



Oriola-KD Corporation

FY 2015

Eero Hautaniemi
President and CEO

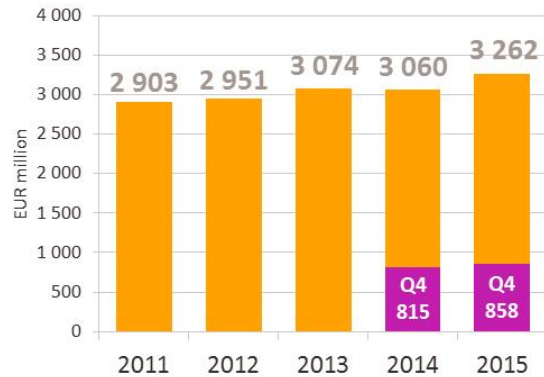
5 February 2016

Summary of the year 2015

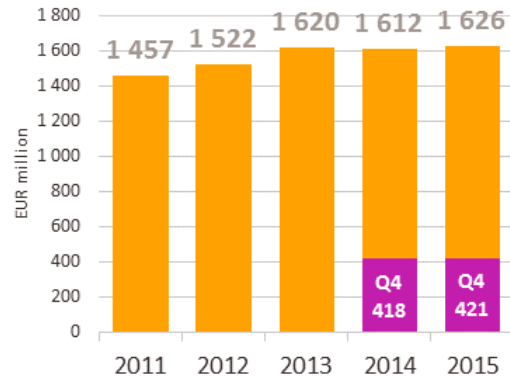
- Invoicing and operating profit grew
- Successful launch of kronansapotek.se in Sweden
- Renewal of several important contracts (Orion, MSD)
- Acquisition of Svensk dos
- New strategy and Operating model

