



TELECONFERENCE – Q2 2016

24 August 2016



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Q2 2016 highlights

All key products continue the solid momentum

- Revenue increased by 3% to DKK 3.7 billion
- Key products grew 92% to DKK 1,550 million - represents 41% of revenue

Operational efficiencies well on track

- EBIT increased from DKK (4.8) billion in Q2 2015 to DKK 469 million this quarter
- EBIT-margin significantly improved to 12.5%

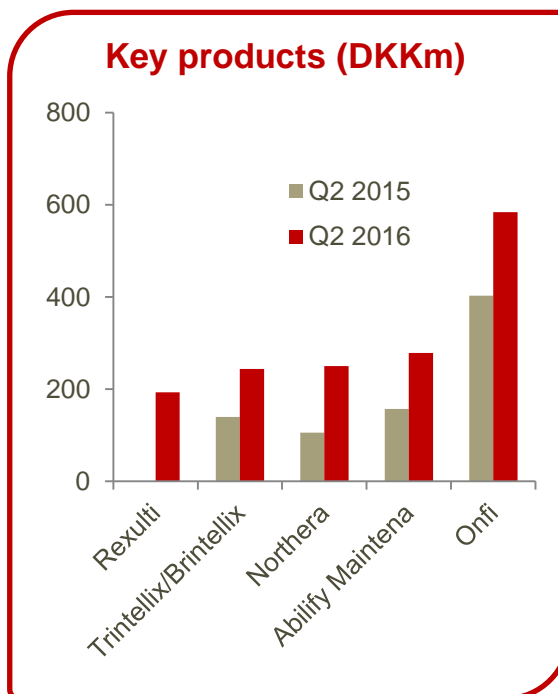
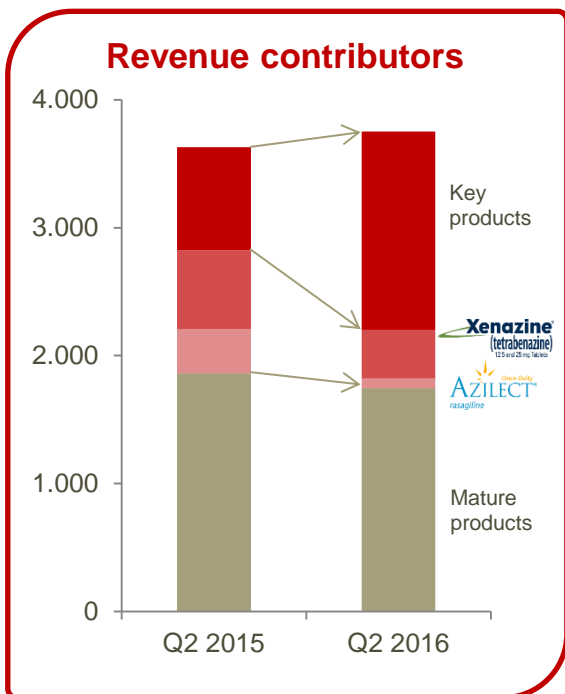
R&D: Continued progress

- Fast-track designation for idalopirdine and patient recruitment finalised

2016 financial guidance increased

- Lundbeck now expects revenue of DKK 14.6-15.0 billion and EBIT of DKK 1.5-1.7 billion for 2016

