

## Expect continued growth momentum

Oriola reports Q1 results on April 29<sup>th</sup>. We expect to see growth remaining on a good track and margin development remaining on par with previous year levels.

### Continuing on growth momentum from 2024

Oriola reports its Q1 results on April 29<sup>th</sup>. Oriola saw good development in both net sales and invoicing during 2024 and the latter half of the year in particular. The 2024 net sales growth of 12.4% was greatly aided by a customer transferring to Oriola's inventory in Q3 but invoicing growth was still at a good level, at 5.1%. We expect the customer inventory change and new customer onboarding to contribute to continued good growth figures in Q1, with our net sales estimate at EUR 413m (+10% y/y). Oriola completed the divestment of Svensk dos AB on April 1<sup>st</sup>, for a sales price of approx. EUR 9.5m, and the very limited net sales impact will no longer be included in Group net sales from Q2 onwards. In terms of relative profitability, we expect Oriola to continue on similar levels as the comparison period, with our adj. EBIT-% estimate at 1.2% (1.3%). We expect net earnings to remain negative in Q1 through the joint venture but turn positive from Q2 onwards assuming no further impairments.

### 2025: Expect good growth and steady margins

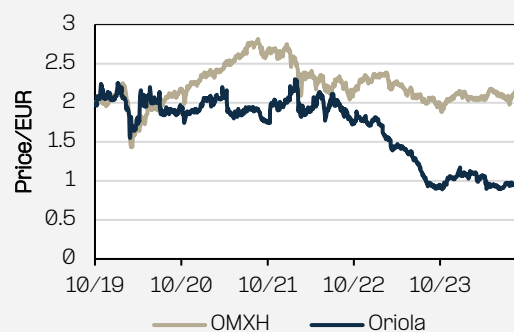
For the remainder of the year, we expect growth to slow down from the stronger comparison figures but remain above market growth levels. With the on-going significant ERP and warehouse management investment, we remain cautious on margins and expect adjusted figures to remain at previous year levels. Margin improvement could arise from a more favourable sales mix through costlier, low volume pharmaceuticals and growth in the wholesale business. Oriola only provides a guidance for adj. EBITDA, which is expected to grow from 2024 (EUR 33.3m), with our estimate at EUR 35.7m.

### ACCUMULATE with a target price of EUR 1.1

We have not made any changes to our estimates since initiating coverage on April 7<sup>th</sup> and retain our ACCUMULATE-rating and target price of EUR 1.1. Further upside potential in the near-term would be brought by reduced market uncertainty, and through profitability potential in the long-term.

### Rating

**+** Accumulate



Share price, EUR (Last trading day's closing price) **1.08**

Target price, EUR **1.1**

Latest change in recommendation **07-Apr-25**

Latest report on company **07-Apr-25**

Research paid by issuer: **YES**

No. of shares outstanding, '000's **185 323**

No. of shares fully diluted, '000's **185 323**

Market cap, EURm **200**

Free float, % **65.4 %**

Exchange rate **0.0**

Reuters code **ORIOLA.HE**

Bloomberg code **ORIOLA FH**

Average daily volume, EURm **—**

Next interim report **29-Apr-25**

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**++ BUY + ACCUMULATE - REDUCE -- SELL**

### KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	1493.8	-5.3	-0.4%	7.9	-0.11	-9.6	0.2	-52.0	4.0%	0.07
2024	1679.7	13.6	0.8%	29.8	-0.11	-8.1	0.1	16.0	18.5%	0.07
2025E	1777.8	15.9	0.9%	14.5	0.02	51.2	0.1	10.6	7.3%	0.08
2026E	1864.4	21.4	1.2%	24.1	0.08	12.9	0.1	7.4	12.0%	0.09
2027E	1950.6	28.5	1.5%	33.0	0.14	7.8	0.1	5.0	16.5%	0.10
Market cap, EURm	200		Gearing 2025E, %		44.0 %		CAGR EPS 2024-27, %		0.0 %	
Net debt 2025E, EURm	55		Price/book 2025E		1.6		CAGR Sales 2024-27, %		5.1 %	
Enterprise value, EURm	168		Dividend yield 2025E, %		7.4 %		ROE 2025E, %		3.0 %	
Total assets 2025E, EURm	904		Tax rate 2025E, %		20.0 %		ROCE 2025E, %		3.9 %	
Goodwill 2025E, EURm	35		Equity ratio 2025E, %		13.8 %		PEG, P/E 25/CAGR		0.5	

All the important disclosures can be found on the last pages of this report.

