



# Orion Investor Presentation

# 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.



# Orion in brief

# Orion at a glance (2022 figures)



Net sales EUR **1,341** million  
(EUR 1,113 million w/o ODM-208 upfront payment<sup>1</sup>)



Operating profit EUR **440** million  
(EUR 232 million w/o ODM-208 upfront payment impact<sup>1</sup>)



Personnel **3,527** (31 Dec 2022)



R&D investments EUR **136** million



**6** production sites in Finland, **1** in France, **1** in Belgium  
(production sites include packaging and warehouse operations in Salo, Finland and in Arendonk, Belgium)

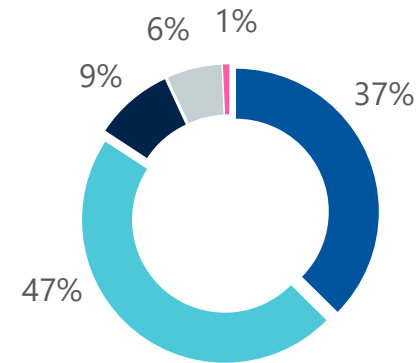


Own sales unit in **26** European and **5** Asia-Pacific countries

Established in **1917**

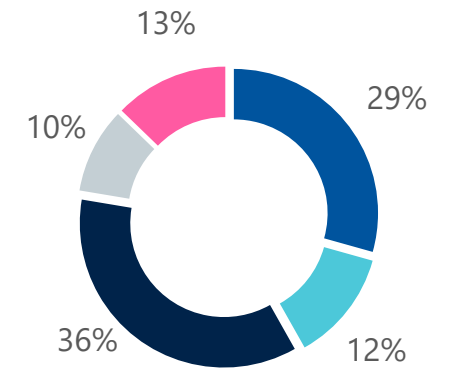
<sup>1</sup>ODM-208 upfront payment impact on net sales was EUR 228 million, net impact (ie. without related costs) on operating profit was EUR 208 million

Sales by business<sup>2</sup>



- Proprietary Products
- Specialty Products
- Animal Health
- Fermion & CM
- Other

Sales by market area<sup>2</sup>



- Finland
- Scandinavia
- Other Europe
- North America
- ROW

<sup>2</sup>Split w/o ODM-208 upfront, CM = Contract Manufacturing, Other = Translation differences and Other operations

# New organisational structure as of 1 January 2023

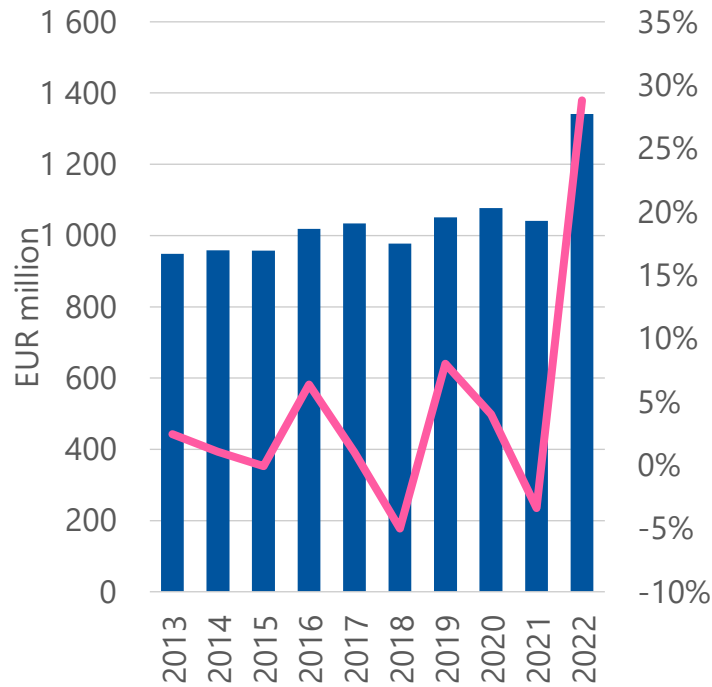
Main changes – comparable net sales from 2022 for new business divisions will be published later



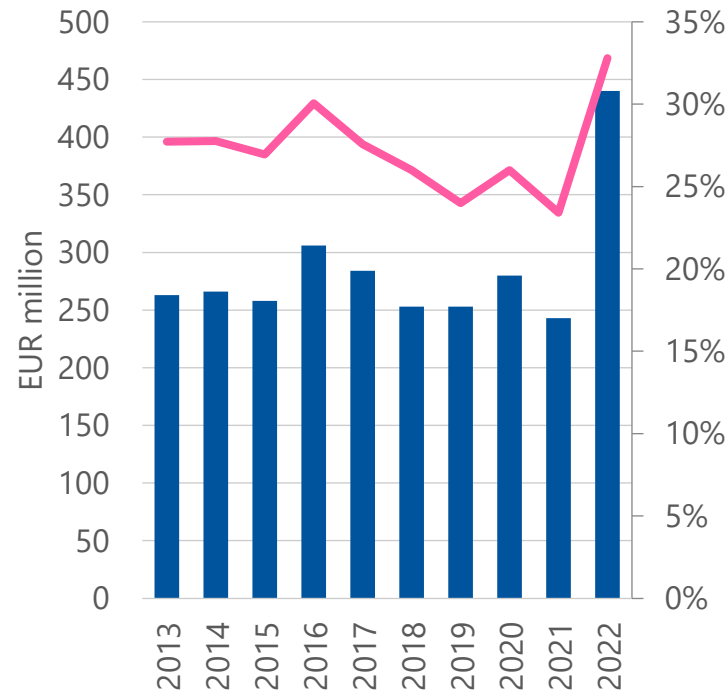
## Key product switches



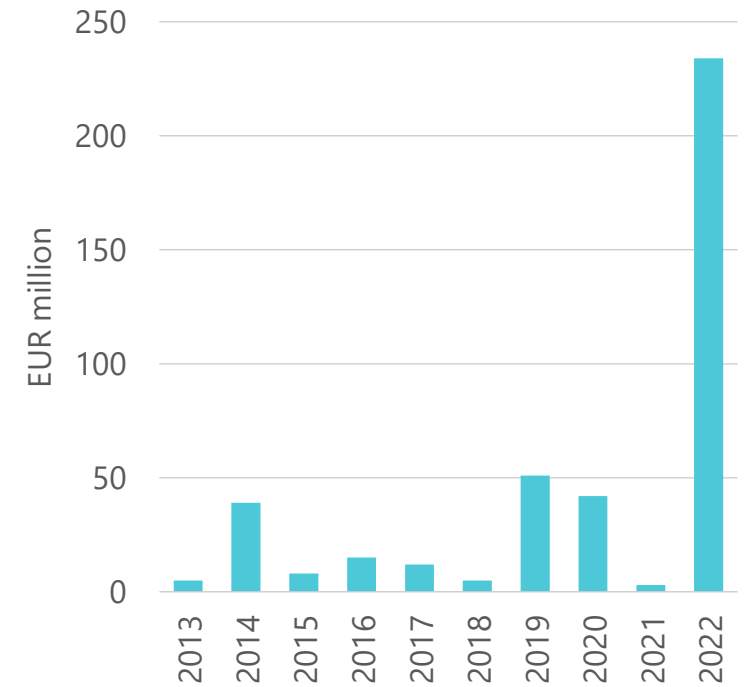
# Financial development from 2008 to 2022



■ Net Sales — Growth, %



■ Operating profit — Operating profit margin



■ Milestones

# Outlook for 2023

## Net sales

Orion estimates that net sales in 2023 will be **slightly higher** than in 2022 without the EUR 228 million impact from ODM-208 upfront payment (net sales in 2022 without the impact of the ODM-208 upfront payment were EUR 1,113 million).

## Operating profit

Operating profit is estimated to be **slightly higher or higher** than in 2022 without the EUR 208 million net impact from the ODM-208 upfront payment (operating profit in 2022 without the net impact of the ODM-208 upfront payment was EUR 232 million).

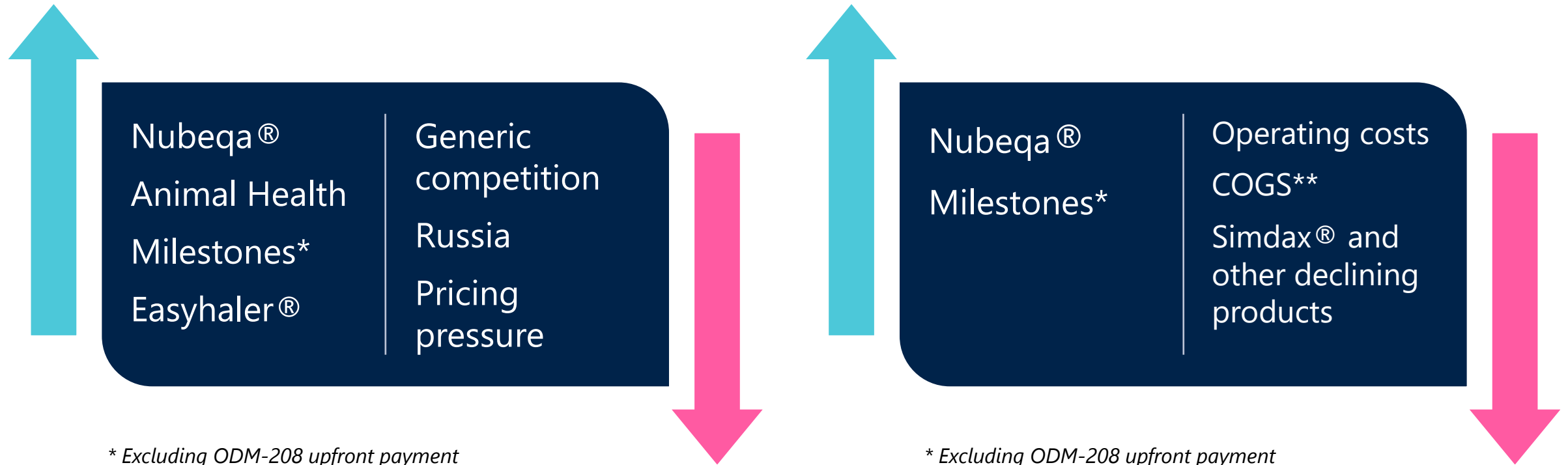




# Basis for the outlook – key contributors

Net sales

Operating profit



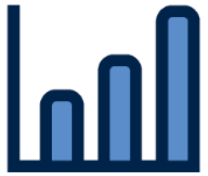
\* Excluding ODM-208 upfront payment

\* Excluding ODM-208 upfront payment

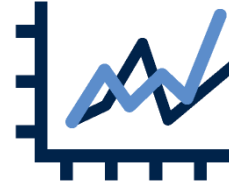
\*\* Cost of goods sold



# 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.



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



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



**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.**

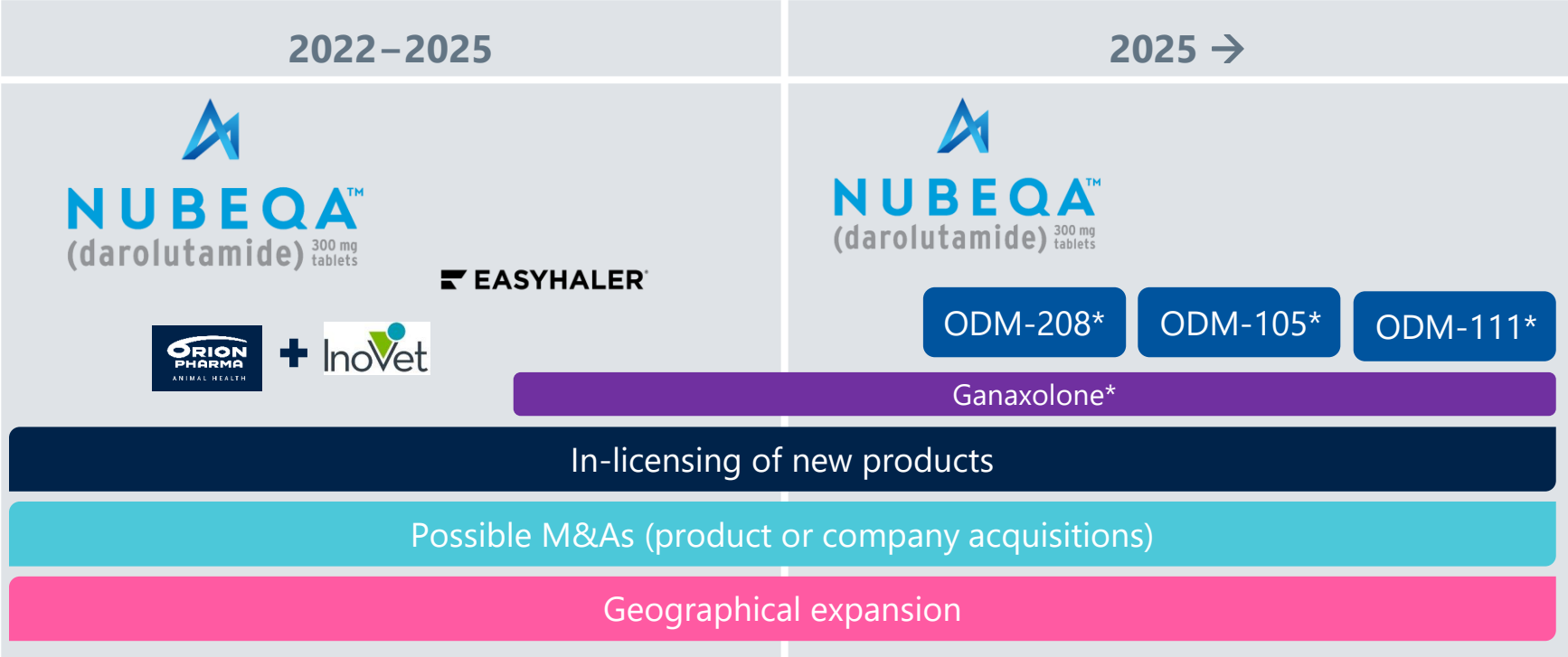
Orion's strategic growth target to reach EUR 1.5 billion net sales by the end of 2025 expresses the above growth target in more tangible manner.

