

## Quarterly Statement February to April 2023

### The first three months at a glance

- Total operating performance and revenue increased again
- EBITDA higher than previous year
- PHOENIX Pharma Switzerland and Voigt Holding closed the joint venture transaction successfully

Key figures of the PHOENIX group in € m	1st quarter 2022/23	1st quarter 2023/24
Total operating performance	10,249.6	13,658.4
Revenue	7,990.0	11,393.2
Total income	839.7	1,147.2
EBITDA before significant one-off effects	162.2	213.6
EBITDA	162.2	201.4
EBIT	88.7	100.9
Profit before tax before significant one-off effects	69.2	75.8
Profit before tax	69.2	63.6
Profit after tax	50.1	42.0

		30 April 2022	31 January 2023	30 April 2023
Equity	in € m	3,209.2	3,286.3	3,317.2
Equity ratio	in %	30.0	24.1	24.5
Net debt	in € m	1,990.7	2,935.2	3,214.2

## **Business development**

The PHOENIX group continued to grow in the first three months of 2023/24 (February to April 2023). Compared with the first three months of 2022/23, total operating performance rose by 33.3 per cent to €13.7 billion. This comprises revenue and handled volume. An amount of €3.0 billion relates to the former McKesson companies that were acquired on 31 October 2022. Adjusted for foreign exchange rate effects, total operating performance grew by 34.4 per cent. The PHOENIX group, which is active in 29 European countries, achieved a revenue growth of €3.4 billion (42.6 per cent) to €11.4 billion (€3.0 billion of which is attributable to the acquired McKesson companies). Adjusted for foreign exchange rate effects, revenue grew by 43.7 per cent.

## **Results**

Total income increased by €307.5 million to €1,147.2 million (€247.7 million of which is attributable to the acquired McKesson companies) which exceeds the increase of total expenses of €268.1 million (€209.0 million of which is attributable to the acquired McKesson companies). Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased from €162.2 million to €201.4 million and includes a loss of €12.2 million from the deconsolidation of the Swiss wholesale activities. Adjusted for this one-off effect, EBITDA increased by 31.7 per cent or €51.4 million to €213.6 million compared with the same period of the previous year.

Profit before tax decreased from €69.2 million to €63.6 million due to a lower financial result (first three months 2023/24: €-37.3 million vs. first three months 2022/23: €-19.5 million). The financial result was negatively impacted by a revaluation of a settlement obligation to minority shareholders of McKesson Europe AG. Profit before tax – adjusted for the deconsolidation loss – increased by 9.6 per cent, representing an increase of €6.6 million to €75.8 million.

## **Financial position**

Equity rose by €30.9 million compared with 31 January 2023. The currency translation difference on total assets, which is recognised in equity, amounted to €-112.9 million (31 January 2023: €-106.9 million). Equity ratio as of 30 April 2023 came to 24.5 per cent (31 January 2023: 24.1 per cent).

Cash flow from operating activities came to €-94.6 million (comparative period: €-118.8 million). This improvement is largely due to a lower increase in trade working capital compared with the same quarter of the previous year. Cash flow from investing activities amounted to €-92.5 million and was €-72.0 million in the same period of the previous year.

Net debt increased by €279.0 million to €3,214.2 million compared with 31 January 2023.

## **Risks and opportunities**

The risks and opportunities of significance to us are described extensively in our annual report for fiscal year 2022/23. The risks and opportunities presented in that report are still essentially relevant.

## **Forecast**

For fiscal year 2023/24, the PHOENIX group expects to further expand its market position in Europe through organic growth, acquisitions and efficiency improvements and thereby increase revenue slightly above the level of growth of the European pharmaceutical markets. We expect revenue to grow in nearly all markets in which we are present.

For fiscal year 2023/24, we forecast profit before tax to be slightly below the level seen in 2022/23. In fiscal year 2023/24, we expect higher levels of amortisation and depreciation due to acquisitions and higher financing costs due to higher interest rates and a higher net debt. In addition, the comparative year 2022/23 was impacted by non-recurring effects such as a gain on a first-time consolidation and impairment losses.

