

# INVESTOR CALL RESULTS OF THE FISCAL YEAR 2015/16

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# AGENDA

## Overview

Fiscal Year 2015/16

Oliver Windholz (CEO)



## Group Financials

Fiscal Year 2015/16

Helmut Fischer (CFO)



## Questions & Answers



# Highlights Business Year 2015/16

## Important Milestones

- ✓ Total operating performance\* (EUR 28.5 billion) and revenue (EUR 23.2 billion) on highest level in the history of PHOENIX with strong growth above market
- ✓ Successful continuation of our long-term strategy as family owned company with profitable growth and cost efficiency
- ✓ Closing of the acquisitions SUNPHARMA and Novodata

## Finance

- ✓ EBITDA before non-recurring items increased to EUR 511 million
- ✓ Equity ratio raised to 35.1 percent
- ✓ Rating improved to BB+
- ✓ Cost reduction program PHOENIX *FORWARD* with total savings of clearly more than EUR 100 million

\* Total operating performance = revenue + handled volume (handling for service charge).

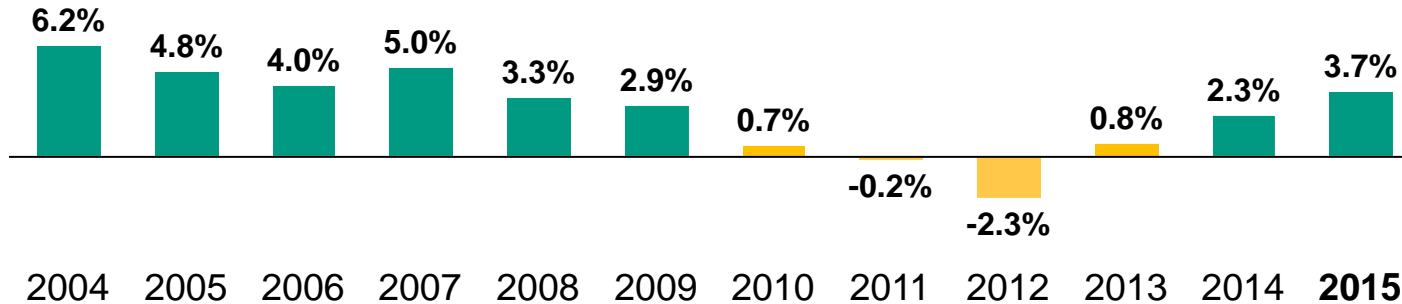
# Highlights Business Year 2015/16

## Operative Development

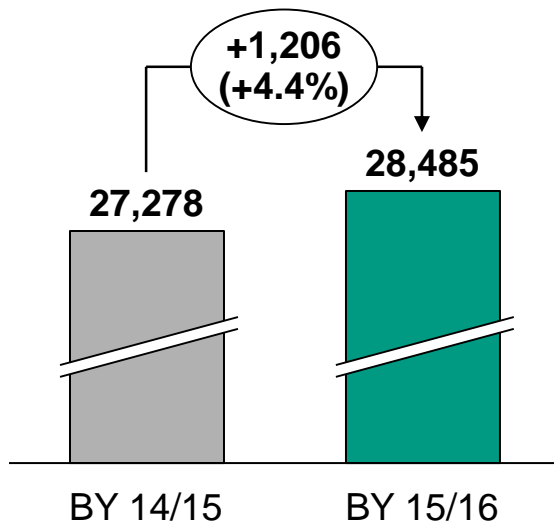
- ✓ Wholesale: European position expanded
  - Germany: Revenue on company all-time high
  - Germany: Successful business development with GDP solutions
  - Finland: Record profit due to further expansion of services
  - Denmark: Project ONE+ as biggest single investment project in PHOENIX history
  - Balkans: Significant increase of market share
  - France: Profit situation still unsatisfying
  - Pan-European: Strengthening of pharmacy cooperation concepts
  
- ✓ Retail: Continuing expansion of pharmacy portfolio
  - Strong growth in number of pharmacies from 1,646 to 1,773
  - Successful entry in the Slovakian retail market with the closed acquisition and integration of the SUNPHARMA pharmacies
  - Market leading retail position in Serbia achieved
  - Refit of more than 270 BENU pharmacies in Europe
  - Consistent development of our Private Label products
  
- ✓ Pharma Services
  - Strengthening the „All-in-One“-concept by implementing a Pan-European brand
  - Opening of two central hubs for a regional CEE logistics concept
  - Further Business Intelligence solutions for the pharmaceutical industry
  - Continued expansion of the collaboration with pharmaceutical suppliers

