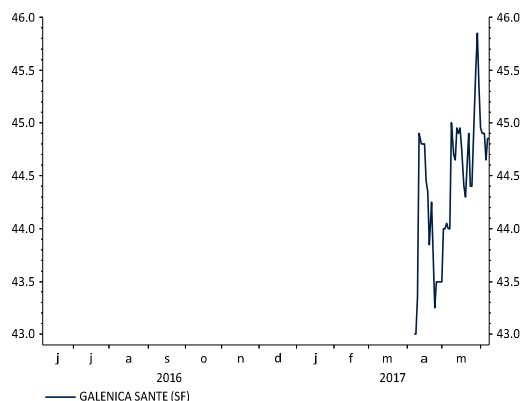


Stock Information

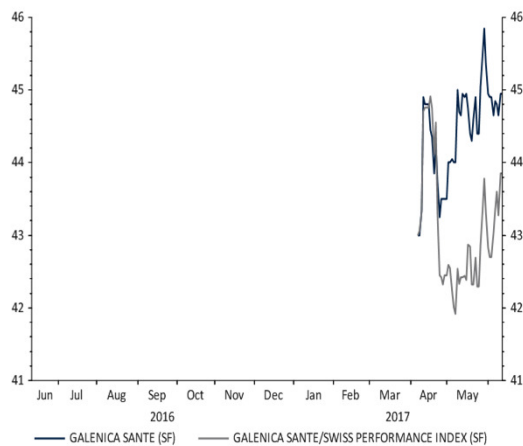
Prix	08.06.2017	CHF	44.80
Capitalisation		CHF (mn)	2'240
Average volume (000/day)			746.5
52 weeks High / Low			45.85 / 43
ISIN		CH0360674466	
Bloomberg Code		GALN SW	

Performance



Graphic IAM - Source Thomson Reuters

1 year relative performance



Graphic IAM - Source Thomson Reuters

Relative and absolute performances

In %	Absolute	Relative *
1 month	1.8	3.7
3 months		
YTD		
2016		
2015		

*compared to the Swiss Performance Index (SPI)

Description

Galenica is the largest wholesaler, distributor and retailer of drugs in Switzerland.

The firm directly or indirectly controls about 1 out of 3 pharmacies in the country. Its main brands are Amavita and Sun Store. Galenica holds 49% in Amavita, a chain of pharmacies shared with Coop.

The subsidiary Galexis is a leader in drugs logistics. The subsidiary Alloga offers a specialized warehousing service for pharma companies.

Galenica owns a portfolio of health products sold over the counter. It owns brands such as Algifor, Perskindol and Anti Brum.

Investment case

The health market should keep on growing faster than GDP thanks to increase in health consumption, the aging population and the influx of new residents through immigration into Switzerland.

A negative trend is the plan by the government to reduce the prices of prescription drugs.

Galenica should be able to generate a steadily growing cash flow that should be mostly used to finance a generous dividend policy.

Per share (CHF)

	2014	2015	2016	2017e	2018e
Earnings	1.66	1.63	1.66	1.86	1.96
Variation	-3.9%	-1.5%	1.5%	12.3%	5.5%
Earnings (IBES)	1.66	1.63	1.66	2.20	2.33
P/E				24.1	22.8
P/B				3.1	2.0
P/FCF				17.8	15.0
Dividend				1.8	1.9
Pay-out ratio				95%	95%
Dividend yield				3.9%	4.2%

Strengths

- Leading logistics and retail position in Switzerland
- number 3 position in the OTC market in Switzerland

Weaknesses

- Competition issues should limit further consolidation

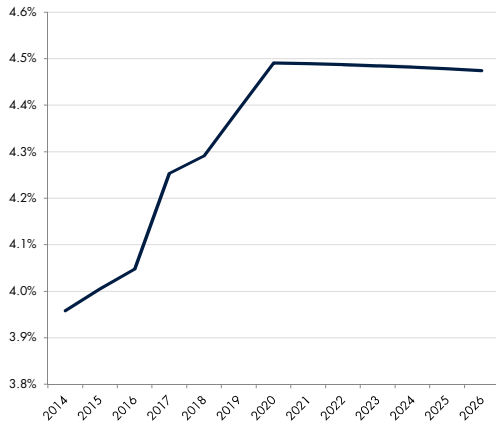
Opportunities

- The development of the OTC drugs portfolio could bring more growth and improve margin.

