

Management report

Financial key figures

Net sales
in million CHF



■ Products & Care ¹⁾: 986.8
■ Logistics & IT ¹⁾: 1,434.6

EBIT adjusted²⁾
in million CHF



■ Products & Care ^{1) 2)}: 75.8
■ Logistics & IT ^{1) 2)}: 25.4

Number of employees
at 30 June 2022



■ Products & Care: 5,386
■ Logistics & IT: 1,681
■ Group Services: 247

in million CHF	1.1.–30.6.2022	1.1.–30.6.2021	Change
Net sales	1,959.9	1,857.1	5.5%
Products & Care ¹⁾	986.8	918.9	7.4%
Logistics & IT ¹⁾	1,434.6	1,377.9	4.1%
EBIT	103.3	99.0	4.4%
EBIT adjusted ²⁾	100.0	101.4	-1.4%
in % of net sales	5.1%	5.5%	
Products & Care ^{1) 2)}	75.8	76.2	-0.5%
in % of net sales	7.7%	8.3%	
Logistics & IT ^{1) 2)}	25.4	26.3	-3.7%
in % of net sales	1.8%	1.9%	
Net profit	83.1	79.6	4.5%
Net profit adjusted ²⁾	81.3	82.5	-1.5%
Investment in property, plant and equipment and intangible assets	30.8	24.7	24.7%
Employees at reporting date (FTE)	5,517	5,388	2.4%

in million CHF	30.6.2022	30.6.2021	Change
Equity ratio	47.4%	44.3%	
Equity ratio adjusted ²⁾	53.1%	49.2%	
Capital contribution reserves	254.8	307.0	-17.0%
Net debt adjusted ²⁾	402.3	395.2	1.8%

Share information

in CHF	30.6.2022	31.12.2021
Share price at reporting date	73.30	68.55
Market capitalisation at reporting date in million CHF	3,645.6	3,402.7
Shareholders' equity per share at reporting date	23.33	24.76
Earnings per share 1.1.–30.6.	1.67	1.60
Earnings per share adjusted 1.1.–30.6. ²⁾	1.63	1.66

¹⁾ Reported for each segment not taking into account Group Services and Eliminations

²⁾ For details to the adjusted key figures refer to chapter Alternative performance measures in this Half year report 2022

Galenica Group

Management report

In the first half of 2022, the Galenica Group generated consolidated net sales of CHF 1,959.9 million, representing strong growth of 5.5% compared to the first half of 2021. Adjusted for the additional sales in connection with COVID-19¹, which were exceptionally high in the prior-year period, growth even amounted to 8.7%.

Net sales

+5.5%

Galenica Group CHF 1,959.9 million

EBIT adjusted²

-1.4%

Galenica Group CHF 100.0 million

Employees

7,314

Galenica Group

Galenica grows strongly in the first half 2022

The lifting of the coronavirus measures had a positive impact on the business performance of the Group as a whole in the first half of 2022. A normal seasonal flu epidemic and numerous illnesses caused by the coronavirus Omicron variant led to strong sales growth in OTC cold medication. In comparison, there were practically no colds or flu infections in the prior-year period due to the coronavirus-related social distancing and hygiene measures.

Pharmacy sales at high-frequency locations continued to recover and in June 2022 were only 12% lower than in the same period in 2019 pre-coronavirus.

In addition, the extremely positive growth momentum of the previous year was continued in the first half of 2022 by the specialty pharmacy Mediservice (+16.2%) and in the «Wholesale» sector (+3.8%). Acquisitions of pharmacies, new products and service companies contributed 1.1% to growth.

By way of comparison, the Swiss pharmaceutical market grew by 7.1% in the reporting period. Due to the flu and colds, the OTC market in particular showed strong growth at 14.1%. Thanks to the strong demand for OTC medicines, the volumes sold in the overall market increased disproportionately by 12.1% (IQVIA, Pharmaceutical Market Switzerland, first half of 2022).

The adjusted² operating result (EBIT), i.e. excluding the effects of the IFRS 16 (Leases) and IAS 19 (Employee Benefits) accounting standards, fell by 1.4% to CHF 100.0 million. The adjusted² return on sales (ROS) fell year-on-year from 5.5% to 5.1%. Reported EBIT improved by 4.4% to CHF 103.3 million.

