

PRESS RELEASE

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Subject Annual results of the Galenica Group 2021

Galenica achieves record results and is going strengthened into the future

The Galenica Group can look back on an extremely successful 2021 financial year. Galenica achieved record results with an increase in sales of 10.2% to CHF 3,834.7 million and an increase in adjusted¹ EBIT of 26.4% to CHF 213.1 million. The Board of Directors wants the shareholders to benefit from this success and will propose a dividend increase of 17% (CHF 2.10 per share, of which CHF 1.05 will be paid from the capital contribution reserve) to the General Meeting. The record result was achieved thanks to the extraordinary commitment of all of Galenica's employees. In recognition of their outstanding performance, all employees are to receive an extraordinary success bonus of CHF 1,000.

The strong earnings growth was driven in particular by extraordinary additional sales in relation to COVID-19. In addition, Galenica has grown successfully in the «Pharmacies at Home» sector as well as with new acquisitions and has gained further market shares in the physicians segment. EBIT growth also includes the profit from the sale of the property at the Galenica headquarters in Bern.

Despite major challenges posed by yet another year of the pandemic, Galenica has made considerable progress in implementing its strategic programmes and is going strengthened into the future.

Highlights of the 2021 financial year:

- In 2021, Galenica Group pharmacies carried out over 230,000 antigen, PCR and antibody tests and over 90,000 vaccinations.
- With 28 primary care offerings, the pharmacy has further established itself as the first point of contact for health concerns.
- Mediservice saw excellent growth thanks to new medications for rare diseases combined with the growing demand for home care services.
- Online sales of Amavita and Sun Store grew by 50%.
- The linking of online and offline offers gained further momentum, for example with the online booking function for testing and vaccination services.
- Galexis gained further market shares with new offers for doctors.
- Acquisitions have allowed Verfora to strengthen its leading position in the Swiss consumer healthcare market.
- New and existing partnerships with healthcare providers strengthened the offering available to business (B2B) and end customers (B2C).

Key figures for the Galenica Group 2021:

(in CHF million)	2021	2020	Change
Net sales			
Products & Care segment	1,908.1	1,683.1	+13.4%
- Retail (B2C)	1,720.0	1,517.5	+13.3%
- Local Pharmacies	1,261.5	1,162.5	+8.5%
- Pharmacies at Home	458.8	355.2	+29.2%
- Professionals (B2B)	194.0	173.3	+11.9%
- Products & Brands	131.6	111.7	+17.8%
- Services for Professionals	62.4	61.5	+1.4%
Logistics & IT segment	2,831.4	2,625.1	+7.9%
- Wholesale	2,728.4	2,530.2	+7.8%
- Logistics & IT Services	111.9	98.4	+13.7%
Corporate and eliminations	-904.8	-828.4	
Galenica Group	3,834.7	3,479.8	+10.2%
EBIT adjusted¹⁾			
Products & Care segment ¹⁾	154.5	124.2	24.4%
Logistics & IT segment ¹⁾	61.0	45.2	35.2%
Corporate and eliminations	-2.4	-0.8	
Galenica Group¹⁾	213.1	168.6	26.4%
Net profit adjusted¹⁾	174.8	138.0	26.7%

¹⁾ Excluding the effects of IFRS 16 and IAS 19 (details of the adjusted key figures in the [Annual report 2021](#))

Detailed information in the Annual report 2021:

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

Guidance 2022

Galenica expects the coronavirus situation to normalise gradually over time. With the easing of social distancing and hygiene measures, an increase in cold and flu infections is expected. At the same time, Galenica expects a slow recovery at high-frequency locations. However, as more people are working from home, footfall continues to be expected below pre-coronavirus levels. The extraordinarily high level of additional sales resulting from the measures taken to combat the coronavirus pandemic are no longer expected in the 2022 financial year. Nevertheless, Galenica expects consolidated sales to be at least on prior year level.

Based on adjusted¹⁾ EBIT for 2021 excluding the extraordinary results from the COVID-19 initiatives (estimated CHF 25 million) and the sale of the headquarters property in Bern (CHF 9.4 million), Galenica expects an EBIT increase of 5% to 10%.

Galenica strives for a strong and yet sustainable dividend development and plans for 2022 a dividend at least on prior year level.

Galenica is driving digitalisation forward

Digitalisation in healthcare is lagging behind other sectors. Galenica also wants to make its contribution to the entire system here and play an active role in shaping digital health solutions. The aim is to offer added value to all those involved in the Swiss healthcare system and to exploit the opportunities arising from new needs.

