

Quarterly Statement February to October 2021

The first nine months at a glance

- Agreement to acquire parts of McKesson's European business activities reached
- Total operating performance and revenue have increased again
- Profit before tax (before significant one-off effects) above previous year
- Further reduction in net debt compared with the third quarter of 2020/21

Key figures of PHOENIX Pharmahandel GmbH & Co KG (consolidated) in € m	1st nine months 2020/21	1st nine months 2021/22
Total operating performance	26,677.2	29,081.4
Revenue	20,981.7	22,487.6
Total income	2,253.3	2,357.7
EBITDA before significant one-off effects	465.4	497.1
EBITDA	476.3	462.2
EBIT	262.5	248.3
Profit before tax before significant one-off effects	209.7	234.4
Profit before tax	220.6	199.5
Profit after tax	163.9	141.4

		31 October 2020	31 January 2021	31 October 2021
Equity	in € m	3,237.0	3,168.9	3,263.5
Equity ratio	in %	32.4	30.6	30.8
Net debt	in € m	2,208.7	1,798.9	1,804.2

Business development

PHOENIX continued its growth in the first nine months of 2021/22 (February to October 2021). Compared with the first nine months of 2020/21, which were heavily shaped by the coronavirus pandemic, total operating performance rose by 9.0 per cent to €29.1 billion. This comprises revenue and handled volume. Adjusted for foreign exchange rate effects, total operating performance grew by 8.1 per cent. The healthcare provider, which is active in 26 European countries, saw its revenue grow by €1.5 billion (7.2 per cent) to €22.5 billion. Adjusted for foreign exchange rate effects, revenue grew by 6.5 per cent.

Results

Earnings before interest, taxes, depreciation and amortisation (EBITDA) declined from €476.3 million to €462.2 million. In connection with COVID-19, non-recurring income for increased pharmacy funding of €10.9 million was recognised in the first nine months of 2020/21, and costs related to measurement of inventories of €34.9 million were recognised in the first nine months of 2021/22. Adjusted for these one-off effects, EBITDA increased by 6.8 per cent or €31.7 million to €497.1 million compared with the same period of the previous year.

Profit before tax declined from €220.6 million to €199.5 million. Profit before tax before significant COVID-19 one-off effects grew by 11.8 per cent, representing an increase of €24.7 million to €234.4 million.

Financial position

Equity rose by €94.6 million compared with 31 January 2021. The currency translation difference on total assets, which is presented within equity, amounted to €-119.6 million (31 January 2021: €-132.5 million). The equity ratio as of 31 October 2021 was 30.8 per cent (31 January 2021: 30.6 per cent).

Cash flow from operating activities came to €254.7 million (comparative period: €91.6 million). This figure was particularly affected by a higher positive impact from change in working capital of €180.5 million compared with the same period of the previous year. Cash flow from investing activities amounted to €-108.4 million and was €-137.4 million in the comparative period.

Net debt increased by €5.3 million compared with 31 January 2021 to €1,804.2 million.

Risks and opportunities

The opportunities and risks of significance to us are described extensively in our annual report for fiscal year 2020/21. The risks and opportunities presented in that report are still essentially relevant.

Forecast

For fiscal year 2021/22, PHOENIX expects to further expand its market position in Europe through organic growth and acquisitions and thereby increase revenue slightly above the level of growth on the European pharmaceutical markets.

Adjusted for significant one-off effects, we expect profit before tax for fiscal year 2021/22 to be slightly above the level seen in 2020/21.

We also expect a slight increase in the equity ratio.

Mannheim, 26 November 2021

The Management Board of the unlimited partner

PHOENIX Verwaltungs GmbH



Financial information
for the first nine months
of 2021/22

CONSOLIDATED INCOME STATEMENT

for the first nine months of 2021/22

EUR k	3rd quarter 2020/21	3rd quarter 2021/22	1st nine months 2020/21	1st nine months 2021/22
Revenue	7,008,957	7,671,411	20,981,743	22,487,606
Cost of purchased goods and services	-6,268,173	-6,882,579	-18,750,346	-20,155,998
Gross profit	740,784	788,832	2,231,397	2,331,608
Other operating income	5,264	9,236	21,942	26,123
Personnel expenses	-386,684	-407,835	-1,158,374	-1,213,192
Other operating expenses	-208,266	-235,770	-619,245	-680,302
Result from associates and joint ventures	185	-1,418	448	-2,153
Result from other investments	0	8	126	105
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	151,283	153,053	476,294	462,189
Amortisation of intangible assets and depreciation of property, plant and equipment	-71,775	-72,177	-213,781	-213,878
Earnings before interest and taxes (EBIT)	79,508	80,876	262,513	248,311
Interest income	3,473	2,137	10,935	8,361
Interest expenses	-16,508	-20,446	-49,115	-54,718
Other financial result	-1,294	1,573	-3,776	-2,480
Financial result	-14,329	-16,736	-41,956	-48,837
Profit before tax	65,179	64,140	220,557	199,474
Income taxes	-11,622	-24,078	-56,682	-58,047
Profit after tax	53,557	40,062	163,875	141,427
thereof attributable to non-controlling interests	7,073	7,293	23,880	23,052
thereof attributable to owners of the parent company	46,484	32,769	139,995	118,375