Oriola	2022	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
<b>Net sales</b>	<b>1539</b>	<b>1494</b>	<b>375.1</b>	<b>439.4</b>	<b>424.4</b>	<b>440.7</b>	<b>1680</b>	<b>412.7</b>	<b>464.1</b>	<b>437.5</b>	<b>463.6</b>	<b>1778</b>	<b>1864</b>	<b>1951</b>
<i>sales growth</i>		-2.9%	4.1%	13.0%	18.6%	14.0%	12.4%	10.0%	5.6%	3.1%	5.2%	5.8%	4.9%	4.6%
<b>EBITDA</b>	<b>34.7</b>	<b>30.0</b>	<b>6.7</b>	<b>8.6</b>	<b>4.9</b>	<b>7.0</b>	<b>27.2</b>	<b>5.9</b>	<b>7.0</b>	<b>7.2</b>	<b>7.7</b>	<b>27.7</b>	<b>33.2</b>	<b>40.3</b>
<b>Adj. EBITDA</b>			<b>7.7</b>	<b>8.0</b>	<b>8.4</b>	<b>9.4</b>	<b>33.4</b>	<b>7.9</b>	<b>9.0</b>	<b>9.2</b>	<b>9.7</b>	<b>35.7</b>	<b>41.2</b>	<b>48.3</b>
D&A and impairments	-25.2	-35.4	-3.0	-2.9	-4.7	-3.0	-13.6	-3.0	-3.0	-3.0	-3.0	-11.8	-11.8	-11.8
<b>EBIT</b>	<b>9.5</b>	<b>-5.4</b>	<b>3.7</b>	<b>5.7</b>	<b>0.2</b>	<b>4.0</b>	<b>13.6</b>	<b>2.9</b>	<b>4.0</b>	<b>4.2</b>	<b>4.7</b>	<b>15.9</b>	<b>21.4</b>	<b>28.5</b>
<i>EBIT-margin</i>	<i>0.6%</i>	<i>-0.4%</i>	<i>1.0%</i>	<i>1.3%</i>	<i>0.0%</i>	<i>0.9%</i>	<i>0.8%</i>	<i>0.7%</i>	<i>0.9%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>0.9%</i>	<i>1.1%</i>	<i>1.5%</i>
<b>Adj. EBIT</b>	<b>19.7</b>	<b>16.7</b>	<b>4.7</b>	<b>5.1</b>	<b>5.5</b>	<b>6.4</b>	<b>21.7</b>	<b>4.9</b>	<b>6.0</b>	<b>6.2</b>	<b>6.7</b>	<b>23.9</b>	<b>29.4</b>	<b>36.5</b>
<i>adj. EBIT-margin</i>	<i>1.3%</i>	<i>1.1%</i>	<i>1.3%</i>	<i>1.2%</i>	<i>1.3%</i>	<i>1.5%</i>	<i>1.3%</i>	<i>1.2%</i>	<i>1.3%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.3%</i>	<i>1.6%</i>	<i>1.9%</i>
Financial income and expenses	-0.7	-7.6	-2.2	-1.6	-1.8	-1.8	-7.4	-1.5	-1.5	-1.5	-1.5	-6.0	-5.5	-5.0
Share of result in joint venture	-2.0	-4.8	-3.5	-1.3	-0.6	-19.5	-24.9	-2.0	-0.5	-0.5	-1.0	-4.0	2.8	7.0
<b>Profit before taxes</b>	<b>6.9</b>	<b>-17.6</b>	<b>-2.0</b>	<b>2.8</b>	<b>-2.2</b>	<b>-17.3</b>	<b>-18.6</b>	<b>-0.6</b>	<b>2.0</b>	<b>2.2</b>	<b>2.2</b>	<b>5.9</b>	<b>18.8</b>	<b>30.5</b>
Income taxes	-2.1	-3.1	-0.4	-0.9	0.3	-0.5	-1.5	-0.3	-0.5	-0.5	-0.6	-2.0	-3.2	-4.7
<b>Net earnings</b>	<b>4.8</b>	<b>-20.7</b>	<b>-2.4</b>	<b>1.9</b>	<b>-1.9</b>	<b>-17.8</b>	<b>-20.1</b>	<b>-0.8</b>	<b>1.5</b>	<b>1.7</b>	<b>1.6</b>	<b>3.9</b>	<b>15.6</b>	<b>25.8</b>
