

French Retail Drug Supply

Market Insights Series

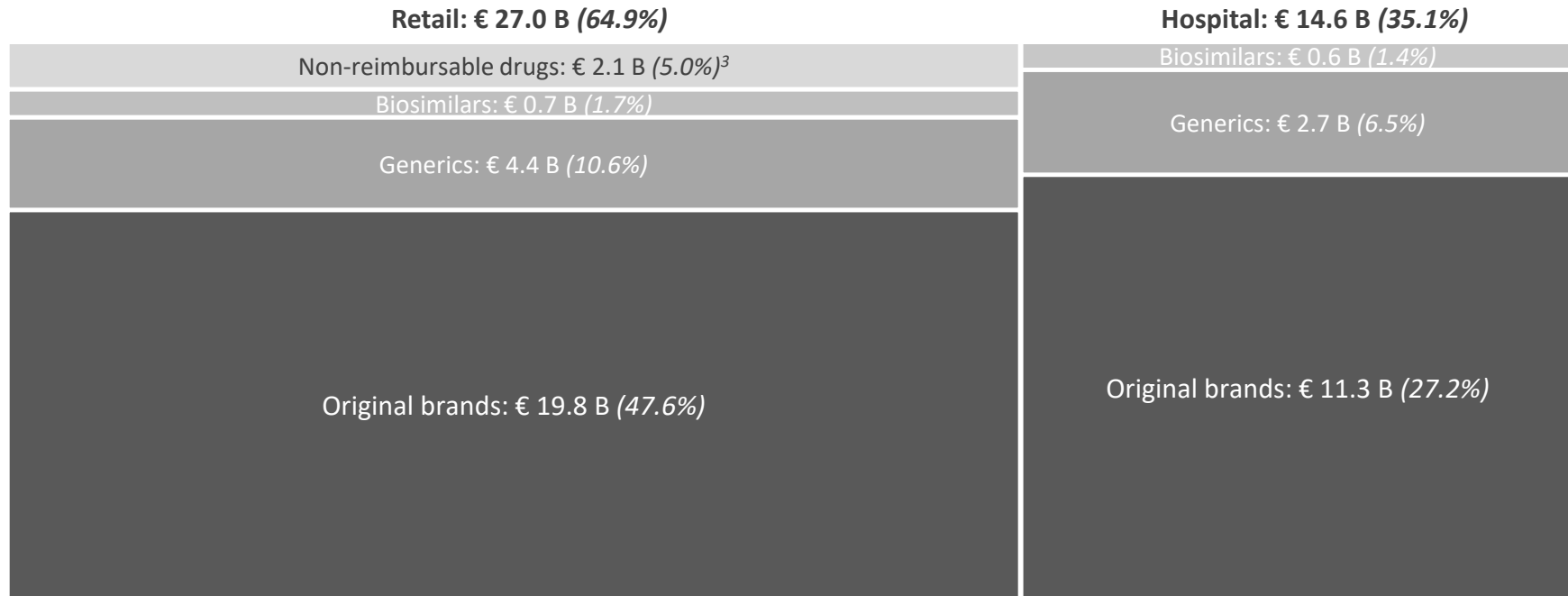
*Special Focus on
Voluntary Trade Organizations*

December 2024

In 2023, the retail pharma segment accounted for ~65% of the total market in gross price¹, while original brands, on both retail and hospital segments, achieved ~75%, and even ~83% in net price²

Structure of the French drug market (2023)

Total pharmaceutical market¹ ~€ 41.6 B



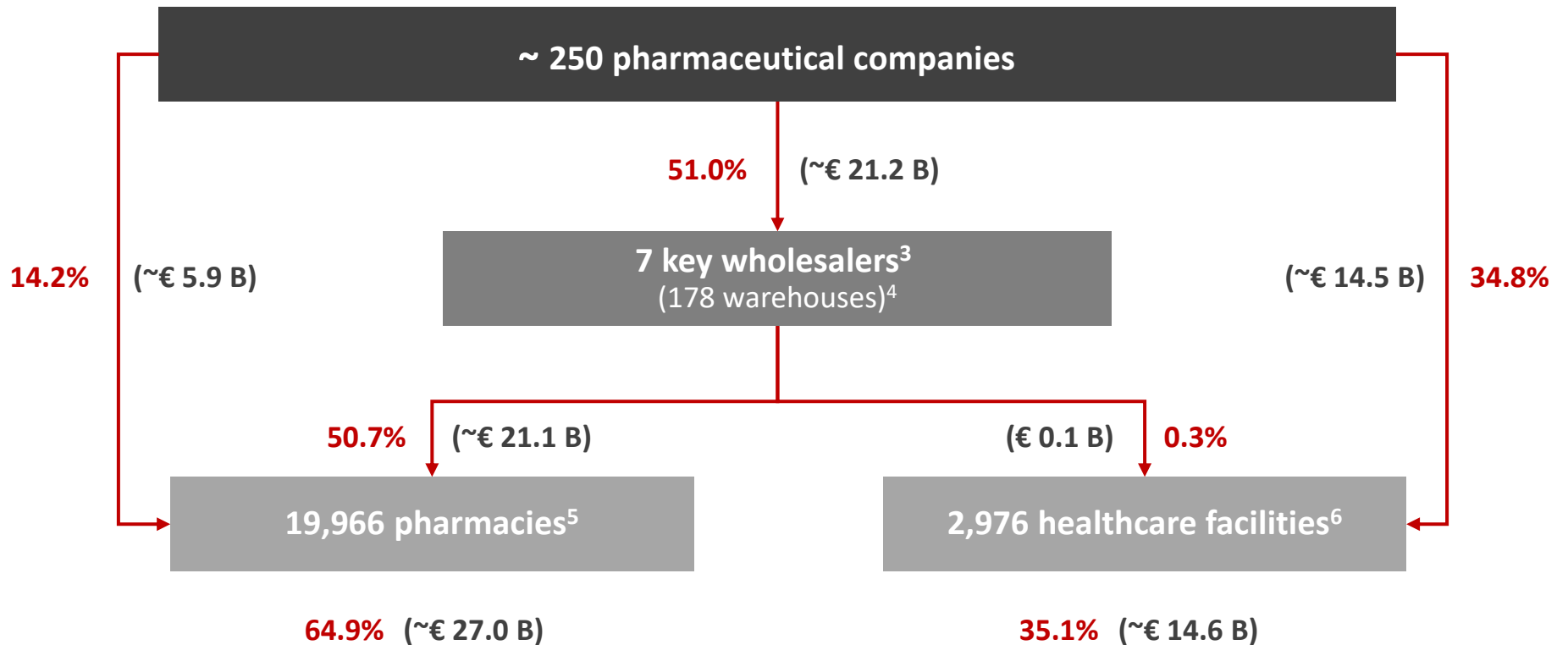
Sources: GERS (December 2023) – Smart Pharma Consulting

¹ Ex factory-price, before rebates and taxes – ² Assuming average rebates of 7% for original drugs and 45% for generics, biosimilars and OTCs – ³ Incl. OTC drugs (€ 1.3 B) and Rx-bound drugs, either original brands (€ 0.4 B) or generics (€ 0.4 B)

