

PRESS RELEASE

Ad hoc announcement pursuant to Art. 53 LR

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Subject: Galenica Group half-year results 2022

Galenica grows strongly in the first half of 2022 and raises its outlook

Galenica experienced strong operational growth in the first half of 2022 and, at the same time, has driven forward the implementation of its strategy with targeted acquisitions.

In the first half of 2022, the Galenica Group generated consolidated net sales of CHF 1,959.9 million, representing strong growth of 5.5% compared to the first half of 2021. The operating result (EBIT) improved by 4.4% to CHF 103.3 million. Adjusted² EBIT fell by 1.4% to CHF 100.0 million. Compared to the prior-year period, adjusted² return on sales (ROS) fell from 5.5% to 5.1%. Adjusted for the extraordinary additional sales in connection with COVID-19¹, which were exceptionally high in the prior-year period, sales growth amounted to 8.7% and adjusted² EBIT growth to 19.8%

The lifting of the coronavirus measures had a positive impact on the business performance of the Group as a whole in the first half of 2022. A normal flu season and numerous illnesses caused by the coronavirus Omicron variant led to strong sales growth in OTC cold medication. In addition, the extremely positive growth momentum of the previous year was continued in the first half of 2022 by the specialty pharmacy Mediservice (+16.2%) and in the «Wholesale» sector (+3.8%).

Highlights of the first half of 2022

- **By further developing and piloting the e-prescription and the digital vaccination check, Galenica is continuing to invest in its digital offerings and patient safety.**
- **By investing in the Well digital healthcare platform, Galenica is further advancing integrated and networked healthcare in Switzerland and expanding its digital and in-person offerings.**
- **The software from Aquantic enables Galenica to increase the efficiency and quality of the reimbursement of special medicines and connects health insurers with pharmaceutical companies.**
- **Through the joint venture Emeda, Galenica is improving medical care for nursing home residents and thus offering innovative solutions for carers.**
- **By obtaining a distribution licence for Boiron products Verfora is expanding its homeopathic product range.**
- **Around 43,000 customers used the services and advice offered by Galenica pharmacies in the first half of the year, around 60% more than in the first half of 2021.**
- **Galenica is consistently implementing its sustainability goals with alternative energy concepts.**

Key figures of the Galenica Group in the first half of 2022

in million CHF	1st half year 2022	1st half year 2021	Change
Net sales			
Products & Care segment	986.8	918.9	7.4%
- Retail (B2C)	880.4	834.3	5.5%
- Local Pharmacies	627.9	616.9	1.8%
- Pharmacies at Home	252.6	217.5	16.1%
- Professionals (B2B)	109.3	88.5	23.5%
- Products & Brands	75.1	59.6	26.0%
- Services for Professionals	34.2	28.9	18.3%
Logistics & IT segment	1,434.6	1,377.9	4.1%
- Wholesale & Logistics	1,379.4	1,328.8	3.8%
- Logistics & IT Services	63.8	50.5	26.2%
Corporate and eliminations	-461.6	-439.7	
Galenica Group	1,959.9	1,857.1	5.5%
EBIT adjusted²			
Products & Care segment	75.8	76.2	-0.5%
Logistics & IT segment	25.4	26.3	-3.7%
Corporate and eliminations	-1.2	-1.1	
Galenica Group	100.0	101.4	-1.4%
Net profit adjusted²	81.3	82.5	-1.5%

Detailed information in the half year report 2022:

- [Management report of the Galenica Group](#)
- [Management report for the Products & Care segment](#)
- [Management report for the Logistics & IT segment](#)
- [Key figures](#)

Outlook for sales and EBIT 2022 raised

Due to strong growth in the first half of 2022, Galenica is adjusting its forecast for sales and EBIT for the 2022 financial year. Galenica now expects sales growth of between 2% and 4% (previously at least at the same level as the previous year). Based on adjusted² EBIT 2021 – excluding the extraordinary results from the COVID-19 initiatives (estimated at CHF 25 million) and the sale of the property at its headquarters in Bern (CHF 9.4 million) – Galenica now expects an EBIT increase of 8% to 12% (previously 5% to 10%).

¹⁾ Sales of COVID-19 initiatives with PCR, antigen, rapid and self-testing as well as vaccinations, EBIT contributions estimated.

²⁾ Excluding the effects of IFRS 16 and IAS 19 (details of the adjusted key figures in the [half year report 2022](#)).

