

Pharmacy Pulse

Analysis of the key trends in the Irish Community Pharmacy sector, prepared by Fitzgerald Power on a quarterly basis.

Q4 2021



Summary Q4 2021

Uniphar and Navi

Uniphar has announced the acquisition of pharmacy services group Navi. Part of three acquisitions with combined revenue of €39 million, Navi's high-tech distribution facilities and digital platforms will help bolster Uniphar's community pharmacy sector offering.

Market Activity

Fitzgerald Power estimates 39 unit level changes of ownership during 2021. Despite the economic uncertainty over the past 2 years the Irish pharmacy M&A market has continued to perform strongly. Fitzgerald Power advised on 76% of the transactions in the Irish pharmacy market in 2021, in individual unit terms.

McKesson

McKesson has sold its UK Lloydspharmacy businesses to the private equity firm Aurelius Group for £477 million. The deal covers the company's 1,325 pharmacies across the UK, wholesaler AAH, app LloydsDirect, Lloydspharmacy Online Doctor, travel health service MASTA and its John Bell & Croyden branch in London.

Fitzgerald Power Wages Report

Fitzgerald Power released The Irish Community Pharmacy Wages Report 2020/21 in January 2022. The report showed increasing wages across the sector, as supply constraints and general inflationary factors put upward pressure on wages.

COVID-19

From the 22nd January the Irish government began to remove all COVID-19 related restrictions. Ireland's high vaccination rate, and a potentially less virulent new variant, led to the easing of restrictions.

Revenue Pulse

Turnover

Retail Excellence reported an increase of 12.19% in total sales value in December 2021 versus the same period last year.

Value of Sales: Retail Excellence **12.19%** ↑

SOURCE: RETAIL EXCELLENCE

The volume of sales, as measured by the CSO, increased by 9.8% in December 2021 against the same period last year.

Volume of Sales: CSO **9.8%** ↑

SOURCE: CSO

Unit Trends

According to HMR Ireland research, the Irish prescription market grew by 5.2% in units compared to the same period last year.

Unit Growth: HMR Ireland **5.2%** ↑

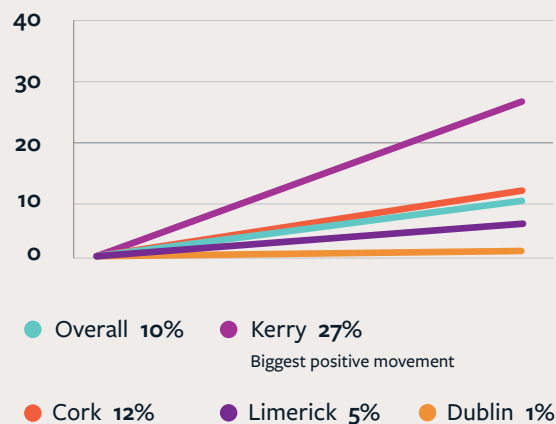
SOURCE: HMR IRELAND

Footfall Pulse

Compared to the previous period in 2021, mobility increased 10% in pharmacies and supermarkets.

The largest increase was in Kerry at 27%. Mobility increased across the board, 1% in Dublin, 12% in Cork and 5% in Limerick over the period.

Changes in Footfall Mobility

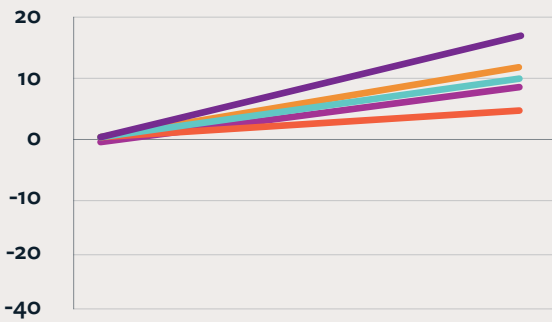


SOURCE: GOOGLE MOBILITY

OTC Tracker

IQVIA data shows the largest growth in OTC classes was again in the VMS & tonics category this quarter.

