



Orion Interim Report 1-3/2020

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-March 2020

COVID-19 increased demand and challenges

1 Net sales grew clearly due to strongly increased demand of medicines caused by the COVID-19 pandemic.

The growth was partly due to hoarding and inventory increases, partly due to increase in the real demand of products.

2 With the growth of net sales also the operating profit increased clearly.



3 Darolutamide received marketing authorisations in Japan and the EU.

4 COVID-19 may delay clinical development programs.

5 AGM on 6 May 2020
Dividend proposal remains the same:
EUR 1.50 per share.

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.

Strong demand spike of generic prescription drugs and OTC products in March - the sales are expected to level off within the year.

The demand for Dexdor® sedative used in intensive care increased strongly in March and the demand is estimated to be higher than normal at least over the next months.

Also the demand for Easyhaler® products has increased during the COVID-19-pandemia.

The global supply chains of pharmaceuticals are experiencing disruptions but the effects will not be seen until later. For Orion the impact will most likely be on external supply products.

The increased demand cannot be fully met even though critical products are prioritised in the production and capacity is fully utilised.

R&D programs may be delayed.

Key figures 1–3/2020

Net sales

280

MEUR (241)
+16%

Operating profit

84

MEUR (55)
+53%

Operating profit
margin

30%

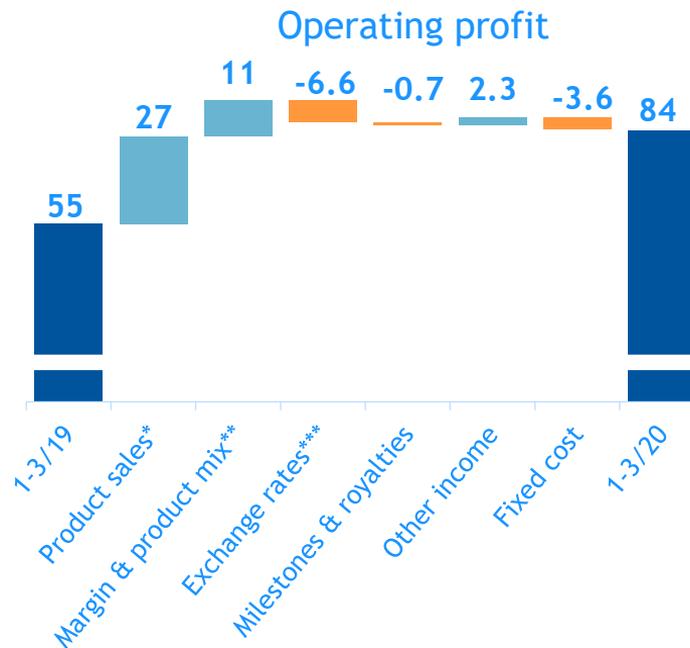
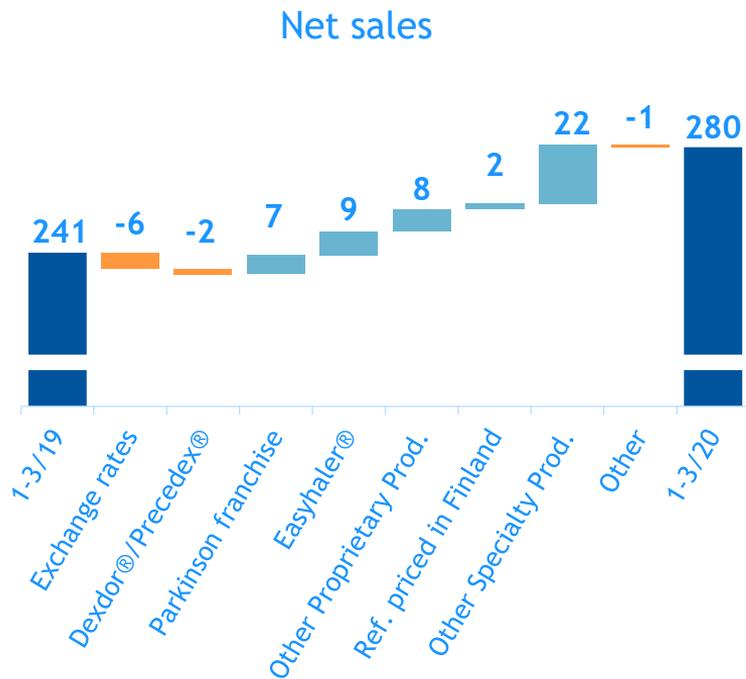
(23%)

