Pharmacy Pulse

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

Q3 2023

Fitzgerald Power
ADDING VALUE. ALWAYS.

Summary Q3 2023

Irish Economic Trends

Gross domestic product (GDP) shrank 1.8% in the third quarter of the year compared to the previous three-month period. The contraction in the Irish economy between July and the end of September was driven by lower activity in industries dominated by multinationals.

Increase in Dispensing Fee

A new report by Fitzgerald Power and the Irish Pharmacy Union has called for an increase in the dispensing fee to €6.50. The report has identified a sector under increasing strain due to rising costs, particularly wages, and stagnant reimbursement fees.

Inflation

Inflation in the eurozone was 4.3% in September 2023, a decrease from 5.5% at the end of the previous quarter. Energy prices have continued to fall, dropping 4.7% when compared to the same month last year.

Expansion of Pharmacy Services

The Minister for Health has said he is considering a number of proposals that would expand the role of community pharmacies. The Minister is considering a Minor Ailment Scheme which will enable pharmacies to treat some ailments that are currently treated by GPs.

Global Economic Trends

The OECD has projected global GDP growth to be 2.7% in 2024, which is the lowest annual rate since the global financial crisis and the pandemic in 2020. The increase in inflation has led to a decline in real wages for Q3.

Revenue Pulse

Volume of sales

The volume of sales, as measured by the CSO, increased by 11.7% in September 2023 against the same period last year.

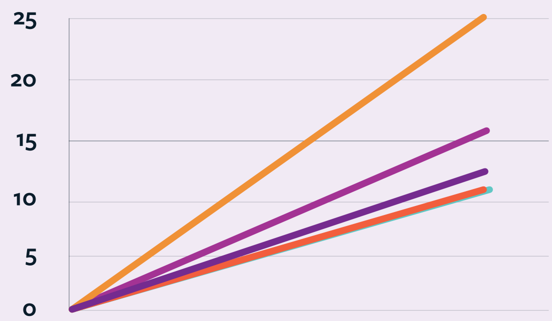
Volume of Sales: CSO	**11.7%** ↑

SOURCE: CSO

Rx Tracker

IQVIA data has found RX classes are up 7% in value and 5% in volume vs the same period last year.

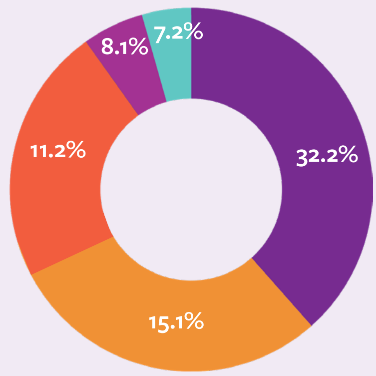
Top RX Classes by Growth



- Diagnostic Agents **25%**
- Parasitology **16%**
- Alimentary T. & Metabolism **13%**
- Dermatologicals **12%**
- Sensory Organs **12%**

SOURCE: IQVIA

Top RX Classes by Value



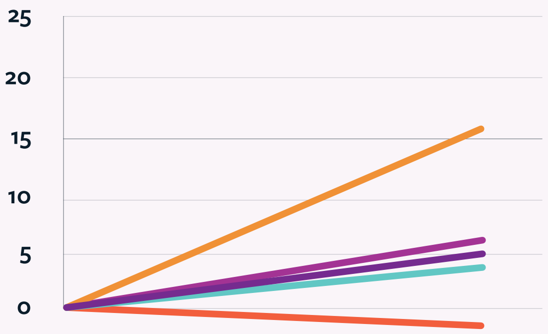
- Antineoplast Immunomodul **32.2%**
- Cardiovascular System **15.1%**
- Alimentary T. & Metabolism **11.2%**
- Systemic Anti Infectives **8.1%**
- Respiratory System **7.2%**

SOURCE: IQVIA

OTC Tracker

IQVIA data shows OTC classes are up 7% in value, and 2% in volume, as against the same period last year.

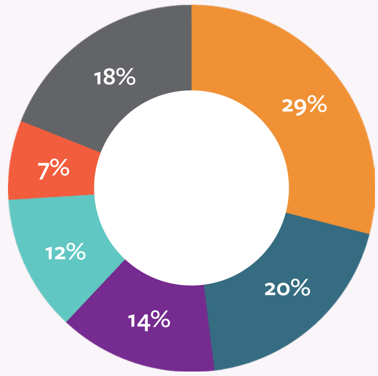
Top OTC Classes by Growth



- Cough, Cold & Other Respiratory **16%**
- VMS & Tonics **6%**
- Pain Relief **5%**
- Digestive & Other Intestinal **4%**
- Skin Treatment **-2%**

