



## TELECONFERENCE – Q1 2017

*10 May 2017*



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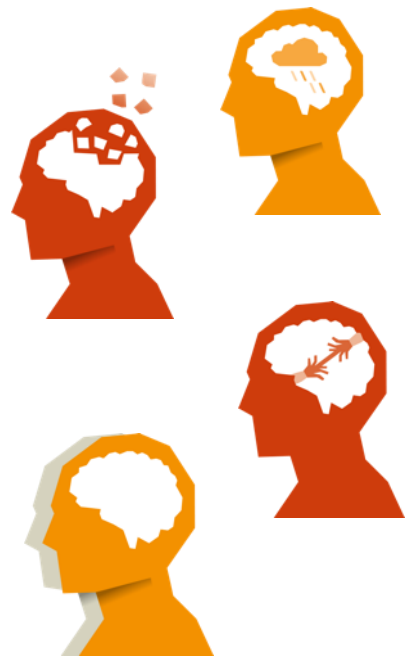
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Certain assumptions made by Lundbeck are required by Danish Securities Law for full disclosure of material corporate information. Some assumptions, including assumptions relating to sales associated with products that are prescribed for unapproved uses, are made taking into account past performances of other similar drugs for similar disease states or past performance of the same drug in other regions where the products are currently marketed. It is important to note that although physicians may, as part of their freedom to practice medicine in the US, prescribe approved drugs for any use they deem appropriate, including unapproved uses, at Lundbeck, promotion of unapproved uses is strictly prohibited.

