



# Interim Report January-September 2024

30 October 2024

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## Agenda

- Q3 2024 highlights
- Operating environment
- Segments
- Financial review
- Q&A

# Q3 24

Net sales

**424 (358) +19%**

EUR million **+5%** organic growth

Adjusted EBIT

**5.5 (4.4) +25%**

EUR million

Adjusted EBIT excl. Dose Sweden

**5.4 (5.2)**

EUR million

## Improved profitability

- **Net sales growth** driven by Distribution segment.
- **Profitability improvement** was supported by net sales growth and lower freight costs.
- **Refined strategy** launched a year ago – steady progress towards and full commitment of management team to strategy and long-term goals.
- **ERP project** proceeding according to plan – reviewed and harmonised processes to ensure consistency and common ways of working across the company.
- **At joint venture** company Kronans Apotek, e-commerce sales grew with double digits, improving e-commerce footprint. Weaker customer flow in brick-and-mortar resulted in flat sales compared to a year ago.





## Operating environment

- **Overall operating environment** has stabilised, consumer confidence is weak in Finland and at normal level in Sweden.
- **Cost inflation** has slowed down, with more normalised energy and fuel prices.
- **The challenges in the availability** of pharmaceuticals continues in Europe.
- **Value of the pharmaceutical distribution market** continued a steady growth driven by a good demand for high-value pharmaceuticals.



## Q3: Distribution segment

- Stable market shares in Finland, decline in Sweden.
- Signed new and renewed existing distribution agreements.
- Cross-market customer with volumes starting in Q1 2025.
- Entered a new sales channel in Sweden with opportunities also for wholesale.
- **Net sales** grew by 23% to EUR 351 (284) million – customer shifting to our inventory
- **Organic growth 5%** – higher market volumes and price increases.
- **Profitability** improved by 46% with adjusted EBIT reaching EUR 5.0 (3.5) million – net sales growth and lower costs year-on-year.





## Q3: Wholesale segment

- Long-term strategic goal to grow wholesale business.
- Added new products and suppliers to our portfolio.
- Gained new listings and introduced new products in the Finnish market.
- Introduced our own brand Dexal in Sweden.
- **Net sales** flat at EUR 74 (74) million
- Finnish wholesale business was stable, volumes in Swedish wholesale business declined.
- **Profitability** at last year's level with adjusted EBIT at EUR 2.3 (2.4) million



## Sale of Svensk dos AB

- The agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB was signed in October 2023.
- On 29 April, the Swedish Competition Authority (Konkurrensverket) announced its decision on prohibiting Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB due to negative effects on the competition in the market.
- Apotekstjänst Sverige AB has appealed the decision.
- The tender market structure and dynamics in Sweden have not changed, which is why we will also consider other options for exiting the Swedish dose dispensing business.

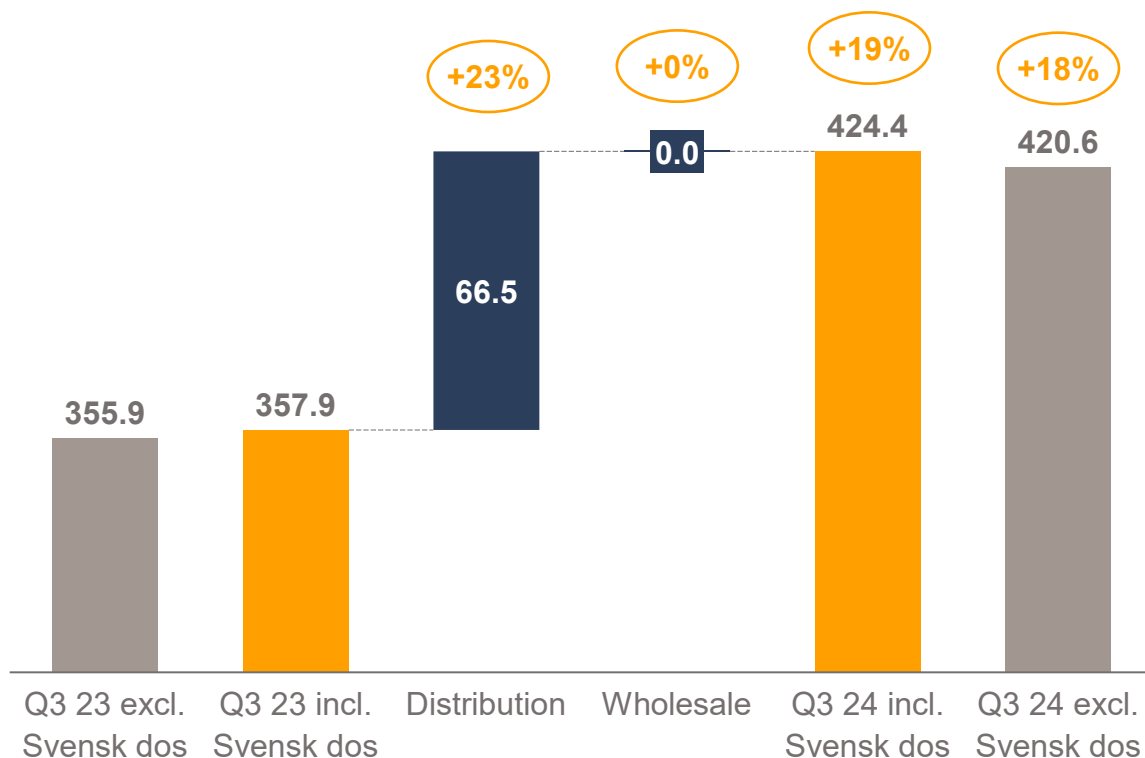
Note: Svensk dos was acquired by Oriola in 2016.



