

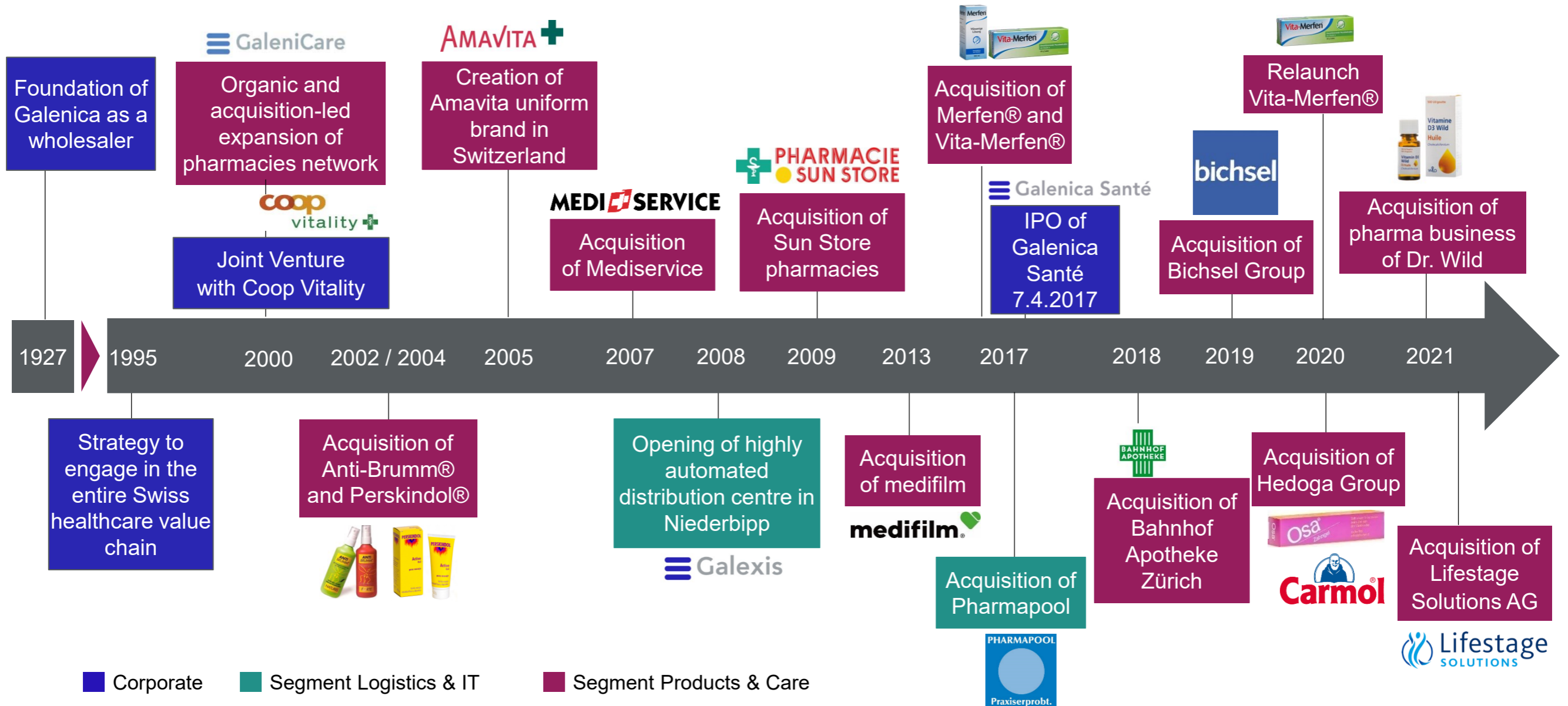
Galénica Group Investor Presentation

August 2021 (Updated January 2022)

Agenda

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1 Building the leading Swiss healthcare platform over 90 years



1 History of resilient growth and margin improvement...

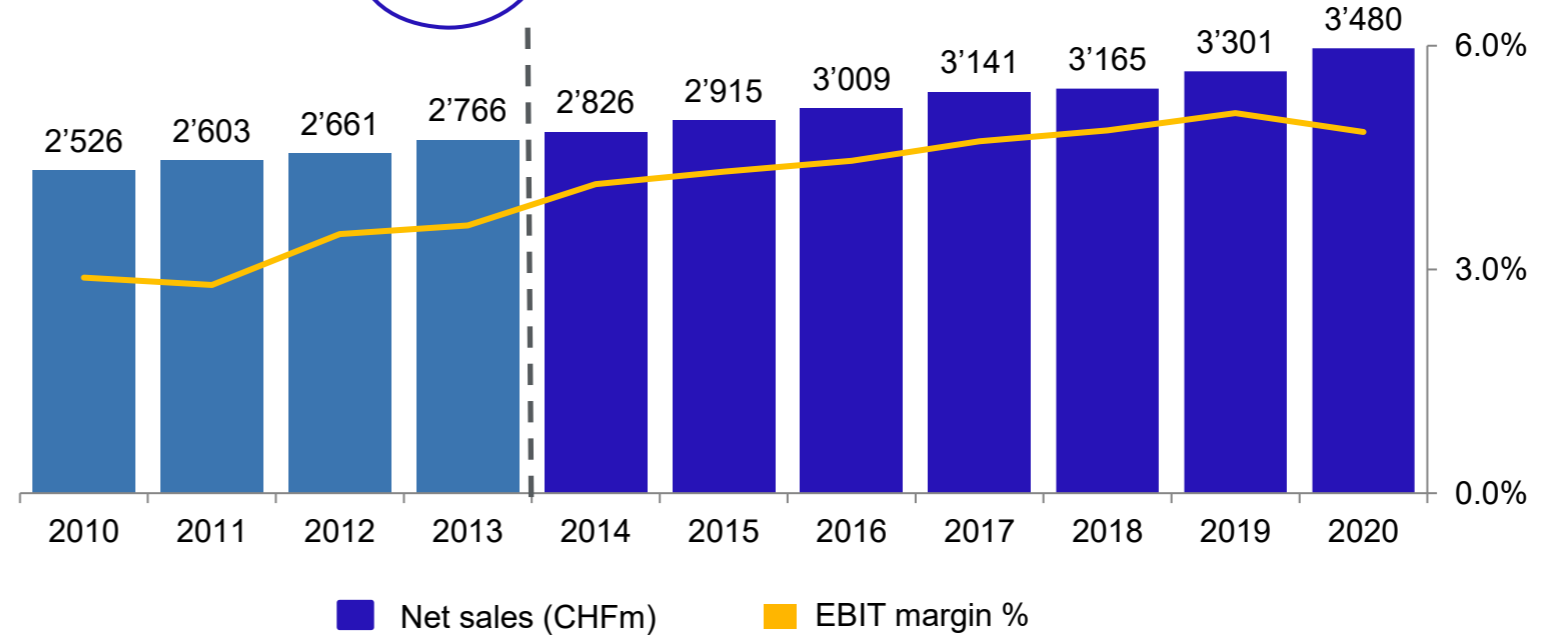
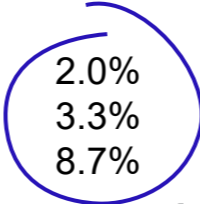


2010-20 sales CAGR	3.3%
2010-20 EBIT CAGR³	8.7%
2010-20 EBIT margin improvement³	+195bps
2020 cash conversion⁴	73%
Employees as of 31 December 2020	7'205

Logistics, HealthCare Information & Retail^{1,4}

Galenica

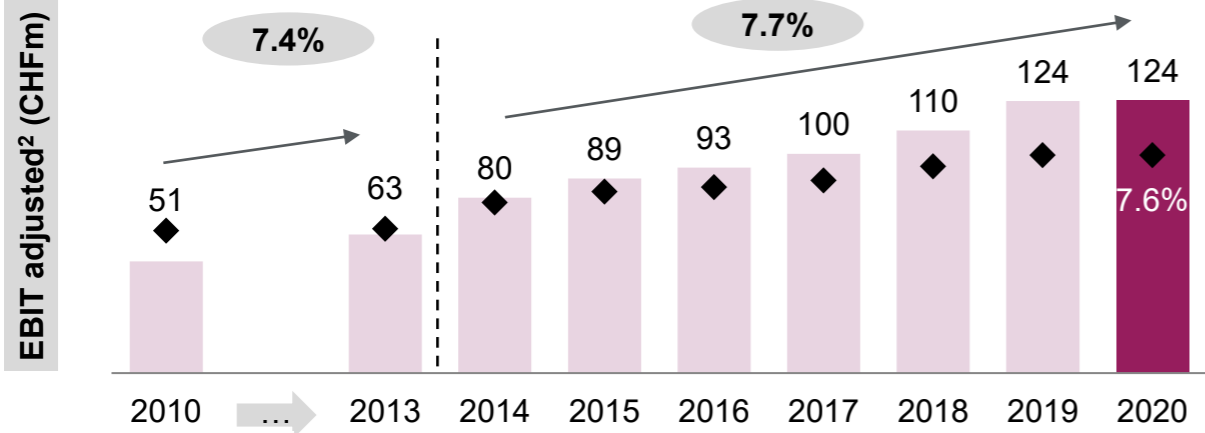
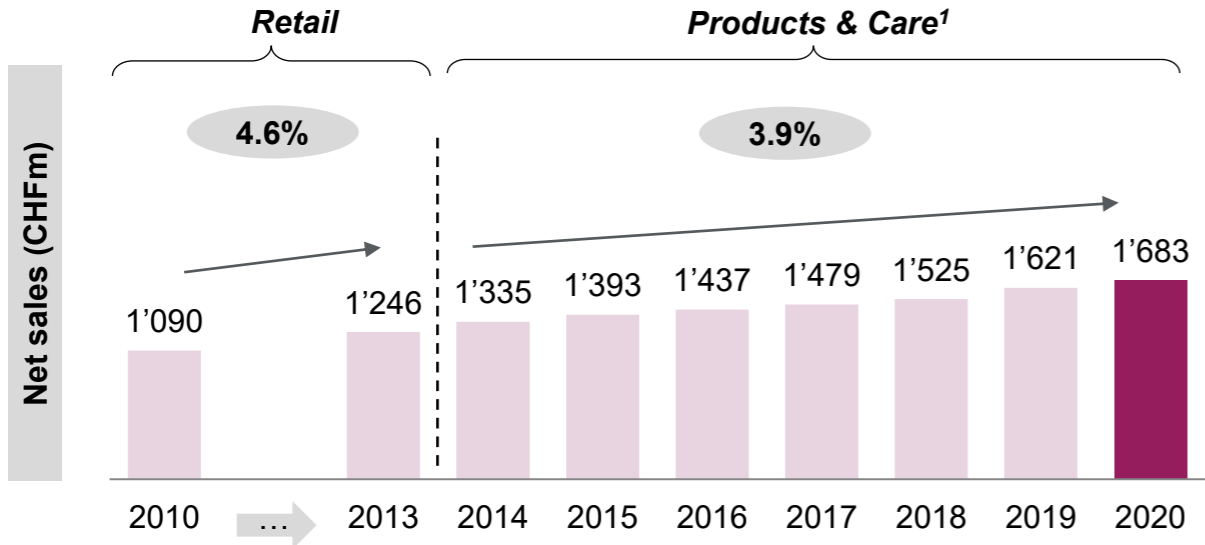
2010–20 CAGRs
 Retail market sales² 2.0%
 Galenica net sales 3.3%
 Galenica EBIT³ 8.7%



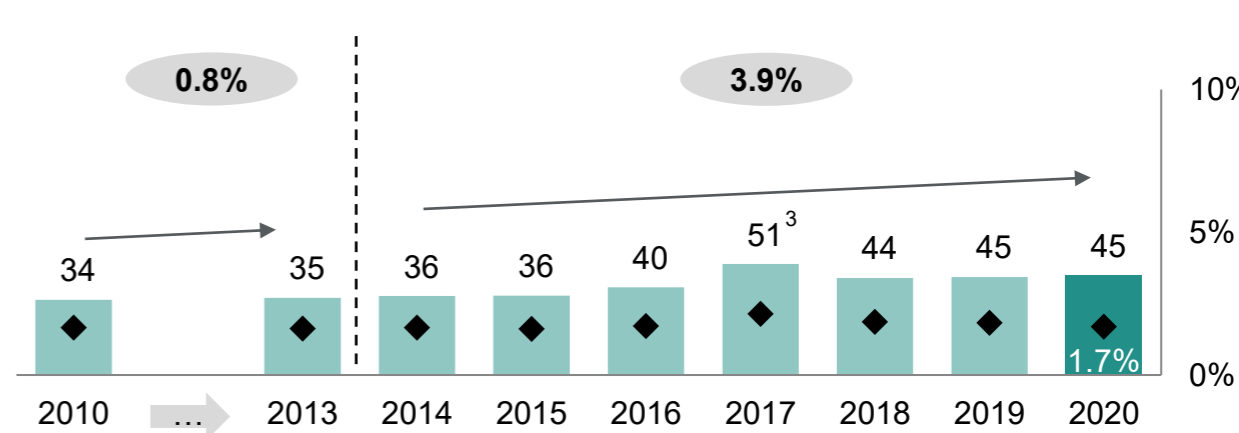
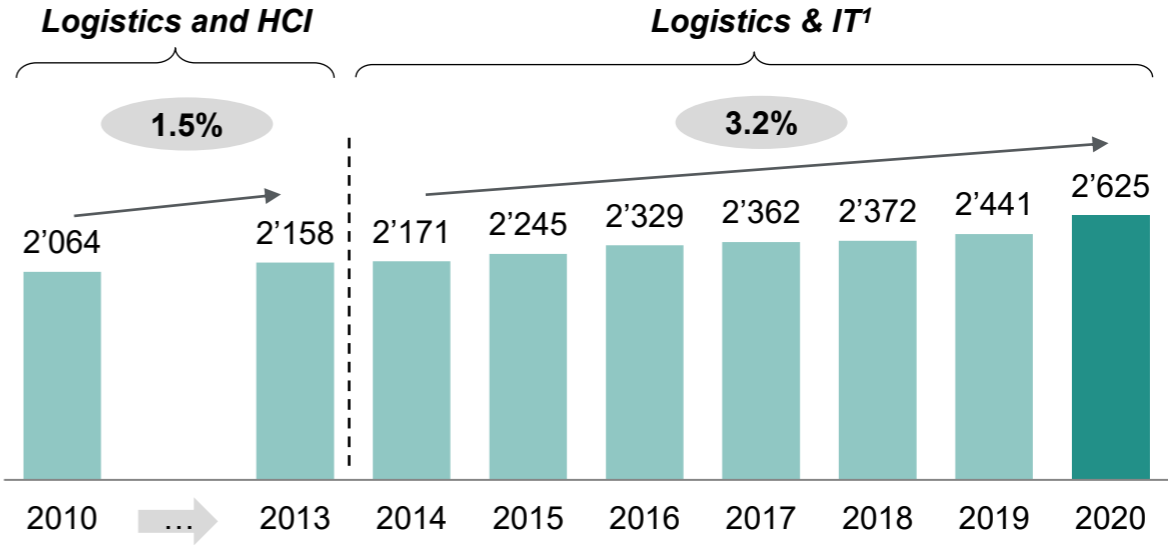
Source: Company information, Galenica Annual Reports, IQVIA (former IMS Health)
 1 Business segments were newly defined in 2014, the financial information until 2013 does not include Products&Brands
 2 Retail market sales include direct and indirect pharmaceutical sales through pharmacies, self-dispensing doctors and drugstores (IQVIA Market Prognosis 2020-2024, Switzerland, published September 2020)
 3 2014-16 reported EBIT, 2017-2020 adjusted EBIT (excluding IAS 19 impact and effects of IFRS 16 leasing (since 2019))
 4 Calculated as (EBITDA-capex)/EBITDA. EBITDA is adjusted for IAS 19 impact and effects of IFRS 16 leasing, see page 89 of annual report 2020

1 ... demonstrating strong performance in both segments

Products & Care



Logistics & IT



◆ EBIT margin (%)

