

Financial report

Alternative performance measures 2025

Definitions of alternative performance measures

The annual report, the half year report and other communication to investors contain certain financial performance measures, which are not defined by IFRS Accounting Standards. In addition to information based on IFRS Accounting Standards, management uses these alternative performance measures to assess the financial and operational performance of the Group. Management believes that these non-IFRS financial performance measures provide useful information regarding Galenica's financial and operational performance. Alternative performance measures are used in Galenica's value-based management as the basis for management's incentive and remuneration schemes. Such measures may not be comparable to similar measures presented by other companies. The main alternative performance measures used by Galenica are explained and/or reconciled with the IFRS Accounting Standards measures in this section.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. Totals are calculated using the underlying amount rather than the presented rounded number.

The alternative performance measures are unaudited.

IAS 19 – Employee benefits

The pension plans of Galenica are organised in legally independent pension funds and are based purely on the defined contribution principle as stated in the Swiss "BVG" law. Nevertheless, Galenica's pension plans are classified as defined benefit pension plans under IAS 19.

Galenica's results are influenced by external parameters that cannot be managed by the Group and the management is of the opinion that such an impact should be excluded when it comes to assess the performance of the Galenica Group. For this reason, Galenica also evaluates its performance by adjusting personnel costs as if those plans were defined contribution plans (adjustments for the effects of IAS 19). For these adjustments, the costs of defined benefit plans and long-service awards determined in accordance with IAS 19 are replaced by an expense based on the employer's contribution and long-service awards for the period of service.

IFRS 16 – Leases

Lessees have to account for most leases on balance sheet by recognising lease liabilities and corresponding right-of-use assets. The right-of-use assets are depreciated over the lease term and the lease liabilities generate interest expense in the statement of income. Variable lease payments, not dependent on an index or rate, such as sales-based rental expenses are accounted for as operating expenses when they are incurred. With its large network of retail pharmacies, IFRS 16 has a significant impact on Galenica's balance sheet and the presentation of lease related expenses in the consolidated statement of income.

Galenica has lease agreements with fixed and variable lease payments and these payments affect various line items in the statement of income making comparisons across individual pharmacies and points-of-sale difficult. For this reason management also monitors results by adjusting the statement of income and balance sheet as if lease agreements were still accounted for as operating leases, e.g. all lease expense is presented in other operating costs on a straight-line basis and the depreciation of the right-of-use assets and the interest expense on the lease liabilities are removed. Income taxes are also adjusted accordingly.

IFRS 16 adjusted measures are important for Galenica's value-based management and therefore for management's incentive and remuneration schemes. As the type and duration of rental agreements under IFRS 16 have a significant influence on the invested capital and accordingly on the return on invested capital (ROIC) and on the Galenica economic profit (GEP), the invested capital is stated after removing lease liabilities. This minimises the risk that management makes decisions that are not in the interest of Galenica due to potential incentives when concluding leases.

Organic growth of net sales

Organic growth of net sales shows the development of net sales for the operating segments Products & Care and Logistics & IT excluding the effects of acquisitions, new license agreements, openings and closures of pharmacies (effect of net expansion). It provides a "like-for-like" comparison with previous periods. In the business area Retail (B2C), organic growth of net sales is calculated only including points of sales with a full year period comparison. In the business area Professionals (B2B), organic growth of net sales is calculated only including existing business activities with a full year period comparison. In order to show the impact of mandatory price reductions of medications reimbursed by health insurers on net sales transparently, organic growth of net sales is also disclosed without the effect of mandatory price reductions.

Organic growth of net sales first half of 2025

in thousand CHF	Retail (B2C)	Professionals (B2B)	Products & Care ¹⁾	Wholesale	Logistics & IT Services	Logistics & IT ¹⁾
Net sales	731,070	140,930	867,330	1,579,581	83,044	1,649,718
Change to previous period	5.1%	1.8%	4.6%	5.6%	6.9%	5.5%
Effect of net expansion	11,691 ²⁾	5,266 ³⁾	16,957	–	–	–
In % of net sales of previous period	1.7%	3.8%	2.0%	0.0%	0.0%	0.0%
Net sales excluding effect of net expansion	719,379	135,664	850,373	1,579,581	83,044	1,649,718
Organic growth of net sales	3.4%	–2.0%	2.6%	5.6%	6.9%	5.5%
Mandatory price reductions ⁴⁾	8,698			31,628		
In % of net sales of previous period	1.3%			2.1%		
Net sales excluding effect of net expansion and mandatory price reductions	728,078			1,611,209		
Organic growth of net sales excluding price reductions	4.7%			7.7%		

¹⁾ Including eliminations of intercompany net sales

²⁾ The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

³⁾ The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

⁴⁾ Mandatory price reductions of medications reimbursed by health insurers of the specialties list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