<b>Distribution</b>	<b>2022</b>	<b>2023</b>	<b>Q1/'24</b>	<b>Q2/'24</b>	<b>Q3/'24</b>	<b>Q4/'24</b>	<b>2024</b>	<b>Q1/'25E</b>	<b>Q2/'25E</b>	<b>Q3/'25E</b>	<b>Q4/'25E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>Invoicing</b>	<b>3220</b>	<b>3283</b>	827.2	870.6	854.1	904.6	<b>3457</b>	875.9	923.7	894.2	977.0	<b>3671</b>	<b>3836</b>	<b>4001</b>
<i>invoicing growth %</i>		1.9%	5.9%	5.5%	8.4%	1.8%	5.3%	5.9%	6.1%	4.7%	8.0%	6.2%	4.5%	4.3%
<b>Net sales</b>	<b>1192</b>	<b>1189</b>	294.1	358.0	350.8	361.8	<b>1365</b>	328.8	378.9	359.5	382.1	<b>1449</b>	<b>1515</b>	<b>1580</b>
<i>sales growth %</i>		-0.3%	3.8%	15.5%	23.4%	16.1%	14.8%	11.8%	5.8%	2.5%	5.6%	6.2%	4.5%	4.3%
<b>EBIT</b>	<b>23.0</b>	<b>-6.9</b>	4.1	5.4	5.0	5.9	<b>20.4</b>	4.5	4.9	5.5	6.0	<b>21.0</b>	<b>25.7</b>	<b>31.6</b>
<i>EBIT margin</i>	1.9%	-0.6%	1.4%	1.5%	1.4%	1.6%	1.5%	1.4%	1.3%	1.5%	1.6%	1.5%	1.7%	2.0%
<b>Adj. EBIT</b>	<b>21.6</b>	<b>14.5</b>	4.1	4.0	5.0	5.9	<b>19.0</b>	4.5	4.9	5.5	6.0	<b>21.0</b>	<b>25.7</b>	<b>31.6</b>
<i>adj. EBIT margin</i>	1.8%	1.2%	1.4%	1.1%	1.4%	1.6%	1.4%	1.4%	1.3%	1.5%	1.6%	1.5%	1.7%	2.0%
<b>Wholesale</b>	<b>2022</b>	<b>2023</b>	<b>Q1/'24</b>	<b>Q2/'24</b>	<b>Q3/'24</b>	<b>Q4/'24</b>	<b>2024</b>	<b>Q1/'25E</b>	<b>Q2/'25E</b>	<b>Q3/'25E</b>	<b>Q4/'25E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>Invoicing</b>	<b>352.7</b>	<b>306.2</b>	81.2	81.8	73.8	79.1	<b>315.9</b>	84.3	85.5	78.4	81.9	<b>330.1</b>	<b>351.6</b>	<b>372.7</b>
<i>invoicing growth %</i>		-13.2%	4.6%	3.0%	0.0%	5.1%	3.2%	3.8%	4.6%	6.2%	3.6%	4.5%	6.5%	6.0%
<b>Net sales</b>	<b>351.4</b>	<b>305.7</b>	81.1	81.6	73.8	79.1	<b>315.6</b>	84.0	85.3	78.1	81.7	<b>329.1</b>	<b>350.5</b>	<b>371.5</b>
<i>sales growth %</i>		-13.0%	4.6%	2.9%	0.0%	5.3%	3.2%	3.6%	4.5%	5.9%	3.3%	4.3%	6.5%	6.0%
<b>EBIT</b>	<b>6.5</b>	<b>8.6</b>	2.7	2.3	1.4	2.0	<b>8.5</b>	2.9	2.4	2.4	2.1	<b>9.9</b>	<b>10.9</b>	<b>12.3</b>
<i>EBIT margin</i>	1.9%	2.8%	3.3%	2.8%	1.9%	2.5%	2.7%	3.5%	2.8%	3.1%	2.6%	3.0%	3.1%	3.3%
<b>Adj. EBIT</b>	<b>6.5</b>	<b>8.9</b>	2.8	2.3	2.3	2.0	<b>9.5</b>	2.9	2.4	2.4	2.1	<b>9.9</b>	<b>10.9</b>	<b>12.3</b>
<i>adj. EBIT margin</i>	1.8%	2.9%	3.5%	2.8%	3.1%	2.5%	3.0%	3.5%	2.8%	3.1%	2.6%	3.0%	3.1%	3.3%
<b>Group admin</b>	<b>2022</b>	<b>2023</b>	<b>Q1/'24</b>	<b>Q2/'24</b>	<b>Q3/'24</b>	<b>Q4/'24</b>	<b>2024</b>	<b>Q1/'25E</b>	<b>Q2/'25E</b>	<b>Q3/'25E</b>	<b>Q4/'25E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
EBIT	-20.0	-7.0	-3.1	-2.1	-6.3	-3.8	-15.3	-4.5	-3.3	-3.7	-3.4	-15.0	-15.2	-15.4
Adj. EBIT	-8.4	-6.8	-2.2	-1.2	-1.9	-1.5	-6.8	-2.5	-1.3	-1.7	-1.4	-7.0	-7.2	-7.4