The lower EBIT margin compared to the first half of 2021 is due in particular to the significantly lower margin contribution from extraordinary additional sales in connection with COVID-19¹. Other factors also led to a dilution of the EBIT margin: on the one hand, strong sales gains were achieved in relatively low-margin business activities, whilst on the other hand, additional costs were incurred due to various initiatives to further digitalise the business, the acute shortage of skilled workers in pharmacies, and generally higher costs for transport, energy and operating materials.

Adjusted for the EBIT contributions from the extraordinary additional sales in connection with COVID-19¹, strong growth of adjusted² EBIT of 19.8% was achieved year-on-year.

Net profit amounted to CHF 83.1 million (+4.5%, first half of 2021: CHF 79.6 million). On a comparable basis, adjusted² net profit amounted to CHF 81.3 million (-1.5%).

Investments in the first half of 2022 amounted to CHF 30.8 million (first half of 2021: CHF 24.7 million). These were mainly attributable to the modernisation of the distribution centre in Lausanne-Ecublens and the introduction of the new ERP (Enterprise Resource Planning) system at Alloga and Galexis. In addition, there was increased investment in the development of the digital infrastructure in connection with the strategic «Omni-Channel» programme.

The Galenica Group's balance sheet remained strong. At CHF 1,181.0 million (-2.1%), adjusted² shareholders' equity remained practically unchanged compared to the beginning of the year, even despite the fact that a dividend of CHF 104.4 million was distributed to shareholders in May 2022. Adjusted² net debt, i.e. excluding lease liabilities, increased by CHF 7.1 million compared to the end of June 2021 and amounted to CHF 402.3 million, which corresponds unchanged to 1.6× adjusted² EBITDA.

Due to high investments in net working capital, operating cash flow decreased significantly to CHF +13.0 million (first half of 2021: CHF +113.8 million). The high cash outflow from changes in net working capital is a correction to the exceptionally low level of net working capital as of 31 December 2021. Free cash flow after acquisition activities amounted to CHF -34.7 million (first half of 2021: CHF +55.9 million).

Outlook 2022

Due to strong growth in the first half of 2022, Galenica is adjusting its forecast for sales and EBIT for the 2022 financial year. Galenica now expects sales growth of between 2% and 4% (previously at least at the same level as the previous year). Based on adjusted² EBIT 2021 – excluding the extraordinary results from the COVID-19 initiatives (estimated at CHF 25 million) and the sale of the property at its headquarters in Bern (CHF 9.4 million) – Galenica now expects an EBIT increase of 8% to 12% (previously 5% to 10%).

¹⁾ Sales of COVID-19 initiatives with PCR, antigen, rapid and self-testing as well as vaccinations, EBIT contributions estimated.

²⁾ Excluding the effects of IAS 19 and IFRS 16. See chapter «Alternative performance measures».

«Products & Care» segment

Management report

The «Products & Care» segment comprises the «Retail» business area with offerings for patients and end customers (B2C) and the «Professionals» business area with offerings for business customers and healthcare partners (B2B).

The «Retail» business area comprises the two sectors «Local Pharmacies» (POS) and «Pharmacies at Home» (mail-order and home care), while the «Professionals» business area comprises the «Products & Brands» and «Services for Professionals» sectors.

These activities focus on developing and marketing healthcare services and products via different sales channels: On the one hand, directly to end customers (B2C) through a strong presence with its own bricks-and-mortar pharmacies or at home with home-care services, mail-order pharmacies and e-shops. On the other hand, as an effective partner of service providers (B2B) in the healthcare sector, such as pharmacies, drug stores, doctors, care homes, home-care organisations and hospitals.



Key figures «Products & Care» segment

Net sales and operating result

The «Products & Care» segment generated net sales of CHF 986.8 million (+7.4%) in the first half of 2022. Of this, CHF 880.4 million (+5.5%, excluding Coop Vitality) was attributable to the «Retail» (B2C) business area and CHF 109.3 million (+23.5%) to the «Professionals» (B2B) business area.

The adjusted¹ operating result (EBIT), i.e. excluding the impact of the IFRS 16 (Leases) accounting standard, amounted to CHF 75.8 million in the first half of 2022, compared with CHF 76.2 million in the same period last year, which corresponds to a reduction of 0.5%. The adjusted¹ return on sales (ROS) fell from 8.3% to 7.7%. Reported EBIT remained practically unchanged from the previous year at CHF 77.6 million (previous year CHF 77.7 million). Adjusted for the EBIT contributions from extraordinary additional sales in connection with COVID-19², the «Products & Care» segment achieved strong adjusted¹ EBIT growth of 20.9% year-on-year.