Organic growth of net sales first half of 2025 Products & Care

in thousand CHF	Local Pharmacies	Pharmacies at Home	Retail (B2C) ¹⁾	Products & Brands	Services for Professionals	Professionals (B2B) ¹⁾
Net sales	693,148	38,067	731,070	97,841	43,093	140,930
Change to previous period	5.4%	0.3%	5.1%	0.9%	4.0%	1.8%
Effect of net expansion	11,691 ²⁾	–	11,691 ²⁾	5,266 ³⁾	–	5,266 ³⁾
In % of net sales of previous period	1.8%	0.0%	1.7%	5.4%	0.0%	3.8%
Net sales excluding effect of net expansion	681,457	38,067	719,379	92,576	43,093	135,664
Organic growth of net sales	3.6%	0.3%	3.4%	–4.5%	4.0%	–2.0%
Mandatory price reductions ⁴⁾	8,698		8,698			
In % of net sales of previous period	1.3%		1.3%			
Net sales excluding effect of net expansion and mandatory price reductions	690,155		728,078			
Organic growth of net sales excluding price reductions	4.9%		4.7%			

¹⁾ Including eliminations of intercompany net sales

²⁾ The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

³⁾ The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

⁴⁾ Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

Organic growth of net sales first half of 2024

in thousand CHF	Retail (B2C)	Professionals (B2B)	Products & Care ¹⁾	Wholesale	Logistics & IT Services	Logistics & IT ¹⁾
Net sales	695,391	138,447	829,334	1,496,453	77,664	1,563,318
Change to previous period	2.4%	7.6%	3.1%	2.7%	10.3%	3.0%
Effect of net expansion	7,455 ²⁾	1,130 ³⁾	8,585	–	–	–
In % of net sales of previous period	1.1%	0.9%	1.1%	0.0%	0.0%	0.0%
Net sales excluding effect of net expansion	687,936	137,317	820,749	1,496,453	77,664	1,563,318
Organic growth of net sales	1.3%	6.7%	2.0%	2.7%	10.3%	3.0%
Mandatory price reductions ⁴⁾	10,969			27,592		
In % of net sales of previous period	1.6%			1.9%		
Net sales excluding effect of net expansion and mandatory price reductions	698,905			1,524,045		
Organic growth of net sales excluding price reductions	2.9%			4.6%		

¹⁾ Including eliminations of intercompany net sales

²⁾ The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

³⁾ The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

⁴⁾ Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

Organic growth of net sales first half of 2024 Products & Care

in thousand CHF	Local Pharmacies	Pharmacies at Home	Retail (B2C) ¹⁾	Products & Brands	Services for Professionals	Professionals (B2B) ¹⁾
Net sales	657,597	37,944	695,391	97,014	41,435	138,447
Change to previous period	2.7%	–2.9%	2.4%	7.8%	7.3%	7.6%
Effect of net expansion	7,455 ²⁾	–	7,455 ²⁾	1,130 ³⁾	–	1,130 ³⁾
In % of net sales of previous period	1.2%	0.0%	1.1%	1.3%	0.0%	0.9%
Net sales excluding effect of net expansion	650,142	37,944	687,936	95,885	41,435	137,317
Organic growth of net sales	1.5%	–2.9%	1.3%	6.5%	7.3%	6.7%
Mandatory price reductions ⁴⁾	10,969		10,969			
In % of net sales of previous period	1.7%		1.6%			
Net sales excluding effect of net expansion and mandatory price reductions	661,111		698,905			
Organic growth of net sales excluding price reductions	3.2%		2.9%			

¹⁾ Including eliminations of intercompany net sales

²⁾ The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

³⁾ The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

⁴⁾ Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

Adjusted consolidated statement of income

Galenica's consolidated statement of income adjusted by IAS 19 effects related to employee benefits (defined benefit plans and long-service awards) and IFRS 16 lease effects allowing financial results to be assessed on a comparable basis.

Adjusted consolidated statement of income first half of 2025

in thousand CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Net sales	1,995,365	–	–	1,995,365
Products & Care ¹⁾	867,330	–	–	867,330
Logistics & IT ¹⁾	1,649,718	–	–	1,649,718
Other income	8,515	–	–	8,515
Operating income	2,003,880	–	–	2,003,880
Cost of goods	–1,444,527	–	–	–1,444,527
Personnel costs	–304,740	2,578	–	–302,162
Other operating costs	–93,661	–	–28,127	–121,789
Share of profit from associates and joint ventures	2,949	12	–55	2,906
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	163,901	2,590	–28,182	138,309
Products & Care ¹⁾	116,666	–	–27,122	89,544
Logistics & IT ¹⁾	50,150	–	–1,055	49,096
Depreciation, amortisation and impairment	–55,126	–	26,731	–28,395
Earnings before interest and taxes (EBIT)	108,774	2,590	–1,451	109,914
Return on sales (ROS) ²⁾	5.5%	0.1%	–0.1%	5.5%
Products & Care ¹⁾	80,884	–	–1,416	79,468
Return on sales (ROS) ²⁾	9.3%	0.0%	–0.2%	9.2%
Logistics & IT ¹⁾	32,038	–	–36	32,003
Return on sales (ROS) ²⁾	1.9%	0.0%	0.0%	1.9%
Net financial result	–2,272	–59	1,452	–880
Earnings before taxes (EBT)	106,502	2,531	1	109,034
Income taxes	–17,858	–453	–9	–18,321
Profit from continuing operations	88,644	2,078	–8	90,713
Profit from discontinued operations	–9	–	–	–9
Net Profit	88,635	2,078	–8	90,704
Attributable to:				
– Shareholders of Galenica Ltd.	88,272	2,078	–9	90,340
– Non-controlling interests	363	–	1	364