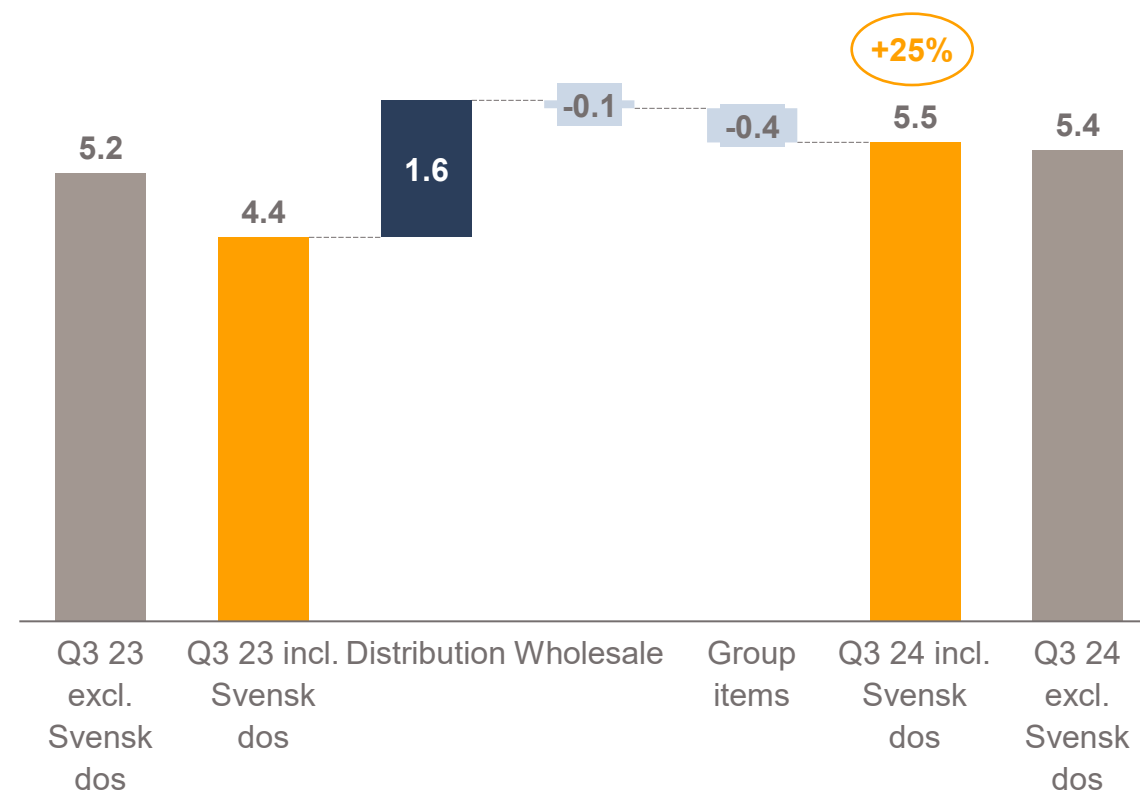
# Financial review

# Q3: Adjusted EBIT up by 25%

Net sales by segment EUR million



Adjusted EBIT\* by segment EUR million

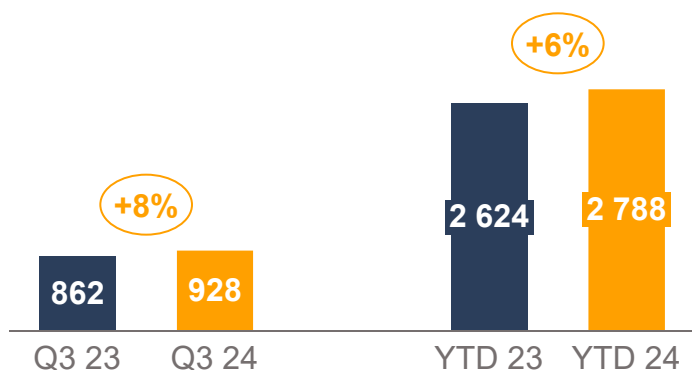


\*Q3 2024 adjusting items EUR -5.3 million; related to ERP investment EUR -4.4 million (Group) and service level agreement settlement EUR -0.9 million (Wholesale).

