



# Interim Report January-March 2024

25 April 2024

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## Agenda

- Q1 2024 highlights
- Operating environment
- Segments
- Financial review
- Q&A

# Q1 24

Net sales

**375 (360) +4%**

EUR million

Adjusted EBIT excl. Dose Sweden

**4.5 (3.9) +14%**

EUR million

Adjusted EBIT

**4.0 (3.5) +13%**

EUR million

## Sales growth and improved profitability

- Net sales growth driven by both Distribution and Wholesale segments
- Profitability improvement was supported by lower operating expenses compared with the previous year, and lower freight costs.
- Implementation of our refined strategy, launched at the end of last year, has progressed well
- At joint venture company Kronans Apotek the focus remains on long-term profitability improvement, integration activities and business development – new CEO Tomas Rupšys from 17 April 2024



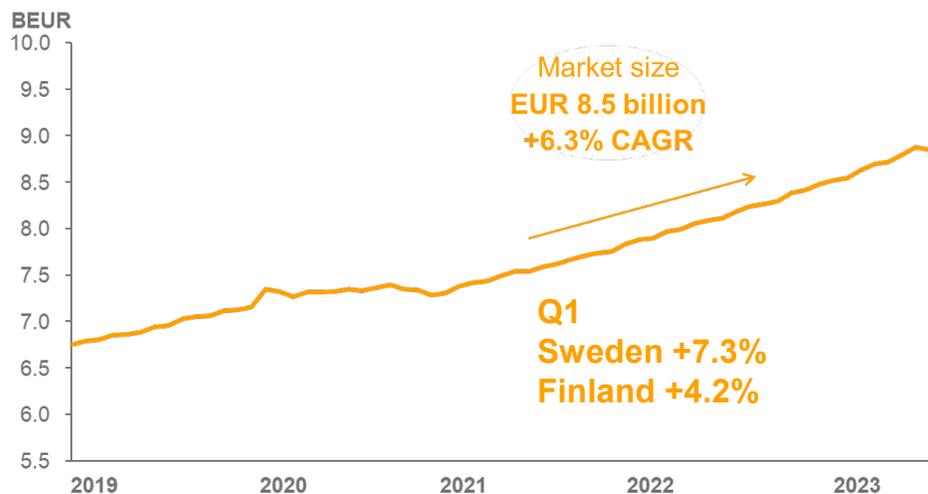
## Operating environment

- Overall operating environment somewhat stabilised from last year, although consumer confidence remained weak.
- Cost inflation has slowed down, with more stabilised energy prices while fuel prices have fluctuated.
- Pharmaceutical distribution market continued a steady growth.
- The challenges in the availability of pharmaceuticals remained tight across Europe.

# Pharmaceutical wholesale markets growing

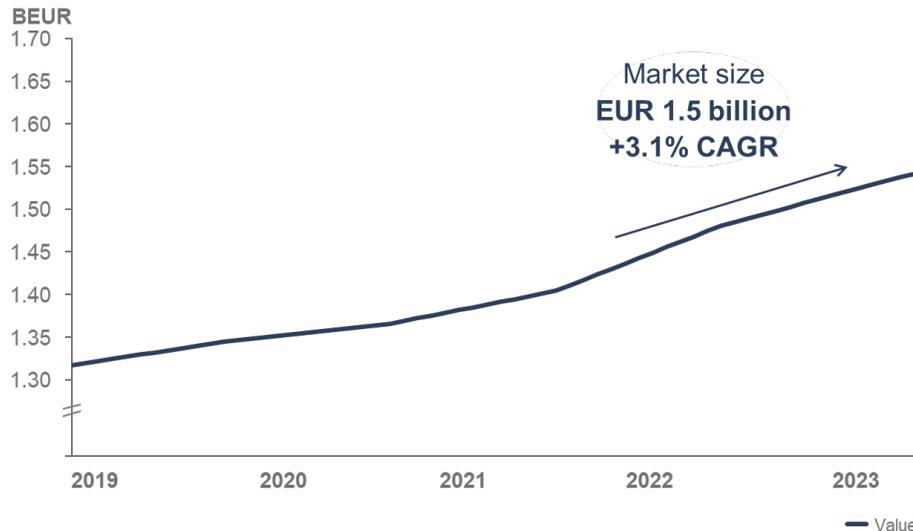
## Finland and Sweden markets combined

### Pharmaceutical distribution



Source: IQVIA, LTK. Market size is 12 month rolling market value. SEK/EUR average exchange rate for 2023. CAGR 2022-2023.

### Consumer health

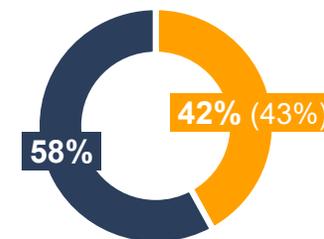


Source: Euromonitor. Market size is 12 month rolling market value. SEK/EUR average exchange rate for 2023. CAGR 2022-2023.

