

Oriola's year 2023

CEO Katarina Gabrielson

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Oriola in brief

Strategy review

Sustainability

Financial review 2023

We create value through the entire healthcare value chain

- As an infrastructure critical company, we secure the distribution and availability of pharmaceuticals and health products
- We have long experience and deep customer understanding, and we are a local player
- Quality, safety and sustainability form the foundation of our operations

Strong position in the pharmaceuticals and health products in Finland and Sweden

KEY FIGURES 2023

Invoicing

3.6
EUR
billion

Net sales

1.5
EUR
billion

Adj. EBIT¹

19.5
EUR
million

Employees

932



¹Excluding Swedish dose dispensing business

Strategy review:
**The leading specialist in wholesale of
pharmaceuticals and health products**

Market drivers creating opportunities

Ageing population

- The share of people older than 80 years will grow

Wellbeing and healthcare

- Preventive care is growing as people are willing to invest in high quality and active lifestyle

Online pharmaceuticals and digitalisation

- Our products are suitable to sell and distribute via online channels
- Optimisation and efficiencies through digitalisation in the distribution business

Specialty products

- Individual pharma solutions have higher requirements on logistics and shorter shelf life
- Market potential through investments and partnerships



A stable and growing business environment

- Growing pharmaceutical distribution market, **historical growth rate of ~6.5%**
- Market size of **EUR 8.5 billion**, Finland and Sweden combined
- **Stable market** in uncertain economic conditions
- Infrastructure critical role in a **regulated market**
- Wide portfolio of **diverse customer groups**

