



Media and Analyst conference

Zurich, 7 March 2023

Your speakers

**The Galenica network:
your strongest partners in the
Swiss healthcare market**

Marc Werner, CEO

Annual financial statements 2022

Felix Burkhard, CFO

Q&A



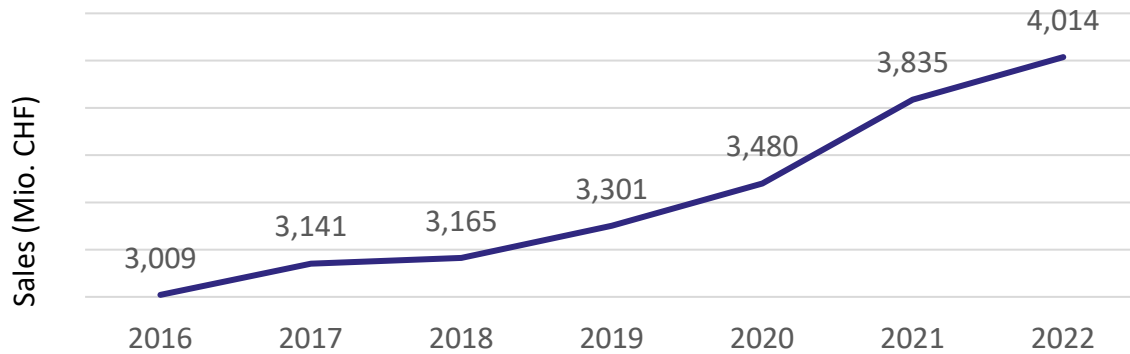
The Galénica network: your strongest partners in the Swiss healthcare market

Marc Werner, CEO

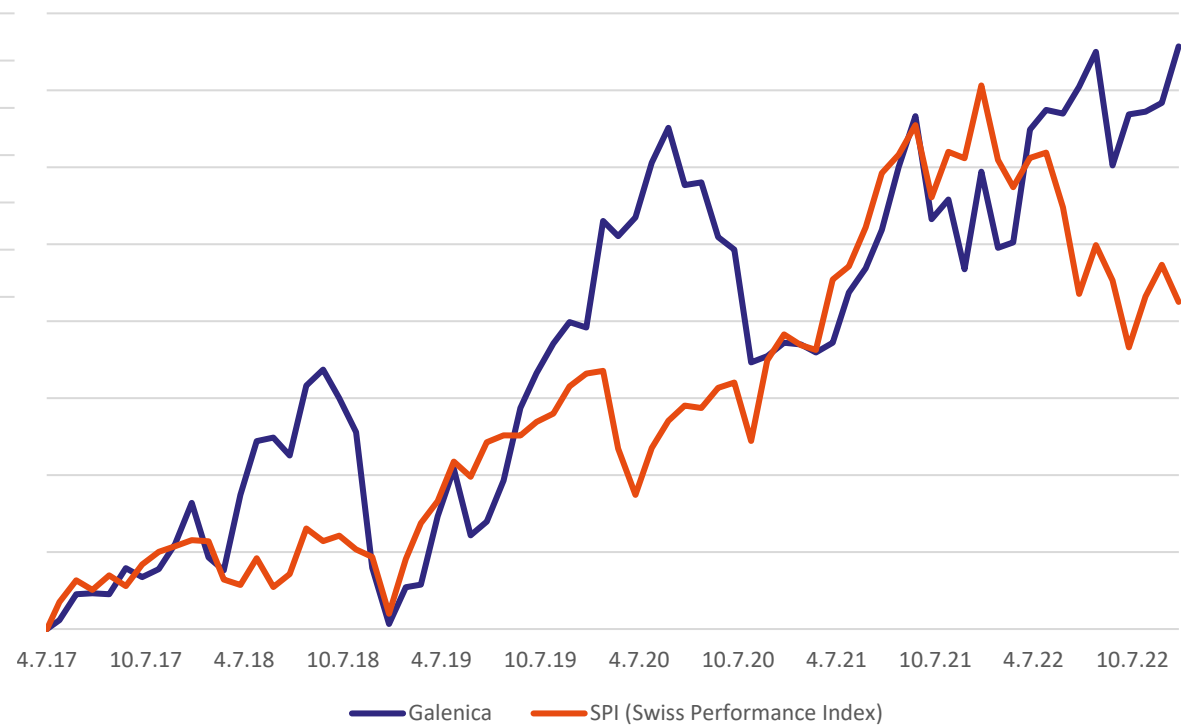
Galénica Group

We keep our promises.

