

Q2 2019 results and full-year outlook

Webcast

13 August 2019



Today's agenda

- **Q2 performance**
 - Q2 highlights
 - Q2 regional sales trends
 - H1 financial results
- **Strategy update**
 - Succeed in North America
 - Complete and commercialise tablet portfolio for all relevant ages
 - Patient engagement and adjacent business
 - Optimise and reallocate
- **Outlook for 2019**
- **Q&A session**



President & CEO
Carsten Hellmann



EVP, Group CFO
Søren Jelert



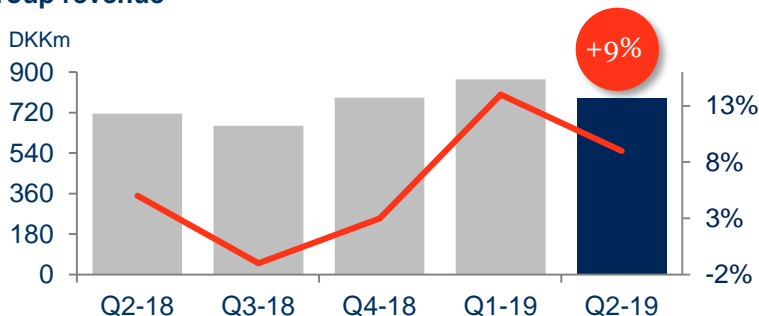
VP, Head of IR
Per Plotnikof

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.

Q2: Strong commercial and strategic momentum

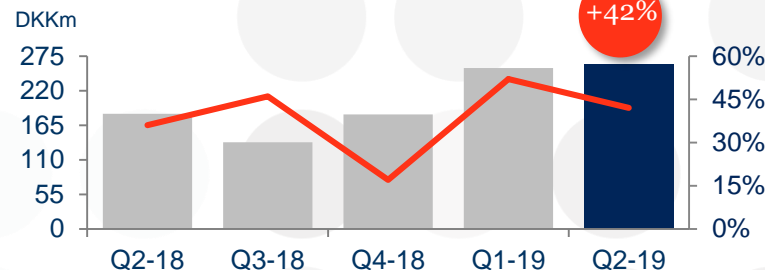
- **Best-ever Q2 revenue**
 - Underlying growth of 11%
 - 42% growth in tablet sales
 - ITULAZAX[®] approved in Europe
 - Further recovery of SCIT sales
 - Consolidation of Jext[®] sales and new AAI strategy for USA
- **Full-year outlook updated**

Group revenue

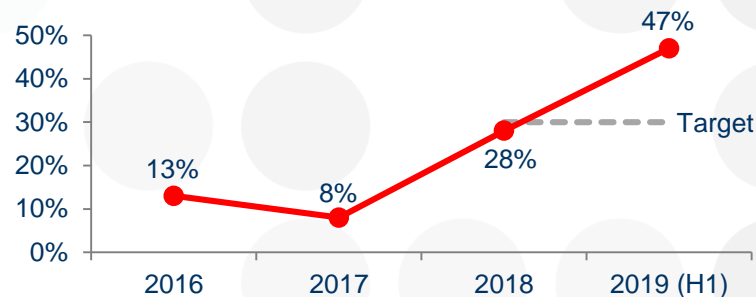


Growth rates are in local currencies

Global tablet sales



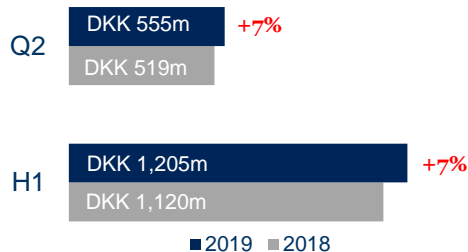
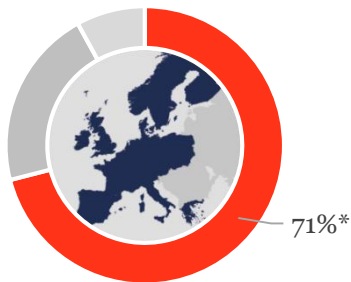
Avg. growth in tablet sales



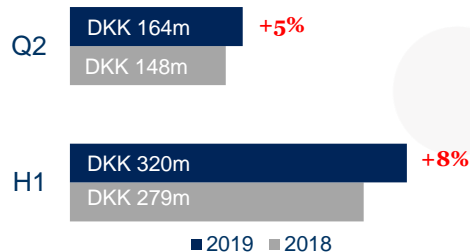
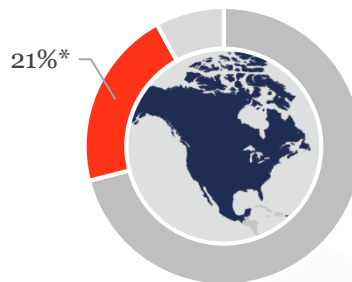
Growth in all sales regions in Q2