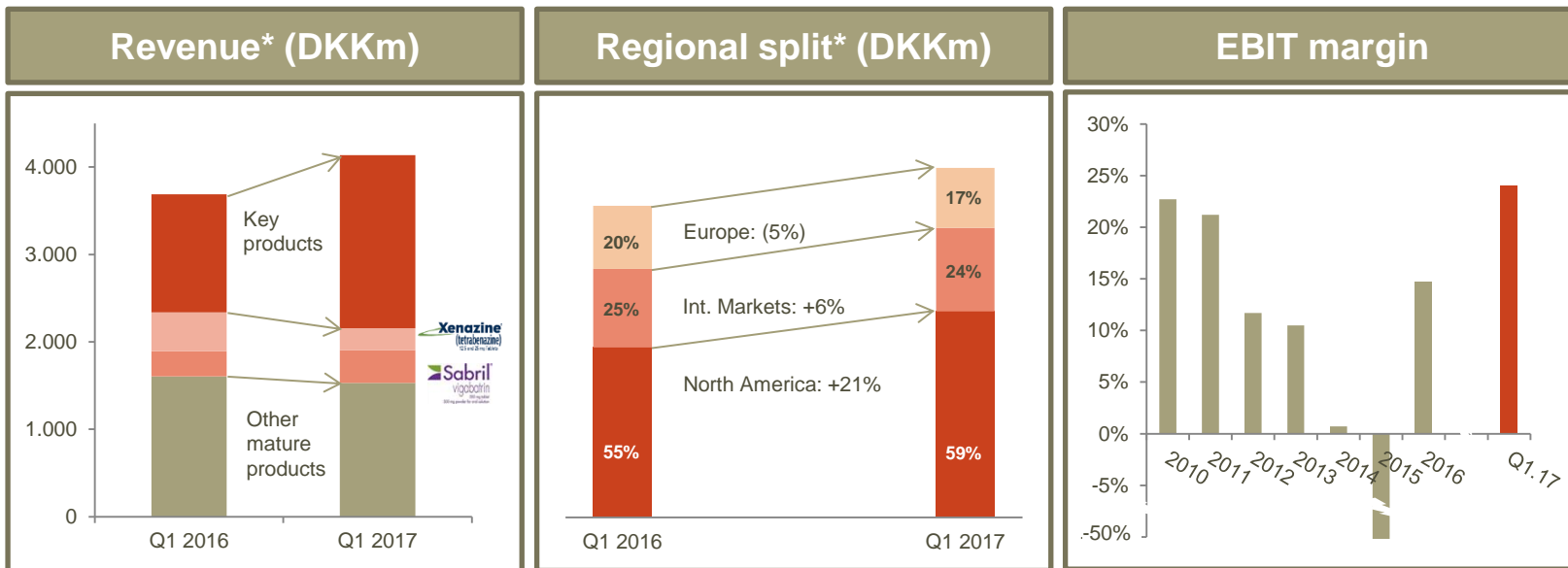


## Q1 2017 achievements

- ★ Total revenue increased by **12%** to DKK **4.2** billion
- ★ Key products grew **46%** to DKK 2 billion representing **47%** of revenue
- ★ EBIT increased to DKK **1.0** billion and EBIT margin significantly improved to **24%**
- ★ EPS grew more than **200%** to DKK 2.98
- ★ Net cash improved by DKK **3** billion since Q1 2016
- ★ **Guidance raised**: Lundbeck expects revenue of DKK **16.5-17.3** billion and EBIT of DKK **3.6-4.0** billion for 2017
- ★ **Encouraging data** on brexpiprazole in Alzheimer's agitation

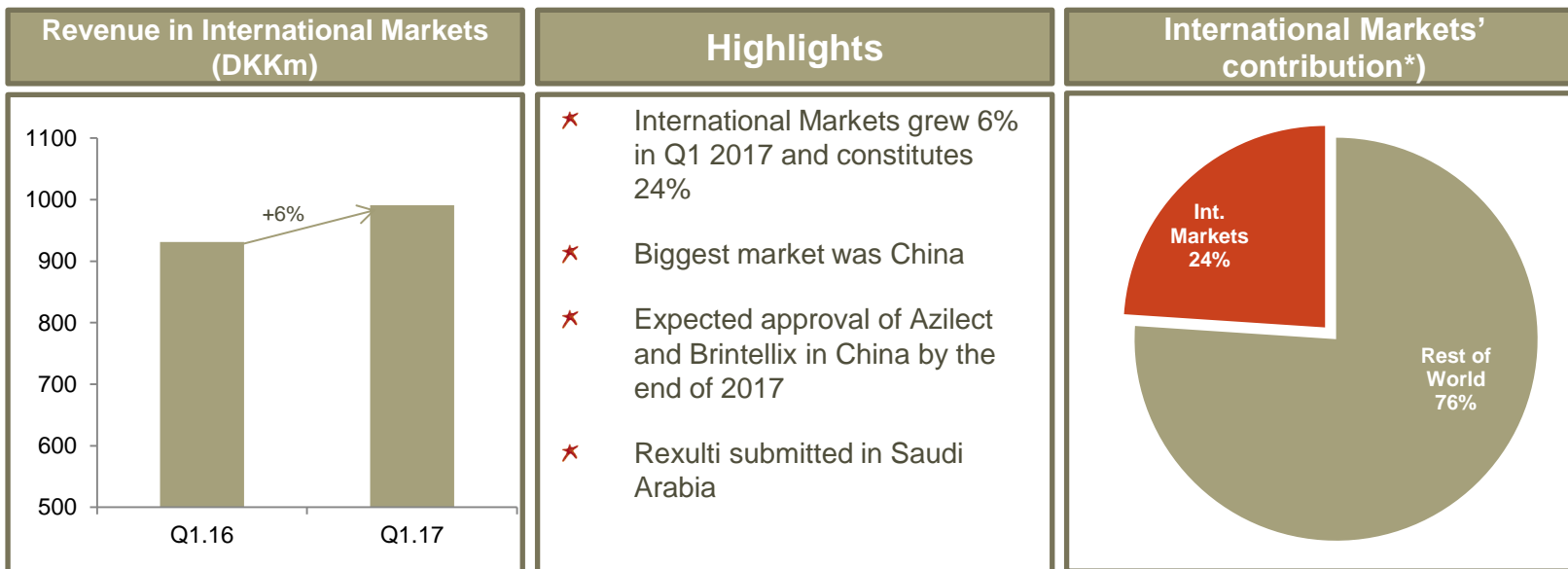


# Strong revenue growth of 12% to DKK 4.2 billion, EBIT margin significantly improved



\*) Excluding Other revenue

# International Markets is making a valuable contribution



\*) Excluding Other revenue

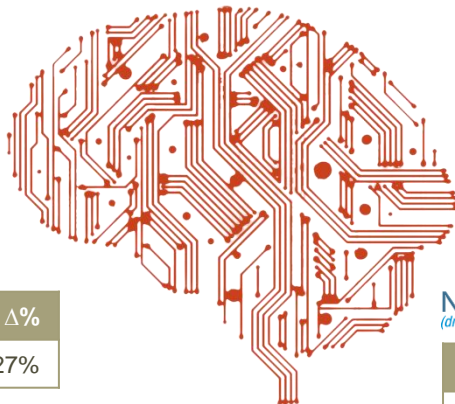
# Key products reached close to DKK 2 billion in Q1 2017 - up 46% y/y