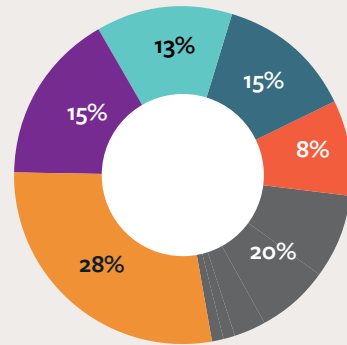
Top 5 Major OTC Classes by Growth



- VMS & tonics 18%
- Pain relief 11%
- Digestive (other intestinal) 10%
- Cough, cold & other respiratory 8%
- Skin treatment 4%

SOURCE: IQVIA

Top 5 Major OTC Classes by Value

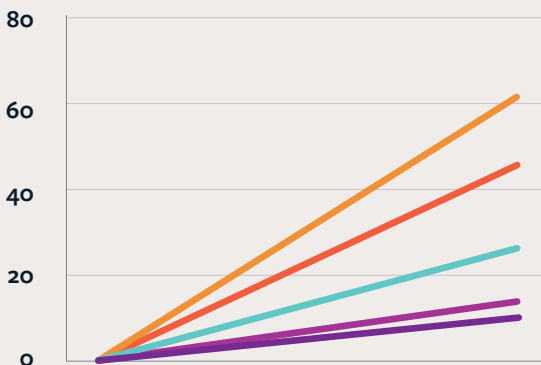


- Pain relief 28%
- VMS & tonics 15%
- Cough, cold & other respiratory 15%
- Digestive (other intestinal) 13%
- Skin treatment 8%
- Minor OTC Classes 20%

SOURCE: IQVIA

Minor OTC categories have seen significant growth, with medical and surgical aid seeing 61% growth over the period.

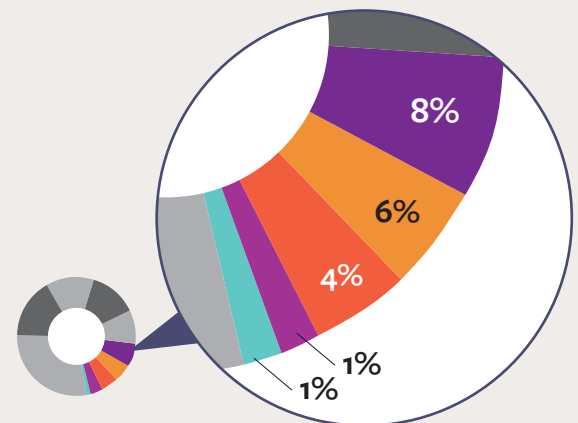
Top 5 Minor OTC Classes by Growth



- Urinary and reproductive care 61%
- Circulatory products 44%
- Calm, sleep and mood 24%
- Antinauseants 13%
- Ear care 10%

SOURCE: IQVIA

Top 5 Minor OTC Classes by Value



- Habit treatment 8%
- Eye care 6%
- Urinary and reproductive care 4%
- Calm, sleep and mood 1%
- Circulatory products 1%

SOURCE: IQVIA

Market Pulse

It was another strong quarter for sales, with Fitzgerald Power estimating that eleven transactions completed in the 4th Quarter of 2021. In total we estimate that 39 transactions occurred in the Irish pharmacy market in 2021.

PSI data suggests there have been 14 net openings since the beginning of 2021, bringing the number of community pharmacies in Ireland to 1,907.

There has been a steep decline in closures over the period from 16 in 2020 to 6 in 2021. This may be partly explained by the pandemic, with State subsidies helping to sustain some businesses, while in other cases pharmacists may have been unwilling to close unviable pharmacies at a time of acute patient demand.

New Openings and Closures

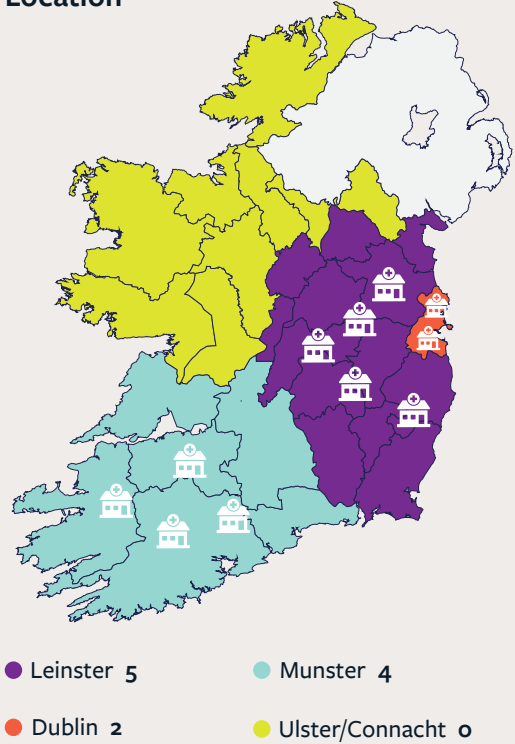
New Openings between
1st January – 1st December 2021 **20**

