

Investor Presentation

Galenica Group
March 2024

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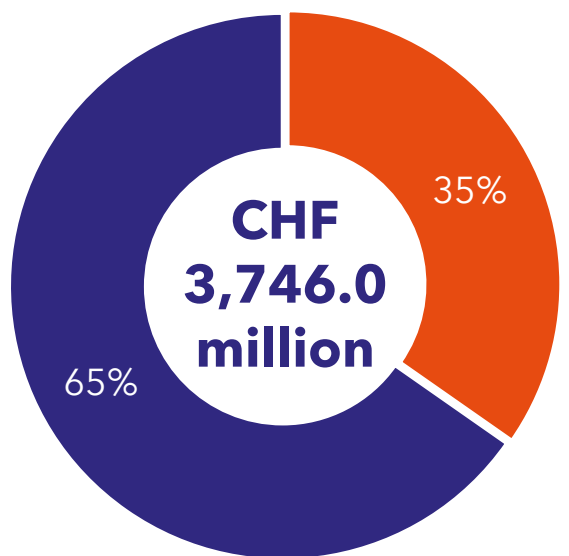
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About Galenica

 Caxis

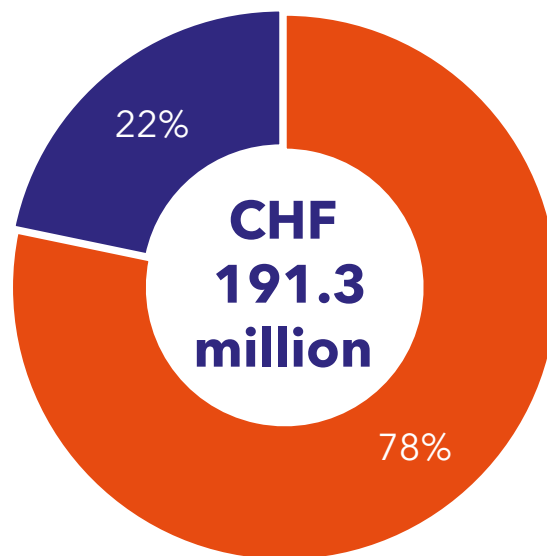
Galenica in figures

Net sales
Galenica Group



■ Products & Care ■ Logistics & IT

EBIT adjusted¹
Galenica Group



■ Products & Care ■ Logistics & IT

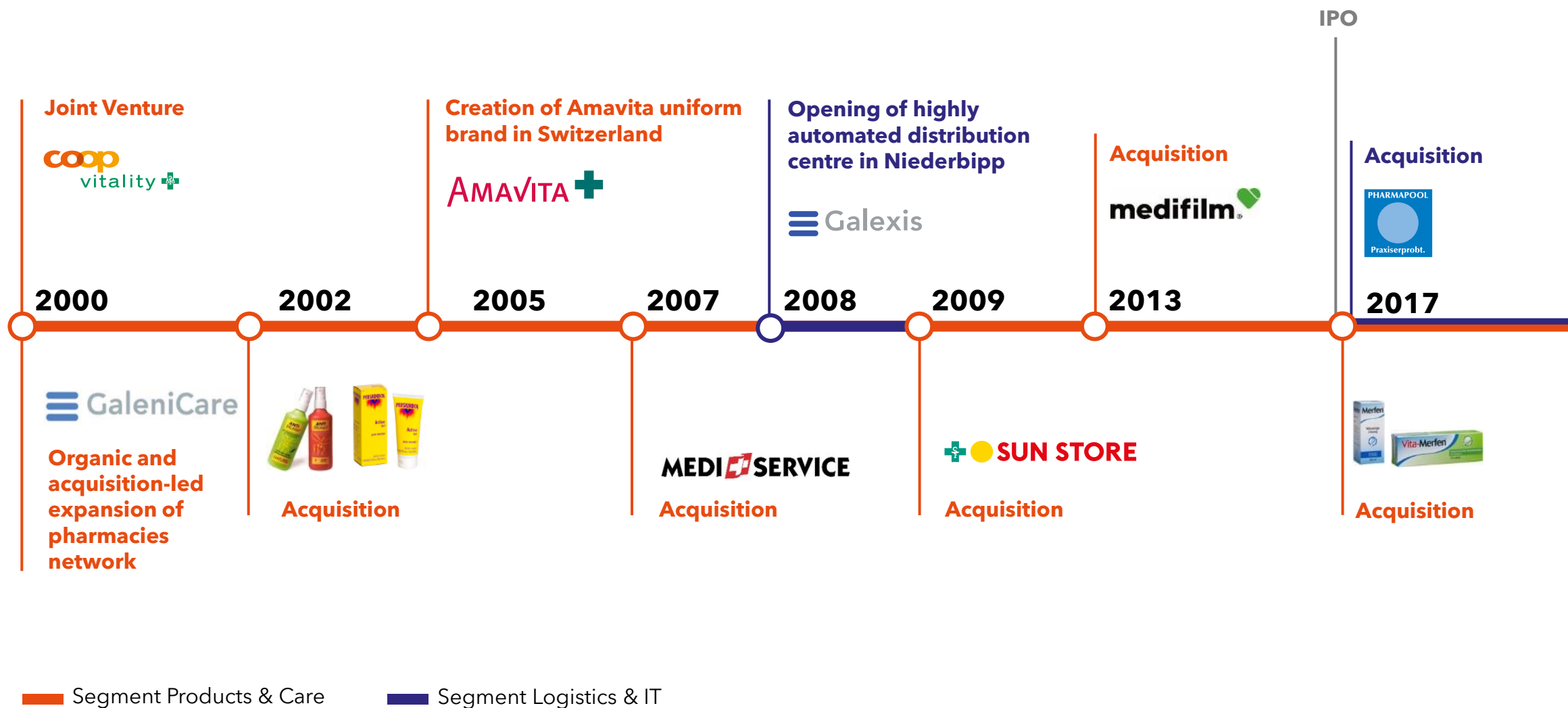
Leading healthcare
provider in Switzerland
369
own pharmacies

Employees
(Headcount)
> 7,900

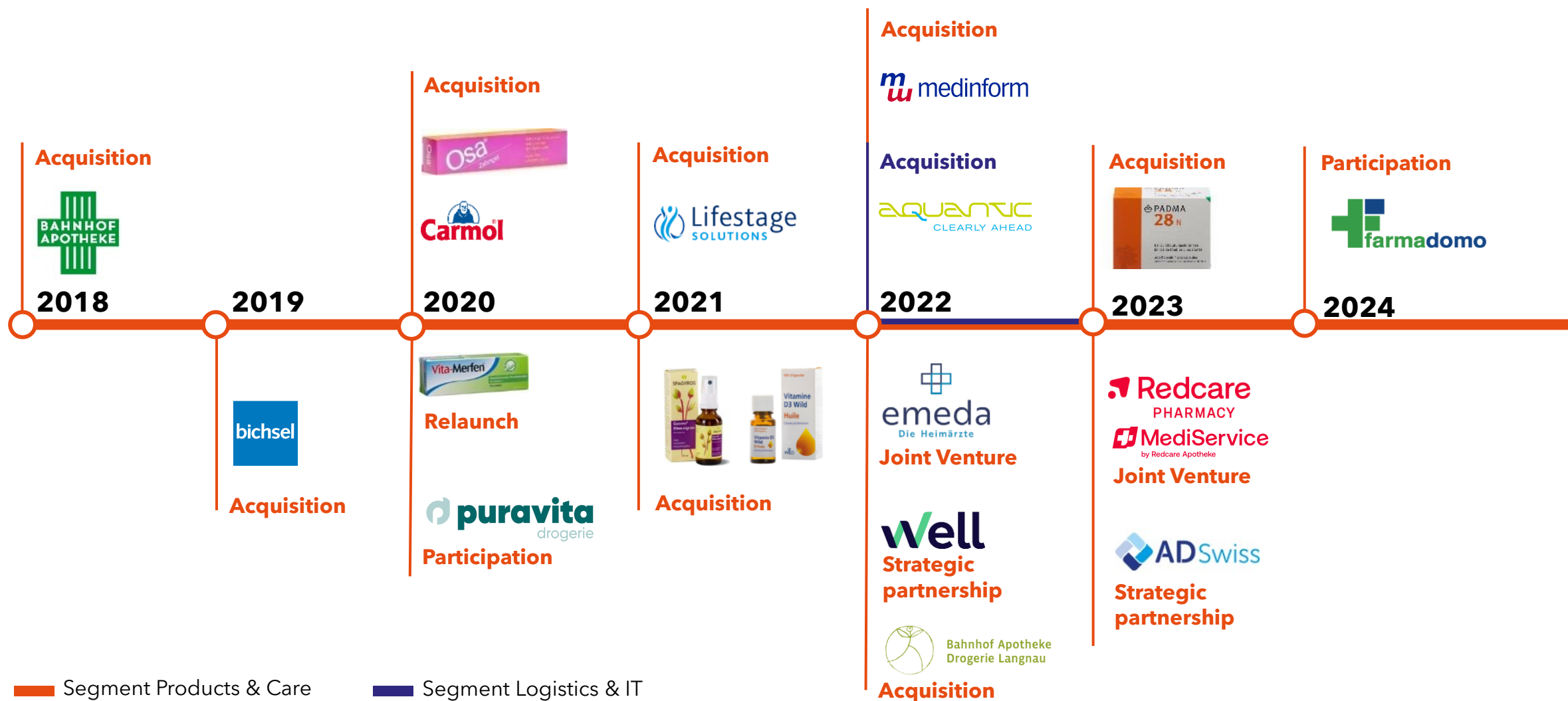
Dividend yield
3.0%

¹ 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

The Galenica story



Vision

Health and well-being are at the heart of what we do.
They are the reason we give our best every day.



Values

We build trust.
We show respect.
Together we are stronger.
We act as entrepreneurs.
We participate with passion.



Customer promise

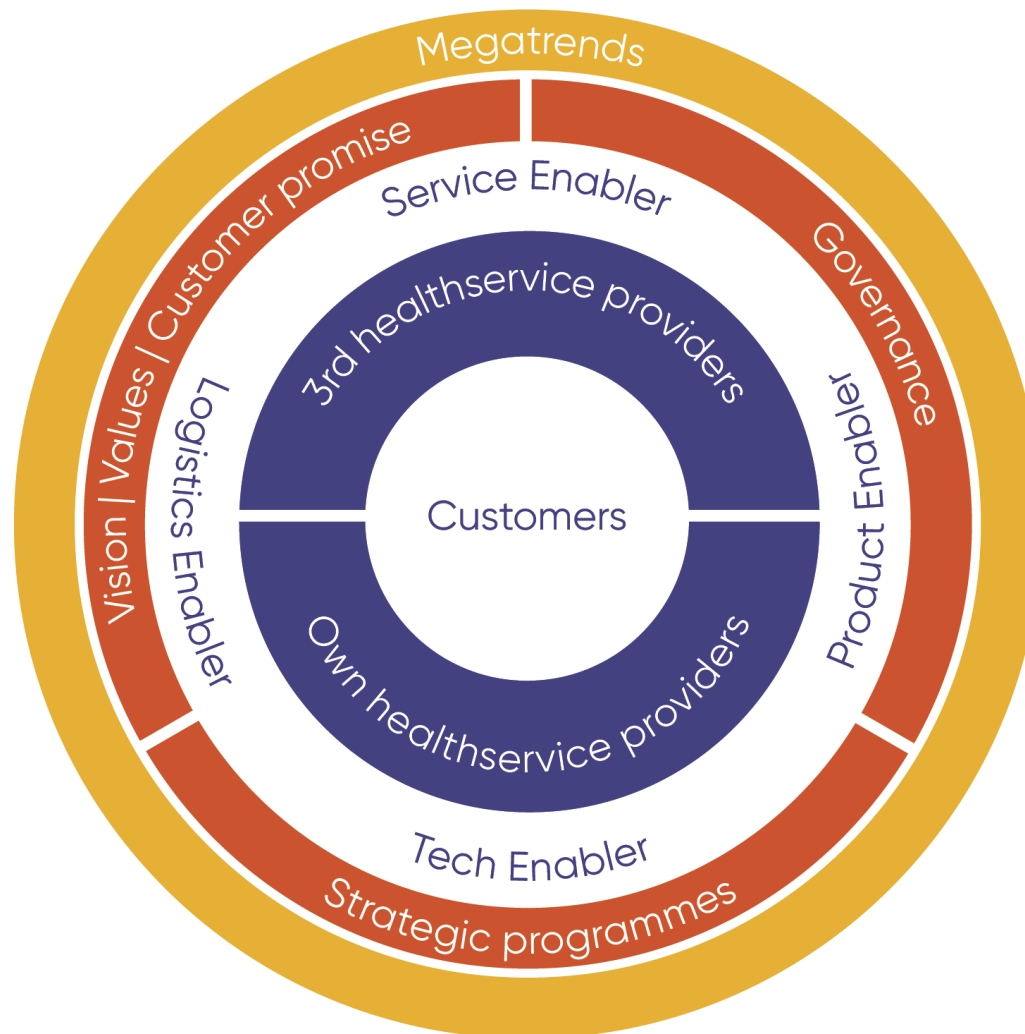
We support people at every stage of life on their journey towards health and well-being. With personal and expert advice and a unique range of products and services. Anytime and anywhere in Switzerland.



Strategic programmes



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 CO₂-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

Net sales
1,636m CHF

EBIT¹
152m CHF

Retail B2C

Local Pharmacies

Net sales
1,307m CHF

Pharmacies at Home

Net sales
79m CHF

Professionals B2B

Products & Brands

Net sales
177m CHF

Services for Professionals

Net sales
79m CHF



Logistics & IT

Net sales
3,077m CHF

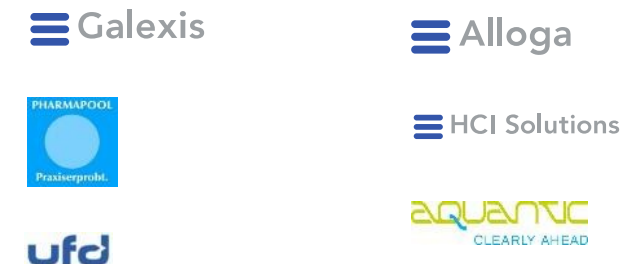
EBIT¹
42m CHF

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 Switzerland¹

194 **AMAVITA** 



The first Swiss pharmacy chain

85  **SUN STORE**



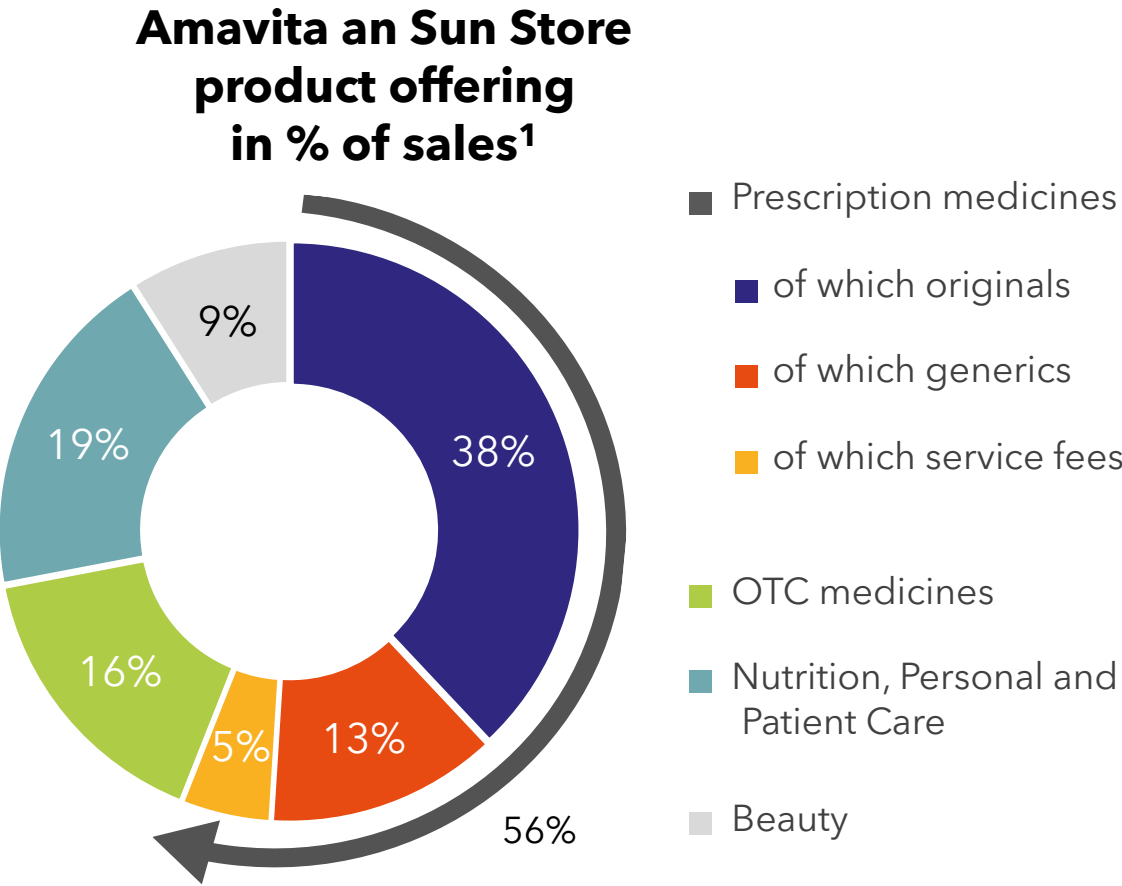
Joint venture (49:51) with Coop, the 2nd largest retail group in Switzerland

89 

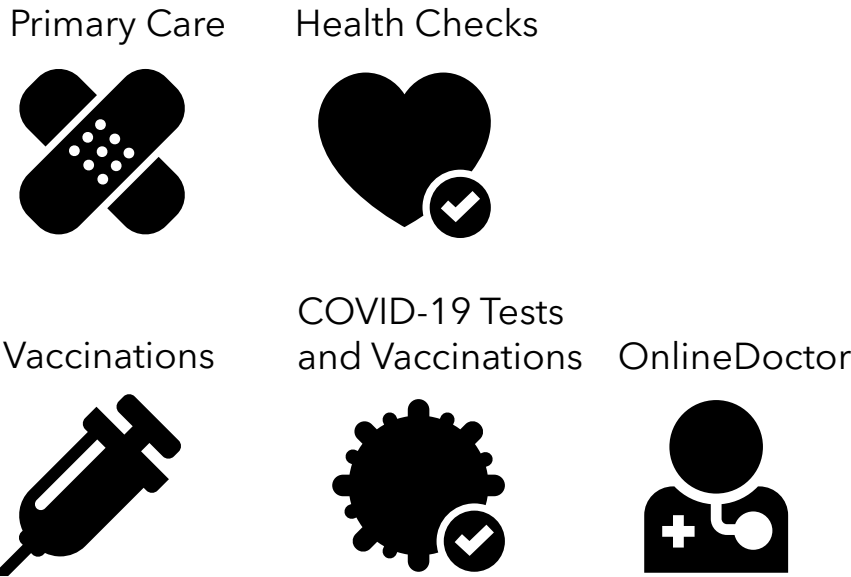
¹ Amavita figures include 6 majority holdings in other pharmacies, figures as of 31 December 2023

Local pharmacies:

Broad range of product and service offerings



Service offerings in local pharmacies (selection)

