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Q2 and H1 2017 results presentation

Forward looking statements



In order to utilize the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, Swedish Orphan Biovitrum is providing the following cautionary statement. This presentation contains forward-looking statements with respect to the financial condition, results of operations and businesses of Swedish Orphan Biovitrum. By their nature, forward-looking statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from that expressed or implied by these forward-looking statements. These factors include, among other things, the loss or expiration of patents, marketing exclusivity or trade marks; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the impact of competition, price controls and price reductions; taxation risks; the risk of substantial product liability claims; the impact of any failure by third parties to supply materials or services; the risk of delay to new product launches; the difficulties of obtaining and maintaining governmental approvals for products; the risk of failure to observe ongoing regulatory oversight; the risk that new products do not perform as we expect; and the risk of environmental liabilities.

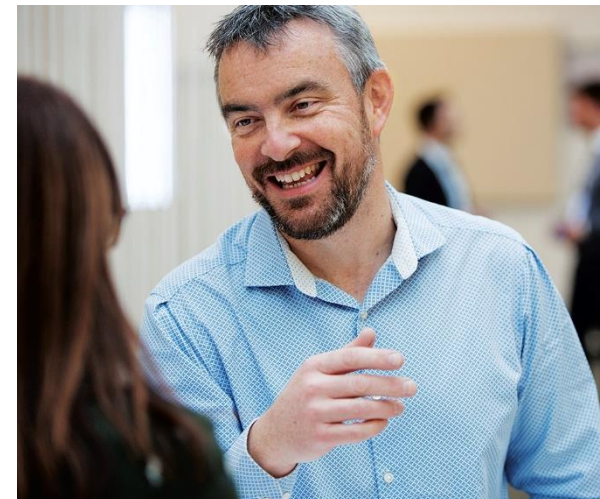


Business highlights Q2 2017

- strong momentum of the business



- Strong quarter on quarter growth
- A new Specialty Care business unit established
- Updated outlook for 2017
- Elocta[®] was approved in the Kingdom of Saudi Arabia for the treatment of haemophilia A
- EMA approved the potential to dose every 14 days or longer in updated dosing regimen for Alprolix[®]
- Kineret[®] was approved in Canada for the treatment of Neonatal-Onset Multisystem Inflammatory Disease (NOMID)