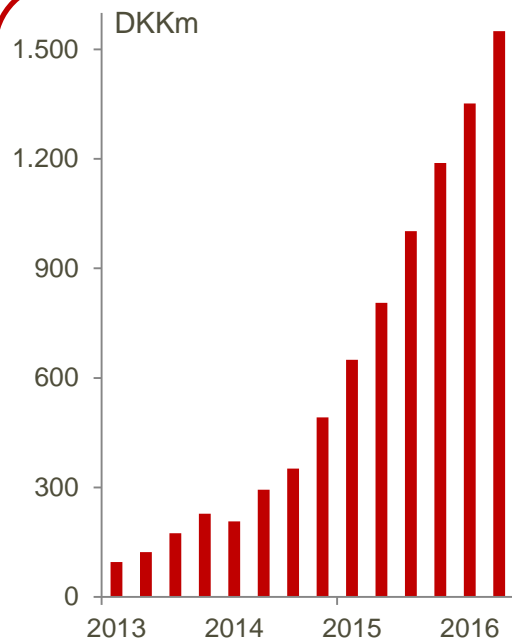
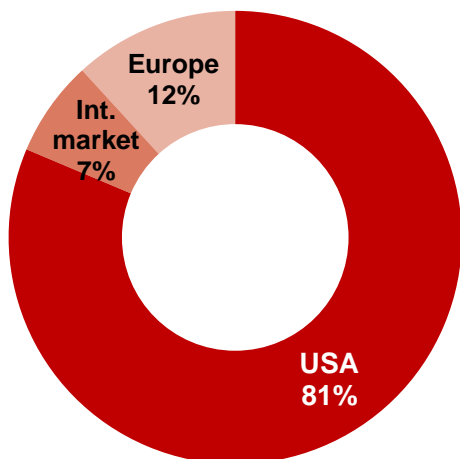
Q2 2016 revenue growth contributors



- ★ Revenue grew 3% y/y in Q2 2016
- ★ Continued strong growth for all key products
- ★ Sales performance negatively impacted by Azilect handback and Xenazine erosion

Key product sales of DKK 1,550 million – up 92% in Q2 2016

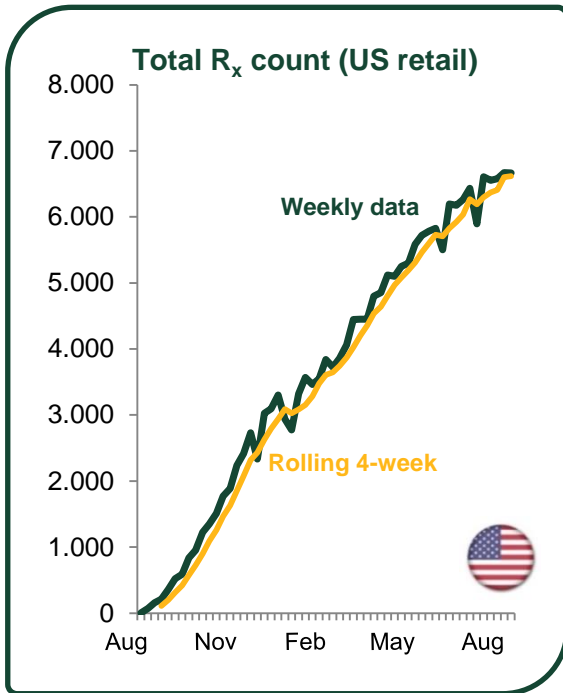
Revenue split (Q2)



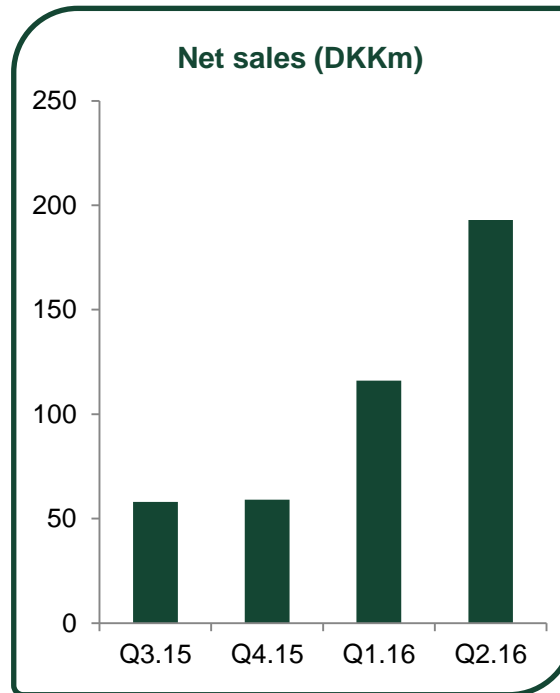
- ★ Sales increased 92% y/y in the second quarter
- ★ Limited FX impact
- ★ Key products constitute 41% of revenue vs 22% in Q2 2015
- ★ Solid growth momentum set to continue