Drugs sold in retail pharmacies are mainly sourced from wholesalers, while hospital drugs are usually directly sourced from pharmaceutical companies, through pre-wholesalers¹

Drug supply chain in France (2023)

Total pharmaceutical market² ~€ 41.6 B

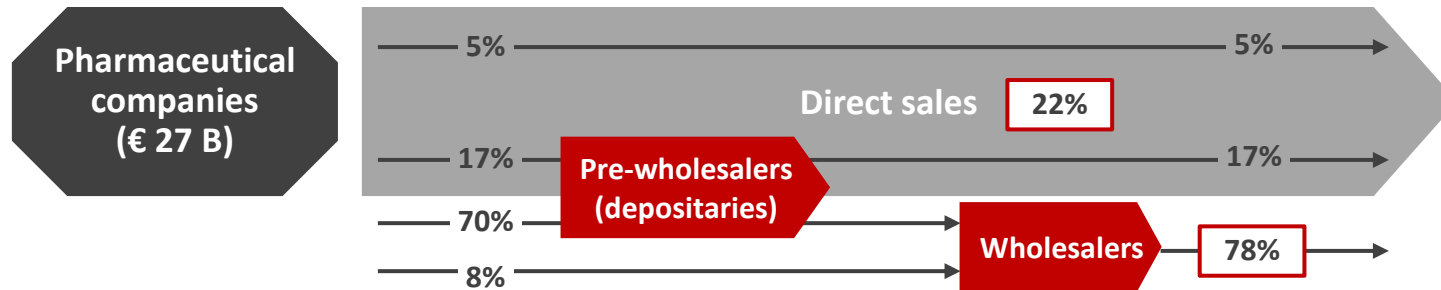


Sources: Leem ("Bilan Economique 2023") – GERS dashboard (December 2023) – SmartRx (January 2024) – Ordre National des Pharmaciens (as of January 2024) – DREES (December 2023) – Smart Pharma Consulting

¹ Depositories / Agents – ² Ex factory-price, before rebates and taxes – ³ Accounting for ~97% of the distribution market – ⁴ In mainland France. For FOTs (French Overseas Territories) there are 12 more warehouses – ⁵ Of which 94% are members of VTOs (Voluntary Trade Organizations) – ⁶ Public and private

On the retail drug market, ~78% of the value, in gross price, goes through wholesalers, who are the cornerstone of the supply chain between pharma companies and retail pharmacies

Share of direct sales in the retail pharmaceutical distribution (2023)



Pre-wholesalers (depositories)

- **Independent family health specialist:**

- Movianto / CSP (Walden Group¹)

- **Subsidiaries of integrated distribution groups and health specialists:**

- Alloga / Directlog (Alliance Healthcare)
- Eurodep (Astera – formerly CERP Rouen)
- Welcoop Logistique (merger of Evrard-DPE and Pharmalpa)
- IvryLab (Phoenix Pharma)
- Sogiphar (Giphar)

- **Subsidiaries of integrated distribution groups; non health specialists:**

- FM Health (FM Logistic)
- Arvato Services Healthcare (Bertelsmann)
- Geodis (SNCF group)
- Rhenus (Rethmann)

- **Subsidiaries of pharmaceutical companies:**

- Aguetant
- AstraZeneca
- Pierre Fabre
- Sanofi
- Servier

Wholesalers

Market share²

- **Phoenix Group network** 39.1%
- OCP 30.8%
- Phoenix Pharma 8.3%
- **CERP network** 36.1%
- Astera (formerly CERP Rouen)* 21.5%
- CERP Rhin Rhône Méditerranée* 11.1%
- CERP Bretagne Atlantique 3.5%
- **Alliance Healthcare France** (AmericansourceBergen) 18.5%
- **Giphar** 2.9%
- **Others³** 3.4%

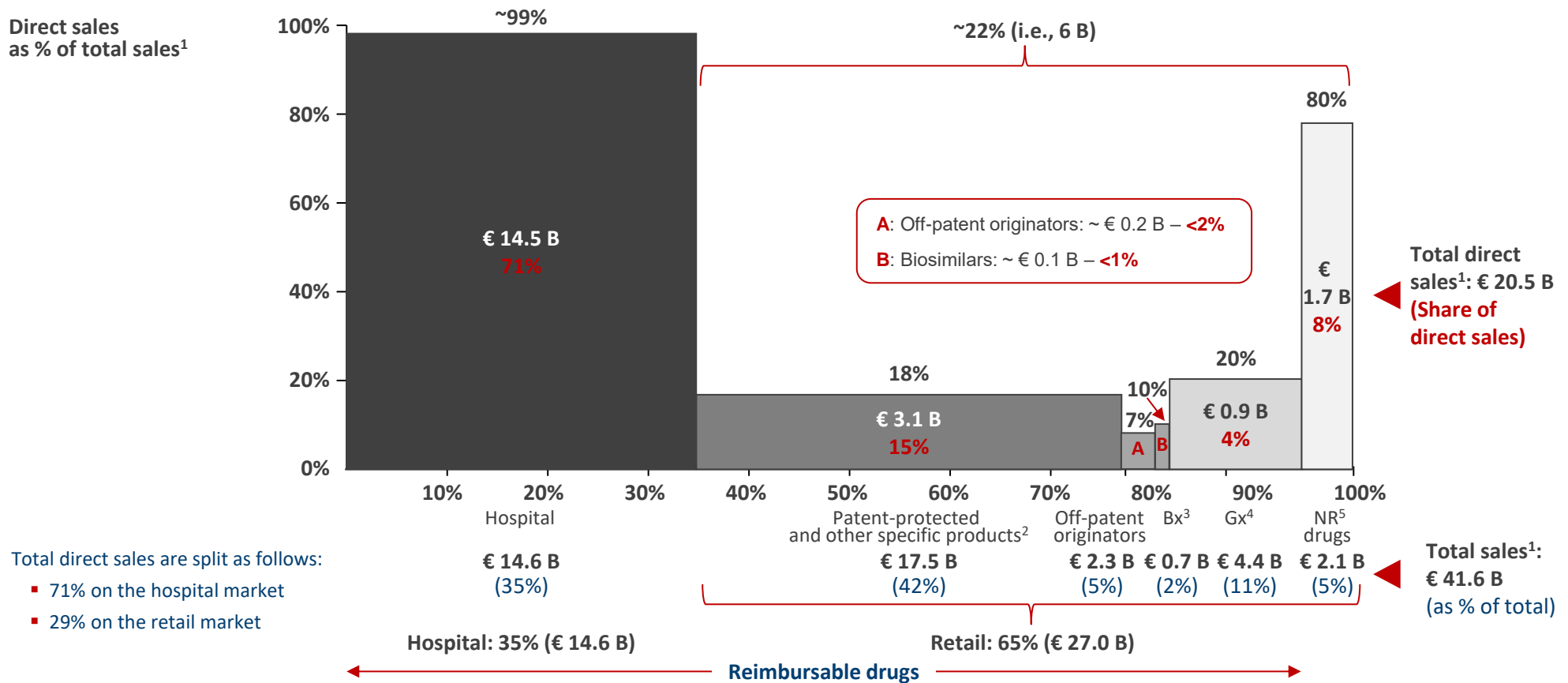
* Merger in 2024

Sources: GERS dashboard – CSRP – Register of the French pharmaceutical establishments – ANSM – Le Moniteur des pharmacies (Dec. 2023) – Smart Pharma Consulting

