



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

Eero Hautaniemi  
President and CEO

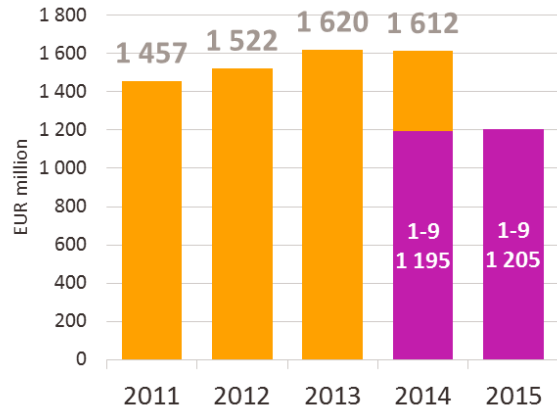
22 October 2015

# Oriola-KD January – September 2015

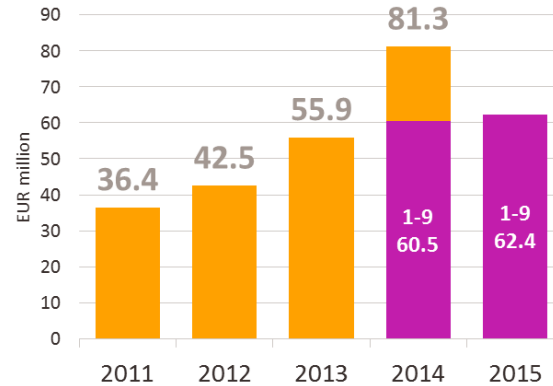
- Net sales and operating profit excluding non-recurring items of the Swedish businesses increased from the corresponding period.
  - On a constant currency basis operating profit excluding non-recurring items grew by 7.1 per cent.
- In Sweden a web shop with Kronans Apotek's product assortment was opened.
- In Finnish wholesale business important long term cooperation agreements with MSD and Orifarm were renewed in Q3.
- Oriola-KD's updated strategy, new operational model and long term financial targets we published on 18 August 2015.
  - The new operating model and responsibilities will be in force starting 1 January 2016.

