Investor call
Results of the first nine months
PHOENIX group 2018/19
Helmut Fischer, CFO
Mannheim, 18 December 2018
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Agenda

First nine months 2018/19 – Highlights

First nine months 2018/19 – Group financials

Questions & answers
Expansion of market position through organic growth and acquisitions

Highlights

- Total operating performance and revenue increased again
- Increase of adjusted EBITDA
- Further increase in the equity ratio
- Acquisition of Farmexim and Help Net in Romania completed
First nine months 2018/19 – Highlights

First nine months 2018/19 – Group financials

Questions & answers
Group financials
First nine months 2018/19

- PHOENIX Pharma SE (PP SE)
- PHOENIX Pharmahandel GmbH & Co KG (PPH KG)
PP SE | Strong increase of revenue and total operating performance

(in m€)

<table>
<thead>
<tr>
<th>Business performance</th>
<th>2017/18 First nine months</th>
<th>2018/19 First nine months</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating performance</td>
<td>23,398.7</td>
<td>24,408.1</td>
<td>1,009.4</td>
</tr>
<tr>
<td>Revenue</td>
<td>18,496.5</td>
<td>19,052.3</td>
<td>555.8</td>
</tr>
<tr>
<td>Total income</td>
<td>1,962.4</td>
<td>2,031.6</td>
<td>69.2</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-995.2</td>
<td>-1,048.1</td>
<td>-52.9</td>
</tr>
<tr>
<td>Other op. expenses</td>
<td>-636.3</td>
<td>-669.6</td>
<td>-33.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>332.7</td>
<td>323.6</td>
<td>-9.1</td>
</tr>
<tr>
<td>Adjusted EBITDA*</td>
<td>344.7</td>
<td>352.4</td>
<td>7.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>233.0</td>
<td>220.3</td>
<td>-12.7</td>
</tr>
<tr>
<td>Financial result</td>
<td>-35.1</td>
<td>-29.8</td>
<td>5.3</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>197.9</td>
<td>190.5</td>
<td>-7.4</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>141.9</td>
<td>125.0</td>
<td>-16.9</td>
</tr>
</tbody>
</table>

* adjusted by non-recurring items, interest from customers and expenses related to ABS/factoring
PP SE | Solid development of the balance sheet

(in m€)

<table>
<thead>
<tr>
<th>10/31/2017</th>
<th>10/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8,579</strong></td>
<td><strong>8,794</strong></td>
</tr>
</tbody>
</table>

**Assets**

- **3,441**
- **2,584**
- **767**
- **2,701**
- **2,085**

**E & L**

- **199**
- **2,042.1 m€** (PPH KG)
- **2,584**
- **767**
- **2,085**

**Trade receivables**

- **2,701**
- **2,432**
- **2,616**
- **1,865**

**Inventories**

- **2,238**
- **3,143**
- **2,432**

**Trade payables**

- **3,143**
- **2,432**

**Net debt:**

- **2,042.1 m€** (PPH KG)
- **2,096.3 m€** (PPH KG)

**Equity**

- **30.1%**
- **30.9%**

**Net working capital**

- **24.3%**
- **21.2%**

**Financial liabilities**

**Cash & equivalents**

**Balance ratio**

**Balance**

**Equity**

- **2,584**
- **2,721**

**Other**

- **767**
- **741**

**Financial liabilities**

- **3,143**
- **3,467**

**Cash & equivalents**

- **199**
- **112**

Net debt:

- **2,042.1 m€** (PPH KG)
- **2,096.3 m€** (PPH KG)
Group financials
First nine months 2018/19

- PHOENIX Pharma SE (PP SE)
- PHOENIX Pharmahandel GmbH & Co KG (PPH KG)
PPH KG | Strong increase of revenue and total operating performance

(in m€)