Digital solutions and networking in the healthcare market

The digital solutions for networking throughout the healthcare market include, for example, the possibilities offered by the Documedis® medical and pharmacy software, new cooperation models and strong partnerships. A pilot project for the reliable and secure electronic transmission of prescriptions was launched in the first half of 2021. The corresponding «e-prescription» IT solution was developed by HCI Solutions and partner companies. After first pilot projects in 2021, the «e-prescription» solution is to be introduced for more doctors in 2022. These activities are also countering the persistently high cost pressure in the healthcare sector. Thanks to digital e-health offerings, partnerships with digital healthcare platforms, collaborations and services tailored to market needs, Galenica can reduce process costs, improve patient safety and relieve pressure on the system.

→ [Galenica drives e-Mediplan forward](#)

Focus 2022

Galenica wants to play a leading role in the digitalisation of healthcare. The further development and introduction of digital health solutions such as «e-prescriptions», the continued dissemination of the electronic medication plan «e-Mediplan», partnerships with digital healthcare platforms and further networking with relevant players in the healthcare sector are key elements of the goals for 2022.

Galenica invests in omni-channel solutions for a better customer experience

With the aim of the Group offering its own offers and services via digital channels, the online channels were further expanded in 2021. All pharmacy formats now offer a mail-order pharmacy service: patients can order their prescription medications online and have them delivered to their home. The range of services available in the Amavita, Sun Store and Coop Vitality web shops has also been expanded, for example with online appointment reservations for flu and COVID-19 vaccinations as well as antigen, PCR and antibody tests.

Even with increasing digitalisation, physical points of sale remain an important element in the Group sales structure. For this reason, Galenica continued to invest in bricks-and-mortar pharmacy locations in financial year 2021. The shop layout of the Sun Store pharmacies will be gradually modernised in line with a new concept; the display window concept for all pharmacy formats is to be redesigned and the pharmacy premises adapted to meet new needs and services, for example with rooms for vaccinations and health consultations.

→ [New shop design at Sun Store](#)

Focus 2022

The pharmacy network is being continuously optimised and expanded, including through the qualitative growth of the online shops. In addition, the shopping experience will be further improved both online and in bricks-and-mortar pharmacies. In line with this, Galenica is investing both in digital channels and the modernisation of pharmacies.

The pharmacy as the first point of contact for health problems

In the year under review, pharmacies were also able to establish themselves further as the first point of contact for health issues. At the end of 2021, the offerings and services in the Primary Care segment comprised 28 indications with accompanying advice. The major advantage for patients is that they do not have to make an appointment in advance, but can go directly to the pharmacy for simple medical examinations and treatment recommendations, six to seven days a week.

→ [Galenica's primary care offers](#)

Focus 2022

To strengthen pharmacies as the first point of contact for health issues and basic medical care, the Documedis® «Primary Care» module is to be expanded with more algorithms for treating additional, frequently occurring medical issues. Galenica is also committed to incorporating «Primary Care» services into health insurance models. CSS is taking the lead here and has been funding this service for its patients with the MyFlex outpatient supplementary insurance since 2022. In addition, services related to vaccination services in pharmacies will be further expanded.

Home care services improve quality of life

The ageing population and the associated cost pressure are increasing the need and demand for outpatient services and treatment options. In order to be able to offer solutions in this area as well, Galenica is expanding its range of services in a targeted manner: both for customers and patients, such as the elderly and chronically ill, as well as for care organisations such as care homes and Spitex. Patients want and should be treated at home as an outpatient whenever possible. Galenica supports all stakeholders with its offerings, both with bricks-and-mortar pharmacies, in the home care sector and with logistics and IT solutions.

Strong growth in the «Pharmacies at home» segment

The specialty pharmacy Mediservice was able to expand its offerings to more than 80 highly complex therapies in 2021. On the one hand, in the care of patients at home, but also in the telephone and video consultations offered by Mediservice. Mediservice can thus make a significant contribution to increasing patients' independence and improving their quality of life. The growing demand for home care services is also reflected in the offerings of Bichsel. Thus, the demand for enteral and parenteral nutrition or antibiotic therapies produced individually for patients increased.

→ [Galenica's home care offers](#)

A reinforced range of services for Spitex organisations and care homes

With the acquisition of Lifestage Solutions, Galenica is expanding its offerings for Spitex organisations and care homes. Lifestage develops and operates an innovative digital trading platform that enables customers to order medical consumables, care products and services in a fully automated manner. As a result, Lifestage Solutions simplifies the daily routines of its customers, allowing them to concentrate on their core task of care while also saving them money.

→ [Galenica's offer for Spitex organisations and care homes](#)

Focus 2022

In the home care, Spitex and care home sectors, the collaboration between Bichsel, Mediservice, Medifilm and Lifestage Solutions will be further expanded and linked to other services offered by the Galenica Group, so that customers can fully benefit from the added value and the wide range of new offerings.