Financial targets are all important

Right balance needed

Relative importance of targets change over time

# Growth drivers for Orion



\* Development phase molecule – requires success in clinical development and regulatory approval

# Key clinical development pipeline

Project/compound	Indication	PHASE I	PHASE II	PHASE III	REGISTRATION
ARASENS / darolutamide <sup>1</sup>	Prostate cancer (mHSPC)	Phase completed	Phase completed	Phase ongoing	Phase ongoing
ARANOTE / darolutamide <sup>1</sup>	Prostate cancer (mHSPC)	Phase completed	Phase completed	Phase ongoing	
ODM-208 <sup>2</sup>	Prostate cancer (mCRPC)	Phase completed	Phase ongoing		
ODM-105 / tasipimidine	Psychiatric disorders	Phase completed			
ODM-111 (NaV 1.8 blocker)	Pain	Phase ongoing			

Oncology	Pain / neurology
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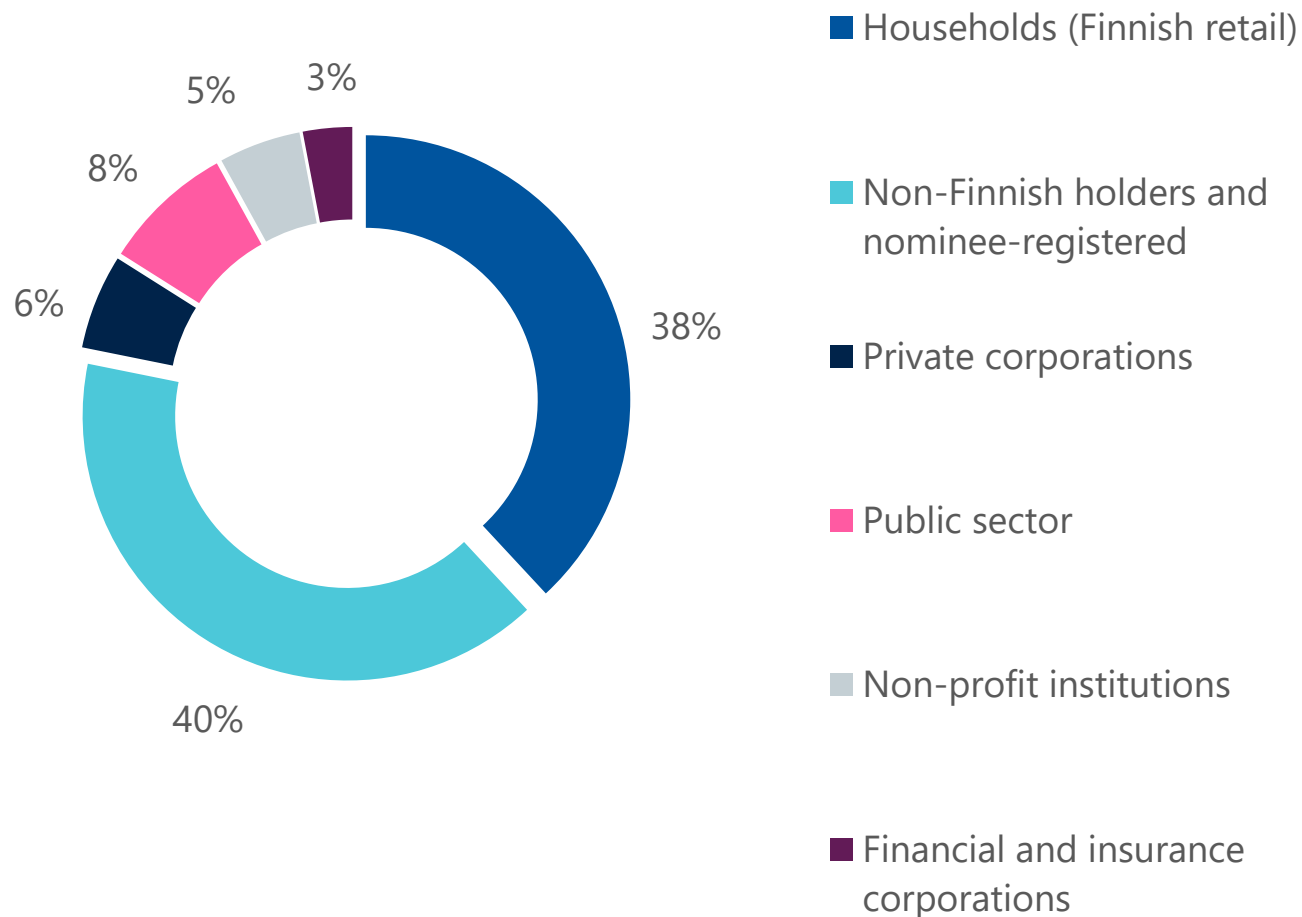
Phase completed	Phase ongoing
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<sup>1</sup> In collaboration with Bayer

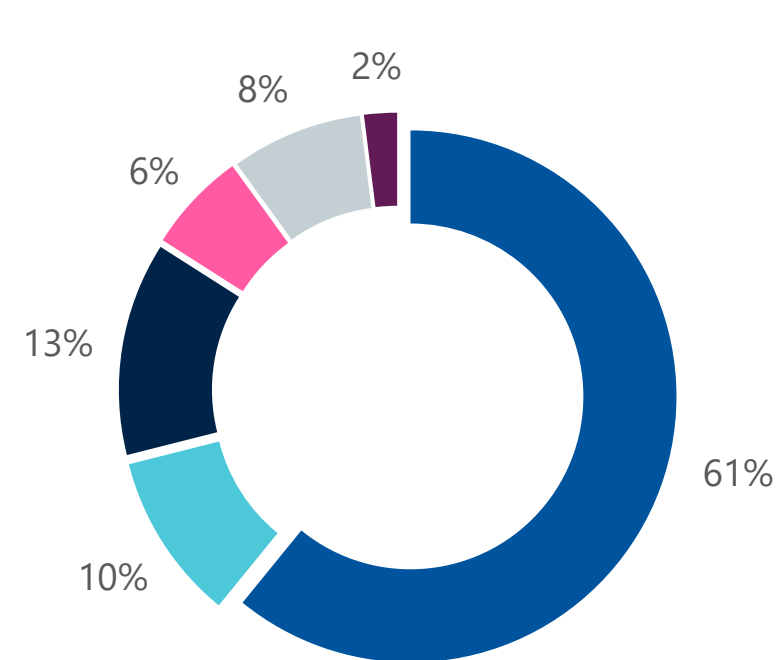
<sup>2</sup> In collaboration with MSD

# Orion had 79,797 shareholders on 31 January 2023

By number of shares



By number of votes



# Largest shareholders by votes and shares on 31 January 2023



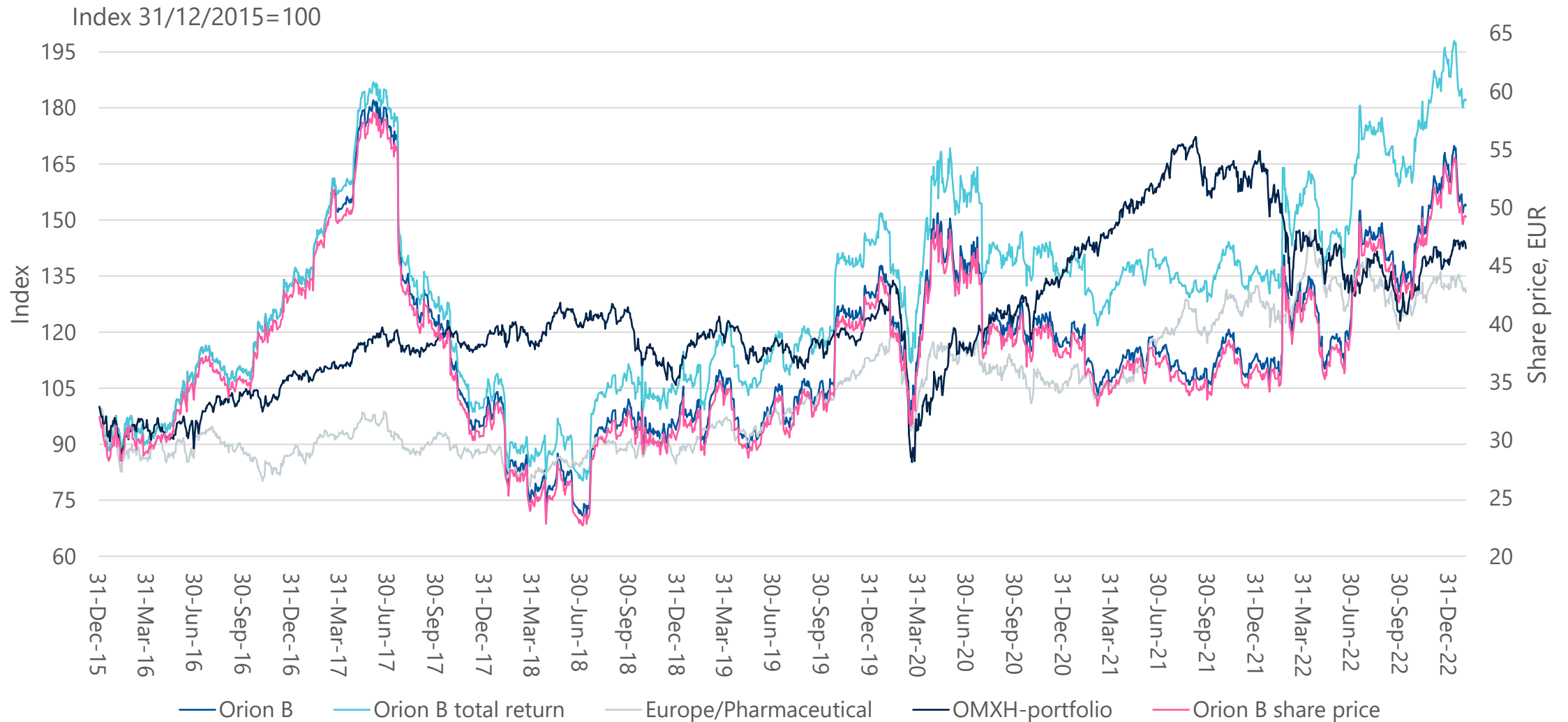
#	Shareholder	% of votes
1	Erkki Etola and companies	6.39
2	Maa- ja vesitekniikan tuki r.y. and companies	5.29
3	Ilmarinen Mutual Pension Insurance Company	4.89
4	Ylppö Jukka Arvo	3.19
5	Into Ylppö and commanding votes	2.03
6	Aho Group Oy and commanding votes	1.86
7	Orion Pension Fund*	1.40
8	Eija Ronkainen and companies	1.37
9	Saastamoisen säätiö (foundation)	1.16
10	Ingman Finance Oy Ab	1.13
<b>10 largest shareholders, total</b>		<b>28.68</b>

#	Shareholder	% of shares
1	Ilmarinen Mutual Pension Insurance Company	2.41
2	Varma Mutual Pension Insurance Company	2.10
3	Erkki Etola and companies	2.00
4	Maa- ja vesitekniikan tuki r.y. and companies	1.48
5	Elo Mutual Pension Insurance Company	1.33
6	Ylppö Jukka Arvo	0.99
7	The Social Insurance Institution of Finland, KELA	0.86
8	Into Ylppö and commanding votes	0.73
9	The State Pension Fund	0.71
10	Orion Corporation*	0.66
<b>10 largest shareholders, total</b>		<b>13.27</b>

Monthly updated lists : <https://www.orion.fi/en/Orion-group/investors/shareholders/major-shareholders-by-shares/>

<https://www.orion.fi/en/Orion-group/investors/shareholders/major-shareholders-by-votes/>

# Orion B share performance from January 2016 to January 2023





# Highlights in January- December 2022





# Orion's eventful year laid foundation for future growth



Bayer updated estimate on Nubeqa®'s peak sales potential



Acquisition of animal health company VMD



Research focus on oncology and pain



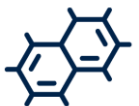
A global development and commercialisation agreement with MSD on ODM-208



New organizational structure and changes in management



FDA approval for darolutamide in mHSPC



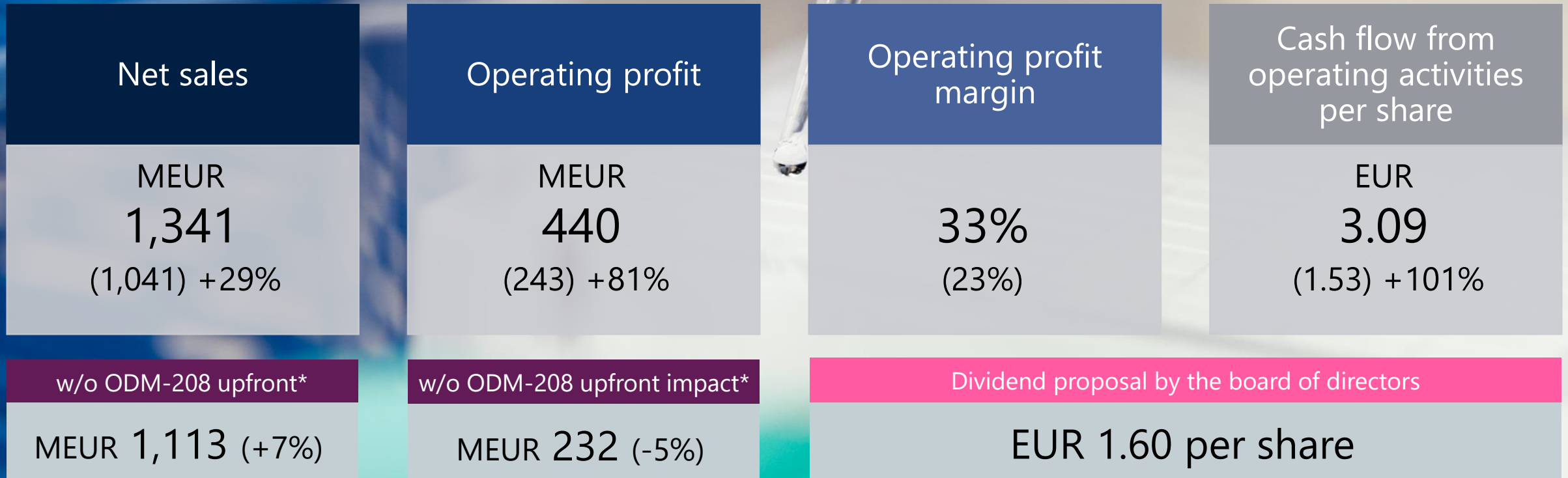
Orion gained rights to a potent and selective NaV 1.8 blocker (ODM-111)



