

Putting ALK on the right growth trajectory

2017 results and 2018 outlook

Teleconference
6 February 2018



Today's agenda

- Introduction
- Performance
- Strategy
- Outlook
- Q&A session



President & CEO
Carsten Hellmann



EVP, Group CFO
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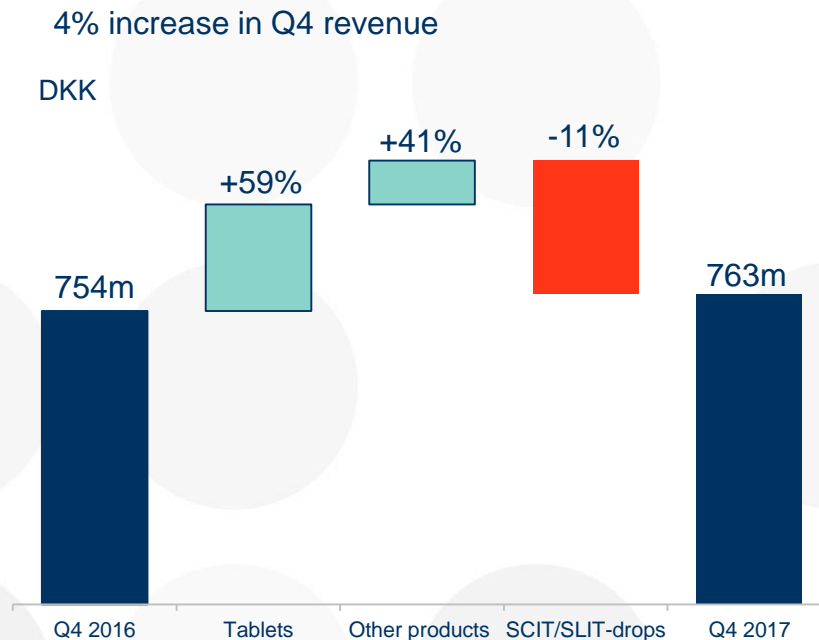


VP, Head of IR
Per Plotnikof

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.

Q4 2017 highlights

- Revenue up 4% in local currencies to DKK 763 million (754)
- EBIT of DKK -139 million (55)
 - Production costs and R&D impacted by one-off write-downs of DKK 152 million
 - Increasing S&M costs reflecting strategic business investments
- EBITDA of DKK 61 million (96)



Growth rates are stated in local currencies

2017 revenue highlights

FY revenue of DKK 2.9 billion; 2% decline in local currencies

Products

SCIT and SLIT-drops

Temporary supply constraints
Market normalisation in France

-12%

SLIT-tablets

DKK >500 million in total tablet sales
17% growth excluding 2016 milestones

+8%

Other products and services

ALOK acquisition
Momentum for Jext®

+49%

Markets

Europe

Market normalisation after 2016 disruptions
Leadership consolidated: +18%* versus 2015

-9%

North America

ALOK acquisition and tablets drive overall growth
Bulk extract sales weakened by supply constraints

+21%

International markets

New sales and distribution set-up in China
Build-up in Turkey and the Middle East

+48%

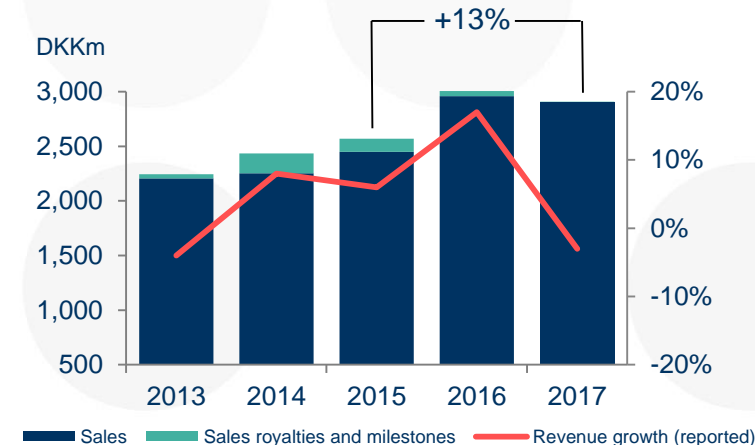
Growth rates are stated as growth in local currencies

**Organic growth*

2017 results

DKK million	2017	2016
Revenue	2,910	3,005
Gross profit	1,642	1,997
<i>Gross margin</i>	56%	66%
Capacity costs	1,724	1,525
EBIT	(80)	479
Financials, net	(42)	8
Tax	36	217
Net profit	(158)	270
EBITDA	253	642
Free cash flow	(745)	201

Total revenue



New strategy

- Deliver sustainable $\geq 10\%$ p.a. revenue growth
- Raise earnings margins to specialty pharma levels as quickly as possible



