

CONTENTS

2 Group management report

- 3 Fundamental information about the group
- B Economic report
- 16 Risk and opportunity report
- 19 Forecast

20 Extract from the consolidated financial statements

- 21 Consolidated income statement
- 21 Consolidated statement of comprehensive income
- 22 Consolidated statement of financial position
- 23 Consolidated statement of cash flows
- 24 Consolidated statement of changes in equity

25 Further information

25 Financial calendar 2025/Imprint

This interactive PDF is optimised for use with Adobe Acrobat. Linked tables of contents ensure easy navigation. In addition, the following function buttons can be used:

Main table of contents

Last page viewed

Q Search

Previous page

> Next page

Interactive element

Page reference

Excel table for download

GROUP MANAGEMENT REPORT

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment

of the risks and opportunities

Forecast

Future economic environment

Future development of PHOENIX

Management Board's assessment

of the group's future position

Extract from the consolidated financial statements

illianciai statement

Fundamental information about the group

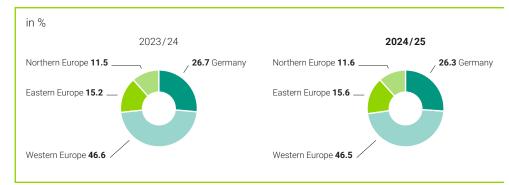
- European leader in pharmaceutical wholesale, pharmacy retail and services for the pharmaceutical industry
- Unique geographical coverage and integrated range of services are key competitive advantages
- Focus on market leadership, customer satisfaction, and efficiency
- Roll-out of LEAN management in other areas of the company
- Targeted initiatives for expansion of digital expertise

PHOENIX

Leading European healthcare provider

PHOENIX, with its headquarters in Mannheim, Germany, and around 49,000 employees, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. The group was active in 29 European healthcare markets in fiscal year 2024/25 and therefore has a very diversified geographic portfolio. As one of the largest family businesses in both Germany and Europe, PHOENIX makes decisions independently and pursues a long-term strategy.

REVENUE PER REGION



Our core business is pharmaceutical wholesale and pharmacy retail. At the end of the reporting year, we operated 210 logistics sites in the business areas of pharmaceutical wholesale and pre-wholesale and supplied pharmacies, doctors and medical facilities with medicines and healthcare products. With almost 18,000 pharmacies in PHOENIX's cooperation and partnership programmes, we are number one in pharmaceutical wholesale in 16 European countries.

We also have nearly 3,300 of our own pharmacies – over 1,500 of which operate under the BENU brand – in 17 European countries and are thus Europe's leading pharmacy operator. The pharmacy retail business is mainly in the following countries: Belgium, Bosnia, Ireland, Italy, Latvia, Lithuania, Montenegro, Netherlands, Norway, Romania, Switzerland, Serbia, Slovakia, Czech Republic, Hungary, and the UK. With around 187 million customer contacts per year in our own pharmacies, we have a strong proximity to our customers and offer patients expert pharmaceutical advice in addition to their medicines.

In addition to wholesale and retail, we are also active in related business areas via subsidiaries, whose activities include services for the pharmaceutical industry, pharmacy goods management systems for pharmacies and logistics solutions.

Established group-wide mission statement

In fiscal year 2024/25, we celebrated an important milestone: the 30th anniversary of PHOENIX. In three decades, the merger of four German pharmaceutical wholesalers has grown into a group active in 29 European countries. Today, we are one of the leading healthcare providers in the European market. Corporate culture is key to the success of any company but especially in a heterogenous, inorganically grown and widespread organisation like PHOENIX. We continued the rollout of the new mission statement introduced in 2023 throughout the group in fiscal year 2024/25. This should be viewed as an overarching mission statement to supplement the existing local mission statements

Our mission statement reflects who we are today and how we want to develop in the future – without losing sight of our DNA as a family business. Our mission "We deliver health" has been at the centre of our daily business since our establishment. It is supplemented by our vision: "We are the partner of choice for simple and direct access to healthcare products and services across Europe." This vision reflects our objectives and the promise we made to our customers.

Group management report

Fundamental information about the group PHOENIX

Strategy and group management
Processes and organisation

Economic report

Economic environment
Business development at a glance
Financial performance
Assets and liabilities
Financial position
Employees

Risk and opportunity report

Risk management
Risks
Opportunities
Management Board's overall assessment
of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements





Group management report

Fundamental information about the group PHOENIX

Strategy and group management Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment

of the risks and opportunities

Forecast

Future economic environment

Future development of PHOENIX

Management Board's assessment

of the group's future position

Extract from the consolidated financial statements

Differentiation from the competition

PHOENIX sets itself apart in the marketplace using the following competitive advantages:

- Unique geographical coverage thanks to our presence in 29 European healthcare markets.
- Our integrated range of services in wholesale and retail in 17 European countries.
- Our pharmacy brands spread across all of Europe: BENU in 13 countries, Apotek 1 in Norway, Rowlands Pharmacy in the UK, McCabes in Ireland and Help Net in Romania.
- A pharmacy network with almost 18,000 pharmacies in 17 countries in PHOENIX's cooperation and partnership programmes.
- Services offered to the pharmaceutical industry along the entire supply chain.

STRATEGY AND GROUP MANAGEMENT

Strategic agenda for long-term success

PHOENIX's overarching goal is to create sustainable value through a corporate culture geared to customers, high cost efficiency and profit-oriented growth. We therefore give top priority to market leadership, customer satisfaction and efficiency.

Our strategic agenda WINGS guides our activities as a company. It reinforces our claim to maintain profitable growth in the future and further expand our leading position in the market. WINGS sets three main strategic priorities:

- 1. We want to improve our operational excellence. The reliable and high-quality supply of medicines and health products to our customers is the basis for our success. We are therefore constantly working on making our processes more efficient and improving our performance.
- 2. We want to put our customers even more at the centre of our activities. This means that we foster an entrepreneurial spirit within our organisation so that we are able to offer new services and products to our customers.
- 3. We also want to take advantage of the opportunities provided to us by digitalisation. We want to tap into new trends and actively drive forward innovations in the healthcare sector.

We continued to drive forward our strategic agenda on these three pillars in the past fiscal year as well. The PHOENIX Production System (PPS), which bundles all of our experience in the key operating areas of infrastructure planning, process optimisation in the distribution centres, inventory management and transportation, is optimised on an ongoing basis. The focus in fiscal year 2024/25 was on the further rollout of LEAN management, which was initiated in the prior year. With LEAN, we are pursuing the goal of optimising processes across all areas of our business and improving their efficiency. We do not consider LEAN to be a project but rather an ongoing process using which we want to achieve continuous improvements. More information can be found under "Processes and organisation" on P. 6.

Another aspect of WINGS is the acceleration of the digital transformation. In the reporting year, we put in place a number of measures for this purpose – primarily the implementation of a data hub. The central availability of transaction data enables the optimisation of business processes and the development of new business opportunities. The group-wide PHOENIX GenAl programme, which aims to use artificial intelligence (AI) to optimise existing processes and open up new business opportunities, and the further development of the gesund.de healthcare platform also played a role. More information can be found under "Processes and organisation" on P. p. 6.

We are also continuously driving the development of our range of own brands. In the reporting year, we added new products to our own brand LIVSANE in the food supplements, cosmetics and wound care segments and also redesigned the brand. The own brands added through the acquisition of parts of McKesson Europe were also developed further. We successfully expanded skineffect to include acne treatment and anti-ageing products, while a new design and brand concept was developed for SOLERO. In addition to expanding the range of products, we are also working on expanding the geographical presence of our own brands. In the past fiscal year, we launched LIVSANE in our pharmacies in Ireland, Italy and Belgium. In addition, we opened up new markets in Bulgaria and Slovenia.

