

Quarterly Statement February to April 2024

The first three months at a glance

- Total operating performance and revenue increased again
- Profit before tax higher than previous year
- Acquisition of McCabes Pharmacy Chain in Ireland

Key figures of the PHOENIX group in € m	1st quarter 2023/24*	1st quarter 2024/25
Total operating performance	13.658,4	14.630,0
Revenue	11.393,2	12.130,5
Total income	1.147,2	1.225,7
EBITDA before significant one-off effects	213,6	260,3
EBITDA	201,4	260,3
EBIT	100,4	153,0
Profit before tax before significant one-off effects	75,2	115,0
Profit before tax	63,0	115,0
Profit after tax	41,6	85,6

		30 April 2023*	31 January 2024	30 April 2024
Equity	in € m	3.307,1	3.449,3	3.514,5
Equity ratio	in %	24,4	24,1	24,6
Net debt	in € m	3.228,3	2.853,6	3.257,4

* The 30 April 2023 figures were restated due to the finalisation of a purchase price allocation

Business development

The PHOENIX group continued to grow in the first three months of 2024/25 (February to April 2024). Compared with the first three months of 2023/24, total operating performance rose by 7.1 per cent to €14.6 billion. This figure comprises revenue and handled volume. Adjusted for foreign exchange rate effects, total operating performance grew by 7.5 per cent. The PHOENIX group, which is active in 29 European countries, achieved further revenue growth of €0.7 billion (6.5 per cent) to €12.1 billion. Adjusted for foreign exchange rate effects, revenue grew by 6.7 per cent.

Results

The increase in total income of €78.5 million to €1,225.7 million exceeded the increase in total expenses of €20.9 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased from €201.4 million to €260.3 million. The prior-year figure included a loss of €12.2 million from the deconsolidation of the Swiss wholesale activities. Adjusted for this one-off effect, EBITDA increased by 21.8 per cent or €46.7 million compared with the same period of the previous year.

Profit before tax increased from €63.0 million to €115.0 million. Adjusted for the aforementioned one-off effect, profit before tax increased by 52.9 per cent or €39.8 million.

Financial position

Equity rose by €65.2 million compared with 31 January 2024. The currency translation difference on total assets, which is recognised in equity, amounted to €-138.0 million (31 January 2024: €-124.1 million). Equity ratio as of 30 April 2024 came to 24.6 per cent (31 January 2024: 24.1 per cent).

Cash flow from operating activities came to €-300.3 million (comparative period: €-94.6 million). This development is largely due to a higher increase in trade working capital by €220.5 million compared with the same quarter of the previous year. The increased profit after tax had a positive effect. Cash flow from investing activities amounted to €-87.4 million and was €-92.5 million in the same period of the previous year. Overall, free cash flow decreased from €-187.1 million to €-387.7 million.

Net debt increased by €403.8 million to €3,257.4 million compared with 31 January 2024.

Risks and opportunities

The risks and opportunities of significance to us are described extensively in our annual report for fiscal year 2023/24. The risks and opportunities presented in that report are still essentially relevant.

Forecast

For fiscal year 2024/25, 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 of the European pharmaceutical markets. We expect revenue growth in nearly all markets in which we are present.

We forecast profit before tax to increase moderately in fiscal year 2024/25 compared with the previous year.

We also expect a slight increase in the equity ratio.

Mannheim, 14 June 2024

The Executive Board of PHOENIX Pharma SE

FINANCIAL INFORMATION

FOR THE FIRST THREE MONTHS OF 2024/25

CONSOLIDATED INCOME STATEMENT

for the first three months of 2024/25

EUR k	1st quarter 2023/24*	1st quarter 2024/25
Revenue	11,393,168	12,130,527
Cost of purchased goods and services	-10,262,261	-10,925,787
Gross profit	1,130,907	1,204,740
Other operating income	16,338	20,945
Personnel expenses	-589,236	-608,550
Other operating expenses	-355,902	-357,537
Result from associates and joint ventures	-810	625
Result from other investments	74	79
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	201,371	260,302
Amortisation of intangible assets and depreciation of property, plant and equipment	-100,997	-107,279
Earnings before interest and taxes (EBIT)	100,374	153,023
Interest income	4,598	4,636
Interest expenses	-33,850	-41,278
Other financial result	-8,082	-1,390
Financial result	-37,334	-38,032
Profit before tax	63,040	114,991
Income taxes	-21,464	-29,415
Profit after tax	41,576	85,576
thereof attributable to non-controlling interests	4,322	4,529
thereof attributable to the shareholders of the parent company	37,254	81,047

* Prior-year figures were restated due to the finalisation of a purchase price allocation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 30 April 2024

