LloydsPharmacy
Franchise Opportunities
Experience health

Partner with us to offer your customers and team a **new, innovative** and **successful** way to experience your pharmacy; now and into the future.

- Intensive marketing support in local and national campaigns & PR events
- Join LloydsPharmacy and expect a **35% increase** in sales in month one
- Costs less than the average buying group
- Up your average gross margin to **38%**
- A **customer loyalty programme** with national reach to 100,000 customers
- Reach more than **100,000** customers on Social Media

LloydsPharmacy
LloydsPharmacy International

LloydsPharmacy was founded in 2000 and has spent the past 14 years building a significant presence throughout Europe. Today, there are LloydsPharmacy stores across 7 European countries.

LloydsPharmacy Positioning

LloydsPharmacy is the pharmacy that continually surprises its customers. It offers clear value for money, together with innovative products & services that match the demands of the modern pharmacy customer. We position ourselves as experts in skincare and pain control, with specific store layout and colleague training to reinforce this.

LloydsPharmacy Ireland

LloydsPharmacy launched in Ireland in 2013 building on the proud pedigree of Unicare Pharmacy and DocMorris. With awards for its store environments and direct marketing campaigns, LloydsPharmacy now has 75 stores and plans to have 100 stores by the end of 2014.

LloydsPharmacy Strengths

LloydsPharmacy has significant buying power which drives down prices for customers and increases margins in pharmacy. Our business solution packages are proven in practice: category management; operations; technology; commercial; marketing; and pharmacy services.
LloydsPharmacy in numbers

- 84% of our customers would recommend LloydsPharmacy to others
- 73% of our customers consider LloydsPharmacy to provide better value for money than other pharmacies
- LloydsPharmacy Ireland serves 340,000 customers every month
- LloydsPharmacies achieve over 38% gross margins
- LloydsPharmacy is achieving 7% above market year-on-year sales growth
- Networking Capital has fallen by 12% in LloydsPharmacy pharmacies.
- LloydsPharmacies increase retail revenues in Year 1
- LloydsPharmacies increase private RX revenue in Year 1
- Over 40,000 customers belong to our LloydsPharmacy Plus loyalty scheme
- We reach 100,000 people per week on:
  - Facebook
  - Twitter
- Winner 2012 Retail Excellence Ireland Company of the Year
- Winner 2011: Winner for Direct Marketing Campaign Unicare/LloydsPharmacy plus
- Winner 2010: “Ruban d’Honneur” Employer of the Year Category
- Winner 2011: Shortlist “Best European Employer”

+ = LloydsPharmacy country presence
Reaping Partner Rewards

**Business**
- Retail sales uplift due by increased footfall, higher service levels, new ranging.
- Marketing support and below the line implementation.
- Labour costs reduce due to scheduling tools and operational efficiencies.
- Customer retention increases due to added-value services and loyalty programme.
- Own brand products for increased margin & differentiation.

**Customers**
- A high value for money perception compared to other pharmacies.
- Service is rated as excellent. Satisfaction is high.
- Offered a better range of products as well as extensive services.
- Environment is modern different and inviting.
- Increase your customer base for the future.
- Customers can find your store through our state-of-the-art website (www.lloydspharmacy.ie)

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**LloydsPharmacy Franchise Offer**

- Branded Environment
- Category Management
- Space Management
- International Buying
- Marketing
- Loyalty Programme
- Operational Tools
- Technology
- Management Tools
- Skills Development
- Compliance
- Regulatory Representation

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**Team**
- Aided by high impact point of sale materials, innovative technology and improved condition knowledge.
- Structured Training programmes available to improve team performance.
- Operational tools make the whole team accountable for business performance.

**You**
- More time to plan, develop and refresh.
- More information, more frequently to enable you to quickly see and respond to customer changes.
- Greater control.
- More satisfaction, less anxiety – more energy.
- More opportunities for your own development.
- More choice.
- Problem solving.

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Our experience suggests that the sales of independent pharmacies converting to LloydsPharmacy will rise by over 8%

LloydsPharmacy €1,557,000
Independent Pharmacy €1,437,000

Indicative figures only, based on a pharmacy of 100m², £1.4m turnover.
Working As Partners

What Franchise Partners can expect from LloydsPharmacy

A Franchise Area Manager works closely with you as you manage the performance of your business and optimise your team’s results. Your Franchise Area Manager helps you access all LloydsPharmacy Ireland central services. Central services are there to enable your pharmacy to perform to its potential and will communicate regularly with you, either by packs in the post, online, or face-to-face.