	DKKm	Δ%
Q1 2017	312	22%



	DKKm	Δ%
Q1 2017	271	133%



	DKKm	Δ%
Q1 2017	367	54%

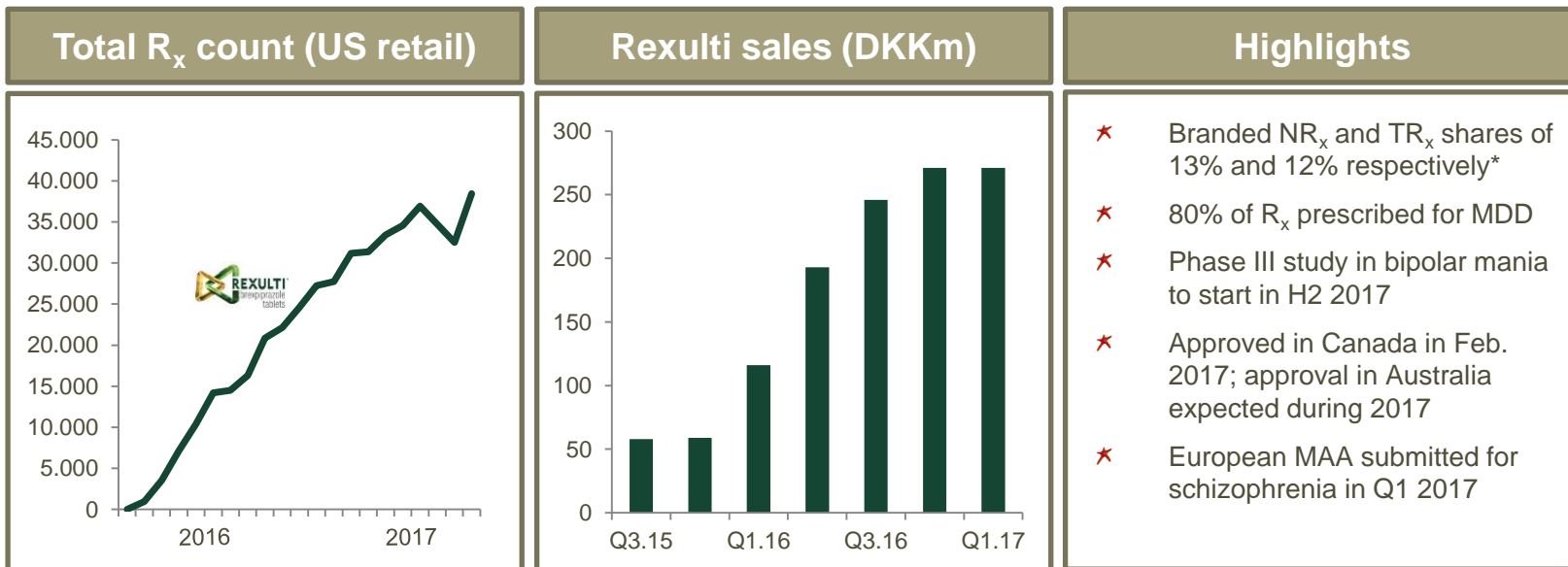


	DKKm	Δ%
Q1 2017	690	27%



	DKKm	Δ%
Q1 2017	340	70%

# Rexulti continues the solid growth, but impacted by first quarter fluctuations



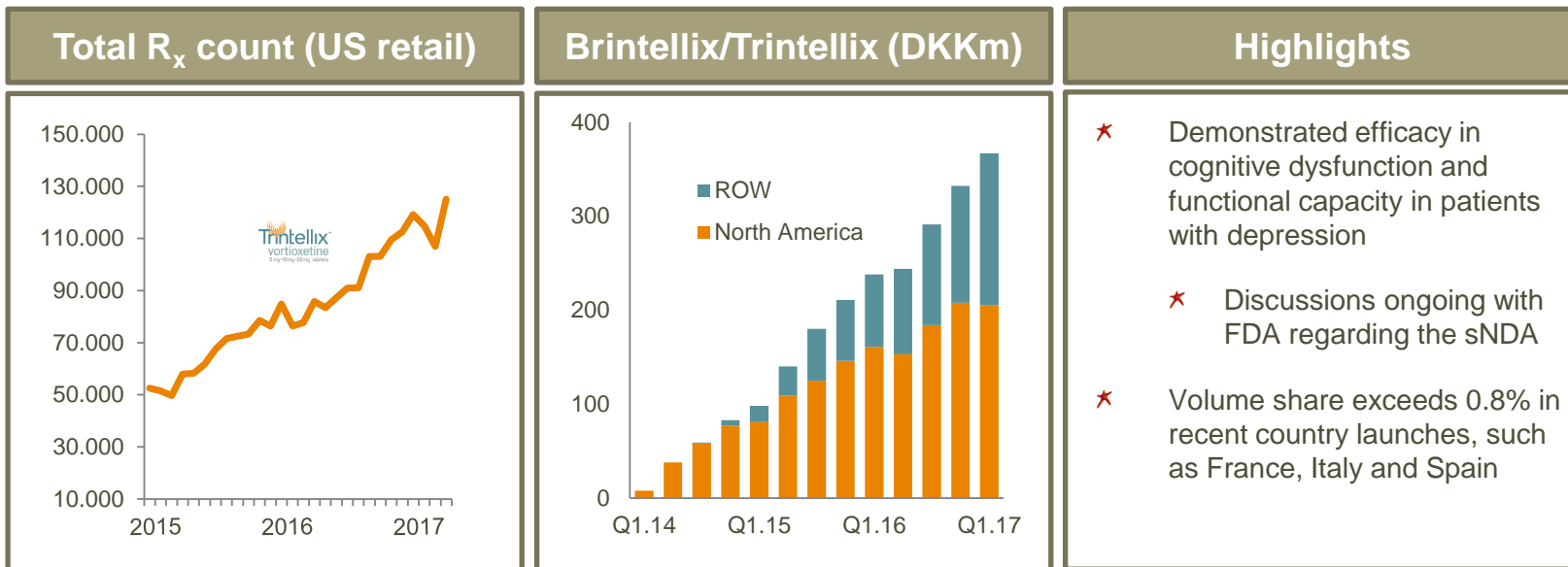
