



Oriola-KD Corporation January – March 2014

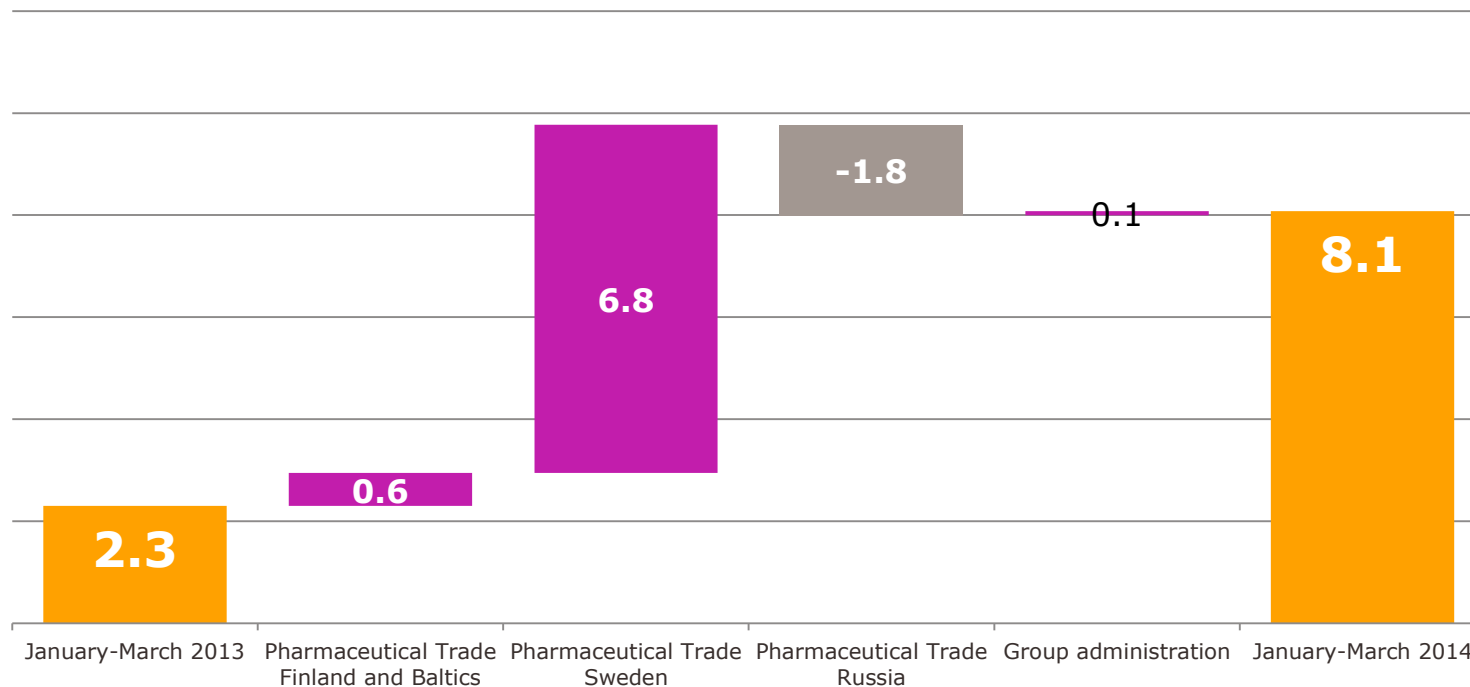
Eero Hautaniemi
President and CEO
24 April 2014



Oriola-KD January – March 2014

- Oriola-KD's operating profit excl. non-recurring items was EUR 8,1 (2,3) million
 - Profitability improved in both Swedish operating segments
 - Net sales and operating profit for the period was negatively affected by weak performance of Russian businesses
 - Solid development of Pharmaceutical Trade Finland and Baltics

Operating profit excluding non-recurring items January – March 2014 (EUR million)



Key Focus Areas in 2014

Key Focus Area	January– March 2014
1 Successful implementation of the new main logistics centre in Russia in spring 2015.	<ul style="list-style-type: none">• Transfer of the logistics operations is scheduled to begin in the last quarter in 2014. A full production capacity will be reached by the end of the first quarter in 2015.
2 Improvement of the performance in pharmaceutical wholesale Russia.	<ul style="list-style-type: none">• Actions to improve profitability in Russian businesses will lead to approximately 230 persons' reduction in payroll. From the year 2015 onwards this will lead to approximately EUR 2.5 million cost savings
3 Completing the integration of the Swedish retail business by the end of the second quarter.	<ul style="list-style-type: none">• Group's operating profit was positively supported by improved profitability in both Swedish operating segments.

