

ORIOLA CORPORATION'S HALF YEAR FINANCIAL REPORT 1 JANUARY – 30 JUNE 2022

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Oriola 1 January – 30 June 2022

Q2 2022: Solid performance continued – operating environment remains uncertain

Reporting information for 2021 has been restated to reflect Oriola's operating model change announced in October 2021 and the framework merger agreement with Euroapothecca to combine the respective pharmacy businesses in Sweden, announced in February 2022. The restated information, which was published on 26 April 2022, includes the new segment structure. Continuing operations include the old business areas Pharma and Retail combined into a new Oriola Services segment, and discontinued operations consist of the Consumer segment which includes the pharmacy operations in Sweden planned to be merged with Euroapothecca's Apoteksgruppen.

April–June 2022 highlights

Continuing operations

- Invoicing increased by 3.7% to EUR 903.9 (871.6) million. On a constant currency basis, invoicing increased by 6.0% and was EUR 923.6 million.
- Net sales increased by 9.5% to EUR 394.6 (360.3) million. On a constant currency basis, net sales increased by 12.0% and were EUR 403.4 million.
- Comparable adjusted EBIT and adjusted EBIT was EUR 5.5 (2.0) million for continuing operations. On a constant currency basis, the comparable adjusted EBIT and adjusted EBIT was EUR 5.6 million.
- EBIT was EUR 7.0 (1.2) million. On a constant currency basis, EBIT was EUR 7.2 million.
- Profit for the period totalled EUR 5.5 (0.7) million and earnings per share were EUR 0.03 (0.00).

Discontinued operations

- Invoicing decreased by 2.4% to EUR 208.0 (213.1) million. On a constant currency basis, invoicing increased by 0.8% and was EUR 214.9 million.
- Net sales decreased by 2.5% to EUR 202.3 (207.5) million. On a constant currency basis, net sales increased by 0.7% and were EUR 209.0 million.
- Comparable adjusted EBIT was EUR 3.1 (2.0) million. On a constant currency basis, the comparable adjusted EBIT was EUR 3.0 million.
- Adjusted EBIT was EUR 9.8 (2.0) million. On a constant currency basis, the adjusted EBIT was EUR 9.9 million.
- Adjusted EBIT includes a positive impact of EUR 6.8 million from lower depreciations, as non-current assets of discontinued operations are classified as held for sale and not depreciated. Comparable adjusted EBIT excludes the positive impact from depreciations.
- EBIT was EUR 9.7 (1.9) million. On a constant currency basis, EBIT was EUR 9.8 million.
- Profit for the period totalled EUR 6.5 (0.3) million and earnings per share were EUR 0.04 (0.00).

Continuing and discontinued operations

- Invoicing increased by 3.5% to EUR 1,019.0 (984.5) million. On a constant currency basis, invoicing increased by 5.9% and was EUR 1,042.5 million.
- Net sales increased by 7.8% to EUR 504.0 (467.5) million. On a constant currency basis, net sales increased by 10.4% and were EUR 516.4 million.
- Comparable adjusted EBIT was EUR 8.6 (4.1) million. On a constant currency basis, the comparable adjusted EBIT was EUR 8.6 million.
- Adjusted EBIT was EUR 15.3 (4.1) million. On a constant currency basis, the adjusted EBIT was EUR 15.6 million.

- Adjusted EBIT includes a positive impact of EUR 6.8 million from lower depreciations, as non-current assets of discontinued operations are classified as held for sale and not depreciated. Comparable adjusted EBIT excludes the positive impact from depreciations.
- EBIT was EUR 16.7 (3.0) million. On a constant currency basis, EBIT was EUR 17.0 million.
- Profit for the period totalled EUR 12.0 (0.9) million and earnings per share were EUR 0.07 (0.01).

January–June 2022 highlights

Continuing operations

- Invoicing increased by 5.0% to EUR 1,790.6 (1,705.8) million. On a constant currency basis, invoicing increased by 7.4% and was EUR 1,831.6 million.
- Net sales increased by 8.6% to EUR 767.4 (706.7) million. On a constant currency basis, net sales increased by 11.1% and were EUR 785.3 million.
- Comparable adjusted EBIT and adjusted EBIT was EUR 10.2 (2.9) million for continuing operations. On a constant currency basis, the comparable adjusted EBIT and adjusted EBIT was EUR 10.4 million.
- EBIT was EUR 10.3 (1.1) million. On a constant currency basis, EBIT was EUR 10.6 million.
- Profit for the period totalled EUR 7.6 (0.5) million and earnings per share were EUR 0.04 (0.00).

Discontinued operations

- Invoicing was EUR 417.5 (417.4) million and remained at the previous year's level. On a constant currency basis, invoicing increased by 3.5% and was EUR 431.9 million.
- Net sales were EUR 407.4 (407.2) million and remained at the previous year's level. On a constant currency basis, net sales increased by 3.5% and were EUR 421.4 million.
- Comparable adjusted EBIT was EUR 9.9 (1.5) million. On a constant currency basis, the comparable adjusted EBIT was EUR 9.9 million.
- Adjusted EBIT was EUR 20.2 (1.5) million. On a constant currency basis, the adjusted EBIT was EUR 20.5 million.
- Adjusted EBIT includes a positive impact of EUR 10.2 million from lower depreciations, as non-current assets of discontinued operations are classified as held for sale and not depreciated. Comparable adjusted EBIT excludes the positive impact from depreciations.
- EBIT was EUR 19.7 (1.4) million. On a constant currency basis, EBIT was EUR 20.0 million.
- Profit for the period totalled EUR 13.3 (-1.3) million and earnings per share were EUR 0.07 (-0.01).

Continuing and discontinued operations

- Invoicing increased by 4.8% to EUR 2,019.6 (1,927.0) million. On a constant currency basis invoicing increased by 7.4% and was EUR 2,068.6 million.
- Net sales increased by 7.5% to EUR 986.2 (917.7) million. On a constant currency basis net sales increased by 10.2% and were EUR 1,011.7 million.
- Comparable adjusted EBIT was EUR 20.1 (4.4) million. On a constant currency basis, the comparable adjusted EBIT was EUR 20.4 million.
- Adjusted EBIT was EUR 30.3 (4.4) million. On a constant currency basis, the adjusted EBIT was EUR 31.0 million.
- Adjusted EBIT includes a positive impact of EUR 10.2 million from lower depreciations, as non-current assets of discontinued operations are classified as held for sale and not depreciated. Comparable adjusted EBIT excludes the positive impact from depreciations.
- EBIT was EUR 30.0 (2.5) million. On a constant currency basis, EBIT was EUR 30.6 million.
- Profit for the period totalled EUR 20.8 (-0.7) million and earnings per share were EUR 0.11 (-0.00).

Key figures	2022	2021	Change	2022	2021	Change	2021
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Continuing operations							
Invoicing	903.9	871.6	3.7	1,790.6	1,705.8	5.0	3,506.9
Net sales	394.6	360.3	9.5	767.4	706.7	8.6	1,452.2
Comparable adjusted EBIT ¹	5.5	2.0	170.0	10.2	2.9	250.7	14.9
Adjusted EBIT ¹	5.5	2.0	170.0	10.2	2.9	250.7	14.9
EBIT	7.0	1.2	503.6	10.3	1.1	819.7	10.7
Adjusted EBIT %	1.4	0.6		1.3	0.4		1.0
EBIT %	1.8	0.3		1.3	0.2		0.7
Profit for the period	5.5	0.7	721.2	7.6	0.5	1,384.0	8.6
Earnings per share, EUR, continuing operations	0.03	0.00		0.04	0.00		0.05
Earnings per share, EUR, discontinued operations	0.04	0.00		0.07	-0.01		0.01
Continuing and discontinued operations							
Invoicing	1,019.0	984.5	3.5	2,019.6	1,927.0	4.8	3,959.1
Net sales	504.0	467.5	7.8	986.2	917.7	7.5	1,882.4
Comparable adjusted EBIT ^{1, 4}	8.6	4.1	110.7	20.1	4.4	361.1	26.3
Adjusted EBIT ^{1, 2}	15.3	4.1	276.7	30.3	4.4	596.0	26.3
EBIT ²	16.7	3.0	449.7	30.0	2.5	1,086.4	20.5
Comparable adjusted EBIT % ⁴	1.7	0.9		2.0	0.5		1.4
Adjusted EBIT % ²	3.0	0.9		3.1	0.5		1.4
EBIT % ²	3.3	0.7		3.0	0.3		1.1
Net cash flow from operating activities ³	38.9	28.2	38.0	67.7	14.0	382.3	40.0
Gearing, % ³				18.7	53.8		46.5
Equity ratio, % ³				19.8	18.0		20.1
Return on capital employed (ROCE), % ³				14.5	1.1		4.6

¹ Adjusting items are specified in note 13 Adjusting items.

² The periods presented in the table are not fully comparable, because a non-current asset classified as held for sale is not depreciated.

³ Includes discontinued operations.

⁴ Includes depreciations for the period in which the non-current assets are classified as held for sale.

In order to reflect the underlying business performance and to enhance comparability between financial periods, Oriola discloses certain performance measures of historical performance, financial position and cash flows, as permitted in “Alternative performance measures” guidance issued by the European Securities and Markets Authority (ESMA). These measures should not be considered as a substitute for measures of performance in accordance with the IFRS. The calculation methods of these measures are provided in note 12 Alternative performance measures in the notes to this Half Year Financial Report.

Outlook for 2022

The comparable adjusted EBIT is estimated to increase from the 2021 level.

The COVID-19 pandemic continues, and severity as well as duration of the pandemic remain unclear in Oriola's operating environment. Furthermore, the recent overall inflationary increases and related cost pressures may have a significant impact on Oriola's profitability.