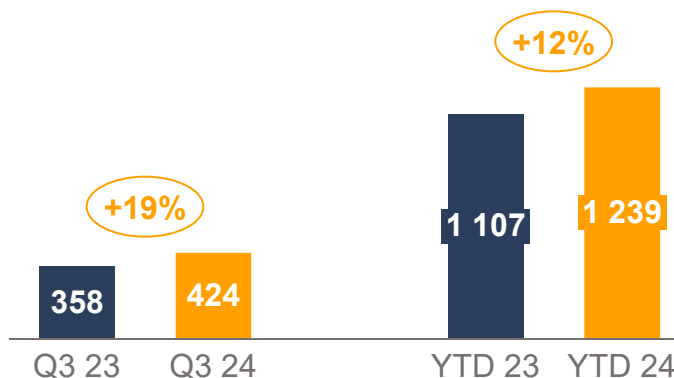


# Solid development on topline

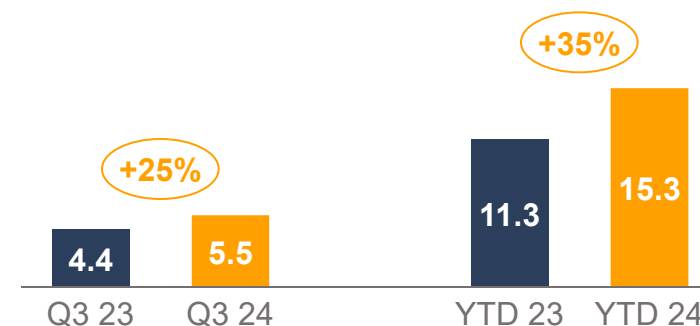
## Invoicing EUR million



## Net sales EUR million



## Adjusted EBIT\* EUR million



- Customer changing from consignment to our inventory
- Net sales organic growth Q3 5%; YTD 3%
- Net sales excl. Dose Sweden Q3 MEUR 421; YTD MEUR 1,229

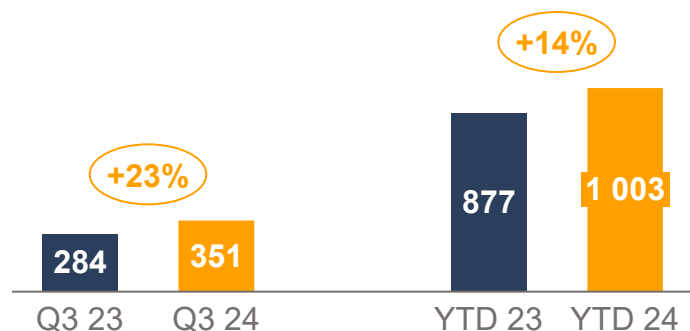
- Adj. EBIT margin Q3 1.3%; YTD 1.2%
- Adjusting items Q3 MEUR -5.3; YTD MEUR 5.7
- Adj. EBIT excl. Dose Sweden Q3 MEUR 5.4 (5.2); YTD MEUR 15.5 (13.3)

\*Q3 2024 adjusting items EUR -5.3 million; related to ERP investment EUR -4.4 million (Group) and service level agreement settlement EUR -0.9 million (Wholesale).

\*YTD 2024 adjusting items EUR -5.7 million; related to ERP investment EUR -5.7 million (Group), service level agreement settlement EUR -0.9 million (Wholesale), compensation from a court appeal EUR 1.4 million (Distribution), sale of dose dispensing business in Sweden EUR -0.4 million (Group);