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

²⁾ Calculated as EBIT divided by net sales

in CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Earnings per share from continuing operations	1.77	0.04	–	1.81
Diluted earnings per share from continuing operations	1.77	0.04	–	1.81

Adjusted consolidated statement of income first half of 2024

in thousand CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Net sales	1,900,014	–	–	1,900,014
Products & Care ¹⁾	829,334	–	–	829,334
Logistics & IT ¹⁾	1,563,318	–	–	1,563,318
Other income	6,412	–	–	6,412
Operating income	1,906,426	–	–	1,906,426
Cost of goods	–1,369,428	–	–	–1,369,428
Personnel costs	–292,626	–1,653	–	–294,279
Other operating costs	–91,191	–	–27,616	–118,807
Share of profit from associates and joint ventures	1,986	–105	–135	1,747
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	155,167	–1,757	–27,751	125,658
Products & Care ¹⁾	112,422	–	–26,491	85,930
Logistics & IT ¹⁾	42,298	–	–1,248	41,050
Depreciation, amortisation and impairment	–52,751	–	26,208	–26,542
Earnings before interest and taxes (EBIT)	102,416	–1,757	–1,543	99,116
Return on sales (ROS) ²⁾	5.4%	–0.1%	–0.1%	5.2%
Products & Care ¹⁾	77,443	–	–1,498	75,946
Return on sales (ROS) ²⁾	9.3%	0.0%	–0.2%	9.2%
Logistics & IT ¹⁾	25,483	–	–45	25,438
Return on sales (ROS) ²⁾	1.6%	0.0%	0.0%	1.6%
Net financial result	–3,967	–198	1,603	–2,561
Earnings before taxes (EBT)	98,450	–1,955	60	96,555
Income taxes	–19,162	333	–33	–18,862
Profit from continuing operations	79,287	–1,622	28	77,693
Profit from discontinued operations	–29	–	–	–29
Net Profit	79,258	–1,622	28	77,664
Attributable to:				
– Shareholders of Galenica Ltd.	78,888	–1,622	26	77,292
– Non-controlling interests	370	–	2	372

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

²⁾ Calculated as EBIT divided by net sales

in CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Earnings per share from continuing operations	1.58	–0.03	–	1.55
Diluted earnings per share from continuing operations	1.58	–0.03	–	1.55

Free cash flow

The free cash flow shows Galenica's capacity to pay dividends and repay debt and repay equity. It provides information on the remaining cash and cash equivalents from the operating cash flow, reduced by all lease payments and after consideration of investment activities.

Free cash flow

in thousand CHF	1.1.–30.6.2025	1.1.–30.6.2024
Cash flow from operating activities before working capital changes	152,399	124,056
Payment of lease liabilities	–26,558	–26,213
Cash flow from operating activities before working capital changes adjusted	125,842	97,843
Working capital changes	–43,465	–80,231
Cash flow from operating activities adjusted	82,377	17,612
Cash flow from investing activities without M&A ¹⁾	–31,865	–45,526
Free cash flow before M&A	50,512	–27,913
Cash flow from M&A ²⁾	–34,378	–17,411
Free cash flow	16,134	–45,324

¹⁾ Cash flow from investing activities without net cash flow from business combinations and net cash flow from sale of subsidiaries

²⁾ Net cash flow from business combinations and net cash flow from sale of subsidiaries

CAPEX

in thousand CHF	1.1.–30.6.2025	1.1.–30.6.2024
Investments in property, plant and equipment	15,097	18,829
Investments in intangible assets	12,538	19,584
CAPEX	27,635	38,413

Cash conversion

	1.1.–30.6.2025	1.1.–30.6.2024
Cash conversion ¹⁾	80.0%	69.4%

¹⁾ Calculated as EBITDA adjusted less CAPEX divided by EBITDA adjusted

Capital management

Galenica's capital is managed and monitored at Group level. The objective of capital management at Galenica is to ensure the continuity of operations, increase enterprise value on a sustainable basis, provide an adequate return to investors, provide the financial resources to enable investments in areas that deliver future benefits for patients and customers and further returns to investors.

Galenica defines the capital that it manages as invested interest-bearing liabilities and equity. Galenica uses a system of financial control based on various key performance indicators. Capital is monitored based on the gearing, for example, which expresses net debt as a percentage of shareholders' equity including non-controlling interests and is communicated regularly to management as part of internal reporting. The debt coverage expresses net debt as a multiple of earnings before interest, taxes, depreciation and amortisation (EBITDA). Debt coverage ratio provides information about the creditworthiness of the Group. Galenica has no covenants requiring a minimum level of debt coverage.

Total assets and shareholders' equity are adjusted for the cumulative effects of the IAS 19 and IFRS 16 adjustments and net debt is adjusted for lease liabilities.

