

Pharmacy Pulse

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

Q3 2022



Summary Q3 2022

Irish economy

The ESRI expects Irish growth to remain strong over 2022, with Modified Domestic Demand (MDD) expected to grow by 7.5% this year. However, growth is expected to decline in 2023, with inflation forecast to average 8.1% in 2022 and 6.8% in 2023.

People's pharmacist award

John Tallon, owner and pharmacist at Bergin's Pharmacy in Newbridge, won the People's Pharmacist Award. Over 10,000 voted in the competition, with voters noting Mr Tallon's kindness and ability to treat complex conditions as reasons for their vote.

Pharma industry awards

United Drug won the award for COVID-19 Crisis Response at the Pharma Industry Awards. The award was an acknowledgment of United Drug's work in storing, processing, and distributing the Covid-19 vaccine during the pandemic.

Global economic trends

Global growth is forecast to slow from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023, as economic activity is experiencing a sharper than expected slowdown. The IMF expects global inflation to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024.

Rising prices

Inflation in the Eurozone rose by 9.9% year on year in September, with energy prices remaining the biggest contributor to accelerating prices, rising 40.8%. Core inflation, which excludes volatile factors such as energy, food, alcohol and tobacco, increased year on year by 6%.

Revenue Pulse

Volume of sales

The volume of sales, as measured by the CSO, increased by 1.4% in September 2022 against the same period last year.

Volume of Sales: CSO

1.4%



SOURCE: CSO

Unit Trends

According to HMR Ireland research, the Irish prescription market grew by 6.17% in units compared to the same period last year.

Unit Growth: HMR Ireland

6.17%



SOURCE: HMR IRELAND

Turnover

Retail Excellence & AIB report an increase of 4% in pharmacy sales value in September 2022 versus the same period last year. This includes an increase of 5% instore and decline of 4% online.

Value of Sales: Retail Excellence/AIB

4%



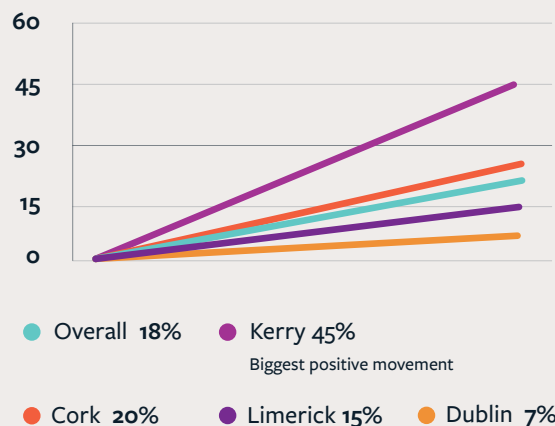
SOURCE: RETAIL EXCELLENCE/AIB

Footfall Pulse

Compared to the previous period in 2021, mobility increased 18% in supermarkets and pharmacies.

The largest increase was in Kerry at 45%. Mobility decreased 7% in Dublin and 15% in Limerick, but increased 20% in Cork over the period.