CAGRs

Source: Company information, Galenica Annual Reports

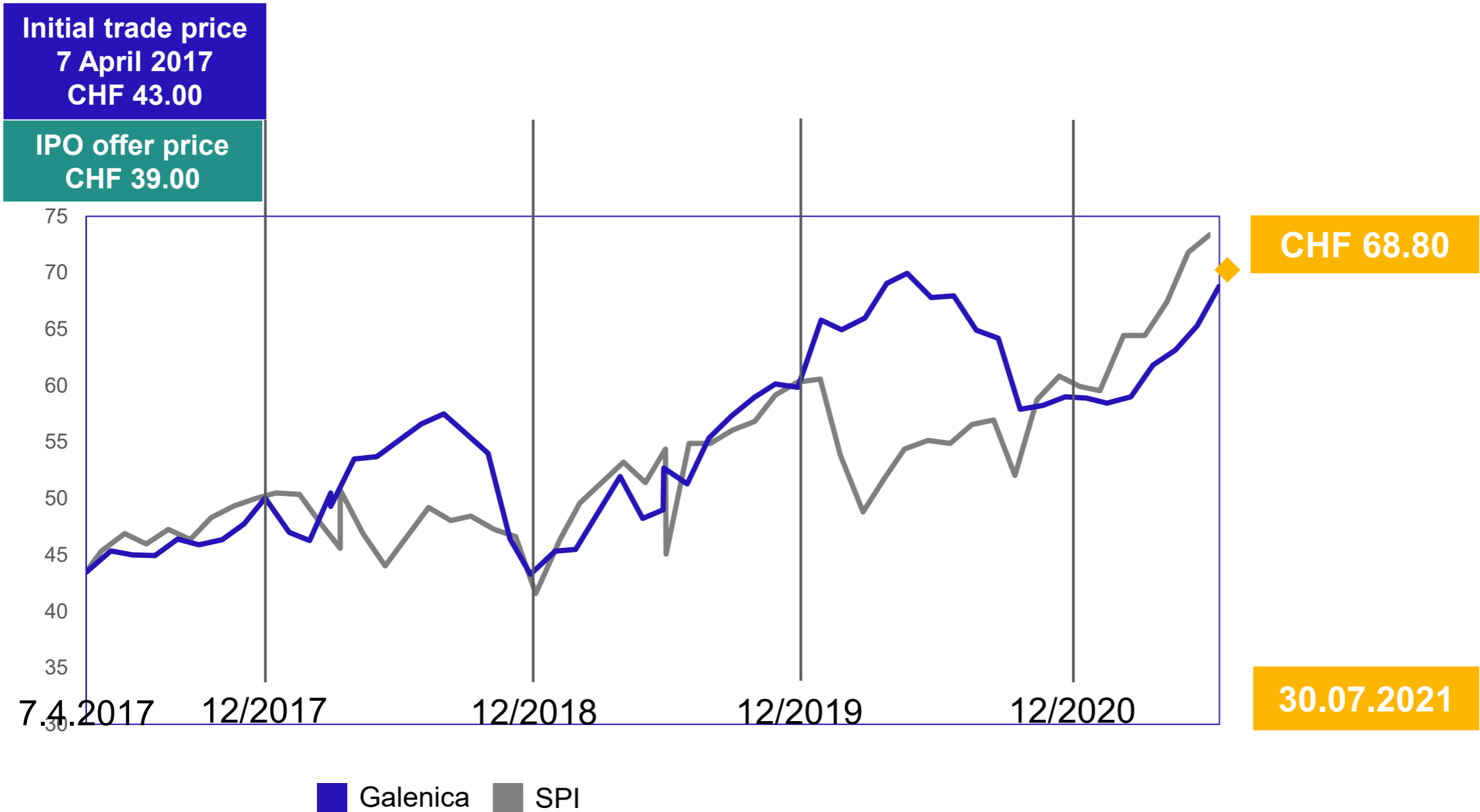
Note: Business segments were newly defined in 2014, the financial information until 2013 for Health&Beauty does not include Products&Brands

1 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

2 2014-16 reported EBIT, 2017-2020 adjusted EBIT (excluding IAS 19 impact and effects of IFRS 16 leasing (since 2019))

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

1 History of share price since IPO



2 Galenica is the leading healthcare provider in Switzerland

GALENICA 2020 net sales **CHF3'480 million**
2020 EBIT¹ **CHF169 million**

Products & Care

2020 net sales **CHF1'683m**
2020 EBIT¹ **CHF124m**
(pre eliminations of intercompany positions)

Retail (B2C)

Retail market position² **#1**



- Leading domestic network of own and joint venture pharmacies
- Provision of health and beauty products, patient advice and new services through our pharmacy network as well as via different online offerings
- Homecare services in Switzerland

Professionals (B2B)

Consumer Health market position² **#1**



- Broad range of own, exclusive and partner products for consumer health, beauty and well-being
- Various services for professionals such as customized blistering of drugs or manufacturing of specialties of medicines

Logistics & IT

2020 net sales **CHF2'625m**
2020 EBIT¹ **CHF45m**
(pre eliminations of intercompany positions)

Wholesale

Wholesale market position² **#1**



- Leading provider of specialised wholesale distribution service
- Supplies to pharmacies, self-dispensing doctors' practices, drugstores, nursing homes and hospitals

Logistics & IT Services

Health Care information market position² **#1**
Pre-wholesale market position² **#1**



- Third-party logistics provider for the pharmaceutical industry (pre-wholesaling)
- Digital product master data and scientific databases
- Software solutions and digital services for pharmacies

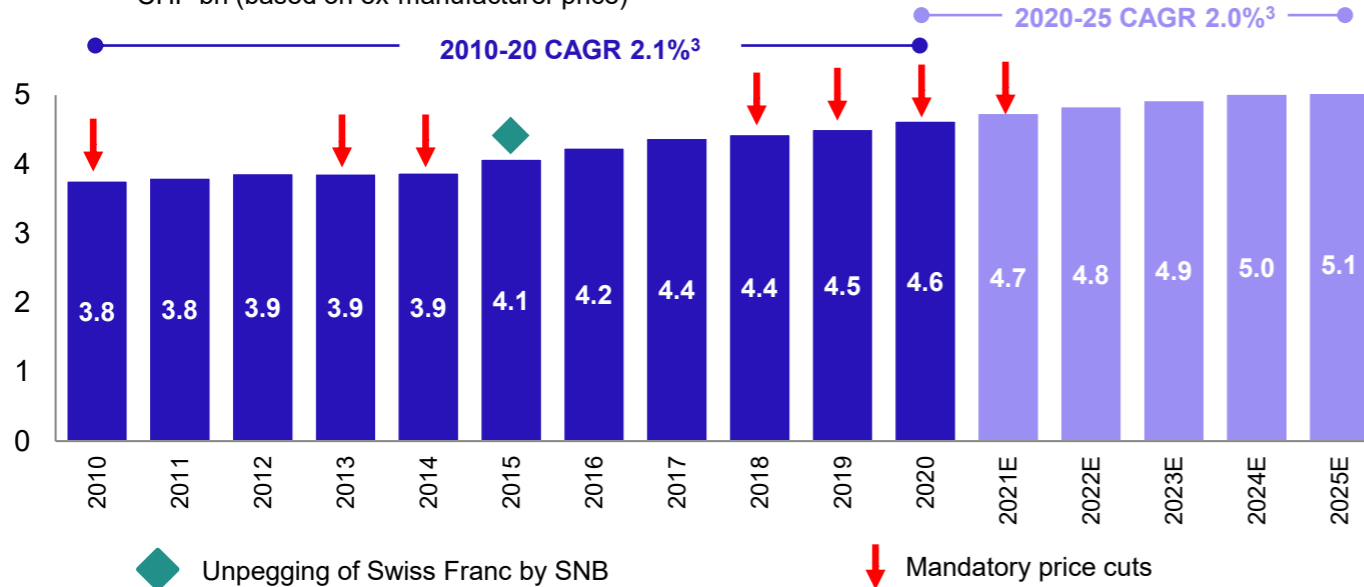
¹ Adjusted EBIT, excludes IAS 19 and IFRS 16 effects, see page 89 of annual report 2020

² Retail based on number of pharmacies. Source: IQVIA Market Prognosis 2020-2024, Switzerland, published September 2020, pharmaSuisse 2021 and company websites; Professionals based on IQVIA Pharamtrend MAT Consumer Health Market. December 2020 sales value for OTC, Patient Care, Personal Care and Nutritionals products; Health Care Information based on company information; Pre-wholesale and wholesale based on market share. Source: IQVIA Market Prognosis 2021-2025, Switzerland, published March 2021

2 Operating in a stable and attractive Swiss healthcare market with favourable long-term fundamentals

Resilient, stable Swiss healthcare retail sector²

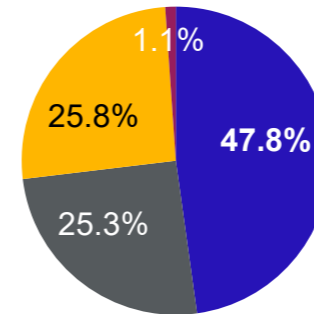
CHF bn (based on ex-manufacturer price)



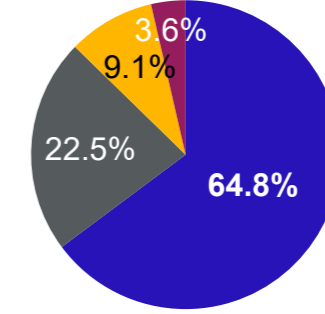
- Underlying healthcare sector growth drivers, including demographics, lifestyle and innovation
- One of the highest life expectancy rates in the world
- Non-discretionary nature of products and services

Pharmaceutical market in Switzerland (2020)¹

By value—CHF6.3bn



By volume—183 million packs



■ Pharmacies ■ Physicians ■ Hospitals ■ Drugstores

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

Source: IQVIA, Pharmaceutical Market Switzerland, YTD December 2020, IQVIA Market Prognosis 2021-2025, Switzerland, published March 2021

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 2021-2025, Switzerland, published March 2021

3 The largest pharmacy retailer in Switzerland

Retail (B2C)

Local Pharmacies

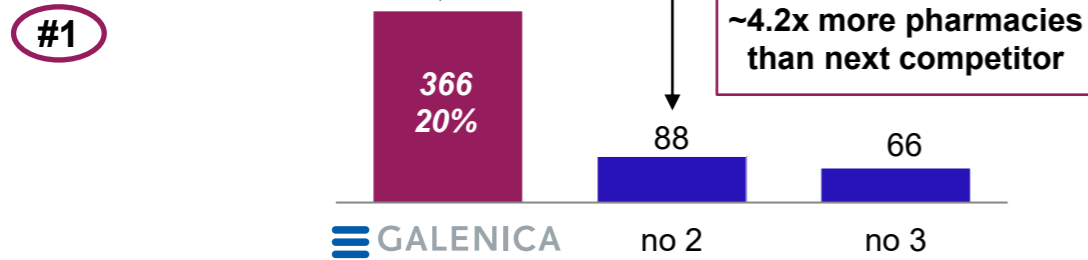
Net sales 2020: CHF 1'163m

Network of chains (# of pharmacies as of 30 June 2021)

by number of pharmacies¹

Total # of pharmacies as of 2019
1'819

Market position²



- AMAVITA+** 184³ – Largest branded pharmacy network by number of pharmacies in Switzerland
- PHARMACIE SUN STORE** 94 – The first Swiss pharmacy chain²
- coop vitality+** 88 – Joint venture (49:51) with Coop, the 2nd largest retail group in Switzerland

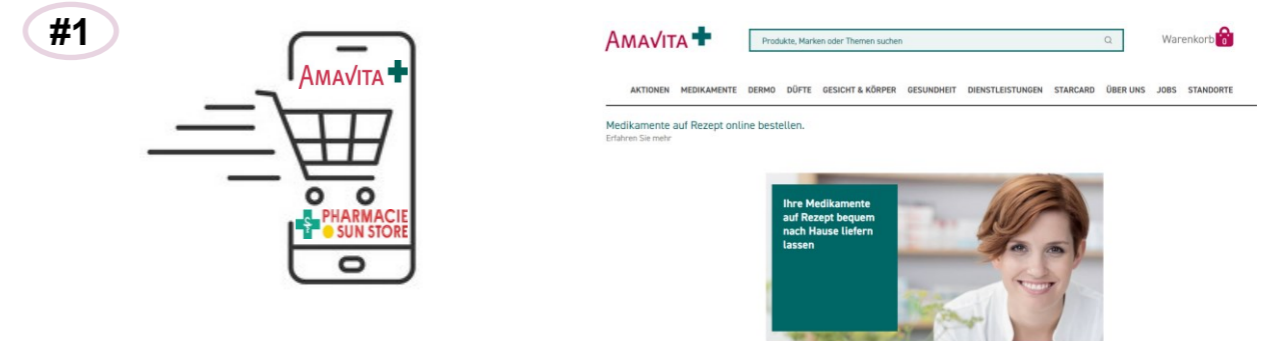
Highlights

- 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.

Pharmacies at home

Net sales 2020: CHF 355m

Market position: market leading mail-order pharmacy in Switzerland⁴



- MEDI SERVICE** – Specialty pharmacy focused on home healthcare for patients with chronic and rare illnesses
- AMAVITA+**, **PHARMACIE SUN STORE**, **coop vitality+** – Own web shops and mail-order pharmacies
- bichsel** – Homecare services for patients across Switzerland in the area of clinical nutrition, individual intravenous therapies, tracheostoma and metabolism

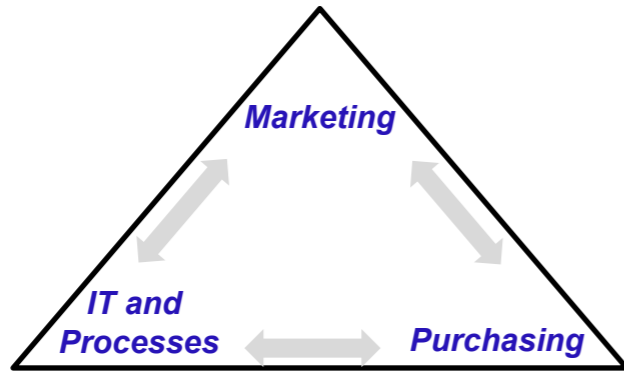
- Market leading mail-order pharmacy
- Strong online presence with own web shops and mail-order pharmacies with a broad product range, including well-known own brands
- More than 50 years of homecare experience

1 Own includes 88 pharmacies through joint venture with Coop
 2 Based on number of pharmacies. Source: pharmaSuisse 2021, IQVIA Market Prognosis 2021-2025, Switzerland, published March 2021 and company websites
 3 Amavita figures include 5 majority holdings in other pharmacies
 4 IQVIA, Pharmaceutical Market Switzerland, YTD December 2020, Rx market Switzerland by channels, market leading mail-order pharmacy in terms of net sales

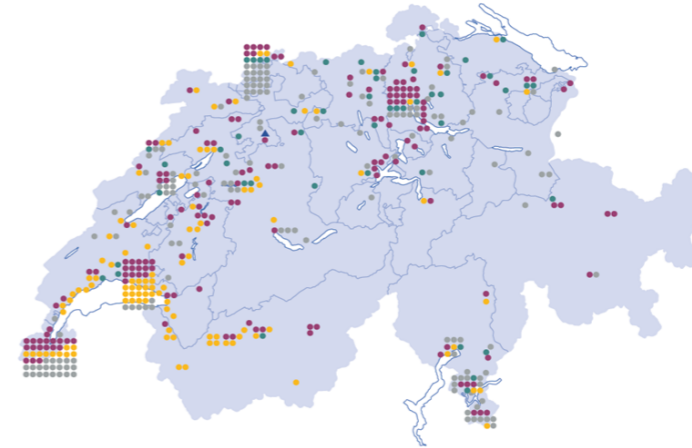
3 Ongoing pharmacy network consolidation and optimisation

Retail (B2C)

- ✓ 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 10 pharmacies acquired and 8 net pharmacies added per year over the last 8 years

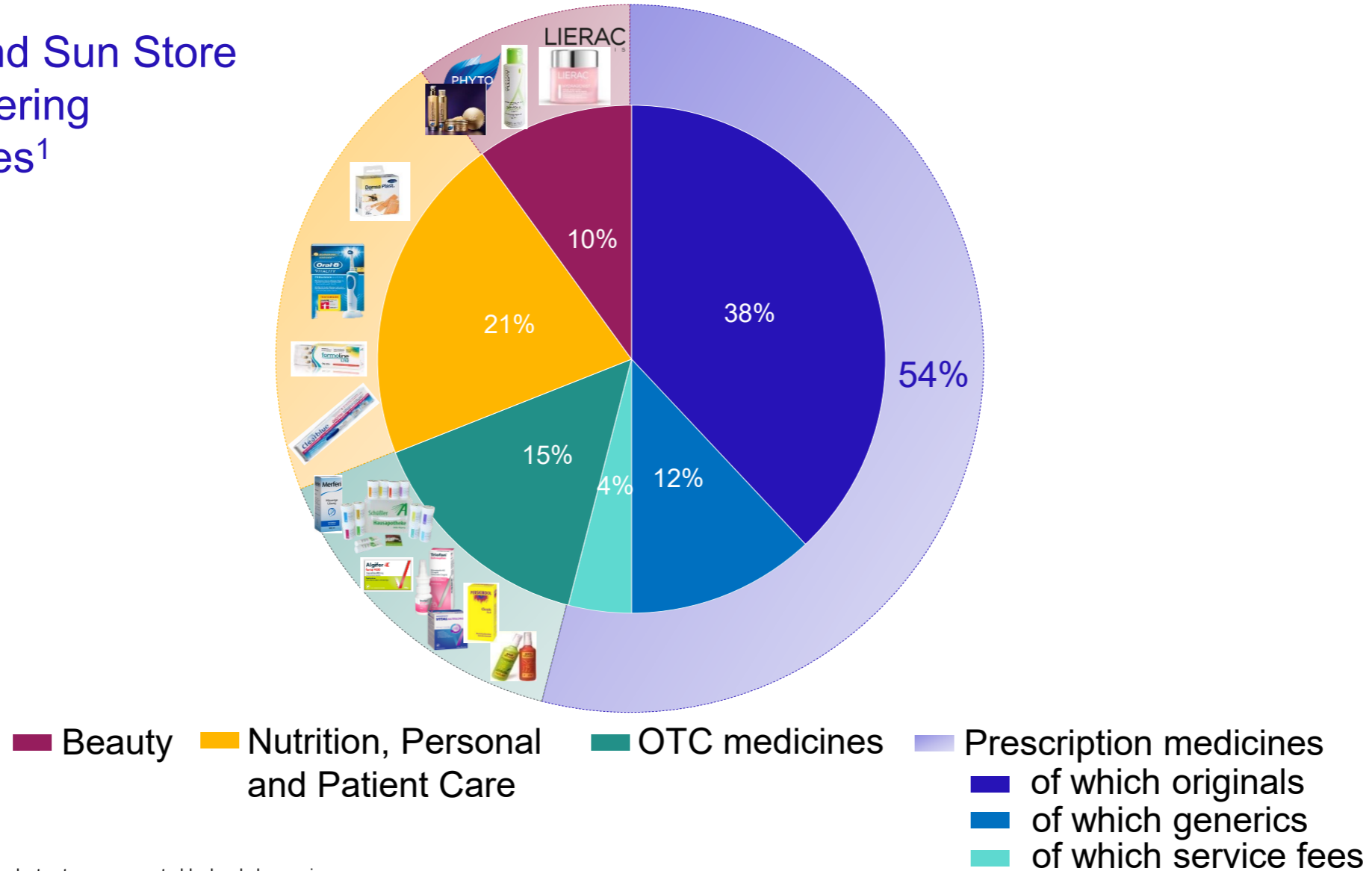
	2013	2014	2015	2016	2017	2018	2019	2020	HY 21
Pharmacies acquired	20	5	2	13	6	10	11	12	2
Net pharmacies added ¹	12	6	0	11	8	8	11	10	1
Total own Pharmacies	312	318	318	329	337	345	356	366	367

