

A woman with long blonde hair, wearing a grey turtleneck, a black leather jacket, and dark jeans, is running towards the camera on a path covered in yellow autumn leaves. A white dog is running alongside her. The background features large trees with yellow foliage and a park bench.

# Interim Report January–September 2023

31 October 2023



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## Agenda

- Q3 2023 highlights
- Operating environment
- Financial review
- Strategy and financial targets
- Q&A

# Q3 23

Net sales  
in constant currency  
**376 (374)**  
EUR million

Adjusted EBIT  
**4.4 (6.6)**  
EUR million

## Solid sales growth in distribution business, strong financial position

- Good development in Distribution of pharmaceuticals, especially in Sweden
- Profitability mainly burdened by lower volumes in the Swedish dose dispensing business
- Operating expenses below last year's level
- Strong financial position with a positive cash flow in the third quarter and net working capital at a normalised level



## Sale of Svensk dos AB

- The agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB was signed in October
- Oriola is exiting the dose dispensing business in Sweden
- The agreed sales price in cash is SEK 110 million (approximately EUR 9.5 million).
- The transaction is subject to the approval of the Swedish Competition Authority (Konkurrensverket) and is expected to be completed no later than in the first quarter of 2024.

Note: Svensk dos was acquired by Oriola in 2016.

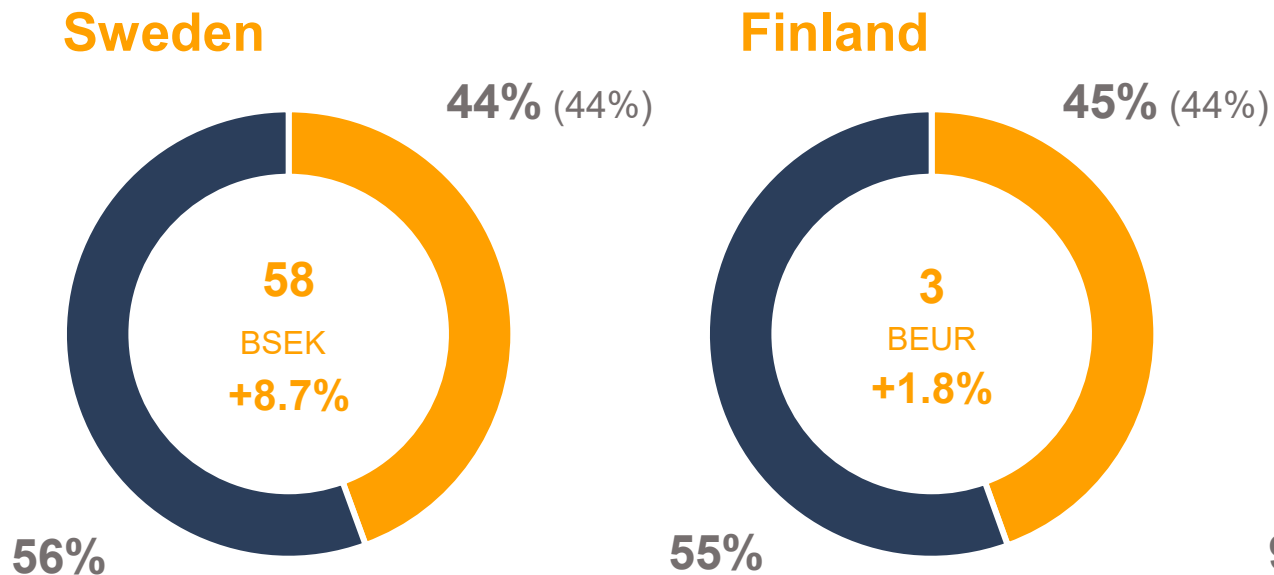


## Operating environment

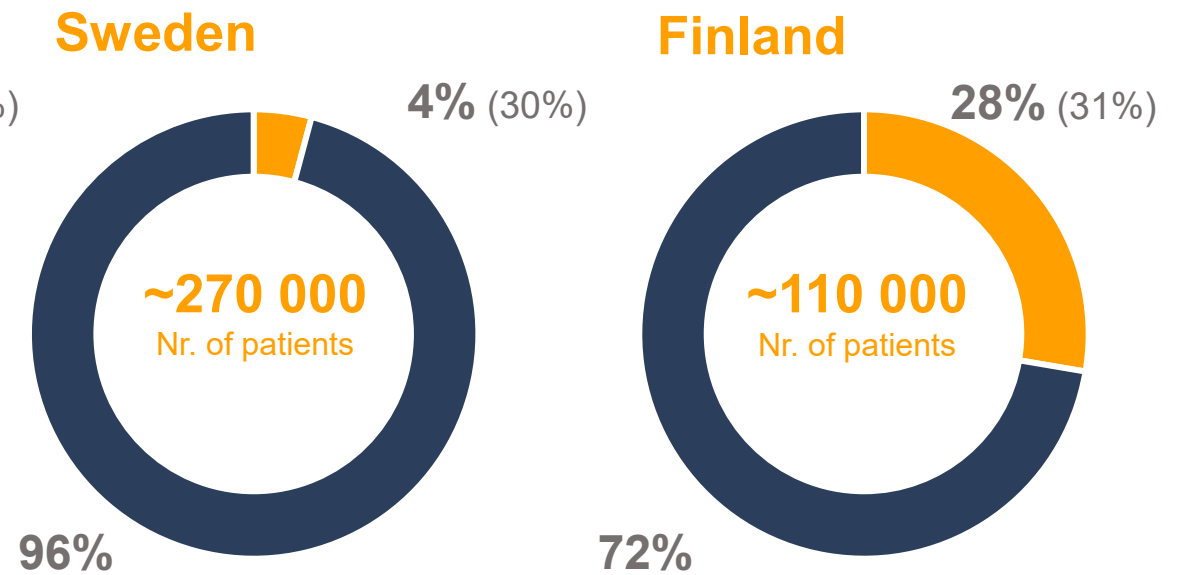
- In the third quarter, volumes in the pharmaceutical distribution market were somewhat softer than in the first half of the year
- Market value continued with a steady growth
- Solid underlying long-term market drivers such as ageing population, wellbeing and health remain unchanged
- Availability of raw materials for pharmaceuticals has remained tight, and this has affected the availability of some medicines in Sweden and Finland.
- Energy and fuel prices have stabilised.