Rexulti net sales reached DKK 193 million in Q2 2016



Source: Bloomberg (week ending 12/8 2016)

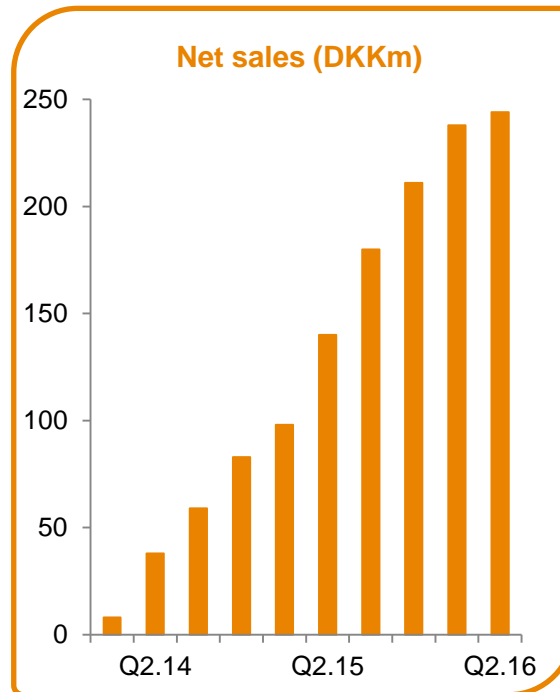
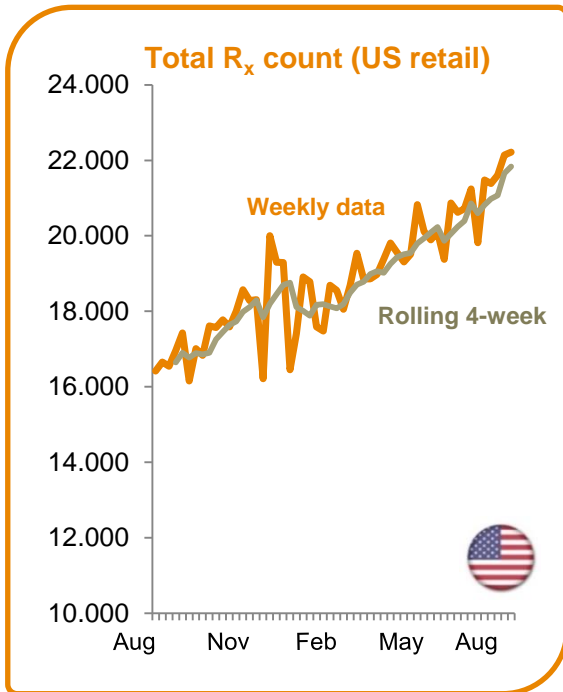


Lundbeck's share of revenue

- ★ Strong sales for schizophrenia and major depressive disorder
- ★ Majority of Rx prescribed for major depression
- ★ ~7.5% branded TR_x market share and ~9% branded NR_x market share



