

A man and a woman are exercising in a park. The woman, on the left, is wearing a red long-sleeved top and orange leggings, sitting on a dark wooden bench and stretching her right leg. The man, on the right, is wearing a blue long-sleeved top and black leggings, standing and stretching his left leg. They are both smiling and looking at each other. The background is filled with trees with bright yellow autumn leaves. The ground is covered with fallen yellow leaves.

# Oriola Corporation Interim report January-September 2021



# Q3 2021 key points

## *Profitability improved and turnaround proceeding*

- Markets continued to recover in both Finland and Sweden. Market volume demand is close to 2019 levels
- Invoicing and net sales increased 4.8% in constant currency
- Adjusted EBIT increased to EUR 10.4 (6.3) million
- Profitability improved in all business areas
- Short-term action plan for turnaround – implementation has started
- Continued safeguarding the health and safety of employees and ensuring production continuity and availability

Health for life

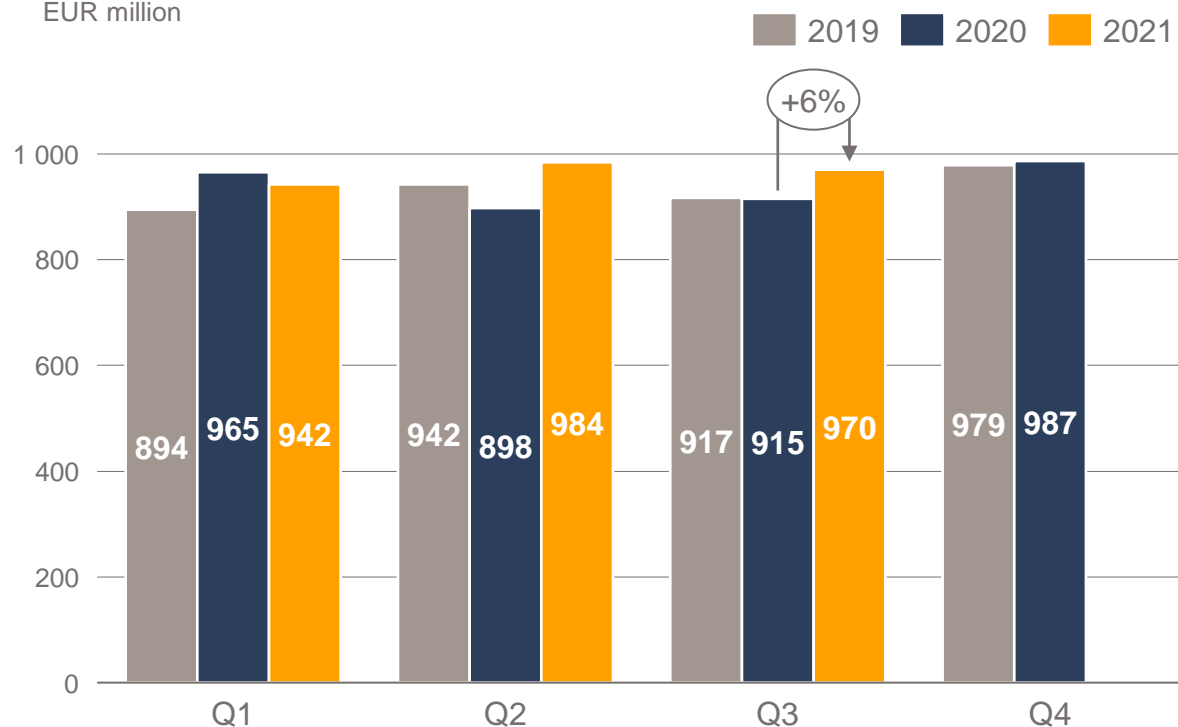


# Q3: Invoicing +6.0 % and net sales +6.1% constant currency +4.8% and +4.8%



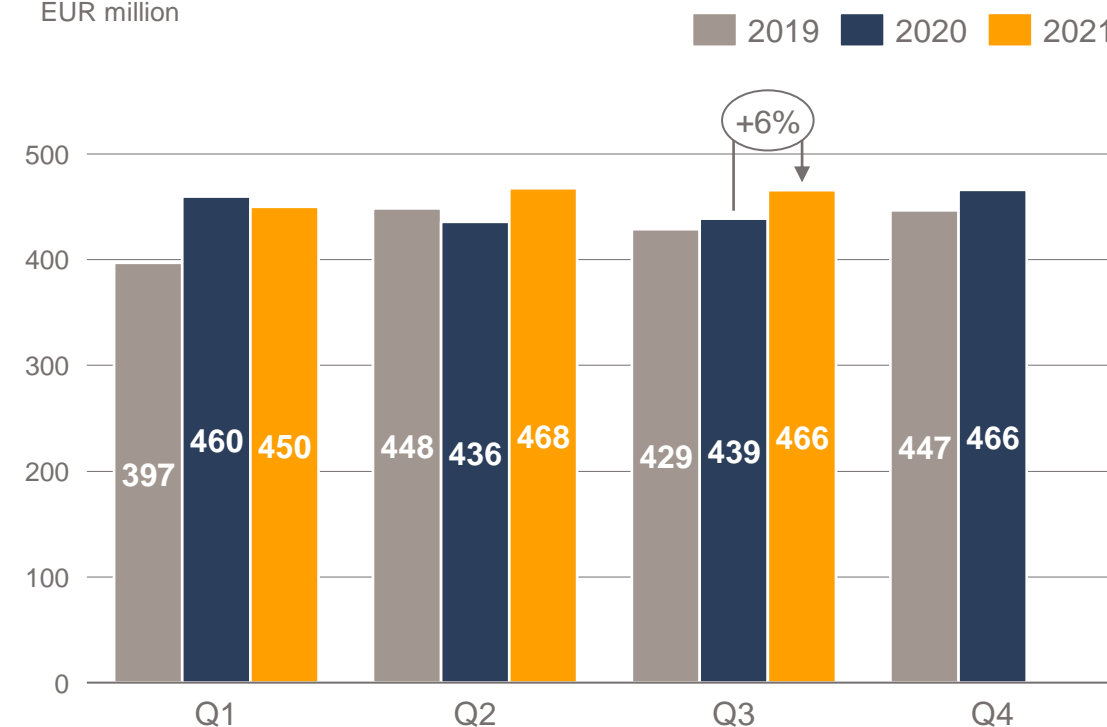
## Invoicing<sup>1</sup>

EUR million



## Net sales<sup>2</sup>

EUR million



<sup>1</sup>Q3/2021 Invoicing at constant currency EUR/SEK rate EUR 959 million

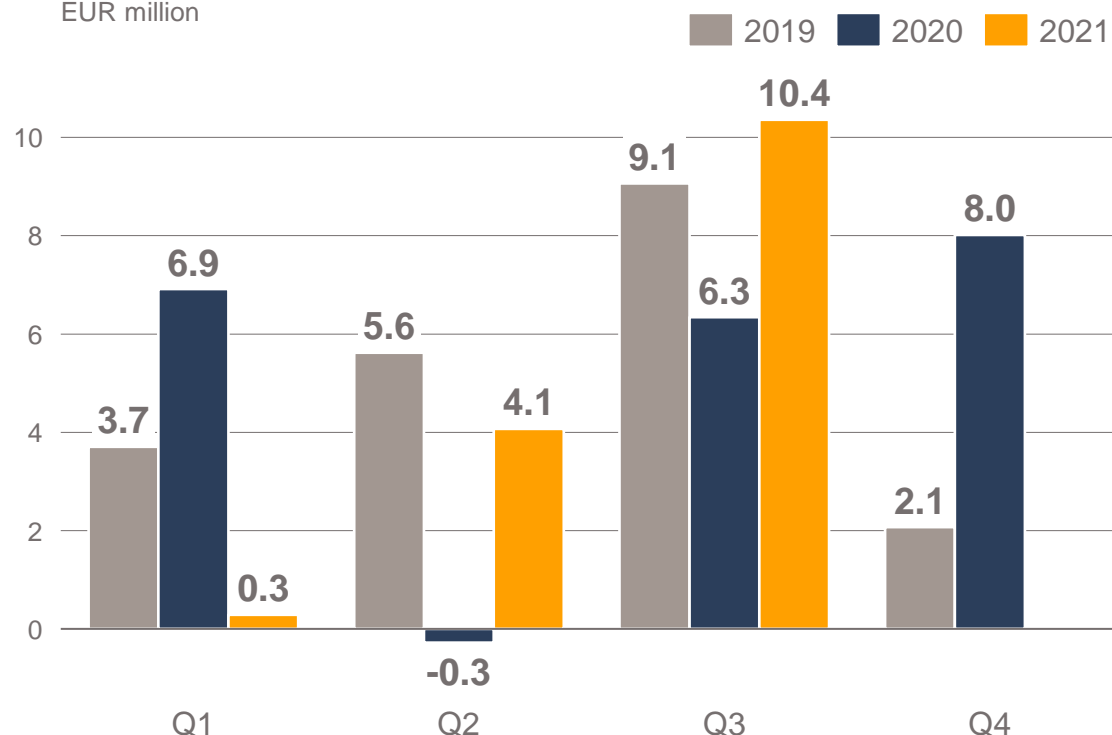
<sup>2</sup>Q3/2021 Net Sales at constant currency EUR/SEK rate EUR 460 million

# Adjusted EBIT increased to EUR 10.4 million – above 2020 and 2019



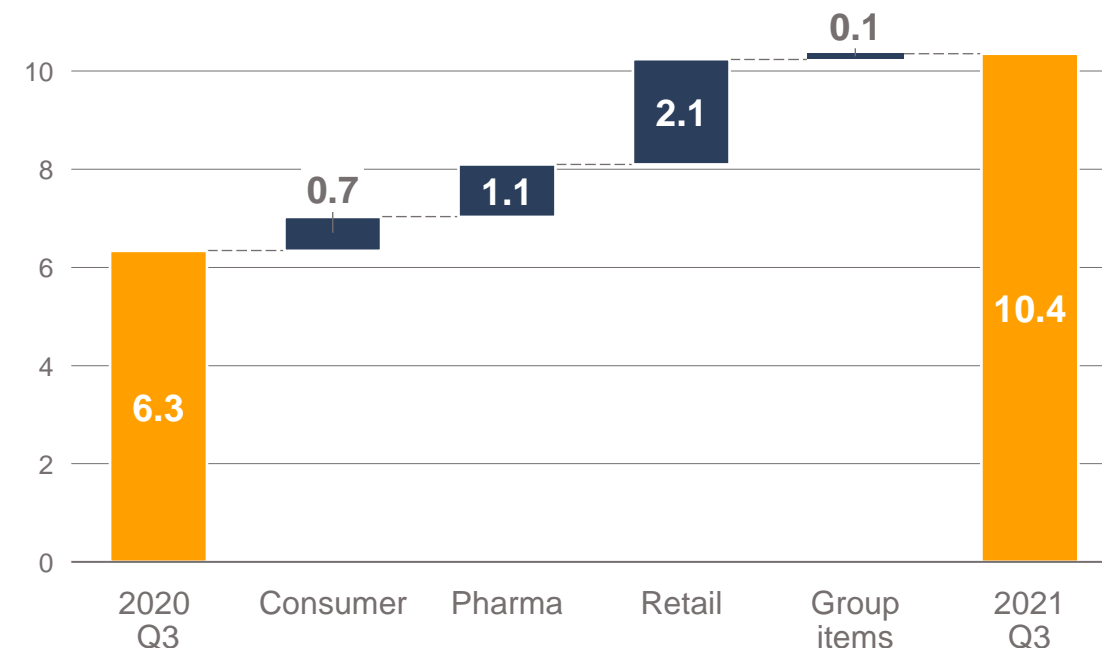
## Adjusted EBIT

EUR million



## Adjusted EBIT development<sup>1</sup>

EUR million



Oriola estimates that the net negative impact of COVID-19 pandemic compared to normalised market environment was approximately EUR 1 million for Q3 and EUR 5–8 million for Q1-Q3 in adjusted EBIT.

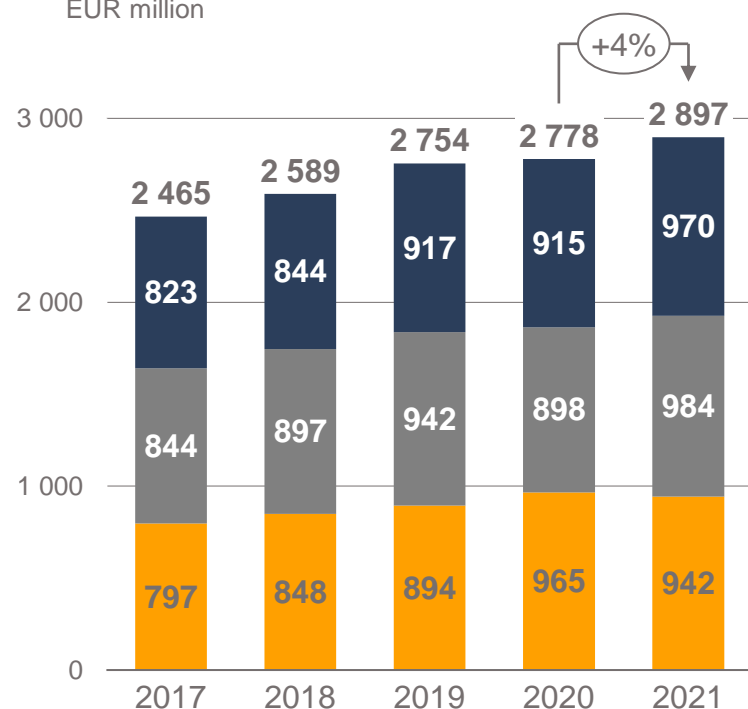
<sup>1</sup>Q3/2021 adjusted EBIT in constant currency EUR 10.1 million