Source: Oriola, Evli Research estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	1.08 PV of Free Cash Flow	243 Long-term growth, %	1.5 % Risk-free interest rate, %	2.50 %
DCF share value	3.02 PV of Horizon value	286 WACC, %	7.8 % Market risk premium, %	5.8 %
Share price potential, %	179.7 % Unconsolidated equity	87 Spread, %	0.5 % Debt risk premium %	2.5 %
Maximum value	3.3 Marketable securities	114 Minimum WACC, %	7.3 % Equity beta coefficient	0.95
Minimum value	2.8 Debt – dividend	–170 Maximum WACC, %	8.3 % Target debt ratio, %	20 %
Horizon value, %	54.0 % Value of stock	560 No. of shares, Mn	185.3 Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	1 680	1 778	1 864	1 951	2 029	2 110	2 194	2 260	2 328	2 398	2 434	2 470
Sales growth (%)	12.4%	5.8%	4.9%	4.6%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	1.5%	1.5%
Operating income (EBIT)	14	16	21	28	37	38	39	34	35	36	37	37
Operating income margin %	0.8%	0.9%	1.2%	1.5%	1.8%	1.8%	1.8%	1.5%	1.5%	1.5%	1.5%	1.5%
+ Depreciation+amort.	13	12	12	12	9	10	11	12	13	13	14	
EBITDA	27	28	33	40	45	48	51	46	47	49	50	
– Paid taxes	–5	–3	–4	–6	–7	–8	–8	–7	–7	–7	–7	
– Change in NWC	21	7	6	6	6	6	6	5	5	5	3	
NWC / Sales, %	–6.5%	–6.5%	–6.6%	–6.6%	–6.6%	–6.6%	–6.7%	–6.7%	–6.7%	–6.7%	–6.7%	
+ Change in other liabs												
– Operative CAPEX	–3	–3	–4	–5	–8	–8	–8	–9	–9	–9	–9	
opCAPEX / Sales, %	0.5%	0.5%	0.5%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	
– Acquisitions												
+ Divestments												
– Other items	0											
= FCFF	42	28	31	35	36	38	40	35	37	38	36	591
= Discounted FCFF		27	27	29	27	27	26	21	21	20	18	286
= DFCF min WACC		27	27	29	28	28	27	22	21	21	18	325
= DFCF max WACC		27	27	29	27	26	26	21	20	19	17	253

