

ORIOLA

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT



Patience prescribed

Oriola has strong market positions in growing defensive markets. We believe the company has the potential for a moderately rising earnings trend, but we also see the large investment projects in the coming years bringing risks. In addition, we believe that the associated company Kronans is overvalued on the company's balance sheet and poses a clear risk. On the other hand, structural changes could also unlock value for the company. We reiterate our Accumulate recommendation as the stock trades clearly below, e.g., our sum-of-the-parts valuation. We lower our target price to EUR 1.0 (was EUR 1.1) on the back of slightly decreased estimates.

Oriola is a pharmaceutical distributor and wholesaler

Oriola is a company specializing in pharmaceutical distribution, wholesale of health and well-being products, and advisory services for the pharmaceutical market. Oriola also has a 50% ownership in Kronans, a pharmacy chain operating in Sweden, which is reported as an associated company. Oriola's revenue mainly comes from Finland and Sweden. In both countries, Oriola controls about half of the pharmaceutical distribution market, so its market position is very strong, and it is difficult for new competitors to enter the market. The company's revenue grows fairly steadily with the market, and the aging population in particular will continue to support the growth of the pharmaceutical market. From the perspective of market positions and market growth, we believe Oriola's situation and outlook are positive.

Major investment projects underway

Oriola is undergoing a group-wide IT system renewal that will last until 2027. In addition, it is building a new distribution center for all its Finnish operations, which is scheduled to be commissioned during 2028. The purpose of these projects is to enhance the company's operations and improve profitability. However, we believe the benefits are still a few years away, and along the way, major changes may cause operational challenges. We have taken this into account in our 2028 forecast, where we expect the

transfer of the logistics center to cause a drop in earnings.

We do not expect the company to reach its targets

The company updated its financial targets in spring 2026 for the strategy period ending in 2029. The key targets are at least 5% revenue growth and a cost-to-revenue ratio below 75% (i.e. adjusted EBITDA over 25%). We believe the revenue target is credible, as the company's historical growth and the market's projected growth for the coming years are both around 4%. This is also our growth forecast, which is thus slightly below the target. The target horizon for profitability is rather short, considering the commissioning of the new logistics center during 2028. We expect profitability to remain roughly at the current level of 17%, excluding a weaker performance in 2028. The company also aims to pay out around two-thirds of its earnings as dividends, while simultaneously strengthening its equity ratio.

We expect the associated company Kronans' earnings to improve from a weak level in the coming years, but its value to still be significantly lower than Oriola's book value. For 2026, the company's guidance is that adjusted EBITDA will grow. Our estimate (36 MEUR) is slightly above the comparison period.

We see value in the company, but also significant risks

Several factors complicate the assessment of Oriola's valuation multiples, and we do not consider the Group's earnings multiples (especially EV-based ones) to be directly usable. Our sum-of-the-parts and DCF values are EUR 1.7-1.8. Our target price is lower than the sum-of-the-parts valuation because we account for the risk of an impairment of the associate and a potential need for equity. In addition, the target price is weighed down by operational risks related to investments in the coming years, as well as the time required to unlock the company's value. We believe that divesting Kronans would significantly clarify the company's structure and enhance its value, even if it required strengthening the equity.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 1.00

(was EUR 1.10)

Share price:

EUR 0.89

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	202	208	216	225
growth-%	-88%	3%	4%	4%
EBIT adj.	23.1	22.4	24.6	19.9
EBIT-% adj.	11.5 %	10.7 %	11.4 %	8.8 %
Net income	-27.1	3.4	13.4	15.2
EPS (adj.)	0.03	0.05	0.09	0.08

P/E (adj.)	41.8	16.2	10.0	10.8
P/B	2.1	1.7	1.5	1.5
Dividend yield-%	2.6 %	3.4 %	5.6 %	5.6 %
EV/EBIT (adj.)	4.4	1.3	0.5	4.8
EV/EBITDA	5.0	1.1	0.4	2.7
EV/S	0.5	0.1	0.1	0.4

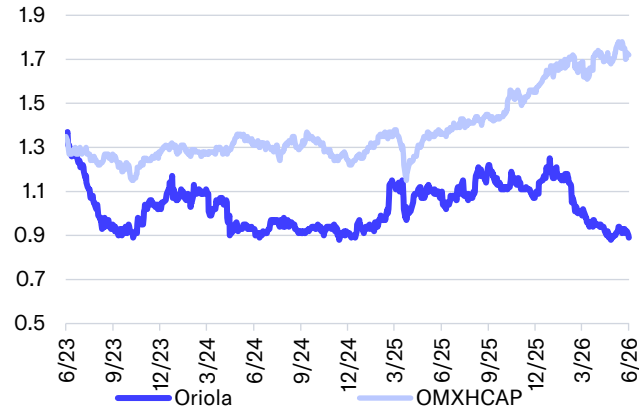
Source: Inderes

Guidance

(Unchanged)

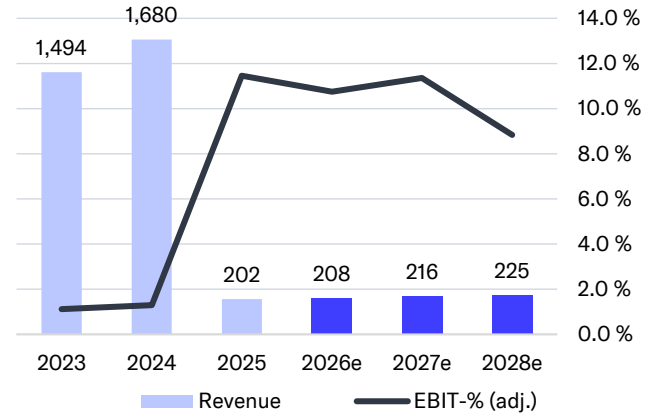
In 2026, Oriola expects adjusted EBITDA to grow from the previous year (2025: 35.1 MEUR).

Share price



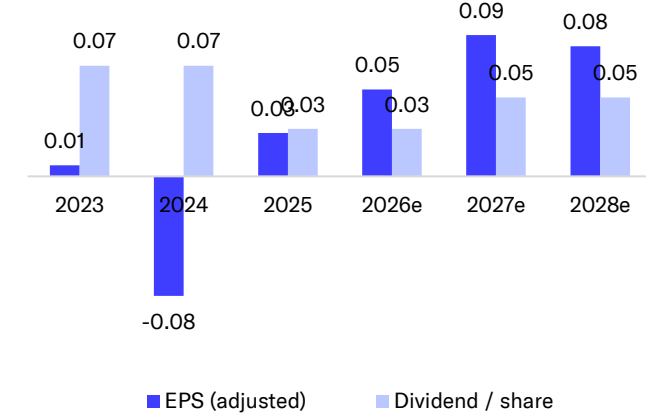
Source: Millstream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Strong market position in the Finnish and Swedish pharmaceutical distribution markets
- Improving margins through operational efficiency
- Positive development of the Swedish pharmacy business in the joint venture and a potential sale in due course

Risk factors

- Continued recurring operational challenges
- Risks related to increased regulation of pharmaceutical markets
- Larger acquisitions, especially into new markets and/or businesses
- Impairment of the Kronans joint venture
- Potential equity strengthening

Valuation	2026e	2027e	2028e
Share price	0.89	0.89	0.89
Number of shares, millions	185.2	185.2	185.2
Market cap	165	165	165
EV	30	12	95
P/E (adj.)	16.2	10.0	10.8
P/E	49.2	12.3	10.8
P/B	1.7	1.5	1.5
P/S	0.8	0.8	0.7
EV/Sales	0.1	0.1	0.4
EV/EBITDA	1.1	0.4	2.7
EV/EBIT (adj.)	1.3	0.5	4.8
Payout ratio (%)	166%	69%	61%
Dividend yield-%	3.4 %	5.6 %	5.6 %

Source: Inderes

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Oriola Group in brief

Oriola is a health and wellbeing company operating in the Nordic countries, with main offices located in Finland and Sweden. It specializes in pharmaceutical distribution and wholesale of health and wellbeing products.

1907 / 1948

Years of establishment Kronans Droghandel / Oriola

2006

Oriola is spun off from Orion and listed on Nasdaq Helsinki

202 MEUR

Revenue 2025

35 MEUR (17% of revenue)

Adjusted EBITDA 2025

42% / 46%

Respective market shares in Swedish and Finnish pharmaceutical wholesale in Q1'26

800

Average headcount Q1'26 (FTE)

1900-1990

Oriola's current Swedish operations were established in 1907 (Kronans Droghandel pharmaceutical wholesaler)

Oriola was founded in Finland in 1948

In the 1980s, Oriola acquired Reformikeskus, a health product and food company

1990-2010

In the 1990s, Oriola expanded into the Baltic countries

Merger with Kronans Droghandel in 2003

Spin-off from Orion to become independent listed company in 206

Expansion into Russia in 2008

2010-

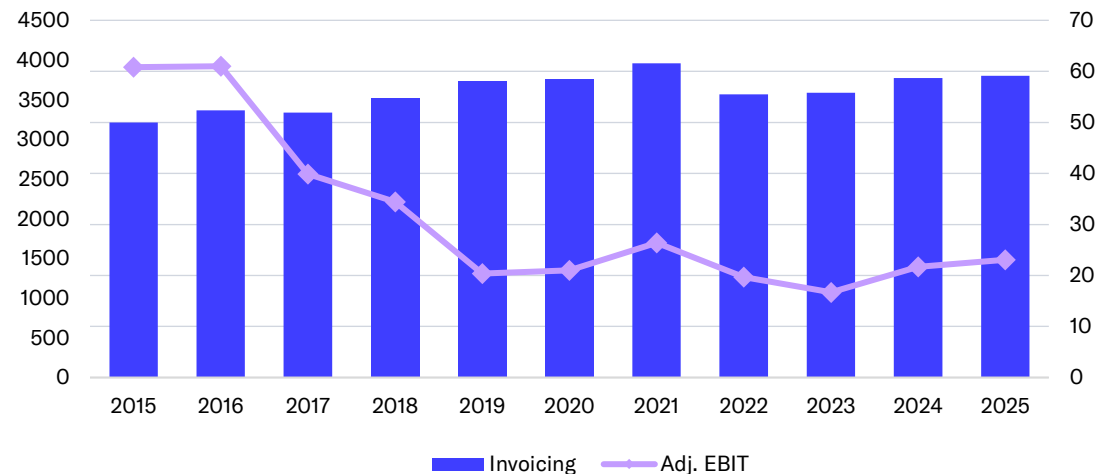
Expansion to the Swedish pharmacy market in 2010 and 2013

Russia exit in 2014

Baltic exit in 2017

Swedish pharmacies were transferred to a joint venture in 2022

Invoicing and adj. EBIT, MEUR



Source: Oriola

Company description and business model 1/6

Oriola in brief

Oriola is a company specializing in the distribution and wholesale of pharmaceuticals, health, and well-being products. In addition, the company offers advisory services to pharmaceutical companies and pharmacies, among others. Oriola previously had its own pharmacy business in Sweden, which merged in October 2022 with competitor Euroapothecca to form the Kronans Apotek joint venture. Oriola owns a 50% stake in the joint venture, but its operational management rests with Euroapothecca. Oriola's relevant target markets are the pharmaceutical, health, and well-being product markets in Finland and Sweden. Oriola's revenue of approximately 200 MEUR is practically all generated in Finland and Sweden. The company employs approximately 900 people.

Oriola renewed its segment structure once again in 2026

Oriola's business has undergone numerous changes in its organizational and reporting structures over the past decade. Regarding the organization, the most significant change in recent years has been the sale of the Swedish dose-dispensing business. Otherwise, the company's structure has remained largely the same since the Swedish pharmacies were transferred to a joint venture.

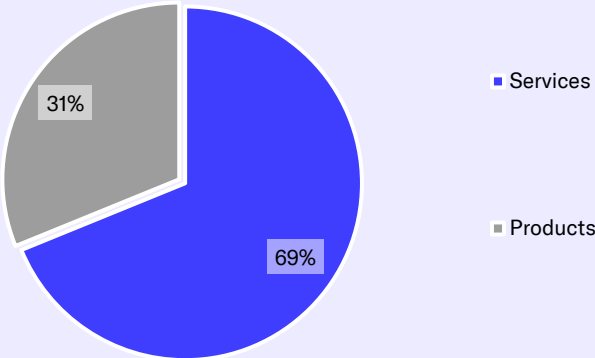
In terms of reporting, the company underwent a significant change this year when it began reporting its revenue on a net basis. This means that for pharmaceutical distribution, it now only includes the fees it receives, rather than the value of the medicines, as it partially did before. As a result, the company's revenue decreased from well over a billion to ~200 MEUR. The change had no impact on earnings. We believe the change is positive and better reflects the

company's earnings and value creation. At the same time, the company changed its reporting structure and currently divides the company into Services and Products segments. The division is logical, as service businesses, i.e., pharmaceutical distribution and advisory services, form the Services segment, and businesses where the company is responsible for product sales form the Products segment. Compared to the previous Distribution and Wholesale segments, most of the former Distribution segment's operations are now in the Services segment, and correspondingly, most of the old Wholesale segment is in the Products segment. However, the segments are not entirely identical, so historical segment data is not comparable. In addition to the two business segments, the company reports expenses under Group administration and Other items. We will discuss the segments in more detail below.

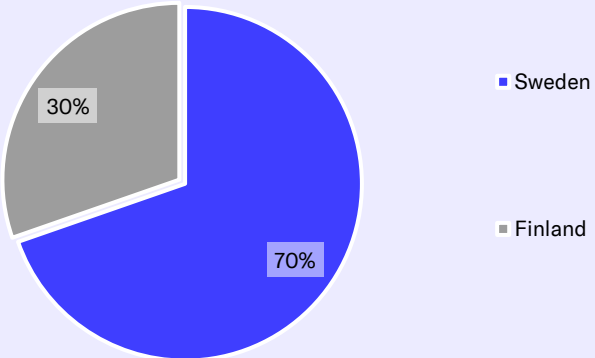
Earnings in recent year have been burdened by one-off items and associate losses

The company reports adjusted EBITDA as its most important earnings metric, which was 35 MEUR in 2025. The company also provides guidance for adj. EBITDA, and in recent years, the guidance has indicated annual earnings growth. Oriola's result is significantly impacted by non-recurring items related to IT system investments and losses from its associate company, Kronans. We will also discuss these in more detail later.

Revenue breakdown by segment, 2025



Geographical revenue distribution, 2025



Source: Oriola

Company description and business model 2/6

Services segment (73% of revenue) – pharmaceutical distribution as the main business

Services is clearly the larger of Oriola's two business segments, bringing in over 70% of revenue and over 80% of adjusted EBITDA (excl. Group expenses) in 2025.

The largest business in the Services segment is pharmaceutical distribution, which has been the company's core business since its inception. Oriola's role in this business is to act as a distributor of pharmaceuticals between pharmaceutical companies and pharmacies. It has no manufacturing operations of its own; the products it distributes come from principals, i.e., pharmaceutical companies. Oriola has around 250 principals. In pharmaceutical distribution, the company has a de facto oligopoly in both Finland and Sweden with its main competitor Tamro. Oriola's market shares have long remained between 40-50%. Customer contracts are typically multi-year, which brings stability and continuity to operations.

