Agenda

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1. Building the leading Swiss healthcare platform over 90 years

- Foundation of Galenica as a wholesaler (1927)
- Expansion of distribution activities (Galexis) (1995)
- Partnership with Alliance UniChem (1999)
- Strategy to engage in the entire Swiss healthcare value chain (1995)

**AmaVita**
- Creation of Amavita uniform brand in Switzerland (2000)
- Acquisition of MediService (2005)
- Acquisition of Anti-Brumm® and Perskindol® (2007)
- Opening of highly automated distribution centre in Niederbipp (2008)
- Acquisition of Sun Store pharmacies (2009)

**Pharmacie & Sun Store**
- Acquisition of Merfen® and Vita-Merfen® (2013)

**Galenica Santé**
- IPO of Galenica Santé (2017)
- Acquisition of Bahnhof Apotheke (2018)

**Corporate**
- Corporate Services

**Retail**
- Retail Products & Brands

**Products & Brands**
- Care Products

March 2019 - © Galenica
History of resilient growth and margin improvement

**2008–18 CAGRs**
- Retail market sales: 1.9%
- Galenica net sales: 3.4%
- Galenica EBIT: 14.7%

**Notes:**
1. Not including Vifor Consumer Health
2. Retail market sales include direct and indirect pharmaceutical sales through pharmacies, self-dispensing doctors and drugstores (IQVIA Market Prognosis 2018-2022, Switzerland; published March 2018)
3. 2014-16 EBIT from combined financial statements, 2017 and 2018 EBIT, excludes IAS 19 expense
4. 2013 financials as per 2014 financial statements due to changed segment structure (Galenica Santé is reported as a separate segment since 2014). Financials not adjusted to include Products & Brands.
5. Calculated as (EBITDA-capex)/EBITDA. 2014-18 EBITDA excludes IAS 19 adjustment; capex includes investments in tangible and intangible assets

Source: Company information, Galenica Annual Reports, IQVIA (former IMS Health)
Notes: The financial information presented with respect to the financial years ended 31 December 2008 through 2013 has been derived from the audited consolidated financial statements of Galenica AG (now renamed Vifor Pharma AG) and represent its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business. The Company, a former wholly-owned subsidiary of Galenica AG (now renamed Vifor Pharma AG), prepared combined financial statements for the financial years ended 31 December 2014, 2015 and 2016. Accordingly, the financial information derived from the combined financial statements of the Company and from the consolidated financials of Galenica AG (now Vifor Pharma AG) for its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business, for prior periods may not be fully comparable.
7 April 2017: Outstanding IPO of Galenica Santé

- Largest IPO in Europe in H1 2017 and first sizeable 100% subsidiary IPO since years
- Multiple oversubscription with pricing at the top end of the price range at CHF 39.00
- Broadly diversified allocation
- Today already about 14,000 shareholders

- Strong and stable trading after IPO

---

1 Allocation of the shares at the IPO on 7 April 2017
Galenica is the leading healthcare provider in Switzerland

2018 net sales
CHF3’165m
2018 EBIT
CHF154m

Health & Beauty

Retail

Market position
#1

Leading provider of specialised pre-wholesale and wholesale distribution services

Services

Consumer Health market position
#1

Leading domestic network of own, joint venture and independent partner pharmacies

Products & Brands

2018 net sales
CHF2'372m
2018 EBIT
CHF44m

Leading provider of specialised pre-wholesale and wholesale distribution services

Consumer Health market position
#1

Broad range of own, exclusive and partner products for consumer health, beauty and well-being

Retail

Market position
#1

Provision of health and beauty products, patient advice and new services

Services

2018 net sales
CHF1'525m
2018 EBIT
CHF110m

Leading provider of specialised pre-wholesale and wholesale distribution services

Strong sales and marketing force in Switzerland

March 2019 – © Galenica
Operating in a stable and attractive Swiss healthcare market with favourable long-term fundamentals

**Resilient, stable Swiss healthcare retail sector**

CHF bn (based on ex-manufacturer price)

- **2008-18 CAGR 1.9%**
- **2018-22 CAGR 1.7%**

- **Financial crisis**
- **Unpegging of Swiss Franc by SNB**
- **Mandatory price cuts**
- **Proposed mandatory price cuts**

**Pharmaceutical market in Switzerland (2018)**

- **By value—CHF6.0bn**
  - 24.6% Pharmacies
  - 49.7% Physicians
  - 22.4% Hospitals
  - 3.4% Drugstores

