

Lundbeck

Strong Q1 2026 delivers strategic execution across all pillars



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Corporate customer

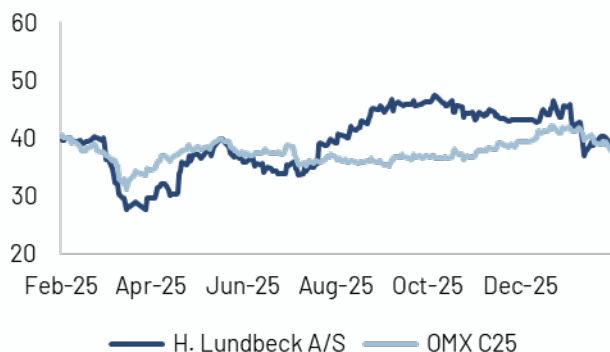
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Key Financials and Valuation

Share price



YTD:	-4.1%	1 year:	35.5%
1 month:	2.9%	3 years:	12.9%

Note: The data are based on the closing price of the H. Lundbeck B-share as of 13 May 2026. Source: S&P Capital IQ Pro.

Financials

DKKm	2025	2026E	2027E	2028E
Revenue	24,630	25,741	25,733	24,844
Growth	12%	5%	0%	-3%
EBIT	5,882	5,980	6,081	5,553
EBIT-margin	24%	23%	24%	22%
Net income	3,192	6,187	5,968	5,384
Net debt	8,221	8,972*	-	-
Market value	42,781	41,017*	-	-
EV/Sales (x)	2.1	1.8	1.9	2.0
EV/EBITDA (x)	6.5	6.1	6.1	6.5
EV/EBIT (x)	8.7	8.2	8.0	8.8
P/E (x)	13.4	6.6	6.9	7.6

Note: *Latest reported net debt and market value from Q1 2026. Source: S&P Capital IQ Pro.

Guidance 2026E

	Lundbeck	Consensus*
Revenue growth	7% to 9%	3.3%
Adj. EBITDA growth	8% to 14%	0.6%

Guidance Mid-term 2027E

	Lundbeck	Consensus*
Revenue growth (CAGR) Mid-single-digit	>30%	6.5%
Adj. EBITDA-margin	20% to 25%	31.0%
R&D investment of rev.	30% to 35%	22.8%
S&D cost ratio of rev.		35.4%

Note: The CAGR covers the period 2023-2027E. Lundbeck's guidance is provided in constant exchange rates (CER). *Consensus average estimates is in reported growth numbers (collected by Lundbeck in Q1 2026 before the announcement of the Q1 report).

Valuation Perspectives

The main driver for returns and pricing in the coming years will be how multiple pipeline data readouts establish a growth paradigm for 2030 and beyond, encouraging investors to look through the years of 2029-30.

Relative to peers that face headwinds from patent expiries and are expected to deliver slow growth in the short to medium term, Lundbeck trades at a discount on both earnings and, especially, cash flow multiples.

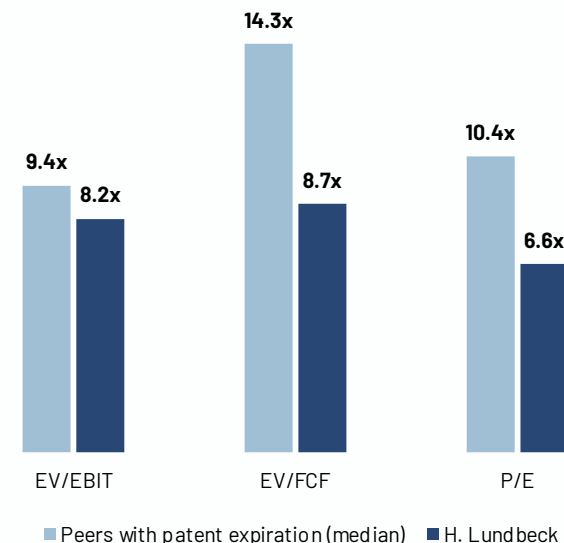
It should be noted that the peer group generally comprises larger companies with less exposure to the US market than Lundbeck, a risk that is currently difficult to quantify.