Cash flow per share
before financial
items

0.34

EUR (0.40)
-15%

Development of net sales and operating profit

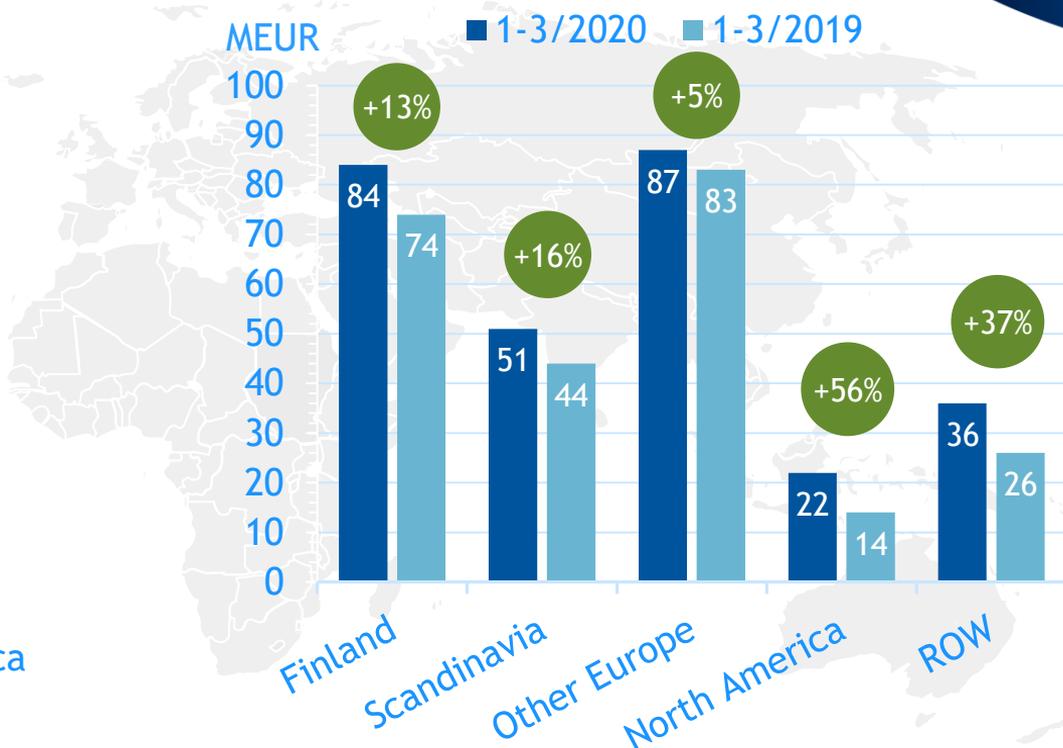
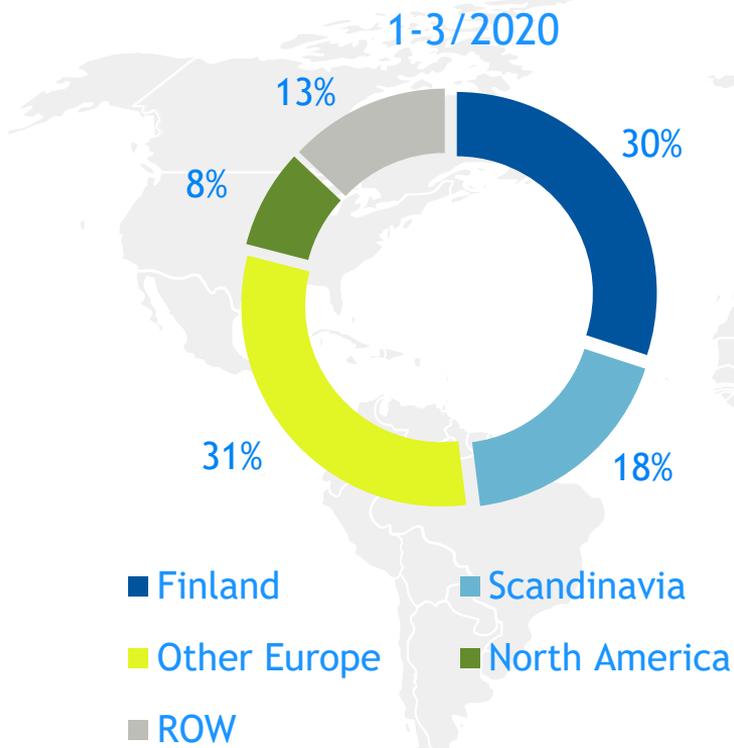


* Product & service sales without sales margin and product mix change and exchange rate effect