Positive development both in growth and profit

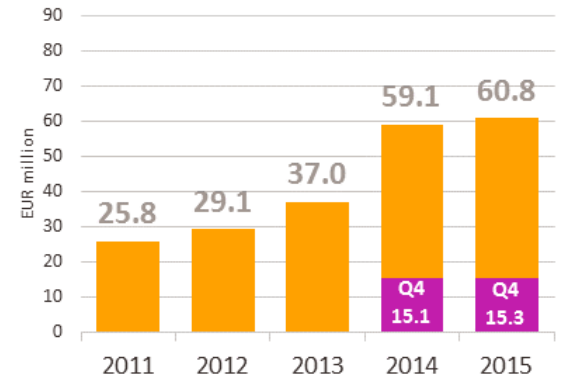
Invoicing



Net Sales

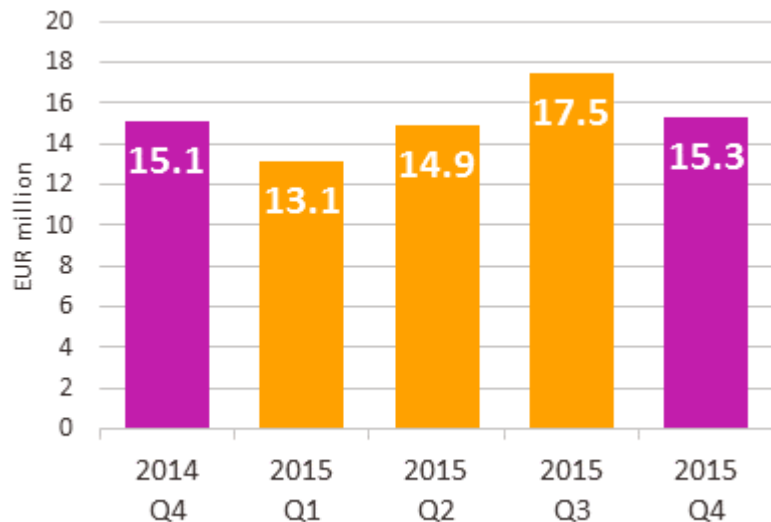


Operating profit excl. non-recurring items

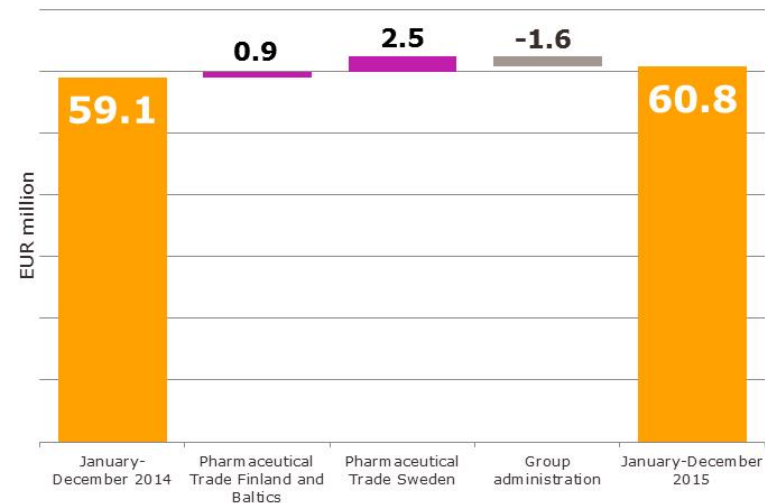


Growth in operating profit was supported by logistic services in Sweden

Operating profit excluding non-recurring items quarterly



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



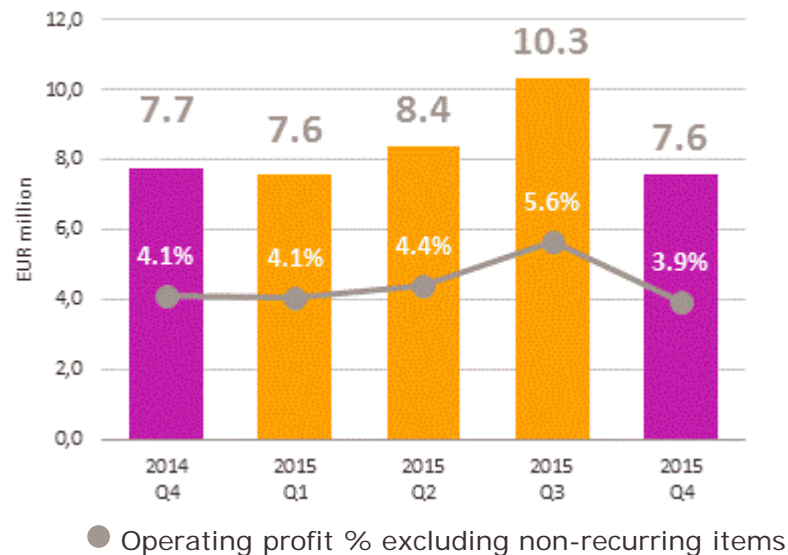
Operating Segments in 2015



Pharmaceutical Retail Business in Sweden

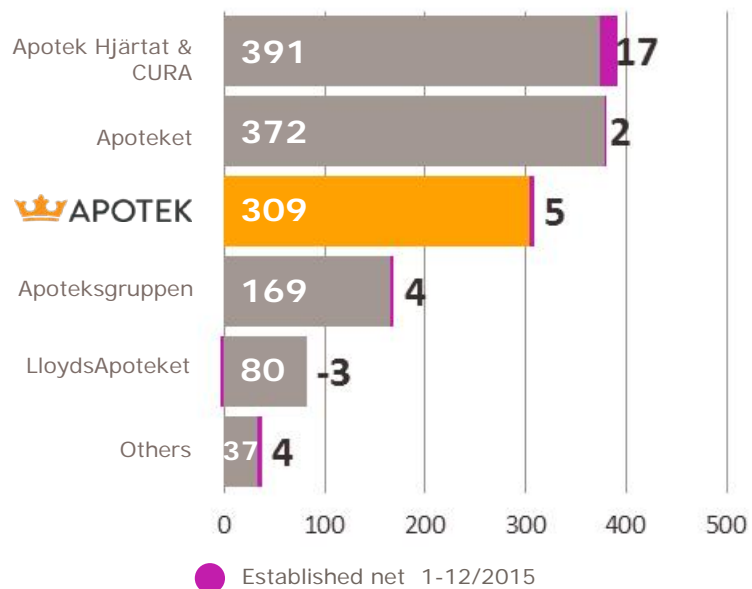
- Invoicing in 2015 increased by 4.4 (17.8)% from the previous year, on constant currency basis
- Profitability was supported by increased sales of traded goods, better margins of OTC medicines and good cost control
- Operating profit was negatively affected by significant decrease of parallel import and price cuts set by Swedish authorities (in Q4'14 and Q2'15) and campaign discounts given due to tight competition
- The share of OTC medicines and traded goods of net sales was 26 (27)%
- Two new "care & beauty" -concept stores were opened