The latest strong pipeline data indicate that Lundbeck could have three late-stage candidates to address the patent cliff, while strong momentum in the current portfolio is lifting peak sales estimates and delaying negative growth.

Consensus estimates for 2029 are being lifted, and pipeline contributions have been revised upward across the post-2030-2035 period (from DKK 21.80 bn to DKK 23.26 bn).

Strong short-term earnings momentum and a more focused capital allocation strategy mean that Lundbeck is expected to generate very high cash flow in the medium term. From 2026 to 2028, free cash flow is expected to represent ~43%* of the current market capitalisation.

2026E Multiples



Note: *Represent the aggregate estimated free cash flow generated in the period 2026-2028. Source S&P Capital IQ Pro.

Investment Case – Establishing growth paradigm beyond 2030



Key Investment Reasons

- Pure-play neuroscience company in an attractive area with high unmet need, chronic diseases, and high societal cost of non-treatment-driving increasing willingness to pay for innovation.
- Strong cash flow generation, providing time and optionality to address patent cliffs.
- Investor overfocus on the patent cliff vs. potential pipeline answers.
- New strategy with sharper capital allocation through increased partnering, focus on core markets, and disciplined R&D in rare diseases.

Company description: H. Lundbeck A/S is a global pharmaceutical company specializing in neurological diseases, founded in Denmark in 1915. The company develops treatments for psychiatric and neurological disorders, including depression, schizophrenia, and Parkinson's disease, and has a strong presence in Europe and the US. Lundbeck is listed on Nasdaq Copenhagen.

Investment case: Lundbeck's strategy focuses investment on core markets while partnering in non-core markets, driving upward revisions to estimates and guidance for its core portfolio and margins. The pipeline has been refined to target rare diseases and areas of high unmet need, improving long-term pricing power and market access.

This momentum, combined with strong data from the core portfolio, has lifted peak sales estimates and delayed the onset of negative top-line growth a narrative that may not yet be fully reflected in the share price, given that Lundbeck trades at a discount to peers facing similar patent expiry headwinds.

The latest positive headline Phase IIb data for Lu AG09222 support advancement to Phase III (est. DKK 1,230m in 2035E, probability-adjusted). Lundbeck is on track to have three late-stage candidates, increasing the likelihood that the internal pipeline can address the patent cliff.



Key Investment Risks

- High US and public channel exposure, increasing risk from Most Favoured Nation pricing and tariffs.
- Patent expiries may require a higher-risk M&A strategy.
- Faster or larger-than-expected impact from patent expiries.
- Patent cliff exposure could lead to elevated share price volatility around pipeline news flow.

That said, the investment case still depends heavily on positive pipeline readouts in the coming years to establish growth potential from 2030 onward, encouraging investors to look through the trough in 2029-2030. Key readouts are expected in 2026 but especially in first part of 2027 (see page 4).

Strong cash generation in 2026-2029 should position Lundbeck to manage patent expiries without overleveraging the balance sheet. However, if pipeline readouts fail to establish viable growth drivers, investors may increasingly price in the risk that Lundbeck will pursue a more aggressive M&A strategy.

The main risk remains Lundbeck's high US exposure, particularly to public channels (Medicaid/Medicare), which face pressure from tariffs (given a European supply chain), Most Favored Nation pricing, and potential funding constraints. The magnitude and timing of these effects remain highly uncertain.

The impact of patent expiries is inherently difficult to estimate, and Lundbeck's above-average exposure increases uncertainty around revenue and earnings, reducing investor willingness to value the company on forward expectations.