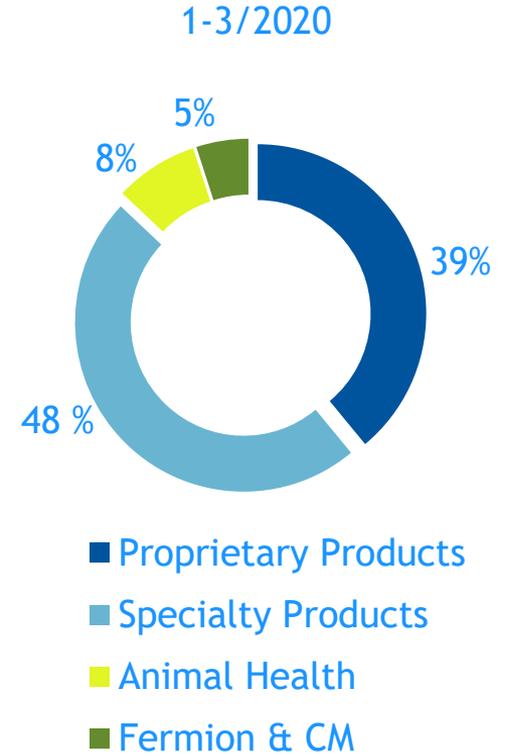
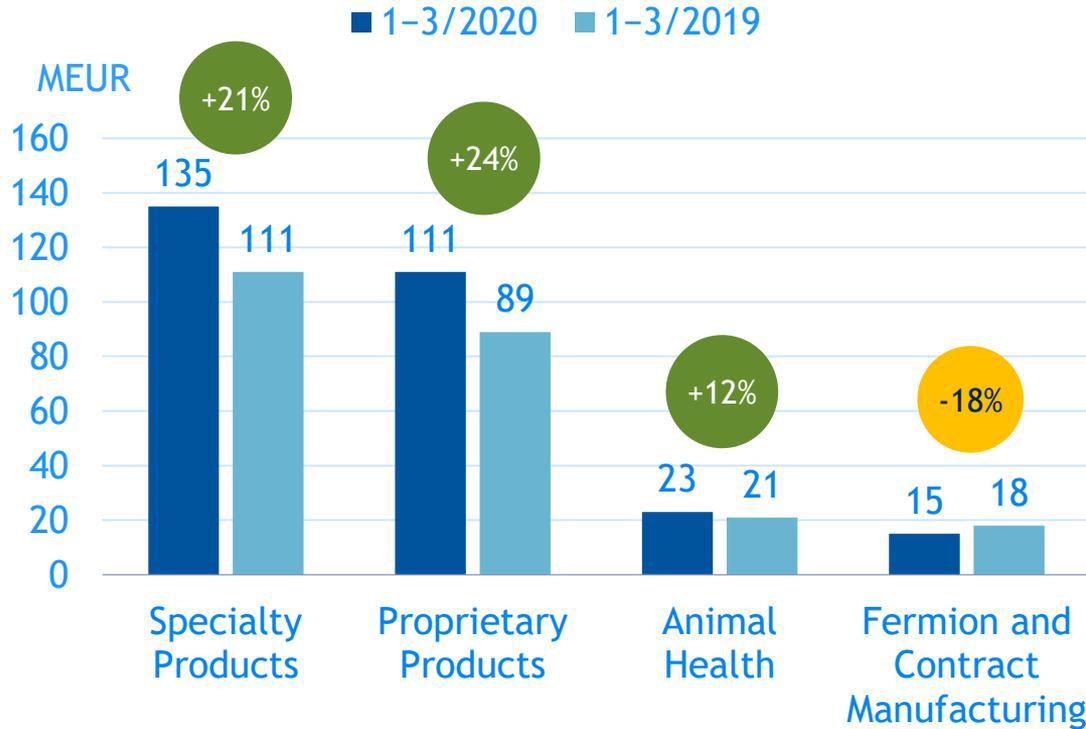
** Product sales margin and product mix change but without exchange rate effect