The outlook remains based on current group structure, including both continuing operations and discontinued operations. The comparable adjusted EBIT in 2021 was EUR 26.3 million.

CEO Katarina Gabrielson:

"In the second quarter, Oriola delivered a solid performance in both Oriola Services and Oriola Consumer. The comparable adjusted EBIT for Oriola Group increased to EUR 8.6 million, which is 111% higher than in 2021. For continuing operations adjusted EBIT improved clearly, reaching EUR 5.5 million (+170%). The improved result was driven by continuing high market demand and increased sales in all areas, particularly in Finland. In addition, our turnaround measures, especially in operational efficiency and product pricing and portfolio management, progressed well. Furthermore, overall cost savings contributed to mitigating inflationary cost pressures.

At the end of June, we received positive news from The Swedish Competition Authority (Konkurrensverket), as they approved the planned merger of Oriola's Kronans Apotek and Euroapotheca's Apoteksgruppen pharmacy businesses in Sweden. Preparations for the completion of the merger are ongoing and the completion of the merger is expected to take place in early October 2022. The transaction is motivated by the opportunity to create significant synergies and increase the scale and market presence for the new joint pharmacy company.

During the second quarter, we continued implementing our short-term action plan to secure Oriola's turnaround. We proceeded with further improving our efficiency and paid special attention to portfolio management and product pricing. In April, we divested our pharmacy staffing business in Finland to focus on our core businesses. These actions are even more important now, as we are witnessing an all-time high inflation. Oriola's business is affected by the increasing fuel, energy and labour costs as well as weakening consumer confidence. We also must, once again, pay attention to the increasing COVID-19 infection levels.

Our focus at Oriola is to continue the rigorous turnaround measures and our work for the successful merger of our pharmacy operations. We also want to keep our customer promise and secure the wellbeing of our employees at all times. Our new streamlined operating model enables us to work even more efficiently and in agile ways, so that we can fulfil our purpose of "Health for life" to all our stakeholders, every day.

In addition, I would like to express my thanks to all our employees for their great work that has enabled us to keep our customer promise. Without your everyday commitment, this would not have been possible."

Oriola Corporation's Interim Report for 1 January – 30 June 2022

Operating environment

Consumer confidence has weakened along with an all-time high inflation. This has affected consumer behaviour, and especially consumer spending may change in the long run. Energy and fuel prices as well as labour costs are increasing, too. Since its onset at the end of 2021, inflation has been accelerating, driven by the heavy sanctions against Russia.

In the first quarter of 2022, consumers were preparing for a crisis by hoarding pharmaceuticals especially in Sweden and societies enhanced their pharmaceutical reserves, as well. During the second quarter, market demand returned to a more normal level.

The COVID-19 pandemic is continuing in Finland and Sweden and is still impacting Oriola's operating environment. Despite this, the market recovery continued during the second quarter and the volume demand for both pharmaceuticals and other health and wellbeing products was above the 2019 levels. At the end of the second quarter, the COVID-19 infection levels started to rise again.

Turnaround highlights

In 2021, Oriola started a turnaround initiative to ensure the company's profitability and efficiency. During the first quarter of the year, Oriola continued the implementation of its short-term action plan by carrying out rigorous activities to ensure the company's successful turnaround.

The short-term action plan for turnaround consists of four key elements:

- Cost savings through simplified operating model, reduction of operating costs and rigorous cost management.
- Efficient net working capital management through optimised product portfolio, enhanced supplier management & supply chain planning.
- Excellent customer relationship management targeting superior customer experience with one touchpoint for customers.
- Commercial excellence through service portfolio crystallisation, pricing models and enhanced margin management.

By taking these measures, Oriola streamlines its processes to improve operational efficiency and reduces costs to increase profitability and cost-competitiveness. The impact of these actions is gradually becoming visible during 2022.

The new operating model and country-based organisational structure were among the first measures to streamline Oriola's operations. In order to further streamline its business portfolio, Oriola announced on 13 March 2022 the decision to sell the entire share capital of its pharmacy staffing services company Farenta Oy to Eezy. The divestment was completed on 1 April 2022.

The company continues to seek further measures to improve its profitability. Oriola has also initiated a strategy process and will present its new business strategy after the planned pharmacy merger has been finalised.

Sustainability

In line with its purpose 'Health for life', Oriola improves the prerequisites for a healthier life – in the context of society, employees and environment. The company's highest priority and the most societally significant task is to ensure pharmaceutical safety and the availability of pharmaceuticals. Over 40% of the pharmaceuticals used in Finland and in Sweden are delivered by Oriola.

Oriola's continuing operations employ over 1,000 professionals. Their expertise and know-how are a prerequisite for an excellent customer experience, responsible business and for meeting the strict quality requirements of the pharmaceutical industry.

Wellbeing of the planet is an integral element of people's health and of creating a healthier tomorrow. Therefore, Oriola's ambition is to reach carbon neutrality in Oriola's own operations by 2025 and in indirect emissions from supply chain in 2030.

Oriola's sustainability programme is aligned with UN's Sustainable Development Goals and integrated in the Group strategy. To measure the company's progress towards the long-term targets, Oriola monitors several key performance indicators. Please see <https://www.oriola.com/sustainability> for further information.

Sustainability highlights in January–June 2022

One of the main environmental goals for Oriola is to decrease waste and increase recycling. During the second quarter, Oriola has paid attention to increasing employee awareness on the topic. Training materials and sessions have been implemented to ensure that the company's recycling target of 85% is reached during 2022. One part of waste handling is Oriola's collaboration with several charity organisations to which the company donates non-pharmaceutical products that can still be used but cannot be sold due to close or just passed expiration date. These actions have been implemented successfully earlier in Finland, and during the second quarter, the company has started donations also in Sweden.

Oriola has also been actively seeking possible initiatives to help either the people in Ukraine or the Ukrainian refugees entering Sweden and Finland. Oriola has donated products as well as supported international aid organisations. In addition, Oriola's pharmacy chain has been helping Ukrainian refugees in Sweden to get proper medical advice in their own language.

Group financial performance April–June 2022, continuing operations

Invoicing and net sales

For continuing operations, invoicing increased by 3.7% to EUR 903.9 (871.6) million. On a constant currency basis, invoicing increased by 6.0%. Net sales increased by 9.5% to EUR 394.6 (360.3) million. On a constant currency basis, net sales increased by 12.0%, mainly driven by the improving market demand. Invoicing and net sales include sales to discontinued operations amounting to EUR 92.9 (100.2) million.

Profitability

Comparable adjusted EBIT and adjusted EBIT increased to EUR 5.5 (2.0) million, mainly driven by net sales growth and turnaround actions that have generated cost reductions. EBIT was EUR 7.0 (1.2) million. Adjusting items totalled EUR 1.5 (-0.9) million and were related to the divestment of the staffing services business. The comparable adjusted EBIT and adjusted EBIT on a constant currency basis was EUR 5.6 million.

Net financial expenses were EUR -0.3 (0.1) million. Profit for the period was EUR 5.5 (0.7) million. Earnings per share were EUR 0.03 (0.00).

Group financial performance January–June 2022, continuing operations

Invoicing and net sales

For continuing operations, invoicing increased by 5.0% to EUR 1,790.6 (1,705.8) million. On a constant currency basis, invoicing increased by 7.4%. Net sales increased by 8.6% to EUR 767.4 (706.7) million. On a constant currency basis, net sales increased by 11.1%, mainly driven by the improving market demand. Invoicing and net sales include sales to discontinued operations amounting to EUR 188.4 (196.1) million.

Profitability

Comparable adjusted EBIT and adjusted EBIT increased to EUR 10.2 (2.9) million, mainly driven by net sales growth and turnaround actions. EBIT was EUR 10.3 (1.1) million. Adjusting items totalled EUR 0.1 (-1.8) million and were related to the divestment of the staffing services business as well as to costs related to the planned merger with Apoteksgruppen. The comparable adjusted EBIT and adjusted EBIT on a constant currency basis was EUR 10.4 million.

Net financial expenses were EUR 0.3 (0.2) million. Profit for the period was EUR 7.6 (0.5) million. Earnings per share were EUR 0.04 (0.00).

Reporting segments

At the beginning of 2022, Oriola implemented a country-based organisation, where the Pharma and Retail business areas and the Operations function were transformed into a new organisational structure. As of the Q1 Interim Report, Oriola reports these operations as a new reportable segment: Oriola Services. In segment reporting, the previous periods have been adjusted to reflect changes in the management reporting.

Oriola Services offers advanced distribution, expert and advisory services for pharmaceutical companies and wide range of health and wellbeing products for pharmacies, veterinarians, other healthcare operators and retail operators in the Finnish and Swedish markets. Additionally, Oriola Services offers dose dispensing services for pharmacies and healthcare operators.

Continuing operations

Oriola Services Q2: Higher demand and mitigated cost pressures

Oriola Services offers advanced distribution, expert and advisory services for pharmaceutical companies and wide range of health and wellbeing products for pharmacies, veterinarians, other healthcare operators and retail operators in the Finnish and Swedish markets. Additionally, Oriola Services offers dose dispensing services for pharmacies and healthcare operators.

Key figures	2022	2021	Change	2022	2021	Change	2021
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	903.9	871.6	3.7	1,790.6	1,705.7	5.0	3,506.9
Net sales	394.6	360.3	9.5	767.4	706.7	8.6	1,452.2
Comparable adjusted EBIT ²	7.5	4.2	78.9	14.4	7.3	97.4	23.7
Adjusted EBIT	7.5	4.2	78.9	14.4	7.3	97.4	23.7
EBIT	9.1	3.3	171.6	15.9	6.4	148.1	21.2
Comparable adjusted EBIT % ²	1.9	1.2		1.9	1.0		1.6
Adjusted EBIT %	1.9	1.2		1.9	1.0		1.6
EBIT %	2.3	0.9		2.1	0.9		1.5
Number of personnel at the end of the period ¹	824	1,010	-18.5	824	1,010	-18.5	974

¹ Full-time equivalents

² For continuing operations, comparable adjusted EBIT is the same as adjusted EBIT.

