

Key figures

Net sales

in million CHF



Health & Beauty ¹⁾	803.4
Services ¹⁾	1,286.7

EBIT adjusted²⁾

in million CHF



Health & Beauty ¹⁾²⁾	61.7
Services ¹⁾²⁾	22.6

Number of employees

as at 30 June 2020



Galenica Ltd.	36
Health & Beauty	5,220
Services	1,792

in million CHF	1.1.–30.6.2020	1.1.–30.6.2019	Change
Net sales	1,690.4	1,600.4	+5.6 %
Health & Beauty ¹⁾	803.4	781.4	+2.8 %
Services ¹⁾	1,286.7	1,192.4	+7.9 %
EBITDA	129.3	126.7	+2.1 %
EBITDA adjusted²⁾	105.3	101.8	+3.5 %
Health & Beauty ¹⁾²⁾	72.8	70.7	+3.0 %
Services ¹⁾²⁾	33.4	33.0	+1.1 %
EBIT	82.3	82.8	-0.6 %
EBIT adjusted²⁾	83.6	81.1	+3.0 %
in % of net sales	4.9 %	5.1 %	
Health & Beauty ¹⁾²⁾	61.7	60.3	+2.5 %
in % of net sales	7.7 %	7.7 %	
Services ¹⁾²⁾	22.6	22.6	-0.3 %
in % of net sales	1.8 %	1.9 %	
Net profit	66.3	64.9	+2.2 %
Net profit adjusted²⁾	68.4	65.0	+5.3 %
Investment in property, plant and equipment and intangible assets	26.7	24.7	+7.7 %
Employees at reporting date (FTE)	5,379	5,324	+1.0 %
in million CHF	30.6.2020	30.6.2019	Change
Equity ratio	41.3 %	41.3 %	
Equity ratio adjusted ²⁾	50.0 %	49.8 %	
Capital contribution reserves	351.6	396.1	-11.2 %
Net debt adjusted ²⁾	406.2	416.5	-2.5 %

Share information

in CHF	30.6.2020	31.12.2019
Share price at reporting date	67.80	59.85
Market capitalisation at reporting date in million CHF	3,351.0	2,952.9
Shareholders' equity per share at reporting date	19.07	20.16
Earnings per share 1.1.–30.6.	1.34	1.32
Earnings per share adjusted 1.1.–30.6. ²⁾	1.38	1.32

¹⁾ Reported for each Segment not taking into account Corporate and Eliminations

²⁾ Excluding the effects of IAS 19 and IFRS 16 (see Alternative performance measures section from page 27 onwards)

Key figures for the Galenica Group, first half of 2020

Strong sales growth

The Galenica Group generated consolidated net sales of CHF 1,690.4 million in the first half of 2020. The growth of 5.6% was driven in particular by the Services Business sector, at +7.9%, but positive contributions were also made by the Retail and Products & Brands Business sectors, up 2.9% and 1.0% respectively. This was achieved despite sales losses due to the nationwide lockdown, which had a particularly adverse effect on pharmacies in high-frequency locations, as well as the temporary closure of perfumery departments mandated by the authorities. By way of comparison, the Swiss pharmaceutical market as a whole increased by 2.9% in the first half of 2020 (IQVIA, Pharmaceutical Market Switzerland, first half of 2020).

Solid result

Galenica posted a solid result in spite of the additional expenses associated with COVID-19. The operating result (EBIT) of CHF 82.3 million reached practically the same level as the previous year's period (CHF 82.8 million). On a comparable basis, that is excluding the effects of accounting standards IFRS 16 (Leases) and IAS 19 (Employee Benefits), the adjusted¹⁾ operating result improved by 3.0% year-on-year to CHF 83.6 million.

Adjusted¹⁾ return on sales (ROS) decreased slightly to 4.9% (prior year period: 5.1%), driven by strong sales growth recorded in the Services Business sector with lower margins and COVID-19 impacts.

Net profit improved by 2.2%, from CHF 64.9 million to CHF 66.3 million in the first half of 2020. Adjusted¹⁾ net profit, that is excluding the effects of accounting standards IFRS 16 (Leases) and IAS 19 (Employee Benefits), grew by 5.3%, from CHF 65.0 million to CHF 68.4 million.

Investments in the period under review amounted to CHF 26.7 million (prior year period: CHF 24.7 million) and were used primarily for the rollout of the new ERP system at Alloga and Galexis as well as the renovation and modernisation of the Galexis distribution centre in Lausanne-Ecublens. There were some delays to these projects due to COVID-19, which will result in postponed investments.

Unchanged solid balance sheet

The balance sheet of the Galenica Group remains very solid. Adjusted¹⁾ net debt, i.e. excluding lease liabilities, was reduced by around CHF 10 million compared to 30 June 2019 and amounted to CHF 406.2 million as of the end of June 2020, equivalent to 1.9× adjusted¹⁾ EBITDA (30 June 2019: 2.0×).

Cautious outlook

Based on developments since mid-May 2020, Galenica expects that the situation at high-frequency locations such as airports and train stations will only slowly return to normal in the months ahead. At the same time, Galenica expects the positive development in the Services Business sector to continue, while the recent acquisitions made in the Products & Brands Business sector and the expansion planned in Retail will also support sales in the second half of the year. Based on these considerations, Galenica is raising its sales forecast for financial year 2020 to +2% to +5% (previously +1% to +3%).

In view of the results achieved in the first half of the year and the ongoing COVID-19 impacts, the Group now expects an adjusted¹⁾ operating result (EBIT, excluding the effects of IFRS 16 and IAS 19) approximately on prior year level (previously +3% to +6%).

Meanwhile, Galenica reaffirms its intention to propose a dividend to the 2021 Annual General Meeting that is at least equal to the prior year level.

¹⁾ See Alternative performance measures section from page 27