Operating profit excluding non-recurring items

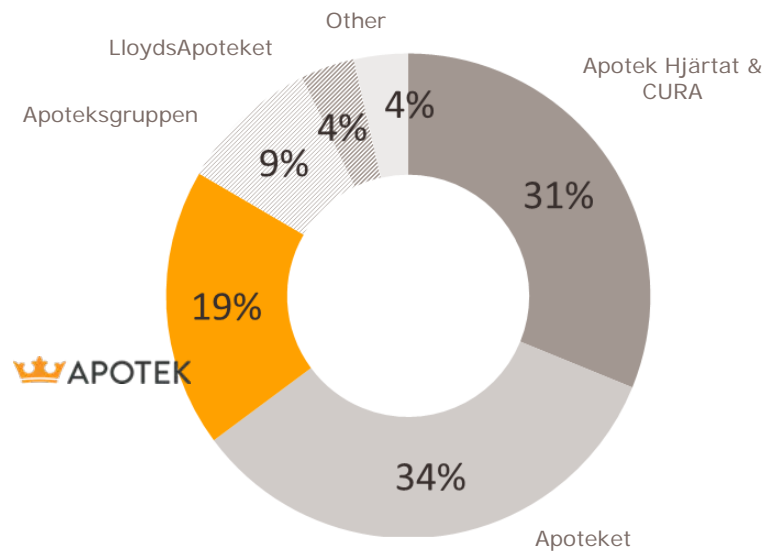


Pharmacies in Sweden

No. of pharmacies



Market share

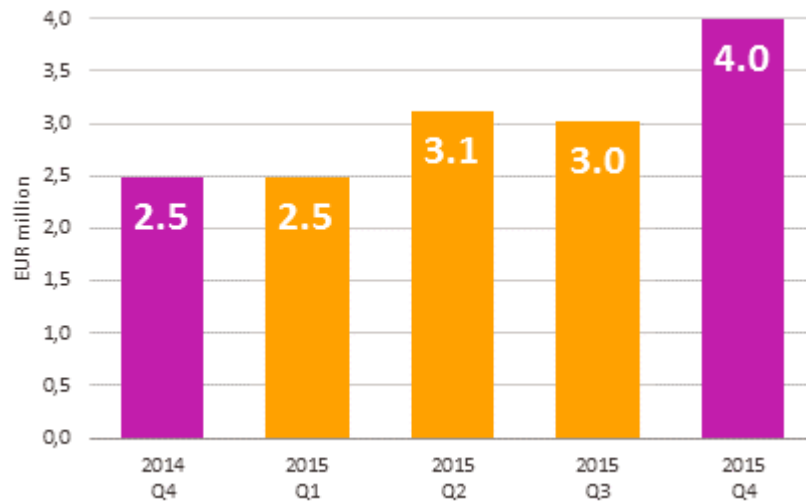


Source: Apoteksförening and Oriola-KD

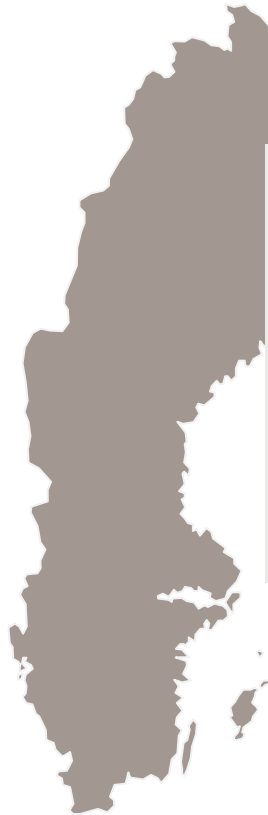
Pharmaceutical Wholesale Business in Sweden