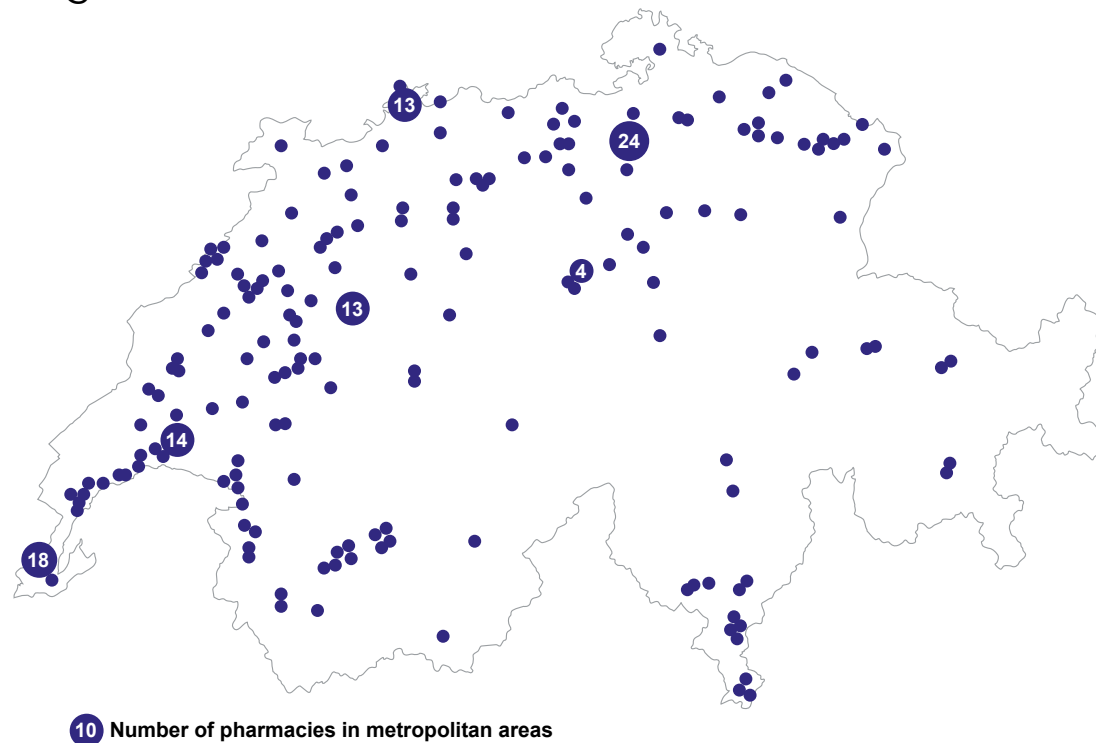


1) Share of net sales Dec 2023 YTD by product category generated by local pharmacies

Local pharmacies:

Always available where our customers are

Widely spread pharmacy network covers every Region in Switzerland



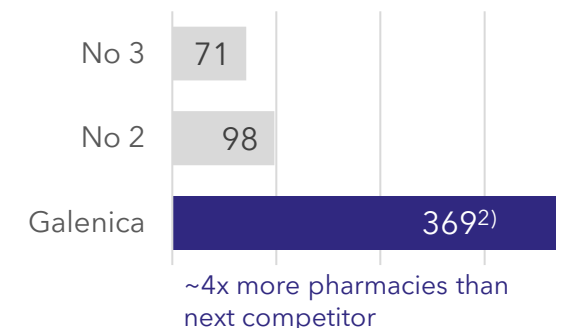
1 Based on number of pharmacies. Source: pharmaSuisse 2023, Fakten und Zahlen Schweizer Apotheken

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 3 net pharmacies added per year over the last 5 years

	2019	2020	2021	2022	2023
Pharmacies acquired	11	12	5	4	7
New pharmacies opened	8	5	3	3	1
Pharmacies closed	-8	-7	-6	-7	-7
Total own ² Pharmacies	356	366	368	368	369

Network of chains
Number of pharmacies as of 31 December 2023
(Total 1,839 pharmacies in Switzerland¹)



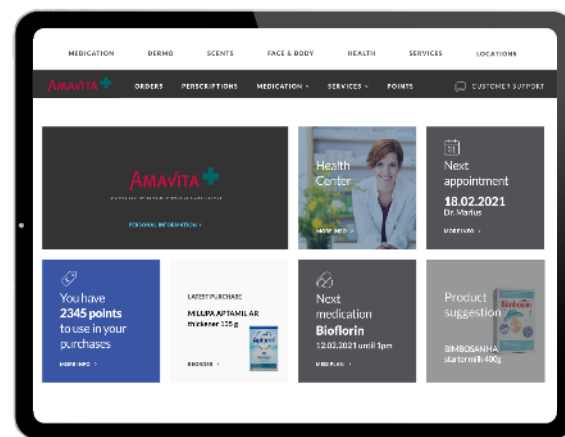
Pharmacies at home:

Mail order pharmacies and home care services

Key takeaways

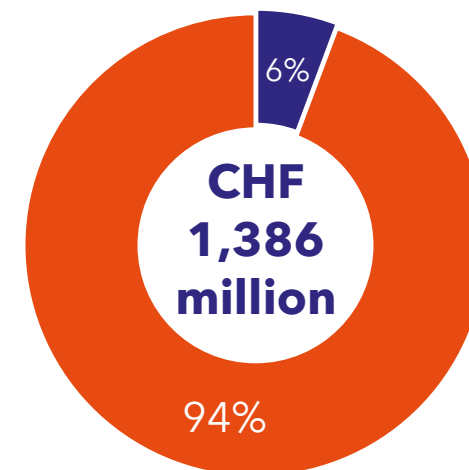
- Business area covers both home care (Bichsel) and Mail-order pharmacies (webshops / Cannaplant) with a share of 6% of Total Retail sales (B2C)
- Both Homecare and Mail-order pharmacies (including webshops) represent key growth areas of Galenica
- Strong online presence with own web shops and a broad product range with over 60'000 products, including well-known own brands
- Joint Venture Mediservice is market leading online and mail-order¹ pharmacy in Switzerland

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



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

Total Retail Net Sales



■ Pharmacies at home ■ Local pharmacies



Bahnhof Apotheke
Drogerie Langnau

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-order¹ pharmacy in Switzerland

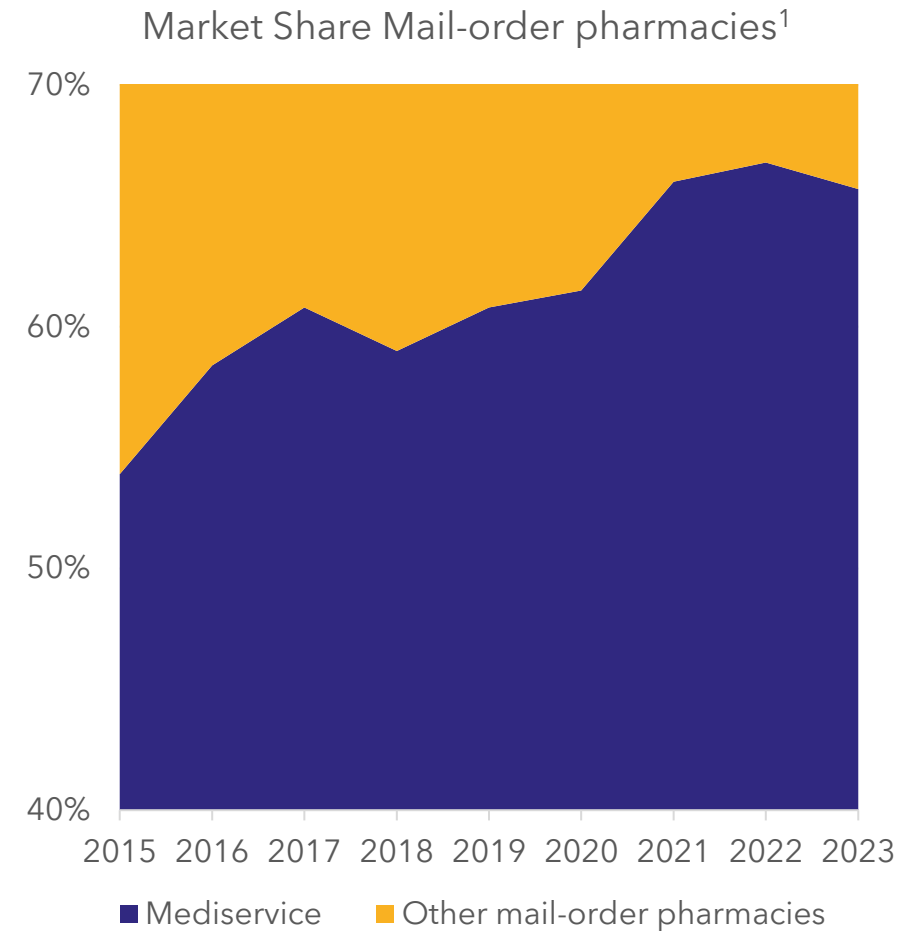


The business activities of Mediservice and shop-apotheke.ch are combined in the joint venture:

- 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



Products & Brands:

Strong brands for the Swiss Consumer Healthcare Market

Key takeaways

- Leading position¹ 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

¹ Based on IQVIA Sell-out Street Price Pharmacies & Drugstores December 2023



Selected own brands



Selected partner brands

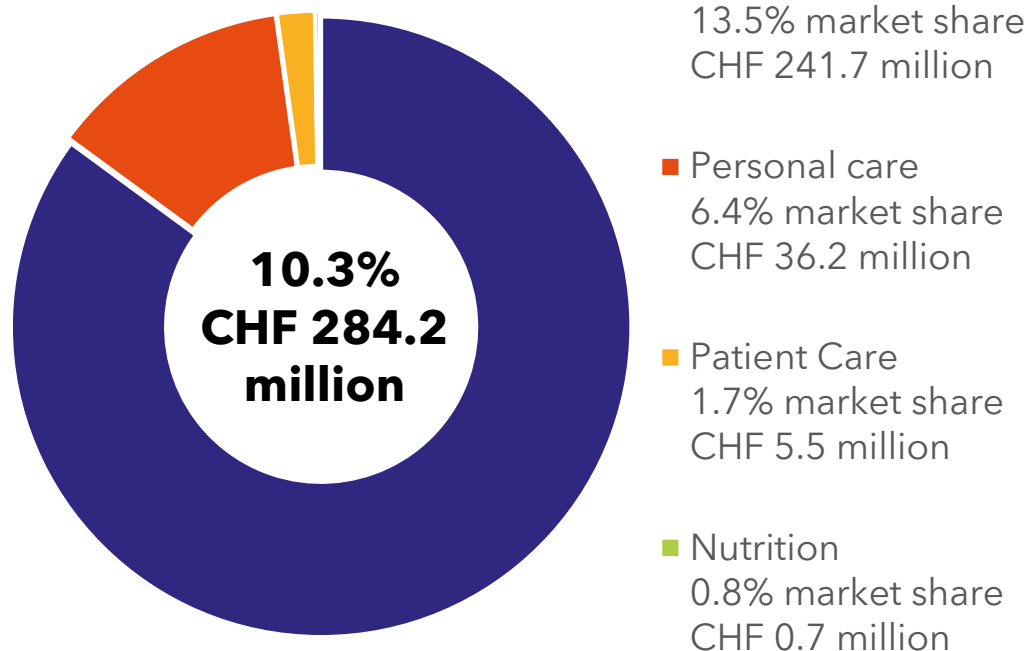


Products & Brands:

Strong brands for the Swiss Consumer Healthcare Market



Verfora market share in Swiss CHC market¹ in 2023



Market share of main OTC product categories of Verfora¹

Pain relief
29.7%
(CHF 80.5 million)

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

Cough & cold
18.5%
(CHF 70.9 million)

Digestive system
11.4%
(CHF 22.2 million)

¹ Source: IQVIA PharmaTrend for pharmacies and drugstores in Switzerland, 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

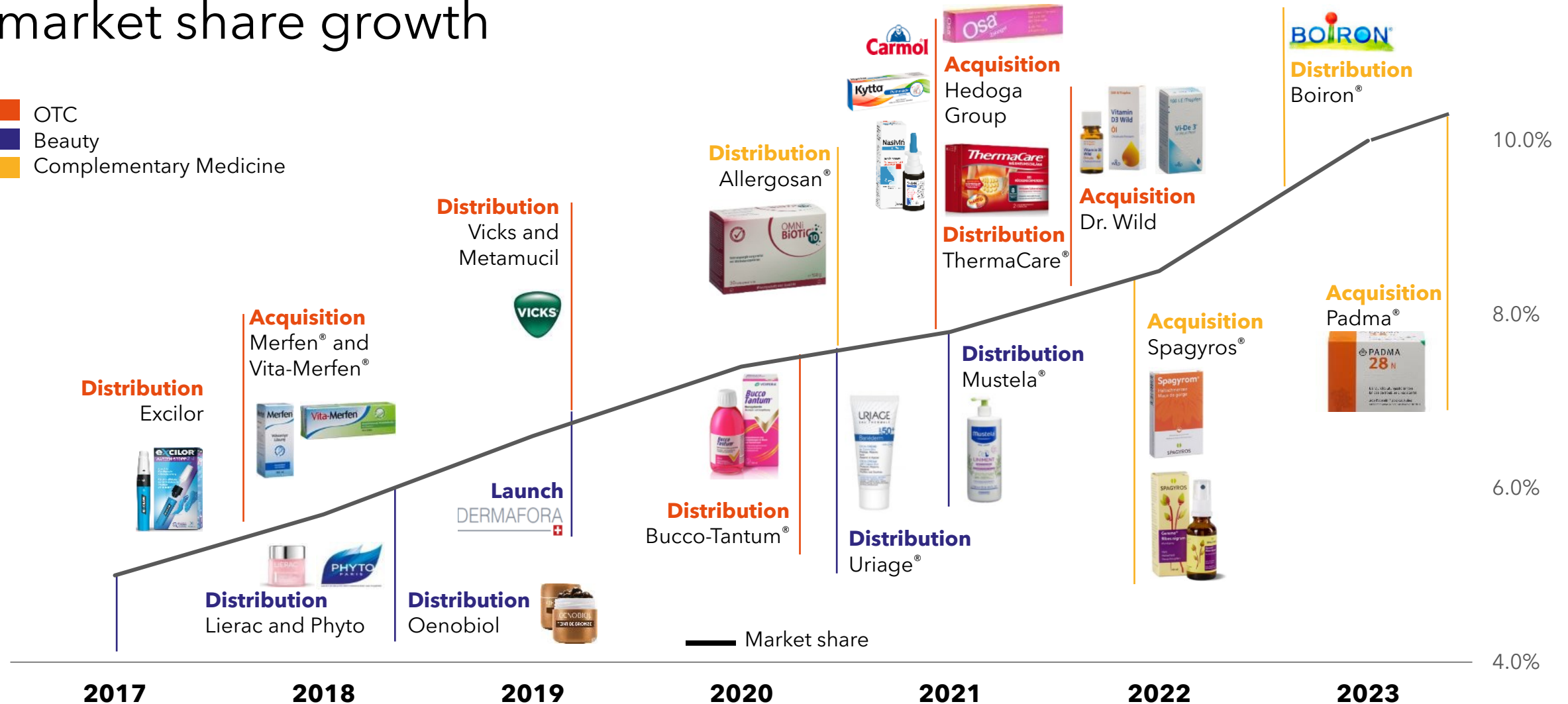
- Big OTC brands
- Emerging platforms complementary medicine, beauty & Rx
- New distribution agreements
- Acquisitions of brands / companies
- International expansion via distributors



Products & Brands:

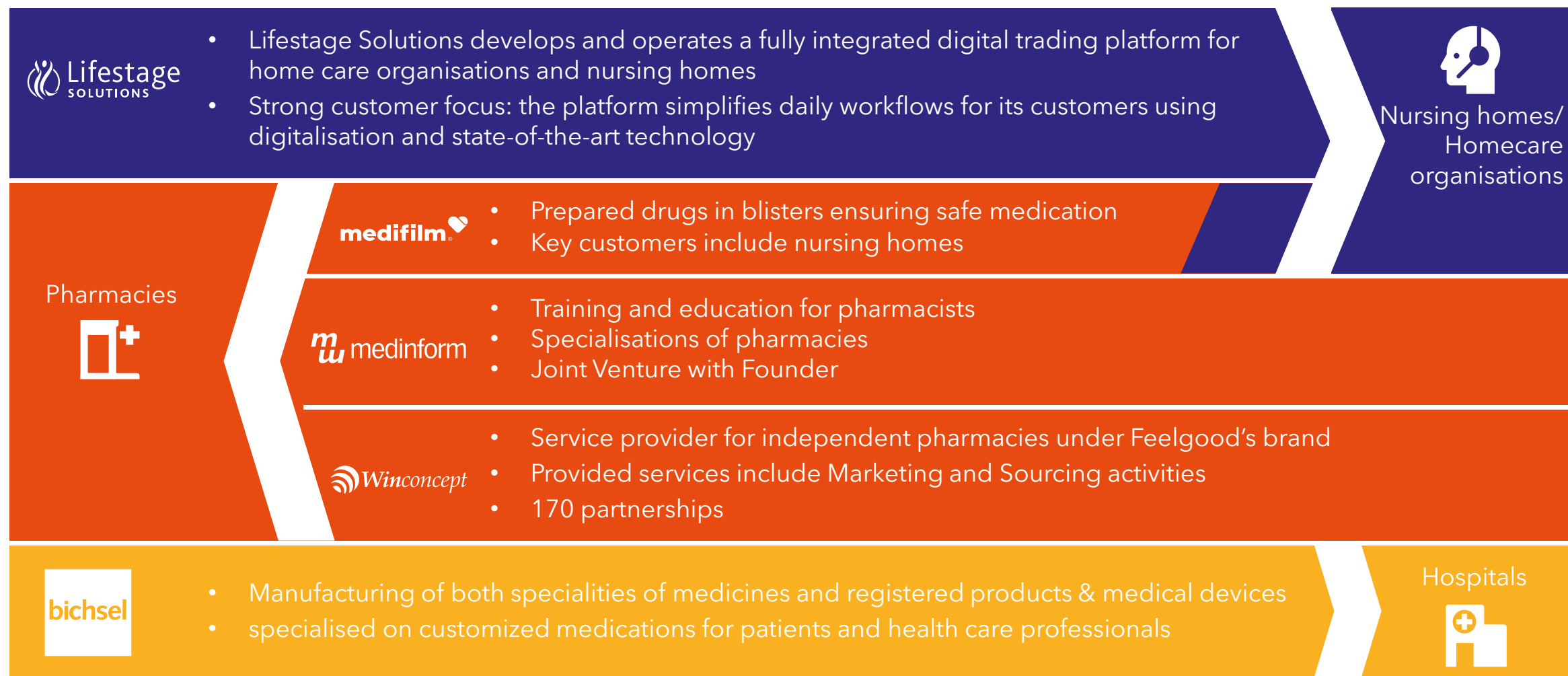
Proven M&A track record as key driver for market share growth

- OTC
- Beauty
- Complementary Medicine



Services for Professionals:

We support healthcare professionals with high quality services



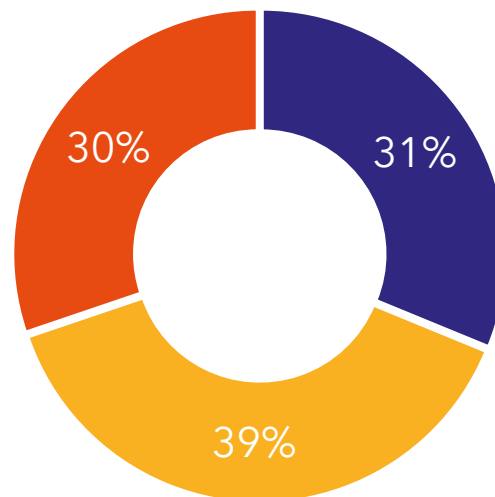
Wholesale:

Leader in wholesale distribution

Key takeaways

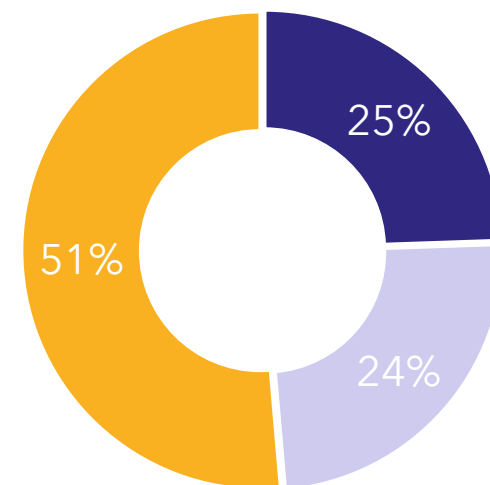
- Wide product range with around 100,000 products in pharma, non-pharma, practice & laboratory equipment and medical devices, whereof around 50% in stock
- Integrated services, high quality standards
- Ensuring the basic drug supply in Switzerland
- Main site at Niederbipp operates at up to 60% automation
- 100,000 products (c.10,000 Rx²)
- GDP³-compliant services
- >1,000 suppliers