¹ Includes the impact of acquisitions with concurrent mergers, new openings and closings

3 Diversified product portfolio for health, beauty and wellbeing

Retail (B2C)

Amavita and Sun Store product offering in % of sales¹



1) Share of net sales 2020 by product category generated by local pharmacies

Leading role in Consumer Health

3 with broad and innovative product portfolio

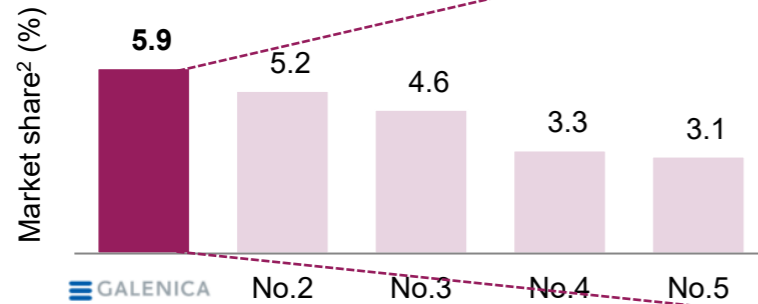
Professionals (B2B)

Products & Brands

Net sales 2020: CHF 112m

Consumer Health Market position¹

#1



ORAL PAIN REMEDIES³
No. 1
33% market share²

TOPICAL PAIN REMEDIES³
No. 2
24% market share²

COUGH & COLD REMEDIES³
No. 2
17% market share²

Portfolio

Consumer Health & Skincare brands

VERFORA[®] | DERMAFORA | Algifor[®] | VERACTIV[®] MAGNESIUM | FERSYNOL | Merfen | Osa | Camol | Vitamine D3 Wild | Vite-Merfen

Exclusive partner brands Health & beauty

OMNI BIOTIC[®] | Bucco Tantum[®] | VICKS | Kytta | Mustela[®] | LIERAC | ThermaCare[®] | Nasivin[®] Clearblue | A | PHYTO | A-DERMA

OTC retail own brands

Avanika[®] Ibuprofen 400 | DORIPRIFEN 400 | SUNSTONE Acetylcysteine 600

Highlights


- Preferred Consumer Health partner for Swiss Pharmacies & Drugstores
- Broad Sales & Training force → Distribution partner of choice
- Expanding portfolio of own and exclusive partner brands
- Leveraging of Galenicare's Retail platform to distribute Verfora & Partner brands

Service for Professionals

Net sales 2020: CHF 61m

medifilm[®]

- One-stop shop
- Prepared drugs in blisters ensuring safe medication
- Key customers include nursing homes and home care organisations




Winconcept

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

bichsel

- Manufacturing of both specialties of medicines & medical devices and registered products
- Specialised on customized infusions for hospitals



Lifestage SOLUTIONS

- 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

- High quality support services for professionals (B2B)
- Strong position as a leading integrated healthcare service provider in the growth markets of home care and nursing homes
- Bichsel classified as systemically relevant by the Federal Office for National Economic Supply (FONES) during COVID-19

1 Includes OTC, Patient Care, Personal Care and Nutritionals products
 2 Based on IQVIA Pharmatrend Sell Out MAT Dec 2020 street price - net sales incl. VAT, price actually paid by consumer
 3 Market shares in categories are shown for Verfora, not including OTC retail own brand

3 Executing our strategy to further expand our product portfolio *Professionals (B2B)*

May 2021: Acquisition of Pharma business of Dr. Wild & Co AG

Market leading Vitamin D portfolio in Switzerland



Other strong brands



Highlights

- Strong brands and high-potential marketing authorisations that ideally complement the current portfolio
- The well-known products Vitamin D3 Wild Oil® and VI-DE 3® have been leaders in Switzerland's attractive vitamin D market for many years
- This acquisition will also enable Verfora to establish its own physician field service.
- Total market sales of more than CHF 19 million at public prices

September 2021: Acquisition of Spagyros AG

Phytotherapy



Gemmotherapy



Spagyrics



Homoeopathy

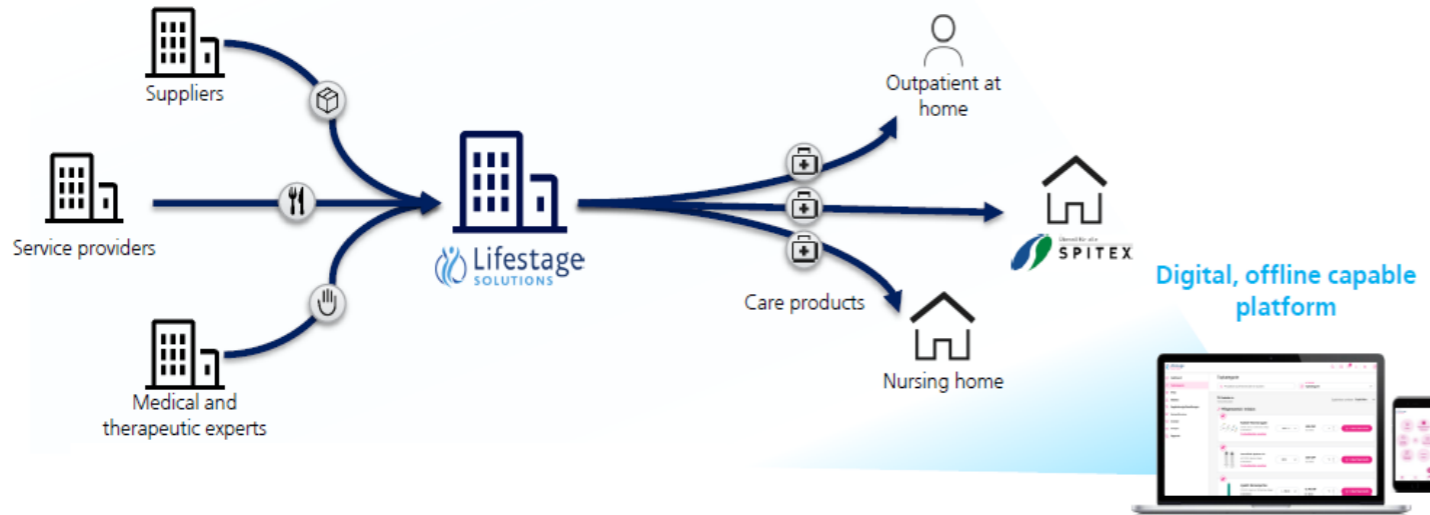


- Acquisition enables Verfora to meet the growing demand for phytotherapy and complementary medicines through its own products
- Strengthening of pharmacies and drugstores with the addition of a range of products requiring intensive consultation
- Total market sales of approximately CHF 10 million at public prices

Acquisition of Lifestage Solutions AG completes Galenica's

3 portfolio as fully integrated healthcare provider

Professionals (B2B)



Ambition

- To be Strategic partner of choice for nursing care organisations in Switzerland.

Business Model Lifestage Solutions

- One-stop-shop for all consumables
- Fully-automated order and billing management via Spitex or nursing home
- No need to constantly adapt local (customer's) systems to changes in regulatory requirements
- Interfaces to all common client ERP systems
- Warehousing and direct delivery to patients
- Benefit from maximum share of wallet
- Flexible to onboard additional products and service providers

Significant synergies with Galenica

- ✓ Optimisation of logistics and Sourcing



- ✓ More attractive product and service offerings for nursing care organisations



- ✓ Strong positioning in the elderly care market: With the acquisition of Lifestage Solutions AG, Galenica becomes an attractive partner for nursing care organisations

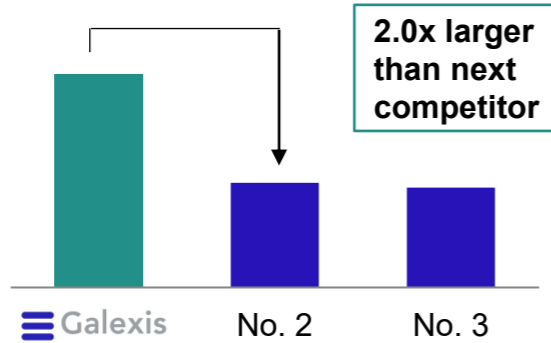
3 Leader in pre-wholesale and wholesale distribution, supported by an innovative healthcare information business

Logistics & IT

Wholesale Net sales 2020: CHF 2'530m

Market position¹ #1

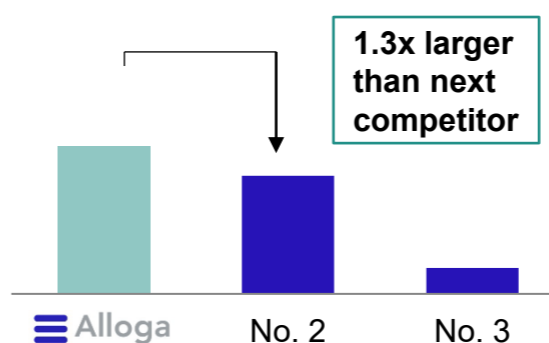
Wholesale market share % (pharmacy)



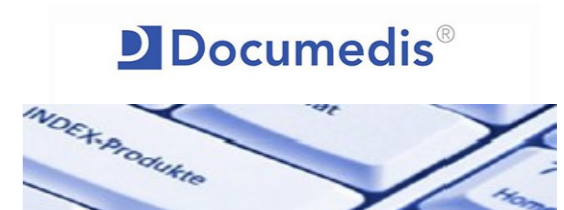
Logistics & IT Services Net sales 2020: CHF 98m

Market position Alloga¹ #1

Pre-wholesale market share %



Market position HCI Solutions¹ #1



Highlights

- Wholesale distribution with four distribution centers; main site at Niederbipp operates at up to 65% automation
- Supplies to pharmacies, self-dispensing doctors' practices, drugstores, nursing homes and hospitals

- >9,000 customers
- 100,000 products (c. 11,000 Rx²)
- >1,100 suppliers
- GDP³-compliant services

- Third-party logistics provider for the pharmaceutical industry (pre-wholesaling) including additional services (labeling, repacking, clinical trial service)

- 100 pharma customers
- >10,000 stock items (SKU)
- Temperature zones: 15-25°C, 2-8°C, -20°C, -80°C

- Digital product master data and scientific databases
- IT platforms related to electronic medication process
- Software solutions and digital services for pharmacies

- Systemically relevant digital information and databases

August 2021 © Galenica Group

1 Galexis / Alloga: based on market share. Source: IQVIA Market Prognosis 2021-2025, Switzerland, published March 2021 / HCI based on company information
 2 Prescription products
 3 Good Distribution Practice

4 Galenica Strategy

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

Values 

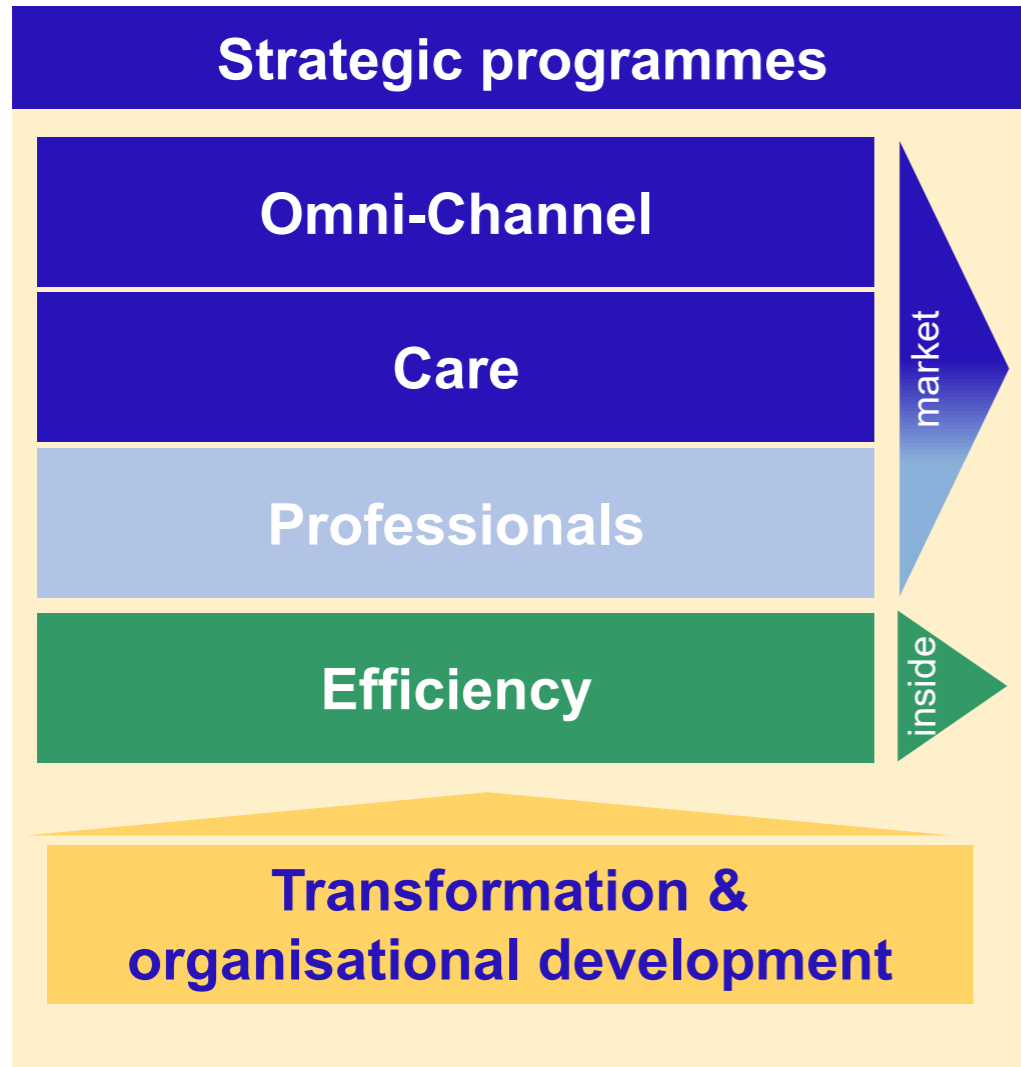
- WE BUILD TRUST
- WE SHOW RESPECT
- TOGETHER, WE ARE STRONGER
- WE ACT AS ENTREPRENEURS
- WE PARTICIPATE WITH PASSION

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 

- Omni-Channel
- Care
- Professionals
- Efficiency
- Transformation

4 Definition of strategic programmes




”

IMPLEMENT
STRATEGY IN A
FOCUSED, TARGETED
AND SWIFT MANNER.

