

# Pharmacy Pulse

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

Q3 2025

# Summary Q3 2025

## Irish Economy

The Central Bank revised its forecast for domestic economic growth for 2025 from 2% to 2.9%. Earlier in June, it had lowered its estimate for Modified Domestic Demand (MDD), its preferred measure of economic performance, to 2.0% due to investment uncertainty.

## Pharmacy Contractor Agreement

A new Irish Community Pharmacy Contractor Agreement was negotiated between the Government and the Irish Pharmacy Union (IPU), allocating €75 million to modernise services, enhance training, and reduce administrative burdens. The agreement also expands the clinical role of community pharmacies and advances digital integration through national e-prescription and shared health-record systems.

## Strong Public Support to Expand Pharmacy Services

Longer waiting times for GPs are driving more people to seek advice from their local pharmacists. The Irish Pharmacy Union (IPU) Pharmacy Index 2025 found that 97% of respondents trust pharmacists' guidance, 87% find them highly accessible, and 77% are experiencing longer GP wait times than before. These findings highlight the increasing role of community pharmacies as accessible healthcare hubs.

## Medicine Shortages

The IPU reported persistent medicine shortages, with 57% of pharmacists noting a significant increase in the past year. Shortages are driven by a combination of rising demand and supply chain issues. The IPU has called for stronger policy responses, improved communication from manufacturers and wholesalers, and greater recognition of pharmacists' efforts to maintain patient access.

## US Tariffs on Pharmaceuticals

As of 1 October, the United States has introduced a 100% tariff on branded pharmaceuticals, creating considerable cost pressures to the sector. These tariffs are expected to increase input costs, heighten inflation risks, and add further uncertainty to pharmaceutical supply chains.

# Revenue Pulse

## Value of sales

The value of pharmaceutical sales, as measured by the CSO, increased by 4% in value in September 2025 against the same period last year.

Value of Sales: CSO

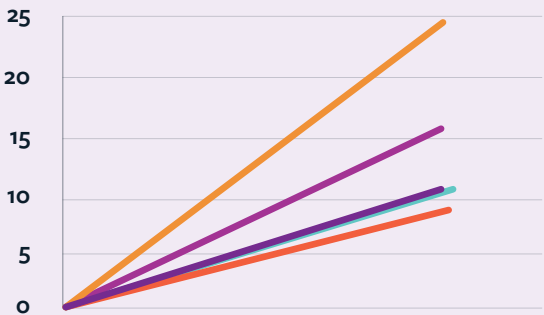
4% ↑

SOURCE: CSO

## R<sub>x</sub> Tracker

IQVIA data has found RX classes are up 7% in value and 4% in volume vs the same period last year.

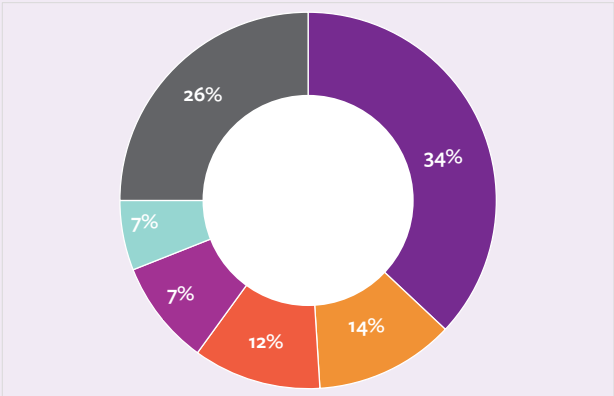
### Top RX Classes by Growth



- Dermatology 24%
- Alimentary T. & Metabolism 16%
- Antineoplast Immunomodul 11%
- Parasitology 11%
- Sensory Organs 9%