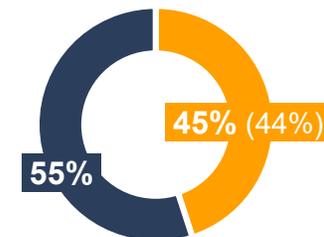
## Market shares

### Pharmaceutical distribution

#### Sweden

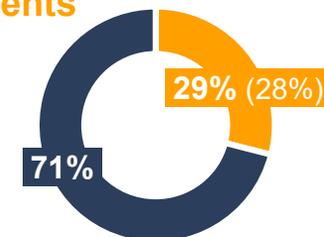


#### Finland



### Dose dispensing in Finland

#### 110,000 patients



Legend: ■ Oriola ■ Others

# New reporting segments



## Distribution segment

- Pharmaceutical logistics
- Dose dispensing services

### Key figures 2023

Excl. Swedish dose dispensing business

- Net sales: EUR 1,170.4 (1,112.1) million
- Adjusted EBIT: EUR 17.4 (13.8) million
- Personnel: 396 (333)



## Wholesale segment

- Wholesale of traded goods and over-the-counter (OTC) products
- Parallel import
- Special licensed medicines
- Advisory services

### Key figures 2023

- Net sales: EUR 305.7 (351.4) million
- Adjusted EBIT: EUR 8.9 (6.5) million
- Personnel: 284 (250)

## Net sales by segment<sup>1</sup> %



## Adj. EBIT by segment<sup>2</sup> %



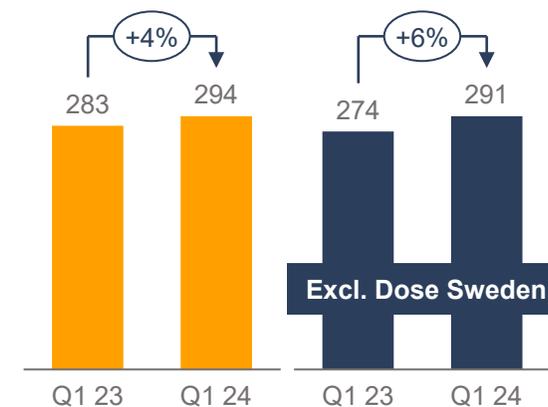
<sup>1</sup>Net sales between segments EUR -0.4m  
<sup>2</sup>Group administration and others EUR -6.8m  
 Key figures are unaudited



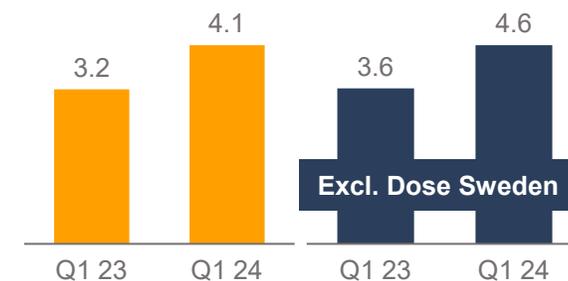
## Distribution segment

- Net sales growth driven by steady market growth
- Profitability improved by 29%
- Lower cost base year-on-year
- Continue to build on steady development from last year
- Stable market shares
- New customers and renewed contracts

Net sales EUR million



Adjusted EBIT EUR million

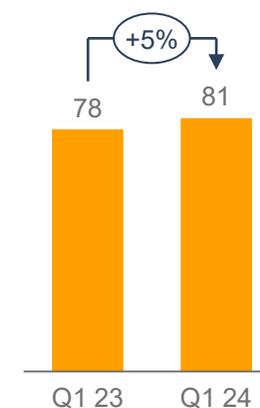




## Wholesale segment

- Good growth on topline
- Solid performance in Swedish wholesale business
- Good development in advisory services
- Profitability burdened by lower volumes in Finnish wholesale business
- Long-term strategic goal to grow wholesale business by developing brand portfolio and product categories

