

ANNUAL REPORT 2020/2021

# THE BACKBONE OF HEALTHCARE

# WE DELIVER HEALTH. EACH AND EVERY DAY. ACROSS EUROPE.

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— **The PHOENIX group** is a leading healthcare provider in Europe, reliably supplying people with medicines and health products every day. The PHOENIX group originated from the merger of five regional pharmaceutical wholesale businesses in Germany in 1994. Today, with more than 39,000 employees, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare. The PHOENIX group's vision is to be the best integrated healthcare provider – wherever it is active. This means providing each customer group with the best possible products and services along the entire pharmaceutical supply chain.

— **In pharmaceutical wholesale**, the PHOENIX group has 161 distribution centres in 27 European countries from which it supplies medicines and other health products to pharmacies and medical institutions. Numerous other products and services for pharmacy customers complete the portfolio. They range from assistance in advising patients to modern goods management services and pharmacy cooperation programmes. With around 13,500 independent pharmacies in the company's cooperation and partner programmes, the PHOENIX group's pharmacy network is the largest of its kind in Europe. The PHOENIX Pharmacy Partnership acts as the Europe-wide umbrella for the PHOENIX group's 13 pharmacy cooperation programmes in 16 countries.

— **In pharmacy retail**, the PHOENIX group operates more than 2,800 of its own pharmacies in 14 countries – of which around 1,500 operate under the corporate brand BENU. In addition to Norway, the United Kingdom, the Netherlands, and Switzerland, the company is also strongly represented in Hungary, the Czech Republic, Slovakia, Serbia, Montenegro, Romania, as well as Latvia and Lithuania. More than 20,000 pharmacy employees have more than 155 million customer contacts each year. They dispense approximately 400 million medicine packages to patients and advise them on matters concerning pharmaceuticals and general health.

— Under the service brand **"All-in-One"**, the PHOENIX group offers services for the pharmaceutical industry across the entire supply chain. The services range from logistics solutions in "Healthcare Logistics" with hubs across Europe to awareness- and digital B2C-campaigns via the pharmacy channel. The PHOENIX group analyses demand together with its industry partners and develops tailor-made solutions – at a local or regional level or Europe-wide.

## Total operating performance

35.9 € billion

## Revenue

28.2 € billion

## Increase in total operating performance compared with 2019/20 of

4.0%

## Increase in revenue compared with 2019/20 of

3.2%

# ANNUAL REPORT 2020/21

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# LEADERSHIP AND RESPONSIBILITY

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# PHOENIX GROUP IN FIGURES

Key figures of the PHOENIX group		2019/20	2020/21
Total operating performance	in € m	34,513.8	35,902.0
Revenue	in € m	27,322.8	28,209.1
Total income	in € m	2,941.9	3,052.7
EBITDA	in € m	603.6	653.4
Profit before tax	in € m	109.0	298.7
Equity	in € m	2,832.4	2,959.7
Equity ratio	in %	29.9	28.6
Net debt	in € m	2,294.9	2,006.9
Company rating (Standard & Poor's)		BB+	BB+
Employees (total)		39,013	39,532
Employees (full-time equivalents)		32,009	33,090

Despite the COVID-19 pandemic, the PHOENIX group can look back on a successful fiscal year 2020/21. Total operating performance, revenue, and EBITDA increased in comparison with the previous year, numerous operational achievements were made, and important steps were taken to ensure the continued successful development of the company.

On the basis of the new strategic agenda WINGS, PHOENIX aims to strengthen its leading market position. A new organisational structure is part of this. As well as improving operational excellence, an even stronger focus will be placed on customers and their needs. The PHOENIX group also intends to take advantage of the opportunities presented by digitalisation. For this purpose, the company established the new board function "IT & Digital" at the beginning of 2021.

# LETTER FROM THE CHIEF EXECUTIVE OFFICER OF THE PHOENIX GROUP

## Dear Ladies and Gentlemen,

For all of us, 2020 was an extraordinary and challenging year. The COVID-19 pandemic has had far-reaching consequences for private individuals and businesses alike. It is therefore all the more pleasing to see how well the PHOENIX group has come through fiscal year 2020/21. Protecting our employees was our top priority, which is why we promptly introduced working from home wherever possible. We also implemented numerous hygiene and protective measures, established separate teams in our distribution centres, and held daily briefings. These actions helped us to avoid the spread of infection and maintain our daily operations.

Our employees deserve our tremendous gratitude. Their cooperation has been outstanding, and they have done an extraordinary job, especially in the most trying periods of the pandemic. Without their dedication, the company's performance over the past year would not have been possible. Together, we supplied medicines and health products to millions of people across Europe and, in these times of crisis, gave an impressive demonstration of the important role the PHOENIX group plays in society.

Despite the challenging circumstances and strong fluctuations in demand, our financial figures were very satisfactory overall. Revenue rose by 3.2 per cent to €28.2 billion. Total operating performance – the key figure relevant to pharmaceutical wholesale – increased to €35.9 billion, corresponding to a growth of 4.0 per cent. Earnings before interest, taxes, depreciation, and amortisation rose from €603.6 million to €653.4 million, enabling us to considerably exceed our forecasts.

We also used the past year to take action to ensure the future growth of the company. This specifically included the launch of our strategic agenda WINGS in June 2020. Our clear goal is to further strengthen the market position of the PHOENIX group by means of the following:

- Increasing our operational excellence
- Strengthening our customer focus
- Taking advantage of the opportunities arising from digitalisation

On 1 September 2020, we took a key step towards achieving this goal by introducing a new organisational structure that supports the ongoing shift towards greater collaboration. We want to make even better use of local expertise, take advantage of synergies, and increase the exchange of best practices throughout Europe. More opportunities for dialogue within the group and open communication across all levels will also pave the way for a modern corporate culture, which will benefit PHOENIX, not least on the labour market.

The principles of WINGS are also reflected at the Executive Board level. With the exception of the CFO and CIO, all members of the Executive Board have assumed responsibility for an AREA – a term we use to describe countries with similar market structures and business models. In addition, Frank Große-Natrop entered retirement and was succeeded on 1 September 2020 by Steve Anderson, who has taken over the Operations & Logistics division on the Executive Board. Mr Anderson also continues in his role as Managing Director of PHOENIX UK. Furthermore, we expanded the Executive Board to include a new "IT & Digital" division, led by Dr Roland Schütz and, in doing so, are taking into account the increasing importance of this area for our company.

The digital transformation of the healthcare market started some time ago and has been accelerated by the COVID-19 pandemic. We want to take advantage of the trend towards omnichannel services in the healthcare sector, which link the online and offline worlds and play an active role in advancing these developments. We already achieved important successes in this respect in the reporting year. Over the last 12 months, we have strengthened the digital channels to our end customers and patients in several countries, for example, by opening new e-shops and expanding existing ones. New digital services were added to our customer offering in Romania and Finland. A new BENU webshop went online in the Netherlands in 2020, and we introduced MinuDoc.ee, a telemedicine solution, in the Baltic states. With our omnichannel services, we are also supporting independent pharmacies across Europe to link their digital and in-store concepts. For example, as part of





**SVEN SEIDEL**  
Chief Executive Officer

our “Szimpatika” cooperation programme in Hungary, we launched a B2C platform that allows community pharmacies to offer their end consumers delivery options for their orders, including Click & Collect, sending through the post, and doorstep delivery.

In August 2020, we successfully placed a five-year bond of €400 million on the capital market. Combined with the promissory notes issued in October 2020, this bond is a key element of our financing strategy. With two acquisitions in the past fiscal year and the integration of the businesses taken over in the previous year, we have further strengthened our position in the pharmacy retail sector in Romania, where we now operate around 400 of our own pharmacies. The roll-out of the new BENU store concept has continued across Europe, and our investments are also showing promise. The largest logistics centre for medicines and health products in the Nordic countries, which we opened in Køge, Denmark, in 2019, is serving a growing number of customers. The construction project at the wholesale site in Prague is also making solid progress. In collaboration with “ADGKAi”, we launched an innovative new generation of tills that give pharmacies access to the digital world. We have also entered into an exclusive five-year partnership with a pharmaceutical company in Eastern and Southeastern Europe.

Ladies and gentlemen, as you can see, the PHOENIX group has indeed successfully continued to expand its leading position as a healthcare provider – as the European market leader in pharmaceutical wholesale and Europe’s biggest pharmacy operator – in fiscal year 2020/21. We are consistently pursuing this course on the basis of our strategic agenda WINGS. I would like to thank all our business partners, the Supervisory Board, our shareholders, and the PHOENIX employees.

Mannheim, May 2021

Sincerely,

Sven Seidel  
Chief Executive Officer PHOENIX Pharma SE

**SVEN SEIDEL**  
Chief Executive Officer



## EXECUTIVE BOARD OF THE PHOENIX GROUP

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**STEVE ANDERSON**  
Member of the Executive Board  
Operations & Logistics

**HELMUT FISCHER**  
Member of the Executive Board  
Finance







**STEFAN HERFELD**  
Member of the Executive Board  
Commercial & Marketing

**MARCUS FREITAG**  
Member of the Executive Board  
Customers & Channels



**DR ROLAND SCHÜTZ**  
Member of the Executive Board  
IT & Digital



# REPORT OF THE SUPERVISORY BOARD

## Dear Ladies and Gentlemen,

The COVID-19 pandemic presented major challenges to society and businesses worldwide during the past year. The PHOENIX group mastered these challenges well and made a decisive contribution to supplying people throughout Europe with medicines. The protection of employees, customers, and partners based on existing business continuity plans and far-reaching additional measures were promptly implemented and successful.

PHOENIX continued to invest in the infrastructure and future viability of the business, thereby reinforcing its strong foundation for further profitable growth. Total operating performance, revenue, and earnings before interest, taxes, depreciation and amortisation (EBITDA) increased in fiscal year 2020/21 compared with the previous year.

The stable shareholder structure gives the company planning reliability for the future. The Merckle family, as the sole owner, considers the PHOENIX group an important asset of its group of companies and intends to work with the Executive Board to further develop the company and seize growth opportunities in Europe, wherever they may present themselves.

### Significant business developments

In fiscal year 2020/21, the PHOENIX group further expanded its services along the entire pharmaceutical supply chain. The strategy of organic growth and growth through targeted acquisitions has proven sustainable. The focus in the reporting year was placed on the following business activities:

- As part of the strategic agenda WINGS, a new organisational structure was introduced on 1 September 2020. This will further strengthen cooperation within the group and increase the organisation's agility.
- As a result of the ongoing digitalisation in the healthcare sector, numerous measures were implemented, including stronger digital channels to end customers and patients, for example, through new e-shops. With the PHOENIX group's development of the first central health platform in Germany, "gesund.de", together with its partners, the company is also preparing for the introduction of the e-prescription.