Source: Bloomberg (monthly data ending 3/2017)

Lundbeck's share of revenue

\*) Week ending 14 April 2017



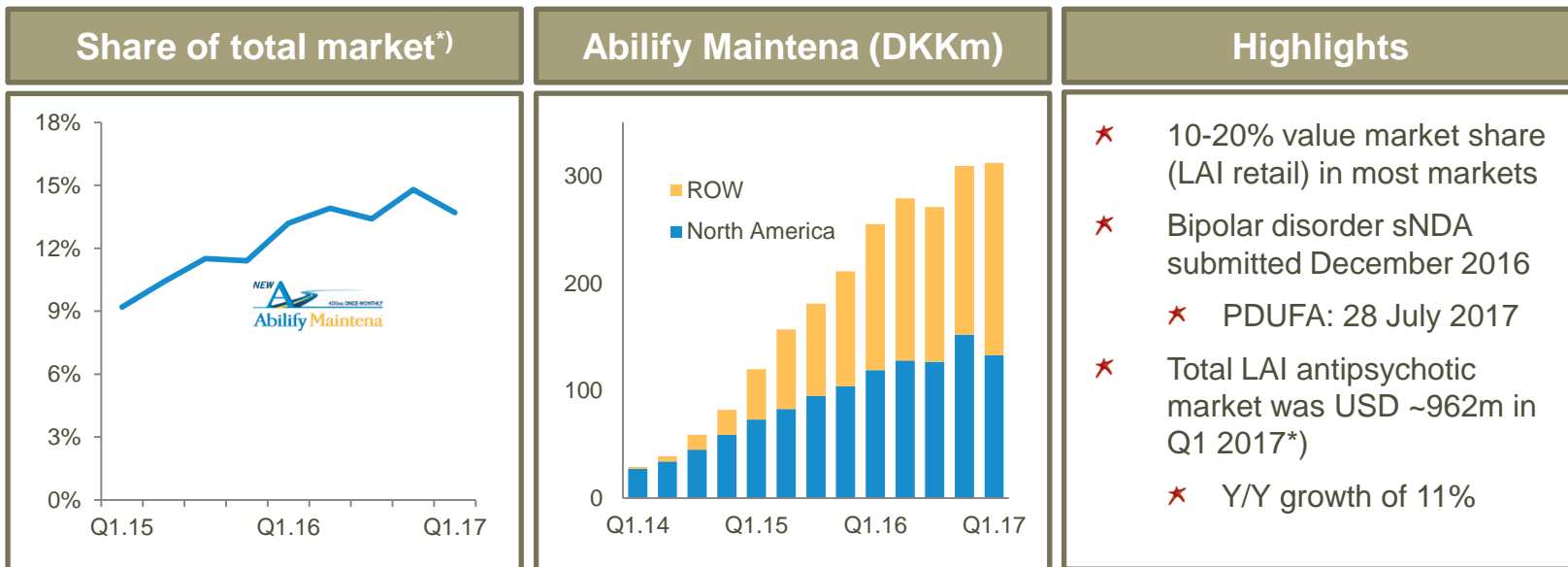
# Brintellix/Trintellix continues the solid growth, but impacted by first quarter fluctuations



