

Galenica Group

# Investor Presentation

August 2022

Galenica – Health and wellbeing are at the heart of what we do.



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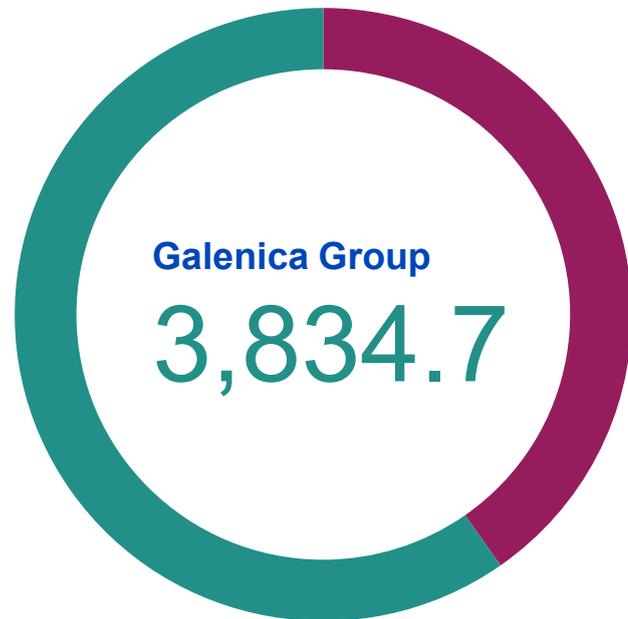
# About Galénica



**Galénica – Health and wellbeing are at the heart of what we do.**

## Galenica in figures<sup>1)</sup>

**Net sales**  
in million CHF



■ Products & Care ■ Logistics & IT

**EBIT adjusted<sup>2)</sup>**  
in million CHF



■ Products & Care ■ Logistics & IT

**Leading healthcare  
provider in Switzerland**

**368** own pharmacies

**Employees  
(Headcount)**

**> 7,200**

**Debt coverage adjusted**

**1.0x**

**Equity ratio**

**48.1%**

**Operating Cash flow adjusted<sup>2)</sup>**  
(in million CHF)

**283 million**

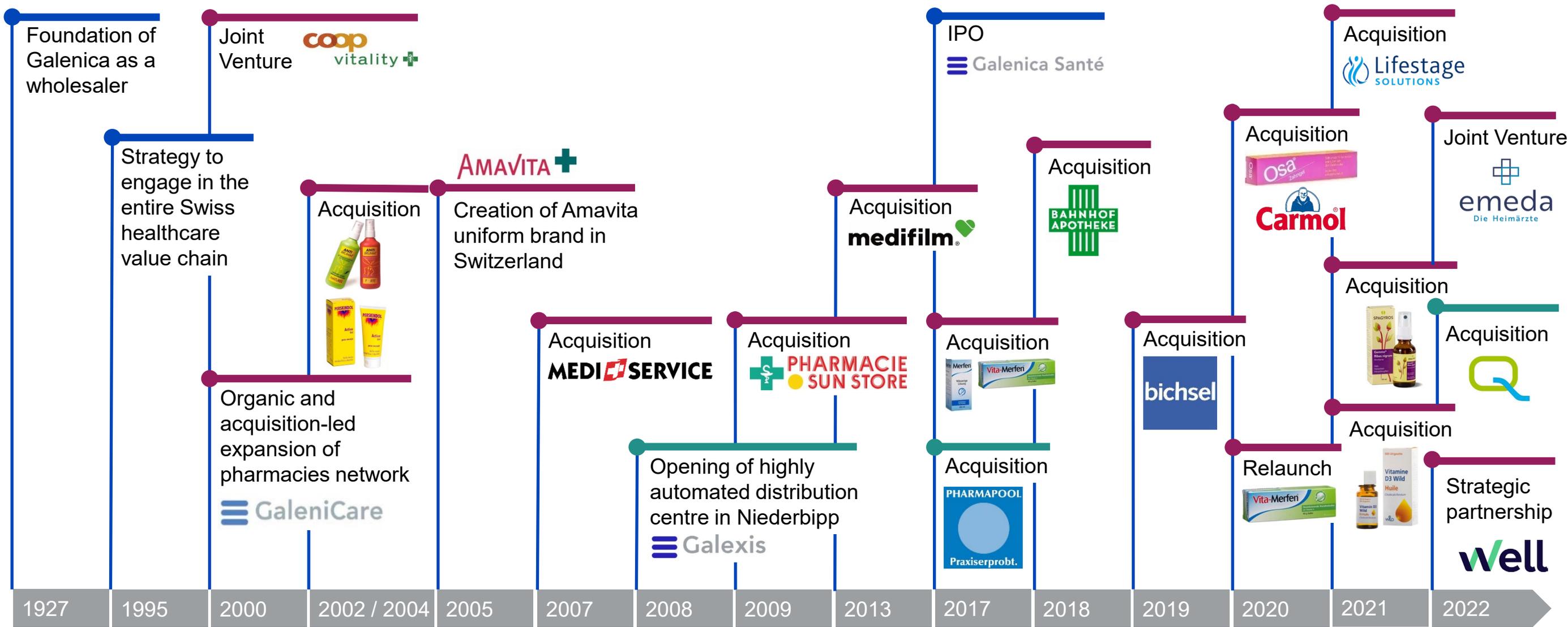
**Dividend yield**

**3.1%**

<sup>1)</sup> Figures as at 31 Dec 2021

<sup>2)</sup> Excluding effects of IAS 19 and IFRS 16, see chapter "Alternative performance measures" of the Annual report 2021

# Building the leading Swiss healthcare platform over 90 years



● Corporate    ● Segment Products & Care    ● Segment Logistics & IT

# Switzerland's leading fully integrated healthcare provider

Largest network of pharmacies in Switzerland with over 500 pharmacies, online and offline



Wide range of services for patients and professional service providers



Well-known brands and products and exclusive licensed products from business partners



Leading provider of logistics and IT in the healthcare sector



## Customer promise



We support people at every stage of life on their journey towards health and well-being. With personal and expert advice and a unique range of products and services. Anytime and anywhere in Switzerland.



# What we do

## Vision



Health and wellbeing are at the heart of what we do. They are the reason we give our best every day.

## Values



We build trust

We show respect

Together, we are stronger

We act as entrepreneurs

We participate with passion

## Sustainability guidelines



### Enterprise value

Long-term increase in the value of the company through sustainable practices

### Employees

Commitment of employees to act responsibly and to ensure a safe, flexible and supportive working environment

### Resource efficiency

The respectful and efficient use of resources and reduction of negative environmental impacts

## Our services

### Patients & Customers



At the pharmacy



or at home

### Business clients



Products



Services



Logistics



Digital Services

# Business model

## Vision

Health and wellbeing are at the heart of what we do. They are the reason we give our best every day.

## Customer promise

We support people at every stage of life on their journey towards health and wellbeing. With personal and expert advice and a unique range of products and services. Anytime and anywhere in Switzerland.



# Strategic programmes

## Market orientation

### Omni-Channel



- Best customer experience anytime and anywhere
- Further development and networking of all online and offline channels
- Expansion of product range

### Care



- First point of contact for healthcare advice
- First-class healthcare services
- Preferred cooperation partner

### Professionals



- First-choice partner for healthcare professionals
- Leader in e-health
- Patient safety and security of supply

## Internal organisation

### Efficiency



- Simple and efficient, for customers, partners and employees
- Process and cost optimisation
- Sustainable use of resources

### Transformation



- Making employees fit for the future
- Promoting equal opportunities and diversity
- Decision-making by competent, agile teams

# Our Business Units: Strong on the market

| Products & Care  |                      |                     |                            | Logistics & IT |                         |
|------------------|----------------------|---------------------|----------------------------|----------------|-------------------------|
| Retail (B2C)     |                      | Professionals (B2B) |                            | Wholesale      | Logistics & IT Services |
| Local Pharmacies | Pharmacies at Home   | Products & Brands   | Services for Professionals |                |                         |
| <br><br><br>     | <br><br><br><br><br> | <br>                | <br><br><br><br><br>       | <br><br>       | <br><br>                |

# Our Business Areas<sup>1)</sup>



**Net sales**  
in million CHF  
**3,835**

**EBIT<sup>2)</sup>**  
in million CHF  
**213**

## Products & Care

**Net sales**  
in million CHF  
**1,908**

**EBIT<sup>2)</sup>**  
in million CHF  
**154**

### Retail (B2C)

### Professionals (B2B)

#### Local Pharmacies

#### Pharmacies at Home

#### Products & Brands

#### Services for Professionals



**Net sales**  
in million CHF  
**1,262**

**Net sales**  
in million CHF  
**459**

**Net sales**  
in million CHF  
**132**

**Net sales**  
in million CHF  
**62**

## Logistics & IT

**Net sales**  
in million CHF  
**2,831**

**EBIT<sup>2)</sup>**  
in million CHF  
**61**

#### Wholesale

#### Logistics & IT Services



**Net sales**  
in million CHF  
**2,728**

**Net sales**  
in million CHF  
**112**

<sup>1</sup> Figures as at 31 Dec 2021

<sup>2</sup> Adjusted EBIT, excludes IAS 19 and IFRS 16 effects, see Annual Report 2021 chapter „alternative performance measures“

# Local pharmacies:

## Three largest pharmacy chains in Switzerland

### Key takeaways

- Largest pharmacy network offers broad product range, including well-known own brands, as well as health services and tests
- Built organically and through targeted acquisitions since 2000
- Including attractive, high customer traffic locations across Switzerland.
- Multi-brand strategy: pharmacies formats include different store concepts and product ranges to respond to different customer needs.
- Market share of ~25% in terms of sales
- Own customer loyalty programme Starcard (Amavita), SunCard (Sunstore) and Coop Supercard (Coop Vitality)



Largest branded pharmacy network by number of pharmacies in Switzerland <sup>1</sup>

188 **AMAVITA+**



The first Swiss pharmacy chain

94 **SUN STORE**



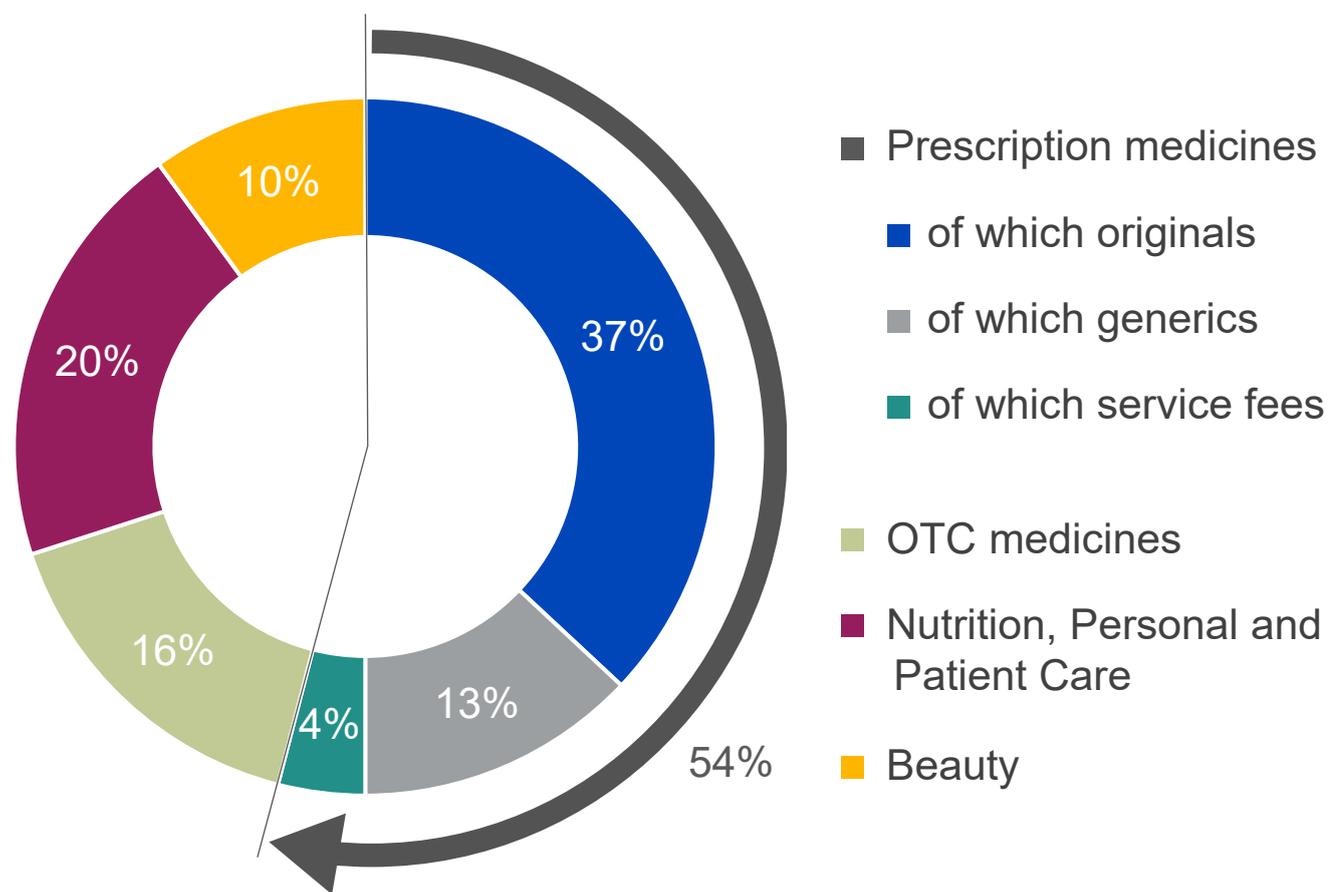
Joint venture (49:51) with Coop, the 2<sup>nd</sup> largest retail group in Switzerland

89 **coop vitality+**

<sup>1</sup> Amavita figures include 6 majority holdings in other pharmacies, figures as at 30 June 2022

# Local pharmacies: Broad range of product and service offerings

## Amavita and Sun Store product offering in % of sales<sup>1</sup>



1) Share of net sales H1 2022 by product category generated by local pharmacies

## Service offerings in local pharmacies (selection)

### Primary Care



### Health Checks



### Vaccinations



### COVID-19 Tests and Vaccinations

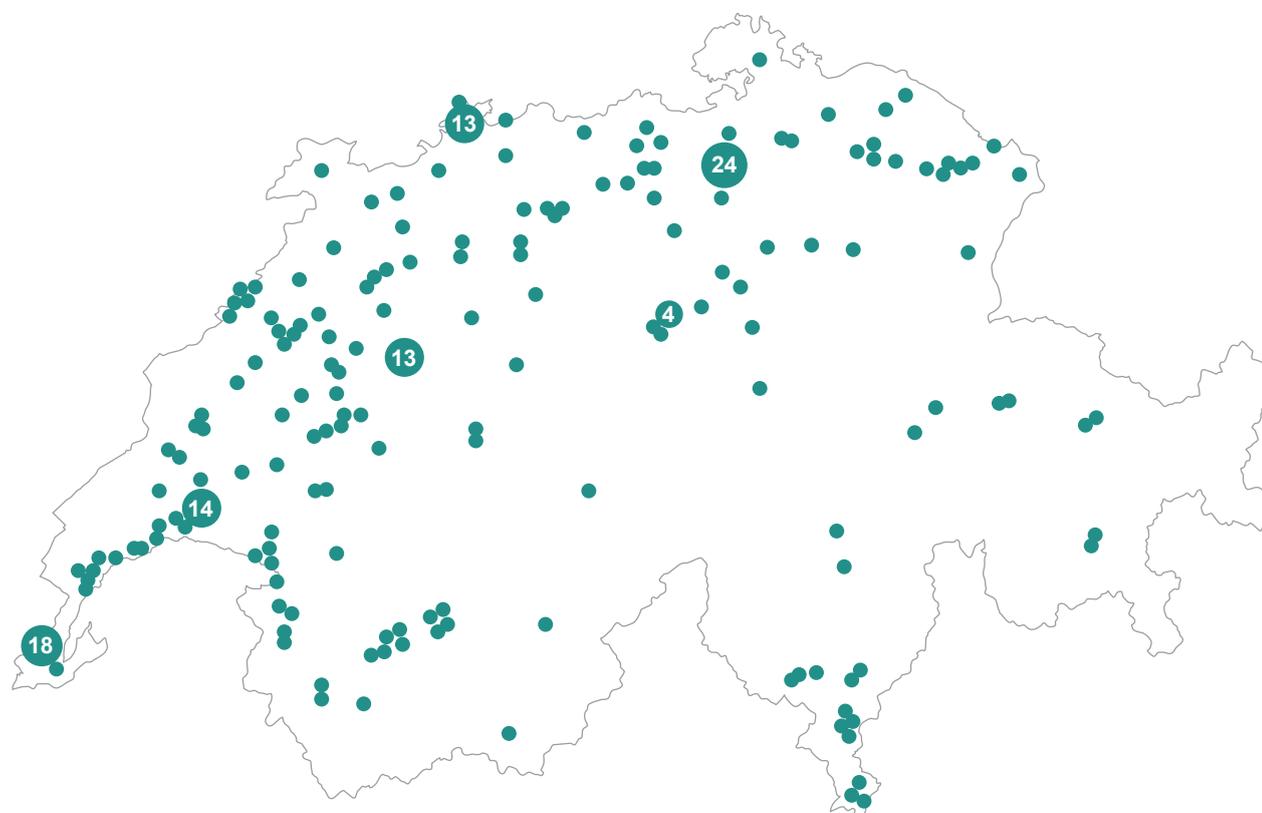


### OnlineDoctor



# Local pharmacies: Always available where our customers are

Widely spread pharmacy network covers every Region in Switzerland



10 Number of pharmacies in metropolitan areas

1 Based on number of pharmacies. Source: pharmaSuisse 2021, IQVIA Market Prognosis 2021-2025, Switzerland, published March 2021 and company websites  
 2 Own includes 89 pharmacies through joint venture with Coop

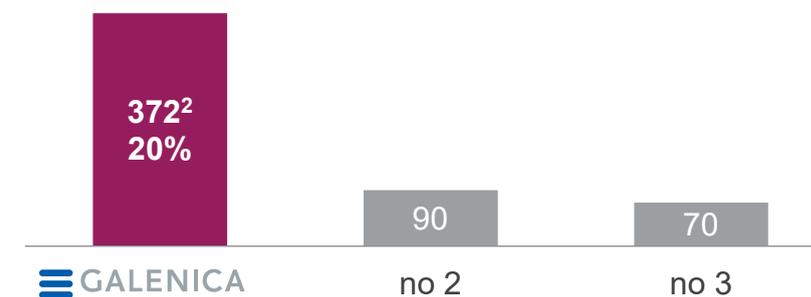
Demonstrated M&A track record with an average of 9 pharmacies acquired and 8 net pharmacies added per year over the last 5 years

|                       | 2018 | 2019 | 2020 | 2021 | H1 2022 |
|-----------------------|------|------|------|------|---------|
| Pharmacies acquired   | 10   | 11   | 12   | 5    | 3       |
| New pharmacies opened | 3    | 8    | 5    | 3    | 2       |
| Pharmacies closed     | -5   | -8   | -7   | -6   | -1      |
| Total own Pharmacies  | 345  | 356  | 366  | 368  | 372     |

## Network of chains

Number of pharmacies as of 30 June 2022  
 (Total 1,819 pharmacies in Switzerland<sup>1</sup>)

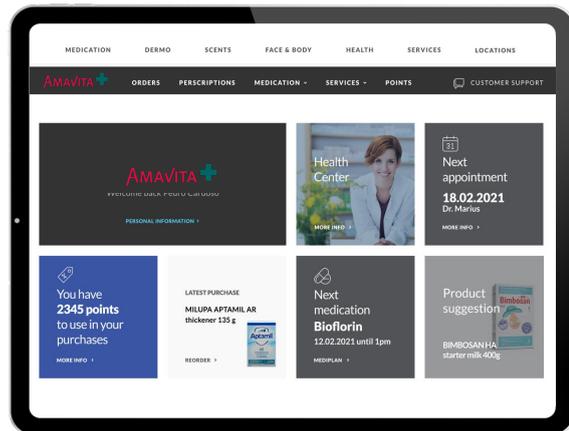
~4.1x more pharmacies than next competitor



# Pharmacies at home: Mail order pharmacies and home care services

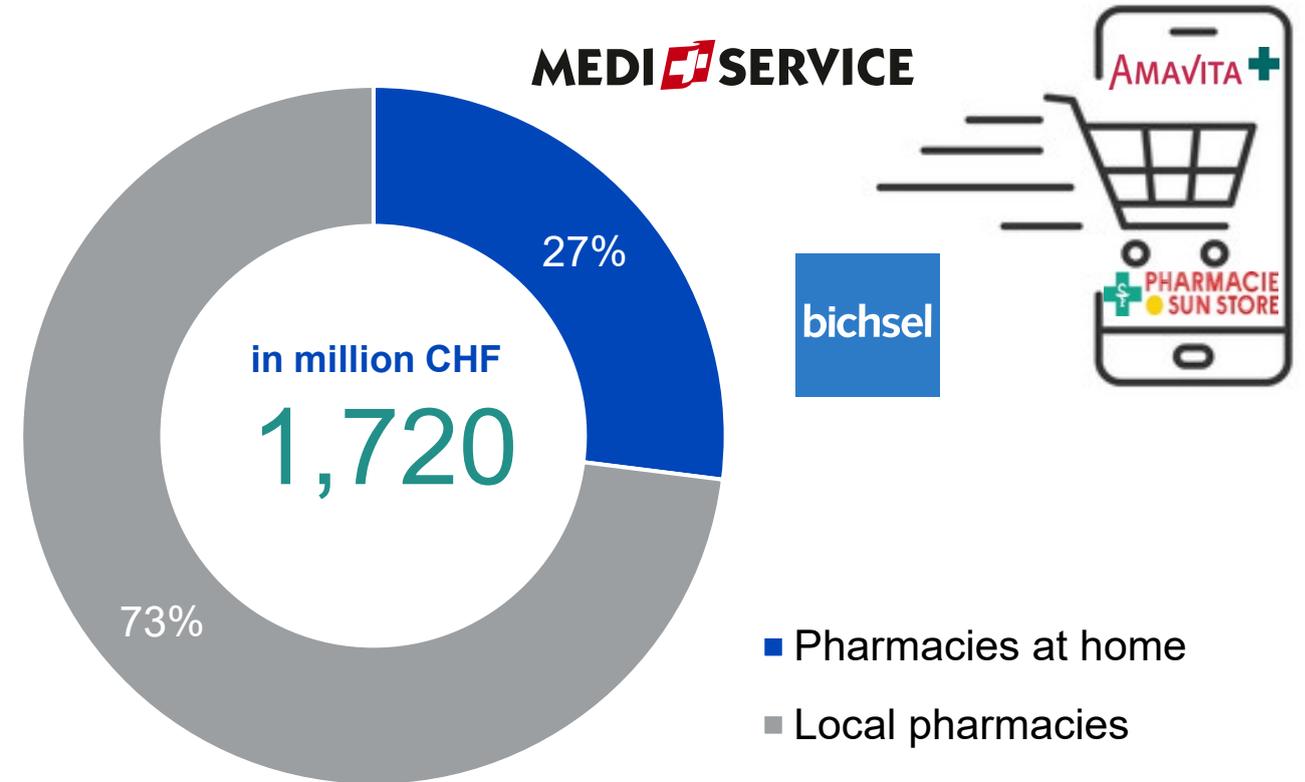
## Key takeaways

- Business area covers both home care (Bichsel & Mediservice) and Mail-order pharmacies (Mediservice & webshops) with a share of 27% of Total Retail sales (B2C)
- Both Homecare and Mail-order pharmacies (including webshops) represent key growth areas of Galenica
- Strong online presence with own web shops and a broad product range with over 60'000 products, including well-known own brands
- Same infrastructure used for mail-order pharmacies of all pharmacy brands to realise economies of scale



Continuous development of online offerings to further improve customer experience through innovative solutions such as our upcoming customer dashboard.

