

# Organon & Co

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## NEW BUSINESS OPPORTUNITY

Smart Women Security

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# HEALTHCARE INDUSTRY OVERVIEW

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## The Increasing Demand For Healthcare

- The global **population growth & aging population** trend
- Increase in **education & healthcare awareness**
- emphasis on **long-term health & demand** for chronic disease treatment.
- The shift from reactive to **proactive demand** for healthcare
- Women's health has been underfunded, under-researched, and under-served in the vast global health care system compared to the huge demand for women's health services, which has been increasing rapidly along with the rise of female consciousness and health care awareness.

# HEALTHCARE INDUSTRY OVERVIEW

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Mckinsey estimate that healthcare profit pools in the **US** will grow at a **7 % CAGR**, from \$583 billion in 2022 to \$819 billion in 2027.

The global Healthcare Services market size was valued at USD 11341680.0 million in 2022 and is expected to expand at a CAGR of 8.96% during the forecast period, reaching USD 18978620.0 million by 2028.

Within pharmacy services, with **specialty pharmacy** continuing to experience **rapid growth**.

# HEALTHCARE INDUSTRY OVERVIEW

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The competitive landscape of the healthcare industry is evolving and becoming more **complex**.

- The industry is becoming **increasingly competitive**.
- There are significant barriers to entry into the healthcare industry, which make it difficult for new companies to enter the market and compete effectively.

## ORGANON & CO OVERVIEW

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# Organon, here for her health.

Organon is a global healthcare company with a portfolio of therapies and products in women's health, biosimilars, and established brands across a wide array of conditions and diseases.

# ORGANON & CO OVERVIEW

## Sales Overview

(\$ in millions)		Year Ended December 31,		
		2022	2021	2020
Women's Health	\$	1,673	\$ 1,612	\$ 1,555
Biosimilars		481	424	330
Established Brands		3,874	4,068	4,540

(\$ in millions)		Year Ended December 31,			% Change		% Change	
		2022	2021	2020	Excluding Foreign Exchange		Excluding Foreign Exchange	
					2022 vs. 2021		2021 vs. 2020	
United States	\$	1,437	\$ 1,383	\$ 1,408	4 %	4 %	(2)%	(2)%
International		4,737	4,921	5,124	(4)	4	(4)	(8)
Total	\$	6,174	\$ 6,304	\$ 6,532	(2)%	4 %	(3)%	(6)%

- Organon's revenue comes from three main products: **women's health, biosimilars, and established brands.**
- The company sells these products through a **variety** of channels and its customers
- Nearly **80%** of revenue generated outside the U.S
- a diverse product portfolio include more than **60** medicines and products with no product representing more than 11% of total revenue.

# KEY FINANCIALS OF ORGANON & CO

	Yr1(19)	Yr2(20)	Yr3(21)	Yr4(22)	Current Yr(23)	5-year Avg	Industry Avg
Revenue	7777	6532	6304	6174	6263	6610	207.6
YoY Growth (%)	-20.46	-16.01	-3.49	-2.06	1.44	-8.12	7
R&D	220	210	339	471	528	353.6	5%
YoY Growth (%)	-39.73	-4.55	61.43	38.94	12.10	13.64	N/A
Selling, General & Admin	1443	1356	1668	1704	1893	1612.8	29.48
YoY Growth (%)	28.32	6.03	23.01	2.16	11.09	14.12	N/A
Operating Margin(%)	47.52	42.8	28.41	25.19	19.83	32.75	12.2
YoY Growth (%)	70.26	-9.95	-33.62	-11.33	-21.28	1.18	N/A
Free Cash Flow	2679	1937	2273	669	549	1621.4	N/A
YoY Growth (%)	-25.95	-27.70	17.35	-70.57	-17.94	-24.96	N/A



# KEY FINANCIALS OF ORGANON & CO

NYSE - Nasdaq Real Time Price • USD

Organon & Co. (OGN)

☆ Follow

17.47 -0.33 (-1.83%)

As of 11:03 AM EDT. Market Open.

