



Oriola-KD Corporation

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Disclaimer

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by “expects”, “estimates”, “forecasts” or similar expressions, are forward-looking statements. Forward-looking statements include statements concerning our plans, objectives, goals, future events, performance and/or other information that is not historical information. They involve factors which may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:

- (1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the agreements won by the company and their margins
- (2) the competitive situation
- (3) the company’s own operating conditions, such as the success of operations and their continuous development and improvement
- (4) the success of pending and future acquisitions and restructuring.

We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by applicable law.



Oriola-KD in Brief



Oriola-KD - The Pharmaceutical Channel in Northern Europe



Net sales 2014

EUR 1.6 billion

- Sweden 73 %
- Finland & Baltics 27 %



Operating profit 2014
excl. non recurring items

EUR 59.1 million

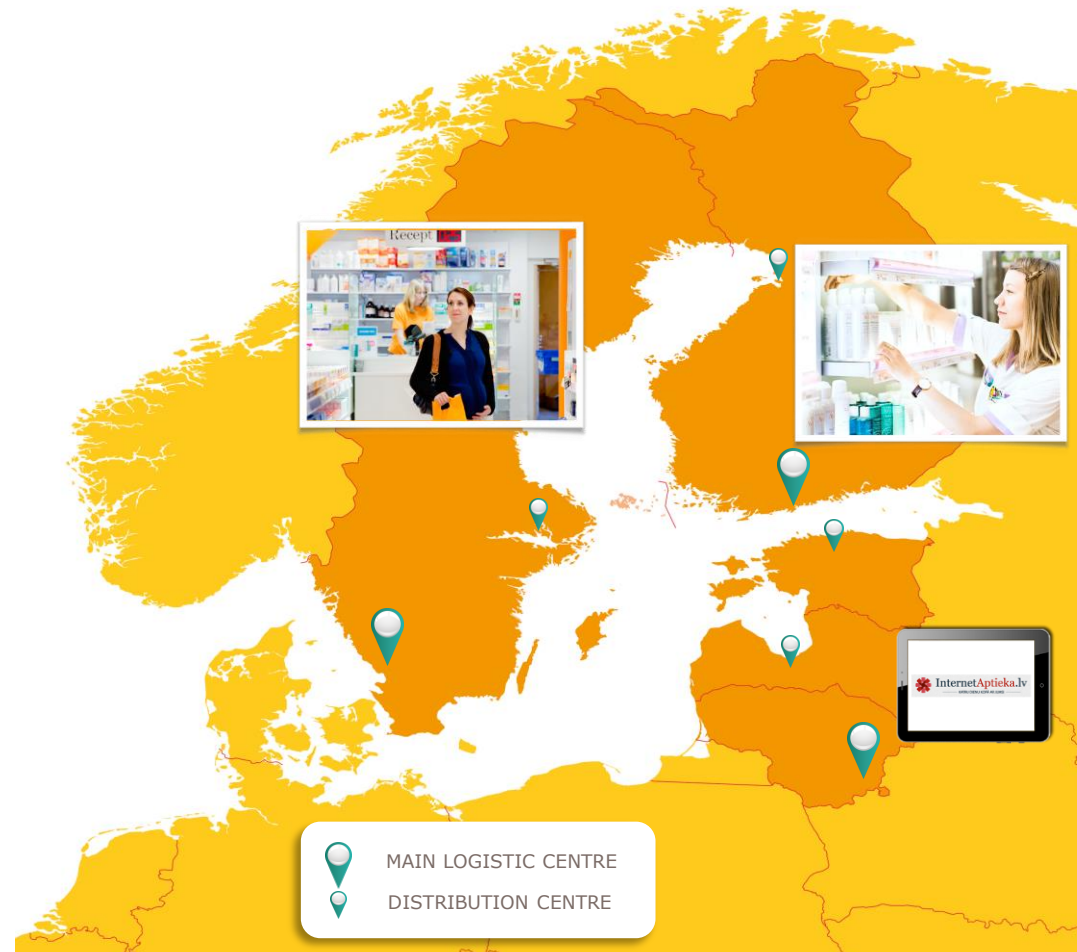
- Retail 53 %
- Wholesale 47 %



Employees 2014

2,350 employees

- Sweden 76%
- Finland & Baltics 24%



Changing Business Environment



Healthcare is changing

- Provides opportunities in niche services to public and private healthcare



Increased spending on health & wellbeing

- Better income level enables people to prioritize health and wellbeing



Specialty pharmaceuticals growth

- Unique handling of specialty pharmaceuticals, within hospital channel and new services to narrower customer groups will increase



Digitalization

- Consumers in our markets are increasingly accustomed to a digital 24/7 world.

