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TELECONFERENCE – Q1 2016
11 May 2016
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Q1 2016 highlights

Restructuring programme well on track
- FTEs reduced to 5,070 compared to 5,859 at the end of Q1 2015
- Total costs down 9% improving EBIT margin from (0.9%) to 12.8%

All key products continue the solid momentum
- Key products grew 108% (103% in local currencies) to DKK 1,352m
- Represents 36% of total revenue in the quarter

2016 forecast raised
- Lundbeck expects revenue of DKK 14.2-14.6 billion and EBIT of DKK 1.3-1.5 billion for 2016
The US - a main driver of sales performance

**Q1 2015 revenue**
(DKK 3,563 million)

- USA: 39%
- International markets: 33%
- Europe: 28%

**Q1 2016 revenue**
(DKK 3,770 million)

- USA: 50%
- International markets: 30%
- Europe: 20%
Key products* continue solid growth momentum

- Sales up 108% y/y in Q1 reaching DKK 1,352m
- Limited FX impact
- 36% of revenue vs 18% in Q1 2015

*Abilify Maintena, Brintellix, Northera, Onfi, Rexulti included from August 2015
Rexulti reached DKK 116 million in Q1 2016

- ~6.5% branded TR\textsubscript{x} market share and ~8% branded NR\textsubscript{x} market share
- FDA accepts the sNDA filing for labeling update to include maintenance treatment
- The PDUFA date is 23 Sept. 2016
- Recently submitted in Canada and Australia

Source: Bloomberg (week ending 15/4 2016)
Strong Brintellix growth continues

- Sales of DKK 238m – up 142% reported or 152% in local currencies
- US represents 58% of sales
- Value market share ranges from 1-8% in countries outside the US
- Recently launched in Brazil, Italy and Spain
Abilify Maintena continues its solid traction

- Sales of DKK 255m – up 113% or 110% in local currencies
- US constitutes 41% of sales
- 10-15% value market share in most markets
- Continued solid growth momentum
Onfi still favored by increased TR\textsubscript{x} volume

- Sales of DKK 544m – up 39% or 33% in local currencies
- Continued increased demand driven by increase in mg/R\textsubscript{x} and higher TR\textsubscript{x} volume
- Launched in January 2012
Northera further strengthens growth platform

Northera total sales (DKKm)

- Sales of DKK 199 m – up 371% or 346% in local currencies
- Growth driven by favorable demand due to higher enrollees and conversion to standard Rx
- Launched in September 2014
R&D highlights

**Key achievements:**

**Rexulti**
- Submitted in Australia and Canada

**Brintellix/Trintellix**
- CRL received on the sNDA to include data on cognitive dysfunction in MDD

**Abilify Maintena**
- Study in bipolar maintenance reached primary endpoint

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**Lundbeck sponsored or co-sponsored open clinical studies**

<table>
<thead>
<tr>
<th>Project</th>
<th>No. of active studies and no. of patients to be recruited</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brintellix/Trintellix* - MDD</td>
<td>3 (1,700 pts)</td>
<td>Launched</td>
</tr>
<tr>
<td>Brintellix/Trintellix - ADHD</td>
<td>1 (225 pts)</td>
<td>Phase II</td>
</tr>
<tr>
<td>Abilify Maintena – bipolar I</td>
<td>1 (755 pts)</td>
<td>Phase III</td>
</tr>
<tr>
<td>Selincro</td>
<td>1 (400 pts)</td>
<td>Launched</td>
</tr>
<tr>
<td>Rexulti – adjunctive MDD</td>
<td>1 (2,363 pts)</td>
<td>FDA approved</td>
</tr>
<tr>
<td>Rexulti – schizophrenia</td>
<td>3 (504 pts)</td>
<td>FDA approved</td>
</tr>
<tr>
<td>Rexulti – Alzheimer’s</td>
<td>2 (650 pts)</td>
<td>Phase III</td>
</tr>
<tr>
<td>Idalopirdine - Alzheimer’s</td>
<td>4 (2,522 pts)</td>
<td>Phase III</td>
</tr>
<tr>
<td>Lu AF35700 - TRS</td>
<td>1 (964 pts)</td>
<td>Phase III</td>
</tr>
</tbody>
</table>

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

Source: Clinicaltrials.gov. as per 4 May 2016
Complete Response Letter on Brintellix/Trintellix sNDA

- FDA recognizes the importance of cognitive dysfunction in MDD and views it as a legitimate target for drug development.

