



Lundbeck teleconference FY 2019

COPENHAGEN, 6 FEBRUARY 2020

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Lundbeck saw strong progress against *Expand and Invest to Grow* strategy



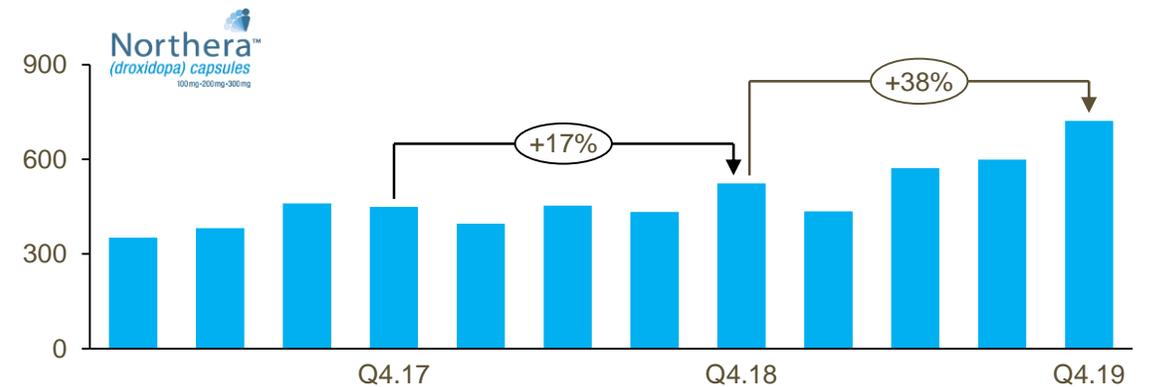
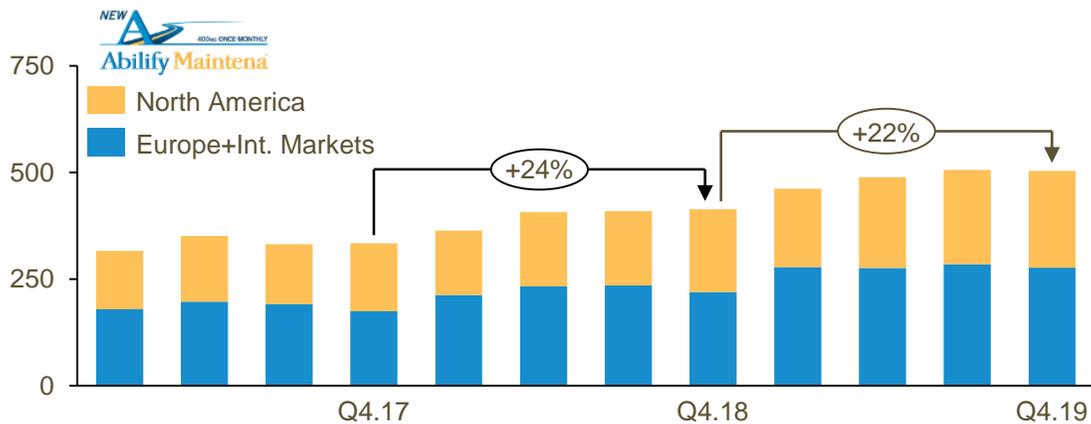
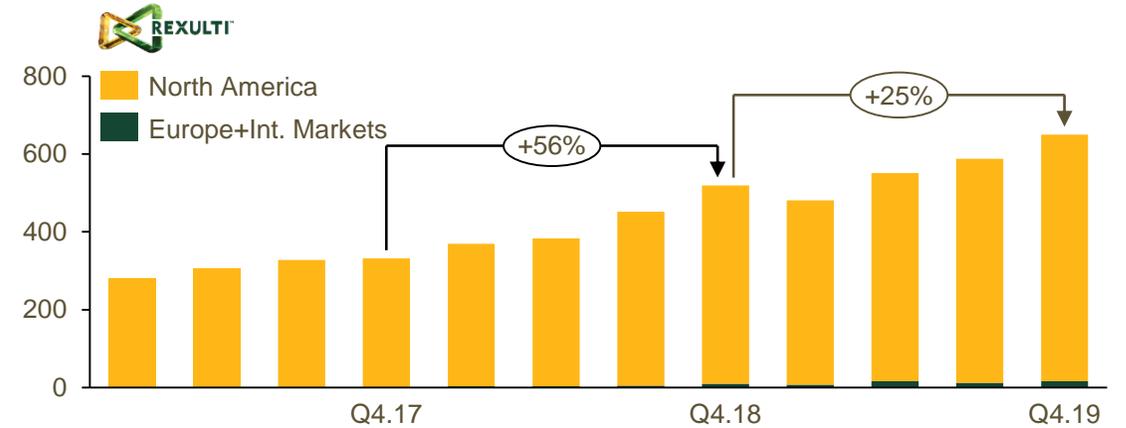
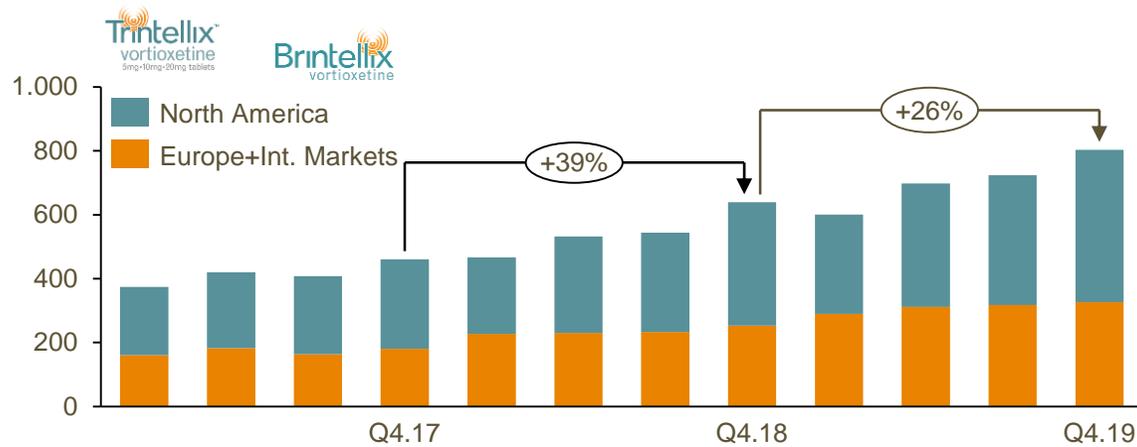
- Strategic brands grew 28% in 2019 with long-term predictable growth
- Two acquisitions expand the indications within neuroscience and add to the pipeline across all phases of development
 - Lundbeck La Jolla Research Center created: Establishing a strong platform for innovation
 - Lundbeck Seattle BioPharmaceuticals builds antibody capabilities
- 8 projects progressed or were added to the pipeline since February 2019
- Solid, stable cash generative base business
- Solid profitability while investing in future growth