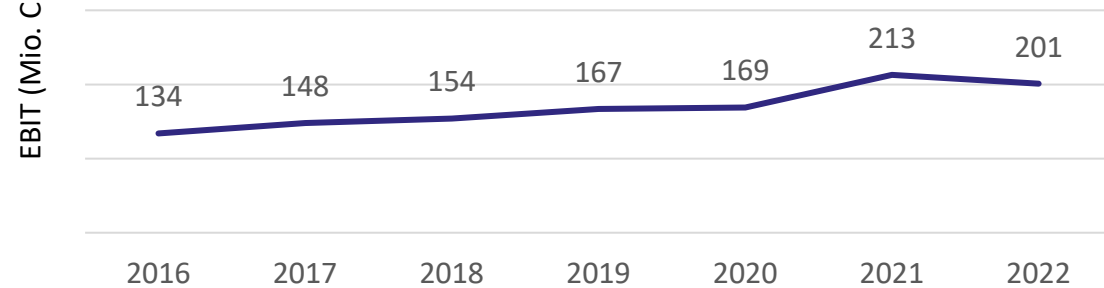
Sales after IPO: +30%



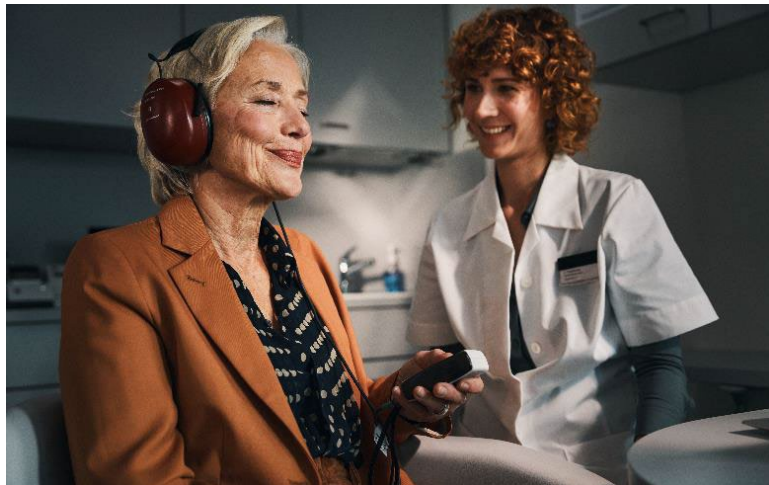
Share price after IPO: +76%



EBIT after IPO: +50%



**Modern, fresh, trendy.
Human, approachable, personal.**



The Galenica network: your strongest partners in the Swiss healthcare market



Pharmacies: the first point of contact for health concerns.



There is a choice
for all customer needs.



We make the customer experience even more seamless.

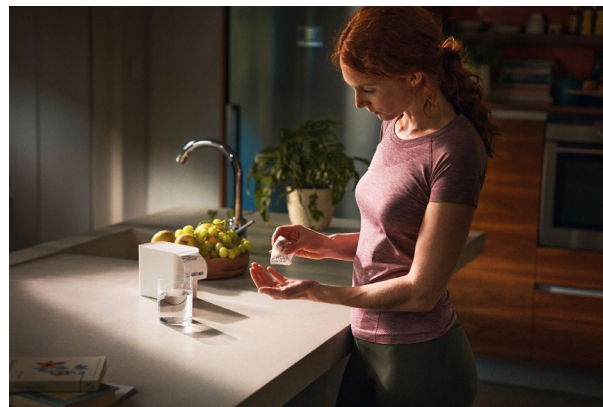


We are the pharmacy of the future in Switzerland.



- Just a stone's throw away.
- Personal.
- Strong for you.
- Just a click away.
- The point of contact and companion for health issues.

Completely personal – regardless of location.



With all players in the healthcare market...



...for increased patient safety.



Pandemic

Skills shortages

**Explosion of
healthcare costs**

War of talents

Energy shortages

Inflation

Digitalisation

Supply bottlenecks



Our culture makes all the difference.



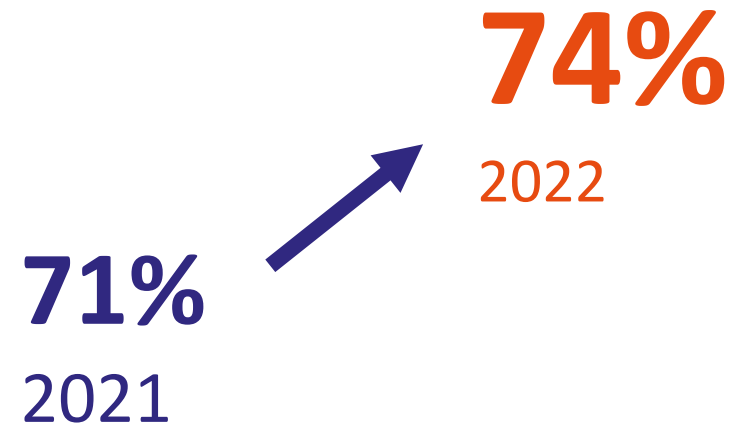
We want to attract young people to work in healthcare.




We do our best – every day, for the whole of Switzerland.



Employee satisfaction:



A woman with curly red hair, wearing a white lab coat, is smiling warmly at a customer whose back is to the camera. The scene is set in a bright, modern laboratory or clinic.

**Enthusiastic employees –
enthusiastic customers.**

«Culture eats strategy for breakfast!»

Peter Drucker

Annual financial statements 2022

Felix Burkhard, CFO

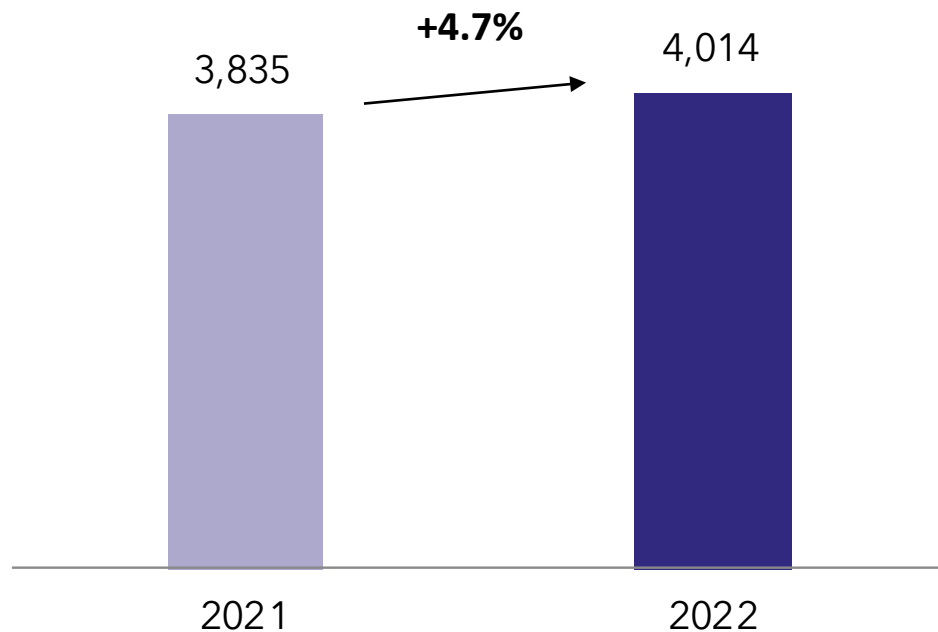
Galenica Group

We continue our path!