In pharmaceutical wholesale, many pharmacies are part of PHOENIX's pharmacy network. With almost 18,000 independent pharmacies in PHOENIX's cooperation and partnership programmes in 17 countries, it is the largest of its kind in Europe. We offer franchise systems for independent pharmacies in some countries. We are also expanding our retail pharmaceutical business in a targeted manner. By focusing on e-commerce, we are strengthening our pharmacy network in order to develop into a central omnichannel provider for end customers with both a brick-and-mortar and digital presence. More information can be found under "Business development at a glance" on \$\int_{\text{p}} \cdot \text{8.}\$

Group management report

Fundamental information about the group PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements

We offer the pharmaceutical industry comprehensive services along the entire supply chain. The portfolio comprises logistics solutions in "Healthcare Logistics" with hubs across Europe, as well as awareness and digital B2C campaigns via the pharmacy channel. In addition to partnerships in the area of prescription products, we offer more and more cross-border opportunities to grow together with PHOENIX in the OTC/consumer healthcare segment.

Another focus is on investments in infrastructure and automation in order to further increase our efficiency and productivity. More information can be found under "Processes and organisation" on p. 6 and "Business development at a glance" on p. 8.

Using key financial indicators in management

Corporate management is primarily based on the key financial indicators of the income statement and the statement of financial position. The key figures in the income statement are revenue and profit before tax; in the statement of financial position it is the equity ratio.

PROCESSES AND ORGANISATION

Targeted optimisation of all processes and structures

By continuously reviewing our processes and structures, we are able to ensure PHOENIX's efficiency and flexibility to act and thus respond at short notice to changes in the market.

In fiscal year 2024/25, PHOENIX Pharmahandel GmbH & Co KG transferred the headquarters responsible for strategic and operational management decision-making for the entire PHOENIX group to PHOENIX Pharma SE. This had a positive effect on the financial position and financial performance compared with the prior year.

In the reporting year, our primary focus was on the expansion and further implementation of LEAN. We initiated the implementation of LEAN in fiscal year 2023/24. LEAN is the next important step in our transformation journey since the launch of our strategic agenda WINGS. We are thus striving to establish a culture of continuous improvement as the basis for all initiatives within PHOENIX. Our aim is to further develop as a company and remain fit for the future over the long term. To this end, we want to improve the quality of our processes and our productivity. With LEAN, we promote a culture of continuous improvement, in which employees can actively seek out opportunities to optimise their own workday and place of work and have a positive impact on the Company as a whole.

LEAN is being implemented group wide in all areas: distribution centres, pharmacies and administration. The rollout started in autumn 2023, initially for Operations & Logistics in six pilot countries. In the reporting year, it was rolled out in 11 more countries.

In addition, we also implemented LEAN in the pharmacy retail business in the first set of countries in fiscal year 2024/25. In this area, our primary aim is to achieve improvements that can be transferred to other pharmacies, even across borders. To this end, we are also working on future-oriented projects such as a virtual pharmacy, which maps the improvements through LEAN and thus makes them tangible for all countries as a Centre of Excellence. Thanks to the measures that have been implemented, we saw improvements in productivity in the reporting year.

The implementation of LEAN is supported by the establishment of a LEAN Academy. Its task is to train employees in LEAN methods through e-learning courses and to share the knowledge gained within the organisation. Following the establishment of the LEAN Academy in the UK in August 2024, it was gradually rolled out in the other pilot countries. Around 1,000 employees have already taken part in courses in the reporting year. We also presented a LEAN Award for the first time in recognition of the high level of commitment shown by the workforce and the progress they have made. In fiscal year 2024/25, the award went to the team of the Tiburtina distribution centre near Rome, which had simultaneously increased customer satisfaction, reduced costs and improved working conditions through various measures.

Driving digital business transformation forward

Strengthening digital competence is a core component of our strategic agenda WINGS. As part of DIGITAL WINGS, we launched numerous initiatives to drive forward the digital transformation of PHOENIX and actively tap into the opportunities presented by digitalisation. A major element of this is improving the company-wide availability of data and data analysis skills. The aim here is to optimise existing work processes while also developing innovative business models that will enable us to provide our customers and the industry with even better, more targeted offerings. With the successful implementation of the data hub, we reached a key milestone in the reporting year. The data hub integrates all wholesale and retail transaction data from all PHOENIX countries. Based on the data obtained, we will develop a range of applications to improve productivity.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management
Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements



In the reporting year, we initiated the group-wide PHOENIX GenAl programme in order to scale the use of Al applications across the group. Several priority use cases were identified and corresponding pilot projects implemented. The projects include the optimisation of net working capital, the automation of B2B customer service, automated invoice verification in the logistics sector (especially for freight carrier invoices) and the automation of tendering processes.

Another example of the acceleration of the digital transformation through the use of AI is the pilot project launched in the fiscal year for dynamic pricing in our pharmacies in Switzerland. Digital price tags are adjusted in an AI-controlled process, relieving on site pharmacy teams of time-consuming manual adjustments. Following the successful rollout in Switzerland, we plan to implement the system in other PHOENIX countries in the current year.

Our experience shows that AI can help us to make selected business processes more efficient and effective. As AI continues to advance, it will be crucial to continuously expand our skills and competencies. We consider the training of our employees in our Data Academy and GenAI Academy to hold great potential. Competence in responsibly handling data is increasingly becoming a decisive competitive factor in view of regulatory requirements. In May 2024, the EU member states passed the world's first law on AI (EU Artificial Intelligence Act). National and international AI regulations will continue to influence our actions in the future.

Furthermore, we want to strengthen the digital channels to end customers and patients, and create a cross-channel shopping experience, which seamlessly links the online and offline areas. Therefore, we are expanding our e-commerce activities in a targeted manner and benefiting from cross-border exchange. In our home market of Germany, we started to prepare for the implementation of the e-prescription many years ago. In 2021, we started to establish gesund.de as a forward-looking digital healthcare platform that connects local pharmacies with customers, doctors, medical supply stores and other players in the healthcare sector. With CardLink, since summer 2024 gesund.de has been the first healthcare platform in Germany to offer a process to transfer digital prescriptions from patients to registered pharmacies. The position of registered pharmacies was further strengthened by a nationwide marketing campaign aimed at end consumers. In the

reporting year, we were able to increase the number of pharmacies that are part of gesund.de to around 5,000. As a result, gesund.de has become the largest digital network of German local pharmacies. During the implementation phase, our subsidiary ADG Apotheken-Dienstleistungsgesellschaft mbH supported pharmacies not only with a hotline, but also with numerous webinars.

New key account management to increase commitment in customer relationships

A key event in the reporting year was the introduction of a new key account management structure. Our high level of commitment in customer relationships opens up new business opportunities. At the same time, the Commercial Relations division was transformed into Commercial Business Solutions. This realignment focuses on the development of innovative business solutions to meet the requirements of a dynamic market. This included the development of international category management and the launch of an international campaign and promotion management. We have also built up an extensive range of representation services for our strategic partners, which includes sales and marketing, medical affairs and market access activities across Central and Eastern Europe. In the past fiscal year, we gained new partners and expanded existing collaborations.

Continuous investment in innovation and technology

We are offering a further important innovation with the smart, cloud-based medication system "Smila", which was launched on the market by our subsidiary JDM Innovation GmbH. The patented medication robot allows for easier dispensation of medications in the home and reduces costs for health insurance funds. Following the launch of Smila in Finland and Denmark, it was rolled out in Sweden in the reporting year.

