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Strategic analysis of the Belgian public pharmaceutical sector and future perspectives

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Strategic analysis of the Belgian public pharmaceutical sector and future perspectives

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For an **Open**Borders**MBA** Certificate and a Master in management option MBA
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Executive Summary

The topic of this paper is the application of environment analysis methods to the particular context of public Belgian pharmacy. Based on this analysis we build a set of market evolution scenarios and we complete it with resale pharmacy situations. This leads us to the two following research questions that we set out to answer with this paper: "Is the market overvalued?" "Can we still consider public pharmacy as a safe investment?"

To answer these questions, we developed a set of stress tests based on scenarios and their occurrence probability. We test different kinds of pharmacies using this stress test and examine the results.

With these analysis, we will find out that the application of those stress tests can lead to the bankruptcy of smaller and larger structures and that the market is not without risk. But we also note that depending on the size of the selected business, pharmacy resistance could be good. We also find that the large pharmacy has a secure future but may present an important bankruptcy risk during the repayment of the loan. This is the result of the buying market pressure and the high business price.

Acknowledgments

I would like to express my gratitude to the following people for their help throughout the realisation of this thesis and the whole MBA programme:

First, to my wife, Aline Gillet for her support at all levels during these two years of intense work.

Second, to my fellow students of the Cohort 3 who have dedicated their time and shared their experience with me.

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Finally, I would like to thank the OBMBA staff for creating a productive learning environment with a special mention for my promoter Wilfried Niessen who provided his support during the writing of this paper.

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1. Introduction

This work aims at providing every potential public pharmacy buyer tools to analyse / assess a business opportunity. It also aims at offering a complete view of the market both in terms of its current profitability and its future potentials.

Since the royal decree on the 25th September 1974, the market of public pharmacies has continued to undergo value changes. These changes have often led to price increase but also decrease. Some changes over the last decade, such as the arrival of online pharmacies and the recent emergence of drug supermarkets have partially redesigned the sector's landscape.

Today we are still facing a potential market disruption, and it is appropriate to question the intrinsic value of a pharmacy. This work only focuses on public pharmacies or public drugstore and cannot be extended to the pharmaceutical market as a whole or to hospital pharmacies. An overview of the market should help potential buyers and current owners to make the right decisions in this changing environment.

The question that this work intends to solve is: According to the parameters of the market should we buy or sell and at what price?

In the first part of this work, we will analyse the macroeconomic aspects of the pharmacy's environment. We will explore it from an economic, political, technological, social and legal perspective. In the second part we will focus on numbers and analyse the performance of small, medium and big pharmacies.

2. Environment analysis

To analyse the environment of public pharmacy in a structured manner, we use two complementary tools that are Pestel (Johnson, 2014) and the five force of Porter (Porter M., 1980). The first gives an overview of the environment that surrounds the company and the second shows the rivalry between actors within the market. The Pestel will identify the variables that constitute environmental opportunities or environmental constraints. Porter's fives forces analysis will highlight the level of competition within the Belgium public pharmacies sector. The first tool will be our macro-environmental analysis and the second tool will be a part of our meso-environmental analysis. Both tools associated with interviews conducted with pharmaceutical expert will enable us to identify eleven key factors that we will detail. Those factor will be both macro or meso-environmental in nature and a substantial danger or opportunity for the sector. From these eleven key factors, five scenarios will be selected based on three criterions that are namely independence certainty and impact.

2.1. Pestel / Macro-environment analysis

The Pestel categorizes the environment in six key factors: political, economic, social, technological, environmental and legal. Among these factors, some are close and difficult to differentiate for instance the confusion between the legal and political aspect is common. These two factors are critical to our analysis of the pharmaceutical market and we will investigate them in detail through this work.

2.1.1. Politics

The politics are the first client of the Belgian public pharmacy through the national institute for health and disability insurance (INAMI). They are also the guarantor of the profession via, among others, the royal decree of 10 November 1967 on the exercise of healthcare professions (Arrêté royal du 10 Novembre 1967, 1967). It is the state that limits the number of pharmacies through a moratorium and allows or denies the arrival of new drugs on the Belgian territory via the federal agency of medicines and health products (AFMPS). It is the state that sets the value added tax to six percent on medicines. Finally, the state is also involved in the realization of new law and extension of the moratorium discussed below. Politics is a significant factor in the pharmaceutical environment at all levels, macro, meso and micro environmental. We will come back to its influence in the dissertation and will

investigate the risk associated with it.

2.1.2. Economic

At the macro-economic level, we can observe a steady reduction in drug prices but a rise in healthcare expenses. In thirteen years, we have seen an average increase of 1.8% (Organisation de coopération et de développement économique, 2016) of spending on health care to gross domestic product. This growing need for care is even more expressed in Belgium with 2.2% increase during the same period.

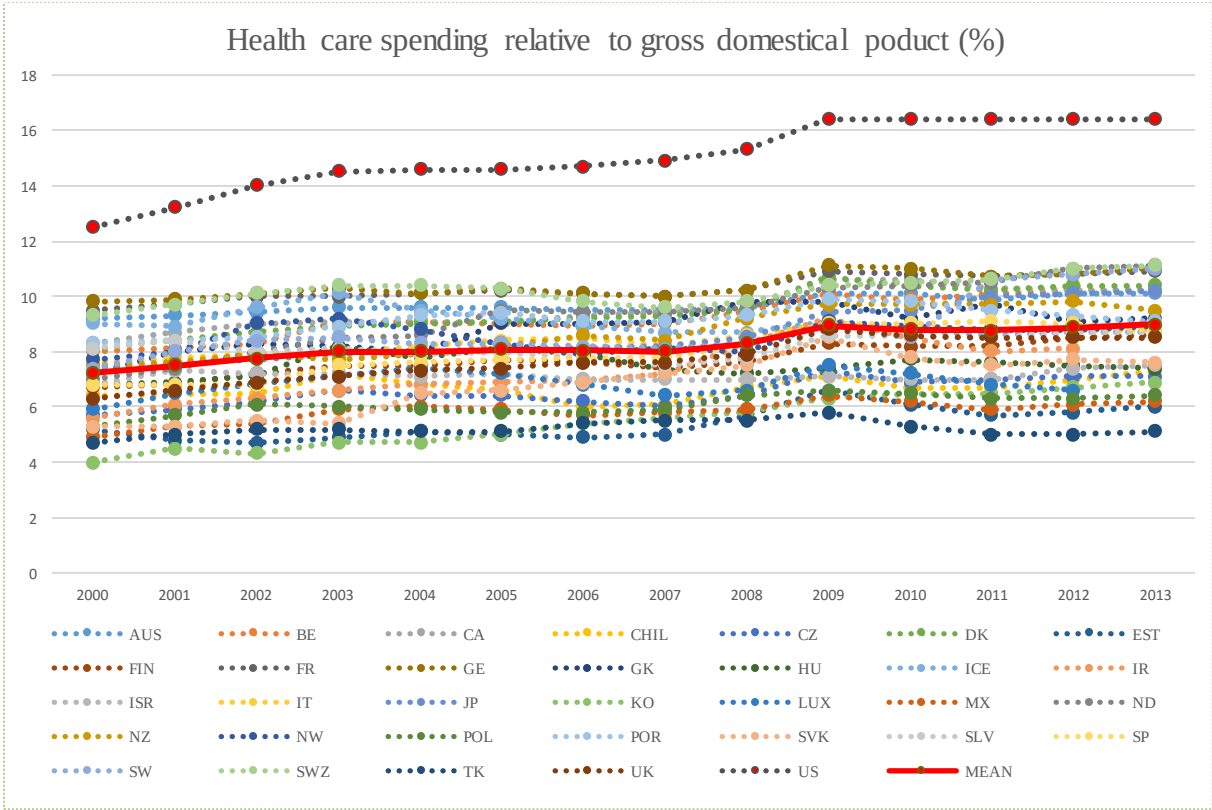


Figure 1: Health care spending relative to GDP (%) (Organisation de coopération et de développement économique, 2016)

The increase is even more pronounced if we look at the expenses in pharmaceutical care. Between 2002 and 2008 the Belgian expenses has more than doubled from 3.9 to 8.2 billion dollars per years. We observe some stability settling from 2009 (Figure 2). These figures are not exclusive to the public pharmacies as they also include the expenses of the hospital pharmacy where the most expensive treatments are usually sold.

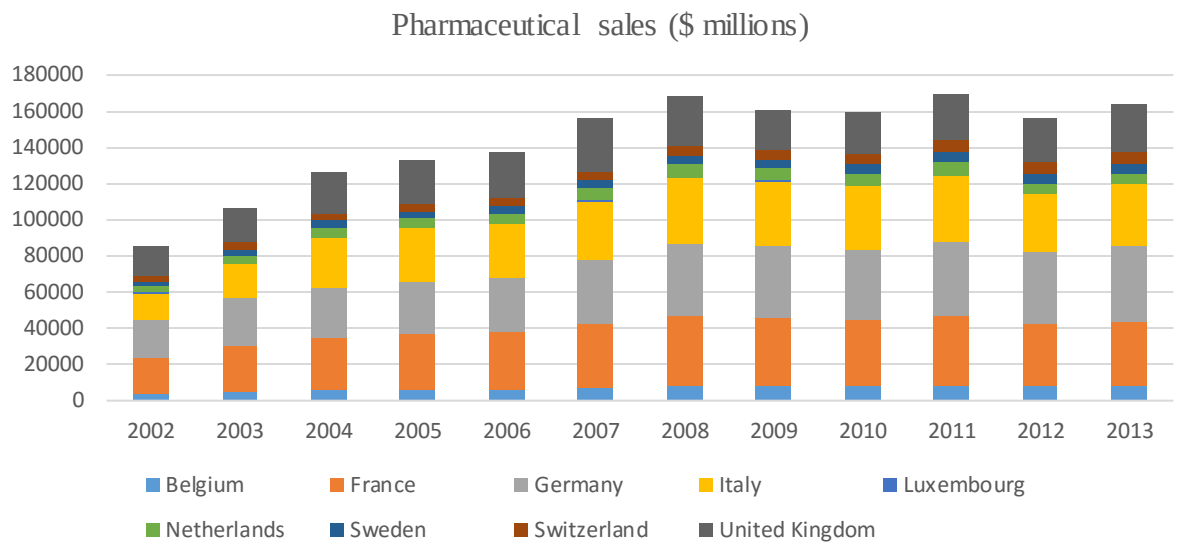


Figure 2 : Pharmaceutical sales ($ millions) (Organisation de coopération et de développement économique, 2016)

A trend towards increased consumption of drugs can be confirmed by the analysis of daily doses per drug class. In 2012, for one thousand of Belgian, eighty-six drugs were consumed while in 2014 it was one hundred thirty-six.

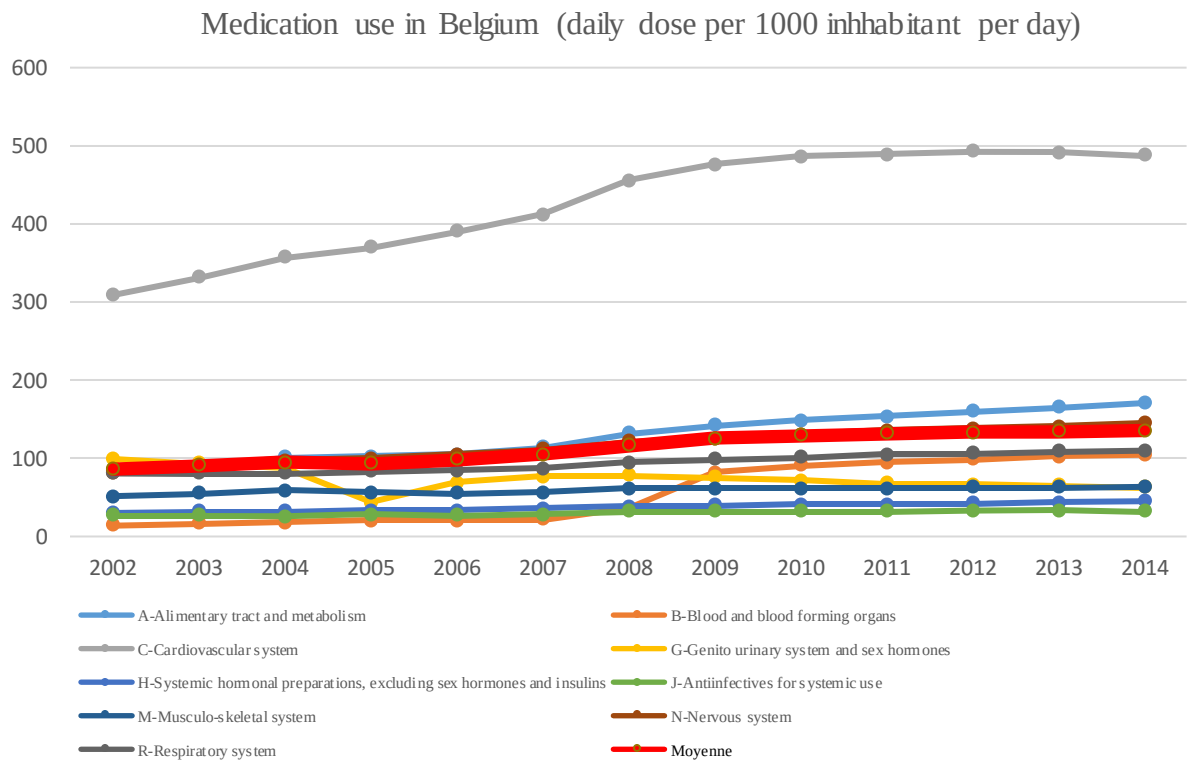


Figure 3: Medication use in Belgium (Organisation de coopération et de développement économique, 2016)

The pressure from the European governments on companies to lower prices is necessary to compensate the increase in consumption but it has some side effects. Some drugs become temporary unavailable during days, weeks or even months. This unavailability encourages the export of missing drugs and can create a new unavailability in a member country of the European union.

2.1.3. Social

The aging population is an opportunity for the sector if it evolves and finds legal solutions for the delivery of drugs outside the pharmacy. In Belgium, in 2016, 25.34% of the people over the age of 67 years are dependent person (Figure 4). In 2050, according to the perspectives of the federal planning office (BFP) and the general directorate of statistics (DGS), it will grow to 39.17% of the same population.

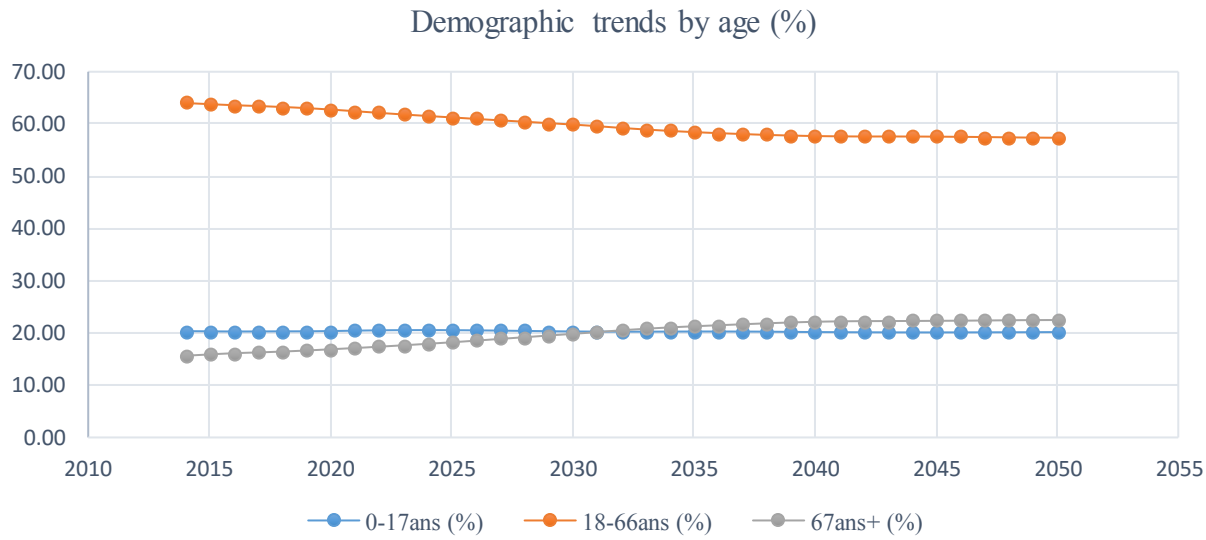


Figure 4: Demographic trends (Source : 1991-2014 : observations, (Direction générale Statistique et Information économique, 2016); 2015-2060 : perspectives, (Bureau féderal du plan, 2016))

The aging population coupled with the lack of space in nursing homes should increase the need for medications available close to home or at home.

2.1.4. Technology

Like many other sectors, the pharmacy is not immune to the digitalization. Online pharmacies are the first example. Additional evolving towards better monitoring of the patient with connected health devices and online applications are increasingly present. Today, some customers order via email or their smartphone. Initiative from the Belgian pharmaceutical association (APB) also point in the direction of the connected health with for example the

shared pharmaceutical folder or DPP. The DPP (Association pharmaceutique belge, 2016) allows communication between pharmacies on the patient's medical history and thus helps avoid drug interactions. Technology is also present in pharmacy through robots able to prepare and store orders. As headlined by the magazine the Economist on September 3, 2016 or in the newspaper Le Monde in December 2015 (Pavie, 2015) our society evolves into an « Uberworld » (The Economist, 2016). The pharmaceutical sector is no exception to this trend. Twenty years ago, the concept of family pharmacy was still present but now consumers compare offers.

2.1.5. Ecology:

The need for a medication cannot wait, a pharmacy is supplied between two and nine times a day by its wholesalers excluding special orders which require extra and dedicated transport. A tax linked to such transport should also be taken into account. Actually, only few ecological gesture are undertaken by the sector. The most famous one is the pharmacy's participation in the harvesting of expired drugs.

2.1.6. Legal

The stresses in the pharmaceutical environment, are through royal decrees, the moratorium but also by the college of pharmacists. "The mission of the college is to take care of the public interest in the field of health. To accomplish this mission, the order of pharmacists has developed a code of ethics, integrity, dignity, brotherhood and dedication, essential to the exercise of the profession" (Ordre des pharmaciens, 2016). This code is a constraint with which the sector has to deal and can be a daunting obstacle for investors who see the pharmacy as a simple shop. Three royal decrees are also very important to understand the legal aspect of the public pharmacy.

1. The AR n°78 of the 10 November 1967: "In Belgium, only the pharmacist is entitled to supply medicine when it has a valid certificate verified by the Provincial Medical Board and is enrolled in the College of Pharmacists". (Arrêté royal du 10 Novembre 1967, 1967).
2. The AR of the 25 September 1974: "Regarding the opening, transfer and merger of pharmaceutical dispensaries" edited by AR of 19/04/77, 12/06/81, 12/23/84, 17/02/88, 10/18/94, 04/03/97, 03/03/99, 25/03/99 setting a moratorium for ten years and freezing the number of dispensaries until December 8, 2009". (Arrêté royal du 25 September 1974,

1974).

3. The AR of the 13 April 1977: "gives a frame for determining the value of transmission of pharmacies and monitoring these transmissions" (Arrêté royal du 13 Avril 1977, 1977).

A change of a single comma can cause a disruption of the market and a collapse in buying and selling prices. This work will not deepen this scenario because the modification options are too numerous.

2.2. Porter's five forces / Meso-environment analysis

Meso-environment is a set of actors who, by their decisions, are able to influence economic relationships in a sector. These actors and their influence are strongly linked to organizational models and their interrelations. It is important to understand the different relational models to highlight its key stakeholders. To this end, a review of the structure of the Belgian pharmaceutical public sector seems adequate.

Belgium has one of the densest networks of pharmacies in Europe, even if their number has decreased gradually since 2000. Currently, our country has 4,929 pharmacies for 11 million people, or 1 for 2,230 people (De Bruyn, 2015). Pharmacies can be classified into three groups according to their shareholders:

- The office of cooperative pharmacies in Belgium (OPHACO) regroup 600 pharmacies. These pharmacies are mainly represented by groups like Multipharma©, Economie populaire de Ciney© and Vpharma© (Bernard, 2012).
- Approximately 200 pharmacies are owned by financial groups. The largest group is CELESIO© with over 2000 pharmacies throughout Europe. In Belgium they are mainly represented by the brand Lloydspharma©.
- The remaining approximately 4200 pharmacies belong to the independent sector. However, within this group, a few "family companies" with multiple pharmacies can be found and some cooperative society as Les pharmaciens unis© who owns around forty pharmacies.