# Growth and Cost Efficiency

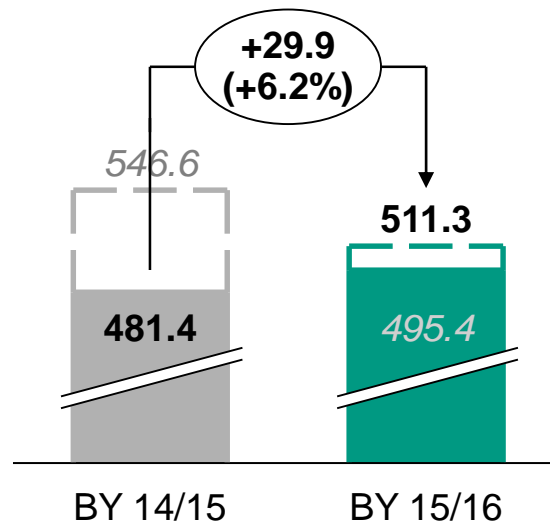
## Yearly Growth of the European Pharma Market (IMS Health)



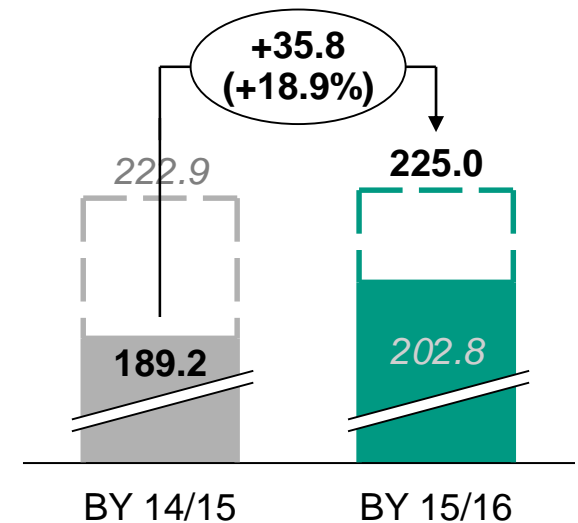
### Total Operating Performance in mEUR



### EBITDA before non-recurring items in mEUR



### Group share of profit b. non-recurring items in mEUR



# Unique Presence in Europe

## Wholesale

153

distribution centres  
in 26 countries



→ Further potential for growth through an integrated approach regarding wholesale and Health Care Logistics