¹ Founded in June 2020 by the merger of Movianto and EHDH, following the acquisition of Movianto by EHDH to Owens & Minor. Merger, on January 2022, of CSP and Movianto France – ² Market share in value in 2022 – ³ Non-members of the “Chambre Syndicale de la Répartition Pharmaceutique (CSRP)”

On the retail drug market, 10% of biosimilars, 20% of generics and 80% of non-reimbursed drugs (incl. OTCs), in value¹, are directly distributed by pharma companies, through pre-wholesalers

Share of direct sales by segment (2023)



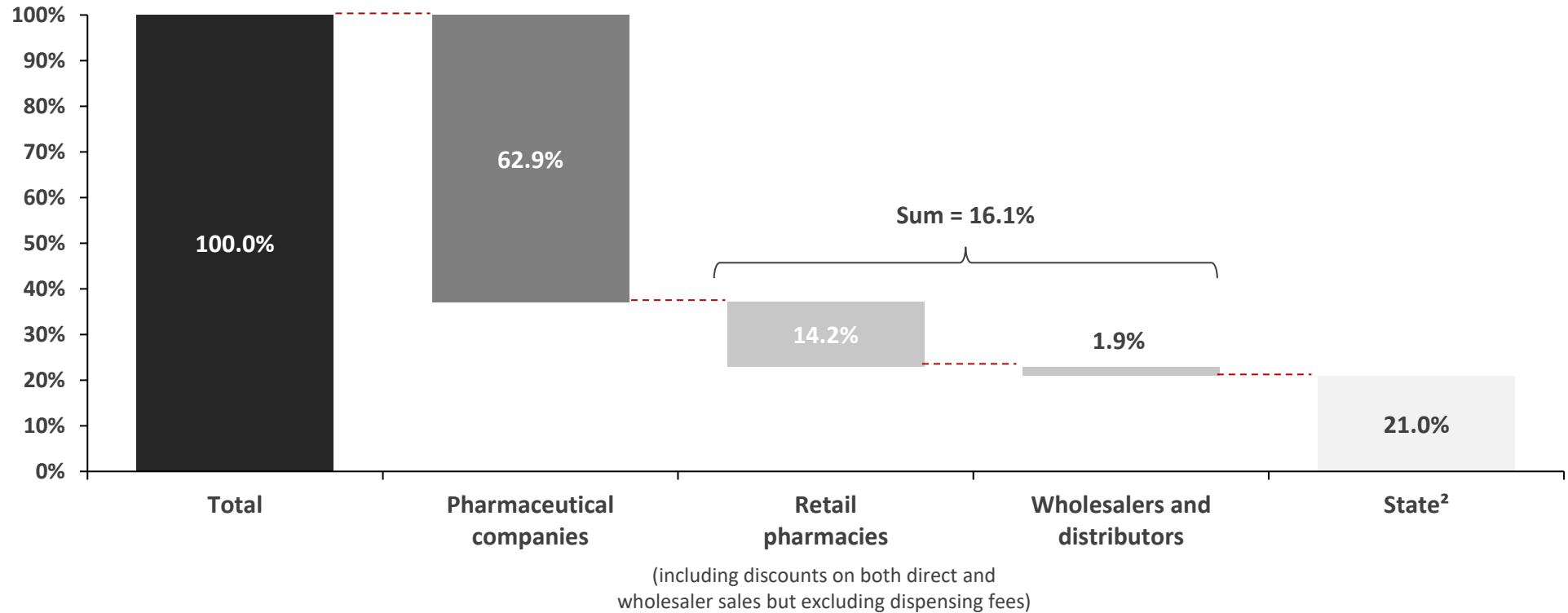
Sources: GERS dashboard (December 2023) – Smart Pharma Consulting

¹ Ex-factory prices, before rebates and taxes – ² Sales of drugs that are not part of any generics or biosimilars group, whether patented or not, or other special products (calcium, sodium, potassium, paracetamol, etc.) – ³ Biosimilars – ⁴ Generics – ⁵ Non-reimbursable

Based on comparisons with other retail sectors, policy makers and payers consider the cost of drug distribution, which amounted to ~16% for reimbursable drugs in 2023*, as too high

Share of revenues by stakeholder for reimbursable drugs (2023*)

Percentage of total revenues¹



* Estimates

Sources: Leem (Jan. 2024) – CSRP – URSSAF – ANSM – Smart Pharma Consulting

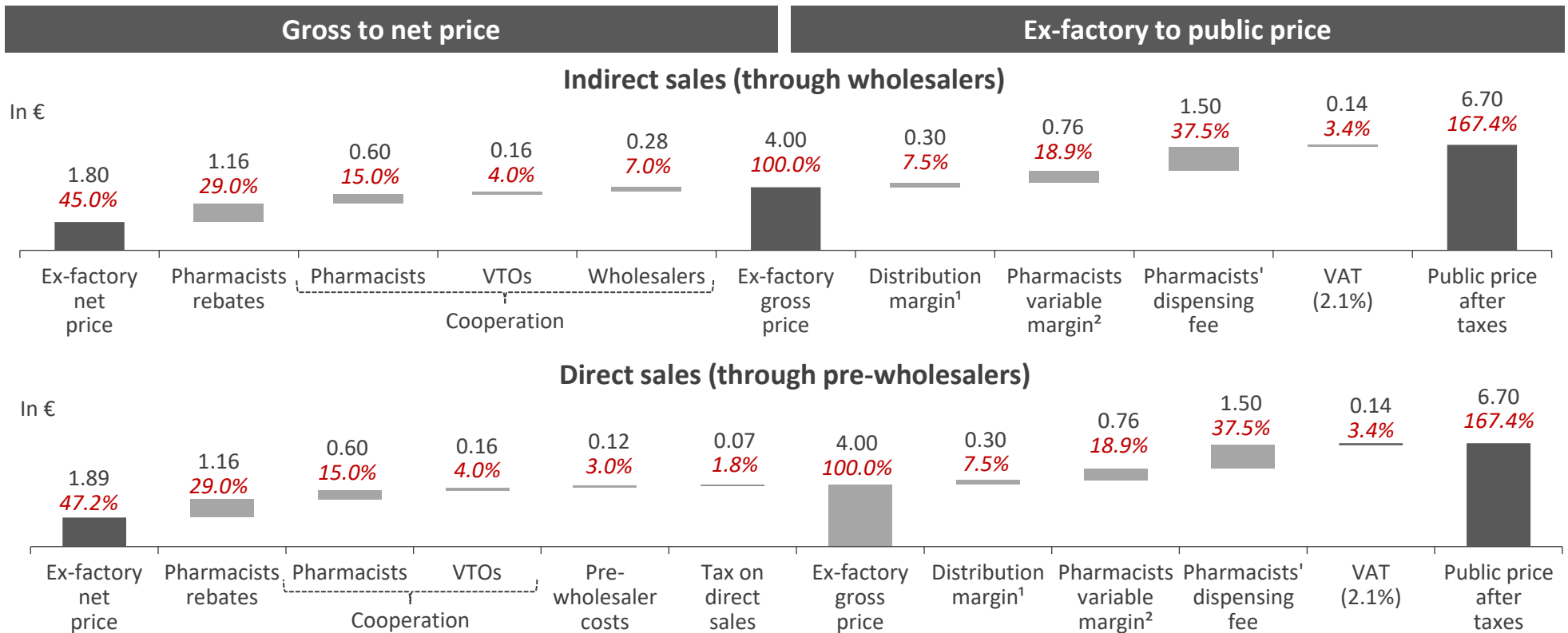
¹ Public prices including taxes – ² Including VAT as well as taxes on direct sales promotion and charges owed to ANSM (National Agency for the Safety of Medicines and Health Products) and URSSAF (Social Security and Family Allowance Contribution Collection Offices)