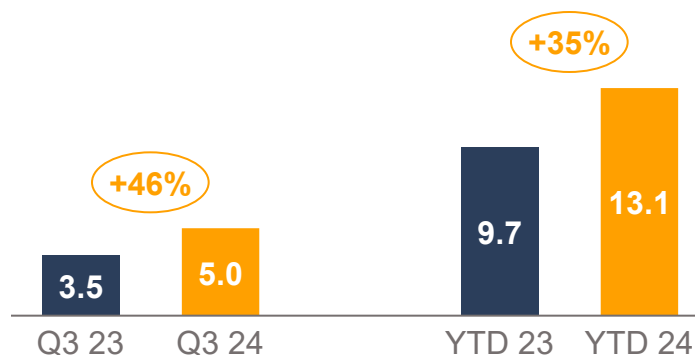
# Distribution segment

## Net sales EUR million



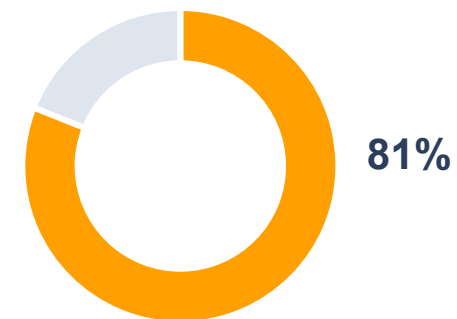
- Growth largely due to a customer changing to our inventory
- Organic growth Q3 5% driven by growing market and price increases; YTD 3%

## Adjusted EBIT EUR million

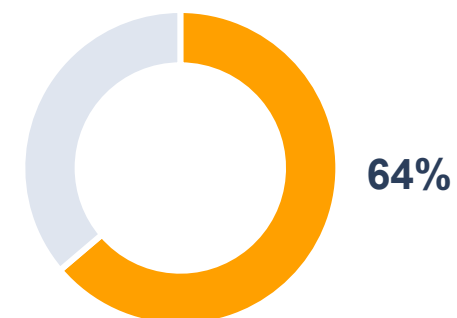


- Net sales growth and lower freight costs supported profitability improvement
- Adj. EBIT margin Q3 1.4%; YTD 1.3%
- Adjusting items Q3 none; YTD MEUR 1.4

## Share of net sales<sup>1</sup> %



## Share of adj. EBIT<sup>2</sup> %



\*Q3 2024 no adjusting items.

YTD 2024 adjusting items EUR 1.4 million related to compensation from a court appeal of a tender process in the dose dispensing business.

<sup>1</sup>Net sales between segments EUR -0.4m

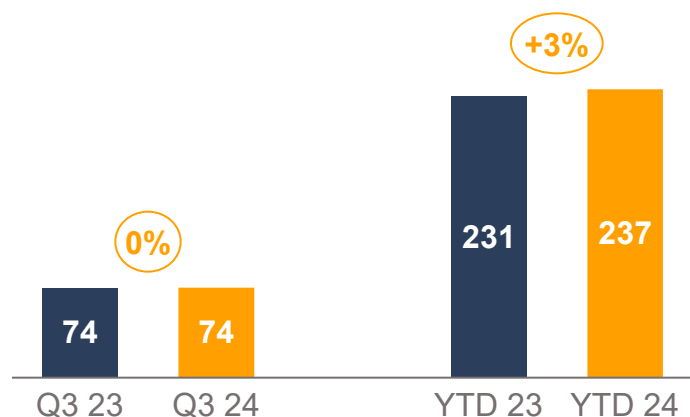
<sup>2</sup>Group administration and others EUR -5.3m

Key figures are unaudited



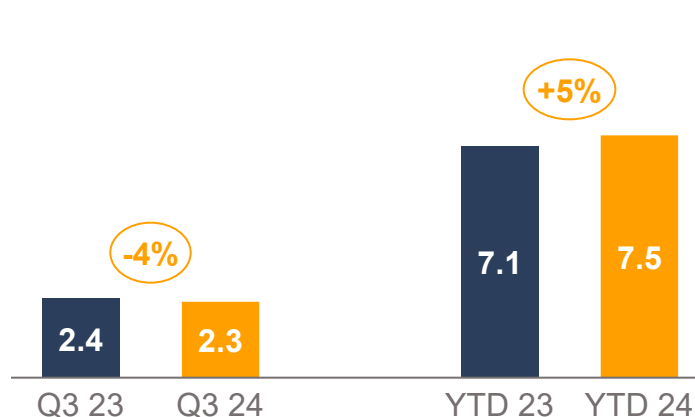
# Wholesale segment

## Net sales EUR million



- Wholesale business in Finland was stable
- Volumes in Sweden declined, offset by advisory services growth

