

Q2 2021 & full-year outlook

Webcast

11 August 2021



 **ALK**

Today's agenda

- **Performance**
 - Q2 2021 highlights
 - Sales trends
 - Financial results
- **Strategy update**
 - Jext® to be launched in China
- **2021 financial outlook**
- **Q&A session**



President & CEO
Carsten Hellmann



EVP, Group CFO
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VP, Head of IR
Per Plotnikof

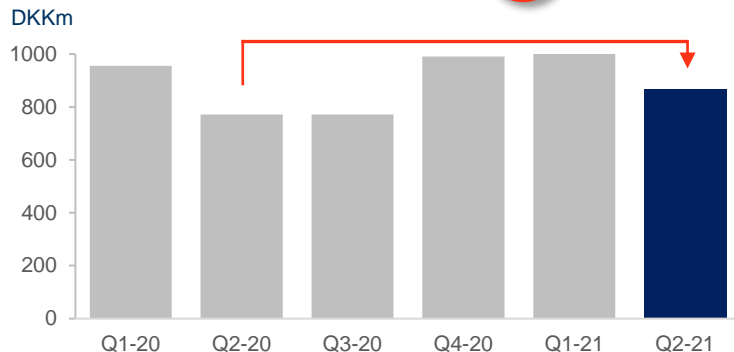
This presentation contains forward-looking statements, including forecasts of future revenue and operating profit, as well as expected business-related events. Such statements are subject to risks and uncertainties, as various factors, some of which are beyond ALK's control, may cause actual results and performance to differ materially from the forecasts made in this presentation. The emergence of the coronavirus pandemic, and the extent and duration of countermeasures against the virus, represent additional uncertainties that may also affect forward-looking statements.

Q2 revenue up 13%, 2021 full-year outlook upgraded

- Tablet sales up 23% and recovery of legacy sales.
- EBITDA of DKK 48m better than expected.
- FY outlook upgraded on improved sales outlook and increasing earnings.
- Significant strategy progress: China partnership, tablet approvals, clinical progress and more...

Group revenue and growth

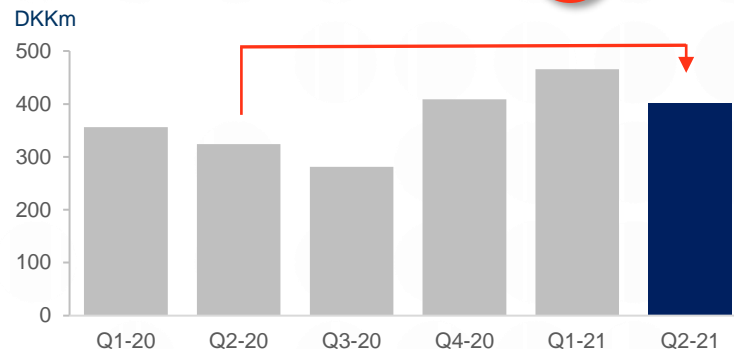
+13%



Sales growth rates are in local currencies

Global tablet sales and growth

+23%



Solid underlying growth across all regions

Revenue in International markets impacted by phasing of product shipments; strong in-market growth

