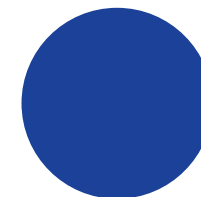




Organon

Q2 2022 Earnings



Disclaimer statement

This text should be viewed in conjunction with Organon's Q2 2022 earnings call

Safe Harbor for Forward-Looking Statements

Except for historical information herein, this presentation includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about management’s expectations about Organon’s future financial performance and prospects. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “estimates,” “will” or words of similar meaning. These statements are based upon the current beliefs and expectations of the company’s management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements. Risks and uncertainties include, but are not limited to, an inability to execute on our business development strategy or realize the benefits of our planned acquisitions; general economic factors, including interest rate and currency exchange rate fluctuations; general industry conditions and competition; the impact of the ongoing COVID-19 pandemic and emergence of variant strains; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances; new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company’s ability to accurately predict its future financial results and performance; the company’s ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; difficulties developing and sustaining relationships with commercial counterparties; dependence on the effectiveness of the company’s patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions. The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company’s filings with the Securities and Exchange Commission (SEC), including the company's Annual Report on Form 10-K for the year ended December 31, 2021 and subsequent SEC filings, available at the SEC’s Internet site (www.sec.gov).

Disclaimer statement, cont.

Non-GAAP Information

This presentation contains “non-GAAP financial measures,” which are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with U.S. generally accepted accounting principles (“GAAP”). Specifically, the company makes use of the non-GAAP financial measures Adjusted EBITDA, Adjusted Net Income, and Adjusted diluted EPS, which are not recognized terms under GAAP and are presented only as a supplement to the company’s GAAP financial statements. The company believes that these non-GAAP financial measures help to enhance an understanding of the company’s financial performance. However, the presentation of these measures has limitations as an analytical tool and should not be considered in isolation, or as a substitute for the company’s results as reported under GAAP. Because not all companies use identical calculations, the presentations of these non-GAAP measures may not be comparable to other similarly titled measures of other companies. You should refer to the appendix of this presentation for relevant definitions and reconciliations of non-GAAP financial measures contained herein to the most directly comparable GAAP measures. In addition, the company’s full-year 2022 guidance measures (other than revenues) are provided on a non-GAAP basis because the company is unable to reasonably predict certain items contained in the GAAP measures. Such items include, but are not limited to, acquisition related expenses, restructuring and related expenses, stock-based compensation and other items not reflective of the company's ongoing operations. The company uses non-GAAP financial measures in its operational and financial decision making, and believes that it is useful to exclude certain items in order to focus on what it regards to be a more meaningful representation of the underlying operating performance of the business.

Second quarter 2022 highlights



- All franchises show growth Ex-FX
- Improved trajectory for Established Brands
- Expanded biosimilars portfolio with additional R&D collaborator; Shanghai Henlius Biotech Inc.
 - Revenues of \$1,585 million
 - \$512 million Adjusted EBITDA, inclusive of **\$97M in acquired IPR&D and milestones**
 - \$1.25 Adjusted EPS from continuing operations, **inclusive of negative \$0.30 impact from acquired IPR&D and milestones**