**Net sales** EUR million



**Adjusted EBIT** EUR million

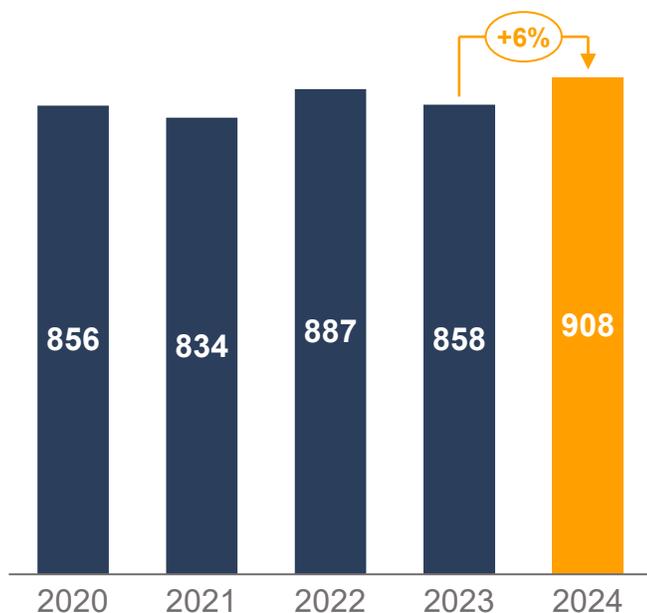


# Financial review

# Sales growth and improved profitability

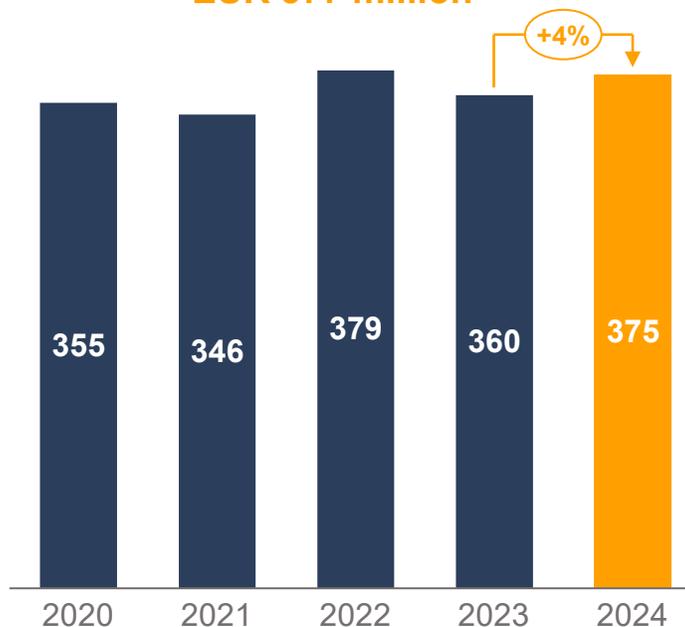
## Invoicing Q1 EUR million

In constant currency:  
+6%  
EUR 912 million



