Agenda

- Q1 2019 highlights & key figures
- Operating environment
- Strategic initiatives
- Business area reviews
- Financial review Q1 2019
- Key take-aways
- Q&A
Q1 2019 highlights

- Strong invoicing and net sales growth in constant currencies
- Kronans Apotek’s online sales grew faster than market (+59%) and was 4.2% (2.4%) of total sales
- Online competition and lower margins are affecting Consumers result
- Inefficiencies in Sweden Operations burdened both Pharma and Retail business areas
- Enköping DC ramp-up started in February 2019
Key figures continuing operations

Invoicing
EUR million

Net sales
EUR million

Adjusted EBIT
EUR million

Q1/2019 adjusted EBIT at comparable EUR/SEK rate EUR 4.1 million
Consumer markets in Q1 2019

**Online share of Swedish Pharmacy market**

**Market shares**

- Oriola/Kronans Apotek: 17%
- Apoteket: 31%
- Apotek Hjärtat & CURA: 31%
- Others: 3%
- Lloyds Apoteket: 4%
- Apotea: 5%
- Apoteksgruppen: 9%

**Pharmacy market**

- Rx: 74%
- OTC: 9%
- TG: 17%

Source: Apoteksförening
Wholesale markets in Q1 2019

Pharmaceutical market growth: Finland 4.2% and Sweden 7.6%

Finland Wholesale

2.6 BEUR

Oriola 45%
Others 55%

Source: LTK and Oriola estimate

Sweden Wholesale

4.3 BEUR

Oriola 40%
Others 60%

Source: Reveal and Oriola estimate
Retail markets in Q1 2019

Market share dose dispensing

- **Sweden**: 245 MEUR
  - Oriola 44%
  - Others 56%

- **Finland**: 32 MEUR
  - Oriola 39%
  - Others 61%

Oriola estimate

TG/OTC products supply for pharmacies in Sweden

- 26% from the total market of EUR 1.1 billion

Staffing services in Finland

- in **150 pharmacies** in Q1
- of a total of **815** pharmacies

26.4.2019
Strategic initiatives
Strategic programmes

Customer Experience programme
- To strengthen the customers’ trust
- To make the customers’ voice heard and to provide the best customer experience

20by20 Excellence programme
- EUR 20 million annualised savings compared to the cost level in 2018 by the end of 2020
- Covers logistic efficiency, savings in direct and indirect purchasing, product and service portfolio optimisation and lean and simplified processes throughout the corporation
Enköping DC in Sweden

- Fully automated DC for growing pharmaceuticals and traded goods volumes in Sweden
- Ramp-up started in February 2019
- The main ramp-up phase is expected to continue to the end of Q2
- Efficiency is expected to be reached by the end of 2019
Consumer

• Offers health and wellbeing products and services for consumers through Kronans Apotek in Sweden

• The third largest pharmacy chain in Sweden with 327 pharmacies and an online pharmacy

• 2.6 million members in loyalty programme

• Close cooperation with Oriola’s partly owned online medical center Doktor.se
  • First drop-in clinics in pharmacies
Consumer Q1 2019

- Net sales increased by 3.6% to 196.3 M€ in constant currency
- Kronans Apotek’s online sales grew faster (+59%) than market (+34%) and was 4.2% of total sales
- Share of OTC and traded goods of net sales 24.8% (25.6%). Share of RX, with lower margins increasing
- Tightened competition and investments to online and marketing burdened profitability
- Hehku closed end of Q1
Pharma

• Wholesales and expert services for pharmaceutical products
• Customers from pharmaceutical companies to pharmacies, hospital pharmacies and veterinarians
• Widest range of expert services in the industry, from research to patient support
Pharma Q1 2019

- Net Sales increased by 8.8% to 199.6 M€, and in constant currency by 11.6%
- Good sales development was driven by the high priced medicines growth
- Efficiency increased in Finland and resulted in lower cost levels
- Profitability was impacted by inefficiencies in Swedish operations as well as ramp-up costs

Adjusted EBIT
EUR million

![Adjusted EBIT chart]

2018 Q1 | 3.1
2018 Q2 | 3.5
2018 Q3 | 10.5
2018 Q4 | 4.1
2019 Q1 | 3.5
Retail

• Health and wellbeing products, dose dispensing services and pharmacy staffing service as well as special licensed medicine and parallel import

