ANNUAL REPORT
2023/2024

PHOENIX
Pharmahandel GmbH & Co KG
a PHOENIX company

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GROUP MANAGEMENT REPORT

2023 / 2024

FUNDAMENTAL INFORMATION ABOUT THE GROUP

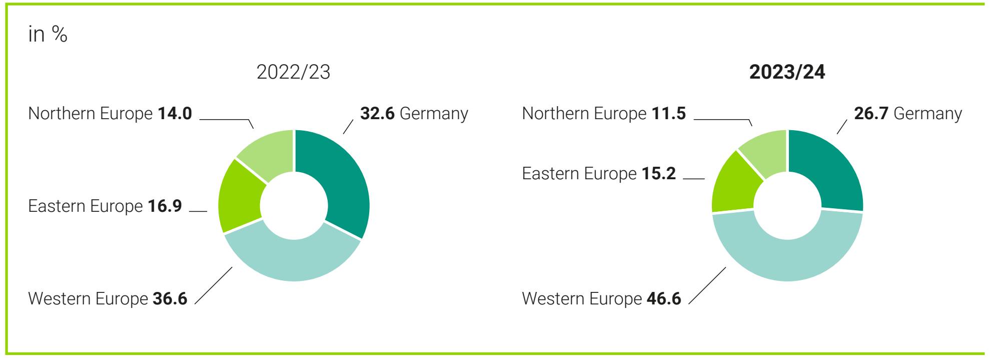
- European leader in pharmaceutical wholesale, pharmacy retail and services for the pharmaceutical industry
- Integrated range of services an important competitive advantage
- New corporate mission statement introduced for PHOENIX
- Focus on market leadership, customer satisfaction, and efficiency
- Rigorous strengthening of digital competence

PHOENIX

Leading European healthcare provider

PHOENIX, with its headquarters in Mannheim, Germany, and more than 48,000 employees, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. PHOENIX is one of the largest family businesses in both Germany and Europe. Its core business is pharmaceutical wholesale and pharmacy retail. Subsidiaries also operate in related business areas, whose activities include services for the pharmaceutical industry, pharmacy goods management systems for pharmacies and logistics solutions. As a family business, PHOENIX makes decisions independently and pursues a long-term strategy.

REVENUE PER REGION



PHOENIX was active in 29 European healthcare markets in fiscal year 2023/24 and therefore has a very diversified geographic portfolio. At the end of the reporting year, the company operated 214 sites in the business areas of pharmaceutical wholesale and pre-wholesale and supplied pharmacies, doctors and medical facilities with medicines and healthcare products.

In pharmaceutical wholesale, PHOENIX is number one in 16 countries. The company currently has almost 3,300 of its own pharmacies – over 1,500 of which operate under the BENU brand – in 17 European countries and is thus Europe's leading pharmacy operator. In pharmacy retail, PHOENIX mainly operates in the following countries: Belgium, Bosnia, Ireland, Italy, Latvia, Lithuania, Montenegro, Netherlands, Norway, Romania, Switzerland, Serbia, Slovakia, Czech Republic, Hungary, and the UK. At present, PHOENIX already has a strong proximity to its customers, thanks to nearly 189 million customer contacts in its own pharmacies. In addition to wholesale and retail, it offers its competencies to the pharmaceutical industry as a service provider.

New mission statement established

We introduced a new group-wide mission statement in the fiscal year 2023/24. Following the implementation of the strategic agenda WINGS a few years ago and the successful integration of the acquired parts of McKesson Europe, it was time to develop a new mission statement for the significantly larger PHOENIX. Corporate culture is key to the success of any company, but especially in a heterogenous, inorganically grown and widespread organisation like PHOENIX.

The mission statement was developed with the involvement of employees across various parts of the organisation without losing sight of our DNA as a family business. It reflects who we are today and what we want to be in the future. The new vision provides a direction: becoming 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. This vision is complemented by our mission, "We deliver health", as well as the wePHOENIX commitments. These are intended to guide us in our behaviour at work and show us the steps we need to take to make our vision a reality.

The new mission statement applies to PHOENIX as a whole and is to be understood as an overarching statement in addition to the existing local mission statements. For the Company's headquarters, it completely replaces the old mission statement.

PHOENIX WITH A PRESENCE IN 29 EUROPEAN COUNTRIES

Wholesale

Wholesale and retail

PHOENIX market leader

As of 31/01/2024

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 12 countries, Apotek 1 in Norway, Rowlands Pharmacy in the UK, Help Net in Romania and Lloyds in Belgium, Ireland and Italy.
- A pharmacy network with around 17,000 pharmacies in 17 countries in the 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 efforts 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. Among other things, this is why we continued an initiative targeted at optimising warehousing structures and stock levels.

2. We want to put our customers even more at the centre of our activities. For example, this means that we promote the entrepreneurial spirit in our organisation so that we are able to offer new services and products to our customers from the pharmaceutical industry.

3. We also want to take advantage of the opportunities provided to us by digitalisation. We want to discover trends at an early stage and actively drive forward innovations in the healthcare sector.

We continued to drive forward our strategic agenda on all 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 PPS targets were reviewed and updated in the reporting year and major progress was made within individual PPS areas. Furthermore, we launched LEAN management in fiscal year 2023/24, laying a new foundation for our existing initiatives to continuously improve our operational excellence. **More information can be found under "Processes and organisation" on p. 6.**

We are also continuously expanding our range of own brands, of which LIVSANE has successfully established itself in the markets and recorded rising sales figures. A modern redesign emphasises this momentum, with new products being launched with the updated design. LIVSANE's geographical presence was also expanded, with strong growth in Italy and successful launches in Belgium and Ireland. Expansion into further markets is planned in the coming year. Moreover, we added a number of new product lines to our range.

Digitalisation is increasingly becoming a key success factor going forward. We embrace this with DIGITAL WINGS, actively shaping the digital transformation of our Company with this extension of our WINGS strategic agenda. We are constantly enhancing our online offerings for customers and linking them to our offline services in a targeted manner. **More information can be found under "Processes and organisation" on p. 6.**

Our strategy is to grow both organically and through targeted acquisitions. We also strive to continuously expand our position in the areas of pharmacy retail and pharmaceutical wholesale, as well as our services and products for the pharmaceutical industry. **More information can be found under "Business development at a glance" on p. 8.**

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.**

In pharmaceutical wholesale, many pharmacies are part of PHOENIX's pharmacy network. With around 17,000 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 want to further expand and purposefully strengthen the pharmacy retail business.