We expect a slight increase in the equity ratio.

Mannheim, 20 June 2023

The Executive Board of PHOENIX Pharma SE



## CONSOLIDATED INCOME STATEMENT

for the first three months of 2023/24

EUR k	1st quarter 2022/23	1st quarter 2023/24
<b>Revenue</b>	<b>7,989,961</b>	<b>11,393,168</b>
Cost of purchased goods and services	-7,156,978	-10,262,261
<b>Gross profit</b>	<b>832,983</b>	<b>1,130,907</b>
Other operating income	6,668	16,338
Personnel expenses	-435,782	-589,236
Other operating expenses	-241,256	-355,902
Result from associates and joint ventures	-497	-810
Result from other investments	80	74
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>162,196</b>	<b>201,371</b>
Amortisation of intangible assets and depreciation of property, plant and equipment	-73,517	-100,475
<b>Earnings before interest and taxes (EBIT)</b>	<b>88,679</b>	<b>100,896</b>
Interest income	2,036	4,598
Interest expenses	-19,724	-33,850
Other financial result	-1,768	-8,082
<b>Financial result</b>	<b>-19,456</b>	<b>-37,334</b>
<b>Profit before tax</b>	<b>69,223</b>	<b>63,562</b>
Income taxes	-19,106	-21,611
<b>Profit after tax</b>	<b>50,117</b>	<b>41,951</b>
thereof attributable to non-controlling interests	7,866	4,322
thereof attributable to owners of the parent company	42,251	37,629

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 30 April 2023

## ASSETS

EUR k	31 January 2023	30 April 2023
<b>Non-current assets</b>		
Intangible assets	2,080,825	2,077,945
Property, plant and equipment	2,274,027	2,293,212
Investment property	3,989	3,930
Investments in associates and joint ventures	9,215	42,604
Trade receivables	4,824	4,797
Other financial assets	108,227	130,727
Deferred tax assets	149,972	149,737
Income tax receivables	2,500	2,574
	<b>4,633,579</b>	<b>4,705,526</b>
<b>Current assets</b>		
Inventories	3,574,811	3,661,717
Trade receivables	4,421,129	4,492,694
Income tax receivables	27,770	32,025
Other financial assets	92,702	89,341
Other assets	289,135	309,278
Cash and cash equivalents	430,402	270,419
	<b>8,835,949</b>	<b>8,855,474</b>
Non-current assets held for sale	145,982	469
<b>Total assets</b>	<b>13,615,510</b>	<b>13,561,469</b>

**EQUITY AND LIABILITIES**

EUR k	31 January 2023	30 April 2023
<b>Equity</b>		
Issued capital	2,786	2,786
Capital reserves	961,106	961,106
Revenue reserves	2,501,563	2,540,990
Accumulated other comprehensive income	-291,845	-302,136
<b>Equity attributable to the shareholders of the parent company</b>	<b>3,173,610</b>	<b>3,202,746</b>
Non-controlling interests	112,703	114,440
	<b>3,286,313</b>	<b>3,317,186</b>
<b>Non-current liabilities</b>		
Financial liabilities	1,913,269	1,941,255
Trade payables	633	512
Provisions for pensions and similar obligations	305,756	296,033
Other non-current provisions	17,787	14,572
Deferred tax liabilities	235,719	233,444
Income tax liabilities	5	5
Other non-current liabilities	887	998
	<b>2,474,056</b>	<b>2,486,819</b>
<b>Current liabilities</b>		
Financial liabilities	1,196,220	1,291,730
Trade payables	5,785,422	5,767,183
Other provisions	95,537	89,392
Income tax liabilities	72,341	61,579
Other liabilities	548,391	547,580
	<b>7,697,911</b>	<b>7,757,464</b>
Liabilities directly associated with assets held for sale	157,230	0
<b>Total equity and liabilities</b>	<b>13,615,510</b>	<b>13,561,469</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the first three months of 2023/24