In the practical part of this work we will classify the pharmacies based on their turnover. We can already state that the average turnover of a Belgian pharmacy is 1.150.000 € and the median is close to € 850.000.

We will now discuss in more detail the Porter's forces (Porter, Competitive Strategy: Techniques for Analysing Industries and Competitors, 1980) exerted on the market through the actors and their relationships. The type of rivalry that we describe below is exercised

between the three groups of players but may also be present within the same group for geographical proximity reasons.

2.2.1. Threat of new entrants

The threat of entry is currently low because it is not possible to open a pharmacy and the price of the business is high. However, the risk is not zero a pharmacy could relocate nearby or a discounter could establish itself and become a real threat. The repurchase of a nearby pharmacy by a dynamic contractor may also represent a threat. In addition to the economic barrier, resale of a pharmacy is not a common occurrence, it often takes 20 to 30 years before this type of business changes its owner.

2.2.2. Threat of substitutes

A product is a substitute when it fulfils a similar mission through different technologies. In all conventional pharmacies products available are identical. The presence of a supermarket or a shop specializing in para-medical products may pose a risk but this risk is restricted to pharmacies specialized in products other than drugs. For example, a perfumery opens next to a pharmacy specializing in cosmetic care. Therefore, the risk of substitution is low in conventional pharmacy. The occurrence of device that can replace drugs is a risk but these are currently marketed in pharmacy. For example, the device CEPHALY© cares migraines with electric shock.

2.2.3. Bargaining power of buyers

The customer's bargaining power is huge but is rarely used in practice. This power is important because there is a low product differentiation between sale points, a low cost of change for customers, strong customer concentration especially downtown, and a low differentiation of corporate image between competitors. Despite this lack of differentiation, the average rebate by customer is only 2%, while the average gross margin of the sector is 27% (MBM Pharma, 2015). This discount represents a potential interesting differentiation and is being operated by discounter. We will talk about them later in this work.

2.2.4. Bargaining power of suppliers

The bargaining power of retailers is low because they all have a large stock, the pharmacy's cost to change its distributor is zero and they all sell the same products. A risk of downstream

integration is present in particular with the company Celesio©. The merging of wholesalers and therefore the decrease in their number is also a risk factor. We will discuss this in detail in our key factor.

2.2.5. Industry rivalry

Pharmacists say they are confrere, but the market reality is sometimes different. Rivalry is strengthened by weak sale's growth, proximity, progressive closure of small pharmacies, lack of differentiation in products and lack of patient loyalty. For certain pharmacies, the situation is exacerbated by a high level of fixed costs (in case of repayment of a loan) and an intermittent overcapacity. Knowing that we have the highest density of pharmacy in Europe rivalry is obviously high.

2.2.6. The state's role

The state was not a force identified by Porter initially because Porter is American, and in the United States, the state is far less interventionist than in Belgium. However, in our analysis their role is so important that we must mention this 6th force.

The role of the state is fundamental in the pharmaceutical sector. It puts pressure on industries, wholesalers, doctors and of course pharmacies. The state is both the guarantor of the profession but also a terrible risk factor particularly via the reduction of prices and the end of the moratorium that we will discuss in our key factors.

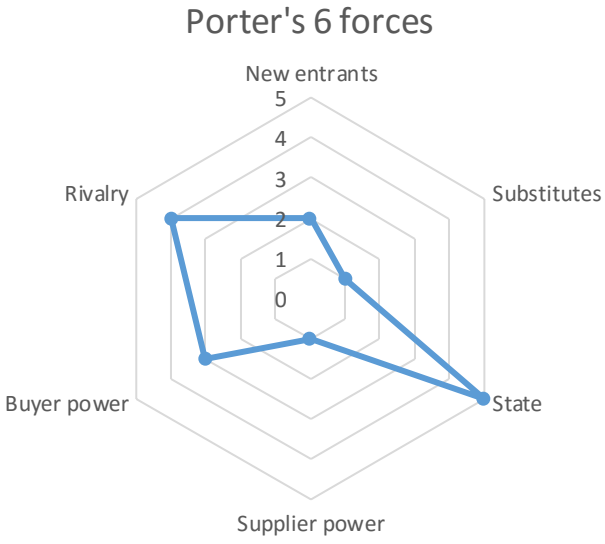


Figure 5 : Illustration of the importance of Porter's 6 forces in the public pharmacy market (Porter, How Competitive Forces Shape Strategy, 1979)

3. Eleven key factors

Analysing the macro and meso-environment and their relationship can quickly give a long and complex list, however it is useful to step back and identify among them the key factors that can cause an upset. To do this, I made a dozen interviews with key players in the pharmaceutical environment, among which: representative of the Belgian pharmaceutical association, pharmaceutical union director, accountants and bankers specialized in the pharmaceutical field. These interviews allowed me to highlight eleven key factors detailed in this section.

3.1. Price drop

A generic is a copy of the active ingredient of a drug sold at a lower price than the original. Since the introduction of generic in pharmacies, prices have declined rapidly as soon as the end of the patent of the original drug is exceeded. Despite these price cuts the sector continues to improve its margin. This growth margin can be explained by better conditions offered to pharmacies for generic products but not only.

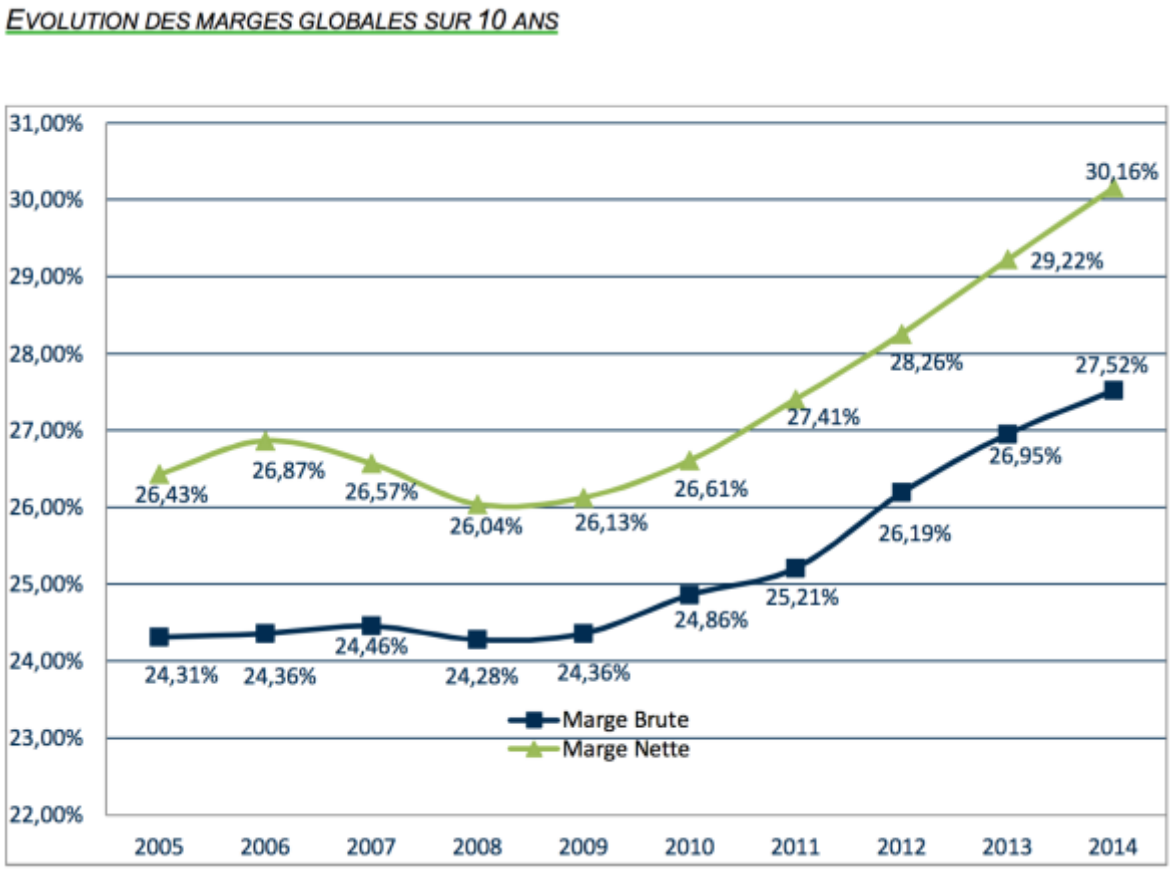


Figure 6 : Evolution of margins (MBM Pharma, 2015)©

In 2004 the appearance of unique bar codes (code preventing resale of a box of medicine) brings more state control over the acts of pharmacies. But starting from 2008 the margin increased (Figure 6) due to more advanced tax audit on pharmaceutical software houses (2008 and 2010). Pharmacies have ceased to be black, they whitened their black. Today the public pharmaceutical industry is more transparent than before and the managers of pharmacies do not get more than one percent of total sales in black. In the eyes of the administration and the State, the pharmacy managers have the same or even better income than before. It was not the big pharmacies that were making black, it was rather small and medium-sized pharmacies run by a single person. Once pharmacies employ staff, it's more complicate to cheat, even with the help of the software. Early 2016, pharmacies undergo price reductions of medicine every three months. When a generic refundable drug comes on the market, the INAMI forces the original drug to lower their reimbursement and if they do not decrease their price, they lose their repayment by the State (Straetmans, 2015). This reduction ranged from 30 to 40% at the arrival of generic and about 15% over the next six years on predefined dates. But since April 2016 the government opted for a faster drop in prices called « patent cliff » (Straetmans, 2015). The global price reduction is now directly between 54,35% and 60,73% depending on the type of drug involved. To avoid a dual reference system at the same time, drugs that had not yet finished their price reduction according to the old system were directly down on the first March. Depreciation spread over six years is shortened by several months or years depending on the product. This decision alone affects 2300 drugs and is responsible for an estimated loss of 0,4% margin for the managers of pharmacies that have not anticipated these losses (Biot, 2015). The generic problem hides in fact a margin problem that continues to decline despite accounting appearances. This decrease in prices and margins is lethal for smaller structures. It also shows the dependency of the sector to the public policy and government.

3.2. The wholesalers' refund

Each Belgian pharmacy is supplied via a pharmaceutical wholesaler. It is an intermediary who orders important amount of medicine to pharmaceutical company and sells it back to pharmacies. The government decided in February 2016 to impose a tax on pharmaceutical wholesalers. These have mostly decided in turn, to pass it directly to pharmacies by reducing the discounts granted. Only the biggest Belgian pharmaceutical wholesale are able to avoid the impact of these changes on some of their clients. This type of tax weakens the smaller wholesalers like Cerp© or Life pharma© and their clients. It has little impact on large

wholesalers as Febelco© or PharmaBelgium©. Moreover, an analysis of the balance sheet of Febelco© shows that it has sufficient liquidity to maintain high dividends and thus conquer the market. This scenario could lead to a monopoly and would be bad news for the whole public pharmaceutical sector. In case of monopoly, the price is not negotiable anymore. The example shows one more time the pharmacies' dependence on the government.

3.3. The end of the moratorium

Since 1974, pharmacies are subject to strict legislation, which limits their number through the so-called distribution law discussed earlier. This law limits the opening of pharmacies based on geographic and demographic criteria. Despite this law, pharmacies have continued to open as soon as an opportunity arises. At such a point that in 1999 the legislature had a moratorium on opening new pharmacies. With a pharmacy for 2230 inhabitants, Belgium to date remains one of the European country with the highest density of pharmacies (De Bruyn, 2015). Since twenty years, the number of Belgian pharmacies is constantly decreasing: the current rate is 300 pharmacies every 5 years and this pace is expected to continue until 4500 pharmacies (Biot, 2015). According to the current government, if the number of pharmacies is decreasing "naturally" the moratorium is meaningless. This is why the end of the moratorium and a law project are scheduled for December 2019. However, in 2018 new elections will take place and it is possible that the new government does not have the same intentions. For example, the situation was the same in December 2014, but the minister of health at that time, voted in parliament the maintaining of the moratorium on a longer duration to jump a legislature.

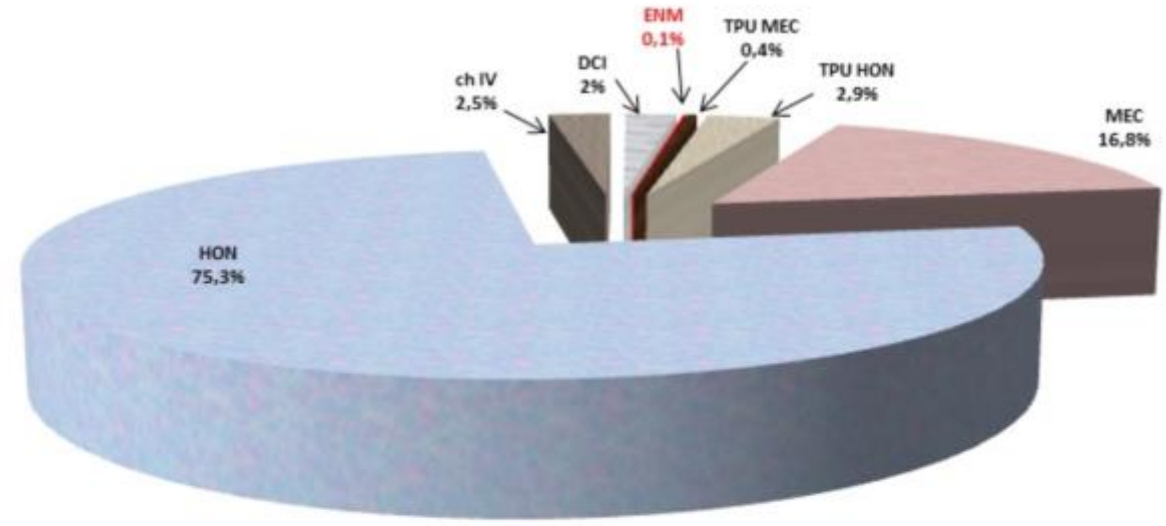
3.4. Pharmaceutical chains increasing market share

Pharmaceutical groups or pharmacy chains as Lloydspharma ©, Multipharma©, Familia©, Vpharma© and others are market participants who use their weight to reduce their fixed costs and improve their purchase conditions. The pharmaceutical chains now own nearly 15% of the Belgian pharmaceutical market. The largest group is Multipharma© with 250 pharmacies. Outside of the few marketing initiatives under the watchful eye of the order, the pharmaceutical chains are not currently intended to break the market. None of these groups currently possesses sufficient cash to take control of the country, though some groups are already working to take control of some city. For example, Vpharma© which owns 50% of pharmacies in the cities of Verviers and Malmedy. Contrary to what we might think the groups are sometimes allies in the negotiations with the government. Indeed, with their political proximity, the groups as powerful lobbyists have succeeded in the past to influence

decisions such as the moratorium carry forwards. The risk related to moratorium is much more important for groups because the average turnover of pharmacies belonging to groups is € 1.4 million (OPHACO, 2015) while the average figure of an independent of € 1,060,000 (Biot, 2015). The groups have large pharmacies and if you plan to open a pharmacy it is interesting to get closer to a big pharmacy rather than a small one. Based on current political affinities, it is likely that the moratorium be extended if the next government is politically centre or left. If pharmaceutical groups are not aggressive in their marketing, they become so when a pharmacy corresponding to their geographic and financial criteria is available on the market. Group's price offers are difficult to struggle and that is why groups remain a threat to the investor.

3.5. Fees vs margin

Faced with lower margin pharmaceutical associations have successfully negotiated fees for drug delivery. The royal decree of 16 March 2010 "for the establishment of fees for the issuance of a refundable medicinal product in a public pharmacy" (Arrêté royal du 16 Mars 2010, 2010) is a first in the pharmaceutical field (Chaspierre, 2015). France is currently trying to copy the model and Belgium continues to develop it including the fee for specific pharmaceutical care. This is a modification of the method of remuneration coupled with a recognition of the medical act that is the pharmaceutical delivery.



(source Pharmanet 2016 – pronostic)

Légende :
HON = honoraire de base
MEC = marge économique
Ch IV = honoraire spécifique chapitre IV
DCI = honoraire spécifique DCI
ENM = entretien d'accompagnement nouvelle médication
TPU MEC = marge économique « tarification à l'unité »
TPU HON = honoraire de base « tarification à l'unité »

Figure 7: Components of the remuneration of a pharmacy to a reimbursed medication (Pierlet, 2016)©

In 6 years, the mode of remuneration of pharmacies rose from the margin to the fee with success. This transition has helped the managers of pharmacies to retain a significant margin but amplifies the dependence of the pharmacy to the whims of the state. The second big problem with the fee is that it requires the full involvement of the pharmacist; for example, the pharmacist is isolated with a patient for 20 minutes to explain in detail the functioning of its corticoid aerosol device or 30 minutes to talk about his addiction to alcohol. But the

pharmacy also needs the pharmacist to be present at the counter to collect other fees or to control the board and grants in the dispensary. Below 500.000 € of turnover, there is only a single pharmacist in the pharmacy and he may not have time to do the work necessary to collect these fees. The appearance of the fee is a real threat to small pharmacies that have only a pharmacist.

3.6. The robots

The arrival of robots in pharmacies is not a new trend, however, they are becoming more efficient and more accessible. The robot is a grant-making tool that saves time (1'30 / patient). It allows the pharmacist at the counter to advice in details and perform other sales. To be profitable, the robot does however open only to large pharmacies. It would also be good for smaller pharmacies to gain time and fetching fees. During the OBMBA program, I had the chance to meet Laurent De Cock. He explained to me the evolution of technology and the frightening number of jobs requiring a university degree that would be replaced by robots in the upcoming years (De Cock, 2016). This trend obviously is also a threat or an opportunity. However, a robot can give good advice but it will be less effective than a human to change the behaviour of a patient and ensure therapeutic adherence. Be able to explain to a patient the importance of his treatment and the importance of good decision is still a human skill (Chaspierre, 2015)

3.7. The Order of pharmacist

The Order of pharmacist is an authority which aims to ensure compliance with the law and ethics. Although as a guarantor of the profession, it can hinder entrepreneurs in their desire to innovate and undertake projects that have not yet been approved by the authority. For example, the Order is opposed to digital delivery associated with videoconferencing consultancy. It might be more appropriate to allow such practices to supervise them strictly. The Order also ensures that pharmacies are never considered as simple business and conserve his place in the chain of health care. Investors should inquire about power whose Order has before considering a purchase.

3.8. Individualized drug preparation (PMI)

PMI is the operation of removing the primary packaging of one or more drugs, and joining them together into a single closed packaging. This package will then be individually

administrated to a patient in a nursing home or applicant. Three years ago, the issuance of nursing home drug was still possible in form of whole box. But since the end of 2015 only the individualized dose delivery is accepted (Service juridique APB, 2012). The time required to achieve these single dose manually is important and the associated fee is negligible. The market for nursing homes is gradually being taken by a few independent pharmacies that have invested in a specialized robot or a pharmaceutical group which specialized itself in the field (Multipharma©). The issuance of a nursing home by a pharmacy during a buy-out had no impact on the price before the PMI because the market was considered too volatile. Today take a pharmacy that serves a nursing home in PMI is certainly not a capital gain but more than ever a risk factor whose profitability should be well evaluated and whose future is uncertain.

3.9. Online pharmacies

In ten years, the online market has been conquered by players as Newpharma ©, Pharmaexpress©, Pharmachezvous© or Farmaline© which today must fight to retain their gains in front of discounters that want to maintain their shares. There are several hundreds of online pharmacies in Belgium, however, few of them are profitable only via this channel. It's more of a complementary service that pharmacy managers make available to its customers.

3.10. Online ordering applications and pharmacy reception

Partly, at the initiative of two pharmacists from Liège (Easypharm ©), applications now allow patients to interact online with their pharmacist, and to send their order so that it is ready when he passes by in pharmacy. Tools like these available to the largest number for reasonable price could be used to recover some of the patients who took the habit of online orders.

3.11. Para-pharmaceutical discounters

Since two years, the medi-market© company offers in its pharmacies, drugstores and through its website, high discounts on an important quantity of pharmaceutical products. Before this no manager had dared to propose a system of global and permanent strong discount. This system immediately met a great success and the network of this discounter is rapidly expanding.

4. Scenarios

On the basis of our environmental analysis and the eleven key factors we will establish several scenarios. We will first identify the main elements that could induce a significant change with the scenario graphically. We use the graphic to select the most important elements in terms of their impact, their degree of certainty and independence. Importance is measured on a scale from zero to ten. The score for each criterion is based on interviews conducted with field experts. The rating given to the impact, certainty and independence is the result of a ranking from experts based on the importance of each threat.

