

GoodRx's underperformance in Q2 could be temporary as more consumers seek discounts for healthcare services

Article

The news: GoodRx reported a net loss of \$1.4 million in Q2. That's a 105% decrease in net income compared with the \$31.1 million the company earned during Q2 of last year.

How we got here: The drug discount platform attributed its year-over-year decreases partially to costs of its recent **vitaCare** acquisition and the loss of a big customer.

- In February, GoodRx acquired prescription services **vitaCare** in a **\$150 million** deal.
- In May, GoodRx anticipated its Q2'22 earnings would tumble after a major grocery store chain **stopped** accepting its drug discounts. It didn't specify which grocery chain pulled out.

The bigger picture: GoodRx says it resolved its issue with the grocery store customer, which means revenues could rise again this year.

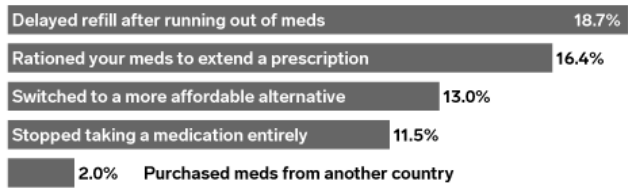
This won't be immediate, though. GoodRx doesn't expect a "meaningful volume or revenue lift" in Q3 based on the rollout timeline of communication with the grocer, new user adoption, and returning user levels.

The silver lining: Consumers are becoming more conservative with their purchases in the era of uncertainty, which could actually make drug discount platforms like GoodRx even more popular this year.

- About **9% of US adult consumers say healthcare is the first area they'd make cutbacks due to tighter household budgets**, **per** a June 2022 YouGov survey.
- That means more consumers will be on the hunt for healthcare deals. About **13% of consumers say they've switched to a more affordable medication alternative** due to rising prescription costs, **per** a 2021 GoodRx survey of over 1,000 US adults.

Changes in Medication Adherence Due to Prescription Drug Cost According to US Adults*, Feb 2021

% of respondents



Note: n=1,029 ages 18+; in the past year; 38.8% of respondents have made at least one of the changes; *among those who take a prescription medication for an ongoing condition such as diabetes or high blood pressure
Source: GoodRx, "Medication Debt Survey" conducted by Google Surveys as cited in company blog, March 22, 2021

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