Galenica Group: strong growth despite COVID-19 impact

Net sales (in million CHF)



Strong sales growth of OTC medications



Continued sales growth in the area of rare diseases



M&A



Ongoing pleasing growth in wholesale



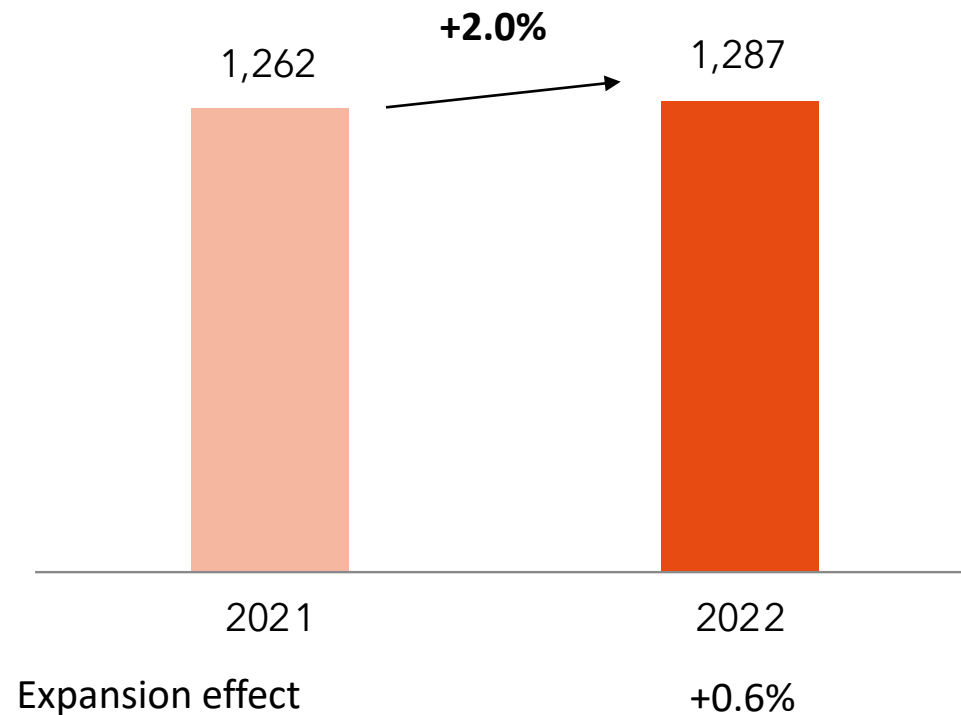
Negative growth impact of COVID-19 Initiatives¹⁾ -2.4%



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

Local Pharmacies: pleasing organic growth

Net sales (in million CHF)



High demand for cough and cold medications



Increasing footfall at high-frequency locations



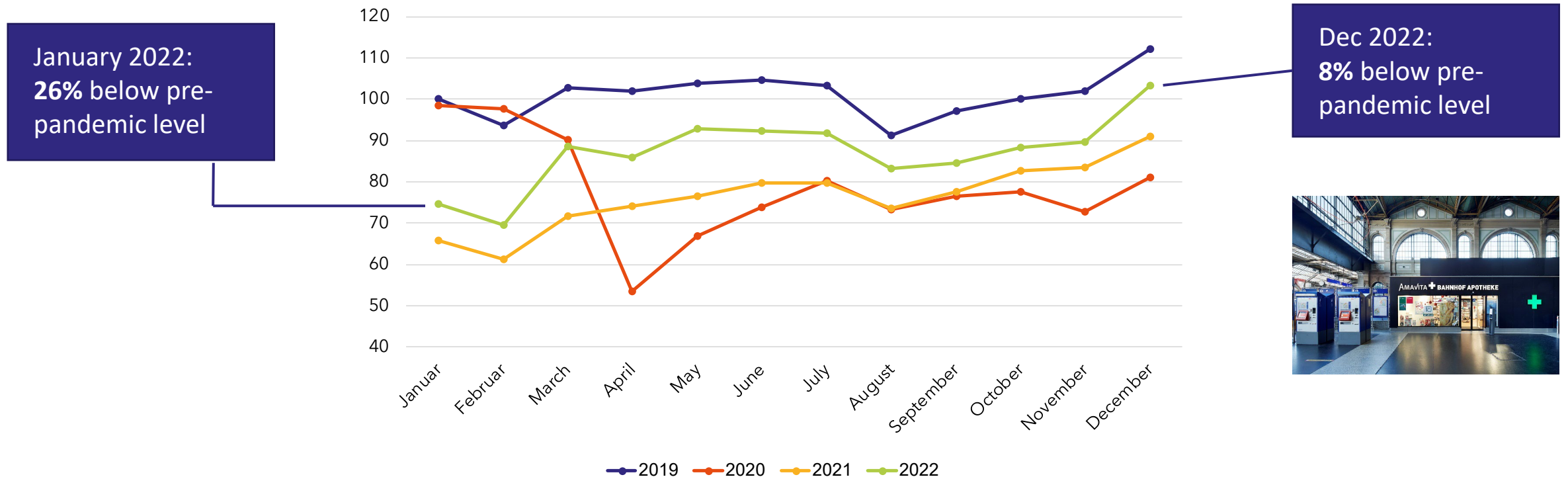
Negative growth impact of COVID-19 Initiatives¹⁾
-4.3%



