

# Allergy solutions for life

Jefferies

Virtual Healthcare Conference

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Søren Jelert, CFO & EVP



# ALK key figures

(Nasdaq Copenhagen: ALK.B / ALKB.CO)



Established in  
**1923**



Employees  
**~2,400**



Markets  
**41**



Leader in AIT,  
treating  
**~1.9m**



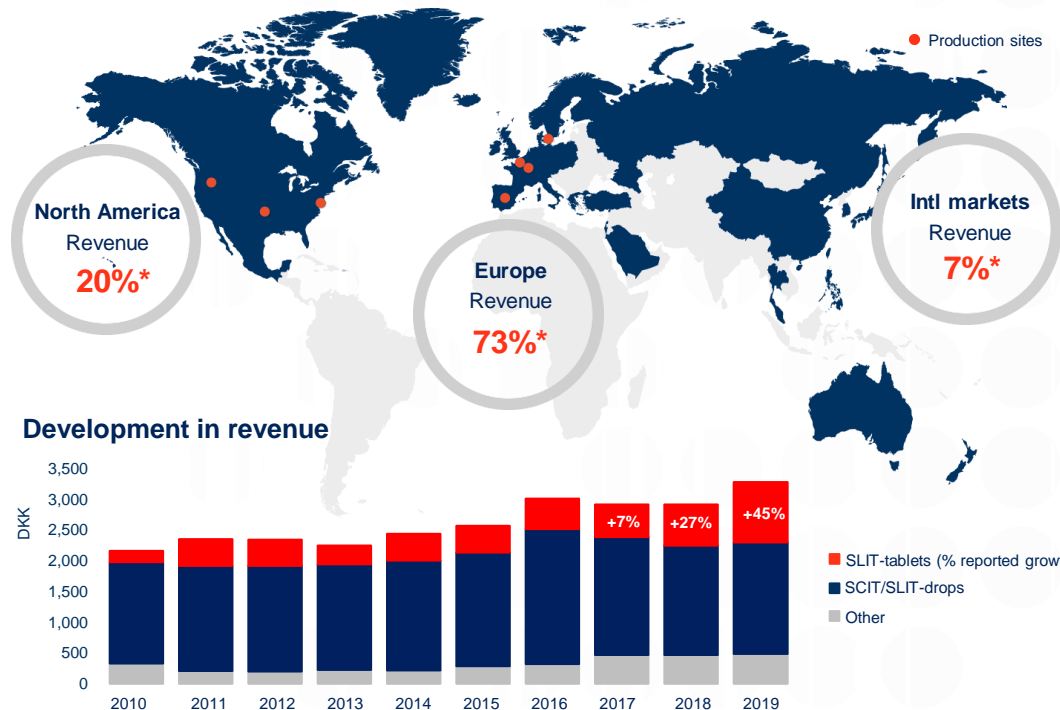
People with allergy  
covered by portfolio of  
new, standardised tablets  
**>80%**



Participants in clinical  
trials for the tablets  
**>22,000**

# Global presence

*Transformation in progress to accelerate growth and build broader presence in allergy*