Changes in Footfall Mobility

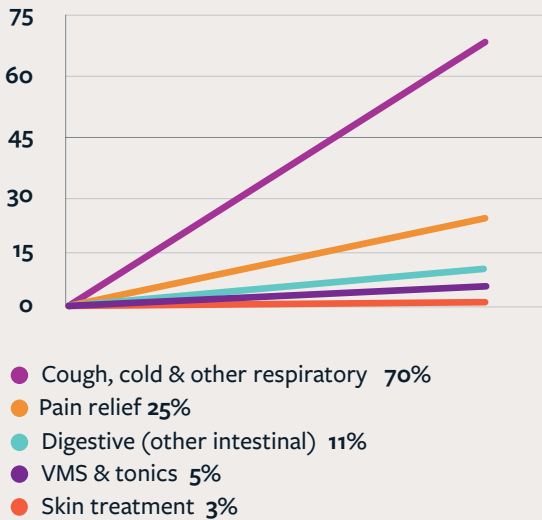


SOURCE: GOOGLE MOBILITY

OTC Tracker

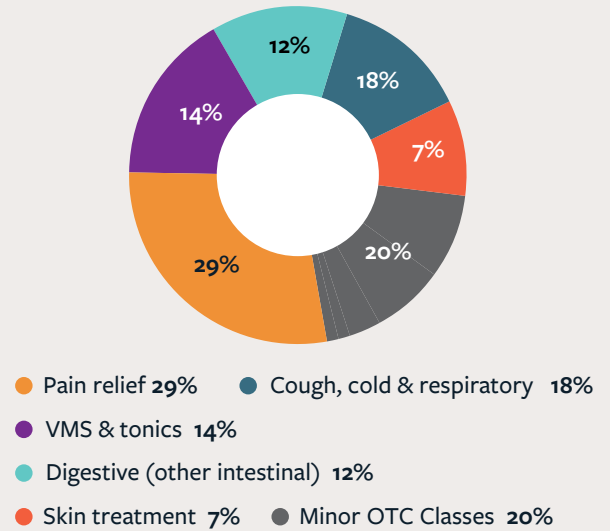
IQVIA data shows the largest growth in OTC classes was in the cough, cold & other respiratory category this quarter.

Top 5 Major OTC Classes by Growth



SOURCE: IQVIA

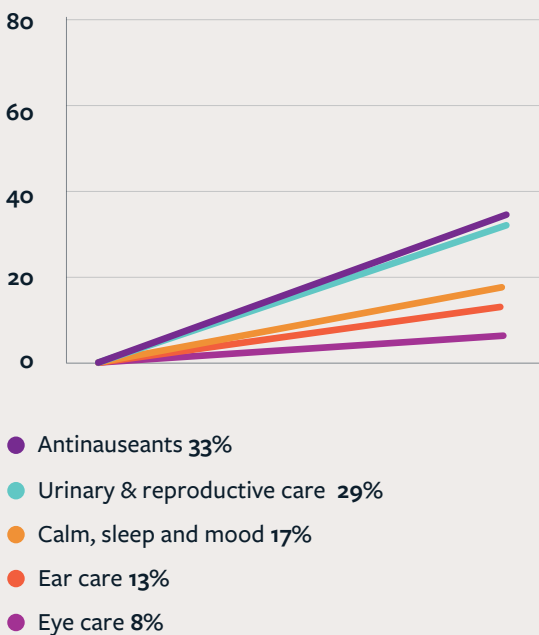
Top 5 Major OTC Classes by Value



SOURCE: IQVIA

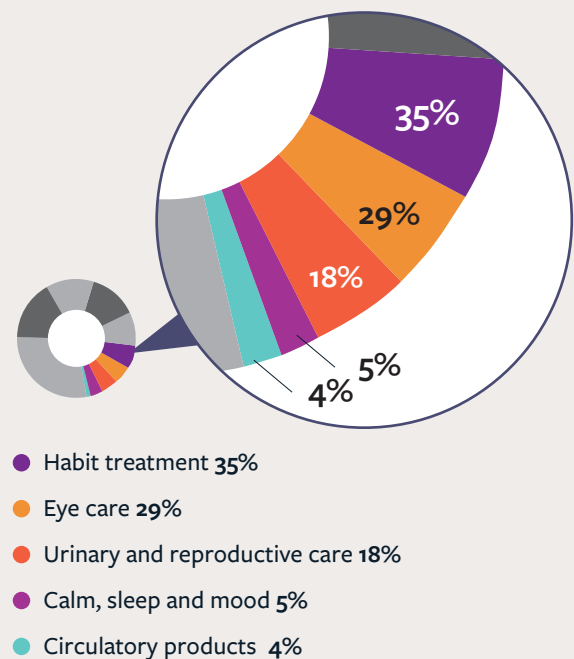
Minor OTC categories have seen significant growth, with urinary & reproductive care seeing 45% growth over the period.

Top 5 Minor OTC Classes by Growth



SOURCE: IQVIA

Top 5 Minor OTC Classes by Value



SOURCE: IQVIA

Market Pulse

It was another strong quarter for sales, with Fitzgerald Power estimating 9 transactions completed in the 3rd Quarter of 2022.

PSI data suggests there have been 2 net closures since December 2021 (the period we ended the Q4 2021 report on due to data availability), bringing the number of community pharmacies in Ireland to 1,905.