Total assets

in thousand CHF	30.06.2025	30.06.2024
Total assets	3,063,503	3,007,018
Cumulative effects of IAS 19 adjustments	-1,294	-1,738
Cumulative effects of IFRS 16 adjustments	-228,919	-238,966
Total assets adjusted	2,833,289	2,766,314

Net debt

in thousand CHF	30.06.2025	30.06.2024
Current financial liabilities ¹⁾	81,337	84,514
Current lease liabilities	53,460	51,558
Non-current financial liabilities ¹⁾	519,816	519,807
Non-current lease liabilities	182,672	194,256
Cash and cash equivalents	-67,068	-69,546
Interest-bearing receivables	-1,163	-1,114
Net debt	769,054	779,473
Lease liabilities (current and non-current)	-236,132	-245,813
Net debt adjusted	532,922	533,660

¹⁾ Excluding non-interest-bearing financial liabilities

Shareholders' equity

in thousand CHF	30.06.2025	30.06.2024
Shareholders' equity	1,446,305	1,409,229
Cumulative effects of IAS 19 adjustments	12,410	13,095
Cumulative effects of IFRS 16 adjustments	5,791	5,612
Shareholders' equity adjusted	1,464,505	1,427,936

Equity ratio

	30.06.2025	30.06.2024
Equity ratio ¹⁾	47.2%	46.9%
Equity ratio adjusted ²⁾	51.7%	51.6%

¹⁾ Calculated as shareholders' equity divided by total assets

²⁾ Calculated as shareholders' equity adjusted divided by total assets adjusted

Gearing

	30.06.2025	30.06.2024
Gearing ¹⁾	53.2%	55.3%
Gearing adjusted ²⁾	36.4%	37.4%

¹⁾ Calculated as net debt divided by shareholders' equity

²⁾ Calculated as net debt adjusted divided by shareholders' equity adjusted

Debt coverage

	30.06.2025	30.06.2024
Debt coverage ¹⁾	2.3 x	2.5 x
Debt coverage adjusted ²⁾	1.9 x	2.1 x

¹⁾ Calculated as net debt divided by moving annual total of the previous 12 months EBITDA

²⁾ Calculated as net debt adjusted divided by moving annual total of the previous 12 months EBITDA adjusted

Consolidated interim financial statements 2025

Consolidated statement of income

in thousand CHF	1.1.–30.6.2025	1.1.–30.6.2024
Net sales	1,995,365	1,900,014
Other income	8,515	6,412
Operating income	2,003,880	1,906,426
Cost of goods	–1,444,527	–1,369,428
Personnel costs	–304,740	–292,626
Other operating costs	–93,661	–91,191
Share of profit from associates and joint ventures	2,949	1,986
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	163,901	155,167
Depreciation, amortisation and impairment	–55,126	–52,751
Earnings before interest and taxes (EBIT)	108,774	102,416
Financial income	5,544	2,495
Financial expenses	–7,816	–6,462
Earnings before taxes (EBT)	106,502	98,450
Income taxes	–17,858	–19,162
Profit from continuing operations	88,644	79,287
Profit from discontinued operations	–9	–29
Net profit	88,635	79,258
Attributable to:		
– Shareholders of Galenica Ltd.	88,272	78,888
– Non-controlling interests	363	370

in CHF	1.1.–30.6.2025	1.1.–30.6.2024
Earnings per share		
Earnings per share	1.77	1.58
Diluted earnings per share	1.77	1.58
Earnings per share from continuing operations		
Earnings per share from continuing operations	1.77	1.58
Diluted earnings per share from continuing operations	1.77	1.58

Unaudited figures

Consolidated statement of comprehensive income

in thousand CHF	1.1.–30.6.2025	1.1.–30.6.2024
Net profit	88,635	79,258
Translation differences	–30	195
Items that may be reclassified subsequently to profit or loss	–30	195
Remeasurement of net defined benefit plans	6,345	–17,891
Income taxes from remeasurement of net defined benefit plans	–1,142	3,220
Share of other comprehensive income from associates and joint ventures	264	908
Loss on equity instruments at fair value through other comprehensive income	–80,726	–21,262
Income taxes from fair value measurement on equity instruments at fair value through other comprehensive income	241	4,333
Items that will not be reclassified to profit or loss	–75,017	–30,692
Other comprehensive income/(loss)	–75,048	–30,497
Comprehensive income	13,587	48,762
Attributable to:		
– Shareholders of Galenica Ltd.	13,224	48,391
– Non-controlling interests	363	370

