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PUBLIC

How Roche Replaced Billions in Revenue, and Kept Growing

The growth strategy behind Roche's success, and what business leaders can learn from it

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THE CHALLENGE

The challenge: when your biggest products stop selling, how do you keep growing?

What happens when the products that built your business start losing their value?

For Roche, one of the world's largest pharmaceutical companies, this was not a hypothetical question.

2018 In 2018, three of its biggest drugs (Avastin, Herceptin and Rituxan) made up roughly half of its pharmaceutical revenue. Together, they generated around CHF 21 billion in annual sales.

RISK Then their patents began to expire. Competitors could introduce lower-cost versions, putting billions in future revenue at risk.

RESPONSE Roche did something different. It had already spent years building the products, partnerships and intellectual property needed to replace that revenue.

2025 By 2025, its three former blockbuster drugs had fallen out of its top ten sellers. Yet Roche's pharmaceutical business had grown from CHF 44 billion in 2018 to CHF 47.7 billion in 2025.

Roche didn't just survive losing its biggest products. It built a business that could grow beyond them.

THE GROWTH STORY IN NUMBERS

How Roche replaced billions in revenue, and kept growing

PHARMACEUTICAL SALES · 2025

CHF 47.7bn

+8.4% vs 2018



Up from CHF 44 billion in 2018.
Percentage change calculated.

BEST-SELLING PRODUCTS, 2025 · ORIGIN

7 of 10

originate from Genentech, the biotechnology company Roche acquired.



Originated at Genentech
Other top-ten products

NEW DRUG CANDIDATE SUCCESS RATE

8% vs 4%

About 2× the industry



Bars on a 0 to 10% scale.

WHERE NEW DRUG CANDIDATES CAME FROM 2008–2018

58 / 33 / 9%



Developed internally	58%
Accessed through partnerships	33%
Acquired	9%

Share of new drug candidates.

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VISION

Where Roche committed to go

What Vision is. The long-term direction a company commits to. It is the first filter for every growth opportunity the company sees.

Why it matters. It tells every team which opportunities fit the strategic vision the company is pointed at, and which do not. It also draws in employees who can use their skills where the company is going, customers who share the vision, and partners who can help along the way.

Roche's stated ambition is to "prevent, stop, and cure diseases." Its public strategy names oncology, neurology, and cardiovascular and metabolic diseases as its areas of focus, and says it seeks the best innovations, "both internal or external," to deliver to patients. [1]

Oncology has sat at the centre of that commitment for years. In 2012, Roche said about 50% of its R&D budget went to the oncology franchise, and that oncology would keep the biggest share of R&D investment. [2] In 2009, Roche acquired Genentech, which became a wholly owned member of the group. [1][3]

Used as a filter, the vision asks which problems are worth solving, which current opportunities can grow new and legacy products, and which solutions the industry will adopt in five years. Roche's 2025 performance highlights list five core areas in pharmaceuticals: oncology, immunology, infectious diseases, ophthalmology and neuroscience.

ROCHE'S FIVE CORE PHARMACEUTICAL AREAS · 2025

1	2	3	4	5
Oncology	Immunology	Infectious diseases	Ophthalmology	Neuroscience

References

[1] Roche, "Our strategy," roche.com/about/strategy.

[2] Fierce Biotech, "Roche committed to innovation and growth," 5 September 2012. https://www.fiercebiotech.com/biotech/roche-committed-to-innovation-and-growth

[3] Wikipedia, "Genentech." https://en.wikipedia.org/wiki/Genentech

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FOCUS

How the vision becomes daily action

What Focus is. The enablement layer. It sets how much technical, market and capability risk the company will take on, and how many initiatives of each type fit its growth portfolio.

What it does. It shows leadership is committed to the vision and has funding for efforts at each level of risk. It sets how far the company will go to Buy, Build, Partner or Invest, and it lays out the roadmap for how funding happens.

Roche's success was not driven by one breakthrough product or one major acquisition. It came from a repeatable growth strategy: Build, Partner, Buy.

Build: develop the next generation before the current one declines.

Through Genentech, Roche invested in its own research and development capabilities. That let it create new treatments while existing products were still generating strong sales. One example is Ocrevus, a treatment for multiple sclerosis. By 2025, it had become Roche's biggest pharmaceutical product, generating CHF 7 billion in annual sales.

The lesson: don't wait until your main source of revenue starts falling before investing in what comes next.

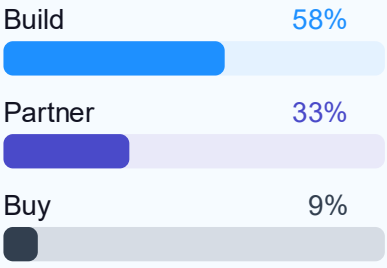
Partner: gain access to ideas and expertise outside your business.

