

Investor call

Results of the fiscal year PHOENIX group 2016/17

Mannheim, 23 May 2017

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Agenda

- **Overview**

Fiscal year 2016/17



Oliver Windholz
(CEO)

- **Group financials**

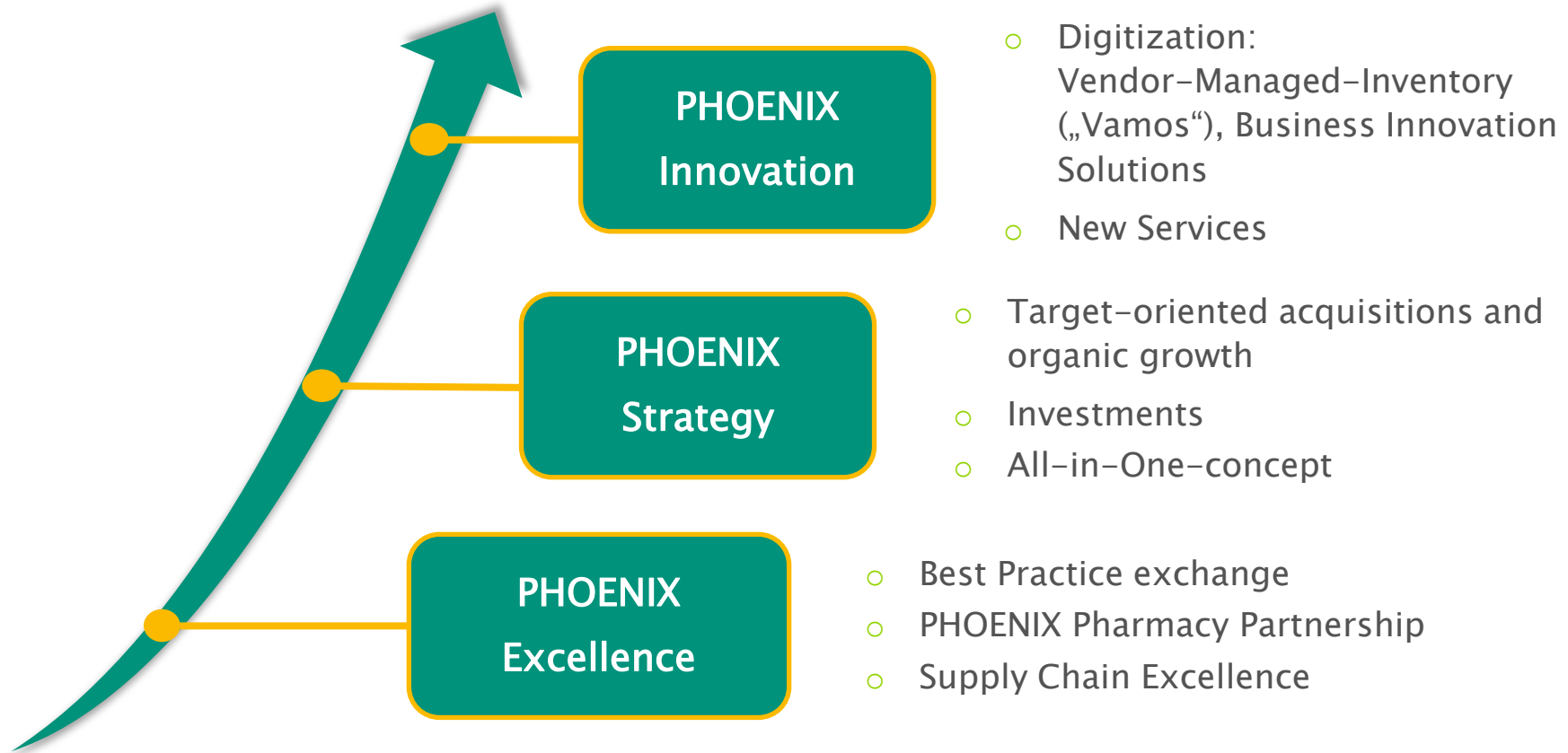
Fiscal year 2016/17



Helmut Fischer
(CFO)

- **Questions & answers**

Vision: Be the best integrated healthcare provider – wherever we are.



We consequently move in our strategic direction!

