



TELECONFERENCE – Q3 2016

2 November 2016



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Q3 2016 highlights

All key products continue the solid momentum

- Revenue increased by 8% to DKK 3,948 billion
- Key products grew 77% to DKK 1,778 million - represents 45% of revenue

Operational efficiencies well on track

- EBIT increased to DKK 589 million from DKK (1,519) billion in Q3 2015
- EBIT margin significantly improved to 14.9%

R&D

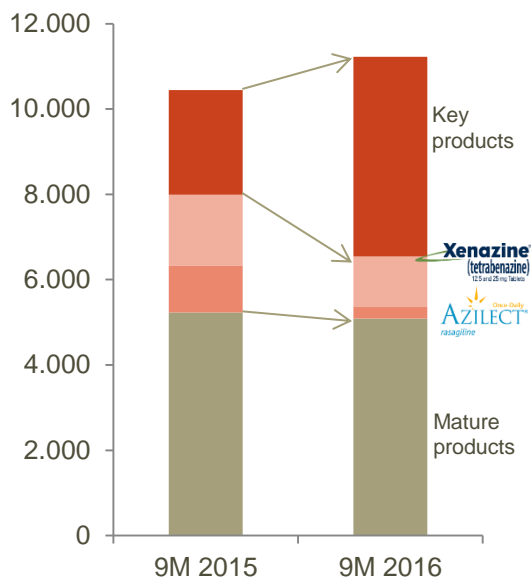
- Carnexiv and the sNDA on Rexulti have received FDA approvals
- The first phase III study investigating the efficacy of idalopirdine in patients with Alzheimer's disease did not meet the prespecified efficacy endpoints

2016 financial guidance raised

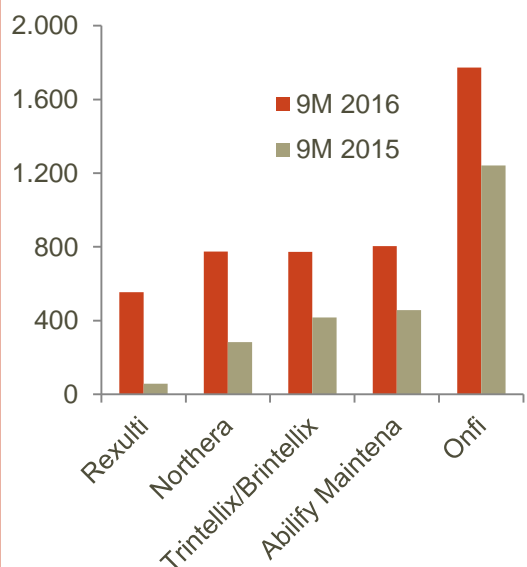
- Lundbeck now expects revenue of DKK 15.3-15.7 billion and EBIT of DKK 2.1-2.3 billion for 2016

Revenue of DKK 11,469 million – up 6% in 9M 2016

Revenue contributors (DKKm)



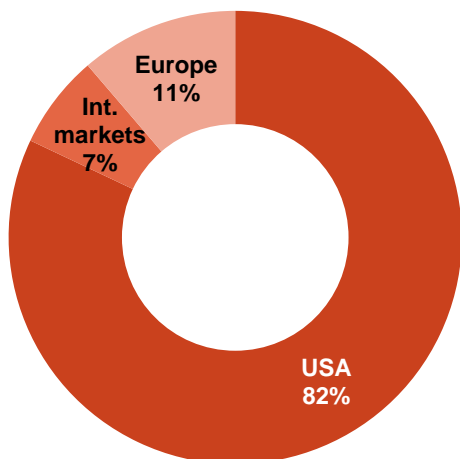
Key products (DKKm)



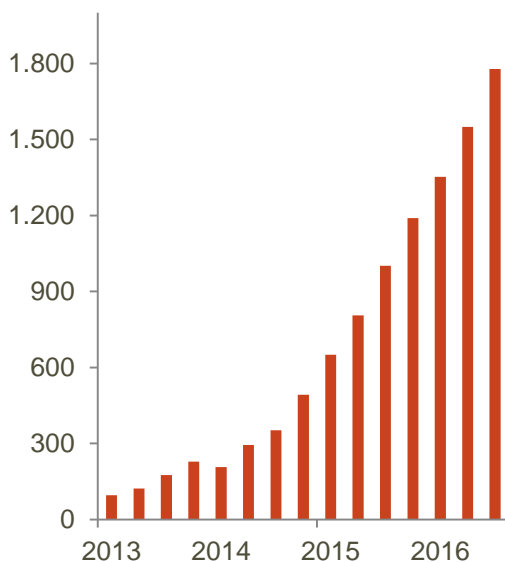
- ★ Revenue grew 8% in Q3 2016 reaching DKK 3,948 million
- ★ Continued strong growth for all key products
- ★ Sales performance negatively impacted by Azilect handback and Xenazine erosion
- ★ Remaining mature portfolio relatively stable

