



# Orion Investor presentation

Updated on 17 July 2019

# 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.

# Content



- 1) Orion in brief
- 2) R&D
- 3) Highlights of 1-6/2019
- 4) Outlook and financials
- 5) Businesses
- 6) Sustainability
- 7) Financial calendar



## Orion in brief

# Key messages

**1** Orion develops, manufactures and markets human and animal pharmaceuticals, and APIs. Products marketed in >100 countries.

**2** Balanced business model: Both proprietary drugs and generics.



**3** Growth targeted through new in-house developed drugs.

**4** Core therapy areas in R&D: oncology, CNS and respiratory diseases (Easyhaler® family).

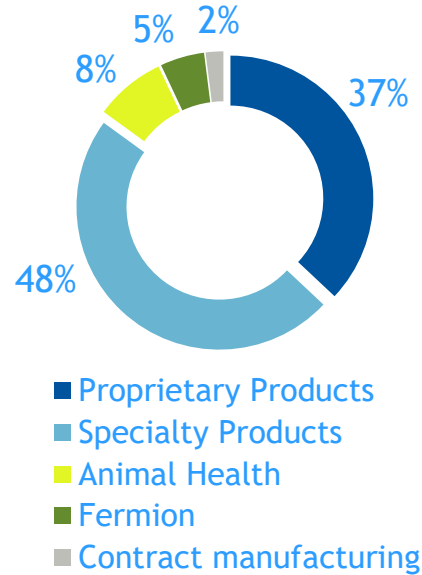
**5** Strong position in the Nordic generics market.

**6** Strong profitability, stable dividends.

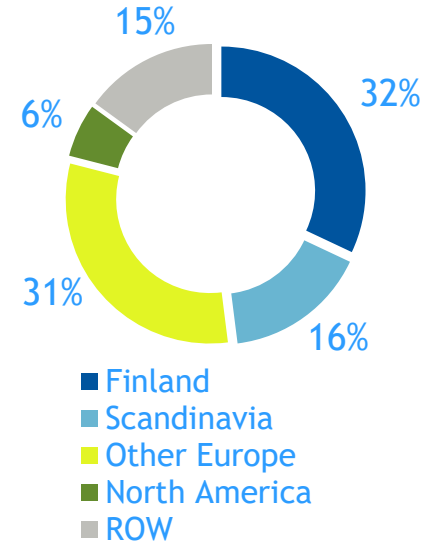
# Orion at a glance (2018 figures)

	Net sales <b>977</b> MEUR
	Operating profit <b>253</b> MEUR
	Personnel <b>3,154</b>
	R&D investments <b>104</b> MEUR
	<b>6</b> production sites in Finland
	Own sales unit in <b>26</b> European countries

Sales by business



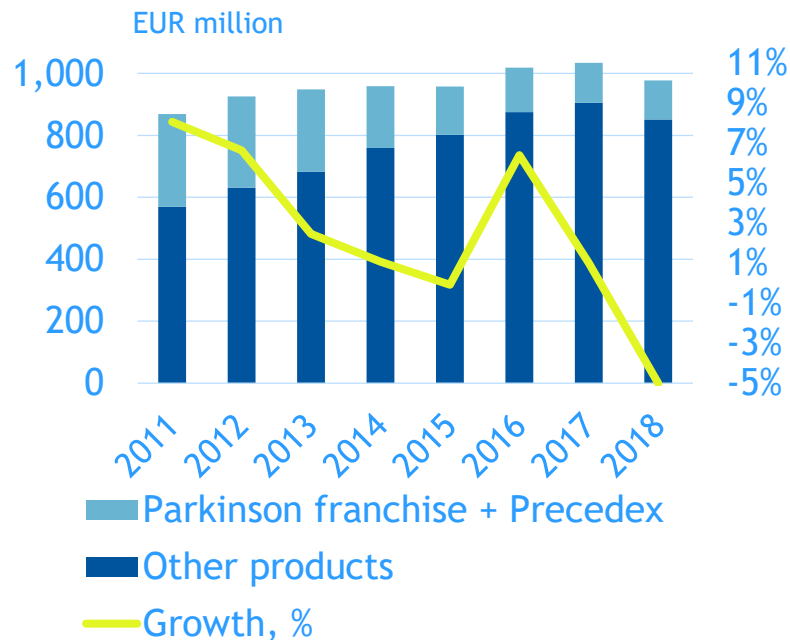
Sales by market area



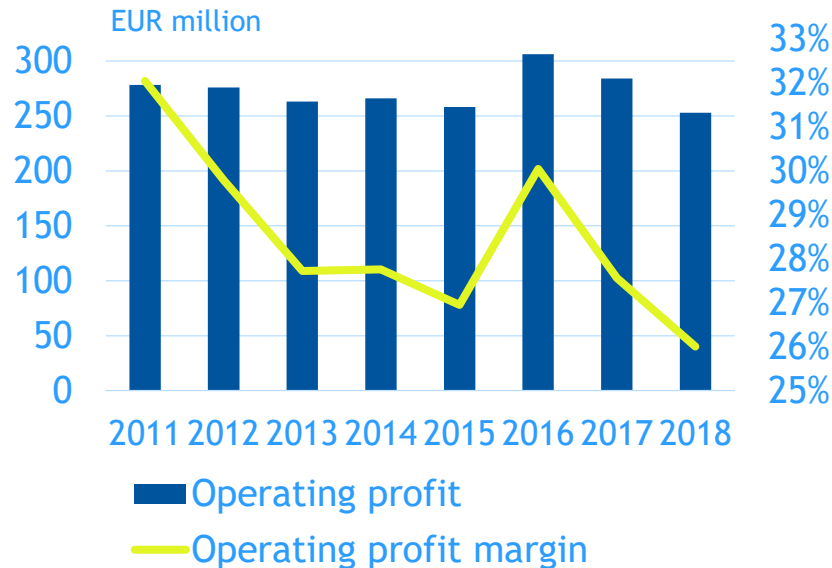
On 21 April 2018, Orion signed an agreement on the sale of all shares in Orion Diagnostica Oy (i.e. the Orion Diagnostica business division). Following the transaction, that was completed on 30 April 2018, Orion Diagnostica business is reported as discontinued operation. All figures in this presentation are for continuing operations, if not otherwise stated.

# Steady development despite patent expiries

## Net sales



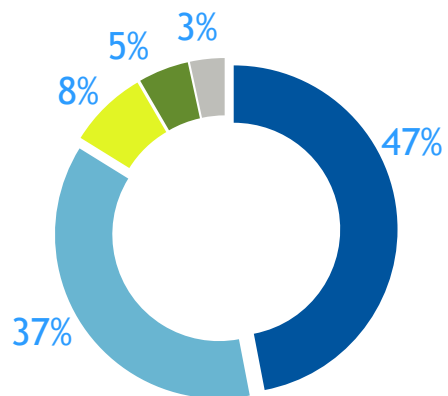
## Operating profit



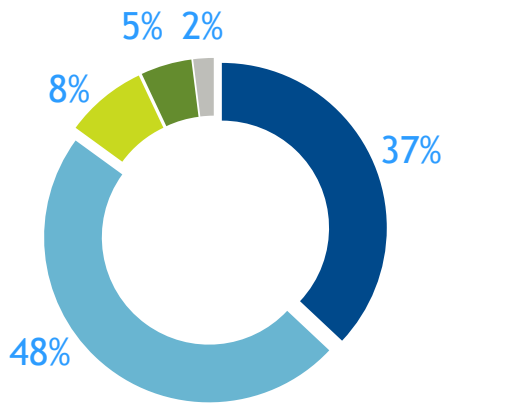
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# Orion's product mix has changed

Sales by business 2011



Sales by business 2018



■ Proprietary Products

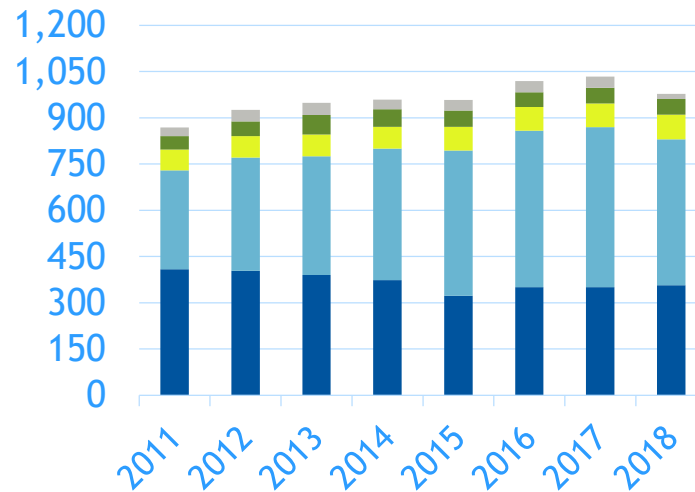
■ Animal Health

■ Contract manufacturing & other

■ Specialty Products

■ Fermion

Net sales, EUR million





# Our businesses



## Proprietary Products

In-house developed drugs and other drugs with valid product protection



## Specialty Products

Generic prescription drugs, OTC and non-medical products, biosimilars



## Animal Health

Medicine and well-being products for animals



## Fermion

Active pharmaceutical ingredients (APIs)

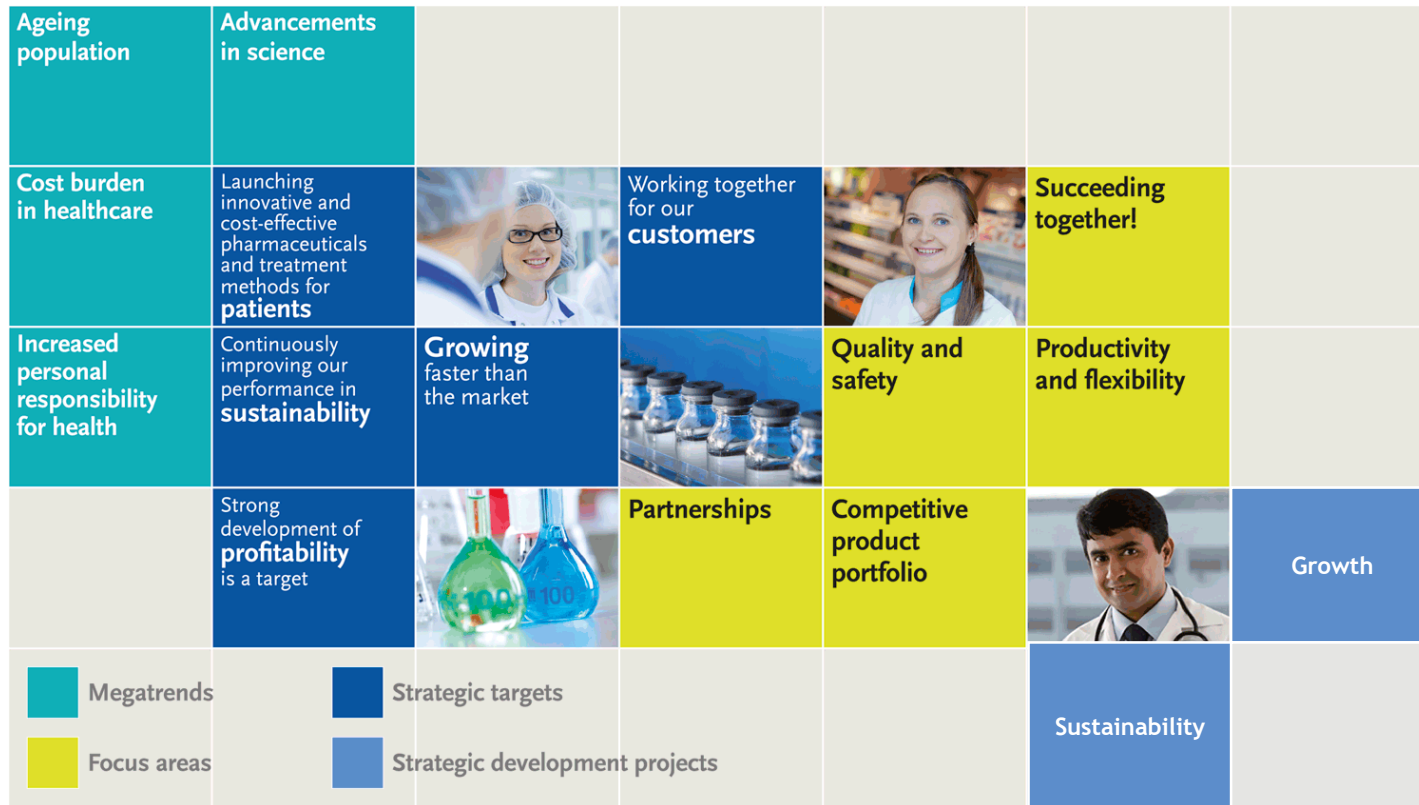


## Contract Manufacturing

Production for other pharmaceutical companies



# Orion's strategy - Mission to build well-being



# Key strategic target in 2019–2023: Growing more rapidly than the growth in the market

Net sales target  
in 2025

# 1.5

billion EUR

Capital gain from  
the sale of Orion  
Diagnostics,  
EUR 128 million,  
supports growth  
opportunities.