## Retail

1,773

pharmacies  
in 12 countries



→ Better penetration of markets by vertical integration

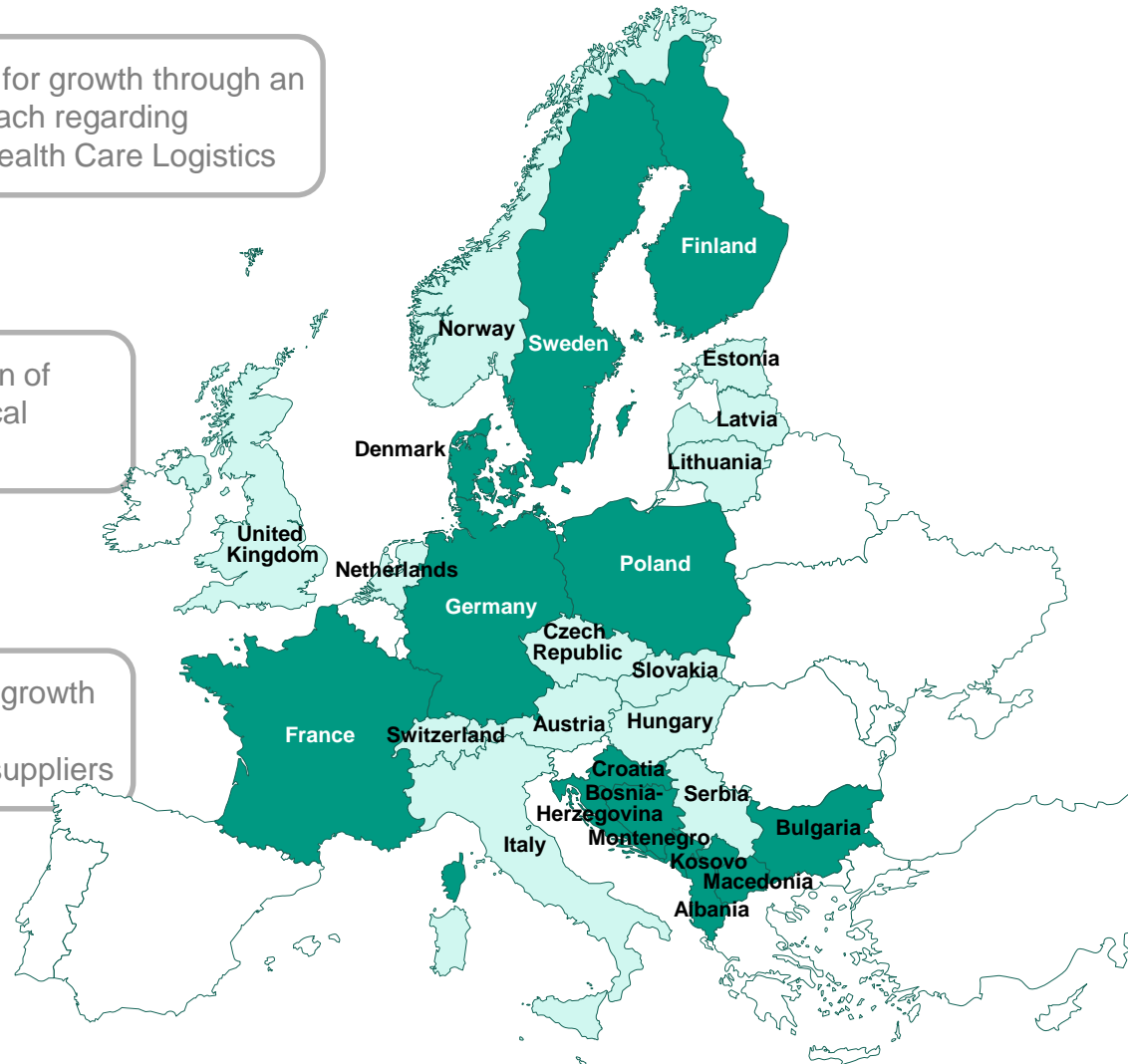
## Pharma Services

Offering services for

200 pharmaceutical suppliers



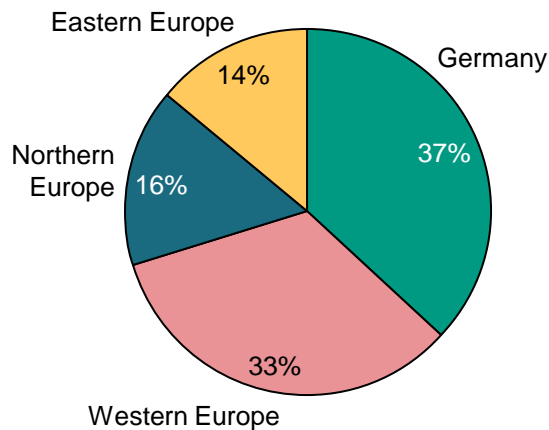
→ All-in-One offers growth potential for pharmaceutical suppliers



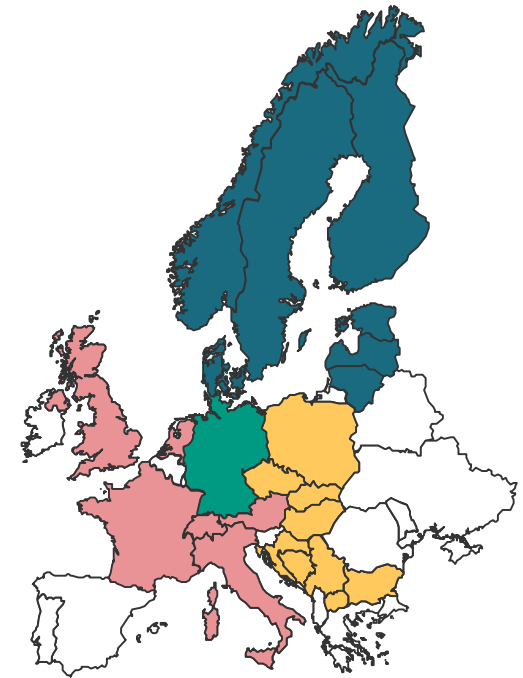
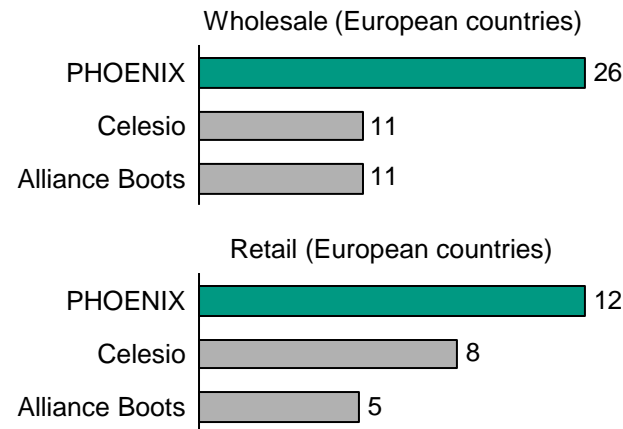
- Wholesale and Retail
  - Wholesale (including Health Care Logistics)
- As of January 31, 2016

# PHOENIX with a well-balanced and stable country portfolio

## Net Turnover per region



## Countries in comparison



### Germany

- #1 market position in wholesale
- 22 distribution centres\*
- Revenue wholesale: 100%\*\*