## Total Retail Net Sales (2021)

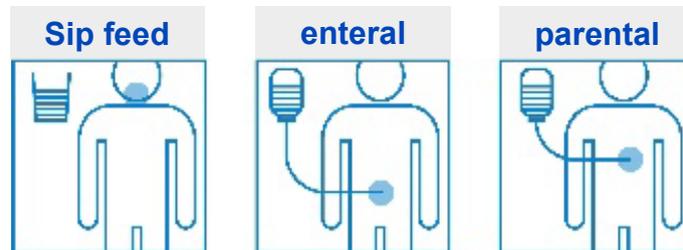


# Pharmacies at home: Bichsel home care services for over 9,000 active patients across Switzerland

- Improve quality of life, e.g. enhanced mobility, continuation in familiar setting
- Efficient provision of services compared with in-patient alternatives
- Patients from toddlers to the elderly, both acute and chronic
- Treatment areas include:
  - Clinical nutrition:



bichsel



- Metabolic Disease & Tracheostomy
- OPAT (outpatient antibiotic therapy)
- Pain therapies



# Pharmacies at home: Mediservice as market leading Mail-order pharmacy in Switzerland<sup>1</sup>

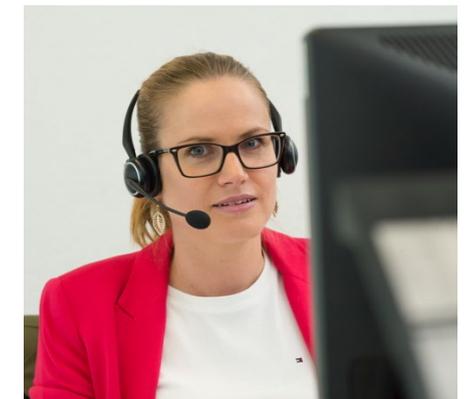
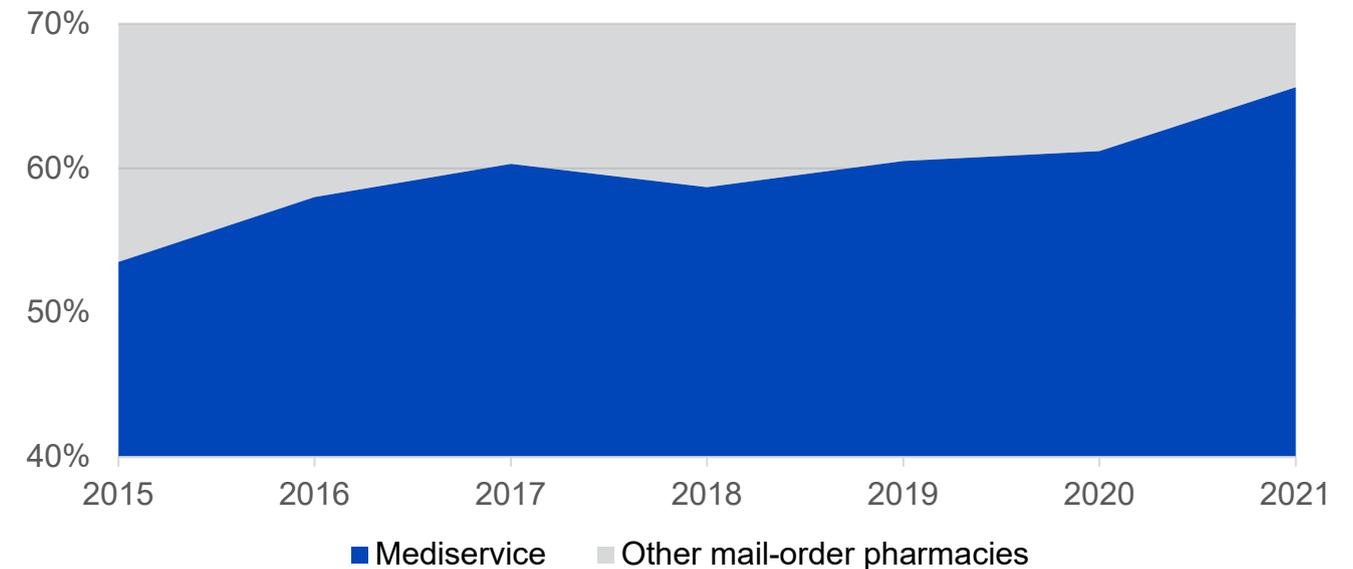
## Market leading mail-order pharmacy in Switzerland<sup>1</sup>

**MEDI SERVICE**

Specialty pharmacy focused on patients with chronic illnesses as well as need for home care services:

- Constantly expanding services, moving from a highly specialised mail-order pharmacy to a Distance Healthcare Provider
- Strong focus on Specialty Rx and care for Chronic Patients
- Active in over 50 specialty indications, especially in neurology, immunology, rare diseases and oncology
- Very high customer satisfaction score 9.3/10

## Market Share Mail-order pharmacies<sup>1</sup>



<sup>1</sup> IQVIA, Pharmaceutical Market Switzerland, YTD December 2021, Rx market Switzerland by channels, market leading mail-order pharmacy in terms of net sales

# Products & Brands: Strong brands for the Swiss Consumer Healthcare Market

## Key takeaways

- Leading position<sup>1)</sup> in the Swiss consumer healthcare market (CHC)
- Preferred Consumer Health partner for Swiss Pharmacies & Drugstores
- Broad Sales & Training force
- Expanding portfolio of own and exclusive partner brands
- Leveraging of Galenica's Retail platform to distribute Verfora & Partner brands → Distribution partner of choice
- Continued growth strategy for big OTC brands, complementary medicine, beauty and Rx
- Build-up of physician field service from 2022 onwards



### Selected own brands

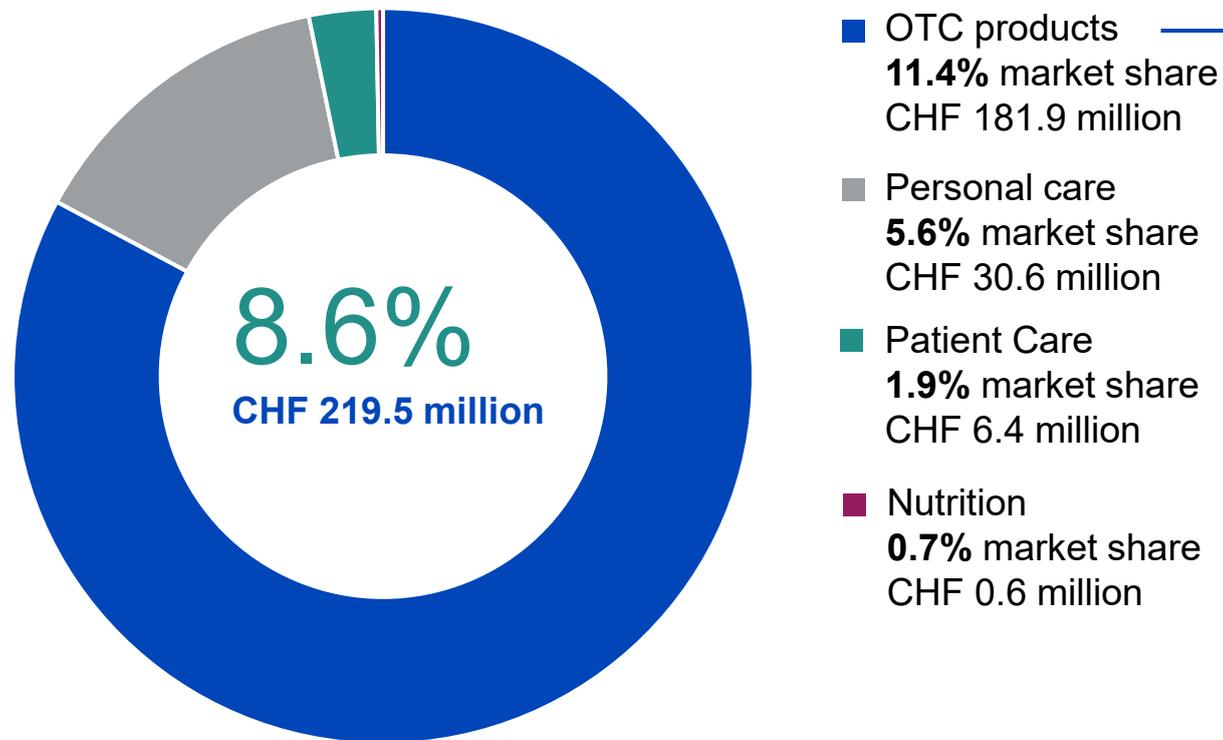


### Selected partner brands



# Products & Brands: Strong brands for the Swiss Consumer Healthcare Market

## Verfora market share in Swiss CHC market<sup>1</sup>



### Market share of main OTC product categories of Verfora

|                                    |   |
|------------------------------------|---|
| <b>Pain relief</b>                 | <b>Vitamins, minerals &amp; nutritional supplements</b> |
| <b>27.9%</b><br>(CHF 71.0 million) | <b>7.2%</b><br>(CHF 21.4 million)                       |
| <b>Cough &amp; cold</b>            | <b>Skin treatment</b>                                   |
| <b>17.2%</b><br>(CHF 46.7 million) | <b>7.9%</b><br>(CHF 15.1 million)                       |

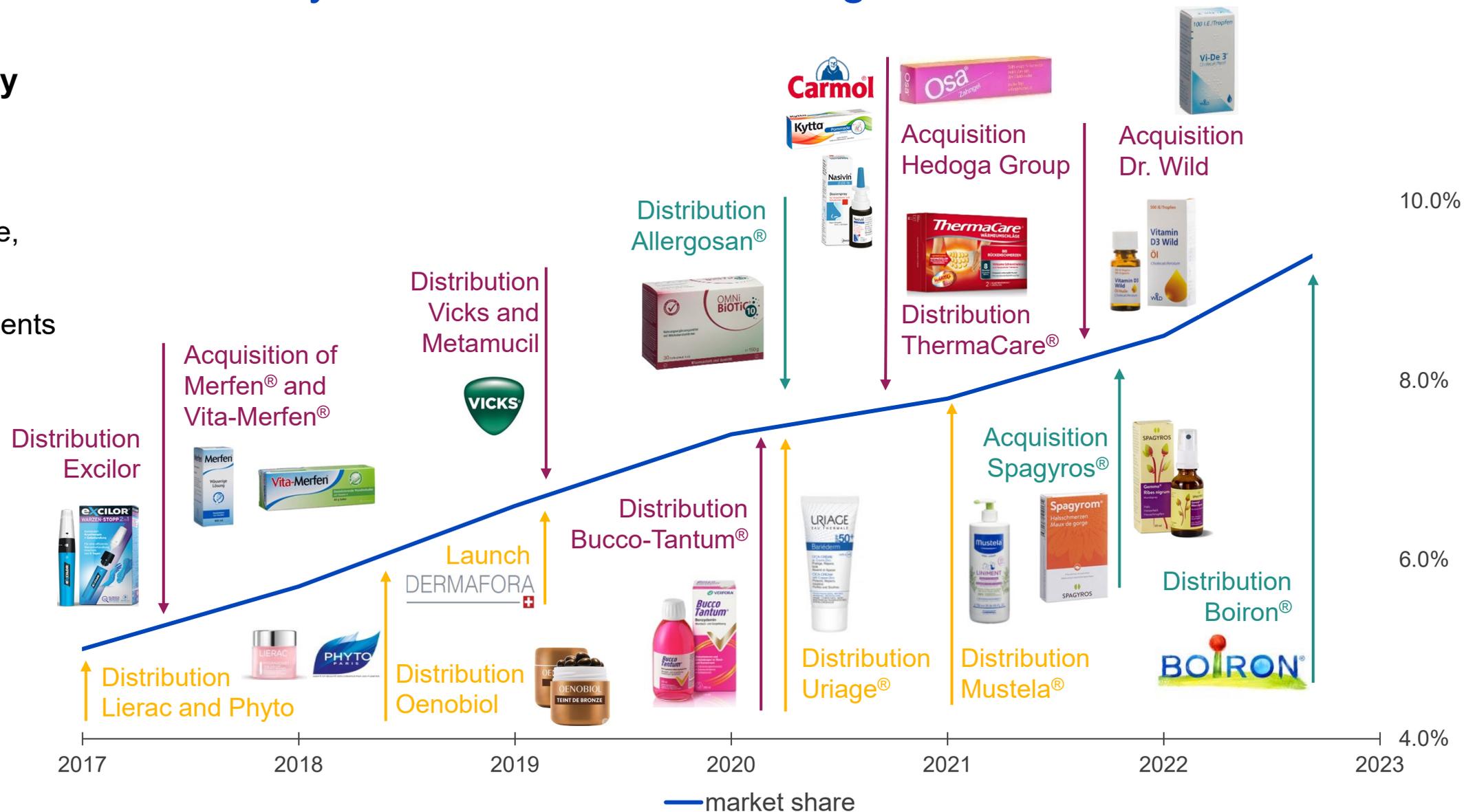
1) IQVIA Sell-out Street Price Pharmacies & Drugstores December 2021 YTD

# Products & Brands: Proven M&A track record as key driver for market share growth

## Verfora growth strategy

- Big OTC brands
- Emerging platforms complementary medicine, beauty & Rx
- New distribution agreements
- Acquisitions of brands / companies
- International expansion via distributors

- OTC
- Beauty
- Complementary Medicine



# Services for Professionals: We support healthcare professionals with high quality services



- Lifestage Solutions develops and operates a fully integrated digital trading platform for home care organisations and nursing homes
- Strong customer focus: the platform simplifies daily workflows for its customers using digitalisation and state-of-the-art technology



- Emeda provides medical and pharmaceutical services to retirement and nursing homes in Switzerland
- Joint Venture with Medcall



## Pharmacies



- Prepared drugs in blisters ensuring safe medication
- Key customers include nursing homes



- Training and education for pharmacists
- Specialisations of pharmacies
- Joint Venture with Ch. Ruob



- Service provider for independent pharmacies under Feelgood's brand
- Provided services include Marketing and Sourcing activities
- 161 partnerships



## Nursing homes/ Homecare organisations



- Manufacturing of both specialities of medicines and registered products & medical devices
- specialised on customized medications for patients and health care professionals

## Hospitals



# Wholesale: Leader in wholesale distribution

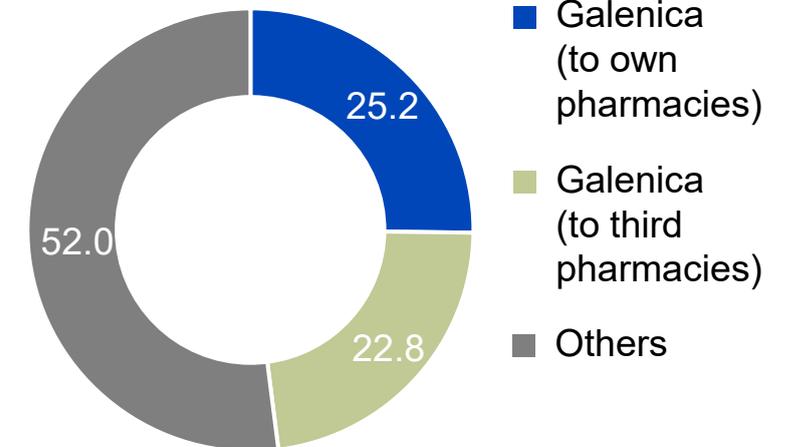
## Key takeaways

- Wide product range with around 100,000 products in pharma, non-pharma, practice & laboratory equipment and medical devices, whereof around 50% in stock
- Integrated services, high quality standards
- Ensuring the basic drug supply in Switzerland
- Main site at Niederbipp operates at up to 65% automation
- 100,000 products (c.11,000 Rx<sup>2</sup>)
- GDP<sup>3</sup>-compliant services
- >1,100 suppliers



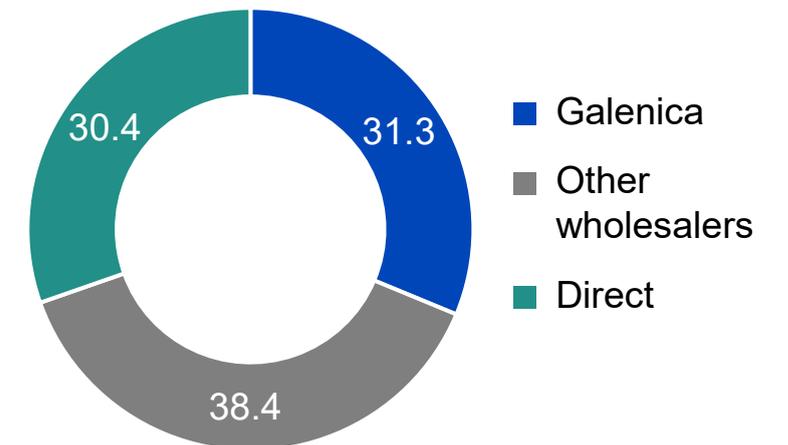
## Wholesale market share<sup>1</sup>

% pharmacy channel



## Wholesale market share<sup>1</sup>

% Physician channel



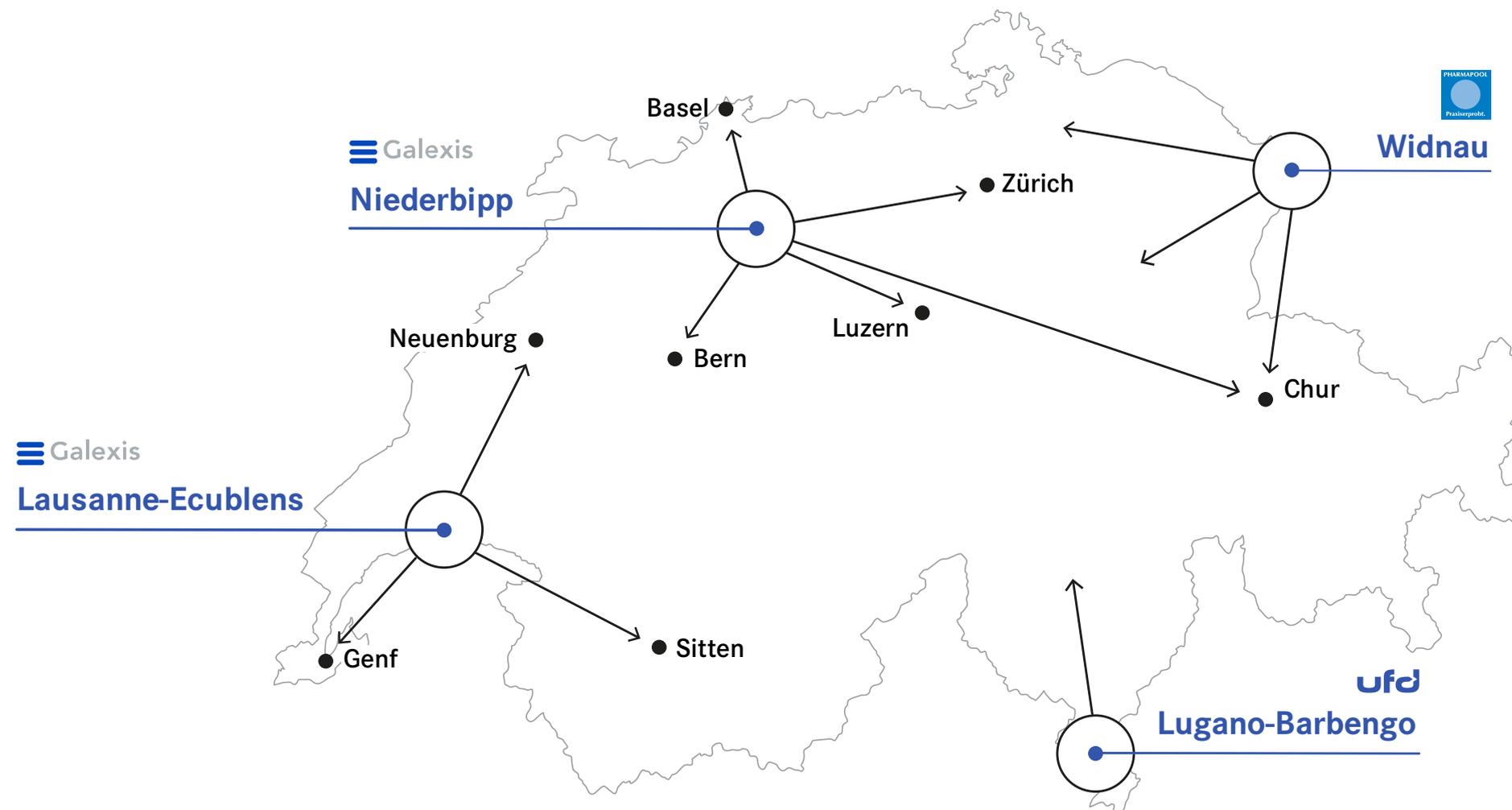
<sup>1</sup> Galenica: based on market share. Source: IQVIA Pharmacy and Physician Market December 2021

<sup>2</sup> Prescription products

<sup>3</sup> Good Distribution Practice

# Wholesale: Leader<sup>1)</sup> in wholesale distribution

Wholesale distribution with four distribution centers:



Customers by channel

Pharmacies

~ 1,250

Drugstore

~ 250

Medical practices

> 5,600

Hospitals/Nursing homes

> 500

# Logistics & IT Services: Leader in pre-wholesale distribution

## Key takeaways



- Third-party logistics provider for the pharmaceutical industry (pre-wholesaling) including additional services (labeling, repacking, clinical trial service)
- Service quality as key differentiator
  - GDP (Good Distribution Practice)
  - GMP (Good Manufacturing Practice)
- Temperature zones: 15-25°C, 2-8°C, -20°C, -80°C



Warehouse capacity

35,200 m<sup>2</sup>

Pharma Customers

100

Shipping packages

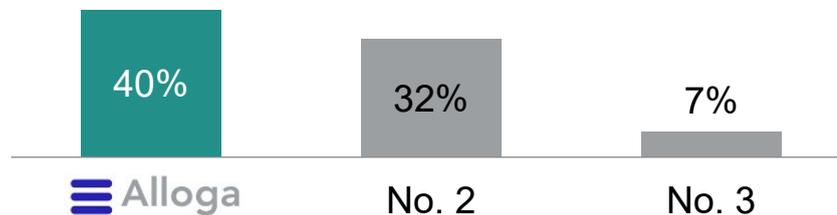
2,130 per day

Stock items (SKU)

>10,000

## Pre-wholesale market share<sup>1)</sup>

1.3x larger than next competitor

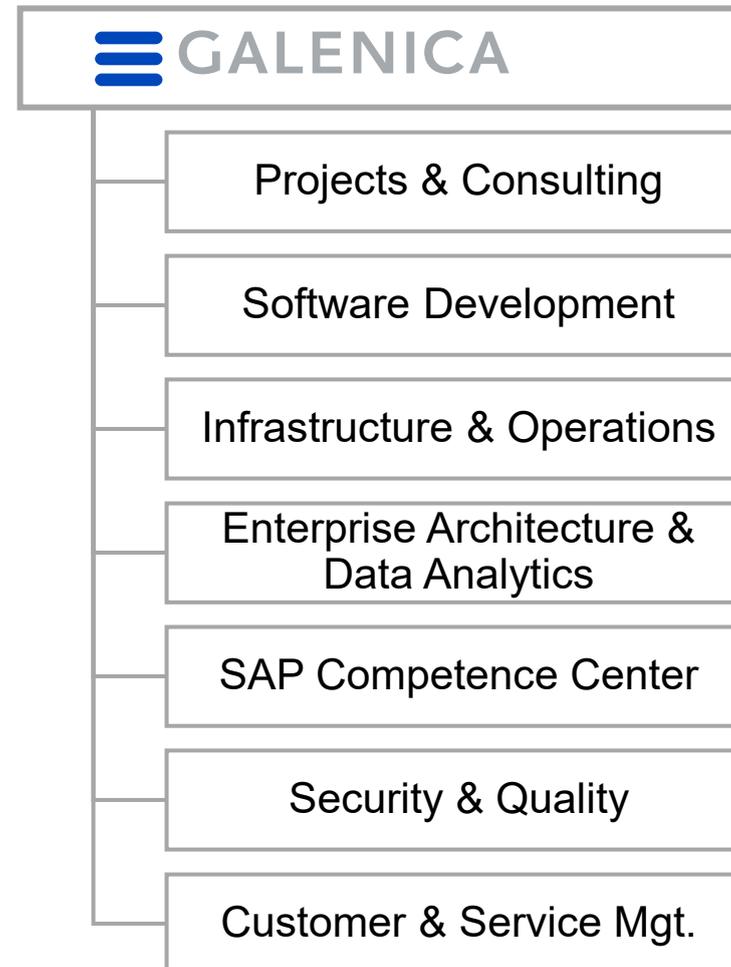


# Logistics & IT Services: Strong IT competencies to drive digital transformation

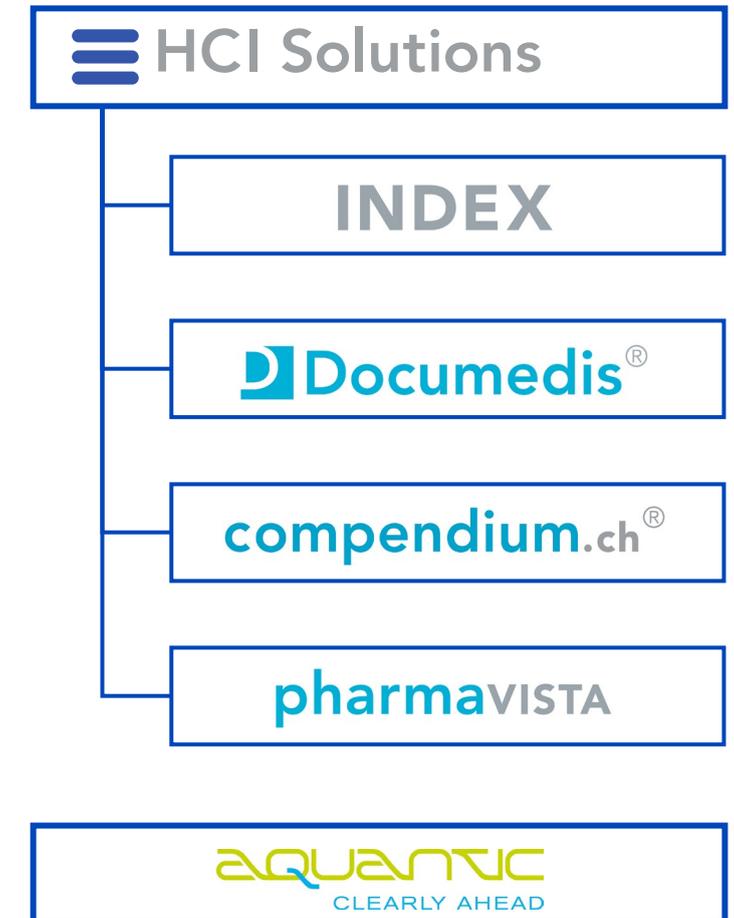
## Key takeaways

- Agile Software Development and Projects for Galenica pharmacies und Logistic platforms.
- Digital product master data and scientific databases (Index)
- IT platforms related to electronic medication process (Documedis)
- Systemically relevant digital information and databases (Compendium and pharmaVista)
- Internal IT Services and Operations for Galenica subsidiaries