Own investments in  
new clinical trials:

E.g. EUR 60 million  
investment in  
Phase III trial on ALS  
(REFALS).

Investments in sales  
and marketing:

E.g. strengthening  
the Easyhaler®  
product family  
sales force in Germany.

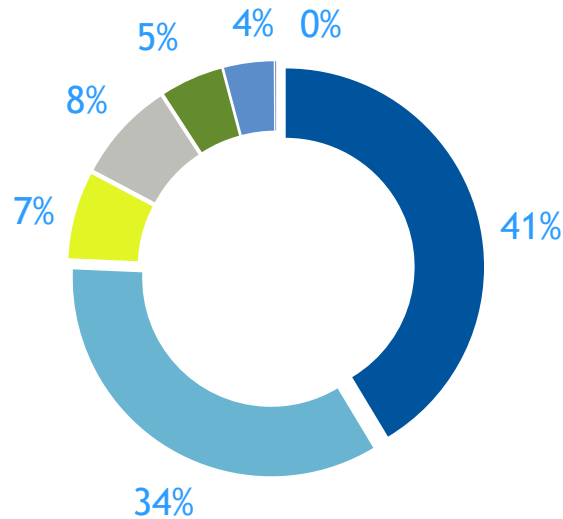
In-licensing and  
product acquisitions:

E.g. reacquisition of  
Stalevo sales rights  
in Europe.

Investments  
supporting growth  
estimated  
at EUR 30 million  
in 2019.

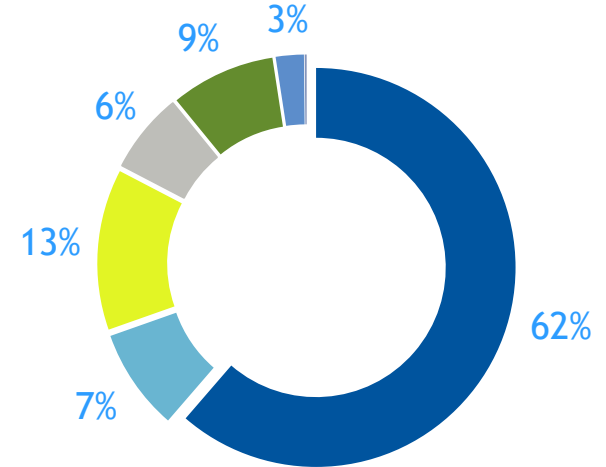
# Orion had ~71,000 shareholders on 30 June 2019

By number of shares



- Households (Finnish retail)
- Non-Finnish holders and nominee-registered
- Private corporations
- Public sector
- Non-profit institutions
- Financial and insurance corporations
- Other

By number of votes





Research and development

# Focus areas of Orion's R&D



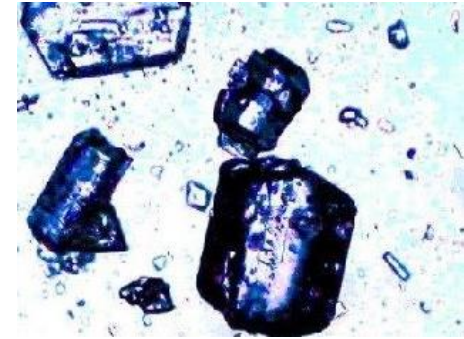
## Proprietary products

- Central nervous system
- Oncology
- Respiratory (Easyhaler® product family)
- Rare diseases



## Animal Health

- Orion utilises the R&D of proprietary products to develop new medicines for animals



## Fermion

- APIs to Orion's proprietary products
- Generic APIs
- Contract development for pharmaceutical companies

# Together we can achieve more in R&D

Research

Early development

Late stage development

Target identification and validation

8–24 mo.

Hit to Lead generation

12–24 mo.

Lead optimisation

18–36 mo.

Candidate selection, preclinical development  
12–24 mo.

Phase I

12–14 mo.

Phase II

12–36 mo.

Phase III

18–48 mo.

Collaboration with partners



AsahiKASEI

BUSINESS FINLAND



Collaboration with partners



# Orion's key clinical drug development projects

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

<sup>1)</sup> In collaboration with Bayer

 = Completed

 = Ongoing

 = Status changed

More information on R&D projects: [www.orion.fi/en/rd/orion-rd/pipeline/](http://www.orion.fi/en/rd/orion-rd/pipeline/)





**ARAMIS trial: Efficacy  
and safety of  
darolutamide in non-  
metastatic castration-  
resistant prostate  
cancer**

# Orion and Bayer's phase III trial of darolutamide for non-metastatic castration-resistant prostate cancer

- Detailed data presented at the ASCO GU on 14 February 2019 and simultaneously published in the New England Journal of Medicine.
- Darolutamide significantly extended metastasis-free survival with a favourable safety profile compared to placebo.
- The application for marketing authorisation has been submitted for example in the USA, Japan and the EU.
- Darolutamide has been granted Priority Review by the U.S. Food and Drug Administration (FDA). If the process proceeds as planned, the sales could in the best-case scenario start in the USA already at the end of 2019.
- Phase III ARASENS trial for metastatic prostate cancer continues.

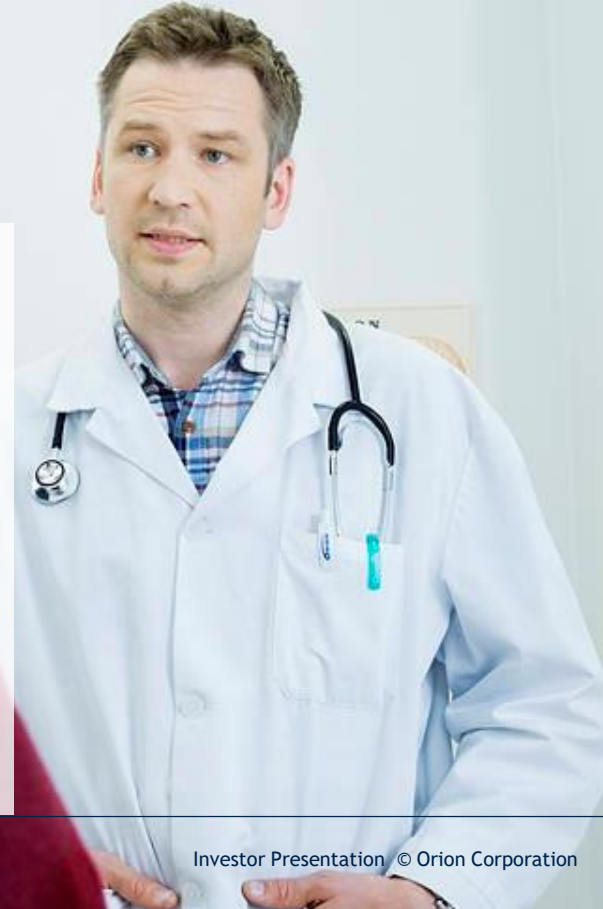
# Financial impacts of darolutamide

- **Bayer** has the right to commercialize darolutamide globally.
- **Orion** has the option of co-promoting in Europe. Orion will manufacture the product.
- **Milestone payments** upon first commercial sales:
  - EUR 45 million in the US
  - EUR 20 million in the EU
  - EUR 8 million in Japan
- **Tiered royalties** on product sales
  - Approx. 20%, including production revenue.
- **Potential one-off payments** if certain sales targets are met.

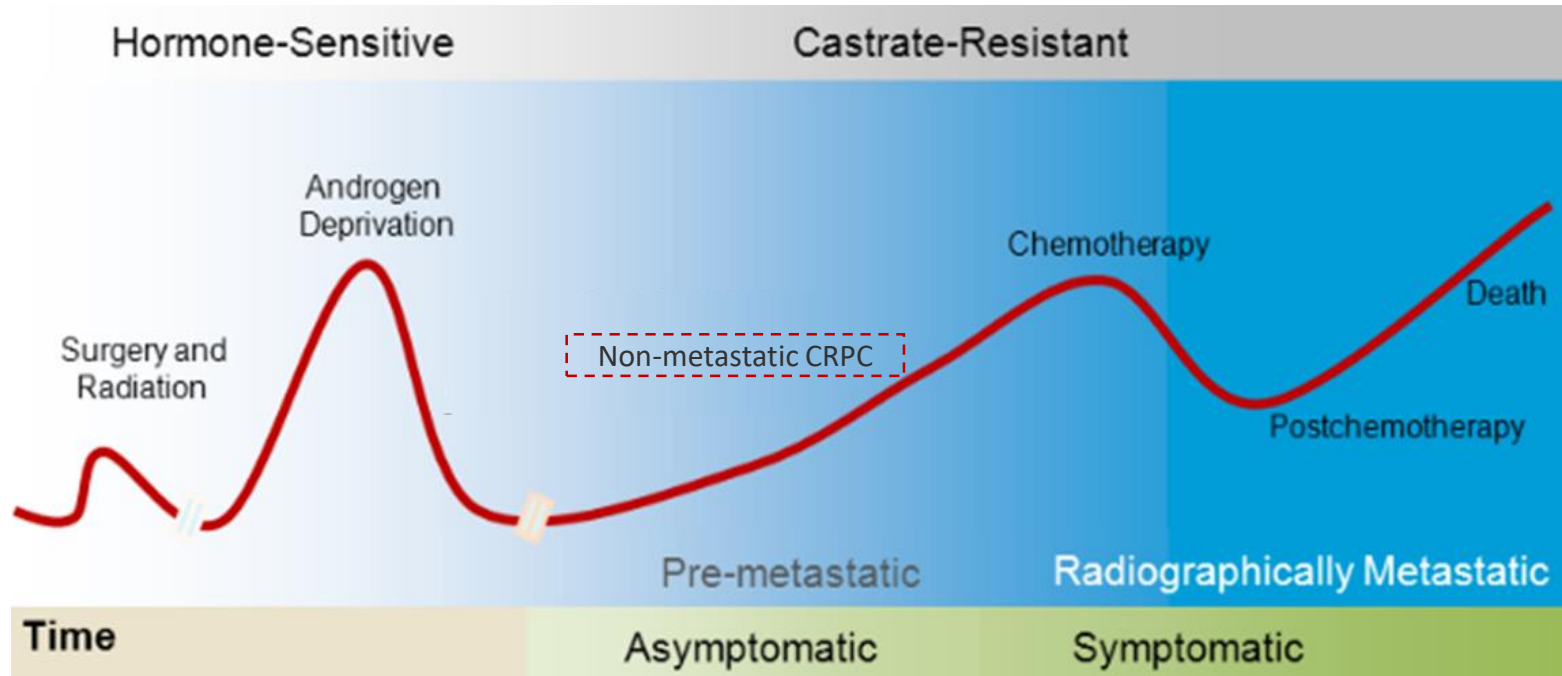


## Non-metastatic castration-resistant prostate cancer (nmCRPC)

- A form of prostate cancer associated with rising PSA (Prostate-Specific Antigen) levels despite androgen deprivation therapy (ADT).
- The cancer has not yet spread beyond the prostate region.
- High risk for progression to metastatic disease.
- Until recently, there have been no effective treatment options for this stage. The goal is to achieve disease control without impacting patients' daily lives.



Until recently, there have been no effective treatment options for CRPC patients who have rising Prostate-Specific Antigen (PSA) levels while on ADT and no detectable metastases



# Darolutamide has demonstrated low blood-brain barrier penetration that may lead to lower incidence of adverse events

- Darolutamide is a non-steroidal androgen receptor antagonist that binds to the receptor with high affinity and inhibits the growth of prostate cancer cells.
- In preclinical studies, darolutamide has demonstrated low blood-brain barrier penetration.
- This may explain the overall low incidence of central nervous system related adverse events.



