

Q3 2018 results and FY outlook

Webcast
9 November 2018

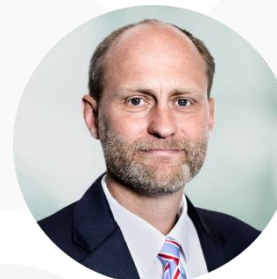


Today's agenda

- Q3 2018
 - Highlights, markets, financials
- Update on business priorities
 - Succeed in North America
 - Complete tablet portfolio
 - Digital engagement and adjacencies
 - Optimise and reallocate resources
- Outlook for 2018
- Q&A session



President & CEO
Carsten Hellmann



EVP, Group CFO
Søren Jelert



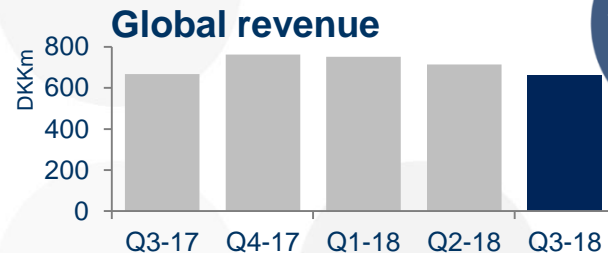
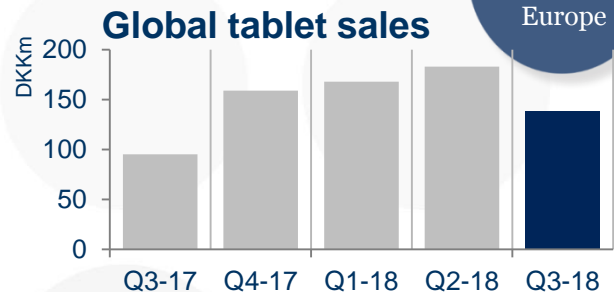
VP, Head of IR
Per Plotnikof

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.

Q3 2018: Better than expected

Continued financial and strategic progress

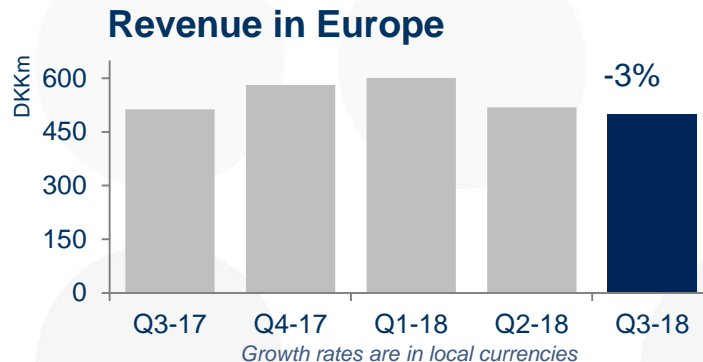
- Execution of strategy on track
- Q3 revenue slightly ahead of expectations
 - Strong, increasing momentum for tablet sales
 - Supply shortfall boosts Jext[®] sales; efforts to globalise business
 - SCIT/SLIT-drops sales down 11%
- EBITDA result better than expected
- Slightly improved full-year outlook



Growth rates are in local currencies

Europe: Sales slightly ahead of plan

- DKK 498m revenue (513)
- Tablet sales grew in all markets
- SCIT/SLIT-drops sales impacted by portfolio pruning and previous capacity constraints
- Efforts to strengthen German SCIT-sales
- Extraordinary spike in demand for Jext[®] auto-injectors



SLIT-tablets
+45%



SCIT/SLIT-drops
-16%



Other
+30%



+47%

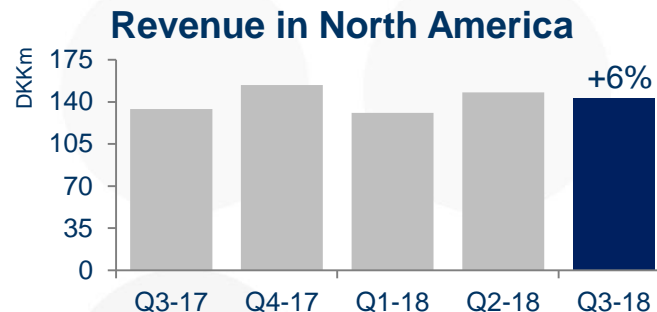
North America & International markets

North America

- DKK 143m revenue (134m)
- Tablets sales up to DKK 15m (4m)
- SCIT sales up 20% to DKK 72m (61m)
- Other products down 21% to DKK 56m (69m)

