

A world leader in allergy immunotherapy

Q1 2017 results & full-year outlook
Teleconference
9 May 2017

Today's agenda

Intro

- Q1 highlights
- Business priorities

Q1 performance

- Markets
- Financials

Forward-looking

- Newsflow
- Outlook

Q&A session



President & CEO
Carsten Hellmann



EVP, Group CFO
Flemming Pedersen



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.

Q1 results in line with expectations

Growth rates are stated in local currencies

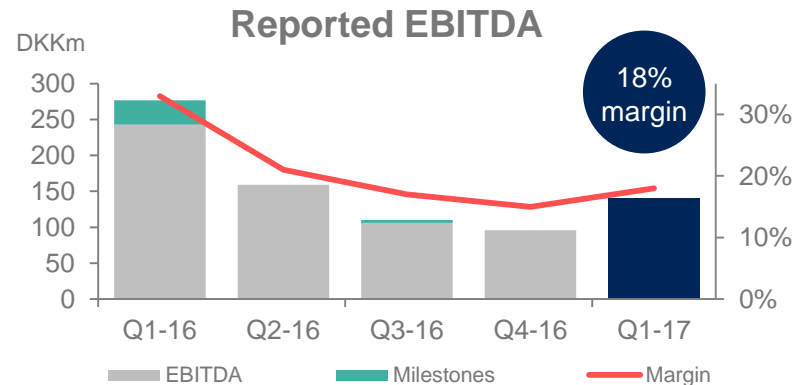
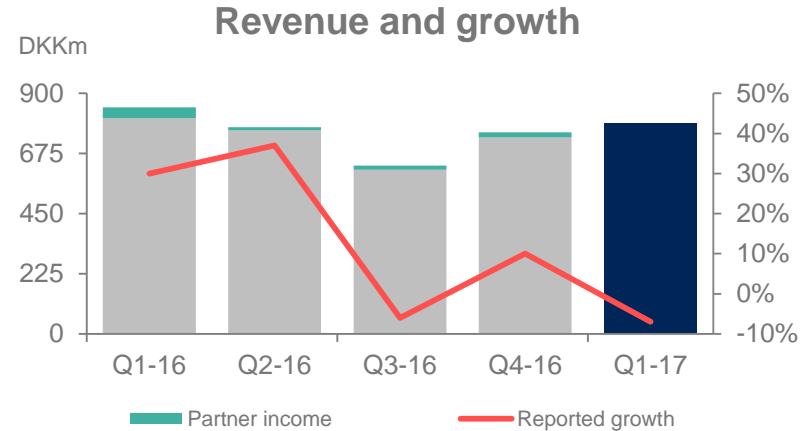
Revenue of DKK 789 million (848)

- 7% decrease vs. Q1-2016
- 18% higher vs. Q1-2015 (organically)

EBITDA of DKK 140 million (277)

- 2016 'disruption' profits reinvested in building growth and robustness
- Q1-2015: DKK 128 million

ALK on course to meet FY guidance

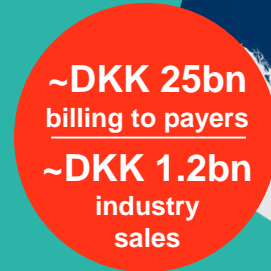
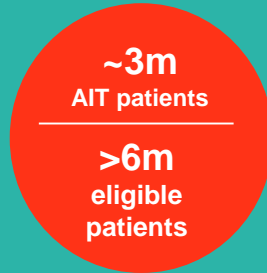
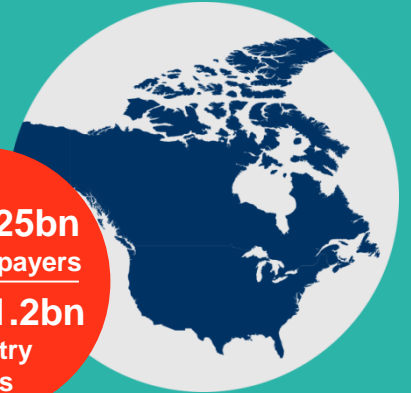