Threats

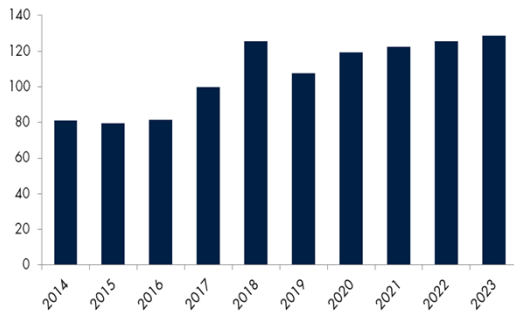
- Exposed to public policy decisions related to the control of health costs.

Operational margin



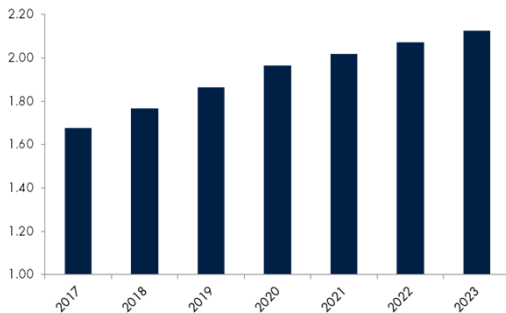
Graphic IAM

FCF estimates (m CHF)



Graphic IAM

Dividends estimates (CHF)



Graphic IAM

Key figures (mn CHF), Dec 31st

	2014	2015	2016	2017e	2018e
Sales	2'875	2'960	3'059	3'220	3'256
variation	0.2%	3.0%	3.3%	5.3%	1.1%
Operating costs	2'718	2'793	2'882	3'083	3'117
EBIT	114	119	124	137	140
Earnings before taxes	98	100	104	115	121
Net earnings	81	80	81	91	96
Minorities	0	0	0	0	0
Shareholders earnings	81	80	81	91	96
Current assets	617	635	697	801	1'214
Net fixed assets	1'101	1'121	1'188	1'209	1'230
Total assets	1'718	1'756	1'885	2'011	2'444
Equity	810	832	951	697	1'102
Working capital	160	167	221	325	720
Net debt	755	782	788	1'072	696
Operating cash flow	112	111	113	148	175
Capex	31	31	31	48	49
Free cash flow	97	99	102	123	145

Performance ratio

	2014	2015	2016	2017e	2018e
Operating margin	4.0%	4.0%	4.0%	4.3%	4.3%
Net margin	2.8%	2.7%	2.6%	2.8%	2.9%
Equity yield	10.0%	9.6%	8.5%	13.0%	8.7%
NWC / Sales	5.6%	5.6%	7.2%	10.1%	22.1%
Net debt / EBIT	6.6	6.6	6.4	7.8	5.0
Net debt / Equity	0.9	0.9	0.8	1.5	0.6
D&A / PPE	7.9%	7.7%	7.6%	7.6%	7.7%
Capex / D&A	0.8	0.8	0.7	1.2	1.1
Capex / Sales	1.1%	1.0%	1.0%	1.5%	1.5%
FCF / Net earnings	1.2	1.2	1.3	1.4	1.5

Peers (in CHF)

Name	Cap.	P/E trailing	P/E current	Div yield	Perf YTD
Stock Information	2240.0		20.4		
WALGREEN BOOTS (WBO)	76046.6	20.9	16.5	1.8%	
CVS HEALTH	86896.5	16.4	13.4	2.6%	0.6%
FIELMANN	6440.2	34.6	33.6	2.6%	15.7%

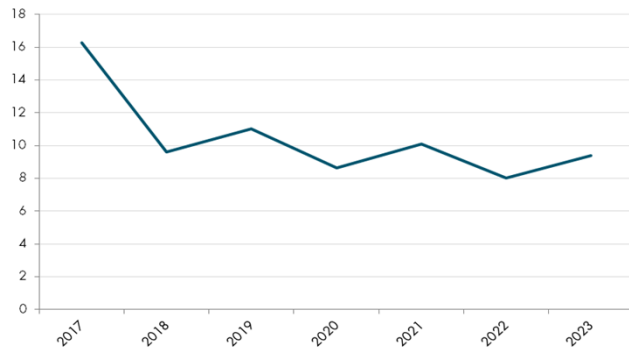
Shareholders

Free float 100.0%

Management

Chairman : Jörg Kneubühler
CEO: Jean-Claude Cléménçon
CFO: Felix Burkhard

EV / EBITDA estimates



Graphic IAM