- The company's position in pharmacy retail has been strengthened once again, through measures such as the acquisition of two additional pharmacy chains in Romania and the integration of the pharmacy chains and groups acquired in the previous year in Romania, the Netherlands, the Czech Republic, and Serbia.
- The capital market's confidence in the PHOENIX group is underpinned by the successful placement of a five-year bond and promissory notes forming an essential pillar of the long-term financing strategy.
- Investments in infrastructure are also proceeding as planned. Following the opening of Northern Europe's largest logistics centre in Køge, Denmark, work is also progressing successfully at the wholesale site in Prague.
- The PHOENIX group has entered into an exclusive five-year partnership with an international pharmaceutical company in Eastern and Southeastern Europe.

The Supervisory Board is confident that the company is well positioned for the future and for the changes anticipated in its markets.

### Trust-based cooperation between the Executive Board and Supervisory Board

During the reporting year, the Supervisory Board of PHOENIX Pharma SE diligently fulfilled the auditing and supervisory duties incumbent upon it in accordance with the Articles of Association and Rules of Procedure. It regularly advised the Executive Board in its management of the company and closely supported and supervised its activities. The two bodies always worked together openly and constructively. In addition, the Chief Executive Officer and the Chairman of the Supervisory Board were in continual contact and exchanged information on all significant business proceedings.

The Executive Board informed the Supervisory Board promptly, continually, and in detail, both orally and in writing, about the development of all relevant key figures relating to the company's economic position. During the reporting period, it kept the Supervisory Board informed on an ongoing basis on all relevant issues relating to corporate planning, including revenue, finance, investment, and personnel planning. The Executive Board also coordinated with the Supervisory Board on significant business processes relating to profitability, risk management, and the future strategic orientation of the company.



**DR BERND SCHEIFELE**  
Chairman of the Supervisory Board



The Supervisory Board was involved directly and at an early stage in all decisions that were of strategic importance to the company. After close examination of the submitted documentation and the oral report, the Supervisory Board adopted its resolutions.

#### Key areas of advisory and monitoring activity in 2020/21

In fiscal year 2020/21, the Supervisory Board discussed the Executive Board's reports about the PHOENIX group's business development, important individual transactions, and transactions requiring approval in four meetings – with some members joining online on some occasions due to the pandemic – and two telephone conferences. Following a thorough examination and detailed discussion, the Supervisory Board issued the requested approvals at the relevant meetings, where necessary. In addition to the current development of revenue and results, as well as the financial and asset situations, the Supervisory Board's discussions focused specifically on the challenges faced in the respective individual markets, as well as on personnel decisions at top management level.

The Supervisory Board's meetings during the reporting year centred on the following topics:

- A meeting was held in March 2020 in Mannheim, Germany, where the Supervisory Board adopted the corporate plan as well as the budgets for the subsidiaries and the corporate departments for fiscal year 2020/21.
- In its meeting in May 2020 in Mannheim, the Supervisory Board dealt primarily with the company's annual financial statements, which were subsequently audited and approved, as well as with the adoption of the strategic agenda WINGS.

- During a telephone conference in July 2020, the Supervisory Board's discussions focused on the current business development.
- In October 2020, the Supervisory Board met for one day in Mannheim, where it discussed the company's strategic orientation in detail. The main topics at this meeting were the strategic areas of growth, the IT infrastructure, and digitalisation.
- The telephone conference in December 2020 focused on the current business development.
- In January 2021, the Supervisory Board met in Mannheim to adopt the corporate plan as well as the budgets for the subsidiaries and the corporate departments for fiscal year 2021/22.

#### Audit and approval of the annual financial statements 2020/21

The Supervisory Board appointed the auditing firm Ernst & Young GmbH, Stuttgart, Germany, as the auditor for fiscal year 2020/21 and, together with the auditor, defined the key areas to be reviewed. The Executive Board presented the provisional, unaudited key figures for the fiscal year and the status of preparations for the final report to the Supervisory Board in advance. The auditing firm audited the annual financial statements of the company as well as the consolidated financial statements and consolidated management report of the group. These were certified without qualification. All documentation relating to the financial statements was submitted to the Supervisory Board on time and reviewed in detail in the presence of the auditor. There were no objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements. The Supervisory Board consented to the Executive Board's proposal regarding the appropriation of retained earnings.



### Composition of the Executive Board

The Supervisory Board appointed two new members to the group's Executive Board in the 2020/21 fiscal year and agreed to the distribution of AREAS among the members of the Executive Board. With the exception of the CFO and CIO, the Executive Board members assume responsibility for countries with similar market structures and business models.

With effect from 1 September 2020, Member of the Executive Board Frank Große-Natrop entered retirement. He had been the Member of the Executive Board responsible for Operations & Logistics since 1 February 2014. Frank Große-Natrop has left a lasting mark on the company following his 36 years of service. The Supervisory Board thanks him for his commitment and wishes him all the best for his well-deserved retirement. Steve Anderson has taken over the Operations & Logistics division in addition to his role as Managing Director of PHOENIX UK. In Steve Anderson, the Supervisory Board is pleased to have found a successor within the company with sound knowledge of the European pharmaceutical wholesale and pharmacy market. This makes the Executive Board more international, reflecting the European group structures.

On 1 January 2021, the Executive Board was expanded to include an additional member as well as the "IT & Digital" division. Dr Roland Schütz took over the newly created position of Chief Information Officer of the PHOENIX group. He comes from the Lufthansa Group, where he had been responsible for IT throughout the group as CIO since 2017. This gives new weight to the increasingly important role of digitalisation. The Supervisory Board is pleased to have gained an international expert with many years of experience in this field. With this addition, the Executive Board of the PHOENIX group now comprises six members.

The Executive Board and Supervisory Board continue to work closely together on strengthening the PHOENIX group's leading position in the market and expanding it in the long term. In the name of my colleagues on the Supervisory Board, I would like to thank the members of the Executive Board, as well as all employees, for their outstanding commitment in these turbulent times and their performance during fiscal year 2020/21.

On behalf of the Supervisory Board  
Mannheim, Germany, May 2021



Dr Bernd Scheifele  
Chairman of the Supervisory Board

# MEMBERS OF THE SUPERVISORY BOARD

## **Dr Bernd Scheifele**

Chairman of the Supervisory Board,  
Former Chairman of the Managing Board  
of HeidelbergCement AG,  
Heidelberg, Germany

## **Dr Ralf Belusa**

Managing Director  
Digital Business & Transformation  
Hapag-Lloyd AG, Hamburg, Germany

## **Dr Peter Maag**

Executive Chairman  
CareDx Inc., USA

## **Ludwig Merckle**

Company Shareholder,  
Managing Director  
of Merckle Service GmbH, Ulm, Germany

## **Dr Lorenz Näger**

Deputy Chairman of the  
Managing Board & CFO  
of HeidelbergCement AG,  
Heidelberg, Germany

## **Nils Seebach**

Founder Spryker Systems GmbH,  
Berlin, Germany,  
Founder & CFO Etribes Connect GmbH,  
Hamburg, Germany

## **Bernhard Simon**

Chief Executive Officer  
Dachser Group SE & Co. KG,  
Kempten, Germany



# PHOENIX GROUP IN THE CAPITAL MARKET

- Company rating of PHOENIX Pharmahandel GmbH & Co KG and rating of bonds confirmed as “BB+” by Standard & Poor’s
- Successful placement of a bond of €400 million and a promissory note of €200 million

## Represented on the capital market with bonds and promissory notes

Although unlisted, the PHOENIX group considers itself to be closely linked to the capital market. Following the placement of a bond and a promissory note in August and October 2020 respectively, the PHOENIX group was represented on the capital market with two bonds outstanding and three promissory notes as at the end of fiscal year 2020/21. One important objective of using capital market financing is to diversify the sources of financing in order to guarantee the liquidity supply at any time and in the long term. In addition to the availability of a long-term credit facility through an international bank consortium and a broadly diversified portfolio of ABS and factoring programmes, financing via the capital market is an integral part of our refinancing measures and thus contributes to our good, balanced maturity structure. Since issuing our inaugural bond in 2010, we have been guided by the requirements of the capital market with regard to transparency and publicity.

## PHOENIX group successfully re-enters the capital market

In August 2020, six years after its last bond issue, the PHOENIX group placed an unsecured bond on the capital market through its subsidiary PHOENIX PIB Dutch Finance B.V. With a volume of €400 million and a term of five years, the bond has a coupon of 2.375 per cent p. a. with an initial return of 2.50 per cent p. a. The placement was very well received by over 100 interested investors during the marketing stage and was thus carried out very successfully in a challenging market environment. The bond was soon oversubscribed multiple times with the result that the originally targeted volume of €300 million was raised to €400 million. At the same time, it was possible to reduce the initial marketing return. The new bond has been placed with one of the lowest ever coupons for the PHOENIX group.

PHOENIX Pharmahandel GmbH & Co KG also placed an additional promissory note of €200 million in October 2020. Due to the strong demand, we decided to double the originally targeted volume from €100 million to €200 million. This amount is divided into the following tranches: a three-year tranche of €9.5 million with a fixed and floating interest rate, a five-year tranche of €138 million with a fixed and floating interest rate, and a seven-year tranche of €52.5 million with a floating interest rate. The high demand and associated oversubscription made it possible to set the margins for each maturity at the lower end of the marketing range. The documentation of the promissory note guaranteed by PHOENIX International Beteiligungs GmbH is based on our outstanding promissory notes and bonds. Following the promissory notes issued in 2016 and 2019, the PHOENIX group is now represented on the capital market with a total of three promissory notes.

With the successful capital market measures taken in fiscal year 2020/21, the 2013 bond maturing and repaid in May 2020 was completely refinanced on the capital market, thus improving the PHOENIX group’s long-term financing security and further strengthening its maturity profile.

## Bonds perform in line with the market and according to their residual term

During the reporting period, all bonds outstanding at the time performed in line with the market for comparable bonds in terms of maturity and rating, and according to their residual term. The two bonds issued by PHOENIX PIB Dutch Finance B.V. and outstanding as at the end of fiscal year 2020/21 are unsecured and guaranteed by PHOENIX Pharmahandel GmbH & Co KG and PHOENIX International Beteiligungs GmbH; the bond from 2014 is additionally guaranteed by PHOENIX PIB Finance B.V. As at the reporting date of 29 January 2021, the bonds were listed at 101.640 per cent (€200 million – repurchase of €100 million in November 2017 – , due in July 2021) and 103.107 per cent (€400 million, due in August 2025), respectively.

