

PHOENIX group

PHOENIX group

PHOENIX group

# Investor call Results of the 1<sup>st</sup> quarter PHOENIX group 2018/19

Helmut Fischer, CFO

Mannheim, 26 June 2018

# Disclaimer

© 2018 PHOENIX Pharma SE / PHOENIX Pharmahandel GmbH & Co KG

This document has been prepared by PHOENIX Pharma SE / PHOENIX Pharmahandel GmbH & Co KG (the “Company” and, together with its subsidiaries and affiliates, “PHOENIX”) solely in connection with the release of the results of the first quarter 2018/19 and is being presented solely for informational purposes. No representation or warranty, express or implied, is or will be made in relation to, and no responsibility is or will be accepted by the Company or any of its respective affiliates, advisors or representatives (together, the “Parties”) as to the accuracy or completeness of the information contained in this document, and nothing in this document shall be deemed to constitute such a representation or warranty. None of the Parties or their respective agents, directors, partners and employees accept any liability whatsoever (in negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise arising in connection therewith and no reliance should be placed on the information or statements made herein.

This document does not constitute or form part of and should not be construed as a recommendation, offer or invitation for the purchase or subscription of any securities of the Company or any subsidiary, and neither this document nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The information contained in this presentation has not been subject to any independent audit or review. A portion of the information contained in this document, including all market data and trend information, is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. In addition, past performance of PHOENIX is not indicative of future performance. The future performance of PHOENIX will depend on numerous factors which are subject to uncertainty.

Certain statements contained in this presentation that are not statements of historical fact, including, without limitation, any statements preceded by, followed by or including the words “targets”, “believes”, “expects”, “aims”, “intends”, “may”, “anticipates”, “would”, “could” or similar expressions or the negative thereof, constitute forward-looking statements, notwithstanding that such statements are not specifically identified. In addition, certain statements may be contained in press releases, and in oral and written statements made by or with the approval of the Company that are not statements of historical fact and constitute forward-looking statements. Examples of forward-looking statements include, but are not limited to: (i) statements about future financial and operating results; (ii) statements of strategic objectives, business prospects, future financial condition, budgets, projected levels of production, projected costs and projected levels of revenues and profits of the Company or its management; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the management of the Company. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

# Agenda

**1<sup>st</sup> quarter 2018/19 – Overview**

1<sup>st</sup> quarter 2018/19 – Group financials

Questions & answers

# Expansion of market position through organic growth and acquisitions

## Highlights

- Total operating performance and revenue increased again
- Stable development of adjusted EBITDA
- Further increase in equity ratio
- Successful closing of the acquisition of Goodwill Apoteka (Serbia)
- Market entry in Romania



# Agenda

1<sup>st</sup> quarter 2018/19 – Overview

**1<sup>st</sup> quarter 2018/19 – Group financials**

Questions & answers

# Group financials

## 1<sup>st</sup> quarter 2018/19

- PHOENIX Pharma SE (PP SE)
- PHOENIX Pharmahandel GmbH & Co KG (PPH KG)