Balancing commercial and pipeline business development

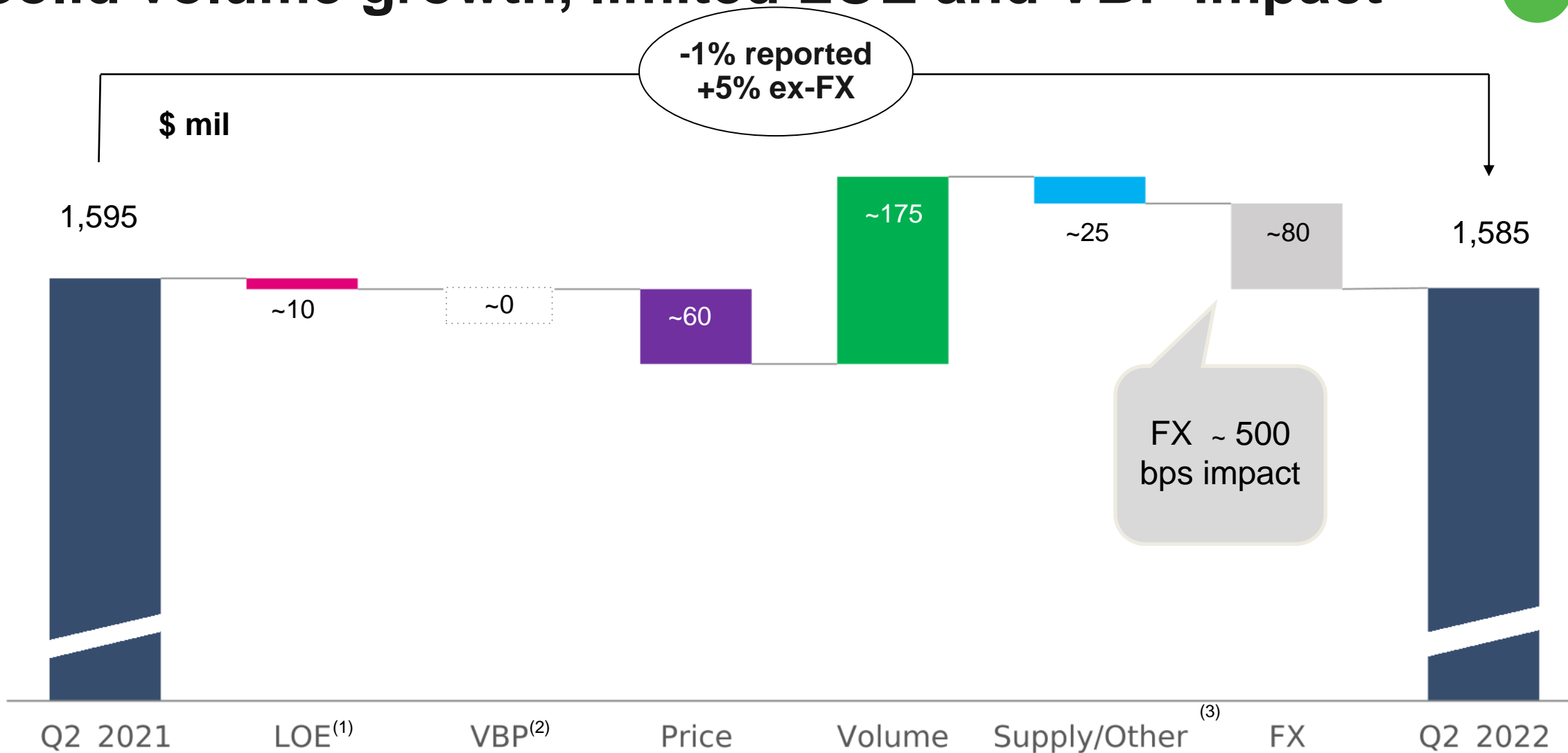
Commercialized/soon to be commercialized assets

- March 2022 - Licensing agreement for **XaciatTM**
- February 2022 - Acquisition of commercial rights to **MarvelonTM** and **MercilonTM** in certain Asian markets
- June 2021 - Acq. of **Alydia Health** and its **JADA[®] System**

Building a pipeline

- July 2022 - Licensing agreement for a novel **investigational non-hormonal, on-demand contraceptive candidate** with **Cirql Biomedical**
- June 2022 - Licensing agreement to commercialize **Investigational Perjeta[®] (Pertuzumab)** and **Prolia[®]/Xgeva[®] (Denosumab)** biosimilar candidates
- July 2021 - Licensing of **investigational agent, ebopiprant**
- December 2021 - Acquisition of **Forendo Pharma**

