

A man and a woman are hiking together in a scenic landscape. They are sitting on the grassy shore of a calm lake, looking at a map. The man is holding the map, and the woman is pointing at it. They are both wearing backpacks. In the background, there are lush green hills and a forest. The scene is peaceful and scenic.

# Half-Year Report January–June 2023

21 July 2023

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## Agenda

- Q2 2023 highlights
- Operating environment
- Financial review
- Closing remarks
- Q&A

# Q2 23

Net sales  
in constant currency  
**407 (395)**  
EUR million

Adjusted EBIT  
**3.4 (5.5)**  
EUR million

## Solid performance in Distribution business, profitability burdened by Dose Sweden

- Good development in the Distribution of pharmaceuticals and traded goods both in Sweden and Finland
- Profitability decreased due to low volumes in the Swedish Dose dispensing business
- Operating expenses below last year's level
- Positive contribution from joint venture company Kronans Apotek AB
- Our strength is in the Distribution business, and we continue to focus on the long-term transformation of the company

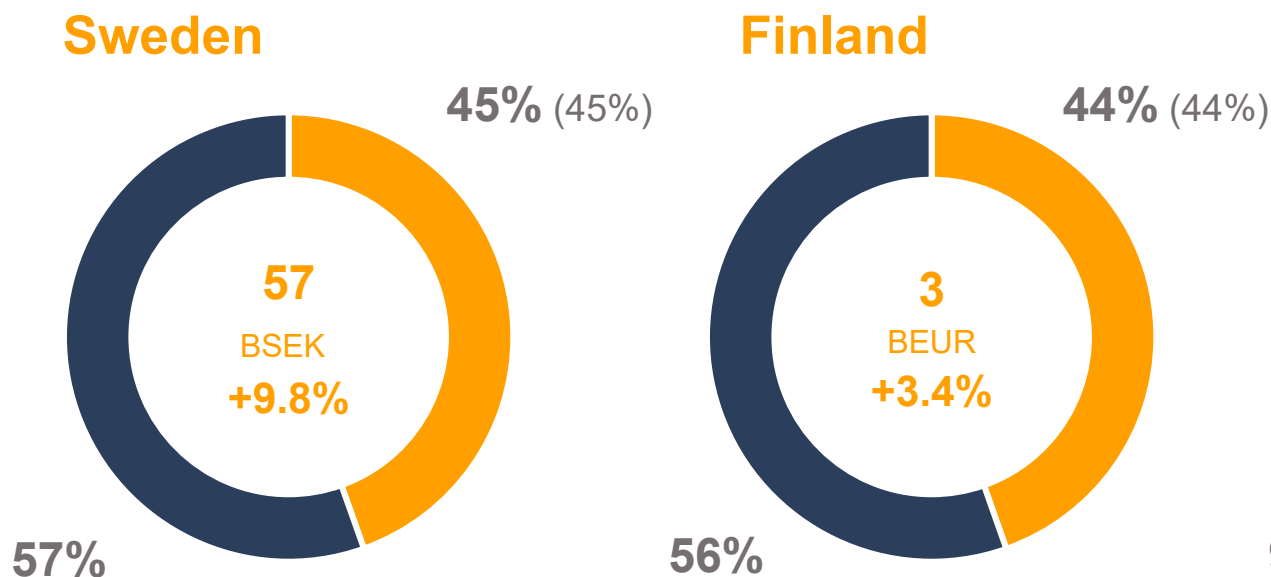


## Operating environment

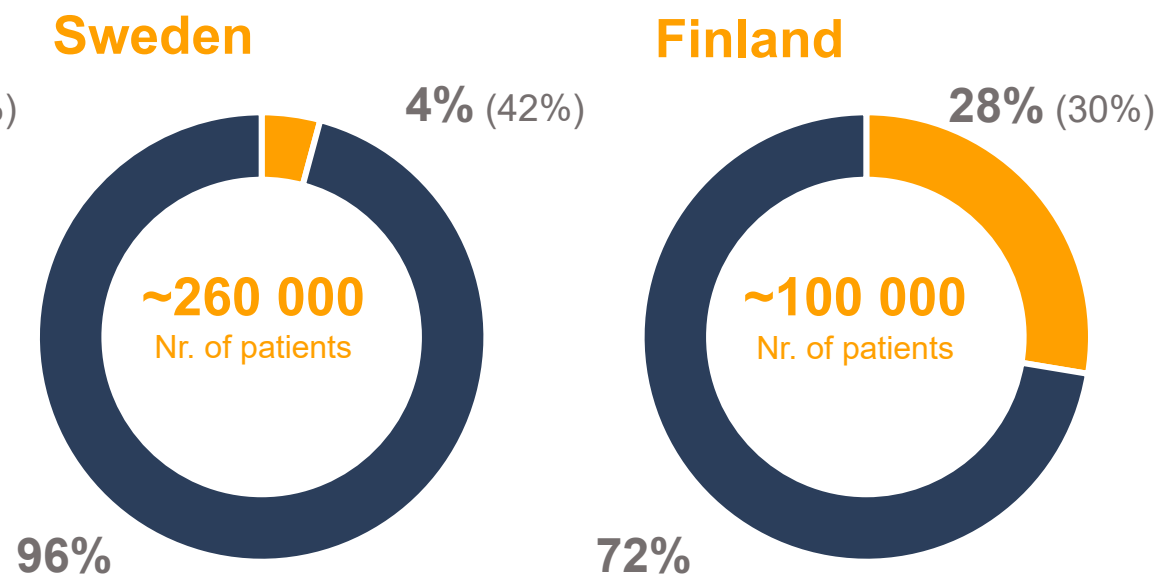
- Overall good market demand continued in Sweden and Finland
- Pharmaceutical distribution market not impacted by the increased economic uncertainty or weak consumer confidence
- Continued availability challenges in some pharmaceuticals – slight improvement in Q2
- Energy and fuel prices have stabilised