Lundbeck returned to growth in Q4 2019

	FY 2019	Q4 2019
Revenue	DKK 17,036m (6%)	DKK 4,421m +5%
Core EBIT	DKK 4,976m (19%)	DKK 966m +4%

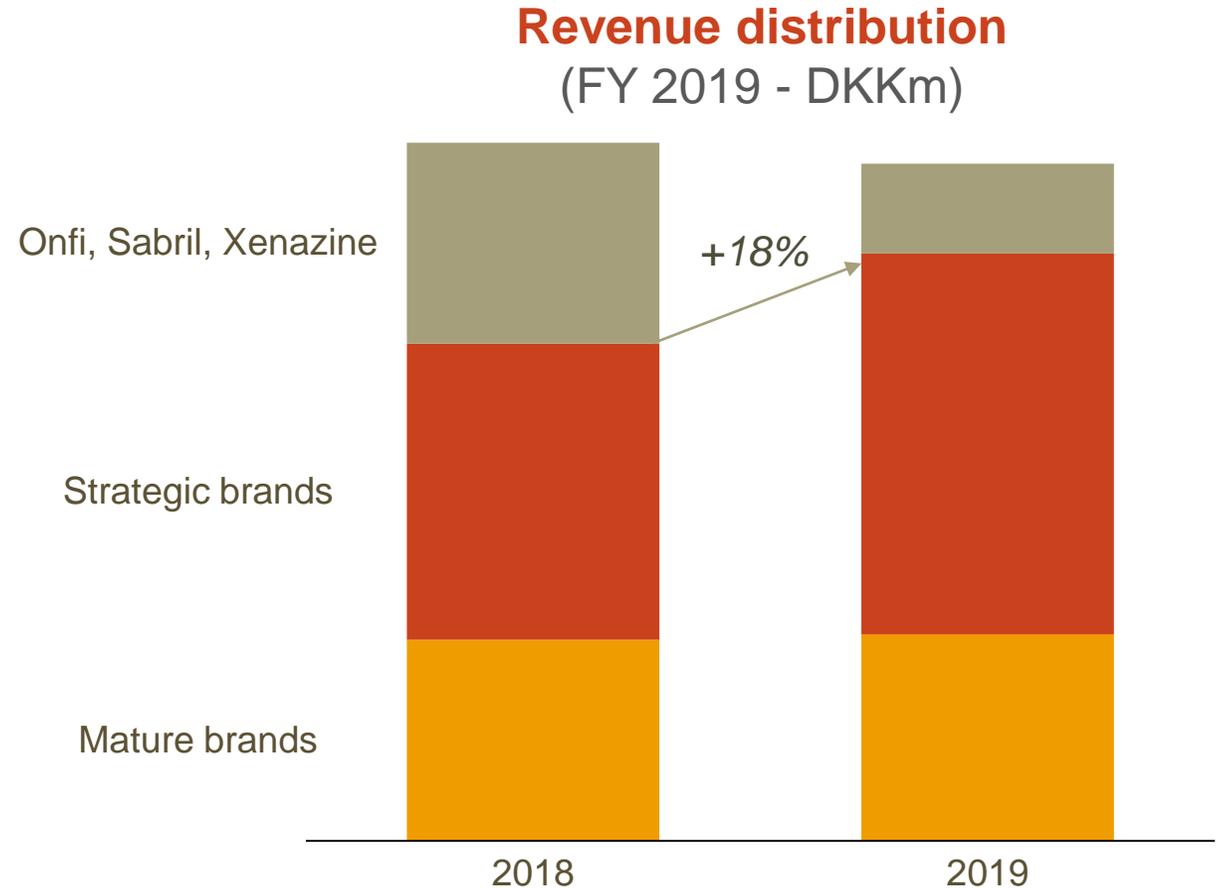
- Onfi erosion rate flattens, enabling Lundbeck to return growth in Q4 2019
- Core EBIT-margin reached 21.9% in Q4 2019 vs 22.2% in Q4 2018 despite investments in commercial infrastructure and added operational costs related to Lundbeck Seattle

