

# Oriola's year 2022

CEO Katarina Gabrielson





## Content

**Oriola in brief**

---

**Key events in 2022**

---

**Sustainability**

---

**Financial performance in 2022**

---

**Priorities in 2023**

---



# We create value through the entire healthcare value chain

Securing the distribution of medicines to patients and customers is a key element in the Nordic welfare societies and the healthcare system.

Oriola has been serving customers in this area since the establishment of its first medicine wholesaler in 1907. The company's long tradition has set the foundation for our unrivalled knowledge and expertise in the pharmaceutical sector.

We take pride in enhancing the availability and safe use of medicines and healthcare products.

# Strong position in the health and wellbeing markets in Finland and Sweden

Local scale and services

Wide offering of expert services

Long experience

Stable operating environment

Professional supply chain

Sustainability at the core of business

Invoicing

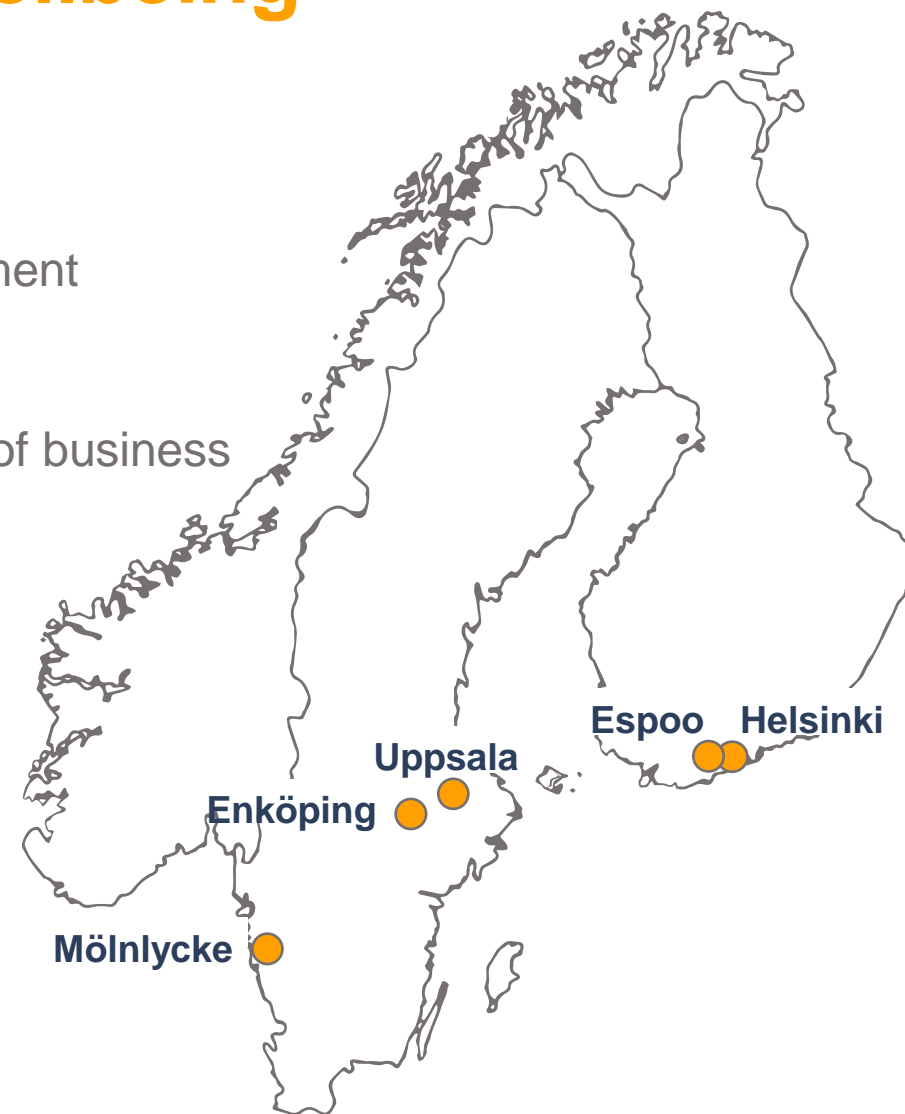
**3.6**  
EUR billion

Adj. EBIT\*

**19.7**  
EUR million

Employees

**933**



\* Excluding contribution from joint venture

# Our management team driving the transformation



**Katarina Gabrielson**

CEO

Shareholding: 53 157 B shares



**Timo Leinonen**

Chief Financial Officer (CFO)

