Lundbeck teleconference Q1 2020

COPENHAGEN, 12 MAY 2020

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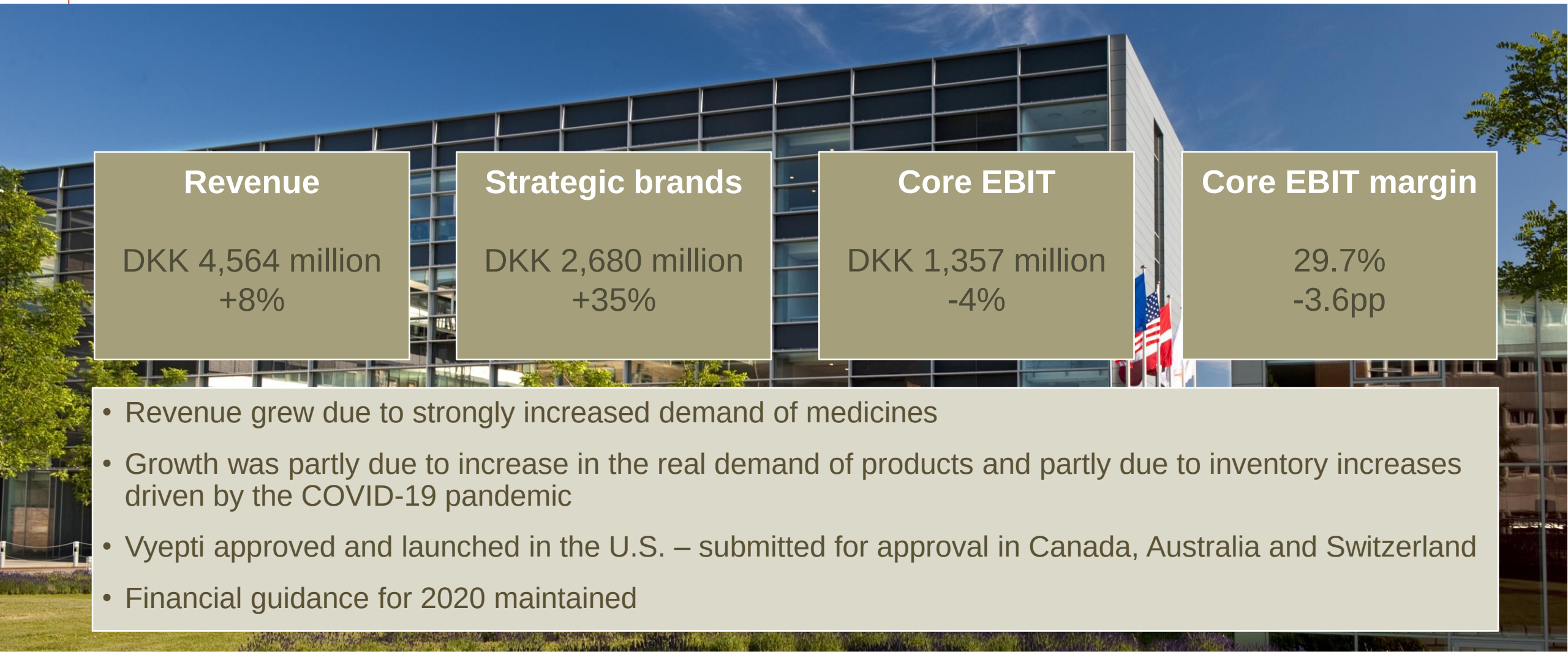
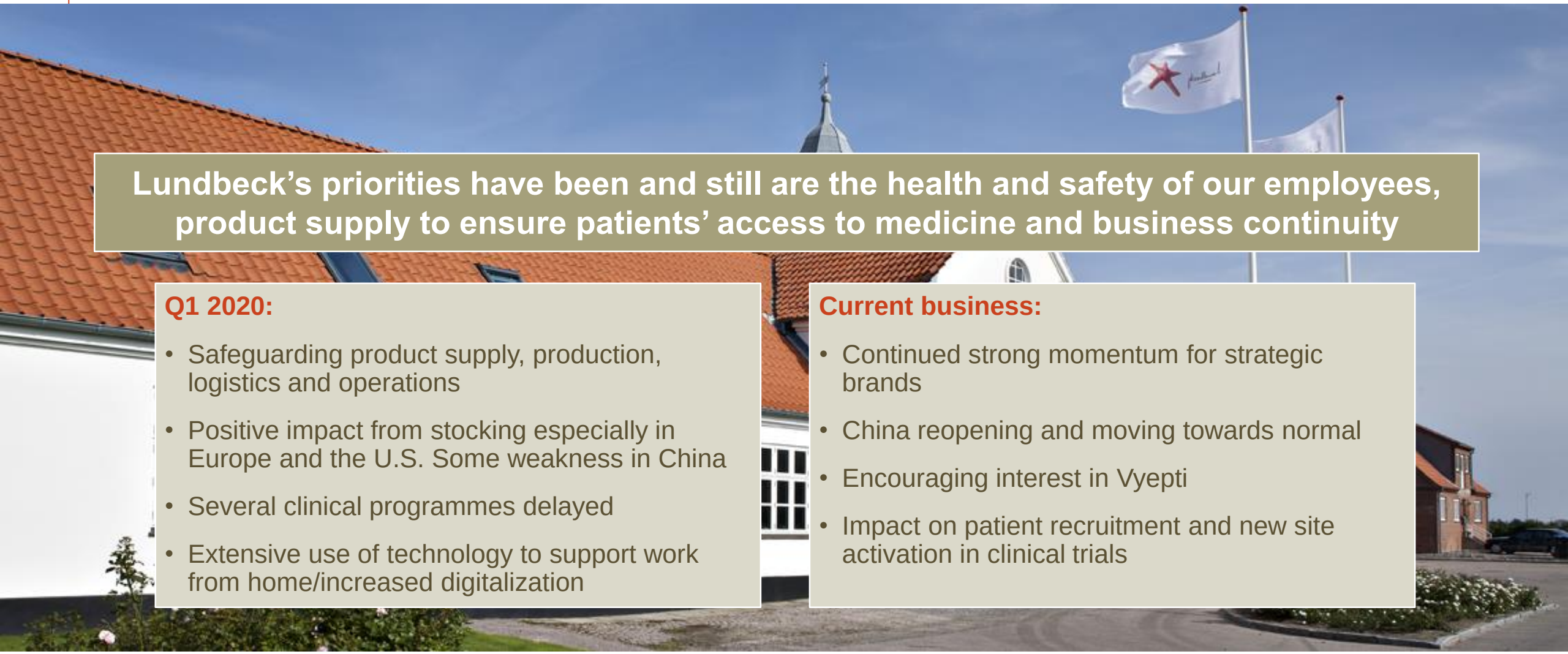
Strong financial performance in Q1 2020