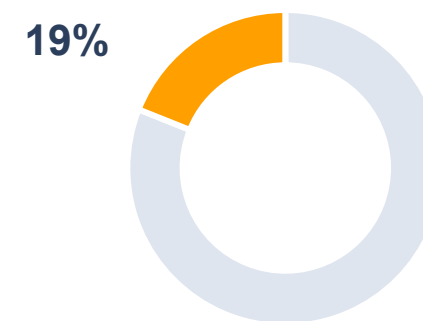
## Adjusted EBIT EUR million



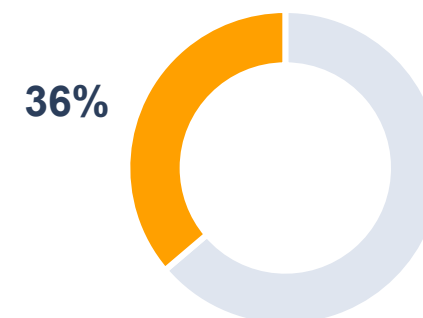
- Profitability impacted by lower volumes in Sweden
- Adj. EBIT margin Q3 3.2%; YTD 3.2%
- Adjusting items Q3 and YTD MEUR -0.9
- Move of clinical trials positive impact around MEUR 0.3 in Q3 compared to last year

\*Q3 2024 and YTD adjusting items EUR -0.9 million related to a service level agreement settlement.

## Share of net sales<sup>1</sup> %



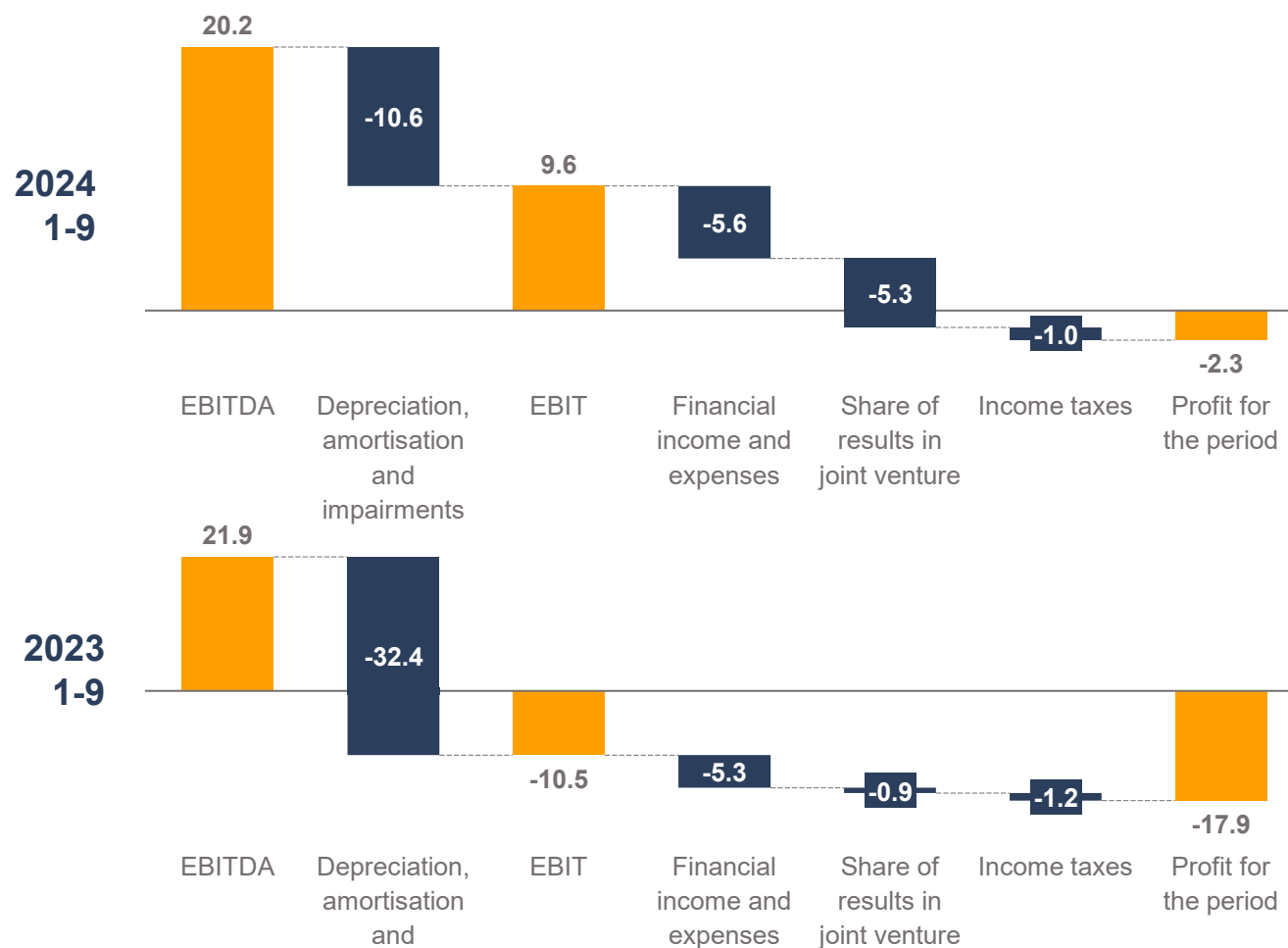
## Share of adj. EBIT<sup>2</sup> %



<sup>1</sup>Net sales between segments EUR -0.4m  
<sup>2</sup>Group administration and others EUR -5.3m  
 Key figures are unaudited