In addition, PHOENIX is investing in the optimisation and modernisation of its IT architecture. In fiscal year 2024/25, this included the technical integration of the systems of the business entities in Italy and France, which we acquired as part of the acquisition of parts of McKesson Europe. In addition, there was also a focus on the further modernisation of the logistics and finance application landscape with SAP solutions in Austria and Denmark.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements

Economic report

- Economic and political conditions remain challenging
- Supply constraints managed well
- __ 5.6% increase in revenue
- Profit before taxes above prior year and forecast
- Equity ratio is stable
- Continuous dialog with our employees

ECONOMIC ENVIRONMENT

Geopolitical uncertainty hampers economic development

Geopolitical tensions continued in 2024. The related uncertainty was reflected in comparatively modest economic development in Europe. On the whole, the gross domestic product of the eurozone rose by 0.7% year on year (prior year: 0.5%). In Germany, real GDP was down 0.2% year on year (prior year: 0.1%).

Development in the European pharmaceutical markets was varied. The German pharmaceutical wholesale market increased 5.1% in 2024 compared with the prior year. This was primarily attributable to a noticeable increase in revenue from prescription-only drugs. The German market continued to be shaped by fierce competition.

BUSINESS DEVELOPMENT AT A GLANCE

Managed supply constraints well

In fiscal year 2024/25, pharmaceutical wholesalers continued to face significant supply constraints, meaning that market demand could not be fully met. Numerous customers reacted to the insufficient availability of goods with double orders or hoarding purchases, which led to a further increase in demand. This situation led to a high level of returns from customers to wholesalers or returns of unsaleable goods to the industry.

We implemented targeted measures to counteract these challenges. These included agreements with manufacturers, the continuous monitoring of the development of inventories and searching for and stockpiling alternative or fallback items. The measures led to increased supply security, more stable supply chains and more transparent handling of out-of-stock products, despite significant additional costs. Thanks to our successful measures to mitigate and prevent supply constraints, we were able to further expand our position as a reliable partner in the healthcare market.

Completion of the acquisition of the McCabes Pharmacy chain

At the end of April 2024, the Irish Competition Authority approved the acquisition of the Irish McCabes Pharmacy chain agreed in October 2023. As a result, 32 McCabes stores were integrated into PHOENIX. Together with the existing 82 LloydsPharmacy branches in Ireland that will be operated under the McCabes brand, this forms the largest pharmacy retail chain in Ireland. The acquisition represents a further step in our WINGS strategic agenda. Consequently, the total number of own pharmacies in PHOENIX stood at almost 3,300 at the end of the fiscal year.

Expansion of the partnership with PAYBACK

In the reporting year, we expanded our partnership with the PAYBACK bonus programme in Germany with a long-term contract extension. The declared objective of the partnership, in place since 2005, is to further increase the number of participating pharmacies. PAYBACK customers can already collect PAYBACK points in around 2,000 pharmacies throughout Germany. The cooperation to date has shown that pharmacies benefit from PAYBACK in terms of customer loyalty and customer acquisition, giving them a competitive advantage in a difficult market environment.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements



Investment in the future

We prepared ourselves for future requirements through targeted investments in intangible assets and property, plant and equipment. The majority of the investments were made to expand the pharmacy network, modernise the distribution centres, improve automation technology and expand logistics services for the pharmaceutical sector. In fiscal year 2024/25, investments amounted to EUR 245.1m (prior year: EUR 267.8m).

In the reporting year, we commenced and continued numerous construction projects. Key projects included the opening of new distribution centres in Croatia and Portugal. The new centre in Zagreb, Croatia, under construction since the end of 2022, went into operation in September 2024 and has a storage capacity of around 7,500 m². In July 2024, the new distribution centre in Vila Real, Portugal with a storage capacity of around 1,700 m² also went into operation. In addition, the foundations were laid for a new distribution centre in Györ, Hungary in November 2024. We expect to be able to start operations at the site at the end of 2026. The investments in new distribution centres will strengthen our core wholesale business in the long term.

At the same time, we are continuously investing in the technological infrastructure at our 210 logistics sites in order to ensure high quality standards and increase productivity. The corresponding technology is developed by an external partner, while our internal Design Authority is responsible for the design and selection of technical functions. In addition to the implementation of a data hub, this included a project to use wearable devices for the removal of goods in the warehouses in the reporting year. Systems and solutions for automated goods removal were also implemented in Norway and Germany.

"Be the heartbeat of healthcare" - Our new employer brand

We began rolling out our new employer brand in October. The rollout initially started in Germany, France and the UK, with all other countries set to follow by the end of 2025. The motto of the campaign "Be the heartbeat of healthcare" is intended to highlight the meaningful direction that our company is moving in. Our employees work every day to ensure a continuous and reliable supply of healthcare products in Europe. With the new employer brand, we want to present ourselves as an attractive employer. We also want to use the campaign to raise our profile on the labour market. The launch of our new employer brand also included the launch of a new careers website and presenting our corporate culture on LinkedIn.

Climate target breakdown for the various PHOENIX national companies

In 2021, PHOENIX implemented a sustainability agenda that covers five main areas: climate protection, circular economy, responsible supply chains, diversity and equal opportunities as well as societal commitment. In 2023, we set ourselves the target of carbon neutrality with regard to our own operations by 2030. To achieve this target, we will primarily focus on energy-efficient technologies, renewable energy sources, optimised production processes and promoting sustainable practices. With our sustainability agenda, we also want to tap into the cost-saving potential of climate protection measures. In the reporting year, our climate target was devolved to our national companies and country-specific milestones were defined. In addition, preparations were driven forward for sustainability reporting in accordance with the Corporate Social Responsibility Directive (CSRD).

Management Board's overall assessment of the situation

PHOENIX was able to further strengthen its market position successfully in fiscal year 2024/25 as the leading healthcare provider in Europe and expand its wholesale and retail activities. Despite the fact that the underlying conditions remained challenging, PHOENIX was once again able to increase its total operating performance and revenue and grow at a faster pace than the market in general, thereby achieving our forecast for the past fiscal year.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements



FINANCIAL PERFORMANCE

Key figures of the PHOENIX Pharmahandel GmbH & Co KG (consolidated)	2023/24 EUR m	2024/25 EUR m	Change EUR m	Change in %
Total operating performance	57,171.8	61,305.2	4,133.4	7.2
Revenue	47,064.7	49,720.9	2,656.2	5.6
Total income	4,782.1	5,101.5	319.4	6.7
EBITDA before significant one-off effects	948.6	1,147.6	199.0	21.0
EBITDA	934.8	1,159.9	225.1	24.1
EBIT	500.4	643.9	143.5	28.7
Profit before tax before significant one-off effects	378.4	559.0	180.6	47.7
Profit before tax	350.7	505.0	154.3	44.0
Profit after tax	239.6	375.3	135.7	56.6
Equity	3,644.5	3,853.2	208.7	5.7
Equity ratio (%)	25.5	25.5	0.0	0.0
Net debt	2,659.2	2,886.5	227.3	8.5

Increase in total operating performance and revenue

PHOENIX again recorded growth in fiscal year 2024/25. Total operating performance rose by 7.2% to EUR 61,305.2m in a year-on-year comparison. This comprises revenue and distribution services for a service fee. Adjusted for foreign exchange rate effects, the growth amounts to 7.4%.

Revenue increased by 5.6% to EUR 49,720.9m in fiscal year 2024/25 (prior year: EUR 47,064.7m). Growth was recorded in all regions. Adjusted for foreign exchange rate effects, the increase in revenue came to 5.8%. Of this increase, 0.2% is attributable to companies acquired in fiscal year 2024/25 and 5.4% to organic growth. This development is in line with the forecast in the 2023/24 group management report, where we expected revenue to be slightly above the growth rate of the European pharmaceutical markets.