*** Exchange rate effect on gross margin

Geographical breakdown and development of net sales



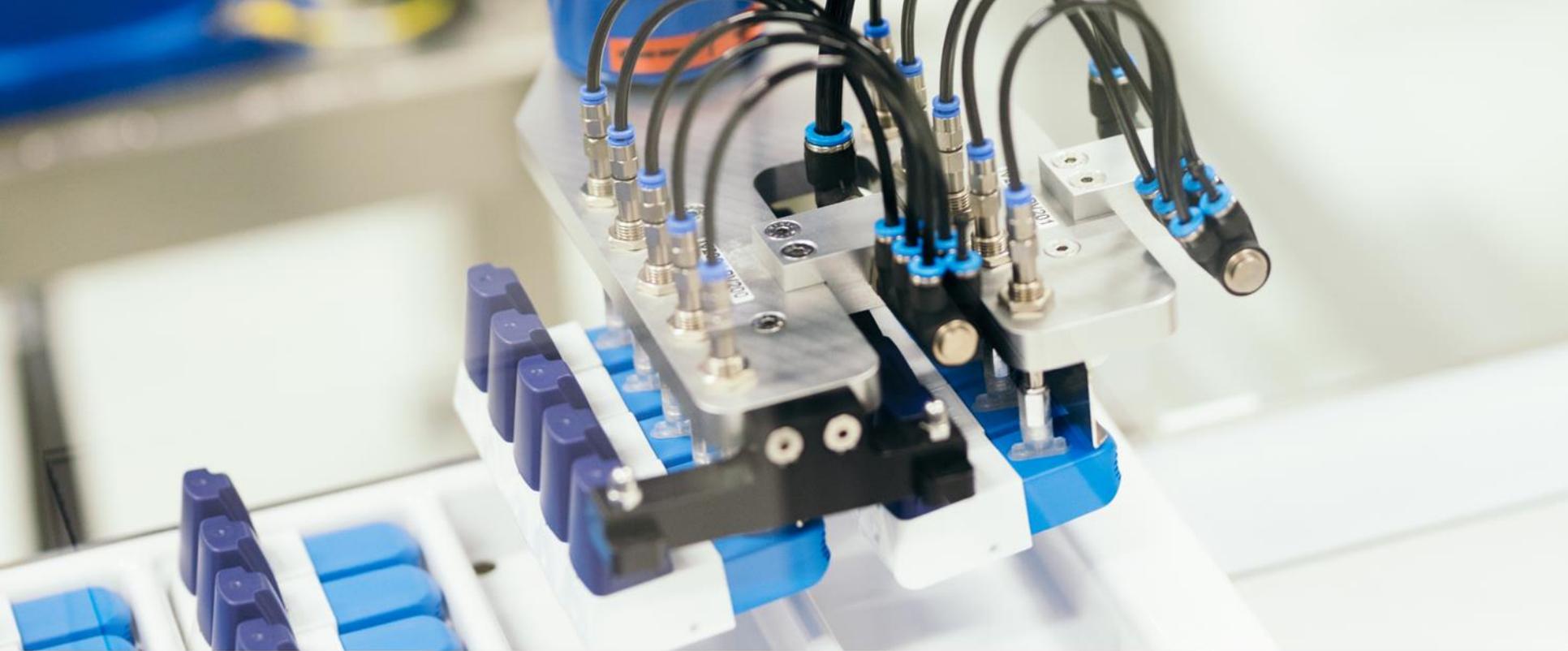
Proprietary and Specialty Products showed strong growth



Best-selling pharmaceuticals 1–3/2020

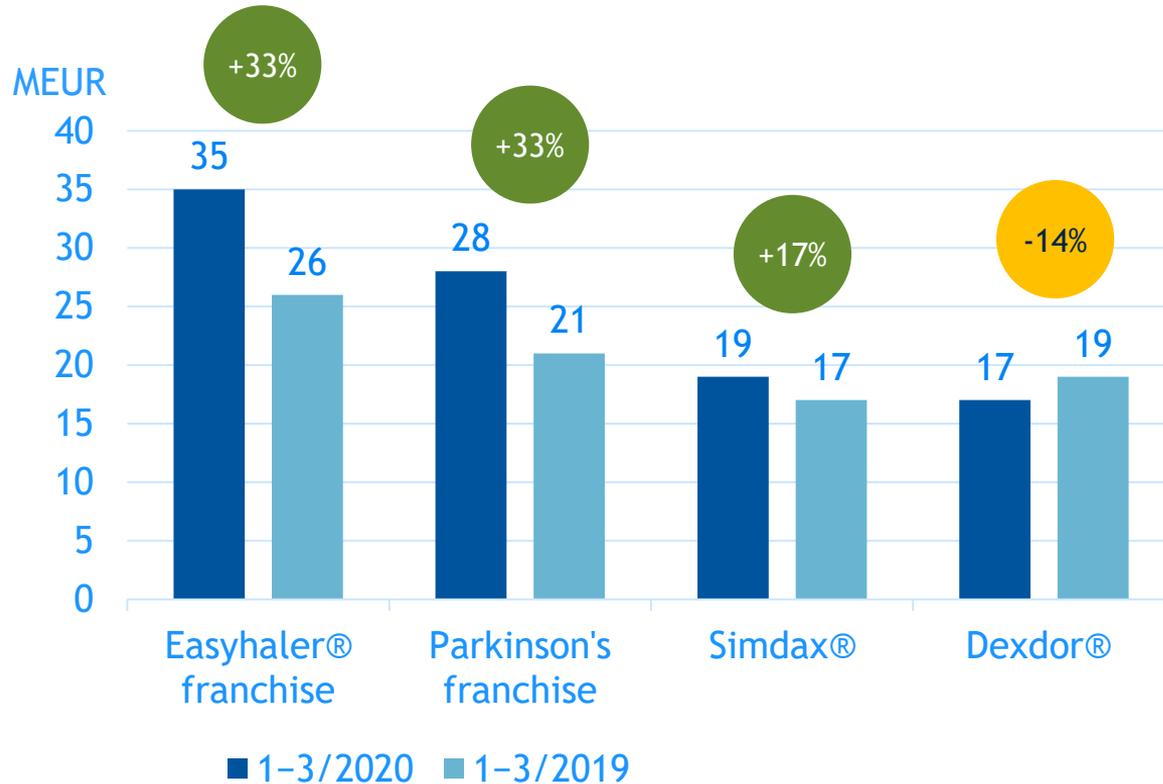
		Indication	Net sales EUR million	Change vs. 1–3/2019
1.		Asthma, COPD	35	+33%
2.		Parkinson's disease	28	+33%
3.		Acute heart failure	19	+17%
4.		Intensive care sedative	17	-14%
5.		Animal sedatives	9	-8%
6.		Inflammatory pain	8	+37%
7.	Divina-sarja 	Menopausal symptoms	6	+31%
8.	Trexan®	Rheumatoid arthritis, cancer	6	+128%
9.	Biosimilaarit 	Rheumatoid arthritis, inflammatory bowel diseases, lymphoma	5	-46%
10.	Solomet®	Inflammation, pain	4	+58%