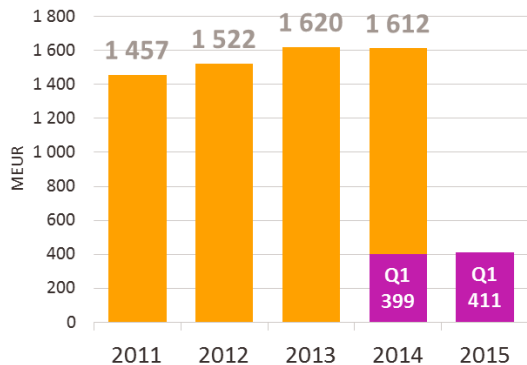


Business Review January – March 2015

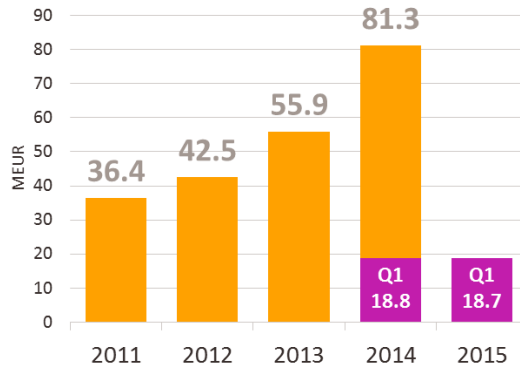


Net Sales and Profitability

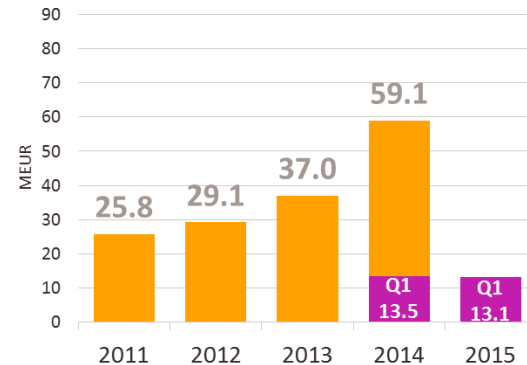
Net Sales



EBITDA excl. non-recurring items

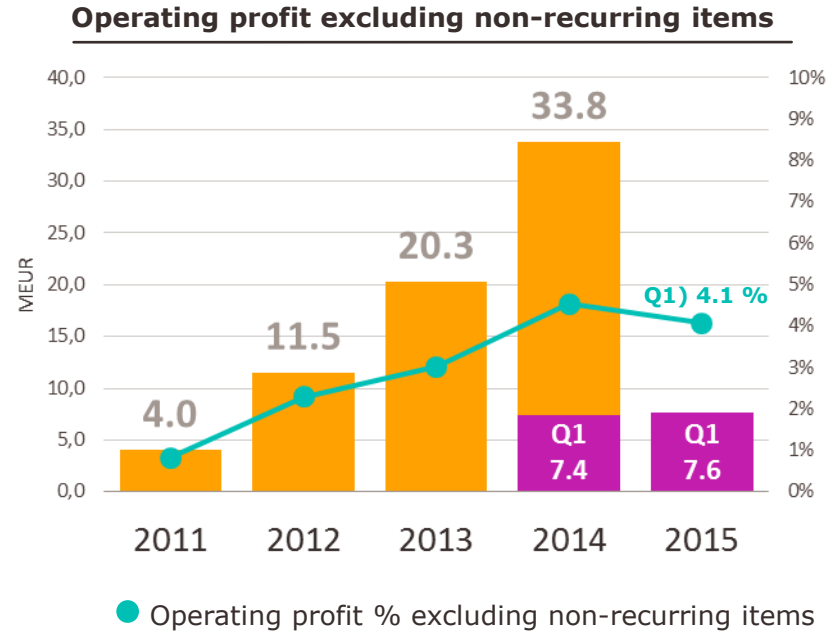


Operating profit excl. non-recurring items



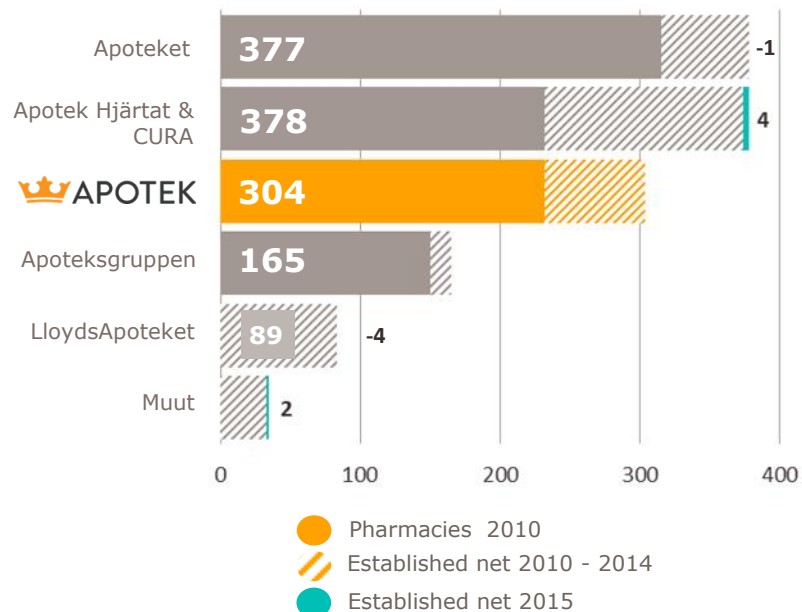
Swedish Retail Business

- On a constant currency basis the net sales increased by 5.8 (47.5) per cent.
- Operating profit of the Swedish retail business increased as a result of higher sales and effective cost control measures.
