



ALK releases its annual report 2017

February 6, 2018

Copenhagen, 2018-02-06 07:30 CET (GLOBE NEWSWIRE) --

The Board of Directors of ALK ([ALKB:DC](#) / [OMX: ALK B / AKABY / AKBLF](#)) today considered and approved the 2017 annual report with the following highlights^[1]:

Q4 2017 performance

Q4 results were in line with ALK's most recent outlook, released on 4 December 2017:

- Revenue increased to DKK 763 million (754). In local currencies, revenue grew 4%.
- 59% growth in tablet sales: strong European growth and first ACARIZAX[®] sales in North America.
- Sales of legacy SCIT and SLIT-drops products continued to be weakened by supply constraints.
- Operating profit (EBITDA) was DKK 61 million (96) and ended at the upper range of expectations.

See page 81 in the attached annual report for further details on Q4.

Full-year performance

Overall performance was as expected and in line with guidance, mainly reflecting market normalisations in Europe after the market disruptions, which boosted ALK revenue and operating profit to record-highs in 2016. Earnings were as anticipated impacted by significant investments in the build-up in North America, in retaining market leadership in Europe, in the roll-out of ACARIZAX[®] and in establishing a robust product supply chain:

- Revenue decreased DKK 2,910 million (3,005); in local currencies, revenue was down 2%.
- Market leadership retained in Europe, including key market France, despite some revenue flowing back to the major competitor and ALK's supply constraints causing significant loss of sales.
- Revenue in Europe exceeded pre-market disruption levels of 2015 organically by 18%.
- Tablet revenue exceeded DKK 500 million for the first time. 140% growth for ACARIZAX[®] sales in Europe; launches into four new markets in 2017, followed by the USA and Spain in January 2018.
- EBITDA was DKK 253 million (642) versus the outlook of DKK 225-250 million.

2018 outlook

The full-year outlook is in line with the preliminary outlook presented on 4 December 2017: Group revenue is expected below 2017 levels while earnings (EBITDA) and free cash flow will be impacted by business investments associated with the transformation of ALK as part of the company's new growth strategy.

- Total revenue projected at around DKK 2.7 billion after DKK 50-75 million negative currency effect.
- Strong growth in European tablet sales expected to be offset by product eliminations, supply constraints and price/reimbursement pressure in some markets.
- North American revenue expected to increase, driven by allergen extracts and ACARIZAX[®]/ODACTRA[™], among others; growth also projected in International markets.
- EBITDA expected at DKK -50 million due to investments in transformation and growth.
- Free cash flow expected at approximately DKK -600 million due to subdued earnings, working capital requirements and CAPEX investments.

See page 9 in the attached annual report for a detailed review of the 2018 outlook.

"We have initiated a transformation of ALK that will last three years and aims at changing ALK to a broader-based allergy company and stimulating a new era of growth. Financially, 2018 promises to be the toughest year in the transformation, with pressure on the top-line and our overall financial resources due to the remedial actions and investments required to fix and grow ALK. However, we expect double-digit revenue growth from 2019 onwards with numerous potential upsides. When we succeed in transforming the company, we will be well placed with an ALK capable of delivering sustainable, double-digit growth, and in the longer term, raising margins to specialty pharma levels," says ALK's President & CEO, Carsten Hellmann.

^[1] Comparative figures for 2016 are shown in brackets / revenue growth is stated as growth in local currencies.

Audio cast

Today, ALK is hosting a conference call at 11.00 a.m. (CET) where Management will review the results and the outlook, and answer questions. The call will be audio cast on <http://ir.alk.net/>, where the presentation will be available shortly before the call begins.

Participants in the conference call are kindly requested to call in before 10.55 a.m. (CET). Danish participants should call in on tel. +45 7022 3500 and international participants should call in on tel. +44 (0) 20 7572 1187 or +1 646 722 4972. Please use the following participant pin code: 31464541#

For further information please contact:

Carsten Hellmann, President & CEO, tel. +45 4574 7576

Investor Relations: Per Plotnikof, tel. +45 4574 7527, mobile +45 2261 2525

Media: Jeppe Ilkjær, tel. +45 7877 4532, mobile +45 3050 2014

This information is information that ALK-Abelló A/S is obliged to make public pursuant to the EU Market Abuse Regulation.

This news release was distributed by GlobeNewswire, www.globenewswire.com – a Nasdaq company