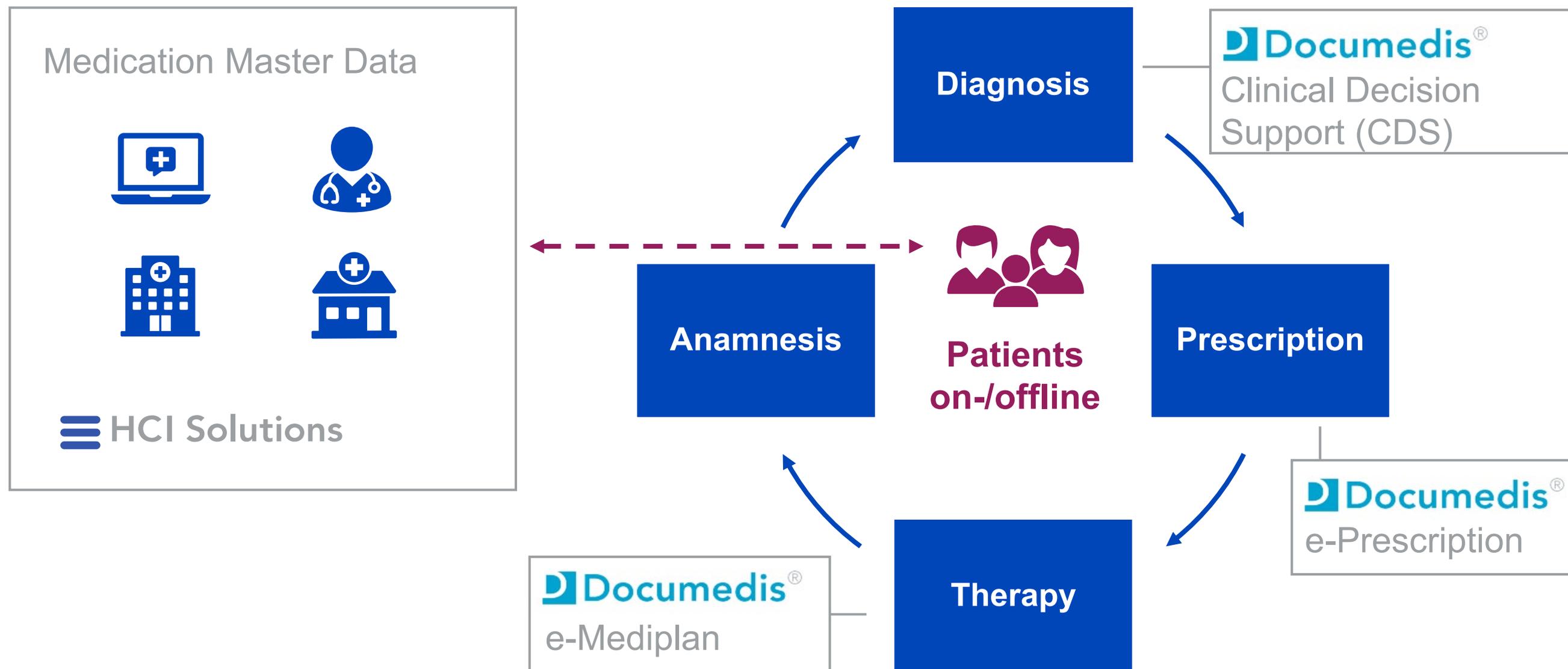
## Internal IT Services



## Market offering



# Logistics & IT Services: Our approach towards more patient safety, convenience and efficiency



# Market environment

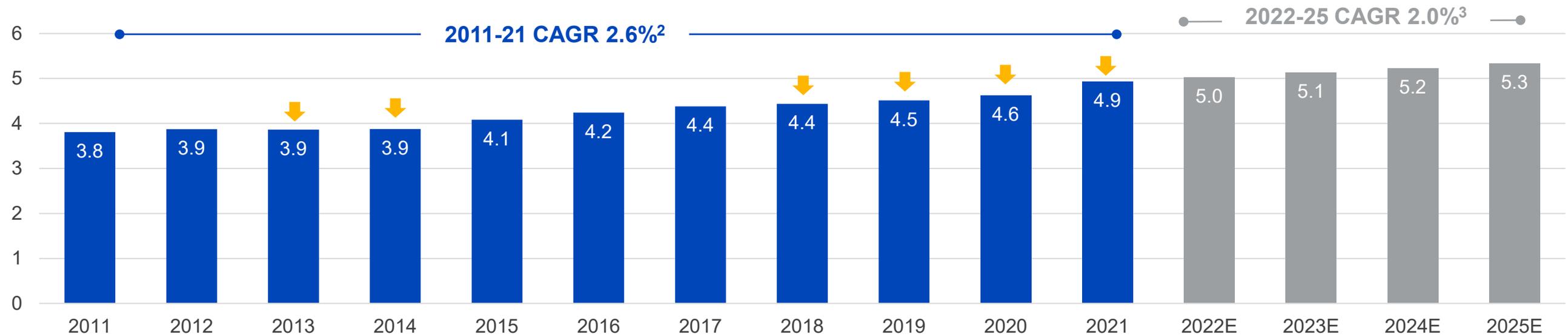


# Swiss healthcare market

## Proven track record of resilient and stable growth

### Development of Swiss healthcare retail sector<sup>1</sup>

in billion CHF (based on ex-manufacturer price)



- Underlying healthcare sector growth drivers, including demographics, lifestyle and innovation
- One of the highest life expectancy rates in the world
- Non-discretionary nature of products and services

Source: IQVIA, Pharmaceutical Market Switzerland, YTD December 2021, Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to physicians and drugstores

1 Total market without hospitals

2 IQVIA, Pharmaceutical Market Switzerland, YTD December 2021

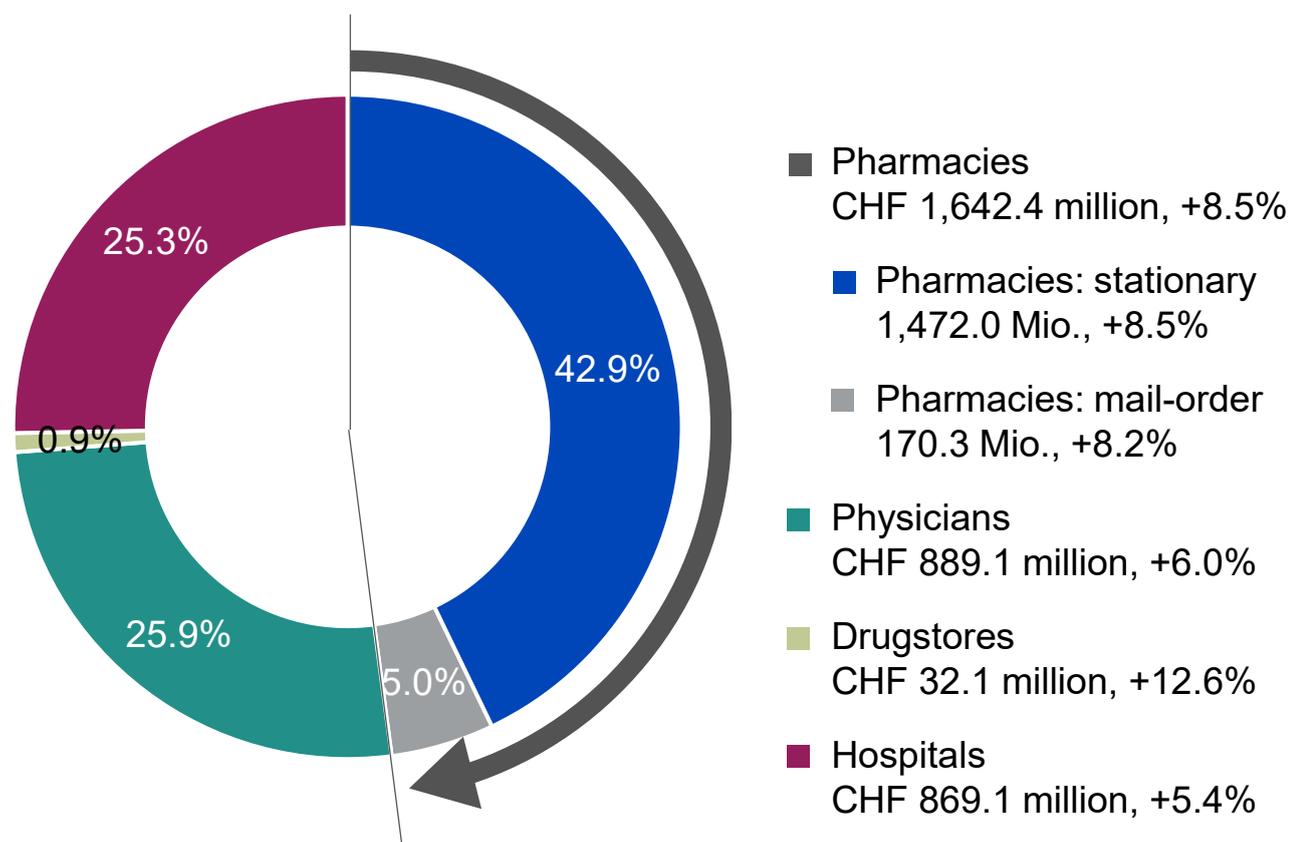
3 Company estimate

↓ Mandatory price cuts

# Swiss pharmaceutical market: Development by channel 2022 (YTD June)

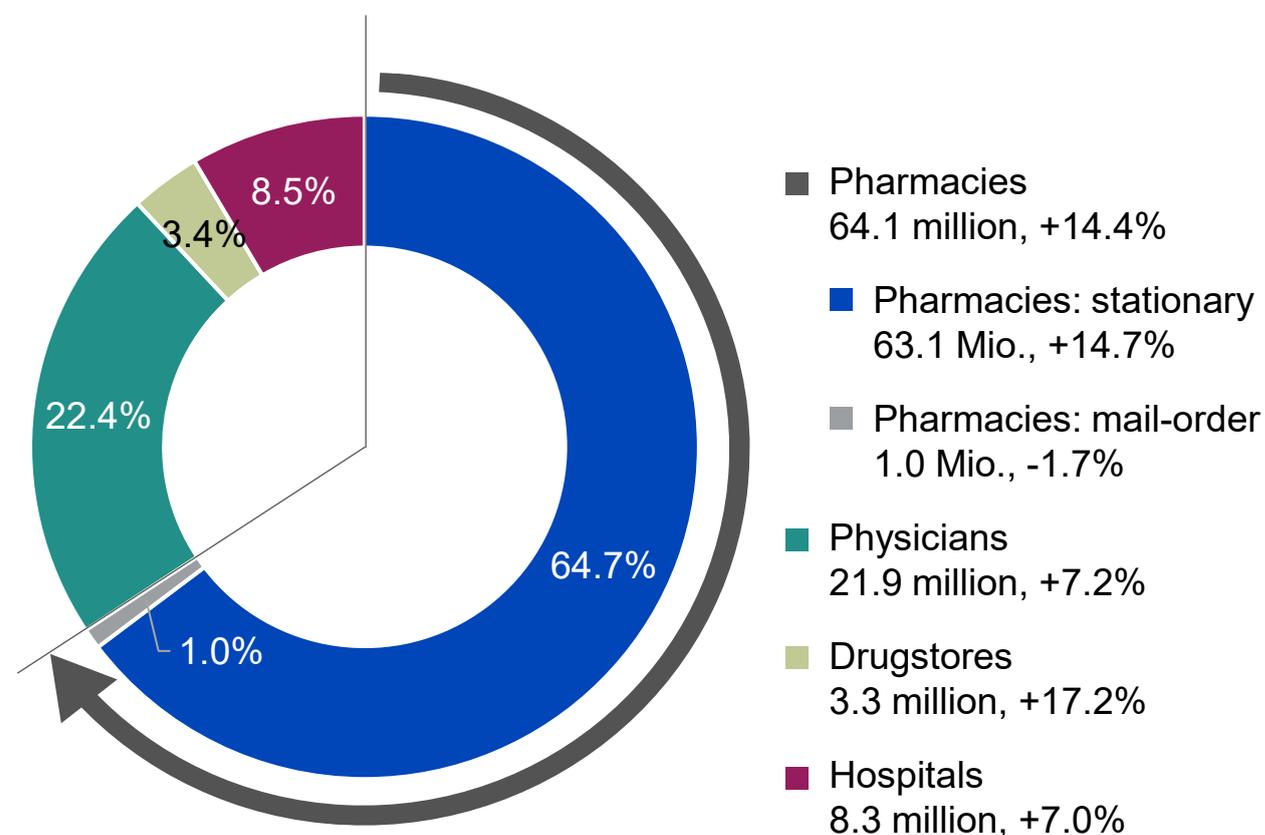
**Value (ex-factory):** CHF 3,432.6

CHF +227.1 million / +7.1%



**Volume (packs):** 97.5 million

+10.5 million / +12.1%

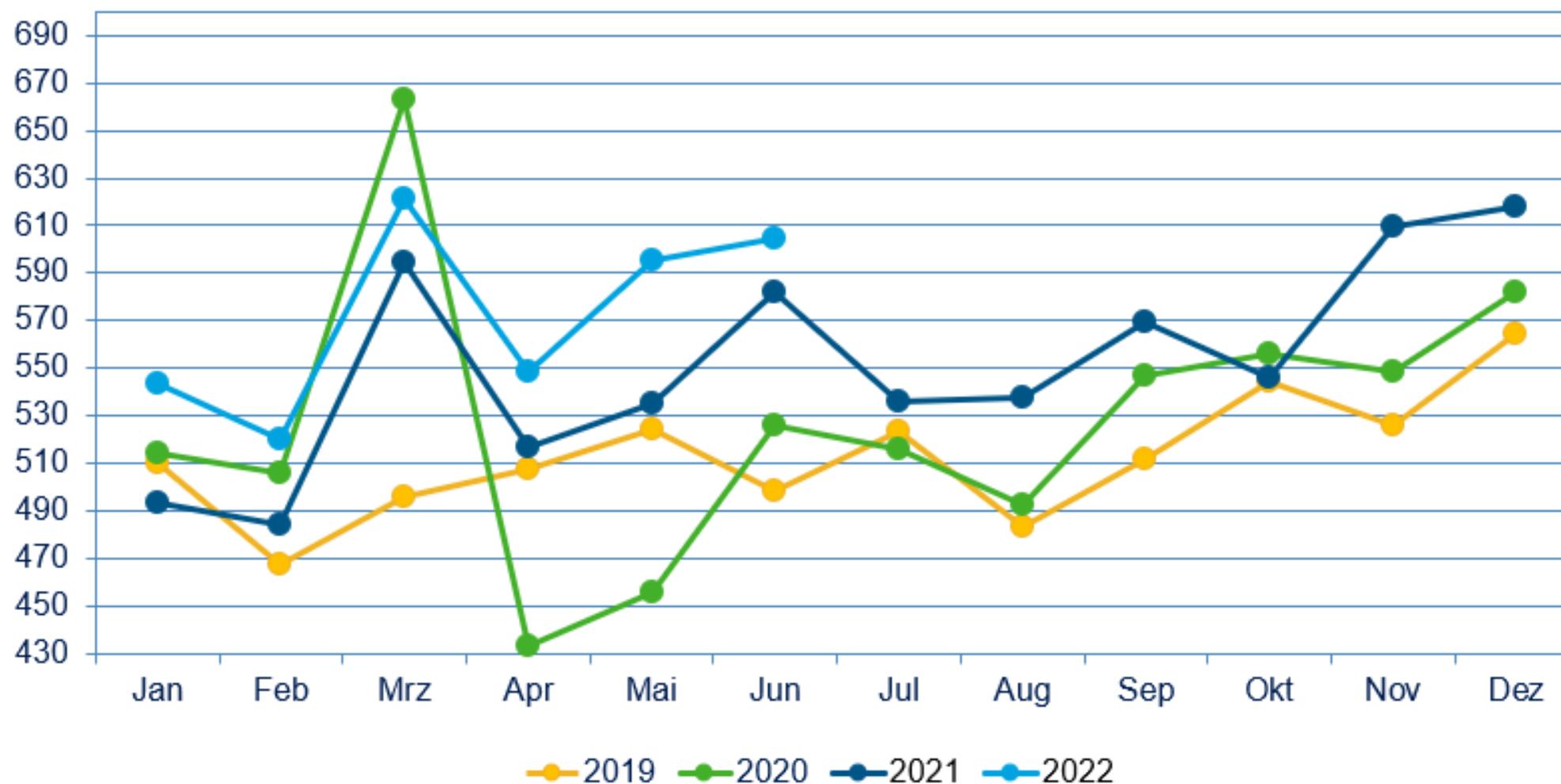


Source: APO/SD/DRO/SPI Index, Swissmedic A, B, D Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to hospitals, physicians and drugstores © IQVIA Switzerland – Swiss pharmaceutical market 2022 YTD June

# Swiss pharmaceutical market: monthly development 2019 - 2022

## Strong sales development in past two month of 2022

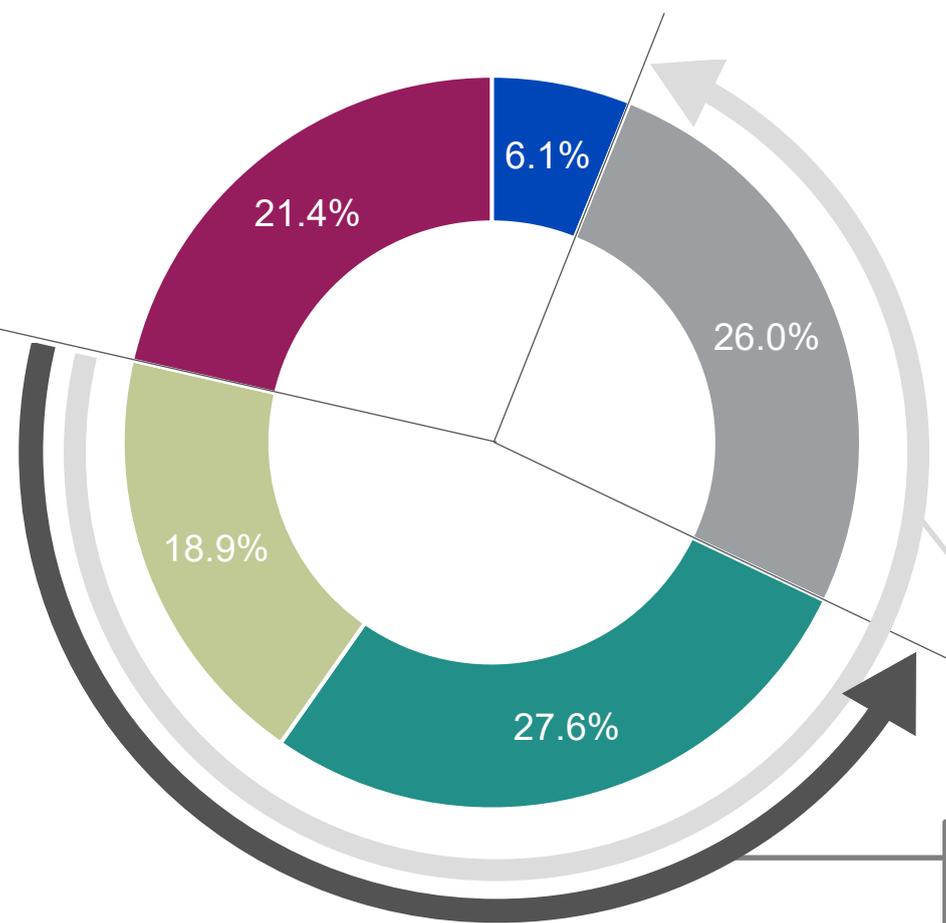
in million CHF



Source: APO/SD/DRO/SPI Index, Swissmedic A, B, C, D  
 Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to hospitals, physicians and drugstores  
 © IQVIA Switzerland – Swiss pharmaceutical market 2022 June YTD

# Swiss pharmaceutical market: Galenica as key driver of generic substitution in the Swiss pharmacy channel

## Drugs reimbursable by health insurance in Swiss pharmacy channel 2021 (by packs, total 78.8 million)



- Patent protected products  
4.8 million, +4.9%
- Products with expired patent protection without generics  
20.5 million, +1.1%
- **Generics**  
**21.8 million, +5.1%**
- Originals<sup>1</sup>  
14.9 million, -1.0%
- Others<sup>2</sup>  
16.9 million, +5.3%

### Substitution rate market<sup>3</sup>

**59.4%**

### Substitution rate Pharmacies Galenica Group<sup>4</sup>

**73.5%**

### Galenica Group: increase of generic substitution rate in 2021<sup>4</sup>

**+1.5pp**

Market with generics potential  
57.2 million, +2.0%

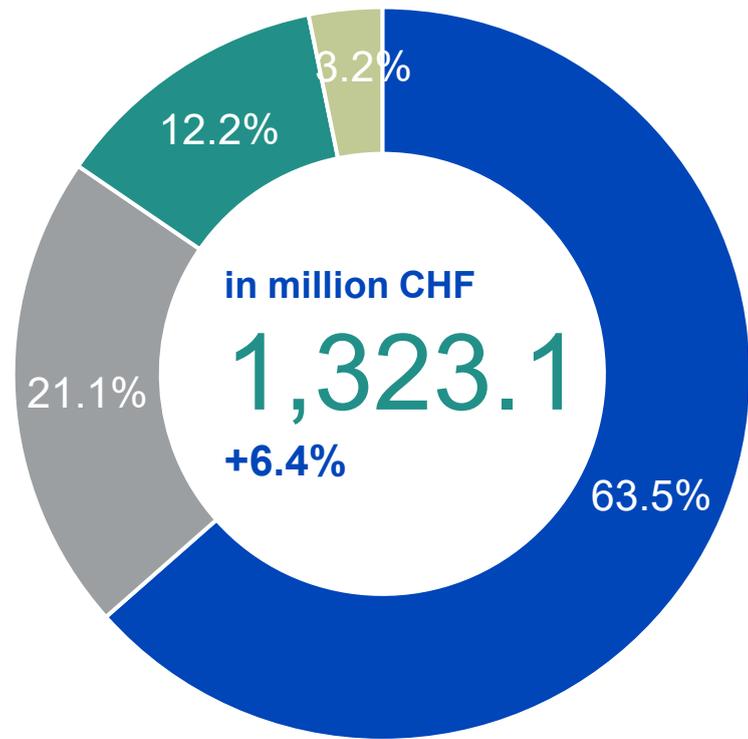
Market with generics  
36.7 million, +2.5%

Source: IQVIA Switzerland -Swiss pharmaceutical market 2021, Market Segmentation, reimbursable products (FOPH) in the pharmacy channel. Monthly calculation basis, delineated market division, data as of December 2021

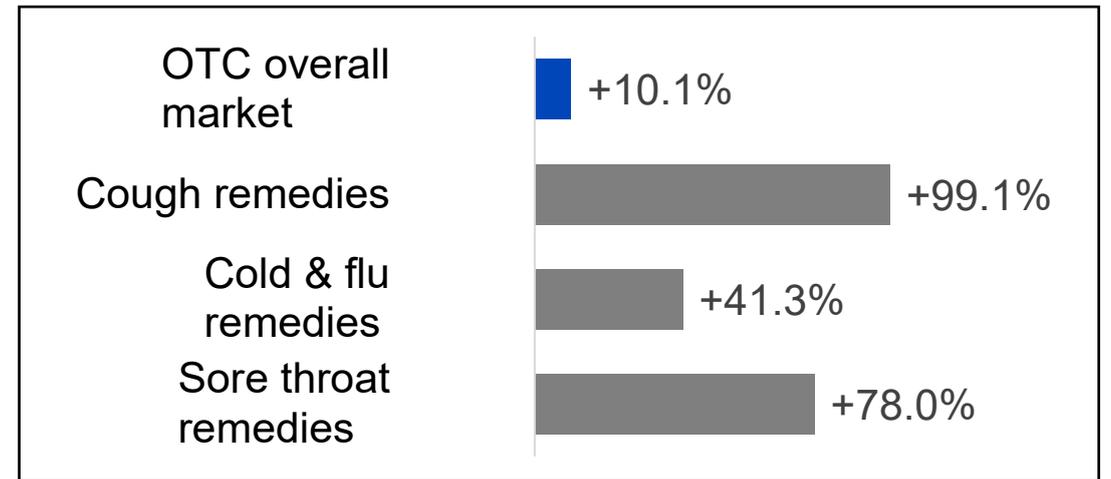
- 1) Products with expired patent protection and at least one generic
- 2) 1. Natural substance (e.g. vitamins, minerals, herbal ingredients)  
2. Vaccines  
3. Biosimilars  
4. Reference products
- 3) Generics 21.8 million / market with generics 36.7 million = 59.4%
- 4) Source: Galenica Group