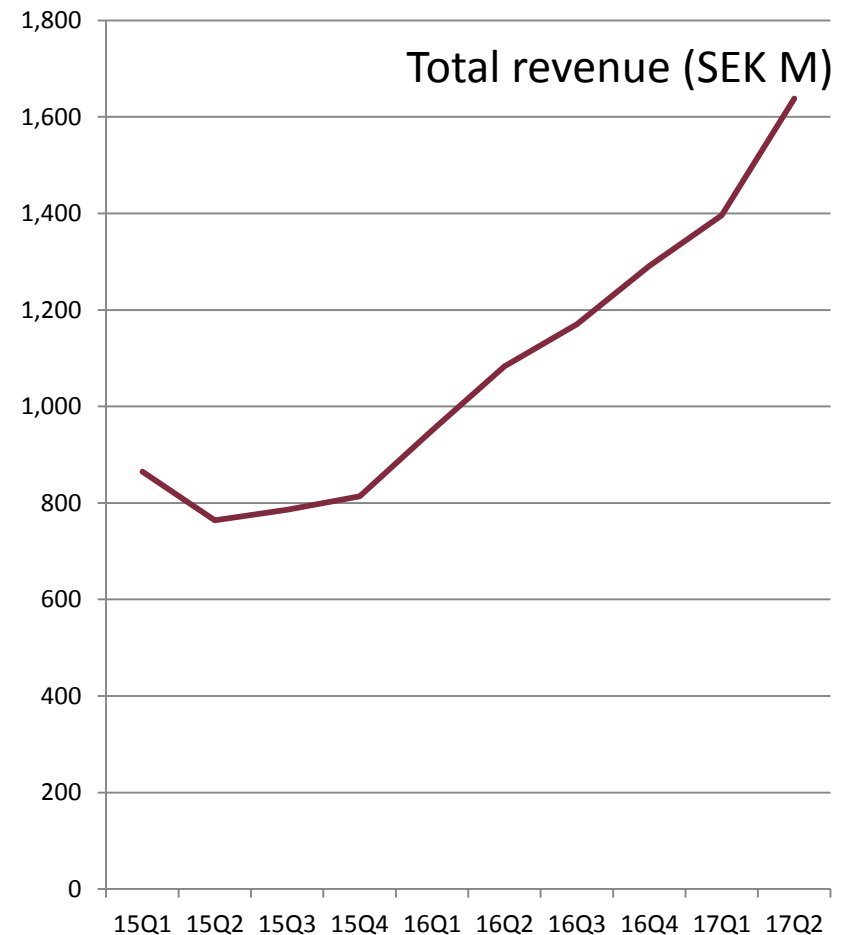


Financial highlights Q2 2017



(adjusted for one-time credit in Q2 2016)

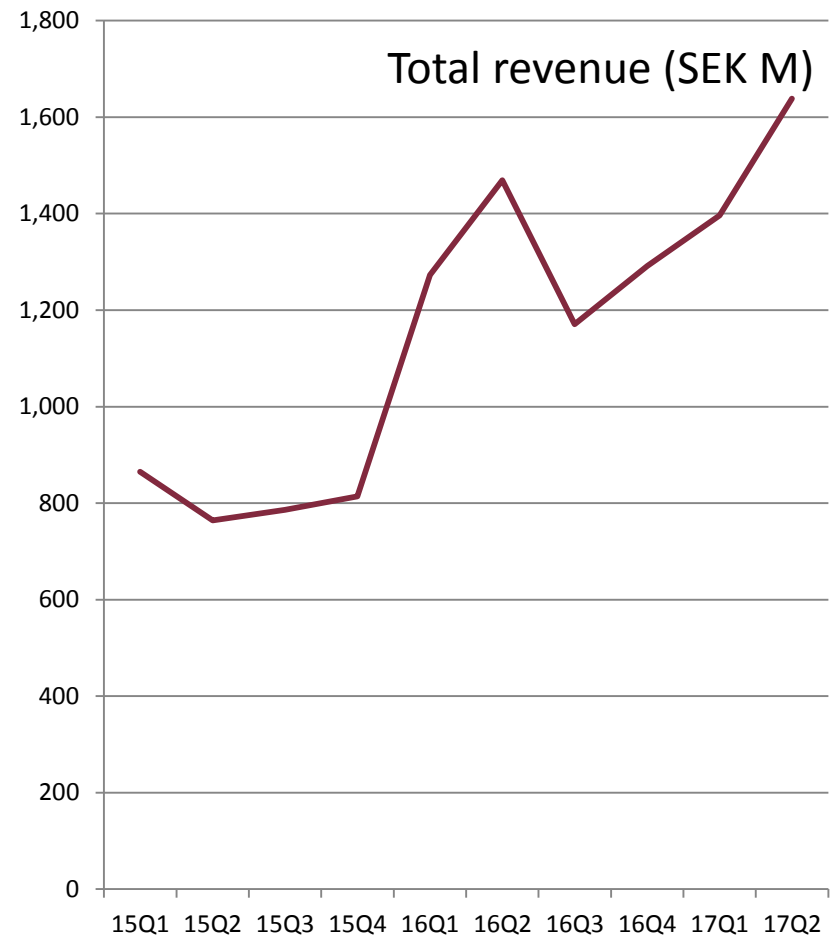
- Total revenue: SEK 1,639 M (1,083)
 - Increase of 51%
 - Excludes one-time credit SEK 386 M
- Gross margin: 71% (63)
 - Excludes one-time credit of SEK 386 M
- EBITA: SEK 492 M (164)
- Cash flow operations: SEK 173 M (0)



Financial highlights Q2 2017



- Total revenue: SEK 1,639 M (1,469)
12% growth (5% at CER)
- Gross margin: 71% (72)
- EBITA: SEK 492 M (550)



Financial highlights H1 2017



(adjusted for one-time inventory release Q1 2017 and credits in H1 2016)

- Total revenue: SEK 3,035 M (2,034)
 - Increase of 49%
 - Excludes one-time credit SEK 708 M in 2016
- Gross margin: 70% (64)
 - Excludes one-time credit SEK 708 M in 2016 and an inventory release of SEK 59 M in 2017
- EBITA: SEK 839 M (344)
 - Excludes one-time credit SEK 708 M in 2016 and an inventory release of SEK 59 M in 2017
- Cash flow operations: SEK 497 M (235)