# Pharmaceutical wholesale markets grew in Q2

## Pharmaceutical wholesale – market share



## Dose dispensing – market share



■ Oriola
 ■ Others

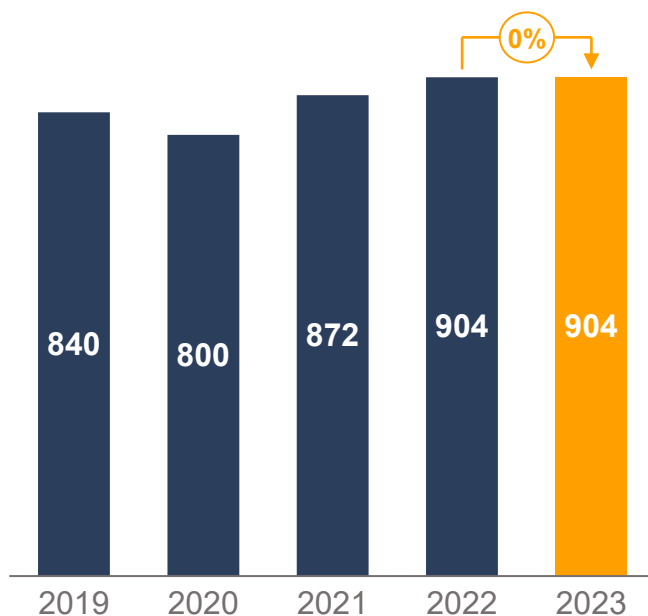
Market shares are quarterly figures and market size rolling 12 months  
 Sources: IQVIA, Pharmaca Health Intelligence and Oriola estimates

