14)*		*1.54*	*3.23*	0
74.17	*Gross margin*	%	*71.35*	*71.50*	*72.23*	*72.73*	*73.72*	*70.60*	*72.74*	*74.19*	*74.79*	*74.49*	*75.45*		*74.19*	*72.74*	59
33.09	*Operating margin*	%	*32.01*	*31.03*	*31.80*	*32.99*	*32.64*	*30.76*	*31.25*	*29.42*	*31.44*	*33.08*	*34.73*		*31.25*	*31.62*	63
19.60	*Net margin*	%	*18.19*	*15.49*	*17.65*	*21.17*	*23.69*	*21.15*	*18.87*	*19.02*	*13.27*	*20.33*	*23.70*		*19.02*	*18.95*	72
25.52	P/E ratio (avg)	x	21.91	24.59	18.96	17.99	19.11	20.45	21.63	18.30	24.36	17.39	*19.05*^{adj}		20.45	19.78	64
15.97	EV/EBIT	x	13.39	12.82	10.97	11.87	14.20	15.22	14.08	13.20	11.47	11.72	*15.03*		13.20	13.01	63
5.00	*FCF yield (avg)*	%	*5.18*	*6.84*	*8.00*	*7.78*	*5.51*	*6.07*	*5.34*	*5.87*	*8.22*	*6.75*	*6.57*		*6.07*	*6.41*	57
25.01	*FCF margin*	%	*20.63*	*26.04*	*26.78*	*29.62*	*24.92*	*26.25*	*21.81*	*20.44*	*26.55*	*23.84*	*32.68*		*23.84*	*25.48*	83
1.276	FCF / Net income	x	1.134	1.681	1.518	1.399	1.052	1.241	1.156	1.074	2.001	1.173	*1.379*		1.173	1.207	56
29.20	*ROIC*	%	*31.81*	*32.97*	*40.35*	*47.24*	*40.09*	*38.33*	*35.21*	*30.44*	*28.09*	*30.76*	*31.72*		*30.76*	*34.09*	80
40.22	*Return on equity*	%	*40.05*	*34.29*	*38.84*	*44.72*	*41.38*	*45.80*	*47.34*	*40.13*	*27.10*	*39.29*	*43.27*		*40.13*	*40.09*	82
12.57	*Return on assets*	%	*12.47*	*11.26*	*13.37*	*16.24*	*16.60*	*15.09*	*14.09*	*12.71*	*8.13*	*12.79*	*14.68*		*12.79*	*13.08*	86
15.29	EPS	Fr	11.13	10.04	12.21	15.62	16.53	16.20	15.37	14.30	10.32	16.04	*20.49*^{adj}		(0.60%)	4.14%	–
30.23	*EPS growth*	%	–	*(9.85)*	*21.63*	*27.95*	*5.79*	*(1.99)*	*(5.09)*	*(6.97)*	*(27.83)*	*55.42*	*5.29*^{adj}		*(5.09)*	*(1.99)*	68
40.51	Bookvalue per sh	Fr	27.80	30.75	32.12	37.90	42.01	28.48	34.64	36.46	39.61	42.09	*45.43*		0.04%	4.72%	–
19.52	FCF per share	Fr	12.62	16.88	18.53	21.85	17.38	20.10	17.76	15.36	20.65	18.81	*25.66*		1.59%	4.53%	–
9.80	Dividend per sh	Fr	8.20	8.30	8.70	9.00	9.10	9.30	9.50	9.60	9.70	9.80	*10.02*		1.49%	2.00%	–
2.51	*Div yield (avg)*	%	*3.36*	*3.36*	*3.76*	*3.20*	*2.88*	*2.81*	*2.86*	*3.67*	*3.86*	*3.51*	*2.57*		*3.51*	*3.36*	68
–	*Payout ratio*	%	*73.65*	*82.69*	*71.26*	*57.62*	*55.07*	*57.42*	*61.80*	*67.09*	*94.08*	*61.10*	*53.87*		*61.80*	*64.44*	62
796.8	Shares (diluted)	M	860.0	860.0	860.0	864.0	865.0	860.0	808.0	804.0	802.0	803.0	*805.9*		(1.48%)	(0.76%)	32
(0.50)	*Buyback yield*	%	–	–	–	*(0.47)*	*(0.12)*	*0.58*	*6.05*	*0.50*	*0.25*	*(0.12)*	*(0.36)*		*0.50*	–	32
0.907	D/E ratio	x	0.847	0.654	0.619	0.434	0.387	1.149	0.834	0.927	1.006	0.876	*0.820*		0.927	0.840	34
332.8	Enterprise valı	Fr B	225.5	221.8	207.5	249.7	279.7	308.2	289.7	234.7	225.0	245.7	*330.3*		(2.55%)	0.96%	90
26.73	LT debt	Fr B	16.99	15.84	16.08	13.55	11.10	17.10	22.28	26.09	32.10	28.67	*26.73*		20.91%	5.99%	70

