

# Investor Presentation

Galenica Group  
January 2025

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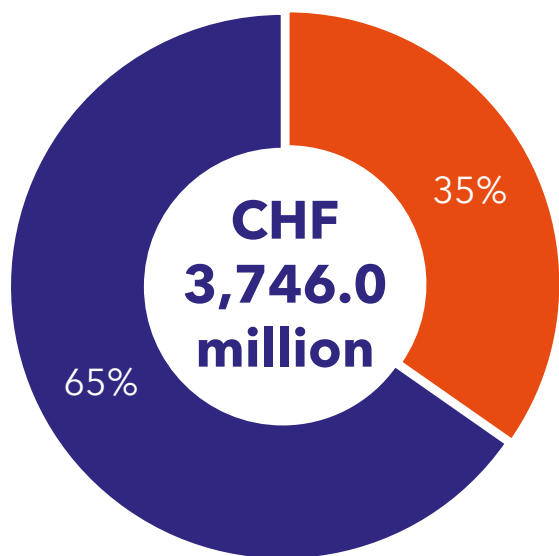
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# About Galenica

 Caxis

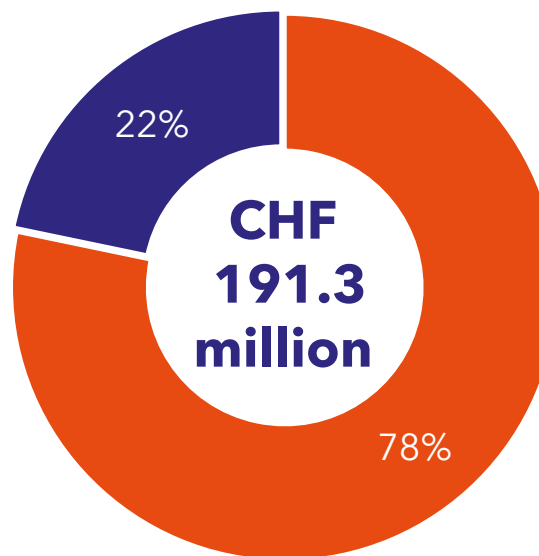
# Galenica in figures

Net sales<sup>1</sup>  
Galenica Group



■ Products & Care   ■ Logistics & IT

EBIT adjusted<sup>1,2</sup>  
Galenica Group



■ Products & Care   ■ Logistics & IT

Leading healthcare provider in Switzerland  
**374**  
own pharmacies

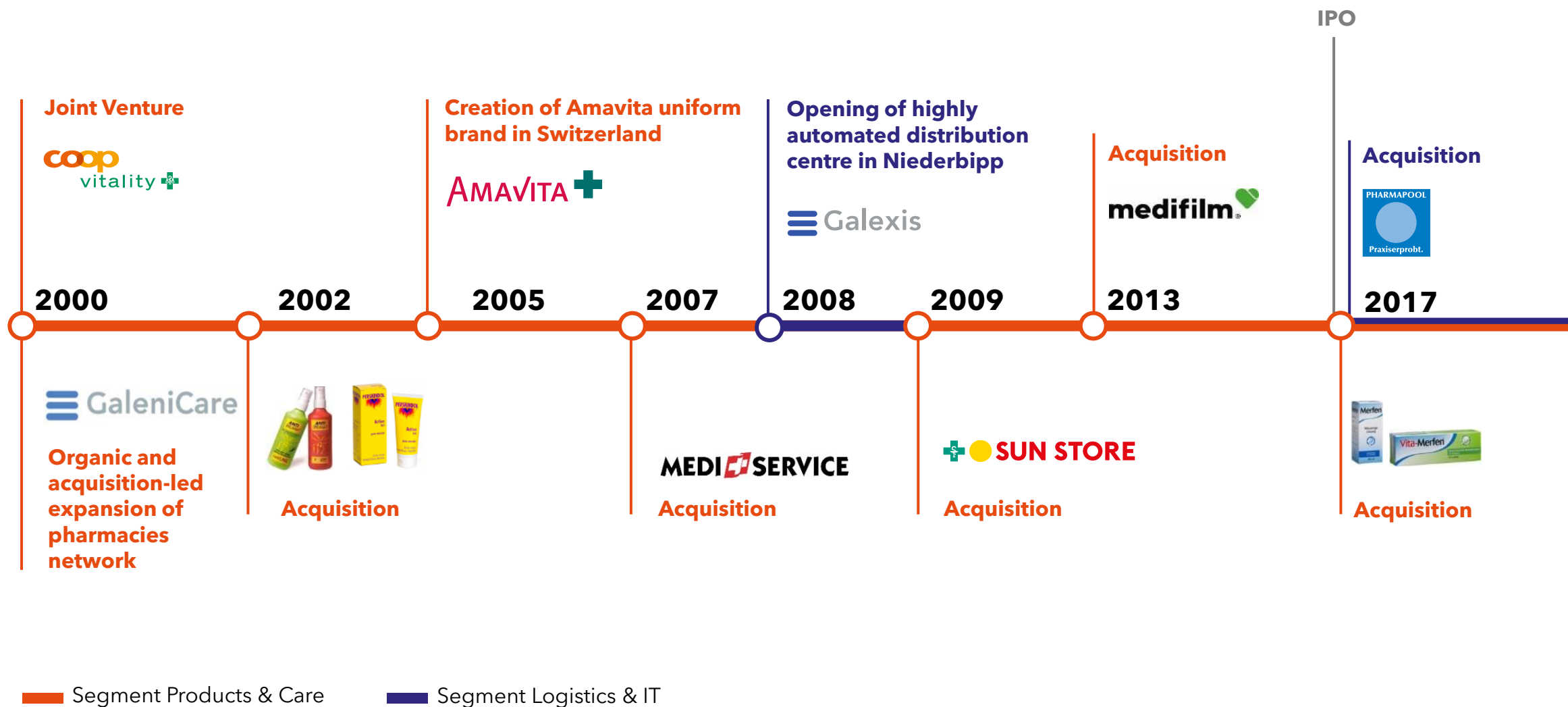
Employees (Headcount)  
**> 7,900**

Dividend yield<sup>1</sup>  
**3.0%**

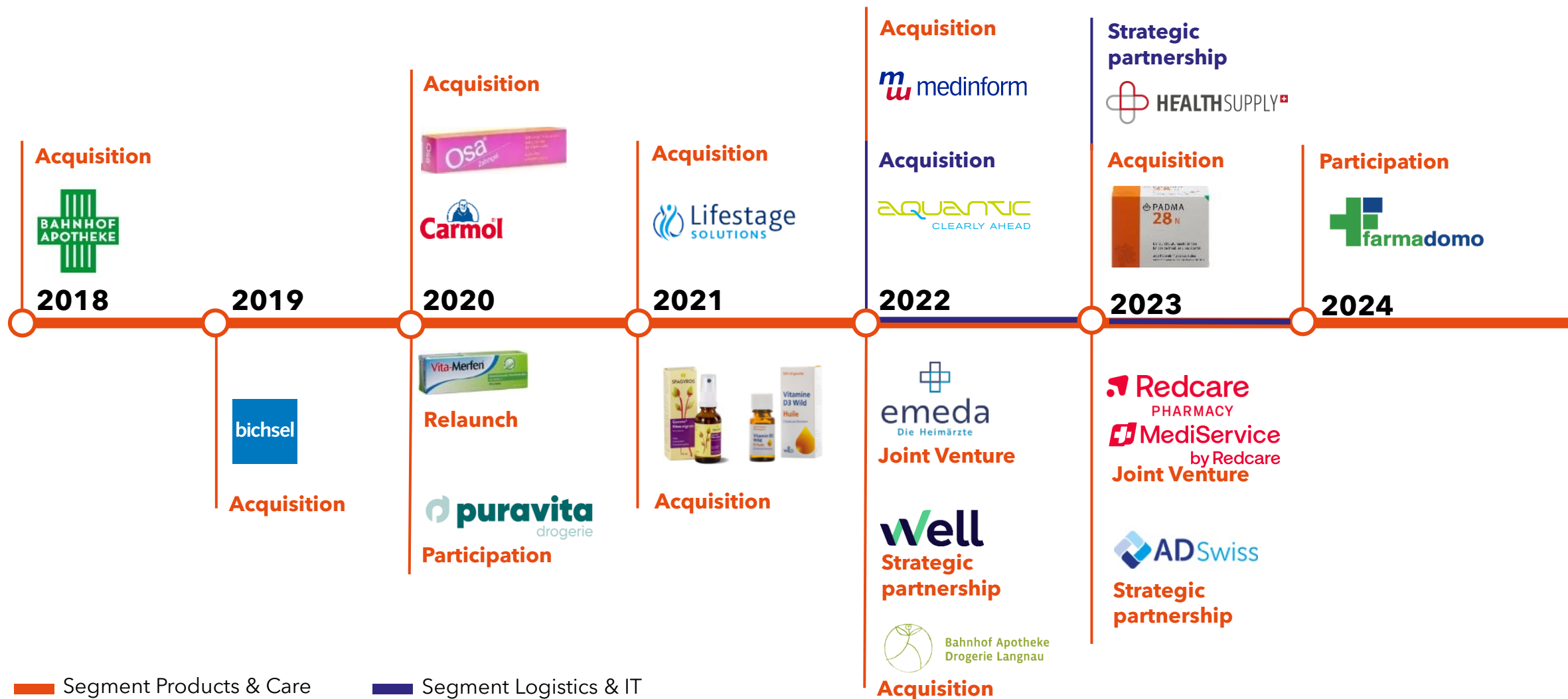
<sup>1</sup> Figures as of 31 December 2023

<sup>2</sup> Adjusted EBIT, excludes IAS 19 and IFRS 16 effects

# Building the leading Swiss healthcare platform



# Building the leading Swiss healthcare platform



# Switzerland's leading fully integrated healthcare provider

Largest network of pharmacies in Switzerland with over **500 pharmacies**, online and offline



Wide range of **services for patients** and professional service providers

Well-known brands and products and **exclusive licensed products** from business partners



**Leading provider of logistics and IT** in the healthcare sector



Values



### Added value in the network

We generate value for customers and partners

Omnichannel  
Health Services & Products

Strategy



### Sustainably successful

We work efficiently and effectively

Efficiency  
Sustainability (ESG)

We act as entrepreneurs



Vision

Health and well-being are at the heart of what we do.

They are the reason we give our best every day.



We delight our customers



Shaping the future  
We are shaping the healthcare of tomorrow

Digital Health  
Connecting Healthcare

Strategy



### Pioneers in transition

We rethink and move forward together

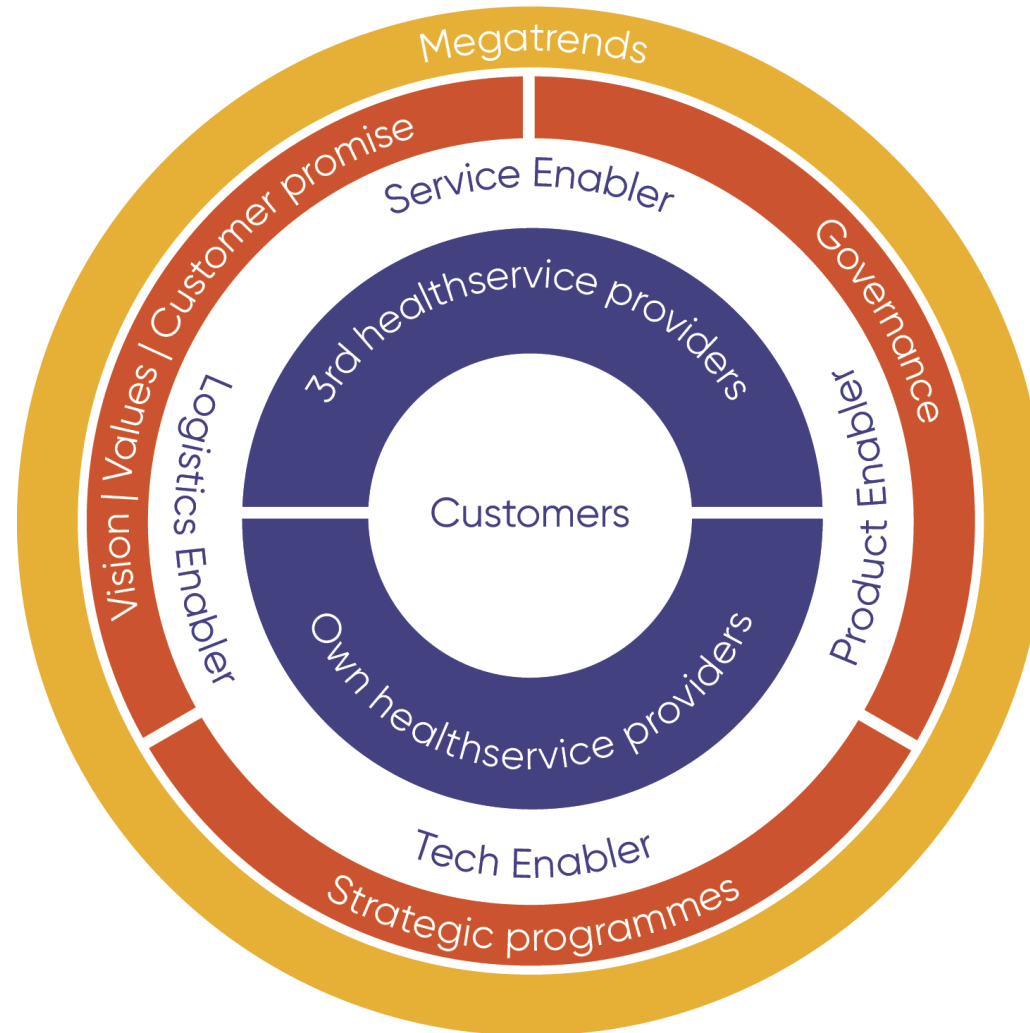
Transformation  
Employer of choice

We build trust





# Business model



# Strategic programmes and ESG



# Strategic programmes and ESG

## Megatrends

-  Changing customer needs
-  Digitalisation
-  Interconnectedness
-  Cost pressure
-  Home care
-  Ageing society

## Care programme

### First point of contact for healthcare advice

- First point of contact for healthcare advice in our pharmacies, digitally and at home
- Implementation and development of needs-based healthcare and therapeutic services, from prevention to therapy

### First-class healthcare services

- For patients who we can reach directly through our pharmacies or at home
- For patients who we reach indirectly via an interface with homes or home care organisations

### Preferred cooperation partner

- Be preferred cooperation partner of other important players in the Swiss Healthcare System

## ESG impact

### Patient health, patient safety


- Better healthcare services: improved availability in pharmacies
- Affordability of healthcare services: services in pharmacies are lower priced than from doctors
- Better healthcare services allowing patients to stay at home during treatments
- Increased patient safety with services for nursing homes
- We offer our customers and the healthcare market greatest possible added value through new cooperation models and strong partnerships



# Strategic programmes and ESG

## Megatrends

 Changing customer needs

 Digitalisation

 Interconnectedness

## Professionals programme

### First-choice partner for healthcare professionals

- We offer specialist retailers and our pharmacies an attractive product range and comprehensive services
- We are a leader in healthcare logistics and digital solutions for the Swiss healthcare market
- We expand the digital gateway for professionals

### Leader in e-health

- Developing and marketing innovative solutions to promote digitalisation and by setting standards in the provision of health databases
- Digital platforms are developed by ourselves or we participate as a partner

### Patient safety and security of supply

- First choice for logistics services for all market players

## ESG impact

### Patient health, patient safety, reliable procurement and supply

- Affordability of healthcare thanks to digital e-health offers, partnerships and services adapted to market needs
- Our digital solutions reduce medication errors and increases therapy adherence
- Galenica's logistics companies manage to make and keep more than 99% of medicines available throughout Switzerland within 24 hours



# Strategic programmes and ESG

## Megatrends



Digitalisation



Cost pressure



Climate change

## Efficiency programme

### Simple and efficient for customers, partners and employees

- We streamline our offerings and organise our company in a way that is simpler to understand:
  - by systematically making use of our synergies,
  - by working together to simplify our processes and systems,
  - by harmonising them across the Group
  - by digitalising them - where this makes sense

### Process and cost optimisation

- We implement our projects Avance and Modulo

### Sustainable use of resources

- Reduction of waste and CO<sub>2</sub>-Emissions by increasing efficiency and the installation of solar panels

## ESG impact

### IT security and cybercrime

- IT security is key for sustainable business operations

### Waste reduction and recycling

### Reducing emissions and preventing climate change



# Strategic programmes and ESG

## Megatrends



Lack of qualified staff

## Transformation programme

### **Making employees fit for the future**

- By supporting the continuous development of our employees we ensure that they can perform to their full potential with the right attitude and skills
- We want to work with as few hierarchies as possible and instead build strong teams that work together across organisational boundaries
- Decisions shall be taken where the greatest knowledge is

### **Decision-making by competent, agile teams**

- Work with few hierarchies and build strong teams that work together across organisational boundaries

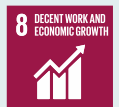
### **Promoting equal opportunities and diversity**

## ESG impact

### **Retention of qualified employees, employee motivation and development**

- Reducing the lack of qualified staff
- Increase satisfaction of employees

### **Diversity and equal opportunities**



# Our business units: Strong on the market



# Our business areas

## Products & Care<sup>1</sup>

Net sales  
**1,636m CHF**

EBIT<sup>2</sup>  
**152m CHF**

## Logistics & IT<sup>1</sup>

Net sales  
**3,077m CHF**

EBIT<sup>2</sup>  
**42m CHF**

### Retail B2C

### Professionals B2B

Local Pharmacies  
Net sales  
**1,307m CHF**

Pharmacies at Home  
Net sales  
**79m CHF**

Products & Brands  
Net sales  
**177m CHF**

Services for Professionals  
Net sales  
**79m CHF**

Wholesale  
Net sales  
**2,953m CHF**

Logistics & IT Services  
Net sales  
**144m CHF**





# Local pharmacies

## Three largest pharmacy chains in Switzerland

### Key takeaways

- Largest pharmacy network offers broad product range, including well-known own brands, as well as health services and tests
- Built organically and through targeted acquisitions since 2000
- Including attractive, high customer traffic locations across Switzerland.
- Multi-brand strategy: pharmacies formats include different store concepts and product ranges to respond to different customer needs.
- Market share of ~25% in terms of sales
- Own customer loyalty programme Starcard (Amavita), SunCard (Sunstore) and Coop Supercard (Coop Vitality)



Largest branded pharmacy network by number of pharmacies in Switzerland<sup>1</sup>

**202** **AMAVITA** 



The first Swiss pharmacy chain

**85**  **SUN STORE**



Joint venture (49:51) with Coop, the 2<sup>nd</sup> largest retail group in Switzerland

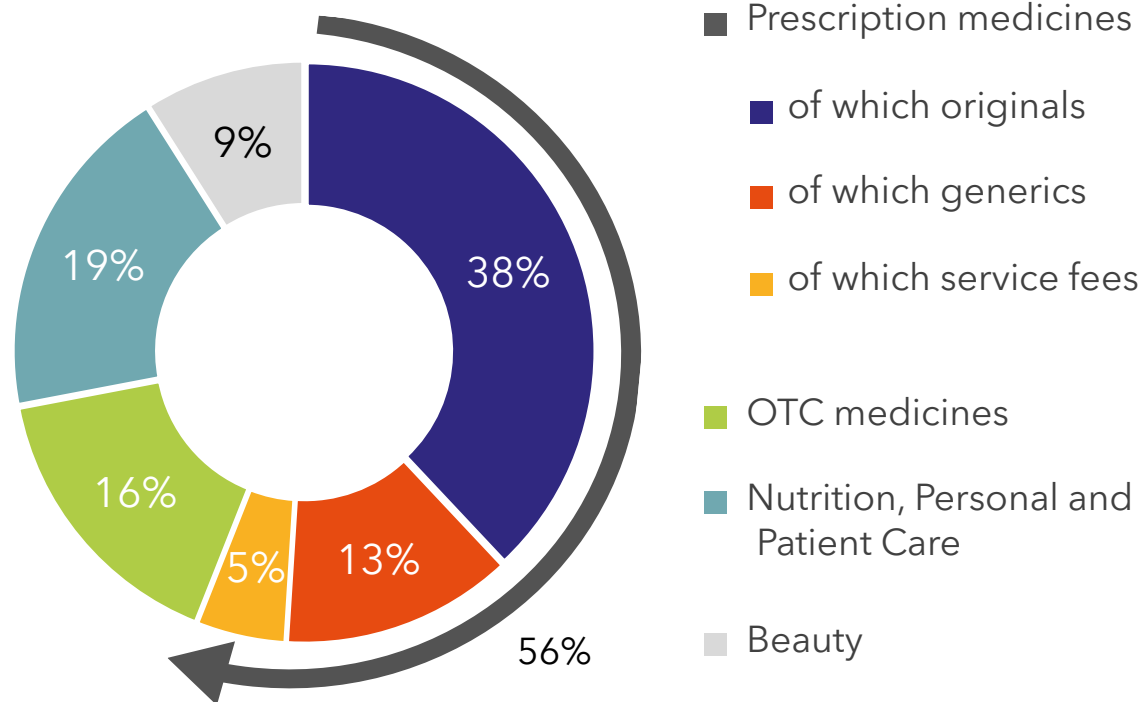
**86** 

<sup>1</sup> Amavita figures include 6 majority holdings in other pharmacies, figures as of 30 June 2024

# Local pharmacies

Broad range of product and service offerings

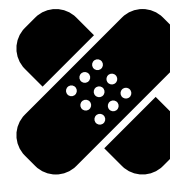
## Amavita and Sun Store product offering in % of sales<sup>1</sup>



1) Share of net sales Dec 2023 YTD by product category generated by local pharmacies