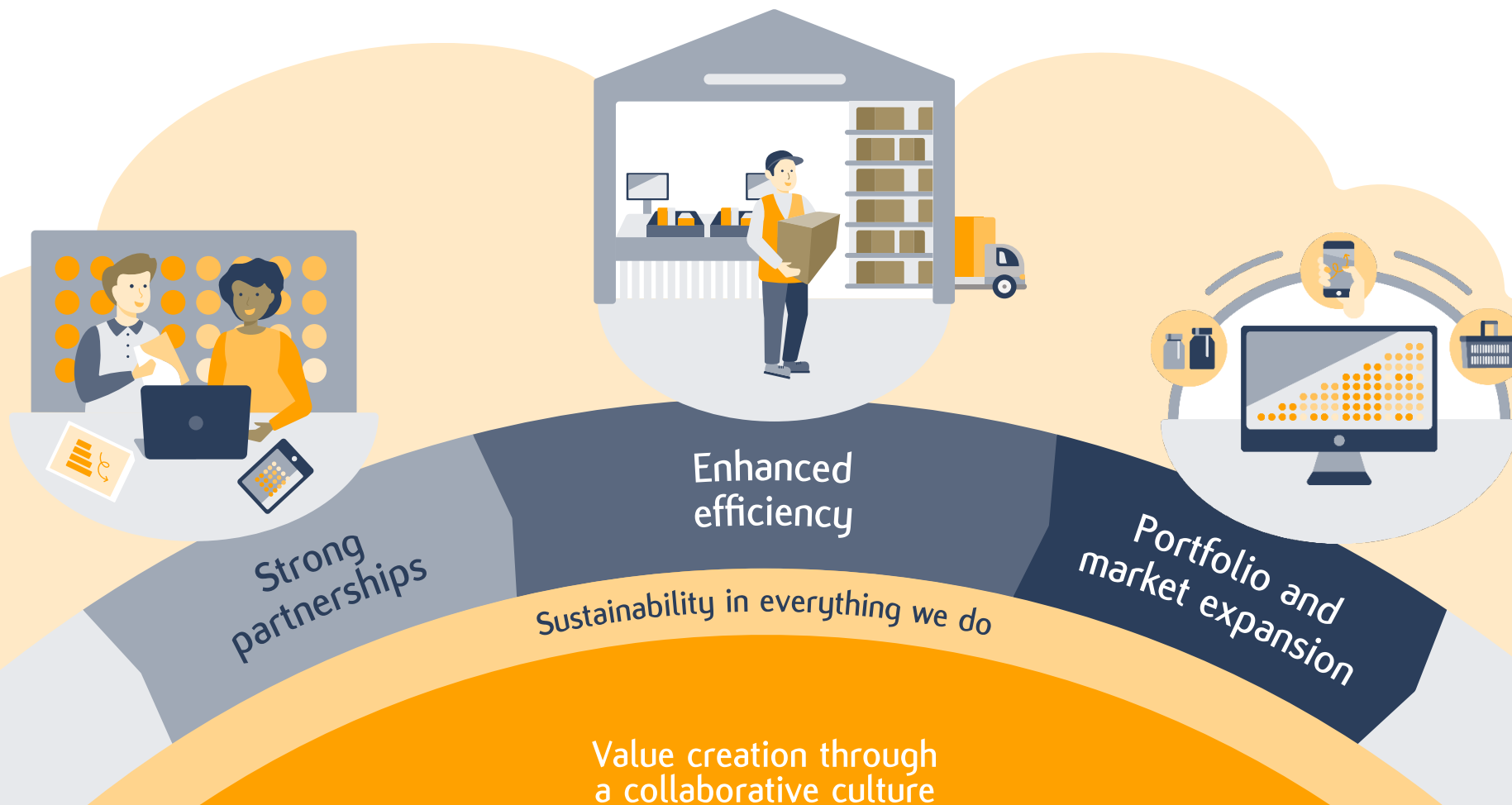


Delivering customer value through integrated service offering



<p>Distribution provides logistics and dose dispensing services mainly of pharmaceuticals</p>	<p>Wholesale is our business in traded goods and OTC offered to our pharmacy and retail customers including parallel import and special licensed medicines</p>	<p>Advisory provides expert services to pharmaceutical companies and pharmacies</p>
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Three strategic goals defining our future



Our ambitious targets generate value

Long-term financial targets and dividend policy

GROWTH

Annual sales growth at the rate of market, minimum 4%

PROFITABILITY

Adjusted EBIT margin above 3%

EQUITY

Return on equity >20%

DIVIDEND POLICY

Oriola's aim is to pay out an increasing annual dividend of 2/3 of net profit.