# Improved net profit

## Net profit EUR million



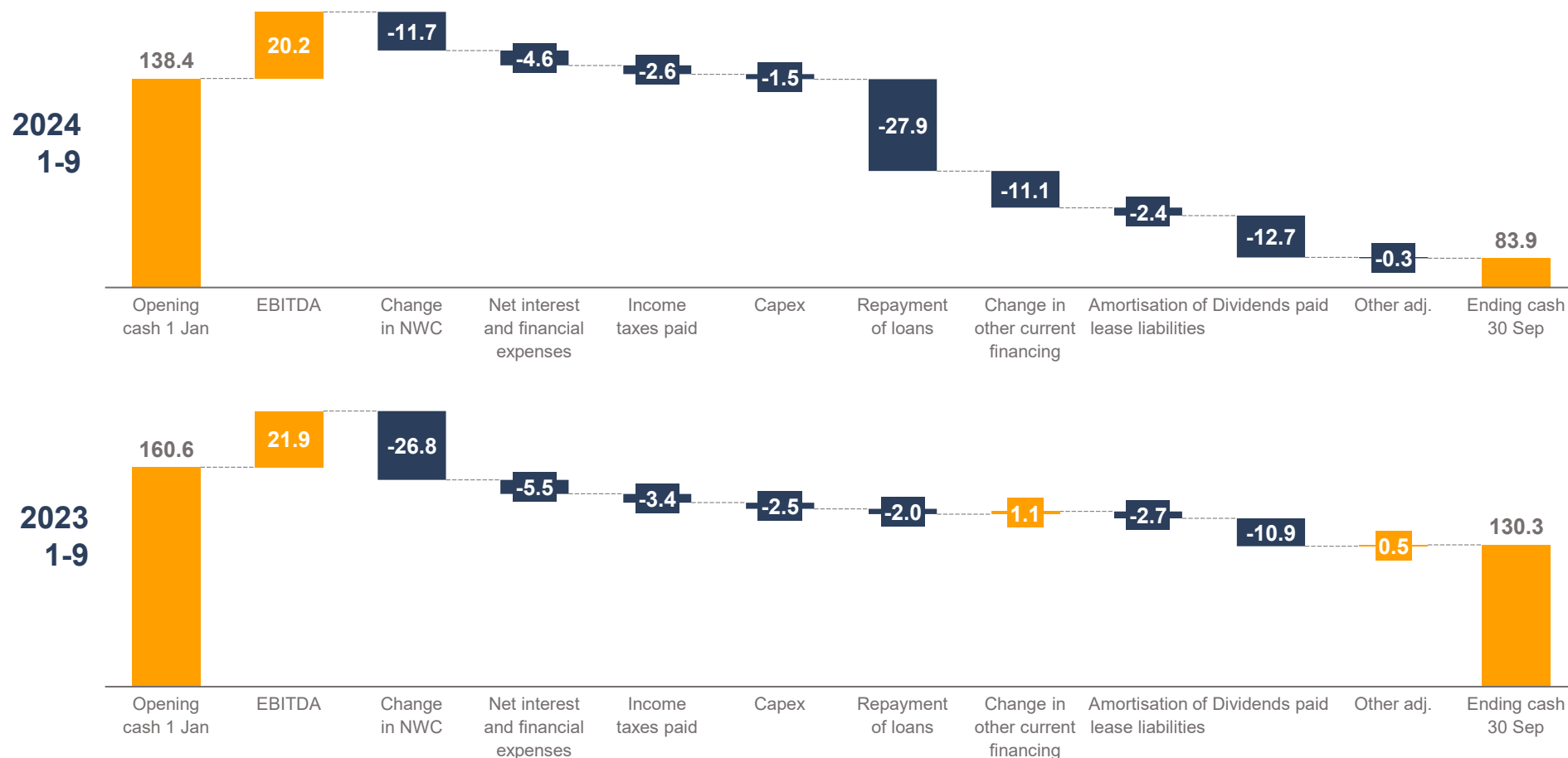
### 1-9 2024

- EBITDA below last year due to adjusting items of EUR -5.7 (-0.4) million.
- Impairment write-down of Dose Sweden EUR 21.4 million in Q3 2023.
- Total adjusting items EUR -5.7 (EUR -21.8) million affects reported EBIT compared with last year.
- Increase in net financial expenses due to higher net interest expenses offset by repayment of loans in Q2 2024.
- Loss of EUR 5.3 (loss of 0.9) from share of results in joint venture.
- EPS -0.01 (-0.10).