# PP SE | Strong increase of revenue

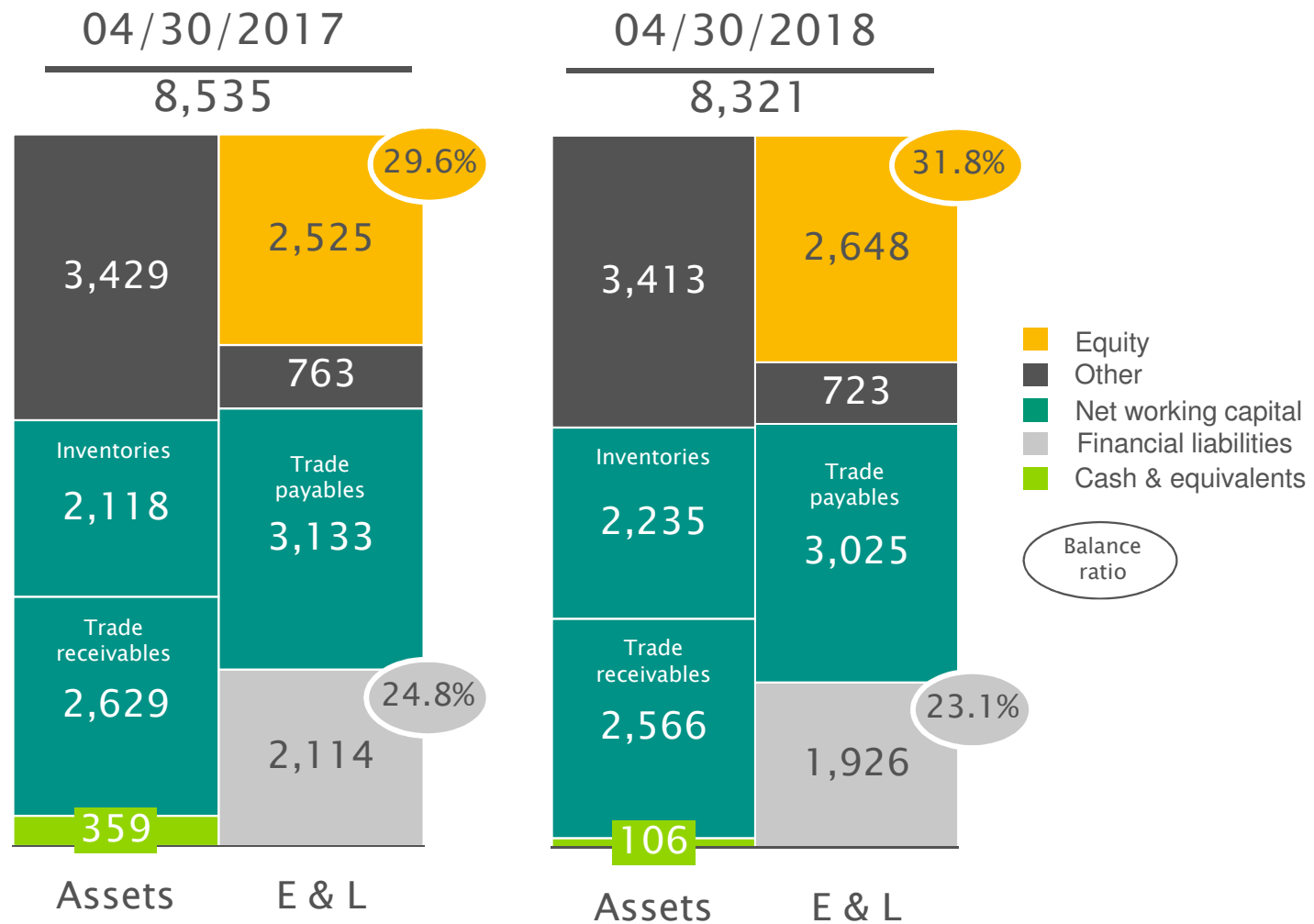
(in m€)

Business performance	2017/18 First quarter	2018/19 First quarter	Delta	
Total operating performance	7,587.4	7,989.2	401.8	5.3%
<b>Revenue</b>	<b>6,044.0</b>	<b>6,194.3</b>	<b>150.3</b>	<b>2.5%</b>
Total income	646.5	653.9	7.4	1.1%
Personnel expenses	-336.7	-343.7	-7.0	2.1%
Other op. expenses	-212.2	-217.7	-5.5	2.6%
EBITDA	98.2	92.9	-5.3	-5.4%
<b>Adjusted EBITDA*</b>	<b>101.4</b>	<b>99.6</b>	<b>-1.8</b>	<b>-1.8%</b>
EBIT	64.9	59.1	-5.8	-8.9%
Financial result	-11.7	-11.4	0.3	-3.1%
Profit before tax	53.2	47.7	-5.5	-10.2%
<b>Profit after tax</b>	<b>38.2</b>	<b>32.7</b>	<b>-5.5</b>	<b>-14.4%</b>

\* adjusted by non-recurring items, interest from customers and expenses related to ABS/factoring

# PP SE | Solid development of the balance sheet

(in m€)



Net debt:

1,898.9 m€

1,638.5 m€ (PPH KG)

2,016.8 m€

1,814.9 m€ (PPH KG)



# Group financials

## 1<sup>st</sup> quarter 2018/19

- PHOENIX Pharma SE (PP SE)
- **PHOENIX Pharmahandel GmbH & Co KG (PPH KG)**



# PPH KG | Strong increase of revenue

(in m€)

Business performance	2017/18 First quarter	2018/19 First quarter	Delta	
Total operating performance	7,587.4	7,989.2	401.8	5.3%
<b>Revenue</b>	<b>6,044.0</b>	<b>6,194.3</b>	<b>150.3</b>	<b>2.5%</b>
Total income	646.5	653.9	7.4	1.1%
Personnel expenses	-336.6	-343.6	-7.1	2.1%
Other op. expenses	-215.0	-220.8	-5.8	2.7%
EBITDA	95.4	89.9	-5.5	-5.7%
<b>Adjusted EBITDA (SFA)*</b>	<b>98.6</b>	<b>96.5</b>	<b>-2.1</b>	<b>-2.1%</b>
EBIT	62.4	56.4	-6.0	-9.6%
Financial result	-10.6	-10.3	0.3	-2.5%
Profit before tax	51.9	46.1	-5.8	-11.0%
<b>Profit after tax</b>	<b>37.0</b>	<b>31.3</b>	<b>-5.7</b>	<b>-15.4%</b>