Shareholding: 6 000 B shares



**Petri Boman**

Chief Supply Chain Officer  
(CSCO)

Shareholding: 0



**Mikael Nurmi**

Chief Digital Officer (CDO)

Shareholding: 0



**Hannes Hasselrot**

Chief Commercial Officer  
(CCO)

Shareholding: 4 712 B shares



**Petter Sandström**

General Counsel (GC)

Shareholding: 26 521 B shares



**An eventful year of 2022**

# Short-term turnaround and transformation

Turnaround and transformation plan initiated.

Actions leading to annual EUR 7 million cost savings completed.

Pharmacy operations in Sweden combined into a new joint venture.

New operating model to improve operational, commercial and supply chain excellence.

2021

2022



# We delivered on our strategic initiatives

## Oriola's turnaround

**Focus on  
transformation and  
increased profitability**

**Key priorities:**

- › **Cost savings**
- › **Optimised operational efficiency**
- › **Driving cultural change**
- › **Improved customer experience**

### Deliveries during 2022

**Simplified operating model**

**Rigorous cost management**

**Tactical changes in the business structure**

**Improved customer relationship management**



# Combining of pharmacy businesses into a joint venture

## A significant step in our transformation

- Oriola and Euroapotheca combined their consumer pharmacy businesses in Sweden into a joint venture named Swedish Pharmacy Holding AB – using the brand Kronans Apotek
- Third-largest player in the Swedish pharmacy market by revenue
- The new company is owned 50/50 percent, Oriola is committed to long-term ownership

## We embarked on a transformation journey

- A new operating model implemented in October after the completion of Kronans Apotek transaction
- Captures the full value of our business
- Established cross-market responsibilities to create synergies and achieve operational, commercial and supply chain excellence
- We continue to have a strong local presence and work closely together across countries, teams and business units

# Health for life: sustainability at the core

## Society

### Improving people's health

- Safe and timely delivery of medicines
- Sustainable usage of medicines
- Advancing health and wellbeing in the society
- Cooperation with ethical partners

## People

### Sustainable people journey

- Competence and development of personnel
- Promoting health, wellbeing and safety as an employer
- An equal and fair workplace supporting diversity and inclusion

## Planet

### Carbon neutrality by 2030

- Minimise environmental impact of pharmaceutical waste
- Minimise waste and increase recycling rate
- Energy efficiency
- Reduce CO<sub>2</sub> emissions

**Committed to the UN Sustainable Development Goals (SDGs)**



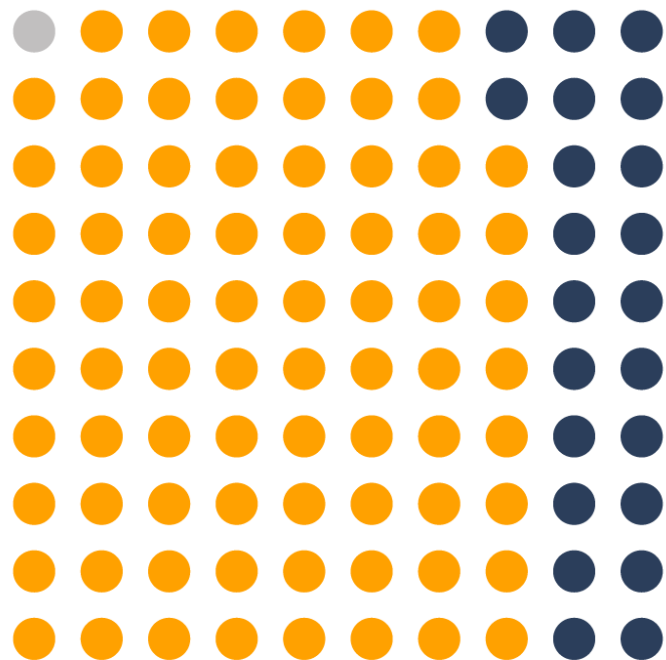


# We are committed to carbon neutrality 2030

Continuous long-term work to reduce our carbon footprint

SCOPE 1

SCOPE 2



SCOPE 3



AROUND  
**0.4%**  
OF TOTAL EMISSIONS

Our direct emissions (SCOPE 1) come from refrigerants.