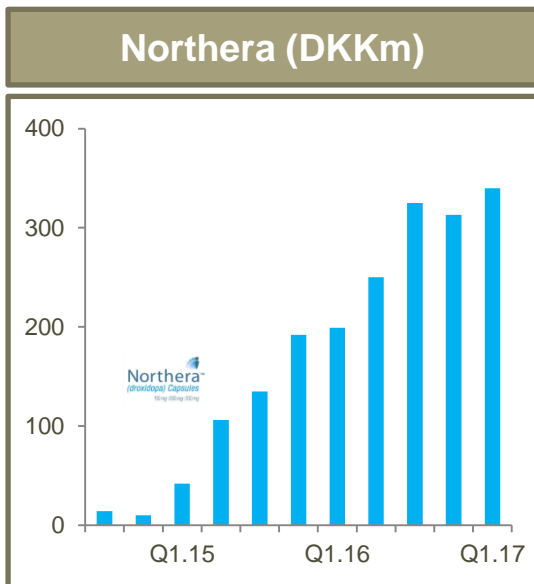
Source: Bloomberg (monthly data ending 3/2017)



# Abilify Maintena continues growing, but negatively impacted by first quarter fluctuations

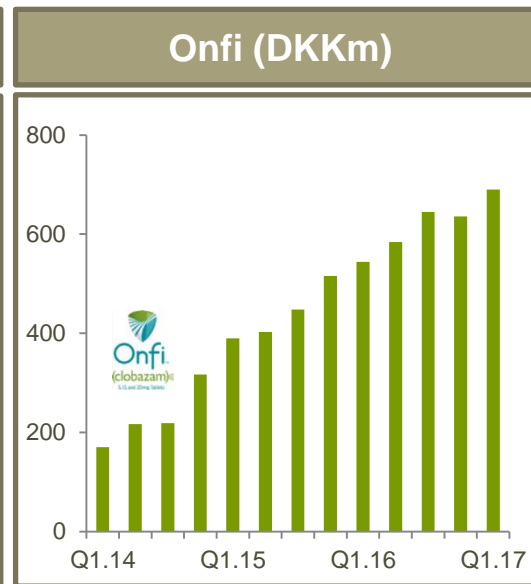


# Onfi and Northera – two fast-growing US products

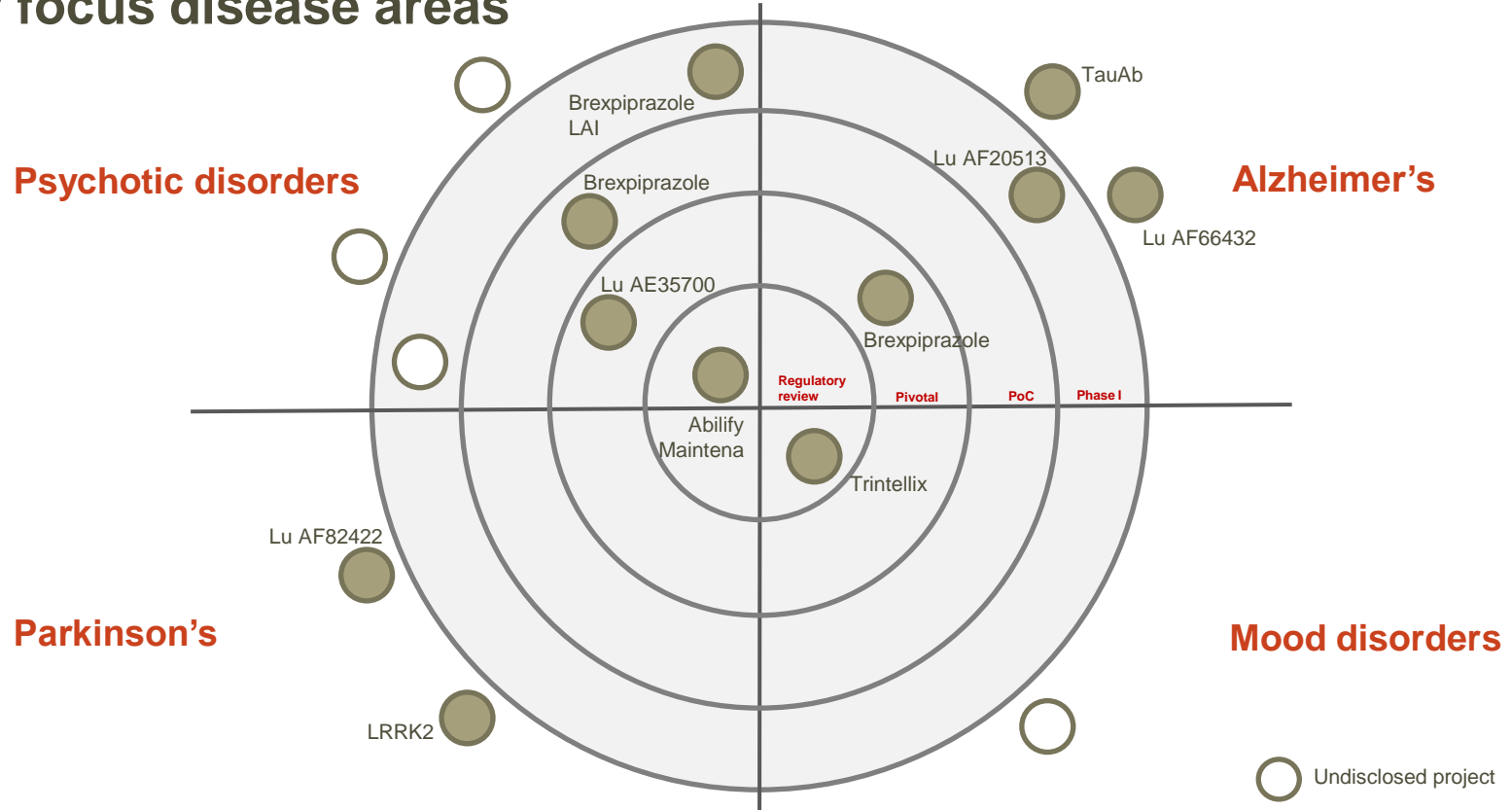


### Highlights



- ★ Northera and Onfi impacted by quarterly fluctuations
- ★ Both products are expected to continue their growth



# Growth opportunities arise from R&D pipeline across Lundbeck's four focus disease areas



# Brexpiprazole showed improvements in symptoms of agitation relative to placebo in Alzheimer's agitation

Study I (NCT01862640)	Study II (NCT01922258)	Comments
<ul style="list-style-type: none"> <li>★ N = 413 patients</li> <li>★ 1 mg, 2 mg and placebo</li> <li>★ 12 weeks' treatment duration</li> <li>★ Main recruitment centers: Russia, USA and Ukraine</li> <li>★ CMAI<sup>1)</sup>: 2 mg statistically superior to placebo</li> <li>★ CGI-S<sup>2)</sup>: 2 mg not statistically superior to placebo</li> </ul>	<ul style="list-style-type: none"> <li>★ N = 270 patients</li> <li>★ Flexible dose: 0.5-2 mg</li> <li>★ 12 weeks' treatment duration</li> <li>★ Main recruitment centers: Ukraine, USA and Russia</li> <li>★ CMAI<sup>1)</sup>: 0.5-2 mg not superior to placebo</li> <li>★ CGI-S<sup>2)</sup>: 0.5-2 mg superior to placebo</li> </ul>	<ul style="list-style-type: none"> <li>★ Geography played a major role, with US patients responding well and patients in Russia responding poorly</li> <li>★ If Russian sites are excluded from both studies, p-value for both studies on CMAI primary endpoint is &lt;0.05</li> </ul> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

1) Primary efficacy endpoint: Cohen-Mansfield Agitation Inventory (CMAI) total score, a 29-item scale to systematically assess the symptoms of agitation

2) Key secondary efficacy endpoint: Clinical Global Impression-Severity of Illness (CGI-S) score, a 7-point scale assessing overall severity of the patient's agitation

