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PRESS RELEASE

## 2017 Net Profit: €24.25m, +13%

(€m)	Dec. 2017	Dec. 2016	Change
Revenue	146.81	128.38	+ 14.4%
Operating Profit	34.52	31.39	+ 10%
<b>Net Profit</b>	<b>24.25</b>	<b>21.46</b>	<b>+ 13%</b>
Net profit attributable to equity holders of the Parent	23.13	20.57	+ 12.5%
Basic earnings per share (in €)	1.55	1.37	+ 12.7%

The Board of Directors, chaired by Thierry CHAPUSOT, met on 29 March 2018 with the Auditors in attendance. The Board examined and approved the accounts for the 2017 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 **€146.81 million in consolidated revenue** at 31 December 2017, up significantly from 2016 by 14.4%.

**Operating Profit amounted to €34.52 million, up 10% from 2016.**

- **Operating Profit for the Pharmacy Division - Europe Solutions was €23.999 million.** This amount, up 1.13% from 2016, represented 70% of the Group's consolidated operating profit. This Division's profitability was impacted by reorganisation costs and restructuring measures linked to the Group's international development. Despite this, the profit margin registered further gains in line with growth in sales.
- **Operating Profit for the Health and Social Care Facilities Solutions Division was €6.578 million** or 19% of the Group's consolidated operating profit, up 64% from 2016. As was the case with DICSIT INFORMATIQUE in March 2016, AXIGATE's acquisition provided an additional boost to operating profit for this Division. These entities market exclusively high added-value services.
- **For the e-Health Solutions and Fintech Division, Operating Profit amounted to €3.942 million** or 11% of the Group's consolidated operating profit, up 8.1% from the prior year. Revenue from these Divisions is continuing to grow, though with innovation expenditures lowering margins in the short term.

**Net Profit rose 13% to €24.25 million**, up from €21.46 million in 2016.

**Earnings per share of €1.55 rose 12.7%** (€1.37 in 2016).

PHARMAGEST INTERACTIVE will propose a **gross dividend of €0.75** to the General Meeting on 28 June 2018.

**Net cash at 31 December 2017 stood at €72.68 million** (including available-for-sale securities and other investments), **up 14.1%**.

**Equity amounted to €115.83 million at 31 December 2017** compared to €103.65 million at the end of 2016.

➤ **Annual operating highlights**

- In line with its **goal of building a dedicated global ecosystem** through its subsidiary MALTA INFORMATIQUE, in July 2017 the Group announced **the acquisition of AXIGATE**, specialised in new technologies and a French leader in the Hospital Information Systems (HIS) sector:
  - An original and exclusive solution covering both the health and social care facilities and non-hospital care pathways. AXIGATE offers a comprehensive system for managing hospital-based patient care. The integration of this system into Pharmagest Group's "Patient-Centred" ecosystem creates an interconnected network for all participants within the healthcare chain and guarantees an effective response for maintaining continuity in care and treatment across the "non-hospital/hospital" spectrum.
  - Major functional, technical and operational synergies. Combining AXIGATE's technological expertise (with a 100%-cloud-based and web-responsive solution), operational quality and functional coverage with Pharmagest Group's existing offerings, will lead to the creation of a new high added value player.
  - An acquisition with an international dimension. The AXIGATE system's global management (soon available in English) is adapted for all industrialised countries universally concerned by the healthcare economy challenges.
  
- Pharmagest Group confirms **its international development:**
  - Reinforcing Pharmagest Group's presence in Belgium through its subsidiary SABCO in the pharmacy information systems segment: signature of two important equipment contracts with MULTIPHARMA (the leading pharmacy distributor in Belgium, equipping more than 300 of the country's pharmacies and parapharmacies) and COOP (40 pharmacies). The industry-specific solutions and tools implemented highlight the differentiation provided by Pharmagest Group's solutions.
  - Majority stakes acquired into UK companies, CAREMEDS and MULTIMEDS, specialised in developing innovative technologies for managing medication compliance. These two complementary offerings benefit from solid market positions (United Kingdom, Germany, Portugal, Spain, Malta, etc.) and fit perfectly with the Group's strategy for patient-centred medication compliance.

➤ **Significant subsequent events**

**Pharmagest Group, continuing its expansion in Europe, gains a foothold in Italy** by acquiring a majority equity stake (60%) in the Italian company MACROSOFT HOLDING. The new entity, a subsidiary of the Pharmacy Division - Europe Solutions will be named PHARMAGEST ITALIA.

The country's market leader in IT equipment and services for pharmacy wholesalers-distributors, MACROSOFT, recently rolled out an innovative software solution for Italian pharmacies. Pharmagest Group will contribute its expertise and experience in marketing IT solutions for pharmacies and support PHARMAGEST ITALIA in creating a network of agencies capable of adapting to the scalability of its economic model.

In addition, Pharmagest Group and MACROSOFT share this same vision for providing "Patient-Centred" solutions. The two companies will combine their respective expertise to complete and develop new pharmacy services and offerings designed to address the needs of patients today.

➤ **2018 Outlook**

In line with the recent acquisition in Italy, Pharmagest Group will pursue initiatives in 2018 with other European partners to consolidate and deploy its dedicated global "Patient-Centered" ecosystem through its health platform which is currently unique in Europe.

At the same time, the operational and technical teams will work on developing peripheral services to improve the platform's performance in managing and sharing data with healthcare professionals.

The strategy of European development is and will continue to generate income, giving Pharmagest Group reasons for optimism for the year ahead.

➤ **Upcoming events**

- End of April 2018: Release of the 2017 Registration Document
- 16 May 2018: Publication of 2018 first-quarter sales
- 28 June 2018: Annual General Meeting

**About PHARMAGEST Group:**

*PHARMAGEST Group is the French pharmacy information technology leader, with a market share of more than 41% and more than 1000 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 divided into four Divisions: Solutions for Pharmacy Division – Europe; Solutions for Health and Social Care Facilities; Solutions for e-Health; and Fintech.*

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