 - New expensive prescription medicines with low margins lowered the sales margin percentage.
 - The share of OTC and traded goods from the net sales was 26 (27) per cent.
- Parallel imports' share of the Swedish pharmaceutical market was approximately 10.3 (19.2) per cent (source: IMS Health)

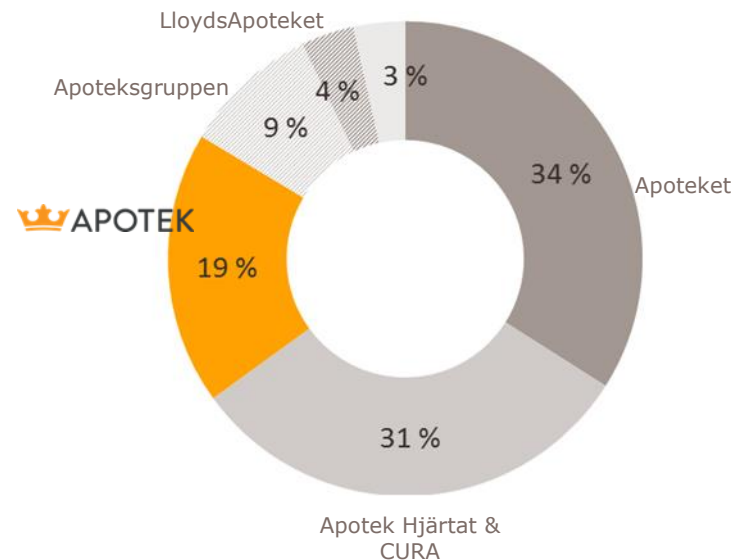


The Third Largest Pharmacy Chain in Sweden

Pharmacies



Market Share



Source: Apoteksförning and Oriola-KD

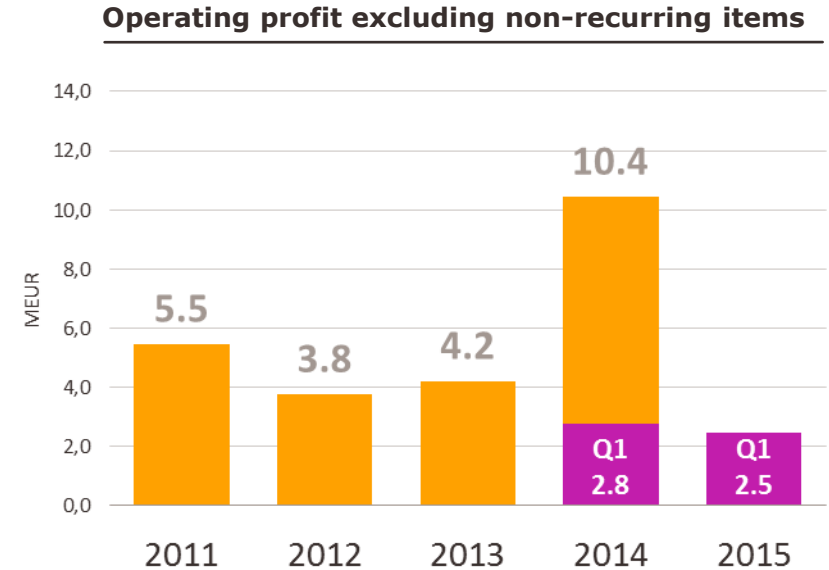
Unique Position in the Whole Value Chain in Sweden