\* adjusted by non-recurring items, interest from customers and expenses related to ABS/factoring

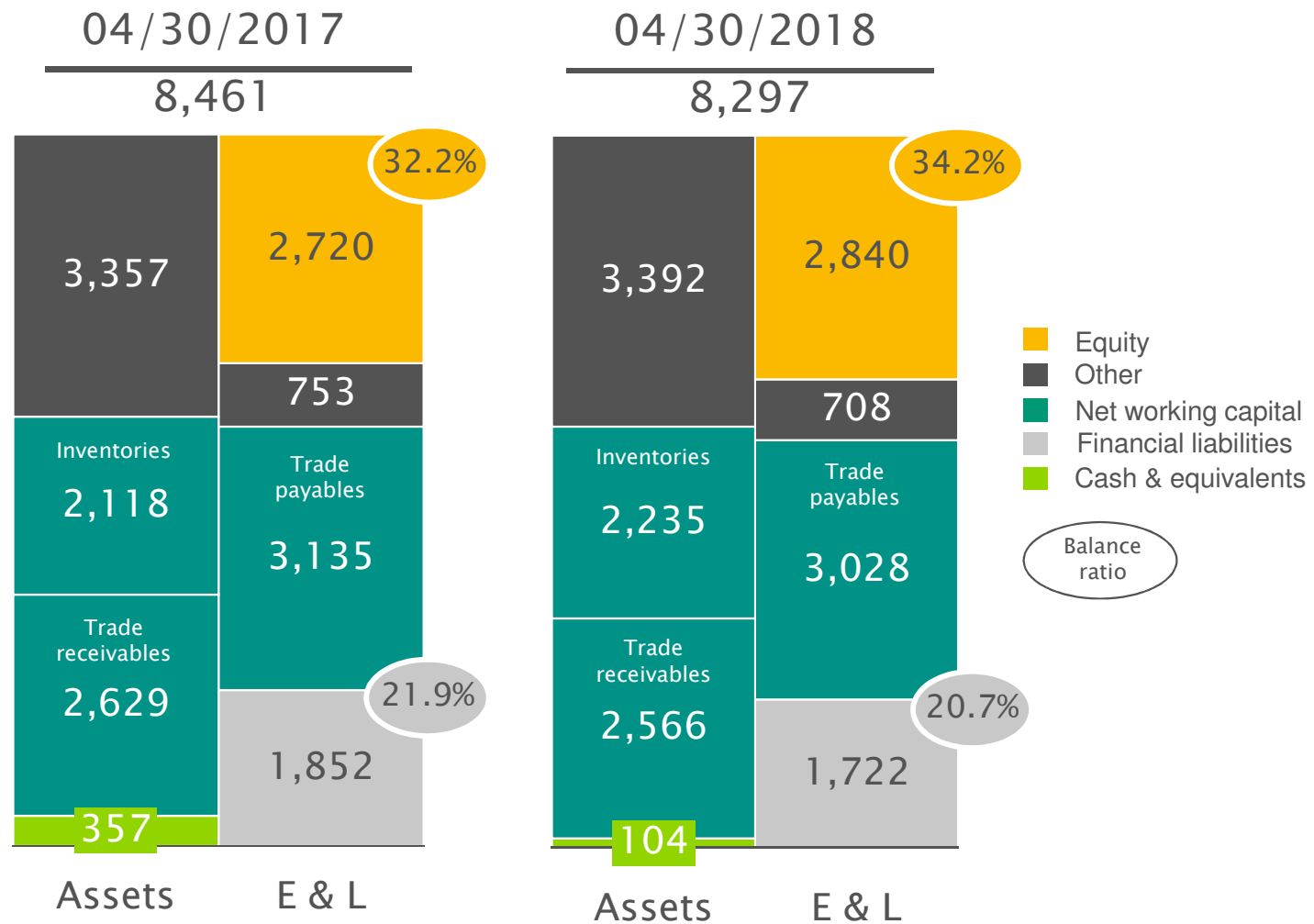
# PPH KG | Stable financial result on a low level

(in m€)

Financial result	2017/18 First quarter	2018/19 First quarter	Delta
Interest income	3.1	2.7	-0.4
Interest expenses	-13.1	-11.6	1.5
<b>Interest result</b>	<b>-10.0</b>	<b>-8.9</b>	<b>1.1</b>
Other net financial result	-0.5	-1.3	-0.8
<b>Financial result</b>	<b>-10.6</b>	<b>-10.3</b>	<b>-0.3</b>