Market environment in January–June

The pharmaceutical distribution market value at wholesale prices in Sweden, measured in Swedish krona, grew by 8.4% (0.4%) in January–June and by 9.1% (7.2%) in the second quarter (source: IQVIA). In Finland, the market value grew by 4.8% (0.9%) in January–June and by 5.6% (8.4%) in the second quarter (source: LTK). According to Oriola's estimate, Oriola's share of the pharmaceutical wholesale market in Sweden was approximately 45% (46%) in January–June as well as in the second quarter. According to Oriola's estimate, the company's share of the pharmaceutical wholesale market in Finland was approximately 44% (43%) in January–June as well as in the second quarter.

In Sweden, the traded goods and OTC pharmaceuticals market grew by 11.9% (1.7%) in January–June and by 6.1% (7.8%) in the second quarter (Source: Apoteksförening).

In the dose-dispensing business, Oriola offers pharmaceuticals and dose dispensing for private and public healthcare sector operators. The total market size for dose dispensing is approximately 250,000 patients (235,000) in Sweden and 100,000 patients (75,000) in Finland. Oriola is the market leader in Sweden, serving approximately 105,000 patients. In Finland, Oriola serves approximately 30,000 patients.

April–June 2022

Invoicing increased by 3.7% to EUR 903.9 (871.6) million. On a constant currency basis, invoicing increased by 6.0%. Net sales increased by 9.5% to EUR 394.6 (360.3) million, and on a constant currency basis, net sales increased by 12.0%. The increase was driven by good market demand, new customer agreements in the pharmaceutical distribution business as well as growth in the dose dispensing business.

Comparable adjusted EBIT and adjusted EBIT increased to EUR 7.5 (4.2) million, driven by net sales growth and turnaround actions. Cost inflation and production challenges, partially related to an external supplier, limited profitability improvement in the second quarter. EBIT was EUR 9.1 (3.3) million. Adjusting items during the reporting period totalled EUR 1.5 million (-0.9) and were related to the divestment of the staffing services business.

January–June 2022

Invoicing increased by 5.0% to EUR 1,790.6 (1,705.7) million. On a constant currency basis, invoicing increased by 7.4%. Net sales increased by 8.6% to EUR 767.4 (706.7) million, and on a constant currency basis, net sales increased by 11.1%. This was driven by good market demand, new customer agreements in the pharmaceutical distribution business as well as growth in the dose dispensing business.

Comparable adjusted EBIT and adjusted EBIT increased to EUR 14.4 (7.3) million, driven by net sales growth and turnaround actions as well as strong performance of the dose dispensing business. EBIT was EUR 15.9 (6.4) million. Adjusting items during the reporting period totalled EUR 1.5 million (-0.9) and were related to the divestment of the staffing services business.

Discontinued operations

Consumer Q2: Steady performance despite inflation pressure

The Consumer business area is classified as discontinued operations and the assets and related liabilities are presented in the statement of financial position as assets held for sale and liabilities related to assets held for sale, as the business is planned to be merged with Euroapotheca's Apoteksgruppen. The Consumer business area offers customers products and services for health and wellbeing through Kronans Apotek, the third largest pharmacy chain in Sweden.

Key figures	2022	2021	Change	2022	2021	Change	2021
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	208.0	213.1	-2.4	417.5	417.4	0.0	839.4
Net sales	202.3	207.5	-2.5	407.4	407.2	0.0	817.5
Comparable adjusted EBIT ²	3.1	2.0	51.5	9.9	1.5	580.7	11.4
Adjusted EBIT	9.8	2.0	383.3	20.2	1.5	1,282.8	11.4
EBIT	9.7	1.9	416.3	19.7	1.4	1,299.0	9.8
Comparable adjusted EBIT % ²	1.5	1.0		2.4	0.4		1.4
Adjusted EBIT %	4.9	1.0		4.9	0.4		1.4
EBIT %	4.8	0.9		4.8	0.3		1.2
Number of personnel at the end of the period ¹	1,639	1,677	-2.3	1,639	1,677	-2.3	1,598

¹ Full-time equivalents

² Includes depreciations for the period, in which the non-current assets are classified as held for sale.

The periods presented in the table are not fully comparable for adjusted EBIT and EBIT, because a non-current asset classified as held for sale is not depreciated. The positive impact from depreciations in April–June was EUR 6.8 (-) million and in January–June EUR 10.2 (-) million.

Market environment in January–June

The pharmacy market in Sweden, measured in Swedish krona, grew by 7.6% (0.2%) in January–June and by 5.5% (7.0%) in the second quarter (source: Apoteksförening). The number of pharmacies was unchanged in January–June 2022 and there are now 1,411 pharmacies in Sweden.

The total online pharmacy market in Sweden grew by 8.4% in January–June, slower than in the comparison period in 2021 (28%). The online market grew by 4.4% in the second quarter (16.7%). Online pharmacies' share of the total market was approximately 18% (18%) at the end of June 2022, as the growth in the online channel has stabilised.

Oriola's market share of the Swedish pharmacy market was 15.8% (16.4%) in January–June 2022 and 15.6% (16.4%) in the second quarter (source: Apoteksförening). The relative share of over-the-counter (OTC) pharmaceuticals and traded goods of Oriola's net sales was 25.8% (25.8%) in January–June and 25.9% (26.3%) in the second quarter. At the end of June, Oriola had 315 (323) pharmacies in Sweden. Oriola closed four pharmacies in January–June.

April–June 2022

Net sales decreased by 2.5% to EUR 202.3 (207.5) million. On a constant currency basis, net sales increased by 0.7%. This was driven by growth in online sales and market growth. Oriola's online sales grew by 6.6%, somewhat above the market growth (+4.4%), and accounted for 9.3% (8.8%) of Oriola's Consumer sales.

Comparable adjusted EBIT was EUR 3.1 (2.0) million including depreciations from the non-current assets held for sale. Adjusted EBIT increased to EUR 9.8 (2.0) million. This was driven by lower depreciations, increased sales and turnaround actions. Adjusting items totalled EUR -0.1 (-0.2) million, mainly related to the planned joint venture with Apoteksgruppen. EBIT was EUR 9.7 (1.9) million.

January–June 2022

Net sales were at the previous year's level, totalling EUR 407.4 (407.2) million. On a constant currency basis, net sales increased by 3.5%. This was driven by growth in online sales and market growth. At the beginning of the year, there was high demand for certain product categories like COVID-19 antigen tests, but this started to level out towards the end of the first quarter. In addition, Russia's military offensive against Ukraine temporarily boosted consumer demand for some product categories in Sweden in the first quarter. Oriola's online sales grew by 7.5%, somewhat below the market growth (+8.4%), accounting for 9.2% (8.9%) of Oriola's Consumer sales.

Comparable adjusted EBIT was EUR 9.9 (1.5) million including depreciations from the non-current assets held for sale. Adjusted EBIT increased to EUR 20.2 (1.5) million. This was driven by lower depreciations, increased sales, improved efficiency in e-commerce operations and other turnaround actions. Adjusting items totalled EUR -0.5 (-0.1) million, mainly related to the planned joint venture with Apoteksgruppen. EBIT was EUR 19.7 (1.4) million.

Balance sheet, cash flow and financing

Oriola's total assets at the end of June 2022 were EUR 1,137.5 (1,166.5) million. Equity attributable to the equity holders was EUR 220.6 (206.5) million. The impact of translation differences on equity was EUR -12.0 million. The equity was decreased by the payment of dividend, totalling EUR 7.3 million.

Cash and cash equivalents totalled EUR 162.7 (151.6) million. Net cash flow from operating activities in January–June 2022 was EUR 67.7 (14.0) million, of which changes in working capital accounted for EUR 36.7 (-7.5) million. Strong fluctuation in working capital is typical for Oriola's industry. Net cash flow from investing activities was EUR -2.1 (18.0) million. Net cash flow from financing activities was EUR -10.8 (-48.6) million.

At the end of June 2022, interest-bearing debt was EUR 152.5 (262.7) million. Non-current interest-bearing liabilities amounted to EUR 73.4 (127.8) million and current interest-bearing liabilities amounted to EUR 79.2 (134.9) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 61.0 (64.7) million and non-current lease liabilities totalling EUR 12.4 (63.1) million. Non-current lease liabilities of EUR 39.3 million is classified as discontinued operations. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 51.9 (71.5) million, advance payments from Finnish pharmacies totalling EUR 21.6 (21.9) million, loans from financial institutions totalling EUR 2.0 (22.0) million and current lease liabilities totalling EUR 3.7 (19.4) million. Current lease liabilities of EUR 13.1 million is classified as discontinued operations. Interest-bearing net debt was EUR -10.1 (111.1) million and gearing -4.6% (53.8%).

Non-recourse trade receivables sales programmes are in use in Sweden. At the end of June 2022, a total of EUR 172.7 (180.6) million in trade receivables had been sold including discontinued operations. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 1.11% (1.04%).

In June 2021, Oriola signed a new unsecured revolving credit facility agreement totalling EUR 140 million. In February 2022, the maturity of the agreement was extended by one year, and the revolving credit facility will mature in June 2025. The margin of the revolving credit facility is linked to Oriola's financial covenants and the performance of sustainability targets. The committed long-term revolving credit facility of EUR 140.0 million and the credit limits totalling EUR 34.9 million were unused at the end of June 2022.

