



# Orion Financial Review 1-12/2017

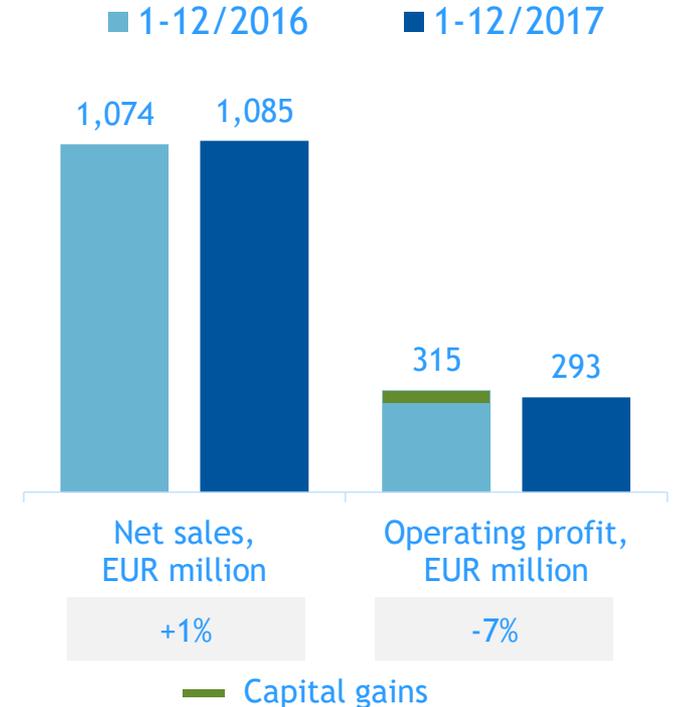
# Disclaimer

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.

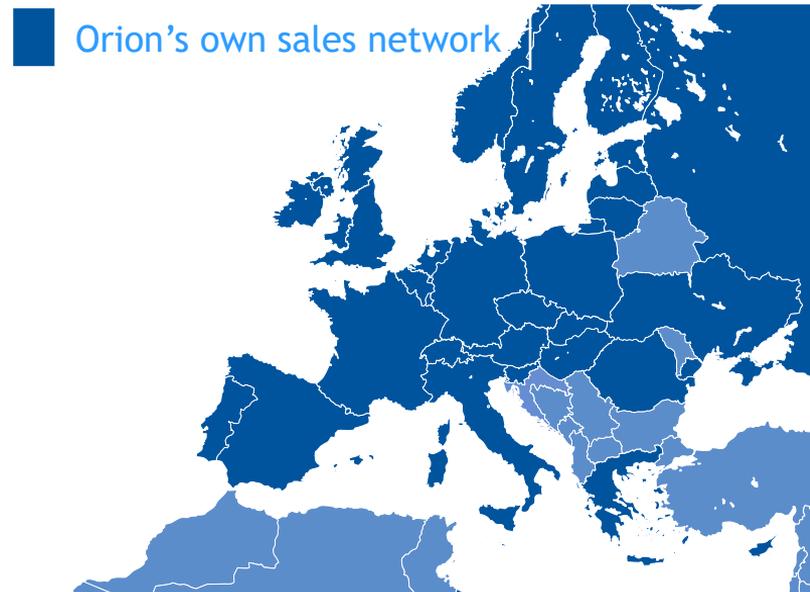
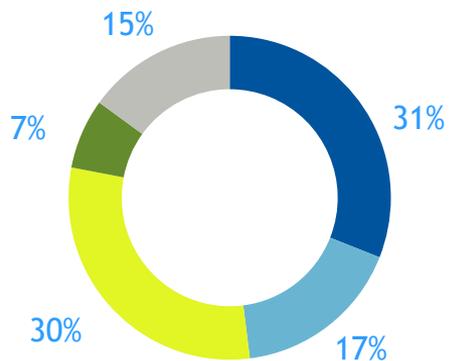
## Orion had a good centenary year

- Net sales were at previous year's level.
- The operating profit in comparative period included EUR 22 million of capital gains.
- Dexdor and Easyhaler product family continued to grow.
- Growth in sales of biosimilar Remsima generated a significant portion of Specialty Products growth.
- Narrowing of price band in Finland had EUR 15 million negative effect.
- Targeted efficacy objectives were not met in Alzheimer's disease Phase IIa clinical trial (ORM-12741).
- Development of new Easyhaler formulation (tiotropium) commenced.
- Board of Directors proposes payment of dividend of EUR 1.45 per share.