Financial highlights H1 2017



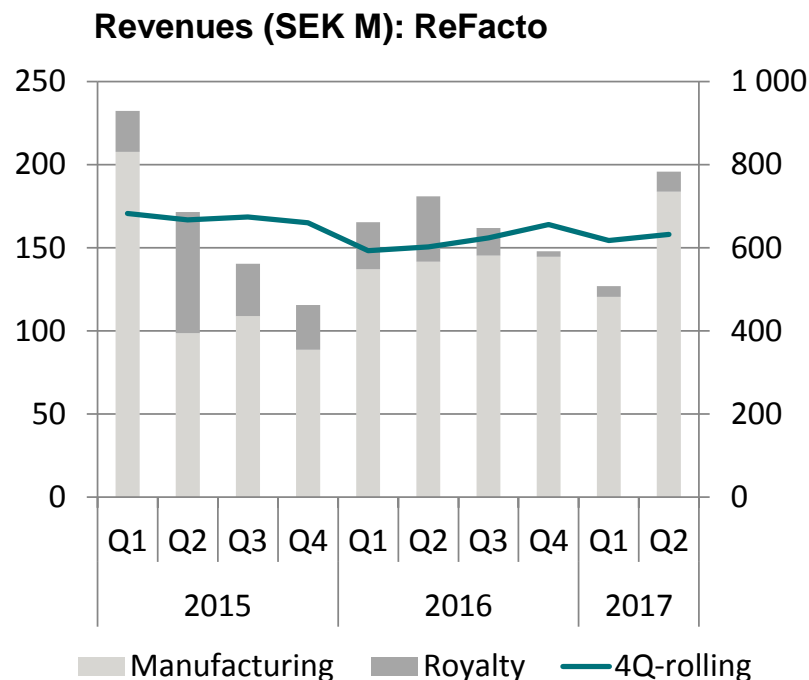
- Total revenue: SEK 3,035 M (2,742)
11% growth (6% at CER)
- Gross margin: 72% (73)
- EBITA: SEK 898 M (1,052)
- Cash flow operations: SEK 497 M (235)



ReFacto – a stable source of earnings



- Manufacturing and royalty revenue
SEK 196 M (181)
 - increase of 8%
- Manufacturing revenue
SEK 184 M (142)
- Royalty revenue
SEK 12 M (39)
 - Royalty to Sobi from ReFacto AF sales outside of the US ceased
1 June 2016



Commercial results

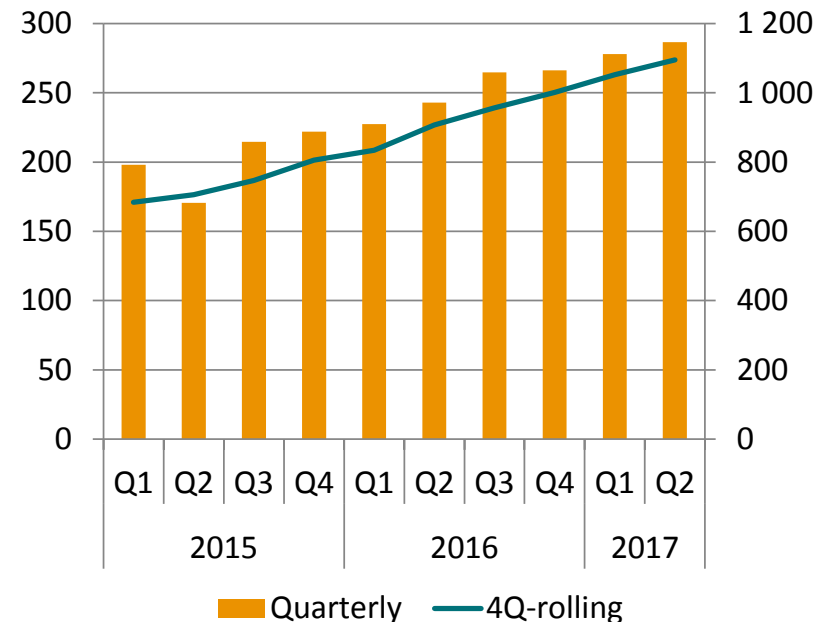
Guido Oelkers

Kineret – strong underlying growth



- Q2 revenue SEK 286 M (243)
 - increase of 18%
- H1 revenue SEK 563 M (471)
 - increase of 20%
- Growth driven by North America and major EMENAR markets
- Health Canada approved the NOMID indication