- Pharmaceutical wholesale invoicing in 2015 grew by 11.9 (6.4)% on constant currency basis
 - Pharmaceutical market in Sweden grew by 6.7 (4.2)% in Swedish krona ¹⁾
- Operating profit excluding non-recurring items of the wholesale business increased by 20.9% and was EUR 12.6 (10.4) million
- Positive development of Swedish wholesale business was supported by new agreements with pharmaceutical companies signed in 2014, increased efficiency and improved profitability in logistic services

Operating profit excluding non-recurring items



Position in Pharmaceutical Trade in Sweden



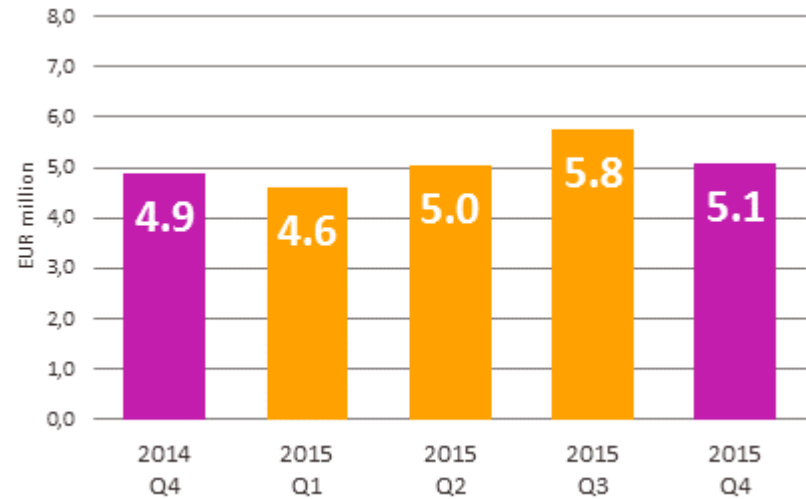
Source: Apoteksforening, IMS Health and Oriola-KD

*) Source: Apoteksforening (previously Nielsen)

Pharmaceutical Wholesale and Retail Business in Finland and Baltics

- Finnish pharmaceutical market grew by 3.3 (4.7)%
- Invoicing grew over 5% from the previous year, supported by increased sales by key pharmaceutical companies. Also Oriola+ service sales to pharmaceutical companies continued to grow
- Operating profit and profitability improved due to growth and good cost control
- In Finland Oriola-KD renewed significant long term cooperation agreements with Orion, MSD and Orifarm