• Main customer groups are pharmacies and retail operators

• Wide product portfolio with well-known brands like Gefilus, Lysi, PanSuola, Louis Widmer and Eucerin and over 10,000 articles

• Growing dose-dispensing market drives growth, Oriola serves over 110,000 patients
Retail Q1 2019

- Net sales decreased by 1.4% to 111.6 M€, and increased by 2.4% in constant currency
- Growth driven by increased number of dose dispensing patients in Sweden
- Portfolio renewal affecting traded goods sales and profitability
- Inefficiencies in Swedish operations impacting profitability
- Major new dose dispensing contract with Stockholms Läns Landsting. Deliveries started in February, making Oriola the market leader in Sweden
Financial review
Q1 2019
Invoicing and net sales

Invoicing
EUR million

Net sales
EUR million

2018 Q1 | 2018 Q2 | 2018 Q3 | 2018 Q4 | 2019 Q1
---|---|---|---|---
848 | 897 | 844 | 929 | 894

2018 Q1 | 2018 Q2 | 2018 Q3 | 2018 Q4 | 2019 Q1
---|---|---|---|---
388 | 399 | 370 | 395 | 397
Adjusted EBIT

Adjusted EBIT development
EUR million

Q1/2019 adjusted EBIT at comparable EUR/SEK rate EUR 4.1 million
Profit for the period and earnings per share

**Profit for the period**

EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
<th>2019 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.5</td>
<td>5.4</td>
<td>12.2</td>
<td>-8.5</td>
<td>1.9</td>
</tr>
</tbody>
</table>

**Earnings per share**

EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
<th>2019 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.02</td>
<td>0.03</td>
<td>0.07</td>
<td>-0.05</td>
<td>0.01</td>
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26.4.2019
Cash flow
including discontinued operations

Quarterly net cash flow from operating activities
EUR million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cash Q4 2018</th>
<th>Operating activities</th>
<th>Investing activities</th>
<th>Financing activities</th>
<th>Cash Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/2017</td>
<td>51</td>
<td>65.8</td>
<td>-25.4</td>
<td>-6.1</td>
<td>-6.4</td>
</tr>
<tr>
<td>Q3/2017</td>
<td>-24</td>
<td>-6.4</td>
<td>27.9</td>
<td>27.9</td>
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<tr>
<td>Q4/2017</td>
<td>11</td>
<td></td>
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<tr>
<td>Q1/2018</td>
<td>33</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Q2/2018</td>
<td>18</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Q3/2018</td>
<td>3</td>
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<tr>
<td>Q4/2018</td>
<td>48</td>
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<tr>
<td>Q1/2019</td>
<td>-25</td>
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</table>
Net Interest-Bearing Debt
including discontinued operations

<table>
<thead>
<tr>
<th>EUR million</th>
<th>31 Mar 2019</th>
<th>31 Dec 2018</th>
</tr>
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<tbody>
<tr>
<td>Bank loans</td>
<td>58.6</td>
<td>59.0</td>
</tr>
<tr>
<td>(syndicated Bank &amp; term)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial papers</td>
<td>53.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Advance payment from pharmacies</td>
<td>15.3</td>
<td>12.4</td>
</tr>
<tr>
<td>Leasing liabilities¹</td>
<td>100.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>27.9</td>
<td>65.8</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>199.1</td>
<td>63.6</td>
</tr>
<tr>
<td>Sold trade receivables</td>
<td>150.9</td>
<td>140.5</td>
</tr>
<tr>
<td>Gearing %²</td>
<td>126.4</td>
<td>35.1</td>
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</tbody>
</table>

¹ Figure in 2019 includes EUR 99.4 million leasing liabilities recognised due to application of IFRS 16
² Excluding the impact of IFRS 16 gearing would have been 60.9%.
Outlook for 2019

Adjusted EBIT on constant currency basis is estimated to increase from the 2018 level.

Oriola’s business outlook for 2019 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.
Q1 2019 Key take-aways

- Strong invoicing and net sales growth in constant currencies continues
- New business segments Consumer, Pharma and Retail
- Consumer market changing in Sweden
- Enköping DC ramp-up started in February
Thank you!

Our next events:

17/07/2019
Half-year Report 1-6/2019

25/10/2019
Interim Report 1-9/2019

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