Strategic programmes


4 Targets

Omni-Channel



- Best customer experience, anytime and anywhere
- Online and offline channels
- Product range

Care



- First point of contact
- Health services
- Preferred cooperation partner

Professionals



- Partner of first choice
- Leader in e-health

Efficiency



- Simple and efficient
- Process and cost optimisation

Transformation



- Employees fit for the future
- Competent, agile teams

4 Management structure Galenica Group



* Executive Committee

** extended Executive Committee

4 Executive Committee

	<p>Marc Werner <i>CEO</i></p>	<ul style="list-style-type: none"> – CEO since 2020 – 24 years industry experience – Joined Galenica in 2020 – Previously, Head Marketing & Sales division and Member of the Group Executive Board at Swisscom
	<p>Felix Burkhard <i>CFO</i></p>	<ul style="list-style-type: none"> – CFO since 2017 – 30 years industry experience of which 26 years at Galenica – Joined Galenica in 1995 – Previously, Head of Strategic Projects of Galenica Group and Head of Retail Business Sector
	<p>Virginie Pache Jeschka <i>Pharmacies</i></p>	<ul style="list-style-type: none"> – Chief Pharmacies Officer from 1st January 2021 and CEO Coop Vitality – 17 years Marketing and Sales Manager experience of which 3 years at Galenica – Joined Galenica 2018 – Previously, CEO Coop Vitality, Management of Caudalie Suisse and then Caudalie D-A-CH in Düsseldorf
	<p>Daniele Madonna <i>Healthcare</i></p>	<ul style="list-style-type: none"> – Chief Healthcare Officer from 1st January 2021 – 18 years industry experience of which 17 years at Galenica – Joined Galenica 2004 – Previously Store Manager, Regional Sales Manager, CEO of the joint venture Coop Vitality and Head of Retail Business Sector
	<p>Thomas Szuran <i>Products & Marketing</i></p>	<ul style="list-style-type: none"> – Chief Products & Marketing Officer from 1st January 2021 – 24 years industry experience of which 2 years at Galenica – Joined Galenica 2019 – Previously, CEO at Biomed AG, President at ASSGP
	<p>Andreas Koch <i>Wholesale Logistics</i></p>	<ul style="list-style-type: none"> – Head of Wholesale Logistics from 1st January 2021 – Degree in business administration – 21 years industry experience of which 12 years at Galenica – Previously, Head Supply Chain Management at Galexis and Alloga, CEO Alloga, CEO Galexis

4 Extended Executive Committee

	<p>Lukas Ackermann <i>IT & Digital Services</i></p>	<ul style="list-style-type: none"> – Since 2021 Member of the Extended Executive Committee – 22 years health care experience – Joined Galenica in 2020 as Managing Director of HCI Solutions – Previously, General Manager of amétiq Ltd.
	<p>Marianne Ellenberger <i>Human Resources</i></p>	<ul style="list-style-type: none"> – Since 2021 Member of the Extended Executive Committee – 35 years Human Resources experience of which 20 years at Galenica – Joined Galenica in 2001 as Head Human Resources Retail – Previously, Various Human Resource functions (Ascom, CSL Behring, Swisscom)
	<p>Christina Hertig <i>Corporate Communications</i></p>	<ul style="list-style-type: none"> – Since 2021 Member of the Extended Executive Committee – 36 years Communication experience of which 15 years at Galenica – Joined Galenica in 2006 – Previously, Federal Office of Public Health (FOPH)
	<p>Barbara Wälchli <i>Legal & Board Services</i></p>	<ul style="list-style-type: none"> – Since 2021 Member of the Extended Executive Committee – 10 years attorney at law experience – Joined Galenica in 2019 General Counsel of the Galenica Group – Previously attorney at law in various law firms Bern and Zurich
	<p>Jürg Paul <i>Transformation</i></p>	<ul style="list-style-type: none"> – Since 2021 Member of the Extended Executive Committee – 28 years Marketing and Transformation experience – Joined Galenica in 2020 as Head of Transformation – Previously Head of Business Transformation Swisscom

New reporting structure

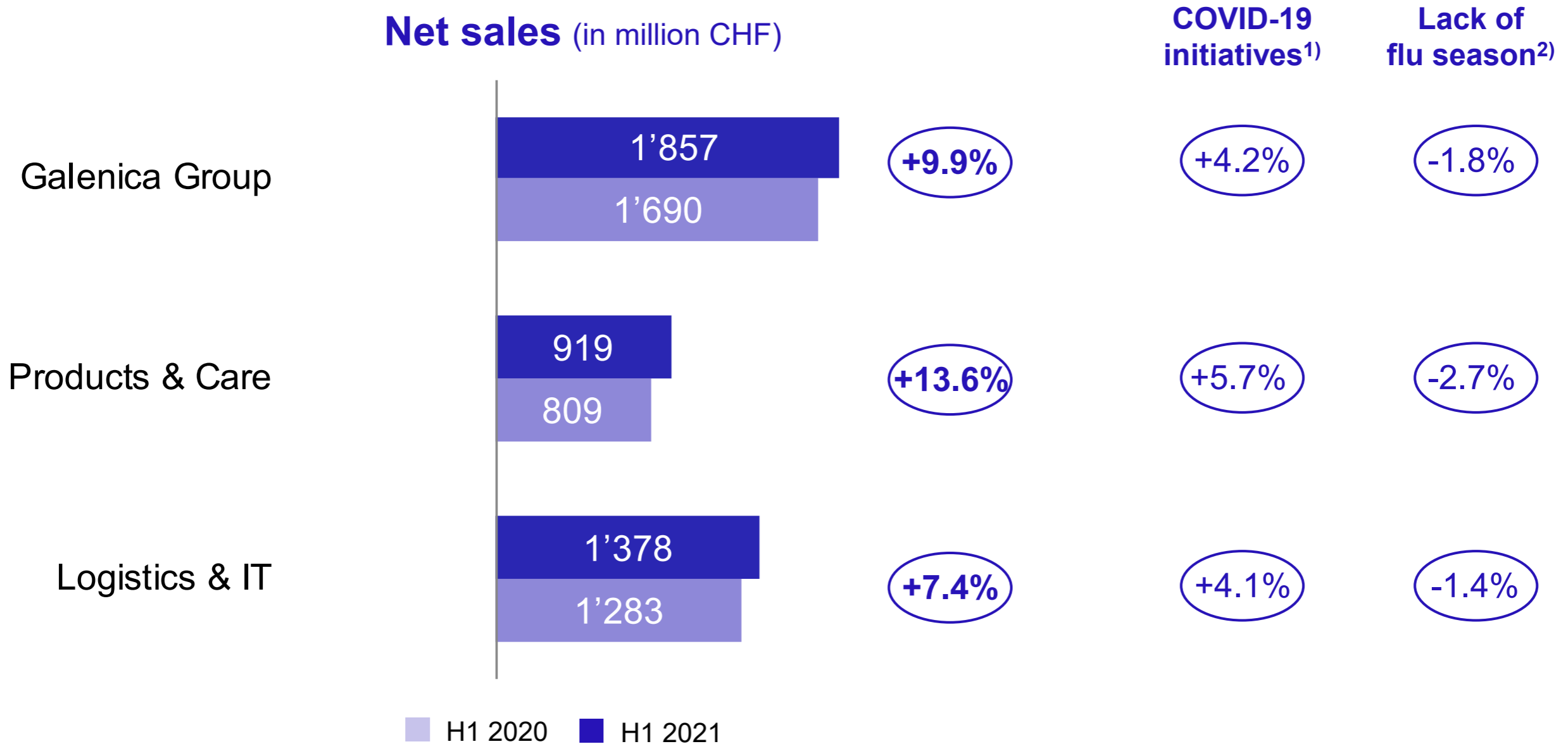
4 Strong alignment to customer focus combined with high transparency

Products & Care

Logistics & IT



5 Strong sales growth



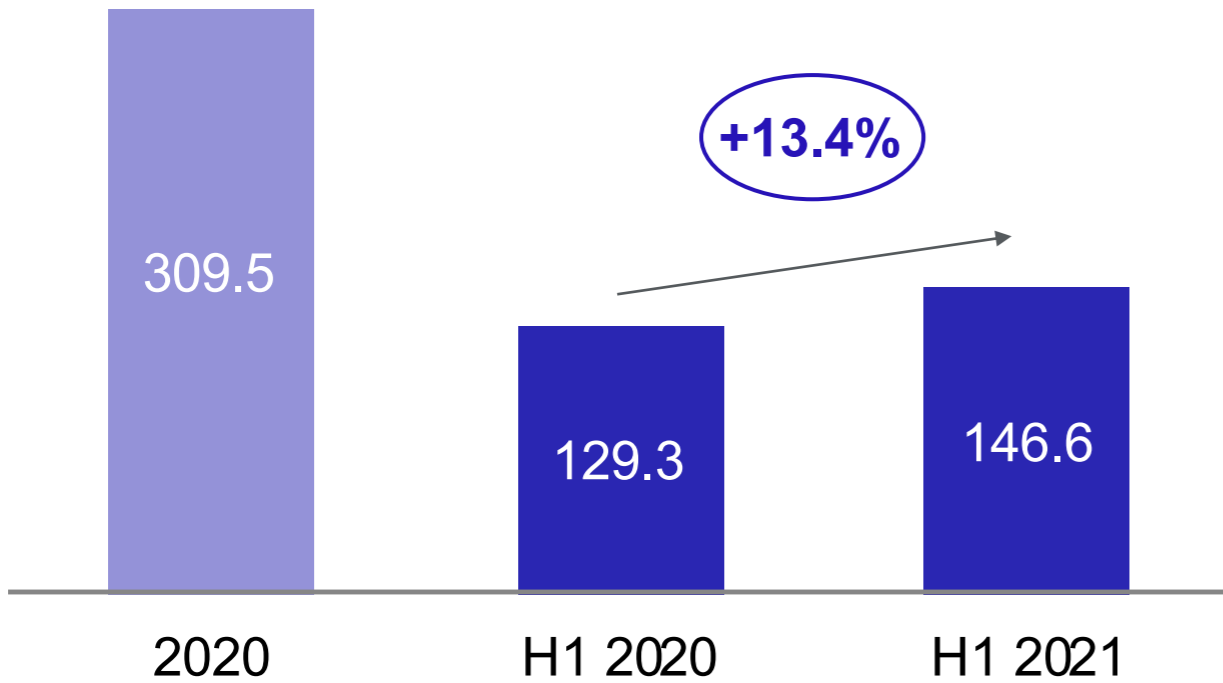
¹⁾ Impact of COVID-19 initiatives includes net sales of PCR tests, Rapid Antigen tests, self-tests as well as vaccinations

²⁾ Estimated impact based on revenue losses in corresponding OTC categories

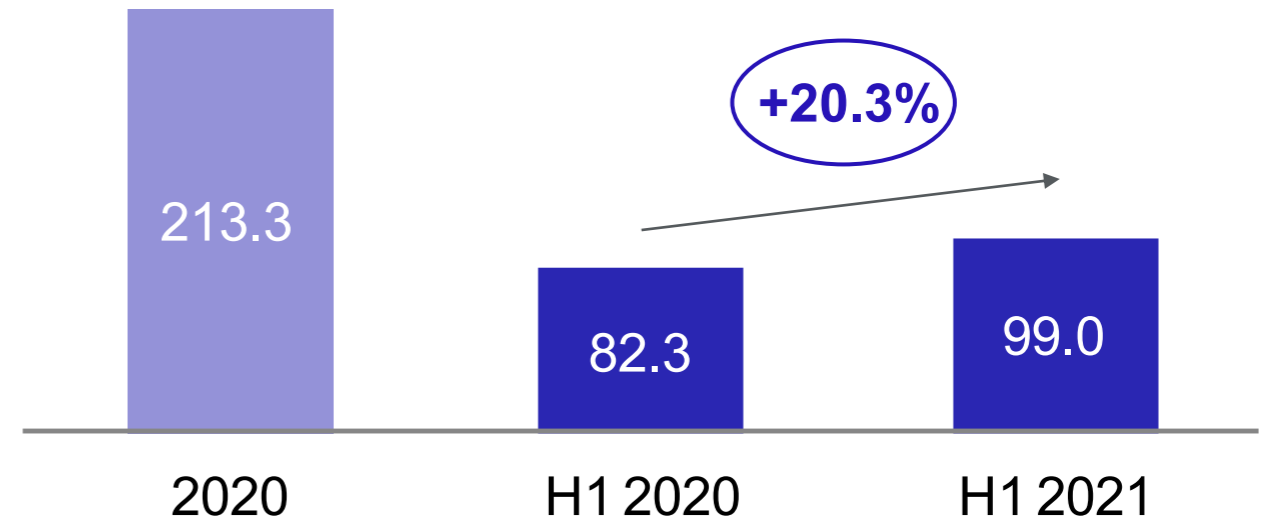
H1 2021

5 Pleasing increase of profitability

EBITDA (in million CHF)



EBIT (in million CHF)



5 EBITDA and EBIT adjustments¹⁾

EBITDA (in million CHF)

EBIT (in million CHF)

	H1 2021	H1 2020	Abw. %		H1 2021	H1 2020	Abw. %
EBITDA adjusted	124.7	105.3	+18.4%	EBIT adjusted	101.4	83.6	+21.3%
Adjustment IAS 19	-3.9	-2.4		Adjustment IAS 19	-3.9	-2.4	
Adjustment IFRS 16	25.7	26.4		Adjustment IFRS 16	1.5	1.1	
EBITDA	146.6	129.3	+13.4%	EBIT	99.0	82.3	+20.3%

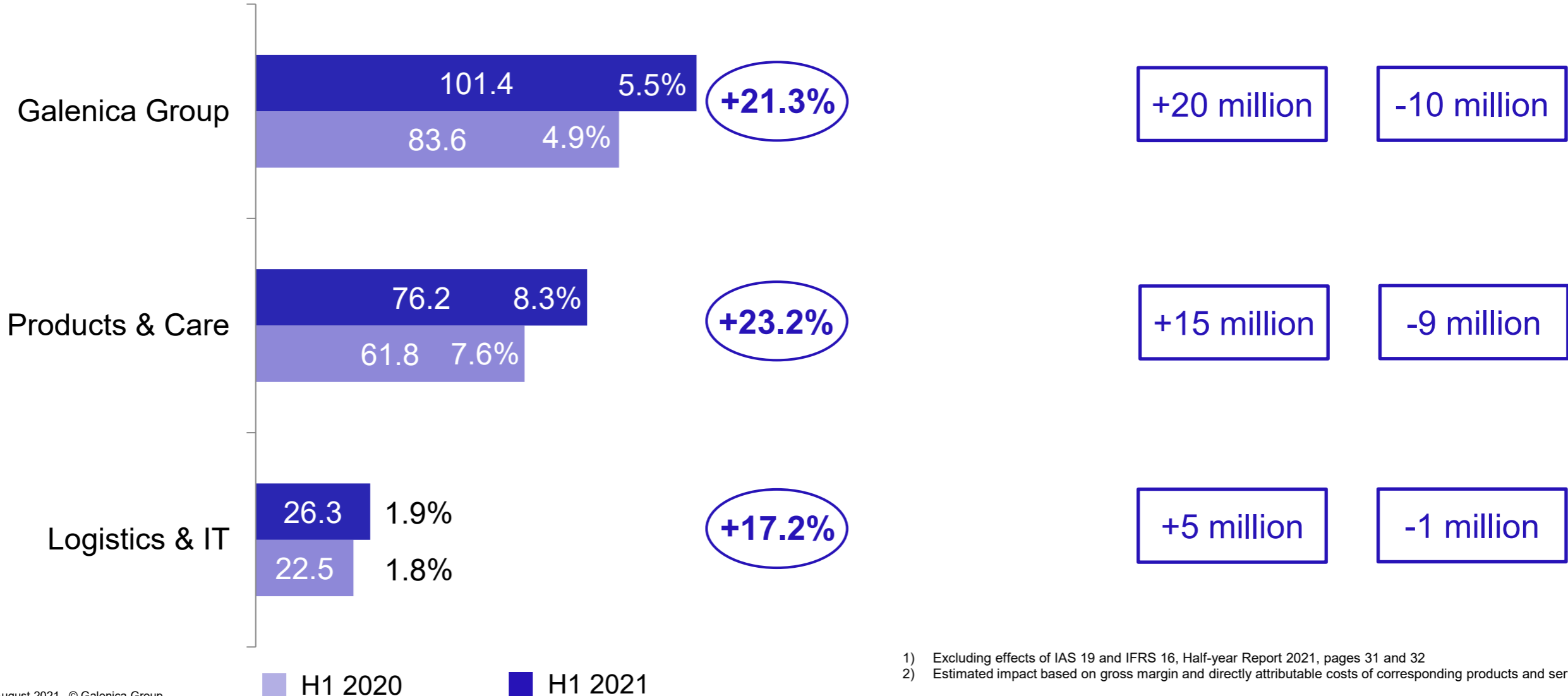
¹⁾ Details of the adjustments in the Half-year Report 2021, pages 31 and 32

5 Galenica Group

Significant improvement of profitability

EBIT and EBIT margin adjusted¹⁾

(in million CHF / %)