REVENUE DEVELOPMENT



Revenue by region (before consolidation) breaks down as follows:

	2023/24 EUR m	2024/25 EUR m	Change EUR m	Change in %
Germany	12,600.4	13,102.9	502.5	4.0
Western Europe	21,953.6	23,166.1	1,212.5	5.5
Eastern Europe	7,146.2	7,764.5	618.3	8.7
Northern Europe	5,442.7	5,771.3	328.6	6.0

EBITDA higher than in the prior year

Gross profit increased by EUR 289.1m in the reporting year to EUR 4,967.3m. The gross profit margin, calculated as gross profit in relation to revenue, rose from 9.94% in the prior year to 10.00%. This can mainly be attributed to a lower cost-of-sales ratio.

Personnel expenses rose from EUR 2,416.3m to EUR 2,465.8m. Adjusted for currency effects, personnel expenses increased by 2.3% on the prior year. This is mainly due to acquisitions and collective wage increases.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Forecast

Management Board's overall assessment of the risks and opportunities

r tric risks and oppor

Future economic environment

Future development of PHOENIX

Management Board's assessment of the group's future position

Extract from the consolidated financial statements

Other expenses increased by EUR 58.7m to EUR 1,492.6m and include the material items transportation costs of EUR 475.5m (prior year: EUR 491.1m), communication and IT costs of EUR 188.9m. (prior year: EUR 188.4m) and building and equipment costs of EUR 126.4m (prior year: EUR 140.8m). In the prior year, other expenses included a loss from the deconsolidation of the wholesale activities in Switzerland of EUR 13.8m. In relation to revenue, other expenses came to 3.0% (prior year: 3.0%).

In the reporting year, the result from associates and joint ventures includes income of EUR 12.3m. from the revaluation of an investment in connection with an acquisition of shares in stages.

Overall, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose from EUR 934.8m to EUR 1,159.9m. Adjusted for the gain from the revaluation of an investment in connection with the acquisition of shares in stages as well as the loss from deconsolidation in Switzerland in the prior year, EBITDA increased by 21.0% or EUR 199.0m compared with the comparable prior-year period and now stands at EUR 1.147.6m.

Profit before tax up from the prior year

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to EUR 449.6m (prior year: EUR 420.5m). The increase is mainly attributable to acquisitions. Amortisation, depreciation and impairment included depreciation of right-of-use assets under IFRS 16 of EUR 190.4m (prior year: EUR 176.5m).

In fiscal year 2024/25, impairment losses were recognised on intangible assets and property, plant and equipment in the amount of EUR 68.0m (prior year: EUR 17.8m). This mainly related to a loss from the derecognition with effect on income of a cancelled IT project of EUR 49.9m (prior year: EUR 0.0m), impairment of goodwill of EUR 14.9m (prior year: EUR 2.0m), impairment of pharmacy licenses of EUR 2.4m (prior year: EUR 2.3m), and impairment of right-of-use assets of EUR 0.6m (prior year: EUR 4.4m). In fiscal year 2024/25, impairment losses of EUR 1.6m (prior year: EUR 3.9m) were reversed, mainly on right-of-use assets (prior year: pharmacy licenses).

The effects described resulted in earnings before interest and taxes (EBIT) totalling EUR 643.9m (prior year: EUR 500.4m).

The financial result improved by EUR 10.8m to EUR - 138.9m. This includes interest expenses on lease liabilities of EUR 35.3m (prior year: EUR 32.8m).

Profit before tax amounted to EUR 505.0m (prior year: EUR 350.7m) and, with an increase of 44.0%, were significantly higher than our forecast in the 2023/24 management report of a moderate increase in earnings before taxes. The deviation is primarily due to higher than forecast increase in total income, which more than compensated for the increase in total expenses, as well as the spin-off of the headquarters functions to PHOENIX Pharma SE. After adjusting for significant, non-recurring effects, profit before tax increased by 47.7% or EUR 180.6m to EUR 559.0m.

Income taxes of EUR 129.7m (prior year: EUR 111.0m) were recorded, which corresponds to a tax rate of 25.7% (prior year: 31.7%). Income taxes contain expenses from current taxes in the fiscal year of EUR 138.5m (prior year: EUR 107.7m) as well as deferred tax income of EUR 8.8m (prior year: deferred tax expenses of EUR 3.3m).

Profit after tax came to EUR 375.3m (prior year: EUR 239.7m).

ASSETS AND LIABILITIES

The group's total assets increased by 5.4% compared with 31 January 2024 to EUR 15,084.1m. The currency translation difference on total assets, which is presented in the statement of changes in equity, amounted to EUR – 139.7m (prior year: EUR – 124.1m).

Intangible assets increased by EUR 53.5m to a total of EUR 2,265.9m. As of 31 January 2025, intangible assets essentially comprised goodwill (EUR 1,524.3m; prior year: EUR 1,437.8m) and pharmacy licenses (EUR 346.5m; prior year: EUR 356.1m).

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

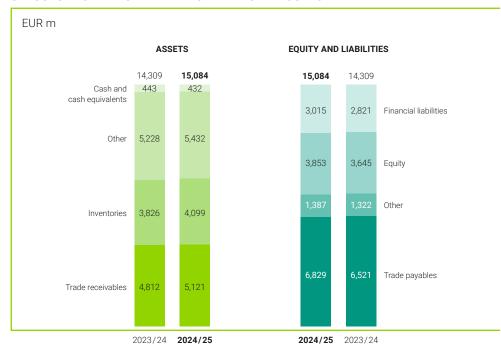
Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements

STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION



Property, plant and equipment increased from EUR 2,287.2m in the prior year to EUR 2,321.0m. As of 31 January 2025, property, plant and equipment include right-of-use assets amounting to EUR 940.7m (prior year: EUR 892.9m).

Inventories increased by EUR 272.8m on the prior year to EUR 4,099.0m. The average number of days sales of inventory was on par with the prior year at 29.0 (prior year: 28.9).

Trade receivables increased from EUR 4,812.0m in the prior year to EUR 5,121.4m. The average number of days sales outstanding was higher than in the prior year at 39.2 (prior year: 38.5).

Receivables amounting to EUR 130.3m had been sold as of 31 January 2025 (prior year: EUR 111.1m) under off-balance-sheet ABS and factoring programmes. In the context of the ABS and factoring programmes that are recognised only to the extent of the continuing involvement, receivables of EUR 210.8m had been sold as of 31 January 2025 (prior year: EUR 212.0m), with continuing involvement amounting to EUR 8.3m (prior year: EUR 8.5m).

Other current financial assets fell by EUR 34.9m to EUR 76.7m.

FINANCIAL POSITION

The objective of financial management is to ensure a sound capital structure to finance operating business.

Further increase in equity

Equity increased from EUR 3,644.5m as of 31 January 2024 to EUR 3,853.2m as of 31 January 2025. The equity ratio remained stable at 25.5% and thus did not develop in line with the statement made in the management report for the prior year, in which a slight increase was forecast. This was mainly attributable to an unplanned withdrawal by PHOENIX Pharma SE. For information on the development of equity, see the statement of changes in equity.

	2023/24 EUR m	2024/25 EUR m	Change EUR m	Change in %
Cash flow from operating activities	677.6	625.4	-52.2	-7.7
Cash flow from investing activities	-353.9	-285.7	68.2	-19.3
Free cash flow	323.7	339.7	16.0	4.9

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment

Future development of PHOENIX

Management Board's assessment of the group's future position

Extract from the consolidated financial statements

Cash flow from operating activities came to EUR 625.4m (prior year: EUR 677.6m). The decrease is largely due to a negative impact from the change in net working capital of EUR -258.5m in fiscal year 2024/25 compared with a positive impact from the change in net working capital of EUR 116.9m in the prior year.

Cash flow from investing activities came to EUR -285.7m compared with EUR -353.9m in the prior year. Business acquisitions in fiscal year 2024/25 led to a cash outflow of EUR -61.8m (prior year: EUR -108.8m). Cash received from divestitures amounted to EUR 3.2m (prior year: EUR 5.5m).