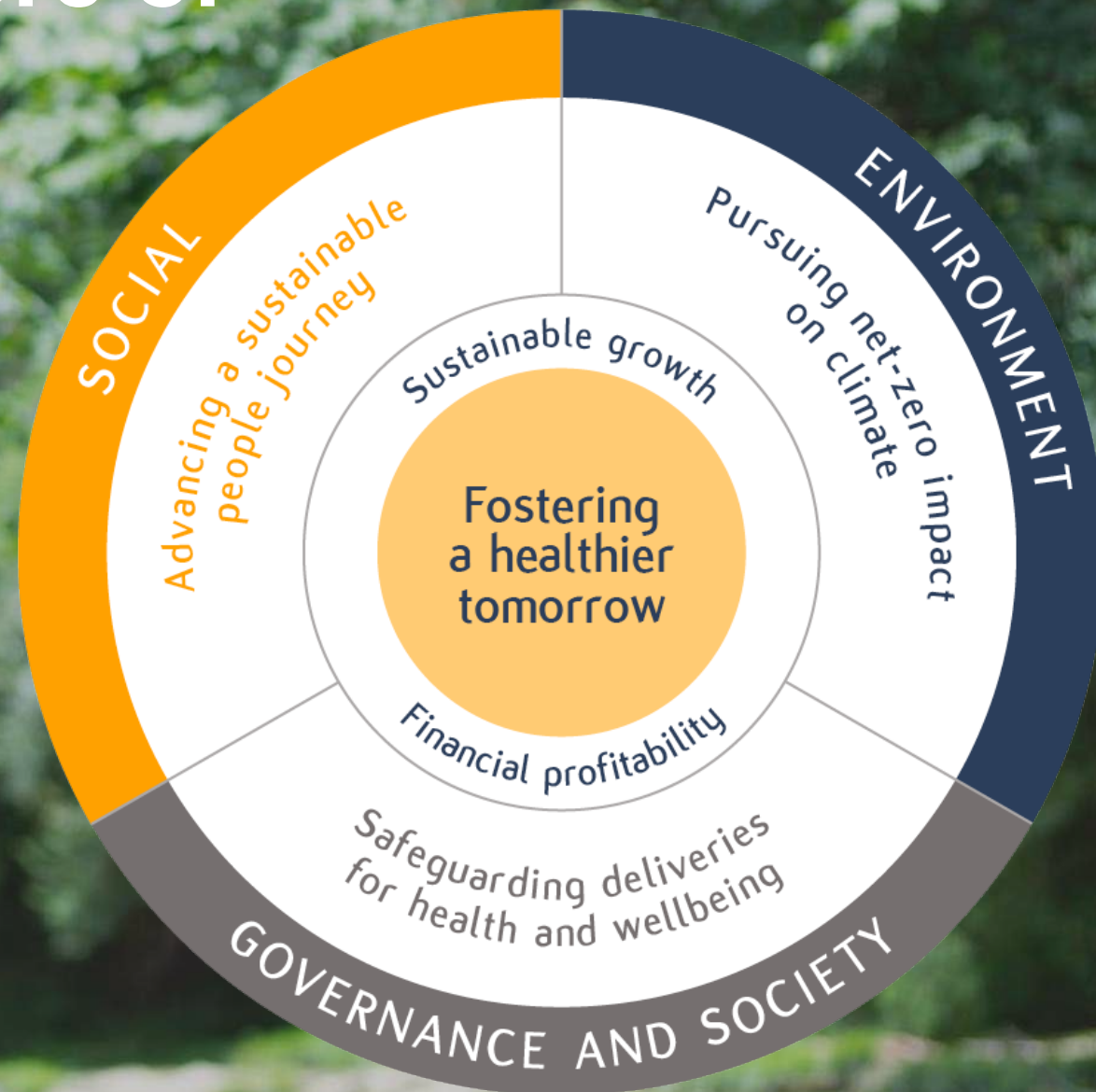
Long-term sustainability targets

Achieve carbon neutrality across our supply chain (Scope 1, 2, and 3) by 2030

Promote a culture that ensures fair treatment, develops capable individuals, and empowers leaders

Ensure safe and accurate deliveries of pharmaceuticals and other health products

Sustainability at the core of our business



Committed to the UN Sustainable Development Goals (SDGs)

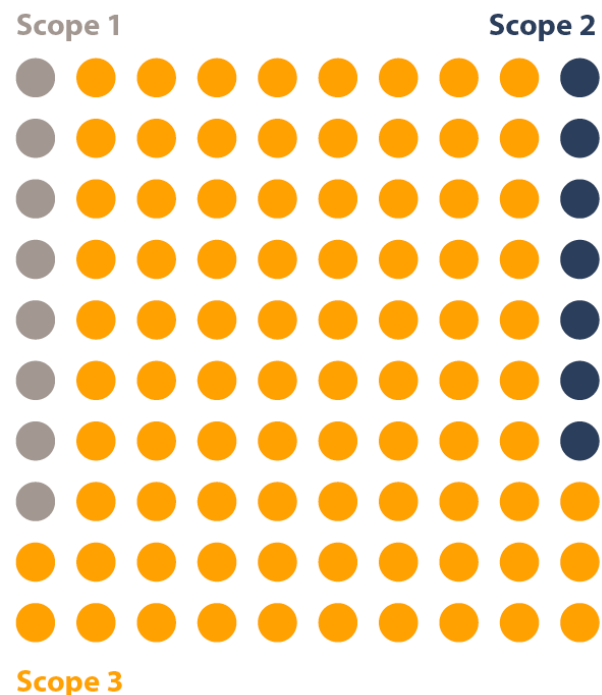


Environment

- **Carbon neutral in own operations (Scope 1 and 2) by 2025 and across the supply chain (Scope 1, 2 and 3) by 2030**
- **We are committed to set science-based targets**
- **Increase recycling rate to 90% by 2025 (2023: 81%)**



Our carbon footprint



Around
8%
of total emissions

Our direct emissions (Scope 1) come from refrigerants.



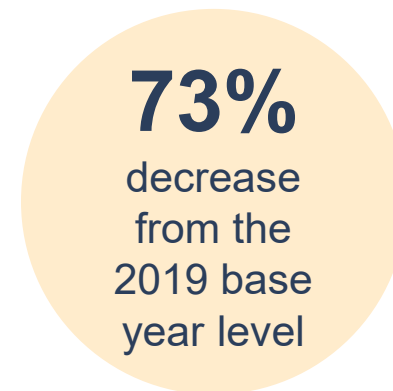
Around
7%
of total emissions

Emissions from purchased energy (Scope 2) come from electricity and heating.



Around
85%
of total emissions

Indirect emissions from supply chain (Scope 3) include packaging materials, transport, waste, business travel and employee commuting.



The carbon footprint has been calculated in accordance with the Greenhouse Gas Protocol accounting principles and covers the whole company.