The company's reported invoicing figure describes the value of the medicines passing through it, whereas the current revenue figure only includes the distribution fee Oriola receives. The pharmaceuticals distributed by the company are no longer recorded in Oriola's balance sheet as inventory. In pharmaceutical distribution, distributors receive a distribution fee from their principals, which is usually a percentage of the product's price. In Finland, companies also charge customers (pharmacies, hospital pharmacies, veterinarians) processing fees, which consist of a small fixed amount and a low percentage of the delivery value. In Sweden, Oriola's earnings are limited to payments from principals, which structurally makes the Swedish business slightly weaker than the Finnish business. Oriola cannot influence the pricing of products.

From a profit perspective, the focus of operations is on large (and preferably steady) volumes, efficient picking, and delivery reliability. Efficient logistics and rapid inventory turnover can increase the return on capital invested in the business. Key to efficiency are unit costs, which can be lowered by, for example, increasing the degree of automation. Oriola's operations are characterized by negative working capital, which is due to favorable payment terms defined in principal and customer agreements, as well as Oriola's use of factoring for accounts receivable. We believe that long payment terms are part of the commercial arrangement with pharmaceutical companies, which enables Oriola and other pharmaceutical distributors to achieve a reasonable return on capital.

The Services segment also includes parallel imports of pharmaceuticals, which were previously part of Wholesale. Parallel import mainly concerns Sweden and means practically buying the same medicines from somewhere else in Europe, which enables a more affordable price due to, for example, exchange rate fluctuations.

Advisory Services are also part of Services

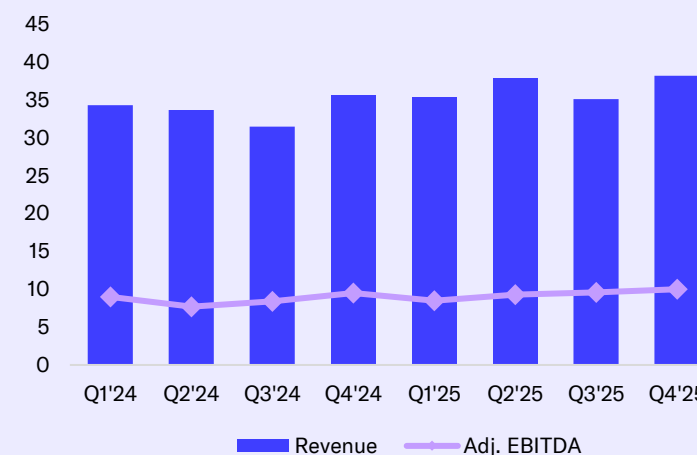
In addition to pharmaceutical distribution, the Services segment includes advisory services, which were previously part of the Wholesale segment. This is natural, as they are services, in line with the segment's name. However, the company has not disclosed the share of Advisory Services in the segment's revenue or earnings.

Oriola offers various expert or consulting services (related to, e.g., pharmacovigilance, drug marketing authorizations, and clinical trials), which complement the company's service offering and increase its attractiveness to pharmaceutical companies.

Oriola distributes drugs from companies such as:



Services segment development, MEUR



Source: Oriola

Company description and business model 3/6

Services are also offered outside the company's core markets of Finland and Sweden. However, we estimate that these services as a whole account for less than 10% of the Group's revenue, so despite their good margin, their significance as an independent operation is currently limited.

In the December 2024 announcement regarding the renewal of the Management Team and operating model, the Head of Advisory Services was appointed to the Group Management Team, which we believe signifies a larger role for the function. All other functions are grouped under "Services and Products" at the management team level, with its own director. Oriola has also expanded its Advisory Services operations through small acquisitions, which we believe are set to continue. Thus, in our opinion, Advisory Services have a clearly important role in the company, and we hope the company will continue to disclose more detailed figures for Advisory services in the future. This would improve investors' ability to assess the operations and the rationality and productivity of investing in them.

Products segment (27% of revenue)

The Products segment accounts for a minority of Oriola's revenue, and its profitability is currently weaker than that of the Services segment. The operations differ from pharmaceutical distribution in that products are also sold outside pharmacies, and Oriola can influence their pricing. Products segment products in inventory are also on Oriola's balance sheet, and the company thus bears normal business risk in relation to them.

However, the segment's three sub-groups, consumer products, dose dispensing, and special-license preparations, are different in nature. Portioning has a significant share of the revenue, accounting for half of the

revenue in Q1'26, but its adjusted operating margin is only slightly positive. Thus, the segment's figures contain a variety of operations.

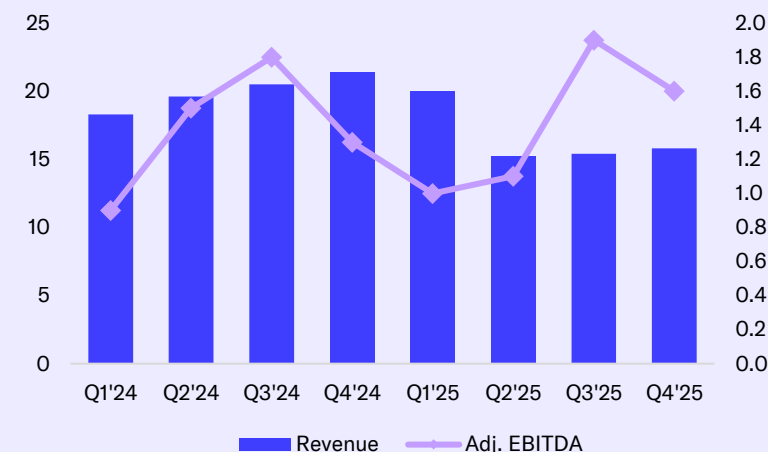
The segment's main product group is over-the-counter consumer products. The product range covers health and wellbeing products that Oriola sells. Most of these products reach consumers through pharmacies, but grocery stores are also a significant distribution channel for Oriola. In Finland, Oriola decides the composition of the product portfolio, markets it, and owns and represents certain brands, rather than "just acting as a wholesaler" for others. In Sweden, however, the company mainly acts as a wholesaler, and the composition of the product portfolio is strongly influenced by the wishes of pharmacies, consumer demand, and general trends. In recent years, the company has sought to combine business models by, for example, introducing its own brands sold in Finland to Sweden. In Finland, Oriola's own brands include Lysi (fish oil), Gefilus (lactic acid bacteria), Apteekkarin (e.g. nutritional supplements and lozenges), and Dexal (sports nutrition). Oriola has no own production; manufacturing is carried out by partners.

In our view, Oriola has historically faced challenges in finding a suitable product portfolio for profitable growth in these products. However, investments have been made in this area in recent years, and the company aims to expand its product portfolio and increase the number of new products. However, we do not believe that Products segment's offerings have a clear competitive advantage. We believe Oriola's advantage lies primarily in its strong presence in pharmacy distribution through pharmaceutical distribution, which it can leverage for the sale of other products.

Brands of health and well-being products in Oriola's selection



Products segment development, MEUR*



Source: Oriola *includes the Swedish dose-dispensing business until Q1'25, which has been divested

Company description and business model 4/6

Dose dispensing is currently done only in Finland

In addition to the above, the Products segment figures also include the dose dispensing business, which was previously part of the Distribution segment. Oriola exited dose dispensing in Sweden last year, so it is now only available in Finland. In 2025, Pharmaservice, Oriola's subsidiary providing dose dispensing in Finland, had revenue of approximately 26 MEUR, which is a significant 40% of the Products segment's revenue. In Finland, Oriola has a market share of around 30% in dose dispensing.

Dose dispensing contracts are tendered in the public sector, so price pressure is consistently high and limits the business's earnings potential. For Oriola, the business logic is primarily to gain more scale and thereby discounts on the purchase prices of medicines. The profitability of dose dispensing clearly improved in 2025 according to public figures, but its EBIT margin was still only 2.5% (0.6 MEUR). We believe that dose dispensing is not a core business for the company, and it could be prepared to divest it in Finland as well.

Special licensed medicines are part of Products

In addition to the health and well-being products described above, the Products segment includes special licensed medicines. Special licensed medicines include drugs that have not been approved in Finland or Sweden but have been approved in another country. Doctors can prescribe these medicines to patients, and Oriola can procure them for them. In addition, Oriola can import special licensed medicines to replace products facing availability issues. In our view, their profitability is better than the segment average. However, the company does not publish more detailed figures for this sub-segment, making it difficult to assess.

Logistics centers at the core of operations

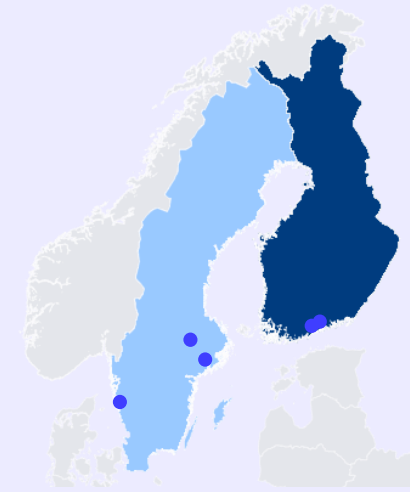
Oriola delivers medicines within 24 hours of an order (a legal requirement in Sweden, a customer promise in Finland), so it must have a large warehouse, a functional ordering system, and an efficient logistics chain. The promise of fast delivery also means that the company must be prepared for significant changes in demand. In Finland, Oriola delivers medicines from Espoo, where Oriola's headquarters, the Finnish central warehouse, and the distribution center are located. In Sweden, the central warehouse is in Mölnlycke and the distribution center is in Enköping.

The Finnish facility is already relatively old, and Oriola is building a new logistics center in Järvenpää, which will be commissioned in 2028. The total value of the investment is over 100 MEUR, but Oriola will only pay for the land and lease the building and equipment. The investment will significantly increase logistics efficiency by automating, for example, order picking. In addition, the investment will increase capacity, especially cold chain capacity.

The renewal of the Group's IT systems is underway

The company implemented an IT system upgrade in its Finnish Wholesale operations during 2017-2018, but due to problems in Finland, the upgrade was not carried out in Sweden at that time. In recent years, profitability in Finland has been at a better level than in Sweden. The company is currently renewing its Group-wide ERP system, which will continue until 2027. The IT system upgrade aims to increase efficiency across the entire Group. The costs of the renewal will be recorded almost entirely as one-off expenses rather than investments, which will burden Oriola's reported results for 2025-2027. The system implementation has already begun, but its full deployment involves risks that could lead to additional costs and operational disruptions in 2026-27.

Offices in Finland and Sweden



Offices: Espoo and Stockholm
Distribution centers: Espoo and Enköping
Central warehouse: Espoo and Mölnlycke
Dose dispensing production: Helsinki

Company description and business model 5/6

Pharmacies are retail businesses

Pharmacy business is retail by nature. Pharmacies purchase medicines and other healthcare products for sale either from Oriola or from other wholesalers operating in Sweden. In addition to products purchased from the wholesaler, the largest expense items are related to premises rents and salaries of pharmacy staff.

In retail, consumer purchases form the revenue stream for pharmacies. The prices of medicines are determined by the local authorities, so sales margins are low, and pharmacies have pricing flexibility for only a small portion of their product selection. Key to profitability are fixed cost management and rapid inventory turnover – larger chains also benefit from better purchasing terms.

Joint venture in Swedish pharmacies

In 2022, Oriola's Kronans Apotek chain merged with Euroapothecca's Apoteksgruppen to form a joint venture, in which both own half, but Oriola's role is mainly as an owner influencing through the board. According to the company, the chain has a ~21% share of the Swedish pharmacy market and is the third-largest pharmacy chain. The joint venture is of significant value to Oriola, even though Oriola does not operationally manage the company. The book value of the Kronans holding is 185 MEUR, but we see the true value as significantly lower.

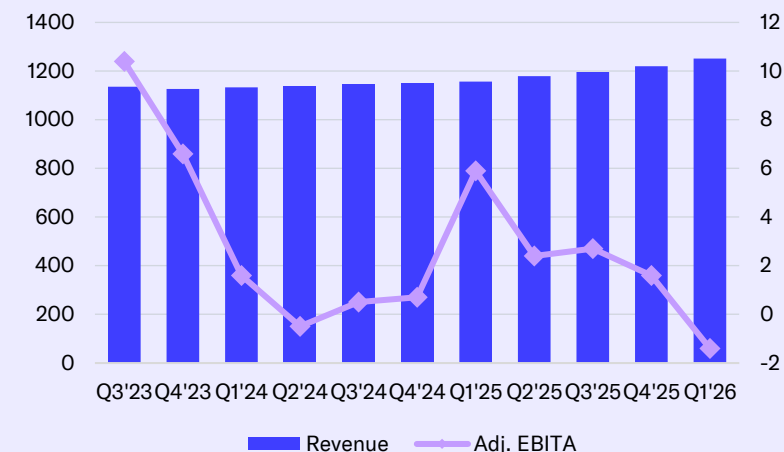
The joint venture's revenue for the last 12 months was ~1.25 BEUR. In our view, the best metric for measuring the joint venture's operational performance is adjusted EBITA, as the result is burdened by significant intangible asset depreciations and non-recurring items related to the integration of the companies. For the rolling 12-month

period, adjusted EBITA is slightly in the red, and the company has not been sustainably profitable throughout the joint venture's history (see chart on the right).

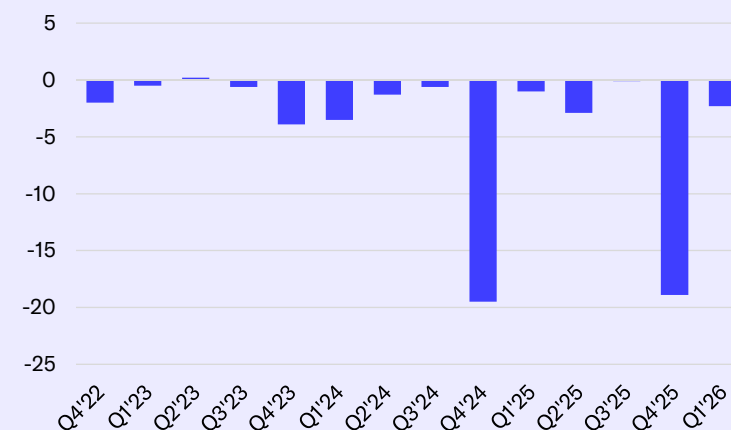
The joint venture originally aimed for 25 MEUR in synergies by the end of 2025, when the company's integration was completed. However, achieving synergies has taken longer than expected, and they have not yet translated into improved earnings. In 2026, Kronans has initiated several short- and medium-term measures to improve its results. Oriola has stated that Kronans aims for industry-average profitability by the end of 2027, but we believe this timeline is too optimistic. This is also indicated by the fact that Kronans' own plans largely aim for improvement only in 2028-29.

In our view, Kronans' structural challenge is its extensive network of brick-and-mortar pharmacies and, on the other hand, its weaker position compared to competitors in the significant and growing online pharmacy market in Sweden. In particular, the pure online pharmacy Apotea has grown strongly. For this reason, we do not believe Kronans will reach the level of its competitors (an EBIT margin of ~3-4%) in the coming years. Oriola reports the JV result as an associated company result below the EBIT line. This represents Oriola's share of the JV's reported net result, which has been negative to date. Oriola has stated that divesting Kronans will only be relevant once its financial performance improves. In our view, this means at least 2-3 years, depending, of course, on earnings development. We estimate that Oriola will seek to divest its ownership in Kronans if it can be done at a reasonable price. We believe that Euroapothecca would be a natural buyer candidate, as the company has other pharmacy operations.

