

Almirall Full-Year 2015 results: Normalized Net Income growth of 90%

- Strong financial results at the top end of recently-upgraded guidance
- Dermatology the key driver of growth (+15,9%) and accounting for 43,1% of Net Sales
- Recent M&A transactions have strengthened the presence of Almirall in Dermatology (Poli Group, Veltin/Altabax) and gained it entry to the Aesthetics market (ThermiGen)
- A positive net cash position of 485 million euros maintains the potential for additional value-creating M&A
- Proposed dividend of €0.19€ per share. (40% of Normalized Net Income)

Barcelona, 22nd February 2016

Financial highlights million €

	2015	2014 *	Variation
Total Revenues	769.0	1407.4	(45.4%)
Net Sales	685.0	786.4	(12.9%)
Other Income	84.0	621.0	(86.5%)
Gross Profit	470.5	551.0	(14.6%)
• % of sales	68.7	70.1	
EBITDA	205.7	686.3	(70.0%)
Net income	131.8	448.4	(70.6%)
Normalized Net income	82.5	43.5	+89.7%

Eduardo Sanchiz, CEO, commented:

“2015 has been an exciting year for Almirall. First of all we have achieved financial results at the top end of the recently-upgraded guidance (October 2015). Dermatology continues to be the key driver, with an overall increase of 16% year-on-year. During 2015 we have been able to close key transactions aligned with the new company strategy, which both strengthen our position in Dermatology and give us an initial presence in the Aesthetics market. Throughout this period we have maintained a healthy financial position to support potential additional transactions to generate sustainable shareholder value”.

* Includes the proceeds of AstraZeneca transaction

Barcelona, 22nd February, 2016.- Almirall, the Specialty pharmaceutical company based in Barcelona, has posted its full-year 2015 results today.

Results at the top end of the upgraded guidance in FY 2015

For the year 2015, **Total Revenues** reached €769 MM which is +0.9% on a like-for-like basis

Total revenues include **Net Sales** of €685 MM – stable compared with FY 2014 (like-for-like) – and **Other Income** €84 MM.

The company's **Cash Position** at the close of 2015 was €868 MM. Year-end **Financial Debt** came to a total of €319.7 MM. At the end of the financial year, our positive net cash position was €484.5 MM.

Research & Development costs in 2015 fell by 34.1% (-13% like-for-like) to €66.3 MM and stood at 9.7% of net sales.

Selling, General & Administrative expenses meanwhile came in at €354.3 MM, which was a reduction of 23% when compared with the previous year (-4.6% like-for-like).

EBIT and **EBITDA** at close of 2015 were €131.8 MM and €205.7 MM, respectively, boosted in particular by the Derma business. This represented respective growth of 91.8% and 26.0% on a like-for-like basis, with the margins of both seeing significant improvements.

Net Income and **Normalized Net Income** were €134.5 MM and €82.5 MM (+89.7% compared with 2014), respectively. Another important milestone during the year was the divestment of Constella for €64 MM.

Shareholders Equity accounted for 57.8% of Total Assets.

Dermatology focus

The **Dermatology** franchise was the main top-line growth driver (+15.9%) and the U.S. organization delivery strong growth (+35.4%). Moreover, in prescription Dermatology drugs, Almirall ranks number 1 in Germany, number 5 in the U.S. and number 5 in Europe, excluding biologics. This therapeutic area represented 43.1% of total sales in 2015 (versus 37% in 2014, on a like-for-like basis).

Almirall's therapeutic solutions in Dermatology include treatments for actinic keratosis (**Solaraze®**, **Actikerall®** and **Fluoroplex®**), full emollient treatment according to specific needs (**Balneum®**), inflammatory skin conditions such as psoriasis or atopic dermatitis (**Monovo®**), severe acne (**Acticlate®/Monodox®**), steroid responsive dermatoses (**Cordran®**), seborrheic dermatitis (**Xolegel®**), atopic dermatitis (**Verdeso®**), treatment of inflammatory or allergic skin diseases (**Decoderm®**), among others.

The newest additions to the portfolio, which will be launched mid-year are **Veltin®** and **Altabax®**.

Veltin® is a prescription antibiotic indicated for the topical treatment of acne, the largest Dermatology indication in the US with a total market size of approximately \$3 billion.