With PXG Pharma GmbH, we have a vehicle for the ongoing development of our trade activities with our own brands such as LIVSANE. As a subsidiary of PHOENIX, PXG Pharma is responsible for central product development and sales as well as quality and regulatory affairs, and strives to continuously expand our range of products. The strategic acquisition of parts of McKesson Europe expanded the brand portfolio. Products like skineffect, Natural, and Solero are now integral parts of PHOENIX's range.

Furthermore, we offer the pharmaceutical industry comprehensive services along the entire pharmaceutical 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. We have also built up an extensive range of representation services, which includes sales and marketing, medical affairs and market access activities across Central and Eastern Europe. By providing these service solutions, we help our strategic partners to reduce complexity. We also significantly enhanced and professionalised our "Joint Commercial Programme," in the fiscal year as part of our cross-border purchasing activities. This enables us to offer our partners in the industry a considerably more transparent single source for our services. We also significantly improved the implementation of joint projects and achievement of joint growth targets. Moreover, along with 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.

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 the fiscal year, we initiated LEAN, the next important step in our transformation journey since the launch of our strategic agenda WINGS. With LEAN, we established continuous improvement as the basis for all initiatives of PHOENIX. The main goal is to promote a culture of continuous improvement, in which opportunities to improve the workday and the workplace and have a positive impact on the Company as a whole are actively sought out. We aim to increase our operating efficiency, however, the primary focus is on overarching goals such as improving the work, providing better services or driving forward the strategic development of PHOENIX. The organisation OCP Portugal, acquired from McKesson Europe, serves as a North Star for the Group, with its longstanding application of LEAN principles leading to highly optimised processes that are still being continuously improved.

We are setting up LEAN as a kind of foundation for the ongoing initiatives to optimise the operational process of our logistics network. One of the existing initiatives is the wide-ranging PHOENIX Production System (PPS), which bundles our cross-border experience in the areas of operations and logistics. The PPS is a living concept that grows through ideas and the sharing of best practices. This has already produced significant results, such as reducing the net working capital tied up in inventories. We are developing tools and methods, for example, to streamline inventories while also avoiding any negative impact on the service level we offer to our customers. Following the successful completion of projects carried out in two large pilot countries, these tools are now also being customised and gradually rolled out in smaller subsidiaries as well. As a result, we implemented route optimisation tools to reduce costs and increase efficiency in transportation as well as new programmes to track products and develop sustainable transport solutions. Additionally, we initiated the gradual implementation of a standardised approach for production allocation across all countries in Depot Management and launched a new supply chain optimisation tool.

Findings from audits demonstrate the improvement in the standards and the alignment with best practice processes. The acquisition of parts of McKesson Europe added leverage to the PPS, enabling us to generate further synergies and increase efficiency.

We safeguard our market leadership by optimising and harmonising processes and structures in Germany and Europe-wide on an ongoing basis. We thus actively manage costs in order to limit the sharp rise in material costs. The indirect purchase with the pan-European optimisation of supply agreements made significant contributions towards this objective in fiscal year 2023/24.

Focus on driving digital business transformation

Strengthening digital competence is a core component of our company-wide strategic agenda WINGS. We have a number of initiatives ongoing as part of DIGITAL WINGS. The aim is to actively shape the digital transformation of PHOENIX and proactively tap into the opportunities of digitalisation. A major element is the improvement of company-wide availability of data and data analysis skills, based on which we can create improved, more targeted offerings for our customers and the industry. For this purpose, we set up a central data and analysis platform and have already obtained success in various use cases with different departments. This includes the market launch of ADGCOACH PROFIT AI, a machine learning software that supports pharmacy teams in data-driven pricing. In another project, we launched a voicebot for the customer service centre in Germany that produces automated responses to customer queries about product availability. Moreover, we expanded our data competence through additional training as part of the Data Academy. The aim is to use data to optimise current work processes and to enable innovative business models by better analysing customers' needs.

With the digitalisation of healthcare, we have a responsibility as a European healthcare service provider to ensure the integrity of our technical infrastructure and sensitive data. That is why we are making targeted investments in cybersecurity. An external audit, as well as the Bitsight score, confirm that our Company's cybersecurity maturity has increased. The awareness training is also having the intended effect. We also successfully concluded the project to implement SD-WAN (software-defined networking) at a total of 136 locations in 23 countries. We have targeted access to IT talent through our new IT Hub in Sofia, Bulgaria, opened in the prior year and continuously expanded since then. We also benefit from the expertise of colleagues who joined PHOENIX on the acquisition of parts of McKesson Europe, especially in the area of SAP, but also digital collaboration tools or customer experience. The expertise of both companies is pooled in our IT & Digital Competence Centre.

Furthermore, we want to strengthen the digital channels to end customers and patents and create a cross-channel shopping experience, which seamlessly links the online and offline areas. In order to do this, we are expanding our e-commerce activities in a targeted manner. In doing so, we benefit from cross-border exchange, such as the new BENU webshop launched in Bulgaria, followed by the opening of the first two BENU pharmacies that strengthen our retail presence. In Germany, PHOENIX, together with its partners, set up "gesund.de" – a central health platform and app which is targeted at end consumers and patients as well as pharmacies and all other service providers in the healthcare sector. In fiscal year 2023/24, "gesund.de" celebrated its second anniversary and reported more than one million orders registered. Moreover it was also nominated for the Gründerszene Award from Business Insider Deutschland in 2023.

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. The intelligent medication robot allows for easier dispensation of medications in the home and reduces costs for health insurance funds. Following a launch in Finland in the prior year, Smila was rolled out in Denmark, and a launch in Sweden is planned for the coming fiscal year.

In addition, PHOENIX is investing in the harmonisation of its goods management systems and the optimisation and modernisation of its IT architecture, for example, by way of the pilot project to introduce SAP S/4HANA in Austria. We were able to go live with SAP Extended Warehouse Management at the Austrian sites in Linz and Hall in the reporting year.

ECONOMIC REPORT

- Economic and political conditions remain very tense
- Integration of the acquired parts of McKesson Europe successfully completed
- Revenue up 29.6%
- Profit before tax up on the prior year and forecast
- In continuous dialogue with our employees

ECONOMIC ENVIRONMENT

The war in Ukraine hampers economic development

The European economy continued to be shaped by Russia's war in Ukraine in 2023. On the whole, the gross domestic product of the eurozone rose by 0.5% year-on-year (prior year: 3.5%). Economic development in Germany in 2023 was also shaped by the consequences of the war in Ukraine, such as extreme rises in energy prices. Real GDP was down 0.1% year-on-year (prior year: increase of 2.0%).