Kronans Apotek, 12-month rolling, MEUR



Oriola's reported share of profit/loss from associates, MEUR



Source: Oriola, Inderes

Company description and business model 6/6

The share series were combined in 2025

Oriola combined its two previous share series at the 2025 Annual General Meeting, and thus it now has only one share series, in which all shares carry one vote. The company's main owner is Heikki Herlin, through his company Mariatorp, with a ~15% stake. This is followed by Finnish institutions with holdings of less than 5%. The number of foreign owners is very small, only 7%. Households hold a rather significant stake of over 45% in the company.

Oriola's management has only a small shareholding

Katarina Gabrielson has been Oriola's CEO since 2022. Gabrielson has been with Oriola since 2012, primarily in roles related to Swedish pharmacies. In our view, the company has not developed significantly during Gabrielson's tenure, and the share price has fallen considerably. On the other hand, investments initiated in recent years support future efficiency improvements. At the end of 2025, Gabrielson owned just over 71,000 Oriola shares, corresponding to ~60 TEUR. The CEO must hold at least half of the shares received from the incentive schemes until their ownership corresponds to their annual base salary, i.e., ~500 TEUR.

Mats Danielsson has served as the company's CFO since September 2024. Danielsson has previously served as CFO at Arella, Paulig, and Martela. Danielsson has no ownership in Oriola. In addition to the CEO and CFO, the Management Team has seven members, three of whom own 5,000-30,000 shares and four have no ownership in Oriola. We consider the Management Team's overall very small holdings a negative sign.

The company's Board of Directors has seven members, three from Sweden and four from Finland, which aligns well with the company's business operations. The Chairman of the Board since 2023 has been Heikki Westerlund, who previously worked at CapMan. Westerlund has a relatively significant holding of ~240,000 shares. Harri Pärssinen, the longest-serving board member, holds over 100,000 shares, while the other five members hold 25,000-50,000 shares each. The main owner, Herlin, does not have a direct representative on the Board.

Oriola's management has changed quite frequently in the 2020s, and the Board of Directors also saw significant renewal in 2023-24. Nevertheless, we believe the company's development has not seen the necessary change in direction or level adjustment. With the share price near an all-time low, the company's performance is naturally unsatisfactory from an investor's perspective.

Oriola has a long-term share-based incentive plan for key personnel. In the 2024-26 period, the emphasis is strongly on earnings performance (80%), while in the 2025-27 period, the weighting of different income statement items is 40%, the value of Oriola's ownership in Kronans Apotek is 20%, and cash flow variation/working capital is 30%. The targets are logical in themselves, although Oriola's ability to influence Kronans' results (which affect Oriola's net profit and Kronans' value) is very limited, so we consider rewarding based on them suboptimal. Oriola also has a short-term (annual) incentive scheme more directly linked to the efficiency and results of its own operations, with compensation paid in cash.

Oriola's largest shareholders

May 31, 2026

Mariatorp Oy	15.0%
Wipunen Varainhallinta Oy	5.0%
Varma	4.3%
Ilmarinen	3.3%
Maa- ja Vesitekniikan tuki ry	2.3%
Fennia Life	2.0%
Greenzap Oy	1.8%
KELA	1.1%
Jukka Ylppö	1.0%
Olli Herlin	1.0%

Source: Inderes

Investment profile 1/2

1 Strong market position in pharmaceutical distribution in Finland and Sweden

2 A growing and defensive market

3 Regulation and strong players make market entry difficult

4 Earnings have been subdued for years

5 Weak result of associate Kronans and write-down risk

Potential

- Improving profitability with ongoing investments (ERP, Finnish logistics center)
- Continuous growth of the pharmaceutical markets
- Unlocking the value of the associated company Kronans by divesting the holding

Risks

- A significant write-down in the value of the associate company Kronans and the resulting significant decrease in equity
- The implementation of investments may cause additional costs and temporary problems
- Earnings stagnating at current levels
- Larger acquisitions, which have mostly failed historically

Investment profile 2/2

Strong market position and pharmaceutical industry expertise in the growing Finnish and Swedish pharmaceutical markets

Oriola has a strong market position in the pharmaceutical wholesale markets in Finland and Sweden, with a market share of over 40% in both countries. Oriola has a significant ownership through a joint venture in Sweden's third-largest pharmacy chain (Kronans Apotek), which has a market share of over 20% in the Swedish pharmacy market. The company's core expertise includes knowledge of the pharmaceutical sector and relationships across the entire value chain.

High barriers to entry and long-term contracts bring stability to the business

Oriola operates in pharmaceutical distribution and wholesale of pharmaceutical and health products, which are strictly regulated. The barrier to entry is high, and market shares have remained relatively stable over the years, supported by the single-channel system (see page 16). In the core business, i.e., pharmaceutical distribution, the markets are practically divided between two players in both Finland and Sweden (Oriola and Tamro).

An established position in the industry and long-term customer contracts bring stability to the business and a steady revenue stream. Oriola is also part of the critical infrastructure. However, the company has suffered for years from internal problems, the resolution of which is key to a better earnings level in the future.

Earnings still at a rather subdued level

Since 2017, Oriola has faced numerous challenges, leading

to subdued earnings and share price performance. Earnings have been on a slight upward trend in recent years, but in our opinion, they are still at a subdued level. Thus, the company is still to some extent a turnaround company, which should have the potential for better results. In our view, nothing has structurally occurred within the company that would have significantly weakened the earnings potential of its current operations from the 2015-16 levels. Thus, the company should still be able to significantly improve its earnings through its own operational efficiency measures. However, we believe this will not materialize until the completion of ongoing investments, i.e., until 2028-29.

The situation is different for the Swedish pharmacy business operating in the joint venture, as industry-wide margins have deteriorated in recent years, and the increasing share of e-commerce will maintain margin pressure going forward. This is also likely to slow down the joint venture's profitability development, but we believe it will turn profitable in terms of adjusted EBITA.

We believe that in the medium term, Oriola will be prepared to fully divest its Swedish pharmacies, for example, by selling its stake to its partner, Euroapotheca. This would clarify the company's structure and value, although a sale could also lead to a significant write-down and balance sheet issues.

Positive drivers / potential

Steady growth in the markets

In wholesale, revenue and volume grow fairly steadily with the market. The aging population and the specialization and consequent increase in the cost of medicines will continue to support the growth of the pharmaceutical market.

Negative drivers/risks

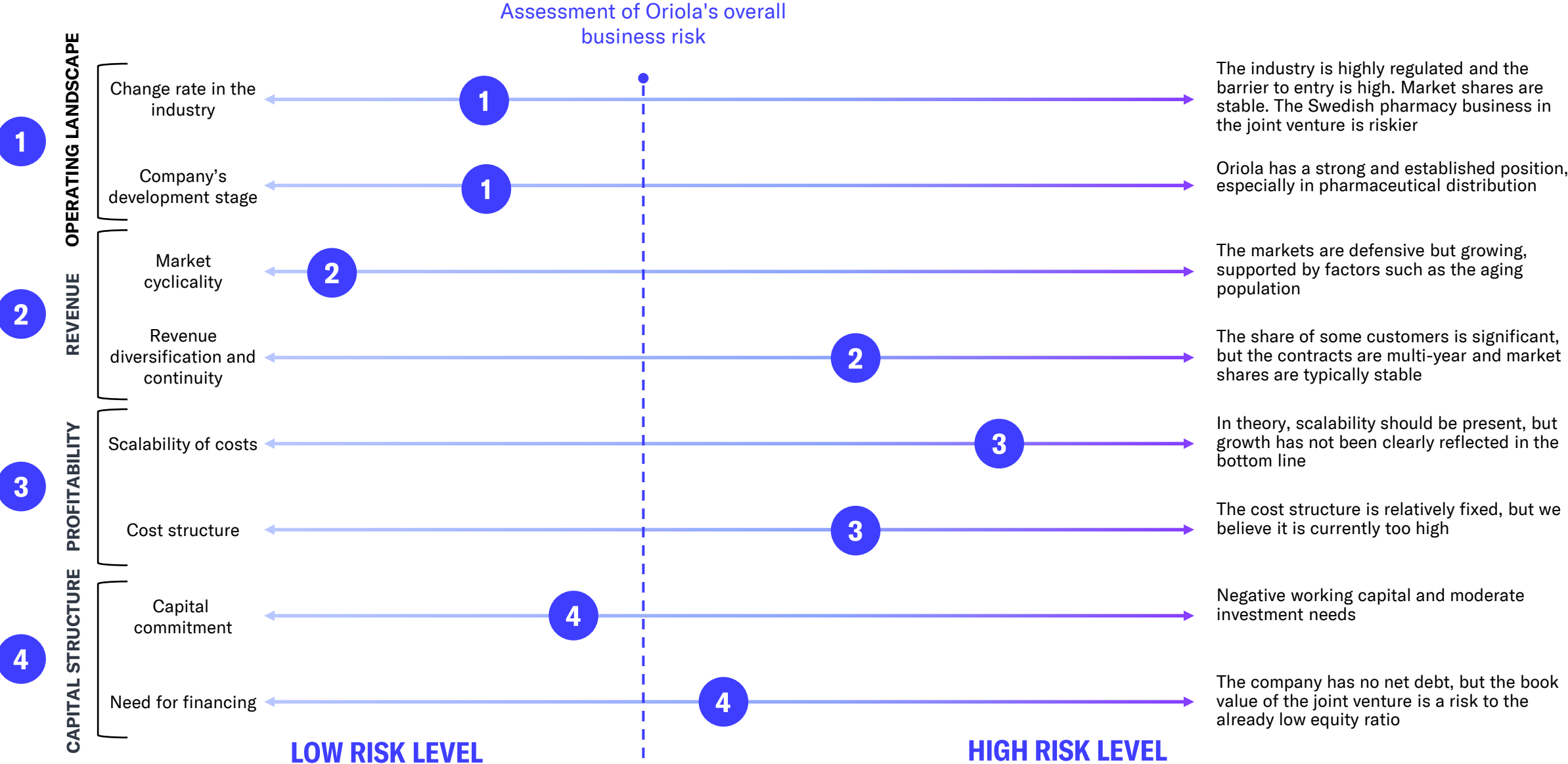
Risks and threats

The most significant risk for Oriola is its earnings permanently stagnating at the current modest level.

Secondly, we see a balance sheet risk in the valuation of the Swedish pharmacy joint venture, which is significantly higher than our estimate. We see a significant risk of a write-down in value in the coming years. Failure to achieve the joint venture's assumed profitability improvement would also negatively impact the share price. Third, we see Oriola's future investments in the ERP system and the Finnish logistics center as a risk. These may cause operational disruptions and delay the realization of profitability potential in the results, even though, when functioning correctly, they should enhance operations.

We also consider new acquisition/expansion plans more of a risk for the company, as its history of expanding into new markets has not been very successful.

Risk profile of the business model



Industry 1/4: Oriola's value chain

Product manufacturers

Pharmaceutical companies

Other health and wellbeing products

Wholesale / distribution

Wholesale pharmaceutical market

Wholesale market for health and wellbeing products

Distribution channels

Pharmacies

Hospital pharmacies, veterinarians, and other healthcare

Retail stores*

In Finland, the distribution of pharmaceuticals in retail stores will be allowed from 2027 onwards with a limited selection

Industry 2/4: Finnish pharmaceutical market

Finnish pharmaceutical wholesale market

In Finland, the wholesale sales of medicinal products in 2025 amounted to 3.3 BEUR. Prescription drugs accounted for over 90% of this, and over-the-counter drugs for just under 10%. Market growth in 2025 was only 1% due to the decline in OTC medicines and wholesale prices. Between 2010 and 2025, the Finnish pharmaceutical wholesale market grew by 3.5% annually, driven by factors such as the aging population and new medicines. We expect a similar level of trend growth to continue in the coming years.

The wholesale market is concentrated on two players

The pharmaceutical markets are highly regulated, which raises the barrier to entry. For example, pharmaceutical logistics must be kept separate from other products, which limits the ability of other wholesale, retail, or logistics operators to achieve synergies by expanding into pharmaceutical wholesale. In addition, large players gain significant economies of scale and are able to offer a wide range of services required by pharmaceutical companies, which reduces the threat of new entrants. Oriola and Tamro, which is part of the German Phoenix Group, share the Finnish pharmaceutical wholesale market almost equally. Oriola's market share in 2025 was 46% and Tamro's was over 50%. Other competitors' market shares were only marginal. Phoenix is one of Europe's largest pharmaceutical wholesalers, which may give Tamro an advantage over Oriola, for example, in purchasing prices.

Market shares have remained fairly stable for years. Mainly, they vary depending on how pharmaceutical companies switch distributors through competitive bidding or how well each distributor's pharmaceutical principals' own product portfolios perform at any given time. In Finland, Oriola and Tamro are practically the only viable pharmaceutical wholesalers for large pharmaceutical companies.

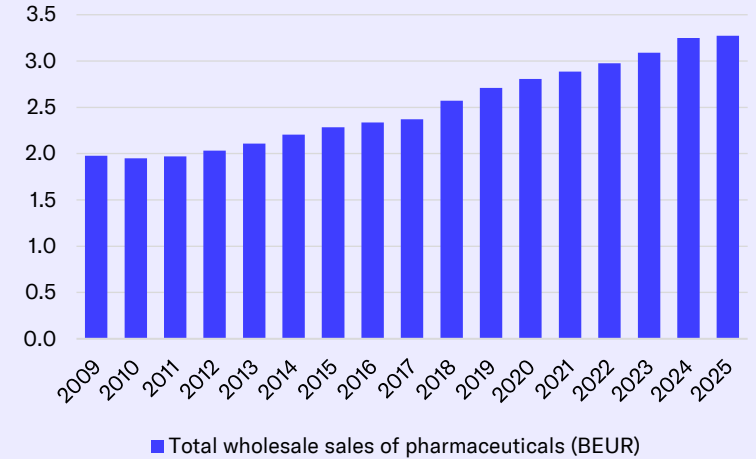
Single-channel system

In Finland, pharmaceutical distribution operates on a single-channel model, meaning that a specific pharmaceutical company's products reach customers through only one wholesaler. Pharma companies typically put wholesalers out to tender every 2-3 years and choose the most suitable one. The contracts are large and long-term, services are quite standardized, and differentiation is difficult. The single-channel model is a market-driven practice and has no legal basis. We do not believe that Finland will see a major shift towards a multi-channel system, even though it is a more common model elsewhere in the world. From the pharmaceutical companies' perspective, volumes in the Nordic countries are small, and on the other hand, wholesalers' margins are low, so we do not believe they have an incentive to change the current model.