Social

- **Foster a culture that ensures fair treatment, develops capable individuals, and empowers leaders**
- **Reach the long-term goal of zero accidents.**
- **Lost Time Incident Frequency (LTIF) rate 4.5 by 2026.**

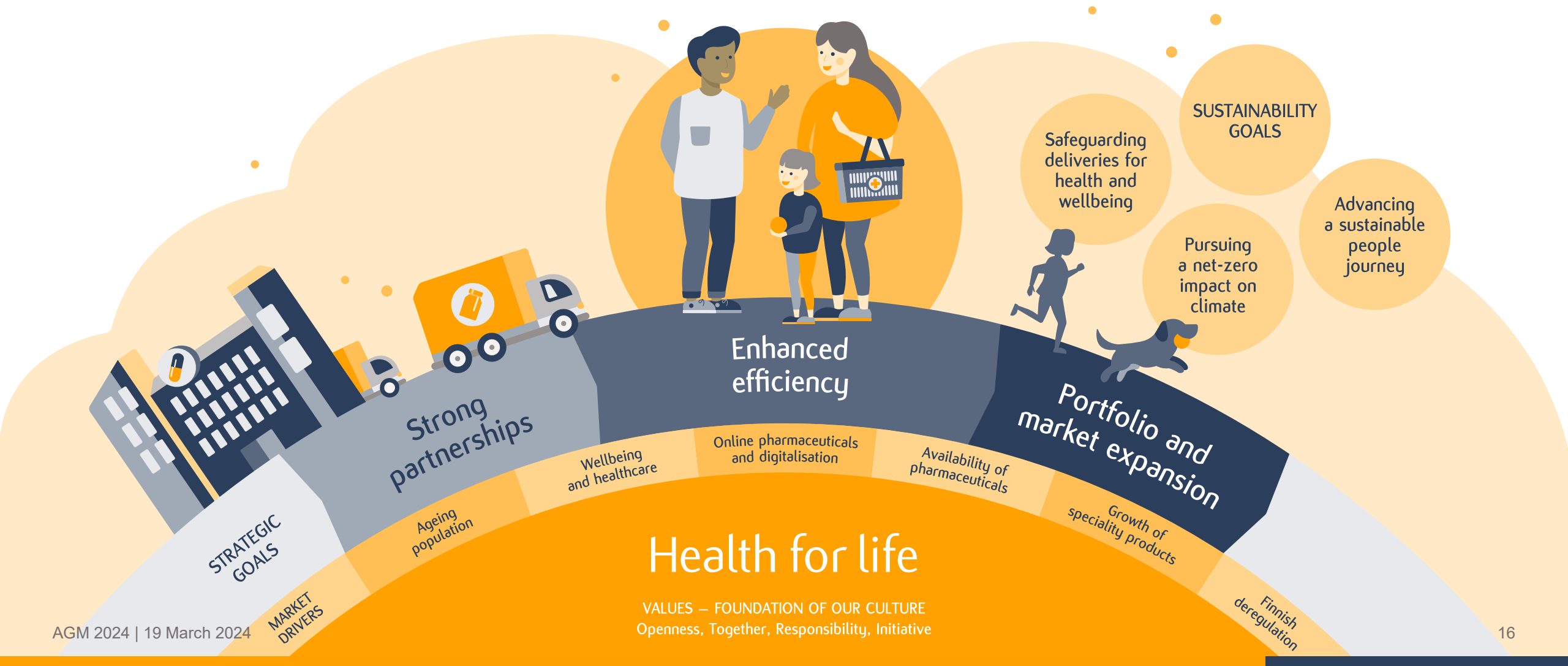
LTIF in
2023
6.09

Governance and society

- Ensure safe and accurate deliveries of pharmaceuticals and other health products.
- Picking quality of ordered pharmaceuticals 99.0% by 2026 at group level.
- Ensure transparent and responsible operations and supply chain practices

Picking
quality in
2023
99.8%

The leading specialist in wholesale of pharmaceuticals and health products



Key strategic events

The sale of Svensk dos AB to Apotekstjänst Sverige AB

- The agreed sales price in cash is SEK 110 million (approximately EUR 9.5 million)
- The transaction is subject to the approval of the Swedish Competition Authority (Konkurrensverket)
- Oriola expects the transaction to be completed in the second quarter of 2024
- Oriola is exiting the dose dispensing business in Sweden

