

Almirall 9M 2018 business results

Strong business momentum

- Closure of the acquisition of Allergan's medical dermatology portfolio in the US consolidates our presence in this key market
- Net Sales increased by 6.1% CER¹, driven by strong performance of key brands across Europe, including Ciclopoli[®] and Skilarence[®]
- Strong EBITDA growth of 48.7% (CER¹) year-on-year leaves Almirall on track to meet the recently-updated FY 2018 EBITDA Guidance of c. +30% growth. Including Allergan contribution, we expect EBITDA to be between €205 MM to €210 MM
- Strong operational cash flow generation of €102 MM 9M 2018
- Excellent progress within R&D: US approval of Seysara[™] (sarecycline) for acne; EU approval of our first biologic, ILUMETRI[®] (tildrakizumab) for psoriasis; and positive phase III results of KX2-391 for actinic keratosis and P3074 for androgenic alopecia
- Skilarence[®] rollout progressing as expected with launches in the Netherlands and Spain in Q3 2018

Financial highlights (€ rounded million)²

	YTD Sep 2018	YTD Sep 2017 ²	Variation	Variation (CER ¹)
Total Revenues	584.0	561.6	4.0%	4.7%
• Net Sales	541.4	514.0	5.3%	6.1%
• Other Income	42.6	47.6	(10.5%)	(9.9%)
Gross Profit	372.4	342.3	8.8%	10.0%
• % of sales	68.8%	66.6%		
EBITDA	149.5	100.1	49.4%	48.7%
Net Income	93.2	(99.7)	N.M.	N.M.

¹ CER (Constant Exchange Rates): Excluding the effects of exchange rate fluctuations

² IFRS 15 implemented

“We are encouraged by our strong business momentum so far this year, driven by key brands across Europe. Our continued positive results are on track to meet our updated Guidance.

We have recently closed the transformational acquisition of the former Allergan’s medical dermatology products in the US³ which will significantly reinforce our position and growth in this core segment for Almirall in the largest dermatology market in the world. Within this portfolio, Seysara™, an innovative oral antibiotic for the treatment of acne vulgaris, was recently approved by the FDA and we look forward to launching this important additional therapeutic option for patients in January 2019. This acquisition is perfectly complementary to our existing platform, which will be further strengthened by the anticipated launch of KX2-391 in Q1 2021, a first-in-class product that has the potential to change the standard of care for actinic keratosis.

We continue to consolidate our leadership in medical dermatology and build a strong psoriasis franchise in Europe. Skilarence® rollout is progressing well. It was additionally launched in the Netherlands and Spain during Q3 and will be launched in Italy in Q1 2019. In addition, we have recently received the European Commission’s approval for ILUMETRI®, a new therapeutic option for patients with moderate-to-severe chronic plaque psoriasis, which represents Almirall’s entry into biologics.

I am confident that the strategic decisions taken and product approvals received in Q3, together with the strong business momentum we continue to exhibit, leave the company well positioned for the rest of 2018 and for 2019 and beyond, where we will maintain our focus of delivering long-term profitable growth for our shareholders”.

Peter Guenter, CEO

Almirall, S.A. (ALM), a speciality pharmaceutical company based in Barcelona (Spain), has announced its 9M 2018 results.

Results summary

- **Net Sales** of €541.4 MM grew by 6.1% in CER vs. 9M 2017, benefiting from new launches and a solid performance of the core business. **Total Revenues** reached €584 MM (+4.7% in CER).
- **Gross Profit** growth of 10% in CER (€372.4 MM vs €342.3 MM in Q3 2017) reflected a gross margin increase, driven mainly by improved product mix.
- **Research & Development** costs were €57.4 MM at 9M (-13.7% in CER) and represented 10.6% of Net Sales (versus 10.4% at HY). Our R&D is and will continue to be 100% focused on medical dermatology.
- **Selling, General & Administrative** expenses, excluding depreciation, declined by 4.6% in CER at 9M 2018, despite important investment in key European launches to build our psoriasis franchise.
- **EBITDA** experienced an impressive 48.7% growth in CER terms and came in at €149.5 MM at close of 9M 2018, mainly driven by Net Sales increase, gross margin improvement and cost reduction.
- **Net Income** of €93.2 MM experienced a very strong performance in comparison with 9M 2017 (- €99.7 MM).
- **Cash Flow from Operating Activities** was €101.9 MM, while our **Cash Position** was €67.8 MM at the end of September 2018. **Financial Debt** came to a total of €550.3 MM, representing 22.7% of Total Assets.
- **Shareholders Equity** represented 49.6% of Total Assets.

³ Excluding Rhofade

2018 Full Year Guidance: Estimated Impact of Allergan Deal

On a CER basis, we expect Total Revenues to grow mid-to-high single-digit growth versus initial estimation of mid-single-digit growth, with Net Sales growing at low double digit versus mid-to-high single-digit.

Thanks to the Allergan portfolio contribution in Q4 2018 there will be an EBITDA improvement on top of the H1 2018 upgrade. We expect EBITDA to be between €205 MM - €210 MM.