Operating profit excluding non-recurring items

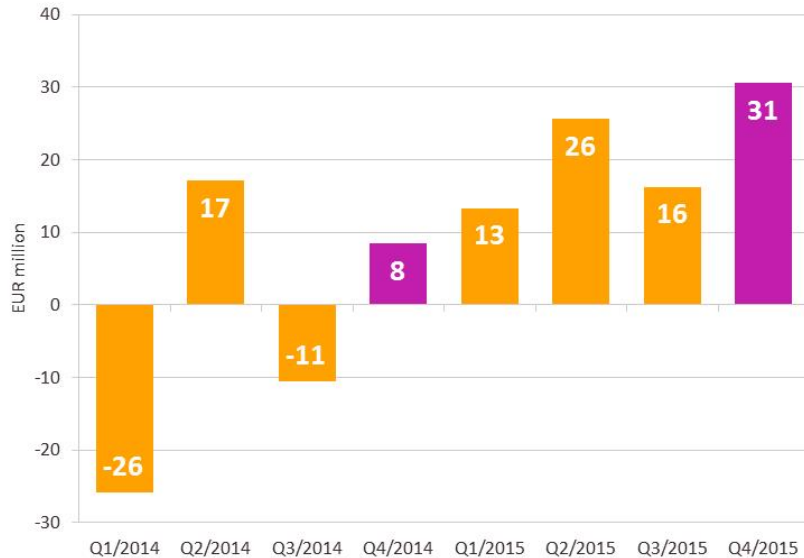


Key Figures January – December 2015



Cash flow ¹⁾

Quarterly net cash flow from operating activities

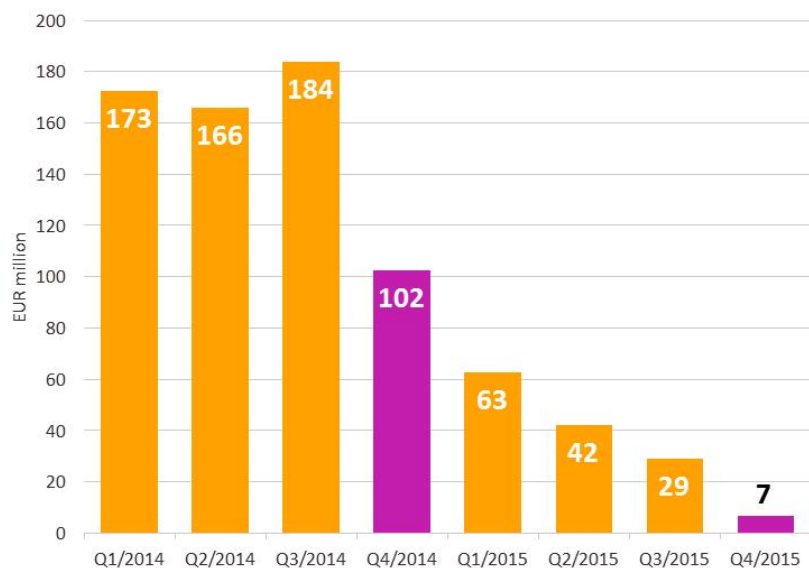


EUR million	1-12/2015	1-12/2014
Change in working capital	11.2	-42.5
Net cash flow from operating activities	85.6	-10.8
Net cash flow from investing activities	-19.9	40.3
Net cash flow from financing activities	-35.2	-80.3
Net change in cash	30.6	-50.8
Cash and cash equivalents at the end of period	121.9	91.5

¹⁾ Consolidated statement of cash flows for the comparative period includes net cash flow of discontinued operations until 30 Nov 2014.

Interest-Bearing Debt

Interest-Bearing Net Debt



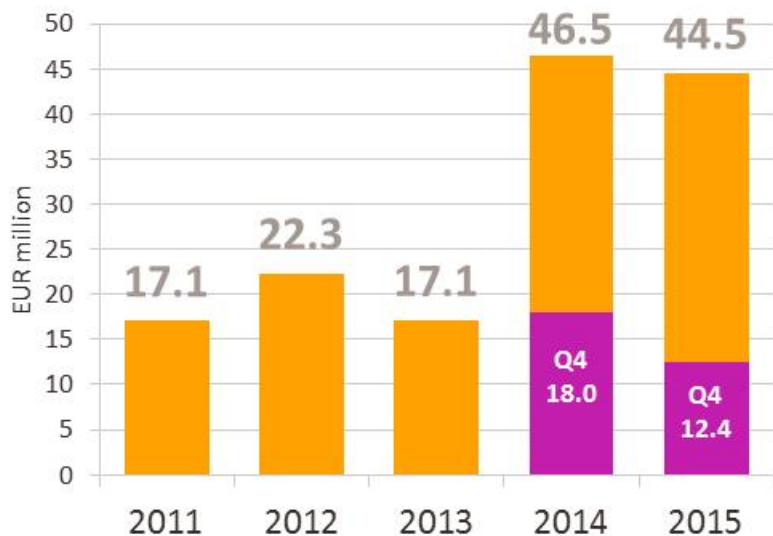
¹⁾ Contingent consideration related to Medstop-acquisition

²⁾ Equity-related key figures restated as a result of correction of an error relating to previous financial periods

EUR million	31 Dec 2015	31 Dec 2014
Syndicated bank loans	76.2	102.2
Commercial papers	13.0	51.8
Advance payments from pharmacies	23.9	20.6
Finance lease	3.2	4.5
Other ¹⁾	12.4	14.7
Cash and cash equivalents	121.9	91.5
Interest-bearing net debt	6.6	102.4
Gearing, %	3.4	91.8 ²⁾
Sold trade receivables	114.6	100.1
Adjusted gearing, %	62.3	181.6 ²⁾

Profit for the period

Profit for the period



¹⁾ Calculated based on the rights issue -adjusted weighted average number of shares, comparative figures for 2014 adjusted accordingly

Dividend and earnings per share from continued operations



- Dividend (2015: proposal of the Board)
- Repayment of capital
- Earnings per share