At the end of the reporting period, Oriola's equity ratio was 19.8% (18.0%). Return on capital employed was 14.5% (1.1%) and return on equity was 20.0% (-0.8%).

Investments and depreciation, continuing operations

Gross investments in January–June 2022 totalled EUR 1.4 (6.8) million and consisted mainly of investments in logistics and information systems.

Depreciation, amortisation and impairment amounted to EUR 7.4 (8.3) million.

Changes in the Group structure

Oriola announced on 14 March 2022 that it had decided to sell the entire share capital of its pharmacy staffing service company Farenta Oy to Eezy. The divestment is part of renewal of Oriola's operating model and will bring more focus on the core business. The divestment was completed on 1 April 2022.

Personnel, continuing operations

At the end of June 2022, Oriola had 892 (1,091) employees, of which 824 (1,010) worked in Oriola Services and 68 (81) in Group administration. The average number of personnel in January–June 2022 was 964 (1,092). The reported number of personnel consists of members of staff in active employment, calculated as full-time equivalents.

Corporate Governance

Annual General Meeting

The Annual General Meeting (AGM), held on 15 March 2022, adopted the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year ending 31 December 2021.

The AGM resolved that a dividend of EUR 0.04 per share shall be paid on the basis of the balance sheet adopted for the financial year ending 31 December 2021. The dividend was paid to shareholders registered in the company's shareholders register held by Euroclear Finland Ltd on the dividend record date 17 March 2022. The payment date of the dividend was 21 April 2022.

The AGM confirmed that the Board of Directors is composed of six members. Current members of the Board of Directors Mr Juko Hakala, Ms Eva Nilsson Bågenholm, Mr Harri Pärssinen, Ms Lena Ridström and Mr Panu Routila were re-elected to the Board of Directors and Ms Nina Mähönen was elected as a new member of the Board of Directors. Mr Panu Routila was re-elected as Chairman of the Board of Directors.

The AGM confirmed that the fee for the term of office of the Chairman of the Board of Directors is EUR 60,000, the fee for the term of office of the Vice Chairman of the Board of Directors and for the Chairman of the Board's Audit Committee is EUR 36,000 and the fee for the term of office of other members of the Board of Directors is EUR 30,000. Of the annual fee, 60 per cent shall be paid in cash and 40 per cent shall be used to acquire Oriola Corporation's class B shares for the Board members on the Nasdaq Helsinki Stock Exchange within two weeks from the release of the Interim Report 1 January - 31 March 2022 of the company. The Chairman of the Board of Directors receives an attendance fee of EUR 1,000 per meeting and the other members EUR 500 per meeting. Attendance fees are correspondingly also paid to the chairmen and the members of the Board and company committees. Travel expenses are compensated in accordance with the travel policy of the company.

Authorised Public Accountants KPMG Oy Ab, who has put forward authorised public accountant Ms Kirsi Jantunen as principal auditor, was re-elected as the auditor of the company. The auditor's fees shall be paid according to invoice approved by the company.

All decisions of the Annual General Meeting are available on the company's website at www.oriola.com.

The constitutive meeting of the Board of Directors

In its constitutive meeting convening after the AGM, the Board of Directors of Oriola Corporation elected Eva Nilsson Bågenholm as Vice Chairman of the Board of Directors.

The Board appointed Mr Harri Pärssinen (Chairman), Ms Nina Mähönen, Ms Lena Ridström and Mr Panu Routila to the Board's Audit Committee, and Ms Eva Nilsson Bågenholm (Chairman), Mr Juko Hakala and Mr Panu Routila to the Board's Compensation and Human Resources Committee.

The Board of Directors has assessed the independence of its members and determined that all members of the Board of Directors are independent of the company and its significant shareholders.

The Corporate Governance Statement

The Corporate Governance Statement for 2021 was published as part of the Report of the Board of Directors, in accordance with the Finnish Corporate Governance Code 2020. The statement can be viewed on the company's website at <https://www.oriola.com/investors/corporate-governance>.

Authorisations

The Annual General Meeting authorised the Board to decide on a share issue against payment in one or more issues, including the right to issue new shares or to assign treasury shares held by the company. The authorisation covers a combined maximum of 5,500,000 class A shares and 12,500,000 class B shares of the company and includes the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for eighteen (18) months following the decision of the Annual General Meeting.

The Board was also authorised to decide on a share issue against payment of class B shares in one or more issues including the right to issue new class B shares or assign class B treasury shares held by the company. The authorisation covers a combined maximum of 18,000,000 class B shares of the company including the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for a maximum of eighteen (18) months following the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on a share issue of class B shares without payment to the Company and on a directed share issue of class B shares in order to execute the share-based incentive plan for Oriola Group's executives and the share savings plan for Oriola Group's key personnel. The maximum number of new class B shares to be issued under this authorisation is 250,000, which represents of 0.14% of all shares in the Company. The authorisation is in force for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on repurchasing up to 18,000,000 of the company's own class B shares. Shares may be repurchased also in a proportion other than in which shares are owned by the shareholders. The authorisation is in force for a maximum of eighteen (18) months following the decision of the Annual General Meeting.

All decisions of the Annual General Meeting 2022 are available on the company's website at www.oriola.com.

Changes in the Oriola Management Team

Oriola announced on 23 February 2022 that Oriola Corporation's President and CEO Elisa Markula has given notice of her resignation from the company. Oriola announced on 15 March 2022 that Katarina Gabrielson was appointed as Interim CEO of Oriola. On 10 May 2022, Oriola appointed Katarina Gabrielson as CEO of Oriola.

Oriola announced on 16 May 2022 that Hannes Hasselrot, Vice President, Consumer and Managing Director of Kronans Apotek, has been appointed Oriola Corporation's Vice President, Oriola Sweden. Until the planned pharmacy joint venture has been completed in Sweden, Hasselrot will continue in his current role. Consequently, Oriola Corporation's CEO Katarina Gabrielson continues to act as interim leader for Oriola Sweden until the planned merger has been completed.

Oriola announced on 27 May 2022 that Sari Pohjonen, the CFO of Oriola Corporation, has resigned. She will leave Oriola by the end of September 2022. Oriola has initiated a search for a new CFO.

Oriola announced on 22 June 2022 that Mika Uusitalo, Vice President, Supply Chain and Business Development, has resigned. He will leave Oriola by the end of August 2022. The search for his replacement has been initiated.

Oriola Management Team consisted of seven members at the end of June 2022: Katarina Gabrielson, CEO and interim Vice President, Business Area Oriola Sweden; Sari Pohjonen, CFO; Hannes Hasselrot, Vice President, Business Area Consumer; Anne Kariniemi, Vice President, Business Area Oriola Finland; Mika Uusitalo, Vice President, Supply Chain and Business Development; Elina Niemelä, Chief People Officer; Petter Sandström, General Counsel.

Oriola Corporation shares

Trading of shares	Jan–Jun 2022		Jan–Jun 2021	
	class A	class B	class A	class B
Trading volume, million	5.3	21.6	1.5	28.6
Trading volume, EUR million	10.7	43.8	3.2	56.5
Highest price, EUR	2.30	2.31	2.37	2.20
Lowest price, EUR	1.76	1.72	1.94	1.80
Closing quotation, end of period, EUR	1.92	1.90	2.04	1.84

Oriola Corporation's market capitalisation on 30 June 2022 was EUR 345.1 (344.9) million.

In January–June 2022, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 14.8% (16.6%) of the total number of shares.

At the end of June 2022, the company had a total of 181,486,213 (181,486,213) shares, of which 53,748,313 (53,748,313) were class A shares and 127,737,900 (127,737,900) were class B shares. The company held a total of 109,564 (138,201) treasury shares, of which 63,650 (63,650) were class A shares and 45,914 (74,551) were class B shares. The treasury shares held by the company account for 0.06% (0.08%) of the company's shares and 0.11% (0.11%) of the votes.

Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A shares into class B shares. During the period January–June 2022, no class A shares were converted into class B shares.

Share-based incentive plans

The Board of Directors of Oriola Corporation decided on 2 June 2022 on the establishment of a new share-based long-term incentive plan for the company's key employees, including the CEO and the Oriola Management Team. At the same time, the Board decided to terminate the previous long-term incentive plan for the years 2019–2023.

The new incentive plan comprises a Performance Share Plan (also "PSP") and a share-based bridge plan to cover the transition phase to the new LTI structure (the "Bridge Plan"). In addition, the long-term incentive scheme comprises a Restricted Share Plan (also "RSP") as a complementary long-term share-based retention plan for individually selected key employees in specific situations.