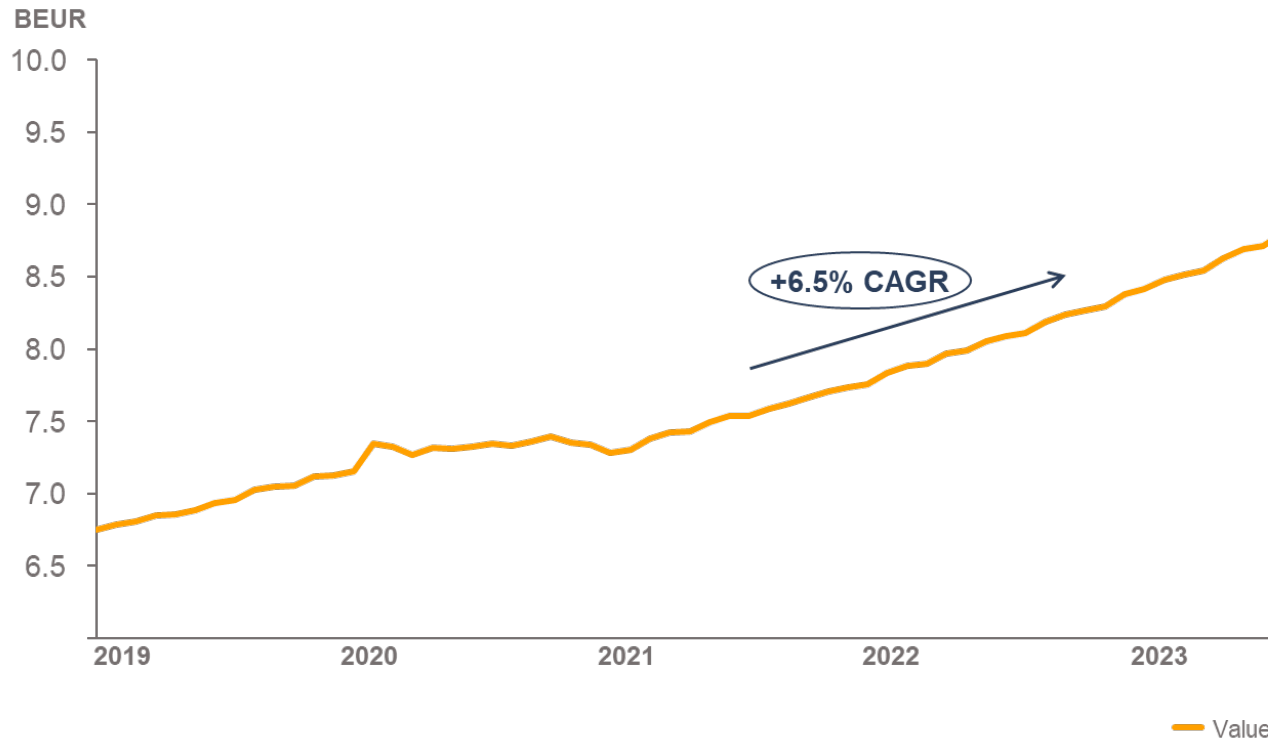
Strategic investment in ERP and warehouse management

- One common system enables to harmonise business processes, strengthen data management and enhance customer experience
- Value of the total investment about EUR 35 million of which capital expenditure estimated to be about 3/4
- The project started in 2024 and the new system will be deployed in phases during 2025–2027.
- The first deployment will be in Sweden followed by the deployment in Finland.

**Financial review 2023:
Strong growth in profitability excluding
Swedish dose dispensing business**

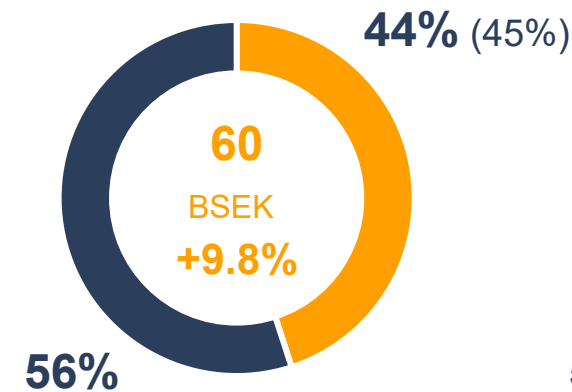
Pharmaceutical wholesale markets are growing

Finland and Sweden market combined

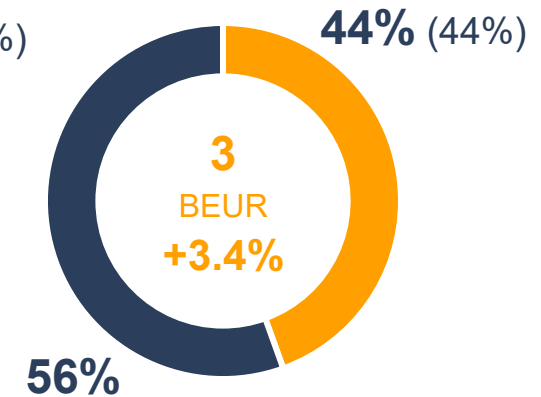


Market shares

Sweden



Finland



■ Oriola
 ■ Others

Source: IQVIA, LTK. Market size is 12 month rolling market value. SEK/EUR average exchange rate for 2023. CAGR 2022-2023.



