



Six-month interim report (Q2) 2018

August 15, 2018

Better than expected performance in Q2 (unaudited)

ALK's financial performance in Q2 was better than expected and full-year outlook has been improved. The execution of ALK's new growth strategy is on track, with good progress being made on the commercialisation of SLIT-tablets – these saw 36% growth globally – and the US launch of ODACTRA™ progressing as planned. The roll-out of ALK's new Consumer Care division and the ongoing drive for improved efficiencies are also advancing better than expected.

Q2 2018 highlights:

- Total revenue was DKK 715 million (691). Revenue growth was 5% in local currencies. Exchange rates reduced reported revenue growth by approximately 2 percentage points.
- Global SLIT-tablet sales grew by 36% to DKK 183 million (134).
- Global SCIT/SLIT-drops sales were down 3% to DKK 410 million (426). The decline was largely attributable to planned portfolio rationalisations and the ongoing negative effect of previous production capacity constraints.
- Operating profit (EBITDA) of DKK 10 million (16) was ahead of ALK's expectations and benefitted from higher than expected sales and faster than anticipated capture of operational efficiencies and savings.
- In the first half-year, total revenue was DKK 1,467 million (1,480) and operating profit was DKK 102 million (156).
- In the first half-year, free cash flow was minus DKK 201 million (minus 533).

Progress on the four strategic priorities

1. In North America, the roll-out of ACARIZAX®/ODACTRA™ continues, and in the key US market, the increase in new patients and prescribers is progressing according to plan and managed care coverage expands better than planned.
2. Commercialisation of the tablet portfolio gained momentum, with the robust uptake of ACARIZAX® continuing following further new launches and approvals. Meanwhile, a regulatory filing for the tree tablet in Europe is imminent and CEDARCURE™ has now been launched by ALK's partner in Japan.
3. Patient engagement and Consumer Care division activities are on track and ALK has seen encouraging growth in web traffic on its digital platforms. The consumer platform klarify.me has been launched in a beta version in its first market as an important first step towards expanding ALK's overall presence in allergy.
4. The drive to optimise and reallocate resources is delivering operational efficiencies. At the same time, output and inventories of SCIT and SLIT-drops have been normalised and robustness in Product Supply is improving and now stabilised. Work to trim the product portfolio continues.

Improved 2018 financial outlook

Full-year outlook has slightly improved compared with the Q1 report, which was released on 4 May 2018.

- Full-year revenue is now projected to be more than DKK 2.8 billion (previously: more than DKK 2.7 billion).
- Operating profit (EBITDA) is now expected at around DKK 50 million (previously around DKK 0), reflecting the better than expected performance in the first half-year and more clarity on market conditions in Southern Europe.
- ALK will continue to invest significantly in the strategic transformation of the company in the second half-year.
- Free cash flow is now expected at around minus DKK 550 million or better (previously: minus DKK 600 million or better).

Hørsholm, 15 August 2018

ALK-Abelló A/S

Comparative figures for 2017 are shown in brackets. Growth rates are stated in local currencies, unless otherwise indicated

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Today, ALK is hosting a conference call for analysts and investors at 1.30 p.m. (CEST) at which Management will review the financial results and the outlook. The conference call will be audio cast on <http://ir.alk.net/>. Participants for the audio cast are kindly requested to call in before 1.25 p.m. (CEST). 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 Participant Pin Code: 95314096#. The conference call will also be webcast live on our website, where the related presentation will be

made available shortly before the call begins.

Attachment

- [FM 10 18UK 15082018](#)