

Management report

Galenica Group

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Galenica Group sales grew by 5.0% to CHF 1,995.4 million in the first half of 2025.

Net sales

+5.0%

Galenica Group CHF 1,995.4 million

EBIT adjusted⁴

+10.9%

Galenica Group CHF 109.9 million

Employees

7,991

Galenica Group

Galenica reports pleasing growth in a positive market environment

Galenica Group sales grew by 5.0% to CHF 1,995.4 million in the first half of 2025. Both the "Products & Care" segment with growth of 4.6% and the "Logistics & IT" segment with growth of 5.5% contributed to the sales growth. Growth was driven by strong demand for prescription medicines, including GLP-1-based¹ weight loss products and drugs related to the severe flu wave at the beginning of the year. Compared with the same period in the previous year, there was one less day of sales activity, with a correspondingly dampening effect on sales.

As a result, Galenica Group sales grew slightly more dynamically than the market environment, with growth in the pharmaceutical market of 4.8%² and in the consumer healthcare market of 0.6%³.

Reported EBIT increased by 6.2% to CHF 108.8 million. Adjusted⁴ EBIT for the Galenica Group increased by 10.9% to CHF 109.9 million.

EBIT performance in the first half of 2025 benefited from positive one-time effects totalling CHF 5.4 million. Disregarding these positive one-time effects, adjusted⁴ EBIT would have increased by 5.4%. On the one hand, the Federal Supreme Court issued its ruling in January 2025 in the proceedings initiated by the Swiss Competition Commission (COMCO) in 2017 concerning HCI Solutions. This should result in a significant reduction in the penalty originally imposed (the penalty will be reassessed by the Federal Administrative Court). In addition, in the "Markant centralised processing" case, the penalty imposed by COMCO was significantly lower than originally expected. These one-time factors had a positive impact on EBIT in the "Logistics & IT" segment.

Adjusted⁴ return on sales (ROS) increased year-on-year from 5.2% to 5.5%. Disregarding the positive one-time effects in the amount of CHF 5.4 million, this would have resulted in a stable adjusted⁴ return on sales of 5.2% in the first half of 2025.

The reported net profit of the Galenica Group was CHF 88.6 million (+11.8%, first half of 2024: CHF 79.3 million), while adjusted⁴ net profit was CHF 90.7 million (+16.8%, first half of 2024: CHF 77.7 million). Investments in the first half of 2025 amounted to CHF 27.6 million (first half of 2024: CHF 38.4 million). This was mainly attributable to conversions and renovations of pharmacies and other operational sites as well as investments in the development of digital infrastructure.

The Galenica Group's balance sheet has remained strong. Adjusted⁴ shareholders' equity increased compared with 30 June 2024 to CHF 1,464.5 million (+2.6%). As at the balance sheet date, unrealised losses on the investment in Redcare Pharmacy N.V. had a negative impact of around CHF 80 million on other comprehensive income (OCI), which had a correspondingly negative effect on equity development. Despite the losses recognised in the reporting period, the current market value of the investment remains above its original cost. Adjusted⁴ net debt, i.e., excluding lease liabilities, remained stable compared with the previous year and amounted to CHF 532.9 million, which corresponds to 1.9x adjusted⁴ EBITDA.

Adjusted⁴ operating cashflow before changes in current assets amounted to CHF 125.8 million (first half of 2024: CHF 97.8 million). Taking changes in current assets into account, operating cashflow amounted to CHF 82.4 million (first half of 2024: CHF 17.6 million). Free cash flow after acquisitions amounted to CHF 16.1 million (first half of 2024: CHF -45.3 million). The higher free cash flow compared with the previous period is attributable in particular to the increased earnings, active management of net working capital and a deferral of investments to the second half of 2025.

Guidance 2025

Galenica believes the guidance for 2025 remains unchanged in terms of consolidated net sales (growth between 3% and 5%) and dividends (at least at the previous year's level). Due to positive one-time effects of CHF 5.4 million, Galenica now expects EBIT⁴ growth of between 7% and 9%, compared with previously expected growth of between 4% and 6%.