# ARAMIS Phase III trial design

1,509 patients

Men with nmCRPC currently being treated with ADT, and at high risk for developing metastatic disease

Randomization  
2:1

1,200 mg darolutamide + ADT  
(600 mg twice a day)  
– 955 patients

Placebo twice a day + ADT  
– 554 patients

## Primary endpoint

- Metastasis-free survival (MFS)

## Secondary endpoints

- Overall survival (OS)
- Time to pain progression
- Time to initiation of first cytotoxic chemotherapy
- Time to first symptomatic skeletal event
- Safety and tolerability

## Summary of results: Darolutamide shows substantial efficacy and favourable safety profile

- Darolutamide significantly improves metastasis-free survival (MFS):
  - Median 40.4 months with darolutamide vs 18.4 months with placebo
  - Overall improvement of 22 months
- Positive trend in overall survival (OS):
  - 29% reduction in risk of death at interim analysis (P=0.045).
- Darolutamide has a favorable safety profile:
  - It didn't increase rates of critical adverse events (seizures, falls, fractures, rash, cognitive disorder, mental impairment, hypertension) compared to placebo.
  - Only fatigue occurred in >10% of patients.
  - Discontinuation rates similar between darolutamide and placebo.
- Significant benefit over placebo for time to pain progression:
  - 40.3 months vs. with placebo 25.4 months



# ARASENS trial continues in order to expand the indication to metastatic prostate cancer

## Patients

- Men with metastatic, hormone-sensitive prostate cancer

## Treatment

- Darolutamide plus androgen deprivation therapy and six cycles of docetaxel (chemotherapy)

## Endpoints

- Primary:  
Darolutamide over placebo in overall survival
- Secondary:  
Time to castration resistance, time to antineoplastic therapy, time to first symptomatic skeletal event, time to initiation of opioids, time to pain progression, and to characterize the safety and tolerability of darolutamide

## Status

- Recruitment finalized, estimated completion of the trial in 2022.

# Global prostate cancer estimates (2018)

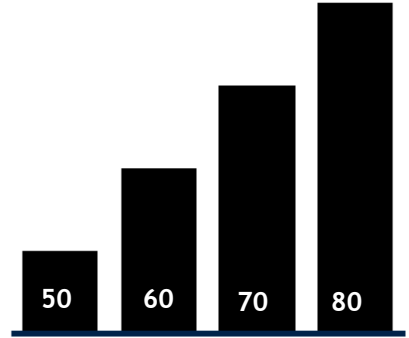
## 2nd

most commonly  
diagnosed  
malignancy  
in men worldwide



## 5th

leading cause of  
death from cancer  
in men



## 1.2

million men  
diagnosed with  
prostate cancer

## 358,000

died from  
the disease



## 50+

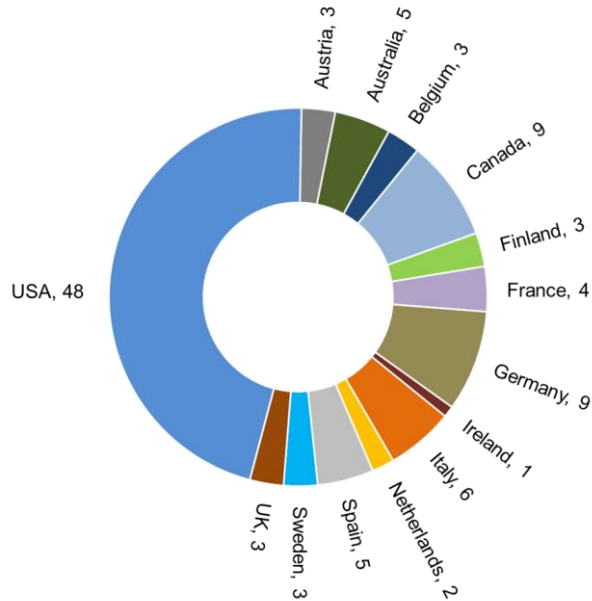
Mainly affects men  
over 50, the risk  
increases with age

# ODM-109: Oral levosimendan for ALS

- First patients recruited in July 2018 for the Phase III clinical trial (REFALS).
- By enhancing respiratory muscle function in ALS patients, orally administered levosimendan can help maintain breathing capacity and benefit overall functioning of ALS patients.
- Orion is investing approximately EUR 60 million over three years in the trial.
- The aim is to apply for marketing authorisation in the USA and Europe.
- Levosimendan has been granted an Orphan Drug Designation in the USA and in the EU.
- It is a molecule originally developed by Orion for the treatment of acute decompensated heart failure. Simdax® has been in the market for this indication since 2000.

# REFALS patient recruitment completed

104 ALS centres in 14 countries



- REFALS is an Orion study
- 1<sup>st</sup> patient randomised July 2018
- Last patient randomisation in July 2019
  - Last patient visit expected July 2020
  - Study results in H2 2020
- Number of patients in the study 496
- Objective to demonstrate benefit of oral levosimendan on respiratory and overall function in ALS
- And safety in prolonged use in ALS patients

## Primary endpoints

- 12 weeks: Slow vital capacity (Breathing capacity compared to normal subjects)
- 48 weeks: ALS functional rating scale (Overall assessment of ALS symptoms)

[www.clinicaltrials.gov](http://www.clinicaltrials.gov): NCT03505021

# ALS (Amyotrophic lateral sclerosis) as a rare disease

1-2/  
100,000

Incidence

~16,800

Patients  
in the US in 2017

~12,500

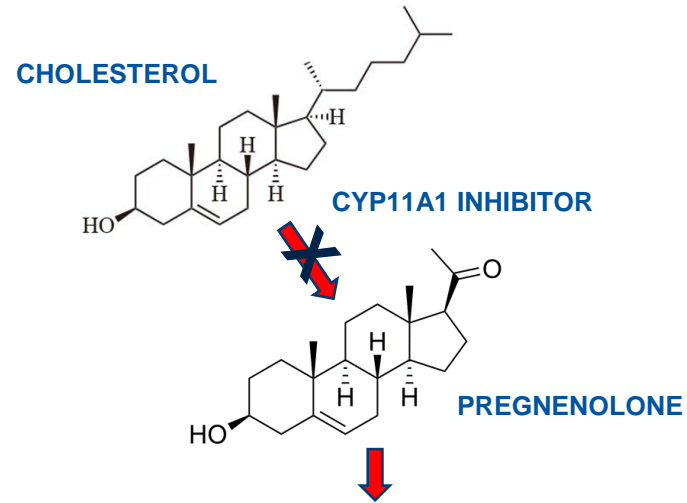
Patients  
in Europe

~450-500

Patients  
in Finland

# CYP11A1 inhibitors (ODM-208 and ODM-209)

- First-in-class compounds
- Orion leads the development in the world
- CYP11A1-inhibitors prevent the synthesis of ALL steroid hormones
- Glucocorticoids and mineralocorticoids need to be replaced during therapy



## All other steroid hormones

- Sex hormones (E.g. estrogen, progesterone, testosterone)
- Glucocorticoids (E.g. hydrocortisone)
- Mineralocorticoids (E.g. aldosterone)

# CYP11A1 inhibitors have wide potential indications

- Prostate cancer (1.3 million cases/year; the 2<sup>nd</sup> most common cancer in males in the world<sup>1</sup>)
- 70% of breast cancers (estrogen receptor-positive cancers; 1.5 million cases/year; the most common cancer in females<sup>1</sup>)
- Endometrial cancer of the uterus (0.4 million cases/year<sup>1</sup>)
- Adrenocortical carcinoma (very rare, 1 case/million/year)
- Some hormone-producing benign tumors

<sup>1</sup>Bray F ym. CA Cancer J Clin 2018; 68:394-424

# Orion investigates CYP11A1 inhibitors in two first-in-human Phase I-II trials

## The CYPIDES trial (ODM-208)

- Advanced prostate cancer that progressed during  $\geq 1$  novel hormonal therapy and chemotherapy
- Opened up for patient enrollment on March 19, 2018
- Continues to accrue patients in Finland, France, and the U.K.

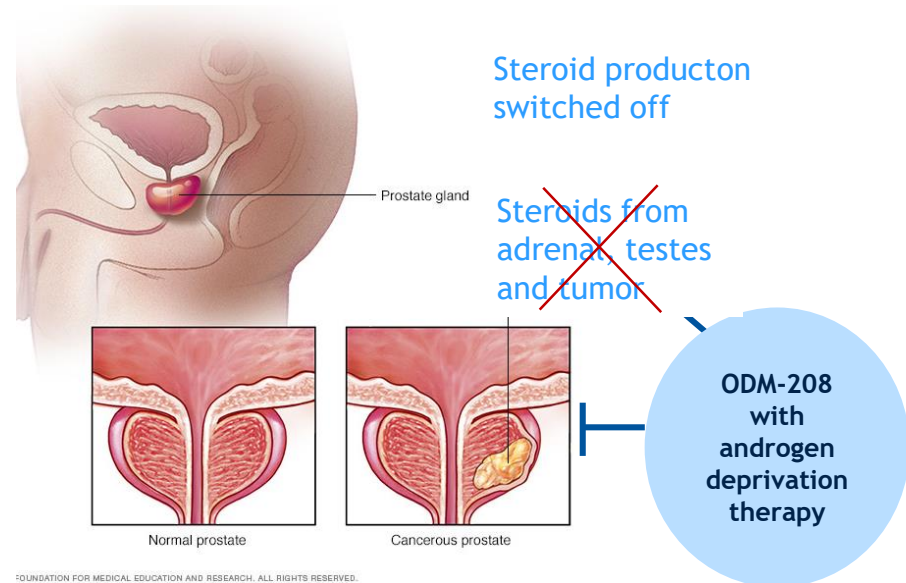
## The STESIDES trial (ODM-209)

- Advanced prostate cancer that progressed during one or more novel hormonal therapy and chemotherapy
- Advanced breast cancer that progressed during two or more systemic treatments
- Opened up for patient accrual in April 2019



# ODM-208: Pan-steroid hormone synthesis inhibitor (CYP11A1 inhibitor) for castration-resistant prostate cancer

- Steroid hormones stimulate the growth of hormonally regulated cancers, such as most prostate and breast cancers.
- Hormonal treatments are highly effective, but drug resistance will often eventually emerge and cancer will start growing again.
- Preclinical studies have shown that ODM-208 inhibits the synthesis of steroid hormones. It has potential efficacy also for those cancers that have become resistant to the standard hormonal treatments.
- The steroid hormones that are needed and do not promote cancer growth are replaced with additional medication.





## Highlights in January-June 2019

# Marketing authorisation applications for darolutamide submitted in the main markets

**1** Marketing authorisation applications for the prostate cancer drug darolutamide submitted in the main markets USA, Japan and Europe.  
Priority Review granted in the USA.

**2** Net sales were at same level and operating profit lower than in the comparative period.  
R&D expenses increased.  
Outlook remains unchanged.



**3** Net sales of Proprietary Products on previous year's level. Easyhaler® and Simdax® showing strong sales.  
Specialty Products' net sales decline halted. Strong growth in Scandinavia.

**4** REFALS patient recruitment completed. REFALS evaluates orally administered levosimendan (ODM-109) for the treatment of symptoms of ALS.

## Key figures 1-6/2019

Net sales

**493**

MEUR (493)

Operating profit

**107**

MEUR (140)  
-23%

Operating profit  
margin

**22%**

(28%)

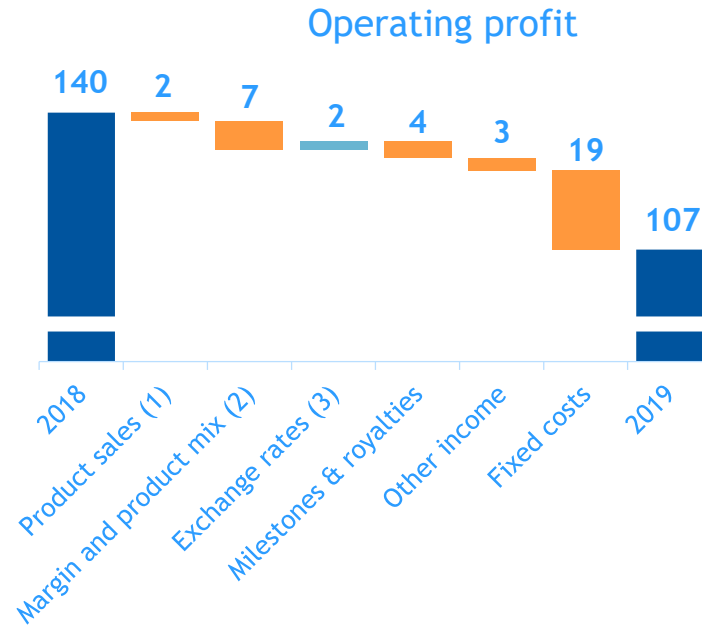
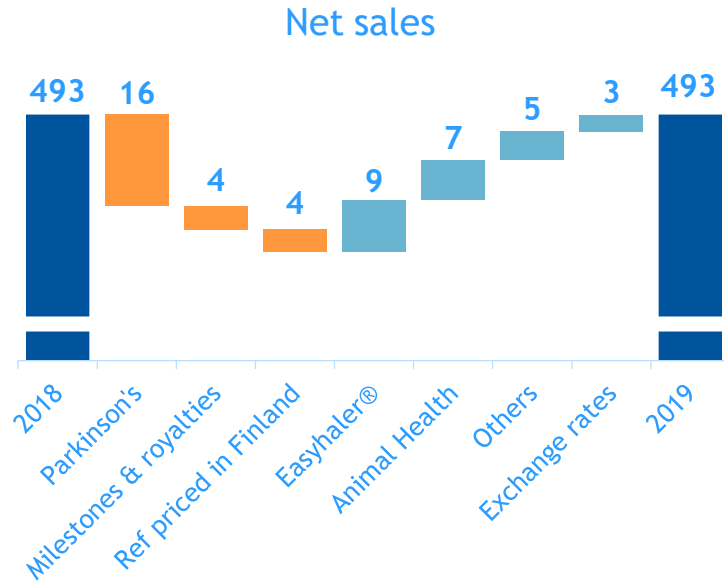
Cash flow per share  
before financial  
items\*

