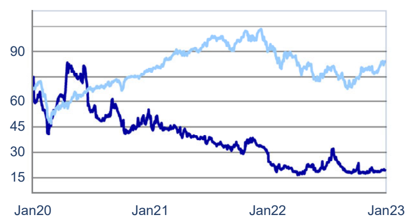
Orexo

Healthcare
Sweden

KEY DATA

Stock country	Sweden
Bloomberg	ORX SS
Reuters	ORX.ST
Share price (close)	SEK 20.40
Free Float	89%
Market cap. (bn)	EUR 0.06/SEK 0.70
Website	www.orexo.com
Next report date	

PERFORMANCE



Source: Refinitiv

Termination of commissioned research

We terminate commissioned coverage on Orexo. Note that estimates and information have not been updated in this report, and will no longer be updated. Any previously published research may thus be out of date.

Nordea IB & Equity - Analysts
Josefine Persson
Analyst

SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	644	783	845	664	568	614	745
EBITDA (adj)	78	117	224	19	-128	19	60
EBIT (adj)	57	96	183	-20	-175	-19	22
EBIT (adj) margin	8.9%	12.2%	21.6%	-3.0%	-30.8%	-3.1%	3.0%
EPS (adj, SEK)	0.67	3.92	4.82	-2.45	-5.15	-0.47	0.55
EPS (adj) growth	-20.5%	485.5%	23.0%	-150.8%	-110.2%	90.8%	215.0%
DPS (ord, SEK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	2.2	2.3	2.1	2.3	1.3	1.2	1.0
EV/EBIT (adj)	24.7	18.8	9.6	n.m.	n.m.	n.m.	32.8
P/E (adj)	61.6	15.0	13.0	n.m.	n.m.	n.m.	37.4
P/BV	4.3	4.4	3.1	3.1	1.8	1.9	1.8
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	4.3%	11.7%	13.1%	-10.1%	-33.7%	-4.3%	1.7%
Net debt	-9	-269	-473	-214	18	45	37
Net debt/EBITDA	-0.1	-2.3	-2.1	-11.4	n.m.	2.4	0.6
ROIC after tax	8.1%	15.0%	29.1%	-2.9%	-23.7%	-2.5%	2.8%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	**429**	**570**	**643**	**706**	**644**	**783**	**845**	**664**	**568**	**614**	**745**
Revenue growth	31.6%	32.8%	12.8%	9.7%	-8.8%	21.7%	7.9%	-21.4%	-14.5%	8.2%	21.4%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	-90	-12	-150	74	78	117	224	19	-128	19	60
Depreciation and impairments PPE	-5	-5	-4	-5	-4	-4	-8	-31	-25	-21	-21
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	-94	-17	-154	70	74	112	215	-12	-154	-2	40
Amortisation and impairments	-46	-8	-15	-18	-17	-17	-33	-8	-21	-17	-17
EBIT	-140	-25	-169	52	57	96	183	-20	-175	-19	22
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-14	-28	-22	-16	-28	-4	-3	-18	-5	0	0
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**-153**	**-53**	**-191**	**36**	**30**	**92**	**179**	**-38**	**-180**	**-19**	**22**
Reported taxes	-2	-4	-7	-7	-7	46	-9	-46	3	3	-3
Net profit from continued operations	-155	-57	-198	29	23	138	171	-84	-177	-16	19
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	-155	-57	-198	29	23	138	171	-84	-177	-16	19
EPS, SEK	**-4.87**	**-1.73**	**-5.74**	**0.84**	**0.67**	**3.92**	**4.82**	**-2.45**	**-5.15**	**-0.47**	**0.55**
DPS, SEK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	-20.9%	-2.2%	-23.4%	10.5%	12.1%	14.9%	26.5%	2.8%	-22.6%	3.1%	8.1%
EBITA	-21.9%	-3.1%	-24.0%	9.9%	11.5%	14.4%	25.5%	-1.8%	-27.1%	-0.3%	5.3%
EBIT	-32.5%	-4.4%	-26.2%	7.3%	8.9%	12.2%	21.6%	-3.0%	-30.8%	-3.1%	3.0%
Adjusted earnings											
EBITDA (adj)	-90	-12	-150	74	78	117	224	19	-128	19	60
EBITA (adj)	-94	-17	-154	70	74	112	215	-12	-154	-2	40
EBIT (adj)	-140	-25	-169	52	57	96	183	-20	-175	-19	22
EPS (adj, SEK)	-4.87	-1.73	-5.74	0.84	0.67	3.92	4.82	-2.45	-5.15	-0.47	0.55
Adjusted profit margins in percent											
EBITDA (adj)	-20.9%	-2.2%	-23.4%	10.5%	12.1%	14.9%	26.5%	2.8%	-22.6%	3.1%	8.1%
EBITA (adj)	-21.9%	-3.1%	-24.0%	9.9%	11.5%	14.4%	25.5%	-1.8%	-27.1%	-0.3%	5.3%
EBIT (adj)	-32.5%	-4.4%	-26.2%	7.3%	8.9%	12.2%	21.6%	-3.0%	-30.8%	-3.1%	3.0%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	28.7%	14.6%	12.8%	8.2%	0.6%	-4.3%	-0.9%	-1.0%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-24.6%	-12.3%
EBIT	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-25.2%
EPS	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-32.6%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	-13.5%	-7.5%	0.3%	6.0%	10.1%	4.0%	1.9%	-0.2%
Average EBITDA margin	n.a.	n.a.	-14.5%	-9.0%	-3.3%	3.2%	9.5%	14.1%	8.8%	7.2%	5.6%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	n.m.	n.m.	n.m.	44.7	61.6	15.0	13.0	n.m.	n.m.	n.m.	37.4
EV/EBITDA (adj)	n.m.	n.m.	n.m.	19.0	18.2	15.5	7.8	80.1	n.m.	39.1	12.2
EV/EBITA (adj)	n.m.	n.m.	n.m.	20.3	19.2	16.0	8.1	n.m.	n.m.	n.m.	18.6
EV/EBIT (adj)	n.m.	n.m.	n.m.	27.4	24.7	18.8	9.6	n.m.	n.m.	n.m.	32.8