## Financial review

# Solid performance in Distribution, significant negative currency impact on topline

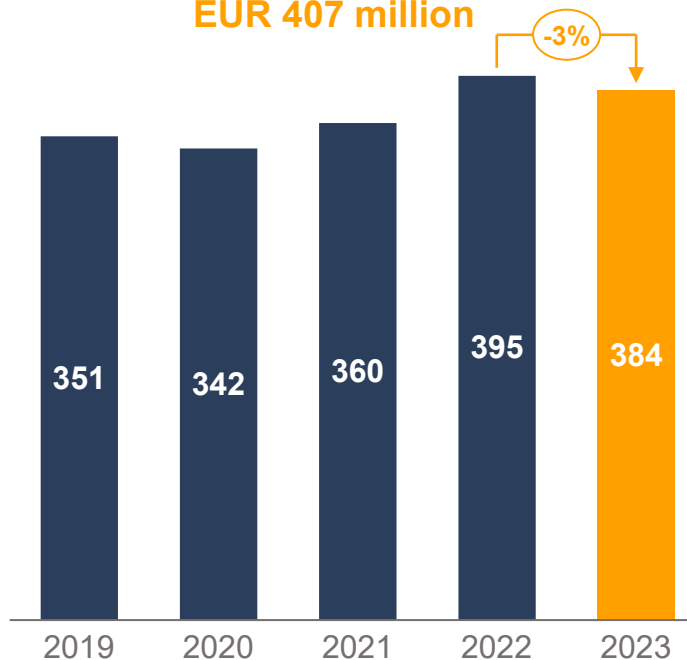
## Invoicing Q2 EUR million

In constant currency:  
+6.0%  
EUR 958 million

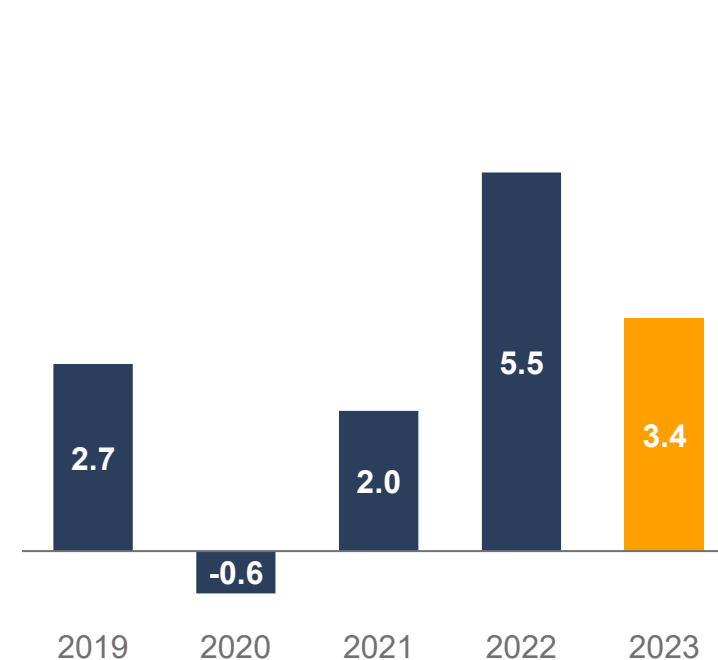


## Net sales Q2 EUR million

In constant currency:  
+3.0%  
EUR 407 million



## Adjusted EBIT Q2 EUR million

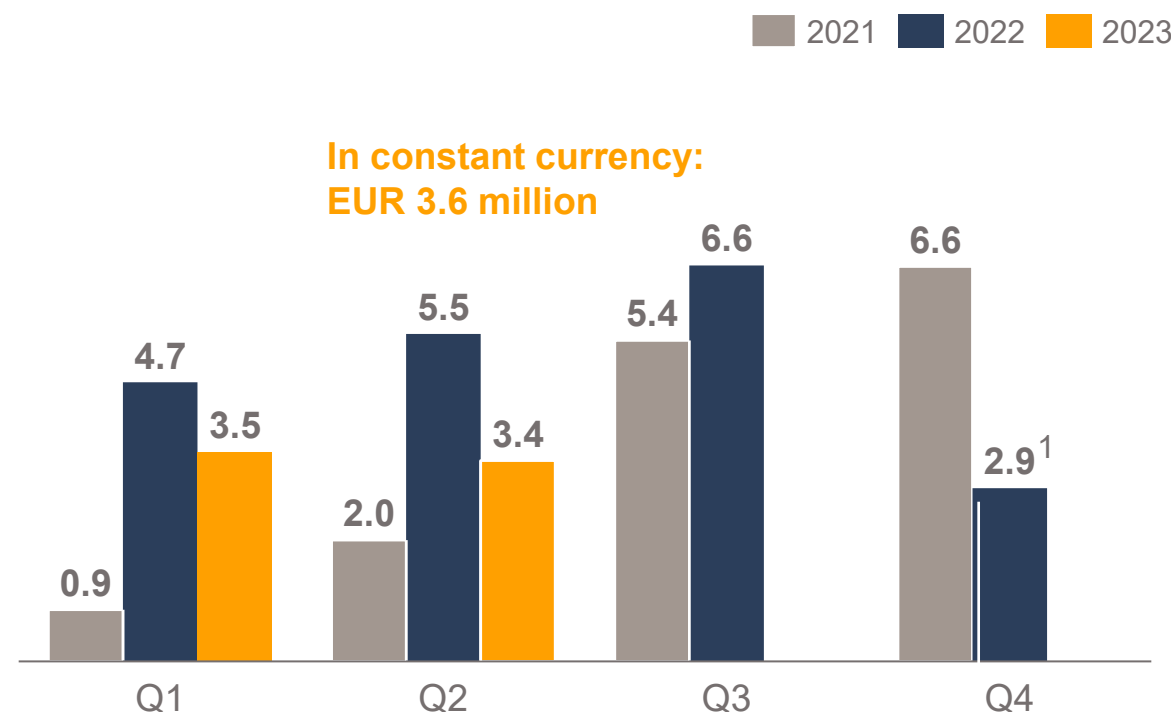




# Profitability burdened by Dose Sweden

- Profitability negatively impacted by low volumes in Swedish Dose dispensing business
- Some negative impact of weak SEK
- High inflationary environment continued
- Operating expenses below last year's level
- Cost restructuring in Swedish Dose dispensing business, improved efficiency in Swedish operations and overall strict cost control
- Adjusting items in profits were EUR 0.2 million

