



Orion Half Year Financial Report 1-6/2020

Disclaimer

This presentation contains forward-looking statements which involve risks and uncertainty factors. These statements are not based on historical facts but relate to the Company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies.

These statements are subject to risks and uncertainties. Actual results may differ substantially from those stated in any forward-looking statement. This is due to a number of factors, including the possibility that Orion may decide not to implement these strategies and the possibility that the anticipated benefits of implemented strategies are not achieved. Orion assumes no obligation to update or revise any information included in this presentation.

All the figures in this presentation have been rounded, which is why the total sums of individual figures may differ from the total sums shown.



Highlights in January-June 2020

Orion has fared well in exceptional circumstances

1 The COVID-19 pandemic increased demand for some products in March-April after which the demand has levelled off.

2 With the growth of net sales also the operating profit increased. In addition, milestones increased the operating profit.



3 First commercial sales of Nubeqa® in Japan and the EU
New data from ARAMIS study published at ASCO.

4 Validation of REFALS study data ongoing.

COVID-19 pandemic impacts on Orion

The most important thing is to take care of the health and safety of employees, the continuity of production and patient safety in ongoing clinical trials.



The March demand spike impact of Gx and OTC products is levelling off.



Disruptions in the global supply chains possible but the risk of impacts in 2020 lower.



Strong increase in demand in March-April after which demand returned to a more normal level.



Prioritisation in production managed with success. No bottlenecks currently.



The impact of March demand spike has levelled off.



Some delays in some R&D programs.

Key figures 1–6/2020

Net sales

572

MEUR (493)
+16%

Operating profit

181

MEUR (107)
+69%

Operating profit
margin

32%

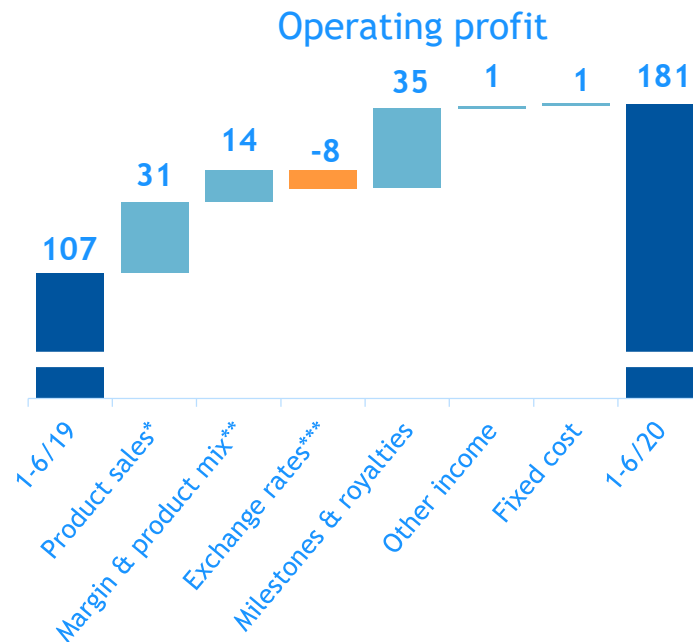
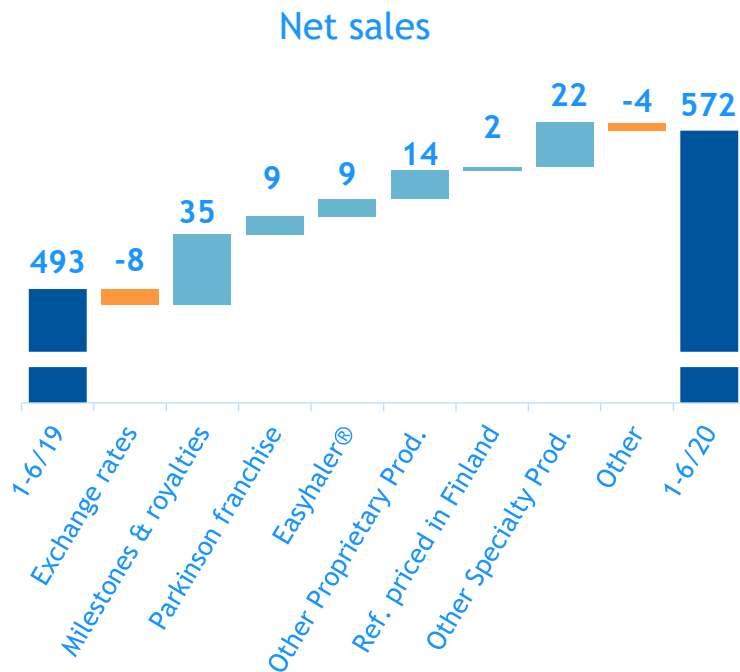
(22%)