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 October 2021

ASSETS

EUR k	31 January 2021	31 October 2021
Non-current assets		
Intangible assets	1,832,680	1,873,626
Property, plant and equipment	1,737,674	1,727,960
Investment property	6,595	6,492
Investments in associates and joint ventures	6,114	10,781
Trade receivables	277	33
Other financial assets	107,997	99,028
Deferred tax assets	94,770	97,897
Income tax receivables	12	7
	3,786,119	3,815,824
Current assets		
Inventories	2,747,563	2,674,311
Trade receivables	2,712,486	3,129,433
Income tax receivables	16,679	21,540
Other receivables and other financial assets	116,995	93,788
Other assets	137,693	157,832
Cash and cash equivalents	818,030	709,750
	6,549,446	6,786,654
Non-current assets held for sale	4,569	552
Total assets	10,340,134	10,603,030

EQUITY AND LIABILITIES

EUR k	31 January 2021	31 October 2021
Equity		
Unlimited and limited partners' capital	851,000	851,000
Reserves	2,347,497	2,465,955
Accumulated other comprehensive income	-328,407	-358,774
Equity attributable to the shareholders of the parent company	2,870,090	2,958,181
Non-controlling interests	298,826	305,333
	3,168,916	3,263,514
Non-current liabilities		
Financial liabilities	1,317,147	1,420,603
Trade payables	303	158
Provisions for pensions and similar obligations	272,374	335,877
Other non-current provisions	5,558	1,915
Deferred tax liabilities	128,211	147,574
Other non-current liabilities	1,463	1,264
	1,725,056	1,907,391
Current liabilities		
Financial liabilities	891,239	819,593
Trade payables	4,091,032	4,210,993
Other provisions	43,829	39,305
Income tax liabilities	35,299	26,845
Other liabilities	384,763	335,389
	5,446,162	5,432,125
Liabilities directly associated with assets held for sale	0	0
Total equity and liabilities	10,340,134	10,603,030

CONSOLIDATED STATEMENT OF CASH FLOWS

for the first nine months of 2021 /22

EUR k	31 October 2020	31 October 2021
Profit after tax	163,875	141,427
Income taxes	56,682	58,047
Profit before tax	220,557	199,474
Adjustments for:		
Interest expenses and interest income	38,180	46,357
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	213,781	213,878
Result from associates and other investments	-574	2,048
Net result from the disposal of assets related to investing activities	105	224
Other non-cash expense and income	58,110	68,917
	530,159	530,898
Interest paid	-49,729	-65,999
Interest received	9,696	8,095
Income taxes paid	-45,672	-40,182
Dividends received	307	272
Cash flow before change in assets and liabilities	444,761	433,084
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	-24,341	-30,007
Cash flow before change in operating assets and liabilities	420,420	403,077
Change in inventories	-124,086	57,457
Change in trade receivables	-167,444	-250,256
Change in trade payables	-3,584	224,142
	-295,114	31,343
Change in other assets and liabilities not related to investing or financing activities	-33,717	-179,691
Change in operating assets and liabilities	-328,831	-148,348
Cash flow from operating activities	91,589	254,729
Acquisition of consolidated companies and business units, net of cash acquired	-14,460	-18,764
Capital expenditures for intangible assets, property, plant and equipment, and investment property	-133,159	-97,902
Investment in other financial assets and non-current assets	-308	-5,876
Cash outflows for investments	-147,927	-122,542

EUR k	31 October 2020	31 October 2021
Cash received from the sale of consolidated companies and business units, net of cash disposed	1,045	675
Cash received from disposal of intangible assets, property, plant and equipment and investment property	8,391	11,096
Proceeds from other financial assets and non-current assets	1,052	2,403
Cash inflows from realised investments and divestments	10,488	14,174
Cash flow from investing activities	-137,439	-108,368
Cash available for financing activities	-45,850	146,361
Capital contribution from/capital repayment to non-controlling interests	-285	0
Acquisition of additional shares in already consolidated subsidiaries	-364	-193
Proceeds from disposal of interests in subsidiaries without loss of control	0	14
Dividends paid to non-controlling interests	-15,442	-16,695
Proceeds from bond issuance and bank loans	621,387	2,992
Repayment of bonds and bank loans	-361,136	-314,120
Change in bank loans which have a maturity period of 3 months or less	86,084	76,041
Proceeds from the issue of loans from shareholders in the parent company	16,200	0
Repayment of loans from shareholders in the parent company	-2,000	-1,460
Proceeds from the issue of loans from related parties	0	100,285
Repayment of loans to related parties	0	-300
Change in ABS/factoring liabilities	-19,378	-3,639
Change in finance lease liabilities	-108,493	-98,754
Change in other financial liabilities	-16,509	868
Cash flow from financing activities	200,064	-254,961
Changes in cash and cash equivalents	154,214	-108,600
Effect of exchange rate changes on cash and cash equivalents	-2,560	320
Cash and cash equivalents at the beginning of the period	245,986	818,030
Cash and cash equivalents at the end of the period	397,640	709,750
Cash and cash equivalents presented in the balance sheet at the end of the period	397,640	709,750

Investor Relations

PHOENIX group
Pfungstweidstraße 10-12
68199 Mannheim, Germany

Karsten Loges

Director Corporate Finance and Asset Management

Phone +49 621 8505-741

k.loges@phoenixgroup.eu

Publisher

Maren Holoda

Director Corporate Communications

Phone +49 621 8505-8593

m.holoda@phoenixgroup.eu

Jacob-Nicolas Sprengel

Senior Manager Corporate Communications

Phone +49 621 8505-8502

j.sprengel@phoenixgroup.eu

Financial calendar

24 May 2022: Annual report 2021/22

27 June 2022: Quarterly statement February to April 2022

28 September 2022: Half-year report February to July 2022

21 December 2022: Quarterly statement February to October 2022

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

The PHOENIX group, headquartered in Mannheim, is a leading healthcare provider in Europe. Active in 26 countries, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with more than 39,000 employees. The PHOENIX group's vision is to be the best integrated healthcare provider – wherever it is active.