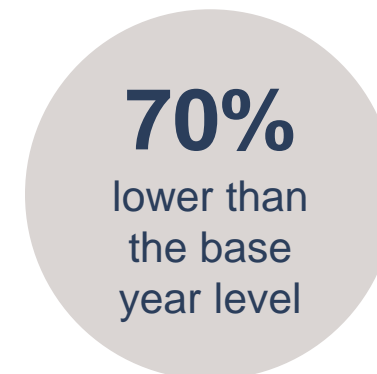
AROUND  
**22%**  
OF TOTAL EMISSIONS

Emissions from purchased energy (SCOPE 2) come from electricity and heating.



AROUND  
**78%**  
OF TOTAL EMISSIONS

Indirect emissions from supply chain (SCOPE 3) include packaging materials, transport, waste, business travel and employee commuting.



The carbon footprint has been calculated in accordance with the Greenhouse Gas Protocol accounting principles and covers the whole company.

# Sustainability highlights

**99.6%**  
pharmaceutical  
delivery accuracy in  
Finland

**91%**  
renewable electricity  
and carbon neutral  
heat

**83%**  
recycling rate  
improved

Target 2023:  
**98%**  
delivery accuracy  
in Finland

Target 2023:  
**100%**  
renewable  
energy

Target 2023:  
**87%**  
recycling rate

## Recognitions



Best leadership  
level with score  
A-



Renewed  
AAA



Achieved  
Prime C+



Among top  
15% (2021)