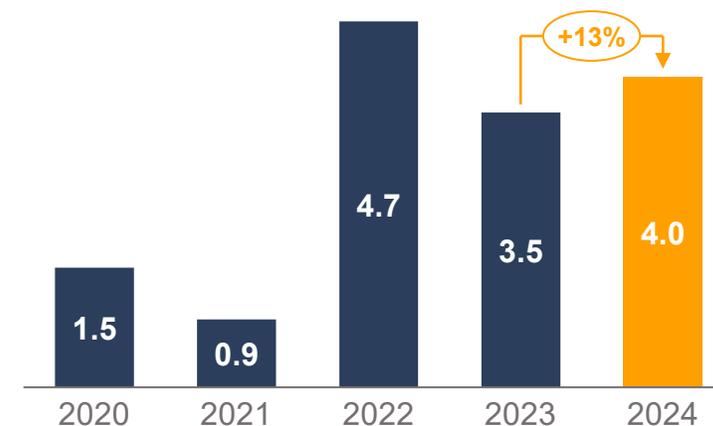
## Net sales Q1 EUR million

In constant currency:  
+5%  
EUR 377 million



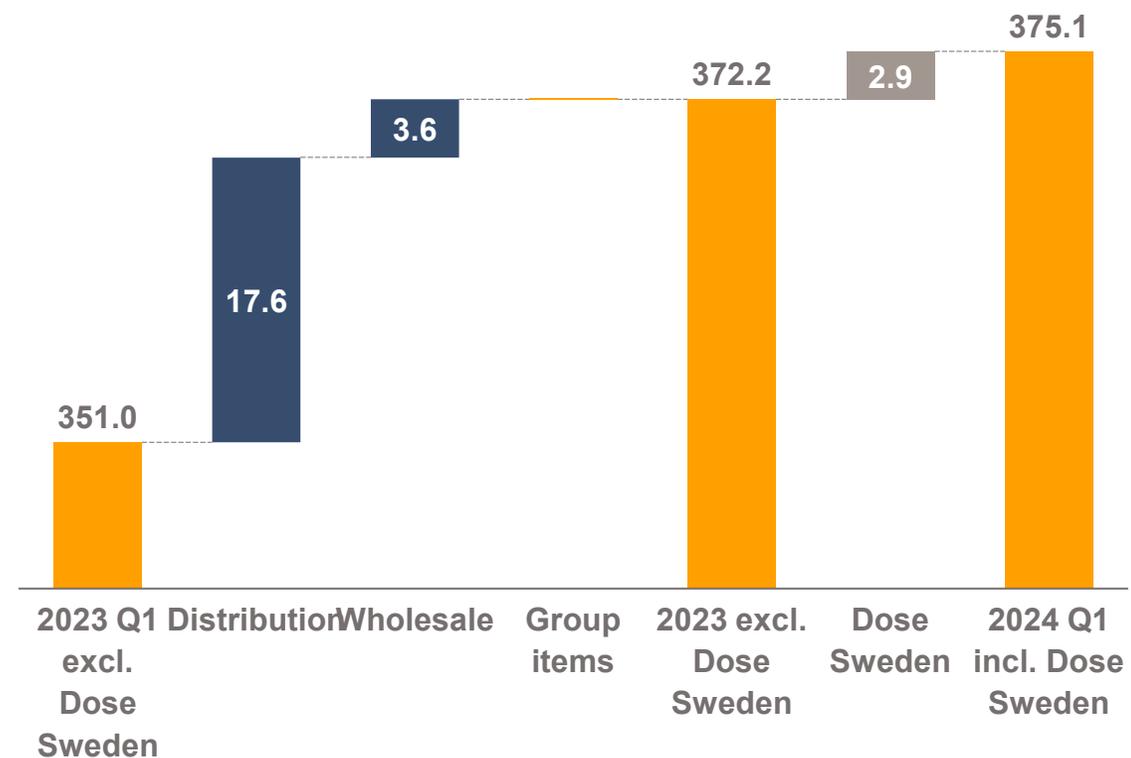
## Adjusted EBIT Q1 EUR million

Adj. EBIT excl. Dose Sweden  
+14%  
EUR 4.5 (3.9) million