## Quarterly adj. EBIT EUR million

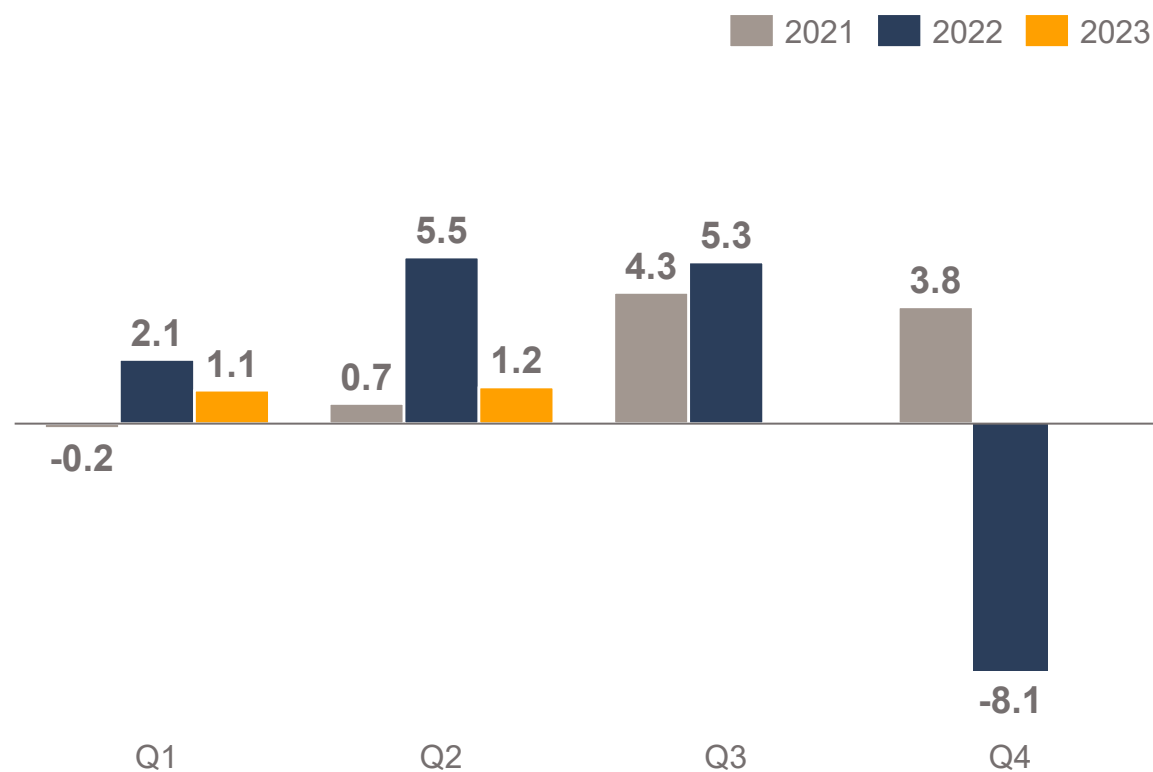


<sup>1</sup>Q4 2022 has been restated and excludes the share of result in joint venture.

