

## Quarterly Statement February to October 2023

### The first nine months at a glance

- Total operating performance and revenue increased again
- Significant contribution from former McKesson Europe companies
- Profit before tax above previous year

Key figures of PHOENIX Pharmahandel GmbH & Co KG (consolidated) in € m	1st nine months 2022/23*	1st nine months 2023/24
Total operating performance	31,735.8	42,597.4
Revenue	24,485.2	35,044.8
Total income	2,851.5	3,477.9
EBITDA before significant one-off effects	506.0	655.0
EBITDA	769.9	641.4
EBIT	247.4	334.0
Profit before tax before significant one-off effects	227.5	232.4
Profit before tax	180.9	218.8
Profit after tax	182.4	156.9

		31 October 2022*	31 January 2023*	31 October 2023
Equity	in € m	3,415.5	3,495.1	3,611.2
Equity ratio	in %	25.1	25.6	26.1
Net debt	in € m	2,813.1	2,729.1	3,197.8

\* 31 January 2023 and 31 October 2022 were restated due to the finalisation of a preliminary purchase price allocation

PHOENIX continued to grow in the first nine months of 2023/24 (February to October 2023). Compared with the first nine months of 2022/23, total operating performance rose by 34.2 per cent to €42.6 billion. This comprises revenue and handled volume. An amount of €9.1 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 33.2 per cent. The PHOENIX group, which is active in 29 European countries, achieved a revenue growth of €10.6 billion (43.1 per cent) to €35.0 billion (€9.2 billion of which is attributable to the acquired McKesson companies). Adjusted for foreign exchange rate effects, revenue grew by 43.9 per cent.

## Results

Total income increased by €626.4 million to €3,477.9 million and was lower than the increase of total expenses of €755.6 million in particular due to a gain on initial consolidation of €286.3 million recognised in the comparative period. Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased from €769.9 million to €641.4 million and includes a loss of €13.6 million from the deconsolidation of the Swiss wholesale activities. In addition to the gain on initial consolidation of €286.3 million, the EBITDA of the comparative period included one-off expenses for other taxes in the amount of €24.9 million. Adjusted for these one-off effects, EBITDA increased by 29.4 per cent or €149.0 million to €655.0 million compared with the same period of the previous year.

In the comparative period, impairment charges of €302.8 million on goodwill, pharmacy licenses and right of use assets have been recognised.

Profit before tax increased from €180.9 million to €218.8 million. Profit before tax – adjusted for the aforementioned one-off effects, as well as related interest expenses of €5.2 million in the comparative period – increased slightly by 2.1 per cent, representing a rise of €4.9 million to €232.4 million.

## **Financial position**

Equity rose by €116.1 million. The currency translation difference on total assets, which is recognised in equity, amounted to €-125.3 million (31 January 2023: €-106.9 million). The equity ratio as of 31 October 2023 came to 26.1 per cent (31 January 2023: 25.6 per cent).

Cash flow from operating activities came to €10.3 million (comparative period: €177.0 million), mainly due to a higher increase in working capital of €145.6 million. Cash flow from investing activities amounted to €-261.8 million, compared with €-546.7 in the comparative period, with the latter figure mainly including the payment of the preliminary purchase price for the acquired McKesson companies (less cash acquired) of €375.0 million.

Net debt increased by €468.7 million to €3.197.8 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, PHOENIX 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 a moderate increase in profit before tax. 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, 15 December 2023

