

## PRESS RELEASE

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Subject EBIT and sales guidance 2018

### **Galenica confirms earnings guidance for 2018 despite weaker sales growth**

**As Galenica previously announced on the release of its 2018 half-year results, the additional and higher than originally announced price reduction measures for medications by the authorities are impacting on sales growth. Galenica therefore expects sales growth for 2018 to be below the 2% forecast. However, management of the Galenica Group is confident of achieving the announced EBIT growth. Consequently, the outlook regarding proposal of a dividend of at least at the same level as the prior year to the Annual General Meeting in 2019 is unchanged.**

As Galenica previously announced on the release of its 2018 half-year results, the additional and higher than originally announced price reduction measures for medications by the authorities are impacting on sales growth. This effect was heightened in the second half of 2018 due to the staggered and additional price reductions, in particular for high-priced medications. The management of the Galenica Group therefore expects sales growth for 2018 to be below the projected target of 2%.

The improved profitability reported in the first half of 2018 continues to have a lasting effect. Despite weaker sales growth, Galenica therefore remains confident of achieving an EBIT (excluding the effects of IAS 19) in 2018 of at least at the same level as in the previous year. Excluding the one-off effects of CHF 7.0 million in 2017, this corresponds to an operational increase of at least 5%. Consequently, the outlook regarding proposal of a dividend of at least at the same level as the prior year to the Annual General Meeting in 2019 is unchanged.

#### **Solid basis for further growth**

Galenica is confident about 2019: for example, 2018 saw the pharmacy network expanded by eight own locations, and Verfora became the new no. 1 in the Swiss consumer healthcare market and was able to substantially expand its distribution partnership with Procter & Gamble as of early 2019 with two product lines: Vicks® and Metamucil®. Galenica has a solid basis to continue to grow in the future.

Galenica will publish its 2018 sales figures on 22 January 2019 and its annual results on 12 March 2019.

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*Galenica is the leading fully integrated healthcare provider in Switzerland. With 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](http://www.galenica.com).*