Cash flow per share
before financial
items

0.90

EUR (0.57)
+56%

Development of net sales and operating profit

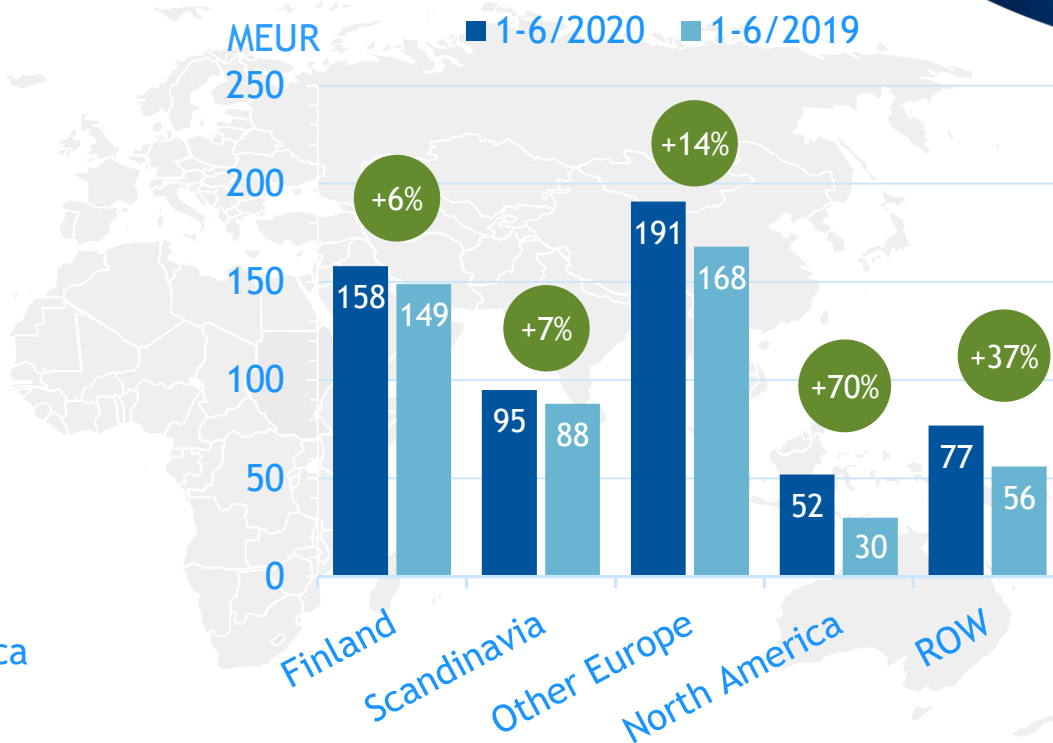
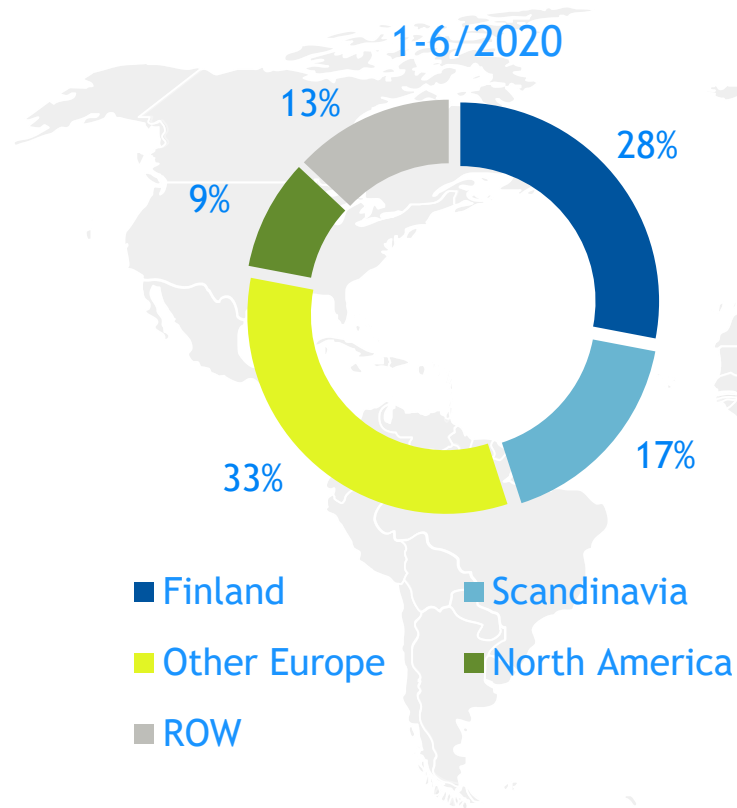


* Product & service sales without sales margin and product mix change and exchange rate effect