Peers (US$382.6B)	Cap (US$)	PE
Novartis AG	308.2B	30.48x
Galderma Group AG	54.84B	64.97x
Sandoz Group AG	44.46B	70.61x
Merck & Co., Inc.	361.7B	148.4x

Capital	TTM	5Y	10Y
Leverage x	0.984	0.803	0.672
EBIT/Int x	18.23	21.47	30.10
Own earn %	23.64	22.49	24.44
Sh yield %	2.01	4.11	3.39

Owners		
Insiders/Inst %	9.17	29.27
Short interest %		–
SBC / revenue %		1.38

Record	10Y
Profitable years	10/10
Revenue growth years	6/9
EPS growth years	4/9
Dividend streak yrs	28
Op margin range %	29–33
$1 test x	0.8
Incr. ROIC %	28

Roche's first half of FY2026 showed revenue slipping 1.2% and diluted EPS down 7.7% on a reported basis. At the third-quarter call management pointed to three forces. Hemlibra and Ocrevus carried pharma growth. Kadcyla lost ground to competitors in the US and Europe, and China's pricing reforms kept weighing on diagnostics. A Japan ERP rollout also shifted shipment timing, which management called a one-time Q3 sales effect. The franchise is earning more than the price reflects: SE fair value of CHF 666 is 70.6% above the price.

Management raised two product outlooks for FY2026. Hemlibra moved to high single-digit growth from mid single-digit, and Alecensa to low single-digit growth from flat. Ocrevus at high single digits and Vabysmo at low double digits were maintained. Xolair holds near 20% growth this year but is expected flat in 2027 as biosimilars arrive. Strategy centres on obesity: enicepatide enters phase III against tirzepatide, and oral tifeglipron starts in early 2027. Analysts pressed on giredestrant's Medicare exposure, which management declined to break out.

Analysts' adjusted figures show earnings growth resuming. Adjusted EPS is set to rise 5.3% in FY2026 and 7.4% in FY2027, even as FY2026 revenue edges down 0.1%. That matches management's raised product outlooks: a flat top line this year, with sales rising again next year. Reported FY2026 EPS sits below the adjusted figure, so trailing and forward earnings are not directly comparable. The market asks for far less. The price implies revenue shrinking 5.5% a year, 5.3pp below consensus, a gap that leaves room for disappointment before the shares look stretched.

Returns remain high but have eased. ROE fell from 47.3% in FY2022 to 39.3% in FY2025, and ROIC from 35.2% to 30.8% over the same years. Cash conversion moved the other way, with FCF margin up from 21.8% to 23.8%. Return on assets holds at 12.6%, in line with its own median and steady over three years. Each of these return and margin measures sits above the peer median. Nothing in the record holds Quality back. The softer spot is Moat: retained earnings have added comparatively little market value.

On cash flows the shares look cheap. SE fair value of CHF 666 is 70.6% above the price, with high confidence. The multiples are less generous. EV/EBIT of 16.0x is 23% above its 10-year median of 13.0x. SE fair value points to upside, while the trailing P/E of 25.5x is above its 19.8x long-run median, though that P/E is on reported EPS. The analysts' weighted target of CHF 405 is 3.7% above the price. For the price to hold, revenue must keep growing rather than shrink. A second year of falling sales in FY2027 would show it is not.

The SE Score is 2 of 3. Quality earns three stars on a ROIC of 31% against a 6.0% cost of capital, with free cash flow at 128% of net income over five years and modest net debt. Moat earns two stars because ROIC has stayed above 15% in every one of the last ten years. It falls short of three because each CHF 1 retained created only CHF 0.80 of market value. Value earns three stars, with SE fair value 70.3% above the price. Value left the overall score where Quality and Moat put it.

H1 2026

Roche Holding AG operates pharmaceuticals and diagnostics businesses in Europe, North America, Latin America, Asia, Africa, Australia and New Zealand, offering solutions in anaemia, blood and solid tumors, infectious, autoimmune and neurological diseases, ophthalmology, respiratory disorders and transplantation, plus in vitro tests for diseases such as cancer and diabetes, diagnostic instruments and digital health solutions.

Profit by segment	Profit	Trend	Revenue	Rel margin
Roche Pharmaceuticals	81.28%		72.81%	1.24×
Chugai	14.06%		4.68%	-
Diagnostics	4.66%		22.51%	0.23×

Revenue by region	Top 3 77%	Trend
United States	46.57%	
Rest of Europe	17.14%	
Rest of Asia	13.57%	

Reinvestment returns	10Y median	Trend
Reinvestment rate	16.35%	
Return on capital	34.09%	
Spread over hurdle	30.21%	

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