



# **Oriola-KD Corporation January – March 2015**

Eero Hautaniemi  
President and CEO

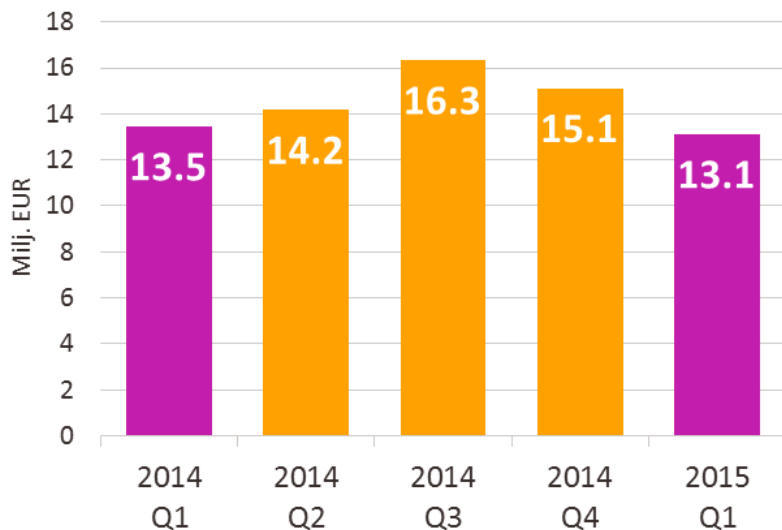
23 April 2015

# Oriola-KD January – March 2015

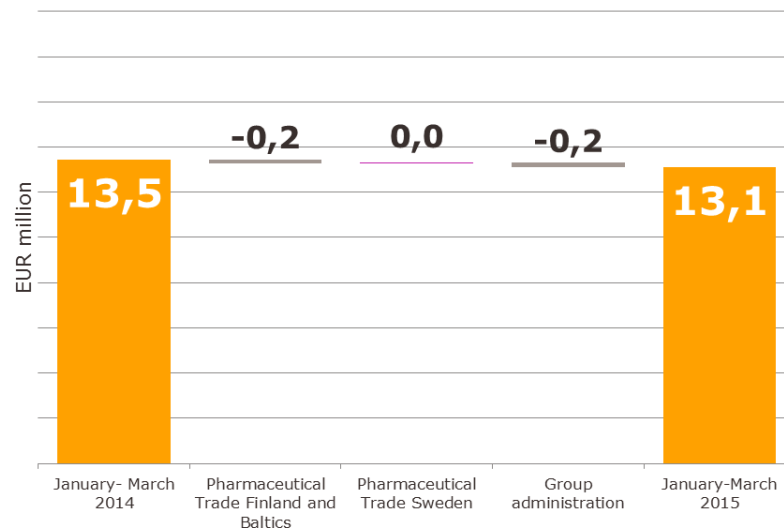
- Net sales of the Swedish businesses increased and operating profit excluding non-recurring items remained at the level of the corresponding period.
  - Depreciated Swedish krona effected operating profit by approximately EUR -0.6 million.
- Co-operation negotiations concerning Oriola-KD's personnel in Finland were completed on 11 March 2015.
- EUR 75.6 million rights offering was completed during the first quarter.

# Operating Profit January – March 2015

## Operating profit excluding non-recurring items



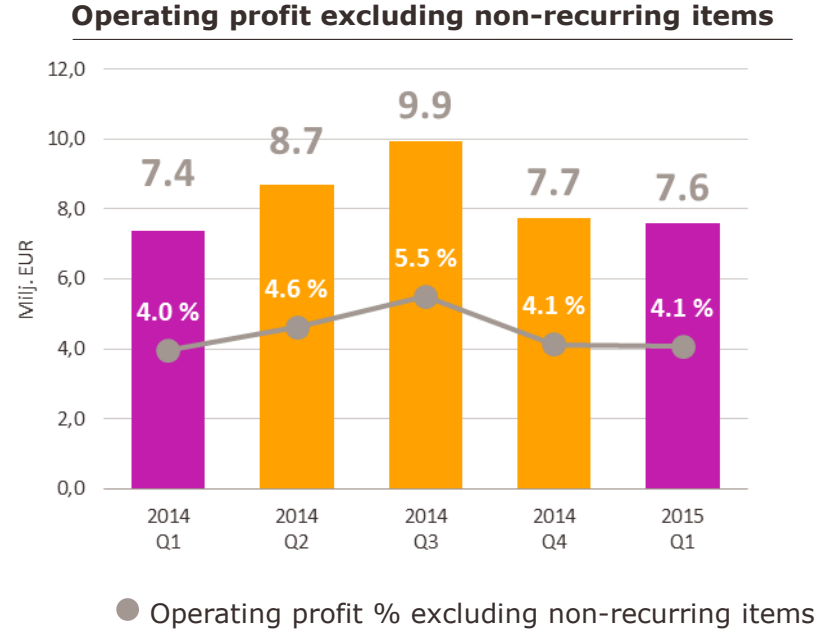
## Operating profit excluding non-recurring items