- **By volume—187 million packs**
  - 65.1%

**Pharmacists play a crucial role in the provision of medicines**

- Indispensable role in one of the world’s highest quality health care systems, providing drugs, advice and services
- Continued efforts by government and health insurers to make pharmacists the first point of contact
- Growing importance to meet consumer trends towards more personalized healthcare and self-medication

**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:
1. Medicines Swissmedic list A, B, C, D sold from suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores
2. Total market without hospitals
3. IQVIA Market Prognosis 2018-2022, Switzerland; published March 2018

---
# Experienced management team with proven track record

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience Details</th>
</tr>
</thead>
</table>
| Jean-Claude Clémençon   | CEO                               | - CEO since IPO  
- 29 years industry experience of which 23 years at Galenica Group  
- Joined Galenica Group in 1995  
- Previously, Head of Retail Business Sector, Head of Logistics and HCI at Galenica Group, Head of Manufacturing at Rheintub, Rheinsulz and CEO of Raintec |
| Felix Burkhard          | CFO                               | - CFO since 2017  
- 27 years industry experience of which 23 years at Galenica  
- Joined Galenica in 1995  
- Previously, Head of Strategic Projects of Galenica Group and Head of Retail Business Sector |
| Daniele Madonna          | Head of Retail Business sector    | - Pharmacist  
- 16 years industry experience of which 14 years at Galenica  
- Previously Store Manager, Regional Sales Manager and CEO of the joint venture Coop Vitality |
| Thomas Szuran            | Head of Products & Brands Business sector | - 26 years industry experience  
- Joined Galenica 2019  
- Previously, CEO at Biomed AG, President at ASSGP |
| Christoph Amstutz       | Head of Services Business sector  | - 30 years industry experience of which 11 years at Galenica  
- Joined Globopharm in 2007 (led integration process into Galenica)  
- Previously, Head of G-Pharma & Alloga and Business Unit Head at Bristol-Myers Squibb |
Our ambition and self-perception

Galenica: The first choice for health, beauty and wellbeing.
Our Strategy - the power of 3 drives sustained value creation

- Leverage leading positions to promote higher margin and exclusive products
- Further expand and optimise retail network
- Drive efficiency through one single process for all three pharmacy formats

- Leverage scale advantages to develop new, value-added services
- Develop and launch own and partner brands and products for pharmacies
- Drive efficiency through one single process for all three pharmacy formats
- Continue to drive synergies across the entire organisation

Products & Brands

Retail

Services

Support

2016

2017

2018
The largest pharmacy retailer in Switzerland

Network of chains (# of pharmacies as of 31 December 2018) Webshop

- Largest branded pharmacy network by number of pharmacies in Switzerland
- The first Swiss pharmacy chain
- Joint venture (49:51) with Coop, the 2nd largest retail group in Switzerland
- Service provider for independent pharmacies under Feelgood’s brand
- Specialty pharmacy focused on home healthcare for patients with chronic illnesses

Competitive positioning—#1 market position

By number of pharmacies

<table>
<thead>
<tr>
<th>No.</th>
<th>Total # of pharmacies as of 2017</th>
<th>Own</th>
<th>Independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>~5.6x more pharmacies than next competitor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>89</td>
<td>59</td>
<td></td>
</tr>
</tbody>
</table>

Net sales performance (CHFm)

- Largest pharmacy network, including online presence
- 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
- Average sales per pharmacy of CHF4.3m > 1.5x Swiss market average

Highlights

March 2019 – © Galenica
Ongoing pharmacy network consolidation and optimisation

- Proven track record of delivering synergies through streamlining of business processes and creating value through acquisitions and network optimisation

✓ Widely spread pharmacy network covers every Region in Switzerland

- Demonstrated M&A track record with an average of 9 pharmacies acquired and 8 net pharmacies added per year over the last 7 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Pharmacies acquired</th>
<th>Net pharmacies added¹</th>
<th>Total own Pharmacies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>10</td>
<td>11</td>
<td>300</td>
</tr>
<tr>
<td>2013</td>
<td>20</td>
<td>12</td>
<td>312</td>
</tr>
<tr>
<td>2014</td>
<td>5</td>
<td>6</td>
<td>318</td>
</tr>
<tr>
<td>2015</td>
<td>2</td>
<td>0</td>
<td>318</td>
</tr>
<tr>
<td>2016</td>
<td>13</td>
<td>11</td>
<td>329</td>
</tr>
<tr>
<td>2017</td>
<td>6</td>
<td>8</td>
<td>337</td>
</tr>
<tr>
<td>2018</td>
<td>10</td>
<td>8</td>
<td>345</td>
</tr>
</tbody>
</table>