Source: Apoteksförening, IMS Healt and Oriola-KD

Swedish Wholesale Business

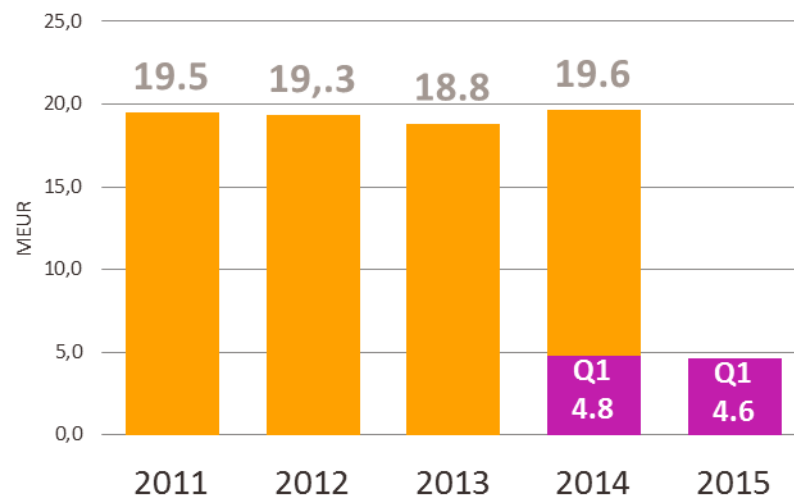
- On a constant currency basis the net sales increased by 9.9 (11.4) per cent.
- The Net sales increase was supported by new agreements with pharmaceutical companies signed in 2014 and by the increased sales of expensive RX products.
- The first quarter ramp up costs related to new agreements with pharmaceutical companies were higher than expected.
- Decreased share of sales of non-licence products with high margins, such as Syprine, negatively affected profitability of the Swedish wholesale business compared to corresponding period



Stable Performance in Finland and Baltics

- In Finland Oriola-KD renewed agreement with Abbott Oy and made new agreement with Biohit Oy.
- Service sales to the pharmaceutical companies increased in Finnish wholesale business.
- As a result of tightened competitive environment, profitability of Consumer Health business decreased from the corresponding period due to bigger discounts.

Operating profit excluding non-recurring items



46 %

Oriola-KD's market share in Finnish pharmaceutical wholesale market in January – March 2015

