



Q3 2019 results and full-year outlook

Webcast

7 November 2019



Today's agenda

- Q3 performance
 - Q3 highlights
 - Q3 regional sales trends
 - 9M financial results
- Strategy update
 - Succeed in North America
 - Complete and commercialise tablet portfolio for all relevant ages
 - Patient engagement and adjacent business
 - Optimise and reallocate
- Updated Outlook for 2019
- Q&A session



President & CEO
Carsten Hellmann



EVP, Group CFO
Søren Jelert



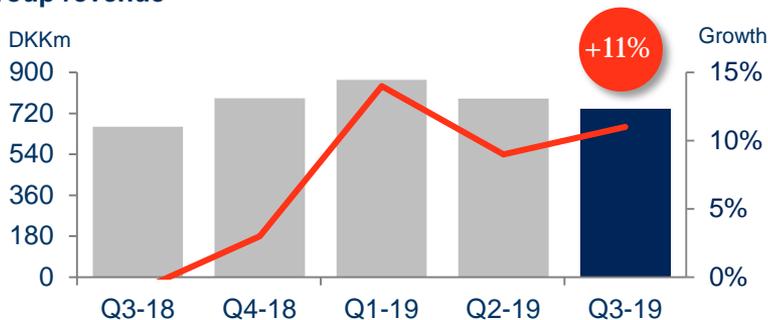
VP, Head of IR
Per Plotnikof

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.

Q3: On track for double-digit growth

- Highest-ever Q3 revenue
 - 11% overall growth
 - 35% growth in tablet sales
 - Strong launch of ITULAZAX® in first markets
 - Further recovery of SCIT sales
- Full-year outlook updated

Group revenue



Growth rates are in local currencies

Global tablet sales



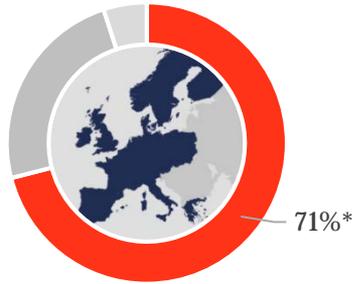
Growth in tablet sales



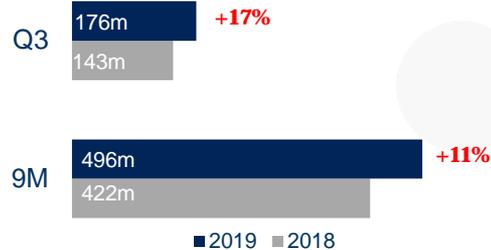
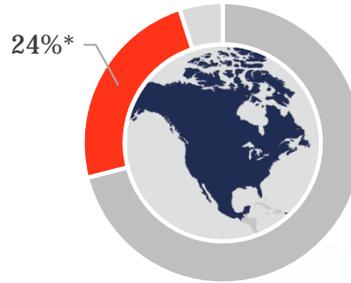
Growth in all sales regions in Q3

Revenue and growth

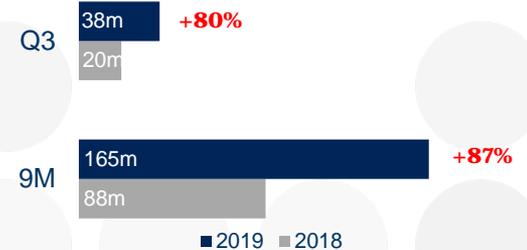
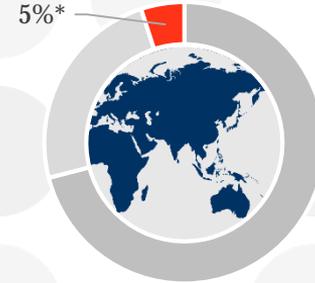
Europe



North America



Int'l markets



Growth rates are in local currencies

*) Share of revenue Q3

Europe: Strong underlying tablet growth

- Very good early response to ITULAZAX[®] with ALK's best ever tablet launch in Germany
- Continued rebound for SCIT sales
- SLIT-drops sales normalising in France
- Sales of other products influenced by normalisation of Jext[®] sales and pruning

Revenue in Europe

DKKkm



Growth rates are in local currencies

SLIT-tablets
+18%



SCIT/SLIT-drops
+7%



Other
-21%



9M earnings and cash flow better than expected

DKK million	9M 2018	9M 2019
Revenue	2,128	2,391
Gross profit	1,199	1,377
<i>Gross margin</i>	<i>56%</i>	<i>58%</i>
Capacity costs	1,214	1,383
EBITDA	126	193
EBIT	(15)	(4)
Net financials	(5)	(13)
Tax	4	4
Net profit	(24)	(21)
Free cash flow	(354)	(184)