Free cash flow increased from EUR 323.7m in the prior year to EUR 339.7m due to the above-mentioned effects. For the change in free cash flow and cash and cash equivalents, please refer to the statement of cash flows.

Provisions for pensions decreased from EUR 317.0m in the prior year to EUR 245.9m in the reporting year.

Non-current financial liabilities came to EUR 1,588.2m (prior year: EUR 1,703.7m). These include lease liabilities pursuant to IFRS 16 of EUR 812.0m (prior year: EUR 806.8m). In addition, this item contains bonds amounting to EUR 494.8m (prior year: EUR 398.5m).

Current financial liabilities came to EUR 1,426.8m (prior year: EUR 1,117.5m) as of the reporting date. This includes lease liabilities pursuant to IFRS 16 of EUR 203.4m (prior year: EUR 173.0m). This item also includes liabilities to banks of EUR 351.5m (prior year: EUR 361.1m), liabilities from ABS and factoring agreements of EUR 217.2m (prior year: EUR 336.8m) bonds of EUR 185.7m (prior year: EUR 0.0m) and other loans of EUR 388.9m (prior year: EUR 212.9m).

Net debt increased by EUR 227.3m compared with 31 January 2024 to EUR 2,886.5m, according to the calculation below.

	31 January 2024	31 January 2025	Change	Change
	EUR k	EUR k	EUR k	in %
+ Financial liabilities (non-current)	1,703,673	1,588,220	-115,453	-6.8
./. Derivative financial instruments (non-current)	-1	0	1	-100.0
+ Financial liabilities (current)	1,117,475	1,426,838	309,363	27.7
./. Derivative financial instruments (current)	-4,214	-1,980	2,234	- 53.0
./. Cash and cash equivalents	-442,740	-431,952	10,788	-2.4
+ Receivables sold in the course of ABS and factoring transactions	314,626	332,837	18,211	5.8
./. Factoring receivables	-28,765	-27,493	1,272	-4.4
./. Receivables from ABS programmes	-866	0	866	-100.0
Net debt	2,659,188	2,886,470	227,282	8.5

Trade payables increased by EUR 308.4m on the prior year to EUR 6,829.3m.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment
Future development of PHOENIX
Management Board's assessment

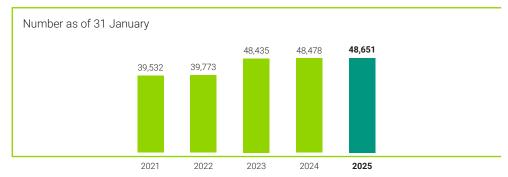
of the group's future position

Extract from the consolidated financial statements

EMPLOYEES

At the end of fiscal year 2024/25, PHOENIX had 48,651 employees across Europe, up 0.4% compared with the prior year. In terms of FTEs, the number fell by 1.3% to 40,734. Broken down by region, the majority of the employees were in the UK, the Netherlands, Norway and Germany.

DEVELOPMENT OF EMPLOYEES



Continuous dialogue with our employees

Our employees' commitment and motivation are key factors for our organisation's performance. That is why we have been conducting group-wide employee surveys since 2015 in order to be able to respond in a targeted manner to feedback from our employees. This also supports our strategic objective of being perceived as an attractive employer for potential applicants. As in the prior years, our employee survey was also conducted in fiscal year 2024/25. Nearly 28,000 employees were asked to participate and there was a participation rate of 73%. Additionally, the country-based companies are able to conduct additional shorter surveys as pulse checks during the year. They can focus on specific topics in these surveys. Each country-based company in PHOENIX decides which topics it wants to prioritise and how often the pulse check is performed.

EMPLOYEES BY COUNTRY



A well-functioning digital infrastructure forms the basis for our collaboration across different divisions and countries. Therefore, as part of DIGITAL WINGS, the Competence Centre IT & Digital has initiated a series of programmes, including the "Digital Workplace Programme". This involves the creation of standardised digital workplaces within PHOENIX in order to meet the constantly changing requirements of the modern world of work. With the "Data Academy", we rolled out another extensive, international programme in 2023. This supports employees in analysing and handling data in order to be able to use this based on the required needs and across the organisation.

One of our aims is to create a strong leadership culture throughout the group. That is why we developed #iPHOENIX to complement #wePHOENIX. It is aimed at the PHOENIX executives and contains the binding leadership principles applicable throughout the group: It defines the expectations for our executives with a focus on reinforcing the conduct that drives the Company's success and WINGS. This should also help us to embed and implement our mission statement "We deliver health" throughout the organisation. We presented the binding #iPHOENIX leadership principles to our senior managers in introductory workshops. In the workshops conducted in collaboration with the IMD Business School in Lausanne, our senior management was prepared for their role model function in the local workshops that followed. The launch and communication of the #iPHOENIX leadership culture is to be completed by the end of 2025. We are also working on integrating #iPHOENIX into HR processes and tools throughout the group in the future.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment

of the risks and opportunities

Forecast

Future economic environment

Future development of PHOENIX

Management Board's assessment of the group's future position

Extract from the consolidated financial statements

Solid basic and advanced training

A well-trained workforce is important in order to operate successfully on the market. In light of the challenges associated with demographic changes, this will be the case even more in the future compared to today. As we increasingly want to cover the growing demand for specialists and managers from within our own ranks, basic and advanced training as well as the development of our employees are a high priority in our company. We want to enable our employees to continuously develop both professionally and personally. To this end, we are continuously expanding our portfolio of learning opportunities and content.

In the reporting year, we chose a new learning management system to be used for general training, IT and safety, LEAN as well as leadership. The system is currently in the test phase and will be rolled out gradually in the group. As soon as the system is in use throughout the group, the use of external learning management systems will be reduced. This is expected to be realised in 2027. Our new system will be available to every employee, including non-desktop employees. Thanks to our new learning management system, we will be able to offer targeted training at every location.

Additionally, our Europe-wide learning management system primarily presents mandatory training sessions for all employees in all countries and languages in an efficient and transparent manner and facilitates collaborative learning on individual specialist topics across national borders.

In autumn 2024, PHOENIX's Data Academy expanded its offering to include the GenAl Academy, which provides free e-learning courses and live online training on generative Al. In 2025, the objective is to improve the Al skills of our employees through training and workshops with the help of the GenAl Academy. In order to drive the implementation of Al and group-wide participation, an enablement network is being created in which Al enthusiasts can work together and are supported by the central GenAl team with training materials.

There are also local e-leaning management systems in the individual countries in order to respond to individual requirements. Classroom training is also still being provided: All PHOENIX employees attend induction programmes and training depending on their functions. Our excellence programmes also strengthen international collaboration and the exchange of best practices within our group.

Investing in the future generation of managers is of great importance to us. With this in mind, we set ourselves an ambitious target: senior management positions should be filled with internal candidates wherever possible. To achieve this, we have launched the "LIFT Talent Initiative" as part of our WINGS strategic agenda. With this initiative, we hope to identify, develop and promote talent with high potential within PHOENIX. LIFT enhances participants' leadership skills and cross-functional competence with a strong collaborative development approach, innovative learning formats and interdisciplinary collaboration on key operational topics. The initiative serves as a springboard to prepare employees for leadership roles in senior management.

One highlight in the past year was the renewed participation of our LIFT talent in the PHOENIX International Management Meeting (PIMM). As in prior years, at this event, participants had the opportunity to talk to our Management Board, the country managers and senior management with cross-country responsibility. We implemented RUNWAY as an additional development opportunity for our future managers. This is a talent programme specifically tailored to management and expert positions at the middle management level and complements the LIFT initiative.

