

Investor Call Results of 1st half-year 2016/17

Mannheim, 20 September 2016

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AGENDA

→ Overview

1st half-year 2016/17



Oliver Windholz
(CEO)

→ Group financials

1st half-year 2016/17



Helmut Fischer
(CFO)

→ Questions & answers



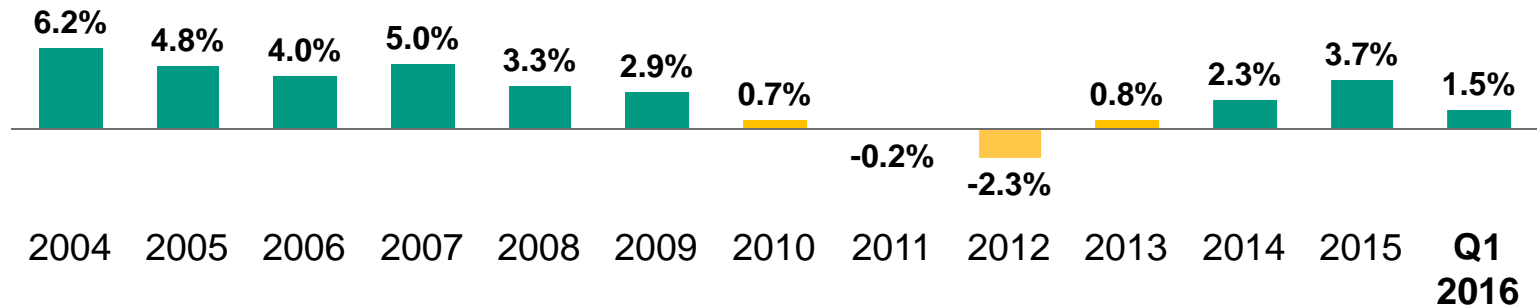
Highlights 1st half-year 2016/17

- ✓ Ongoing growth with further increase of Total operating performance* and revenue
- ✓ Increased Gross Profit compared to the first half-year of 2015/16 in a challenging environment
- ✓ Acquisition of Mediq Apotheken Nederland B.V. by Brocacef Group successfully closed, integration process has started
- ✓ Standard & Poor's increased the outlook for the PHOENIX group from stable to positive and affirmed the BB+ rating

*Total operating performance = revenue + handled volume (handling for service charge)

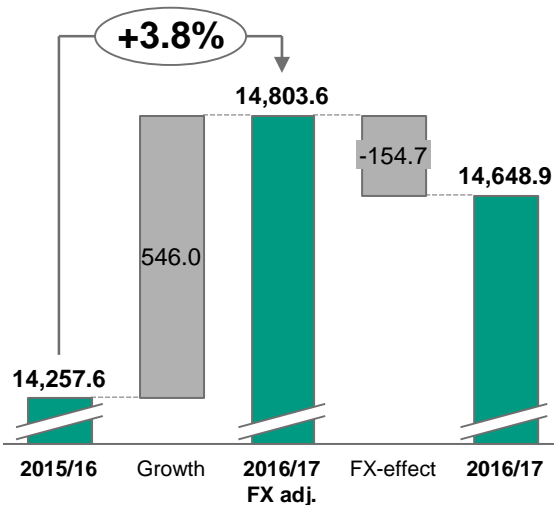
Growth and cost efficiency

Yearly growth of the European pharma market (IMS Health)



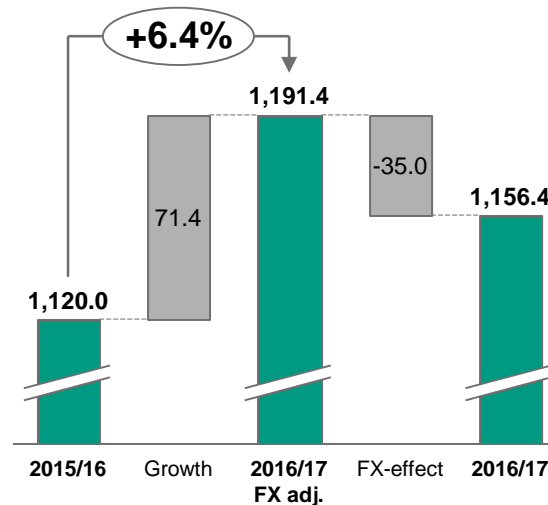
Total operating performance

(in m€)