59% excl.
impairment

Transformation
and R&D
investments

Higher sales
plus
efficiencies

Improved
earnings and
phasing of
CAPEX

Three year transformation strategy 2018-20

**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

Strategic priority No 1

Q3 highlights



ALK targets ~10% growth across main product categories



Tablet sales up 47%



SCIT sales up 2%; up 19% when adjusted for discontinuations



Other products up 29%; strong PRE-PEN[®] sales and improved sales of non-allergy products

SLIT-tablets

Progress on key metrics critical to long-term success in the USA

Improved uptake and Rx depth & breadth

Acceptance growing and doubling number of 'early adopters' in 2019 still achievable

Enhancing sales force effectiveness by upgrading skills and replicating successes

Complete and commercialise tablet portfolio for all relevant ages

Strategic priority No 2

Strong initial launch of tree tablet



ITULAZAX[®] approved in 17 EU markets



More than 4,000 patients initiated in first markets. Germany saw ALK's best ever tablet launch



Positive feedback from HCPs



Completion of tablet range to cover five of the most important respiratory allergies



Strong commercial and clinical progress

9M sales growth of 44% in-line with full-year expectations

Pivotal trial with ACARIZAX[®] in China

ACARIZAX[®] / ODACTRA[™] paediatric trials in EU and North America

Paediatric filings for ragweed tablet being prepared for EU, USA and Canada

Patient engagement and adjacent business

Strategic priority No 3

Digital patient engagement exceeds expectations

klarifyme



klara



FY target

YTD status by end Q3

Expanding digital patient engagement into additional 10 markets

Adjacent products and services

Ongoing development work to launch next-generation epinephrine auto-injector pen in the USA

Ongoing business development of adjacent products and services



Optimise and reallocate

Strategic priority No 4

Wide-ranging efficiency programme



Ongoing investments in production site strategy; focus on supply chain quality, robustness and scalability



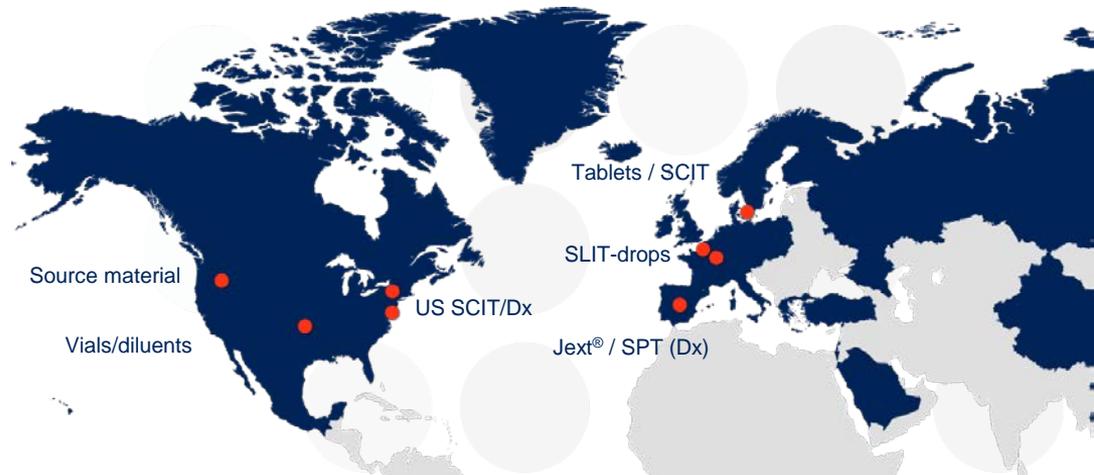
Accelerated portfolio rationalisation (~300 product variants phased out vs. 2016)



Upgraded ALUTARD® product approved and launched in Germany

Manufacturing footprint

Centres of excellence



● Production sites

2019 outlook updated

DKK	7 Feb. outlook	9 May outlook	13 Aug Outlook	7 Nov Outlook	Comments	2018 actuals
Revenue	3,100-3,300m	Tracking towards higher end of range	DKK 3,200-3,300m	DKK 3,200-3,300m	Broad-based growth across regions, particularly within tablets. Negative impact from portfolio pruning and SLIT-drops. Minor positive currency impact.	2,915m
EBITDA	100-200m	Tracking towards higher end of range	DKK 150-250m	DKK 200-250m	Incrementally higher gross margins, significantly higher R&D costs, increasing S&M costs. Immaterial currency impact.	136m
Free cash flow	~(400)m	(400)m or better	~DKK (300)m	~DKK (200)m	Improved, but still subdued earnings, phasing of CAPEX investments	(294)m

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 Nov: Roadshow, Copenhagen
- 12 Nov: Roadshow, New York
- 13 Nov: Roadshow Chicago
- 14 Nov: Roadshow Toronto
- 21 Nov: Jefferies London Healthcare Conference
- 27 Nov: Roadshow Netherlands/Belgium

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