

# Q2 Results 2013

Geoffrey McDonough (CEO)

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Mats-Olof Wallin (CFO)



Stockholm, 18 July 2013

# Highlights Q2 2013

## Business

- Received FDA approval to manufacture drug substance for Kineret®
- Appointed Mats-Olof Wallin Chief Financial Officer

## Significant events after Q2 close

- Selected by Auxilium to be the exclusive partner for XIAPEX® in Europe, Middle East, Africa and Russia

## Financial Q2 2013 (Q2 2012)

- Total revenues: SEK 520 M (481)
- Product revenues: SEK 372 M (316)
- Gross margin: 61 percent (51)
- Ended the quarter with a cash position of SEK 438 M
- Earnings per share: SEK -0.04 (-0.26)

# Pipeline Update



## Haemophilia

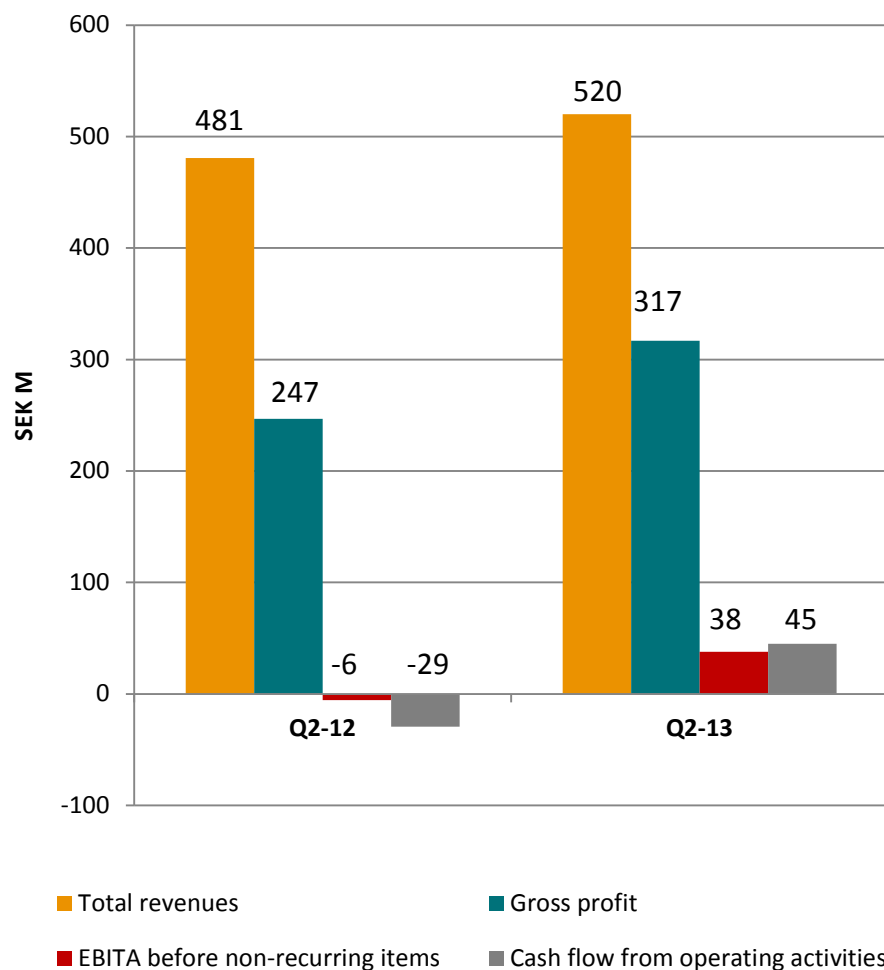
- Presented new data from the phase 3 studies of rFVIII Fc and rFIX Fc
- KIDS A-LONG and KIDS B-LONG are on track. Expect to release top line data during 2014
- Pre-clinical studies of new factor VIII molecules (utilizing XTEN technology) presented by Biogen Idec