Development in the European pharmaceutical markets was varied. The German pharmaceutical wholesale market increased by 4.5% in 2023 compared to 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 the fiscal year 2023/24, pharmaceutical wholesalers once again faced major supply constraints in some cases. This also affected the business of PHOENIX. Therefore, we addressed the topic of supply constraints intensively in the past fiscal year and initiated various measures to improve the situation, even if the majority of the reasons lie upstream in the value chain. For example, we established a Europe-wide monitoring system and a forecasting tool for future bottlenecks. We share this information with our industry partners and work on joint projects to alleviate supply constraints in the short term and to prevent them in the long term. We were thus able to optimally counteract the constraints that arose in the past year with significant manual effort.

Integration of acquisitions and further acquisitions

Our objective is to continuously expand our position in the areas of pharmaceutical wholesale and pharmacy retail and continuously extend our range of services and products for the pharmaceutical industry. We were once again able to achieve this in the past fiscal year, also thanks to our strategic agenda WINGS.

In the fiscal year, our business activities were focused on integrating the parts of McKesson Europe acquired as of 31 October 2022. We were thus able to exceed the targets we had set ourselves for integration. The acquisition helped us to accelerate our business growth, reinforce and improve our market position, and become an innovation leader in the healthcare sector. The acquisition enabled us to enter four new markets: Belgium, Ireland, Portugal and Slovenia. We are working on strategic growth plans to generate further synergies and tap into new business potential. We were also able to strengthen our position in the key French and Italian markets. In Italy, for example, we worked on generating synergies through joint negotiations with suppliers as well as a joint organisational structure. We also successfully launched BENU, our primary European pharmacy trademark, in Italy and expanded the cooperation programme there. The former McKesson Europe headquarters in Stuttgart was already integrated into PHOENIX. The Stuttgart site was maintained as an additional IT hub for the group. Additionally, we achieved another key integration target on 1 August 2023 with a new IT and digital organisation. The formerly two IT teams are now pooled in a Competence Centre, which combines the expertise from entire PHOENIX.

On 1 March 2023, PHOENIX acquired an e-commerce specialist, health and life AG, and thus the leading online provider in the Swiss healthcare market. The entity will be integrated into BENU, our chain of pharmacies in Switzerland. With this acquisition, we strengthened the pharmacy network of BENU with an even clearer focus on e-commerce. Our aim is to develop BENU into an omni-channel provider, available on-site and digitally for end customers. We initiated further reinforcement of our Swiss market with the establishment of a joint venture. On 28 April 2023, PHOENIX Pharma Switzerland AG and the family business Voigt Holding AG agreed to establish avosano AG. The 50/50 joint venture combines pharmaceutical wholesale (Voigt AG, Amedis-UE AG) and pre-wholesale (Voigt Industrie Service AG). The group employs 750 people and supplies the entire Swiss healthcare market with pharmaceutical products from four locations. The avosona Group will offer around 40,000 items directly from stock. The BENU pharmacy chain and the company Pharmapost are not part of the joint venture and will be further developed independently by PHOENIX Pharma Switzerland AG.

We also further strengthened our position in the pharmacy retail segment, particularly in a new market for us, Ireland. Here we have acquired the McCabes Pharmacy chain as of 30 April 2024. 32 McCabes locations are set to become part of the PHOENIX family. Together with 82 Lloyds-Pharmacy branches that will be operated under the McCabes brand in the future, this will form the largest pharmacy retail chain in Ireland. Additionally, we acquired 19 pharmacies in the Netherlands in fiscal year 2023/24. This led to a total of 3,289 own pharmacies in PHOENIX at the end of the fiscal year.

Strategic partnership with LINDA

PHOENIX and LINDA AG continued to drive forward their strategic partnership in fiscal year 2023/24, resulting in a joint pharmacy cooperation in which PHOENIX and LINDA are joining forces to focus on Germany's best-known pharmacy umbrella brand LINDA.

For this purpose, we launched the newly created "LINDA Partner" concept in the approximately 3,600 pharmacies of the "deineApotheke" cooperation programme. From 1 February 2023 onwards, this cooperation is available for all on-site pharmacies. The aim is to create the largest and best-known pharmacy cooperation in Germany. Even today, the cooperation comprises a range of around 25,000 Rx/OTC products and approximately 60 partners in the pharmaceutical industry. The digital focus of both partners is on the healthcare platform gesund.de, on-site, it lies with the LINDA brand. Therefore, the high-reach customer loyalty programme PAYBACK has been set up for LINDA at the brick-and-mortar stores and digitally at gesund.de.

At the beginning of 2024, PHOENIX and PAYBACK underscored their relationship since 2005 with a long-term contract extension. The on-site pharmacies can thus continue to use PAYBACK. Additionally, both partners aim to increase the number of participating pharmacies further.

Investment in the future

PHOENIX is addressing future requirements by making substantial investments in intangible assets and property, plant and equipment. In past years, we have invested to a particularly large degree in expanding and modernising the pharmacy network and distribution centres, in automation technology and in extending logistics services for the pharmaceutical industry. Investments primarily relate to replacement and restructuring investments. In fiscal year 2023/24, investments amounted to EUR 267,8m (prior year: EUR 229.1m).

As in prior years, we started and continued several infrastructure projects. These include, for example, the construction and fitout of our new, state-of-the-art logistics site in Wakefield, UK. We commissioned this as planned and thus established a location where we can offer our UK customers many additional services. We were also able to complete the new replacement distribution centre in Amsterdam within the approved schedule and budget. By connecting divisions that were previously based in different locations, we can generate numerous synergies, with a strong focus on sustainability. Both depots are based on the idea that the wholesale business area forms a core competence within PHOENIX and also offers many synergies for growth in other business area. Both centres also support the long-term development of their respective markets.

A new healthcare logistics warehouse was commissioned in Ede, the Netherlands as well as Zagreb, Croatia in fiscal year 2023/24. Since then, we have significantly more capacity and services to provide to our partners in the industry. Moreover, we opened Tamro Lithuania's new logistics location for wholesale and healthcare logistics in Kaunas, Lithuania. It provides combined healthcare and wholesale logistics services for local use.