Roche did not rely only on what its own teams could invent. It worked with other businesses to access new technologies, share development costs and explore opportunities. Partnerships also let Roche learn about a technology before making a larger financial commitment.

The lesson: you don't need to own every capability from day one. The right partners can help you grow while managing risk.

BUILD · PARTNER· BUY

Shareof new drug candidates, 2008–2018



Buy: acquire the capabilities needed for future growth.

Roche bought companies and technologies to enter new markets and strengthen its pipeline. Its acquisition of Carmot Therapeutics gave it a route into the fast-growing obesity treatment market. Rather than starting from scratch, Roche gained technology it could build on.

The lesson: buying a business should be about more than adding short-term revenue. The real value is often in the technology, people and future opportunities it brings.

Sustainable growth is rarely one big bet. It comes from balancing what you build, what you access through partners and what you acquire.

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What it took: making growth possible before it was needed.

Roche's approach required more than investment. It needed the right information, clear priorities and a way to manage risk.

Seeing opportunities early.

Roche built its pipeline of future products years before many became major revenue contributors. Between 2008 and 2018, Rapid Alpha's analysis identified 162 new drug candidates entering Roche's pipeline. Around 86% entered at the earliest stage of clinical development. That was a high-risk approach, but it also gave Roche more opportunity to shape and protect the technologies it developed. Our analysis found that Roche's success rate was around twice the industry benchmark during the period analyzed.

The lesson: better information, used earlier, can improve where a company places its growth bets.

RESULTS What the focus delivered

What Results are. The biggest payoff: showing the company can predict product-market fit at the scale needed to sustain and grow the business.

How to read them. ROI, success rate, MOIC and the Vitality Index sit on top. They let the company learn how its Vision and Focus turn into Results.

Roche spread its growth investments across different products, technologies and medical fields. When its original blockbuster drugs declined, other products were ready to take their place.

Vabysmo, an eye treatment identified in Rapid Alpha's earlier research as a future replacement product, reached CHF 4.1 billion in 2025 sales. Phesgo, a newer breast cancer treatment, grew 48% in 2025 to CHF 2.4 billion. Both show the value of having several ways to grow rather than depending on a single success.

The lesson: a strong growth plan needs a mix of opportunities with different levels of risk and different timelines.

CHF 4.1bn
Vabysmo · 2025 sales

CHF 2.4bn
Perjeta, Kadcyla, Phesgo · 2025

~CHF 7.4bn
Phesgo · 2025 sales, +48%

Creating a successful product is only part of the challenge. Protecting technology and finding new ways to use it can create value long after the original invention. Roche developed new combinations and ways to deliver treatments based on its established breast cancer franchise. By 2025, Perjeta, Kadcyla and Phesgo together generated approximately CHF 7.4 billion in annual sales. Intellectual property, including patents and licensing rights, helped support this next generation of products.

The lesson: innovation isn't just about creating something new. It's also about finding ways to increase the value of the technology you already own.

The feedback loop. Results feed back into Vision and Focus. Products that replace lost revenue show which markets and methods worked, so the next filter and mix can be sharper.

Figures not yet in our data. A Vitality Index needs Roche sales split by launch year.

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THE TAKEAWAY

What business leaders can learn from Roche

Roche is a pharmaceutical giant, but its growth principles apply well beyond healthcare. For leaders trying to build the next stage of growth, the questions are similar:

1. Where will our future revenue come from when today's products slow down?
2. Which opportunities should we develop ourselves, and where would a partner or acquisition make more sense?
3. What technology, intellectual property or capabilities do we already own that could create more value?
4. How can we test opportunities early, before committing major resources?
5. Are we investing in a balanced set of growth opportunities, or relying on one big bet?

Most companies have a gap between the growth they want and the growth their current products and markets can deliver. Closing that gap takes more than a sales target. It requires a clear view of the opportunities available, the evidence behind them and the best way to act.

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NEXT STEP

Want to go deeper? Read the full Roche case study.

This executive briefing highlights the key lessons from Rapid Alpha's research into Roche and Genentech.

But there's much more to the story.

The full case study shows the evidence behind these findings: Part 1's replacement map scored drug by drug against FY2025 results, the 2019 to 2025 transaction set classified by access mode and innovation type, and the patent mechanics behind the HER2 and Ocrevus franchises, with methodology and sources stated.

WHAT'S IN THE FULL CASE STUDY

- Replacement map
- Access playbook
- IP as the engine

Download the Full Roche Case Study →

See the data. Follow the decisions. Discover what could drive growth next.

Best viewed on a desktop or laptop. Prefer to talk first? Book a call with Matthew



TALK TO MATTHEW

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