<table>
<thead>
<tr>
<th>Business performance</th>
<th>2017/18 First nine months</th>
<th>2018/19 First nine months</th>
<th>Delta</th>
<th>Delta %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating performance</td>
<td>23,398.7</td>
<td>24,408.1</td>
<td>1,009.4</td>
<td>4.3%</td>
</tr>
<tr>
<td>Revenue</td>
<td>18,496.5</td>
<td>19,052.3</td>
<td>555.8</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total income</td>
<td>1,960.4</td>
<td>2,031.5</td>
<td>71.1</td>
<td>3.6%</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-995.2</td>
<td>-1,048.1</td>
<td>-52.9</td>
<td>5.3%</td>
</tr>
<tr>
<td>Other op. expenses</td>
<td>-644.8</td>
<td>-684.9</td>
<td>-40.1</td>
<td>6.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>322.3</td>
<td>308.2</td>
<td>-14.1</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Adjusted EBITDA (SFA)*</td>
<td>334.3</td>
<td>337.0</td>
<td>2.7</td>
<td>0.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>223.7</td>
<td>206.4</td>
<td>-17.3</td>
<td>-7.7%</td>
</tr>
<tr>
<td>Financial result</td>
<td>-31.6</td>
<td>-24.2</td>
<td>7.4</td>
<td>-23.4%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>192.1</td>
<td>182.2</td>
<td>-9.9</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>136.2</td>
<td>117.5</td>
<td>-18.7</td>
<td>-13.7%</td>
</tr>
</tbody>
</table>

* adjusted by non-recurring items, interest from customers and expenses related to ABS/factoring
### PPH KG | Substantial improvement of financial result

(in m€)

<table>
<thead>
<tr>
<th>Financial result</th>
<th>2017/18 First nine months</th>
<th>2018/19 First nine months</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>9.4</td>
<td>11.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>-41.2</td>
<td>-36.7</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Interest result</strong></td>
<td><strong>-31.8</strong></td>
<td><strong>-24.9</strong></td>
<td><strong>6.9</strong></td>
</tr>
<tr>
<td>Other net financial result</td>
<td>0.2</td>
<td>0.7</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td><strong>-31.6</strong></td>
<td><strong>-24.2</strong></td>
<td><strong>7.4</strong></td>
</tr>
</tbody>
</table>
PPH KG | Solid development of the balance sheet

(in m€)

<table>
<thead>
<tr>
<th>10/31/2017</th>
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</thead>
<tbody>
<tr>
<td><strong>8,554</strong></td>
<td><strong>9,111</strong></td>
</tr>
<tr>
<td><strong>3,418</strong></td>
<td><strong>3,952</strong></td>
</tr>
<tr>
<td><strong>2,779</strong></td>
<td><strong>3,372</strong></td>
</tr>
<tr>
<td><strong>754</strong></td>
<td><strong>729</strong></td>
</tr>
<tr>
<td><strong>2,238</strong></td>
<td><strong>2,432</strong></td>
</tr>
<tr>
<td><strong>3,152</strong></td>
<td><strong>3,479</strong></td>
</tr>
<tr>
<td><strong>Trade receivables</strong></td>
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</tr>
<tr>
<td><strong>2,701</strong></td>
<td><strong>2,616</strong></td>
</tr>
<tr>
<td><strong>1,869</strong></td>
<td><strong>1,531</strong></td>
</tr>
<tr>
<td><strong>197</strong></td>
<td><strong>111</strong></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td><strong>Assets</strong></td>
</tr>
<tr>
<td><strong>E &amp; L</strong></td>
<td><strong>E &amp; L</strong></td>
</tr>
</tbody>
</table>

Net debt: 1,826.2 m€  
Net debt: 1,763.8 m€
PPH KG | Favourable development of net working capital

(in m€)

Days (average)

- Inventories
  - 2016: 31.6 days
  - 2017: 32.0 days
  - 2018: 32.8 days
- Trade receivables
  - 2016: 41.6 days
  - 2017: 40.7 days
  - 2018: 41.0 days
- Trade payables
  - 2016: 33.3 days
  - 2017: 32.3 days
  - 2018: 32.2 days

- Balance sheet figures as externally reported.
- Net working capital days: Average figures for the respective period; figures including ABS/factoring; prior years' figures adjusted due to IFRS 9.

