



ALK releases its annual report 2018

February 7, 2019

Today, ALK's (*ALKB:DC / OMX: ALK B / AKABY / AKBLF*) Board of Directors has considered and approved the 2018 annual report with the following highlights:

2018 saw strong progress for ALK's new strategy, keeping ALK on track to deliver accelerated growth of 10% in 2019 with growth across all sales regions and with SLIT-tablets as the key driver. Financial results for 2018 were in line with the recent guidance upgrade.

Q4 2018 performance

- Revenue increased 3% in local currencies to DKK 787 million (763) driven by continued strong growth from SLIT-tablets and the Jext[®] adrenaline auto-injector.
- SLIT-tablet sales grew by 39%, when adjusted for stockpiling at wholesalers in Q4-2017. Reported tablet sales increased to DKK 182 million (159).
- Earnings (EBITDA) was DKK 10 million (61) due to high activity levels and costs towards year-end for pivotal clinical trials, sales & marketing as well as optimisation efforts.

See page 17 and 92 in the attached report for further details on Q4.

2018 full-year performance

ALK updated its full-year outlook four times in 2018, reflecting higher than expected sales and faster than expected capture of operational efficiencies and savings. Actual results were in line with the most recent update, provided on 14 December:

- Revenue increased 1% in local currencies to DKK 2,915 million (2,910), despite the phase-out of older products and the impact of previous supply constraints.
- Strong SLIT-tablet sales growth of 28% underlined commercial proof of concept for these products.
- Earnings (EBITDA) were DKK 136 million (253) significantly ahead of original 2018 plan.
- Free cash flow was better than anticipated with an outflow of DKK 294 million (outflow of 745).

See page 14-17 in the attached report for further details on full-year performance.

2019 targeting a step-change in revenue growth

ALK expects broad-based growth across all sales regions and product segments and remains committed to its ambition of delivering 10% revenue growth in 2019, despite the better than expected performance last year. Earnings and cash flow will continue to be subdued by investments to transform the company:

- Revenue expected at DKK 3.1–3.3 billion reflecting possible upsides and downsides to ALK's growth ambition.
- EBITDA expected at DKK 100-200 million due to investments in transformation and growth.
- Free cash flow expected to be negative at ~DKK 400 million, impacted by timing of end-of-2018 payments.

See page 11 in the attached report for a detailed review of the 2019 outlook.

Audio cast

Today, ALK is hosting a conference call at 12.30 p.m. (CET) where Management will review the results and the outlook, and answer questions. The call will be audio cast on <https://ir.alk.net/investors>, where the presentation will be available shortly before the call begins. Participants in the conference call are kindly requested to call in before 12.25 p.m. (CET). Danish participants should call in on tel. +45 3544 5577 and international participants should call in on tel. +44 333 300 0804 or +1 631 913 1422. Please use the following participant pin code: 31931587#

ALK-Abelló A/S

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This information is information that ALK-Abelló A/S is obliged to make public pursuant to the EU Market Abuse Regulation.

About ALK

ALK is a global specialty pharmaceutical company focused on allergy and allergic asthma. It markets allergy immunotherapy treatments and other products and services for people with allergy and allergy doctors. Headquartered in Hørsholm, Denmark, ALK employs around 2,300 people worldwide and is listed on Nasdaq Copenhagen. Find more information at www.alk.net.

Attachment

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