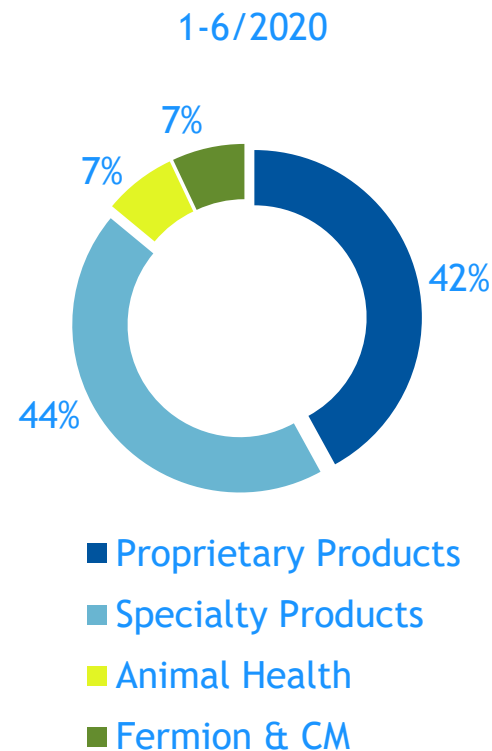
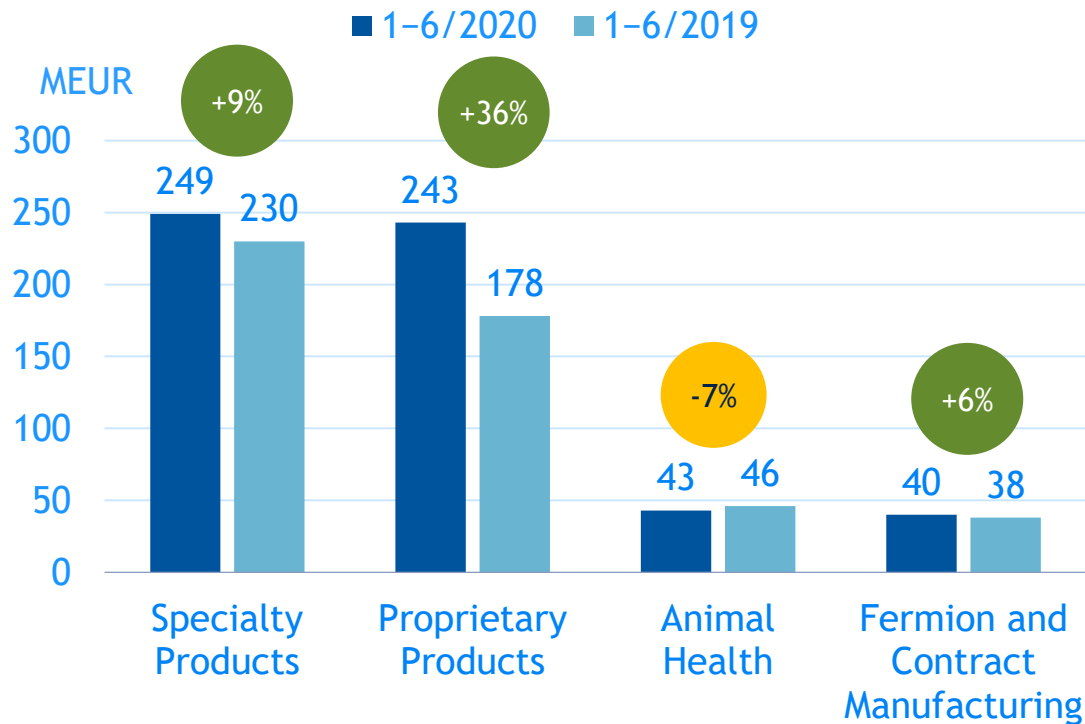
** Product sales margin and product mix change but without exchange rate effect

*** Exchange rate effect on gross margin
















Geographical breakdown and development of net sales



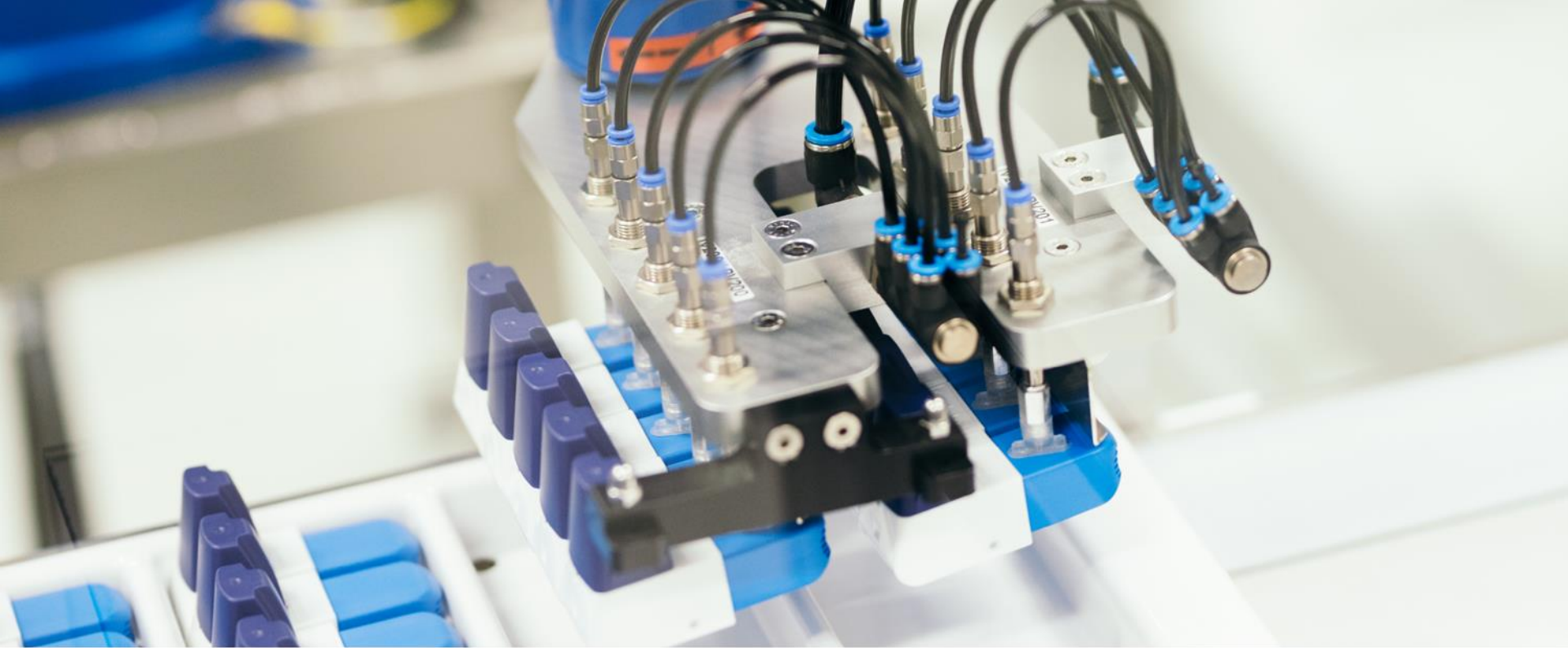
Proprietary and Specialty Products showed strong growth