Key product sales of DKK 4,680 million – up 90% in 9M 2016

Revenue split (9M)



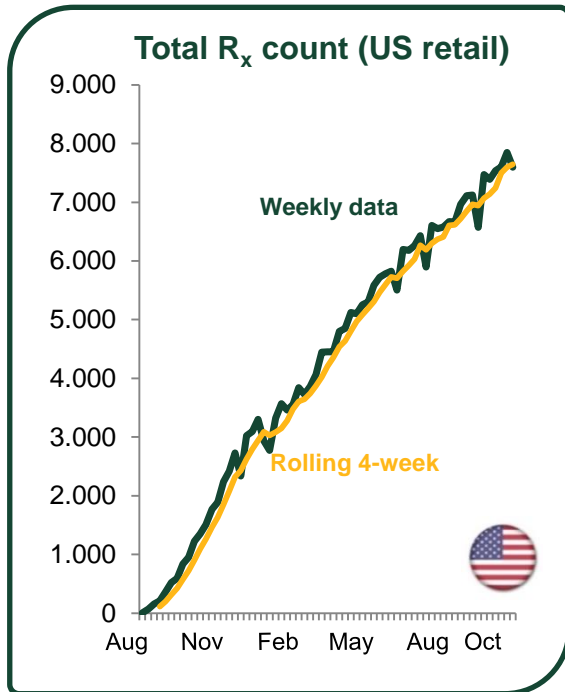
Quarterly revenue (DKKm)



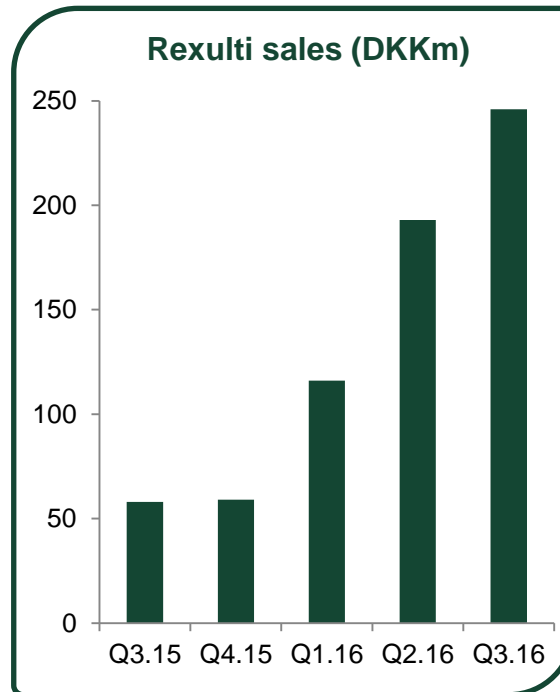
- ★ Sales increased 77% in Q3 reaching DKK 1,778 million
- ★ Limited FX impact
- ★ Key products constitute 45% of revenue vs. 27% in Q3 2015
- ★ Solid growth momentum set to continue



Rexulti sales of DKK 555 million – up 859% in 9M 2016



Source: Bloomberg (week ending 21/102016)