Successful business year 2016/17 across all business areas

Important milestones

- Good development with total operating performance (EUR 30.2 bn) and revenue (EUR 24.4 bn) on record level
- Strong growth above market
- Challenging overall economic environment. Ongoing competitive pressure in selected countries
- Closing of the acquisition of Mediq Apotheken Nederland B.V. and successfully ongoing integration
- Market entry as integrated healthcare provider in Montenegro with acquisition in wholesale and retail



Finance

- Operative result (EBITDA) below prior year's figure
- Solid equity ratio (33.1%) and increased free cash flow to prior year despite biggest single acquisition in the history of PHOENIX
- Rating affirmed with increased outlook



Wholesale, Retail as well as Pharma Services further strengthened in business year 2016/17

Wholesale

- Promoting cutting-edge warehouse logistics with project Skårer in Norway as well as the new construction project ONE in Denmark
- Construction of a new distribution centre in Gotha, Germany
- Creation of the largest network for pharmacy cooperation programs in Europe with PHOENIX Pharmacy Partnership

Retail

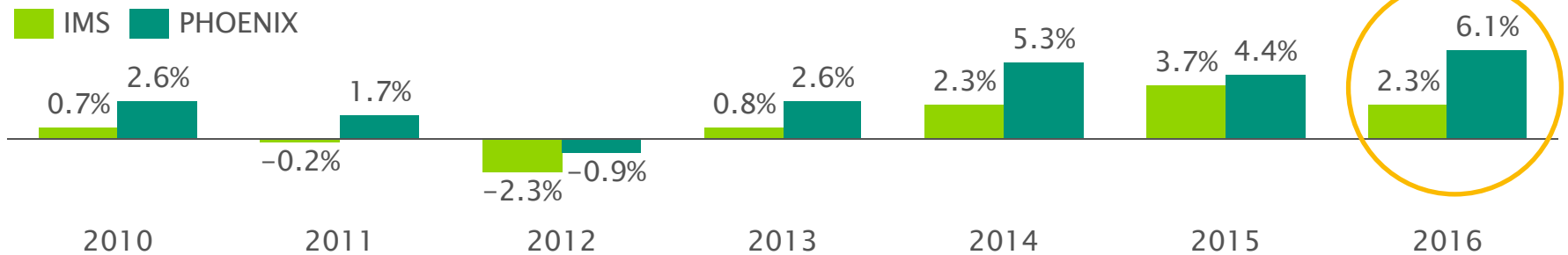
- Further consistent expansion of the European pharmacy portfolio from 1,773 to more than 2,000 pharmacies (BENU, Apotek 1, Rowlands)
- Leading in continental Europe five years after the founding of BENU with over 1,200 pharmacies in 10 countries
- Preparation for the launch of the Europe-wide private label LIVSANE

Pharma Services

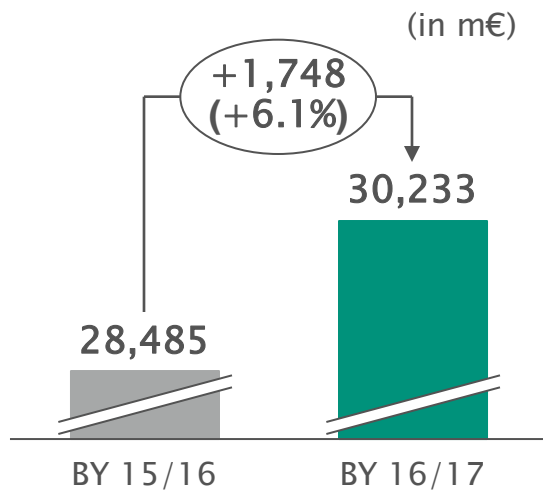
- Further expansion of service brand All-in-One
- Opening of the third hub in Belgrade, after Prague and Warsaw, for a highly efficient logistics network in Central and Eastern Europe

PHOENIX group grows stronger than the market

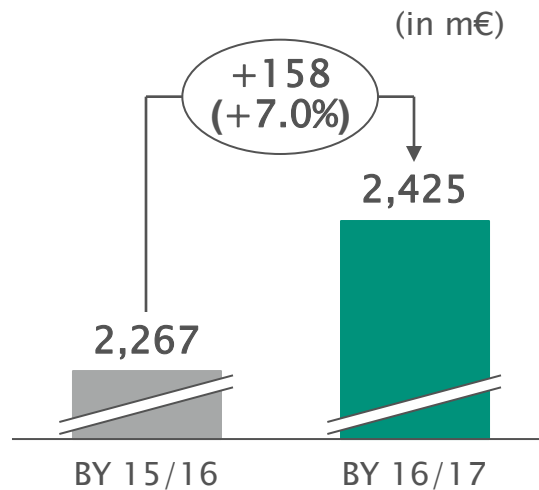
Yearly Growth of the European Pharma Market (IMS Health)



