

PRESS RELEASE

H1 2020 revenue

Its strong business model helped Pharmagest Group's offset the shock of the health crisis: H1 2020 revenue up 1.37% to €77.93m.

- **Business trends varying by Division.**
 - **Positive contributions to Group growth from acquisitions (SVEMU, I-MEDS, ICT Group, MALTA BELGIUM, PANDALAB): up 4.44% in H1 2020.**
 - **Significant impact from the integration of ICT Group, MALTA BELGIUM and PANDALAB in the Health and Social Care Facilities Solutions Division, with revenue up 37%.**
- **Outlook.**
 - **Market opportunities from the challenges of tomorrow more promising than ever for the Group.**
 - **Strong business upturn.**
 - **Strong growth in order intake since early June.**
 - **Group's medium-term targets maintained, especially for earnings, with a favorable business mix for margins in H1 2020.**

€m - IFRS 15	2020	2019	Change
Q1	39.00	38.15	+2.23%
Q2	38.93	38.73	+0.52%
H1	77.93	76.88	+1.37%

Pharmagest Group reported consolidated revenue of €77.93m for the six-month period ending 30 June 2020, up 1.37% from one year earlier.

The business continuity plan implemented in mid-March made it possible to ensure a maximum operational mobilization for servicing customers in the medical community.

The Group activated its business recovery plan on 11 May. On this basis, all commercial teams were rapidly deployed in the field in order to support customers and patients, and in support of installers, technicians and instructors. A plan for reopening was implemented for remaining staff, gradually reducing the telework measures and providing for a rapid return to a collective and collaborative working organization.

At 30 June 2020, the total impact of the pandemic on the Group was evaluated at €6m, mainly at the level of the Solutions for Pharmacy Division - Europe and resulting from the delayed installations in pharmacies and reduced commercial activity during the lockdown period. Excluding COVID-19, revenue in H1 2020 would have been up 9.20% in relation to the same period in 2019.

This impact was partially offset by the positive contribution of acquisitions to total Group sales of 4.44%.

Like-for-like (excluding the disposal of INTECUM and the integration of ICT Group, SVEMU, I-MEDS, MALTA BELGIUM and PANDALAB), Pharmagest Group's revenue contracted 2.48%.

H1 2020 business highlights

➤ **The Pharmacy - Europe Solutions Division** had revenue of €56.71m, down 4.11% from H1 2019.

- The Pharmacy France Business Unit displayed greater resilience (-3.45% to €51.72m) than the Pharmacy Belux (-20.13% to €1.57m) and Pharmacy Italy (-5.11% to €3.42m) Business Units more severely impacted by the lockdown measures.
- At the end of the first half, the Division benefited from deferred deliveries, the resumption of renewals of RentPharm (our equipment financing contract) suspended during the lockdown period and good order intake in May and June.

This Division accounts for 72.77% of total Pharmagest Group revenue.

➤ **The Health and Social Care Facilities Solutions Division** delivered an excellent performance with growth in sales of 37% to €12.49m.

- Acquisitions (ICT Group, MALTA BELGIUM, PANDALAB) contributed significantly to the Division's total sales in the amount of €2.89m. Like-for-like, the Division grew 5.34%.
- Lockdown measures adversely impacted mainly AXIGATE's activities in the Hospital sector.

This Division contributed 16.03% to total Group revenue, reinforcing the position of its activities as Group growth drivers.

➤ **The e-Health Solutions Division** had revenue of €8.04m, up 2.50% from H1 2019.

- I-MEDS' integration contributed €154,000 to the Division's sales. Like for like, the Division grew 0.54%.
- After a good first quarter marginally impacted by the health crisis, the Division registered lower sales, mainly in the Digital Communications segment as certain projects with pharmaceutical laboratories were delayed.

This Division accounts for 10.32% of total Pharmagest Group revenue.

➤ **The Fintech Division** had revenue of €0.68m, down 11.32% from the 2019 first half.

- The sales of this Division intervening mainly in the office and medical equipment sectors significantly decreased during the lockdown period.
- Despite the reopening, recovery has been slower for this Division in light of the investment priorities of SMEs (the main customers of the platform) and their sensitivity to the consequences of COVID on their company.

This Division accounts for 0.88% of total Pharmagest Group revenue.

2020 outlook

Even though Pharmagest Group was impacted by COVID-19 during the period, it clearly demonstrated its ability to absorb the shock of the crisis at both the operational and financial levels. The measures adopted during the reopening phase enabled the teams to maintain their

focus on the business recovery. On that basis, the Group noted the first positive effects on its business in early June.

Today, all Divisions have registered significant recoveries even though varying according to the type of customer:

- After being strongly impacted in April and May, order intake by the Pharmacy - Europe Solutions Division registered a robust rebound starting in June.
- The very positive momentum of the Health and Social Care Facilities Solutions Division, marginally impacted by the crisis, is expected to continue in the second half.
- At the level of the e-Health Solutions Division, NOVIACARE's multi-media campaign targeting the general public initially scheduled for last March was postponed until the fall.
- The recovery of the Fintech Division has been modest for financing solutions, though with good prospects for the portfolio's growth based on new partnerships with suppliers.

Furthermore, Pharmagest Group did not wish to make use of the different forms of aid made available by the government ((e.g. the deferral of tax or social charges) or the banks (e.g. the deferral of loan instalment repayments).

Pharmagest Group focused efforts on optimizing the taking of vacation days and other forms of leave to remain as operational as possible for the reopening phase.

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

The recent Ségur healthcare system reforms adopted in France expanded the major priorities of the strategy defined in the "Ma santé 2022" law, highlighting the large-scale investment plan for public and private institutions and assisted living facilities for dependent seniors (EHPAD).

Pharmagest Group has developed the most effective solutions in the market to support all activities of the healthcare universe: pharmacies, ALFs, home-based nursing services, hospital-at-home programmes and also outpatient office-based private practitioners. With its Digital Healthcare Gateway in the process of being deployed within the Marseille Public University Hospital network, Pharmagest Group also proposes a solution already operational, capable of structuring the healthcare offering and coordinating its delivery across the office-based private practice and hospital pathways.

On this basis, Pharmagest Group remains confident in the market opportunities.

And with a solid financial position and significant cash resources, Pharmagest Group maintains its targets for the medium-term, particularly with respect to earnings for 2020.

Financial calendar:

- Publication of H1 results: 25 September 2020 (after the close of trading).
- Presentation of H1 results: 28 September 2020 in Paris.
- Publication of Q3 2020 sales: 18 November 2020 (after the close of trading).

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 1,100 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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PHARMAGEST shares are eligible for French tax-advantaged PEA-PME equity savings accounts

*The Group is included in the **Gaïa-Index 2019** comprised of socially responsible mid-caps and was recently included in the **“European Rising Tech”** label recognising the top-performing SMEs listed on the Euronext markets of Amsterdam, Brussels, Lisbon and Paris.*

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