Wholesale market share¹
% physician channel



■ Galenica ■ Other Wholesalers ■ Direct

Wholesale market share¹
% pharmacy channel



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

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

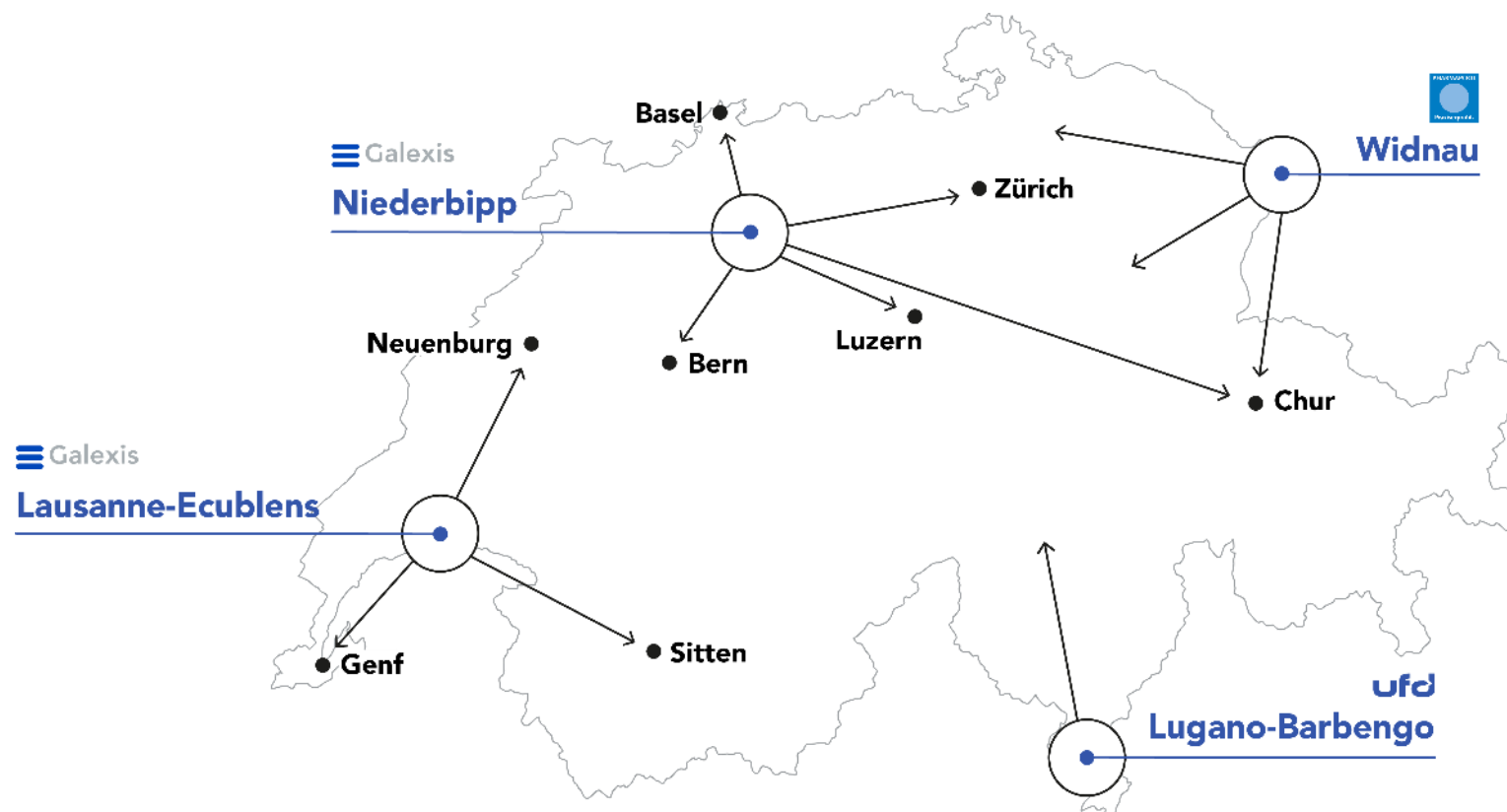
² Prescription products

³ 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

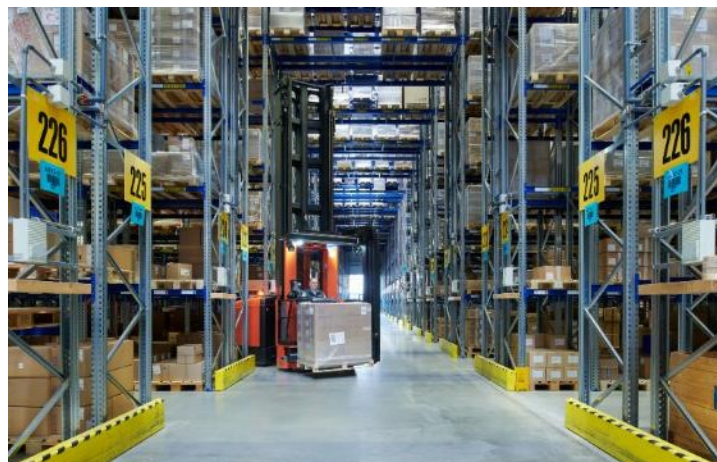
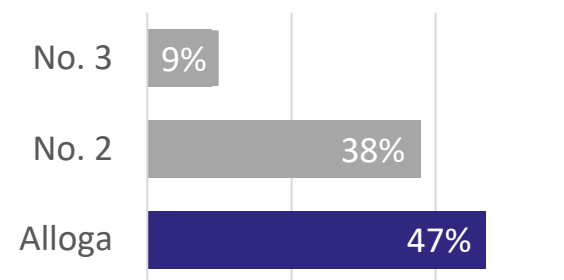
Logistics & IT Services:

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 share¹⁾



Warehouse capacity
35,200 m²

Pharma partners
>100

Shipping parcels and pallets per year
~ 600'000

Stock items (SKU)
> 12,000

¹ Company estimate

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 and Logistic platforms.
- Internal IT Services and Operations for Galenica subsidiaries

Internal IT Services

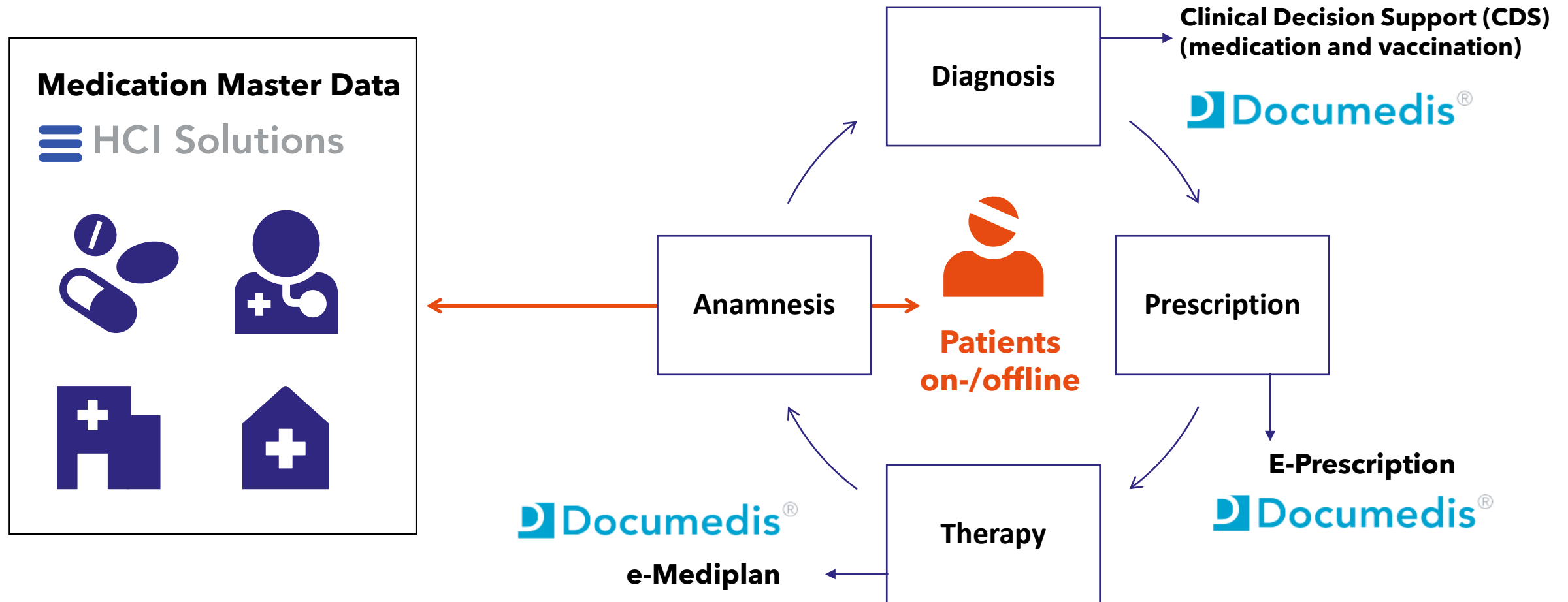

Projects & Consulting
Software Development
Infrastructure & Operations
Enterprise Architecture & Data Analytics
SAP Competence Center
Security & Quality
Customer & Service Mgt.

Market offering


Index
Documedis
Compendium.ch
pharmavista


Logistics & IT Services:

Our approach towards more patient safety, convenience and efficiency



Market environment

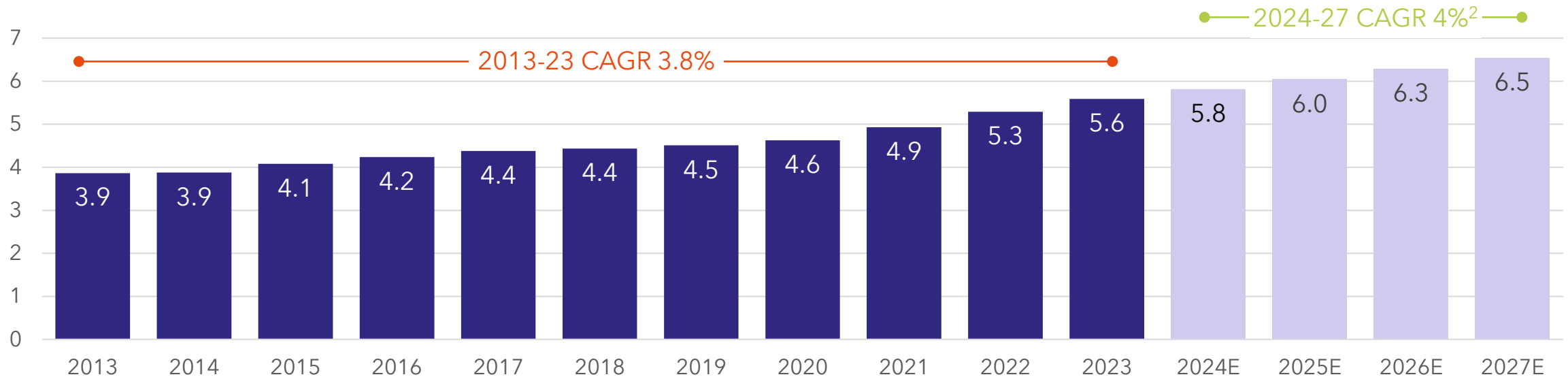


Swiss healthcare market

Proven track record of resilient and stable growth

Development of Swiss healthcare retail sector¹

in billion CHF (based on ex-manufacturer price)



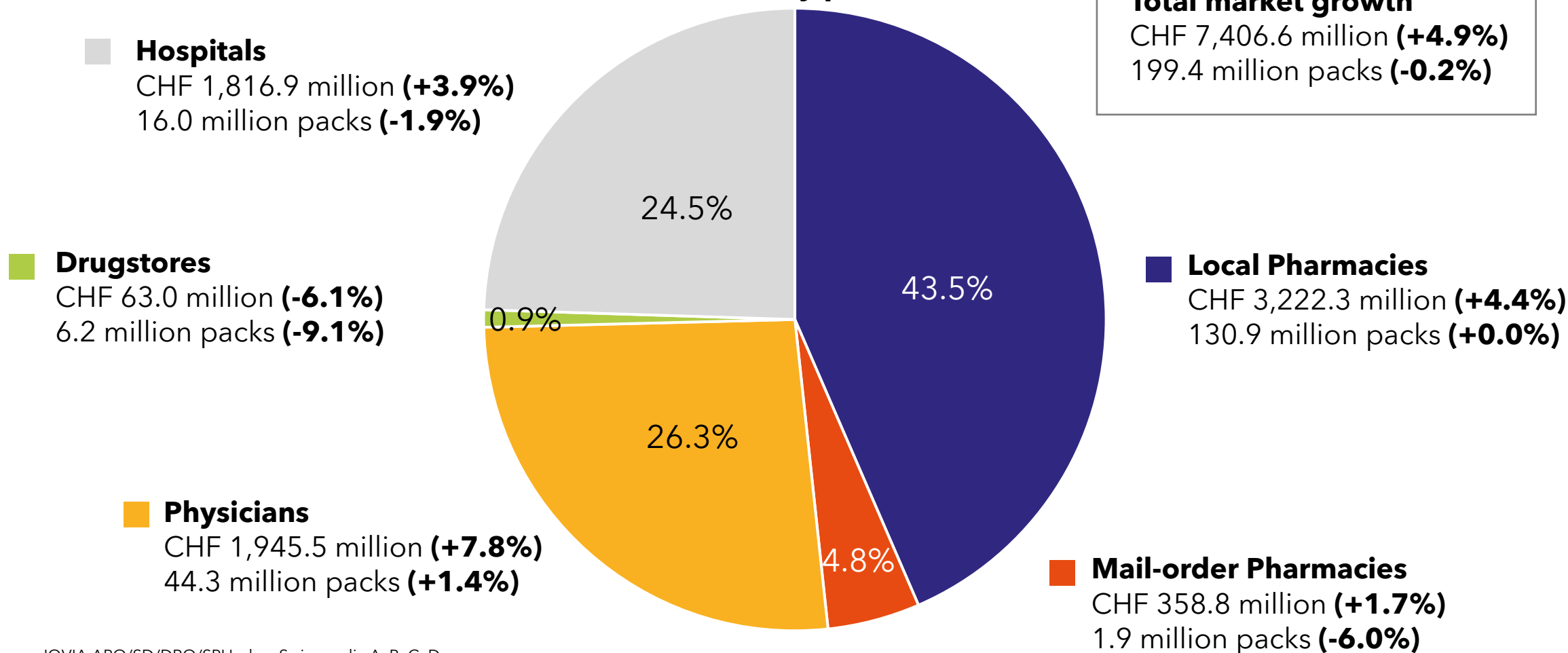
- Underlying healthcare sector growth drivers, including demographics, lifestyle and innovation
- One of the highest life expectancy rates in the world
- Non-discretionary nature of products and services

1
2

IQVIA, Pharmaceutical Market Switzerland, YTD December 2023, total market without hospitals
Company estimate

Swiss pharmaceutical market 2023

Allocation by value
(ex-factory price)

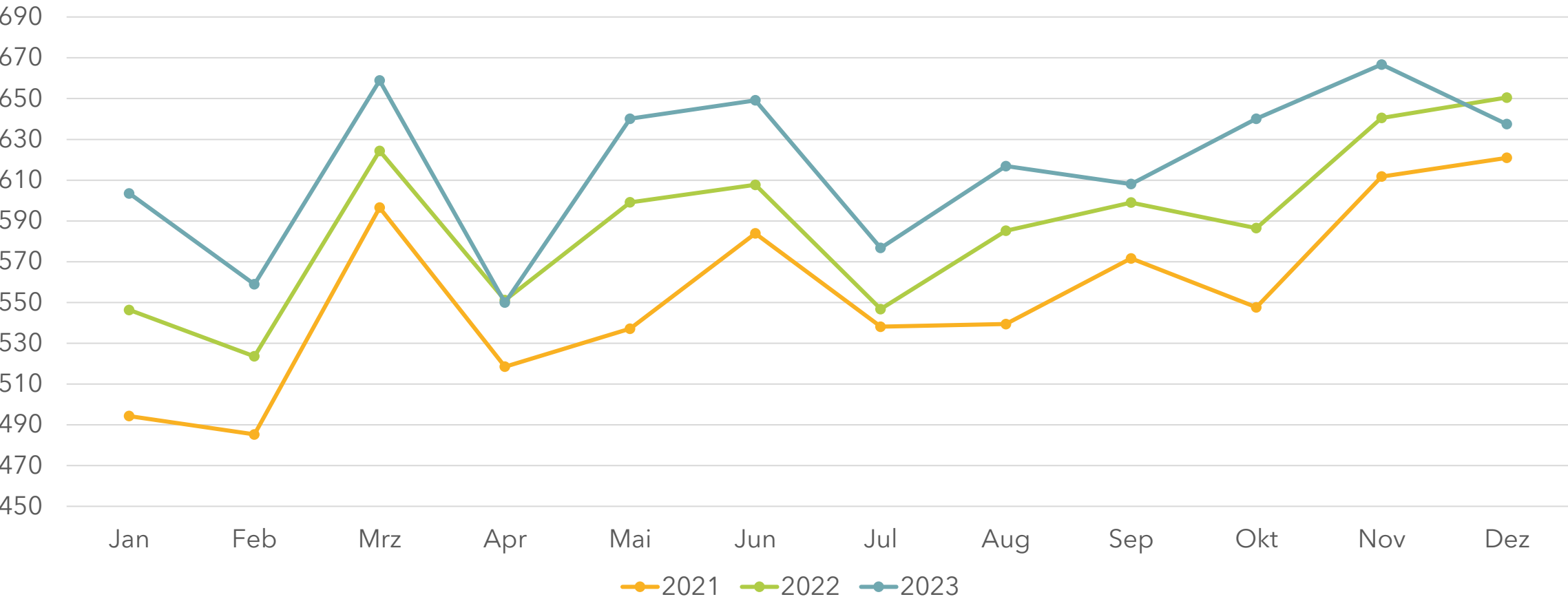


Source: IQVIA APO/SD/DRO/SPI Index, Swissmedic A, B, C, D
 Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores
 © IQVIA Switzerland - Swiss pharmaceutical market December 2023

Swiss pharmaceutical market

Reduced growth in H2 2023

in million CHF



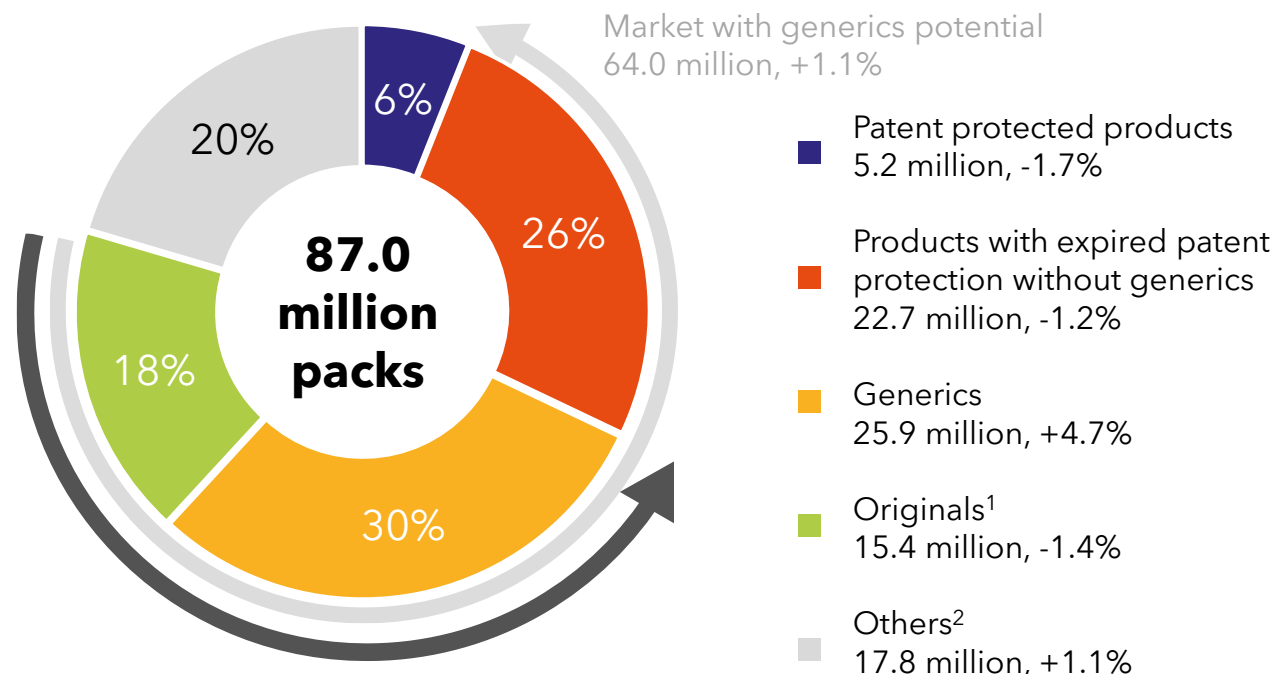
Source: APO/SD/DRO/SPI Index, Swissmedic A, B, C, D
Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to hospitals, physicians and drugstores
© IQVIA Switzerland - Swiss pharmaceutical market December 2023

Swiss pharmaceutical market

Galenica as key driver of generic substitution in Switzerland

Drugs reimbursable by health insurance in Swiss pharmacy channel 2023

(by packs, total 87.0 million)



