

A world leader in allergy immunotherapy

Q3 2017 results & full-year outlook
Teleconference
10 November 2017

Today's agenda

Introduction

- Q3 highlights
- Status of business priorities

Performance

- Q3 market trends
- 9M financials

Forward-looking

- Full-year outlook

Q&A session



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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 in this presentation.

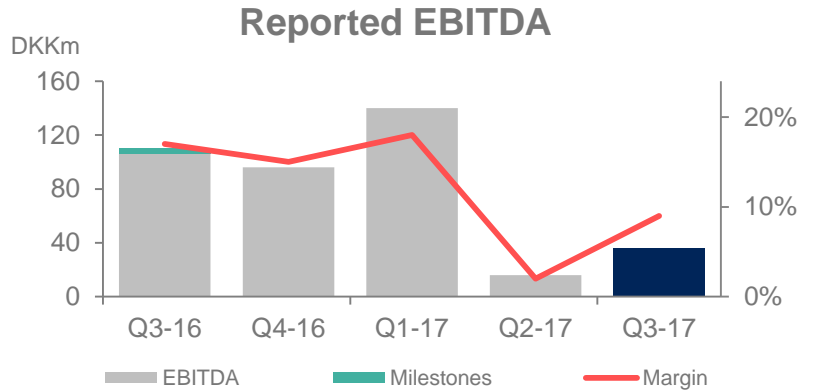
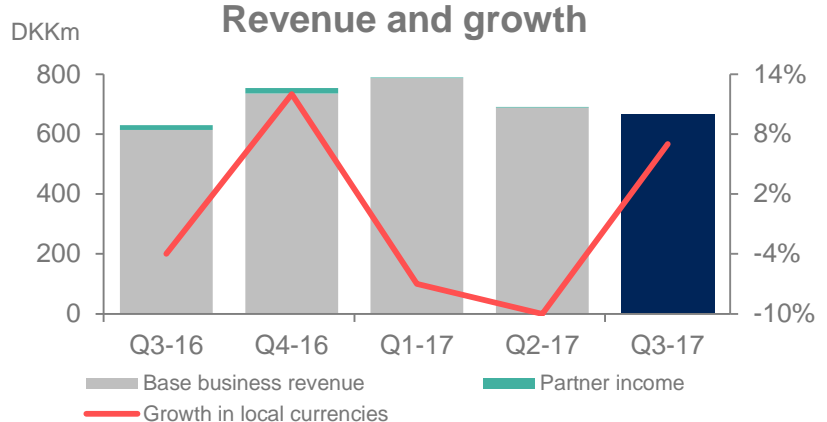
Business investments showing results

Q3 highlights:

- Ready to execute in North America
- Consolidated market leadership in Europe
- Continued progress for ACARIZAX®
- DKK 667m revenue in Q3 (630m)
- Important clinical progress

Two key challenges: Unlocking the USA and future-proofing Product Supply

Updated strategy in December



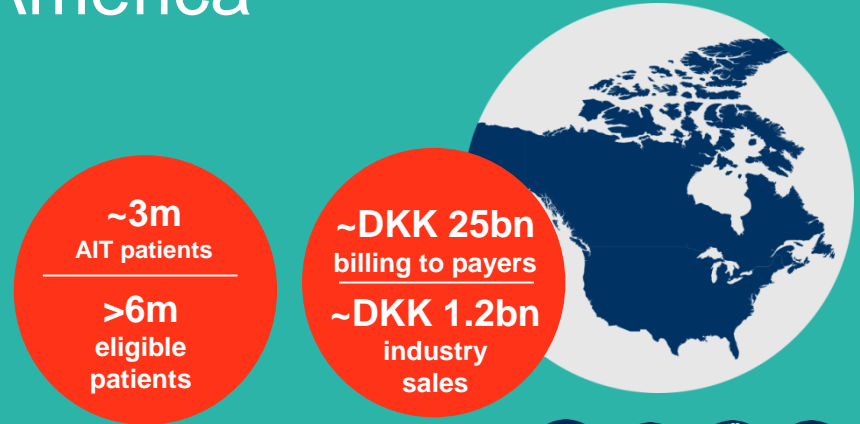
Ready to execute in North America

Status

- Marketing authorisations for SLIT-tablets received from the FDA
- Fourfold field force increase
- ACARIZAX® launched in Canada; pre-launch and early experience programme activities in the USA
- Market access activities progressing well
 - ~50% of potential patients have unrestricted access to reimbursement of ODACTRA™