# Profit and EPS decreased

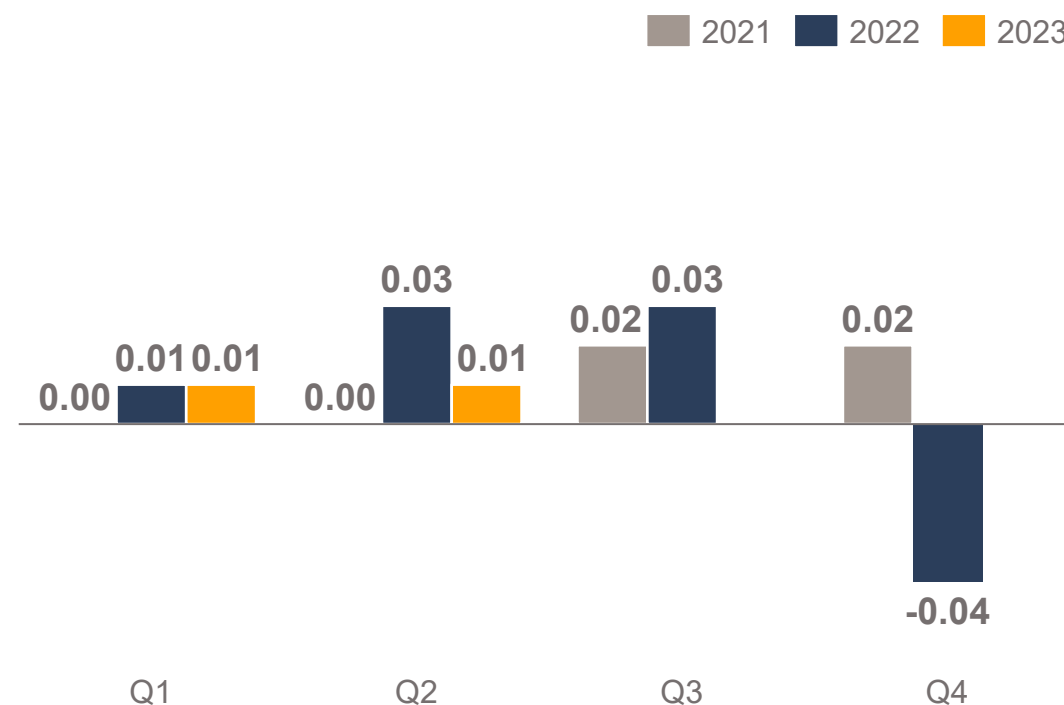
## Profit for the period

EUR million



## Earnings per share

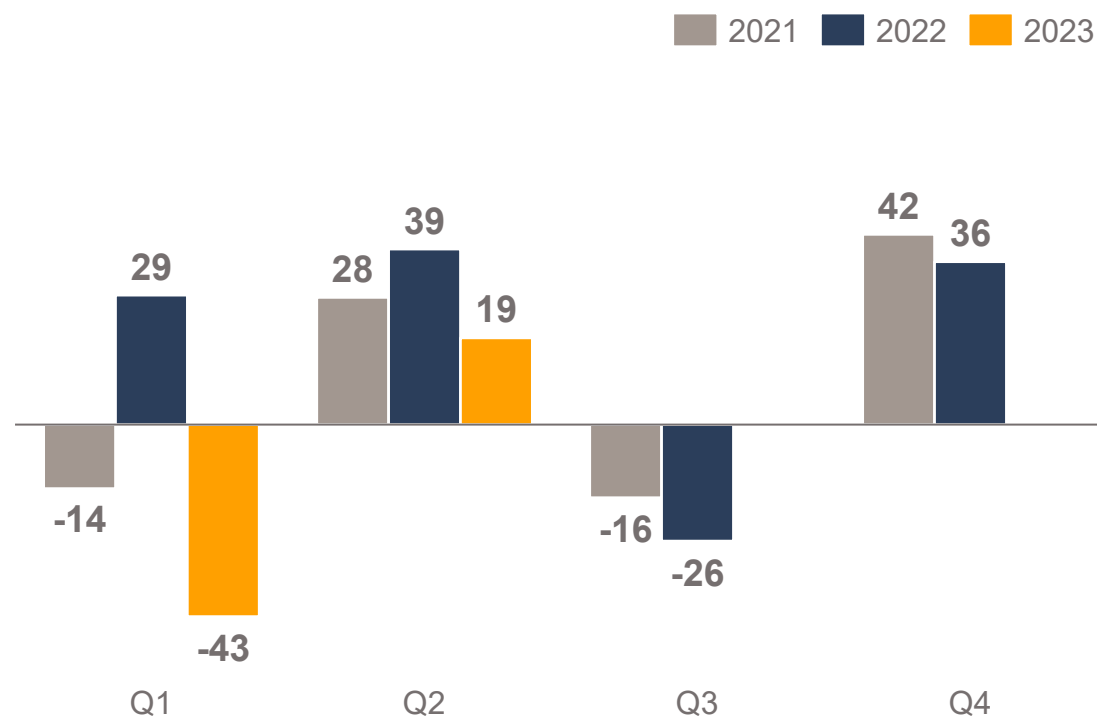
EUR