## Sensitivity analysis, EUR

		Terminal WACC				
		5.77 %	6.77 %	7.77 %	8.77 %	9.77 %
Terminal EBIT–%	–0.50 %	0.70	0.87	0.96	1.01	1.04
	0.50 %	2.51	2.21	1.99	1.83	1.69
	1.50 %	4.32	3.55	3.02	2.64	2.35
	2.50 %	6.13	4.89	4.05	3.45	3.00
	3.50 %	7.95	6.23	5.08	4.26	3.65

## INTERIM FIGURES

<b>EVLI ESTIMATES, EURm</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	375.1	439.5	424.4	440.7	1 679.7	412.7	464.1	437.5	463.6	1 777.8	1 864.4	1 950.6
EBITDA	6.7	8.5	5.0	7.0	27.1	5.9	7.0	7.2	7.7	27.7	33.2	40.3
<i>EBITDA margin (%)</i>	<i>1.8%</i>	<i>1.9%</i>	<i>1.2%</i>	<i>1.6%</i>	<i>1.6%</i>	<i>1.4%</i>	<i>1.5%</i>	<i>1.6%</i>	<i>1.7%</i>	<i>1.6%</i>	<i>1.8%</i>	<i>2.1%</i>
EBIT	3.7	5.6	0.3	4.0	13.6	2.9	4.0	4.2	4.7	15.9	21.4	28.5
<i>EBIT margin (%)</i>	<i>1.0%</i>	<i>1.3%</i>	<i>0.1%</i>	<i>0.9%</i>	<i>0.8%</i>	<i>0.7%</i>	<i>0.9%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>0.9%</i>	<i>1.2%</i>	<i>1.5%</i>
Net financial items	-5.7	-2.8	-2.5	-21.2	-32.1	-3.5	-2.0	-2.0	-2.5	-10.0	-2.7	2.0
Pre-tax profit	-2.0	2.9	-2.2	-17.2	-18.5	-0.6	2.0	2.2	2.2	5.9	18.8	30.5
Tax	-0.4	-0.9	0.2	-0.5	-1.5	-0.3	-0.5	-0.5	-0.6	-2.0	-3.2	-4.7
<i>Tax rate (%)</i>	<i>22.6%</i>	<i>21.0%</i>	<i>12.5%</i>	<i>21.7%</i>	<i>23.8%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	-2.3	2.0	-2.0	-17.7	-20.0	-0.8	1.5	1.7	1.6	3.9	15.6	25.8
EPS	-0.01	0.01	-0.01	-0.10	-0.11	0.00	0.01	0.01	0.01	0.02	0.08	0.14
EPS adj. (diluted)	-0.01	0.01	-0.01	-0.10	-0.11	0.00	0.01	0.01	0.01	0.02	0.08	0.14
Dividend per share					0.07					0.08	0.09	0.10
<b>SALES, EURm</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Distribution	294.1	358.0	350.8	361.8	1 364.7	328.8	378.9	359.5	382.1	1 449.3	1 514.5	1 579.7
Wholesale	81.1	81.7	73.7	79.1	315.6	84.0	85.3	78.1	81.7	329.1	350.5	371.5
Other	-0.1	-0.2	-0.1	-0.2	-0.6	-0.2	-0.2	-0.2	-0.2	-0.6	-0.6	-0.6
Total	375.1	439.5	424.4	440.7	1 679.7	412.7	464.1	437.5	463.6	1 777.8	1 864.4	1 950.6
<b>SALES GROWTH, Y/Y%</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Distribution	3.8%	15.5%	23.4%	16.1%	14.8%	11.8%	5.9%	2.5%	5.6%	6.2%	4.5%	4.3%
Wholesale	4.6%	3.0%	-0.1%	5.3%	3.2%	3.6%	4.4%	6.0%	3.3%	4.3%	6.5%	6.0%
Other	-67.4%	-3.2%	-39.8%	-2.6%	-32.2%	50.0%	-25.0%	50.0%	-25.0%			
Total	4.1%	13.0%	18.6%	14.0%	12.4%	10.0%	5.6%	3.1%	5.2%	5.8%	4.9%	4.6%
<b>EBIT, EURm</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Distribution	4.1	5.4	5.1	5.8	20.4	4.5	4.9	5.5	6.0	21.0	25.7	31.6
Wholesale	2.7	2.3	1.5	2.0	8.5	2.9	2.4	2.4	2.1	9.9	10.9	12.3