Solid volume growth, limited LOE and VBP impact



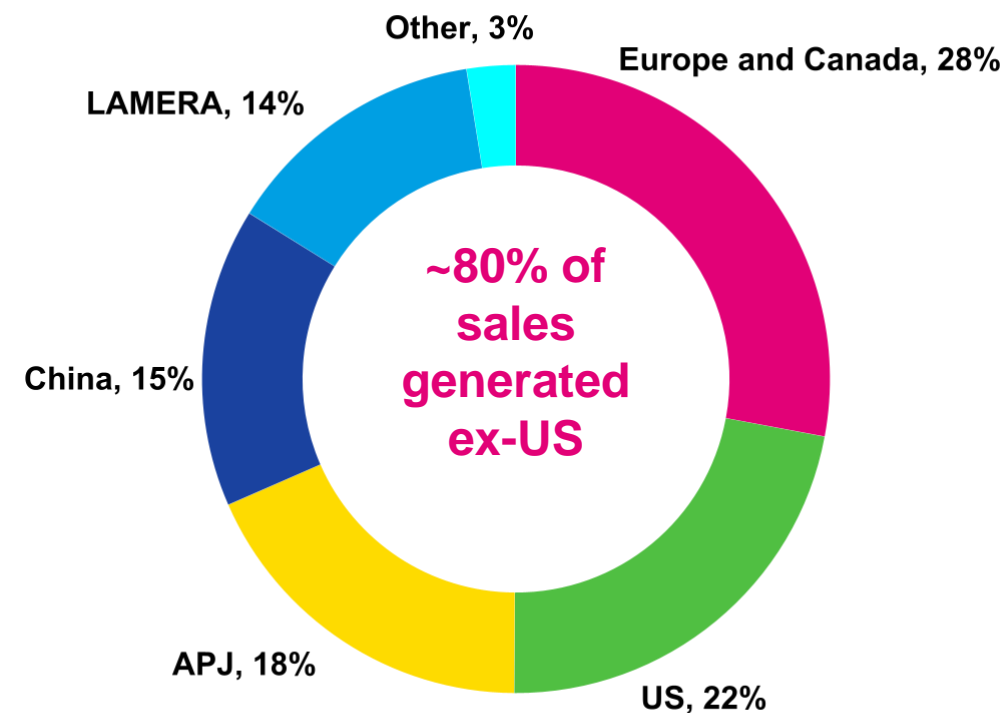
⁽¹⁾ LOE = Loss of Exclusivity

⁽²⁾ VBP = Volume Based Procurement

⁽³⁾ Other includes manufacturing sales to Merck & Co., Inc., Rahway, NJ, USA and other third parties, and allocated amounts from pre-spin revenue hedging activities.

All geographic areas grew ex-FX

\$ mil	Q2-22	Q2-21 (mid-year spin)	Actual VPY	Ex FX VPY
Europe and Canada	443	470	(6)%	4%
United States	351	339	4%	4%
Asia Pacific and Japan	291	309	(6)%	4%
China	244	236	3%	4%
Latin America, Middle East, Russia and Africa	216	190	14%	16%
Other ⁽¹⁾	40	51	(22)%	(21)%
Total Revenues	1,585	1,595	(1)%	5%

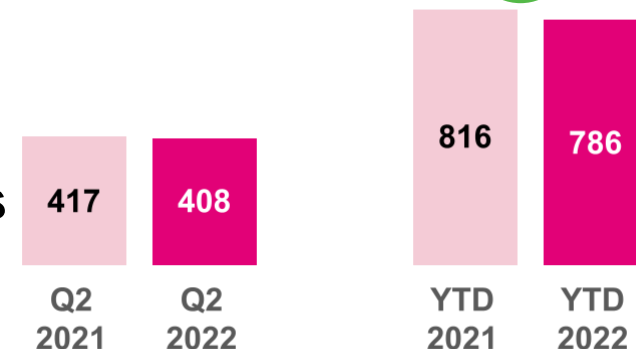


⁽¹⁾ Other includes manufacturing sales to Merck & Co., Inc., Rahway, NJ, USA and other third parties, and allocated amounts from pre-spin revenue hedging activities.

Women's Health



- **Nexplanon** grew 8% at constant currency; strong demand trends
- **Fertility impacted by COVID** lockdowns in China and channel mix in the US



Revenues \$ mil	Q2-2022	Q2-2021 (mid- year spin)	Act VPY	Ex FX VPY	2022 YTD	2021 YTD (mid-year spin)	Act VPY	Ex FX VPY
Top Contraception Products								
<i>Nexplanon</i> ®	195	184	6%	8%	366	368	—%	1%
<i>NuvaRing</i> ®	42	53	(21)%	(18)%	83	98	(16)%	(12)%
<i>Cerazette</i> ™	15	18	(16)%	(9)%	32	34	(6)%	—%
Top Fertility Products								
<i>Follistim</i> ®	58	65	(11)%	(9)%	119	117	2%	4%
Ganirelix Acetate Injection	32	31	3%	9%	61	60	3%	7%
Other Women's Health products	67	66	2%	5%	125	139	(10)%	(7)%
Total Women's Health	408	417	(2)%	1%	786	816	(4)%	(1)%

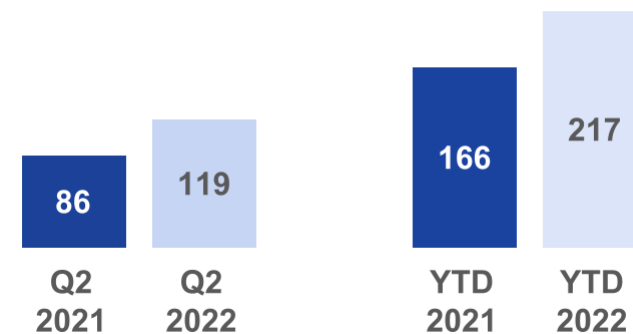
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Biosimilars



Biosimilars

- **Double digit growth for *Renflexis* and *Ontruzant***
- **US demand for biosimilars continues to grow**