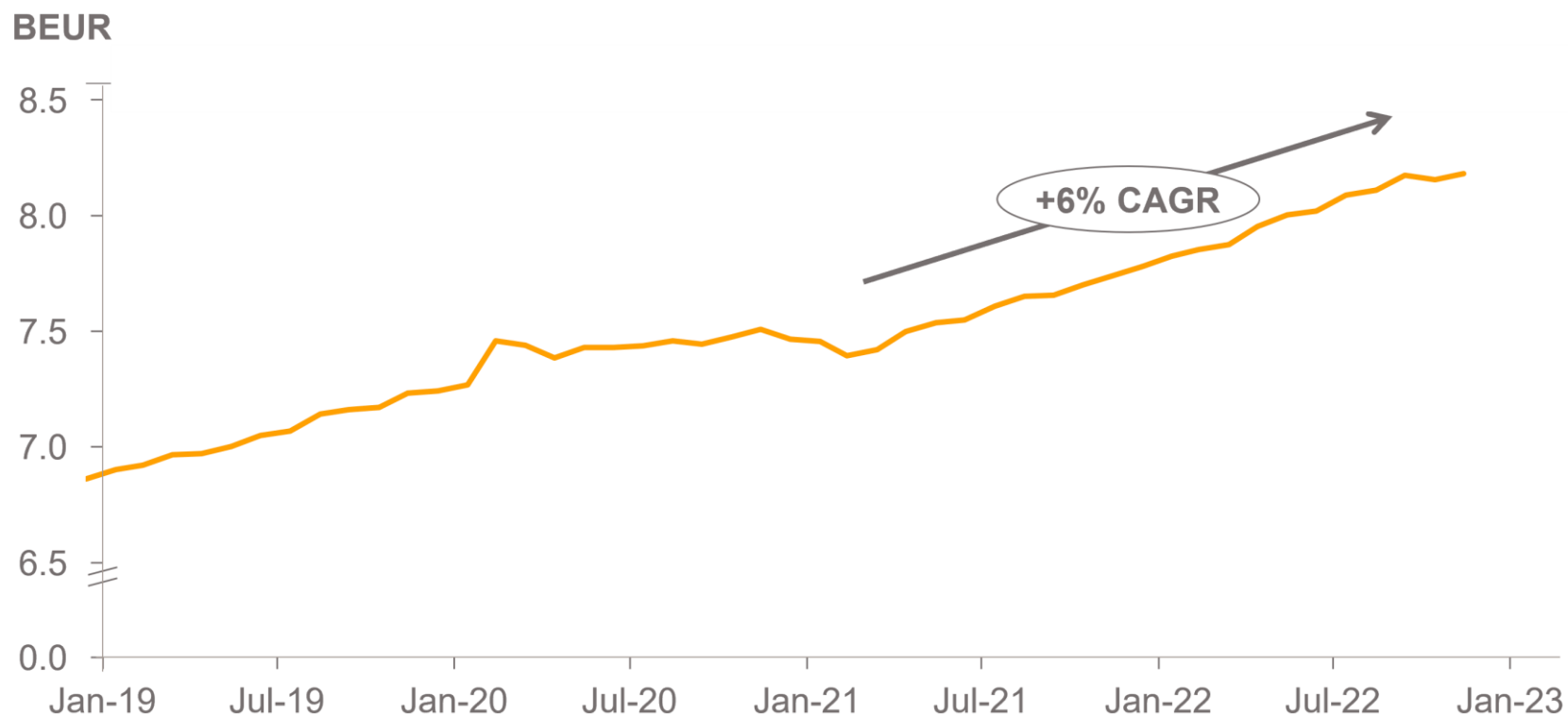


# Financial performance in 2022



# Pharmaceutical wholesale markets are growing

## Finland and Sweden combined market size



Source: IQVIA, LTK. Market size is 12 month rolling market value. SEK/EUR average exchange rate for 2022.

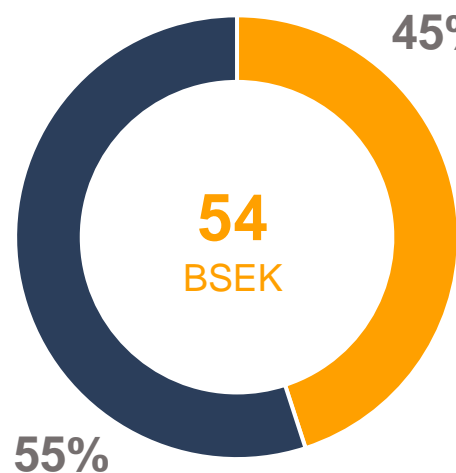
## Market trends and drivers

- Ageing population
- Wellbeing and healthcare
- Pet ownership
- Online pharmaceuticals / digitalisation
- Generics in all markets
- Safeguarding of availability, part of infrastructure
- Speciality products
- Over-the-Counter (OTC) traded goods and services
- Personalised and targeted medicines

# Market share development

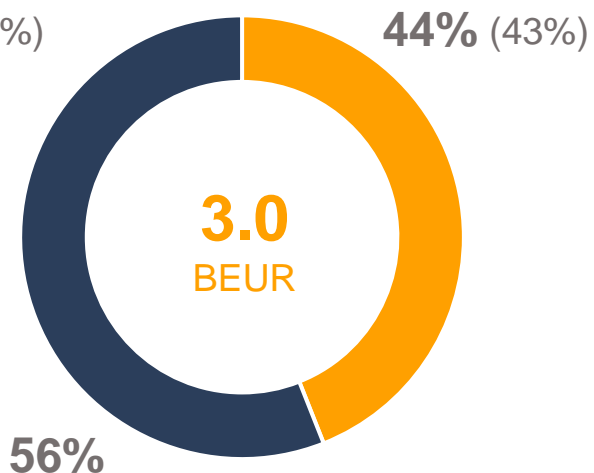
## Pharmaceutical wholesale – market share

