

Press release

Ad hoc announcement pursuant to Art. 53 LR

Date 25 July 2023
Contact Investor Relations: Felix Burkhard, CFO Galenica Group
Media Relations: Christina Hertig, Head of Corporate Communications
Subject Lowering of EBIT guidance for 2023

Galenica lowers EBIT guidance 2023 due to special factors - Sales and dividend outlook confirmed

Due to special factors in the 2023 half-year financial statements, Galenica is lowering its EBIT guidance for 2023 and now expects adjusted² EBIT to be roughly at prior-year level on the basis of the restated¹ prior-year figures. Galenica previously assumed an EBIT growth of between 4% and 7%. On the other hand, Galenica confirms its 2023 outlook for consolidated net sales (growth between 3% and 6%) and dividend (at least at the same level as the previous year).

Strong sales growth in the first half of 2023

In the first half of 2023, Galenica increased consolidated net sales by 5.5% year-on-year to CHF 1,851.2 million. The "Logistics & IT" segment in particular posted strong growth of 5.8%. The "Products & Care" segment also performed well with a net sales growth of 4.2%. Due to the positive sales development, Galenica confirms its 2023 outlook for consolidated net sales with expected growth of between 3% and 6% based on restated¹ figures from the previous year. Galenica will publish details of its business performance in the half-year financial statements on 8 August 2023.

Lowering of EBIT guidance 2023 due to special factors

Despite strong sales growth, adjusted² EBIT in the first half of 2023 will be lower than expected, in particular due to special factors totalling CHF 9.8 million (sanction by the Swiss Competition Commission (COMCO) and extraordinary allowances on customer receivables), and decrease by around 5% compared with the prior-year period (restated¹, adjusted² EBIT 30 June 2022: CHF 95.0 million). Due to the development of earnings in the first half of 2023 and these special factors, Galenica is revising its EBIT guidance for 2023 and now expects adjusted² EBIT to be roughly at the prior-year level based on the restated¹ prior-year figures (adjusted² EBIT 2022: CHF 190.6 million). Previously, Galenica expected an EBIT growth of between 4% and 7%.

COMCO ruling from 2017 weighs on EBIT

HCI Solutions first lodged an appeal with the Federal Administrative Court against a COMCO ruling from 2017 and then with the Federal Supreme Court against the ruling of the Federal Administrative Court in January 2022. Although the case is still pending and therefore not yet legally binding, COMCO obliged HCI Solutions to pay the CHF 3.8 million penalty in June 2023. Galenica remains confident of winning the case before the Federal Supreme Court. According to IFRS, the invoiced amount must still be recognised as an expense.

In the COMCO investigation into the matter of "Markant central regulation", the COMCO secretariat presented its preliminary findings at the end of June 2023. On this basis, Galenica estimates the amount of a possible sanction, including legal costs, to be around CHF 3.5 million. As

Galenica Ltd.

Untermattweg 8 | P.O. Box | CH-3001 Bern
+41 58 852 81 11 | info@galenica.com | galenica.com

Date 25 July 2023
Page 2/2
Subject Lowering of EBIT guidance for 2023

Galenica remains convinced that a sanction is not justified, Galenica will not raise a corresponding provision until further notice. However, due to the ongoing process, there is a risk that this assessment could change in the short term. The expected half-year results and the adjusted² EBIT outlook do not include a possible sanction.

Further information on the two aforementioned procedures can be found in the [2022 Annual Report](#).

Extraordinary allowances on customer receivables

EBIT in the 2023 half-year financial statements is impacted by extraordinary allowances on receivables from customers, especially in the wholesale business with doctors, by CHF 6 million. As part of its growth strategy in the doctor customer segment, Galenica has supported the establishment and further development of various medical centres in recent years. In doing so, Galenica contributed to maintaining nationwide primary medical care throughout Switzerland. Particularly due to an acute shortage of doctors and medical professionals, some of these medical centres have not developed as expected and are struggling with financial constraints. As a result, Galenica had to impair various receivables.

2023 dividend outlook confirmed

The outlook for the 2023 dividend remains unchanged at least at the same level as the previous year.

¹ Restated prior-year figures due to joint venture with Redcare Pharmacy (formerly Shop Apotheke Europe)

² Excluding the effects of IFRS 16 and IAS 19

Dates for the diary

8 August 2023: Publication of the Galenica Group Half Year Report 2023
18 January 2024: Publication of Galenica Group sales 2023
12 March 2024: Publication of Galenica Group annual results 2023

For further information, please contact:

Media Relations:

Christina Hertig, Head of Corporate Communications
Tel. +41 58 852 85 17
E-mail: media@galenica.com

Investor Relations:

Felix Burkhard, CFO
Tel. +41 58 852 85 31
E-mail: investors@galenica.com

Welcome to the Galenica network!

Our ambition is to meet the needs of patients and customers in the Swiss healthcare market in a seamless, efficient and personalised way. To achieve this, we operate the Galenica network with over 20 Business Units, the strongest partners in the Swiss healthcare market. We offer fully integrated solutions both for customers and patients as well as for pharmacies, drug stores, medical practices, hospitals, retirement and 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.