#### Brief overview of the currently outstanding bonds of the PHOENIX group

Issuer	PHOENIX PIB Dutch Finance B.V.	PHOENIX PIB Dutch Finance B.V.
Guarantors	PHOENIX Pharmahandel GmbH & Co KG PHOENIX International Beteiligungs GmbH PHOENIX PIB Finance B.V.	PHOENIX Pharmahandel GmbH & Co KG PHOENIX International Beteiligungs GmbH
Bond type	Unsecured eurobond	Unsecured eurobond
Issue volume	€300,000,000	€400,000,000
Coupon	3.6250%	2.3750%
Interest payment dates	Annually on 30 July	Annually on 5 August
Denomination	€100,000	€100,000
Due date	30 July 2021	5 August 2025
Stock exchange listing	Luxembourg Stock Exchange	Luxembourg Stock Exchange
ISIN	XS1091770161	XS2212959352
Bond rating at reporting date	Standard & Poor's: BB +	Standard & Poor's: BB +
Company rating at reporting date	Standard & Poor's: BB +, Outlook negative	Standard & Poor's: BB +, Outlook negative

#### Transparent capital market communication strengthens trust in our company

Our creditor relations activities aim to strengthen confidence in the PHOENIX group and foster a better understanding of our business. We are achieving this through the provision of transparent, consistent, and timely information about developments in our company and in our market environment as well as through the clear definition and communication of our strategy and goals. Our capital market communication has a long-term orientation and is considered part of the group's sustainable strategy for value enhancement. We regularly make relevant information available to capital market participants in the Investor Relations section of the PHOENIX group website. In addition to its annual reports, the PHOENIX group has been publishing quarterly information on its business performance since 2010. Personal meetings and quarterly conference calls with members of the Executive Board also serve as important measures for ensuring the continuous and active communication with existing and potential investors.

#### Ratings confirm the PHOENIX group's leading position in its markets

The PHOENIX group is the only leading independent, pan-European pharmaceutical wholesaler to have its creditworthiness assessed by an external rating agency and its ratings published. As part of this assessment, the agency issues both a company rating that provides an independent opinion on the company's general financial power and a bond rating that first and foremost values the respective bond. In fiscal year 2020/21, the rating agency Standard & Poor's confirmed their unchanged rating assessment of PHOENIX Pharmahandel GmbH & Co KG and the two outstanding corporate bonds as "BB+"; outlook "negative". This is mainly due to the PHOENIX group's leading position in the pharmaceutical wholesale sector of numerous European markets and its growing presence in the higher-margin pharmaceutical retail sector.

# GROUP MANAGEMENT REPORT 2020/21

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# THE PHOENIX GROUP AT A GLANCE

Around

60,000

pharmacy customers

Total operating performance

35,902

€ million

> 39,000

employees

161

distribution centres

Top 1

pharmaceutical wholesaler  
in 12 countries

Around

13,500

pharmacies in cooperation  
and partnership programmes

≈ 400 million

drug packages  
to patients/year

More than

155 million

patient contacts per year  
in the pharmacies

# FUNDAMENTAL INFORMATION ABOUT THE GROUP

- Leading market position in European pharmaceutical wholesale
- Introduction of new organisational structure for the group
- Strategic agenda WINGS for continued profitable growth
- Further expansion of digital competence

## THE PHOENIX GROUP

### Leading European healthcare provider

The PHOENIX group, with headquarters in Mannheim, Germany, is a leading European healthcare provider with more than 39,000 employees and is one of the largest family businesses in both Germany and Europe. Its core business is pharmaceutical wholesale and pharmacy retail. Subsidiaries also operate in related business areas, whose activities include services for the pharmaceutical industry, pharmacy goods management systems for pharmacies and logistics solutions. The PHOENIX group aims to be the best integrated healthcare provider wherever it operates.

The PHOENIX group was active in 27 European countries in fiscal year 2020/21 and therefore has a very diversified geographic portfolio. In its core business, the company was operating 161 distribution centres as of the end of the reporting year.

In pharmaceutical wholesale, the PHOENIX group is number one in 12 countries. The company currently has more than 2,800 of its own pharmacies – around 1,500 of which operate under the BENU brand – in 14 European countries and is thus Europe's leading pharmacy operator. In pharmacy retail, it mainly operates in the following countries: Czech Republic, Hungary, Latvia, Lithuania, Montenegro, Netherlands, Norway, Romania, Serbia, Slovakia, Switzerland and the UK. At present, we already have a strong proximity to customers thanks to the more than 155 million customer contacts in our own pharmacies as well as roughly 60,000 pharmacies that we supply. In addition to wholesale and retail, we offer our competencies to the pharmaceutical industry as a service provider.

### Our corporate mission statement defines our values

Our corporate mission statement plays a key role in our day-to-day actions. This makes the PHOENIX corporate philosophy and its vision, mission, strategy and values transparent. As a family business, we make our own decisions and pursue a long-term strategy. Our vision of being the best integrated healthcare provider – wherever we operate, can only be achieved with motivated and loyal colleagues. Therefore, our colleagues and their motivation are a priority for us.

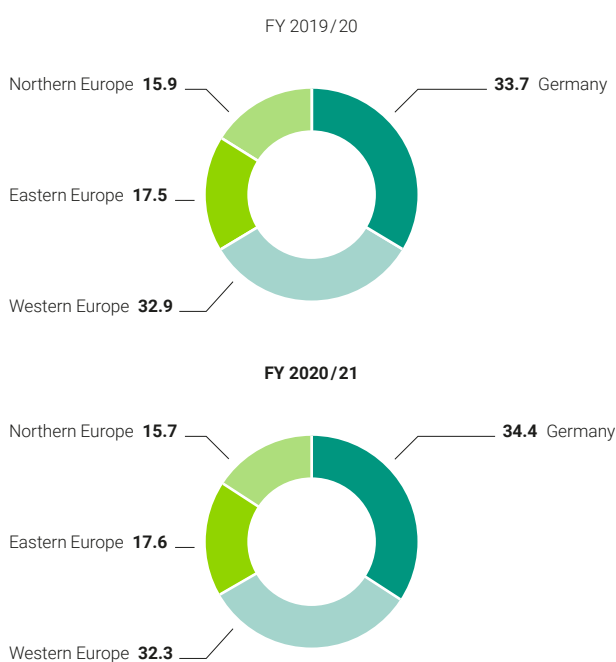
### Differentiation from the competition

The PHOENIX group singles itself out on the market using the following competitive advantages:

- Unique geographical coverage across Europe thanks to our presence in 27 European countries.
- Our integrated range of services in wholesale and retail in 14 European countries.
- Our pharmacy brands spread across all of Europe: BENU in nine countries, Apotek 1 in Norway, Rowlands Pharmacy in the UK, and Help Net in Romania.
- A pharmacy network with around 13,500 pharmacies in the PHOENIX group's cooperation and partnership programmes. The PHOENIX Pharmacy Partnership acts as a Europe-wide umbrella for the 13 cooperation programmes in 16 countries.
- The "All-in-One" service brand, under which we bundle our services for the pharmaceutical industry.

## NET TURNOVER PER REGION

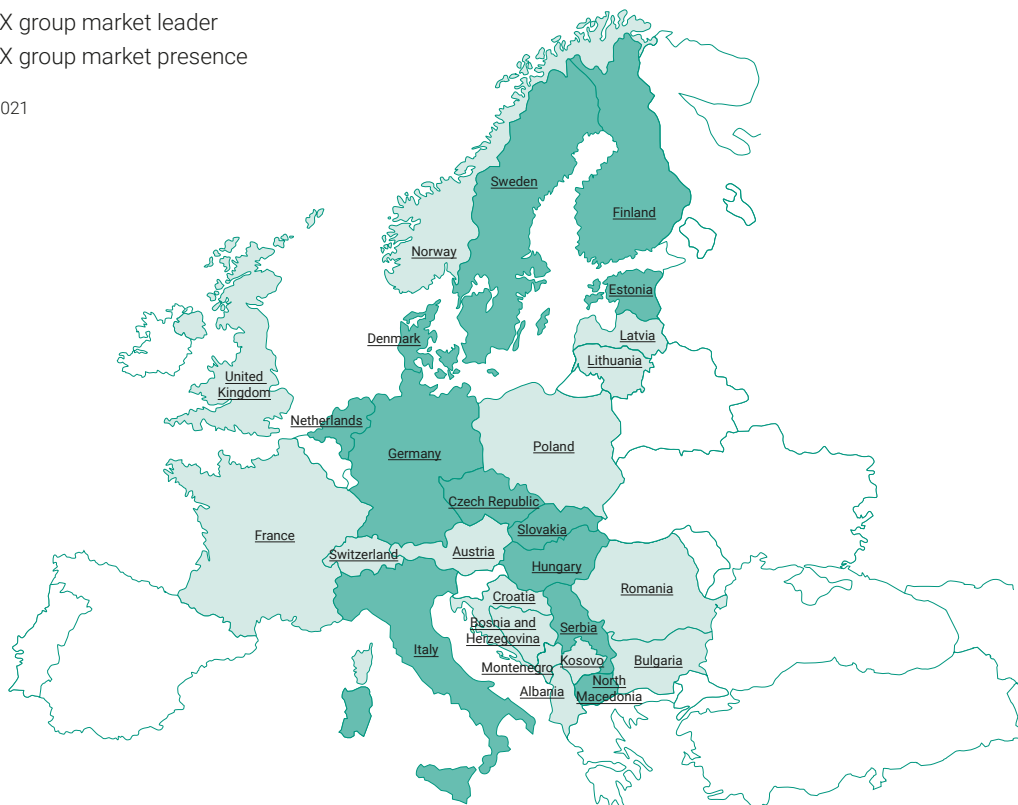
in %



## PHOENIX GROUP AS THE LEADING PHARMACEUTICAL WHOLESALER IN 12 EUROPEAN COUNTRIES

- PHOENIX group market leader
- PHOENIX group market presence

As of 31/01/2021



## PHOENIX GROUP WITH A PRESENCE IN WHOLESALE AND RETAIL IN 14 EUROPEAN COUNTRIES

- Wholesale and retail
- Wholesale

As of 31/01/2021



### New organisational structure for the group

As of 1 September 2020, the PHOENIX group introduced a new organisational structure for the group as part of the implementation of the strategic agenda WINGS. The new structure aims to further strengthen collaboration within the group and make the organisation even more agile. We are continuing to pursue our decentralised approach, because closeness to the respective markets is and remains a key factor for success. In order to accelerate closer collaboration within the group, we combined countries with similar markets and business models into four areas. Apart from the CFO and CIO, each member of the Executive Board is responsible for one area. We also transferred our functional areas into three competence centres. Work in the competence centres will help us in the group further improve transparency, promote collaboration beyond divisional, departmental and country borders and therefore step up the exchange of best practices throughout Europe.