SOURCE: IQVIA

### Top RX Classes by Value



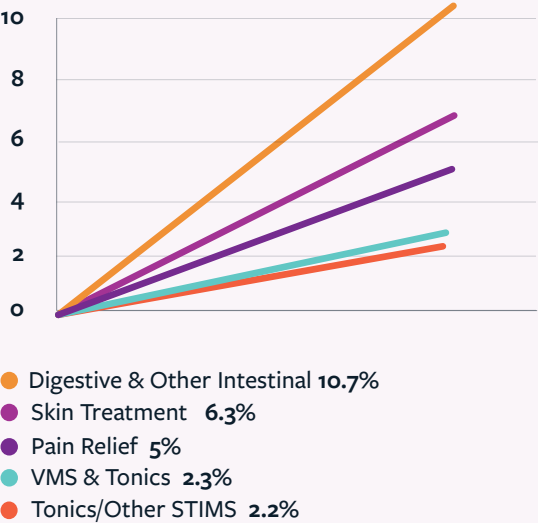
- Antineoplast Immunomodul 34%
- Nervous System 14%
- Alimentary T. & Metabolism 12%
- Systemic Anti Infectionives 7%
- Respiratory System 7%
- Other 26%

SOURCE: IQVIA

# OTC Tracker

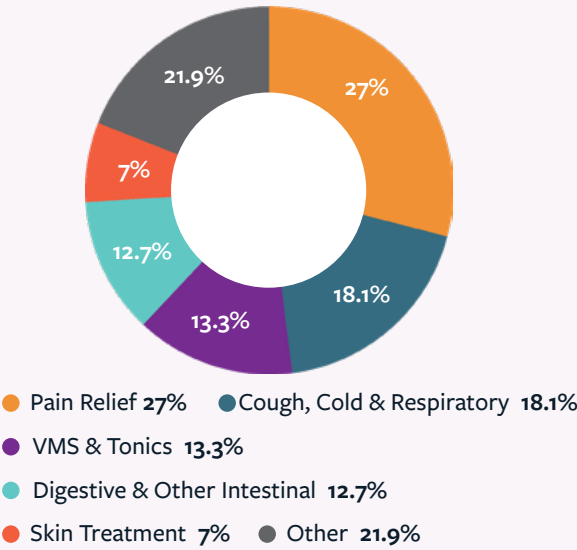
IQVIA data shows OTC classes are up 5% in value and 1% in volume, as against the same period last year. This represents an improvement on Q3 2024's position where OTC classes were up 2% in value, but down 2% in volume.

