

## Almirall's September YTD results 2015: operational business outperformance driven by Dermatology

- Continued growth in Total Revenues +1.6% and Net Sales +0.5% (like-for-like).
- Solid improvement of EBITDA (+13.0%).
- Dermatology accounted for 42.5% of group sales and grew by 21.6%.
- Results in line with upgraded guidance of October 27<sup>th</sup>.

Barcelona, 9<sup>th</sup> November 2015

### Financial highlights (€ rounded to nearest million)

	YTD Sep 2015	YTD % Variation	YTD % Variation like-for-like (*)
<b>Total Revenues</b>	<b>595.3</b>	(9.0)%	1.6%
• <b>Net Sales</b>	<b>520.8</b>	(14.8)%	0.5%
• <b>Other Income</b>	<b>74.5</b>	74.9%	66.5%
<b>Gross Profit</b>	<b>360.7</b>	(16.1)%	(0.8)%
• <b>% of sales</b>	<b>69.3%</b>		
<b>EBITDA</b>	<b>172.6</b>	61.3%	13.0%
<b>Net income</b>	<b>73.3</b>	70.9%	-
<b>Normalized Net income</b>	<b>78.9</b>	79.7%	-

\*excluding Eklira®

### Eduardo Sanchiz, Chief Executive Officer, commented:

*"We confirm a solid third quarter driven by the outstanding growth of the Dermatology portfolio (+21.6% YTD), which now represents 42.5% of the Group's total sales. Continued operational outperformance of our business in the first three quarters led us to recently announce an upgraded guidance for 2015. September YTD figures are on track to achieve this new guidance. Our top priority remains M&A and in-licensing Dermatology projects that can present our company with strong growth opportunities that will generate sustainable shareholder value".*

**Barcelona, 9<sup>th</sup> November, 2015.-** Almirall, the global pharmaceutical company based in Barcelona, has announced year to date results.

### Strong financial performance

September YTD 2015 **Total Revenues** were €595.3 MM; on a like-for-like basis (ie. excluding Eklira<sup>®</sup>), this represented an increase of 1.6% vs the same period in 2014. Total Revenues comprised **Net Sales** of €520.8 MM (+0.5% YTD excluding Eklira<sup>®</sup>), driven by strong Dermatology sales growth (+21.6%), and **Other Income** of €74.5 MM.

**Gross Profit** YTD came in at €360.7 MM, which represents 69.3% of Net Sales.

The company's **Net Cash Position** was at €422.4 MM at the end of Q3, whereas the **Financial Debt** was €316.8 MM, representing 12.7% of total liabilities.

**Research & Development** expenses accounted for €51.7 MM, or 9.9% of sales YTD 2015. This represents an increase in comparison to HY, but a reduction in comparison to the 13.1% of sales in the same period in 2014.

Meanwhile, **Selling, General & Administrative** expenses came in at €265.3 MM, which now represent 50.9% of sales, a significant reduction when compared to the previous year (52.4%, life-for-like) and a reflection of the move towards a lighter structure and a leaner business model.

As a result of the above, **EBIT** and **EBITDA** increased to €57.2 MM (+33.5%) and €112.8 MM (+13.0%) YTD like-for-like, respectively, driven by Dermatology and proprietary products and improving the company's profit margins.

**Net Income** and **Normalized Net Income** were €73.3 MM (+70.9%) and €78.9 MM (+79.7%), a significant increase in comparison to last year.

**Shareholders Equity** represented 56.1% of Total Assets.

### Operational outperformance of Almirall's Business

The **Dermatology** business continues to grow and boosted sales growth by 21.6% YTD 2015. It now accounts for 42.5% of total Net Sales vs 35% on a like-for-like basis in 2014 (all figures exclude Eklira<sup>®</sup> sales) and is well-balanced geographically, with US and Europe accounting, respectively, for close to 50.9% and 49.1% of total sales.

The US business was the key growth driver in terms of sales (+53.5% YoY), benefitting from the maintained market-leading share of one of the company's strategic products, Acticlate<sup>®</sup>, for adjunctive treatment of severe acne. All the US Dermatology products reported YoY growth when compared with the same period in 2014.

Sales in Europe, in turn, increased by +0.1% vs the same period of last year, driven by the Actinic Keratosis franchise (Solaraze<sup>®</sup> and Actikerall<sup>®</sup>) and Balneum<sup>®</sup>, and reached a total of €108.6 MM.

Almirall's activities in Dermatology will continue to be concentrated on strategic brands in actinic keratosis such as Solaraze<sup>®</sup>, Actikerall<sup>®</sup> or Balneum<sup>®</sup>, full emollient treatment designed for specific needs, Acticlate<sup>®</sup>/Monodox<sup>®</sup> for severe acne, Cordran<sup>®</sup> for steroid-responsive dermatoses, Xolegel<sup>®</sup> for seborrheic dermatitis, Verdeso<sup>®</sup> for atopic dermatitis, and Decoderm<sup>®</sup> for inflammatory or allergic skin diseases.

### Portfolio optimisation: divestment of Constella<sup>®</sup>/Linzess<sup>®</sup> to Allergan

On October 27<sup>th</sup>, Almirall announced an agreement with Ironwood Pharmaceuticals to divest the rights of Constella<sup>®</sup>/Linzess<sup>®</sup> to Allergan. The transaction amounts to €64 MM. Following this agreement, Almirall will no longer be involved with this product for the treatment of irritable bowel syndrome with constipation.

The transaction has no impact on EBIT Guidance for 2015. An exceptional income of around €35 MM (net of tax and write-downs) will be allocated to net profit in the fourth-quarter results of Almirall. Almirall will use the proceeds to bolster its stated business strategy.

### 2015 New Guidance

Almirall upgraded its guidance for 2015 on October 27<sup>th</sup> due to the stronger operational outperformance of its business. This was further boosted by a \$20 MM payment by AstraZeneca related to the launch of Duaklir<sup>®</sup> in South Korea as a bronchodilator to relieve symptoms of Chronic Obstructive Pulmonary Disease (COPD).

The upgraded guidance has seen EBIT for 2015 increased from €100 to €130 MM, as well as the Total Revenues rose from €720-750 MM to €740-770 MM.

### Vision for the future

The company is fully aligned in the new strategic direction and continues working on a number of potential business development opportunities in Dermatology. M&A and in-licensing Dermatology projects in order to become a leading specialty pharmaceutical company with a strong focus on improving the lives of Dermatology patients remains the number one priority.

#### Disclaimer

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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](http://www.almirall.com)

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