Strategic partnership with Amneal

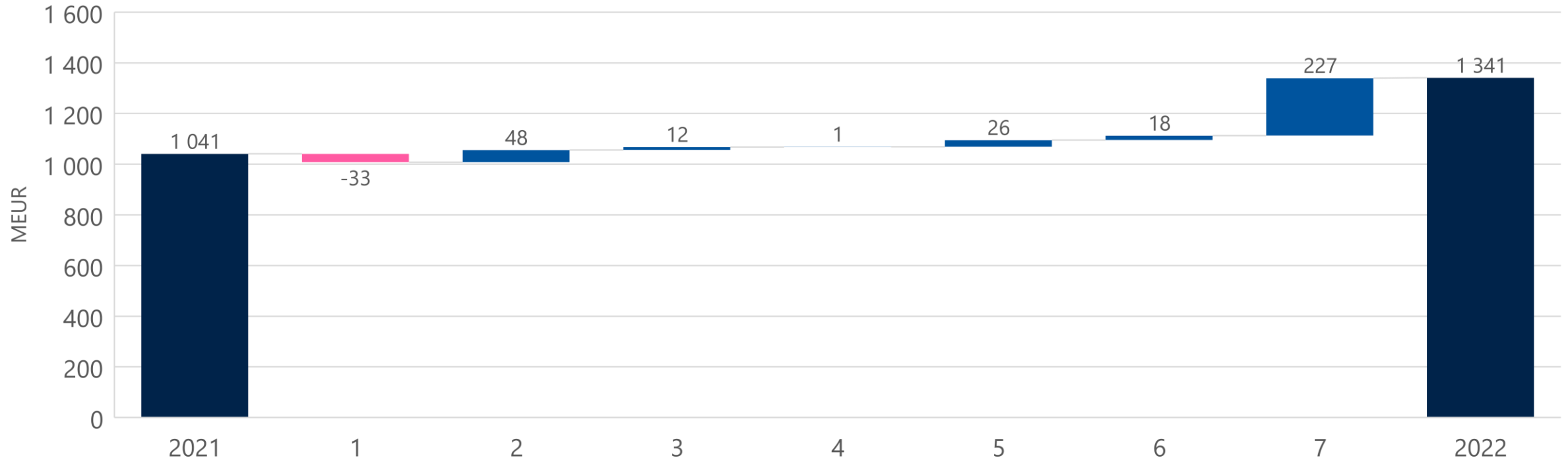
# Exceptionally high net sales and operating profit

The impact of ODM-208 upfront payment shown in all key figures



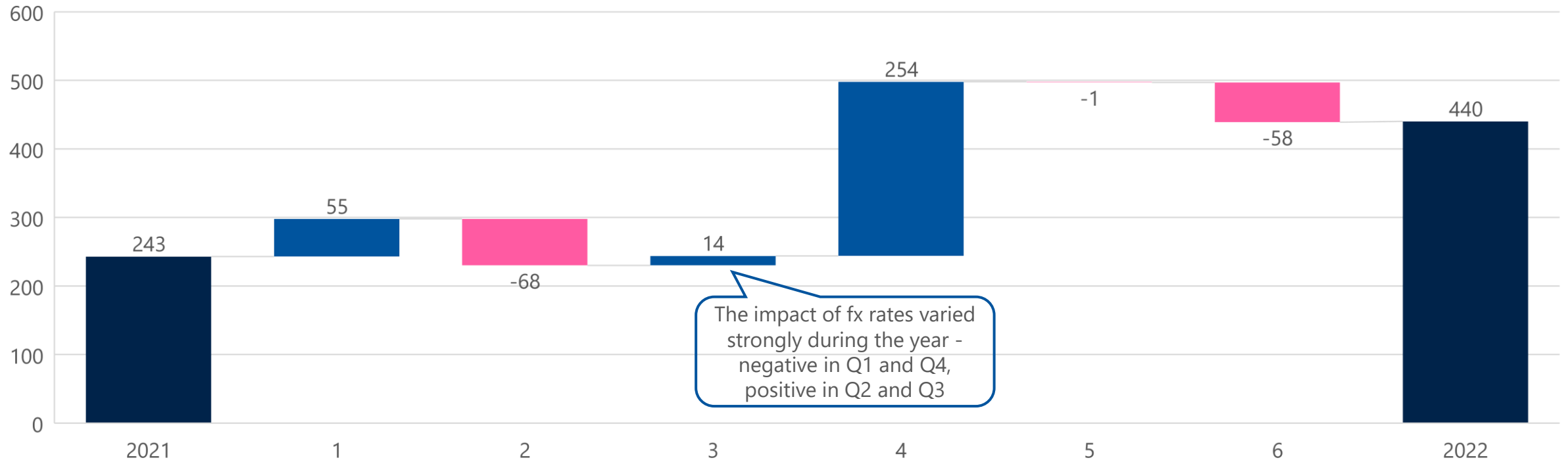
\* ODM-208 upfront impact on net sales was EUR 228 million, net impact (ie. without related costs) on operating profit was EUR 208 million

# Net sales bridge FY2021 to FY2022



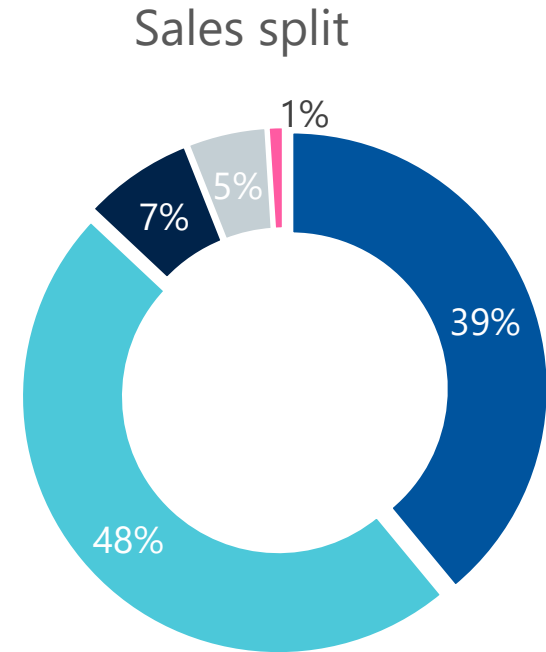
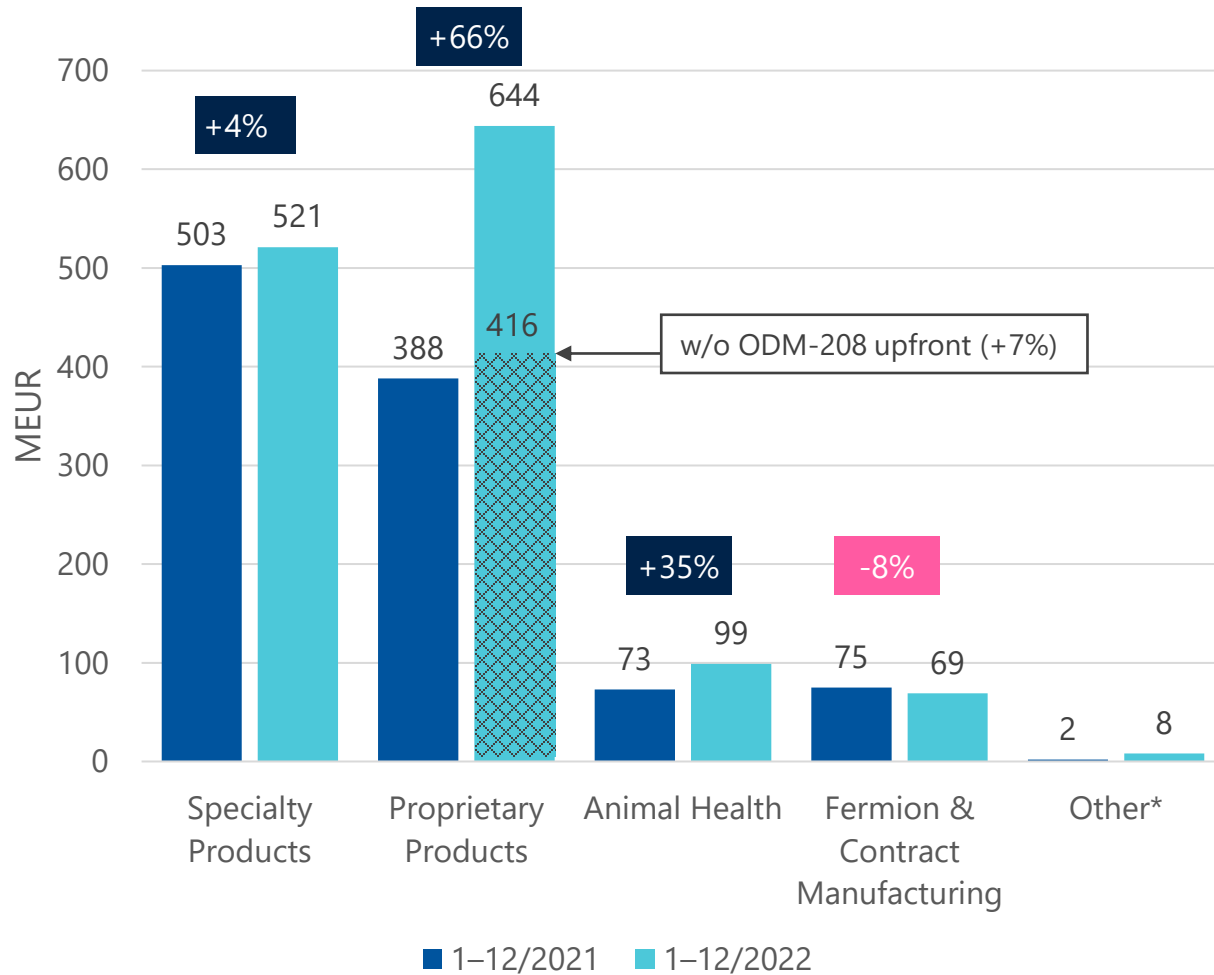
1	Simdax® & Dexdor®	5	Animal Health and Fermion & Contract Manufacturing
2	Nubeqa® (product sales & royalty)	6	Exchange rates
3	Easyhaler® product portfolio	7	Royalties & milestones (without Nubeqa® royalties)
4	Other Proprietary and Specialty Products		

# Operating profit bridge FY2021 to FY2022



1	Product & service sales without sales margin and product mix change and exchange rate effect	4	Milestones & royalties
2	Product sales margin and product mix change but without exchange rate effect	5	Other operating income and expenses
3	Exchange rate effect on gross margin	6	Fixed cost

# Growth in product sales

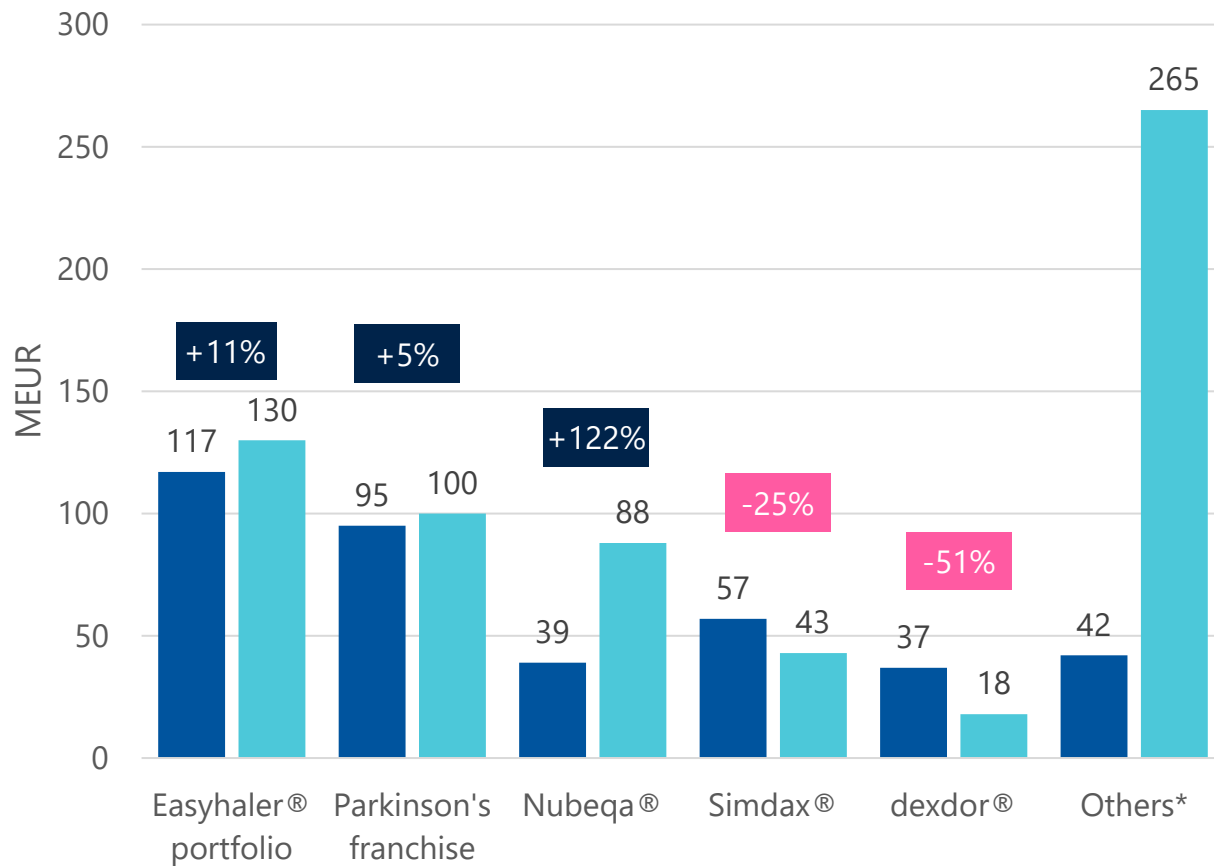


- Specialty Products
- Proprietary Products
- Animal Health
- Fermion & Contract Manufacturing
- Other\*

# TOP 10 products in 2022

	<b>Product or product portfolio</b>	<b>EUR million</b>	<b>vs. 1-12/2021</b>
1.	Easyhaler® product portfolio	<b>130</b>	+11%
2.	Stalevo®, Comtess®, Comtan®	<b>100</b>	+5%
3.	Nubeqa®	<b>88</b>	+122%
4.	Simdax®	<b>43</b>	-25%
5.	Dexdomitor®, Domitor®, Domosedan®, Antisedan®	<b>36</b>	-6%
6.	Divina® series	<b>28</b>	+19%
7.	Burana®	<b>27</b>	+13%
8.	Solomet®	<b>23</b>	+3%
9.	Biosimilars	<b>20</b>	-7%
10.	<i>dexdor</i> ®	<b>18</b>	-51%
	<b>Proprietary Products</b>	<b>Specialty Products</b>	<b>Animal Health</b>