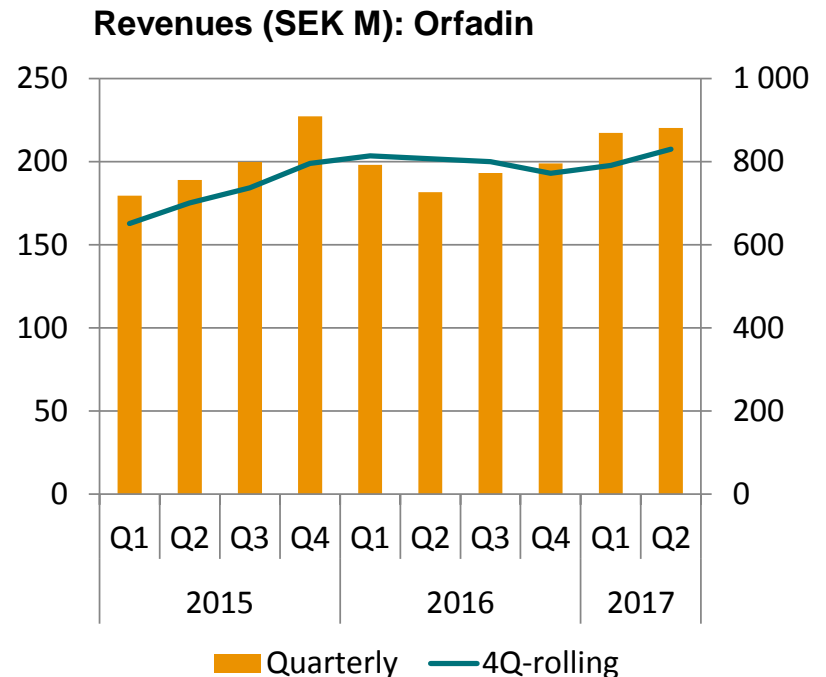
Revenues (SEK M): Kineret



Orfadin – enables new-borns with HT-1 growing up...



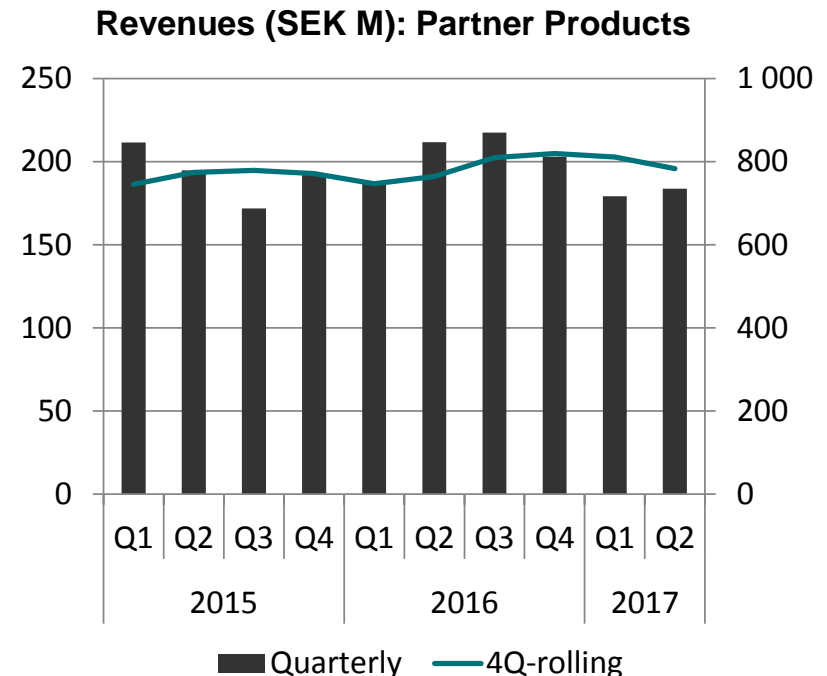
- Q2 revenue SEK 220 M (182)
 - increase of 21%
- H1 revenue SEK 437 M (379)
 - increase of 15%
- North American growth driven by 20 mg and Oral suspension launches
- EMENAR flat, influenced by Gx entry
- ROW strong growth due to phasing of orders
- Orfadin approved by SFDA in Saudi Arabia