# Consumer healthcare market: Normalisation of sales of OTC medications in H1 2022

## Consumer healthcare market H1 2022 (w/o COVID-19 self-tests)



- OTC → +10.1%
- Personal care +1.5%
- Patient care -0.3%
- Nutrition -3.2%



### Market development of Verfora products

**+17.2%**



Source: IQVIA Sell-out Street Price Pharmacies & Drugstores June 2022 YTD

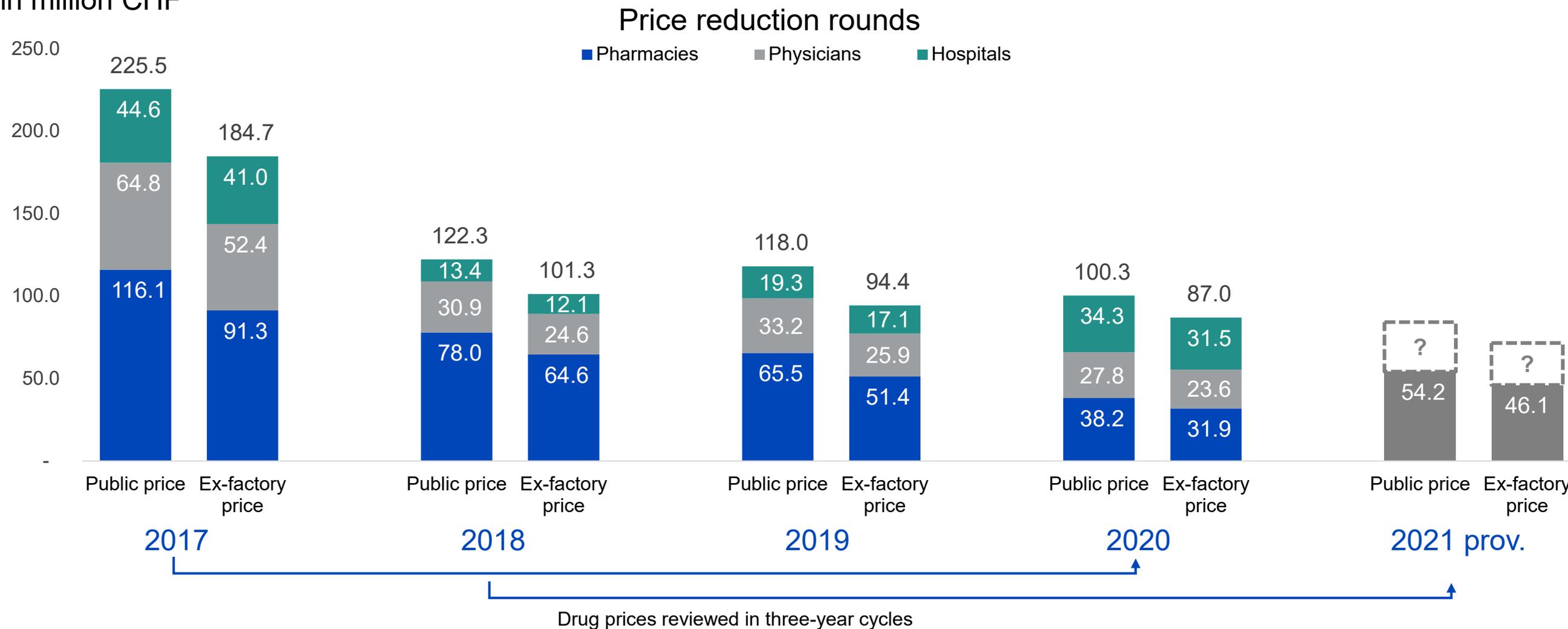
# Swiss Healthcare Market: Regulatory environment

| Topic / Initiative   | Current status  |
|--|---|
| <p><b>Reduction in drug prices</b></p>                     | <ul style="list-style-type: none"> <li>– Standard process, FOPH verifies drug prices in a three-year cycle</li> <li>– Price reduction round for 2021 completed</li> </ul>   |
| <p><b>Generics prices</b><br/>„Reference price system“</p> | <ul style="list-style-type: none"> <li>– Initiative is definitely rejected (Dec 2021)</li> </ul>  |
| <p><b>Generics</b><br/>Direct import</p>                   | <ul style="list-style-type: none"> <li>– Initiative is definitely rejected (Feb 2022)</li> </ul>  |
| <p><b>Distribution margin / SBR V</b></p>                  | <ul style="list-style-type: none"> <li>– Proposal of SBR V contract and distribution margin model still under discussion</li> <li>– New proposal for distribution margin by FOPH, consultation started in 2022</li> <li>– New consultation of A. Berset regarding distribution margin, generic promotion and price reductions launched on 3 June 2022</li> <li>– Implementation of a new model at earliest by mid 2023</li> </ul> |
| <p><b>OTC products<sup>1</sup>:<br/>online trade</b></p>   | <ul style="list-style-type: none"> <li>– Federal Council will present a proposal, consultation starting in 2023</li> <li>– Implementation of a new law at earliest in 2024</li> </ul>   |

# Swiss healthcare market: regulatory environment

## Constant pressure on drug prices

### Annual savings per channel at public and ex-factory price in million CHF



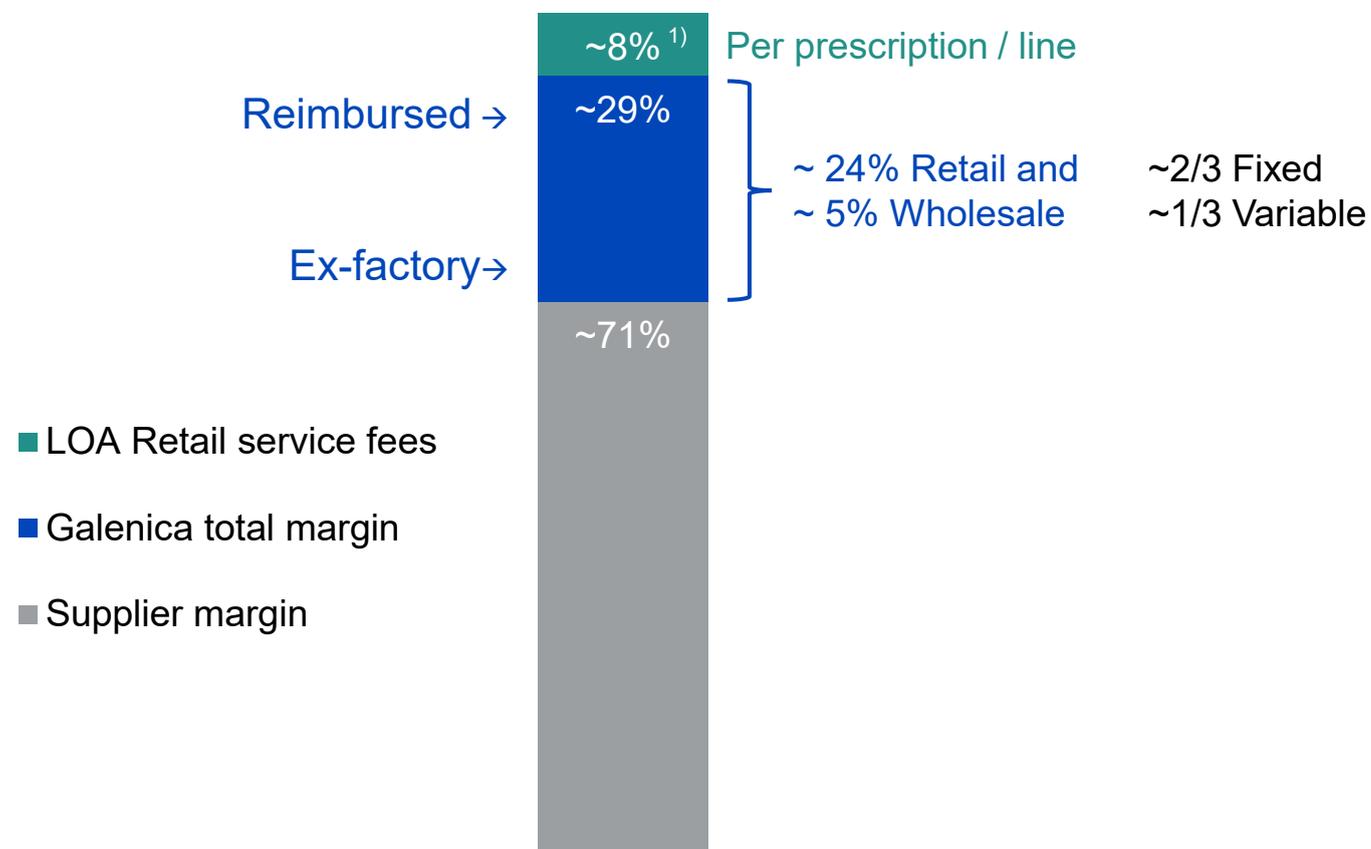
Analysis FOPH price reductions October 2021 – Source: IQVIA APO/SD/SPI SL products, based on input FOPH

# Swiss healthcare market: regulatory environment

## Current composition of drug prices (SBR IV)

### Fixed margin elements help to offset price reductions

Composition of the price of a prescription/ reimbursable drug: c.3/4 of the retail margin secured by fixed elements



FOPH defines price and margin –  
Margin covers wholesale and retail

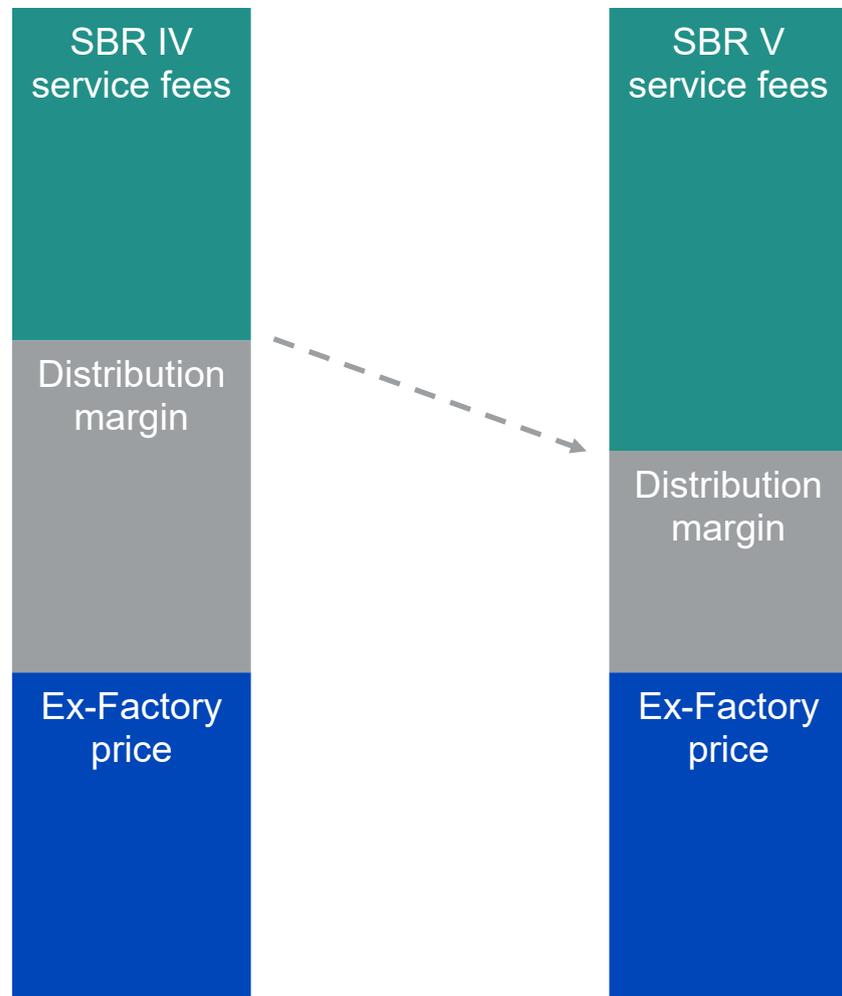
| Ex factory price<br>(in CHF) | + price-related<br>surcharge | + surcharge<br>per pack |
|------------------------------|------------------------------|-------------------------|
| 0.05–4.99                    | 12.0%                        | 4.00                    |
| 5.00–10.99                   | 12.0%                        | 8.00                    |
| 11.00–14.99                  | 12.0%                        | 12.00                   |
| 15.00–879.99                 | 12.0%                        | 16.00                   |
| 880.00–2.569.99              | 7.0%                         | 60.00                   |
| From 2.570.00                | –                            | 240.00                  |

Source: Swissmedic and company information  
 Note: FOPH stands for Federal Office of Public Health; sets prices based on basket of nine countries and quality aspects  
 1 Based on Company internal figures.

LOA: Service based compensation

# Swiss healthcare market: regulatory environment

## Proposal of SBR V contract and distribution margin model



|                         |             |
|-------------------------|-------------|
| Price-related surcharge | = 3%        |
| Surcharge per pack      | = CHF 9.45  |
| Product margin cap      | = CHF 300.– |

### SBR V tariff model

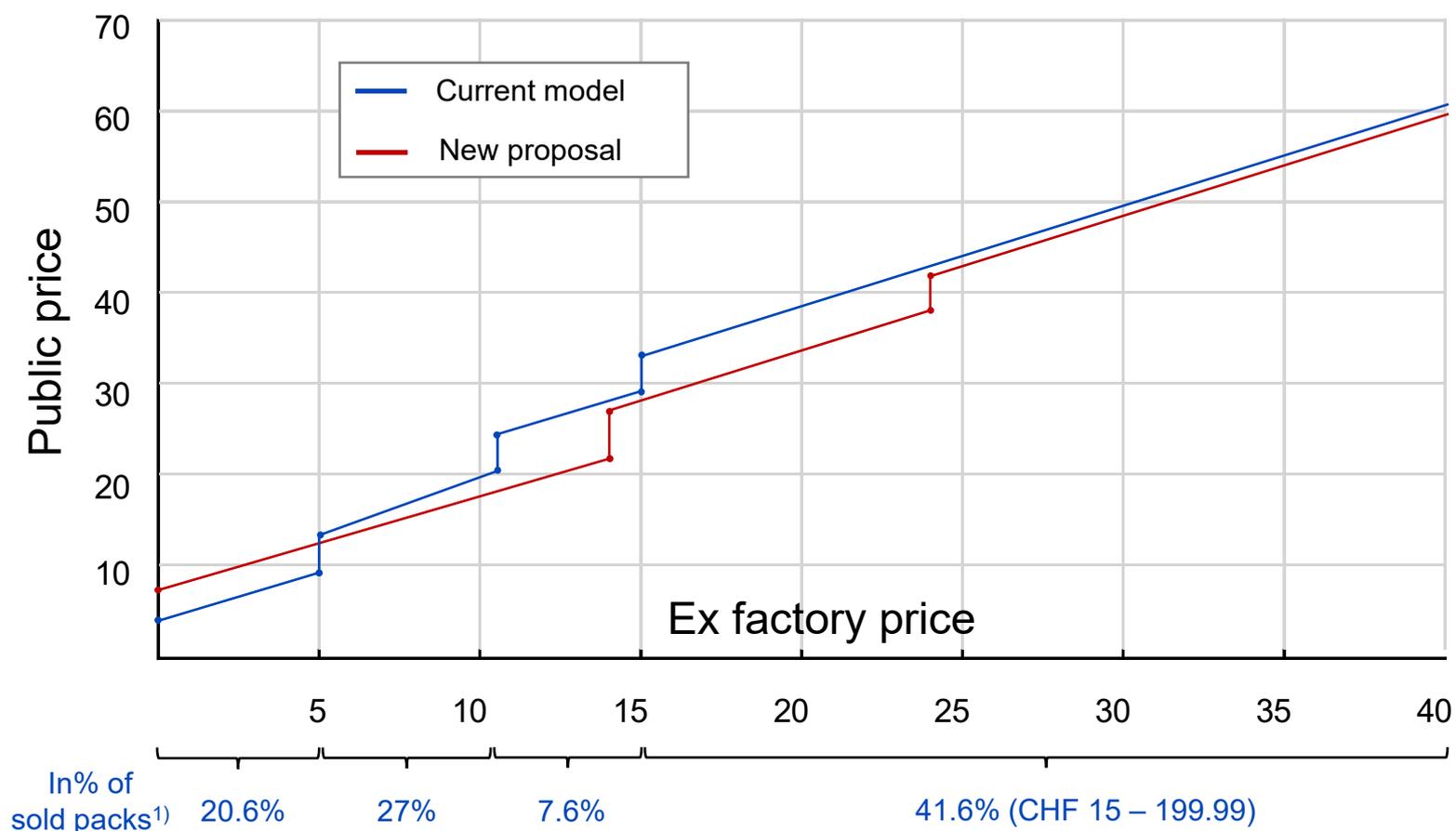
- Under the proposal submitted by Curafutura and Pharmasuisse, the distribution margin and service-based remuneration would be approved as a package.
- For example, the salary cost of the pharmacy team to provide pharmaceutical services would be removed from the distribution margin and instead now be billed via SBR V.
- Implementation of a new model at earliest in second half of 2023.

# Swiss healthcare market: regulatory environment

## New proposal for distribution margin

The new proposal by the FOPH includes an adjustment of the distribution margin model with **uniform margin for medications with the same active ingredient composition (lowest margin)**.

It is open whether this proposal is linked to a new SBR V contract that compensates for the loss of margin.



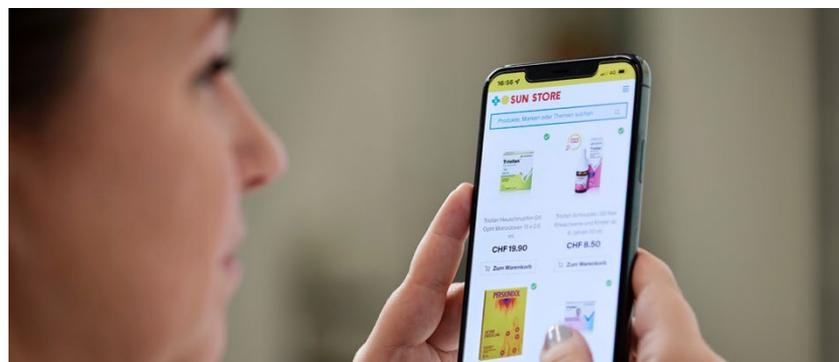
### FOPH defines price and margin – Margin covers wholesale and retail

| Ex factory price (in CHF) | + price-related surcharge | + surcharge per pack |
|---------------------------|---------------------------|----------------------|
| 0.05 – 13.99              | 9.0%                      | 7.00                 |
| 14.00 – 23.99             | 9.0%                      | 12.00                |
| 24.00 – 999.99            | 9.0%                      | 16.00                |
| 1'000 – 3'130.99          | 9.0%                      | 19.00                |
| From 3'131                | –                         | 300.00               |

1) Source: pharmaSuisse

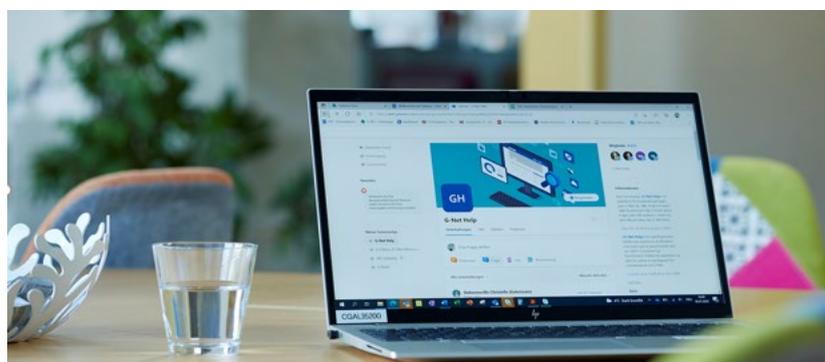
# Megatrends and their impact on Galenica

## Changing customer needs



We further improve the customer experience in both our offline and online channels

## Digitalisation



We want to play a leading role in the digitalisation of the healthcare sector

## Ageing society



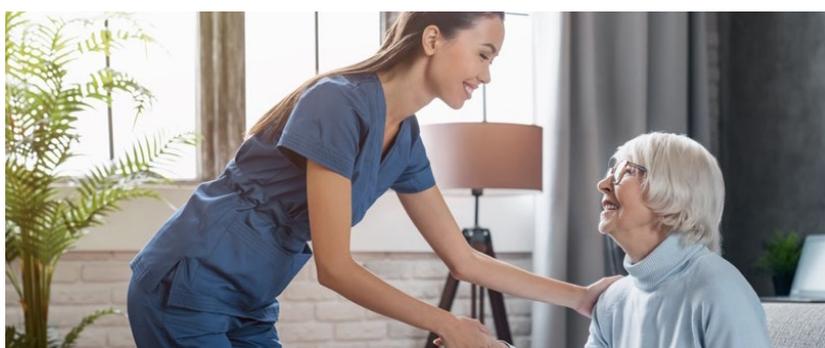
Our strategic focus includes services for home care organisations and nursing homes

## Interconnectedness



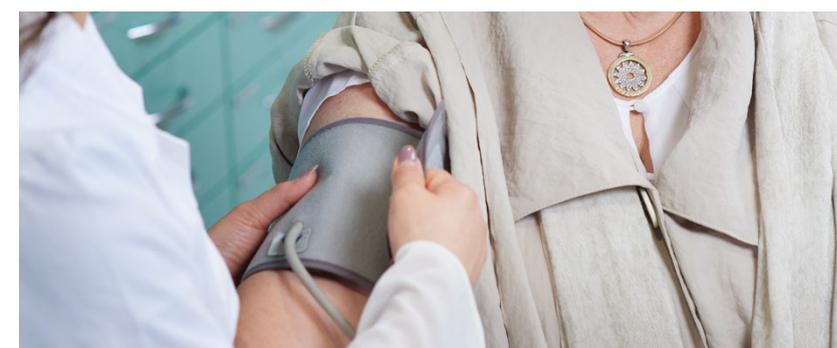
Our digital solutions create added value and enable strong partnerships

## Home care



We further develop our home care services for enhanced life quality

## Cost pressure



Our service offerings such as Primary Care can help to reduce treatment costs

Our success story

# Business performance

Galenica – Health and wellbeing are at the heart of what we do.



## Key business events 2022



**emedada**  
Die Heimärzte

**March 2022: Galenica and MedicalI created the Joint Venture Emeda**

Emeda provides medical and pharmaceutical services to retirement and nursing homes in Switzerland.

**well**

**June 2022: Galenica joined the digital health platform WELL**

Well supports patients and customers in every aspect of their health.

The Well app is a quick way to check symptoms, book doctor's appointments, order medication, and much more.



**June 2022: Verfora will take over the distribution of Boiron products in Switzerland from 1 October 2022**

Boiron is one of the world's leading manufacturers and distributors of homeopathic medicines.

**m u medinform**

**July 2022: Galenica acquired 50% of the shares in medinform AG**

medinform is a leading provider of training courses and specialisations for pharmacies in Switzerland.

**AQUANTIC**  
CLEARLY AHEAD

**July 2022: Galenica acquired 100% of the shares in Aquantic AG**

Aquantic has created an online platform (Smartworld), which significantly simplifies the reimbursement of the costs of specific medicines.