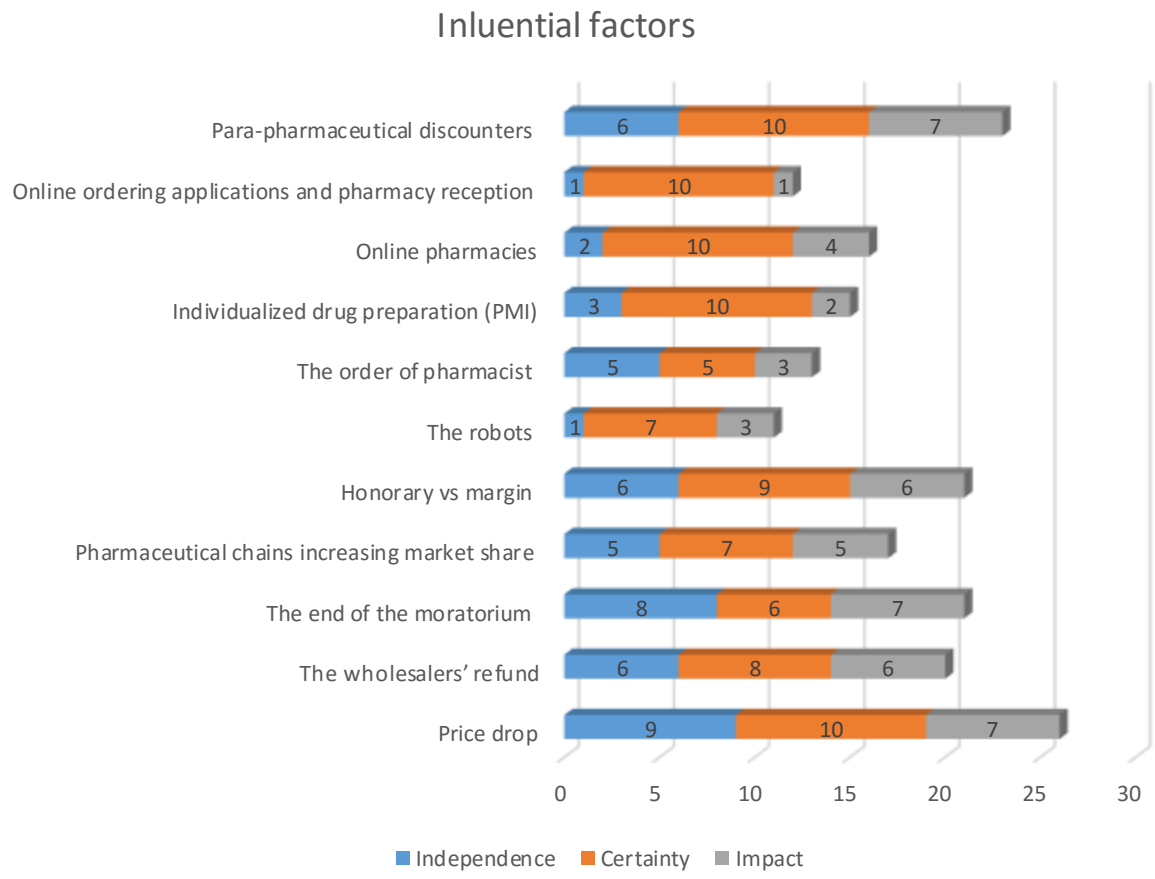


Figure 8: Factors influence measures

Five factors stand out and we will build a scenario for each of them in order of importance.

4.1. Scenario 1: Price drop

The drug prices do not reflect the profitability of pharmacies, however when it is associated with reduced margins and stable quantities of products sold, it's time to worry. The problem originates from the lack of innovation and new drugs on the market. Many patents are

expiring and no new patents are filed. If this situation were to continue or even amplify, the margin of pharmacies would be reduced and the resale prices revised downwards. The price reduction is orchestrated by the government in the context of fiscal restraint and is intended to promote access to health care to the greatest number. However, in recent years the number of products "temporarily unavailable" continues to grow. This lack of product is partially linked to the low margin generated on the Belgian market by the pharmaceutical company and could increase parallel markets in the coming years. In addition to economic measures taken in 2016 and previously discussed, the government already planned new actions by early 2017.

4.2. Scenario 2: Para-pharmaceutical discounters

The para-pharmaceutical discounters have a strategy of taking market by lowering prices. This strategy is a threat to the entire sector because it jeopardizes a refuge source income for pharmacies. Indeed, pharmacies have, for many years, adopted within their structure of pharmaceutical products, cosmetics, phyto-therapeutic, dietary supplements and others. The state is not involved in the repayment of these products and therefore carries no particular pressure on either firms or on pharmacies for these products. These products have therefore allowed the pharmacies to offset sudden losses by budgetary restrictions on medications. Cosmetic type products, accessories, soaps and others are easily identifiable in the figures of a pharmacy as their VAT is 21%.

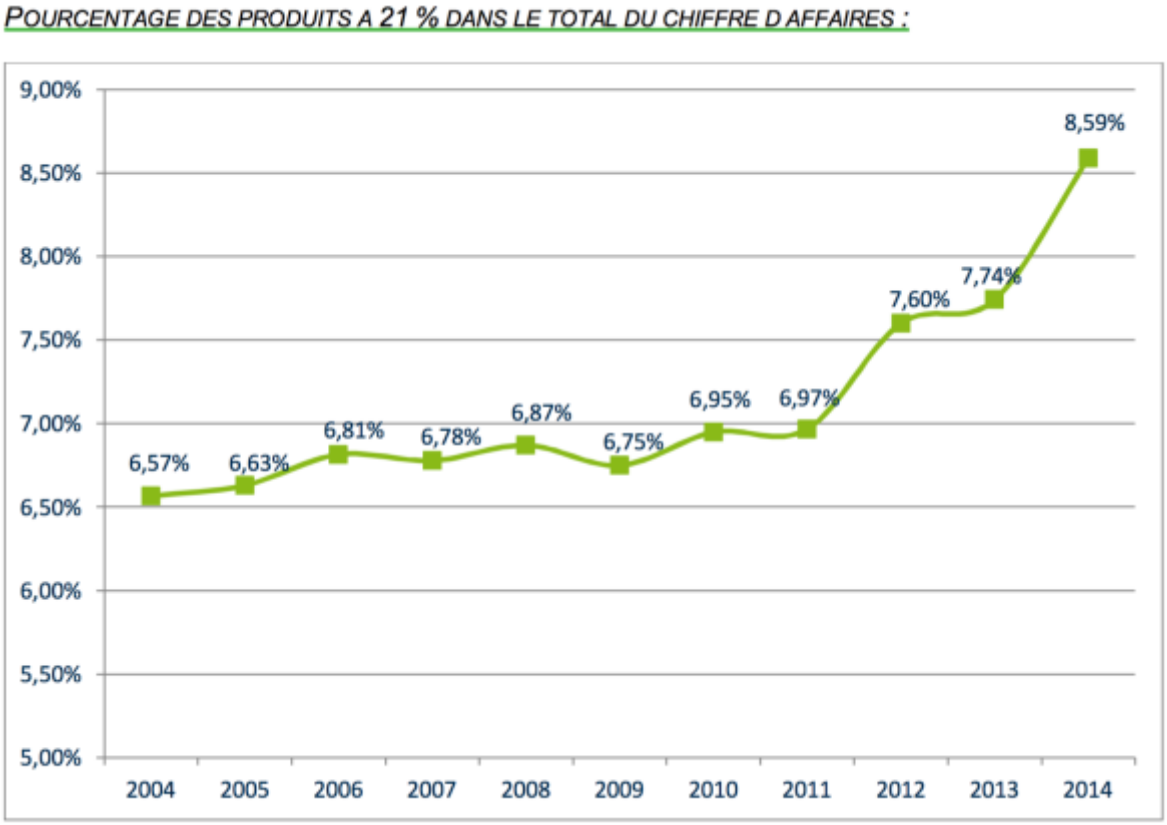


Figure 9: Percentage of revenue 21% VAT in total sales (MBM Pharma, 2015)©

The proportion of the 21% VAT products in the turnover is important, but their proportion of the margin is more. An example of product with 21% of VAT available in pharmacy is the cosmetic product. With those new competitor, the prospects of pharmacy specialized in cosmetic products are negative but there are solutions to counter this such as geographical exclusivity or achieving its own cosmetic brand. During the realization of this work I had the opportunity to meet the leaders of the medi-market© structure installed in Belgium since 2014 and Luxembourg since mid-2016. Their basic strategy is attracting customers with good prices and gain loyalty through quality advice. Their market penetration techniques are effective. However, there is no revolution in the approach taken by this group, it is only a low-cost concept. According to Porter (Porter M., 1980) there are three strategic alternatives in a competing system:

- The cheapest
- Differentiation
- Focus.

If the current strategy of the pharmacy to buy or to sell is the "low cost", the outlook is negative because of these new players. This type of trading is preferably implanted in the big cities and the threat is primarily directed to downtown pharmacies. The impact of this type of

business can be felt within 50 kilometres around the location of the discounter, without necessarily jeopardizing the viability of classical pharmacies in this area (Verougstraete, 2016).

4.3. Scenario 3: The end of the moratorium

Imagine that the moratorium stops end of 2019, the law on the distribution of pharmacies remains valid and it is therefore not possible to open a pharmacy "on request". Today it is already possible to buy a APB number of a dying pharmacy between 5,000 € and 30,000 € and move it to an area that is geographically or demographically in need. While in case of market opening there must be a demographic and geographic needs. The end of the moratorium will therefore not dig in the pharmacies' turnover or margins. However, from the moment when the pharmacy's owners lose security of the moratorium and that it may be possible to open a pharmacy next door to them, the pharmacy buy-out prices will decrease. This trend is particularly marked for large pharmacies because any investor will try to take some of the patient base of a large pharmacy rather than a small one. A piece of a pharmacy of five million euro's turnover is more interesting than a piece of a pharmacy that is 500,000 euros in turnover. So there is a real risk here for large pharmacies in a large demographic area. The impact of this measure will be mainly visible in the cities where the number of pharmacy is already high. The potential drop in price is estimated at twenty percent by Professor Biot (Biot, 2015). The pharmaceutical market is national, not regional, if the price of cities pharmacies decrease, the countryside will have to follow if the owners wish to successfully sell their property.

4.4. Scenario 4: Fees vs margin

Initiated by the Belgian pharmaceutical association and in collaboration with the office of the minister of health, pharmacies gradually leave their distribution model to approach the care provider. This transfer is necessary for the sector because the state no longer accepts to pay 573 million euro per year for a "distribution network". Added value to the issuance and patient follow-up can justify this amount. The latest report from the IMS health (IMS Institute for Healthcare Informatics, 2016) shows that € 400 million could be saved by improving adherence, therapeutic monitoring and management of adverse events (L'avenir du secteur pharmaceutique belge, 2015; Chaspierre, 2015). As discussed above, this transition in the mode of remuneration is unfortunately a growing problem for small pharmacies but necessary

to guarantee the future of the profession. Care services such as taking the blood pressure of patient, taking of blood glucose, weight control or the analysis of compliance with electronic day planners will develop in the coming years and we must invest in pharmacies that can move in this direction.

4.5. Scenario 5: The wholesalers' refund

The discounts granted by pharmaceutical wholesalers to pharmacies are between 2.5 and 4.5%. This discount has been reduced by 0.5% in early 2016 following a government decision which reduced the margin of pharmaceutical wholesalers. This reduction in wholesaler margin, has a direct effect on the pharmacists and shows the direct impact that wholesalers and government have on the profitability of a pharmacy. The following table also shows the evolution of the discount granted by the wholesalers on the basis of turnover. The discount is not directly proportional to turnover. The large pharmacies can often afford to work with many wholesalers to be delivered more frequently and to have access to more referrals. The most common drugs are often ordered directly from laboratories to obtain greater discounts.

EVOLUTION DES CONDITIONS GROSSISTES PAR STRATE DE CHIFFRE D AFFAIRES

Tranche C.A. HTVA	2013	%	2014	%	Evolution	Evolution du pourcentage
< 500 k	8.772	3,14%	7.072	2,93%	-6,73%	-0,21%
de 500 à 1.000 k	19.107	3,49%	20.520	3,85%	10,22%	0,36%
de 1.000 à 1.500 k	34.332	3,82%	38.214	4,25%	11,34%	0,43%
> 1.500 k	53.507	3,66%	56.428	3,90%	6,40%	0,23%
Moyenne	28.246	3,64%	30.307	3,96%	9,00%	0,33%

Figure 10: Evolution of wholesaler discounts per slice of turnover (MBM Pharma, 2015)©

5. Methodological justification

In this work, we do not limit ourselves to explaining the public pharmacy market situation, but we also try to anticipate its evolution. To do this it was necessary to complete an analysis and propose several scenarios. The choice of macroeconomic analysis tool has been made taking into account the purpose of work. The Pestel is a tool that is not content to present and categorize knowledge but it also calls for the exploration aspect that does not seem related to the market. For example, the ecological impact was not included in my first non Pestel analysis. Although the impact is not observable today, it might be the case in the coming years. The Pestel also brings a nuance between political and the legal factors. These two factors are very important in the pharmaceutical market and it is good to investigate them separately. The approach used in this work was inspired by the Exploring strategy (Johnson, 2014). In addition to this macro analysis, an analysis of the forces exerted on the market was necessary to show the risk. The use of Porter's 5 strength was adequate for this type of analysis, but it was necessary to use the 6th as its importance is big in this sector (Magretta, 2011).

There are many reference books that deals with the performance of pharmaceutical industry, however, few of them are specialized in public pharmacy and even less are addressing to the Belgian public pharmacy field. That's why we decided to share our experience and the one of key players in this market that are the players that we quote in this work.

6. Opportunity analysis

6.1. Introduction

The practical part of this work aims to challenge the assumptions made and demonstrate trends discussed in the first part. To do this we will use a method and a set of data as described below.

6.2. Methodology

The financial data to perform analysis were provided by Pharmalex©; limited company specialized in pharmacy accounting. Fifty anonymised income statement and balance sheet have been shared and synthesized by myself in three financial plan according to their turnover. The first plan for small pharmacies with a turnover of less than € 800.000. The second group is medium-sized pharmacies with a turnover between € 800.000 and € 1.300.000. And the last group concerns Pharmacy over 1.3 million. These pharmacies' detailed data were placed in parallel with the average sector performance (MBM Pharma, 2015) achieved by the company MBM pharma©, also specialized in pharmaceutical accounting sector. Each of these plans will be stress tested in order to quantify the degree of exposure of each group and their ability to repay their creditor in the case of a buy-out. Any investment requires a minimum contribution. In this work we chose to represent this contribution as a four months waiting period for the loan. In our examples the buyer possesses the business on September 1st but only start to pay off at 1st January of the following year. The goal is to show a cash contribution before the start of the loan proportional to each type of pharmacy. This practice is not common because it requires the agreement of the three parties (bank, contractor and owner) but it has the advantage of being proportional to the purchase. The aim of this practical work is to demonstrate the ability or inability of a potential buyer to borrow safely. The purchase price of a pharmacy according to its turnover is based on a presentation of the accountant Guy Bernard realized in 2012 on the topic of pharmacies buy-outs (Bernard, 2012).

6.3. Small pharmacy

The first practical case concerns small pharmacies. The future of this type of pharmacy is uncertain and the margin is low compared to the bigger pharmacies. Because of these two reasons the resale prices are reasonable. The percentage of the turnover is often taken as a

reference to set the price of a pharmacy because of market stability and lack of inter dispensary variability. However, a small pharmacy can be specialized in a particular field and generate better margins than the average. In this case the following general picture can obviously be modified considerably.

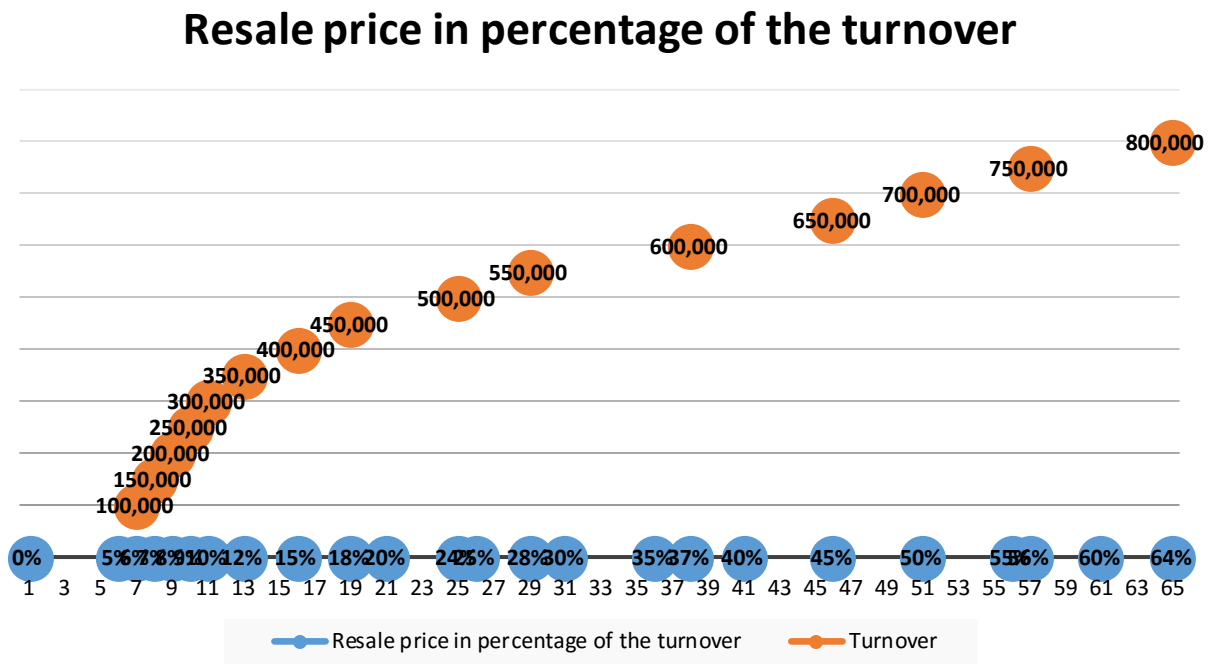


Figure 11: Resale price of small pharmacies in percentage of the turnover (Bernard, 2012)

In the table above (Figure 11), if we look at a turnover of € 550,000 the resale price is 28% of turnover or € 154,000. The pharmacy below € 500,000 will frequently have no other staff than the pharmacist. This type of business is cheap for a pharmacy but does not bring much to investors, many of them are available on the market but cannot find a buyer. Buyers are often pharmacists who wish to become their own boss cheaply or investor wishing to move the pharmacy in another area. The business plan developed for small pharmacies is the one of a € 660,000 in turnover pharmacy with a pharmacist manager and a full-time assistant. The detailed business plan for each type of business is appended but we will take the fundamental information within each paragraph.

The first point of view that we will consider is a takeover of the full goodwill by a non-pharmacist investor. The building is taken in rent and is not bought at the same time as the goodwill. This scenario is ordinary because it allows the seller to sell a building after, at its highest price and the buyer does not have to borrow a too large amount. The price of business buy-out is set according to the resale price suggested earlier. The sale's price is 45% of €

660.000 or € 297.000. The usual duration of the loan for the repayment of a pharmacy to the bank is 10 years. For all our financial plans we have chosen to start repaying the loan from the bank after 4 months of activity. For each category of pharmacy, we will synthesize the results as a cash flow statement and a cumulated free cash flow curve or J-curve. The cumulative free cash flow is the cash flow of each year added years after years. It represents the total cash position of the pharmacy at a precise time. We will focus on the time taken for the cumulative free cash flow to reach zero, it is known as the payback period. It represents the time the investor in the project must wait to get his investment back or reach the "breaks even" (Crundwell, Finance for engineers, 2008).