Brintellix/Trintellix net sales of DKK 244 million – up 75% in Q2 2016

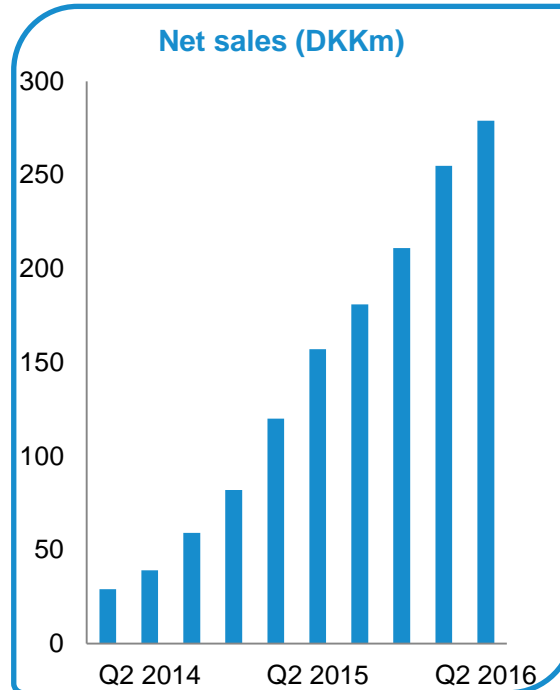
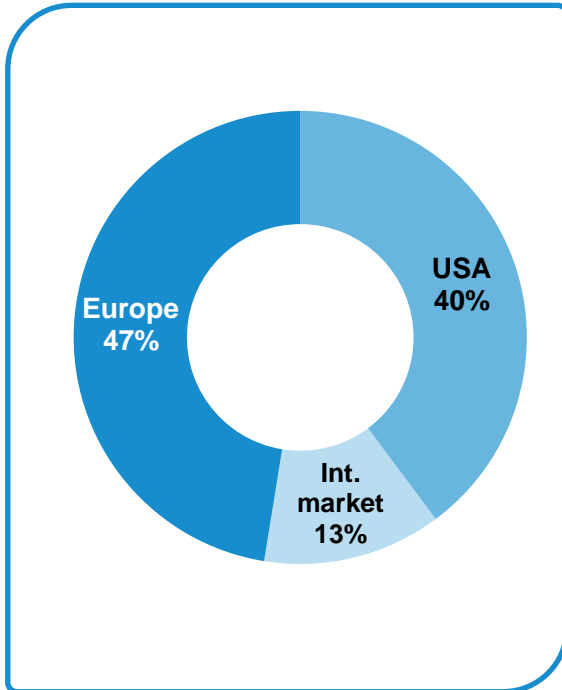


- ★ Nation-wide DTC campaign commenced in the US
- ★ Value market share ranges from 1-8.5% in countries outside the US
- ★ As expected reimbursement was not granted in Germany

Source: Bloomberg (week ending 12/8 2016)