Build-up in North America

~DKK 150 million to support tablet franchise

2017: lay the foundation

- Organisational build-up on track
- Agreement to simplify insurance coverage
- Transfer of Biologics Licenses delayed
- Broader range of solutions
- Prepare ACARIZAX[®] launch
- Extension of label



Main allergies:
HDM, grass, ragweed and tree



Consolidate market share gains

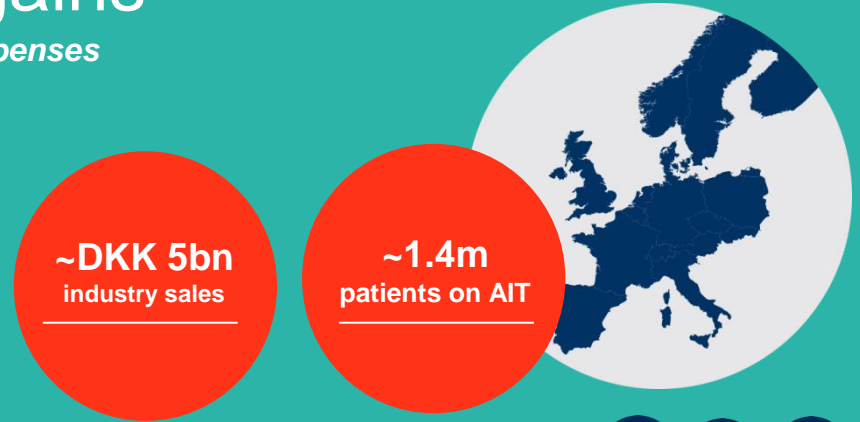
~DKK 50 million in additional sales, marketing and R&D expenses

Activities

- Additional sales resources
- Increased efforts to build acceptance for evidence-based care
- Expansion in Eastern Europe

Status

- Overall market leadership retained



Main allergies:
HDM, grass and tree



ACARIZAX[®] globalisation

Commercial highlights

- Available in nine markets
- ~40,000 patients world-wide
- European sales tripled in Q1

Clinical highlights

- GINA asthma recommendation
- Approval by the FDA and Health Canada
- Adolescent use approved in EU
- Paediatric application in Japan



* ACARIZAX[®] is the trade name for ALK's HDM SLIT-tablet in Europe

Robust Product Supply

DKK 75 million in extra costs, DKK 150-200 million increase in CAPEX

SLIT-drops:

2016 capacity expansion



SCIT:

2016-17 upgrades



SLIT-tablets:

2016-17 expansion



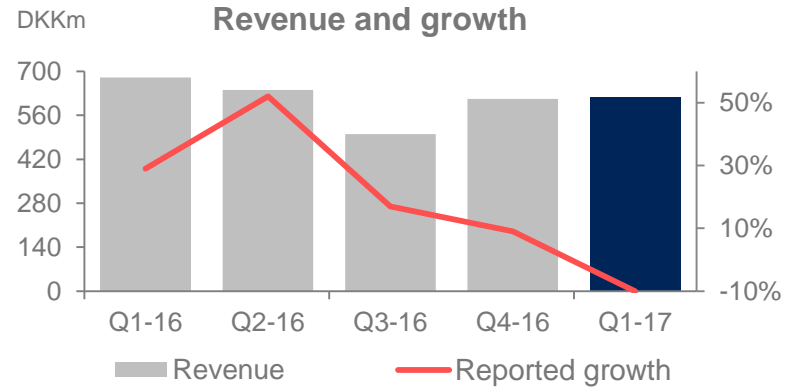
- Staff and upgrades to equipment and facilities
- Output is gradually normalising
- Capacity increases to rebuild stocks

Digitalisation of workflow • IT capabilities and applications • Compliance

Europe: Market disruptions affecting performance

DKK 616 million revenue (681)

- 9% decrease vs. Q1-2016 'disrupted' markets
- 20% increase vs. Q1-2015 'normal' markets
- DKK 50-60 million global impact from temporary reductions of SCIT production capacity



