



TELECONFERENCE – Q3 2015

4 November 2015



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.



Satisfactory business performance in Q3, helped by FX

Executing on strategic growth platforms

- ★ Revenue grew 15% to DKK 3.7 billion as significant acceleration in sales of key products offsets generic erosion
- ★ **Abilify Maintena:** Continued solid uptake in all regions
- ★ **Brintellix:** Non-US markets also start to deliver
- ★ **Rexulti:** Encouraging initial NR_x and TR_x uptake
- ★ **USA:** Strong growth continues with revenue up 71%

Return to profitability

- ★ Restructuring programme progresses as planned
- ★ Positive reported EBIT expected already in 2016 with further improvement in 2017

2015 financial guidance slightly lifted

- ★ Appreciation of key currencies against the DKK continues to have positive effect for the year
- ★ Lundbeck expects core revenue around DKK 14 billion. Core EBIT is now expected to be DKK ~0.7 billion and reported EBIT is consequently expected to be negative at DKK ~6.8 billion

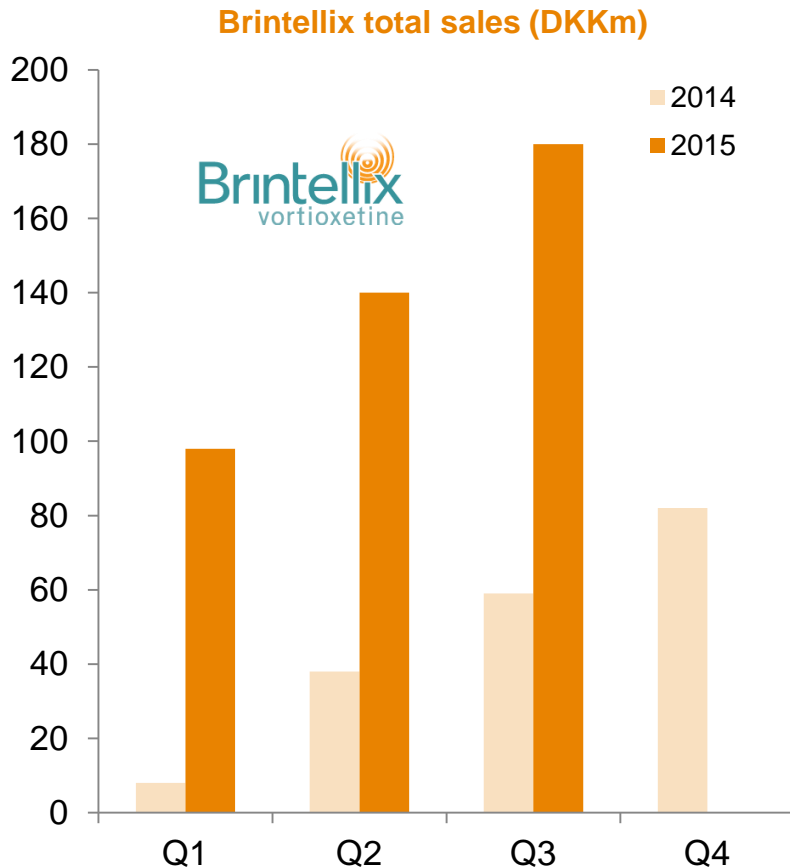
Restructuring programme revisited

- ★ Reduce cost base by DKK 3 billion in 2017
- ★ One-off charges of DKK ~6.5 billion before tax in 2015
 - ★ Global workforce to be reduced by ~1,000 employees
 - ★ Reclassification of product rights to R&D costs (Q2)
 - ★ Provision for severance and restructuring: DKK ~1.1bn (Q3)
 - ★ Impairments and write-downs: DKK ~0.7bn (Q3)

Progress:

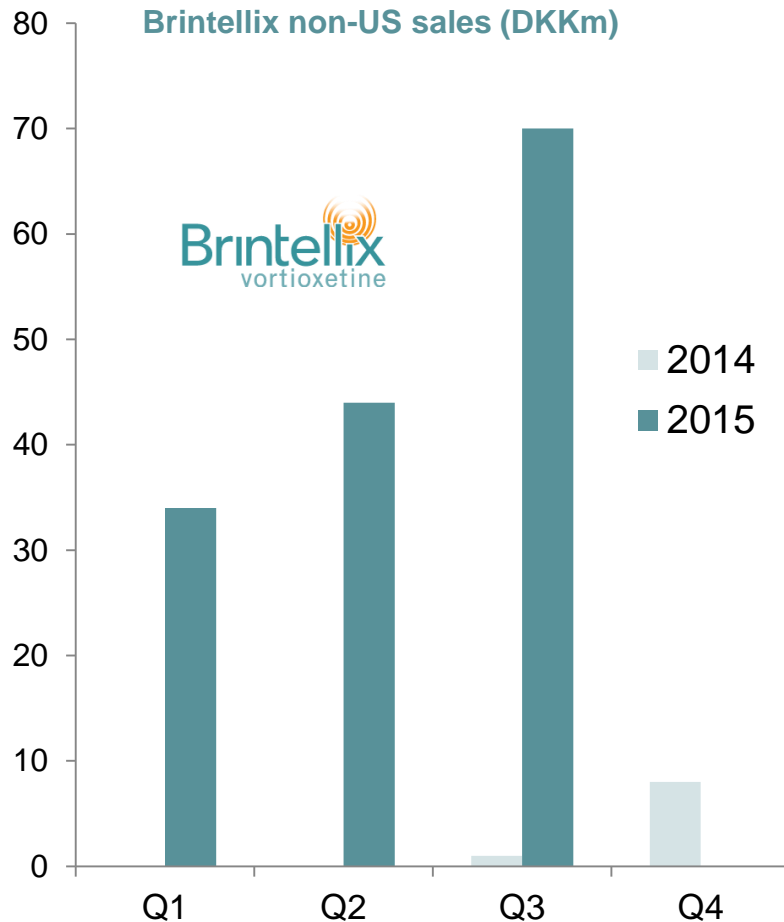
- ★ Increased focus on in-house capabilities
- ★ Focus on four therapeutic areas
- ★ ~50% of planned headcount reductions carried out
- ★ Research activities at Paramus, NJ, closed
- ★ Increased focus in commercial operation

Strong Brintellix growth



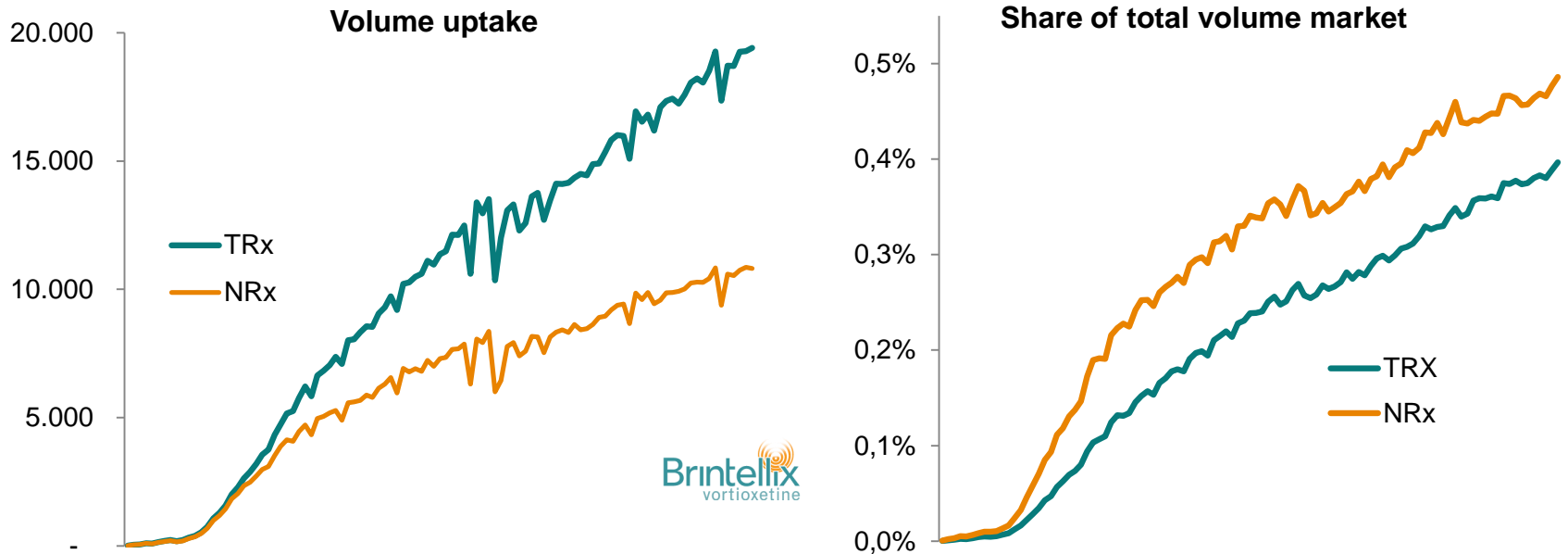
- ★ Sales of DKK 180m – up 203% reported or 171% in local currencies
- ★ Non-US sales represents close to 39% of sales
- ★ Market access progresses albeit with slow pace
- ★ Excellent product feedback from early launch markets globally