# Pharmaceutical wholesale markets grew in value in Q3

## Pharmaceutical wholesale – market share



## Dose dispensing – market share



 Oriola  Others

Market shares are quarterly figures and market size rolling 12 months  
Sources: IQVIA, Pharmaca Health Intelligence and Oriola estimates

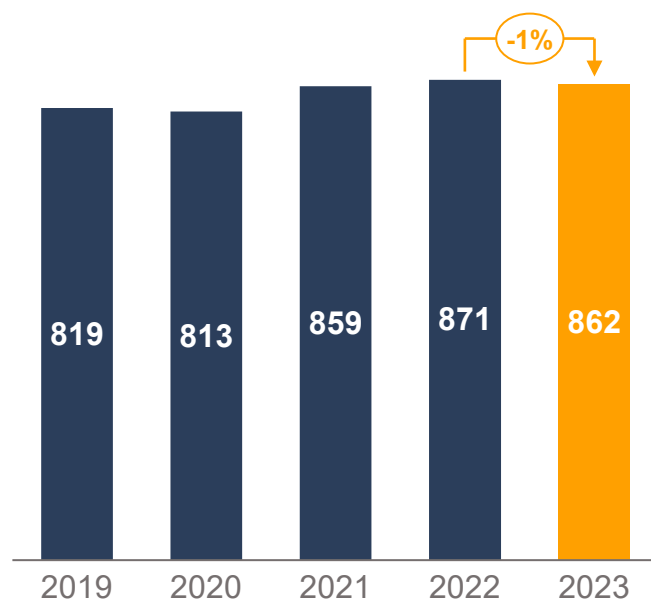
## Financial review



# Solid performance in Distribution, significant negative currency impact on topline

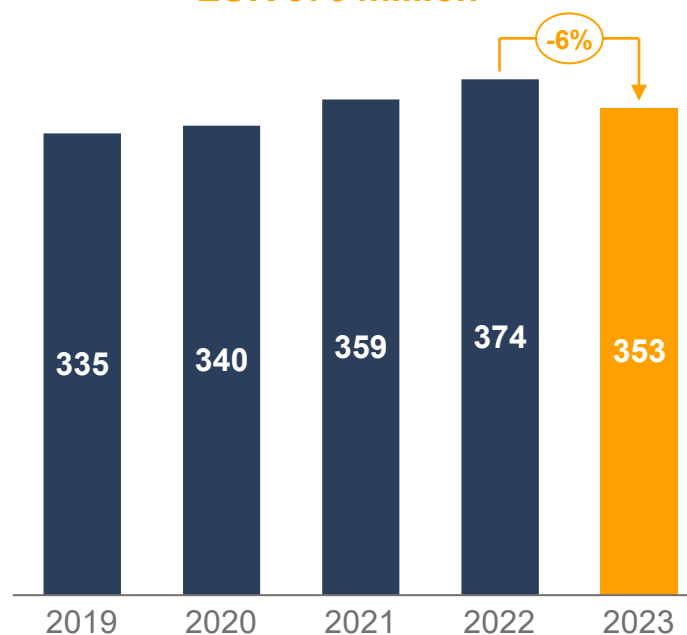
## Invoicing Q3 EUR million

In constant currency:  
+5.7%  
EUR 921 million

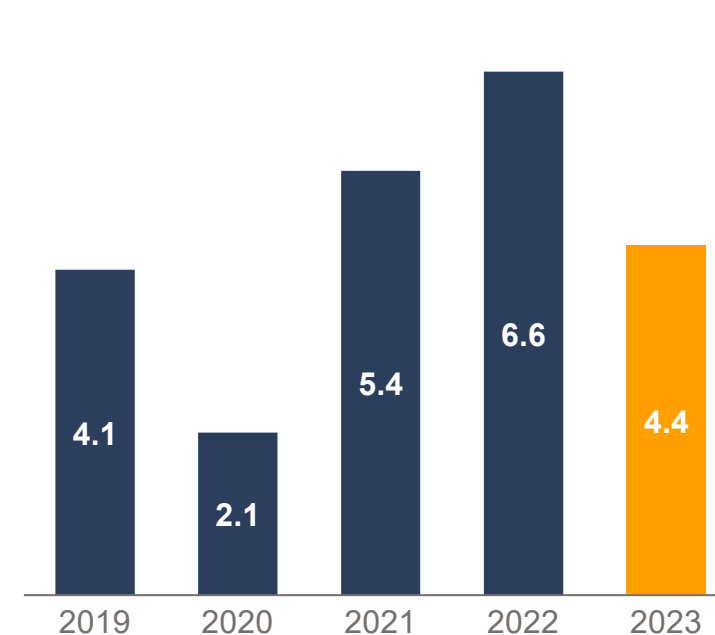


## Net sales Q3 EUR million

In constant currency:  
+0.7%  
EUR 376 million