Revenue and growth

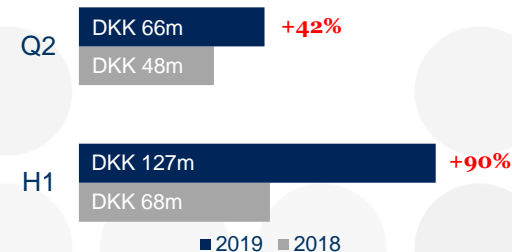
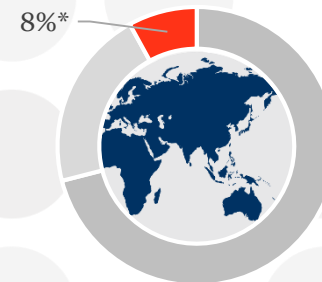
Europe



North America



Int'l markets



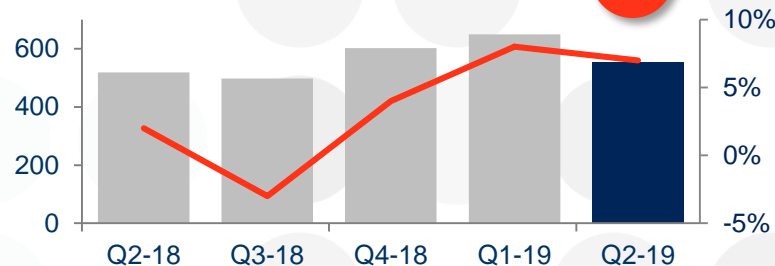
*) Share of revenue Q2

Europe: Double-digit tablet growth in most markets

- Strong uptake of ACARIZAX[®] and GRAZAX[®]
- Continued rebound for SCIT sales
- SLIT-drops sales normalising in France
- Sales of Jext[®] auto-injectors consolidated

Revenue in Europe

DKKm



Growth rates are in local currencies

SLIT-tablets
+36%



SCIT/SLIT-drops
-6%

0%
adjusted

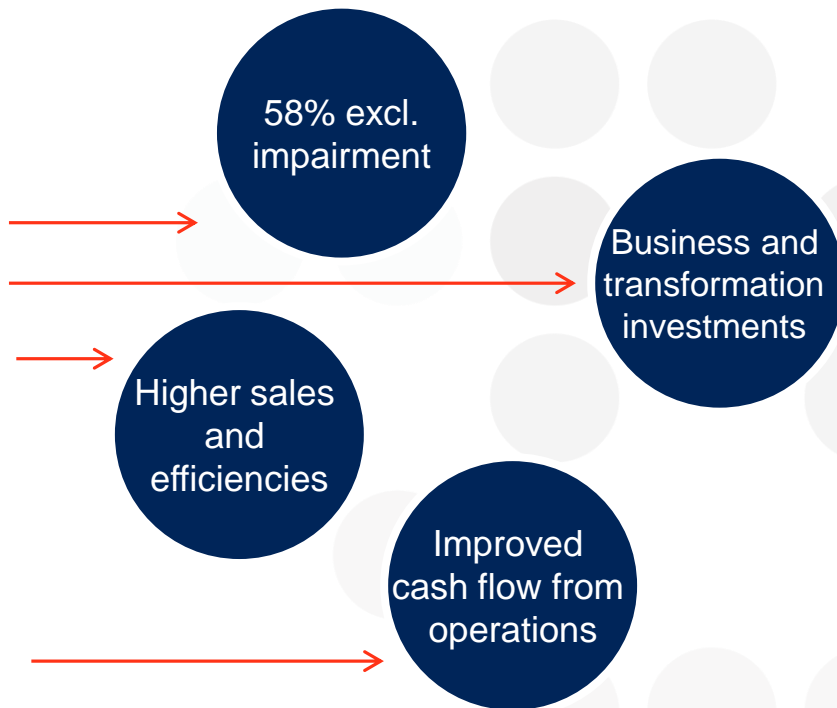


Other
-2%



H1 results better than expected

| DKK million | H1 2018 | H1 2019 |
|---------------------|------------|------------|
| Revenue | 1,467 | 1,652 |
| Gross profit | 826 | 931 |
| <i>Gross margin</i> | <i>56%</i> | <i>56%</i> |
| Capacity costs | 816 | 917 |
| EBITDA | 102 | 157 |
| EBIT | 10 | 14 |
| Net financials | (3) | (20) |
| Tax | 0 | 1 |
| Net profit | 7 | (7) |
| Free cash flow | (201) | (149) |