Year 2016



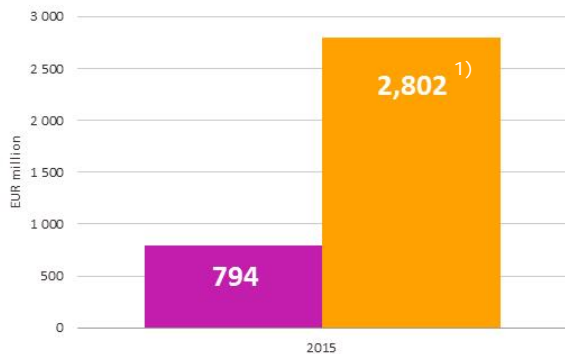
Outlook for 2016

- Oriola-KD estimates its full-year net sales to remain at the 2015 level on constant currency basis. Adjusted Operating profit ¹⁾ is estimated to remain at 2015 level or to increase, on a constant currency basis
- Full-year net sales in 2015 were EUR 1,626 million and Operating profit excluding non-recurring items was EUR 60.8 million

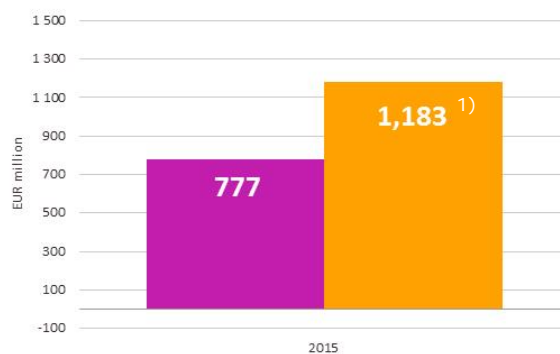
¹⁾ Adjusted Operating profit excludes gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events

Comparable financial information of 2015 in the new structure

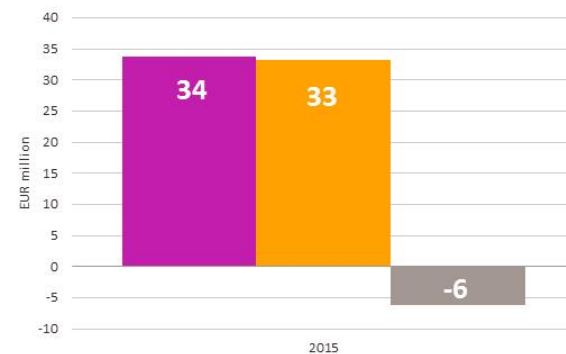
Invoicing



Net sales



Operating profit excl. non-recurring items



- Services
- Consumer
- Group Administration and other

¹⁾ Including intra-group invoicing / net sales of EUR 334 million

Key Focus Areas in 2015



Development of digital channels

- Significant growth for online shops in Finland and Baltics
- In Sweden kronansapotek.se, Online shop with Kronans Apotek's product assortment, launched in September 2015.



Improving service businesses and expanding to healthcare B2B market

- Svensk dos acquisition agreed in Dec 2015
- Tender for Dalarna won (under appeal)



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 Jan 2016
- OKD United operating platform program started in Q4'15

Key Focus Areas in 2016

2015

2016



Development of digital channels

Active development of digital business



Improving service businesses and expanding to healthcare B2B market

Continue developing the Healthcare channel



Improving efficiency by exploiting group synergies

Successful execution of the efficiency improving strategic development initiatives





APPENDICES



Key Figures

EUR million	2015 Q4	2014 Q4	Change %	2015 1-12	2014 1-12	Change %
Net sales	420.9	417.7	0.8	1,626.3	1,612.3	0.9
EBITDA excl. non-recurring items	21.0	20.8	1.3	83.4	81.3	2.6
EBITDA	23.0	27.7	-16.8	85.1	87.2	-2.4
Operating profit excl. non-recurring items	15.3	15.1	1.0	60.8	59.1	3.0
Operating profit	17.3	22.1	-21.7	62.6	65.0	-3.7
Profit for the period	12.4	18.0	-31.1	44.5	46.5	-4.2
Earnings per share, EUR ¹⁾	0.07	0.11	-36.8	0.25	0.28	-9.5

¹⁾ Calculated based on the rights issue -adjusted weighted average number of shares, comparative figures adjusted accordingly.

