

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 the PHOENIX group 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	2,252.3	2,357.1
EBITDA before significant one-off effects	464.1	496.3
EBITDA	475.0	461.4
EBIT	270.3	247.4
Profit before tax before significant one-off effects	212.9	229.7
Profit before tax	223.8	194.8
Profit after tax	166.5	136.9

		31 October 2020	31 January 2021	31 October 2021
Equity	in € m	2,875.1	2,959.7	3,051.0
Equity ratio	in %	29.3	28.6	28.8
Net debt	in € m	2,415.2	2,006.9	2,017.7

Business development

The PHOENIX group 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 €475.0 million to €461.4 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 6.9 per cent or €32.2 million to €496.3 million compared with the same period of the previous year.

Profit before tax declined from €223.8 million to €194.8 million. Profit before tax before significant COVID-19 one-off effects grew by 7.9 per cent, representing an increase of €16.8 million to €229.7 million.

Financial position

Equity rose by €91.3 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 28.8 per cent (31 January 2021: 28.6 per cent).

Cash flow from operating activities came to €253.1 million (comparative period: €89.5 million). This figure was particularly affected by a higher positive impact from change in working capital of €169.3 million compared with the same period of the previous year. Cash flow from investing activities amounted to €-108.4 million and was €-137.5 million in the comparative period.

Net debt increased by €10.8 million compared with 31 January 2021 to €2,017.7 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, the PHOENIX group 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 Executive Board of PHOENIX Pharma SE

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	7,009,214	7,671,411	20,981,748	22,487,606
Cost of purchased goods and services	-6,268,173	-6,882,579	-18,750,346	-20,155,998
Gross profit	741,041	788,832	2,231,402	2,331,608
Other operating income	4,930	8,901	20,934	25,452
Personnel expenses	-386,684	-407,841	-1,158,374	-1,213,210
Other operating expenses	-208,078	-235,795	-619,544	-680,364
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)	151,394	152,687	474,992	461,438
Amortisation of intangible assets and depreciation of property, plant and equipment	-69,503	-72,227	-204,643	-214,028
Earnings before interest and taxes (EBIT)	81,891	80,460	270,349	247,410
Interest income	2,782	2,137	8,889	8,361
Interest expenses	-17,479	-21,764	-51,790	-58,621
Other financial result	-1,260	1,607	-3,673	-2,377
Financial result	-15,957	-18,020	-46,574	-52,637
Profit before tax	65,934	62,440	223,775	194,773
Income taxes	-12,459	-23,971	-57,286	-57,848
Profit after tax	53,475	38,469	166,489	136,925
thereof attributable to non-controlling interests	7,073	7,293	23,880	23,052
thereof attributable to owners of the parent company	46,402	31,176	142,609	113,873

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	1,742,139	1,732,275
Investment property	6,595	6,492
Investments in associates and joint ventures	6,114	10,781
Trade receivables	277	33
Other financial assets	108,028	99,059
Deferred tax assets	99,365	102,599
Income tax receivables	12	963
	3,795,210	3,825,828
Current assets		
Inventories	2,747,563	2,674,311
Trade receivables	2,711,439	3,128,393
Income tax receivables	23,423	20,899
Other financial assets	111,655	93,943
Other assets	131,758	157,063
Cash and cash equivalents	818,843	710,360
	6,544,681	6,784,969
Non-current assets held for sale	4,569	552
Total assets	10,344,460	10,611,349

EQUITY AND LIABILITIES

EUR k	31 January 2021	31 October 2021
Equity		
Issued capital	2,786	2,786
Capital reserves	961,106	961,106
Revenue reserves	2,023,903	2,138,957
Accumulated other comprehensive income	-324,110	-354,370
Equity attributable to the shareholders of the parent company	2,663,685	2,748,479
Non-controlling interests	295,969	302,476
	2,959,654	3,050,955
Non-current liabilities		
Financial liabilities	1,537,147	1,640,603
Trade payables	303	158
Provisions for pensions and similar obligations	279,862	342,949
Other non-current provisions	5,635	1,992
Deferred tax liabilities	129,257	148,556
Other non-current liabilities	1,463	1,264
	1,953,667	2,135,522
Current liabilities		
Financial liabilities	880,079	813,686
Trade payables	4,091,096	4,211,109
Other provisions	43,829	39,305
Income tax liabilities	35,670	26,904
Other liabilities	380,465	333,868
	5,431,139	5,424,872
Liabilities directly associated with assets held for sale	0	0
Total equity and liabilities	10,344,460	10,611,349

CONSOLIDATED STATEMENT OF CASH FLOWS

for the first nine months of 2021 /22

EUR k	31 October 2020	31 October 2021
Profit after tax	166,489	136,925
Income taxes	57,286	57,848
Profit before tax	223,775	194,773
Adjustments for:		
Interest expenses and interest income	42,901	50,260
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	204,643	214,028
Result from associates and other investments	-574	2,048
Net result from the disposal of assets related to investing activities	109	224
Other non-cash expense and income	58,007	69,820
	528,861	531,153
Interest paid	-49,710	-66,009
Interest received	8,784	8,095
Income taxes paid	-55,994	-41,346
Dividends received	307	272
Cash flow before change in assets and liabilities	432,248	432,165
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	-24,784	-30,423
Cash flow before change in operating assets and liabilities	407,464	401,742
Change in inventories	-124,086	57,457
Change in trade receivables	-166,544	-251,302
Change in trade payables	-3,409	224,194
	-294,039	30,349
Change in other assets and liabilities not related to investing or financing activities	-23,909	-179,025
Change in operating assets and liabilities	-317,948	-148,676
Cash flow from operating activities	89,516	253,066
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	1,037	2,403
Cash inflows from realised investments and divestments	10,473	14,174
Cash flow from investing activities	-137,454	-108,368
Cash available for financing activities	-47,938	144,698
Capital contribution from/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 related parties	0	100,285
Repayment of loans from related parties	0	-300
Change in ABS / Factoring	-19,378	-3,639
Change in finance lease	-92,267	-98,754
Change in other financial liabilities	-16,509	868
Cash flow from financing activities	202,090	-253,501
Changes in cash and cash equivalents	154,152	-108,803
Effect of exchange rate changes on cash and cash equivalents	-2,560	320
Cash and cash equivalents at the beginning of the period	246,846	818,843
Cash and cash equivalents at the end of the period	398,438	710,360
Cash and cash equivalents presented in the balance sheet at the end of the period	398,438	710,360

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.