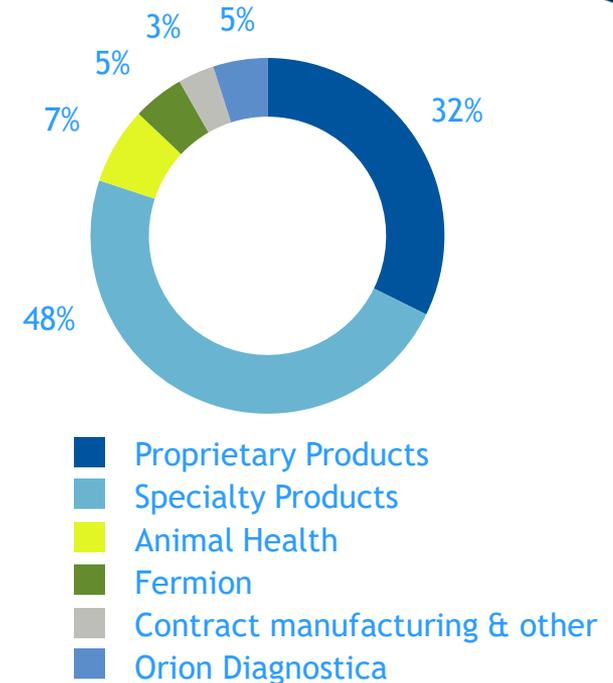
# Geographical breakdown of net sales

1-12/2017



## Breakdown of net sales by business division

Net sales, EUR million	1-12/ 2017	1-12/ 2016	Change
Specialty Products	519	508	+2%
Proprietary Products	351	350	0%
Animal Health	76	77	-2%
Fermion	51	48	+7%
Contract manufacturing & other	36	39	-6%
Orion Diagnostica	54	55	-2%





## Pharmaceuticals business

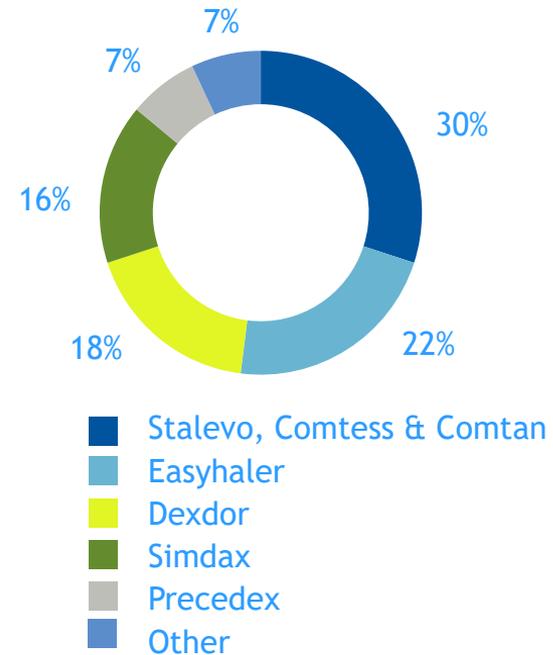
# Best-selling pharmaceuticals 1-12/2017

Product	Indication	Net sales, EUR million	Change vs. 1-12/2016
1.  <i>Stalevo</i>  <i>Comtess</i>  <i>COMTan</i>	Parkinson's disease	104	-16%
2.  <b>Easyhaler</b> <sup>®</sup>	Asthma, COPD	77	+20%
3.  <i>dexdor</i>	Intensive care sedative	64	+13%
4.  <b>SIMDAX</b> levosimendan	Acute decompensated heart failure	57	+2%
5.  <b>Remsima</b> <sup>™</sup> Infliximab	Rheumatoid arthritis, inflammatory bowel diseases	57	+34%
6.  <b>DEXDOMITOR</b>  <b>DOMITOR</b>  <b>DOMOSEDAN</b>  <b>ANTISEDAN</b>	Animal sedatives	31	+9%
7.  <b>Precedex</b> <sup>®</sup> (dexmedetomidine HCl Injection)	Intensive care sedative	25	+28%
8.  <b>burana</b> <sup>®</sup>	Inflammatory pain	23	+1%
9. <b>Marevan</b> <sup>®</sup>	Anticoagulant	19	+5%
10. Generic entacapone products	Parkinson's disease	19	+42%
= Products of Proprietary Products business division			