Peer Group – Trading Below Patent Challenged Peers

To contextualise Lundbeck's valuation, a peer group has been constructed comprising companies that, like Lundbeck, face patent expirations on key products toward 2030. Across these peers, overall growth rates (CAGR) are relatively low, reflecting the structural challenges associated with upcoming patent cliffs.

Lundbeck currently trades at a discount to these peers across all valuation multiples. However, Lundbeck is also expected to deliver lower revenue CAGR and negative EBIT CAGR from 2024 to 2030E, underscoring its sensitivity to patent expirations, relatively narrow product portfolio, and smaller scale compared with peers.

Looking ahead, Lundbeck is increasingly focused on neuro-specialty and rare neurological diseases, positioning the company toward a specialty pharma

profile. Within this category, peers are generally smaller, purely CNS-focused, and often at earlier stages of commercialization. Nevertheless, they provide a relevant valuation benchmark if Lundbeck successfully executes its long-term strategy, transitioning toward differentiated CNS products and establishing a credible growth narrative for 2030 and beyond.

Company	Price	Total return	Market cap	EV	Revenue growth (CAGR)	EBIT (CAGR)	EV/EBIT			EV/FCF			P/E		
	(local)	YTD	(EURm)	(EURm)	2024-2030E	2024-2030E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Amgen Inc.	USD 326.3	3.5%	155,073	193,747	4.2%	12.3%	13.4x	13.0x	12.7x	16.9x	15.7x	15.4x	14.6x	13.9x	13.4x
Bayer Aktiengesellschaft	EUR 37.7	2.9%	37,303	69,647	1.5%	16.1%	12.0x	10.8x	9.9x	NM	18.1x	15.7x	8.6x	7.9x	7.1x
Bristol-Myers Squibb Co.	USD 57.0	6.9%	98,340	128,752	-4.8%	3.5%	9.4x	9.5x	10.9x	9.5x	10.4x	10.7x	9.0x	9.3x	10.7x
GSK plc	GBP 18.6	4.2%	86,917	104,510	2.9%	11.3%	8.8x	8.1x	7.8x	16.0x	15.0x	13.7x	10.4x	9.5x	9.1x
Ipsen S.A.	EUR 166.0	38.8%	13,563	13,008	5.2%	9.5%	9.2x	9.1x	8.9x	12.7x	12.5x	11.9x	12.2x	12.3x	12.2x
Merck & Co.	USD 111.4	8.6%	239,292	276,414	2.5%	3.2%	26.9x	11.7x	10.0x	27.6x	14.1x	12.8x	40.7x	11.7x	10.2x
Pfizer Inc.	USD 25.3	7.8%	126,356	170,724	-2.7%	0.9%	9.0x	9.7x	11.2x	10.6x	11.3x	12.5x	8.6x	8.9x	10.5x
Median - Peers with patent expiration		6.9%	98,340	128,752	2.5%	9.5%	9.4x	9.7x	10.0x	14.3x	14.1x	12.8x	10.4x	9.5x	10.5x
ACADIA Pharmaceuticals Inc.	USD 21.4	-17.0%	3,244	2,560	11.1%	36.5%	57.3x	20.7x	10.0x	14.5x	14.4x	15.8x	53.9x	24.0x	13.0x
Axsome Therapeutics Inc.	USD 227.7	28.8%	10,342	10,269	46.1%	NM	NM	33.7x	12.8x	N/A	32.8x	17.6x	NM	38.7x	15.6x
Neurocrine Biosciences Inc.	USD 158.4	13.7%	13,852	13,124	15.9%	26.9%	29.7x	10.2x	7.7x	17.0x	11.1x	9.1x	15.4x	12.5x	9.7x
SK Biopharmaceuticals Co.	KRW 96600	-20.4%	4,450	4,308	NA	NA	21.6x	17.2x	12.9x	29.8x	23.1x	N/A	26.3x	20.8x	15.2x
Supernus Pharmaceuticals Inc.	USD 49.4	3.3%	2,546	2,252	12.8%	41.7%	17.1x	9.2x	6.5x	22.2x	11.8x	7.6x	18.6x	11.3x	8.4x
Median - Speciality pharmaceuticals		3.3%	4,450	4,308	14.4%	36.5%	25.6x	17.2x	10.0x	19.6x	14.4x	12.5x	22.4x	20.8x	13.0x
H. Lundbeck A/S	DKK 41.4	-4.1%	5,347	6,548	-0.3%	-3.0%	8.2x	8.0x	8.8x	8.7x	7.8x	8.7x	6.6x	6.9x	7.6x