# Key figures YTD Q3

## continuing operations

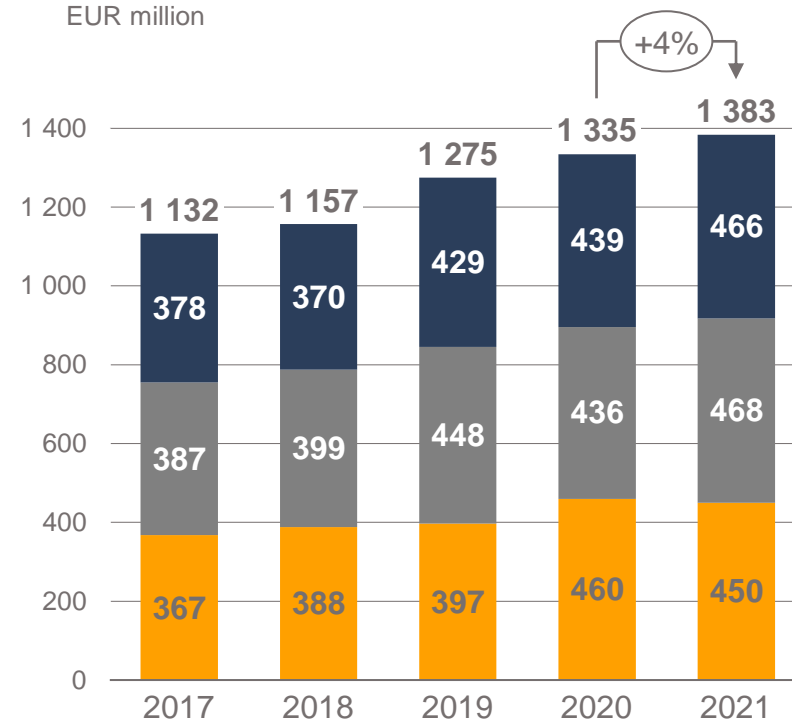
### Invoicing Q1-Q3

EUR million



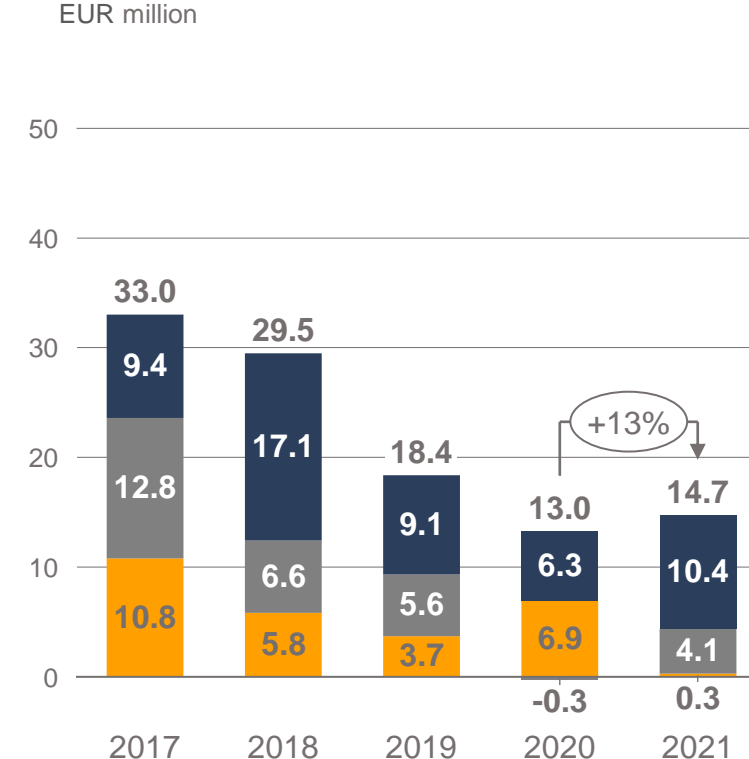
### Net sales Q1-Q3

EUR million



### Adjusted EBIT Q1-Q3

EUR million



Q1 Q2 Q3

Adjusted EBIT in constant currency EUR 10.1 million in Q3/2021



**Operating  
environment**

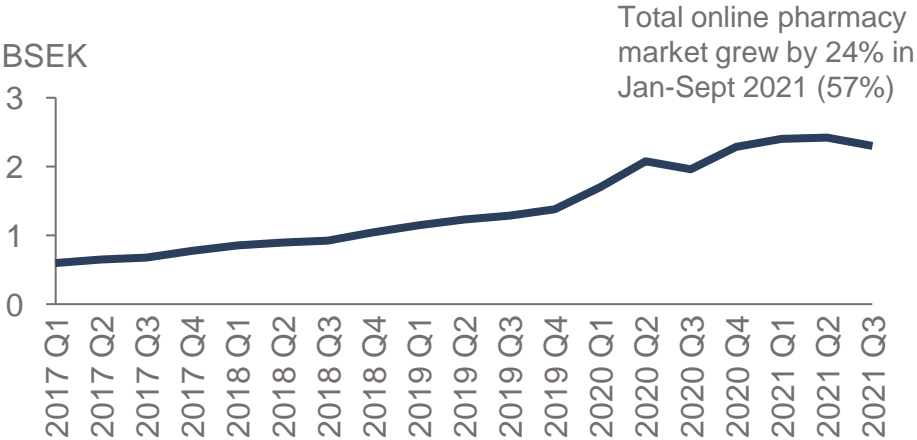


# Pharmacy market value and volume grew in Q3 in Sweden



Pharmacy market value development in Sweden in Q3: +4.7% and +1.7%% in YTD  
Pharmacy volume grew in Sweden in Q3

## Online pharmacy market size in Sweden



## Oriola online net sales

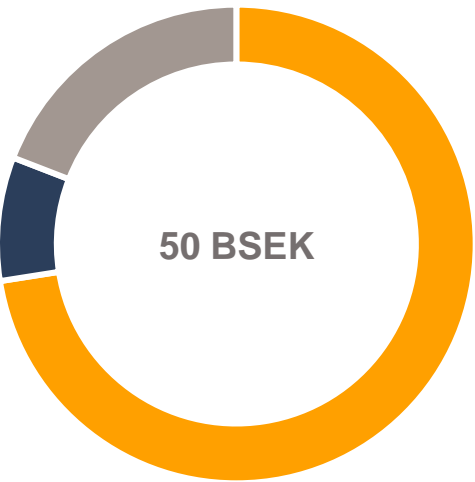


## Market shares in Q3



- Oriola/Kronans Apotek 16.2% (16.7%)
- Others 84% (83%)

## Pharmacy market in Q3



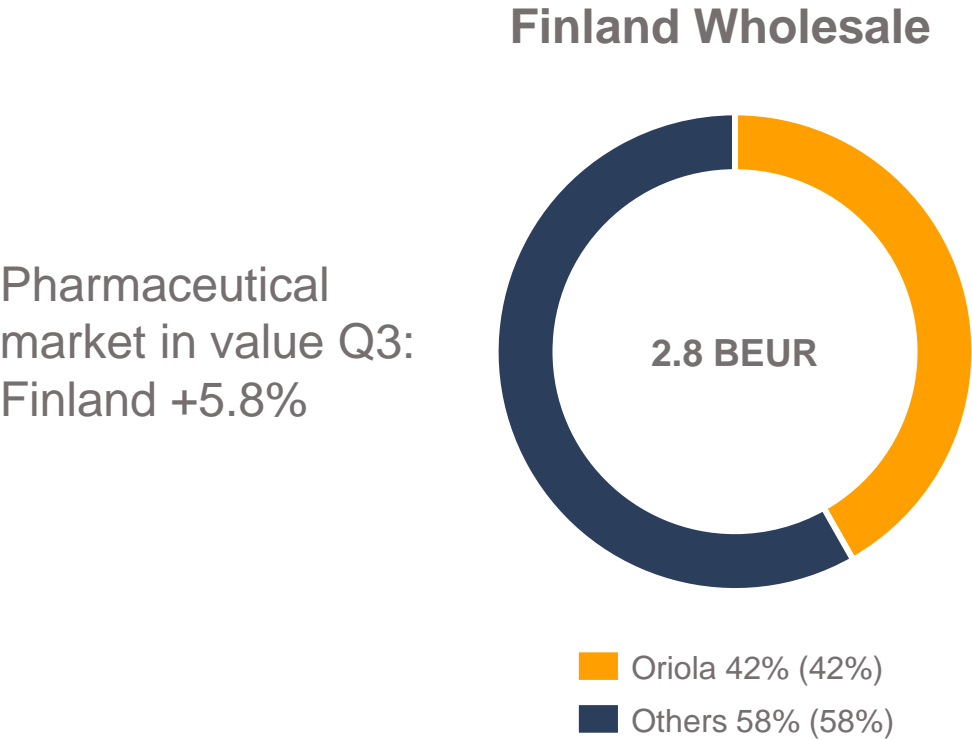
- Rx 73% (74%)
- OTC 8% (8%)
- TG 19% (18%)