Unaudited figures

Consolidated statement of financial position

in thousand CHF	30.06.2025		31.12.2024	
Cash and cash equivalents		67,068		129,682
Trade and other receivables		623,219		499,999
Inventories		358,336		363,055
Prepaid expenses and accrued income		35,608		39,043
Current assets	35.4%	1,084,232	33.6%	1,031,779
Property, plant and equipment		255,602		257,676
Right-of-use assets		229,189		229,118
Intangible assets		1,136,261		1,115,844
Investments in associates and joint ventures		142,632		145,087
Financial assets		211,101		286,929
Deferred tax assets		4,487		4,464
Non-current assets	64.6%	1,979,271	66.4%	2,039,118
Assets	100.0%	3,063,503	100.0%	3,070,898
Financial liabilities		95,116		58,385
Lease liabilities		53,460		52,693
Trade and other payables		514,207		455,348
Income tax payables		31,030		28,845
Accrued expenses and deferred income		142,684		131,451
Provisions		3,785		4,983
Current liabilities	27.4%	840,282	23.8%	731,705
Financial liabilities		531,158		539,708
Lease liabilities		182,672		183,195
Deferred tax liabilities		49,212		46,643
Employee benefit liabilities		13,704		17,530
Provisions		169		273
Non-current liabilities	25.4%	776,916	25.6%	787,349
Liabilities	52.8%	1,617,198	49.5%	1,519,053
Share capital		5,000		5,000
Reserves		1,438,415		1,543,694
Equity attributable to shareholders of Galenica Ltd.		1,443,415		1,548,694
Non-controlling interests		2,890		3,150
Shareholders' equity	47.2%	1,446,305	50.5%	1,551,844
Liabilities and shareholders' equity	100.0%	3,063,503	100.0%	3,070,898

2025 figures are unaudited

Consolidated statement of cash flows

in thousand CHF	1.1.–30.6.2025	1.1.–30.6.2024
Profit from continuing operations	88,644	79,287
Income taxes	17,858	19,162
Depreciation, amortisation and impairment	55,126	52,751
Net gain on disposal of non-current assets	-152	-213
Increase/(decrease) in provisions and employee benefit assets and liabilities	1,060	-1,681
Net financial result	2,272	3,967
Share of profit from associates and joint ventures	-2,949	-1,986
Share-based payments	2,552	2,029
Interest received	645	679
Interest paid	-3,304	-2,363
Other net financial receipts/(payments)	-205	275
Dividends received	5,668	4,704
Income taxes paid	-14,817	-32,554
Cash flow from operating activities before working capital changes	152,399	124,056
Change in trade and other receivables	-120,178	-63,310
Change in inventories	5,927	4,822
Change in trade and other payables	59,090	5,036
Change in other net current assets	11,695	-26,778
Working capital changes	-43,465	-80,231
Cash flow from operating activities	108,934	43,825
Investments in property, plant and equipment	-15,222	-20,597
Investments in intangible assets	-14,488	-18,008
Investments in associates and joint ventures	-	-2,071
Investments in financial assets	-6,963	-16,299
Proceeds from sale of property, plant and equipment and intangible assets	320	305
Proceeds from sale of financial assets	4,487	11,144
Net cash flow from business combinations	-34,378	-17,411
Cash flow from investing activities	-66,242	-62,937
Dividends paid	-114,823	-110,167
Purchase of treasury shares	-6,530	-5,524
Proceeds from sale of treasury shares	233	112
Proceeds from financial liabilities	88,766	308,075
Repayment of financial liabilities	-46,382	-193,554
Payment of lease liabilities	-26,558	-26,213
Purchase of non-controlling interests	-	-390
Cash flow from financing activities	-105,295	-27,660
Effects of exchange rate changes on cash and cash equivalents	-11	159
Decrease in cash and cash equivalents	-62,614	-46,612
Cash and cash equivalents as at 1 January	129,682	116,159
Cash and cash equivalents as at 30 June	67,068	69,546

Unaudited figures

Consolidated statement of changes in equity

in thousand CHF	Share capital	Treasury shares	Retained earnings	Equity attributable to shareholders of Galenica Ltd.	Non-controlling interests	Equity
Balance as at 31 December 2023	5,000	-11,816	1,478,235	1,471,419	3,777	1,475,196
Net profit			78,888	78,888	370	79,258
Other comprehensive loss			-30,497	-30,497	-	-30,497
Comprehensive income			48,391	48,391	370	48,762
Dividends			-109,740	-109,740	-437	-110,177
Transactions on treasury shares		-1,643	-3,746	-5,389		-5,389
Share-based payments			2,131	2,131		2,131
Change in non-controlling interests			-645	-645	-648	-1,293
Balance as at 30 June 2024	5,000	-13,459	1,414,626	1,406,167	3,062	1,409,229
Balance as at 31 December 2024	5,000	-12,495	1,556,189	1,548,694	3,150	1,551,844
Net profit			88,272	88,272	363	88,635
Other comprehensive loss			-75,048	-75,048	-	-75,048
Comprehensive income			13,224	13,224	363	13,587
Dividends			-114,757	-114,757	-359	-115,117
Transactions on treasury shares		-1,611	-4,822	-6,433		-6,433
Share-based payments			2,675	2,675		2,675
Change in non-controlling interests			12	12	-263	-251
Balance as at 30 June 2025	5,000	-14,106	1,452,521	1,443,415	2,890	1,446,305

Unaudited figures

On 10 April 2025, the Annual General Meeting approved a dividend payment of CHF 114.8 million for the financial year 2024 (previous year: CHF 109.8 million), corresponding to CHF 2.30 per registered share (previous year: CHF 2.20). For this purpose, CHF 1.15 was taken from the reserves from capital contributions (previous year: CHF 1.10) and CHF 1.15 from retained earnings (previous year: CHF 1.10) of Galenica Ltd. The dividend was paid out to the shareholders on 16 April 2025.