Note: data from 13/05/2026

Source: S&P Capital IQ

Pipeline Progress and Overview

Lundbeck has strengthened its pipeline with candidates that may be considered best-in-class or first-in-class, representing a key step in executing the company's long-term strategy about focusing more on rare diseases with unmet needs. The pipeline is now balanced across Phase I, II, and III, with the ambition of launching a new product every four to five years. Positive Phase IIb data for Lu AG09222 were released in February 2026.

The next major readout expected in about a year for Bexicaserin (Phase III). Investor focus in 2026 will be on early pipeline de-risking. Moving Lu AG09222 into Phase III would give Lundbeck three Phase III assets, making the case for growth beyond the 2029–2030 patent cliff much stronger.

Bexicaserin is a best-in-class Phase III candidate targeting rare epilepsies (DEEs), with a readout expected in early 2027 and estimated peak sales of USD 1.5–2.0bn*.

Amlenetug is a first-in-class Phase III asset for multiple system atrophy (MSA), with a readout expected in 2028 and a target market of USD 1.5–3.0bn*.

In February 2026, Lundbeck reported positive Phase IIb data for Lu AG09222

(anti-PACAP), a first-in-class migraine prevention candidate. The study met its primary endpoint with a significant reduction in monthly migraine days, supporting advancement to Phase III (est. DKK 1,230m in 2035E**). Next data point will be in start of June at the AHS conference. The release of further data besides topline results giving investors a better idea of the commercial potential and how strong it could be placed up against current treatment regimes. In addition, Lundbeck has announced that a decision will be made to start phase III in 2026.

At the Phase I stage, the pipeline includes CNS and non-CNS candidates targeting Parkinson's, thyroid eye disease, and Cushing's Syndrome. A key addition is Lundbeck's new orexin program, a selective OX2R agonist designed to enhance wakefulness in narcolepsy and excessive daytime sleepiness. Other candidates include Lu AG22515, a CD40L blocker for autoimmune neurological diseases, and Lu AF28996, a dual D1/D2 agonist for motor control in Parkinson's. The figure below shows only pipeline candidates that have progressed beyond early clinical development.

	Phase I	Phase II	Phase III	Category and market size*	Consensus estimate 2035E**
Bexicaserin (5HT _{2C} agonist)	Completed	Completed	Data read out exp. start 2027	Rare epilepsies USD ~1.5-2bn	DKK 4,968m
Amlenetug (Anti α-synuclein mAb)	Completed	Completed	Data read out exp. 2028	MSA USD ~1.5-3bn	DKK 1,917m
Lu AG09222 (anti-PACAP)	Completed	Reported Phase IIb positive headline data	Decision to start Phase III in 2026	Migraine USD ~11bn	DKK 1,230m
Lu AG13909 CAH (anti-ACTH) Lu AG13909 aCS (anti-ACTH)	Decision to start Phase II in 2026			Cushing Syndrom USD >2bn	DKK 805m
Lu AF28996 (D1-D2 agonist)	Decision to start Phase II in 2026			Parkinson USD ~6.7bn	DKK 514m
Lu AG22515 (anti-CD40L blocker)	Decision to start Phase II in 2026			Thyroid eye USD ~2.2-4bn	DKK 364m

Note: *The estimated market size and peak sales are based on Lundbeck's presentation at the Jefferies Global Healthcare Conference in London on November 18, 2025.