Revenue	Strategic brands	Core EBIT	Core EBIT margin
DKK 4,564 million +8%	DKK 2,680 million +35%	DKK 1,357 million -4%	29.7% -3.6pp

- Revenue grew due to strongly increased demand of medicines
- Growth was partly due to increase in the real demand of products and partly due to inventory increases driven by the COVID-19 pandemic
- Vyepti approved and launched in the U.S. – submitted for approval in Canada, Australia and Switzerland
- Financial guidance for 2020 maintained

Update on COVID-19



Lundbeck's priorities have been and still are the health and safety of our employees, product supply to ensure patients' access to medicine and business continuity

Q1 2020:

- Safeguarding product supply, production, logistics and operations
- Positive impact from stocking especially in Europe and the U.S. Some weakness in China
- Several clinical programmes delayed
- Extensive use of technology to support work from home/increased digitalization

Current business:

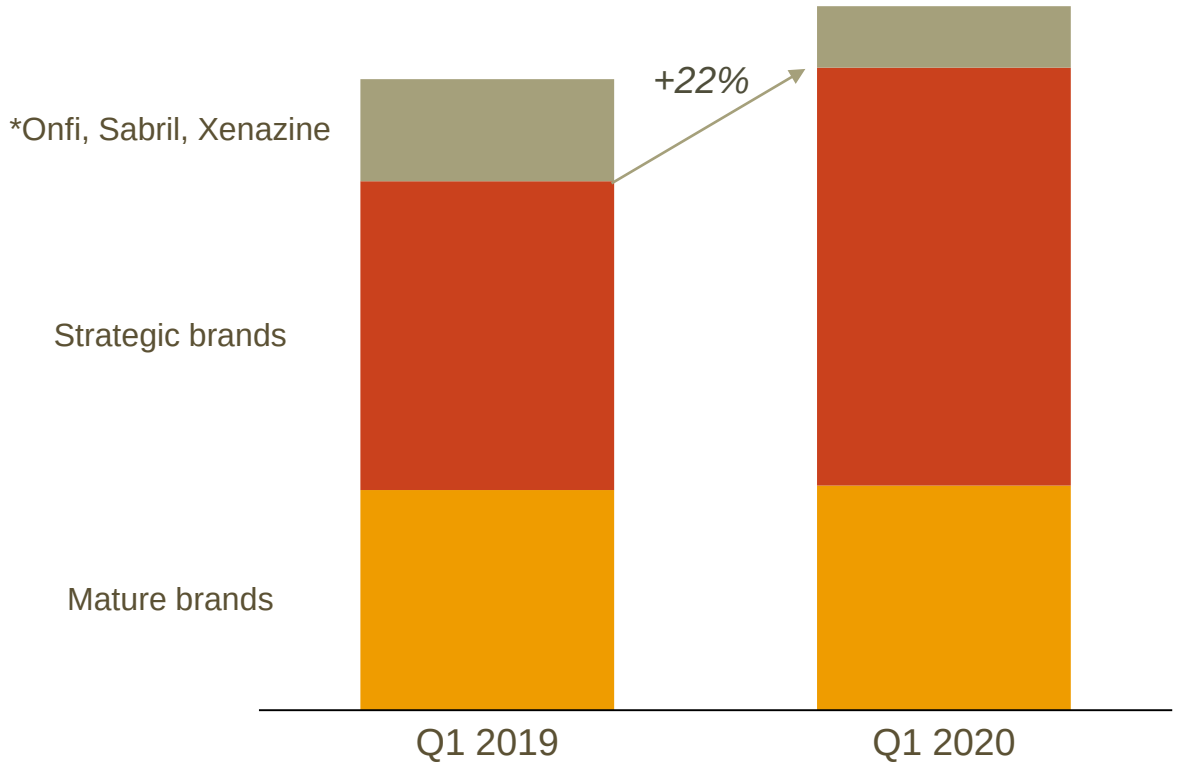
- Continued strong momentum for strategic brands
- China reopening and moving towards normal
- Encouraging interest in Vyepti
- Impact on patient recruitment and new site activation in clinical trials

Revenue up 22% excluding sales from U.S. neurology products currently exposed to impact from LOE

- Strategic brands up 35% in the quarter
- Excluding U.S. neurology products* with LOE, revenue up by 22%
- Mature brands stable
- Focus on maximizing existing brands has successfully driven strong growth
- Future growth less impacted by decline in U.S. neurology products

