

2018 results and 2019 full-year outlook

Webcast
7 February 2019



Today's agenda

- Overview
- Q4 highlights
- 2018 highlights and priorities
- 2018 results
- Strategy update
 - Succeed in North America
 - Complete & commercialise tablets
 - Digital engagement and adjacencies
 - Optimise and reallocate resources
- Outlook for 2019
- Q&A session



President & CEO
Carsten Hellmann



EVP, Group CFO
Søren Jelert



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.

2018: First year with new strategy

- Strong progress for ALK's new strategy
- Financial results for 2018 much better than originally expected
 - In line with recent guidance upgrade
- ALK on track to deliver accelerated growth in 2019
 - Growth across all sales regions
 - SLIT-tablets as the key growth driver



Q4 2018: Results in line with expectations

Group performance

- 3% top-line growth driven by tablets and Jext®
- Encouraging trends in SCIT/SLIT-drops sales
- EBITDA reflects high activity level and one-offs
 - R&D clinical trials, US DTC campaign, restructuring and optimisation activities, write-down, VAT refund

Q4 key figures

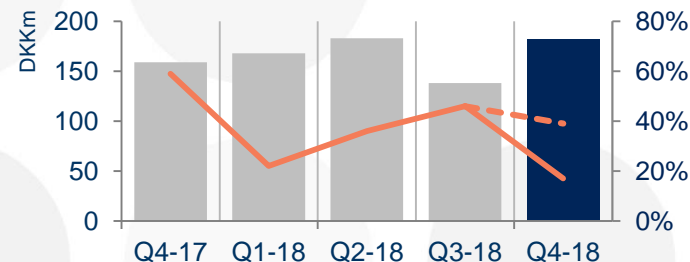
DKK million	2017	2018
Revenue	763	787
Gross profit	376	434
Capacity costs	517	542
EBITDA	61	10

Growth rates are in local currencies

Tablet sales

- 39% growth when disregarding Q4-2017 stockpiling
- Underlying growth consistent with recent quarters

Q4 tablet sales and growth



FY 2018 revenue highlights

Markets

Europe

+0.3%

Tablets and Jext® growth outweigh impact from product pruning and previous supply issues



North America

+0.5%

Higher SCIT sales offset decline in sales of other products (disregarding Q4-17 one-offs)



International markets

+41%

Growth driven by shipments to Japan; positive contribution from China



Products

SCIT and SLIT-drops

-7%

Portfolio rationalisation, impact of previous supply issues; market normalisation in France



SLIT-tablets

+28%

Strong growth in Europe and Intl. markets; NA sales down due to Q4-17 stockpiling



Other products and services

+4%

Jext® benefits from supply issues in adrenaline auto-injector market



Growth rates are in local currencies

2018 performance better than originally expected

Results in line with 14 December outlook upgrade

DKK million	2017	2018
Revenue	2,910	2,915
Gross profit	1,642	1,633
Gross margin	56%	56%
Capacity costs	1,724	1,756
EBITDA	253	136
EBIT	(80)	(96)
Net financials	(42)	(7)
Tax	(36)	(67)
Net profit	(158)	(170)
Free cash flow	(745)	(294)

+1% despite
portfolio pruning;
~DKK 200m
above original
outlook

Investments in
compliance
& robustness

~DKK 185m
above
original outlook

Investments in
transformation
& growth

2018 cash flow
better
than expected

Execution of 3-year strategy on track

Succeed in
North
America

Complete and
commercialise
tablet
portfolio

Patient
engagement
and
adjacencies

Optimise and
reallocate
resources

Financial ambitions

An ALK capable of delivering sustainable, high revenue and earnings growth

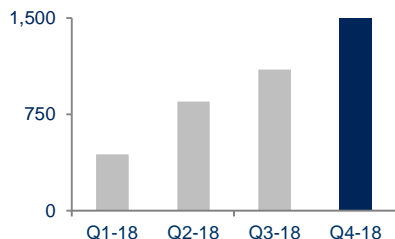
Revenue growth of $\geq 10\%$ annually

Raise margins quickly to specialty pharma levels after 2020

Succeed in North America

2018 tablet milestones

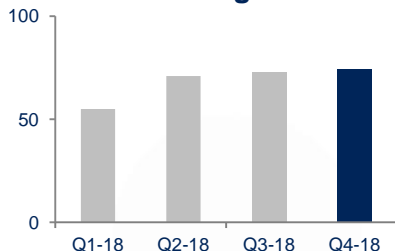
1,500 US prescribers



~5,000 US patients



74% US coverage



160 CAN prescribers



2019 key metrics

≥10% Sales growth in North America across main product categories



Increase acceptance of tablets, grow prescriber base and Rx depth



Expand penicillin business with launch of new version of Pre-Pen®



Grow value of SCIT and other products

Complete and commercialise tablet portfolio

2018 milestones



80-100,000 new HDM patients initiated
Launches in five new markets
Doubling of ACARIZAX® sales



Filing of tree tablet in the EU based on
very strong data package



An ALK SLIT-tablet now most frequently
initiated AIT product in 11 EU markets



Solid uptake in Japan of MITICURE™
and CEDARCURE™

2019 key metrics



Maintain commercial momentum for tablets



Approval/launch of tree tablet in the EU
Regulatory filing of tree tablet in Canada