# Proprietary Products

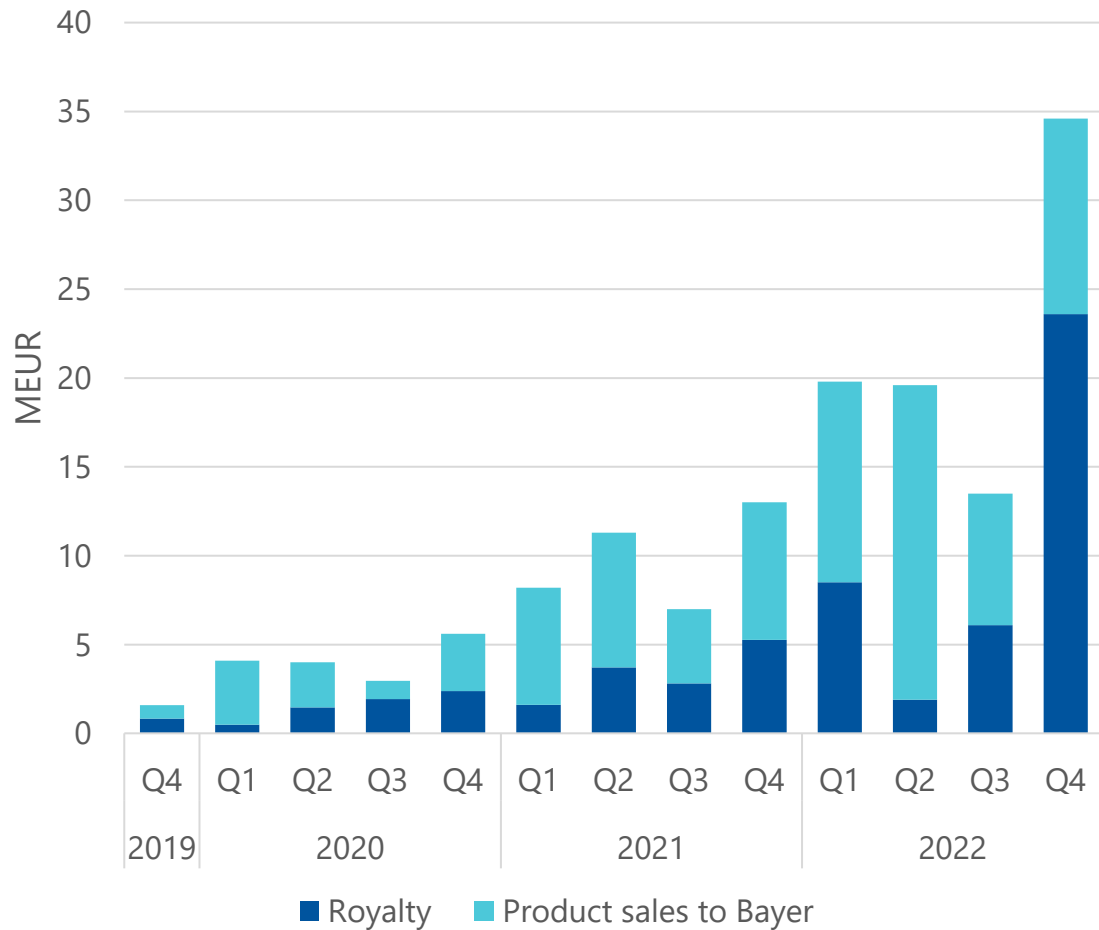


- The impact of ODM-208 upfront payment shown in 'Others'
- Nubeqa® driving the growth
- Fine year for Easyhaler® product portfolio
- Timing of partner deliveries explaining the growth in Parkinson's franchise
- Expected decline for Simdax® and dexdor® due to generic competition

■ 1-12/2021 ■ 1-12/2022 \* 'Others' include service sales, milestone payments and products such as Enanton®, Precedex® and pharmaceuticals sold for use in clinical trials

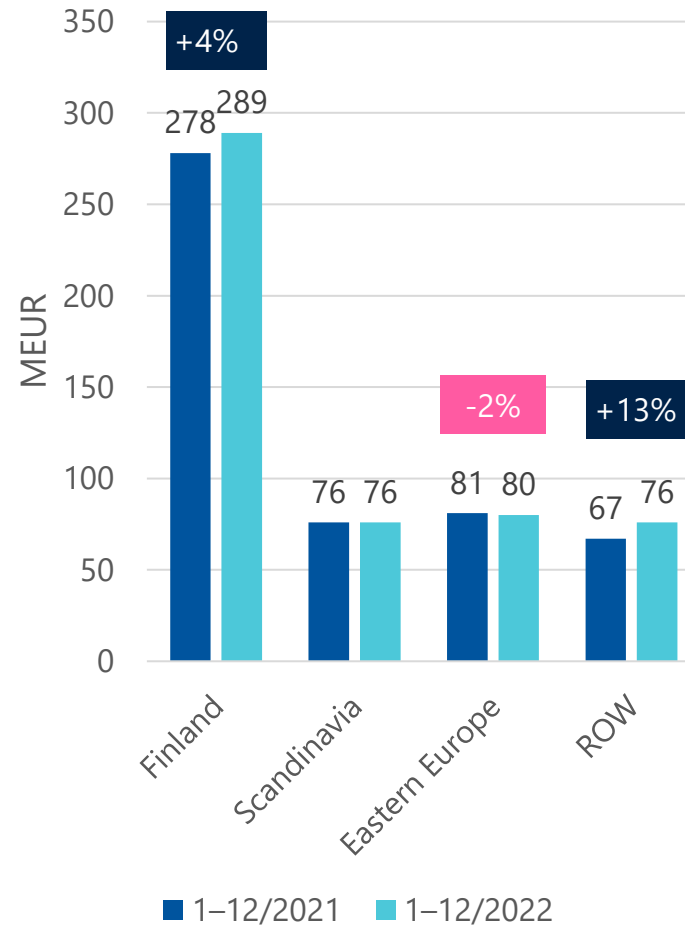
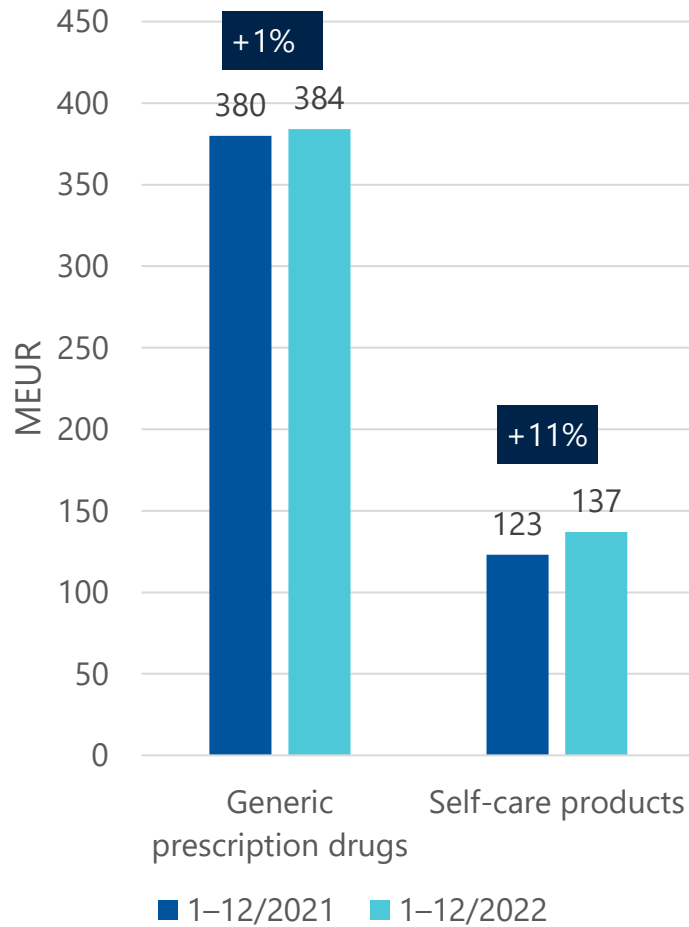


# Strong growth for Nubeqa® sales\* booked by Orion

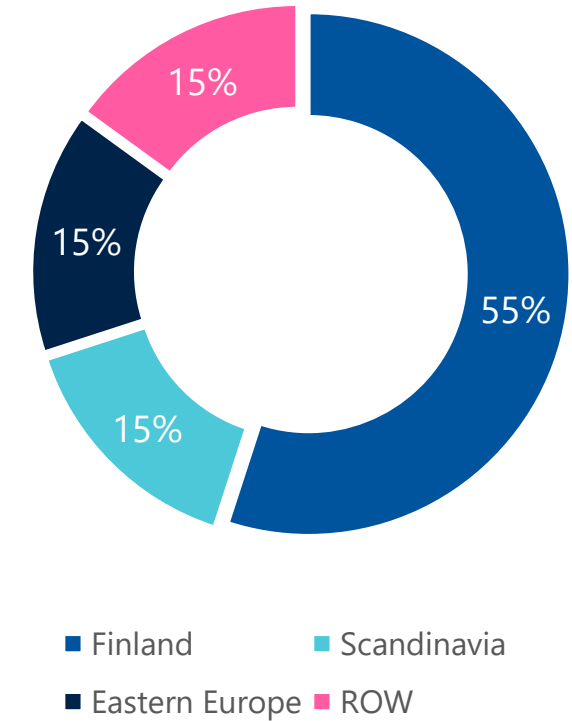


- Orion is entitled to receive annually tiered royalties on global darolutamide sales. The average annual royalty rate is initially approximately 20% including product sales to Bayer. At first, the average annual royalty rate will be slightly lower, and as the annual global sales increase, the average annual royalty rate will increase. If the annual global darolutamide sales were EUR 3 billion, Orion's average annual royalty rate would be slightly above 25%.
- Quarterly variation in product sales to Bayer has been as expected and will continue
- → causes variation also to royalties as every quarter the previous quarter's product sales is deducted from royalties

# Specialty Products



Sales split by geographic areas



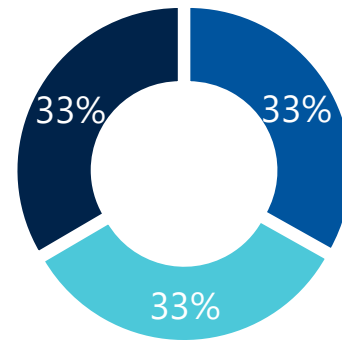
# Overview of the Finnish Pharmaceutical Market

Price decline of reference priced prescription drugs offset by strong volume growth

1-12/2022 EUR million	Market	Orion	Orion's market share
Total sales of human pharmaceuticals	3,081 (+3%)	335 (+4%)	11%
Reference priced prescription drugs (pharmacy channel)	458 (-3%)	111 (+12%)	24%
Self-care products (pharmacy channel)	433 (+7%)	112 (+9%)	26%

Source: Pharmarket sales statistics 1-12/2022

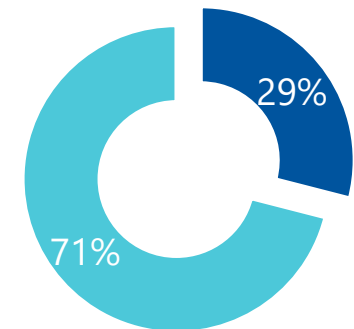
Orion's sales split



- Reference priced prescription drugs (pharmacy channel)
- Self-care products (pharmacy channel)
- Other

Source: Pharmarket sales statistics 1-12/2022

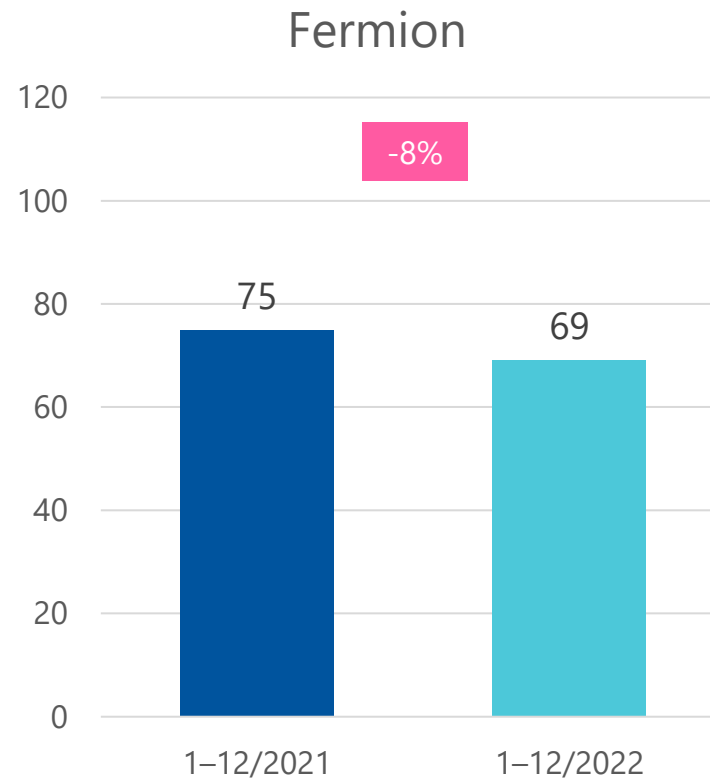
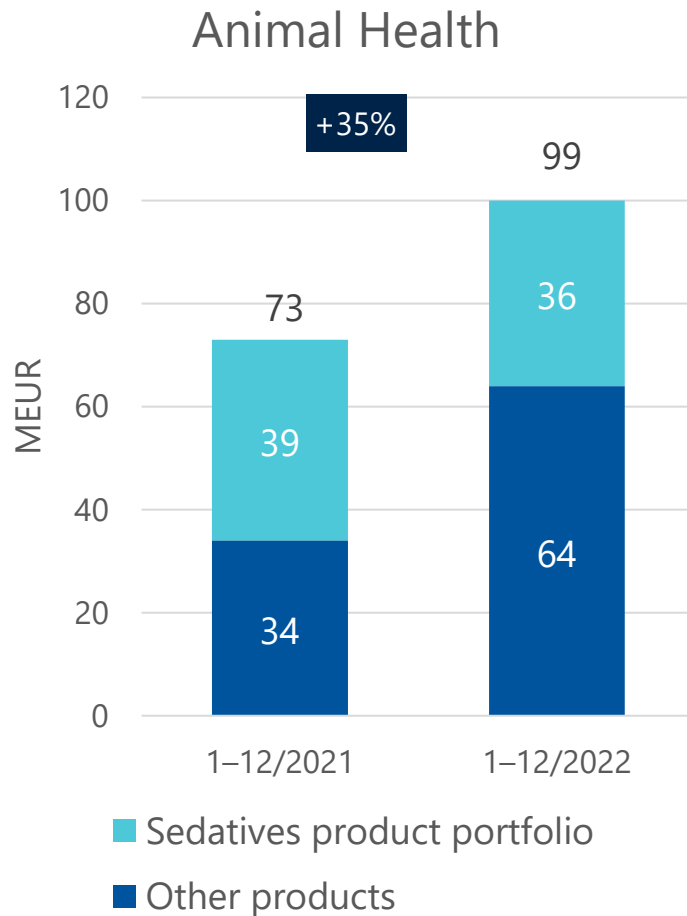
Finland's share of Orion Group's total net sales\*



