

Q2 2018 results and FY outlook

Webcast
15 August 2018



Today's agenda

- Q2 2018
 - Highlights, markets, financials
- Update on business priorities
 - Succeed in North America
 - Complete tablet portfolio
 - Digital engagement and adjacencies
 - Optimise and reallocate resources
- Outlook for 2018
- Q&A session



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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.

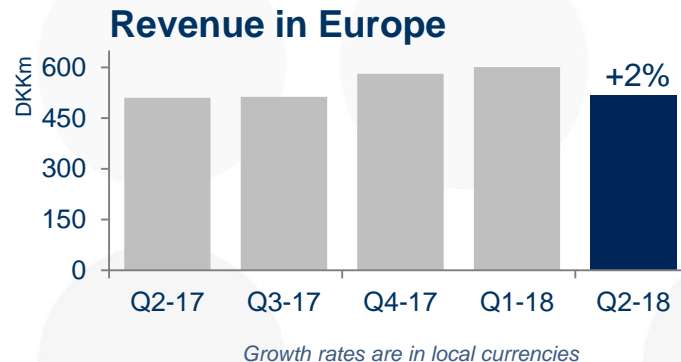
Q2 2018: Better than expected

- Execution of strategy on track
- 5% revenue growth in local currencies
- Tablet sales up 36%
- EBITDA better than expected
- US ODACTRA™ roll-out on track
- Slightly improved full-year outlook



Europe: Sales slightly ahead of plan

- Revenue of DKK 519m (510m)
- Strong uptake of ACARIZAX® and GRAZAX®
- SCIT/SLIT-drops sales impacted by portfolio pruning and previous capacity constraints
- Jext® growth driven by market shortages
- New reimbursement scheme for NPP products in France



SLIT-tablets
+36%



SCIT/SLIT-drops
-10%



Other
+13%



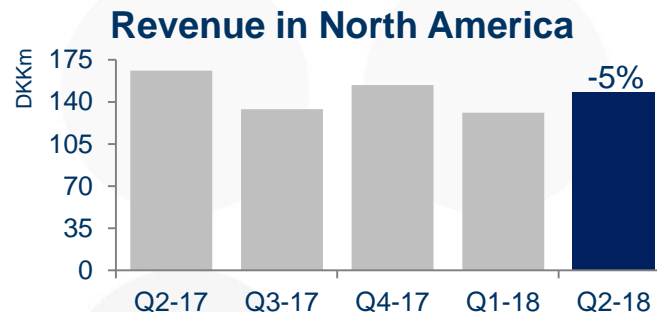
North America & International markets

North America

- Revenue: DKK 148m (166m), DKK -10m due to exchange rates
- Tablets sales of DKK 19m (27)
 - Growth in the USA
 - Decline in Canada due to 2017 stockpiling and insufficient distribution setup
- SCIT up 16%; Other products down 11%

