

Half year results 2024

Conference Call
6 August 2024, 2 p.m. CEST

Your speakers

A strong network for Switzerland

Marc Werner, CEO



Half year results 2024 and guidance update

Felix Burkhard, CFO



Q&A

A strong network for Switzerland

Marc Werner, CEO Galenica Group

Solid growth in a challenging market environment



Guidance for 2024 confirmed



Highlights first half year 2024

- New health services and offerings launched
- Progress in digitalisation
- Market shares gained
- Transformation on track



Galenica - the strongest network in the Swiss healthcare market



Pharmacies as the first point of contact for health issues





AMAVITA+
BERATUNG PLUS



+32%

Paid consultations
and services

Beratungsraum

“Consultation Plus”
meets customer needs

Innovative solutions support the healthcare system

250 of 370
pharmacies testing
"Book a Doc".

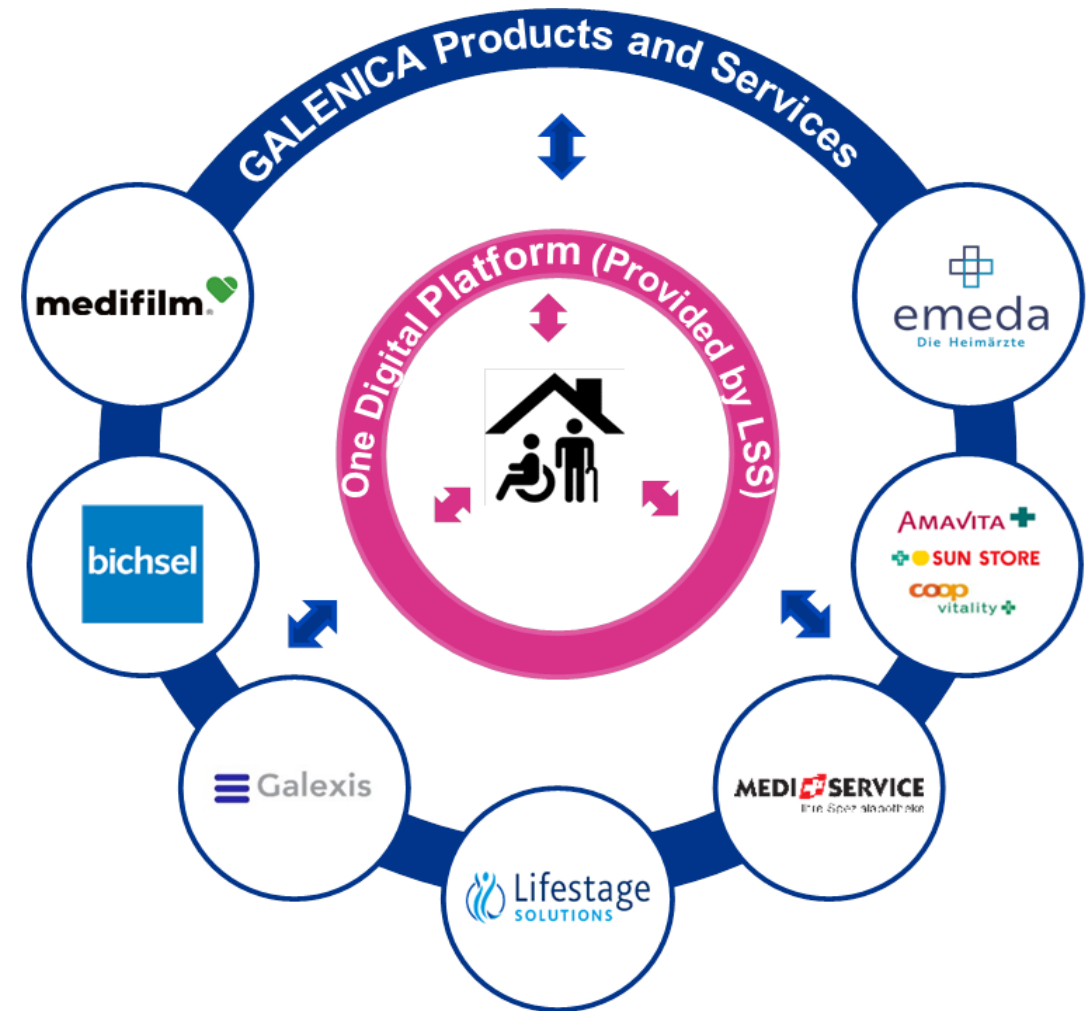
Cost coverage of
health insurances for
advice in pharmacy.