Notes to the consolidated interim financial statements of the Galenica Group

1. Group organisation

General information

Galenica is a fully-integrated healthcare service provider in Switzerland. Galenica operates a network of pharmacies, develops and offers own brands and products, exclusive brands and products from business partners as well as a variety of on-site health services and tests for customers. Galenica is also a provider of pre-wholesale and wholesale distribution and database services in the Swiss healthcare market.

The parent company is Galenica Ltd., a Swiss public limited company with its headquarters in Bern. The registered office is at Untermattweg 8, 3027 Bern, Switzerland. Shares in Galenica Ltd. are traded on the SIX Swiss Exchange under securities no. 36067446 (ISIN CH0360674466).

The Board of Directors released the consolidated interim financial statements 2025 on 5 August 2025 for publication.

2. Accounting principles

Basis of preparation

The unaudited consolidated interim financial statements of Galenica have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB), as well as the interpretations of the IFRS Interpretations Committee (IFRIC) and the provisions of Swiss law. The consolidated interim financial statements have been prepared using the same accounting principles as the consolidated financial statements for the year ending 31 December 2024 and comply with IAS 34 – Interim Financial Reporting. The consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ending 31 December 2024 as they update previously reported information.

Galenica's consolidated interim financial statements are prepared in Swiss francs (CHF) and, unless otherwise indicated, figures are rounded to the nearest CHF 1,000.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. Totals are calculated using the underlying amount rather than the presented rounded number.

Foreign currencies are not material for the consolidated interim financial statements.

Estimation uncertainty, assumptions and judgments

The preparation of the Group's consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and the disclosure of contingent liabilities as at the reporting date. Although these estimates and assumptions are made on the basis of all available information and with the greatest of care, the actual results may differ.

Seasonal influences on operations

Sales in the business sectors in which Galenica operates are usually not significantly influenced by seasonal or cyclical fluctuations during the financial year.

Income taxes

Current income taxes are based on an estimate of the expected income tax rate for the full year.

Amendments to IFRS Accounting Standards

As at 1 January 2025 Galenica adopted the following amended IFRS Accounting Standards:

- Amendments to IAS 21 – Lack of exchangeability

This change has no material impact on the financial position, financial performance and cash flows of Galenica nor on disclosures in these consolidated interim financial statements. Galenica has not early adopted any other standard or interpretation that has been issued but is not yet effective.

3. Operating segment information

Operating segment information first half of 2025

Operating segment information first half of 2025

in thousand CHF	Products & Care	Logistics & IT	Group Services	Eliminations	Galenica Group
Net sales	867,330	1,649,718	27,019	-548,702	1,995,365
– of which intersegmental net sales	57,439	465,530	25,732	-548,702	–
– of which net sales to third parties	809,891	1,184,188	1,287	–	1,995,365
Cost of goods	-465,817	-1,467,441	–	488,730	-1,444,527
Personnel costs	-194,335	-85,361	-23,884	-1,161	-304,740
Share of profit from associates and joint ventures	2,834	90	–	26	2,949
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	116,666	50,150	33	-2,949¹⁾	163,901
Depreciation, amortisation and impairment	-35,782	-18,112	-1,296	64	-55,126
Earnings before interest and taxes (EBIT)	80,884	32,038	-1,263	-2,886¹⁾	108,774
Interest income					620
Interest expense					-6,286
Other net financial result					3,394
Earnings before taxes (EBT)					106,502
Income taxes					-17,858
Profit from continuing operations					88,644
Assets	1,874,279	1,176,040	517,794	-504,610²⁾	3,063,503
Investments in associates and joint ventures	144,475	212	–	-2,055	142,632
Liabilities	584,996	699,496	807,679	-474,974³⁾	1,617,198
Investments in property, plant and equipment	8,417	4,911	1,769	–	15,097 ⁴⁾
Investments in intangible assets	1,044	11,568	–	-74	12,538 ⁵⁾
Employees as at 30 June (FTE)	4,359	1,486	280	–	6,125

¹⁾ Including the effects of IAS 19 from defined benefit plans and long-service awards of CHF -2.6 million

²⁾ Of which elimination of intercompany positions of CHF -484.9 million and other unallocated amounts of CHF -19.7 million

³⁾ Of which elimination of intercompany positions of CHF -484.9 million and other unallocated amounts of CHF 9.9 million