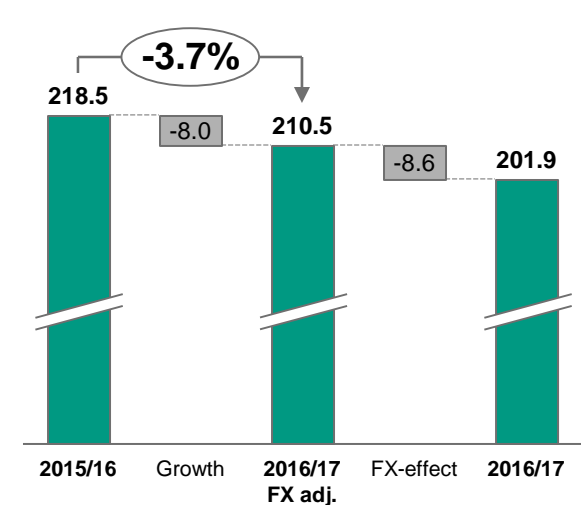
Gross profit

(in m€)



EBITDA

(in m€)



Update on acquisitions and major investments

- ✓ Acquisition of MediQ Apotheken Nederland B.V.
 - Successful closing of the acquisition in June 2016, which is the biggest single investment of PHOENIX group
 - Integration started on Day 1 after closing
 - Operative business better than planned with stable growth
 - Leading market position as integrated health care provider in The Netherlands achieved

- ✓ Acquisition of Novodata Zrt.
 - Successful closing of the acquisition in February 2016
 - Leading market position in pharmacy software in Hungary achieved

- ✓ Continuous acquisitions and optimization of our business portfolio

- ✓ Big investment projects for further cost optimization and organic growth of our profitability are on track

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Stable results in 1st Half-Year 2016/17 in an ongoing challenging environment

(in m€)

Business performance	HY1 '15	HY1 '16	Delta		FX-effect
▪ Total operating performance	14,257.6	14,648.9	391.3	2.7%	-154.7
▪ Revenue	11,674.5	11,897.2	222.7	1.9%	-146.1
▪ Gross profit	1,120.0	1,156.4	36.4	3.2%	-35.0
▪ Personnel expenses	-584.6	-619.8	-35.2	6.0%	18.9
▪ Other op. income, op. expenses	-318.1	-336.3	-18.2	5.7%	7.5
▪ EBITDA	218.5	201.9	-16.6	-7.6%	-8.6
▪ EBIT	162.1	143.3	-18.8	-11.6%	-7.3
▪ Financial result	-25.1	-22.6	2.5	-10.1%	1.4
▪ Profit before tax	137.0	120.7	-16.3	-11.9%	-5.9
▪ Profit after tax	92.2	84.2	-7.9	-8.6%	-4.5
▪ Profit after tax (adjusted for one-offs*)	96.3	97.5	1.2	1.3%	