# PPH KG | Solid development of the balance sheet

(in m€)



Net debt:

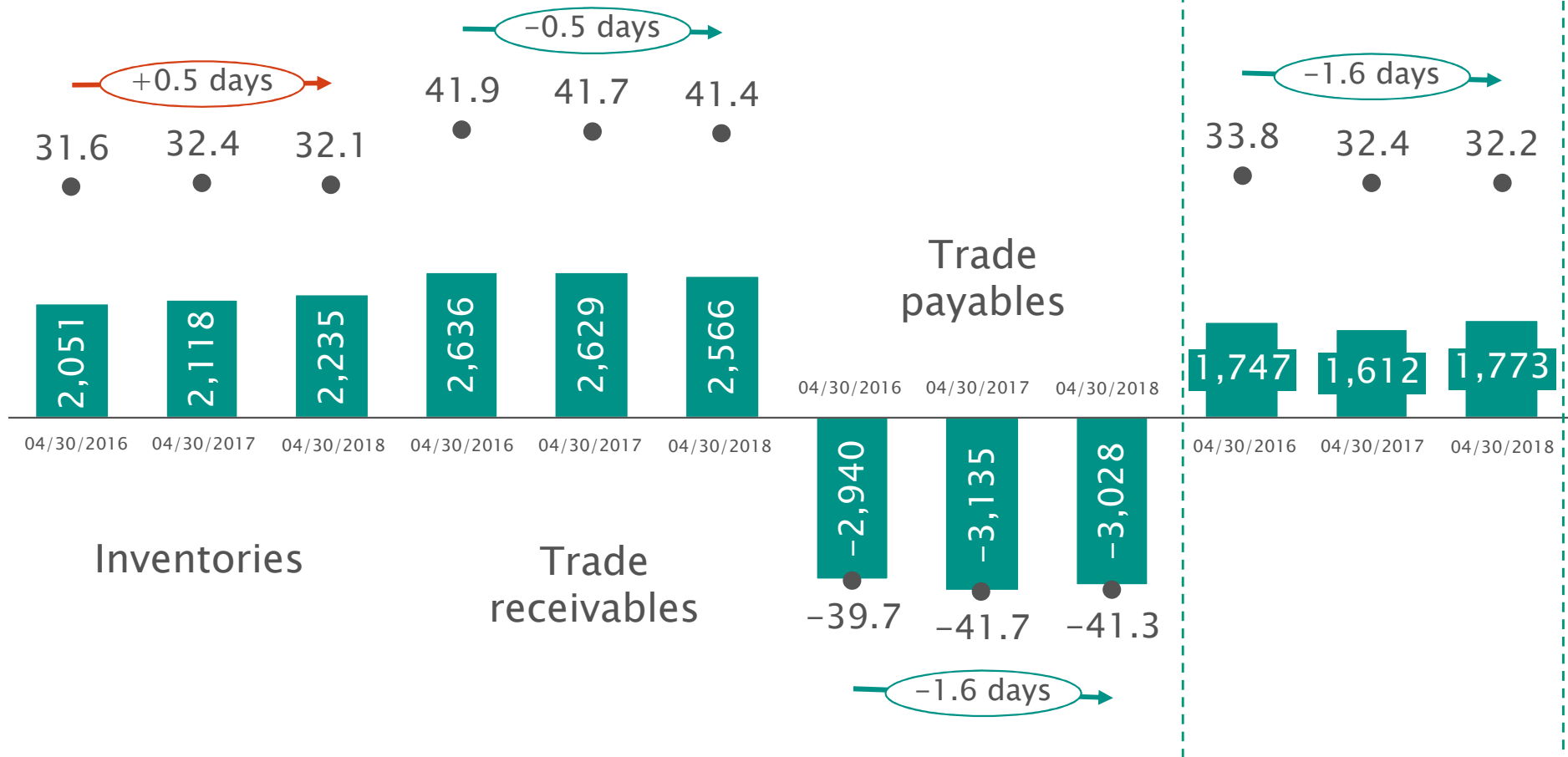
1,638.5 m€

1,814.9 m€

# PPH KG | Favourable development of net working capital

(in m€)

