INVESTOR & ANALYST PRESENTATION

H1 2017 – August 2017

Company disclaimer

This presentation contains forward-looking statements that provide our expectations or forecasts of future events such as new product introductions, product approvals and financial performance.

Such forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations and it may cause any or all of our forward-looking statements here or in other publications to be wrong. Factors that may affect future results include interest rate and currency exchange rate fluctuations, delay or failure of development projects, production problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Lundbeck's products, introduction of competing products, Lundbeck's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws and related interpretation thereof, and unexpected growth in costs and expenses.

Lundbeck undertakes no duty to update forward-looking statements.

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.

Lundbeck – who are we?

- Danish based, global pharmaceutical company. Founded in 1915
- Production sites in Denmark, France and Italy
- Pursuing category leadership in four disease categories in CNS: Alzheimer's, mood disorders, Parkinson's and psychotic disorders
- Innovative treatments for patients in diseases with high unmet medical needs
- Experienced management team and long history as CNS specialists
- 2017 financial guidance:
  - Revenue: DKK 16.7-17.5bn and EBIT: DKK 4.1-4.5bn
- Market cap: DKK ~75bn (USD ~12bn)
- ~5,000 employees

Revenue grows 13%, EBIT doubles in H1 2017, and 2017 guidance is raised

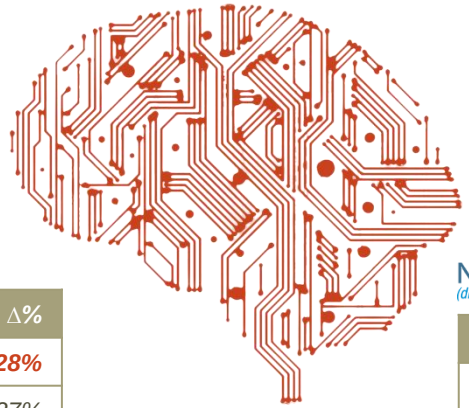
- Total revenue increased by **13%** to DKK **8.5** billion
- Key products grew **44%** to DKK 4.2 billion representing **49%** of revenue
- EBIT doubled to DKK **2.1** billion and EBIT margin significantly improved to **24.3%**
- EPS grew **186%** to DKK 6.06
- Net cash improved by DKK **2.8** billion since Q2 2016
- **Guidance raised** following better operational performance and Other Operating Income
- **Abilify Maintena** approved by the US FDA for bipolar I disorder and **Azilect** approved in China for Parkinson's

Key products exceed DKK 4 billion in H1 2017 - up 44% y/y

	DKKm	Δ%
H1 2017	**659**	***23%***
FY 2016	1,114	*67%*

	DKKm	Δ%
H1 2017	**574**	***85%***
FY 2016	826	*608%*

	DKKm	Δ%
H1 2017	**778**	***61%***
FY 2016	1,105	*76%*

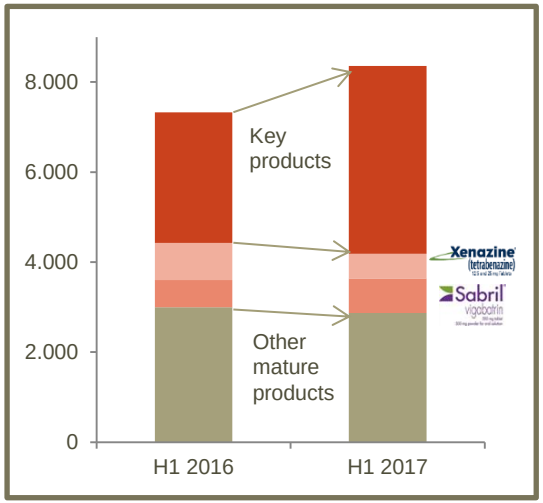


	DKKm	Δ%
H1 2017	**1,448**	***28%***
FY 2016	2,409	*37%*

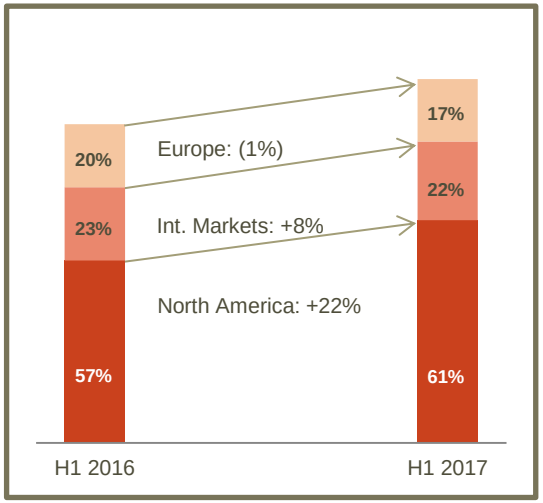
	DKKm	Δ%
H1 2017	**716**	***60%***
FY 2016	1,087	*129%*

Strong revenue growth of 13% to DKK 8.5 billion, EBIT margin improved from 12.7% to 24.3%

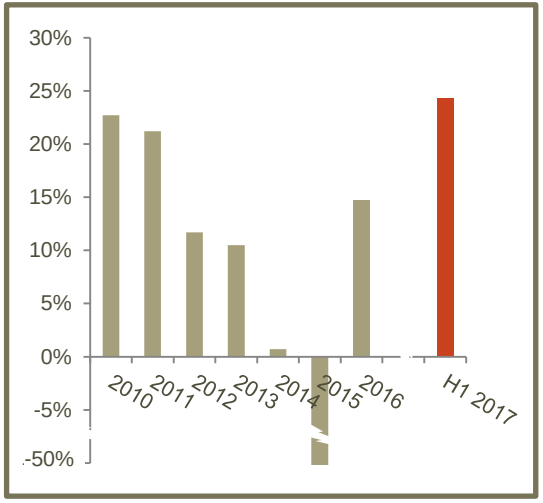
Revenue* (DKKm)



Regional split* (DKKm)



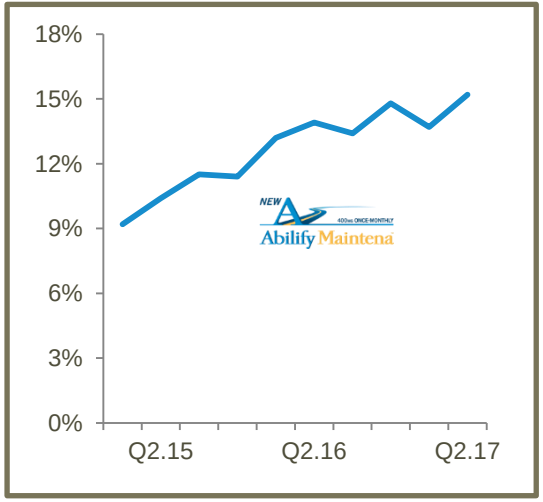
EBIT margin



*) Excluding Other revenue

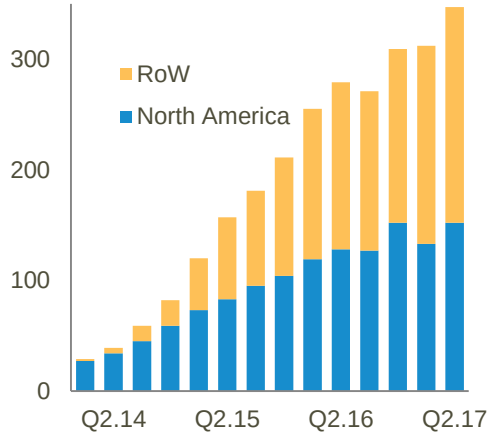
Abilify Maintena grew 23% to DKK 659 million in H1 2017 primarily driven by non-US markets

Share of total market*)



*) Based on quarterly reports from Lundbeck, Otsuka, Alkermes and Johnson & Johnson

Abilify Maintena (DKKm)