Continued excellence in commercial execution delivers double-digit revenue growth in all regions for the four strategic brands



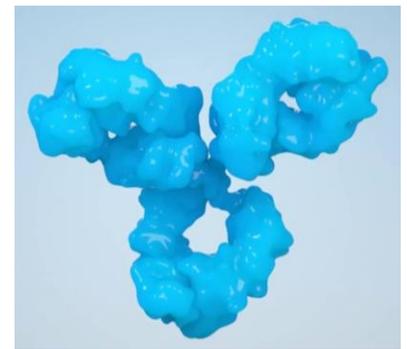
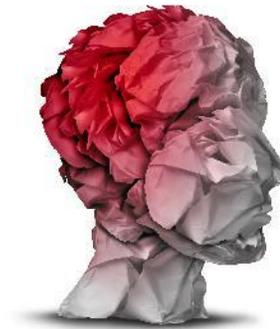
2019: A transition year - The strength of our strategic brands significantly mitigates Onfi LoE

- Focus on maximizing existing brands has successfully driven strong growth
- Y/Y revenue decline driven solely by genericization of U.S. neurology products
 - Excluding these products, revenue up by 18%
- Future growth less impacted by decline in mature brands
- Lundbeck ready for a new growth phase



Eptinezumab: On a path towards launch and global roll-out

- November: Lundbeck Seattle Biopharmaceuticals organization in place
- November 2019: Initiation of *RELIEF* study
- January 2020: U.S. sales reps hired
- U.S. PDUFA: 21 February 2020
- February 2020: Submission in Canada
- H1 2020: Publications of *PROMISE 1* and *PROMISE 2*



Potential for multiple new launches the next five years

Project	Area	Status
Eptinezumab	Migraine prevention	<ul style="list-style-type: none"> U.S.: PDUFA on 21 February; Expected launch April 2020 Filings in Canada, EU and other selected markets in 2020
Brexpiprazole	Agitation in Alzheimer's disease	<ul style="list-style-type: none"> Phase III ongoing, Study to finalize in H1 2021 February 2016: FDA granted <i>Fast Track Designation</i>
Brexpiprazole	PTSD	<ul style="list-style-type: none"> Phase III ongoing; Two pivotal studies to conclude during 2021
Aripiprazole 2-months	Schizophrenia	<ul style="list-style-type: none"> Phase Ib ongoing (pivotal); Study expected to finalize mid-2021 Filing planned at the turn of 2021
Lu AG06466	Tourette Syndrome	<ul style="list-style-type: none"> Phase IIa to complete in H1 2020
Foliglurax	Parkinson's disease	<ul style="list-style-type: none"> <i>AMBED</i>-study: Phase IIa to complete in H1 2020



Commitment to the UN Global Compact Principles and to the Sustainable Development Goals (SDG) underpins our business

- Contribute to solving societal challenges where we can

Tirelessly dedicated to restoring brain health, so every person can be their best

PARTNERING FOR IMPACT	DEDICATED TO RESTORING BRAIN HEALTH	3 GOOD HEALTH AND WELL-BEING 	PURSuing A ZERO EMISSIONS FUTURE	13 CLIMATE ACTION 	
17 PARTNERSHIPS FOR THE GOALS 	USING OUR INFLUENCE TO PROMOTE CHANGE	5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