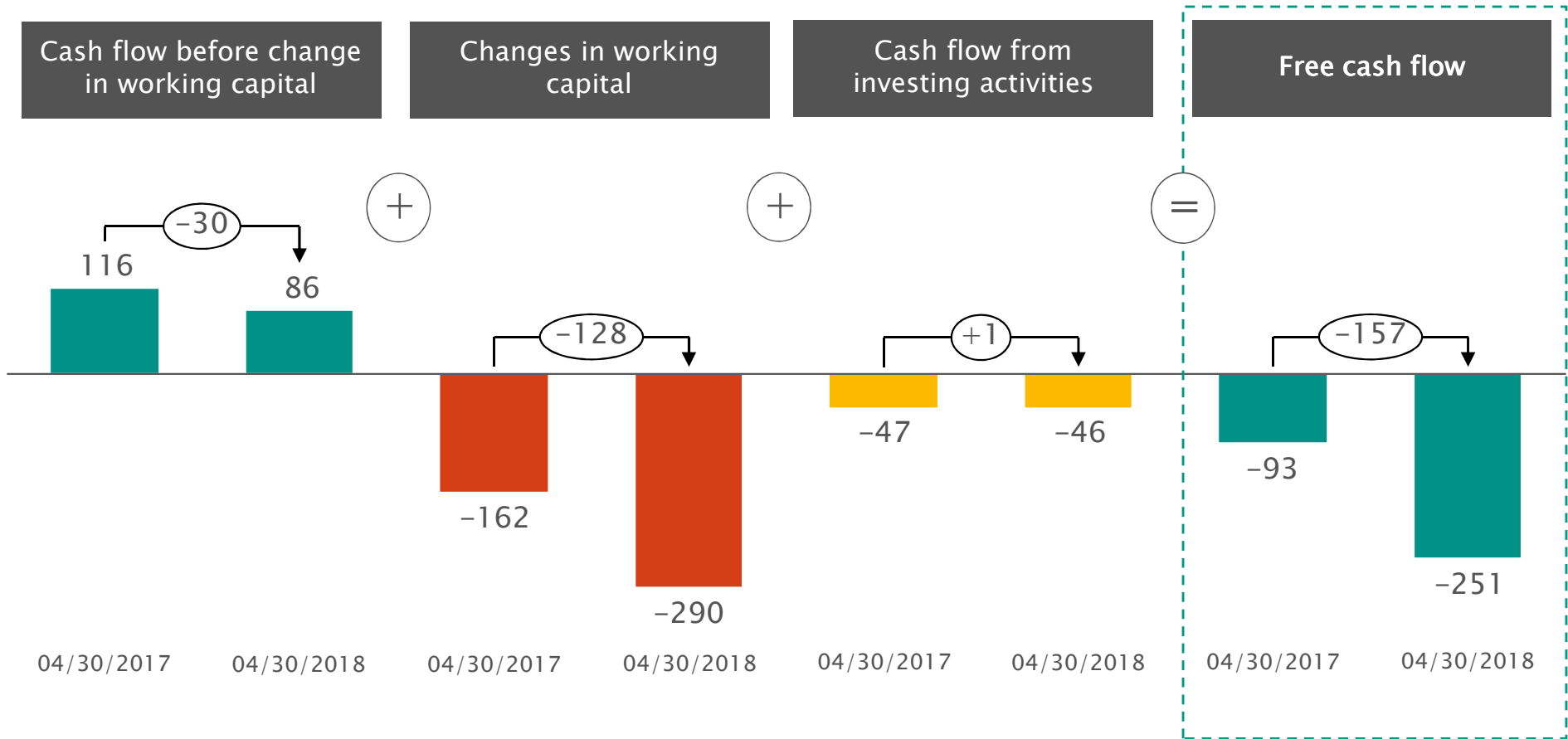
● Days (average)



- Balance sheet figures as externally reported.
- Net working capital days: Average figures for the respective period; figures including ABS/factoring; prior years' figures adjusted due to IFRS 9.