Partner Products - provides a great platform to build rare disease franchises



- Q2 revenue SEK 184 M (212 M)
 - decrease of 13%
- H1 revenue SEK 363 M (399)
 - decrease of 9%
- Continued growth of Xiapex
 - Xiapex was recommended to be made available on NHS in England for the treatment of Dupuytren's disease
- Termination of ChondroCelect® and Cometriq® agreements during 2016 affects growth for 2017
- Partner Products – now integrated in the newly established Specialty Care business unit



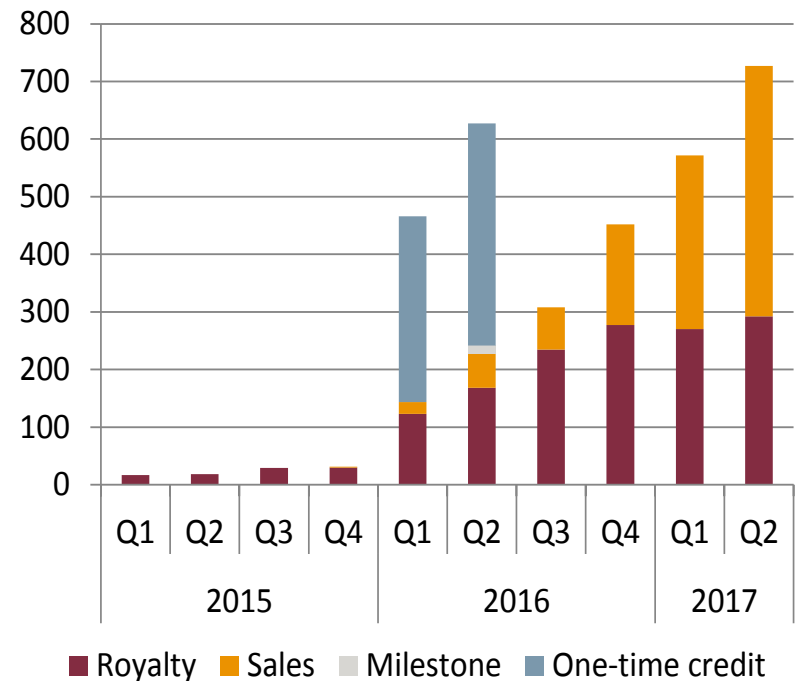
Haemophilia – the benefits of our franchise are getting increasingly recognised...



- Total revenue SEK 726 M (627)
 - SEK 434 M (60) in sales revenue
 - SEK 292 M (554) in estimated royalty revenue
 - Increase of SEK 124 M excluding one-time credit in Q2 2016

- H1 revenue SEK 1,298 M (1,093)

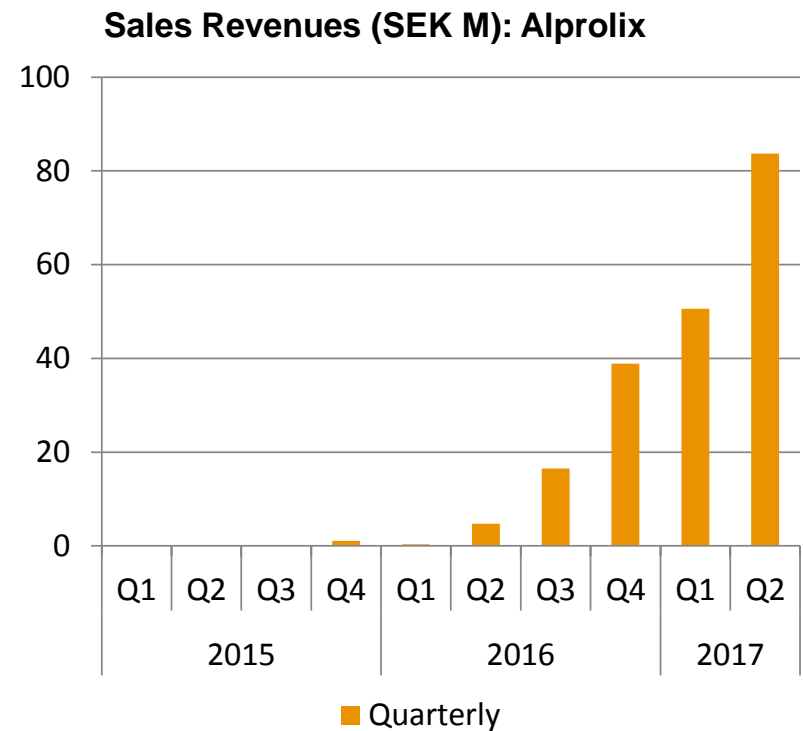
**Royalty and Sales Revenues (SEK M):
Haemophilia**