**Consensus estimates are probability-weighted and collected by Lundbeck. The analyst consensus estimates for 2035E are based on only four analysts.

Total Sales Development of Key Product & Pipeline

Patent cliffs represent Lundbeck's key structural challenge in the coming years. Revenue and earnings development toward 2035 are closely linked to the company's strategic focus on rare diseases and areas of high unmet medical need, as reflected in its pipeline.

Revenue is projected to peak in 2027, followed by a gradual decline through 2031 before returning to growth. The downturn is expected to be moderate and relatively contained, supported by increasing pipeline contributions from 2028 onward and continued growth from Vyepti during the early forecast years. A balanced pipeline also reduces reliance on M&A to offset the patent cliff, provided Lundbeck successfully advances its key candidates.

By 2035, consensus estimates indicate that revenue will recover close to the 2027 peak, while net profit is projected to remain below the 2026 level. This reflects margin pressure during the transition as pipeline assets replace higher-margin legacy products, although the strategic shift toward rare diseases is expected to support profitability over the longer term.

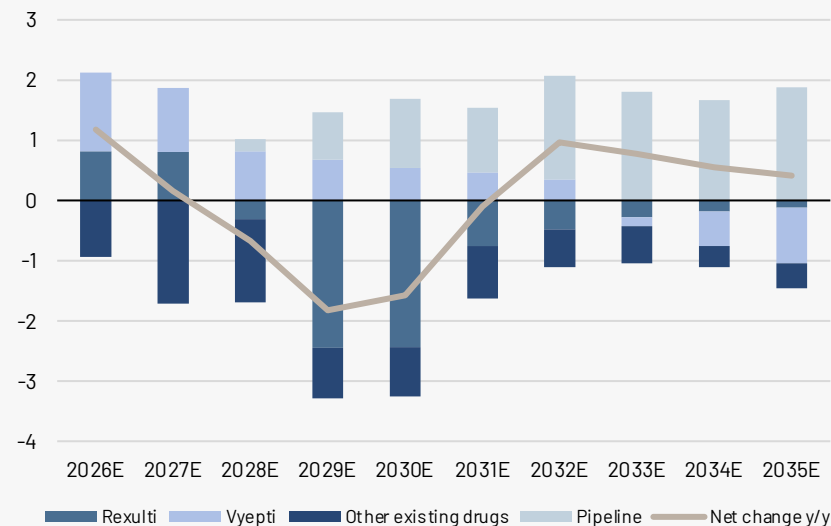
The figure illustrates year-on-year incremental revenue across key products, existing drugs, and pipeline assets (probability-weighted). Revenue from existing products gradually declines, with Rexulti's patent expiry driving a significant negative contribution from 2028 onward. Pipeline assets are expected to contribute increasingly to revenue, partly offsetting this decline, while Vyepti delivers solid growth through the first half of the forecast period before tapering off toward the end of the decade.

Change in pipeline consensus from 2030

Consensus has revised pipeline contributions upward across the post-2030 period, reflecting growing confidence in Lundbeck's pipeline progression. Probability-weighted pipeline revenue has been lifted meaningfully across 2031E-2034E, signalling that analysts increasingly believe in the commercial potential of the late-stage candidates. This lifts 2035E total revenue from DKK 21.80 bn to DKK 23.26 bn, underlining stronger conviction in Lundbeck's ability to execute beyond the patent cliff.