¹ Includes the impact of acquisitions with concurrent mergers, new openings and closings
Diversified product portfolio for health, beauty and wellbeing

GalenCare’s retail product offering in % of sales\textsuperscript{1}

- Beauty
- Nutrition, Personal and Patient Care
- OTC medicines
- Prescription medicines
  - of which originals
  - of which generics
  - of which service fees

\textsuperscript{1} Sales YTD December 2018, includes Amavita and Sun Store pharmacies, without Mediservice, Winconcept and Coop Vitality
Leading role in Consumer Health
with broad and innovative product portfolio

**Products & Brands**

**Portfolio**
- **OTC Consumer Health & Skincare brands**
- **Exclusive partner Health & beauty brands**
- **OTC retail own brands**

**Highlights**
- Preferred Consumer Healthcare partner for Swiss Pharmacies & Drugstores
- Broad Consumer Healthcare Sales & Training force -> Distribution partner of choice
- Expanding portfolio of own and exclusive brands & products
- Ability to leverage Galenicare Retail platform to distribute VERFORA brands

**Competitive position: #1 Consumer Healthcare market position**

<table>
<thead>
<tr>
<th>Category</th>
<th>Market share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oral Pain Remedies</td>
<td>5.7</td>
</tr>
<tr>
<td>No. 2</td>
<td>5.3</td>
</tr>
<tr>
<td>No. 3</td>
<td>5.3</td>
</tr>
<tr>
<td>Cough &amp; Cold Remedies</td>
<td>3.4</td>
</tr>
<tr>
<td>No. 4</td>
<td>2.7</td>
</tr>
<tr>
<td>No. 5</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Net sales performance (CHFm)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (CHFm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>80^4</td>
</tr>
<tr>
<td>2015</td>
<td>84^4</td>
</tr>
<tr>
<td>2016</td>
<td>89</td>
</tr>
<tr>
<td>2017</td>
<td>89^6</td>
</tr>
<tr>
<td>2018</td>
<td>92^6</td>
</tr>
</tbody>
</table>

Growth on a comparable basis

CAGR 3.5%
Leader in pre-wholesale and wholesale distribution, supported by an innovative healthcare information business

Services

### Alloga
- Pre-wholesale outsourced storage and distribution
- Logistics services to pharmaceutical and various healthcare clients

### Galexis
- Wholesale distribution with three modern sites; main site at Niederbipp operates at c.70% automation
- Supplies to pharmacies, self-dispensing doctors' practices, drugstores, nursing homes and hospitals

### medifilm
- One-stop shop
- Prepared medication in blisters

### HCI Solutions
- Product master data and scientific databases
- IT platforms relating to electronic medication process
- Software solutions and services for pharmacies

Highlights

### Alloga
- 75 customers
- >10,000 products
- Temperature zones:
  - (i) -80°C
  - (ii) 2-8°C
  - (iii) 15-25°C

### Galexis
- >9,000 customers
- 100,000 products (c.11,000 Rx2)
- >1,100 suppliers
- Access to nearly all dispensers
- Present in all three language regions
- GDP3-compliant services

### HCI Solutions
- Systemically relevant information and databases
- Solutions for safe and cost-effective provision and application of medicines

Competitive positioning - #1 market position

#### Pre-wholesale market share %
- Alloga
- No. 2
- No. 3

#### Wholesale market share % (pharmacy)
- Galexis
- No. 2
- No. 3

Net sales performance (CHFm)

<table>
<thead>
<tr>
<th>Year</th>
<th>CHFm 2014</th>
<th>CHFm 2015</th>
<th>CHFm 2016</th>
<th>CHFm 2017</th>
<th>CHFm 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2'171</td>
<td>2'245</td>
<td>2'329</td>
<td>2'362</td>
<td>2'372</td>
</tr>
<tr>
<td>2015</td>
<td>1.7</td>
<td>1.6</td>
<td>1.7</td>
<td>2.1</td>
<td>1.9</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EBIT margin (%)

