

Q1 2019 results and full-year outlook

Webcast
9 May 2019



Today's agenda

- Q1 performance
 - Highlights
 - Regional sales trends
 - Results
- Brief strategy update
 - Succeed in North America
 - Complete & commercialise tablets
 - Digital engagement and adjacencies
 - Optimise and reallocate resources
- Outlook for 2019
- Q&A session



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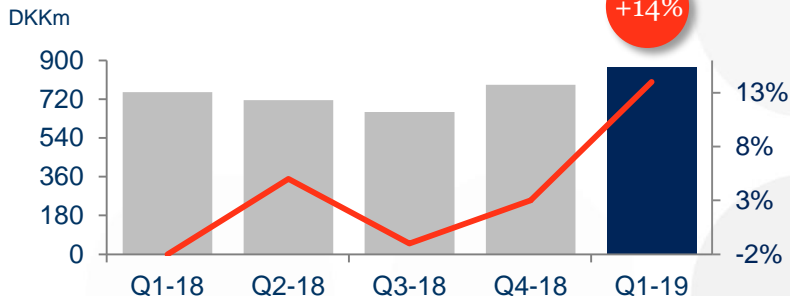
This presentation contains forward-looking statements, including forecasts of future revenue and operating profit, as well as expected business-related events. Such statements are subject to risks and uncertainties, as various factors, some of which are beyond ALK's control, may cause actual results and performance to differ materially from the forecasts made in this presentation.

Q1: Broad-based growth of 14% across all regions

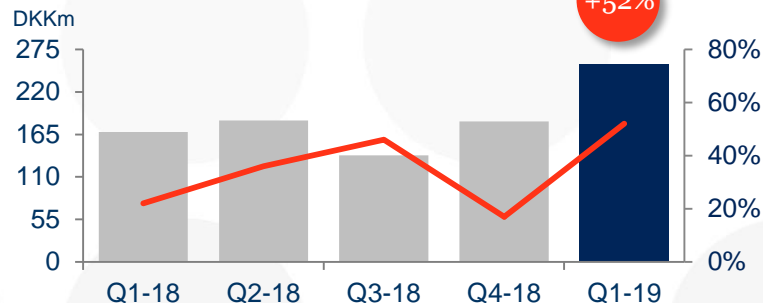
Best ever quarterly revenue of DKK 867m (752)

- 52% growth in tablet sales
- Further stabilisation of SCIT/SLIT-drops
- Progress with strategic transformation

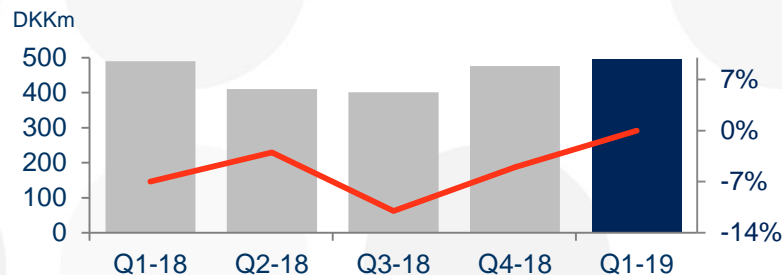
Group revenue



Global tablet sales



SCIT/SLIT-drops sales

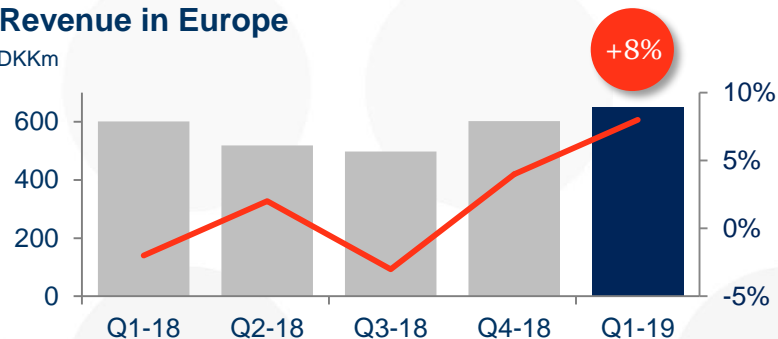


Europe: Double-digit tablet growth in most markets

- DKK 650m revenue (601), slightly ahead of plan
- First growth in 11 quarters for SCIT-sales in Germany and rebound in other markets
- Spike in demand for Jext® auto-injectors expected to ease off after normalisation of market supply