Positive development and milestones achieved



Network creates added value

Services for care homes and Spitex



**Together we shape the healthcare
system of tomorrow**

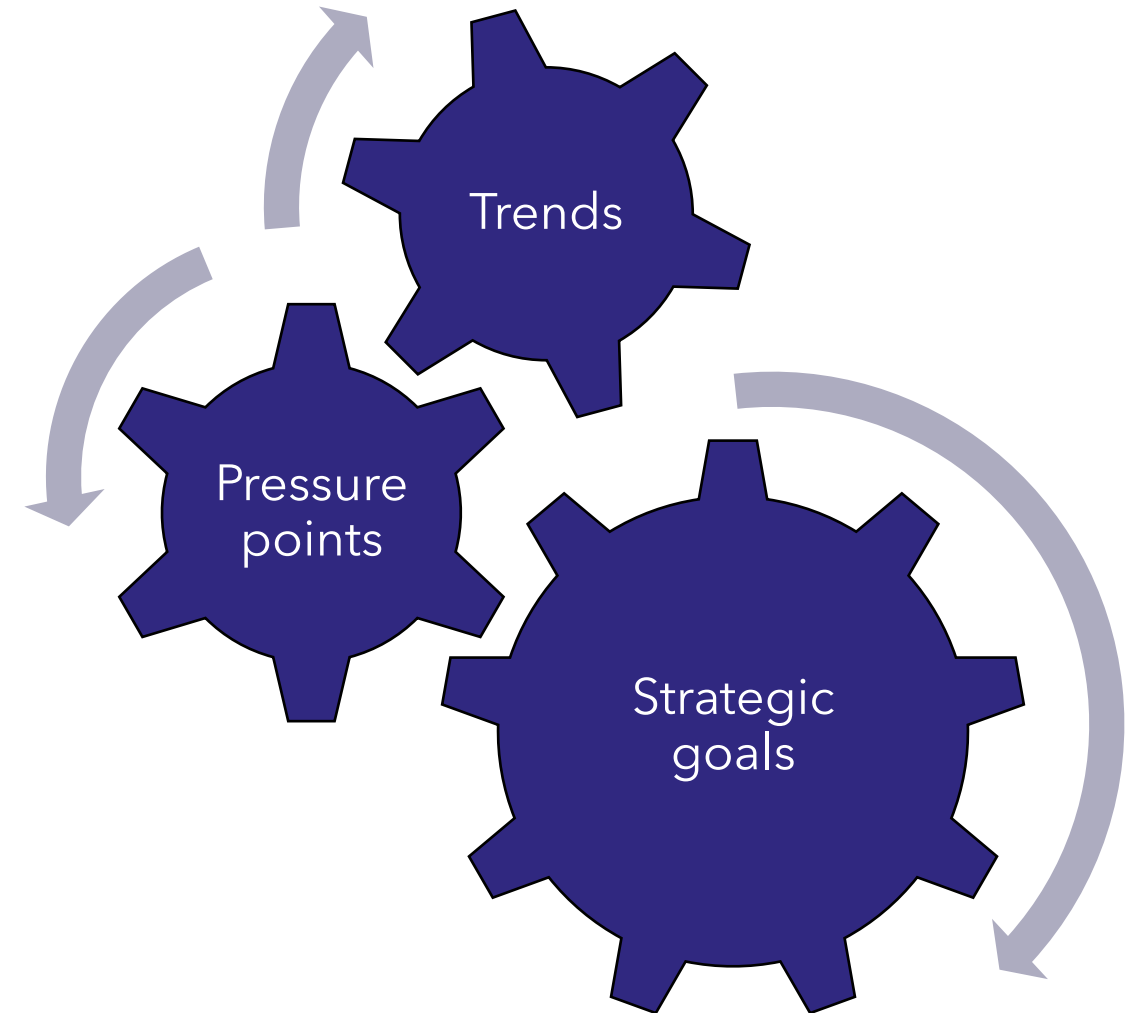


There for you every day.
#StrongTogether



Structure follows strategy

Organisational development Galenica



Expansion of the management team

More customer focus in the pharmacy business

Virginie Pache

Pharmacies Sales



Daniele Madonna

Pharmacies Category
Management & Health Services



Stephan Mignot

Pharmacies Marketing



Strengthening third-party business

One unit for focused growth

Thomas Szuran
Products & Home Care



Verfora Group and **Home Care** division in one unit...



... together with **strong network partners**



Handover of the CFO position as of January 2025

Julian Fiessinger will take over from Felix Burkhard



CFO Felix Burkhard

Ready for new beginnings
after almost 30 years in the company

Julian Fiessinger

Ready to step up from Head of Investor
Relations & Corporate Finance to CFO
as of January 2025

Half year results 2024 and guidance update

Felix Burkhard, CFO Galenica Group

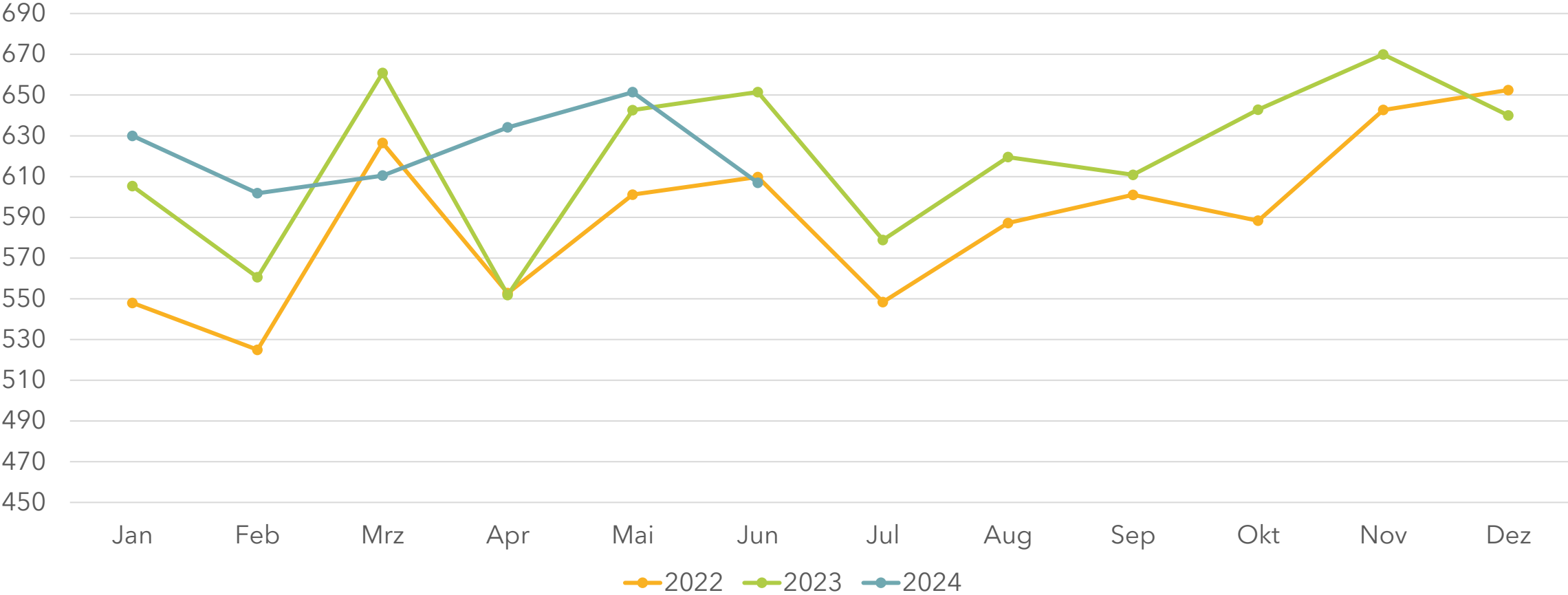
First half 2024:
"Great start with a rainy finish"