The direct sales option improves generic manufacturers' profitability by ~2 points with a net price accounting for ~47% of the gross ex-factory price (vs. ~45% for indirect sales)

Bridge from ex-factory to public price – Example of reimbursable generics

Illustrative

Example based on an ex-factory price of € 4, corresponding to the average price of a pack of generics



Sources: Smart Pharma Consulting

¹ Minimum legal margin intended for wholesalers for products with an ex-factory price below € 4.33, but benefiting to pharmacists as wholesalers invoice them under the same conditions as for direct sales and are compensated by generics manufacturers through their cooperation agreement – ² Based on an original price of € 10 (+60% vs. generics)

Pre-wholesalers¹ directly provide ~35% in volume and ~22% in value of drugs delivered to retail pharmacies, whether they are subsidiaries of wholesalers, independents or carriers

Pre-wholesalers – Role, activity and profile

	Pre-wholesalers		
Definition	<ul style="list-style-type: none"> According to the definition of the Public Health Code, they carry out activities on behalf of one or more manufacturers for the storage and the distribution of drugs to wholesalers, hospitals and retail pharmacies 		
Role	<ul style="list-style-type: none"> Pre-wholesalers offer their services in the context of sales to wholesalers, but also directly to pharmacies 		
Activity	<ul style="list-style-type: none"> Pre-wholesalers' vocation is national or regional, depending on their structure 		
Profiles	<ul style="list-style-type: none"> Subsidiaries of wholesalers 	<ul style="list-style-type: none"> Independents 	<ul style="list-style-type: none"> Subsidiaries of carrier groups
Examples	<ul style="list-style-type: none"> Alloga / Directlog (Alliance Healthcare) Eurodep (Astera) Welcoop Logistique IvryLab (Phoenix Pharma) Sogiphar (Giphar) 	<ul style="list-style-type: none"> Movianto / CSP (Walden Group²) 	<ul style="list-style-type: none"> FM Health (FM Logistic) Arvato Services Healthcare (Bertelsmann) Geodis (SNCF group) Rhenus (Rethmann)

Sources: GERS 2023 – Smart Pharma Consulting

¹ Also called depositaries or agents – ² Funded in June 2020 by the merger of Movianto and EHDH, following the acquisition of Movianto by EHDH to Owens & Minor. Merger, on January 2022, of CSP and Movianto France

The activity of wholesalers must meet five obligations derived from the “good delivery practices” guide and from European regulations

Wholesalers – Obligations



Role of pharmacists

Pharmacists working for wholesalers must:

- Control the compliance with expiry dates
- Control the storage at low temperature or under specific conditions of certain products of biological origin (the respect of the cold chain must be effective for storage but also during the delivery of the products)
- Check the conformity of the received products, notably for the new specialties
- Ensure the compliance with regulations concerning toxic products, anabolic substances, blood derivatives and sterile products
- Track market withdrawals and destroy out-of-date products

Membership criteria, as well as funding sources, may vary depending on the Voluntary Trade Organization (VTO)

VTOs – Presentation

Historic

- VTOs are groups of pharmacists initially created to offer economic support to their members
- Most of VTOs have diversified their activities (e.g., advice in the management of a pharmacy, electronic information system, merchandising, involvement in public health initiatives, virtual chains¹, etc.)

Legal entities

- VTOs can take different types of legal entities:
 - Economic interest groups (e.g., Giphar)
 - Law 1901 associations (e.g., Evolupharm)
 - Simplified joint-stock companies, most common entities (e.g., Apothera Group, Pharm-Upp)
 - Cooperative companies (e.g., Welcoop, Sogiphar)
- Some legal entities may coexist (e.g., Sogiphar is a cooperative company backed by Giphar)

Membership

- The selection criteria for members varies according to each VTO: minimum revenues, geographical location (for non-national groups), cooptation by VTO members, obligation to develop specific services (e.g., optics, acoustics)
- Terms of membership:
 - One- to three-year contract, with possible penalties in case of early termination
 - Entrance fee generally independent of the size of the retail pharmacy: fixed amount or acquisition of a certain number of shares
- 94% of French retail pharmacies are members of one or more VTO(s)

Funding

- Contributions (often negligible)
- Sale of products to members when VTOs have a central purchasing activity or a range of own-brand products
- Payment of listing fees by pharma companies, especially by generics suppliers
- Annual margin on purchases (recovery of a margin on the rebates related to large orders placed with pharma companies)
- Remuneration for services:
 - Billed or deferred (the group guarantees the payment of its members)
 - Sales support (e.g., merchandising, training, consulting and fitting, etc.)
- Cash management

Sources: Le Moniteur des pharmacies – Main VTOs websites – societe.com – Quotidien du Pharmacien (March 2023) – Smart Pharma Consulting

¹ Enseignes: arrangement of the retail pharmacy with the name and the colors of the virtual chain (e.g., Aprium, Leadersanté, Pharmacie Lafayette). There is no pharmacy chain, like Boots in the UK as it is illegal in France

The core activities of voluntary trade organizations are focused on listing and purchasing products that will be sold by their retail pharmacy members

VTOs – Core activities

Listing organization (all VTOs)

- Listing of products in a catalog used by members to place orders at prices negotiated by the VTO
- Delivery from suppliers through pre-wholesalers or wholesalers to members¹
- Listing organizations can reference medicines and products out of the pharmaceutical monopoly (because they do not buy products, nor store them)

Purchasing organization (e.g., Apothera)

- Registration of orders from members of the VTO and ordering from manufacturing companies at a negotiated price
- Direct delivery from suppliers through pre-wholesalers to members or to the distribution center of the VTO
- The purchasing organization can order products out of the pharmaceutical monopoly and must have the status of a pharmaceutical company to store and sell medicines (mandate to purchase on behalf of its members)

Pre-wholesaler or Wholesaler structures (e.g., Giphar)

- Distribution of drugs
- Distribution of parapharmacy products
- Etc.