Top OTC Classes by Growth



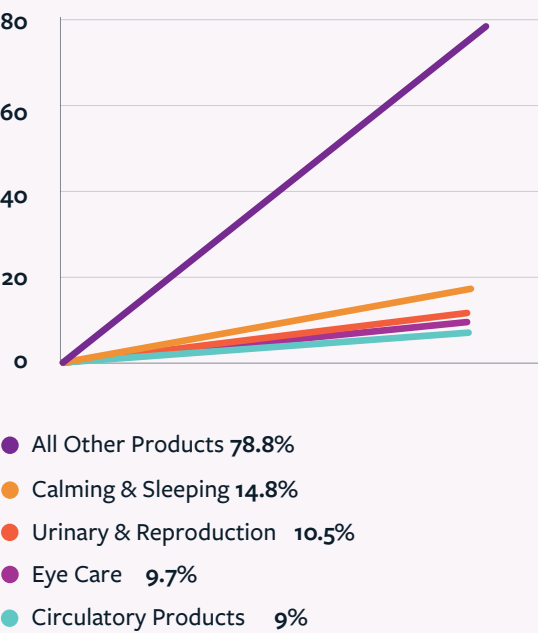
SOURCE: IQVIA

Top OTC Classes by Value



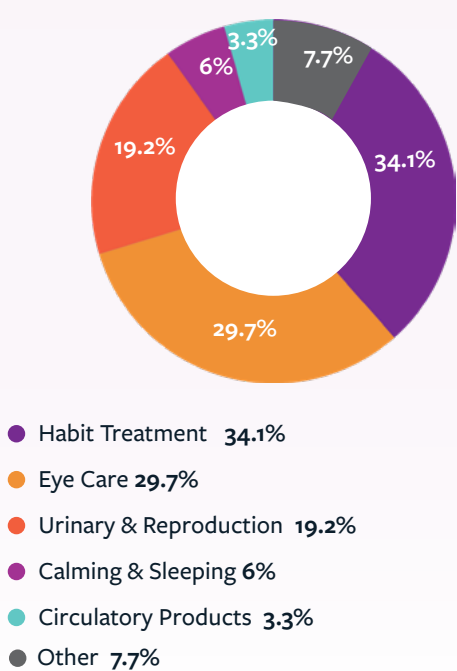
SOURCE: IQVIA

Top 5 Minor OTC Classes by Growth



SOURCE: IQVIA

Top 5 Minor OTC Classes by Value



SOURCE: IQVIA

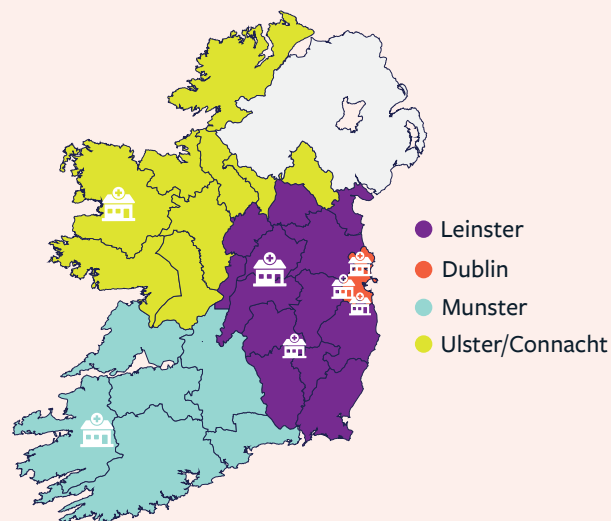
# Market Pulse

Fitzgerald Power estimates that seven transactions were completed in the third quarter of 2025. Across the first nine months of the year, most activity has been concentrated among independent pharmacies and those in the higher fee brackets. This reflects a steady level of transactions in the sector, and we anticipate activity to increase in the coming quarters as the new Community Pharmacy Contractor Agreement brings greater certainty to the market.