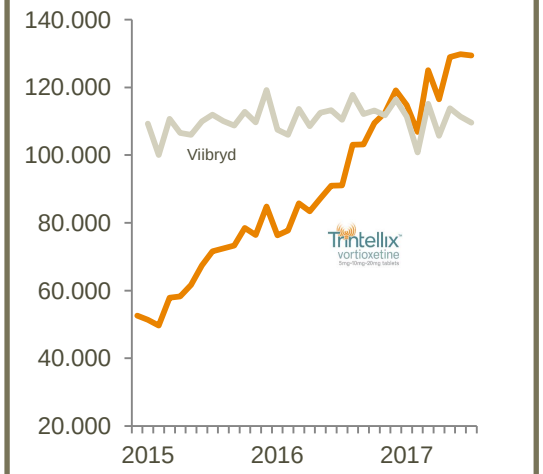
Lundbeck's share of revenue

Highlights

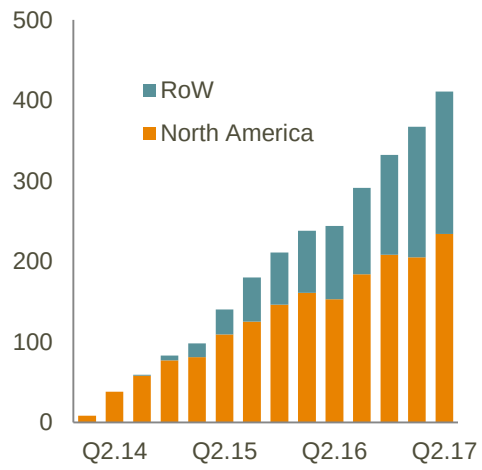
- Growth mainly driven by Australia, Canada, Spain, Italy and France
- 10-20% value market share (LAI retail) in most markets
- Bipolar I disorder sNDA approved by the US FDA
- Total LAI antipsychotic market was USD ~2bn in H1 2017*)
  - Y/Y growth of 10%

Brintellix/Trintellix grew 61% to DKK 778 million in H1 2017 with non-US adding to growth

Total R_x count (US retail)



Brintellix/Trintellix (DKKm)



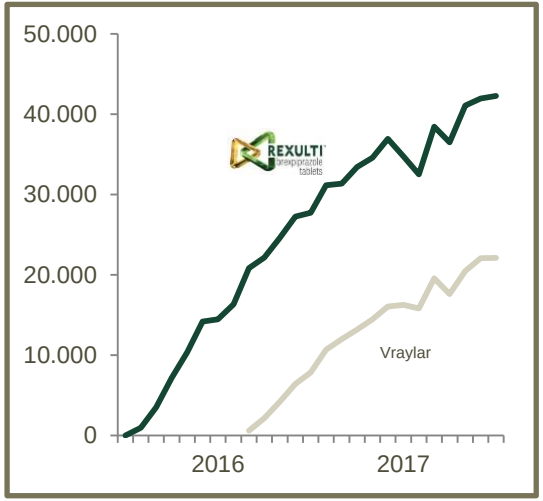
Highlights

- Growth mainly driven by Brazil, Canada, France, Italy and the US
- More than 1% volume share in major countries such as France, Italy, Mexico and Spain
- Second CRL received from US FDA on sNDA (cognition)
- Demonstrated efficacy in cognitive dysfunction and functional capacity

Source: Bloomberg (monthly data ending 7/2017)

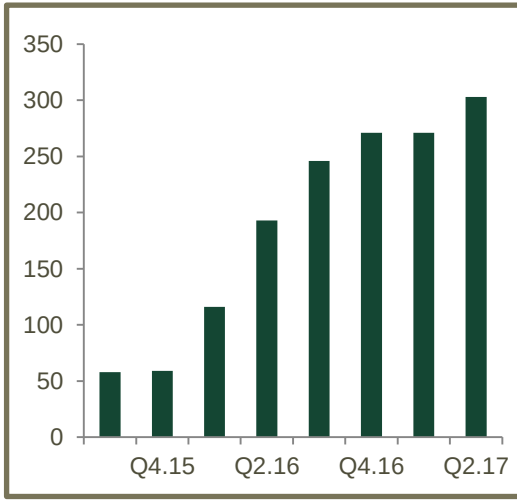
Rexulti grew 85% to DKK 574 million in H1 2017

Total R_x count (US retail)



Source: Bloomberg (monthly data ending 7/2017)

Rexulti sales (DKKm)



Lundbeck's share of revenue

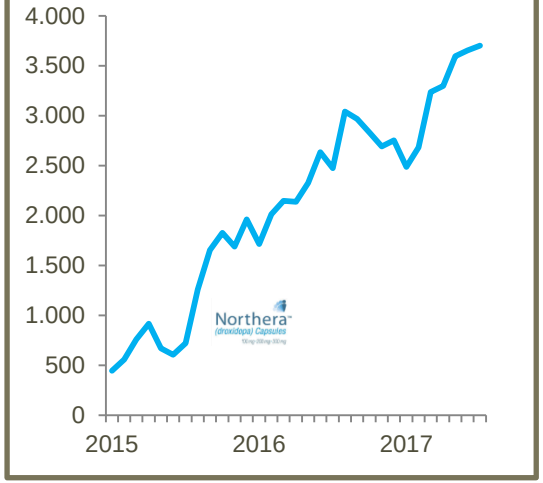
Highlights

- Branded NR_x and TR_x shares of 15% and 13% respectively*
- More than 1% total market share (volume)*
- 80% of R_x prescribed for MDD
- Phase III study in bipolar mania to start in H2 2017
- Launched in Canada and recently approved in Australia
- European MAA submitted for schizophrenia in Q1 2017

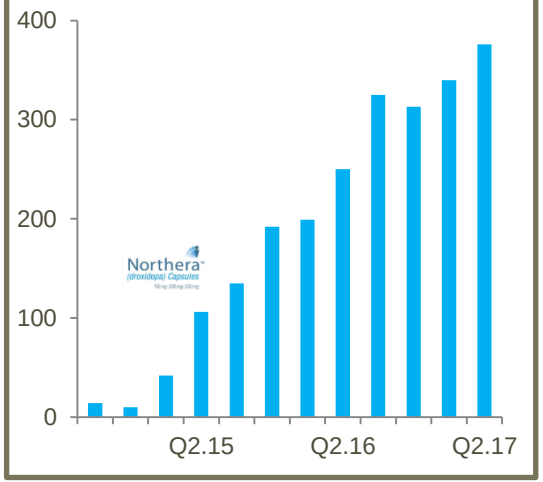
*) Week ending 2 July 2017

Northera continues to show strong growth

Total US R_x



Northera (DKKm)



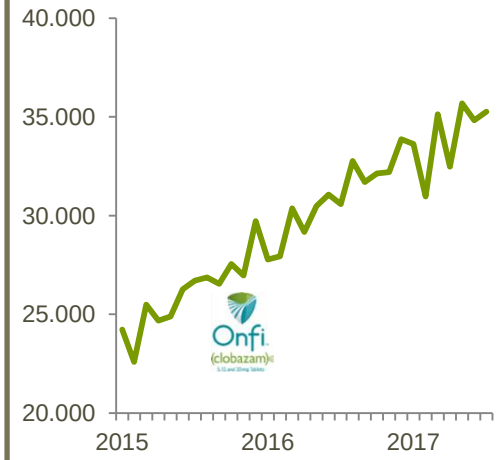
Highlights

- Northera grew 60% to DKK 716 million in H1 2017
- Northera is expected to continue to grow

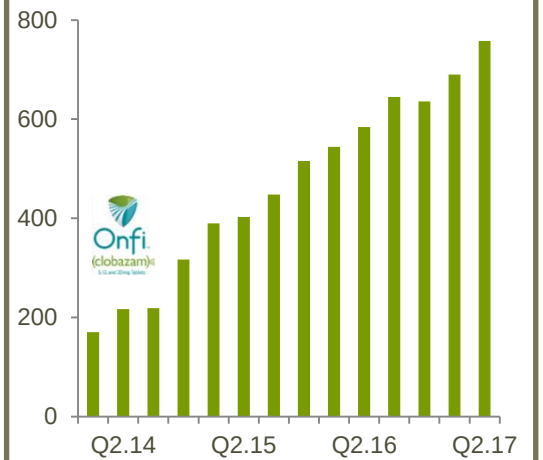
Source: Bloomberg (monthly data ending 7/2017)

Onfi continues its solid growth momentum

Total R_x Count (US)



Onfi (DKKm)



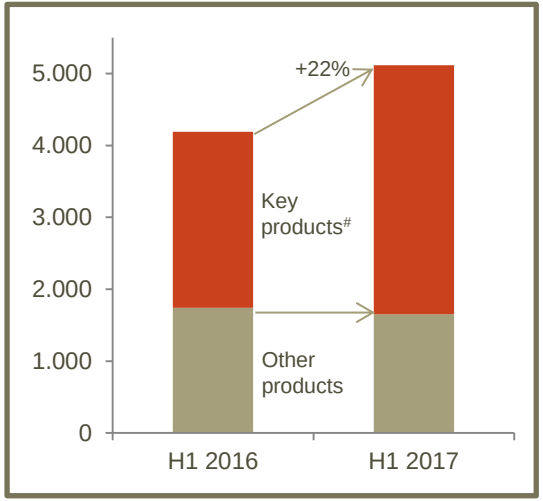
Highlights

- Onfi grew 28% to DKK 1,448 million in H1 2017
- Onfi is expected to continue to grow