# Positive cash flow in Q2

## Quarterly net cash flow from operating activities<sup>1</sup>

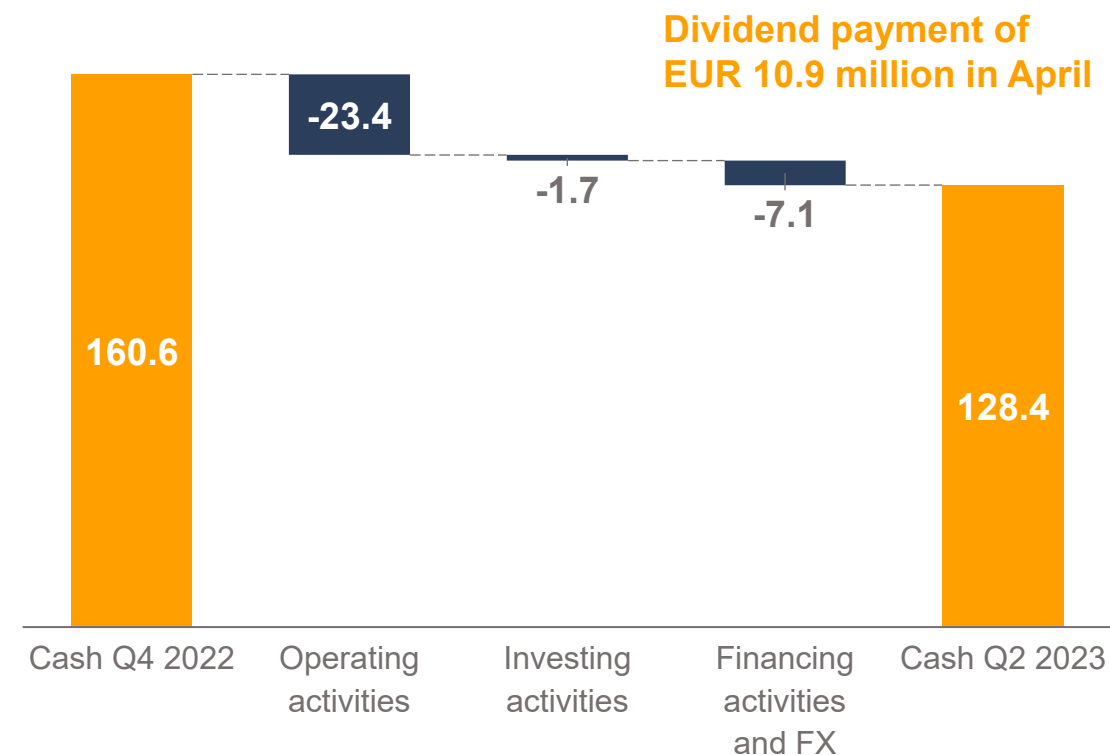
EUR million



<sup>1</sup> 2021 includes discontinued operations.