LloydsPharmacy works closely with national and international suppliers to ensure that your pharmacy has access to the foremost technological and system innovations. This allows you to spend more time with your customers and less time with suppliers.

What LloydsPharmacy expects from its Franchise Partners

LloydsPharmacy actively looks for Franchise Partners with vision and ambition. LloydsPharmacy wants its Partners to invest every day in the essence of the LloydsPharmacy brand – customer service and added-value solutions. The very best Franchise partners leverage all the tools at their disposal. But they are also constantly looking for new ways to maximise the potential of their pharmacy and to surprise and delight their customers. With open feedback and communication, everybody learns, everybody improves and all of our customers benefit.

Franchise Partners are responsible for independently funding all investment. LloydsPharmacy advises all potential Franchise Partners to seek the advice of accountants and solicitors that specialise in Franchising, such as those affiliated with the Irish Franchise Association.

What LloydsPharmacy commits to support its Franchise Partners

To all its Franchise Partners, LloydsPharmacy commits to deliver:

→ An innovative, high impact pharmacy environment;
→ Space & category management tools;
→ Range buying and pricing;
→ Healthcare service support;
→ Promotional campaigns and materials;
→ LloydsPharmacy Plus customer loyalty programme;
→ Regular ‘Mystery Shopper’ feedback;
→ Technology to support retail, dispensary, back office, team scheduling and business performance management;
→ Dispensary and front of shop, operational manuals and tools;
→ Business coaching;
→ Capability, skills and knowledge development;
→ Regular brand and Franchise Partner communications.

→ A fascia which links your name and community to the LloydsPharmacy brand;
→ State-of-the-art website
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<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
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<tbody>
<tr>
<td>Initial Franchise Fee:</td>
<td>€6,500 This cost is a fixed one-off fee, payable on completion of the Franchise Agreement, covering launch marketing costs and store starter pack costs.</td>
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<tr>
<td>Refit Investment:</td>
<td>Dependant on site survey Refit investment depends upon age of current refit, square footage and refit options selected.</td>
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<tr>
<td>Stock Investment:</td>
<td>€12,400 Stock investment assumes annual stock turn of 2, and 25% of existing retail stock lines replaced by new layout and planograms. Figures quoted are indicative for a pharmacy of 100m².</td>
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<td>IT Investment:</td>
<td>€12,500 IT investment includes new EPOS and back office systems. Only half the cost of the EPOS replacement system is included as the remaining 50% is funded by LloydsPharmacy.</td>
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<td>Annual Franchise Fee:</td>
<td>1.5% of sales Annual franchise fee provides for in-pharmacy support, operational and management tool maintenance and updates, category and space management updates, and systems maintenance.</td>
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<tr>
<td>Marketing Fee:</td>
<td>0.5% of sales Marketing fees are entirely dedicated to annual marketing calendar, promotions, national advertising campaign contributions, local marketing, loyalty programme promotions and loyalty scheme maintenance.</td>
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<tr>
<td>Training Fee:</td>
<td>€84 per day, with minimum of 30 days to be completed Training Fee provides for access to annual Training Calendar sessions, and maintenance and updates of distance learning catalogue and materials.</td>
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LloydsPharmacy proudly welcomed their 1st Franchisee to LloydsPharmacy on July 26th, 2013.

Barbara O’Connell and her husband Roger Guiney became the inaugural franchisees in Tullamore, Co. Offaly, the 2nd LloydsPharmacy branded store and the 74th store in the wider LloydsPharmacy family. Previously trading as Dolan’s Pharmacy, it has been a mainstay of the community for over 50 years since Barbara’s father, Denis, purchased the pharmacy in the 1960s. Even more remarkably, this is the oldest pharmacy in Tullamore, dating back to as early as 1796.

The store underwent a complete refit and renovation with an increase in size to both dispensary and retail spaces. It contains dedicated areas for maintaining healthy skin with unique skin analysis being offered free in store. The pharmacy also has a dedicated pain management section with touch screen tablet PC’s to help with customer’s needs.

These specialist areas are built upon the LloydsPharmacy strategy, focusing on personalised, expert conditions management and developing deep, long term relationships with customers in best in class retail pharmacy environments. LloydsPharmacy colleagues have received extensive training in treating all Pain and Skin conditions.