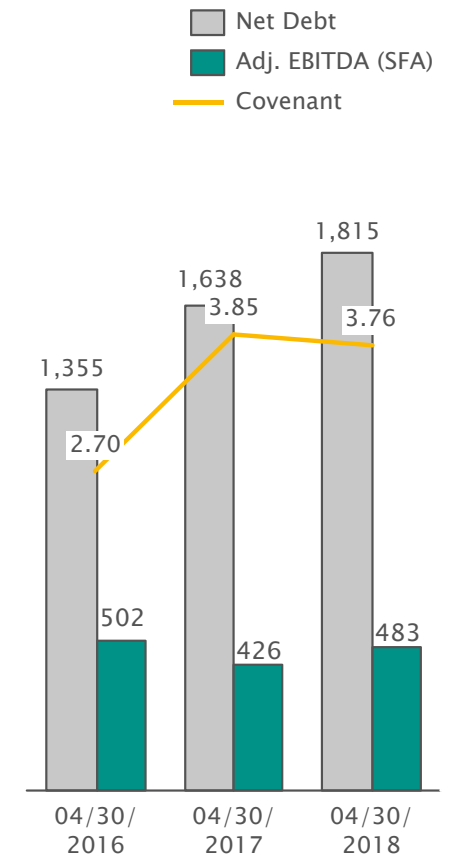
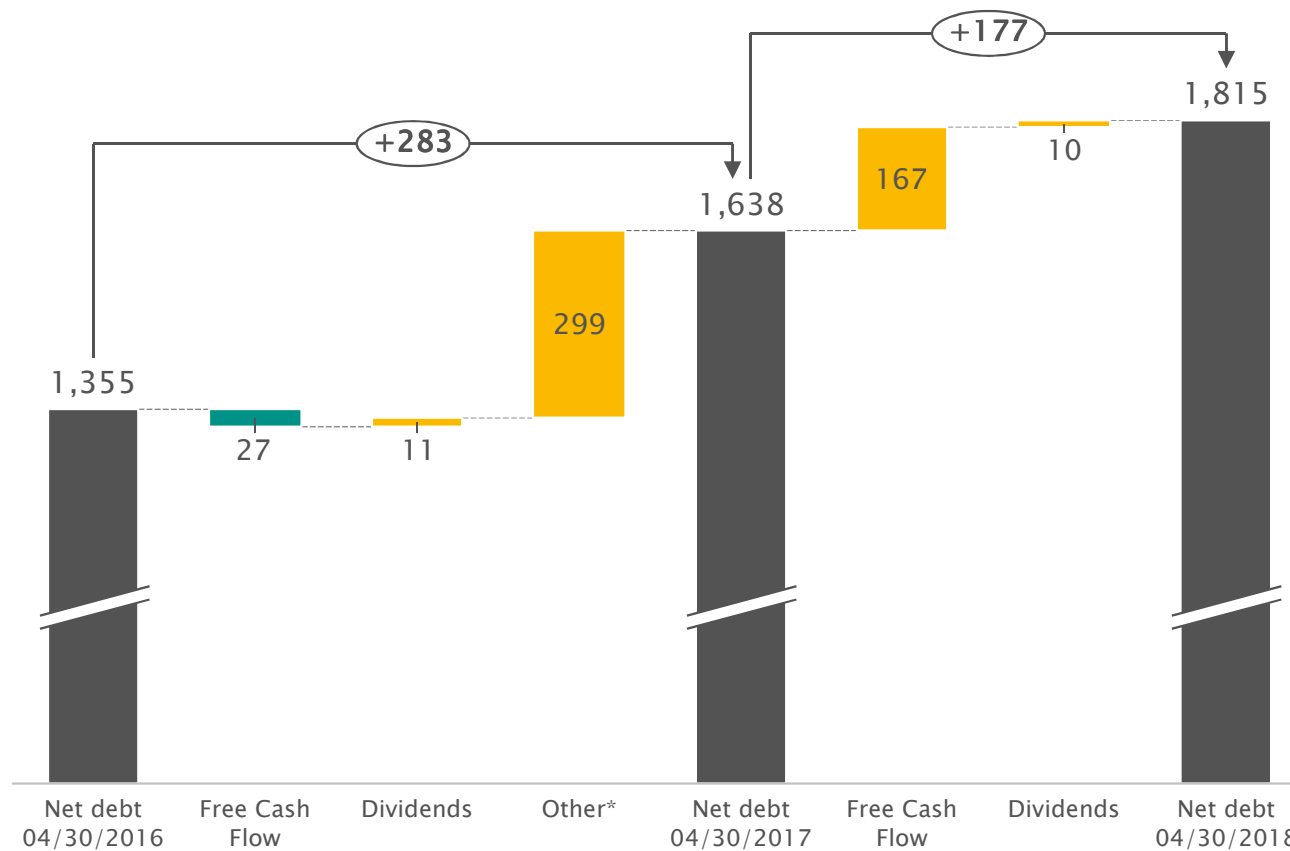
# PPH KG | Free cash flow impacted by seasonality

(in m€)



# PPH KG | Net debt impacted by cash flow seasonality

(in m€)