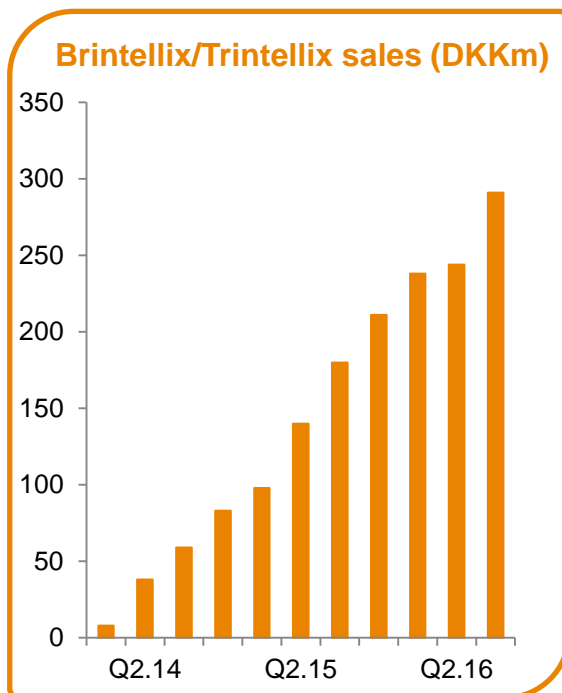
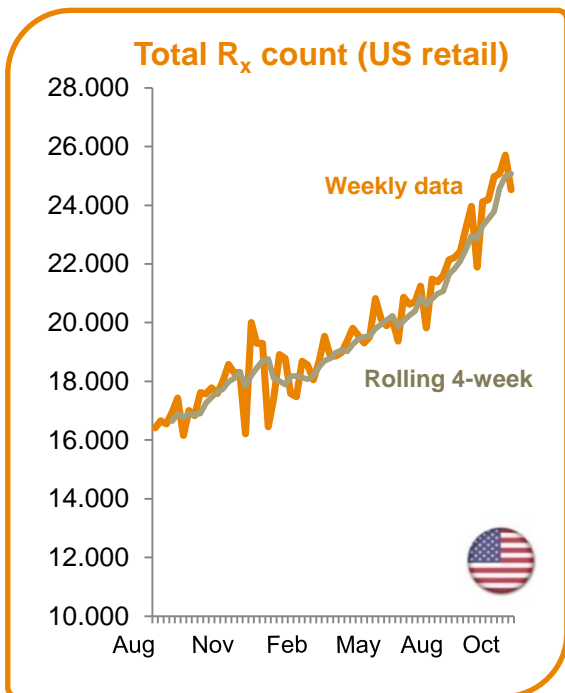


Lundbeck's share of revenue

- ★ Sales reached DKK 246 million in Q3
- ★ Average weekly volume growth since launch is around 120 TR_x
- ★ Majority of R_x prescribed for major depression
- ★ ~8% branded TR_x market share and ~9% branded NR_x market share



Brintellix/Trintellix sales of DKK 773 million – up 85% in 9M 2016



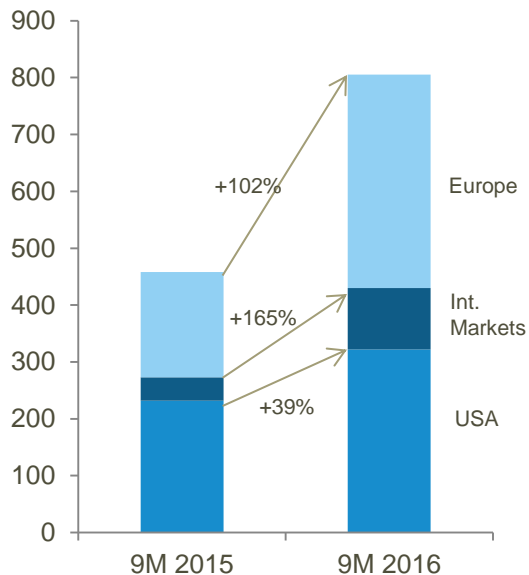
- ★ Sales reached DKK 291 million in Q3 – up 62%
- ★ US DTC campaign commenced mid-July 2016
- ★ 42% market share amongst branded products in new to brand (NBR_x) prescriptions
- ★ Average weekly US volume growth since August 2015 is around 130 TR_x
- ★ Encouraging launches in Brazil, Italy and Spain

Source: Bloomberg (week ending 21/10 2016)

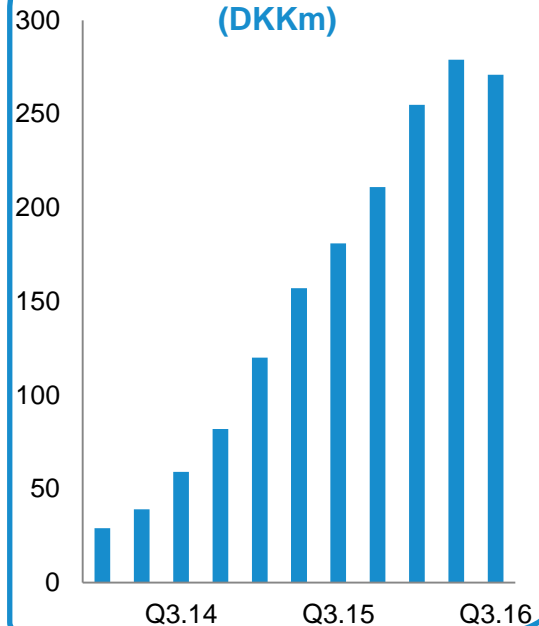


Abilify Maintena sales of DKK 805 million – up 76% in 9M 2016

Revenue contributors (DKKm)