Source: Bloomberg (monthly data ending 7/2017)

North America grew 22% driven by Northera, Rexulti and Trintellix

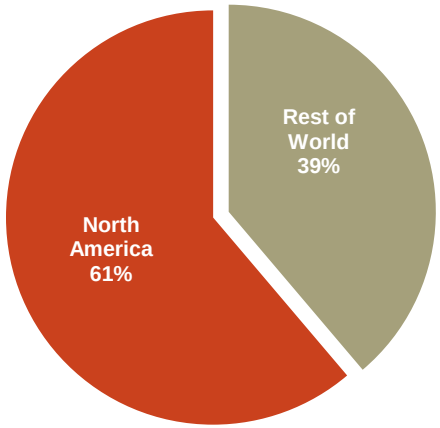
Revenue in North America (DKKm)



Highlights

- North America grew 22% to DKK 5,115 million in H1 2017
- In Q2 2017, the region grew 23% to DKK 2,678 million
- Rexulti has ~1% volume share in the US
- Trintellix has ~0.6% and ~0.8% in volume share in the US and Canada, respectively

North America's contribution*)

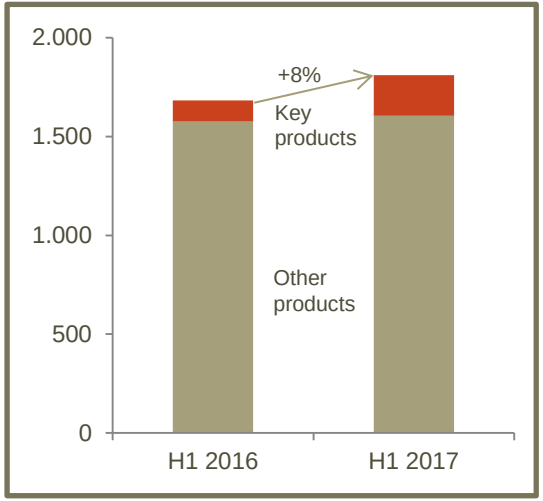


#) Abilify Maintena, Northera, Onfi, Rexulti and Trintellix

*) Excluding Other revenue

International Markets grew 8% with Brazil, China and Japan as major contributors

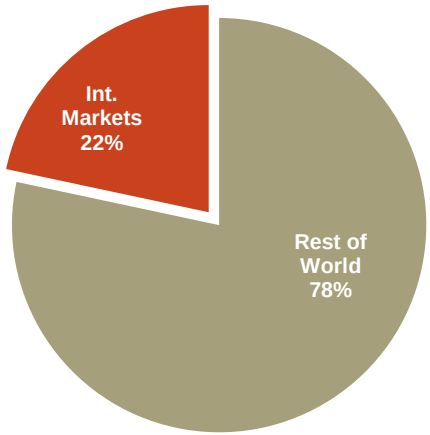
Revenue in International Markets (DKKm)



Highlights

- International Markets constitutes 22% of total revenue
- Key products up 91% in H1 2017 driven by Abilify Maintena and Brintellix
- Azilect approved in China
- Brintellix approval in China expected around year-end 2017

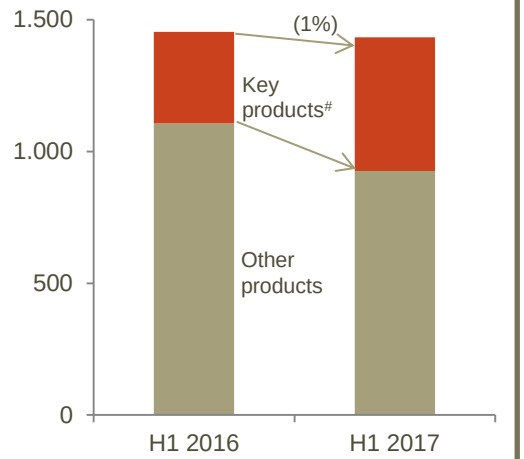
International Markets' contribution*)



*) Excluding Other revenue

Europe starts to improve driven by Abilify Maintena and Brintellix

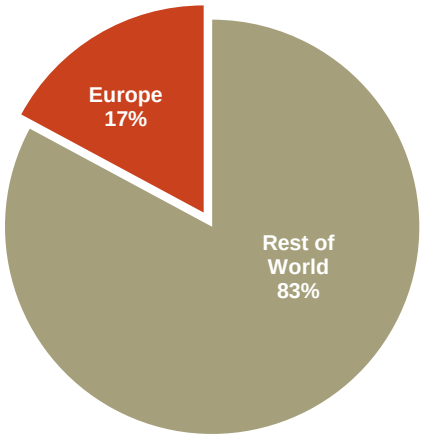
Revenue in Europe (DKKm)



Highlights

- Europe declined 1% to DKK 1,433 million in H1 2017, but…
- …was up 3% in Q2 2017 and reached DKK 724 million
- Strong performance for Brintellix, especially in France, Italy and Spain
- Rxulti submitted in Europe in March 2017 (schizophrenia)
- Market value (EU5) of our four disease areas: USD 3.7bn

Europe's contribution*)



#) Abilify Maintena and Brintellix

*) Excluding Other revenue

R&D in Lundbeck

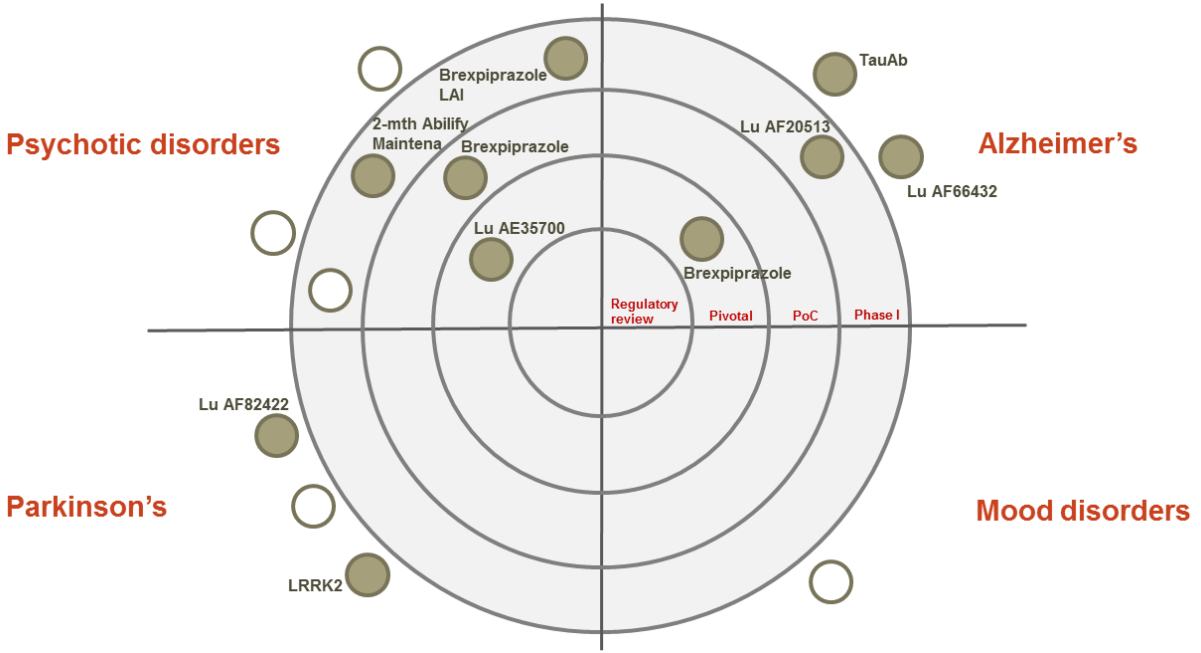
Innovation focused across four key disease areas

Continued progression in our R&D pipeline with two approvals and upstart of additional trials

Highlights

- Abilify Maintena approved by US FDA for bipolar I disorder
- Abilify Maintena 2-month formulation in development*
- Azilect approved in China
- New study (*Anew*) started with Lu AF35700**
- US FDA issue second CRL regarding inclusion of cognition data in Trintellix label
- Early pipeline progressing

*) NCT03150771. **) NCT03230864



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

REXULTI brexpiprazole tablets

Study I (NCT01862640)	Study II (NCT01922258)	Comments
✗ N = 413 patients ✗ 1 mg, 2 mg and placebo ✗ 12 weeks' treatment duration ✗ Main recruitment centers: Russia, Ukraine and USA ✗ CMAI[1]: 2 mg statistically superior to placebo ✗ CGI-S[2]: 2 mg not statistically superior to placebo	✗ N = 270 patients ✗ Flexible dose: 0.5-2 mg ✗ 12 weeks' treatment duration ✗ Main recruitment centers: Russia, Ukraine and USA ✗ CMAI[1]: 0.5-2 mg not superior to placebo ✗ CGI-S[2]: 0.5-2 mg superior to placebo	✗ Geography played a major role, with US patients responding well and patients in Russia responding poorly ✗ If Russian sites are excluded from both studies, p-value for both studies on CMAI primary endpoint is <0.05  

