Galenica Group
Sales and Guidance Update
January 2020
Swiss pharmaceutical market by channel YTD December 2019

Value (ex-factory): CHF 6,136.5 million (CHF +165.2 million / +2.8%)

- Hospitals 1,561.8 million (+6.1%)
- Drugstores 60.7 million (+1.7%)
- Physicians 1,551.9 million (+5.5%)
- Pharmacies 2,962.2 million (-0.2%)

Volume (packs): CHF 187.1 million (+0.5 million packs / +0.3%)

- Hospitals 16.8 million (-1.2%)
- Drugstores 6.3 million (+0.4%)
- Physicians 42.5 million (+1.9%)
- Pharmacies 121.4 million (-0.1%)

Source: APO/SD/DRO/SPI Index
Medicines Swissmedic A, B, C, D, sold from suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores
Consumer healthcare market in the specialist trade YTD Sep 2019

Source: PharmaTrend for pharmacies and drugstores in Switzerland, sales to streetprices
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Sales growth above market

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Galenica Group</strong></td>
<td>3'301</td>
<td>3'165</td>
<td>+4.3%</td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>1'516</td>
<td>1'431</td>
<td>+6.0%</td>
</tr>
<tr>
<td><strong>Products &amp; Brands</strong></td>
<td>102</td>
<td>92</td>
<td>+11.3%</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>2'441</td>
<td>2'372</td>
<td>+2.9%</td>
</tr>
</tbody>
</table>
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Pleasing sales growth despite price cuts

Net sales (in million CHF)

<table>
<thead>
<tr>
<th>Period</th>
<th>Net Sales (in million CHF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>1,566 (-49%)</td>
</tr>
<tr>
<td>H2</td>
<td>1,599 (51%)</td>
</tr>
<tr>
<td>2018</td>
<td>3,165 (+2.2%)</td>
</tr>
<tr>
<td>H1</td>
<td>1,600 (+48%)</td>
</tr>
<tr>
<td>H2</td>
<td>1,701 (+6.4%)</td>
</tr>
<tr>
<td>2019</td>
<td>3,301 (+4.3%)</td>
</tr>
</tbody>
</table>
Retail

Strong impact of expansion on sales growth

<table>
<thead>
<tr>
<th>Period</th>
<th>Net Sales (in million CHF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>696</td>
</tr>
<tr>
<td>H2</td>
<td>735</td>
</tr>
<tr>
<td>2018</td>
<td>1'431</td>
</tr>
<tr>
<td>H1</td>
<td>726</td>
</tr>
<tr>
<td>H2</td>
<td>790</td>
</tr>
<tr>
<td>2019</td>
<td>1'516</td>
</tr>
</tbody>
</table>

**Elements of growth:**

- **Expansion**: +2.6% (H1), +5.1% (H2), +6.1% (2018), +5.6% (2019)
- **Organic**: +0.5% (H1), -0.7% (H2), +1.4% (2018), +0.4% (2019)
- **Impact of price cuts**: -1.6% (H1), -1.9% (H2), -1.8% (2018), -1.8% (2019)

→ Strong expansion of pharmacy network: 19 added, 8 restructured, net +11
→ thereof +5 Amavita/Sun Store and +6 Coop Vitality
→ Continuous growth of generics (+5.5% like-for-like)

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1. Calculated for points of sale without a full year period comparison for 2018 and 2019
2. Consolidated net sales minus expansion effect
3. Mandatory price reductions of reimbursed medications of the specialities list (SL), calculated based on volumes 2018
Products & Brand
Pleasing sales growth above market

Net sales (in million CHF)

→ Sales growth of 11.4% in the Swiss Market thanks to the new distribution of P&G brands Vicks® and Metamucil® and the launch of Dermafora®, other sales stable
Services
Strong sales growth in H2 2019

Net sales (in million CHF)

- Impact of price cuts¹:
  - H1: -2.4%
  - H2: -2.6%

- Growth of 3.4% in the pharmacy wholesale market (portion 64%)
- Growth of 2.2% in the physician wholesale market (portion 25%)

¹ Mandatory price reductions of reimbursed medications of the specialities list (SL), calculated based on volumes 2018
Outlook for 2019

- EBIT adjusted (excluding the effects of IAS 19 and IFRS 16) +7% to +9%, plus 2 to 3 million CHF due to IFRS 16
- 2019 dividend at least at prior-year level, 50% out of the capital contribution reserve
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