January – July 2022

● Segment Products & Care ● Segment Logistics & IT

# Performance overview Galenica Group

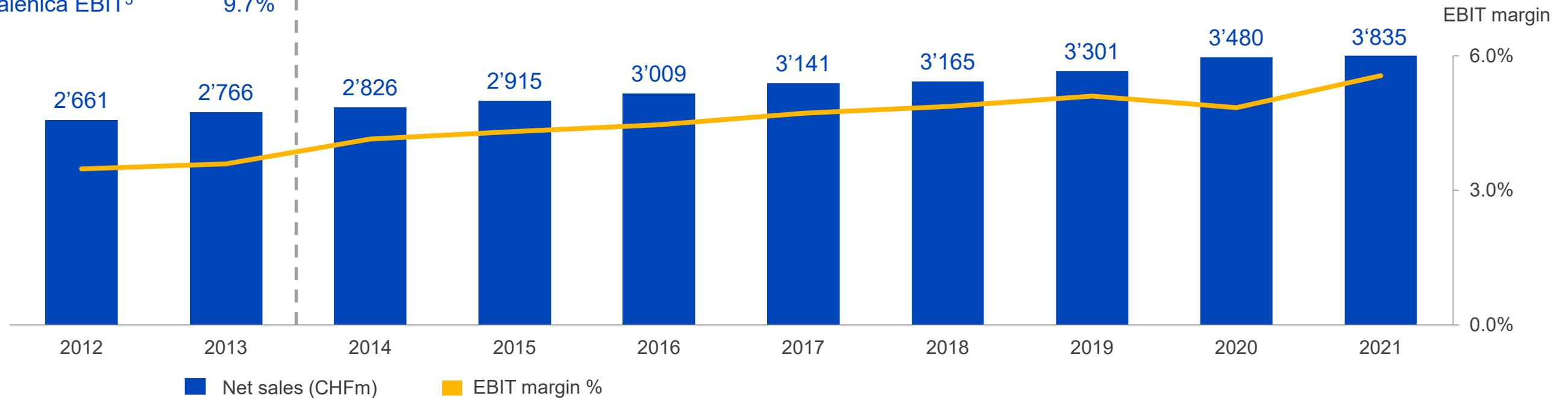
## History of resilient growth and margin improvement

### Logistics, HealthCare Information & Retail<sup>1</sup>

### Galenica

#### 2012 – 2021 CAGRs

|                                  |      |
|----------------------------------|------|
| Retail market sales <sup>2</sup> | 2.7% |
| Galenica net sales               | 4.1% |
| Galenica EBIT <sup>3</sup>       | 9.7% |



Source: Company information, Galenica Annual Reports, IQVIA (former IMS Health)

<sup>1</sup> Business segments were newly defined in 2014, the financial information until 2013 does not include Products&Brands

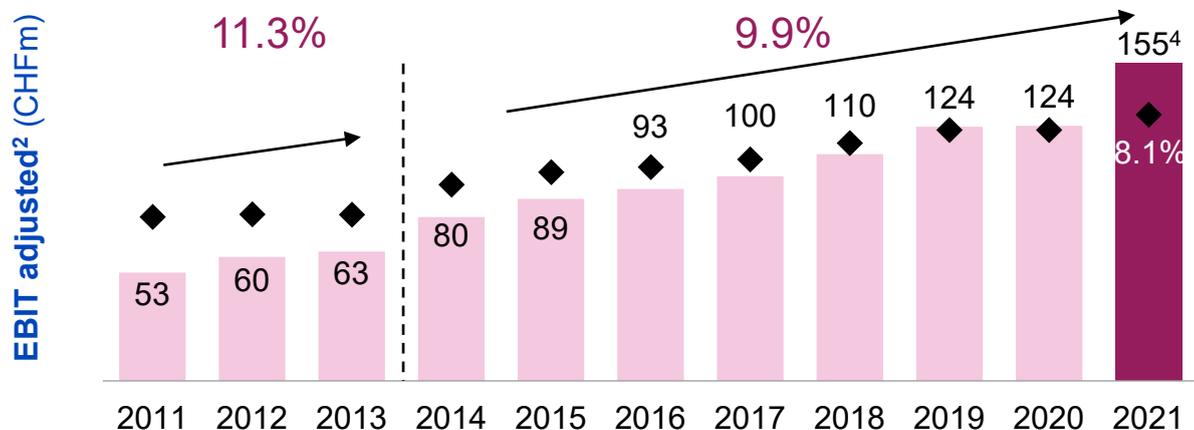
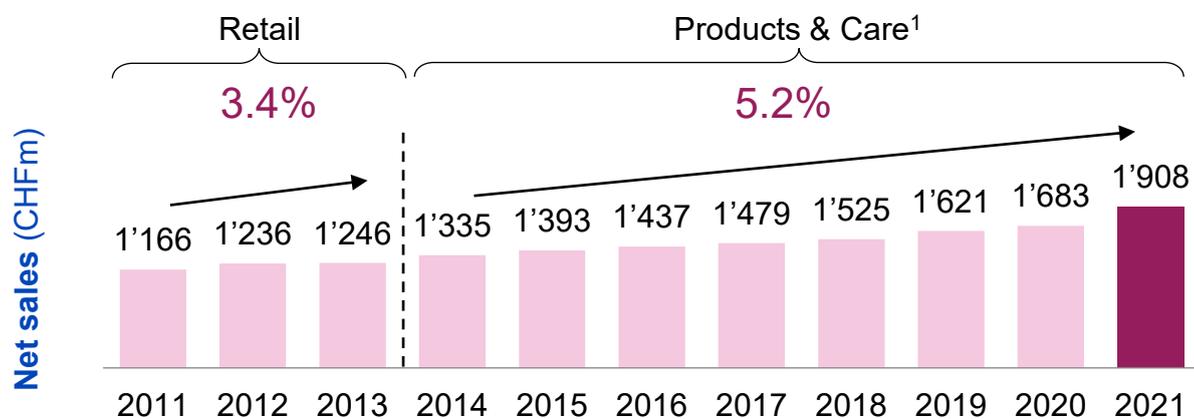
<sup>2</sup> Retail market sales include direct and indirect pharmaceutical sales through pharmacies, self-dispensing doctors and drugstores (IQVIA Market Prognosis 2021-2025, Switzerland, published March 2021)

<sup>3</sup> 2014-16 reported EBIT, 2017-2021 adjusted EBIT (excluding IAS 19 impact and effects of IFRS 16 leasing (since 2019))

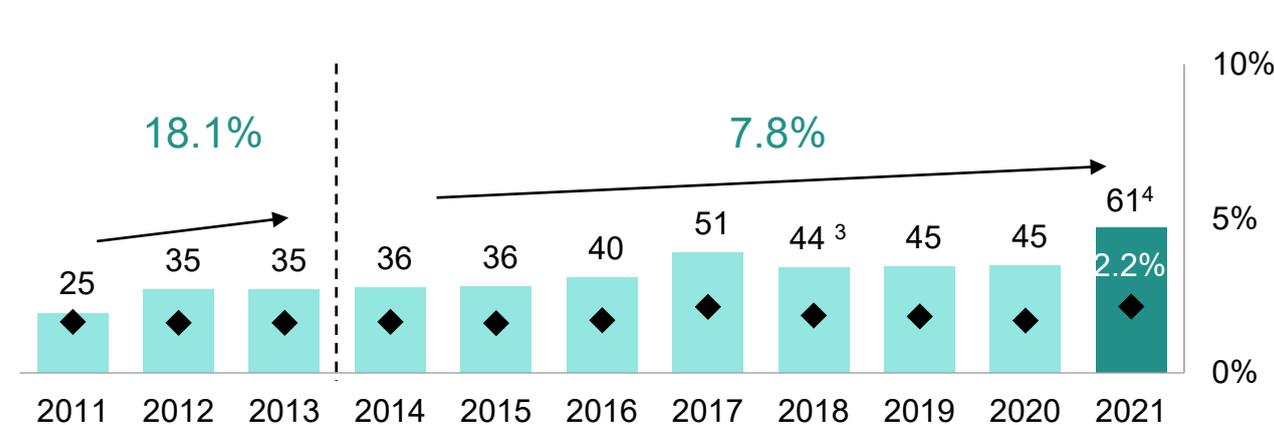
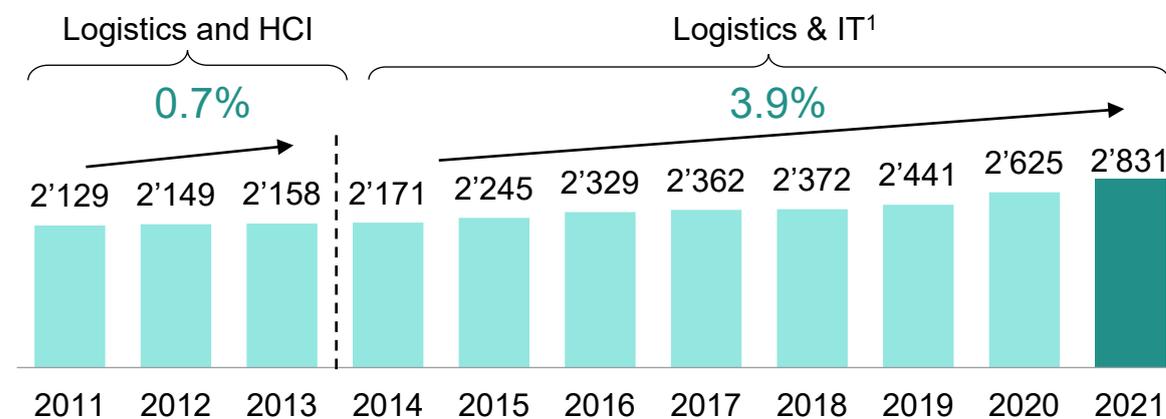
# Performance overview Galenica Group

## Strong performance development in both segments

### Products & Care



### Logistics & IT



Source: Company information, Galenica Annual Reports

Note: Business segments were newly defined in 2014, the financial information until 2013 for Products&Care does not include Products&Brands

<sup>1</sup> Segment reporting was revised as at 1 Jan 2021: segments were renamed (former segment "Health&Beauty" renamed to "Products&Care", former "Services" segment renamed to "Logistics&IT"), previous periods were not restated

<sup>2</sup> 2014-16 reported EBIT, 2017-2021 adjusted EBIT (excluding IAS 19 impact and effects of IFRS 16 leasing (since 2019))

<sup>3</sup> 2017 including one-off effects (CHFm7.0), comparable EBIT CHFm 43.6 and ROS 1.8%

<sup>4</sup> Products & Care: Including positive Impact from COVID-19 of CHF 19 million / Logistics&IT: Including positive Impact from COVID-19 of CHF 6 million and profit from property sale of CHF 9.4 million

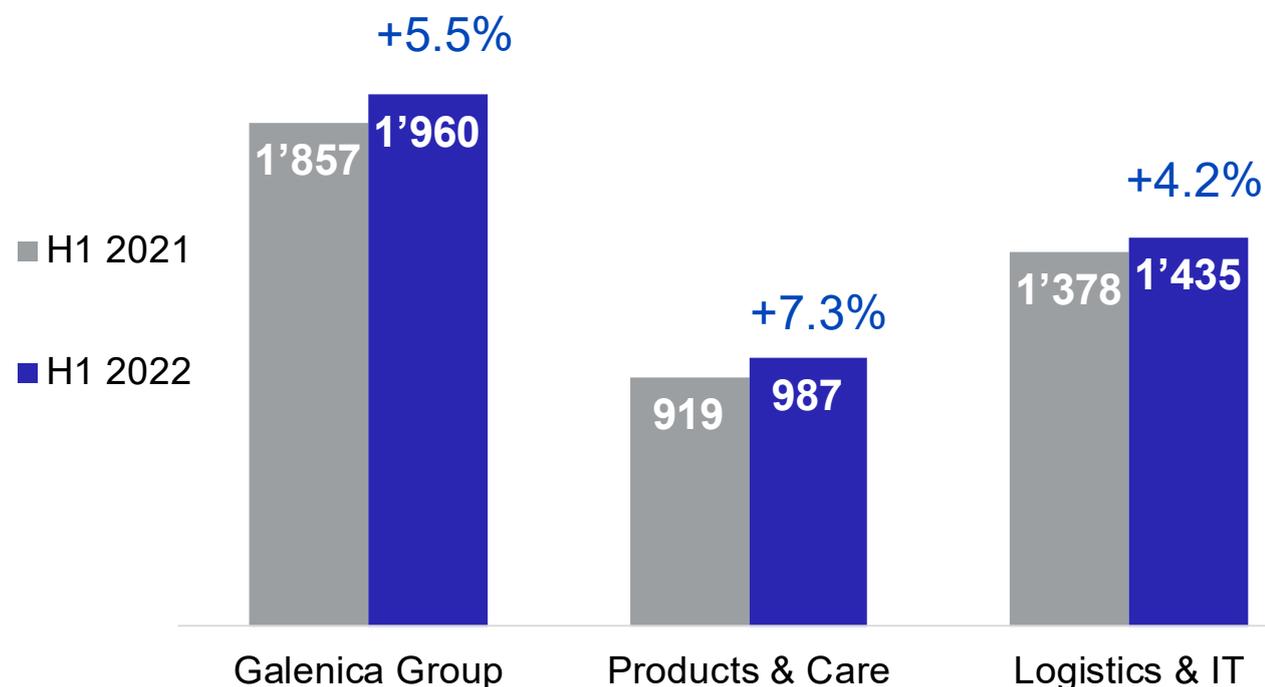
◆ EBIT margin (%)

↗ CAGRs

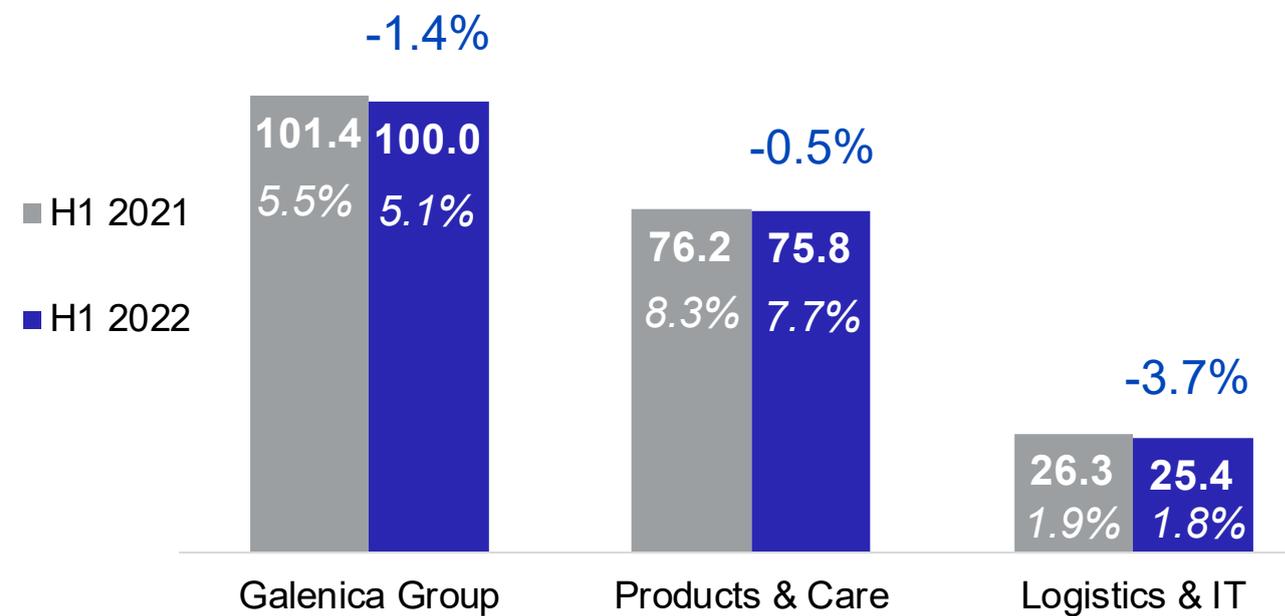
# Performance overview Galenica Group

## Strong sales and EBIT growth

**Net sales** (in million CHF)



**Adjusted<sup>2)</sup> EBIT** (in million CHF)  
**ROS** (in %)



Growth without COVID-19 initiatives <sup>1)</sup>

+8.7%

+11.8%

+7.1%

Net EBIT impact COVID-19 initiatives <sup>1)</sup>

-17 million CHF

-13 million CHF

-4 million CHF

<sup>1</sup> Impact of COVID-19 initiatives includes net sales of PCR tests, Rapid Antigen tests, self-tests as well as vaccinations, EBIT impact estimated

<sup>2</sup> Excluding effects of IAS 19 and IFRS 16, see chapter "Alternative performance measures" of the Half-year Report 2022

# Performance overview Galenica Group

## Adjusted consolidated statement of income<sup>1</sup>

| in million CHF          | H1 2022      | H1 2021      | in %         |
|-------------------------|--------------|--------------|--------------|
| <b>Net sales</b>        | <b>1'960</b> | <b>1'857</b> | <b>+5.5%</b> |
| Cost of goods           | -1'468       | -1'390       | +5.6%        |
| Personnel costs         | -265         | -253         | +4.9%        |
| Other OPEX              | -105         | -94          | +12.0%       |
| Share of profit from JV | 2            | 4            | -50.6%       |
| <b>EBITDA</b>           | <b>124</b>   | <b>125</b>   | -0.8%        |
| D&A                     | -24          | -23          | +1.5%        |
| <b>EBIT</b>             | <b>100</b>   | <b>101</b>   | -1.4%        |
| ROS                     | 5.1%         | 5.5%         |              |
| Financial result        | -1           | -1           | -16.8%       |
| Taxes                   | -17          | -18          | -1.9%        |
| Tax rate                | 17.6%        | 17.7%        |              |
| <b>Net profit</b>       | <b>81</b>    | <b>83</b>    | -1.5%        |

### Key developments

Strong net sales growth of 5.5%

Growth of Cost of goods in line with net sales growth

Development of personnel costs related to newly acquired businesses as well as business growth

Increase of other OPEX also related to business expansion and growth as well as:

- Investments in Omni-channel infrastructure
- Measures against lack of qualified personnel
- Inflation impact

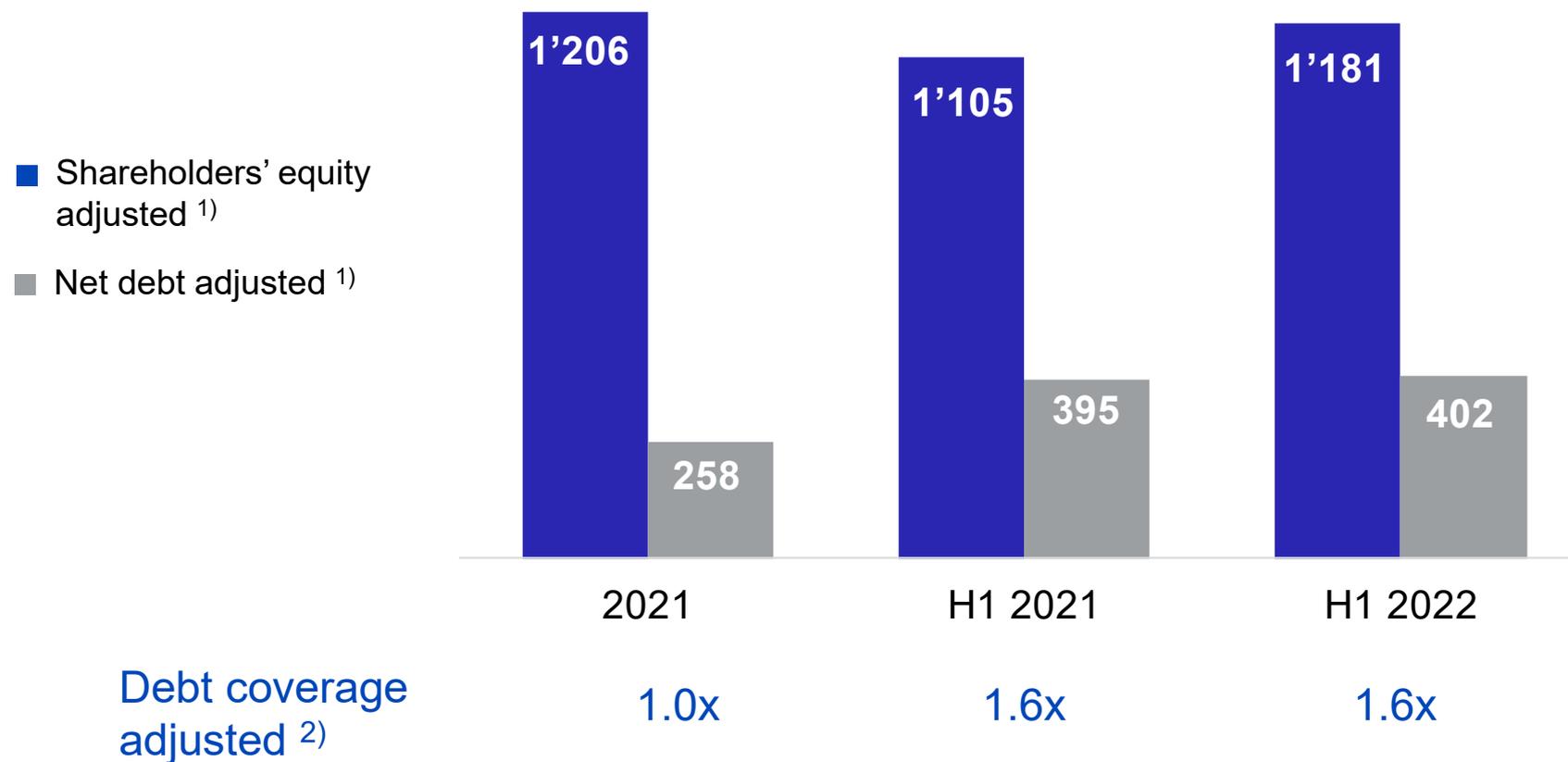
Effective tax rate stable at ~18%

<sup>1</sup> Detail of the adjustments in the Annual Report 2021 chapter „alternative performance measures“

# Performance overview Galenica Group

## Solid balance sheet with strong equity ratio

in million CHF



### Key developments

Shareholders' equity only slightly lower than Dec 2021 despite dividend pay-out in May 2022

Increase of net debt related to normalisation of net working capital as at 30 June 2022

<sup>1</sup> Detail of the adjustments in the Annual Report 2021, chapter „alternative performance measures“

<sup>2</sup> Net debt adjusted / EBITDA adjusted (excluding effects of IAS 19 and IFRS 16), see Annual Report 2021, chapter „alternative performance measures“

# Performance overview Galenica Group

## Condensed balance sheet

| in million CHF                                      | H1 2022      | 2021         | Change      |
|---|--------------|--------------|-------------|
| Cash and cash equivalents                           | 21           | 165          | -144        |
| Trade and other receivables                         | 533          | 461          | +72         |
| Inventories   | 296          | 295          | +1          |
| Other assets  | 324          | 379          | -56         |
| Property, plant and equipment                       | 245          | 245          | +1          |
| Intangible assets                                   | 1'035        | 1'021        | +14         |
| <b>Total assets</b>                                 | <b>2'454</b> | <b>2'566</b> | <b>-111</b> |
| Current financial liabilities                       | 243          | 43           | +200        |
| Other current liabilities                           | 592          | 622          | -30         |
| Non-current financial liabilities                   | 206          | 407          | -200        |
| Other non-current liabilities                       | 250          | 261          | -11         |
| Shareholder's equity                                | 1'163        | 1'234        | -71         |
| <b>Total liabilities &amp; shareholder's equity</b> | <b>2'454</b> | <b>2'566</b> | <b>-111</b> |

### Key developments

Increase of trade receivables due to seasonality effect

Decrease of other assets related to pension accounting (IAS 19, asset ceiling) with an impact of CHF 66 million

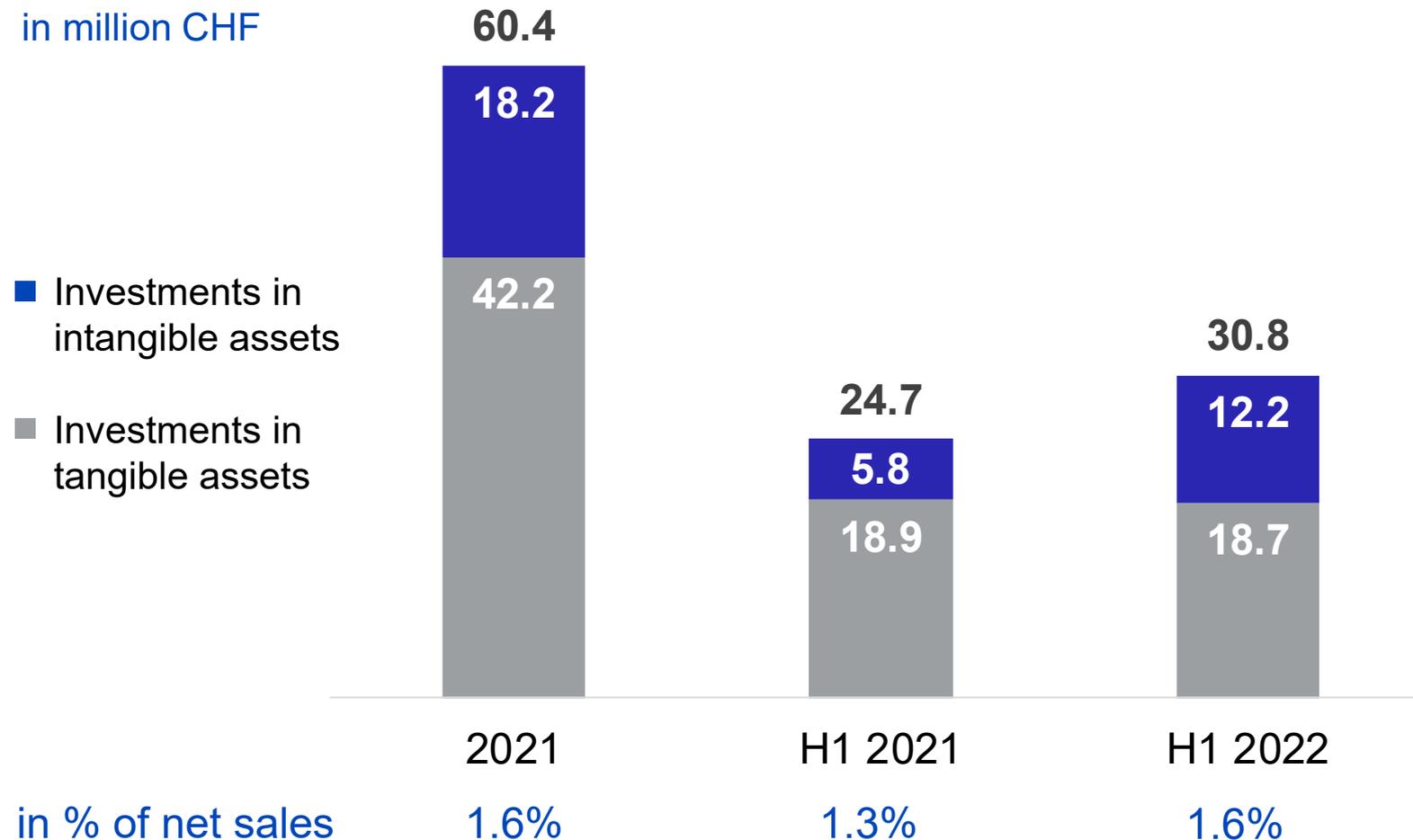
Bond of CHF 200 million repayable in 2023 reclassified to current financial liabilities