In early July 2025, Galenica announced the acquisition of the diagnostic service provider Labor Team. As the closing date for the transaction has not yet been determined, Labor Team is not yet included in the guidance for 2025.

¹⁾ GLP-1 stands for "Glucagon-like Peptide 1", a hormone produced in the gut that plays an important role in regulating blood sugar levels

²⁾ IQVIA, Swiss Pharmaceutical Market, YTD June 2025

³⁾ IQVIA, Consumer Health Market Schweiz, YTD June 2025

⁴⁾ Excluding the effects of IFRS 16 and IAS 19. See chapter "[Alternative performance measures](#)"

Products & Care

Management report

The “Products & Care” segment comprises the “Retail” business area with offerings for patients and end customers (B2C) and the “Professionals” business area with offerings for business customers and partners in the healthcare industry (B2B).



The “Retail” business area comprises the two sectors “Local Pharmacies” (bricks-and-mortar pharmacies) and “Pharmacies at Home” (mail-order pharmacies and home care), while the “Professionals” business area consists of the “Products & Brands” and “Services for Professionals” sectors. Both business areas focus on the development, marketing and sale of services and products through the various Galenica distribution channels. Depending on their needs, end customers (B2C) can benefit from their own bricks-and-mortar pharmacies, home care services, mail-order pharmacies and online shops.

Galenica also supports healthcare providers (B2B) such as pharmacies, drugstores, physicians, care homes, hospitals and home care organisations as a strong partner.

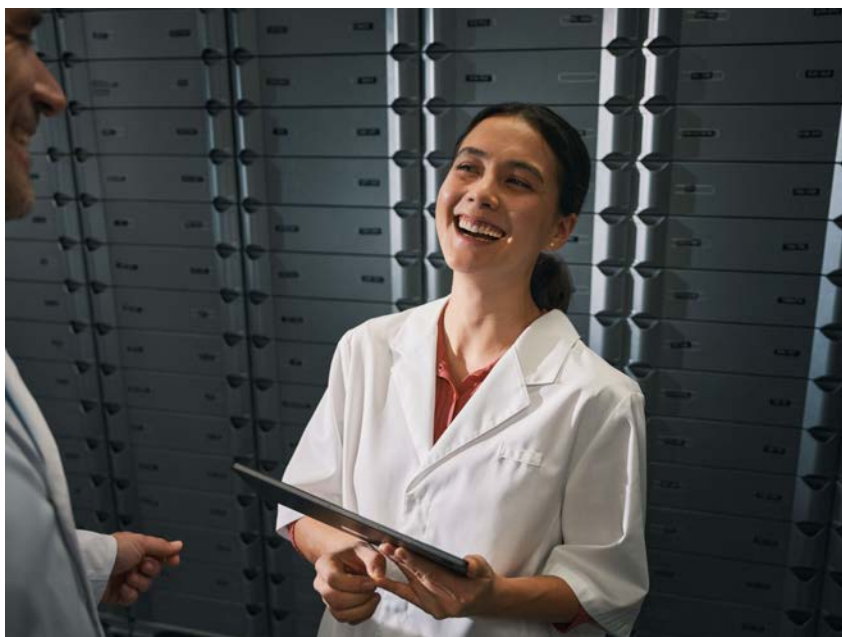


“Products & Care” segment development

The “Products & Care” segment generated net sales of CHF 867.3 million (+4.6%) in the first half of 2025. Of this, CHF 731.1 million (+5.1%, excluding Coop Vitality and Mediservice) was attributable to the “Retail” business area (B2C) and CHF 140.9 million (+1.8%) to the “Professionals” business area (B2B).

Adjusted¹⁾ EBIT increased by 4.6% to CHF 79.5 million, while the EBIT margin remained unchanged at 9.2%. EBIT growth was dampened by a slightly lower gross margin due to a less favourable product mix. This effect was offset by a clear focus on personnel cost management in the “Retail” business sector.

¹⁾ Excluding the effects of IFRS 16. See chapter [“Alternative performance measures”](#)



“Retail” business area (B2C)

Local Pharmacies

In the first half of 2025, the “Local Pharmacies” sector generated net sales of CHF 693.1 million (+5.4%, excluding Coop Vitality). The expansion of the pharmacy network contributed 1.8% to sales growth. Adjusted for this expansion effect, Galenica pharmacies grew by 3.6% organically. Growth was driven by strong demand for prescription drugs, including GLP-1-based² weight loss products and drugs related to the severe flu wave at the beginning of the year. In addition, sales of dietary supplements and dermatological products relating to sun protection also developed positively.