# Key Figures January – September 2015

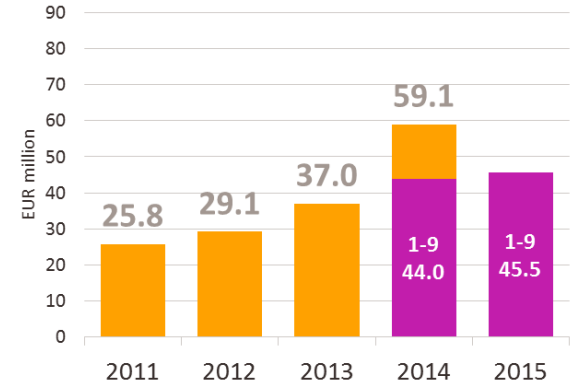
Net Sales



EBITDA excl. non-recurring items

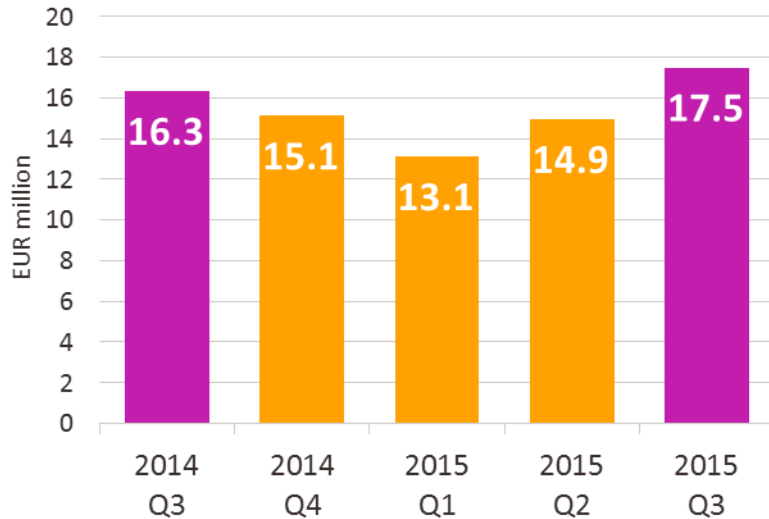


Operating profit excl. non-recurring items

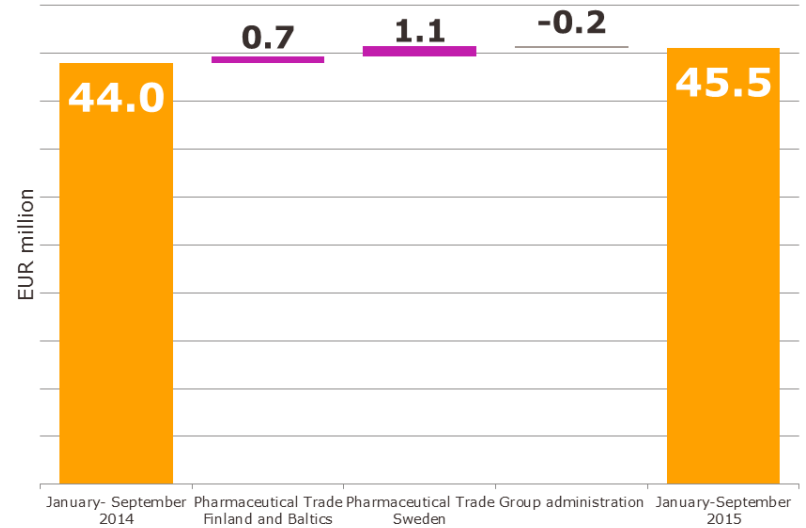


# Operating Profit Excluding Non-Recurring Items

Operating profit excluding non-recurring items quarterly



Operating profit excluding non-recurring items January-September, change



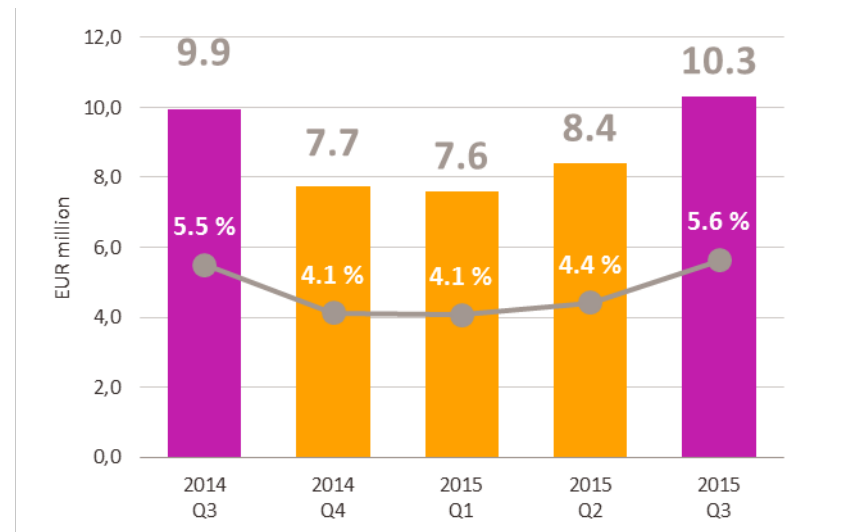


## Reporting Segments January – September 2015

# Swedish Retail Business

- On a constant currency basis the net sales increased by 4.3 (22.9) per cent.
- Profitability was supported by increased sales of OTC and traded goods and good cost control.
- Operating profit was negatively effected by significant decrease of parallel import and price cuts set by TLV in Q4 2014 and Q2 2015.
- New expensive prescription medicines with low margins lowered the relative profitability of the Swedish retail business.
- The share of OTC and traded goods from the net sales was 26 (27) per cent.