# Brexpiprazole Long-acting Injectable (LAI) enters phase I

Brexpiprazole LAI		The study*)
<ul style="list-style-type: none"><li>★ More long-acting treatment options are needed</li><li>★ Brexpiprazole has demonstrated efficacy for patients with schizophrenia without compromising safety and tolerability</li><li>★ Dosing interval, route of administration and device presentation being evaluated</li></ul>	<p data-bbox="716 380 1211 506"><b>LAI formulation with strong tolerability and adherence profile</b></p> <p data-bbox="716 594 1211 648">Validated formulation technology</p> <p data-bbox="716 736 1211 823">Brexpiprazole: Strong and evaluated safety profile</p>	<ul style="list-style-type: none"><li>★ Open-label trial to determine the pharmacokinetics and tolerability of brexpiprazole LAI administered subcutaneously or intramuscularly</li><li>★ Estimated enrollment: 110 adult patients with schizophrenia</li><li>★ Study start: January 2017</li><li>★ Expected completion: H2.2018</li></ul>

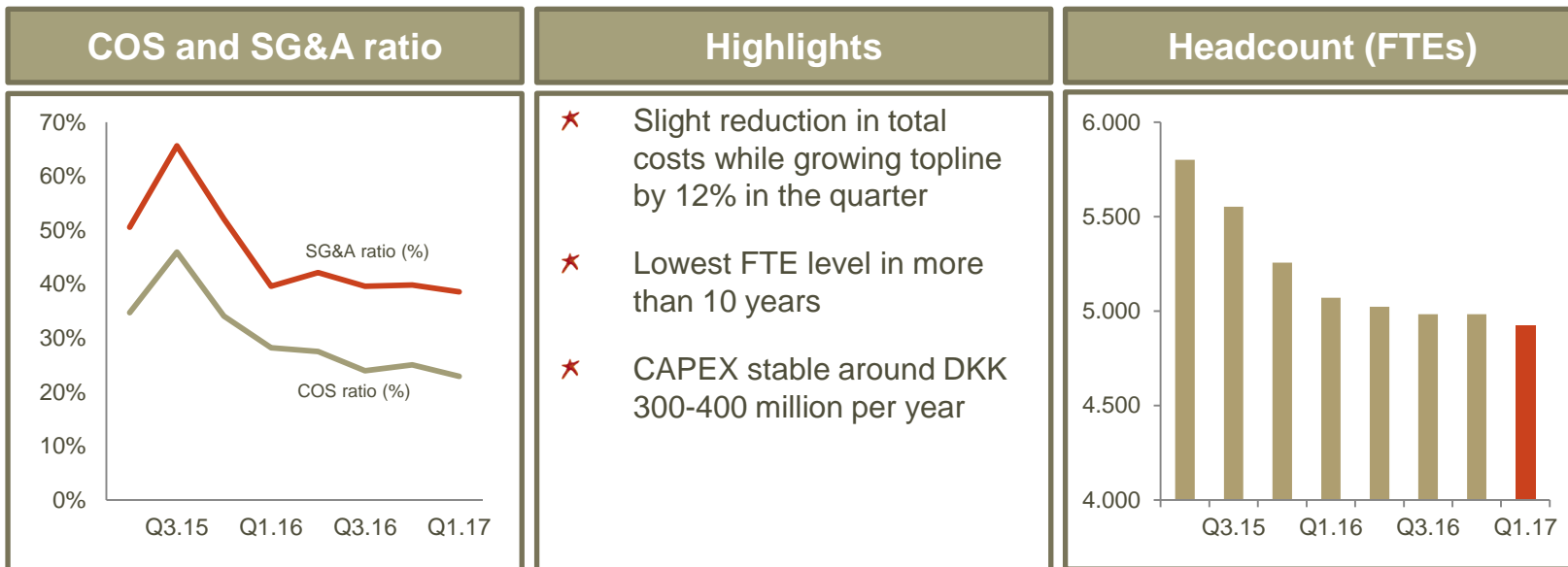
\*) Clinicaltrials.gov ID: NCT02968121

## Financial results – Q1 2017

### Strong improvement in both gross and EBIT margin

DKKm	Q1 2017	Q1 2016	Δ%
Revenue	4,211	3,770	12%
Gross margin	77.1%	71.8%	7%
EBIT	1,011	483	109%
EBIT margin	24.0%	12.8%	88%
Core EBIT	1,213	749	62%
Net profit	587	186	216%
EPS	2.98	0.94	217%