⁴⁾ Of which non-cash investments of CHF 1.3 million

⁵⁾ Of which non-cash investments of CHF 2.2 million

Operating segment information first half of 2024

Operating segment information first half of 2024

in thousand CHF	Products & Care	Logistics & IT	Group Services	Eliminations	Galenica Group
Net sales	829,334	1,563,318	26,380	-519,017	1,900,014
– of which Intersegmental net sales	56,032	437,739	25,246	-519,017	–
– of which net sales to third parties	773,302	1,125,579	1,133	–	1,900,014
Cost of goods	-437,533	-1,393,249	–	461,353	-1,369,428
Personnel costs	-191,223	-81,452	-22,952	3,002	-292,626
Share of profit from associates and joint ventures	1,854	-17	–	149	1,986
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	112,422	42,298	417	30²⁾	155,167
Depreciation, amortisation and impairment	-34,979	-16,815	-1,051	94	-52,751
Earnings before interest and taxes (EBIT)	77,443	25,483	-634	124²⁾	102,416
Interest income					974
Interest expense					-6,108
Other net financial result					1,168
Earnings before taxes (EBT)					98,450
Income taxes					-19,162
Profit from continuing operations					79,287
Assets¹⁾	1,844,485	1,069,816	620,682	-464,086³⁾	3,070,898
Investments in associates and joint ventures ¹⁾	147,309	122	–	-2,344	145,087
Liabilities¹⁾	569,114	550,563	830,692	-431,315⁴⁾	1,519,053
Investments in property, plant and equipment	11,682	5,294	1,854	–	18,829 ⁵⁾
Investments in intangible assets	465	19,193	–	-74	19,584 ⁶⁾
Employees as at 30 June (FTE)	4,312	1,492	253	–	6,057

¹⁾ Figures as at 31 December 2024

²⁾ Including the effects of IAS 19 from defined benefit plans and long-service awards of CHF 1.8 million

³⁾ Of which elimination of intercompany positions of CHF -445.1 million and other unallocated amounts of CHF -19.0 million

⁴⁾ Of which elimination of intercompany positions of CHF -445.1 million and other unallocated amounts of CHF 13.8 million

⁵⁾ Of which non-cash investments of CHF 0.7 million

⁶⁾ Of which non-cash investments of CHF 4.3 million

4. Business combinations

In the first half of 2025, the scope of consolidation has changed as a result of the following transactions:

Acquisition of pharmacies. Galenica acquired 100% of the interests in pharmacies in various locations in Switzerland. Upon acquisition, the pharmacies were merged with Galenicare Ltd.

The total purchase consideration amounted to CHF 28.3 million, of which CHF 15.9 million was settled in cash. A deferred consideration in the amount of CHF 8.8 million was recognised, which is due in the second half year of 2025. The fair value of the provisional net identifiable assets amounts to CHF 9.2 million at the acquisition date. The goodwill of CHF 19.0 million was allocated to the operating segment Products & Care and corresponds to the added value of the pharmacies based on their locations and the know-how of the employees gained. Transaction costs were not material.

Business combinations

in thousand CHF	Fair value
Cash and cash equivalents	3,606
Trade receivables	3,289
Inventories	1,235
Property, plant and equipment	250
Right-of-use assets	3,334
Other current and non-current assets	3,129
Trade payables	-1,082
Lease liabilities	-3,334
Net deferred tax liabilities	-18
Other current and non-current liabilities	-1,173
Fair value of net assets	9,236
Goodwill	19,035
Purchase consideration	28,271
Cash acquired	-3,606
Deferred consideration	-8,787
Net cash flow from current business combinations	15,878
Payment of consideration due to previous business combinations	18,500
Net cash flow from business combinations	34,378

Pro forma figures for acquisitions made in the first half of 2025

Since their inclusion in Galenica's scope of consolidation, the businesses acquired contributed net sales of CHF 7.8 million and a operating result (EBIT) of CHF 0.2 million to the Group's results. If these acquisitions had occurred on 1 January 2025, they would have contributed additional net sales of CHF 5.8 million and increased EBIT by CHF 0.4 million.

5. Net sales

Net sales first half of 2025

Net sales first half of 2025

in thousand CHF	Sale of goods	Sale of services	Total net sales	Intersegmental net sales	Total net sales to third parties	of which sale of goods to third parties	of which sale of services to third parties
Local Pharmacies	649,196	43,952	693,148	-187	692,961	649,044	43,917
Pharmacies at Home	35,674	2,393	38,067	1	38,068	35,675	2,393
Retail (B2C)¹⁾	684,726	46,344	731,070	-41	731,029	684,719	46,310
Products & Brands	94,834	3,007	97,841	-46,781	51,060	48,214	2,846
Services for Professionals	35,388	7,705	43,093	-15,292	27,801	27,662	139
Professionals (B2B)¹⁾	130,249	10,681	140,930	-62,068	78,861	75,876	2,985
Products & Care¹⁾	812,490	54,840	867,330	-57,439	809,891	760,596	49,295
Wholesale	1,574,451	5,130	1,579,581	-432,668	1,146,913	1,143,060	3,853
Logistics & IT Services	142	82,901	83,044	-45,768	37,275	9	37,266
Logistics & IT¹⁾	1,574,590	75,129	1,649,718	-465,530	1,184,188	1,143,070	41,118
Group Services	-	27,019	27,019	-25,732	1,287	-	1,287
Eliminations ²⁾	-483,261	-65,440	-548,702	548,702	-	-	-
Galenica Group	1,903,819	91,547	1,995,365	-	1,995,365	1,903,666	91,700