## YTD 2023 change in cash

EUR million

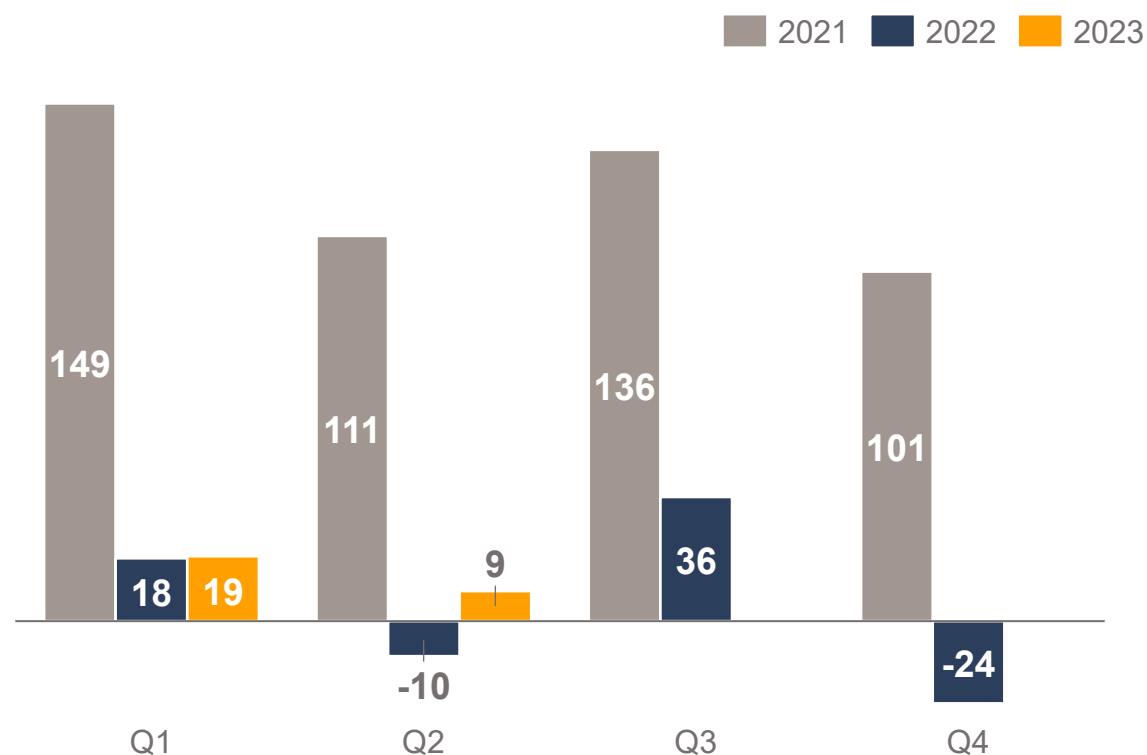




# Net debt level normalised

## Net interest-bearing debt<sup>1</sup>

EUR million



<sup>1</sup> 2021 includes discontinued operations

## Net interest-bearing debt items

EUR million

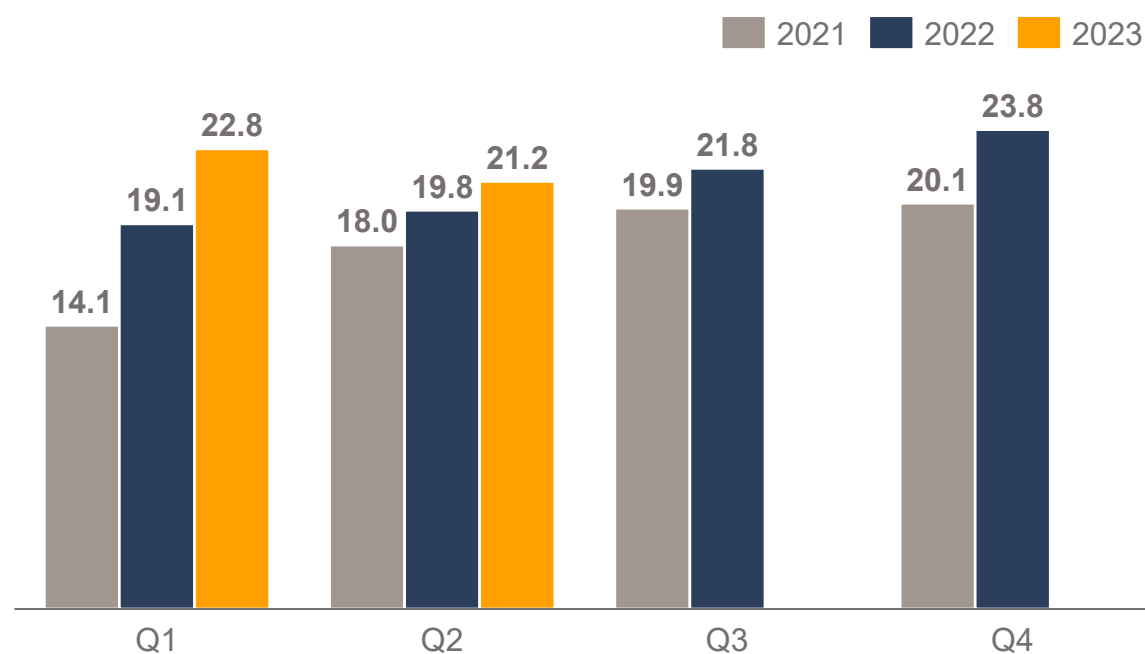
Net interest-bearing debt item	30 Jun 2023	30 Jun 2022
Bank loans (syndicated Bank & term)	58.6	63.0
Commercial papers	52.6	51.9
Advance payment from pharmacies	15.7	21.6
Lease liabilities	10.2	16.0
Cash and cash equivalents <sup>1</sup>	128.4	162.7
Net interest-bearing debt	8.7	-10.1
Sold trade receivables <sup>1</sup>	91.5	172.7
Gearing % <sup>2</sup>	4.5	-4.6

<sup>1</sup>2022 includes discontinued operations

<sup>2</sup>Excluding the impact of IFRS 16 gearing would have been -0.8% (-12.0%)