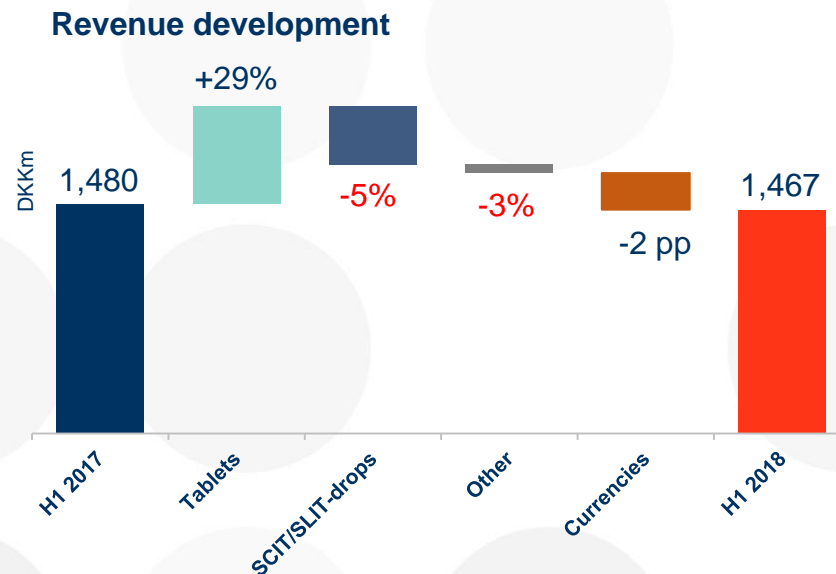
International markets

- Revenue: DKK 48m (15m)
- Large tablet shipments to Torii
- Higher sales in China and new regions



H1 2018 results better than expected

DKK million	H1 2017	H1 2018
Revenue	1,480	1,467
Gross profit	882	826
<i>Gross margin</i>	<i>60%</i>	<i>56%</i>
Capacity costs	814	816
EBIT	68	10
Financials, net	(15)	(3)
Tax	52	0
Net profit	1	7
EBITDA	156	102
Free cash flow	(533)	(201)



Progress on strategic priorities



The starting point: AIT leadership – SLIT-tablets, SLIT-drops, SCIT and related products



Succeed in North America

- On track in the USA:
 - 850 / ~2,000 active prescribers
 - 2,700 / >5,000 patients on ODACTRA™
 - Insurance coverage progressing well
 - Adjustment of sales force tactics
- Roll-out in Canada slowed by seasonality and distribution set-up:
 - 140 / 150 active prescribers
 - 1,500 / 5,000 patients on ACARIZAX®



ALK is committed to partnering with allergy specialists to succeed in establishing a scalable business model for the tablets in North America

Complete the tablet portfolio for all relevant ages

- ACARIZAX® sales more than doubled
 - Successful roll-out in France; paediatric approval boost sales in Japan
 - Launches in Czech Rep. and Thailand
 - Asthma trial recruitment on track in EU; additional activities needed in the USA
- Imminent filing of tree SLIT-tablet in Europe; filing in Canada being prepared
- CEDARCURE™ launched in Japan



ALK is committed to globalising a full portfolio of SLIT-tablets for all relevant ages – adults, adolescents and children – covering the five most common global respiratory allergies

Build patient engagement and adjacencies

- Beta-version of consumer platform klarify.me launched in Germany; UK to follow soon
 - So far: 50 products in 10 categories
- New engagement tools: ART and KLARA
- German online traffic up 30%
- Ongoing work to source adjacent products and services



ALK will drive digital patient engagement with the aim of supporting people with allergy earlier in their disease journey

Optimise and reallocate resources

- SCIT and SLIT-drops production restored
- Inventories replenished ahead of peak initiation season
- Upgrades to robustness, scalability and quality delivering results
- New site strategy increases specialisation and synergies
- Portfolio rationalisation on track: ~200 product variants phased out

A streamlined ALK manufacturing footprint *Centres of excellence*



2018 outlook adjusted slightly

H1 results
better than
expected

More clarity
on market
conditions
in H2

Faster
capture of
savings and
efficiencies

Significant
investments
in new
strategy

DKK	2017 Actual	2018E February 6	2018E May 4	2018E August 15
Revenue	2.9bn	~2.7bn	>2.7bn	>DKK 2.8bn
EBITDA	253m	~(50)m	~0m	~DKK 50m
Free cash flow	(745)m	~(600)m	(600)m or better	DKK (550)m or better

Q&A Session

Thank you for your attention

Upcoming events:

17 August: IR roadshow, Copenhagen

4 September: IR roadshow, New York

5 September: Wells Fargo 2018 Healthcare Conference, Boston

7 September: Goldman Sachs Annual Biotech Symposium, London

12-14 September: Morgan Stanley Annual Global Healthcare Conference, New York

25 September: Speed dating at ABG Sundal Collier, Copenhagen

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