## Kiobrina

- Completed enrolment for Kiobrina<sup>®</sup> LAIF phase 3 study

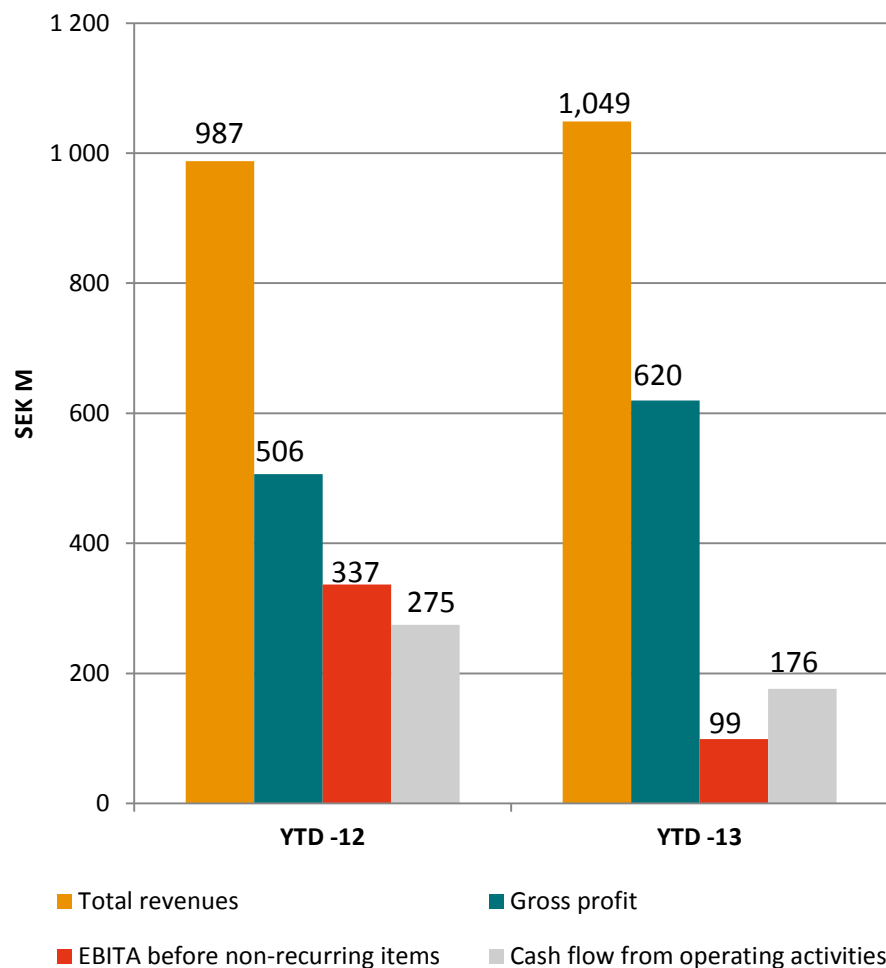
# Consolidated Results Q2



## Financial Highlights

- Total Revenues: SEK 520 M (481)
- Gross Margin: 61% (51)
- EBITA before non-recurring items: SEK 38 M (-6)
- Cash Flow from operating activities: SEK 45 M (-29)

