

PRESS RELEASE

Ad hoc announcement pursuant to Art. 53 LR

Date 19 January 2023
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 Subject 2022 Galenica Group sales

Galenica achieves sales of more than CHF 4 billion for the first time thanks to strong growth

The Galenica Group can once again look back on an exceptionally successful 2022 financial year: consolidated net sales increased by 4.7% to CHF 4,014.3 million. As a result, Galenica slightly exceeded its sales forecast and passed the CHF 4 billion mark for the first time.

Adjusted for additional sales in connection with COVID-19, which were exceptionally high in the prior-year, sales growth was even high at 7.1%. After a normal seasonal flu epidemic and numerous illnesses caused by the coronavirus Omicron variant led to strong growth in the first half of the year 2022, sales for the entire Group were also influenced in the second half of the year by a strong, early-onset flu epidemic. 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%).

Earnings outlook confirmed

Based on adjusted¹ EBIT 2021 – excluding the extraordinary results from the COVID-19 initiatives (estimated at CHF 25 million) and the property sale at its headquarters in Bern (CHF 9.4 million) – an expected EBIT increase of 8% to 12% was communicated with the 2022 half-year results. Thanks to the strong sales growth in the second half of 2022, Galenica expects an EBIT increase at the upper end of this range.

Net sales of the Galenica Group 2022:

(in CHF million)	2022	2021	Change
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	2,932.8	2,831.4	+3.6%
- Wholesale	2,820.4	2,728.4	+3.4%
- Logistics & IT Services	130.2	111.9	+16.4%
Corporate and eliminations	-948.1	-904.8	
Galenica Group	4,014.3	3,834.7	+4.7%

¹ Excluding the effects of IFRS 16 and IAS 19

Additional information on sales figures and further information can be found in our [investor presentation](#).

“PRODUCTS & CARE” SEGMENT

The “Products & Care” segment generated net sales of CHF 2,029.6 million (+6.4%) in the 2022 financial year. Of this, CHF 1,806.6 million (+5.0%) was attributable to the “Retail” (B2C) business area, with the “Local Pharmacies” sector contributing CHF 1,286.9 million (+2.0%, excluding Coop Vitality) and the “Pharmacies at Home” sector contributing CHF 519.9 million (+13.3%). Adjusted for the additional sales in connection with COVID-19, which were extraordinarily high in the previous year, sales growth in “Local Pharmacies” amounted to 6.3%.

The “Professionals” (B2B) business area increased sales to CHF 228.8 million (+17.9%), with the “Products & Brands” sector contributing CHF 157.7 million (+19.8%) and the “Services for Professionals” sector contributing CHF 71.1 million (+13.9%).

“Retail” business area (B2C)

- The flu epidemic in winter 2021/2022 and a strong, early-onset flu outbreak this winter – exacerbated by numerous illnesses of the coronavirus Omicron variant – led to strong sales growth, especially for cough and cold medicines.
- Pharmacy sales at high-frequency locations continued to recover and were only 8% below the pre-pandemic level of 2019 at the end of 2022.
- The particularly beautiful and hot summer months led to peak sales of sunscreen and similar products in the year under review.
- More than 120,000 customers made use of the services and advice offered by Galenica pharmacies in 2022, 60% more than in the previous year.
- The specialty pharmacy Mediservice significantly contributed with +12.9% to the strong growth of the “Pharmacies at Home” sector and offered more than 60 main indications by the end of 2022 – including five new ones – for a total of around 90 complex forms of therapy.
- The acquisition of Cannaplant, the leading provider of formulations for medicinal cannabis products, enables Galenica to offer valuable therapies to many patients and doctors.

By way of comparison:

- Drug sales from bricks-and-mortar pharmacies in Switzerland (prescription [Rx] and OTC products) grew by 8.0% in the reporting year (IQVIA, Pharmaceutical Market Switzerland, 2022).
- Sales of medications from mail-order pharmacies in Switzerland (prescription [Rx] and OTC products) grew by 6.6% in the reporting year (IQVIA, Pharmaceutical Market Switzerland, 2022).

“Professionals” business area (B2B)

- With the takeover of distribution of the homeopathic products of the manufacturer Boiron in Switzerland, Verfora supplemented its existing range in the field of complementary medicine.
- Products & Brands was not only growing thanks to acquisitions, but also organically: a strong flu epidemic, exceptionally beautiful and hot summer months and innovative product launches contributed to the sales growth of numerous Verfora brands such as Triofan[®], Algifor[®], Anti-Brumm[®] and Merfen[®]. The expansion-related growth effect at Verfora amounted to +6.7% in 2022.
- Supply bottlenecks in the procurement of raw materials, but also materials such as glass bottles and paper for package inserts, led to occasional declines in sales.

- In the 2022 financial year, Lifestage Solutions expanded into Western Switzerland, where it acquired 20 care homes as new customers.
- Medifilm benefited, among other things, from increased demand due to time pressure and a staff shortages in care homes and, together with the supporting pharmacies, was able to acquire around 40 additional institutions with its range of blistering solutions.

By way of comparison:

The consumer healthcare market grew by 6.4% year-on-year (IQVIA, Consumer Health Market Switzerland, 2022, excluding COVID-19 self-tests).

“LOGISTICS & IT” SEGMENT

The “Logistics & IT” segment achieved net sales of CHF 2,932.8 million (+3.6%) in the 2022 financial year. Of this, CHF 2,820.4 million (+3.4%) was attributable to the “Wholesale” sector and CHF 130.2 million (+16.4%) to the “Logistics & IT Services” sector. Adjusted for the additional sales in connection with COVID-19, which were extraordinarily high in the previous year, sales growth in “Logistics & IT” amounted to 5.6%.

“Wholesale” sector

- The wholesale business operated by Galexis and the two companies Pharmapool and Unione Farmaceutica Distribuzione (UFD) performed positively in the 2022 financial year with sales growth of 3.4%.
- After a construction period of around 40 months, Galexis inaugurated its modernised distribution centre in Lausanne-Ecublens in summer 2022.
- The positive trend of the first half of 2022 continued in the physician market: 7 additional medical centres and even more specialist doctors will benefit from the comprehensive range of services offered by Galenica.
- The pharmacy customer segment recorded growth of 3.1%. Adjusted for the additional sales in connection with COVID-19, which were extraordinarily high in the previous year, sales growth amounted to 6.4%.

By way of comparison:

- The overall pharmaceutical market grew by 6.1% (IQVIA, Pharmaceutical Market Switzerland, 2022).
- The physicians segment developed by 5.8% (IQVIA, Pharmaceutical Market Switzerland, 2022).
- The pharmacy segment developed by 7.8% (IQVIA, Pharmaceutical Market Switzerland, 2022).

“Logistics & IT Services” sector

- ERP migration continues to make successful progress at Alloga. In the reporting year, the processes of around one-fifth of the business partners were migrated smoothly to the new software solution. Due to the smooth progress, Alloga will endeavour to complete the outstanding partner migrations by means of an accelerated procedure.
- The Documedis[®] physicians and pharmacy software continued to develop technically in the reporting year. In 2022, over 100 million “Clinical Decision Support Checks” (CDS) were carried out on the basis of Documedis[®] solutions.

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Dates for the diary

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 consumer 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). For more information, please visit www.galenica.com.