Additionally, PHOENIX offers young people a diverse range of opportunities to join the firm, such as internships, apprenticeships and combined courses of study. In fiscal year 2024/25, in Germany, we employed 72 trainees and 15 students in a work-study programme. The traineeships available at our company include apprenticeships as merchant in the area of wholesale and foreign trade management, electronics technician for devices and systems, a warehouse logistics specialist, specialist warehousing providers, IT specialist (specialising in application development and system integration), as well as Bachelor of Arts degrees in business administration (with specialisation in commerce and digital commerce management) and personnel management, Bachelor of Science degrees in business informatics with a specialisation in sales and consulting, data science and Al as well as Bachelor of Engineering degrees with a specialisation in embedded systems. In order to find the skilled workers of tomorrow, we are working on making PHOENIX known to young people and across regions. This is achieved, among other factors, by our trainee ambassadors, trainees and dual students who visit local schools and talk about their traineeship. In addition, PHOENIX students and trainees regularly share insights into their day-to-day training on our Instagram channel for training. The company also has an increasing presence on other social media platforms.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements

New employer brand

In fiscal year 2024/25, we launched a new employer brand to meet the continuous demand for specialists and managers and to increase awareness about PHOENIX on the labour market. The motto of the campaign "Be the heartbeat of healthcare" is intended to highlight the meaningful direction of our company. "Much like a heart pumps blood throughout the body, our team of our approximately 49,000 colleagues reliably and continuously maintain the flow of healthcare products throughout Europe, ensuring they get to where they are needed."

The logo with the motto "Be the heartbeat of healthcare" is surrounded by a cloud of colours. It symbolises the diversity of our group and our different brands. The colours can be adapted according to the needs of the country-based companies and brands.

Our employer value proposition is based on four pillars:

- As a key partner in healthcare, we offer meaningful work (purpose).
- With our 210 locations in Europe, we make it possible to perform interesting tasks in local and international teams (European reach – local trust).
- We rely on cooperation based on trust even across borders (collaboration).
- PHOENIX is constantly evolving. It is therefore important to us that our employees can also develop personally (development).

The campaign was launched as a pilot project in Germany in October 2024. It is now being rolled out gradually in all other PHOENIX countries. PHOENIX employees are at the heart of the campaign. That's why the images are of our employees instead of professional models. In "Heartbeat Stories", they report on the diversity of the working world within PHOENIX and provide individual insights into their tasks and career development.

Risk and opportunity report

- Efficient risk management system to identify, monitor and manage risks
- Stable situation in terms of opportunities and risks due to only limited economic fluctuations in the pharmaceutical market
- No identifiable risks to PHOENIX's ability to continue to as a going concern
- Taking advantage of the opportunities that present themselves to build on the group's position as market leader

RISK MANAGEMENT

The risk management system within PHOENIX consists of planning, approval and reporting structures and an early warning system. The internal audit department examines this system regularly for adequacy, operability and efficiency. The Management Board regularly receives reports on the audit findings of the internal audit.

RISKS

Industry-specific risks

PHOENIX is subject to market risks. As a rule, the pharmaceutical market is less affected by cyclical swings than other industries, but the loss of purchasing power and cost-saving measures in government spending on healthcare can have a negative impact on the market and our business activities.

The earnings situation in the pharmaceutical wholesale business is also influenced by the terms and conditions granted to customers and by suppliers. These depend, in particular, on the level of competition in individual countries, which is why they are continually monitored on both the sales and purchasing side.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements

Operational risks

In the operating business, the quality and stability of the operating processes are decisive. An IT systems failure could disrupt key business procedures and processes. Furthermore, external attacks could result in a loss of confidential and sensitive data. In many areas, there are contingency plans for maintaining operations, even in the event of unforeseen interruptions. The standardisation, regular review and maintenance of the IT systems also helps ensure the continuity of the operating procedures.

With advancing digitalisation, new competitors are seeking to establish themselves on the market with online offerings, in competition with traditional pharmacies, and in the wholesale business. We are monitoring these activities and reviewing in which areas it is expedient and admissible to set up or expand our own online offering.

Macroeconomic risks

Global pandemics, such as the COVID-19 pandemic, could have a negative impact on the economy and potentially also impact our business activities.

Ongoing geopolitical crises such as the conflict in Ukraine pose a risk to general economic growth. It is difficult to estimate the further consequences of the military conflict and the sanctions that have already been imposed at present. We conduct almost no direct business activities in Ukraine or Russia. However, there could be indirect effects on PHOENIX's assets, liabilities, financial position, and financial performance. Transportation and energy costs are a significant cost factor, making up around 14% of our total costs. The significant increase in fuel and energy prices in the past few years caused this cost item to rise sharply. There continues to be the risk of high fuel and energy costs. PHOENIX will use mitigation measures to attempt to reduce the resulting negative effects on its assets, liabilities, financial position, and financial performance.

Credit risk and accounts receivable management

The credit risk for PHOENIX, measured as total receivables, is comparatively low. Regardless of this, payment terms in the public healthcare system tend to vary from one country to another, with longer payment terms customary in Southern and Eastern Europe. In our experience, the risk is also distributed over a large number of customer relationships. In the course of liberalisation of the pharmacy markets in Europe, however, pharmacy chains and new sales channels are increasingly emerging, creating a large number of major customers with a higher level of receivables outstanding.

A group-wide guideline for accounts receivable management aims to systematically monitor receivables risks.

Acquisition projects

PHOENIX's strategy is to acquire pharmacies and wholesale companies in order to expand its own market position. As a result, the group is exposed to legal, fiscal, financial, and operational risks from acquisitions. The central Mergers & Acquisitions department therefore analyses and reviews acquisition projects before they are approved by the Management Board. It may, however, happen that developments anticipated at the date of acquisition do not eventuate. This can, in turn, lead to recognising an impairment loss on goodwill in the course of impairment testing.

Legal risks

PHOENIX is active in 29 countries in Europe. In light of its strong market position, there is a risk that competition authorities will occasionally rule in a way that is unfavourable for us. Trade with pharmaceutical products requires compliance with certain legal requirements in the different countries. Infringements of these requirements may result in corresponding penalties by the authorities.

Financial risks

In a financing context, PHOENIX is exposed to various risks.

As part of our syndicated loan agreement, certain financial covenants were agreed to, the breach of which presents a risk to financing. The development of liabilities and covenants is monitored regularly as a result. In fiscal year 2024/25, we complied with the agreed covenants with a margin.

Derivatives are used to hedge against interest rate and currency risks. Their use is monitored intensively on a timely basis. Derivative financial instruments are only used for hedging purposes, and counterparty risks are minimised by the careful selection of trading partners.

The agreements underlying our corporate bonds contain restrictions and obligations for PHOENIX, as issuer, that are customary in the market. Failure to comply with these restrictions and obligations could result in the amount of the bond plus the interest accrued falling due.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements

As regards the currency translation risk, the exchange rates of the pound sterling, the Norwegian krone, and the Hungarian forint are of relevance for PHOENIX. Currency transaction risks are relevant in some eastern European countries where deliveries by the pharmaceutical manufacturers are sometimes invoiced in euro and sometimes in US dollar. For the group, however, these are not material. Fluctuations on the financial markets may also lead to shortfalls in the pension funds and the inherent risk of an unplanned increase in personnel expenses.

Tax risks

The companies of PHOENIX based in Germany are subject to tax field audits. Foreign subsidiaries are subject to the audit requirements of their local tax authorities. Tax back payments cannot be ruled out as a result of tax audits performed at German and foreign companies.

OPPORTUNITIES

PHOENIX is active in 29 countries in Europe. The broad geographic diversification reduces the impact of changes in healthcare policy in individual markets on the group's business development. In addition, thanks to its broad geographical coverage, PHOENIX can also offer the pharmaceutical industry services across Europe.