## STRATEGY AND GROUP MANAGEMENT

### Introduction of new strategic agenda

The PHOENIX group's overarching goal is to achieve sustainable values through a corporate culture geared to the customers, high cost efficiency and profit-oriented growth. We give top priority to market leadership, customer satisfaction and efficiency.

In fiscal year 2020/21, we initiated our new strategic agenda WINGS. In the coming years, this will help us continue to grow profitably in future and further expand the leading position in the market. WINGS has three main focuses:

1. We want to improve our excellence in the operating business even further. The reliable and high-quality supply of medicines and health products to our customers is the basis for our success. Among other things, this is why we launched a new initiative targeted at optimising cost efficiency.
2. We want to put our customers even more in the centre of our activities. For example, this means that we promote the entrepreneurial spirit in our organisation so that we are able to offer new services and products to our customers from the pharmaceutical industry.
3. We also want to take advantage of the opportunities provided to us by digitalisation. We want to discover trends at an early stage and actively drive forward innovations in the healthcare sector.

Together with NOVENTI Health SE, we founded the joint venture "Gesundheit für Deutschland GmbH & Co KG", which operates Germany's first central healthcare platform. This is expected to start working in the second quarter of 2021 – in good time before the electronic prescription (e-prescription) is introduced. The platform, which is called "gesund.de", will be available via

smartphone app and browser. For the first time, it connects consumers and patients with the service providers in the German healthcare system. Users can then digitally manage all health matters in one place and set up an ecosystem of pharmacies, doctors and other healthcare professionals as well as nursing services, medical houses and health insurance companies that is tailored to their needs. The online portfolio of services relating to health and service providers will keep growing continuously and be open to all players of the healthcare system. We have also set ourselves the target of offering digital solutions to customers across Europe.

In addition, our strategy is based on the PHOENIX group growing organically and through targeted acquisitions, and on us continually expanding our position in the areas of pharmacies and pharmaceutical wholesale as well as our services and products for the pharmaceutical industry. In fiscal year 2020/21, we acquired further pharmacies in Romania and have thus reinforced our position as Europe's leading pharmacy operator. Another focus is on investments into infrastructure and automation in order to further increase our efficiency and productivity. **More information under "Business development at a glance" on  p. 20.**

In pharmaceutical wholesale, the PHOENIX group has partnerships with around 60,000 pharmacy customers, of which many are part of our pharmacy cooperation programmes. We offer franchise systems for independent pharmacies in some countries. The PHOENIX group's network of around 13,500 independent pharmacies in its cooperation and partner programmes is the largest of its kind in Europe. The PHOENIX Pharmacy Partnership acts as a Europe-wide umbrella for the PHOENIX group's 13 pharmacy cooperation programmes in 16 different countries. The PHOENIX Pharmacy Partnership is being continually refined thanks to the work of pharmacists on the Advisory Board. With cross-border cooperation as well as the strengthened exchange of knowledge and experience, the PHOENIX group with its national companies allows members access to numerous marketing services and to secure purchasing advantages.

We want to further expand and purposefully strengthen the pharmacy retail business. We founded PXG Pharma GmbH for trade with our white label brand LIVSANE as a vehicle for the further development of our own brand activities back in fiscal year 2019/20.

Furthermore, we offer the pharmaceutical industry comprehensive services along the entire pharmaceutical supply chain with our "All-in-One" service brand. The portfolio ranges from logistics solutions in "Healthcare Logistics" with hubs across Europe to awareness and digital B2C campaigns via the pharmacy channel. Together with its industry partners, the PHOENIX group analyses demand and develops tailored solutions – at a local, regional or European level.

### Using key financial indicators in management

The corporate management is primarily based on the key financial indicators of the income statement and the statement of financial position. The key figures in the income statement are revenue and earnings before taxes, in the statement of financial position it is the equity ratio.

## PROCESSES AND ORGANISATION

### Permanent optimisation

The continuous review of our processes and structures helps us secure efficiency and flexibility in our ability to act and enables us to respond to changes on the market at short notice.

In order to safeguard our market leadership, we optimise and harmonise processes and structures in Germany and across Europe on an ongoing basis. We are implementing numerous initiatives in the UK, for instance. In wholesale, we aim to foster further growth in the hospital supply sector, among others, and expand our pharmacy cooperation "Numark". Concepts and facilities such as MediPac in Runcorn, UK, which went into operation in June 2019, are gaining importance and enable a central solution to fill repeat prescriptions. This saves time in the pharmacies, which in turn can be used for assisting, consulting and patient services.

Furthermore, we are continuing to work on initiatives to optimise the operational processes of our logistics network. Our established warehouse excellence initiative plays an important role when it comes to identifying the causes of breakage and implementing ideas for improvement that are aimed at avoiding risks.

Initiated in fiscal year 2019/20, the FLANKE project with the aim of modernising and digitalising our logistics infrastructure and processes was also rolled out across Europe in fiscal year 2020/21. In the past fiscal year, this project was transferred into a strategic roadmap that takes the market trends and also the necessary investments for each individual market into account. At the start of the new fiscal year on 1 February 2021, we also initiated the PHOENIX production system, which determines, gradually combines and optimises the standards and requirements in the four areas of NWC Optimisation, Technology & Layouts, Depot Management and Transportation.

### Further expansion of digital competence

Strengthening the digital competence of the PHOENIX group is a core component of the company-wide strategic agenda WINGS. The company started several initiatives in connection with this in fiscal year 2020/21. At the beginning of 2021, we also introduced the new board function "IT & Digital", in order to bundle existing digital project activities and also to roll out and coordinate the central digital strategy.

A major element of this is improving the company-wide availability of data and data analysis competence. The aim is to optimise current data-based working procedures and enable innovative business models by better analysing customer needs.

Another focus is on strengthening digital channels to end customers and patients. In Germany, the company worked in cooperation with additional partners to develop the healthcare portal "gesund.de", which supports the digital presence of community pharmacies and other service providers in the healthcare system and connects these with patients. The PHOENIX group's digital platform will be prepared for the introduction of the e-prescription in Germany and will also offer a wide range of healthcare services. Similar projects for other local markets are currently being planned.

As in past years, the company also invested in harmonising the goods management systems and optimising and modernising the IT architecture landscape across the PHOENIX group as a whole. The pilot project in Austria to replace the internally-developed goods management system PHARMOS with SAP will enter the implementation phase after all analyses are complete.

In order to counter the challenges of the COVID-19 pandemic, the PHOENIX group significantly expanded the capacity for mobile workspaces and drove forward the modernisation of digital workspaces by rolling out cloud-based office applications in the past year. The company also broadened existing IT systems in the area of e-commerce and logistics, in order to cater to the changed purchasing and order behaviour of customers and the associated peaks in demand. Furthermore, a number of country-specific regulatory adjustments relating to lower VAT rates or subsidised products were implemented in the IT systems.

From an IT perspective, we accompanied the group-wide introduction of the social app for employees "Speakap" in order to promote the daily cooperation and communication of all colleagues. This is now available at all national companies. In the challenging times of the COVID-19 pandemic, Speakap serves as a key communication tool with and between colleagues.

The PHOENIX group also invested in strengthening its resilience against cyber-attacks, so as to guarantee a continued high level of protection for customer and corporate data in light of rising external threats.

# ECONOMIC REPORT

- COVID-19 pandemic causes European economy to collapse
- Market environment characterised by strong competition
- Total operating performance and revenue of PHOENIX group increase compared to prior year
- Due to pandemic, a special focus on protection of colleagues

## ECONOMIC ENVIRONMENT


### COVID-19 pandemic causes economic collapse


The COVID-19 pandemic had significantly negative effects on the European economy in 2020. The gross domestic product (GDP) in the eurozone was down 6.8% on the prior year (prior year: up 1.2%). The German economy also entered a deep recession, with GDP (adjusted for price and calendar effects) down 5.0% (prior year: up 0.6%).

Development in the European pharmaceutical markets was varied. The German pharmaceutical wholesale market increased 5.4% in 2020 compared to the prior year. This was primarily attributable to a noticeable increase in revenue from prescription-only medicines. The German market continued to be shaped by fierce competition.

## BUSINESS DEVELOPMENT AT A GLANCE

### Key measures implemented

Our objective is to expand our position in the areas of pharmacy retail and pharmaceutical wholesale and continuously widen our range of services and products for the pharmaceutical industry. We once again managed this in the past fiscal year, also thanks to our new strategic agenda WINGS and our new organisational structure. We achieved major milestones in all areas and also proved that we are robust in times of crisis. **More information can be found under "Strategy and group management" on  p. 18.**

We also fulfilled our responsible role in Europe's healthcare supply under the difficult conditions caused by the COVID-19 pandemic. Existing business continuity plans allowed us to cushion the pandemic's direct impact on the PHOENIX group and its workforce. The protection of our colleagues as well as of customers and partners had utmost priority during this time. Overall, there were no notable restrictions within the group. **More information can be found under "In dialogue with our colleagues" on  p. 26.**

In August 2020, the PHOENIX group issued a five-year bond on the capital market with a volume of EUR 400m and an interest rate of 2.375%. Along with promissory notes issued in October 2020 with a volume of EUR 200m, this is a central element of our long-term financing strategy.

We entered into a partnership with a pharmaceutical company starting in 2021 with a term of five years. Under this, the PHOENIX group is responsible for distributing products no longer covered by patent protection in ten countries in Eastern and Southeastern Europe. Additional services round off the partnership.


Together with our subsidiary ADG, we launched an innovative checkout generation "ADGKAI" on the market in the reporting year. The high-performing All-in-One solution offers pharmacies a smart, easy-to-use and mobile access to the digital world. The ADGKAI also prepares pharmacies for the e-prescription, which will be introduced nationwide in Germany in 2021. At the same time, the new, multi-functional customer terminal with an integrated function for contactless payment is the digital interface to the end customer.

The PHOENIX group's pharmacy retail business again recorded growth in the past fiscal year. In fiscal year 2020/21, we acquired two more pharmacy chains, Remedia and Ecofarmacia, in Romania. The number of our own pharmacies here rose to around 400, and we are now Romania's third-largest pharmacy operator. In addition, we integrated the pharmacy chains and groups previously acquired in Romania, the Netherlands, the Czech Republic and Serbia into our group. Business acquisitions in fiscal year 2020/21 led to a cash outflow of EUR 38.6m (prior year: EUR 56.7m). Cash received from divestitures amounted to EUR 3.4m (prior year: EUR 3.0m).

Our white label brand LIVSANE has been exclusively available from the PHOENIX group since 2017. In the past fiscal year, we added more than 60 new products to the LIVSANE range, which is now available in 15 European countries. As a subsidiary of the PHOENIX group, PXG Pharma GmbH is responsible for

central product development and sales. In particular, it is responsible for purchasing conditions and product quality, and is working on continuously expanding the product range. The business with our own brand is also set to be expanded in the coming years, partly by adding medicines, partly by introducing it in other countries and starting the third-party business.