Brand operator and / or manufacturer activity (e.g., PharmaVie)

- The branded products can be manufactured by the VTO (manufacturer's activity) or by a third-party manufacturer, like a generics company or a CMO (Contract Manufacturing Organization)

Voluntary trade organizations may also offer services to their members in view to increase their sales and profits

VTOs – Services offering

Internal communication between members and external communication to general public

Assistance in sales optimization

- Point-of-sale advertising, merchandising, customized audits
- Management (motivation of staff, discount cards, etc.)
- Arrangement (profitability studies, prices on furniture, etc.)

Home care & home support

- Purchase of equipment and proposals of training for pharmacists
- Some VTOs develop their own structure (e.g., Gipharmad for Giphar)

Virtual chains

Retail pharmacy arranged with the name and the colors of the virtual chain¹ (e.g., Nepenthes and Pure Pharma for Apothera)

IT support

(Data concentration, statistical tools, click and collect services, development of retail pharmacies websites, etc.)

Branded products

(Distributors-own brands)

Public health campaigns

(Prevention / screening)

Installation support

(e.g., credit boosters, issue of warranties, speed dating with potential associates, support in the crafting of business plans)

Promotional offers, vouchers, savings plan, loyalty cards, etc.

Branded products, loyalty programs and public health campaigns bring customers closer to their retail pharmacists, strengthening their place as a healthcare stakeholder

VTOs – Services: examples

Branded products (Distributors-own brands)

- In 2021, 81% of national VTOs had launched their brand
- Pharmactiv has a large portfolio with over 320 SKUs, and a “bio” brand (launched in 2020)
- Lafayette pharmacies used their brand to communicate about their “fight against inflation” in 2023, by capping prices on 400 exclusive products
- Leadersanté claims the same fight, with only seven products

Public health campaigns (Prevention / screening)

- Most VTOs communicate about screenings and vaccinations, as well as during specific prevention months (Pink October, Blue November, etc.)
- Aprium launched a campaign for the screening of cardiovascular diseases in April 2024, encouraging people to get their tension tested in their pharmacy
- Giphar regularly launches monthly campaign (e.g., Movember¹)

Installation support

(e.g., credit boosters, issue of warranties, speed dating with potential associates, support in the crafting of business plans)

- Leadersanté helps new pharmacists find a business angel among its members, after a motivation assessment and a “business plan creation” training
- CEIDO proposes a one-year long mentorship program
- Giphar offers six two-day long trainings for all pharmacy assistants, working in a Giphar pharmacy or not
- Giropharm created a “GiroAcademy”, where a two-day class is taught to all new members

Promotional offers, vouchers, savings plan, loyalty cards, etc.

- EvoluPharm developed a loyalty card, counting purchases on selected products (e.g., distributor-branded products), and offering vouchers
- Leadersanté created a loyalty app, called “My privilege”, sending targeted advertising to clients (based on gender, pregnancy, age, etc.) and vouchers...
- ... while enabling the pharmacist to precisely analyze its clientele and better communicate to them

In the upcoming years, voluntary trade organizations are likely to face challenges linked with growth, retention of members and differentiation

VTOs – Challenges

1. Reach critical size

- Consolidate the network at a regional, multi-regional or national level
- Define logical, precise and discriminatory criteria for membership
- Exclude members of other VTOs

2. Engage and retain members

- Retain members / limit the attrition rate
- Increase the subscription of VTOs' members to the offered services

3. Differentiate the offer of services and the positioning

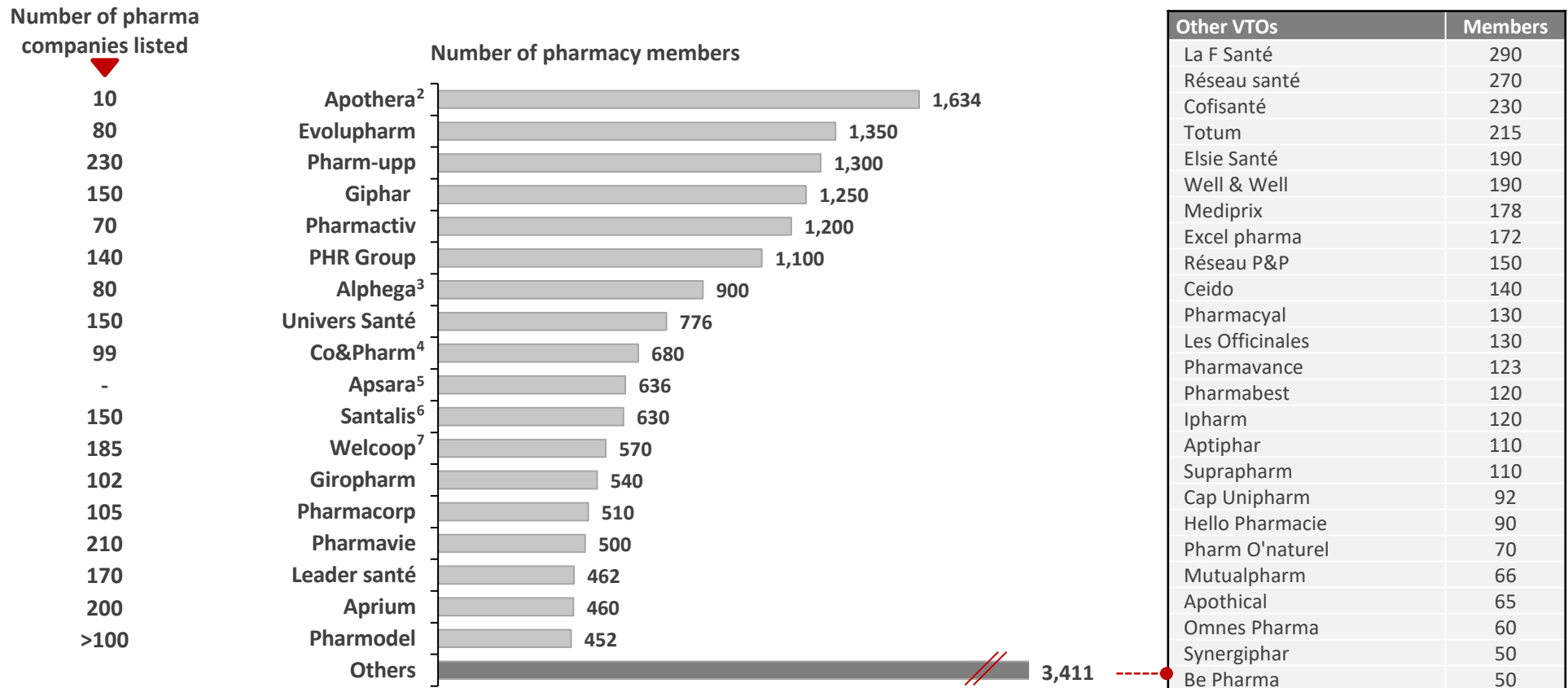
- Increase the homogeneity of pharmacy members (size, type of exercise, vision of the pharmacist, etc.) to reinforce their alignment with the VTO's strategy
- Strengthen commercial partnerships with pharma companies in all segments (originators, generics, OTCs, food supplements, parapharmacy products, etc.)
- Invest in virtual chain¹ concepts and develop existing ones by gaining visibility among retail pharmacists
- Better anticipate and accompany members in their practice evolution: teams training, etc.
- Support pharmacists in the diversification of their activities beyond the delivery of reimbursable drugs: development of activities generating higher margin levels