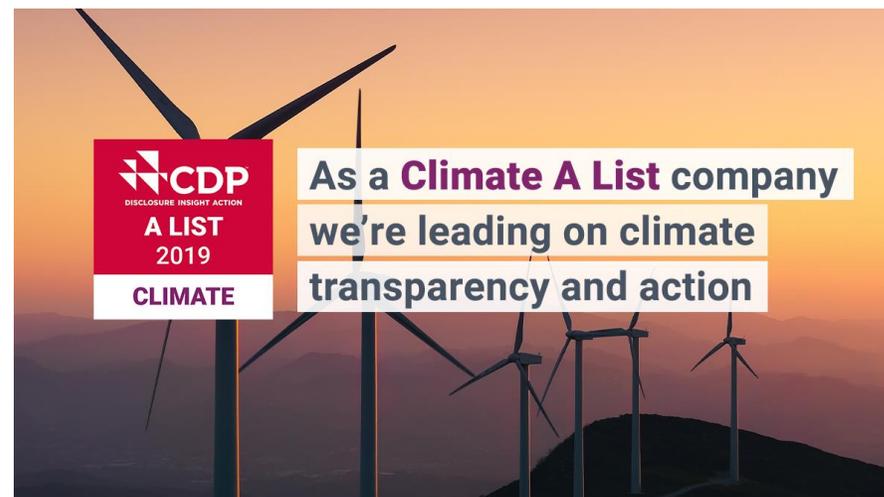
Overview of our ambitions, initiatives and targets

SUSTAINABLE DEVELOPMENT GOALS		LUNDBECK'S SUSTAINABILITY - 2020 TARGETS
SDG 3	Good health and well-being	<ul style="list-style-type: none"> • Engage all Lundbeck offices in local World Mental Health Day activities • Establish a product donation partnership
SDG 5	Gender equality	<ul style="list-style-type: none"> • Strive to maintain an overall equal gender split for people managers globally
SDG 8	Decent work and economic growth	<ul style="list-style-type: none"> • Reduce lost time accident frequency ≤ 5
SDG 12	Responsible consumption and production	<ul style="list-style-type: none"> • Recycle 55% of the solvents used in chemical production • Zero environmental incidents
SDG 13	Climate action	<ul style="list-style-type: none"> • Reduce CO₂ emission by 4% in 2020 compared to 2019 • Obtain 'Science Based Targets initiative (SBTi)' approval of new climate target
SDG 16	Peace, justice and strong institutions	<ul style="list-style-type: none"> • Annual Code of Conduct training completed by all employees at work globally • Work to increase proportion of healthcare professionals supporting disclosure of collaborations compared to the previous reporting year

More detailed information about our sustainability policies, efforts and results is available on www.lundbeck.com

Achieves Climate A List top 2% of more than 8,400 companies evaluated for their actions against climate change

Category	2019	2018	Change (%)
Energy (MWh)	93,137	94,312	(1.2)
CO ₂ (tonnes)	15,254	15,973	(4.5)
Work related accidents with absence (accidents per 1 mill working hours)	6.2	7.5	(17.3)
Number of employees (FTE)	5,806	5,143	12.9



- Lundbeck joins “Business Ambition for 1.5°C” a global alliance of leading companies aligning their business actions with the Paris Agreement’s ambitions
- Lundbeck joins Climate Panel for Life Science and Biotech in Denmark, helping to provide industry-wide recommendations

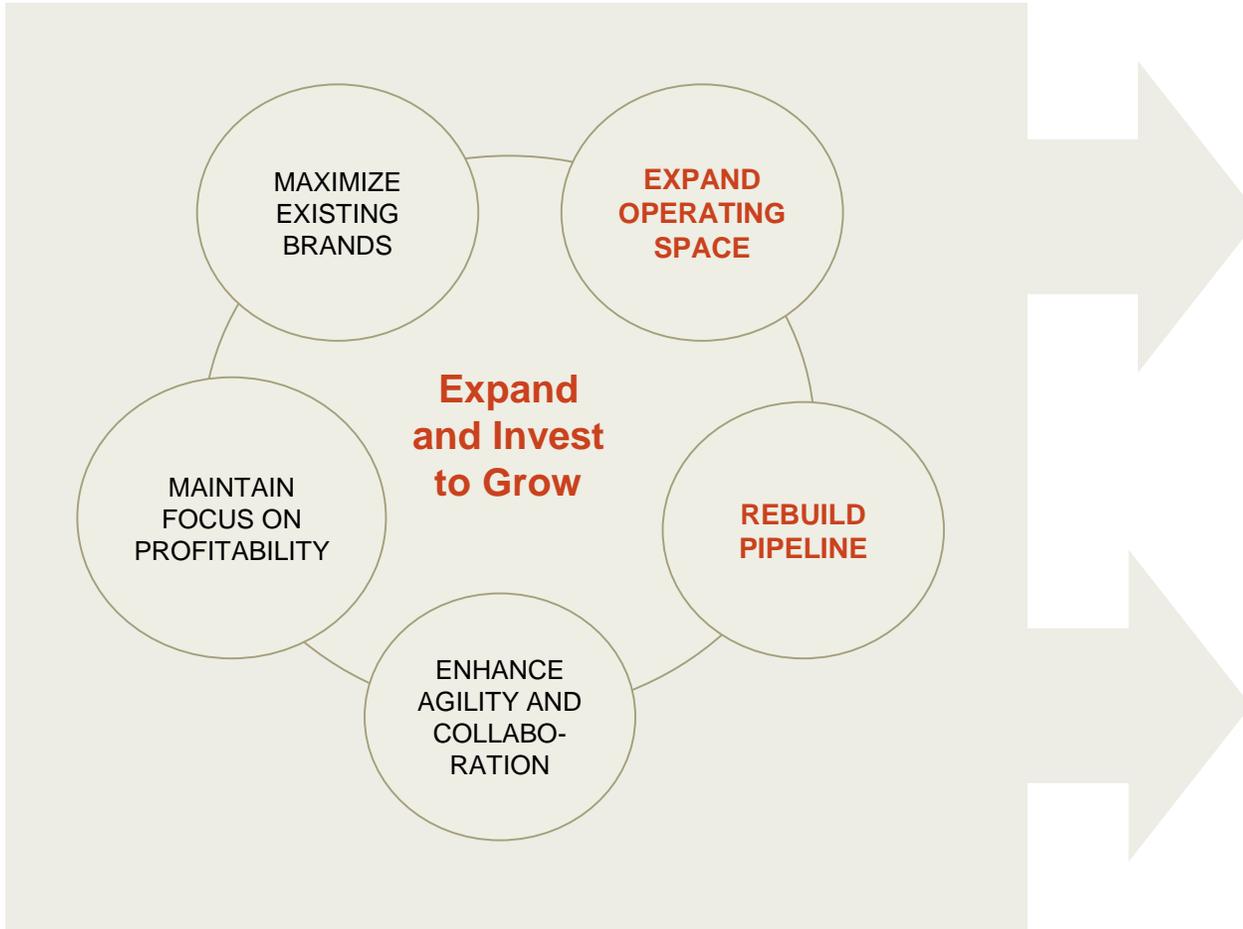
Readying Lundbeck for a new growth phase – 2020 and beyond

