

PHARMAGEST

Euronext B – FR0012882389 – PHA

✓ H1 Results: Imperturbable!

- ✓ Turnover + 20.5% (+ 10.4% like-for-like), operating margin + 20.9% (margin 26%), Net Result + 30.5% (net margin 18.8%):
 - Pharmacy: Ebit margin 23.1%;
 - Health and Social CARE facilities Ebit margin 34%;
 - E-Health + Fintech: Ebit margin 35.1%.

Pharmagest continues to demonstrate that it has full control over both organic and external growth.

The group posted operating profitability almost identical to last year, i.e. one of the highest levels for an H1, even though in H1 2020 it had benefited from certain support measures and naturally reduced its marketing expenses and trading costs. Does this mean that the group has again improved its processes? The coming months will tell us.

The very good performance of his margin also shows that he knows how to buy and integrate. Last year it had integrated sales for nearly € 13 million over a full year and in H1 2021 the scope effect already amounted to around € 8 million.

The successful execution of H1 is accompanied by the strengthening of the cash position with gross cash of € 108.3 million vs. € 97.6 million in H1 2020 and shareholders' equity of € 138 million. Pharmagest can therefore calmly pursue its consolidation policy, like the takeover on July 1 of the assets of Athesia, an Italian player making it possible to complete its range of software for wholesalers-distributors.

Outlook.

The question of voltages at the level of semiconductors on the e-Connect activity (a little less than 7% of group turnover) may possibly arise. Delays in production or development could result from this but this should remain "marginal" in the short term as well as its impact on the entire scope of the group.

Beyond this element, the pace of acquisitions and their sizes should be, in our opinion, the main driver of Pharmagest news.

Conclusion.

When publishing the half-yearly turnover, we highlighted the fact that Pharmagest had achieved one of its best semesters when all the planets are not yet aligned (Belgium for the Pharmacy division, Hospitals for dependent elderly people for the ESMS division, telemedicine for e-Health). The results confirm this observation and augur very favorable prospects.

Opinion & price target confirmed : Buy - € 138.7.

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BUY

H1 Results

Eligible PEA

TARGET
€ 138.7

PREVIOUS
€ 138.7

PRICE (9/24/21)
€ 93.5

POTENTIAL
+ 41.4%

MARKET CAP.
€ 1 488m

FREE FLOAT
€ 358m

Ratios	2021e	2022e	2023e
EV/Sales	7,3	6,5	5,9
EV/EBIT	27,8	24,5	21,9
P/E	40,4	36,1	32,7
P/CF	35,4	32,0	28,5
Dividend Yield	1,0%	1,0%	1,2%

Data per share	2020	2021e	2022e	2023e
EPS	2,15	2,43	2,72	3,00
%Change	13%	13%	12%	10%
FCF	1,82	2,83	3,08	3,38
%Change	13%	55%	9%	10%
Dividend	0,95	0,95	1,22	1,35

Income Statement (€m)	2020	2021e	2022e	2023e
Net Sales	171,8	194,3	213,5	230,5
%Change	8,3%	13,1%	9,9%	7,9%
Gross Margin	139,5	157,4	173,0	187,7
% Sales	81,2%	81,0%	81,0%	81,4%
EBITDA	55,0	61,0	67,3	73,7
% Sales	32,0%	31,4%	31,5%	32,0%
EBIT	46,7	51,3	56,9	62,1
% Sales	27,2%	26,4%	26,6%	26,9%
Net Result	32,7	36,8	41,3	45,6
% Sales	19,0%	19,0%	19,3%	19,8%

Cash Flow Statement (€m)	2020	2021e	2022e	2023e
FCF	27,6	42,9	46,8	51,2
Net Debt	-36,0	-64,5	-94,7	-127,3
Shareholder Equity	149,0	171,4	196,1	223,1
Gearing	-24%	-38%	-48%	-57%
ROCE	33%	28%	25%	23%

Shareholders	
Marque Verte Santé	60,5%
La Coopérative Welcoop	6,1%
Founders	2,7%
Auto Control	1,5%
Free Float	29,2%

Performances	2021	3m	6m	1 Year
Pharmagest	-11,9%	4,9%	3,5%	23,1%
CAC Mid&Small	14,5%	0,8%	7,5%	35,9%
12 months Low-High	77,10	124,2		

Liquidity	2021	3m	6m	1 Year
Cumulative volume (000)	1 634	513	1 306	2 818
% of capital	10,8%	3,4%	8,6%	18,6%
% of Free Float	44,7%	14,0%	35,7%	77,1%
€ Million	155,3	48,5	123,6	273,2

Next Event Q3 Sales : November, 10

GreenSome has signed a research contract with Pharmagest

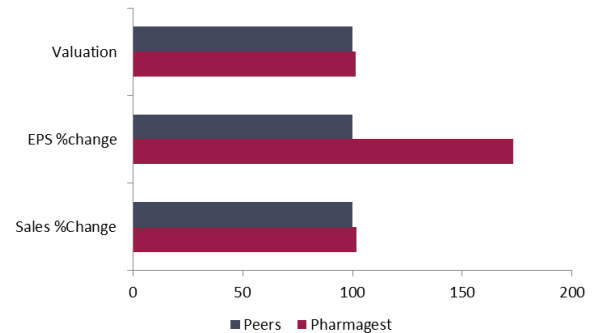
Snapshot PHARMAGEST

PHARMAGEST is the French leader in computational informatics with 44% of market share. With more than 1,100 employees, the PHARMAGEST Group's strategy revolves around a core business, IT innovation in the service of healthcare and the development of two priority areas: 1 / services and technologies for patients and health professionals, including support for the pharmacist in monitoring adherence; 2 / Technology areas that can improve the efficiency of health systems. PHARMAGEST has developed specialized professions: computational informatics, solutions for e-Health, solutions for health professionals, solutions for pharmaceutical laboratories, applications and connected health objects, market place in sales financing ... These activities are divided into 4 Divisions: Solutions Pharmacy Europe, Solutions for health and medico-social establishments, e-Health Solutions and Fintech.