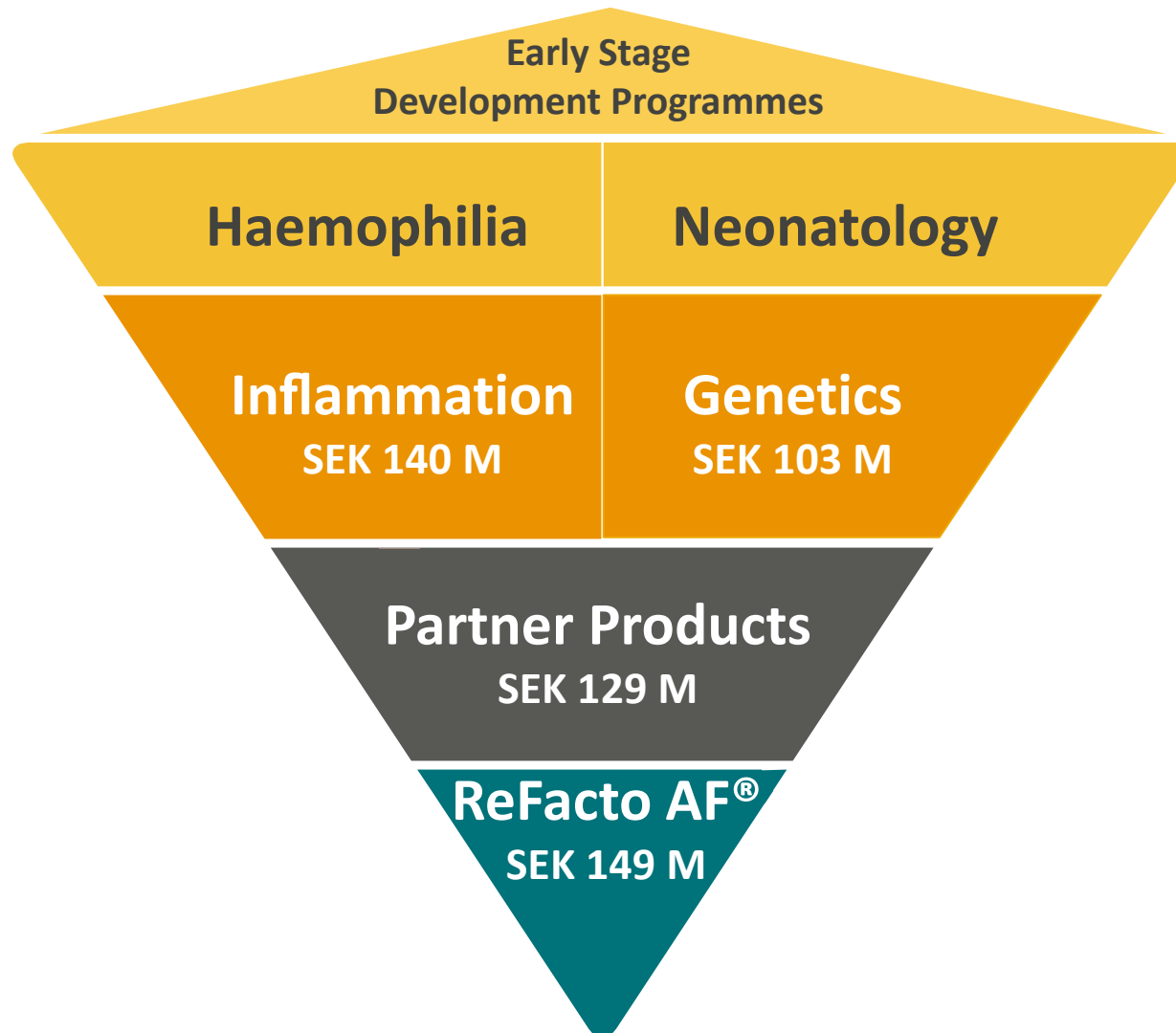
# Consolidated Results H1

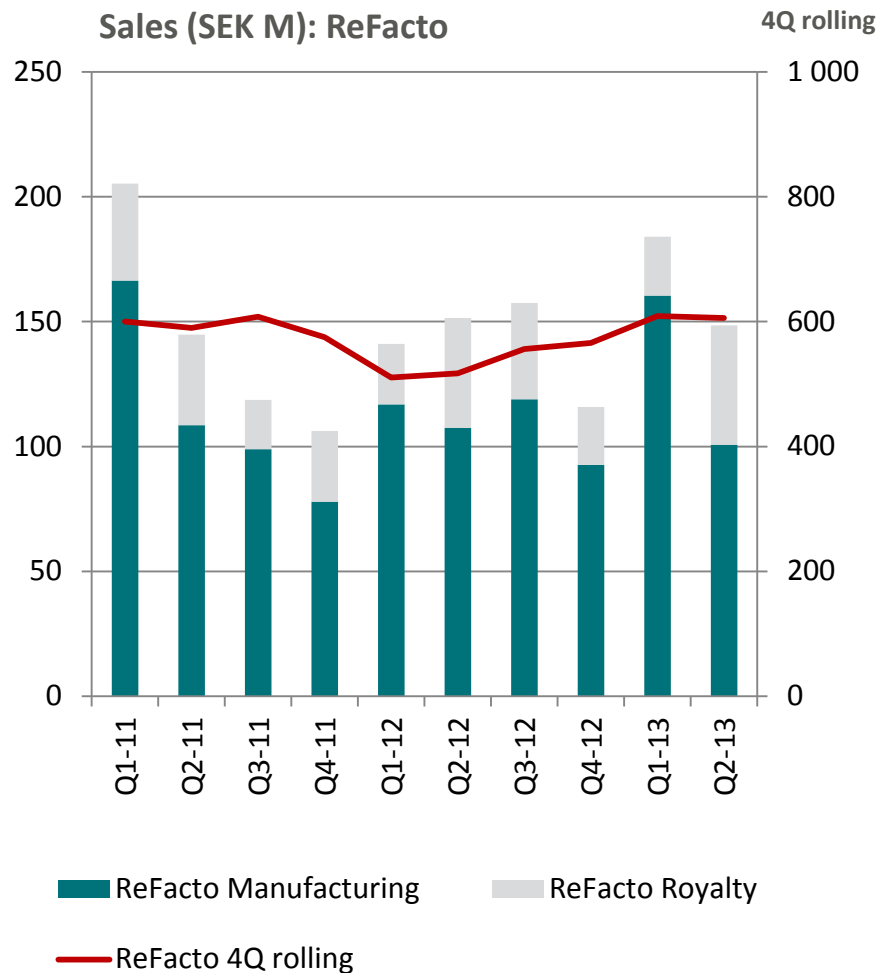
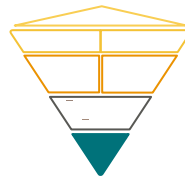