## Service offerings in local pharmacies (selection)

Primary Care



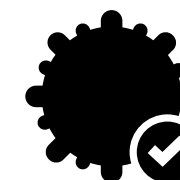
Health Checks



Vaccinations



COVID-19 Tests and Vaccinations



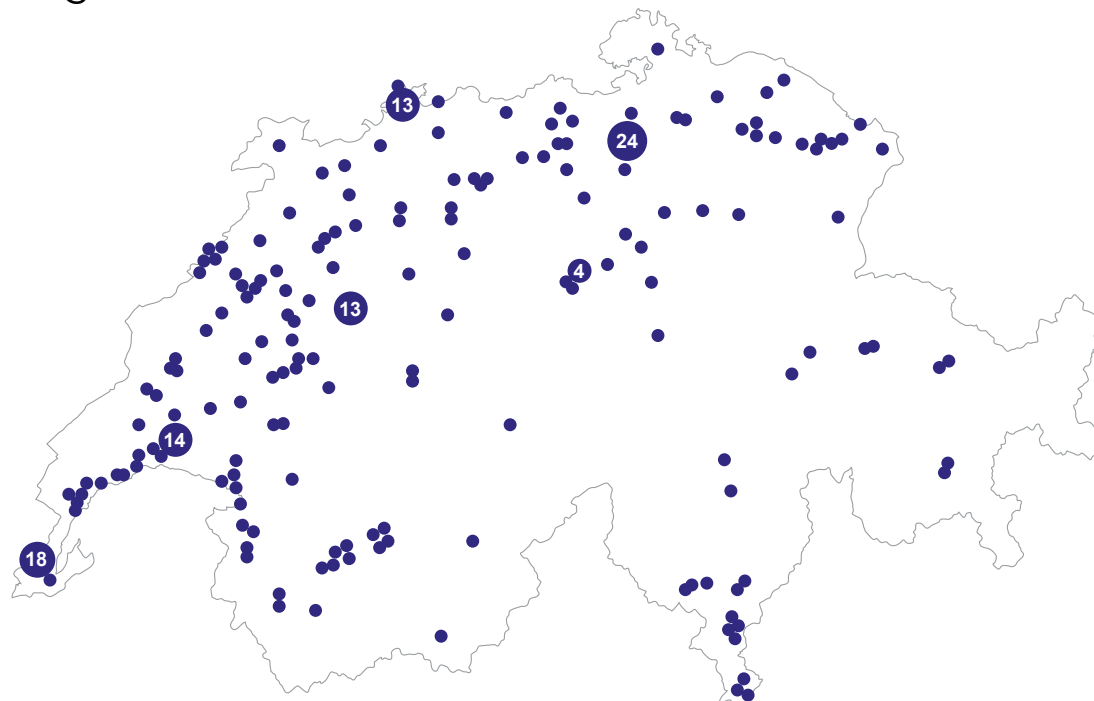
OnlineDoctor



# Local pharmacies

Always available where our customers are

Widely spread pharmacy network covers every Region in Switzerland



10 Number of pharmacies in metropolitan areas

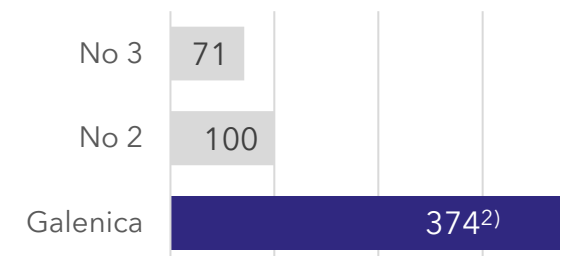
1 Based on number of pharmacies. Source: pharmaSuisse 2023, Fakten und Zahlen Schweizer Apotheken

2 Own includes 89 pharmacies through joint venture with Coop as well as Mediservice

Demonstrated M&A track record with an average of 8 pharmacies acquired and 4 net pharmacies added per year over the last 5 years

	2020	2021	2022	2023	H1 24
Pharmacies acquired	12	5	4	7	9
New pharmacies opened	5	3	3	1	1
Pharmacies closed	-7	-6	-7	-7	-5
Total own <sup>2</sup> Pharmacies	366	368	368	369	374

**Network of chains**  
 Number of pharmacies as of 30 June 2024  
 (Total 1,839 pharmacies in Switzerland<sup>1</sup>)



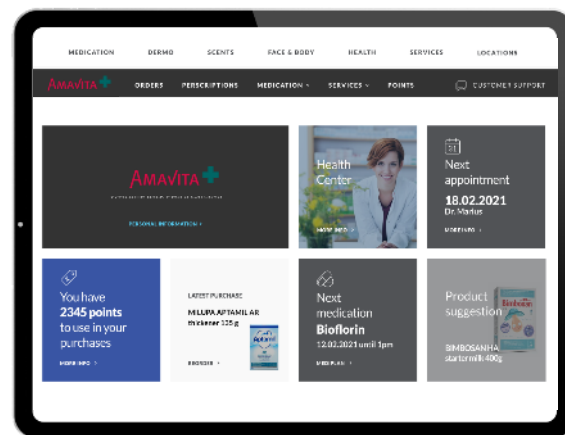
~4x more pharmacies than next competitor

# Pharmacies at home:

## Mail order pharmacies and home care services

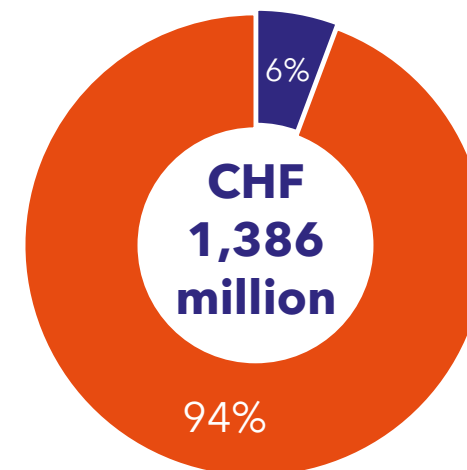
### Key takeaways

- Business area covers both home care (Bichsel) and Mail-order pharmacies (webshops / Cannaplant) with a share of 6% of Total Retail sales (B2C)
- Both Homecare and Mail-order pharmacies (including webshops) represent key growth areas of Galenica
- Strong online presence with own web shops and a broad product range with over 60'000 products, including well-known own brands
- Joint Venture Mediservice is market leading online and mail-order<sup>1</sup> pharmacy in Switzerland



Continuous development of online offerings to further improve customer experience through innovative solutions such as our upcoming customer dashboard.

### Total Retail Net Sales<sup>2</sup>



■ Pharmacies at home ■ Local pharmacies



<sup>1</sup> QVIA, Pharmaceutical Market Switzerland, YTD June 2024, Rx market Switzerland by channels, market leading mail-order pharmacy in terms of net sales

<sup>2</sup> Figures as of 31 December 2023

# Pharmacies at home

Bichsel home care services for over 10,000 active patients across Switzerland

## Key takeaways

- Improve quality of life, e.g. enhanced mobility, continuation in familiar setting
- Efficient provision of services compared with in-patient alternatives
- Patients from toddlers to the elderly, both acute and chronic
- Treatment areas include:
  - Clinical nutrition: oral / enteral / parental
  - Metabolic Disease
  - Tracheostomy
  - OPAT (outpatient antibiotic therapy)
  - Pain therapies

 bichsel



# Pharmacies at home

## Mediservice: Joint Venture with Redcare Pharmacy N.V.



### Market leading online and mail-order<sup>1</sup> pharmacy in Switzerland

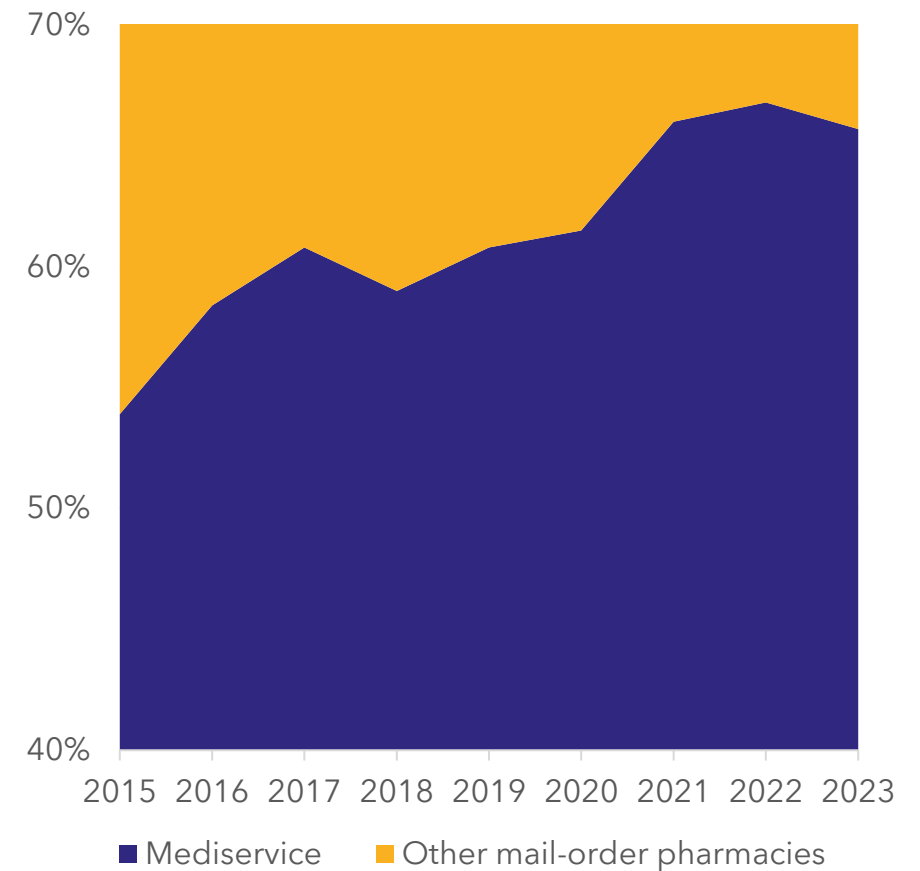
The business activities of Mediservice and shop-apotheke.ch are combined in the joint venture:

- Mediservice customers continue to benefit unchanged from the comprehensive range of products and services, supplemented with the offers and services of shop-apotheke.ch.
- The customers of shop-apotheke.ch are given easy access to Mediservice's comprehensive range of prescription drugs and home care services.

Mediservice as a specialty pharmacy continues to focus on patients with chronic illnesses as well as need for home care services:

- Constantly expanding services, moving from a highly specialised mail-order pharmacy to a Distance Healthcare Provider
- Active in over 60 specialty indications, especially in neurology, immunology, rare diseases and oncology

Market Share Mail-order pharmacies<sup>1</sup>



<sup>1</sup> QVIA, Pharmaceutical Market Switzerland, YTD December 2023, Rx market Switzerland by channels, market leading mail-order pharmacy in terms of net sales

# Products & Brands

## Strong brands for the Swiss Consumer Healthcare Market

### Key takeaways

- Leading position<sup>1</sup> in the Swiss consumer healthcare market (CHC)
- Preferred Consumer Health partner for Swiss Pharmacies & Drugstores
- Broad Sales & Training force
- Expanding portfolio of own and exclusive partner brands
- Leveraging of Galenica’s Retail platform to distribute Verfora & Partner brands → Distribution partner of choice
- Continued growth strategy for big OTC brands, complementary medicine, beauty and Rx
- Build-up of physician field service

<sup>1</sup> Based on IQVIA Sell-out Street Price Pharmacies & Drugstores December 2023



### Selected own brands



### Selected partner brands

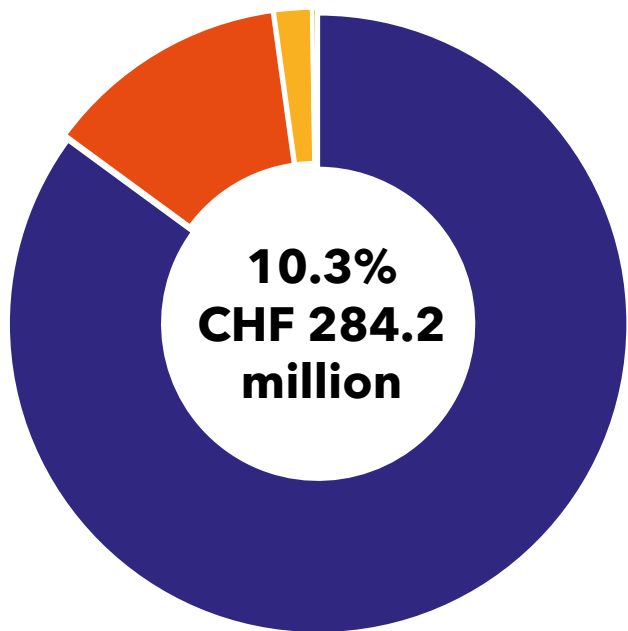


# Products & Brands

## Strong brands for the Swiss Consumer Healthcare Market



### Verfora market share in Swiss CHC market<sup>1</sup> in 2023



- OTC products  
13.5% market share  
CHF 241.7 million
- Personal care  
6.4% market share  
CHF 36.2 million
- Patient Care  
1.7% market share  
CHF 5.5 million
- Nutrition  
0.8% market share  
CHF 0.7 million

### Market share of main OTC product categories of Verfora<sup>1</sup>

Pain relief  
**29.7%**  
(CHF 80.5 million)

Cough & cold  
**18.5%**  
(CHF 70.9 million)

Vitamins, minerals & nutritional supplements  
**5.6%**  
(CHF 16.6 million)

Digestive system  
**11.4%**  
(CHF 22.2 million)

<sup>1</sup> Source: IQVIA PharmaTrend for pharmacies and drugstores in Switzerland (Dec 2023), streetprices, without COVID-19 self-tests, figures include Padma and Spagyros products



# Products & Brands:

Proven M&A track record as key driver for market share growth

## Verfora growth strategy

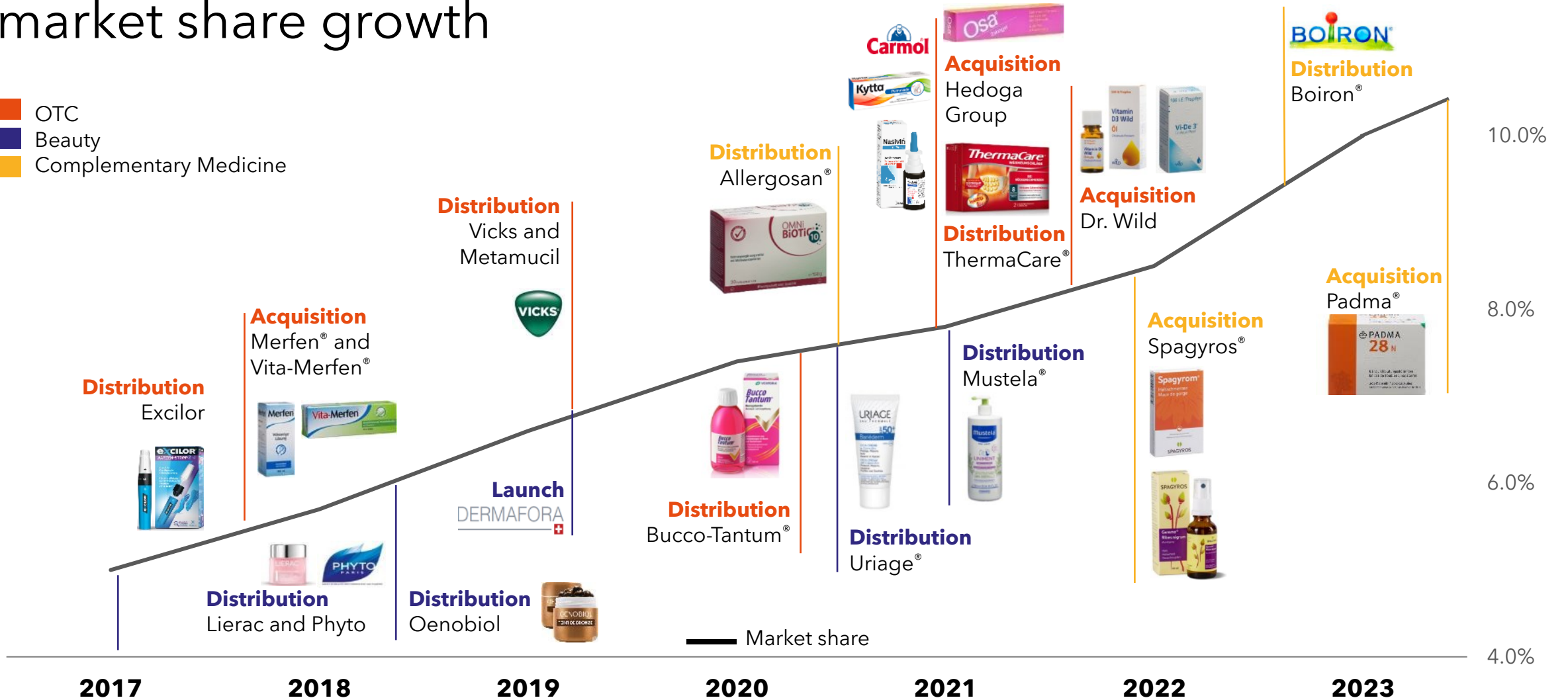
- Big OTC brands
- Emerging platforms complementary medicine, beauty & Rx
- New distribution agreements
- Acquisitions of brands / companies
- International expansion via distributors



# Products & Brands

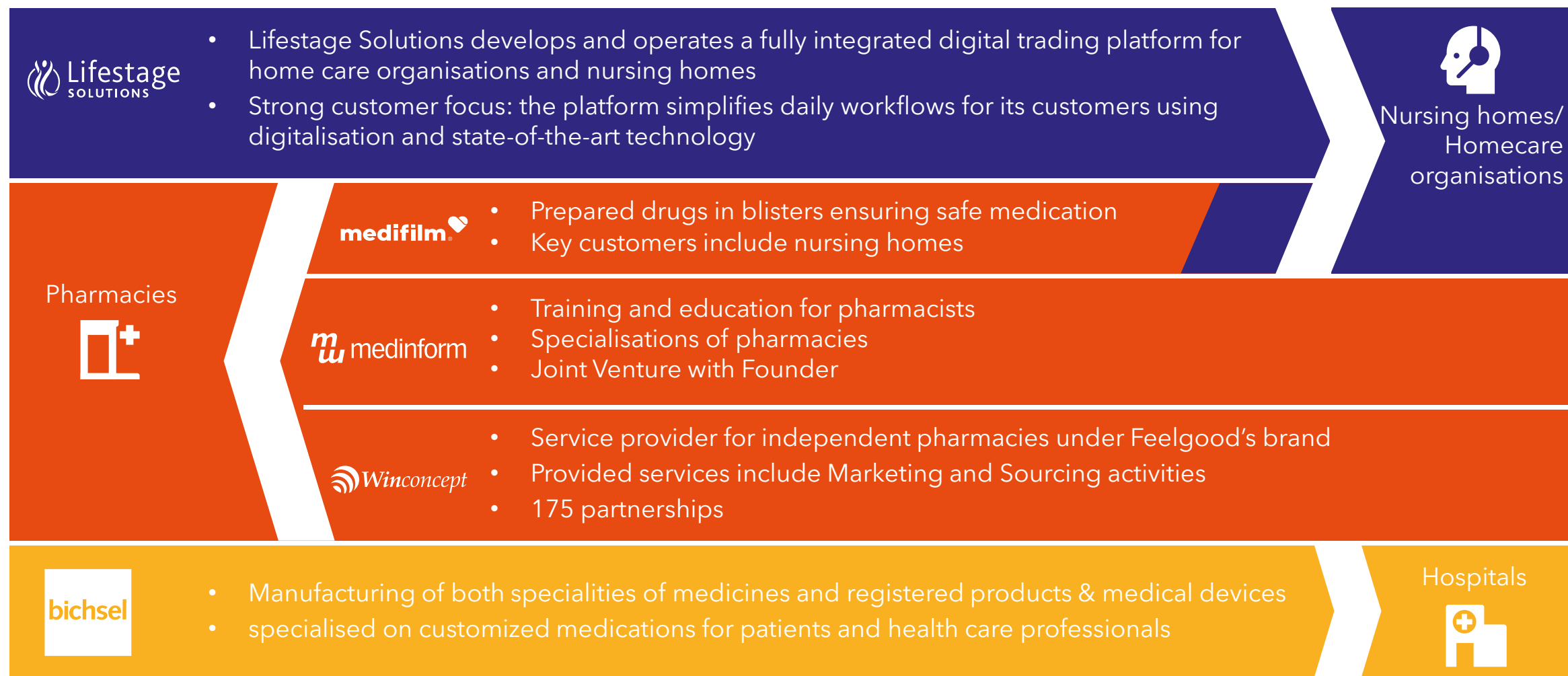
Proven M&A track record as key driver for market share growth

- OTC
- Beauty
- Complementary Medicine



# Services for Professionals

We support healthcare professionals with high quality services

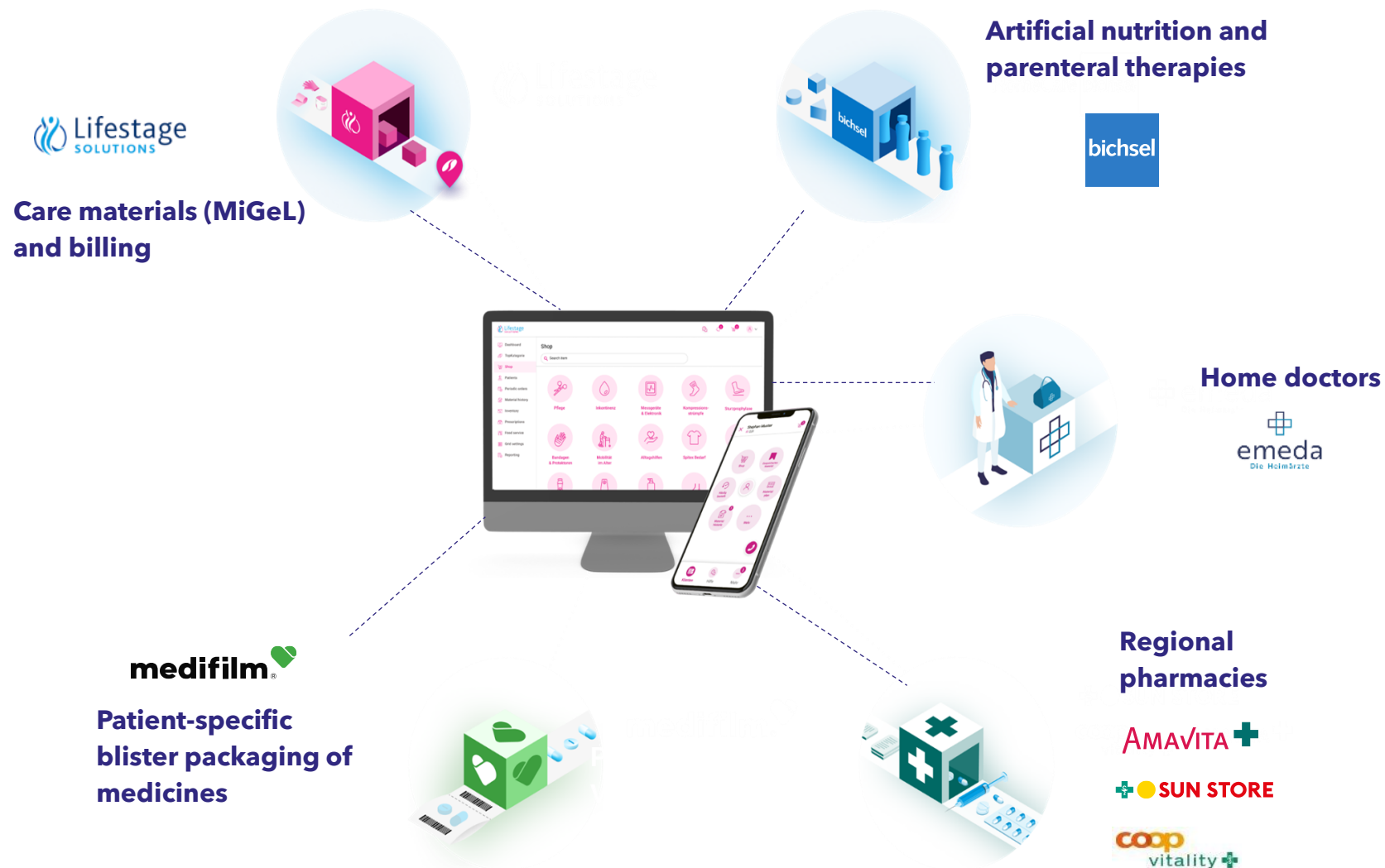


# Services for Professionals

## One digital platform for home care services

### Overview of services

Galenica's comprehensive range of services relieves the burden on specialists and optimises work processes



