



100

years and counting

Q2 2023 presentation

Nordea – 25 August 2023

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Claus Steensen Sølje, CFO & EVP
Per Plotnikof, Head of IR

ALK

Agenda and presenters

- Highlights
- Performance
 - Market trends
 - Product trends
 - Financials
- Strategy update
 - Overall progress
 - Indicators for EU tablet sales
 - Medium- and long-term tablet drivers
- 2023 outlook
- Q&A session



President & CEO
Carsten Hellmann



EVP, Group CFO
Claus Steensen Sølje



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. The coronavirus pandemic, and the extent and duration of countermeasures against the virus, represent additional uncertainties that may also affect forward-looking statements.

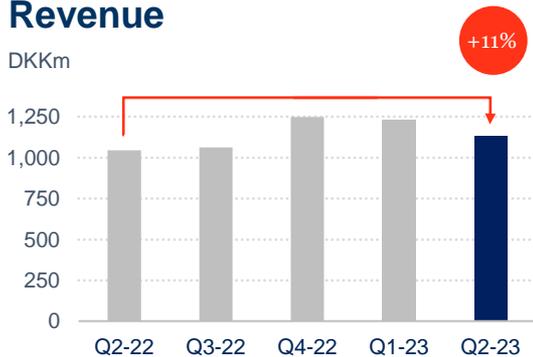
Solid Q2 results as expected

FY revenue outlook narrowed; earnings outlook unchanged

- 11% revenue growth fuelled by tablets and SCIT
- Tablet sales up 17%, driven by Int'l markets and North America
 - Encouraging leading indicators for new tablet patients in Europe
 - Global tablet opportunity remains strong
- SCIT and SLIT-drops sales increased by 13%
- Operating profit up 120% on sales growth and margin expansion

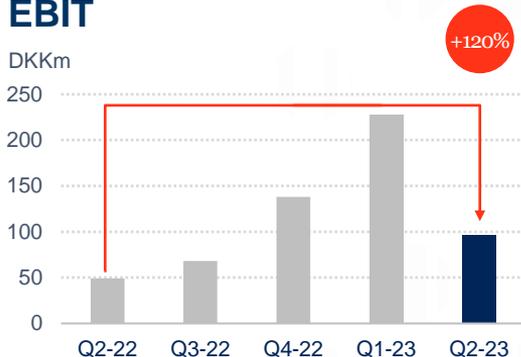
Revenue

DKKm



EBIT

DKKm



Revenue and EBIT growth rates are stated in local currencies

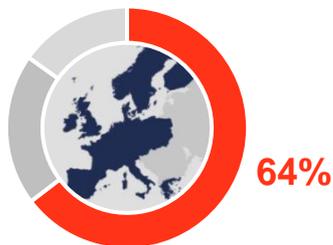


Growth lead by Int'l markets and North America

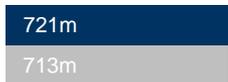
European sales impacted by Jext[®] and trailing effect of lower intake of new tablet patients in past initiation season