SOURCE: IQVIA

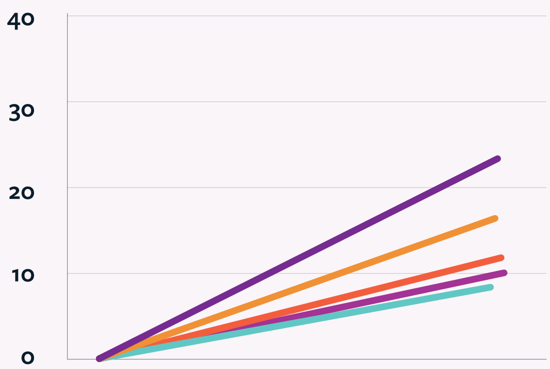
Top OTC Classes by Value



- Pain Relief **29%**
- Cough, Cold & Respiratory **20%**
- VMS & Tonics **14%**
- Digestive & Other Intestinal **12%**
- Skin Treatment **7%**
- Other **18%**

SOURCE: IQVIA

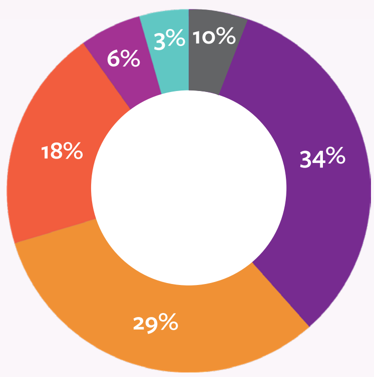
Top 5 Minor OTC Classes by Growth



- Antinauseants **23%**
- Calm, Sleep and Mood **16%**
- Urinary & Reproductive Care **11%**
- Miscellaneous **10%**
- Ear Care **9%**

SOURCE: IQVIA

Top 5 Minor OTC Classes by Value



- Habit Treatment **34%**
- Eye Care **29%**
- Urinary and Reproductive Care **18%**
- Calm, Sleep and Mood **6%**
- Mouth Treatment Products **3%**
- Other **10%**

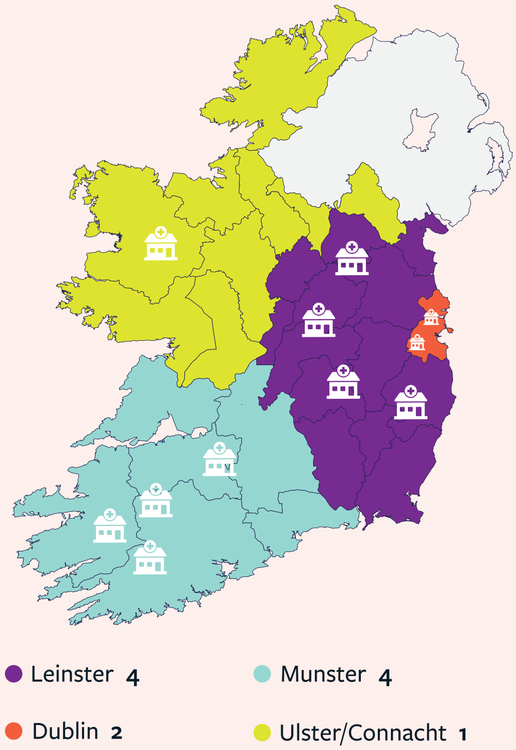
SOURCE: IQVIA

Market Pulse

It was another strong quarter for sales, with Fitzgerald Power estimating 11 transactions completed in the 3rd Quarter of 2023.

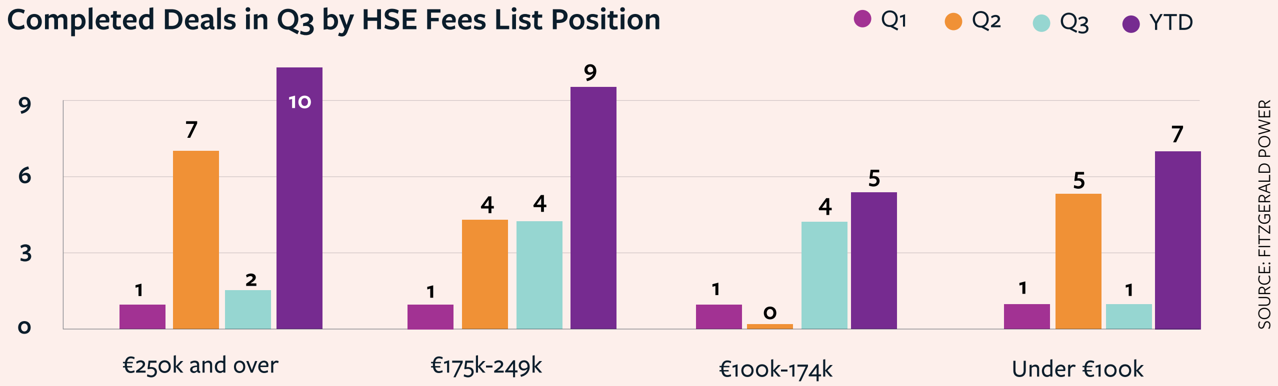
Completed Deals in Q3 by Geographical Location