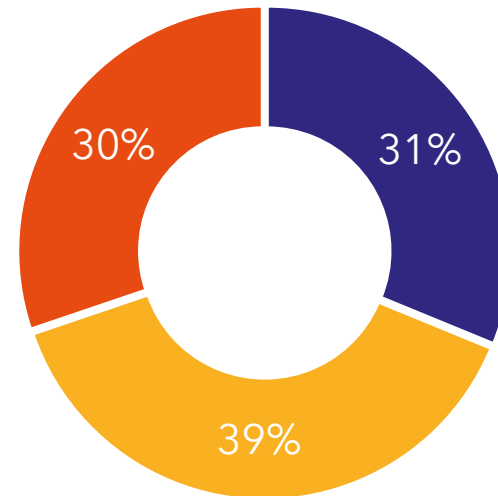
# Wholesale

## Leader in wholesale distribution

### Key takeaways

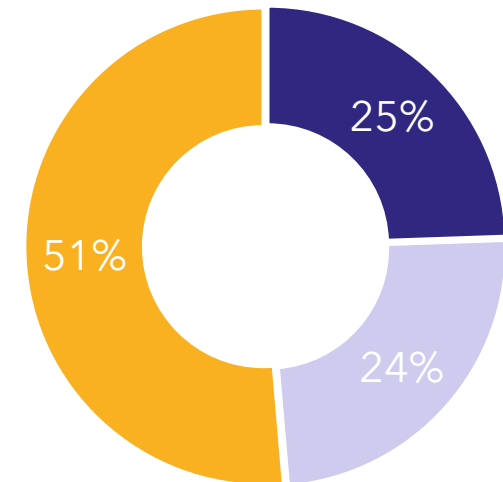
- Wide product range with around 100,000 products in pharma, non-pharma, practice & laboratory equipment and medical devices, whereof around 50% in stock
- Integrated services, high quality standards
- Ensuring the basic drug supply in Switzerland
- Main site at Niederbipp operates at up to 60% automation
- 100,000 products (c.10,000 Rx<sup>2</sup>)
- GDP<sup>3</sup>-compliant services
- >1,000 suppliers

**Wholesale market share<sup>1</sup>**  
% physician channel



■ Galenica ■ Other Wholesalers ■ Direct

**Wholesale market share<sup>1</sup>**  
% pharmacy channel



■ Galenica (to own pharmacies)  
■ Galenica (to third pharmacies)  
■ Others

<sup>1</sup> Galenica: based on market share. Source: IQVIA Pharmacy and Physician Market December 2023; Galenica internal sales split based on company information

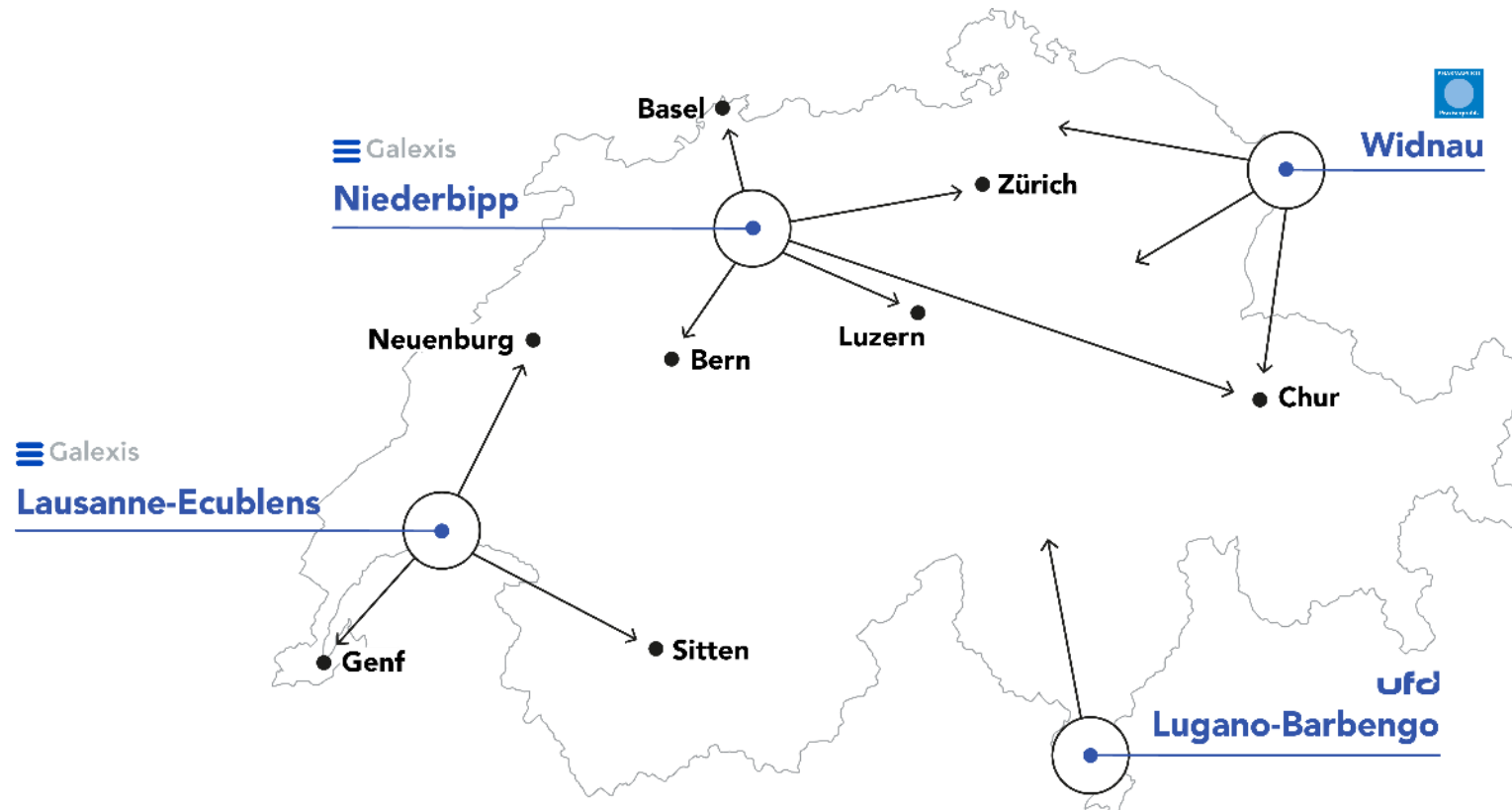
<sup>2</sup> Prescription products

<sup>3</sup> Good Distribution Practice

# Wholesale

## Leader in wholesale distribution

### Wholesale distribution with four distribution centers



### Customers by channel

Pharmacies  
~ **1,300**

Drugstore  
~ **300**

Medical practices  
> **5,600**

Hospitals/Nursing homes  
> **570**

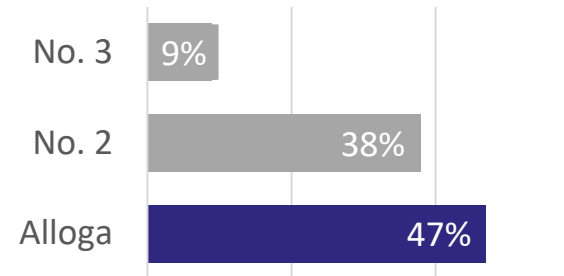
# Logistics & IT Services

## Leader in pre-wholesale distribution

### Key takeaways

- Third-party logistics provider for the pharmaceutical industry (pre-wholesaling) including additional services (labeling, repacking, clinical trial service, PharmaServices, Contact Center as a Service)
- Service quality as key differentiator
  - GDP (Good Distribution Practice)
  - GMP (Good Manufacturing Practice)
- Temperature zones: 15-25°C, 2-8°C, -20°C, -80°C

### Pre-wholesale market share<sup>1)</sup>



Warehouse capacity  
**35,200 m<sup>2</sup>**

Pharma partners  
**>100**

Shipping parcels and pallets per year  
**~ 600'000**

Stock items (SKU)  
**> 12,000**

<sup>1</sup> Company estimate  
January 2025

# Logistics & IT Services

Strong IT competencies to drive digital transformation

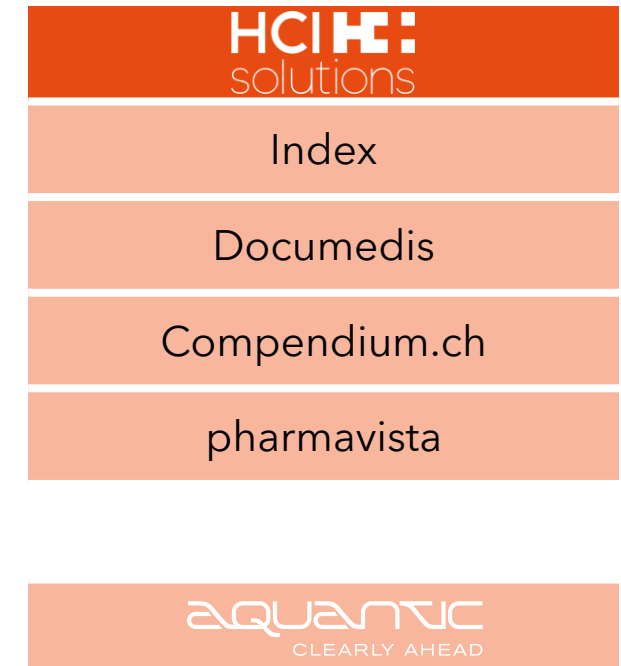
## Key takeaways

- IT platforms related to electronic medication process (Documedis)
- Systemically relevant digital information and databases (Compendium and pharmaVista)
- Digital product master data and scientific databases (Index)
- Agile Software Development and Projects for Galenica pharmacies und Logistic platforms.
- Internal IT Services and Operations for Galenica subsidiaries

## Internal IT Services



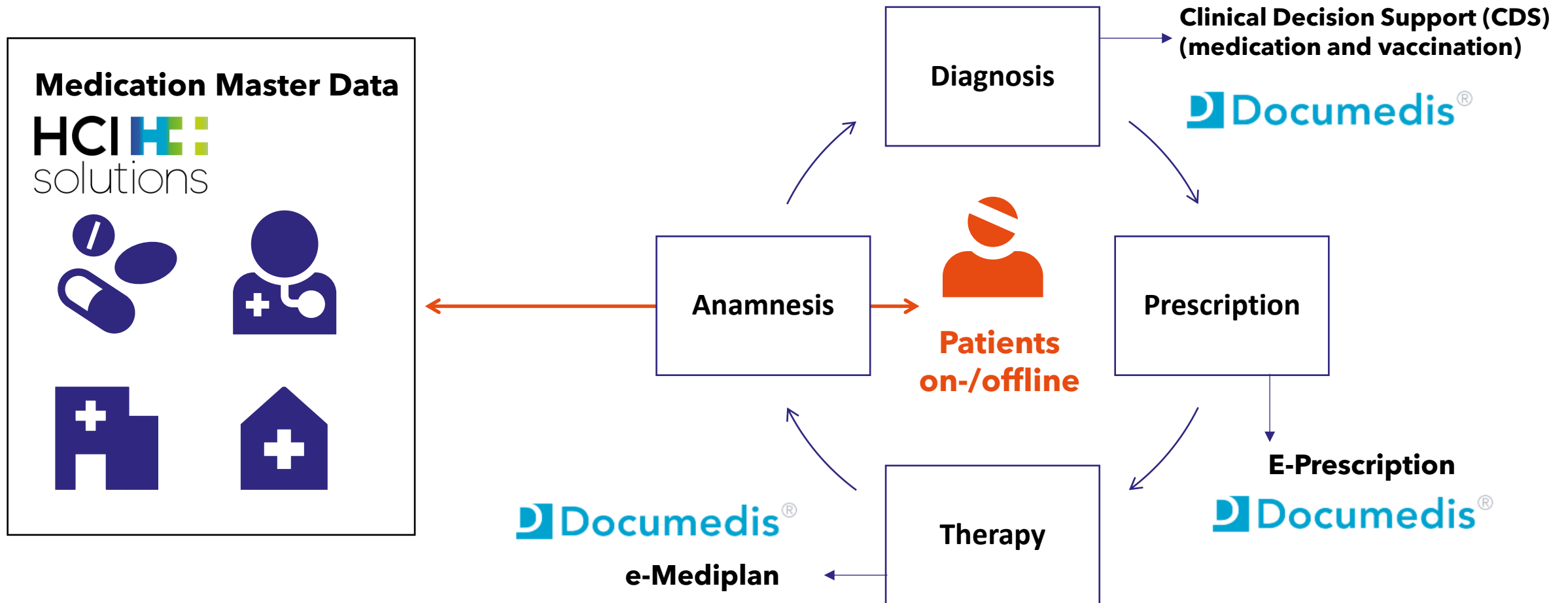
## Market offering





# Logistics & IT Services

Our approach towards more patient safety, convenience and efficiency



# Strategic partnerships

## Galenica as preferred partner in Swiss Healthcare

### Galenica strategic partnerships

#### Pharmacies



- JV with Coop (leading Swiss Mass Retailer)
- JV with Redcare Pharmacy (leading European online pharmacies)
- 175 independent partner pharmacies at Winconcept

#### Product distribution



- Verfora is preferred distribution partner for products in Swiss pharmacy channel



#### Logistics



- JV with Planzer (leading Swiss logistics provider) for sustainable transport solutions

#### Health Insurances

- Basic insurance models



- Supplementary insurance models



#### Digital Platforms



- Presence on the Swiss health platforms Well and Benecura (together with other major players in Swiss health Care)

#### eHealth Solutions



- IT and data services of HCI such as clinical decision support (CDS) are integrated in all relevant Health Care Systems in Switzerland

# Market environment

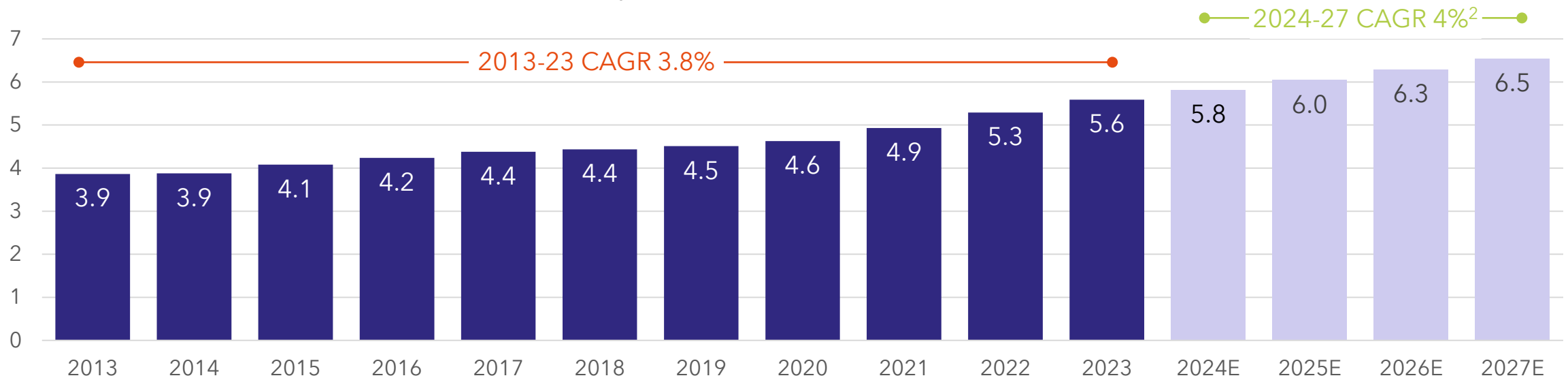


# Swiss healthcare market

Proven track record of resilient and stable growth

## Development of Swiss healthcare retail sector<sup>1</sup>

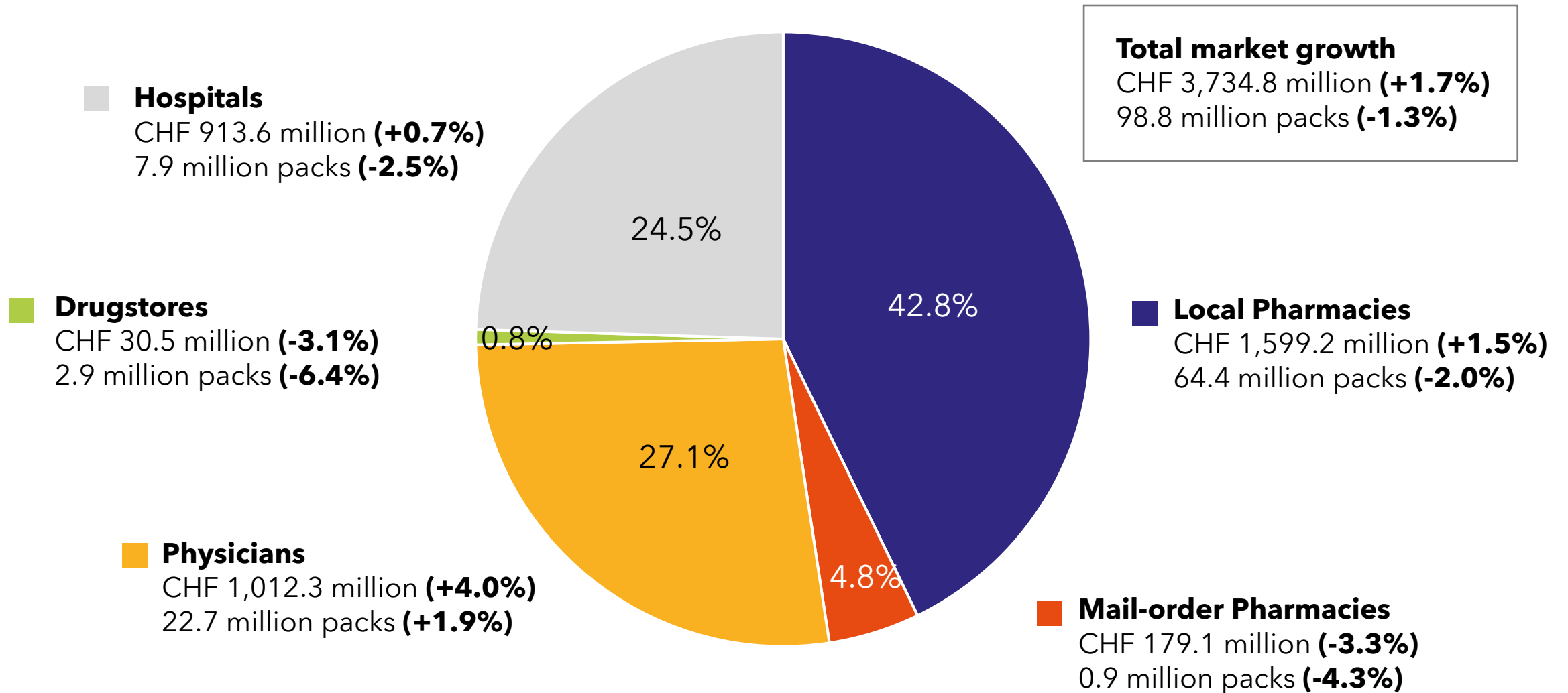
in billion CHF (based on ex-manufacturer price)



- Underlying healthcare sector growth drivers, including demographics, lifestyle and innovation
- One of the highest life expectancy rates in the world
- Non-discretionary nature of products and services

<sup>1</sup> IQVIA, Pharmaceutical Market Switzerland, YTD December 2023, total market without hospitals  
<sup>2</sup> Company estimate