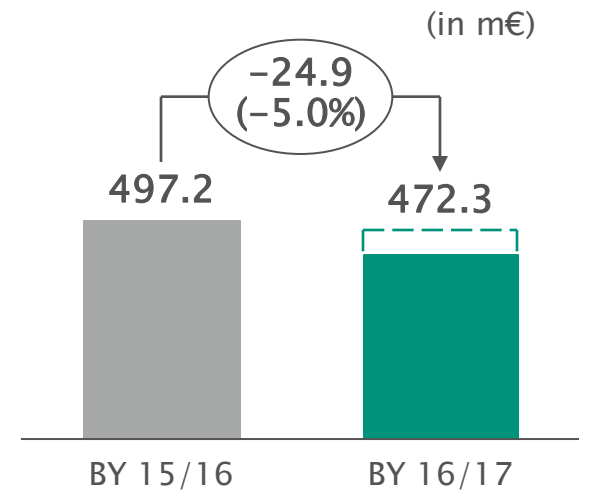
Total Operating Performance



Gross Margin

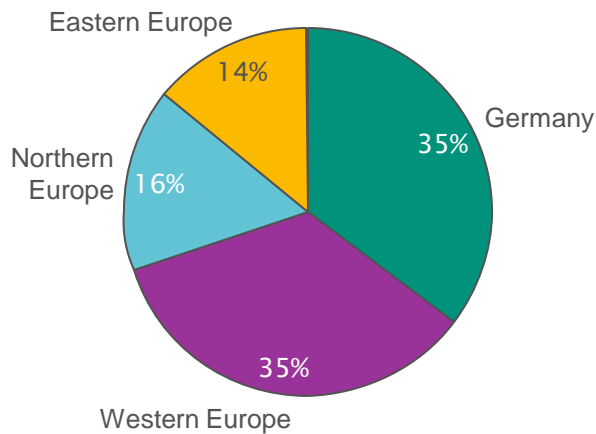


EBITDA, bef. non-rec. items*

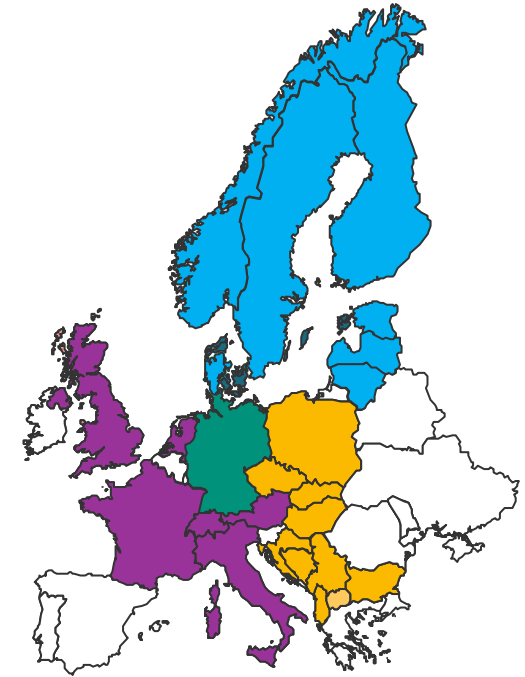
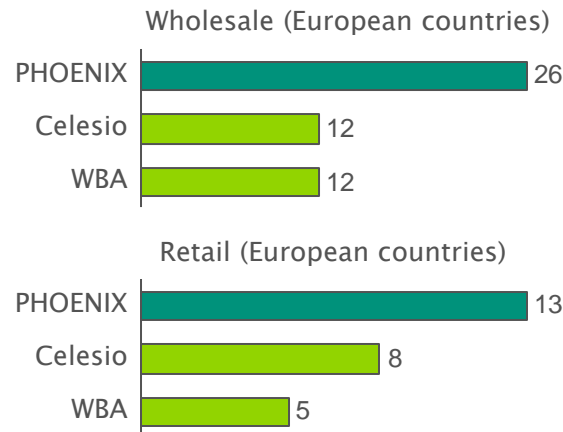


Diversified country portfolio in Europe

Net Turnover per region



Countries in comparison



Germany

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

Western Europe

- 988 pharmacies
- 74 distribution centres
- Revenue wholesale: 83%

Northern Europe

- 547 pharmacies
- 17 distribution centres
- Revenue wholesale: 69%

Eastern Europe

- 524 pharmacies
- 39 distribution centres
- Revenue wholesale: 88%

Strategy: Acquisitions support becoming the leading integrated healthcare provider



- **Mediq in the Netherlands:**

Expanding our integrated position with activities in wholesale, retail and pre-wholesale



- **Farmegra & Apoteka Lijek in Montenegro:**

Entering new markets as integrated healthcare provider



- **Novodata in Hungary & Medaffcon in Finland:**

Expanding services with innovative solutions

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(CEO)

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Helmut Fischer
(CFO)

- **Questions & answers**

Profit & loss

(in m€)

Business performance	FY 2015/16	FY 2016/17	Delta	
○ Total operating performance	28,484.6	30,232.8	1,748.2	6.1%
○ Revenue	23,247.4	24,436.7	1,189.3	5.1%
○ Gross profit	2,267.2	2,425.4	158.2	7.0%
○ Personnel expenses	-1,158.7	-1,289.2	-130.5	11.3%
○ Other op. expenses	-767.3	-864.4	-97.1	12.7%
○ EBITDA	495.4	417.8	-77.6	-15.7%
○ EBITDA, before non-recurring items*	497.2	472.3	-24.9	-5.0%
○ EBIT	376.4	291.4	-85.1	-22.6%
○ Financial result	-57.5	-48.8	8.6	-15.0%
○ Profit before tax	319.0	242.5	-76.5	-24.0%
○ Profit after tax	225.0	142.8	-82.2	-36.5%