Sources: Main VTOs websites (March 2024) – Direct market research through interviews – Smart Pharma Consulting

¹ Enseignes: arrangement of the retail pharmacy with the name and the colors of the virtual chain

Retail pharmacies are grouped in more than 150 formal voluntary trade organizations at either regional, national, or even European level (e.g., Alphega)

VTOs – Ranking¹ and pharmacy members networks* (2024)



* Mainland France

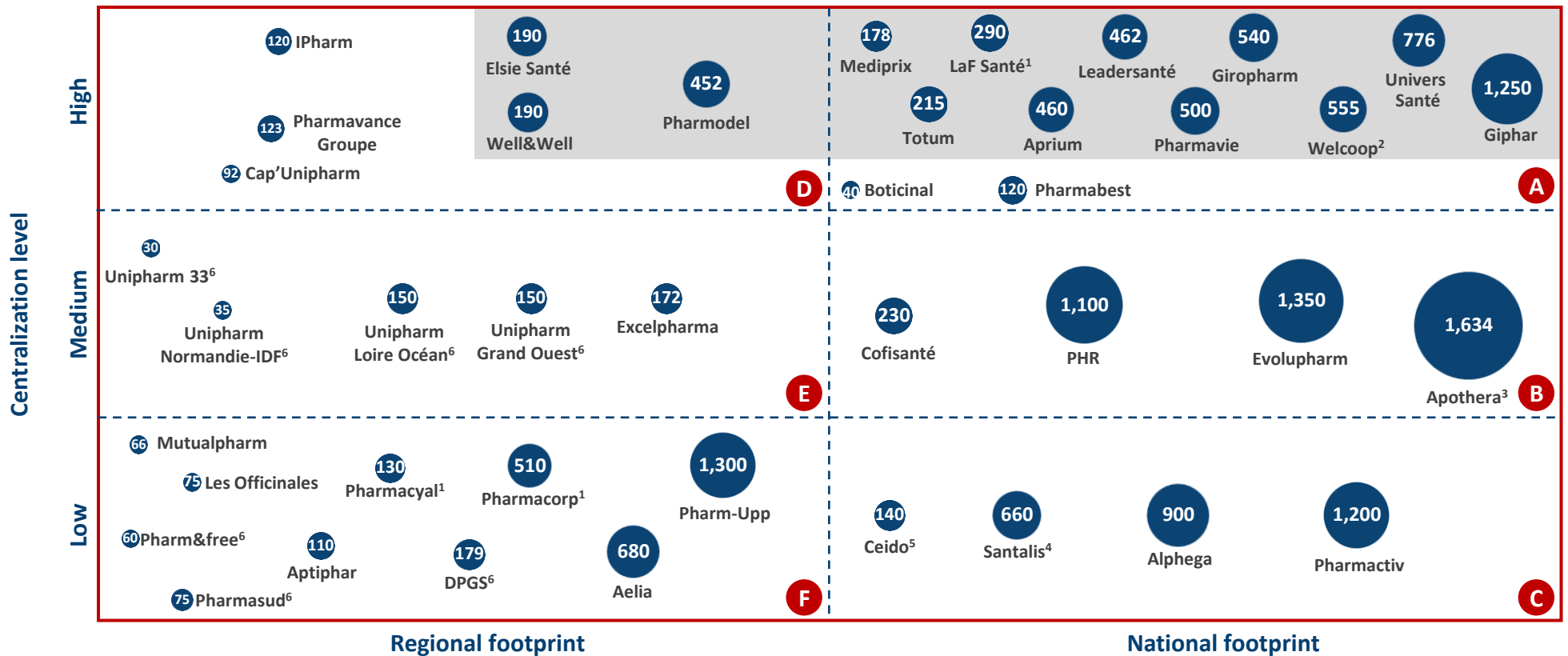
Sources: Le Quotidien du Pharmacien (November 30th, 2023) – Xerfi analysis (October 2023) – VTOs websites (June 2024) – Smart Pharma Consulting

¹ VTOs with 50 members or more – ² Formerly, Pharma Santé Développement, incl. Pharma Group Santé, Nepenthes, G1000 Pharmacies, Optipharm – ³ Present in 9 European countries through its 6,300 members – ⁴ Formerly, Aelia – ⁵ Federation of regional VTOs incl. Pharm & Free, Pharmasud, DPGS and Unipharm – ⁶ Formerly, “Les Pharmaciens Associés” – ⁷ Incl. Objectif Pharma, Well X

Pharma companies should preferably partner with mid to large centralized VTOs whose members adhere to their priorities to optimize their probability to achieve their performance objective

VTOs – Segmentation based on geographical coverage and centralization* (2024)

Illustrative



* Mainland France

Sources: Le Quotidien du Pharmacien (November 30th, 2023) – Xerfi analysis (October 2023) VTOs websites (June 2024) – Smart Pharma Consulting

¹ Part of the holding Hygie31 – ² Including Objectif Pharma (185 members) – ³ Including Pharma Group Santé, Nepenthes, G1000 Pharmacies, , Optipharm – ⁴ Formerly Les Pharmaciens Associés – ⁵ Part of Boticinal – Part of the federation of VTOs, Apsara which has signed in 2023 an alliance with Agir Pharma to become Apsagir

Most of VTOs offer their members the same services: what makes a difference is the type of ownership, the alignment of members in terms of business priority and outlets' average sales

VTOs – Range of services by a selection of VTOs (1/2)

VTOs	Ownership	# of members	Services to members							
			Listing center	Distributor own brands	Management control tools	Multi-channel offer	Loyalty programs	Trainings	Virtual chain (enseigne)	
Apothera	Connect ¹ – SofiPACA – Others ²	1,634	✓ + ³	✓	✓	✓	✓	✓	✓	✓
Evolupharm	Founders	1.350	✓	✓	X	✓	✓	✓	✓	✓
PHR Group	Phoenix (Wholesaler)	1,100	✓	✓	✓	✓	✓	✓	✓	✓
Pharmactiv	Phoenix (Wholesaler)	1,200	✓	✓	✓	✓	✓	✓	✓	✓
Giphar	Cooperative	1,250	✓ +	✓	✓	✓	✓	X	✓	✓
Alpega	Alliance Healthcare (wholesaler)	900	✓ +	✓	✓	✓	X	✓	✓	✓
Univers Pharma	Management & Founders	776	✓ +	✓	✓	✓	✓	✓	✓	✓
Santalisis ⁴	Astera (wholesaler)	660	✓	✓	✓	✓	✓	X	✓	✓