Strong market position in wholesale

PHOENIX holds a leading market position in pharmaceutical wholesale in almost all countries in which it operates. It is the market leader in a large number of countries and has a particularly strong position in Northern and Eastern Europe and in Germany. No competitor has a comparable geographic coverage or market position in these regions.

Many of our pharmacy customers take part in the company's cooperation programmes. In some countries, PHOENIX also offers franchise systems for independent pharmacies.

Expansion of presence in Europe

Against the backdrop of strong competition, increasing pressure on margins in the European healthcare sector, and rising demand for in-patient and digital health services, PHOENIX intends to reinforce and build up its position in Europe. The acquisition of parts of McKesson Europe in fiscal year 2022/23 was an important step in achieving this. This increased the range of products and services offered by PHOENIX in France and Italy and opened up its presence in Belgium, Ireland, Portugal, and Slovenia. This also opens up new opportunities for playing an active role in the digital transformation of the European healthcare sector.

Financial prerequisites for future growth established

The integration of the wholesale and retail pharmaceutical business also offers opportunities.

In the logistics business unit, PHOENIX continuously implements process improvements across Europe. More information can be found under "Processes and organisation" on h. 6. Process optimisation measures that are successful in one country serve as a starting point for improvement measures in other countries and can help to reduce costs there.

The sound financing structure, with an equity ratio of around 25%, and long-term financing have established the financial prerequisites for the future growth of PHOENIX. This applies as regards to both organic growth and appropriate acquisitions.

MANAGEMENT BOARD'S OVERALL ASSESSMENT OF THE RISKS **AND OPPORTUNITIES**

On the whole, PHOENIX operates in a stable market and is well equipped to conduct activities in the areas of wholesale, retail, and pre-wholesale. This allows it to take advantage of any opportunities that present themselves in order to build on its strong market position in the future. The risks and opportunities in the pharmaceutical retail business are not subject to any major changes over time. There are currently no discernible risks that could jeopardise the company's ability to continue as a going concern.

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements

Forecast

- __ 1.0% economic growth forecast in the eurozone
- PHOENIX revenue increase expected to slightly exceed growth in the European pharmaceutical markets
- Moderate increase in profit before taxes planned

FUTURE ECONOMIC ENVIRONMENT

The IMF expects the global economy to grow by 3.3% in 2025, assuming inflation eases and there is a recovery in global trade. However, if there is an increase in trade disputes and protectionist efforts, this could have a negative impact on supply chains and consumer prices, in turn impairing economic growth. For the eurozone, experts from the IMF are forecasting a 1.0% increase in GDP and growth of 0.3% for Germany. The persistently high fuel and energy prices are having a negative impact on the assets, liabilities, financial position, and financial performance of PHOENIX.

We expect the pharmaceutical markets in Europe to record market growth of around 6.0% overall in 2025. In Germany, our largest market, we anticipate market growth of approximately 4.7%.

FUTURE DEVELOPMENT OF PHOENIX

For fiscal year 2025/26, PHOENIX expects to further expand its market position in Europe through organic growth and acquisitions, and in doing so increase revenue slightly. We expect revenue growth in nearly all markets in which we are present.

We forecast profit before tax to increase moderately in fiscal year 2025/26 compared with the prior year.

We also expect a slight increase in the equity ratio.

MANAGEMENT BOARD'S ASSESSMENT OF THE GROUP'S FUTURE POSITION

The Management Board is confident that with its presence in 29 European countries and its sound financing structure, PHOENIX is well equipped to also achieve positive business development over the medium and long term. In addition to the organic and acquisition-related growth, increasing cost efficiency should also be an important contributing factor.

Mannheim, 11 April 2025

The Management Board of the unlimited partner PHOENIX Verwaltungs GmbH

Sven Seidel Stephen Anderson Marcus Freitag Stefan Herfeld (Chair)

Leon Jankelevitsh Dr Carsten Sauerland Dr Roland Schütz

Group management report

Fundamental information about the group

PHOENIX

Strategy and group management

Processes and organisation

Economic report

Economic environment

Business development at a glance

Financial performance

Assets and liabilities

Financial position

Employees

Risk and opportunity report

Risk management

Risks

Opportunities

Management Board's overall assessment of the risks and opportunities

Forecast

Future economic environment Future development of PHOENIX Management Board's assessment of the group's future position

Extract from the consolidated financial statements

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS

Group management report

Extract from the consolidated financial statements

Consolidated income statement

Consolidated statement

of comprehensive income

Consolidated statement of financial position

Consolidated statement of cash flows

Consolidated statement

of changes in equity

Consolidated income statement

for fiscal year 2024/25



EUR k	Note	2023/24	2024/25
Revenue	1	47,064,738	49,720,864
Cost of purchased goods and services		- 42,386,557	-44,753,583
Gross profit		4,678,181	4,967,281
Other operating income	2	103,902	134,250
Personnel expenses	3	-2,416,349	- 2,465,842
Other operating expenses	4	- 1,433,933	- 1,492,590
Results from associates and joint ventures	5, 12	- 5,503	13,582
Result from other investments	5	8,544	3,246
Earnings before interest, taxes depreciation and amortisation (EBITDA)		934,842	1,159,927
Amortisation of intangible assets and depreciation of property, plant and equipment	6	- 420,530	- 449,647
Impairment of intangible assets and property, plant and equipment	6	-13,913	-66,332
Earnings before interest and taxes (EBIT)		500,399	643,948
Interest income		19,663	23,221
Interest expenses		-159,453	-172,669
Other financial result		- 9,953	10,503
Financial result	7	-149,743	-138,945
Profit before tax		350,656	505,003
Income taxes	8	-111,042	-129,676
Profit after tax		239,614	375,327
thereof attributable to non-controlling interests		16,378	17,125
thereof attributable to the shareholders of the parent company		223,236	358,202

Consolidated statement of comprehensive income

for fiscal year 2024/25



EUR k	2023/24	2024/25
Profit after tax	239,614	375,327
Items not reclassified to the income statement		
Remeasurement of defined benefit plans	-23,703	48,692
Items that may subsequently be reclassified to the income statement		
Currency translation differences	-17,034	-15,979
Other comprehensive income, net of taxes	-40,737	32,713
Total comprehensive income	198,877	408,040
thereof attributable to non-controlling interests	16,538	16,785
thereof attributable to the shareholders of the parent company	182,339	391,255

Group management report

Extract from the consolidated financial statements

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of financial position

Consolidated statement of cash flows

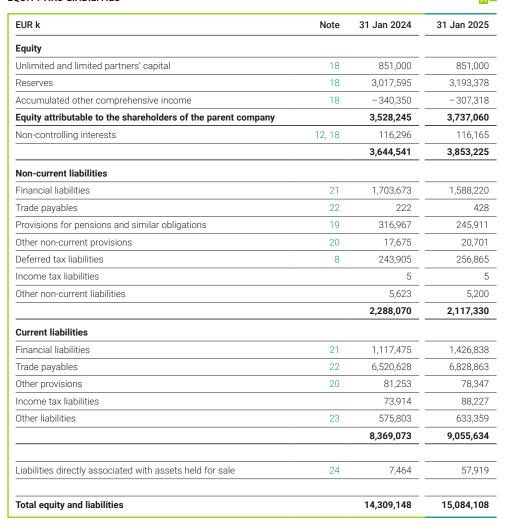
Consolidated statement of changes in equity