Swiss pharmaceutical market

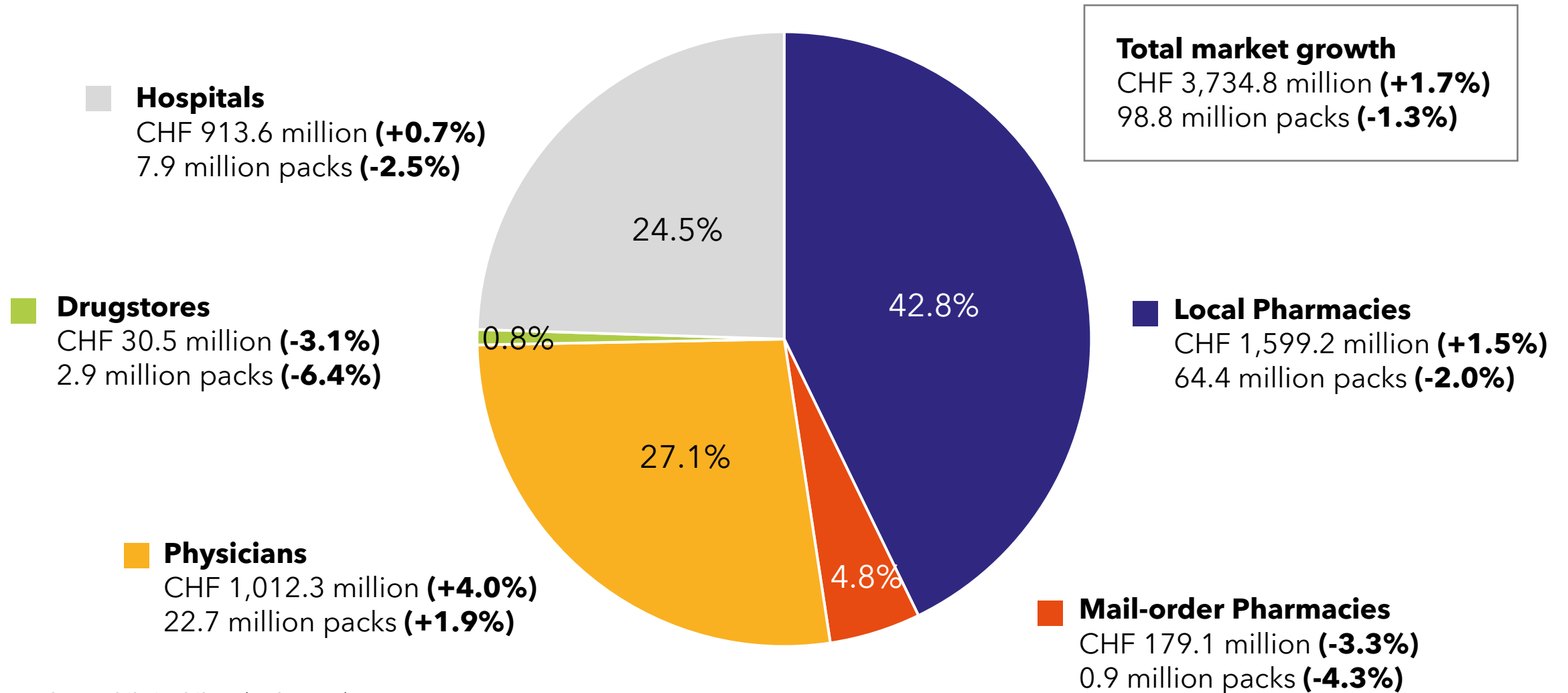
Exceptionally low market sales in June 2024

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 H1 2024

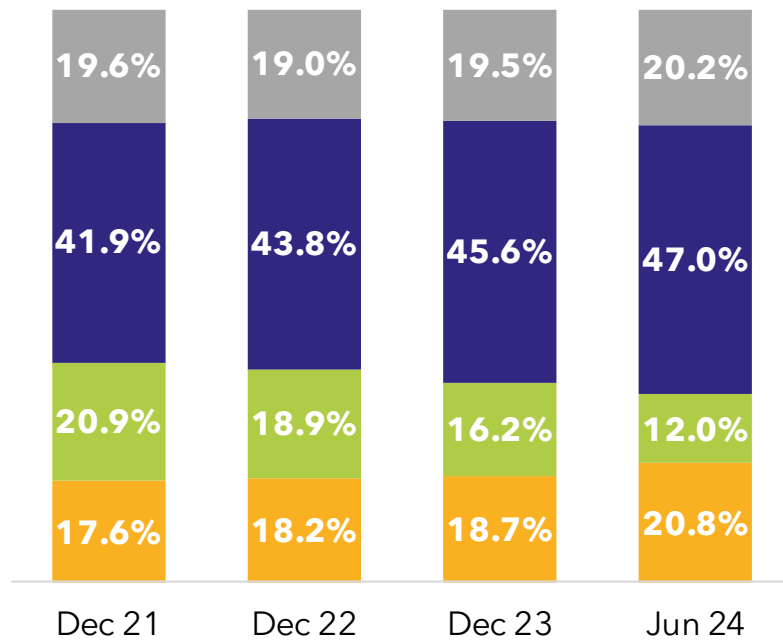


Source: IQVIA APO/SD/DRO/SPI Index, Swissmedic A, B, D
 Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores
 © IQVIA - Swiss pharmaceutical market June 2024