Sources: Le Quotidien du Pharmacien (November 30th, 2023) – Xerfi analysis (October 2023) VTOs websites (June 2024) – Smart Pharma Consulting

¹ Private Equity funds – ² Etoile ID – ACG management – ³ Purchase and/or distribution platform – ⁴ Formerly named “Pharmaciens associés”

Most of VTOs offer their members the same services: what makes a difference is the type of ownership, the alignment of members in terms of business priority and outlets' average sales

VTOs – Range of services by a selection of VTOs (2/2)

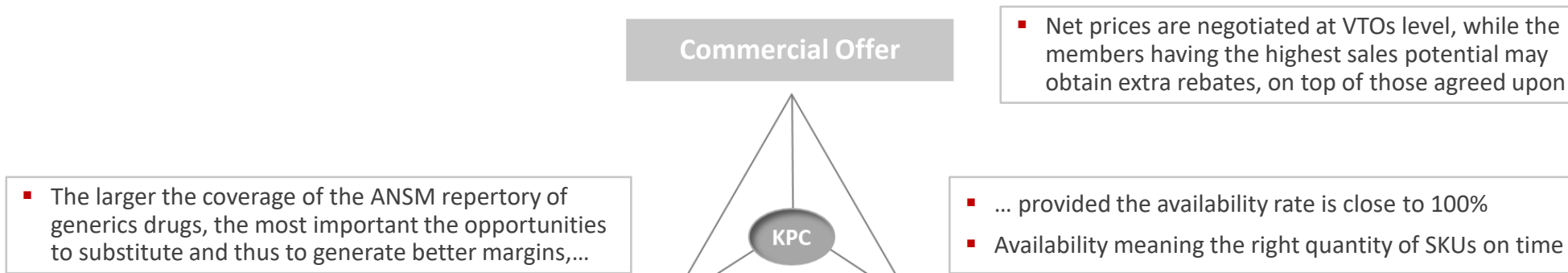
VTOs	Ownership	# of members	Services to members						
			Listing center	Distributor own brands	Management control tools	Multi-channel offer	Loyalty programs	Trainings	Virtual chain (enseigne)
Welcoop (Objectif Pharma)	Cooperative	555	✓	✓	✓	X	X	✓	✓
Giropharm	Cooperative	540	✓	✓	✓	✓	✓	✓	✓
Pharmavie	Members + Phoenix (Wholesaler)	500	✓	✓	✓	✓	✓	✓	✓
Pharmodel	Founders	452	✓	✓	✓	✓	✓	✓	✓
Leadersanté	Founders	450	✓		✓	✓	✓	✓	✓
Aprium	Sagard ^{1,2}	460	✓	✓	✓	✓	✓	✓	✓
Laf Santé	Latour Capital ¹ & BpiFrance	290	✓	✓	✓	✓	✓	✓	✓
Totum	Members	215	✓	✓	✓	✓	✓	✓	✓
Boticinal	G Square ¹	40	✓	✓	✓	✓	✓	✓	✓

Sources: Le Quotidien du Pharmacien (November 30th, 2023) – Xerfi analysis (October 2023)
VTOs websites (June 2024) – Smart Pharma Consulting

¹ Private Equity funds – ² On-going negotiation with Ardian, BPI France and the MACSF (the mutual insurer for healthcare professionals) to divest

To provide VTOs members the same profits as the generics company “W” in euros, its competitors should offer higher rebates, according to their respective portfolio breadth & product availability

VTOs – Key purchasing criteria (KPC)



Gx Portfolio Breadth

Gx players	(A) Gx portfolio breath ^a	(B) Gx availability rate ^b	(AxB) Opportunity index
W	93%	89.3%	0.83
X	90%	88.7%	0.80
Y	88%	82.4%	0.73
Z	86%	78.7%	0.68

Gx Availability Rate



Case study

Gx players	Order (illustrative)	Opportunity index	Equalized global rebates...	... to generate the same profits to VTOs members
W	€ 100 K	0.83	50%	€ 83.05
X		0.80	52%	
Y		0.73	57%	
Z		0.68	61%	

Note: Corporate reputation has a very limited positive impact but may have, in certain cases, a certain negative impact

Sources: a) Coverage of the Gx repertory as per GERS data 2023 Sept. MAT –
b) GERS data 2023 Sept. MAT – Smart Pharma Consulting

Several VTOs have recently completed acquisitions to increase their negotiating power vis-a-vis suppliers and their service offering to boost their performance and that of their members

VTOs acquisitions / alliances (2021 – 2024)

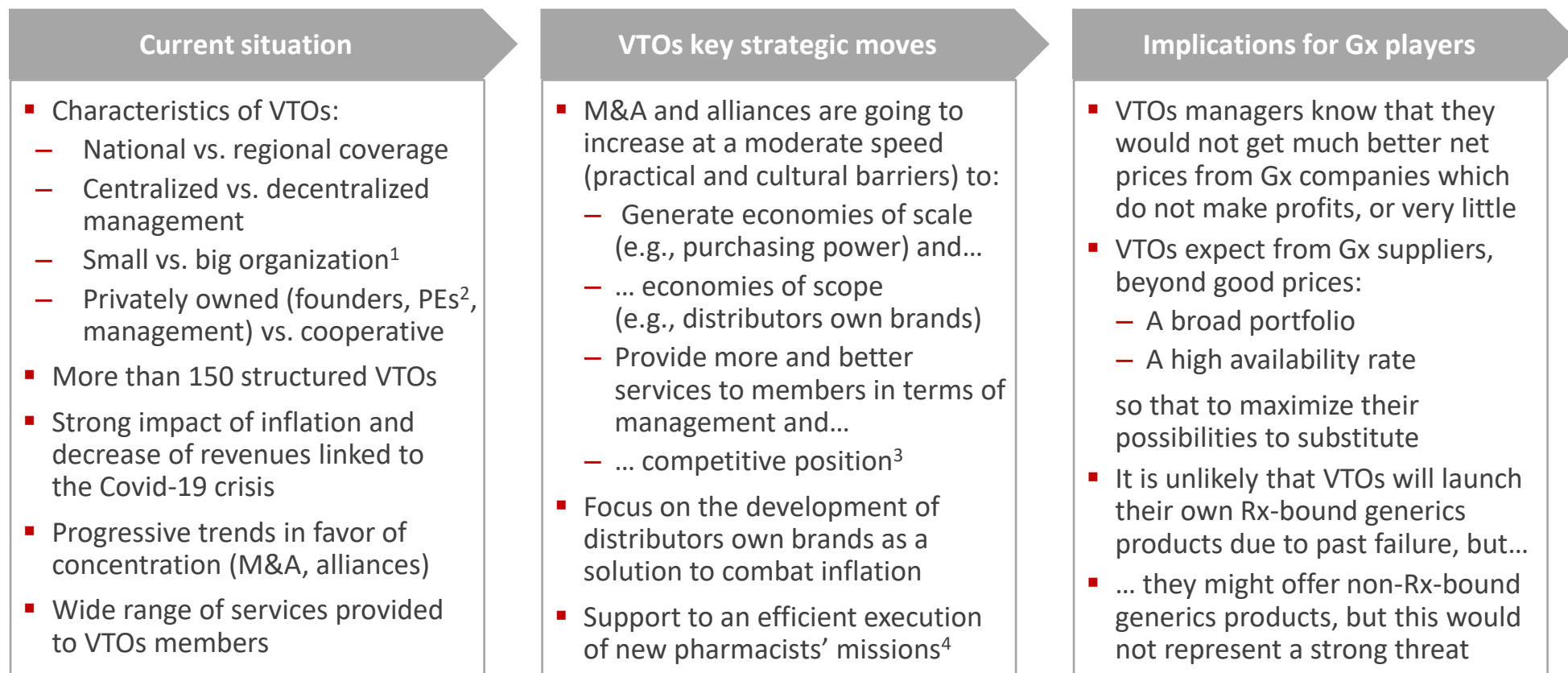
Buying / allied companies	Date of acquisition / alliance	Acquired / allied VTOs	Number of members in the acquired / allied VTOs	Total number of pharmacies in 2023
Apothera (Formerly PSD)	December 2021	Optipharm	600	~2,400
Hygie31¹	March 2022	Pharmacorp (Gener+)	520	1,189
	April 2023	Pharmacyal	135	
	December 2023	Magdaléon	100	
Boticinal (renamed Evecial Group after the deal)	Partial acquisition in the first semester of 2022	Dynamis	40	~400
	October 2022	CEIDO	130	
Astera	August 2023	Paraph	100	~6,800 ²
Univers Santé³	October 2023	Escale Santé	125	450
		Pharm'O Naturel	68	
APSAGIR (12 regional VTOs)	October 2023	Alliance between Apsara ⁴ & Agir Pharma ⁵	Apsara: ~600	~1,000
			Agir Pharma: ~400	
Pharmavance	November 2023	Hexapharm	85	~255
	March 2024	Pharma'Gen	44	