 = Products of Proprietary Products unit

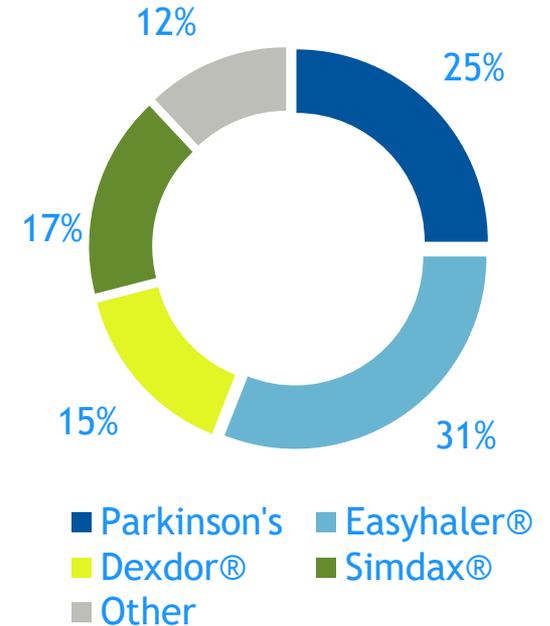


Proprietary Products

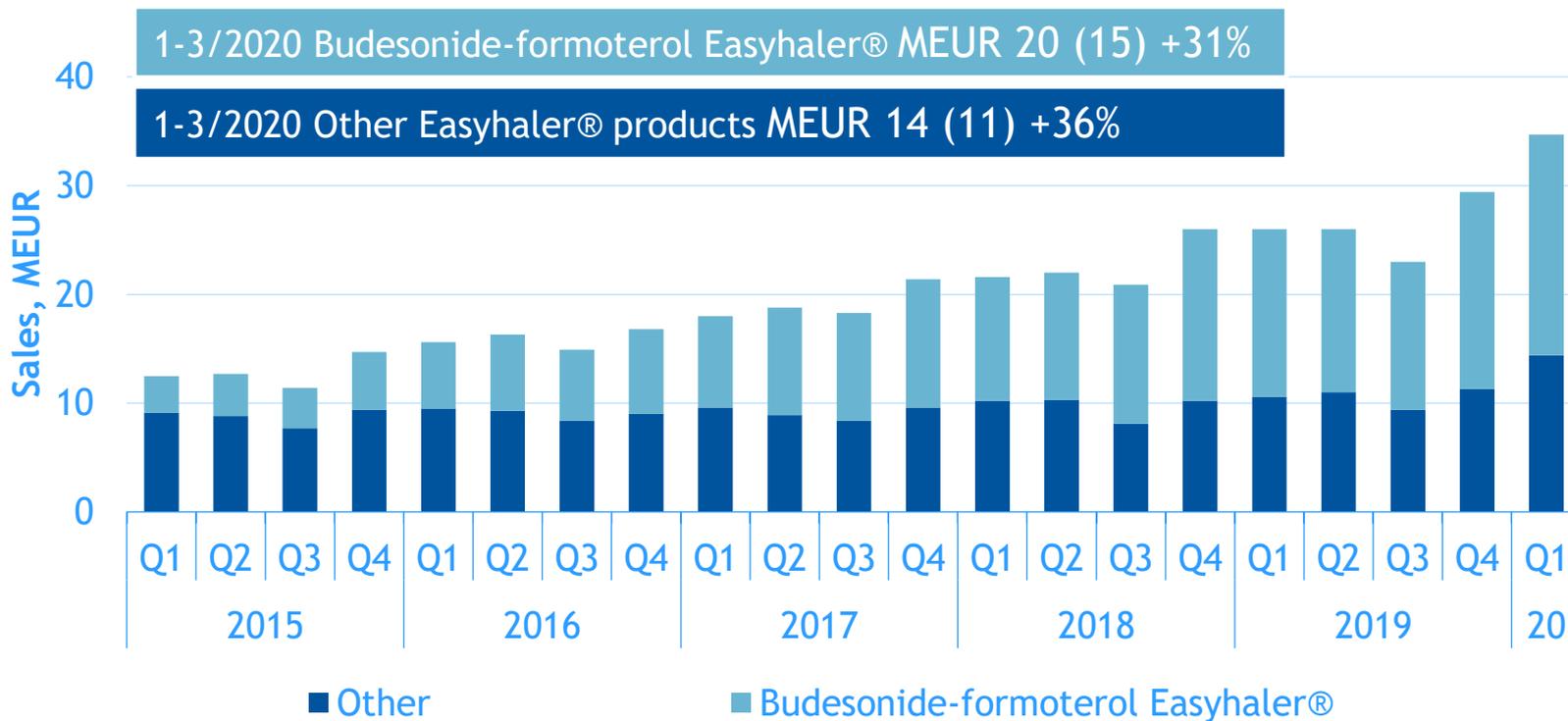
Strong growth - Dexdor® declined clearly less than expected