¹ 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 ¹⁾
(indexed, Jan 2019 = 100%)

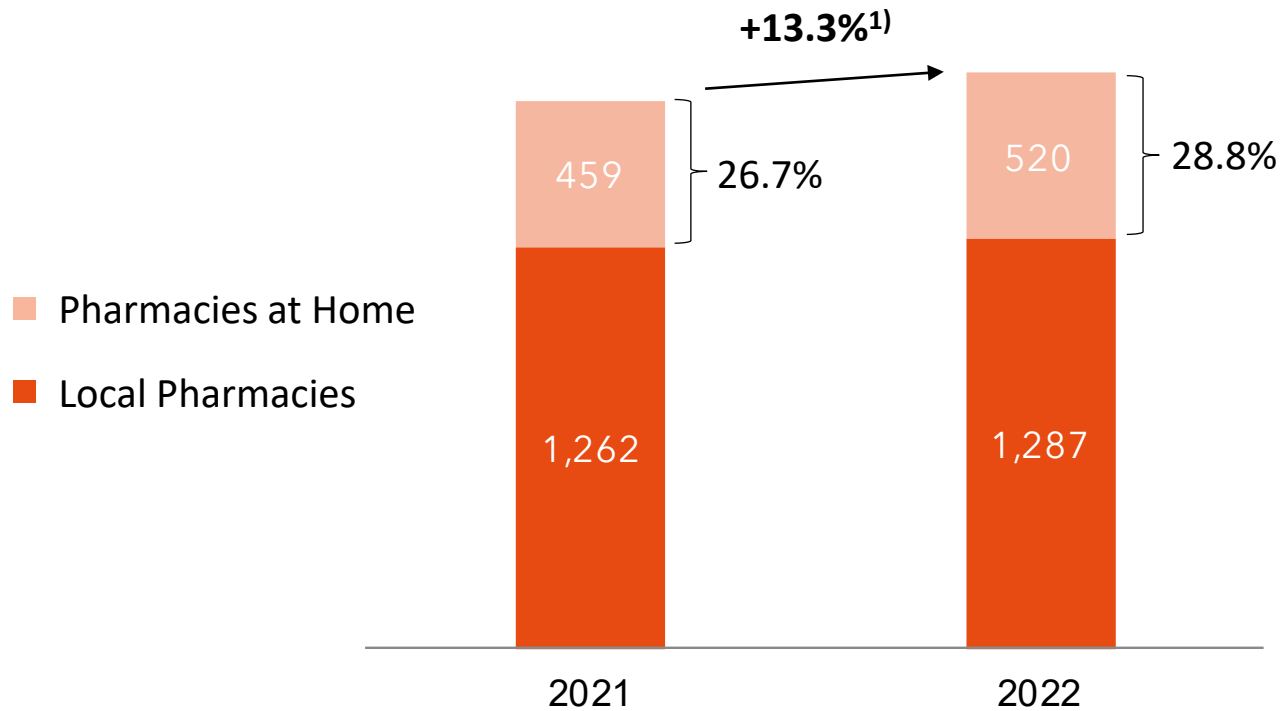


¹ Net sales 2021 and 2022 without the impact of COVID-19 initiatives



Pharmacies at home: continued high growth in 2022

Net sales (in million CHF)