Succeed in North America

- ACARIZAX®/ODACTRA™ launched in Canada and the USA
- Sales force now fully engaged with target specialists
- Still early days, but encouraging initial feedback



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

Complete the tablet portfolio for all relevant ages

- ACARIZAX®: Additional launches in Spain, the Netherlands and France
- ACARIZAX®: Approval in Japan for use in young children expected soon
- ACARIZAX®: Paediatric asthma trial soon to start recruiting patients in Europe and North America
- Ragweed SLIT-tablet approved in EU and Russia
- Regulatory filing of tree SLIT-tablet in preparation



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

Patient engagement and adjacencies

- New consumer care division established
- H1 2018: web-store with range of allergy-relevant consumer products to be added to current digital platform in Germany
- Launch of new digital platform in other markets later in 2018



ALK will drive digital patient engagement with the ultimate aim of supporting people with allergy earlier in their disease journey and creating new value from ALK's expanded allergy presence

Optimise and reallocate resources

- Commercial Operations and Product Supply merged
- Intensified efforts to prune portfolio and improve robustness



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

Key business priorities for 2018



Europe

- Grow tablet sales
- Restore production robustness and inventories for legacy products
- Phase out selected legacy products
- Submit registration application for tree SLIT-tablet
- Establish digital platform for patient engagement



North America

- Develop business models for tablets
- Initiate 5,000 patients on ODACTRA™
- Grow value of legacy products
- Enrol patients in paediatric asthma trial



International markets

- Grow business in selected focus markets
- Launch SLIT-tablets in new markets and indications

2018 revenue outlook

Europe



- Tablet growth
- Product eliminations and capacity constraints
- Price and reimbursement pressure
- Growth in Other products

North America



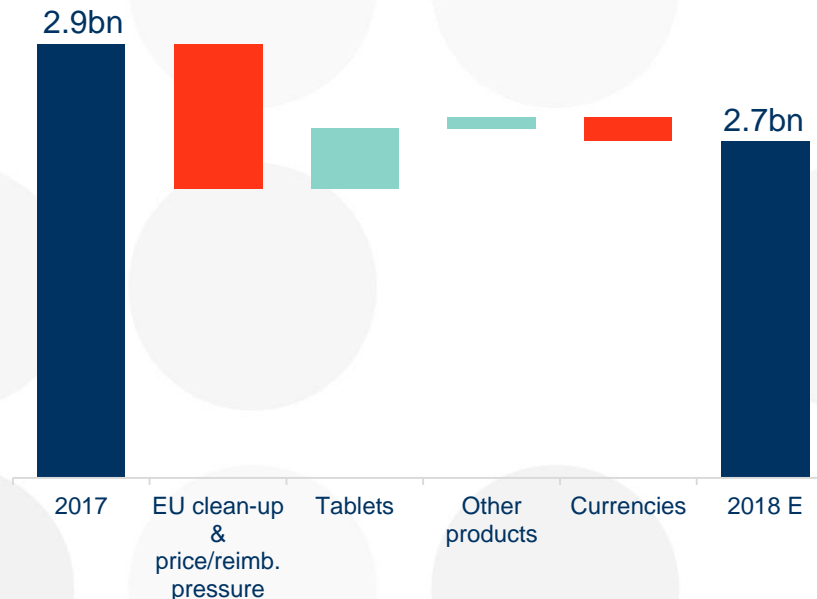
- Tablet growth
- Product eliminations
- Increasing value of legacy products

Int'l markets



- Tablet growth

Expected revenue development



No sales from new adjacent products and services included in the outlook

2018 outlook

DKK	2017A	2018E	Comments
Revenue	2.9bn	~2.7bn	Strong growth in tablet sales offset by product eliminations, supply constraints and price/reimbursement pressure. Negative currency effect of DKK 50-75 million, based on current exchange rates
EBITDA	253m	~(50)m	Lower revenue, declining gross margins, full-year effect of build-up in North America, ACARIZAX [®] /ODACTRA [™] launches
Free cash flow	(745)m	~(600)m	Subdued earnings, working capital requirements, including tablet inventories and CAPEX investments

Q&A Session

Thank you for your attention

Upcoming events:

06 February: Roadshow Copenhagen

13 February: Roadshow Zürich

14 February: Roadshow Madrid

15 February: Roadshow Frankfurt

28 February: Roadshow Benelux

02 March: Roadshow Oslo

15 March: Carnegie Healthcare Seminar, Stockholm

15 March: Økonomisk Ugebrevs Kapitalmarkedseftermiddag, Copenhagen

25 April: ABG Sundal Collier Small & Mid Cap Seminar, Copenhagen

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