1D 5D 3M 6M YTD 1Y 5Y All



# KEY FINANCIALS OF ORGANON & CO

**\$17.71 (APR.15)**  
*Last Closing Price*

**\$10.84-\$24.79**  
*52-week Range*

**4.53B**  
*Market Capitalization*

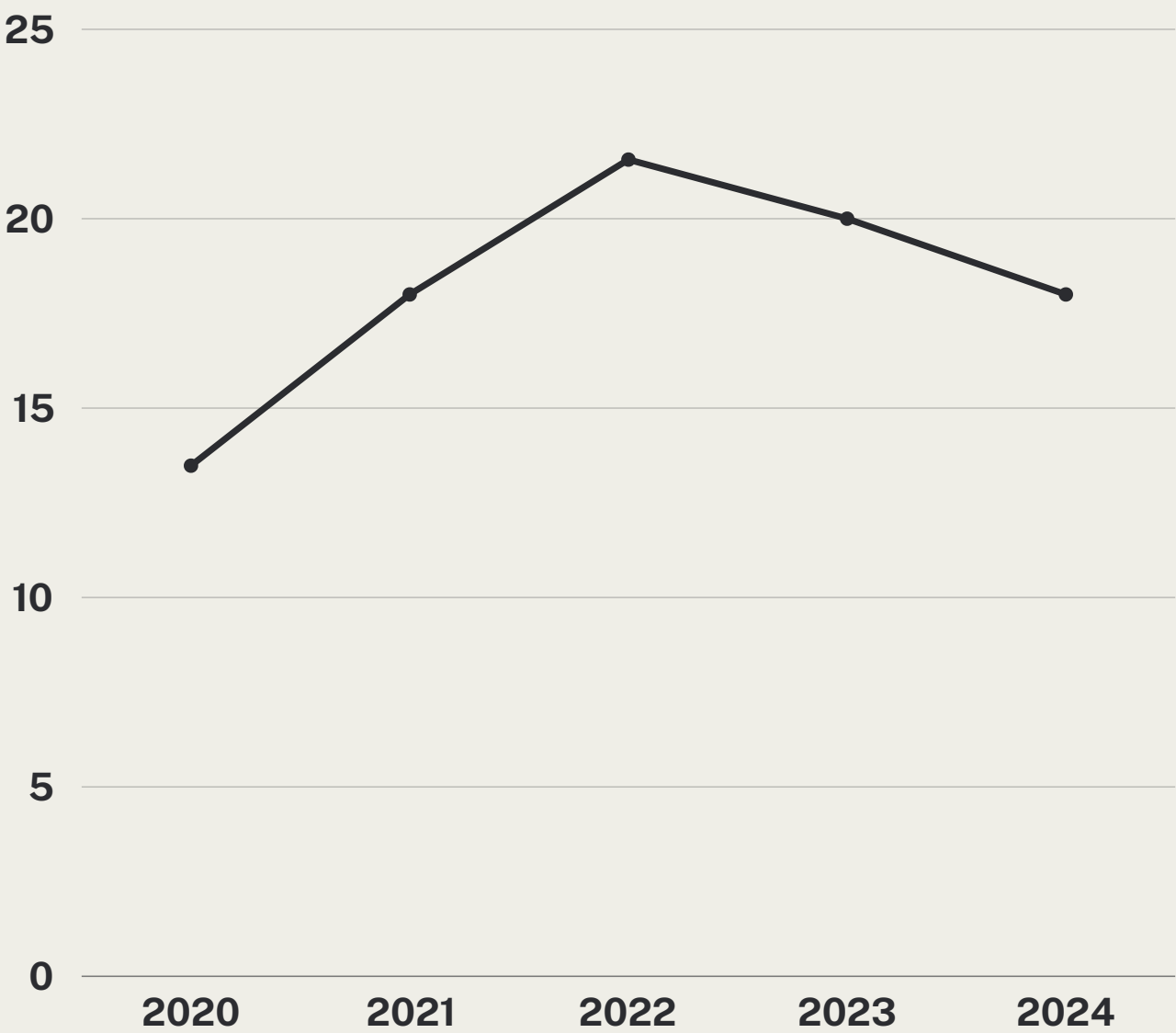
**0.79**  
*Beta*

**6.32%**  
*Dividend Yield*

**6.26%**  
*Revenue*

**4.48**  
*PE Ratio*

**255.64M**  
*Shares Outstanding*



# ORGANON & CO'S KEY EVENTS

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- Mergers & Acquisitions: On June 16, 2021, Organon acquired medical products company **Alydia Health** for 240M USD. This is Organon's **1st and largest** transaction in the Medical Products sector. Alydia Health, a commercial-stage medical device company focused on preventing maternal morbidity and mortality caused by postpartum hemorrhage (PPH) or abnormal postpartum uterine bleeding. Then the share price soared.
- In April, 2022, Organon invested **40 million euros** to significantly **expand the production** of long-acting contraception in the Netherlands, include automated packaging line and robot lines, to meet the growing demand for its products in various markets.
- Stratos Wealth Partners LTD. purchased a new stake in shares of Organon & Co. (NYSE:OGN ) during the fourth quarter, 2023. The fund purchased **13,166 shares** of the company's stock, valued at approximately **\$190,000**.