Solid growth for Brintellix in non-US markets and recent market access tail wind



- ★ Canada largest non-US market
- ★ The Brazilian authorities have approved Brintellix with cognition in the label
- ★ Reimbursement in South Korea, in broad MDD (without any restrictions)
- ★ Positive NICE recommendation
- ★ German G-BA decision follows the IQWiG evaluation – meaning no additional benefit

In the US Brintellix is the only branded antidepressant gaining market share

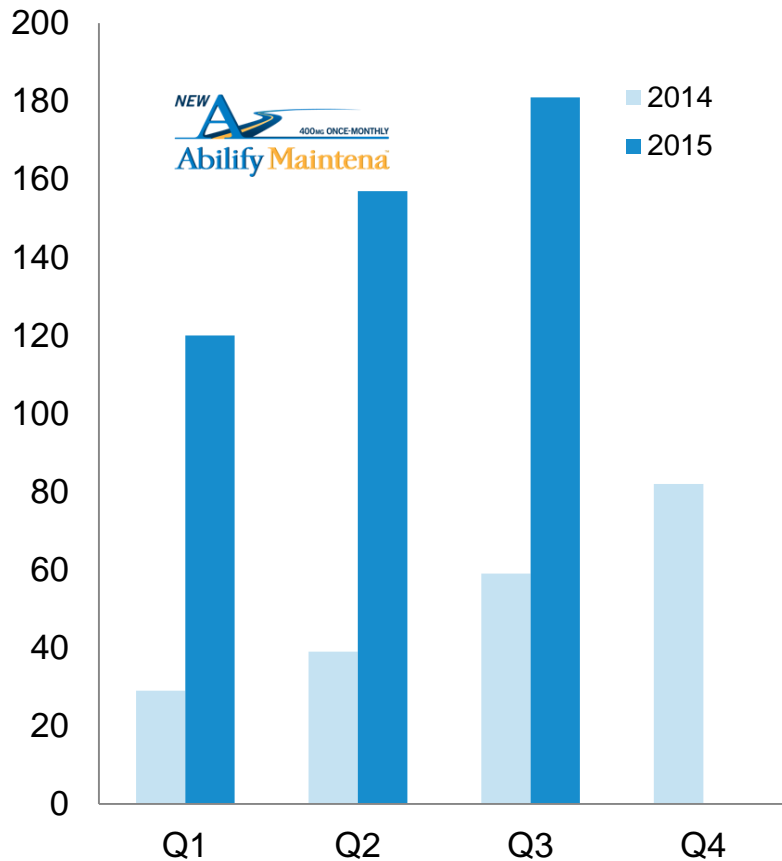


- ★ The steady growth of Brintellix is in line with expectations
- ★ FDA ADCOM expected in the beginning of 2016 on the sNDA requesting cognition data to be included in the USPI (PDUFA date 28 March 2016)