- Finland
- Other

\* In 2022, excluding ODM-208 agreement related EUR 228 million upfront payment

# Animal Health and Fermion & Contract Manufacturing



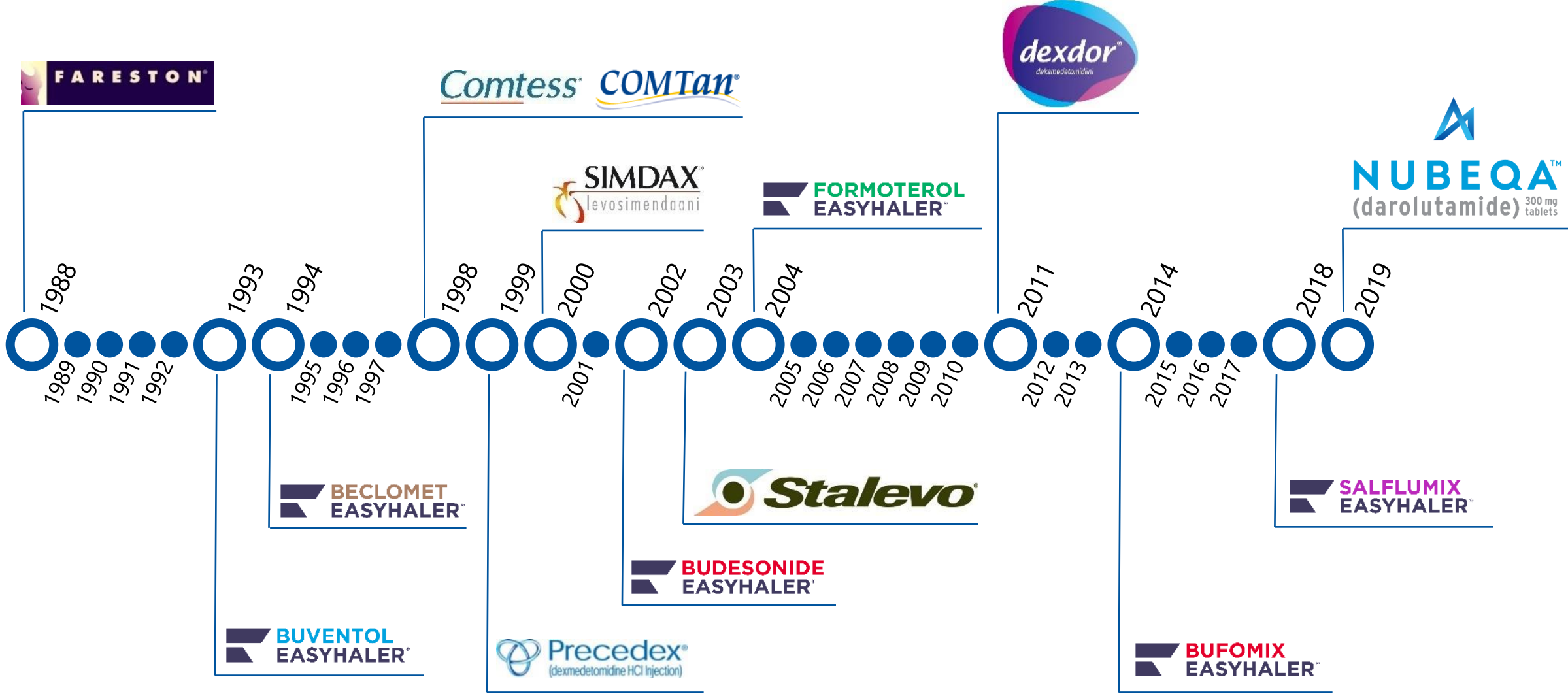
- Animal Health growth due to acquisition of animal health company VMD in June
- Sedatives remain the largest product group in Animal Health
- The decline in Fermion's reported external net sales is partly explained by the fact that more production capacity has been allocated to the manufacturing of Orion's active pharmaceutical ingredients



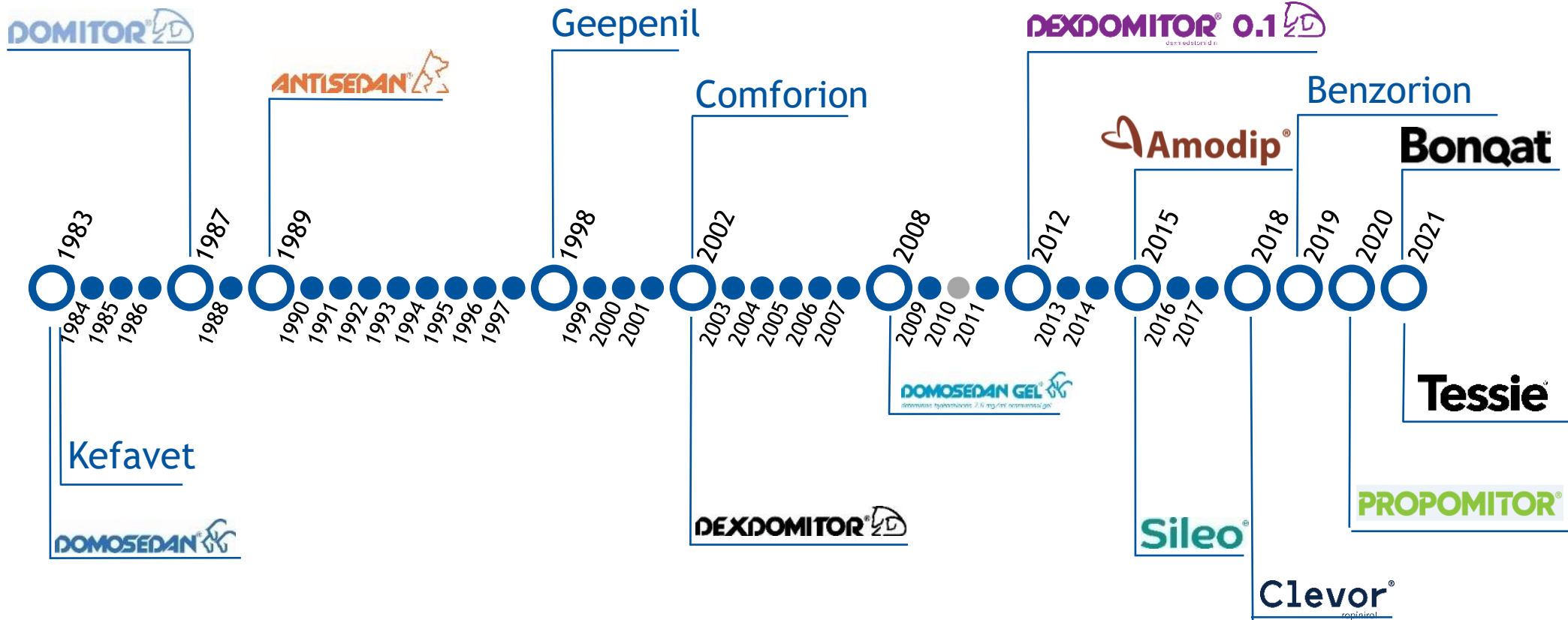
# Research & Development



# Proprietary human pharmaceuticals developed by Orion



# Main Orion Animal Health Marketing Authorisations





# Focus areas of Orion's R&D



## Medicines for humans

- The research focus of Innovative Medicines in oncology and pain
- Orion develops also generic medicines



## Animal Health

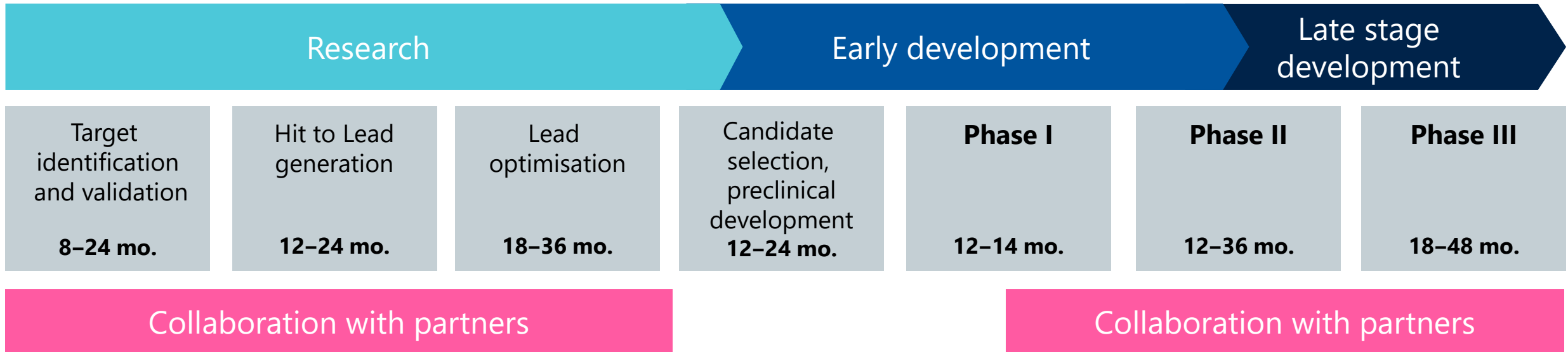
- Innovative medicines
- Generic medicines



## Fermion

- APIs for Orion's in-house developed medicines
- Generic APIs
- Contract development for pharmaceutical companies

# Together we can achieve more in R&D



# Research Areas in Orion's R&D

## PAIN



Ion channels and neuro-immune interaction

## ONCOLOGY



Immuno-Oncology

- FiCAR T-cell therapy
- 2<sup>nd</sup> generation immune-checkpoint inhibitors



Cancer genomics and Cell signalling



Antibody drug conjugates

# Key clinical development pipeline

Project/compound	Indication	PHASE I	PHASE II	PHASE III	REGISTRATION
ARASENS / darolutamide <sup>1</sup>	Prostate cancer (mHSPC)	Phase completed	Phase completed	Phase ongoing	Phase ongoing
ARANOTE / darolutamide <sup>1</sup>	Prostate cancer (mHSPC)	Phase completed	Phase completed	Phase ongoing	
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ODM-105 / tasipimidine	Psychiatric disorders	Phase completed			
ODM-111 (NaV 1.8 blocker)	Pain	Phase ongoing			

Oncology	Pain / neurology
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Phase completed	Phase ongoing
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<sup>1</sup> In collaboration with Bayer

<sup>2</sup> In collaboration with MSD

# Orion's key clinical trials with darolutamide

Clinical trial and treatment	Indication	Primary endpoint and results	Key secondary endpoints
<b>ARAMIS</b> darolutamide + ADT	nmCRPC	<b>Metastasis free survival</b> prolongation by 22.0 months, 59% risk reduction (HR=0.41, p<0.001)	<b>Overall survival</b> 31% risk reduction (HR=0.69, p=0.003)
<b>ARASENS</b> darolutamide + ADT + docetaxel	mHSPC	<b>Overall survival</b> 32.5% risk reduction (HR=0.675, p<0.001)	<b>Time to castration resistant PC</b> 64% risk reduction (HR=0.36, p<0,001)
<b>ARANOTE</b> darolutamide + ADT	mHSPC	<b>Radiological progression-free survival</b> (study ongoing)	<b>Overall survival</b> (study ongoing)
Overall incidence of treatment-emergent adverse events was similar between treatment arms (darolutamide group vs. placebo group) both in ARAMIS and ARASENS trials			
<small>ADT = androgen deprivation therapy nmCRPC = non-metastatic castration-resistant prostate cancer mHSPC = metastatic hormone-sensitive prostate cancer</small>		<small>Orion develops darolutamide in collaboration with Bayer.</small>	





Sustainability is  
built into Orion's  
mission





# Orion's Sustainability Agenda



## Patient safety as a top priority



Patient safety has been a priority for us for a hundred years and it continues to be the cornerstone of our daily operations.

We play a significant role in ensuring reliable supply of medications – even in the wake of a crisis.

## Active work for a better environment



We want to be the environmental leaders in our industry.

We continuously raise the bar in climate and environmental responsibility, and we challenge others to follow.

We are strongly heading towards achieving carbon-neutrality in our own operations by 2030.

## Care for well-being professionals



We want to take care of Orionees – professionals who put their heart and expertise in everything they do.

Our workplace is inspiring. We want our people to feel well.

## Ethics at the core of our business



We maintain strict ethical standards and act responsibly in all situations.

Together with our partners we are building a transparent and sustainable business.

# Orion's Sustainability Agenda and indicators 2022



Patient safety as a top priority



Active work for a better environment



Care for well-being professionals



Ethics at the core of our business



Customer complaints (pharmaceuticals)	GxP* audits by Orion	Greenhouse gas emissions (scope 1&2)	Energy savings (MWh)	Injury rate	ABC* training, no. of participants
<b>60</b> Ppm* (65)	<b>281</b> (256)	<b>18,044</b> tCO2e (18,095)	<b>858</b> (7,349)	<b>3.7</b> LTIF 1 (4.8)	<b>1,800</b> (532)

\*Ppm = parts per million packages sold, GxP = Good Practices, ABC = anti-corruption and anti-bribery training

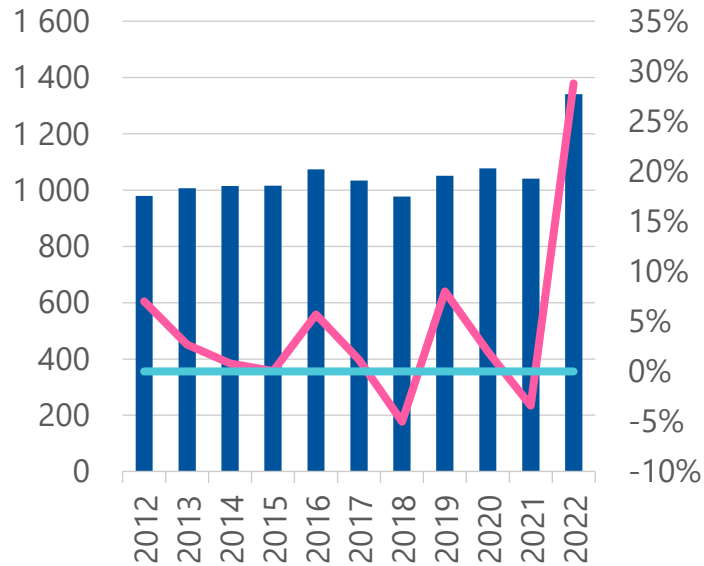


# Appendices



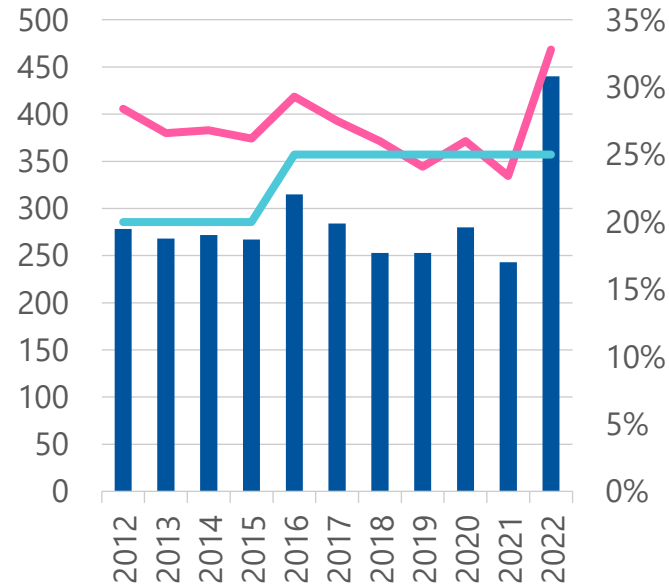
# Track record vs. financial objectives

### Net sales



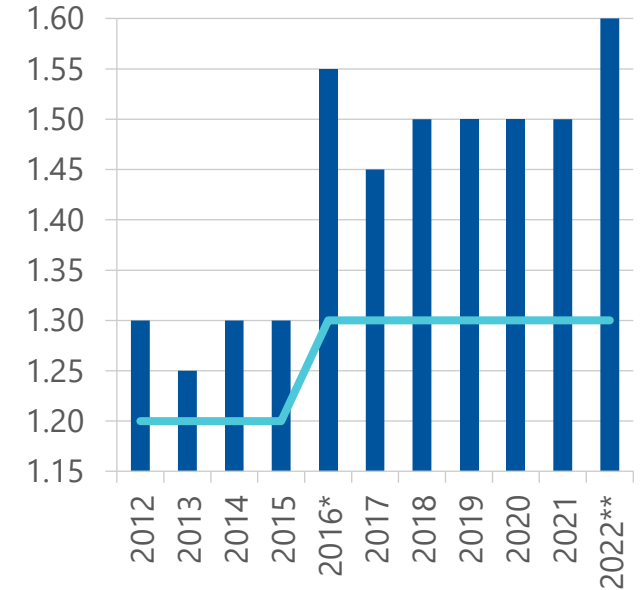
- Net sales, EUR million
- Growth, %
- Growth % target >0