Sources: Le Quotidien du Pharmacien – Companies' press releases – fusacq.com – Smart Pharma Consulting

¹ including the 296 pharmacies Lafayette – ² Associate members, owning 99% of the cooperation – ³ Ex-Univers Pharmacie – ⁴ Federation of 7 regional VTOs incl. Pharm & Free, Pharmasud, DPGS and Unipharm – ⁵ Federation of 5 regional VTOs incl. Cap'Unipharm, Excel Pharma, Les Officinales (formerly PUC Pharma, Objectif Santé, Tag Pharm

If VTOs consolidation should not increase the current level of global rebates on generics, it will however raise the importance to be the preferred generics provider in larger and centralized ones

VTOs key strategic moves and implications for generics companies



Sources: Le Quotidien du Pharmacien – Companies' press releases – Choisirmongroupement.com (June 2024) – Interviews (April to June 2024) – Smart Pharma Consulting

¹ More or less than 400 members – ² Private Equity funds – ³ Vis-a-vis other retail pharmacies in the same catchment area, but also other distribution channels (e.g., supermarkets, online marketplaces), knowing that the French government would like to deregulate the distribution of non-Rx-bound drugs, like it is yet the case in several other European countries (e.g., Germany, UK, Italy) – ⁴ Vaccination, diagnosis of certain pathologies, etc.

VTOs are essential for generics companies which should favor mid-sized ones, whose members are willing to grow and are particularly engaged to rigorously implement the cooperation agreements

Recommendations for generics companies regarding VTOs

Overview of VTOs

- 94% of retail pharmacies are members of VTOs to get:
 - Better purchasing prices, especially with generics companies, suppliers of free-priced goods (e.g., OTCs, food supplements, parapharmacy) and wholesalers
 - Front-office support to increase the customer / patient traffic and purchasing basket
 - Back-office services to improve the management efficiency
- There are more than 150 structured VTOs, the smaller of them trying to reach a critical size arbitrarily estimated at ~1,000 members, mainly through M&As or alliances

Preferred VTOs

- The most attractive VTOs for pharma companies are those able to engage the great majority of their members to implement rigorously the agreements signed
- Besides, pharma companies, and especially generics suppliers, should partner preferably with regional or national mid size VTOs of ~400 – 600 members which are:
 - Striving to grow their business
 - Willing to adhere to performance-based cooperation agreements that are expressed as sales growth and/or market share level or growth
- In case of extra rebates – on top of those negotiated by VTOs – that are essential to get the best of the highest potential members, pharma reps should be empowered and well-trained to do so

Pharma companies should preferably partner with mid to large centralized VTOs whose members adhere to their priorities to optimize their probability to achieve their performance objective

Key Takeaways

1. ~78% of drug value, in gross price, is distributed through wholesalers, who are the cornerstone of the supply chain between pharma companies and retail pharmacies

2. Based on comparisons with other retail sectors, policy makers and payers consider drug distribution cost for reimbursable drugs as too high

3. Voluntary trade organizations (VTOs) focus on listing and purchasing products that will be sold by their retail pharmacy



4. Voluntary trade organizations may also offer services to their members in view to increase their sales and profits

5. If VTOs consolidation should not increase the level of rebates on generics, it will raise the importance to be the preferred generics provider in larger and centralized ones

6. VTOs are essential for generics companies which should favor mid-sized ones, whose members are willing to grow and engaged to implement the cooperation agreements

Consulting firm dedicated to the pharmaceutical sector operating
in the complementary domains of strategy, management and organization

Market Insights Series

- The Market Insights Series has in common to:
 - Be well-documented with recent facts and figures
 - Highlight key points to better understand the situations
 - Determine implications for key stakeholders
- Each issue is designed to be read in 15 minutes and not to exceed 24 pages

French Retail Drug Supply

Special Focus on Voluntary Trade Organizations

This position paper highlight the role of voluntary trade organizations (VTOs) in the French retail drug supply by sharing key insights:

- French drug market structure and its supply chain (2023)
- Share of revenues by stakeholder for reimbursable drugs (2023)
- Bridge from ex-factory to public price for reimbursable generics
- Pre-wholesalers, wholesalers and VTOs roles and activities
- Segmentation of VTOs based on coverage and centralization level
- VTOs key purchasing criteria (KPC)
- VTOs strategic moves and implications for generics companies

Smart Pharma Consulting Editions



- Besides our consulting activities which take 85% of our time, we are strongly engaged in sharing our knowledge and thoughts through:
 - Our teaching activities in advanced masters (ESSEC B-school, Paris Faculty of Pharmacy)
 - Training activities for pharma executives
 - The publication of articles, booklets, books and expert reports
- Our publications can be downloaded from our **website**:
 - 43 articles
 - 89 position papers covering the following topics:
 1. Market Insights
 2. Strategy
 3. Market Access
 4. Medical Affairs
 5. Marketing
 6. Sales Force Effectiveness
 7. Management & Trainings
- Our research activities in pharma business management and our consulting activities have shown to be highly synergistic
- We remain at your disposal to carry out consulting projects or training seminars to help you improve your operations

Best regards

Jean-Michel Peny