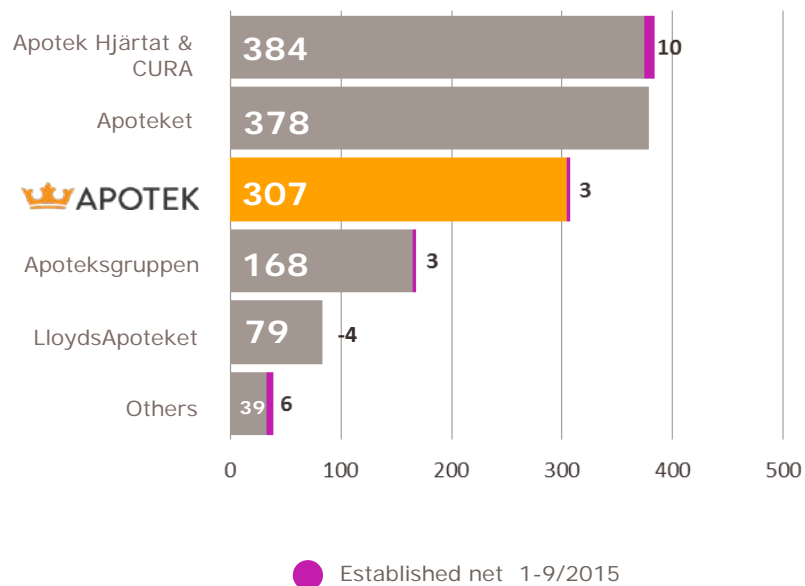
**Operating profit excluding non-recurring items**



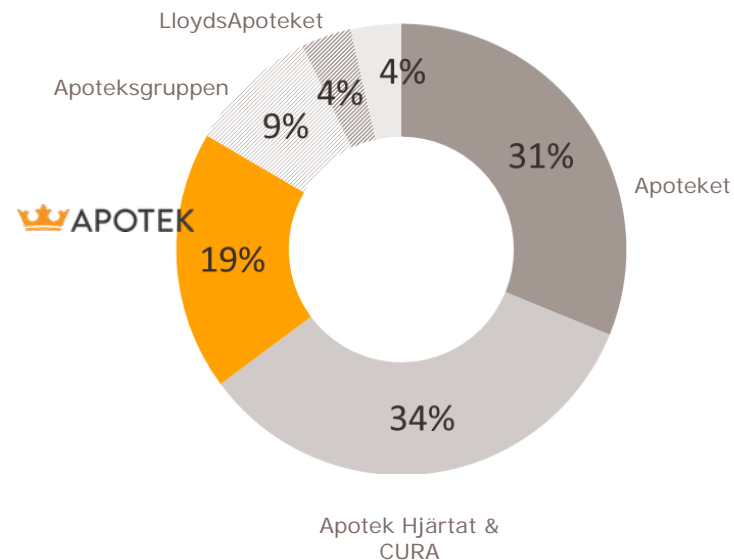
● Operating profit % excluding non-recurring items

