

Villers-lès-Nancy, 14 May 2020 - 6:00 p.m. (CET)

PRESS RELEASE

2020 first-quarter revenue: + 2.23%

- ❖ **Acquisitions (ICT Group, SVEMU, I-MEDS, CARE SOLUTIONS/MALTA BELGIUM) fuelled strong growth: +4.20% impact in Q1 2020.**
- ❖ **Excellent performances by its growth drivers (the e-Health Solutions and Health and Social Care Facilities Solutions Divisions), consolidating their contribution to total Group revenue: 26.22%.**
- ❖ **The Group confirms the resilience of its business model, limiting the impact of the health crisis.**

| (€m) | Q1 2020 * | Q1 2019 | Change |
|---------|-----------|---------|---------|
| Revenue | 39.00 | 38.15 | + 2.23% |

* unaudited

At 31 March 2020, Pharmagest Group had consolidated revenue of €39 million, up 2.23% from Q1 2019 (€38.15 million).

Acquisitions positively impacted sales in Q1 2020 (+4.20% of total Group revenue), notably ICT Group (consolidated in October 2019) and MALTA BELGIUM (created in January 2020) contributing growth of respectively 1.79% and 1.88% to Group revenue.

Like-for-like (excluding the disposal of INTECUM and the acquisitions of ICT Group and SVEMU, the equity stake in I-MEDS, the acquisition of the businesses of CARE SOLUTIONS and the creation of MALTA BELGIUM), Pharmagest Group's revenue contracted 1.87%.

Exceptional circumstances linked to the Coronavirus COVID-19 pandemic

Since the beginning of the Coronavirus COVID-19 epidemic, Pharmagest Group and its parent company (La Coopérative WELCOOP) implemented a prevention plan to ensure the safety and health of their employees and business plan to ensure a maximum operational mobilization in order to service their customers in the medical community on the front line in managing this crisis.

Operating highlights

- **Pharmacy - Europe Solutions Division** had revenue of €28.34 million, down 3.64% from Q1 2019.

This decline reflects mainly rental contracts not renewed in the first quarter of 2020 and postponed until the coming months. The Division's business mix (equipment and software sales, services) help limit the epidemic's impact in the period (-€2 million in Q1 2020).

The Pharmacy Belux and Italy Business Units both declined in the first quarter. In addition to the impact of the health crisis, this decline also reflected the completed deployment of the IT equipment for the Belgian networks and individual sales to Italian wholesalers with both boosted sales in Q1 2019.

This Division accounts for 72.67% of total Pharmagest Group revenue.

- **The Health and Social Care Facilities Solutions Division** registered growth of 31.86% to €6.13 million, driven by the integration of ICT Group and the creation of MALTA BELGIUM (with a combined contribution of +€1.4 million). Like-for-like (excluding ICT Group and MALTA BELGIUM) and the estimated adverse impact of the health crisis of €270,000, the Division grew 7.55%.

This Division accounts for 15.72% of total Pharmagest Group revenue.

- **The e-Health Solutions Division** was relatively unaffected by the current health crisis, registering €4.09 million in sales, up 10.75% in relation to Q1 2019. I-MEDS' integration contributed to this performance ; like-for-like, the Division's sales grew 8.22%. Despite the current health crisis, the level of activity has remained resilient. The R&D teams in particular have been guaranteeing the continuity and quality of services provided while continuing to develop projects in progress.

This Division accounts for 10.50% of total Pharmagest Group revenue.

- **The Fintech Division** had revenue of €0.44 million, up 10.66%. After a good start at the beginning of the year, activity was slowed down by the application of confinement measures.

This Division accounts for 1.12% of total Pharmagest Group revenue.

The estimated impact of the epidemic on Pharmagest Group's total sales in Q1 2020 is €2.4 million, with the Pharmacy Division - Europe Solutions (-€2 million) and Health and Social Care Facilities Solutions Division (-€270,000) being the most concerned. Excluding COVID-19, the Group would have registered growth in the 2020 first quarter of 8.52%.

2020 outlook

For 2020, in light of the current context, Pharmagest Group has not issued forecasts. However, based on the considerable strengths of its business model, including notably strong recurrent revenue streams (66%) and gross sales (68%), an excellent balance sheet and its diverse portfolio of health-related activities, it is confident in its ability to navigate this crisis of unprecedented proportions.

In this exceptional context, Pharmagest Group remains vigilant regarding the instructions issued by public authorities and governmental bodies and activated its business recovery plan on 11 May. The action plans initiated to support and accompany the Group's customers (pharmacies, ALFs, home-based nursing services, hospital-at-home programmes, senior care service centres, multi-professional and paramedical healthcare providers, hospitals and private practitioners also) remain in force and are regularly adapted according to the needs expressed by healthcare professionals, while continuing to respect the rules established to ensure the health and safety of its employees and customers.

The current health crisis has demonstrated the need to further reinforce healthcare system resources: human, material and IT.

Pharmagest Group's Digital Healthcare Gateway currently in the process of being deployed in Marseille, is a perfect example of what is destined to become the standard in the future. A major innovation, this Gateway offers a streamlined and secure means for optimising the flow of health data between healthcare professionals across the entire spectrum of office-based outpatient care, healthcare establishments and hospitals.

The recent acquisition of an equity stake in PANDALAB (a multifunctional platform combined with a collaborative messaging app) has consolidated the construction of this ecosystem unique in France and Europe by facilitating secure, confidential and instant communications between healthcare professionals.

As indicated in its previous press release of 27/03/2020, Pharmagest Group confirms its commitment to keep the market informed of any significant developments in this health crisis impacting its activity.

Financial calendar:

- **Annual General Meeting 29 June 2020**
 - Pharmagest Group reminds readers that it will propose at the Annual General Meeting the payment of a dividend of €0.90 per share for fiscal 2019.
 - In light of the current context of the Coronavirus COVID-19, the General Meeting will be held in a closed session. Shareholders are invited to regularly consult the section devoted to the General Meeting on its website www.pharmagest.com - Rubrique [Finance/Assemblée Générale](#) for information about procedures for participating.
- **Publication of Q1 2020 revenue:** 5 August 2020.
- **Publication of H1 2020 results** 25 September 2020.

About Pharmagest Group:

Pharmagest Group is the French pharmacy information technology leader, with a market share of more than 44% as a provider of software solutions for pharmacies, 28% for ALFs, 45% for HAD programmes, 20% for health care centres 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; and 2/ technologies for improving the efficacy of healthcare systems.

This strategy is executed through specialised business lines developed by Pharmagest Group: : pharmacy IT, e-Health solutions, solutions for health and social care facilities (for ALFs, Home-Based Nursing Services, Hospital-at-Home programmes, senior care service centres, multi-professional and paramedical healthcare providers and hospitals), apps and connected health devices,...

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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