Balance Sheet and Key Ratios

EUR million	31 Dec 2015	30 Dec 2014 ¹⁾
Goodwill	256.5	250.9
Equity	194.6	111.5
Interest-bearing debt	128.6	193.9
Interest-bearing net debt	6.6	102.4
Balance sheet total	946.9	874.0
Equity ratio, %	21.1	13.1
Return on equity (ROE), %	29.1	23.9
Return on capital employed (ROCE), %	19.9	14.4
Gearing, %	3.4	91.8
Equity per share, EUR	1.07	0.69
Earnings per share (EPS), continuing operations, EUR ²⁾	0.25	0.28
Earnings per share (EPS), incl. discontinued operations, EUR ²⁾	0.25	-1.42
Average number of shares, 1,000 pcs ^{2) 3)}	177,502	160,741

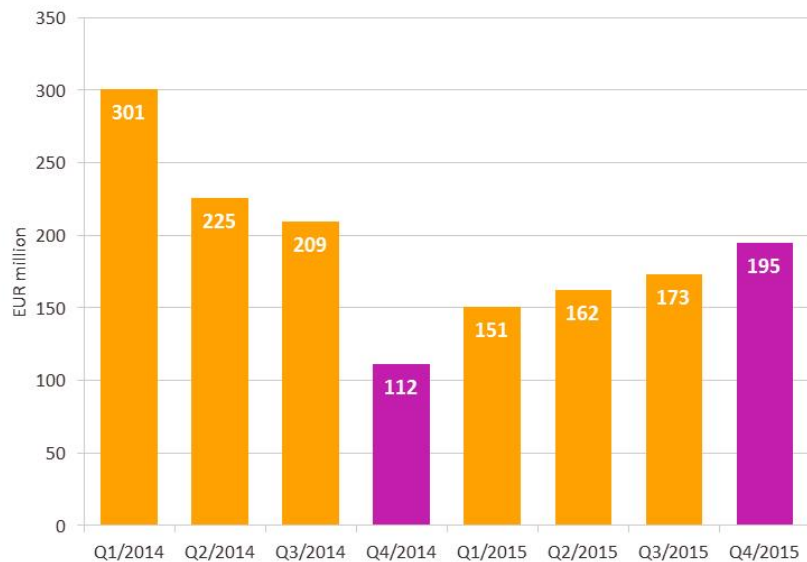
¹⁾ Equity-related key figures restated as a result of correction of an error relating to previous financial periods

²⁾ Calculated based on the rights issue -adjusted weighted average number of shares, comparative figures adjusted accordingly

³⁾ Treasury shares held by the company not included

Equity

Equity ¹⁾



¹⁾ Equity-related key figures restated as a result of correction of an error relating to previous financial periods

EUR million	31 Dec 2015	31 Dec 2014
Share capital	36.2	36.2
Hedging reserve	-1.2	-1.3
Contingency fund	19.4	19.4
Invested unrestricted equity reserve	74.8	1.1
Hybrid bond	-	39.6
Other reserves	0.2	0.1
Translation differences	0.5	-3.1
Retained earnings ¹⁾	64.7	19.5
Total equity ¹⁾	194.6	111.5
Equity ratio, % ¹⁾	21.1	13.1

Long-term financial targets

- New long-term financial targets were published in connection with the updated strategy:
 - Business growth at the rate of the market
 - Annual EPS growth over 5% excluding non-recurring items
 - Return on capital employed of over 20%
 - Adjusted gearing ratio of 30-60%

¹⁾ Sold (non-recourse) trade receivables are added to the net debt

Events after the review period

On 1 February 2016 the Nomination Committee of Oriola-KD presented to the Board of Directors its recommendation on the proposal to the 2016 Annual General Meeting concerning the composition of the Board of Directors as follows:

- The number of members of the Board of Directors would be eight
- The present members of the Board of Directors Anja Korhonen, Kuisma Niemelä, Eva Nilsson Bågenholm, Staffan Simberg, Matti Rihko and Anssi Vanjoki would be re-elected
- Mariette Kristenson and Lena Ridström would be elected new members of the Board of Directors
- Anssi Vanjoki would be re-elected as Chairman of the Board of Directors