Other	-3.1	-2.1	-6.3	-3.8	-15.3	-4.5	-3.3	-3.7	-3.4	-15.0	-15.2	-15.4
Total	3.7	5.6	0.3	4.0	13.6	2.9	4.0	4.2	4.7	15.9	21.4	28.5
<b>EBIT margin %</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Distribution	1.4%	1.5%	1.5%	1.6%	1.5%	1.4%	1.3%	1.5%	1.6%	1.5%	1.7%	2.0%
Wholesale	3.3%	2.8%	2.0%	2.5%	2.7%	3.5%	2.8%	3.1%	2.6%	3.0%	3.1%	3.3%
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	1.0%	1.3%	0.1%	0.9%	0.8%	0.7%	0.9%	1.0%	1.0%	0.9%	1.2%	1.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales			1 539.1	1 493.8	1 679.7	1 777.8	1 864.4	1 950.6
<i>Sales growth (%)</i>				-2.9%	12.4%	5.8%	4.9%	4.6%
EBITDA			25.0	29.9	27.1	27.7	33.2	40.3
<i>EBITDA margin (%)</i>			1.6%	2.0%	1.6%	1.6%	1.8%	2.1%
Depreciation			-15.4	-13.8	-13.5	-11.8	-11.8	-11.8
EBITA			9.5	16.1	13.6	15.9	21.4	28.5
Goodwill amortization / writedown				-21.4				
EBIT			9.5	-5.3	13.6	15.9	21.4	28.5
<i>EBIT margin (%)</i>			0.6%	-0.4%	0.8%	0.9%	1.2%	1.5%
Reported EBIT			9.5	-5.3	13.6	15.9	21.4	28.5
<i>EBIT margin (reported) (%)</i>			0.6%	-0.4%	0.8%	0.9%	1.2%	1.5%
Net financials			-2.7	-12.4	-32.1	-10.0	-2.7	2.0
Pre-tax profit			6.9	-17.6	-18.5	5.9	18.8	30.5
Taxes			-2.1	-3.1	-1.5	-2.0	-3.2	-4.7
Minority shares								
Net profit			4.8	-20.7	-20.0	3.9	15.6	25.8
Cash NRIs								
Non-cash NRIs								
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets			343	303	266	261	256	253
Goodwill			61	35	35	35	35	35
Right of use assets			14	9	12	14	16	19
Inventory			149	163	176	187	196	205
Receivables			232	285	272	287	300	314
Liquid funds			161	138	114	120	126	132
Total assets			961	935	876	904	930	958
Liabilities								
Shareholders' equity			226	171	133	125	125	134
Minority interest								
Convertibles								
Lease liabilities						14	16	19
Deferred taxes			5	3	1	1	1	1
Interest bearing debt			137	214	170	161	155	142
Non-interest bearing current liabilities			581	532	557	590	618	647
Other interest-free debt			13	14	14	14	14	14
Total liabilities			961	935	876	904	930	958
<b>CASH FLOW, EURm</b>								
+ EBITDA			25	30	27	28	33	40
- Net financial items			-3	-12	-32	-10	-3	2
- Taxes			-4	-4	-3	-2	-3	-5
- Increase in Net Working Capital			28	-13	21	7	6	6
+/- Other			32	10	25			
= Cash flow from operations			78	10	39	23	34	44
- Capex			234	-2	-9	-8	-10	-11
- Acquisitions								
+ Divestments								
= Free cash flow			312	8	30	15	24	33
+/- New issues/buybacks			221	-23	-5			
- Paid dividend			11	13	13	15	17	19
+/- Other			-372	3	-37	5	-3	-10
Change in cash			161	-22	-25	7	6	6