EUR k	30 April 2022	30 April 2023
<b>Profit after tax</b>	<b>50,117</b>	<b>41,951</b>
Income taxes	19,106	21,611
<b>Profit before income taxes</b>	<b>69,223</b>	<b>63,562</b>
Adjustments for:		
Interest expenses and interest income	17,688	29,252
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	73,517	100,475
Result from associates and other investments	417	736
Net result from the disposal of assets related to investing activities	153	7,392
Other non-cash expense and income	61,843	77,530
	<b>222,841</b>	<b>278,947</b>
Interest paid	-14,130	-28,105
Interest received	1,530	4,593
Income taxes paid	-28,505	-37,072
Dividends received	84	74
<b>Cash flow before change in assets and liabilities</b>	<b>181,820</b>	<b>218,437</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	-9,421	-9,851
<b>Cash flow before change in operating assets and liabilities</b>	<b>172,399</b>	<b>208,586</b>
Change in inventories	573	-93,219
Change in trade receivables	-352,367	-126,218
Change in trade payables	85,301	34,885
	<b>-266,493</b>	<b>-184,552</b>
Change in other assets and liabilities not related to investing or financing activities	-24,733	-118,657
<b>Change in operating assets and liabilities</b>	<b>-291,226</b>	<b>-303,209</b>
<b>Cash flow from operating activities</b>	<b>-118,827</b>	<b>-94,623</b>
Acquisition of consolidated companies and business units, net of cash acquired	-38,052	-12,976
Capital expenditures for intangible assets, property, plant and equipment, and investment property	-35,318	-49,291
Investment in other financial assets and non-current assets	-2,000	-44,258
<b>Cash outflows for investments</b>	<b>-75,370</b>	<b>-106,525</b>

EUR k	30 April 2022	30 April 2023
Cash received from the sale of consolidated companies and business units, net of cash disposed	0	-18
Cash received from disposal of intangible assets, property, plant and equipment, and investment property	3,144	14,019
Proceeds from other financial assets and non-current assets	199	0
<b>Cash inflows from realised investments and divestments</b>	<b>3,343</b>	<b>14,001</b>
<b>Cash flow from investing activities</b>	<b>-72,027</b>	<b>-92,524</b>
<b>Cash available for financing activities</b>	<b>-190,854</b>	<b>-187,147</b>
Acquisition of additional shares in already consolidated subsidiaries	-1,152	-26
Dividends paid to non-controlling interests	-2,213	-2,347
Proceeds from bond issuance and bank loans	3,575	83,876
Repayment of bonds and bank loans	-162,737	-106,826
Change in bank loans which have a maturity period of 3 months or less	80,590	118,324
Repayment of loans from related parties	-45,000	0
Change in ABS/Factoring	-57,936	-29,598
Change in finance lease	-35,647	-42,540
Change in other financial liabilities	722	6,329
<b>Cash flow from financing activities</b>	<b>-219,798</b>	<b>27,192</b>
<b>Changes in cash and cash equivalents</b>	<b>-410,652</b>	<b>-159,955</b>
Effect of exchange rate changes on cash and cash equivalents	-12	-28
Cash and cash equivalents at the beginning of the period	964,985	430,402
Cash and cash equivalents at the end of the period	554,321	270,419
Less cash and cash equivalents included in assets held for sale	-37	0
<b>Cash and cash equivalents presented in the balance sheet at the end of the period</b>	<b>554,284</b>	<b>270,419</b>

## **Investor Relations**

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## **Financial calendar**

**25 September 2023:** Half-year report February to July 2023

**20 December 2023:** Quarterly statement February to October 2023

## **Further information about the PHOENIX group | [www.phoenixgroup.eu](http://www.phoenixgroup.eu)**

The PHOENIX group, headquartered in Mannheim, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. With a presence in 29 healthcare markets, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with more than 48,000 employees.