### Sweden



**54**  
BSEK

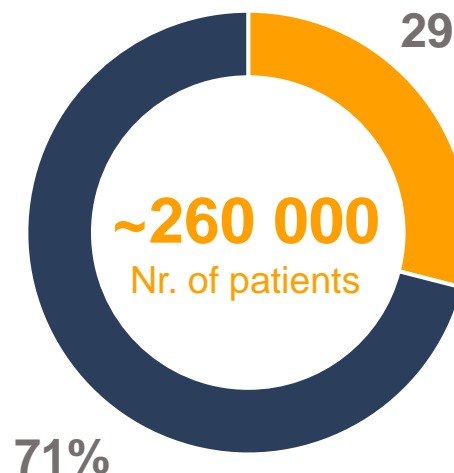
### Finland



**3.0**  
BEUR

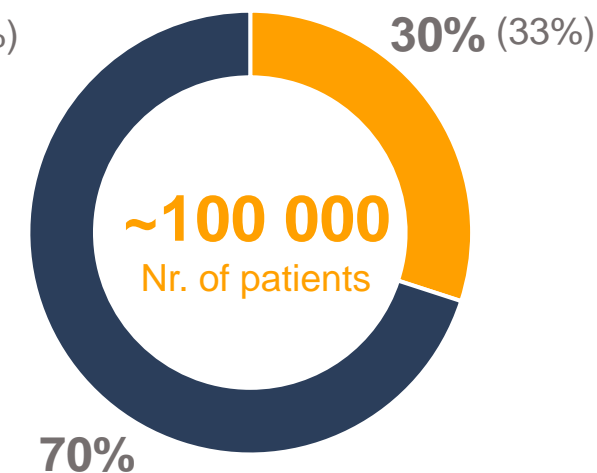
## Dose dispensing – market share

### Sweden



**~260 000**  
Nr. of patients

### Finland



**~100 000**  
Nr. of patients

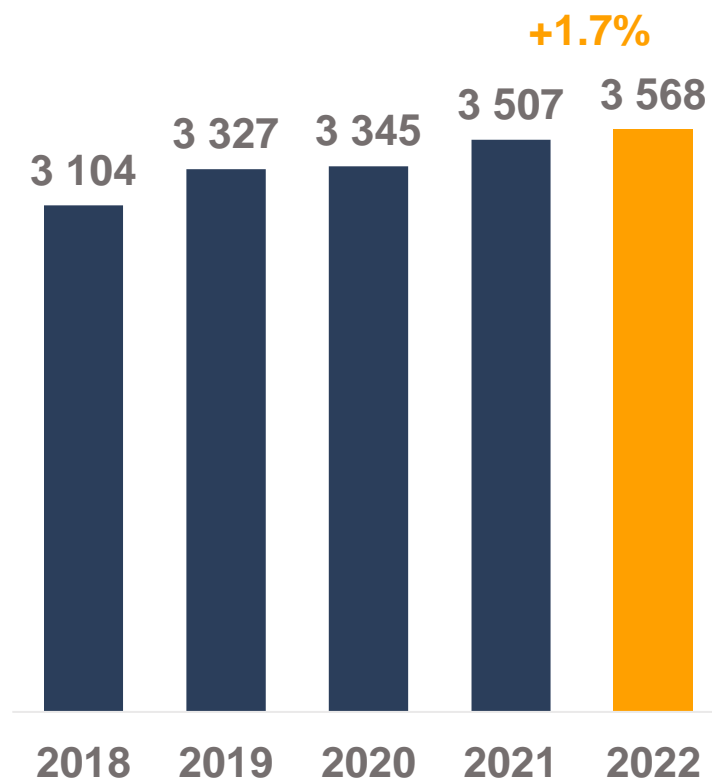
Market shares at year-end 2022

■ Oriola ■ Others

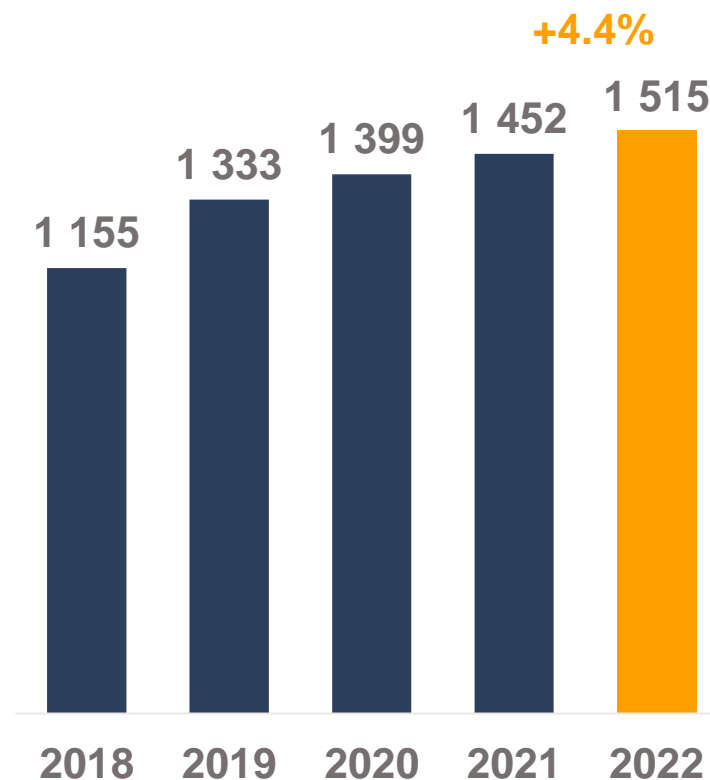
# Solid performance

Key financials, continuing operations

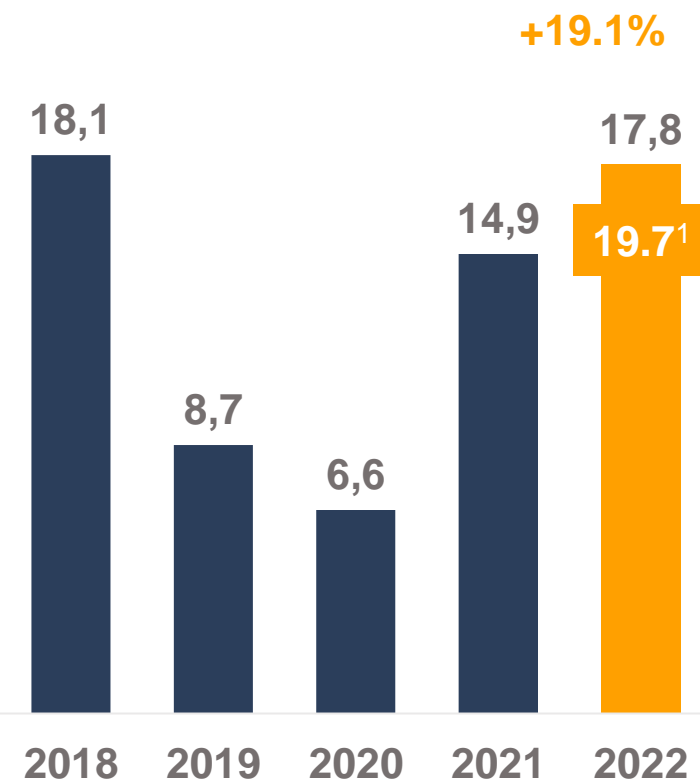
**Invoicing** EUR million



**Net sales** EUR million



**Adjusted EBIT** EUR million



1 Adj. EBIT excl. contribution from joint venture



# Strong balance sheet and cash flow

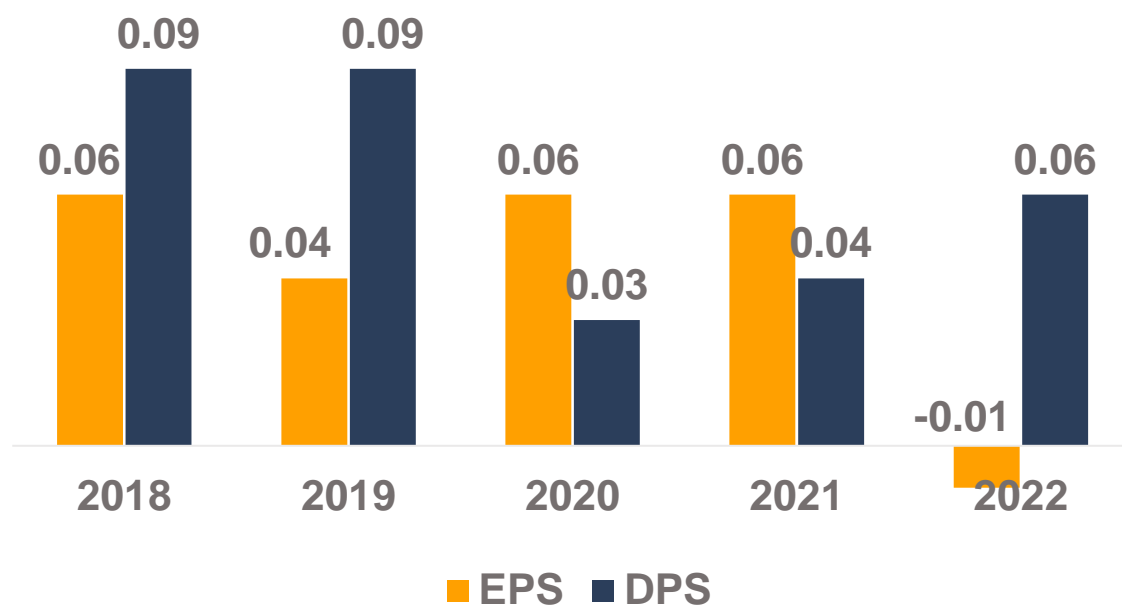
Group key figures, continuing operations

	2022	2021	Change %
Invoicing, EUR million	3 568.0	3 506.9	1.7
Net sales, EUR million	1 515.5	1 452.2	4.4
Adjusted EBIT, EUR million	17.8	14.9	19.1
EBIT, EUR million	7.6	10.7	-29.0
Profit for the period, EUR million	4.8	8.6	-44.9
Earnings per share, EUR	0.03	0.05	-44,9