Growth related to sales in the area of rare diseases
+12.9%



Continued growth of Bichsel HomeCare
+3.8%



Online sales²⁾
-18.0%

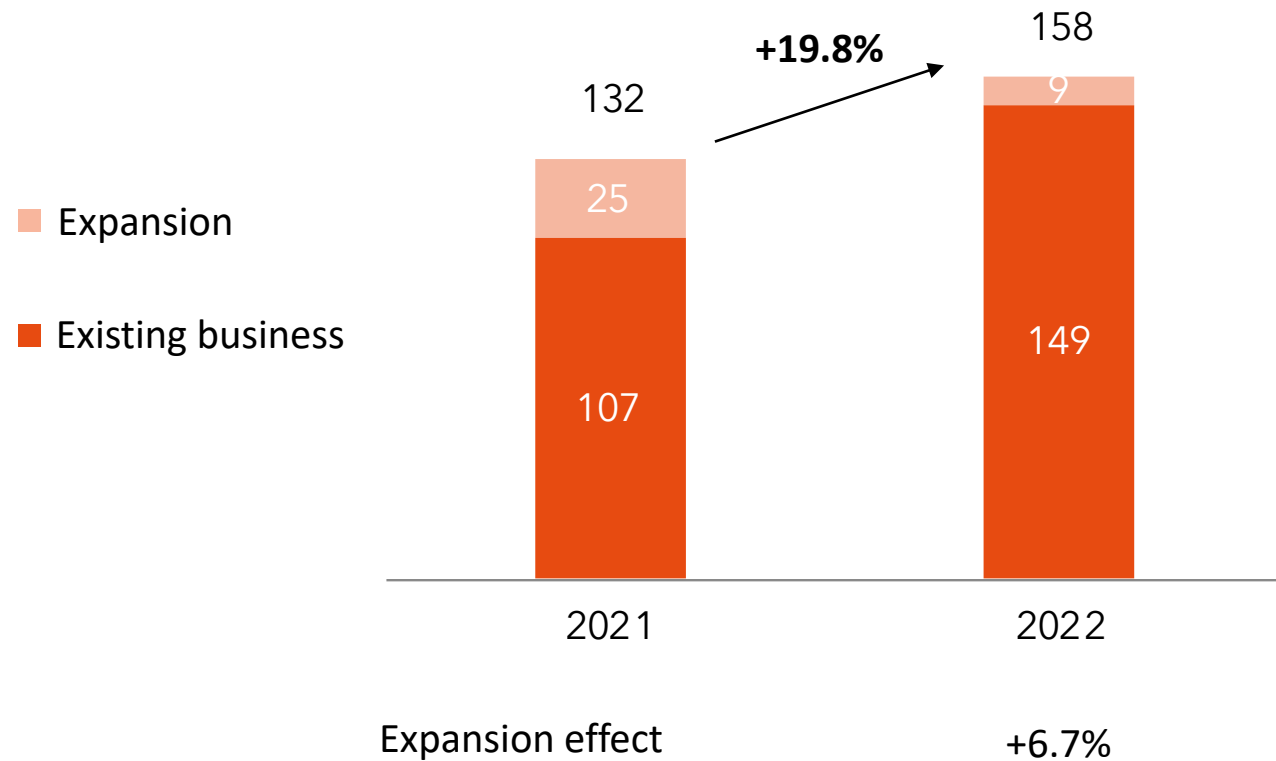


1 Pharmacies at Home growth rate includes a one-off effect of a minor change in segment reporting, adjusted growth amounts to 9.9%

2 Including Amavita and SunStore mail-order pharmacies and webshops (without COVID-19 self-tests)

Products & Brands: exceptional growth in 2022

Net sales (in million CHF)