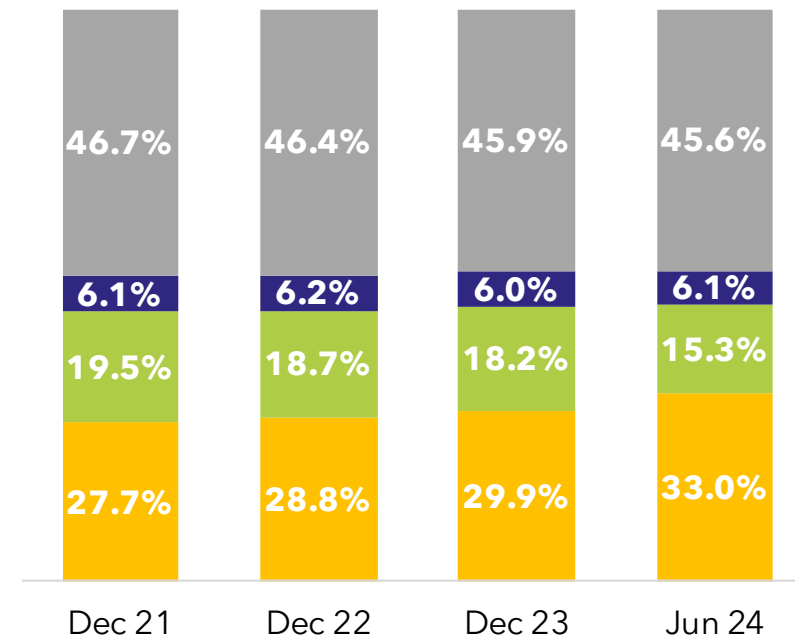
Swiss pharmacy channel market

Strong momentum for generic substitution in H1 2024

**Swiss Pharmacy Channel
(Split by value)**



**Swiss Pharmacy Channel
(Split by volume)**



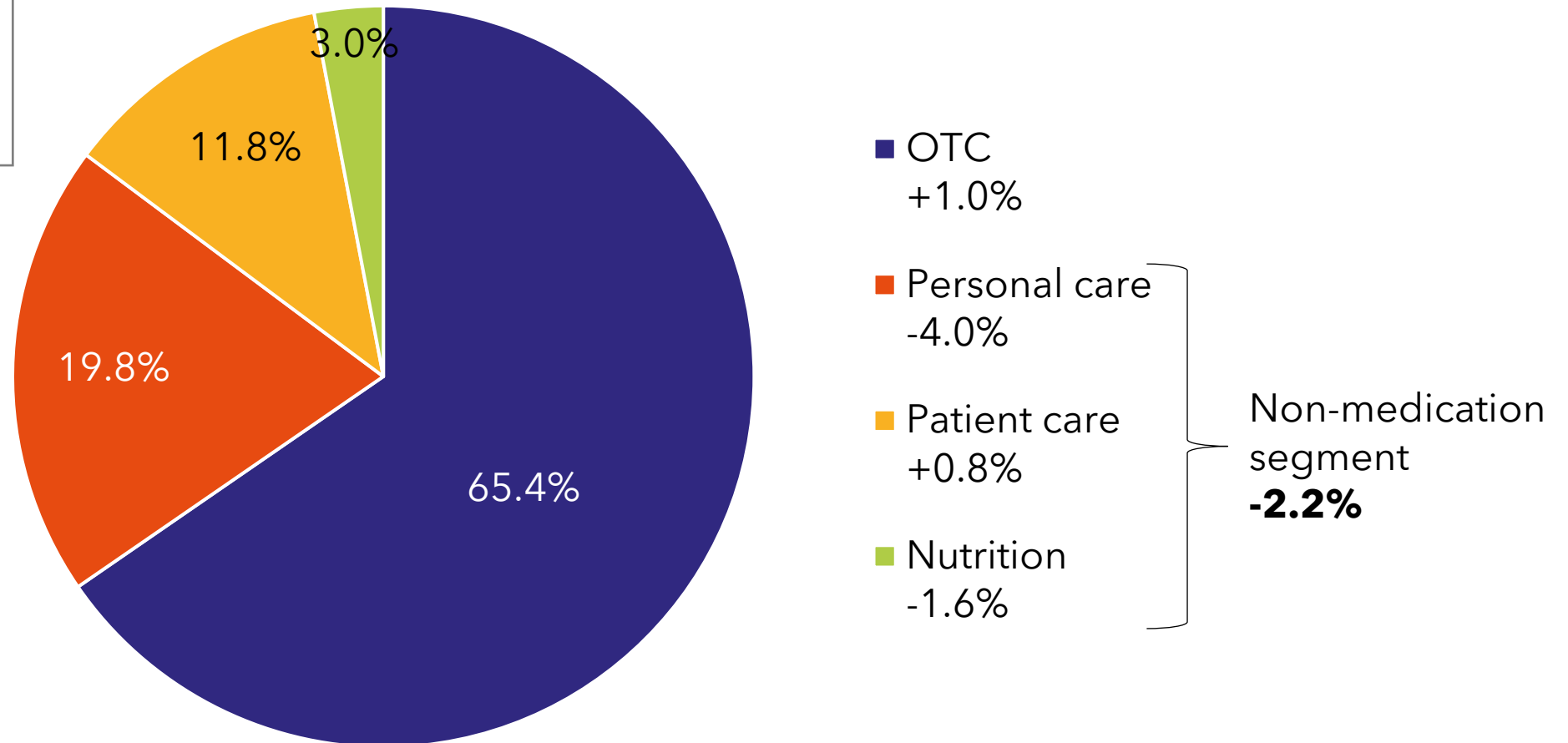
- Products with expired patent protection without generics / out of market / others²
- Patent protected products
- Originals/reference products¹
- Generics / Biosimilars