# Swiss pharmaceutical market H1 2024

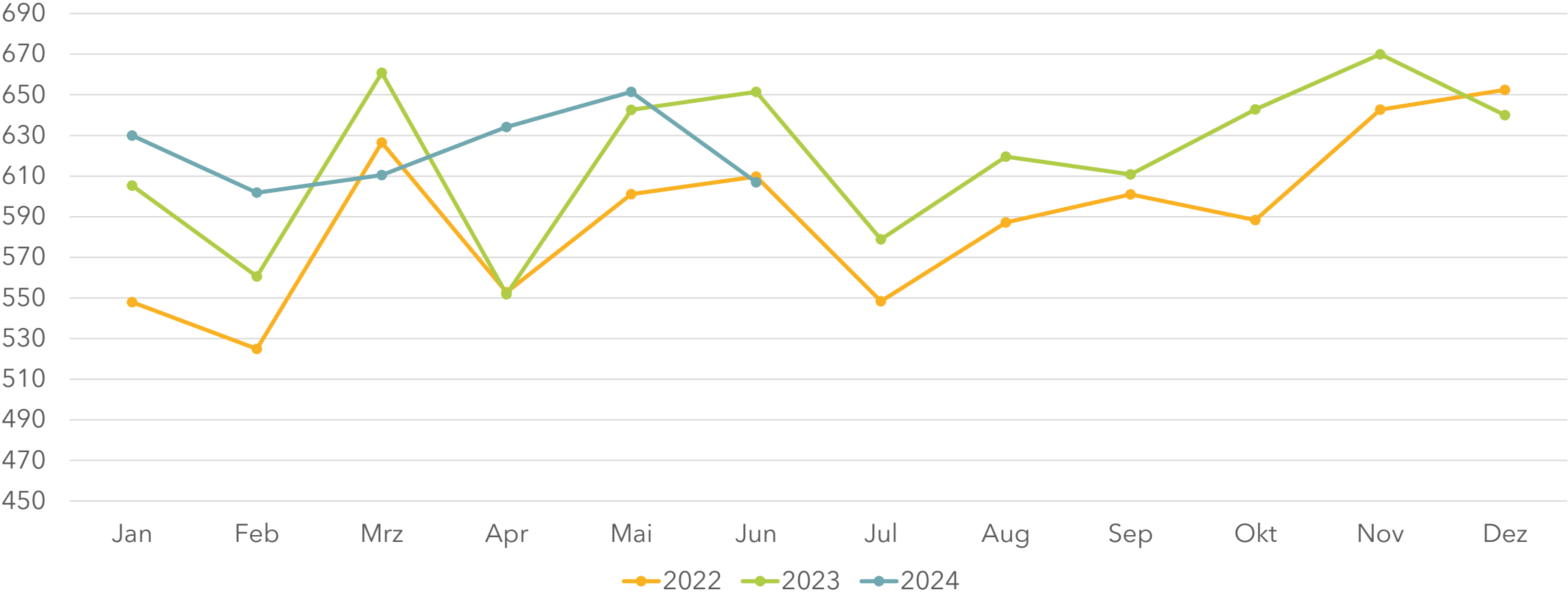


Source: IQVIA APO/SD/DRO/SPI Index, Swissmedic A, B, D Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores  
 © IQVIA - Swiss pharmaceutical market June 2024

# Swiss pharmaceutical market

## Exceptionally low market sales in June 2024

in million CHF



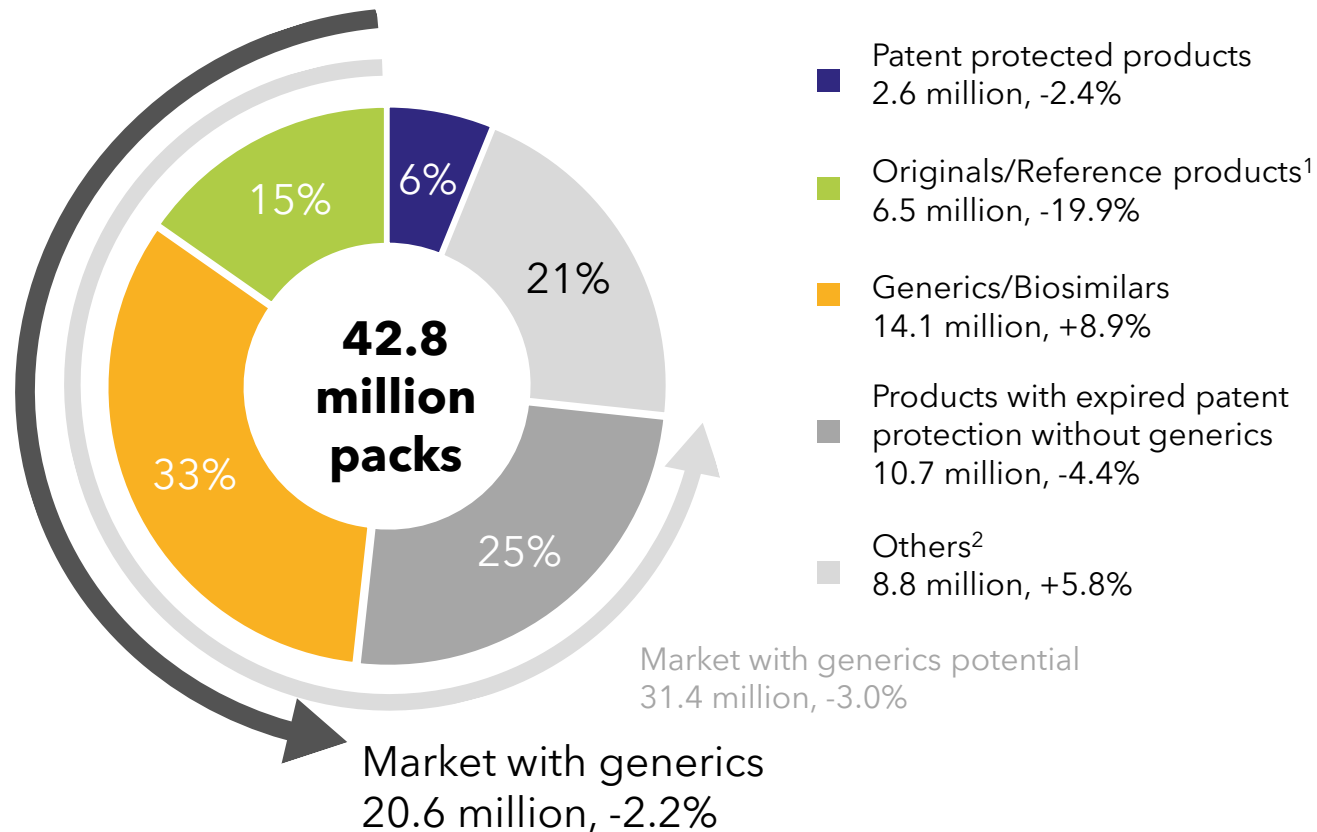
Source: APO/SD/DRO/SPI Index, Swissmedic A, B, D  
Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores  
© IQVIA Switzerland - Swiss pharmaceutical market June 2024

# Swiss pharmaceutical market

## Galenica as key driver of generic substitution in Switzerland

### Drugs reimbursable by health insurance in Swiss pharmacy channel H1 2024

(by packs, total 42.8 million)



Substitution rate Pharmacies Galenica Group<sup>3</sup>

**80.8%**

Galenica Group: increase of generic substitution rate in 2024<sup>4</sup>

**+5.6pp**

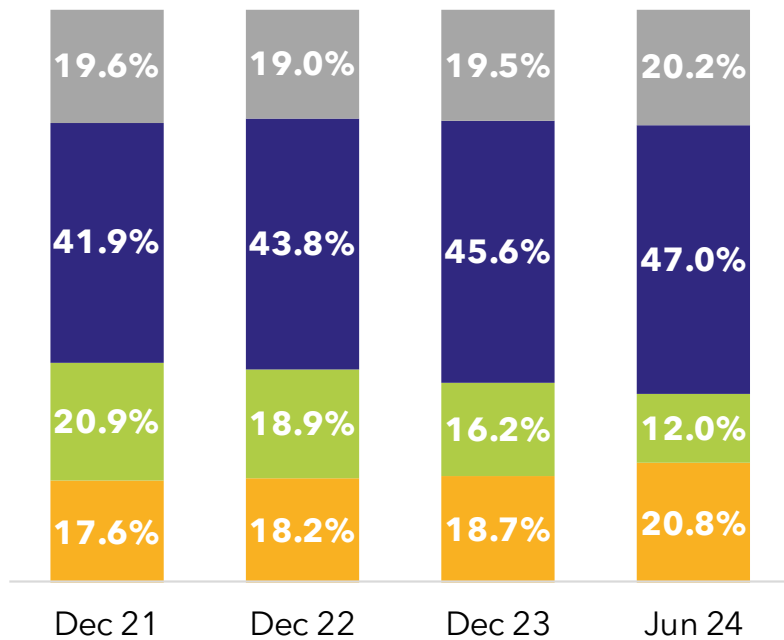
Source: IQVIA Switzerland - Swiss pharmaceutical market H1 2024, Market Segmentation, reimbursable products (FOPH) in the pharmacy channel. Monthly calculation basis, delineated market division, data as of June 2024

- 1) Products with expired patent protection and at least one generic or biosimilar
- 2) 1. Natural substance (e.g. vitamins, minerals, herbal ingredients);  
2. Vaccines;
- 3) Source: Galenica Group

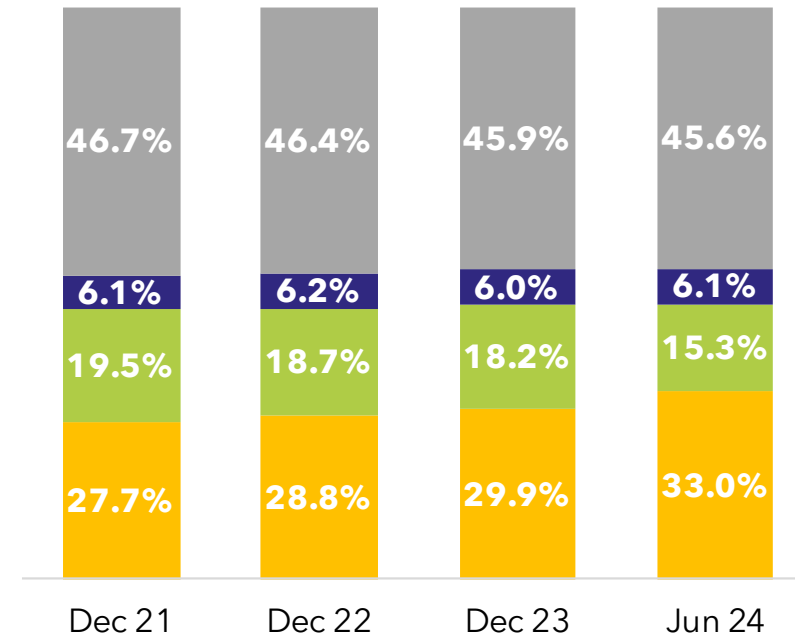
# Swiss pharmacy channel market

## Strong momentum for generic substitution in H1 2024

### Swiss Pharmacy Channel (Split by value)



### Swiss Pharmacy Channel (Split by volume)



- Products with expired patent protection without generics / out of market / others<sup>2</sup>
- Patent protected products
- Originals/reference products<sup>1</sup>
- Generics / Biosimilars

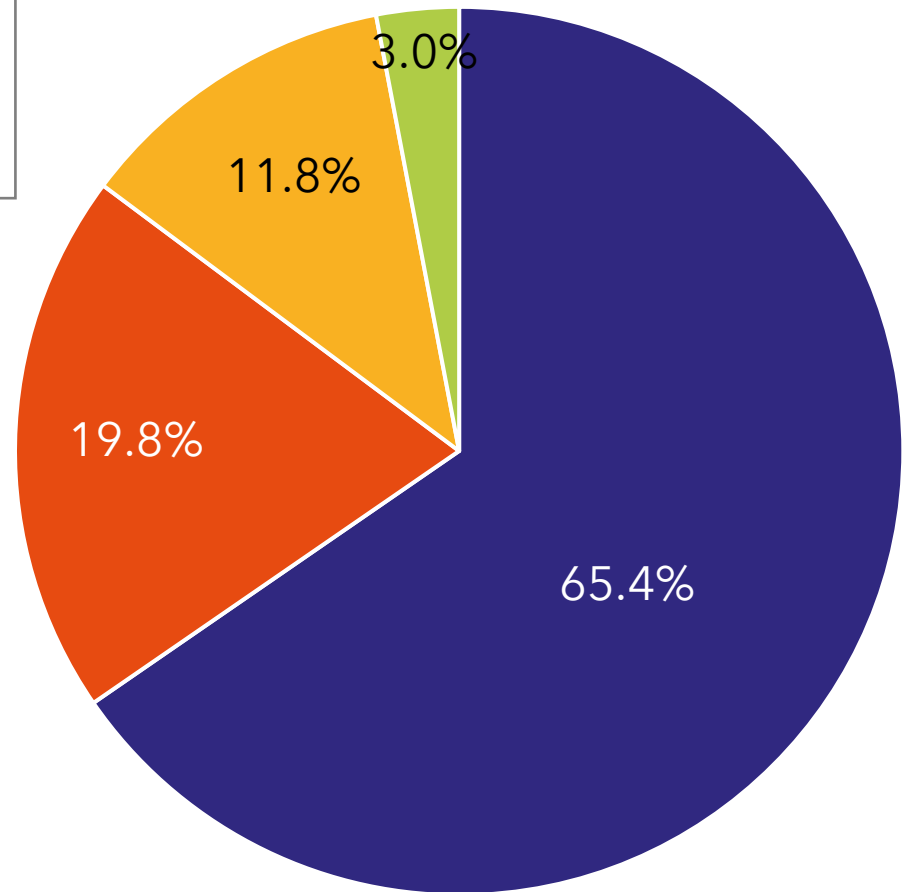
Source: IQVIA Switzerland - Swiss pharmaceutical market 2021-2023 / H1 2024, Market Segmentation, reimbursable products (FOPH) in the pharmacy channel. Monthly calculation basis, delineated market division, data as of Dec 2022/2023, June 2024

1) Products with expired patent protection and at least one generic/biosimilar  
 2) 1. Natural substance (e.g. vitamins, minerals, herbal ingredients); 2. Vaccines



# Consumer healthcare market H1 2024

**Total market**  
CHF 1,370 million  
**-0.2%**



- OTC  
+1.0%
  - Personal care  
-4.0%
  - Patient care  
+0.8%
  - Nutrition  
-1.6%
- Non-medication segment  
**-2.2%**

Source: IQVIA PharmaTrend for pharmacies and drugstores in Switzerland, streetprices  
© IQVIA - Consumer Health market June 2024 (without Covid-19 self-tests)

# Swiss healthcare market: regulatory environment

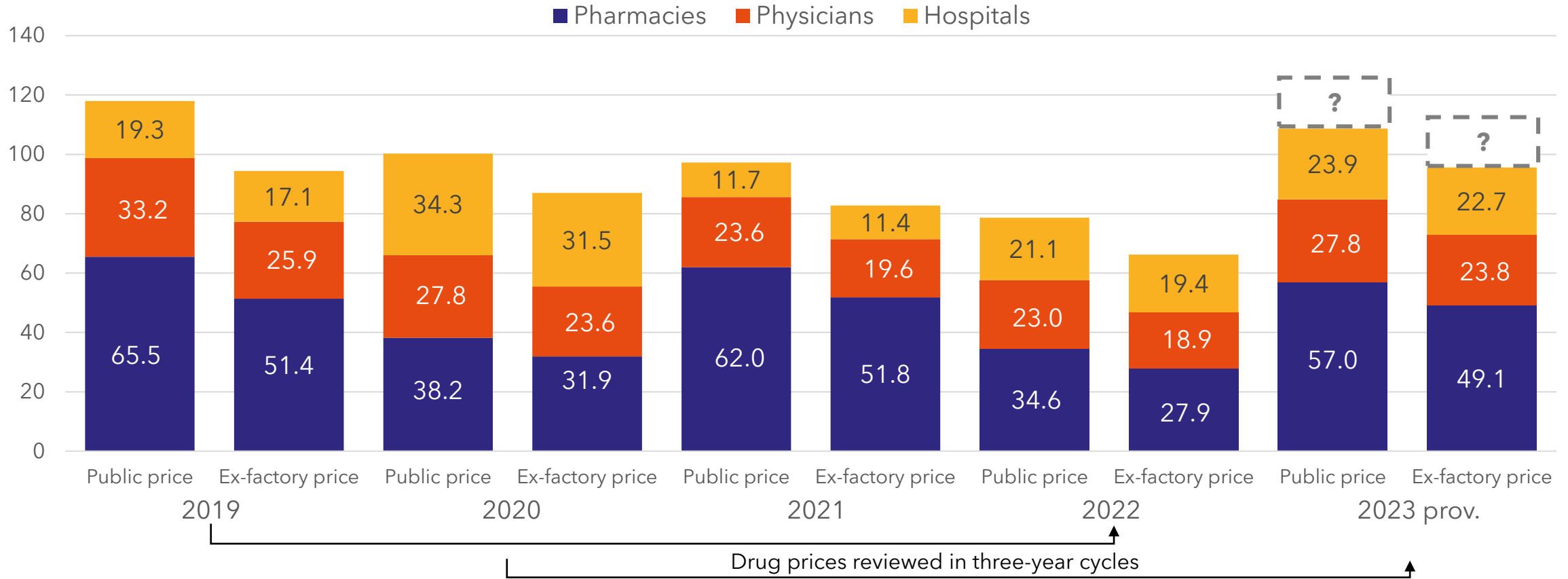
Topic/Initiative	Current status
Reduction in drug prices	– Standard process, FOPH verifies drug prices in a three-year cycle
Distribution margin	<ul style="list-style-type: none"> <li>– New concept of distribution margin decided by Federal Council on 8 Dec 2023</li> <li>– Implementation of a new model by 1 July 2024</li> </ul>
OTC products <sup>1</sup> : online trade	<ul style="list-style-type: none"> <li>– Federal Council will present a proposal, consultation starting most probably in 2025</li> <li>– Implementation of a new law at earliest in 2028</li> </ul>

1) Swissmedic category D

# Swiss healthcare market: regulatory environment

## Constant pressure on drug prices

### Annual savings per channel due to price cuts of SL products at public and ex-factory price in million CHF



Analysis FOPH price reductions October 2023 - Source: IQVIA APO/SD/SPI SL products, based on input FOPH

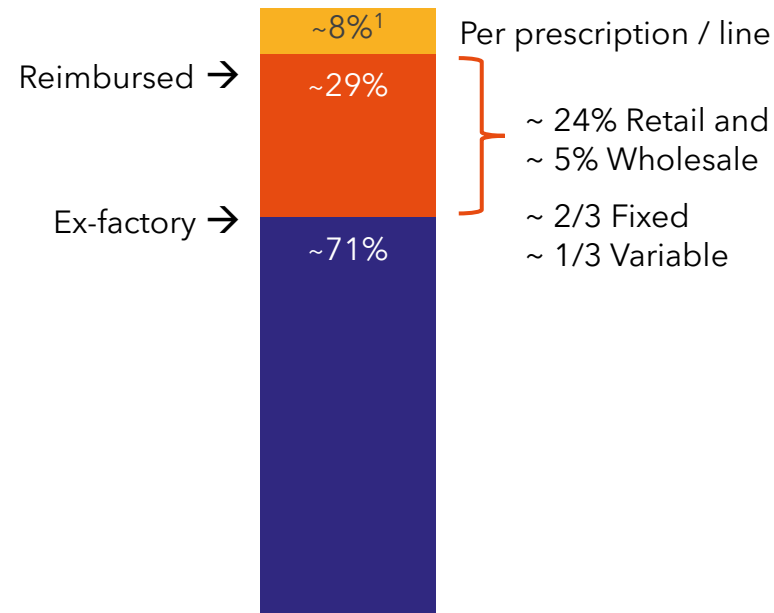
# Swiss healthcare market: regulatory environment

## Composition of drug prices

### Fixed margin elements help to offset price reductions

Composition of the price of a prescription/ reimbursable drug: c.3/4 of the retail margin secured by fixed elements

The composition of drug prices will remain stable with the updated distribution margin effective 1 July 2024 (see next page).



- SBR Retail service fees
- Galenica total margin
- Supplier margin

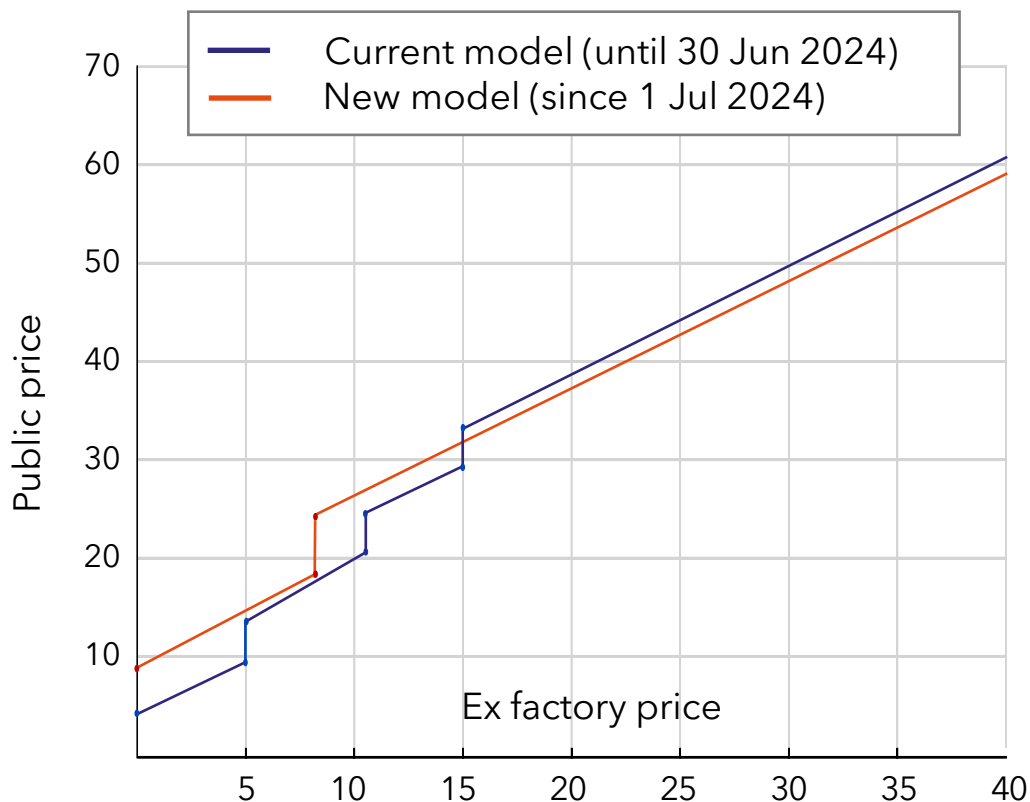
Source: Swissmedic and company information  
 Note: FOPH stands for Federal Office of Public Health; sets prices based on basket of nine countries and quality aspects

<sup>1</sup> Based on Company internal figures.