EBIT increased in the reporting period due to higher sales in pharmacies at high-frequency locations as well as the more intense flu epidemic and numerous illnesses caused by the coronavirus Omicron variant compared to the previous year. The expansion also contributed to EBIT growth. These positive effects almost fully compensated for the sharp decline in extraordinary additional sales generated through offers to combat the COVID-19² pandemic.

¹ Excluding the effects of IFRS 16. See chapter «Alternative performance measures».

² Sales of COVID-19 initiatives with PCR, antigen, rapid and self-testing as well as vaccinations, EBIT contributions estimated.



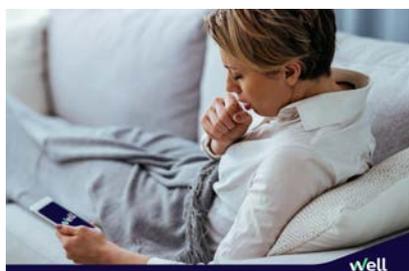
«Retail» business area (B2C)

Net sales development

In the first half of 2022, the «Retail» business area generated net sales of CHF 880.4 million (+5.5%, excluding Coop Vitality). Of this, CHF 627.9 million (+1.8%) was attributable to «Local Pharmacies» (POS) and CHF 252.6 million (+16.1%) to «Pharmacies at Home» (mail-order and home care). Adjusted for extraordinary additional sales from COVID-19 initiatives¹, sales growth amounted to 10.3%.

Government-mandated price reductions caused sales to decline by -2.0% during the reporting period. Excluding this effect, net sales in the «Retail» business area would have risen by 7.5%.

By way of comparison, sales of medications from bricks-and-mortar and mail-order pharmacies in Switzerland (prescription [Rx] and OTC products) grew by 8.5% in the reporting year (IQVIA, Pharmaceutical Market Switzerland, 2022).



Progress in integrated and networked healthcare

By investing in the Well digital healthcare platform, Galenica is further advancing integrated and networked healthcare in Switzerland and linking Well's digital services with its own digital and in-person offerings. The Well app makes it even easier for customers to access existing Galenica services. In a first step, booking of vaccination appointments was integrated or other pharmacy healthcare services like heart or allergy checks. Well also supports healthcare professionals, as it gives them the option to connect the functionalities and data to their existing systems and thus allocate appointments via Well and to use health data that patients make available to them via the app.

↑ [New digital offer in partnership with Well.](#)

«Local Pharmacies» sector

In the first half of 2022, the «Local Pharmacies» sector generated net sales of CHF 627.9 million (+1.8%, excluding Coop Vitality). Adjusted for extraordinary additional sales from COVID-19 initiatives¹, sales growth amounted to 7.5%.

The main drivers of revenue growth in the «Local Pharmacies» sector were higher sales from pharmacies in high-frequency locations and higher sales of OTC cold medicines.

The expansion of the pharmacy network accounted for 1.0% of the sales growth.

Government-mandated price reductions caused sales to decline by -1.2% during the reporting period. Excluding this effect, net sales in the «Local Pharmacies» sector would have risen by 3.0%.

By way of comparison, sales of medications from bricks-and-mortar pharmacies in Switzerland (prescription [Rx] and OTC products) grew by 8.5% in the reporting year (IQVIA, Pharmaceutical Market Switzerland, 2022). The consumer healthcare market grew by 6.4% year-on-year (IQVIA, Consumer Health Market Switzerland, first half of 2022, excluding COVID-19 self-tests).

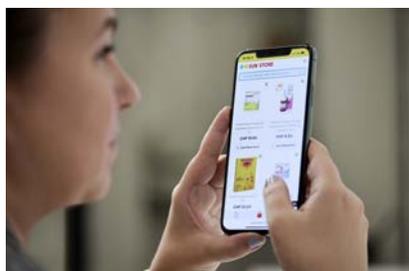
¹⁾ Sales of COVID-19 initiatives with PCR, antigen, rapid and self-testing as well as vaccinations.

Sustainable generic substitution rate

As of 30 June 2022, Galenica was able to increase its generic substitution rate to around 75%, an increase of 1.5 percentage points compared to the end of 2021. As a result, Galenica's contribution to reducing price increases in the Swiss healthcare system will continue to make an impact in the long term.

