

A world leader in allergy immunotherapy



Q1 2015 results and full-year outlook
Teleconference, 5 May 2015



Agenda

Q1 2015

- Highlights
- Market trends
- Financials

Strategic update

- Supply chain
- Jext[®] transfer of assets
- *Grow* initiatives

Forward-looking session

- News flow
- Outlook

Q&A session



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Q1 highlights

Base business growth at upper end of guidance range



Slight increase in EBITDA before royalties, milestones (b.s.i.*)



Partner income down due to significantly lower milestones



On-going regulatory reviews in Europe and Japan



Full-year outlook unchanged, except for currency impact



*) Before special items

Q1 revenue by geographies*

Europe

- 6% growth, excluding phase-out of Dutch SLIT-drop sales
- SCIT and GRAZAX[®] sales up 5% and 9%, respectively
- Jext[®] sales up after restored markets
- Stabilising markets in Italy and Spain

+4%
↑

North America

- 15% growth in sales of extracts & others to DKK 89m
- DKK 17m income from Merck partnership (96m)

-45%
↓

Int. markets

- Upfront payment from bioSCL + income from Torii
- Product sales down due to fluctuations in China

-4%
↓

* Revenue growth is measured in local currencies

Continued progress in base business

P&L impacted by DKK 77m decline in milestone and upfront payments

DKK million	Q1 2014	Q1 2015
Base business	585	626
SLIT-tablet partnerships	99	24
Revenue	684	650
Gross profit	505	440
Capacity costs	326	339
EBITDA before special items	211	138
EBITDA	206	128
Net financials	9	68
Net profit	108	89
Cash flow from operations	93	31
Cash flow from investments	(54)	(34)
Free cash flow	39	(3)

+4% in local currencies;
+7% in DKK

68% (70%)
margin excl.
milestone
payments

DKK 132m
excl. royalties
& milestones
(DKK 130)

New strategic initiatives

Product Supply

- Three divisions established
- New management in place
- Optimisation of supply chain management, robustness and cost structures
- Q1 special items of DKK 10m, mainly severance pay



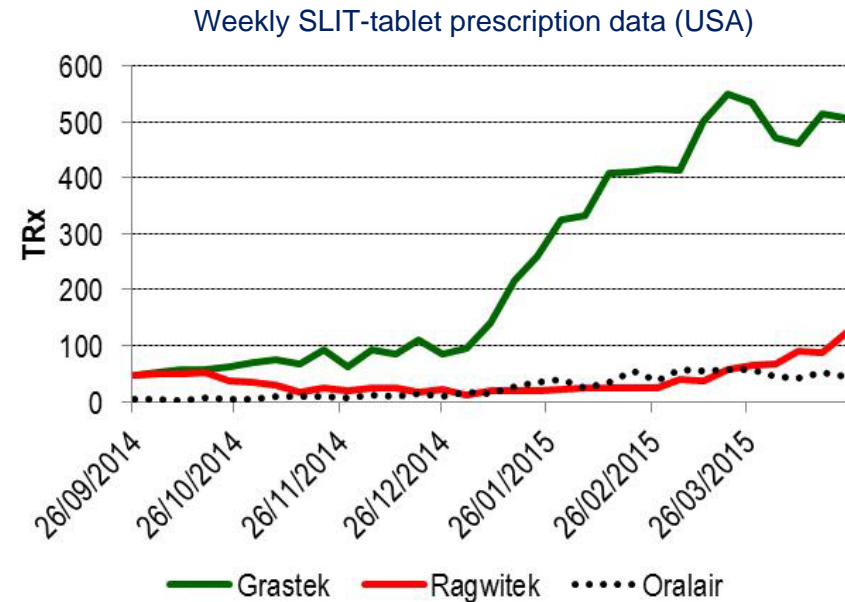
Jext® transfer

- Dedicated Swiss adrenaline business unit dissolved
- Activities to be integrated
- All assets transferred to Danish parent company
- Q2 one-off tax adjustment of approximately DKK 75m