International markets

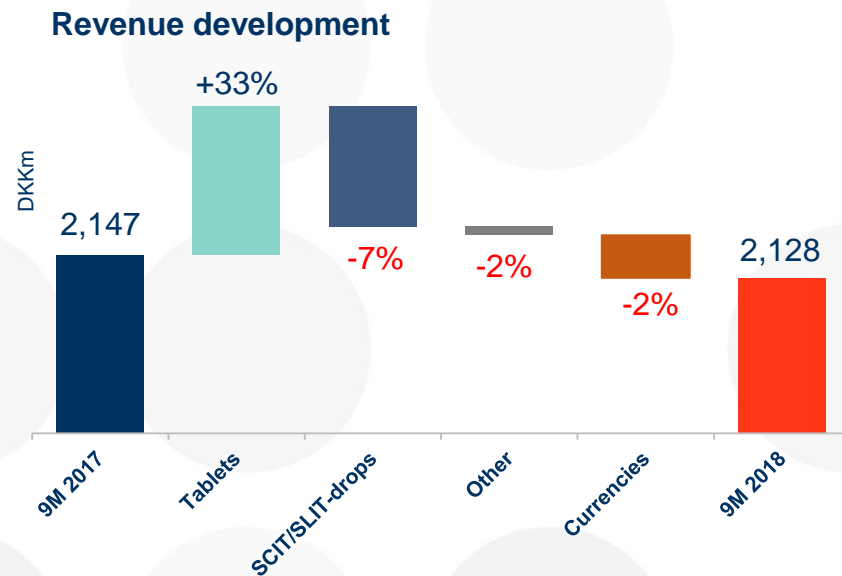
- DKK 20m revenue (20m)
- Growth largely due to shipments to China
- Fluctuations due to current size and scope



Growth rates are in local currencies

9M 2018 results better than expected

DKK million	9M 2017	9M 2018
Revenue	2,147	2,128
Gross profit	1,266	1,199
<i>Gross margin</i>	<i>59%</i>	<i>56%</i>
Capacity costs	1,207	1,214
EBIT	59	(15)
Financials, net	(28)	(5)
Tax	30	4
Net profit	1	(24)
EBITDA	192	126
Free cash flow	(686)	(354)