SBR: Service based remuneration

# Swiss healthcare market: regulatory environment

## New concept of distribution margin (valid since 1 July 2024)



FOPH defines price and margin - Margin covers wholesale and retail

Current model			New model		
Ex factory price (in CHF)	+ price-related surcharge	+ surcharge per pack	Ex factory price (in CHF)	+ price-related surcharge	+ surcharge per pack
0.05-4.99	12.0%	4.00	0.05-7.99	6.0%	9.00
5.00-10.99	12.0%	8.00	8.00-4'601	6.0%	16.00
11.00-14.99	12.0%	12.00			
15.00-879.99	12.0%	16.00			
880.00-2'569.99	7.0%	60.00	From 4'601	-	300.00
From 2'570.00	-	240.00			

In addition, the updated distribution margin includes a uniform margin for medications with the same active ingredient composition (lowest margin).

**Thanks to its high generic substitution rate of ~80%, Galenica estimates the impact of the new distribution margin to be neutral.**

# Business performance

Our success story

# Performance overview Galenica Group

## History of resilient growth and margin improvement

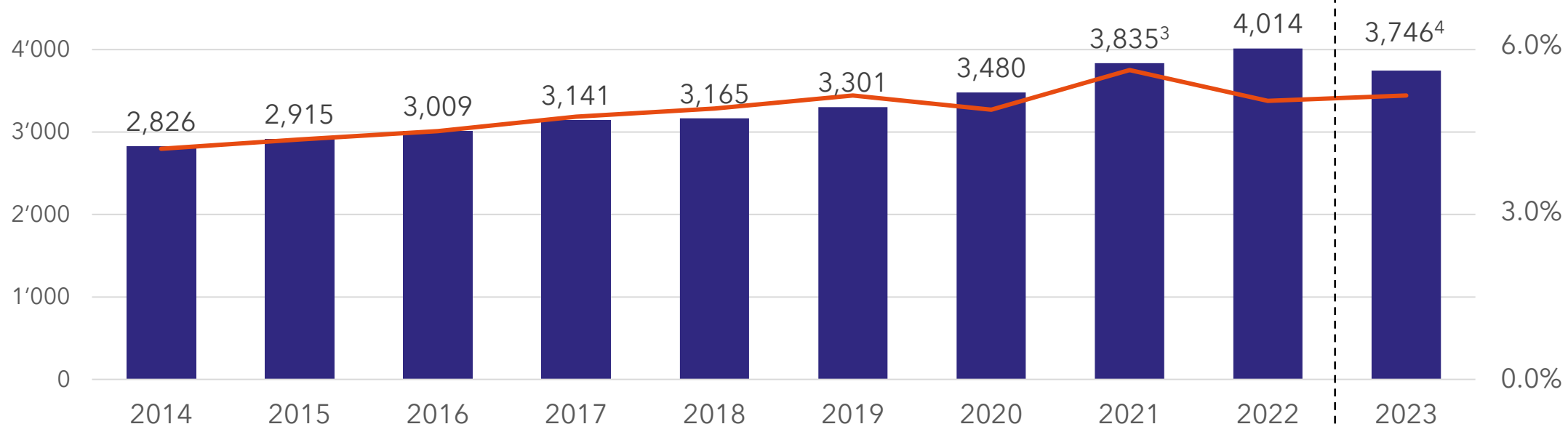
2014 - 2022 including Mediservice  
(incl. discontinued operations)

CAGRs  
Retail market sales<sup>1</sup> 4.2%  
Galenica net sales 3.2%  
Galenica EBIT<sup>2</sup> 8.2%

since 2023 w/o Mediservice  
(continuing operations)

CAGRs  
Retail market sales<sup>1</sup> 5.7%  
Galenica net sales 4.4%  
Galenica EBIT<sup>4</sup> 0.4%

■ Net sales (CHFm) ■ EBIT margin %



Source: Company information, Galenica Annual Reports, IQVIA (former IMS Health)

1 IQVIA, Pharmaceutical Market Switzerland, YTD December 2022, total market without hospitals

2 2014-16 reported EBIT, 2017-2022 adjusted EBIT (excluding IAS 19 impact and effects of IFRS 16 leasing (since 2019))

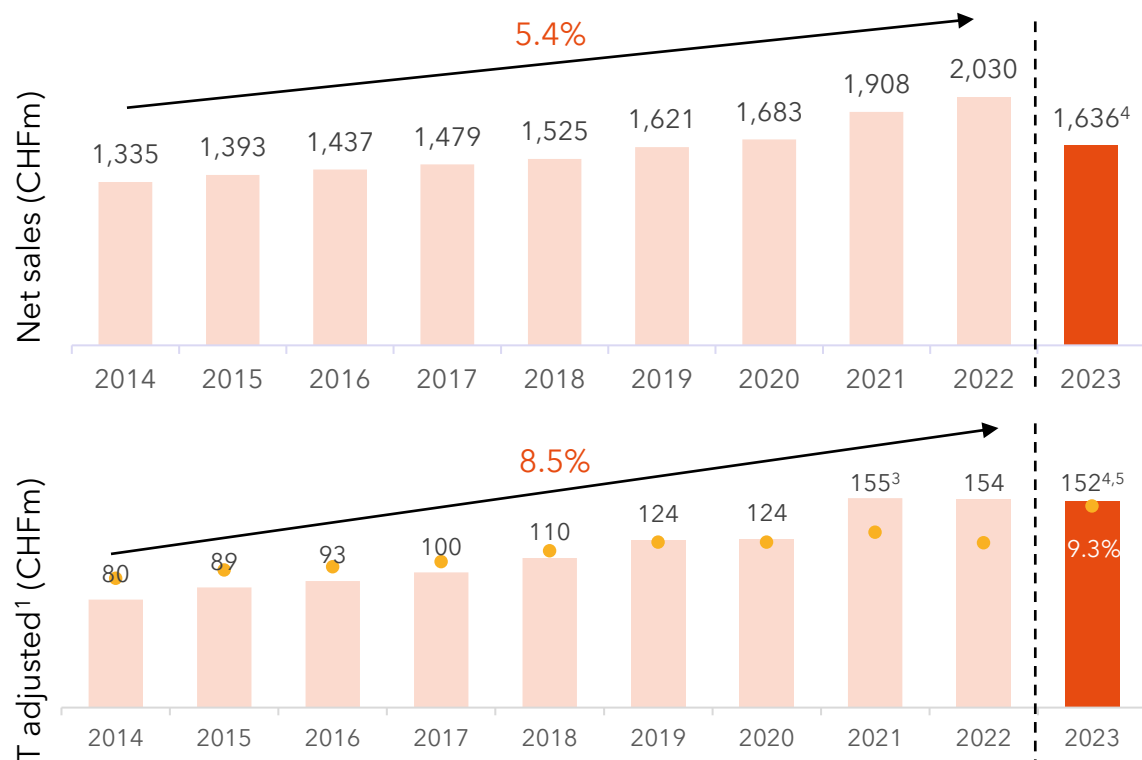
3 EBIT margin influenced by positive impact from COVID-19 initiatives of CHF 25 million and profit from property sale of CHF 9.4 million

4 EBIT margin influenced by one-off expenses (net) of CHF 9.8 million

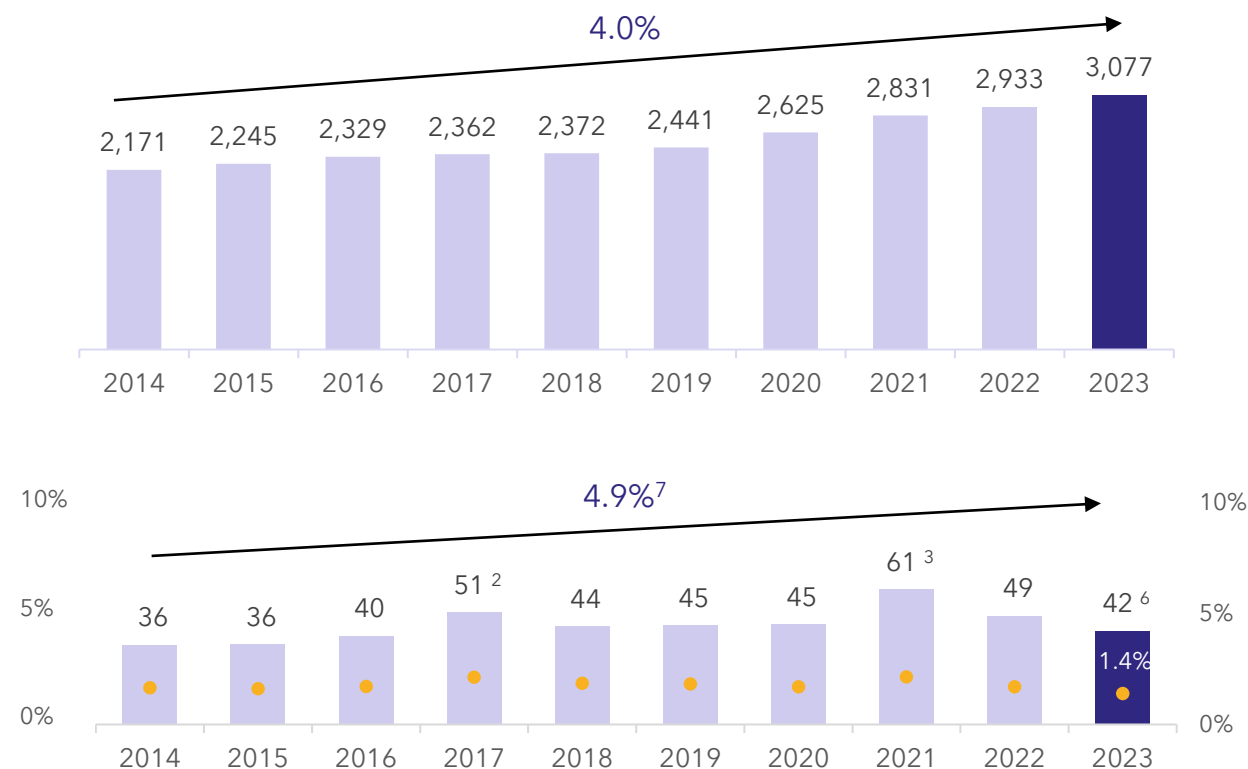
# Performance overview Galenica Group

## Strong performance development in both segments

### Products & Care



### Logistics & IT



Source: Company information, Galenica Annual Reports

<sup>1</sup> 2014-16 reported EBIT, 2017-2022 adjusted EBIT (excluding IAS 19 impact and effects of IFRS 16 leasing (since 2019))

<sup>2</sup> 2017 including one-off effects (CHFm 7.0), comparable EBIT CHFm 43.6 and ROS 1.8%

<sup>3</sup> Products & Care: Including positive Impact from COVID-19 of CHF 19 million / Logistics & IT: Including positive Impact from COVID-19 of CHF 6 million and profit from property sale of CHF 9.4 million

<sup>4</sup> Numbers excluding Mediservice (discontinued operations), figures 2014-2022 are as reported (including Mediservice)

<sup>5</sup> Products & Care: EBIT 2023 positively influenced by one-off effect of CHF 3.0 million, comparable EBIT of CHF 149 million and ROS 9.1%

<sup>6</sup> Logistics & IT: EBIT 2023 negatively influenced by one-off effect of CHF 12.8 million, comparable EBIT of CHF 55 million and ROS 1.8%

<sup>7</sup> CAGR Logistics % IT adjusted for negative one-off effects in 2023 of CHF 12.8 million

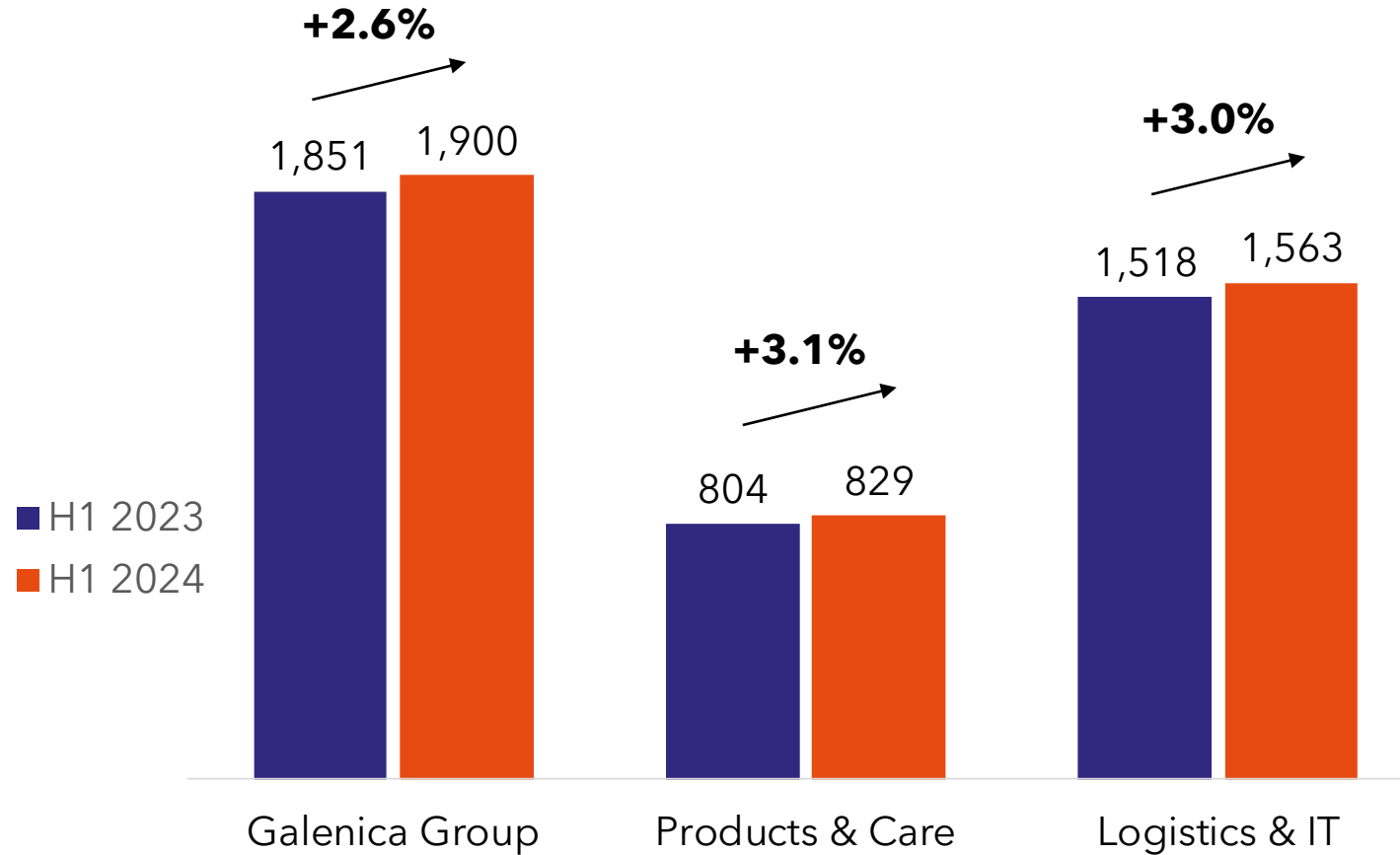
● EBIT margin %  
 ↗ CAGRs



# Galenica Group

## Solid sales growth in challenging market

**Net sales** (in million CHF)



# Galenica Group

## Solid sales growth in both segments

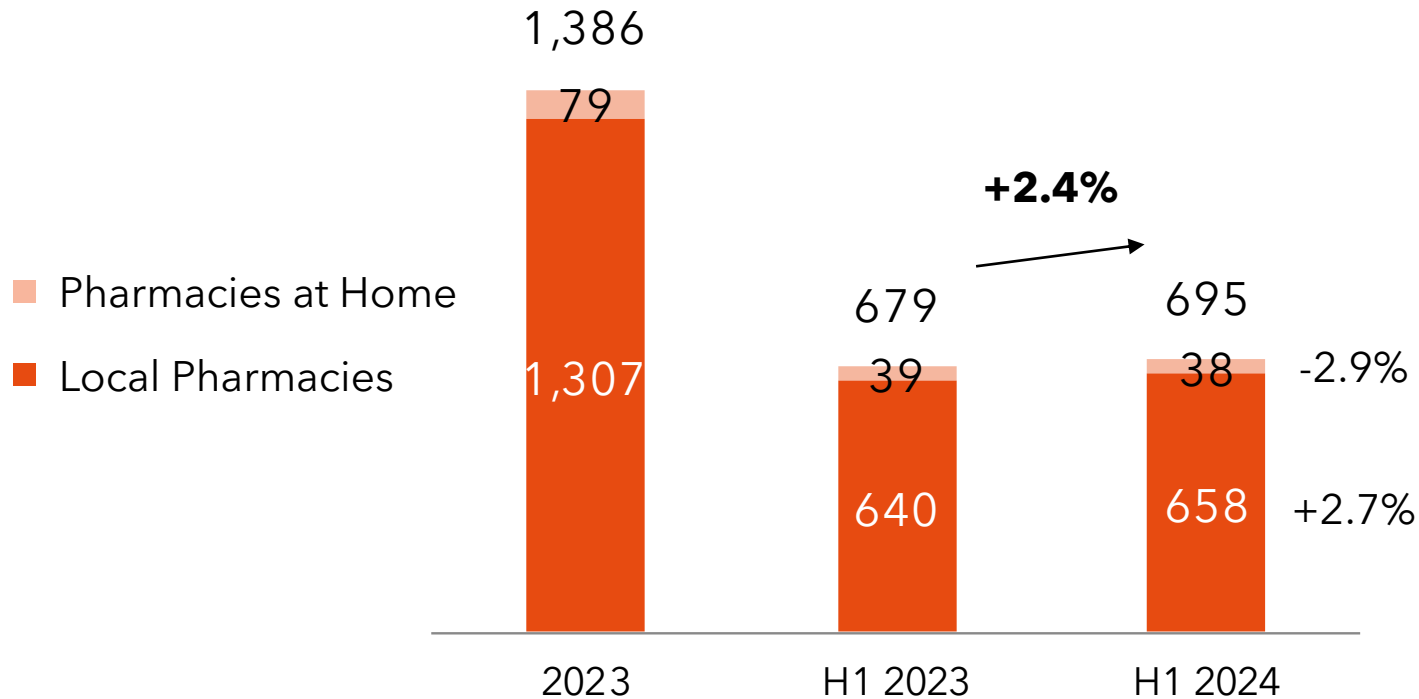


<b>Net sales</b> (in million CHF)	<b>H1 2023</b>	<b>H1 2024</b>	<b>change</b>
Local Pharmacies	640	658	+2.7%
Pharmacies at Home	39	38	-2.9%
<b>Retail (B2C)</b>	<b>679</b>	<b>695</b>	<b>+2.4%</b>
Products & Brands	90	97	+7.8%
Services for Professionals	39	41	+7.3%
<b>Professionals (B2B)</b>	<b>129</b>	<b>138</b>	<b>+7.6%</b>
<b>Products &amp; Care</b>	<b>804</b>	<b>829</b>	<b>+3.1%</b>
Wholesale	1'457	1'496	+2.7%
Logistics & IT Services	70	78	+10.3%
<b>Logistics &amp; IT</b>	<b>1'518</b>	<b>1'563</b>	<b>+3.0%</b>

# Retail B2C

## Sales growth above market development

### Net sales (in million CHF)



Portfolio of local pharmacies expanded by 8 locations: expansion impact<sup>1</sup> of **+1.2%**

AMAVITA+

+ SUN STORE

Strong growth of **generics, substitution rate** further increased from 75.2% end of 2023 to **80.8%**

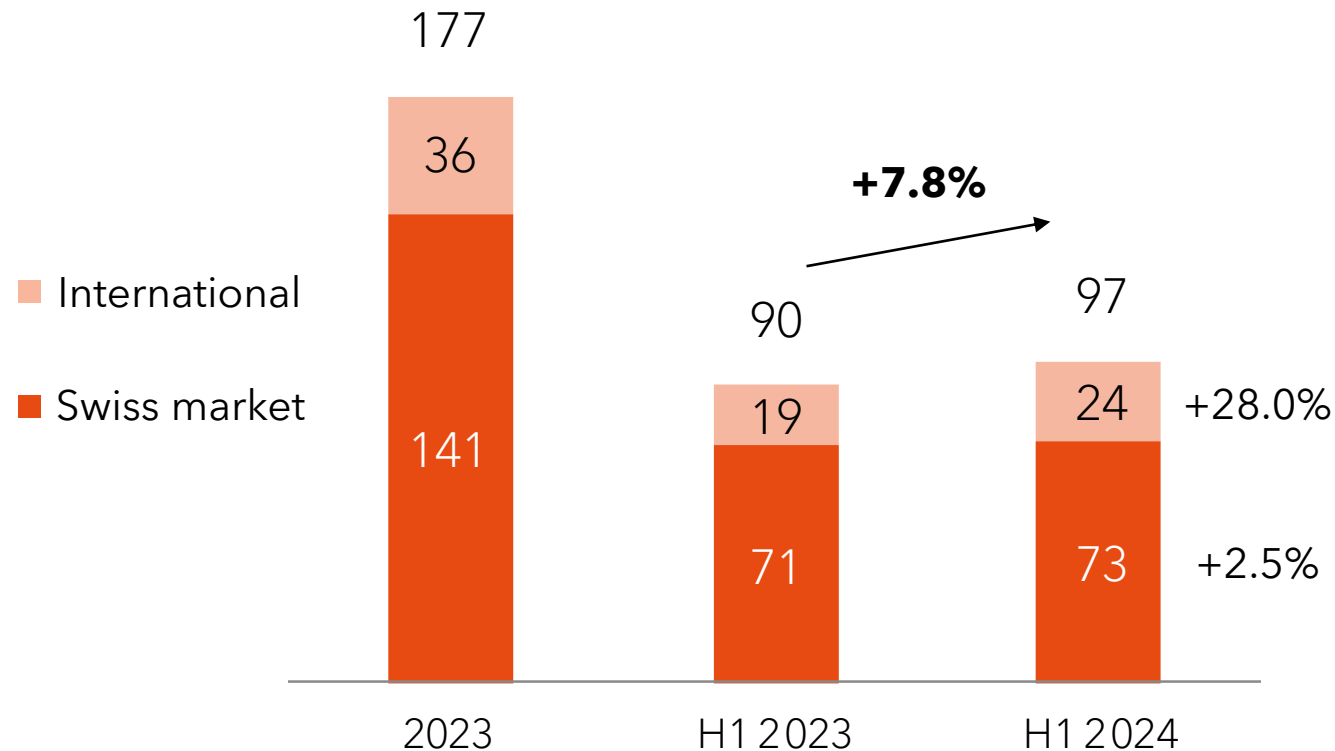
Impact of price cuts<sup>2</sup> **-1.6%**