## Completed Deals in Q3 by Geographical Location

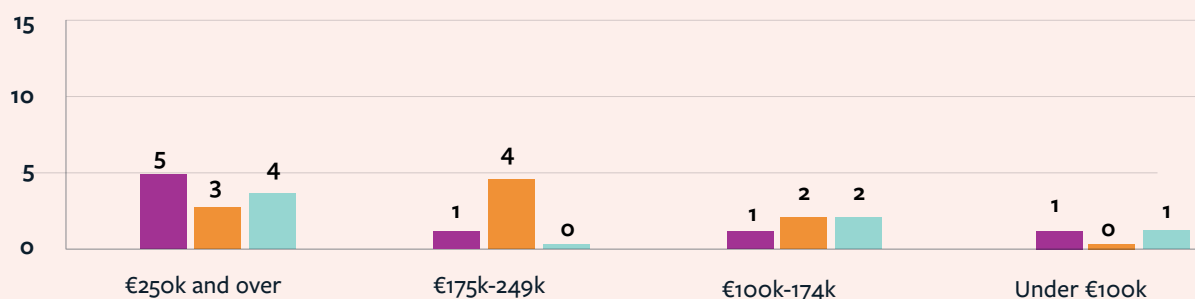
DUBLIN	3
REST OF LEINSTER	2
MUNSTER	1
ULSTER / CONNACHT	1

SOURCE: FITZGERALD POWER



## Completed Deals in Q1, Q2 and Q3 by HSE Fees List Position

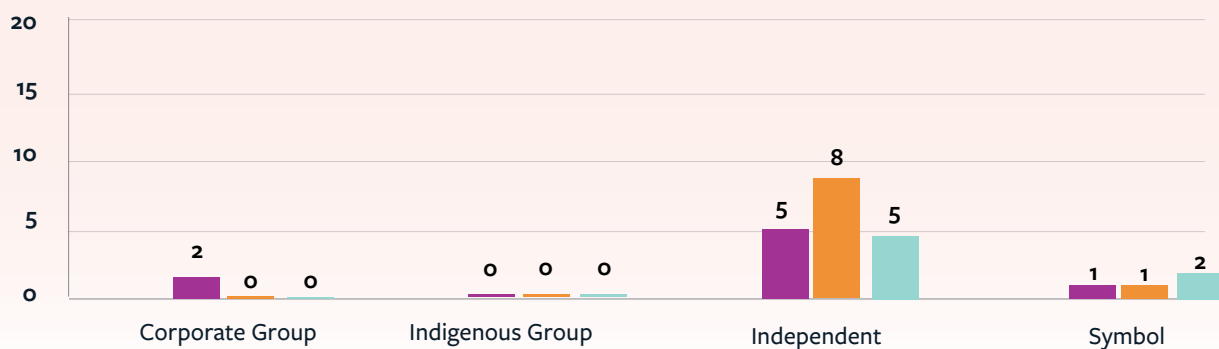
Q1 2025 Q2 2025 Q3 2025



SOURCE: FITZGERALD POWER

## Completed Deals in Q1, Q2 and Q3 by Pharmacy Type

Q1 2025 Q2 2025 Q3 2025



SOURCE: FITZGERALD POWER

PSI data suggests there has been 1 net opening in the 3rd Quarter of 2025, bringing the number of community pharmacies in Ireland to 1905. Pharmacy closures continue to occur as some units of lower turnover scale become unviable as they cannot reach a critical base level of activity sufficient to cover increasing overheads.

### New Openings and Closures

New Openings between 1st January 2025 – 30th September 2025	9
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Closures between 1st January 2025 – 30th September 2025	8
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Net Openings between 1st January 2025 – 30th September 2025	1
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SOURCE: PSI

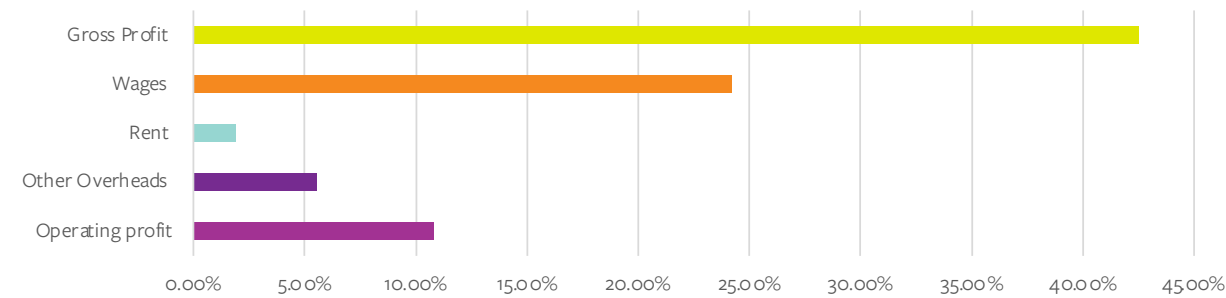
# Operating Profit Performance Overview

Fitzgerald Power’s analysis of pharmacy sector performance for Q3 2025 highlights several clear trends. Pharmacies with lower turnover levels tend to report higher gross profit margins, driven largely by their proportionately greater reliance on State-reimbursed income. However, these smaller pharmacies also feel the impact of costs more acutely across every category. As a result, their net profit margins are lower relative to turnover, meaning they have less headroom to absorb unexpected increases in operating costs. Geographically, gross margins are strongest in Dublin and weakest in the Rest of Leinster.

Wages remain the dominant cost across the sector and the single largest influence on profit margins, despite wage growth having stabilised in recent years. Wage costs as a proportion of turnover are highest in Ulster/Connaught, likely reflecting both staffing availability challenges and the prevalence of smaller-scale pharmacies in the region. They are also highest among pharmacies with turnover below €1 million, where wages make up a disproportionately large share of revenue.

