

Press release

Ad hoc announcement pursuant to Art. 53 LR

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Subject Annual results of the Galenica Group 2022

Galenica achieves strong results in 2022 and increases dividend again

The Galenica Group looks back on an extremely successful 2022 financial year. With an increase in sales of 4.7% to CHF 4,014.3 million and an adjusted¹ EBIT of CHF 200.8 million (-5.8%), Galenica achieved very good results. Excluding the extraordinary results in the previous year from the COVID-19 initiatives (estimated at CHF 25 million) and the property sale at the headquarters in Bern (CHF 9.4 million), adjusted¹ EBIT growth amounted to a high 12.4%. The Board of Directors wants the shareholders to benefit from this success and will propose a dividend increase of 5% (CHF 2.20 per share) to the Annual General Meeting.

After a normal seasonal flu season and numerous cases of the Omicron coronavirus variant had led to strong growth in the first half of 2022, business for the entire Group was also influenced in the second half of the year by the early onset of a heavy flu season. This had a particular impact on the Products & Brands sector, which grew at an above-average rate of 19.8%. In addition, the extremely positive growth momentum of the previous year was continued in the 2022 financial year by the specialty pharmacy Mediservice (+12.9%) .

Highlights of the 2022 financial year:

- **More than 121,000 customers made use of the services and advice offered in Galenica pharmacies, 60% more than in the previous year.**
- **With a wide range of advice and services on offer, the pharmacy has further established itself as the first point of contact for health issues.**
- **The specialty pharmacy Mediservice made a significant contribution to the strong growth of the "Pharmacies at Home" sector and offered more than 60 main indications by the end of 2022, for a total of around 90 complex forms of therapy.**
- **The linking of online and offline offerings gained further momentum, for example with online appointment bookings for pharmacy-based services via the Well health app.**
- **Innovative offerings have further strengthened the home care sector: both existing and new B2B customers benefited from the joint venture Emeda and the offerings from Lifestage Solutions, Bichsel and Medifilm.**
- **Thanks to acquisitions and by obtaining distribution licences, Verfora further strengthened its leading position in the Swiss consumer healthcare market and expanded its portfolio through the distribution partnership with Boiron, particularly in the area of complementary medicine.**
- **After a construction period of around 40 months, Galexis inaugurated its modernised distribution centre in Lausanne-Ecublens in summer 2022.**

Key figures for the Galenica Group 2022:

(in CHF million)	2022	2021	Change
Net sales			
Products & Care segment	2,029.6	1,908.1	+6.4%
- Retail (B2C)	1,806.6	1,720.0	+5.0%
- Local Pharmacies	1,286.9	1,261.5	+2.0%
- Pharmacies at Home	519.9	458.8	+13.3%
- Professionals (B2B)	228.8	194.0	+17.9%
- Products & Brands	157.7	131.6	+19.8%
- Services for Professionals	71.1	62.4	+13.9%
Logistics & IT segment	2,933.3	2,831.4	+3.6%
- Wholesale	2,820.4	2,728.4	+3.4%
- Logistics & IT Services	130.7	111.9	+16.8%
Corporate and eliminations	-948.6	-904.8	
Galenica Group	4,014.3	3,834.7	+4.7%
EBIT adjusted¹			
Products & Care segment ¹	153.5	154.5	-0.6%
Logistics & IT segment ¹	49.2	61.0	-19.3%
Corporate and eliminations	-1.9	-2.4	
Galenica Group¹	200.8	213.1	-5.8%
Net profit adjusted¹	165.7	174.8	-5.2%

¹ Excluding the effects of IFRS 16 and IAS 19 (details of the adjusted key figures in the [Annual Report 2022](#))

Detailed information in the Annual Report 2022:

- [Galenica Group key figures](#)
- [Products & Care segment key figures](#)
- [Logistics & IT segment key figures](#)

Guidance 2023

Despite the very strong 2022 financial year and rising costs due to inflation, Galenica expects both sales and adjusted¹ EBIT to grow between +3% and +6% in 2023. Galenica is striving for a strong and at the same time sustainable development of the dividend and is planning a dividend for 2023 at least at the previous year's level.

