



A world leader in
allergy immunotherapy

Q3 results and 2014 outlook

Tele conference, 14 November 2014



Agenda

- Q3 highlights
- Q3 market & product trends
- 9M financials
- Full-year outlook
- Focus 2018 strategy
- Q&A session



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Forward-looking statements

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.

Without being exhaustive, such factors include general economic and business-related conditions including legal issues, uncertainty relating to demand, pricing, reimbursement rules, partners' plans and forecasts, fluctuations in exchange rates, reliance on suppliers, as well as market structure.

An additional factor would be the consequences of potential side effects from the use of ALK's products, as allergy immunotherapy may be associated with allergic reactions of differing extent, duration and severity.

Q3 highlights

Good performance in base business



12% sales growth for SCIT products, 12% growth in GRAZAX[®] sales



Re-introduction of Jext[®] progressing well



Full-year earnings outlook unchanged at approx. DKK 450 million



Pipeline develops as planned: Imminent filing of HDM SLIT-tablet



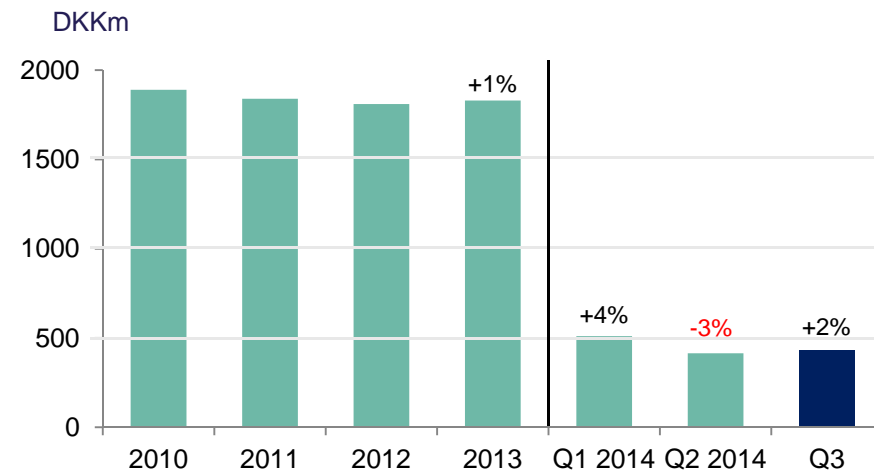
All growth rates are stated in local currencies

Europe: Back to growth

Q3: DKK 428 million revenue (+2%)

- 4% growth disregarding Jext®
- Mixed market conditions: growth in a. o. Germany, France and Nordic
- 7% growth for SCIT and 12% growth for SLIT-tablets (GRAZAX®)
- Further decline in SLIT-drop sales, steep decline in the Netherlands
- *Simplify* initiatives drive efficiencies
- Initiatives to broaden patient access to allergy immunotherapy

Revenue in Europe

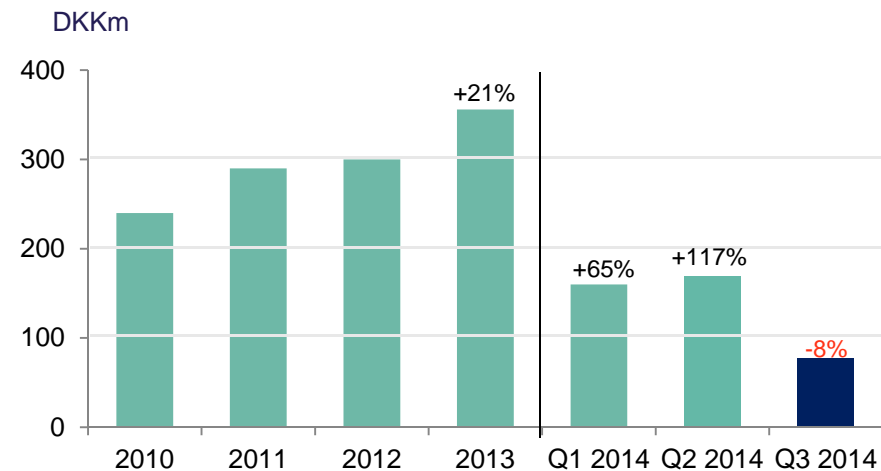


North America: 18% growth for non-partnered products

Q3: DKK 77 million revenue (-8%)

- Merck partnership: DKK 2 million
 - R&D support / product supply last year
 - As expected, limited income from product supply and royalties this year
- ALK North America: +18% growth
 - Allergen extracts and other products to allergists and specialists