CAGR 2.2%

March 2019 - © Galenica

1 Based on market share. Source: IQVIA Dec 2018
2 Prescription products
3 Good Distribution Practice
4 Restatement upon adoption of IFRS15 starting from 2017.
5 2017 including one-off effect, ROS without one-off effect 1.8%
Long-term track record of sustainable growth and attractive cash generation …

### Logistics, HealthCare Information & Retail¹,⁴

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales (CHFm)</th>
<th>EBIT margin (%)</th>
<th>% Cash conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2'270</td>
<td></td>
<td>25%⁶</td>
</tr>
<tr>
<td>2009</td>
<td>2'467</td>
<td></td>
<td>63%</td>
</tr>
<tr>
<td>2010</td>
<td>2'526</td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td>2011</td>
<td>2'603</td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td>2012</td>
<td>2'661</td>
<td></td>
<td>78%</td>
</tr>
<tr>
<td>2013</td>
<td>2'766</td>
<td></td>
<td>78%</td>
</tr>
<tr>
<td>2014</td>
<td>2'826</td>
<td></td>
<td>74%</td>
</tr>
<tr>
<td>2015</td>
<td>2'915</td>
<td></td>
<td>74%</td>
</tr>
<tr>
<td>2016</td>
<td>3'009</td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>2017</td>
<td>3'141</td>
<td></td>
<td>70%⁸</td>
</tr>
<tr>
<td>2018</td>
<td>3'165</td>
<td></td>
<td>74%</td>
</tr>
</tbody>
</table>

### Galenica

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales (CHFm)</th>
<th>EBIT (CHFm)³</th>
<th>EBIT margin (%)³</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>126</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>134</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>148</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>154</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Notes: The financial information presented with respect to the financial years ended 31 December 2008 through 2013 has been derived from the audited consolidated financial statements of Galenica AG and represent its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business (please refer to the footnote on page 4)

1 Not including Vifor Consumer Health
2 Retail market includes direct and indirect pharmaceutical sales through retail pharmacies, self-dispensing doctors and mail-order services (IQVIA Market Prognosis 2018-2022, Switzerland; published March 2018)
3 2014-16 EBIT from combined financial statements, 2017 and 2018 EBIT excludes IAS 19 expense
4 2013 financials as per 2014 financial statements due to changed segment structure (Galenica Santé is reported as a separate segment since 2014). Financials not adjusted to include Products & Brands
5 Calculated as (EBITDA-capex)/EBITDA. 2014-17 EBITDA excludes IAS 19 adjustment; capex includes investments in tangible and intangible assets
6 Cash conversion impacted by high Capex due to construction of Niederbipp logistic centre
7 Restatement upon adoption of IFRS15 starting from 2017.
8 2017 cash conversion without acquisition trademark Merfen 78%
9 2017 EBIT including one-off effect (CHFm 7.0), comparable EBIT CHFm 141.3
… demonstrating strong performance in both segments

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Net sales (CHFm)</th>
<th>Health &amp; Beauty Net sales (CHFm)</th>
<th>Retail EBIT (CHFm)</th>
<th>Health &amp; Beauty EBIT (CHFm)</th>
<th>EBIT margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008A</td>
<td>557</td>
<td>23</td>
<td>17.5%</td>
<td>80</td>
<td>7.2%</td>
</tr>
<tr>
<td>2013A</td>
<td>1'246</td>
<td>63</td>
<td>22.5%</td>
<td>89</td>
<td>3.5%</td>
</tr>
<tr>
<td>2014A</td>
<td>1'335</td>
<td>80</td>
<td></td>
<td>89</td>
<td>0%</td>
</tr>
<tr>
<td>2015A</td>
<td>1'393</td>
<td>89</td>
<td></td>
<td>93</td>
<td>3%</td>
</tr>
<tr>
<td>2016A</td>
<td>1'437</td>
<td>93</td>
<td></td>
<td>100</td>
<td>8.5%</td>
</tr>
<tr>
<td>2017A</td>
<td>1'479 1</td>
<td>100</td>
<td></td>
<td>110</td>
<td>9%</td>
</tr>
<tr>
<td>2018A</td>
<td>1'525 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Company information, Galenica Annual Reports
Note: The financial information presented with respect to the financial years ended 31 December 2008 through 2013 has been derived from the audited consolidated financial statements of Galenica AG and represent its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business (please refer to the footnote on page 4)

1. Restatement upon adoption of IFRS15 starting from 2017.
2. 2017 including one-off effects (CHFm 7.0), comparable EBIT CHFm 43.6 and ROS 1.8%
### Pleasing development in all Business sectors 2018