# Positive operative cash flow

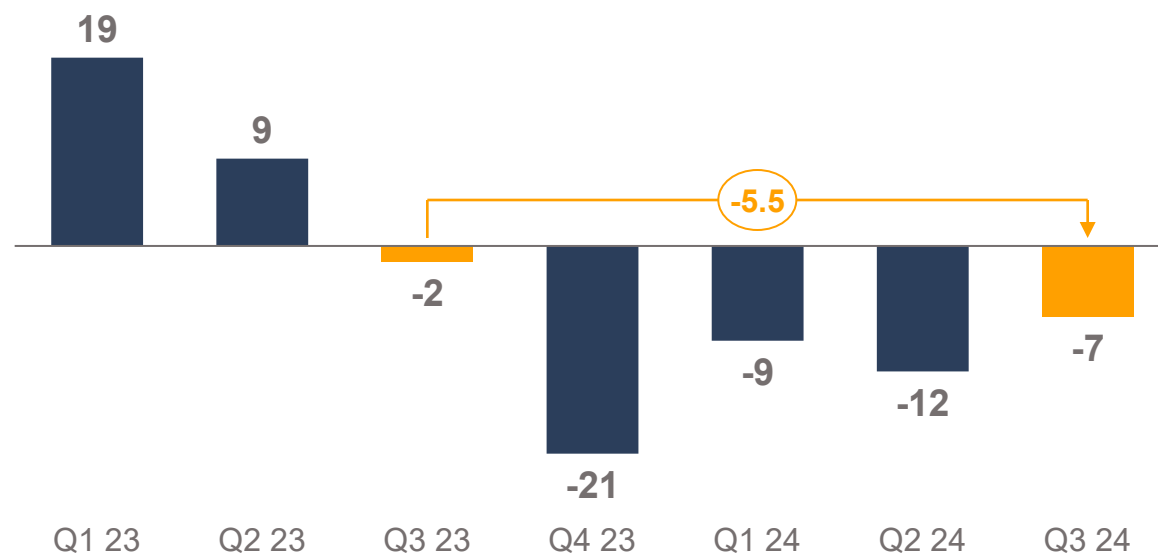
## Changes in cash position per item EUR million



- Net cash flow from operating activities in Jan–Sep 2024 EUR 1.2 (-13.3) million.
- Change in NWC impacted negatively by EUR 11.7 (26.8) million.
- Loans from financial institutions repaid by EUR 27.9 million, and liabilities related to commercial paper issues were reduced by EUR 14.5 million.