Furthermore, as a leading healthcare provider, we are expanding our activities in the area of increasing digitalisation and tapping additional sales channels. Market-specific digital and e-commerce activities are being developed in the countries of the PHOENIX group in accordance with the guideline to make key business decisions in the context of the respective local market. The company already has its own e-commerce solutions in most retail countries. For instance, new solutions were added in Romania and Finland, where we operate as a pharmaceutical wholesaler, in the reporting year. In addition, a new BENU online shop went live in the Netherlands in 2020. In the Baltic countries, we have also brought out a solution in the area of telemedicine "MinuDoc.ee". The digital instrument enables online communication between all involved parties such as doctors, therapists, pharmacists and patients. We have also already initiated portals for independent pharmacies, for example the B2C platform "Szimpatika" in Hungary. This can be used by community pharmacies to offer end users delivery options such as Click & Collect, postal shipping and home delivery for their orders.

In Germany, we worked together with partners to start expanding the central healthcare platform "gesund.de", which connects end customers, patients and service providers in the healthcare system with each other. **More information can be found under "Introduction of new strategic agenda" on  p. 18.**

The PHOENIX omnichannel concept "deine Apotheke" strengthened independent pharmacies in Germany by supporting them with advancing digitalisation and by connecting digital and on-site concepts. This included components such as the "deine Apotheke" app for smartphones and Germany's largest bonus programme PAYBACK. In the past year, the "deine Apotheke" app grew significantly in terms of participating pharmacies and number of transactions.

### The PHOENIX group invests in the future

The PHOENIX group is facing up to future requirements by making substantial investments in intangible assets and property, plant and equipment. In past years, the PHOENIX group has invested in expanding and modernising its pharmacy network and distribution centres, in automation technology and in extending logistics services for the pharmaceutical industry. Investments primarily relate to replacement and restructuring investments and less so to expansion investments. In fiscal year 2020/21, investments amounted to EUR 187.8m (prior year: EUR 201.7m).

After three years of construction, the PHOENIX group opened the at that time largest logistics centre for medicines and health products in the Nordic countries in Køge, Denmark, in November 2019 and thus highlighted its position in the European pharmaceutical logistics sector. At around EUR 80m, this represented the single largest investment in infrastructure made by the PHOENIX group. More and more customers have been supplied from Køge since its opening. Customer integration is progressing steadily.

In the Czech Republic, work is still underway on the construction of the new wholesale location in Prague. The primary aims are automation, modernisation and capacity expansion at the location. We are modernising the existing hall and converting this into a pre-wholesale warehouse and are simultaneously building a new distribution centre connected to this. Two machines will bring up the level of automation at this facility. Furthermore, we are also expanding our storage capacity in this growing market. Commissioning is planned for the first half of 2021. We continue to pursue the strategy of automating "slow-moving items" in countries with a large variety of products. In the Netherlands, we drove forward "Project Ganesha", which will expand our wholesale capacities by using more automation, among other things. We are also adding space for around 10,000 more pallets in the storage capacity and tapping new logistics capacities, so that we can supply our customers even quicker.

### Executive Board's overall assessment of the situation

The PHOENIX group was able to successfully further strengthen its market position in fiscal year 2020/21 as a leading healthcare provider in Europe and expand its wholesale and retail activities. Despite challenging conditions, the PHOENIX group has once again managed to grow at a higher rate than the overall market and further increase its total operating performance and revenue, thereby achieving our forecast for the past fiscal year.

## FINANCIAL PERFORMANCE

	FY 2019/20 in EUR m	FY 2020/21 in EUR m	Change in EUR m	Change in %
Total operating performance	34,513.8	35,902.0	1,388.2	4.0
Revenue	27,322.8	28,209.1	886.3	3.2
EBITDA	603.6	653.4	49.8	8.3
EBIT after goodwill impairment	176.3	354.2	177.9	100.9
EBIT before goodwill impairment	307.0	362.2	55.2	18.0
Financial result	-67.3	-55.5	11.8	-17.5
Profit before tax	109.0	298.7	189.7	174.0
Profit after tax	39.5	226.7	187.2	473.9
Profit after tax before goodwill impairment	164.9	234.7	69.8	42.3
Equity	2,832.4	2,959.7	127.3	4.5
Equity ratio (%)	29.9	28.6	-1.3	-4.3
Net debt	2,294.9	2,006.9	-288.0	-12.5

### Increase in total operating performance and revenue

The PHOENIX group continued to grow in fiscal year 2020/21. In March 2020, the COVID-19 pandemic led to greater demand for medicines, followed by declining revenue in April and May. Total operating performance rose by 4.0% to EUR 35,902.0m in a year-on-year comparison. This comprises revenue and turnover of goods for a service fee. Adjusted for foreign exchange rate effects, growth amounts to 4.8%.

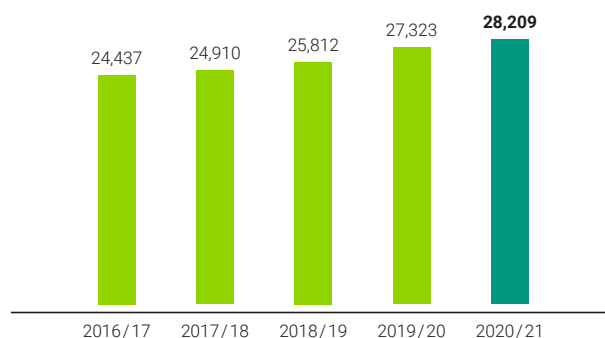
Revenue increased by 3.2% to EUR 28,209.1m in fiscal year 2020/21 (prior year: EUR 27,322.8m). Growth was recorded in all regions. This development is in line with the statement made in the forecast report of the 2019/20 group management report, where we expected revenue to be slightly above the level of growth on the European pharmaceutical markets. Adjusted for foreign exchange rate effects, the increase in revenue came to 4.1%. 0.1% stemmed from changes in the basis of consolidation.

Revenue by region (before consolidation) breaks down as follows:

	FY 2019/20 in EUR m	FY 2020/21 in EUR m	Change in EUR m	Change in %
Germany	9,239.9	9,731.8	491.9	5.3
Western Europe	9,020.8	9,139.0	118.2	1.3
Eastern Europe	4,786.7	4,968.4	181.7	3.8
Northern Europe	4,345.8	4,442.5	96.7	2.2

### DEVELOPMENT OF SALES

EUR m





### EBITDA significantly higher than in the prior year

Gross profit increased by EUR 107.2m in the reporting year to EUR 3,018.8m. The gross profit margin, calculated as gross profit in relation to revenue, increased from 10.66% to 10.70%. This can mainly be attributed to an improved cost-of-sales ratio.

Personnel costs rose from EUR 1,510.2m to EUR 1,568.5m. Adjusted for currency effects, personnel expenses increased by 2.0% on the prior year. This is primarily attributable to acquisitions, collectively bargained wage increases and an increase in headcount due to the business expansion.

Other expenses increased by EUR 2.3m to EUR 833.9m. This is largely due to higher transport costs, IT costs, building and maintenance expenses as well as consulting fees. By contrast, lower travel expenses, marketing costs and costs for events were recorded on account of the COVID-19 restrictions. In relation to revenue, other expenses came to 3.0% (prior year: 3.0%).

Overall, this caused earnings before interest, taxes, depreciation and amortisation (EBITDA) to rise from EUR 603.6m to EUR 653.4m.

Adjusted EBITDA of EUR 673.6m was up EUR 52.1m on the prior-year figure. It is calculated as follows:

	FY 2019/20 in EUR k	FY 2020/21 in EUR k	Change in EUR k	Change in %
EBITDA	603,560	653,421	49,861	8.3
Interest from customers	9,519	8,988	- 531	- 5.6
Factoring fees	1,244	1,594	350	28.1
Non-recurring effects	7,159	9,601	2,442	34.1
<b>Adjusted EBITDA</b>	<b>621,482</b>	<b>673,604</b>	<b>52,122</b>	<b>8.4</b>

### Lower impairment

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to EUR 276.8m (prior year: EUR 259.9m). Amortisation, depreciation and impairment included depreciation of right-of-use assets under IFRS 16 of EUR 127.3m (prior year: EUR 116.6m). Adjusted for this share, the increase is primarily due to acquisition effects and investments.

In fiscal year 2020/21, impairment losses were recognised on intangible assets in the amount of EUR 18.4m (prior year: EUR 160.7m). Impairment losses comprise goodwill impairment of EUR 8.0m (prior year: EUR 130.7m) and impairment on pharmacy licenses of EUR 9.9m (prior year: EUR 27.5m). Goodwill impairment relates to the cash-generating units Germany and Romania (prior year: chiefly stemmed from the cash-generating units in the United Kingdom, Romania and Germany).

The effects described resulted in earnings before interest and taxes (EBIT) of EUR 354.2m overall (prior year: EUR 176.3m). EBIT before goodwill impairment amounted to EUR 362.2m (prior year: EUR 307.0m). The return on sales based on EBIT before goodwill impairment amounted to 1.28% (prior year: 1.12%).

The financial result improved by EUR 11.8m to EUR - 55.5m. This includes interest expenses on lease liabilities of EUR 22.6m (prior year: EUR 24.3m). In addition to lower net interest expenses, reversals of risk provisions in connection with long-term customer receivables as well as higher income from the mark-to-market valuation of financial instruments had a positive impact on the financial result.