We also continuously invested in our 214 logistics locations to maintain a high standard of quality and support our plans to increase productivity. The corresponding technology is designed and supported by our in-house Design Authority. In 2024, we will expand our presence in several countries, for example, opening a new distribution centre in Croatia geared to our wholesale customers as well as strengthening our presence in Hungary.

Climate target set for 2030

In 2023, PHOENIX set the target of carbon neutrality with regard to its own operations by 2030. Previously, the company implemented a sustainability agenda comprising five main topics: climate protection, circular economy, responsible supply chains, diversity and equal opportunities as well as social commitment. In order to drive the agenda, PHOENIX focused on developing a climate strategy in the past months. In order to achieve the ambitious target, the Company focuses in particular on the use of energy-efficient technologies, the switch to renewable energy sources, the optimisation of production processes, and the promotion of sustainable practices. Additionally, the cost-saving potential of climate protection measures should also be tapped into.

Management Board's overall assessment of the situation

PHOENIX was able to further strengthen its market position successfully in fiscal year 2023/24 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.

FINANCIAL PERFORMANCE

Key figures of the PHOENIX Pharmahandel GmbH & Co KG (consolidated)	2022/23* in EUR m	2023/24 in EUR m	Change in EUR m	Change in EUR m
Total operating performance	45,901.2	57,171.8	11,270.6	24.6
Revenue	36,316.4	47,064.7	10,748.3	29.6
Total income	4,071.1	4,782.1	711.0	17.5
EBITDA before significant one-off effects	725.2	948.6	223.4	30.8
EBITDA	1,011.5	934.8	−76.7	−7.6
EBIT	381.6	500.4	118.8	31.1
Profit before tax before significant one-off effects	312.9	378.4	65.5	20.9
Profit before tax	294.0	350.7	56.7	19.3
Profit after tax	262.5	239.6	−22.9	−8.7
Equity	3,495.1	3,644.5	149.4	4.3
Equity ratio (%)	25.6	25.5	−0.1	−0.4
Net debt	2,729.1	2,659.2	−69.9	−2.6

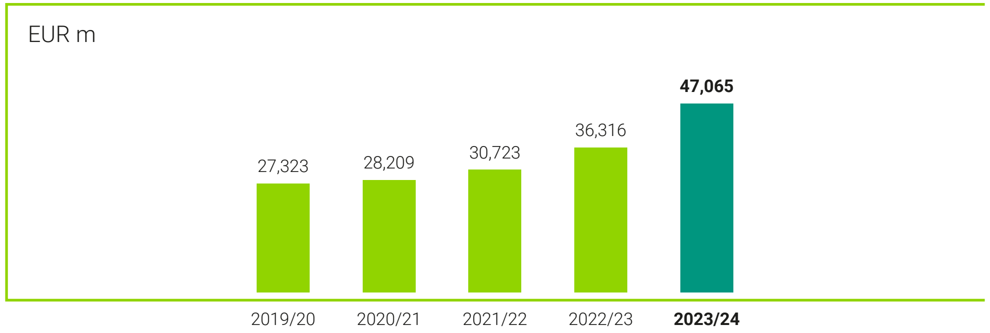
* Prior-year figures were restated due to the finalisation of a purchase price allocation.

Increase in total operating performance and revenue

PHOENIX again recorded growth in fiscal year 2023/24. Total operating performance rose by 24.6% to EUR 57,171.8m 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 25.3%.

Revenue increased by 29.6% to EUR 47,064.7m in fiscal year 2023/24 (prior year: EUR 36,316.4m). Growth was recorded in all regions. Adjusted for foreign exchange rate effects, the increase in revenue came to 30.2%. Of this increase, 25.0% is attributable to the McKesson companies acquired in the prior year, 0.2% to companies acquired in fiscal year 2023/24 and 4.4% to organic growth. This development is in line with the forecast in the 2022/23 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:

	2022/23 in EUR m	2023/24 in EUR m	Change in EUR m	Change in %
Germany	11,861.7	12,600.4	738.7	6.2
Western Europe	13,317.2	21,953.6	8,636.4	64.9
Eastern Europe	6,153.0	7,146.2	993.2	16.1
Northern Europe	5,083.8	5,442.7	358.9	7.1

Due to the acquisition of the McKesson companies in the prior year, revenue increased by EUR 8,878.2m in Western Europe and by EUR 370.0m in Eastern Europe. The deconsolidation of the wholesale activities in Switzerland had an opposite effect on revenue in Western Europe.

Adjusted EBITDA higher than in the prior year

Gross profit increased by EUR 934.8m in the reporting year to EUR 4,678.2m. The gross profit margin, calculated as gross profit in relation to revenue, fell from 10.31% in the prior year to 9.94%. This can mainly be attributed to an increased cost-of-sales ratio.

In the prior year, other operating income included a gain from the first-time consolidation of parts of McKesson Europe in the amount of EUR 286.3m.

Personnel expenses rose from EUR 1,936.7m to EUR 2,416.3m. Adjusted for currency effects, personnel expenses increased by 22.8% on the prior year; 18.3% is attributable to the McKesson companies acquired in the prior year. Further acquisitions and collective wage increases also had an impact.

Other expenses increased by EUR 306.6m to EUR 1,433.9m, primarily due to the McKesson companies only being included pro rata temporis in the prior year. In the reporting year, other expenses included a loss from deconsolidation of the wholesale activities in Switzerland of EUR 13.8m. In relation to revenue, other expenses came to 3.0% (prior year: 3.1%).

Overall, this caused earnings before interest, taxes, depreciation and amortisation (EBITDA) to decline from EUR 1,011.5m to EUR 934.8m. Adjusted for the loss from deconsolidation and the gain from the first-time consolidation in the prior year, EBITDA increased by 30.8% or EUR 223.4m compared to the comparable prior-year period and now stands at EUR 948.6m.

Profit before tax up from the prior year

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to EUR 420.5m (prior year: EUR 324.8m). The increase is mainly attributable to acquisitions. Amortisation, depreciation and impairment included depreciation of right-of-use assets under IFRS 16 of EUR 176.5m (prior year: EUR 151.0m).