Alprolix – accelerating momentum



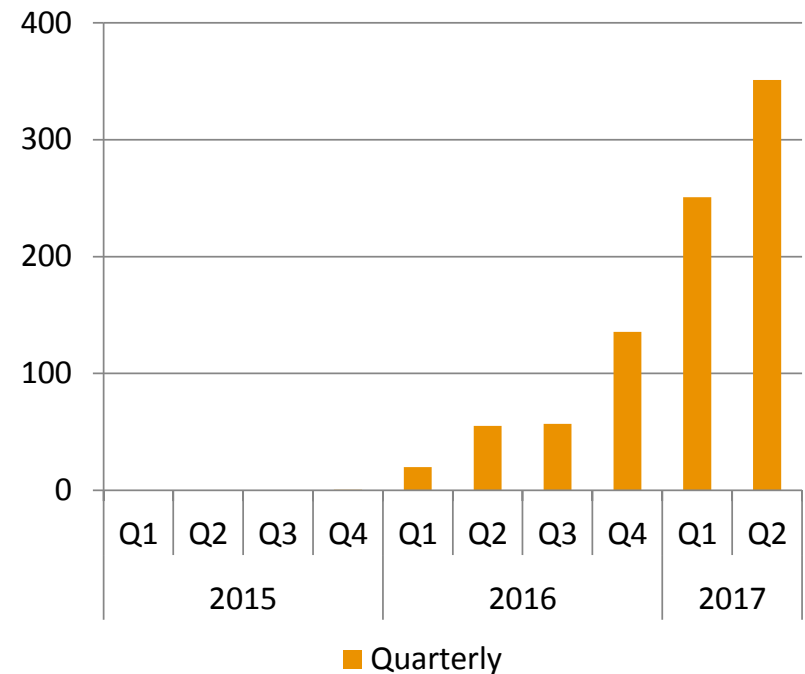
- Q2 sales revenue SEK 84 M (5)
 - SEK 34 M (65%) growth compared to Q1 2017
 - Primarily derived from Ireland, Germany and the UK
- H1 sales revenue SEK 134 M (5)
- Reimbursed in 12 countries
- EMA approved the potential to dose every 14 days or longer in updated dosing regimen for Alprolix



Elocta – strong evolution of underlying business growth

- Q2 sales revenue SEK 351 M (55)
 - SEK 100 M (40%) growth compared to Q1 2017
 - Primarily derived from Germany and France
- H1 sales revenue SEK 601 M (75)
- Now reimbursed in 18 countries