The Management Board of the unlimited partner  
PHOENIX Verwaltungs Gm

**FINANCIAL INFORMATION**

**FOR THE FIRST NINE MONTHS OF 2023/24**

## CONSOLIDATED INCOME STATEMENT

for the first nine months of 2023/24

EUR k	3rd quarter 2022/23*	3rd quarter 2023/24	1st nine months 2022/23*	1st nine months 2023/24
<b>Revenue</b>	<b>8,306,564</b>	<b>11,835,709</b>	<b>24,485,153</b>	<b>35,044,832</b>
Cost of purchased goods and services	-7,448,288	-10,686,706	-21,946,852	-31,618,879
<b>Gross profit</b>	<b>858,276</b>	<b>1,149,003</b>	<b>2,538,301</b>	<b>3,425,953</b>
Other operating income	296,637	21,315	313,212	51,908
Personnel expenses	-436,965	-596,558	-1,308,526	-1,787,609
Other operating expenses	-275,947	-343,790	-770,046	-1,046,546
Result from associates and joint ventures	-1,694	-1,385	-3,171	-2,881
Result from other investments	-1	533	141	614
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>440,306</b>	<b>229,118</b>	<b>769,911</b>	<b>641,439</b>
Amortisation of intangible assets and depreciation of property, plant and equipment	-73,735	-106,208	-219,759	-309,068
Impairment of intangible assets and property, plant and equipment	-302,782	1,600	-302,782	1,600
<b>Earnings before interest and taxes (EBIT)</b>	<b>63,789</b>	<b>124,510</b>	<b>247,370</b>	<b>333,971</b>
Interest income	3,770	4,423	8,270	12,406
Interest expenses	-21,426	-40,651	-63,465	-115,205
Other financial result	-3,722	-3,566	-11,314	-12,351
<b>Financial result</b>	<b>-21,378</b>	<b>-39,794</b>	<b>-66,509</b>	<b>-115,150</b>
<b>Profit before tax</b>	<b>42,411</b>	<b>84,716</b>	<b>180,861</b>	<b>218,821</b>
Income taxes	38,045	-17,671	1,494	-61,926
<b>Profit after tax</b>	<b>80,456</b>	<b>67,045</b>	<b>182,355</b>	<b>156,895</b>
thereof attributable to non-controlling interests	6,454	2,986	23,196	11,619
thereof attributable to owners of the parent company	74,002	64,059	159,159	145,276

\* Prior year was restated due to the finalisation of a preliminary purchase price allocation

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 October 2023

## ASSETS

EUR k	31 January 2023*	31 October 2023
<b>Non-current assets</b>		
Intangible assets	2,079,881	2,170,127
Property, plant and equipment	2,281,662	2,263,303
Investment property	3,989	4,036
Investments in associates and joint ventures	9,215	44,844
Trade receivables	4,824	9,113
Other financial assets	108,196	108,137
Deferred tax assets	149,522	131,187
Income tax receivables	84	150
	<b>4,637,373</b>	<b>4,730,897</b>
<b>Current assets</b>		
Inventories	3,574,811	3,778,480
Trade receivables	4,422,173	4,688,036
Income tax receivables	30,209	57,711
Other receivables and other financial assets	95,479	101,020
Other assets	295,073	302,002
Cash and cash equivalents	430,015	157,211
	<b>8,847,760</b>	<b>9,084,460</b>
Non-current assets held for sale	145,982	507
<b>Total assets</b>	<b>13,631,115</b>	<b>13,815,864</b>

\* Prior year was restated due to the finalisation of a preliminary purchase price allocation

## EQUITY AND LIABILITIES

EUR k	31 January 2023*	31 October 2023
<b>Equity</b>		
Unlimited and limited partners' capital	851,000	851,000
Reserves	2,823,509	2,939,371
Accumulated other comprehensive income	-294,943	-292,132
<b>Equity attributable to the shareholders of the parent company</b>	<b>3,379,566</b>	<b>3,498,239</b>
Non-controlling interests	115,539	112,990
	<b>3,495,105</b>	<b>3,611,229</b>
<b>Non-current liabilities</b>		
Financial liabilities	1,693,269	1,706,824
Trade payables	633	1,156
Provisions for pensions and similar obligations	301,139	257,126
Other non-current provisions	17,710	18,500
Deferred tax liabilities	240,215	232,597
Income tax liabilities	5	5
Other non-current liabilities	887	1,259
	<b>2,253,858</b>	<b>2,217,467</b>
<b>Current liabilities</b>		
Financial liabilities	1,209,725	1,364,790
Trade payables	5,785,956	5,961,771
Other provisions	101,918	77,504
Income tax liabilities	72,280	48,693
Other liabilities	555,043	534,410
	<b>7,724,922</b>	<b>7,987,168</b>
Liabilities directly associated with assets held for sale	157,230	0
<b>Total equity and liabilities</b>	<b>13,631,115</b>	<b>13,815,864</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