## Reporting segments January – March 2015

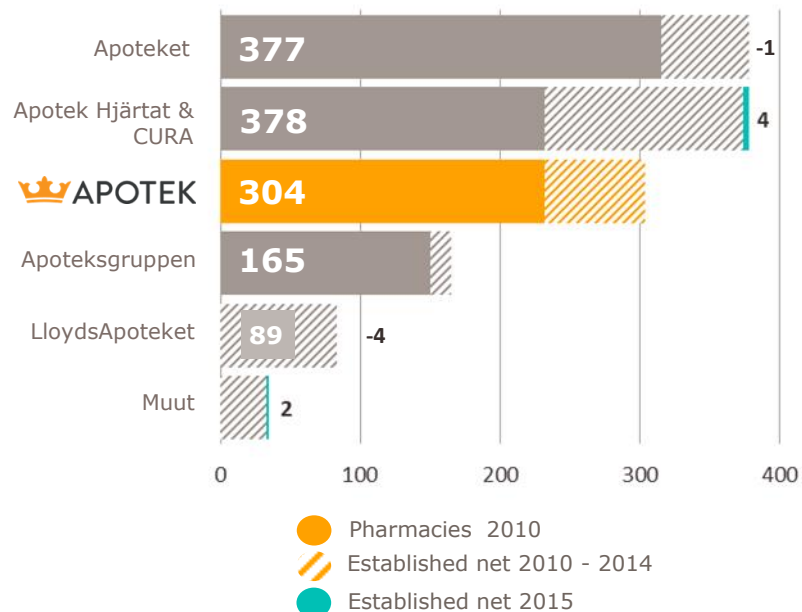
# Swedish retail business

- 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)