## Financial Highlights

- Total Revenues: SEK 1,049 M (987)
- Gross Margin: 59% (51)
- EBITA before non-recurring items: SEK 99 M (337)
  - 2012 included proceeds from sale of co-promotion rights of SEK 307.5 M
- Cash Flow from operating activities: SEK 176 M (275)

# Revenues by Business Line Q2 2013





- Revenues for manufacturing and royalty was SEK 149 M (152)
  - H1 was SEK 333 M (293)
- Manufacturing revenue was SEK 101 M (108)
  - Q2 includes validation batches of SEK 17 M
- Royalty revenue was SEK 48 M (44)

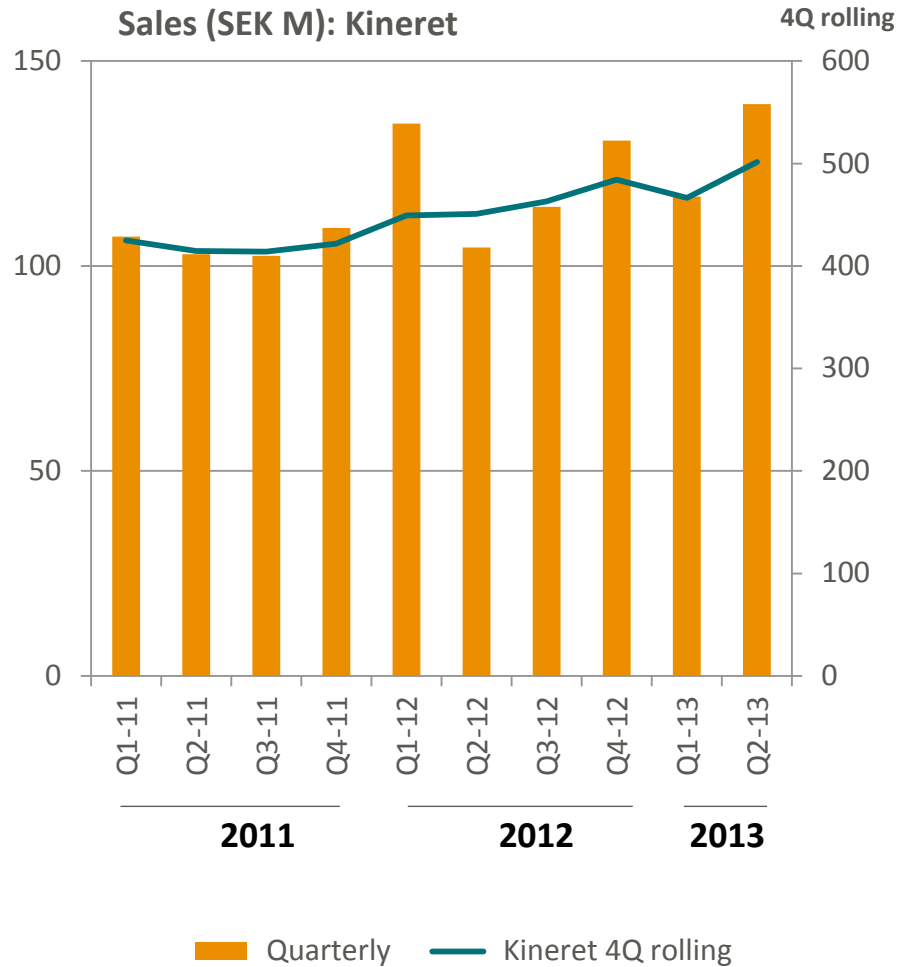
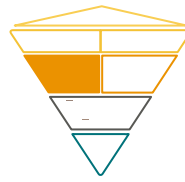
# Results Q2 2013

