

2018 revenue Growth of 14.51% to €148.48m

- ❖ **Pharmagest Group** delivers another year of strong annual growth. 2018 revenue in reaches €148.48m, up 14.51% from 31 December 2017. On a pro forma basis (excluding acquisition of MACROSOFT Group in Italy), revenue for the year was up 8.3%, with an acceleration in the H2 2018 at +10.55%.
- ❖ All Divisions achieved gains.
- ❖ Very promising outlook for 2019 driven by strategic partnerships (Korian, Cegedim) and the recent acquisition (Embleema).

Forward

- Application of IFRS 15 "*Revenue from contracts with customers*" as from 1 January 2018. All figures presented in the press release have been restated to eliminate the impact of IFRS 15's application.

In 2017, the impact for the Group of IFRS 15's application is €17.23 million on a restated basis. In 2018, the impact for the Group of IFRS 15's application is €22.50 million on a restated basis. Nearly all the adjustments originated from the Fintech Division.

In €m (IFRS 15)	2018	2017	Change
Q1	34.59	30.83	+ 12.19%
Q2	37.56	32.44	+ 15.81%
Q3	35.43	29.72	+ 19.20%
Q4	40.90	36.68	+ 11.50%
Annual revenue	148.48	129.67	+ 14.51%

Annual highlights

➤ **Pharmacy Division - Europe Solutions**: the Group's historic business had revenue of €114.72 million at 31 December 2018, up 12.67% from 2017. On a pro forma basis (before the integration of the Italy Pharmacy Business Unit), revenue rose 7.54%.

This Division was boosted notably by the recently deployed salesforce for the robotisation and digital equipment segment (CRED), new market-driven offerings such as "labelling" solutions and the finalisation of the deployment of solutions addressing Belgian networks.

- In Italy, the successful installation of the first sites has laid foundations for promising future performances. MACROSOFT Group which became PHARMAGEST ITALIA integrated on 01/04/2018, had revenue of €5.23 million for nine months.

This business contributed 77.3% of Pharmagest Group's total revenue for 2018.

➤ **Health and Social Care Facilities Solutions Division**.

This Division had revenue in 2018 of €19.27 million, up 29.67%, including 11.3% pro forma with a particularly dynamic year end at +21.5%.

- The Senior Assisted Living Facilities Business Unit with MALTA INFORMATIQUE made a decisive contribution to this achievement by delivering an excellent commercial performance, particularly in H2 2018. This was driven by the launch of its teleconsultation offering (representing one of the technologically complete solutions on the market and the only teleconsultation solution fully integrated with the TITAN patient file at the senior assisted living facility).
- The Hospital Business Unit with AXIGATE achieved revenue largely positive in H2 2018 with 11% growth (from €2.92 million in H2 2017 to €3.23 million in H2 2018). Organisational and governance issues existing between the different entities have slowed progress in making decisions concerning the shared information systems of the regional hospital groups (*Groupements Hospitaliers de Territoire* or GHT).

The Division accounted for 13% of total Pharmagest Group revenue for 2018.

➤ **The e-Health Solutions Division** reported €12.82 million in revenue as of 31 December 2018, a 11.9% increase from one year earlier.

- The e-Connect Business Unit benefited from favourable market developments (+12%) with the adoption of the Shared Medical Record.
- The e-Patient Business Unit was particularly dynamic, boosted by the performances of the different ranges developed by the Group (success of the new medication compliance monitoring software, rollout of connected and manual pill dispensers...).

The e-Health Solutions Division contributed 8.6% to Pharmagest Group's total revenue in 2018.

➤ **The Fintech Division** had revenue of €1.67 million at 31 December 2018, a 9.1% increase in relation to 2017.

The level of growth seen in H1 2018 was curtailed at year-end (-5.25%) reflecting decreased activity of a partner network.

This Division accounted for 1.1% of total Pharmagest Group revenue for 2018.

Significant subsequent events

[In early January of this year](#), Pharmagest Group announced the acquisition of an equity stake in Embleema, the Franco-American start-up specialised in healthcare blockchain technology, thus becoming its lead industrial shareholder.

For Pharmagest Group, this equity acquisition reflects its strategy focused on developing innovative patient-centred solutions. With the development of its LGPI Global Services® business software suite, the roll-out of the compliance monitoring software (*Logiciel de Suivi d'Observance* or LSO) and Axigate's Electronic Medical Records solutions, Pharmagest Group's equity partnership will accelerate the development of Embleema's solutions which are well adapted to the needs of the Group's activities, particularly in the promising e-Health sector.

Pharmagest Group, already present in this sector as an authorised health data hosting service provider and through its recent equity stakes in Diatelic, Axigate, Noviatek, or Sailendra, is also seeking to develop in the sector of blockchain-based medical data sharing solutions. Becoming a shareholder of Embleema will contribute to this goal.

Outlook

Pharmagest Group is looking forward to the year ahead with confidence: trends for all the Group's businesses are positive and the strategic partnerships announced in 2018 with Korian and Cegecim will open up promising prospects.

Pharmagest Group will furthermore continue to invest in the development of new products and services.

Pharmagest Group also intends to accelerate the construction of its Patient Data platform in Europe which will provide a tool for connecting all healthcare professionals. And with the recent acquisition of an equity stake in Embleema, the Group will be able to leverage its Blockchain technology to develop new offerings and enable patients to regain control over their health data and how it is used, and in this way contribute to medical research.

Financial calendar

- 2018 annual results: 29 March 2019 after the close of trading.
- Information meeting on 2018 Annual Results: 1 April, 2019 at 11:30 a.m. - Paris.

About PHARMAGEST Group:

Pharmagest Group is the French pharmacy information technology leader, with a market share of more than 42% and more than 1.000 employees. The Group's strategy is based on a core business of improving healthcare through information technology innovation and developing two priority areas: 1/ Services and technologies for healthcare professionals, with a focus on assisting pharmacies in patient medication compliance; and 2/ technologies for improving the efficacy of healthcare systems.

To roll out this strategy, Pharmagest Group has developed specialised businesses, including pharmacy IT, e-Health solutions, solutions for healthcare professionals, solutions for pharmaceutical laboratories, connected health devices and apps, and a sales financing marketplace.

These businesses are grouped within four Divisions: Pharmacy - Europe Solutions; Health and Social Care Facilities Solutions; e-Health Solutions and Fintech.

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CONTACTS

Analyst and Investor Relations:

Chief Administrative and Financial Officer: Jean-Yves SAMSON
Tel. +33 (0)3 83 15 90 67 – jean-yves.samson@lacooperativewelcoop.com

Media Relations:

FIN'EXTENSO – Isabelle APRILE
Tel. +33 (0)1 39 97 61 22 – i.aprile@finextenso.fr