*foreign exchange rate effects and integration costs Mediq

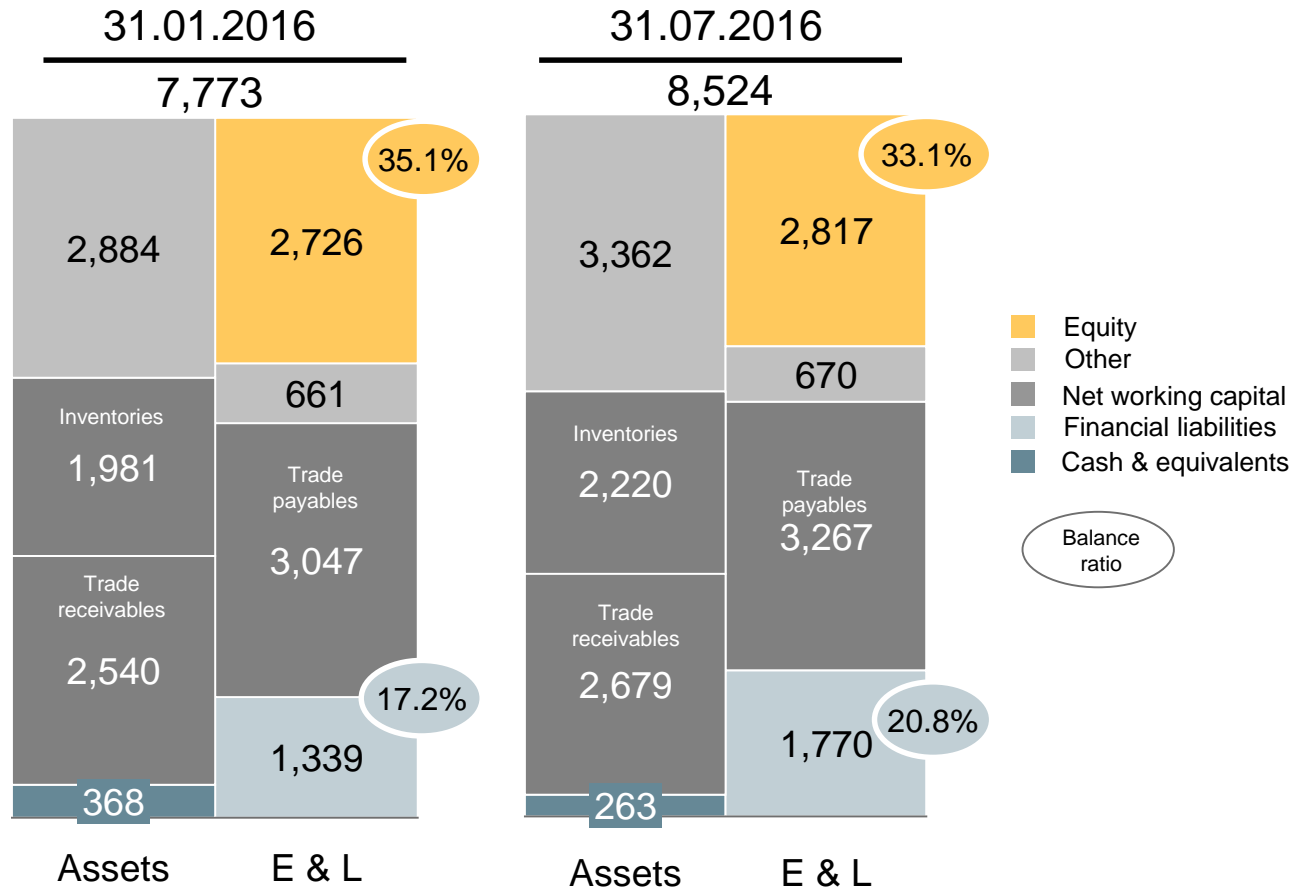
Further improved interest expenses

(in m€)

Financial result	HY1 '15	HY1 '16	Delta
▪ Interest income	7.6	6.5	-1.1
▪ Interest expenses	-31.4	-26.3	5.1
▪ Interest result	-23.8	-19.8	4.0
▪ Other net financial result	-1.3	-2.8	-1.5
▪ Financial result	-25.1	-22.6	2.5