Sales Revenues (SEK M): Elocta

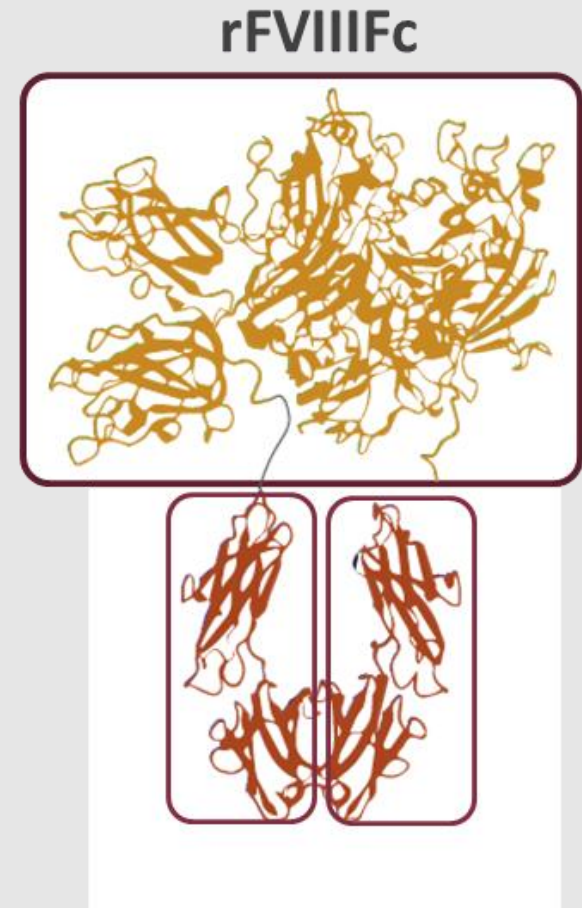


Elocta scientifics

Armin Reiningger, Prof., MD, PhD

Elocta – EHL beyond efficacy

- Fc Fusion Technology - more than extended half-life
- Higher trough levels vs conventional rFVIII
- Impact on patient care - Elocta can reduce ABRs and treatment burden vs conventional rFVIII
- Retrospective and preliminary data on Immune Tolerance Induction - 19 case records (ISTH late-breaker)¹



Financial results

Mats-Olof Wallin

Profit & loss statement



<i>Amounts in SEK M</i>	Q2-17	Q2-16	H1-17	H1-16	FY 2016
Total revenues	1,639	1,469	3,035	2,742	5,204
Gross profit	1,163	1,065	2,191	2,009	3,651
<i>Gross Margin</i>	<i>71%</i>	<i>72%</i>	<i>72%</i>	<i>73%</i>	<i>70%</i>
Sales and Administration	-413	-325	-796	-640	-1,366
Research and development	-247	-202	-465	-340	-778
Other operating revenues/expenses	-11	12	-32	23	36
EBITA	492	550	898	1,052	1,543
Amortizations and write-downs	-110	-97	-232	-189	-410
EBIT	381	453	666	862	1,133
Financial income/expenses	-21	-28	-36	-51	-85
Profit before tax	360	424	630	811	1,048
Income tax expense	-115	-114	-192	-200	-194
Profit/loss for the period	246	310	438	611	854

Adjusted for one-time items



Revenues, SEK M	Q2 -17	Q2 -16	Change SEK M	Change %	H1 -17	H1 -16	Change SEK M	Change %
Total revenues reported	1,639	1,469	170	12%	3,035	2,742	293	11%
One-time credit Q1 2016 (Elocta)						-322		
One-time credit Q2 2016 (Alprolix)		-386				-386		
Total revenues excluding one-time credits	1,639	1,083	556	51%	3,035	2,034	1,001	49%

EBITA, SEK M	Q2 -17	Q2 -16	Change SEK M	Change %	H1 -17	H1 -16	Change SEK M	Change %
EBITA reported	492	550	-58	-11%	898	1,052	-154	-15%
One-time credit Q1 2016 (Elocta)						-322		
One-time credit Q2 2016 (Alprolix)		-386				-386		
Inventory adjustment Q1 2017 (Kineret)					-59			
EBITA excluding one-time credits	492	164	328	200%	839	344	495	144%

Balance sheet



<i>Amounts in SEK M</i>	Jun 2017	Dec 2016	Jun 2016
ASSETS			
Intangible	6,643	6,806	6,974
Tangible and other	270	257	195
Total non-current assets	6,913	7,063	7,169
Inventories	1,123	870	751
Accounts receivable	1,027	769	558
Other Receivable	430	487	346
Cash and equivalent	1,189	786	770
Total current assets	3,769	2,911	2,426
Total Asset	10,682	9,974	9,595
EQUITY AND LIABILITIES			
Equity	5,967	5,399	5,262
Long term debt	502	502	502
Long term liabilities	2,020	2,314	2,449
Short term liabilities	2,192	1,758	1,382
Total liabilities	4,715	4,575	4,333
Total equity and liabilities	10,682	9,974	9,595

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Summary

Guido Oelkers

Outlook 2017^{1,2} - revised



Revenues

Sobi now expects revenues for the full year to be in the range of SEK 6,100 to 6,200 M (5,800 to 6,000)