Market shares are quarterly figures and total market size is rolling 12 month figure, online market size is quarterly figure. Source: Apoteksförening



# Pharmaceutical market value and volume grew in Q3 Oriola

Volume increased Y/Y in Q3 and was close to the pre-pandemic levels  
Pharmaceutical market value development YTD: Finland +2.5% and Sweden +2.6%



Source: LTK and Oriola estimate



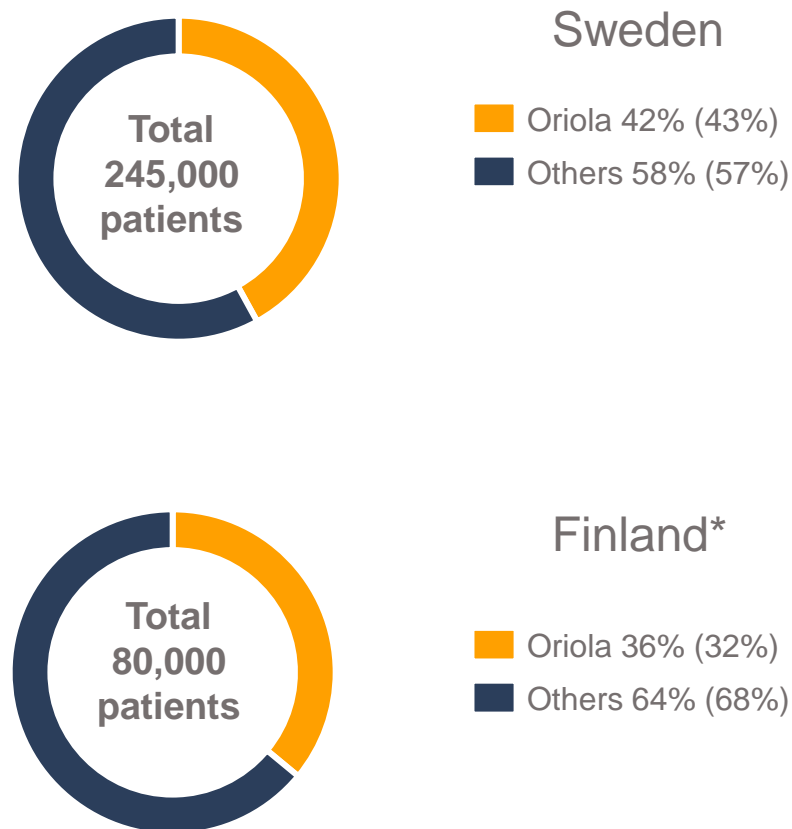
Source: IQVIA and Oriola estimate

Market shares are quarterly figures and market size rolling 12month figure



# Also Retail markets were growing in Q3

## Market share dose dispensing



\*Market data revised in Q2 2021

Source: Oriola estimate

TG/OTC market value development +9.3% in Sweden in Q3 and +4.1% YTD

**Oriola's market share of TG/OTC products supply for pharmacies in Sweden in Q3**

**24%** (25%)

from the total market of

SEK **14** billion

Market share is quarterly figure and market size rolling 12month figure.  
Source: Apoteksförening

## Staffing services in Finland

in **204 (196) pharmacies** in Q3  
of a total of **819** pharmacies

Source: Oriola estimate



## **Business Area reviews Q3 2021**

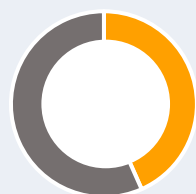


# Three customer-centric business areas



## Consumer business area

Pharmacy services and products for consumer health and wellbeing in Sweden in Kronans Apotek and in cooperation with Doktor.se.



43% of  
Group net sales<sup>1</sup>



## Pharma business area

Advanced logistics, expert and advisory services for pharmaceutical companies, distributing a wide range of pharmaceutical products for pharmacies, hospital pharmacies and veterinarians.

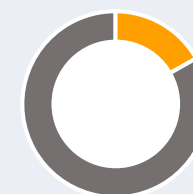


40% of  
Group net sales<sup>1</sup>



## Retail business area

A wide range of health and wellbeing products for healthcare operators and retailers, as well as services for pharmacies, including dose services and staffing.



17% of  
Group net sales<sup>1</sup>

## Operations group function

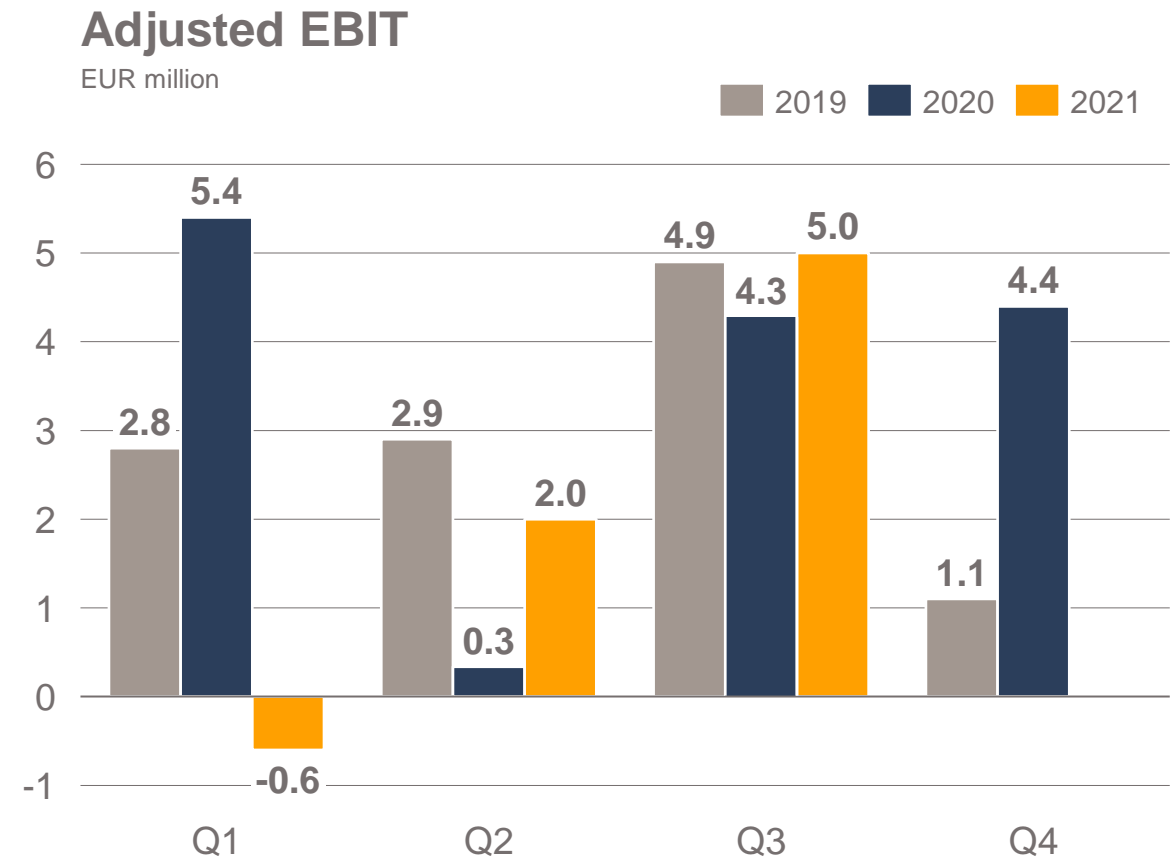
Serving all business areas, focus on logistics operations, direct and indirect sourcing, dose manufacturing.