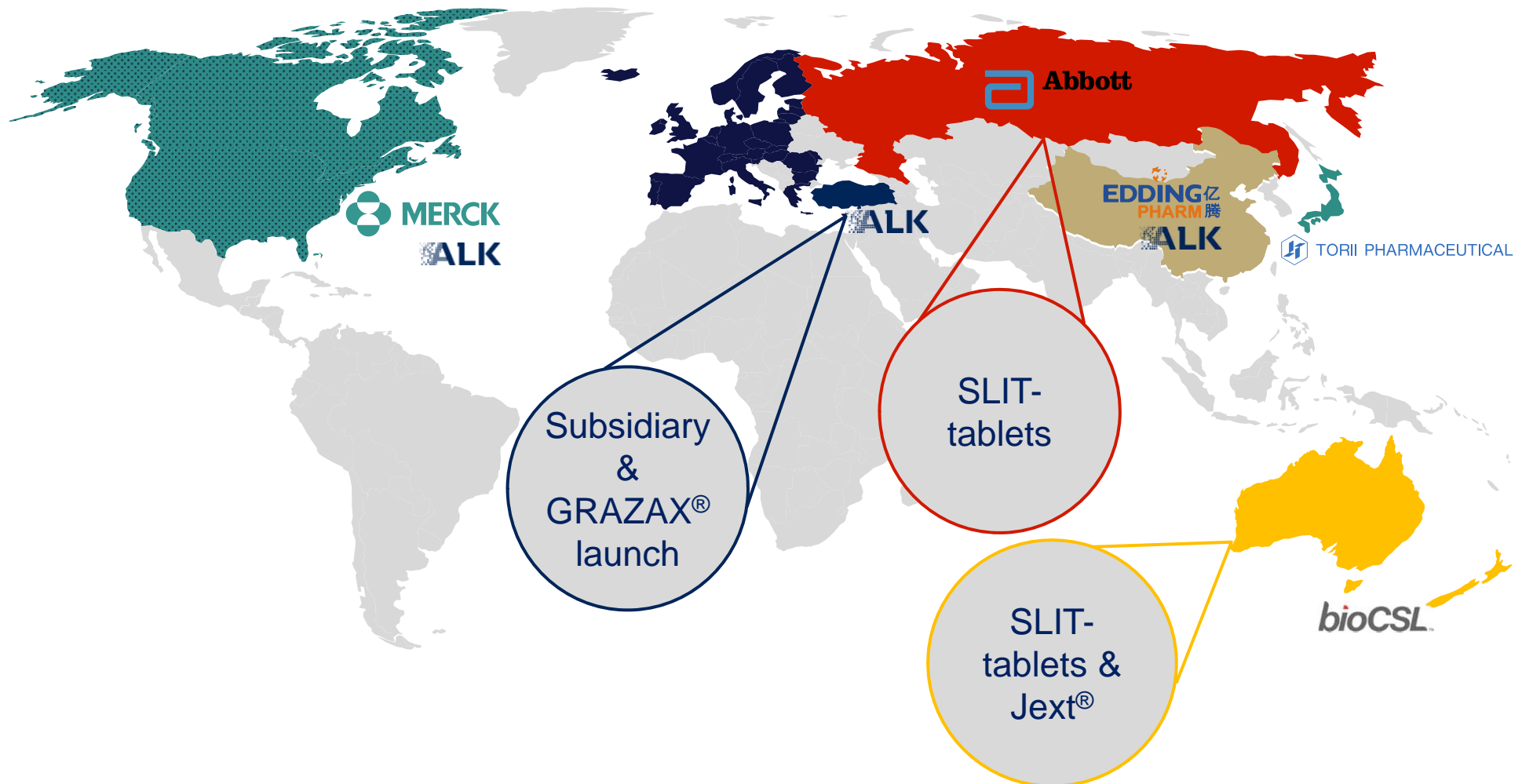


Q1: North American SLIT-tablet sales

- High brand awareness and favourable access
- DKK 2m received in royalties
- Significant barriers to overcome, incl. accept of pre-season initiation
- Basis for better uptake of RAGWITEK[®] relative to GRASTEK[®]
- Long-term potential intact but need cautious view in medium-term



New globalisation initiatives





Forward-looking statements

This presentation contains forward-looking statements, including forecasts of future revenue and operating profit as well as expected business-related events. Such statements are subject to risks and uncertainties as various factors, some of which are beyond ALK's control, may cause actual results and performance to differ materially from the forecasts made. Without being exhaustive, such factors include general economic and business-related conditions including legal issues, uncertainty relating to demand, pricing, reimbursement rules, partners' plans and forecasts, fluctuations in exchange rates, reliance on suppliers, as well as market structure.

An additional factor would be the consequences of potential side effects from the use of ALK's products, as allergy immunotherapy may be associated with allergic reactions of differing extents, durations and severities.

Major pipeline events next 12 months

Pivotal news-flow supporting globalisation of AIT

Events		Exp. timing
Europe	Completion of regulatory review of HDM SLIT-tablet	Q4 2015
	Completion of GAP (<i>GRAZAX Asthma Prevention trial</i>)	Q4 2015/Q1 2016
	Further development of the tree SLIT-tablet	2015/16
North America	Completion of HDM SLIT-tablet (rhinitis) Phase III trial	Q2/Q3 2015
	Submission of BLA for HDM SLIT-tablet	2015/16
	Initiation of paediatric development of RAGWITEK [®]	2015/16
Japan	Regulatory filing of HDM SLIT-tablet	Q1 2015 ✓
	Data from Japanese cedar SLIT-tablet Phase II/III trial	2015/16
	Completion of regulatory review of HDM SLIT-tablet	2015/2016
Rest of world	Regulatory filing of GRAZAX [®] in Russia	2016
	Regulatory filing of grass and HDM SLIT-tablet in Australia	2015/16

Outlook updated to reflect currencies

DKKm	Comments	2014
DKK 2.25-2.35bn base business revenue	<ul style="list-style-type: none"> • Previously DKK 2.2-2.3bn • 0-5% growth, 2-7% excl. Dutch SLIT-drops 	2.2bn
Income from SLIT-tablet partnerships	<ul style="list-style-type: none"> • No guidance provided • Potential DKK 185m milestones in 2015-16 from North America and Japan 	214m
DKK 225-300m EBITDA before special items, sales royalties, milestones	<ul style="list-style-type: none"> • Gross margins impacted by changes in sales mix and capacity build-up • DKK 200m to support long-term growth 	273m
Minor special items	<ul style="list-style-type: none"> • Restructuring costs to <i>Simplify</i> initiatives 	
~DKK 200m CAPEX	<ul style="list-style-type: none"> • SLIT-tablet capacity 	202m
Negative free cash flow	<ul style="list-style-type: none"> • Negative in the range of DKK 100-200m 	101m

Q&A session



Thank you for your attention

Read more: www.alk.net

Upcoming events:

- Deutsche Bank Global Healthcare Conference, Boston, 7 May 2015
- Jefferies Global Health Care Conference, New York, 1-4 June 2015
- Handelsbanken's Mid/Small Cap Seminar, Stockholm, 3 June 2015
- Goldman Sachs Global Healthcare Conference, LA, 9-11 June 2015

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