- Strategic brands provide strong, predictable long-term growth
- Highly efficient global infrastructure
- Transformative launch of eptinezumab during 2020
- Expanding pipeline with promising science for future growth
- Solid, stable cash generative base business

Guided by Lundbeck's Purpose:
*Tirelessly dedicated to restoring brain health,
so every person can be their best*



Significant progress made in expanding and revitalizing the pipeline



Progression of internal pipeline

Brexiprazole
PTSD
(Phase III)

Lu AF88434
Cognitive dysfunction
(Phase I)

~~**Lu AF76432**
Schizophrenia
(Phase I)~~

Lu AF11167
Schizophrenia
(Phase II)

Lu AF95245
Neuropsychiatric disorders
(Phase I)

~~**Lu AF20513**
Alzheimer's Disease
(Phase I)~~

Brexiprazole
Borderline Personality Disorder
(Phase II)

Lu AF87908
Alzheimer's Disease
(Phase I)

~~**Brexiprazole**
Bipolar Mania
(Phase III)~~

Expansion through acquisitions



Eptinezumab
Migraine prevention
(Registration)

Lu AG09222
Migraine
(Clinical phase I)



Lu AG06466
Tourette Syndrome
(Phase IIa)
Neuropathic pain
(Phase I)

Several late-stage clinical trials initiated in 2019

- **Brexiprazole**

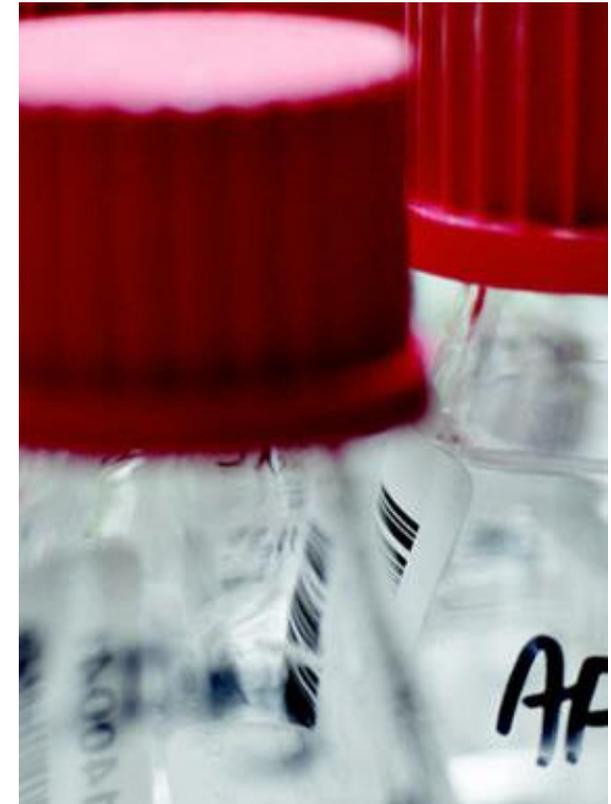
- Two pivotal studies²⁾ initiated in October 2019 in adults with PTSD (n = 733 and 577)
- A phase II study³⁾ initiated October 2019 in adults with Borderline Personality Disorder (n = 240)
- *ANCHOR* study⁴⁾ initiated October 2019 to investigate the potential benefits and safety in children and adolescent subjects, aged 5 to 17, with irritability associated with autism spectrum disorder (n = 130)