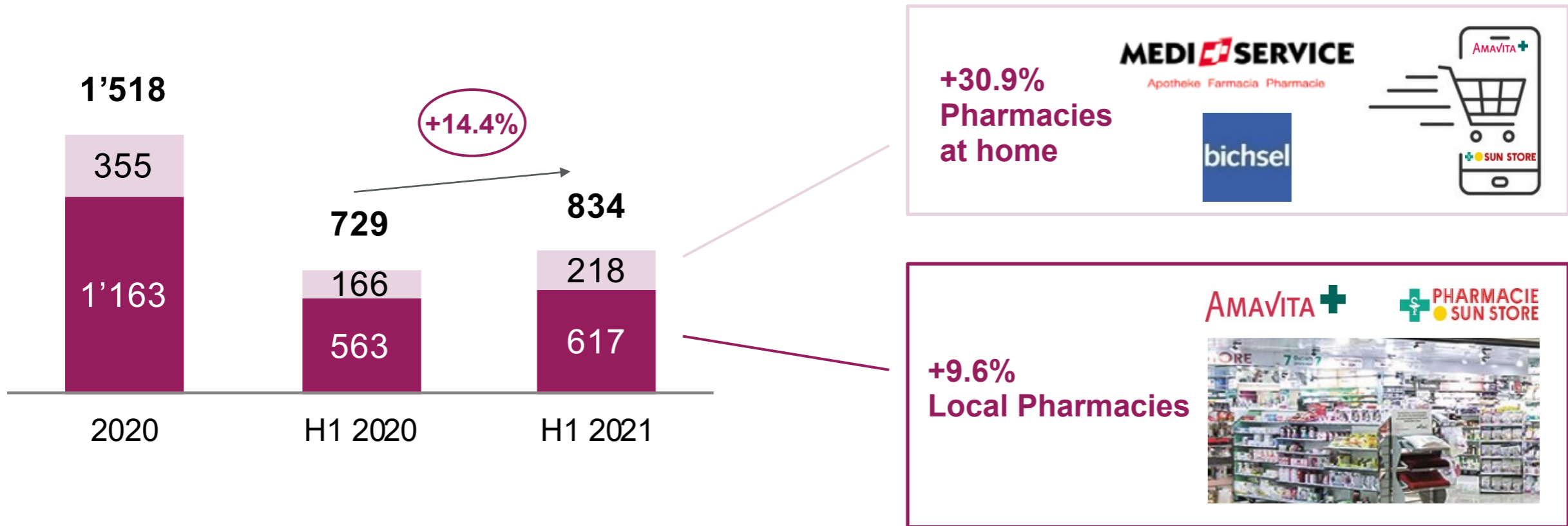
1) Excluding effects of IAS 19 and IFRS 16, Half-year Report 2021, pages 31 and 32

2) Estimated impact based on gross margin and directly attributable costs of corresponding products and services

5

Retail (B2C): Sales growth driven by COVID-19 initiatives and strong sales increase of Pharmacies at Home sector

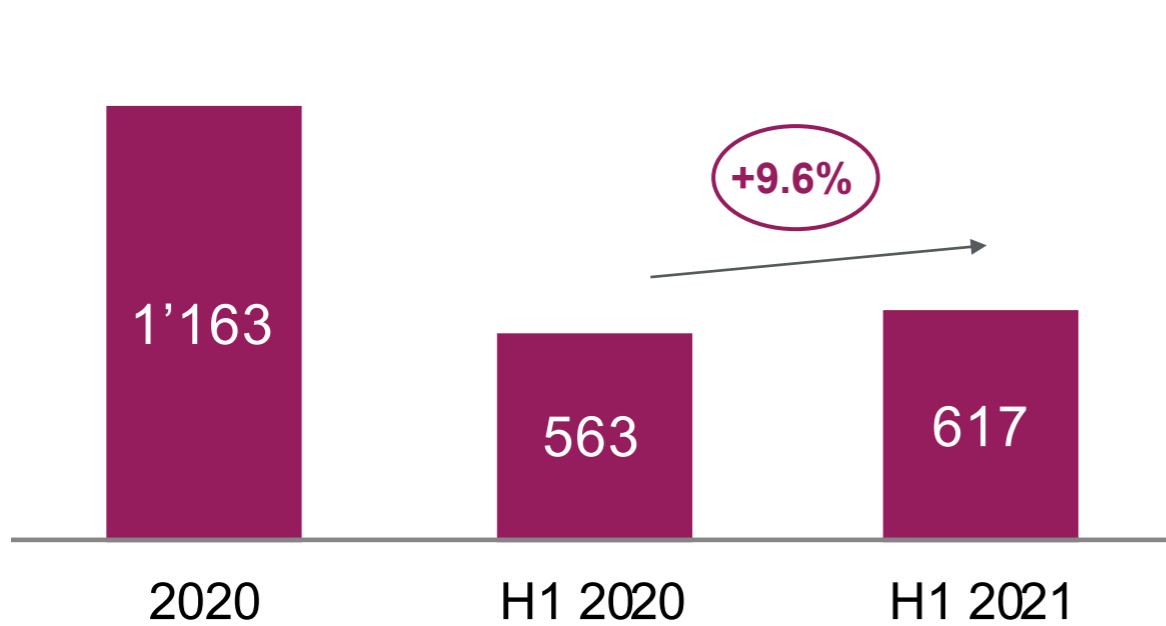
Net sales (in million CHF)



5

Local pharmacies: sales losses related to lack of flu season more than compensated by impact of COVID-19 initiatives

Local Pharmacies Net sales (in million CHF)



Elements of growth (%):

Expansion ¹⁾	1.6%	2.9%
Organic growth ¹⁾	-2.5%	6.7%
thereof impact of price cuts ¹⁾	-1.4%	-0.9%



Positive impact of COVID-19 initiatives: **+7.5%**²⁾



Continued impact due to lack of flu season: **-1.4%**³⁾

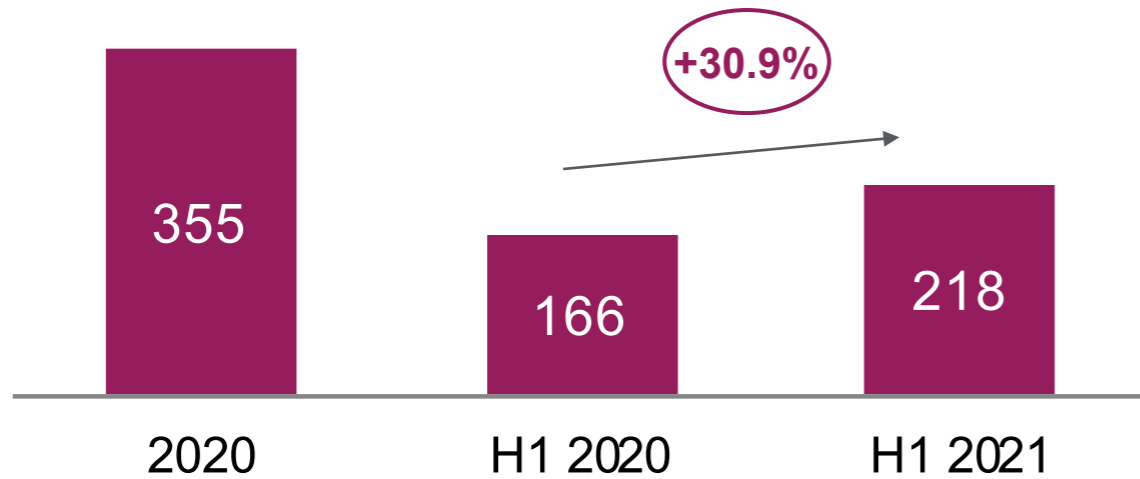


Sales at high frequency locations at approx. **-30%**⁴⁾ vs. pre-COVID-19-level

1) Further details and explanation in half-year Report 2021, page 29 and 30
 2) Impact of COVID-19 initiatives includes net sales of PCR tests, Rapid Antigen tests, self-tests as well as vaccinations
 3) Estimated impact based on revenue losses in corresponding OTC categories
 4) Excluding positive sales impact due to COVID-19 initiatives

5 Pharmacies at Home: strong growth of Mediservice in the area of rare diseases

Pharmacies at Home Net sales (in million CHF)



Elements of growth (%):

Expansion¹⁾	8.3%	0.6%
Organic growth¹⁾	3.2%	30.3%
thereof impact of price cuts ¹⁾	-3.7%	-1.8%



Online sales²⁾
doubled
year-on-year



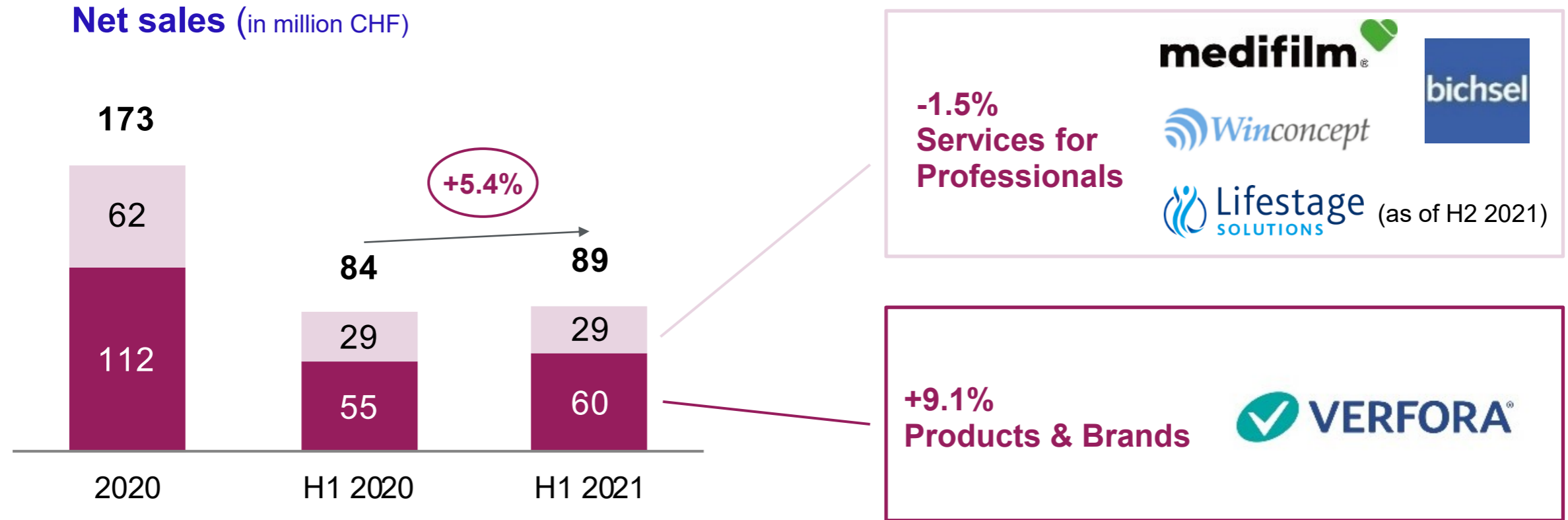
Additional sales in the area of rare diseases
+ 44 million



Continued growth of Bichsel HomeCare Services **(+3.6%)**

1) Further details and explanation in half-year Report 2021, page 29 and 30
2) Including Amavita and SunStore mail-order pharmacies and webshops

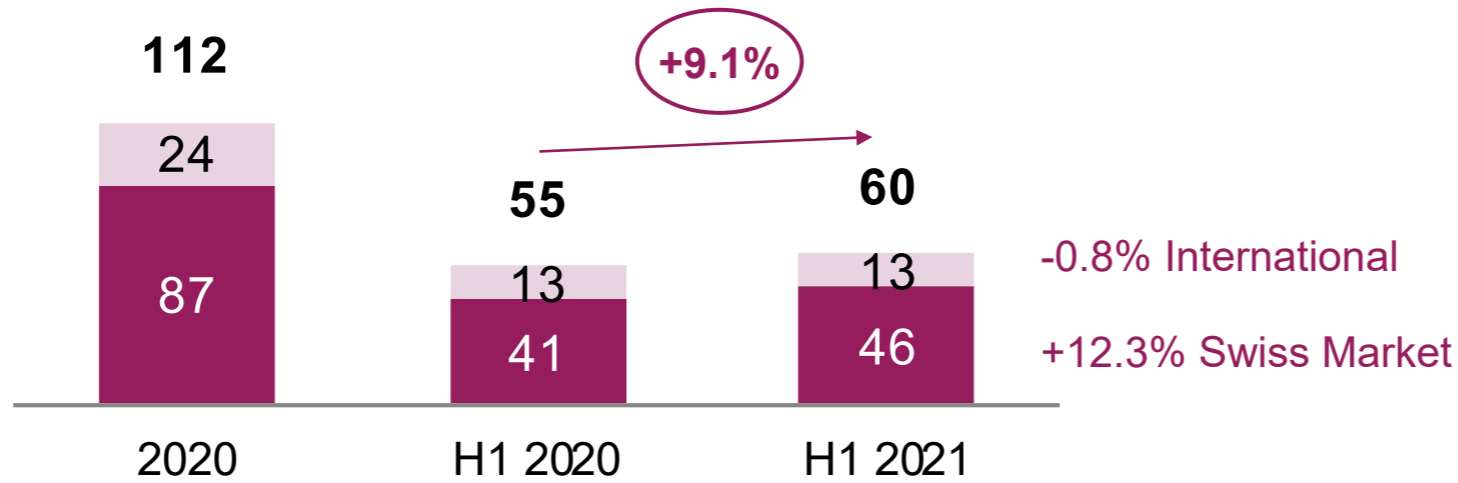
5 Professionals (B2B): growth thanks to expansion of Verfora product portfolio



5

Products & Brands: significant losses due to absence of cough & colds compensated by expansion of product portfolio

Net sales Products & Brands (in million CHF)



Elements of growth (%):

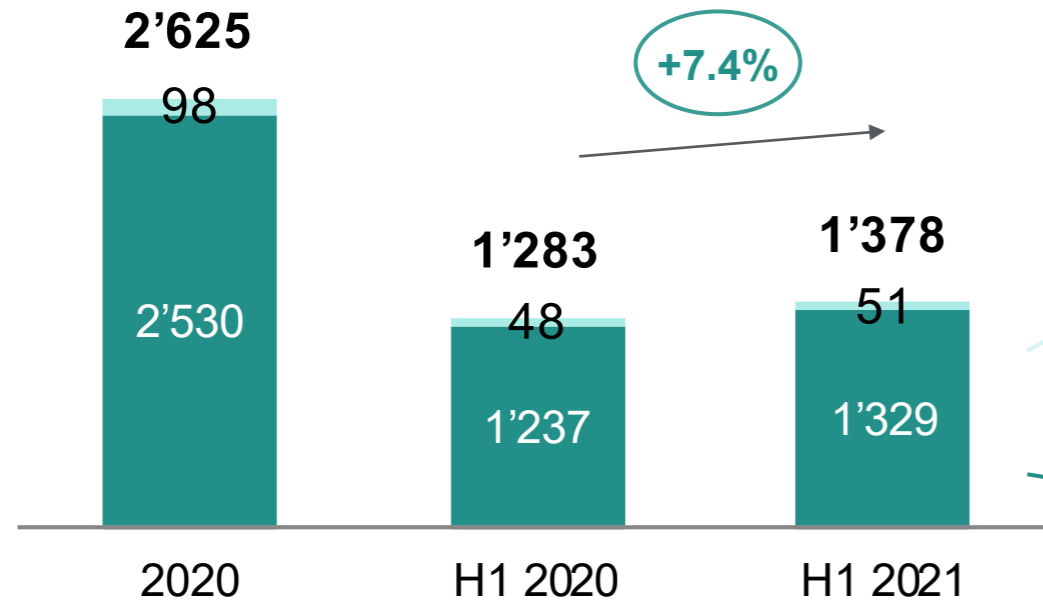
Expansion ¹⁾	2.1%	32.0%
Organic growth ¹⁾	-1.1%	-22.9%
thereof Swiss Market	-5.2%	-16.1%



1) Further details and explanation in half-year Report 2021, page 29 and 30

5 Logistics & IT: strong sales growth driven by wholesale

Net sales (in million CHF)