# ORGANON'S MOAT

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- **Differentiation:** Organon is positioning itself as the **only player of its size** focused on **women's health at every stage of life** and has a direct sales presence in **58** markets and supplying products to over **140** markets.
- **Cost:** Organon aims to provide affordable access to contraceptive options for **100 million** girls and women in low- and middle-income countries by 2030.
- **Patents:** Organon holds rights in U.S. patents associated with its products. Globally, Organon has a total of **2674** patents, out of which 1303 have been granted.
- Organon has a global footprint and broad portfolio of **49** established brands. It seeks collaborations that add products and are synergistic with its infrastructure and capabilities.
- **R&D Resources:** Organon has developed R&D capabilities to support its current portfolio and build a pipeline to drive future growth. It also enlarge their portpolio on areas including reproductive health, heart disease, oncology, immunology, dermatology, allergy, and asthma.

# ORGANON'S MOAT

the highlights key products in their portfolio

Women's Health



Biosimilars



Established Brands



# ORGANON'S MANAGEMENT

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- Organon has an annual dividend of **\$1.12 per share**, with a forward yield of **6.13%**. The payout ratio is **28.07%**, suggesting that a significant portion of its earnings is returned to shareholders.
- Organon focuses on **sustainable growth** and shareholder value as a standalone company.
- They aims to reinvest in the portfolio that consists of **many well-known products** that have **received limited resources** and investment in the past and in the areas where high **unmet needs exist**.
- Organon's CEO, Kevin Ali, directly owns **0.049%** of the company's shares, worth **\$2.19M**.
- Organon is a global women's health company that places a strong emphasis on gender equity within its organization. The company's Board of Directors is comprised of **70%** women. This reflects Organon's commitment to improving women's health and promoting gender equity within its organization.



# FUTURE EXPECTATIONS

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- **Vision:** Organon envisions a better and healthier every day for every woman.
- **Mission:** Their mission is to deliver impactful medicines and solutions for a healthier every day.
- Both the **biosimilars market** and the **women's healthcare** market, which organon focuses on, have great prospects for the future, and organon is driving this industry forward.
- Organon is investing in the development of biosimilars, which are expected to contribute significantly to the company's value growth in the future.
- AbbVie blockbuster drug Humira, developed in partnership with Samsung, 2025.
- Developed partnership with Eli Lilly to market two migraine drugs in Europe
- The contraceptive implant Nexplanon, which has patent protection until 2027, is expected to be a key growth driver.
- New products acquired through strategic partnerships and acquisitions
- A new giant in women's health, Organon looks to future growth in China.

# RISKS

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- Organon may not be able to adequately demonstrate the safety and efficacy of our drug product candidates in clinical trials, which would delay the development, regulatory approval and commercialization of our product candidates.
- Organon depend on their patent rights for the marketing of certain of our products, and invalidation or circumvention of their patent rights would adversely affect our business.
- The U.S. healthcare industry will continue to be subject to increasing regulatory and political action, and the impact is unpredictable.
- Organon's global presence exposes them to additional risks.
- Organon is exposed to market risk from fluctuations in currency exchange rates and interest rates. The foreign currency (loss) gain in 2023 is 84 billions.
- Nexplanon, a physician-managed product, struggled as patients delayed visits. Sales fell by 17 per cent.



# ORGANON & CO'S VALUATION

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DCF : \$47.10

CURRENT STOCK PRICE:\$17.56

The company's intrinsic value appears to be higher than its current market price, and the value of the specific area of the company is highly undervalued.

Organon's focus on women's health, a sector that has been historically underserved, positions it to address a significant market need.

Organon's Price-to-Earnings (P/E) ratio is significantly lower than both its industry average and its peers, indicate that the stock is undervalued.

# PEER COMPARISON

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	Organon & Co.	Viatis Inc.	CRISPR Therapeutics AG	Intellia Therapeutics, Inc.	Jazz Pharmaceuticals plc
Main Products/Services	Women’s healthcare, biosimilars	Medicines, Biosimilars, OTC drugs	Gene editing, Rare Disease Therapeutics	CRISPR technology, Gene editing	Oncology and Neuroscience Pharmaceutical and R&D
Industry and Market Share	0.70%	1.23%	0.62%	0.30%	0.90%
Operating Margin	19.83%	4.97%	-59.95%	-1420.51	15.09%
Market Capitalization	4560	13970	5059	2411	7246
Revenue Growth (5yr CAGR)	-8.12%	6.21%	21200%	38.51%	16.29%

# INVESTMENT SUMMARY

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Hold  ORGANON



# REFERENCES

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<https://www.organon.com/investor-relations/sec-filings/>

# Thank you!

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