The pharmacy as an expert health partner

In the period under review, pharmacies were able to further strengthen their role as expert health partners and the first point of contact for health issues. They did this by training additional pharmacy staff in the range of services and advice on offer and strengthening the expertise available in the pharmacies. The current 31 algorithms to support the diagnosis of common complaints are constantly being expanded on an ongoing basis. In addition, there are plans to integrate telemedicine services into the service portfolio and offer laboratory analyses to optimise pharmacy advice. In the first half of 2022, around 43,000 customers made use of the range of services and advice available to assist with resolving health complaints. Compared to the first half of 2021, utilisation of this range of services and advice increased by an impressive 58% (previous year: 27,000 customers). SWICA, one of Switzerland's largest health insurers, has been paying for the services provided by pharmacies under its «Favorit Medpharm» insurance model since the beginning of June 2022, thus supplementing the remuneration benefits provided by CSS, which has been paying pro rata for the services provided by pharmacies under its «myFlex» supplementary outpatient insurance policy since the beginning of 2022.



«Omni-Channel» strategy shows success

In the first half of 2022, increased investments were made to improve the visibility of the Amavita, Sun Store and Coop Vitality online shops in digital channels, such as search engines, and customer purchasing behaviour was examined. The visibility of pharmacy online shops grew by 16.5% in the period under review. Compared to the first half of 2021, 20% more customers visited a bricks-and-mortar pharmacy following a web shop visit. The consistent linking of online and offline channels is therefore showing significant success and reinforcing Galenica's «omni-channel» approach.

↑ [Online pharmacy from Sun Store.](#)

Further optimisation of the pharmacy network

In the first half of 2022, Galenica further optimised and expanded its pharmacy network. With a net plus of four pharmacies, it comprised 372 own-held pharmacies as of 30 June 2022.

Overview of development of the pharmacy network

	30.06.2022	31.12.2021	Change
Amavita pharmacies ¹⁾	182	181	+1
Sun Store pharmacies ¹⁾	94	92	+2
Coop Vitality pharmacies ²⁾	89	88	+1
Specialty pharmacy Mediservice ¹⁾	1	1	-
Majority holdings in other pharmacies ¹⁾	6	6	-
Total own points of sale	372	368	+4

¹⁾ Fully consolidated

²⁾ Consolidated at equity

«Pharmacies at Home» sector

With sales of CHF 252.6 million (+16.1%), the «Pharmacies at Home» sector once again achieved exceptionally strong growth. The strong performance was driven particularly by the specialty pharmacy Mediservice with new medications to treat rare diseases in combination with home care services (+16.2%). Bichsel's home care sales in the area of clinical nutrition also developed positively (+5.0%). On the other hand, sales generated by the Amavita and Sun Store online shops declined compared to the exceptionally strong prior-year period during the lockdown (-12.5%). In addition, a one-off shift in segment reporting had a positive impact on growth. Without this special effect, the growth of «Pharmacies at Home» would have been 11.3%.

Government-mandated price reductions caused sales to decline by -4.3% during the reporting period. Excluding this effect, net sales in the «Pharmacies at Home» sector would have risen by 20.4%.

By way of comparison, sales of medications from mail-order pharmacies in Switzerland (prescription [Rx] and OTC products) grew by 8.2% in the reporting year (IQVIA, Pharmaceutical Market Switzerland, 2022).

Article 71a-d HIO

In exceptional cases, Article 71a-d HIO provides for the reimbursement of medicinal products or their indications that are not included in the federal specialities list (SL). This regulation is relevant, for example, in cases of rare, very severe or chronic disease and high therapeutic benefit.

SmartMIP is already in use at 23 health insurance providers and 19 pharmaceutical companies.

More efficient digital collaboration

In the first half of 2022, a further step was taken towards fostering more efficient digital collaboration with health insurers. In early July 2022, Galenica acquired 100% of Aquantic Ltd. The IT and consulting company offers software solutions that act as an interface between pharmaceutical companies and health insurers when it comes to the reimbursement of medicinal products. Aquantic's SmartMIP software solution makes it possible for medicinal products, within the meaning of Article 71 a-d of the Health Insurance Ordinance (HIO), to be reimbursed quickly, in a standardised manner and in compliance with the law. Aquantic's solution and extensive experience will enable Mediservice to expand its Article 71 expertise and optimise its services. Patients of Mediservice and partner companies benefit from the digitalisation of processes in connection with Article 71 and the associated quality and efficiency.

