



Corporate Release

Lundbeck announces financial guidance for 2023 and mid-term financial targets that build on very strong 2022 performance

Valby, Denmark, February 7, 2023 - H. Lundbeck A/S (Lundbeck) announces the financial guidance for 2023 and medium-term targets following very strong financial performance in 2022, where record revenue of DKK 18.2 billion was reached.

In 2023, Lundbeck will continue the global roll-out of Vyepti with around 15 launches. Additionally, Lundbeck plans to launch aripiprazole 2-month ready-to-use (RTU) long-acting injectable (LAI) for both treatment of schizophrenia and the maintenance treatment of bipolar I disorder and brexpiprazole for the significant unmet need for patients with agitation associated with Alzheimer's dementia, pending approvals by the relevant authorities later in 2023.

The financial guidance for 2023 reflects the expected investments needed for these important launches driving significant future growth. Lundbeck continues to expect strong growth for its strategic brands despite continued pricing pressure and loss of exclusivity in some geographies. Inflation will have a significantly higher impact in 2023 than seen in 2022. The financial guidance for 2023 is summarized below:

Financial guidance

DKK	FY 2021 actual	FY 2022 actual	FY 2023 guidance
Revenue	16,299 million	DKK 18,246 million	DKK 19.4 – 20.0 billion
EBITDA	3,720 million	DKK 4,663 million	DKK 4.8 – 5.2 billion

Lundbeck carries foreign currency risk mainly in USD, CNY, and CAD. The financial guidance for 2023 is based on the exchange rates at the end of November 2022. The financial guidance for 2023 is based on current hedging rates for the main currencies, i.e. USD/DKK (7.02), CNY/DKK (1.03), and CAD/DKK (5.26) and the financial guidance for 2023 includes an expected hedging loss of approximately DKK 75 million.

Mid-term targets

Lundbeck is in a period with limited impact from major regional losses of exclusivity and anticipates solid growth of its strategic brands. We expect that in 2023 and 2024 there will be targeted investments behind the potential blockbuster opportunity for brexpiprazole for the treatment of agitation associated with Alzheimer's dementia. Based on organic growth, we expect revenue to show a mid-single digit compound annual growth rate (CAGR) over the mid-term, (3-4 years). At the same time, we remain focused on driving efficiencies and being prudent in our spending. Based on these assumptions, we target an EBITDA-margin of 30-32% for the current business, excluding any business development activities by the end of the mid-term period.



Preliminary 2022 financial performance

In 2022, revenue reached DKK 18.2 billion, the highest ever in Lundbeck's history, with a solid growth of 7% in local currencies (12% reported). Double digit growth was achieved across all strategic brands (Abilify Maintena®, Brintellix®/Trintellix®, Rexulti®/Rxulti® and Vyepti®). In aggregate, strategic brands grew by 20% in local currencies (31% reported), reaching DKK 12.1 billion.

EBITDA reached DKK 4,663 million, reflecting very strong growth of 25%. This has led to an increase in the EBITDA-margin from 22.8% to 25.6% from 2021 to 2022.

The 2022 financial results are impacted by the following:

Total operating expenses are positively impacted by DKK 138 million due to the reversal of restructuring provisions.

A DKK 228 million provision for Vyepti inventory obsolescence has been recognized in Cost of Sales. The provision is a consequence of

- a fixed batch quantity supply agreement effective for five years up to June 30, 2023, which was inherited as part of the acquisition of Alder BioPharmaceuticals Inc.
- higher than originally expected production yields from the current pichia-based production cell line
- recent progress in the likelihood of success of the planned transition of the antibody cell line to a modern, CHO-based, higher yield and lower cost production cell line

Further, an additional provision of approximately DKK 300 million for Vyepti inventory obsolescence is reflected in the guidance for 2023.

For the financial guidance for 2023 and going forward, Lundbeck will focus on revenue performance and from the first quarter of 2023 and onwards, Adjusted EBITDA. This will provide an improved and more consistent assessment of the underlying business performance. The Adjusted EBITDA information for comparative periods will be made available no later than May 10, 2023, when Lundbeck's interim financial statements for the first three months of 2023 will be released. For this interim period, we provide EBITDA guidance.

Lundbeck's full disclosure of the financial results for 2022 will be published in the Annual Report 2022 on February 8, 2023.

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About H. Lundbeck A/S

Lundbeck is a global pharmaceutical company specialized in brain diseases. For more than 70 years, we have been at the forefront of neuroscience research. We are tirelessly dedicated to restoring brain health, so every person can be their best. We are committed to fighting stigma and discrimination against people living with brain diseases and advocating for broader social acceptance of people with brain health conditions. Our research programs tackle some of the most complex challenges in neuroscience, and our pipeline is focused on bringing forward transformative treatments for brain diseases for which there are few, if any therapeutic options.

For additional information, we encourage you to visit our corporate site www.lundbeck.com and connect with us on Instagram ([h_lundbeck](https://www.instagram.com/h_lundbeck)), Twitter at [@Lundbeck](https://twitter.com/Lundbeck) and via LinkedIn.

Safe Harbor/Forward-Looking Statements

This corporate release contains forward-looking statements that provide our expectations or forecasts of future events such as new product introductions, product approvals and financial performance. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products), are forward looking statements.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that may affect future results include, among others, interest rate and currency exchange rate fluctuations, delay or failure of development projects, production or distribution problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Lundbeck's products, introduction of competing products, Lundbeck's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws and related interpretation thereof, and unexpected growth in costs and expenses.

The forward-looking statements in this document and oral presentations made on behalf of Lundbeck speak only as at the date of this presentation. Lundbeck does not undertake any obligation to update or revise forward-looking statements in this presentation or oral presentations made on behalf of Lundbeck, nor to confirm such statements to reflect subsequent events or circumstances after the date of the presentation or in relation to actual results, unless otherwise required by applicable law or applicable stock exchange regulations.