Small pharmacy turnover 〈 800.000€

Projected resources and uses (€)

	2016	**2017**	**2018**	**2024**	**2025**	**2026**	**2027**
	4 months	**12 months**					
Resources	**222.000,00**	**666.000,00**	**679.320,00**	**765.024,65**	**780.325,15**	**795.931,65**	**811.850,28**
Sales	220.000,00	660.000,00	673.200,00	758.132,54	773.295,19	788.761,10	804.536,32
Other exploitation products	2.000,00	6.000,00	6.120,00	6.892,11	7.029,96	7.170,56	7.313,97
Employment	**218.533,50**	**932.360,46**	**647.558,73**	**729.528,88**	**744.318,45**	**759.397,03**	**774.783,94**
Purchases of goods	157.000,00	475.000,00	484.500,00	545.625,69	556.538,21	567.668,97	579.022,35
Services	50.286,00	124.674,70	127.148,19	141.719,87	144.554,27	147.439,29	150.388,08
Wage costs and social costs	10.500,00	32.160,00	32.803,20	36.941,73	37.680,57	38.434,18	39.202,86
Other operating expenses	497,50	1.347,50	1.367,50	1.499,19	1.522,16	1.546,59	1.570,49
Financial expenses	250,00	1.000,00	1.020,00	1.148,69	1.171,66	1.195,09	1.218,99
Investments							
Background of trade		297.000,00					
Taxes		1.178,26	719,84	2.593,72	2.851,59	3.112,90	3.381,16
Postponement		*3.466,50*	*-262.893,96*	*-61.461,24*	*-25.965,46*	*10.041,24*	*46.575,86*
Cash balance	3.466,50	-262.893,96	-231.132,70	-25.965,46	10.041,24	46.575,86	83.642,20

Figure 12: Table of projected resources and uses small pharmacy (€)

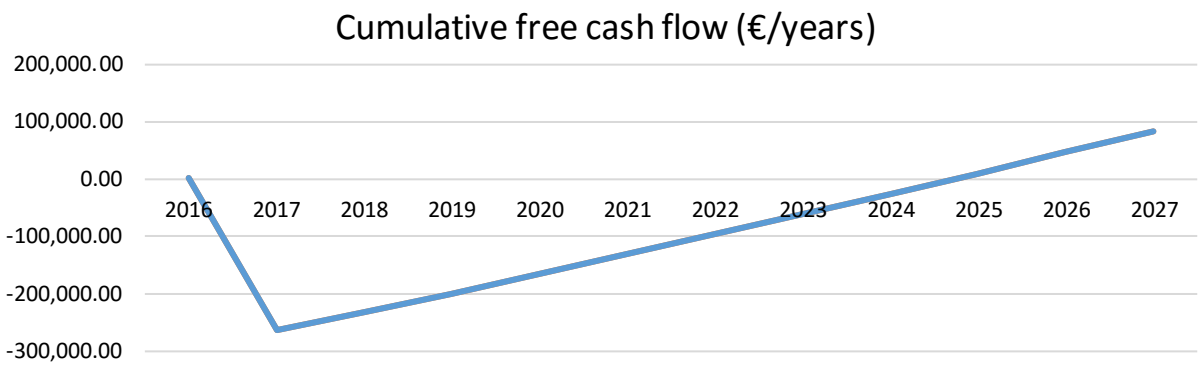


Figure 13: Projected cumulative free cash flow of a non-pharmacist entrepreneur (€/years)

If everything goes well and according to our financial plan the net income after tax is between 1300€ and 6600€ during the ten years of debt repayment. After the ten years of refund, the net income after tax increases to € 27,000. In view of the low margin of safety during the first ten years and the dependence of the success of the project "repose on" the pharmacist the business seems risky. We understand quickly why this type of business is primarily intended for pharmacist entrepreneur who both trust in their management capacity but can also play on their wages to enlarge security margin. So we will consider that this small pharmacy will be bought out by a pharmacist and not a simple business man. We will also decrease the financial expense to € 40,000 annual instead of € 65,000 generally accepted for an employee pharmacist. Considering this scenario, the flexibility is more important and business plan is more credible for the bank.

Net income after tax (€/years)	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**
Classic entrepreneur	1398	1836	2269	3599	4068	4549	5037	5538	6045	6566	26699
Pharmacist entrepreneur	15128	15840	16554	18170	18930	19709	20499	21309	22132	22975	43436

Figure 14: Table of comparison between the two type of entrepreneur

The acquisition of a small pharmacy by a pharmacist rather than by another entrepreneur somewhat looks like an embellishment of the situation but it is only a desire to be closer to the market reality. Indeed, as reported earlier pharmaceutical groups have an average turnover of € 1.4 million. Knowing that pharmacies of over € 1.5 million represents only 18% of the

market, the group's mean turnover is not reached by buying the small pharmacy of less than 800,000 €.

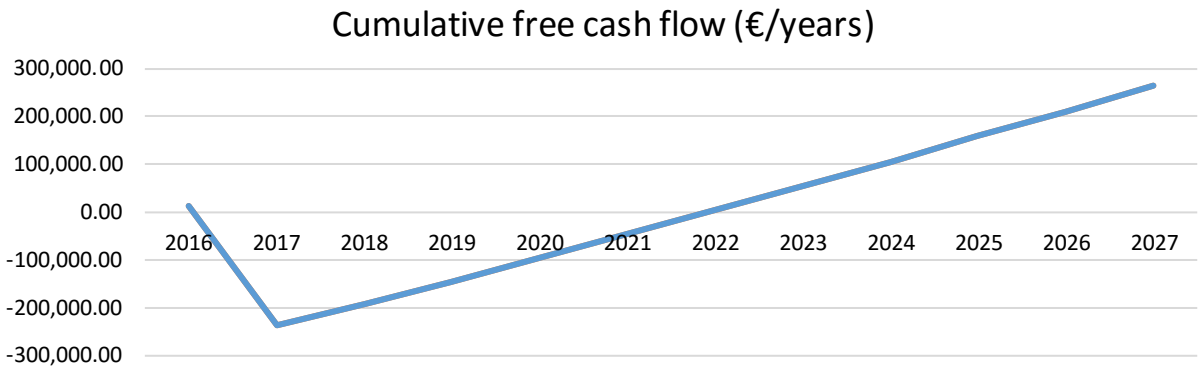


Figure 15: Projected cumulative free cash flow of a pharmacist entrepreneur (€/years)

If the contractor is a pharmacist, fixed costs are less important and therefore the need of funding could be less important or the repayment of the loan can be easier. Following this option, we will test the strength of this model considering a pharmacist manager. The result of each test will be synthetically transcribed in the form of a cumulative free cash flow or J-curve. The J-curve is an analysis and decision tool to gauge the impact of both short and long term effects of variable change.

6.3.1. Stress test scenario 1: Price drop

The price reduction applies only to products reimbursed by the health insurance. In the case of the small pharmacies, these products represent € 350,000 out of the turnover of € 670,000. Considering that the patent cliff in April 2016 (Straetmans, 2015) led to a decrease in gross margin of 0.4% and knowing that the average margin of this type of business is 27% (MBM Pharma, 2015) we will simulated the event by reducing the turnover of 1.48% per year. In our financial plan we simulate an inflation of 2%. In this situation, we will reduce the turnover inflation to 0.52%. The revenue outlook on a 10 years' basis passes from € 811,000 to € 702,000 in 2027. Based on this assumption we find a deficit in the year 2020 and a likely inability to pay the debts as of the year 2021.

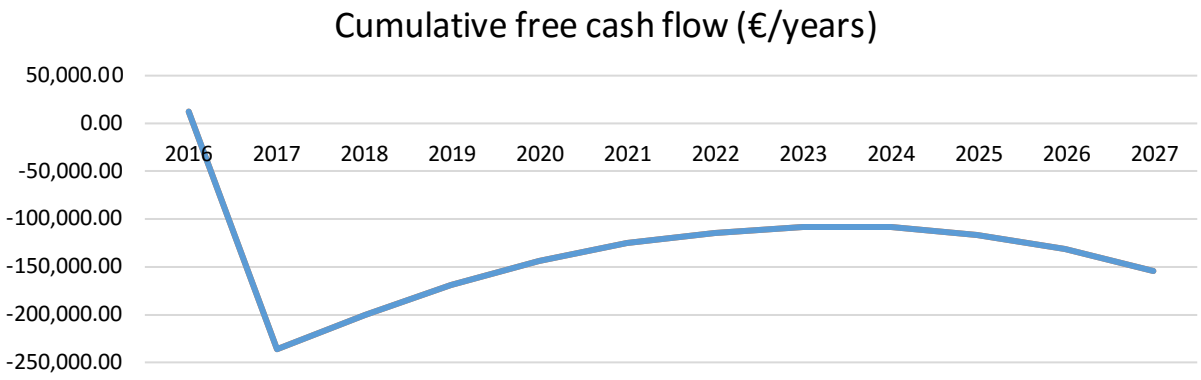


Figure 16: Projected cumulative free cash flow if the prices continue to decline

This type of small sized pharmacy is not currently in a position of strength and if it does not grow in the coming years, its future is uncertain. The likelihood of this scenario is low because the government is not likely to make as important fiscal effort on the pharmaceutical care each year but this trend of price reduction must be taken into consideration in a global model.

6.3.2. Stress test scenario 2: Para-pharmaceutical discounters

The current success of the discounter is mainly based on para-pharmaceutical products. When there is a real health problem and the patient needs healing medication he will still prefers to visit his local pharmacy. However, para-pharmaceutical products have better margins than drugs and if the client buys them from the discounter he can undermine a pharmacy resale. The scenario that we will consider is the opening of one of these discounters two years after taking over a pharmacy. In view of the turnover, we will consider the pharmacy is not located in the city centre so we assume that the discounter opens twenty kilometres from the concerned pharmacy concerned. The discounter has no interest in hiding the fact that they will locate in certain regions, it is free advertising for them. Therefore, it is helpful to check with field professional to see if the coveted pharmacy represents a risk or not to be in competition with a discounter. The impact of a discounter on this pharmacy will be reflected in a 20% loss in sales of para-pharmaceutical products. As mentioned previously this type of product is partly identifiable by its VAT rate of 21% while the drugs have a VAT of only 6%. However, we should be cautious as some dietary supplements are available in both types of points of sale and also benefits from a 21% VAT. In the case of our pharmacy the 21% VAT sales represented 4% but the sector average being 8% we will consider both scenarios. The profit margin of these products being more important than medication and the impact not being

limited to products with 21% VAT, we will also multiply the loss in revenue by a factor of 1.5. Regarding these information, we reduce the turnover by 0,012 (0,2*0,04*1,5) or by 0,024 (0,2*0,08*1,5) at year 2019.

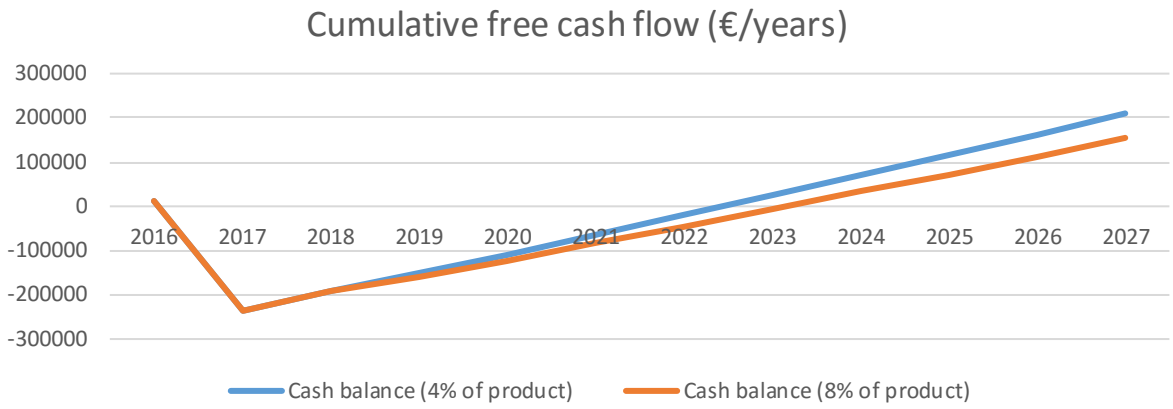


Figure 17: Projected cumulative free cash flow if para-pharmaceutical discounter appears

The impact of this new competitor in the small pharmacy is low but it seems reasonable to leave a pharmacist at the head of this company. These data should be changed according to the proportion of para-pharmaceutical products while also according to the proximity of the discounter.

6.3.3. Stress test scenario 3: the end of the moratorium

The end of the moratorium will not affect the turnover of a pharmacy nor its profitability. If the moratorium ends in December 2019, it will decreased the purchase price of pharmacies by an estimated twenty percent according to professor Biot of the UCL (Biot, 2015). This reduction of the purchase price is a blessing for the buyer of 2020 but represents a barrier for actual potential buyers. Today's Pharmacy buyer hopes to sell their pharmacy one day at a price close to the one at which they bought. Perhaps even make a profit, earned in view of market risks. Here we will compare two buyers, one from early 2017 and one from 2020. Today's buyer buys a product consciously, while the one who will buy in 2020 assumes an end moratorium without guarantee. The decrease in prices and its proportion is not guaranteed either. Is that the 20% reduction on the purchase price worth waiting 3 years or is it better to buy and start to repay as soon as possible?

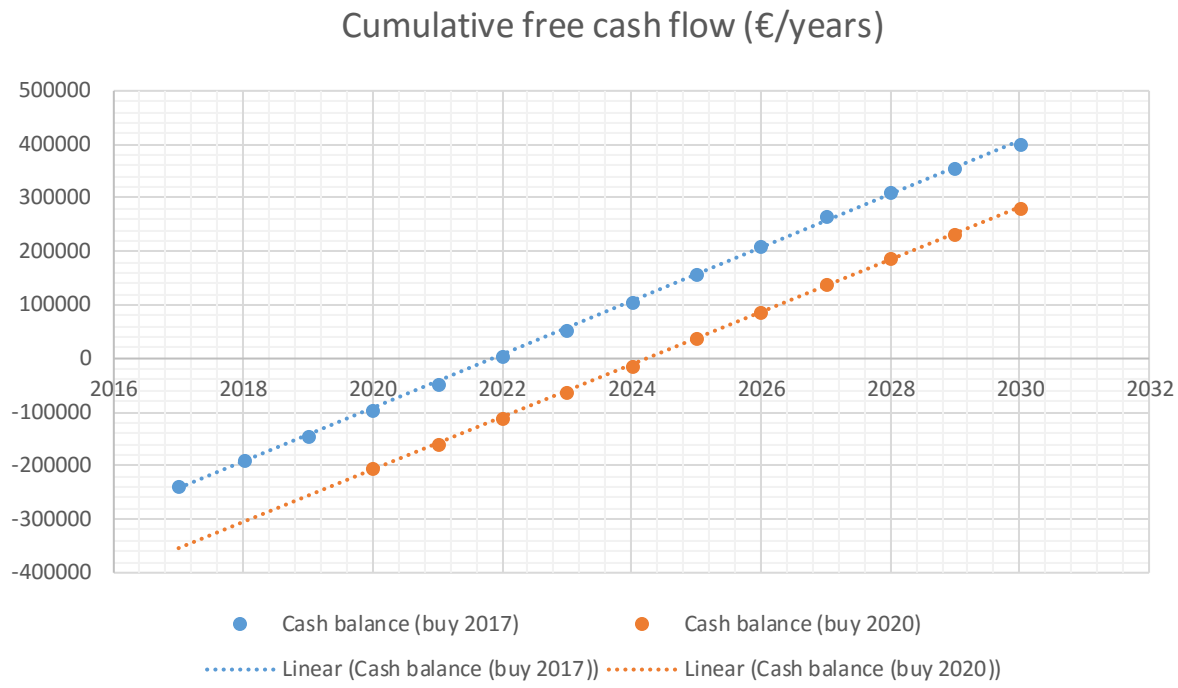


Figure 18: Projected cumulative free cash flow for the same business at separate times

Buyer of 2020 takes less financial risk and must wait 28 months more than the 2017's buyer to get a positive cumulative free cash flow. However, regarding the risks of the market, undergoing a purchase in 2017 remains an option. The calculations should be repeated for the years 2018 and 2019. The ideal solution for the today's small size pharmacy's buyer is to negotiate the purchase price down. The pharmacy's owner must be aware that they could lose value in 2020.

6.3.4. Stress test scenario 4: Fees vs margin

As mentioned earlier in the case of the small pharmacy, half of the revenue comes from the Belgian Income sick insurance (INAMI) and these incomes will be gradually transformed from the margin model to a fees model. The problem with this model is the time needed to pick up the fees which arises especially in the case of the small pharmacy. Today, 2,5% of the turnover is threat, the time required to advise the patient about his treatment following the procedure that qualifies for the fee is too high. Procedures are established in order to improve the quality of care and pharmaceutical associations want this type of procedure widens to more and more product to ensure the margin (Chaspierre, 2015). The growth of this compensation model is consequent. Six years ago, it did not exist. For the development of our business plan we are going to propose a doubling every two years. We consider that small structures are not able to fetch the half of time-consuming fees or 1.25% of INAMI's turnover

in the first year.

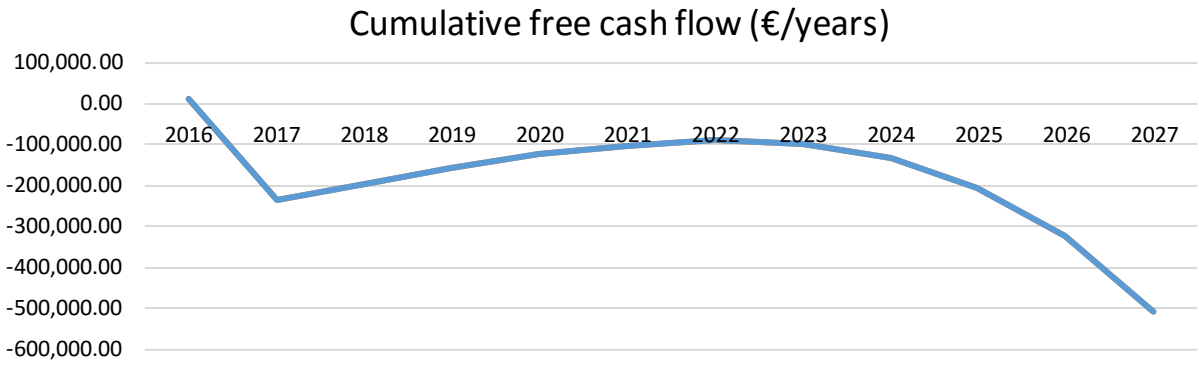


Figure 19: Projected cumulative free cash flow in the case of a substantial growth of time-consuming fee

According to this model in 2027, it is fifty percent of the INAMI turnover that requires significant attention and half of it is unreachable by small pharmacies. This is a very pessimistic model because most of the pharmacists are already doing the necessary work to get the fee simply by the good practice of pharmaceutical care but this is not the case for all. A small pharmacy buyer must ensure the quality of care set up in the coveted pharmacy.

6.3.5. Stress test scenario 5: the wholesalers' refund

Today the average discount wholesaler is between 2 and 4,5% depending on the size of the pharmacy and negotiation capacity of the stakeholders. No pharmacy realizes all of its purchases via the wholesaler, but again it may vary from 40 to 90%. In the case of a small business, it is not always easy to attract all the pharmaceutical firm and sometimes even harder to achieve the required amounts to rebates. For the little pharmacy selected we will consider that half of the rebate is got through its purchases from its wholesaler. We will reduce the discount of 10% per year as it was the case in 2016 for a part of the pharmacies following the tax that affected wholesalers.

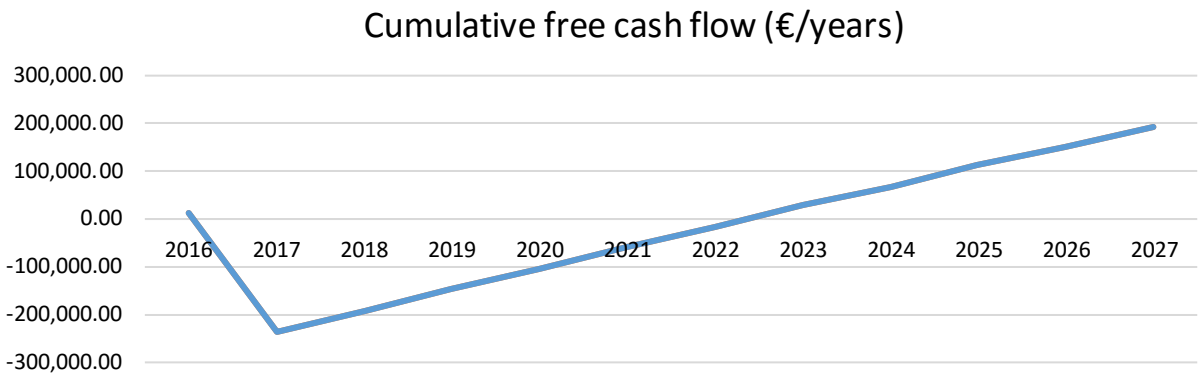


Figure 20: Projected cumulative free cash flow in the case of progressive decline of the wholesale discount

The analysis of this scenario shows the pharmacy's independence in relation to the wholesaler and the little impact of their discount on the profitability of a pharmacy. However, it is important not to come to a wholesaler monopoly and conserve a system with multiple stakeholders to ensure quality of service.