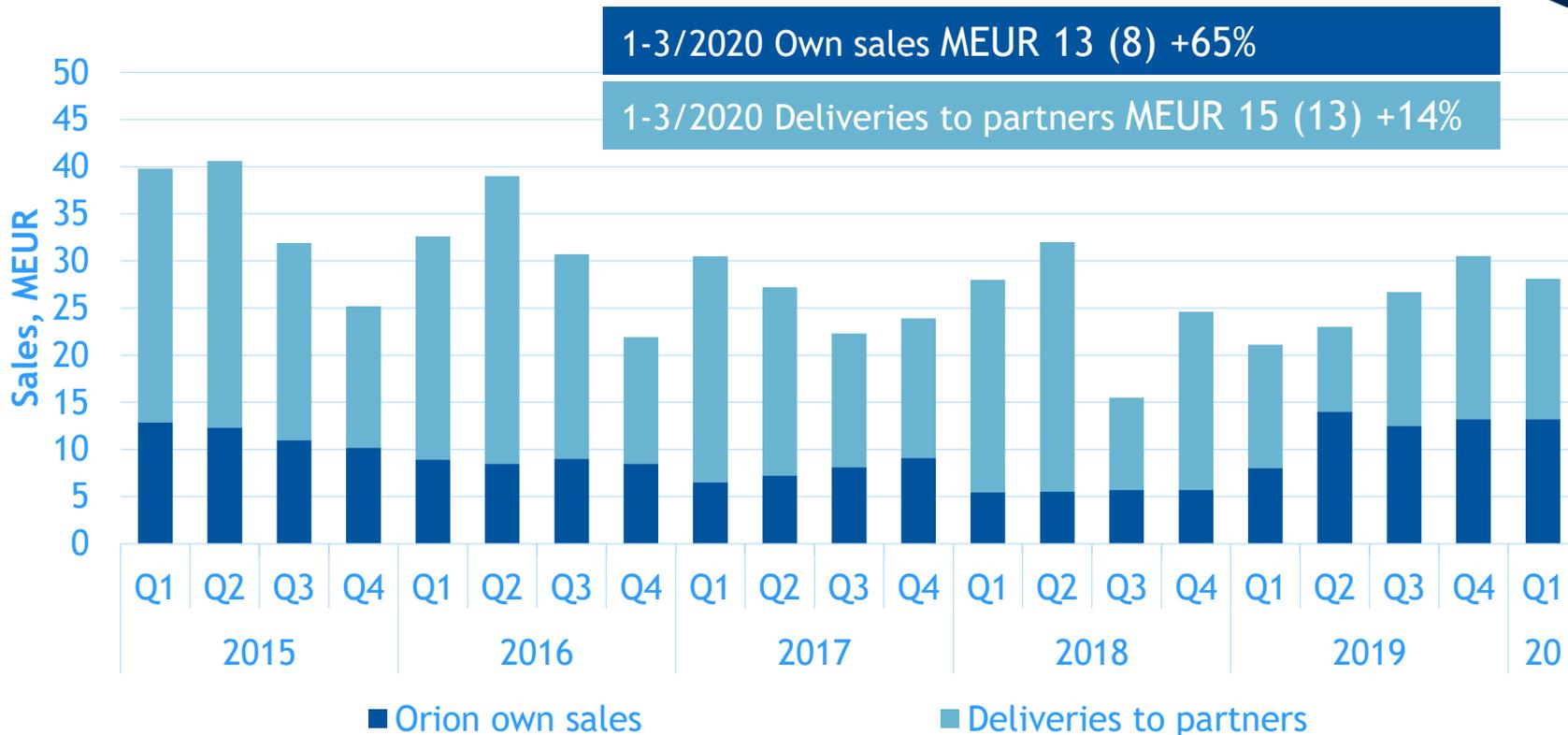
Proprietary Products sales split 1-3/2019