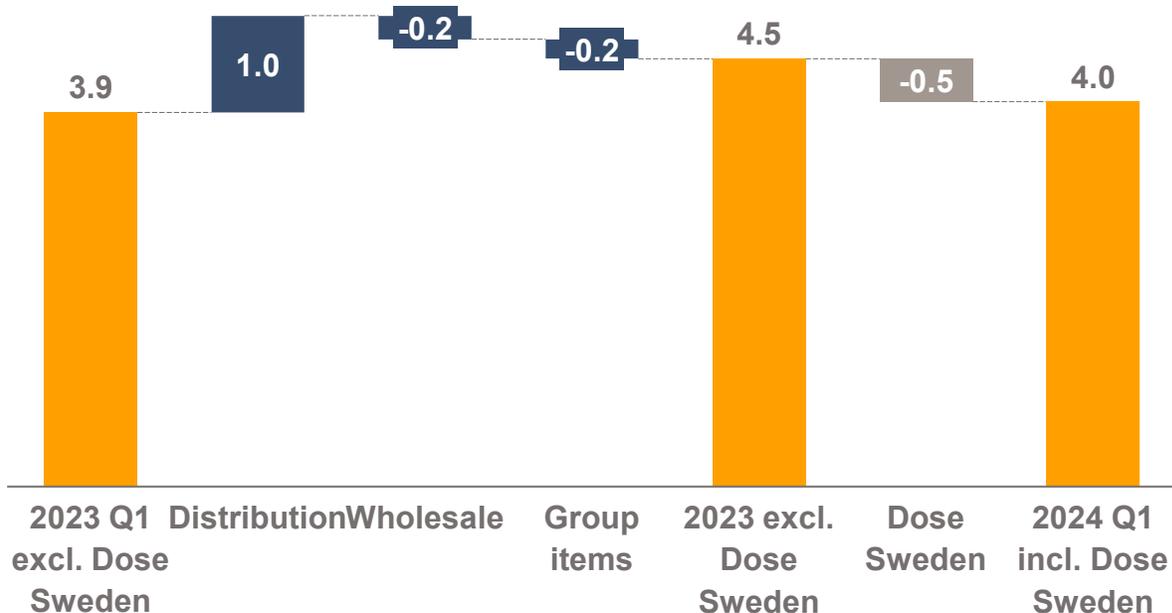
# Improved performance by Distribution

Net sales by segment EUR million



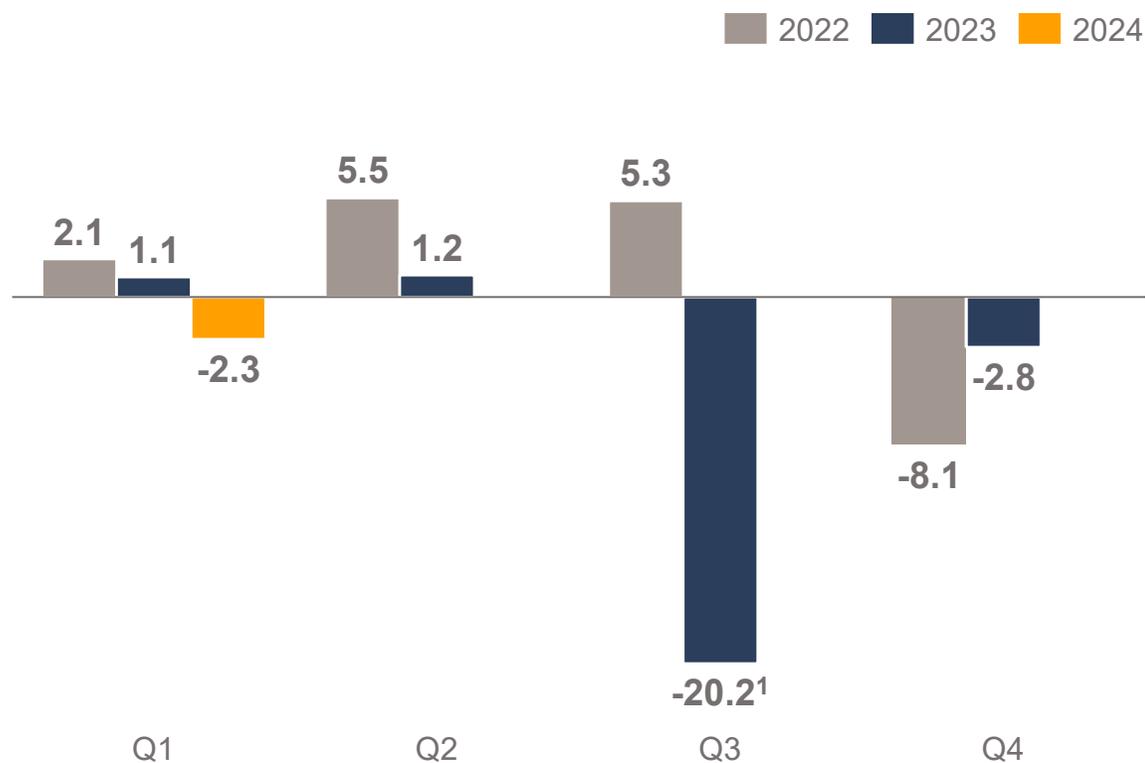
Adjusted EBIT by segment EUR million

ERP project-related costs  
Q1 23: EUR 0.7 million

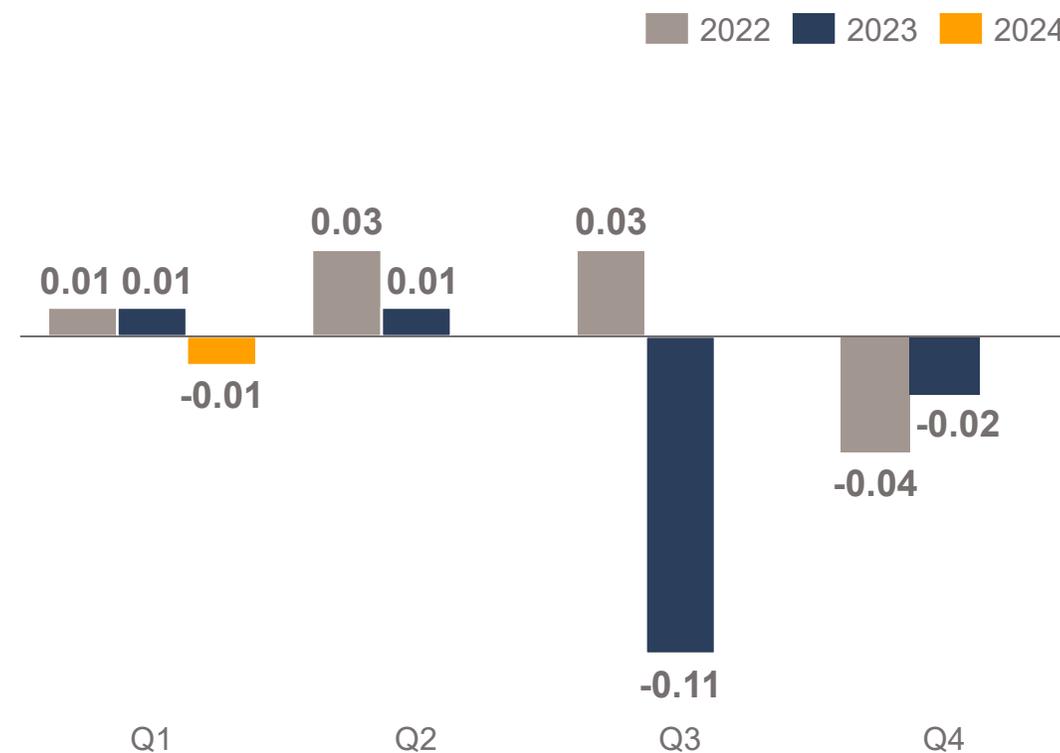