6.4. Medium pharmacy

Midsize pharmacies are the most common of the Belgian market. In 2014, based on a sample of 174 pharmacies, the pharmacy with a turnover from 500.000 € to 1 million euros represented 48.28% and the one from 1 to 1.5 million 26.44%. Or a 74.72% for both categories (MBM Pharma, 2015). As part of this work we define midsize pharmacies with a turnover between € 800,000 and € 1.3 million. We consider that from € 800,000 there may be the potential and the closing risk is thus lower. Till 1.3 million we are not in the category of large pharmacies that the groups want to buy at any price.

The financial plan was established based on a pharmacy with a turnover of 1,08 million €. In achieving this we note that costs such as the accounting costs, water, gas, electricity, labelling, small equipment, banking system fees, ... are identical to those of smaller pharmacy. Only staff costs, medical prescription handling, social secretary and drug purchase are more important. As in the case of the small pharmacy, we will build our first financial plan with at the head of the pharmacy a manager who is not a pharmacist. The equivalent of two full time are working in this pharmacy adding up twice € 70,000 (1 full-time main pharmacist € 70,000, a pharmacist replacing halftime 35,000€ and a full-time pharmaceutical assistant 35.000€). There is of course an enormous variation between pharmacies depending on the type of company car, the age of the pharmacist and his desire for a comfortable pension, real estate investment, ... However, here we will focus on basic needs to stick best in the reality of

a rational investor who is aware of the risk involved on the market. The pharmacy selling price is defined on the same basis as small business and respects the following table.

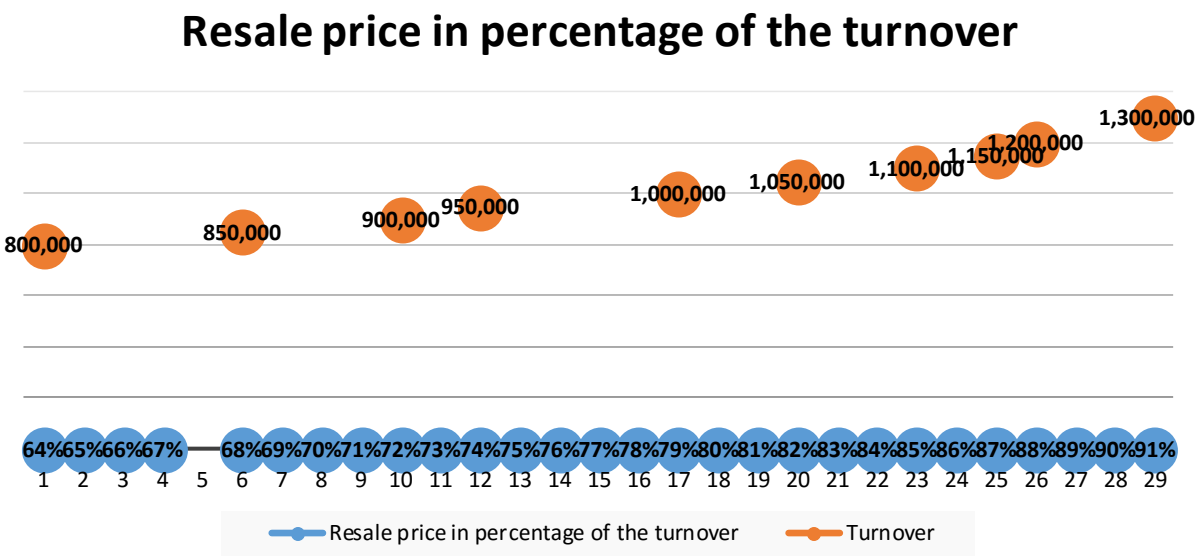


Figure 21: Resale price of medium pharmacies in percentage of the turnover (Bernard, 2012)

Given that the turnover of our midsize pharmacy is 1.08 million euro, our purchase price will be 84% of this amount or € 907 200. As explained earlier, purchase takes place on September 1st, 2016 and the loan repayment begins January 1st, 2017.

Medium pharmacy 800.000€ 〈 Turnover 〈 1.300.000€ *Table of projected resources and uses*						
	2016	**2017**	**2018**	**2022**	**2023**	**2024**
	4 months	**12 months**				
Resources	**362.666,67**	**1.088.000,00**	**1.109.760,00**	**1.201.239,91**	**1.225.264,71**	**1.249.770,01**
Turnover	355.333,33	1.066.000,00	1.087.320,00	1.176.950,14	1.200.489,14	1.224.498,92
Other exploitation products	7.333,33	22.000,00	22.440,00	24.289,78	24.775,57	25.271,08
Employment	**319.700,83**	**1.861.309,29**	**978.258,93**	**1.060.363,45**	**1.082.184,54**	**1.104.435,27**
Purchases of goods	243.926,67	731.780,00	746.768,52	808.326,26	824.492,79	840.982,64
Services	51.693,33	135.377,70	138.065,25	148.039,52	151.000,31	154.014,25
Wage costs and social costs	23.333,33	70.000,00	71.400,00	77.285,66	78.831,37	80.408,00
Other operating expenses	497,50	1.347,50	1.367,50	1.453,58	1.475,66	1.499,19
Financial expenses	250,00	1.000,00	1.020,00	1.104,08	1.126,16	1.148,69
Investments						
Background of trade		907.200,00				
Taxes		14.604,09	19.637,65	24.154,36	25.258,25	26.382,50
Postponement		*42.965,83*	*-730.343,45*	*-189.462,98*	*-48.586,52*	*94.493,65*
Cash balance	42.965,83	-730.343,45	-598.842,38	-48.586,52	94.493,65	239.828,39

Figure 22: Table of projected resources and uses of medium size pharmacy

During the ten years of debt repayment, the net income after tax is between € 38,000 and € 58,000. This leaves a margin of safety or possibly a small salary for the non-pharmacist manager.

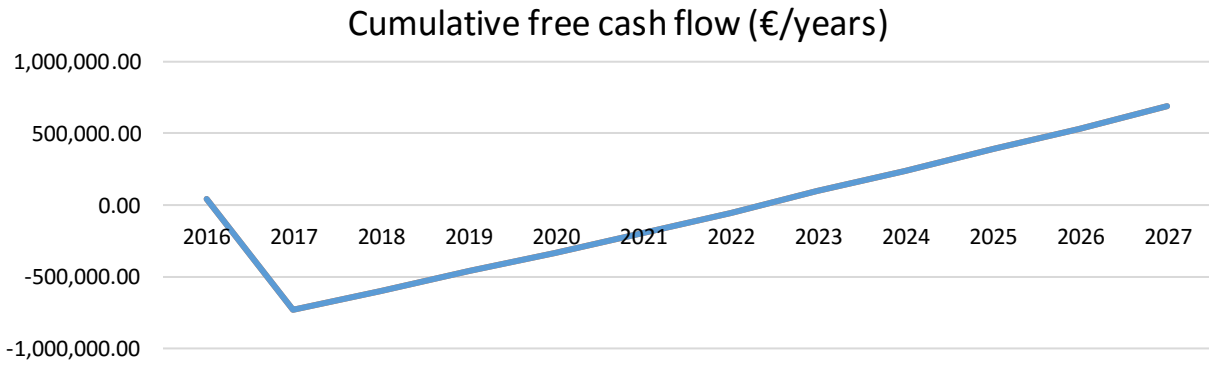


Figure 23: Projected cumulative free cash flow of a medium pharmacy resale

According to the free cash flow if profits are left in the company it is possible to repay the loan during the 2023 year.

6.4.1. Stress test scenario 1: Price drop

In the case of the medium pharmacy, the products potentially affected by the price drop represent € 507,000 out of the turnover of € 1088,000. As proposed for small pharmacies we will reduce inflation in sales at a rate of 0.52% while leaving the rest of the cost to a normal rate of 2%.

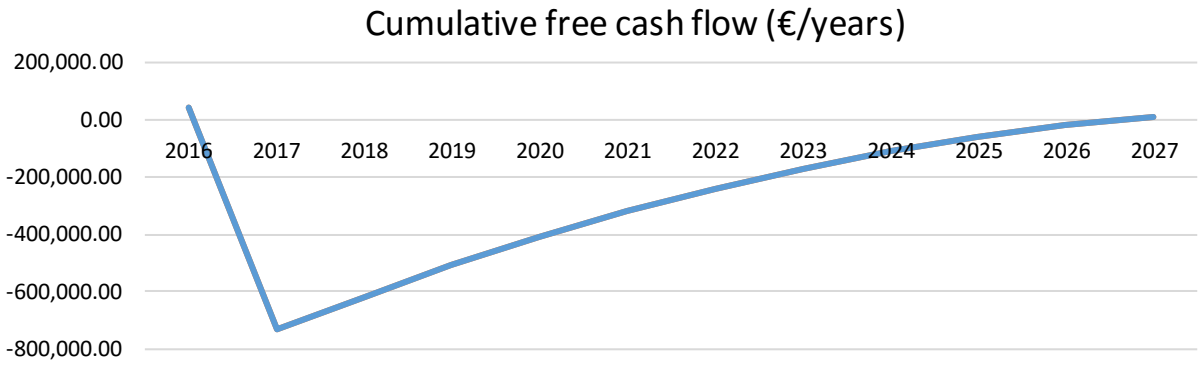


Figure 24: Projected cumulative free cash flow of a medium pharmacy with continuous price drop

The resistance of this type of pharmacy to this disaster scenario is better than for small pharmacies, however, the income statement shows the appearance of a deficit in the late 2022 and until payment of the debt end in 2026. The profitability of the pharmacy after 10 years (€3000 of net income after tax in 2027) is very low in view of the risk taken and concessions made during the first 10 years. This is a nightmare scenario and achieving a positive cash flow is already at stake.

6.4.2. Stress test scenario 2: Para-pharmaceutical discounters

A high turnover is often obtained with a good location. The pharmacy density is much higher downtown because the centres allow to capture the inhabitant of the city and workers during their lunch time or at the end of their workday. If the position is interesting for a pharmacy it is also the case for a discounter. The impact of the discounters on the medium size pharmacy is higher compared to the small size because we assume the bigger the pharmacy, is, the closer is the discounter. We previously offer a 20% lost on para-pharmaceutical products, and we will triple this percentage. We maintain the two-year time initially proposed for the arrival of the new competitor. We use the same calculation as show above with 8% of product

concern. The lost in turnover in 2019 is € 78.336 (1.088.000*0,08*1,5*0,6)

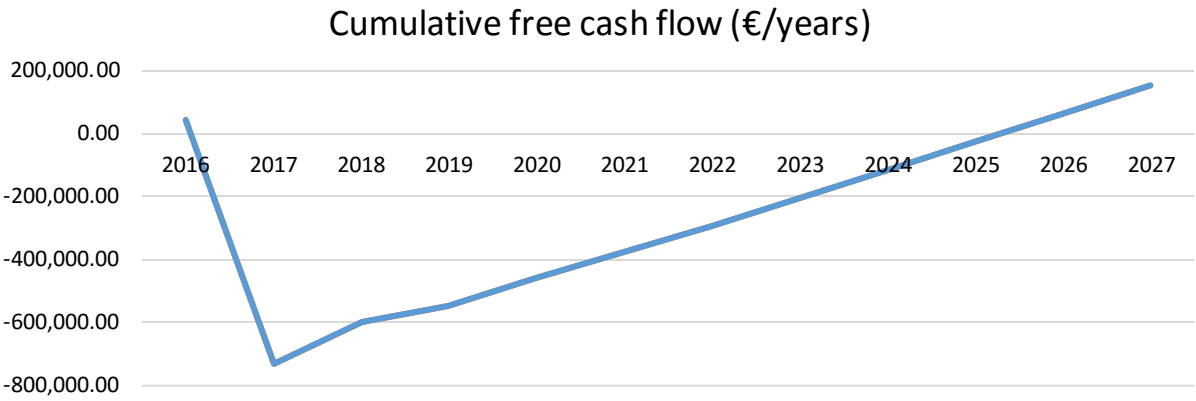


Figure 25: Projected cumulative free cash flow of a medium pharmacy near a para-pharmaceutical discounter

The appearance of this competitor undermines the business model but does not dive the pharmacy in a bankruptcy or failure of repayment. However once more the resources accumulated during the first two years are needed to compensate for years of deficit at the onset of the discounter. In 2027, after debt repayment, the net profit after tax is € 59,700.

6.4.3. Stress test scenario 3: The end of the moratorium

On the moratorium the question we will ask is the same as proposed above, should we buy it now or wait and hope for prices fall in 2020. A 20% drop in the price will take the price to €770,181 (80% of €907.200 with 2% inflation during 3years). Taking into account an inflation already reduces the buying price discount of €44.421 or 15,10% instead of 20%.

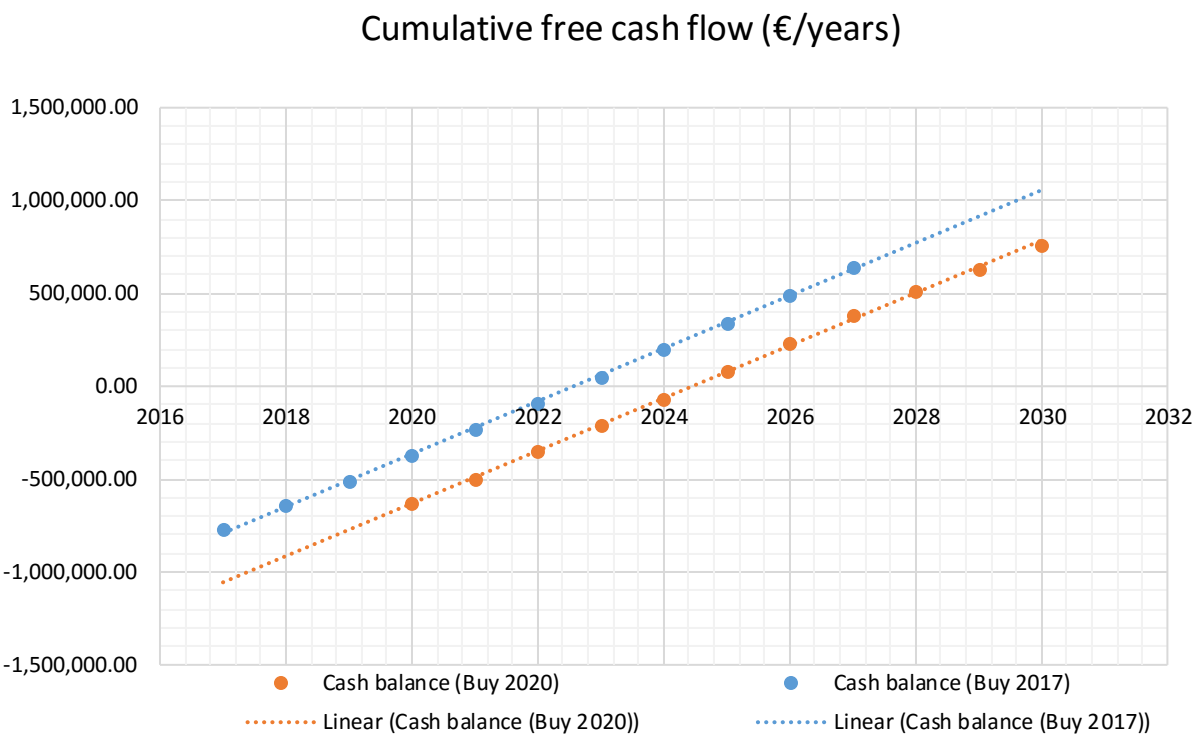


Figure 26: Projected cumulative free cash flow of the 2017 and 2018 buyers

Buyers in 2020 take less financial risks but they also have less waiting time (14 months less) than buyers in 2017 to get a positive cumulative free cash flow. It is six months less than the previous small pharmacy case. This trend shows that bigger the pharmacy is, the more interesting it is for entrepreneurs to wait until 2020. If the trend is accurate, it is also time to consider a resale for the owner of a pharmacy that were thinking about a sale in the future years. We will see in the analysis of large pharmacy if this trend continues or if it is just the case of our model.

6.4.4. Stress test scenario 4: Fees vs margin

We will consider the increase in time consuming fees from another angle in the case of a medium-sized pharmacy. We will commit an additional pharmacist to look after these fees half time during the first five year and full time after. In our business plan we will fix the half-time budget to € 35,000 and € 65,000 full-time. This type of investment was not possible in the small pharmacy case study; the manager pharmacist must reduce his salary to ensure the viability of the company.

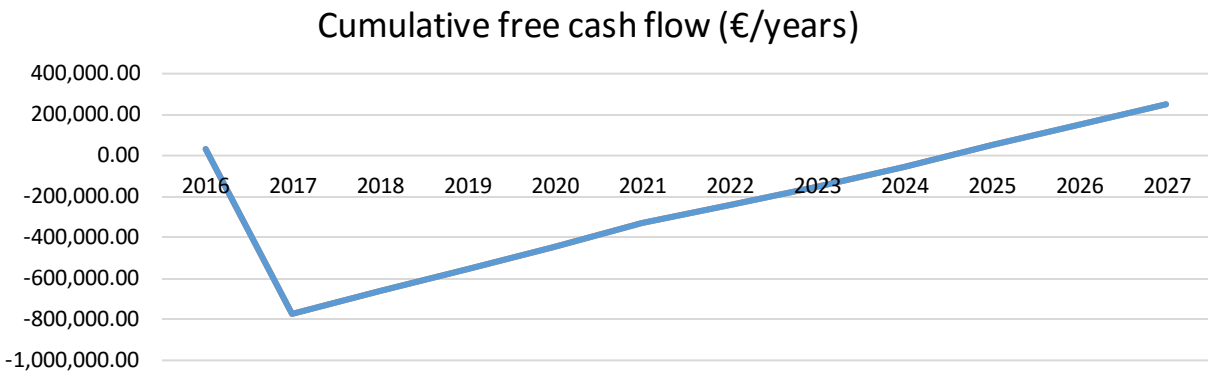


Figure 27: Projected cumulative free cash flow with the commitment of an additional pharmacist

The company remains profitable every year and the turnover can follow its normal growth. This example demonstrates once again the resilience of bigger pharmacies. The break event point is reach two years later but the company still on schedule to pay its debts.

6.4.5. Stress test scenario 5: The wholesalers' refund

The impact of wholesaler discount on small pharmacies has already been demonstrated to be low and even if the discount is greater for this type of pharmacy it is likely that the impact is equally significant. This time, we will consider that 50% of pharmacy purchases are done via the wholesalers and the wholesale discount collapses following a government decision in 2020.

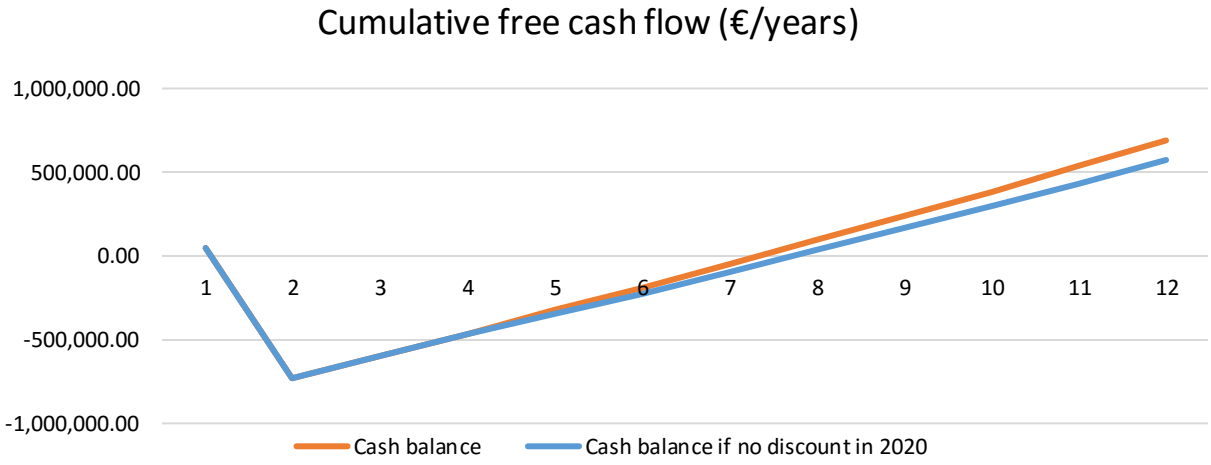


Figure 28: Projected cumulative free cash flow with the commitment of an additional pharmacist

Even by taking a drastic action like detailed above, we can observe that the viability of the pharmacy is not undermined. We would like to note that this scenario does not take into

account the reaction of the pharmacy manager at the stop of the discounts, and the changes in his purchasing behaviour.