Abilify Maintena net sales of DKK 279 million – up 78% in Q2 2016



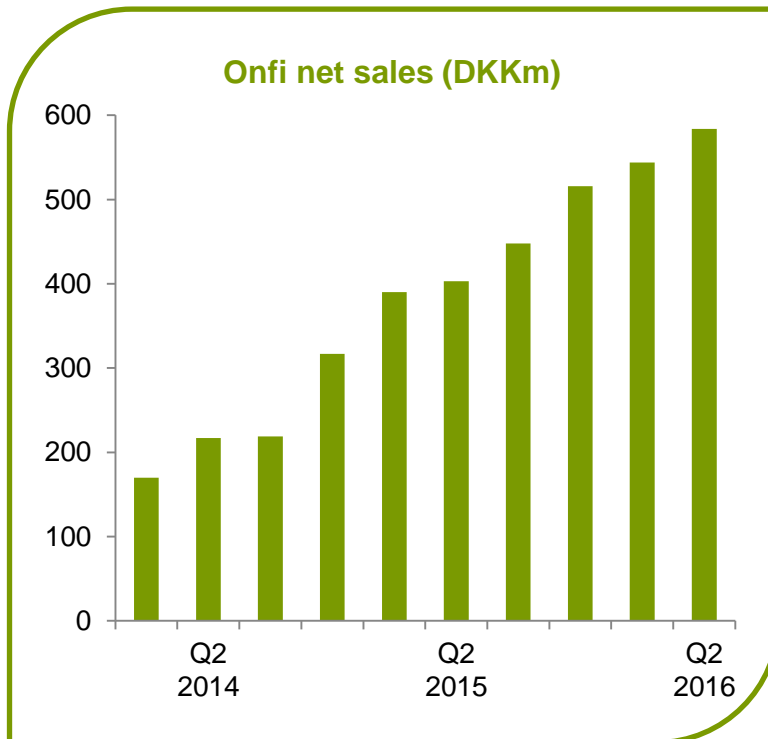
Lundbeck's share of revenue

- ★ Sales grew as planned in the US and the EU (local currency basis)
- ★ Met primary endpoint in bipolar disorder phase III trial and plan to submit sNDA in H2 2016
- ★ 10-16% value market share (LAI retail) in most markets



LAI = Long-Acting Injectable anti-psychotics)

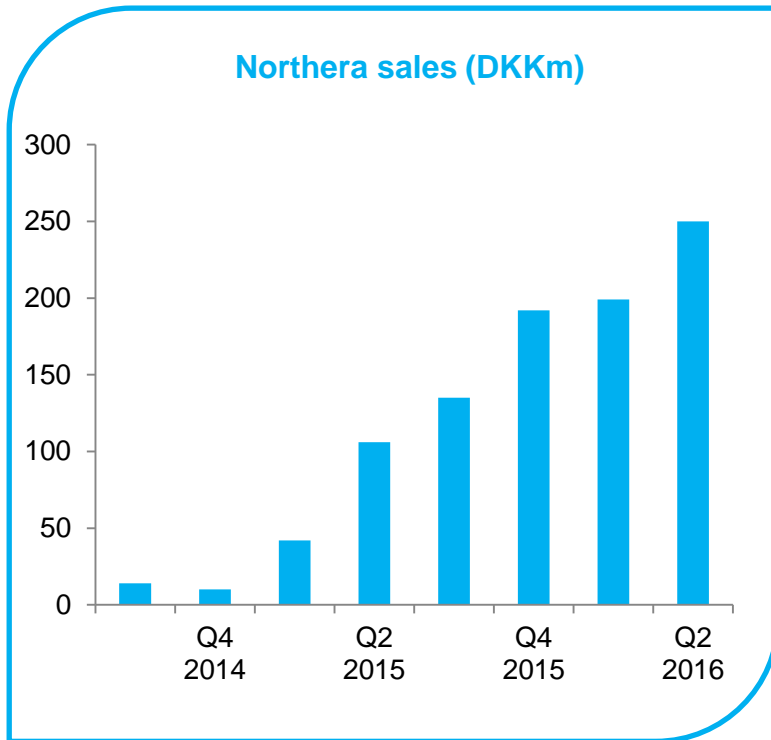
Onfi continues the solid growth momentum




- ★ Sales of DKK 584 million – up 45% in Q2 2016
- ★ Continued increased demand driven by increase in mg/R_x and higher volume (TR_x)



Northera sales of DKK 250 million – up 136% in Q2 2016



- ★ Growth primarily driven by increased milligram (mg) sold...
- ★ ...driven by longer treatment period and higher mg/patient


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



R&D highlights

Key achievements:

Idalopirdine

- ★ Fast-track designation by FDA
- ★ The three 24-week studies have finalised patient recruitment

Abilify Maintena

- ★ Submission for bipolar disorder on track for H2 2016

Rexulti

- ★ sNDA filed for labeling update to include maintenance treatment
- ★ The PDUFA date is 23 September 2016

Brintellix/Trintellix

- ★ FDA regulatory dialogue ongoing

Lundbeck's development pipeline

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

The idalopirdine *STARSHINE*, *STARBEAM* and *STARBRIGHT* studies are now fully recruited

Baseline Data from the Ongoing *STARSHINE* Study

(Poster #7842 presented at AAIC in Toronto, Canada; July 2016¹)