# Profit and EPS decreased

**Profit for the period**  
EUR million



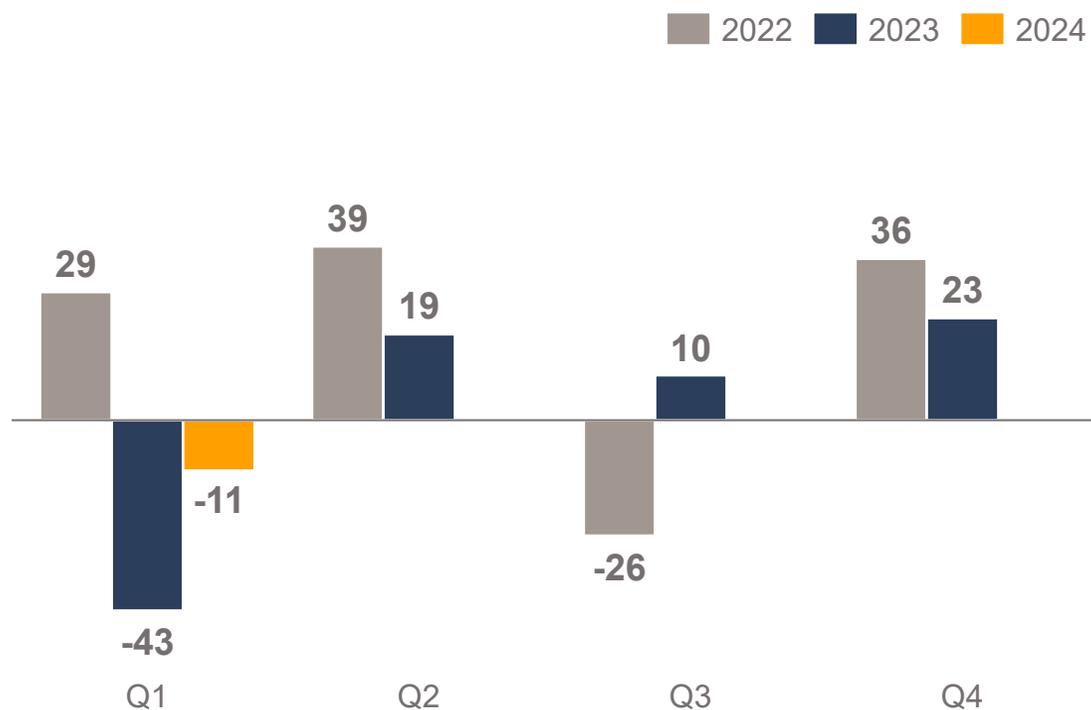
**Earnings per share**  
EUR



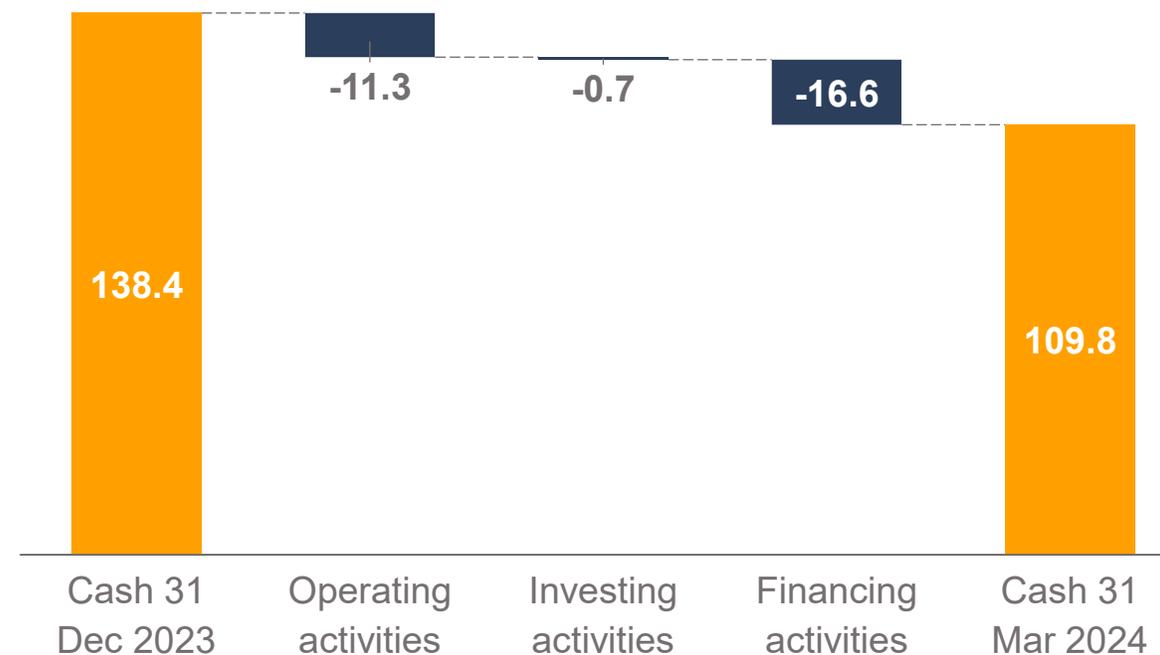
<sup>1</sup>Q3 2023 includes impairment loss on goodwill in Dose dispensing cash generating unit

