

## PRESS RELEASE

Date 1 June 2021  
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Subject Galenica raises sales and EBIT guidance for 2021

### **Positive sales growth and product acquisitions: Galenica raises sales and EBIT guidance 2021**

**After a difficult first quarter of 2021, Galenica's business developed extremely dynamically compared to the previous year's lockdown period. As at the end of April 2021, consolidated net sales grew by pleasing 4.8%. Various offers to combat the COVID-19 pandemic also contributed to this result.**

**Furthermore, Verfora acquired the range of pharmaceutical products from Dr. Wild & Co. Ltd. end of May 2021, which includes well-known brands such as Vitamin D3 Wild Oil® and VI-DE 3®. In doing so, Verfora has secured rights to strong brands and high-potential marketing authorisations, thereby further expanding its leading position in the Swiss consumer healthcare market (CHC).**

**Galenica expects a continuing positive business impact of the various offers to combat the COVID-19 pandemic, albeit to a much lesser extent than in April 2021. These additional one-off sales combined with Verfora's product acquisitions have enabled Galenica to raise its guidance for both net sales and EBIT for the financial year 2021:**

**Galenica now expects net sales growth of between 3% and 5% (previously: 1% to 3%) for the financial year 2021 as a whole as well as growth in the adjusted operating result (EBIT, excluding the effects of IFRS 16 and IAS 19) of between 5% and 8% (previously: 2% to 5%).**

#### **Difficult first quarter of 2021**

As expected, the first quarter of 2021 was difficult for Galenica due to COVID-19. Repercussions of the pandemic, such as the absence of seasonal colds, the lack of any flu epidemic as well as people's continued low mobility had a negative impact on the sales of all Business Units.

In the pharmacy and drugstore market, sales of Verfora's cold products plummeted by more than 30%, with declines of up to 70% seen for individual cough medicines. In the first quarter of 2021, sales in pharmacies at high-frequency locations were still around 30% lower than their pre-pandemic level in the first quarter of 2019. Accordingly, consolidated net sales of the Galenica Group at the end of March 2021 were 4.6% lower year-on-year.

By comparison, the entire Swiss pharmaceutical market declined by 6.8% (IQVIA, Pharmaceutical Market Switzerland, first quarter of 2021). The consumer healthcare market lost 13.4% year-on-year in the first quarter, with even minus 19.0% reported in the OTC category (IQVIA, Consumer Health Market Switzerland, first quarter of 2021).

#### **Positive business performance from April 2021 onward, also thanks to various offers to combat the COVID-19 pandemic**

Business improved substantially in April 2021 compared to April 2020, which was very negatively impacted by the nationwide lockdown. Consolidated net sales of the Galenica Group grew considerably and were 4.8% higher year-on-year at the end of April 2021.

Galenica Group pharmacies and logistics companies are actively supporting the federal government and the people of Switzerland in the combat against the COVID-19 pandemic and the various activities and offers connected to these efforts have strongly contributed to this growth:

- In addition to the rapid COVID-19 tests being offered by around 70 pharmacies since last November, several pharmacies have also been performing PCR tests and PCR saliva tests since early 2021.
- Since the official launch on 7 April 2021, all of the Group's pharmacies have been issuing government-funded COVID-19 self-tests, which can also be ordered both online and through a subscription at Amavita and Sun Store. Demand for these tests was high in April, which posed enormous challenges for pharmacy staff. Not only did they have to manage additional streams of customers, but also repackage self-tests in advance, which required additional resources. By May, demand for COVID-19 self-tests was substantially lower.
- Additionally, around 260 pharmacies of the Galenica Group will be able to offer COVID-19 vaccinations as soon as the respective cantons authorise the start of vaccinations in pharmacies. Selected Amavita, Sun Store and Coop Vitality pharmacies were already able to start vaccinating in April in first cantons.
- The logistics companies of the Galenica Group, particularly Alloga in the Canton of Bern and Unione Pharmaceutica Distribuzione in the Canton of Ticino, are supporting the authorities to assure vaccination-related logistics.

#### **Leading position in the Swiss consumer healthcare market (CHC) expanded**

The acquisition of the range of pharmaceutical products from Dr. Wild & Co. Ltd. is yet another step in Galenica's efforts to systematically implement its strategic objectives. This move has secured Verfora the rights to strong brands and high-potential marketing authorisations that ideally complement the current portfolio. This acquisition will also enable Verfora to establish its own physician field service. Both the new products and the establishment of the physician field service will strengthen Verfora as a competent partner in the B2B market and its positioning as pharmacies' and drugstores' most important partner for over-the-counter (OTC) pharmaceutical and healthcare products.

#### **Attractive vitamin D market – expansion in paediatrics**

The well-known products Vitamin D3 Wild Oil® and VI-DE 3® have been leaders in Switzerland's attractive vitamin D market for many years and, going forward, will strengthen Verfora's portfolio of prevention products and products designed to strengthen the immune system.

With VI-DE 3® Verfora has acquired a vitamin D product that is reimbursed by health insurance companies (OTX). To market this product, Verfora will set up its own physician field service and take over the experienced physician field services of Dr. Wild & Co. Ltd. This will benefit other Verfora products as well, such as Algifor® and Triofan® as well as partner products such as OMNi-BiOTiC® or ThermaCare®.

Additionally, Verfora will be able to expand its paediatric portfolio, namely through Vitamin D3 Wild Oil®, Oxyplastin® wound paste and Deaftol® (an anti-inflammatory spray for the mouth and throat), that can be used even on infants.

Other brands joining Verfora through the acquisition are Contra-Schmerz®plus, a well-known pain relief medication; Salvia Wild®, a herbal medicinal product; Yegi®, a line of medicinal herbal products; Cliniderm®, an exfoliating cream; and Tonoglutal®, which is formulated to enhance physical and mental performance. The Dr. Wild & Co. Ltd. products acquired end of May 2021 generated total market sales of more than CHF 19 million in 2020 (IQVIA Pharma Trend APO-DRO; Sell-Out Streetprice). The parties have agreed not to disclose the purchase price.

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Galenica still assumes that the COVID-19 situation will continue to improve and normalise in the months to come, particularly in the second half of 2021. The Group expects a continuing positive business impact of the various offers to combat the COVID-19 pandemic, albeit to a much lesser extent than in April 2021. These additional one-off sales combined with Verfora's product acquisitions have enabled Galenica to raise its guidance for both net sales and EBIT for the financial year 2021:

Galenica now expects net sales growth of between 3% and 5% (previously: 1% to 3%) for financial year 2021 as a whole as well as growth in the adjusted operating result (EBIT, excluding the effects of IFRS 16 and IAS 19) of between 5% and 8% (previously: 2% to 5%). The dividend guidance remains unchanged at least at previous year's level.

Galenica will publish more detailed information about the course of business during the first half of 2021 and an outlook for the second half of the year together with its half-year results on 3 August 2021.

### **Dates for the diary**

3 August 2021: Publication of the half-year report 2021 of the Galenica Group  
20 January 2022: Publication of 2021 sales of the Galenica Group  
8 March 2022: Publication of the results of the 2021 financial year of the Galenica Group  
11 May 2022: Annual General Meeting of Galenica Ltd.

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*Galenica is Switzerland's leading, completely integrated healthcare service provider. 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 distribution 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).