Alan Raffensperger (COO)

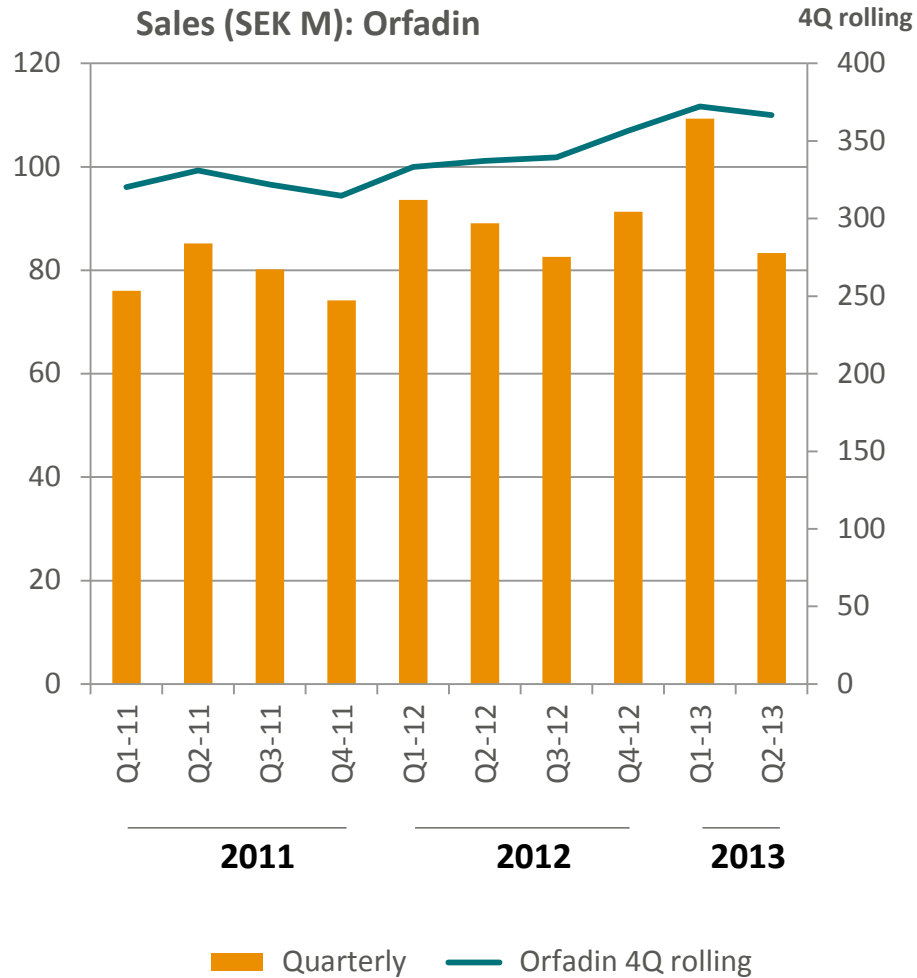
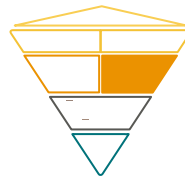


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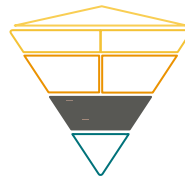