In recent months, Mediservice has also developed new digital services for patient care at home. Mediservice operates via an app to support patients with their therapy, thereby improving the adherence, success, satisfaction and quality of life of patients.

**«Professionals» business area (B2B)****Net sales development**

In the first half of 2022, the «Professionals» business area generated net sales of CHF 109.3 million (+23.5%). Of this, CHF 75.1 million (+26.0%) was attributable to «Products & Brands» and CHF 34.2 million (+18.3%) to «Services for Professionals».

«Products & Brands» sector

The «Products & Brands» sector generated sales of CHF 75.1 million (+26.0%) in the first half of 2022. Of this, CHF 62.4 million (+34.4%) came from the Swiss market and CHF 12.7 million (-3.4%) from exports involving distribution partners. Sales in the «Products & Brands» sector were driven by the more intense flu season compared to the same period in the previous year, numerous illnesses caused by the coronavirus Omicron variant and increased sales of travel-related products. In addition, the expansion of the product portfolio in 2021 with the acquisition of the therapeutic product range from Dr. Wild and the acquisition of Spagyros made a positive 13.0% contribution to sales growth.

By way of comparison, the consumer healthcare market grew by 6.4% year-on-year (IQVIA, Consumer Health Market Switzerland, first half of 2022, excluding COVID-19 self-tests).



↑ [Verfora expands product range with Boiron products.](#)

Verfora expands its range of homeopathic products

At the end of June 2022, Verfora announced that it would be taking over the range of products produced by the manufacturer Boiron in Switzerland as of 1 October 2022. The company's product portfolio particularly comprises homeopathic medications with indications as well as individual homeopathic remedies. Its best-known brand in Switzerland is Oscillocochinum®. The Boiron range of products excellently complements the existing complementary medicine portfolio of Verfora and Spagyros and significantly strengthens the company's offering in the field of homeopathy.

«Services for Professionals» sector

The «Services for Professionals» sector generated sales of CHF 34.2 million (+18.3%) in the first half of 2022. Growth was primarily due to the acquisition of Lifestage Solutions Ltd. in July 2021. Both Medifilm and Winconcept continued to perform strongly, each growing by around 10.0%. By contrast, temporary production challenges at the laboratories of the Bichsel Group led to backlogs and corresponding year-on-year sales losses.



↑ [Galenica broadens its offering for retirement and nursing homes.](#)

Broader range of services for retirement and nursing homes

In the first half of 2022, Galenica and Medicall founded the joint venture Emeda, which aimed to provide medical and pharmaceutical care to retirement and nursing homes in Switzerland. The Emeda team consists of mobile doctors who specialise in outpatient geriatric medical care for residents of nursing homes. Galenica's investment in this joint venture will expand and enhance the offering with the inclusion of pharmaceutical care for patients in homes. In the future, Emeda will be able to draw on the entire range of Galenica services, such as the provision of medicines, including blister packaging and pharmaceutical advice, for retirement and nursing homes.

Lifestage Solutions expands into French-speaking Switzerland

In the first half of 2022, Lifestage Solutions was able to expand its services and has now been able to acquire three nursing homes in French-speaking Switzerland as customers. In addition to Lifestage Solutions's weighing system, which optimally manages stock-based care products, the nursing homes also use Lifestage Solutions's wide range of digital services, making the process for ordering medical consumables, care products and services fully automated.



↑ [Winconcept developed a new partner model.](#)

Winconcept successful with new partner model

In 2021, Winconcept developed and introduced a new three-stage partner model. Winconcept's existing customers were migrated to this model in the first half of 2022. In the three-stage partner model, pharmacies can use the services offered by Winconcept as part of its small, medium and large packages. Thanks to the new partner model, Winconcept was able to acquire eleven new independent pharmacies as customers in the first six months of 2022. As of 30 June 2022, Winconcept serviced a total of 161 partner pharmacies in Switzerland.

Winconcept also took part in the «Pic & Collect» pilot project in the first half of the year. The project involves pharmacy customers taking a photo of their desired product with their mobile phone and sending it to the pharmacy via WhatsApp. After the confirmation by the pharmacy, the customer can pick up the ordered product in person.