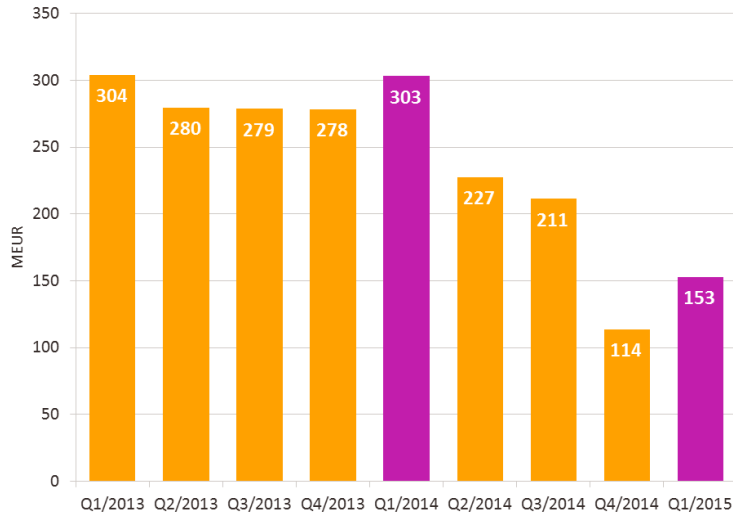


Financials



Successful Rights Offering Strengthened Oriola-KD's Balance Sheet

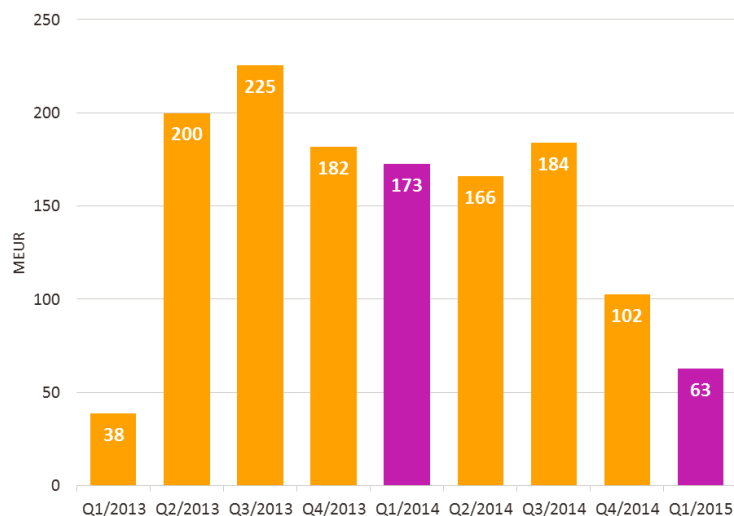
Equity



- EUR 75.6 million rights offering was completed during the first quarter.
- Approximately 97 per cent of all offered shares were subscribed for on the basis of subscription rights.
- The rights offering was oversubscribed by approximately 146 per cent.
- Successful offering enabled redemption of EUR 40 million hybrid bond on 20 March 2015.

Diversified Sources of Funding

Interest-Bearing Net Debt



Milj. EUR ¹⁾	31 March 2015	31 March 2014	31 Dec 2014
Syndicated bank loans	83.1	170.9	102.2
Commercial papers	32.8	40.6	51.8
Advance payment from pharmacies	23.0	33.4	20.6
Finance lease	4.2	0.9	4.5
Other ²⁾	15.1	14.7	14.7
Hybrid bond	41.5	-	-
Cash and cash equivalents	137.1	88.0	91.5
Interest-bearing net debt	62.7	172.5	102.4
Sold trade receivables	106.4	72.6	100.1
Gearing, %	41.1	56.9	90.1

¹⁾ Comparative balance sheet items include discontinued operations

²⁾ Contingent consideration related to Medstop-acquisition

Key Figures

Milj. EUR	2015 Q1	2014 Q1	Change %	2014 1-12
Net sales	411.3	399.3	3.0	1,612.3
EBITDA excl. non-recurring items	18.7	18.8	-0.7	81.3
EBITDA	17.3	18.2	-5.0	87.2
Operating profit excl. non-recurring items	13.1	13.5	-2.5	59.1
Operating profit	11.7	12.8	-8.7	65.0
Profit for the period	7.4	7.6	-2.7	46.5

Balance Sheet and Key Ratios

Milj. eur	31 March 2015	31 March 2014	31 Dec 2014
Goodwill	253.7	365.5	250.9
Equity	152.7	303.0	113.6
Interest-bearing debt	199.9	260.5	193.9
Interest-bearing net debt	62.7	172.5	102.4
Balance sheet total	961.6	1,389.2	874.0
Equity ratio, %	16.3	22.4	13.3
Return on equity (ROE), %	24.3	3.6	23.7
Return on capital employed (ROCE), %	15.0	5.0	14.4
Gearing, %	41.1	56.9	90.1
Equity per share, EUR	0.84	2.00	0.75
Earnings per share (EPS), continuing operations EUR	0.05	0.05	0.29
Earnings per share (EPS), inc. discontinued operations EUR	0.04	0.02	-1.42
Average number of shares, 1000 pcs	158,504	151,142	151,130

Comparative balance sheet items include discontinued operations unless otherwise stated

Key Focus Areas in 2015



Development of digital channels.

- Significant growth for online shops in Finland and Baltics in Q1 2015
- In accordance with the plan an online pharmacy in Sweden will be opened during the second half of the year



Improving service businesses and expanding to healthcare B2B market.



Improving efficiency by exploiting group synergies.

Outlook for 2015

- Oriola-KD estimates its full-year net sales to remain at the 2014 level. Operating profit excluding non-recurring items is estimated to increase from the 2014 level. Full-year net sales for continuing operations were EUR 1,612.3 million and operating profit excluding non-recurring items was EUR 59.1 million.



Oriola KD

The Channel for Health

