

Pharmacy Pulse

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

Q1 2022



Summary Q1 2022

Pharmacy sector survey

The 2021 edition of the Irish Pharmacy Index was released by the Irish Pharmacy Union (IPU) and Behaviour & Attitudes (B&A). Among other findings, the survey found public support for expanding the role of pharmacies is very strong, with 95% favouring pharmacists being allowed to prescribe medications for minor ailments.

Labour market shortages

A survey of over 1,000 pharmacists, conducted by the Irish Pharmacy Union (IPU) with the support of Behaviour & Attitudes (B&A), has shown that it is taking an average of five months to fill vacant positions in pharmacies. The IPU is calling on Government to increase the availability of third level places in pharmacy as a growing shortage of pharmacists is becoming a major threat to community healthcare.

Rising prices

Inflation in the Eurozone rose to a new high of 7.4%, with energy prices remaining the biggest contributor to accelerating prices, rising 44.7%. Core inflation, which excludes volatile factors such as energy but also food, alcohol and tobacco, remained stable at 3.2%.

Pharmacy market activity

McCabes pharmacy announced the acquisition of Finntown pharmacy and Newcastle pharmacy, both in Dublin. McCabes employs over 300 staff, and following this acquisition now operates 28 stores across Dublin, Dundalk, Kildare, Wicklow, Wexford, Tipperary, and Limerick.

Drug shortages

As the economy reopens after the pandemic, supply chain issues are starting to be felt in the sector. Pharmacists are calling on Health Minister Stephen Donnelly to allow them to dispense alternatives to hormone replacement therapy (HRT) to address the current shortage of the drug used to manage menopausal symptoms.

Revenue Pulse

Value of Sales

The value of sales, as measured by the CSO, increased by 10.7% in March 2022 against the same period last year.

Value of Sales: CSO **10.7%** ↑

SOURCE: CSO

Unit Trends

According to HMR Ireland research, the Irish prescription market grew by 4.65% in units compared to the same period last year.

Unit Growth: HMR Ireland **4.65%** ↑

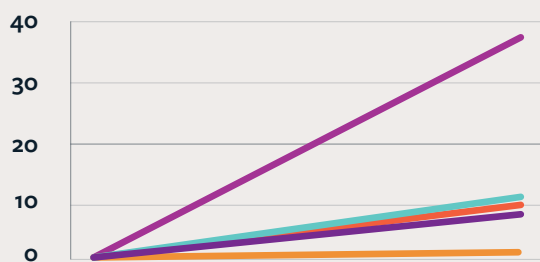
SOURCE: HMR IRELAND

Footfall Pulse

Compared to the previous period in 2021, mobility increased 11% in supermarkets and pharmacies.

The largest increase was in Kerry at 36%. Mobility increased across the board, 1% in Dublin, 10% in Cork and 8% in Limerick over the period.

Changes in Footfall Mobility



● Overall 11% ● Kerry 36%
Biggest positive movement

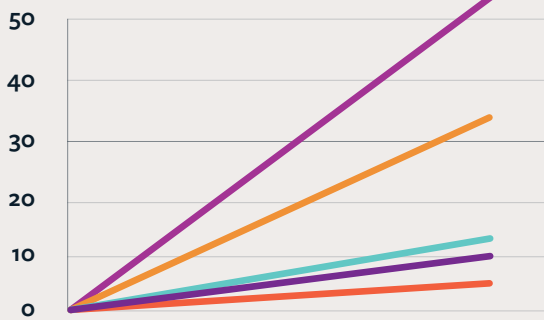
● Cork 10% ● Limerick 8% ● Dublin 1%

SOURCE: GOOGLE MOBILITY

OTC Tracker

IQVIA data shows the largest growth in OTC classes was in the cough, cold & other respiratory category this quarter.

