



# PHARMAGEST

WELCOOP SOLUTION

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## PRESS RELEASE

### Half year turnover (30 June 2014): - 1.4 % Without communication services + 4%

€ millions	2014	2013	Variation	Reprocessed Variation*
1 <sup>st</sup> quarter	28.82	29.87	- 3.5 %	+ 1.1 %
2 <sup>nd</sup> quarter	29.49	29.27	+ 0.8 %	+ 6.9 %
Total 1 <sup>st</sup> half year	58.31	59.14	- 1.4 %	+ 4.0 %

\*Turnover reprocessed for "Communication Services"

With a turnover on 30 June 2014 of €58.31 million, slightly lower than the turnover produced in the same period in 2013 (- 1.4 %), and in a changing regulatory and economic environment, the PHARMAGEST group has performed very well. **Indeed, except for "Communication services"**, which, as expected, is in strong decline following the regulatory changes, but with a very low margin, **the turnover of the Group increased by 4% in the 1<sup>st</sup> half year 2014**, allowing it to anticipate a significant improvement in its operating margin in the 1<sup>st</sup> half year.

#### Note on activity:

- **The Pharmacy France business**, after having restored its portfolio of orders during the 1<sup>st</sup> quarter, accomplished an increase in turnover of 5.4% in the 2<sup>nd</sup> quarter alone, bringing the turnover as of 30 June 2014 to €47.83 million, an increase of 2.3%. This development is divided up as follows:
  - Configurations sales: - 2.6 %
  - Maintenance: + 5.3 %
  - Ancillary products developed by PHARMAGEST INTERACTIVE (licences and services ancillary to the management solution): + 22.4 % This exceptional increase is the result of a launch by Pharmacy France, strengthened by its pioneering position in obtaining its SCOR 2.0 approval, of a large-scale promotional campaign allowing pharmacies not yet included in the system to benefit from a full license against a 30 month re-engagement, therefore allowing PHARMAGEST INTERACTIVE to reach a SCOR (Scanning of Prescriptions) activation rate among its clients in less than a year of deployment, much higher than other publishers.

The Pharmacy France business accounted for 82% of the PHARMAGEST Group's overall turnover in the 1<sup>st</sup> half year 2014.

- **The Pharmacy business in Belgium and Luxembourg** was confronted by a slight decline in its business in the 1<sup>st</sup> half year 2014, but nevertheless maintained a growth level of 3%, particularly with thanks to the successful adaptation of the French business model generating a maintenance with a rise of 13.8%.  
As of 30 June 2014, the business represents 3.3% of the PHARMAGEST Group's overall turnover.

- **The Laboratories business**, with a turnover of €5.44 million as of 30 June 2014, in line with forecasts, recorded a fall in its turnover of 35.1%, with "Communication Services" alone declining by €2.90 million.  
The business now accounts for only 9.3% of the PHARMAGEST Group's overall turnover as of 30 June 2014.
- **The care home business** continues to benefit from a promising market and solid foundations allow it to continue growing with a turnover of €2.93 million in the 1<sup>st</sup> half year 2014, an increase of 42.6%.  
The business takes advantage of an increase in recurring revenues of 16.4% as well as license sales of 46.8% over the half year.  
As of 30 June 2014 it now represents 5% of the PHARMAGEST Group's turnover.
- **The e-health business**, with a currently insignificant share of its turnover within the PHARMAGEST Group, has almost doubled its turnover in the 1<sup>st</sup> half year 2014 compared to the 1<sup>st</sup> half year 2013 (+ 90%). This considerable increase is connected to the start of product marketing in May 2014 for the new business specialising in electronic health devices.  
Besides, the business is currently deploying the two major projects of the group with public co-financing (E-Nephro/E-Chronic and SATELOR).  
As of 30 June 2014 it represents 0.4 % of the PHARMAGEST Group's turnover.

### Prospects:

The PHARMAGEST Group is confident in the performance of its businesses in the second half year 2014, and anticipates a significant improvement in its operating margin due to the rapid disappearance of its least accretive business ("Communication services").

- For the **Pharmacy France business**, the level of growth found in the 2<sup>nd</sup> quarter of 2014 should be confirmed in the second half year.
- **The Pharmacy BeLux business**, after experiencing a decline in the first half year, should return with a good level of growth in the second part of the year.
- For **the Laboratories business** the declining trend of the "Communication Services" will continue in the second half year.
- **The care home business** will maintain sustained growth.
- The **e-health division** will continue with its investments while benefiting from revenue generated by the new business specialising in electronic health devices.

The PHARMAGEST Group will continue its research and development work to help the pharmacist, but will also remain alert to external growth opportunities in France and internationally in the fields of innovative technologies, linked to Health.

### Financial calendar:

- Publication of half year results on 23 September 2014,
- SFAF Meeting for the Presentation of half year results on 23 September 2014,
- Publication of Q3 Turnover on 13 November 2014.

### About the PHARMAGEST Group:

*The PHARMAGEST Group is the French leader in computer systems for pharmacies, with a 43.5 % share of the market, 9,800 clients and more than 750 employees. Since September 2007, the PHARMAGEST Group has also been present in Northern Europe with a 12 % market share in Belgium and Luxembourg through its subsidiary SABCO.*

*As a privileged partner to pharmacists for almost 30 years now, the PHARMAGEST Group designs innovative computer solutions for pharmacies and is developing a high potential E-Business E-Media activity intended for laboratories.*

*The PHARMAGEST Group is also developing previously unpublished software solutions for Retirement Homes, (Care Homes and day centres for the elderly), through its subsidiary MALTA INFORMATIQUE.*

The first Logiciel de Gestion à Portail Intégré (Integrated Portal Management Software - LGPI Global Services®), creator of value for the patient, pharmacist and laboratory, dynamises sales, optimises purchases and enriches advice to the patient. It is also the first permanent impact medium for pharmacies, supplying laboratories with direct communication towards the pharmacist and his patients.

At the heart of the digital revolution that is gradually establishing itself in the daily life of health professionals and patients alike, at the beginning of 2012, the PHARMAGEST Group created an e-Health business, bringing together the subsidiaries DIATELIC (telemedicine and e-health solutions) and DOMEDIC EUROPE (intelligent pill dispenser DO-Pill Secure™).

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