- 1) The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)
- 2) Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

# Products & Brands

## Further market share gains

### Net sales (in million CHF)



#### International:

- Organic growth of **+25.7%<sup>1</sup>**

#### Swiss market:

- Organic growth of **+1.5%<sup>1</sup>**
- Growth of market sales CH<sup>2</sup> **+4.5%**
- Market share<sup>2</sup> of Product & Brands **10.6%**

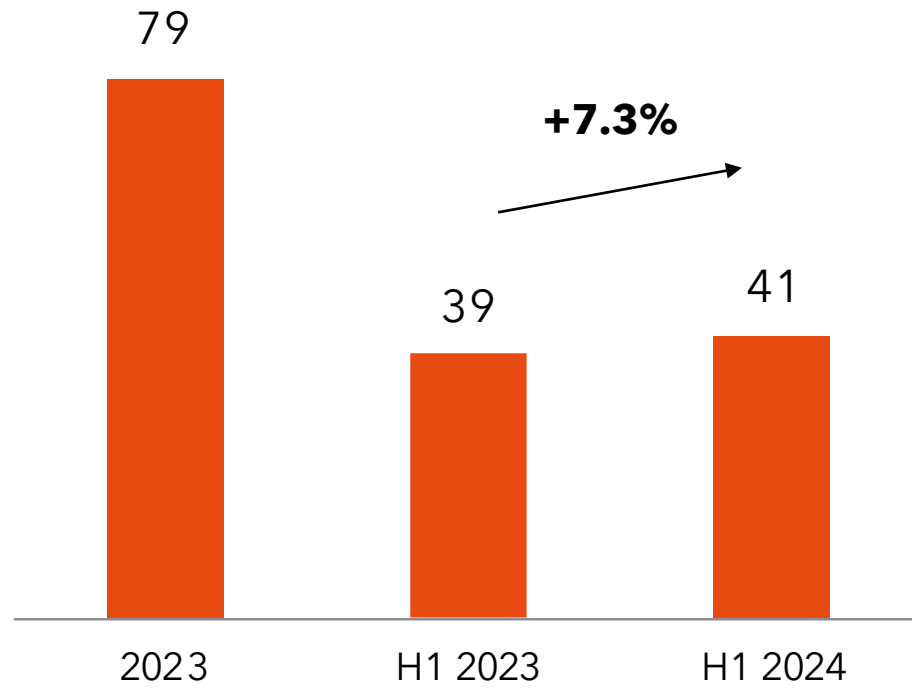
1) Expansion impact related to acquisition of Padma AG in Jan 2023, the effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

2) © IQVIA Switzerland - Consumer Health market June 2024 (without Covid-19 self-tests)

# Services for professionals

## Strong sales growth in elderly care segment

**Net sales** (in million CHF)



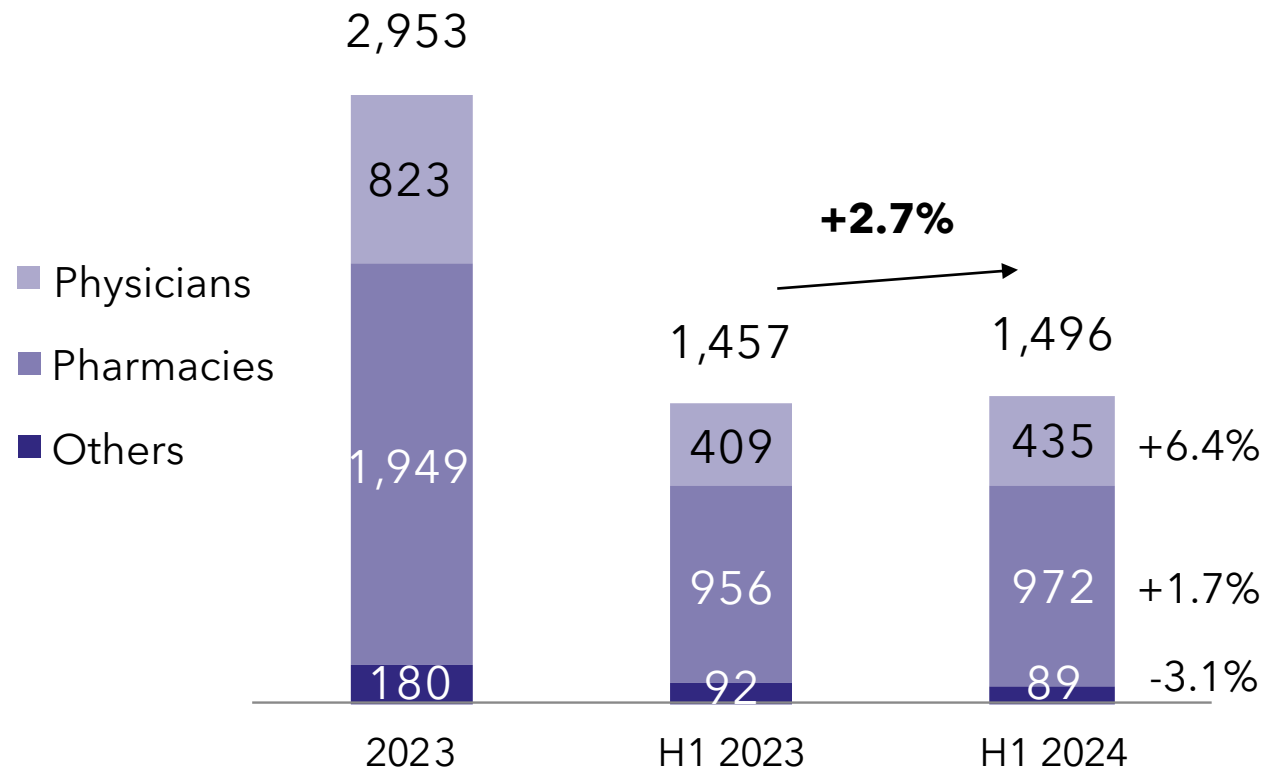
Strong growth with services for homecare organisations and nursing homes



# Wholesale

## Sales growth above market

### Net sales (in million CHF)



**Market share gains** both in physicians and pharmacies segments

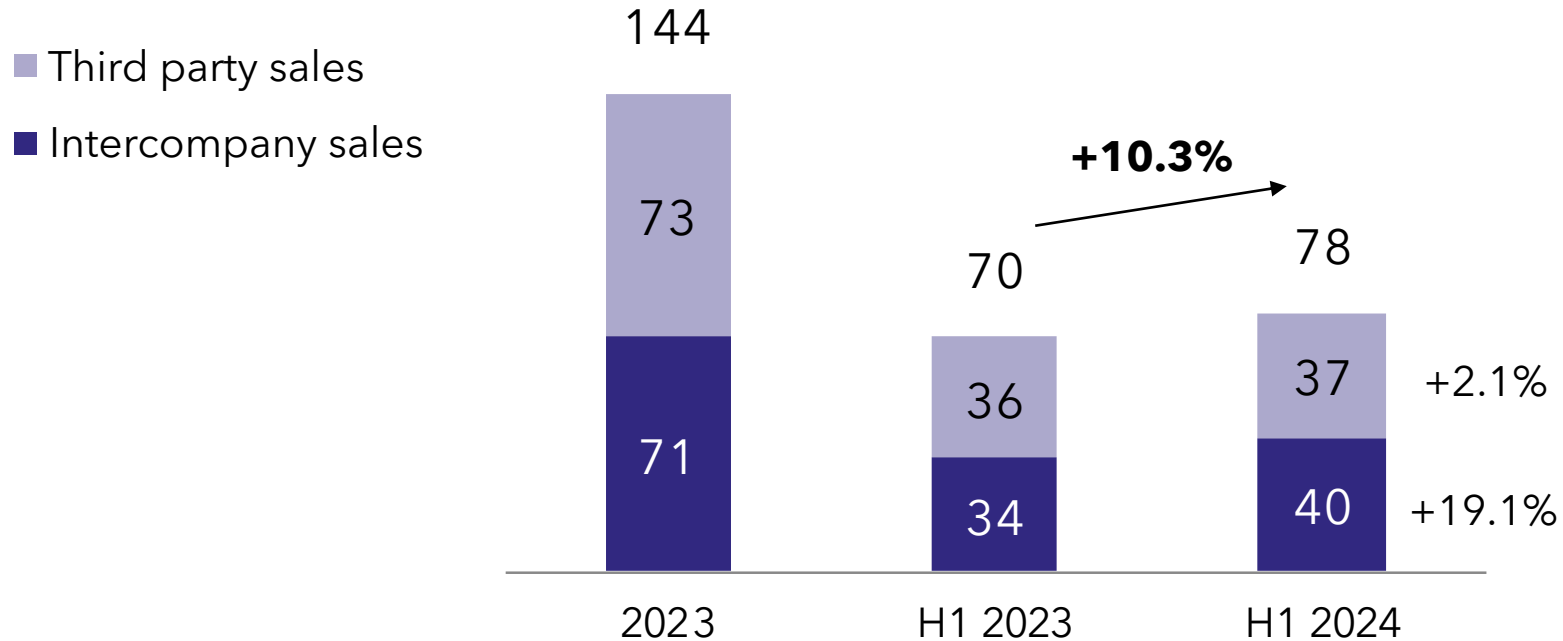
Impact of price cuts<sup>1</sup>  
**-1.9%**

1) Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

# Logistics & IT Services

## Pleasing sales growth

### Net sales (in million CHF)

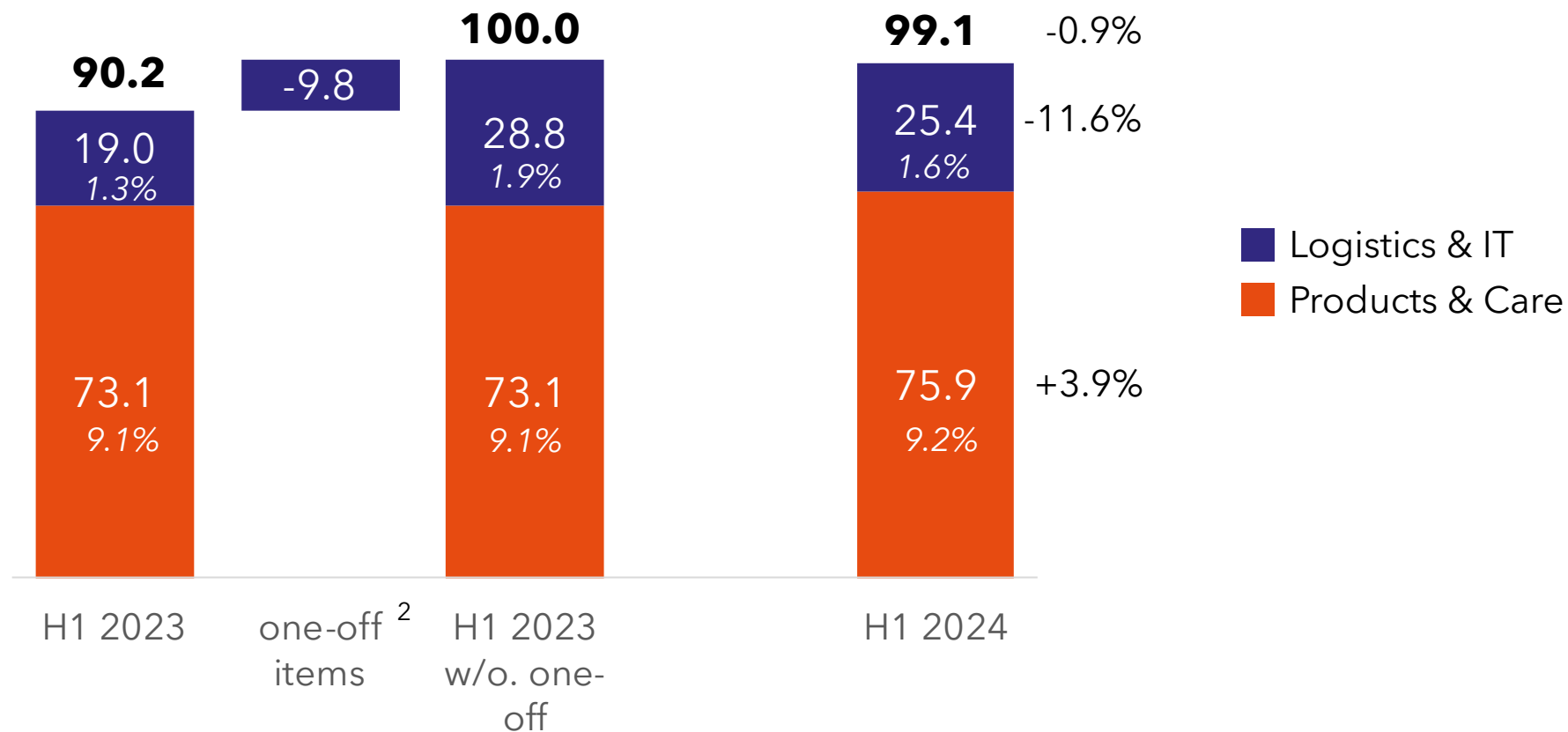


Further growth with IT services and pre-wholesale distribution



# Strategic IT projects burden EBIT development

**EBIT adjusted<sup>1)</sup>** (in million CHF)  
**ROS** (in %)



<sup>1)</sup> Excluding effects of IAS 19 and IFRS 16, see chapter "Alternative performance measures" of the Half year report 2024

<sup>2)</sup> One-off items of CHF 9.8 million include: Logistics & IT: ComCo sanction of CHF 3.8 million and extraordinary bad debt allowances of CHF 6.0 million



# Adjusted consolidated statement of income<sup>1</sup>

in million CHF	H1 2023	H1 2024	in %
<b>Net sales</b>	<b>1'851</b>	<b>1'900</b>	+2.6%
Other income	8	6	-21.5%
Cost of goods	-1'339	-1'369	+2.2%
Personnel costs	-280	-294	+5.1%
Other OPEX	-127	-119	-6.6%
Share of profit from JV	3	2	-37.2%
<b>EBITDA</b>	<b>115</b>	<b>126</b>	+8.9%
D&A	-25	-27	+5.2%
<b>EBIT</b>	<b>90</b>	<b>99</b>	+9.9%
ROS	4.9%	5.2%	
Financial result	-2	-3	+61.8%
Taxes	-15	-19	+26.7%
Tax rate	16.8%	19.5%	
<b>Net profit</b>	<b>74</b>	<b>78</b>	+5.4%

Improved gross margin thanks to strong growth of Products&Brands and higher proportion of low-priced medicaments

Increase of personnel costs mainly related to:

- temporary inefficiencies due to the implementation of the ERP at Galexis
- investments in digital omni-channel infrastructure

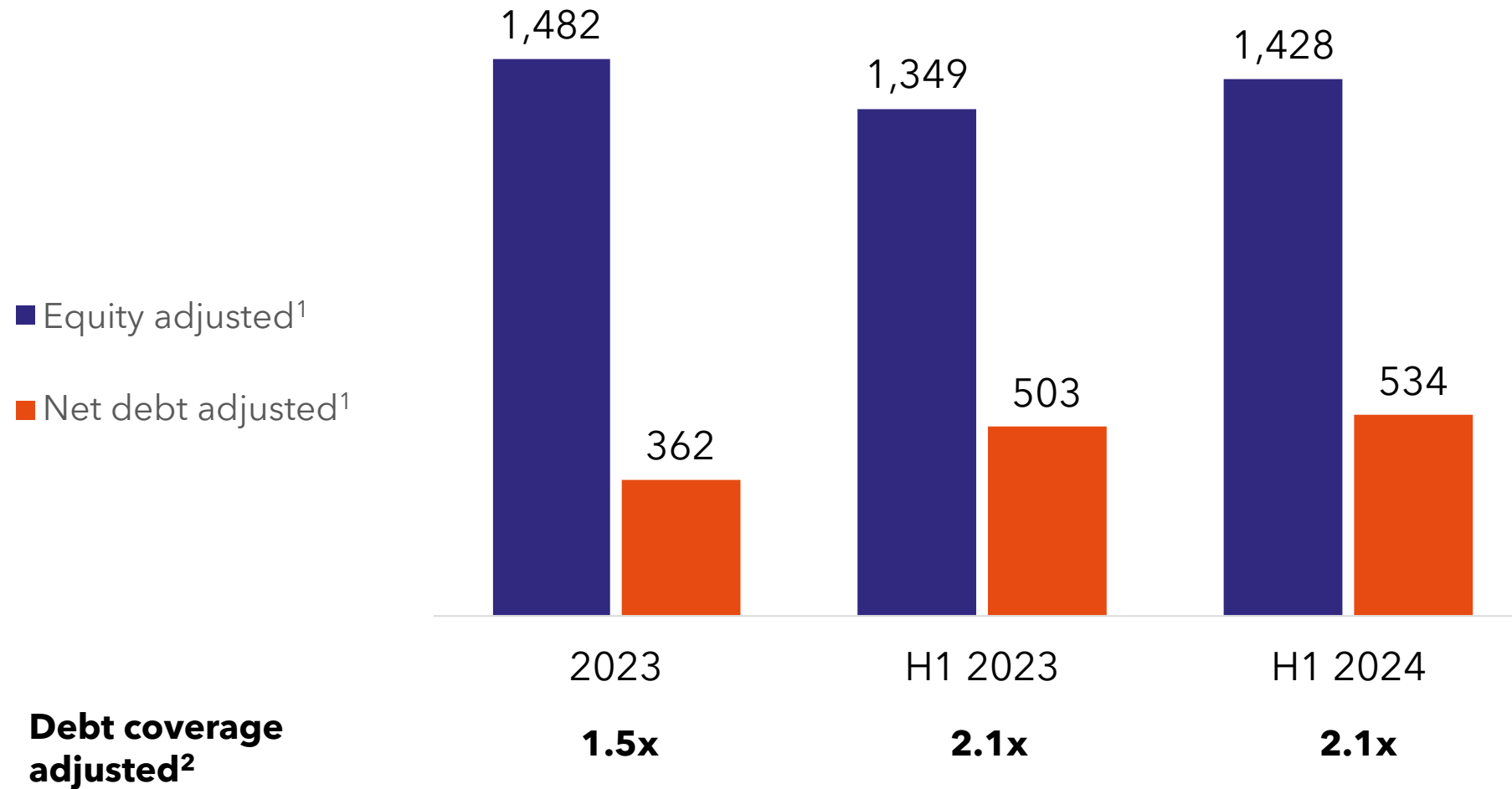
Other operating costs significantly decreased due to one-off items of CHF 9.8 million in PY

Tax rate temporarily high in H1 2024, sustainable tax rate at ~18%

<sup>1</sup> Detail of the adjustments in the Half year report 2024 chapter „alternative performance measures“

# Strong balance sheet

in million CHF



<sup>1</sup> Detail of the adjustments in the Half year report 2024, see chapter "Alternative performance measures"

<sup>2</sup> See chapter "Alternative performance measures" of the Half year report 2024

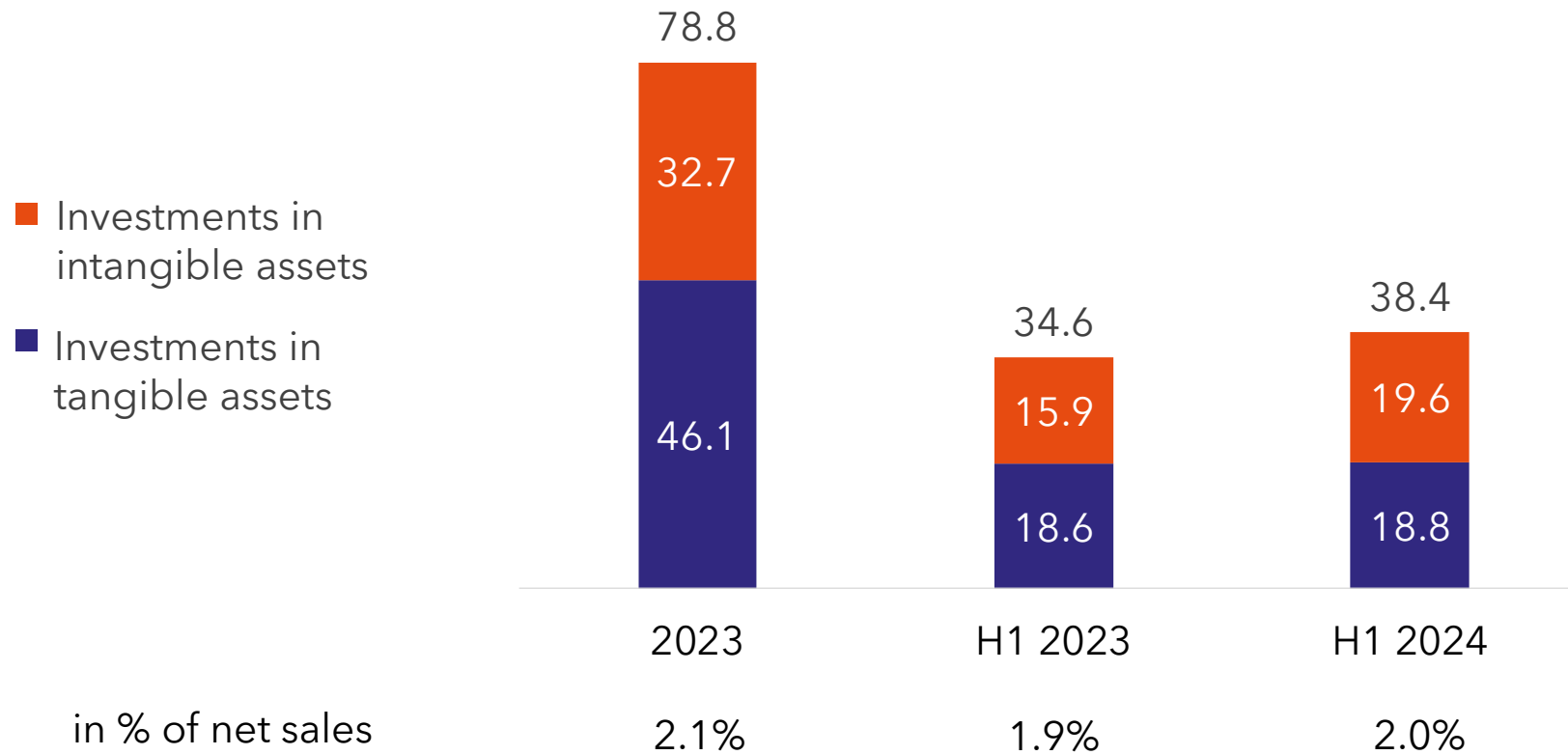
# Condensed balance sheet

in million CHF	Dec 2023	Jun 2024	Change
Cash and cash equivalents	116	70	-47
Trade and other receivables	518	582	+64
Inventories	357	354	-3
Other assets	661	634	-27
Property, plant and equipment	260	261	+1
Intangible assets	1'079	1'106	+28
<b>Total assets</b>	<b>2'991</b>	<b>3'007</b>	<b>+16</b>
Current financial liabilities	70	113	+43
Other current liabilities	702	671	-31
Non-current financial liabilities	469	542	+73
Other non-current liabilities	275	272	-3
Shareholder's equity	1'475	1'409	-66
<b>Total liabilities &amp; shareholder's equity</b>	<b>2'991</b>	<b>3'007</b>	<b>+16</b>