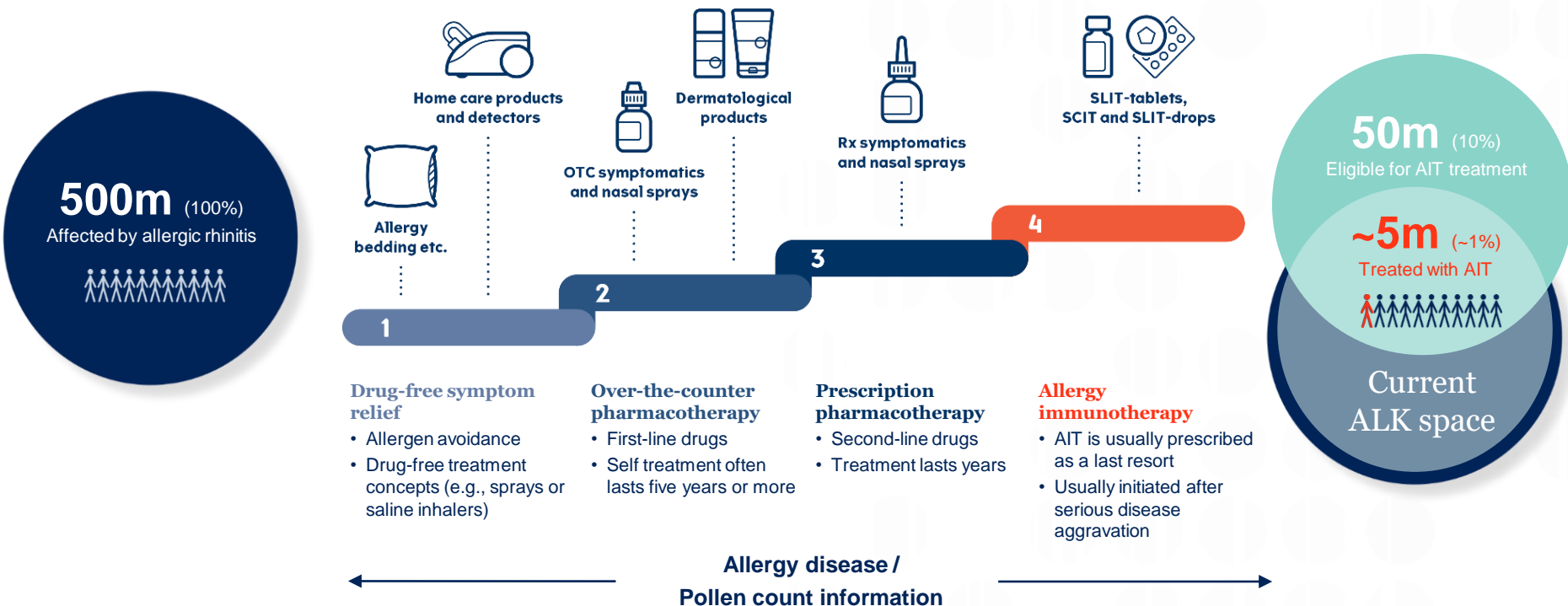


\*\* includes certain milestone payments from partnerships in the period 2010 to 2016

\* Percentage of 2019 revenue

# Allergy Disease Management >120 bn DKK market

*Majority of people with allergy rarely see a doctor and patients often endure a decade or more before turning to AIT*



# Strong momentum on three-year transformation and growth strategy

We are here



10% growth  
from 2019



Build the core

2017:  
Stabilise  
fundamentals

2018-20:  
Transformation  
& growth

Improving earnings  
& 10% growth

2021-22:  
Returning to  
profitability

+25% EBITDA  
& 10% growth

2023-25:  
Specialty margins  
& growth



China



Children



New AAI



Digital: 10m



New  
adjacencies



# Four strategic focuses guide our priorities

*Expected 2018-20 cash burn almost halved due to better sales and earnings (from ~DKK 1bn to ~0.6bn)*

## Succeed in North America



- Establish tablets as practice builders
- Partnerships with managed care
- Establish digital patient engagement systems
- Grow value of legacy business

## Complete & commercialise the tablet portfolio



- Commercialise all five tablets covering 80% of respiratory allergies
- Maintain commercial momentum with tablets
- Deliver paediatric clinical development in EU & USA
- Development and commercial planning of ACARIZAX® for China

## Patient engagement and adjacencies



- Expand ALK's overall allergy presence
- Leverage patient engagement data to support AIT sales
- Explore expansion of ALK's portfolio with other products
- Expand anaphylaxis franchise in Europe and deliver US strategy