In fiscal year 2023/24, impairment losses were recognised on intangible assets and property, plant and equipment in the amount of EUR 17.8m (prior year: EUR 307.3m). This mainly related to impairment of right-of-use assets of EUR 4.4m (prior year: EUR 58.9m), the impairment of pharmacy licenses of EUR 2.3m (prior year: EUR 166.1m), and the impairment of goodwill of EUR 2.0m (prior year: EUR 67.5m). Impairment losses of EUR 3.9m (prior year: EUR 2.2m) were reversed in fiscal year 2023/24, mainly on pharmacy licenses.

The effects described resulted in earnings before interest and taxes (EBIT) of EUR 500.4m overall (prior year: EUR 381.6m).

The financial result fell by EUR 62.1m to EUR – 149.7m. This includes interest expenses on lease liabilities of EUR 32.8m (prior year: EUR 24.5m). The change largely results from an increase in net interest expenses in connection with the increase in interest rate level.

Profit before tax amounted to EUR 350.7m (prior year: EUR 294.0m), up 19.3% and significantly higher than in the prior year, contrary to our statement in the 2022/23 management report which forecast profit before tax to be significantly lower than in 2022/23. The variance is primarily attributable to higher than forecast revenue and therefore higher growth in total income, which more than compensated for the higher increase in total expenses. After adjusting for significant, non-recurring effects, profit before tax increased by 20.9% or EUR 65.5m to EUR 378.4m.

Income taxes of EUR 111.0m (prior year: EUR 31.4m) were recorded, which corresponds to a tax rate of 31.7% (prior year: 10.7%). The significant increase in the tax rate is mainly due to the non-taxable gain recognised in the prior year from the first-time consolidation in connection with the acquisition of parts of McKesson Europe. Income taxes contain expenses from current taxes in the fiscal year of EUR 107.7m (prior year: EUR 77.7m) as well as deferred tax expenses of EUR 3.3m (prior year: deferred tax income of EUR 46.3m).

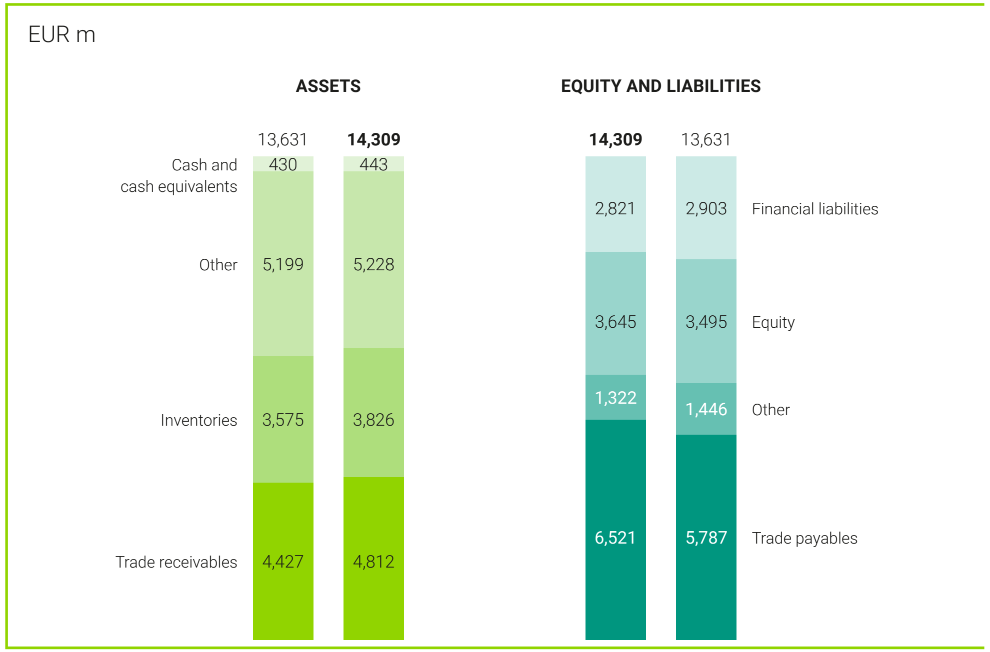
Profit after tax came to EUR 239.6m (prior year: EUR 262.5m).

ASSETS AND LIABILITIES

The group's total assets increased by 5.0% compared to 31 January 2023 to EUR 14,309.1m. The currency translation difference on total assets, which is presented in the statement of changes in equity, amounted to EUR – 124.1m (prior year: EUR – 106.9m).

Intangible assets increased due to acquisitions by EUR 132.5m to EUR 2,212.4m. As of 31 January 2024, intangible assets essentially comprised goodwill (EUR 1,437.8m; prior year: EUR 1,394.6m) and pharmacy licenses (EUR 356.1m; prior year: EUR 313.3m).

STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION



* Prior-year figures were restated due to the finalisation of a purchase price allocation.

Property, plant and equipment increased from EUR 2,281.7m in the prior year to EUR 2,287.2m. As of 31 January 2024, property, plant and equipment include right-of-use assets amounting to EUR 892.9m (prior year: EUR 862.8m).

Inventories increased by EUR 251.4m on the prior year to EUR 3,826.2m. The average number of days sales of inventory was reduced from 29.6 to 28.9 days. Trade receivables increased from EUR 4,427.0m in the prior year to EUR 4,812.0m. The average number of days sales outstanding was on par with the prior year at 38.5 (prior year: 38.4).

Receivables amounting to EUR 111.1m had been sold as of 31 January 2024 (prior year: EUR 125.6m) under off-balance-sheet ABS and factoring programmes. Under ABS and factoring programmes that are recognised only to the extent of the continuing involvement, receivables of EUR 212.0m had been sold as of 31 January 2024 (prior year: EUR 171.3m). The Group's continuing involvement came to EUR 8.5m (prior year: EUR 8.9m).

Other current financial assets rose by EUR 16.2m to EUR 111.7m.

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 3,495.1m as of 31 January 2023 to EUR 3,644.5m as of 31 January 2024. The equity ratio remained stable at 25.5% (prior year: 25.6%) and 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 is due to the fact that, contrary to our planning, total assets developed in line with the increase in equity.

	2022/23 in EUR m	2023/24 in EUR m	Change in EUR m	Change in %
Cash flow from operating activities	462.2	677.6	215.4	46.6
Cash flow from investing activities	– 657.5	– 353.9	303.6	– 46.2
Free cash flow	– 195.3	323.7	519.0	– 265.7

Cash flow from operating activities came to EUR 677.6m (prior year: EUR 462.2m). The increase is mainly due to a positive effect from the change in net working capital of EUR 116.9m in the reporting year 2023/24, compared to a negative effect from the change in net working capital of EUR 164.7m in the prior year.