**0.57**

EUR (1.75)  
-67%

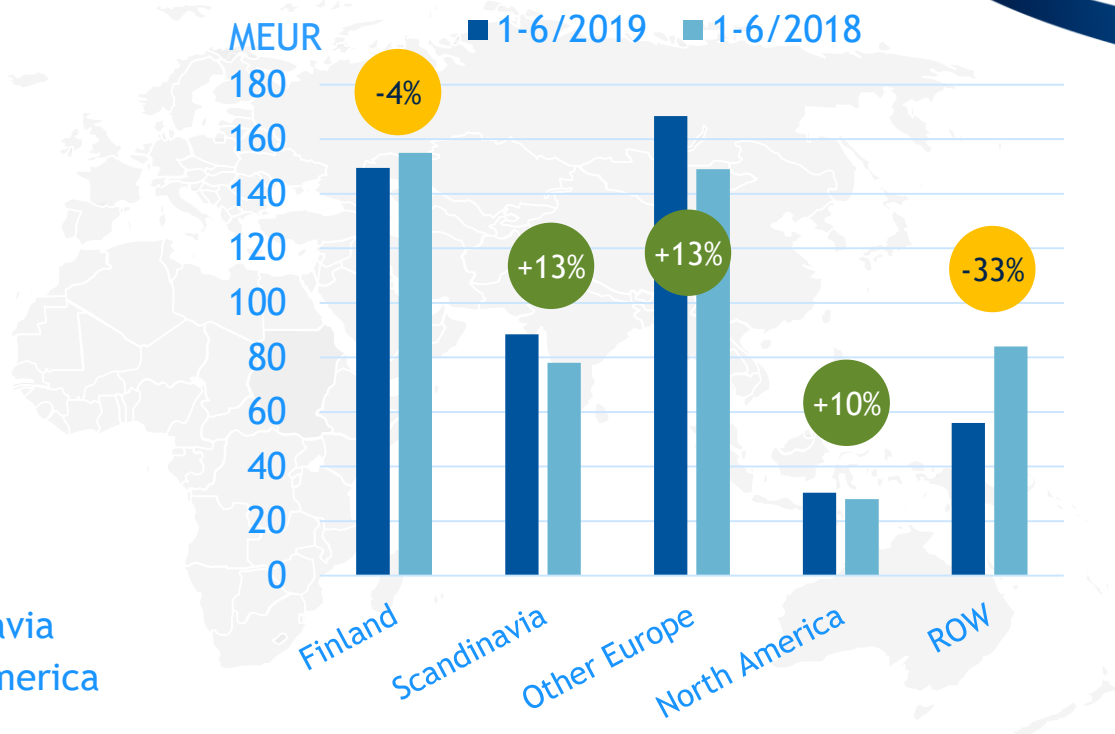
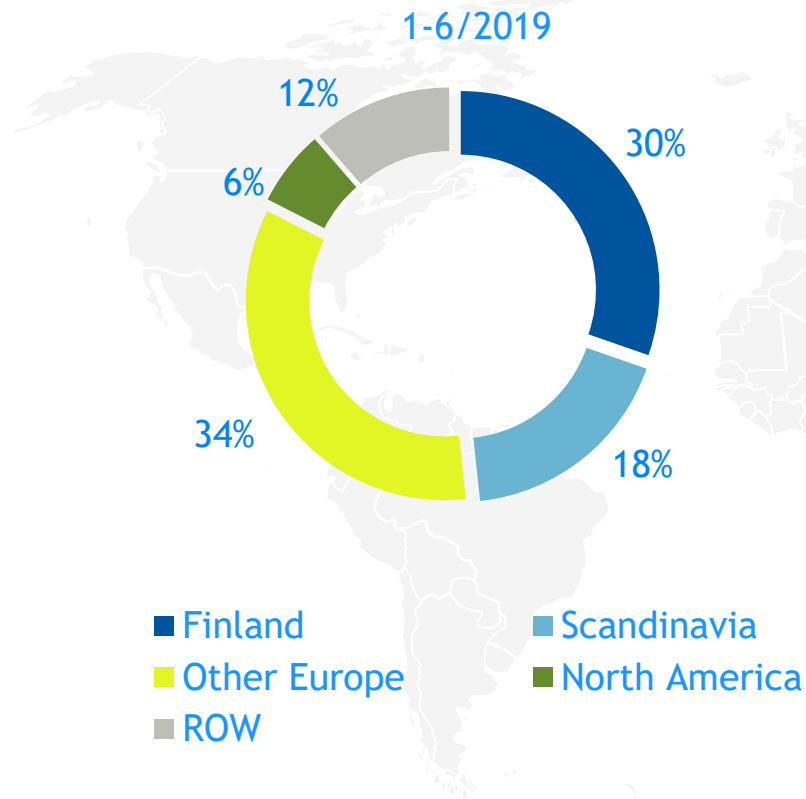
\*) Comparison period cash flow per share before financial items includes both continuing and discontinued operations

# Development of net sales and operating profit

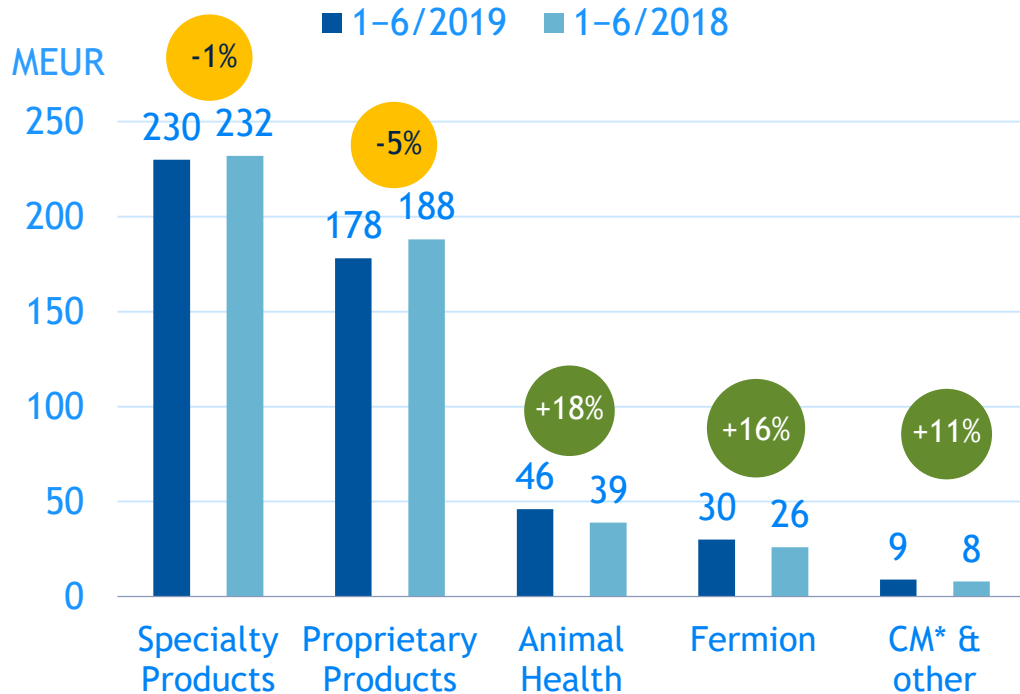


- (1) Product sales without sales margin and product mix change and exchange rate effect  
 (2) Product sales margin and product mix change but without exchange rate effect  
 (3) Exchange rate effect on gross margin

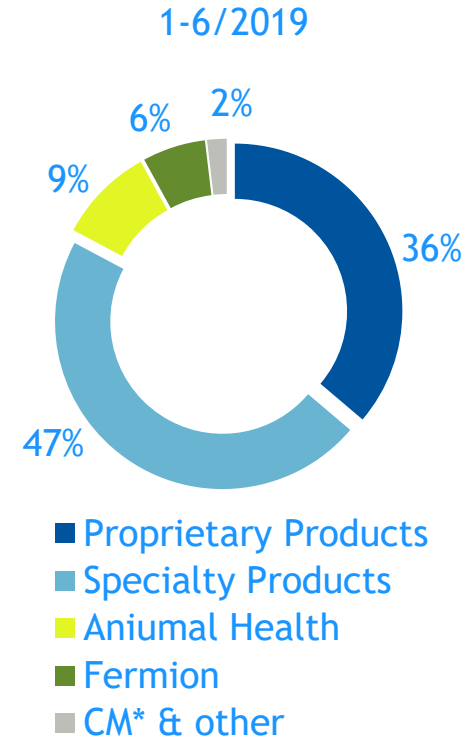
# Geographical breakdown and development of net sales



















# Net sales by business division



\*) Contract manufacturing



# Best-selling pharmaceuticals 1-6/2019

		Indication	Net sales (EUR million)	Change vs 1-6/2018
1.		Asthma, COPD	52	+20%
2.	  	Parkinson's disease	44	-27%
3.		Acute heart failure	34	+17%
4.		Intensive care sedative	34	-0%
5.	   	Animal sedatives	21	+46%
6.	Biosimilars   	Rheumatoid arthritis, inflammatory bowel diseases, lymphoma	18	+24%
7.		Inflammatory pain	12	+8%
8.	Divina series 	Menopausal symptoms	9	-4%
9.		Anticoagulant	7	-14%
10.	Solomet®	Inflammation	6	+3%

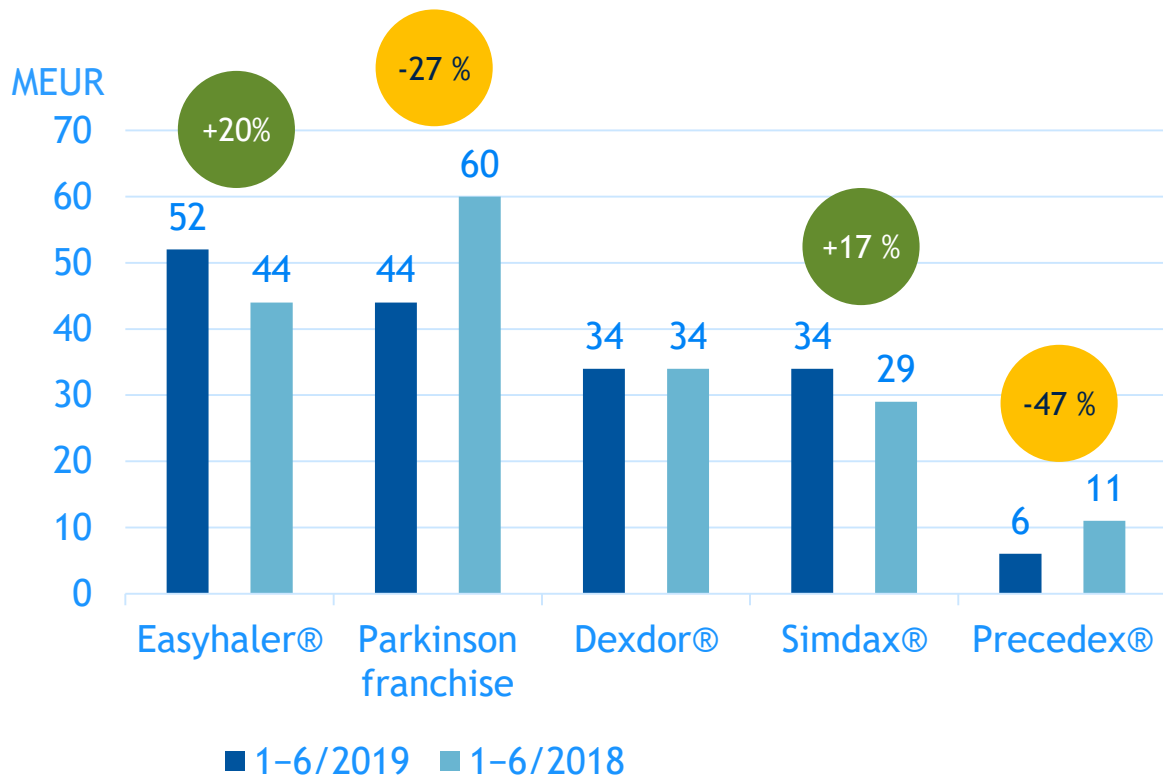
 = Products of Proprietary Products business division