Abilify Maintena sales (DKKm)



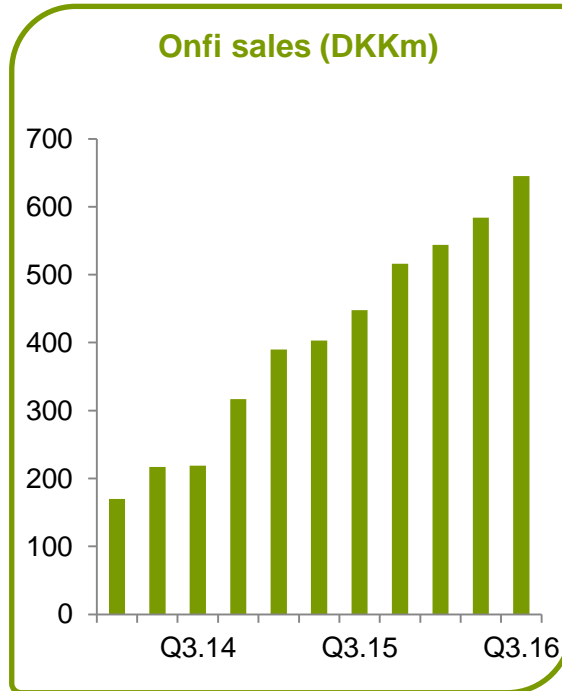
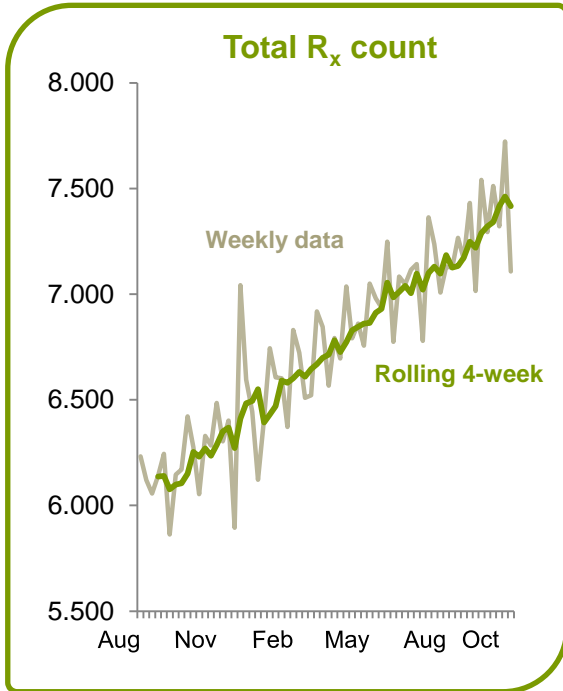
Lundbeck's share of revenue

- ★ Sales reached DKK 271 million in Q3 – up 49%
- ★ Q3 2016 impacted by quarterly fluctuations in the US and Europe
- ★ Met primary endpoint in bipolar disorder phase III trial and sNDA planned for end-2016
- ★ 10-16% value market share (LAI retail) in most markets



LAI = Long-Acting Injectable anti-psychotics

Onfi sales of DKK 1,773 million – up 43% in 9M 2016



- ★ Sales of DKK 645 million in Q3 – up 44%
- ★ Continued increased demand driven by increase in mg/R_x and higher volume (TR_x)

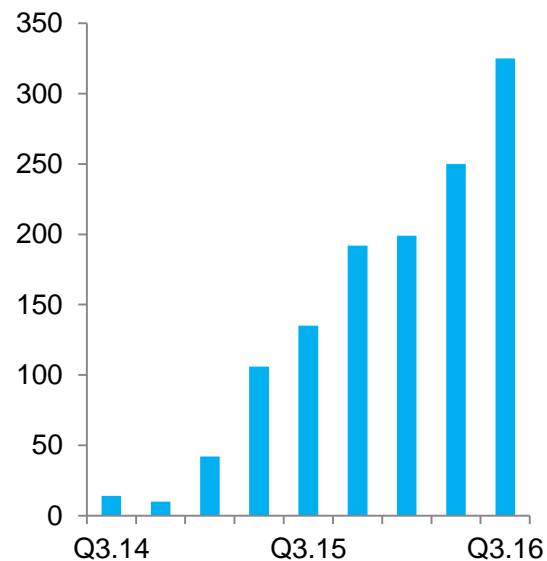


Source: Bloomberg (week ending 21/10 2016)