Execution of strategy on track

Three-year transformation 2018-20

Succeed in
North
America

Complete and
commercialise
tablet
portfolio

Patient
engagement
and
adjacencies

Optimise and
reallocate
resources

Financial ambitions

An ALK capable of delivering sustainable, high revenue and earnings growth

Revenue growth of $\geq 10\%$ annually

Raise margins quickly to specialty pharma levels after 2020

Succeed in North America

Strategic priority No 1

Q2 highlights



ALK continues to target $\geq 10\%$ growth across main product categories



Tablet sales up 19%



SCIT sales up 13%; unexpected decline in sales of non-allergy products



Penicillin Dx expansion awaiting FDA discussions

SLIT-tablets

Progress on key metrics critical to long-term success in the USA

Improved uptake and Rx depth & breadth

Acceptance growing and on-track to double number of 'early adopters' in 2019

Enhancing sales force effectiveness by upgrading skills and replicating successes

Complete and commercialise tablet portfolio for all relevant ages

Strategic priority No 2

Imminent launch of tree tablet



European approval in 17 countries



Regulatory file submitted in Canada



First launches in 2H 2019 under brand name ITULAZAX®



Completion of tablet range to cover the five most important respiratory allergies



Strong commercial and clinical progress

Sales of ACARIZAX®/ODACTRA™ doubled

Double-digit growth in sales of pollen allergy tablets, incl. CEDARCURE™

ACARIZAX® / ODACTRA™ paediatric trials in EU and North America

Pivotal trial with ACARIZAX® in China



Patient engagement and adjacent business

Strategic priority No 3

Engaging digitally with consumers at scale in German and UK launch markets

klarifyme

Messages >100m

klara

Downloads 125,000

FY target

YTD status by end Q2

Online tests 110,000

Online searches 40,000

Adjacent products and services

Partnership to launch next-generation epinephrine auto-injector pen in the USA

Ongoing business development of adjacent products and services



Optimise and reallocate

Strategic priority No 4

Wide-ranging efficiency programme



Production site strategy; focus on supply chain quality, robustness and scalability



Accelerated portfolio rationalisation (~300 product variants phased out vs. 2016)



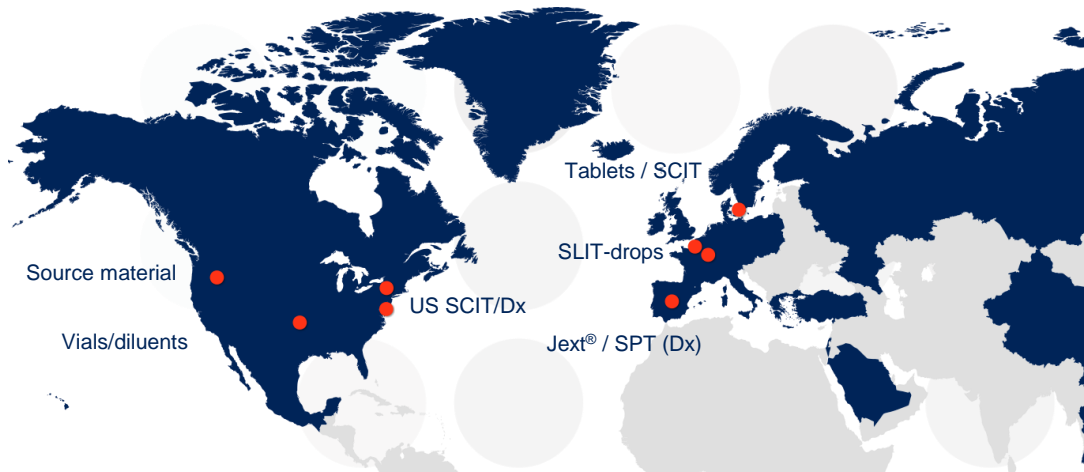
ANSM injunction lifted in France



Divestment of production line dedicated to formulation of tablets

Manufacturing footprint

Centres of excellence



● Production sites

2019 outlook updated

| DKK | 7 Feb. outlook | 9 May outlook | 13 Aug Outlook | Comments | 2018 actuals |
|-----------------------|-------------------|---|-----------------------|--|-----------------|
| Revenue | 3,100- 3,300m | Tracking towards higher end of range | DKK 3,200- 3,300m | Broad-based growth across regions, particularly within tablets. Negative impact from portfolio pruning and SLIT-drops. Minor positive currency impact. | 2,915m |
| EBITDA | 100- 200m | Tracking towards higher end of range | DKK 150- 250m | Incrementally higher gross margins, significantly higher R&D costs, increasing S&M costs. Immaterial currency impact. | 136m |
| Free cash flow | ~(400)m | (400)m or better | Approx. DKK (300)m | Subdued earnings and business investments incl. DKK 200m CAPEX to streamline production. | (294)m |

Assumptions: Current exchange rates. No revenue from acquisitions and/or partnerships. No sizeable payments to M&A/in-licensing.

Q&A session



Thank you for your attention

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