<sup>1</sup> External Net sales, 2020



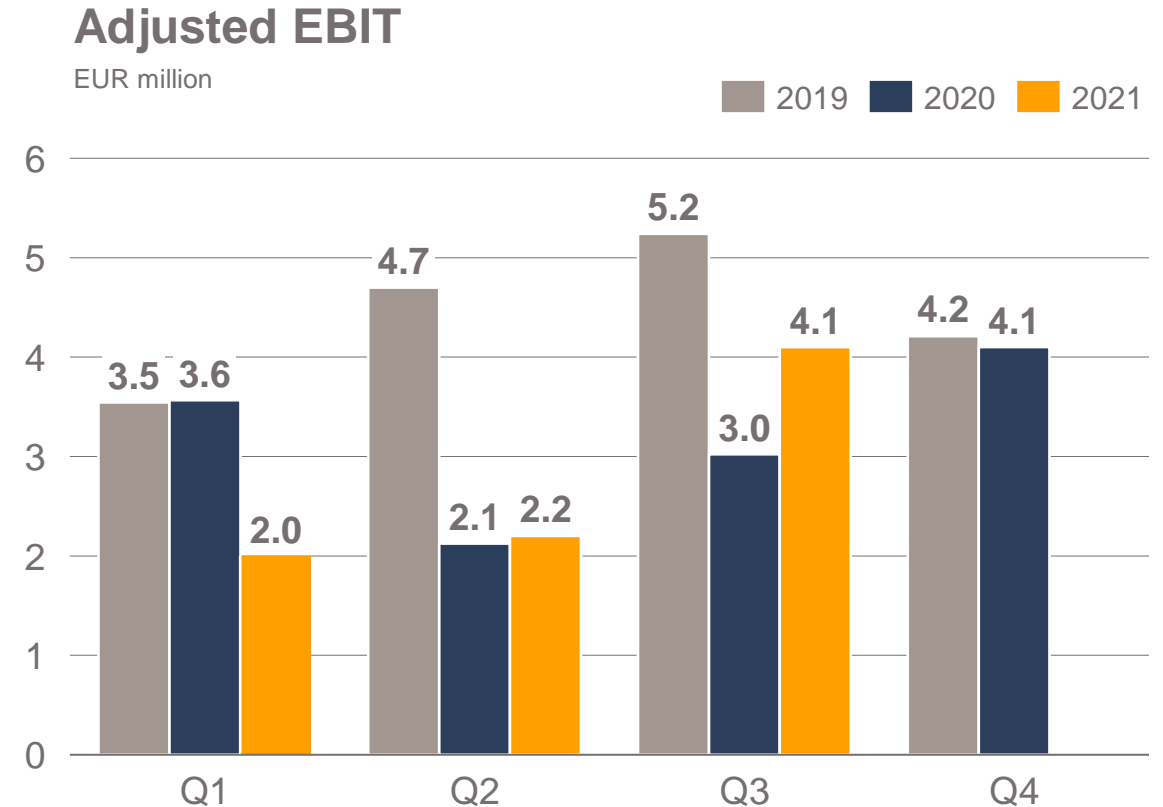
# Consumer Q3: Pharmacy market continued recovering, profitability improved

- Consumer activity and demand recovered
  - Physical pharmacy market demand started to slowly recover towards the end of the Q3
- The net sales increased by 5.1% to EUR 200.2 million, (on a constant currency basis net sales increased by 3.5%), driven by
  - Continued growth in online channel
  - Recovering market
- Adjusted EBIT increased to EUR 5.0 (4.3) million due to
  - Improving market conditions
  - General cost increase limited profitability improvement
- Share of OTC and traded goods of net sales was 25.3% in Q3 (24.6%)



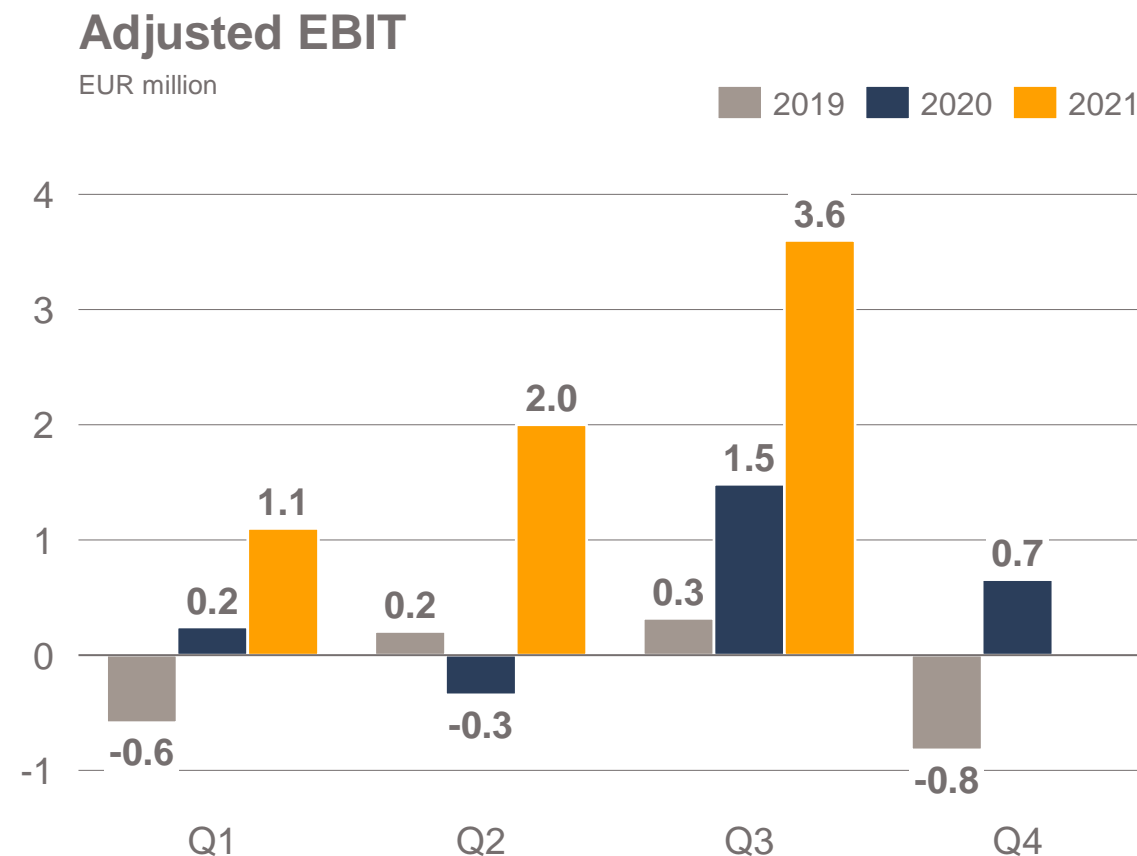
# Pharma Q3: Increased profitability driven by market recovery