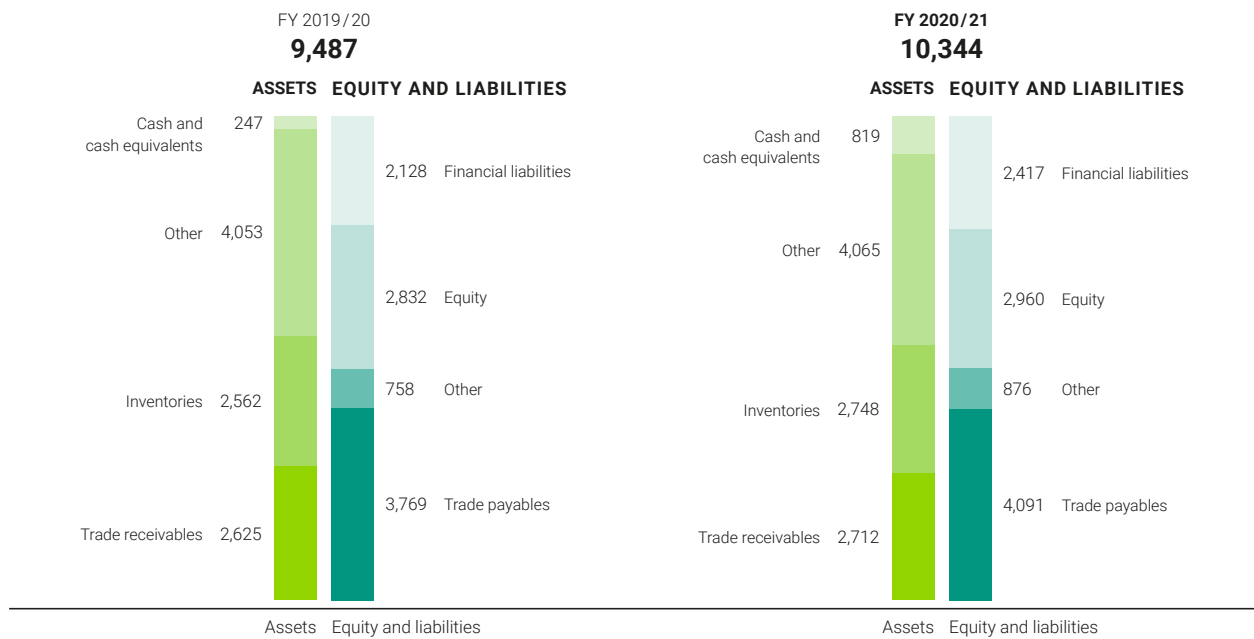
Profit before tax amounted to EUR 298.7m (prior year: EUR 109.0m) and developed in line with the statement made in the management report for fiscal year 2019/20, which forecast profit before tax to be significantly above the level seen in 2019/20.

Income taxes of EUR 72.0m (prior year: EUR 69.5m) were recorded. The tax ratio came to 24.1% (prior year: 63.8%) and was largely impacted by non-tax-deductible goodwill impairment in the prior year. Income taxes contain expenses from current taxes in the fiscal year of EUR 69.2m (prior year: EUR 70.8m) as well as deferred tax expenses of EUR 2.8m (prior year: deferred tax income of EUR 1.2m).

Profit after tax came to EUR 226.7m (prior year: EUR 39.5m). Profit after tax before goodwill impairment amounted to EUR 234.7m (prior year: EUR 164.9m).

## STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION

EUR m



### ASSETS AND LIABILITIES

The group's total assets increased by 9.0% compared to 31 January 2020 to EUR 10,344.5m. The currency translation difference on total assets, which is recognised in the statement of changes in equity, amounted to EUR –132.5m (prior year: EUR –97.1m).

Property, plant and equipment increased marginally from EUR 1,733.4m in the prior year to EUR 1,742.1m. As of 31 January 2021, property, plant and equipment contain right-of-use assets of EUR 727.2m (prior year: EUR 734.0m).

Acquisitions caused intangible assets to increase by EUR 19.1m to EUR 1,832.7m. As of 31 January 2021, intangible assets essentially comprised goodwill (EUR 1,418.2m; prior year: EUR 1,411.4m) and pharmacy licences (EUR 282.9m; prior year: EUR 286.7m).

Inventories rose in comparison to the prior year by 7.3% to EUR 2,747.6m. The average number of days sales of inventory rose from 33.9 to 35.6 days.

Trade receivables increased slightly from EUR 2,625.4m in the prior year to EUR 2,711.7m. The average number of days of sales outstanding remained more or less at the prior-year level at 41.1 (prior year: 41.2).

Receivables amounting to EUR 289.9m had been sold as of 31 January 2021 (prior year: EUR 302.4m) under ABS and factoring programmes that are not accounted for in the statement of financial position. Under ABS and factoring programmes that are accounted for only to the extent of the continuing involvement, receivables of EUR 175.3m had been sold as of 31 January 2021 (prior year: EUR 175.3m). The group's continuing involvement came to EUR 6.9m (prior year: EUR 8.1m).

Other current financial assets fell by EUR 10.0m to EUR 111.7m.

## FINANCIAL POSITION

The objective of financial management is to ensure a sound capital structure to finance operating business.

### Further increase in equity

Equity increased from EUR 2,832.4m as of 31 January 2020 to EUR 2,959.7m as of 31 January 2021. In contrast to our forecast, the equity ratio declined from 29.9% in the prior year to 28.6% largely due to the increase in total assets.

	FY 2019/20 in EUR m	FY 2020/21 in EUR m	Change in EUR m	Change in %
Profit after tax	39.5	226.7	187.2	473.9
Non-cash expenses/income, P&L-neutral payments	479.2	339.9	-139.3	-29.1
Change in working capital	-236.0	50.6	286.6	-121.4
<b>Cash flow from operating activities</b>	<b>282.7</b>	<b>617.2</b>	<b>334.5</b>	<b>118.3</b>
<b>Cash flow from investing activities</b>	<b>-230.8</b>	<b>-201.2</b>	<b>29.6</b>	<b>-12.8</b>
<b>Free cash flow</b>	<b>51.9</b>	<b>416.0</b>	<b>364.1</b>	<b>701.5</b>

Cash flow from operating activities came to EUR 617.2m (prior year: EUR 282.7m). This was impacted in particular by a higher profit after tax as well as a higher positive impact from change in working capital of EUR 286.6m compared to the prior year. While working capital increased by EUR 236.0m in the prior year, a reduction of EUR 50.6m could be achieved in fiscal year 2020/21. Cash flow from investing activities came to EUR -201.2m after EUR -230.8m in the prior year.

Free cash flow increased from EUR 51.9m in the prior year to EUR 416.0m. For the change in free cash flow and cash and cash equivalents, please refer to the statement of cash flows.

Provisions for pensions increased from EUR 224.3m in the prior year to EUR 279.9m in the reporting year due to lower discount rates.

Non-current financial liabilities came to EUR 1,537.1m (prior year: EUR 1,229.1m). These include lease liabilities pursuant to IFRS 16 of EUR 638.5m (prior year: EUR 647.4m). In addition,

this item contains bonds of EUR 395.6m (prior year: EUR 199.3m) and promissory notes of EUR 493.9m (prior year: EUR 370.0m).

Current financial liabilities amount to EUR 880.1m as of the reporting date (prior year: EUR 899.2m) and contain lease liabilities pursuant to IFRS 16 of EUR 125.4m (prior year: EUR 114.3m). This item also includes bonds of EUR 199.8m (prior year: EUR 299.7m), liabilities to banks of EUR 213.1m (prior year: EUR 142.7m), liabilities from ABS and factoring agreements of EUR 207.8m (prior year: EUR 186.2m), promissory notes of EUR 75.3m (prior year: EUR 0.0m) and other loans of EUR 111.2m (prior year: EUR 109.6m).

On the whole, net debt decreased compared to 31 January 2020 by EUR 288.0m to EUR 2,006.9m according to the following calculation.

	31 January 2020 in EUR k	31 January 2021 in EUR k	Change in EUR k	Change in %
+ Financial liabilities (non-current)	1,229,148	1,537,147	307,999	25.1
./ Derivative financial instruments (non-current)	- 145	- 91	54	- 37.2
+ Financial liabilities (current)	899,181	880,079	- 19,102	- 2.1
./ Derivative financial instruments (current)	- 5,324	- 2,433	2,891	- 54.3
./ Cash and cash equivalents	- 246,846	- 818,843	- 571,997	231.7
+ Receivables sold in the course of ABS and factoring transactions	469,553	458,286	- 11,267	- 2.4
./ Factoring receivables	- 24,681	- 23,408	1,273	- 5.2
./ Receivables from ABS programmes	- 26,007	- 23,853	2,154	- 8.3
<b>Net debt</b>	<b>2,294,879</b>	<b>2,006,884</b>	<b>- 287,995</b>	<b>- 12.5</b>

Trade payables increased by EUR 322.4m on the prior year to EUR 4,091.4m.

## EMPLOYEES

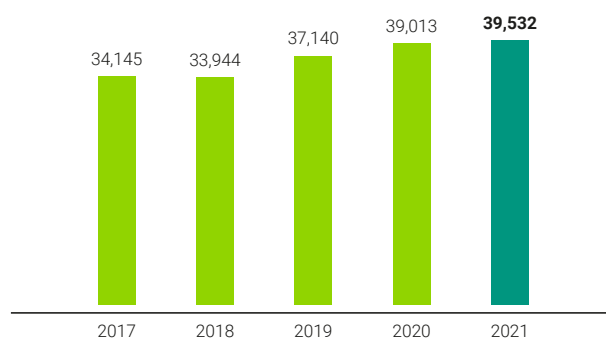
At the end of fiscal year 2020/21, the PHOENIX group had 39,532 employees across Europe. Consequently, headcount increased by 1.3% compared to the prior year. This rise is due in particular to the takeover of pharmacies in Romania along with our general business expansion. The number of full-time equivalents increased by 3.4% to 33,090.

### In dialogue with our colleagues

We want to be an attractive employer and promote the satisfaction and motivation of our workforce. The PHOENIX group receives important feedback on the potential for improvement from group-wide employee surveys. In Germany, there are also regular annual talks with colleagues and a feedback process for management. One of the results derived from the outcome

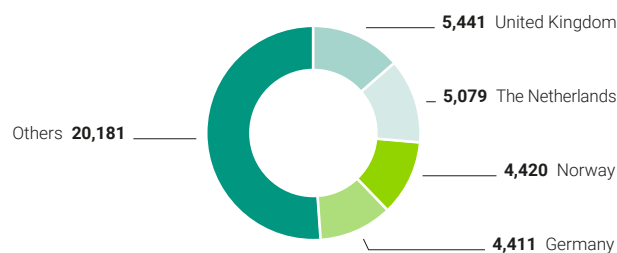
## DEVELOPMENT OF EMPLOYEES

Number as of 31/01/



## EMPLOYEES BY COUNTRY

as of 31/01/2021



of the most recent employee survey in 2018 was that we want to raise the affiliation to the PHOENIX group and thus make our company stronger overall. For Germany, we defined the action areas as “Strategy and management by the Executive Board”, “Interfaces” as well as “Changes, ideas and decisions”. The divisions and distribution centres purposefully translated these into measures, for instance, as a part of workshops. The next group-wide employee survey is planned for 2021.

During the COVID-19 pandemic, our main focus in the past year was on protecting our colleagues. As a systemically relevant company, we set up a crisis team at an early stage and, among other things, promptly introduced various measures such as distancing and hygiene rules, compulsory masks and closed working groups in the distribution centres. We also made extensive use of the opportunities for remote working. We therefore managed to protect our colleagues from infection and at the same time maintain the important delivery of medicines. In order to strengthen our digital employee communication, we introduced the “Speakap” app for employees, which has been available at all national companies of the PHOENIX group since September 2020. During the COVID-19 pandemic, we are also using the app to communicate safety and hygiene measures on a regular basis.