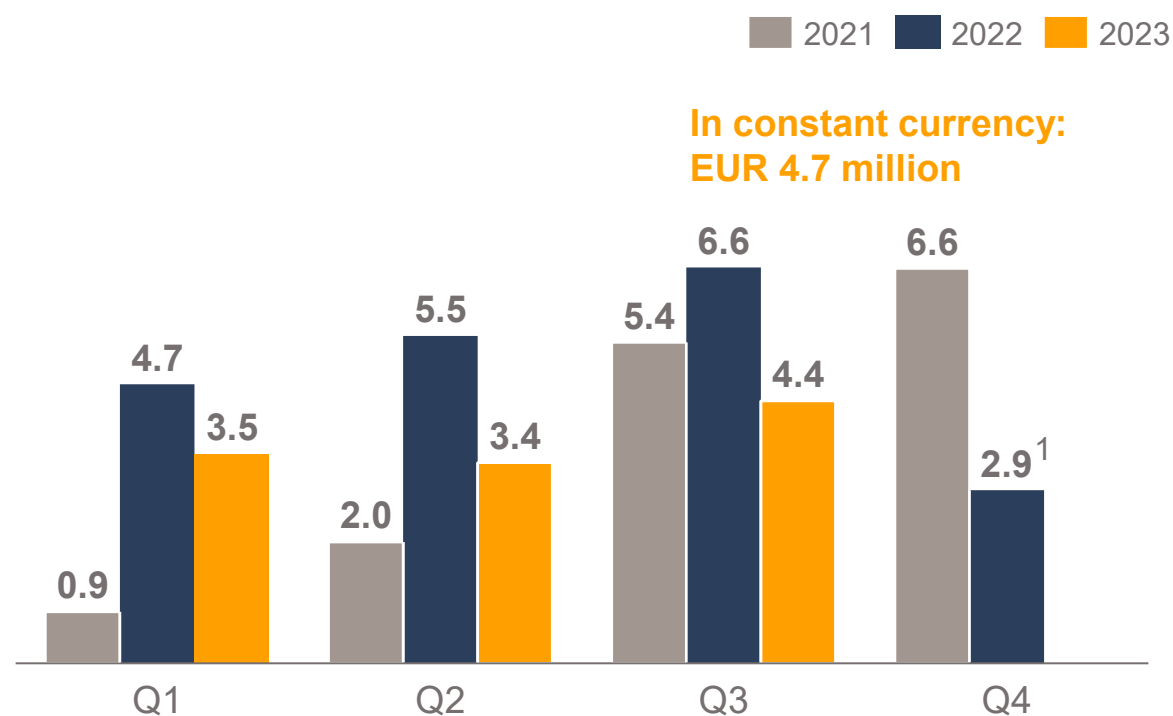
## Adjusted EBIT Q3 EUR million



# Profitability burdened by Dose Sweden

- Profitability negatively impacted by low volumes in Swedish Dose dispensing business
- Some negative impact of weak SEK
- High inflationary environment continued
- Operating expenses below last year's level
- Cost reductions in Swedish Dose dispensing business
- Adjusting items totalled EUR -21.6 million mainly related to an impairment loss on goodwill in Dose dispensing cash generating unit

## Quarterly adj. EBIT EUR million



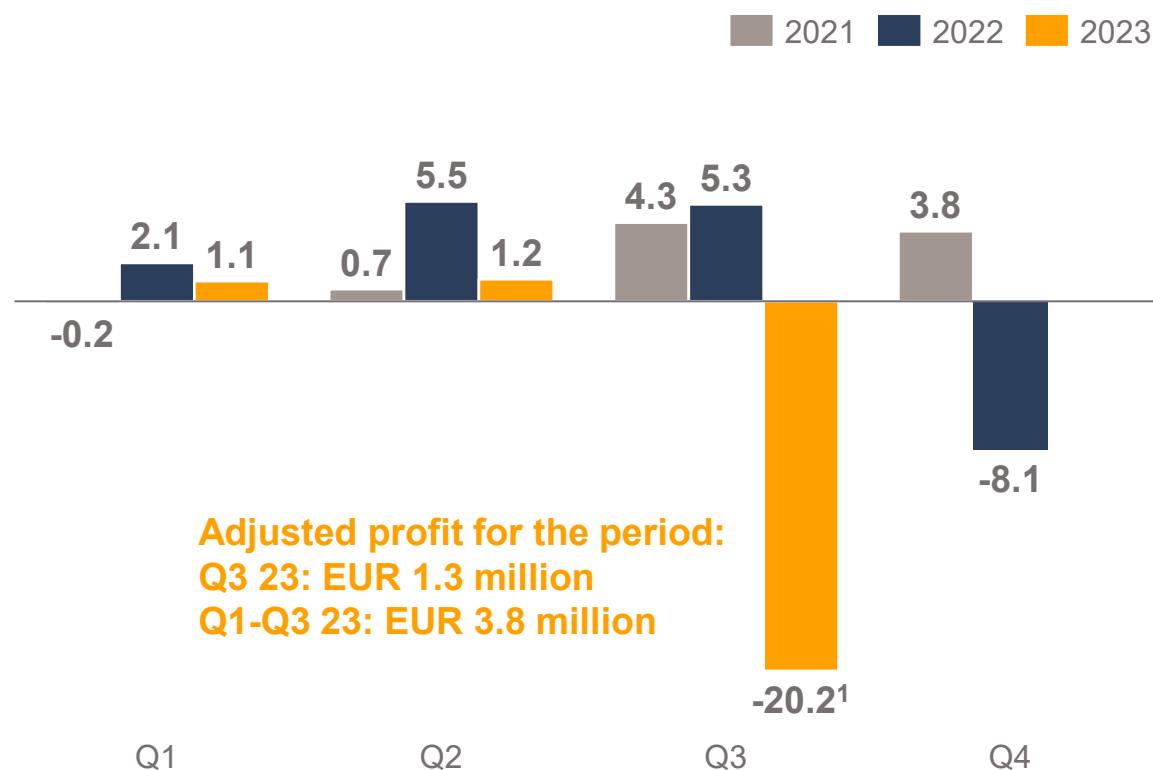
<sup>1</sup>Q4 2022 has been restated and excludes the share of result in joint venture.