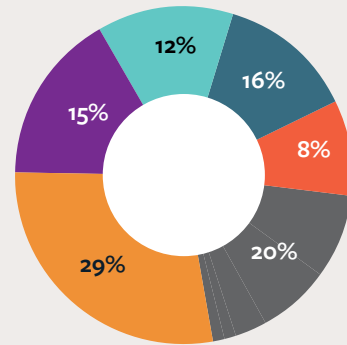
Top 5 Major OTC Classes by Growth



- Cough, cold & other respiratory 59%
- Pain relief 33%
- Digestive (other intestinal) 13%
- VMS & tonics 10%
- Skin treatment 5%

SOURCE: IQVIA

Top 5 Major OTC Classes by Value

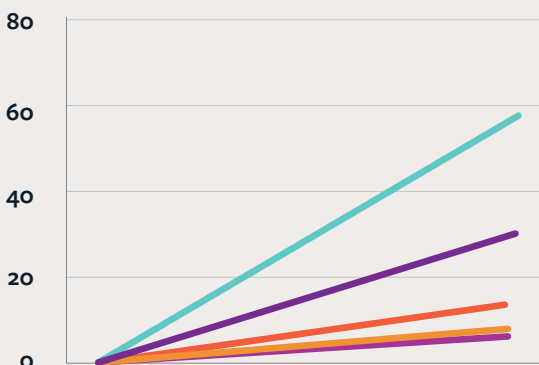


- Pain relief 29%
- Cough, cold & respiratory 16%
- VMS & tonics 15%
- Digestive (other intestinal) 12%
- Skin treatment 8%
- Minor OTC Classes 20%

SOURCE: IQVIA

Minor OTC categories have seen significant growth, with urinary & reproductive care seeing 57% growth over the period.

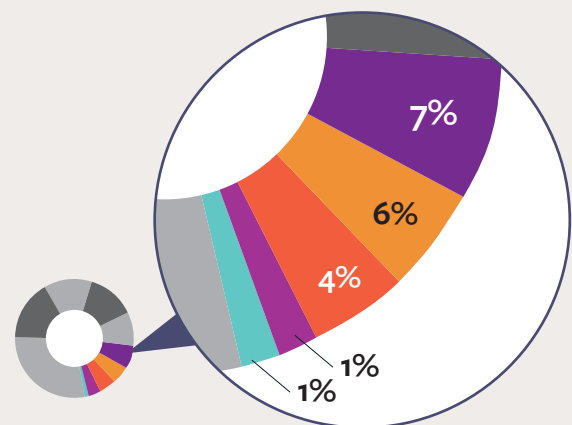
Top 5 Minor OTC Classes by Growth



- Urinary & reproductive care 57%
- Antinauseants 26%
- Ear care 12%
- Calm, sleep and mood 8%
- Habit treatment 8%

SOURCE: IQVIA

Top 5 Minor OTC Classes by Value



- Habit treatment 7%
- 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 seven transactions completed in the 1st Quarter of 2022.

PSI data suggests there have been 14 net closures since the 1st December 2021 (the period we ended the Q4 2021 report on due to data availability), bringing the number of community pharmacies in Ireland to 1,897.

There has been a steep increase in closures over the quarter. This may be partly a consequence of the pandemic changing pharmacists desire to work in the sector.

New Openings and Closures

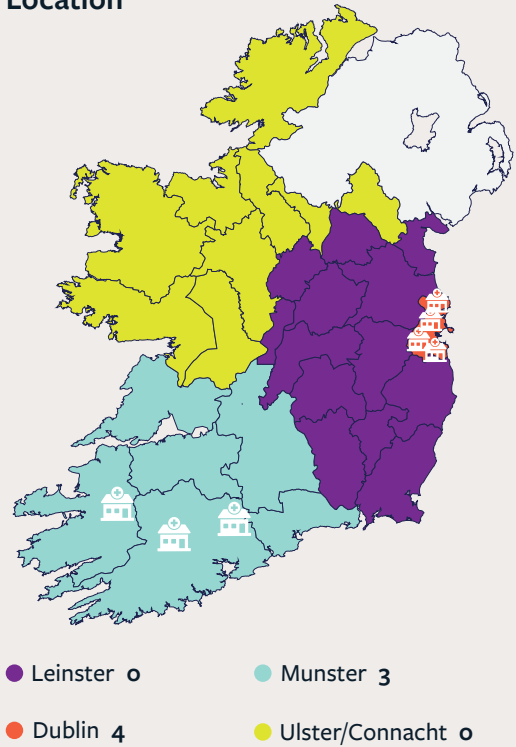
New Openings between
1st December '21 – 31st March '22 **4**