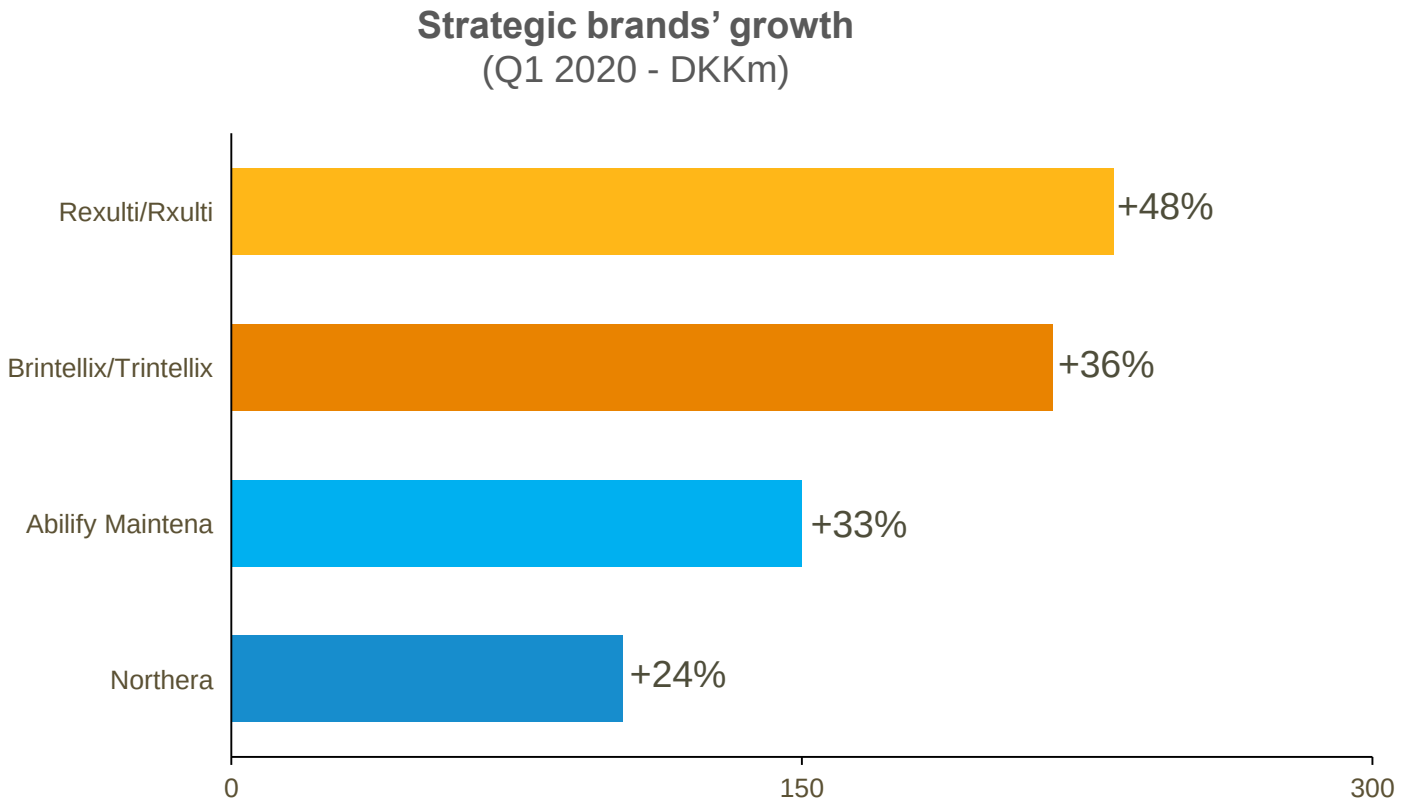
Revenue distribution

(Q1 2020 - DKKm)



Lundbeck's four strategic brands added DKK 701 million in additional revenue in Q1 2020

- **Strategic brands*:** Up 35% (32% in L.C.) to DKK 2,680 million representing 59% of total revenue
- **Rexulti/Rxulti:** Up 48% to DKK 713 million
- **Brintellix/Trintellix:** Up 36% to DKK 817 million
- **Abilify Maintena:** Up 33% to DKK 612 million
- **Northera:** Up 24% to DKK 538 million
- **Vyepti:** Phased launch commenced in April 2020 in the U.S.



*) *Abilify Maintena, Brintellix/Trintellix, Northera and Rexulti/Rxulti*

Vyepti launch update – very early days, but encouraging interest

- Vyepti was made available to patients on 6 April 2020, and the first patients received therapy on 7 April
- Several key clinics received Vyepti already in the first week and many more since
- Phased launch approach starting with virtual HCP engagement. Customer facing engagement will commence when appropriate
- Encouraging interest in enrolling in the *Vyepti Connect*[1)] and *Vyepti Go*[2)]
- Several payers have issued coverage policies, e.g. Anthem, Highmark, BCBS of NJ, Premera, etc.

vyepti™
(eptinezumab-jjmr)
100 mg/mL injection

1) Access and reimbursement support program. 2) Patient support program

Maximising the value of Vyepti

- *RELIEF* study continues to randomize patients. Conclude Q4.20
- Indication expansion in cluster headache planned to start Q4.20
- European market access study (phase IIIb) to start mid-2020
- First phase of Japanese PK/PD study finalized as planned; development strategy for Asia progressing
- Further indication expansion in planning

Submissions

- Canada: Expected approval Q1 2021
- Australia: Expected approval Q2 2021
- Switzerland: Expected approval Q4 2021

vyepti™
(eptinezumab-jjmr)
100 mg/mL injection

Robust financial performance in Q1 2020 - Investments in new products and reduced exposure to generic erosion

Revenue

- Continued strong momentum for strategic brands
- Positive impact from patient refilling and stocking due to COVID-19 pandemic
- Continued erosion of mature U.S. neurology franchise