Solid development of the equity ratio

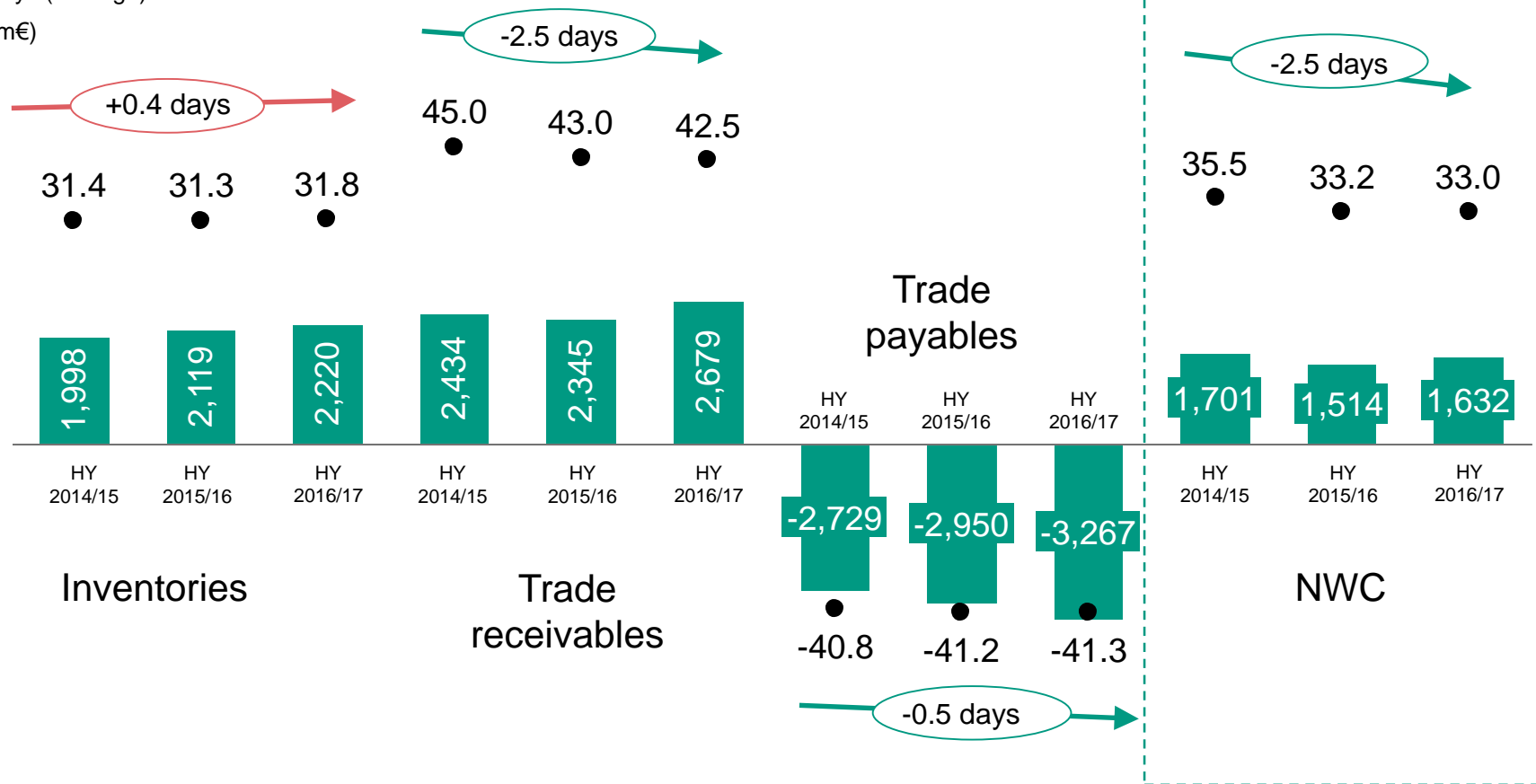
(in m€)



- Net debt: EUR 1,653.8 (31.07.2016) vs. EUR 1,438.2 (31.07.2015)
- Ratio net debt / adjusted EBITDA (LTM): 3.37 (YTD HY1 2016/17) vs. 2.54 (YTD HY1 2015/16)

