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25 years of PHOENIX: from pharmaceutical wholesaler to integrated healthcare provider

One-quarter of a century – a period of time that is not generally regarded as history. Nevertheless, in the last 25 years, PHOENIX has undergone development that could hardly have been any more rapid and diverse.

It all started with an administrative act. On 5 April 1994, a court clerk entered a company in the commercial register at Mannheim District Court in Germany: PHOENIX Pharmahandel Aktiengesellschaft & Co. Its owner was Adolf Merckle. In founding the company, the entrepreneur combined four regional pharmaceutical wholesalers: F. Reichelt AG from Hamburg, Hageda AG from Cologne, Otto Stumpf GmbH from Berlin, Otto Stumpf AG from Nuremberg, and Ferdinand Schulze GmbH from Mannheim, where the new company was also to be headquartered.

Merckle's signature opened the way to the largest pharmaceutical wholesaler in Germany, with a market share of 30 per cent. The company was successful right from the start. In the first fiscal year, 4,000 employees at 19 branches generated revenue of 5.9 billion deutschmarks (roughly €3.0 billion). That was a good foundation to build on. Merckle appointed commercial lawyer Dr Bernd Scheifele as Chief Executive Officer, and over the course of 11 years they worked together to transform the PHOENIX group into an internationally active, broadly positioned group.

During this time, the company grew quickly, largely thanks to acquisitions. In 2001, the foreign share of total revenue already exceeded the German share. In the process, Merckle and Scheifele made sure of one thing: the companies they acquired were streamlined for growth and efficiency. This is still an important aspect of PHOENIX' DNA. It laid the foundation for the group's long-term, profitable development. And much of it can still be seen today: PHOENIX is not only a family business, but a family of businesses. One in which employees are considered important. And they currently number around 37,000 men and women throughout Europe.

But there was something else that drove both Merckle and Scheifele: an overriding commitment based on and extending far beyond the business activity. As a major player in the socially important

healthcare market, PHOENIX assumes social responsibility in addition to its corporate activities. Take research, for example. In 1996, Scheifele launched the PHOENIX Pharmaceuticals Science Award. With a total prize value of €40,000, it has since been awarded annually to innovative and outstanding pharmaceutical research projects. Furthermore, the company regularly supports social projects and charities too. These are often originated by employees, as was the case with Kulturbras. Since 1992, PHOENIX has been supporting this organisation for street children in Fortaleza, Brazil.

Overall, PHOENIX's 25-year history has been characterised by success. Of course, it has not been without its setbacks. The most dangerous of these from an economic perspective hit the company in 2008 – and was not due to its own business activities, but rather external factors: the global financial and economic crisis even caused liquidity shortfalls in Adolf Merckle's companies. The banks were nervous. To secure loans, they forced access to the Merckle's family assets. At PHOENIX, a trustee took over the helm and considered the sale of the company.

Reimund Pohl was managing the business at the time. He had taken over the role of Chief Executive Officer from Scheifele in 2005. Pohl proved to be an excellent captain in turbulent times. Courageous and committed, he guided the company through the crisis. It is thanks to him that PHOENIX remained profitable throughout this period and was even able to expand its market position.

With the acquisition of two British pharmaceutical wholesalers, the first pharmacies were added to PHOENIX's portfolio in 1998. Pohl expanded this business by launching the BENU pharmacy brand in continental Europe. The first BENU pharmacy was opened in the Netherlands in 2012. It stood out with its uniform, modern design and customer-focused approach, turning a visit to the pharmacy into a shopping experience. Pohl also combined all services such as Healthcare Logistics, Business Intelligence, and Patient Services under one umbrella, which he coined the "All-in-One" concept. It represents a comprehensive range of services from which pharmaceutical manufacturers, pharmacies, and patients benefit equally.

PHOENIX was in a good position when Pohl handed it over to Oliver Windholz in 2014. He became the third CEO in the course of these 25 years. His path was to turn PHOENIX from a pharmaceutical wholesaler into an integrated healthcare provider – wherever it is active in Europe. Windholz has refined the company's profile, bringing together more closely the areas in which PHOENIX now operates: Wholesale, Retail, and Pharma Services. Pharmaceutical wholesale remains the core business of the company, with a unique coverage across Europe: more than 163 distribution centres in 27 countries supply pharmacies, doctors, and medical institutions with drugs and health products.

PHOENIX also supports pharmacies with goods management systems and cooperation programmes as well as in the area of patient advice. With the PHOENIX Pharmacy Partnership, Windholz has created a European umbrella for its existing pharmacy cooperation programmes. The network includes over 13,500 pharmacies in 16 countries and is the largest of its kind. In retail, PHOENIX operates more than 2,500 own pharmacies under the BENU, Apotek 1, and Rowlands Pharmacy brands in 14 European countries.

The healthcare markets in Europe are currently in upheaval. Digitalisation is progressing, and customers are demanding more and more from healthcare. This is why Windholz is further expanding the position of the company as a leading healthcare provider in 27 European countries and focusing even more strongly on the end customer. The number of own pharmacies alone rose by more than 60 per cent in the last five years. But PHOENIX is also moving closer to the end consumer with the expansion of online shopping in certain countries, customer loyalty programmes, and the marketing of its own health products under the LIVSANE brand.

Over the years, PHOENIX has dedicated itself to a demanding task: people's health. Digitalisation can help to improve healthcare in the future. That is why PHOENIX is developing this area and already pursuing specific initiatives that focus on the fields of digital health and personalised medicine.

Despite expansion and internationalisation, PHOENIX has remained a family business. Not only because of its ownership structure (the Merckle family is still the sole owner), but above all thanks to the corporate culture. Ludwig Merckle, who has led the group since the death of his father, has always maintained that his corporate activities are not aimed at maximum short-term profit, but at long-term, sustainable success. And that is what PHOENIX has achieved. For the past nine years, the company has been growing faster than the market – a huge achievement in this sector!

Further information about the PHOENIX group | www.phoenixgroup.eu

The **PHOENIX group**, headquartered in Mannheim, is a leading healthcare provider in Europe. Active in 27 countries, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with more than 37,000 employees. The PHOENIX group's vision is to be the best integrated healthcare provider – wherever it is active.

The PHOENIX group considers itself to be a link between manufacturer and patient. Pharmaceutical manufacturers, pharmacies, doctors, hospitals, health insurance funds, and patients across Europe can benefit from our service offering. In pharmaceutical wholesale, the PHOENIX group is active with 163 distribution centres in 27 countries and supplies pharmacies and medical institutions with drugs and other health products. Numerous other products and services for pharmacy customers complete the portfolio – from assistance in advising patients to modern goods management systems to pharmacy cooperation programmes. With around 13,500 member pharmacies, PHOENIX Pharmacy Partnership is the umbrella for our European network of 13 cooperation and partner programmes in 16 countries. Pharma Services provides services across the whole supply chain for the pharmaceutical industry. The PHOENIX group operates over 2,500 of its own pharmacies in 14 European countries, thereby having profound knowledge of the pharmacy business. Our approximately 19,000 pharmacy employees have around 152 million customer contacts each year. They dispense approximately 343 million drug packages to patients and advise them on issues concerning pharmaceuticals and general health.

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Contacts for press enquiries

Corporate Communications
PHOENIX group
Pfungstweidstraße 10–12
68199 Mannheim, Germany

Ingo Schnaitmann
Phone +49 621 8505–8593
E-mail i.schnaitmann@phoenixgroup.eu

Jacob–Nicolas Sprengel
Phone +49 621 8505–8502
E-mail j.sprengel@phoenixgroup.eu