Highlights from 2023

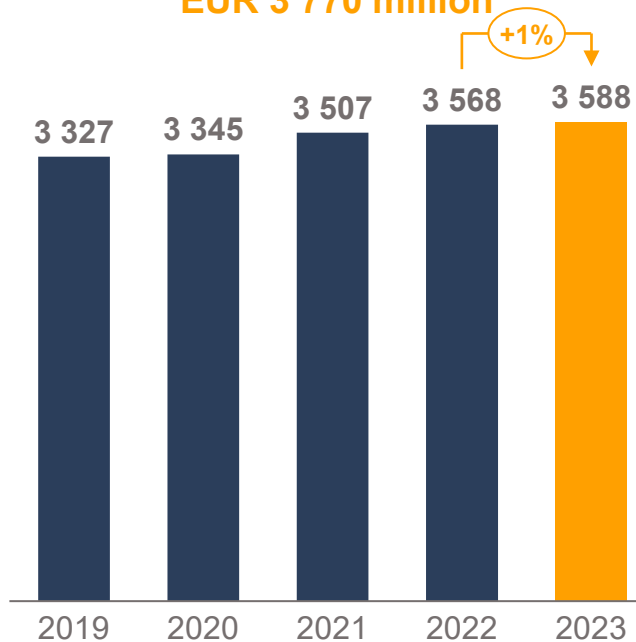
- Strong year in the distribution business – new distribution agreements
- Focus on developing commercial and supply chain excellence, and our culture
- New commercial operating model implemented and accelerated commercial capabilities
- Improved overall efficiency in operations
- Simplification and harmonisation of processes in supply chain