By way of comparison, drug sales from bricks-and-mortar pharmacies in Switzerland (prescription-only [Rx] and OTC products) grew by 5.2% in the reporting period (IQVIA, Pharmaceutical Market Switzerland, first half of 2025). The consumer healthcare market recorded year-on-year growth of 0.6%, with the non-drug segment growing by 0.8% (IQVIA, Consumer Health Market Switzerland, first half of 2025). The Galenica Group pharmacies thus performed more or less in line with the overall market.

²⁾ GLP-1 stands for “Glucagon-like Peptide 1”, a hormone produced in the gut that plays an important role in regulating blood sugar levels

Everyday life in pharmacies remains dynamic

The bricks-and-mortar pharmacies of the Galenica Group can look back on a positive first half of 2025. Day-to-day work in the pharmacies remains dynamic and Galenica’s dedicated teams often take on a pioneering role. This is the case, for example, with the establishment of generics and biosimilars. Galenica has been doing important pioneering work in distributing and promoting the acceptance of generics for many years now. Nowadays, the cost-containment measure of dispensing generics instead of original preparations is established, and the Group is increasingly pursuing a similar approach to biosimilars, i.e., active substances manufactured using biotechnology that are highly similar in

quality, safety and efficacy to the already approved biological reference medicinal products. Using biosimilars also helps to reduce the cost of healthcare.

The generic substitution rate declined slightly to 77.4% in the first half of 2025 (previous year: 79.2%). This development was mainly due to market-related factors such as temporary supply bottlenecks at individual manufacturers and the expiry of patent protection for a top-selling original preparation. Despite the slight decline, the generic substitution rate remains at a very high level. The Galenica Group thus continues to make a substantial contribution to limiting healthcare costs in Switzerland and reaffirms its role as a responsible stakeholder in the healthcare system.

Galenica focuses on continuous improvement

Lean management is another example of Galenica's development-oriented approach. This method of continuous process improvement, which involves all employees, is a key principle throughout the company and has already been rolled out in more than half of the pharmacies. In view of the increasing responsibility of specialist personnel, for example as part of "Consultation plus" (see below), lean management is an important measure for employee satisfaction and greater customer focus.

Spotlight Lean Management

Locations with strong sales acquired

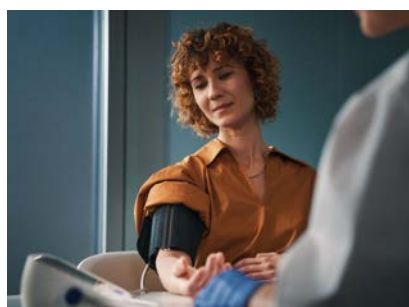
In the first half of 2025, the Galenica network recorded net growth of five pharmacies (8 acquisitions, 3 restructurings). Attractive, high-turnover pharmacies were acquired in all language regions, such as in Würenlos (AG), Tavannes (BE) and Biasca (TI). A milestone was reached in March 2025: With the acquisition of a pharmacy in Centro Shopping Serfontana in Morbio Inferiore (TI), the number of Amavita pharmacies increased to 200. As of late June 2025, the Galenica pharmacy network comprised 381 locations throughout Switzerland.

Own sales points

	30.06.2025	31.12.2024	Change
Amavita pharmacies ¹⁾	201	198	+3
Sun Store pharmacies ¹⁾	86	85	+1
Coop Vitality pharmacies ²⁾	86	86	–
Specialty pharmacy Mediservice ²⁾	1	1	–
Majority holdings in other pharmacies ¹⁾	7	6	+1
Total own points of sale	381	376	+5

¹⁾ Fully consolidated

²⁾ Consolidated at equity



The “Consultation plus” initiative will be implemented in all Galenica Group pharmacies by late 2026.