## Proprietary Products

- As expected, sales of Stalevo, Comtess and Comtan continued to decline, but growth in other products compensated for the decline.
- Budesonide-formoterol Easyhaler product has been launched in all key European markets.
- Sales of Dexdor grew, despite generic competition commencing in Germany.
- Sales of Simdax were at the previous year's level. The basic Simdax patent has expired, but this is not estimated to materially impact its sales in 2018.

Breakdown of net sales

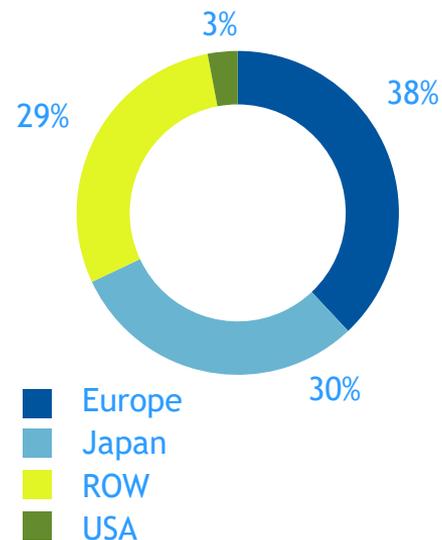


# Parkinson's drugs

Sales, EUR million



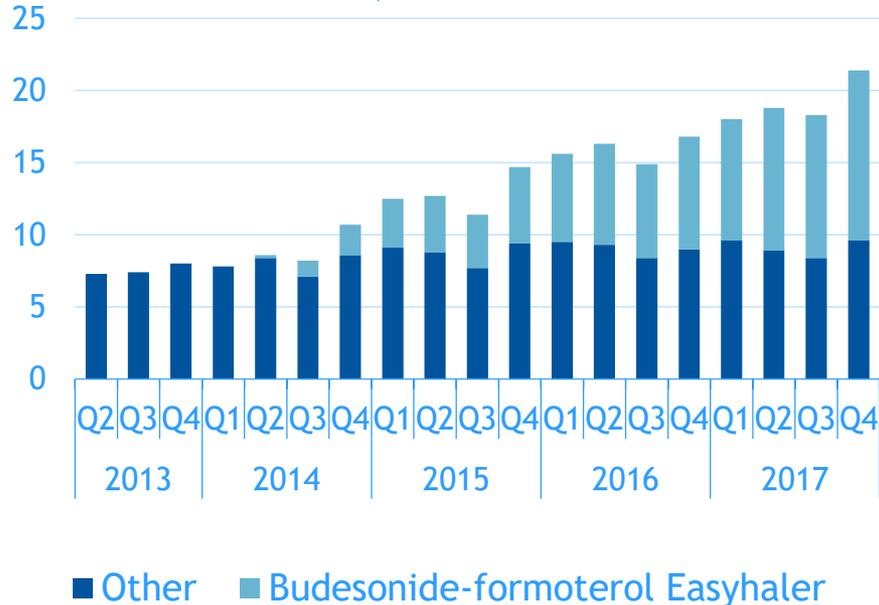
Sales of Orion's branded Parkinson's drugs by market area\*