- Increase of trade and other receivables due to seasonality effect
- Stable stock levels compared to December 2023
- Bond of CHF 100 million issued in April 2024 (maturity until 2031)
- Decrease of shareholder's equity related to dividend payment of CHF 110 million

# Investments in our future

in million CHF



# Cash Flow Statement

## Investments and seasonal effects burden cash flow

in million CHF	H1 2023	H1 2024	Change
<b>Cash flow from operating activities before working capital changes adjusted<sup>1</sup></b>	<b>87.5</b>	<b>97.8</b>	<b>+10.3</b>
Working capital changes	-109.4	-80.2	
Cash flow discontinued operations (operating)	0.9	-	
<b>Cash flow from operating activities adjusted<sup>1</sup></b>	<b>-21.0</b>	<b>17.6</b>	<b>+38.6</b>
Investments in tangible and intangible assets	-31.0	-38.3	
Investments in participations	-30.5	-14.2	
Cash flow from financial assets	29.3	7.0	
Cash flow discontinued operations (investing)	-0.2	-	
<b>Free cash flow before M&amp;A</b>	<b>-53.4</b>	<b>-27.9</b>	<b>+25.5</b>
Cash flow from M&A <sup>2</sup>	-28.3	-17.4	
<b>Free cash flow</b>	<b>-81.7</b>	<b>-45.3</b>	<b>+36.4</b>

Increase of net working capital mainly related to seasonal effects

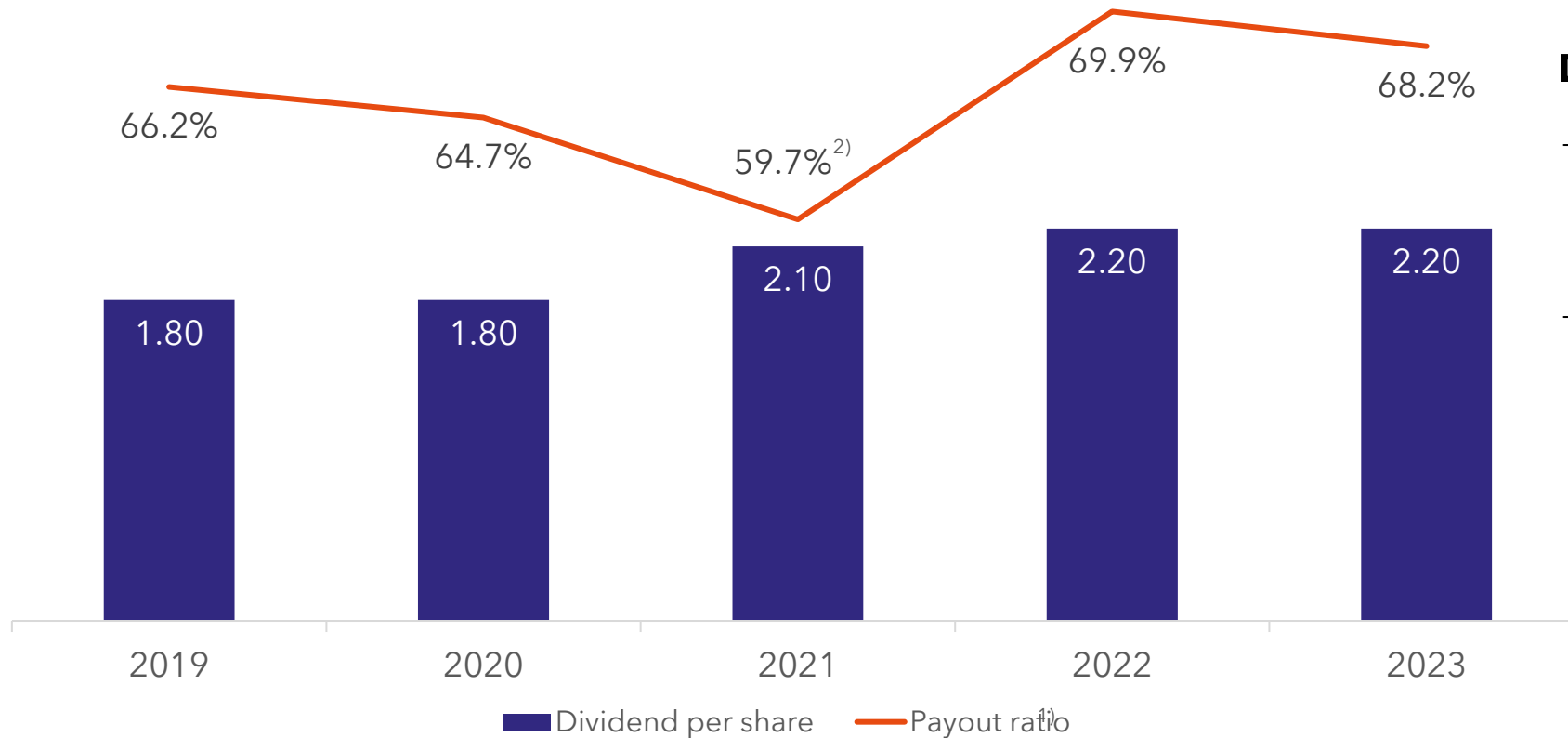
Investments in participations mainly relates to purchase of shares in Redcare pharmacy N.V.

M&A mainly related to acquisition pharmacies

<sup>1</sup> reduced by payment of lease liabilities IFRS16, see chapter "Alternative performance measures" of the Half year report 2024

# Share information

## Historical dividend per share and pay-out ratio<sup>1</sup>



### Dividend guidance:

- 50% of dividend payout from reserves from capital contributions (exempt from WHT)
- Dividend outlook 2024: at least same level as 2023

<sup>1</sup> Dividend per share in relation to adjusted earnings per share at reporting date

<sup>2</sup> Pay-out ratio of 71.2% adjusted for one-off impacts in 2021 from COVID-19 initiatives and sale of headquarter building

# Share information

## Key figures

in CHF	Dec 2023	June 2024
Share price at reporting date	72.75	73.55
Market capitalisation at reporting date in million CHF	3,625.3	3,663.5
Earnings per share 01/01 - 30/06 from continuing operations <sup>1</sup>	1.49	1.58
Earnings per share adjusted 01/01 - 30/06 from continuing operations <sup>1,2</sup>	1.47	1.55
Shareholders' equity per share at reporting date <sup>1</sup>	29.52	28.20

<sup>1</sup> Attributable to shareholders of Galenica Ltd.

<sup>2</sup> For details to the adjusted key figures refer to chapter Alternative performance measures in the Half year report 2024

# Governance





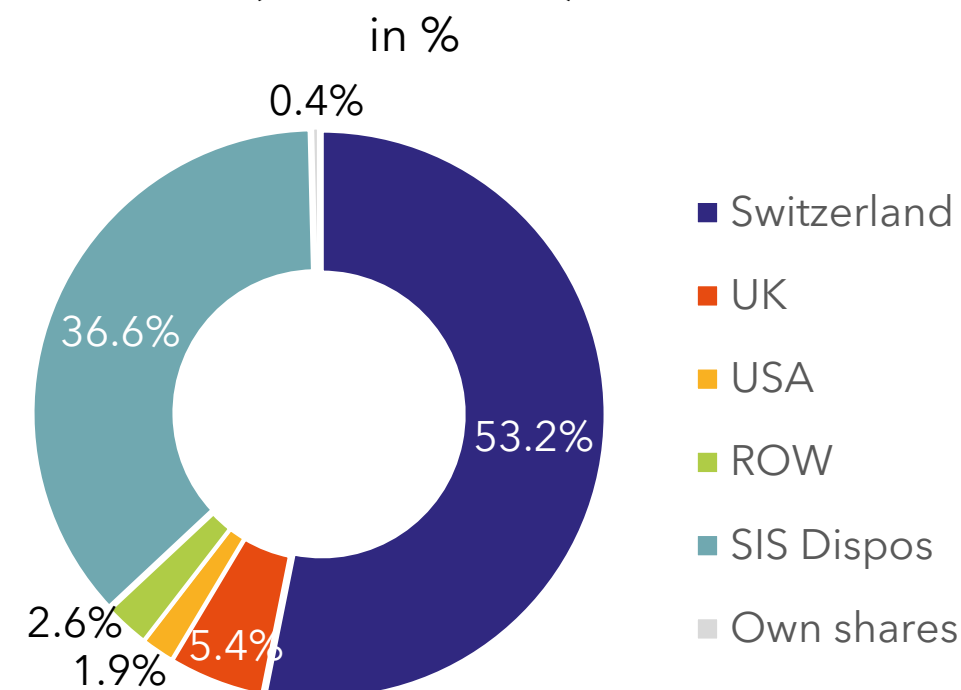
# Shareholder structure

## Major shareholders (30 Jun 2024)

– Shareholders over 3%:

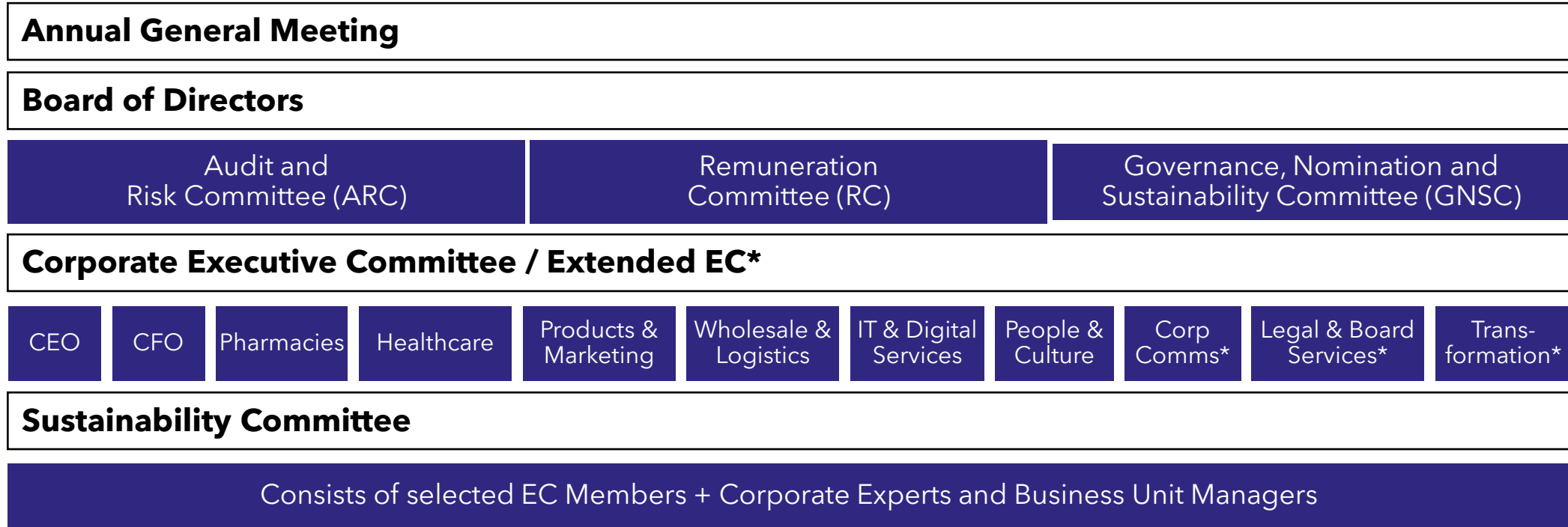
Shareholders	Number of shares	Shares in %
UBS Fund Management (Switzerland) AG, Switzerland	5,487,581	10.98
Alecta Pensionsförsäkring, Sweden	2,000,000	4.0
BlackRock, Inc., USA	1,579,198	3.2
Swisscanto Fondsleitung AG, Switzerland	1,533,324	3.1

## Proportion of shareholders by country (30 Jun 2024)



# Overview of our governance structure and instruments

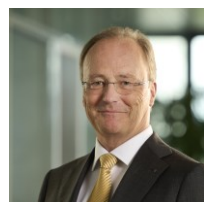
External advisory and inspection bodies / auditors



## Important Policies und management instruments

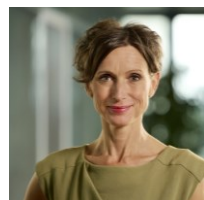
- Code of Conduct
- Supplier Code of Conduct
- Quality Management System (QMS)
- Anti-Corruption Policy
- Whistleblower Reporting Office
- Data Protection Policy
- IT Security Policy
- Security monitoring system

# Board of Directors



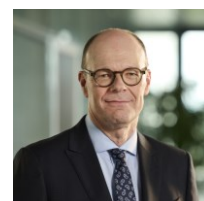
**Dr. Markus R. Neuhaus**  
Chairman

- Elected since 2019
- Master of law and doctorate in law from the University of Zurich
- Member of the BoD of Barry Callebaut AG, Baloise Holding AG and Jacobs Holding AG. He also serves as Vice-Chair of the Board of Trustees of Avenir Suisse.



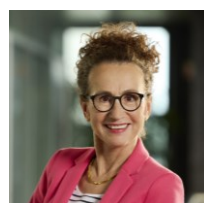
**Pascale Bruderer**  
Vice  
Chairwoman

- Elected since 2020
- Masters in political science, University of Zurich
- Member of the BoD of TX Group Ltd.
- Co-owner and member of the Executive Board of Crossiety Ltd.
- Chairwoman of the BoD of Swiss Stablecoin Ltd.



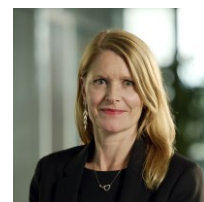
**Bertrand Jungo**

- Elected since 2018
- Business administrator lic.rer.pol., University of Fribourg
- Member of the BoD of Neoperl Ltd., Zoologischer Garten Basel AG and Diaqua AG, delegate of the BoD of the AG Grand Hotels Engadinerkulm Holding.



**Judith Meier**

- Elected since 2022
- Executive Master of Health Service Administration
- Member of the BoD of Cantonal Hospital of Graubünden, board member of reha andeer ag, member of the Board of Trustees of the Emil-Burkhardt-foundation



**Prof. Dr. med. Solange Peters**

- Elected since 2023
- Professor, University of Lausanne, head of the department of medical oncology at CHUV
- Chairwomen of ESMO (European Society for Medical Oncology), president of the ICF (International Cancer Foundation), member of the board of the Swiss Cancer League



**Jörg Zulauf**

- Elected since 2023
- Master of law Attorney-at-law, MBA (UCLA)
- Chairman of the BoD at SV-Group AG, member of the BoD of Maerki Baumann & Co Ltd. and Crealogix Holding AG, member of the Bain Advisor Network



**Dr. Andreas Walde**

- Dr. Andreas Walde, a member of the Board of Directors of Galenica Ltd. since 2017, passed away on 11 December 2024 after a long and serious illness.
- With Andreas Walde, Galenica has lost a wonderful person. His humanity and tremendous passion for his work will remain forever in our memories.

# Board of Directors

## Committees and competencies

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### **ARC (Audit and Risk Committee)**

Members: Jörg Zulauf  
(Chairman), Bertrand Jungo,  
Andreas Walde, Judith Meier

Budget / medium-term planning

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Risk management

---

Compliance / internal audits

---

Acquisitions / investments

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### **RC (Remuneration Committee)**

Members: Bertrand Jungo  
(Chairman), Andreas Walde,  
Pascale Bruderer, Solange  
Peters

Salary policy, remuneration system

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STI / LTI

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### **GNSC (Governance, Nomination & Sustainability Committee)**

Members: Markus Neuhaus  
(Chairman), Bertrand Jungo,  
Pascale Bruderer

Nominations, succession planning,  
HR topics

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Public affairs, health policy,  
general conditions

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ESG / sustainability

# Board of Directors

## Competencies and diversity

### Competencies

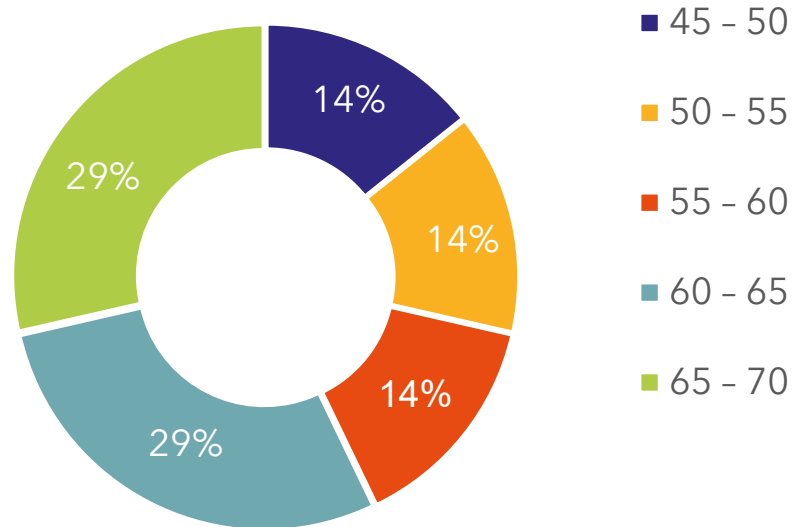
	Neuhaus Markus	Bruderer Pascale	Jungo Bertrand	Meier Judith	Peters Solange	Walde Andreas	Zulauf Jörg
Industry Experience		x	x	x	x	x	
Digitalisation		(x)	(x)		(x)		x
Regulations/ Politics	x	x		x	x	x	
Leadership/ Big Corp.	x		x	x			x
Finance/ M&A	x					x	x
Legal/ Compliance	x					x	x
HR/ Remuneration	x		x	x	x	x	
Sustainability	x	x				x	x

An (x) in brackets refers to substantive experience that was gained through intensive engagement in the corresponding area, but without formally holding a position of responsibility or having completed an educational programme in the respective field.

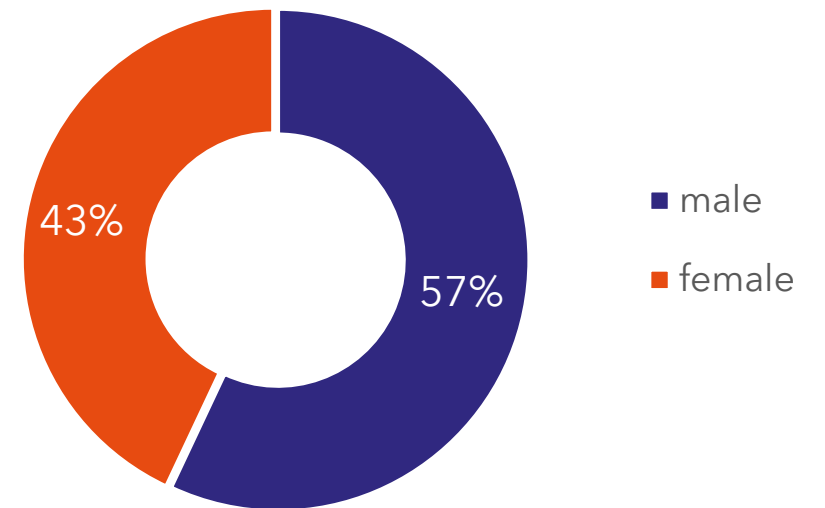
# Board of Directors

## Competencies and diversity

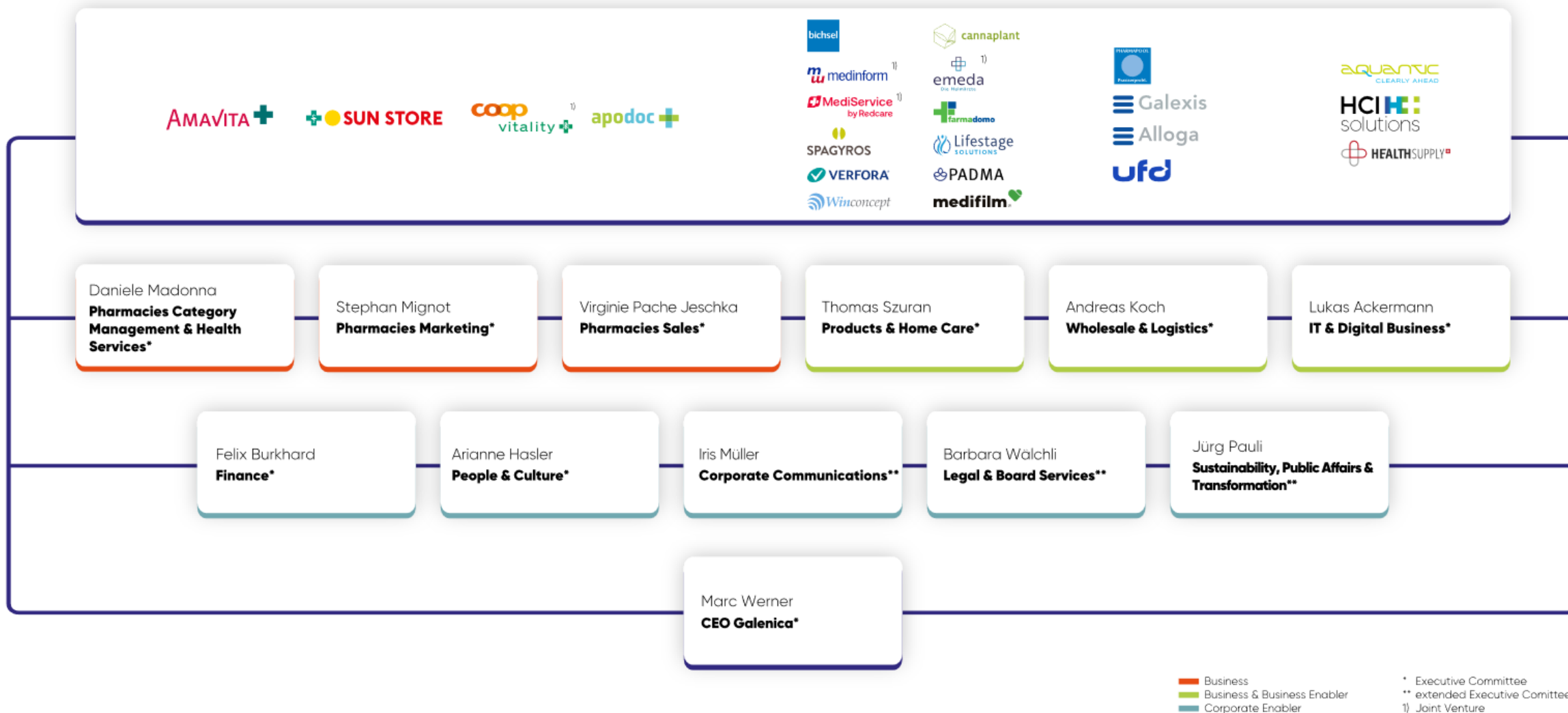
### Age of BoD members (June 2024)