Solid performance throughout the year



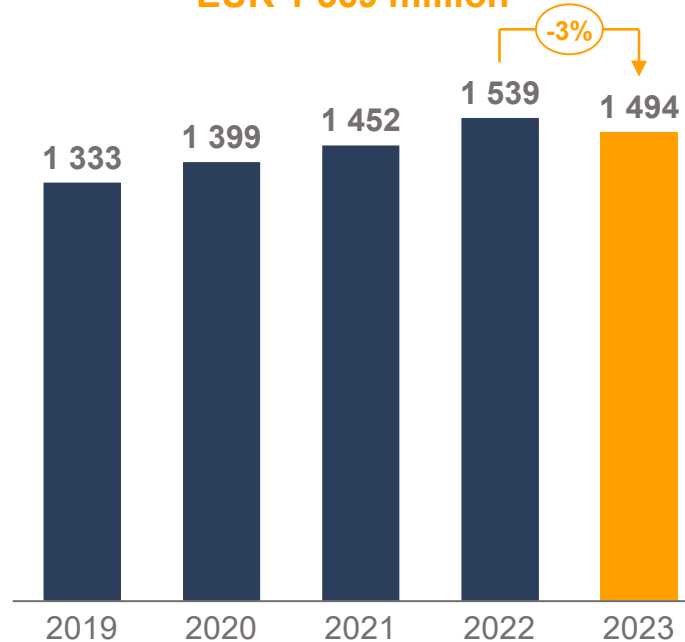
Invoicing EUR million

In constant currency:
+6%
EUR 3 770 million



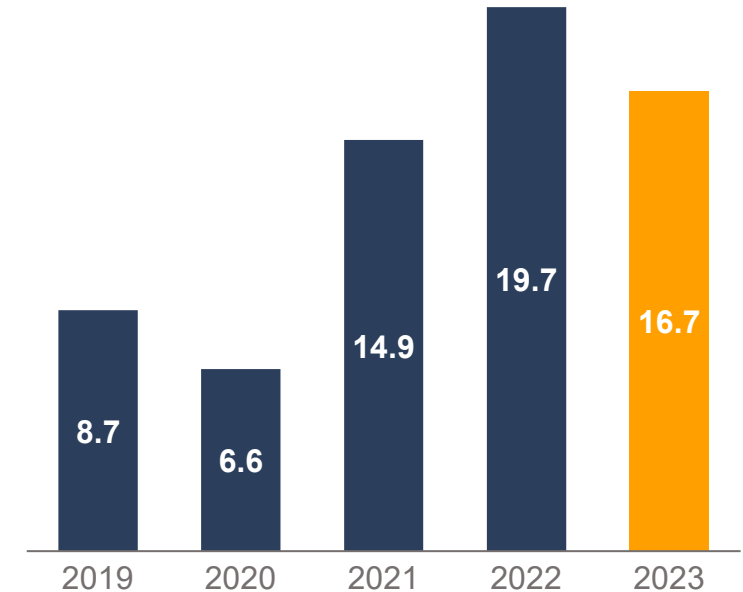
Net sales EUR million

In constant currency:
+2%
EUR 1 569 million



Adjusted EBIT EUR million

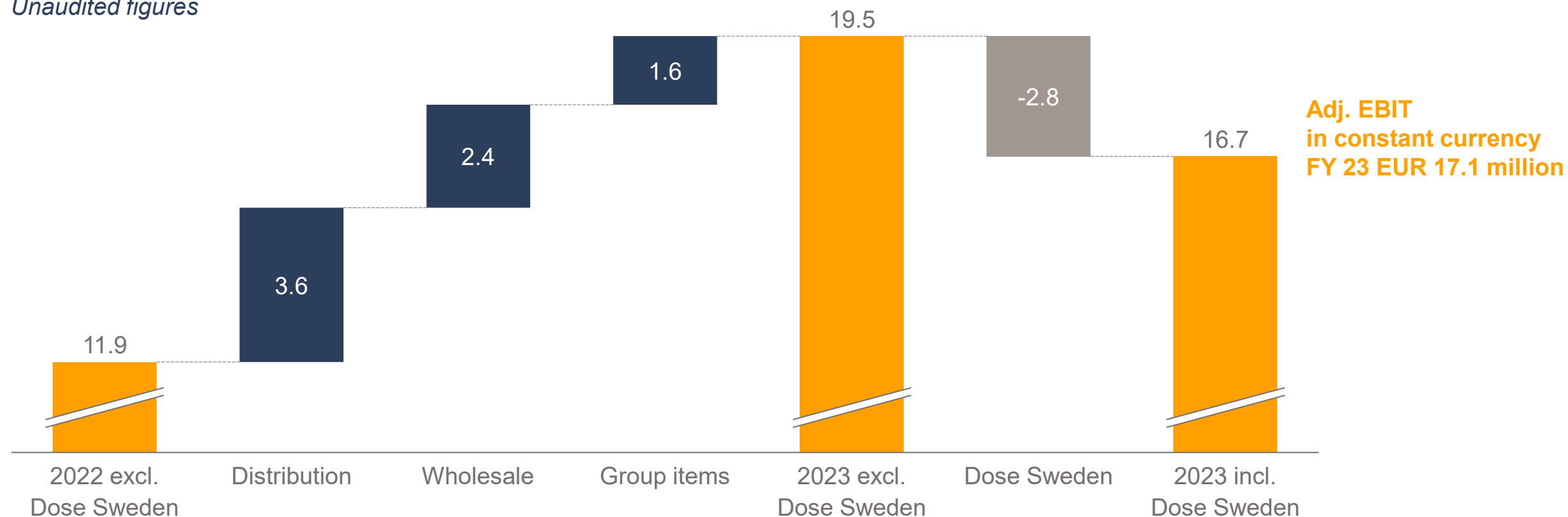
Adj EBIT excl Dose Sweden
+64%
EUR 19.5 (11.9) million



Strong performance by Distribution

Adjusted EBIT EUR million

Unaudited figures



Solid financial position

Group key figures, continuing operations (incl. Swedish dose dispensing business)

	2023	2022	Change %
Invoicing, EUR million	3 587.7	3 568.0	0.6
Net sales, EUR million ¹	1 493.8	1 539.1	-2.9
Adjusted EBIT, EUR million ^{2, 3}	16.7	19.1	-15.4
Adjusting items, EUR million	-21.9	-10.2	
EBIT, EUR million ²	-5.3	9.5	-155.1
Profit for the period, EUR million	-20.7	4.8	-534.9
Earnings per share, EUR	-0.11	0.03	
Net cash flow from operating activities, EUR million ¹	9.6	77.9	
Net interest-bearing debt, EUR million ¹	-20.6	-23.7	
Gearing, % ⁴	-12.1	-10.5	
Equity ratio, % ⁴	18.5	23.8	

¹ Comparative information has been restated due to a correction of an error in the elimination of net sales and cost of goods sold. The gross effect on the total correction is EUR 23.6 million. The correction has no impact on the Group's profit or the statement of financial position.