6.5. Large pharmacy

Large pharmacies today represent a safe value for both the pharmacist and the investor. Unfortunately, these are especially coveted by the company specialized in the field. This often leads to an increase in resale price. The case that we present here is a classic buy-pharmacy as it can unroll in 80% of cases. Sales prices are based on the industry average. If further pressure is exerted by groups on pharmacy owners, we are not able to translate them into financial data.

Regarding the financial data of these companies, the services and other goods increase proportionally to the turnover. The staff expenses are doubled compared to the mid-size pharmacy. General expenses, with the exception of the manager and the building represent 3% of the turnover for this category of pharmacy. This percentage is revised upwards when the pharmacy is higher than 3 million in turnover (MBM Pharma, 2015).

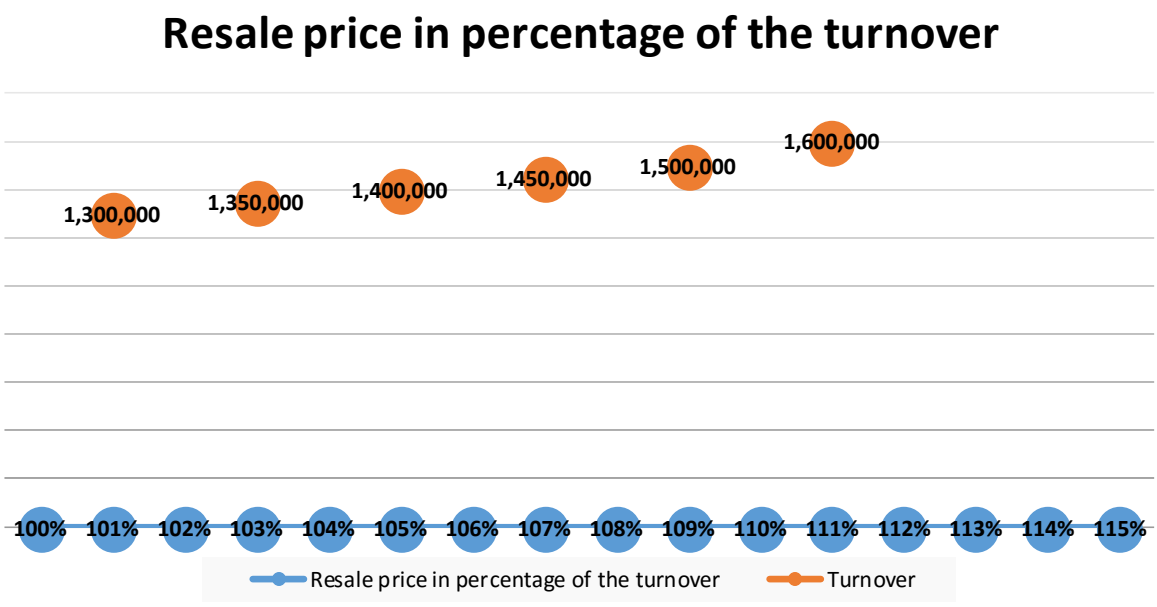


Figure 29: Resale price of large pharmacies in percentage of the turnover.

The selected pharmacy has a turnover of 1.6 million euros. Following the market trend its resale price is 111% of its turnover or €1,778,000.

Large pharmacy 1.300.000€ 〈 Turnover 〈 2.000.000€ *Table of projected resources and uses*							
	2016	**2017**	**2018**	**2024**	**2025**	**2026**	**2027**
	4 months	**12 months**					
Resources	**534.897,67**	**1.604.693,00**	**1.636.786,86**	**1.843.287,85**	**1.880.153,61**	**1.917.756,68**	**1.956.111,81**
Turnover	524.666,67	1.574.000,00	1.605.480,00	1.808.031,24	1.844.191,87	1.881.075,70	1.918.697,22
Other exploitation products	10.231,00	30.693,00	31.306,86	35.256,61	35.961,74	36.680,98	37.414,60
Employment	**476.507,83**	**3.204.672,90**	**1.441.776,48**	**1.626.774,97**	**1.660.516,24**	**1.694.925,56**	**1.730.029,83**
Purchases of goods	355.661,67	1.066.985,00	1.088.324,70	1.225.630,38	1.250.142,98	1.275.145,84	1.300.648,76
Services	66.765,33	177.493,70	181.043,57	197.142,36	201.085,20	205.100,85	209.202,86
Wage costs and social costs	53.333,33	160.000,00	163.200,00	183.789,71	187.465,50	191.214,81	195.039,11
Other operating expenses	497,50	1.347,50	1.367,50	1.499,19	1.522,16	1.546,59	1.570,49
Financial expenses	250,00	1.000,00	1.020,00	1.148,69	1.171,66	1.195,09	1.218,99
Investments							
Background of trade		1.778.000,00					
Taxes		19.846,70	6.820,71	17.564,66	19.128,74	20.722,38	22.349,61
Postponement		*58.389,83*	*-1.541.590,07*	*-310.828,14*	*-94.315,26*	*125.322,10*	*348.153,22*
Cash balance	58.389,83	-1.541.590,07	-1.346.579,69	-94.315,26	125.322,10	348.153,22	574.235,20

Figure 30: Table of projected resources and uses of large pharmacy

During the 10 years of debt repayment the net income after taxes goes from € 13,000 to € 45,000 and at the end of the 11th year, it is amounted to € 164,000.

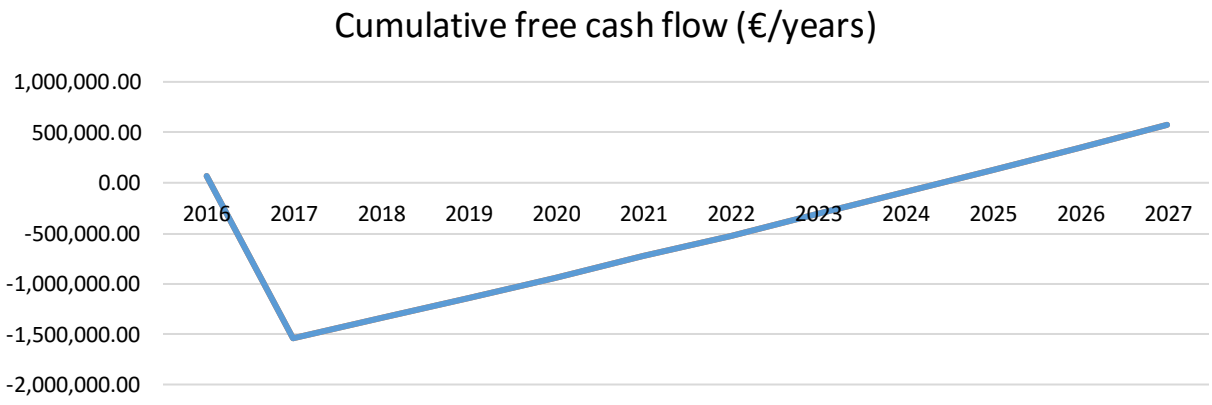


Figure 31: Projected cumulative free cash flow of a large pharmacy resale

In the case of a large pharmacy, the positive cumulative free cash flow does not come until mid 2025. That is two years longer than in the case of medium pharmacy. The low profits of the company during the first 10 years and a long time under the zero cumulative free cash flow limit are not a positive perspective. The market for this type of pharmacy is probably overstated, however regarding their size they could achieve good results at our stress tests.

6.5.1. Stress test scenario 1: Price drop

As done for previous models, if we reduce the inflation in turnover to 0.52%, the company does not manage to repay the loan and will be in deficit in less than 3 years.

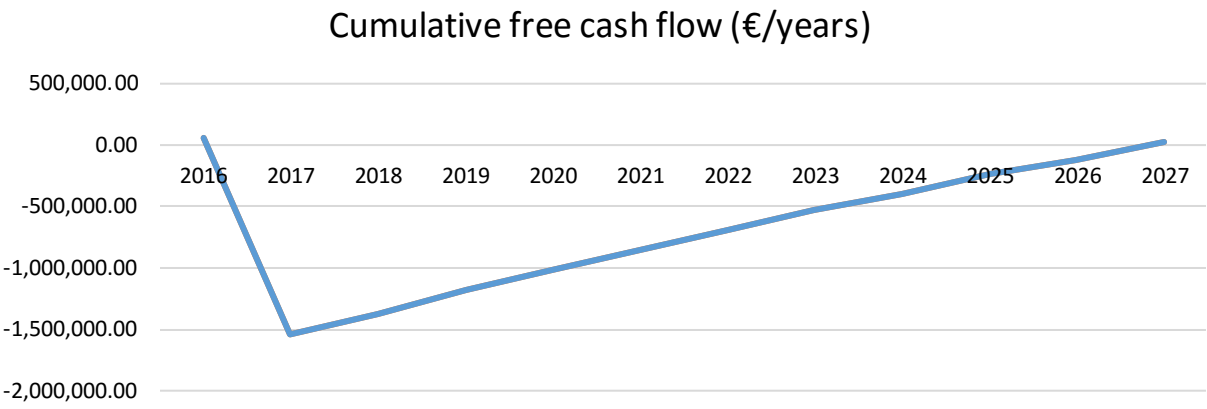


Figure 32: Projected cumulative free cash flow of a large pharmacy resale with a continuous drop price

If the price reduction is reduced to one year instead of two, the pharmacy can succeed to repay the loan, despite several years of deficit during which choices will have to be done.

6.5.2. Stress test scenario 2: Para-pharmaceutical discounters

We use the same reflection and the same impact for the arrival of a discounter than in the case of a medium pharmacy. The lost in turnover in 2019 is € 115.448 (1.604.000*0,08*1,5*0,6).

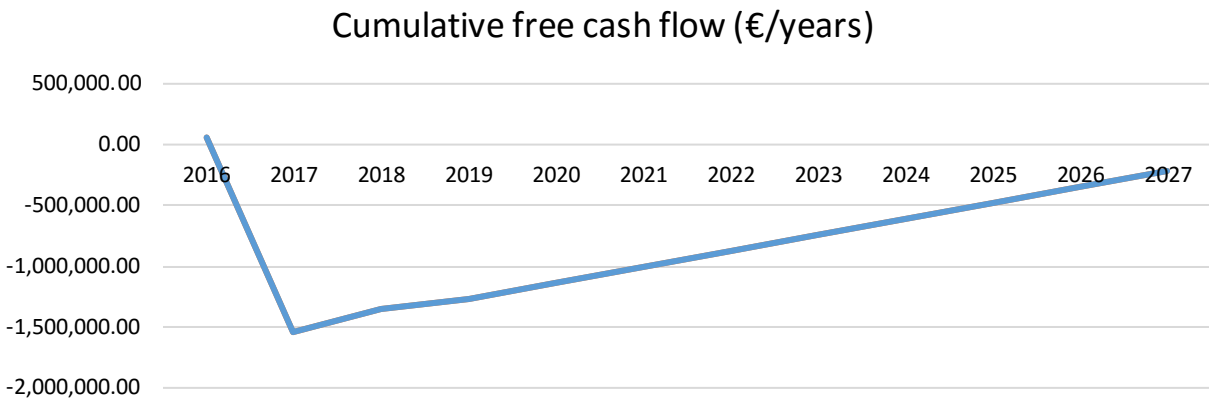


Figure 33: Projected cumulative free cash flow of a large pharmacy with the arrival of a discounter

The arrival of discounter here clearly puts the pharmacy in a risky position and forces the pharmacy to reduce its fixed costs by firing staff and / or renegotiating its loan with the bank. The long-term viability of the pharmacy is not endangered but its survival might depend on the sympathy of its creditor.

6.5.3. Stress test scenario 3: The end of the moratorium

We discussed a potential trends in the case of medium-sized pharmacies. This trend showed that larger was the pharmacy, the more interesting it was to wait 2020 to buy. This trend could be explained by the fact that we buy less a product that runs better. We will check with the large pharmacy if this opinion is confirmed.

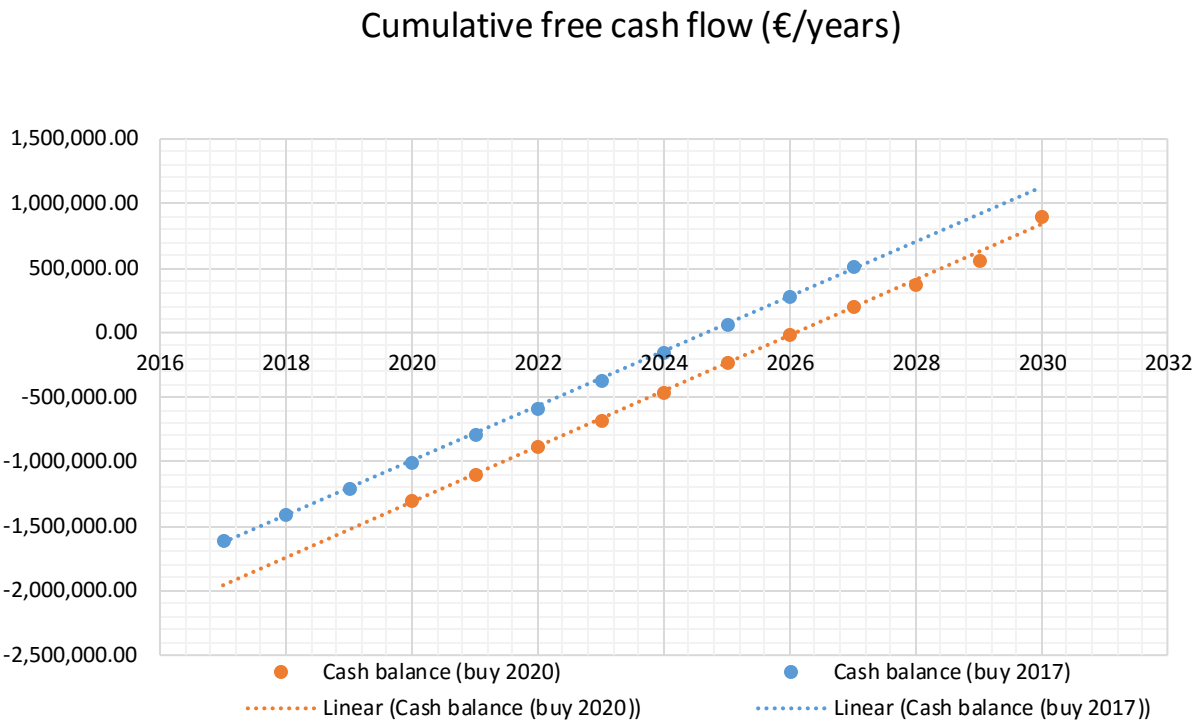


Figure 34: Projected cumulative free cash flow of a large pharmacy with a buyer in 2017 or 2020.

In the middle pharmacy case, the 2020 buyer has to wait 22 months more than the early buyer to pass the zero line of cumulative cash flow. In the case of a larger pharmacy only 18 months are needed. The trend that we assume is confirmed and it means that the bigger you want to purchase, the more you should wait and see what will happen in 2020. There is no guarantee regarding the occurrence of the event but according to the high buying price and the low marge of safety, the decision is easier to take. If you plan to resell a big size dispensary in the years to come and you do not want to sell it to a group, it is necessary to start the approach in order to get the best price.

6.5.4. Stress test scenario 4: Fees vs margin

In the case of a large pharmacy additional staff should not be a problem and will even have a smaller financial impact than the medium pharmacy. Given the size of the pharmacy we offer to set a half time for the three first years and a full-time from the fourth year.

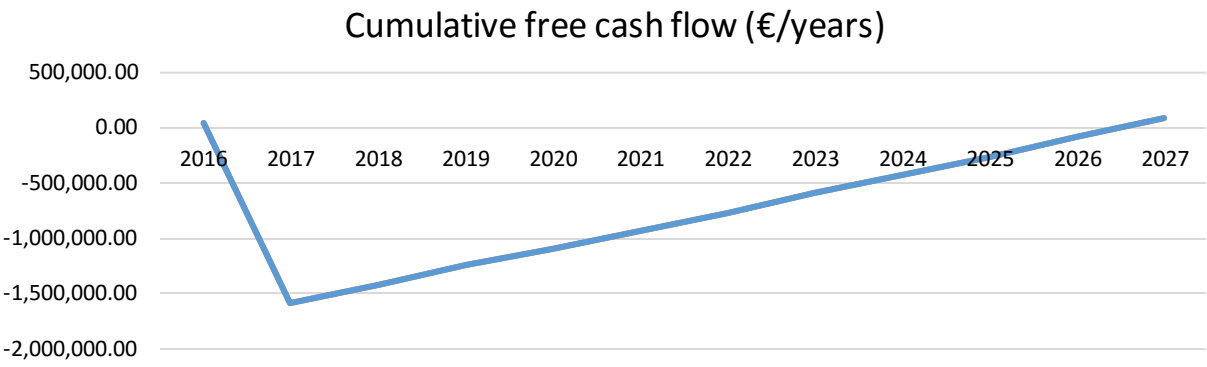


Figure 35: Projected cumulative free cash flow of a large pharmacy with a progressive extra pharmacist.

The company has a maximum € 19,000 deficit end of the 4th year and will probably reduce some of its expenses. The viability of the company does not seem engaged with a net profit after-tax of € 117 000 from the 11th year.

6.5.5. Stress test scenario 5: The wholesalers' refund

We take the same scenario as the one selected for medium sized pharmacies and measure the impact of wholesalers discounts on large pharmacies.

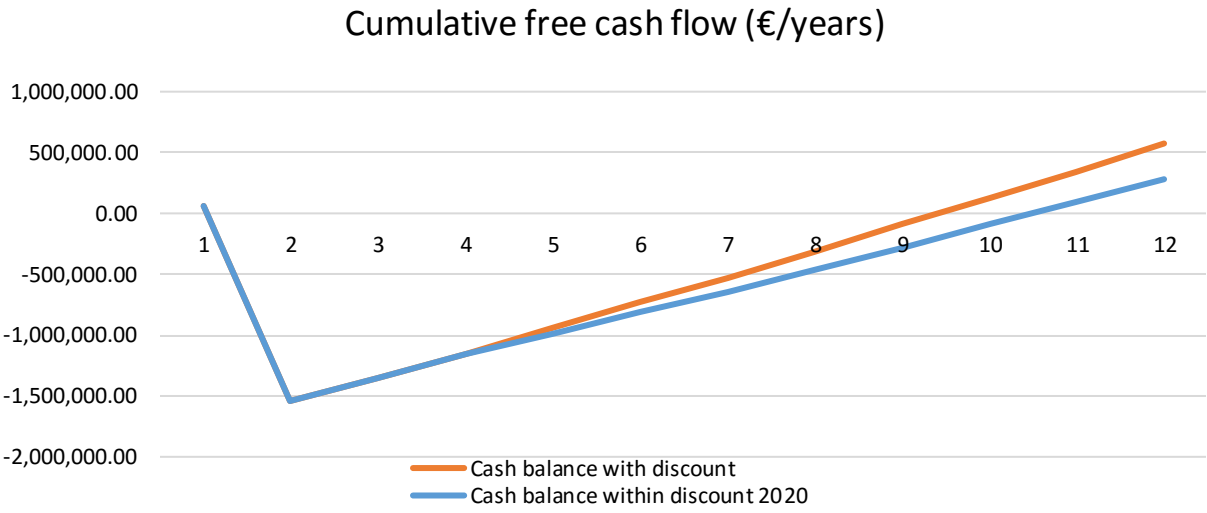


Figure 36: Projected cumulative free cash flow of a large pharmacy with and without the wholesaler discount in 2020.

The situation is more serious than the one of medium pharmacy but the company remains profitable with the exception of the year of the measure. In view of the low probability of such an event, an owner of a large pharmacy should not focus on this risk.

7. Conclusion

During the realization of this work we were confronted with many ideas made on the public pharmaceutical sector. The first of these ideas was that the pharmacy is a sure value and the second idea was that the price of pharmacies is overvalued. Both generalities cannot be accepted in view of the differences of risks in each type of investment. The small pharmacy is not a sure value because stress resistance is low and its future is uncertain. The medium-sized pharmacy may not be overvalued in view of reasonable deadlines for achieving a positive cash flow and stress resistance is the best of the three categories of pharmacy. Large pharmacies are overvalued and presents a risk for the investor who does not have enough liquidity.

7.1. Small pharmacy

The small pharmacy group has an average of 40 pharmacies that closed a year, which represents the ultimate risk group. This type of pharmacy, which is hardly re-saleable, must be carefully selected based on their potential and profitability. Today's pharmacies under € 500,000 are the tomorrow's under € 700,000 pharmacies.