Galenica continues to drive digitalisation forward

In the first half of 2022, Galenica continued to push ahead with digitalisation in the healthcare sector and the networking of the various stakeholders. In doing so, Galenica also wants to play a part in making processes simpler, more efficient and safer for all stakeholders in the healthcare sector – from patients to pharmacies, hospitals, doctors, care homes and health insurers – while reducing cost pressure in the healthcare system.

Digital networking of all healthcare stakeholders

With its investment in the Well healthcare platform, Galenica is linking its digital and bricks-and-mortar offerings with Well's digital services. This gives customers even easier access to Galenica's services via the Well app. Well also supports healthcare professionals, Another step towards digital networking of health insurance companies and pharmaceutical companies was taken with the acquisition of Aquantic and its software, which significantly simplifies the billing of special medications for all parties involved.

The pharmacy as the first point of contact for health issues

In the first half of 2022, the pharmacies of the Galenica Group were able to further expand their important role as the first point of contact for healthcare issues and once again demonstrate their pivotal role in healthcare provision. The services are easily accessible to patients and customers and also contribute significantly to reducing the overall cost of treatment.

Services and advice meet customer needs

Pharmacies, for example, are continuously expanding their range of services and advice. There are also plans to integrate telemedicine services into the service portfolio and offer laboratory analyses to optimise pharmacy advice.

The figures clearly show that these offerings meet a real customer need. Demand has increased by around 60%: while around 27,000 customers used the services and advice offered by Galenica pharmacies in the first half of 2021, this figure had already risen to 43,000 in 2022.

Growing need for innovative home care services

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. Galenica is playing an active role in steering the shift towards more home care services and offers simple and practical solutions for both patients and their caregivers, such as nursing homes and home care organisations.

New home care services create added value for patients and their caregivers

In the first half of 2022, Galenica and Medcall founded the joint venture Emeda, which aims to provide medical and pharmaceutical care to retirement and nursing homes in Switzerland. The Emeda team consists of mobile doctors who specialise in outpatient geriatric medical care for residents of nursing homes. Galenica's investment in this joint venture will expand and enhance the offering with the inclusion of pharmaceutical care for patients in homes.

Sustainability as a key element of business activities

The health, safety and well-being of its customers are at the heart of Galenica's business activity. As Switzerland's leading fully integrated healthcare provider, Galenica has an important part to play in ensuring security of supply in healthcare and the provision of basic care for the people of Switzerland, thus contributing towards Goal 3 («Good Health and Well-being») of the United Nations' Sustainable Development Goals. This objective is central to business activities and lies at the heart of Galenica's customer promise to support people at every stage of life on their journey towards health and well-being.

Consistent implementation of sustainability goals

Galenica made further progress towards achieving its sustainability goals in the first half of the year. A photovoltaic system covering an area of 300m² has been installed on the roof of the modernised distribution centre in Lausanne-Ecublens; the system will deliver an electricity output of up to 50 kWp, thereby supplying most of the energy the building requires.

A photovoltaic system will also be installed on the roof of the largest distribution centre in Niederbipp. The system, which covers an area of approx. 16,000m², is expected to deliver an electricity output of up to 1.7 MWh for Galexis and thus save over 300 tonnes of CO₂ per year.

A new heat pump was installed at Alloga in spring 2022 to heat the entire warehouse building. Modern heating technology helps to save around 120 tonnes of CO₂ emissions every year. By way of comparison, around 9,600 trees would have to be planted to compensate for these emissions.

Based on the results of last year's employee survey, the various teams developed and implemented measures to increase employee satisfaction over the long term. In addition, further measures to raise awareness and training courses on the topics of IT and data security were carried out during the first half of 2022. The aim of this was to make sure patient data and IT systems get the best possible protection.

Further information can be found in the Galenica Group's [half year report 2022](#).

Conference call at 1.30 p.m.

Galenica will host a Zoom conference call on the results for the first half of 2022, today, Tuesday, 9 August 2022, at 1.30 p.m. (CEST).

You can follow the Zoom conference via this link: [Zoom conference](#) (Code: 4769)

The conference will be held in English. The presentation will be available on the [website](#) from around 12 noon (CEST) on 9 August 2022.

A recording of the conference call will then be available in the «Investors» section of the www.galenica.com website.

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Dates for the diary

19 January 2023	Publication of 2022 sales figures for the Galenica Group
7 March 2023:	Publication of the 2022 results for the Galenica Group
3 May 2023:	Annual General Meeting of Galenica Ltd.
8 August 2023:	Publication of the Galenica Group half-year report 2023

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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 develops and offers well-known own brands and products and exclusive brands and products from business partners, as well as offering 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.