Earnings and Product Development

DKKbn	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Total revenue	25.45	25.58	24.84	23.04	21.42	21.30	22.19	22.82	23.25	23.26
Rexulti	0.81	0.80	-0.31	-2.45	-2.44	-0.76	-0.48	-0.27	-0.18	-0.12
Vyepti	1.31	1.07	0.82	0.68	0.54	0.46	0.35	-0.15	-0.57	-0.93
Other existing drugs	-0.94	-1.72	-1.39	-0.84	-0.82	-0.88	-0.63	-0.62	-0.36	-0.41
Pipeline*	0.00	0.00	0.20	0.79	1.15	1.07	1.71	1.81	1.66	1.87
Net change y/y	1.18	0.16	-0.68	-1.83	-1.57	-0.10	0.96	0.77	0.55	0.42
Net profit	4.71	4.70	4.32	3.54	2.94	2.92	3.30	3.56	4.03	4.19

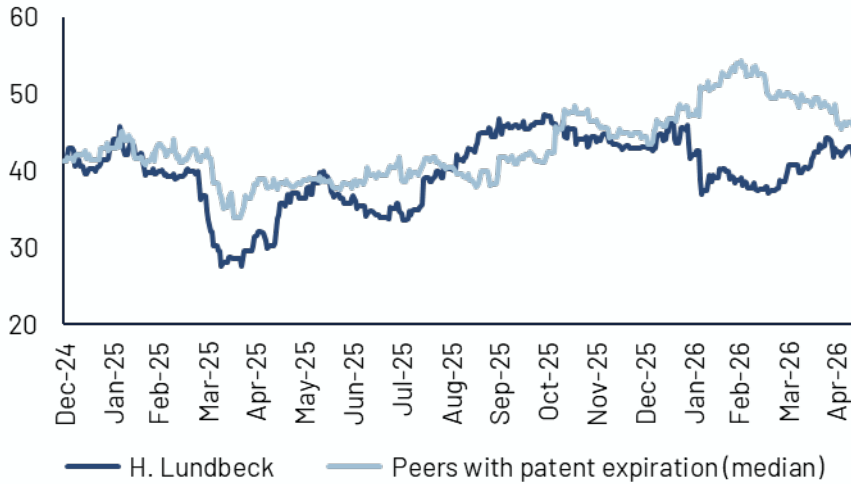


Note: Based on consensus analyst estimates collected by Lundbeck in Q1 2026. Consensus estimates are probability-weighted.

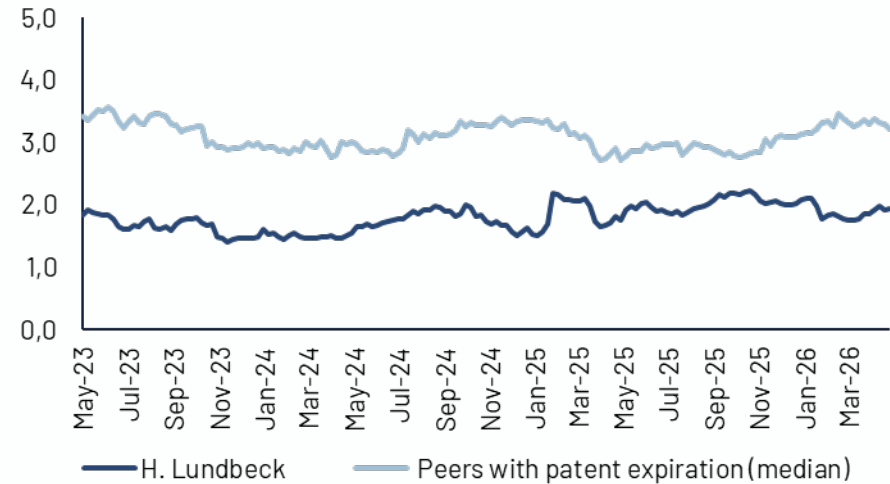
Note: Based on consensus analyst estimates collected by Lundbeck in Q1 2026.