<table>
<thead>
<tr>
<th>Despite additional drug price reductions</th>
<th>Galenica Group:</th>
</tr>
</thead>
<tbody>
<tr>
<td>→ Solid sales growth</td>
<td>In million CHF</td>
</tr>
<tr>
<td>→ Above-average EBIT growth</td>
<td>Sales:</td>
</tr>
<tr>
<td>→ Dividend increase of 3%</td>
<td>EBIT(^1):</td>
</tr>
<tr>
<td></td>
<td>Net profit(^1):</td>
</tr>
<tr>
<td></td>
<td>Dividend(^2):</td>
</tr>
</tbody>
</table>

1) Comparable basis
2) Proposal to the Annual General Meeting on 2 May 2019

**Despite additional drug price reductions**

- Solid sales growth
- Above-average EBIT growth
- Dividend increase of 3%
Further progress on all three development axes

Expansion

Innovation

Efficiency
## Expansion Retail

### Expansion Retail Table

<table>
<thead>
<tr>
<th></th>
<th>Majority Holdings (mainly Amavita, SunStore)</th>
<th>Minority Holdings (mainly Coop Vitality)</th>
<th>Total own Pharmacies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1.2018</strong></td>
<td>260</td>
<td>77</td>
<td>337</td>
</tr>
<tr>
<td>Aquisitions</td>
<td>+ 8</td>
<td>+ 2</td>
<td>+ 10</td>
</tr>
<tr>
<td>Openings</td>
<td>-</td>
<td>+ 3</td>
<td>+ 3</td>
</tr>
<tr>
<td>Restructurings</td>
<td>- 2</td>
<td>- 3</td>
<td>- 5</td>
</tr>
<tr>
<td><strong>31.12.2018</strong></td>
<td>266</td>
<td>79</td>
<td>345</td>
</tr>
</tbody>
</table>
Expansion
2018: product portfolio and partnerships expanded

Product portfolio
- Algifor®
- Perskindol®
- Anti-Brumm®

New partnerships
- Spagyros
- Oenobiol

VERFORA®
No. 1 in the Swiss Consumer Healthcare market
Expansion

2019: develop partnerships and portfolio (from January 2019)
5 2018: Omni-Channel expanded

Online pharmacy
- All formats
- 40,000 products
- Incl. product information
- Know-how expansion
Innovation: supporting patients

The right medicine at the right time in the right dosage
Innovation: fast, simple, safe, everywhere

Providing personal care to patients at home with new technologies

Mediservice personally cares for 10,000 patients

- At home
- By phone
- Via e-mail
- And now also with video therapy support
Efficiency

Retail: standardisation shows effect

- Triapharm®
- Central back office
- Direct invoicing

- Generics substitution rate in Retail: 70%!
Efficiency

Services: investing in the future

- New ERP solution at Alloga and Galexis
- Modernisation of Galexis distribution centre at Lausanne-Ecublens
- Introduction of new blister machines at Medifilm
- Solar energy production at Alloga
### 2018: Galenica Group

Solid, sustainable business performance

#### Net sales

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>2017</th>
<th>H1</th>
<th>H2</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1'552</td>
<td>1'589</td>
<td>3'141</td>
<td>1'566</td>
<td>1'599</td>
<td>3'165</td>
</tr>
</tbody>
</table>

- Restatement upon adoption of IFRS15 starting from 2017.
- Excludes effects of IAS 19 expense
- One-off effects 2017

#### EBIT adjusted

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>2017</th>
<th>H1</th>
<th>H2</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>76.6</td>
<td>7.0&lt;sup&gt;3&lt;/sup&gt;</td>
<td>148.2</td>
<td>141.3</td>
<td>154.1</td>
<td></td>
</tr>
</tbody>
</table>

- Restatement upon adoption of IFRS15 starting from 2017.
- Excludes effects of IAS 19 expense
- One-off effects 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>2017</th>
<th>H1</th>
<th>H2</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>69.7</td>
<td>4.5%</td>
<td>71.6</td>
<td>4.5%</td>
<td>74.9</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

- Restatement upon adoption of IFRS15 starting from 2017.
- Excludes effects of IAS 19 expense
- One-off effects 2017

#### Highlights:

- Solid sales growth despite price reductions thanks to organic growth in all Business sectors and the expansion of the pharmacy network
- Comparable EBIT significantly increased by +9.1%
2018: Health & Beauty
Pleasing EBIT margin increase