Best-selling pharmaceuticals 1–6/2020

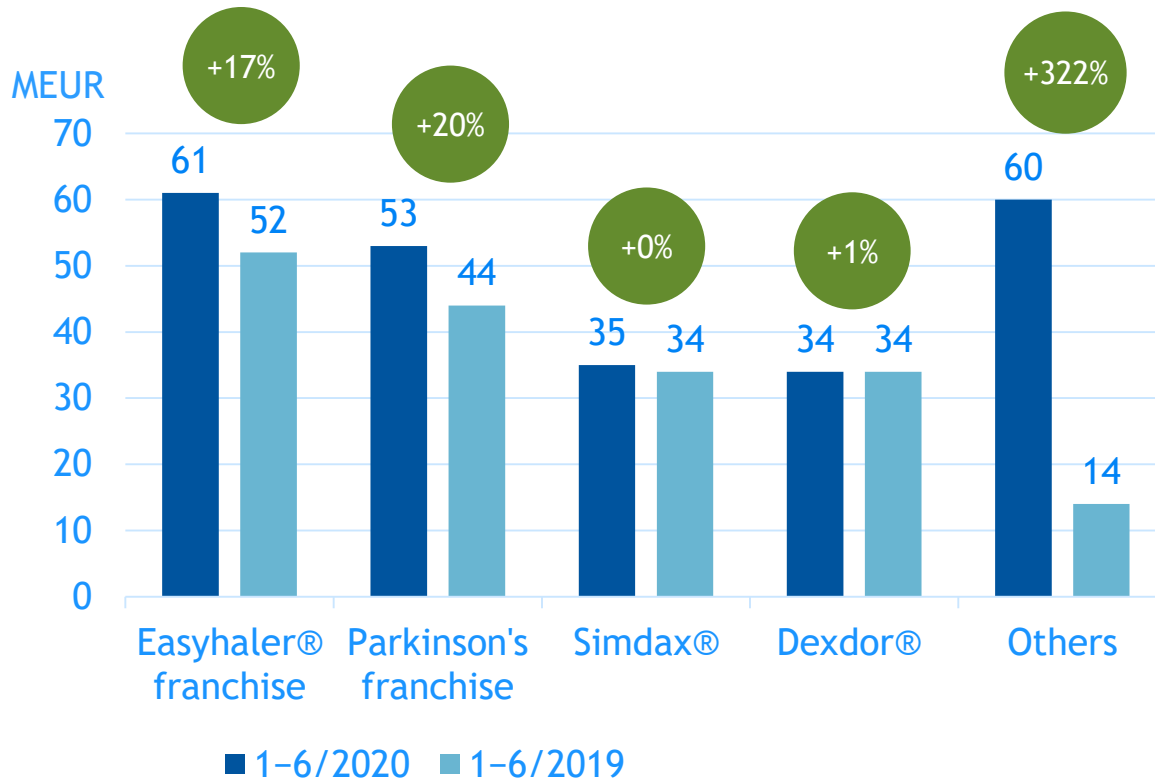
		Indication	Net sales EUR million	Change vs. 1–6/2019
1.		Asthma, COPD	61	+17%
2.	  	Parkinson's disease	53	+20%
3.		Acute heart failure	35	+0%
4.		Intensive care sedative	34	+1%
5.	   	Animal sedatives	16	-26%
6.		Inflammatory pain	12	+1%
7.	Divina series 	Menopausal symptoms	10	+16%
8.	Trexan®	Rheumatoid arthritis, cancer	9	+83%
9.	Biosimilars   	Rheumatoid arthritis, inflammatory bowel diseases, lymphoma	9	-53%
10.	Solomet®	Inflammation, pain	8	+33%

