

Q2 2020 & full-year outlook

Webcast

12 August 2020



Today's agenda

- Performance
 - Q2 2020 highlights
 - COVID-19 update
 - Sales trends
 - Financial results
- Strategy update
- 2020 financial outlook
- Q&A session



President & CEO
Carsten Hellmann



EVP, Group CFO
Søren Jelert



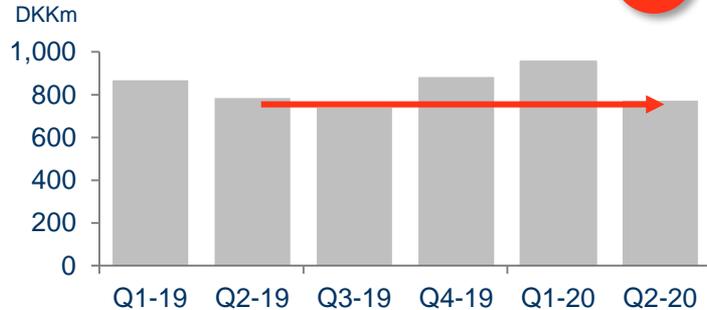
VP, Head of IR
Per Plotnikof

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. 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.

Strong Q2 earnings, sales in-line with COVID-19 expectations

- Revenue unchanged (like-for-like up 3%). Negative 1p.p. impact from currencies
- FY earnings and cash flow outlook upgraded
- Tablet sales up 25% on resilient performances in Europe and International markets
- EBITDA up 213% at DKK 75m on savings and delayed R&D expenditure

Group revenue



Global tablet sales



COVID-19 update

Subdued growth in Q2 low-season, as expected. Positive signals in multiple markets in late Q2

Focus is on continued supply of products

- Impact as expected in Q2, predominantly in the USA and in the SCIT segment
- Lockdowns and patient caution limited visits to doctors
- Home-based tablet and drops treatments resilient; although new patient initiations constrained
- Positive signals of H2 recovery in multiple markets, especially in Europe and International markets
- US allergy clinics have reopened, patient traffic still reduced
- Delays to clinical trials impacted by patient recruitment