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

Lundbeck

Brexpiprazole in pivotal programme in Alzheimer's agitation

REXULTI brexpiprazole tablets

The condition

- >20% of individuals in a community setting and >50% of nursing home residents with dementia have agitation
- >1.5m dementia patients in the US with agitation / aggression
- Agitation in Alzheimer's is associated with increased caregiver burden, decreased functioning and earlier nursing home placement

The studies

Study #1 (12 weeks) (NCT01862640)	**Study #2 (12 weeks)** (NCT01922258)
413 patients	270 patients
1 mg and 2 mg	0.5-2 mg (flexible dose)
Study start: July 2013	Study start: June 2013

Clinical programme

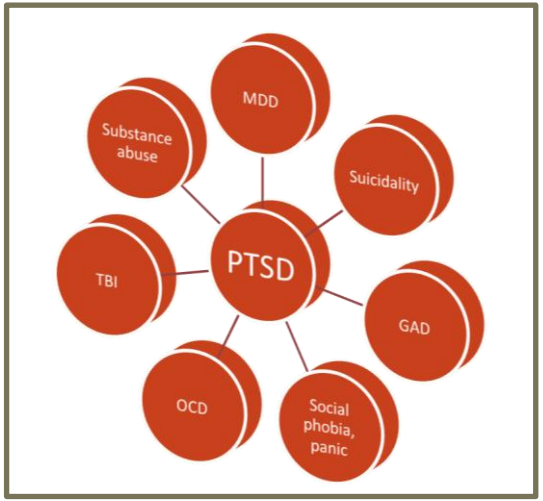
- Target population: Institutionalized or non-institutionalized setting
- Primary outcome: Change in the Cohen-Mansfield Agitation Inventory (CMAI) total score
- Type C meeting requested at US FDA
- Fast Track Designation granted February 2016

Lundbeck

Brexpiprazole enters Proof-of-Concept study in Post-traumatic Stress Disorder (PTSD)

PTSD

- ~8.6m American adults affected[1)], but ~80% is undiagnosed
- Growing economic and social burden to care for people with PTSD
- Inadequate response with US FDA approved SSRIs sertraline and paroxetine
  - Polypharmacy the norm



The PoC study*)

- 4-arm, 12-week trial using 1-3 mg of brexpiprazole
- Monotherapy or in combination with sertraline
- ~330 patients to be enrolled
- Primary endpoint: Change from baseline in the CAPS-5 total score[#)]

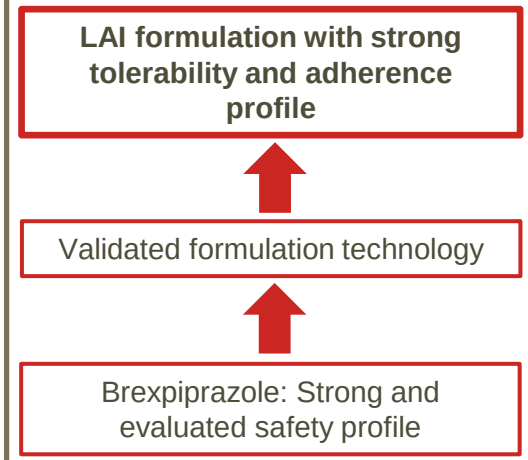
1) http://www.cohenveteransbioscience.org/post-traumatic-stress/. US Census Bureau. Annual estimates of the resident population by sex and selected age groups for the United States: April 1, 2010 to July 1, 2011 (NC-EST2011-02). 2012. http://www.census.gov/popest/data/national/asrh/2011/index.html.

*) NCT03033069
#) Clinician-Administered PTSD Scale for DSM-5 (CAPS-5)

Brexpiprazole Long-acting Injectable (LAI) entered phase I

Brexpiprazole LAI

- More long-acting treatment options are needed
- Brexpiprazole has demonstrated efficacy for patients with schizophrenia without compromising safety and tolerability
- Dosing interval, route of administration and device presentation being evaluated



The study*)

- Open-label trial to determine the pharmacokinetics and tolerability of brexpiprazole LAI administered subcutaneously or intramuscularly
- Estimated enrollment: 110 adult patients with schizophrenia
- Study start: January 2017
- Expected completion: H2 2018

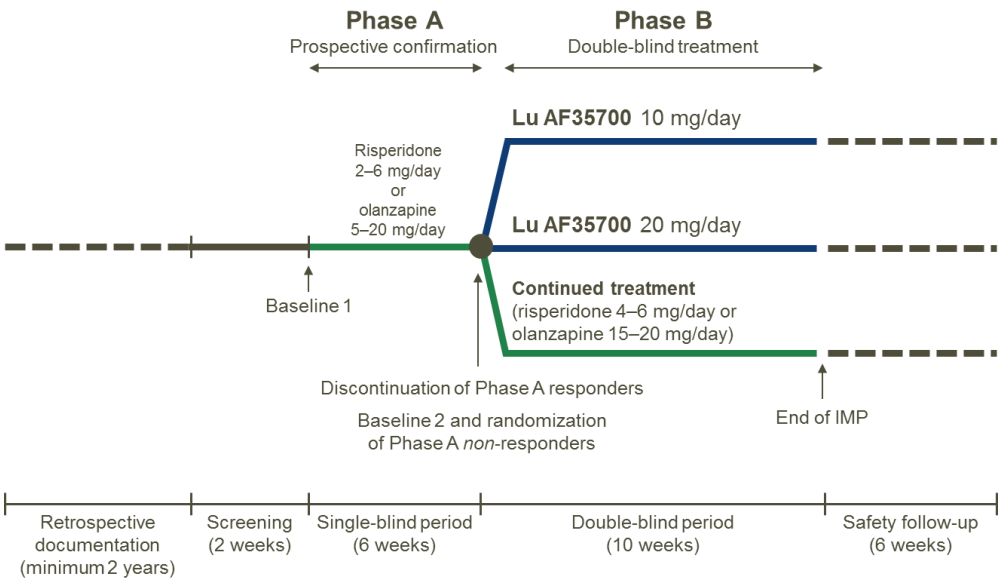
*) Clinicaltrials.gov ID: NCT02968121

Lu AF35700 offers significant potential in Treatment Resistant Schizophrenia (TRS)

TRS	Lu AF35700	Clinical programme
✗ Around 1/3 of schizophrenia patients are treatment resistant ✗ Psychiatrists readily recognize the term “Treatment Resistant Schizophrenia” (TRS) ✗ TRS is an inability to control symptoms of schizophrenia after a full round of two to three antipsychotics	✗ Unique mode of action. In contrast to current treatment, antipsychotic effect at **low D_2 blockade** ✗ Combined D_1/D_2 and 5-HT_6 profile gives good activity combined with a **benign tolerability profile** ✗ Very **long half-life** leads to significantly reduced risk of relapse	✗ Four clinical studies have been conducted, three studies in healthy people and one in patients with schizophrenia[1)] ✗ The first study (*DayBreak*) in the pivotal programme commenced in March 2016[2)] ✗ Other key studies ongoing: ✗ Long-term safety study[3)] ✗ Cardiac repolarization[4)] ✗ ED or LD TRS (*Anew*)[5)]

1) Clinicaltrials.gov identifier: NCT02202226
2) NCT02717195. 3) NCT02892422. 4) NCT02901587.
5) NCT03230864 (early-in-disease (ED) or late-in-disease (LD) treatment-resistant schizophrenia (TRS))

Study set-up in first study (*DayBreak*) in pivotal programme using lu AF35700 in Treatment Resistant Schizophrenia



First study in pivotal programme

- Oral, once daily
- Approximately 1,000 patients
- Expected completion by H1 2019