Revenue in North America

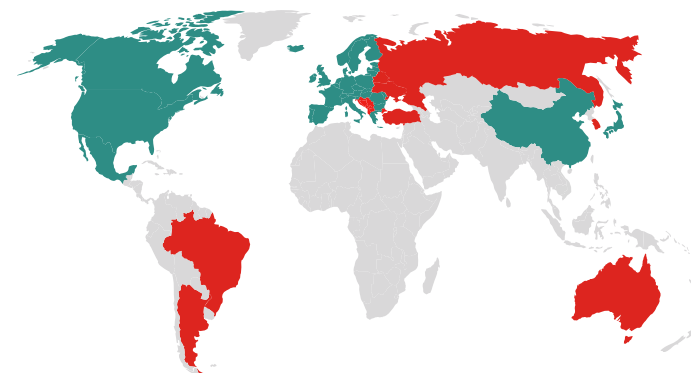
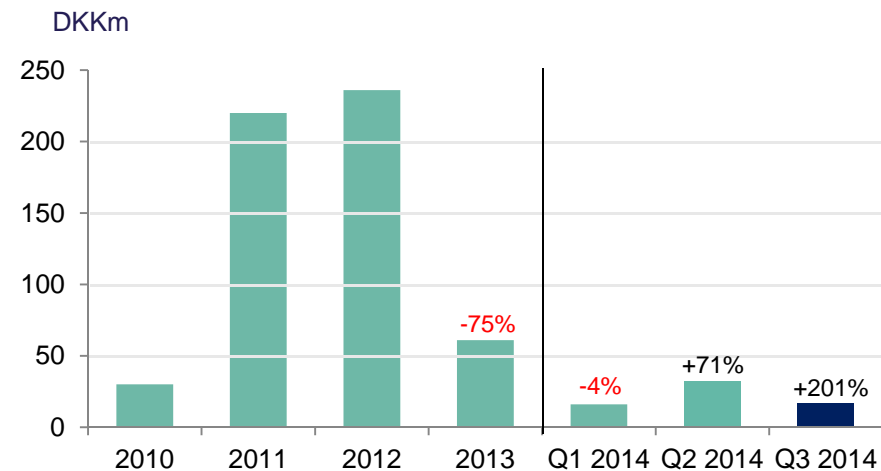


International markets: Increased sales from China

Q3: DKK 17 million revenue (+201%)

- Eddingpharm collaboration adds to growth in Chinese franchise
- Abbott partnership for emerging markets progresses as planned
- ALK continues to assess partnerships and initiatives for other new markets

Revenue in International markets



■ Existing markets
 ■ Markets of interest

9M: Revenue and earnings growth

DKK million	9M-2013	9M-2014
Revenue	1,651	1,821
Gross profit	1,143	1,272
Capacity costs	1,087	997
EBITDA before special items	148	377
EBITDA	141	347
Net profit	21	165
Cash flow operations	2	163
Cash flow investments	(156)	(137)
Free cash flow	(154)	26

DKK 180m
milestones &
royalties
(DKK 30m)

Margin raised
by milestone
payments

DKK 197m
excl. royalties
& milestones
(DKK 111)

2014 earnings outlook unchanged

DKKm	Outlook 2014	Comments	2013 actuals
Revenue	~2.4bn	- Unchanged	2,244
EBITDA before special items	~450	- Unchanged	258
CAPEX	~200	- Unchanged	253
Free cash flow	Positive	- Unchanged	-85



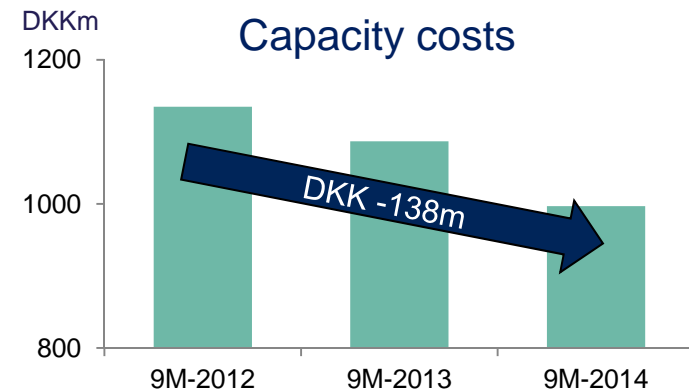
UPDATED
STRATEGY PLAN

Towards a global ALK

Building on the momentum of the previous plan

Key achievements 2012-14:

- Capacity costs lowered via efficiencies
- SLIT-tablet portfolio globalised
- Profitability improved



Key priorities 2015-18:

- Profitable growth in base business
- Partnerships to increasingly add to growth in revenue and earnings
- *Grow, Innovate and Simplify* remain the strategic framework