Fondamental Matrix



Investment Profile



Price Target and Rating History

DATE	TYPE	OPINION	PRICE	TARGET PRICE
8/5/21	Q2 Sales	Buy	93.5 €	€ 138.7
5/13/21	Q1 Sales	Buy	€ 89.3	€ 132.6
3/29/21	2020 Results	Buy	€95.2	€132.6
2/5/21	2020 Sales	Buy	€ 118.6	€ 132.6
12/9/20	New Valuation Approach	Buy	€ 94.6	€ 139.4
11/19/20	Q3 Sales	Neutral	€ 90	€ 83.9
9/28/20	H1 Result	Neutral	€ 79.7	€ 83.9

Financial Data

Income Statement (€ m)	2018	2019	2020	2021e	2022e	2023e
Revenues	148,5	158,6	171,8	194,3	213,5	230,5
Purchase	26,7	29,9	32,2	36,9	40,6	42,8
Gross Margin	121,8	128,6	139,5	157,4	173,0	187,7
Externals costs	21,6	20,4	20,2	24,7	26,9	27,6
Personnals Costs	53,0	56,3	60,9	67,8	74,5	81,9
EBITDA	44,1	49,0	55,0	61,0	67,3	73,7
Amortization	5,5	8,1	9,1	9,7	10,5	11,5
other	0,2	0,0	0,8	0,0	0,0	0,0
EBIT	38,9	40,8	46,7	51,3	56,9	62,1
Financial Result	0,9	1,5	0,8	1,3	2,1	3,0
Tax	12,7	13,3	13,4	15,8	17,7	19,5
Net Result	27,0	29,0	32,7	36,8	41,3	45,6
Group Net Result	25,4	28,4	30,7	34,6	38,8	42,8

Balance Sheet (€ m)	2018	2019	2020	2021e	2022e	2023e
Fixed Assets	117,1	160,5	184,9	182,0	179,0	175,5
Stock Inventories	5,1	4,4	6,8	5,4	5,9	6,4
Accounts Receivable	32,0	34,6	31,8	37,8	41,5	44,8
Other Currents Assests	8,4	8,0	9,0	10,8	11,9	12,8
Cash & Equivalents	61,3	50,6	63,3	87,6	113,7	142,2
TOTAL Assets	223,8	258,1	295,8	323,6	352,0	381,8
Shareholders' Equity	117,1	131,9	149,0	171,4	196,1	223,1
Provisions	4,1	4,6	5,3	5,3	5,9	6,3
Financial Debt	43,2	57,5	71,8	67,7	63,6	59,4
Accounts Payables	11,9	13,4	14,2	16,2	17,8	19,2
Others Liabilities	45,9	47,6	49,3	56,7	62,3	67,2
TOTAL Liabilitites	223,8	258,1	295,8	323,6	352,0	381,8

Cash Flow Statements (€ m)	2018	2019	2020	2021e	2022e	2023e
Cash Flow from Operating Activities	33,0	35,8	42,0	46,4	52,3	57,6
Change in Net Working Capital	-4,2	4,9	5,2	3,3	2,0	1,7
Cash Flow from Operations	28,9	40,7	47,2	49,7	54,3	59,3
Cash Flow from Investing	-10,2	-16,3	-19,6	-6,8	-7,5	-8,1
Capital Increase	-11,7	-13,3	-13,3	-14,4	-16,6	-18,6
Funding Flow	7,7	-4,8	17,8	-4,1	-4,1	-4,2
Cash Flow from Financing	-13,3	-34,8	-15,4	-18,5	-20,7	-22,7
Net Change in cash position	5,4	-10,5	12,2	24,4	26,1	28,5

RATIOS	2018	2019	2020	2021e	2022e	2023e
Gross Margin	82,0%	81,1%	81,2%	81,0%	81,0%	81,4%
Ebitda Margin	29,7%	30,9%	32,0%	31,4%	31,5%	32,0%
EBIT Margin	26,2%	25,8%	27,2%	26,4%	26,6%	26,9%
Net Margin	18,2%	18,3%	19,0%	19,0%	19,3%	19,8%
ROE	23,1%	22,0%	21,9%	21,5%	21,1%	20,4%
ROCE	27,6%	32,9%	33,0%	28,1%	25,1%	22,7%
Gearing	-45,2%	-33,2%	-24,1%	-37,6%	-48,3%	-57,1%

GreenSome Finance Estimates

Rating Definition

BUY	NEUTRAL	SELL
Upside > +10%	-10% < Upside < +10%	Upside < -10%

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NO	NO	YES	YES	NO	NO

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