- **Vortioxetine**

- *RECONNECT* study¹⁾ initiated December 2019 in adult patients with depression coexisting with general anxiety disorder (GAD) (n = 100)

- **Eptinezumab**

- *RELIEF* study⁵⁾ initiated November 2019 to assess the efficacy for acute migraine, defined as an active intercurrent migraine occurring in those patients who are candidates for preventive therapy (n = 450)



1) NCT04220996. 2) NCT04174170 and NCT04124614. 3) NCT04100096. 4) NCT04174365. 5) NCT04152083

RELIEF-study: Starting migraine prevention during attack

- Enrollment commenced in November 2019 (n=450 subjects who are candidates for preventive therapy)*
- Single-dose study with a 4-week follow-up period
- Study to complete by the end of 2020

Eptinezumab has...

- ...throughout its development programme for preventive migraine treatment, consistently demonstrated a reduction in the percentage of subjects with a migraine on Day 1 after infusion, a measure that provides information on the early onset of efficacy for the preventive treatment of migraine
- ...the potential to impact ongoing migraine attacks and at the same time, provide a sustained preventive benefit

*) NCT04152083

**100 mg eptinezumab
vs. placebo**

Co-primary endpoints

- Time to headache pain freedom
- Time to absence of most bothersome symptom

Key secondary endpoints

Measured 2 hours after start of treatment

- Patients achieving freedom from pain
- Absence of most bothersome symptom

Robust financial performance in 2019 - Investments in new products and reduced exposure to generic erosion

FY2019

- Revenue impacted by Onfi erosion
- Gross margin in line with expectations
- Operational costs up 2% to DKK 9.5 billion
- EBIT margin mainly impacted by Onfi erosion
- Tax rate positively impacted by alder related tax benefits

DKKm	FY 2019	Δ% y/y	Q4 2019	Δ% y/y
Revenue	17,036	(6%)	4,421	+5%
Gross margin	80.1%	-0.8pp	78.5	-1.2pp
Operating expenses	9,529	+2%	2,667	+2%
SG&A	6,413	+6%	1,777	+9%
R&D	3,116	(5%)	890	(10%)
Other operating items, net	(514)	-	(514)	-
EBIT	3,608	(32%)	291	(66%)
EBIT margin	21.2%	-8.1pp	6.6%	-13.6pp
Net financials	(127)	-	(149)	-
Effective tax rate	23.4%	-2.7pp	-	-
EPS	13.42	(32%)	1.16	(65%)

Q4.2019

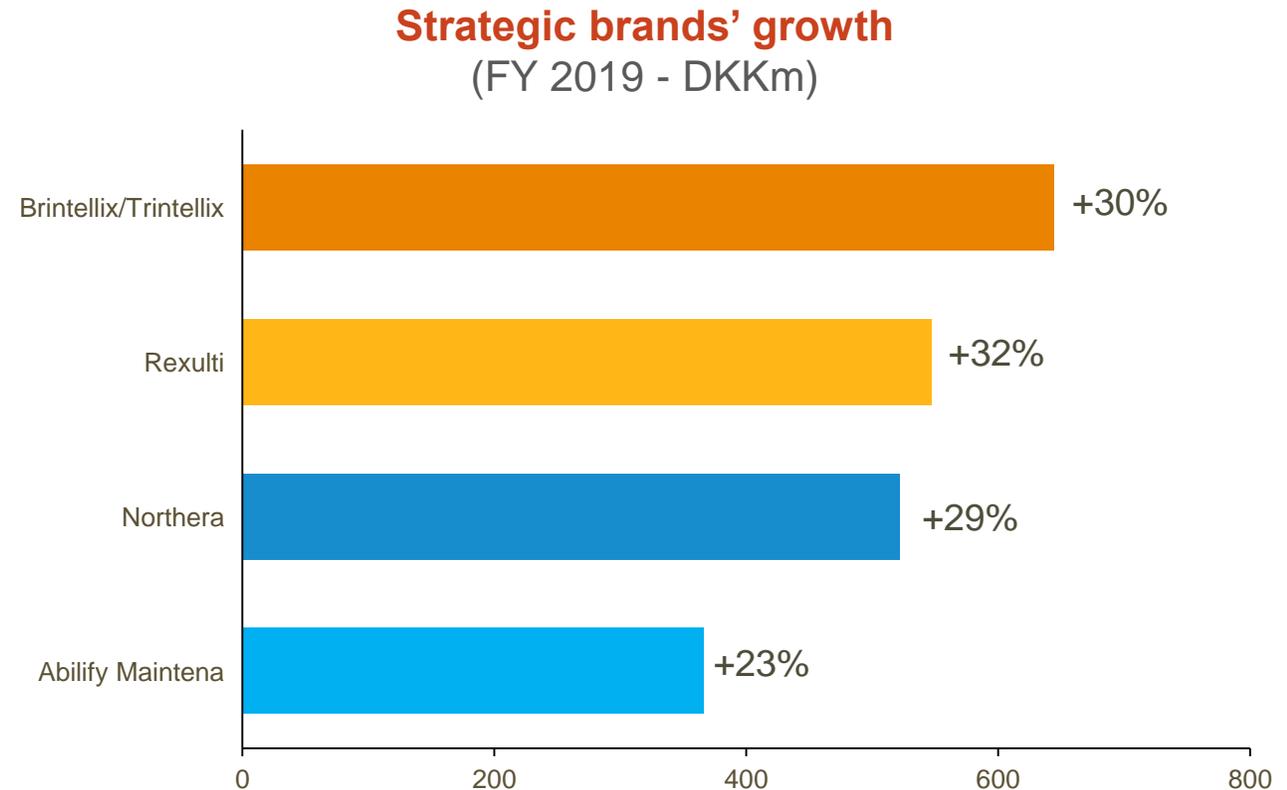
- Return to revenue growth
- Strategic brands up 28%
- Mature U.S. neurology products constitute less than 11% of total revenue
- Profits impacted by acquisition and integration costs
- Underlying profitability strong with core EBIT margin reaching 21.9%