Abilify Maintena is off to a good start in Europe

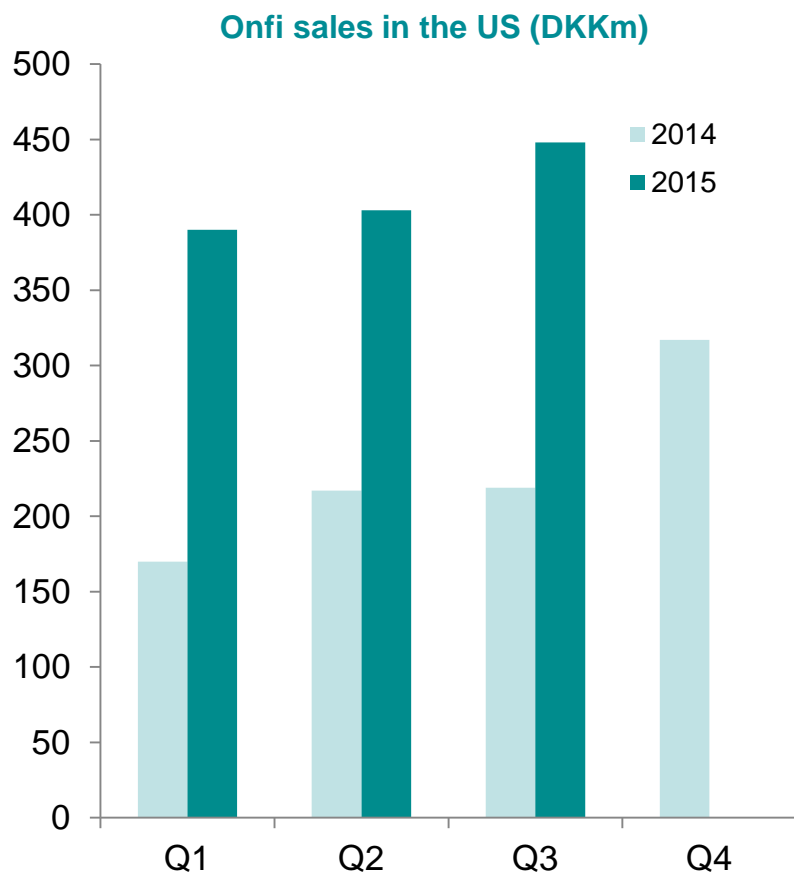
Abilify Maintena total sales (DKKm)



- ★ Sales of DKK 181m – up 209% or 182% in local currencies
- ★ US constitutes close to 48% of sales
- ★ Solid uptake in all major European markets
- ★ Encouraging market penetration also in Australia and Canada



Onfi continues its growth momentum primarily driven by increased demand



★ Sales of DKK 448m – up 104% or 81% in local currencies



★ Sales of DKK 135m in Q3

Other US Neurology: DKK 779m (+26%) in Q3:



★ Sales of DKK 249m – up 34% or 13% in local currencies



★ Sales of DKK 530m – up 22% or 7% in local currencies

Satisfactory operational performance

★ Core revenue (Q3)

- ★ Revenue increased by 12% (5% in local currencies)
- ★ Key products (Abilify Maintena, Brintellix, Northera, Onfi, Rexulti) up 185% and constitutes 27% of revenue
- ★ US revenue up 71% (47% in local currencies)
- ★ International markets down 21% primarily due to Canada

Q3 2015

DKK 3.6bn

YtD 2015

DKK 10.7bn

★ Core EBIT (Q3)

- ★ Increase of 42% compared to last year
- ★ Increased investments in launch activities

DKK 423m

DKK 774m

★ Reported EBIT (Q3)

- ★ Impacted by costs associated with the restructuring programme

DKK (1.5)bn

DKK (6.4)bn

★ Free cash flow (Q3)

- ★ Includes milestone payment to Otsuka

DKK (1.5)bn

DKK (3.3)bn

Impact on balance sheet

★ Total assets and liabilities

- ★ Impairment of Selincro and other assets (mainly buildings): DKK ~0.7bn
- ★ Provisions for restructuring charges: DKK 1.1bn
- ★ Tax benefit impairment and restructuring: DKK ~0.5bn (recorded as deferred tax asset)
- ★ Capitalisation of Rexulti milestone payment of USD 200m (DKK ~1.3bn)

DKK 22.2bn

★ Equity

- ★ Solvency ratio 40.6% compared to 52.8% at year-end 2014

DKK 9bn

★ Net debt position

- ★ DKK 2bn credit facility entered in July

DKK 2.9bn

2015 financial guidance slightly lifted

Financial guidance 2015 – constant exchange rates

	Current 2015 guidance	Previous 2015 guidance	2014 - Actual
Core revenue	DKK ~14bn	DKK ~14bn	DKK 13,468m
Core EBIT	DKK ~0.7bn	DKK ~0.5bn	DKK 1,228m
Reported EBIT	DKK ~(6.8)bn	DKK ~(7)bn	DKK 99m