# Negative cash flow in Q1

Quarterly net cash flow from operating activities  
EUR million



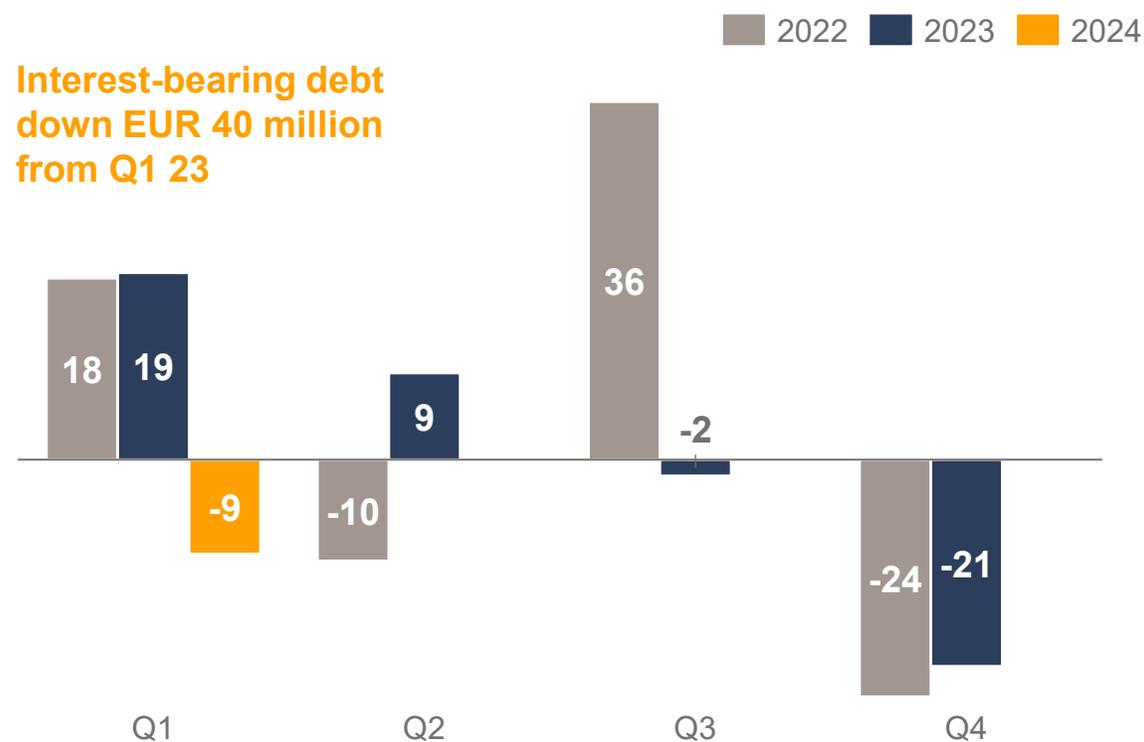
2024 Q1 change in cash  
EUR million



# Net debt on a low level

## Net interest-bearing debt

EUR million



## Net interest-bearing debt items

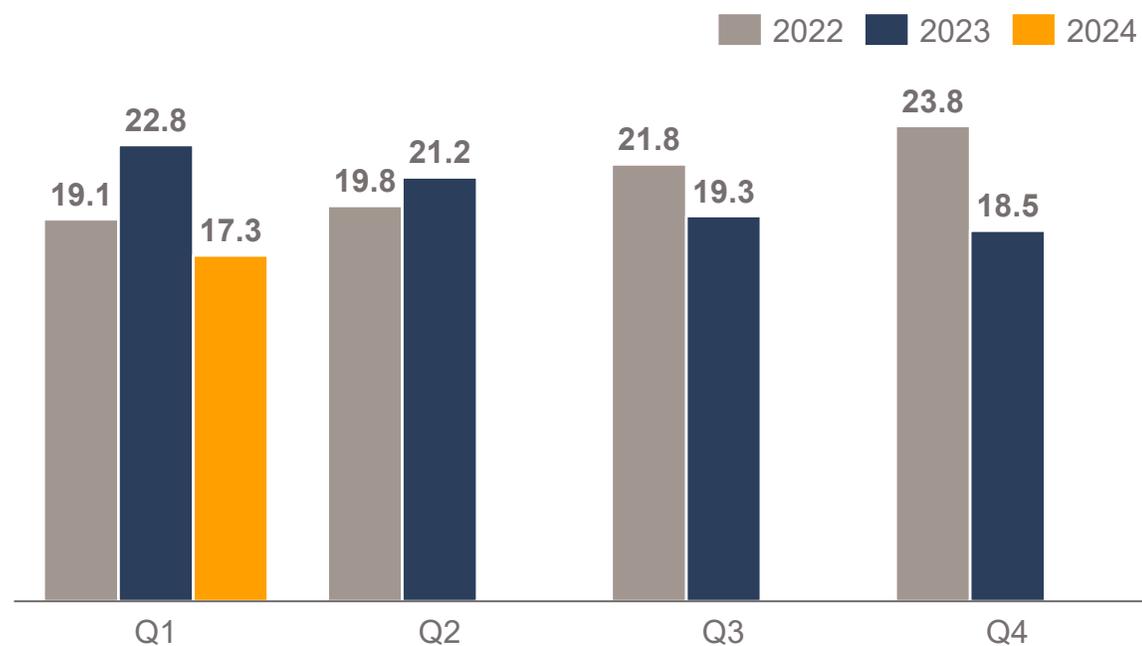
EUR million

Net interest-bearing debt item	31 Mar 2024	31 Mar 2023
Bank loans (syndicated Bank & term)	57.2	59.7
Commercial papers	24.5	53.7
Advance payment from pharmacies	10.5	11.4
Lease liabilities	8.3	13.0
Cash and cash equivalents	109.8	119.1
<b>Net interest-bearing debt</b>	<b>-9.4</b>	<b>18.7</b>
Sold trade receivables	93.2	97.6
Gearing % <sup>2</sup>	-6.2	8.7