Solid underlying operational performance

	FY 2019	Q4 2019
Revenue	DKK 17,036m (6%)	DKK 4,421m +5%
Core EBIT margin	29.2% -4.8pp	21.9% -0.3pp
Core EPS	DKK 19.46 (18%)	DKK 4.06 +9%

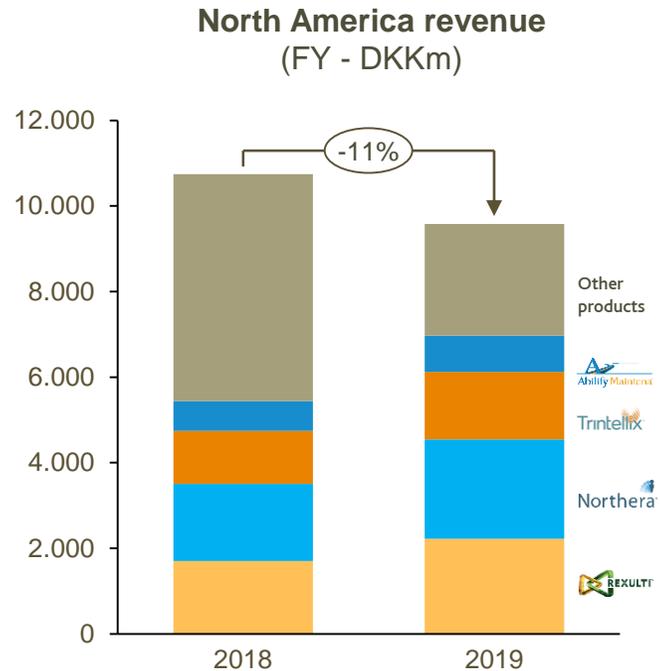
Lundbeck's four strategic brands added DKK 2.1 billion in additional revenue in 2019

- **Strategic brands*:** Up 28% (24% in L.C.) to DKK 9,385 million representing 55% of total revenue
- **Brintellix/Trintellix:** Up 30% to DKK 2,826 million
- **Rexulti/Rxulti:** Up 32% to DKK 2,270 million
- **Northera:** Up 29% to DKK 2,328 million
- **Abilify Maintena:** Up 23% to DKK 1,961 million