Net cash flow from operating activities, EUR million <sup>1</sup>	77.9	40.0	
Net interest-bearing debt, EUR million <sup>1</sup>	-23.7	100.8	
Gearing, % <sup>1</sup>	-10.5	46.5	
Equity ratio, % <sup>1</sup>	23.8	20.1	

<sup>1</sup> Year 2021 includes discontinued operations

# Board's dividend proposal

## Dividend payout EUR per share



The Board of Directors proposes to the AGM that a dividend of EUR 0.06 per share be paid for 2022.

Record date: 23 March

Payment date: 14 April



# Our priorities in 2023



# Long-term financial targets

Continuing operations, excl. IFRS16

Target	Business growth at market growth	Annual EPS growth over 5% w/o adj. items	ROCE over 20%	Adjusted gearing lower than 70%
Achievement	4,9% <sup>1</sup>	9% (LTM)	1,9%	-10,5%

## Dividend policy

Oriola aims to pay an increasing annual dividend of at least 50 per cent of its earnings per share.

<sup>1</sup> Invoicing growth, constant currency

# Our key priorities 2023

## Profitable growth

Drive focused and profitable growth

## Efficiency

Increase operational and capital efficiency

## Culture

Enhance value creation through a collaborative culture

The preferred business partner in the Nordics

Sustainability at the core

The forerunner in the advanced distribution of pharmaceuticals and in providing advisory services to pharmaceutical companies

## Outlook for 2023

**Oriola expects the adjusted EBIT, excluding the contribution from the joint venture Swedish Pharmacy Holding AB, to remain on the same level compared to 2022.**

The outlook takes into consideration the significant negative impact on Oriola's profitability from the loss of public tenders and consequently of patients in the dose dispensing business in Sweden. The dose dispensing business in Sweden will focus on new customer segments to develop the business. Furthermore, the recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

The adjusted EBIT in 2022 was EUR 19.7 million, excluding the contribution from the joint venture Swedish Pharmacy Holding AB.





**Thank you**