# Profit and EPS decreased

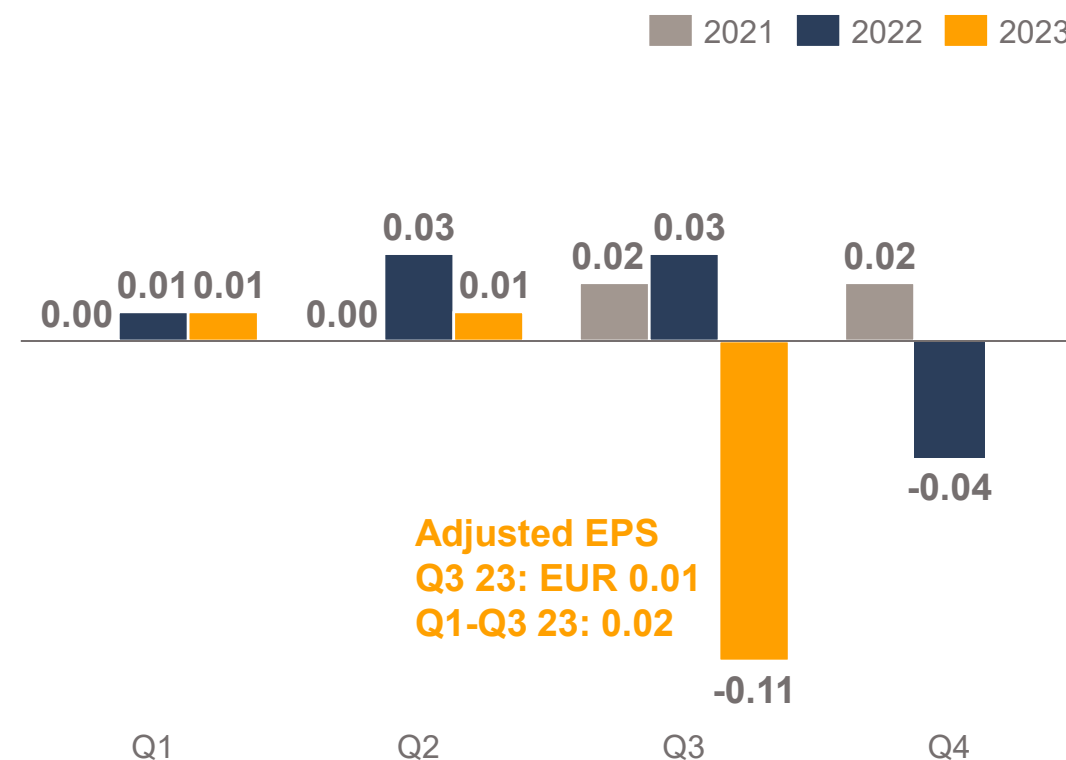
## Profit for the period

EUR million



## Earnings per share

EUR



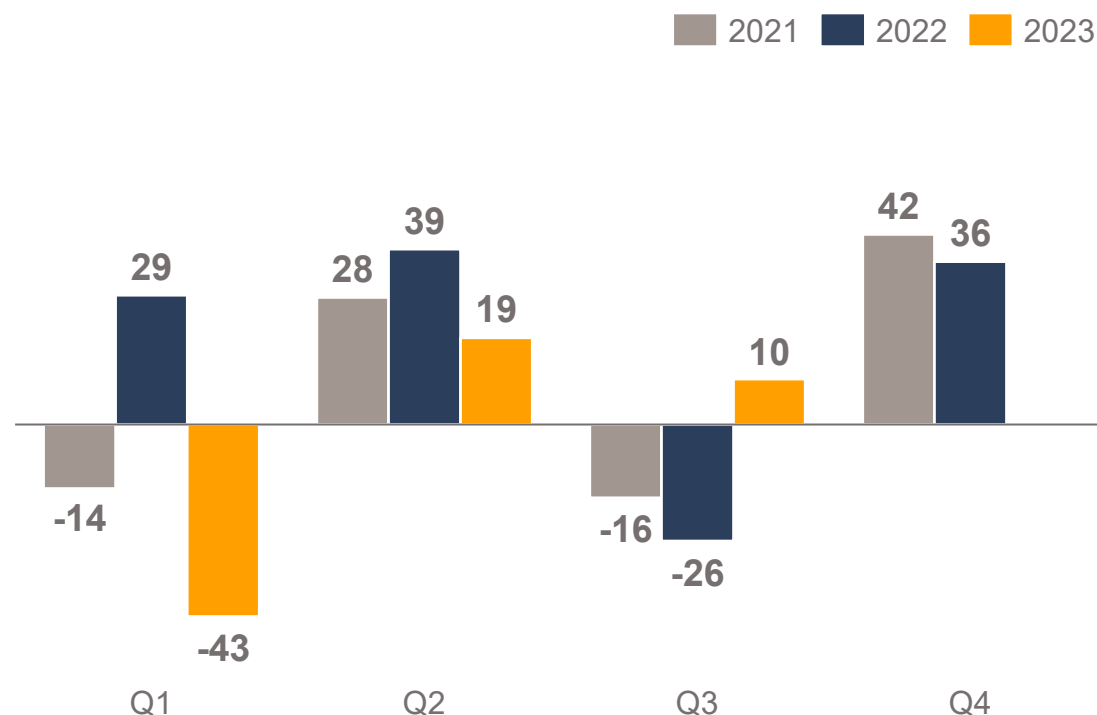
<sup>1</sup> Q3 2023 includes impairment loss on goodwill in Dose dispensing cash generating unit