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

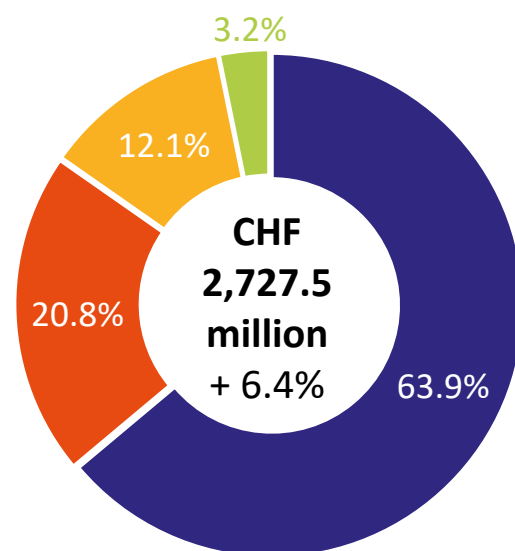


Expansion of product portfolio



Consumer healthcare market: Verfora outperformed the market in 2022

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

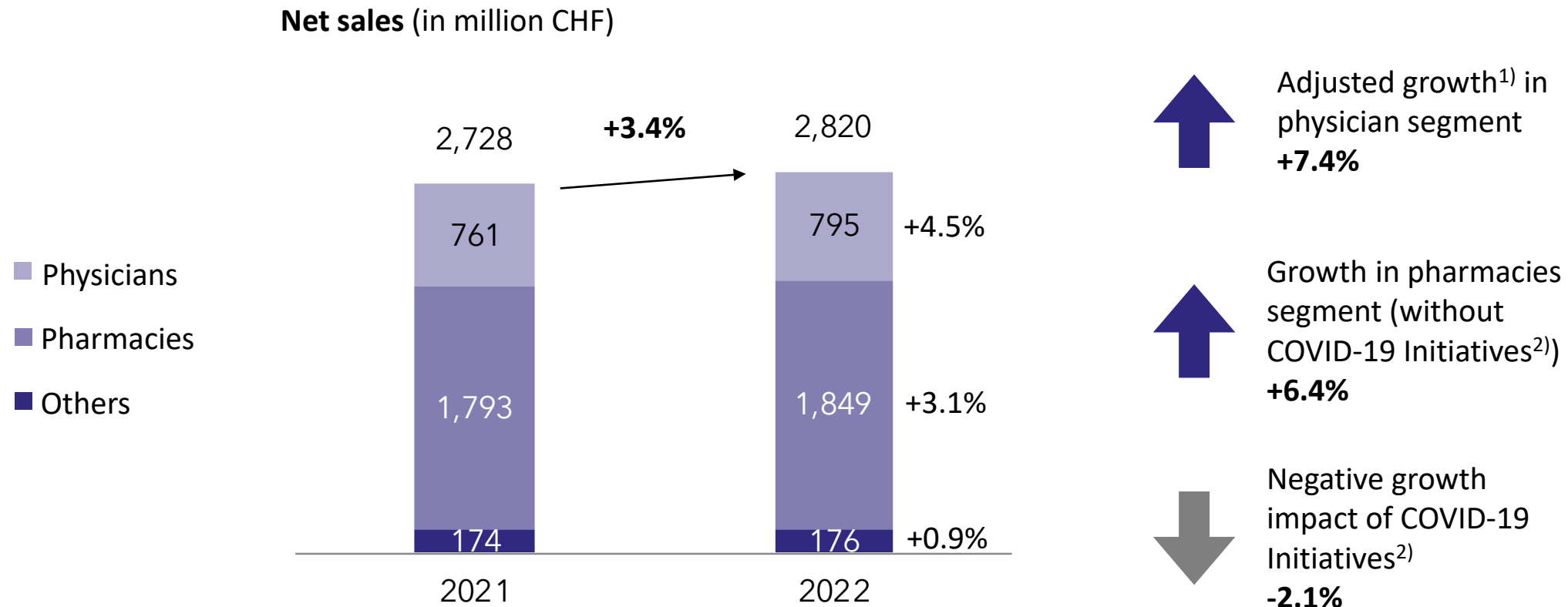


- OTC +9.5%
- Personal care +3.0%
- Patient care -0.5%
- Nutrition -1.8%

Market development
of Verfora products (OTC)
+15.8%



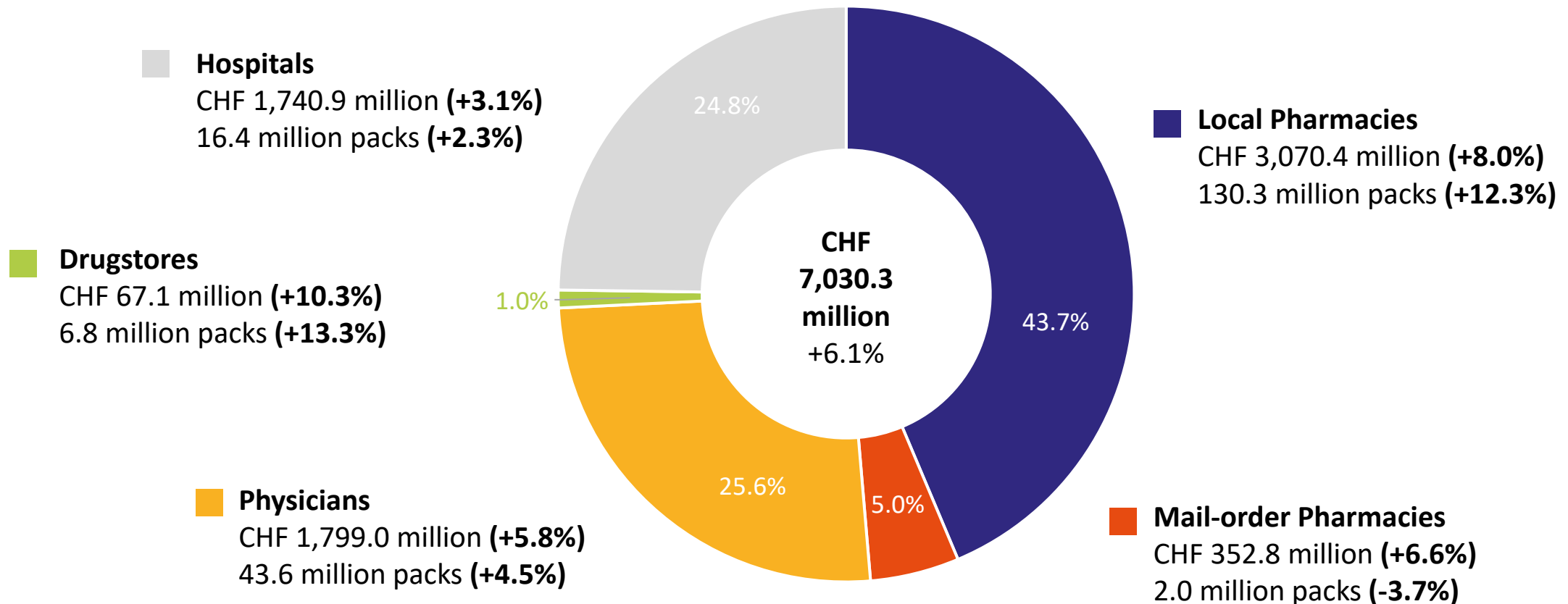
Wholesale: ongoing pleasing sales growth



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

Swiss pharmaceutical market: development by channel 2022

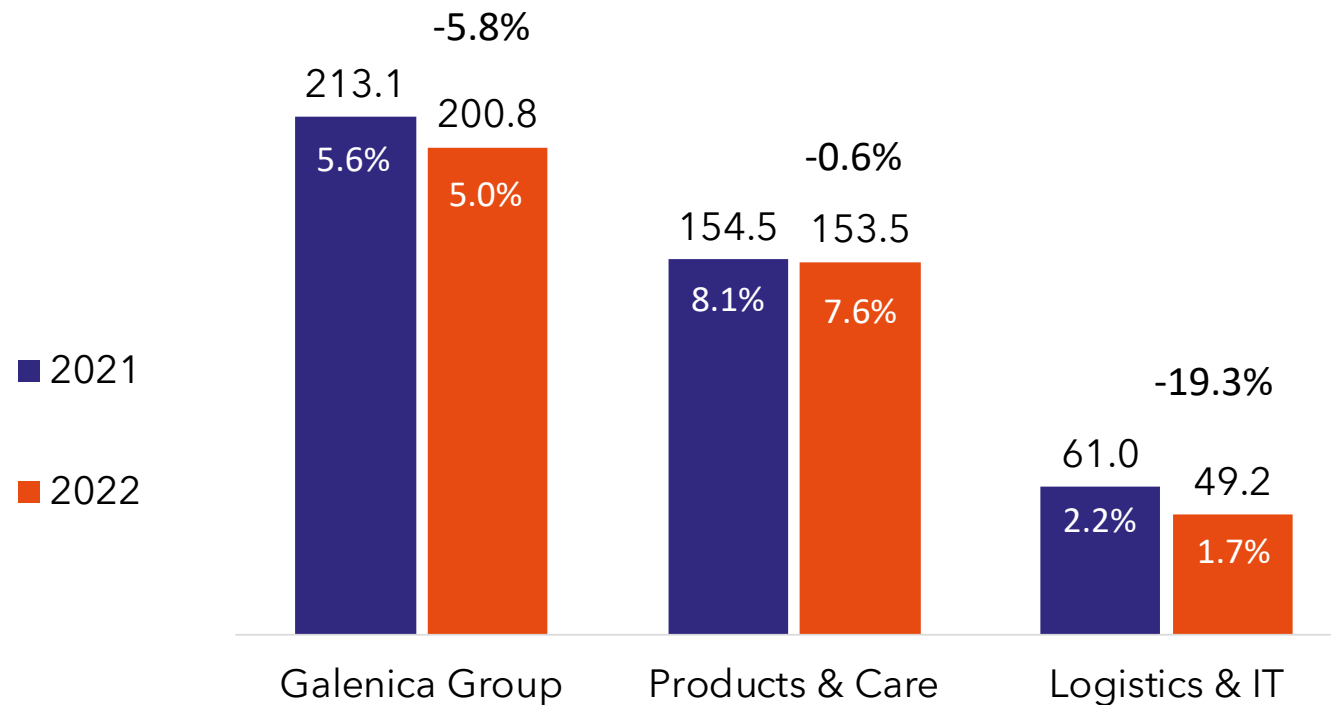


Source: IQVIA APO/SD/DRO/SPI Index, Swissmedic A, B, D
Medicines Swissmedic lists A, B, D, sold from suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores
© IQVIA – Swiss pharmaceutical market 2022