*foreign exchange rate effects and integration costs Mediq, tax audit prior years

Further improved interest expenses

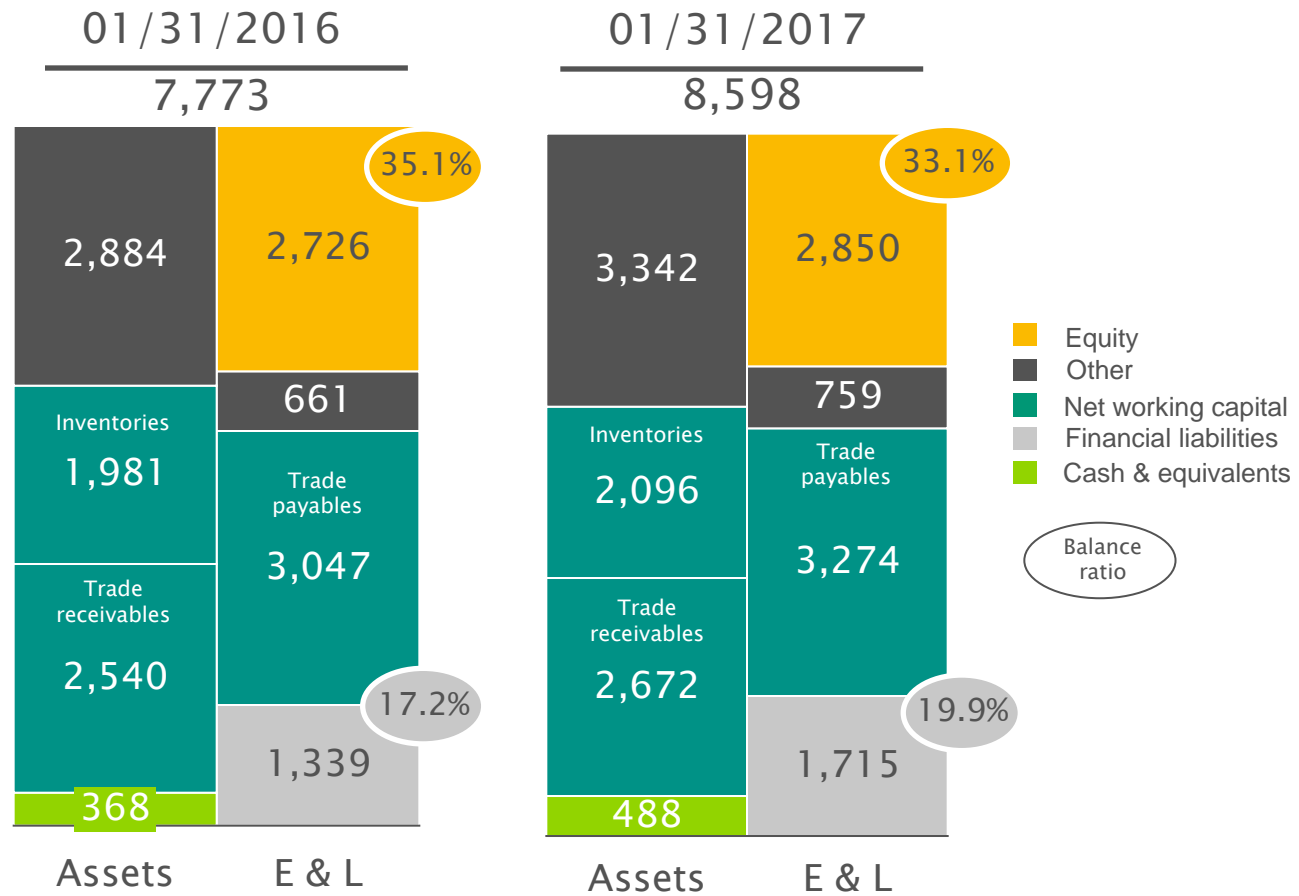
(in m€)

Financial result	FY 2015/16	FY 2016/17	Delta
○ Interest income	15.2	12.6	-2.6
○ Interest expenses	-69.6	-58.8	10.8
○ Interest result	-54.4	-46.2	8.2
○ Other net financial result	-3.1	-2.6	0.4
○ Financial result	-57.5	-48.8	8.6

*foreign exchange rate effects and integration costs Mediq, tax audit prior years

Solid development of the equity ratio

(in m€)