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.m.	n.m.	n.m.	44.7	61.6	15.0	13.0	n.m.	n.m.	n.m.	37.4
EV/Sales	12.46	8.14	3.82	2.01	2.21	2.30	2.07	2.27	1.26	1.21	0.99
EV/EBITDA	n.m.	n.m.	n.m.	19.0	18.2	15.5	7.8	80.1	n.m.	39.1	12.2
EV/EBITA	n.m.	n.m.	n.m.	20.3	19.2	16.0	8.1	n.m.	n.m.	n.m.	18.6
EV/EBIT	n.m.	n.m.	n.m.	27.4	24.7	18.8	9.6	n.m.	n.m.	n.m.	32.8
Dividend yield (ord.)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	-2.3%	4.1%	-4.1%	5.5%	4.2%	11.4%	11.9%	-10.0%	-33.7%	-4.3%	1.7%
FCF Yield bef A&D, lease adj	-0.2%	5.7%	-4.9%	5.0%	4.3%	11.7%	13.1%	-10.1%	-33.7%	-4.3%	1.7%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	195	259	155	138	121	104	114	253	280	291	302
of which R&D	164	224	147	132	117	100	100	120	118	117	117
of which other intangibles	4	7	8	6	5	4	14	133	162	174	185
of which goodwill	26	27	0	0	0	0	0	0	0	0	0
Tangible assets	33	29	25	22	20	20	79	115	115	115	115
of which leased assets	0	0	0	0	0	0	57	68	68	68	68
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	3	18	25	28	93	86	33	33	33	33
Other non-IB non-current assets	0	1	2	8	7	10	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	1	1	0	0	0
Total non-current assets	228	293	200	193	177	227	280	401	428	439	450
Inventory	383	488	403	344	250	174	132	108	94	101	123
Accounts receivable	36	142	168	179	218	296	273	218	186	202	245
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	19	32	51	21	31	0	0	0	0	0	0
Cash and bank	106	285	198	282	328	590	817	505	273	246	254
Total current assets	544	946	820	826	827	1,060	1,221	831	553	549	622
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	**772**	**1,239**	**1,020**	**1,019**	**1,004**	**1,287**	**1,501**	**1,233**	**981**	**988**	**1,072**
Shareholders equity	161	468	270	310	329	476	706	559	382	366	384
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	161	468	270	310	329	476	706	559	382	366	384
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	104	494	494	398	319	321	290	0	225	225	225
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	10	9	7	1	6	7	11	26	26	26	26
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	33	47	47	47	47
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	114	503	501	399	325	327	334	73	298	298	298
Short-term provisions	0	0	122	164	201	266	269	197	169	183	222
Accounts payable	138	29	35	36	46	0	0	0	0	0	0
Current lease debt	0	0	0	0	0	0	21	19	19	19	19
Other current liabilities	359	239	92	110	104	218	171	160	114	123	149
Short term interest bearing debt	0	0	0	0	0	0	0	225	0	0	0
Total current liabilities	497	268	249	310	350	483	461	601	301	324	390
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**772**	**1,239**	**1,020**	**1,019**	**1,004**	**1,287**	**1,501**	**1,233**	**981**	**988**	**1,072**
Balance sheet and debt metrics											
Net debt	136	212	296	115	-9	-269	-473	-214	18	45	37
of which lease debt	0	0	0	0	0	0	55	67	67	67	67
Working capital	-59	394	495	398	351	252	234	166	167	180	219
Invested capital	169	686	695	591	527	479	514	567	594	619	668
Capital employed	266	962	765	708	648	797	1,051	850	673	657	675
ROE	-87.9%	-18.0%	-53.6%	10.0%	7.3%	34.3%	28.8%	-13.3%	-37.6%	-4.4%	5.0%
ROIC	-86.8%	-4.6%	-19.3%	6.4%	8.1%	15.0%	29.1%	-2.9%	-23.7%	-2.5%	2.8%
ROCE	-48.3%	-4.0%	-19.6%	7.0%	8.5%	13.3%	19.8%	-2.1%	-22.9%	-2.9%	3.4%
Net debt/EBITDA	n.m.	n.m.	n.m.	1.6	-0.1	-2.3	-2.1	-11.4	n.m.	2.4	0.6
Interest coverage	-13.3	-1.3	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	20.9%	37.8%	26.5%	30.5%	32.8%	37.0%	47.1%	45.3%	38.9%	37.0%	35.9%