# Headcount and OPEX in general continue to decline

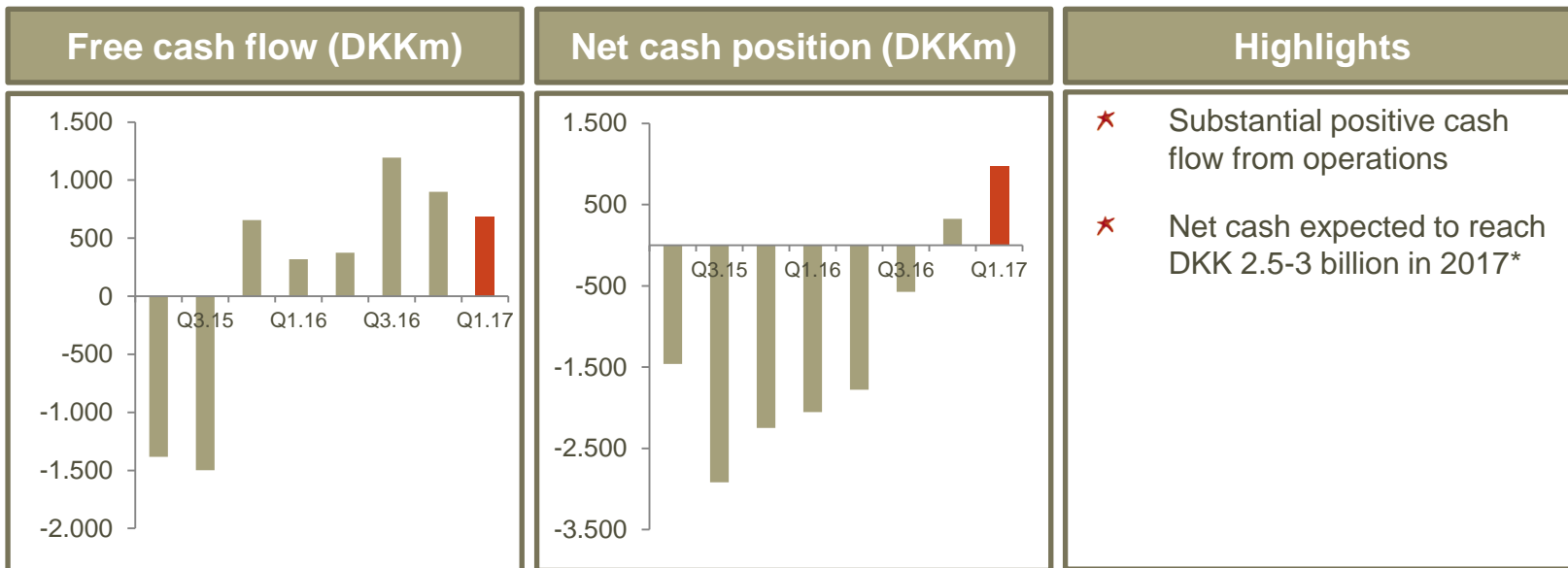




## Strong improvement in cash flow

Net cash position further improved			
DKKm	Q1 2017	Q1 2016	Δ%
Operating cash flow	651	357	82%
Free cash flow	681	320	113%
Net cash flow	524	(28)	-
Cash	2,728	1,383	97%
Net cash/(Net debt)	975	(2,052)	-
Net debt/EBITDA ratio	(0.8)	2.5	-

# Continued improvement in net cash; but free cash flow negatively impacted by paid income taxes and change in working capital



\*) Potential gain from divestiture of properties not included

# 2017 financial guidance raised - Lundbeck on track to achieve an all-time high revenue and EBIT

## 2017 financial guidance

DKKbn	2016	Previous 2017 guidance	Revised 2017 guidance	~Δ% (y/y)
Revenue	15.6	16.3-17.1	16.5-17.3	+6-11%
EBIT	2.3	3.4-3.8	3.6-4.0	+57-74%
EBIT margin	14.7%	~20-23%	~21-24%	-

## Assumptions

- ★ 2017 will be impacted by additional generic erosion but also continued growth of key products
- ★ No acquisitions, divestitures, milestones or up-front payments included in the financial guidance
- ★ Unchanged currencies from early May 2017
- ★ Potential gain from divestiture of properties announced in May 2017 not included in current financial guidance

Thank you!

Lundbeck