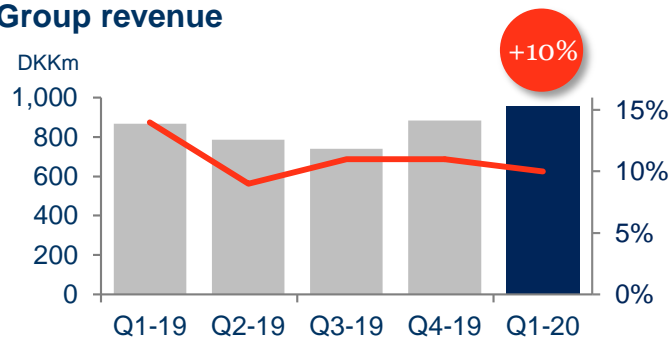
## Optimise and reallocate resources



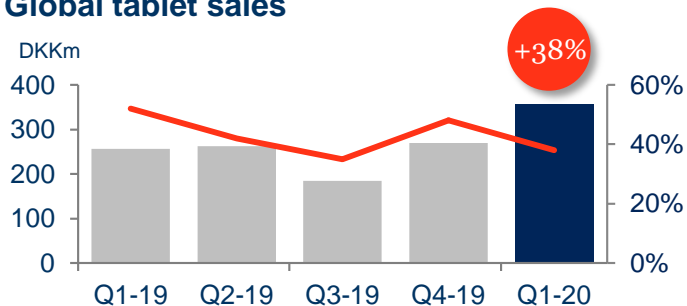
- Wide-ranging efforts to improve quality and robustness
- Portfolio and site strategy to clean-up and simplify footprint
- Improve scalability and efficiency in manufacturing

# Strong Q1 outperformed expectations, guidance kept

## Group revenue



## Global tablet sales



- Revenue up 10%; tablet sales up 38% on solid performances from ACARIZAX® and ITULAZAX®
- EBITDA up 49% at DKK 198m on higher sales, operational leverage and lower capacity costs
- FY outlook maintained: 8-12% organic growth still expected in 2020
- COVID-19
  - No material effect in Q1
  - Impact expected in Q2, predominantly in SCIT markets, especially the USA
  - Likely delays to clinical trials. Patient recruitment currently paused

# Building a sustainable growth platform

*Subdued earnings during 2018-20 due to business and growth investments*

DKK million	Transformation period			...	Longer-term aspirations (2023-25)***
	2018	2019	2020E*		
<b>Revenue</b>	2,915	3,274	<b>+8-12%</b>	...	Sustainable growth of ≥10% from 2019
Gross margin	56%	58%		...	Towards 70%
R&D	392	466		...	Ratio down once tablet portfolio completed
Sales/Marketing & Adm.	1,364	1,210		...	Towards 35% share of revenue
<b>EBITDA</b>	136	241	<b>200-300</b>	...	Specialty pharma levels, EBITDA ≥25%
CAPEX	178	167		...	Maintenance level of DKK 200-300m
Free cash flow	(264)	(25)	<b>~(300)</b>	...	Cash flow positive from 2021
Cash and marketable sec.**	396	316		...	

\*) based on the 2020 guidance issued on 6 May 2020

\*\*) Additional, unused credit facility of DKK 600 million in place

\*\*) Not including any significant effects of potential future in-licensing of products or M&A activities

# Forward-looking statements

*This presentation contains forward-looking statements, including forecasts of future revenue, operating profit and cash flow as well as expected business-related events. Such statements are naturally subject to risks and uncertainties as various factors, some of which are beyond the control of ALK, may cause actual results and performance to differ materially from the forecasts made in this announcement. Without being exhaustive, such factors include e.g., general economic and business-related conditions, including legal issues, uncertainty relating to demand, pricing, reimbursement rules, partners' plans and forecasts, fluctuations in exchange rates, competitive factors and reliance on suppliers. Additional factors include the risks associated with the sourcing and manufacturing of ALK's products as well as the potential for side effects from the use of ALK's existing and future products, as allergy immunotherapy may be associated with allergic reactions of differing extents, durations and severities. The emergence of the coronavirus pandemic, along with the extent and duration of countermeasures against the virus, represents an additional uncertainty that may also affect forward-looking statements.*



# Thank you for your attention

## Investor Relations:

Per Plotnikof,

Vice President, Head of Investor Relations

Phone: +45 4574 7576

E-mail: [ppidk@alk.net](mailto:ppidk@alk.net)

Read more: [www.alk.net](http://www.alk.net)