Closely managed net working capital

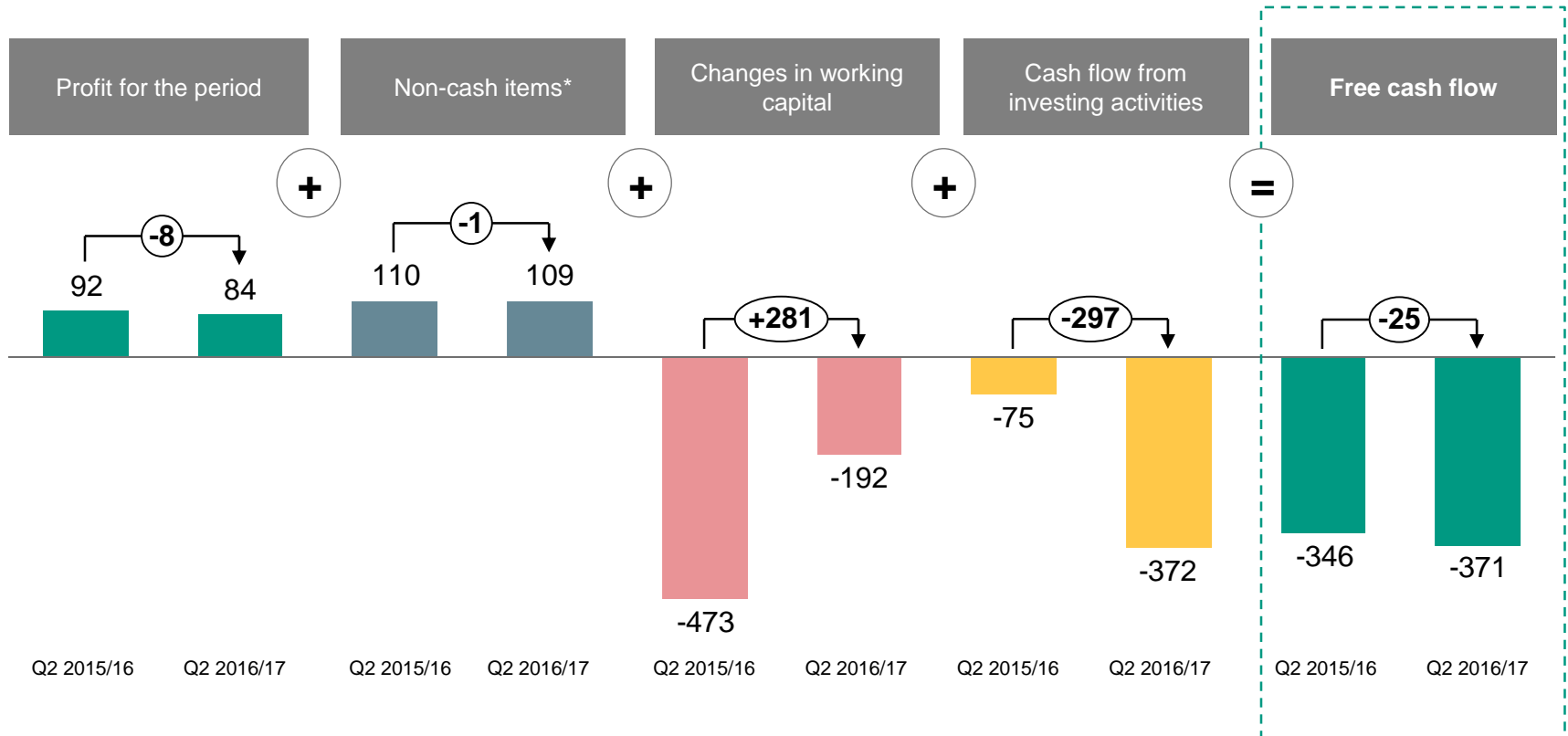
● Days (average)
(in m€)