¹⁾ Including eliminations of intercompany net sales

²⁾ Eliminations of intersegmental net sales

Net sales first half of 2024

Net sales first half of 2024

in thousand CHF	Sale of goods	Sale of services	Total net sales	Intersegmental net sales	Total net sales to third parties	of which sale of goods to third parties	of which sale of services to third parties
Local Pharmacies	615,327	42,271	657,597	-174	657,423	615,173	42,250
Pharmacies at Home	35,751	2,192	37,944	-	37,944	35,751	2,192
Retail (B2C)¹⁾	650,928	44,463	695,391	-24	695,367	650,925	44,442
Products & Brands	96,133	882	97,014	-46,862	50,153	49,320	833
Services for Professionals	33,600	7,836	41,435	-13,653	27,782	26,447	1,335
Professionals (B2B)¹⁾	129,743	8,704	138,447	-60,512	77,935	75,767	2,168
Products & Care¹⁾	778,226	51,108	829,334	-56,032	773,302	726,692	46,610
Wholesale	1,491,116	5,337	1,496,453	-408,100	1,088,352	1,084,283	4,069
Logistics & IT Services	70	77,594	77,664	-40,438	37,226	90	37,137
Logistics & IT¹⁾	1,491,187	72,131	1,563,318	-437,739	1,125,579	1,084,373	41,206
Group Services	-	26,380	26,380	-25,246	1,133	-	1,133
Eliminations ²⁾	-458,348	-60,669	-519,017	519,017	-	-	-
Galenica Group	1,811,065	88,950	1,900,014	-	1,900,014	1,811,065	88,950

¹⁾ Including eliminations of intercompany net sales

²⁾ Eliminations of intersegmental net sales

6. Fair values of financial assets and financial liabilities

Fair value

in thousand CHF	30.06.2025		31.12.2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Bond (level 1 of the fair value hierarchy)	519,816	539,820	519,811	541,600

With the exception of the bonds the carrying amounts of all financial instruments approximate to the fair value or fair value disclosure is not required (lease liabilities).

As at 30 June 2025 Galenica holds equity instruments designated at fair value through other comprehensive income including a 10.4% (previous year end: 10.3%) investment in the listed (level 1 of the fair value hierarchy) company Redcare Pharmacy N.V., Netherlands, with a fair value of CHF 186.6 million (CHF 261.4 million as at 31 December 2024) and other investment in non-listed (level 3 of the fair value hierarchy) companies with a fair value of CHF 2.0 million (CHF 3.2 million as at 31 December 2024). These investments were irrevocably designated at fair value through other comprehensive income as Galenica considers these investments to be strategic in nature. Galenica recognised in the consolidated statement of comprehensive income a remeasurement loss of CHF 80.7 million (previous year: loss of CHF 21.3 million as at 30 June 2024).

Fair value of financial instruments (level 3 of the fair value hierarchy)

Fair value of contingent consideration liabilities from business combinations (level 3 of the fair value hierarchy)

in thousand CHF	2025	2024
1 January	30,907	41,507
Change in fair value (recognised in profit or loss)	-4,841	-10,600
Payments (cash out)	-18,500	-
30 June / 31 December	7,566	30,907

Fair value of equity instruments designated at fair value through other comprehensive income (level 3 of the fair value hierarchy)

in thousand CHF	2025	2024
1 January	3,181	3,928
Addition	-	935
Change in fair value (recognised in other comprehensive income)	-1,177	-1,682
30 June / 31 December	2,004	3,181

Fair value and sensitivity analysis of contingent consideration liabilities from discontinued operations

Determining the contingent consideration liability in connection with the sale of Mediservice forecasted gross margin of the discontinued operation were identified as key assumptions. Accordingly Galenica has recorded the amount of CHF 3.0 million (previous year: CHF 3.0 million) as other liability based on the expected future gross margin for the years 2024-2026. The future cash outflows range between zero and CHF 3.1 million.

Sensitivity analysis of contingent consideration liabilities from business combinations (level 3 of the fair value hierarchy)

Sensitivity analysis of contingent consideration liabilities from business combinations (level 3 of the fair value hierarchy)

in thousand CHF	Bahnhof Apotheke Langnau	Aquantic	Padma
Fair value of contingent considerations as at 30.06.2025	–	3,594	3,972
Minimal payout	–	–	–
Maximal payout	20,000	5,450	4,000
Key assumption	forecasted net sales ¹⁾	forecasted EBITDA ¹⁾	forecasted sell out prices ¹⁾
Year of relevance	2026+2027	2025+2026	2025
Sensitivity analysis			
Impact on fair value by 5% increase of key assumption	–	406	–
Impact on fair value by 5% decrease of key assumption	–	–406	–998

¹⁾ of the acquired business

7. Subsequent events

The following business combinations occurred between 30 June 2025 and 5 August 2025, the date that the consolidated interim financial statements were released for publication.

Acquisition of Labor Team Group. On 1 July 2025 Galenica signed a purchase agreement to acquire 100% of the interests of the Diagnostics Group GmbH (hereinafter the Labor Team Group) and will enter the diagnostics business. The transaction is subject to approval of the Swiss Competition Commission (COMCO) which is expected in the second half of 2025. The total purchase consideration is estimated to approximately CHF 238 million and is due with the closing of the transaction.

There were no further significant events after the reporting date.