

PRESS RELEASE

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Subject Acquisition of Bichsel Group

Galenica expanding in home care and in specialised offerings for the healthcare market

On 1 May 2019, the Galenica Group will acquire a majority stake in the Bichsel Group, a specialised Swiss company with a strong focus on the manufacture of individual medicines and medical devices as well as home care services in the field of home dialysis and home nutrition.

Galenica is thus strengthening its leading position in the attractive and growing market of home care for patients and broadening its access to hospitals and healthcare providers. The Bichsel Group also operates an established and ideally located pharmacy in Interlaken, which additionally counts among the largest manufacturers of magistral prescriptions in Switzerland.

In the Galenica Group, the Bichsel family has found a strong partner with firm roots in the Swiss healthcare market that fits in with its succession plan and is committed to developing and expanding the family business. The Bichsel family will retain a minority stake.

The Bichsel Group has been under the independent management of the Bichsel family since 1948. Consisting of the two companies "Grosse Apotheke Dr. G. Bichsel AG" and "Laboratorium Dr. G. Bichsel AG", it specialises in operating a public pharmacy, manufacturing individual medicines and medical devices, and offering home care services in the field of home dialysis and clinical home nutrition throughout Switzerland. The group, with its around 300 employees, generated sales exceeding CHF 60 million in 2018.

In the context of succession planning and safeguarding the future of the company, the Bichsel family has found a strong partner in the Galenica Group with firm roots in the Swiss healthcare market and is committed to developing and expanding the family business. The various business activities of the Bichsel Group perfectly complement the services offered by the Galenica Group: on the one hand, in the market segment for hospitals and other healthcare providers; and on the other, in the rapidly growing field of home care, which is to be targeted for development and expansion.

Strong expansion in the growing market for home care services

The Bichsel Group has been caring for dialysis patients and providing them with solutions and all other materials required for home dialysis since the mid-1960s. In the years that followed, the company increasingly specialised in caring for and treating patients at home, and today it has even established itself as the market leader in the field of clinical home nutrition.

Combined with the home care services of the Galenica company Mediservice, which specialises in the home care of chronically ill patients, Galenica is further expanding its leading position in the attractive and growing market for patient care at home.

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The two models are geared to different clinical pictures and complement each other perfectly. Galenica wants to step up its focus on specialised home care services in the future. The Bichsel Group, like Mediservice, has a specially trained team for caring for patients at home. In addition, the nutrition market, which is growing at a faster pace than the overall market, is predestined for home care programmes, including distance healthcare concepts. This gives rise to interesting synergies between the activities provided by Mediservice and the Bichsel Group, offering sustainable added value.

Extended access to hospitals and healthcare providers

The laboratory operated by Dr. G. Bichsel AG manufactures standard infusions and registered finished products for the Swiss market. Thanks to its extensive experience and flexible-use production facilities, the company can respond quickly and specifically to the special requirements of doctors and hospitals, for example in the case of special preparations in individual batch sizes. As a result, the company is very well established in the market and cultivates close relationships with its customers, which will provide Galenica with extended access to hospitals and other healthcare providers. The company is now the only Swiss manufacturer of infusion products of this type and is gaining in importance in terms of security of supply, as foreign manufacturers have less and less interest in supplying the Swiss market due to price pressure and specific Swiss registration requirements.

Expansion of pharmacy network, including market-leading expertise in magistral prescriptions

The Galenica Group acquired a minority stake in Grosse Apotheke Dr. G. Bichsel several years ago, and for many years the pharmacy has procured its products from Galenica pharmaceutical wholesaler Galaxis. With the takeover of the Bichsel Group, Galenica is expanding its pharmacy network with another well-established pharmacy situated in a prime location in Interlaken. It will continue to operate under the same name with the same pharmacy team.

The pharmacy is also one of the major manufacturers of magistral prescriptions (medicines manufactured for specific patients) in Switzerland. The plan is to set up a centralised platform with this area for pharmacies, doctors and hospitals that are no longer able to meet the high quality standards for magistral prescriptions on their own. Here, too, demand is on the rise among patients, since the availability of niche products is becoming more and more critical as players withdraw from the market.

Continuity in management and clear commitment to the joint development of business activities

The companies of the Bichsel Group will be integrated into the Retail Business sector and will continue to operate on the market under the same known name. Stefan Bichsel and Tobias Bichsel, the co-owners of the family-owned company, will continue in their current functions and contribute their long-standing experience and in-depth expertise to uphold the continuity and development of the company's business.

As of 1 May 2019, Galenica will acquire the majority of the share capital of the Bichsel Group; the Bichsel family will retain a minority stake. This, too, underlines the clear commitment by both parties to continue to develop the Bichsel Group together and to lead it into a successful future. The parties have agreed not to disclose the purchase price.

Update of sales and EBIT forecast for 2019

Related to the acquisition of the Bichsel Group on 1 May 2019, the Galenica Group is adjusting its sales and earnings forecast for 2019 as follows: Galenica expects consolidated net sales to be slightly higher than in the previous year, with sales growth of 3% to 6% in the Health & Beauty segment and sales at around prior-year-level in the Services segment.

At the same time, Galenica aims to further increase its comparable operating result EBIT (excluding the effects of IAS 19 and IFRS 16) by between 4% and 7%.

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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 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 pre-wholesale and wholesale services as well as 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

The **Bichsel Group** has been managed by the Bichsel family since 1948 and has around 300 employees. With its two companies "Grosse Apotheke Dr. G. Bichsel AG" and "Laboratorium Dr. G. Bichsel AG", it specialises in home care services as well as in the manufacture of products for hospitals and doctors.

Grosse Apotheke Dr. G. Bichsel AG is situated in a prime location in Interlaken. Due to its international clientèle, the pharmacy stocks not only all pharmaceutical specialities approved in Switzerland, but also many foreign pharmaceutical specialities. In addition, the pharmacy manufactures special preparations for patients, doctors and hospitals.

Services in the field of home care provided by certified nursing professionals are additionally offered via the pharmacy, with the company being the market leader in the nutrition segment.

Laboratorium Dr. G. Bichsel AG is a manufacturer and wholesaler of medicines and medical devices. It services hospitals, at-home patients, medical personnel and suppliers along the healthcare supply chain throughout Switzerland. The company manufactures approved standard infusions and finished products (bags, bottles, ampoules) for the Swiss hospital and physician market, some of which are also approved for export. Thanks to its extensive experience and flexible-use production facilities, the company can respond quickly and specifically to the special requirements of doctors and hospitals, for example in the case of special preparations or in the manufacture of solutions in batch sizes from 100 to several thousand units.

Additional information about the Bichsel Group can be found at www.bichsel.ch