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

Cash flow on prior year level despite major acquisition

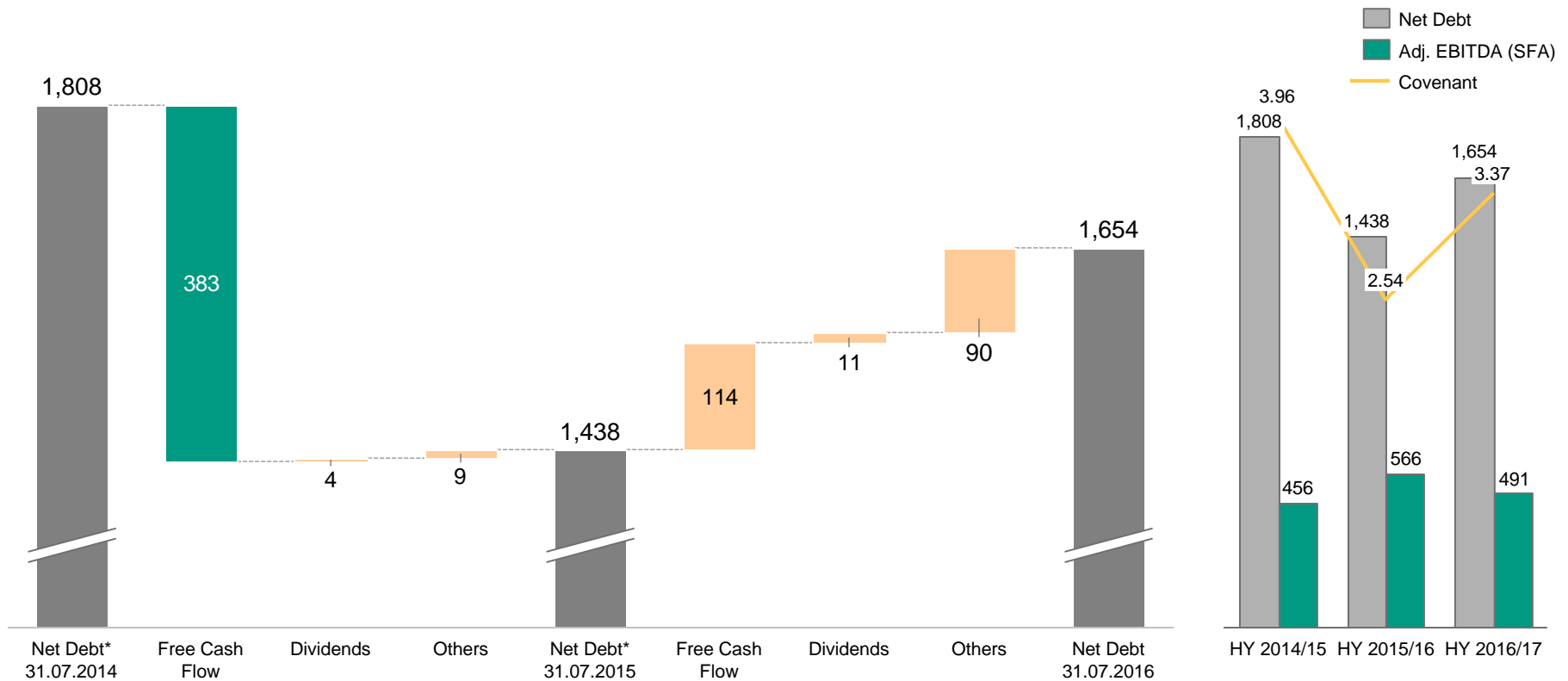
(in m€)



* depreciation, non cash expenses/ income, interests, taxes, and dividends

Moderate post acquisition development of the net debt

(in m€)



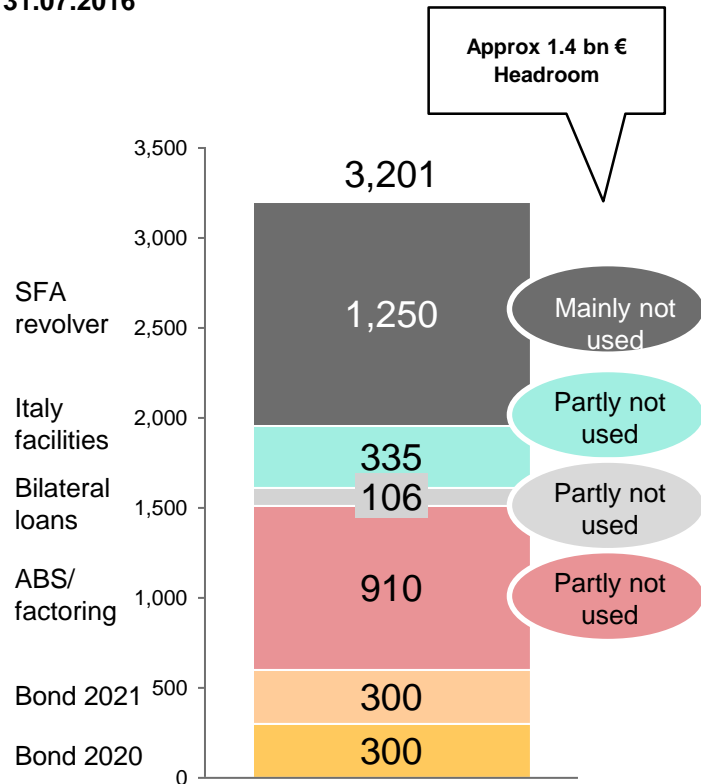
* Figures as reported in prior years.