“Customers find the store layout/categories easy to shop. Signage, point-of-sale, pricing and-so-on is clear and informative. We never had ‘browsing’ before, now we have customers seeking out the offers. The range and selection of products is comprehensive and more than adequate given the space available in our store. Customers get the link between the radio/TV and press ads and the brand over the door. Yet they love to see the same owner and staff there. The monthly flyer is a great promotional tool for customers. Customers are able to tell us about next week’s deal of the week is. Stock holding has decreased, which is a great help in maintaining appropriate stock levels.” Roger Guiney & Barbara O’Connell LloydsPharmacy Franchisees
**Expression of Interest Form**

**Strictly Confidential:** This Expression of Interest form is the first step towards finding out more about becoming a LloydsPharmacy Franchise Partner. This application will be treated as confidential and is not a contract, nor is it binding on either party. The information you supply will be used as the basis for our discussions with you to determine our mutual interest in pursuing a franchise opportunity. Please complete all areas of the form in **BLOCK CAPITALS** and then sign the declaration.

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<th>Mr</th>
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<th>Surname:</th>
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<td>Address:</td>
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<td>Date of Birth (dd/mm/yyyy):</td>
<td>Full Driver’s Licence: Yes [ ] No [ ] Marital Status: Married [ ] Single [ ]</td>
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<td>Pharmacy Name:</td>
<td>Address: Years at this Address:</td>
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<td>Phone:</td>
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<td>Total Pharmacy (Optional): .Sq ft Dispensary: .Sq ft</td>
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<td>Dispensary System currently used: Retail: .Sq ft Backstore: .Sq ft</td>
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<td>Date of Last Refit (mm/yyyy): Wholesaler:</td>
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<td>Total Pharmacy Revenue (tick most applicable range):</td>
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<td>€1.1M - €1.3M [ ] €1.3M - €1.5M [ ] €1.5M - €1.7M [ ] &gt; €1.7M [ ]</td>
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Revenue Sources: (please estimate % of total revenue against each potential)

| GMS | % | DPS | % | GPS | % | Private | % | Retail | % | Services | % |

**DECLARATION**

In providing LloydsPharmacy with the information in this Expression of Interest form:

1. You consent to us conducting further enquiries about you and in relation to such information as may be necessary to assist us in evaluating your Expression of Interest (including credit checks on you/your business).
2. You confirm that all the information you provide in this form or in the course of interest in acquiring a LloydsPharmacy franchise is true and correct in all respects and not misleading by inclusion or omission.
3. You acknowledge that LloydsPharmacy has not represented that in accepting and considering your Expression of Interest LloydsPharmacy will not necessarily consider you a suitable candidate for a LloydsPharmacy franchise.
4. You acknowledge that LloydsPharmacy will not be bound to you in any respect in relation to the grant of a LloydsPharmacy franchise and unless and until a formal franchise agreement is entered into and then on the terms and conditions of that agreement.

Applicant’s Name (BLOCK LETTERS):

Signature: Date:

Please return form to: Franchise Partnerships, LloydsPharmacy Pharmacy, 2nd Floor, Block AD, Cherrywood Science & Technology Park, Cabinteely, Co Dublin, Ireland Tel: 01 215 8800
Case study - LloydsPharmacy Westport

The opening of LloydsPharmacy Ireland’s second Franchise store on 19th October generated huge interest and impressive footfall in the town of Westport.

The new Franchise partner, Ronan Lally, was delighted to have made the transition from Independent pharmacy owner to a member of a nationwide chain, saying “The national exposure and access to resources and expertise that comes as a member of LloydsPharmacy can only be a positive to my business”.

The huge turnout on his opening weekend, with hundreds of new customers visiting the store, was testament to the local interest generated over the town’s new addition.

Local promotion staff engaged with customers in key locations throughout Westport to celebrate the relaunch. There was an outside broadcast from the store by a prominent local radio station and special launch promotions and offers added to the party atmosphere.

Westports LloydsPharmacy team have been specially trained in both skincare and pain control to better serve the local community. They were on hand to educate customers both old and new in the various changes and improvements to the store.