Cash flow from investing activities came to EUR – 353.9m compared to EUR – 657.5m in the prior year. Business acquisitions in fiscal year 2023/24 led to a cash outflow of EUR – 108.8m (prior year: EUR – 437.0m). In the prior year, this mainly consisted of the payment of the provisional purchase price of EUR – 377.0m for the acquired McKesson companies (less cash acquired). In the prior year, the associated indirect acquisition of 45.0% of the shares in Brocacef Groep NV for EUR – 196.4m was included in cash flows from financing activities as an acquisition of additional shares in an entity that had already been consolidated. Cash received from divestitures amounted to EUR 5.5m (prior year: EUR 0.3m).

Free cash flow increased from EUR – 195.3m in the prior year to EUR 323.7m 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 increased from EUR 301.1m in the prior year to EUR 317.0m in the reporting year.

Non-current financial liabilities came to EUR 1,703.7m (prior year: EUR 1,693.3m). These include lease liabilities pursuant to IFRS 16 of EUR 806.8m (prior year: EUR 792.3m). In addition, this item contains bonds amounting to EUR 398.5m (prior year: EUR 397.5m) and promissory notes amounting to EUR 352.0m (prior year: EUR 446.0m).

Current financial liabilities came to EUR 1,117.5m (prior year: EUR 1,209.7m) as of the reporting date. This includes lease liabilities pursuant to IFRS 16 of EUR 173.0m (prior year: EUR 161.2m). This item also includes liabilities to banks of EUR 361.2m (prior year: EUR 185.5m), liabilities from ABS and factoring agreements of EUR 336.8m (prior year: EUR 281.5m) and other loans of EUR 212.9m (prior year: EUR 254.8m).

Net debt decreased by EUR 69.9m compared to 31 January 2023 to EUR 2,659.2m, according to the calculation below.

	31 January 2023 * in EUR k	31 January 2024 in EUR k	Change in EUR k	Change in %
+ Financial liabilities (non-current)	1,693,269	1,703,673	10,404	0.6
./. Derivative financial instruments (non-current)	0	– 1	– 1	-
+ Financial liabilities (current)	1,209,724	1,117,475	– 92,249	– 7.6
./. Derivative financial instruments (current)	– 5,727	– 4,214	1,513	– 26.4
./. Cash and cash equivalents	– 430,015	– 442,740	– 12,725	3.0
+ Receivables sold in the course of ABS and factoring transactions	288,071	314,626	26,555	9.2
./. Factoring receivables	– 25,341	– 28,765	– 3,424	13.5
./. Receivables from ABS programmes	– 860	– 866	– 6	0.7
Net debt	**2,729,121**	**2,659,188**	**– 69,933**	**– 2.6**

* Prior-year figures were restated due to the finalisation of a purchase price allocation.

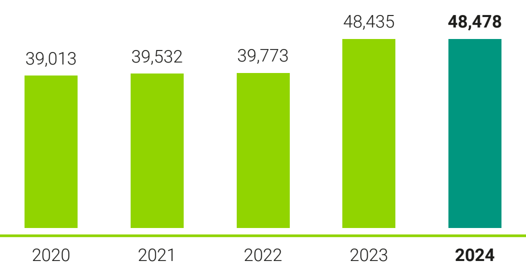
Trade payables increased by EUR 734.3m on the prior year to EUR 6,520.9m.

EMPLOYEES

At the end of fiscal year 2023/24, PHOENIX had 48,478 employees across Europe. This roughly corresponds to the number of employees in the prior year. The number of full-time equivalents increased by 17.33% to 41,276, primarily due to the McKesson companies only being included pro rata temporis in the prior year. Broken down by region, the majority of the employees were in Germany, the UK, the Netherlands and Norway.

DEVELOPMENT OF EMPLOYEES

Number as of 31 January



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. In 2023, we conducted a group-wide employee survey in all countries, exclusively online, for the second time. 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 chooses which topics it wants to prioritise and how often the pulse check is performed.

EMPLOYEES BY COUNTRY

as of 31 January 2024

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 new requirements of the modern world of work. With the "Data Academy", we rolled out another extensive, international programme in the past year. 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.

We launched the project "Workspace 2022" in order to strengthen collaboration and on-site dialogue and combined this with the ability to work remotely. Following a location-wide survey of employees in December 2021, the project team developed measures to respond to new requirements. These relate to closer collaboration across departments, the efficient use of our office space and the consideration of the individual needs of the departments depending on their different ways of working. The growing Mannheim Campus was also taken into account in this regard. The opening of "COLAB" in November 2022 created a modern working environment that offers space for creative, collaborative, and interdisciplinary cooperation. The implementation of our two approaches "Activity Based Working" and "Desk Sharing" – working at "shared" desks – helps to drive cultural transformation forward.

In addition to #wePHOENIX, we developed #iPHOENIX in the fiscal year. It is aimed at the executives of PHOENIX and contains a code of conduct that is applicable throughout the company and is intended to support the roll-out and implementation of our new mission statement. It also defines the expectations for our executives with a focus on reinforcing the conduct that drives the Company's success and WINGS. We are working on integrating #iPHOENIX into HR processes and tools throughout the Group in the future.

Solid basic and advanced training

Good employees are and will be critical to successfully operate on the market now and in the future. Our aim is to increasingly cover the growing demand for professionals and management from our own ranks. We therefore attach high importance to the training and development of our employees. 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. Digital technologies are having an increasing impact and support the learning of our employees and executives. For example, in Germany, we have a valuable training tool in PHOENIX LERNWELT. It brings together our entire range of trainings online in accordance with the principle of managing your own learning. LERNWELT offers year-round seminars for all PHOENIX employees specialised for the target groups. This includes internal training offerings in the areas of health, labour law, and controlling, as well as specialist seminars for training officers or language courses, IT courses and behavioural training by external partners. The area of leadership contains additional initiatives designed especially for PHOENIX targeted at new executives, experienced executives, and employees not in a managerial role. These consist of multiple modules and are continuously enhanced. For example, in fiscal year 2023/24, employees and executives in Germany took part in a total of 70 internal training activities. Similar offerings are set up in other countries and are being continuously expanded.

