

Almirall's H1 results 2015: growth driven by strong sales increase in Dermatology

- Solid first-half 2015 performance in line to achieve yearly guidance
- Like for like growth of Net Sales +4.0% and EBITDA +35.5% driven by Dermatology
- Dermatology accounted for 41% of group sales and grew by 35.2% (YoY)
- Dividend paid on June 1st, 2015 at 0.20 per share

Barcelona, 28th July 2015

Financial highlights (€rounded million)

	H1 2015	H1 2014	Variation
Total Revenues	407.9	433.4	(5.9)%
• Net Sales	359.4	403.7	(11.0)%
• Other Income	48.5	29.7	63.3%
Gross Profit	248.3	281.1	(11.7)%
• % of sales	69.1%	69.6%	
EBITDA	123.4	61.4	101.0%
Net income	58.8	19.1	207.9%
Normalized Net income	63.8	19.1	234.0%

Eduardo Sanchiz, Chief Executive Officer, commented:

"We have delivered a solid set of results in first half of 2015 which puts us on track to achieve our financial yearly guidance. Dermatology (+35.2% yoy) continues to be the key growth driver, led in particular by Acticlate® (severe acne) in US with a notable performance also from our European Actinic Keratosis franchise. Our number one priority now is to continue building on Dermatology via M&A, R&D and in-licensing in order to generate sustainable shareholder value".

Barcelona, 28th July, 2015.- Almirall, the global pharmaceutical company based in Barcelona, has announced its results for the first half of 2015.

Performance on track to achieve yearly guidance

As of July 28th, **Total Revenues** were €407.9 MM; on a like for like basis (ie excluding sales of Eklira), total revenue of €370.4 MM represented an increase of 5.3%. Total Revenues comprised **Net Sales** of €359.4 MM (+4.0% excluding Eklira) driven by Dermatology (+35.2%) and **Other Income** of €48.5 MM.

Gross Profit YTD came in at €248.3 MM, which represents 69.1% of Net Sales.

The company's **Net Cash Position** was at €407.9 MM at the end of H1, whereas the **Financial Debt** was €320.5 MM, representing 12.8% of the total liabilities.

Both R&D and SG&A expenses in this period are more reflective of a Specialty Pharma model. **Research & Development** expenses accounted for €32.6 MM, or 9.1% of sales in the first half of 2015, showing a reduction in comparison to the 13.4% of the same period in 2014. Having now completed the reorganization in R&D, we expect that R&D expenses will be higher in the 3rd and 4th quarters.

Selling, General & Administrative expenses meanwhile came in at €178.9 MM, a significant reduction 24.9% when compared to the previous year and a reflection of the move towards a leaner business model.

As a result of the above, **EBIT** and **EBITDA** increased to €86.4 MM (+352.3%) and €123.4 MM (+101.0%), respectively.

Net Income and **Normalized Net Income** were €58.8 MM (+207.9%) and €63.8 MM (+234.0%), a significant increase in comparison to last year.

Shareholders Equity represented 55.6% of Total Assets.

Strong Dermatology sales growth

The **Dermatology** franchise boosted sales growth by 35.2% (YoY) in H1 2015. This therapeutic area now accounts for 41% of total Net Sales vs 31% on a like-for-like- basis in H1 2014. The US derma business was the key growth driver in terms of sales, +101.8% (YoY), benefiting from the maintained market-leading share for Acticlate[®], one of the company's strategic products for the adjunctive treatment of severe acne. The US Dermatology business now represents 50.7% of the total Dermatology sales in Almirall.

In Europe, Dermatology sales increased by +0.9% vs the same period of last year, driven by the Actinic Keratosis franchise, notably Solaraze[®] and Actikerall[®].

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[®]) and severe chronic hand eczema that does not respond to topical corticoids (Toctino[®]).

Dermatology aside, other therapeutic areas also performed well, and our two first-in-class brands, Constella[®] and Sativex[®], are present in 12 and 11 countries and their invoiced sales grew by 37% and 19%, respectively.

R&D and pipeline

Recently, the R&D area has been reorganized and its activities have been reoriented in order to leverage our strong formulation capabilities so they will now focus on reformulation projects of existing dermatological products, repositioning activities of drugs already established for different indications and the design of New Chemical Entities (NCEs) for oral and topical use in Dermatology. Almirall has been developing a number of innovative products for the treatment of different indications and will update the market on these projects as they progress.

Dividend payment

A dividend payment of €35 MM, at 0.20 cents per share, was made on June 1st. The dividend payment was approved by the General Shareholders Meeting in May 2015.

Vision for the future

The company's number one priority will remain focused on M&A, R&D and in-licensing Dermatology projects over the next years, in order to become a leading specialty pharmaceutical company with a strong focus on improving the lives of Dermatology patients. Almirall will use its strong cash position to acquire growth assets in this area.

Guidance for 2015

Almirall maintains the guidance for 2015 and expects Total Revenues in the range of €720 – €750 MM and Net Sales between €650 and €680 MM, which would deliver an expected EBIT of approximately €100 MM.

Investor Calendar 2015

- Q3 2015 Financial Results – 9th November

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About Almirall

Almirall is a global company based in Barcelona dedicated to providing valuable medicines and medical devices through its R&D, agreements and alliances. Our work covers the whole of the drug value chain. A consolidated growth allows us to devote our talent and efforts towards specialty areas and particularly to further grow as a leading Dermatology player. 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 2014, its revenues totaled 1,407 million euros and, with more than 2,100 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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