The Performance Share Plan for the years 2022–2025 consists of annually commencing individual performance share plans, each of which is subject to separate decision of the Board of Directors. Each plan comprises a performance period followed by the payment of the potential share rewards in listed class B shares of Oriola. The length of the performance period of the first plan, PSP 2022, is four calendar years. The possible subsequent plans will include a three-year performance period as separately decided by the Board of Directors. Eligible for participation in the first PSP 2022 are approximately 20 individuals, including the members of the Oriola Management Team. The performance measures based on which the potential share rewards under PSP 2022 will be paid are earnings per share (EPS) and an environment-related target (CO₂). The first plan, PSP 2022, commences effective as of the beginning of 2022. It comprises a performance period covering the calendar years 2022–2025, and the share rewards potentially payable thereunder will be paid during the first half of 2026. The payment of the rewards is conditional on the achievement of the performance targets which the Board of Directors has set for the plan and the individual participant's continued employment or service relationship with Oriola. If all the performance targets for the PSP 2022 are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 2,254,000 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

The Bridge Plan for the years 2022–2023 covers specific incentive and retention needs during the transition phase to the new LTI structure. Eligible for participation in the Bridge Plan are the same individuals as for PSP 2022. The Bridge Plan is a one-off plan commencing effective for the years 2022–2023. The potential share rewards payable based on the Bridge Plan will be paid in listed class B shares during the first half of 2024. The performance measures based on which the potential share rewards under the Bridge Plan will be paid are the development of share price of Oriola's class B share (excluding dividends and other distribution to shareholders), earnings per share (EPS) and an environment-related target (CO₂). If all the performance targets set for the Bridge Plan are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 1,127,000 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

The Restricted Share Plan for the years 2022–2024 consists of annually commencing individual restricted share plans which are subject to a separate decision of the Board of Directors. Each plan comprises a restriction period with an overall length of three years, extending to first half of the fourth year of the individual plan. During the plan period, the company may grant fixed share rewards to individually selected key employees. The granted share rewards are paid to the selected participants in one or several tranches latest by the end of the restriction period. The share rewards are paid in listed class B shares. The first plan, RSP 2022, commences effective as of the beginning of 2022. The aggregate maximum number of shares payable as a reward is approximately 225,400 class B shares (referring to gross earning, from which the applicable payroll tax is withheld).

For all three programs, if the individual's employment with Oriola Corporation terminates before the payment of the reward, the individual is, as a main rule, not entitled to any reward. The value of the reward payable to each individual participant based on the plans is limited by a maximum cap linked to a multiplier of the individual's annual salary. Oriola applies a share ownership requirement to the CEO and the members of Oriola Management Team. They are expected to retain ownership at least half of the shares received under the incentive plans until the value of his/her ownership in the company, in the case of the CEO, corresponds to at least his/her annual gross base salary, and in the case of the other the members of the Oriola Management Team, to at least half of his/her annual gross base salary.

Risks and uncertainty factors

Oriola's risk management seeks to identify, measure and manage risks that may threaten Oriola's operations and the achievement of set goals.

Oriola operates in regulated pharmaceutical distribution and retail markets monitored by authorities in both its operating countries. The main megatrends impacting Oriola's business environment are ageing of the population, increased spending on health and wellbeing, growth in speciality pharmaceuticals, the digitalisation of the retail trade and services, sustainability as well as possible pandemics.

More information on Oriola's risks and risk management can be found on Oriola's website at www.oriola.com/investors/corporate-governance/risks/.

Near-term risks and uncertainty factors

Russia's military offensive against Ukraine has impacted the global markets. This has accelerated inflation especially in energy and fuel prices. Labour costs are also expected to increase due to the potential salary inflation and overheated labour market. Furthermore, risks related to instability in financial markets and uncertain product availability due to material and supply chain constraints have been increasing. In addition, cyber-attacks towards critical areas of society are expected to increase.

Since 2020, the COVID-19 pandemic has significantly impacted Oriola's operating environment, as the restrictions set by the authorities and consumer caution have impacted consumer behaviour. As the pandemic continues and instability caused by Russia's military offensive against Ukraine prevails, Oriola's business environment stays volatile, which can still have a significant impact on Oriola's net sales and profitability.

However, it is difficult to estimate the severity and duration of Russia's military offensive against Ukraine and of the related inflation or the pandemic in Oriola's operating environment. The potential impacts of these events on the valuation of Oriola's assets have been reviewed. Oriola has no operations nor export or import with Russia and based on the assessments, Russia's military offensive against Ukraine or the COVID-19 pandemic are currently not expected to have such long-term impacts on Oriola's financial performance that would require adjustments to the carrying amounts of the assets.

In the regular contingency planning, the company has focused especially on securing the health of its personnel, availability of workforce, safety in distribution centres and pharmacies as well as the growing need for pharmaceutical stocking. In addition, Oriola is in active dialogue with both customers and authorities about the quickly changing requirements and how to manage them. Oriola also aims to actively mitigate cost pressures.

Oriola's strategic development projects involve operational risks which may have an effect on the company's profitability if realised. Oriola has IT system projects underway. The company has defined separate risk management plans for all IT projects and aims to ensure seamless go-lives of the systems through careful planning.

From time to time, Oriola is involved in legal actions, claims and other proceedings. It is Oriola's policy to provide for amounts related to the proceedings if liability is probable and such amounts can be estimated with reasonable accuracy. Taking into account all available information to date, legal actions, claims and other proceedings are not expected to have material impact on the financial position of the Group.

Outlook for 2022

The comparable adjusted EBIT is estimated to increase from the 2021 level.

The COVID-19 pandemic continues and severity as well as duration of the pandemic remain unclear in Oriola's operating environment. Furthermore, the recent overall inflationary increases and related cost pressures may have a significant impact on Oriola's profitability.

The outlook remains based on current group structure, including both continuing operations and discontinued operations. The comparable adjusted EBIT in 2021 was EUR 26.3 million.

Events after the reporting period

Oriola announced on 19 July 2022, that Timo Leinonen, M. Sc. (Admin), was appointed Oriola Corporation's CFO and member of the Oriola Management Team. Timo Leinonen will start in his new position latest in January 2023.

Next financial report

Oriola Corporation will publish its Interim report for January–September 2022 on 27 October 2022.

Espoo, 21 July 2022

Oriola Corporation
Board of Directors

Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2022 4-6	2021 ¹ 4-6	2022 1-6	2021 ¹ 1-6	2021 ¹ 1-12
Continuing operations						
Net sales	10, 11	394.6	360.3	767.4	706.7	1,452.2
Other operating income		1.8	0.3	2.0	0.4	4.5
Materials and supplies		-346.1	-314.2	-672.4	-616.4	-1,268.0
Employee benefit expenses		-17.1	-19.2	-34.7	-39.1	-75.6
Other operating expenses		-22.5	-21.3	-44.5	-42.2	-85.9
Depreciation, amortisation and impairments	4	-3.7	-4.7	-7.4	-8.3	-16.5
EBIT	10	7.0	1.2	10.3	1.1	10.7
Financial income and expenses		0.3	-0.1	-0.3	-0.2	0.3
Profit before taxes		7.3	1.1	10.0	1.0	11.0
Income taxes		-1.9	-0.4	-2.4	-0.5	-2.3
Profit for the period from continuing operations		5.5	0.7	7.6	0.5	8.6
Profit for the period from discontinued operations	3	6.5	0.3	13.3	-1.3	2.7
Profit for the period		12.0	0.9	20.8	-0.7	11.3
Other comprehensive income						
Items which may be reclassified subsequently to profit or loss:						
Translation differences recognised in comprehensive income during the reporting period		-9.9	3.1	-12.0	-1.9	-5.4
Cash flow hedge		0.8	0.1	2.7	0.3	0.9
Income tax relating to other comprehensive income		-0.2	-0.0	-0.5	-0.1	-0.2
		-9.3	3.2	-9.8	-1.7	-4.6
Items which will not be reclassified to profit or loss:						
Financial assets recognised at fair value through other comprehensive income	7	-	44.8	-	44.8	44.8
Actuarial gains/losses on defined benefit plans		-	-	-	-	1.3
Income tax relating to other comprehensive income		-	-	-	-	-0.3
		-	44.8	-	44.8	45.9
Total comprehensive income for the period		2.7	48.9	11.1	42.4	52.6
Profit attributable to						
Parent company shareholders		12.0	0.9	20.8	-0.7	11.3
Total comprehensive income attributable to						
Parent company shareholders		2.7	48.9	11.1	42.4	52.6

¹ Comparative information has been restated due to a discontinued operation.

EUR million	Note	2022 4-6	2021 ¹ 4-6	2022 1-6	2021 ¹ 1-6	2021 ¹ 1-12
Earnings per share attributable to parent company shareholders:						
EUR						
Basic						
Continuing operations		0.03	0.00	0.04	0.00	0.05
Discontinued operations		0.04	0.00	0.07	-0.01	0.01
Group total	2	0.07	0.01	0.11	-0.00	0.06
Diluted						
Continuing operations		0.03	0.00	0.04	0.00	0.05
Discontinued operations		0.04	0.00	0.07	-0.01	0.01
Group total	2	0.07	0.01	0.11	-0.00	0.06

¹ Comparative information has been restated due to a discontinued operation.

Consolidated statement of financial position (IFRS)

EUR million	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
Non-current assets				
Property, plant and equipment	4	66.0	163.6	155.9
Goodwill	4	61.1	276.3	273.5
Other intangible assets	4	30.2	72.1	71.0
Other non-current assets	7	37.9	34.4	34.9
Deferred tax assets		2.8	4.4	3.9
Non-current assets total		198.0	550.8	539.3
Current assets				
Inventories		155.4	234.8	229.2
Trade receivables		201.4	204.1	194.7
Income tax receivables		0.7	4.7	2.7
Other receivables		6.9	20.5	18.2
Cash and cash equivalents		162.7	151.6	109.1
		527.1	615.7	553.9
Assets held for sale	3	412.3	-	-
Current assets total		412.3	615.7	553.9
Assets total		1,137.5	1,166.5	1,093.2

EUR million	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
Equity				
Share capital		36.2	36.2	36.2
Fair value reserve		28.6	25.9	26.5
Contingency fund		19.4	19.4	19.4
Invested unrestricted equity reserve		74.8	74.8	74.8
Other reserves		0.1	0.1	0.1
Translation differences		-40.4	-25.0	-28.5
Retained earnings		101.9	75.0	88.3
Equity attributable to the parent company shareholders		220.6	206.5	216.8
Non-current liabilities				
Deferred tax liabilities		5.5	13.4	11.8
Pension obligations		17.9	19.0	18.0
Interest-bearing liabilities		73.4	127.8	123.5
Other non-current liabilities		0.9	0.6	0.5
Non-current liabilities total		97.6	160.8	153.8
Current liabilities				
Trade payables		595.2	604.4	591.7
Provisions	5	-	0.9	-
Interest-bearing liabilities		79.2	134.9	86.4
Income tax payables		1.8	0.8	1.4
Other current liabilities		31.5	58.2	43.1
		707.7	799.2	722.6
Liabilities related to assets held for sale	3	111.6	-	-
Current liabilities total		111.6	799.2	722.6
Equity and liabilities total		1,137.5	1,166.5	1,093.2