### Western Europe

- 779 pharmacies
- 74 distribution centres\*
- Revenue wholesale: 84%\*\*

### Northern Europe

- 531 pharmacies
- 18 distribution centres\*
- Revenue wholesale: 70%\*\*

### Eastern Europe

- 463 pharmacies
- 39 distribution centres\*
- Revenue Wholesale: 89%\*\*



# Successful Projects



Net savings:  
118 mEUR

more than  
1,000  
initiatives

IT-  
Reinvent

**group-wide initiatives:**

- Warehouse Excellence
- General Procurement
- Accounting Excellence
- Call Center

**Target of EUR 100 million overachieved!**

Market- and cost leadership  
are principals of PHOENIX group



→ Implementation of a logistics network for the CEE region with about 100,000 pallet places. Successful completion and opening of two central hubs in Prague and Warsaw

- Large-scale project ONE+ in Denmark successfully started to expand our services for the pharmaceutical industry in the Nordic region
- Further strengthening of our European partnerships in 26 countries across all company levels
- Intensive exchange with manufacturers for co-creation of logistics and services solutions

# Family owned company with future



TOP 10  
family owned  
companies



TOP 30  
companies



TOP 100  
companies



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# Total Operating Performance and Revenue further increased

(in m€)

Business Performance	FY 2014/15	FY 2015/16	Delta		FX-Effect
▪ Total operating performance	27,278.2	28,484.6	1,206.4	4.4%	149.3
▪ <b>Revenue</b>	<b>22,568.0</b>	<b>23,247.4</b>	<b>679.4</b>	<b>3.0%</b>	<b>168.3</b>
▪ <b>Gross profit</b>	<b>2,134.1</b>	<b>2,267.2</b>	<b>133.1</b>	<b>6.2%</b>	<b>21.2</b>
▪ Personnel expenses	-1,034.4	-1,158.7	-124.3	12.0%	-8.9
▪ Other op. income, op. expenses	-559.8	-617.9	-58.1	10.4%	-7.2
▪ <b>EBITDA</b>	<b>546.6</b>	<b>495.4</b>	<b>-51.2</b>	<b>-9.4%</b>	<b>5.3</b>
▪ <b>EBITDA before non-rec. items*</b>	<b>481.4</b>	<b>511.3</b>	<b>29.9</b>	<b>6.2%</b>	<b>5.5</b>
▪ EBIT	435.5	376.4	-59.1	-13.6%	4.9
▪ Financial result	<b>-74.2</b>	<b>-57.5</b>	<b>16.7</b>	<b>-22.6%</b>	<b>1.0</b>
▪ Profit before tax	<b>361.3</b>	<b>319.0</b>	<b>-42.3</b>	<b>-11.7%</b>	<b>5.9</b>
▪ <b>Profit for the period</b>	<b>258.0</b>	<b>225.0</b>	<b>-33.0</b>	<b>-12.8%</b>	<b>5.6</b>

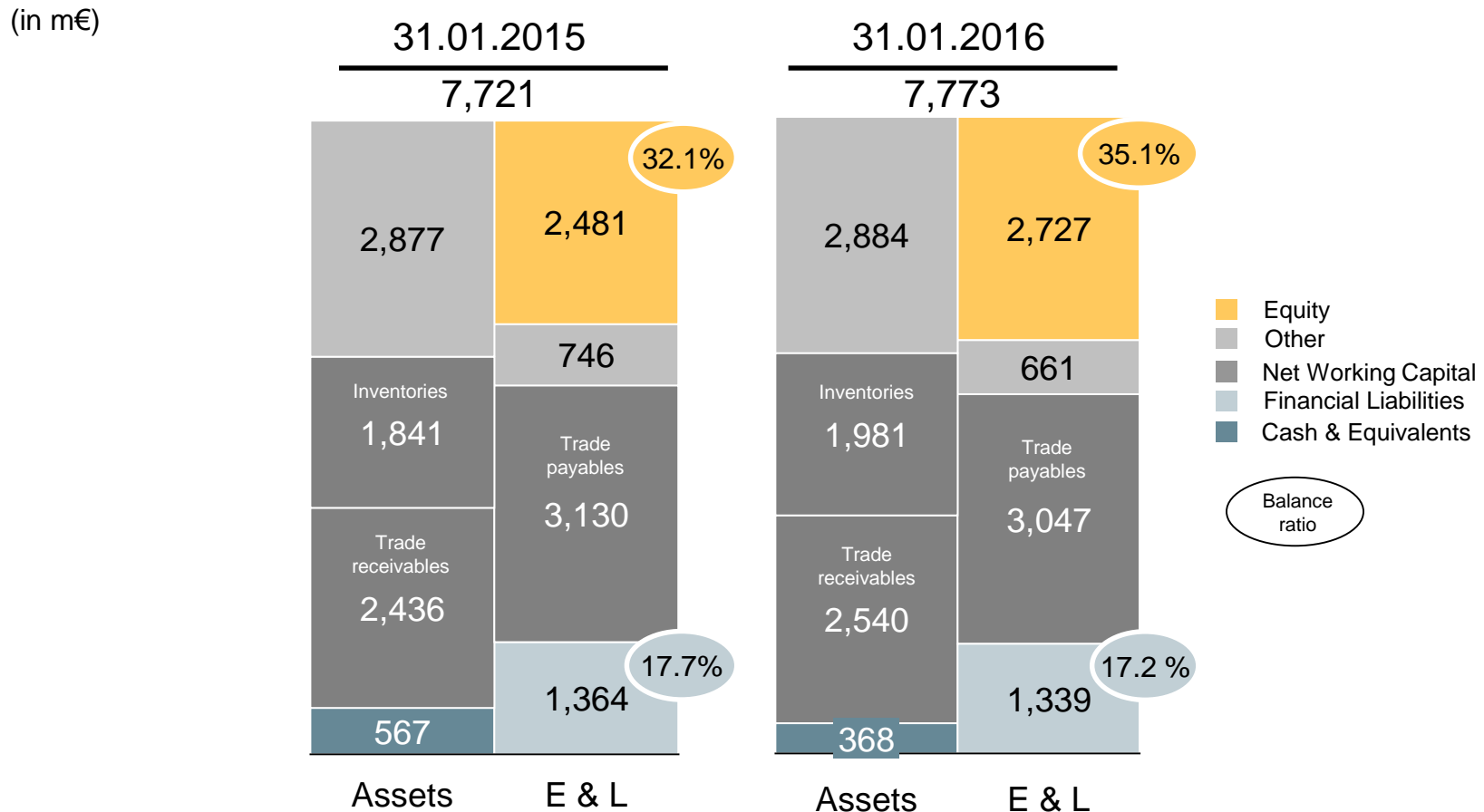
\* Adjusted for non-recurring items: Pension schemes changes, minimum wage GER, IT project cost.