Closures between
1st December '21 – 31st March '22 **14**

Net Openings between
1st December '21 – 31st March '22 **10**

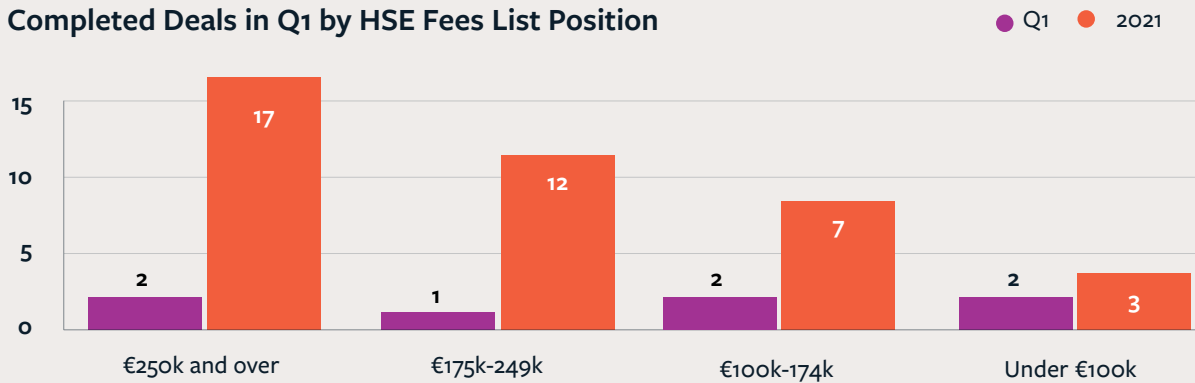
SOURCE: PSI

Completed Deals in Q1 by Geographical Location



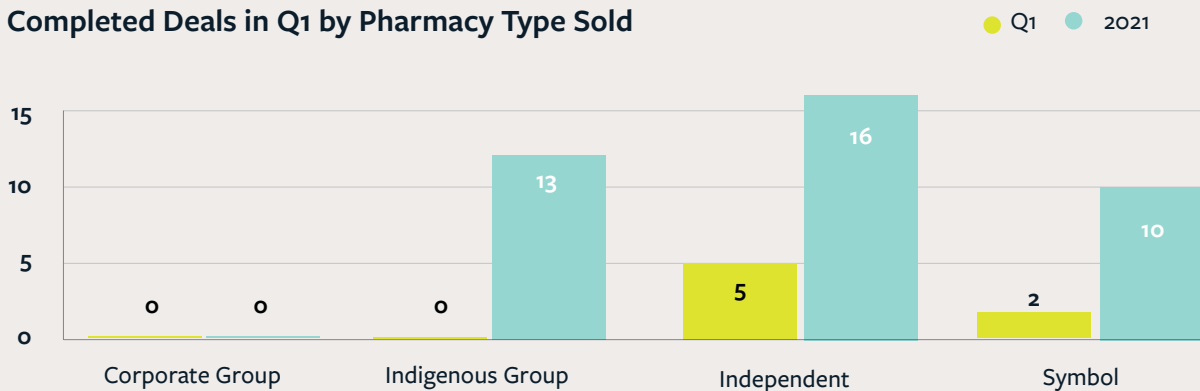
SOURCE: FITZGERALD POWER

Completed Deals in Q1 by HSE Fees List Position



SOURCE: FITZGERALD POWER

Completed Deals in Q1 by Pharmacy Type Sold



SOURCE: FITZGERALD POWER

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.

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