Key Figures

EUR million	2014 1-3	2013 1-3	Change %	2013 1-12
Net sales	593.9	612.3	-3.0	2,598.5
EBITDA excl. non-recurring items	14.6	7.4	97.4	53.2
EBITDA	13.6	7.4	83.7	46.7
Operating profit excl. non-recurring items	8.1	2.3	250.9	29.0
Operating profit	7.1	2.3	206.7	21.0
Profit for the period	2.6	0.7	275.8	5.8
Earnings per share (EPS), EUR	0.02	0.00		0.04
Net cash flow from operating activities	-25.8	-26.1		29.8

Balance Sheet and Key Ratios

EUR million	31 March 2014	31 March 2013	31 Dec 2013
Goodwill	365.5	283.0	379.0
Equity	303.0	304.2	278.1
Interest-bearing debt	260.5	121.9	318.8
Interest-bearing net debt	172.5	38.5	181.5
Balance sheet total	1,389.2	1,331.9	1,500.1
Equity ratio, %	22.4	23.4	19.2
Return on equity (ROE), %	3.6	0.9	2.0
Return on capital employed (ROCE), %	5.0	2.2	4.2
Gearing, %	56.9	12.6	65.3
Net debt / 12 month rolling EBITDA	3.3	0.9	3.9
Equity per share, EUR	2.00	2.01	1.84
Earnings per share (EPS), EUR	0.02	0.00	0.04
Average number of shares, 1000 pcs	151,142	151,161	151,157

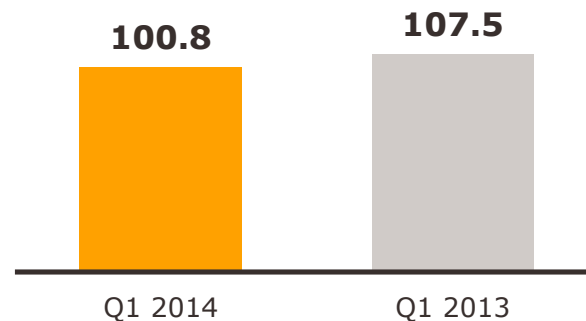
Reporting segments January – March 2014

Pharmaceutical Trade Finland and Baltics

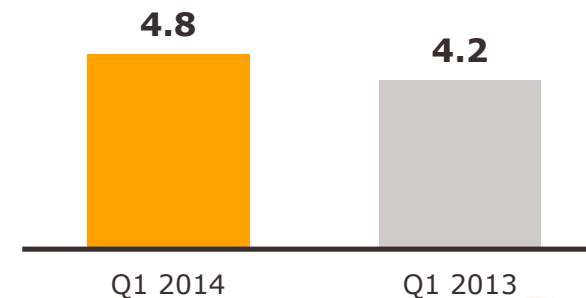
- Finnish pharmaceutical market grew by 3.1 (1.0) per cent*.
- The net sales of Pharmaceutical Trade Finland and Baltics decreased by -6.3 per, operating profit excl. non-recurring items was EUR 4.8 (4.2) million.
- Profit of the Consumer Health business increased from the corresponding period

*Source: IMS Health

Net Sales



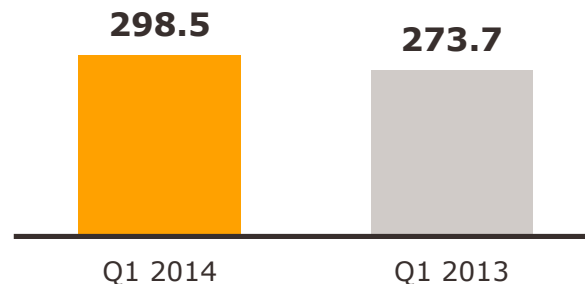
Operating profit



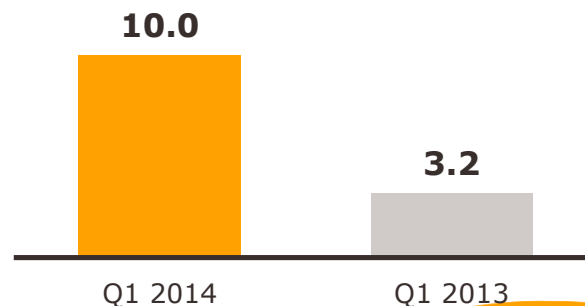
Pharmaceutical Trade Sweden

- Pharmaceutical market in Sweden increased by 0.6 (-4.2) per cent* OTC and Traded Goods market increased by 1.6 (5.8) per cent**.
- Swedish retail business' net sales increased by 41.5 per cent , operation profit excl. non-recurring items increased to EUR 7.4 (3.5) million.
- Retail business' EBITDA percentage excl. non-recurring items and management fee was 6.2 (4.5) per cent.
- Swedish wholesale business' net sales increased by 6.8 per cent , operating profit excl. non-recurring items increased to EUR 2.8 (-0.1) million.
- Centralised services offered to pharmacy chains improved net sales.
- Profitability program carried out in wholesale business supported operating profit.