\*Source: IMS Health sales statistics MAT9/2017

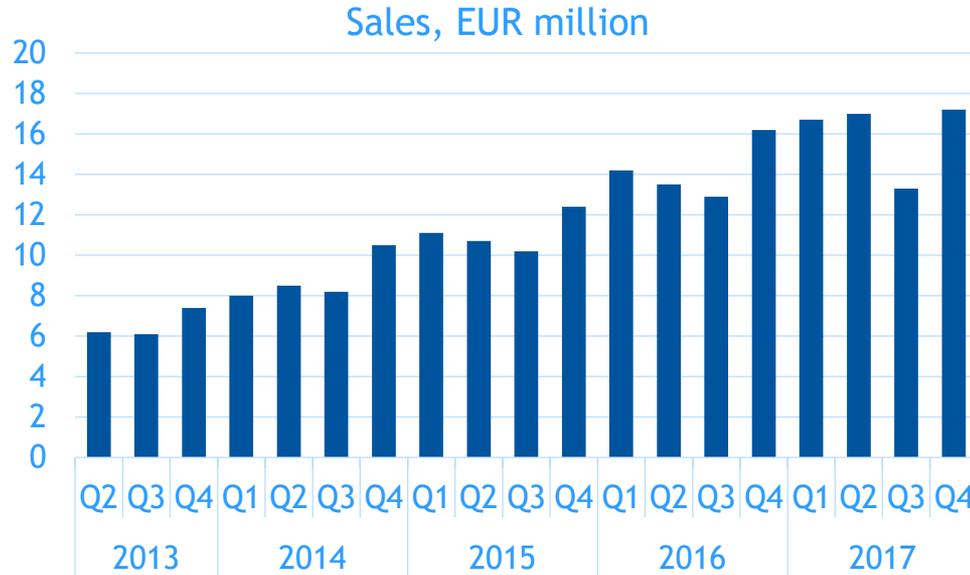
# Easyhaler product family

Sales, EUR million



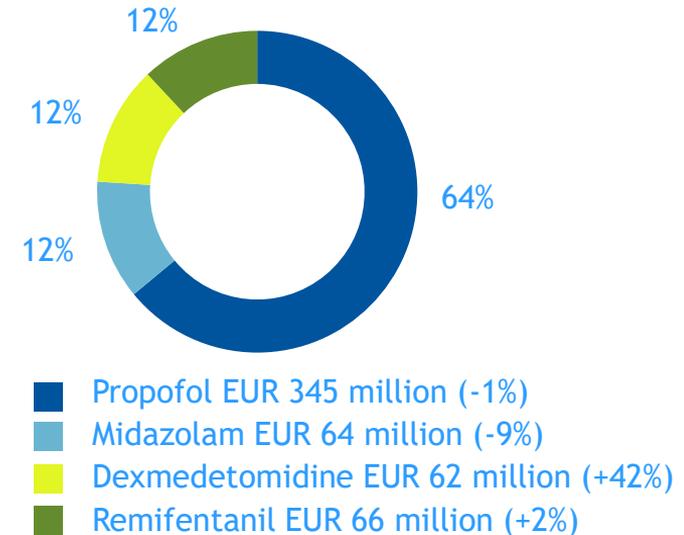
- Easyhaler product family sales grew by 20%, driven by budesonide-formoterol Easyhaler, which grew by 46%.
- Budesonide-formoterol Easyhaler has been launched in all key European markets.
  - Menarini is marketing budesonide-formoterol in Southern Europe, new agreement on distribution in APAC countries. First marketing authorisation applications in MENA region submitted (agreement with Hikma).
- Marketing authorisation process for salmeterol-fluticasone combined formulation is progressing according to planned schedule.
- Orion is expanding the product family by developing a new tiotropium formulation for treatment of chronic obstructive pulmonary disease.

# Dexdor intensive care sedative



## European sedative market MAT9/2017\*

Total market value  
EUR 537 million (+2%)



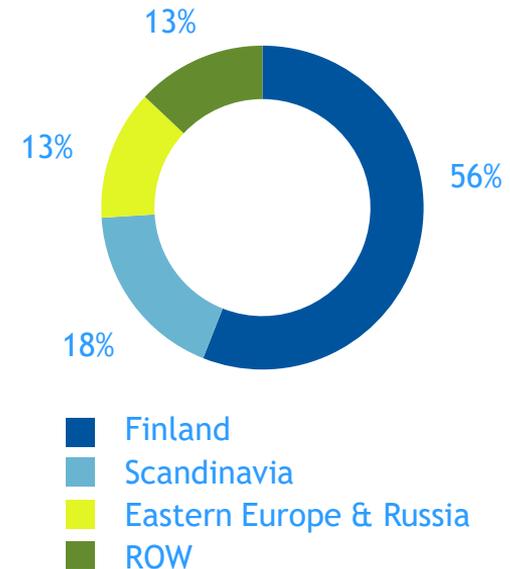
\*Source: IMS Health sales statistics MAT9/2017