DUBLIN	2
REST OF LEINSTER	4
MUNSTER	4
ULSTER / CONNACHT	1

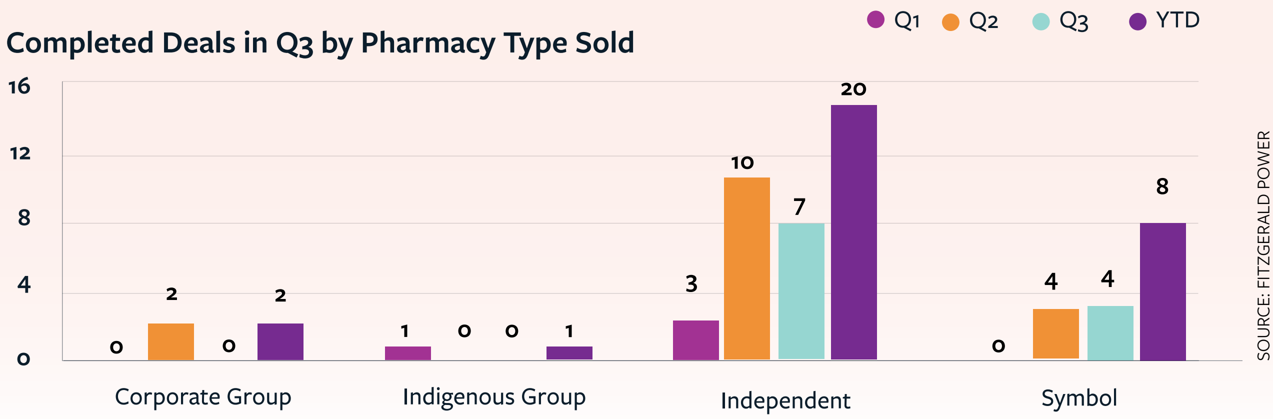


SOURCE: FITZGERALD POWER

Completed Deals in Q3 by HSE Fees List Position



Completed Deals in Q3 by Pharmacy Type Sold



PSI data suggests there have been equal numbers of openings and closures since January 2023, bringing the number of community pharmacies in Ireland to 1,905.

New Openings and Closures

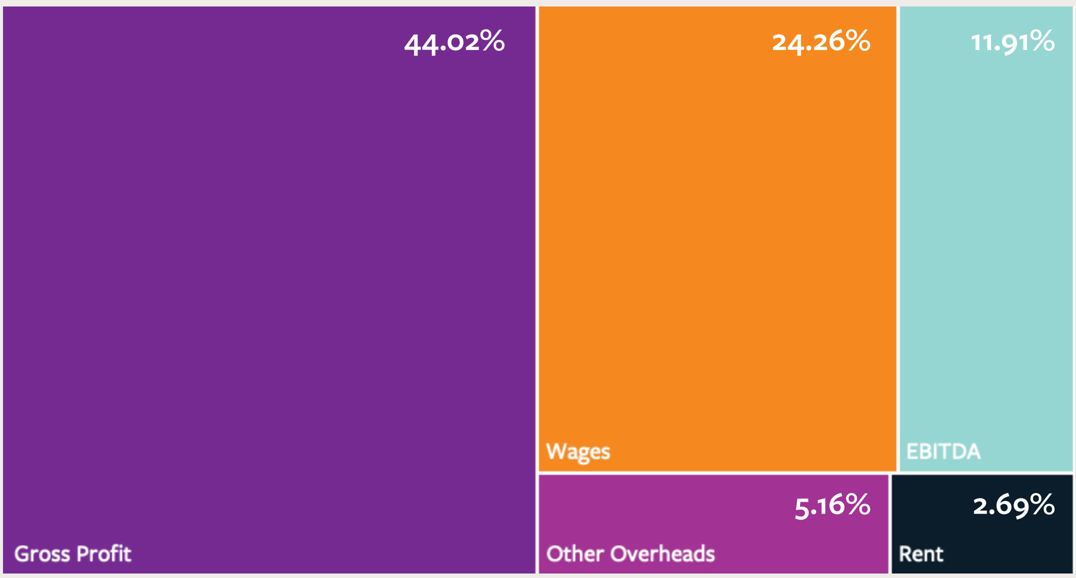
New Openings between 1st January 2023 – 30th September 2023	23
Closures between 1st January 2023 – 30th September 2023	24
Net Openings/Closures between 1st January 2023 – 30th September 2023	**(1)**

SOURCE: PSI

Benchmark Pulse

Fitzgerald Power data shows that wages remain the most important cost in the pharmacy sector.

Benchmark KPI Averages Q2 2023



SOURCE: FITZGERALD POWER

Introducing Our Benchmarking Service

Discover the Power of Benchmarking

Now, you can assess your pharmacy's performance and labour rates in comparison to pharmacies with similar turnovers within your sector and geographical location. Take a proactive step to unlock your pharmacy's full potential and maintain a competitive edge in your industry.

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