Consolidating medical dermatology leadership position in US and Europe

We continue to advance to our goal of being a major player in medical dermatology. In September we closed a transformational acquisition of the former Allergan's medical dermatology portfolio in the US³, with the immediate addition of mature brands for acne and dermatoses, which will significantly reinforce our position and growth in the largest dermatology market in the world. The acquired portfolio also included Seysara™ (sarecycline), an innovative first-in-class tetracycline-derived oral antibiotic for the treatment of inflammatory lesions of non-nodular moderate-to-severe acne vulgaris in patients 9 years and older. Seysara™ was approved by the US FDA in October 2018 and will be launched in January 2019. Almirall estimates its peak sales potential at \$150 MM to \$200 MM. The estimated full-year EBITDA, including the former Allergan portfolio, is expected to be between €205 MM - €210 MM.

At 9M 2018, dermatology sales amounted to €197.7 MM, including European sales of €142 MM, supported by the strong performance of key brands such as Skilarence® and Ciclopoli®.

This is an exciting time for our aspirations in the European psoriasis market. Skilarence®, Almirall's dimethyl fumarate (the first and only European Commission approved fumaric acid ester for the treatment of adult patients with moderate-to-severe chronic plaque psoriasis) continues to progress with strong performances in the UK and Germany, where it has achieved more than 50% of Fumaderm® volumes and c. 70% of new patients. Launch sequence is on track, with rollout in the Netherlands and Spain in Q3. The next major country to launch will be Italy in Q1 2019.

Additionally, ILUMETRI® (tildrakizumab) was approved by the European Commission in September this year and roll out in Europe will start in Q4 2018, with Germany as the first country to launch. ILUMETRI® is a humanized, high-affinity IL-23p19 monoclonal antibody, for the treatment of adult patients with moderate-to-severe chronic plaque psoriasis who are candidates for systemic therapy, and represents Almirall's entry into biologics. Combined, we expect peak sales of Skilarence® and ILUMETRI® in Europe of over €250 MM.

In the central nervous system area, Sativex® (moderate-to-severe spasticity related to multiple sclerosis), generated sales of €20 MM (growth of 11.7% year-on-year). In cardiovascular, Crestor® accumulated sales of €32 MM. Other products such as Airtal® generated sales of €18 MM and year-on-year growth of 13%, and OTC Almax® generated sales of €21 MM and year-on-year growth of 15%.

Following the transformational deal with Allergan, Almirall's medical dermatology franchise represents c. 45% of net sales (proforma). The company's strategy is to drive further growth and expansion of this franchise and, as a consequence, Almirall announced in September that it is exploring strategic options for its aesthetic business.




Solid progress of R&D pipeline, fully focused on dermatology

Our pipeline, entirely dermatological, is progressing well. As discussed above, Seysara™ (sarecycline) will be launched in the US in January 2019 and ILUMETRI® (tildrakizumab) will launch in Q4 in Germany.

Additionally, as reported at half year results, phase III results of KX2-391 (actinic keratosis) met the primary endpoint (complete clearance of actinic keratosis lesions at day 57 within the face or scalp treatment areas) and top-line results of phase III of P3074 (androgenic alopecia) were also encouraging (statistical significance of the primary end-point change of TAHC (target area hair count at week 24). P3058 (onychomycosis) trials continue as planned in Europe and results are expected in Q4 2018.

We continue to target an investment of approximately 12-13% of Net Sales in the mid-to-long term.

In order to introduce a consistent approach to labelling our developmental molecules and so that internal and external approaches are the same we note below the company's coding system for current products in development.

Old Code	New Code	Indication	Phase
 Seysara (sarecycline) tablet 60 mg, 100 mg, 150 mg		Acne (oral)	Registration
 ILUMETRI® tildrakizumab		Psoriasis (biologic)	Registration
 Skilarence®		Psoriasis (oral)	Registration
KX2-391	ALM14789	Actinic keratosis	Phase III
P3074	ALM12845	Androgenic alopecia	Phase III
P3058	ALM12834	Onychomycosis	Phase III
ADP12734	ALM12734	Psoriasis	Early development

Investor Calendar 2018-2019

- FY 2018 Financial Results – 25th February 2019
- Q1 2019 Financial Results – 13th May 2019
- H1 2019 Financial Results – 29th July 2019
- 9M 2019 Financial Results – 11th November 2019

About Almirall

Almirall is a leading skin-health focused global pharmaceutical company that partners with healthcare professionals, applying Science to provide medical solutions to patients and future generations. Our efforts are focused on fighting against skin health diseases and helping people feel and look their best. We support healthcare professionals by continuous improvement, bringing our innovative solutions where they are needed.

The company, founded almost 75 years ago with headquarters in Barcelona, is listed on the Spanish Stock Exchange (ticker: ALM). Almirall has been key in value creation to society according to its commitment to major shareholders and through its decision to help others, to understand their challenges and to use Science to provide solutions for real life. Total revenues in 2017 were 755.8 million euros. More than 1,830 employees are devoted to Science.

For more information, please visit almirall.com

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