## Operating profit margins by turnover

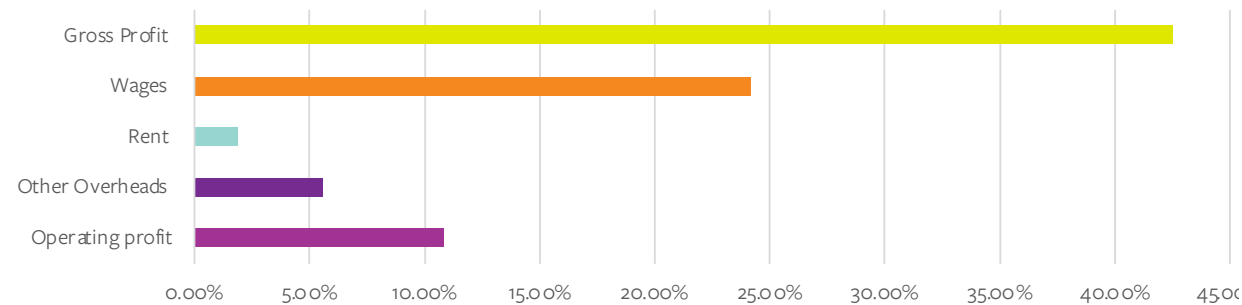
KPI's – Q3 2025	Ave	< €1m	€1m to €1.5m	€1.5m to €2m	> €2m
Gross Profit	42.49%	45.55%	42.90%	42.30%	42.94%
Wages	24.21%	26.82%	23.85%	24.02%	22.33%
Rent	1.91%	3.03%	2.76%	1.84%	1.87%
Other Overheads	5.56%	9.93%	5.60%	5.51%	4.27%
Operating profit	10.82%	5.78%	10.70%	10.98%	14.47%



Operating profit margins improve consistently as turnover increases, with pharmacies generating over €2 million achieving the strongest operating returns. Regionally, operating profits are highest in Munster and Dublin, and lowest in Ulster/Connaught.

## Operating profit margins by region

KPI's – Q3 2025	Ave	Munster	Leinster	Ulster / Connaught	Dublin
Gross Profit	42.49%	42.83%	40.83%	43.34%	44.08%
Wages	24.21%	23.62%	24.44%	26.86%	23.47%
Rent	1.91%	1.59%	1.78%	2.31%	2.62%
Other Overheads	5.56%	5.30%	5.36%	7.88%	5.03%
Operating profit	10.82%	12.32%	9.25%	6.29%	12.96%



Looking ahead, the changes to State-reimbursed fees introduced under the new Community Pharmacy Contractor Agreement are expected to strengthen revenue and margin levels across the sector. However, as the sector continues to transition toward a more service-based operating model, labour costs will remain a critical area to monitor closely.



# Partner insight

“Benchmarking isn’t just a numbers exercise, it’s a strategic tool for improving performance, guiding decisions, and driving long-term value. By comparing your pharmacy’s key financial and operational KPIs with sector averages or best-in-class performers, you can identify where opportunities exist and ensure you’re maximising the return on your turnover. For example, if your gross profit margin is 41% while similar pharmacies average 44.5%, you could be leaving 3.5% of turnover unrealised. Tracking KPIs over time shows whether operational changes are working, and clear benchmarks help set targets that are both ambitious and achievable. From purchasing to staffing, transparent metrics keep teams accountable and focused on results.”

**Catriona Threadgold**

Partner, Pharmacy Department.



Take a proactive step to unlock your pharmacy’s full potential and maintain a competitive edge in your industry.

**Get in touch with Catriona today: [cthreadgold@fitzgeraldpower.ie](mailto:cthreadgold@fitzgeraldpower.ie)**

## Head Office

Greyfriars  
Waterford  
X91 K2WV

T: (0)51 870152

F: (0)51 871214

## Waterford

Saint John’s Parish Hall  
Catherine Street  
Waterford  
X91 X827

T: (0)51 870152

F: (0)51 871214

## Dublin

50-56  
Merrion Road  
Dublin  
D04 V4K3

T: (0)1 4693739

F: (0)51 871214

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