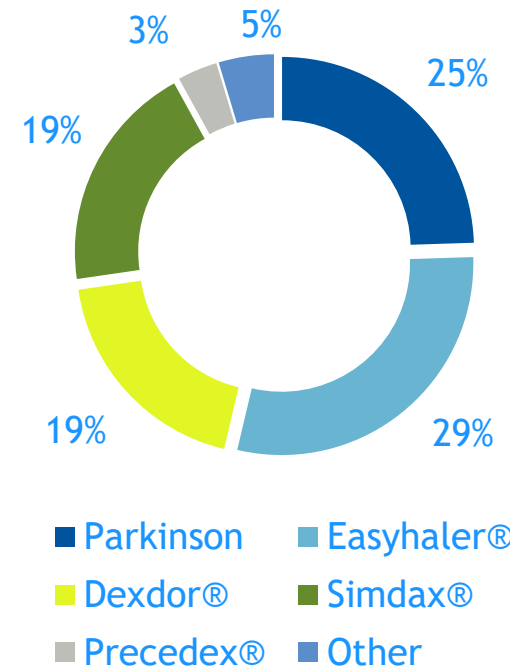


## Proprietary Products

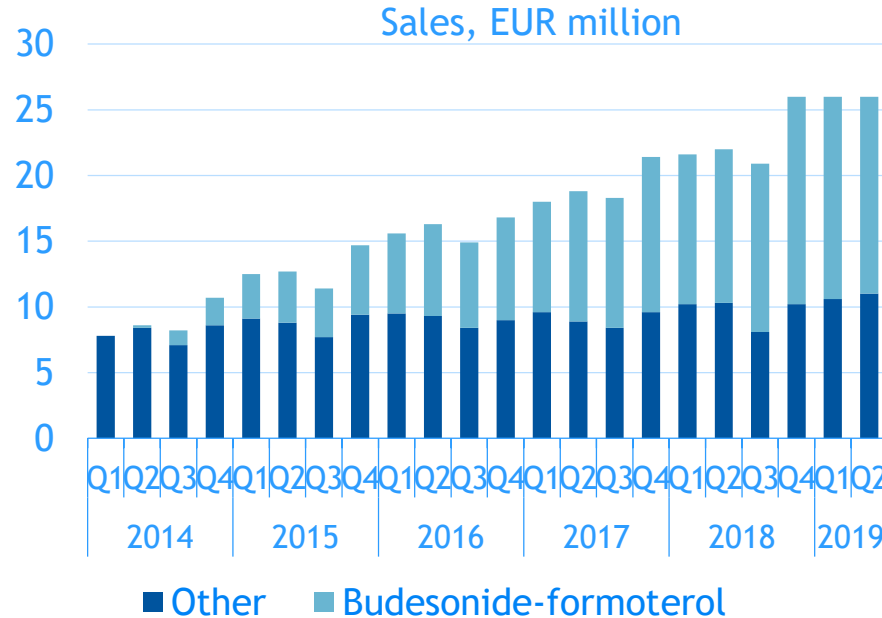
# Easyhaler® product family continued strong growth



1-6/2019



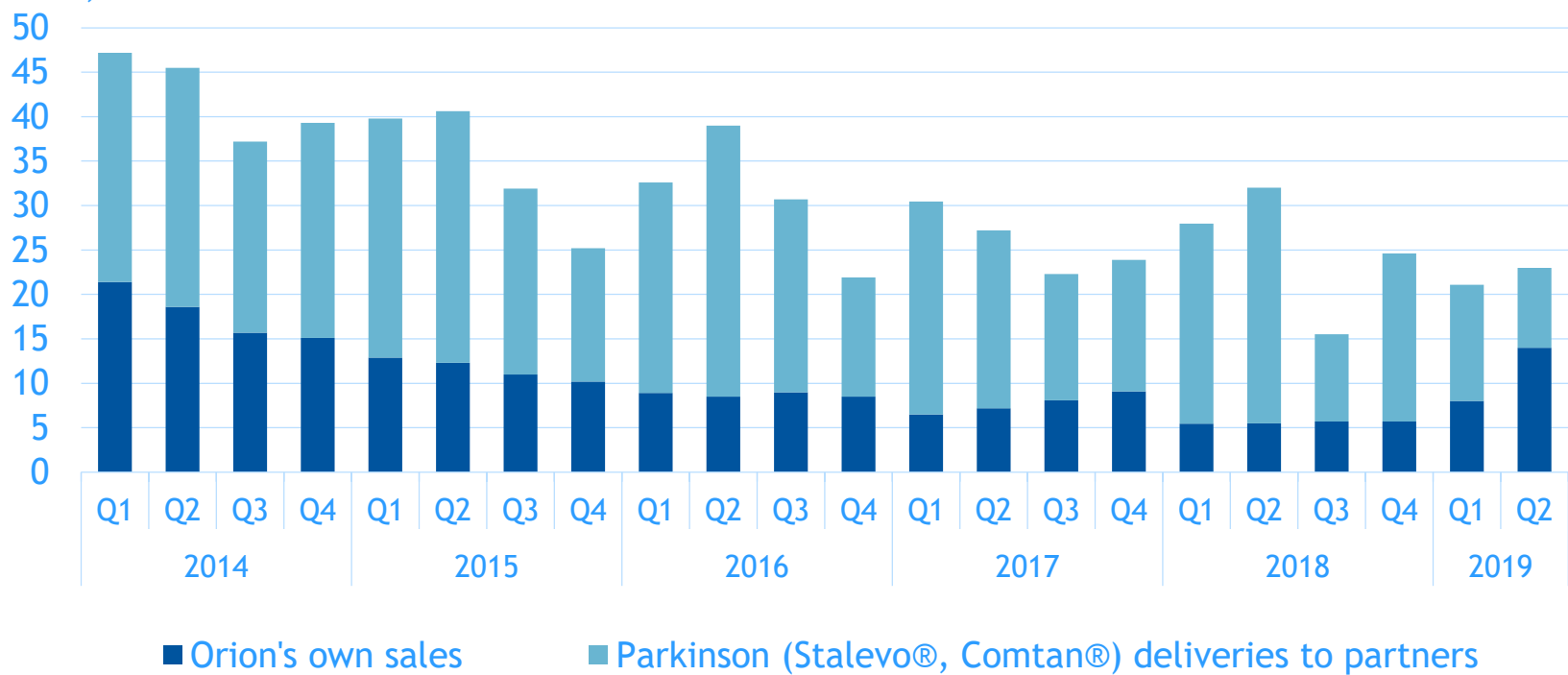
# Easyhaler® product family will be a key source of growth in the next few years



- Budesonide-formoterol Easyhaler continued strong growth.
- Product family total sales: +20%
- Budesonide-formoterol Easyhaler: +33%
- Salmeterol-fluticasone sales developed slower than anticipated.
- Development of Easyhaler® tiotropium continues.

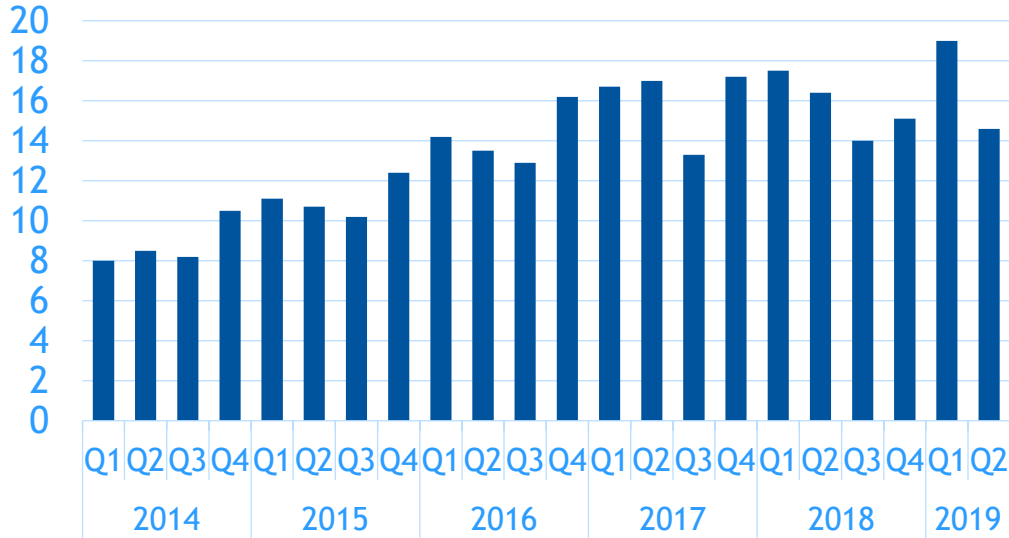
# Share of Orion's own sales in Parkinson growing

Sales, EUR million

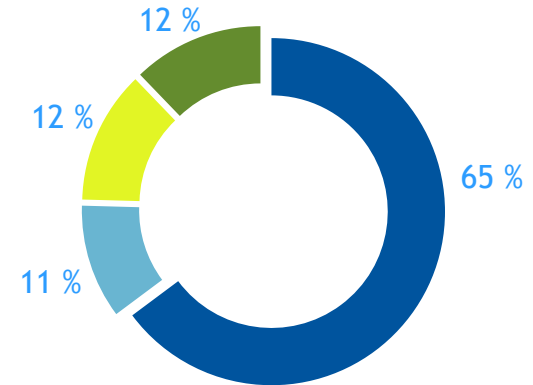


# Sales of Dexdor intensive care sedative continued to grow - patent expired at the end of March

Sales, EUR million



Total value of European sedatives market:  
EUR 574 million (+3%)



- Propofol 372 Meur (+4%)
- Midazolam 61 Meur (-3%)
- Dexmedetomidine 71 Meur (+7%)
- Remifentanyl 70 Meur (+5%)

Source: IQVIA, MAT 3/2019



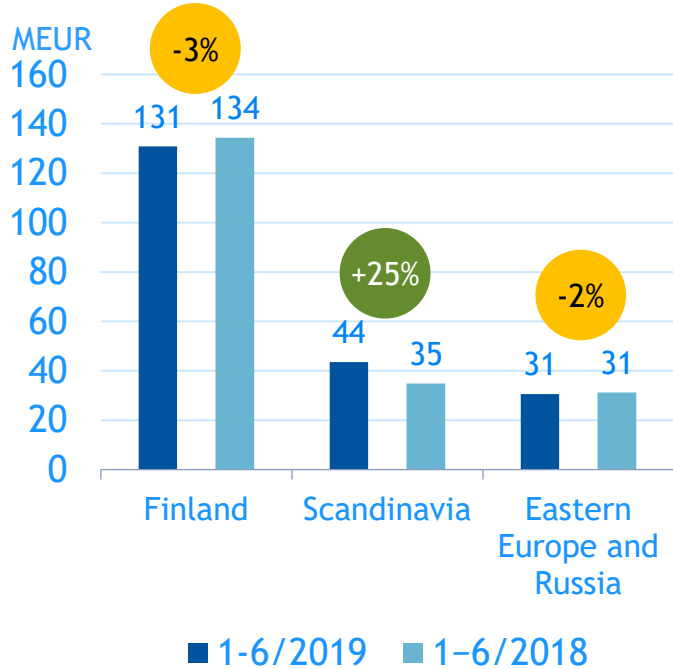
## Specialty Products



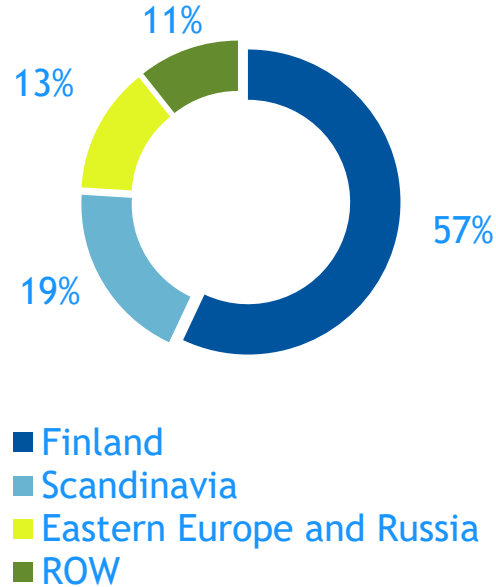
# Specialty Products: price competition continued especially in Finland



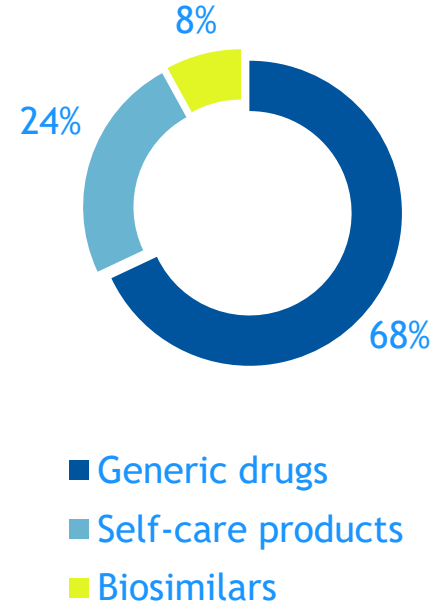
Development of net sales



Net sales by region 1-6/2019



Net sales by product 1-6/2019



# In Finland, price competition has led to a decline in the entire market of reference priced prescription drugs

The market of reference priced prescription drugs in Finland (1-6/2019)