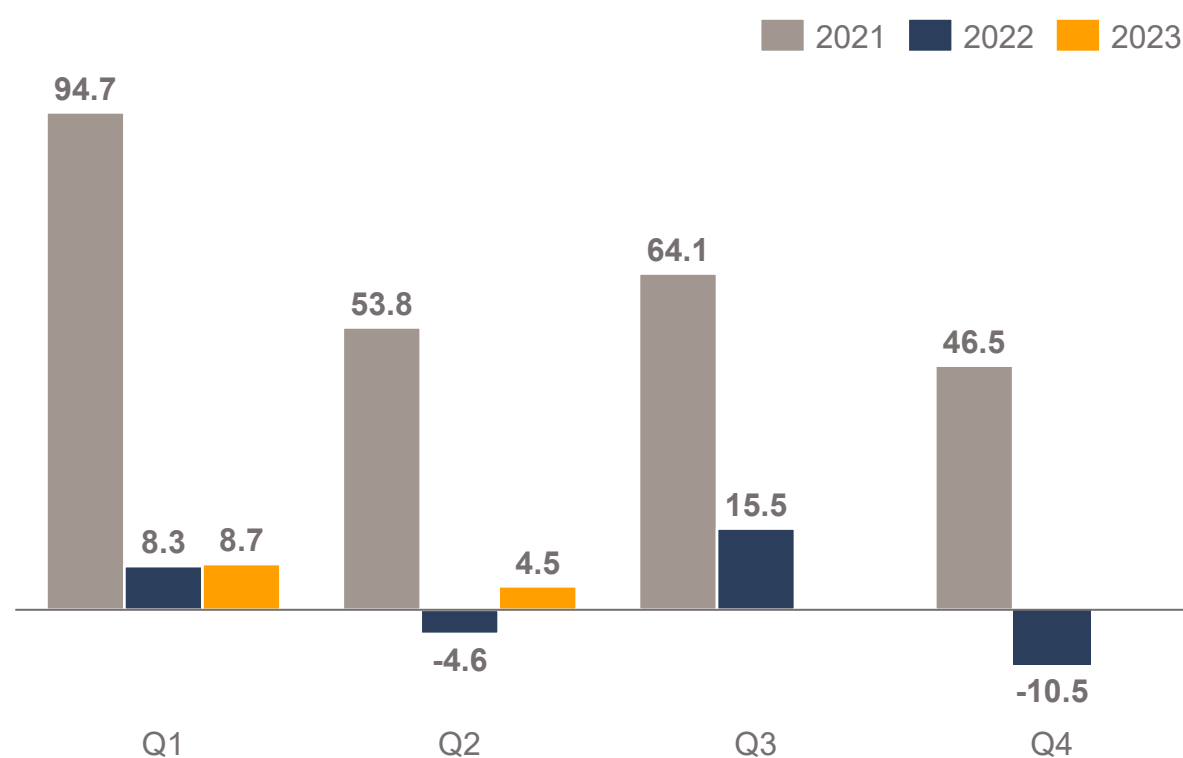
# Balance sheet remained strong

## Equity ratio<sup>1</sup> %



<sup>1</sup> 2021 includes discontinued operations

## Gearing<sup>2</sup> %



<sup>2</sup> 2021 includes discontinued operations



## Swedish Pharmacy Holding

### Reported April-June 2023 figures:

- Net sales EUR 288.7 (300.2) million
- Adjusted EBIT EUR 2.3 million
- Realised synergies EUR 2.5 million
- Adjusting items EUR 1.0 million
- EBITA EUR 3.6 million
- Net debt EUR 68.2 million

Profit of EUR 0.2 million recognised in the P/L.

### Reported January-June 2023 figures:

- Net sales EUR 568.4 (593.8) million
- Adjusted EBIT EUR 2.3 million
- Realised synergies EUR 4.7 million
- Adjusting items EUR 1.5 million
- EBITA EUR 5.3 million

Loss of EUR 0.2 million recognised in the P/L.

Oriola is committed to long-term ownership.

Starting from Q1 2023 Oriola's share of the net result is reported below EBIT line



## Outlook 2023

**Oriola expects the adjusted EBIT to remain on the same level compared to 2022.**

The outlook takes into consideration the significant negative impact on Oriola's profitability from the loss of public tenders and consequently of patients in the dose dispensing business in Sweden. The dose dispensing business in Sweden will focus on new customer segments to develop the business. Furthermore, the recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

The adjusted EBIT in 2022 was EUR 19.7 million, excluding the contribution from the joint venture Swedish Pharmacy Holding AB.

**Closing remarks**

# Sustainability highlights

## Gold in EcoVadis sustainability rating



The result places Oriola **among the top 5%** performing companies worldwide regarding the areas of environment, labour and human rights, ethics, and sustainable procurement assessed by EcoVadis

## Preparedness to comply with CSRD

- Gap analysis to identify key development areas (Jan 2023)
- Double-materiality assessment (Mar 2023)
- **Renewal of the sustainability agenda, strategic targets and KPIs – ongoing**
- **Human Rights Due Diligence – H2 23**
- **ESG data management tool – H2 23**



Best leadership level with score A-



Renewed AAA



Achieved Prime C+



## Clear strategic direction

- Focus on core business, profitability improvement and Oriola's societal role as an infrastructure company in securing the availability of pharmaceuticals
- Distribution of pharmaceuticals, wide assortment of health and wellbeing products, and advisory services to pharmaceutical companies and pharmacies
- Further develop commercial and supply chain excellence while ensuring profitability, efficiency and a collaborative culture
- Support value creation of Kronans Apotek and gradually look for selective merger and acquisition targets to support growth



# Q2 activities supporting our key priorities in 2023

## Profitable growth

Drive focused and profitable growth

- Sales training
- Customer segmentation

## Efficiency

Increase operational and capital efficiency

- Simplifying and harmonising our processes
- Demand-supply planning
- Collaboration with the sales teams

## Culture

Enhance value creation through a collaborative culture

- Oriola's value descriptions

## Key takeaways Q2 2023

1

Solid net sales growth driven by our core business.

2

Profitability burdened by low volumes in Swedish Dose business.

3

Guidance remains unchanged.





## Our next events

**31 October 2023**  
Q3 Interim Report 2023

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**Thank you!**





# Health for life