The pharmacy has established itself as the first point of contact for health issues

In 2022, around 4,900 highly qualified employees worked for the health and well-being of customers in the 368 pharmacies of the Galenica Group. The further growth in the area of service-related and advisory offerings for particularly common complaints proves that their skills are valued and used for low-threshold healthcare provision: while around 76,000 customers turned to the pharmacy for a simple medical examination and treatment recommendations in 2021, this figure was already over 121,000 – an increase of 60% – in the year under review.

[Galenica's services in pharmacies](#)

Expansion of advice and services on offer

Easy access is also key to another pharmacy service that is increasingly relevant to the population: vaccination. Vaccinations against COVID-19 and the flu, tick-borne encephalitis (TBE) and herpes zoster are now available in over 300 Galenica pharmacies and are in high demand.

Since 2022, two leading health insurers, CSS and SWICA, have been remunerating pharmacies for their services under their insurance model, and since 1 January 2023, Groupe Mutuel has even been remunerating additional services under a new model.

Focus 2023

In 2023, the services and advice on offer at pharmacies will be further expanded. With this in mind, employees are increasingly being offered further training opportunities to further improve their expertise in relation to advice and treatment. This will also give employees the opportunity to take on more responsibility in their jobs.

Galenica is linking up the healthcare system

The behaviour and needs of patients and customers are changing rapidly and the need for digital offerings and solutions is increasing. Helping to shape this shift towards more digital services is a top priority for Galenica. Always with the aim of creating added value for all stakeholders and making existing processes simpler and more efficient.

We will achieve the digital transformation not only with individual digital solutions, but also with the networking of everyone involved – from patients to pharmacies, hospitals, doctors and health insurers.

[Galenica and digital health](#)

Investments in seamless customer experiences

By investing in the Well digital healthcare platform, Galenica invested early in new digital offerings with partners to improve the customer experience. The Well app gives customers access to digital services and makes it easy to access the offerings. The further development of all channels for the benefit of customers and the simultaneous linking of bricks-and-mortar sales outlets with digital offerings were also strategically important in the reporting year. This also includes investments in the visibility of pharmacy online shops in search engines as well as further renovations and the modernisation of bricks-and-mortar pharmacies.

Galenica is also making targeted investments for its B2B customers in terms of linking up market participants via digital technology. One example is Aquantic's software, which makes it much easier for service providers to pay for specific medications.

Focus 2023

In 2023, intensive work will be carried out on the technical development of pharmacy online shops in order to create an even more individual and seamless customer experience. 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. Furthermore, the “Documedis” software solution from HCI Solutions is to be introduced for more doctors, care homes and hospitals.

Galenica expands its portfolio to meet even more customer needs

Verfora also expanded its product portfolio in the 2022 financial year: on 1 October 2022, the company took over the distribution of homeopathic products from the manufacturer Boiron in Switzerland. The Boiron range perfectly complements the existing complementary medicine portfolio of Verfora and Spagyros. Verfora, the number one in the Swiss consumer health market, is therefore excellently placed to assume a leading market position in the field of complementary medicine. With “Bahnhof Apotheke Langnau in Emmental”, Galenica has also acquired Cannaplant, the leading provider of formulations for medicinal cannabis products. This enables Galenica to offer many patients and doctors valuable treatments. Medicinal cannabis therapy can be an important treatment alternative, especially for seriously ill people.

[Galenica and medicinal cannabis therapy](#)

Focus 2023

In 2023, Galenica also intends to expand its product and service portfolio and its therapy offerings in a targeted manner in order to support even more patients and customers with their individual needs.

Innovative offerings in the home care sector create added value

Galenica also expanded its home care offerings in the 2022 financial year. The ever-increasing need for care to be provided at home as far as possible, our ageing society and the cost pressures associated with this are creating a greater need and demand for outpatient services and treatment options. With the Emeda joint venture, which was founded in 2022, Galenica is able to provide medical and pharmaceutical care to nursing homes in Switzerland which is even more tailored to their needs and offer homes and care organisations everything from a single source. This creates significant synergy potential: Emeda has access to the full range of Galenica offerings, such as blister packaging by Medifilm. Lifestage Solutions and Medifilm have also expanded their services over the past year and gained additional customers with their innovative offerings.