# Strongly improved Financial Result

(in m€)

Financial Result	FY 2014/15	FY 2015/16	Delta
▪ Interest income	22.5	15.2	-7.3
▪ Interest expenses	-92.4	-69.6	22.8
▪ <b>Interest result</b>	<b>-69.9</b>	<b>-54.4</b>	<b>15.5</b>
▪ Other net financial result	-4.3	-3.1	1.2
▪ <b>Financial result</b>	<b>-74.2</b>	<b>-57.5</b>	<b>16.7</b>

# Further development of the Equity Ratio

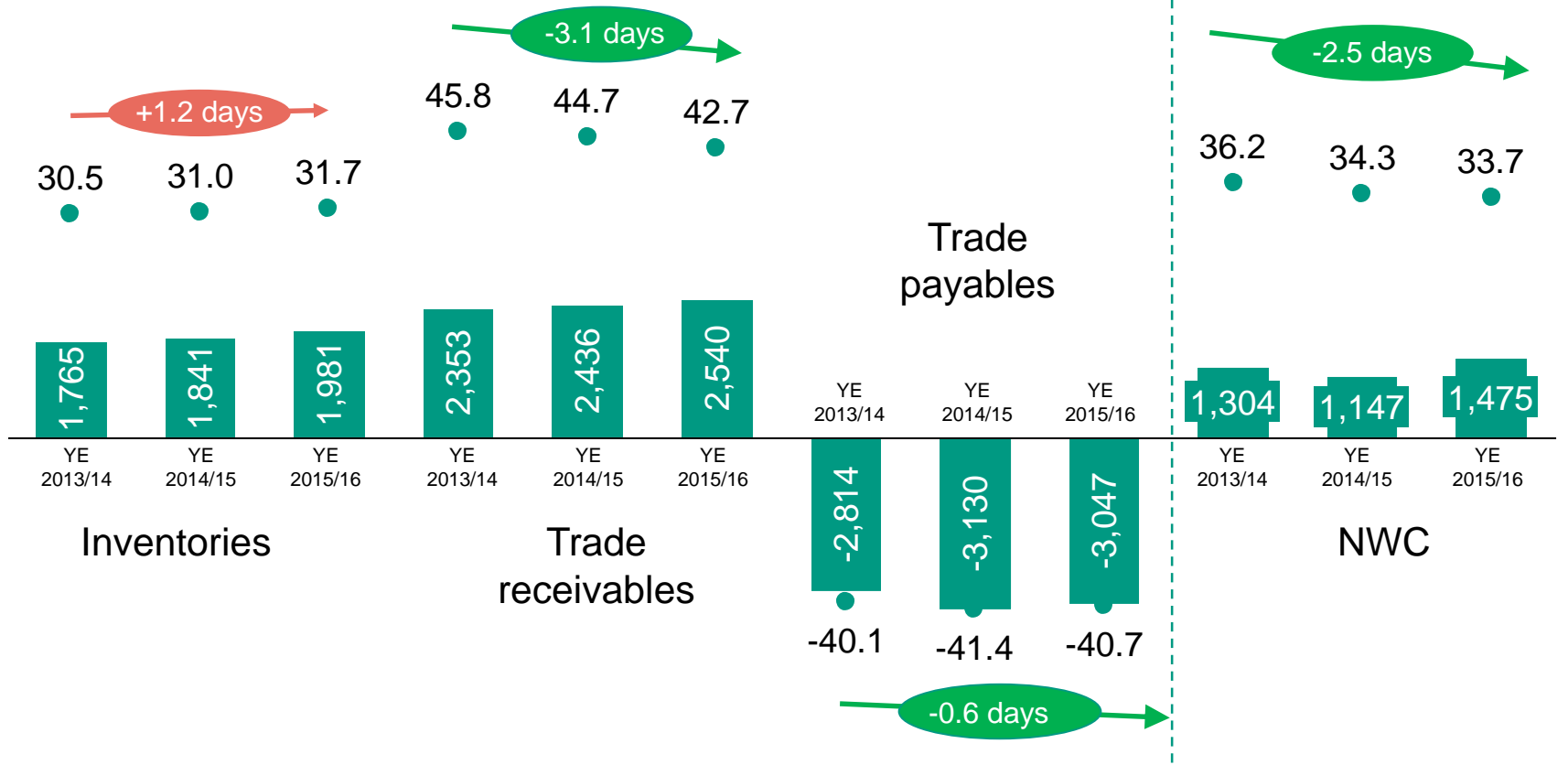


- Net Debt: EUR 1,121.6 (31.01.2016) vs. EUR 1,068.7 (31.01.2015)
- Ratio Net Debt / Adjusted EBITDA (LTM): 2.20 (YTD 2015/16) vs. 1.88 (YTD 2014/15)

