



Nine-month interim report (Q3) 2018

November 9, 2018

Better than expected performance continued in Q3 (unaudited)

Financial results in Q3 were again better than expected and the full-year outlook has been updated accordingly. Execution of ALK's growth strategy saw good progress as the commercialisation of the SLIT-tablets gained further momentum with a 46% growth. The roll-out of ALK's Consumer Care division also continued to advance and further general savings were captured in the quarter.

Q3 2018 highlights

- Total revenue was DKK 661 million (667). This was slightly ahead of expectation and reflects strong growth from SLIT-tablets which was offset by an expected decline in SCIT and SLIT-drops sales. Exchange rates did not materially affect reported revenue.
- Global SLIT-tablet sales grew by 46% to DKK 138 million (95), driven by Europe.
- Global SCIT/SLIT-drops sales were down 11% to DKK 401 million (451), largely as a consequence of product rationalisations and the effect of previous capacity constraints.
- Sales of other products were up 1%, with strong growth from European Jext[®] sales being offset elsewhere.
- Operating profit (EBITDA) was DKK 24 million (36) and ahead of expectations.
- In the first 9 months, total revenue was DKK 2,128 million (2,147) and operating profit (EBITDA) was DKK 126 million (192).
- In the first 9 months, free cash flow was minus DKK 354 million (minus 686).

Progress on the four strategic priorities

- In North America, the focus on rolling-out ACARIZAX[®]/ODACTRA[™] continues, targeting increased acceptance among prescribers, and with the launch of the first US direct-to-consumer campaign aimed at mobilising relevant patients to see an allergist. ALK has growing confidence in the long-term opportunity, however, the exact time scale for a broad uptake remains difficult to predict.
- Commercialisation of the tablet portfolio gained further momentum. An ALK SLIT-tablet is now the most frequently initiated AIT treatment within its indication in 11 European markets while, together, MITICURE[™] and CEDARCURE[™] are unlocking the market opportunity in Japan. All clinical trial activities are on track.
- Patient engagement and Consumer Care division activities are progressing fast. ALK's eCommerce platform was launched in the UK and activities are making headway in Germany, where ALK has launched an award-winning App for patients. ALK also agreed a regional sales and distribution agreement with Bosch Healthcare Solutions for a new diagnostic tool for airway inflammation.
- Efficiency measures are showing continued results, and recent inspections of ALK facilities underlined the improvements that have been made to quality and robustness in product supply.

2018 financial outlook

Full-year outlook has slightly improved compared with the Q2 report, which was released on 15 August 2018.

- Full-year revenue is now projected to be DKK 2,850-2,900 million (previously: more than DKK 2.8 billion).
- Operating profit (EBITDA) is now expected at DKK 50-100 million (previously around DKK 50), reflecting the better than expected year to date performance and more clarity on market conditions in Southern Europe.
- ALK will continue to invest significantly in the strategic transformation of the company in Q4.
- Free cash flow is now expected at minus DKK 500 million or better (previously: minus DKK 550 million or better).

Hørsholm, 9 November 2018

ALK-Abelló A/S

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

For further information, contact:

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

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

Today, ALK is hosting a conference call for analysts and investors at 1.30 p.m. (CET) 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. (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 Participant Pin Code: 43754705#. 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_12_18UK_09112018](#)