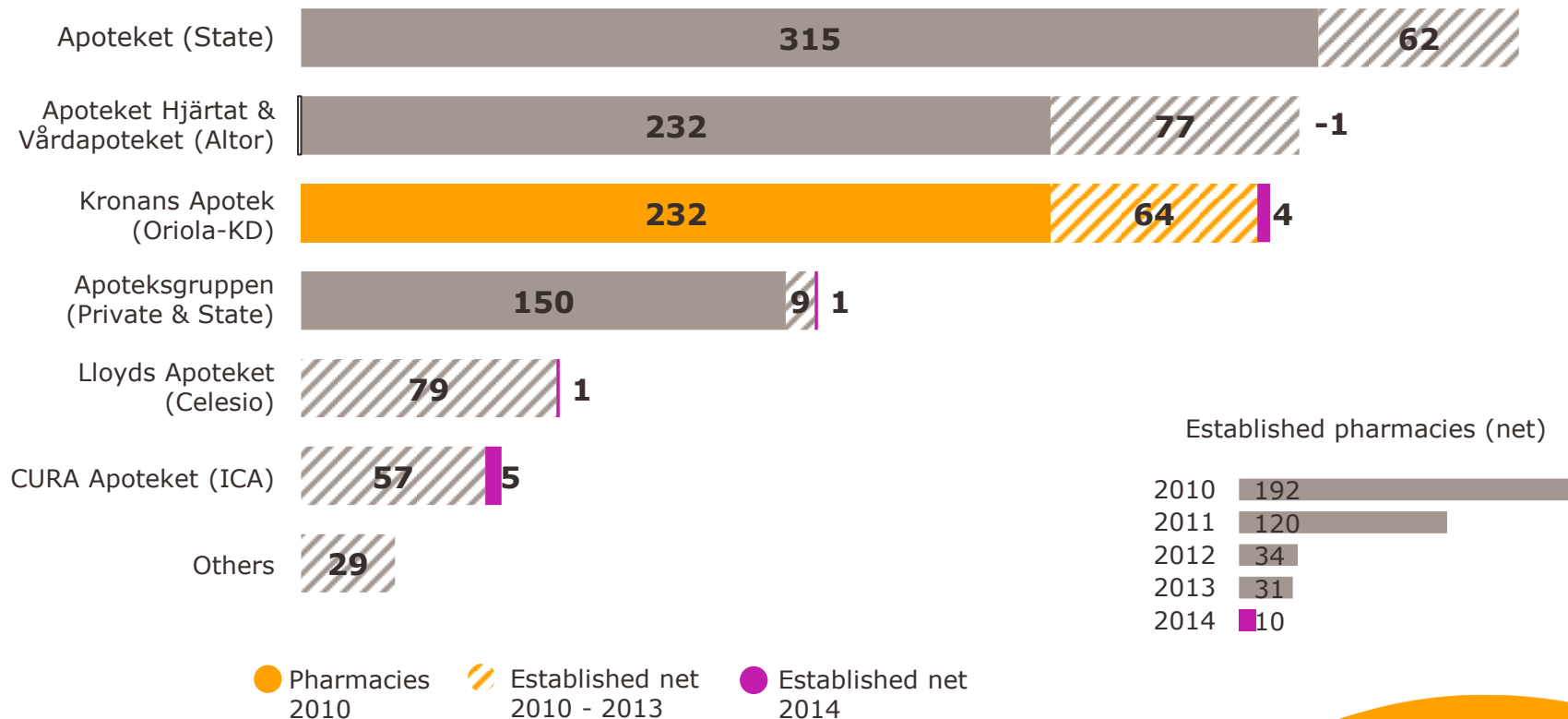
Net Sales



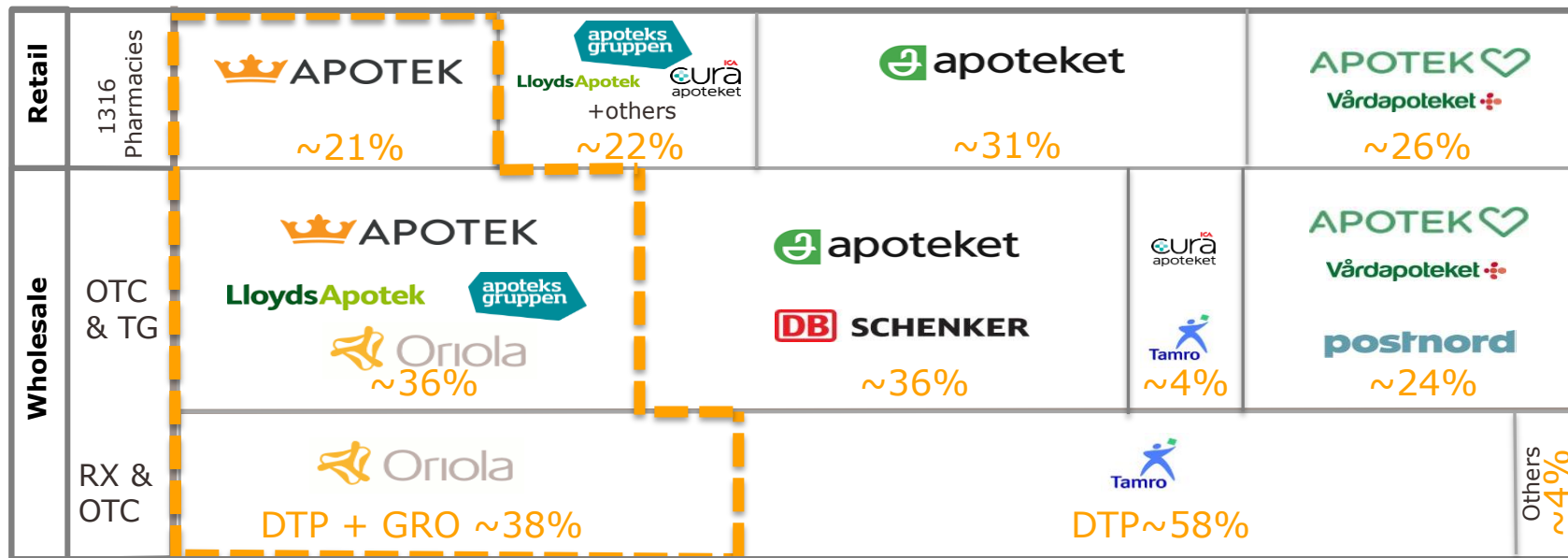
Operating profit (excl. non-recurring items)



Pharmacy Chains in Sweden



Swedish pharma market structure

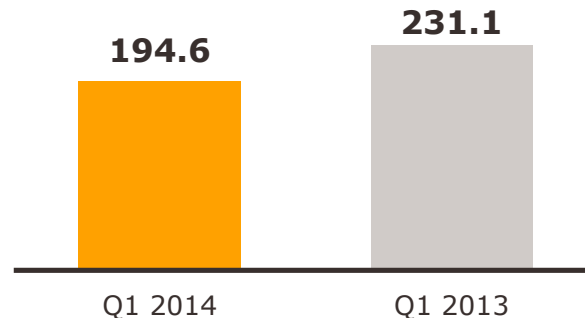


Source: Nielsen, IMS Health, Oriola-KD

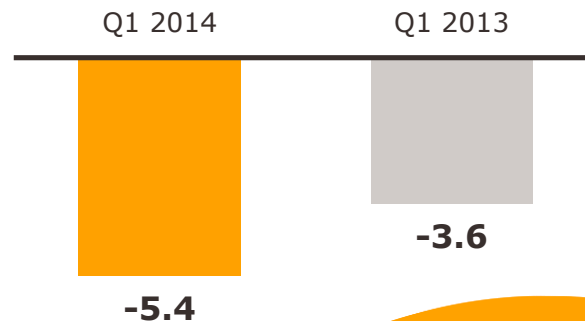
Pharmaceutical Trade Russia

- Slowdown of the Russian economic growth continued
- Russian retail business' net sales decreased by -26.2 per cent, operating profit excl. non-recurring items fell to EUR -0.4 (0.2) million.
 - On a constant currency basis Retail business' net sales decrease was -11.7 per cent.
- Russian wholesale business' net sales decreased by -12.5 per cent, operating profit excl. non-recurring items fell to EUR -5.0 (-3.8) million.
 - On a constant currency basis wholesale business' net sales increase was 4.7 per cent.
- Implemented actions to improve profitability will lead to reductions of estimated 230 persons', resulting estimated EUR 1.3 million cost savings for the year 2014 and EUR 2.5 million from the year 2015 onwards.