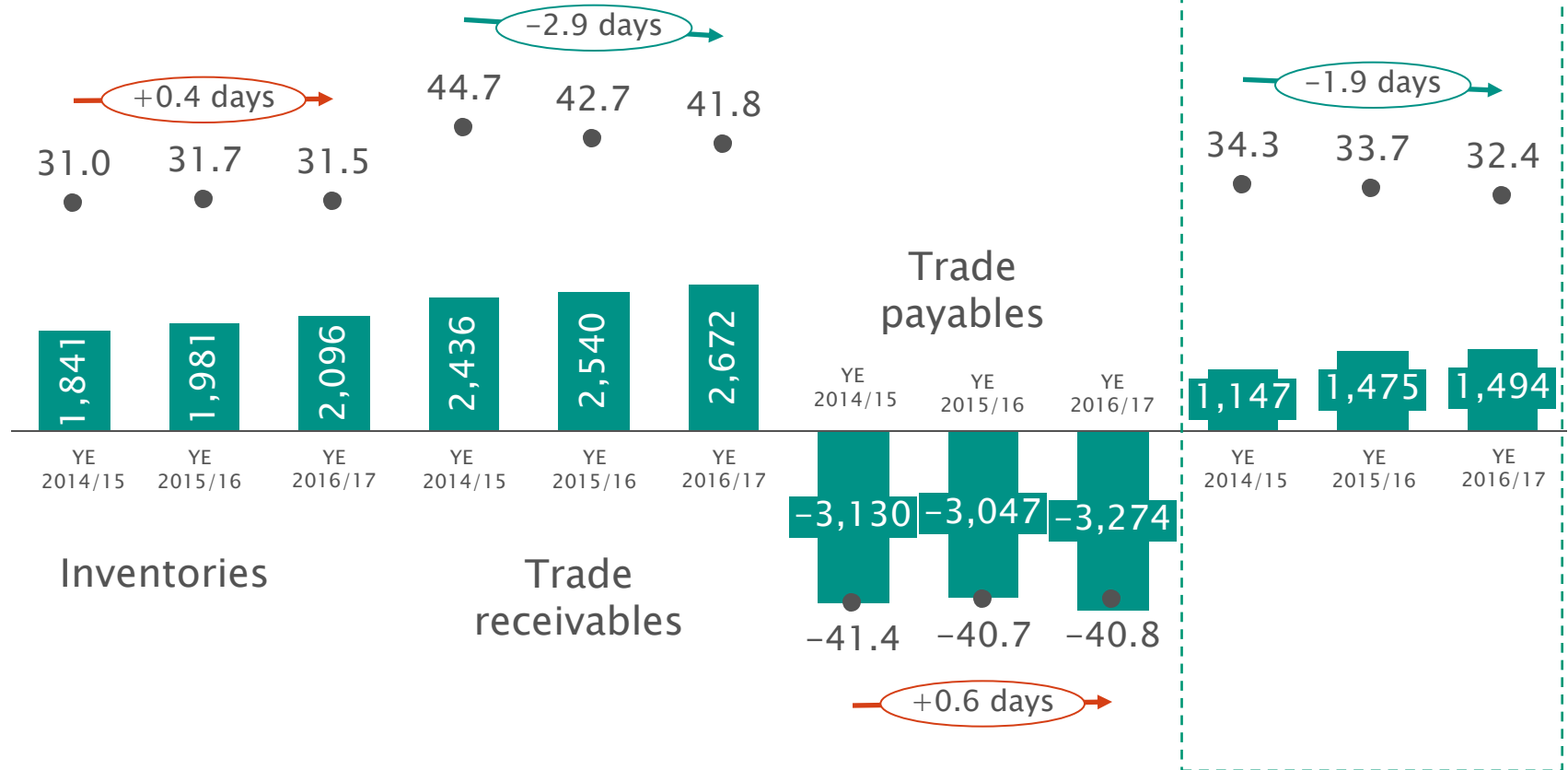


- Net debt: 1,377.6 m€ (01/31/2017) vs. EUR 1,121.6 m€ (01/31/2016)

Closely managed net working capital

(in m€)