# Positive cash flow in Q3

## Quarterly net cash flow from operating activities<sup>1</sup>

EUR million

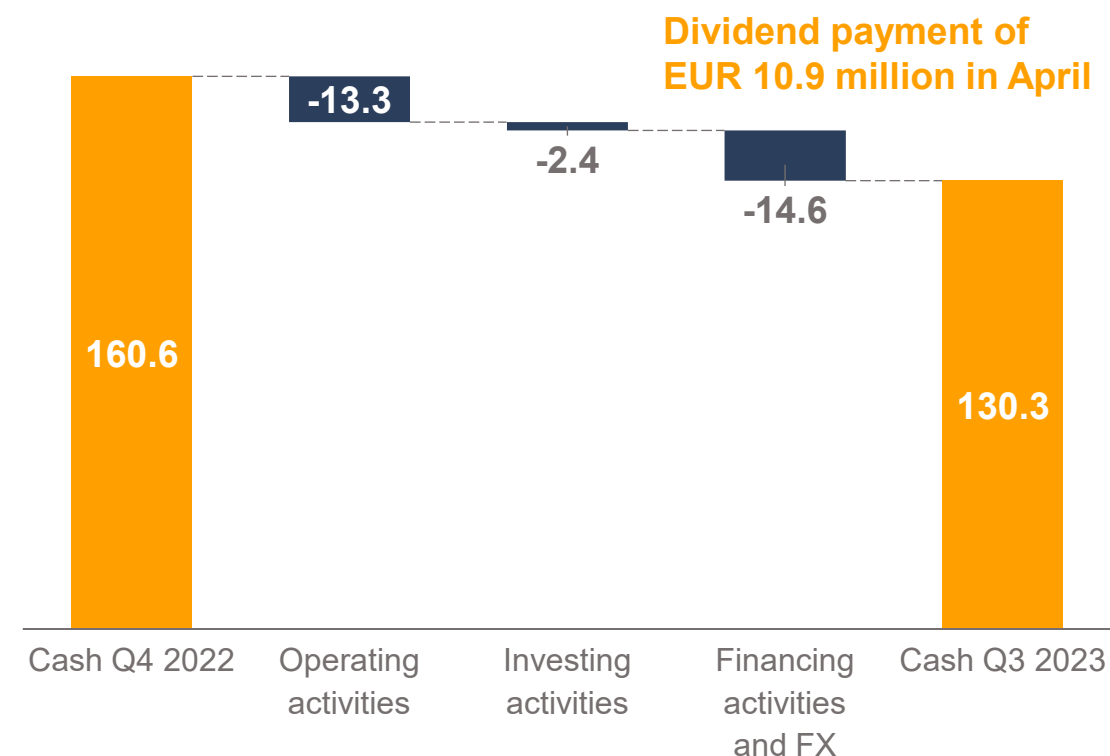
2021 2022 2023



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

## YTD 2023 change in cash

EUR million

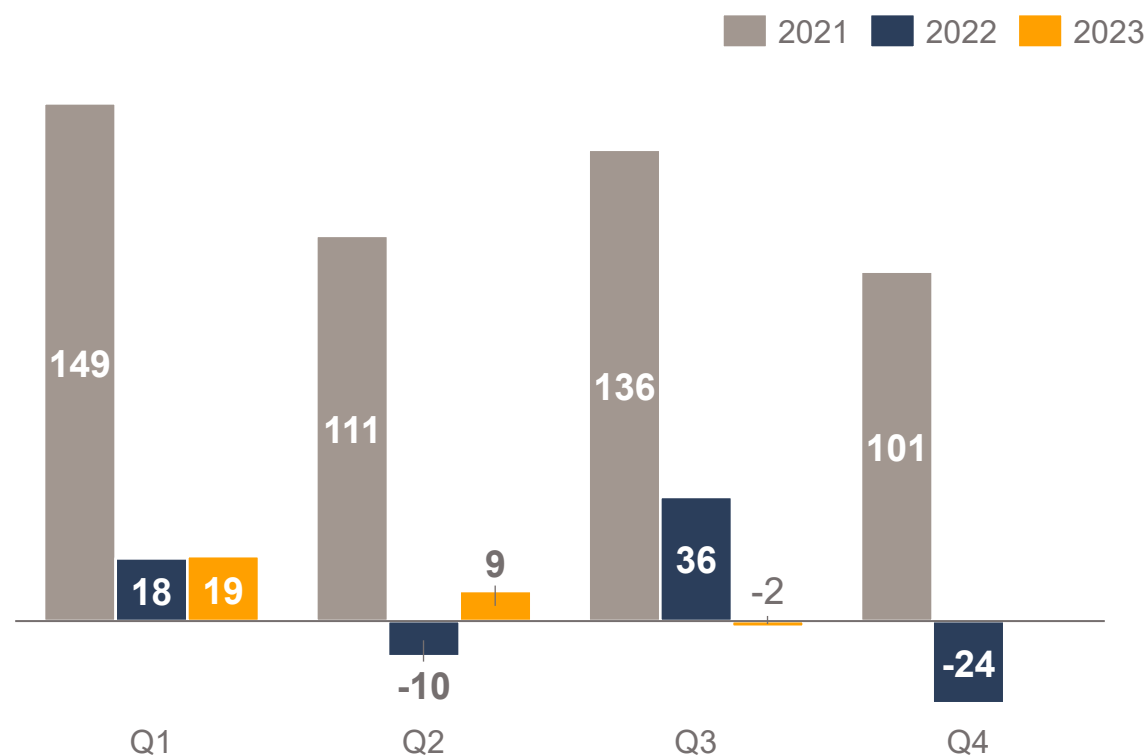




# Net debt level on a low level

## Net interest-bearing debt<sup>1</sup>

EUR million



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

## Net interest-bearing debt items

EUR million

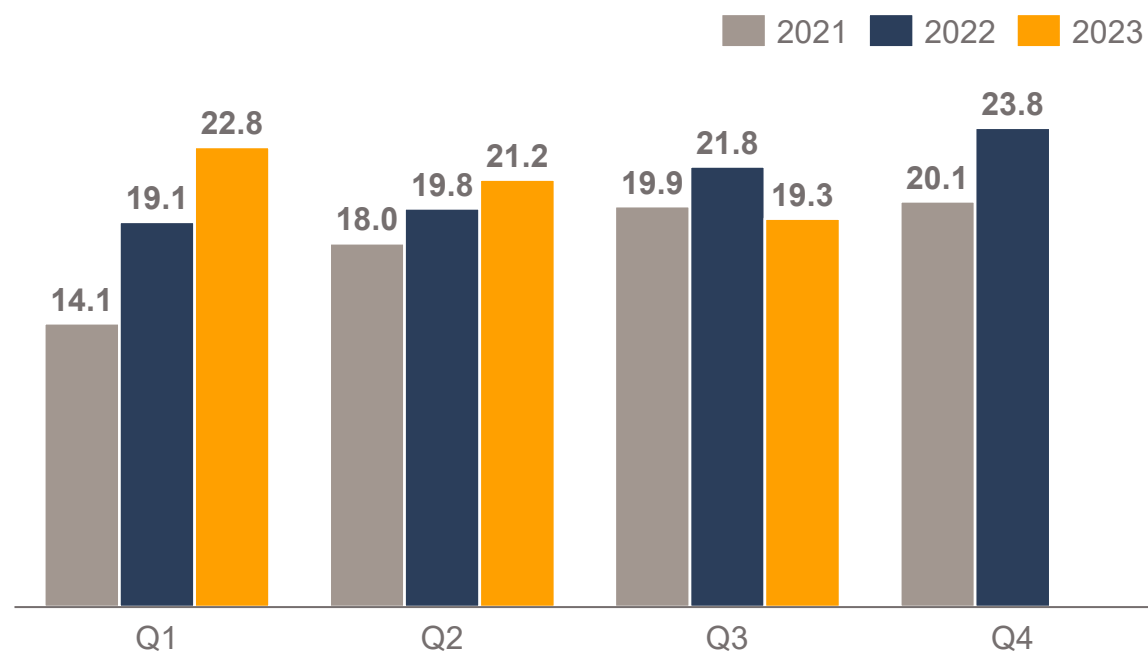
Net interest-bearing debt item	30 Sep 2023	30 Sep 2022
Bank loans (syndicated Bank & term)	58.1	61.6
Commercial papers	44.6	59.9
Advance payment from pharmacies	18.0	22.7
Lease liabilities	8.0	15.0
Cash and cash equivalents <sup>1</sup>	130.3	123.4
Net interest-bearing debt	-1.6	35.8
Sold trade receivables <sup>1</sup>	92.8	169.4
Gearing % <sup>2</sup>	-0.9	15.5