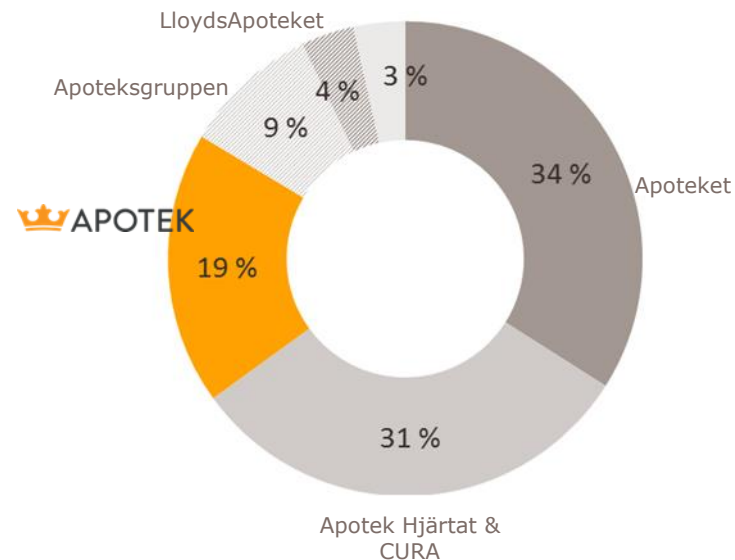


# Pharmacy Chains in Sweden

## Pharmacies



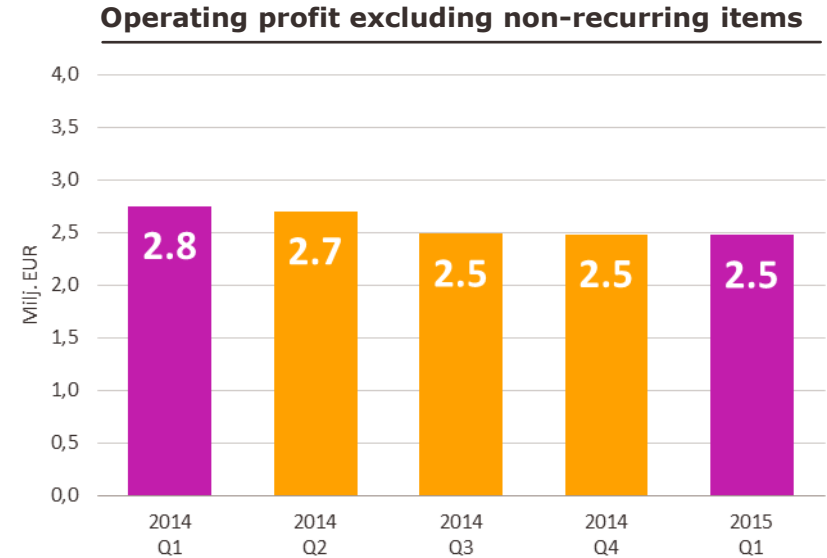
## Market Share



Source: Apoteksförening and Oriola-KD

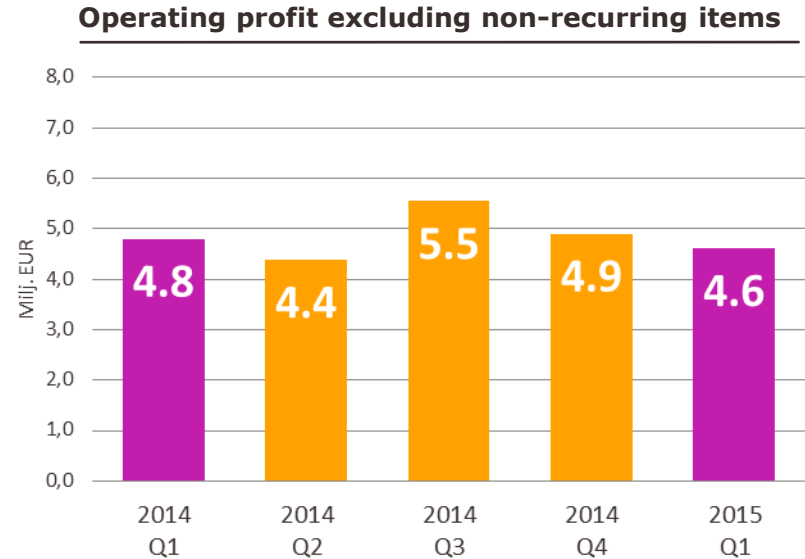
# Swedish wholesale business

- 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



# Pharmaceutical Trade 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.





# Key Focus Areas in 2015



24/7

## Development of digital channels.

- Significant growth for online shops in Finland and Baltics
- 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.



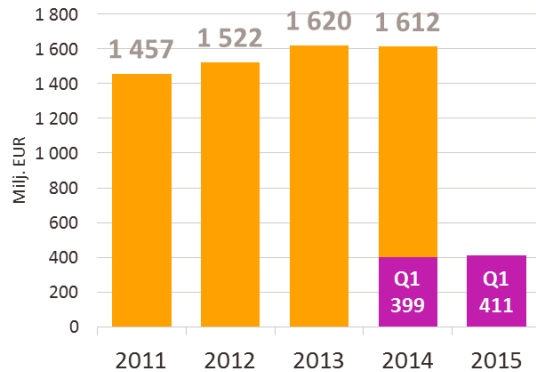
## Improving efficiency by exploiting group synergies.