MEUR **216** (235)

Market development

**-8%**



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

MEUR **56** (60)

Orion's development

**-7%**



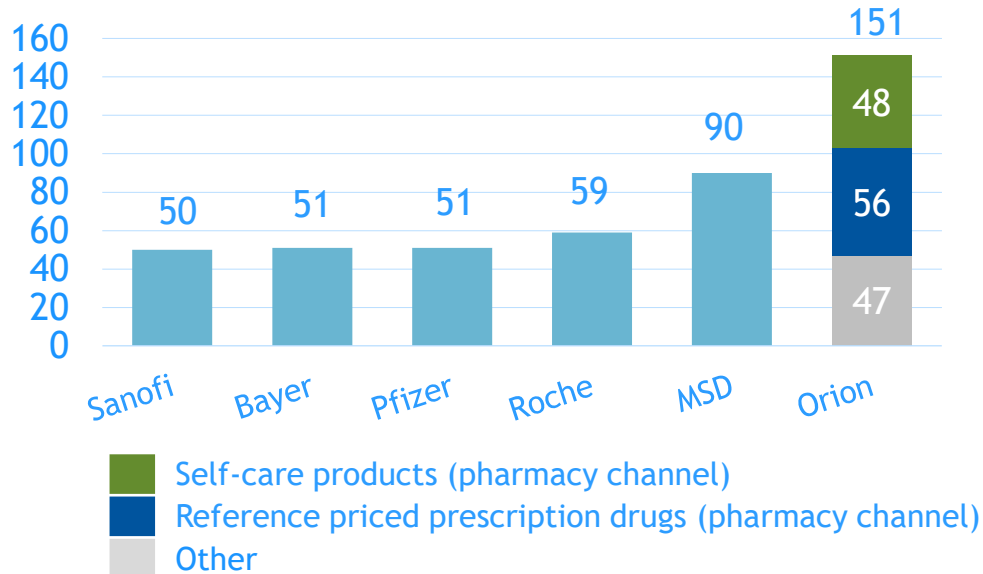
# Orion is strong in home market Finland

## Human pharma market in Finland 1-6/2019

Medicinal and non-medicinal products

in hospital and pharmacy channels: EUR 1,376 million

EUR million



### Reference priced prescription drugs

Orion market share in pharmacy

**26%**  
(26%)

### Self-care products

Orion market share in pharmacy

**24%**  
(24%)

### Human pharmaceuticals total

Orion market share in hospital & pharmacy

**11%**  
(12%)

## Orion's key business targets in 2019

**1.** Preparation for the commercialisation of darolutamide. ARASENS trial (metastatic prostate cancer) continues in order to expand the indication for the molecule.

**2.** Development of orally administered levosimendan (ODM-109) (REFALS) for ALS in phase III clinical trial and preparation for its possible commercialisation.

- Marketing authorisation applications submitted in the main markets.
- Priority Review granted in the USA.
- With recruitment completed, the ARASENS trial continues as planned.
- Patient recruitment completed in July 2019.

## Orion's key business targets in 2019

**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.

- Orion's sales volume in Finland grew faster than the market.

**4.** Accelerating the growth of the Easyhaler® product family and strengthening its market position.

- Easyhaler® product family sales increased by 20 per cent.

Salmeterol-fluticasone launch in Europe.

**5.** Evaluation of new in-licensing opportunities in Europe, particularly in the area of hospital care.

- The work continues.



## Outlook

## Investments in growth EUR 30 million in 2019

- The ongoing projects supporting growth are expected to burden Orion's profit in 2019 by an estimated EUR 30 million.

- This comprises clearly increased depreciation as well as investments in sales and marketing and research.

- At the same time, operating profit is burdened by intense price competition in the market and gradually expanding generic competition for Orion's old proprietary drugs.

# Outlook for 2019

## Net sales



Orion estimates that in 2019 net sales will be **slightly higher** than in 2018 (net sales in 2018 were EUR 977 million). The estimated net sales include the possible EUR 45 million milestone payment associated with the commercialisation of darolutamide.

## Operating profit



Operating profit is estimated to be **at the same level** as in 2018 (operating profit in 2018 was EUR 253 million). The estimated operating profit includes the possible EUR 45 million milestone payment associated with the commercialisation of darolutamide as well as significant investments in actions to generate growth.



## Financials

# Orion's financial objectives



**Growing net sales more rapidly than growth of the pharmaceuticals market.** Achievement of this objective requires continuous investment in development of the product portfolio.



**Maintaining profitability at a good level.** The aim is operating profit that exceeds 25% of net sales.



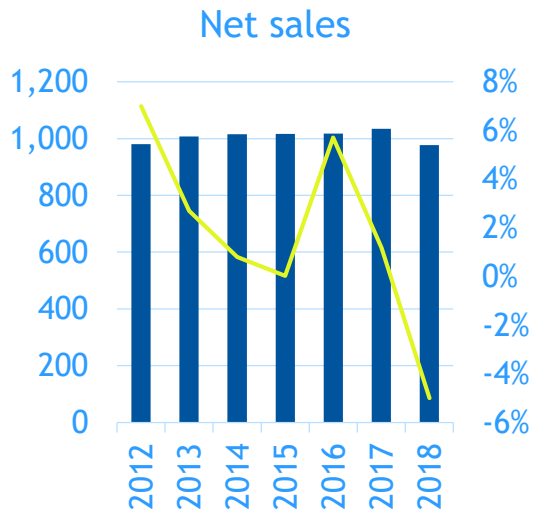
**Keeping the equity ratio at least 50%.**



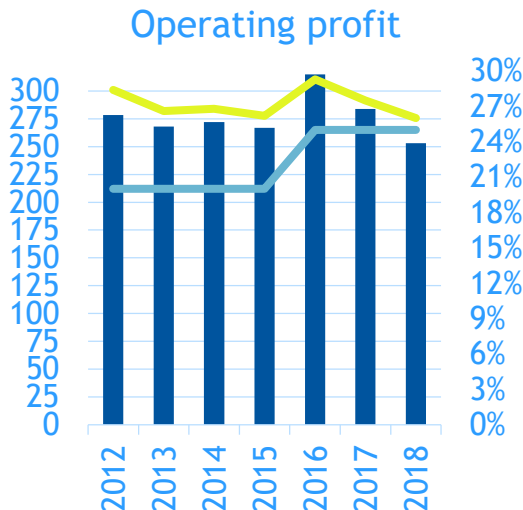
**Distributing an annual dividend that in the next few years will be at least EUR 1.30 per share, and increasing the dividend in the long term.**



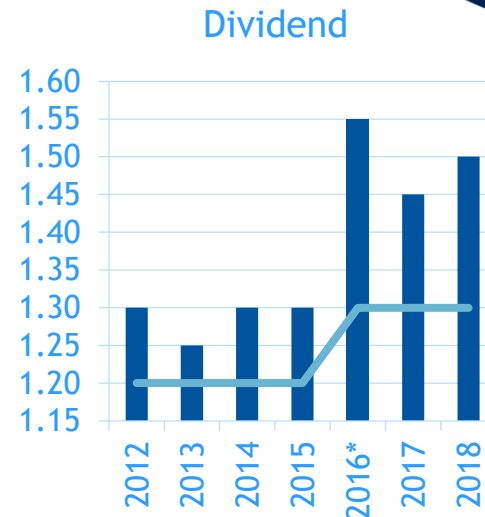
# Financial objectives



■ Net sales, EUR million



■ Operating profit, EUR million  
 ■ Operating profit margin  
 — Target



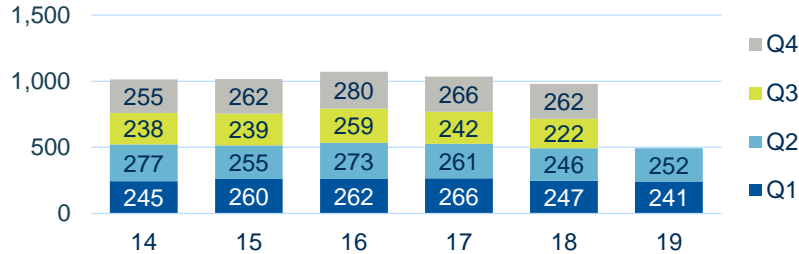
■ Dividend per share, EUR  
 — Target

\*) 2016: includes extra dividend EUR 0.20

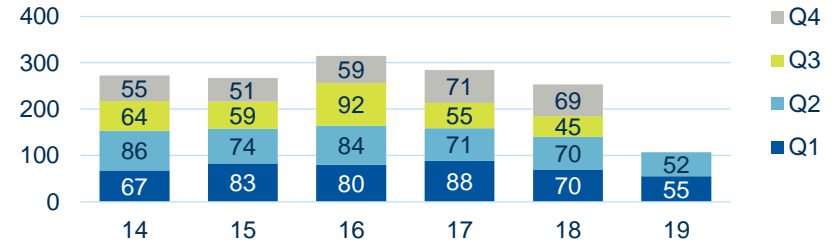
On 21 April 2018, Orion signed an agreement on the sale of all shares in Orion Diagnostica Oy (i.e. the Orion Diagnostica business division). Following the transaction, that was completed on 30 April 2018, Orion Diagnostica business is reported as discontinued operation. All figures in this presentation are for continuing operations, if not otherwise stated.

# Key figures by quarter

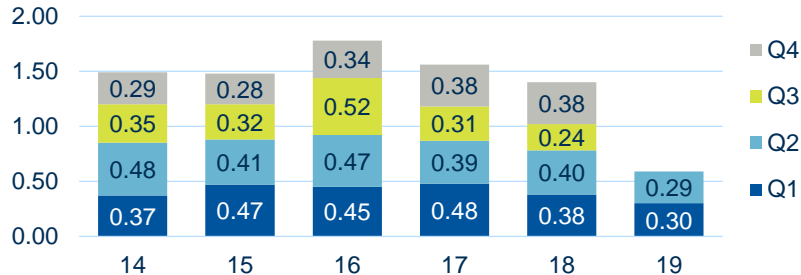
## Net sales, EUR million



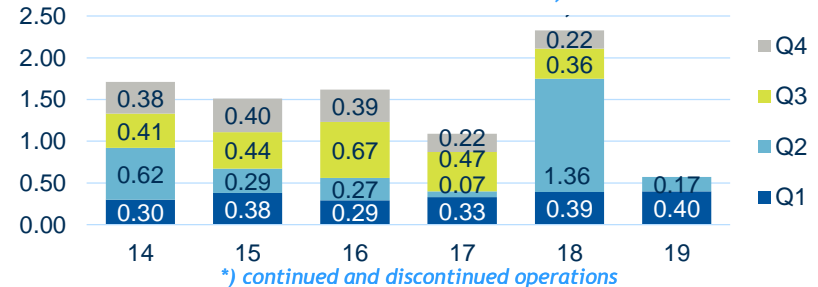
## Operating profit, EUR million



## Basic earnings per share, EUR



## Cash flow per share before financial items\*, EUR



# Key figures

Orion's key figures	2014	2015	2016	2017	2018	H1 2019	Change vs. H1 2018
Net sales, EUR million	1,015.3	1,015.6	1,073.5	1,033.6	977.5	492.8	-0.1%
Operating profit, EUR million	272.4	266.6	314.6	284.1	252.8	107.2	-23.2%
Profit before taxes, EUR million	267.8	262.3	310.9	277.7	248.4	105.2	-23.4%
R&D expenses, EUR million	106.2	108.1	118.2	99.1	104.0	58.0	+12.1%
Equity ratio, %	52.3%	57.4%	60.8%	64.6%	68.8%	73.0%	
Gearing, %	-4.7%	-9.6%	-12.4%	-1.9%	-17.1%	1.7%	
ROCE (before taxes), %	36.6%	35.7%	40.9%	36.2%	44.3%	27.0%	
Return on equity, %	41.1%	37.5%	40.3%	34.2%	45.5%	23.7%	
Basic earnings per share, EUR	1.50	1.48	1.77	1.56	1.40	0.59	-24.4%
Cash flow per share before financial items, EUR	1.72	1.51	1.62	1.09	2.32	0.57	-67.1%
Dividend per share, EUR	1.30	1.30	1.55*	1.45	1.50		

\* includes both continuing and discontinued (Orion Diagnostica) operations

# Income statement

Formation of profits, EUR million	2014	2015	2016	ADJ.2017	2018	H1 2019	Change vs. H1 2018
Net sales	1,015.3	1,015.6	1,073.5	1,033.6	977.5	492.8	-0.1%
Cost of goods sold	-401.7	-405.8	-421.7	-417.6	-387.9	-198.1	+5.6%
Gross profit	613.6	609.8	651.8	616.0	589.6	294.7	-3.6%
Other operating income and expenses	1.7	1.5	24.3	4.9	5.5	1.0	-71.9%
Sales and marketing expenses	-193.4	-190.4	-194.7	-188.9	-195.3	-106.6	+10.5%
R&D expenses	-106.2	-108.1	-118.2	-99.1	104.0	-58.0	+12.1%
Administrative expenses	-43.3	-46.2	-48.7	-48.8	-43.0	-24.0	+10.3%
Operating profit	272.4	266.6	314.6	284.1	252.8	107.2	-23.2%
Profit before taxes	267.8	262.3	310.9	277.7	248.4	105.2	-23.4%
Profit for the period for continuing operations				219.1	197.3	83.6	-23.5%
Profit for the period for discontinued operations				7.0	132.9		
Profit for the period	211.3	208.2	249.0	226.0	330.3	83.6	-65.6%

The 2014-2017 figures in the table include both continuing and discontinued (Orion Diagnostica) operations.