Valuation vs. Peers

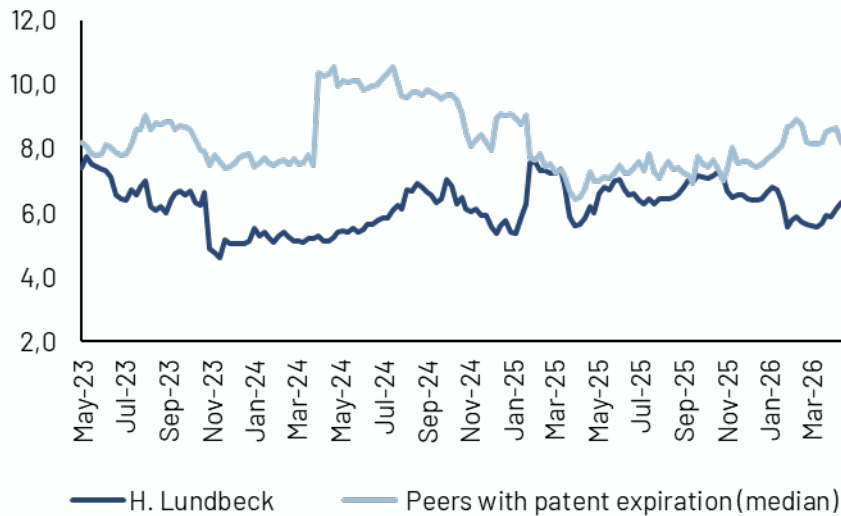
H. Lundbeck price return vs peer group median



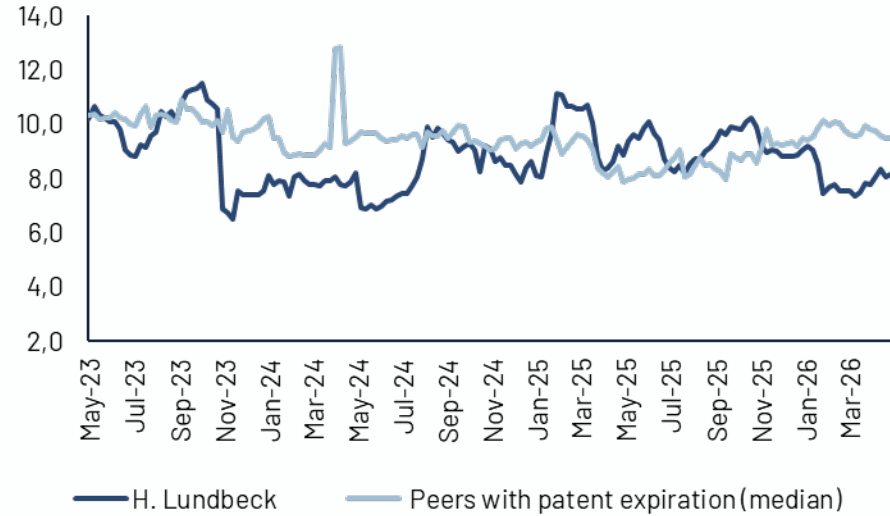
H. Lundbeck vs peer group EV/Sales (NTM)