Additionally, our Europe-wide e-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. For example, we introduced two e-learning courses as part of the "Data Academy": an introductory course on data analysis and an in-depth course that trains employees to be citizen data scientists. There are also local e-leaning management systems in the individual countries in order to respond to individual, country-specific requirements. In-person training is also still being provided: all PHOENIX employees attend induction programmes and training in line with their functions. Our excellence programmes also strengthen international collaboration and the exchange of best practices within PHOENIX.

We have made targeted investments in the next generation of management and have set ourselves the goal of filling senior management positions internally where possible. To this end, we established the LIFT Talent Initiative as part of the strategic agenda WINGS. The initiative is aimed at developing and advancing high potentials at our company. With a strong co-creation approach, innovative formats and interdisciplinary work on current as well as relevant operating topics, the initiative strengthens participants' leadership and cross-functional skills. It also prepares them for senior management functions within PHOENIX. One highlight in the past year was the participation of the "LIFTees" in the PHOENIX International Management Meeting (PIMM). This is our platform for intensive dialogue between the Management Board of PHOENIX, the country boards and the senior management with international responsibility. Additionally, based on the success of LIFT, we launched a new programme, RUNWAY, to supplement LIFT as a talent programme for executive and expert roles in middle management.

PHOENIX offers young people a wide range of opportunities to join, such as internships, apprenticeships and combined courses of study. In fiscal year 2023/24, in Germany, we employed 64 trainees and 19 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 degrees in business administration (commerce, digital commerce management, international business administration and management), business informatics and engineering 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. Additionally, students and trainees of PHOENIX are creating an Instagram channel to provide insights into their training. The company also has an increasing presence on other social media platforms.

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

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.

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.

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 15% 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 the 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 2023/24, we complied with the agreed covenants with a clear 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.

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 McKesson Europe in the prior year 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 p. 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.

FORECAST

- Future economic development still subject to uncertainty
- Forecast anticipates that revenue growth will be slightly above that of the European pharmaceutical markets
- Profit before tax set to be moderately above prior year

FUTURE ECONOMIC ENVIRONMENT

For 2024, the IMF expects the global economy to grow by 3.1%. However, there continue to be risks that could lead to a deterioration in the situation such as an escalation of the Russian war of aggression in Ukraine and a debt crisis due to the strict monetary policy imposed by central banks. For the eurozone, experts from the IMF are forecasting a 0.9% increase in GDP and growth of 0.5% for Germany. Although we conduct almost no business in Ukraine or Russia, there continues to be an indirect negative impact on PHOENIX's assets, liabilities, financial position, and financial performance on account of the high fuel and energy prices.

We expect the pharmaceutical markets in Europe to record market growth of around 5.0% overall in 2024. In Germany, our largest market, we anticipate market growth of approximately 5.1%.

FUTURE DEVELOPMENT OF THE PHOENIX GROUP

For fiscal year 2024/25, PHOENIX expects to further expand its market position in Europe through organic growth and acquisitions and thereby increase revenue slightly above the level of growth of the European pharmaceutical markets. We expect revenue growth in nearly all markets in which we are present.

We forecast profit before tax to increase moderately in fiscal year 2024/25 compared to 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, 30 April 2024

The Management Board of the unlimited partner
PHOENIX Verwaltungs GmbH

Sven Seidel (Chair) | Stephen Anderson | Marcus Freitag | Stefan Herfeld

Leon Jankelevitsh | Dr Carsten Sauerland | Dr Roland Schütz

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS

2023/2024

CONSOLIDATED INCOME STATEMENT

for fiscal year 2023/24

EUR k	Note	2022/23 *	2023/24
Revenue	1	**36,316,362**	**47,064,738**
Cost of purchased goods and services		– 32,572,975	– 42,386,557
Gross profit		**3,743,387**	**4,678,181**
Other operating income	2	327,700	103,902
Personnel expenses	3	– 1,936,747	– 2,416,349
Other operating expenses	4	– 1,127,360	– 1,433,933
Results from associates and joint ventures	5, 12	– 3,982	– 5,503
Results from other investments	5	8,538	8,544
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**1,011,536**	**934,842**
Amortisation of intangible assets and depreciation of property, plant and equipment	6	– 324,818	– 420,530
Impairment of intangible assets and property, plant and equipment	6	– 305,164	– 13,913
Earnings before interest and taxes (EBIT)		**381,554**	**500,399**
Interest income		12,209	19,663
Interest expenses		– 96,228	– 159,453
Other financial result		– 3,578	– 9,953
Financial result	7	**– 87,597**	**– 149,743**
Profit before tax		**293,957**	**350,656**
Income taxes	8	– 31,408	– 111,042
Profit after tax		**262,549**	**239,614**
thereof attributable to non-controlling interests		29,142	16,378
thereof attributable to the shareholders of the parent company		233,407	223,236

* Prior-year figures were restated due to the finalisation of a purchase price allocation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for fiscal year 2023/24

EUR k	2022/23 *	2023/24
Profit after tax	**262,549**	**239,614**
Items not reclassified to profit or loss		
Remeasurement of defined benefit plans	26,239	– 23,703
Items that may be subsequently reclassified to profit or loss as a result		
Currency translation differences	– 7,618	– 17,034
Components of other comprehensive income, net of tax	**18,621**	**– 40,737**
Total comprehensive income	**281,170**	**198,877**
thereof attributable to non-controlling interests	28,700	16,538
thereof attributable to the shareholders of the parent company	252,470	182,339

* Prior-year figures were restated due to the finalisation of a purchase price allocation.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as of 31 January 2024

ASSETS

EUR k	Note	31 Jan 2023 *	31 Jan 2024
Non-current assets			
Intangible assets	9	2,079,881	2,212,401
Property, plant and equipment	10	2,281,662	2,287,157
Investment property	10, 11	3,989	3,833
Investments in associates and joint ventures	12	9,215	38,593
Trade receivables	13	4,824	11,552
Other financial assets	13	108,196	110,850
Deferred tax assets	8	149,522	150,889
Income tax receivables		84	68
		4,637,373	**4,815,343**
Current assets			
Inventories	14	3,574,811	3,826,193
Trade receivables	15	4,422,173	4,800,419
Income tax receivables		30,209	33,590
Other financial assets	15	95,479	111,661
Other assets	16	295,073	265,836
Cash and cash equivalents	17	430,015	442,740
		8,847,760	**9,480,439**
Non-current assets held for sale	24	145,982	13,366
Total assets		**13,631,115**	**14,309,148**

* Prior-year figures were restated due to the finalisation of a purchase price allocation.