Revenue in Europe

DKKm



Growth rates are in local currencies

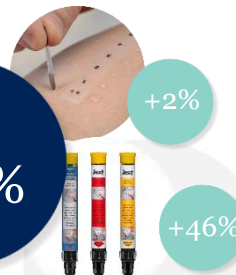
SLIT-tablets
+34%



SCIT/SLIT-drops
-3%



Other
+24%

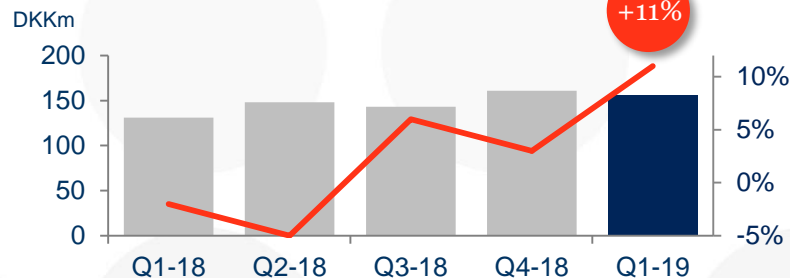


North America & International markets

North America

- DKK 156m revenue (131)
- Tablets up 50%
- SCIT up 8%
- Other products up 7%

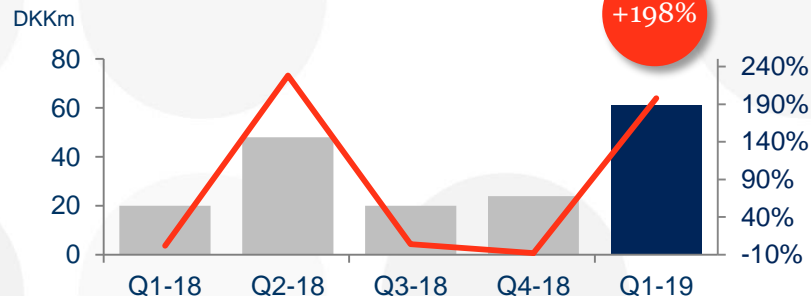
Revenue in North America



International markets

- DKK 61m revenue (20)
- Significant growth in tablet sales in Japan
- Fluctuations due to current size and scope