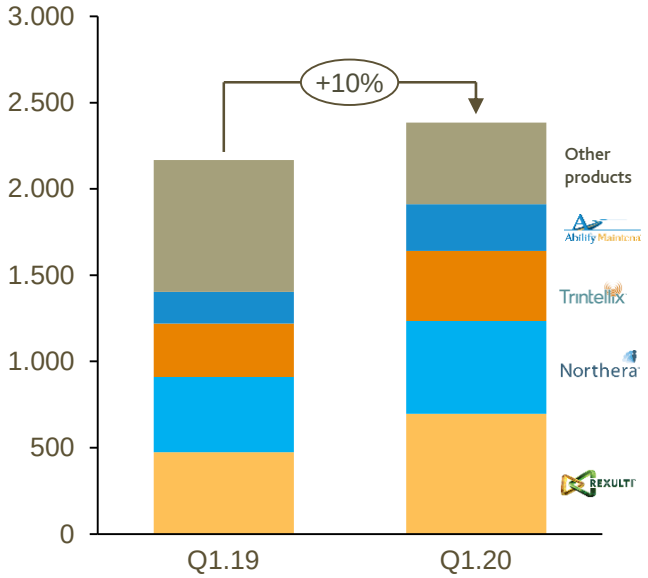
Margins

- Gross margin in line with expectations
- Operational costs increased as expected and impacted by impairment of foliglurax product rights (EUR 100m)
- Core tax rate 22.8% vs. 24.5% in Q1 2019

DKKm	Q1 2020	Δ% y/y	FY 2019	*Δ% y/y*
Revenue	**4,564**	*8%*	17,036	*(6%)*
Gross margin	***82.4%***	*1.9pp*	*80.1%*	*-0.8pp*
Operational expenses	**3,391**	*53%*	9,529	*+2%*
Other operating items, net	**(30)**	-	(514)	-
EBIT	**338**	*(72%)*	3,608	*(32%)*
EBIT margin	***7.4%***	*-20.9pp*	*21.2%*	*-8.1pp*
Core EBIT	**1,357**	(4%)	4,976	*(19%)*
Core EBIT margin	***29.7%***	*-3.6pp*	*29.2%*	*-4.8pp*
Net financials	**(97)**	-	(127)	-
Effective tax rate	***37.5%***	*-10.5pp*	*23.4%*	*-2.7pp*
EPS	**0.76**	*(83%)*	13.42	*(32%)*
Core EPS	**4.89**	*(11%)*	19.46	*(18%)*

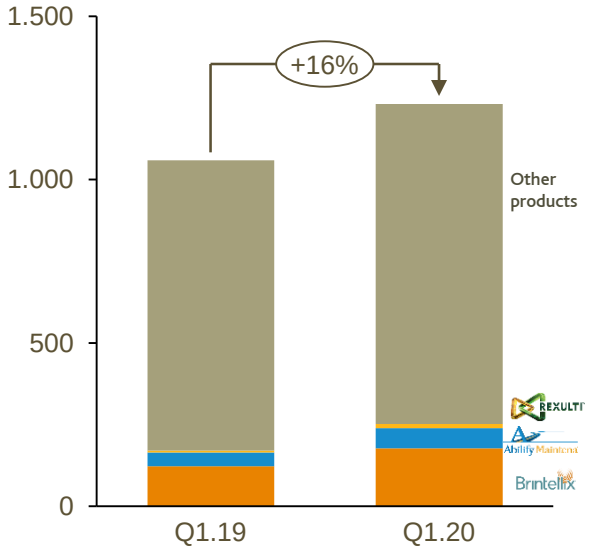
Solid growth in all three regions

North America revenue
(Q1 - DKKm)



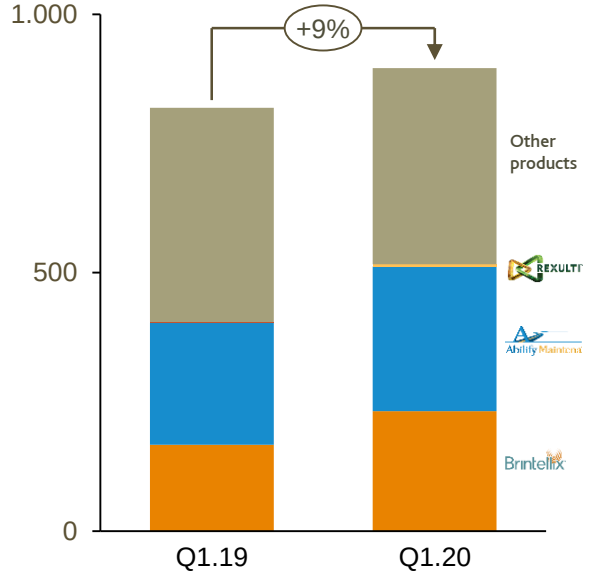
- Strategic brands up 36% to DKK 1,912m
- 32% growth ex. Onfi, Sabril and Xenazine
- Vyepti will add modestly to growth in 2020