- Market demand recovering in both countries
- Invoicing increased by 5.4% to EUR 745.0 million, (on a constant currency basis invoicing increased by 4.4%)
- Net sales increased by 4.7% to EUR 245.7 million, (on a constant currency basis, net sales increased by 3.7%)
  - Growth driven by recovering pharmaceutical market
- Adjusted EBIT increased to EUR 4.1 (3.0) million
  - Driven by increased volumes and market continued to recover



# Retail Q3: Improved market demand, increased profitability

- Net sales increased by 6.6% to EUR 126.7 million, (on a constant currency basis net sales increased by 5.1%), driven by
  - Growth of patient volumes in dose dispensing
  - Increased demand for health and wellbeing products in Sweden
- Adjusted EBIT increased to EUR 3.6 (1.5) million, mainly due to
  - Continued strength of the dose dispensing business
  - Improvements in customer agreements and product mix in health and wellbeing product category in Sweden





# Profit for the period, EPS & Net Interest - Bearing Debt Q3 2021

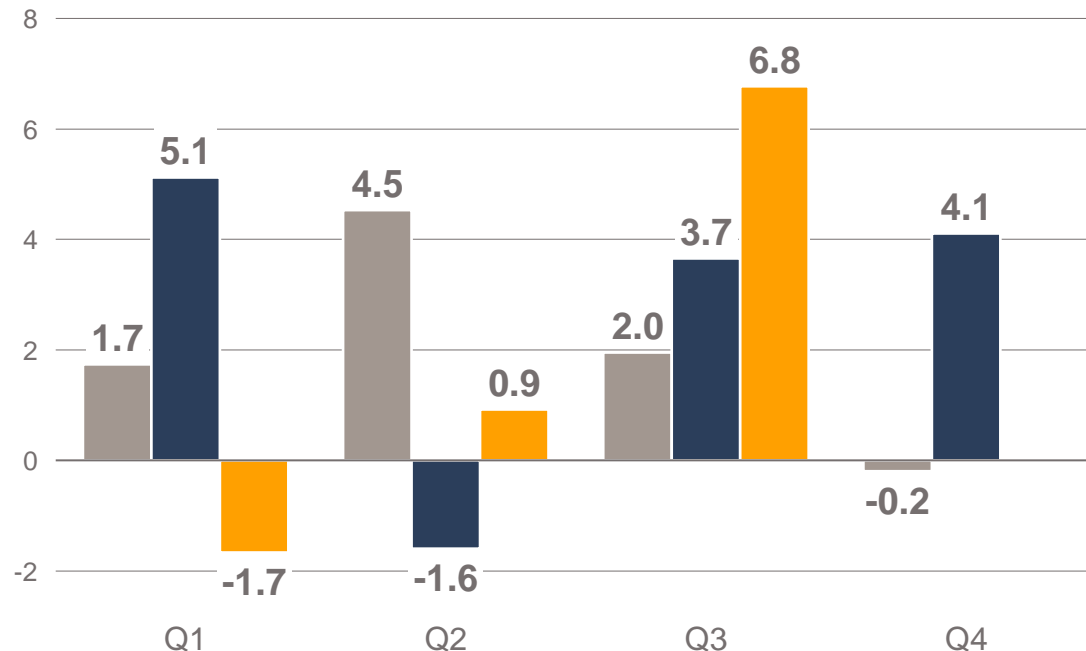