Undisputed importance of pharmacies in basic care

Every customer should receive in-depth pharmaceutical advice in one of the Galenica Group pharmacies if needed. This is the aim of the “Consultation plus” initiative, which Galenica has been consistently pursuing for several years, and which will be implemented in all Group pharmacies by late 2026. Demand for the healthcare services offered as part of the initiative such as preventive advice, support for acute complaints and vaccinations developed very positively in the first half of 2025. In particular, the number of vaccinations carried out in pharmacies against TBE, influenza, herpes zoster, pertussis and pneumococcus is growing. The importance of bricks-and-mortar pharmacies for low-threshold healthcare is supported by the political and regulatory environment: in March 2025, Parliament adopted cost containment package 2, which expands the remit of pharmacists in the areas of prevention and therapy support and lays the foundation for certain services to be covered by compulsory health insurance. Thanks to continuous investment in training, infrastructure and digital solutions, Galenica is ideally equipped for this change of course.

Digital platforms becoming increasingly important

In light of political developments, Galenica is seeing a continuing increase in interest among health insurers in innovative forms of collaboration, usually involving the digital platforms with which the Group cooperates, such as Well or Compassana. The popularity of another application, OneDoc, shows just how important it is to forge a connection between online and on-site presence: in over 90% of Galenica pharmacies, customers can book consultations or vaccination appointments via OneDoc. In the first four months of the current financial year, almost 40% of all vaccinations against tick-borne encephalitis (TBE) had already been registered via the platform.



Pharmacies at Home

The “Pharmacies at Home” sector contributed to the overall result with net sales of CHF 38.1 million (excluding Mediservice) and remained stable with sales growth of +0.3%.

Digital assistant: the Prescription Manager

The Amavita and Sun Store online shops recorded pleasing growth rates. Bichsel, a company specialising in clinical nutrition, also performed well. The first half of the year also featured a fine example of Galenica’s omni-channel approach: the Prescription Manager. The Prescription Manager is a digital assistant for people with chronic illnesses, who require a regular supply of multiple different medications or who have a repeat prescription. The Prescription Manager makes it easy to manage repeat prescriptions and convenient to re-order medications, either at home or in the pharmacy of choice. Since its launch at the beginning of the year, around 10,000 patients have used the application. Despite positive growth, the online share of the overall market remains relatively low.

Spotlight Prescription Manager

New marketing mix focuses on expertise and relevance

Since September 2024, Stephan Mignot has been Head of Pharmacies Marketing, responsible for marketing the pharmacies and their services. He and his team have already made their mark this year with the reorientation of the communication tools. An important channel is the customer magazine, which is published five times a year, supplemented by newsletters and flyers. The newsletter and magazine in particular focus on imparting specialist knowledge. The focus is not on current offers, but rather on relevant topics curated by pharmaceutical experts. In addition, pharmacy shop windows will be used more strategically in

future: The new shop window concept ensures a uniform and appealing look, showcases offers in the right light and creates an attractive presence for own or third-party brands.



“Professionals” business area (B2B)

Products & Brands

The “Products & Brands” division generated sales of CHF 97.8 million (+0.9%) in the first half of 2025. Of this, CHF 76.8 million (+5.3%) was generated in the Swiss market and CHF 21.0 million (–12.6%) in exports with distribution partners. Sales growth in the Swiss market was supported by Cooper Consumer Health products, for which Verfora has been responsible for distribution since the beginning of the year. Sales of Verfora products in Swiss pharmacies and drugstores exceeded the overall market with growth of 2.3%, leading to market share gains.

Organic sales growth in the “Products & Brands” segment, excluding the expansion effect (+5.4%), was –4.5% in the first half of the year. The decline in organic sales growth was mainly due to Verfora's export business, which saw exceptionally high sales in the previous year in connection with the one-off build-up of bridging stock inventories as a result of regulatory changes in the EU.

By comparison, the consumer healthcare market grew by 0.6% compared with the same period last year (IQVIA, Consumer Health Market Switzerland, first half of 2025).