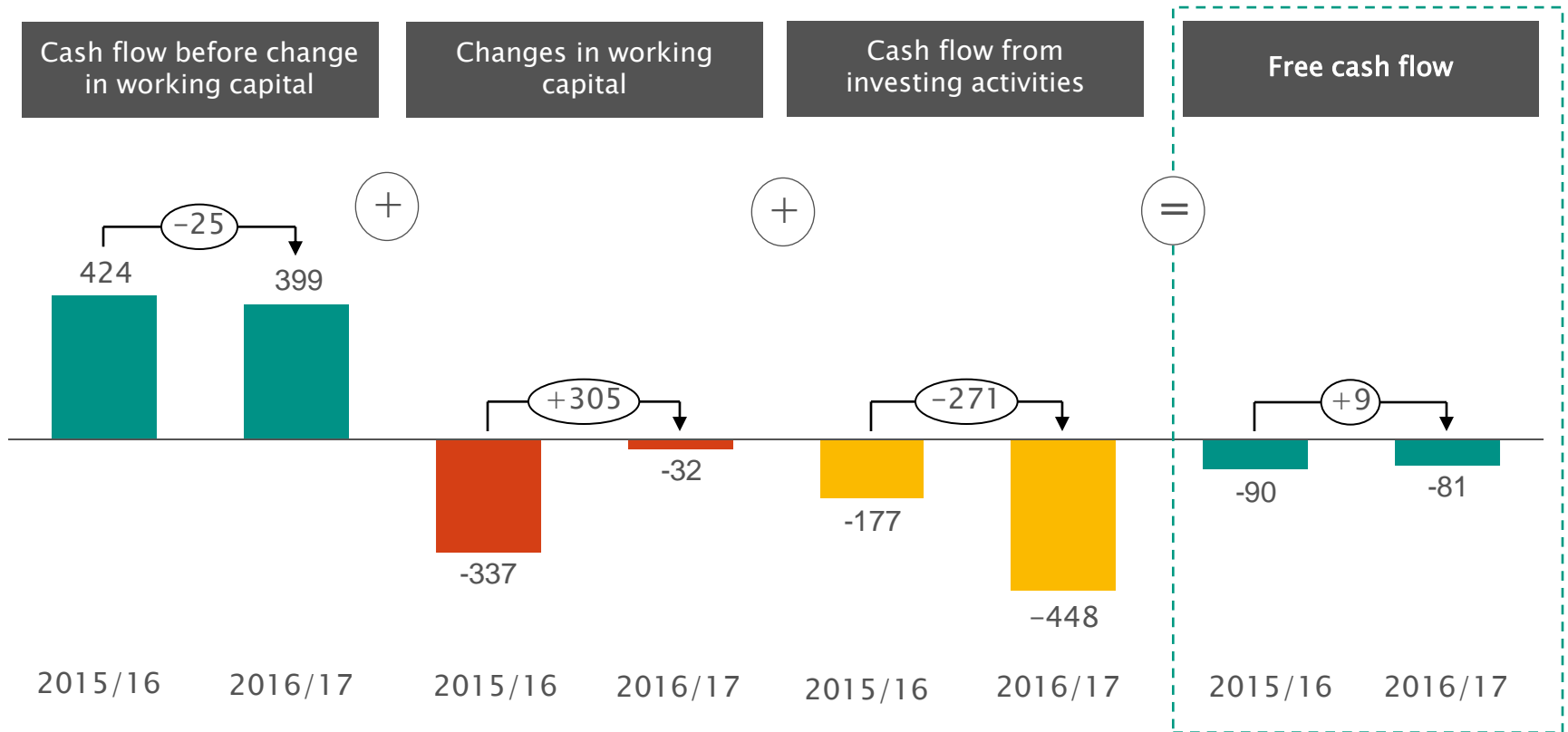
● Days (average)



- Balance sheet figures as externally reported.
- Net working capital days: Average figures for the respective period; figures including ABS/factoring.

Cash flow impacted by major acquisition

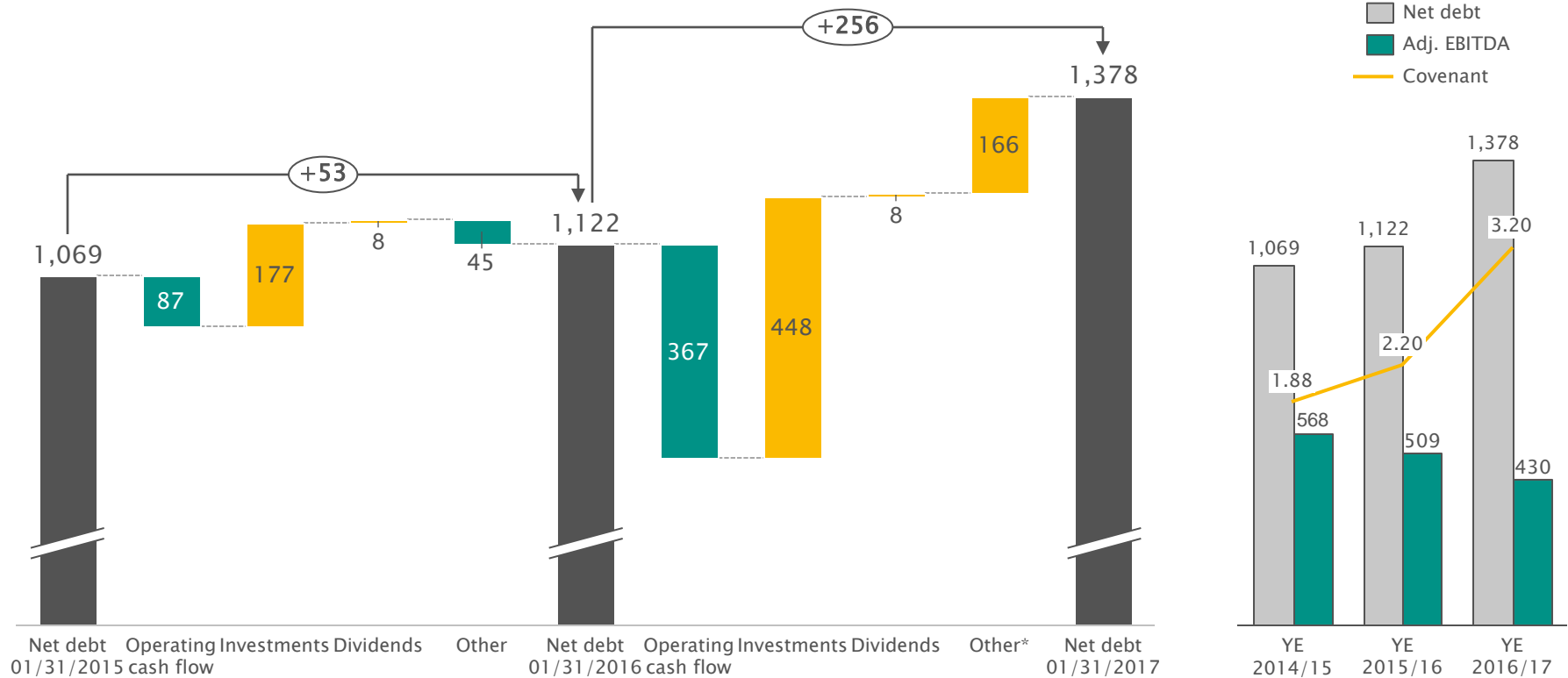
(in m€)