Measures to drive revenue growth

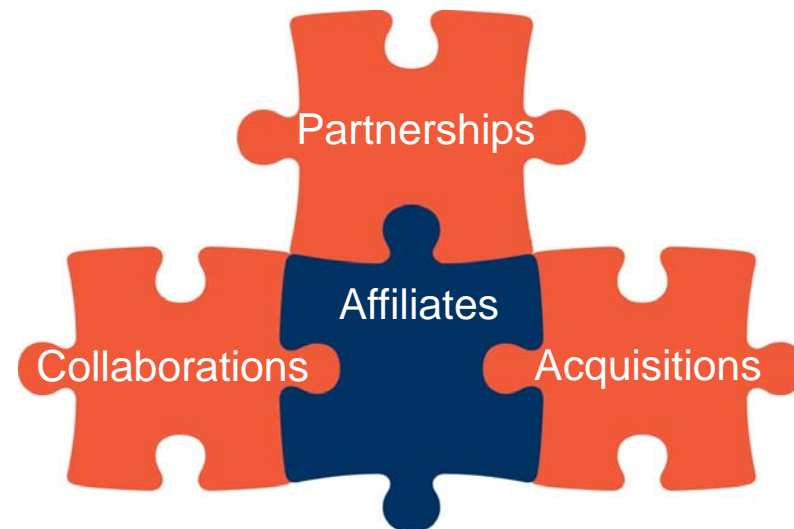


Key initiatives in base business

- EU: Re-introduction of Jext[®]
- EU: HDM SLIT-tablet launch
- EU: Allergy Unlocked[™] initiative
- Growth in China / North America
- Entry into new markets in Asia/Pacific, the Middle East and South America



Key growth contributors: SLIT-tablets in North America, Japan and emerging markets



Completion of SLIT-tablet portfolio



	Product	Pre-clinical	Phase I	Phase II	Phase III	Filing (exp.)	Marketed
	GRAZAX® Grass ARC	█	█	█	█		2007
	GRAZAX® Asthma prevention	█	█	█	█	2016	
	HDM SLIT-tablet HDM rhinitis/asthma	█	█	█	█	2014	
	Tree SLIT-tablet Tree ARC	█	█	█	█	TBC***	
	GRASTEK®* Grass ARC	█	█	█	█		2014
	RAGWITEK™* Ragweed ARC	█	█	█	█		2014
	HDM SLIT-tablet* HDM rhinitis	█	█	█	█	TBC	
	HDM SLIT-tablet** HDM rhinitis	█	█	█	█	Early 2015	
	Japanese cedar SLIT-tablet Cedar tree ARC	█	█	█	█	TBC	

ARC: allergic rhinoconjunctivitis
HDM: house dust mites

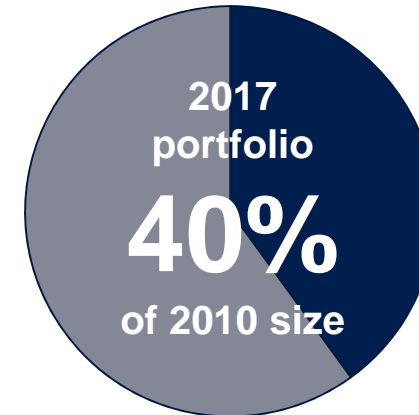
*) Licensed to Merck for North America
**) Licensed to Torii for Japan
***) To be communicated

Continued optimisations



- Portfolio optimisation takes out ~600 minor products and variants
- Consolidation of product supply network on track
- Average annual investments of DKK 200-250m – mainly upscaling of tablet production
- Further optimisations of structures, processes and governance
- Special items of approx. DKK 200m in the years 2012-2016

European product pruning



Strategic growth outlook 2015-18

Strategic premises:

- Low single-digit market growth in EU
- Higher market growth outside Europe

0-5% growth in base business* p.a.

- Growth expected to pick up in the latter part of the strategy period
- Earnings to gradually improve

SLIT-tablet partnerships expected to increasingly add to growth in revenue and earnings



*i.e. defined as total revenue excluding revenues from partnerships for the SLIT-tablets in North America and International markets

Q&A session



Thank you for your attention

Read more: www.alk.net

Upcoming events:

19 Nov 2014: Jefferies Healthcare Conference, London

3 Dec 2014: Danske Bank Markets Winter Seminar, Copenhagen

8 Jan 2015: Oddo Forum, Lyon

9 Jan 2015: SEB Nordic Seminar, Copenhagen

9 Feb 2015: Annual report 2014 and 2015 Outlook

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