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%

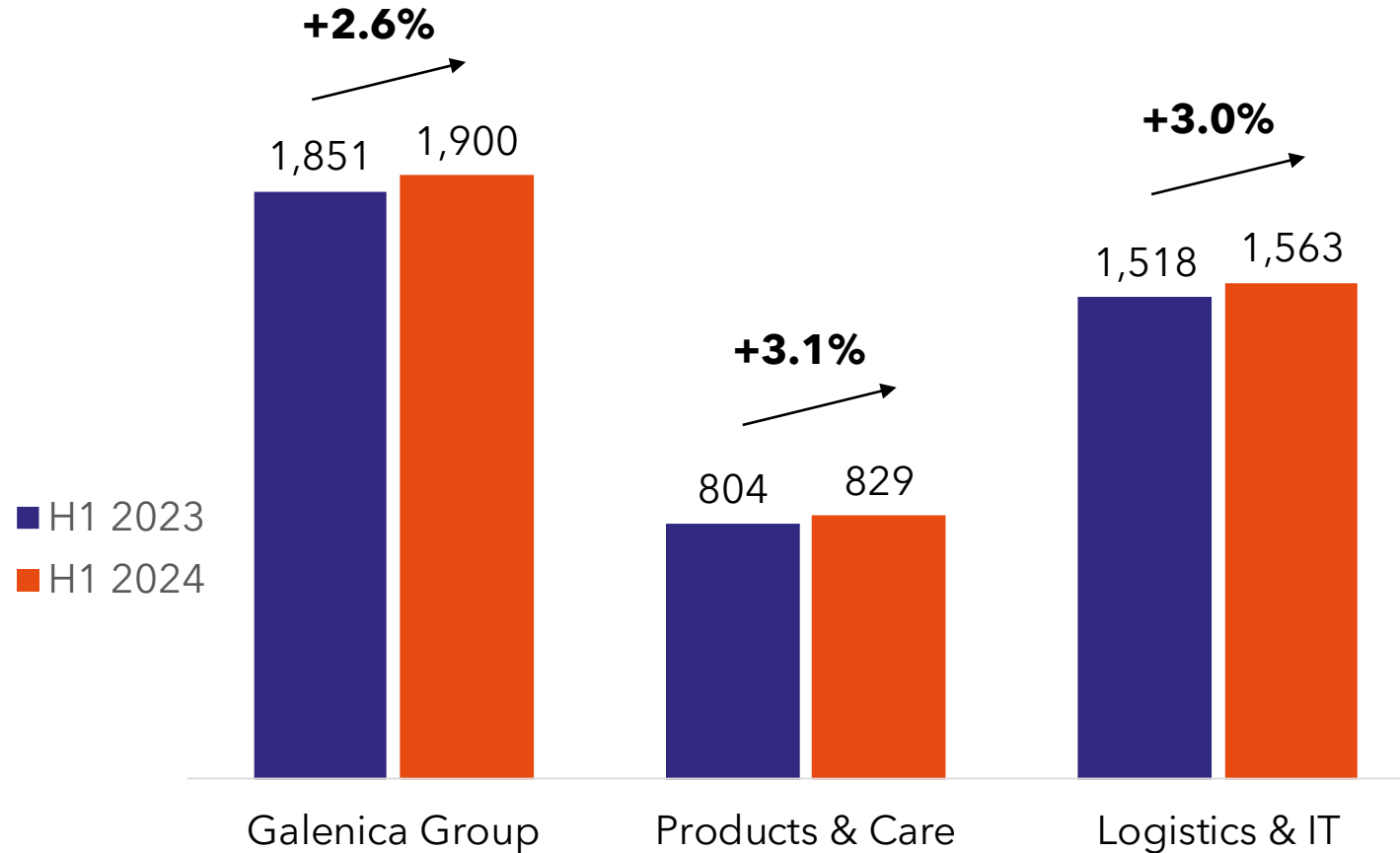


Source: IQVIA PharmaTrend for pharmacies and drugstores in Switzerland, streetprices
© IQVIA - Consumer Health market June 2024 (without Covid-19 self-tests)

Galenica Group

Solid sales growth in challenging market

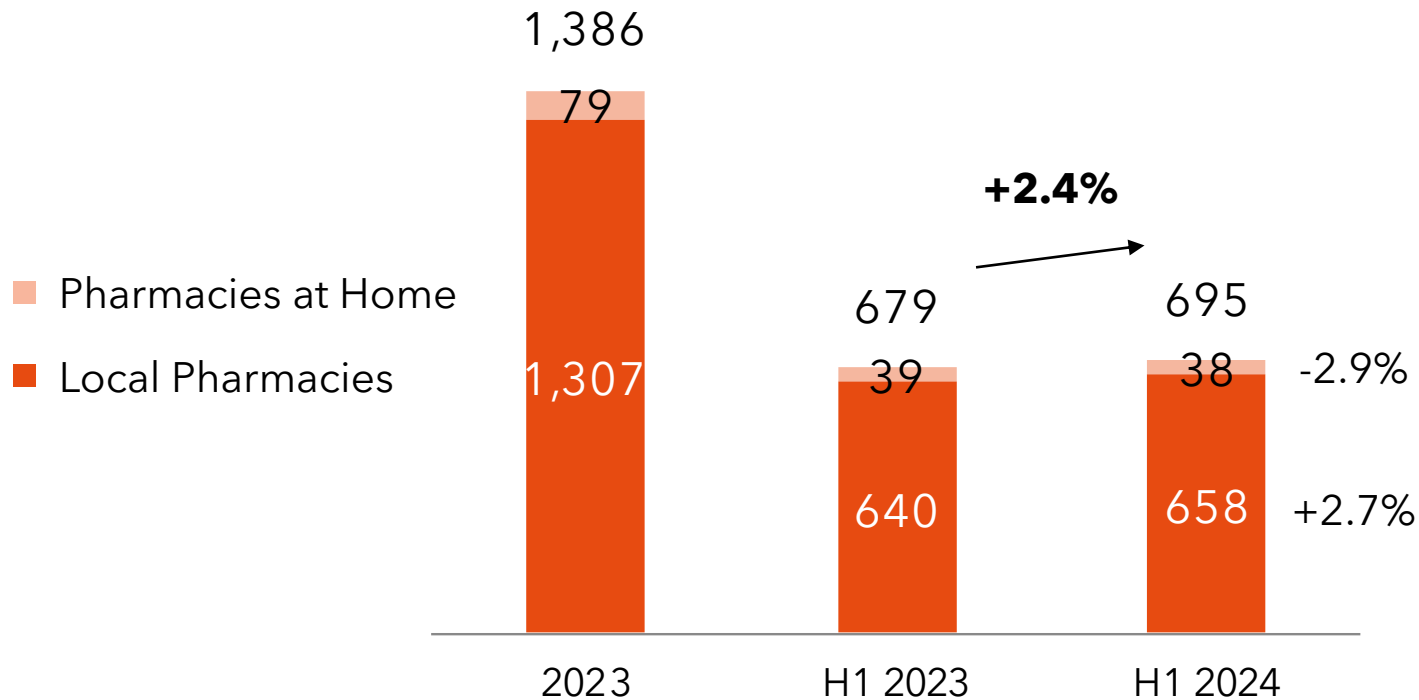
Net sales (in million CHF)



Retail B2C

Sales growth above market development

Net sales (in million CHF)



Portfolio of local pharmacies expanded by 8 locations: expansion impact¹ of **+1.2%**