+4.4% Logistics & IT Services

- Alloga
- HCI Solutions

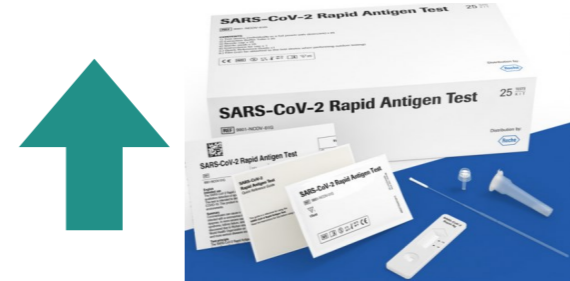
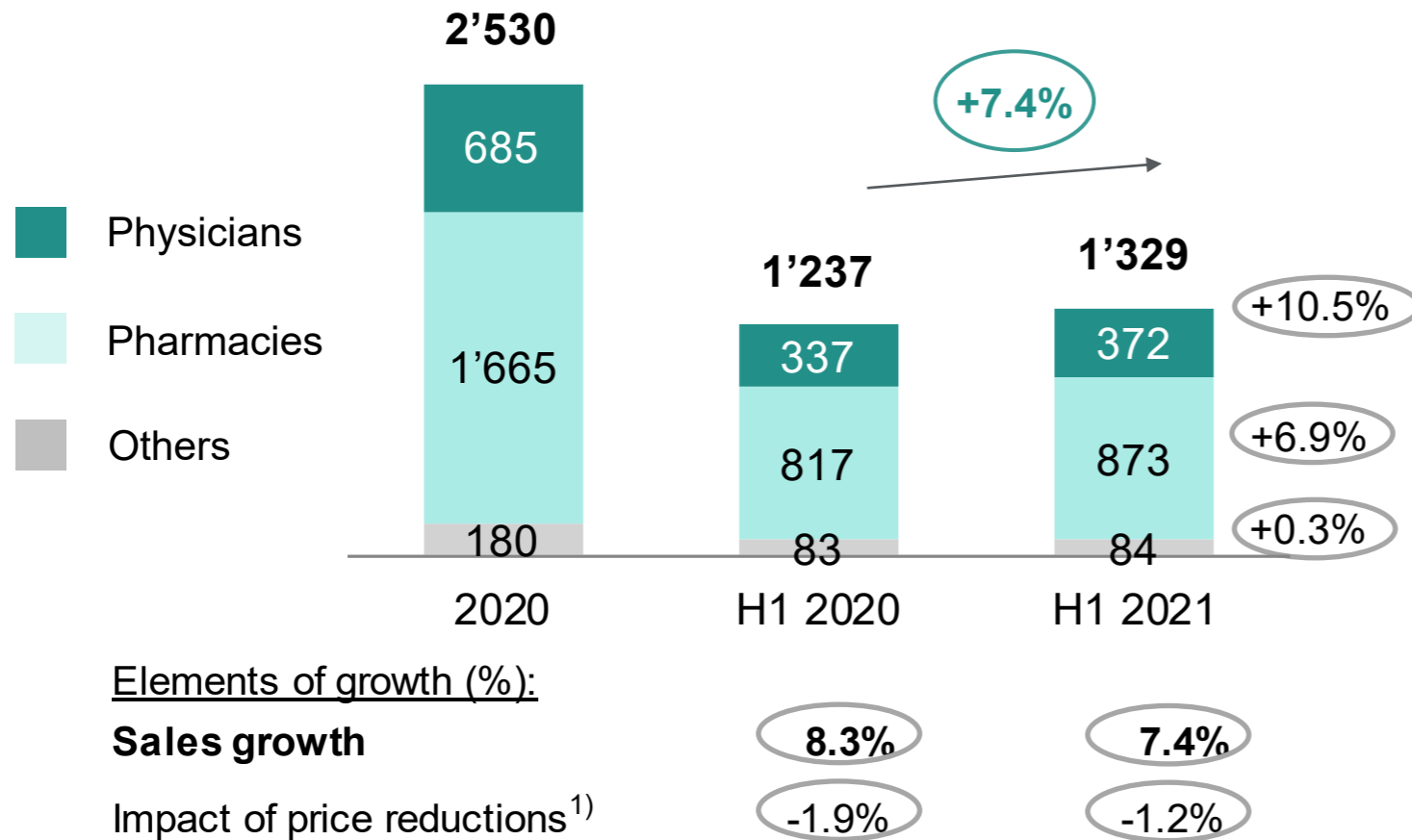
+7.4% Wholesale

- Galexis
- ufd
- PHARMAPOOL Praxiserprob.

5

Wholesale: strong sales growth driven by COVID-19 self-tests and market share gains in physician segment

Net sales (in million CHF)



Positive impact of COVID-19 initiatives: **+4.1%**²⁾



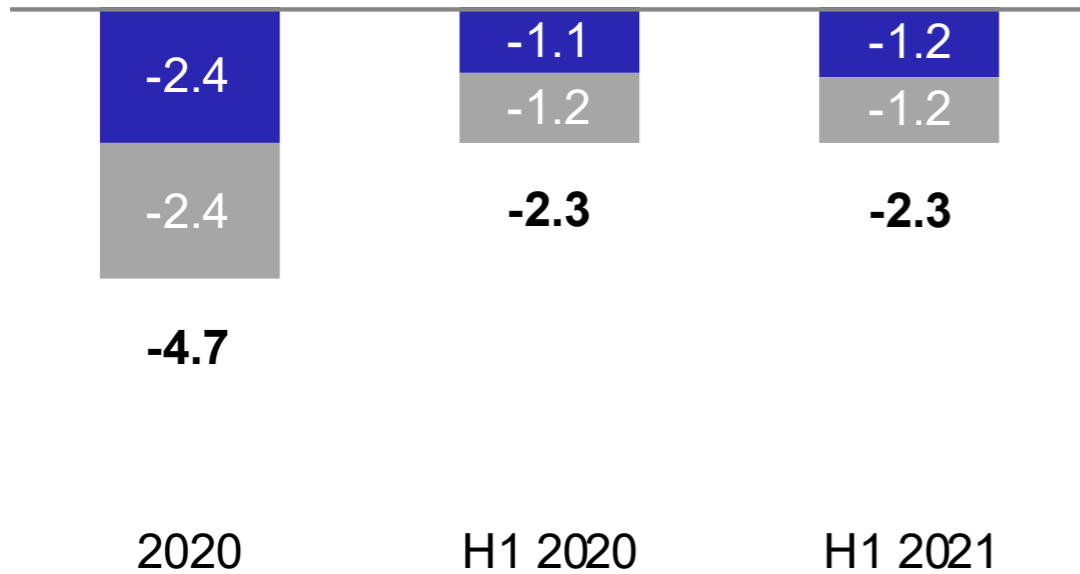
Continued impact due to lack of flu season: **-1.4%**³⁾

1) Further details and explanation in half-year Report 2021, page 28 and 30
 2) Impact of COVID-19 initiatives includes net sales of self-tests
 3) Estimated impact based on revenue losses in corresponding OTC categories

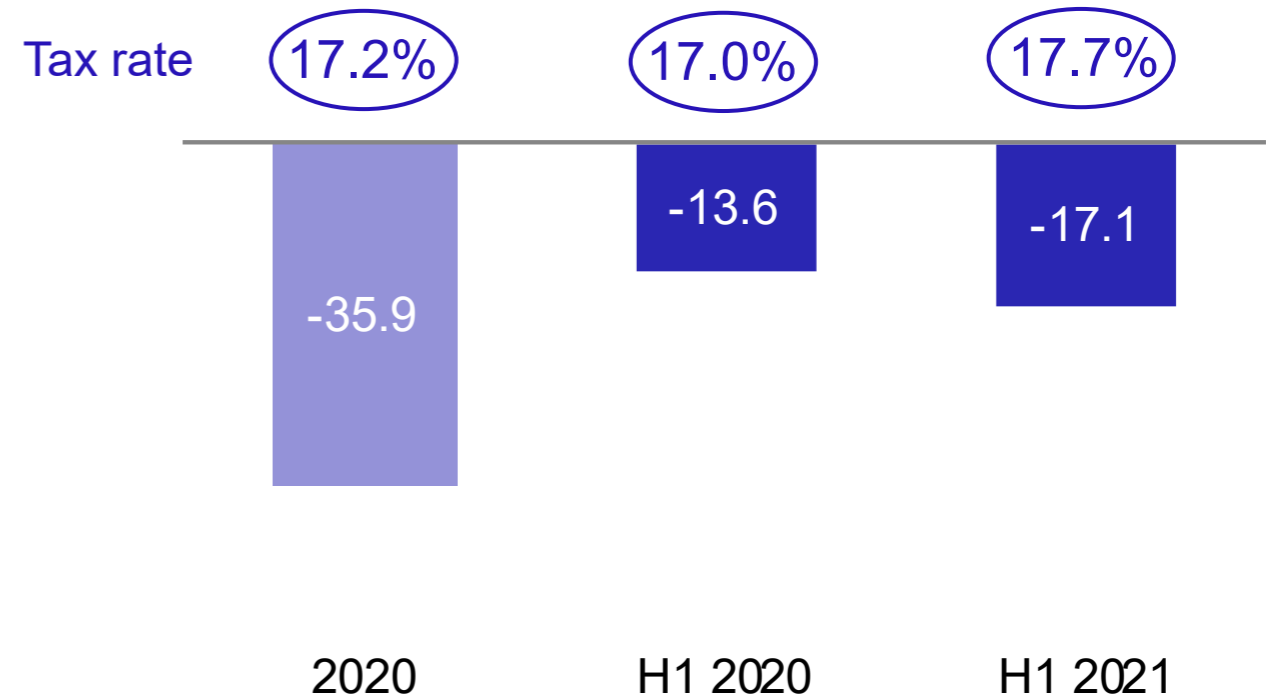
H1 2021

5 Financial result and taxes

Financial result (in million CHF)



Taxes (in million CHF)



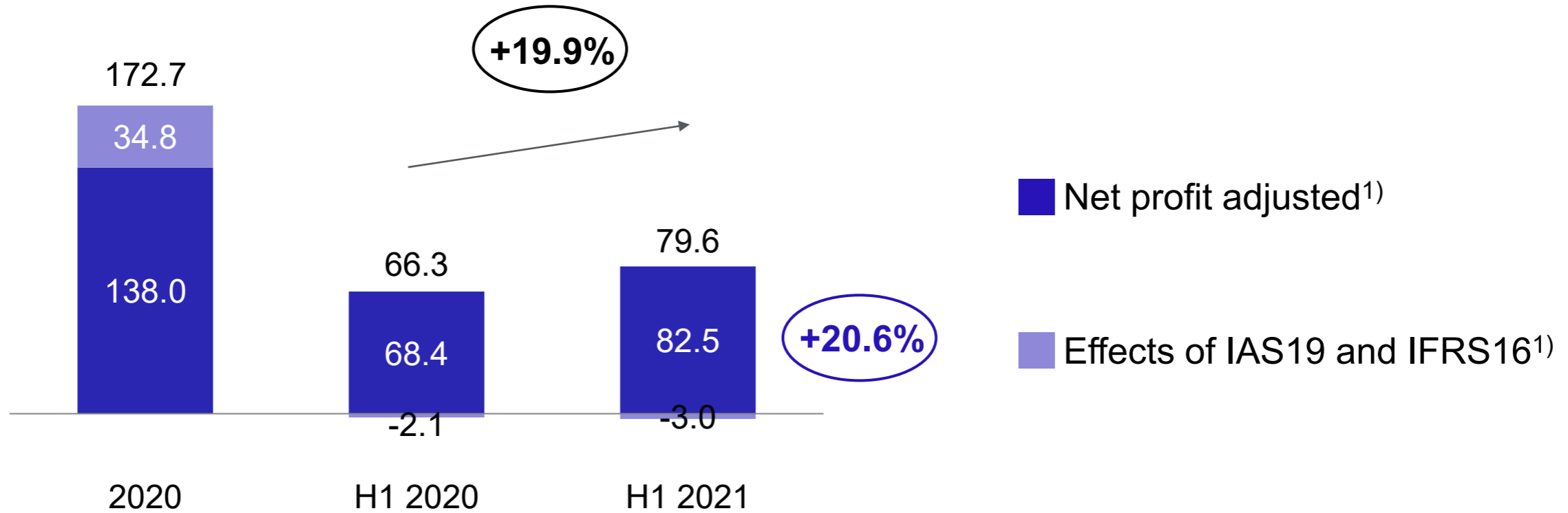
- Financial result adjusted¹⁾
- Effects of IAS19 and IFRS16¹⁾

¹⁾ Details of the adjustments of IAS19 and IFRS16 effects, in the Half-year Report 2021, pages 31 and 32

Galenica Group

5 Net profit growth in line with EBIT development

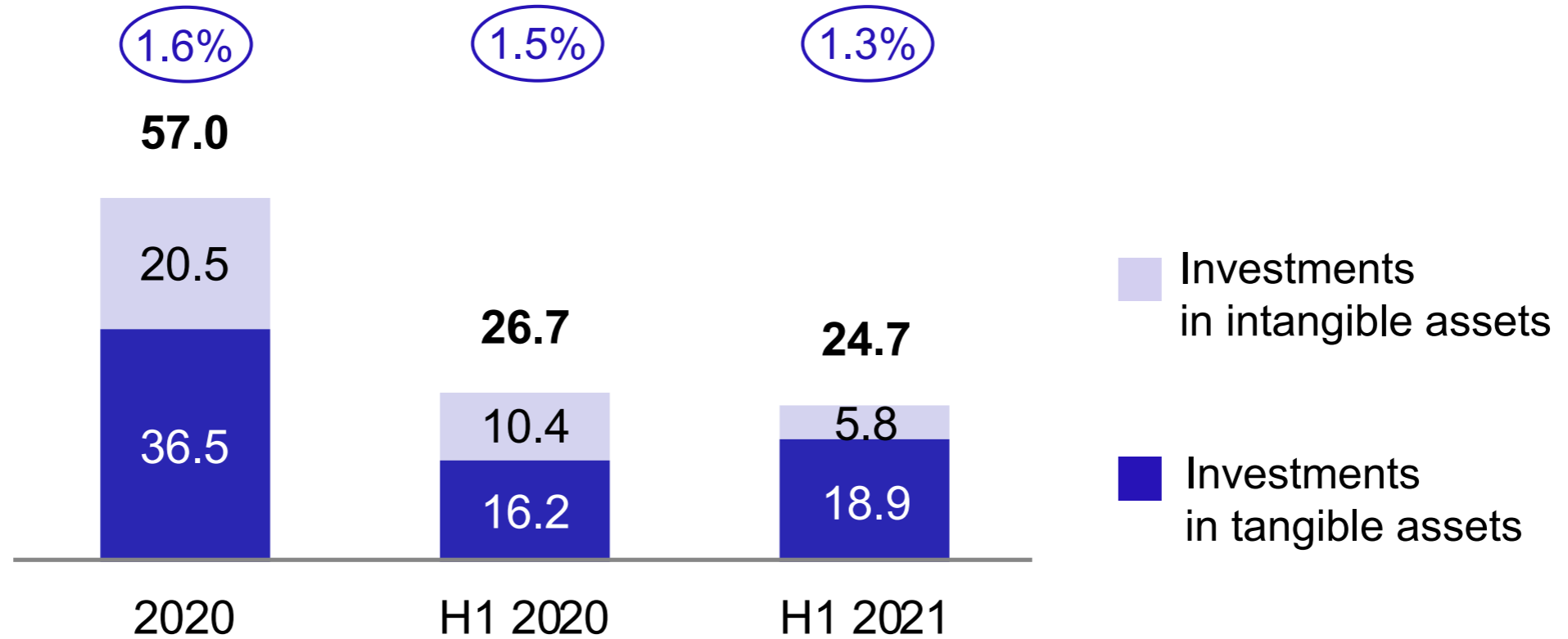
(in million CHF)



¹⁾ Details of the adjustments of IAS19 and IFRS16 effects, in the Half-year Report 2021, pages 31 and 32

5 H1 2021 Investments

(in million CHF)
% of net sales



5 Galenica Group

Strong operating cash flow

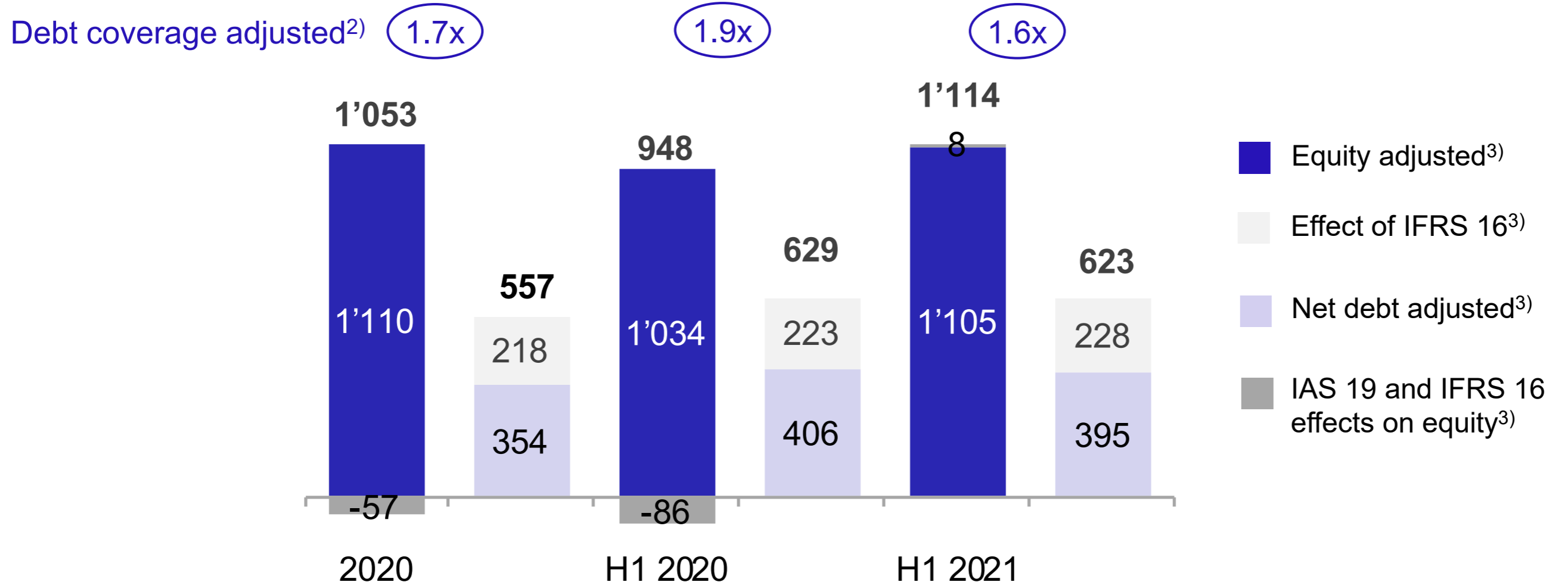
(in million CHF)