International Markets revenue
(Q1 - DKKm)



- Strategic brands up 47% to DKK 252m
- Cipralex/Lexapro continues to perform well

Europe revenue
(Q1 - DKKm)



- Strategic brands up 28% to DKK 516m
- Abilify Maintena and Brintellix show strong growth in major markets and across other European markets

Solid financial position

Selected cash flow figures

DKKm	Q1 2020	Q1 2019	FY 2019
Cash flows from operating activities	**188**	837	2,609
Cash flows from investing activities	**(68)**	(63)	(7,755)
Free cash flow	**120**	774	(5,146)
Cash flows from financing activities	**(836)**	(2,418)	4,548
Net cash flow for the period	**(716)**	(1,644)	(598)

Selected balance sheet figures

DKKm	31.03.2020	31.12.2019
Intangible assets	**22,652**	23,399
Total assets	**34,867**	35,757
Equity	**14,074**	14,554
Non-current liabilities	**12,928**	10,923
Current liabilities	**7,865**	10,280
Cash, bank balances and securities	**2,287**	3,012
Interest-bearing debt	**(9,638)**	(9,578)
Net debt	**(7,351)**	(6,566)

- **Dividend pay-out, net:** DKK 815m for 2019 or DKK 4.10 per share paid in March 2020
- **Net debt:** Net debt position of around DKK 6 billion expected by the end of 2020
- **Net debt/EBITDA:** Expected to reach 1.5x by end of 2020 vs. 1.4x by the end of 2019

2020 guidance maintained

- Continued strong growth for strategic brands
- Increased uncertainty following the COVID-19 pandemic
- Substantial investments in launch and R&D activities for Vyepti
- Expected effects from hedging is a loss of around DKK 150 - 200 million
- Expected net financial expenses of DKK 300-400 million
- Financial guidance based on currency levels end-April 2020*

2020 financial guidance

DKK	FY 2019 actual	FY 2020 guidance
Revenue	17,036m	**17.4 – 18.0bn**
EBITDA	4,823m	**3.9 – 4.4bn**
Core EBIT	4,976m	**3.5 – 4.0bn**
EBIT	3,608m	**1.4 – 1.9bn**

*) Lundbeck´s main trading currencies are the USD, CNY, CAD and JPY. The financial guidance is based on the current hedging rates for our main currencies; i.e. USD/DKK (6.57), JPY/DKK (0.0625), CAD/DKK (4.99) and CNY/DKK (0.95)

Project status

All studies heavily impacted by COVID-19

Intensive LCM programme for **Rexulti** continues

Continued emphasize on **Lundbeck La Jolla research platform** to reveal full potential of serine hydrolases

- Focused effort for **Lu AG06466** in exploratory clinical studies in psychiatry and neurology, such as MS spasticity and focal epilepsy