## Specialty Products

Net sales in key markets 1-12/2017	EUR million	vs. 1-12/2016
Finland	292	-2%
Scandinavia	94	+14%
Eastern Europe and Russia	65	+10%

- Specialty Products net sales at similar level to previous year.
- 34% growth in sales of Remsima® biosimilar was driver of net sales growth.
  - Competition has intensified and price level declined.
- The launch of Ritemvia® biosimilar has started.
- Change to pricing system in Finland reduced Specialty Products sales by EUR 15 million.

Breakdown of net sales  
by market area

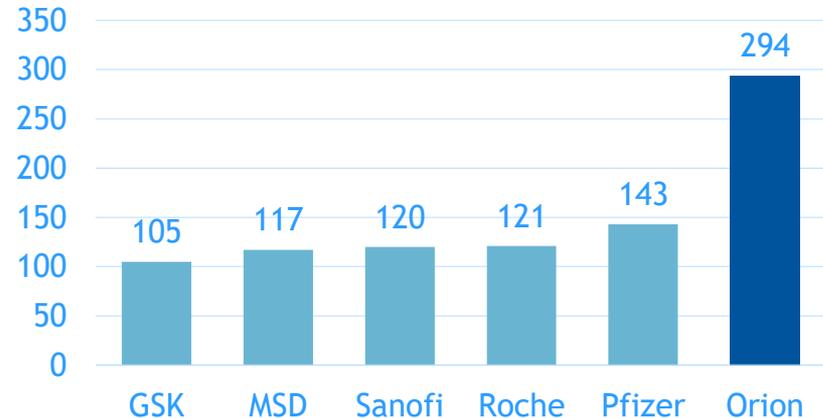


# Orion strong in home market Finland

Finnish human pharmaceuticals market 1-12/2017:

- Wholesale EUR 2,378 million
- Orion's market share 12%
- Growth of total market was 2%, Orion's sales decreased by 2%
  - Changes to the pricing system of substitutable prescription drugs (narrowing of price band) reduced Orion's net sales in 2017 by EUR 15 million.
  - Effect is expected to continue in 2018.

Finland's biggest pharmaceutical companies 1-12/2017, EUR million



Source: IMS Health sales statistics MAT9/2017

# Key clinical pharmaceutical development projects

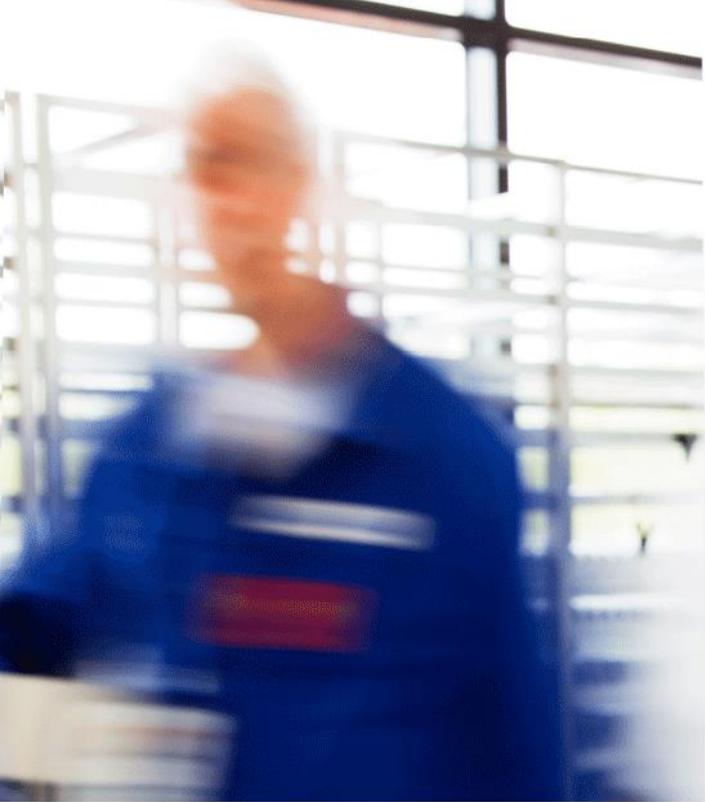
Project	Indication	PHASE			Registration
Easyhaler® salmeterol-fluticasone	Asthma, COPD	Bioequivalence study			Registration
Easyhaler® tiotropium	COPD	Bioequivalence study			
Darolutamide (ODM-201) <sup>1)</sup>	Prostate cancer (nmCRPC)	I	II	III	
Darolutamide (ODM-201) <sup>1)</sup>	Prostate cancer (mHSPC)	I	II	III	
ODM-109 (oral levosimendan)	ALS	I	II		
ORM-12741 (alpha-2c adrenoceptor antagonist) <sup>2)</sup>	Alzheimer's disease	I	IIa		
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	I	II		
ODM-203 (targeted FGFR+VEGFR inhibitor)	Solid tumours	I	II		
ODM-207 (BET protein inhibitor)	Cancer	I			