	H1 2021	H1 2020	Change
Cash flow from operating activities before working capital changes	138.7	118.7	+20.0
Payment of lease liabilities	-24.9	-24.4	
Cash flow from operating activities before working capital changes adjusted	113.8	94.3	+19.6
Working capital changes	-0.1	-53.9	
Cash flow from operating activities adjusted	113.8	40.4	+73.3
Cash flow from investing activities without M&A	-19.5	-22.1	
Free cash flow before M&A	94.3	18.4	+75.9
Cash flow from M&A	-38.4	-2.4	
Free cash flow	55.9	16.0	+39.9

H1 2021

5 Solid balance sheet

(in million CHF)



¹⁾ Net debt / EBITDA, Half-year Report 2021, page 35

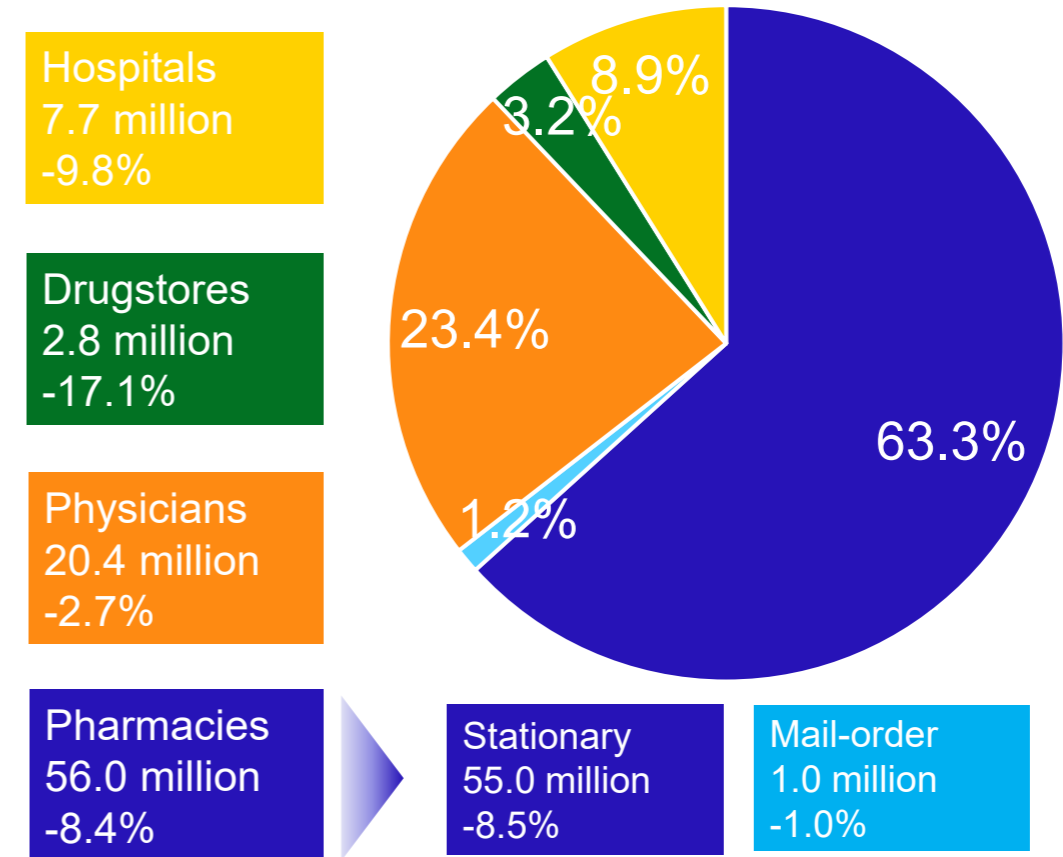
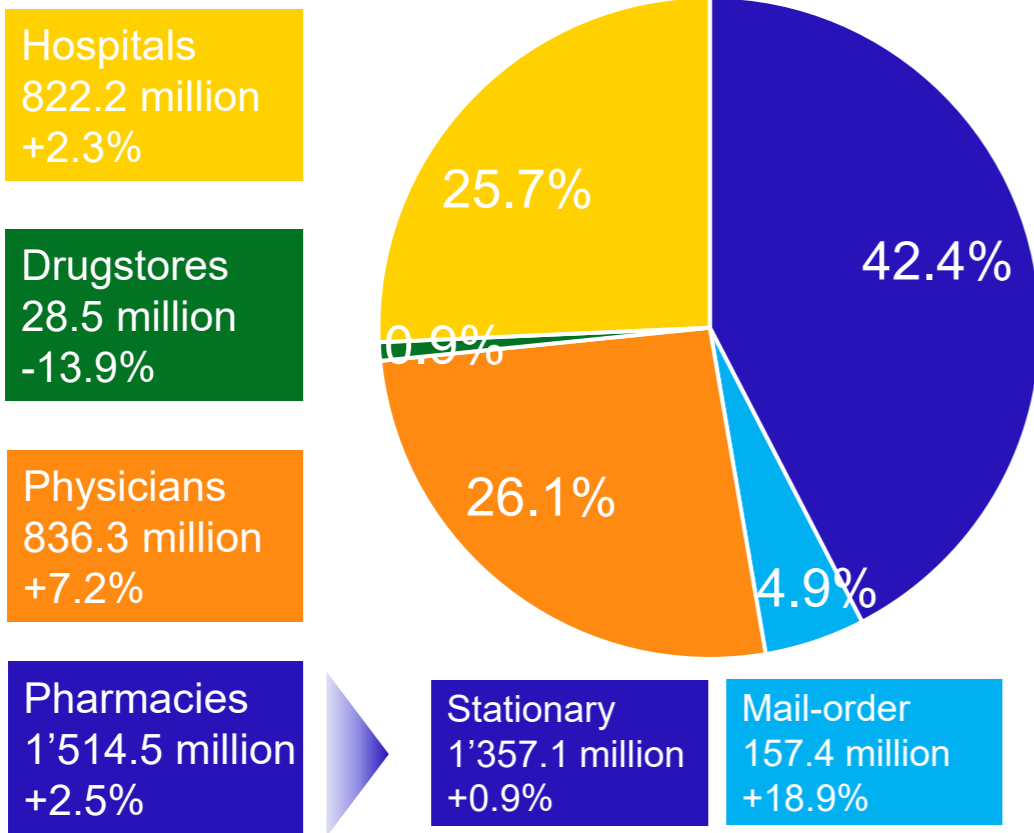
²⁾ Net debt adjusted / EBITDA adjusted excluding effects of IAS 19 und IFRS 16, Half-year Report 2021, page 35

³⁾ Detail of the adjustments in the Half-year Report 2021, page 34

6 Swiss pharmaceutical market: development by channel YTD June 2021

Value (ex-factory): CHF 3'201.5 million
 CHF +106.4 million / **+3.4%**

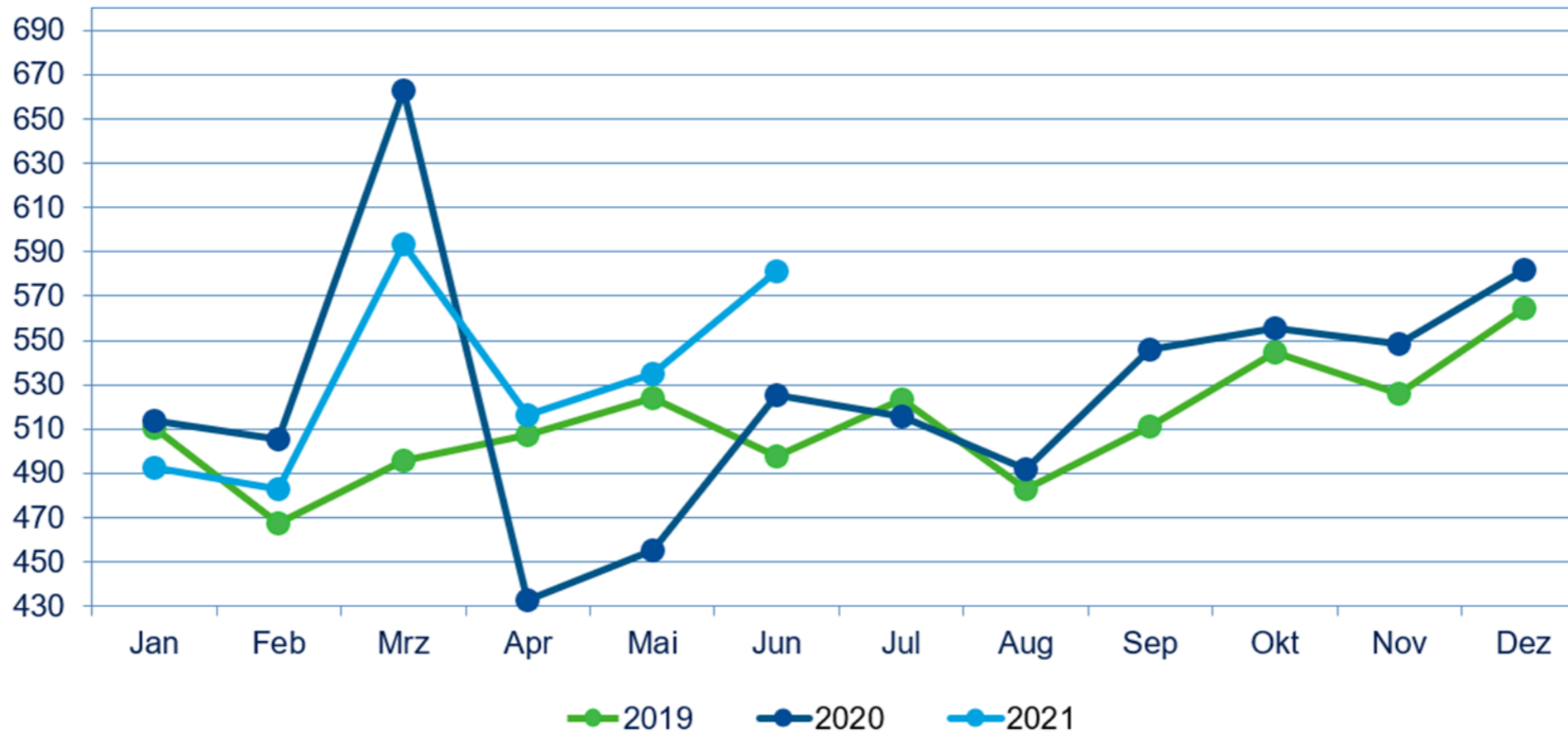
Volume (packs): 86.9 million
 -7.1 million / **-7.5 %**



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

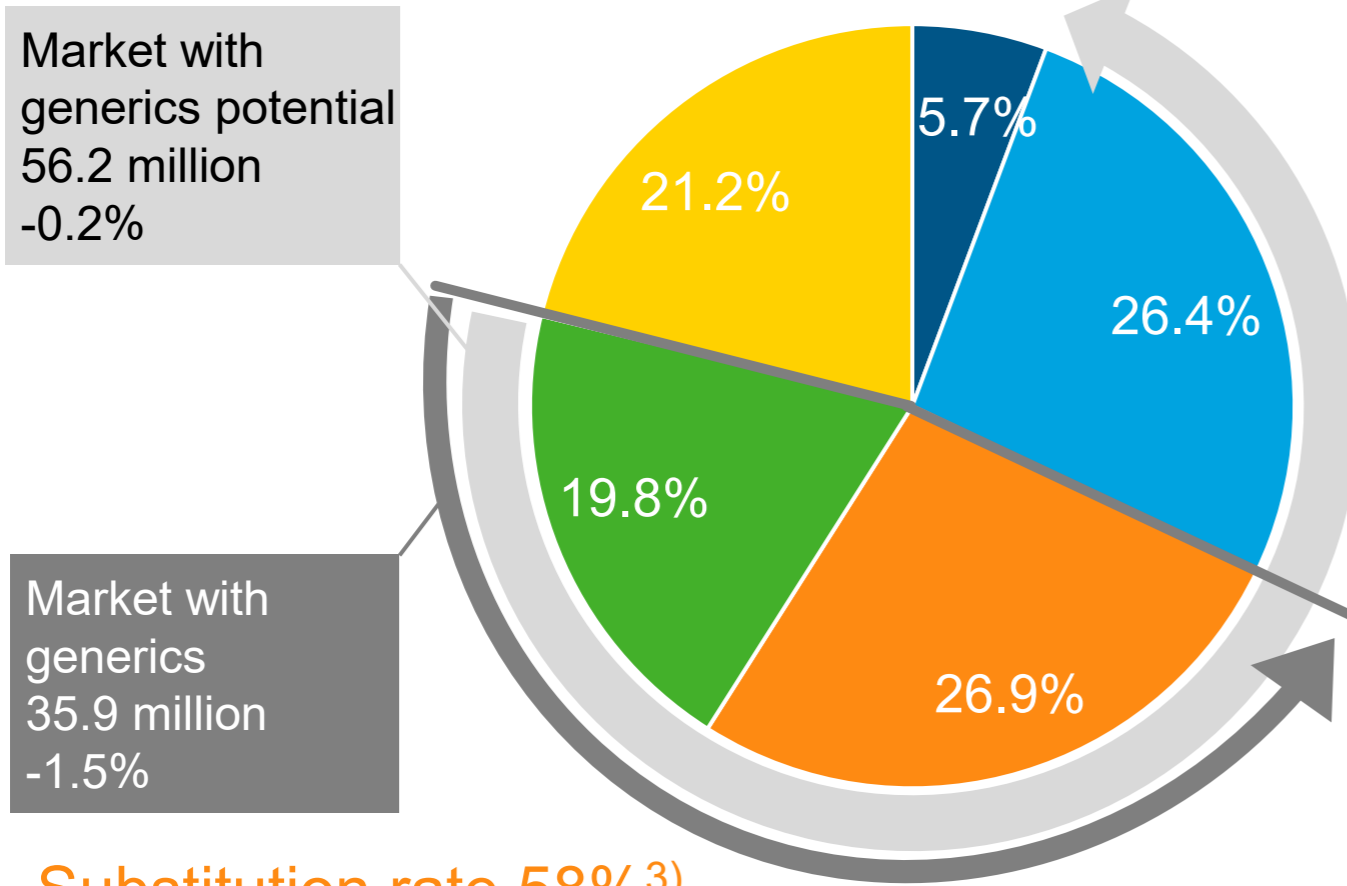
6 Swiss pharmaceutical market monthly development

Value (ex-factory) YTD June 2021: CHF 3'201.5 million
CHF +106.4 million / +3.4%



Source: APO/SD/DRO/SPI Index, Swissmedic A, B, C, D Medicines Swissmedic lists A, B, C, D, sold from suppliers and wholesalers to hospitals, physicians and drugstores

6 Generics growth (in volume) in the pharmacy channel 2020



Market with generics potential
56.2 million
-0.2%

Market with generics
35.9 million
-1.5%

Total Packs reimbursable by health insurance	
Patent protected products	4.4 million / +12.6%
Products with expired patent protection without generics	20.3 million / +2.2%
Generics	20.7 million / +0.4%
Pharmacies Galenica Group⁴⁾	+1.6%
Originals¹⁾	15.2 million / -3.9%
Others²⁾	16.3 million / +6.5%

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 20.7 million / market with generics 35.9 million = 58%

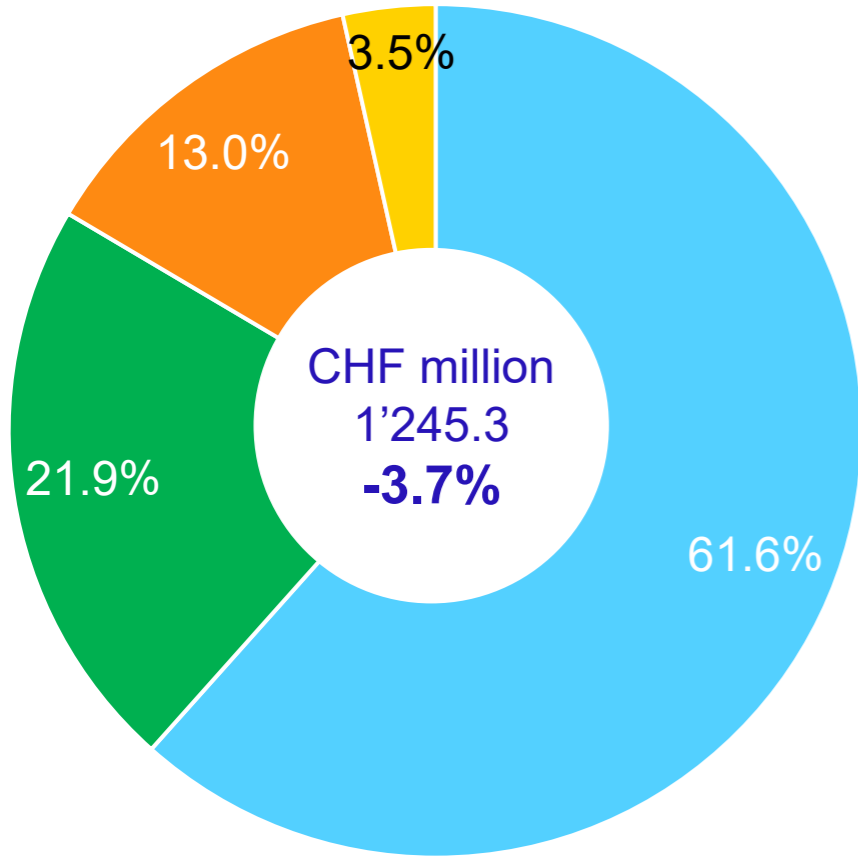
Substitution rate 58%³⁾
Pharmacies Galenica Group⁴⁾ 72%