Consolidated statement of changes in equity (IFRS)

EUR million	Share capital	Funds	Translation differences	Retained earnings	Equity total
Equity 1 Jan 2021	36.2	102.0	-23.1	54.5	169.6
Comprehensive income for the period					
Net profit for the period	-	-	-	-0.7	-0.7
Other comprehensive income:					
Financial assets recognised at fair value through other comprehensive income:					
Change in fair value	-	23.1	-	-	23.1
Profit from sales of assets	-	-	-	21.7	21.7
Accumulative change in fair value of disposed assets	-	-5.1	-	5.1	-
Financial assets recognised at fair value through other comprehensive income total	-	18.0	-	26.8	44.8
Cash flow hedge	-	0.3	-	-	0.3
Income tax relating to other comprehensive income	-	-0.1	-	-	-0.1
Translation difference	-	-	-1.9	-	-1.9
Comprehensive income for the period total	-	18.3	-1.9	26.1	42.4
Transactions with owners					
Dividend distribution	-	-	-	-5.4	-5.4
Share-based incentive	-	-	-	0.0	0.0
Purchase of own shares	-	-	-	-0.1	-0.1
Transactions with owners total	-	-	-	-5.5	-5.5
Equity 30 Jun 2021	36.2	120.2	-25.0	75.0	206.5
Equity 1 Jan 2022	36.2	120.7	-28.5	88.3	216.8
Comprehensive income for the period					
Net profit for the period	-	-	-	20.8	20.8
Other comprehensive income:					
Cash flow hedge	-	2.7	-	-	2.7
Income tax relating to other comprehensive income	-	-0.5	-	-	-0.5
Translation difference	-	-	-12.0	-	-12.0
Comprehensive income for the period total	-	2.2	-12.0	20.8	11.1
Transactions with owners					
Dividend distribution	-	-	-	-7.3	-7.3
Share-based incentive	-	-	-	0.2	0.2
Transactions with owners total	-	-	-	-7.2	-7.2
Equity 30 Jun 2022	36.2	122.9	-40.4	101.9	220.6

Condensed consolidated statement of cash flows (IFRS)

EUR million ¹	2022 1-6	2021 1-6	2021 1-12
Profit for the period	20.8	-0.7	11.3
Depreciation, amortisation and impairments	10.5	22.3	44.9
Financial income and expenses	3.2	3.2	5.8
Income taxes	5.9	0.1	3.4
Other adjustments	-0.6	0.4	0.1
Change in working capital	36.7	-7.5	-17.1
Cash flow from financial items and taxes	-8.9	-3.7	-8.4
Net cash flow from operating activities	67.7	14.0	40.0
Net cash flow from investing activities	-2.1	18.0	9.6
Net cash flow from financing activities	-10.8	-48.6	-108.5
Net change in cash and cash equivalents	54.7	-16.5	-59.0
Cash and cash equivalents at the beginning of the period	109.1	168.2	168.2
Translation differences	-0.1	-0.0	-0.0
Net change in cash and cash equivalents	54.7	-16.5	-59.0
Cash and cash equivalents at the end of the period	163.8	151.6	109.1

¹ Includes continuing and discontinued operations.

Notes to the Half year financial report January–June 2022

1. Principal accounting policies

This Half year financial report has been prepared in accordance with IFRS standards (IAS 34 Interim Financial Reporting) and should be read in conjunction with the Group's last consolidated financial statements as at and for the year ended 31 December 2021. The accounting policies and calculation methods applied in the report are the same as those in the 31 December 2021 financial statements, however with the addition of the standards and interpretations published by the International Accounting Standards Board (IASB) that are mandatory as of 1 January 2022. These standards did not have a significant impact on the Group in the current reporting period and they are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The consolidated statement of financial position for comparative periods includes the assets and liabilities of discontinued operations. This Half year financial report does not include all the information and notes presented in the financial statements. The figures in this Half year financial report are unaudited.

The severity and duration of the war in Ukraine and of the related inflation or pandemic are unclear in Oriola's operating environment. The potential impacts of these events on the valuation of Oriola's assets have been reviewed. Based on the assessments, Russia's military offensive against Ukraine or the COVID-19 pandemic are currently not expected to have such long-term impacts on Oriola's financial performance that would require adjustments to the carrying amounts of the assets.

Discontinued operations

Oriola announced on 9 February 2022 that it has signed a framework merger agreement with the Euroapotheca group for combining the respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising Kronans Apotek and Euroapotheca's Apoteksgruppen into a new company. Oriola applies the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in the classification, presentation, and recognition of the sale of the Consumer business area. Oriola reports the Consumer business area as discontinued operations as of the Q1 Interim Report. The discontinued operations are stated separately from continuing operations in the consolidated statement of comprehensive income and the comparison period has been adjusted accordingly. The elimination of transactions between the continuing operations and the discontinued operations is attributed in a way that reflects the continuance of these transactions after the arrangement has been completed. The balance sheet has not been adjusted for the previous periods.

Reporting segments

At the beginning of 2022, Oriola implemented a country-based organisation, where the Pharma and Retail business areas and the Operations function were transformed into a new organisational structure. As of the Q1 Interim Report, Oriola reports these operations as a new reportable segment: Oriola Services. In segment reporting, the previous periods have been adjusted to reflect changes in the management reporting.

Oriola Services offers advanced distribution, expert and advisory services for pharmaceutical companies and wide range of health and wellbeing products for pharmacies, veterinarians, other healthcare operators and retail operators in the Finnish and Swedish markets. Additionally, Oriola Services offers dose dispensing services for pharmacies and healthcare operators.

2. Earnings per share

EUR million	2022 4-6	2021 4-6	2022 1-6	2021 1-6	2021 1-12
Profit attributable to equity owners of the parent					
Continuing operations	5.5	0.7	7.6	0.5	8.6
Discontinued operations	6.5	0.3	13.3	-1.3	2.7
Group total	12.0	0.9	20.8	-0.7	11.3
Average number of outstanding shares (1000 shares)					
Basic	181,377	181,348	181,366	181,334	181,341
Diluted	181,423	181,423	181,423	181,423	181,423
Earnings per share (EUR)					
Basic					
Continuing operations	0.03	0.00	0.04	0.00	0.05
Discontinued operations	0.04	0.00	0.07	-0.01	0.01
Group total	0.07	0.01	0.11	-0.00	0.06
Diluted					
Continuing operations	0.03	0.00	0.04	0.00	0.05
Discontinued operations	0.04	0.00	0.07	-0.01	0.01
Group total	0.07	0.01	0.11	-0.00	0.06

3. Assets held for sale and discontinued operations

In February 2022, Oriola signed a framework merger agreement with the Euroapothecca group for combining the respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising Kronans Apotek and Euroapothecca's Apoteksgruppen into a new company. Accordingly, the Consumer business area is classified as discontinued operations and the assets and related liabilities are presented in the statement of financial position as assets held for sale and as liabilities related to assets held for sale as of 9 February 2022. Non-current assets are not depreciated while they are classified as held for sale. Oriola announced on 30 June 2022 that the Swedish Competition Authority has given its approval to the planned merger and that the completion of the merger is expected to take place in early October 2022.

The discontinued operations are stated separately from continuing operations in the consolidated statement of comprehensive income. The elimination of transactions between the continuing operations and the discontinued operations is attributed in a way that reflects the continuance of these transactions after the arrangement has been completed. Elimination of intra-group transactions is presented in note 10 Segment information.

The transaction is expected to have a negative impact of approximately EUR 10 million on the consolidated net profit of Oriola Group including translation differences and transaction related costs. Cumulative translation differences recognised in other comprehensive income shall be reclassified from equity to profit or loss when the transaction is completed. Transaction costs are recognised as incurred.

EUR million	2022 4-6	2021 4-6	2022 1-6	2021 1-6	2021 1-12
Net sales	202.3	207.5	407.4	407.2	817.5
Other operating income	2.5	3.0	5.7	5.5	10.1
Materials and supplies ¹	153.6	157.5	309.2	309.5	618.7
Employee benefit expenses	27.2	28.6	53.9	56.8	109.8
Other operating expenses	14.2	15.5	27.2	31.0	61.0
Depreciation, amortisation and impairments	0.1	7.1	3.1	14.0	28.3
EBIT	9.7	1.9	19.7	1.4	9.8
Financial income and expenses	-1.4	-1.5	-2.9	-3.0	-6.1
Profit before taxes	8.2	0.3	16.8	-1.6	3.7
Income taxes	-1.7	-0.1	-3.5	0.3	-1.0
Profit for the period from discontinued operations	6.5	0.3	13.3	-1.3	2.7

¹ Includes intra-group purchases, which are included in the Group's net sales from continuing operations. Elimination of intra-group sales is presented in the note 10 Segment information.

The periods presented in the table are not fully comparable, because a non-current asset classified as held for sale is not depreciated. Comparable EBIT, excluding the positive impact from depreciations, was EUR 9.9 (1.5) million in the reporting period. The impact from depreciations in April–June was EUR 6.8 (-) million and in January–June 10.2 (-) million.