Northera sales of DKK 774 million – up 174% in 9M 2016

- ★ Launched in September 2014
- ★ Only chronic oral therapy treating root cause of symptomatic nOH¹
- ★ Available in Japan since 1989
- ★ Good synergies with neurology franchise
- ★ 80,000-150,000 nOH patients in the US (MSA, PAF, PD only)²

Northera sales (DKKm)



- ★ Sales reached DKK 325 million in Q3 – up 142%
- ★ Growth primarily driven by demand


Northera[™]
(droxidopa) Capsules
100 mg - 200 mg - 300 mg



1) Neurogenic Orthostatic Hypotension; 2) MSA=Multiple System Atrophy; PAF=Pure Autonomic Failure; PD=Parkinson's Disease

Q3 R&D highlights

Abilify Maintena

- ★ Submission of sNDA for bipolar disorder on track for end-2016

Brintellix/Trintellix

- ★ Feedback from FDA regulatory dialogue regarding sNDA expected during Q1 2017
- ★ Failed to achieve significance in separating from placebo in phase II ADHD study¹⁾

Carnexiv

- ★ FDA approved in October 2016

Rexulti

- ★ FDA approved labeling update for maintenance treatment of schizophrenia

Idalopirdine

- ★ Negative headline result from *STARSHINE* study²⁾

Lu AF35700

- ★ Open-label extension study initiated³⁾

Lundbeck's development pipeline

Disease areas	Phase I	Phase II	Phase III	Registration
Alzheimer's disease	Lu AF20513		Idalopirdine Brexiprazole	
Mood disorders		Brintellix, ADHD	Brexiprazole (EU) Abilify Maintena, BP	
Parkinson's disease	Lu AE04621			
Schizophrenia			Lu AF35700 Brexiprazole (EU)	

1) NCT02327013. 2) NCT01955161. 3) NCT02892422

The solid operational performance continues

DKKm	Q3 2016	Q3 2015	Variance	
			DKK	Local currencies
Revenue	3,948	3,669	8%	6%
Key products	1,778	1,002	77%	74%
EBIT	589	(1,519)		
EBIT margin	14.9%	(41.4%)		
Tax	264	(285)		
EPS	1.62	(6.40)		

★ Limited currency impact

★ Impact from loss of Azilect in Europe and generics mitigated by growth in key products

★ EBIT impacted by effects from restructuring (↑) and idalopirdine impairment loss (↓)

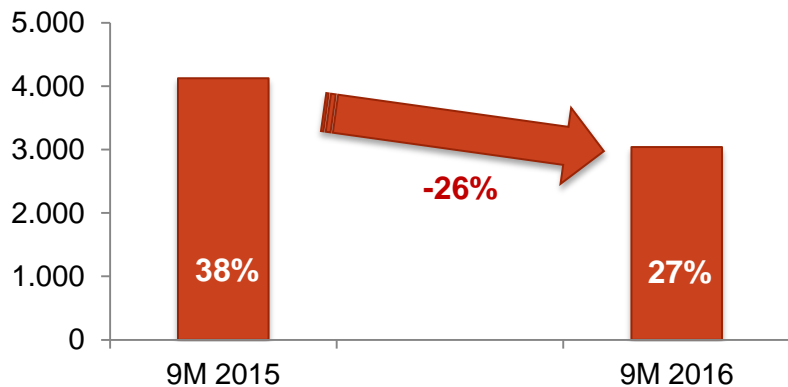
DKKm	9M 2016	9M 2015	Variance	
			DKK	Local currencies
Revenue	11,469	10,861	6%	5%
Key products	4,680	2,458	90%	89%
EBIT	1,541	(6,384)		
EBIT margin	13.4%	(58.8%)		
Tax	682	(1,230)		
EPS	3.74	(26.69)		

★ Core EBIT improved from DKK 423 million to DKK 988 million (Q3)