### Operating profit



- Operating profit, EUR million
- Operating profit margin
- Target

### Dividend



- Dividend per share, EUR
- Floor target

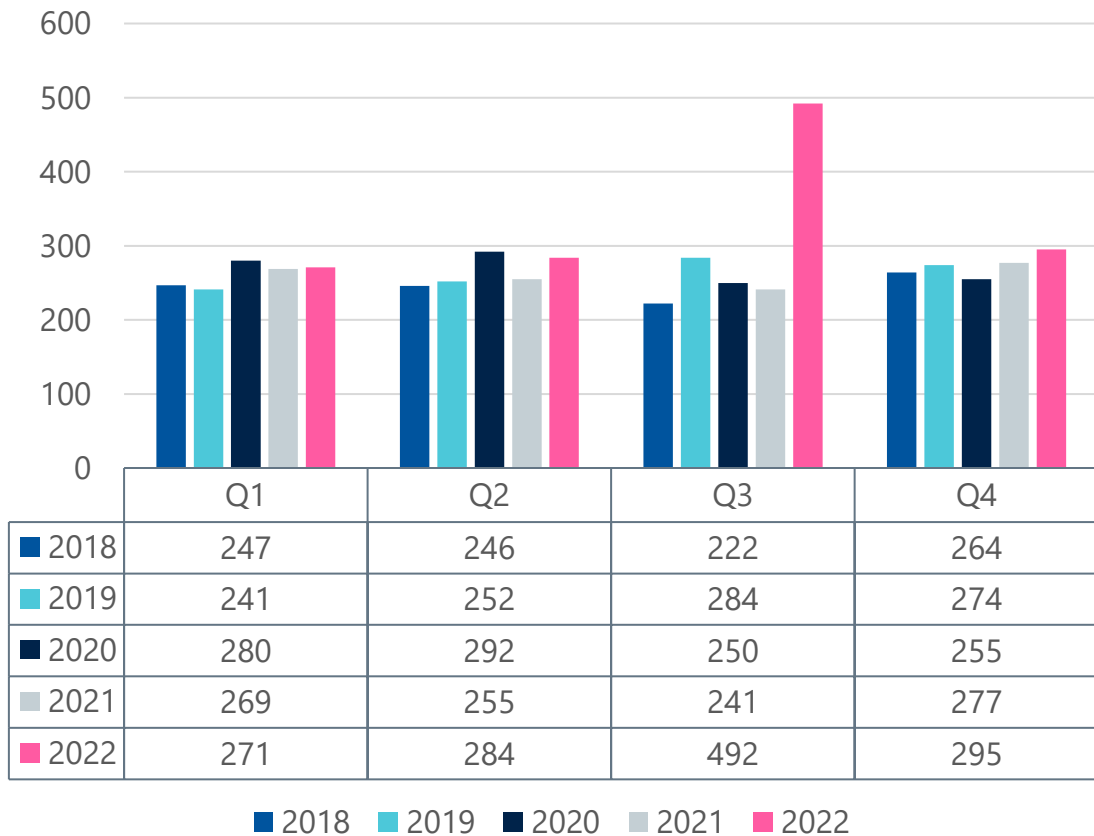
\* 2016: includes extra dividend EUR 0.20

\*\* Proposal by the Board of Directors

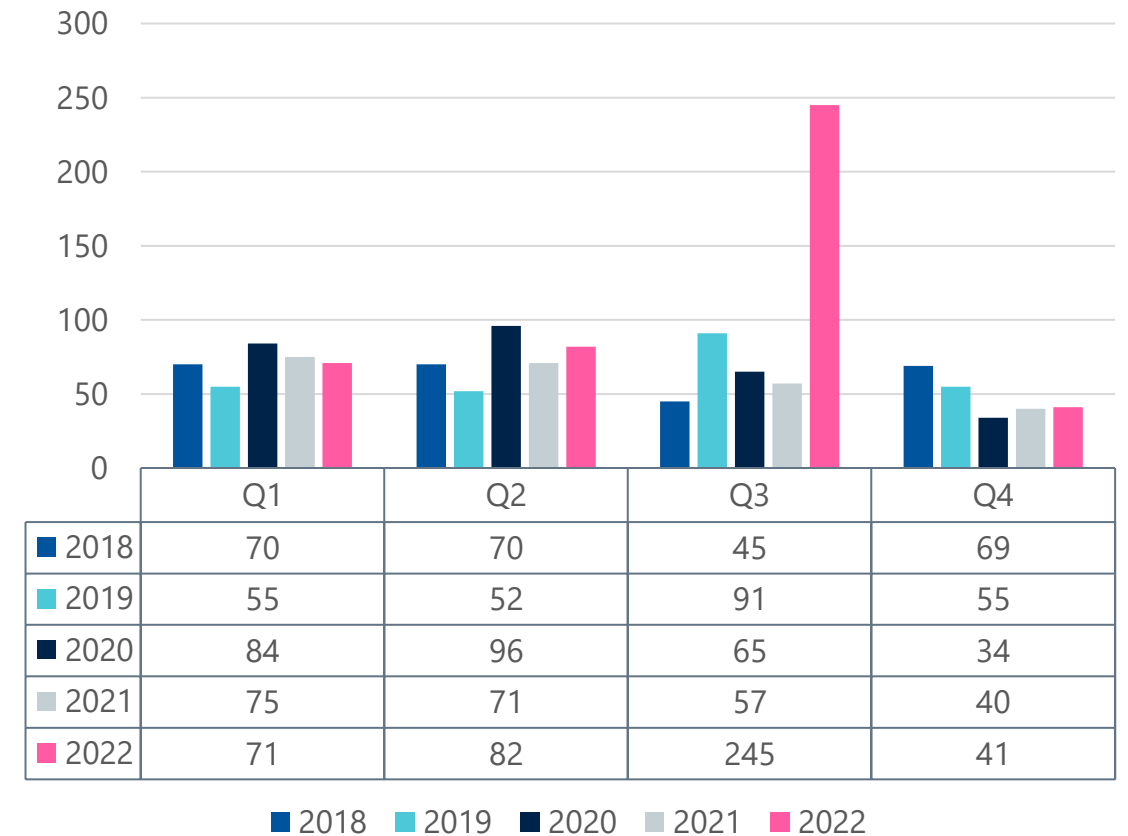
Orion Diagnostica Oy was divested in 2018 and is not included in the Net sales and Operating profit figures from 2017 onwards.

# Net sales and operating profit by quarter (MEUR)

## Net sales



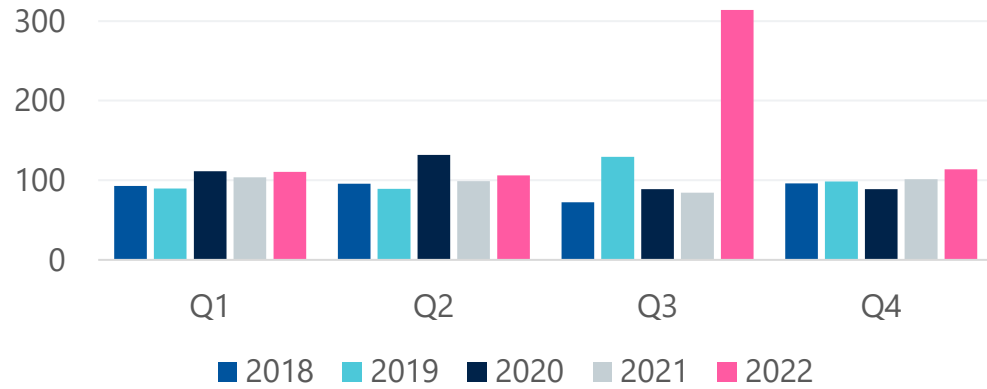
## Operating profit



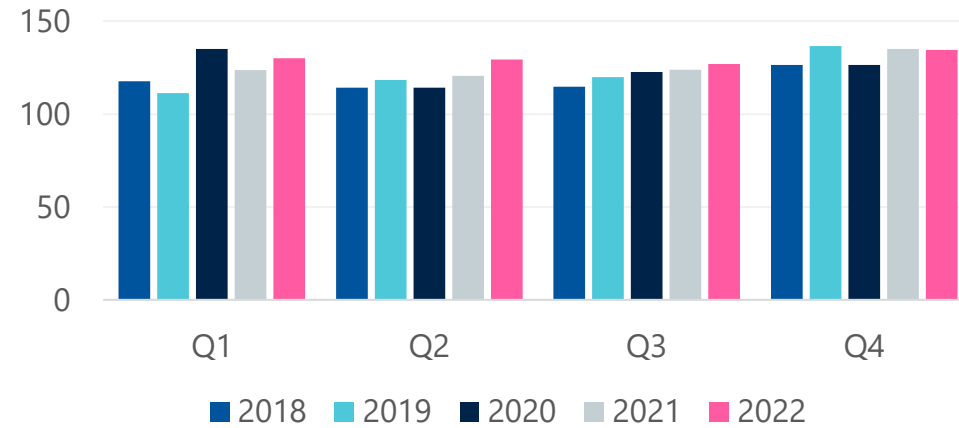
# Quarterly net sales by unit (MEUR)



