



## Six-month interim report (Q2) 2019

August 13, 2019

### Upgraded financial outlook and on track to deliver double-digit growth (unaudited)

In Q2, ALK continued to deliver on its strategy, with broad-based growth across all regions and further strong performance from tablets, which grew by 42%. European approval for the tree pollen tablet marked a major advance for the tablet portfolio which now covers all five major respiratory allergens. With growth of 11% in the first half of the year, ALK remains on course to deliver revenue growth of 10% or more for the full year and the full-year outlook has been updated accordingly.

### Q2 2019 highlights

- Total revenue was up 9% in local currencies at DKK 785 million (715), a new company record for Q2, which spans the low season for AIT. Growth was 11%, disregarding the extraordinary fulfilment of SLIT-drops back-orders in Q2 2018, hence maintaining the momentum.
- Tablet sales grew by 42% to DKK 263 million (183). SCIT sales continued to recover, while sales of SLIT-drops and other products declined.
- There was growth in all sales regions: 7% in Europe, 5% in North America and 42% in International markets.
- Operating profit (EBITDA) was DKK 24 million (10) and benefited from higher revenue and operational efficiencies.
- Free cash flow for the quarter was DKK minus 132 million (minus 126).
- In the first half-year, total revenue was up 11% at DKK 1,652 million (1,467) and operating profit (EBITDA) was DKK 157 million (102).
- In the first half-year, free cash flow was minus DKK 149 million (minus 201).

### Progress on the four strategic priorities

- Commercialisation of the tablet portfolio gained further momentum in Q2. Following its recent European approval, the launch of the tree pollen tablet ITULAZAX<sup>®</sup> is imminent.
- Long-term efforts to develop the SLIT-tablet opportunity in North America continue to deliver a gradual acceptance among key prescribers along with improved prescription depth.
- Digital patient engagement activities exceeded expectations and data from the first pollen season confirm ALK's ability to engage with patients at scale in the UK and Germany.
- New adrenaline auto-injector strategy finalised and announced, with the aim of becoming a major player in the USA
- Efficiency programmes continue to show results, and the site and portfolio strategy remains on track. To simplify and future-proof its production set-up, ALK has divested its part-share of a formulation production line for tablets to production partner Catalent for a total sales price of DKK 95 million. The current partnership remains otherwise unchanged. In relation to the divestment, an impairment loss of DKK 30 million was recognised in Q2 under cost of sales.

### 2019 financial outlook

Based on results for the year to date and the forecast for the second half-year, ALK has updated its full-year outlook:

- Full-year revenue is now projected to be DKK 3,200-3,300 million (previously: DKK 3,100-3,300 million).
- Operating profit (EBITDA) is now expected at DKK 150-250 million (previously: DKK 100-200 million).
- Free cash flow is now expected at approximately DKK minus 300 million (previously: DKK minus 400 million or better).
- ALK continues its investment programme to support the three-year strategic transformation of the company, and the associated business investments will continue to affect operating profit and free cash flow.

Hørsholm, 13 August 2019

**ALK-Abelló A/S**

*Comparative figures for 2018 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 <https://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 3544 5577 and international participants should call in on tel. +44 333 300 0804 or +1 631 913

1422. Please use the Participant Pin Code: 94425937#. 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 15 19UK 13082019](#)