Easyhaler® sales +33%



Parkinson's franchise sales +33%

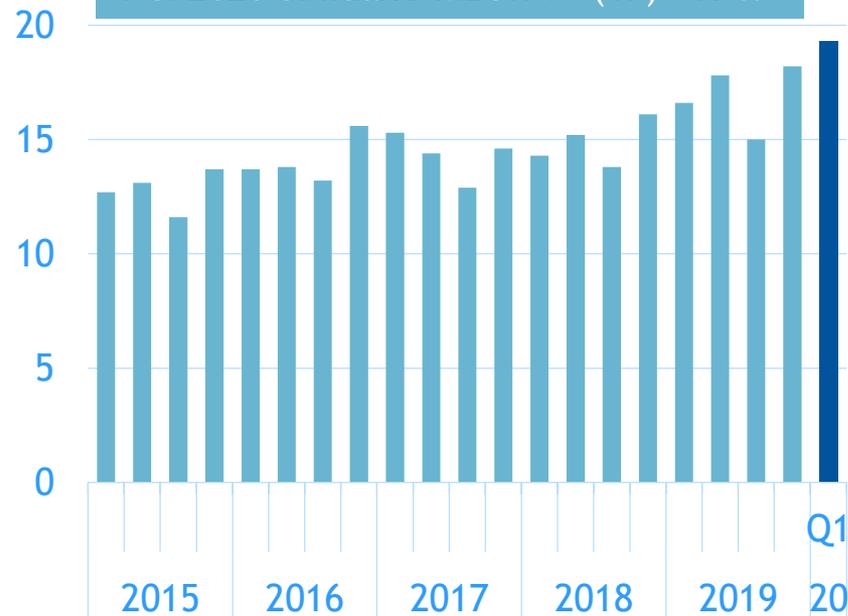


Dexdor® and Simdax®

1-3/2020 Dexdor® MEUR 17 (19) -14 %



1-3/2020 Simdax® MEUR 19 (17) +17 %

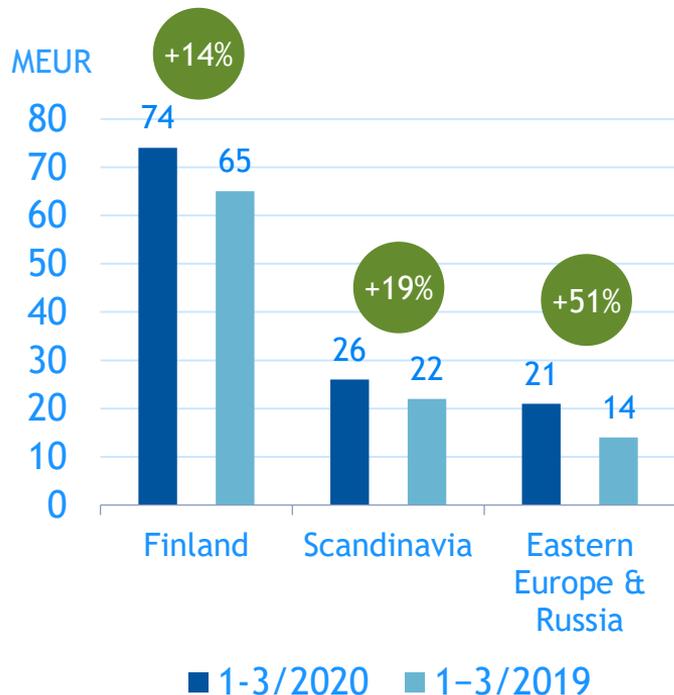




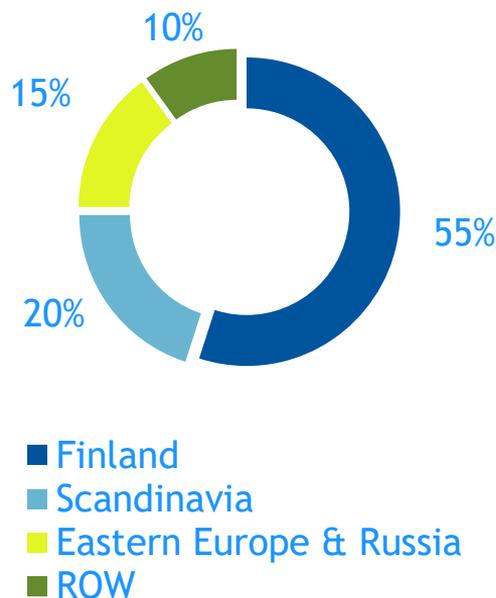
Specialty Products

Specialty Products: COVID-19 clearly increased demand

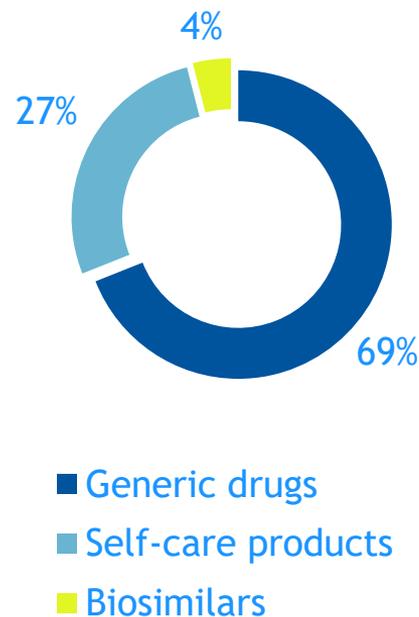
Development of net sales



Net sales by region 1-3/2020



Net sales by products 1-3/2020



In Finland, market of reference priced prescription drugs turned to growth due to strong demand in March