Next step

- ODACTRA™ activities in the USA
- Multi-year trial in children with allergic asthma



Main allergies:
HDM, grass, ragweed and tree



Leadership in Europe consolidated

Status

- Q3 revenue exceeded Q3-2015 pre-disruption levels by 23%
- ..and Q3-2016 ‘disrupted’ sales by 3%
- Market leadership consolidated

Progress with key activities

- Continued investments in sales/marketing
- Non-stop efforts to build acceptance for evidence-based care



Main allergies:
HDM, grass and tree



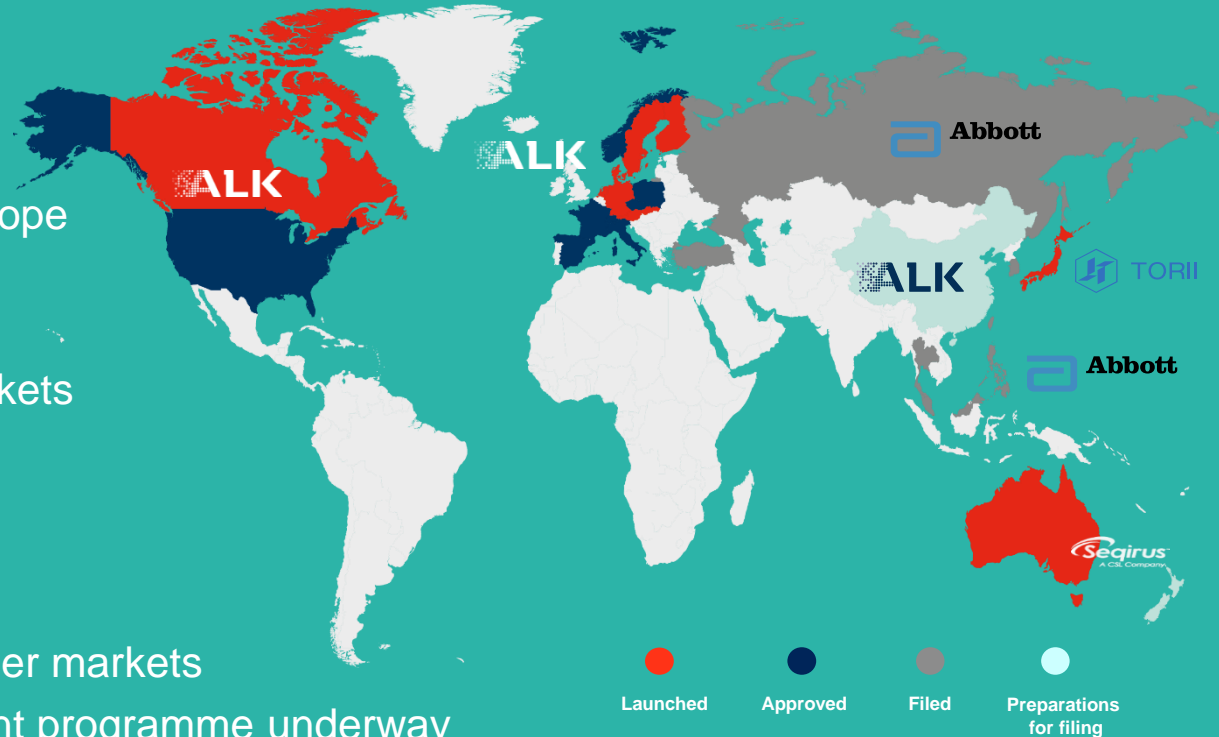
ACARIZAX[®] globalisation

Status:

- ~Doubling of Q3 sales in Europe
- Recent launches in Canada and the Netherlands
- Currently available in 12 markets

Additional roll-out:

- The USA and Spain
- Pricing and reimbursement negotiations advancing in other markets
- Global paediatric development programme underway



ACARIZAX[®] is the trade name for ALK's HDM SLIT-tablet in Europe
 In the USA, the tablet will be branded as ODACTRA[™] and
 as MITICURE[™] in Japan

Robust product supply

SCIT:
Production
upgrades



SLIT-drops:
Capacity
and quality



SLIT-tablets:
Capacity
expansion



- Robust inventories at Hørsholm to be gradually restored in 2018
- Lack of buffer stocks may affect delivery times and sales for some products and markets

