IPO of Galenica Santé

A new chapter in our history

Jörg Kneubühler
CEO Galenica Santé
Designated Chairman of the Board of Directors Galenica Santé

Media Conference, 14 March 2017
Our ambition and self-perception

Galenica Santé: The first choice for health, beauty and wellbeing.
### Galenica Santé

#### 2016 > CHF 3 billion sales

<table>
<thead>
<tr>
<th>Health &amp; Beauty</th>
<th>Products &amp; Brands</th>
<th>Services</th>
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</thead>
<tbody>
<tr>
<td><strong># 1</strong>&lt;sup&gt;2)&lt;/sup&gt; Retail</td>
<td><strong># 3</strong>&lt;sup&gt;2)&lt;/sup&gt; Products &amp; Brands</td>
<td><strong># 1</strong>&lt;sup&gt;2)&lt;/sup&gt; Services</td>
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**2016:**

- **Sales in CHF:** 3,008.9 million  \(+3.2\%\)
- **EBIT in CHF**<sup>1)</sup>: 134.2 million  \(+6.8\%\)

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Source: Company information

Notes: The financial information presented with respect to the financial years ended 31 December 2006 through 2013 have been derived from the audited consolidated financial statements of Galenica Ltd. and represent its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business. The Company, currently a wholly-owned subsidiary of Galenica Ltd., prepared combined financial statements for the financial years ended 31 December 2014, 2015 and 2016, which are currently in draft form. Accordingly, the financial information derived from the combined financial statements of the Company and from the consolidated financials of Galenica Ltd. for its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business, for prior periods may not be fully comparable.

1. Includes corporate costs, excludes IAS 19 expense
2. Services based on sales reported at ex-manufacturer price level as of MAT June 2016. Source: IMS Market Prognosis 2016-2020; Retail based on number of pharmacies. Source: pharmaSuisse (Fakten und Zahlen Schweizer Apotheken 2016); Products & Brands based on IMS Health MAT September 2016 sales value for OTC, Patient Care, Personal Care and Nutritional products.

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Building the leading Swiss healthcare platform

1927 - Foundation of Galenica as a wholesaler

1995 - Strategy to engage in the entire Swiss healthcare value chain

2000 - Organic and acquisition-led expansion of pharmacy network, in 2005 uniform Brand Amavita

2005 - Acquisition of specialty pharmacy Amavita

2007 - Acquisition of Sun Store pharmacies

2008 - Creation of Business unit Galenica Santé

2009 - Acquisition of Medifilm

2013 - Opening of highly automated distribution centre in Niederbipp

2014 - Acquisition of Pharmapool

2015 - Integration of P & B

2017 - Expansion wound treatment
History of resilient growth and margin improvement

<table>
<thead>
<tr>
<th></th>
<th>2006–16 CAGRs</th>
<th>2006–16 EBIT CAGR³</th>
<th>2006–16 EBIT margin improvement³</th>
<th>2016 cash conversion⁵</th>
<th>FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail market sales²</td>
<td>2.4%</td>
<td>5.3%</td>
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<tr>
<td>Galenica Santé net sales</td>
<td>5.3%</td>
<td></td>
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<tr>
<td>Galenica Santé EBIT³</td>
<td>25.2%</td>
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<tr>
<td>2006–16 EBIT margin improvement³</td>
<td>+367bps</td>
<td></td>
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<tr>
<td>2016 cash conversion⁵</td>
<td>80%</td>
<td></td>
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<tr>
<td>FTEs</td>
<td>c. 4,600</td>
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</table>

Source: Company information, Galenica Annual Reports, IMS Health
Notes: The financial information presented with respect to the financial years ended 31 December 2006 through 2013 have been derived from the audited consolidated financial statements of Galenica Ltd. and represent its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business and may not be fully comparable to the financial information for the period ending 31 December, 2014, 2015 and 2016
1 Not including Vifor Consumer Health
2 Retail market sales include direct and indirect pharmaceutical sales through retail pharmacies, self-dispensing doctors and mail-order services
3 2014-16 EBIT includes corporate costs, excludes IAS 19 expense
4 2013 financials as per 2014 financial statements due to changed segment structure (Galenica Santé is reported as a separate segment since 2014). Financials not adjusted to include Products & Brands
5 Calculated as (EBITDA-capex)/EBITDA. 2014-16 EBITDA excludes IAS 19 adjustment; capex includes investments in tangible and intangible assets

Net sales (CHFm)  EBIT margin (%)³

FTEs: c. 4,600


1'793 2'129 2'270 2'467 2'526 2'603 2'661 2'766 2'826 2,915 3,009

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RETAIL  
- Leverage leading positions to promote higher margin and exclusive products.
- Further expand and optimise retail network.
- Drive efficiency through one single process for all three pharmacy formats.

PRODUCTS & BRANDS  
- Develop and launch own and partner brands and products for pharmacies.

SERVICES  
- Leverage scale advantages to develop new, value-added services.
- Continue to drive synergies across the entire organisation.
Designated members of the Board of Directors of Galenica Santé

Jörg Kneubühler  
*Designated Chairman*  
Dr. rer. pol., University of Bern

Daniela Bosshardt-Hengartner  
Pharmacist, Federal Diploma in Pharmacy, FIT, Zurich

Michel Burnier  
Prof. Dr. med., Swiss-registered Doctor of Internal Medicine & Nephrology

Fritz Hirsbrunner  
Lic. oec., HEC  
University of Lausanne

Philippe Nussbaumer  
Dr. pharm, Pharmacist, Federal Diploma in Pharmacy, University of Geneva, dipl. oec HEC, University of Lausanne

Andreas Walde  
Dr.iur., University of Basel, Attorney at Law
Overview of Articles of Association of Galenica Santé

Key elements

- Standard governance provisions in the articles of association largely replicated from Selling Shareholder.

- Authorised capital enabling Board of Directors to increase the number of shares by up to 10% within a period of two years. Pre-emptive rights may only be excluded for valid reasons.

- Conditional capital enabling Board of Directors to issue equity linked instruments (e.g. convertible bonds) relating to shares of up to 10% of the existing shares.\(^1,2\)

- Cap on voting rights at 5% of issued shares, subject to certain exceptions (e.g. up to 20% for selling shareholder\(^3\) and strategic investors).

Notes:
1. Any equity participation of management to be sourced from existing shares.
2. Authorised and conditional capital may be used cumulatively.
3. The cap of 20% will be reduced irrevocably to the extent the Selling Shareholder sells its shares.
Summary takeaways
Galenica Santé is...

1. **The** leading healthcare provider in Switzerland;

2. Operating in a stable, attractive and resilient market:

3. A long-term track record of growth and margin improvement with

4. further upside potential from leveraging the three vectors Retail, Products & Brands and Services;

5. Underpinned by a strong and highly experienced management team.
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