<sup>1</sup>2022 includes discontinued operations

<sup>2</sup>Excluding the impact of IFRS 16 gearing would have been -5.4% (9.3%)

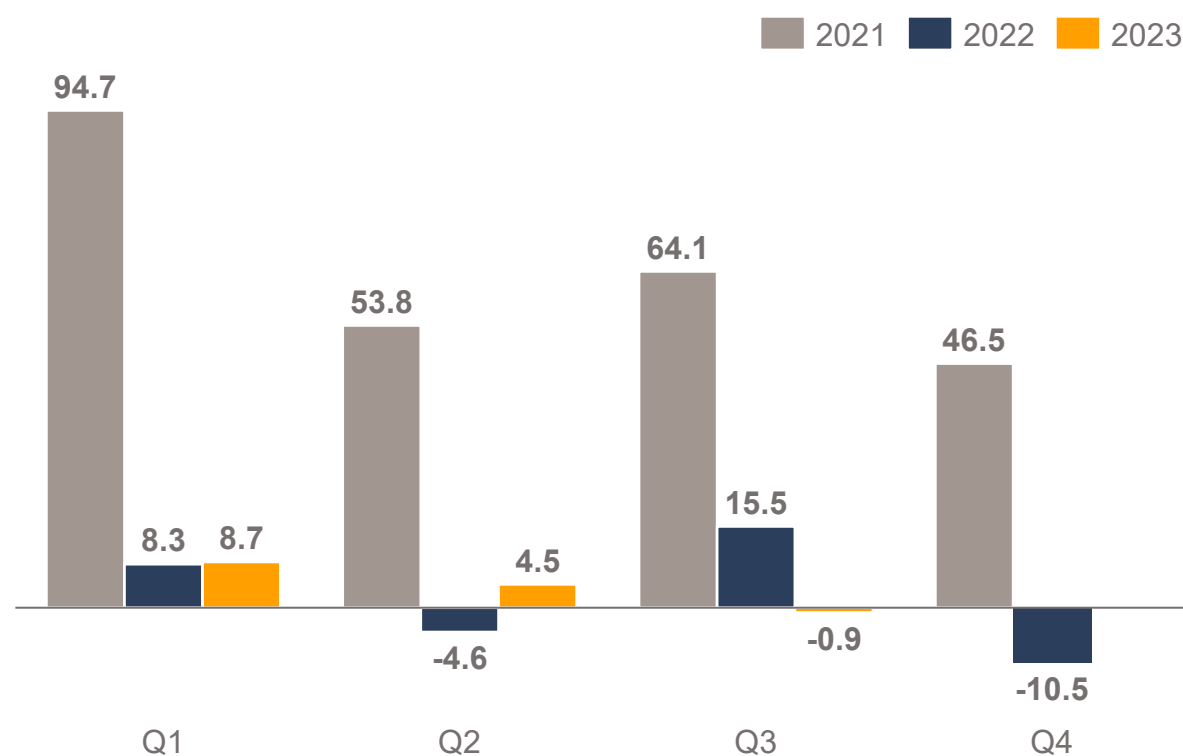
# Financial position remained strong

## Equity ratio<sup>1</sup> %



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

## Gearing<sup>2</sup> %



<sup>2</sup> 2021 includes discontinued operations





## Swedish Pharmacy Holding (Kronans Apotek)

### Reported July-September 2023:

- Net sales EUR 275.0 (287.6) million
- Adjusted EBIT EUR 0.8 million
- Realised synergies EUR 3.5 million
- Adjusting items EUR 1.2 million
- EBITA EUR 1.8 million
- Net debt EUR 62.3 million

Loss of EUR 0.6 million recognised in the P/L.

### Reported January-September 2023:

- Net sales EUR 843.4 (881.5) million
- Adjusted EBIT EUR 3.1 million
- Realised synergies EUR 8.2 million
- Adjusting items EUR 2.7 million
- EBITA EUR 7.2 million

Loss of EUR 0.9 million recognised in the P/L.

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

Oriola is committed to long-term ownership.

Starting from Q1 2023 Oriola's share of the net result is reported below EBIT line

# Financial impacts of the sale of Svensk dos AB

Sales price in cash SEK 110 million (approx. EUR 9.5 million)

## Financial impacts from the transaction

- Svensk dos will be classified as held-for-sale in Oriola's consolidated financial statements starting from October 2023
- Impairment loss on goodwill of approx. EUR 3.3 million in Q3 2023 and estimates that it will record an expense of EUR 3.0 million from translation differences at the completion of the transaction
- In addition, Oriola will recognise an impairment loss on goodwill of EUR 18.1 million to the dose dispensing cash generating unit in Q3 2023.
- **In total EUR 21.4 million impairment loss on goodwill is recognised in the statement of comprehensive income.**
- The impairment and reclassification of translation differences have no cash flow effect.

## Oriola Group key figures excluding Svensk dos

July-September 2023, excluding Swedish dose business:

- Net sales were EUR 349.6 (345.2) million
- Adjusted EBIT was EUR 5.2 (4.8) million

January-September 2023, excluding Swedish dose business:

- Net sales were EUR 1,075.3 (1,050.9) million
- Adjusted EBIT was EUR 13.3 (10.2) million

Full year 2022:

- Net sales were EUR 1,403.1 million
- Adjusted EBIT was EUR 11.9 million

Note: The transaction is subject to the approval of the Swedish Competition Authority (Konkurrensverket) and is expected to be completed no later than in the first quarter of 2024.



## Outlook 2023

**Oriola expects the adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2023 to be on the same level as adjusted EBIT for 2022 (EUR 19.7 million).**

Oriola's adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2022 was EUR 11.9 million. The adjusted EBIT for the dose dispensing business in Sweden was EUR 7.8 million in 2022 and EUR -1.2 million in Q1-Q2 2023.