Deliver on ACARIZAX® paediatric trial
programme in EU and the USA


Pivotal trial with ACARIZAX® in China


Build patient engagement and adjacencies

2018 milestones

 klarify.me launched in Germany with ~50 products and the UK; ~1m visitors

klara klara smartphone app launched >25,000 downloads

 Increased traffic to patient sites, incl. allergiecheck.de, and social media

 Adjacent deals: FeNo biomarker, gluten tester, on-site diagnostics

2019 key metrics

 20 million klarify.me messages seen

klara >100,000 downloads



85,000 allergy tests



45,000 searches for an allergy doctor



Leverage digital platform to support the tree tablet launch

Optimise and reallocate resources

2018 milestones



Significantly improved supply chain robustness; new production site strategy



Output and inventories for key SCIT and SLIT-drops lines restored



Portfolio pruning on track: ~250 product variants phased out vs 2016



Roll-out of new cultural beliefs and mind-set

2019 key metrics



Increase production efficiency to improve margins



Maintain supply chain quality, robustness and scalability



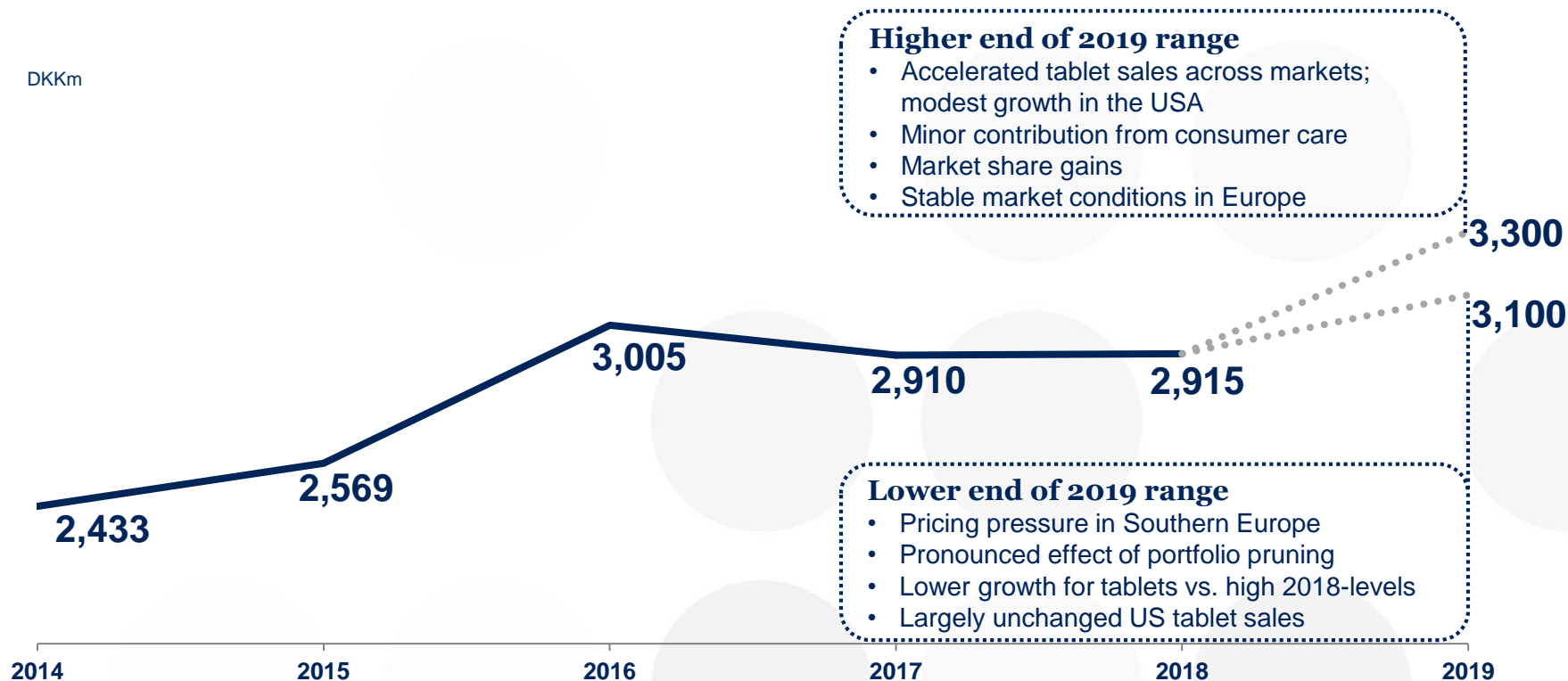
Continue portfolio rationalisation programme



Maintain momentum of cultural change

2019 FY revenue outlook

DKKm



2019 outlook

DKK	2018 actual	2019 outlook	Comments
Revenue	2.915m	3.1-3.3bn	Broad-based growth across regions and products, particularly within tablets; increasing SCIT sales. Negative impact from portfolio pruning and SLIT-drops. Minor positive currency impact.
EBITDA	136m	100-200m	Incrementally higher gross margins. Significantly higher R&D costs, increasing S&M costs. DKK 40m income from IFRS16. Immaterial currency impact.
Free cash flow	(294)m	~(400)m	Subdued earnings and strategic investments incl. DKK 200-250m CAPEX to streamline/specialise production.

Assumptions: Current exchange rates. No revenue from acquisitions and/or partnerships. No sizeable payments to M&A/in-licensing.

Q&A Session

Thank you for your attention

Upcoming events:

8 February: Roadshow Copenhagen

13 & 14 February: Roadshow London

16 April: Kempen Life Sciences Conference, Amsterdam

Investor Relations:

Per Plotnikof,

Vice President, Head of Investor Relations

Phone: +45 4574 7576

E-mail: ppidk@alk.net

Read more: www.alk.net