- ★ 933 patients began treatment
- ★ On average, patients were diagnosed with Alzheimer's 2.1 years prior to enrollment and treated with donepezil for 1.6 years
- ★ Patients had a mean ADAS-cog total score of 26 and an MMSE of 18 at baseline
- ★ Patients had a mean score of 56 on the ADCS-ADL scale²⁾
- ★ Headline conclusions on pivotal studies due Q1 2017

1) Alireza Atri, MD, PhD, Neli Boneva, MD, PhD, Jeffrey L. Cummings, MD, ScD, Lutz Frölich, MD, Pierre N. Tariot, MD and Kristian Windfeld, PhD: Idalopirdine, a 5-HT6 Antagonist in Phase III Development as Adjunctive Therapy to Cholinesterase Inhibitors in Patients with Mild-Moderate Alzheimer's Disease: Baseline Data from the Ongoing Starshine Study. 2) Alzheimer's Disease Consortium Study - Activities of Daily Living Inventory (ADCS-ADL)

Abilify Maintena met primary endpoint in study 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
- ★ Bipolar I disorder affects ~1% of the population in the US



Clinical programme*

- ★ ~730 patients in placebo-controlled phase III 52-week study
- ★ 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
- ★ Expected sNDA on track for H2 2016

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

The solid operational performance continues

DKK m	Q2 2016	Q2 2015	Variance	
			DKK	Local currencies
Revenue	3,751	3,629	3%	5%
Key products	1,550	806	92%	96%
EBIT	469	(4,833)		
EBIT margin	12.5%	(133.2%)		
Tax	244	(994)		
EPS	1.18	(19.84)		

★ Limited currency impact

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

★ EBIT positively impacted by effects from restructuring

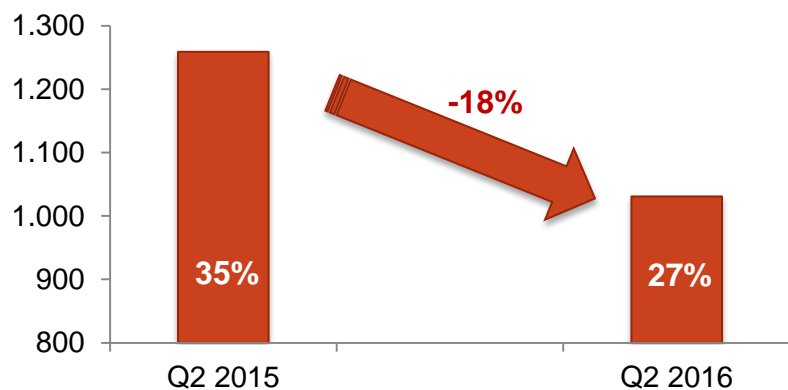
DKK m	H1 2016	H1 2015	Variance	
			DKK	Local currencies
Revenue	7,521	7,192	5%	5%
Key products	2,902	1,456	99%	99%
EBIT	952	(4,865)		
EBIT margin	12.7%	(67.6%)		
Tax	418	(945)		
EPS	2.12	(20.26)		

★ Core EBIT improved from DKK 135 million to DKK 726 million (Q2)...

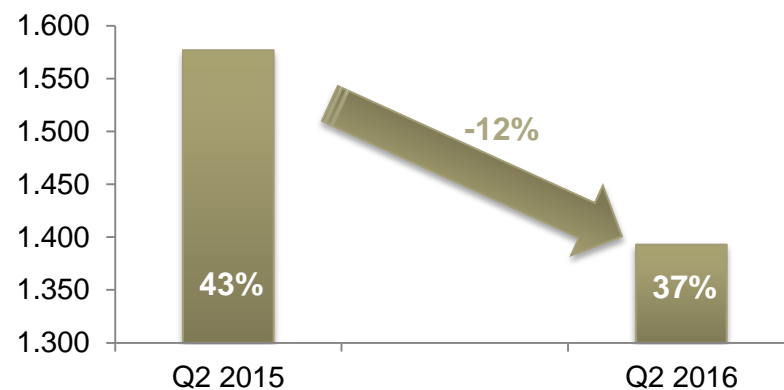
★ ...Core EBIT-margin improved from 3.7% to 19.3%