Net Sales



Operating profit (excl. non-recurring items)



Financial Position

- Interest-bearing debt was EUR 260.5 (121.9)
- Interest-bearing net debt was EUR 172.5 (38.5) million
- Net debt / 12 month rolling EBITDA was 3.26 (0.91)
 - Adjusted according to financing agreement Net debt / 12 month rolling EBITDA was 2.88
- Gearing ratio was 56.9 (12.6) per cent
 - Adjusted according to financing agreement Gearing ratio was 52.1 per cent
- EUR 40 million hybrid bond was issued in February 2014 in order to strengthen Oriola-KD's balance sheet

Financial covenants according to the financing agreement	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Net debt / 12-month rolling EBITDA	4,0x	4,0x	3,5x	3,5x
Gearing ratio	120 %	120 %	100 %	100 %

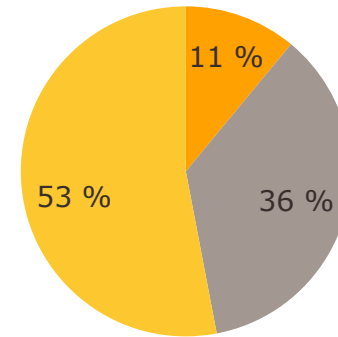
Consolidated Cash Flow

EUR million	2014 1-3	2013 1-3	2013 1-12
Change in working capital	-32.5	-30.6	3.5
Net cash flow from operating activities	-25.8	-26.1	29.8
Net cash flow from investing activities	-4.9	-6.0	-97.8
Net cash flow from financing activities	-17.4	27.2	118.4
Net change in cash and cash equivalents	-48.0	-4.9	50.4
Cash and cash equivalents at the end of the period	88.0	83.4	137.3

Personnel

Personnel by Reporting Segments	31 March 2014	31 March 2013
Pharmaceutical Trade Finland and Baltics	497	470
Pharmaceutical Trade Sweden	1831	1291
Pharmaceutical Trade Russia	2707	3048
Total	5035	4809

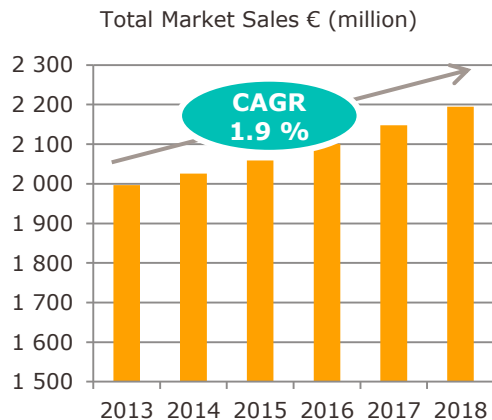
Personnel by country



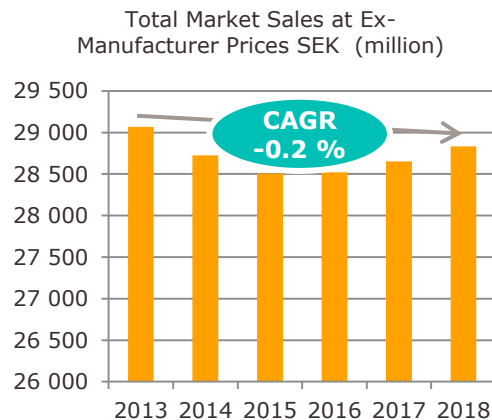
■ Finland and Baltics ■ Sweden ■ Russia

IMS Health Market Prognosis 2014-2018

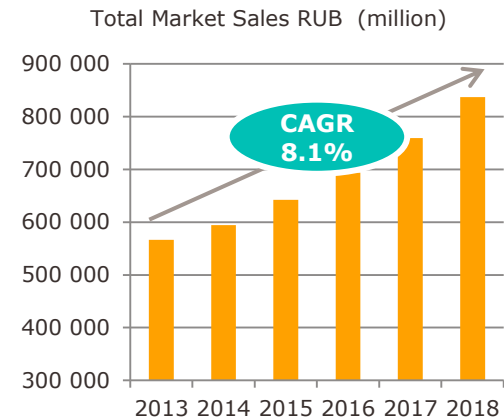
Finland



Sweden



Russia



Source: IMS Health

Outlook for 2014 unchanged

- Oriola-KD estimates that net sales and operating profit excluding non-recurring items will increase compared to 2013 actual.



Oriola KD

The Channel for Health