### Solid basic and advanced training

We build upon a focused advanced training programme in order to recognise the potential of our colleagues and systematically foster their abilities. This allows our colleagues to expand their professional competence and develop personally. In Germany, for example, employees and managers took part in a total of 23 training measures in fiscal year 2020/21. The COVID-19 pandemic meant that the majority of these were held online.

In the past fiscal year, we introduced the PHOENIX Lernwelt (“learning world”) for advanced training in Germany. The entire training offering can now be found online, both on the intranet and in our employee app. This does not just simplify the selection of the respective training offering, but instead supports the principle of self-directed learning. In addition, the learning world includes nationwide offerings and more scheduling possibilities. Alternative learning formats such as e-learning and webinars round off the offering.

Depending on their function, colleagues participate in onboarding programmes and further training. In addition to classroom training sessions, we are continuing to use e-learning systems, which are also an efficient form of providing training in a corporate group that is active across Europe. Our excellence programmes also strengthen collaboration and the exchange of best practices.

We would like to fill senior staff positions internally where possible. To this end, we started to set up an initiative aimed at managers with potential for top management positions in line with our strategic agenda WINGS in fiscal year 2020/21. The initiative will take hold beginning with fiscal year 2021/22 and is a key step for internal succession planning and for futureproofing the company.

The PHOENIX group offers young people a diverse range of opportunities to join the firm, such as internships, apprenticeships and combined courses of study. In fiscal year 2020/21, the German subgroup of the PHOENIX group employed 107 trainees and 13 combined degree students. The traineeships available in our company include an apprenticeship as a merchant in wholesale and foreign trade management, a warehouse logistics specialist, an IT specialist or as a Bachelor’s student of business management or information systems.

# RISK AND OPPORTUNITY REPORT

- Risk management system allows risks to be monitored
- Risks and opportunities identified as part of risk management
- Quality and stability of operating processes serve as a foundation
- The PHOENIX group wants to make targeted use of the opportunities that arise

## RISK MANAGEMENT

The risk management system within the PHOENIX group consists of planning, approval and reporting structures and an early warning system. The internal audit department examines this system regularly for adequacy, operability and efficiency. The Executive Board regularly receives reports on the audit findings of the internal audit.

## RISKS

The PHOENIX group is subject to market risks. As a rule, the pharmaceutical market is less affected by cyclical swings than other industries, but the loss of purchasing power and cost-saving measures in government spending on healthcare can have a negative impact on the market and our business activities.

The earnings situation in the pharmaceutical wholesale business is also influenced by the terms and conditions granted to customers and by suppliers. These depend in particular on the level of competition in the individual countries, which is why they are continually monitored on both the sales and purchasing side.

In the operating business, the quality and stability of the operating processes are decisive. An IT systems failure could disrupt key business procedures and processes. Furthermore, external attacks could result in a loss of confidential and sensitive data. In many areas, there are contingency plans for maintaining operations even in the event of unforeseen interruptions. The standardisation, regular review and maintenance of the IT systems also helps ensure the stability of the operating procedures.

With advancing digitalisation, new competitors are seeking to establish themselves on the market with online offerings, in competition with traditional pharmacies, and in the wholesale business. We are monitoring these activities and are reviewing in which areas it is expedient and admissible to set up or expand our own online offering.

The global COVID-19 pandemic at present has given rise to growing risks for global macroeconomic development, which could also have a negative effect on our businesses. Given the high level of uncertainty, it is still difficult to estimate the impact this will have on the economy. Each current development and risk situation will be monitored on an ongoing basis using reporting on operations by the group companies. There is the risk that mandatory government measures to contain the pandemic will limit access to distribution centres and pharmacies, especially in shopping centres. These measures could also result in restrictions for our suppliers on the procurement side. Furthermore, there are personnel risks if employees miss work due to ill health or on account of quarantine rules. Plans developed by a task force that was set up immediately after the outbreak of the pandemic are in place within the PHOENIX group that should ensure the continuation of the group's operations.

### Credit risk and accounts receivable management

The credit risk at the PHOENIX group, measured as total receivables, is comparatively low. Regardless of this, payment terms in the public healthcare system tend to vary from one country to another, with longer payment terms customary in Southern and Eastern Europe. In our experience, the risk is also distributed over a large number of customer relationships. In the course of liberalisation of the pharmacy markets in Europe, however, pharmacy chains and new sales channels are increasingly emerging, creating a large number of major customers with a higher level of receivables outstanding.

A group-wide guideline for accounts receivable management aims to systematically monitor receivables risks.

### Acquisition projects

The PHOENIX group's strategy is to acquire pharmacies and wholesale companies in order to expand its own market position. As a result, the group is exposed to legal, fiscal, financial and operational risks from acquisitions. The central mergers & acquisitions department therefore analyses and reviews acquisition projects before they are approved by the Executive Board. It may, however, happen that developments anticipated at the date of acquisition do not eventuate. This can, in turn, lead to an impairment loss being recognised on goodwill in the course of impairment testing.

### Legal risks

The PHOENIX group is active in 27 countries in Europe. In light of its strong market position, there is a risk that competition authorities will occasionally rule in a way that is unfavourable for us. Trade with pharmaceutical products requires compliance with certain legal requirements in the different countries. Infringements of these requirements may result in corresponding penalties by the authorities.

### Financial risks

In a financing context, the PHOENIX group is exposed to various risks.

In the course of the refinancing measures concluded in June 2012, certain financial covenants were agreed, the breach of which presents a risk to financing. The development of liabilities and covenants is monitored regularly as a result. In fiscal year 2020/21, we complied with the agreed covenants comfortably.

Derivatives are used to hedge against interest rate and currency risks. Their use is monitored intensively on a timely basis. Derivative financial instruments are only used for hedging purposes; counterparty risks are minimised by the careful selection of trading partners.

The agreements underlying our corporate bonds contain restrictions and obligations for the PHOENIX group as issuer as are customary in the market. Failure to comply with these restrictions and obligations could result in the amount of the bond plus the interest accrued falling due.

As regards the currency translation risk, the exchange rates of the pound sterling, the Norwegian krone and the Hungarian forint are of relevance for the PHOENIX group. Currency transaction risks are relevant in some Eastern European countries where deliveries by the pharmaceutical manufacturers are sometimes invoiced in euro and sometimes in US dollar. For the group, however, these are not material. Fluctuations on the financial markets may also lead to shortfalls in the pension funds and the inherent risk of an unplanned increase in personnel expenses.

### Tax risks

The companies of the PHOENIX group based in Germany are subject to tax field audits. Foreign subsidiaries are subject to the audit requirements of their local tax authorities. Tax back payments cannot be ruled out as a result of tax audits performed at German and foreign companies.

## OPPORTUNITIES

The PHOENIX group is active in 27 countries in Europe. The broad geographic diversification reduces the impact of changes in healthcare policy in individual markets on the group's business development. Thanks to its broad geographical coverage, for instance, the PHOENIX group can also offer the pharmaceutical industry services across Europe.

### Strong market position in wholesale

The PHOENIX group holds a leading market position in pharmaceutical wholesale in almost all countries in which it operates. It is the market leader in a large number of countries and has a particularly strong position in Northern and Eastern Europe and in Germany. No competitor has comparable geographic coverage or market position in these regions.

Many of our pharmacy customers take part in the company's cooperation programmes. In some countries, the PHOENIX group also offers franchise systems for independent pharmacies.

### Financial prerequisites for future growth established

The integration of the wholesale and retail pharmaceutical business also offers opportunities.

In the area of logistics, the PHOENIX group is aiming to implement process improvements across Europe and on an ongoing basis. **More information can be found under "Permanent optimisation" on p. 19.** Process optimisation measures that are successful in one country serve as a starting point for improvement measures in other countries and can help to reduce costs there.

The sound financing structure with an equity ratio of around 30% and financing with a long-term outlook have established the financial prerequisites for the future growth of the PHOENIX group. This applies as regards both organic growth and appropriate acquisitions.

## EXECUTIVE BOARD'S OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

On the whole, the PHOENIX group is active on a stable market and is well equipped to conduct activities in the areas of wholesale, retail and pre-wholesale. This allows it to take advantage of any opportunities that present themselves in order to build on its strong market position in the future. The risks and opportunities in the pharmaceutical retail business are not subject to any major changes over time. There are currently no discernible risks to jeopardise the company's ability to continue as a going concern.

# FORECAST

- High levels of uncertainty expected regarding economic growth in the eurozone and Germany
- The PHOENIX group's revenue set to increase at a slightly higher rate than European pharmaceutical markets
- The company is well equipped to achieve further positive business development

## FUTURE ECONOMIC ENVIRONMENT

There is still a high level of uncertainty regarding economic development for 2021 in Germany and the eurozone on account of the COVID-19 pandemic. The longer the pandemic lasts, the more severe the consequences could be. The OECD currently expects an increase in gross domestic product (GDP) in the eurozone of 3.6% and 2.8% in Germany. The PHOENIX group still does not expect there to be any significant impact on the group's assets, liabilities, financial position and financial performance. However, the economic risks as a consequence of the coronavirus crisis have recently heightened significantly.

We expect the pharmaceutical markets in Europe to record market growth of around 2.6% overall in 2021. In Germany, our largest market, we anticipate market growth of approximately 3.0%.

## FUTURE DEVELOPMENT OF THE PHOENIX GROUP

For fiscal year 2021/22, the PHOENIX group expects to further expand its market position in Europe through organic growth and acquisitions and thereby increase revenue slightly above the level of growth on the European pharmaceutical markets. We expect revenue growth in nearly all markets in which we are present.

For fiscal year 2021/22, we expect profit before tax to be on the level seen in 2020/21.

We also expect a slight increase in the equity ratio.

## EXECUTIVE BOARD'S ASSESSMENT OF THE GROUP'S FUTURE POSITION

The Executive Board is convinced that with its presence in 27 European countries and its sound financing structure, the PHOENIX group is well-equipped to also achieve positive business development over the medium and long term. In addition to the organic and acquisition-related growth, increasing cost efficiency should also be an important contributing factor.