Europe



Q2

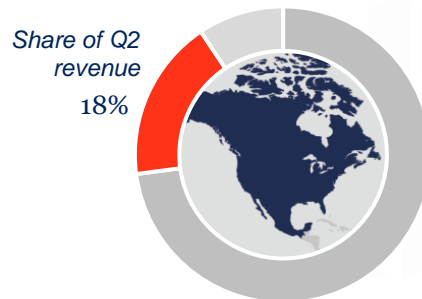
621m

540m

■ 2020 ■ 2021

+14%

North America



Q2

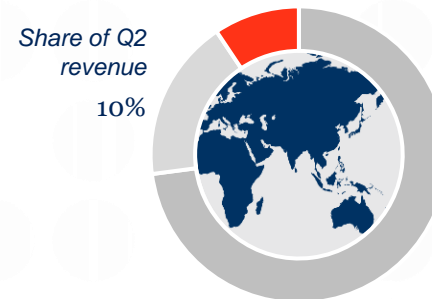
161m

130m

■ 2020 ■ 2021

+33%

International markets



Q2

86m

102m

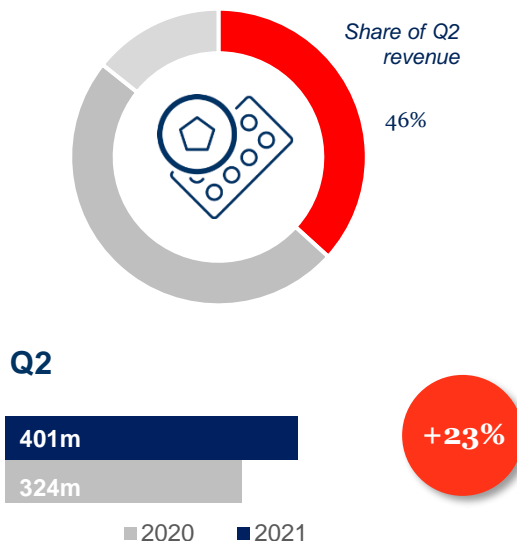
■ 2020 ■ 2021

-15%

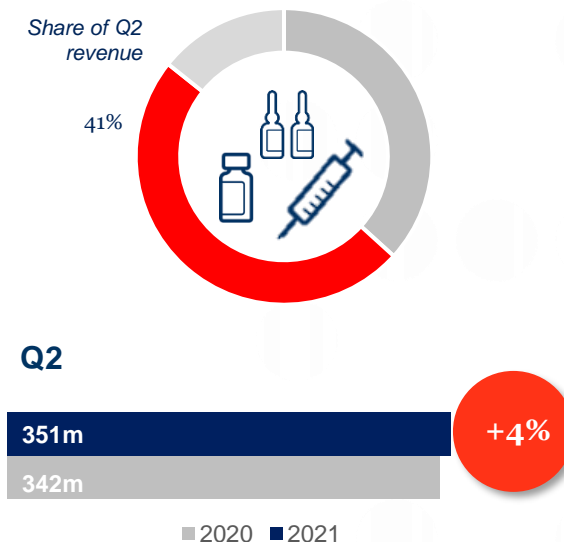
Sales in all markets expressed in DKK
Growth rates are in local currencies

Tablets driving growth, legacy products recovery

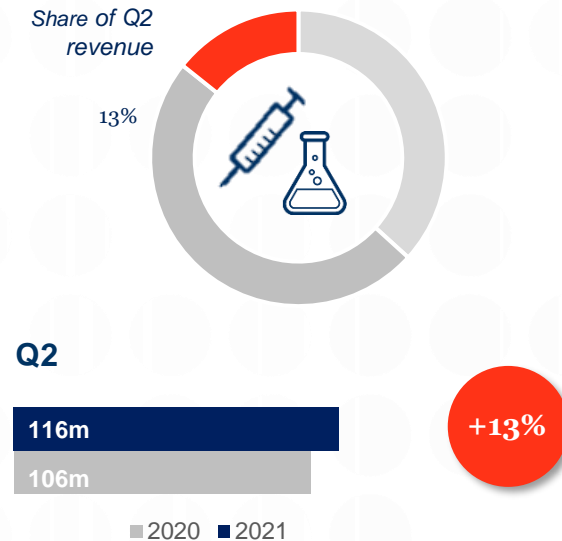
Tablets



SCIT/SLIT-drops



Other products



Sales in all markets expressed in DKK
Growth rates are in local currencies

Profitability better than expected

DKK million	6M 2020	6M 2021
Revenue	1,728	1,889
Gross profit	1,021	1,136
Gross margin	59%	60%
Capacity costs	868	979
EBITDA	273	274
EBIT	153	158
Free cash flow	27	128
Cash/credit facilities	892	1,403