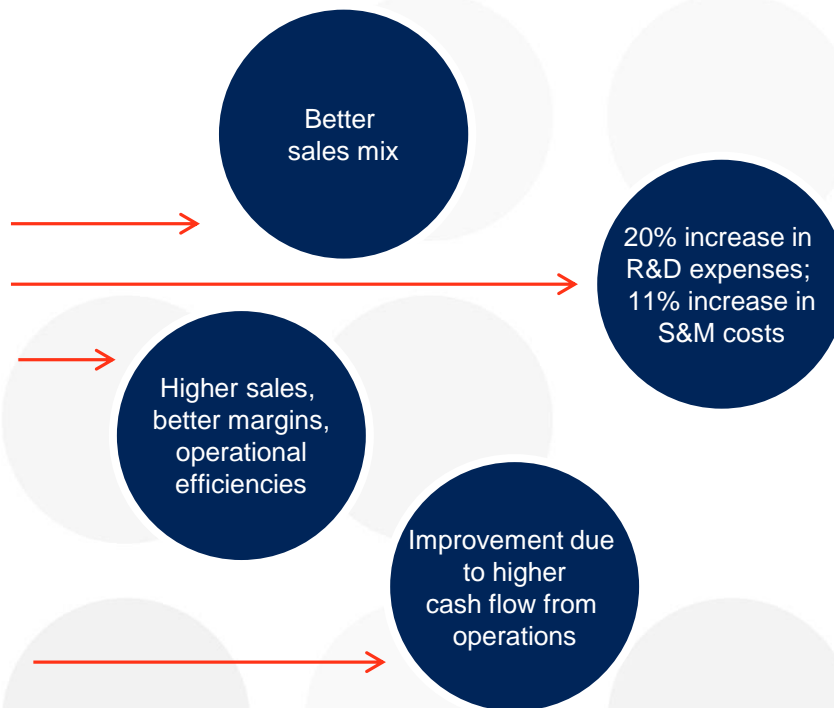
Revenue in International markets



Growth rates are in local currencies

Q1 results better than expected

DKK million	Q1-2018	Q1-2019
Revenue	752	867
Gross profit	440	532
<i>Gross margin</i>	<i>59%</i>	<i>61%</i>
Capacity costs	393	456
EBITDA	92	133
EBIT	47	76
Net financials	(21)	(2)
Tax	2	(15)
Net profit	24	89
Free cash flow	(75)	(17)



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

Highlights

≥10% On track to deliver double-digit sales growth across main product categories



Tablet sales up to DKK 20m



Growth from SCIT and other products



Penicillin expansion awaiting FDA discussions

SLIT-tablets

Improved uptake and Rx depth & breadth

DTC continued in Q1 to mobilise patients

Acceptance growing & on-track to double number of 'early adopters'

Continuing to refine field force effectiveness and tactics

Complete and commercialise tablet portfolio

Strong, commercial momentum



HDM tablet sales more than doubled



Double-digit growth in grass tablet sales



Growth in sales of other tablets, driven by CEDARCURE™



Ongoing structural shift in markets favouring registered products. Expansion into new markets and segments

Progress in ongoing clinical activities



Ongoing regulatory review of tree tablet in the EU



ACARIZAX® / ODACTRA™ paediatric and adolescent trials in EU and North America
Pivotal trial with ACARIZAX® in China

Build patient engagement and adjacencies

Engagement tools proving effective in 2019 in German and UK test markets

klarify.me
for allergy and asthma support

Messages 20m

klara

Downloads 100,000

FY target

YTD status
by end Q1



Online tests 85,000



Online searches 45,000

Adjacent products and services

Piloting sales of consumer products via selected pharmacy chains in test markets of Germany and the UK

Ongoing business development activities on additional adjacencies



Optimise and reallocate resources

Wide-ranging efficiency programme



Maintain supply chain quality, robustness and scalability



Continue portfolio rationalisation (>250 product variants phased out vs. 2016)



Increase efficiency to improve margins, new production site strategy

Manufacturing footprint

Centres of excellence



2019 outlook slightly updated

DKK	7 Feb. outlook	9 May outlook	Comments	2018 actuals
Revenue	3.1-3.3bn	Higher end of 3.1-3.3bn range	Broad-based growth across regions and products, particularly within tablets. Negative impact from portfolio pruning and SLIT-drops. Minor positive currency impact.	2,915m
EBITDA	100-200m	Higher end of 100-200m range	Incrementally higher gross margins. Significantly higher R&D costs, increasing S&M costs. 40m positive impact from IFRS16. Immaterial currency impact.	136m
Free cash flow	~(400)m	(400)m or better	Subdued earnings and strategic investments incl. DKK 200-250m CAPEX to streamline/specialise 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

Upcoming events:

10 May: Roadshow, Copenhagen

14 May: ABG Spotlight on Nordic Opportunities, Frankfurt

15-16 May: Roadshow, London

29 May: Nordic Biotech & Pharma, Copenhagen

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