Net sales\(^1\) (in million CHF)

<table>
<thead>
<tr>
<th></th>
<th>H1</th>
<th>H2</th>
<th>2017</th>
<th>H1</th>
<th>H2</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>728</td>
<td>751</td>
<td>1'479</td>
<td>746</td>
<td>779</td>
<td>1'525</td>
</tr>
</tbody>
</table>

EBIT (in million CHF)

<table>
<thead>
<tr>
<th></th>
<th>H1</th>
<th>H2</th>
<th>2017</th>
<th>H1</th>
<th>H2</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>49.5</td>
<td>50.2</td>
<td>99.7</td>
<td>54.3</td>
<td>56.1</td>
<td>110.4</td>
</tr>
</tbody>
</table>

Highlights:

→ Pleasing EBIT margin increase by 50 bp to 7.2%

---

1 Restatement upon adoption of IFRS15 starting from 2017.
2018: Retail

Strong impact of expansion on sales growth (+8 POS)

Net sales\(^1\) (in million CHF)

<table>
<thead>
<tr>
<th></th>
<th>H1</th>
<th>H2</th>
<th>2017</th>
<th>H1</th>
<th>H2</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>678</td>
<td>709</td>
<td>1'387</td>
<td>696</td>
<td>735</td>
<td>1'431</td>
</tr>
<tr>
<td>Growth</td>
<td>-49%</td>
<td>-49%</td>
<td>51%</td>
<td>-49%</td>
<td>-49%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Elements of growth:

- **Expansion\(^2\):**
  - H1: +1.3%
  - H2: +3.8%
  - 2018: +2.6%

- **Organic\(^3\):**
  - H1: +1.3%
  - H2: -0.2%
  - 2018: +0.5%

  thereof impact of price cuts\(^4\):
  - H1: -1.2%
  - H2: -2.0%
  - 2018: -1.6%

**Highlights:**

- Strong growth of generics (+ 8.1% like-for-like) and increased substitution rate (68% to 70%)
- Declining non-medications sales in pharmacy market ~-0.6%\(^5\)

---

1. Restatement upon adoption of IFRS15 starting from 2017.
2. Calculated for points of sale without a full year period comparison for 2017 and 2018.
3. Consolidated net sales minus expansion effect.
5. IQVIA, Swiss consumer healthcare market 2018: personal care, patient care and nutrition sales in pharmacies and drugstores at street price.
Pleasing sales growth above market

Highlights:

- P&B sales in Swiss Market 73.7 million CHF, +3.8%
- Sales of international business 18.0 million CHF, -1.6%
- +1.2% growth in Swiss consumer healthcare market²

Net sales¹ (in million CHF)

1 Restatement upon adoption of IFRS15 starting from 2017.
2 IQVIA, Swiss consumer healthcare market 2018
6 2018: Services segment
Stable results despite price cuts

Net sales\(^1\) (in million CHF)

<table>
<thead>
<tr>
<th></th>
<th>H1</th>
<th>H2</th>
<th>2017</th>
<th>H1</th>
<th>H2</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1'167</td>
<td>1'177</td>
<td>2'362</td>
<td>1'177</td>
<td>1'195</td>
<td>2'372</td>
</tr>
<tr>
<td>Impact of price cuts(^2):</td>
<td>+0.4%</td>
<td>+0.9%</td>
<td>+0.0%</td>
<td>+0.4%</td>
<td>+0.9%</td>
<td>+0.0%</td>
</tr>
</tbody>
</table>

EBIT (in million CHF)

<table>
<thead>
<tr>
<th></th>
<th>H1</th>
<th>H2</th>
<th>2017</th>
<th>H1</th>
<th>H2</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>7.0</td>
<td>21.7</td>
<td>43.6</td>
<td>7.0</td>
<td>22.3</td>
<td>44.2</td>
</tr>
</tbody>
</table>

Highlights:

- Loss of self-dispensing doctors wholesale customer Medbase (impact on H1 sales growth -0.3%)
- Comparable EBIT margin increased to 1.9%

---

1 Restatement upon adoption of IFRS15 starting from 2017.
2 Price reduction measures for reimbursed medications (SL), calculated with volumes 2017
3 one-off effects 2017
2018: Net profit above expectations

(in million CHF)