Pharmacies are Oriola's most important distribution channel

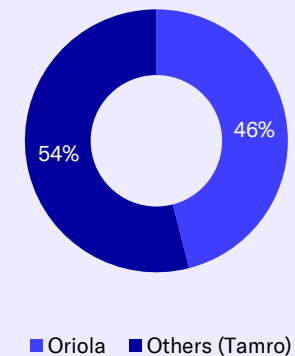
According to Pharma Industry Finland, nearly 70% of wholesale pharmaceutical sales were to pharmacies, and just over 30% were to other channels (e.g. hospitals and retail). In Finland, the Finnish Medicines Agency (Fimea) determines the number and location of pharmacies. Only a pharmacist or the Universities of Eastern Finland and Helsinki can own a pharmacy. There are over 800 pharmacies in Finland. Due to regulation and extensive geographical coverage, the total number of pharmacies in Finland has not grown significantly over the past ten years. Finland is set to open a narrowly defined selection of over-the-counter medicines to sales outside pharmacies starting in early 2027. This will slightly change the distribution of Oriola's sales, but in our view, it will not materially affect its earnings. For example, painkillers are not being deregulated at this stage.

Wholesale of pharmaceuticals in Finland



Source: Pharma Industry Finland

Finnish pharmaceutical wholesale market (2025)



Industry 3/4: Swedish pharmaceutical wholesale and pharmacy market

The Swedish pharmaceutical wholesale market

The Swedish pharmaceutical wholesale market is broadly similar to Finland's. In 2025, the Swedish pharmaceutical wholesale market was 73 BSEK, growing 6% year-on-year. Oriola's market share in 2025 was 42%. Like in Finland, the Swedish wholesale market is divided between two major players, with Tamro being the largest. We also estimate that a steady and healthy growth trend will continue in Sweden. Oriola forecasts the market to grow by 4-5% until 2030. A key difference for Oriola compared to Finland is the fee structure. In Sweden, Oriola receives commission only from principals, but not from customers as in Finland. This makes the Swedish market structurally slightly less profitable.

Swedish pharmacy market

The size of the Swedish pharmacy market in 2025 was ~68 BSEK (source: Apoteksföreningen). Prescription drugs accounted for 73% of this, over-the-counter drugs for 8%, and consumer healthcare products for 19%. At the end of 2025, there were some 1,400 pharmacies in Sweden, a number that has remained roughly constant for a decade.

Deregulation of the pharmacy market in 2009

There are significant legislative differences between the Finnish and Swedish pharmacy markets. In Finland, only a pharmacist or the Universities of Eastern Finland and Helsinki can own a pharmacy. The pharmacy license is also personal, and thus it is not possible to build a pharmacy chain in Finland (excluding Yliopiston Apteekki).

In Sweden, the state's pharmacy monopoly was dismantled in 2009, and the market has since been open to

competition. In Sweden, some over-the-counter medicines can also be sold in, for example, grocery stores and gas stations.

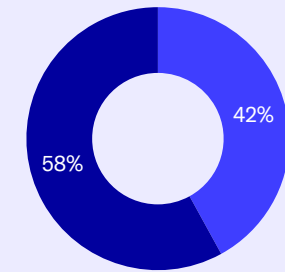
Pharmacy market has consolidated

After competition was liberalized in 2009, several new players entered the Swedish pharmacy market and the number of pharmacies grew rapidly. Since then, the trend has reversed, and the industry has consolidated.

Sweden's largest pharmacy chains are Apotek Hjärtat, owned by the retail group ICA, and Apoteket AB, owned by the Swedish state, both of which have a market share of over 30%. Oriola and Euroapotheca's joint venture has a market share of 21%, making it a strong third player in the market. The fourth largest player is Apotea, which operates purely as an online pharmacy, with a market share of just over 10% overall, but around 40% in online retail. Apotea has grown strongly by driving the shift of the pharmacy business online.

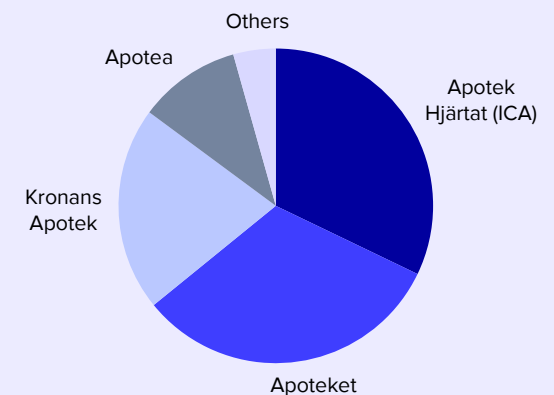
The DOZ Apotek chain is the smallest "large" chain in the Swedish pharmacy market, with a market share of less than 5%. DOZ is a relatively small player, and we see it as possible that it too will merge with one of the three major chains in the future. This would effectively complete the market consolidation to the three large traditional brick-and-mortar players and Apotea. In addition to the pharmacy chains, there are about 50 independent pharmacies operating in the market. Their number has remained stable, although we estimate that they will find it more difficult to compete in the current competitive environment and as commerce shifts online.

Swedish pharmaceutical wholesale market (2025)



■ Oriola ■ Others (Tamro)

Swedish pharmacy market (2025), Indicative market shares



Source: Oriola, Inderes

Industry 4/4: Swedish pharmaceutical wholesale and pharmacy market

The pharmacy market is rapidly shifting online

The pharmacy market in Sweden has rapidly shifted online, a trend particularly accelerated by the pandemic. The pace has stabilized to a slight growth trend in recent years. Online sales accounted for 26% of Swedish pharmacies' revenue in 2025. Growth has been rapid, as the share of e-commerce was only 3% in 2015. The shift of the pharmacy market to online has been particularly accelerated by Apotea. All major pharmacy chains are now investing in growing their own online stores, but Apotea is the clear market leader online.

E-commerce is causing intensifying price competition

E-commerce has intensified competition in the Swedish pharmacy market in recent years, as traditionally high-margin products (e.g., cosmetics, vitamins, creams) have shifted online, leaving a relatively larger share of low-margin prescription drugs for brick-and-mortar stores. High-margin products are sold online at low "doorbuster prices," which also puts pressure on brick-and-mortar pharmacies to lower their prices to a competitive level.

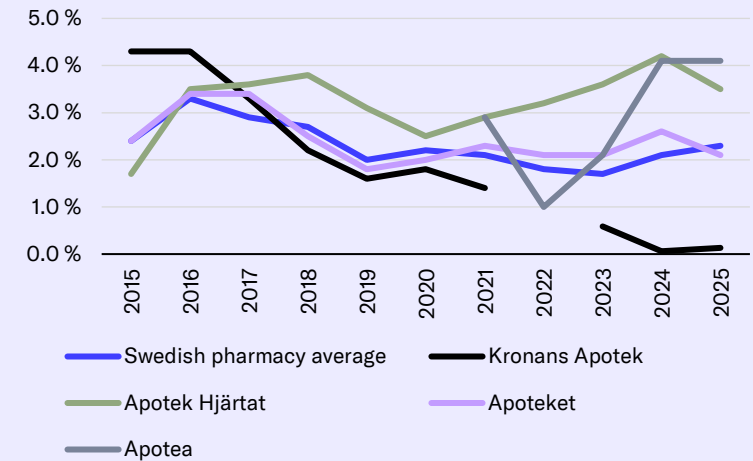
We estimate that non-prescription medicines and consumer healthcare products account for ~25% of Oriola's joint venture's sales. However, in the overall e-commerce market, prescription drugs versus other products are split roughly 50/50, meaning the sales mix in e-commerce is typically more favorable for pharmacies.

Industry margins have recovered in recent years

The competitive situation in the Swedish pharmacy market became very challenging when the number of pharmacies grew significantly after deregulation. The number of pharmacies stabilized, but there are currently about 50% more pharmacies than before the dismantling of the monopoly. In addition, online pharmacies, with their low prices, have forced brick-and-mortar pharmacies to lower their own prices and invest in developing their own online stores. The profitability of the entire industry, measured by EBIT margin, declined to below 2% until 2023 (2023: 1.7%). In 2024-25, profitability has turned upwards, reaching 2.3% last year.

Oriola's pharmacy joint venture's margin (adj. EBITA) was at zero in 2025, which is even weaker than the industry average. Among the largest pharmacies, Apoteket had an EBIT margin of ~2% in 2025, and Apoteket Hjärtat had 3.5%. Apotea's profitability was over 4%, making it the best among pharmacies. Kronans aims to reach a similar level as its competitors in the coming years. However, development has been weak so far, and we estimate it will take several years to reach even a reasonable level.

Swedish pharmacies' EBIT/EBITA %



Source: Apoteksföreningen, companies

Past development 1/2

A brief history of Oriola's development

Oriola Apteekkitavarakauppa Oy was established in 1948 as part of the Orion Group. Oriola imported, sold, and distributed pharmaceuticals and other products. In the 1990s, Oriola expanded its pharmaceutical wholesale business to Estonia, Latvia, and Lithuania. Oriola expanded its Wholesale business to Sweden in 2003 by acquiring the country's second-largest pharmaceutical wholesaler, Kronans Droghandel. In 2006, Orion and Oriola demerged, and Oriola was listed on the Helsinki Stock Exchange under the name Oriola-KD.

Oriola expanded into Russia in 2008 by acquiring the pharmacy company Vitim and the pharmaceutical wholesaler Moron. Oriola later acquired the 03 Apteka chain in Moscow. In 2010, Oriola expanded its operations into the Swedish pharmacy market after the country's pharmacy monopoly was dismantled. Oriola acquired the Medstop pharmacy chain in 2013, after which the previously acquired Kronans Droghandel and Medstop were merged into the Kronans Apotek chain.

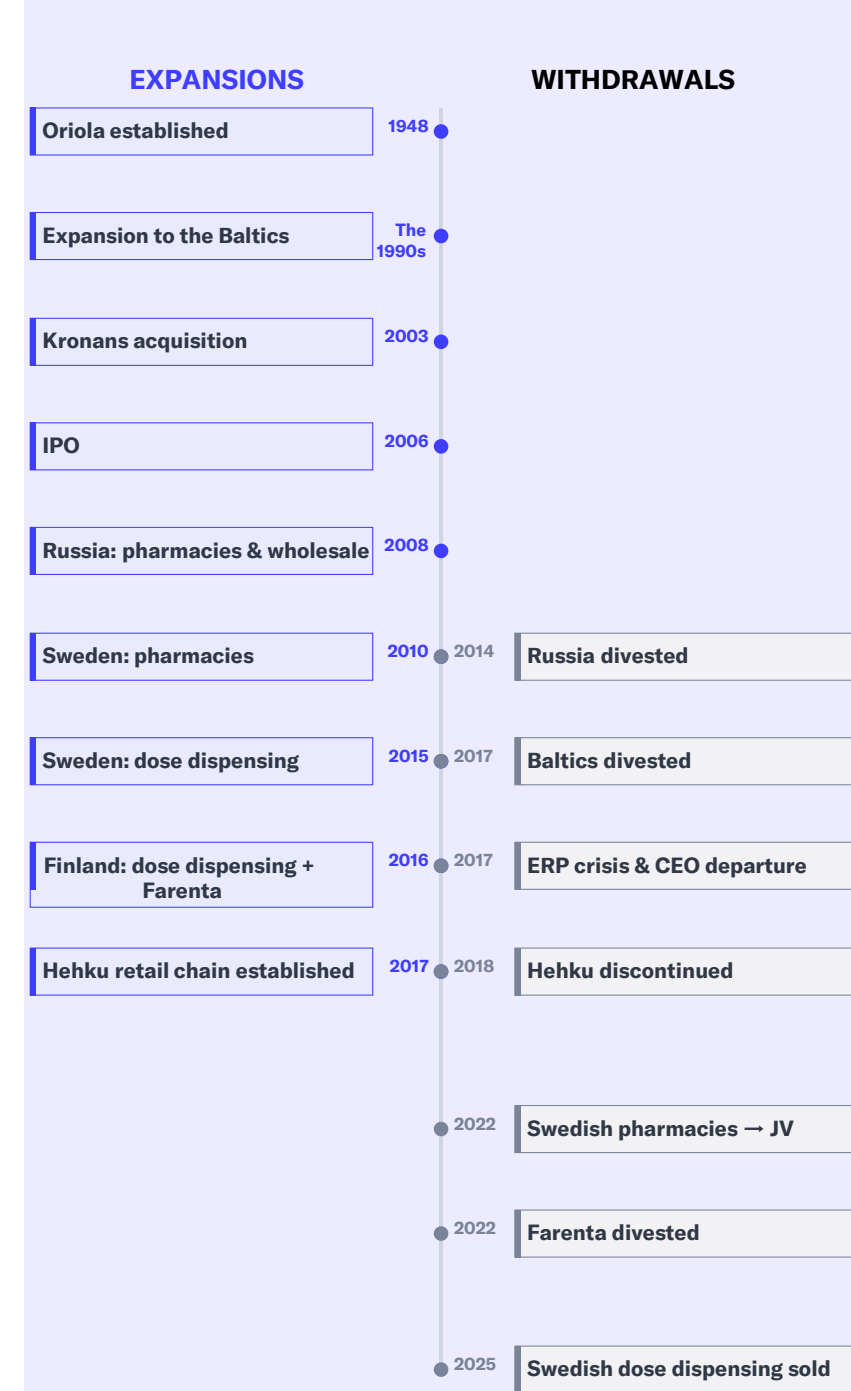
In 2014, Oriola sold its Russian operations, which were loss-making at the time of sale, recorded a 148 MEUR loss on the sale, and arranged a 76 MEUR share issue to strengthen its balance sheet. Oriola started its dose dispensing business in Sweden in 2015 by acquiring the dose dispensing company Svensk Dos. A year later, Oriola expanded its operations to Finland by acquiring Pharmaservice, a company providing dose dispensing services. In the same year, the company also acquired Farenta, a pharmaceutical service company that provides, among other things, staffing services for pharmacies.

In 2017, Oriola sold its Baltic operations, after which the company has focused on the Finnish and Swedish markets. In the same year, Oriola and Kesko established Hehku, a joint venture intended to become a nationwide health and well-being chain in Finland. Hehku was a clear investment in the potential liberalization of the Finnish pharmacy market. In the fall of 2017, Oriola implemented a new ERP system in Finland, which disrupted Finland's pharmaceutical distribution and the company's operations for a long time. Eero Hautaniemi, who had served as Oriola's CEO since 2006, left his position.

In 2018, Oriola and Kesko announced the closure of Hehku, as it failed to achieve its set targets, and the Finnish pharmacy market was not deregulated as the companies had hoped.

In 2021, Elisa Markula was appointed CEO. She quickly initiated efficiency measures within the company but left after only a few months in early 2022. Similarly, Sari Pohjonen, who had served as CFO since 2021, left the company in the fall of 2022. After Markula, Katarina Gabrielson was appointed CEO. She has a long career in various management positions at Oriola.

Oriola's Swedish pharmacy business was transferred to a new joint venture at the end of 2022, after which Oriola's operations mainly consisted of pharmaceutical distribution and wholesale businesses in Sweden and Finland. In 2025, after a long process, the company successfully divested its Swedish dose-dispensing operations. During its 20-year history as a listed company, it has started and discontinued various businesses and has now roughly returned to the structure it had at the time of its listing 20 years ago.



Past development 2/2

Comparable volume of operations has developed positively, with earnings rising from the bottom

The scope of Oriola's business clearly decreased with the transfer of Swedish pharmacies to an associated company at the end of 2022. In its current form, Oriola's continuing operations (excl. the Swedish pharmacy business) have shown positive invoicing development in 2017-2025, with an average annual growth (CAGR) of ~4%. Following the company's recent reporting change, revenue and all expense lines are no longer comparable to historical figures, but invoicing and earnings lines are.