Complementary medicine is popular

Since 1 January 2025, Verfora, the leader in the Swiss consumer health market, has been responsible for the exclusive marketing and distribution of Cooper Consumer Health products. The French dermacosmetics brand SVR is now also part of Verfora's portfolio, helping Verfora to consolidate its already prominent market position. The company's complementary medicine offerings continue to see strong demand. In particular, the Omni-Biotic® brand, with products that support intestinal health, achieved significant growth thanks to targeted marketing and sales activities. Galenica also focused on the further development of its strong brands such as Spagyros and Padma in the first half of 2025. Spagyros and Padma have been managed by CEO Michael Severus since 1 January 2025, resulting in improved coordination of marketing and sales activities and the exploitation of synergies. Spagyros also has reason to celebrate in 2025: the natural health specialist looks back on a 40-year history.

Spotlight Spagyros



Services for Professionals

The "Services for Professionals" sector generated sales of CHF 43.1 million (+4.0%) in the first half of 2025. Growth was generated in particular by the strong performance of Lifestage Solutions, Bichsel's production division and blister packaging solutions from Medifilm.



Bichsel products are now also integrated into the Lifestage platform.

Integration of offers on the Lifestage platform

The “Services for Professionals” sector is a particularly good demonstration of how the Galenica network functions and adds value. The segment includes the specialist for clinical nutrition (Bichsel), patient-specific blister packaging of medications (Medifilm), a digital platform (Lifestage Solutions) and mobile care home doctors (Emeda) – complemented by a broad coverage of bricks-and-mortar pharmacies throughout Switzerland. Over the past few months, Galenica has been driving forward the integration of these diverse offerings. One example of this is the inclusion of Bichsel products on the Lifestage platform. Customers, in this case healthcare institutions, will benefit from even easier access to the services they need. Bichsel also successfully completed the Swissmedic audit for the renewal of its operating licence. For the company, this is an important confirmation of its high-quality standards in the field of clinical nutrition following a phase of targeted product adjustments and process optimisations.

New blister packaging machine in use

Blister packaging specialist Medifilm is expanding its capacity this year with the addition of another fully integrated blister packaging machine. Demand in the home care market is evident from the 10% increase in patient days. In the second half of the year, Medifilm will intensify its collaboration with a leading company in the field of housing for the elderly and implement targeted digitalisation measures for its cooperation with pharmacies. The aim is always to reduce the workload of nursing staff and pharmacy employees and contribute to increasing patient safety.

Logistics & IT

Management report

The “Logistics & IT” segment comprises the two sectors “Wholesale” and “Logistics & IT Services”. They operate and develop the logistics and IT platforms of the Galenica Group and offer services to all healthcare providers such as pharmacies, drugstores, physicians, hospitals and care homes. The focus is on optimising and further developing the range of logistics and services as well as innovative solutions to promote digitalisation in the healthcare market.



Logistics & IT

Wholesale

Galexis



Logistics & IT Services

Alloga

HCI Solutions

AQUANTIC
CLEARLY AHEAD

“Logistics & IT” segment development

The “Logistics & IT” segment generated net sales of CHF 1,649.7 million (+5.5%) in the first half of 2025. Of this, CHF 1,579.6 million (+5.6%) was attributable to “Wholesale” and CHF 83.0 million (+6.9%) to “Logistics & IT Services”. As a result, the segment performed better than the overall market, which recorded strong year-on-year growth of 4.8% (IQVIA, Pharmaceutical Market Switzerland, first half of 2025).

Adjusted¹ EBIT improved by +25.8% year-on-year to CHF 32.0 million in the first half of 2025. Return on sales (ROS) increased from 1.6% to 1.9%. In addition to the increase in sales, the improved EBIT performance was mainly due to positive one-time effects totalling CHF 5.4 million. Disregarding these one-time effects, adjusted¹ EBIT would have increased by 4.6% to CHF 26.6 million and return on sales (ROS) would have remained stable at 1.6%.

The positive one-time effects result from two sets of proceedings at the Swiss Competition Commission (COMCO). On the one hand, the Federal Supreme Court issued its ruling in January 2025 in the proceedings initiated by COMCO concerning HCI Solutions in 2017, which should significantly reduce the penalty originally imposed (the penalty will be reassessed by the Federal Administrative Court). In addition, in the “Markant centralised processing” case, the penalty imposed by COMCO was significantly lower than originally expected.