Primary endpoint

- Change in PANSS total score

Secondary endpoints

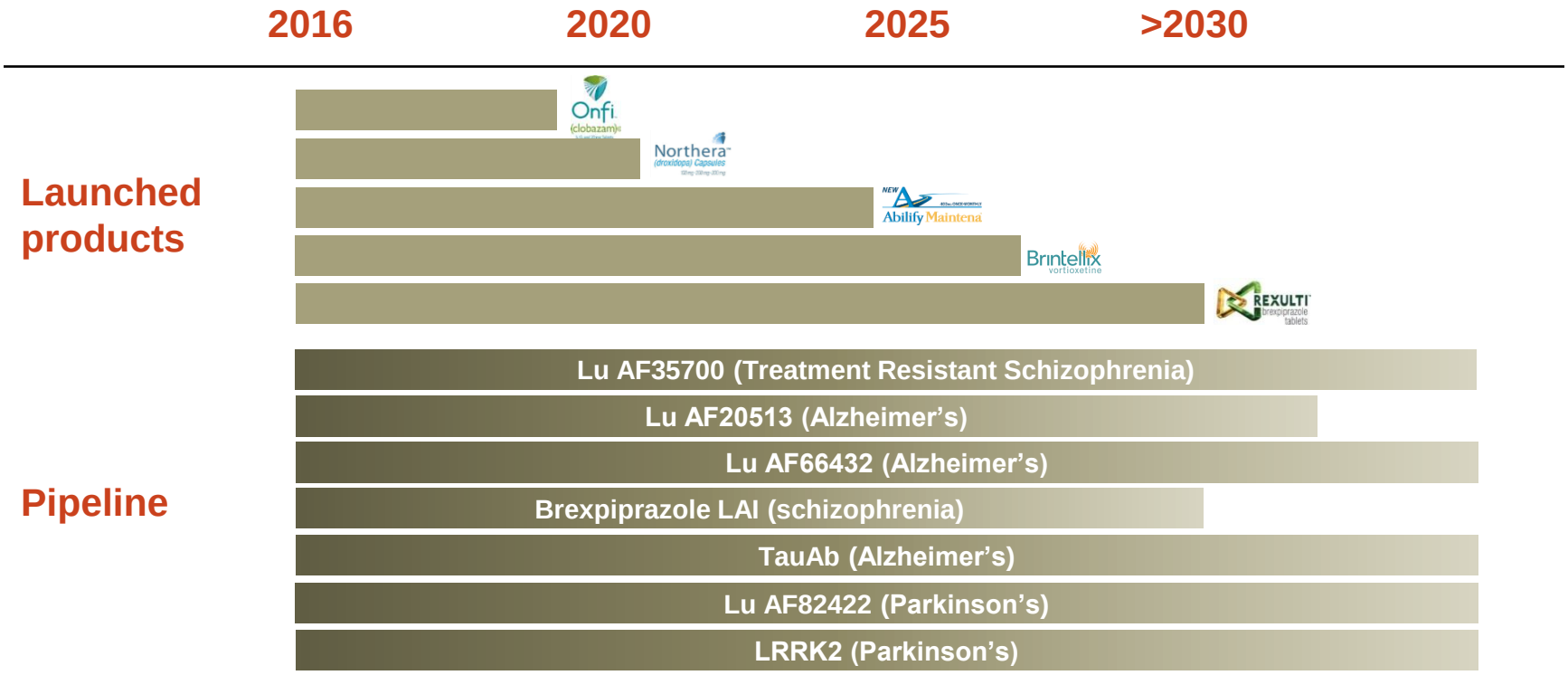
- Clinical Global Impression Severity scale (CGI-S)
- Personal and Social Performance (PSP) total score

Clinicaltrials.gov ID: NCT02717195

Our path to category leadership

	Current products	Pipeline
Mood disorders	Cipralex (escitalopram); Brintellix (vortioxetine); Rexulti (brexpiprazole tablets)	Research projects; LCM projects
Psychotic Disorders	Saphris (asenapine); Rexulti (brexpiprazole tablets); NEW Abilify Maintena 400mg ONCE-MONTHLY	LCM projects; Lu AF35700; Research projects
Alzheimer's	20 mg Once-Daily Ebixa memantine	Brexpiprazole; Lu AF66432; Lu AF20513; TauAb
Parkinson's	Azilect Once-Daily (rasagiline); Northera (droxidopa) capsules 100mg·200mg·300mg	Lu AF82422; LRRK2

Higher degree of transparency in future revenue drivers than Lundbeck has had historically



Finance & other

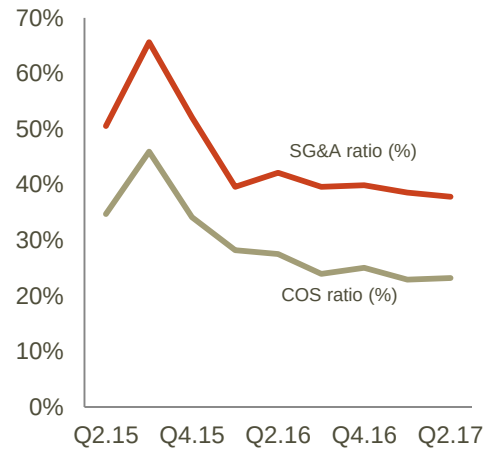
Strong growth in revenue and significant improvement in both gross margin and EBIT margin

Financial results – Q2 2017 and H1 2017

Q2 2017	Q2 2016	Δ%	DKKm	H1 2017	H1 2016	Δ%
4,283	3,751	*14%*	**Revenue**	**8,494**	7,521	*13%*
76.8%	*72.5%*	-	***Gross margin***	**76.9%**	*72.1%*	-
1,050	469	*124%*	**EBIT**	**2,061**	952	*117%*
24.5%	*12.5%*	-	***EBIT margin***	**24.3%**	*12.7%*	-
1,287	726	*77%*	**Core EBIT**	**2,500**	1,475	*69%*
608	232	*161%*	**Net profit**	**1,195**	418	*186%*
3.08	1.18	*161%*	**EPS**	**6.06**	2.12	*186%*

Continued focus on cost discipline

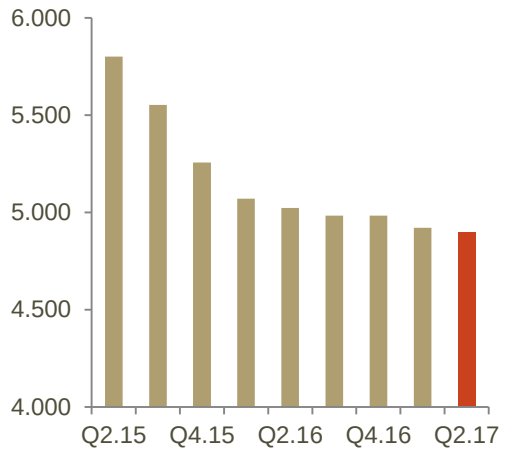
COS and SG&A ratio



Highlights

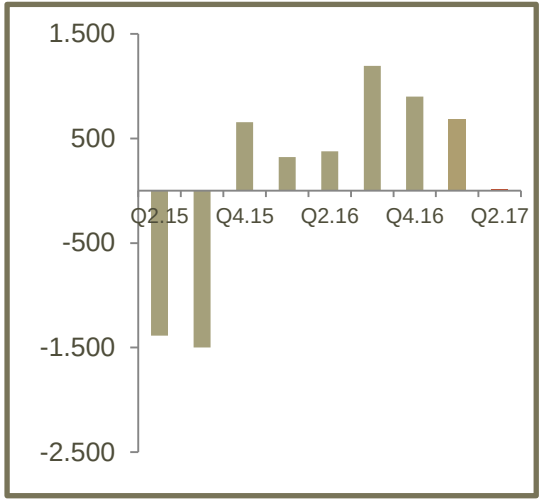
- Slight reduction in total costs while growing topline by 13% in H1 2017
- Lowest FTE level in close to 15 years
- CAPEX stable around DKK 300-400 million per year

Headcount (FTEs)

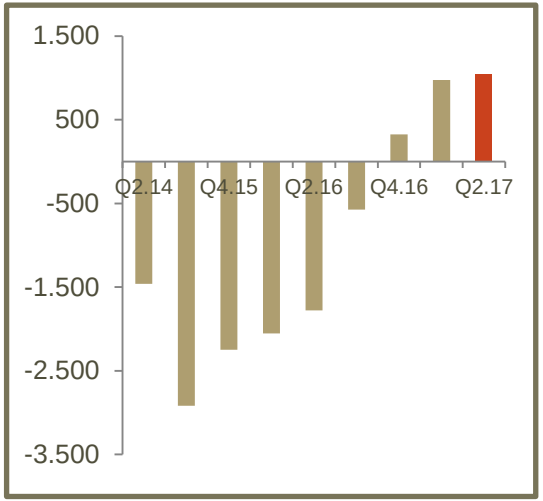


Continued improvement in net cash

Free cash flow (DKKm)



Net cash position (DKKm)



Highlights

- Substantial positive cash flow from operations
- Cash flow impacted by:
  - Quarterly fluctuations in working capital
  - Paid income tax
  - Investments in securities
  - Repayment of loans and dividend pay-out
- Net cash expected to reach around 3 billion in 2017