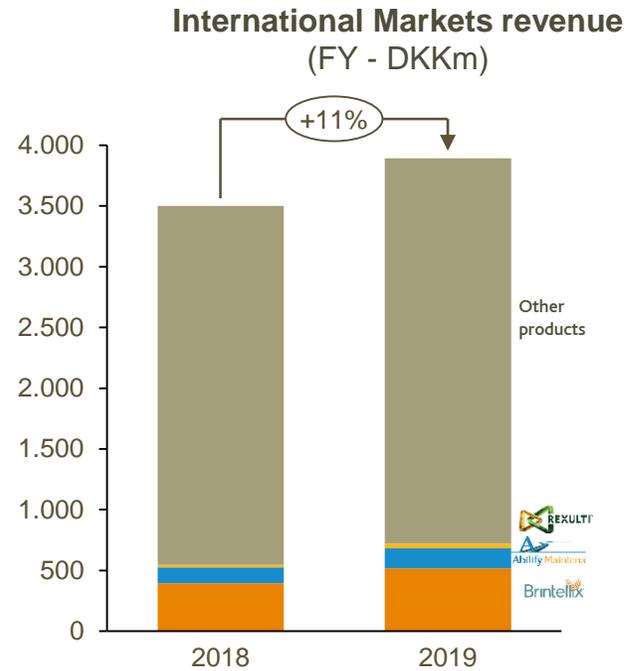


*) Abilify Maintena, Brintellix/Trintellix, Northera and Rexulti/Rxulti

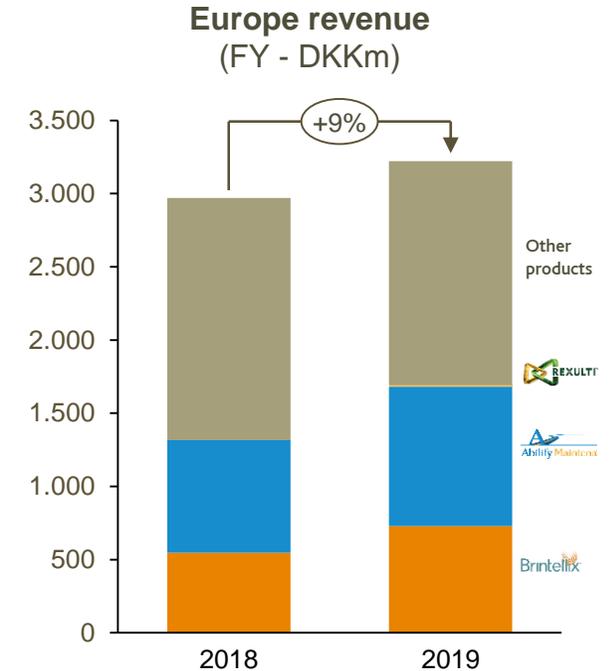
Solid growth in both Europe and International Markets, and North America grew when adjusted for Onfi



- Strategic brands up 28% to DKK 6,971m
- 13% growth ex. Onfi
- Eptinezumab will add to growth in 2020



- Strategic brands up 32% to DKK 722m
- Cipralext/Lexapro still strong
- Trintellix progresses as planned in Japan



- Strategic brands up 29% to DKK 1,692m
- Cipralext in Q4 benefitted from quarterly fluctuations

2-6% revenue growth expected for 2020 - earnings impacted by investments in eptinezumab

- Continued strong growth for strategic brands
- Increased uncertainty in China following the corona virus outbreak
- Substantial investments in launch and R&D activities for eptinezumab
- Effects from hedging is a loss of around DKK 200 - 250 million
- Net financial expenses of DKK 300-400 million expected in 2020
- Financial guidance based on currency levels from mid-January 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	2.2 – 2.7bn
<i>Effective tax rate</i>	23.4%	22 – 24%

A positive outcome of the foliglurax phase IIa *AMBLEMED*-study can result in milestone payments of up to EUR 100 million in 2020. A milestone payment of EUR 25 million is payable if primary and key secondary endpoint are met and an additional EUR 75 million is payable if improvement in OFF time exceeds two hours. A negative outcome of the study might result in a write-down of the product rights whereby EUR 100 million will be recognized in the income statement.

*) Lundbeck's main trading currencies are the USD, JPY, CNY and CAD. The financial guidance is based on the current hedging rates for our main currencies; i.e. USD/DKK (6.40), JPY/DKK (0.0615), CAD/DKK (4.93) and CNY/DKK (0.94)

Financial position solid despite acquisitions and elevated investment levels

Selected cash flow figures

DKKm	FY 2019	Q4 2019
Cash flows from operating activities	2,609	394
Cash flows from investing activities	(7,755)	(7,357)
Free cash flow	(5,146)	(6,963)
Cash flows from financing activities	4,548	6,997
Net cash flow for the period	(598)	34

Selected balance sheet figures

DKKm	31.12.2019	31.12.2018
Intangible assets	23,399	8,023
Total assets	35,757	23,011
Equity	14,554	14,251
Non-current liabilities	10,923	1,184
Current liabilities	10,280	7,576
Cash, bank balances and securities	3,012	6,635
Interest-bearing debt	(9,578)	-
Net debt	(6,566)	6,635

- **Dividend pay-out:** DKK 816m proposed for 2019 or DKK 4.10 per share
- **Net debt:** Net debt position of DKK 6-6.5 bn by the end of 2020
- **Net debt/EBITDA:** Expected to reach 1.5x by end 2020 vs. 1.4x by the end of 2019

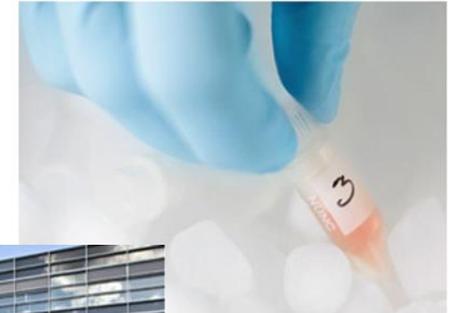
Selected deliverables for 2020

H1 2020:

- Canadian submission for eptinezumab
- U.S. PDUFA action date on eptinezumab (21 February)
- Launch eptinezumab in the U.S (April)
- Phase IIa headline results (*AMBLEMED*) for foliglurax (Parkinson's)
- Phase IIa headline results for Lu AG06466 (Tourette's)

H2 2020:

- EU submission of eptinezumab
- Headline results from *RELIEF* study (eptinezumab)
- 1-2 additional new molecules in clinical development



Readying Lundbeck for a new growth phase – 2020 and beyond



*) Activity-Based Protein Profiling

Thank you

Lundbeck