Revenues \$ mil	Q2-2022	Q2-2021 (mid-year spin)	Act VPY	Ex FX VPY	2022 YTD	2021 YTD (mid-year spin)	Act VPY	Ex FX VPY
<i>Renflexis</i> ®	59	43	38%	39%	105	81	30%	30%
<i>Ontruzant</i> ®	35	22	57%	61%	57	45	28%	33%
<i>Brenzys</i> ™	14	11	28%	34%	28	21	34%	39%
<i>Aybintio</i> ™	9	8	14%	27%	19	16	20%	32%
<i>Hadlima</i> ™	2	2	NM	NM	8	4	99%	101%
Biosimilars	119	86	39%	42%	217	166	31%	34%

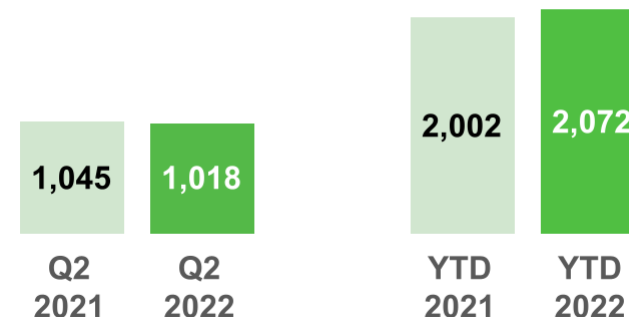
Totals may not foot due to rounding. Trademarks appearing above in italics are trademarks of, or are used under license by, the Organon group of companies.

Established brands



Established
Brands

- **Growth in most therapy areas**
- **Improved erosion curve; tracking to flat or better growth for full year**
- **VBP delays and competitor supply interruptions aid 1H performance**



Revenues \$ mil	Q2-2022	Q2-2021 (mid-year spin)	Act VPY	Ex FX VPY	2022 YTD	2021 YTD (mid-year spin)	Act VPY	Ex FX VPY
Cardiovascular	412	430	(4)%	3%	822	819	—%	7%
Respiratory	254	248	2%	8%	559	484	16%	21%
Non-Opioid Pain, Bone & Dermatology	209	218	(4)%	2%	410	398	3%	9%
Other	143	149	(17)%	(18)%	280	301	(34)%	(34)%
Total Est. Brands	1,018	1,045	(2)%	4%	2,072	2,002	3%	10%

Totals may not foot due to rounding.

New IPR&D treatment ~\$100M impact to Q2 Adj. EBITDA

\$ mil	Q2-22	Q2-21 (mid- year spin)	Actual VPY	2022 YTD	2021 YTD (mid-year spin)	Actual VPY
Revenues	1,585	1,595	(1)%	3,152	3,101	2%
Cost of sales	588	583	1%	1,149	1,174	(2)%
Gross profit	997	1,012	(1)%	2,003	1,927	4%
Non-GAAP Adjusted Gross profit ⁽¹⁾	1,047	1,047	—%	2,089	1,984	5%
Selling, general and administrative	423	416	2%	794	798	(1)%
Research and development ⁽²⁾	203	76	167%	299	143	109%
Adjusted EBITDA ^(2, 3)	512	627	(18)%	1,159	1,193	(3)%
Diluted Earnings per Share (EPS), continuing operations ⁽²⁾	0.92	1.70	(46)%	2.28	3.25	(30)%
Non-GAAP adjusted diluted EPS, continuing operations ^(2, 4)	1.25	1.72	(27)%	2.90	3.50	(17)%
Acquired IPR&D and milestones	97	—		97	—	
Per share impact to diluted EPS from acquired IPR&D and milestones	(0.30)	—		(0.30)	—	
<i>Gross margin</i>	<i>62.9%</i>	<i>63.4%</i>		<i>63.5%</i>	<i>62.1%</i>	
<i>Non-GAAP Adjusted Gross margin ⁽¹⁾</i>	<i>66.1%</i>	<i>65.6%</i>		<i>66.3%</i>	<i>64.0%</i>	
<i>Adjusted EBITDA margin ⁽²⁾</i>	<i>32.3%</i>	<i>39.3%</i>		<i>36.8%</i>	<i>38.5%</i>	

⁽¹⁾ See Slide 20 of this presentation for a reconciliation of Gross Profit to Adjusted Gross Profit.

⁽²⁾ Includes acquired IPR&D and milestones

⁽³⁾ See Slides 21-22 of this presentation for a reconciliation of EBITDA and Adjusted EBITDA measures.