New Openings and Closures

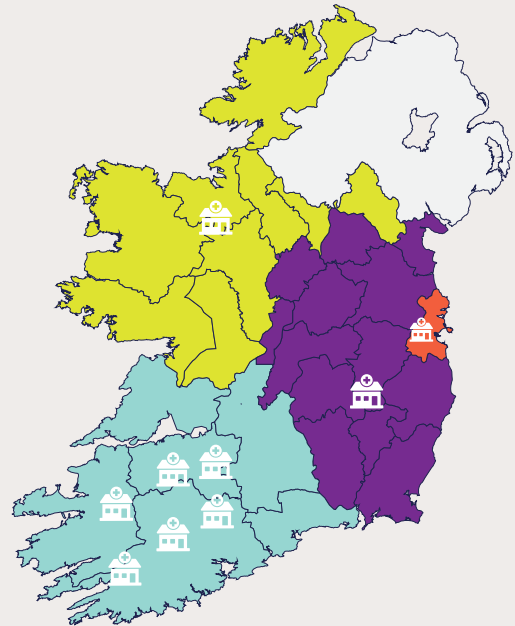
New Openings between
1st December '21 – 1st October '22 **12**

Closures between
1st December '21 – 1st October '22 **14**

Net Closures between
1st December '21 – 1st October '22 **2**

SOURCE: PSI

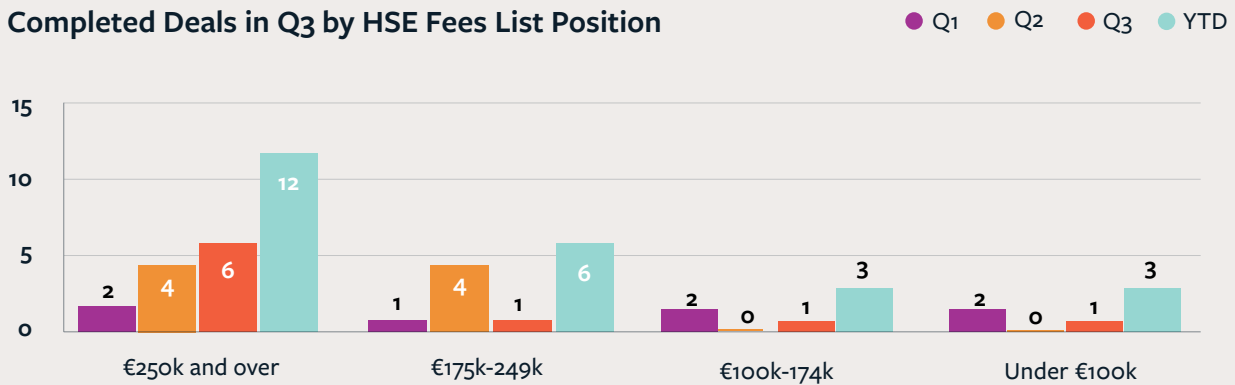
Completed Deals in Q3 by Geographical Location



● Leinster 1 ● Munster 6
● Dublin 1 ● Ulster/Connacht 1

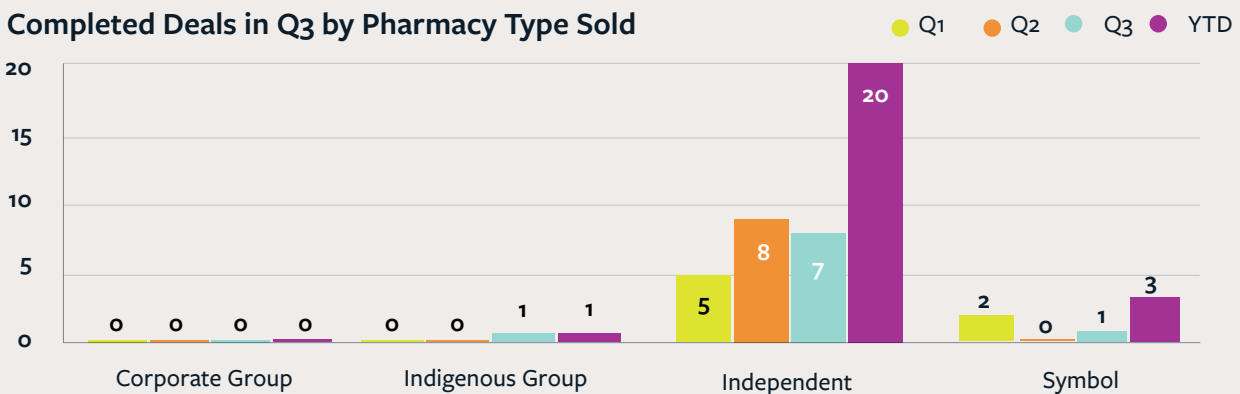
SOURCE: FITZGERALD POWER

Completed Deals in Q3 by HSE Fees List Position



SOURCE: FITZGERALD POWER

Completed Deals in Q3 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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