



## Three-month interim report (Q1) 2020

May 6, 2020

### ALK outperforms expectations in strong Q1 and maintains full-year outlook (unaudited)

ALK's financial performance in Q1 was ahead of expectations, with strong growth in Europe and International markets. Tablet sales grew by 38% and the newly launched ITULAZAX<sup>®</sup> gained further momentum and ACARIZAX<sup>®</sup> maintained its growth trajectory. In the first three months of the year, ALK saw revenue growth of 10% and earnings growth of 49%, with no material effect of the coronavirus pandemic on overall sales.

### Q1 2020 highlights

- Total revenue was up 10% organically in local currencies at DKK 956 million (867).
- Tablets were the primary growth driver, with sales up 38% to DKK 356 million (256), while combined SCIT and SLIT-drops sales were down 2% on the effects of portfolio rationalisation.
- Operating profit (EBITDA) exceeded expectations and grew by 49% at DKK 198 million (133), reflecting higher sales, better margins and lower capacity costs.
- Free cash flow, at DKK 21 million (minus 17) was well ahead of plan, driven by higher earnings and the re-phasing of investments.

### Effects of the coronavirus pandemic

- ALK sees signs of sales fluctuations during the Q2 low-season for AIT treatment initiations, as visits to clinics become more difficult.
- Legacy SCIT AIT markets, particularly the USA, are expected to be most impacted as these products are often administered in a clinic.
- Tablets expected to be more resilient, as these are taken at home and may represent an alternative for patients unable to continue with other treatment types.
- Manufacturing and supply are largely unaffected and product inventories remain robust, but recruitment for clinical trials has been temporarily paused.
- Long-term strategy remains unchanged, as do the strong, underlying drivers that supports ALK's growth.

### 2020 financial outlook

In light of the strong first quarter, and despite the ongoing coronavirus pandemic, ALK is maintaining its original financial outlook for 2020. ALK anticipates that during H2, allergy patients will once again become able to visit healthcare professionals without significant limitations. Assuming this happens, ALK still expects:

- Organic growth of 8-12% in local currencies, corresponding to full-year revenue of DKK 3.50-3.65 billion.
- Operating profit (EBITDA) of DKK 200-300 million.
- Free cash flow negative at DKK ~300 million.

Hørsholm, 6 May 2020

**ALK-Abelló A/S**

*Comparative figures for 2019 are shown in brackets. Revenue growth rates are organic and are stated in local currencies, unless otherwise indicated*

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Today, ALK is hosting a conference call for analysts and investors at 2.15 p.m. (CEST) at which Management will review the financial results and the outlook. The conference call will be audio cast on <https://ir.alk.net>. Participants for the audio cast are kindly requested to call in before 2.10 p.m. (CEST). 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 Participant Pin Code: 76460699#. The conference call will also be webcast live on our website, where the related presentation will be made available shortly before the call begins.

### Attachment

- [FM\\_06\\_20UK\\_06052020](#)