“I found the whole franchise process straightforward and transparent due in no small part to the expertise of the franchise manager Bill Boucher. The refit process and schedule of works was agreed upon and completed without any glitches. The marketing and sales support pre and post-launch has been invaluable and this has been reflected in the sales uplift. I would definitely recommend this franchise model to any pharmacist thinking of future-proofing their business.” Ronan Lally, LloydsPharmacy Franchisee.
Frequently Asked Questions

Q. Why LloydsPharmacy?
The key benefits of being a Franchisee-
1. **Improved Margin** - LloydsPharmacy consistently outperform the average industry margin
2. **Operational Excellence** - LloydsPharmacy operate over 70 stores and have best practice learnings and experience to impart to franchisees
3. **Marketing** - Lloydspharmacy are active across traditional, online and social media formats and is the largest Pharmacy group in Ireland.

Q. What are the key Practical Benefits
· Buying power/Margin
· Category Management & Planograms
· National and International Branding
· Operational expertise derived from 70 stores
· Access to sales and marketing expertise and materials, exclusive innovative products such as MyMed compliance systems including the innovative MyMed App which is available on all Apple and Android devices.
· A Loyalty programme with over 40k members and growing
· Management reporting and tools such as the Steering Wheel

Q. Can I retain certain lines in my pharmacy and will these be incorporated into Lloyds stock?
A. In principal yes. However these will be individually evaluated and analysed regarding their contribution to the pharmacy. We will compare against our current range which may/will have higher margins or better terms

Q. Do I retain full control of my business?
A. Yes however the store will trade under the Lloyds Pharmacy brand and there are other contractual commitments.

Q. Is it mandatory to use the Architect/Construction/Shop-fitting company suggested by Lloyds?
A. We advocate using all three as they have completed over 70 of our stores;

Q. Is the existing superintendent pharmacist responsible for the store or does this remit fall to Lloyds superintendent?
A. No the responsibility for the franchisees pharmacy remains with the store’s superintendent pharmacist

Q. What Marketing support will I receive for launch?
A. As a minimum Lloyds commit to the following:
1. A local mailshot campaign which will be delivered to both residential and business premises to announce opening of the Franchisee’s business at the premises.
2. The Franchisor will provide opening invitations to the launch of the Franchisee’s business at the premises.
3. The Franchisor will provide a series of ‘countdown to opening’ posters to publicise the upcoming launch of the Franchisee’s business at the premises.
4. The Franchisor will use local advertising and public relations to advertise the opening of the Franchisee’s business at the premises in the local media.
5. The opening of the Franchisee’s business at the premises will feature on the Franchisor’s website as well as social media such as Facebook and Twitter.
6. The Franchisee’s opening day will feature in local paper and media as arranged by the Franchisee.

Q. Will I have to change my Pharmacy’s name?
A. LloydsPharmacy will be the primary brand. However we will incorporate the existing Pharmacy name on the fascia.

Q. How is the territory/exclusivity for franchisees defined?
A. In a town of 10,000 inhabitants the franchisee is given exclusivity in the town. If the prospect is in a large town or city we will review the number of pharmacies in the city and work through the ratio of pharmacies in the vicinity. Exclusivity in a city with a population of over 10,000 will be 250 metres square.
Franchise benefits

- Genuine Business Partnership
- Retain your independence
- Internationally known brand
- Increased margin
- Extensive brand portfolio
- Own brand range
- Professional marketing support
- Dedicated supports
- Online presence
- Industry leading store layout and design standards
- Local focus, national support

“We can offer pharmacy owners customer-compelling category management, national, branded marketing campaigns and improved margins that are above the industry average in award-winning store environments. Retail pharmacy has faced unprecedented pressures and change over recent years. However, we believe our strategic approach will differentiate LloydsPharmacy from the competition. As a result, we have seen an increase in the volume of enquiries in franchising in recent months.”  

Bill Boucher, Head of Franchise
What Next?

We estimate that the process from expression of interest to agreeing final terms takes approximately 6-8 weeks. Completion of a refit will vary depending on the size of the refit project. Estimates on refit timelines can be produced upon request.

Express your Interest

- Expression of Interest
- Initial Meeting
- Detail Meeting
- Franchise Application
- Franchise Proposal

Formalise your Interest

- Finance Review
- Business Plan
- Finance Submission
- Franchise Agreement

Build a Way Forward

- We review options for your way forward.
- You decide.

Contract as Partners

- Final Terms
- LAUNCH!!

You give us sight of your management accounts.

You engage experienced professional advisers.

We agree our specific proposal for your pharmacy.