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

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

Published on 13 October 2023

# New reporting segments as of 1 Jan 2024

Oriola is updating its segment reporting to reflect the new strategy and to improve transparency. Oriola's two reporting segments as of 1 January 2024 will be:

Segment name	Definition	Preliminary, unaudited figures for 2022 including dose dispensing business in Sweden
Distribution segment	Pharmaceutical logistics and dose dispensing services	<ul style="list-style-type: none"><li>• Net sales EUR 1,168.9 million</li><li>• Adjusted EBIT EUR 21.6 million</li></ul>
Wholesale segment	Wholesale of traded goods and over-the-counter (OTC) products, parallel import, special licensed medicines, and advisory services	<ul style="list-style-type: none"><li>• Net sales EUR 351.1 million</li><li>• Adjusted EBIT EUR 6.5 million</li></ul>

**Note:** Eliminated internal sales between segments in 2022 were EUR 4.5 million and non-allocated group items' effect to adjusted EBIT was EUR -8.4 million.

Oriola's Interim Report for January-March 2024 will be prepared according to the new segment reporting. Oriola's unaudited restated segment information for the financial years 2023 and 2022 will be published during Q1 2024.

# **Oriola's refined business strategy**



# Oriola's refined business strategy – the way forward

Growing Oriola's  
wholesale business

2023

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

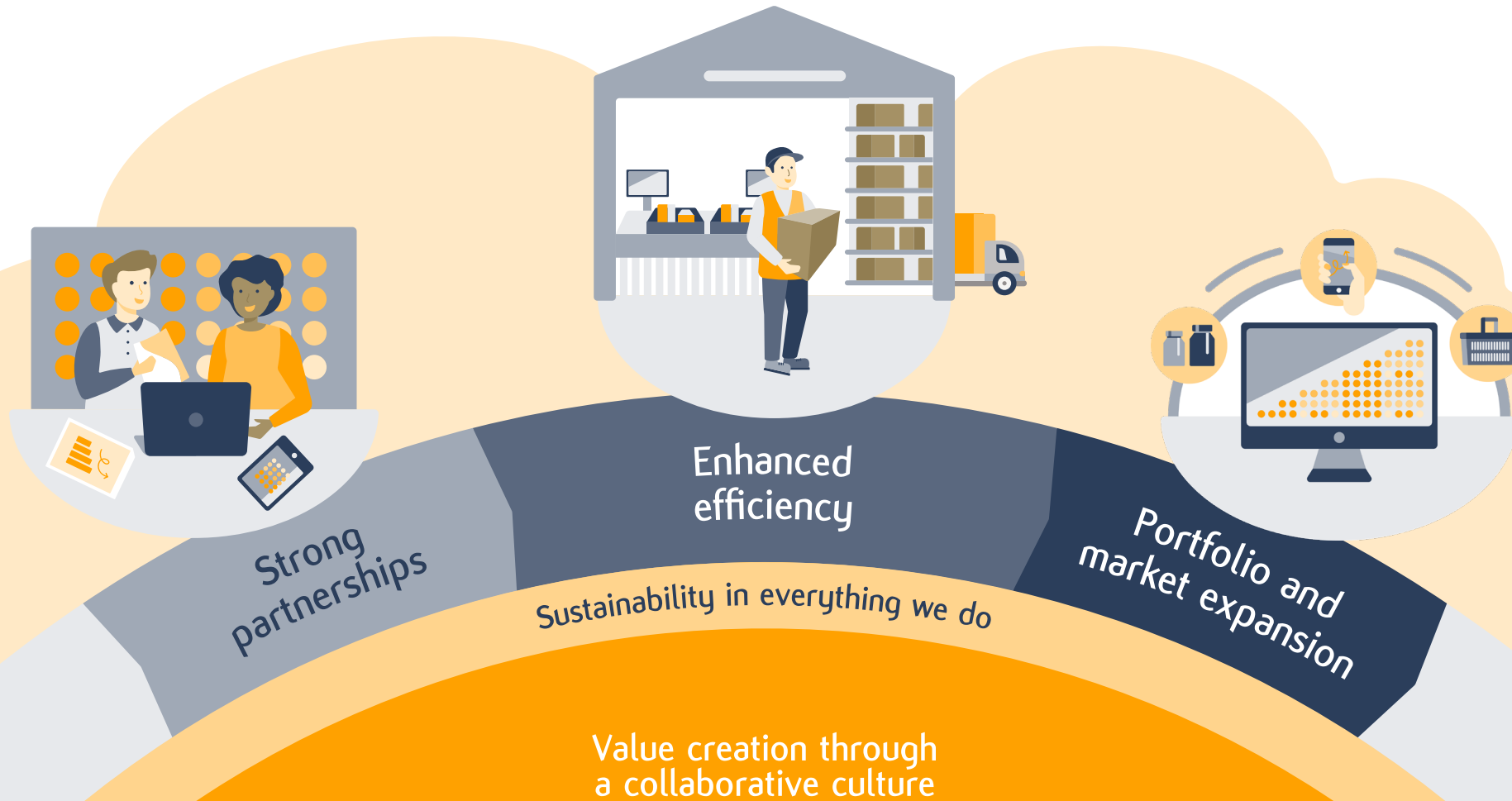
- Focus on core business
- Improvement of profitability
- Infrastructure company in securing the availability of pharmaceuticals