Galenica strengthens specialist trade and basic healthcare

New products expand the range

Galenica was able to further expand its product portfolio in 2021. In May 2021, Verfora acquired the therapeutic product range from Dr. Wild & Co. AG, which includes market-leading products such as Vitamin D3 Wild Öl® and VI-DE 3®, expanding its product portfolio in the area of prevention and strengthening the immune system.

Thanks to the takeover of Spagyros Ltd. in September 2021, Verfora will not only be able to meet the growing demand for phytotherapy and complementary medicines through its own products, but will also strengthen pharmacies and drugstores with a range of products that require intensive consultation.

→ [Galenica's complementary medicine offerings](#)

Growing presence in the physicians market

Galexis gained further market shares in the physicians segment in 2021. As a specialist partner, Galexis actively supports its customers in setting up and maintaining group practices and medical centres of various sizes. It thus contributes to the security of medical supply in Switzerland – especially in regions where there is already a shortage of family doctors or will be in the near future.

→ [Galenica's contribution to medical security of supply](#)

Increased demand requires new warehousing capacities

In Niederbipp (canton of Bern), the existing distribution centre was expanded and, in particular, storage capacities for medications were expanded by 17,600 new storage bays to a total of 61,395 with two additional automated storage and retrieval machines. Galexis also commissioned a new central warehouse for medical technology products at the neighbouring site in Oensingen (canton of Solothurn).

→ [Galenica's innovative cooling technology](#)

Focus 2022

Galenica continues to focus on the consistent implementation of its medical centre strategy.

In addition, the refurbishment and modernisation of the Galexis distribution centre in Lausanne-Ecublens will further improve the range of services offered in French-speaking Switzerland. It is expected to be fully operational in 2022.

Commitment to sustainability continues to gather pace

In 2021, Galenica further stepped up its commitment to sustainability. For the first time, with its Annual report 2021, Galenica is publishing a combined annual and sustainability report based on the GRI Standard with full annual economic, social and environmental data.

The report also includes specific sustainability goals. They relate to sustainability topics that are relevant to Galenica, such as patient safety.

Sustainability is practised at Galenica. For example, the Executive Committee of Galenica also has a specific sustainability objective in its annual targets. In 2022, the focus will be on employee satisfaction.

→ [Sustainability at Galenica](#)

Annual General Meeting 2022 – strong dividend increase

The Board of Directors will propose a dividend of CHF 2.10 to the 2022 General Meeting. With this 17% increase, Galenica is allowing shareholders to participate in the success of the 2021 financial year.

Galenica strives for a strong and yet sustainable dividend development and plans for 2022 a dividend at least on prior year level.

Judith Meier proposed as a new member of the Board of Directors

The Board of Directors also proposes Judith Meier for election as a new member of the Board of Directors to the General Meeting. Judith Meier (born 1962, Swiss citizen) has many years of experience in the operational and strategic management of service providers in the healthcare sector and has developed various concepts from which patients can benefit, both in terms of inpatient care in clinics and outpatient care in centres or at home.

The General Meeting will be held on 11 May 2022, with the shareholders attending in person again for the first time in two years, at Kursaal Bern.

Further information can be found in the [Annual report 2021](#) of the Galenica Group.

Media and analyst conference at 10.30 a.m. and conference call at 2.00 p.m.

Galenica will host its media and analyst conference on the 2021 annual results today, Tuesday, 8 March 2022, at 10.30 a.m. (Central European Time, CET). This will be followed at 2.00 p.m. by a conference call on the 2021 annual results in English.

Media and analyst conference: 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 recording will be available at www.galenica.com after the conference.

The conference will be held in German. The documentation will also be available in French and English on the [website](#) from 10 a.m. on 8 March 2022.

Conference call at 2 p.m.: For those who are unable to attend the conference in the morning, we will also organise a [zoom conference](#) at 2 p.m. This will be conducted in English.

Afterwards, the webcasts will be available to watch on-demand.

Dates for the diary

11 May 2022:	Annual General Meeting of Galenica Ltd.
9 August 2022:	Publication of the Galenica Group half year report 2022
7 March 2023:	Publication of the results of the 2022 financial year of the Galenica Group

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Galenica is the leading fully integrated healthcare provider in Switzerland. With over 500 own, joint venture and independent partner pharmacies, Galenica operates the largest network of pharmacies in Switzerland. In addition, Galenica further develops and offers well-known own consumer brands and products, exclusive brands and products from business partners as well as a variety of on-site health services and tests for customers. Galenica is also the leading provider of both pre-wholesale and wholesale distribution services and database services in the Swiss healthcare market. 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.