Decrease of other current liabilities relates to normalisation of net working capital as at 30 June 2022

Decrease of equity related to dividend payout of CHF 104 million in May 2022

# Performance overview Galenica Group

## Investments



### Investment focus

#### Intangible assets:

- SAP implementation at Alloga/Galexis
- digital Omni-channel infrastructure

#### Tangible assets:

- renovation and modernisation of distribution center in Lausanne-Ecublens
- renovations of pharmacies

# Performance overview Galenica Group

## Solid operating cash flow

| in million CHF  | H1 2022      | H1 2021      | Change        |
|---|--------------|--------------|---------------|
| <b>Cash flow from operating activities before working capital changes</b>                       | <b>134.8</b> | <b>138.7</b> | <b>-3.9</b>   |
| Payment of lease liabilities  | -26.2        | -24.9        |               |
| <b>Cash flow from operating activities before working capital changes adjusted<sup>1)</sup></b> | <b>108.6</b> | <b>113.8</b> | <b>-5.3</b>   |
| Working capital changes   | -95.5        | -0.1         |               |
| <b>Cash flow from operating activities adjusted<sup>1)</sup></b>                                | <b>13.0</b>  | <b>113.8</b> | <b>-100.8</b> |
| Investments in tangible and intangible assets   | -29.4        | -23.8        |               |
| Investments in financial and other assets   | -9.8         | 4.3          |               |
| <b>Free cash flow before M&amp;A</b>  | <b>-26.2</b> | <b>94.3</b>  | <b>-120.4</b> |
| Cash flow from M&A  | -8.5         | -38.4        |               |
| <b>Free cash flow</b>   | <b>-34.7</b> | <b>55.9</b>  | <b>-90.5</b>  |

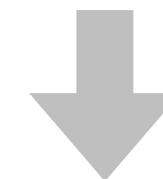
### Key developments



Strong increase of net working capital due to seasonality and exceptionally low balance at the end of 2021



Higher investments in digital Omni-channel infrastructure



Investment in financial assets includes investments in WELL platform and Emeda

# Performance overview Galenica Group

## Sales growth in all business areas

| Net sales (in million CHF) | H1 2022      | H1 2021      | change        |
|----------------------------|--------------|--------------|---------------|
| Local Pharmacies           | 628          | 617          | +1.8%         |
| Pharmacies at Home         | 253          | 218          | +16.1%        |
| <b>Retail (B2C)</b>        | <b>880</b>   | <b>834</b>   | <b>+5.5%</b>  |
| Products & Brands          | 75           | 60           | +26.0%        |
| Services for Professionals | 34           | 29           | +18.3%        |
| <b>Professionals (B2B)</b> | <b>109</b>   | <b>89</b>    | <b>+23.5%</b> |
| <b>Products &amp; Care</b> | <b>987</b>   | <b>919</b>   | <b>+7.4%</b>  |
| Wholesale                  | 1'379        | 1'329        | +3.8%         |
| Logistics & IT Services    | 64           | 51           | +26.2%        |
| <b>Logistics &amp; IT</b>  | <b>1'435</b> | <b>1'378</b> | <b>+4.1%</b>  |



Strong sales growth of OTC medications



Continued sales growth in the area of rare diseases



M&A



Market share gains in wholesale

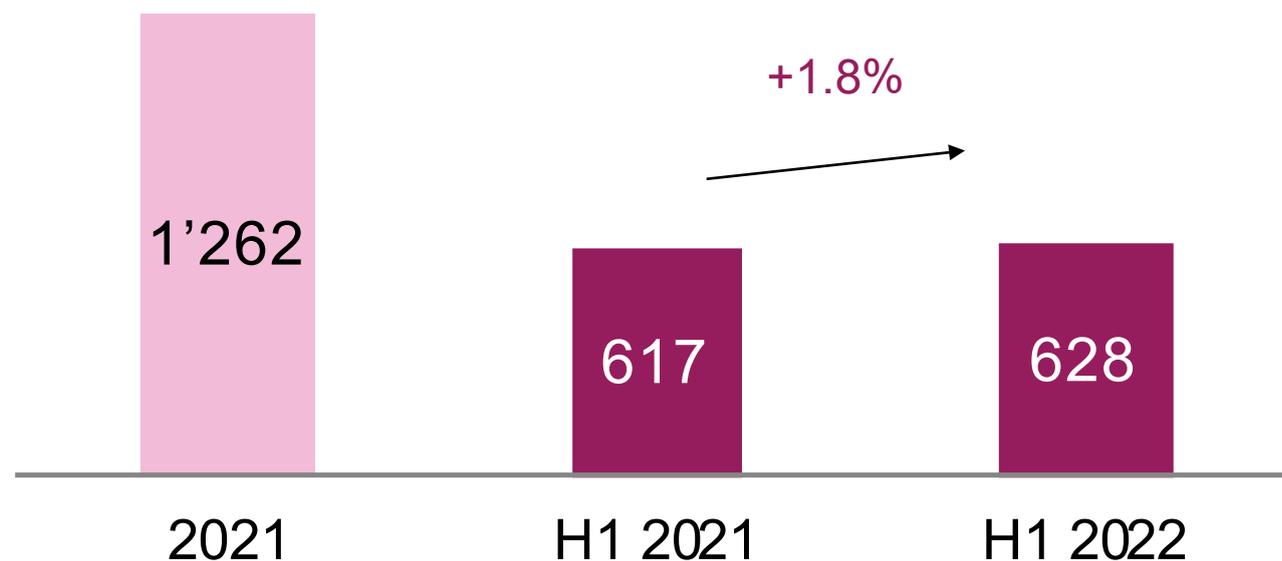


COVID-19 Initiatives



# Local Pharmacies: growth in line with market development

Net sales (in million CHF)



Expansion effect

+2.9%

+1.0%

## Key developments



High demand for cough and cold medications



Increasing footfall at high-frequency locations



Negative growth impact of COVID-19 Initiatives<sup>1)</sup>

-5.7%



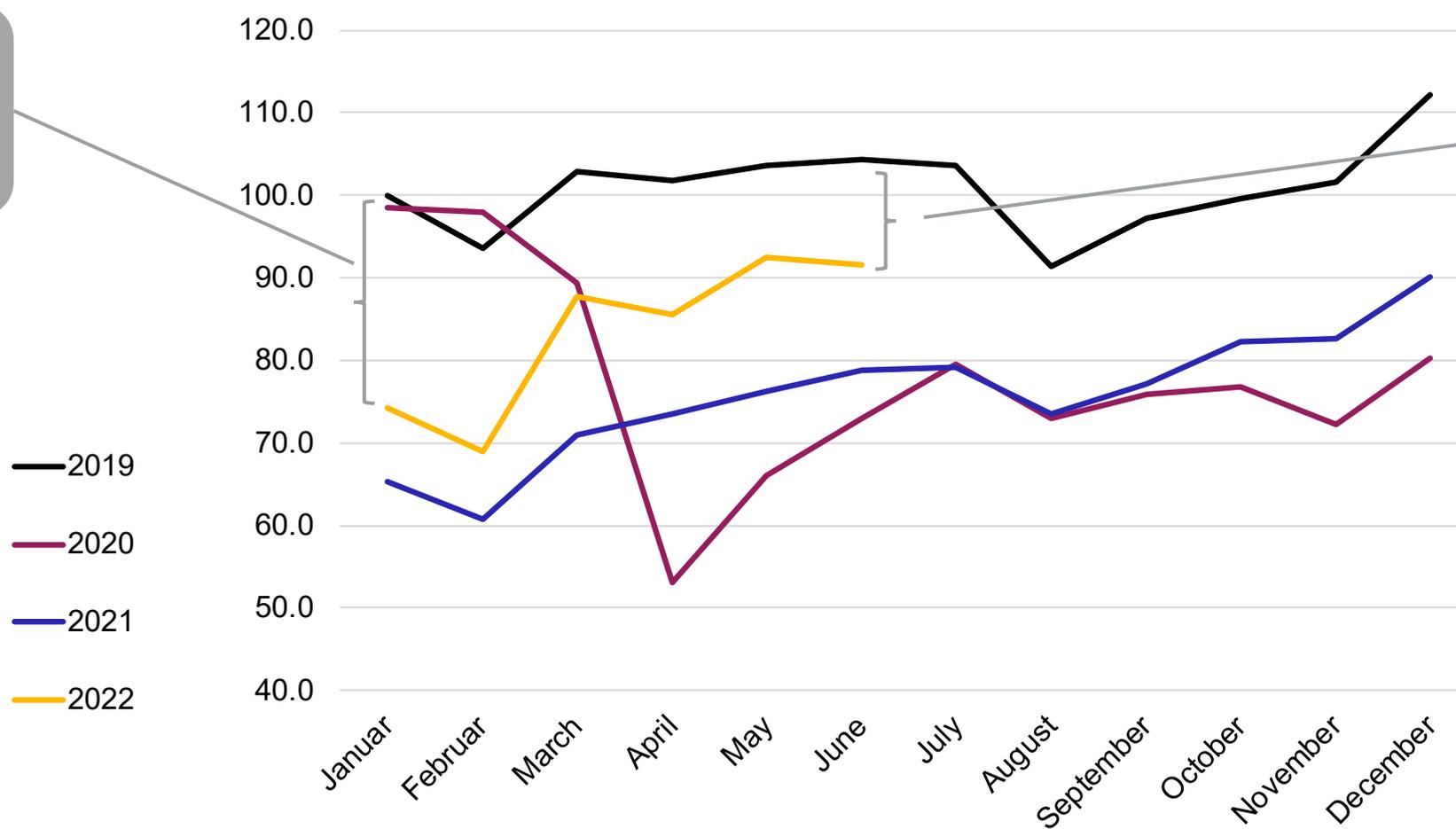
<sup>1</sup> Impact of COVID-19 initiatives includes net sales of PCR tests, Rapid Antigen tests, self-tests as well as vaccinations

# Local Pharmacies: high frequency locations almost back to normal

## Net sales development of high frequency locations compared to pre-pandemic level <sup>1)</sup>

(indexed, Jan 2019 = 100%)

January 2022:  
26% below pre-pandemic level  
(+9 % vs. PY)

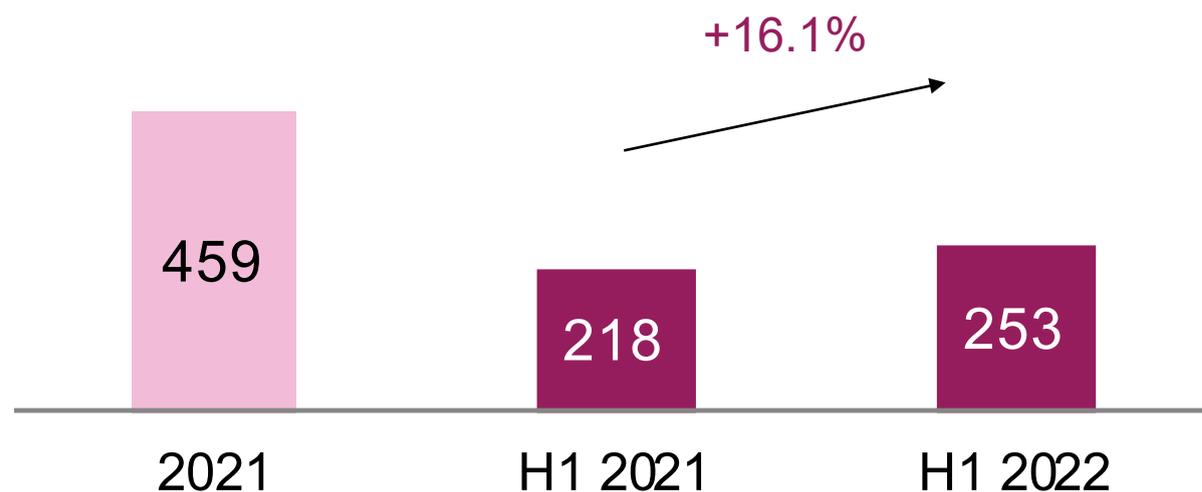


June 2022:  
12% below pre-pandemic level  
(+12% vs. PY)



# Pharmacies at home: continued strong growth

## Net sales (in million CHF)



## Growth adjusted <sup>2)</sup>

+11.3%

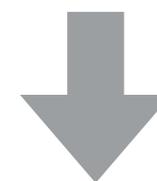
## Key developments



Growth related to sales in the area of rare diseases  
**+16.2%**



Continued growth of Bichsel HomeCare Services  
**+5.0%**



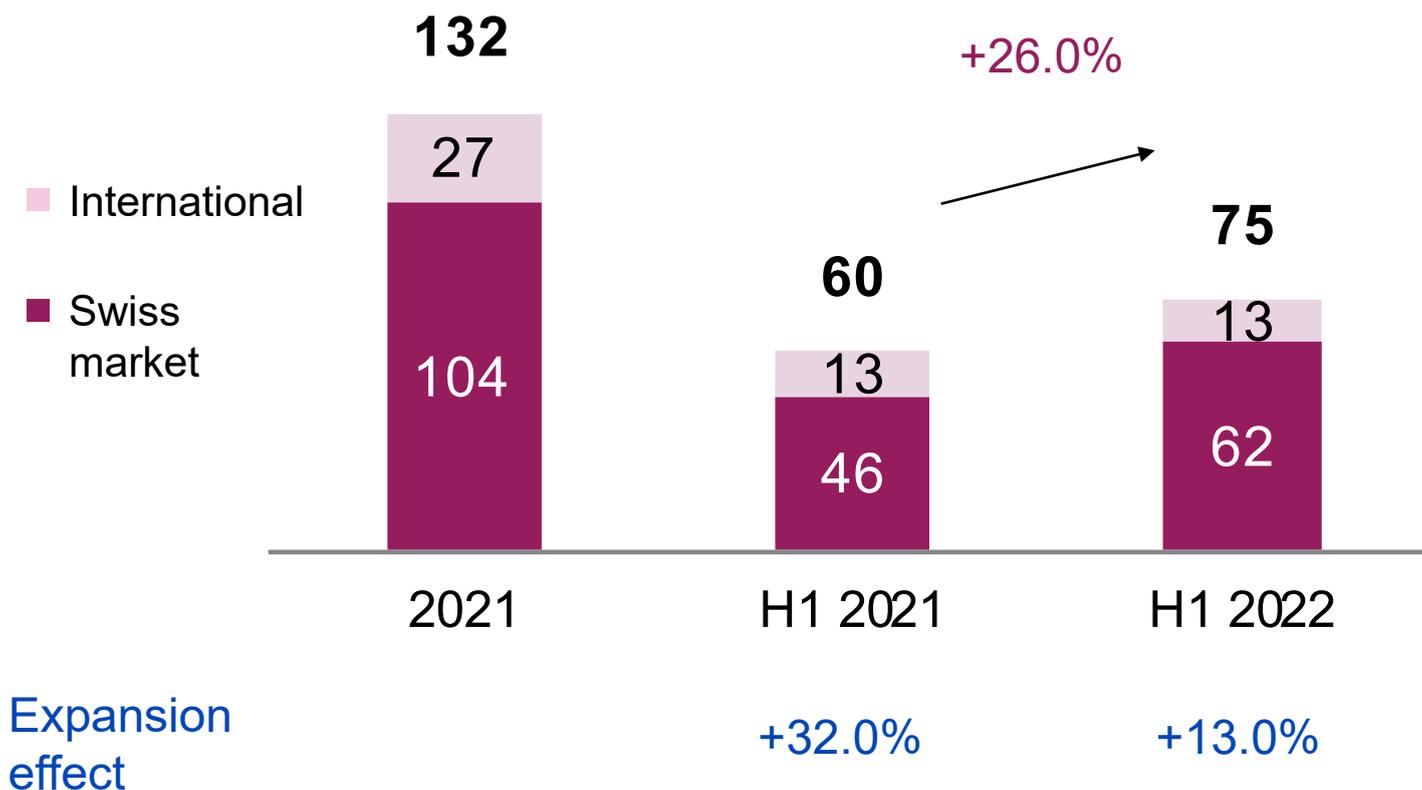
Online sales<sup>1)</sup>  
**-12.5%**



1 Including Amavita and SunStore mail-order pharmacies and webshops (without COVID-19 self-tests)  
2 Growth rate adjusted for one-off effect of a minor change in segment reporting

# Products & Brands: exceptionally strong sales growth

**Net sales** (in million CHF)



**Key growth drivers**

High demand for cough and cold medications & travel-related products

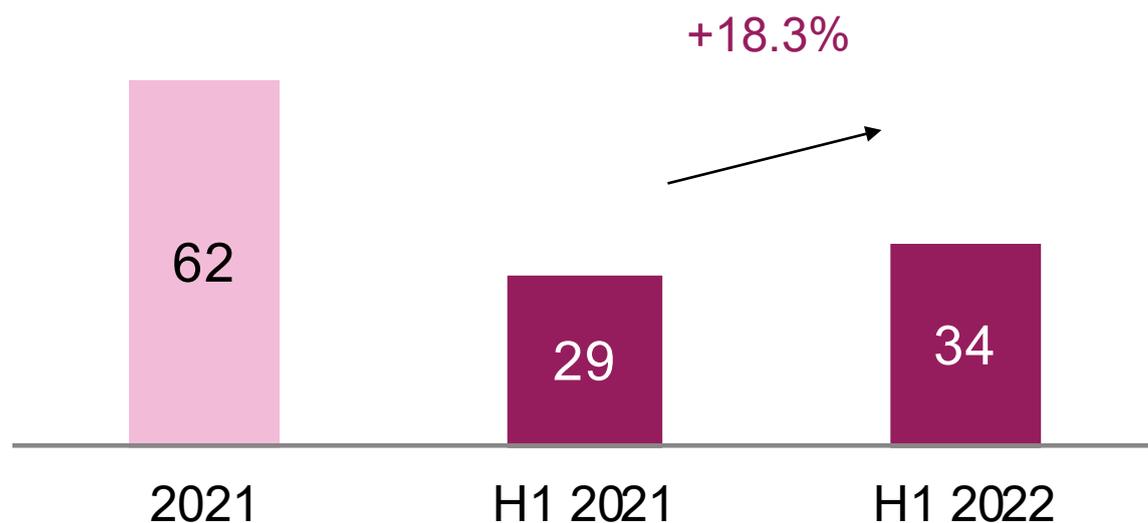


Expansion of product portfolio



# Services for professionals: strong sales growth due to expansion

**Net sales** (in million CHF)



Expansion effect

+19.9%

## Key developments



Acquisition of Lifestage Solutions AG in H2 2021



Strong growth of ~10% at Medifilm and Winconcept

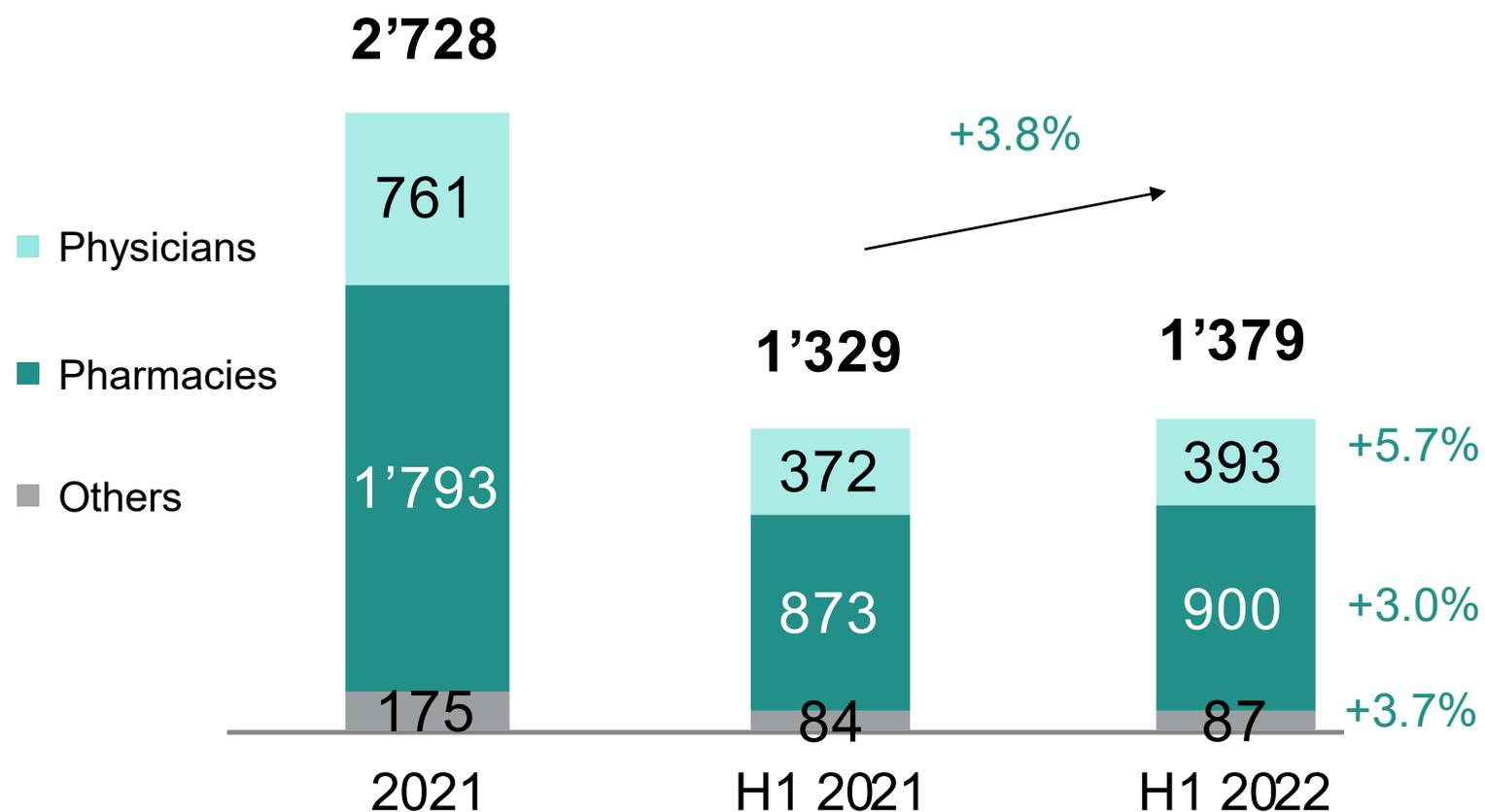


Temporary production challenges at the Bichsel laboratories



# Wholesale: pleasing sales growth

## Net sales (in million CHF)



## Key developments

Adjusted growth<sup>1)</sup> in physician segment

**+8.4%**

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Growth in pharmacies segment (without COVID-19 Initiatives<sup>2)</sup>)