Gross margin

Gross margin is now expected to be around 70 per cent (66 to 68)

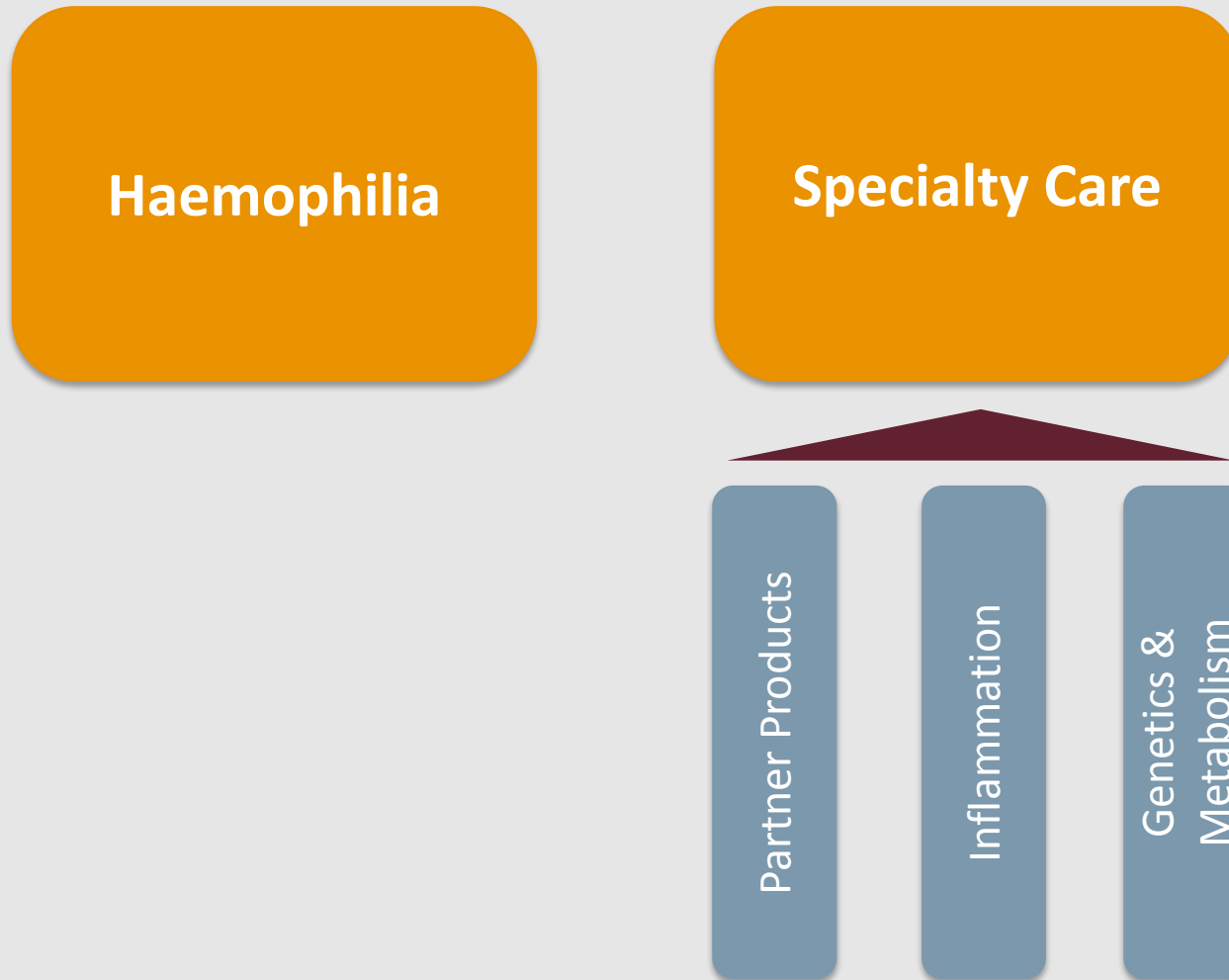
EBITA

Sobi now expects EBITA for the full year to be in the range of SEK 1,700 to 1,800 M (1,600 to 1,700)

1. At constant exchange rates

2. The original outlook was first published on 16 February 2017 and is based on the exchange rate as of that date.

Two main business areas going forward



Q&A