These small pharmacies, however, have a future if they are selected based on pertinent choice such as specialization or relocation nearby. The investor who wants to embark on the acquisition of this type of business must take great care and not fall into the traps that are:

- neighbour physician nearing retirement
- delivery to a nursing home
- road work scheduled in front of pharmacy
- pharmaceutical surrounding density, ...

Because the resistance of these small pharmacies is low and despite their low purchase price, a little problem may be enough for them to get in troubles.

7.2. Medium pharmacy

On the basis of the parameters that we have selected, midsize pharmacies are the ones with a better stress test resistance. This still represents a value and may in the medium term generate sufficient income to support a manager. If the contractor is pharmacist and exercises in the pharmacy, the margin of safety is further improved and this type of pharmacy should easily find a potential purchaser. This type of pharmacy is usually made up of a team of 2 to 4

people and it is necessary for the investor to ensure the quality of these people because it is them who will allow investment to be realized or not.

7.3. Large pharmacy

The large pharmacy's business has a guaranteed future and represents a safe value but will not be profitable before a dozen years in view of their excessively high purchase price. This type of purchase can be intended for investors that have the liquidity to cover potential losses in the early years and wishing to diversify their portfolios. This type of pharmacy is not restricted to the pharmaceutical groups but many pharmacists are in a difficult financial situation following the purchase of a large pharmacy. Regardless of the type of investor you are, you must be well surrounded by industry experts if you want to undertake this type of purchase.

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Petite officine CA 〈 800.000€

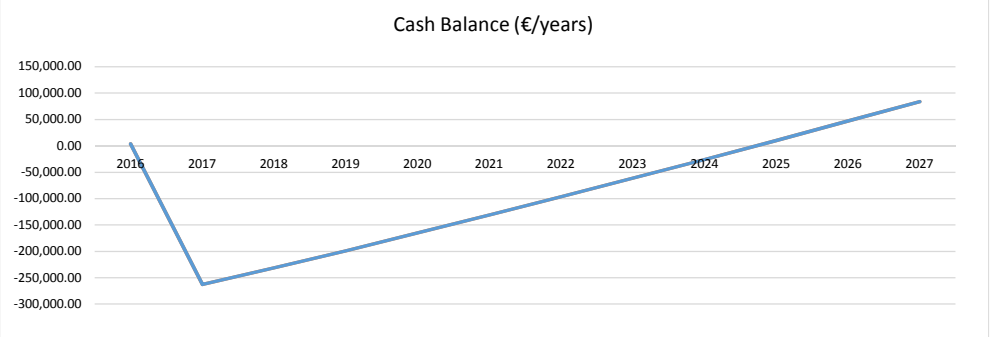
Compte de résultat prévisionnel

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	4 mois	12 mois										
I. Ventes et prestations	**222,000.00**	**666,000.00**	**679,320.00**	**692,906.40**	**706,764.53**	**720,899.82**	**735,317.81**	**750,024.17**	**765,024.65**	**780,325.15**	**795,931.65**	**811,850.28**
A. Chiffre d'affaires	220,000.00	660,000.00	673,200.00	686,664.00	700,397.28	714,405.23	728,693.33	743,267.20	758,132.54	773,295.19	788,761.10	804,536.32
D. Autres produits d'exploitation	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
II. Coût des ventes et prestations	**218,283.50**	**662,882.20**	**675,518.89**	**688,428.32**	**700,250.64**	**713,654.68**	**727,321.74**	**741,267.19**	**755,486.48**	**769,995.20**	**784,789.03**	**770,183.78**
A. Approvisionnements et marchandises	**157,000.00**	**475,000.00**	**484,500.00**	**494,190.00**	**504,073.80**	**514,155.28**	**524,438.38**	**534,927.15**	**545,625.69**	**556,538.21**	**567,668.97**	**579,022.35**
1. Achats	157,000.00	472,000.00	481,440.00	491,068.80	500,890.18	510,907.98	521,126.14	531,548.66	542,179.64	553,023.23	564,083.69	575,365.37
Achat de marchandises	166,000.00	500,000.00	510,000.00	520,200.00	530,604.00	541,216.08	552,040.40	563,081.21	574,342.83	585,829.69	597,546.28	609,497.21
Remise, ristourne obtenue	-9,300.00	-28,000.00	-28,560.00	-29,131.20	-29,713.82	-30,308.10	-30,914.26	-31,532.55	-32,163.20	-32,806.46	-33,462.59	-34,131.84
2. Variation de stock		3,000.00	3,060.00	3,121.20	3,183.62	3,247.30	3,312.24	3,378.49	3,446.06	3,514.98	3,585.28	3,656.98
B. Services et biens divers	**50,286.00**	**124,674.70**	**127,148.19**	**129,691.16**	**130,938.68**	**133,557.45**	**136,222.54**	**138,946.99**	**141,719.87**	**144,554.27**	**147,439.29**	**150,388.08**
Loyer et charges locatives en	4,000.00	12,000.00	12,240.00	12,484.80	12,734.50	12,989.19	13,248.97	13,513.95	13,784.23	14,059.91	14,341.11	14,627.93
Location materiel oxygène	700.00	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Entretien et réparation voitures		600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Entretien et réparation immeuble	0.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Maintenance ordinateurs	300.00	1,000.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09
Eau	700.00	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Gaz	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Electricité	200.00	800.00	816.00	832.32	848.97	865.95	883.26	900.93	918.95	937.33	956.07	975.20
Leasing véhicule 1	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Petit matériel	500.00	510.00	520.20	530.60	541.22	552.04	563.08	574.34	585.83	597.55	609.50	621.69
Petit outillage	1,200.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Petit matériel informatique	250.00	255.00	260.10	265.30	270.61	276.02	281.54	287.17	292.91	298.77	304.75	310.84
Carburant voiture	400.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Telephone	300.00	900.00	918.00	936.36	955.09	974.19	993.67	1,013.55	1,033.82	1,054.49	1,075.58	1,097.09
Vêtements professionnels	100.00	100.00	102.00	104.04	106.12	108.24	110.41	112.62	114.87	117.17	119.51	121.90
Internet	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
GSM	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Frais de port	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Etiquette	200.00	400.00	408.00	416.16	424.48	432.97	441.63	450.46	459.47	468.66	478.04	487.60
Pt.mat et Four.bur	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Redevence SCM	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Assurance exploitation	1,500.00	4,500.00	4,590.00	4,681.80	4,775.44	4,870.94	4,968.36	5,067.73	5,169.09	5,272.47	5,377.92	5,485.47
Honoraires comptables	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Honoraires Réviseur	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Honoraires Notaire	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Frais de réunion	600.00	2,448.00	2,496.96	2,546.90	2,597.84	2,649.79	2,702.79	2,756.85	2,811.98	2,868.22	2,925.59	2,984.10
Cotisations professionnelles	150.00	153.00	156.06	159.18	162.36	165.61	168.92	172.30	175.75	179.26	182.85	186.51
Publications légales	135.00	137.70	140.45	143.26	146.13	149.05	152.03	155.07	158.17	161.34	164.56	167.86
Frais de représentation	0.00	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65	1,656.12	1,689.24	1,723.03	1,757.49	1,792.64	1,828.49
Frais tarification ord.	850.00	2,500.00	2,550.00	2,601.00	2,653.02	2,706.08	2,760.20	2,815.41	2,871.71	2,929.15	2,987.73	3,047.49
Frais .adm.sec.soc	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Frais banksys	400.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Frais depl.Ad.	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Publications légales	60.00	200.00	204.00	208.08	212.24	216.49	220.82	225.23	229.74	234.33	239.02	243.80
Frais de publicité	300.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Cadeaux et fleurs	50.00	51.00	52.02	53.06	54.12	55.20	56.31	57.43	58.58	59.75	60.95	62.17
Frais de restaurant	500.00	510.00	520.20	530.60	541.22	552.04	563.08	574.34	585.83	597.55	609.50	621.69
Rémunération gérant 1	12,400.00	35,000.00	35,700.00	36,414.00	37,142.28	37,885.13	38,642.83	39,415.68	40,204.00	41,008.08	41,828.24	42,664.80
Pr.prof.rém.Adm.ger	9,600.00	18,000.00	18,360.00	18,727.20	19,101.74	19,483.78	19,873.45	20,270.92	20,676.34	21,089.87	21,511.67	21,941.90
Cotisations sociales gérant 1	4,921.00	8,500.00	8,670.00	8,843.40	9,020.27	9,200.67	9,384.69	9,572.38	9,763.83	9,959.10	10,158.29	10,361.45
Autre ATN (voiture,gsm,	570.00	1,410.00	1,438.20	1,466.96	150.00	153.00	150.00	153.00	150.00	153.00	150.00	153.00
C. Rémunérations, charges sociales	**10,500.00**	**32,160.00**	**32,803.20**	**33,459.26**	**34,128.45**	**34,811.02**	**35,507.24**	**36,217.38**	**36,941.73**	**37,680.57**	**38,434.18**	**39,202.86**
D. Amortissements et réd. Valeur	**0.00**	**29,700.00**	**29,700.00**	**29,700.00**	**29,700.00**	**29,700.00**	**29,700.00**	**29,700.00**	**29,700.00**	**29,700.00**	**29,700.00**	**0.00**
G. Autres charges d'exploitation	**497.50**	**1,347.50**	**1,367.50**	**1,387.90**	**1,409.71**	**1,430.93**	**1,453.58**	**1,475.66**	**1,499.19**	**1,522.16**	**1,546.59**	**1,570.49**
Taxes camionnettes	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00	3.00	4.00	4.00
Taxes voitures	150.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Cotisation sociétaire	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50
III. Bénéfice d'exploitation	**3,716.50**	**3,117.80**	**3,801.11**	**4,478.08**	**6,513.89**	**7,245.14**	**7,996.07**	**8,756.99**	**9,538.17**	**10,329.95**	**11,142.62**	**41,666.50**
IV. Produits financiers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
V. Charges financières (intert)	250.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
VI. Bénéfice courant avant impôts	**3,466.50**	**2,117.80**	**2,781.11**	**3,437.68**	**5,452.68**	**6,162.71**	**6,891.99**	**7,630.82**	**8,389.49**	**9,158.29**	**9,947.52**	**40,447.51**
X. Impôts	1,178.26	719.84	945.30	1,168.47	1,853.37	2,094.70	2,342.59	2,593.72	2,851.59	3,112.90	3,381.16	13,748.11
Bénéfice de l'exercice à affecter	**2,288.24**	**1,397.96**	**1,835.81**	**2,269.21**	**3,599.32**	**4,068.00**	**4,549.40**	**5,037.11**	**5,537.90**	**6,045.39**	**6,566.36**	**26,699.40**

Small pharmacy TURNOVER 〈 800.000€

Table of projected resources and uses

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	4 mois	12 mois										
Resources	**222,000.00**	**666,000.00**	**679,320.00**	**692,906.40**	**706,764.53**	**720,899.82**	**735,317.81**	**750,024.17**	**765,024.65**	**780,325.15**	**795,931.65**	**811,850.28**
Turnover	220,000.00	660,000.00	673,200.00	686,664.00	700,397.28	714,405.23	728,693.33	743,267.20	758,132.54	773,295.19	788,761.10	804,536.32
Other exploitation produc	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Employement	**218,533.50**	**932,360.46**	**647,558.73**	**660,714.02**	**672,780.31**	**686,890.48**	**700,820.53**	**715,035.94**	**729,528.88**	**744,318.45**	**759,397.03**	**774,783.94**
Purchases of goods	157,000.00	475,000.00	484,500.00	494,190.00	504,073.80	514,155.28	524,438.38	534,927.15	545,625.69	556,538.21	567,668.97	579,022.35
Services	50,286.00	124,674.70	127,148.19	129,691.16	130,938.68	133,557.45	136,222.54	138,946.99	141,719.87	144,554.27	147,439.29	150,388.08
Wage costs and social cost	10,500.00	32,160.00	32,803.20	33,459.26	34,128.45	34,811.02	35,507.24	36,217.38	36,941.73	37,680.57	38,434.18	39,202.86
Other operating expenses	497.50	1,347.50	1,367.50	1,387.90	1,409.71	1,430.93	1,453.58	1,475.66	1,499.19	1,522.16	1,546.59	1,570.49
Financial expenses	250.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Investments												
Background of trade		297,000.00										
Taxes		1,178.26	719.84	945.30	1,168.47	1,853.37	2,094.70	2,342.59	2,593.72	2,851.59	3,112.90	3,381.16
Postponement		*3,466.50*	*-262,893.96*	*-231,132.70*	*-198,940.32*	*-164,956.10*	*-130,946.76*	*-96,449.47*	*-61,461.24*	*-25,965.46*	*10,041.24*	*46,575.86*
Cash balance	3,466.50	-262,893.96	-231,132.70	-198,940.32	-164,956.10	-130,946.76	-96,449.47	-61,461.24	-25,965.46	10,041.24	46,575.86	83,642.20



	Invest.		Amortissements										
	2017		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Fond de commerce	297,000.00		29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00
Immeuble													
Frais immeuble													
			29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00	29,700.00

Moyenne officine 800.000€ 〈 CA 〈 1.300.000€

Compte de résultat prévisionnel

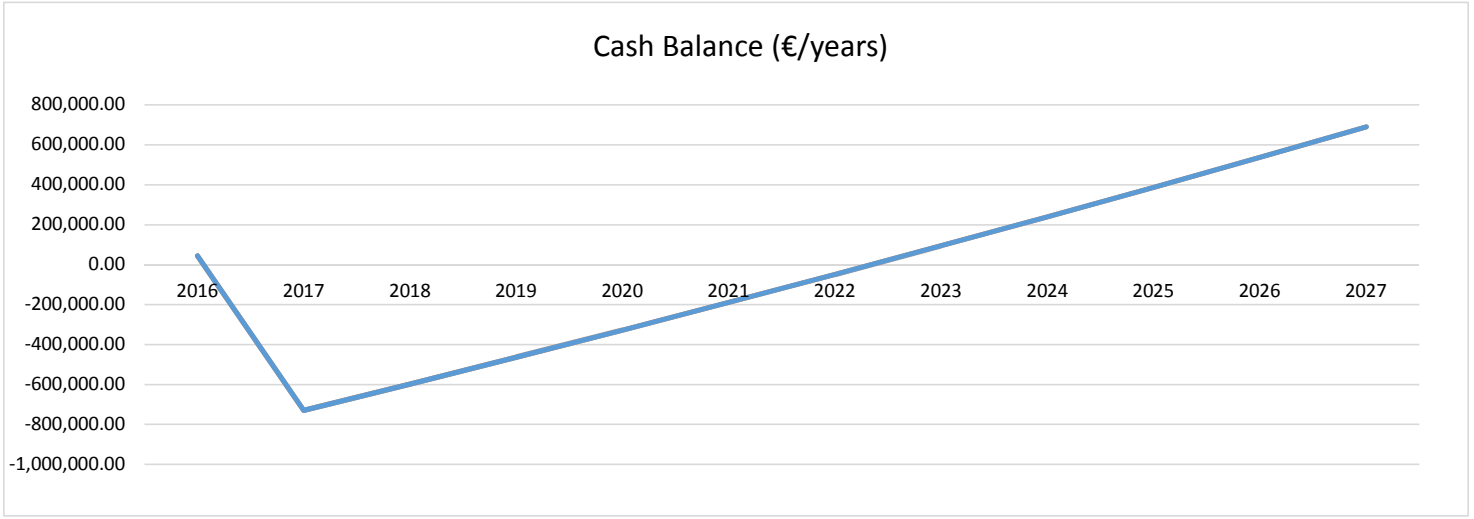
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	4 mois	12 mois										
I. Ventes et prestations	**362,666.67**	**1,088,000.00**	**1,109,760.00**	**1,131,955.20**	**1,154,594.30**	**1,177,686.19**	**1,201,239.91**	**1,225,264.71**	**1,249,770.01**	**1,274,765.41**	**1,300,260.71**	**1,326,265.93**
A. Chiffre d'affaires	355,333.33	1,066,000.00	1,087,320.00	1,109,066.40	1,131,247.73	1,153,872.68	1,176,950.14	1,200,489.14	1,224,498.92	1,248,988.90	1,273,968.68	1,299,448.05
D. Autres produits d'exploitation	7,333.33	22,000.00	22,440.00	22,888.80	23,346.58	23,813.51	24,289.78	24,775.57	25,271.08	25,776.51	26,292.04	26,817.88
II. Coût des ventes et prestations	**319,450.83**	**1,029,225.20**	**1,048,321.27**	**1,067,466.35**	**1,085,649.02**	**1,105,540.63**	**1,125,825.02**	**1,146,520.13**	**1,167,624.08**	**1,189,155.15**	**1,211,111.78**	**1,142,792.59**
A. Approvisionnements et marchandises	**243,926.67**	**731,780.00**	**746,768.52**	**761,703.89**	**776,937.97**	**792,476.73**	**808,326.26**	**824,492.79**	**840,982.64**	**857,802.30**	**874,958.34**	**892,457.51**
1. Achats	243,333.33	730,000.00	744,952.92	759,851.98	775,049.02	790,550.00	806,361.00	822,488.22	838,937.98	855,716.74	872,831.08	890,287.70
Achat de marchandises	255,533.33	766,600.00	781,932.00	797,570.64	813,522.05	829,792.49	846,388.34	863,316.11	880,582.43	898,194.08	916,157.96	934,481.12
Remise, ristourne obtenue	-12,084.67	-36,254.00	-36,979.08	-37,718.66	-38,473.03	-39,242.50	-40,027.35	-40,827.89	-41,644.45	-42,477.34	-43,326.89	-44,193.42
2. Variation de stock	593.33	1,780.00	1,815.60	1,851.91	1,888.95	1,926.73	1,965.26	2,004.57	2,044.66	2,085.55	2,127.26	2,169.81
B. Services et biens divers	**51,693.33**	**135,377.70**	**138,065.25**	**140,826.56**	**142,296.79**	**145,142.72**	**148,039.52**	**151,000.31**	**154,014.25**	**157,094.54**	**160,230.37**	**163,434.98**
Loyer et charges locatives en 1	4,000.00	12,000.00	12,240.00	12,484.80	12,734.50	12,989.19	13,248.97	13,513.95	13,784.23	14,059.91	14,341.11	14,627.93
Location materiel oxygène	666.67	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Entretien et réparation voitures	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Entretien et réparation immeuble	333.33	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Maintenance ordinateurs	333.33	1,000.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09
Eau	666.67	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Gaz	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Electricité	266.67	800.00	816.00	832.32	848.97	865.95	883.26	900.93	918.95	937.33	956.07	975.20
Leasing véhicule 1	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Petit matériel	200.00	204.00	208.08	212.24	216.49	220.82	225.23	229.74	234.33	239.02	243.80	248.67
Petit outillage	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Petit matériel informatique	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Carburant voiture	333.33	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Telephone	300.00	900.00	918.00	936.36	955.09	974.19	993.67	1,013.55	1,033.82	1,054.49	1,075.58	1,097.09
Vêtements professionnels	33.33	100.00	102.00	104.04	106.12	108.24	110.41	112.62	114.87	117.17	119.51	121.90
Internet	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
GSM	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Frais de port	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Etiquette	133.33	400.00	408.00	416.16	424.48	432.97	441.63	450.46	459.47	468.66	478.04	487.60
Pt.mat et Four.bur	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Redevence SCM	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Assurance exploitation	1,500.00	4,500.00	4,590.00	4,681.80	4,775.44	4,870.94	4,968.36	5,067.73	5,169.09	5,272.47	5,377.92	5,485.47
Honoraires comptables	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Honoraires Réviseur	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Honoraires Notaire	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Frais de réunion	816.00	2,448.00	2,496.96	2,546.90	2,597.84	2,649.79	2,702.79	2,756.85	2,811.98	2,868.22	2,925.59	2,984.10
Cotisations professionnelles	150.00	153.00	156.06	159.18	162.36	165.61	168.92	172.30	175.75	179.26	182.85	186.51
Publications légales	135.00	137.70	140.45	143.26	146.13	149.05	152.03	155.07	158.17	161.34	164.56	167.86
Frais de représentation	0.00	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65	1,656.12	1,689.24	1,723.03	1,757.49	1,792.64	1,828.49
Frais tarification ord.	1,224.67	3,674.00	3,747.48	3,822.43	3,898.88	3,976.86	4,056.39	4,137.52	4,220.27	4,304.68	4,390.77	4,478.59
Frais .adm.sec.soc	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Frais banksys	400.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Frais depl.Ad.	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Publications légales	60.00	200.00	204.00	208.08	212.24	216.49	220.82	225.23	229.74	234.33	239.02	243.80
Frais de publicité	300.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Cadeaux et fleurs	50.00	51.00	52.02	53.06	54.12	55.20	56.31	57.43	58.58	59.75	60.95	62.17
Frais de restaurant	500.00	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65	1,656.12	1,689.24	1,723.03	1,757.49	1,792.64	1,828.49
Rémunération gérant 1	12,400.00	39,000.00	39,780.00	40,575.60	41,387.11	42,214.85	43,059.15	43,920.33	44,798.74	45,694.72	46,608.61	47,540.78
Pr.prof.rém.Adm.ger	9,600.00	20,000.00	20,400.00	20,808.00	21,224.16	21,648.64	22,081.62	22,523.25	22,973.71	23,433.19	23,901.85	24,379.89
Cotisations sociales gérant 1	4,921.00	11,000.00	11,220.00	11,444.40	11,673.29	11,906.75	12,144.89	12,387.79	12,635.54	12,888.25	13,146.02	13,408.94
Autre ATN (voiture,gsm,	570.00	1,410.00	1,438.20	1,466.96	150.00	153.00	150.00	153.00	150.00	153.00	150.00	153.00
C. Rémunérations, charges sociales	**23,333.33**	**70,000.00**	**71,400.00**	**72,828.00**	**74,284.56**	**75,770.25**	**77,285.66**	**78,831.37**	**80,408.00**	**82,016.16**	**83,656.48**	**85,329.61**
D. Amortissements et réd. Valeur	**0.00**	**90,720.00**	**90,720.00**	**90,720.00**	**90,720.00**	**90,720.00**	**90,720.00**	**90,720.00**	**90,720.00**	**90,720.00**	**90,720.00**	**0.00**
G. Autres charges d'exploitation	**497.50**	**1,347.50**	**1,367.50**	**1,387.90**	**1,409.71**	**1,430.93**	**1,453.58**	**1,475.66**	**1,499.19**	**1,522.16**	**1,546.59**	**1,570.49**
Taxes camionnettes	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00	3.00	4.00	4.00
Taxes voitures	150.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Cotisation sociétaire	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50
III. Bénéfice d'exploitation	**43,215.83**	**58,774.80**	**61,438.73**	**64,488.85**	**68,945.28**	**72,145.56**	**75,414.90**	**78,744.59**	**82,145.93**	**85,610.26**	**89,148.93**	**183,473.34**
IV. Produits financiers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
V. Charges financières (intert)	250.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
VI. Bénéfice courant avant impôts	**42,965.83**	**57,774.80**	**60,418.73**	**63,448.45**	**67,884.07**	**71,063.12**	**74,310.82**	**77,618.42**	**80,997.24**	**84,438.60**	**87,953.84**	**182,254.35**
X. Impôts	14,604.09	19,637.65	20,536.32	21,566.13	23,073.80	24,154.36	25,258.25	26,382.50	27,530.96	28,700.68	29,895.51	61,948.25
Bénéfice de l'exercice à affecter	**28,361.75**	**38,137.15**	**39,882.40**	**41,882.32**	**44,810.28**	**46,908.77**	**49,052.57**	**51,235.92**	**53,466.28**	**55,737.92**	**58,058.33**	**120,306.09**