Balanced financing structure and maturity profile

(in m€)

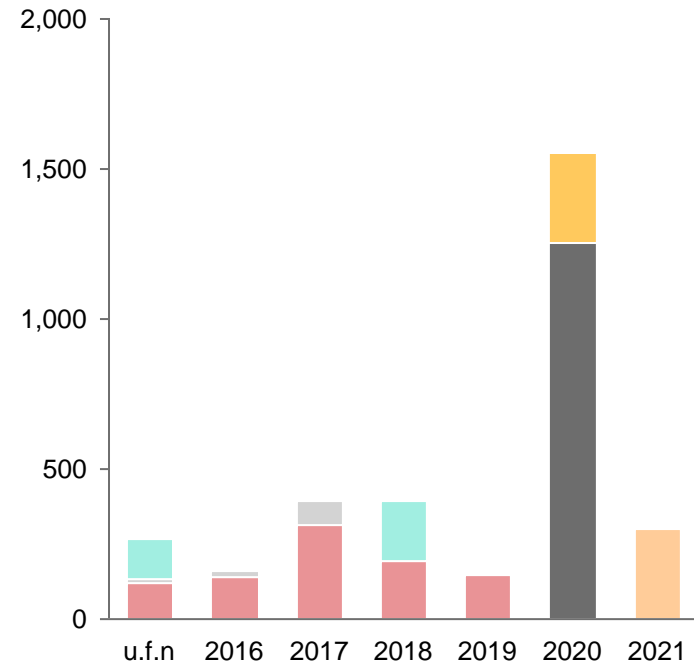
Financial facilities and headroom

31.07.2016



Debt maturity profile

31.07.2016



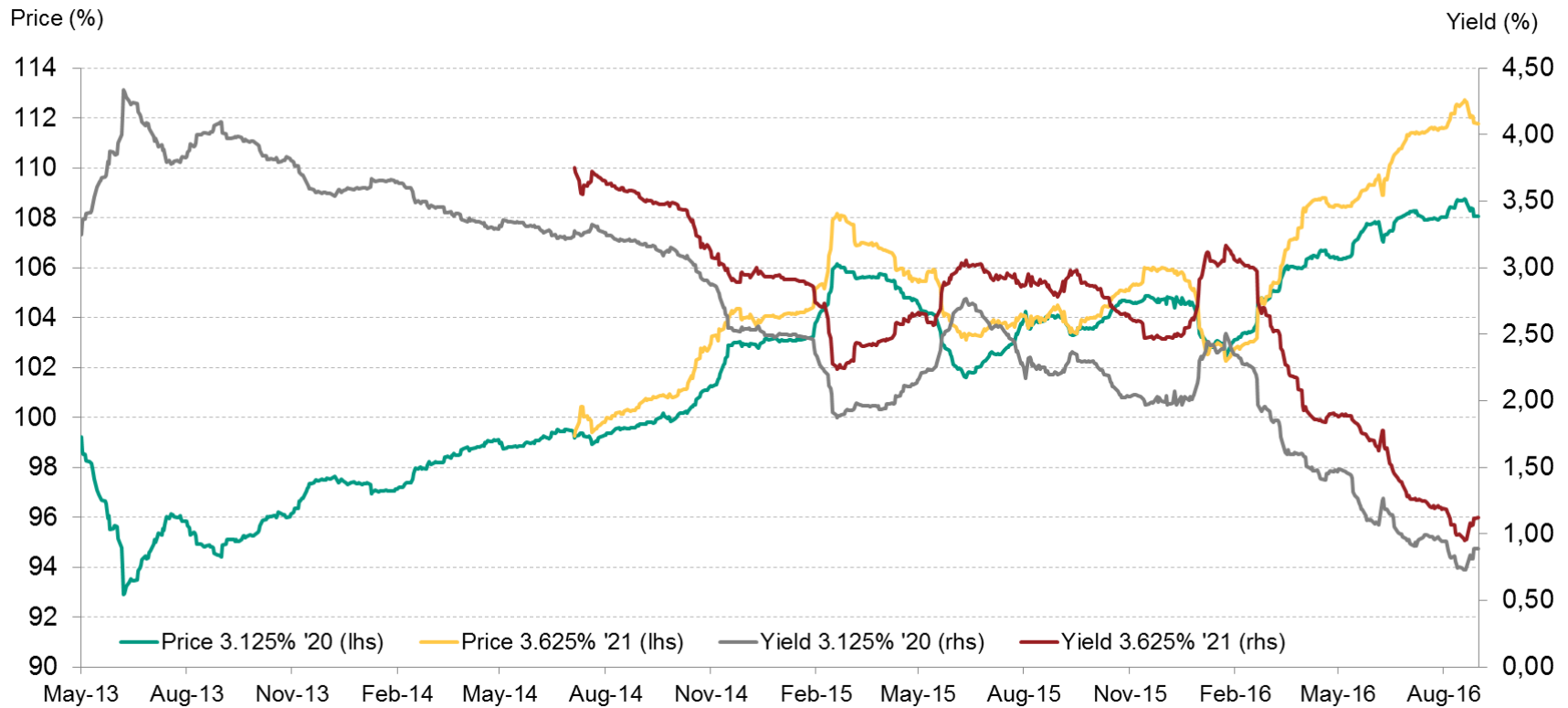
Summary: Development of key credit indicators

(in m€)

	31.07.2015	31.07.2016	Delta	
▪ Equity	2,602.7	2,817.3	214.6	8.3%
▪ Equity ratio	33.9%	33.1%		-0.8pp
▪ Net debt	1,438.2	1,653.8	215.6	15.0%
▪ Gearing (net debt/Equity)	55.3%	58.7%		3.4pp
	HY1 '15	HY1 '16	Delta	
▪ EBITDA	218.5	201.9	-16.5	-7.6%
▪ EBITDA-margin	1.9%	1.7%		-0.2pp
▪ Adjusted EBITDA	226.1	208.2	17.9	-7.9%
▪ Adjusted EBITDA-margin	1.9%	1.8%		-0.1pp
▪ Net Debt/adjusted EBITDA	2.54	3.37	0.83	32.7%
▪ Interest coverage ratio (EBIT/interest expenses*)	5.16	5.45	0.29	5.6%
▪ Profit after (tax adjusted for one-offs**)	96.3	97.5	1.2	1.3%
▪ PAT-margin (adjusted for one-offs**)	0.8%	0.8%		0.0pp

* Interest expenses excluding FX-effects and other financial expenses; **foreign exchange rate effects and integration costs Mediq

Development of the PHOENIX bonds



Source: Bloomberg, 19.09.2016

Financial outlook for the fiscal year 2016/17

- We expect the European pharmaceutical markets to record a positive market growth in 2016
- Expansion of market position through organic growth and acquisitions
- Revenue growth above European market
- Profit after tax (adjusted for foreign exchange rate effects and integration costs Mediq) on prior year's level
- Strong financial ratios despite major Mediq-acquisition

Financial calendar 2016/17

Reporting Event	Date
Quarterly report February to October 2016	19 December 2016

PHOENIX group