Cash flows from discontinued operations EUR million	2022 1-6	2021 1-6	2021 1-12
Net cash flow from operating activities	27.6	20.1	36.4
Net cash flow from investing activities	-19.4	-11.7	-19.5
Net cash flow from financing activities	-8.3	-8.5	-17.2
Total cash flows	-0.1	-0.2	-0.2

As of 30 June 2022, the following assets and liabilities were classified as held for sale:

Assets held for sale EUR million	30 Jun 2022
Property, plant and equipment	81.1
Goodwill	201.3
Other intangible assets	39.2
Other non-current assets	0.0
Deferred tax assets	-1.0
Inventories	61.1
Income tax receivables	2.0
Trade and other receivables	27.5
Cash and cash equivalents	1.1
Assets held for sale total	412.3

Liabilities related to assets held for sale EUR million	30 Jun 2022
Deferred tax liabilities	6.1
Non-current interest-bearing liabilities	39.3
Current interest-bearing liabilities	13.1
Current trade and other payables	53.1
Liabilities related to assets held for sale total	111.6

4. Tangible and intangible assets

Changes in property, plant and equipment, EUR million	2022 1-6	2021 1-6	2021 1-12
Carrying amount at the beginning of the period	76.6	81.0	81.0
Increases	1.6	7.1	10.4
Decreases	-0.1	-0.1	-0.2
Reclassifications between asset categories	-0.0	-0.2	-0.2
Reclassification to assets held for sale	-21.3	-	-
Depreciation, continuing operations	-3.2	-3.4	-6.9
Depreciation, discontinued operations	-0.5	-2.8	-5.3
Impairments	-	-0.2	-0.9
Foreign exchange rate differences	-2.7	-0.5	-1.3
Carrying amount at the end of the period	50.3	80.9	76.6

Changes in right-of-use assets EUR million	2022 1-6	2021 1-6	2021 1-12
Carrying amount at the beginning of the period	79.4	81.2	81.2
Increases	3.3	12.1	20.1
Decreases	-0.2	-	-0.1
Reclassification to assets held for sale	-59.8	-	-
Depreciation, continuing operations	-1.9	-1.8	-3.8
Depreciation, discontinued operations	-1.8	-8.2	-16.5
Impairments	-	-	-0.0
Foreign exchange rate differences	-3.3	-0.6	-1.5
Carrying amount at the end of the period	15.7	82.7	79.4

Changes in goodwill, EUR million	2022 1-6	2021 1-6	2021 1-12
Carrying amount at the beginning of the period	273.5	278.7	278.7
Divestment of business	-2.0	-	-
Reclassification to assets held for sale	-201.3	-	-
Impairments	-	-0.9	-0.9
Foreign exchange rate differences	-9.0	-1.6	-4.4
Carrying amount at the end of the period	61.1	276.3	273.5

Changes in other intangible assets, EUR million	2022 1-6	2021 1-6	2021 1-12
Carrying amount at the beginning of the period	71.0	69.8	69.8
Increases	3.6	7.5	12.4
Decreases	-0.4	-0.1	-0.0
Reclassifications	0.0	0.2	0.2
Reclassification to assets held for sale	-39.2	-	-
Amortisation, continuing operations	-2.3	-2.2	-4.5
Amortisation, discontinued operations	-0.8	-2.9	-6.0
Foreign exchange rate differences	-1.8	-0.3	-0.8
Carrying amount at the end of the period	30.2	72.1	71.0

5. Provisions

At the end of the reporting period, the Group did not have any provisions in the consolidated statement of financial position (0.9 EUR million).

The provisions in 2021 consist of restructuring provisions and a provision relating to an onerous contract in Sweden.

6. Derivatives

30 Jun 2022 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	3.6	0.4	85.7
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.0	0.3	91.9

30 Jun 2021 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	0.1	0.2	71.2
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.0	0.0	41.1

Derivatives measured at fair value through profit and loss are mainly related to hedging of the Group's internal transactions. Fair values of the derivatives have been recognised in the balance sheet in gross amount as the derivatives contracts are related to credit events and cannot be netted in financial statements. The Group has not given nor received collateral to/from derivatives counterparties.

7. Fair value hierarchy

30 Jun 2022 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives designated as hedges	-	3.6	-	3.6
Other investments measured at fair value through OCI	-	-	34.2	34.2
Trade receivables for sale	-	17.5	-	17.5
Liabilities				
Derivatives designated as hedges	-	0.4	-	0.4
Derivatives measured at fair value through profit and loss	-	0.3	-	0.3

30 Jun 2021 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives designated as hedges	-	0.1	-	0.1
Derivatives measured at fair value through profit and loss	-	0.0	-	0.0
Other investments measured at fair value through OCI	-	-	34.2	34.2
Trade receivables for sale	-	17.4	-	17.4
Liabilities				
Derivatives designated as hedges	-	0.2	-	0.2
Derivatives measured at fair value through profit and loss	-	0.0	-	0.0

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Reconciliation of financial assets recognised at fair value according to the level 3

	2022	2021	2021
Financial assets on level 3, EUR million	1-6	1-6	1-12
Carrying amount at the beginning of the period	34.2	22.2	22.2
Disposal of shares	-	-11.1	-11.1
Change in fair value	-	23.1	23.1
Carrying amount at the end of the period	34.2	34.2	34.2

Financial assets recognised at fair value through other comprehensive income (level 3) include Oriola's holding in the Swedish online medical centre Doktor.se. The applied valuation method for the shares in Doktor.se is based on realised transactions.

8. Commitments and Contingent Liabilities

EUR million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Commitments for own liabilities			
Guarantees on behalf of own companies	6.8	7.2	7.1
Mortgages on company assets	2.0	2.1	2.0
Other guarantees and liabilities	6.9	9.0	8.0
Total	15.6	18.3	17.2
Committed future minimum lease liabilities	1.1	1.1	0.9

The most significant guarantees are bank guarantees against the Swedish wholesale company's trade payables. In addition, Oriola Corporation has granted parent company guarantees of EUR 0.4 (0.3) million against other subsidiaries' lease liabilities.

Committed future minimum lease liabilities consist of leasing commitments related to low-value assets and short-term leases, to which the Group elected to apply recognition exemptions permitted by IFRS 16.

Oriola has invested in a new e-commerce warehouse in Enköping, Sweden. The new warehouse will cover around 15,000 square meters. Oriola is renting the facility. The building project started in the autumn 2021, and the new warehouse will be ready during the second half of 2022. The lease contract is for ten years and will add right-of-use assets and lease liabilities of approximately EUR 7.4 million in the second half of 2022.

9. Related parties

Related parties in the Oriola Group are deemed to comprise the members of the Board of Directors and the President and CEO of Oriola Corporation, the other members of the Oriola Management Team, the immediate family of the aforementioned persons and the companies controlled by the aforementioned persons, the Group's subsidiaries and joint ventures. The Group has transactions between the group companies in the ordinary course of business. The Group has no significant business transactions with other related parties.

10. Segment information

Oriola's continuing operations includes one reportable segment: Oriola Services.

1-6/2022						
EUR million	Oriola Services	Group items	Continuing operations total	Discontinued operations	Eliminations	Total
External invoicing	1,602.2	-	1,602.2	417.5	-	2,019.6
Internal invoicing	188.4	-	188.4	0.1	-188.5	-
Invoicing	1,790.6	-	1,790.6	417.5	-188.5	2,019.6
External net sales	579.0	-	579.0	407.3	-	986.2
Internal net sales	188.4	-	188.4	0.1	-188.5	-
Net sales	767.4	-	767.4	407.4	-188.5	986.2
EBIT	15.9	-5.6	10.3	19.7	-	30.0
Adjusted EBIT	14.4	-4.2	10.2	20.2	-	30.3
Comparable adjusted EBIT ¹	14.4	-4.2	10.2	9.9	-	20.1
Assets	503.0	222.1	725.1	412.3	-	1,137.5
Liabilities	662.8	142.4	805.2	111.6	-	916.8
Investments	1.4	-	1.4	3.9	-	5.2
Depreciation, amortisation and impairments	7.3	0.0	7.4	3.1	-	10.5
Average number of personnel, FTE's	893	71	964	1,663	-	2,627

¹ Includes depreciations for the period in which the non-current assets are classified as held for sale.

1-6/2021						
EUR million	Oriola Services	Group items	Continuing operations total	Discontinued operations	Eliminations	Total
External invoicing	1,509.6	0.0	1,509.6	417.3	-	1,927.0
Internal invoicing	196.1	-	196.1	0.1	-196.2	-
Invoicing	1,705.7	-	1,705.8	417.4	-196.2	1,927.0
External net sales	510.6	-	510.6	407.1	-	917.7
Internal net sales	196.1	-	196.1	0.1	-196.2	-
Net sales	706.7	-	706.7	407.2	-196.2	917.7
EBIT	6.4	-5.3	1.1	1.4	-	2.5
Adjusted EBIT	7.3	-4.4	2.9	1.5	-	4.4
Comparable adjusted EBIT ¹	7.3	-4.4	2.9	1.5	-	4.4
Assets	513.7	214.8	728.5	438.0	-	1,166.5
Liabilities	650.5	185.2	835.8	124.2	-	960.0
Investments	6.6	0.2	6.8	7.9	-	14.7
Depreciation, amortisation and impairments	8.2	0.1	8.3	14.0	-	22.3
Average number of personnel, FTE's	1,013	79	1,092	1,657	-	2,749

¹ In 2021, comparable adjusted EBIT is the same as adjusted EBIT.