No major interruptions to production

Contingency measures in place, inventories robust



Resilient sales in Europe and International markets

Europe



Q2

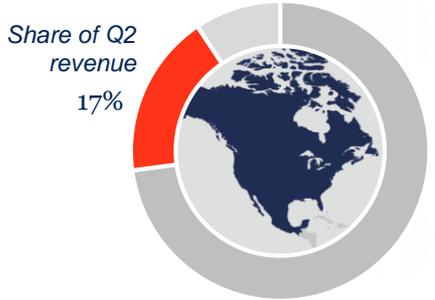


-2%*

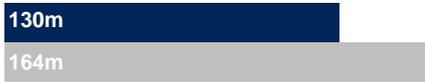
■ 2020 ■ 2019

*Planned product discontinuations reduced growth by 5 percentage points

North America



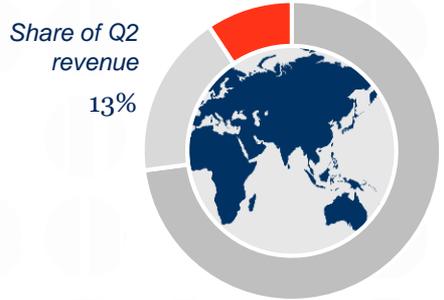
Q2



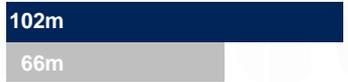
-19%

■ 2020 ■ 2019

International markets



Q2



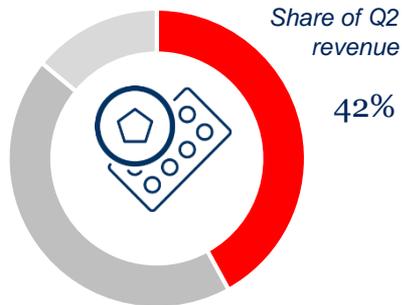
+56%

■ 2020 ■ 2019

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

Continued high growth in tablet sales

Tablets



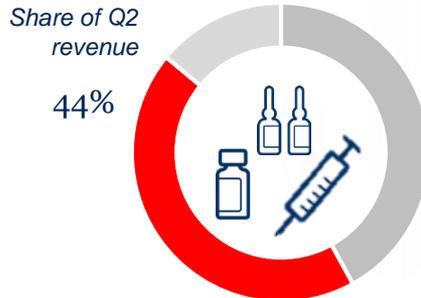
Q2



+25%

■ 2020 ■ 2019

SCIT/SLIT-drops



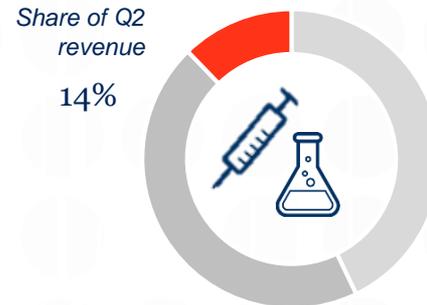
Q2



-14%

■ 2020 ■ 2019

Other products



Q2



-12%

■ 2020 ■ 2019

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

Financial robustness continued through Q2

EBITDA up 74%

DKK million	H1 2019	H1 2020
Revenue	1,652	1,728
Gross profit	931	1,021
Gross margin	56%	59%
Capacity costs	917	868
EBITDA	157	273
EBIT	14	153
Free cash flow	(149)	27
Cash/credit facilities	807	892

Changes
in product
mix

Lower R&D
increase
at 12%
S&M savings

Efficiencies,
savings and
delayed
activities

Higher
earnings,
timing of
payments

Three-year transformation on track (I)

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

Three-year transformation on track (II)

Succeed in North America

COVID-19 means full-year growth target unlikely

Targets



Tablets impacted by constrained new patient initiations

10% growth



ITULATEK™
in Canada

Regulatory approval secured in Canada. Launch plans for H2 on track



Digital
engagement

klarify platform launched in Q2



Other news

New agreement with Otonomy for OTIPRIO® to expand coverage of ENT and paediatricians

Complete and commercialise tablet portfolio for all relevant ages

Strong growth trajectory maintained

Targets



Global tablet sales up 25% with ACARIZAX® and ITULAZAX® leading the way

>30% growth



ITULAZAX®
in Europe

ITULAZAX® roll-out remains on track with 4 additional launches scheduled in H2



Clinical
development

Delays to clinical trials impacted by patient recruitment

Three-year transformation on track (III)

Patient engagement and adjacent business

Digital strategy continues to surpass expectations

Targets



New markets

klarify platform launched in Ireland, Slovakia and the USA



Support AIT commercialisation

Priority given to most suitable AIT candidates during COVID-19 crisis, ahead of high season for new treatment initiations



Mobilise 100k patients

>400,000 two-way consumer relationships to date, >100,000 people mobilised to take action on their allergies



Optimise and reallocate

Manufacturing robustness proven during COVID-19

Targets



Portfolio rationalisation

Accelerated programme continued with >300 variants phased out vs. 2016



Production efficiency

Site specialisation, optimisation efforts and investments in quality continued with the aim of improving long-term efficiency

2020 earnings outlook upgraded

DKK	9 May outlook	12 August outlook	Comments	2019 actuals
Revenue	+8-12 organic	+8-12% organic	<ul style="list-style-type: none"> • Currently tracking towards lower end of range • -4% p.p. FY impact from portfolio pruning • +30% FY tablet growth • Assumes patients can/will visit doctors again in H2 	3,274m
EBITDA	200-300m	300-350m	<ul style="list-style-type: none"> • Gross margin on par with 2019 • Lower R&D costs than planned • Savings and leveraged sales and marketing platform, unchanged administrative expenses 	241m
Free cash flow	~(300)m	~(200)m	<ul style="list-style-type: none"> • Higher earnings • Changes to tax payments and working capital • DKK 250-300 million CAPEX 	(25)m

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

Q&A session



Thank you for your attention

13 Aug: Roadshow, Copenhagen

14 Aug: Nordea Small Cap Days (virtual)

25 Aug: Roadshow, Helsinki

15 Sept: Roadshow, London

16 Sept: Roadshow, Paris

17 Sept: Morgan Stanley Virtual Healthcare Conference

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