# Q3: Profit for the period and EPS up 85% Y/Y

## Profit for the period

EUR million

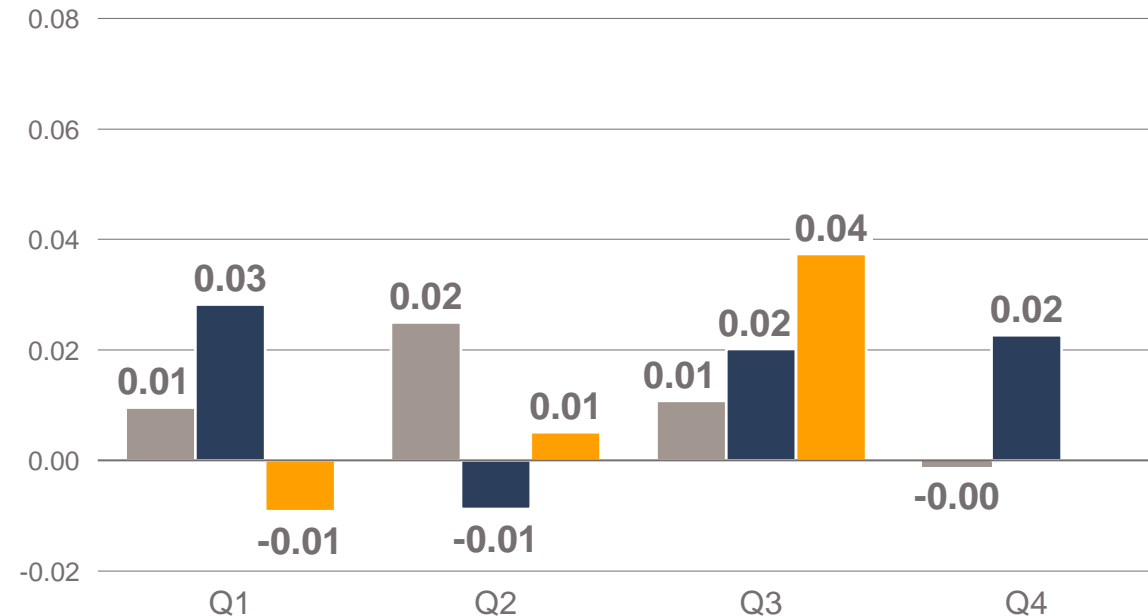
■ 2019 ■ 2020 ■ 2021



## Earnings per share

EUR

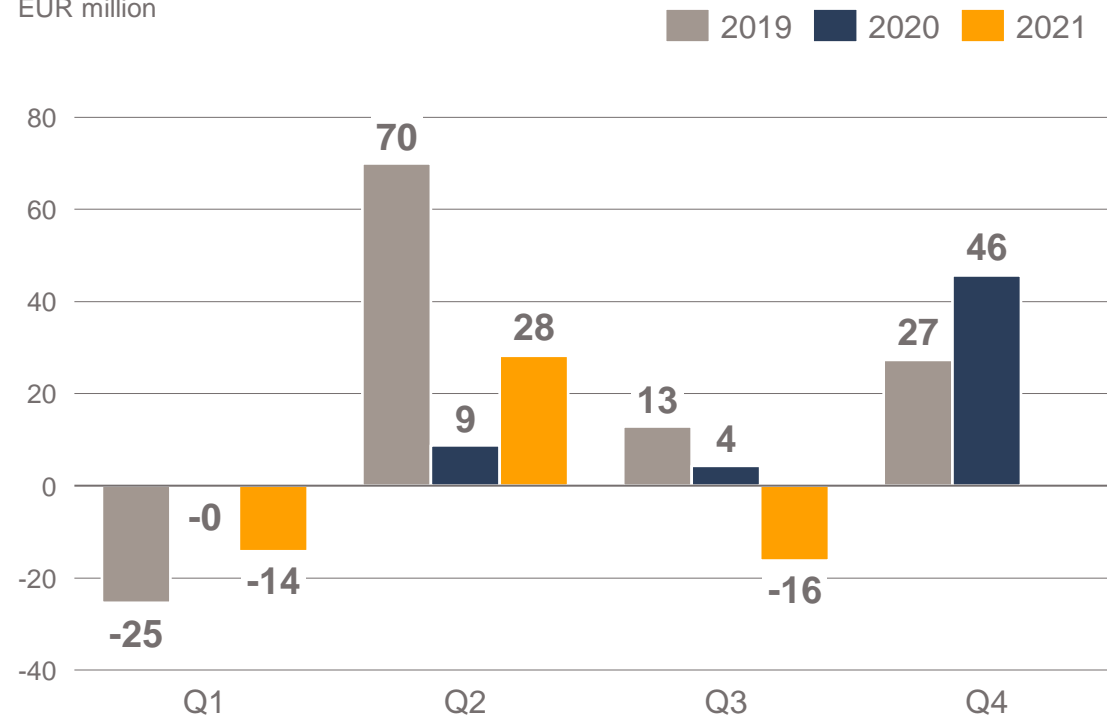
■ 2019 ■ 2020 ■ 2021



# Q3: Operating cash flow declined, driven by change in working capital

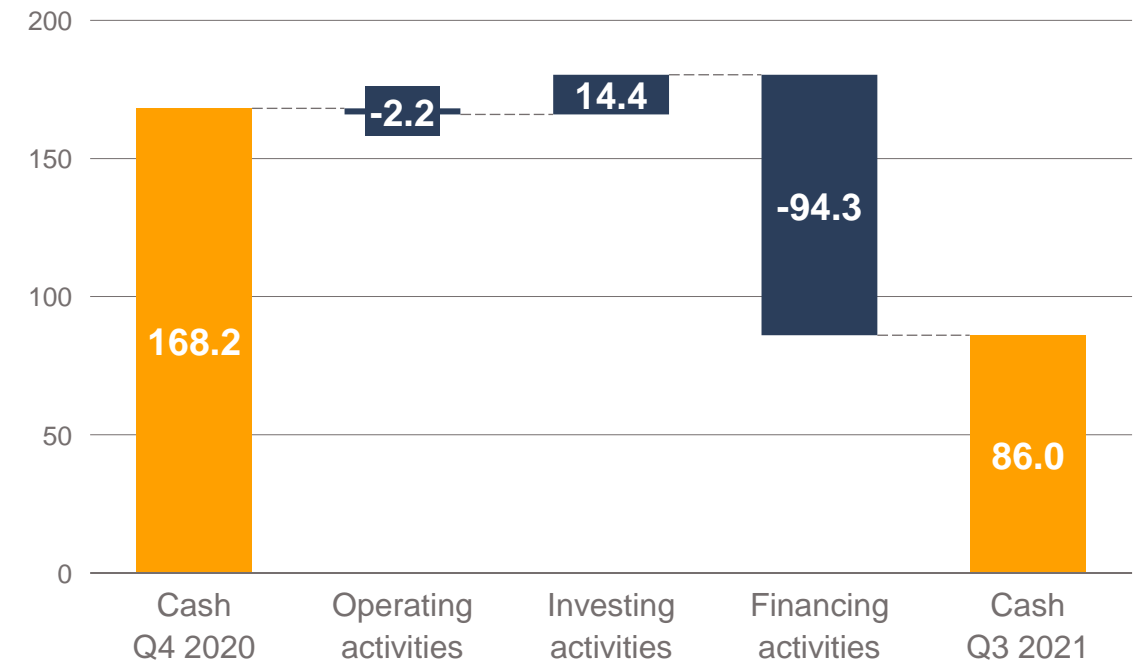
## Quarterly net cash flow from operating activities

EUR million



## Q3 YTD 2021 change in cash

EUR million

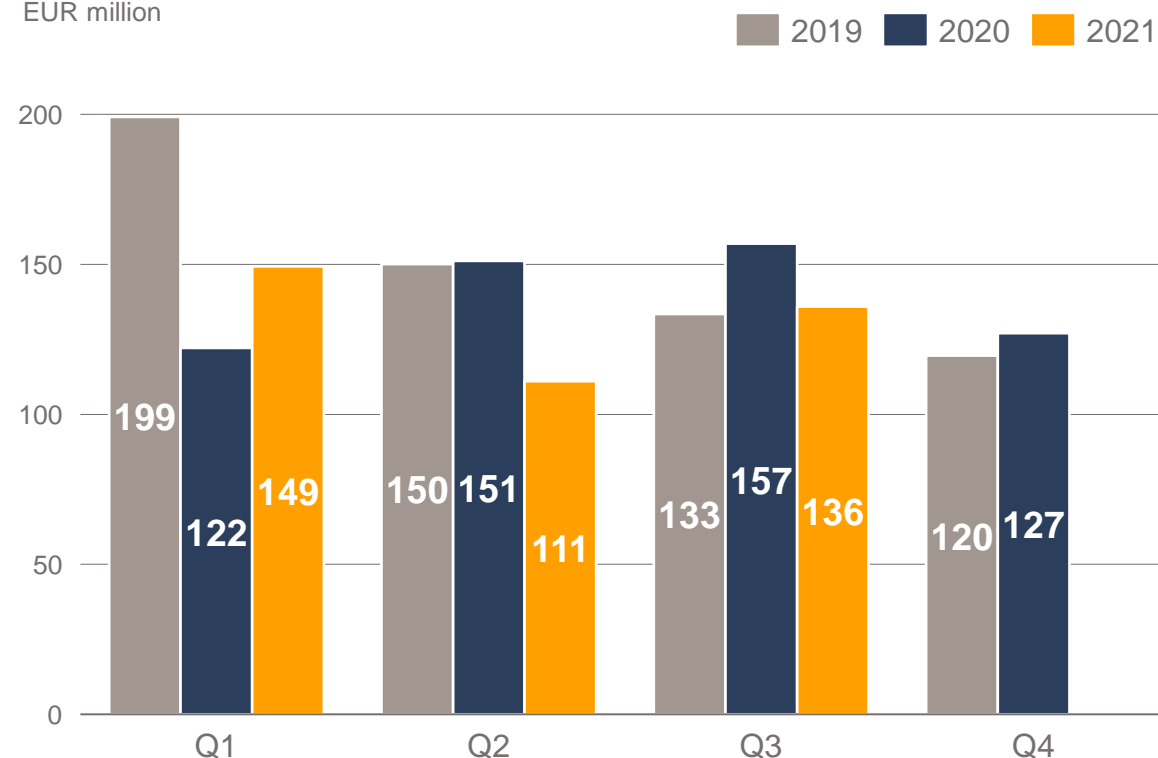




# Q3: Net Interest-Bearing Debt declined Y/Y

## Net interest-bearing debt

EUR million



## Net interest-bearing debt items

EUR million

Net interest-bearing debt item	30 Sep 2021	30 Sep 2020
Bank loans (syndicated Bank & term)	65.5	126.5
Commercial papers	49.6	87.1
Advance payment from pharmacies	24.9	20.1
Lease liabilities	81.7	80.8
Cash and cash equivalents	86.0	157.6
<b>Net interest-bearing debt<sup>1</sup></b>	<b>135.9</b>	<b>156.9</b>
Sold trade receivables	178.2	166.4
Gearing % <sup>2</sup>	64.1	102.3