EBIT: strong increase without one-off items

EBIT adjusted¹⁾ (in million CHF)

ROS (in %)



Growth without PY one-off items²⁾

+12.4%

+13.3%

+8.0%

¹ Excluding effects of IAS 19 and IFRS 16, see chapter “Alternative performance measures” of the Annual report 2022

² Impact of COVID-19 initiatives and sale of headquarter building in Berne in 2021. COVID-19 initiatives includes net sales of PCR tests, Rapid Antigen tests, self-tests as well as vaccinations, EBIT impact estimated impact based on gross margin and directly attributable costs of corresponding products and services

Additional OPEX dampen EBIT development

in million CHF	2022	2021	in %
Net sales	4'014	3'835	+4.7%
Personnel costs ¹⁾	-538	-512	+5.1%
<i>in % of net sales</i>	-13.4%	-13.3%	
Other operating costs	-236	-216	+9.1%
<i>in % of net sales</i>	-5.9%	-5.6%	
EBIT adjusted ¹⁾	201	213	-5.8%
ROS	5.0%	5.6%	

Cost increase related to business expansion and growth as well as:

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

¹ Excluding effects of IAS 19 and IFRS 16, see chapter "Alternative performance measures" of the Annual Report 2022

Cash Flow Statement:

continued high operating Cash Flow

in million CHF	2022	2021	Change
Cash flow from operating activities before working capital changes adjusted¹⁾	229.3	231.5	-2.2
Working capital changes	-44.9	51.7	
Cash flow from operating activities adjusted¹⁾	184.4	283.2	-98.7
Investments in tangible and intangible assets	-69.9	-58.0	
Cash flow from financial assets and joint ventures	-20.2	1.1	
Cash flow from property sale of headquarters	-	38.2	
Free cash flow before M&A	94.4	264.4	-170.0
Cash flow from M&A	-36.5	-69.5	
Free cash flow	57.9	194.9	-137.1



Net working capital: compensatory effect due to exceptionally low balance at the end of 2021



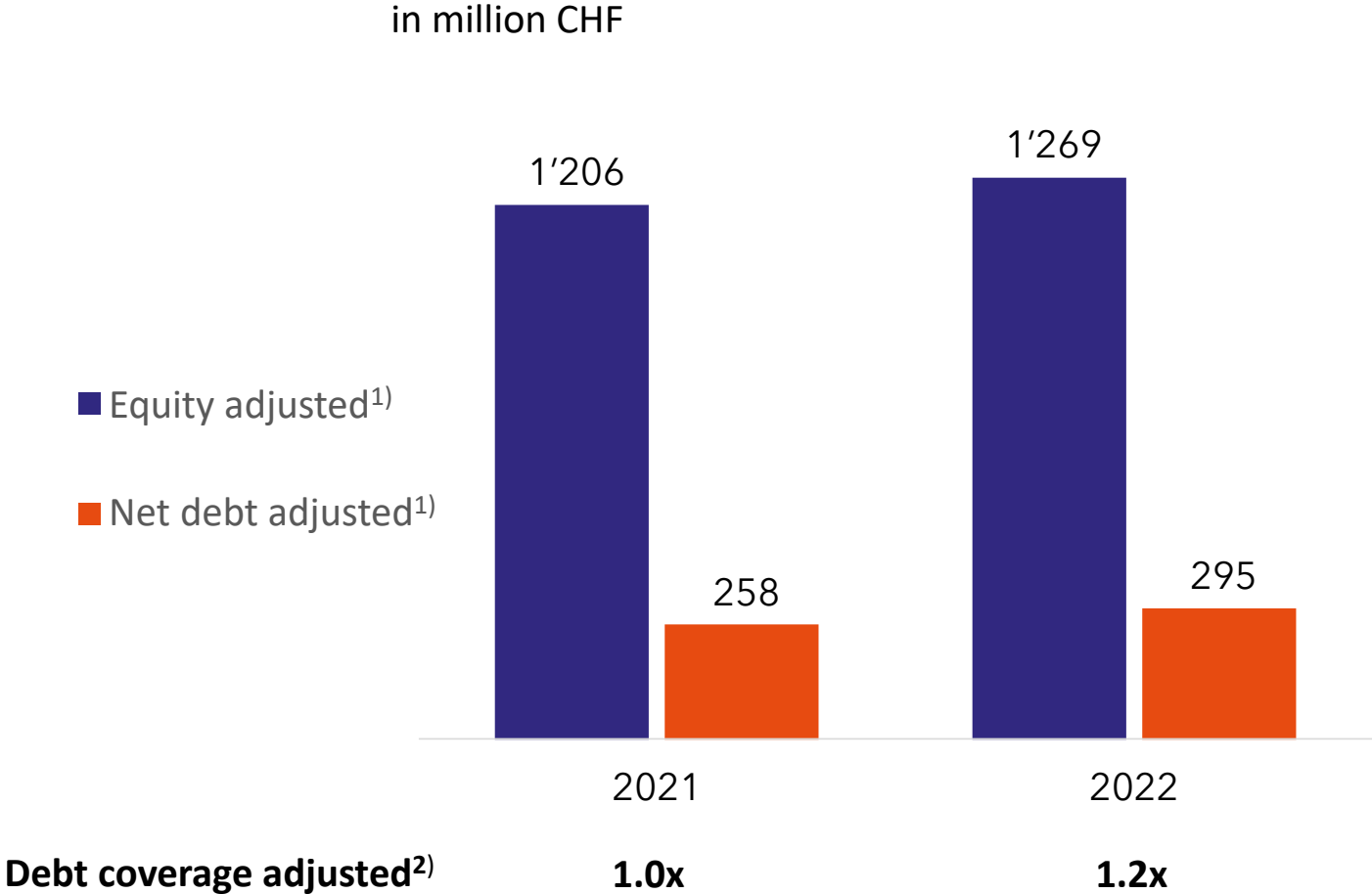
Higher investments in digital infrastructure and ERP at Logistics