Strategic partnership with Medinform

In order to ensure that the training and development of employees in pharmacies and the health advice they provide remains at a high level and continues to advance, Galenica expanded its existing partnership and acquired a stake of 50% in Medinform Ltd. as of 5 July 2022. Medinform is the leading provider of training and specialisations for pharmacies and has an extensive partner network of health insurers and doctors. Medinform currently offers 50 different FPH courses for pharmacists, pharmacy assistants and druggists. Galenica's investment in the company means that it will be able to benefit from valuable synergies for the professional training of its employees.

«Logistics & IT» segment

Management report

The «Logistics & IT» segment comprises two sectors: «Wholesale» and «Logistics & IT Services». They operate and develop the logistics and IT platforms for the Galenica Group and offer services to all the parties involved in healthcare – pharmacies, drug stores, doctors, hospitals and care homes.

These activities focus on optimising and further developing the range of logistics solutions and services as well as producing innovative solutions to promote digitalisation in the healthcare market.



Key figures «Logistics & IT» segment

Net sales and operating result

The «Logistics & IT» segment generated net sales of CHF 1,434.6 million (+4.1%) in the first half of 2022. Of this, CHF 1,379.4 million (+3.8%) was attributable to the «Wholesale» sector and CHF 63.8 million (+26.2%) to the «Logistics & IT Services» sector. Adjusted for sales of COVID-19² self-tests, which were exceptionally high in the first half of 2021, growth in the segment amounted to 7.1%. «Logistics & IT» thus performed more or less in line with the overall market, which recorded growth of 7.1% (IQVIA, Pharmaceutical Market Switzerland, first half of 2022). Sales in «Wholesale» were also driven by the more intense flu season and numerous illnesses caused by the coronavirus Omicron variant as well as new customer acquisitions in the wholesale business with pharmacies and doctors.

The adjusted¹ operating result (EBIT), i.e. excluding the impact of the IFRS 16 (Leases) accounting standard, decreased by 3.7% year-on-year to CHF 25.4 million. The adjusted¹ return on sales (ROS) for the first half of 2022 amounted to 1.8% (first half of 2021: 1.9%). The reported EBIT amounted to CHF 25.4 million (previous year CHF 26.4 million). Adjusted for the EBIT contributions from additional sales in connection with COVID-19², which were exceptionally high in the first half of 2021, the «Logistics & IT» segment achieved strong adjusted¹ EBIT growth of 15.6%.

¹⁾ Excluding the effects of IFRS 16. See chapter «Alternative performance measures».

²⁾ Sales of COVID-19 self-tests, EBIT contributions estimated.



«Wholesale» sector

Net sales development

Sales in the «Wholesale» sector increased by +3.8% to CHF 1,379.4 million. Adjusted for additional sales of COVID-19 self-tests, which were exceptionally high in the first half of 2021, sales growth amounted to 6.9%. The strong sales growth is based on the one hand, on increased sales of OTC products as a result of the more intense flu season compared to the previous year and increased illnesses with flu-like symptoms caused by the coronavirus Omicron variant. On the other hand, further market share gains were realised with physicians and medical practices, so that sales in this segment increased by an impressive 8.4%. Services for oncologists and rheumatologists were the main contributors to this. In this customer group Galexis was able to position itself as a partner for specialist doctors.

The negative impact on sales development due to the government-mandated price reduction also continued and amounted to -2.0% in the reporting period. Excluding this effect, net sales in the sector would have risen by 5.8%.

By way of comparison, the physician market developed by 6.0% in the first half of 2022 and the pharmacy market by 8.5%. The hospital market also grew by 5.4%. (IQVIA, Pharmaceutical Market Switzerland, first half of 2022).



↑ Galaxis entered into a partnership with additional customers in the physicians segment.

Other customers in the physicians segment

In the first half of 2022, Galaxis entered into a partnership with additional customers in the physicians segment. As a specialist partner, Galenica actively supports its customers in setting up and maintaining group practices and medical centres of various sizes. It thus helps to secure the supply of medical care in Switzerland – particularly in regions where there is already a shortage of family doctors or where this is likely to be the case in the near future.

Galaxis undertakes expansion works

The renovation and modernisation of the company's distribution centre in Lausanne-Ecublens continued in the first half of 2022. The office wing was completed at the end of 2021 and staff have been moving into the offices and commencing operations over the past few months. The conveyor system and shelf storage were also assembled in June 2022. In the second half of 2022, construction work in the warehouse will be completed and the modernised distribution centre in Lausanne-Ecublens will resume full operation.