Market with generics
41.3 million, +2.3%

Substitution rate Pharmacies
Galenica Group³

75.2%

Galenica Group: increase of
generic substitution rate in 2023⁴

+0.4pp

Source: IQVIA Switzerland - Swiss pharmaceutical market 2023, Market Segmentation, reimbursable products (FOPH) in the pharmacy channel. Monthly calculation basis, delineated market division, data as of December 2023

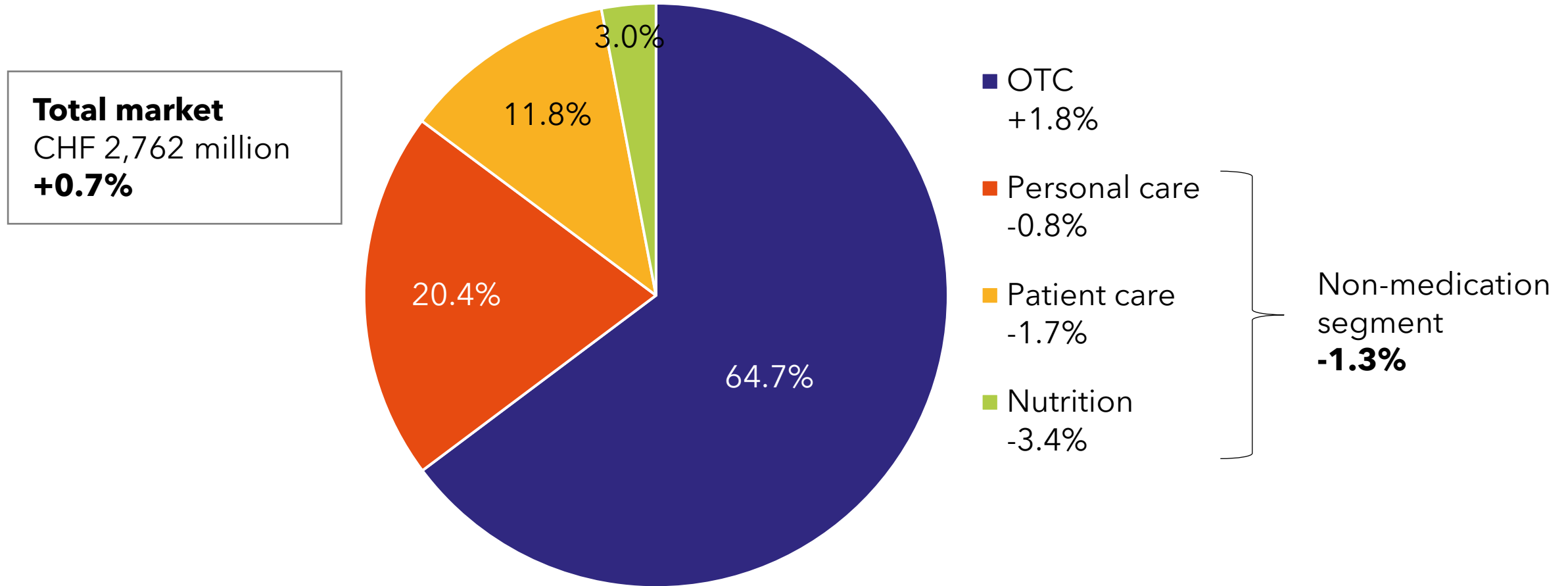
1) Products with expired patent protection and at least one generic

2) 1. Natural substance (e.g. vitamins, minerals, herbal ingredients);

2. Vaccines; 3. Biosimilars; 4. Reference products

3) Source: Galenica Group

Swiss consumer healthcare market 2023



Source: IQVIA PharmaTrend for pharmacies and drugstores in Switzerland, streetprices
© IQVIA Switzerland - Consumer Health market December 2023 (without Covid-19 self-tests)

Swiss healthcare market: regulatory environment

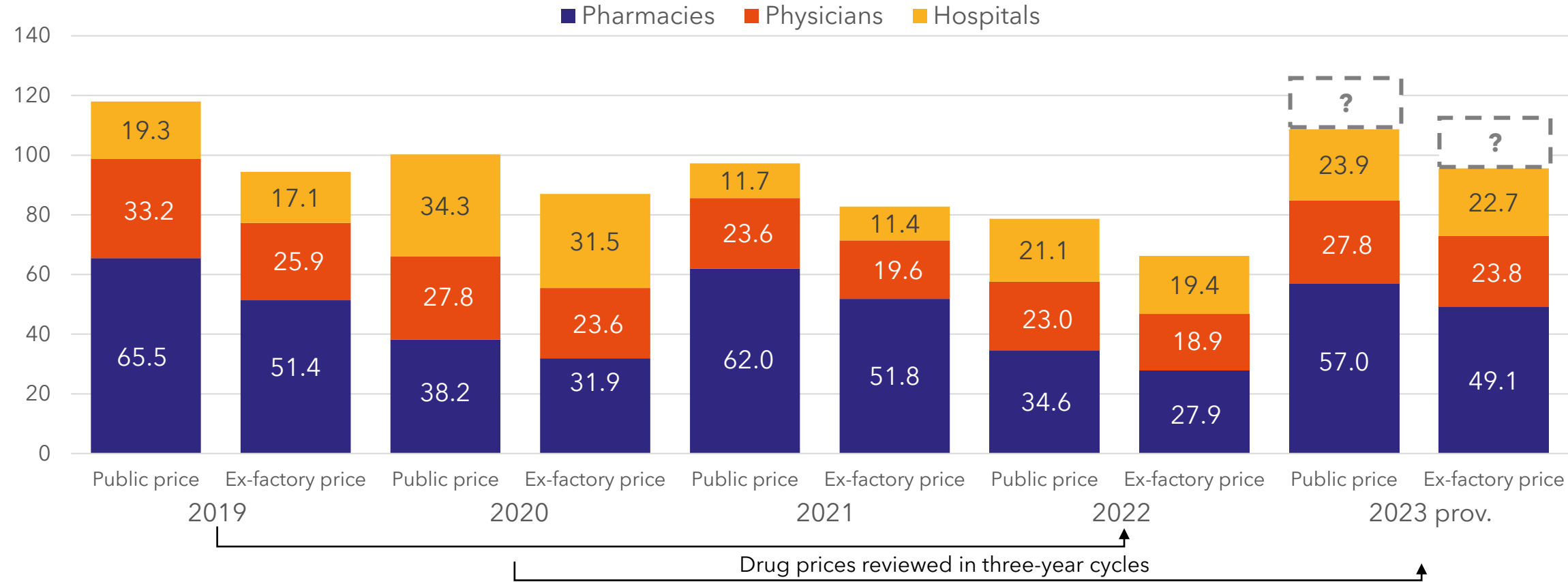
Topic/Initiative	Current status
Reduction in drug prices	– Standard process, FOPH verifies drug prices in a three-year cycle
Distribution margin	<ul style="list-style-type: none"> – New concept of distribution margin decided by Federal Council on 8 Dec 2023 – Implementation of a new model by 1 July 2024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

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

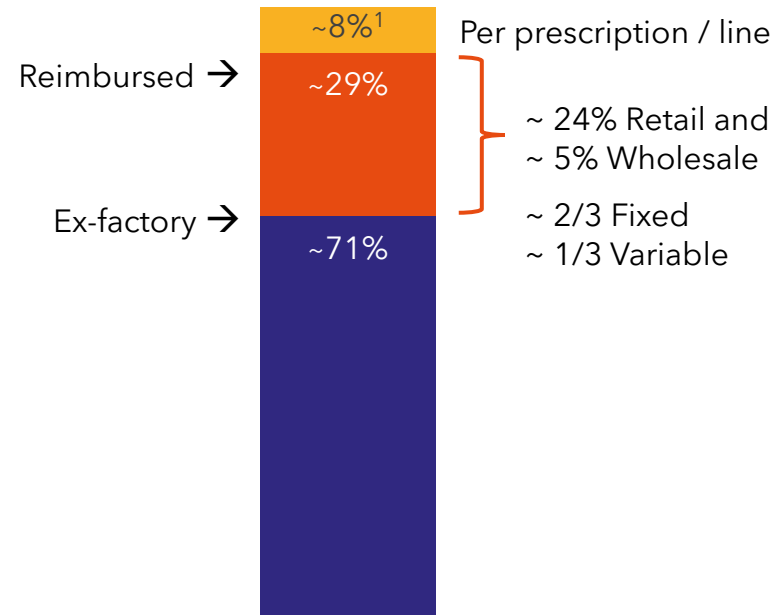
Swiss healthcare market: regulatory environment

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).



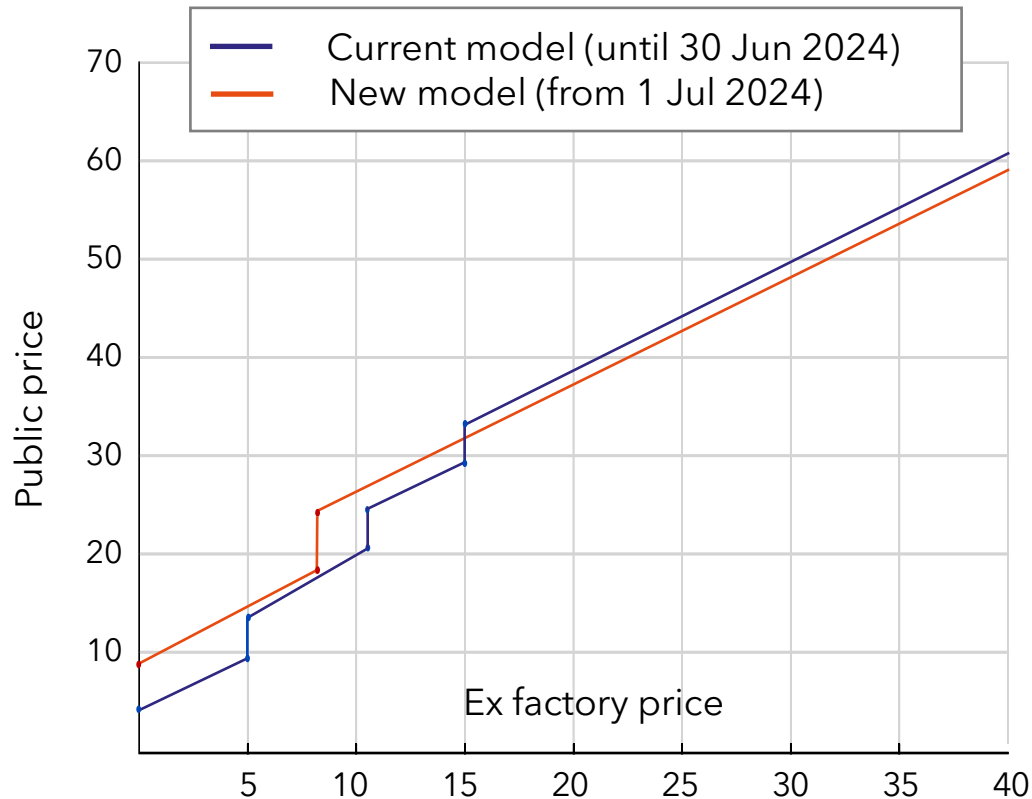
- SBR Retail service fees
- Galenica total margin
- Supplier margin

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

1 Based on Company internal figures.
SBR: Service based remuneration

Swiss healthcare market: regulatory environment

New concept of distribution margin (valid from 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 ~75%, Galenica estimates the impact of the new distribution margin to be neutral.

Business performance

Our success story

Key business events 2023

PADMA

January 2023: **Galenica acquires** **100% of Padma Ltd.**

Padma specialises in the manufacture and distribution of herbal formulations derived from Tibetan medicine. With the acquisition, Verfora is expanding its complementary medicine portfolio and expanding its range of reimbursable medicines.



March 2023: Galenica and Redcare Pharmacy enter into a strategic partnership and establish the leading online pharmacy in Switzerland

As part of a strategic partnership, Galenica and Redcare Pharmacy are combining the business activities of the specialty pharmacy Mediservice AG and the online pharmacy shop-apotheke.ch in a joint venture. This combination creates the leading online pharmacy in Switzerland. Redcare Pharmacy now holds 51% and Galenica 49% of the joint venture.

Mediservice and shop-apotheke.ch complement each other very well. Mediservice is the leading specialty pharmacy in Switzerland with a focus on the mail-order of prescription drugs (Rx) and the care of chronically ill patients at home. Redcare Pharmacy is the leading e-pharmacy in Europe and operates a rapidly growing digital health platform in Switzerland with shop-apotheke.ch.

The transaction was closed on 16 May 2023




June 2023: Galenica joins digital health platform Benecura pulic

By acquiring a 16% stake in AD Swiss Ltd., Galenica joins the digital health platform "BENECURA public" which offers digitally supported treatment programmes for people with chronic illnesses.

Through this acquisition, Galenica is thus expanding its product range and services for those with chronic illnesses, and strengthening its network to other stakeholders in the healthcare sector.

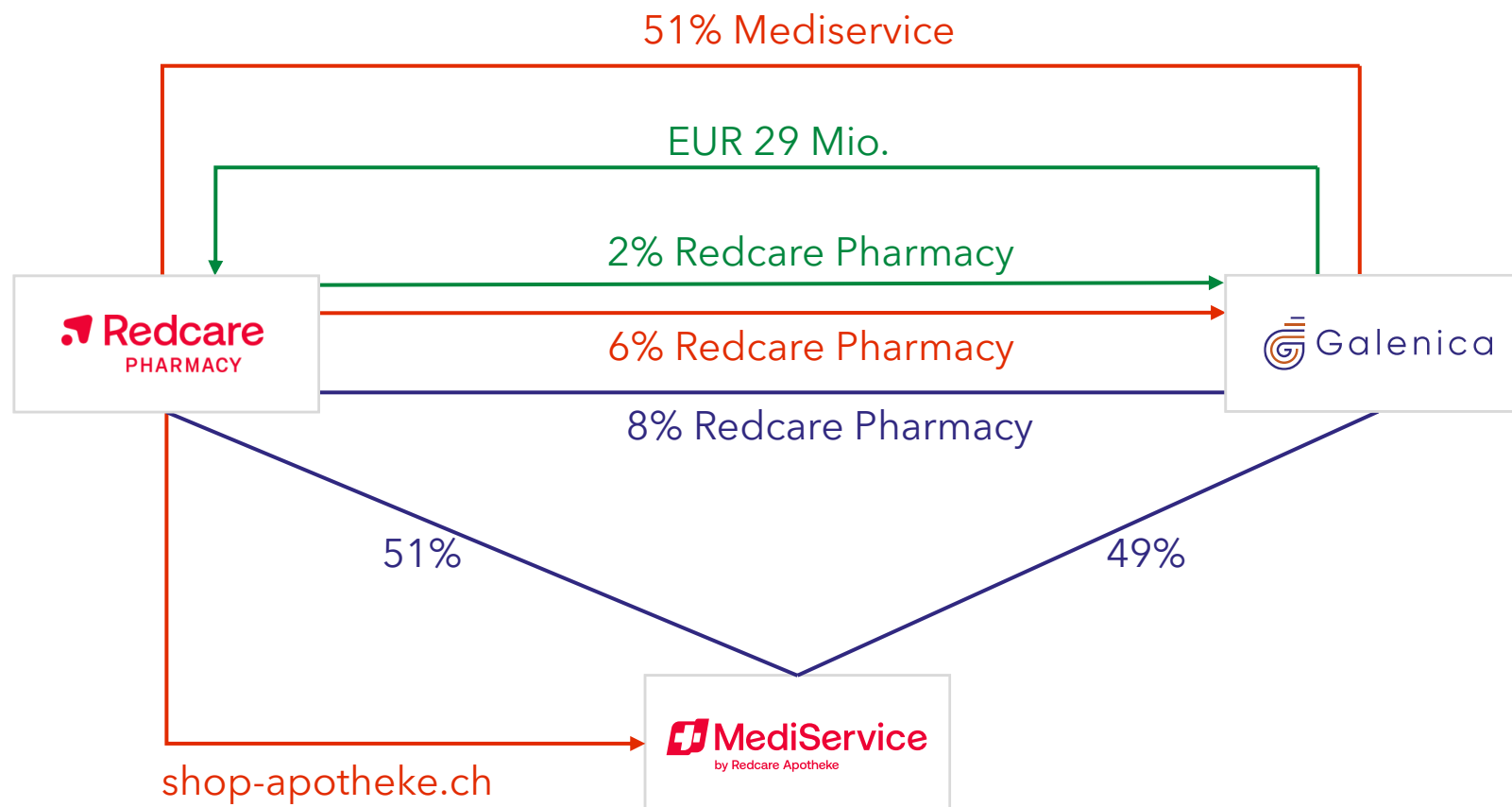
January - December 2023

 Segment Products & Care

 Segment Logistics & IT

Key business events 2023

Transaction structure for Joint Venture with Redcare Pharmacy N.V.



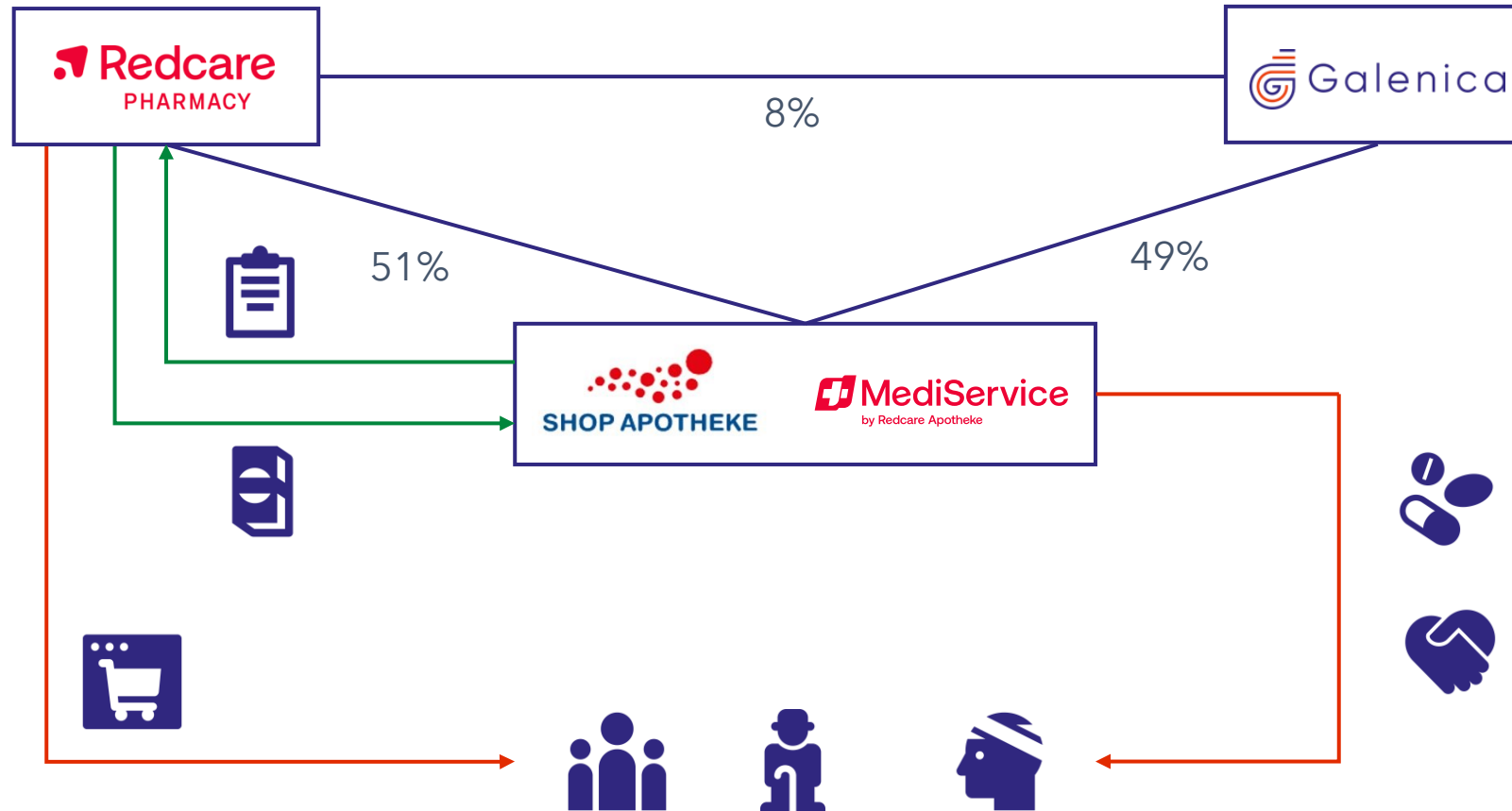
Transfer shop-apotheke.ch to Mediservice, sale of 51% of Joint Venture against 6% of Redcare Pharmacy

Capital increase 2% with cash settlement

Target structure

Key business events 2023

Business Operating Model for Joint Venture with Redcare Pharmacy N.V.