Tablets:
-13%



SCIT/SLIT
-9%



Other:
+2%



North America & Int'l markets: A year of transition

North America: DKK 152m revenue (151)

- 1% growth on a like-for-like basis

Bulk extracts sales affected by SCIT upgrades

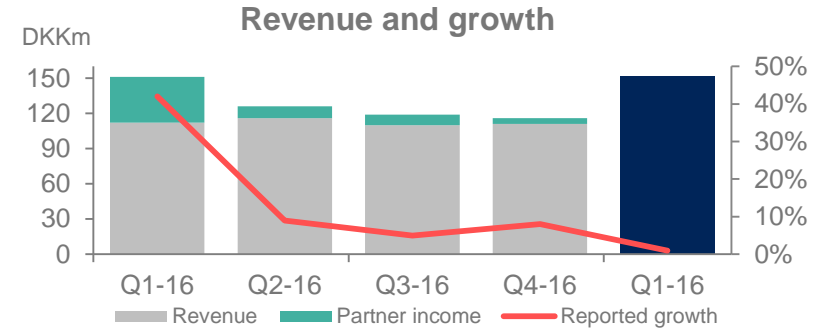
Higher sales of diagnostics and other products

Tablet revenue of DKK 17 million (39)

- DKK 34m milestone payment in Q1-2016
- Transfer of Biologics Licenses delayed

Intl. markets: DKK 21m revenue (+35%)

- New distribution set-up in China
- Progress in Turkey and South-East Asia



Q1 2017 results

DKK million	Q1 2017	Q1 2016
Revenue	789	848
Gross profit	489	602
Capacity costs	393	353
EBITDA	140	277
Financials, net	(8)	(13)
Tax	86	100
Net profit	2	123
Free cash flow	(206)	155

62%
underlying
margin
(70%)

11%
organic
increase

98%
effective
tax rate
(45%)

Future pipeline events – I

Pivotal newsflow concerning all five SLIT-tablets

	Event	Exp. timing	
GRAZAX®			
Russia	Launch after regulatory approval	2017-18	
Australia	Launch after regulatory approval	2017-18	
Ragweed pollen			
Europe	Completion of regulatory review/approval	2018	
Russia	Completion of regulatory review/approval	2017	
Tree pollen			
Europe	Completion of Phase III trial and top-line results	H2 2017	
Japanese cedar			
Japan	Approval of Japanese cedar SLIT-tablet	2017	

Future pipeline events – II

Pivotal newsflow concerning all five SLIT-tablets

ACARIZAX®

Event

Exp. timing

North America

Canada

Launch

~2018

USA

Launch

~2018



Europe

Launches in seven remaining markets

2017-18

Initiation of paediatric development into asthma

2017-18



International markets

South-East Asia, New

Zealand, Turkey

Approvals and launches

2017-18

Russia

Submission of regulatory filing

2017-18

China

Initiation of Phase I clinical trial

2017

Japan

Extension of label to include children

2018



2017 outlook unchanged

DKK	2016A	2017E	Comments
Revenue	3.0bn	2.8-3.0bn	Lower revenue in EU; growth in North America and International markets
Gross margin	67%	↓	Changes in product mix, increased fixed costs
Capacity costs	1,476m	↑	Significant growth investments
EBITDA	642m	~300m	Earnings on 2015-level, excl. milestones
CAPEX	204m	↑	Accelerated investments in capacity and robustness
Free cash flow	201m	Down to (500m)	Growth investments, acquisitions, continued inventory build-up, relatively high tax payments

Q&A Session



Thank you for your attention

Read more: www.alk.net

Upcoming events:

11 May: Copenhagen roadshow

31 May: Danske Bank's Navigating the Nordics Seminar, Stockholm

7 June: Handelsbanken's Nordic Mid/Small Cap Seminar, Stockholm

8 June: Jefferies Global Healthcare Conference, New York

8 September: Goldman Sachs Annual Biotech Symposium, London

Investor Relations:

Per Plotnikof

VP, Head of Investor Relations

Phone: +45 4574 7576

E-mail: ppidk@alk.net