Q4 2019 highlights

- Strong invoicing and net sales growth continued
- Online competition and high costs in Swedish operations affected adjusted EBIT
- Ramp-up of distribution centre in Sweden proceeding slower than planned
- Logistics Finland executing very well
- Inventory valuation error corrected in Consumer BA
- Progress in strategic programmes
- Strong cash flow. Dividend proposal EUR 0.09 per share
Key figures
continuing operations

Invoicing
EUR million

Net sales
EUR million

Adjusted EBIT *
EUR million

* The figures in 2016–2018 have been restated due to an error related to previous periods

Q4/2019 adjusted EBIT at comparable EUR/SEK rate EUR 1.9 million
Adjusted EBIT

Adjusted EBIT*
EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5.0</td>
<td>3.7</td>
<td>5.6</td>
<td>9.1</td>
<td>2.1</td>
</tr>
</tbody>
</table>

* The figures in 2018 and previous quarters of 2019 have been restated due to an error related to previous periods

Adjusted EBIT development*
EUR million

- Q4 2018: 5.0
- Q1 2019: -1.7
- Q2 2019: 0.1
- Q3 2019: -0.8
- Q4 2019: -0.5
- Q4 2019: 2.1

*Q4/2019 adjusted EBIT at comparable EUR/SEK rate EUR 1.9 million

7.2.2020
Operating environment
Consumer markets in 2019

Market shares

- Oriola/Kronans Apotek 17 (17%)%
- Apoteket 32 (32)%
- Apotek Hjärtat & CURA 30 (31)%
- Others 3 (3)%
- Lloyds Apoteket 4 (4)%
- Apotea 6 (4)%
- Apoteksgruppen 9 (9)%

Pharmacy market

- Rx 74 (74%)%
- OTC 9 (9)%
- TG 17 (16)%

Source: Apoteksförening
* Q4/2018
Wholesale markets in 2019

Pharmaceutical market growth: Finland 5.2% and Sweden 7.6%

Finland Wholesale

- Oriola 46 (43) %
- Others 54 (57) %

2.7 BEUR

Source: LTK and Oriola estimate

Sweden Wholesale

- Oriola 44 (40) %
- Others 56 (60) %

4.4 BEUR

Source: IQVIA and Oriola estimate
Retail markets in 2019

Market share dose dispensing

- **Sweden**
  - Oriola 43 (25) %
  - Others 57 (75) %
  - 245 MEUR
  - Total 225,000 patients

- **Finland**
  - Oriola 40 (40) %
  - Others 60 (60) %
  - 32 MEUR
  - Total 55,000 patients

Source: Oriola estimate

TG/OTC products supply for pharmacies in Sweden

- **26%** from the total market of EUR **1.2 billion**

Staffing services in Finland

- **in 155 pharmacies** in Q4 of a total of **815 pharmacies**

7.2.2020
Strategic initiatives
Strategic programmes

20by20 Excellence

• EUR 20 million annualised savings compared to the cost level in 2018 by the end of 2020
• Savings realised in 2019 mainly in logistics and IT costs in Finland

Customer Experience

• To make the customers’ voice heard and to provide the best customer experience
• Customer satisfaction has progressed positively, especially in Finland
Enköping DC in Sweden

- Fully automated DC for growing pharmaceuticals and traded goods volumes and efficiency in Sweden
- Ramp-up started in Q1/2019 and has progressed slower than planned
- High cost level continued during Q4
- Adding gradually RX products to new automation
Sustainability strategy and long term goals

Health for life

**Society**
- Improving people’s health
  - Medicine availability
  - Safe medicine usage
  - Promote preventive healthcare
  - Reduce healthcare costs
  - Sustainable products and services

**People**
- Healthy and sustainable workplace
  - Employee wellbeing
  - Fair, equal and diverse employment
  - Good corporate citizenship and ethics

**Planet**
- Towards healthier planet
  - CO2 emissions
  - Waste handling, energy efficiency and circular economy

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**UN’s Sustainable Development Goals**

<table>
<thead>
<tr>
<th>Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving people’s health</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best in class employee engagement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon neutrality by 2030</td>
</tr>
</tbody>
</table>

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**Long term goals**

1. **Society**
2. **People**
3. **Planet**
Three customer-centric business areas

**Consumer business area**
Retail services and products for consumer health and wellbeing in Sweden in Kronans Apotek and in cooperation with Doktor.se.

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

**Retail business area**
A wide range of health and wellbeing products for pharmacies, veterinarians, private and public healthcare operators and retailers, as well as services for pharmacies, including dose services and staffing.

**Operations group function**
Serving all business areas, focus on logistics operations, direct and indirect sourcing, dose manufacturing.