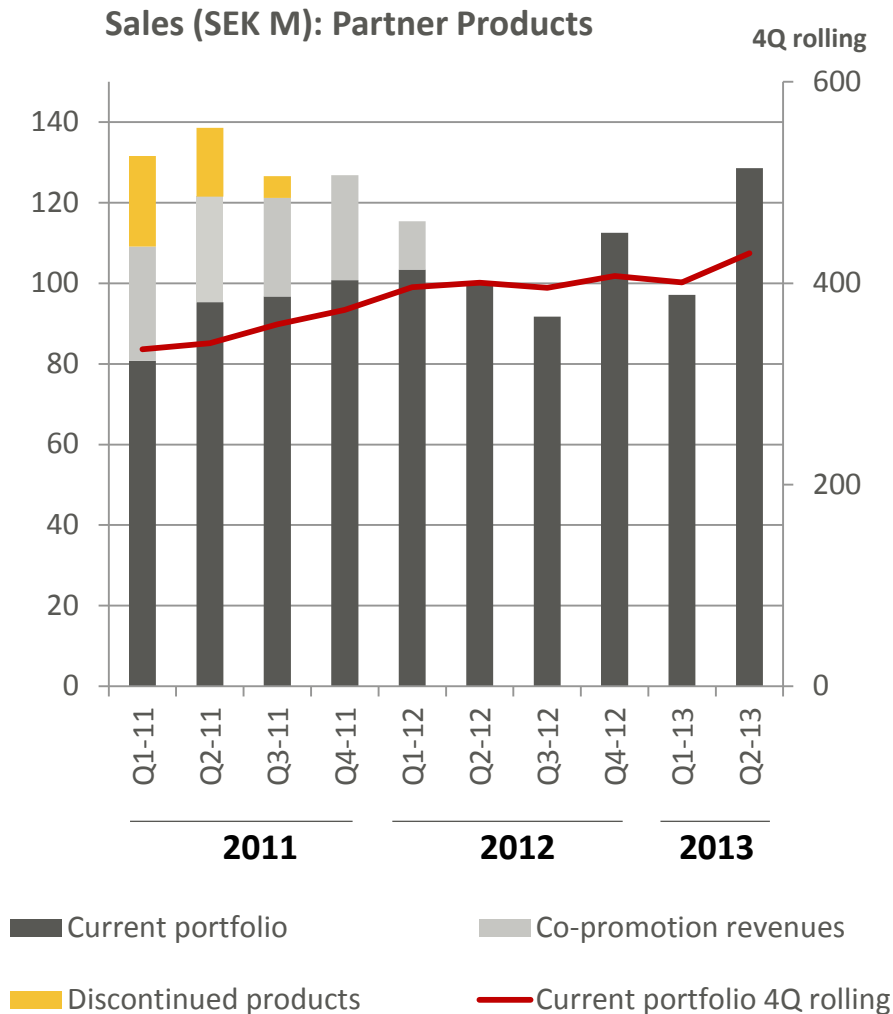
- Revenue for Kineret was SEK 140 M (105)
  - H1 was SEK 256 M (239)
- Introduced a price increase for Kineret in the US as of April 1



- Revenue for Orfadin was SEK 83 M (89)
- Revenue for Orfadin H1 was SEK 193 M (183)



# Partner Products



- Revenue for Partner Products was SEK 129 M (102)
  - Revenue for Partner Products H1 was SEK 226 M (217)
- The PharmaSwiss/Valeant portfolio is now fully integrated into operations
- Recent Auxilium partnership adds a growing biological to the portfolio

# Results Q2 2013

Mats-Olof Wallin (CFO)