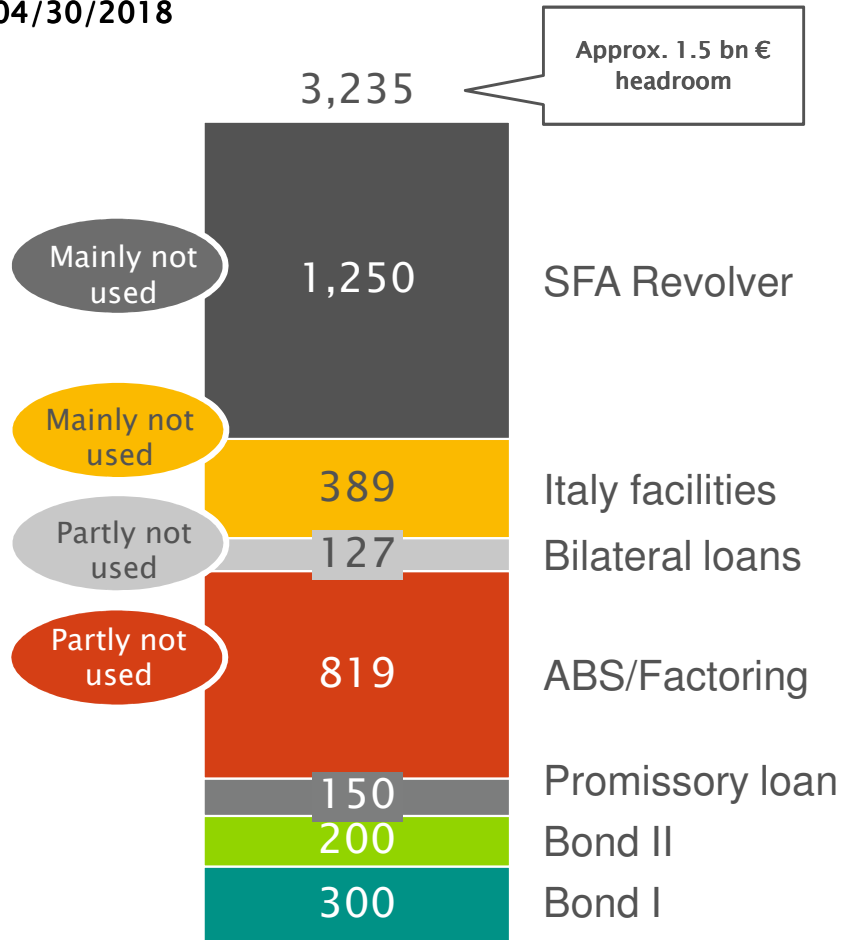
\* LTM per 04/2017 mainly acquired net debt (126 m€) and capital repayment (170 m€)

# PPH KG | Excellent liquidity headroom available

(in m€)