Lundbeck on track to achieve an all-time high revenue and EBIT

2017 financial guidance raised

DKKbn	2016	Previous 2017 guidance	Revised 2017 guidance	~Δ% (y/y)
Revenue	15.6	16.5-17.3	**16.7-17.5**	*7-12%*
EBIT	2.3	3.6-4.0	**4.1-4.5**	*78-95%*
EBIT margin	*14.7%*	*~21-24%*	***~22-26%****	-

*) Excluding DKK ~240 million in total gains from divestiture of properties which are recognized as Other Operating Income

Assumptions

- 2017 will be impacted by additional generic erosion but also continued growth of key products
- EBIT for 2017 includes around DKK 240 million from divestiture of properties recognized as Other operating income
- No new one-off income and/or expenses included
- Unchanged currencies from beginning of August 2017

Key priorities

- Sustain sales **momentum** of key products
- Realize full **benefits** from restructuring programme
- Deliver on **innovation**
- **Cash** reallocation


PATIENTS
FOCUSED
DEPRESSION
GLOBAL
PASSIONATE
ALZHEIMER'S
RESPONSIBLE
SCHIZOPHRENIA
PARKINSON'S
INNOVATION
LEADERSHIP
PROFITABILITY
ORGANIZATION

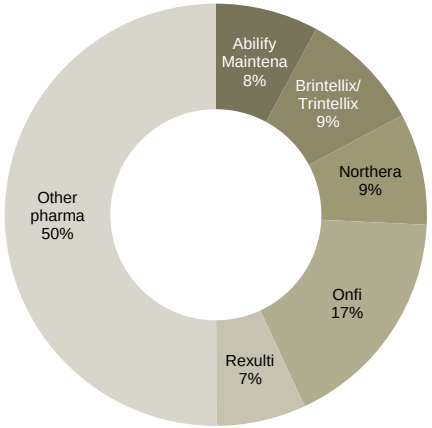
2015 - CNS market overview

	Market size (2015)					Market leaders (2015)	
	Value USDbn	Value Growth	Volume Growth	# of patients*	Unmet medical needs	Compound	Share value
Total pharma	945	+1%	+2%	-	-	-	-
Total CNS	134	-3%	+1%	-	-	-	-
Anti-Alzheimer's (N7D)	5.3	-14%	+3%	>7 million	• Disease modifying treatment • Disease slowing agents • Improved symptomatic treatments • Longer lasting symptomatic treatments	1. Memantine 2. Rivastigmine 3. Donepezil 4. Galantamine	50% 23% 21% 6%
Anti-depressants (N6A)	13.2	-15%	+5%	~40 million	• Drugs with higher remission rates • Increased onset of action • Current therapies are relatively well-tolerated but still room for improvement especially on sexual side effects	1. Duloxetine 2. Escitalopram 3. Bupropion 4. Venlafaxine	16% 10% 10% 9%
Anti-Parkinson's (N4A)	4.0	-10%	+3%	>3 million	• Therapies that provide neuroprotection and/or neurorestoration • An optimal trial design for demonstrating neuroprotection and/or neurorestoration • Control of levodopa-induced motor response complications	1.Rasagiline 2.Levodopa 3.Pramipexole 4.Rotigotine	16% 14% 14% 10%
Anti-psychotics (N5A)	21.5	-7%	+3%	Approx 1% of global population	• Improved treatment of cognitive dysfunction • Improved treatment of negative symptoms • Improved treatment of co-morbid depression and anxiety • Early stage, definitive diagnostics	1.Aripiprazole 2.Quetiapine 3.Paliperidone Palmitate 4.Olanzapine	35% 14% 10% 9%

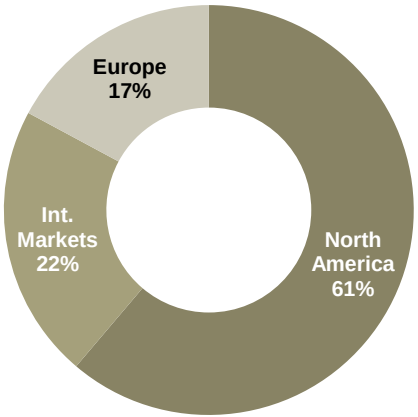
Source: IMS Health Analytics Link 2016 (Audited sales), Growth, USD % y/y

Lundbeck is a global, CNS-focused pharmaceutical company

H1 2017 sales* by product



H1 2017 sales* by region

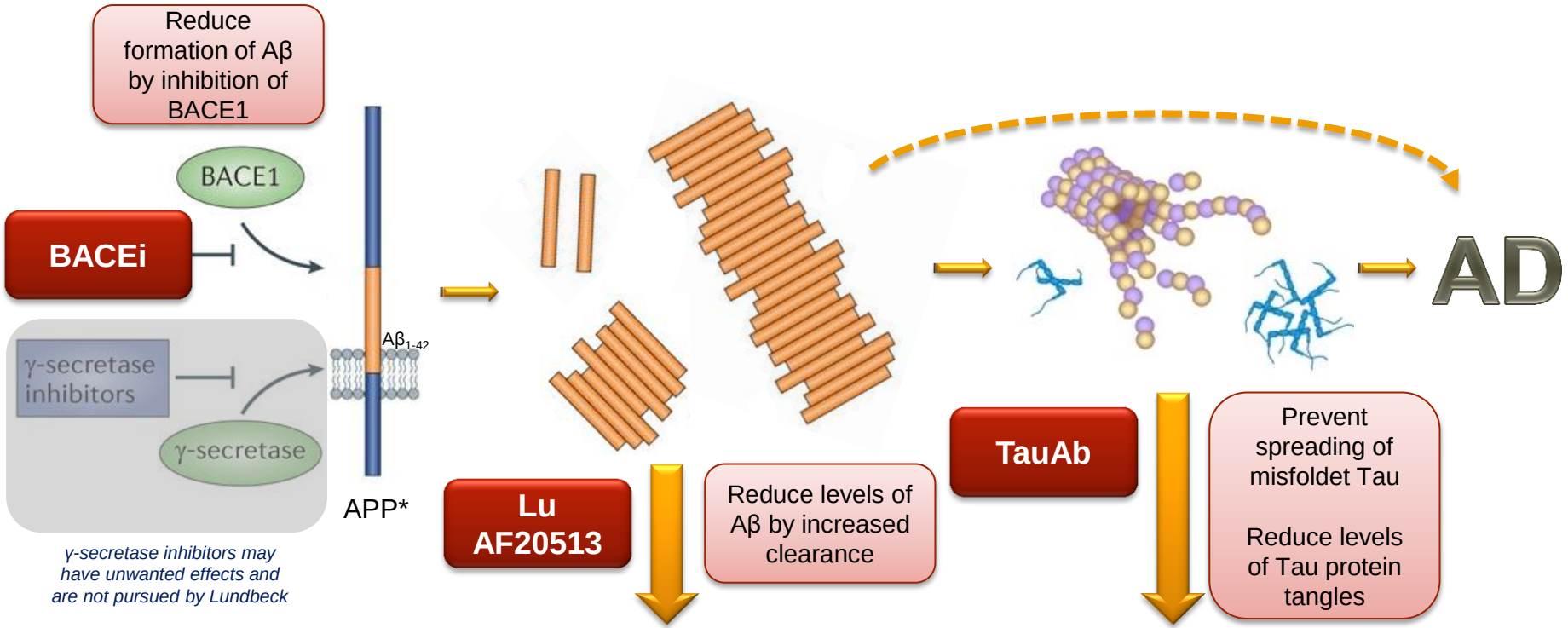


Largest markets for Lundbeck (H1 2017)

- USA
- China
- Canada
- Japan
- Italy
- France

*) Excluding Other revenue

Lundbeck is active in the investigation of various novel treatment concepts in Alzheimer's



*) APP : Amyloid Precursor Protein

Lu AF20513 – an active therapeutic vaccine against β-amyloid

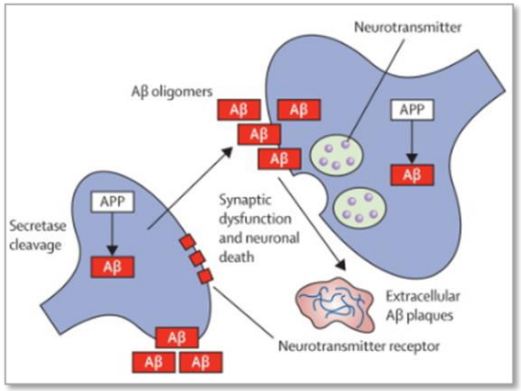
Phase I study

Wanted from study

- Low level of ARIA-E and ARIA-H[2)]
- No meningo-encephalitis
- High antibody responder rate
- Fast antibody response (< 6 months)
- High affinity Aβ specific antibodies (for CNS clearance)