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap		316	198	162	200	200	200
Net debt (excl. convertibles)		-24	76	57	55	46	29
Enterprise value		292	274	218	168	159	142
Sales		1 539	1 494	1 680	1 778	1 864	1 951
EBITDA		25	30	27	28	33	40
EBIT		10	-5	14	16	21	28
Pre-tax		7	-18	-19	6	19	31
Earnings		5	-21	-20	4	16	26
Equity book value (excl. minorities)		226	171	133	125	125	134

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales		0.2	0.2	0.1	0.1	0.1	0.1
EV/EBITDA		11.7	9.1	8.1	6.1	4.8	3.5
EV/EBITA		30.6	17.0	16.0	10.6	7.4	5.0
EV/EBIT		30.6	-52.0	16.0	10.6	7.4	5.0
EV/OCF		3.7	28.5	5.6	7.4	4.7	3.2
EV/FCF		0.9	22.9	5.2	5.9	5.1	4.0
P/FCFR		1.0	25.0	5.4	13.8	8.3	6.1
P/E		66.0	-9.6	-8.1	51.2	12.9	7.8
P/BV		1.4	1.2	1.2	1.6	1.6	1.5
Target EV/EBITDA					9.3	7.5	5.8
Target EV/EBIT					16.3	11.6	8.2
Target EV/FCFF					17.8	10.4	7.1
Target P/BV					1.6	1.6	1.5
Target P/E, diluted					52.1	13.1	7.9

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)		181.49	181.49	181.49	185.32	185.32	185.32
Number of shares (diluted, million)		181.49	181.49	181.49	185.32	185.32	185.32
EPS		0.03	-0.11	-0.11	0.02	0.08	0.14
Operating cash flow per share		0.43	0.05	0.21	0.12	0.18	0.24
Free cash flow per share		1.72	0.04	0.16	0.08	0.13	0.18
Book value per share		1.24	0.94	0.74	0.67	0.68	0.73
Dividend per share		0.06	0.07	0.07	0.08	0.09	0.10
Dividend payout ratio, %		227.4%	-61.3%	-63.5%	379.1%	107.2%	71.8%
Dividend yield, %		3.5%	6.4%	6.5%	7.4%	8.3%	9.3%
FCF yield, %		98.7%	4.0%	18.5%	7.3%	12.0%	16.5%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE			-10.4%	-13.1%	3.0%	12.5%	19.9%
ROCE		4.2%	-2.7%	-3.3%	3.9%	8.1%	12.0%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales		9.7%	10.9%	10.5%	10.5%	10.5%	10.5%
Receivables as % of sales		15.0%	19.1%	16.2%	16.1%	16.1%	16.1%
Non-int. bearing liabilities as % of sales		37.8%	35.6%	33.2%	33.2%	33.2%	33.2%
NWC/sales, %		-13.1%	-5.6%	-6.5%	-6.5%	-6.6%	-6.6%
Operative CAPEX/Sales, %		-15.2%	0.1%	0.5%	0.5%	0.5%	0.6%
CAPEX/sales (incl. acquisitions), %		-15.2%	0.1%	0.5%	0.5%	0.5%	0.6%
FCFF/EBITDA		13.0	0.4	1.5	1.0	0.9	0.9
Net Debt/EBITDA, book-weighted		-0.9	2.5	2.1	2.0	1.4	0.7
Debt/equity, market-weighted		0.4	1.1	1.1	0.8	0.8	0.7
Equity ratio, book-weighted		0.2	0.2	0.2	0.1	0.1	0.1
Gearing, %		-10.5%	44.3%	42.5%	44.0%	36.3%	21.7%

**COMPANY DESCRIPTION:** Oriola is a pharmaceutical distribution and services company, maintaining a leading position within its operating markets Finland and Sweden. Oriola operates through two segments: Distribution and Wholesale. Oriola also owns 50% of Swedens third-largest pharmacy chain Kronans Apotek. Headquartered in Espoo, Finland, Oriola employs around 800 employees (FTE).

**INVESTMENT CASE:** Oriola's profitability has been low throughout the 2020's, with the adj. EBIT margin at around 1.0–1.5%. Through focus on higher-margin wholesale business and enhanced efficiency, the company ambitiously targets a 3% EBIT margin in the long term. The underlying market through its defensive nature provides steady, volume driven growth, further supported by trends driving value growth. Valuation upside is considerable, should the company reach its targeted levels of profitability.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Mariatorp Oy	27 132 142	29.303	14.6 %
Wipunen Varainhallinta Oy	9 185 714	9.921	5.0 %
Varma Mutual Pension Insurance Company	7 902 214	8.534	4.3 %
Ilmarinen Mutual Pension Insurance Company	6 153 033	6.645	3.3 %
Fennia Life Insurance Company Ltd	4 447 342	4.803	2.4 %
Maa- ja Vesitekniiikan Tuki ry.	4 312 883	4.658	2.3 %
Greenzap Oy	3 214 285	3.471	1.7 %
The Social Insurance Institution of Finland, KELA	1 991 481	2.151	1.1 %
Ylppö Jukka Arvo	1 890 450	2.042	1.0 %
Phoebus	1 615 571	1.745	0.9 %
Ten largest	67 845 115	73.273	36.6 %
Residual	117 478 263	126.877	63.4 %
Total	185 323 378	200.149	100%