⁽⁴⁾ See Slides 23-24 of this presentation for a reconciliation of diluted EPS to non-GAAP adjusted diluted EPS

Balancing commercial and pipeline business development

Commercialized/soon to be commercialized assets

- March 2022 - Licensing agreement for ***Xaciat***™
- February 2022 - Acquisition of commercial rights to ***Marvelon***™ and ***Mercilon***™ in certain Asian markets
- June 2021 - Acq. of **Alydia Health** and its **JADA® System**

Approx 1% contribution to revenues in 2022

Building a pipeline

- July 2022 - Licensing agreement for a novel **investigational non-hormonal, on-demand contraceptive candidate** with **Cirque Biomedical**
- June 2022 - Licensing agreement to commercialize **Investigational Perjeta® (Pertuzumab)** and **Prolia®/Xgeva® (Denosumab)** biosimilar candidates
- July 2021 - Licensing of **investigational agent, ebopiprant**
- December 2021 - Acquisition of **Forendo Pharma**

Investments in R&D spend

Debt capitalization as of June 30, 2022

\$100 million voluntary debt repayment in Q2 - Bank covenant () net leverage ratio ~3.5x*

\$ mil

	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
Reported cash and cash equivalents	730	1,008	737	694	545
<i>Cash for IOM-exit inventory ⁽¹⁾</i>	<u>(400)</u>	<u>(320)</u>	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
Cash available to Organon	330	688	737	694	545
Gross Debt ⁽²⁾	9,348	9,298	9,134	9094	8,893
Net Debt ⁽²⁾	9,018	8,610	8,397	8,400	8,348

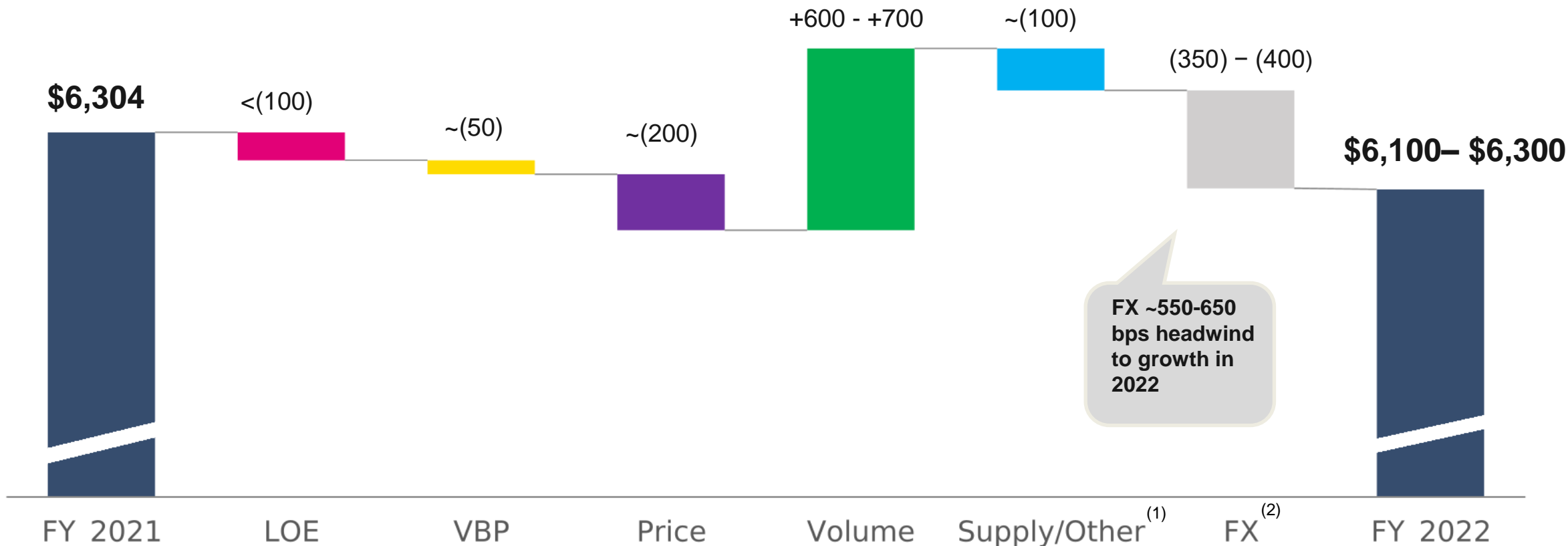
⁽¹⁾ Organon's starting cash balance at spin included \$400 million from Merck & Co., Inc., Rahway, NJ, USA which was used for the purchase of inventory upon exit of certain Interim Operating Model arrangements.

⁽²⁾ Debt figures are net of discounts and unamortized fees of \$135 million, \$130 million, \$124 million, \$119 million, and \$113 million as of June 30, 2021, September 30, 2021, December 31, 2021, March 31, 2022, and June 30, 2022 respectively.