Revenue and core profit drivers

- ★ Accelerated growth in key products
- ★ Substantial investments in sales and promotion
- ★ Cost savings from restructuring initiatives
- ★ No new acquisitions, milestones or up-front payments included in our 2015 targets

Lundbeck invests to develop late-stage pipeline

Key achievements:

Rexulti

- ★ PTSD study closed – development strategy under consideration
- ★ Fast-track designation in Alzheimer's agitation

Brintellix

- ★ ADCOM expected in the beginning of 2016
- ★ Approved in Brazil with cognition in label

Focus R&D efforts on internal and better resourced projects

- ★ Closure of research site at Paramus, USA
- ★ Lu AF35700 ready to enter pivotal programme in 2016

Lundbeck sponsored or co-sponsored open clinical studies

Project	No. of active studies and no. of patients to be recruited	Status
Brintellix* - MDD	5 (828 pts)	Launched
Brintellix - ADHD	1 (225 pts)	Phase II
Abilify Maintena – bipolar I	1 (755 pts)	Launched
Selincro	2 (1,060 pts)	Launched
Rexulti – adjunctive MDD	3 (2,492 pts)	FDA approved
Rexulti – schizophrenia	2 (76 pts)	FDA approved
Rexulti – Alzheimer's	2 (650 pts)	Phase III
Idalopirdine (Alzheimer's)	4 (2,522 pts)	Phase III

**) Additionally Takeda has two studies ongoing including approx. 1,500 patients in Japan*

Source: Clinicaltrials.gov. As per 27 October 2015

Abilify Maintena for the maintenance treatment of bipolar I disorder

- ★ One of the most common causes of relapse in bipolar disorder is poor treatment adherence
- ★ ~50% of patients being partially adherent or non-adherent to their treatment regimens
- ★ Abilify Maintena will potentially offer the patients a new depot option
- ★ Bipolar I disorder affects ~1% of the population in the US



Bipolar I programme*

- ★ ~730 patients in placebo-controlled phase III 52-week study has finalized recruiting
- ★ Primary efficacy endpoint of this trial is time to recurrence of any mood episode
- ★ An open-label safety study (ATLAS) is ongoing recruiting ~755 patients
- ★ Study expected to finalize in H2 2016



*) NCT01567527 (Start: Aug. 2012); NCT01710709 (Start: Nov. 2012)

Idalopirdine clinical programme on track

- ★ Blockade of the 5-HT₆ receptor improves cognition through several pathways: stimulation of acetylcholine and glutamate activity, while reducing GABA activity
- ★ Phase III program ongoing
 - ★ >2,500 patients
 - ★ Clinical study endpoints agreed with FDA and EMA
 - ★ Receptor occupancy data supports QD and dose-range¹⁾
 - ★ Enrolment on track for data read-out in Q1 2017



1) Schmidt et al, A clinical positron emission tomography (PET) study investigating occupancy at the 5-HT₆ receptor after multiple oral doses of Lu AE58054 in healthy men. Poster at AAIC July 2014

Lu AF35700 phase III ready in Treatment Resistant Schizophrenia (TRS)

- ★ Unique mode of action. In contrast to current treatment, antipsychotic effect at low D₂ blockade
- ★ 5-HT₆ blockade may improve cognitive function
- ★ Combined D₁/D₂ and 5-HT₆ profile gives good antipsychotic activity combined with a benign tolerability profile
- ★ Very long half-life leads to significantly reduced risk of relapse on per oral therapy
- ★ Four clinical studies have been conducted, three studies in healthy people and one in patients with schizophrenia*)
- ★ Psychiatrists readily recognize the term '**Treatment Resistant Schizophrenia**'
- ★ They define TRS as an **inability to control symptoms** of schizophrenia after a full round of two to three antipsychotics



Majority of psychiatrists consider a third of their schizophrenia patients as treatment resistant



*) Clinicaltrials.gov identifier: NCT02202226

Summary and Q&A

- ★ Restructuring programme to return to profitability initiated and develops as planned
- ★ Key products see significant sales acceleration
- ★ Additional product launches in several countries