2024–2026

The leading specialist  
in wholesale of  
pharmaceuticals and  
health products

- Strong partnerships
- Enhanced efficiency
- Portfolio and market expansion

# Three strategic goals defining our future



# Delivering customer value through integrated service offering



**Distribution** provides logistics and dose dispensing services mainly of pharmaceuticals

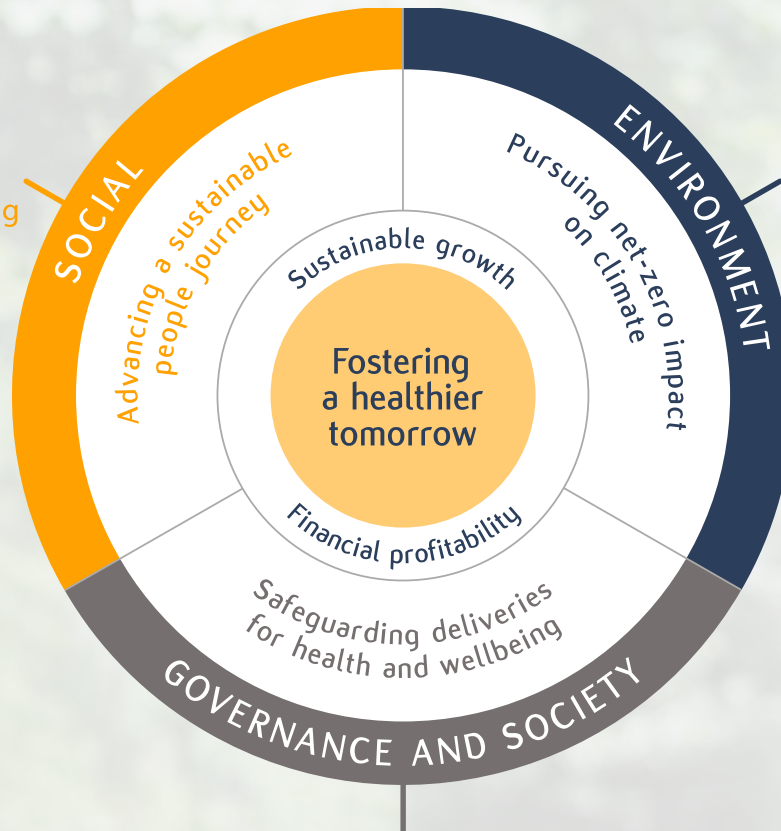
**Wholesale** is our business in traded goods and OTC offered to our pharmacy and retail customers including parallel import and specialised medicines

**Advisory** provides expert services to pharmaceutical companies and pharmacies

# Our new sustainability agenda leads our continued actions towards a healthier tomorrow

## We strive for

- A culture of fair treatment, capable individuals and enabling leaders
- Zero accidents



## We strive for

- Safe and accurate deliveries of pharmaceuticals and other health products
- Transparent and responsible operations and supply chain practices

## We strive for

- Carbon neutrality in our own operations by 2025 and across our supply chain by 2030
- Increase recycling rate





# Our ambitious targets generate value

## Empowering Oriola: long-term financial targets

Three long-term financial targets and dividend policy

### GROWTH

Annual sales growth at the rate of market, minimum 4%

### PROFITABILITY

Adjusted EBIT margin above 3%

### EQUITY

Return on equity >20%

### DIVIDEND POLICY

Oriola's aim is to pay out an increasing annual dividend of 2/3 of net profit.

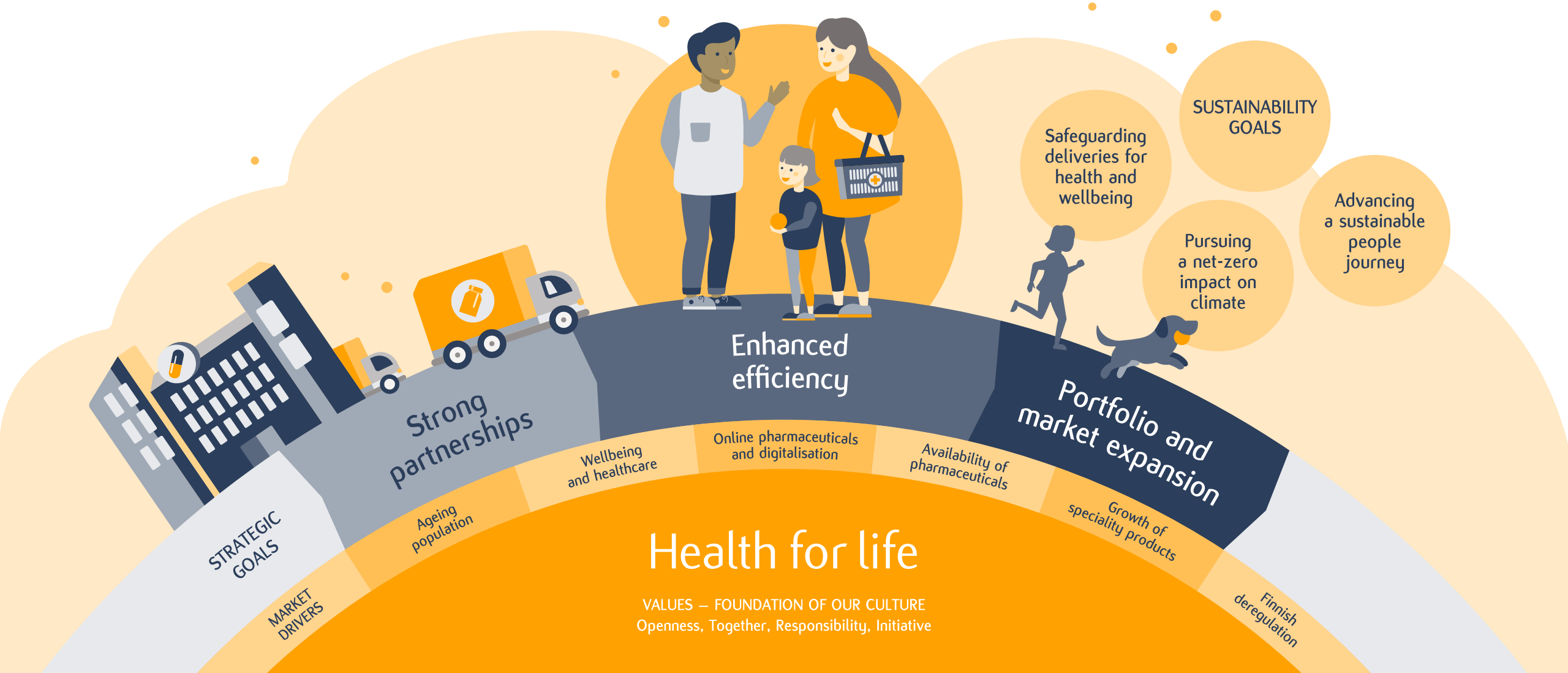
## Fostering a healthier tomorrow: long-term sustainability targets

Achieve carbon neutrality across our supply chain (Scope 1, 2, and 3) by 2030

Promote a culture that ensures fair treatment, develops capable individuals, and empowers leaders

Ensure safe and accurate deliveries of pharmaceuticals and other health products

# The leading specialist in wholesale of pharmaceuticals and health products





## Our next events

**16 February 2024**  
Financial Statements Release 2023

**week 9**  
Annual Report 2023

**Contact:**  
[investor.relations@oriola.com](mailto:investor.relations@oriola.com)

**Thank you!**





# Health for life