Consolidated statement of financial position as of 31 January 2025

ASSETS

EUR k	Note	31 Jan 2024	31 Jan 2025
Non-current assets			
Intangible assets	9	2,212,401	2,265,935
Property, plant and equipment	10	2,287,157	2,320,957
Investment property	10, 11	3,833	3,539
Investments in associates and joint ventures	12	38,593	34,40
Trade receivables	13	11,552	10,77
Other financial assets	13	110,850	113,680
Other assets		0	(
Deferred tax assets	8	150,889	162,596
Income tax receivables		68	(
		4,815,343	4,911,88
Current assets			
Inventories	14	3,826,193	4,098,946
Trade receivables	15	4,800,419	5,110,61
Income tax receivables		33,590	28,49
Other financial assets	15	111,661	76,71
Other assets	16	265,836	335,973
Cash and cash equivalents	17	442,740	431,95
		9,480,439	10,082,70
Non-current assets held for sale	24	13,366	89,51
NOTICUTE IL ASSELS HEIÙ TOI SAIE	24	13,500	
		14,309,148	15,084,10

EQUITY AND LIABILITIES





Extract from the consolidated financial statements

Consolidated income statement

Consolidated statement

of comprehensive income

Consolidated statement of financial position

Consolidated statement of cash flows

Consolidated statement

of changes in equity



Consolidated statement of cash flows for fiscal year 2024/25



EUR k	31 Jan 2024	31 Jan 2025
Profit after tax	239,614	375,327
Income taxes	111,042	129,676
Profit before income taxes	350,656	505,003
Adjustments for:		
Interest expenses and interest income	139,790	149,448
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	434,443	515,979
Result from associates and other investments	-3,041	-16,828
Net result from the disposal of assets related to investing activities	-21,318	-13,467
Other non-cash expense and income	242,857	220,880
	1,143,387	1,361,015
Interest paid	-136,019	-152,333
Interest received	17,921	22,382
Income taxes paid	-111,960	-110,937
Dividends received	8,726	3,438
Cash flow before change in assets and liabilities	922,055	1,123,565
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	-41,581	- 46,954
Cash flow before change in operating assets and liabilities	880,474	1,076,611
Change in inventories	-248,009	-315,985
Change in trade receivables	-451,597	-365,340
Change in trade payables	816,552	422,831
	116,946	-258,494
Change in other assets and liabilities not related to investing or financing activities	-319,782	-192,696
Change in operating assets and liabilities	-202,836	-451,190
Cash flow from operating activities	677,638	625,421
Acquisition of consolidated companies and business units, net of cash acquired	-108,792	-61,795
Capital expenditures for intangible assets, property, plant and equipment, and investment property	-267,754	- 245,091
Investment in other financial assets and non-current assets	-31,654	-9,298
Cash outflows for investments	-408,200	-316,184

EUR k	31 Jan 2024	31 Jan 2025	
Cash received from the sale of consolidated companies			
and business units, net of cash disposed	5,546	3,215	
Cash received from disposal of intangible assets,			
property, plant and equipment and investment property	44,360	25,394	
Proceeds from loans to shareholders in the parent company	3	0	
Proceeds from other financial assets and non-current assets	4,353	1,841	
Cash inflows from realised investments and divestments	54,262	30,450	
Cash flow from investing activities	-353,938	-285,734	
Cash available for financing activities	323,700	339,687	
Capital increase/repayment	0	-23,615	
Capital contribution from/repayment to non-controlling interests	-1,824	-31	
Acquisition of additional shares in already consolidated subsidiaries	-27	-4,235	
Proceeds from disposal of interests in subsidiaries without loss of control	102	1,033	
Dividends paid to non-controlling interests	- 51,344	-15,481	
Proceeds from bond issuance and bank loans	523,178	943,335	
Repayment of bonds and bank loans	-454,385	- 984,431	
Change in bank loans which have a maturity period of 3 months or less	105,410	100,931	
Proceeds from the issue of loans from shareholders in the parent company	31,850	0	
Repayment of loans from shareholders in the parent company	-6,978	-25,705	
Repayment of loans from related parties	- 55,000	0	
Change in ABS/Factoring	5,947	-118,689	
Repayment of lease liabilities	-175,300	-190,730	
Change in other financial liabilities	-233,158	-20,054	
Cash flow from financing activities	-311,529	-337,672	
Changes in cash and cash equivalents	12,171	2,015	
Effect of exchange rate changes on cash and cash equivalents	554	- 50	
Cash and cash equivalents at the beginning of the period	430,015	442,740	
Cash and cash equivalents at the end of the period	442,740	444,705	
Less cash and cash equivalents included in assets held for sale	0	-12,753	
Cash and cash equivalents presented in the balance sheet at the end of the period	442,740	431,952	

Group management report

Extract from the consolidated financial statements

Consolidated income statement Consolidated statement of comprehensive income Consolidated statement

Consolidated statement of cash flows

Consolidated statement of changes in equity

of financial position

Consolidated statement of changes in equity for fiscal year 2024/25



							X
EUR k	Unlimited and limited partners' capital	Reserves	Currency translation differences	Remeasurement of defined benefit plans	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
1 February 2023	851,000	2,836,342	-106,883	-188,060	3,392,399	115,560	3,507,959
Adjustment due to the finalisation of a purchase price allocation		-12,832			-12,832	-21	-12,853
1 February 2023, restated	851,000	2,823,510	-106,883	-188,060	3,379,567	115,539	3,495,106
Profit after tax		223,236			223,236	16,378	239,614
Accumulated other comprehensive income			- 17,191	-23,706	-40,897	160	-40,737
Total comprehensive income, net of tax		223,236	-17,191	-23,706	182,339	16,538	198,877
Changes in basis of consolidation		4,486		-4,510	-24	164	140
Changes in the interest of consolidated companies		- 560			- 560	-141	-701
Dividends					0	- 15,716	-15,716
Other transactions with owners		-35,000			-35,000	0	-35,000
Other changes in equity		1,923			1,923	-88	1,835
31 January 2024	851,000	3,017,595	-124,074	-216,276	3,528,245	116,296	3,644,541
1 February 2024	851,000	3,017,595	-124,074	-216,276	3,528,245	116,296	3,644,541
Profit after tax		358,202			358,202	17,125	375,327
Accumulated other comprehensive income			-15,632	48,685	33,053	-340	32,713
Total comprehensive income, net of tax		358,202	-15,632	48,685	391,255	16,785	408,040
Changes in basis of consolidation		-2,284		-21	-2,305	82	-2,223
Changes in the interest of consolidated companies		207			207	-3,947	-3,740
Dividends					0	- 15,573	-15,573
Other transactions with owners		-179,814			- 179,814	0	- 179,814
Other changes in equity		- 528			- 528	2,522	1,994
31 January 2025	851,000	3,193,378	-139,706	-167,612	3,737,060	116,165	3,853,225

Group management report

Extract from the consolidated financial statements

Consolidated income statement
Consolidated statement
of comprehensive income
Consolidated statement
of financial position
Consolidated statement of cash flows
Consolidated statement
of changes in equity

Financial calendar 2025

Please consult our calendar for the most important announcement dates:

25 June Quarterly statement February to April 2025

17 September Half-year report February to July 2025

18 December Quarterly statement February to October 2025

Imprint

Publisher

Maren Holoda Director Corporate Communications Nele Beickler External Consultant

Corporate Communications

PHOENIX Pharmahandel GmbH & Co KG

Corporate Communications Pfingstweidstrasse 10-12

68199 Mannheim

Germany

Phone +49 (0)621 8505 8502 Fax +49 (0)621 8505 8501 media@phoenixgroup.eu www.phoenixgroup.eu

Investor Relations

Karsten Loges
Director Corporate Finance
and Asset Management
Phone +49 (0)621 8505 741
k.loges@phoenixgroup.eu

Concept, design and realisation

Corporate Communications PHOENIX group HGB Hamburger Geschäftsberichte GmbH & Co. KG, Hamburg, Germany

© PHOENIX Pharmahandel GmbH & Co KG, Mannheim, Germany All rights reserved.

Translation of the German version. The German version is binding. Group management report

Extract from the consolidated financial statements

Further information

Financial calendar 2025/Imprint

