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PRESS RELEASE

## 2016 Net Profit: €21.46m, +13%

(€m)	Dec. 2016	Dec. 2015	Change
Revenue	128.38	113.47	+ 13.13%
Operating Profit	31.39	28.28	+ 11%
<b>Net Profit</b>	<b>21.46</b>	<b>19.00</b>	<b>+ 13%</b>
Net profit attributable to equity holders of the parent	20.57	18.79	+ 9.4%
Earnings per share (in €)	1.37	1.25	+ 9.5%

The Board of Directors, chaired by Thierry CHAPUSOT, met on 31 March 2017 with the Auditors in attendance. The Board examined and approved the accounts for the 2016 financial year. The consolidated financial statements have been audited and the auditors' report will be issued after the management report has been reviewed and the procedures required for filing the annual financial report have been finalised.

### ➤ Consolidated financial highlights

PHARMAGEST Group had **consolidated revenue of €128.38 million** at 31 December 2016, up significantly from 2015 by 13.13%.

**Operating Profit amounted to €31.39 million, up 11% from 2015.**

Whereas the Solutions for the Pharmacy Division Europe (the Group's long-standing core business) remained stable and represented 75% of the consolidated operating profit compared to 85% last year, the contributions of new activities (Solutions for health establishment and the Solutions for e-Health Divisions) increased:

- the Solutions for Health and Medical-Social Institutions Division registered strong growth with a 62% increase in operating profit (including 30% from the integration of DICSIT INFORMATIQUE) and accounted for 13% of the Group's total operating profit (compared to 8% last year);
- the Solutions for e-Health Division showed growth in operating profit (+65%) and now accounts for 11% of the Group's total operating profit (compared to 7% last year).

The FinTech Division, created in 2015, is now showing a profit, contributing 1% to the Group's operating profit.

**Net Profit rose 13% to €21.46 million, up from €19 million in 2015.**

**Earnings per share of €1.37 rose 9.5%** (compared to €1.25 in 2015).

PHARMAGEST INTERACTIVE will propose a **gross dividend of €0.65** to General Meeting on 27 June 2017.

**Net cash at 31 December 2016 stood at €63.72 million** (including available-for-sale securities and other investments), **up 16.1%**.

**Equity amounted to €103.65 million at 31 December 2016** compared to €91.56 million at the end of 2015.

➤ **Annual operating highlights**

- PHARMAGEST Group's long-standing business, the Solutions for Pharmacy Division – Europe, has continued to evolve and developed new ranges with potential for significant recurrent business (notably Offitouch, Offiseen, My Pilot, Offizzy) but also innovative offerings to support pharmacists' new roles and the Group's strategic patient-centred focus (in particular the development of the medication compliance monitoring software (LSO), Offidose 2.0).
- After a pilot phase initiated by the Lorraine Regional Council and the European Regional Development Fund (ERDF), the "*36 more months at home*" project advanced to the operational stage in 2016. As a key player in the Silver Economy, PHARMAGEST Group is actively engaged in contributing through innovative technology solutions to developing home care options for elderly persons faced with the risk of a loss of autonomy and ultimately, to effective long-term care. This offering has met with considerable interest by regional authorities (with a regional grant from the CARSAT Nord-Est retirement fund) and was awarded in December 2016 by the 2016 Festival Fimbacte judging panel for its contribution to the project for the construction of senior housing in Pulnoy (a gated community including connected special needs housing units through the "*36 more months at home*" offering).
- Since its reorganization initiated in 2015 around four business divisions, in 2016 PHARMAGEST Group reinforced these new growth drivers and finalized three acquisitions:
  - ✓ March 2016: External growth for MALTA INFORMATIQUE, a PHARMAGEST Group subsidiary, in the fast-growing home-based care market with the acquisition of DICSIT INFORMATIQUE a specialist in information systems for HADs (Hospitals at Home), SSIADs (Home-based nursing services) and CLIC networks (Local Information and Coordination Centres for older people). This acquisition positioned PHARMAGEST Group in new growth markets and has enabled it to respond to the full range of needs of all healthcare professionals specialized in providing home-based care to patients in France.
  - ✓ June 2016: A new investment in the innovative home-based healthcare system sector with a majority stake in NOVIA TEK, a start-up specialising in the design of innovative technology systems for assisting people with specific needs (Alzheimer's, dependent elderly people, people with disabilities, etc) which has developed Noviacare™, the 1<sup>st</sup> Plug&Play home care assistance system.
  - ✓ December 2016: Acquisition of SAILENDRA, a French start-up specialising in behavioural analysis using artificial intelligence with proven business expertise in Big Data. This acquisition completes the Group's Artificial Intelligence expertise,

after the 2012 acquisition of DIATELIC, a subsidiary specialising in artificial intelligence and expert systems to predict the evolution of patients' health.

➤ **Significant subsequent events**

- January 2017: Closing of two acquisitions of UK companies specialized in developing innovative technologies to manage medication compliance. These acquisitions will allow PHARMAGEST Group to 1/ develop in the compliance monitoring segment in the United Kingdom and 2/ offer the widest range of medication management systems on the market, in both France and Europe:
  - ✓ MULTIMEDS has developed manual dispensing systems with a comprehensive and innovative patent-protected pill dispenser;
  - ✓ CAREMEDS has developed a secure cloud-based platform for tracking the medication cycle using pill dispensers. These products provide pharmacists in dispensing pharmacies and elderly residential care homes with secure medication management and batch traceability for prescription drugs prepared in pill dispensers.
  
- PHARMAGEST Group strengthened its presence in Belgium, through its subsidiary SABCO, by signing a contract to supply the Belgian pharmacy group MULTIPHARMA. SABCO® Ultimate software (the Belgian equivalent of LGPI Global Services®) will be rolled out in 300 MULTIPHARMA pharmacies and parapharmacies from July 2017.

➤ **2017 Outlook**

Through these different initiatives, PHARMAGEST Group is continuing to build its technology ecosystem and innovative "patient-centred" services for pharmacies and other healthcare professionals and strengthen its positioning in Europe.

2017 will also see the large-scale roll-out of the all-in-one pharmacy management software package (LMO - *Logiciel Métier d'Officine* - new evolution of LGPI Global Services® adding patient medication management services) as well as "Seniors" and "Home Patients" solutions (with the Noviacare™ system and the "*36 more months at home*" offering).

New certifications and accreditations: NF 525, PEM2D, ADRI, LAD will be implemented whereas 2017 will also be a year for implementing synergies between the Compliance offering developed by PHARMAGEST Group (with, among others, the *Ma Pharmacie Mobile* app and the DO-Pill SecuR™ smart pill dispenser) along with the other CAREMEDS - MULTIMEDS offerings.

The Fintech Division confirms its ambition to develop its offering in international markets.

➤ **Upcoming events**

- End of April 2017: Release of the 2016 Registration Document
- 11 May 2017: Publication of 2017 first-quarter sales
- 27 June 2017: Annual General Meeting

**About PHARMAGEST Group:**

*PHARMAGEST Group is the French pharmacy information technology leader, with a 43.5% market share and more than 860 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 the area of patient medication compliance; and 2/ technologies for improving the efficacy of healthcare systems.*

*To roll out that 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 now divided into four divisions: the Solutions for Pharmacy Division – Europe, the Solutions for Health and Medical-Social Institutions Division, the Solutions for e-Health Division, and the FinTech Division.*

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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@pharmagest.com](mailto:jean-yves.samson@pharmagest.com)

**Press Relations:**

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