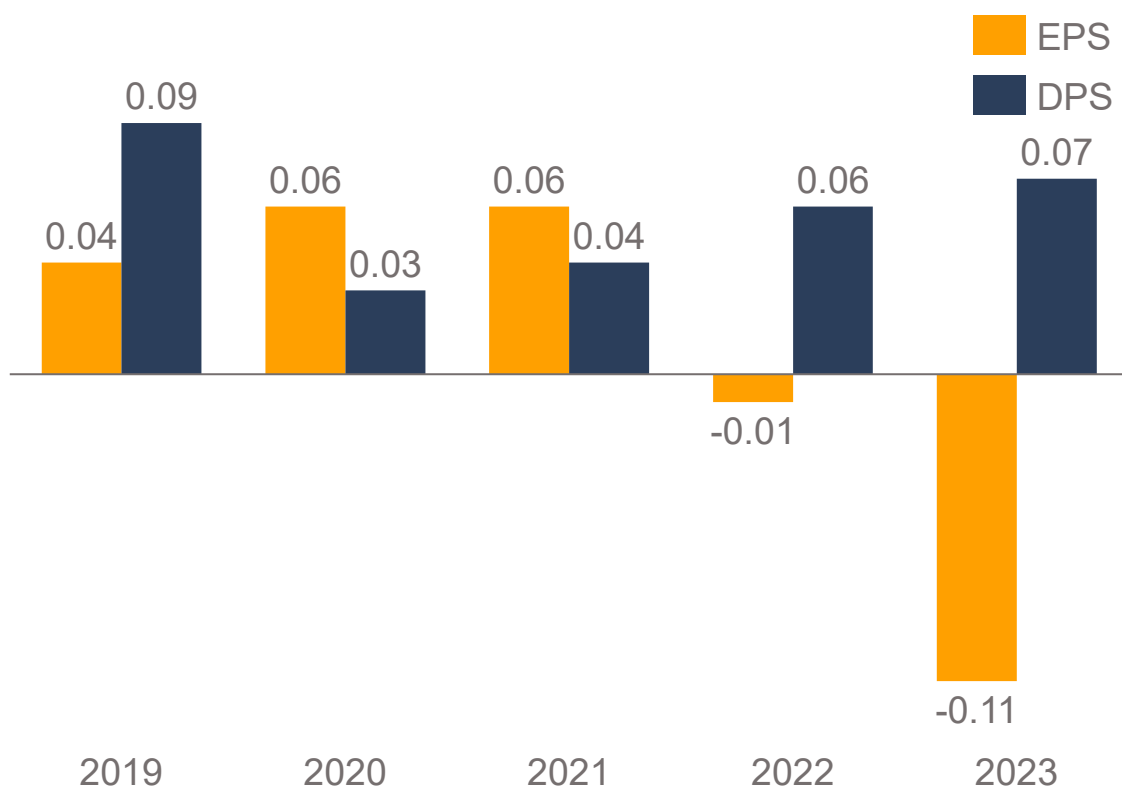
² Year 2022 Adjusted EBIT and EBIT have been changed retroactively and these items no longer include the share of result in joint venture (presented below EBIT).

³ Adjusting items are specified in note Adjusting items.

⁴ Comparative figures include continuing and discontinued operations.

Board's dividend proposal

Dividend payout EUR per share



The Board of Directors proposes to the AGM that a dividend of **EUR 0.07 per share** be paid for 2023.

Record date: 21 March

Payment date: 11 April

DIVIDEND POLICY

Oriola aims to pay out an increasing annual dividend of *2/3* of net profit.

New reporting segments



Distribution segment

- Pharmaceutical logistics
- Dose dispensing services

Key figures 2023

Excl. Swedish dose dispensing business

- Net sales: EUR 1,170.4 (1,112.1) million
- Adjusted EBIT: EUR 17.4 (13.8) million
- Personnel: 372 (333)



Wholesale segment

- Wholesale of traded goods and over-the-counter (OTC) products
- Parallel import
- Special licensed medicines
- Advisory services

Key figures 2023

- Net sales: EUR 305.7 (351.4) million
- Adjusted EBIT: EUR 8.9 (6.5) million
- Personnel: 277 (250)

Net sales by segment¹ %



Adj. EBIT by segment² %



¹Net sales between segments EUR -0.4m
²Group administration and others EUR -6.8m
Key figures are unaudited

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).

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Thank you