In 2014-16, Oriola was able to achieve an EBIT of ~60 MEUR, of which roughly half came from wholesale and half from the Swedish pharmacy business. Due to ERP issues in Wholesale and increased competition in the pharmacy business, the result fell to 20 MEUR in 2019-20, a significant portion of which came from the Swedish dose dispensing business that was later sold. Oriola has stated that the adjusted EBIT for 2022, excluding the Swedish dose-dispensing business, was only 12 MEUR. Since then, the earnings for continuing operations have been on an upward trend. In 2025, adjusted EBIT was 23 MEUR. Under the new revenue definition, this translates to an operating profit margin of over 11%, which is already a reasonable level.

Cost structure is relatively fixed

With the reporting change, we believe Oriola's cost structure is easier to understand, as it is no longer dominated by the pass-through value of medicines. We only examine costs for last year due to the lack of comparable history. The figures include non-recurring items.

Oriola has three significant expense items: 1) materials and supplies; 2) personnel expenses; and 3) other operating

expenses. The company's largest expense item in 2025 was other operating expenses, which accounted for 43% of revenue. Within this, the largest items are freight and other variable costs (which account for ~15% of revenue), as well as external services. The second largest cost item is personnel costs, which were ~30% of revenue last year. Materials and supplies were 17% of revenue. This item is largely attributable to Products segment products, which flow through Oriola's own balance sheet. Depreciation excluding write-downs was about 6% of revenue.

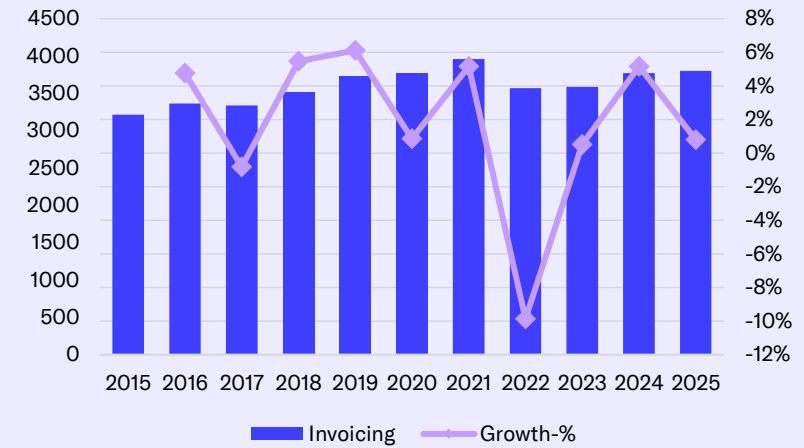
We estimate that materials and supplies as well as freight are variable costs. These account for over 30% of revenue. The remaining ~65% are thus more fixed costs, although the number of employees is naturally somewhat tied to the volume of operations and, on the other hand, partially flexible in the medium term. However, the cost structure is relatively fixed, which means that through growth, the company should be able to improve profitability as costs do not increase at the same pace as revenue.

Working capital changes fluctuate cash flow

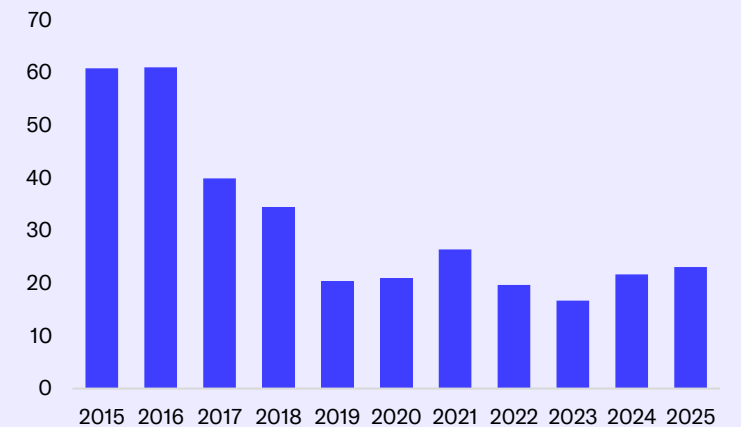
Due to large working capital items and large individual customers/deliveries, changes in working capital significantly fluctuate cash flow on both a quarterly and annual basis. Oriola's net working capital was over 300 MEUR negative at the end of Q1'26, which is an exceptionally low level. Even without the sale of accounts receivable (~120 MEUR), net working capital would be negative. It is therefore advisable to monitor cash flow before changes in working capital.

The company's investment level is very low, as IT system and logistics center investments are not reported as capital expenditure. However, the completion of the logistics center will clearly raise the depreciation level in 2028.

Invoicing development



Adjusted EBIT, MEUR



Source: Oriola

Financial position

Value of the Kronans ownership is a significant risk on the balance sheet

Oriola's balance sheet total at the end of Q1'26 was around 800 MEUR. Due to the reporting change, the balance sheet total decreased as products related to pharmaceutical distribution are no longer recognized on Oriola's balance sheet. The largest item on the asset side of Oriola's balance sheet is trade receivables, which account for over 40% of the balance sheet (340 MEUR). The company has also sold over 100 MEUR of its trade receivables, which are no longer reflected on the balance sheet, meaning total trade receivables are ~450 MEUR. On the other hand, accounts payable are significantly higher, meaning the company's net working capital is negative.

Another significant portion of the balance sheet assets is the book value of the Swedish joint venture Kronans Apotek ownership, which stands at 185 MEUR. In our view, the value is very high in light of both current and potential earnings. We estimate the balance sheet value of the joint venture to be ~95 MEUR (see page 29), which is clearly lower than its book value. We therefore see a significant write-down risk for Oriola in the joint venture's balance sheet value. The company has slightly written down the value in recent years, but we see a risk of a larger write-down in connection with a potential divestment.

The company has tangible assets of just under 50 MEUR, or 6% of the balance sheet, and goodwill of 35 MEUR, or 4% of the balance sheet. Oriola's leased new logistics center in Järvenpää will be recognized as a right-of-use asset upon completion, increasing tangible assets by ~100 MEUR. Of the goodwill, 2 MEUR is allocated to the Finnish dose-dispensing business, where there is a significant write-down risk, but the amount is very small. Goodwill is mainly allocated to pharmaceutical distribution, where we

do not see any write-down risk. The company typically has a large cash position, which accounted for over 15% of the balance sheet at the end of Q1'26.

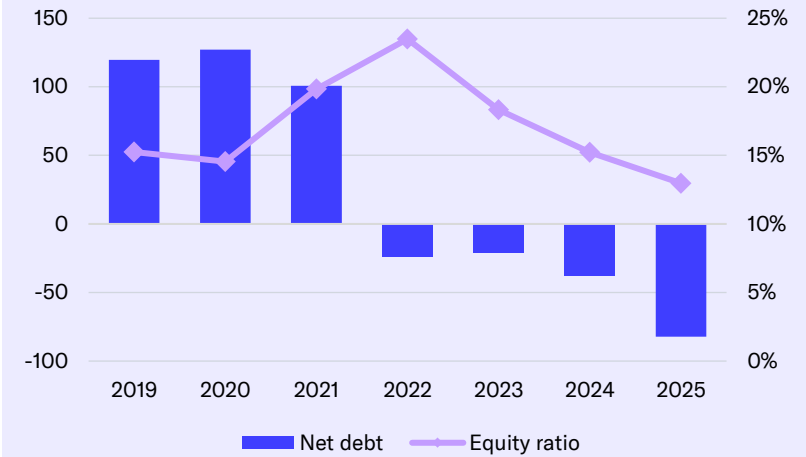
The equity ratio is low, but net debt is negative

At the end of Q1'26, the company's equity amounted to just over 90 MEUR, which is clearly less than the book value of the joint venture. Oriola's equity ratio is ~12%, which is quite low but does not pose an immediate problem. The company is targeting a level of 15-20% in the coming years. If the balance sheet value of the joint venture were written down to our estimated 75 MEUR, the company's equity ratio would fall to virtually zero. A potential write-down could thus cause a significant blow to the company's balance sheet, which the company might have to compensate for with, for example, a share issue, a hybrid bond, a dividend cut, or a combination of these.

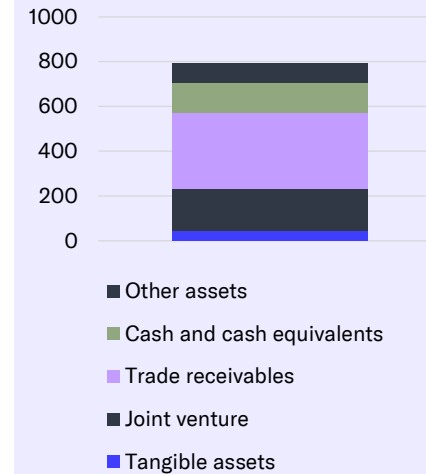
On the liabilities side, Oriola's balance sheet is quite exceptional, as accounts payable represent ~70% of the balance sheet. In practice, this means that pharmaceutical companies largely finance Oriola's operations through long payment terms. Interest-bearing and lease liabilities account for ~9% of the balance sheet, and other liabilities for another 9%. Oriola's reported net debt at the end of Q1'26 was almost 60 MEUR negative, and gearing was -63%. Thus, the balance sheet is strong in this respect.

In our opinion, the company could improve the efficiency of its balance sheet and reduce financing costs by discontinuing the sale of trade receivables and aiming to decrease its cash balance and/or repaying existing debts. Working capital fluctuations could be managed, for example, by using credit limits. Otherwise, Oriola's focus is mainly on working capital management, which we believe is already at a good level due to its clearly negative position.

There is cash, but the equity ratio is low



Assets Q1'26



Liabilities and equity Q1'26



Source: Oriola, Inderes

Strategy

Strategy remains consistent with the direction set in 2023

Oriola updated its strategy and financial targets in connection with its Capital Markets Day in May 2026. The strategy remained practically unchanged compared to the one published in 2023. The strategy focuses on pharmaceutical distribution and health product wholesale, which is quite logical given the current structure, as it covers the majority of revenue and earnings. On the other hand, the company wants to expand its Advisory Services. After various unsuccessful expansion attempts over the past 20 years, we believe the chosen focus is sensible. In our view, this strategy primarily excludes dose dispensing from the current businesses, which the company has already exited in Sweden, and we see the same as possible in Finland. However, the company does not appear to have active plans in this regard.

Three main goals in the strategy

Oriola already has three previously set goals for implementing the strategy:

• Strong partnerships

- Growing customer value by focusing on the quality of commercial operations and developing a more efficient, sustainable, and collaborative corporate culture.
- Developing business and operations based on data and deep industry understanding, including proactive information management. This is also supported by the company's IT system investment.

• Enhanced efficiency

- Investments in infrastructure and technology to increase warehouse capacity and efficiency.

- In Finland, this will be achieved all at once with the completion of the new logistics center in Järvenpää, while in Sweden, smaller efficiency investments are being made.
- Organic profitable growth, especially from large but efficient volumes and customer segments. Both the IT system investment and the logistics center investment should support more efficient operations and cost structure.
- **Portfolio and market expansion**
 - For the Products segment, expanding the selection by developing existing and new product brands, categories, and customer segments.
 - There are also plans to expand Oriola's business through acquisitions.

Oriola also highlighted the importance of Advisory Services both as a standalone business and as part of its pharmaceutical distribution service. The company sees significant growth potential in this area.

Inderes' comments on the strategy

In our view, Oriola's 2026 strategy update did not bring significant new elements compared to the 2023 targets. The company has, however, in the meantime initiated significant investments in its IT systems and a new logistics center in Finland, which support the execution of the strategy. However, their effects will only be visible in 2-3 years, and the company did not provide many concrete steps for improving profitability before then.

Strong partnerships are a very logical and essential part of a business where a large portion of the earnings comes from distributing other companies' products. Focusing on profitable growth and improving efficiency is also quite self-

evident after the company's several years of largely internal difficulties. Focusing on Advisory Services has been a company focus for at least a couple of years, but due to its limited size, its impact on the company's financials is still small.

Portfolio expansion has been a focus for the company in the current Products segment for the past few years. Revenue growth has indeed been observed, but earnings development has still been weak.

In pharmaceutical distribution, Oriola has limited opportunities for growth exceeding the market, as it effectively shares its main market with Tamro, another wholesaler. Although acquisitions are part of the strategy, we do not believe Oriola is actively pursuing them, at least not at the moment. They would likely be smaller acquisitions, e.g., expansions of service operations. One small acquisition was seen in Advisory Services, where we believe Oriola is prepared to continue making small acquisitions. We would still like Oriola to focus on improving the efficiency of its current operations, where there is still a lot to do, rather than expanding into new operations where its track record is weak.

Financial targets

Financial targets for the strategy period ending in 2029 (published in May 2026)

Revenue growth of at least 5% per year

- Oriola slightly raised its target, as the previous target was to grow in line with the market or by at least 4% annually
- Oriola's growth (invoicing) has been ~4% per year over the past 10 years
- The company's largest market, pharmaceutical distribution, is forecast to grow by 3-5% annually until 2030
- We therefore see the growth target as very reasonable and realistic. In our forecasts, we expect 4% growth for the coming years.

Cost / revenue below 75%

- Oriola's target is formulated in an unusual way, but it practically means a 25% adj. EBITDA margin, whereas the 2025 level was 17%
- The targeted margin improvement is significant, and we do not believe Oriola can achieve it
- The period ending in 2029 is also, in our opinion, a bit short for a larger step change, as Finland's new logistics center will not be commissioned until 2028, and it is unlikely to be in optimal use in 2029
- In addition, we believe the commissioning of the new warehouse will incur temporary costs at least in 2028, which will weigh on the margin
- We forecast the margin in 2029 to be almost at the same level as in 2025

Dividend: Oriola's target is to pay an annual dividend corresponding to two-thirds of the company's net profit, excluding Oriola's share of the joint venture's profit.

The updated wording clearly excludes the result of the Kronans joint venture, which clarifies the situation. However, in our view, dividend distribution in line with the policy does not support the strengthening of self-sufficiency, so the company may have to choose whether to prioritize dividends or balance sheet strengthening

Balance sheet: Oriola has no official financial targets for its balance sheet. However, it has stated its goal is to increase the equity ratio to 15-20% from the current 13%.

The balance sheet will continue to be burdened in the coming years by the ERP investment (which will be expensed as a one-off cost) and the weak performance of the associate company Kronans. The company aims to strengthen its balance sheet primarily through earnings and by selling the plot of its current logistics center in Espoo in the coming years, which is likely to result in a significant capital gain. In our forecasts, which do not include the impact of the land sale, self-sufficiency will remain below 15% until 2030.

Estimates 1/3

Forecasting is at a very rough level

We believe Oriola's new revenue definition makes forecasting somewhat more logical and easier compared to the previous one, which was affected by factors such as drug prices and changes in contract structures. However, there is still only limited history for the current revenue, which makes forecasting difficult, especially on a quarterly basis. For this reason, the most relevant of Oriola's figures is still the absolute operating profit, which is also comparable far into the past.

As the segments have changed once again this year, the current segments still have a very short history. We currently model forecasts through the segments for revenue and adjusted EBITDA, which we also reflect in the group-level result. In addition, we forecast the joint venture's revenue and adjusted EBITA separately, as well as the reported net profit to be recognized in Oriola's results. Forecasting the latter is more challenging, however, as the figures are impacted by non-recurring items, as well as financial expenses and taxes, which Oriola does not publicly report. With Oriola's new reporting structure, we are also paying more attention to different expense lines, although these are somewhat muddled by the ERP investment, which is recognized as a one-off expense. The historical figures are also difficult to interpret due to structural changes and non-recurring items.