Mannheim, 8 April 2021

The Executive Board

Sven Seidel (Chair)

Stephen Anderson

Helmut Fischer

Marcus Freitag

Stefan Herfeld

Dr Roland Schütz



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# CONSOLIDATED FINANCIAL STATEMENTS 2020/21

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# CONSOLIDATED INCOME STATEMENT

for fiscal year 2020/21

EUR k	Note	FY 2019/20	FY 2020/21
<b>Revenue</b>	1	<b>27,322,803</b>	<b>28,209,102</b>
Cost of purchased goods and services		-24,411,176	-25,190,256
<b>Gross profit</b>		<b>2,911,627</b>	<b>3,018,846</b>
Other operating income	2	30,278	33,805
Personnel expenses	3	-1,510,166	-1,568,499
Other operating expenses	4	-831,650	-833,904
Result from associates and joint ventures	5	1,270	1,293
Results from other investments	5	2,201	1,880
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>603,560</b>	<b>653,421</b>
Amortisation of intangible assets and depreciation of property, plant and equipment	6	-259,856	-276,814
Impairment of intangible assets and property, plant and equipment	6	-167,391	-22,361
<b>Earnings before interest and taxes (EBIT)</b>		<b>176,313</b>	<b>354,246</b>
Interest income		14,515	12,266
Interest expense		-77,745	-70,400
Other financial result		-4,038	2,611
<b>Financial result</b>	7	<b>-67,268</b>	<b>-55,523</b>
<b>Profit before tax</b>		<b>109,045</b>	<b>298,723</b>
Income tax	8	-69,530	-72,011
<b>Profit after tax</b>		<b>39,515</b>	<b>226,712</b>
thereof attributable to non-controlling interests		33,748	33,934
thereof attributable to the shareholders of the parent company		5,767	192,778

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for fiscal year 2020/21

EUR k	FY 2019/20	FY 2020/21
<b>Profit after tax</b>	<b>39,515</b>	<b>226,712</b>
<b>Items not reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	13,032	-45,314
<b>Items that may subsequently be reclassified to profit or loss as a result</b>		
Currency translation differences	3,055	-35,836
<b>Components of other comprehensive income, net of tax</b>	<b>16,087</b>	<b>-81,150</b>
<b>Total comprehensive income</b>	<b>55,602</b>	<b>145,562</b>
thereof attributable to non-controlling interests	33,307	33,438
thereof attributable to the shareholders of the parent company	22,295	112,124

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 January 2021

## ASSETS

EUR k	Note	31 Jan 2020	31 Jan 2021
<b>Non-current assets</b>			
Intangible assets	9	1,813,605	1,832,680
Property, plant and equipment	10	1,733,419	1,742,139
Investment property	10, 11	11,744	6,595
Investments in associates and joint ventures	12	6,272	6,114
Trade receivables	13	589	277
Other financial assets	13	113,074	108,028
Deferred tax assets	8	77,382	99,365
Income tax receivables		0	12
		<b>3,756,085</b>	<b>3,795,210</b>
<b>Current assets</b>			
Inventories	14	2,561,829	2,747,563
Trade receivables	15	2,624,818	2,711,439
Income tax receivables		21,359	23,423
Other financial assets	15	121,728	111,655
Other assets	16	134,285	131,758
Cash and cash equivalents	17	246,846	818,843
		<b>5,710,865</b>	<b>6,544,681</b>
Non-current assets held for sale	24	19,786	4,569
<b>Total assets</b>		<b>9,486,736</b>	<b>10,344,460</b>

**EQUITY AND LIABILITIES**

EUR k	Note	31 Jan 2020	31 Jan 2021
<b>Equity</b>			
Issued capital	18	2,786	2,786
Capital reserves	18	961,106	961,106
Revenue reserves	18	1,832,009	2,023,903
Accumulated other comprehensive income	18	-243,456	-324,110
<b>Equity attributable to the shareholders of the parent company</b>		<b>2,552,445</b>	<b>2,663,685</b>
Non-controlling interests	12, 18	279,979	295,969
		<b>2,832,424</b>	<b>2,959,654</b>
<b>Non-current liabilities</b>			
Financial liabilities	21	1,229,148	1,537,147
Trade payables	22	435	303
Provisions for pensions and similar obligations	19	224,320	279,862
Other non-current provisions	20	3,556	5,635
Deferred tax liabilities	8	125,921	129,257
Other non-current liabilities		1,142	1,463
		<b>1,584,522</b>	<b>1,953,667</b>
<b>Current liabilities</b>			
Financial liabilities	21	899,181	880,079
Trade payables	22	3,768,529	4,091,096
Other provisions	20	48,465	43,829
Income tax liabilities		35,371	35,670
Other liabilities	23	318,244	380,465
		<b>5,069,790</b>	<b>5,431,139</b>
<b>Total equity and liabilities</b>		<b>9,486,736</b>	<b>10,344,460</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

for fiscal year 2020/21

EUR k	31 Jan 2020	31 Jan 2021
<b>Profit after tax</b>	<b>39,515</b>	<b>226,712</b>
Income taxes	69,530	72,011
<b>Profit before tax</b>	<b>109,045</b>	<b>298,723</b>
Adjustments for:		
Interest expenses and interest income	63,230	58,134
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	427,247	299,175
Result from associates and other investments	-3,471	-3,173
Net result from the disposal of assets related to investing activities	-1,760	-1,264
Other non-cash expenses and income	68,431	67,612
	<b>662,722</b>	<b>719,207</b>
Interest paid	-75,692	-61,139
Interest received	18,641	11,752
Income taxes paid	-51,254	-70,129
Dividends received	2,518	2,058
<b>Result before change in assets and liabilities</b>	<b>556,935</b>	<b>601,749</b>
Changes in assets and liabilities, net of effects of changes in the scope of consolidation and other non-cash transactions:		
Change in non-current provisions	-38,251	-35,088
<b>Result before change in operating assets and liabilities</b>	<b>518,684</b>	<b>566,661</b>
Change in inventories	-257,400	-208,794
Change in trade receivables	-81,545	-107,601
Change in trade payables	158,637	331,219
	<b>-180,308</b>	<b>14,824</b>
Change in other assets and liabilities not related to investing or financing activities	-55,685	35,752
<b>Change in operating assets and liabilities</b>	<b>-235,993</b>	<b>50,576</b>
<b>Cash flow from operating activities</b>	<b>282,691</b>	<b>617,237</b>
Acquisition of consolidated companies and business units, net of cash acquired	-56,653	-38,550
Capital expenditures for intangible assets, property, plant and equipment, and investment property	-201,729	-187,788
Investment in other financial assets and non-current assets	-2,515	-1,681
<b>Cash outflows for investments</b>	<b>-260,897</b>	<b>-228,019</b>

EUR k	31 Jan 2020	31 Jan 2021
Cash received from the sale of consolidated companies and business units, net of cash disposed	2,993	3,397
Cash received from disposal of intangible assets, property, plant and equipment and investment property	22,251	18,420
Proceeds from other financial assets and non-current assets	4,845	4,975
<b>Cash inflows from realised investments and divestments</b>	<b>30,089</b>	<b>26,792</b>
<b>Cash flow from investing activities</b>	<b>-230,808</b>	<b>-201,227</b>
<b>Cash available for financing activities</b>	<b>51,883</b>	<b>416,010</b>
Capital contribution from/repayment to non-controlling interest(s)	575	290
Acquisition of additional shares in already consolidated subsidiaries	-1,301	-725
Proceeds from disposal of interests in subsidiaries without loss of control	324	152
Dividends paid to non-controlling interests	-18,130	-16,971
Proceeds from bond issuance and bank loans	80,143	633,135
Repayment of bonds and bank loans	-132,659	-412,471
Change in bank loans which have a maturity period of 3 months or less	52,587	69,064
Repayment of loans from shareholders of the parent company	-19,874	0
Proceeds from the issue of loans from related parties	323,130	0
Repayment of loans from related parties	-100,220	0
Changes in ABS/factoring liabilities	-23,187	27,074
Changes in finance leases	-127,502	-124,823
Changes in other financial liabilities	5,142	-16,663
<b>Cash flow from financing activities</b>	<b>39,028</b>	<b>158,062</b>
<b>Changes in cash and cash equivalents</b>	<b>90,911</b>	<b>574,072</b>
Effect of exchange rate changes on cash and cash equivalents	2,626	-2,075
Cash and cash equivalents at the beginning of the period	153,309	246,846
Cash and cash equivalents at the end of the period	246,846	818,843
Less cash and cash equivalents included in assets held for sale	0	0
<b>Cash and cash equivalents presented in the statement of financial position at the end of the period</b>	<b>246,846</b>	<b>818,843</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for fiscal year 2020/21

EUR k	Issued capital	Capital reserves	Revenue reserves	Currency translation differences	Remeasurement of defined benefit plans	Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
<b>1 February 2019</b>	<b>2,786</b>	<b>961,106</b>	<b>1,837,523</b>	<b>-100,617</b>	<b>-159,367</b>	<b>2,541,431</b>	<b>265,119</b>	<b>2,806,550</b>
First-time application of IFRS 16			-10,991			-10,991	-408	-11,399
<b>1 February 2019 adjusted</b>	<b>2,786</b>	<b>961,106</b>	<b>1,826,532</b>	<b>-100,617</b>	<b>-159,367</b>	<b>2,530,440</b>	<b>264,711</b>	<b>2,795,151</b>
Profit after tax			5,767			5,767	33,748	39,515
Accumulated other comprehensive income				3,480	13,048	16,528	-441	16,087
<b>Total comprehensive income, net of tax</b>			<b>5,767</b>	<b>3,480</b>	<b>13,048</b>	<b>22,295</b>	<b>33,307</b>	<b>55,602</b>
Changes in the interest of consolidated companies			-650			-650	132	-518
Dividends						0	-19,045	-19,045
Other changes in equity			360			360	874	1,234
<b>31 January 2020</b>	<b>2,786</b>	<b>961,106</b>	<b>1,832,009</b>	<b>-97,137</b>	<b>-146,319</b>	<b>2,552,445</b>	<b>279,979</b>	<b>2,832,424</b>
<b>1 February 2020</b>	<b>2,786</b>	<b>961,106</b>	<b>1,832,009</b>	<b>-97,137</b>	<b>-146,319</b>	<b>2,552,445</b>	<b>279,979</b>	<b>2,832,424</b>
Profit after tax			192,778			192,778	33,934	226,712
Accumulated other comprehensive income				-35,334	-45,320	-80,654	-496	-81,150
<b>Total comprehensive income, net of tax</b>			<b>192,778</b>	<b>-35,334</b>	<b>-45,320</b>	<b>112,124</b>	<b>33,438</b>	<b>145,562</b>
Changes in the basis of consolidation			-544			-544	497	-47
Changes in the interest of consolidated companies			-425			-425	-33	-458
Dividends						0	-17,712	-17,712
Other transactions with shareholders			-1,409			-1,409		-1,409
Other changes in equity			1,494			1,494	-200	1,294
<b>31 January 2021</b>	<b>2,786</b>	<b>961,106</b>	<b>2,023,903</b>	<b>-132,471</b>	<b>-191,639</b>	<b>2,663,685</b>	<b>295,969</b>	<b>2,959,654</b>



# FINANCIAL CALENDAR 2021

Please consult our calendar for the most important announcement dates:

- 24 June** Quarterly statement February to April 2021
- 23 September** Half-year report February to July 2021
- 16 December** Quarterly statement February to October 2021

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