The market of reference priced prescription drugs in Finland (1-3/2020)

MEUR **110** (102)

Market development

+8%



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

MEUR **30** (27)

Orionin's development

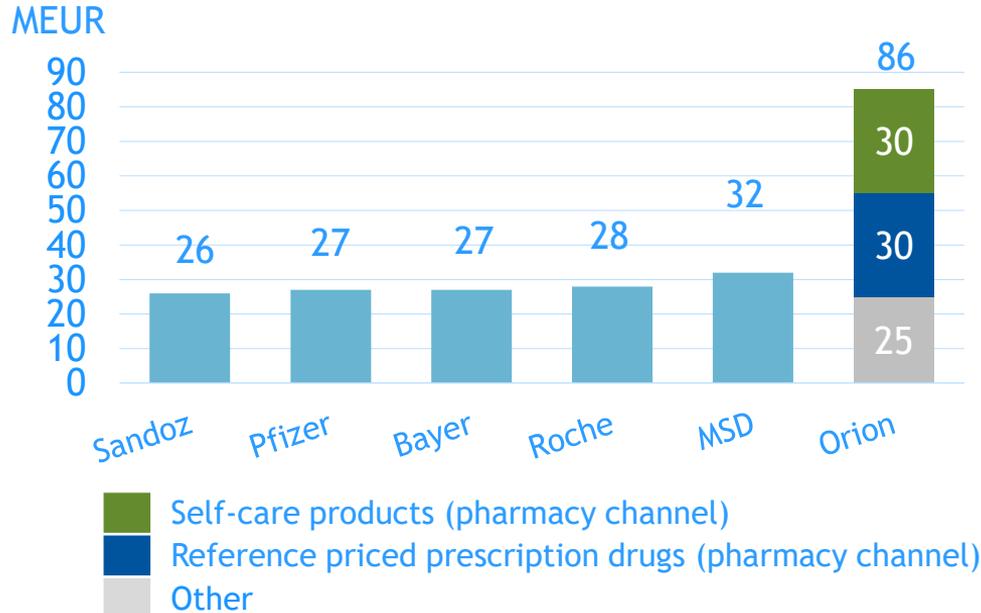
+9%

Orion is strong in home market Finland

Human pharma market in Finland 1-3/2020

Medicinal and non-medicinal products

in hospital and pharmacy channels: EUR 750 million



Reference priced prescription drugs

Orion market share in pharmacy

27%
(27%)

Self-care products

Orion market share in pharmacy

26%
(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 (nmCRPC)	I	II	III	Registration ³⁾
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

³⁾ Completed in USA, EU & Japan

 = Status changed

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

Orion's key business targets in 2020

1.	<p>Commercialisation of darolutamide in Europe. ARASENS trial (metastatic prostate cancer) continues in order to expand the indication for the molecule.</p>	<ul style="list-style-type: none">• Marketing authorisation received in Japan and EU for the treatment of non-metastatic castration-resistant prostate cancer.• Fully recruited ARASENS trial continues as planned.
2.	<p>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.</p>	<ul style="list-style-type: none">• During COVID-19 focus on ensuring patient safety and finalising the study.• An assessment on the prospects of launching the product in the USA by Orion is ongoing.• Searching partners for development of ODM-203 and ODM-207.

Orion's key business targets in 2020

3.	<p>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.</p>	<ul style="list-style-type: none"> • Orion grew faster than the market and is a clear market leader both in self-care products and reference priced prescription drugs in Finland.
4.	<p>Accelerating the growth of the Easyhaler® product family and strengthening its market position. Salmeterol-fluticasone launch in Europe.</p>	<ul style="list-style-type: none"> • Easyhaler® product family sales increased by 33 per cent. • COVID-19 has increased demand at least momentarily.
5.	<p>Evaluation of new in-licensing opportunities in Europe, particularly in the area of hospital care.</p>	<ul style="list-style-type: none"> • The work continues. • COVID-19 pandemic has frozen product acquisition market in early 2020.

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 the environment, employees 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 will be published in April



Outlook

Outlook for 2020 (provided on 24 April 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 **at a similar level** as in 2019 (in 2019 operating profit was EUR 253 million).



Orion calendar

Annual General Meeting	6/5/2020
Half-Year Report 1-6/2020	17/7/2020
Interim Report 1-9/2020	21/10/2020



Building well-being