The company guides for improving results in 2026

Oriola's guidance for this year, consistent with previous years, indicates that the full-year adjusted EBITDA will grow year-on-year. Q1'26 adjusted EBITDA improved only slightly from the comparison period, and the guidance practically assumes at least a small earnings growth to continue for the rest of the year. Our forecast for this year's adjusted

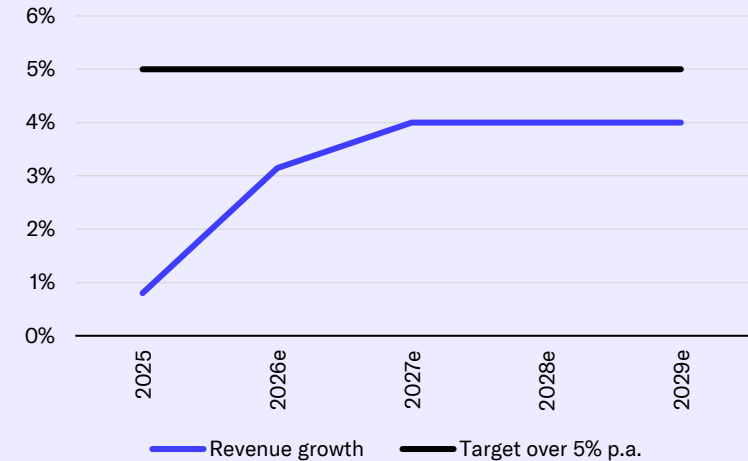
EBITDA is 36 MEUR, only marginally better than the comparison period's 35.1 MEUR.

Segment-wise, we expect the Services segment to grow by approximately 5%, but for earnings to remain at the previous year's level. This is partly due to a weaker Q1 compared to the previous year, where demand for high-margin Advisory Services was lower than in the comparison period. We expect Products segment revenue to decrease slightly, as the comparison figure still included 5 MEUR in revenue from the Swedish dose-dispensing business sold last year. Excluding this, we expect Products to grow by around 4%. We also expect the Products segment's adjusted EBITDA to rise to 8 MEUR (2025: 5.7 MEUR), as Oriola's investments begin to reflect in sales growth, which we also expect to be visible in the bottom line. Products' Q1 result was clearly stronger than in the comparison period.

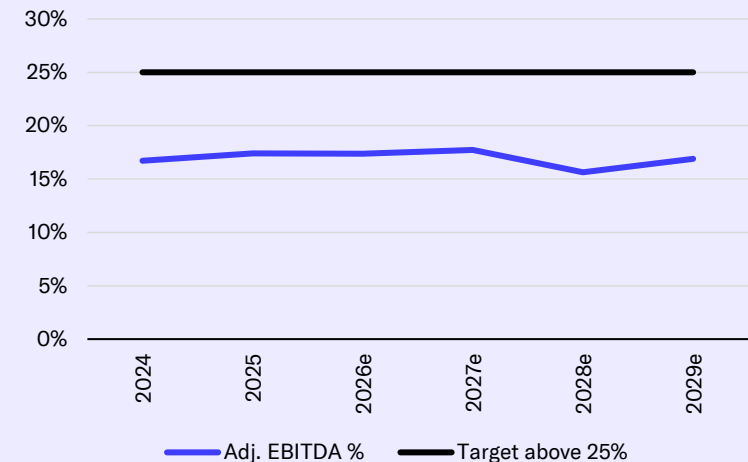
We forecast stable revenue growth in the coming years

Oriola's updated target is to grow by at least 5% annually. With the new definition of revenue, we believe the company can grow faster than the pharmaceutical market, as revenue only reflects the compensation it receives, not the value of the medicines. The company aims to grow faster than the group average in Advisory Services (part of the Services segment) and health and well-being products (part of the Products segment). According to the company, these areas also have higher-than-average margin levels, so growth would also support margin development. Unfortunately, the development of these areas cannot be separately tracked from the figures reported by the company. At the segment level, we expect both segments to grow at a rate of 4% in the coming years, which is also our growth forecast for the Group.

Revenue growth vs. target



Adj. EBITDA vs. target



Source: Oriola, Inderes

Estimates 2/3

We expect slight earnings growth in 2027, but a decline in 2028

In 2027, we expect the Service segment's adjusted EBITDA to increase with growth, but the Products segment's result to be more stable after the improvement forecast for 2026. At the Group level, we expect the 2027 adjusted EBITDA to continue the slight upward trend of recent years to 38 MEUR.

During 2028, Oriola is scheduled to transition to using a new distribution center in Finland. This means the transfer of all its Finnish operations to a new logistics center during the year. We believe the transition will incur costs, some of which are likely to be recorded as non-recurring items, but also operational inefficiencies. Therefore, we expect the earnings of both segments to decline slightly in 2028, and the Group's adjusted EBITDA to be 35 MEUR. We note that this forecast assumes a reasonably successful transition to the new logistics center. Significant problems could lead to an even greater drop in earnings. Oriola will also gradually roll out its new IT system during 2026-27, and this implementation may also incur unexpected costs. However, these have not been assumed in our forecasts.

The commissioning of the new distribution center will also significantly impact Oriola's income statement and balance sheet, as the leased distribution center begins to affect the company's financials. The company has estimated that its net result impact will be some 10 MEUR negative. This is divided into depreciation and financial expenses in accordance with IFRS 16. The impact will be fully reflected in the 2029 figures. In addition, an investment of over 100 MEUR will be recognized on the balance sheet as a right-of-use asset and a lease liability. On the other hand, depreciation of the old distribution center will naturally

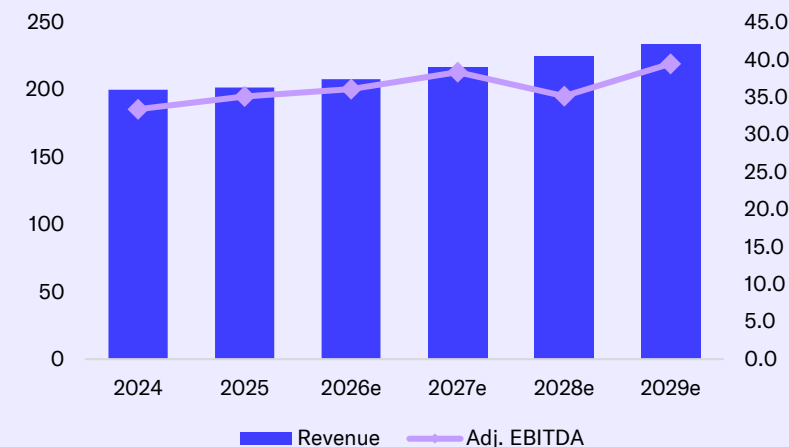
cease, and the new center's operating costs should be lower than the old one due to improved efficiency. Similarly, depreciation of the old IT system will end in 2027 according to our estimate, and no depreciation will arise from the new system as the investment has been expensed for the most part. In this report, we have refined our estimates regarding the impact of the new distribution center, which slightly lowered our forecasts from 2028 onwards due to higher financing costs.

Joint venture Kronans Apotek

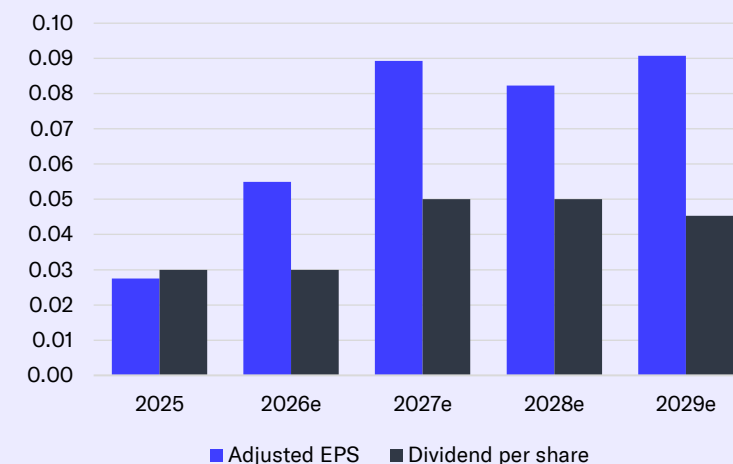
We expect Oriola's joint venture Kronans Apotek to continue revenue growth this year and to achieve an adjusted EBITA of approximately zero for the rest of the year, which is in line with the 2024-25 level. Due to ongoing efficiency measures, the company will likely continue to record non-recurring items, and thus Oriola's reported result from associated companies will remain negative in our forecasts this year. The associate result is also depressed by Kronans' purchase price allocation (PPA) depreciation.

We believe Kronans' earnings will gradually increase from zero to ~20 MEUR in the coming years due to efficiency measures. We believe this will partly come from streamlining the pharmacy network, which is why growth in 2027 will be zero. However, we consider improving profitability to be significantly more important, and the company's extensive network likely includes clearly unprofitable pharmacies, whose closure would support the result. We expect the share of profit from associates to reach zero in 2027 and 4-5 MEUR in 2028-29. We do not expect Kronans to pay out dividends, so Oriola will not receive cash flow from the company.

Group development, MEUR



EPS and dividend



Source: Oriola, Inderes

Estimates 3/3

EPS and dividend

We expect both Oriola's own operations and the associate company's earnings to improve in 2026-27. As a result, our EPS forecast rises from EUR 0.03 in 2025 to EUR 0.09 in 2027. We lowered our financing cost estimates for 2027 in connection with this report, as we expect the company to better utilize its net cash-positive balance sheet in the future, for example, by reducing debt or factoring arrangements. In 2028, we expect EPS to decrease slightly as operating result declines and the costs of the new logistics center increase financing expenses, but the result from associates will improve.

Oriola paid a dividend of EUR 0.03 for last year, and the Board of Directors is authorized to distribute an additional EUR 0.04 in November 2026. Given Oriola's weak equity ratio, we do not expect the company to distribute a second dividend installment. For the same reason, we expect the dividend to remain at EUR 0.03 for 2026, even as earnings rise. Oriola has also carried out share buybacks this year, so part of the profit distribution may occur through this channel. In 2027, we expect the dividend to rise to EUR 0.05, which would be in line with the company's goal of distributing two-thirds of its earnings as dividends.

Associate company and negative working capital distort the capital return figures

Due to strongly negative working capital and relatively low equity, Oriola's invested capital is negative, meaning that return on capital cannot be calculated. For the entire balance sheet, the figures are distorted by the high value of the Kronans Apotek joint venture, even though its return is currently negative and is expected to remain small in our

forecasts. Return on capital can mainly be measured by return on equity, which will rise to 13-15% starting in 2027, indicating value-creating business. The return in recent years has been negative due to non-recurring items and Kronans' negative result.

Cash flow and investments

Oriola's cash flow is affected by significant changes in working capital. However, the cash flow generation capability should be good. The company's actual investments are very small and mainly relate to its operations in Sweden, where the facilities are company-owned. We estimate the company's free cash flow in the coming years to be around 20 MEUR.

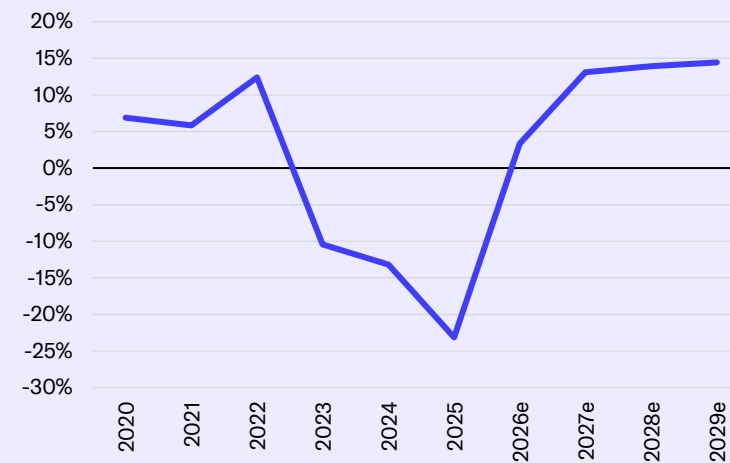
Net cash will increase in 2026-27, while lease liabilities will rise in 2028

As Oriola does not have significant balance sheet investments, we expect its net cash to strengthen to ~100 MEUR in 2026-27, supported by cash flow. However, this may be used to reduce the factoring arrangement, which is currently slightly over 100 MEUR. In 2028, reported debt will increase (or negative debt will decrease) as lease liabilities from the new logistics center are recognized.

Longer-term estimates

Due to its strong market position, we do not believe Oriola has the opportunity to grow faster than the market in the long term. We forecast growth for 2030-2034 to be 3.0%, and 2.5% in the terminal period. We expect the EBIT margin to rise from 9.5% in 2029 to 10.5% in 2030, as the benefits of the new logistics center are realized. We expect profitability to remain at this level until the terminal period.

Return on equity



Source: Oriola, Inderes

Estimate revisions

Small changes in financial expenses

- We lowered our financing cost estimates for 2027 because we believe the company will better utilize its cash in the future by reducing its factoring arrangements and/or interest-bearing debt
- We refined our assumptions regarding the impact of the new logistics center, which raised our financial expense estimates starting from 2028
- Operationally, we made no changes to our estimates

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	208	208	0%	216	216	0%	225	225	0%
EBITDA	27.8	27.8	0%	34.3	34.3	0%	35.2	35.2	0%
EBIT (excl. NRIs)	22.4	22.4	0%	24.6	24.6	0%	20.5	19.9	-3%
EBIT	13.9	13.9	0%	20.6	20.6	0%	20.5	19.9	-3%
PTP	4.9	4.9	0%	15.6	16.6	6%	18.5	17.9	-3%
EPS (excl. NRIs)	0.05	0.05	0%	0.08	0.09	5%	0.09	0.08	-3%
DPS	0.03	0.03	0%	0.05	0.05	0%	0.05	0.05	0%

Source: Inderes

Valuation 1/3

Value creation has been lacking

Due to numerous business challenges, Oriola has struggled for years to generate satisfactory profits and create value. This has also been reflected in the share price, which fell from over EUR 4 in 2016-17 to around EUR 2 in 2020-22, and further declined to its current level of around EUR 1 during 2023. Given the weakened result, this has been justified, and the current valuation is not inexpensive based on the current earnings.

We still believe the company can do better and that its value is greater than its current earnings capacity. On the other hand, years of weak performance raise doubts about the company's potential. In addition, the balance sheet value of the Kronans joint venture is very high, which in our view does not reflect its probable earnings-based value, and especially not its value based on current earnings. This makes valuation difficult, as many scenarios would effectively mean the erosion of share capital and thus a need to strengthen the balance sheet, which we have not taken into account in our forecasts.

We believe that Oriola may see structural arrangements in the coming years, which could also clarify and unlock value. There has been significant turnover in the company's management and Board of Directors in recent years. We believe this indicates that the owners are also dissatisfied with the company's development and are looking for a way to increase/realize its value.