- Strong development of cash flow before change in working capital
- Net working capital strongly improved compared to prior year
- Despite the MediQ acquisition improvement in free cash flow

Moderate post acquisition development of the net debt

(in m€)



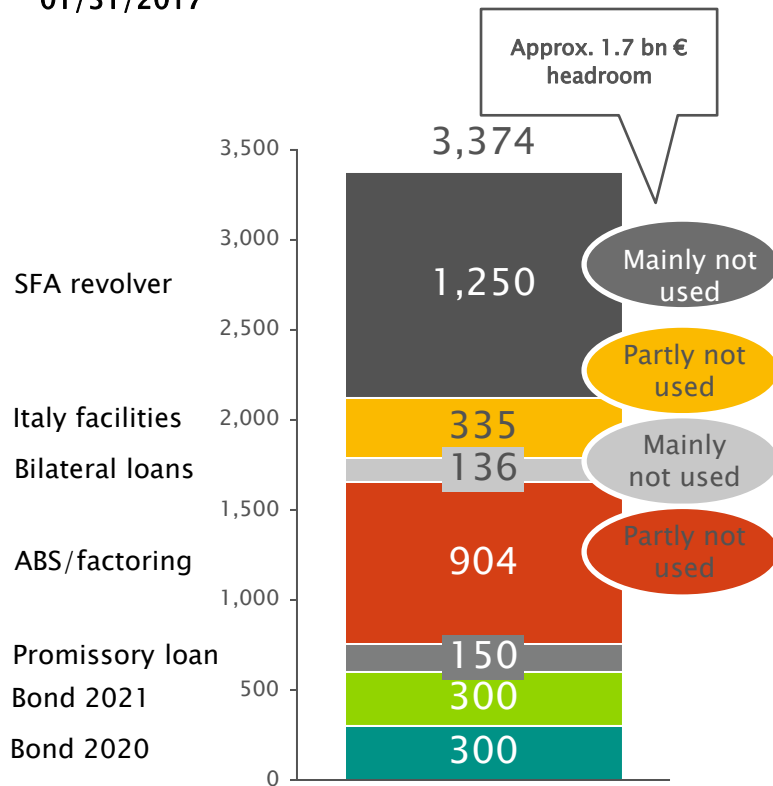
* Other: Positions not included in CF (mainly acquired net debt (€ -126m)), corrections of free cash flow vs. net debt (increase in prepayments and other fin. liabilities (free cash flow positive, but net debt neutral (€ -19 m), correction of FX effects (€- 24 m))

Balanced financing structure and maturity profile

(in m€)