Focus 2023

In the home care and care home sector, the cooperation between Bichsel, Mediservice, Medifilm, Lifestage Solutions and Emeda will be further expanded so that existing and new customers can benefit fully from the added value and new offers.

Major advances in sustainability

In the 2022 financial year, Galenica continued to implement specific measures to achieve the sustainability goals formulated in 2021. Several campaigns were carried out to raise awareness among our employees of the topics of cybersecurity and data protection. To improve patient safety, product information on Algifor® was also made available in additional languages and use of the Clinical Decision Support Check was stepped up in relation to medical advice provided at pharmacies. Thanks to targeted measures, it was also possible to significantly increase employee satisfaction and motivation across the Group from 71 to 74 percentage points. The participation rate for the annual employee survey was 71%.

Due to the tense energy supply situation in Switzerland, various energy-saving measures have been initiated.

[Galenica's sustainability goals](#)

Focus 2023

In 2023, we also plan to anchor the topic of sustainability even more systematically at the strategic level as well as in internal structures, processes and business activities. In this context, the relevant sustainability topics identified are also being reviewed, with a specific focus on the impact of these topics on the environment, society and the economy. As of 2023, Galenica has also introduced joint bonus-related sustainability goals for the Executive Committee, members of the Senior Management and Management.

2023 Annual General Meeting: elections and dividend increase

The Board of Directors will propose a dividend of CHF 2.20, of which CHF 1.10 will be paid from capital contribution reserves, to the 2023 Annual General Meeting. By increasing this by 5%, Galenica is allowing shareholders to participate in the success of the 2022 financial year. Galenica strives for a strong yet sustainable dividend growth and plans to pay a dividend equal at least to the prior year's level in 2023.

Changes to the Board of Directors

At the Annual General Meeting, the Board of Directors of the Galenica Group will put forward Markus R. Neuhaus to shareholders for election as Chair of the Board of Directors. The current Chair of the Board of Directors, Daniela Bosshardt, has been a member of Galenica's Board of Directors for 15 years and Chair of the Board since 2019. After this long period of time, she has decided to step down from her position at Galenica and will not stand for re-election at the Annual General Meeting. After a total of 13 years on the Board of Directors of Galenica, Michel Burnier will also not stand for re-election at the next Annual General Meeting. To replace the two departures, the Board of Directors will put forward Solange Peters and Jörg Zulauf to the shareholders as new members of the Board of Directors. The Annual General Meeting will take place on 3 May 2023 at the Kursaal in Bern.

Further information can be found in the [Annual Report 2022](#) of the Galenica Group.

Media and analyst conference at 10.30 a.m.

Galenica will host its media and analyst conference on the 2022 annual results today, Tuesday, 7 March 2023, at 10.30 a.m. (Central European Time, CET).

The conference will be held as a hybrid event. If you are unable to attend in person, you have the option of following the conference via webcast in German or English.

Webcast German: [Live webcast D](#)

Webcast English: [Live webcast E](#)

Questions can also be asked via the webcast: [conference call](#)

The conference will be held in German. The documentation will be available on the [website](#) from 10 a.m. on 7 March 2023.

The recording will be available at www.galenica.com after the conference.

Dates for the diary

3 May 2023:	Annual General Meeting of Galenica Ltd.
8 August 2023:	Publication of the Galenica Group Half-Year Report 2023
18 January 2024:	Publication of the 2023 sales figures for the Galenica Group

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Welcome to the Galenica network!

We firmly believe that there is an even more seamless, efficient and personalised way to meet customer needs in the Swiss healthcare sector. That's why we have joined forces to form Switzerland's largest healthcare network. The Galenica network brings together the strongest partners from the Swiss healthcare sector and offers fully integrated solutions for customers and patients, as well as for pharmacies, drugstores, medical practices, hospitals, nursing homes, home care providers, wholesalers, pharmaceutical companies, health insurance funds and other partners. Galenica is listed on the Swiss Stock Exchange (SIX Swiss Exchange, GALE, security number 36,067,446). Additional information concerning Galenica can be found at www.galenica.com.