Growth rates are in local currencies

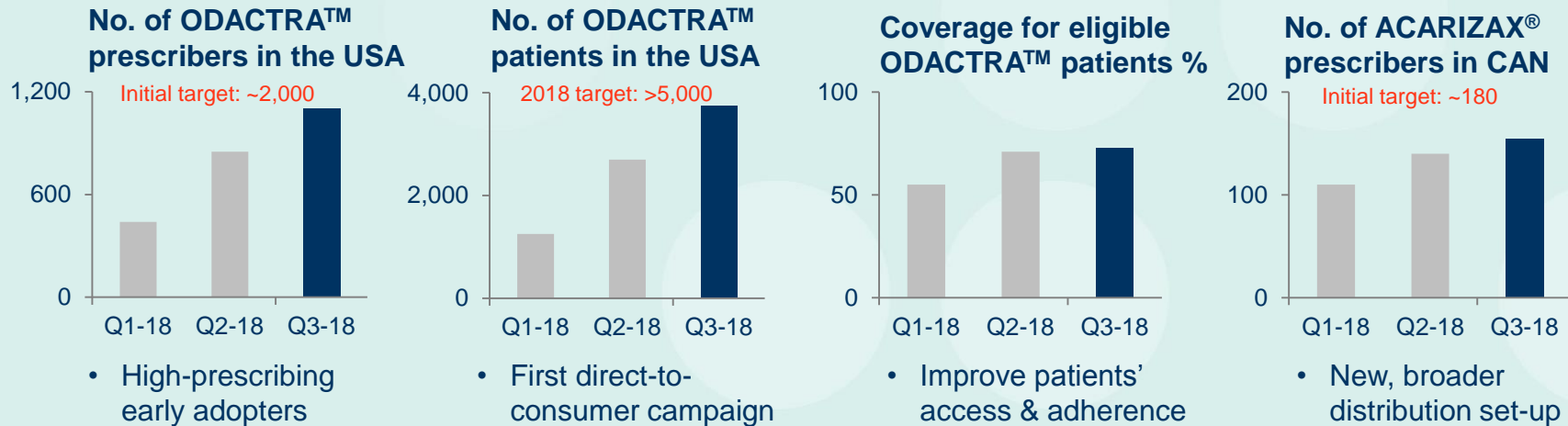
Progress on strategic priorities



The starting point: AIT leadership – SLIT-tablets, SLIT-drops, SCIT and related products

Succeed in North America

Focus on prescriber base as well as expanding managed care coverage



ALK is committed to partnering with allergy specialists to succeed in establishing a scalable business model for the tablets in North America

Complete and commercialise the tablet portfolio for all relevant ages

- ACARIZAX® sales doubled in Q3
 - Strong uptake in France
 - Fast-track development in China
 - Asthma trial recruitment on track
- ACARIZAX® or GRAZAX® the most frequent AIT initiations in 11 European countries
- Paediatric indications key growth driver for MITICURE™ and CEDARCURE™ in Japan
- Tree SLIT-tablet filed in Europe; first launches could take place in H2 2019



ALK is committed to globalising a full portfolio of SLIT-tablets for all relevant ages – adults, adolescents and children – covering the five most common global respiratory allergies

Build patient engagement and adjacencies

ALK will drive digital patient engagement with the aim of supporting people with allergy better and earlier in their disease journey

klarify.me consumer platform

- Launched in the UK – first non-AIT market
- 100,000 hits in Germany in September



Vivatmo breath measurement system

- Biomarker for people with allergy
- Easily integrated into HCP practices
- Results are available immediately



Sale of ~50 products grow month by month



KLARA app

Personalised pollution and pollen app

20,000

downloads in UK and Germany since launch

allergiecheck.de
FÜR EIN LEBEN OHNE ALLERGIE

+30%
traffic growth
year-on-year

+200%
search for
doctors

+100%
in no. of
searchable
doctors

Optimise and reallocate resources

- Upgrades to robustness, scalability and quality delivering results
- SCIT and SLIT-drops production and inventories at desired levels
- Portfolio rationalisation on track: ~200 product variants phased out
- Higher organisational efficiency

New site strategy to increase specialisation and synergies
Centres of excellence



ALK will improve efficiency by strengthening its competencies and structures as well as simplifying processes, particularly within product supply

2018 outlook adjusted slightly

9M results
better than
expected

Strong
growth in
tablet sales

Faster
capture of
savings and
efficiencies

Increased
strategic
investments
in Q4

DKK	2017 Actual	2018E February 6	2018E May 4	2018E August 15	2018E November 9
Revenue	2.9bn	~2.7bn	>2.7bn	>DKK 2.8bn	DKK 2.85-2.90bn
EBITDA	253m	~(50)m	~0m	~DKK 50m	DKK 50-100m
Free cash flow	(745)m	~(600)m	(600)m or better	DKK (550)m or better	DKK (500)m or better

Q&A Session

Thank you for your attention

Upcoming events:

- 13 November: IR roadshow, Copenhagen
- 14 November: Jefferies Healthcare Conference, London
- 15 November: IR roadshow, London
- 20 November: IR roadshow, Frankfurt
- 21 November: IR roadshow, Switzerland
- 23 November: ABGSC Nordic Opportunities, London
- 29 November: DNB Nordic-American Life Science Conference, New York
- 30 November: IR roadshow, New York

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