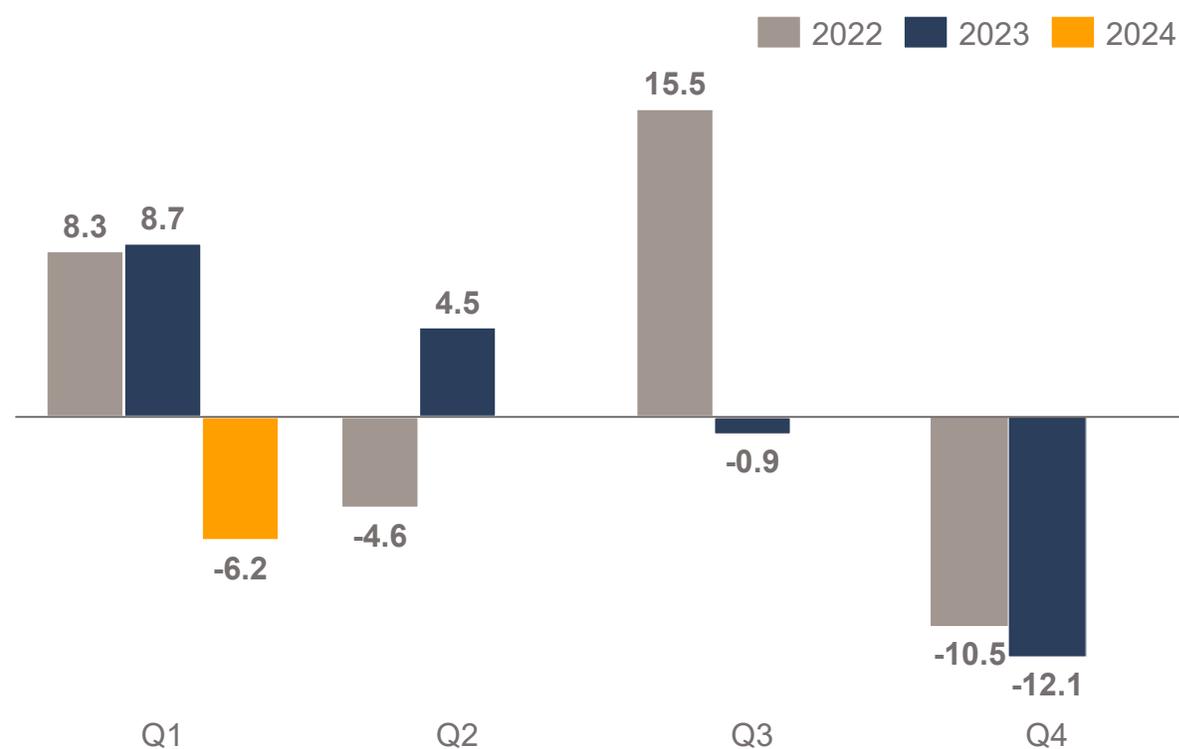
<sup>2</sup>Excluding the impact of IFRS 16 gearing would have been -11.6% (2.7%)

# Financial position remained strong

## Equity ratio %



## Gearing<sup>1</sup> %



<sup>1</sup>Excluding the impact of IFRS 16 gearing would have been -11.6% (2.7%)



## Kronans Apotek (Swedish Pharmacy Holding)

Key figures, EUR million	2024 1-3	2023 1-3	Change %	2023 1-12
Net sales	286.4	279.7	2.4	1,126.9
EBITA	-4.4	1.7	-353.6	0.7
EBITA %	-1.5	0.6		0.1
Adjusted EBIT	-5.0	0.0		-2.0
Adjusted EBIT %	-1.7	0.0		-0.2
Net interest-bearing debt	94.7	82.6	14.6	93.0

Kronans Apotek's adjusted EBIT and net result were burdened by amortisations related to the purchase price allocations (PPA), which also have a significant impact on the recognised share of result of joint venture in Oriola's statement of comprehensive income.

Kronans Apotek is an important strategic partner for Oriola, and Oriola will actively support Kronans Apotek's value creation as a major shareholder. Kronans Apotek expects its full profit potential to materialise by the end of 2025.

New CEO Tomas Rupšys from 17 April 2024.

## Sale of Svensk dos AB

- The agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB was signed in October
- Oriola is exiting the dose dispensing business in Sweden
- The agreed sales price in cash is SEK 110 million (approximately EUR 9.5 million).
- The transaction is subject to the approval of the Swedish Competition Authority (Konkurrensverket), and the investigation was moved into phase II at the end of January 2024.
- **Oriola expects a decision from the Swedish Competition Authority in the second quarter of 2024.**

Note: Svensk dos was acquired by Oriola in 2016.

## Outlook 2024

In 2024, the pharmaceutical distribution market is expected to continue to grow. A continuation of a weak consumer confidence might impact the wholesale market development.

The recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

**Oriola expects the adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2024 to increase from the adjusted EBIT for 2023 (EUR 19.5 million).**

Published on 16 February 2024

# Q1 24

## Key takeaways

Improved performance by Distribution segment

Solid financial position

Refined strategy provides direction and priorities going forward



## Our next event

18 July 2024  
Half-Year Report

Thank you for joining us!



A photograph of a man with glasses and a beard, wearing a grey t-shirt and blue jeans, kneeling on a wooden floor. He is smiling and holding the hands of a young child who is taking a step. The child is wearing a white long-sleeved shirt and brown pants. The room is brightly lit by natural light from a window in the background. A white table is visible on the left, and a hanging macramé chair is on the right. The text "Health for life" is overlaid in a large, orange, sans-serif font across the center of the image.

# Health for life