AMAVITA+ **SUN STORE**

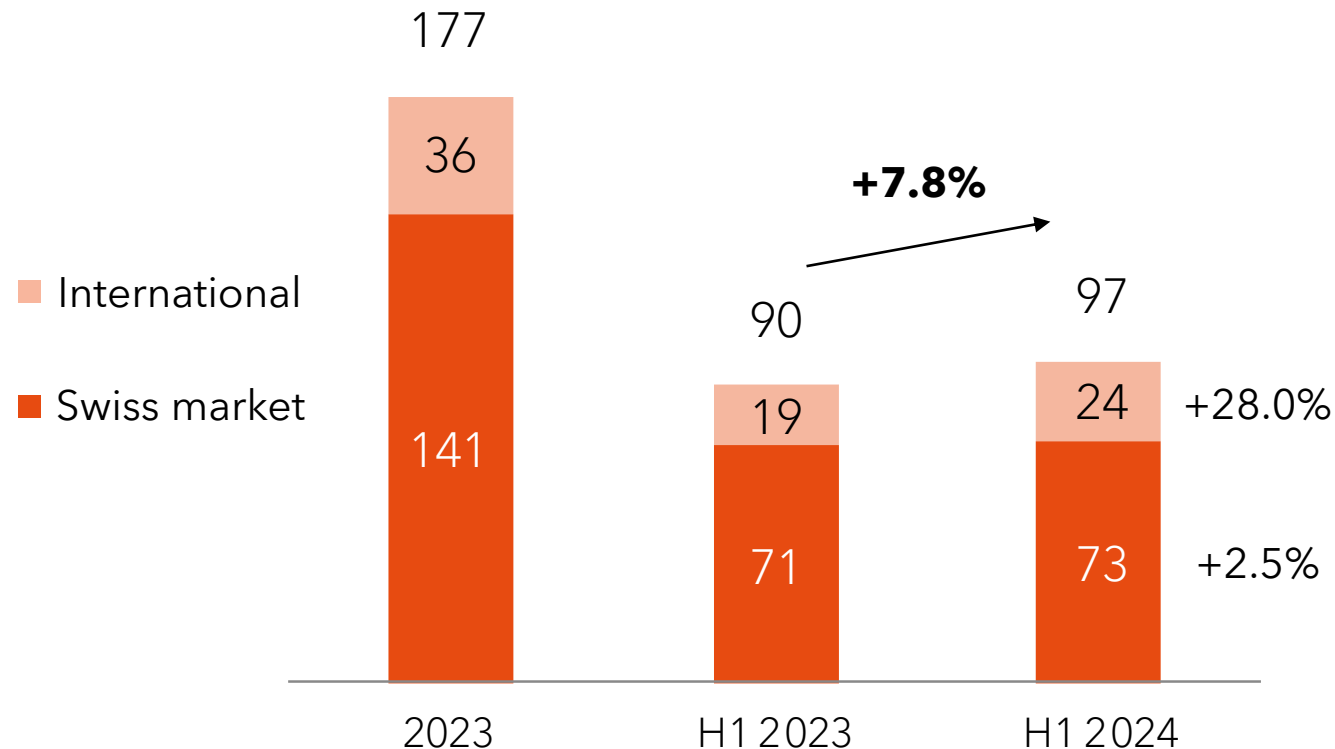
Strong growth of **generics, substitution rate** further increased from 75.2% end of 2023 to **80.8%**

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)

Products & Brands

Further market share gains

Net sales (in million CHF)



International:

- Organic growth of **+25.7%¹**

Swiss market:

- Organic growth of **+1.5%¹**
- Growth of market sales CH² **+4.5%**
- Market share² of Product & Brand **10.6%**

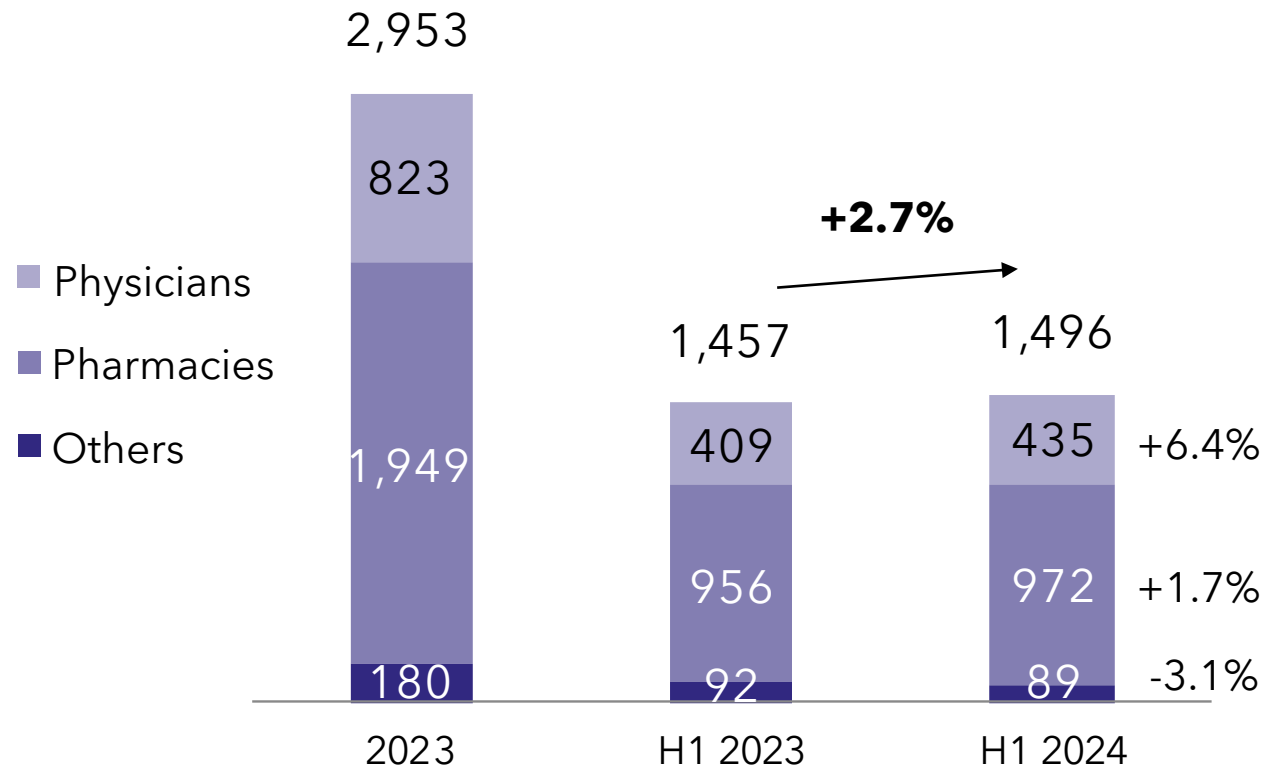
1) Expansion impact related to acquisition of Padma AG in Jan 2023, the effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

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

Wholesale

Sales growth above market

Net sales (in million CHF)