Closures between 1st January
– 1st December 2021 **6**

Net Openings between
1st January – 1st December 2021 **14**

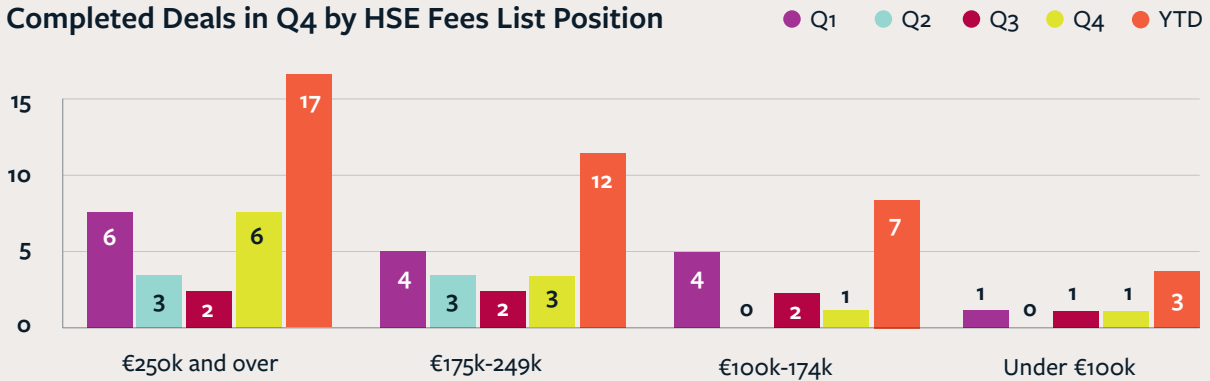
SOURCE: PSI

Completed Deals in Q4 by Geographical Location



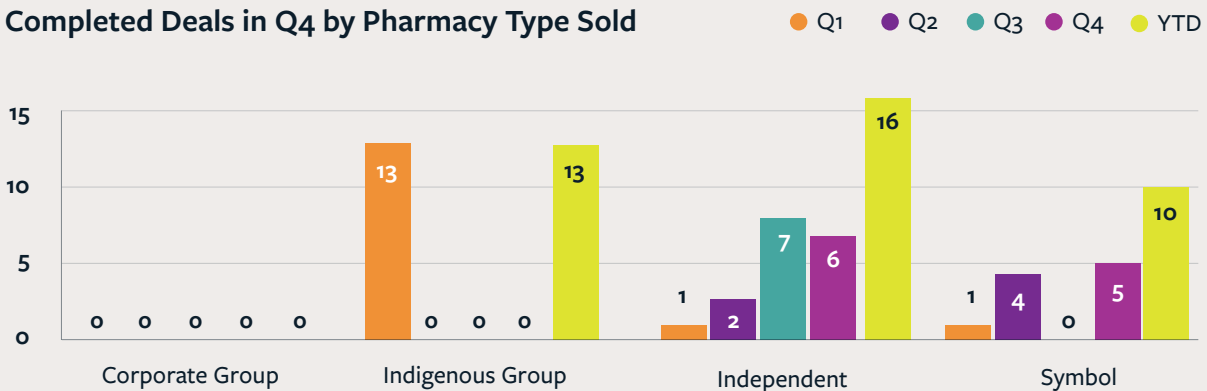
SOURCE: FITZGERALD POWER

Completed Deals in Q4 by HSE Fees List Position



SOURCE: FITZGERALD POWER

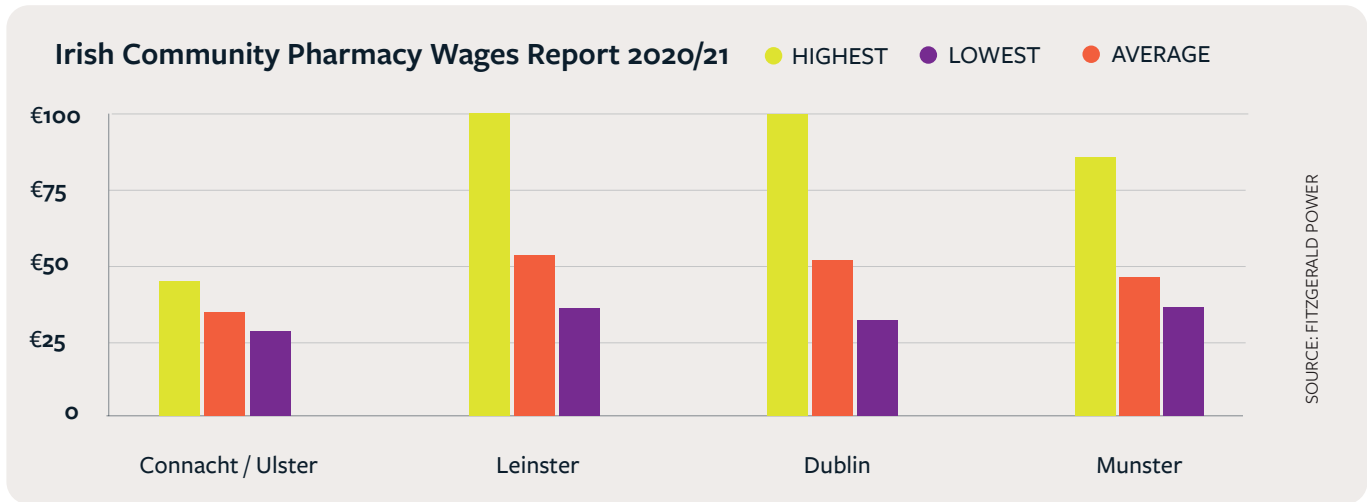
Completed Deals in Q4 by Pharmacy Type Sold