 = Products of Proprietary Products unit

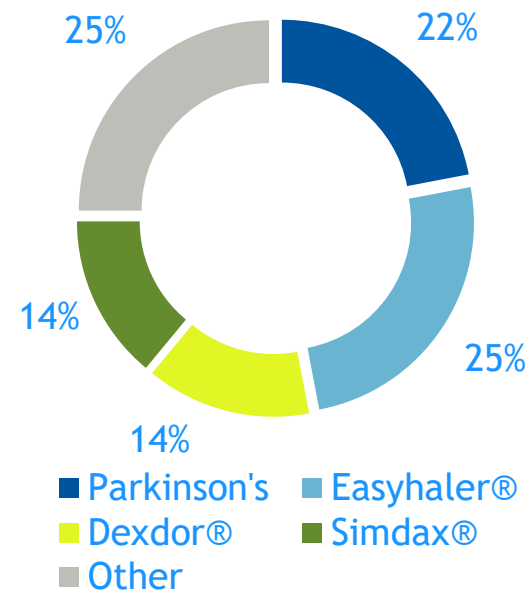


Proprietary Products

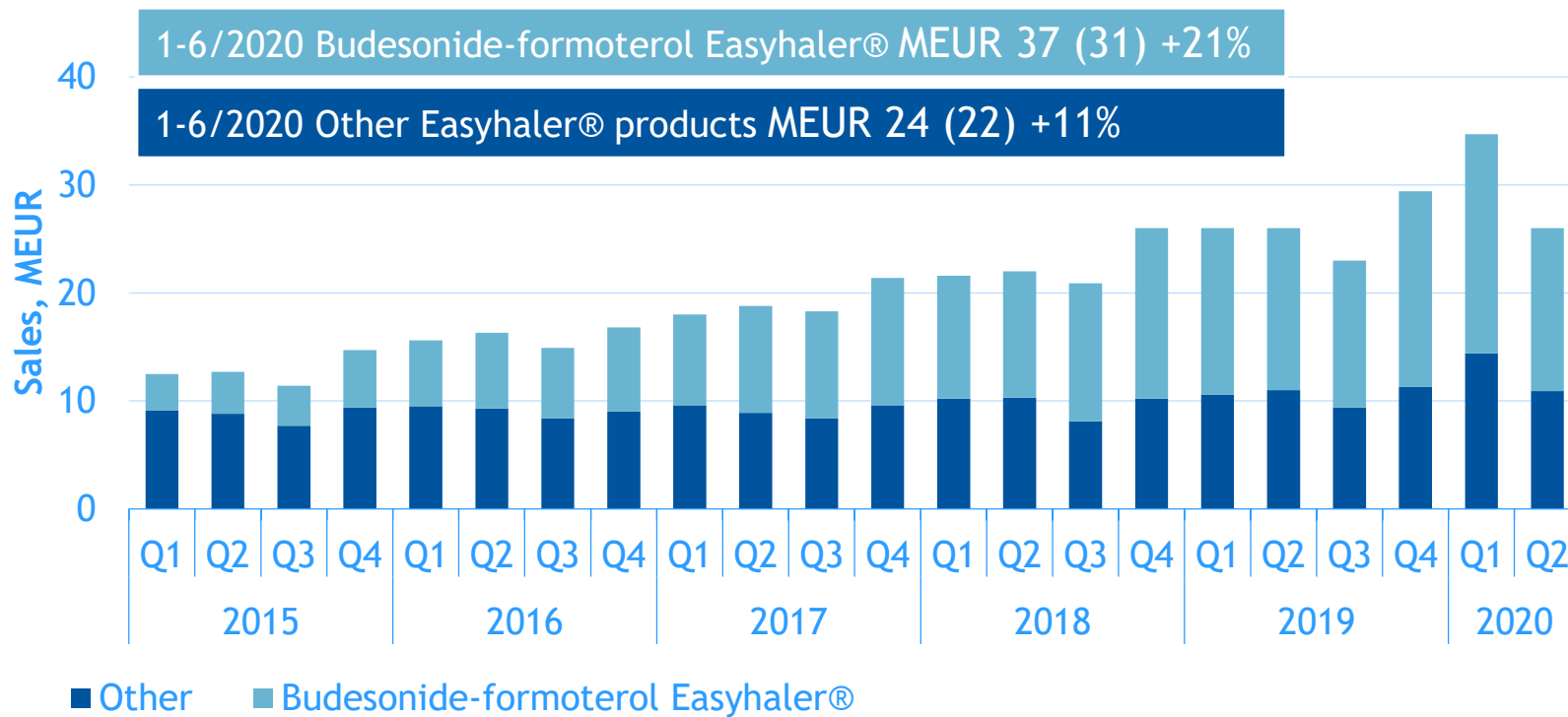
Dexdor® showed growth due to COVID-19



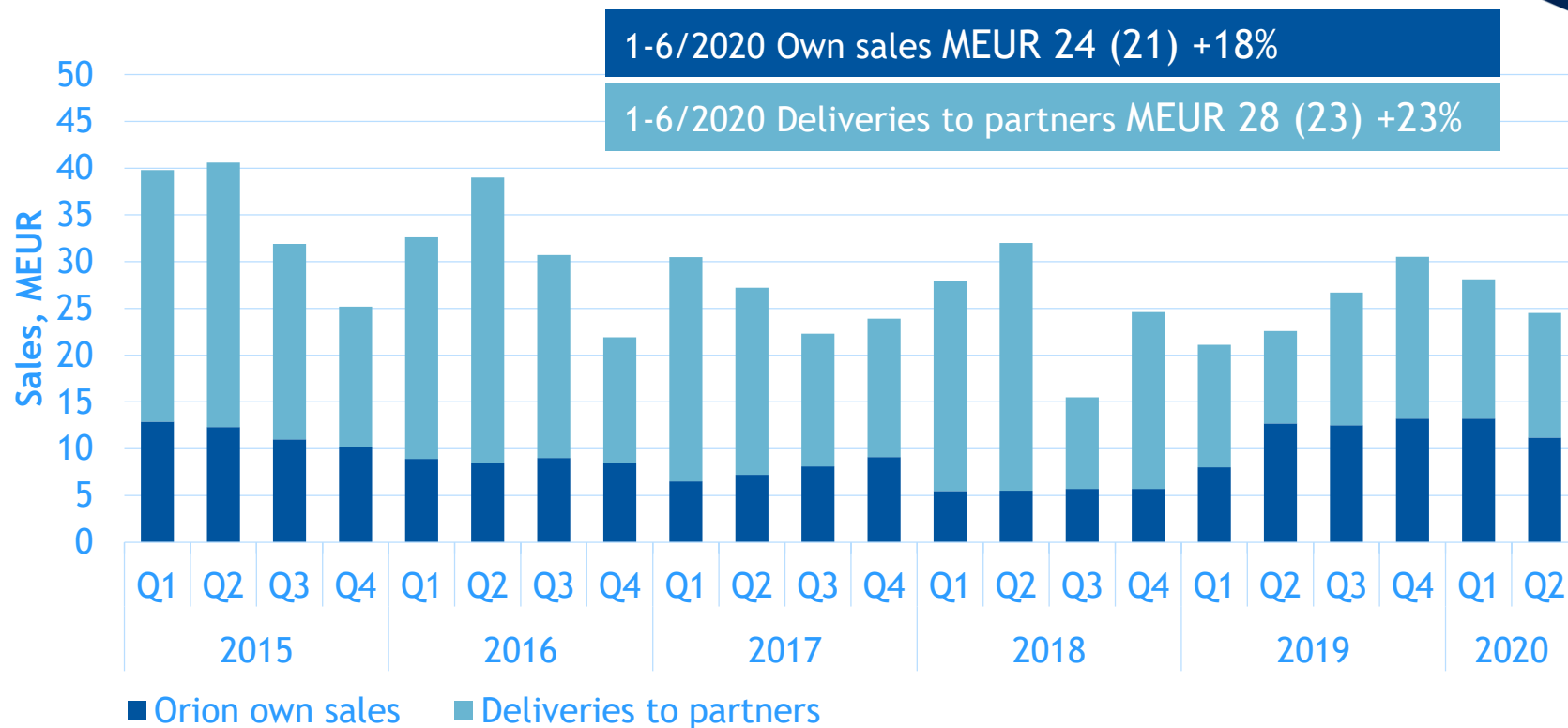
Proprietary Products sales split 1-6/2020