- The prescription medicines business will continue to be operated by Mediservice.
- Until further notice, the platform with the Redcare Pharmacy web shop will be operated from Sevenum (NL) for the non-pharmaceutical range, supplemented by Swiss offerings.
- Multiple synergies in the combination of shop-apotheke.ch and Mediservice are expected for an improved customer experience.
- As soon as it is legally possible, the joint venture will also include OTC medicines into its range.
- The joint venture will analyze and decide whether and when it makes sense to combine the two activities in a joint B2C logistics center in Switzerland

Key business events 2023

Mediservice business activities are deconsolidated due to the joint venture

in million CHF	H1 2022A (as reported)	Mediservice (disc. ops)	H1 2022A (cont. ops)	in %
Net Sales	1'959.9	-205.7	1'754.2	-10.5%
Products & Care	986.8	-215.1	771.7	-21.8%
EBIT adjusted¹	100.0	-5.0	95.0	-5.0%
ROS	5.1%		5.4%	
Products & Care ¹	75.8	-5.0	70.8	-6.6%
ROS	7.7%		9.2%	
Net profit adjusted¹	81.3	-4.1	77.2	-5.0%

in million CHF	FY 2022A (as reported)	Mediservice (disc. ops)	FY 2022A (cont. ops)	in %
Net Sales	4'014.3	-425.8	3'588.5	-10.6%
Products & Care	2'029.6	-445.9	1'583.7	-22.0%
EBIT adjusted¹	200.8	-10.2	190.6	-5.1%
ROS	5.0%		5.3%	
Products & Care ¹	153.5	-10.2	143.3	-6.6%
ROS	7.6%		9.0%	
Net profit adjusted¹	165.7	-8.5	157.2	-5.1%

With the creation of the joint venture, Mediservice will be deconsolidated :

- Total net sales of segment Products&Care is decreased by 21.8% for H1 2022 and by 22.0% for FY 2022
- ROS of segment Products&Care is increased to 9.2% in H1 2022 and to 9.0% in FY 2022
- EBIT and net profit of Galenica Group reduced by roughly 5%

¹ Excluding effects of IAS 19 and IFRS 16, see chapter "Alternative performance measures" of the HYR 2023

Performance overview Galenica Group

History of resilient growth and margin improvement

2013 - 2022 including Mediservice
(incl. discontinued operations)

CAGRs

Retail market sales¹ 4.2%

Galenica net sales 3.2%

Galenica EBIT² 8.2%

2022 - 2023 w/o Mediservice
(continuing operations)

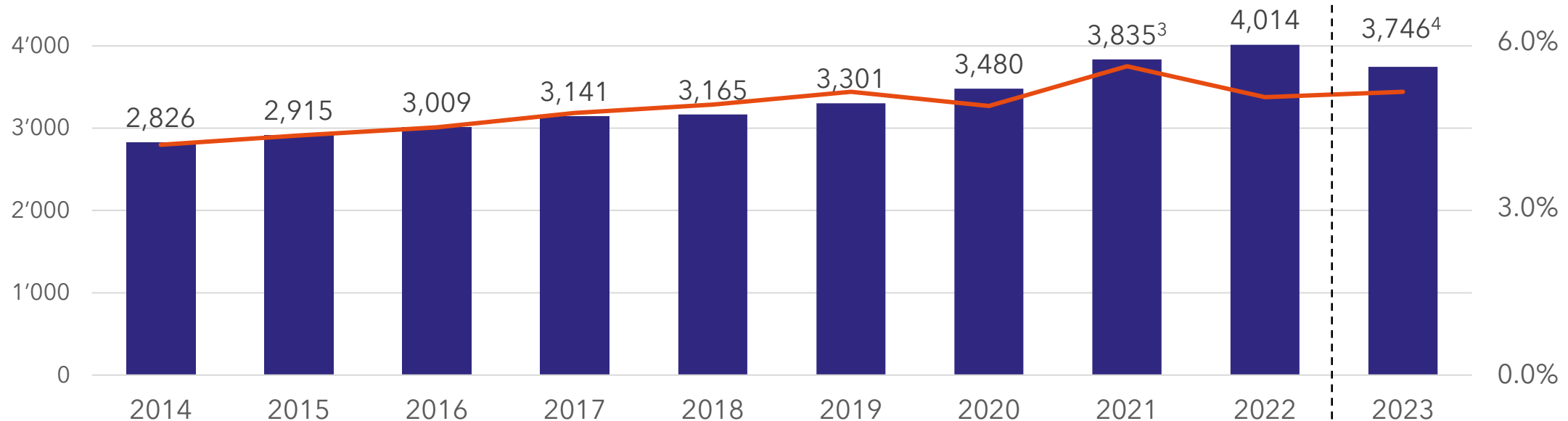
CAGRs

Retail market sales¹ 5.7%

Galenica net sales 4.4%

Galenica EBIT⁴ 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))

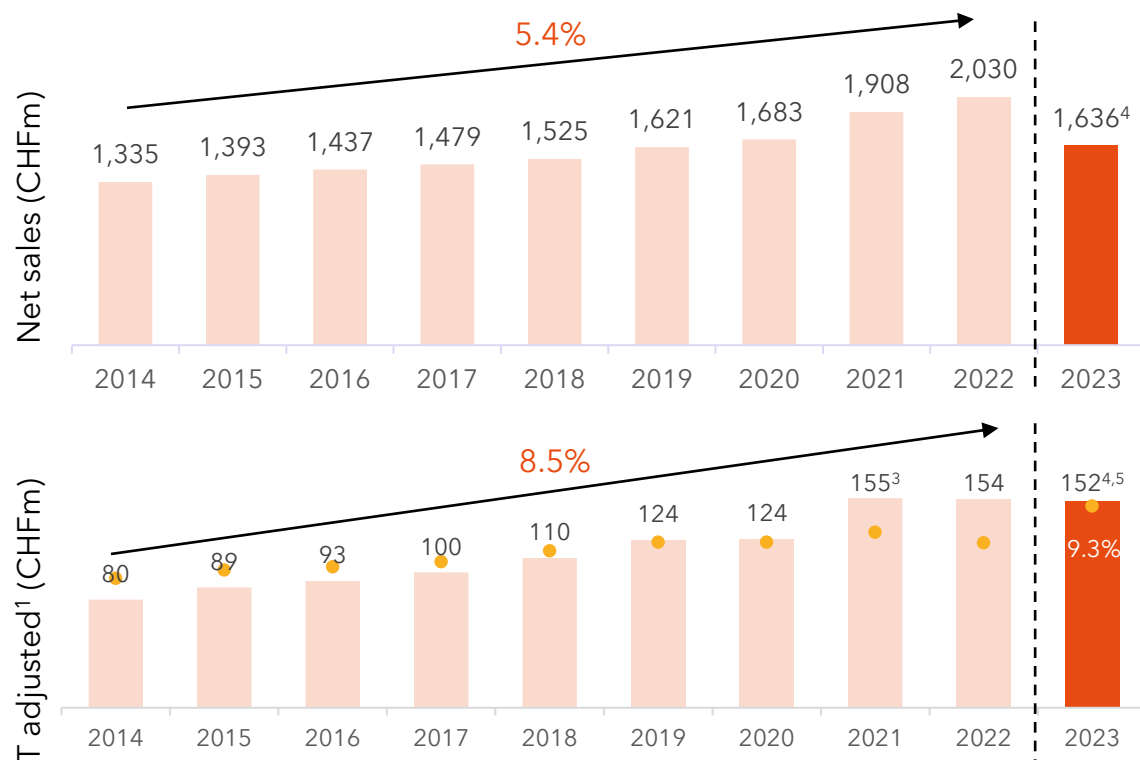
³ EBIT margin influenced by positive impact from COVID-19 initiatives of CHF 25 million and profit from property sale of CHF 9.4 million

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

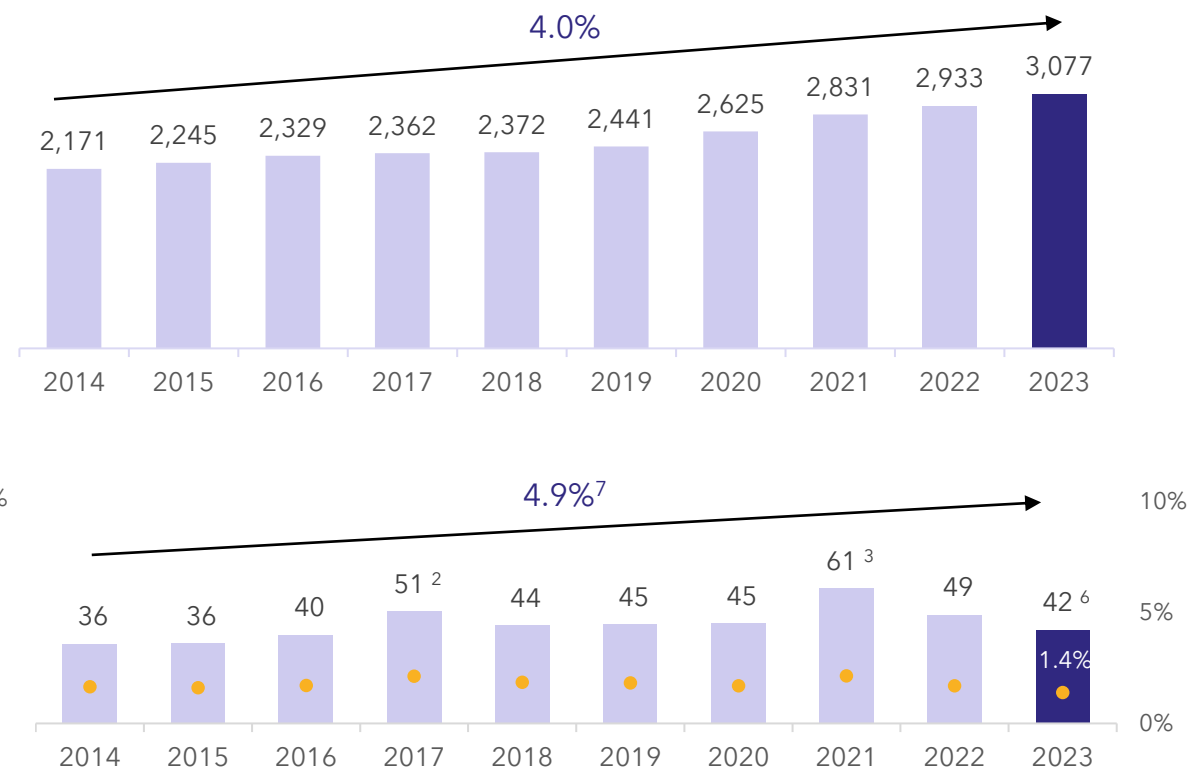
Performance overview Galenica Group

Strong performance development in both segments

Products & Care



Logistics & IT



Source: Company information, Galenica Annual Reports

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

2 2017 including one-off effects (CHFm7.0), comparable EBIT CHFm 43.6 and ROS 1.8%

3 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

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

5 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%

6 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%

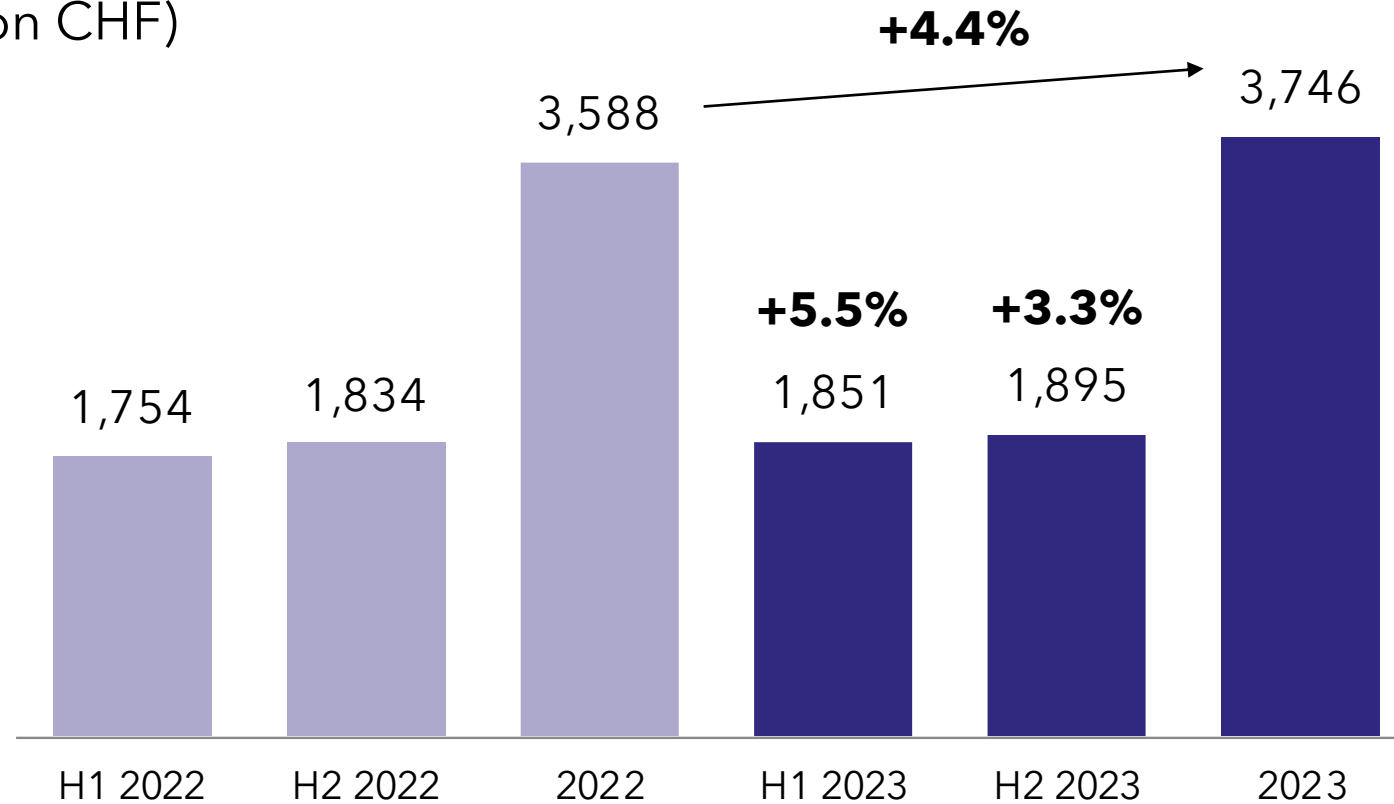
7 CAGR Logistics % IT adjusted for negative one-off effects in 2023 of CHF 12.8 million

● EBIT margin %
↗ CAGRs

Galenica Group

Pleasing sales growth

Net sales (in million CHF)



**Growth without
COVID-19 initiatives¹**

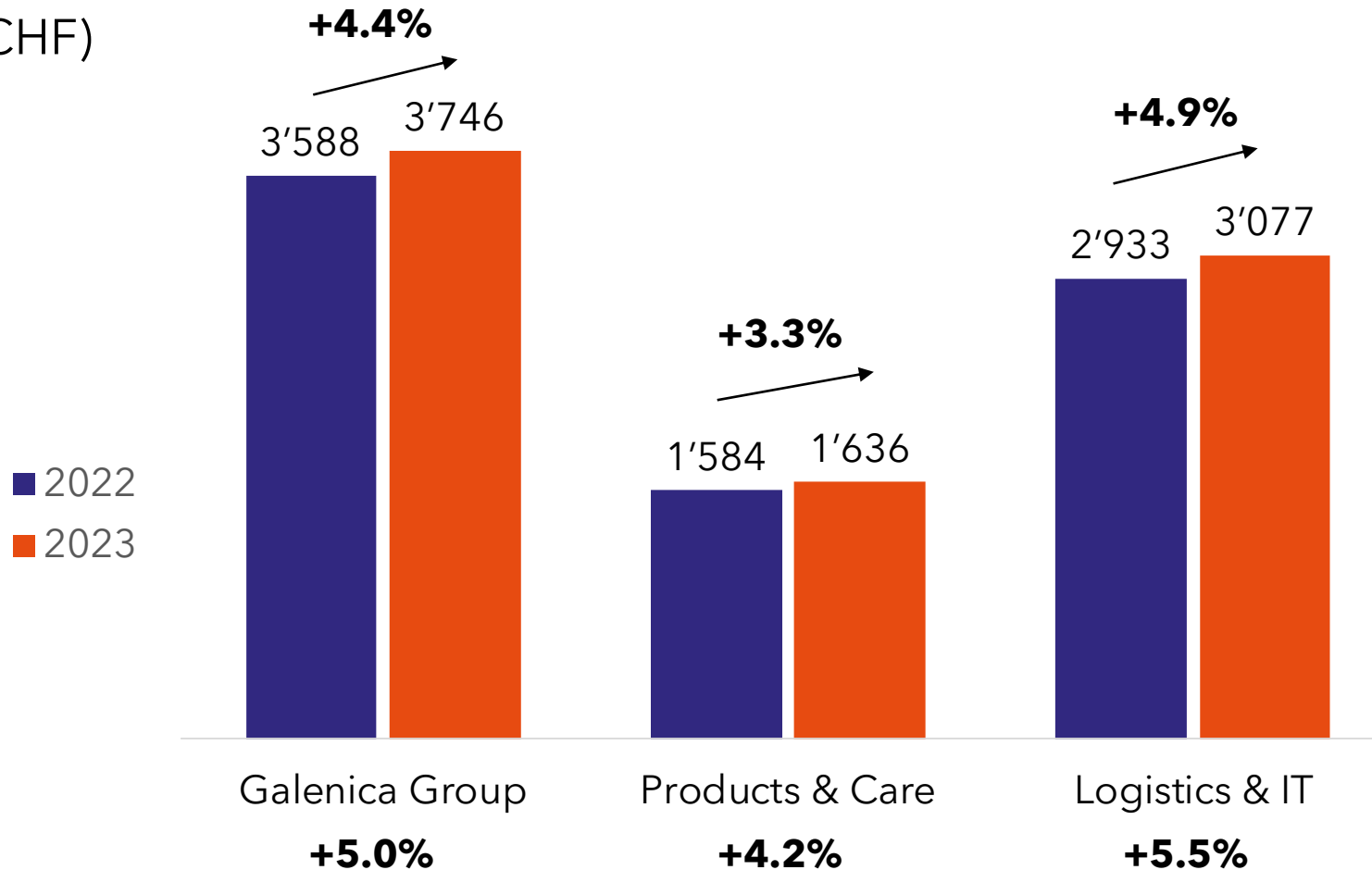
+6.5% +3.6% +5.0%

¹ Impact of COVID-19 initiatives includes net sales of PCR tests, Rapid Antigen tests, self-tests as well as vaccinations

Galenica Group

Pleasing sales growth

Net sales (in million CHF)



**Growth without
COVID-19 initiatives¹**

¹ Impact of COVID-19 initiatives includes net sales of PCR tests, Rapid Antigen tests, self-tests as well as vaccinations

Galenica Group

Sales growth in all business areas

Net sales (in million CHF)	2023	2022	change
Local Pharmacies	1'307	1'287	+1.6%
Pharmacies at Home	79	74	+6.6%
Retail (B2C)	1'386	1'361	+1.8%
Products & Brands	177	158	+12.3%
Services for Professionals	79	71	+11.0%
Professionals (B2B)	256	229	+11.9%
Products & Care	1'636	1'584	+3.3%
Wholesale	2'953	2'820	+4.7%
Logistics & IT Services	144	131	+10.1%
Logistics & IT	3'077	2'933	+4.9%