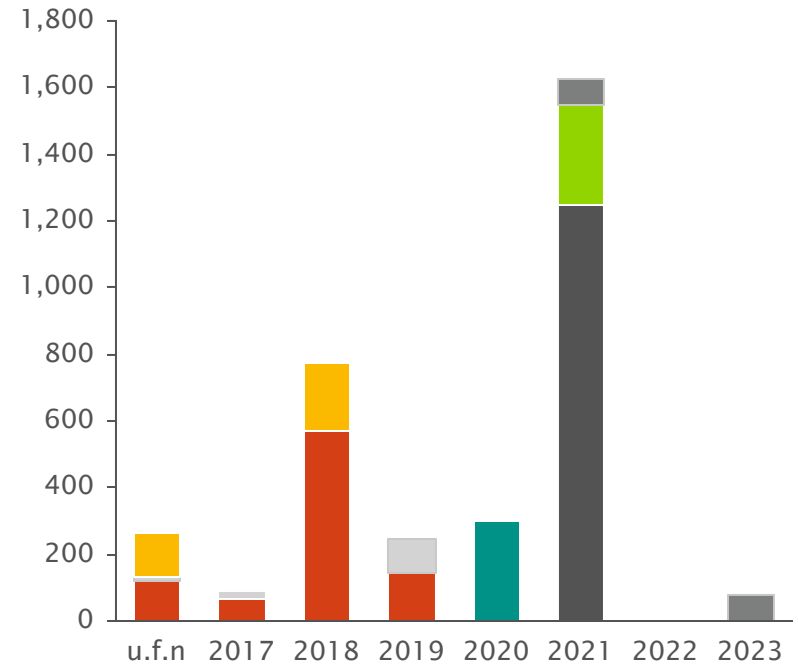
Financial facilities and headroom

01/31/2017

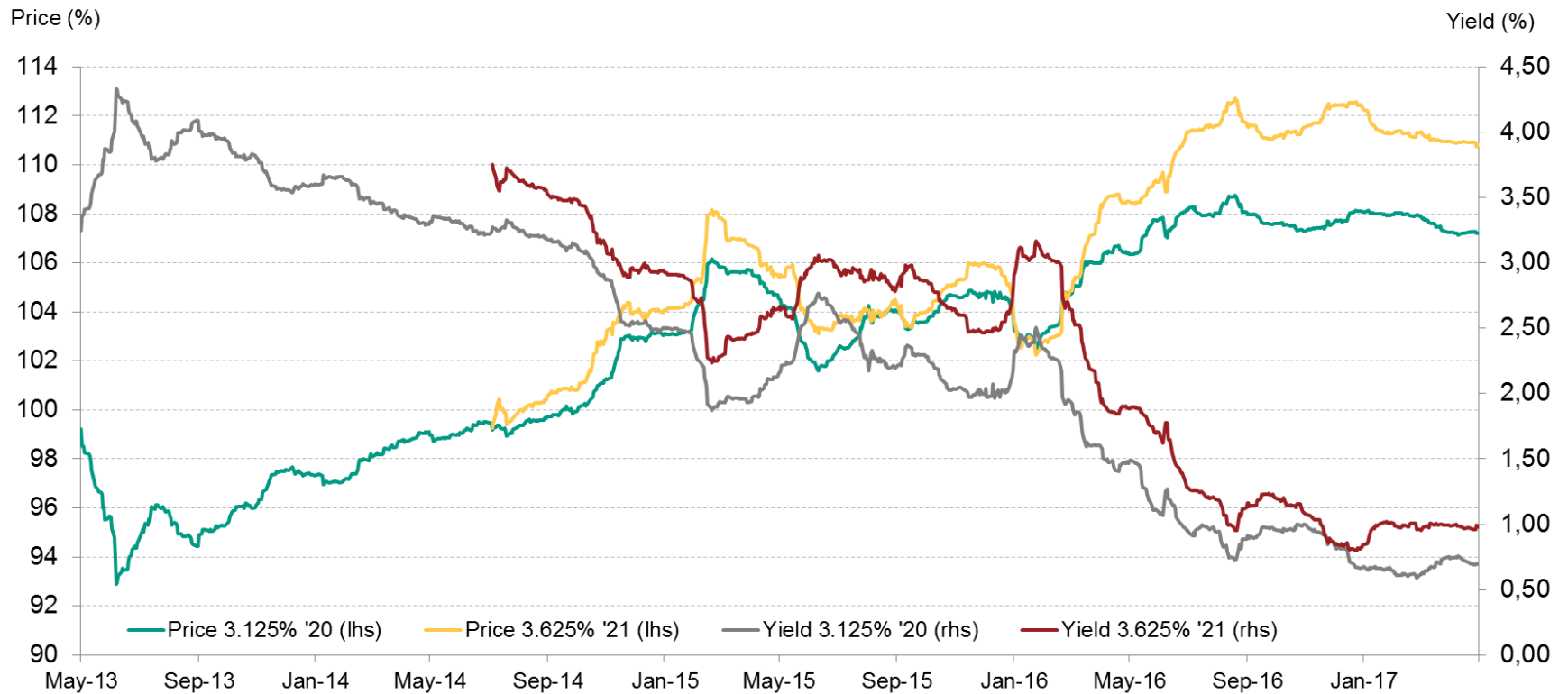


Debt maturity profile

01/31/2017



Development of the PHOENIX bonds



Source: Bloomberg. 05/19/2017

Financial outlook for the fiscal year 2017/18

- PHOENIX has an excellent position in Europe and the best diversified portfolio
- Moderate growth predicted in Germany and in the euro area in 2017
- Expansion of market position through organic growth and acquisitions
- Revenue growth expected in nearly all markets
- Adjusted EBITDA for 2017/18 expected to be above prior year's figure
- The foundation for a long-term business development of the PHOENIX group has been laid



Financial calendar 2017/18

Reporting event	Date
○ Quarterly report February to April 2017	27 June 2017
○ Half-year report February to July 2017	27 September 2017
○ Quarterly report February to October 2017	21 December 2017

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(CEO)

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Thank you!