H. Lundbeck vs peer group EV/EBITDA (NTM)

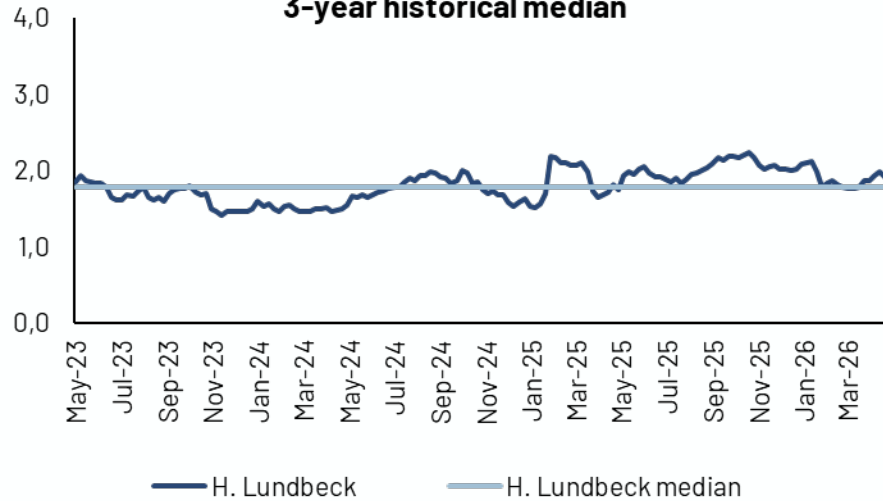


H. Lundbeck vs peer group EV/EBIT (NTM)

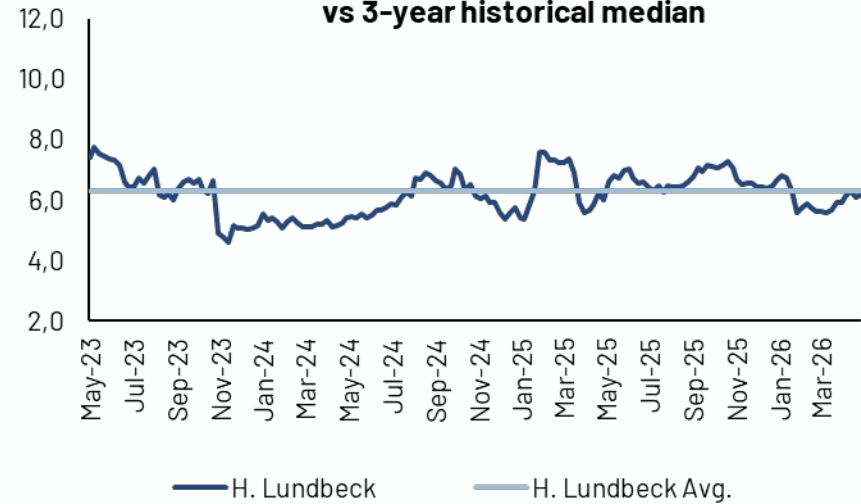


Valuation vs. Historical

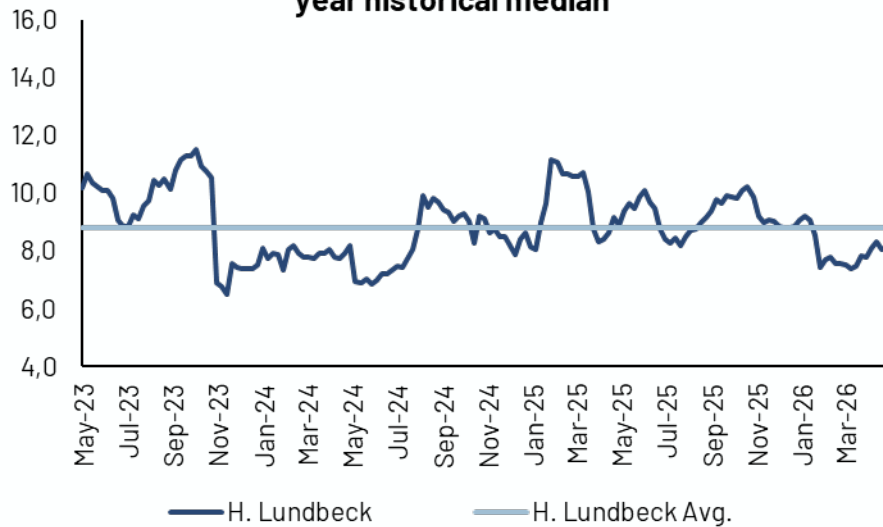
H. Lundbeck current EV/Sales multiple (NTM) vs 3-year historical median



H. Lundbeck current EV/EBITDA multiple (NTM) vs 3-year historical median



H. Lundbeck current EV/EBIT multiple (NTM) vs 3-year historical median



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A scenic view of a waterfront town. In the foreground, a wide canal reflects the sky. A modern, light-colored bridge spans across the canal. On the left, a prominent red brick building with a golden spire is visible. To the right, a row of white buildings with dark roofs lines the canal. A large white boat is docked at a pier on the right. The overall atmosphere is bright and clear.

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