ASSETS

EUR k	31 January 2024	30 April 2024
Non-current assets		
Intangible assets	2,212,401	2,264,101
Property, plant and equipment	2,292,038	2,254,776
Investment property	3,833	3,873
Investments in associates and joint ventures	38,593	37,778
Trade receivables	11,552	18,306
Other financial assets	110,881	105,350
Deferred tax assets	150,890	160,216
Income tax receivables	68	68
	4,820,256	4,844,468
Current assets		
Inventories	3,826,193	3,894,266
Trade receivables	4,798,919	4,912,509
Income tax receivables	35,871	39,240
Other financial assets	109,434	126,282
Other assets	258,674	278,420
Cash and cash equivalents	443,108	210,369
	9,472,199	9,461,086
Non-current assets held for sale	13,366	494
Total assets	14,305,821	14,306,048

EQUITY AND LIABILITIES

EUR k	31 January 2024	30 April 2024
Equity		
Issued capital	2,786	2,786
Capital reserves	961,106	961,106
Revenue reserves	2,711,360	2,788,141
Accumulated other comprehensive income	-339,373	-352,787
Equity attributable to the shareholders of the parent company	3,335,879	3,399,246
Non-controlling interests	113,439	115,216
	3,449,318	3,514,462
Non-current liabilities		
Financial liabilities	1,923,673	1,908,003
Trade payables	222	448
Provisions for pensions and similar obligations	321,956	311,437
Other non-current provisions	17,752	25,497
Deferred tax liabilities	243,905	251,225
Income tax liabilities	5	5
Other non-current liabilities	5,623	5,745
	2,513,136	2,502,360
Current liabilities		
Financial liabilities	1,092,233	1,280,284
Trade payables	6,520,617	6,271,952
Other provisions	81,253	66,429
Income tax liabilities	73,914	74,370
Other liabilities	567,886	596,191
	8,335,903	8,289,226
Liabilities directly associated with assets held for sale	7,464	0
Total equity and liabilities	14,305,821	14,306,048

CONSOLIDATED STATEMENT OF CASH FLOWS

for the first three months of 2024/25

EUR k	30 April 2023*	30 April 2024
Profit after tax	41,576	85,576
Income taxes	21,464	29,415
Profit before income taxes	63,040	114,991
Adjustments for:		
Interest expenses and interest income	29,252	36,642
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	100,997	107,279
Result from associates and other investments	736	-704
Net result from the disposal of assets related to investing activities	7,392	1,940
Other non-cash expense and income	77,530	42,422
	278,947	302,570
Interest paid	-28,105	-42,012
Interest received	4,593	4,801
Income taxes paid	-37,072	-28,304
Dividends received	74	79
Cash flow before change in assets and liabilities	218,437	237,134
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	-9,851	-5,919
Cash flow before change in operating assets and liabilities	208,586	231,215
Change in inventories	-93,219	-80,540
Change in trade receivables	-126,218	-143,235
Change in trade payables	34,885	-181,287
	-184,552	-405,062
Change in other assets and liabilities not related to investing or financing activities	-118,657	-126,452
Change in operating assets and liabilities	-303,209	-531,514
Cash flow from operating activities	-94,623	-300,299
Acquisition of consolidated companies and business units, net of cash acquired	-12,976	-49,720
Capital expenditures for intangible assets, property, plant and equipment, and investment property	-49,291	-35,212
Investment in other financial assets and non-current assets	-44,258	-4,402
Cash outflows for investments	-106,525	-89,334

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EUR k	30 April 2023*	30 April 2024
Cash received from the sale of consolidated companies and business units, net of cash disposed	-18	-3,455
Cash received from disposal of intangible assets, property, plant and equipment, and investment property	14,019	5,050
Proceeds from other financial assets and non-current assets	0	374
Cash inflows from realised investments and divestments	14,001	1,969
Cash flow from investing activities	-92,524	-87,365
Cash available for financing activities	-187,147	-387,664
Acquisition of additional shares in already consolidated subsidiaries	-26	-3,318
Proceeds from disposal of interests in subsidiaries without loss of control	0	100
Dividends paid to non-controlling interests	-2,347	-1,644
Proceeds from bond issuance and bank loans	83,876	121,989
Repayment of bonds and bank loans	-106,826	-103,730
Change in bank loans which have a maturity period of 3 months or less	118,324	118,704
Change in ABS/Factoring	-29,598	68,976
Change in finance lease	-42,540	-46,461
Change in other financial liabilities	6,329	998
Cash flow from financing activities	27,192	155,614
Changes in cash and cash equivalents	-159,955	-232,050
Effect of exchange rate changes on cash and cash equivalents	-28	-692
Cash and cash equivalents at the beginning of the period	430,402	443,108
Cash and cash equivalents at the end of the period	270,419	210,369
Cash and cash equivalents presented in the balance sheet at the end of the period	270,419	210,369

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Financial calendar

25 September 2024: Half-year report February to July 2024

19 December 2024: Quarterly statement February to October 2024

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

The PHOENIX group, headquartered in Mannheim, Germany, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. With a presence in 29 healthcare markets, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with more than 48,000 employees.