^(*) The definition of net debt in the company's credit agreement excludes unamortized fees, but includes capitalized lease obligations. Additionally, the LTM EBITDA calculation excludes acquired IPR&D and milestone charges

FX headwinds persist, masking solid volume growth

\$ mil



⁽¹⁾ Other includes manufacturing sales to Merck & Co., Inc., Rahway, NJ, USA and other third parties, and allocated amounts from pre-spin revenue hedging activities..

⁽²⁾ Based on 2021 performance and July month end spot rates for 2022.

FY 2022 guidance recast for IPR&D and FX; no change operationally

\$M, provided on a Non- GAAP basis, except Revenues	Guidance provided May 5, 2022	FX impact	IPR&D	Guidance provided as of August 4, 2022
Revenues	\$6,100 - \$6,400	from 300 - 475 bps to 550 - 650 bps		\$6,100 - \$6,300
Adjusted gross margin	Mid-60% range			Unchanged
SG&A (as % of revenues)	Mid-20% range			Unchanged
R&D (as % of revenues)	Mid-upper single-digit			Upper single digit
Adjusted EBITDA margin	34% - 36%		~(\$110)	32% - 34%
Interest expense	~\$400			Unchanged
Depreciation	\$100 - \$115			Unchanged
Effective non-GAAP tax rate	17.5% - 19.5%			Unchanged
Fully diluted weighted avg. shares outstanding	~255M			Unchanged