# Closely managed 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

# Free Cash Flow Development

(in m€)

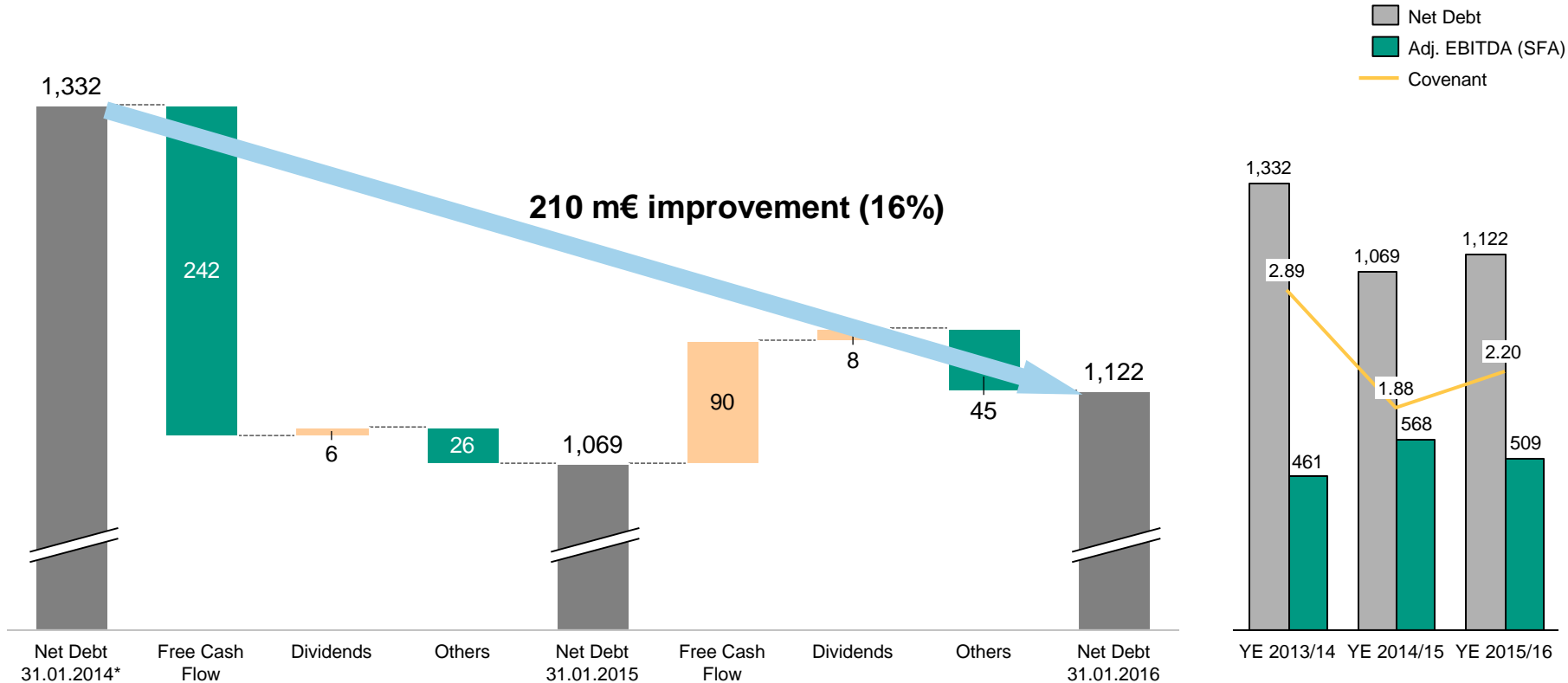
	YE 2014/15	YE 2015/16
Profit for the period	258	225
Non-cash items*	96	199
Changes in Working Capital	34	-337
Cash flow from investing activities	-146	-177
<b>Free Cash Flow</b>	<b>242</b>	<b>-90</b>
Non-recurring Working Capital effects 31.01.2016		-336
On-balance ABS program Germany, increased goods availability, one-off trade payables		
<b>Adjusted Free Cash Flow</b>	<b>242</b>	<b>246</b>