EQUITY AND LIABILITIES

EUR k	Note	31 Jan 2023 *	31 Jan 2024
Equity			
Unlimited and limited partners' capital	18	851,000	851,000
Reserves	18	2,823,510	3,017,595
Accumulated other comprehensive income	18	−294,943	−340,350
Equity attributable to the shareholders of the parent company		**3,379,567**	**3,528,245**
Non-controlling interests	12, 18	115,539	116,296
		3,495,106	**3,644,541**
Non-current liabilities			
Financial liabilities	21	1,693,269	1,703,673
Trade payables	22	633	222
Provisions for pensions and similar obligations	19	301,139	316,967
Other non-current provisions	20	17,710	17,675
Deferred tax liabilities	8	240,215	243,905
Income tax liabilities		5	5
Other non-current liabilities		887	5,623
		2,253,858	**2,288,070**
Current liabilities			
Financial liabilities	21	1,209,724	1,117,475
Trade payables	22	5,785,956	6,520,628
Other provisions	20	101,918	81,253
Income tax liabilities		72,280	73,914
Other liabilities	23	555,043	575,803
		7,724,921	**8,369,073**
Liabilities directly associated with assets held for sale	24	157,230	7,464
Total equity and liabilities		**13,631,115**	**14,309,148**

* Prior-year figures were restated due to the finalisation of a purchase price allocation.

CONSOLIDATED STATEMENT OF CASH FLOWS for fiscal year 2023/24

EUR k	31 Jan 2023 *	31 Jan 2024
Profit after tax	**262,549**	**239,614**
Income taxes	31,408	111,042
Profit before income taxes	**293,957**	**350,656**
Adjustments for:		
Interest expenses and interest income	84,019	139,790
Amortisation / depreciation / impairment / write-ups of intangible assets, property, plant and equipment and investment property	629,982	434,443
Result from associates and other investments	– 4,556	– 3,041
Net result from the disposal of assets related to investing activities	13,733	– 21,318
Other non-cash expense and income	– 40,568	242,857
	976,567	**1,143,387**
Interest paid	– 71,060	– 136,019
Interest received	9,945	17,921
Income taxes paid	– 89,549	– 111,960
Dividends received	12,180	8,726
Cash flow before change in assets and liabilities	**838,083**	**922,055**
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	– 50,498	– 41,581
Cash flow before change in operating assets and liabilities	**787,585**	**880,474**
Change in inventories	– 120,050	– 248,009
Change in trade receivables	– 510,463	– 451,597
Change in trade payables	465,839	816,552
	– 164,674	**116,946**
Change in other assets and liabilities not related to investing or financing activities	– 160,702	– 319,782
Change in operating assets and liabilities	**– 325,376**	**– 202,836**
Cash flow from operating activities	**462,209**	**677,638**
Acquisition of consolidated companies and business units, net of cash acquired	– 437,012	– 108,792
Capital expenditures for intangible assets, property, plant and equipment, and investment property	– 229,053	– 267,754
Issue of loans to shareholders in the parent company	– 3,000	0
Investment in other financial assets and non-current assets	– 6,360	– 31,654
Cash outflows for investments	**– 675,425**	**– 408,200**

EUR k	31 Jan 2023 *	31 Jan 2024
Cash received from the sale of consolidated companies and business units, net of cash disposed	311	5,546
Cash received from disposal of intangible assets, property, plant and equipment and investment property	13,729	44,360
Proceeds from loans to shareholders in the parent company	0	3,000
Proceeds from other financial assets and non-current assets	3,839	1,356
Cash inflows from realised investments and divestments	**17,879**	**54,262**
Cash flow from investing activities	**– 657,546**	**– 353,938**
Cash available for financing activities	**– 195,337**	**323,700**
Capital contribution from / repayment to non-controlling interests	– 1,277	– 1,824
Acquisition of additional shares in already consolidated subsidiaries	– 198,749	– 27
Proceeds from disposal of interests in subsidiaries without loss of control	95	102
Dividends paid to non-controlling interests	– 17,925	– 51,344
Proceeds from bond issuance and bank loans	463,317	523,178
Repayment of bonds and bank loans	– 413,752	– 454,385
Change in bank loans which have a maturity period of 3 months or less	71,556	105,410
Proceeds from the issue of loans from shareholders in the parent company	0	31,850
Repayment of loans from shareholders in the parent company	– 3,845	– 6,978
Proceeds from the issue of loans from related parties	20,000	0
Repayment of loans from related parties	– 45,000	– 55,000
Change in ABS / Factoring	– 21,879	5,947
Change in finance lease	– 155,752	– 175,300
Change in other financial liabilities	– 2,786	– 233,158
Cash flow from financing activities	**– 305,997**	**– 311,529**
Changes in cash and cash equivalents	**– 501,334**	**12,171**
Effect of exchange rate changes on cash and cash equivalents	636	554
Cash and cash equivalents at the beginning of the period	964,327	430,015
Cash and cash equivalents at the end of the period	463,629	442,740
Less cash and cash equivalents included in assets held for sale	– 33,614	0
Cash and cash equivalents presented in the balance sheet at the end of the period	**430,015**	**442,740**

* Prior-year figures were restated due to the finalisation of a purchase price allocation.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for fiscal year 2023/24

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 2022	**851,000**	**2,530,644**	**–99,902**	**–214,104**	**3,067,638**	**315,445**	**3,383,083**
Profit after tax *		233,407			233,407	29,142	262,549
Accumulated other comprehensive income			–6,981	26,044	19,063	–442	18,621
Total comprehensive income after taxes		**233,407**	**–6,981**	**26,044**	**252,470**	**28,700**	**281,170**
Changes in basis of consolidation *		9			9	48,057	48,066
Changes in the interest of consolidated companies		60,075			60,075	–258,835	–198,760
Dividends					0	–17,867	–17,867
Other transactions with owners		4			4	52	56
Other changes in equity		–629			–629	–13	–642
31 January 2023	**851,000**	**2,823,510**	**–106,883**	**–188,060**	**3,379,567**	**115,539**	**3,495,106**
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 the 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**

* Prior-year figures were restated due to the finalisation of a purchase price allocation.

FINANCIAL CALENDAR 2024

Please consult our calendar for the most important announcement dates:

19 June	Quarterly statement February to April 2024
25 September	Half-year report February to July 2024
19 December	Quarterly statement February to October 2024

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