No further development in **foliglurax** program

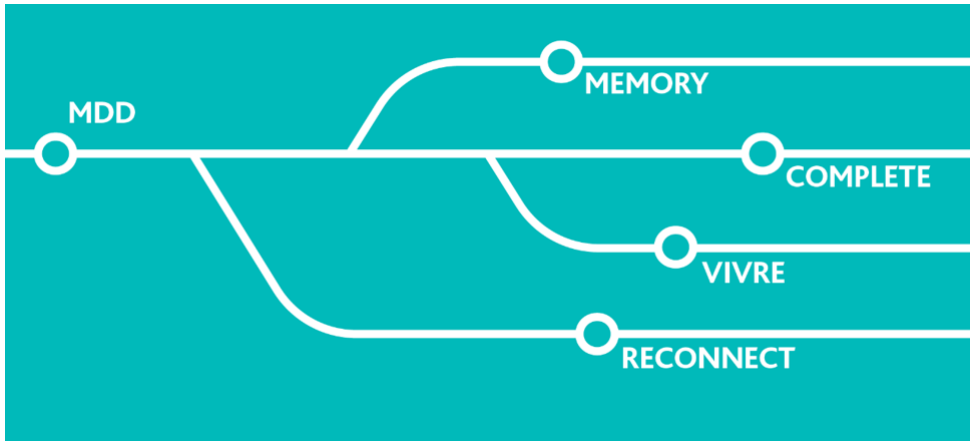
Project	Area	Phase I	Phase II	Phase III	Filing
Eptinezumab (anti-CGRP mAb)	Migraine prevention				★
Brexpiprazole	Agitation in Alzheimer's disease			★	~2021
Brexpiprazole	PTSD			★	≥2023
Brexpiprazole	Borderline Personality Disorder		★		≥2025
Lu AF11167 (PDE 10 inhibitor)	Schizophrenia		★		≥2025
Aripiprazole 2-month injectable	Schizophrenia+bipolar I disorder	★			~2021
Lu AF82422 (alpha-synuclein mAb)	Synucleinopathies	★			>2025
Lu AF28996 (D1/D2 agonist)	Parkinson's disease	★			>2025
Lu AG06466 (MAGLi)	Neurology/psychiatry	★			>2025
Lu AF88434 (PDE1B inhibitor)	Cognitive dysfunction	★			>2025
Lu AG09222 (PACAP mAb)	Migraine	★			>2025
Lu AF87908 (Tau mAb)	Tauopathies	★			>2025

Brintellix/Trintellix: *COMPLETE* study finalized with significant reduction in emotional blunting in MDD

- Nearly half of patients treated with SSRIs or SNRIs report suffering from ‘blunted emotions’
- Blunted emotions have real functional consequences for patients’ social, family and work lives
- Evaluated the effectiveness of 10–20 mg/day vortioxetine on emotional blunting in patients with MDD and a partial response to SSRI / SNRI

Key findings of the *COMPLETE* study:

- 50% report absence of emotional blunting after 8 weeks of treatment with vortioxetine 10 or 20 mg. Highly statistically significant
- Significant effect on emotional blunting observed already after 1 week of treatment
- Improvement in emotional blunting was followed by improvement in overall functioning, motivation and energy (mental and physical)



Brintellix vortioxetine

Trintellix™ vortioxetine 5mg•10mg•20mg tablets

MDD: Major Depressive Disorder. SSRI: Selective serotonin reuptake inhibitor: SNRI: Serotonin–norepinephrine reuptake inhibitors

Maintaining focus on our role and responsibility in society

During the recent quarter, the COVID-19 pandemic challenged the global community affecting everyone

- We have adapted our ways of working to preserve employee safety while ensuring business continuity
- Focused on maintain stable supply of medicines to help people suffering from brain diseases
- Provided financial and medical support to eligible not-for-profit groups providing pandemic and mental health across the globe
- Expanded virtual resources for people whose mental health has been impacted
- Working with the Danish Medicines Agency on pandemic preparedness

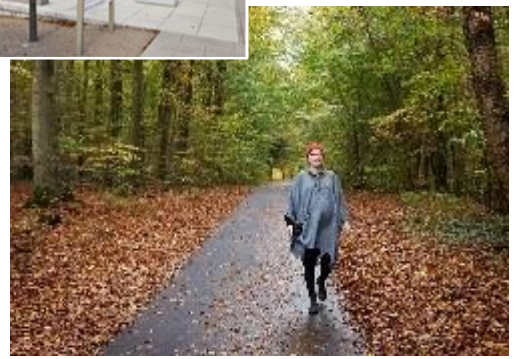
Our focus on progressing to carbon-neutrality has not diminished

- Part of Danish Climate Partnership on Business Ambition 70%

Category	Q1 2020	Q1 2019	*Δ% y/y*
Energy (MWh)	**27,748**	27,256	*1.8%*
CO2 (tonnes)	**4,426**	4,361	*1.5%*
Work related accidents	**5.4**	8.9	*(39%)*
No. Of employees (FTE)	**5,872**	5,442	*7.9%*

Near-term priorities

- Manage the impact from COVID-19 internally and externally
- Secure supply of medicines to patients
- Ensure strong continued momentum for the strategic brands
- Vyepti launch in the U.S., regulatory submissions and indication expansion
- Prepare to restart and accelerate clinical activities
- Continue to execute on *Expand and Invest to Grow*



Thank you