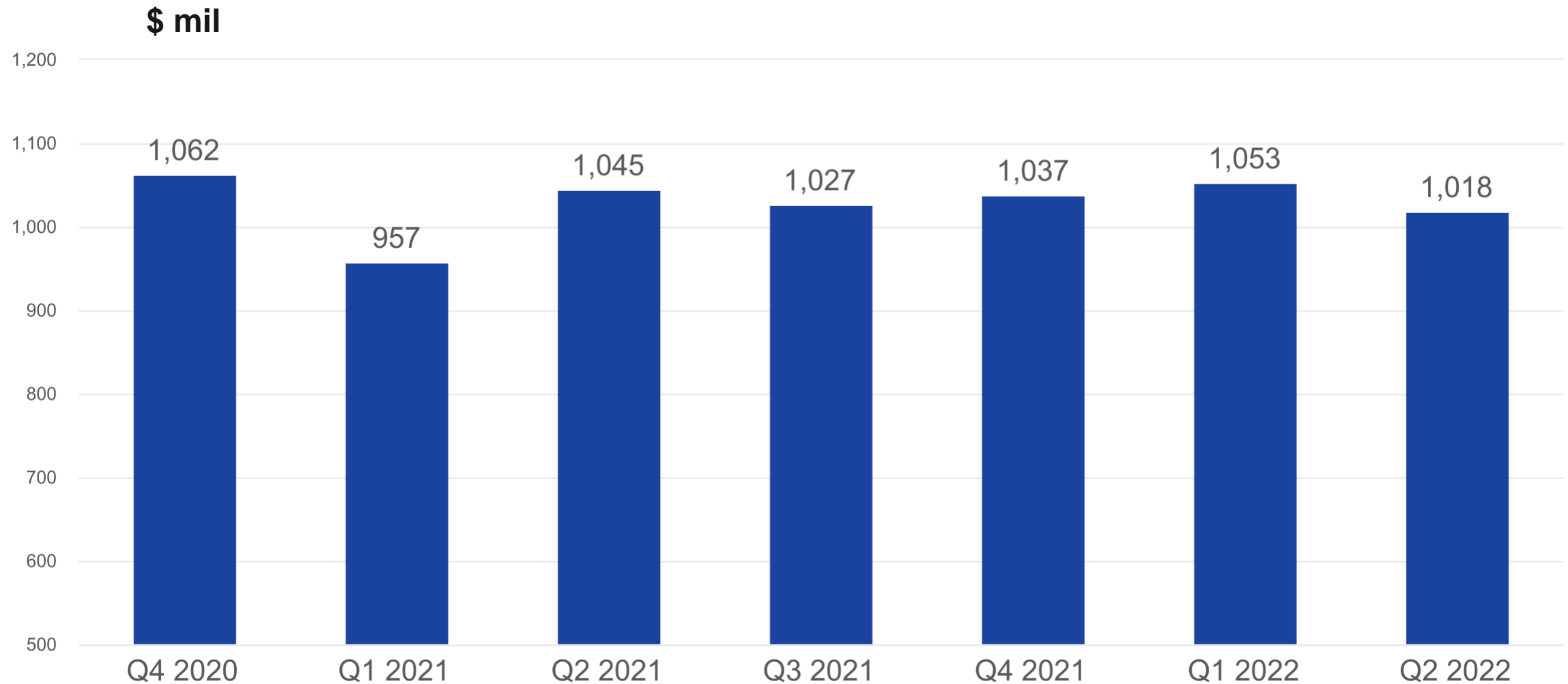


Q&A



Appendix

Established Brands sizeable and stable base of revenue



Franchise performance

\$ mil	Q2-2022	Q2-2021 (mid-year spin)	Actual VPY	Ex FX VPY	2022 YTD	2021 YTD (mid-year spin)	Actual VPY	Ex FX VPY
Women's Health	408	417	(2)%	1%	786	816	(4)%	(1)%
Biosimilars	119	86	39%	42%	217	166	31%	34%
Est. Brands	1,018	1,045	(2)%	4%	2,072	2,002	3%	10%
Other ⁽¹⁾	40	47	(17)%	(18)%	76	117	(34)%	(34)%
Total Revenues	1,585	1,595	(1)%	5%	3,152	3,101	2%	6%

⁽¹⁾ Other includes manufacturing sales to Merck & Co., Inc., Rahway, NJ, USA and other third parties, and allocated amounts from pre-spin revenue hedging activities.

Gross margin reconciliation

\$ mil	Q2-2022	Q2-2021 (mid-year spin)	YTD 2022	YTD 2021 (mid-year spin)
Revenues	1,585	1,595	3,152	3,101
Cost of sales	588	583	1,149	1,174
Gross Profit	997	1,012	2,003	1,927
<i>Gross Margin</i>	<i>62.9%</i>	<i>63.4%</i>	<i>63.5%</i>	<i>62.1%</i>
Amortization	28	22	56	42
One-time costs ⁽¹⁾	19	10	24	10
Stock-based compensation	3	3	6	5
Non-GAAP Adjusted Gross Profit ⁽²⁾	1,047	1,047	2,089	1,984
<i>Non-GAAP Adjusted Gross Margin</i>	<i>66.1%</i>	<i>65.6%</i>	<i>66.3%</i>	<i>64.0%</i>

⁽¹⁾ One-time costs for the three and six months ended June 30, 2022 primarily include costs to stand up the Company and inventory step-up adjustments as well as a \$9 million impairment charge related to a licensed intangible asset.

⁽²⁾ Non-GAAP Adjusted Gross Profit is calculated by excluding amortization, one-time costs, and the portion of stock-based compensation expense allocated to Cost of sales.

Income from continuing operations before income taxes to Adjusted EBITDA

\$ mil	Q2-2022	Q2-2021 (mid-year spin)
Income from continuing operations before income taxes	287	437
Depreciation	22	21
Amortization ⁽¹⁾	28	22
Interest expense	98	62
EBITDA	435	542
Restructuring costs	—	1
One-time costs ⁽²⁾	58	66
Stock-based compensation	19	18
Adjusted EBITDA	512	627
<i>Adjusted EBITDA margin</i>	<i>32.3%</i>	<i>39.3%</i>

⁽¹⁾ Amortization in all periods is included in Cost of sales.

⁽²⁾ One-time costs primarily include costs incurred in connection with the spin-off of Organon, an impairment of a licensed intangible asset, and inventory step up adjustments. For the three months ended June 30, 2022, approximately \$28 million of the one-time costs are recorded in Selling, general and administrative expenses, \$19 million are recorded in Cost of sales, \$8 million are recorded in Other (income) expense, and \$3 million are recorded in Research and development. For the three months ended June 30, 2021, approximately \$55 million of the one-time costs are recorded in Selling, general and administrative expenses, and approximately \$10 million are recorded in Cost of sales.

Income from continuing operations before income taxes to Adjusted EBITDA

\$ mil	2022 YTD	2021 YTD (mid-year spin)
Income from continuing operations before income taxes	729	904
Depreciation	47	39
Amortization ⁽¹⁾	56	42
Interest expense	195	62
EBITDA	1,027	1,047
Restructuring costs	—	2
One-time costs ⁽²⁾	98	115
Stock-based compensation	34	29
Adjusted EBITDA	1,159	1,193
<i>Adjusted EBITDA margin</i>	<i>36.8%</i>	<i>38.5%</i>

⁽¹⁾ Amortization in all periods is included in Cost of sales.

⁽²⁾ One-time costs primarily include costs incurred in connection with the spin-off of Organon, an impairment of a licensed intangible asset, and inventory step-up adjustments. For the six months ended June 30, 2022, approximately \$53 million of the one-time costs are recorded in Selling, general and administrative expenses, approximately \$24 million are recorded in Cost of sales, \$14 million are recorded in Other (income) expense, and \$7 million are recorded in Research and development. For the six months ended June 30, 2021, approximately \$104 million of the GAAP one-time costs are recorded in Selling, general and administrative expenses, and approximately \$10 million are recorded in Cost of sales.