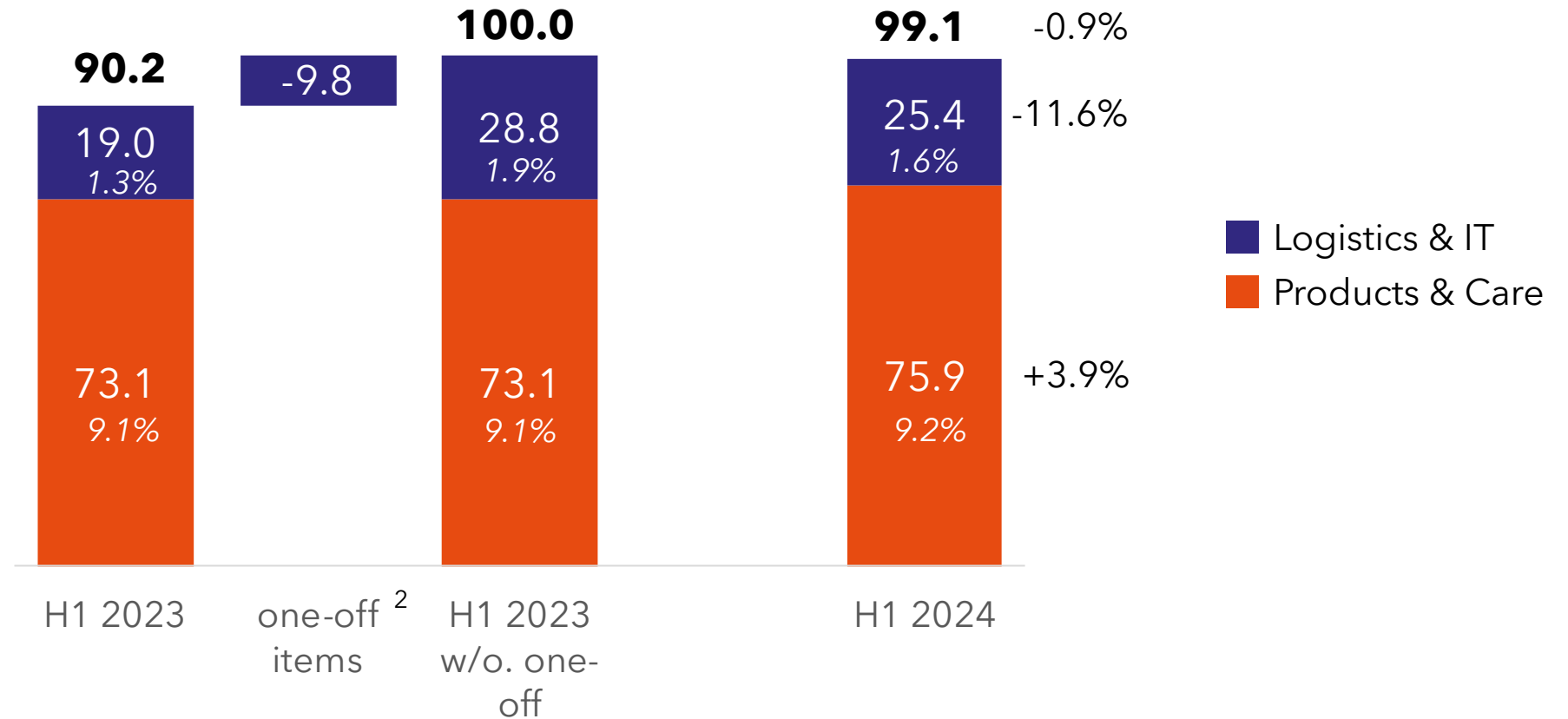


Market share gains both in physicians and pharmacies segments

Strategic IT projects burden EBIT development

EBIT adjusted¹⁾ (in million CHF)

ROS (in %)



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

²⁾ 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

Strategic IT projects temporarily burden EBIT

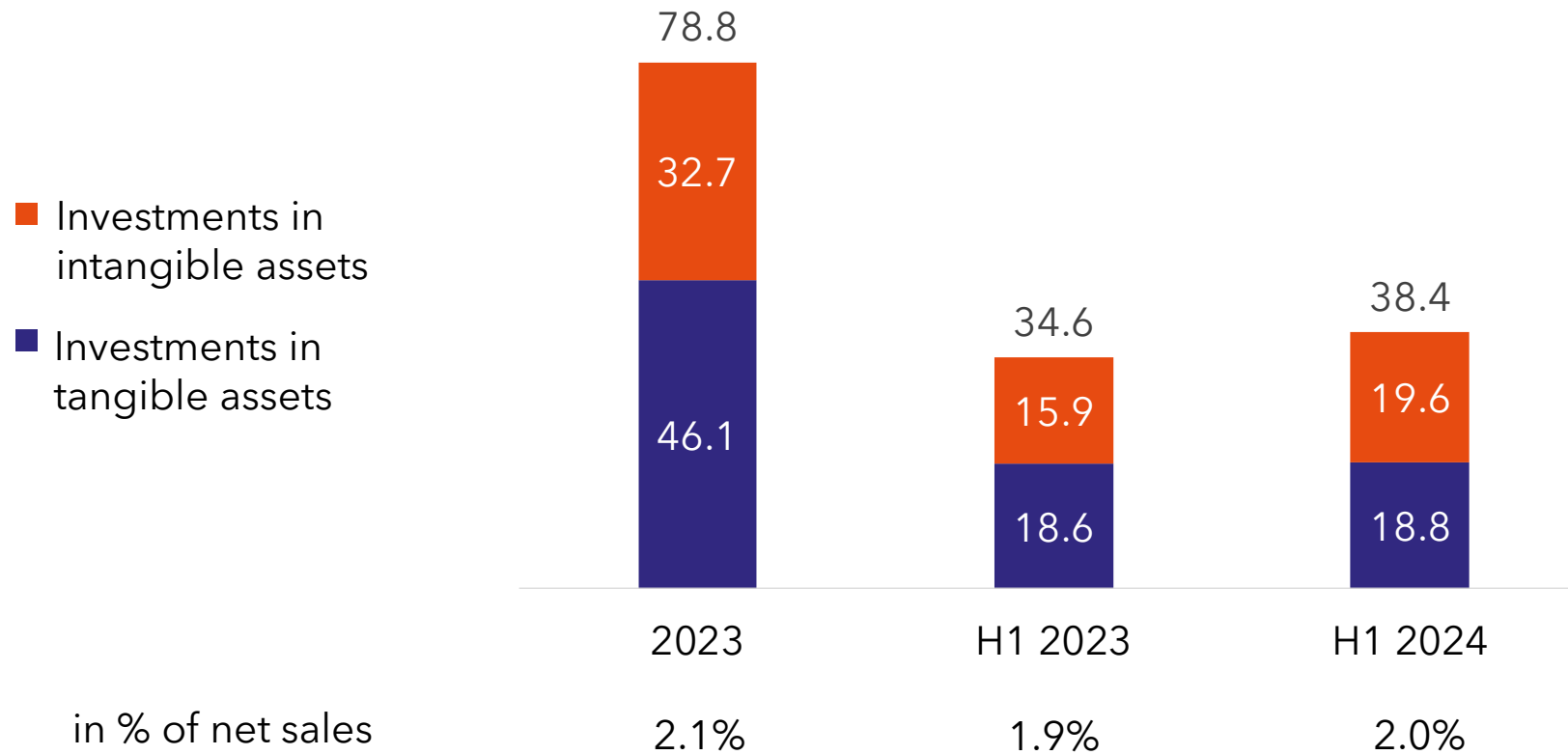
in million CHF	H1 2023	one-off ²	H1 2023 w/o one-off	H1 2024	in %
Net sales	1,851		1,851	1,900	+2.6%
Cost of goods	-1'339		-1'339	-1'369	+2.2%
Gross margin	512		512	531	+3.7%
<i>in % of net sales</i>	27.6%		27.6%	27.9%	
Personnel costs ¹	-280		-280	-294	+5.1%
<i>in % of net sales</i>	15.1%		15.1%	15.5%	
Other operating costs ¹	-127	-9.8	-117	-119	+1.2%
<i>in % of net sales</i>	6.9%		6.3%	6.3%	
EBIT adjusted¹	90	-9.8	100	99	-0.9%
ROS	4.9%		5.4%	5.2%	