# Net debt on a low level

## Net interest-bearing debt (EURm)



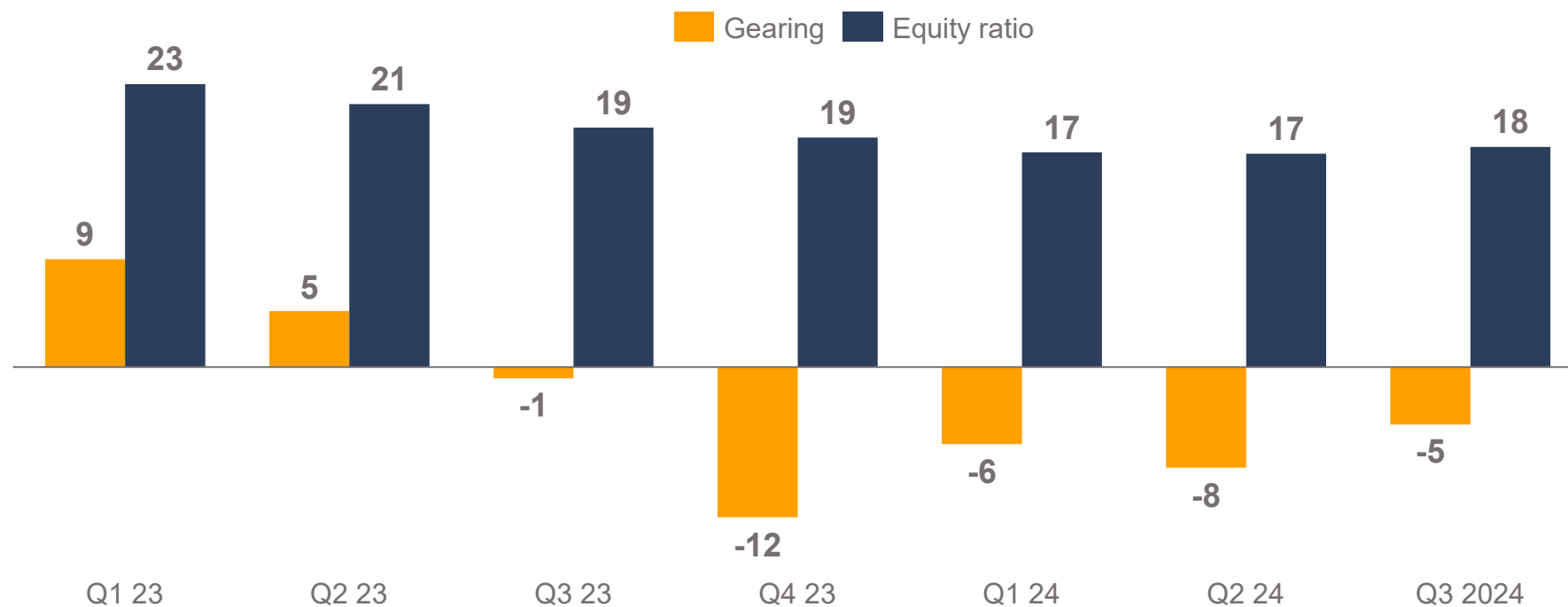
## Net interest-bearing debt items

EUR million	30 Sep 2024	30 Sep 2023	Change
Bank loans (syndicated Bank & term)	31.0	58.1	-27.1
Commercial papers	24.9	44.6	-19.8
Advance payment from pharmacies	13.7	18.0	-4.3
Lease liabilities	7.2	8.0	-0.7
<b>Interest-bearing debt</b>	<b>76.8</b>	<b>128.7</b>	<b>-51.9</b>
Cash and cash equivalents	83.9	130.3	
<b>Net interest-bearing debt</b>	<b>-7.0</b>	<b>-1.6</b>	
Sold trade receivables	95.4	92.8	



# Financial position remained strong

## Gearing<sup>1</sup> and equity ratio %



<sup>1</sup>Excluding the impact of IFRS 16 gearing would have been -9.4% (-5.4%)



## Kronans Apotek (Swedish Pharmacy Holding)

Key figures, EUR million	2024 7-9	2023 7-9	Change %	2024 1-9	2023 1-9	Change %
Net sales	284.6	275.0	3.5	862.9	843.4	2.3
EBITA	2.5	1.8	34.7	-1.3	7.2	-118.3
EBITA %	0.9	0.7		-0.2	0.9	
Adjusted EBIT	1.8	0.8	112.8	-2.9	3.1	-191.5
Adjusted EBIT %	0.6	0.3		-0.3	0.4	
Net interest-bearing debt	79.1	62.3	27.0	79.1	62.3	27.0

Kronans Apotek's adjusted EBIT and net result were burdened by amortisations related to the purchase price allocations (PPA), which also have a significant impact on the recognised share of result of joint venture in Oriola's statement of comprehensive income.

Kronans Apotek is an important strategic partner for Oriola, and Oriola will actively support Kronans Apotek's value creation as a major shareholder. Kronans Apotek expects to reach synergies of EUR 25 million according to the original plan. The integration process has been more complex than expected, especially related to the ERP integration, and will therefore take a longer time than anticipated.

New CEO Tomas Rupšys from 17 April 2024.





## Outlook 2024

In 2024, the pharmaceutical distribution market is expected to continue to grow. A continuation of a weak consumer confidence might impact the wholesale market development.

The recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

**Oriola expects the adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2024 to increase from the adjusted EBIT for 2023 (EUR 19.5 million).**

Published on 16 February 2024

# Q3 24

## Key takeaways

Steady progress towards long-term goals and full commitment of management team to strategy

Improved profitability in Q3

Solid performance year-to-date and guidance unchanged





## Our next event

4 March 2025

Financial Statements Release

Thank you for joining us!





A photograph of a man with glasses and a beard, wearing a grey t-shirt and blue jeans, kneeling on a wooden floor. He is smiling and holding the hands of a young child who is walking towards the camera. The child is wearing a white long-sleeved shirt and brown pants. The room is brightly lit by natural light from a window in the background. A white table is visible on the left, and a hanging macramé chair is on the right. The text "Health for life" is overlaid in a large, orange, sans-serif font across the center of the image.

# Health for life