- 44% of Group net sales
- 40% of Group net sales
- 16% of Group net sales

External Net sales, 2019.
Consumer Q4 2019

- Net sales increased by 3.2% to 197.0 M€ in constant currency
- Kronans Apotek’s online sales continued to drive growth (+20% vs the market +32%)
- Share of OTC and traded goods of net sales 24.4% (25.1%). Share of low margin RX is increasing
- Tight price competition, especially from online, spending in IT development and increased overall cost level burdened profitability
- Error related to inventory valuation corrected

**Adjusted EBIT**

<table>
<thead>
<tr>
<th></th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Q4</td>
<td>2.8</td>
</tr>
<tr>
<td>2019 Q1</td>
<td>2.8</td>
</tr>
<tr>
<td>2019 Q2</td>
<td>2.9</td>
</tr>
<tr>
<td>2019 Q3</td>
<td>4.9</td>
</tr>
<tr>
<td>2019 Q4</td>
<td>1.1</td>
</tr>
</tbody>
</table>

*The figures in 2018 and previous quarters of 2019 have been restated due to an error related to previous periods*
Net Sales increased by 24.0% to 242.2 M€, and in constant currency by 26.4%

Good sales development was driven by the pharmaceutical market growth and changes in distribution agreements for pharmaceuticals.

Continuous operational efficiency improvements and savings impacted the results positively in Finland.

Slower than planned ramp-up of distribution centre kept the cost level high in Sweden.

Adjusted EBIT (EUR million)

- 2018 Q4: 4.1
- 2019 Q1: 3.5
- 2019 Q2: 4.7
- 2019 Q3: 5.2
- 2019 Q4: 4.2
Retail Q4 2019

- Net sales increased by 6.5% to 114.1 M€, and increased by 9.5% in constant currency
- Growth driven by increased number of dose dispensing patients (+85%) in Sweden
- Weak sales margin in Finland
- High operations costs in Sweden impacted profitability
Invoicing and net sales

Invoicing
EUR million

Net sales
EUR million

Q4/2019 Invoicing at comparable EUR/SEK rate EUR 1,000 million

Q4/2019 Net Sales at comparable EUR/SEK rate EUR 458 million

7.2.2020
Adjusted EBIT

Adjusted EBIT*
EUR million

Adjusted EBIT development*
EUR million

* The figures in 2018 and previous quarters of 2019 have been restated due to an error related to previous periods

Q4/2019 adjusted EBIT at comparable EUR/SEK rate EUR 1.9 million
Profit for the period and earnings per share

Profit for the period*
EUR million

Earnings per share*
EUR

* The figures in 2018 and previous quarters of 2019 have been restated due to an error related to previous periods

7.2.2020
Cash flow

Quarterly net cash flow from operating activities

<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 Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/2018</td>
<td>18</td>
<td>65.8</td>
<td>-21.8</td>
<td>-57.6</td>
<td>70.8</td>
</tr>
<tr>
<td>Q3/2018</td>
<td>3</td>
<td>84.4</td>
<td>-21.8</td>
<td>-57.6</td>
<td>70.8</td>
</tr>
<tr>
<td>Q4/2018</td>
<td>48</td>
<td>-25</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q1/2019</td>
<td>-25</td>
<td>13</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2/2019</td>
<td>70</td>
<td>13</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3/2019</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4/2019</td>
<td>27</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q4 YTD 2019 change in cash

<table>
<thead>
<tr>
<th>Description</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Q4 2018</td>
<td>70.8</td>
</tr>
<tr>
<td>Operating activities</td>
<td>65.8</td>
</tr>
<tr>
<td>Investing activities</td>
<td>-21.8</td>
</tr>
<tr>
<td>Financing activities</td>
<td>-57.6</td>
</tr>
<tr>
<td>Cash Q4 2019</td>
<td>70.8</td>
</tr>
</tbody>
</table>
## Net Interest-Bearing Debt

### Net interest-bearing debt

<table>
<thead>
<tr>
<th>EUR million</th>
<th>31 Dec 2019</th>
<th>31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans (syndicated Bank &amp; term)</td>
<td>57.8</td>
<td>59.0</td>
</tr>
<tr>
<td>Commercial papers</td>
<td>35.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Advance payment from pharmacies</td>
<td>13.2</td>
<td>12.4</td>
</tr>
<tr>
<td>Leasing liabilities¹</td>
<td>84.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>70.8</td>
<td>65.8</td>
</tr>
<tr>
<td>Net interest-bearing debt¹</td>
<td>119.6</td>
<td>63.6</td>
</tr>
<tr>
<td>Sold trade receivables</td>
<td>166.5</td>
<td>140.5</td>
</tr>
<tr>
<td>Gearing %²</td>
<td>76.1</td>
<td>35.8</td>
</tr>
</tbody>
</table>

¹ Figure in 2019 includes EUR 83.9 million leasing liabilities recognised due to application of IFRS 16
² Excluding the impact of IFRS 16 gearing would have been 21.9%.
Q4 2019 Key take-aways

- **Strong invoicing and net sales growth continued**
- **High logistics costs in Sweden**
  Logistics performing very well in Finland
- **Consumer result burdened by online competition and overall cost level increase**
- **Progress in strategic programmes**
In 2020 focus on execution and savings

20by20 Excellence
Efficiency – Savings – Profitability

Customer Experience
Personal – Professional – Partnership

OneOriola journey
Engagement – Integration – Synergies
Outlook for 2020

Adjusted EBIT on a constant currency basis is estimated to increase from the 2019 level

Oriola’s business outlook for 2020 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.
Thank you!

Our next events:

17/3/2020  
Oriola Corporation’s Annual General Meeting, Helsinki

24/4/2020  
Interim Report 1-3/2020

17/7/2020  
Half year financial report 1-6/2020

23/10/2020  
Interim Report 1-9/2020

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+358 10 429 013  
katja.graff@oriola.com