# Financial position

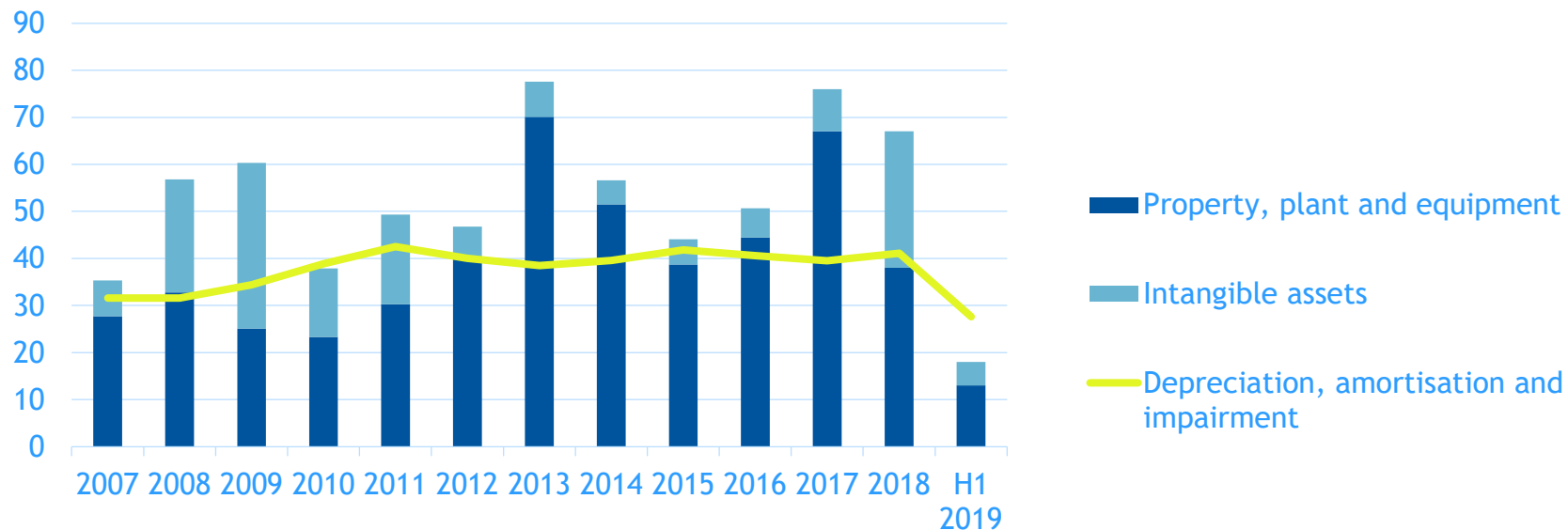
EUR million	6/19	6/18	Change %
<b>Non-current assets total</b>	<b>416.0</b>	417.2	-0.3%
Inventories	226.7	225.8	+0.4%
Trade receivables	189.6	184.0	+3.1%
Other receivables	38.9	40.6	-4.2%
Cash & cash equivalents & money market investments	27.2	205.3	-86.7%
<b>Current assets total</b>	<b>482.5</b>	655.7	-26.4%
<b>Assets total</b>	<b>898.4</b>	1,072.9	-16.3%

EUR million	6/19	6/18	Change %
<b>Equity total</b>	<b>639.8</b>	702.4	-8.9%
Interest-bearing non-current liabilities	5.0	0.5	
<b>Non-current liabilities total</b>	<b>62.5</b>	63.4	-1.4%
<b>Current liabilities total</b>	<b>196.1</b>	307.1	-36.1%
<b>Liabilities total</b>	<b>258.7</b>	370.5	-30.2%
<b>Equity and liabilities total</b>	<b>898.4</b>	1,072.9	-16.3%

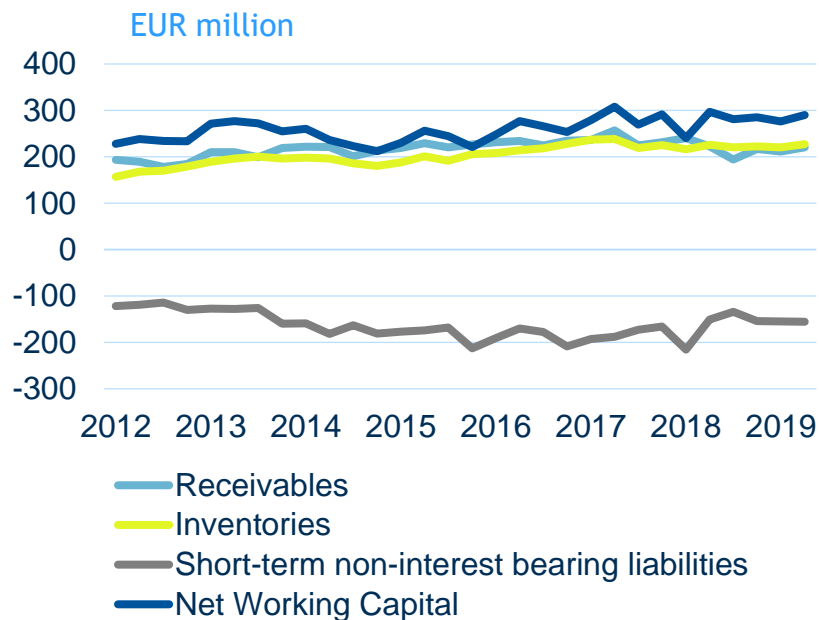
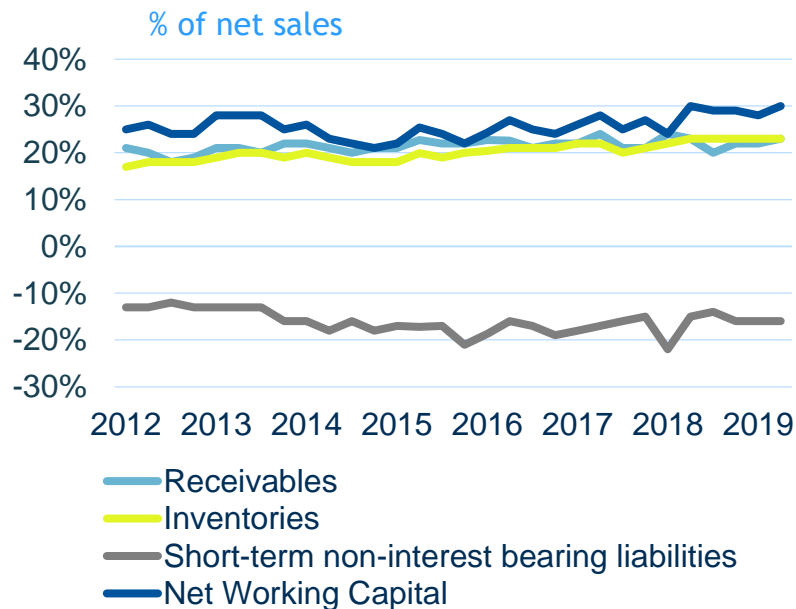
*The consolidated statement of financial position 6/18 includes both continuing and discontinued operations.*

# Development of capital expenditure

Orion Capex, EUR million



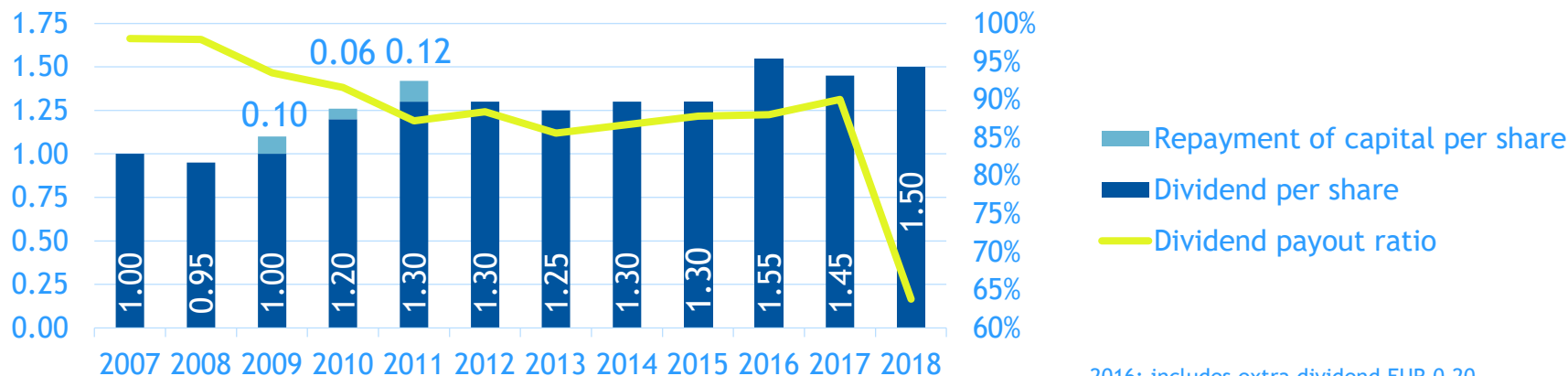
# Development of net working capital



# Dividend distribution policy

- Orion's dividend distribution takes into account distributable funds and capital expenditure and other financial requirements in medium and long term to achieve the financial objectives.

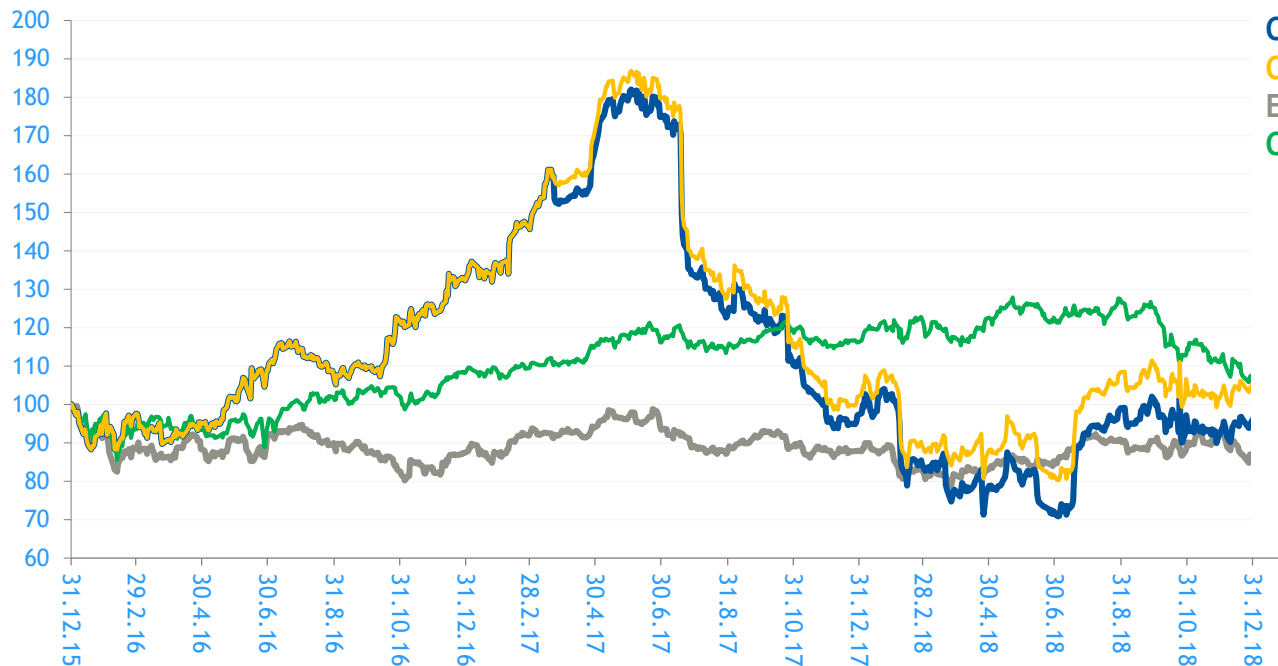
EUR Dividend distribution history





# Orion B share performance January 2016 - December 2018

Index 31/12/2015=100



Orion B 94.71  
 Orion B total return 104.10  
 Europe/Pharmaceutical 86.94  
 OMXH-Portfolio 107.2