Net gearing	83.9%	45.2%	109.7%	37.2%	-2.7%	-56.5%	-66.9%	-38.3%	4.7%	12.3%	9.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	**-90**	**-12**	**-150**	**74**	**78**	**117**	**224**	**19**	**-128**	**19**	**60**
Paid taxes	-2	-4	0	0	0	0	0	0	0	0	0
Net financials	-11	-28	-25	-28	-35	-32	-8	-9	-5	0	0
Change in provisions	6	-1	119	37	42	66	8	-57	-29	14	39
Change in other LT non-IB	19	-4	-16	-13	-3	-68	16	54	1	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	16	13	25	-3	28	43	13	-42	0	0	0
Funds from operations (FFO)	**-62**	**-36**	**-47**	**68**	**110**	**125**	**253**	**-35**	**-161**	**33**	**99**
Change in NWC	-201	-452	-62	89	36	117	38	52	-1	-14	-39
Cash flow from operations (CFO)	**-263**	**-487**	**-109**	**156**	**147**	**242**	**291**	**17**	**-162**	**19**	**61**
Capital expenditure	251	739	3	-91	-85	0	0	-190	-73	-49	-49
Free cash flow before A&D	**-12**	**252**	**-107**	**66**	**61**	**242**	**291**	**-173**	**-235**	**-30**	**12**
Proceeds from sale of assets	0	0	22	7	0	0	10	1	0	0	0
Acquisitions	-108	-72	-4	-1	-2	-6	-36	0	0	0	0
Free cash flow	-120	180	-89	71	60	236	265	-172	-235	-30	12
Free cash flow bef A&D, lease adj	-12	252	-107	66	61	242	291	-173	-235	-30	12
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Equity issues / buybacks	19	342	4	2	0	0	2	-27	0	0	0
Net change in debt	0	0	0	0	0	0	-56	-84	0	0	0
Other financing adjustments	0	0	0	0	0	0	0	0	3	3	-3
Other non-cash adjustments	-22	-343	-1	11	-14	26	16	-28	0	0	0
Change in cash	-123	179	-86	84	46	262	227	-312	-232	-27	8
Cash flow metrics											
Capex/D&A	n.m.	n.m.	-14.1%	n.m.	n.m.	0.0%	0.0%	n.m.	n.m.	n.m.	n.m.
Capex/Sales	-58.5%	n.m.	-0.4%	12.8%	13.3%	0.0%	0.0%	28.6%	12.9%	8.0%	6.6%
Key information											
Share price year end (/current)	164	136	63	38	41	59	63	50	35	19	20
Market cap.	5,214	4,431	2,164	1,300	1,428	2,071	2,221	1,720	700	700	700
Enterprise value	5,349	4,643	2,460	1,415	1,420	1,802	1,749	1,506	718	745	736
Diluted no. of shares, year-end (m)	31.8	32.7	34.5	34.6	34.7	35.2	35.4	34.4	34.3	34.3	34.3

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.
Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: https://research.nordea.com/compliance

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp (“Nordea”) research is not “globally branded” research. Nordea research reports are intended for distribution in the United States solely to “major U.S. institutional investors,” as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC (“Nordea Securities”), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Shareholding
Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity
We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material
This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest
Nordea has no market-making obligations in Orexo shares.

As of 24/01/2023, Nordea Abp holds no positions of 0.5% or more of shares issued by Orexo.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions
In view of Nordea’s position in its markets readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking services to the company/companies

Issuer Review
This report has not been reviewed by the Issuer prior to publication.

Completion Date
25 Jan 2023, 14:30 CET

Nordea Bank Abp

Nordea IB & Equity Division, Equity Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, EquityResearch
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650