<table>
<thead>
<tr>
<th>Year</th>
<th>Comaprable Net Profit</th>
<th>Effects of IAS19</th>
<th>One-off effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>118.9</td>
<td>-5.6</td>
<td>10.6</td>
</tr>
<tr>
<td>2018</td>
<td>147.7</td>
<td>-33.2</td>
<td>56.2</td>
</tr>
</tbody>
</table>

+24.2% +9.5%

Excluding effects of IAS19 and one-off effects
6 2018: Investments

(in million CHF)

% of sales 1.8% 1.6%
Cash conversion 1 70%2 74%

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.0</td>
<td>22.6</td>
</tr>
<tr>
<td>29.9</td>
<td>27.4</td>
</tr>
<tr>
<td>55.8</td>
<td>50.0</td>
</tr>
</tbody>
</table>

1 (EBITDA-CAPEX)/EBITDA, EBITDA excluding effects of IAS 19; CAPEX includes investments in intangible assets and property, plant and equipment
2 2017 cash conversion without acquisition trademark Merfen 78%
2018: Pleasing free cash flow

(in million CHF)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow from operating activities</th>
<th>Investments in assets</th>
<th>Divestment of assets and disposal of subsidiaries</th>
<th>Purchase of subsidiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>144.4</td>
<td>-57.1</td>
<td>-35.8</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>173.5</td>
<td>-54.7</td>
<td>-37.7</td>
<td></td>
</tr>
</tbody>
</table>
2018: Balance sheet strengthened

(in million CHF)

Debt coverage\(^1\)  

<table>
<thead>
<tr>
<th>Year</th>
<th>% of total assets</th>
<th>Net debt</th>
<th>EBITDA adj., excl. effects of IAS 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>48%</td>
<td>301</td>
<td>862</td>
</tr>
<tr>
<td>2018</td>
<td>50%</td>
<td>300</td>
<td>934</td>
</tr>
</tbody>
</table>

1 Net debt / EBITDA adj., excl. effects of IAS 19

Equity

Net debt

March 2019 – © Galenica Group
Swiss pharmaceutical market 2018 – stable growth

### Market 1 | Value CHFm | Share
---|---|---
Total: | 5'969.2 | 100%

### Change
- Hospitals: 1'467.5 | 24.6% | -0.9% | 5.5%
- Physicians: 1'475.1 | 24.7% | 1.4% | 1.9%
- Pharmacies: 2'966.2 | 49.7% | 1.2% | 1.0%
- Drugstores: 60.4 | 1.0% | -4.6% | -2.3%

### Market 1 | Value CHFm | Share
---|---|---
Retail²: | 4'501.7 | 100%

### Change
- RX³: 3'763.4 | 83.6% | 2.2% | 1.4%
- OTC⁴: 738.3 | 16.4% | -0.3% | 0.3%

- Volume (sold packages)
- Value (at ex-factory prices)

Source: IQVIA, Pharmamarkt Schweiz, YTD December 2018

1 Medicines Swissmedic list A, B, C, D sold form suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores
2 Total market without hospitals
3 Medicines Swissmedic list A, B
4 Medicines Swissmedic list C, D
Price reductions 2017 and 2018
Annual savings per channel at public price and ex-factory in CHF

1st round 2017

<table>
<thead>
<tr>
<th>Channel</th>
<th>Public price</th>
<th>Ex-factory</th>
<th>Distribution margin (excl. VAT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>44.6</td>
<td>184.7</td>
<td>35.3</td>
</tr>
<tr>
<td>Physicians</td>
<td>64.8</td>
<td>41.0</td>
<td></td>
</tr>
<tr>
<td>Pharmacies</td>
<td>116.1</td>
<td>91.3</td>
<td></td>
</tr>
</tbody>
</table>

2nd round 2018

<table>
<thead>
<tr>
<th>Channel</th>
<th>Public price</th>
<th>Ex-factory</th>
<th>Distribution margin (excl. VAT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>11.6</td>
<td>81.4</td>
<td>16.1</td>
</tr>
<tr>
<td>Physicians</td>
<td>26.1</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td>Pharmacies</td>
<td>52.4</td>
<td>50.2</td>
<td>10.5</td>
</tr>
</tbody>
</table>

Source: APO/SD/SPI Index, data period MAT Dec 2017
Source: APO/SD/SPI Index, data period MAT Aug 2018

March 2019 © Galenica Group
Copyright IQVIA – price reductions in 2017 and 2018
2018: Strong growth in high-priced medications  
2 therapeutic areas are generating over 95% of total market growth