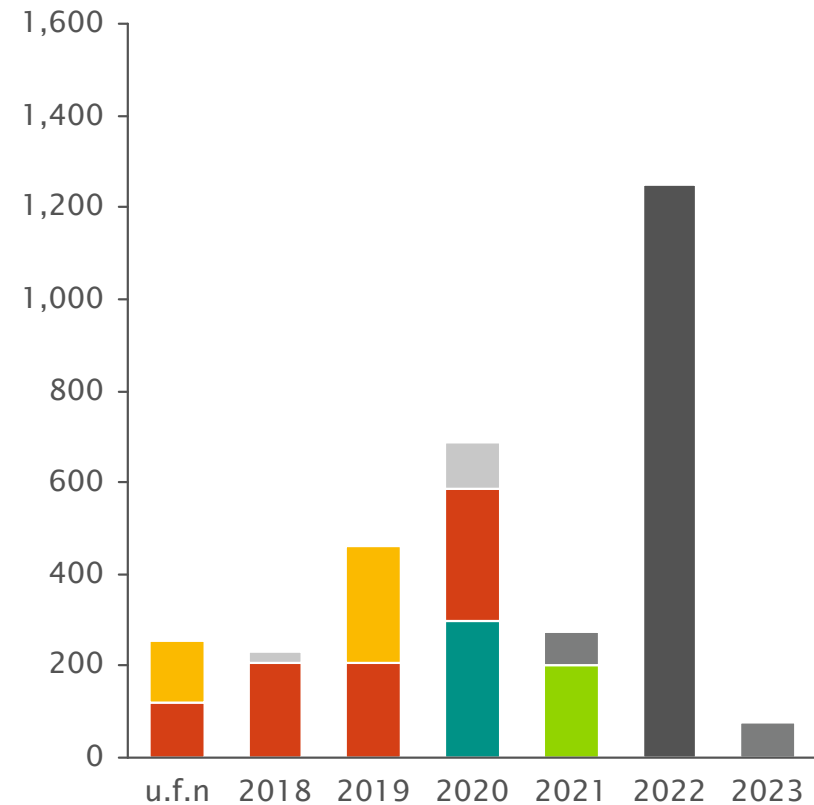
## Financial facilities and headroom

04/30/2018



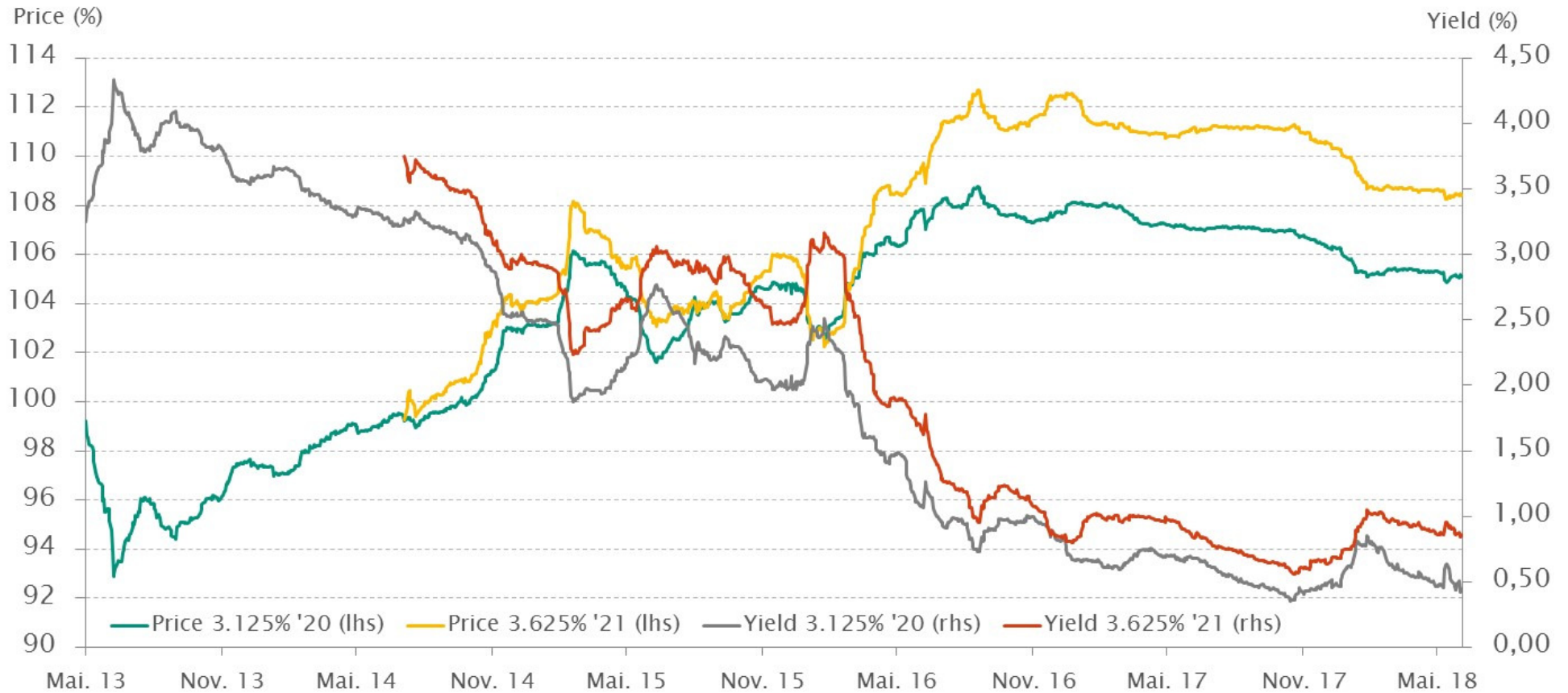
## Debt maturity profile

04/30/2018





# Positive development of the PHOENIX bonds



Source: Bloomberg. 06/22/2018

# Financial outlook for the fiscal year 2018/19

- Stable economic environment in 2018, with GDP in Germany and the Eurozone expected to grow by around 2%
- In 2018 pharmaceutical markets anticipated to record a positive market growth of 2.2% across Europe, in Germany of 2.9%
- Expansion of market position in Europe through organic growth and acquisitions
- Revenue growth estimated to be slightly above the level of growth on European pharmaceutical markets
- EBITDA in 2018/19 expected to be slightly lower than in 2017/18 due to extraordinary expenses relating to optimisation programmes
- Mostly stable development of equity ratio expected



# Financial calendar 2018/19

Reporting event	Date
○ Half-year report February to July 2018	21 September 2018
○ Quarterly report February to October 2018	18 December 2018

# Agenda

1<sup>st</sup> quarter 2018/19 – Overview

1<sup>st</sup> quarter 2018/19 – Group financials

Questions & answers

Thank you!

PHOENIX Pharma SE  
Pfungstweidstraße 10-12  
68199 Mannheim

PHOENIX Pharmahandel GmbH & Co KG  
Pfungstweidstraße 10-12  
68199 Mannheim