Easyhaler® sales +17%

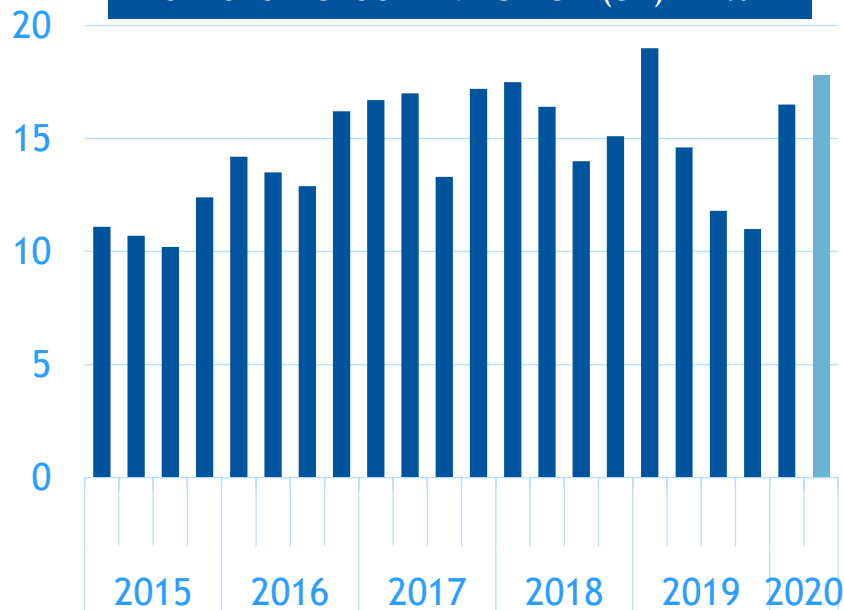


Parkinson's franchise sales +20%

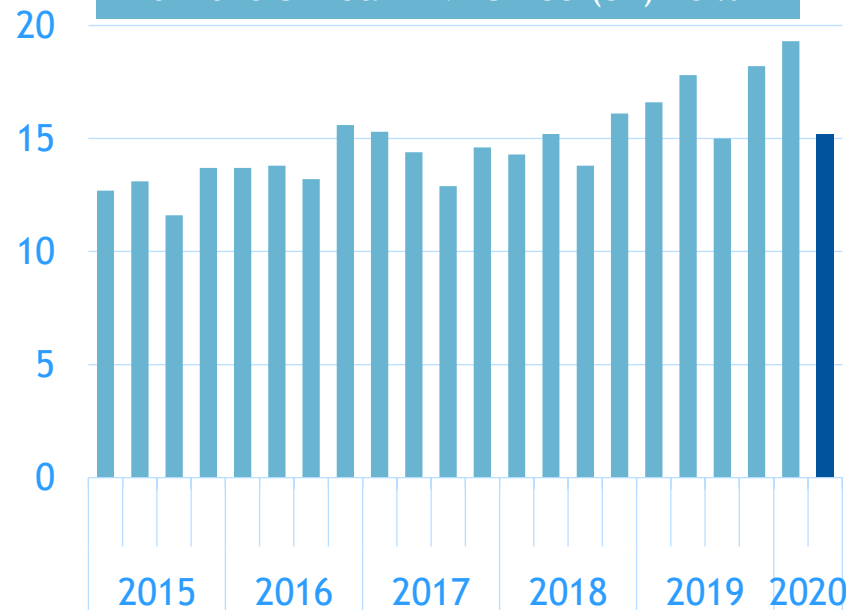


Dexdor® and Simdax®

1-6/2020 Dexdor® MEUR 34 (34) +1 %



1-6/2020 Simdax® MEUR 35 (34) +0 %

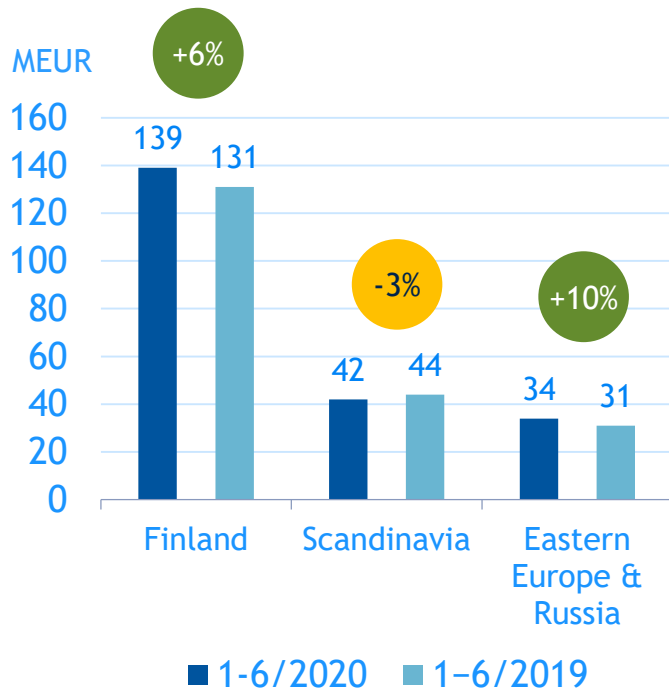




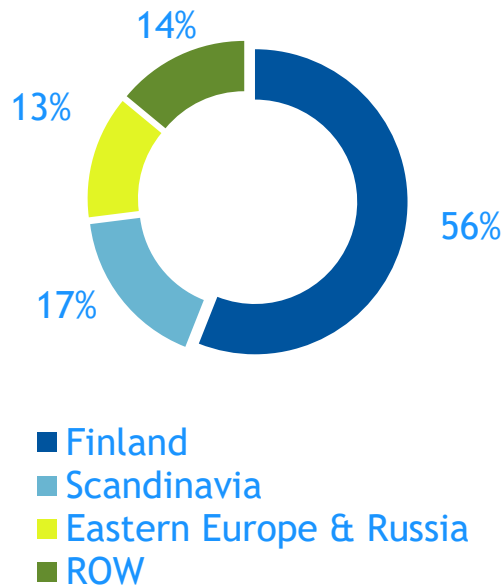
Specialty Products

Specialty Products: COVID-19 related demand spike levelled off

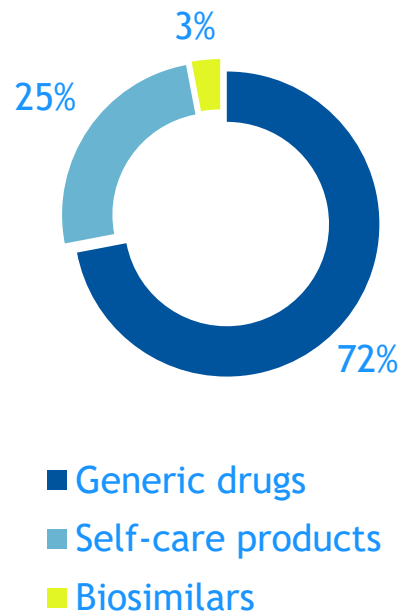
