Oriola Q4 2018

- Strong Invoicing and Net Sales growth in constant currencies
- Consumer online sales grew faster than market
- Competition, seasonality and investments affected Consumer profit negatively
- Strong cash flow
  Dividend proposal
  EUR 0.09 per share
- Enköping DC ramp-up starting in Q1/19
- Inefficiencies burdened Services financial performance
- Hehku closing decision and write-down
- Oriola 70 year anniversary in Finland

Competition, seasonality and investments affected Consumer profit negatively
Oriola Key Figures
continuing operations

Invoicing
EUR million

Q1 Q2 Q3 Q4

2014 2015 2016 2017 2018

Net sales
EUR million

2014 2015 2016 2017 2018

Adjusted EBIT
EUR million

2014 2015 2016 2017 2018

2018 adjusted EBIT at comparable EUR/SEK rate
EUR 39.1 million
Adjusted EBIT Q4 2018
continuing operations

Adjusted EBIT, Quarters
EUR million

<table>
<thead>
<tr>
<th></th>
<th>2017 Q4</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBIT</td>
<td>6.2</td>
<td>6.2</td>
<td>7.9</td>
<td>17.5</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Adjusted EBIT
EUR million

Q4/2018 adjusted EBIT at comparable EUR/SEK rate
EUR 5.5 million
Consumer

• Comprehensive health and wellbeing offering for consumers
• Offers expert advice as well as an extensive selection of products in own Kronans Apotek pharmacies
• Consistent service experience throughout all service channels, from local pharmacies or shops to online services

Pharmacy market in Sweden

Source: Apoteksförening
Swedish Pharmacy retail market

Pharmacies

- Apotek Hjärtat & CURA: 389
- Apoteket: 395
- Kronans Apotek: 327
- Apoteksgruppen: 188
- Lloyds Apoteket: 79
- Others: 50

Market share

- Oriola/Kronans Apotek: 32%
- Apoteket: 31%
- Apotek Hjärtat & CURA: 17%
- Apoteksgruppen: 9%
- Others: 4%
- Lloyds Apoteket: 4%

Source: Apoteksförening
• Pharmacy market grew by 9.7% in Sweden. Online sales grew by 38% to 8% of the market
• Net sales increased by 5.1% in constant currency
• Kronans Apotek’s online sales grew faster than market (+63%) and was 2.8% of total sales
• Share of OTC and traded goods of net sales 25.6 (26.6)%. Share of RX increasing with lower margins
• Hehku result impacted Adjusted EBIT by EUR -4.6 million (Q4: EUR -0.9 million) and FX impacted Adjusted EBIT by EUR -1.7 million (Q4: EUR -0.2 million)
Services

- Focuses on long-term customer relationship and wide service offering for BtoB customers
- Provides wholesale and logistics services with wide range of expert services for pharmaceutical companies, pharmacies, vets and grocery trade
- Offers customized wholesale services of OTC and traded goods in Sweden
- Provides wide range of health and wellbeing products and staffing services for Finnish pharmacies

LTK and Oriola estimate

Sweden Wholesale

Reveal and Oriola estimate

LTK and Oriola estimate
Services January – December 2018
continuing operations

- Pharmaceutical market growth: Sweden 8.7% and Finland 8.5%
- Net Sales increased by 4.2% and in constant currency by 8.5%
- Profitability continued to be impacted by high cost level in operations and delay in efficiency improvements.
- Full EUR 9 million settlement payment received from IT system provider
- In Finland ERP related additional impact was EUR 7 million (Q4 EUR 1.0 million)
Healthcare

• Pharmaceutical distribution and dose dispensing services for public and private healthcare providers
• Dose dispensing market ca. 203,000 patients in Sweden, and 52,000 in Finland
• Oriola dose dispensing cover services for 72,000 persons in Sweden and Finland, out of which more than 52,000 patients are in Sweden

Market share dose dispensing

Finland
- Oriola: 40%
- Pharmac: 8%
- YA: 5%
- Pharma Dos: 47%

32 MEUR

Sweden
- Oriola: 39%
- Apoteket AB: 36%
- Apotekstjänst: 25%
- Pharma Dos: 32 MEUR

Oriola estimate
• Net Sales grew by 30.1%, and in constant currency by 37.2%
• Growth continues to be driven by Swedish market
• Number of dose dispensing customers exceeded 72,000
• Major new contract with Stockholms Läns Landsting signed in 2018 and deliveries starting Q1 2019.