Not wanted from study

- Aβ specific T-cells
- High IgM over IgG ratio
- Very low responder rate



Study design[1)]

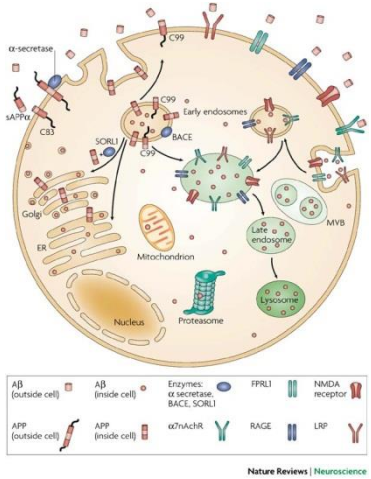
- 35 patients from centres in Europe
- Patients with mild Alzheimer's (MMSE 19-26)
- Four injections of Lu AF20513

Purpose:

- Evaluate safety and tolerability
- Measure Aβ-specific antibody titter
- Phase I commenced in Q1 2015. Expected completion: mid-2017

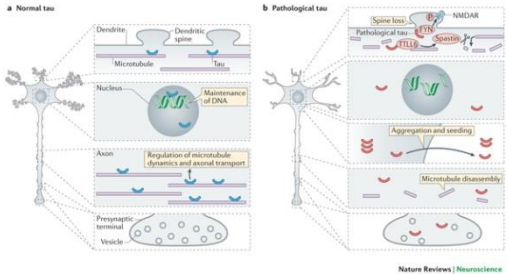
1) NCT02388152
2) Amyloid Related Imaging Abnormalities (ARIA): ARIA-E refers to the MR signal alterations thought to represent vasogenic edema (VE) and related extravasated fluid phenomena. ARIA-H refers to the MR signal alterations on attributable to micro hemorrhages (mH) and hemosiderosis

BACE-1 inhibition – to stop the production of β-amyloid, aimed at slowing the disease progression

BACE[1)]		Lu AF66432
✗ BACE was identified in 1999[2)] ✗ Enzyme that initiates the production of the Alzheimer's associated peptide Aβ		✗ NCE targeting inhibition of BACE1 enzyme ✗ Disease modifying treatment that fits well with Lundbeck's Alzheimer's portfolio

1) β-amyloid precursor protein site cleaving enzyme (BACE). 2) Vassar, R. *et al.* b-secretase cleavage of Alzheimer's amyloid precursor protein by the transmembrane aspartic protease BACE. *Science* **286**, 735–741 (1999) . Nature Reviews Neuroscience 8, 499-509 (July 2007)

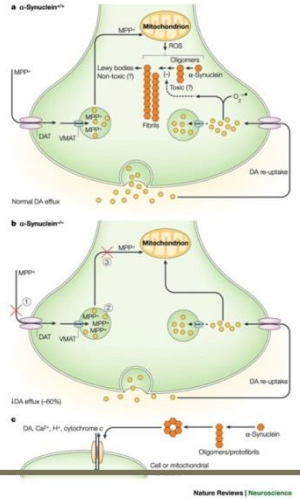
Increasing evidence suggests abnormal tau and amyloid work together to cause nerve cell death

TAU		TauAb
✗ Tau, a microtubule-associated protein first discovered in 1975 ✗ In a healthy brain, tau has an important function, acting as a form of ‘scaffolding’ to keep cells stable, but in Alzheimer’s, tau loses its normal form and breaks away from the cell		✗ Tau aggregation inhibition for the treatment of Alzheimer’s

Alpha-synuclein – a potential therapeutic Parkinson's vaccine

α-synuclein

- A role for α-synuclein in PD was first suggested in 1997
- Propagation of α-synuclein misfolding and aggregation seems to be at the heart of most types of Parkinson's
- Many preclinical studies suggest that α-synuclein can behave in a prion-like fashion, with misfolding and aggregation, and propagation from neuron to neuron



Lu AF82422

- Collaboration with Genmab entered in 2010
- Clearance of pathological α-synuclein via antibody – objective to delay disease progression in symptomatic PD
- A treatment that could slow or stop Parkinson's progression

Genmab

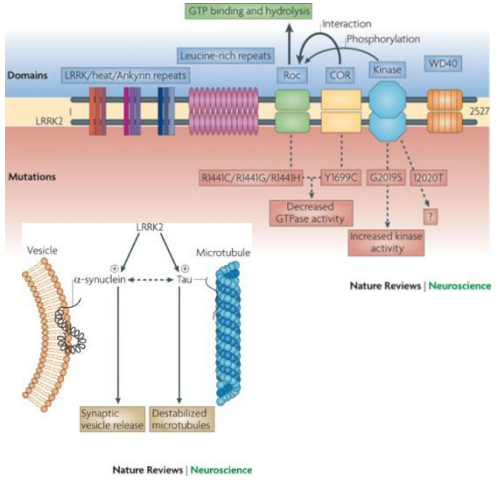
Nature Reviews Neuroscience 4, 727-738 (September 2003)

Lundbeck

The role of leucine-rich repeat kinase 2 (LRRK2) or dardarin in Parkinson's

LRRK2

- Discovered in 2004
- Inhibition of LRRK2 kinase to delay disease progression in early stage PD with focus on genetic identified patients
- LRRK2 is widely expressed in many organs and tissues including the brain
- LRRK2 might act upstream of α-synuclein and its aggregation in Lewy bodies



Drug discovery collaborations

- In December 2010, Lundbeck signed agreements with Zenobia Therapeutics and Vernalis plc
- Lundbeck utilizes Zenobia's expertise in protein expression and x-ray crystallography for the LRRK2 target
- The Vernalis agreement focus on a drug discovery collaboration utilising Vernalis' fragment and structure-based drug discovery platform

Mark R. Cookson; The Lancet Neurology; December 2010, vol. 11. Nature Reviews Neuroscience 11, 791-797 (December 2010)

ZENOBIA THERAPEUTICS

Vernalis

Lundbeck

Financial terms and territory structure of the Otsuka alliance entered in November 2011

Milestone payments

Payment to: Otsuka | Lundbeck

	Abilify Maintena	Rexulti	Selincro
Development milestones/upfront	USD 200m	USD 600m[3)]	EUR 105m*
Approval milestones	USD 275m[1)]	USD 300m[2)]	Un-disclosed
Sales milestones	Up to USD 425m depending on sales development		Un-disclosed

1) USD 100m upon US approval, USD 75m upon EU approval in schizophrenia, and USD 50m US and EU for a second indication. 2) USD 100m (US) and USD 50m (EU) for each of the two first indications
3) Development milestones of up to USD 600m after which shared development costs between parties. 4) USD 125m, USD 25m and USD 50m for first indication in the US, EU and Japan respectively. Second indication gives USD 50m, USD 25m and USD 25m, respectively.

Lundbeck's share of revenue and costs

Otsuka | Lundbeck

	Abilify Maintena	Rexulti	Selincro
USA	20%	45%	-
EU-5, Nordic and Canada	50%	50%	-
Other Lundbeck territories	65%**	65%**	Un-disclosed

* Includes sales milestones
** All regions except Asia, Turkey and Egypt
*** All regions except Thailand and Vietnam

★ Selincro for Japan added to the alliance in October 2013

Cash flow priorities: Increasing dividends linked to long-term performance

Lundbeck's extended actions to return cash to shareholders demonstrate our conviction in our future

Debt reduction

- Net cash positive already in 2016
- Repay remaining debt
- Increase strategic cash reserve

Dividends

- Pay-out ratio of 40% for 2016
- Dividend policy revised: Pay-out ratio raised to 60-80% from 2017

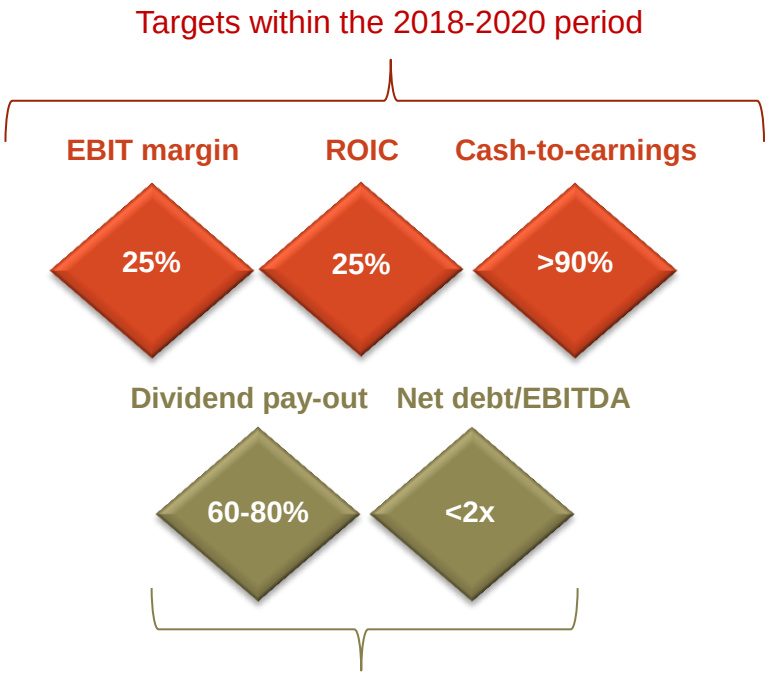
Business development and/or additional cash reallocation