#### EARNINGS CALENDAR

April 29, 2025	Q1 report
July 18, 2025	Q2 report
October 30, 2025	Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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CFO: Mats Danielsson	Tel: +358 10 429 99
IR: Tua Stenius-Örnheim	

## DEFINITIONS

<b>P/E</b>  $\frac{\text{Price per share}}{\text{Earnings per share}}$	<b>EPS</b>  $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<b>P/BV</b>  $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<b>DPS</b>  Dividend for the financial period per share
<b>Market cap</b>  Price per share * Number of shares	<b>OCF (Operating cash flow)</b>  EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
<b>EV (Enterprise value)</b>  Market cap + net debt + minority interest at market value – share of associated companies at market value	<b>FCF (Free cash flow)</b>  Operating cash flow – Operative CAPEX – acquisitions + divestments
<b>EV/Sales</b>  $\frac{\text{Enterprise value}}{\text{Sales}}$	<b>FCF yield, %</b>  $\frac{\text{Free cash flow}}{\text{Market cap}}$
<b>EV/EBITDA</b>  $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<b>Operative CAPEX / Sales</b>  $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<b>EV/EBIT</b>  $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<b>Net working capital</b>  Current assets – current liabilities
<b>Net debt</b>  Interest bearing debt – financial assets	<b>Capital employed / Share</b>  $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<b>Total assets</b>  Balance sheet total	<b>Gearing</b>  $\frac{\text{Net debt}}{\text{Equity}}$
<b>Div yield, %</b>  $\frac{\text{Dividend per share}}{\text{Price per share}}$	<b>Debt/Equity, %</b>  $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<b>Payout ratio, %</b>  $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<b>Equity ratio, %</b>  $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<b>ROCE, %</b>  $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	<b>CAGR, %</b>  Cumulative annual growth rate = Average growth rate per year
<b>ROE, %</b>  $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	



Important Disclosures

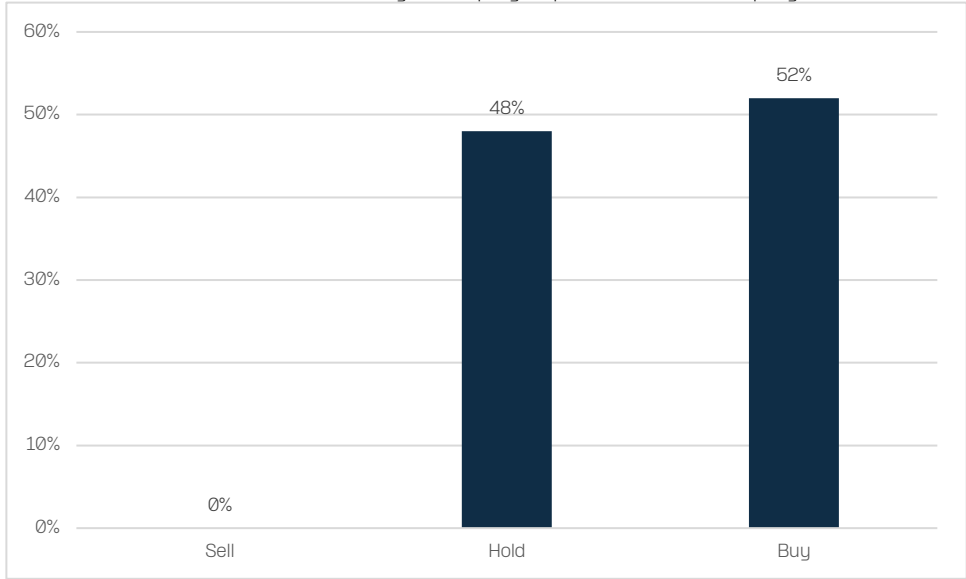
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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Name(s) of the analyst(s): Jerker Salokivi

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