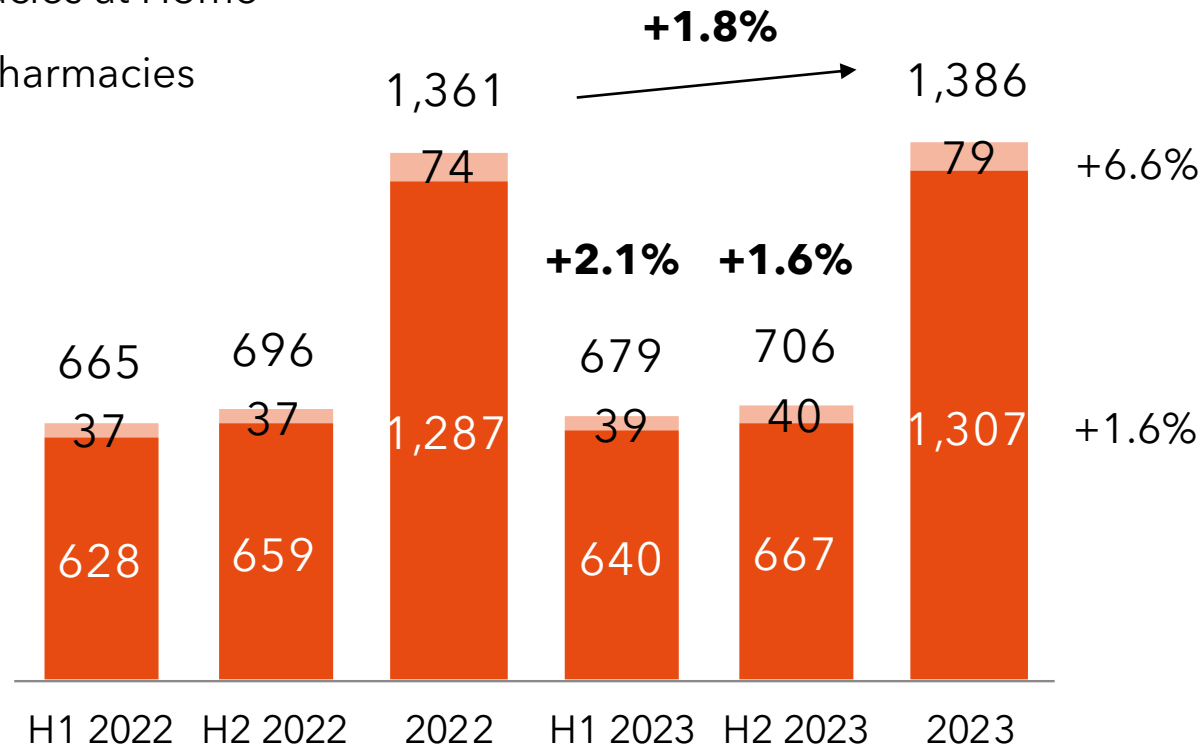
Retail B2C

Solid sales growth in line with market development

Net sales (in million CHF)

■ Pharmacies at Home

■ Local Pharmacies



Portfolio of local pharmacies optimised in 2023:
expansion impact of +0.2%

AMAVITA+

+ SUN STORE

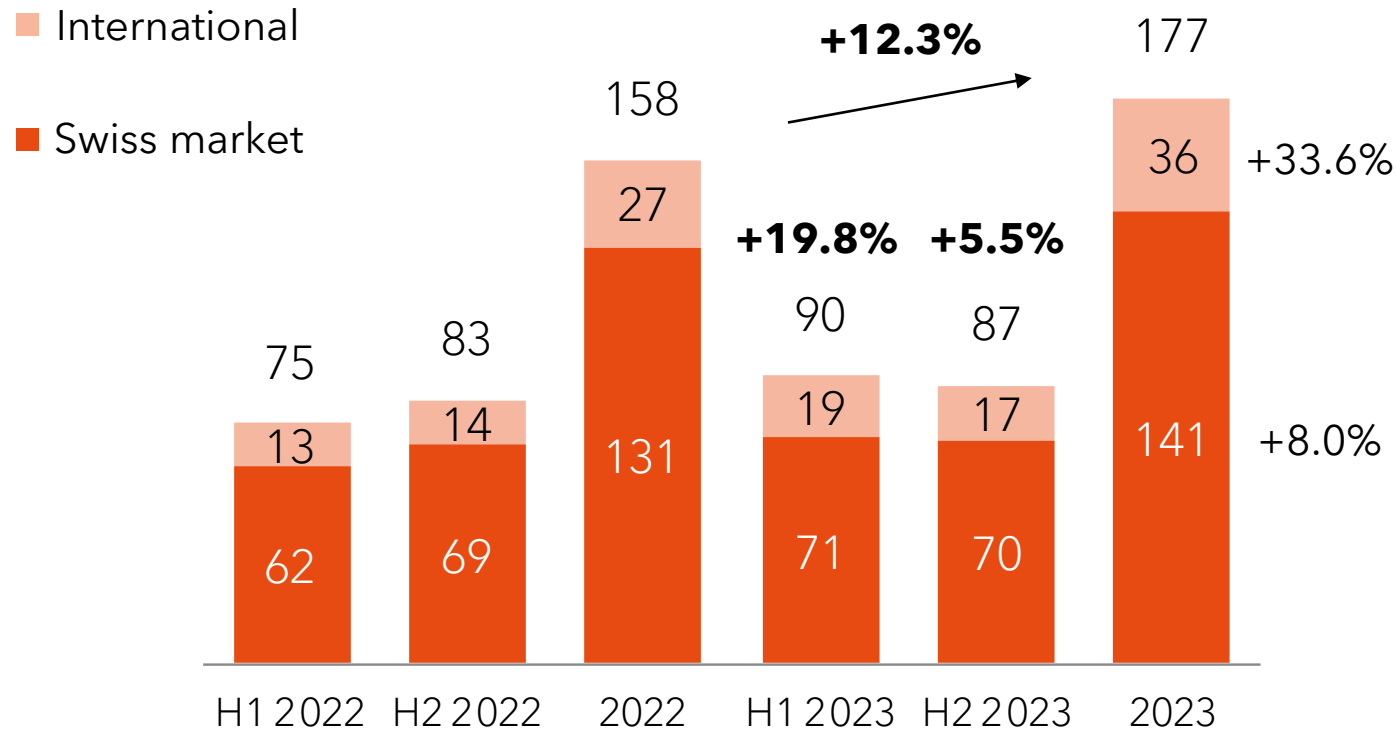
Growth without COVID-19 initiatives¹ in local pharmacies:
+ 2.7%

¹ Impact of COVID-19 initiatives includes net sales of PCR tests, Rapid Antigen tests, self-tests as well as vaccinations

Products & Brands

Product portfolio expansion and international growth

Net sales (in million CHF)



International:

– Organic growth **+24.5%**

Swiss market:

– Organic growth **+1.1%**

– Growth of market sales CH¹ **+2.2%**

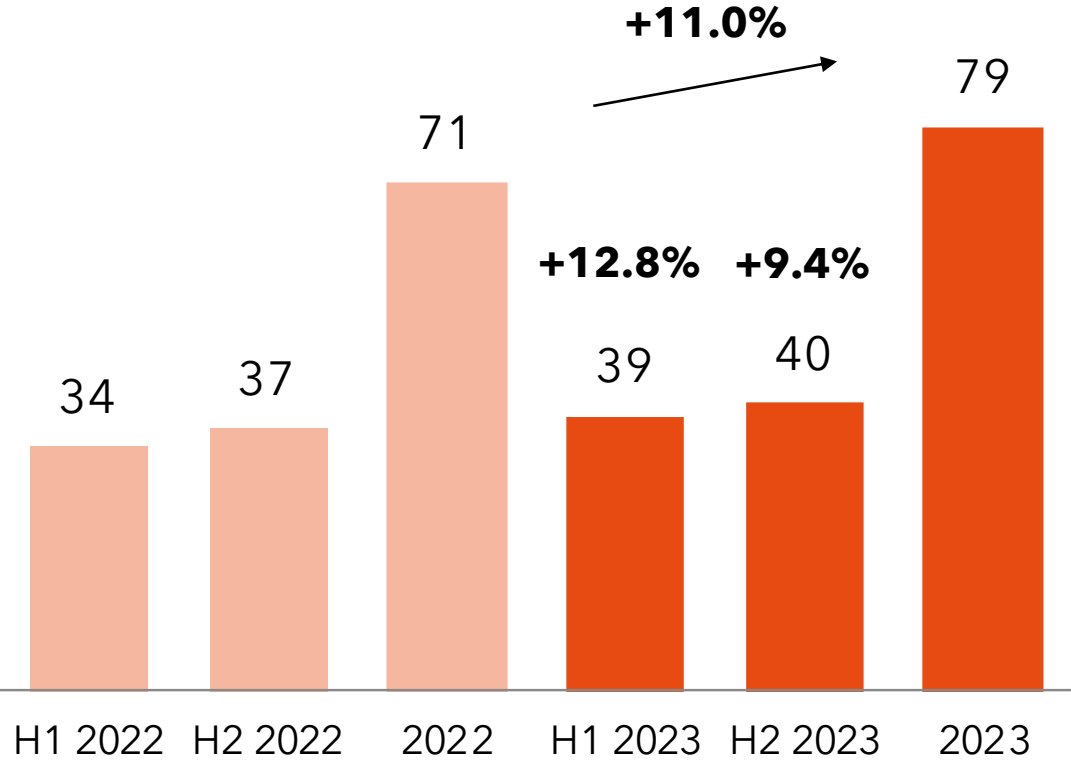
– Market share of **10.3%**¹

1) Product sales to end customers of Verfora, Spagyros and Padma products (like-for-like, streetprices), IQVIA PharmaTrend for pharmacies and drugstores in Switzerland, Consumer Health market Dec 2023

Services for professionals

Strong sales growth

Net sales (in million CHF)



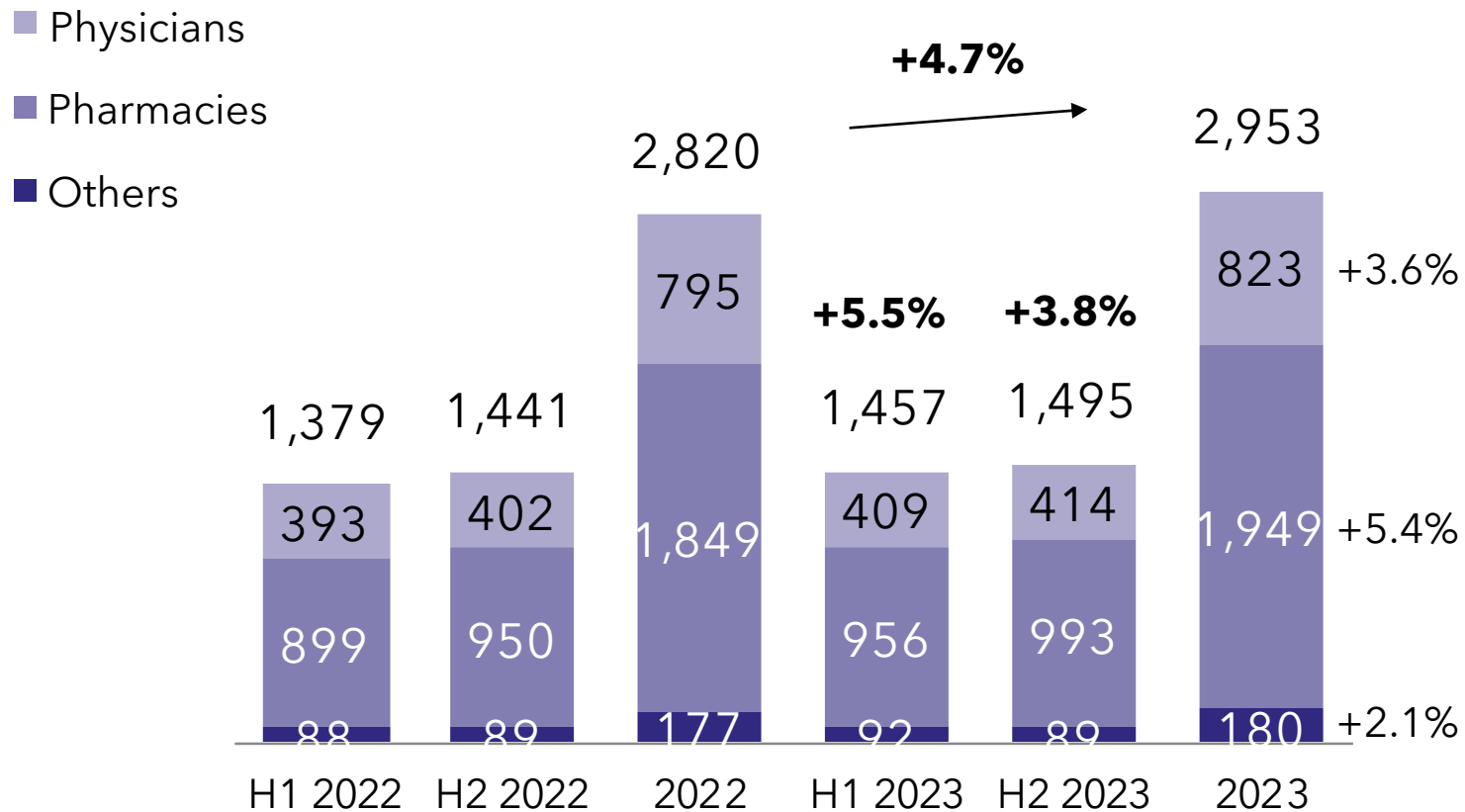
Strong growth with services for
homecare organisations and
nursing homes



Wholesale

Market share gains with pharmacies

Net sales (in million CHF)



Growth without
COVID-19 self-tests:

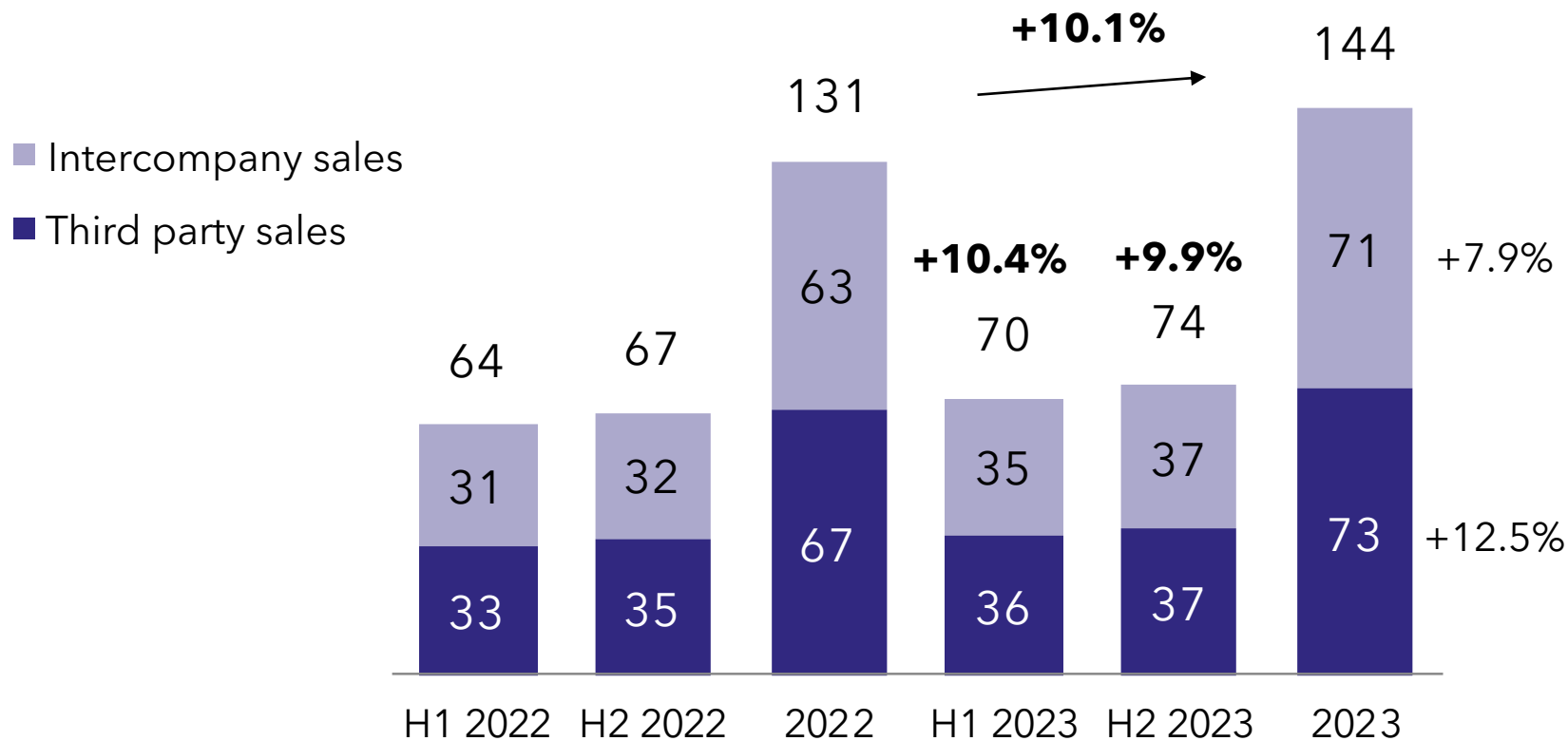
+5.3% in total wholesale

+6.3% in pharmacies segment

Logistics & IT Services

Strong sales growth

Net sales (in million CHF)



Strong growth with IT services and pre-wholesale distribution

 Alloga

 AQUANTIC
CLEARLY AHEAD

 HCI Solutions

Strategic partnership with Redcare Pharmacy

Extraordinary profit from
creation of Joint Venture:

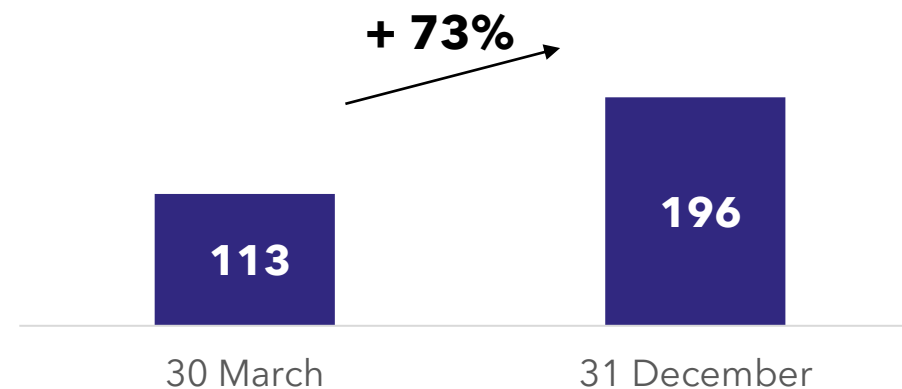
CHF 120.4 million¹

(discontinued operations)

Value gain on 8% participation
in Redcare Pharmacy:

EUR 95.5 million²

(CHF 83.0 million)



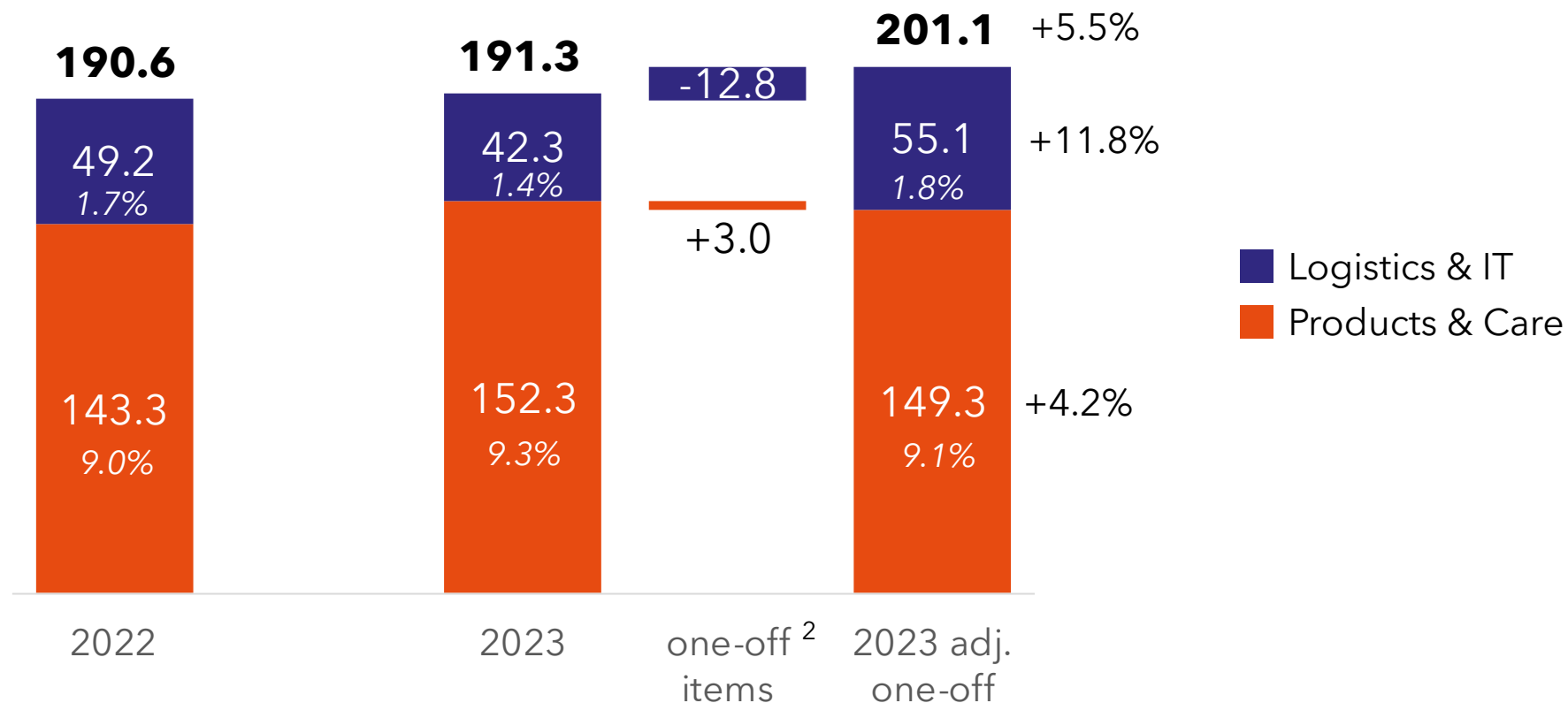
¹ Including value gain on 6.1% of shares in Redcare pharmacy of CHF 26.3 million (value increase between signing on 30 March and closing on 16 May 2023)