10/31/2016 10/31/2017 10/31/2018

Days (average)

- Inventories
  - 2016: 31.6 days
  - 2017: 32.0 days
  - 2018: 32.8 days
- Trade receivables
  - 2016: 41.6 days
  - 2017: 40.7 days
  - 2018: 41.0 days
- Trade payables
  - 2016: 33.3 days
  - 2017: 32.3 days
  - 2018: 32.2 days

10/31/2016 10/31/2017 10/31/2018

PPH KG | Favourable development of net working capital

(in m€)

Days (average)

- Inventories
  - 2016: 31.6 days
  - 2017: 32.0 days
  - 2018: 32.8 days
- Trade receivables
  - 2016: 41.6 days
  - 2017: 40.7 days
  - 2018: 41.0 days
- Trade payables
  - 2016: 33.3 days
  - 2017: 32.3 days
  - 2018: 32.2 days

- Balance sheet figures as externally reported.
- Net working capital days: Average figures for the respective period; figures including ABS/factoring; prior years' figures adjusted due to IFRS 9.
PPH KG | Improved cash flow development

(in m€)

Cash flow before change in working capital

Changes in working capital

Cash flow from investing activities

Free cash flow

10/31/2017 287 -14 -397 -256
10/31/2018 273 396 146 197

10/31/2017 273 +61 +12 +59
10/31/2018 273 396 146 197
PPH KG | Net debt reduction and investment into growth

(in m€)

Net debt 10/31/2016 | Free Cash Flow | Dividends | Other* | Net debt 10/31/2017 | Free Cash Flow excl. major acquisitions | Dividends | Major acquisitions | Other | Net debt 10/31/2018

1,864 | 236 | 10 | 1,826 | 188 | 10 | 193 | 143 | 22 | 1,764

*LTM per 10/2017 mainly capital repayment (170 m€)
PPH KG | Excellent liquidity headroom available

(in m€)

Financial facilities and headroom

10/31/2018

- SFA Revolver: 1,250
- Italy facilities: 389
- Bilateral loans: 139
- ABS/Factoring: 816
- Promissory loan: 150
- Bond II: 200
- Bond I: 300

Approx. 1.5 bn € headroom

Debt maturity profile

10/31/2018

- u.f.n: 200
- 2018: 200
- 2019: 300
- 2020: 800
- 2021: 1,000
- 2022: 1,600
- 2023: 200

Mainly not used
Partly not used
Partly not used

PHOENIX group

- Results of the first nine months 2018/19
Positive development of the PHOENIX bonds

Source: Bloomberg, 12/14/2018
Financial outlook for the fiscal year 2018/19

- Stable economic environment in 2018, with GDP in Germany and the Eurozone expected to grow by around 2%
- In 2018 pharmaceutical markets anticipated to record a positive market growth of 2.2% across Europe, in Germany of 2.9%
- Expansion of market position in Europe through organic growth and acquisitions
- Revenue growth estimated to be slightly above the level of growth on European pharmaceutical markets
- EBITDA in 2018/19 expected to be slightly lower than in 2017/18 due to extraordinary expenses relating to optimisation programmes
- Stable development of equity ratio expected
## Financial calendar 2018/19 and 2019/20

<table>
<thead>
<tr>
<th>Reporting event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual report 2018/19</td>
<td>23 May 2019</td>
</tr>
<tr>
<td>Quarterly report February to April 2019</td>
<td>27 June 2019</td>
</tr>
<tr>
<td>Half-year report February to July 2019</td>
<td>24 September 2019</td>
</tr>
<tr>
<td>Quarterly report February to October 2019</td>
<td>16 December 2019</td>
</tr>
</tbody>
</table>
Agenda

First nine months 2018/19 – Highlights

First nine months 2018/19 – Group financials

Questions & answers
Thank you!

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68199 Mannheim

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