Altabax® is a patent-protected and novel topical treatment for impetigo, a highly contagious and the most common bacterial infection in children.

M&A and divestments

There has been a substantial reshaping of the business in 2015 in line with our previously-stated strategy of increasing our focus on Dermatology.

The acquisition of Poli Group provides a strong portfolio, an attractive pipeline, and key business knowhow. Poli Group, based in Lugano, Switzerland, has a diversified portfolio of proprietary and well-established drugs, focused on Dermatology and complemented with a strong portfolio of gynaecology and respiratory products, the latter promoted through distributors. Poli Group's products are commercialized in 70 countries, with a focus on Europe and Asia. Poli Group's flagship product is Ciclopoli®, the only water soluble lacquer in the market for onychomycosis. Other products include Ecocel, Zelorose®, Selergo®, MyFungar Nagellack®, MyFungar Spray®, Ciclosan Shampoo® and Veregen®. We estimate that sales for the business as it exists today and with the current distribution agreements could exceed €100 million by 2018. With this acquisition Almirall also obtain a dermatology-focused R&D structure with a proprietary formulation technology (HPCH) and three clinical-stage Dermatology products.

Our pipeline has been reoriented and refilled, boosted by Poli Group. We have filed with the EMA during the fourth quarter, for an oral non-biologic treatment for Psoriasis, we have 3 active projects in the Clinical stage, 4 Preclinical projects and 12 Discovery projects.

The product swap of Veltin® and Altabax® from Stiefel, a GSK company in exchange for distribution rights for Toctino® is also worthy of note. Both products have significant potential for growth in a sizeable and growing market. They are a perfect fit with our current portfolio in our US affiliate and are aligned with our strategy, strengthening our position in the US, which is the world's largest Dermatology market.

In regards to Aesthetics, we highlight the equity investment in Suneva Medical, an innovative aesthetics leader that markets Bellafill®, the only dermal filler on the market that is FDA approved. Further to this is the acquisition of ThermiGen, a privately held medical aesthetics technology company and a leading developer and manufacturer of thermistor-regulated energy systems for plastic surgery and aesthetics dermatology applications. ThermiGen's product portfolio is based on the 'Science of Heat', using SmartTip technology to enable physicians to use temperature as an endpoint to treat a variety of aesthetic soft tissue and nerve conditions. This technology is used for multiple non-invasive and minimally-invasive procedures, and it offers significant potential for multiple indications. The rollout of these procedures will take place in Europe in 2016. We estimate that this business could generate global sales in the region of €100 million in 3-4 years' time.

In October 2015, Almirall announced the divestment of the rights of the non-core product, Constella®/Linzess® (Linaclotide) to Allergan, with the agreement of Ironwood Pharmaceuticals.

Dividend on 2016 results

The Board of Directors will propose a gross dividend of 33 million euros or 0.19 euros per share at the General Shareholders Meeting. This represents 40% of Normalized Net Income.

Core shareholders have long-term commitment

Reference shareholders own 66% in Almirall and have a long-term commitment to the company. In a sign of continuity, two third-generation members of the family are part of Board since 2014.

Vision for the future

Almirall will become a leading specialty pharmaceutical company with a strong focus on improving lives of dermatology patients.

The company will use its strong cash position to fund growth opportunities in this direction.

Guidance for 2016

For 2016, Almirall expects high single-digit growth in terms of Total Revenues, Net Sales and EBITDA.

Investor Calendar 2016

- Q1 2016 Financial Results – 9th May
- H1/Q2 2016 Financial Results – 26th July
- Q3 2016 Financial Results – 7th November

About Almirall

Almirall is a global company based in Barcelona dedicated to providing valuable medicines through its R&D, agreements and alliances. Our work covers the whole of the drug value chain. A consolidated profitable growth allows us to devote our talent and efforts in the Dermatology area, with an additional interest in other specialist driven areas. Our size enables us to be agile and flexible so that we can accomplish the purpose of taking our innovative products wherever they are needed.

Founded in 1943, Almirall is listed on the Spanish Stock Exchange (ticker: ALM) and it has become a source of value creation for society due to its vision and the commitment of its long-standing major shareholders. In 2015, its Total revenues totaled 769 million euros and, with more than 2,000 employees, it has gradually built up a trusted presence across Europe, as well as in the US and Mexico.

For more information please visit www.almirall.com

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