Source: Market Segmentation, reimbursable products (FOPH) in the pharmacy channel
 Monthly calculation basis, delineated market division, data as of December 2020

⁴⁾ Source: Galenica Group

6 Consumer healthcare market: decline in 2021 driven by absence of seasonal colds and lack of flu epidemic

Consumer healthcare market YTD June 2021 (w/o COVID-19 self-tests)

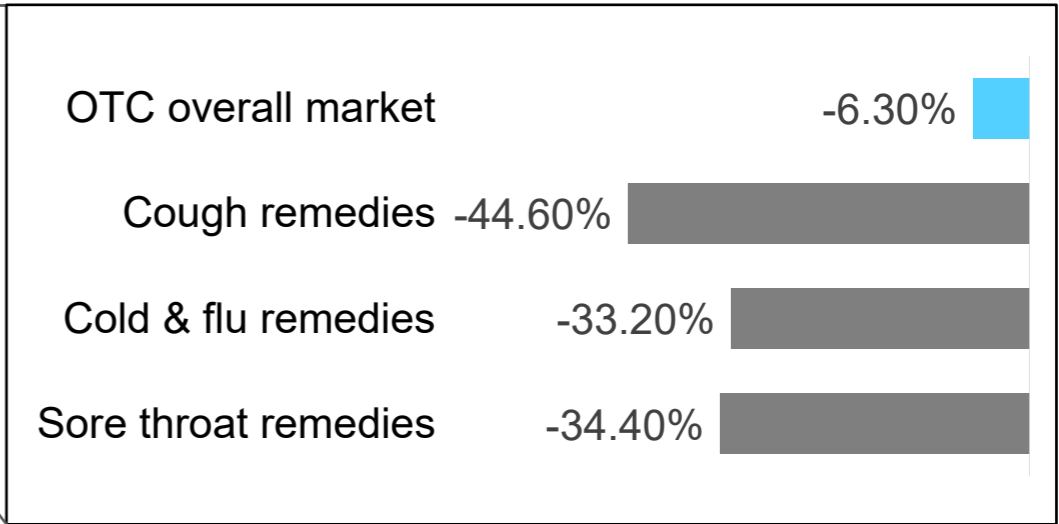


OTC
-6.3%

Personal care
+2.9%

Patient care
-1.8%

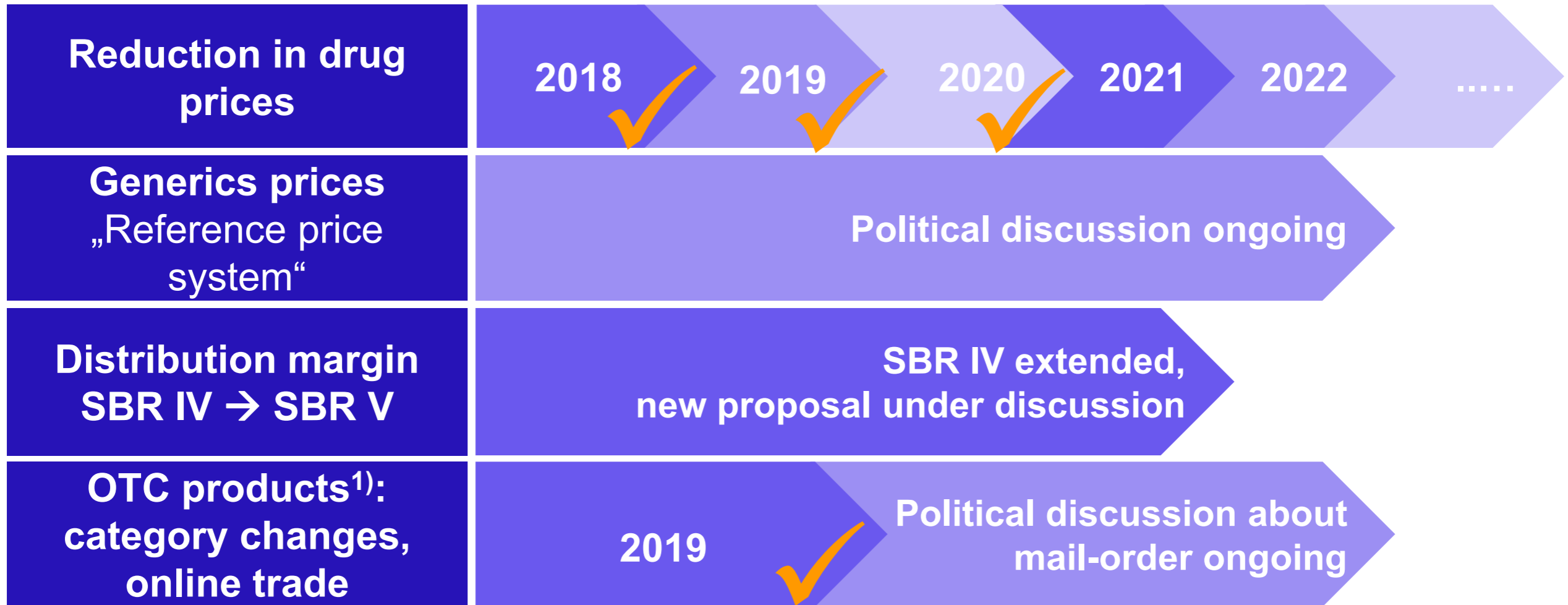
Nutrition
-2.4%



Market development of Verfora products:
-4.2%

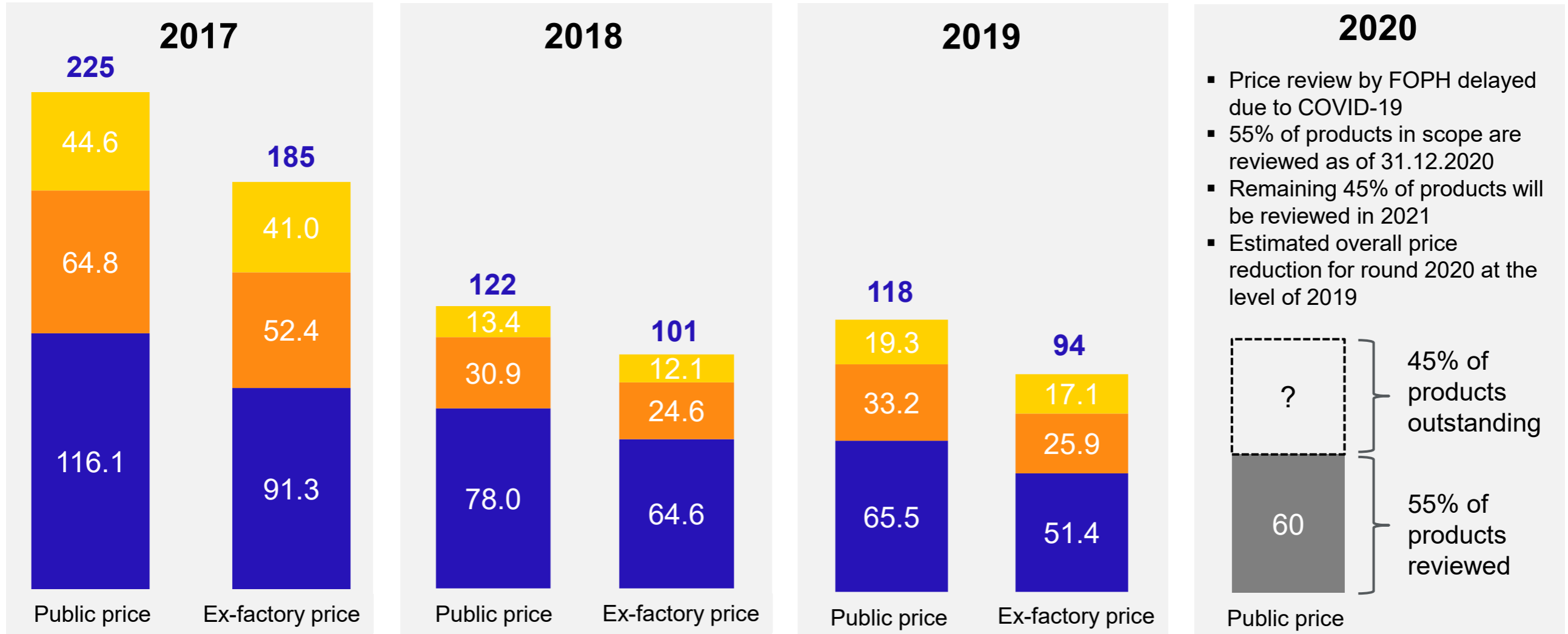
Source: Pharma Trend for pharmacies and drugstores in Switzerland, streetprices

7 Authorities: outlook regulation



Price reduction rounds 2017 to 2020

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



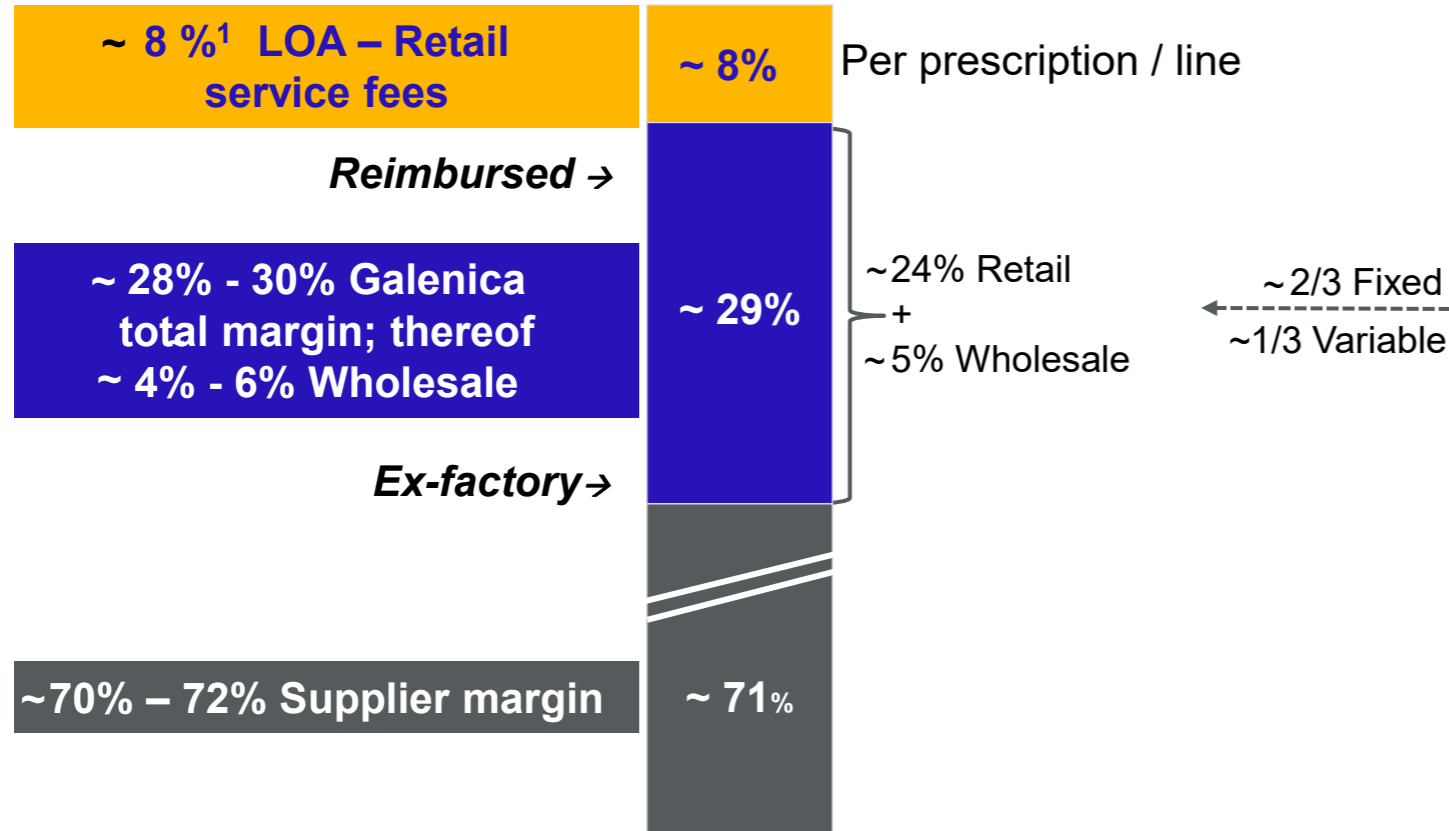
■ Hospitals
 ■ Physicians
 ■ Pharmacies

Analysis FOPH price reductions 2019 – Source: iQPharma - Input FOPH

7 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



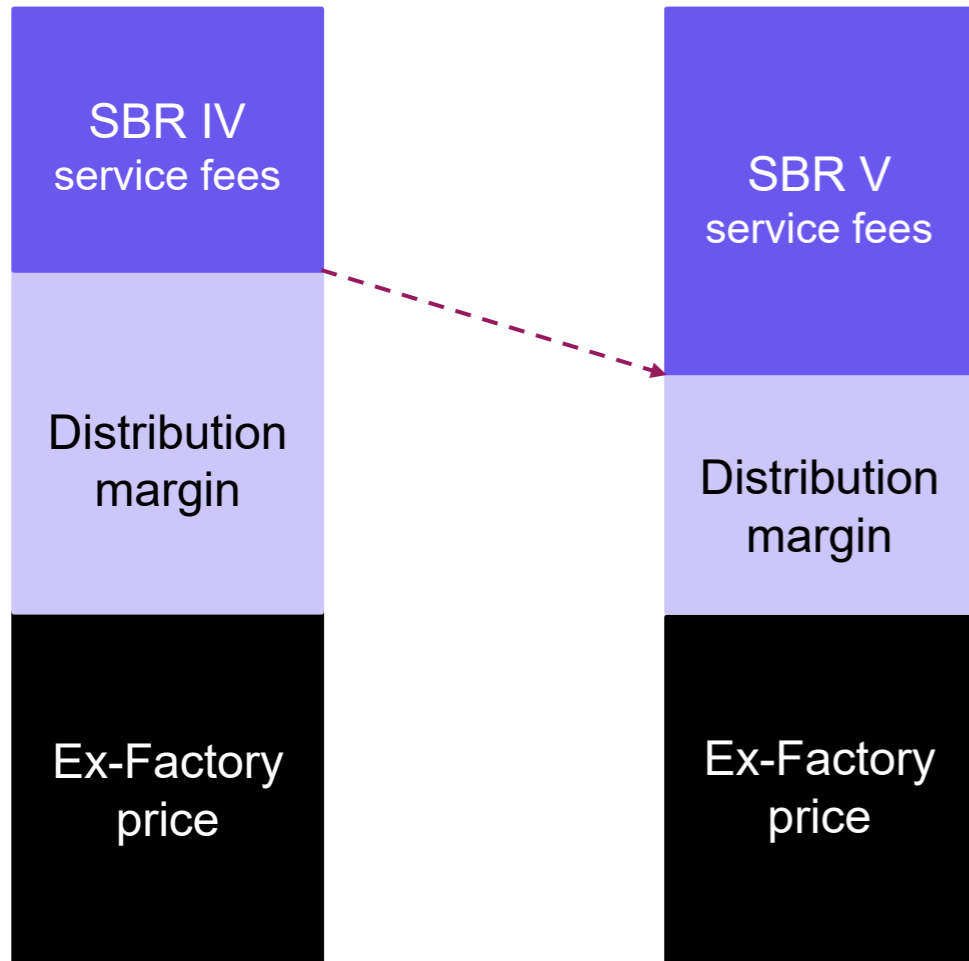
FOPH defines price and margin - Margin covers wholesale and retail

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

7 Proposal of new SBR V contract and distribution margin model



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

New LOA 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 LOA V.
- The aim is for the revised distribution share and LOA V to be implemented on 1 July 2022.

8 Mid-term Guidance

- Expected market growth in the next few years: **+1% to +2%**
- Galenica plans to **grow faster than the market** thanks to
 - consistent implementation of the strategic programmes,
 - further expansion and optimisation of the pharmacy network and the Verfora product portfolio.
- Following a recovery of COVID-19 constraints and the implementation of strategic efficiency projects in the Services business sector (modernisation of the distribution centre in Lausanne-Ecublens and new ERP system in 2023), Galenica expects to increase its return on sales (**ROS**) in the medium term, i.e. in three to five 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.

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