for the first nine months of 2023/24

EUR k	31 October 2022*	31 October 2023
<b>Profit after tax</b>	<b>182,355</b>	<b>156,895</b>
Income taxes	-1,494	61,926
<b>Profit before income taxes</b>	<b>180,861</b>	<b>218,821</b>
Adjustments for:		
Interest expenses and interest income	55,195	102,799
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	522,541	307,468
Result from associates and other investments	3,030	2,267
Net result from the disposal of assets related to investing activities	-665	-143
Other non-cash expense and income	-136,449	183,002
	<b>624,513</b>	<b>814,214</b>
Interest paid	-52,742	-109,093
Interest received	7,079	12,068
Income taxes paid	-67,340	-106,260
Dividends received	3,776	779
<b>Cash flow before change in assets and liabilities</b>	<b>515,286</b>	<b>611,708</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	-27,369	-29,173
<b>Cash flow before change in operating assets and liabilities</b>	<b>487,917</b>	<b>582,535</b>
Change in inventories	-72,165	-217,724
Change in trade receivables	-365,890	-344,279
Change in trade payables	282,350	260,671
	<b>-155,705</b>	<b>-301,332</b>
Change in other assets and liabilities not related to investing or financing activities	-155,241	-270,931
<b>Change in operating assets and liabilities</b>	<b>-310,946</b>	<b>-572,263</b>
<b>Cash flow from operating activities</b>	<b>176,971</b>	<b>10,272</b>
Acquisition of consolidated companies and business units, net of cash acquired	-422,652	-98,122
Capital expenditures for intangible assets, property, plant and equipment, and investment property	-127,865	-157,543
Investment in other financial assets and non-current assets	-6,000	-36,700
<b>Cash outflows for investments</b>	<b>-556,517</b>	<b>-292,365</b>

\* Prior year was restated due to the finalisation of a preliminary purchase price allocation

EUR k	31 October 2022*	31 October 2023
Cash received from the sale of consolidated companies and business units, net of cash disposed	241	177
Cash received from disposal of intangible assets, property, plant and equipment, and investment property	8,923	26,915
Proceeds from other financial assets and non-current assets	620	3,511
<b>Cash inflows from realised investments and divestments</b>	<b>9,784</b>	<b>30,603</b>
<b>Cash flow from investing activities</b>	<b>-546,733</b>	<b>-261,762</b>
<b>Cash available for financing activities</b>	<b>-369,762</b>	<b>-251,490</b>
Acquisition of additional shares in already consolidated subsidiaries	-198,789	-27
Dividends paid to non-controlling interests	-16,958	-47,940
Proceeds from bond issuance and bank loans	463,297	381,836
Repayment of bonds and bank loans	-199,665	-173,077
Change in bank loans which have a maturity period of 3 months or less	110,834	210,015
Repayment of loans from shareholders in the parent company	-400	-228
Repayment of loans to related parties	-45,000	-55,000
Change in ABS/Factoring	-15,581	-7,729
Change in finance lease	-104,628	-129,790
Change in other financial liabilities	2,653	-229,320
<b>Cash flow from financing activities</b>	<b>15,133</b>	<b>-21,120</b>
<b>Changes in cash and cash equivalents</b>	<b>-354,629</b>	<b>-272,610</b>
Effect of exchange rate changes on cash and cash equivalents	550	-164
Cash and cash equivalents at the beginning of the period	964,327	430,015
Cash and cash equivalents at the end of the period	610,248	157,211
Less cash and cash equivalents included in assets held for sale	-1,425	0
<b>Cash and cash equivalents presented in the balance sheet at the end of the period</b>	<b>608,823</b>	<b>157,211</b>

## Investor Relations

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## Financial calendar

**15 May 2024:** Annual report 2023/24

**26 June 2024:** Quarterly statement February to April 2024

**25 September 2024:** Half-year report February to July 2024

**19 December 2024:** Quarterly statement February to October 2024

## 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.