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

² 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

Investments in our future

in million CHF



Cash Flow Statement

Investments and seasonal effects burden cash flow

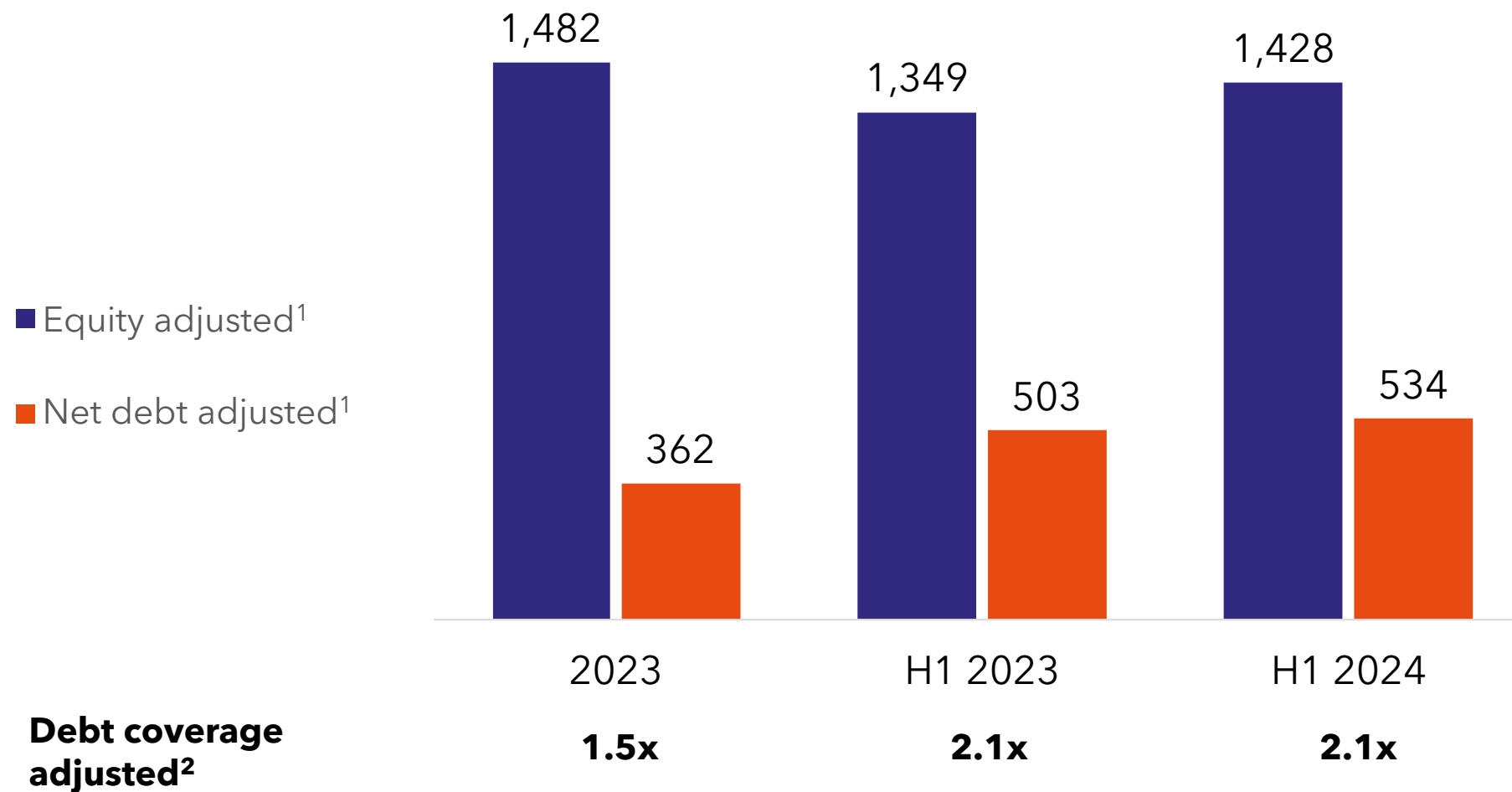
in million CHF	H1 2023	H1 2024	Change
Cash flow from operating activities before working capital changes adjusted¹	87.5	97.8	+10.3
Working capital changes	-109.4	-80.2	
Cash flow from operating activities adjusted¹	-21.0	17.6	+38.6
Investments in tangible and intangible assets	-31.0	-38.3	
Investments in participations	-30.5	-14.2	
Cash flow from financial assets	29.3	7.0	
Free cash flow before M&A	-53.4	-27.9	+25.5
Cash flow from M&A ²	-28.3	-17.4	
Free cash flow	-81.7	-45.3	+36.4

¹ Reduced by payment of lease liabilities IFRS16, see chapter "Alternative performance measures" of the Half year report 2024

² Net cash flow from business combinations and net cash flow from sale of subsidiaries

Strong balance sheet

in million CHF



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

² See chapter "Alternative performance measures" of the Half year report 2024

Financial guidance confirmed

Galenica expects significantly stronger growth in the second half of 2024 than in the first half of the year. Galenica therefore confirms its guidance:

- Galenica Group net sales **+3% to +5%**
- EBIT adjusted¹ **+8% to +11%**
- Dividend for 2024 **at least at prior-year level**

¹ Excluding effects of IAS 19 and IFRS 16, see chapter “Alternative performance measures” of the Half year report 2024

Outlook second half 2024: "With tailwind full speed ahead"



Q & A

A portrait of a middle-aged man with short, graying hair, wearing black-rimmed glasses and a light blue button-down shirt. He is smiling warmly at the camera. The background is a blurred office setting with large windows.

Thank you, Felix
For almost 30 years in our company

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Disclaimer Galenica

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