Both factors had a positive impact on the segment’s EBIT. By contrast, temporary efficiency losses and additional expenses in connection with the gradual introduction of the new ERP system at the Lausanne-Ecublens site had a negative impact on the operating result in the “Wholesale & Logistics” segment.

¹⁾ Excluding the effects of IFRS 16. See chapter [“Alternative performance measures”](#)



Wholesale

In the "Wholesale" sector, sales increased by +5.6% to CHF 1,579.6 million, while further market shares were gained in the wholesale business with both doctors (+5.8%) and pharmacies (+5.6%).

By way of comparison, the market for doctors recorded growth of 4.4%, while the market for bricks-and-mortar pharmacies increased by 5.2%. The market for mail-order pharmacies grew by 4.7% in the reporting period (IQVIA, Pharmaceutical Market Switzerland, first half of 2025).



The new ERP system has been implemented at the Lausanne-Ecublens site.

New ERP system in use

In March 2025, the important migration of the ERP system at the Lausanne-Ecublens site was completed. The focus in the second half of the year will now be on continuously increasing efficiency and ensuring that customers in French-speaking Switzerland are fully supplied from the Lausanne-Ecublens site.

Great momentum in the physician market

Since the 2024 financial year, the Galexis range for physicians has also included laboratory equipment, accessories and furnishings. In the first half of 2025, the company ramped up its marketing of the expanded range. The response has been very positive. The wider distribution of the DispoCura interface software, which makes the ordering process for doctors particularly user-friendly, also helps to position Galexis as an innovative wholesaler for physicians.



Logistics & IT Services

With net sales of CHF 83.0 million, the “Logistics & IT Services” sector achieved growth of 6.9% in the first half of 2025. In addition to HCI Solutions, this growth was driven in particular by intra-Group charging of IT services.



Health Supply: transport services from a single provider.

Health Supply transport services in operation

The joint venture Health Supply Ltd., founded at the end of 2023, replaced all external transport service providers as planned in the first half of 2025. Furthermore, in June 2025, the employees of the Spreitenbach site were integrated into the Regensdorf site. The joint venture has clear advantages in terms of efficiency for Galenica: Thanks to Health Supply, the Group obtains the majority of its transport services from a single provider, reducing complexity and coordination efforts. With its fleet, it can also implement sustainability initiatives such as the use of biogas or electric vehicles. The joint venture’s transport services are also available to other market participants.

Alloga well on track

Pre-wholesale specialist Alloga has significantly increased its efficiency and gained an important new industry partner following the completion of its ERP roll-out in 2024.



“Clinical Decision Support” checks increase patient safety.

Digitalisation of healthcare

Developing and implementing initiatives for the digitalisation of healthcare is the core area of expertise of HCI Solutions, which also includes the medical and pharmacy software Documedis. Based on Documedis solutions, more than 240 million “Clinical Decision Support” (CDS) checks were performed in the first half of 2025; more and more software manufacturers are integrating the functionality from HCI Solutions into their systems. CDS checks are important measures for reviewing clinical medical decisions and increasing patient safety. The successful HCI Connect series of events, which facilitates networking between specialists and digitalisation experts, continued with an event in March 2025. The experts from HCI Solutions also presented new AI-supported features.

Increasing number of e-prescriptions

The two professional associations, the Swiss Medical Association (FMH) and pharmaSuisse, are continuing to drive forward with the nationwide introduction of e-prescriptions. HCI Solutions remained involved in the development during the reporting period as a private-sector expert partner. The commitment of all those involved is bearing fruit, with the number of e-prescriptions issued via Documedis already reaching around 6,000 per month.

Anniversary at Aquantic

Another company with an innovative software solution performed well in the first half of 2025: Aquantic. Its SmartMIP software enables the billing of specific medications to be processed quickly, in a standardised manner and in compliance with the law. These are primarily medications within the meaning of Article 71 a-d of the Health Insurance Ordinance (HIO) for the treatment of rare, very serious or chronic diseases. Aquantic Ltd. was acquired by Galenica in 2022 and is used by a growing number of health insurers and pharma companies. The company is already celebrating its 20th anniversary in 2025.

Spotlight Aquantic