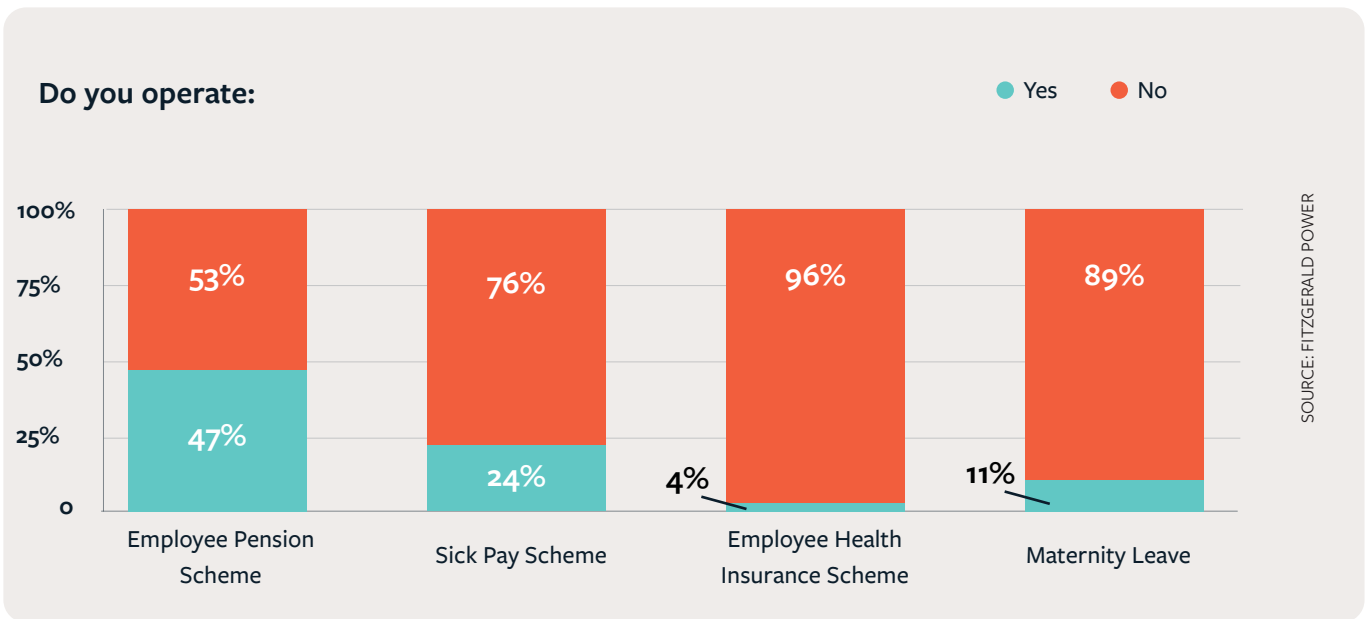
SOURCE: FITZGERALD POWER

Wages Pulse

The Fitzgerald Power Irish Community Pharmacy Wages Report 2020/21 found widespread sectoral wage inflation in 2021. In the locum market, hourly rates remained high across all provinces.



Our survey also considered employee benefits within the sector. Nearly half of pharmacies surveyed offer an employee pension scheme.



Fitzgerald Power is the leading financial advisor to the Irish community pharmacy sector and the leading pharmacy sales brokerage firm in Ireland.

We'd love to hear from you so please get in touch if you think we can help.



Waterford

Greyfriars
Waterford City
Waterford

T: (0)51 870152

F: (0)51 871214

Dublin

3013 Lake Drive
Citywest Campus
Dublin 24

T: (0)1 6794772

F: (0)1 6794775

fitzgeraldpower.ie
info@fitzgeraldpower.ie

