

Quarterly Statement February to April 2021

The first three months at a glance

- Total operating performance and revenue have increased again
- Profit after tax (before significant one-off effects) above previous year
- Further reduction in net debt compared with the first quarter of 2020/21

Key figures of the PHOENIX group		1st quarter 2020/21	1st quarter 2021/22
Total operating performance	in EUR m	9,224.9	9,309.1
Revenue	in EUR m	7,244.2	7,313.2
Total income	in EUR m	772.9	751.9
EBITDA before significant one-off effects	in EUR m	158.0	167.2
EBITDA	in EUR m	168.9	134.5
EBIT	in EUR m	101.2	64.0
Profit before tax	in EUR m	82.6	48.7
Profit after tax before significant one-off effects	in EUR m	50.0	60.0
Profit after tax	in EUR m	58.8	36.1

		30 April 2020	31 January 2021	30 April 2021
Equity	in EUR m	2,834.0	2,959.7	2,998.5
Equity ratio	in %	29.2	28.6	29.7
Net debt	in EUR m	2,420.2	2,006.9	2,265.3

Business development

The PHOENIX group continued its growth in the first three months of 2021/22 (February to April 2021). Compared to the first quarter of 2020/21, which was significantly impacted by the COVID-19 pandemic, total operating performance rose by 0.9 per cent to €9.3 billion. This comprises revenue and handled volume. Adjusted for foreign exchange rate effects, total operating performance grew by 0.3 per cent. The healthcare provider, which is active in 27 European countries, saw its revenue grow by €69.0 million (1.0 per cent) to €7.3 billion. Adjusted for foreign exchange rate effects, revenue grew by 0.6 per cent.

Results

Earnings before interest, taxes, depreciation and amortisation (EBITDA) declined from €168.9 million to €134.5 million. In connection with COVID-19, non-recurring income for increased pharmacy funding of €10.9 million was recognised in the first quarter of 2020/21 and costs related to measurement of inventories of €32.7 million were recognised in the first quarter of 2021/22. Adjusted for these one-off effects, EBITDA increased by 5.8 per cent, or €9.2 million to €167.2 million compared with the same period of the previous year.

An EBITDA figure adjusted for interest from customers, and expenses related to ABS and factoring (adjusted EBITDA) came to €136.8 million (comparative period: €172.0 million) and is calculated as follows:

EUR k	1st quarter 2020/21	1st quarter 2021/22	Change	Change in %
EBITDA	168,882	134,541	-34,341	-20.3
Interest from customers	2,651	1,656	-995	-37.5
Factoring fees	420	553	133	31.7
Adjusted EBITDA	171,953	136,750	-35,203	-20.5

Profit after tax declined from €58.8 million to €36.1 million. Profit after tax before significant COVID-19 one-off effects grew by 20.0 per cent, representing an increase of €10.0 million to €60.0 million.

Financial position

Equity rose by €38.8 million compared with 31 January 2021. The currency translation difference on total assets, which is presented within equity, amounted to €-129.8 million (31 January 2021: €-132.5 million). The equity ratio as of 30 April 2021 was 29.7 per cent (31 January 2021: 28.6 per cent).

Cash flow from operating activities came to €-167.9 million (comparative period: €-43.6 million). This number was largely affected by a higher increase of €146.7 million in working capital compared with the same period of the previous year. Cash flow from investing activities amounted to €-34.5 million and was €-49.5 million in the comparative period.

According to the calculation below, net debt increased by €258.4 million compared with 31 January 2021 to €2,265.3 million:

EUR k	31 January 2021	30 April 2021	Change	Change in %
+ Financial liabilities (non-current)	1,537,147	1,546,739	9,592	0.6
- Derivative financial instruments (non-current)	-91	-78	13	-14.3
+ Financial liabilities (current)	880,079	899,726	19,647	2.2
- Derivative financial instruments (current)	-2,433	-1,136	1,297	-53.3
- Cash and cash equivalents	-818,843	-593,979	224,864	-27.5
+ Receivables sold in the course of factoring and ABS transactions	458,286	461,279	2,993	0.7
- Factoring receivables	-23,408	-23,670	-262	1.1
- Receivables from ABS programmes	-23,853	-23,582	271	-1.1
Net debt	2,006,884	2,265,299	258,415	12.9

Risks and opportunities

The opportunities and risks of significance to us are described extensively in our annual report for fiscal year 2020/21. The risks and opportunities presented in that report are still essentially relevant.

Forecast

For fiscal year 2021/22, the PHOENIX group expects to further expand its market position in Europe through organic growth and acquisitions and thereby increase revenue slightly above the level of growth on the European pharmaceutical markets.

For fiscal year 2021/22, we expect profit before tax to be slightly above the level seen in 2020/21.

We also expect a slight increase in the equity ratio.