At the Niederbipp site expanding work also started on the storage capacities during the first half of 2022. Around 6,500 storage spaces will be created for around 25,000 additional cosmetics and care products by September 2022, with a further 18,000 storage spaces to follow by 2025.

Additional loading areas were also created in the incoming and outgoing goods departments. Measuring 60 metres long, the factory building was extended by 5 metres for this purpose. As a result of this expansion, Galaxis now has 58 loading stations for transportation vehicles at its Niederbipp location.



↑ [Investments in photovoltaic systems.](#)

Investments in sustainability

In addition to expanding the capacity and renovating the Lausanne-Ecublens and Niederbipp sites, Galenica is also investing in renewable energies. A photovoltaic system has been installed on the roof of the modernised distribution centre in Lausanne-Ecublens, which will supply up to 50 kWp of electricity over a surface of 300m² and thus contribute an important part of the building's energy requirements. A photovoltaic system will also be installed in Niederbipp. The system, which covers an area of approx. 16,000m², is expected to deliver an electricity output of up to 1.7 MWh for Galaxis and thus save over 300 tonnes of CO₂ per year.

UFD further develops the E-BOX

Unione Farmaceutica Distribuzione (UFD) has been offering the «Busta 2.0» version of its E-BOX since May 2022. This new solution makes it possible for products from the distribution centres in Lugano and Oensingen to be dispatched fully automatically in a narrow cardboard box instead of via parcel. Not only does this save on shipping costs, as shipping via envelopes also means that less packaging material is used, it is also more environmentally friendly. Since its launch, 21% of UFD's order volume has already been processed via the «Busta 2.0» E-BOX.



«Logistics & IT Services» sector

Net sales development

The «Logistics & IT Services» sector generated net sales of CHF 63.8 million (+26.2%) in the first half of 2022. The main driver of the strong growth was additional invoicing for internal Group IT services due to the new organisational structure introduced in 2021. HCI Solutions also contributed to sales growth with the expansion of digital services in the healthcare sector.



↑ [Heat pump at Alloga in Burgdorf.](#)

Alloga on track to meet its energy targets

Alloga has been using a new heat pump since early 2022. Modern heating technology helps to save around 120 tonnes of CO₂ emissions every year. The heat pump provides Alloga with an additional heating system, which reduces current gas consumption by around two-thirds. In addition, installing a heat pump supports Alloga's fundamental energy-saving goal to reduce CO₂ emissions by 80% and energy consumption by around 20% within ten years. The company has also added further insulation to the 25,000m² roof of the Burgdorf warehouse building. This new insulation means that further energy savings of 10-15% per year can be achieved. The new insulation also allows for the future expansion of the existing photovoltaic system which, with an output of 1,200 kWh in full sunshine, is one of the largest installations in the Burgdorf region.

ERP roll-out is in full swing

The introduction of ERP at Alloga made further progress in the first half of 2022. Over the past six months, work has been completed on the roll-out for a further six customers. A total of 22 partners are to be moved to the new ERP system by the end of 2022.



↑ [Digital healthcare: HCI Solutions prepares medication data according to requirements.](#)

HCI Solutions develops the digital vaccination check

In the first six months of 2022, HCI Solutions developed a digital vaccination check that streamlines the tightly scheduled day-to-day operations of pharmacies and medical practices. The new algorithm checks whether patients are fully vaccinated, when their next vaccination is due and whether this is associated with risks. According to the Medical Devices Ordinance, the CDS.CE solution from Documedis® is a Class I medical device. Because the data is not stored centrally, it is also protected against misuse. The Swiss vaccination plan published by the Federal Office of Public Health forms the basis for the vaccination check. The vaccination plan includes the vaccinations available in Switzerland, such as hepatitis A and B, rabies and influenza. In addition to the basic vaccinations for all members of the population, there are a range of recommended complementary vaccinations as well as those for high-risk groups.



↑ [E-prescriptions increase patient safety, relieve the burden on pharmacies and simplify collaboration between service providers.](#)

Additional e-prescription pilot projects launched

The technical functionality of e-prescriptions was thoroughly tested in the first half of 2022, with further pilot projects being launched in summer 2022 with doctors, patients and pharmacies to validate the suitability of e-prescriptions for everyday use. Based on the experience gained thus far, the digital solution is set to be finalised and integrated into as many types of software as possible, which will make it possible for e-prescriptions to be offered and used by many doctors, hospitals and pharmacies. In addition to process reliability, e-prescriptions offer real added value in terms of simplicity and greater safety for patients.