# Pharmacy Chains in Sweden

## Pharmacies



## Market Share



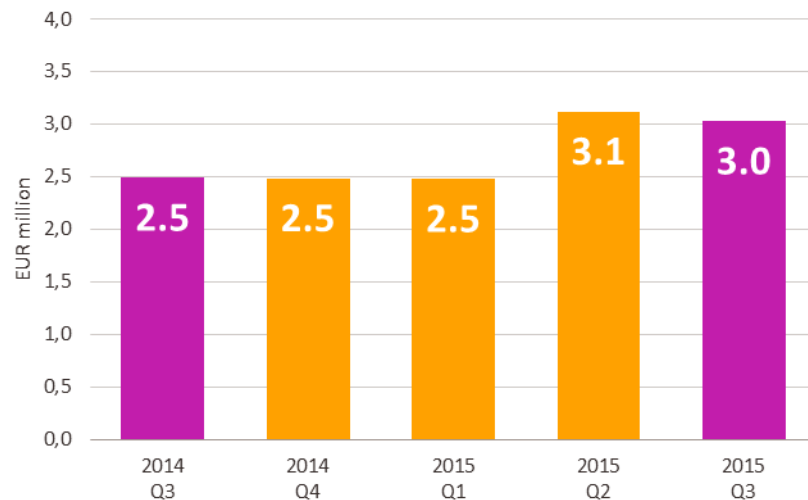
Source: Apoteksförening and Oriola-KD

# Swedish Wholesale Business

- The pharmaceutical market in Sweden grew by 8.2 (2.8) per cent<sup>1</sup>.
- On a constant currency basis invoicing of the Swedish wholesale increased by 13.7 (4.0) per cent in January - September.
- Operating profit of the wholesale business grew by 8.6 per cent to EUR 8.6 million
- Positive development of the Swedish wholesale business was supported by the new agreements with pharmaceutical companies signed in 2014 and increased efficiency.

<sup>1</sup>) Source: IMS Health

Operating profit excluding non-recurring items





# Unique Position in the Whole Value Chain in Sweden

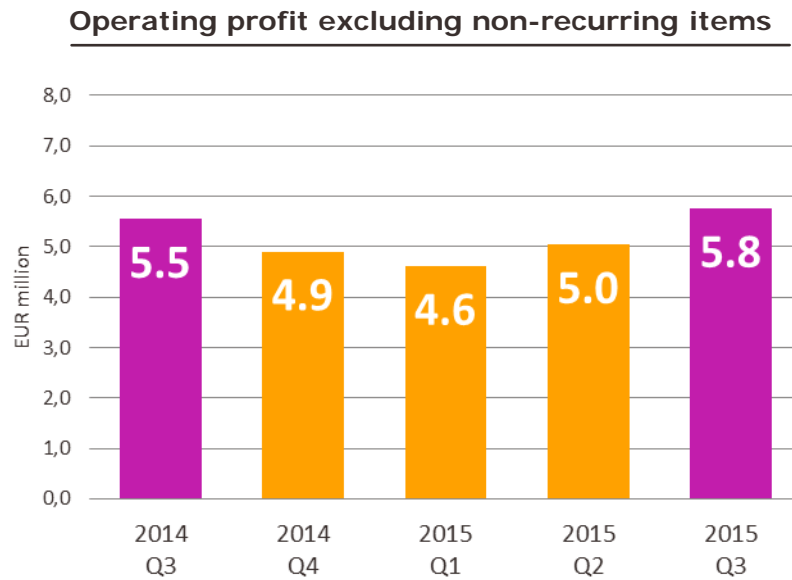


Source: Apoteksforening, IMS Health and Oriola-KD

\*) Source: Apoteksforening (previously Nielsen)

# Pharmaceutical Trade Finland and Baltics

- In Finland Oriola-KD renewed significant long term cooperation agreements with MSD and Orifarm in Q3.
- Result of the Finnish wholesale business improved due to increased volume and service sales to pharmaceutical companies.
  - Invoicing of the Finnish wholesale business increased by 5.1 per cent. Finnish pharmaceutical market grew by 2.5 per cent<sup>(1)</sup>.
- As a result of continued tight competitive environment, profitability of Consumer Health business decreased from the corresponding period due to increased discounts.



<sup>1)</sup> Source: IMS Express

# Key Focus Areas in 2015



## Development of digital channels.

- Significant growth for online shops in Finland and Baltics.
- In Sweden a web shop with Kronans Apotek's product assortment was opened on 16 September 2015.