Income from continuing operations before income taxes to Adjusted Net Income

\$ mil (except EPS)	Q2-2022	Q2-2021 (mid-year spin)
Income from continuing operations before income taxes	287	437
Amortization ⁽¹⁾	28	22
Restructuring costs	—	1
One-time costs ⁽²⁾	58	66
Stock-based compensation	19	18
Total Adjustments	105	107
Non-GAAP pre-tax income, continuing operations	392	544
Taxes on income as reported in accordance with GAAP	53	6
Tax benefit on adjustments	20	20
Tax benefit (deduction) on GAAP-only discrete items ⁽³⁾	—	81
Non-GAAP adjusted taxes on income	73	107
Non-GAAP adjusted net income, continuing operations	319	437
Non-GAAP adjusted net income, continuing operations per diluted share	1.25	1.72

⁽¹⁾ Amortization in all periods is included in Cost of sales.

⁽²⁾ One-time costs primarily include costs incurred in connection with the spin-off of Organon, an impairment of a licensed intangible asset, and inventory step-up adjustments. For the three months ended June 30, 2022, approximately \$28 million of the one-time costs are recorded in Selling, general and administrative expenses, \$19 million are recorded in Cost of sales, \$8 million are recorded in Other (income) expense, and \$3 million are recorded in Research and development. For the three months ended June 30, 2021, approximately \$55 million of the one-time costs are recorded in Selling, general and administrative expenses, and approximately \$10 million are recorded in Cost of sales.

⁽³⁾ For the three months ended June 30, 2021, the company recorded a tax benefit of approximately \$70 million related to a portion of non-US step up in tax basis as a result of its separation from Merck & Co., Inc., Rahway, NJ, USA

Income from continuing operations before income taxes to Adjusted Net Income

\$ mil (except EPS)	2022 YTD	2021 YTD (mid-year spin)
Income from continuing operations before income taxes	729	904
Amortization ⁽¹⁾	56	42
Restructuring costs	—	2
One-time costs ⁽²⁾	98	115
Stock-based compensation	34	29
Total Adjustments	188	188
Non-GAAP pre-tax income, continuing operations	917	1,092
Taxes on income as reported in accordance with GAAP	147	78
Tax benefit on adjustments	34	35
Tax benefit (deduction) on GAAP-only discrete items ⁽³⁾	(3)	91
Non-GAAP adjusted taxes on income	178	204
Non-GAAP adjusted net income, continuing operations	739	888
Non-GAAP adjusted net income, continuing operations per diluted share	2.90	3.50

⁽¹⁾ Amortization in all periods is included in Cost of sales.

⁽²⁾ One-time costs primarily include costs incurred in connection with the spin-off of Organon, an impairment of a licensed intangible asset, and inventory step-up adjustments. For the six months ended June 30, 2022, approximately \$53 million of the one-time costs are recorded in Selling, general and administrative expenses, approximately \$24 million are recorded in Cost of sales, \$14 million are recorded in Other (income) expense, and \$7 million are recorded in Research and development. For the six months ended June 30, 2021, approximately \$104 million of the GAAP one-time costs are recorded in Selling, general and administrative expenses, and approximately \$10 million are recorded in Cost of sales.

⁽³⁾ For the three months ended June 30, 2021, the company recorded a tax benefit of approximately \$70 million related to a portion of non-US step up in tax basis as a result of its separation from Merck & Co., Inc., Rahway, NJ, USA

Broad and diverse portfolio

Women's Health

NUVARING®
(etonogestrel/ethinyl estradiol vaginal ring)
delivers 0.120 mg/0.015 mg per day

 **Nexplanon®**
68 mg etonogestrel

Follistim® AQ Cartridge
(follitropin beta injection)
For use only with
Follistim Pen®

 **Jada.**
SYSTEM

Biosimilars

BRENZYS™
etanercept

RENFLEXIS®
(infliximab-abda) for injection,
for intravenous use 100 mg

 **Ontruzant®**
trastuzumab-dttb
for injection, for intravenous use 21 mg/mL

 **Aybintio®**
bevacizumab

HADLIMA™
adalimumab

Established Brands

SINGULAIR®
(MONTELUKAST SODIUM)

 **Atozet™**
(ezetimibe and atorvastatin, MSD)

Zetia®
(ezetimibe)
10 mg Tablets

 **Propecia®**
(finasteride)

NASONEX®
(mometasone furoate monohydrate)
Nasal Spray, 50mcg*
*calculated on the anhydrous basis

Number of
products

13

5

49

 **ORGANON™**