Positive impact
of continued
tablet growth

R&D spend
increased as
planned by
DKK 89m

Underlying
improvement
excluding
R&D

Unused
credit facilities
of DKK 1.2bn

Important progress on strategy execution

Sustain high growth

Continue tablet-fuelled growth momentum

Expand global leadership
in respiratory AIT

Become relevant for
many more allergy sufferers

Accelerate long-term growth:

Enter food allergy
Expand in anaphylaxis

Become profitable

Succeed in
North
America

Complete and
commercialise
tablet
portfolio

Consumer
engagement
and new
horizons

Optimise for
excellence



Lead the way – people and planet

Financial ambitions until 2025

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

Revenue growth of $\geq 10\%$ annually

Continuously raise EBIT margin to $\sim 25\%$ in 2025

Strong sales and clinical progress for tablets

Succeed in North America

Targets



>10% growth

Tablet sales up 59%, legacy and non-AIT grow following easing of COVID restrictions



Digital engagement

Telehealth partnership expanded to new regions, klarify engagement platform launched in Canada



Business development

OTIPRIO[®], a treatment for swimmer's ear, acquired from Otonomy

Complete and commercialise tablet portfolio for all relevant ages

Targets



>20% growth

ITULAZAX[®] continues to lead the way for tablet sales growth



New approvals

A further 22 approvals secured for tablets



Paediatric & adolescent development

ACARIZAX[®]/ODACTRA[®]: US adolescent trial completed ahead of application for expanded use. Other trials progressing to plan

Accelerated business innovations to sustain growth

Consumer engagement and new horizons

Targets



~160,000 consumers mobilised via digital channels across all markets

Mobilise 250k patients



Business development

Licensing agreement with Grandpharma to register and commercialise Jext® in China



Innovation

Food AIT: Agreement with Catalent on use of tablet formulation technology



Optimise for excellence

Targets



Portfolio rationalisation

Year-to-date: >1,000 regulatory changes submitted to 36 regulatory authorities



Engagement

Focus on employee engagement and retention, with employee survey results showing engagement levels above pharma benchmark



Jext® to be launched as first autoinjector in China

Partnership with leading Chinese supplier of adrenaline, Grandpharma

Agreement to accelerate long-term growth

- Grandpharma to register and sell Jext® in China, Macau and Taiwan
- Jext® would be first AAI to market in China
- Initial launch in southern China under special licence
- Upfront and registration milestone payments totalling ~DKK 90 million
- ALK will receive revenue from the supply of products to Grandpharma



Growing Chinese allergy market

- China is the second largest HDM AIT market in the world
- +50 ALK employees in four sales offices, upgraded organisation
- ALK products: Alutard® HDM and Soluprick SQ
- ACARIZAX® Phase III registration trial in China still paused due to COVID



Full-year financial outlook upgraded

	5 Feb 2021 Outlook	5 May 2021 outlook	9 Aug 2021 outlook	Comments	2020 actuals
Revenue	+8-12% (l.c.)	+9-12% (l.c.)	+10-12% (l.c.)	<ul style="list-style-type: none"> FY tablet growth now at to 25% or slightly above (previously ~25%) Improved SCIT/SLIT-drops sales outlook ~1 p.p. negative impact from currencies 	3,491m
EBITDA	DKK 325- 425m	DKK 375- 425m	DKK 450- 500m	<ul style="list-style-type: none"> Gross margin still to increase by 1-2 p.p. General cost savings R&D now slightly below DKK 650m Sales and marketing costs to normalise gradually 	395m
Free cash flow	DKK -200- 300m	Approx. DKK -200m	Approx. DKK -100m	<ul style="list-style-type: none"> Improved earnings, upfront payment DKK 250-300m CAPEX (previously ~300m) ~DKK 175m in payments of accrued rebates 	56m

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

Q&A session



Thank you for your attention

13 Aug: Roadshow, Copenhagen

25 Aug: Virtual roadshow, USA

Sept: Morgan Stanley Virtual Healthcare Conference

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