### Gender of BoD members (June 2024)



# Our organisation



# Our leadership team

## Executive Committee



**Marc Werner**  
CEO



**Julian Fiessinger**  
CFO



**Lukas Ackermann**  
Chief IT & Digital  
Business



**Arianne Hasler**  
Chief People & Culture



**Andreas Koch**  
Chief Wholesale &  
Logistics



**Iris Müller**  
Chief Corporate  
Communications



**Jürg Pauli**  
Chief Sustainability, Public  
Affairs & Transformation

## Extended Executive Committee



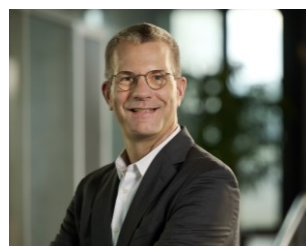
**Daniele Madonna**  
Chief Pharmacies  
Category Management  
& Health Services



**Stephan Mignot**  
Chief Pharmacies  
Marketing



**Virginie Pache**  
Chief Pharmacies Sales



**Thomas Szuran**  
Chief Products & Home  
Care



**Barbara Wälchli**  
Group General Counsel  
and General Secretary



# Remuneration

## Responsibility for the remuneration process

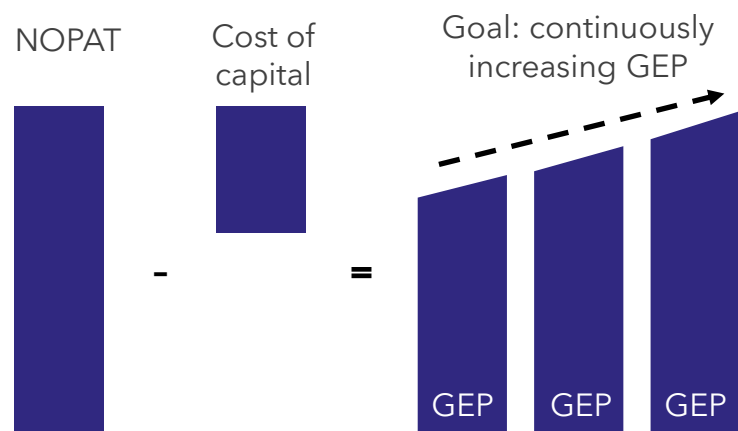
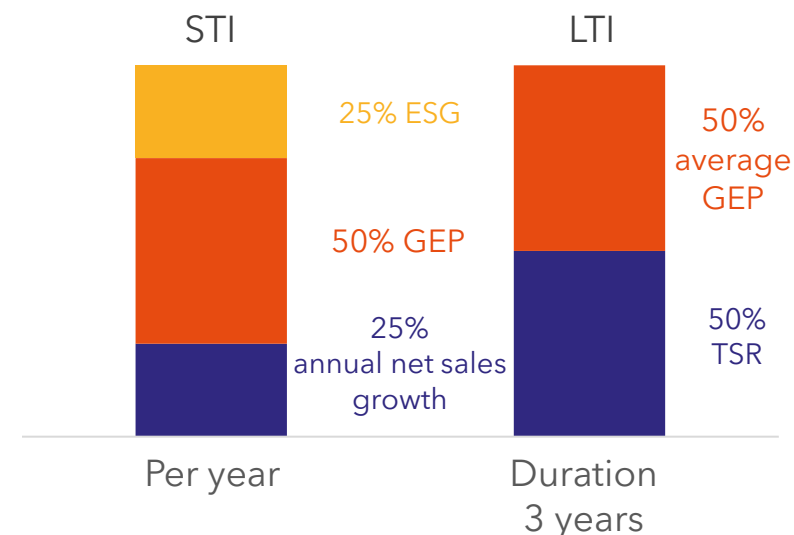
Level of authority	CEO	Remuneration Committee	Board of Directors	Annual General Meeting
Remuneration policy		proposes	approves	consultative vote on the Remuneration report
Performance objectives for short-term bonus and long-term remuneration		proposes	approves	
Remuneration of members of the Board of Directors		proposes	approves	approves maximum possible remuneration for Board of Directors for the following year
Remuneration of the CEO		proposes (in consultation with the CBD <sup>1</sup> )	approves	approves maximum possible remuneration for the Corporate Executive Committee including the CEO for the following year
Remuneration of members of the Corporate Executive Committee	proposes (in consultation with the CBD <sup>1</sup> )	approves	is informed	

1 CBD = Chair of the Board of Directors

# Remuneration

## Remuneration components

- The remuneration components of the Corporate Executive Committee (EC) consists of a fixed compensation, benefits and a variable compensation.
- The variable remuneration consists of a short-term incentive (STI) and a long-term incentive (LTI).
- In 2023, the individual performance was replaced by a collective ESG component: Net Promoter Score (NPS) and employees who recommend Galenica as an employer.
- The full LTI and a portion of the STI (32%) is awarded in Galenica shares.



## Performance measurement: GEP and TSR

- Galenica Economic Profit (GEP) is calculated as the Net operating profit after tax (NOPAT) less the average cost of capital (WACC) over the average invested capital.
- Relative Total Shareholder Return (TSR) is measured as a percentile ranking against a peer group of relevant companies. The objective is to outperform half of the peer companies (100% payout).

# Sustainability



# Sustainability at Galenica

## Overview

### Sustainability Guidelines

#### Enterprise value

Long-term increase in the value of the company through sustainable practices

#### Employees

Commitment of employees to act responsibly and to ensure a safe, flexible and supportive working environment

#### Resource efficiency

The respectful and efficient use of resources and reduction of negative environmental impacts

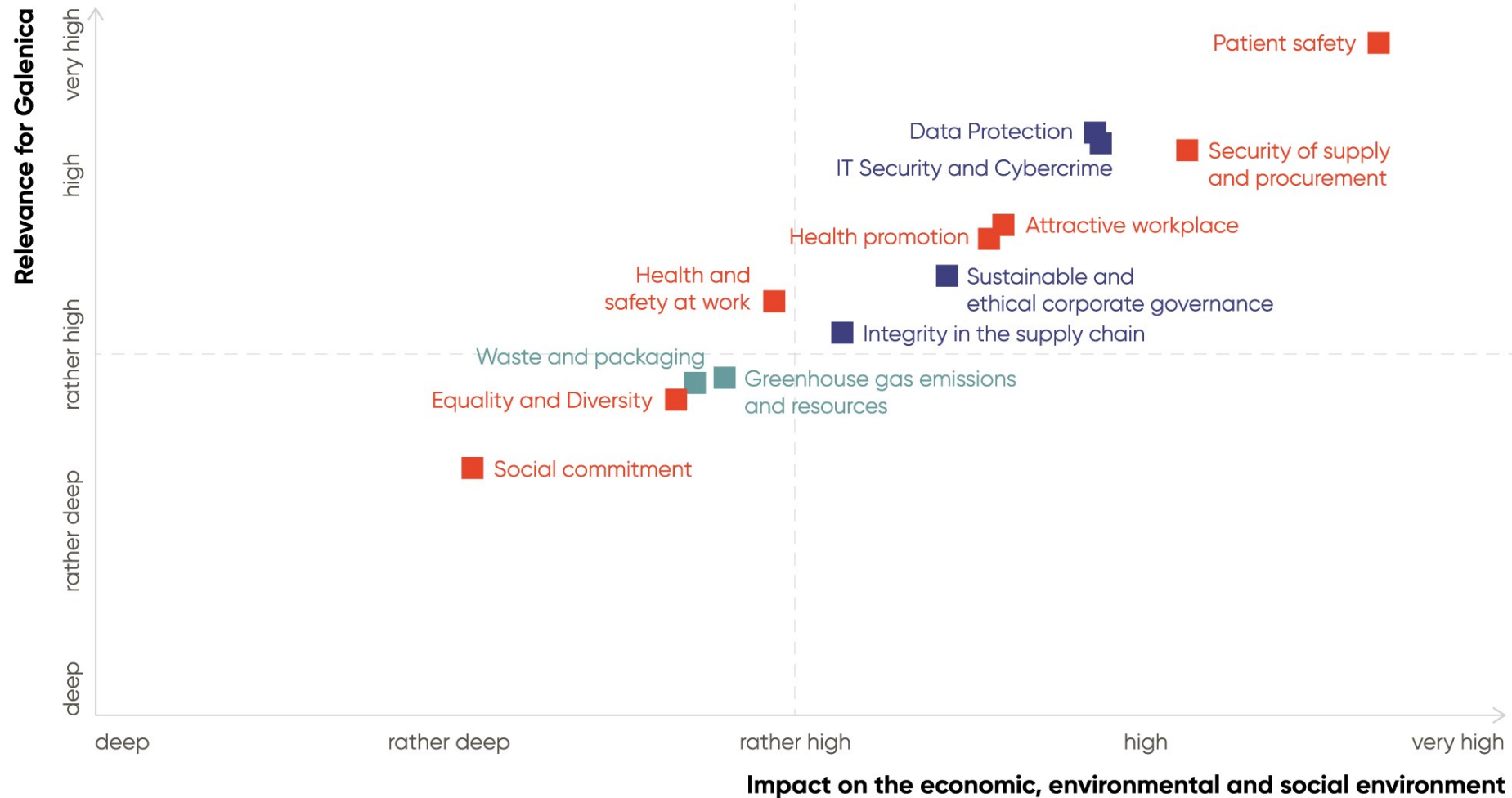
### Sustainable Development Goals (SDGs)

The Galenica Group is committed to the SDGs and makes an important contribution to the following objectives in particular:



# Sustainability at Galenica

## Matrix of the main topics



■ Economic responsibility    
 ■ Social responsibility    
 ■ Environmental responsibility

# Sustainability at Galenica

## Our sustainability goals

### Corporate governance

Ethical and legal business activities  
Protect patient data and IT systems

### Patients

Increase patient safety and health  
Ensure the availability of medicinal products

### Employees

Promote employee motivation and development  
Ensure occupational health and safety  
Retain qualified employees  
Promote diversity and equal opportunity

### Environment

Reduce and safely dispose of waste  
Minimise greenhouse gas emissions

# Sustainability at Galenica

## Our sustainability goals

Goal	Status	Target year	Measurement parameter	2021	2022	2023
We train all employees in compliance at least once a year.	↘	Every year	Participation rate	Not all employees are trained	Not all employees are trained	Not all employees are trained
Twice a year, we carry out measures to raise employee awareness in the area of data protection.	↗	Every year	Number of measures	N/A	>2 awareness-raising measures	>2 awareness-raising measures
We make our employees aware of IT security and cybercrime.	↗	Every year	List of measures	N/A	>2 awareness-raising measures	>2 awareness-raising measures

- ↗ realistic
- partly delayed / critical
- ↘ critical
- = achieved
- × not achieved

# Sustainability at Galenica

## Our sustainability goals

Goal	Status	Target year	Measurement parameter	2021	2022	2023
We will increase the use of Clinical Decision Support Checks (CDS.CE) to 500 million by 2025 and 1 billion by 2030.	↗	2030	Number of CDS.CE checks (Clinical Decision Support)	N/A	110 million	278 million
Customer satisfaction is at the centre of all activities. The willingness to recommend rNPS is used to systematically measure the satisfaction of end customers and determine the gap compared to the average of the competition.	→		rNPS	N/A	N/A	92.5% target achievement
We will review the compliance of our top ten suppliers with the Supplier Code of Conduct every three years from 2025.	→	2025	Review of the top ten suppliers	No review	No review	No review
We increase the number of healthcare services provided by 10% annually until 2027.	↗	2027	Increase in % compared to previous year	N/A	N/A	13%

- ↗ realistic
- partly delayed / critical
- ↘ critical
- = achieved
- × not achieved



# Sustainability at Galenica

## Our sustainability goals

Goal	Status	Target year	Measurement parameter	2021	2022	2023
We will increase the motivation rate of our employee survey to 75 out of 100 points and the participation rate to 75% by 2024.	↗	2024	Motivation rate Participation rate	71 / 100 58%	74 / 100 71%	76 / 100 72%
We will reduce the time-to-hire for IT and pharmacy positions by 10% by 2024.	→	2024	Time-to-hire	IT: 81.8 days Pharmacies: 52.5 days	IT: 65.09 days Pharmacies: 60.51 days	IT: 125 days Pharmacies: 90 days
We will improve diversity in all Service Units and keep the proportion of female managers at 50%.	=	Every year	Proportion of female managers	52.10%	52.60%	51.7%
Reduction in the number of cases due to psychological illness.	↘	Every year	Number of cases per 100 FTEs	2.5 cases	1.6 cases	2.0 cases
Reduce the absence rate for occupational and non-occupational accidents by 10% by 2024.	↗	2024	Absence rate (comparison of target hours/lost hours)	0.46%	0.51%	0.47%

- ↗ realistic
- partly delayed / critical
- ↘ critical
- = achieved
- × not achieved

# Sustainability at Galenica

## Our sustainability goals

Goal	Status	Target year	Measurement parameter	2021	2022	2023
From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations.	→	2025	% electricity from renewable sources per location	74%	74%	75%
We will reduce the greenhouse gas emissions produced by all our operations, processes and supply chains by 25% by 2025 and by 50% by 2030.	→	2030	CO <sub>2</sub> e	11,777 CO <sub>2</sub> e*)	10'052 CO <sub>2</sub> e*)	12'669 CO <sub>2</sub> e
We will replace 40% of the fossil fuels in our vehicle fleet with renewable alternatives by 2028.	↗	2028	% renewable propulsion in the vehicle fleet	1.60%	12%	15%
We will reduce our municipal waste by 50% by 2025.	↘	2025	Municipal waste (t)	1,274 t	1,494 t	1,664 t

\*) Figures 2021 and 2022 not comparable due to extended data base in 2023

- ↗ realistic
- partly delayed / critical
- ↘ critical
- = achieved
- × not achieved

# ESG Ratings

Rating-Agentur	Actual Rating	Percentile	Comment																	
<p>(Aug 2024)</p>	<p>ESG Risk</p> <table border="1"> <tr> <td>NEGL</td> <td><b>LOW</b></td> <td>MED</td> <td>HIGH</td> <td>SEVERE</td> </tr> </table>	NEGL	<b>LOW</b>	MED	HIGH	SEVERE	<p>Top 2% (Global Universe)</p>	<ul style="list-style-type: none"> <li>– Ranking number 9 among 634 Healthcare companies (Rating of 11.3)</li> <li>– Very good scores in Business ethics, Data privacy and security, and Carbon emissions in own operations</li> </ul>												
NEGL	<b>LOW</b>	MED	HIGH	SEVERE																
<p>(Dec 2024)</p>	<p>Absolute Rating</p> <table border="1"> <tr> <td>D-</td> <td>D</td> <td>D+</td> <td>C-</td> <td><b>C</b></td> <td>C+</td> </tr> <tr> <td>B-</td> <td>B</td> <td>B+</td> <td>A-</td> <td>A</td> <td>A+</td> </tr> </table> <p>Transparency Level</p> <table border="1"> <tr> <td>0-20%</td> <td>20-40%</td> <td>40-60%</td> <td>60-80%</td> <td><b>80-100%</b></td> </tr> </table>	D-	D	D+	C-	<b>C</b>	C+	B-	B	B+	A-	A	A+	0-20%	20-40%	40-60%	60-80%	<b>80-100%</b>	<p>Top 30% (Industry)</p>	<ul style="list-style-type: none"> <li>– Overall Rating improved to C (previously C-)</li> <li>– Very strong in Governance, above average in Product safety</li> <li>– Room for improvement in Supply chain management</li> </ul>
D-	D	D+	C-	<b>C</b>	C+															
B-	B	B+	A-	A	A+															
0-20%	20-40%	40-60%	60-80%	<b>80-100%</b>																
<p>(Dec 2024)</p>	<table border="1"> <tr> <td>CCC</td> <td>B</td> <td>BB</td> <td>BBB</td> <td>A</td> <td>AA</td> <td><b>AAA</b></td> </tr> </table>	CCC	B	BB	BBB	A	AA	<b>AAA</b>	<p>Upper 3% (Industry)</p>	<ul style="list-style-type: none"> <li>– Score of 8.3/10</li> <li>– Very strong absolute scoring in the environmental pillar</li> <li>– Very strong relative scoring in the all pillars, especially governance as compared to the industry average</li> </ul>										
CCC	B	BB	BBB	A	AA	<b>AAA</b>														
<p>(March 2024)</p>	<table border="1"> <tr> <td>A</td> <td>A-</td> <td>B</td> <td>B-</td> <td><b>C</b></td> <td>C-</td> <td>D</td> <td>D-</td> </tr> </table>	A	A-	B	B-	<b>C</b>	C-	D	D-	<p>Lower 55% (Industry)</p>	<ul style="list-style-type: none"> <li>– Average performance industry: C</li> <li>– Average performance Europe/Global: B/C</li> <li>– Room for improvement: Scope 3 emissions, emissions reduction initiatives</li> </ul>									
A	A-	B	B-	<b>C</b>	C-	D	D-													

# Outlook



# Outlook

## Products & care

Continuous optimisation and expansion of the pharmacy network (offline and online)

- Qualitative improvement of online shops
- Investment in physical shopping experience

The importance of the pharmacy as the first point of contact for health issues is to be developed further.

Roles of pharmacy assistants will include additional competencies and responsibilities in pharmacies.

- increase employee motivation
- counteract the shortage of qualified employees

Intensify collaboration between Bichsel, Mediservice, Medifilm and Lifestage Solutions AG to further improve offerings for homecare organisations and nursing homes

The rNPS (Net Promoter Score) is to be introduced across the board in pharmacies from 2023. As a result, pharmacy employees will receive comprehensive support in order to provide even more personalized care and increase customer satisfaction.

Priorities 2024

# Outlook

## Logistics & IT

Following the successful pilot projects, the “e-prescription” is to be implemented as a new standard for service providers. Galenica is also actively participating in the development of national standards.

The “Documedis” software solution from HCI Solutions is to be introduced for more doctors, care homes and hospitals. The use of “Clinical Decision Support Checks” is also to be further promoted in the interests of greater patient safety.

### Galexis:

- Roll-out of the new ERP system to be driven forward step by step in order to minimise risk
- Expansion of capacity for B2B and B2C logistics in Niederbipp

Implementation of measures to achieve the sustainability goals is a top priority

- Further pilot projects with alternative drive systems for delivery vehicles
- Set-up of charging infrastructure for electric company vehicles at relevant locations

Priorities 2024

# Financial guidance 2024

- Galenica Group net sales **+3% to +5%**
- EBIT adjusted<sup>1</sup> **+8% to +11%**
- Dividend for 2024 **at least at prior-year level**

<sup>1</sup> Excluding effects of IAS 19 and IFRS 16, see chapter “Alternative performance measures” of the Annual Report 2023

# Market development expectations<sup>1</sup>

- Based on the demographic trends and innovation with many new, high-priced medications, Galenica expects continued strong growth of **+/- 5%** in the Swiss pharmaceutical market<sup>2</sup> in the next years.
- The strongest growth is expected in the hospital channel. For **pharmacies and physicians**, Galenica expects pharmaceutical market<sup>2</sup> growth of between **3% and 5%**, with a stronger growth in the physicians' channel.
- For the **non-medication** product ranges<sup>3</sup> in pharmacies, we expect a **stagnating** market development in the next years. These product ranges will continue to face strong competition from other retailers, online and offline.
- For the sales mix of an average Galenica **local pharmacy**, excluding high-priced medications, results an expected market growth of between **1% and 3%**.

<sup>1</sup> Company estimates

<sup>2</sup> Medicines Swissmedic lists A, B and D

<sup>3</sup> Beauty, personal care, patient care and nutrition



# Mid-term Guidance

- Galenica expects **net sales** to grow by **3% to 5%** in the next years.
- **Until 2026**, Galenica expects a **stable** development of its **return on sales (ROS)**<sup>1</sup> due to
  - an intense final phase of the ERP project in the Logistics & IT segment with a planned finalisation in 2026,
  - continuous investments in the digital omni-channel infrastructure,
  - and further investments in the scarce personnel as a basis for the successful further development of the Group.
- Thanks to these investments, Galenica expects significant efficiency gains and additional growth potential. Together with the impact of the further expansion and optimisation of the pharmacy network and the Verfora product portfolio, Galenica expects to increase its return on sales (ROS)<sup>1</sup> in the medium term
  - to over **9.5%** in the **Products & Care** segment
  - and to up to **2%** in the **Logistics & IT** segment.
- Galenica aims to reach these targets in its centenary year **2027** with an **EBIT**<sup>2</sup> of over **CHF 250 million**.
- Galenica expects **Capex**<sup>3</sup> to remain stable in the next years and continues to aim for **net debt**<sup>2</sup> in the order of **+/- 2 × EBITDA**<sup>2</sup>.
- Galenica continues to pursue a policy of **at least stable dividends** that grow in line with results.

<sup>1</sup> ROS = EBIT adjusted (excluding effects of IAS 19 and IFRS 16) / net sales; basis ROS 2023 excluding extraordinary factors

<sup>2</sup> Adjusted, i.e. excluding effects of IAS 19 and IFRS 16

<sup>3</sup> Investments in tangible and intangible assets

# Reasons to invest in Galenica

Unique combination of defensive resilience and significant growth



**Highly experienced management team with proven track record**

**... provides investors with potential for upside and attractive cash generation**

# Galenica Group - Contact information

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