- Maintain investment grade status – i.e. NIBD/EBITDA <2.0x

Financial targets

Achievements on targets

	H1 2017	2016	2015
EBIT margin	24.3%	14.7%	(46.7%)
ROIC (annualized)	26.6%	13.2%	(45.4%)
Cash-to-Earnings	58.6%	230.3%	N/A
Dividend Pay-out	N/A	40%	0%
Net debt/EBITDA	(0.4)	(0.1)	10.7



H1 2017 and FY 2016 - Product distribution of revenue

DKKm	FY 2016	FY 2015	H1 2017	H1 2016	*Growth*	*Growth in local currencies*	*% of total*
TOTAL:							
Abilify Maintena	1,114	669	**659**	534	*23%*	*24%*	*8%*
Brintellix/Trintellix	1,105	629	**778**	482	*61%*	*60%*	*9%*
Cipralex/Lexapro	2,518	2,591	**1,286**	1,333	*(4%)*	*(3%)*	*15%*
Northera	1,087	475	**716**	449	*60%*	*59%*	*8%*
Onfi	2,409	1,757	**1,448**	1,128	*28%*	*27%*	*17%*
Rexulti	826	117	**574**	309	*85%*	*84%*	*7%*
Sabril	1,342	985	**773**	604	*28%*	*25%*	*9%*
Xenazine	1,571	2,201	**545**	824	*(34%)*	*(35%)*	*6%*
Other pharmaceuticals	3,337	4,652	**1,579**	1,663	*(5%)*	*(4%)*	*19%*
Other revenue	325	518	**136**	195	*(30%)*	*(30%)*	*2%*
Total revenue	**15,634**	**14,594**	**8,494**	**7,521**	***13%***	***13%***	***100%***

H1 2017 and FY 2016 - Geographic distribution of revenue - 1

DKKm	FY 2016			H1 2017	H1 2016	*Growth*	*Growth in local currencies*	% of total
NORTH AMERICA:								
Abilify Maintena	526			**285**	247	*15%*	*15%*	6%
Trintellix	706			**439**	314	*40%*	*41%*	9%
Northera	1,087			**716**	449	*60%*	*59%*	14%
Onfi	2,409			**1,448**	1,128	*28%*	*27%*	28%
Rexulti	826			**574**	309	*85%*	*84%*	11%
Sabril	1,342			**773**	604	*28%*	*25%*	15%
Xenazine	1,557			**533**	815	*(35%)*	*(36%)*	10%
Other pharmaceuticals	669			**347**	324	*7%*	*6%*	7%
Total revenue	**9,122**			**5,115**	**4,190**	***22%***	***21%***	**100%**

H1 2017 and FY 2016 - Geographic distribution of revenue - 2

DKKm	FY 2016	H1 2017	H1 2016	*Growth*	*Growth in local currencies*	*% of total*
EUROPE:						
Abilify Maintena	508	**326**	252	*30%*	*31%*	23%
Brintellix	220	**181**	95	*90%*	*83%*	13%
Cipralex	760	**336**	379	*(11%)*	*(13%)*	23%
Other pharmaceuticals	1,424	**590**	727	*(19%)*	*(18%)*	41%
Total revenue	**2,912**	**1,433**	**1,453**	***(1%)***	***(1%)***	**100%**
INTERNATIONAL MARKETS:						
Abilify Maintena	80	**48**	35	*37%*	*36%*	3%
Brintellix	179	**158**	73	*115%*	*109%*	9%
Cipralex/Lexapro	1,571	**860**	856	*1%*	*1%*	47%
Ebixa	486	**272**	263	*3%*	*7%*	15%
Other pharmaceuticals	959	**472**	456	*3%*	*5%*	26%
Total revenue	**3,275**	**1,810**	**1,683**	***8%***	***9%***	**100%**

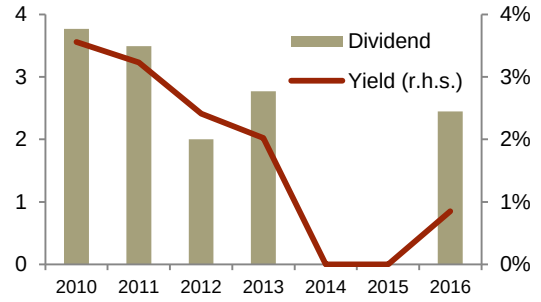
H1 2017 - Cash generation

DKKm	H1 2017	H1 2016	FY 2016	FY 2015
Cash flows from operating activities	**1,217**	792	3,126	197
Cash flows from investing activities	**(517)**	(96)	(337)	(2,842)
Cash flows from operating and investing activities	**700**	**696**	**2,789**	**(2,645)**
Cash flows from financing activities	**(1,442)**	(674)	(2,006)	501
Net cash flow for the period	**(742)**	**22**	**783**	**(2,144)**
Cash, bank balances and securities, end of period	**1,961**	1,453	2,217	1,521
Interest-bearing debt	**(909)**	(3,231)	(1,891)	(3,770)
Net cash/(net debt)	**1,052**	**(1,778)**	**326**	**(2,249)**

H1 2017 and FY 2016 - Balance sheet and dividend

DKKm	30.06.2017	31.12.2016
Intangible assets	7,880	8,839
Other non-current assets	3,311	3,847
Current assets	8,008	7,524
Assets	**19,199**	**20,210**
Equity	10,695	9,694
Non-current liabilities	1,861	2,740
Current liabilities	6,643	7,776
Equity and liabilities	**19,199**	**20,210**
Cash and bank balances	1,443	2,200
Securities	518	17
Interest-bearing debt	(909)	(1,891)
Interest-bearing debt, cash, bank balances and securities, net end of period	**1,052**	**326**

Dividend (DKK)



- Dividend of DKK 2.45 per share for 2016, corresponding to a payout ratio of 40%
  - A total of DKK 484 million and a yield of 0.9%*
- Dividend policy: From 2017 and onwards the pay-out ratio will be 60-80%

*Based on the share price of DKK 287.3

Costs – Full year figures

DKKm	2016	2015	2014	*2016 (Δ%)*	*2015 (Δ%)*
Revenue	**15,634**	14,594	13,468	*7%*	*8%*
Cost of sales	**4,082**	5,395	4,160	*(24%)*	*30%*
Sales & Distribution costs	**5,488**	6,706	5,164	*(18%)*	*30%*
Administrative expenses	**805**	1,160	1,134	*(31%)*	*2%*
R&D costs	**2,967**	8,149	2,911[2)]	*(64%)*	*180%*
Total costs	**13,342**	**21,410[1)]**	**13,369**	***(38%)***	***60%***
EBIT	**2,292**	(6,816)	99	-	-
Core EBIT	**3,477**	847	1,228	*311%*	*(31%)*
Cost of sales	***26%***	*37%*	*31%*	-	-
Sales & Distribution costs	***35%***	*46%*	*38%*	-	-
Administrative expenses	***5%***	*8%*	*8%*	-	-
R&D costs	***19%***	*56%*	*22%*	-	-
EBIT margin	***15%***	*(47%)*	*1%*	-	-

Included are 1) Restructuring costs and impairment of product rights of around DKK 7bn. 2) Writedown of desmoteplase of DKK 309m

For more information please contact Investor Relations

Share information

Lundbeck's shares are listed on the stock exchange in Copenhagen under the symbol "LUN".

Lundbeck has a sponsored Level 1 ADR programme listed in the US (OTC) under the symbol "HLUYY".

For additional company information, please visit Lundbeck at: www.lundbeck.com

Contact information

Palle Holm Olesen
VP; Head of Investor Relations
Mobile: +45 30 83 24 26
palo@lundbeck.com or polesen3@bloomberg.net

Financial calendar

Q3 2017	8 November 2017
Q4 2017	7 February 2018

Thank you!

Lundbeck