<sup>1</sup> Figure in Q3 2021 includes EUR 81.7 (80.7) million lease liabilities recognised due to application of IFRS 16

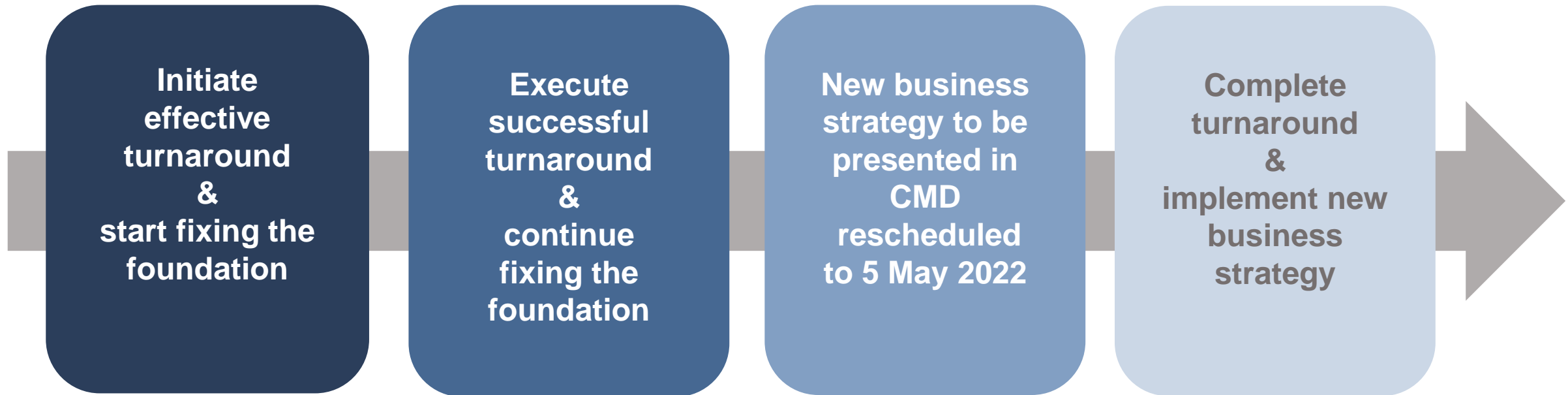
<sup>2</sup> Excluding the impact of IFRS 16 gearing would have been 25.0% (48.1%)



## Oriola's short-term action plan

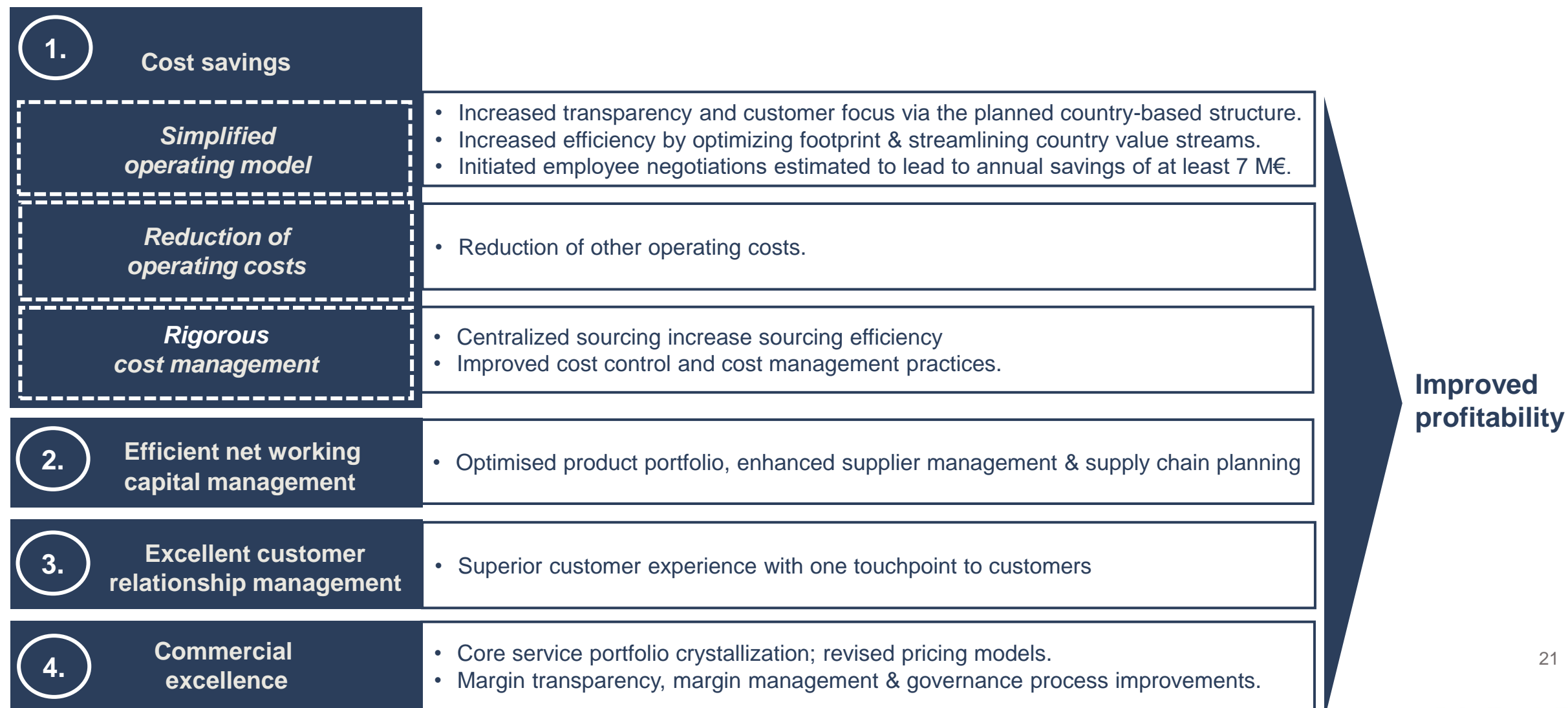


# Oriola's short-term action plan is to execute the turnaround and fix the foundation





# Short-term action plan to improve profitability during 2022 – impacts fully visible in 2023



# Q3 2021 Key take-aways

*Profitability improved –  
Turnaround proceeding*



Markets continued  
to recover



Invoicing and net  
sales increased  
by 4.8% in  
constant currency



Profitability  
improved



Short-term  
action plan for  
turnaround;  
first initiatives to  
generate annual  
cost saving of  
EUR 7 million



New business  
strategy – to be  
presented in CMD,  
rescheduled to  
5 May 2022

# Outlook for 2021 unchanged

The adjusted EBIT on a constant currency basis stays on the same level or increases from the 2020 level.

The COVID-19 pandemic continues during 2021. Severity and duration of the pandemic remain unclear in Oriola's operating environment.

Oriola's business outlook for 2021 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.

Health for life





Thank you!

Our next events:

18/2/2022

**Financial statements release 2021**

IR contact:

Katja Graff, Treasury & IR Manager,  
+358 10 429 013 or [katja.graff@oriola.com](mailto:katja.graff@oriola.com)