Development of net sales



Net sales by region
1-6/2020



Net sales by products
1-6/2020



In Finland, market for reference priced prescription drugs started to level off after demand spike in March

The market for reference priced prescription drugs in Finland (1-6/2020)

MEUR **219** (217)

Market development

+1%



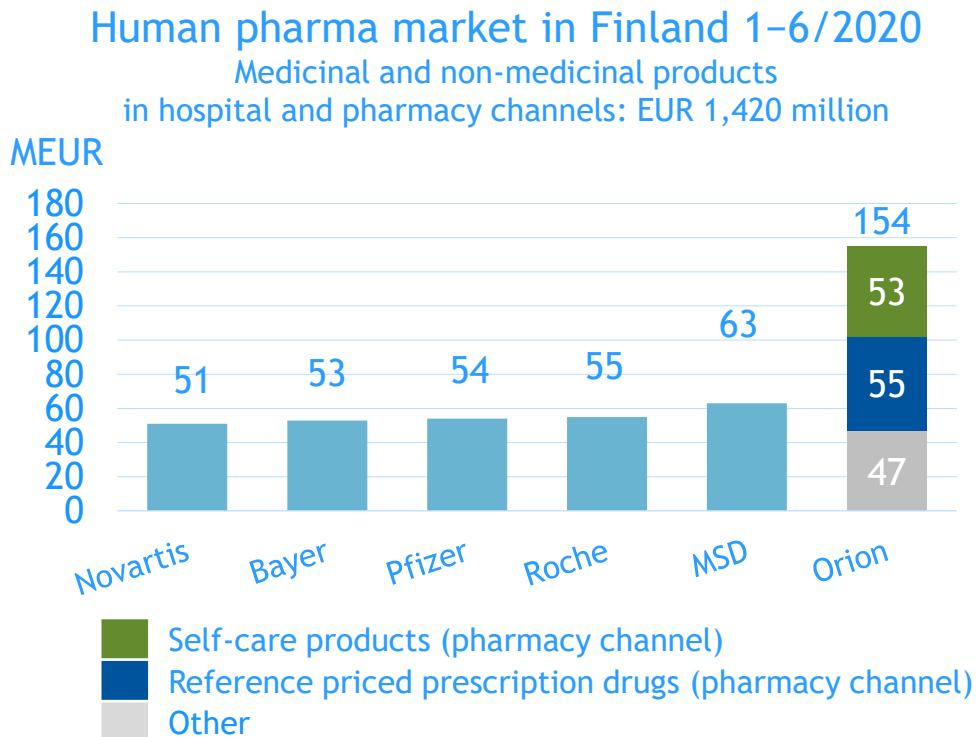
The sales of Orion's reference priced prescription drugs in Finland