² Value gain on 8% participation in Redcare Pharmacy N.V. between 30 March (share price EUR 72) and 31 December (share price EUR 131.60)

Solid EBIT growth without one-off items

EBIT adjusted¹⁾ (in million CHF)

ROS (in %)



¹⁾ Excluding effects of IAS 19 and IFRS 16, see chapter "Alternative performance measures" of the Annual Report 2023

²⁾ One-off items of CHF 9.8 million include:

- Logistics & IT: ComCo sanction of CHF 3.8 million plus ComCo provision of CHF 3.0 million and extraordinary bad debt allowances of CHF 6.0 million
- Products & Care: extraordinary value gain on inventory of CHF 3.0 million

Adjusted consolidated statement of income¹

in million CHF	2023	2022	in %
Net sales	3'746	3'588	+4.4%
Other income	17	13	+31.1%
Cost of goods	-2'714	-2'610	+4.0%
Personnel costs	-556	-525	+6.0%
Other OPEX	-256	-231	+10.9%
Share of profit from JV	7	4	+56.0%
EBITDA	242	239	+1.2%
D&A	-51	-49	+4.3%
EBIT	191	191	+0.4%
ROS	5.1%	5.3%	
Financial result	-1	-1	+8.4%
Taxes	-28	-32	-11.8%
Tax rate	14.9%	17.0%	
Net profit	162	157	+2.8%

Cost of goods positively influenced by one-off item of CHF 3.0 million, otherwise in line with net sales development

Increase of personnel costs could be stopped in H2 2023, overall increase due to:

- Measures against lack of qualified personnel
- Inflation impact

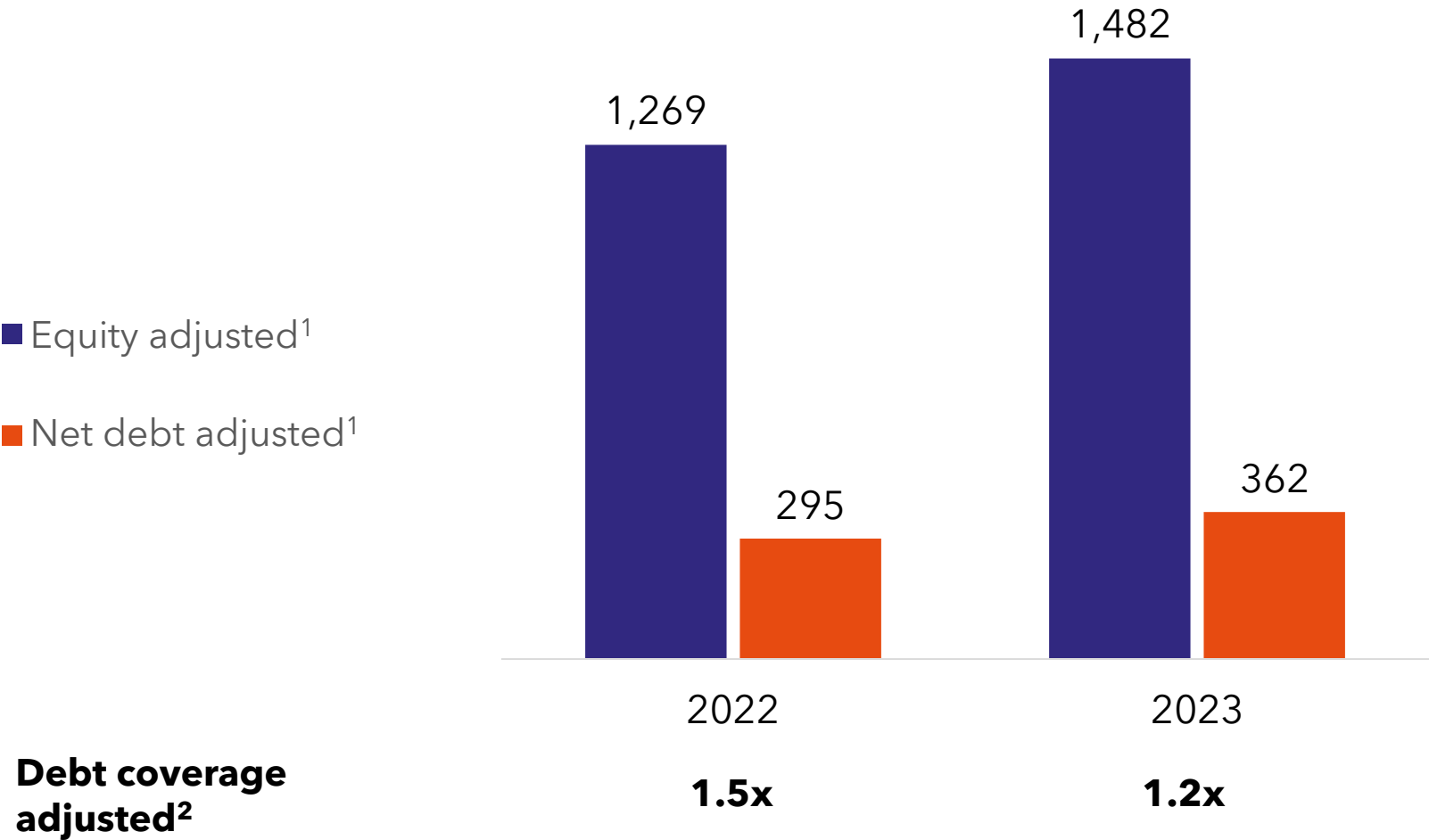
Other operating costs significantly increased due to one-off items of CHF 12.8 million:

- ComCo sanctions/provisions of CHF 6.8 million
- Bad debt allowances of CHF 6.0 million

¹ Detail of the adjustments in the Half year report 2023 chapter „alternative performance measures“

Strong balance sheet

in million CHF



1 Detail of the adjustments in the Annual Report 2023, see chapter "Alternative performance measures"

2 Net debt adjusted / EBITDA adjusted (excluding effects of IAS 19 and IFRS 16), see chapter "Alternative performance measures" of the Annual Report 2023

Condensed balance sheet

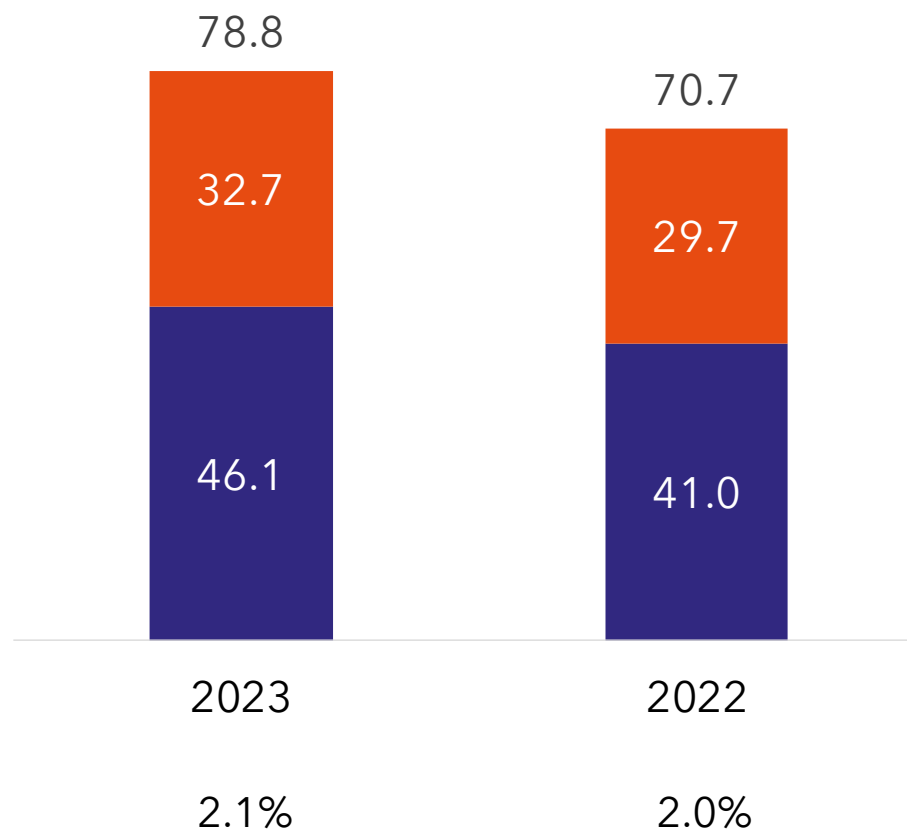
in million CHF	Dec 2023	Dec 2022	Change
Cash and cash equivalents	116	94	+22
Trade and other receivables	518	529	-11
Inventories	357	315	+42
Other assets	661	325	+337
Property, plant and equipment	260	249	+10
Intangible assets	1'079	1'100	-22
Total assets	2'991	2'613	+378
Current financial liabilities	70	218	-148
Other current liabilities	702	662	+40
Non-current financial liabilities	469	235	+234
Other non-current liabilities	275	248	+27
Shareholder's equity	1'475	1'249	+226
Total liabilities & shareholder's equity	2'991	2'613	+378

- Reduced comparability of balance sheet positions due to deconsolidation of Mediservice in 2023 (included in comparison period)
- Increase of inventories related to safety stock
- Increase of other assets related to 8% participation in Redcare Pharmacy N.V. and joint venture in Mediservice
- Bond of CHF 240 million issued in May 2023 (maturity until Nov 2029)

Investments in our future

in million CHF

- Investments in intangible assets
- Investments in tangible assets



Investments in intangible assets:

- SAP implementation at Alloga/Galexis
- digital Omni-channel infrastructure

Investments in tangible assets:

- renovation and modernisation of distribution center in Lausanne-Ecublens
- renovations of pharmacies

Cash Flow Statement

Build-up of safety stock burdens cash flow

in million CHF	2023	2022
Cash flow from operating activities before working capital changes adjusted¹	201.3	220.4
Working capital changes	-28.8	-29.2
Cash flow discontinued operations (operating)	0.9	-6.8
Cash flow from operating activities adjusted¹	173.5	184.4
Investments in tangible and intangible assets	-75.3	-69.3
Cash flow from financial assets	-18.3	-20.2
Cash flow discontinued operations (investing)	-0.2	-0.6
Free cash flow before M&A	79.8	94.4
Cash flow from M&A	-30.4	-36.5
Free cash flow	49.3	57.9

Operating cash flow reduced by high tax prepayments

Increase of net working capital mainly related to increased safety stock

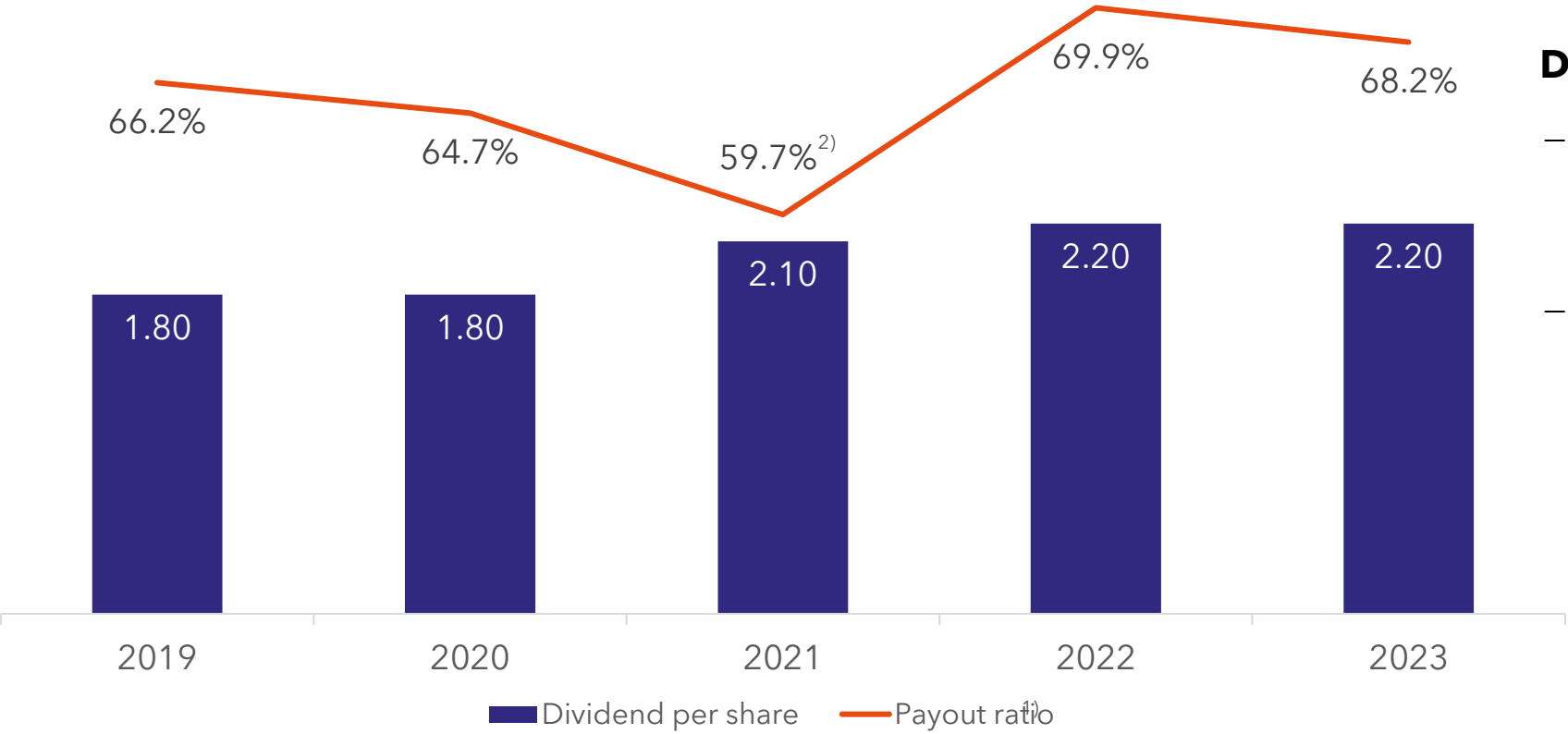
Investments in financial assets mainly consist of 2% stake acquisition in Redcare pharmacy N.V.

M&A mainly related to acquisition of Padma AG and pharmacies

¹ reduced by payment of lease liabilities IFRS16, see chapter "Alternative performance measures" of the Annual Report 2023

Share information

Historical dividend per share and pay-out ratio¹



Dividend guidance:

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

1 Dividend per share in relation to adjusted earnings per share at reporting date
 2 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	Dec 2022
Share price at reporting date	72.25	75.55
Market capitalisation at reporting date in million CHF	3,625.3	3,763.6
Earnings per share from continuing operations ¹	3.31	3.15
Earnings per share adjusted from continuing operations ^{1,2}	3.23	3.15
Shareholders' equity per share at reporting date ¹	29.52	25.04

¹ Attributable to shareholders of Galenica Ltd.

² For details to the adjusted key figures refer to chapter Alternative performance measures in the Annual Report 2023

Governance



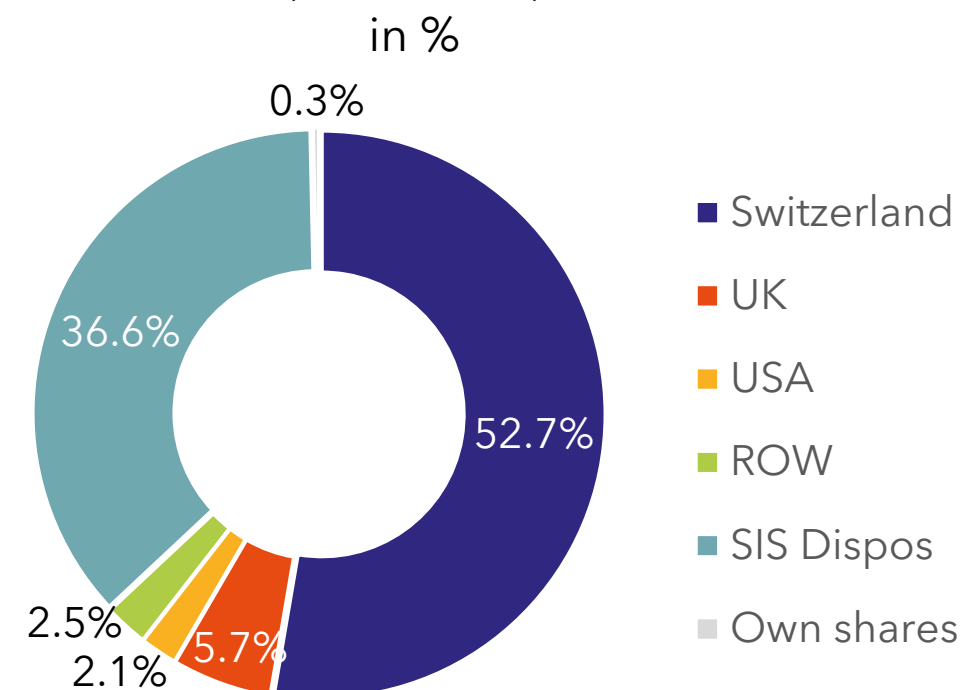
Shareholder structure

Major shareholders (31 Dec 2023)

– Shareholders over 3%:

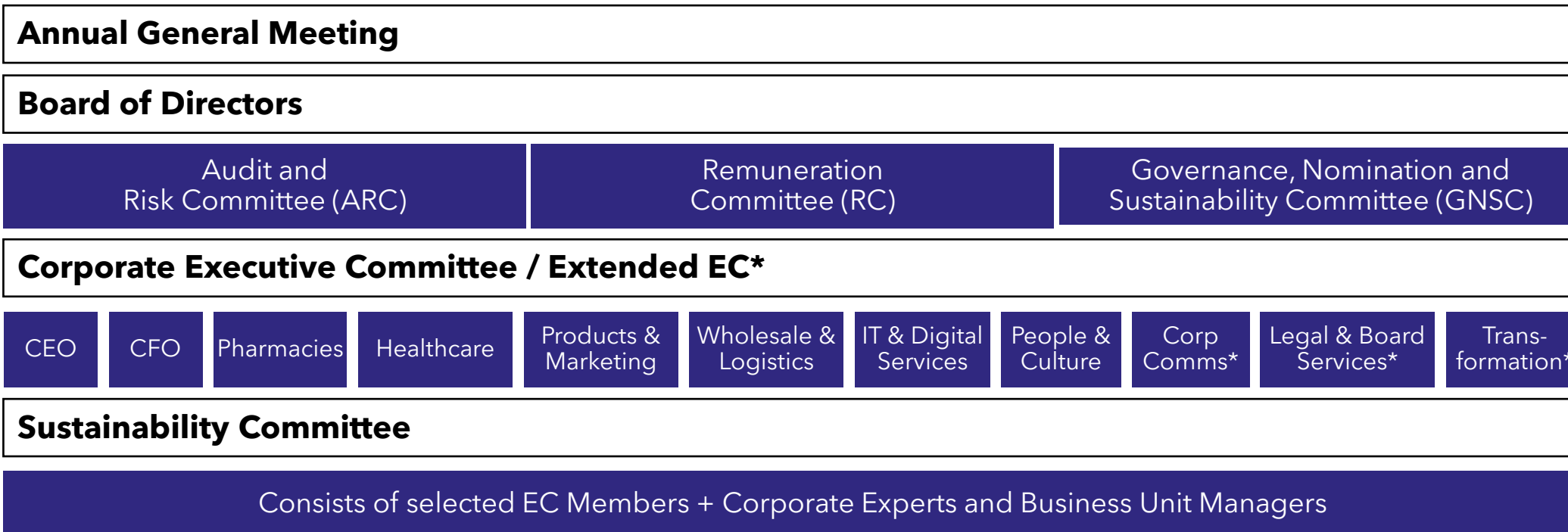
Shareholders	Number of shares	Shares in %
UBS Fund Management (Switzerland) AG, Switzerland	2,671,158	5.3
Credit Suisse Funds AG, Switzerland	2,495,385	5.0
Alecta Pensionsförsäkring, Sweden	2,000,000	4.0
BlackRock, Inc., USA	1,579,198	3.2
Swisscanto Fondsleitung AG, Switzerland	1,533,324	3.1

Proportion of shareholders by country (Dec 2023)



Overview of our governance structure and instruments

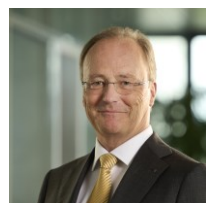
External advisory and inspection bodies / auditors



Important Policies und management instruments

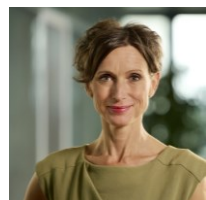
- Code of Conduct
- Supplier Code of Conduct
- Quality Management System (QMS)
- Anti-Corruption Policy
- Whistleblower Reporting Office
- Data Protection Policy
- IT Security Policy
- Security monitoring system

Board of Directors



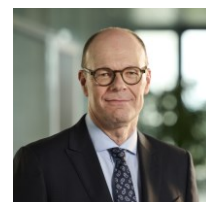
Dr. Markus R. Neuhaus
Chairman

- 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.