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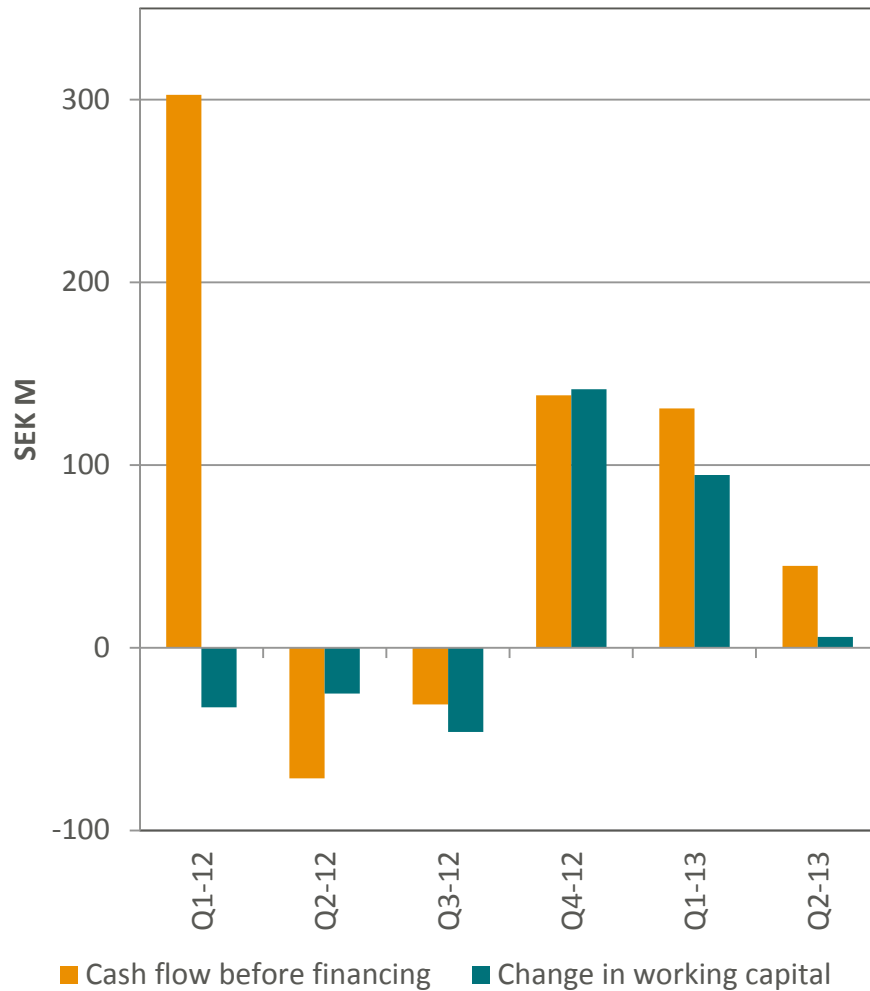
# Income Statement

<i>Amounts in SEK M</i>	Q2-13	Q2-12	H1-13	H1-12
<b>Total revenues</b>	<b>520</b>	<b>481</b>	<b>1 049</b>	<b>987</b>
<b>Gross profit</b>	<b>317</b>	<b>247</b>	<b>620</b>	<b>506</b>
<i>Gross Margin</i>	<i>61%</i>	<i>51%</i>	<i>59%</i>	<i>51%</i>
Sales and Administration	-155	-152	-279	-279
Research and development	-121	-109	-240	-206
Other operating revenues/expenses	-3	8	-2	8
<b>Adjusted EBITA</b>	<b>38</b>	<b>-6</b>	<b>99</b>	<b>29</b>
Non-recurring items	0	0	0	274
<b>EBITA</b>	<b>38</b>	<b>-6</b>	<b>99</b>	<b>303</b>
Amortizations and write-downs	-70	-64	-134	-130
<b>EBIT</b>	<b>-32</b>	<b>-70</b>	<b>-35</b>	<b>173</b>
Financial income/expenses	11	-6	-25	-19
Income tax expense	10	8	37	-67
<b>Profit/loss for the period</b>	<b>-11</b>	<b>-68</b>	<b>-23</b>	<b>88</b>