Joint venture muddles valuation figures

We do not consider EV-based figures to be very good for Oriola, as the company's reported net debt does not include 1) the debt of the Swedish pharmacy JV or 2) sold trade receivables. In addition, in our modeling, the DCF value calculated for the associate is subtracted from the EV

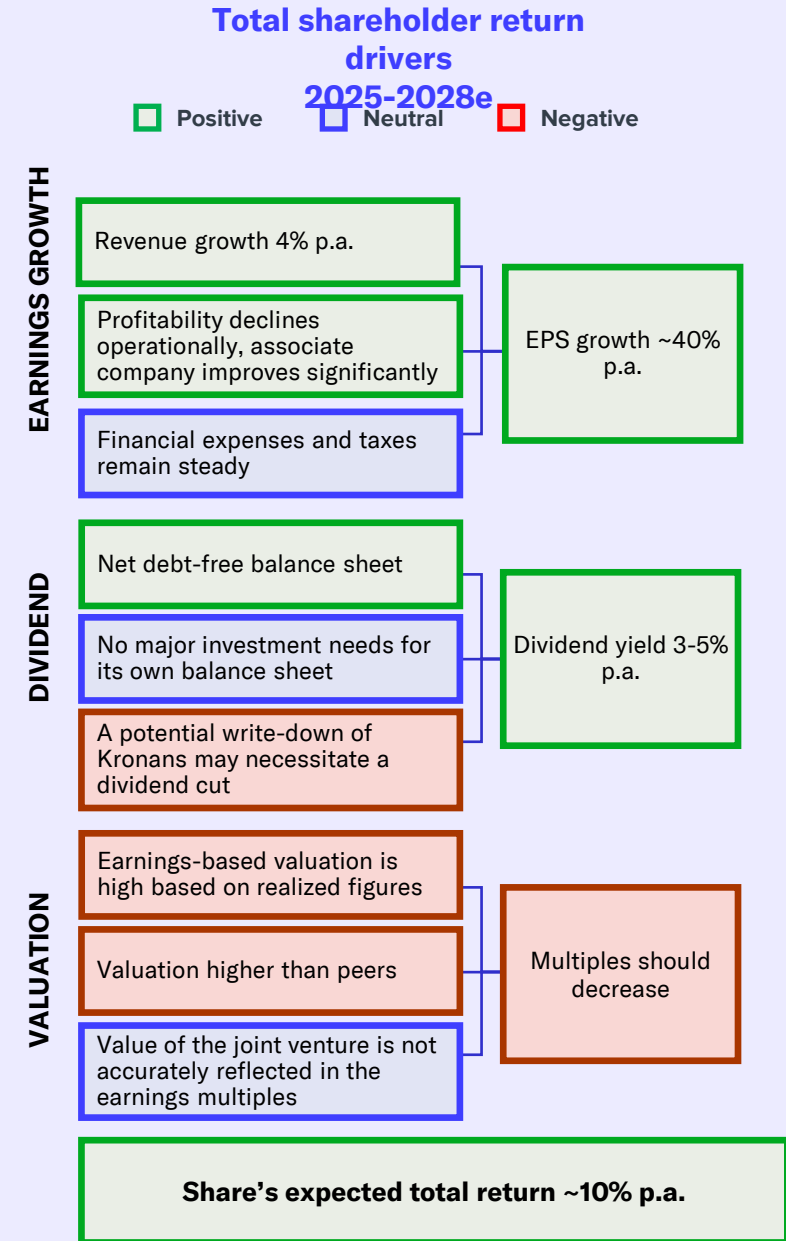
figures, the result of which is only shown on the associates line below EBIT. For these reasons, Oriola's EV-based figures appear very low, which does not fully reflect the actual situation.

Because the Swedish pharmacy businesses are in a joint venture and still represent a significant portion of Oriola's value, we primarily use the sum-of-the-parts method for Oriola's valuation. As mentioned above, due to intangible asset depreciations and non-recurring items, the associate's earnings will not reflect its true earnings/cash flow in the coming years. For this reason, the P/E ratio is also a poor metric for valuing the company as a whole. In our view, the fair value range for the share is EUR 0.7-1.8, where the lower end is a P/E of 10x for 2025 earnings excluding Kronans' losses, and the upper end is our DCF value.

Acceptable valuation

Our target price is based on our sum of the parts valuation, DCF value, and accepted valuation multiples (P/E). In addition, attention should be paid to the balance sheet risk mentioned above and operational risks related to the IT system investment and the relocation of the logistics center in Finland.

EV multiples are difficult to interpret for Oriola for many reasons, and we do not focus on them. We believe the acceptable P/E ratio is around 12-14x. However, in our view, this can currently only be applied to the earnings of Oriola's own operations. If we assign a P/E multiple of 13x to Oriola's own operations, we arrive at a value of ~170 MEUR based on 2025 earnings (for the share capital, which differs from the sum-of-the-parts calculation). Adding the 95 MEUR value for the joint venture (calculation on the next page) brings the total to ~265 MEUR, or about EUR 1.5 per share.



Valuation 2/3

Sum-of-the-parts valuation

In the sum-of-the-parts valuation, we use an EV/EBIT-based valuation for Oriola's own operations. For the valuation of continuing operations, we use a conservative EV/EBIT multiple of 11x (in line with the weaker companies in the peer group) for the realized 2025 earnings, which results in an enterprise value of ~250 MEUR.

The book value of the Kronans joint venture on Oriola's balance sheet is 185 MEUR. However, in light of both current and, in our opinion, potential earnings, this value is very high. If the JV were to achieve an EBIT margin (or an adjusted EBITA margin for Kronans) of ~2%, which is the average for the Swedish pharmacy sector, its result would be around 25 MEUR. If we value this with an EV/EBIT(A) multiple of 10x for 2025 and consider 55 MEUR in debt, Oriola's 50% ownership stake is valued at ~95 MEUR. In our opinion, the current balance sheet value would be justifiable with a profitability of ~3.5%, which some competitors are capable of achieving. However, the current earnings level is very weak (the adjusted EBITA-% for the last 12 months is negative). If the company were to write down its ownership to our estimated value, its equity would fall to virtually zero. This would have to be remedied, for example, by a share issue and/or a hybrid bond. This indicates a significant balance sheet risk posed by the joint venture, which we believe is realistic if the company plans to divest its ownership in the coming years, as we suspect.

In addition, we specify the value of the doktor.se holding. When we deduct factoring liabilities and net cash at the end of 2025 from this, we arrive at a fair value of EUR 1.7 per share. As Oriola considers divesting assets not belonging to

its core business, we see the sum of the parts as a good valuation method. We believe there is potential for value release in the company's parts, but a possible share issue could dilute ownership. However, the money obtained from strengthening the equity (and selling Kronans) can be used to pay off debts (including off-balance sheet sold receivables), which increases the market value of the share capital, assuming the enterprise value remains the same.

Normalized cash flow

The value of Wholesale operations can also be estimated using normalized cash flow. If we assume a sustainable EBIT level to be around the current 20-25 MEUR, investments roughly equal to depreciation, stable working capital (we view these as reasonably conservative assumptions given the low investment level and negative working capital), and a 20% tax rate, we arrive at an unlevered free cash flow of 18 MEUR. Assuming a sustainable growth of 2%, this implies an EV of ~240 MEUR and an EV/EBIT multiple of around 11x.

The DCF model's value is clearly above the share price

Our DCF model assumes that the company's profitability will rise slightly above its current level in the medium term and remain at that level. The model is supported to some extent by negative working capital, which is expected to release capital as growth continues in the long term. The model takes into account a value of 50 MEUR calculated from the earnings forecasts of the associate Kronans. In addition, we treat approximately 120 MEUR in factoring liabilities as debt. Calculated this way, the DCF model arrives at a value of ~330 MEUR for the company's equity, or about EUR 1.8 per share. This is nearly double the current share price level.

Valuation	2026e	2027e	2028e
Share price	0.89	0.89	0.89
Number of shares, millions	185.2	185.2	185.2
Market cap	165	165	165
EV	30	12	95
P/E (adj.)	16.2	10.0	10.8
P/E	49.2	12.3	10.8
P/B	1.7	1.5	1.5
P/S	0.8	0.8	0.7
EV/Sales	0.1	0.1	0.4
EV/EBITDA	1.1	0.4	2.7
EV/EBIT (adj.)	1.3	0.5	4.8
Payout ratio (%)	166%	69%	61%
Dividend yield-%	3.4 %	5.6 %	5.6 %

Source: Inderes

	Value	per share	Valuation method
Continuing operations	246	1.4	11x EV/EBIT 2025
Swedish pharmacy JV	94	0.5	EV/EBIT 10x for "normalized" result
Doktor.se	14	0.1	Balance sheet value
Total	354	2.0	
Net debt on the balance sheet, end of 2025	82	0.5	
Factoring debt	-122	-0.7	
Value of the share capital	314	1.7	

Source: Inderes

Valuation 3/3

Valuation compared to the peer group

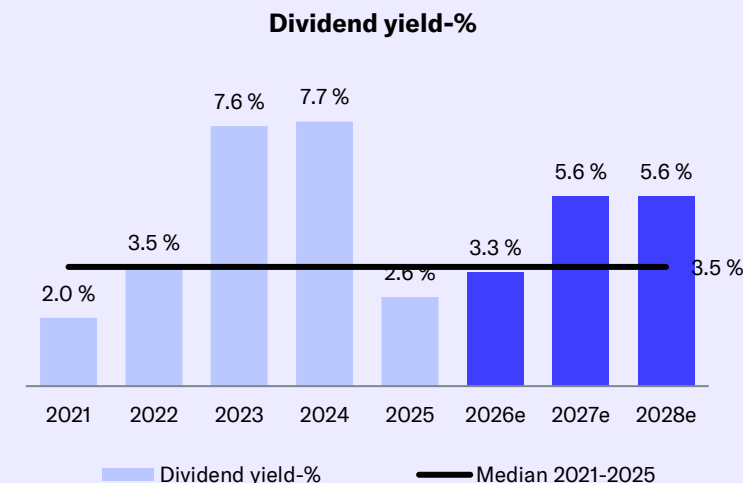
In Oriola's peer group, we mainly use large pharmacy chains, medical device manufacturers, or pharmaceutical wholesalers listed in the USA (CVS Health, Cardinal Health, McKesson, and Cencora). Oriola is very small compared to these, and it operates in significantly smaller and more concentrated markets. On the other hand, US companies typically have higher valuations than European companies. Comparing valuations is not very straightforward, but it provides some indication of the general valuation level of international pharmacy and pharmaceutical wholesalers.

As stated above, several multiples cannot be applied directly to the entire company, but they can be used to determine the value of the company's own operations. The peer group's P/E for 2026 is over 20x and for 2027 is 18x, which are significantly higher than Oriola's levels. However, Oriola's P/E is significantly affected by the fact that the JV's earnings are not fully reflected in Oriola's figures. We do not believe the valuation of the peers can be directly applied to Oriola, but at least nominally, Oriola's valuation appears low compared to its peers.

There is potential for improvement, but over time, earnings growth is limited

Positive drivers for the stock include a good dividend yield and expected earnings growth for both own operations and the joint venture. While we believe Oriola should have the potential to streamline its operations and thus improve its margin from current levels, we think it will be very difficult for Oriola to grow its earnings significantly faster than its revenue growth in the long term. Its position in the value chain (between pharmaceutical principals, pharmacies, and

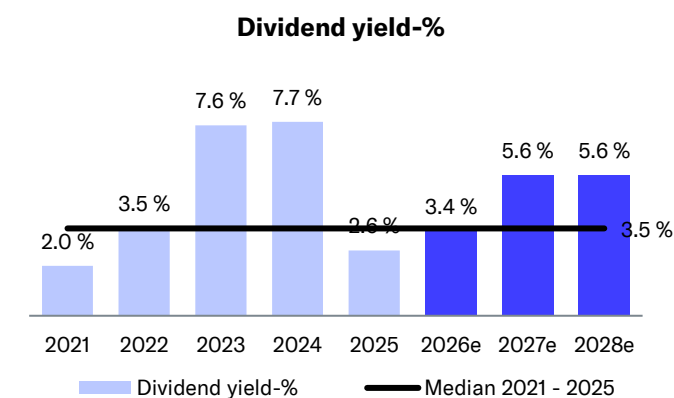
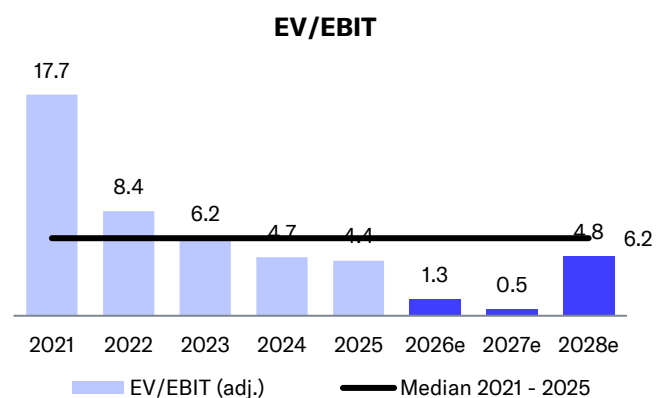
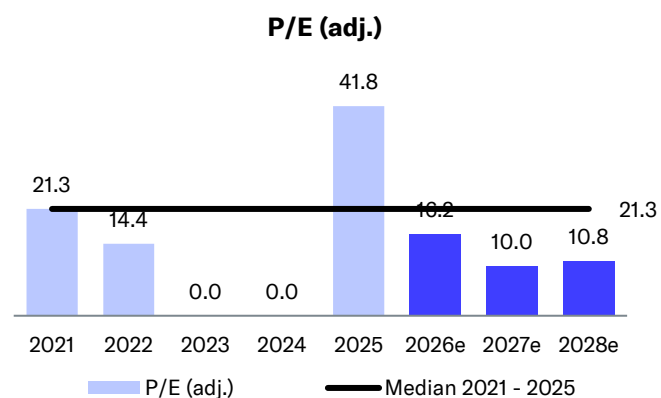
consumers) and the industry's strict regulation keep margins limited. In the longer term, earnings growth is likely to remain at the level of pharmaceutical market growth, which historically has been around 3%. However, the company has the potential to achieve a good return on capital, as its operations tie up relatively little capital, partly due to negative working capital. This also enables good cash flow and dividend yield. Thus, in our view, with a reasonable earnings level, Oriola should be able to achieve a return level exceeding our required return in the long term as well. In its current form, Oriola's return on capital is weighed down by the value of the joint venture on its balance sheet, which currently generates little to no earnings. In our view, at a "mature" stage, Oriola's return can be roughly determined by a simple formula: market growth + dividend yield.