Ex-factory value: CHF 1,664.6 million (CHF +127.9 million / +8.3%)

<table>
<thead>
<tr>
<th>Therapeutic Area</th>
<th>2017 Ex-factory value</th>
<th>2018 Ex-factory value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>891.9</td>
<td>981.7</td>
<td>+90.8 million / +10.1%</td>
</tr>
<tr>
<td>Autoimmune diseases</td>
<td>644.8</td>
<td>682.9</td>
<td>+38.1 million / +5.9%</td>
</tr>
</tbody>
</table>

Source: APO/SD/DRO/SPI Index
Swissmedic registered articles
Data as at December 2018
Generics 2018: strong growth in the pharmacy market

74.5 million packs reimbursable by health insurance (+1.7 million / +2.4%)

Market with generics potential 56.2 million +2.4%

Market with generics 34.5 million +5.0%

Substitution rate 57%³

1. Patent protected products 4.5 million / -5.3%
2. Products with expired patent protection without generics 21.7 million / -0.4%
3. Generics 19.5 million / +9.3%
4. Originals¹ 15.0 million / -1.3%
5. Others² 13.6 million/ +4.5%

Source: Market segmentation, reimbursable products (FOPH) in the pharmacy channel
Monthly calculation basis, delineated market division
Data as at December 2018

IQVIA Switzerland – Swiss pharmaceutical market 2018

¹ Product with expired patent protection and at least one generic
² 1. Natural substance (e.g. vitamins, minerals);
   2. Non-therapeutic products (e.g. contraceptives, diet products)
   3. Vaccines;
   4. Diagnostics;
   5. Biosimilars
   6. Reference products
³ Generics 19.5 million / market with generics 34.5 million = 57%
### Swiss Pharmaceutical market

#### Authorities: measures and projects

<table>
<thead>
<tr>
<th>Measure</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in drug prices</td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Category change of OTC products&lt;sup&gt;1)&lt;/sup&gt;</td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Distribution margin LOA IV → LOA V</td>
<td></td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>
| Generics prices Amendment of Health Insurance Act (KVG)               |      |      | from 2021...

<sup>1)</sup> Swissmedic categories C, D
## Reduction of drug prices 2018 – 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Originally announced (average)</th>
<th>Subsequent increase</th>
<th>Effective savings 2018</th>
<th>Effective savings 2019</th>
<th>Effective savings 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>80</td>
<td>190</td>
<td>225</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>80</td>
<td>100</td>
<td></td>
<td>–</td>
<td>open</td>
</tr>
<tr>
<td>2019</td>
<td>80</td>
<td>open</td>
<td></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>240</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Various press releases from the Federal Office of Public Health (FOPH)
Reclassification of OTC's

Category A
- Prescription without repetition
- With a prescription

Category B
- Prescription
- With a prescription

Category C
- Pharmacy only
- Without prescription

Category D
- Pharmacy & drugstore
- Without prescription

Category E
- Sale in all shops
- Without prescription

~15%
~85%
~85%
~15%

March 2019 – © Galenica Group
Category change of OTC products
Strengthening of the specialist retail trade

→ Less than 10% of products will leave the specialist retail trade!

Source: IQVIA, ex-factory, MAT 10/2018
8 Swiss Pharmaceutical market – composition of drug prices

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

Ex-factory price (in CHF) + price-related surcharge + surcharge per pack

- 70% – 72% Supplier margin
- 29% Galenica total margin; thereof - 4% - 6% Wholesale
- 8% Retail
- 5% Wholesale
- 2/3 Fixed
- 1/3 Variable

Market price structures and Galenica Santé’s retail service fees limit impact of price cuts

\[ \begin{align*}
&\downarrow \text{Ongoing ex-factory price declines} & \uparrow \text{Pricing structure likely limits impact on Galenica Santé from margin squeeze} \\
&\downarrow \text{Potential reduction in distribution margin} & \uparrow \text{Potential reduction would be compensated with increase in service fee} \\
&\downarrow \text{Potential new price model for generics} & \uparrow \text{Would probably require change in legislation}
\end{align*} \]

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.

March 2019 – © Galenica
Galenica Group sales slightly above prior-year level
- Health & Beauty sales +3% to +6%
- Services sales at around the prior-year level
EBIT (excluding the effects of IAS 19 and IFRS 16) +4% to +7%
about 2 million CHF additionally due to IFRS 16
2019 dividend at least at prior-year level
Disclaimer

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