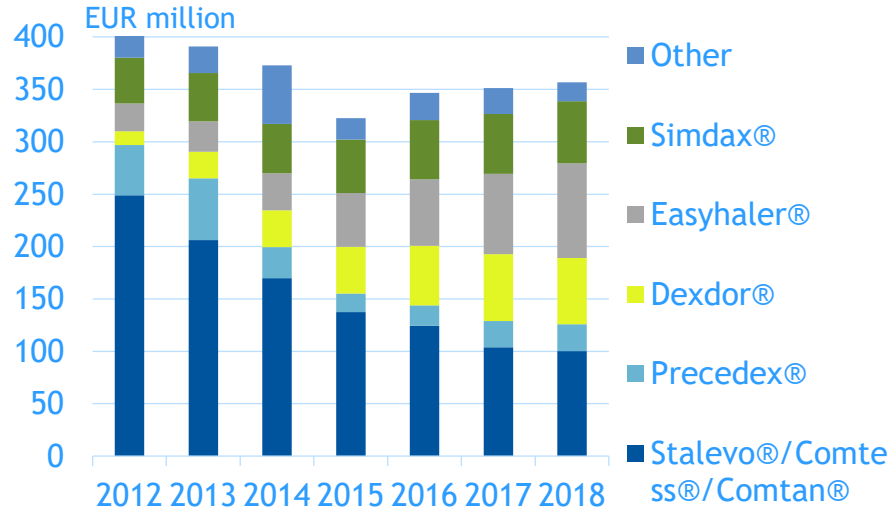


## Business units

Investor Presentation © Orion Corporation

# Proprietary Products: In-house developed prescription drugs with valid product protection

Net sales



Global sales and R&D partner networks









Key drivers:

- Easyhaler®, Simdax®
- Possible milestones
- New products from R&D pipeline



Generic competition

# Proprietary human pharmaceuticals developed by Orion

Product	Indication	Year	 Easyhaler®	Year	Indication
	Sedative for ICU use	2011	Salmeterol-fluticasone Easyhaler®	2018	
	Parkinson's disease	2003	Budesonide-formoterol Easyhaler®	2014	
	Acute decompensated heart failure	2000	Formoterol Easyhaler®	2004	Asthma and COPD
	Sedative for ICU use	1999	Budesonid Easyhaler®	2002	
	Parkinson's disease	1998	Beclomet Easyhaler®	1994	
			Buventol Easyhaler®	1993	
	Breast cancer	1988			

## Diverse treatment options for asthma and COPD by utilizing the same inhaler technology

- Easyhaler® is a dry-powder inhaler developed in-house
- Orion has developed Easyhaler-adapted dry powder formulations of several well-known generic active substances:
  - salbutamol, beclometasone, budesonide, formoterol, salmeterol and fluticasone
- Key benefits:
  - Dosing accuracy and consistent deposition
  - Easy to teach, learn and use
  - A wide range of products

**EASYHALER**

# Easyhaler® product family is expanding

## EASYHALER



**1984**

The idea of Easyhaler is born



**1993**

Salbutamol Easyhaler



**1994**

Beclometasone Easyhaler



**2002**

Budesonide Easyhaler



**2004**

Formoterol Easyhaler



**2014**

Bufomix Easyhaler

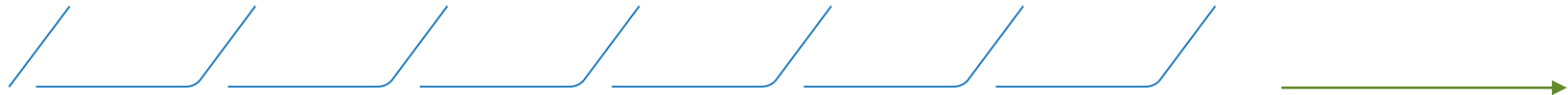


**2018**

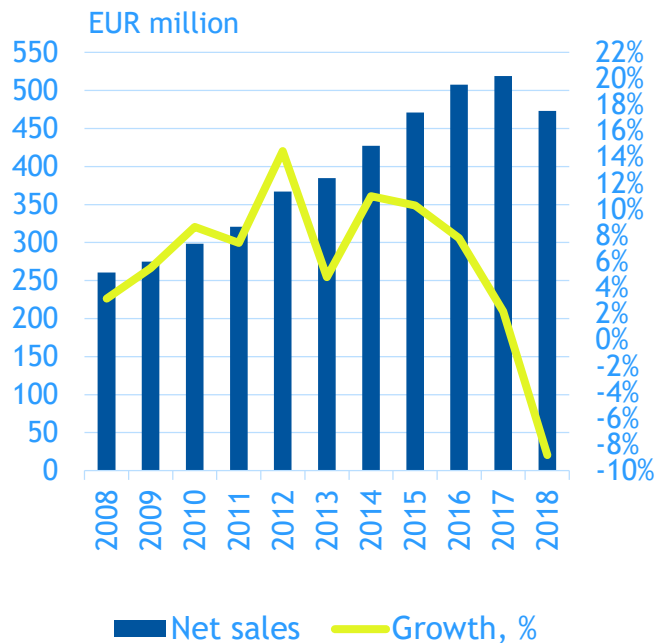
Salmeterol-Fluticasone Easyhaler

**2018**

Tiotropium development started



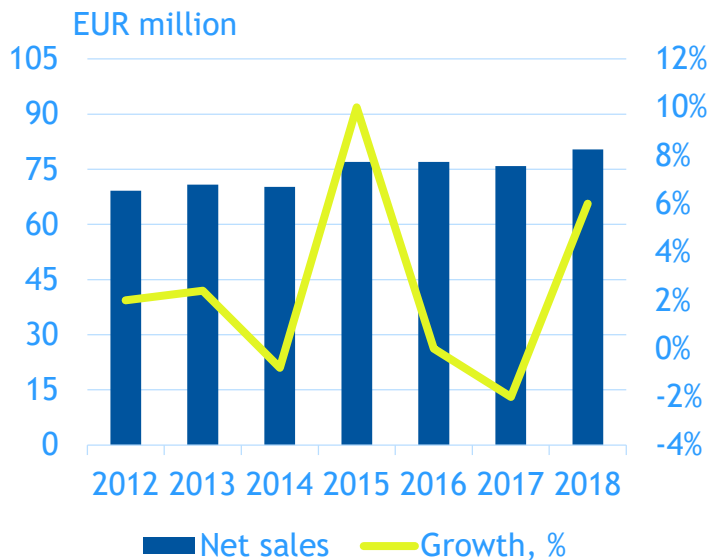
# Specialty Products: Generic prescription drugs, biosimilars and OTC including also non-medicinal products



Portfolio of hundreds of products



# Animal Health



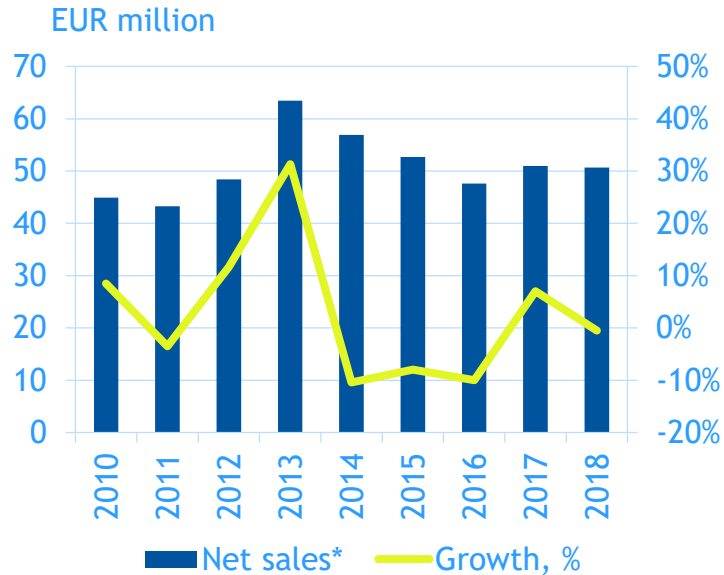
In-licensed products sold in own sales areas

In-house developed proprietary products sold globally through own sales network and through partners

Medicinal and non-medicinal products for companion animals and livestock



# Fermion has an important strategic role



\*) Excluding supply to Orion

Active pharmaceutical ingredients (APIs) for Orion's own Proprietary Products



Generic APIs for Orion and other pharma companies

Contract development and manufacturing of APIs

# Fermion's new production plant operational in Hanko

## - nearly 100% of production is exported

# HANKO 2018

**EUR >30  
million**

Expansion  
investment  
2016–2018

**6,000  
m<sup>2</sup>**

Production facility  
and equipment  
for the production  
of APIs

**200->  
300 t**

Enables  
capacity  
increase

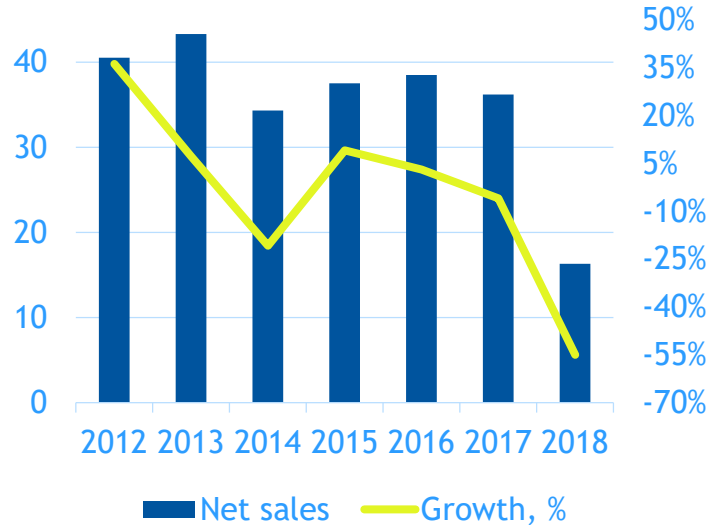
**~20**

Number of APIs  
manufactured  
at Hanko

- Special expertise in demanding production of active pharmaceutical ingredients (APIs), e.g. extremely potent substances.
- The aim is to captively manufacture the APIs for Orion's in-house developed proprietary drugs, such as darolutamide.
- Modernised, advanced technology at Hanko strengthens Fermion's global competitive position, meets increasingly strict regulatory requirements and provides the means to meet growing demand.
- The Hanko facility manufactures azathioprine and entacapone, among others, in which Fermion is the leading manufacturer globally.

# Contract manufacturing & other

EUR million




Pharmaceutical  
manufacturing for  
other companies






**Sustainability is built into Orion's mission**


# Key themes of corporate responsibility

A light blue circular callout containing text about patient safety.

Ensure patient safety and availability of medicines

A light blue circular callout containing text about environmental responsibility.

Responsibility for the environment - production according to the principles of sustainable development

A light blue circular callout containing text about employee care.

Taking care of Orionees

A light blue circular callout containing text about ethics and transparency.

Ethics and transparency of operations

# This is how we are building well-being responsibly



WE PRODUCE  
**1/3** OF THE  
GLOBAL SUPPLY  
OF  
METHOTREXATE



~**200-300**  
AUDITS  
ANNUALLY



NUMBER OF  
CUSTOMER  
COMPLAINTS IN  
2018  
**56 (ppm)**

## ORION'S FOCUS ON QUALITY THROUGHOUT THE LIFECYCLE



PATIENT  
NEEDS

R&D

RAW  
MATERIALS

MANUFACTURING

PACKING

DELIVERY

SALES

PATIENT  
USE

RECYCLING

REDUCING  
PHARMACEUTICAL  
RESIDUES E.G. BY  
RENEWING WASTE  
WATER SYSTEMS



ACTIONS ON  
SERIALISATION  
AND ANTI-  
TAMPERING



CO<sub>2</sub>e  
REDUCTION  
TARGET FOR  
2025  
**-75%**  
FROM 2016



## Orion calendar

Interim Report 1-9/2019 23/10/2019

Financial Statement Release  
for 2019

5/2/2020

AGM planned to be held

25/3/2020

Interim Report 1-3/2020

28/4/2020

Half-Year Report 1-6/2020

17/7/2020

Interim Report 1-9/2020

21/10/2020



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**Building well-being**