



Three-month interim report (Q1) 2021

May 5, 2021

ALK reports 9% sales growth in Q1 fuelled by better than expected tablet growth of 32% (unaudited)

The first three months of 2021 represented ALK's best-ever quarter, with revenue exceeding DKK 1 billion for the first time, despite the continuing effects of COVID. ALK saw revenue growth of 9% and tablet sales growth of 32%, driven by strong performances across the tablet portfolio in Europe and Japan. This comes on top of a strong first quarter last year that was largely unaffected by COVID. Operating profit (EBITDA) increased 14% despite increased activity levels across the organisation. ALK updates its financial outlook for 2021 on stronger tablet sales.

Q1 2021 highlights

- Total revenue was up 9% in local currencies at DKK 1,021 million (956).
- Tablet sales grew by 32% to DKK 466 million (356) and continued to be the primary driver of growth. Combined SCIT and SLIT-drops sales were down 10% on the dual effects of COVID and planned product discontinuations.
- ALK saw revenue growth from all of its regions with sales in Europe up 5%, sales in North America up 16% and revenue from International markets up 29%. Planned product discontinuations impacted growth in Europe by approximately 4 percentage points.
- Operating profit (EBITDA) increased 14% to DKK 226 million (198), benefiting from operational leverage despite a planned, significant increase in R&D costs.
- Free cash flow improved to DKK 86 million (21) largely driven by the improved earnings.

Key events and strategic progress

- ALK continues to execute on its four strategic priorities in order to deliver sustained, high growth and improve profitability. The tablet portfolio now accounts for more than 50% of ALK's allergy immunotherapy sales, with the most significant contribution coming from Europe, and Germany in particular, as the transition to registered, evidence-based medicines accelerated.
- COVID continues to distort the allergy market to some extent, primarily in Europe, with some countries experiencing a further wave of infections and taking measures to contain the virus which continues to affect patients' ability and willingness to visit allergy clinics. ALK is continuously monitoring the impact of COVID on its overall clinical development programme. Importantly, patient recruitment for the key European and North American clinical trial of the house dust mite tablet for allergic rhinitis in children is now proceeding according to plan. Manufacturing and supply remained resilient, and product inventories are still robust.

Improved 2021 financial outlook

ALK is updating its financial outlook for 2021 based on solid Q1 earnings, and a stronger full-year outlook for tablet sales, which is still partly offset by continuing uncertainty around COVID and its ongoing impact on sales of ALK's legacy products. ALK assumes that patients' ability and willingness to visit health care professionals will remain somewhat constrained in selected countries over the coming months. As a result:

- Revenue is now expected to grow 9-12% in local currencies (previously: 8-12), driven by tablet sales growth of ~25% (previously: >20%).
- EBITDA is now expected at DKK 375-425 million (previously: 325-425), benefiting from the improved tablet sales outlook. ALK still expects an increased gross margin, a significant increase in R&D expenses and a gradual normalisation of sales and marketing activities.
- Free cash flow is now expected at ~DKK minus 200 million (previously: minus 200-300) reflecting the revised earnings outlook.

Hørsholm, 5 May 2021

ALK-Abelló A/S

Comparative figures for 2020 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated

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Today, ALK is hosting a conference call for analysts and investors at **2.00 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>. Please call in before **1.55 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: 84819816#. 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

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