

ALK announces preliminary Q1 figures and confirms its full-year revenue and earnings outlook

ALK's (ALKB:DC / OMX: ALK B / AKBLF) overall results in Q1 2023 were largely as expected with 7% organic revenue growth in local currencies and increasing operating profit (EBIT). Combined SCIT and SLIT-drops sales exceeded expectations. Tablet sales were lower than planned due to the temporary effect from a major wave of respiratory infections constraining new patient initiations in parts of Europe, most notably in Germany and the Nordics.

Preliminary financial highlights from Q1 2023

Comparative figures for Q1 2022 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated.

- Revenue increased 7% in local currencies to DKK 1,234 million (1,155) on high, single-digit growth in all sales regions. The one-year, mandatory rebate increase of 5 percentage points in Germany lowered revenue growth by approximately 1 percentage point.
- Combined SCIT and SLIT-drops sales increased by 13% to DKK 510 million (449), while sales of Other products were up by 14% to DKK 143 million (123).
- Tablet sales increased overall by 1% to DKK 581 million (583), reflecting 0% growth in Europe, 23% growth in North America and a 4% decline in International markets, whereas the latter was as expected due to phasing of tablet shipments to ALK's Japanese partner compared to last year.
- Operating profit (EBIT) increased on sales growth, margin improvements, and efficiencies, partly offset by higher sales & marketing expenses. EBIT was DKK 228 million (215), corresponding to an EBIT margin of 18%.

Tablet sales in Q1 2023

- Sales in Europe were lower than expected, most notably in Germany and the Nordics where ALK saw a continuing effect from the major wave of respiratory infections – which limited capacity in clinics and crowded out allergy patients – in combination with a weak pollen season in 2022. Together, these factors contributed to slightly lower growth in the number of new patient initiations.
- Sales in North America and International markets were as expected.

Unchanged revenue and earnings outlook

Based on Q1 tablet sales and forecasts for the remainder of the year, tablet sales are now expected to grow by 9-14% (previously: up to 15%) with the upper end of the range assuming a positive outcome of ongoing price discussions for tablets in Europe. Full-year SCIT and SLIT-drops sales are expected to exceed original expectations. As a result, ALK confirms its full-year revenue and earnings outlook:

- Revenue is still expected to grow by 7-11% organically in local currencies.
- The operating margin (EBIT) is still expected to increase on sales growth, efficiencies, economies of scale and lower R&D costs, despite tougher market conditions. The EBIT margin is still expected at 13-15%, corresponding to an improvement of 25-45%.

ALK's CEO Carsten Hellmann says: *"ALK remains on track to deliver on its full-year revenue and earnings outlook. As communicated in February, we expect quarterly fluctuations in tablet sales in 2023, reflecting the phasing of product supply to partners and temporary market conditions in Europe. However, in Q1, we continued to see a prolonged effect from the major wave of respiratory infections which squeezed allergy patients out of clinics and impacted new patient initiations. We remain confident that this effect is temporary and not structural. ALK's tablet portfolio remains at the heart of our future growth plans and we have launched a series of initiatives to restore high growth rates for tablets in Europe from the second half of 2023."*

ALK will publish its full Q1 interim report on 9 May 2023.

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This information is information that ALK is obliged to make public pursuant to the EU Market Abuse Regulation.

About ALK

ALK is a global specialty pharmaceutical company focused on allergy and allergic asthma. It markets allergy immunotherapy treatments and other products and services for people with allergy and allergy doctors. Headquartered in Hørsholm, Denmark, ALK employs around 2,700 people worldwide and is listed on Nasdaq Copenhagen. Find more information at www.alk.net.