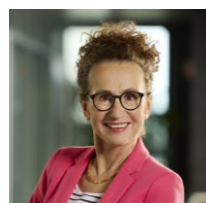
Pascale Bruderer
Vice
Chairwoman

- 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



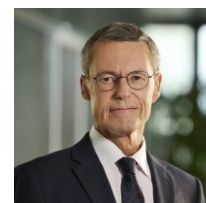
Prof. Dr. med. Solange Peters

- 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

- Elected since 2017
- Attorney-at-law and doctorate in law, University of Basel
- Former General Secretary of Vifor Pharma Ltd.
- Member of the board of scienceindustries

Board of Directors

Committees and competencies

ARC (Audit and Risk Committee)	Members: Jörg Zulauf (Chairman), Bertrand Jungo, Andreas Walde, Judith Meier	Budget / medium-term planning Risk management Compliance / internal audits Acquisitions / investments
RC (Remuneration Committee)	Members: Bertrand Jungo (Chairman), Andreas Walde, Pascale Bruderer, Solange Peters	Salary policy, remuneration system STI / LTI
GNSC (Governance, Nomination & Sustainability Committee)	Members: Markus Neuhaus (Chairman), Bertrand Jungo, Pascale Bruderer	Nominations, succession planning, HR topics Public affairs, health policy, general conditions ESG / sustainability

Board of Directors

Competencies and diversity

Competencies

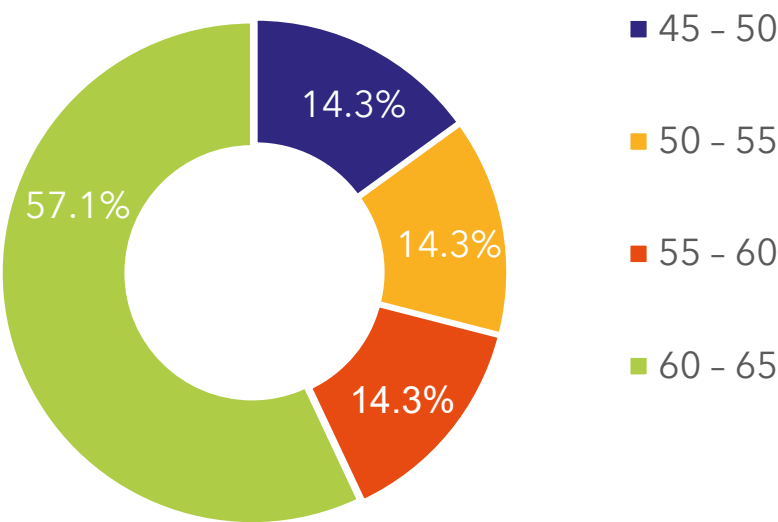
	Neuhaus Markus	Bruderer Pascale	Jungo Bertrand	Meier Judith	Peters Solange	Walde Andreas	Zulauf Jörg
Industry Experience		x	x	x	x	x	
Digitalisation		(x)	(x)		(x)		x
Regulations/ Politics	x	x		x	x	x	
Leadership/ Big Corp.	x		x	x			x
Finance/ M&A	x					x	x
Legal/ Compliance	x					x	x
HR/ Remuneration	x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

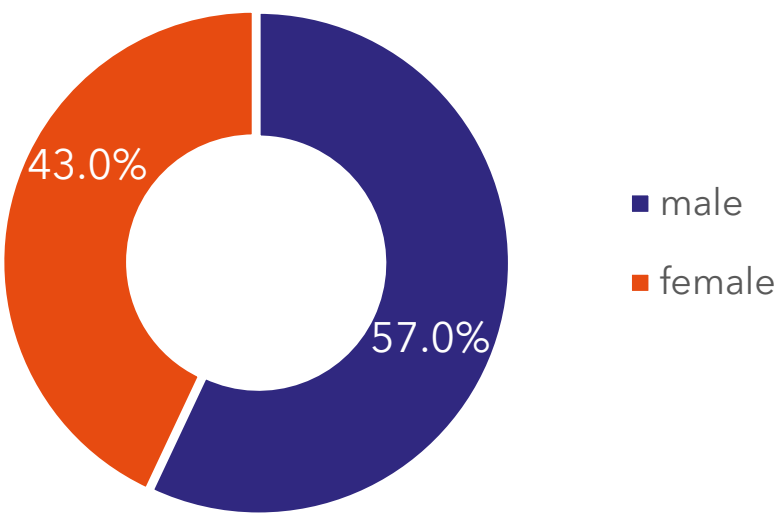
Board of Directors

Competencies and diversity

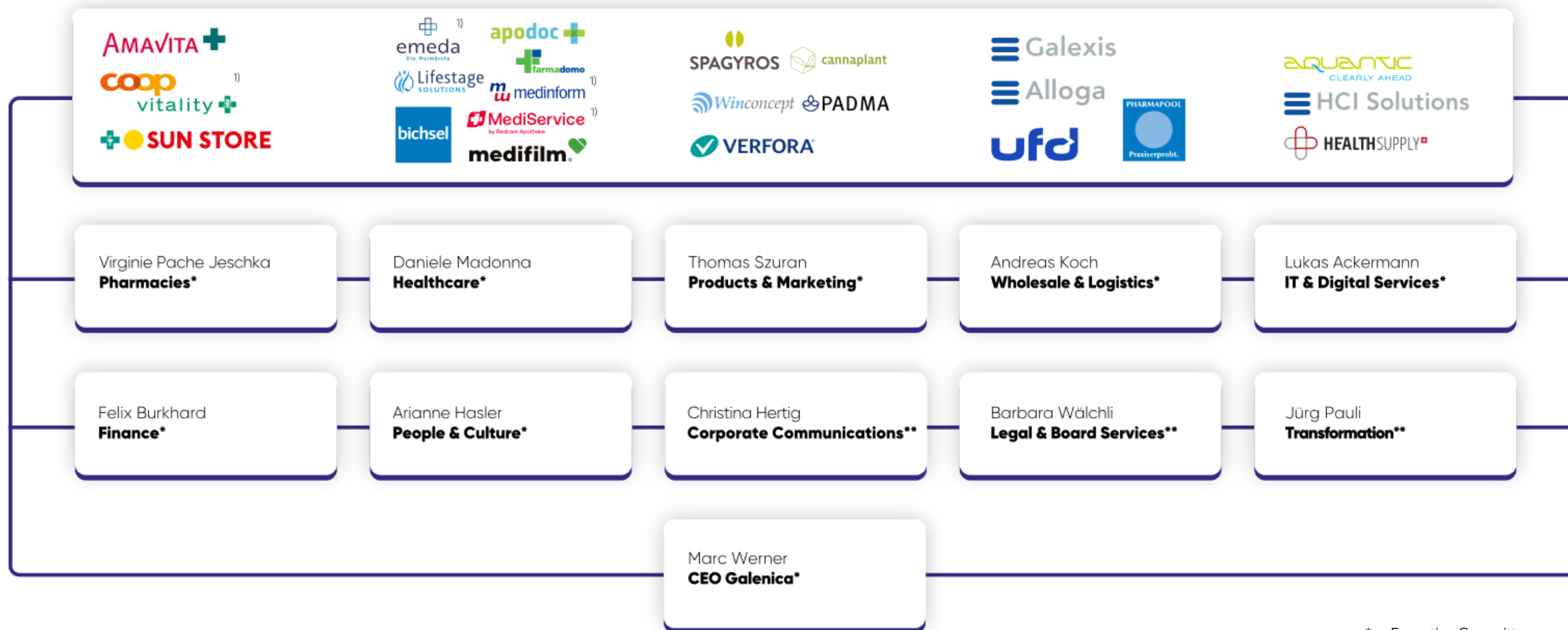
Age of BoD members (Dec 2023)



Gender of BoD members (Dec 2023)



Our management structure



* Executive Committee
 ** Extended Executive Committee
 1) Joint venture

Executive Committee



Marc Werner
CEO

- CEO since 2020
- 27 years industry experience
- Joined Galenica in 2020
- Previously, Head Marketing & Sales division and Member of the Group Executive Board at Swisscom



Thomas Szuran
Products & Marketing

- Chief Products & Marketing Officer since 2021
- 27 years industry experience of which 5 years at Galenica



Felix Burkhard
CFO

- CFO since 2017
- 33 years industry experience of which 29 years at Galenica
- Previously, Head of Strategic Projects of Galenica Group and Head of Retail Business Sector



Andreas Koch
Wholesale & Logistics

- Head of Wholesale & Logistics since 2021
- 24 years industry experience of which 15 years at Galenica



Virginie Pache Jeschka
Pharmacies

- Chief Pharmacies Officer since 2021
- 19 years Marketing and Sales Manager experience of which 3 years at Galenica
- Previously CEO of Coop Vitality AG



Lukas Ackermann
IT & Digital Services

- Head of IT & Digital Services since 2021
- 25 years health care experience of which 5 years at Galenica



Daniele Madonna
Healthcare

- Chief Healthcare Officer since 2021
- 21 years industry experience of which 20 years at Galenica
- Previously Head of Retail Business Sector



Arianne Hasler
People & Culture

- Head of People & Culture since 2023
- Several years of experience in the areas of strategy, development and transformation and cultural development
- Previously member of the Executive Board at Raiffeisen Switzerland

Remuneration

Responsibility for the remuneration process

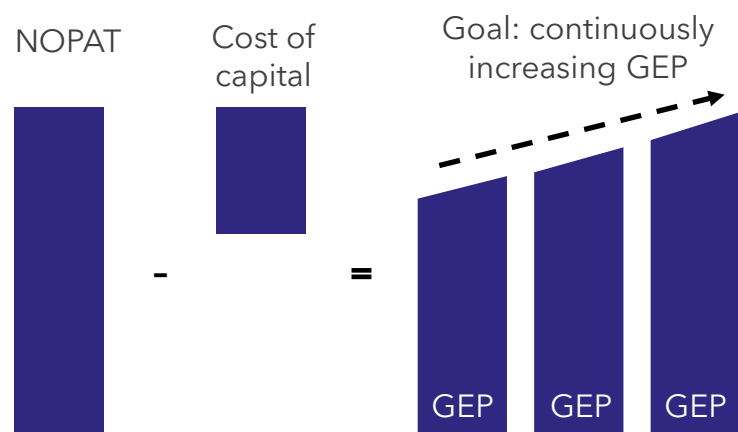
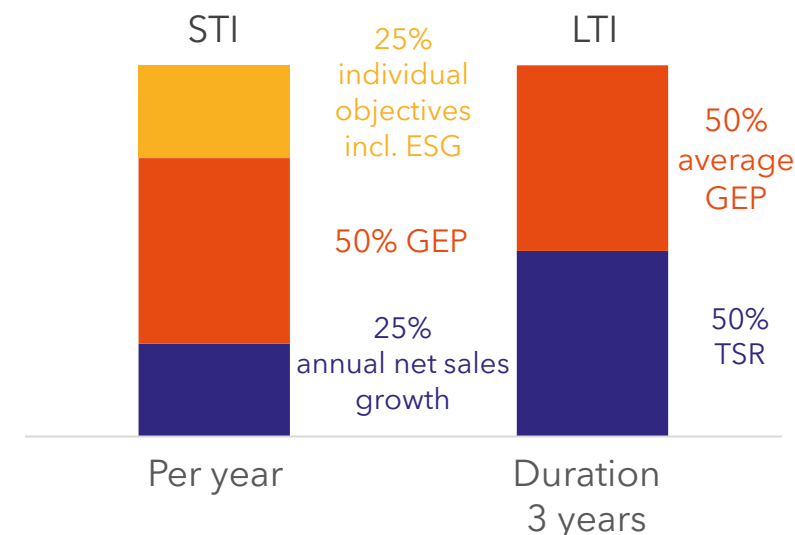
Level of authority	CEO	Remuneration Committee	Board of Directors	Annual General Meeting
Remuneration policy		proposes	approves	consultative vote on the Remuneration report
Performance objectives for short-term bonus and long-term remuneration		proposes	approves	
Remuneration of members of the Board of 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 ¹)	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 ¹)	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

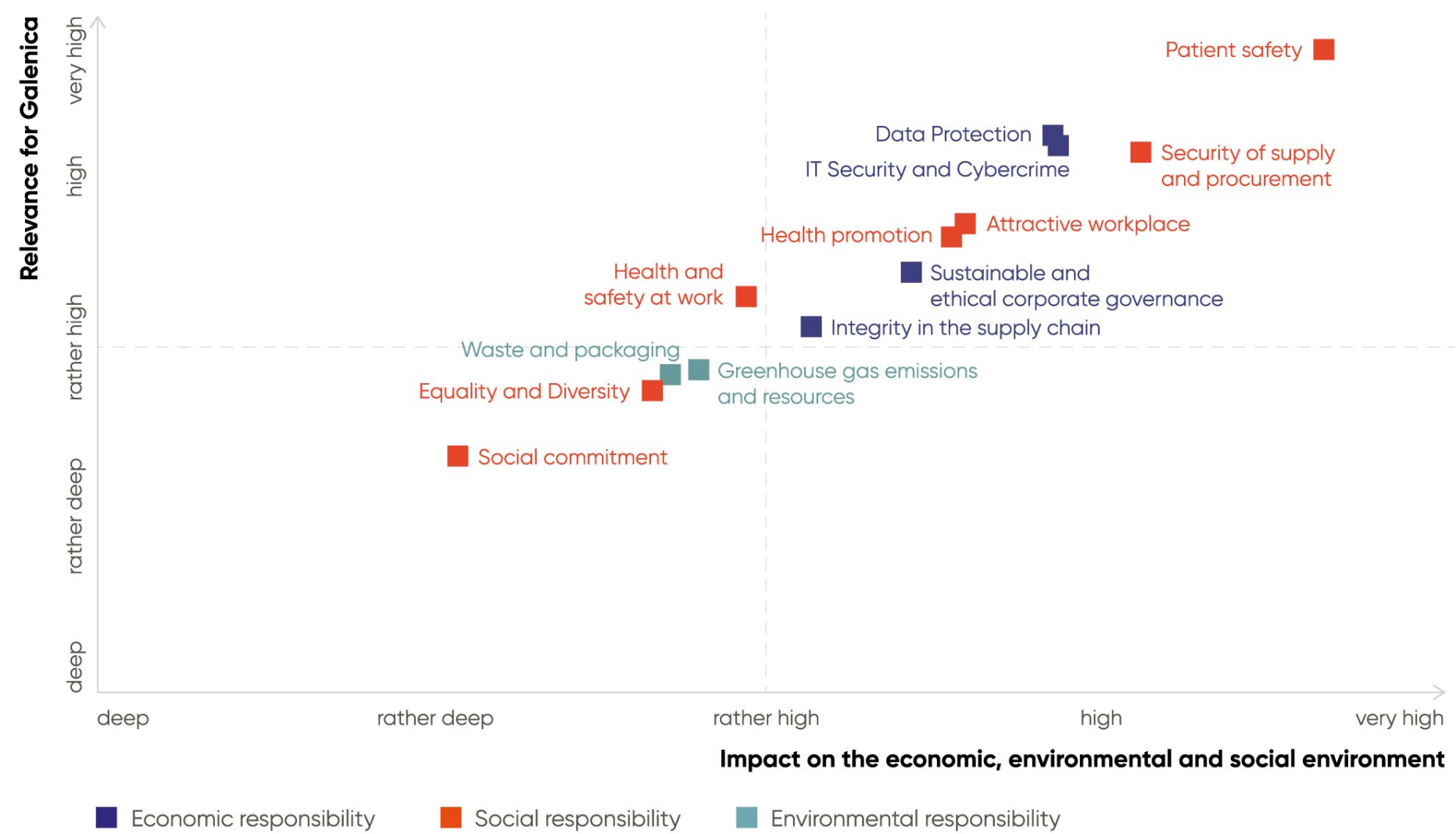
Sustainable Development Goals (SDGs)

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



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 ₂ e	11,777 CO ₂ e*)	10'052 CO ₂ e*)	12'669 CO ₂ 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



(Jul 2023)

ESG Risk

NEGL	LOW	MED	HIGH	SEVERE
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Top 1% (Global Universe)



- Ranking number 3 among 623 Healthcare companies (Rating of 9.8)
- Very good scores in Business ethics, Data privacy and security, and Carbon emissions in own operations



(June 2023)

Absolute Rating

D-	D	D+	C-	C	C+
B-	B	B+	A-	A	A+

Transparency Level

0-20%	20-40%	40-60%	60-80%	80-100%
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Top 40% (Industry)



- Improved score since last rating (from 35.5 to 38.4), but overall Rating unchanged at C-
- Above average in Product safety
- Room for improvement in Supply chain management



(December 2023)

CCC	B	BB	BBB	A	AA	AAA
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Upper 3% (Industry)



- Improved rating (from AA to AAA), score of 8.1/10
- Very strong absolute scoring in the environmental pillar
- Very strong relative scoring in the all pillars, especially governance as compared to the industry average



(March 2024)

A	A-	B	B-	C	C-	D	D-
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Lower 55% (Industry)



- Average performance industry: C
- Average performance Europe/Global: B/C
- Room for improvement: Scope 3 emissions, emissions reduction initiatives

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 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 Annual Report 2023

Market development expectations¹

- Based on the demographic trends and innovation with many new, high-priced medications, Galenica expects continued strong growth of **+/- 5%** in the Swiss pharmaceutical market² in the next years.
- The strongest growth is expected in the hospital channel. For **pharmacies and physicians**, Galenica expects pharmaceutical market² growth of between **3% and 5%**, with a stronger growth in the physicians' channel.
- For the **non-medication** product ranges³ 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%**.

¹ Company estimates

² Medicines Swissmedic lists A, B and D

³ 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 2025**, Galenica expects a **stable** development of its **return on sales (ROS)**¹ due to
 - an intense final phase of the ERP project in the Logistics & IT segment with a planned finalisation in 2025,
 - 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)¹ 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**² of over **CHF 250 million**.
- Galenica expects **Capex**³ to remain stable in the next years and continues to aim for **net debt**² in the order of **+/- 2 × EBITDA**².
- Galenica continues to pursue a policy of **at least stable dividends** that grow in line with results.

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

² Adjusted, i.e. excluding effects of IAS 19 and IFRS 16

³ Investments in tangible and intangible assets

Reasons to invest in Galenica

Unique combination of defensive resilience and significant growth

Defensive resilience

- Stable and attractive Swiss healthcare market with favourable long-term fundamentals
- #1 health and well-being provider with systemic relevance

History of growth

- Significant operational advantages from integrated, synergistic and efficient operations
- Long-term track record of sustainable growth and attractive cash generation

Strategic focus

- Proven strategy to leverage market leadership positions to deliver longer-term upside
- Strong commitment to strategic programmes to shape Galenica for the future

Highly experienced management team with proven track record

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

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