Moyenne officine 800.000€ ⟨ CA ⟨ 1.300.000€

Table of projected resources and uses

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	4 months	12 months										
Resources	**362,666.67**	**1,088,000.00**	**1,109,760.00**	**1,131,955.20**	**1,154,594.30**	**1,177,686.19**	**1,201,239.91**	**1,225,264.71**	**1,249,770.01**	**1,274,765.41**	**1,300,260.71**	**1,326,265.93**
Turnover	355,333.33	1,066,000.00	1,087,320.00	1,109,066.40	1,131,247.73	1,153,872.68	1,176,950.14	1,200,489.14	1,224,498.92	1,248,988.90	1,273,968.68	1,299,448.05
Other exploitation products	7,333.33	22,000.00	22,440.00	22,888.80	23,346.58	23,813.51	24,289.78	24,775.57	25,271.08	25,776.51	26,292.04	26,817.88
Employement	**319,700.83**	**1,861,309.29**	**978,258.93**	**998,323.07**	**1,017,556.36**	**1,038,976.86**	**1,060,363.45**	**1,082,184.54**	**1,104,435.27**	**1,127,137.77**	**1,150,287.56**	**1,173,907.09**
Purchases of goods	243,926.67	731,780.00	746,768.52	761,703.89	776,937.97	792,476.73	808,326.26	824,492.79	840,982.64	857,802.30	874,958.34	892,457.51
Services	51,693.33	135,377.70	138,065.25	140,826.56	142,296.79	145,142.72	148,039.52	151,000.31	154,014.25	157,094.54	160,230.37	163,434.98
Wage costs and social costs	23,333.33	70,000.00	71,400.00	72,828.00	74,284.56	75,770.25	77,285.66	78,831.37	80,408.00	82,016.16	83,656.48	85,329.61
Other operating expenses	497.50	1,347.50	1,367.50	1,387.90	1,409.71	1,430.93	1,453.58	1,475.66	1,499.19	1,522.16	1,546.59	1,570.49
Financial expenses	250.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Investments												
Background of trade		907,200.00										
Taxes		14,604.09	19,637.65	20,536.32	21,566.13	23,073.80	24,154.36	25,258.25	26,382.50	27,530.96	28,700.68	29,895.51
Postponement		*42,965.83*	*-730,343.45*	*-598,842.38*	*-465,210.26*	*-328,172.31*	*-189,462.98*	*-48,586.52*	*94,493.65*	*239,828.39*	*387,456.03*	*537,429.19*
Cash balance	42,965.83	-730,343.45	-598,842.38	-465,210.26	-328,172.31	-189,462.98	-48,586.52	94,493.65	239,828.39	387,456.03	537,429.19	689,788.02



	Invest.	Amortissements										
	2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Fond de commerce	907,200.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00
Immeuble												
Frais immeuble												
		90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00	90,720.00

Grosse officine 1.300.000€ 〈 CA 〈 2.000.000€

Compte de résultat prévisionnel (INCOME STATEMENT)

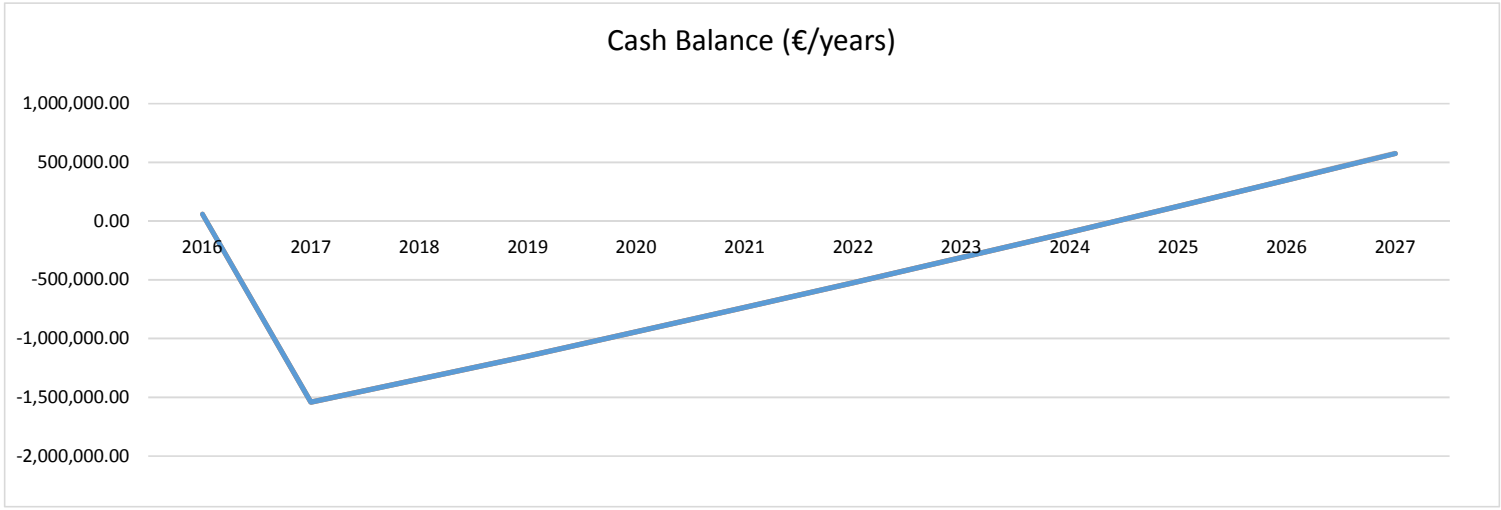
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	4 mois	12 mois										
I. Ventes et prestations	**534,897.67**	**1,604,693.00**	**1,636,786.86**	**1,669,522.60**	**1,702,913.05**	**1,736,971.31**	**1,771,710.74**	**1,807,144.95**	**1,843,287.85**	**1,880,153.61**	**1,917,756.68**	**1,956,111.81**
A. Chiffre d'affaires	524,666.67	1,574,000.00	1,605,480.00	1,637,589.60	1,670,341.39	1,703,748.22	1,737,823.18	1,772,579.65	1,808,031.24	1,844,191.87	1,881,075.70	1,918,697.22
D. Autres produits d'exploitation	10,231.00	30,693.00	31,306.86	31,933.00	32,571.66	33,223.09	33,887.55	34,565.30	35,256.61	35,961.74	36,680.98	37,414.60
II. Coût des ventes et prestations	**476,257.83**	**1,583,626.20**	**1,611,735.77**	**1,640,407.54**	**1,663,436.49**	**1,693,142.25**	**1,723,437.07**	**1,754,342.82**	**1,785,861.62**	**1,818,015.85**	**1,850,808.09**	**1,706,461.23**
A. Approvisionnements et marchandises	**355,661.67**	**1,066,985.00**	**1,088,324.70**	**1,110,091.19**	**1,132,293.02**	**1,154,938.88**	**1,178,037.66**	**1,201,598.41**	**1,225,630.38**	**1,250,142.98**	**1,275,145.84**	**1,300,648.76**
1. Achats	365,374.00	1,096,122.00	1,118,044.44	1,140,405.33	1,163,213.44	1,186,477.70	1,210,207.26	1,234,411.40	1,259,099.63	1,284,281.62	1,309,967.26	1,336,166.60
Achat de marchandises	395,835.33	1,187,506.00	1,211,256.12	1,235,481.24	1,260,190.87	1,285,394.68	1,311,102.58	1,337,324.63	1,364,071.12	1,391,352.54	1,419,179.60	1,447,563.19
Remise, ristourne obtenue	-30,461.33	-91,384.00	-93,211.68	-95,075.91	-96,977.43	-98,916.98	-100,895.32	-102,913.23	-104,971.49	-107,070.92	-109,212.34	-111,396.59
2. Variation de stock	-9,712.33	-29,137.00	-29,719.74	-30,314.13	-30,920.42	-31,538.83	-32,169.60	-32,812.99	-33,469.25	-34,138.64	-34,821.41	-35,517.84
B. Services et biens divers	**66,765.33**	**177,493.70**	**181,043.57**	**184,664.45**	**182,140.49**	**185,783.30**	**189,492.90**	**193,282.76**	**197,142.36**	**201,085.20**	**205,100.85**	**209,202.86**
Loyer et charges locatives en 1	8,000.00	24,000.00	24,480.00	24,969.60	25,468.99	25,978.37	26,497.94	27,027.90	27,568.46	28,119.83	28,682.22	29,255.87
Location materiel oxygène	666.67	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Entretien et réparation voitures	1,166.67	3,500.00	3,570.00	3,641.40	3,714.23	3,788.51	3,864.28	3,941.57	4,020.40	4,100.81	4,182.82	4,266.48
Entretien et réparation immeuble	833.33	2,500.00	2,550.00	2,601.00	2,653.02	2,706.08	2,760.20	2,815.41	2,871.71	2,929.15	2,987.73	3,047.49
Maintenance ordinateurs	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Eau	666.67	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Gaz	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Sécuristion locaux proffesionnel	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Electricité	2,000.00	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Leasing véhicule 1	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Petit matériel	200.00	204.00	208.08	212.24	216.49	220.82	225.23	229.74	234.33	239.02	243.80	248.67
Petit outillage	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Petit matériel informatique	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Carburant voiture	666.67	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Telephone	666.67	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
Vêtements professionnels	166.67	500.00	510.00	520.20	530.60	541.22	552.04	563.08	574.34	585.83	597.55	609.50
Internet	666.67	2,000.00	2,040.00	2,080.80	2,122.42	2,164.86	2,208.16	2,252.32	2,297.37	2,343.32	2,390.19	2,437.99
GSM	200.00	600.00	612.00	624.24	636.72	649.46	662.45	675.70	689.21	703.00	717.06	731.40
Frais de port	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Etiquette	266.67	800.00	816.00	832.32	848.97	865.95	883.26	900.93	918.95	937.33	956.07	975.20
Pt.mat et Four.bur	500.00	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65	1,656.12	1,689.24	1,723.03	1,757.49	1,792.64	1,828.49
Redevence SCM	500.00	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65	1,656.12	1,689.24	1,723.03	1,757.49	1,792.64	1,828.49
Assurance exploitation	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Honoraires comptables	2,000.00	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59	6,624.48	6,756.97	6,892.11	7,029.96	7,170.56	7,313.97
Honoraires Réviseur	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Honoraires Notaire	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Frais de réunion	816.00	2,448.00	2,496.96	2,546.90	2,597.84	2,649.79	2,702.79	2,756.85	2,811.98	2,868.22	2,925.59	2,984.10
Cotisations professionnelles	150.00	153.00	156.06	159.18	162.36	165.61	168.92	172.30	175.75	179.26	182.85	186.51
Publications légales	135.00	137.70	140.45	143.26	146.13	149.05	152.03	155.07	158.17	161.34	164.56	167.86
Frais de représentation	0.00	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65	1,656.12	1,689.24	1,723.03	1,757.49	1,792.64	1,828.49
Frais tarification ord.	1,666.67	5,000.00	5,100.00	5,202.00	5,306.04	5,412.16	5,520.40	5,630.81	5,743.43	5,858.30	5,975.46	6,094.97
Frais .adm.sec.soc	200.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Frais banksys	400.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Frais depl.Ad.	400.00	1,200.00	1,224.00	1,248.48	1,273.45	1,298.92	1,324.90	1,351.39	1,378.42	1,405.99	1,434.11	1,462.79
Publications légales	60.00	200.00	204.00	208.08	212.24	216.49	220.82	225.23	229.74	234.33	239.02	243.80
Frais de publicité	300.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Cadeaux et fleurs	50.00	51.00	52.02	53.06	54.12	55.20	56.31	57.43	58.58	59.75	60.95	62.17
Frais de restaurant	500.00	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65	1,656.12	1,689.24	1,723.03	1,757.49	1,792.64	1,828.49
Rémunération gérant 1	12,400.00	39,000.00	39,780.00	40,575.60	41,387.11	42,214.85	43,059.15	43,920.33	44,798.74	45,694.72	46,608.61	47,540.78
Pr.prof.rém.Adm.ger	9,600.00	20,000.00	20,400.00	20,808.00	21,224.16	21,648.64	22,081.62	22,523.25	22,973.71	23,433.19	23,901.85	24,379.89
Cotisations sociales gérant 1	4,921.00	11,000.00	11,220.00	11,444.40	11,673.29	11,906.75	12,144.89	12,387.79	12,635.54	12,888.25	13,146.02	13,408.94
Autre ATN (voiture,gsm,	2,000.00	6,000.00	6,120.00	6,242.40	150.00	153.00	150.00	153.00	150.00	153.00	150.00	153.00
C. Rémunérations, charges sociales	**53,333.33**	**160,000.00**	**163,200.00**	**166,464.00**	**169,793.28**	**173,189.15**	**176,652.93**	**180,185.99**	**183,789.71**	**187,465.50**	**191,214.81**	**195,039.11**
D. Amortissements et réd. Valeur	**0.00**	**177,800.00**	**177,800.00**	**177,800.00**	**177,800.00**	**177,800.00**	**177,800.00**	**177,800.00**	**177,800.00**	**177,800.00**	**177,800.00**	**0.00**
G. Autres charges d'exploitation	**497.50**	**1,347.50**	**1,367.50**	**1,387.90**	**1,409.71**	**1,430.93**	**1,453.58**	**1,475.66**	**1,499.19**	**1,522.16**	**1,546.59**	**1,570.49**
Taxes camionnettes	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00	3.00	4.00	4.00
Taxes voitures	150.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Cotisation sociétaire	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50	347.50
III. Bénéfice d'exploitation	**58,639.83**	**21,066.80**	**25,051.09**	**29,115.06**	**39,476.56**	**43,829.06**	**48,273.67**	**52,802.13**	**57,426.23**	**62,137.76**	**66,948.58**	**249,650.59**
IV. Produits financiers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
V. Charges financières (intert)	250.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
VI. Bénéfice courant avant impôts	**58,389.83**	**20,066.80**	**24,031.09**	**28,074.66**	**38,415.35**	**42,746.63**	**47,169.59**	**51,675.97**	**56,277.54**	**60,966.10**	**65,753.49**	**248,431.59**
X. Impôts	19,846.70	6,820.71	8,168.17	9,542.58	13,057.38	14,529.58	16,032.94	17,564.66	19,128.74	20,722.38	22,349.61	84,441.90
Bénéfice de l'exercice à affecter	**38,543.13**	**13,246.09**	**15,862.92**	**18,532.08**	**25,357.97**	**28,217.05**	**31,136.65**	**34,111.31**	**37,148.80**	**40,243.72**	**43,403.88**	**163,989.69**

Grosse officine 1.300.000€ 〈 CA 〈 2.000.000€

Table of projected resources and uses

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	4 months	12 months										
Resources	**534,897.67**	**1,604,693.00**	**1,636,786.86**	**1,669,522.60**	**1,702,913.05**	**1,736,971.31**	**1,771,710.74**	**1,807,144.95**	**1,843,287.85**	**1,880,153.61**	**1,917,756.68**	**1,956,111.81**
Turnover	524,666.67	1,574,000.00	1,605,480.00	1,637,589.60	1,670,341.39	1,703,748.22	1,737,823.18	1,772,579.65	1,808,031.24	1,844,191.87	1,881,075.70	1,918,697.22
Other exploitation products	10,231.00	30,693.00	31,306.86	31,933.00	32,571.66	33,223.09	33,887.55	34,565.30	35,256.61	35,961.74	36,680.98	37,414.60
Employement	**476,507.83**	**3,204,672.90**	**1,441,776.48**	**1,471,816.11**	**1,496,240.28**	**1,529,482.06**	**1,561,270.73**	**1,593,701.92**	**1,626,774.97**	**1,660,516.24**	**1,694,925.56**	**1,730,029.83**
Purchases of goods	355,661.67	1,066,985.00	1,088,324.70	1,110,091.19	1,132,293.02	1,154,938.88	1,178,037.66	1,201,598.41	1,225,630.38	1,250,142.98	1,275,145.84	1,300,648.76
Services	66,765.33	177,493.70	181,043.57	184,664.45	182,140.49	185,783.30	189,492.90	193,282.76	197,142.36	201,085.20	205,100.85	209,202.86
Wage costs and social costs	53,333.33	160,000.00	163,200.00	166,464.00	169,793.28	173,189.15	176,652.93	180,185.99	183,789.71	187,465.50	191,214.81	195,039.11
Other operating expenses	497.50	1,347.50	1,367.50	1,387.90	1,409.71	1,430.93	1,453.58	1,475.66	1,499.19	1,522.16	1,546.59	1,570.49
Financial expenses	250.00	1,000.00	1,020.00	1,040.40	1,061.21	1,082.43	1,104.08	1,126.16	1,148.69	1,171.66	1,195.09	1,218.99
Investments												
Background of trade		1,778,000.00										
Taxes		19,846.70	6,820.71	8,168.17	9,542.58	13,057.38	14,529.58	16,032.94	17,564.66	19,128.74	20,722.38	22,349.61
Postponement		*58,389.83*	*-1,541,590.07*	*-1,346,579.69*	*-1,148,873.20*	*-942,200.43*	*-734,711.18*	*-524,271.17*	*-310,828.14*	*-94,315.26*	*125,322.10*	*348,153.22*
Cash balance	58,389.83	-1,541,590.07	-1,346,579.69	-1,148,873.20	-942,200.43	-734,711.18	-524,271.17	-310,828.14	-94,315.26	125,322.10	348,153.22	574,235.20



	Invest.	Amortissements										
	2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Fond de commerce	1,778,000.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00
Immeuble												
Frais immeuble												
		177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00	177,800.00