Higher investments in participations (e.g. Well) and funding of Joint Ventures

¹ Reduced by payment of lease liabilities IFRS 16, see chapter "Alternative performance measures" of the Annual report 2022

Strong balance sheet

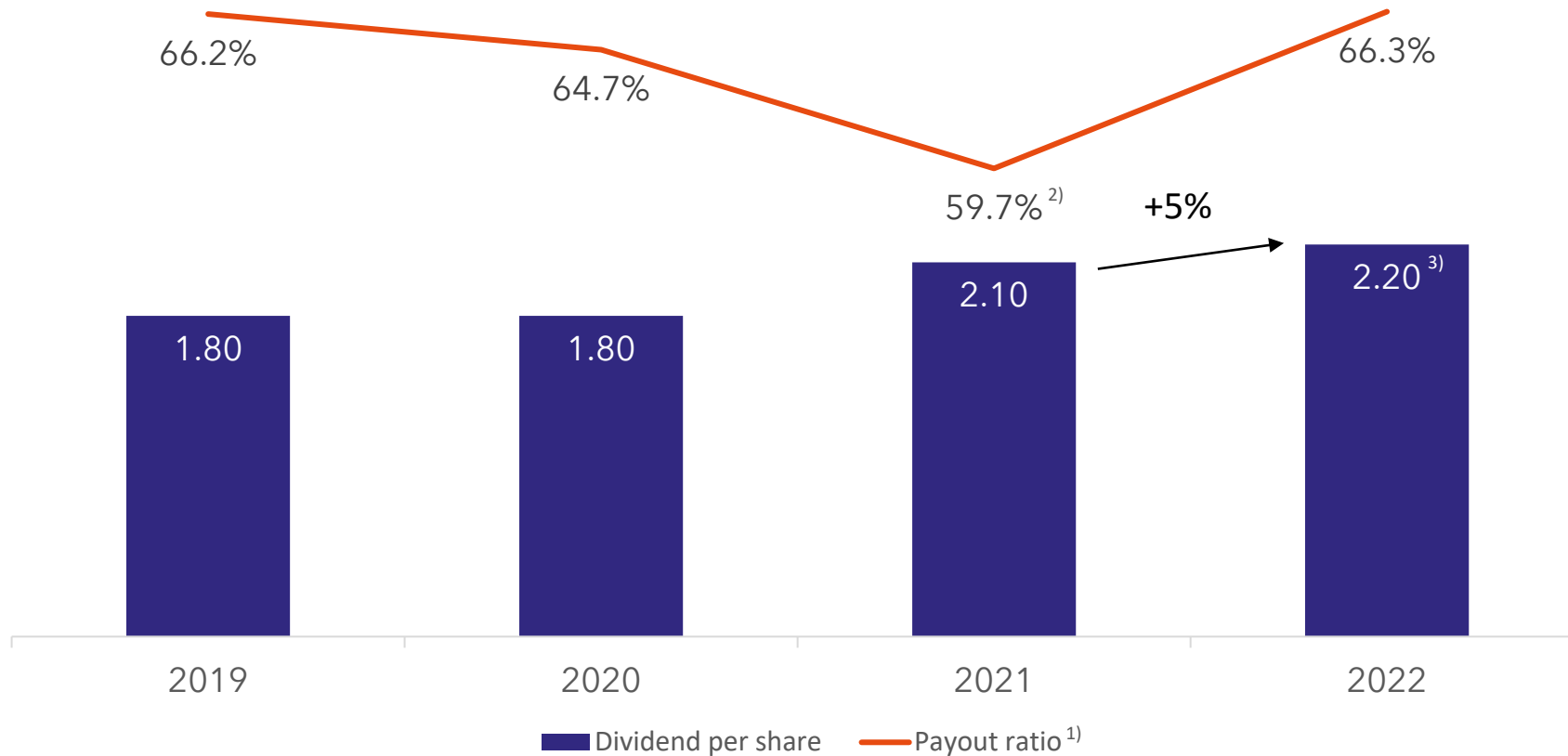


1 Detail of the adjustments in the Annual Report 2022, see chapter “Alternative performance measures”

2 Net debt adjusted / EBITDA adjusted (excluding effects of IAS 19 and IFRS 16), see chapter “Alternative performance measures” of the Annual report 2022

Dividend increase planned for 2022

Historical dividend per share and pay-out ratio¹⁾



1 Dividend per share in relation to adjusted earnings per share at reporting date

2 Pay-out ratio of 71.2% adjusted for one-off impacts in 2021 from COVID-19 initiatives and sale of headquarter building

3 According to proposal to the Annual General Meeting on 3 May 2023

Regulatory environment: no changes expected for 2023

Topic/Initiative	Current status
Distribution margin / SBR V	<ul style="list-style-type: none">• Proposal of SBR V contract and distribution margin model still under discussion• Implementation of a new model at earliest in 2024
OTC products: online trade	<ul style="list-style-type: none">• Federal Council will present a proposal, consultation starting in 2023• Implementation of a new law at earliest in 2025

Financial guidance 2023

- 
- Galenica Group net sales **+3% to +6%**
 - EBIT adjusted¹⁾ **+3% to +6%**
 - Dividend for 2023 **at least at prior-year level**

Q & A

Disclaimer

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