# Balance Sheet

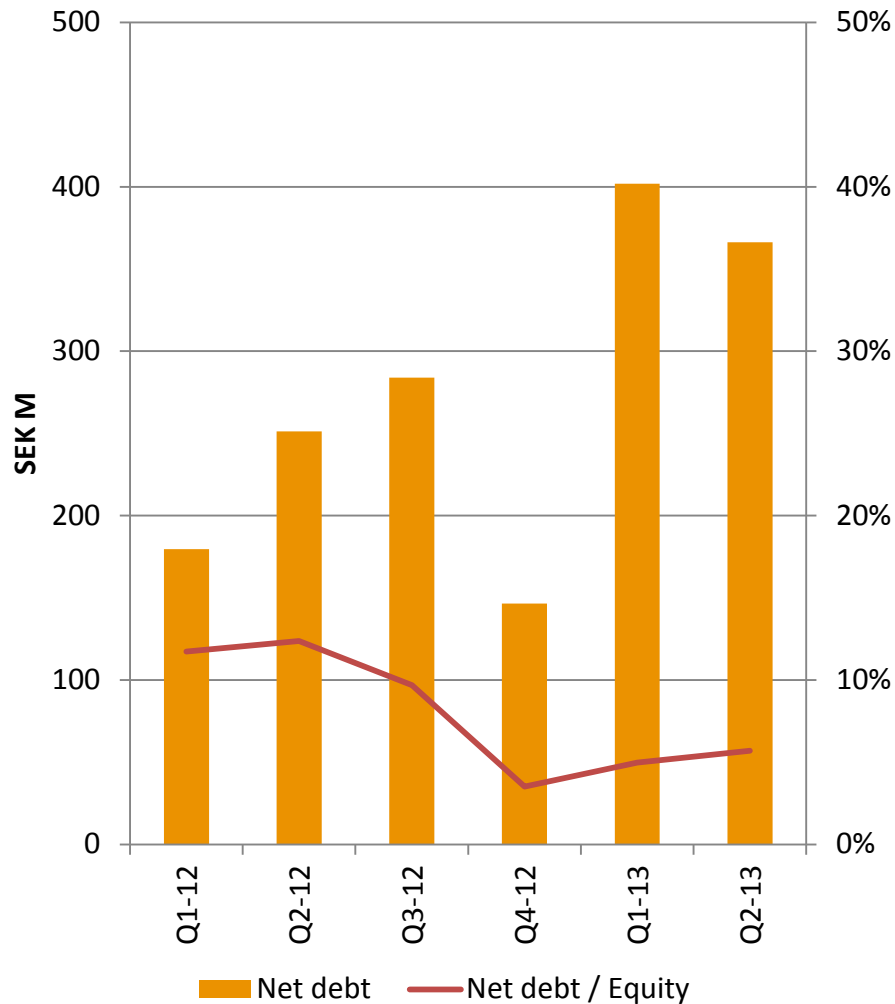
	Jun	Jun	Dec
<i>Amounts in SEK M</i>	2013	2012	2012
<b>ASSETS</b>			
Intangible	4 767	4 803	4 533
Tangible and financial	154	148	130
<b>Total non-current assets</b>	<b>4 921</b>	<b>4 951</b>	<b>4 663</b>
Inventories	703	810	700
Accounts receivable	383	351	343
Other Receivable	143	249	155
Cash and equivalent	438	350	457
<b>Total current assets</b>	<b>1 667</b>	<b>1 760</b>	<b>1 655</b>
<b>Total Asset</b>	<b>6 588</b>	<b>6 711</b>	<b>6 318</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>4 827</b>	<b>5 040</b>	<b>4 838</b>
Long term debt	800	600	600
Long term liabilities	318	462	371
Short term liabilities	643	609	509
<b>Total liabilities</b>	<b>1 761</b>	<b>1 671</b>	<b>1 480</b>
<b>Total equity and liabilities</b>	<b>6 588</b>	<b>6 711</b>	<b>6 318</b>

# Cash Flow



- Ended the quarter with SEK 438 M in cash
- SEK 45 M cash flow from operations
- SEK 6 M change in working capital

# Net Debt



- Ended the quarter with SEK 438 M in cash
- Long-term debt – unchanged
- Ended the quarter with a net debt of SEK 366 M



# Outlook 2013 Unchanged

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## Revenues

Total revenues are expected to be in the range of MSEK 2,000 to 2,200

- Key Therapeutic Areas – high single-digit growth
- Partner Products – growth by 30%
- ReFacto manufacturing and royalty – single-digit growth

## Gross Margin

In the range of 57-59%

*The outlook was first published in the 2012 Q4 report on 21 February 2013.*

# Investor Update Planned November 2013



Sobi will host investor events in November 2013 in Stockholm and New York City to give some perspectives on our on-going and early stage pipeline programs

# Summary

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1. Diversified commercial portfolio focused on **improving cash flow and profitability**
2. Working to efficiently commercialize **our proprietary innovative medicines** for rare disease patients globally
3. Business model oriented to **building value through partnerships** from global early stage biologics development to late stage specialty distribution in Europe