- Quality upgrades to Vandeuil facility progressing as agreed with the ANSM

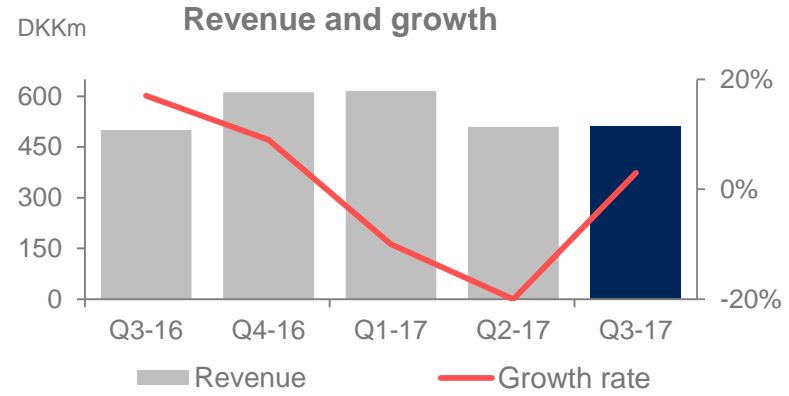
- On track

Europe: Growth picking up as markets normalise

Growth rates are stated as growth in local currencies

DKK 513m revenue (500m)

- 3% growth vs. Q3-2016 'disrupted' sales
- 23% growth vs. Q3-2015 'normal' sales
- High growth in tablet sales

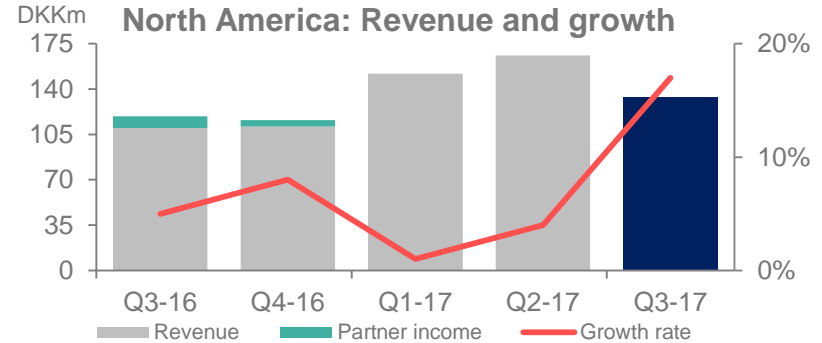


North America & Int'l markets return to growth

Growth rates are stated as growth in local currencies

North America: DKK 134m revenue (119m)

- -9% organic growth, 17% reported growth
- Tablets: Fluctuations at wholesaler levels
- SCIT: Temporary supply constraints
- Other products: Strong growth



Int'l markets : DKK 20m revenue (11m)

- 80% organic growth
- Chinese SCIT sales and tablets to partners



9M 2017 results

DKK million	9M 2017	9M 2016
Revenue	2,147	2,251
Gross profit	1,266	1,520
Capacity costs	1,207	1,064
Reported EBITDA	192	546
Financials, net	(28)	1
Tax	30	191
Net profit	1	234
Free cash flow	(686)	198

59%
gross
margin
(68%)

14%
organic
increase

Outlook: Clarification of revenue guidance

DKK	2016A	2017E	Comments
Revenue	3.0bn	~2.9bn	Previous outlook: DKK 2.8-3.0bn
Gross margin	67%	↓	Changes in product mix, increased fixed costs
Capacity costs	1,476m	↑	Significant growth investments
EBITDA	642m	225-250m	Unchanged
CAPEX	204m	↑	Accelerated investments in capacity and robustness
Free cash flow	201m	~(700m)	Growth investments, inventory build-up, acquisition payments, higher tax payments, working capital

Q&A Session



Thank you for your attention

Read more: www.alk.net

Upcoming events:

- 10 November: Roadshow Copenhagen
- 13 November: Roadshow London
- 14 November: Roadshow Paris
- 16 November: Jefferies Annual Healthcare Conference, London
- 23 November: Roadshow Oslo
- 5 December: Carnegie Healthcare Day, New York
- 11 December: Danske Bank Copenhagen Winter Seminar

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