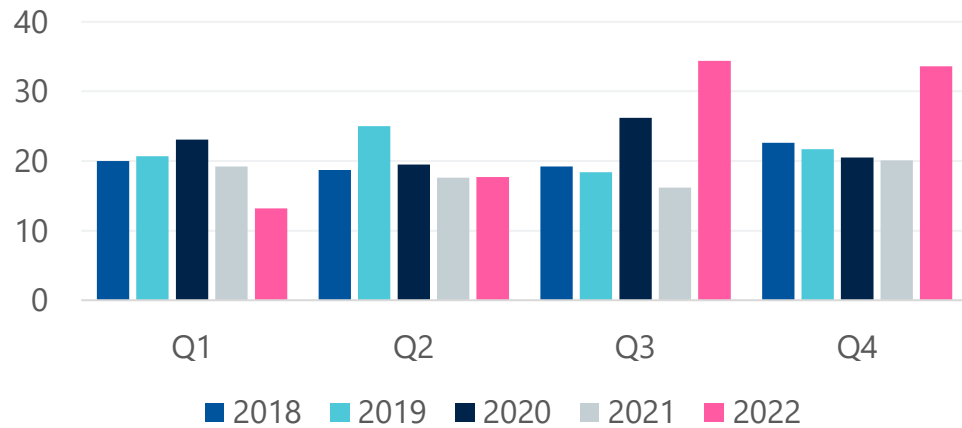
### Proprietary Products



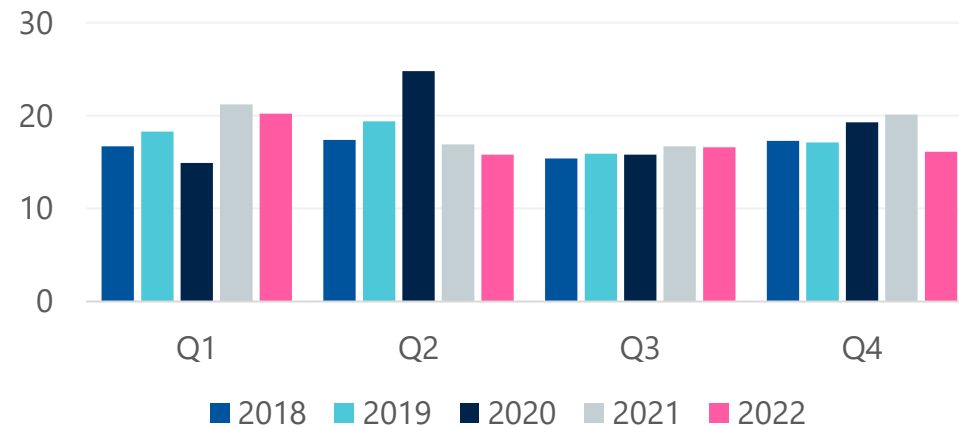
### Specialty Products



### Animal Health

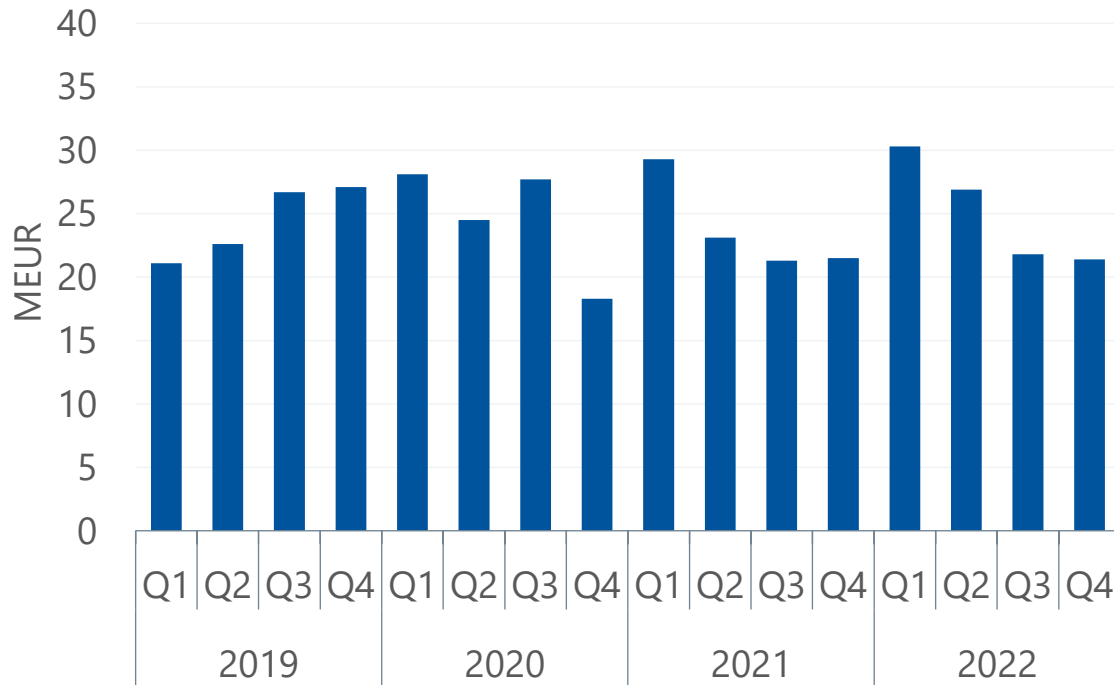


### Fermion & Contract Manufacturing

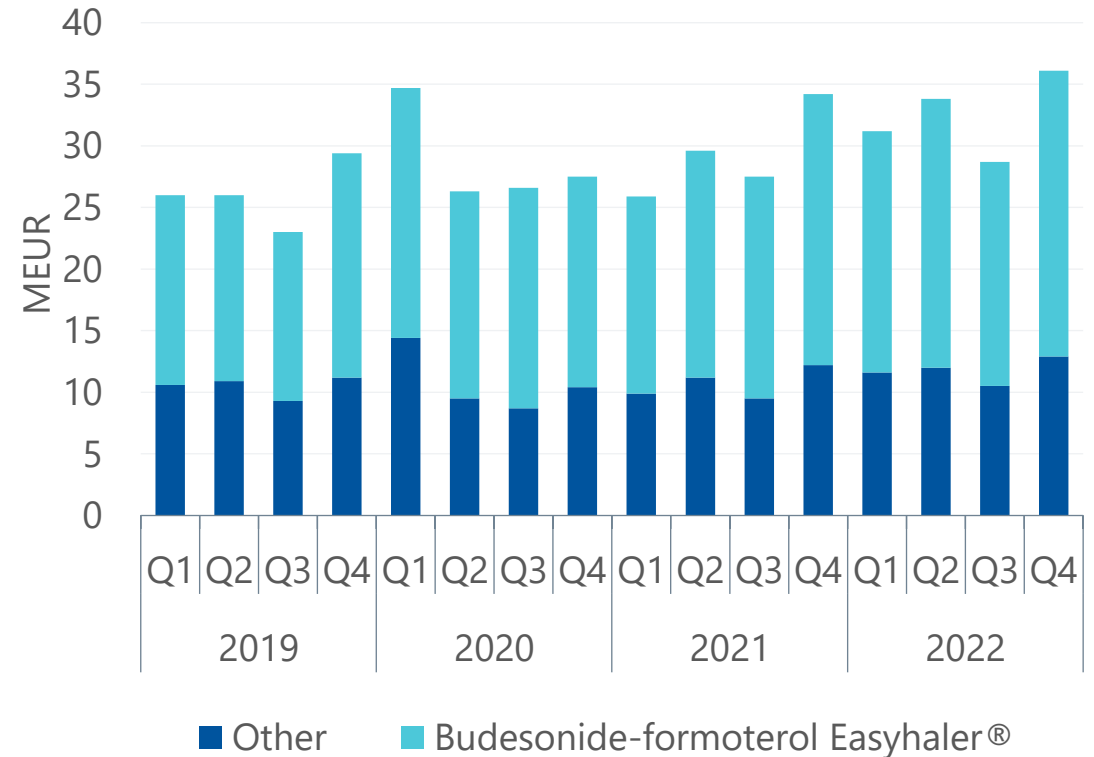


# Parkinson's franchise and Easyhaler® product portfolio

Parkinson's franchise

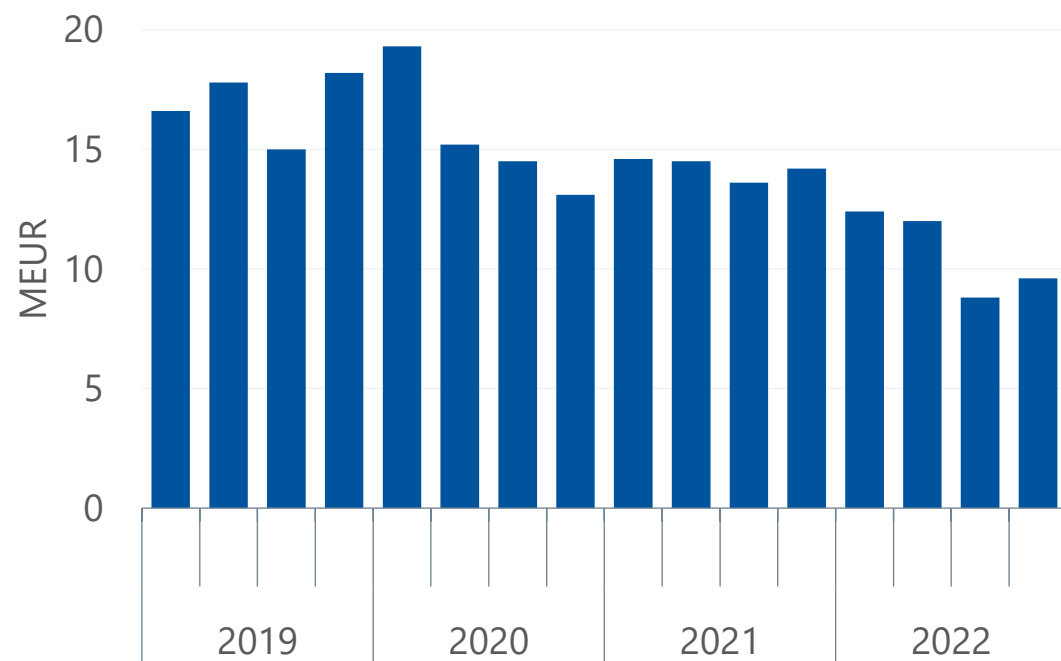


Easyhaler®

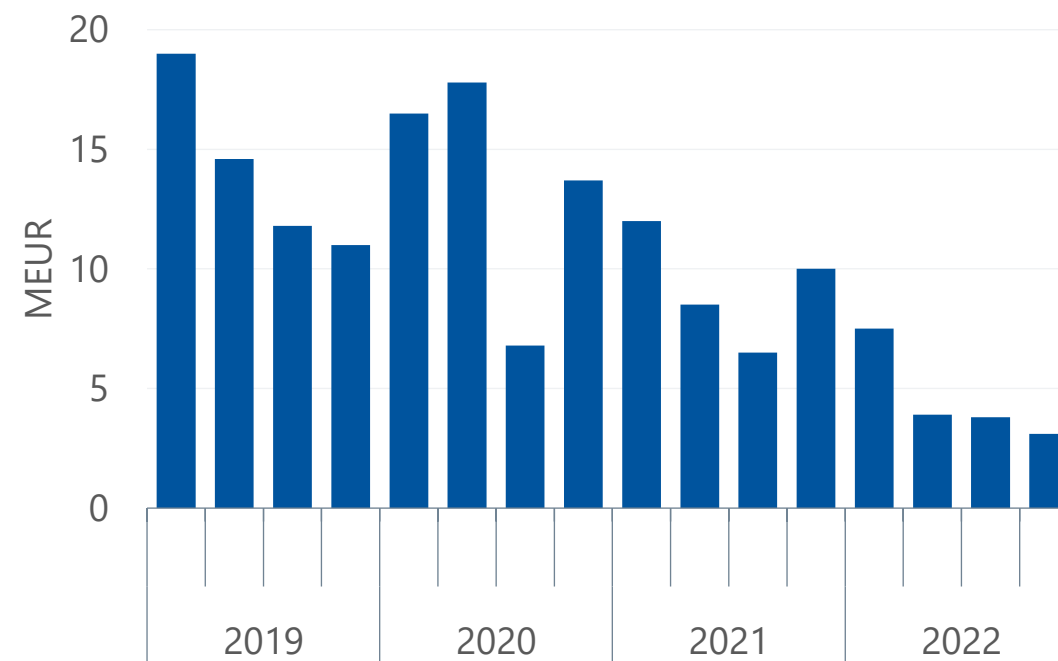


# Simdax® and *dexdor*®

Simdax®



*dexdor*®





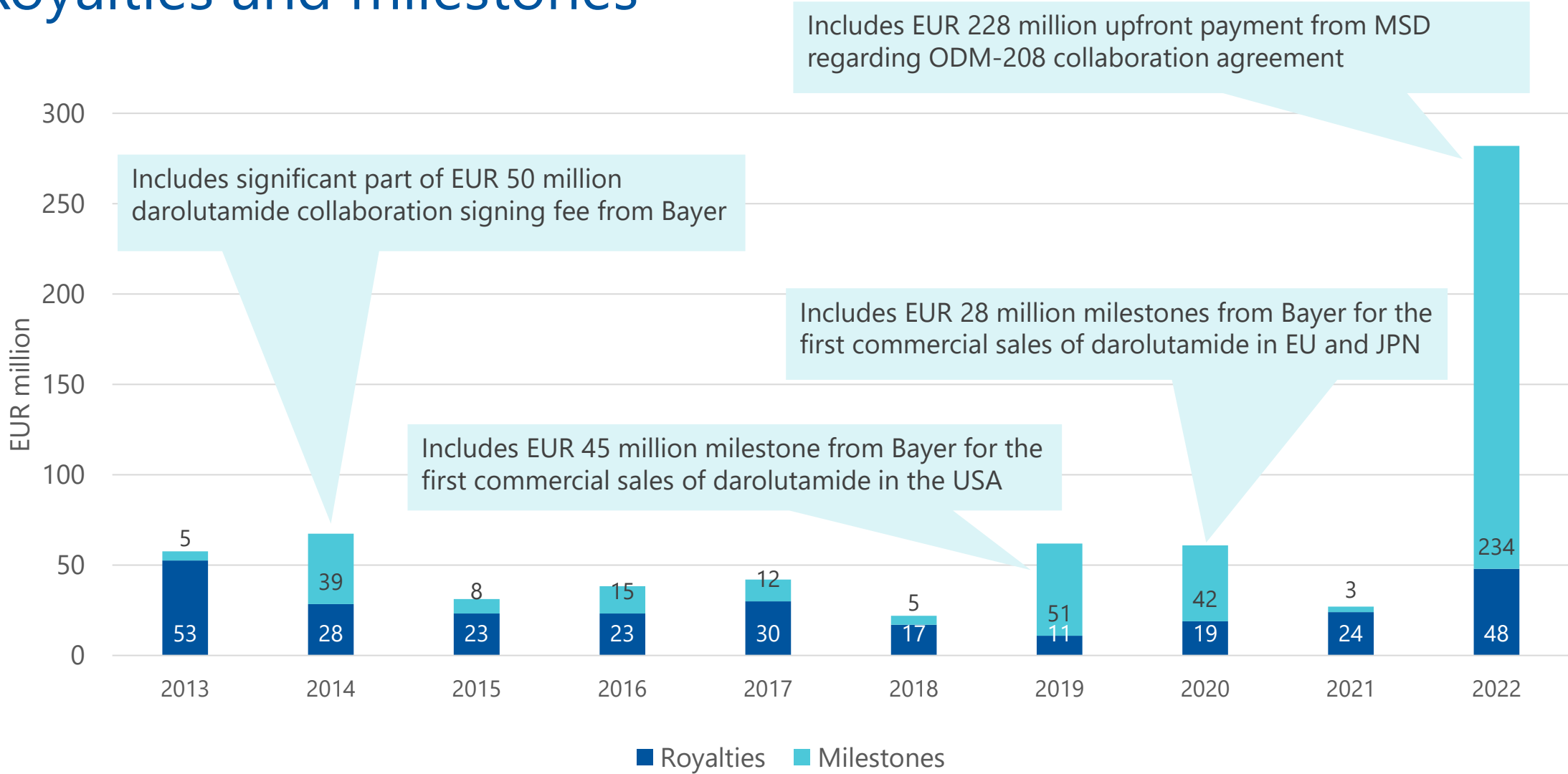
# Key figures

Orion's key figures	2018	2019	2020	2021	2022	Change vs. 2021
Net sales, EUR million	977.5	1,051.0	1,078.1	1,041.0	<b>1,340.6</b>	+28.8%
EBITDA	293.9	308.9	336.5	289.1	<b>487.1</b>	+68.5%
Operating profit, EUR million	252.8	252.8	280.1	243.3	<b>439.6</b>	+80.7%
Profit before taxes, EUR million	248.4	250.8	278.3	242.3	<b>440.3</b>	+81.7%
R&D expenses, EUR million	104.0	119.3	123.2	117.7	<b>135.8</b>	+15.4%
Equity ratio, %	<b>68.8%</b>	76.7%	66.7%	68.1%	<b>60.9%</b>	
Gearing, %	<b>-17.1%</b>	-17.8%	-25.4%	-14.5%	<b>-13.1%</b>	
ROCE (before taxes), %	<b>44.3%</b>	29.9%	34.8%	28.8%	<b>45.1%</b>	
Return on equity, %	<b>45.5%</b>	25.8%	29.1%	26.2%	<b>42.2%</b>	
Basic earnings per share, EUR	1.40	1.43	1.56	1.38	<b>2.49</b>	+80.4%
Interest bearing net debt	<b>-132.1</b>	-139.1	-185.8	-108.3	<b>-118.7</b>	+9.6%
Cash flow from operating activities per share, EUR				1.53	<b>3.09</b>	+101.4%
Dividend per share, EUR	<b>1.50</b>	1.50	1.50	1.50	<b>1.60*</b>	*BoD proposal
<i>= includes both continuing and discontinued (Orion Diagnostica) operations</i>						