- We remain committed to Brintellix/Trintellix as a treatment option for patients with MDD.

- In February 2016, FDA Psychopharmacologic Drugs Advisory Committee (PDAC) voted 8 to 2 that Takeda and Lundbeck presented substantial evidence to support a claim of effectiveness for Brintellix in treating certain aspects of cognitive dysfunction in adults with MDD.
## Strong R&D pipeline across focus areas

<table>
<thead>
<tr>
<th>Disease areas</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alzheimer’s</td>
<td>Lu AF20513</td>
<td></td>
<td>Idalopirdine</td>
<td>Brexpiprazole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brintellix, ADHD</td>
<td>Brexpiprazole (EU)</td>
<td>Abilify Maintena, BP</td>
</tr>
<tr>
<td>Mood disorders</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parkinson’s</td>
<td>Lu AE04621</td>
<td></td>
<td>Lu AF35700</td>
<td>Brexpiprazole (EU)</td>
</tr>
<tr>
<td>Schizophrenia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Excellent start to 2016

<table>
<thead>
<tr>
<th>DKKm</th>
<th>Q1 2016</th>
<th>Q1 2015</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3.770</td>
<td>3.563</td>
<td></td>
</tr>
<tr>
<td>Key products</td>
<td>1,352</td>
<td>650</td>
<td>108% 103%</td>
</tr>
<tr>
<td>EBIT</td>
<td>483</td>
<td>(32)</td>
<td></td>
</tr>
<tr>
<td>EBIT margin</td>
<td>12.8%</td>
<td>(0.9%)</td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>174</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>0.94</td>
<td>(0.41)</td>
<td></td>
</tr>
</tbody>
</table>
All cost ratios are down – driving the solid margin improvement

Cost of sales (DKKm)

-10%

Sales and distribution (DKKm)

-10%

Administration (DKKm)

-16%

R&D (DKKm)

0%
## Healthy operating cash flow

<table>
<thead>
<tr>
<th>DKKm</th>
<th>Q1 2016</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>357</td>
<td>(382)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>320</td>
<td>(418)</td>
</tr>
<tr>
<td>Net cash flow</td>
<td>(28)</td>
<td>(515)</td>
</tr>
<tr>
<td>Cash</td>
<td>1,383</td>
<td>3,160</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>(2,052)</td>
<td>(86)</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>2.5x</td>
<td>0.3x</td>
</tr>
</tbody>
</table>

**Cash flow drivers:**
- Strong improvement in profitability
- Improved working capital
- Provisions reduced by spend on restructuring
- Net interest-bearing debt expected to be DKK 1.2-1.4 billion at year-end
# 2016 financial forecast raised

## Financial forecast 2016

<table>
<thead>
<tr>
<th></th>
<th>Revised 2016 forecast</th>
<th>Previous 2016 forecast</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>DKK 14.2-14.6bn</td>
<td>DKK 13.8-14.2bn</td>
</tr>
<tr>
<td>Reported EBIT</td>
<td>DKK 1.3-1.5bn</td>
<td>DKK 1.0-1.2bn</td>
</tr>
</tbody>
</table>

*Based on exchange rates as per ultimo April 2016

### Revenue and profit drivers

- Accelerated growth in key products
- Cost savings from restructuring initiatives
- No acquisitions, milestones or up-front payments included in our 2016 targets