**+7.8%**

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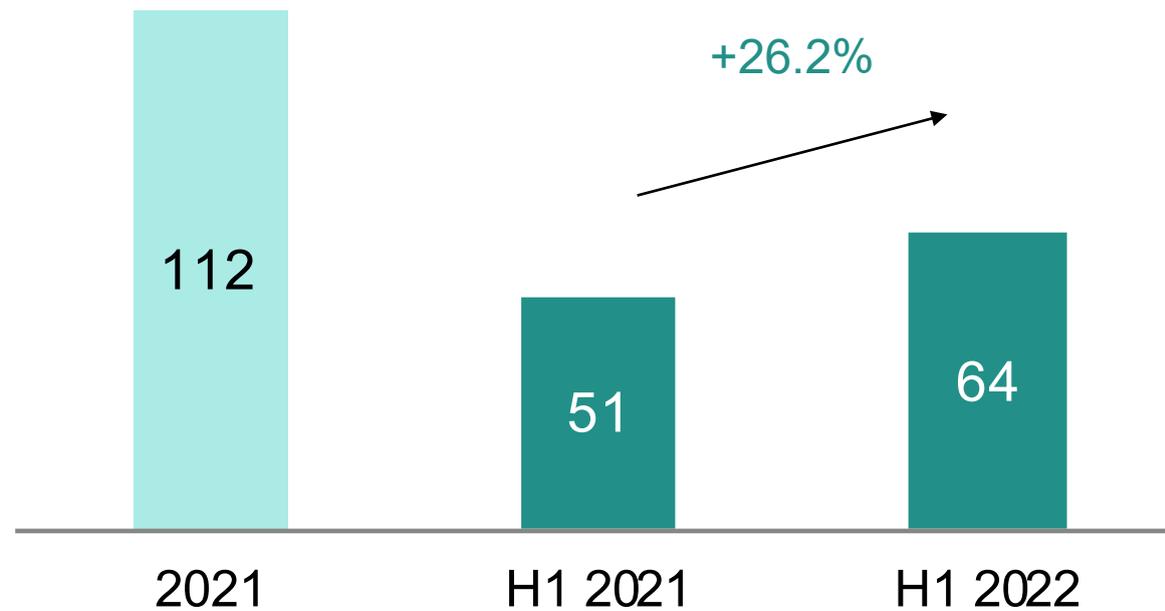
Negative growth impact of COVID-19 Initiatives<sup>2)</sup>

**-3.1%**

1 Growth rate adjusted for one-off effect of a minor change in segment reporting  
 2 Impact of COVID-19 initiatives includes net sales of COVID-19 self-tests

# Logistics & IT services

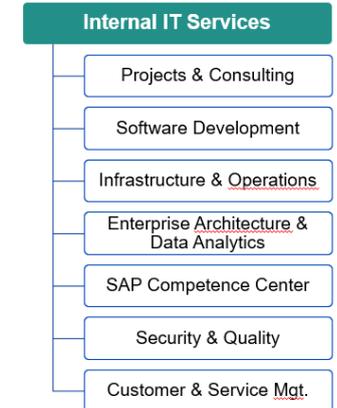
## Net sales (in million CHF)



## Key growth drivers



**Change in the billing of group-internal IT services in H2 2021 due to the new organisation structure**



**Sales growth with the expansion of digital services for the healthcare sector**



# Share information

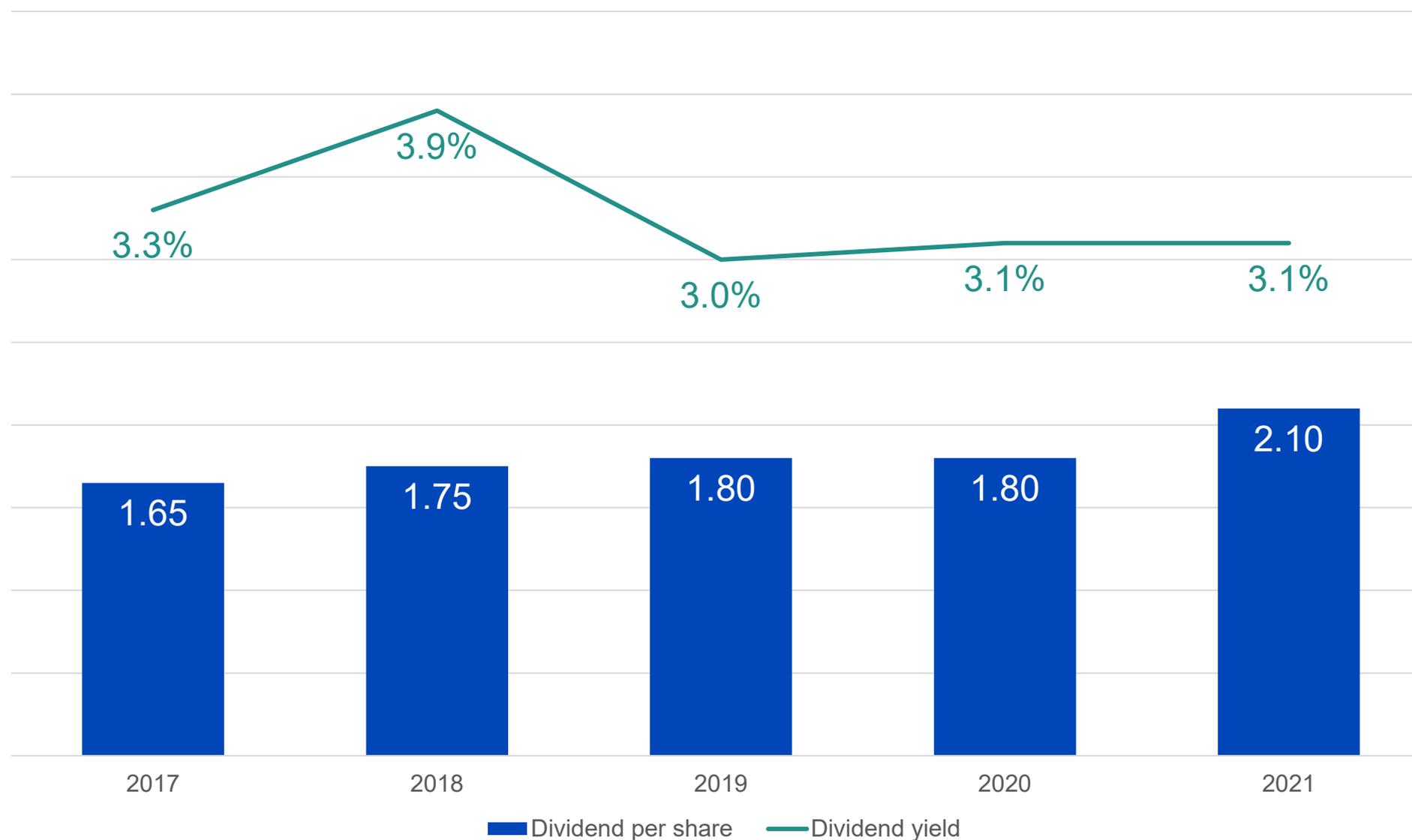
## History of share price since IPO

Share price performance in percent



# Share information

## Historical dividend per share and dividend yield<sup>1</sup>



### Dividend guidance:

- **50% of dividend payout from reserves from capital contributions (exempt from WHT)**
- **Dividend outlook 2022: at least same level as 2021**

<sup>1</sup> Gross dividend per share in relation to the share price at reporting date

# Share information

## Key figures

| in CHF  | Jun 2022 | Dec 2021 |
|---|----------|----------|
| Share price at reporting date                                 | 73.30    | 68.55    |
| Highest share price for the period                            | 74.85    | 73.15    |
| Lowest share price for the period                             | 62.35    | 57.20    |
| Market capitalisation at reporting date in million CHF        | 3,645.6  | 3,402.7  |
| Earnings per share (1 Jan – 30 Jun) <sup>1</sup>              | 1.67     | 1.60     |
| Earnings per share adjusted (1 Jan – 30 Jun) <sup>1,2</sup>   | 1.63     | 1.66     |
| Shareholders' equity per share at reporting date <sup>1</sup> | 23.33    | 24.76    |

<sup>1</sup> Attributable to shareholders of Galenica Ltd.

<sup>2</sup> For details to the adjusted key figures refer to chapter Alternative performance measures in this Half year report 2022

# Governance

**Galénica – Health and wellbeing are at the heart of what we do.**



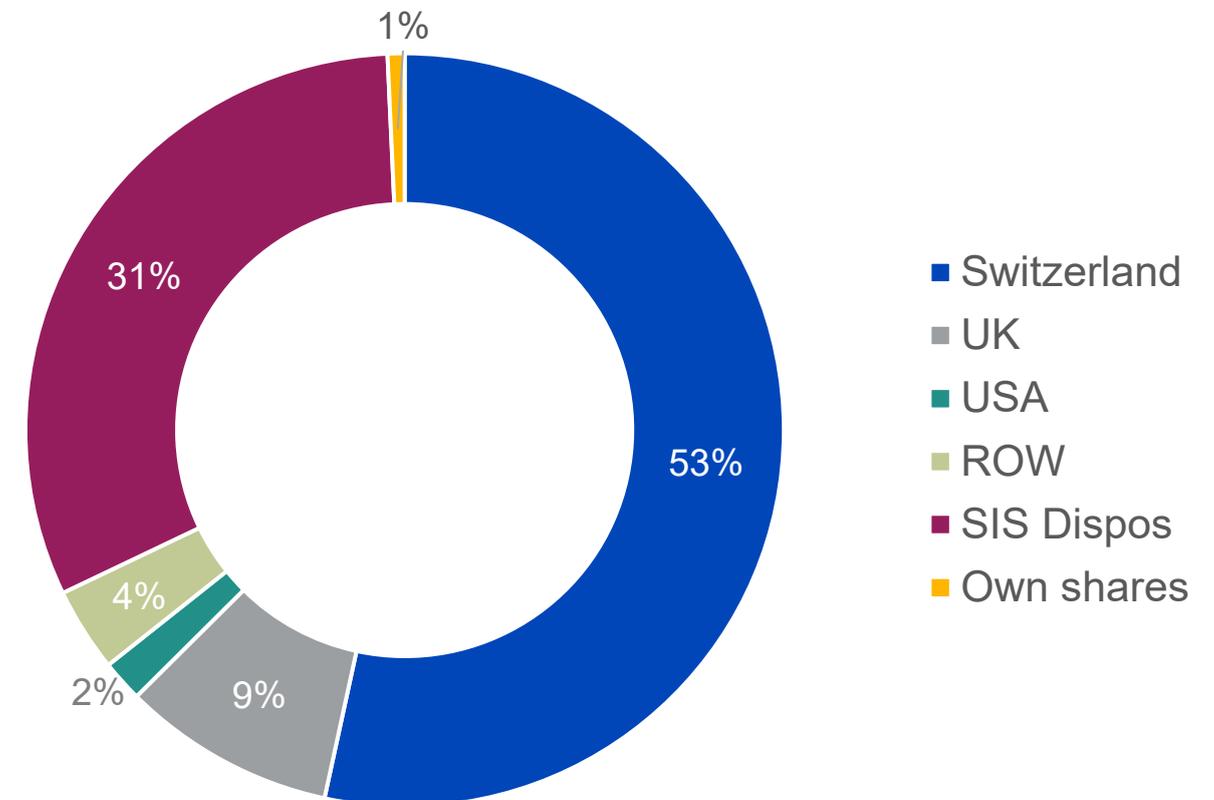
## Shareholder structure

### Major shareholders (31 Dec 2021)

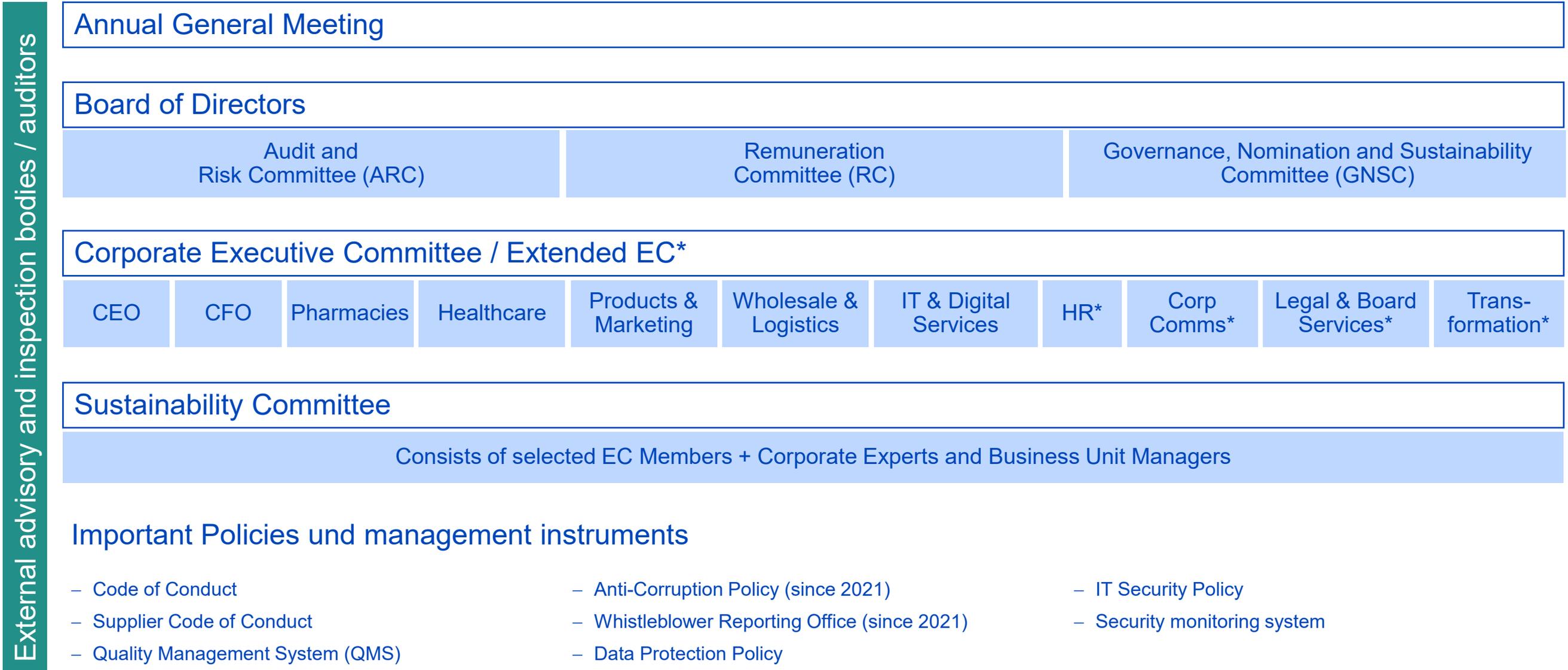
– Shareholders over 3%:

| Shareholders                                      | Number of shares | Shares in % |
|---|------------------|-------------|
| UBS Fund Management (Switzerland) AG, Switzerland | 2,671,158        | 5.3         |
| Alecta Pensionsförsäkring, Sweden                 | 2,000,000        | 4.0         |
| Credit Suisse Funds AG, Switzerland               | 1,626,752        | 3.3         |
| Swisscanto Fondsleitung AG, Switzerland           | 1,533,324        | 3.1         |

### Proportion of shareholders by country (Dec 2021) in %



# Overview of our governance structure and instruments



# Board of Directors



**Daniela  
Bosshardt**  
Chairwoman

- Elected since 2017
- Pharmacist, Federal Diploma in Pharmacy, Federal Institute of Technology, Zurich (ETHZ)
- Member of the Board of Directors of Reprisk Ltd., (an Environmental, Social & Governance data science company) and EGS Beteiligungen Ltd.



**Bertrand  
Jungo**  
Vice Chairman

- Elected since 2018
- Business administrator lic.rer.pol., University of Fribourg
- Member of the Advisory Board of Neoperl Ltd. and Zoo Basel, delegate of the BoD of the Kulm-Group St. Moritz



**Pascale  
Bruderer**

- Elected since 2020
- Masters in political science, University of Zurich
- Member of the Board of Directors of Bernexpo Group, Tamedia and TX Group Ltd.
- Co-owner and member of the Executive Board of Crossiety Ltd.



**Judith  
Meier**

- Elected since 2022
- Executive Master of Health Service Administration (Eastern Switzerland University of Applied Sciences), qualified physiotherapist.
- Vice Chairwoman of the Board of Directors of Zurzach Care AG



**Prof.  
Hon.  
Dr. Michel  
Burnier**

- Elected since 2017
- Swiss-registered Doctor of Internal Medicine and Nephrology
- Honorary professor, University of Lausanne, Faculty of Biology and Medicine
- Member of the Board of Directors of Vifor Pharma Ltd.



**Dr.  
Markus  
R.  
Neuhaus**

- Elected since 2019
- Master of law and doctorate in law from the University of Zurich
- Vice-Chairman of the BoD of Barry Callebaut AG and Orior AG and a member of the BoD of Baloise AG and Jacobs Holding AG. He also serves as Vice-Chair of the Board of Trustees of Avenir Suisse.



**Dr.  
Andreas  
Walde**

- Elected since 2017
- Attorney-at-law and doctorate in law, University of Basel
- General Secretary of Vifor Pharma Ltd.

# Board of Directors

## Committees and competencies

### ARC (Audit and Risk Committee)

Members: Markus Neuhaus (Chairman), Bertrand Jungo, Andreas Walde, Judith Meier

Budget / medium-term planning

Risk management

Compliance / internal audits

Acquisitions / investments

### RC (Remuneration Committee)

Members: Andreas Walde (Chairman), Markus Neuhaus, Michel Burnier

Salary policy, remuneration system

STI / LTI

### GNSC (Governance, Nomination & Sustainability Committee)

Members: Daniela Bosshardt (Chairwoman), Bertrand Jungo, Pascale Bruderer, Markus Neuhaus

Nominations, succession planning, HR topics

Public affairs, health policy, general conditions

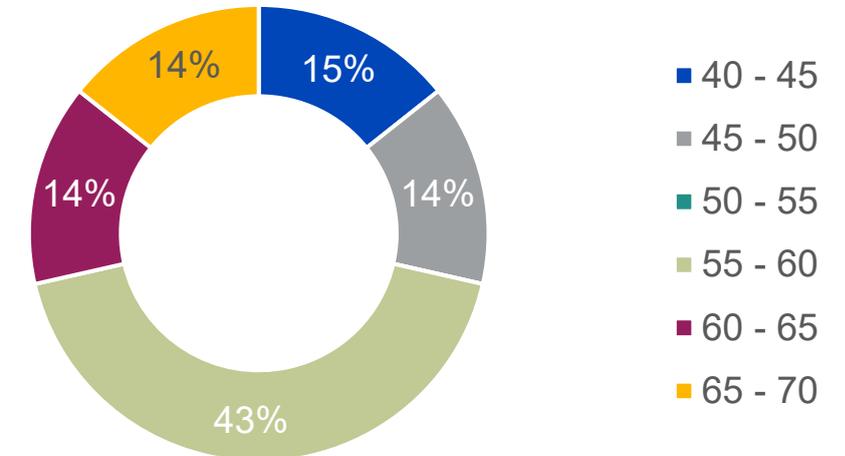
ESG / sustainability

# Board of Directors Competencies and diversity

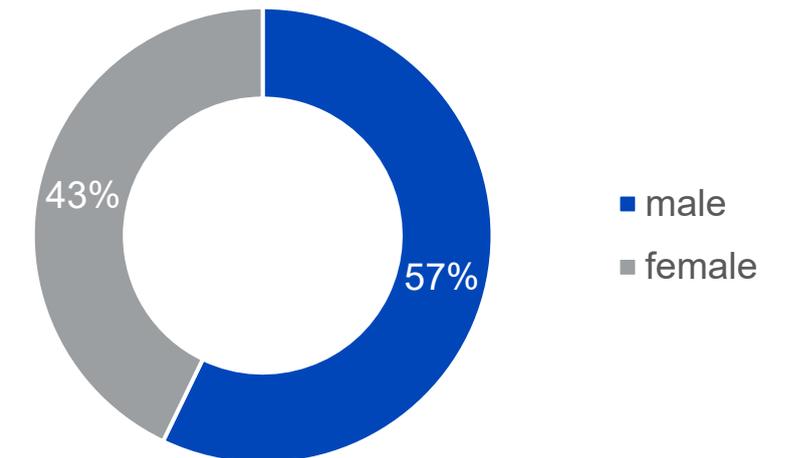
## Competencies

|                       | Bosshardt Daniela | Bruderer Pascale | Burnier Michel | Jungo Bertrand | Meier Judith | Neuhaus Markus | Walde Andreas |
|-----------------------|-------------------|------------------|----------------|----------------|--------------|----------------|---------------|
| Industry Experience   | Pharmacy          | Healthcare       | Healthcare     | Retail         | Healthcare   |                |               |
| Digitalisation        |                   | (x)              |                | (x)            |              |                |               |
| Regulations/ Politics |                   | x                |                |                | x            | x              |               |
| Leadership/ Big Corp. |                   |                  |                | x              | x            | x              |               |
| Finance/ M&A          | x                 |                  |                |                | x            | x              | x             |
| Legal/ Compliance     |                   |                  |                |                |              | x              | x             |
| HR/ Remuneration      | x                 |                  | x              | x              |              | x              | x             |
| Sustainability        | x                 | x                |                |                | x            | x              | x             |

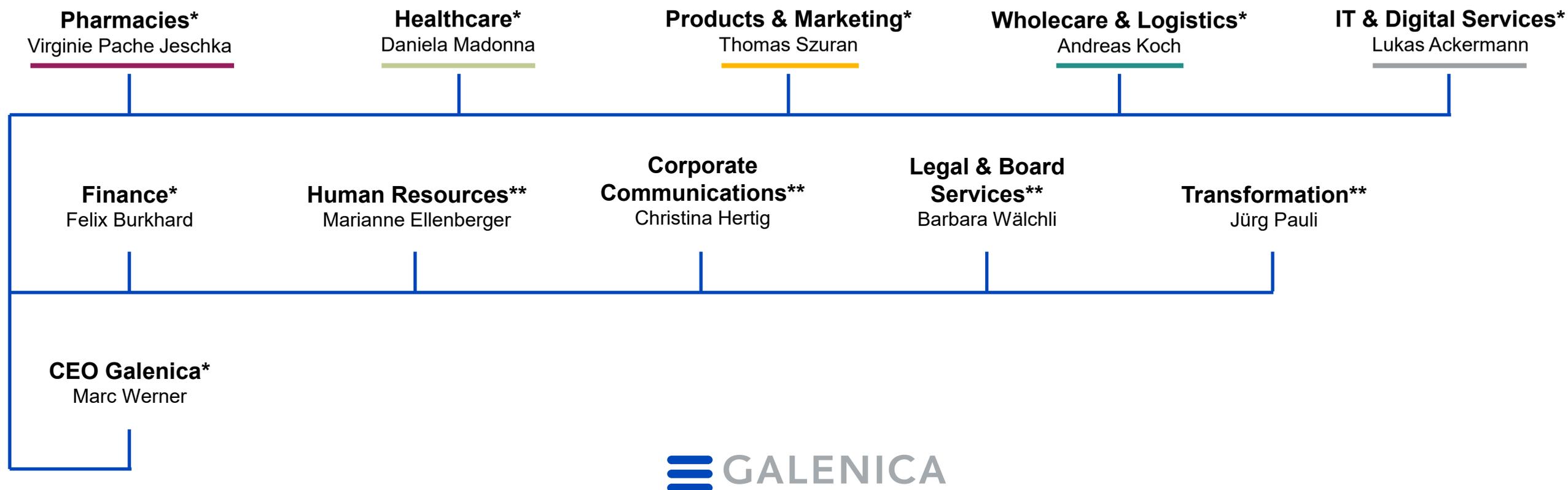
## Age of BoD members (Jun 2022)



## Gender of BoD members (Jun 2022)



# Management structure Galenica Group



\* Executive Committee  
 \*\* Extended Executive Committee  
 1) Joint Venture with Coop

# Executive Committee



**Marc Werner**  
CEO

- CEO since 2020
- 25 years industry experience
- Joined Galenica in 2020
- Previously, Head Marketing & Sales division and Member of the Group Executive Board at Swisscom



**Felix Burkhard**  
CFO

- CFO since 2017
- 31 years industry experience of which 27 years at Galenica
- Previously, Head of Strategic Projects of Galenica Group and Head of Retail Business Sector



**Virginie Pache Jeschka**  
Pharmacies

- Chief Pharmacies Officer since 2021
- 17 years Marketing and Sales Manager experience of which 3 years at Galenica
- Previously CEO of Coop Vitality AG



**Daniele Madonna**  
Healthcare

- Chief Healthcare Officer since 2021
- 19 years industry experience of which 18 years at Galenica
- Previously Head of Retail Business Sector



**Thomas Szuran**  
Products & Marketing

- Chief Products & Marketing Officer since 2021
- 25 years industry experience of which 3 years at Galenica



**Andreas Koch**  
Wholesale & Logistics

- Head of Wholesale & Logistics since 2021
- 22 years industry experience of which 13 years at Galenica



**Lukas Ackermann**  
IT & Digital Services

- Head of IT & Digital Services since 2021
- 23 years health care experience of which 3 years at Galenica