## Improving service businesses and expanding to healthcare B2B market.



## Improving efficiency by exploiting group synergies.

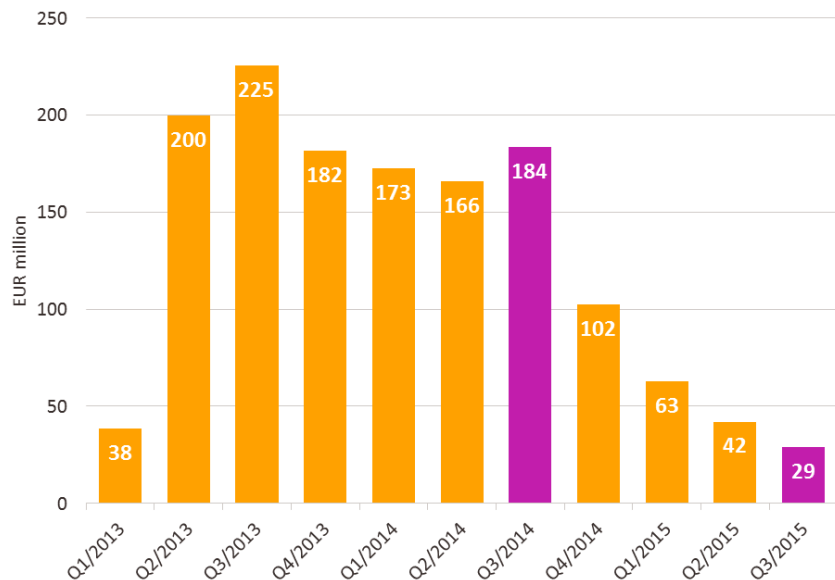
- In accordance with Oriola-KD's new strategy, the new operating model and responsibilities will be in force starting 1 January 2016

## Key Figures January – September 2015



# Interest-Bearing Debt

Interest-Bearing Net Debt



Milj. EUR <sup>1)</sup>	30 Sept 2014	30 Sept 2013
Syndicated bank loans	74.4	167.6
Commercial papers	3.0	29.9
Advance payment from pharmacies	33.2	35.2
Finance lease	3.4	5.0
Other <sup>2)</sup>	14.3	14.9
Cash and cash equivalents	99.5	68.9
<b>Interest-bearing net debt</b>	<b>28.9</b>	<b>183,7</b>
Gearing, %	16.4 %	86.9 %
Sold trade receivables	111.2	80.7

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

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

# Key Figures

Milj. eur	2015 Q3	2014 Q3	Change %	2015 1-9	2014 1-9	Change %	2014 1-12
Net sales	377.1	389.8	-3.3	1,205.5	1,194.6	0.9	1,612.3
EBITDA excl. non-recurring items	23.1	22.0	5.0	62.4	60.5	3.0	81.3
EBITDA	24.0	21.9	9.5	62.1	59.5	4.4	87.2
Operating profit excl. non-recurring items	17.5	16.3	7.1	45.5	44.0	3.6	59.1
Operating profit	18.4	16.3	13.3	45.3	42.9	5.5	65.0
Profit for the period	13.8	11.6	19.5	32.1	28.5	12.8	46.5

# Balance Sheet and Key Ratios

Milj. eur	30 Sept 2015	30 Sept 2014	31 Dec 2014
Goodwill	250.5	285.4	250.9
Equity	175.5	211.3	113.6
Interest-bearing debt	128.3	252.6	193.9
Interest-bearing net debt	28.9	183.7	102.4
Balance sheet total	928.7	1 267.5	874.0
Equity ratio, %	19.6	17.2	13.3
Return on equity (ROE), %	30.7	-41.5	23.7
Return on capital employed (ROCE), %	20.2	-14.7	14.4
Gearing, %	16.4	86.9	90.1
Equity per share, EUR	0.97	1.40	0.75
Earnings per share (EPS), continuing operations EUR	0.18	0.17	0.28
Earnings per share (EPS), inc. discontinued operations EUR	0.18	-0.51	-1.33
Average number of shares, 1000 pcs	176,204	160,745	160,741

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.