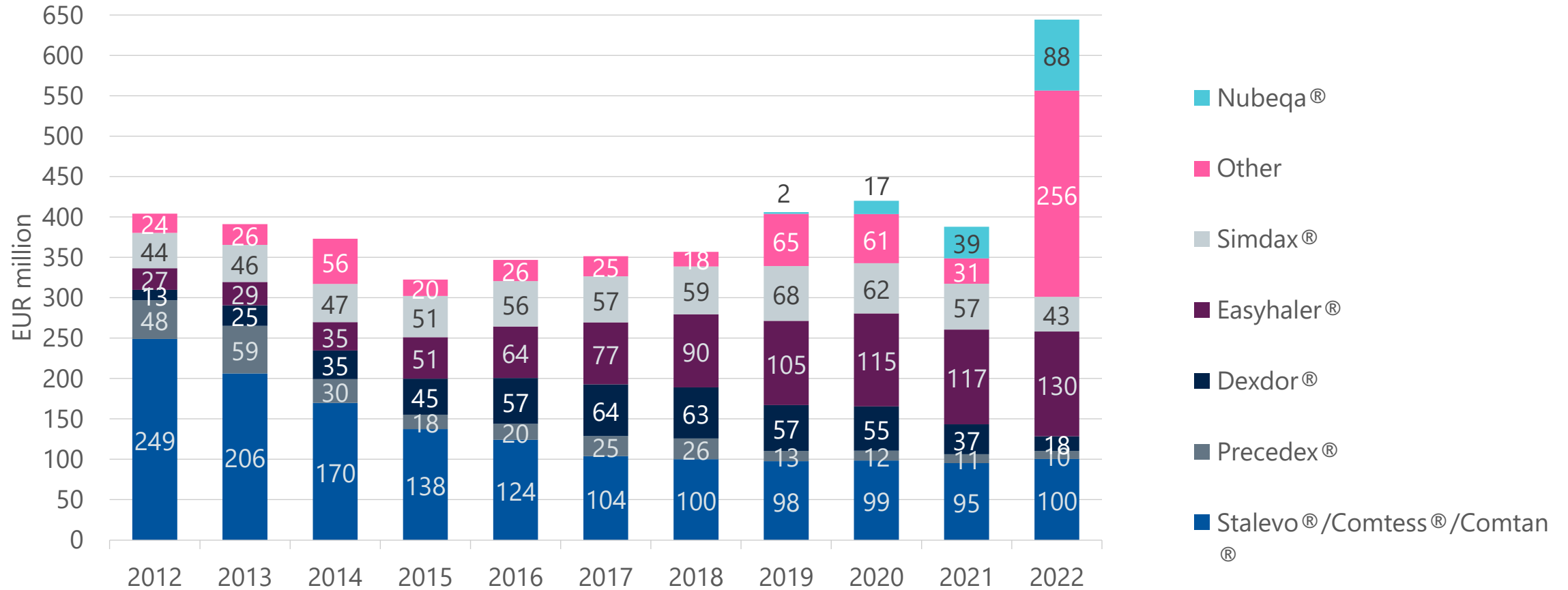
# Income statement

Formation of profits, EUR million	2018	2019	2020	2021	2022	Change vs. 2021
Net sales	977.5	1,051.0	1,078.1	1,041.0	<b>1,340.6</b>	+28.8%
Cost of goods sold	-387.9	-417.6	-434.4	-447.5	<b>-491.7</b>	+9.9%
Gross profit	589.6	633.4	643.7	593.5	<b>848.9</b>	+43.0%
Other operating income and expenses	5.5	2.2	5.4	6.4	<b>5.7</b>	-11.5%
Sales and marketing expenses	-195.3	-215.7	-204.3	-191.0	<b>-210.3</b>	+10.1%
R&D expenses	104.0	-119.3	-123.2	-117.7	<b>-135.8</b>	+15.4%
Administrative expenses	-43.0	-47.8	-41.6	-47.9	<b>-68.8</b>	+43.6%
Operating profit	252.8	252.8	280.1	243.3	<b>439.6</b>	+80.7%
Profit before taxes	248.4	250.8	278.3	242.3	<b>440.3</b>	+81.7%
Profit for the period for continuing operations	197.3	200.4	219.9	193.8	<b>349.5</b>	+80.4%
Profit for the period for discontinued operations	132.9					
Profit for the period	330.3	200.4	219.9	193.8	<b>349.5</b>	+80.4%

# Royalties and milestones



# Development of Proprietary Products net sales



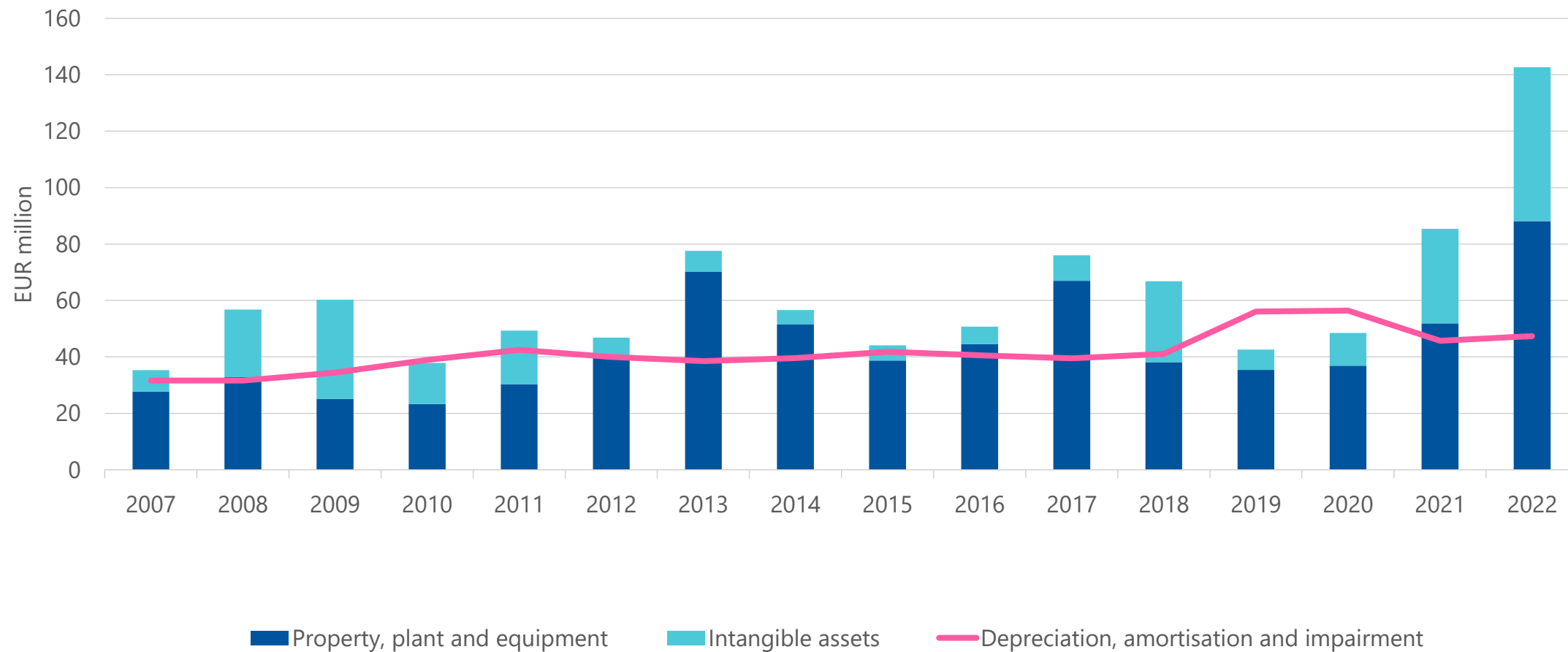
# Financial position



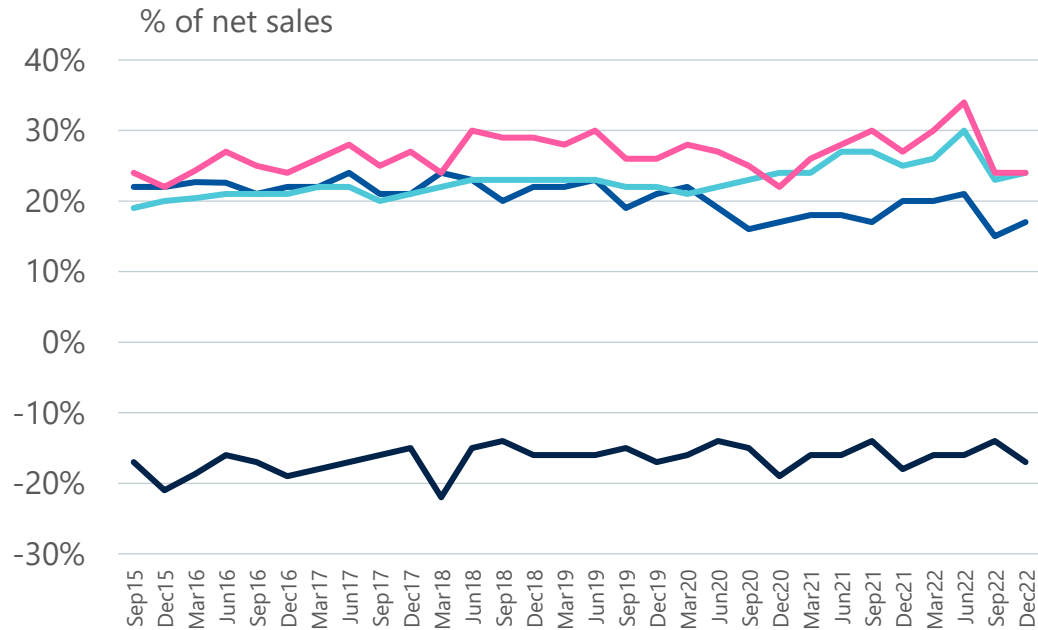
EUR million	12/22	12/21	Change %
<b>Non-current assets total</b>	<b>624.9</b>	423.7	+47.5%
Inventories	<b>315.6</b>	265.2	+19.0%
Trade receivables	<b>180.7</b>	174.8	+3.4%
Other receivables	<b>44.8</b>	30.2	+48.3%
Cash & cash equivalents & money market investments	<b>332.6</b>	216.7	+53.5%
<b>Current assets total</b>	<b>878.7</b>	690.3	+27.3%
<b>Assets total</b>	<b>1,503.6</b>	1,114.0	+35.0%

EUR million	12/22	12/21	Change %
<b>Equity total</b>	<b>908.1</b>	747.9	+21.4%
Interest-bearing non-current liabilities	<b>196.8</b>	104.7	+88.0%
<b>Non-current liabilities total</b>	<b>320.2</b>	156.9	+104.1%
<b>Current liabilities total</b>	<b>252.1</b>	154.3	+63.4%
<b>Liabilities total</b>	<b>595.5</b>	366.1	+62.7%
<b>Equity and liabilities total</b>	<b>1,503.6</b>	1,114.0	+35.0%

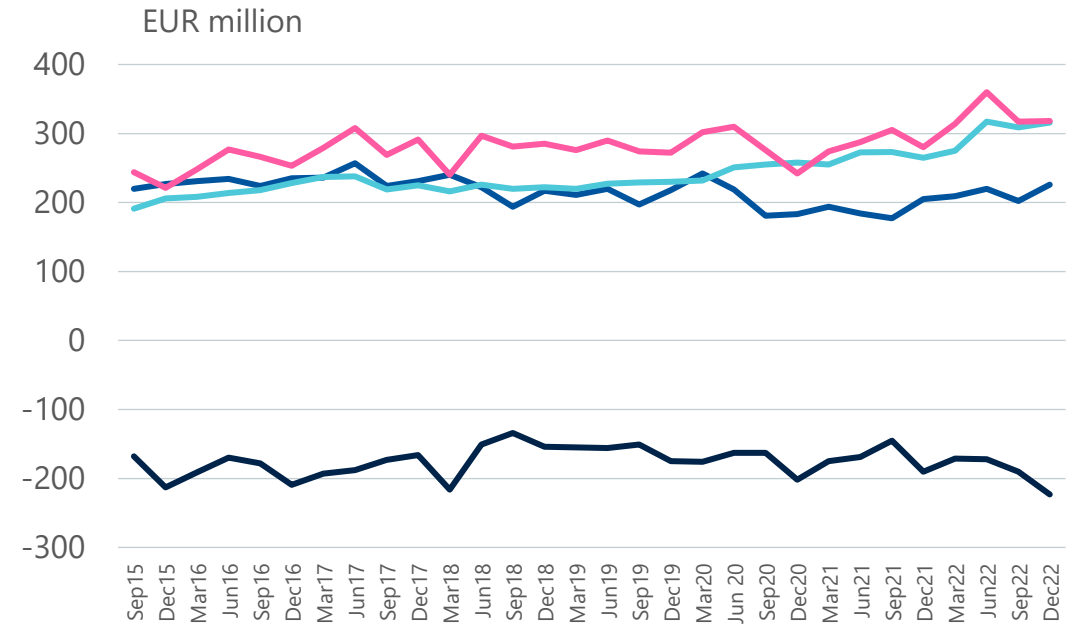
# Development of capital expenditure



# Development of net working capital



- Receivables
- Inventories
- Short-term non-interest bearing liabilities
- Net Working Capital



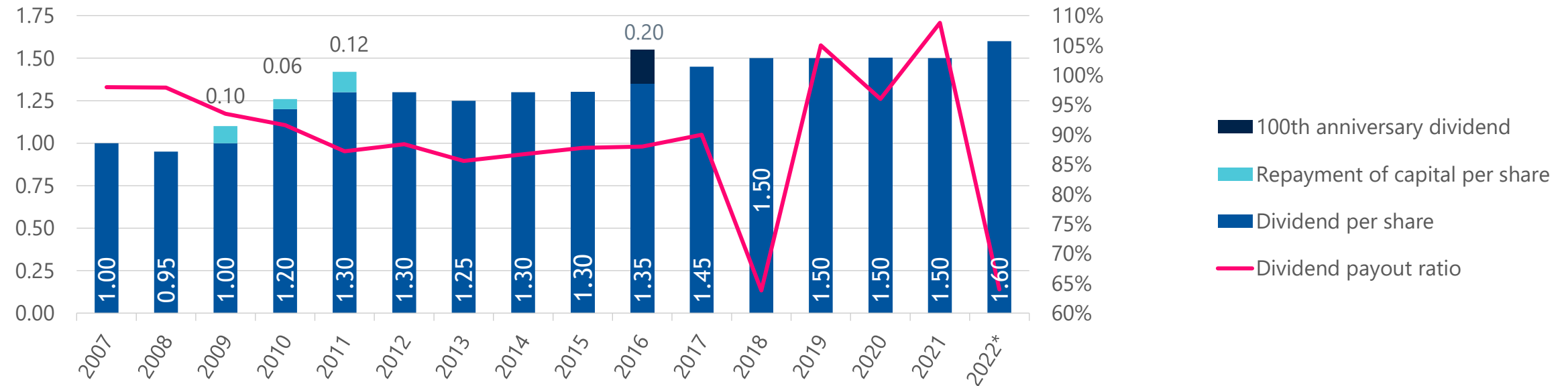
- Receivables
- Inventories
- Short-term non-interest bearing liabilities
- Net Working Capital

# Dividend distribution policy and dividend history



- 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



\* Dividend proposal by the Board of Directors



# Easyhaler® - One device with several therapy options for patients with asthma or Chronic Obstructive Pulmonary Disease (COPD)

- Easyhaler® portfolio consists of 6 dry-powder inhaler (DPI) products with several well-known generic active substances for the treatment of patients with asthma or COPD.



Carbon  
Neutral  
Product



- Key benefits:
  - Wide range of different therapies administered from one type of DPI
  - Easy and quick to teach, learn and use
  - High accuracy and consistency of dosing *even with low inhalation capacity*
  - Fully carbon neutral product range *supporting sustainability goals of Orion*



## Upcoming events

AGM planned to be held	22/3/2023
Interim Report 1-3/2023	27/4/2023
Half-Year Financial Report	17/7/2023
Interim Report 1-9/2023	26/10/202





Save the date

Orion Capital  
Markets Day on  
25 May 2023