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	2.01	1.72	0.92	0.91	1.15	0.89	0.89	0.89	0.89
Number of shares, millions	181.3	181.3	181.3	181.3	185.2	185.2	185.2	185.2	185.2
Market cap	363	312	167	164	213	165	165	165	165
EV	464	288	103	101	102	30	12	95	79
P/E (adj.)	21.3	14.4	>100	neg.	41.8	16.2	10.0	10.8	9.8
P/E	32.3	11.4	neg.	neg.	neg.	49.2	12.3	10.8	9.8
P/B	1.7	1.4	1.0	1.2	2.1	1.7	1.5	1.5	1.4
P/S	0.2	0.2	0.1	0.1	1.1	0.8	0.8	0.7	0.7
EV/Sales	0.2	0.2	0.1	0.1	0.5	0.1	0.1	0.4	0.3
EV/EBITDA	7.1	4.2	3.4	3.7	5.0	1.1	0.4	2.7	2.0
EV/EBIT (adj.)	17.7	8.4	6.2	4.7	4.4	1.3	0.5	4.8	3.5
Payout ratio (%)	64.2 %	39.7 %	neg.	neg.	neg.	165.8 %	69.0 %	60.7 %	50.0 %
Dividend yield-%	2.0 %	3.5 %	7.6 %	7.7 %	2.6 %	3.4 %	5.6 %	5.6 %	5.1 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
CVS Health Corp	110671	155005	11.4	10.4	9.8	9.0	0.4	0.4	13.6	12.1	2.8	2.7	1.6
Cardinal Health Inc	45681	50096	16.6	15.0	14.3	13.1	0.2	0.2	21.0	18.9	0.9	0.9	
McKesson Corp	78652	81931	15.1	13.6	13.9	12.6	0.2	0.2	20.0	17.6	0.4	0.4	
Cencora	47173	56120	13.7	12.6	12.3	11.3	0.2	0.2	15.8	14.2	0.9	0.9	13.0
Galenica	4570	5601	21.3	19.3	14.5	13.5	1.2	1.1	21.3	20.0	3.0	3.1	2.7
Oriola (Inderes)	165	30	1.3	0.5	1.1	0.4	0.1	0.1	16.2	10.0	3.4	5.6	1.7
Average			15.6	14.2	13.0	11.9	0.5	0.4	18.3	16.6	1.6	1.6	5.8
Median			15.1	13.6	13.9	12.6	0.2	0.2	20.0	17.6	0.9	0.9	2.7
Diff-% to median			-91%	-96%	-92%	-97%	-37%	-74%	-19%	-43%	270%	511%	-39%

Source: Refinitiv / Inderes

Income statement

Income statement	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	50.9	50.9	48.2	51.6	202	49.8	52.3	51.2	54.7	208	216	225	234
Services	35.3	37.9	35.1	38.2	147	36.6	38.7	37.6	40.9	154	160	166	173
Products	20.0	15.1	15.4	15.8	66.3	15.4	15.8	16.0	16.4	63.7	66.2	68.9	71.6
Eliminoinnit	-4.4	-2.1	-2.3	-2.4	-11.2	-2.2	-2.2	-2.4	-2.6	-9.4	-9.8	-10.2	-10.6
EBITDA	5.9	1.6	7.0	5.9	20.3	5.3	6.5	7.5	8.5	27.8	34.3	35.2	39.5
Depreciation	-8.7	-3.1	-3.0	-3.0	-17.7	-3.4	-3.5	-3.5	-3.5	-13.9	-13.8	-15.3	-16.9
EBIT (excl. NRI)	4.5	5.1	6.6	7.0	23.1	4.4	5.0	6.0	7.0	22.4	24.6	19.9	22.6
EBIT	-2.8	-1.5	4.0	2.8	2.6	1.9	3.0	4.0	5.0	13.9	20.6	19.9	22.6
Services (adj. EBITDA)	8.5	9.2	9.6	10.0	37.3	8.0	9.0	9.5	10.5	37.0	39.0	37.0	40.0
Products (adj. EBITDA)	1.0	1.2	1.8	1.7	5.7	2.1	1.5	2.0	2.0	7.6	8.0	7.0	8.5
Group items	-2.0	-2.3	-1.8	-1.8	-7.9	-2.5	-2.0	-2.0	-2.0	-8.5	-8.7	-8.8	-9.0
Non-recurring items	-7.3	-6.5	-2.6	-4.1	-20.5	-2.4	-2.0	-2.0	-2.0	-8.4	-4.0	0.0	0.0
Share in profit/loss of associates	-1.0	-2.8	-0.1	-18.9	-22.8	-2.3	-0.4	-0.4	0.0	-3.1	0.0	4.0	5.0
Net financial items	-1.6	-1.3	-1.7	-2.0	-6.6	-1.4	-1.5	-1.5	-1.5	-5.9	-4.0	-6.0	-8.0
PTP	-5.4	-5.6	2.2	-18.1	-26.8	-1.9	1.1	2.1	3.5	4.9	16.6	17.9	19.6
Taxes	0.0	0.0	-0.5	0.2	-0.3	-0.1	-0.2	-0.4	-0.7	-1.5	-3.1	-2.6	-2.8
Net earnings	-5.4	-5.6	1.7	-17.8	-27.1	-2.0	0.9	1.7	2.8	3.4	13.4	15.2	16.8
EPS (adj.)	0.00	0.00	0.02	0.01	0.03	0.00	0.01	0.02	0.02	0.05	0.09	0.08	0.09
EPS (rep.)	-0.03	-0.03	0.01	-0.10	-0.15	-0.01	0.00	0.01	0.01	0.02	0.07	0.08	0.09

Key figures	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-86.4 %	-88.4 %	-88.6 %	-88.3 %	-88.0 %	-2.2 %	2.7 %	6.2 %	6.0 %	3.1 %	4.0 %	4.0 %	4.0 %
Adjusted EBIT growth-%	12.5 %	-10.8 %	17.9 %	7.9 %	6.5 %	-3.3 %	-1.0 %	-9.1 %	0.7 %	-3.2 %	10.0 %	-19.1 %	13.5 %
EBITDA-%	11.6 %	3.1 %	14.4 %	11.3 %	10.1 %	10.5 %	12.4 %	14.7 %	15.5 %	13.3 %	15.9 %	15.6 %	16.9 %
Adjusted EBIT-%	8.8 %	9.9 %	13.7 %	13.5 %	11.5 %	8.7 %	9.6 %	11.7 %	12.8 %	10.7 %	11.4 %	8.8 %	9.6 %
Net earnings-%	-10.6 %	-11.1 %	3.6 %	-34.5 %	-13.4 %	-3.9 %	1.7 %	3.2 %	5.1 %	1.6 %	6.2 %	6.8 %	7.2 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	314	289	285	277	366
Goodwill	35.1	35.6	35.6	35.6	35.6
Intangible assets	10.5	7.8	7.8	7.8	2.2
Tangible assets	45.2	43.2	39.3	30.5	125
Associated companies	211	186	186	186	186
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	11.7	14.2	14.2	14.2	14.2
Deferred tax assets	0.6	2.8	2.8	2.8	2.8
Current assets	562	489	490	521	547
Inventories	176	5.5	6.2	6.5	6.7
Other current assets	24.8	19.7	19.7	19.7	19.7
Receivables	247	312	322	335	349
Cash and equivalents	114	152	141	159	172
Balance sheet total	876	778	775	797	913

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	133	101	98.7	107	113
Share capital	36.2	36.2	36.2	36.2	36.2
Retained earnings	18.2	-20.6	-22.8	-14.9	-8.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-18.4	-14.7	-14.7	-14.7	-14.7
Other equity	97.3	100.0	100.0	100.0	100.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	54.8	55.2	21.9	21.9	117
Deferred tax liabilities	0.8	1.7	1.7	1.7	1.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	39.7	38.3	5.0	5.0	100.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	14.3	15.2	15.2	15.2	15.2
Current liabilities	688	622	654	669	683
Interest bearing debt	36.4	31.7	50.0	50.0	50.0
Payables	626	558	572	586	601
Other current liabilities	25.0	32.6	32.6	32.6	32.6
Balance sheet total	876	778	775	797	913

DCF calculation

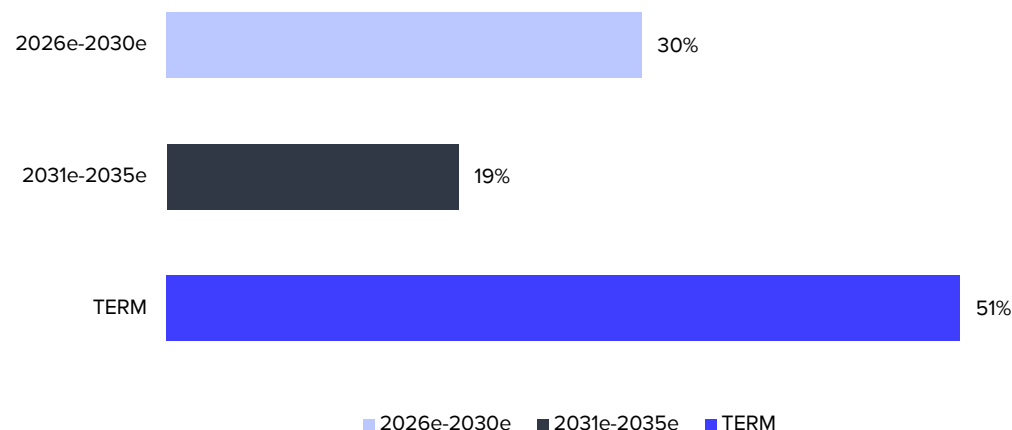
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-88.0 %	3.1 %	4.0 %	4.0 %	4.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	1.3 %	6.7 %	9.5 %	8.8 %	9.6 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %
EBIT (operating profit)	2.6	13.9	20.6	19.9	22.6	25.3	26.1	26.8	27.6	28.5	29.2	
+ Depreciation	17.7	13.9	13.8	15.3	16.9	15.9	15.3	14.7	14.8	14.9	15	
- Paid taxes	-1.6	-1.5	-3.1	-2.6	-2.8	-3.3	-3.4	-3.6	-3.7	-3.9	-4.4	
- Tax, financial expenses	-1.2	-1.1	-0.8	-1.1	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	50.7	2.5	1.1	0.8	0.4	0.1	-0.1	-0.3	-0.5	4.6	6.2	
Operating cash flow	68.2	27.6	31.5	32.2	35.6	36.6	36.3	36.2	36.7	42.6	44.9	
+ Change in other long-term liabilities	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-16.0	-10.0	-5.0	-104.4	-8.7	-11.1	-11.3	-15.5	-15.5	-15.6	-18	
Free operating cash flow	53.1	17.6	26.5	-72.3	27.0	25.5	25.0	20.7	21.2	27.1	27.1	
+/- Other	-10.0	-3.1	0.0	105	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	43.1	14.5	26.5	32.7	27.0	25.5	25.0	20.7	21.2	27.1	27.1	395
Discounted FCFF		13.9	23.1	26.0	19.6	16.9	15.1	11.4	10.7	12.5	11.4	166
Sum of FCFF present value		326	312	289	263	244	227	212	200	190	177	166
Enterprise value DCF		326										
- Interest bearing debt		-192										
+ Cash and cash equivalents		152										
+ Associated companies		48										
-Minorities		0.0										
-Dividend/capital return		-6										
Equity value DCF		329										
Equity value DCF per share		1.8										

WACC

Tax-% (WACC)	19.0 %
Target debt ratio (D/(D+E))	5.0 %
Cost of debt	5.0 %
Equity Beta	1.33
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.8 %
Weighted average cost of capital (WACC)	9.5 %

Source: Inderes

Cash flow distribution



Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	1493.8	1679.7	201.6	207.9	216.3	EPS (reported)	-0.11	-0.11	-0.15	0.02	0.07
EBITDA	30.1	27.2	20.3	27.8	34.3	EPS (adj.)	0.01	-0.08	0.03	0.05	0.09
EBIT	-5.3	13.6	2.6	13.9	20.6	OCF / share	0.02	0.25	0.37	0.15	0.17
PTP	-17.6	-18.6	-26.8	4.9	16.6	OFCF / share	0.20	0.22	0.23	0.08	0.14
Net Income	-20.7	-20.1	-27.1	3.4	13.4	Book value / share	0.94	0.74	0.54	0.53	0.58
Extraordinary items	-22.0	-8.1	-20.5	-8.5	-4.0	Dividend / share	0.07	0.07	0.03	0.03	0.05
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	934.5	875.7	778.4	775.1	797.2	Revenue growth-%	-19%	12%	-88%	3%	4%
Equity capital	171.2	133.3	100.9	98.7	106.6	EBITDA growth-%	-56%	-10%	-25%	37%	24%
Goodwill	35.2	35.1	35.6	35.6	35.6	EBIT (adj.) growth-%	-52%	30%	6%	-3%	10%
Net debt	-20.6	-37.4	-82.2	-86.4	-104.1	EPS (adj.) growth-%	-94%	-1179%	136%	100%	63%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	2.0 %	1.6 %	10.1 %	13.3 %	15.9 %
EBITDA	30.1	27.2	20.3	27.8	34.3	EBIT (adj.)-%	1.1 %	1.3 %	11.5 %	10.7 %	11.4 %
Change in working capital	-20.1	23.1	50.7	2.5	1.1	EBIT-%	-0.4 %	0.8 %	1.3 %	6.7 %	9.5 %
Operating cash flow	4.3	44.7	68.2	27.6	31.5	ROE-%	-10.4 %	-13.2 %	-23.1 %	3.4 %	13.1 %
CAPEX	30.6	-4.4	-16.0	-10.0	-5.0	ROI-%	-3.1 %	-4.5 %	-10.6 %	6.6 %	13.1 %
Free cash flow	36.6	40.4	43.1	14.5	26.5	Equity ratio	18.3 %	15.2 %	13.0 %	12.7 %	13.4 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	-12.0 %	-28.1 %	-81.5 %	-87.5 %	-97.7 %
EV/S	0.1	0.1	0.5	0.1	0.1	Net debt/EBITDA	-0.7	-1.4	-4.0	-3.1	-3.0
EV/EBITDA	3.4	3.7	5.0	1.1	0.4	EBITDA/net financials	4.0	3.7	3.1	4.7	8.6
EV/EBIT (adj.)	6.2	4.7	4.4	1.3	0.5						
P/E (adj.)	>100	neg.	41.8	16.2	10.0						
P/B	1.0	1.2	2.1	1.7	1.5						
Dividend-%	7.6 %	7.7 %	2.6 %	3.4 %	5.6 %						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
	Analyst changed		
7/25/2022	Accumulate	2.30 €	2.10 €
8/8/2022	Accumulate	2.30 €	2.02 €
10/28/2022	Accumulate	2.10 €	1.86 €
1/31/2023	Accumulate	2.00 €	1.72 €
2/17/2023	Reduce	1.70 €	1.62 €
4/28/2023	Reduce	1.50 €	1.45 €
7/24/2023	Reduce	1.25 €	1.19 €
8/30/2023	Accumulate	1.05 €	0.94 €
11/1/2023	Accumulate	1.05 €	0.92 €
2/19/2024	Accumulate	1.20 €	1.05 €
4/26/2024	Accumulate	1.10 €	0.98 €
5/2/2024	Accumulate	1.00 €	0.92 €
7/19/2024	Accumulate	1.05 €	0.96 €
10/31/2024	Accumulate	1.00 €	0.90 €
12/17/2024	Accumulate	1.00 €	0.91 €
3/4/2025	Accumulate	1.05 €	1.00 €
4/3/2025	Accumulate	1.25 €	1.13 €
4/30/2025	Accumulate	1.25 €	1.09 €
7/21/2025	Accumulate	1.25 €	1.12 €
10/31/2025	Accumulate	1.25 €	1.19 €
1/14/2026	Reduce	1.25 €	1.25 €
2/26/2026	Accumulate	1.20 €	1.05 €
4/27/2026	Accumulate	1.10 €	0.95 €
4/30/2026	Accumulate	1.10 €	0.94 €
6/17/2026	Accumulate	1.00 €	0.89 €



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