\* Depreciation, non-cash expense/income, interests, taxes.



# Sustainable Net Debt reduction

(in m€)



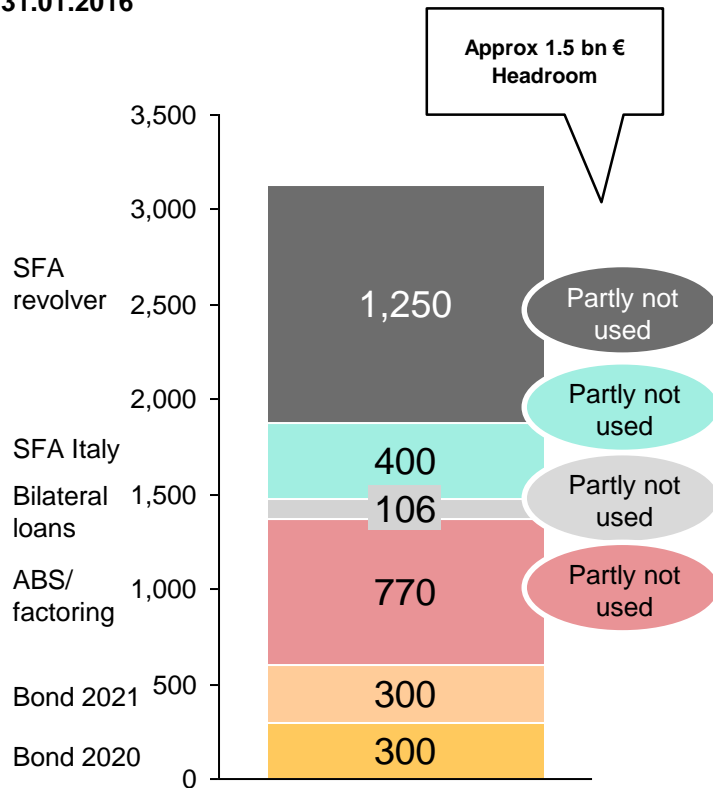
\* Figures as reported in prior years

# Balanced financing structure and maturity profile

(in m€)