Continued focus on cost

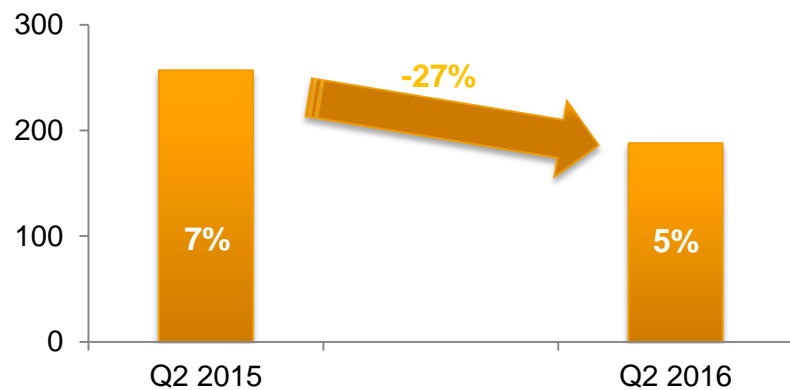
Cost of sales (DKKm)



Sales and distribution (DKKm)

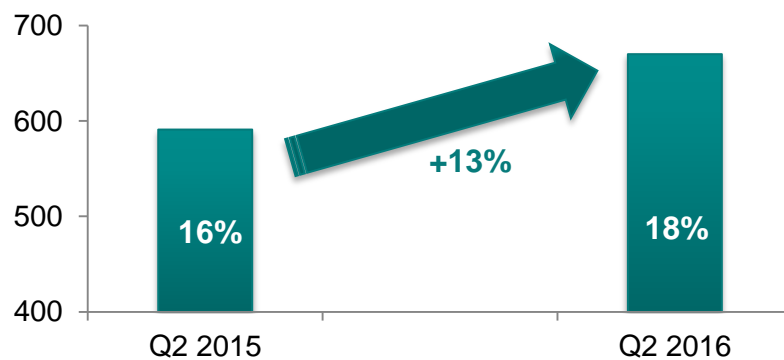


Administration (DKKm)



R&D (DKKm)

(Q2 2015 adjusted for impairment charges)



Solid improvement in Lundbeck's cash flow

DKKm	Q2 2016	Q2 2015
Operating cash flow	435	(1,384)
Free cash flow	376	(1,384)
Net cash flow	50	(1,363)
Cash	1,436	1,787
Net interest-bearing debt	(1,778)	(1,461)
Net debt/EBITDA	2.2x	6.3x

DKKm	H1 2016	H1 2015
Operating cash flow	792	(1,766)
Free cash flow	696	(1,802)
Net cash flow	22	(1,878)
Cash	1,436	1,787
Net interest-bearing debt	(1,778)	(1,461)
Net debt/EBITDA	1.1x	2.7x

Cash flow drivers:

- ★ Strong improvement in profitability
- ★ Improved working capital
- ★ Provisions reduced by spend on restructuring
- ★ Net interest-bearing debt expected to be around DKK 1 billion at year-end

2016 financial guidance increased

Financial guidance 2016

	Revised 2016 guidance*	Previous 2016 guidance
Revenue	DKK 14.6-15.0bn	DKK 14.2-14.6bn
Reported EBIT	DKK 1.5-1.7bn	DKK 1.3-1.5bn

Revenue and profit drivers

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

PATIENTS
FOCUSED
PASSIONATE
RESPONSIBLE
INNOVATION
LEADERSHIP
PROFITABILITY

DEPRESSION

GLOBAL
ALZHEIMER'S
SCHIZOPHRENIA
PARKINSON'S
ORGANIZATION