Europe

Share of Q2 revenue



Q2



+2%

H1

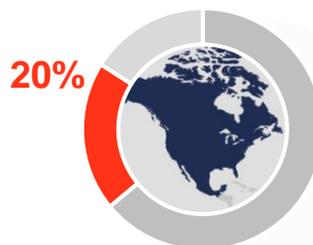


+5%

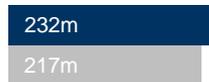
■ 2023 ■ 2022

North America

Share of Q2 revenue



Q2



+10%

H1

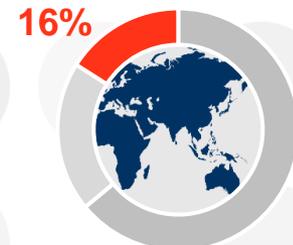


+9%

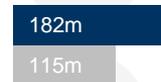
■ 2023 ■ 2022

International markets

Share of Q2 revenue

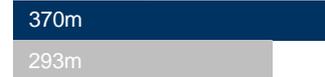


Q2



+64%

H1



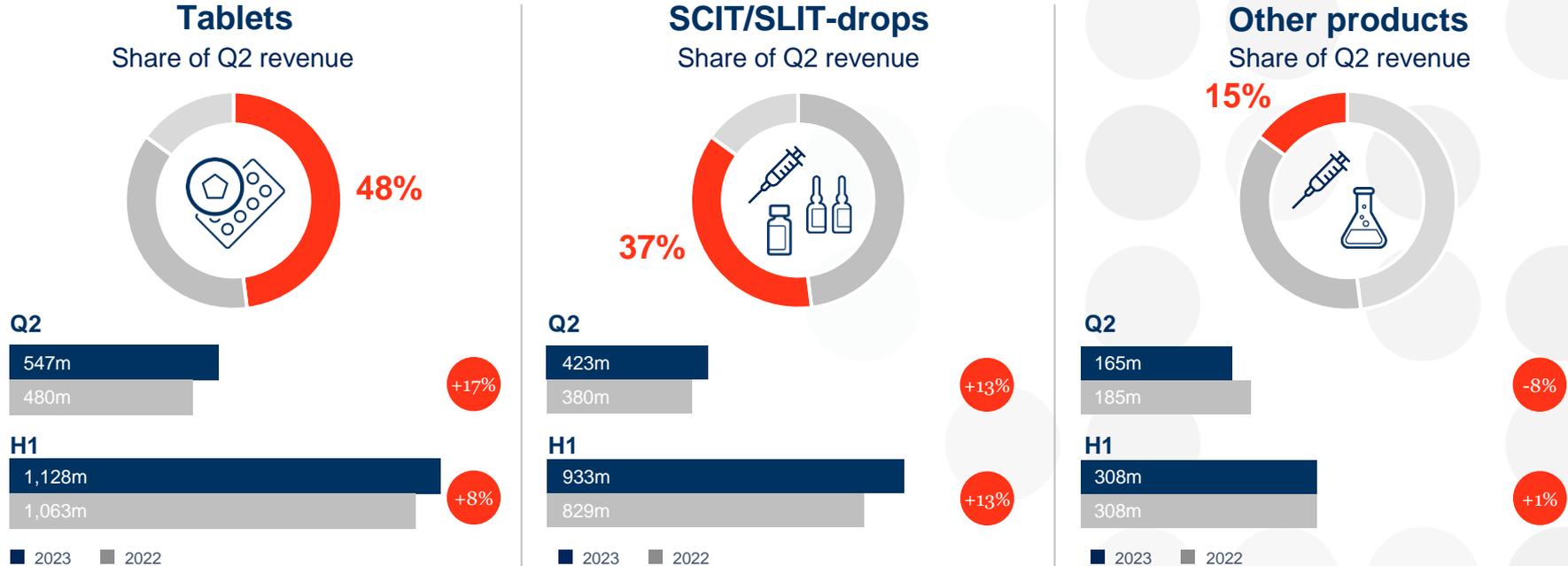
+30%

■ 2023 ■ 2022

Sales in all regions expressed in DKK – Organic growth rates are stated in local currencies

Tablet growth driven by revenue from Torii in Japan

Broad-based, double-digit growth in SCIT/SLIT-tablets continues



Sales in all regions expressed in DKK – Organic growth rates are stated in local currencies

Sales growth drives margin improvements in H1

DKK million	H1 2022	H1 2023
Revenue	2,200	2,369
Gross profit	1,380	1,506
<i>Gross margin</i>	63%	64%
Capacity costs	1,116	1,181
EBIT	264	325
<i>EBIT-margin</i>	12%	14%
Free cash flow	93	(48)

● 10% growth in local currencies disregarding German rebate increase

● One-off costs to leadership changes

● 33% growth in local currencies; 23% in DKK

● Changes in working capital, investments in production capacity

Gross profit



Capacity costs





Progress on long-term strategy

Succeed in North America



Growth

Execution of new US tablet business model

Independent sales organisation in Canada

Complete & commercialise the tablet portfolio



Growth & paediatric development

Paediatric indications

HDM tablet filed in China

Geographic expansion

Channel expansion



Consumer engagement and new horizons



Innovation



Mobilise patients

First readouts from peanut trial in 2023

AAI projects in the USA and China

Digital mobilisation and expansion of 'klarify' universe

Optimise for excellence



Organisational excellence

Upscale tablet production

Simplify production set-up and standardise portfolio

Mitigate cost inflation



Lead the way
– people and planet

Commitment to science-based targets for Scope 1, 2 and 3 emissions

Promising indicators for H2 tablet sales in Europe

Leading indicators point to stronger initiation season in key European markets

- Burdensome **pollen flight** in H1 2023 across Europe
- Substantial **burden of disease**
 - Step-up in use of symptomatics (e.g. significant increase in Germany)
 - Rise in severe symptoms, e.g. +30% on tree allergy by Swedish 'klarify' users
- More consumers are **taking action** on their allergy
 - KPIs for mobilised consumers and online bookings well above target
 - 553,000 (+61%) consumers mobilised in H1; 47,000 confirmed doctor visits
- Growing number of **new patients initiated** in key markets
- Key markets are **stabilising**



Global tablet opportunity remains strong

Solidified by successful Phase 3 trial with HDM tablet in children and Japanese national action plan

North America

- Execute new business model, e.g. build new prescriber base and sales channels
- Children indication for HDM tablet in 2024/25
- Potential children indication for ITULATEK® in Canada

EU

- Children indication for ACARIZAX® in 2024/25
- Potential children indication for ITULAZAX®
- Improved market access
- Unlocking further markets as growth contributors

China

- ACARIZAX® launch in 2024/25
- Organisational build-up
- Expansion of AIT prescriber base

Japan

- Government plan to combat growing burden of allergy
- Increasing public awareness of AIT
- Possible expansion of cedar pollen tablet availability

Full-year revenue outlook has been narrowed

Revenue

8-10% growth in local currencies (previously 7-11%)

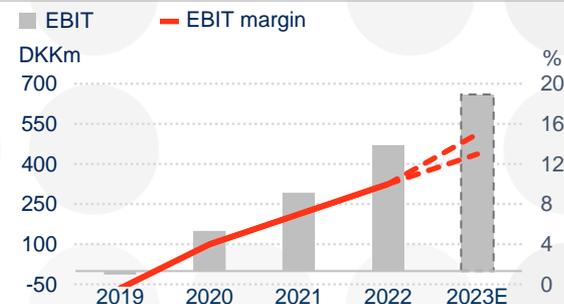
- 9-11% organic FY growth disregarding one-year, mandatory rebate increase in Germany
- Jext® sales to decline in H2
- Tablet sales still to grow double digits in H2
- SCIT/SLIT-drops sales still to grow double digits in H2



EBIT

13-15% margin (unchanged)

- Gross margin to improve by up to 1 p.p., amidst modest cost inflation, German rebate
- R&D costs to decline to ~DKK 600m
- S&M costs to increase mid-single digit to support growth initiatives
- Lower capacity cost to revenue ratio still expected



Other assumptions: Current exchange rates. No changes to current product portfolio, incl. acquisitions and/or partnerships. No sizeable payments for M&A/in-licensing.

Q&A session



News and events in the second half-year 2023

15 November:

Q3 interim report

Q4:

Data from Phase 3 trial of ITULAZAX® in children

Q4:

Interim readouts from Phase 1 trial in peanut allergy

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