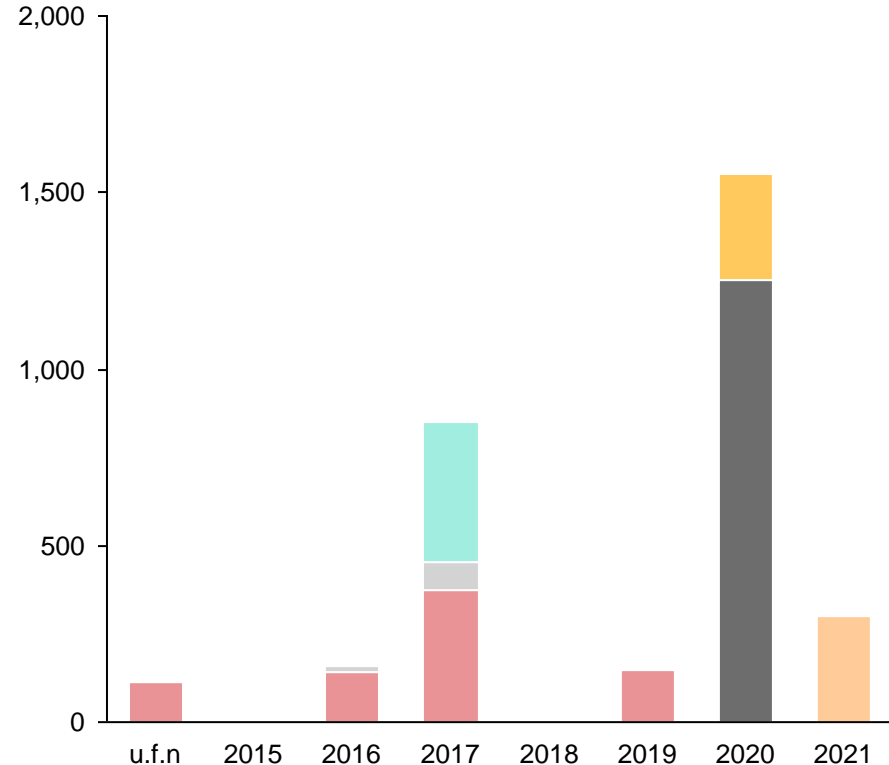
## Financial facilities and headroom

31.01.2016

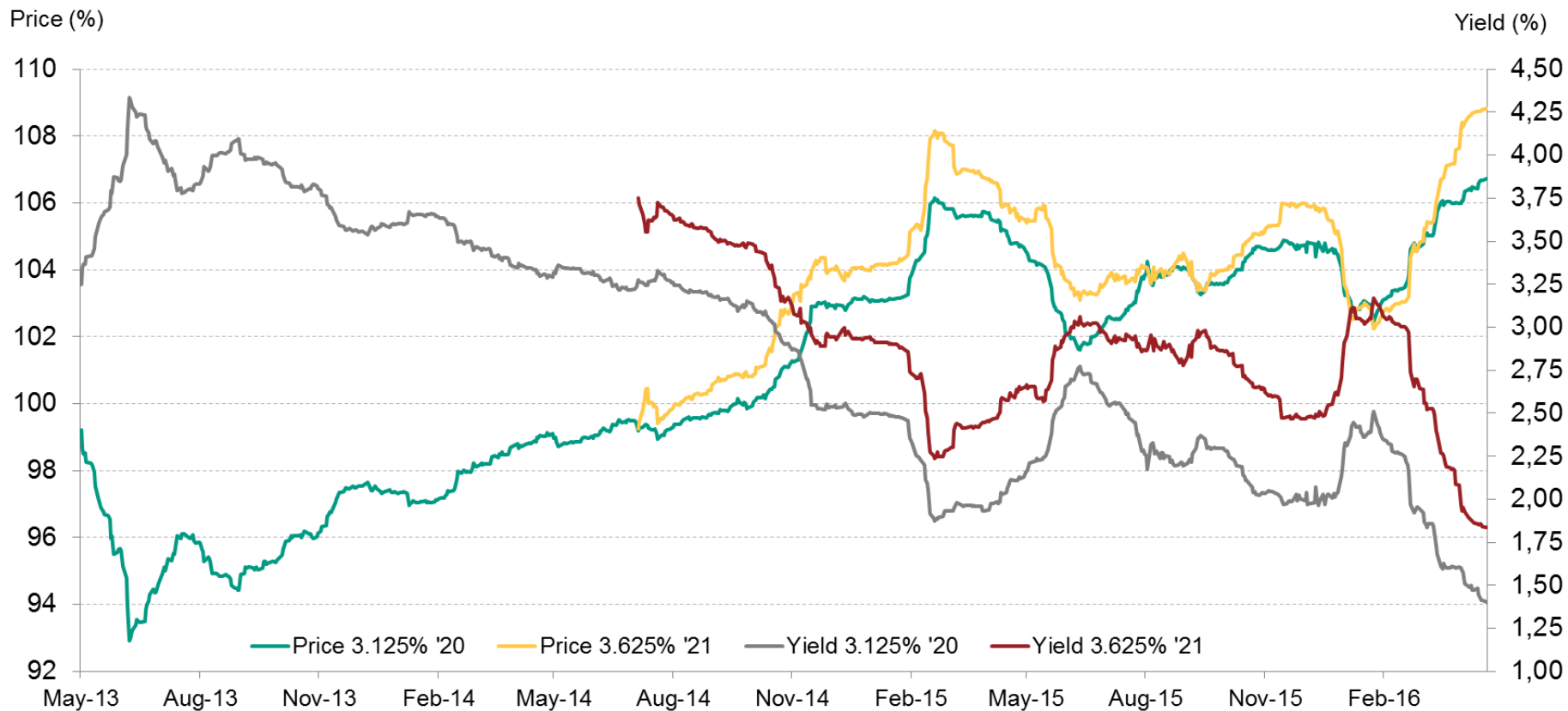


## Debt maturity profile

31.01.2016



# Development of the PHOENIX Bonds



Source: Bloomberg. 09.05.2016

## Financial outlook for the fiscal year 2016/17

- Stable economic environment with growing GDP in Germany
- Expansion of market position through organic growth and acquisitions
- Revenue growth expected in Germany, Western, Eastern and Northern Europe
- Adjusted EBITDA for 2016/17 at the level of the prior-year value
- Further increase in efficiency for positive business development of the PHOENIX group in the long term

# Financial calendar 2016/17

Reporting Event	Date
Quarterly report February to April 2016	27 June 2016
Half-year report February to July 2016	20 September 2016
Quarterly report February to October 2016	19 December 2016

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**PHOENIX** group