Adjusted EBIT
EUR million

-2.0
-0.2
0.0
0.2
2.0

2017 Q4
2018 Q1
2018 Q2
2018 Q3
2018 Q4
Key Figures
January – December 2018
## Key Figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>10-12 2018</th>
<th>10-12 2017</th>
<th>Change %</th>
<th>1-12 2018</th>
<th>1-12 2017</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoicing</td>
<td>929.1</td>
<td>871.6</td>
<td>6.6</td>
<td>3,518.4</td>
<td>3,336.3</td>
<td>5.5</td>
</tr>
<tr>
<td>Net sales</td>
<td>394.7</td>
<td>395.2</td>
<td>-0.1</td>
<td>1,552.2</td>
<td>1,527.7</td>
<td>1.6</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>12.0</td>
<td>13.1</td>
<td>-8.2</td>
<td>65.5</td>
<td>67.6</td>
<td>-3.0</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>5.2</td>
<td>6.2</td>
<td>-16.4</td>
<td>36.9</td>
<td>39.9</td>
<td>-7.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>-8.0</td>
<td>3.9</td>
<td>-304.4</td>
<td>22.0</td>
<td>37.8</td>
<td>-41.9</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-8.5</td>
<td>2.1</td>
<td>-495.8</td>
<td>12.7</td>
<td>25.9</td>
<td>-51.1</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>48.4</td>
<td>11.0</td>
<td>102.8</td>
<td>23.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>63.6</td>
<td>110.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gearing %</td>
<td>35.1</td>
<td>55.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cash flow
including discontinued operations

Quarterly net cash flow from operating activities

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cash Flow (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/2017</td>
<td>-15</td>
</tr>
<tr>
<td>Q2/2017</td>
<td>51</td>
</tr>
<tr>
<td>Q3/2017</td>
<td>11</td>
</tr>
<tr>
<td>Q4/2017</td>
<td>33</td>
</tr>
<tr>
<td>Q1/2018</td>
<td>18</td>
</tr>
<tr>
<td>Q2/2018</td>
<td>3</td>
</tr>
<tr>
<td>Q3/2018</td>
<td>-10</td>
</tr>
<tr>
<td>Q4/2018</td>
<td>48</td>
</tr>
</tbody>
</table>

Q4 2018 change in cash

<table>
<thead>
<tr>
<th>Activity</th>
<th>Change (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Q4 2017</td>
<td>17.0</td>
</tr>
<tr>
<td>Operating activities</td>
<td>102.8</td>
</tr>
<tr>
<td>Investing activities</td>
<td>-41.5</td>
</tr>
<tr>
<td>Financing activities</td>
<td>-12.3</td>
</tr>
<tr>
<td>Cash Q4 2018</td>
<td>65.8</td>
</tr>
</tbody>
</table>
Net Interest-Bearing Debt
including discontinued operations

Net interest-bearing debt

<table>
<thead>
<tr>
<th>EUR million</th>
<th>31 Dec 2018</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans (syndicated &amp; term)</td>
<td>59.0</td>
<td>60.6</td>
</tr>
<tr>
<td>Commercial papers</td>
<td>57.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Advance payment from pharmacies</td>
<td>12.4</td>
<td>15.0</td>
</tr>
<tr>
<td>Other</td>
<td>1.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>65.8</td>
<td>17.0</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>63.6</td>
<td>110.2</td>
</tr>
<tr>
<td>Sold trade receivables</td>
<td>140.5</td>
<td>94.8</td>
</tr>
<tr>
<td>Gearing %</td>
<td>35.1</td>
<td>55.7</td>
</tr>
</tbody>
</table>
Year 2019
Adjusted EBIT on constant currency basis is estimated to increase from the 2018 level.
20by20 Excellence programme

• New programme to ensure efficiency, high-quality operations and reduce costs
• Annualised savings EUR 20 million compared to 2018 cost level with full effect by end of 2020
• Improving profitability
  • Indirect and direct purchasing savings
  • Product and service portfolio optimisation
  • Logistics efficiency in both countries
  • Lean and simplified processes throughout the company
• The Group-wide programme will cover all business areas, operations and functions
New customer focused business areas

**Consumer**
Retail services and products for consumer health and wellbeing.

**Pharma**
Tailored logistics and expert and advisory services to pharmaceutical companies, and a wide range of pharmaceutical products for pharmacies, hospital pharmacies and veterinaries.

**Retail**
Wide range of health and wellbeing products for pharmacies, veterinaries, private and public healthcare operators and retailers, as well as services for pharmacies, including dose services and staffing.
Health for life