MEUR **55** (55)

Orion's development

+1%

Orion is strong in home market Finland



Reference priced prescription drugs

Orion market share in pharmacy

25%
(25%)

Self-care products

Orion market share in pharmacy

25%
(24%)

Human pharmaceuticals total

Orion market share in hospital & pharmacy

11%
(11%)



Research and development

Orion's key clinical drug development projects

Project	Indication	Phase			Registration
Easyhaler® tiotropium	COPD	Bioequivalence study			
Darolutamide ¹⁾	Prostate cancer (mHSPC)	I	II	III	
ODM-109 (oral levosimendan)	ALS	I	II	III	
ODM-203 (targeted FGFR+VEGFR inhibitor) ²⁾	Solid tumours	I	II		
ODM-207 (BET protein inhibitor) ²⁾	Cancer	I			
ODM-208 (CYP11A1 inhibitor)	Prostate cancer (CRPC)	I			
ODM-209 (CYP11A1 inhibitor)	Prostate cancer (CRPC), breast cancer	I			

¹⁾ In collaboration with Bayer

²⁾ Search for partner ongoing for the next possible phase

	= Completed	
	= Ongoing	 = Status changed

More information on R&D projects: www.orion.fi/en/rd/orion-rd/pipeline/

Orion's key business targets in 2020

1.	Commercialisation of darolutamide in Europe. ARASENS trial (metastatic prostate cancer) continues in order to expand the indication for the molecule.	<ul style="list-style-type: none">• First commercial sales of darolutamide in Japan and the EU.• Fully recruited ARASENS trial estimated to complete in 2021.
2.	Development of orally administered levosimendan (ODM-109) for ALS in phase III clinical trial (REFALS) and preparation for its possible commercialisation. The potential of different R&D projects are reviewed with consideration of the total R&D portfolio.	<ul style="list-style-type: none">• Validation of the REFALS study data is ongoing.• An assessment on the prospects of launching the product in the USA by Orion is ongoing.• Searching for partners for development of ODM-203 and ODM-207.

Orion's key business targets in 2020

3.	Strengthening Orion's position as the most significant provider of generic drugs in Finland. Competitive product portfolio in Specialty Products and strengthening of product launches.	<ul style="list-style-type: none"> Orion is a clear market leader both in self-care products and reference priced prescription drugs in Finland. In self-care products Orion grew faster than the market.
4.	Accelerating the growth of the Easyhaler® product family and strengthening its market position. Salmeterol-fluticasone launch in Europe.	<ul style="list-style-type: none"> Easyhaler® product family sales increased by 17 per cent.
5.	Evaluation of new in-licensing opportunities in Europe, particularly in the area of hospital care.	<ul style="list-style-type: none"> The work continues.

Patient safety and reliable supply of medications are priorities also during COVID-19 pandemic

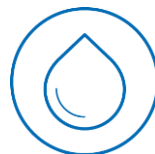
MATERIAL THEMES OF SUSTAINABILITY

Ensuring patient safety and reliable supply of medications



- Ensuring reliable supply of medications is the most important task for Orion at the moment
 - Responding to a surprising spike in demand
 - Prioritising the production of critical products
 - Full utilisation of production capacity
 - Ensuring the availability of raw and starting materials
 - Ensuring the safety of patients in clinical trials is a priority





Responsibility for employees, the environment and the ethics and transparency of operations



- Taking care of the health and safety of employees is essential
 - Specific measures taken in critical production and quality control to ensure the continuation of production
 - Reducing non-essential contacts

Orion's sustainability report for 2019 was published in April

Corporate responsibility - targets and performance in 2019

CORPORATE RESPONSIBILITY FOCUS AREA	TARGET	2019 PERFORMANCE
 Patient safety and ensuring reliable supply of medications	Ensuring availability of pharmaceutical products	●
	Ensuring patient safety	●
 Environment	Improving energy efficiency	●
	Reducing greenhouse gas emissions	●
	Reducing the share of hazardous waste from total waste	●
 Responsibility for Orionees	Lost-Time Injury Frequency (LTIF 1) is 3.5 by the end of 2019	●
	Decrease absences due to illness	●
 Business ethics and transparency	100% of active packaging material, raw material and product suppliers signed Third Party Code of Conduct	●
	Trainings on anti-corruption and anti-bribery matters.	●



Outlook

Outlook for 2020 (provided on 8 July 2020)

Net sales

Orion estimates that in 2020 net sales will be **at a similar level** as in 2019 (net sales in 2019 were EUR 1,051 million).

Operating profit

Operating profit is estimated to be **slightly higher or higher** than in 2019 (in 2019 operating profit was EUR 253 million).



Orion calendar

Interim Report 1-9/2020	21/10/2020
Financial Statement Release for 2020	9/2/2021
AGM planned to be held	25/3/2021
Interim Report 1-3/2021	27/4/2021
Half-Year Financial Report	19/7/2021
Interim Report 1-9/2021	20/10/2021



Building well-being