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

<sup>2)</sup> In collaboration with Janssen Pharmaceuticals, Inc. The research results will be evaluated together with Janssen Pharmaceuticals, Inc. and the decision on continuation of the project will be taken later.

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

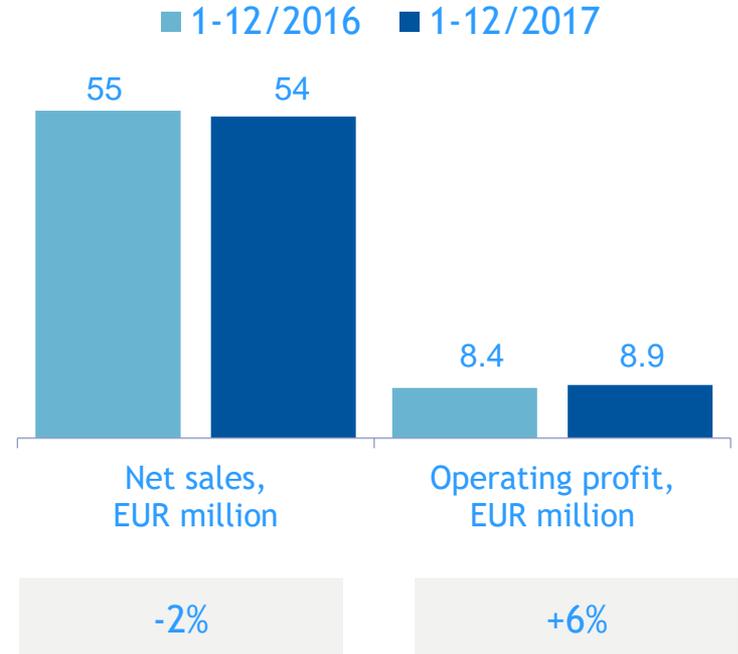
 = Phase completed  
 = Phase ongoing  
 = Status changed



## Diagnostics business

# Orion Diagnostica

- Orion has decided to investigate the possible sale of Orion Diagnostica or other transaction that would result in transfer of Orion Diagnostica outside the Orion Group.
- Orion Diagnostica manufactures in vitro diagnostic tests and testing systems suitable for point-of-care testing.
- QuikRead® point-of-care tests are the main product, and the product family is about to grow with four new tests.





## Orion's outlook

# Outlook for 2018

<b>Net sales</b>	Due to generic and price competition we estimate that in 2018 net sales will be at the same level or slightly lower than in 2017 (net sales were EUR 1,085 million in 2017).
<b>Operating profit</b>	Orion continues persistent actions to generate growth. Due to the estimated sales development and these actions the operating profit excluding material capital gains is estimated to be lower than in 2017 (operating profit excluding capital gains was EUR 293 million in 2017).



## Orion Calendar 2018

Annual General Meeting 2018	20 March
Interim Report 1-3/2018	24 April
Half-Year Financial Report	18 July
Interim Report 1-9/2018	24 October



**Building  
well-being**