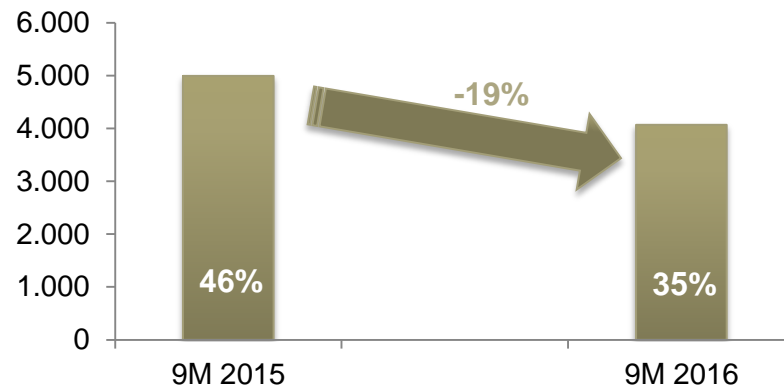
★ Core EBIT-margin improved from 11.9% to 25.0% in Q3

Continued focus on cost

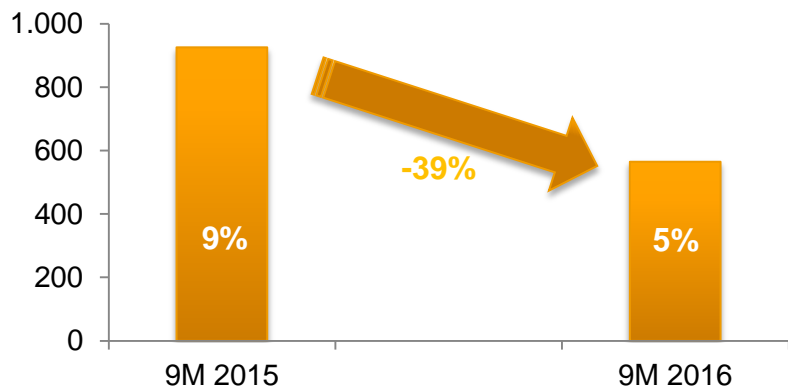
Cost of sales (DKK m)



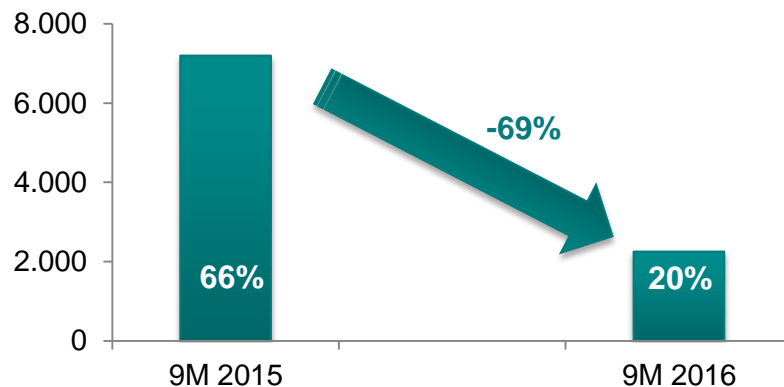
Sales and distribution (DKK m)



Administration (DKK m)



R&D (DKK m)



Solid improvement in Lundbeck's cash flow

DKKm	Q3 2016	Q3 2015
Operating cash flow	1,301	(102)
Free cash flow	1,193	(1,498)
Net cash flow	349	(435)
Cash	1,785	1,334
Net interest-bearing debt	(575)	(2,918)
Net debt/EBITDA	0.5x	(5.7)x

DKKm	9M 2016	9M 2015
Operating cash flow	2,093	(1,868)
Free cash flow	1,889	(3,300)
Net cash flow	371	(2,313)
Cash	1,785	1,334
Net interest-bearing debt	(575)	(2,918)
Net debt/EBITDA	0.2x	117.2x

Cash flow drivers:

- ★ Strong improvement in profitability
- ★ Improved working capital
- ★ Provisions reduced by spend on restructuring
- ★ Net interest-bearing debt expected to be around zero at year-end

2016 financial guidance increased

Financial guidance 2016

	Revised 2016 guidance	Previous 2016 guidance
Revenue	DKK 15.3-15.7bn	DKK 14.6-15.0bn
Reported EBIT	DKK 2.1-2.3bn	DKK 1.5-1.7bn

Expected drivers of future revenue and profit performance

- ★ Continued growth in key products primarily driven by demand
- ★ Pace of erosion on products such as Xenazine and Sabril
- ★ Continued gains from operational efficiencies
- ★ No acquisitions, milestones or up-front payments included

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