Segment information quarterly

Continuing operations	2022	2022	2021	2021	2021	2021
EUR million	4-6	1-3	10-12	7-9	4-6	1-3
Invoicing	903.9	886.7	942.4	858.7	871.6	834.1
Net sales	394.6	372.7	386.2	359.3	360.3	346.4
Comparable adjusted EBIT, Oriola Services	7.5	6.9	8.7	7.7	4.2	3.1
Comparable adjusted EBIT, Group items	-2.0	-2.2	-2.1	-2.3	-2.2	-2.2
Comparable adjusted EBIT total¹	5.5	4.7	6.6	5.4	2.0	0.9
Adjusted EBIT, Oriola Services	7.5	6.9	8.7	7.7	4.2	3.1
Adjusted EBIT, Group items	-2.0	-2.2	-2.1	-2.3	-2.2	-2.2
Adjusted EBIT total	5.5	4.7	6.6	5.4	2.0	0.9
EBIT, Oriola Services	9.1	6.9	7.1	7.7	3.3	3.1
EBIT, Group items	-2.0	-3.6	-2.7	-2.5	-2.2	-3.1
EBIT total	7.0	3.3	4.4	5.2	1.2	-0.0
Number of personnel at the end of the period, FTE's, Oriola Services	824	959	974	1,003	1,010	1,037
Number of personnel at the end of the period, FTE's, Group items	68	72	72	78	81	82
Number of personnel at the end of the period, FTE's total	892	1,031	1,046	1,081	1,091	1,119

¹ For continuing operations, comparable adjusted EBIT is the same as adjusted EBIT.

Discontinued operations	2022	2022	2021	2021	2021	2021
EUR million	4-6	1-3	10-12	7-9	4-6	1-3
Invoicing	208.0	209.6	216.7	205.3	213.1	204.3
Net sales	202.3	205.1	210.0	200.2	207.5	199.7
Comparable adjusted EBIT ¹	3.1	6.8	5.0	5.0	2.0	-0.6
Adjusted EBIT	9.8	10.3	5.0	5.0	2.0	-0.6
EBIT	9.7	10.0	3.7	4.7	1.9	-0.5
Number of personnel at the end of the period, FTE's	1,639	1,564	1,598	1,814	1,677	1,603

¹ Includes depreciations for the period in which the non-current assets are classified as held for sale.

Geographical information, continuing operations

1-6/2022			Other	
EUR million	Sweden	Finland	countries	Total
Net sales	460.6	241.9	64.9	767.4
Assets ¹	725.3	412.2	-	1,137.5
Investments	0.6	0.8	-	1.4
Average number of personnel	475	489	-	964

1-6/2021			Other	
EUR million	Sweden	Finland	countries	Total
Net sales	451.2	195.1	60.4	706.7
Assets ¹	780.6	385.9	-	1,166.5
Investments	4.6	2.2	-	6.8
Average number of personnel	503	589	-	1,092

¹ Includes discontinued operations.

11. Disaggregation of revenue

In the following table, the Group's revenue from continuing operations is disaggregated by the Group's major revenue streams. The figures include intra-group sales of EUR 188.4 (196.1) million. The elimination of intra-group net sales is presented in the note 10 Segment information.

Oriola Services	2022	2021
EUR million	1-6	1-6
Wholesale	648.6	600.8
Other ¹	118.7	105.9
Net sales total	767.4	706.7

¹ Other includes sales of logistics services, dose dispensing, staffing and other services.

12. Alternative performance measures

Key figures	2022	2021	Change	2022	2021	Change	2021
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	903.9	871.6	3.7	1,790.6	1,705.8	5.0	3,506.9
Net sales	394.6	360.3	9.5	767.4	706.7	8.6	1,452.2
Comparable adjusted EBIT ¹	5.5	2.0	170.0	10.2	2.9	250.7	14.9
Adjusted EBIT ¹	5.5	2.0	170.0	10.2	2.9	250.7	14.9
EBIT	7.0	1.2	503.6	10.3	1.1	819.7	10.7
Adjusted EBIT %	1.4	0.6		1.3	0.4		1.0
EBIT %	1.8	0.3		1.3	0.2		0.7
Profit for the period	5.5	0.7	721.2	7.6	0.5	1,384.0	8.6
Earnings per share, EUR	0.03	0.00		0.04	0.00		0.05
Net cash flow from operating activities ²	38.9	28.2		67.7	14.0		40.0
Gross capital expenditure				1.4	6.8		9.3
Net interest-bearing debt ³				-10.1	111.1		100.8
Gearing, % ³				-4.6	53.8		46.5
Equity per share, EUR ²				1.22	1.14		1.20
Equity ratio, % ²				19.8	18.0		20.1
Return on equity (ROE), % ²				20.0	-0.8		5.9
Return on capital employed (ROCE), % ²				14.5	1.1		4.6
Average number of shares, 1000 pcs ⁴				181,366	181,334		181,341
Average number of personnel ⁵				964	1,092		1,077
Number of personnel at the end of the period ⁵				892	1,091		1,046

¹ Adjusting items are specified in note 13. Adjusting items.

² Includes discontinued operations.

³ Year 2021 includes discontinued operations.

⁴ Treasury shares held by the company not included.

⁵ Full time equivalents

Reconciliation of alternative performance measures to IFRS, continuing operations

Invoicing	2022	2021	2022	2021	2021
EUR million	4-6	4-6	1-6	1-6	1-12
Net sales	394.6	360.3	767.4	706.7	1,452.2
+ Acquisition cost of consignment stock	509.4	511.1	1,023.2	999.1	2,054.9
+ Cash discounts	0.0	0.0	0.0	0.0	0.0
+ Exchange rate differences on sales	-0.1	0.2	0.0	-0.0	-0.2
Invoicing	903.9	871.6	1,790.6	1,705.8	3,506.9

Comparable adjusted EBIT and Adjusted EBIT	2022	2021	2022	2021	2021
EUR million	4-6	4-6	1-6	1-6	1-12
EBIT	7.0	1.2	10.3	1.1	10.7
- Adjusting items included in EBIT	-1.5	0.9	-0.1	1.8	4.2
Adjusted EBIT	5.5	2.0	10.2	2.9	14.9

Alternative performance measures calculated on a constant currency basis	2022	2021	2022	2021	2021
EUR million	4-6	4-6	1-6	1-6	1-12
Invoicing	903.9	871.6	1,790.6	1,705.8	3,506.9
Translation difference	19.7	-28.5	41.1	-58.0	-76.2
Invoicing calculated on a constant currency basis	923.6	843.1	1,831.6	1,647.7	3,430.7
Net sales	394.6	360.3	767.4	706.7	1,452.2
Translation difference	8.8	-12.4	17.9	-25.2	-32.7
Net sales calculated on a constant currency basis	403.4	347.9	785.3	681.5	1,419.5
Adjusted EBIT	5.5	2.0	10.2	2.9	14.9
Translation difference	0.1	-0.2	0.3	-0.3	-0.3
Adjusted EBIT calculated on a constant currency basis	5.6	1.9	10.4	2.6	14.6

Calculation of alternative performance measures

Alternative performance measure	Definitions
Invoicing	= Net sales + acquisition cost of consignment stock + cash discounts + exchange rate differences on sales
EBIT	= Net sales less material purchases and exchange rate differences on sales and purchases, less employee benefit expenses and other operating expenses, less depreciation, amortisation and impairment plus other operating income plus share of results in joint venture.
Adjusted EBIT	= EBIT excluding adjusting items
Adjusting items	= Adjusting items include gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events, and changes in estimates regarding the realisation of contingent consideration arising from business acquisitions.
Invoicing calculated on a constant currency basis	= Invoicing calculated with the average exchange rate of the corresponding period of the comparative year.
Net sales calculated on a constant currency basis	= Net sales calculated with the average exchange rate of the corresponding period of the comparative year.
Adjusted EBIT calculated on a constant currency basis	= Adjusted EBIT calculated with the average exchange rate of the corresponding period of the comparative year.
Net interest-bearing debt	= Interest-bearing liabilities - cash and cash equivalents
Investments	= Capitalised investments in property, plant and equipment and in intangible assets including goodwill arising from business combinations, as well as investments in associates and joint ventures and in other shares and holdings
Return on capital employed (ROCE), %	= $\frac{\text{EBIT}}{\text{Total assets - Non-interest-bearing liabilities (average between the beginning and the end of the year)}} \times 100$
Return on equity (ROE), %	= $\frac{\text{Profit for the period}}{\text{Equity total (average between the beginning and the end of the year)}} \times 100$
Gearing, %	= $\frac{\text{Net interest-bearing debt}}{\text{Equity total}} \times 100$
Equity ratio, %	= $\frac{\text{Equity total}}{\text{Total assets – Advances received}} \times 100$

13. Adjusting items

Adjusted EBIT excludes gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events, and changes in estimates regarding the realisation of contingent consideration arising from business acquisitions.

Adjusting items included in EBIT EUR million	2022 4-6	2021 4-6	2022 1-6	2021 1-6	2021 1-12
Restructuring costs	-	-	-	-0.9	-2.3
Impairments and write-downs	-	-0.9	-	-0.9	-1.2
Other	1.5	-	0.1	-	-0.8
Adjusting items from continuing operations	1.5	-0.9	0.1	-1.8	-4.2
Discontinued operations	-0.1	-0.2	-0.5	-0.1	-1.6
Adjusting items total	1.4	-1.0	-0.4	-1.8	-5.9

Adjusting items in 2022 relate to the planned merger with Apoteksgruppen and the divestment of the staffing services business. Adjusting items in 2021 consist mainly of organizational restructuring costs, impairment of goodwill related to closing of the service centre in Sweden and write-down of inventories related to the discontinued product category.

14. Events after the reporting period

Oriola announced on 19 July 2022, that Timo Leinonen, M. Sc. (Admin), was appointed Oriola Corporation's CFO and member of the Oriola Management Team. Timo Leinonen will start in his new position latest in January 2023.