# Remuneration

## Responsibility for the remuneration process

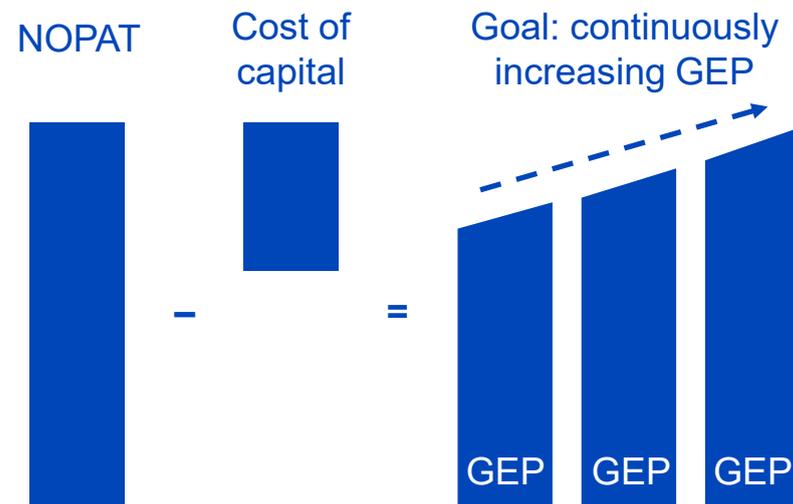
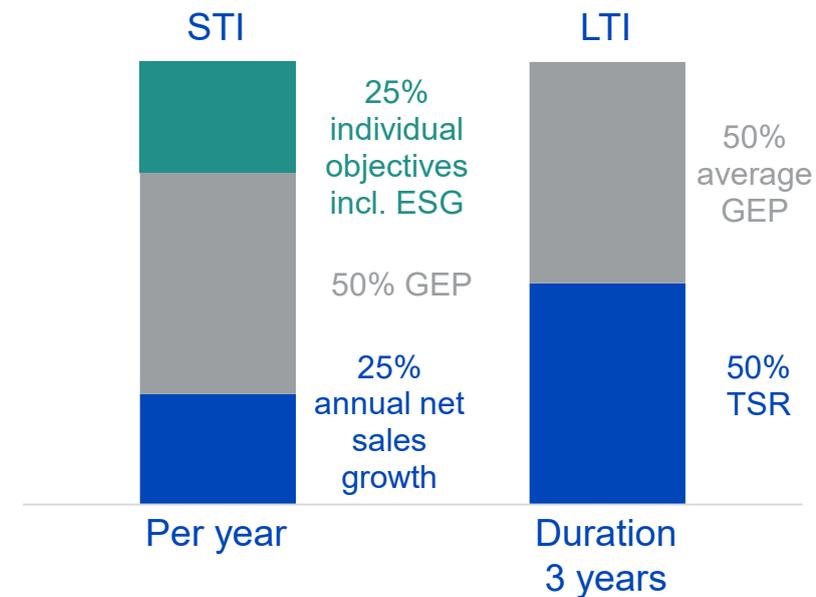
| Level of authority   | CEO   | Remuneration Committee                                | Board of Directors | Annual General Meeting  |
|--|---|---|--------------------|---|
| Remuneration policy  |   | proposes  | approves           | consultative vote on the Remuneration report  |
| Performance objectives for short-term bonus and long-term remuneration |   | proposes  | approves           |   |
| Individual performance objectives for short-term bonus                 | proposes (except for his own objectives)              | proposes (CEO)<br>approves (Executive Committee)      | approves (CEO)     |   |
| Remuneration of members of the Board of Directors                      |   | proposes  | approves           | approves maximum possible remuneration for Board of Directors for the following year                                  |
| Remuneration of the CEO  |   | proposes (in consultation with the CBD <sup>1</sup> ) | approves           | approves maximum possible remuneration for the Corporate Executive Committee including the CEO for the following year |
| Remuneration of members of the Corporate Executive Committee           | proposes (in consultation with the CBD <sup>1</sup> ) | approves  | is informed        |   |

1 CBD = Chair of the Board of Directors

# Remuneration

## Remuneration components

- The remuneration components of the Corporate Executive Committee (EC) consists of a fixed compensation, benefits and a variable compensation.
- The variable remuneration consists of a short-term incentive (STI) and a long-term incentive (LTI).
- At least one of the individual objectives in the STI refers to ESG topics identified in the sustainability strategy of Galenica.
- The full LTI and a portion of the STI (32%) is awarded in Galenica shares.



## Performance measurement: GEP and TSR

- Galenica Economic Profit (GEP) is calculated as the Net operating profit after tax (NOPAT) less the average cost of capital (WACC) over the average invested capital.
- Relative Total Shareholder Return (TSR) is measured as a percentile ranking against a peer group of relevant companies. The objective is to outperform half of the peer companies (100% payout).

# Sustainability



**Galénica – Health and wellbeing are at the heart of what we do.**

# Sustainability at Galenica Overview

## Sustainability guidelines



### Enterprise value

Long-term increase in the value of the company through sustainable practices

### Employees

Commitment of employees to act responsibly and to ensure a safe, flexible and supportive working environment

### Resource efficiency

The respectful and efficient use of resources and reduction of negative environmental impacts

## Reporting

- First Report in accordance with GRI Standards in 2021:  
[www.galenica.com...](http://www.galenica.com...)
- CDP Report: [www.cdp.net...](http://www.cdp.net...)
- Annual Report 2021:  
[www.galenica.com...](http://www.galenica.com...)

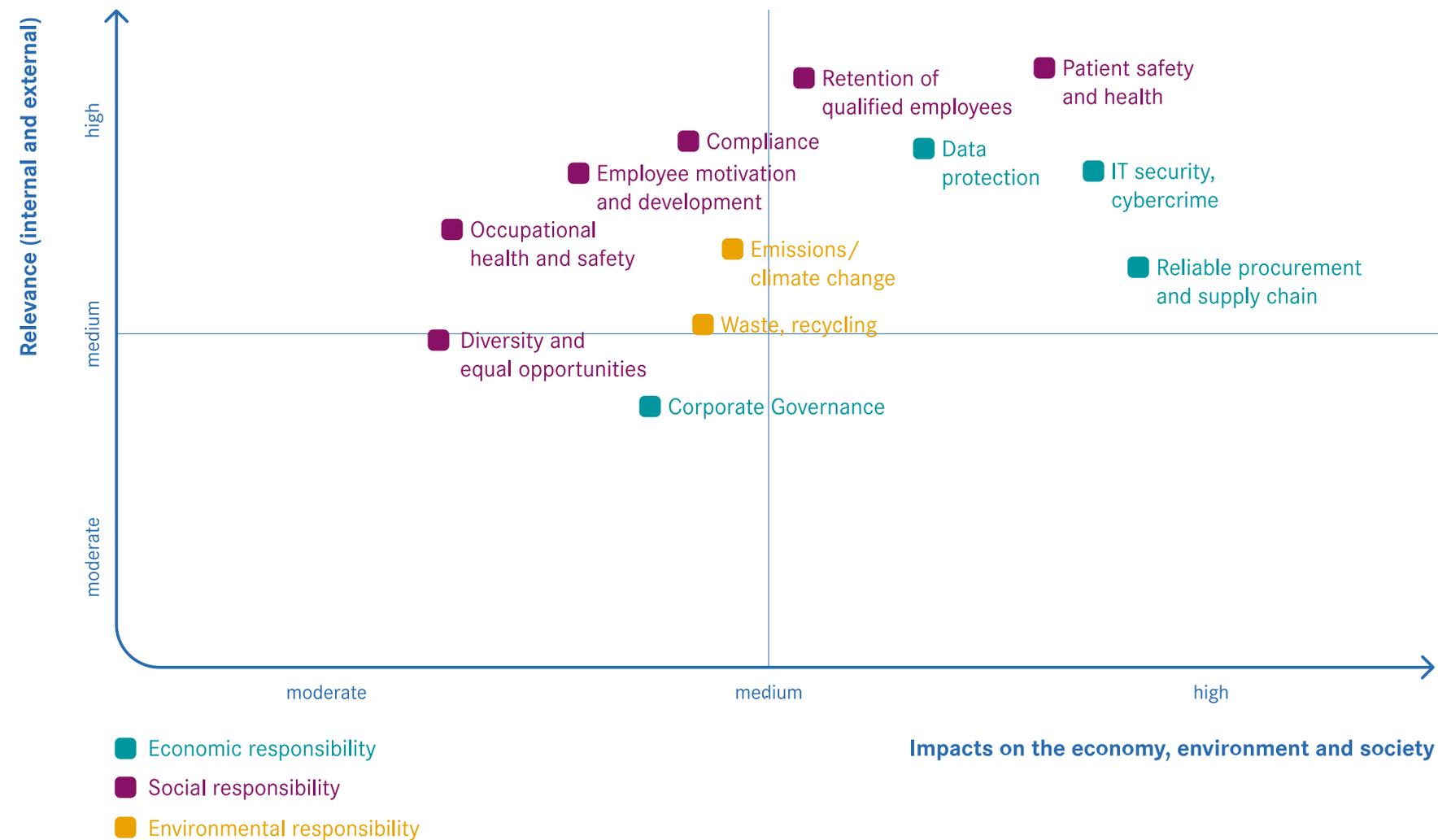
## Sustainable Development Goals (SDGs)

The Galenica Group is committed to the SDGs and makes an important contribution to the following objectives in particular:



# Sustainability at Galenica Matrix of the main topics

## Relevance and impact



# Sustainability at Galenica

## Our focus areas for sustainable business practice

### Corporate governance

- Ethical and legal business activities
- Protect patient data and IT systems

### Employees

- Promote employee motivation and development
- Ensure occupational health and safety
- Retain qualified employees
- Promote diversity and equal opportunity

### Patients

- Increase patient safety and health
- Ensure the availability of medicinal products

### Environment

- Reduce and safely dispose of waste
- Minimise greenhouse gas emissions



# Sustainability at Galenica

## Our sustainability goals

### Corporate governance

#### Ethical and legal business activities

We train all employees in compliance at least once a year.

#### Protect patient data and IT systems

- We make our employees aware of IT security and cybercrime.
- Twice a year, we carry out measures to raise employee awareness in the area of data protection.



### Performance 2021

IT security trainings in 2021 for Galenica employees

2

Participation rate of eLearnings in the area of IT security and cyber crime

88%

Corruption cases in 2021

0

Material fines or sanctions in 2021

0

# Sustainability at Galenica

## Our sustainability goals

### Patients

#### Increase patient safety and health

- We will expand the use of the e-Mediplan in Galenica pharmacies by 10% a year until 2023.
- We will make patient information on all Algifor products available online in five other languages that are relevant for Switzerland by 2022.

#### Ensure the availability of medicinal products

We will review the compliance of our top ten suppliers with the Supplier Code of Conduct every three years from 2025.



### Performance 2021

Average availability of medicine <sup>1)</sup>

99.6%

Compliance with deadline for forwarding reports of side effects to the authorities or contractual partners (Verfora)

100%

Amount of Primary Care offers in Galenica pharmacies

28

Monthly Clinical Decision Support (CDS) checks based on e-mediplan performed by HCI Solutions in Dec 2021

9 million

<sup>1</sup> Galenica's logistics companies manage to make and keep more than 99% of medicines available throughout Switzerland within 24 hours.

# Sustainability at Galenica

## Our sustainability goals

### Environment

#### Reduce and safely dispose of waste

We will reduce our municipal waste by 50% by 2025.

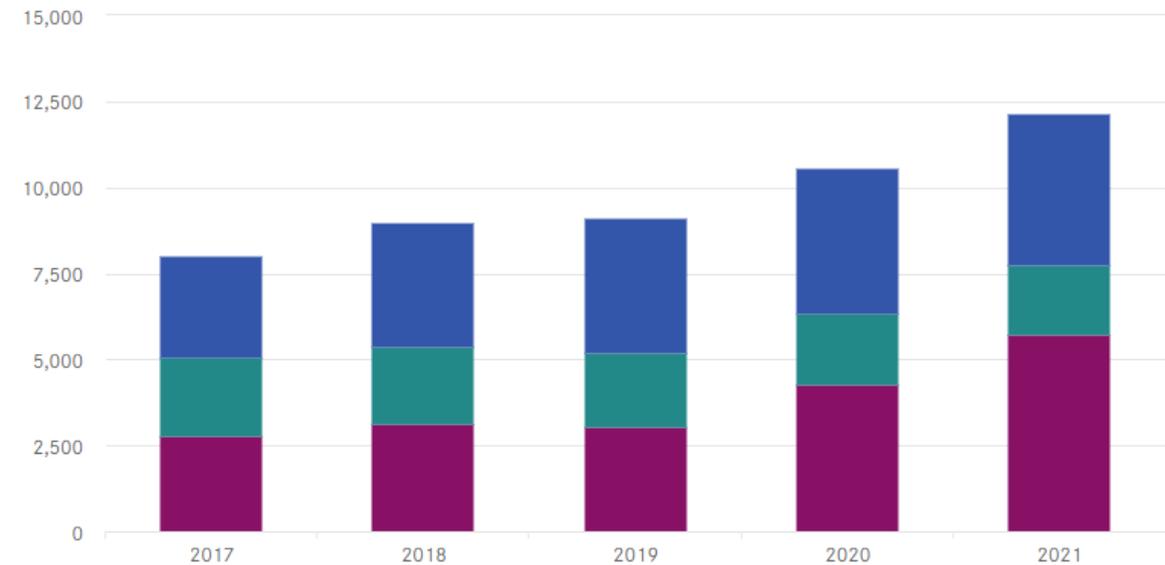
#### Minimise greenhouse gas emissions

- From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations.
- We will reduce the greenhouse gas emissions produced by all our operations, processes and supply chains by 25% by 2025 and by 50% by 2030.
- We will replace 40% of the fossil fuels in our vehicle fleet with renewable alternatives by 2028.



### Performance 2021

CO<sub>2</sub> emissions based on scopes 2017–2021  
tCO<sub>2</sub>e



- Other indirect (Scope 3) GHG emissions: downstream transport and distribution
- Indirect (Scope 2) GHG emissions: purchased electricity
- Direct (Scope 1) GHG emissions: fuels and combustibles

Share of energy from renewable sources in 2021

44%

CO<sub>2</sub> emissions compared to PY like-for-like<sup>1)</sup>

-1%

Share of recycled waste

41%

# Sustainability at Galenica

## Our sustainability goals

### Employees

#### Promote employee motivation and development

We will increase the motivation rate of our employee survey to 75 out of 100 points and the participation rate to 75% by 2024.

#### Ensure occupational health and safety

- We will reduce the absence rate for occupational and non-occupational accidents by 10% by 2024.
- We will reduce the absence rate due to mental illnesses by 5% by 2024.

#### Retain qualified employees

We will reduce the time to hire for IT and pharmacy positions by 10% by 2024.\*

#### Promote diversity and equal opportunity

- We will improve diversity, in particular gender equality, in all Service Units by 2024.
- We will maintain the proportion of women in management at 50%.

\* Already 15% below the benchmark (90 days)

### Performance 2021

#### Employee motivation rate

71/100 points

#### Change in work-related accidents vs. 2020

-10%

#### Time-to-hire of IT-specialists and pharmacists compared to benchmark (90 days)

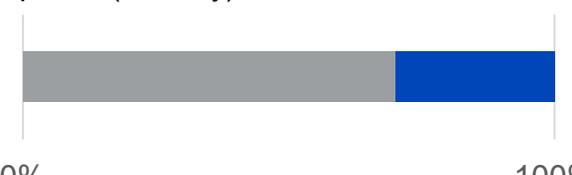
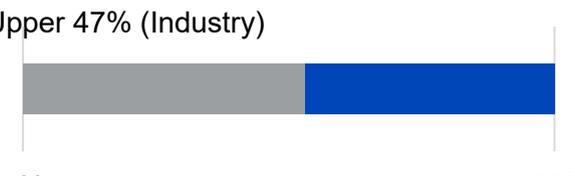
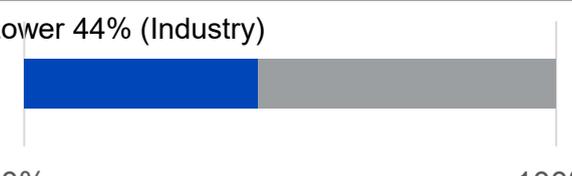
-15%

#### Percentage of women in management

52%



# ESG Ratings

| Rating-Agentur  | Rating 2021 / 2022  | Percentile | Comment    |                |           |          |   |   |  |   |   |   |    |       |        |        |        |                |   |  |
|---|---|------------|------------|----------------|-----------|----------|---|---|--|---|---|---|----|-------|--------|--------|--------|----------------|---|--|
|  <p><b>SUSTAINALYTICS</b><br/>a Morningstar company<br/>(September 2021)</p> | <p>ESG Risk</p> <table border="1"> <tr> <td>NEGL</td> <td><b>LOW</b></td> <td>MED</td> <td>HIGH</td> <td>SEVERE</td> </tr> </table>   | NEGL       | <b>LOW</b> | MED            | HIGH      | SEVERE   | <p>Top 2% (Global Universe)</p>  | <ul style="list-style-type: none"> <li>– Ranking number 5 among 605 Healthcare companies</li> <li>– Very good scores in Business ethics, Data privacy and security, and Carbon emissions in own operations</li> </ul> |  |   |   |   |    |       |        |        |        |                |   |  |
| NEGL  | <b>LOW</b>  | MED        | HIGH       | SEVERE         |           |          |   |   |  |   |   |   |    |       |        |        |        |                |   |  |
|  <p><b>ISS ESG</b><br/>(April 2022)</p>                                      | <p>Absolute Rating</p> <table border="1"> <tr> <td>D-</td> <td>D</td> <td>D+</td> <td><b>C-</b></td> <td>C</td> <td>C+</td> </tr> <tr> <td>B-</td> <td>B</td> <td>B+</td> <td>A-</td> <td>A</td> <td>A+</td> </tr> </table> <p>Transparency Level</p> <table border="1"> <tr> <td>0-20%</td> <td>20-40%</td> <td>40-60%</td> <td>60-80%</td> <td><b>80-100%</b></td> </tr> </table> | D-         | D          | D+             | <b>C-</b> | C        | C+  | B-  | B  | B+  | A-  | A | A+ | 0-20% | 20-40% | 40-60% | 60-80% | <b>80-100%</b> | <p>Top 30% (Industry)</p>  | <ul style="list-style-type: none"> <li>– Improved score since last rating (from 30.8 to 35.5) due to higher transparency in Annual Report, but overall Rating unchanged at C-</li> <li>– Above average in Product safety</li> <li>– Room for improvement in Supply chain management</li> </ul> |
| D-  | D   | D+         | <b>C-</b>  | C              | C+        |          |   |   |  |   |   |   |    |       |        |        |        |                |   |  |
| B-  | B   | B+         | A-         | A              | A+        |          |   |   |  |   |   |   |    |       |        |        |        |                |   |  |
| 0-20%   | 20-40%  | 40-60%     | 60-80%     | <b>80-100%</b> |           |          |   |   |  |   |   |   |    |       |        |        |        |                |   |  |
|  <p><b>MSCI</b><br/>ESG RATINGS<br/>(June 2021)</p>                        | <table border="1"> <tr> <td>CCC</td> <td>B</td> <td>BB</td> <td>BBB</td> <td><b>A</b></td> <td>AA</td> <td>AAA</td> </tr> </table>  | CCC        | B          | BB             | BBB       | <b>A</b> | AA  | AAA   | <p>Upper 47% (Industry)</p>  | <ul style="list-style-type: none"> <li>– Very strong absolute scoring in the environmental pillar</li> <li>– Very strong relative scoring in the governance pillar as compared to the industry average</li> <li>– Room for improvement in product safety &amp; quality</li> </ul> |   |   |    |       |        |        |        |                |   |  |
| CCC   | B   | BB         | BBB        | <b>A</b>       | AA        | AAA      |   |   |  |   |   |   |    |       |        |        |        |                |   |  |
|  <p><b>CDP</b><br/>(September 2021)</p>                                    | <table border="1"> <tr> <td>A</td> <td>A-</td> <td>B</td> <td>B-</td> <td><b>C</b></td> <td>C-</td> <td>D</td> <td>D-</td> </tr> </table>   | A          | A-         | B              | B-        | <b>C</b> | C-  | D   | D-   | <p>Lower 44% (Industry)</p>    | <ul style="list-style-type: none"> <li>– Average performance industry: C</li> <li>– Average performance Europe/Global: B/B-</li> <li>– Room for improvement: Scope 3 emissions</li> </ul> |   |    |       |        |        |        |                |   |  |
| A   | A-  | B          | B-         | <b>C</b>       | C-        | D        | D-  |   |  |   |   |   |    |       |        |        |        |                |   |  |

# Outlook



**Galénica – Health and wellbeing are at the heart of what we do.**

# Outlook

## Products & Care

Continuous optimisation and expansion of the pharmacy network (offline and online)

- Qualitative improvement of online shops
- Investment in physical shopping experiences

“Primary Care” module from Documedis®

- Additional algorithms for treating common ailments
- Target: Inclusion in insurance models of health insurance companies

Expansion of the new Sun Store store concept to additional pharmacies and introduction of a new Sun Store customer loyalty programme in 2022

Intensify collaboration between Bichsel, Mediservice, Medifilm and Lifestage Solutions AG to further improve offerings for homecare organisations and nursing homes

Winconcept will launch a new partnership model for independent pharmacies and drugstores in 2022 and is celebrating its 20th anniversary

Priorities 2022

# Outlook

## Logistics & IT

“E-prescription” pilot project by HCI Solutions and AD Swiss Net to be tested further with further partnerships and brought to market maturity

Alloga:

Launch of the new ERP system to be completed

Galexis:

- Roll-out of the new ERP system to be driven forward step by step in order to minimise risk
- Opening of the modernised Lausanne-Ecublens distribution centre in the second half of 2022

Implementation of measures to achieve the sustainability goals is a top priority

- Further pilot projects with alternative drive systems for delivery vehicles
- Set-up of charging infrastructure for electric company vehicles at relevant locations

Priorities 2022

# Guidance 2022

## Updated guidance 2022:

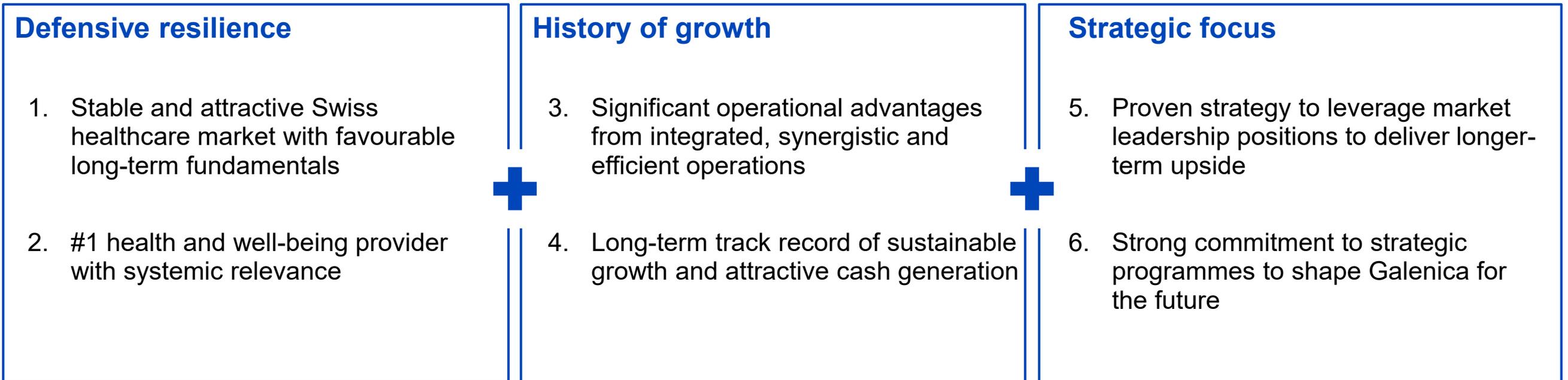
- Galenica Group **net sales +2% to +4%** (previously: at least on prior year level)
- **EBIT adjusted<sup>1)</sup> +8% to +12%** (previously: +5% to + 10%)  
excluding the extraordinary results from the COVID-19 initiatives (CHF 25 million) and the property sale (CHF 9.4 million)
- **Dividend 2022** at least same level as 2021 (unchanged)

## Mid-term guidance

- Thanks to
  - consistent implementation of the strategic programmes and
  - further expansion and optimisation of the pharmacy network and the Verfora product portfolio,
- Galenica plans to **grow faster than the market** (expected market growth in the next few years +1% to +2%) and
- Galenica expects to increase its **return on sales (ROS)** in the medium term, i.e. in two to four years (2024 – 2026),
  - to **over 8%** in the **Products & Care** segment
  - and to **up to 2%** in the **Logistics & IT** segment.
- Galenica continues to pursue a policy of **at least stable dividends** that grow in line with results and continues to aim for **net debt** in the order of **+/- 2 X EBITDA** (adjusted for leasing in accordance with IFRS 16) in the medium term.

# Reasons to invest in Galenica

## Unique combination of defensive resilience and significant growth ...



Highly experienced management team with proven track record

... provides investors with potential for upside and attractive cash generation

# Galenica Group - Contact information

## Investor Relations



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Head of Investor Relations and Corporate Finance

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Mail: [investors@galenica.com](mailto:investors@galenica.com)

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## Disclaimer Galenica

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