## Key Figures January – March 2015

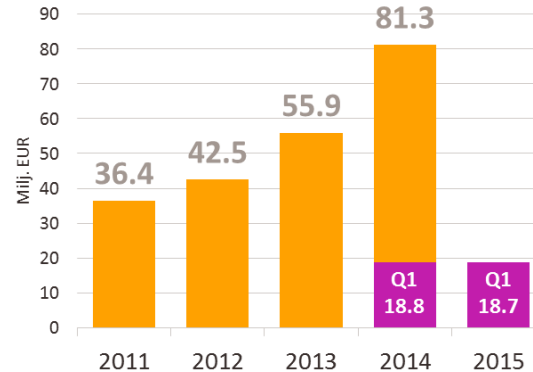


# Key Figures

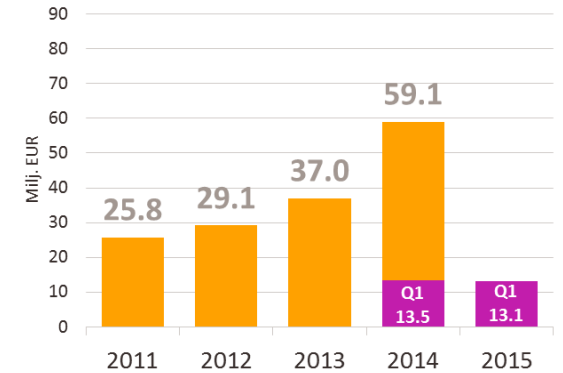
## Net Sales



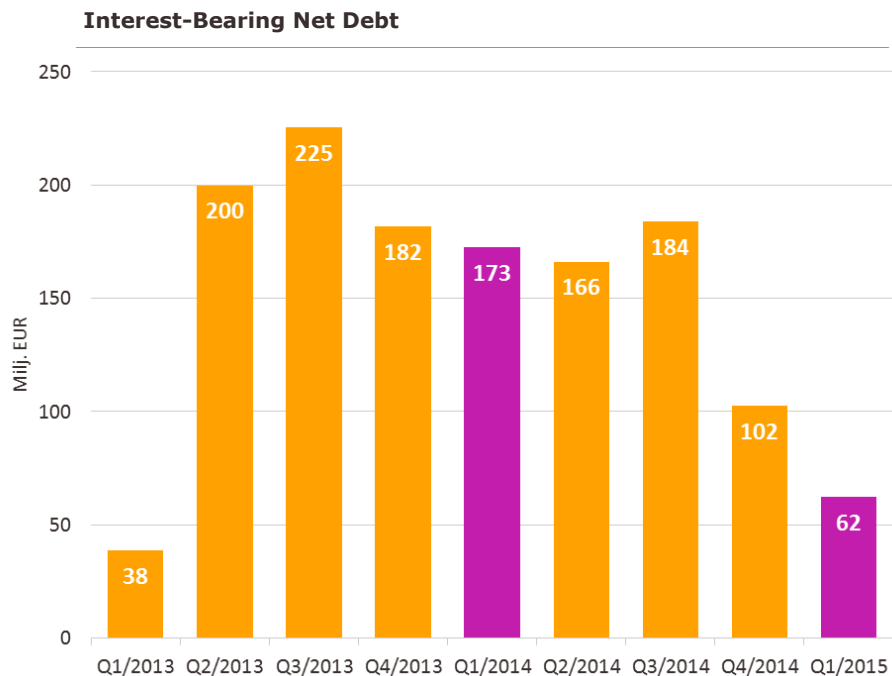
## EBITDA excl. non-recurring items



## Operating profit excl. non-recurring items



# Interest-Bearing Debt

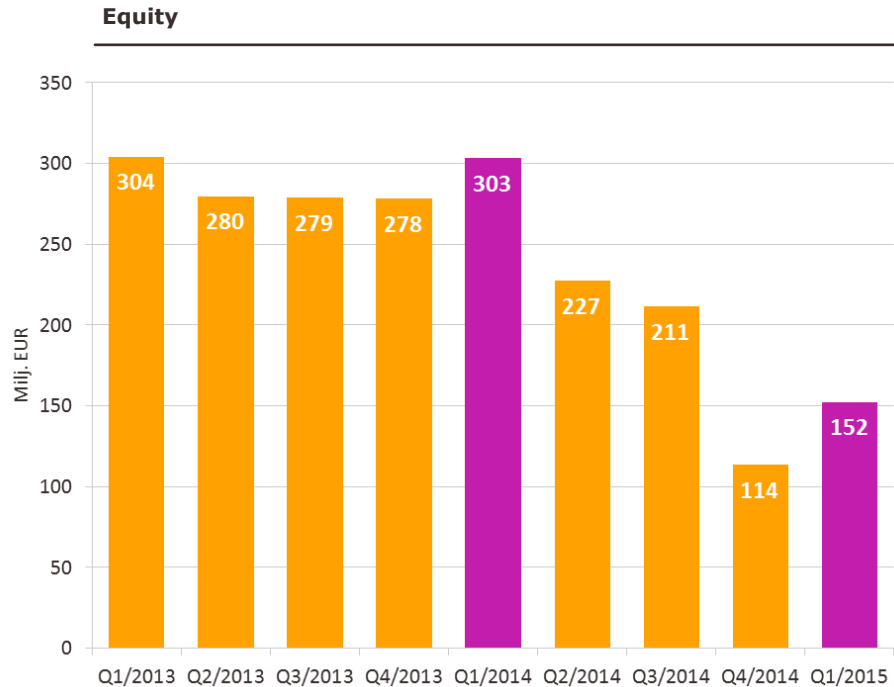


Milj. EUR <sup>1)</sup>	31 March 2014	31 March 2013
Syndicated bank loans	83.1	170.9
Commercial papers	32.8	40.6
Advance payment from pharmacies	23.0	33.4
Finance lease	4.2	0.9
Other <sup>2)</sup>	15.1	14.7
Hybrid bond	41.5	-
Cash and cash equivalents	137.1	88.0
<b>Interest-bearing net debt</b>	<b>62.7</b>	<b>172.5</b>
Sold trade receivables	106.4	72.6
Gearing, %	41.1	56.9

<sup>1)</sup> Comparative balance sheet items include discontinued operations

<sup>2)</sup> Contingent consideration related to Medstop-acquisition

# Equity



- EUR 75.6 million rights offering was completed during the first quarter.
- Successful offering enabled redemption of EUR 40 million hybrid bond on 20 March 2015.

# 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

# 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*