Mannheim, 18 June 2021

The Executive Board of PHOENIX Pharma SE

Financial information

for the first three
months of 2021 / 22

CONSOLIDATED INCOME STATEMENT

for the first three months of 2021/22

EUR k	1st quarter 2020/21	1st quarter 2021/22
Revenue	7,244,213	7,313,201
Cost of purchased goods and services	-6,477,750	-6,570,094
Gross profit	766,463	743,107
Other operating income	6,429	8,829
Personnel expenses	-392,635	-398,128
Other operating expenses	-211,588	-219,398
Result from associates and joint ventures	176	93
Result from other investments	37	38
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	168,882	134,541
Amortisation of intangible assets and depreciation of property, plant and equipment	-67,673	-70,559
Earnings before interest and taxes (EBIT)	101,209	63,982
Interest income	3,390	3,814
Interest expenses	-17,831	-18,028
Other financial result	-4,132	-1,090
Financial result	-18,573	-15,304
Profit before tax	82,636	48,678
Income taxes	-23,882	-12,559
Profit after tax	58,754	36,119
thereof attributable to non-controlling interests	8,568	7,087
thereof attributable to owners of the parent company	50,186	29,032

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 30 April 2021

ASSETS

EUR k	31 January 2021	30 April 2021
Non-current assets		
Intangible assets	1,832,680	1,845,903
Property, plant and equipment	1,742,139	1,745,553
Investment property	6,595	6,565
Investments in associates and joint ventures	6,114	6,062
Trade receivables	277	53
Other financial assets	108,028	103,567
Deferred tax assets	99,365	96,193
Income tax receivables	12	12
	3,795,210	3,803,908
Current assets		
Inventories	2,747,563	2,647,389
Trade receivables	2,711,439	2,751,190
Income tax receivables	23,423	19,712
Other financial assets	111,655	123,419
Other assets	131,758	149,394
Cash and cash equivalents	818,843	593,979
	6,544,681	6,285,083
Non-current assets held for sale	4,569	3,825
Total assets	10,344,460	10,092,816

EQUITY AND LIABILITIES

EUR k	31 January 2021	30 April 2021
Equity		
Issued capital	2,786	2,786
Capital reserves	961,106	961,106
Revenue reserves	2,023,903	2,052,575
Accumulated other comprehensive income	-324,110	-318,619
Equity attributable to the shareholders of the parent company	2,663,685	2,697,848
Non-controlling interests	295,969	300,661
	2,959,654	2,998,509
Non-current liabilities		
Financial liabilities	1,537,147	1,546,739
Trade payables	303	215
Provisions for pensions and similar obligations	279,862	279,045
Other non-current provisions	5,635	2,018
Deferred tax liabilities	129,257	136,685
Other non-current liabilities	1,463	1,643
	1,953,667	1,966,345
Current liabilities		
Financial liabilities	880,079	899,726
Trade payables	4,091,096	3,778,051
Other provisions	43,829	43,161
Income tax liabilities	35,670	34,576
Other liabilities	380,465	372,448
	5,431,139	5,127,962
Liabilities directly associated with assets held for sale	0	0
Total equity and liabilities	10,344,460	10,092,816

CONSOLIDATED STATEMENT OF CASH FLOWS

for the first three months of 2021 / 22

EUR k	30 April 2020	30 April 2021
Profit after tax	58,754	36,119
Income taxes	23,882	12,559
Profit before tax	82,636	48,678
Adjustments for:		
Interest expenses and interest income	14,441	14,214
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	67,673	70,559
Result from associates and other investments	-213	-131
Net result from the disposal of assets related to investing activities	741	427
Other non-cash expense and income	27,163	74,596
	192,441	208,343
Interest paid	-11,638	-12,072
Interest received	3,317	3,722
Income taxes paid	-12,104	-2,160
Dividends received	36	38
Result before change in assets and liabilities	172,052	197,871
Changes in assets and liabilities, net of effects of changes in the scope of consolidation and other non-cash transactions:		
Change in non-current provisions	-9,011	-12,414
Result before change in operating assets and liabilities	163,041	185,457
Change in inventories	-267,328	73,170
Change in trade receivables	-90,315	-46,572
Change in trade payables	156,796	-286,774
	-200,847	-260,176
Change in other assets and liabilities not related to investing or financing activities	-5,809	-93,160
Change in operating assets and liabilities	-206,656	-353,336
Cash flow from operating activities	-43,615	-167,879
Acquisition of consolidated companies and business units, net of cash acquired	-10,939	-6,600
Capital expenditures for intangible assets, property, plant and equipment, and investment property	-42,046	-31,756
Investment in other financial assets and non-current assets	-308	0
Cash outflows for investments	-53,293	-38,356

EUR k	30 April 2020	30 April 2021
Cash received from the sale of consolidated companies and business units, net of cash disposed	555	0
Cash received from disposal of intangible assets, property, plant and equipment and investment property	2,605	2,759
Proceeds from other financial assets and non-current assets	636	1,062
Cash inflows from realised investments and divestments	3,796	3,821
Cash flow from investing activities	-49,497	-34,535
Cash available for financing activities	-93,112	-202,414
Acquisition of additional shares in already consolidated subsidiaries	0	-182
Proceeds from disposal of interests in subsidiaries without loss of control	0	14
Dividends paid to non-controlling interests	-2,088	-2,584
Proceeds from bond issuance and bank loans	429	1,412
Repayment of bonds and bank loans	-30,940	-33,123
Change in bank loans which have a maturity period of 3 months or less	117,252	75,912
Change in ABS / Factoring	21,187	-31,141
Change in finance lease	-28,332	-32,403
Change in other financial liabilities	-15,698	200
Cash flow from financing activities	61,810	-21,895
Changes in cash and cash equivalents	-31,302	-224,309
Effect of exchange rate changes on cash and cash equivalents	-1,464	-555
Cash and cash equivalents at the beginning of the period	246,846	818,843
Cash and cash equivalents at the end of the period	214,080	593,979
Cash and cash equivalents presented in the balance sheet at the end of the period	214,080	593,979

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Financial calendar

23 September 2021: Half-year Report February to July 2021

16 December 2021: Quarterly Statement February to October 2021

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

The PHOENIX group, headquartered in Mannheim, is a leading healthcare provider in Europe. Active in 27 countries, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with more than 39,000 employees. The PHOENIX group's vision is to be the best integrated healthcare provider – wherever it is active.