

Almirall Full-Year 2016 results: Strong Dermatology results and promising pipeline

- Operational outperformance: Sales and Revenues growth of +12% and EBITDA growth of +11%
- Sales growth of +32% in Dermatology, which now represents 51% of Net Sales versus 43% in 2015
- Successful product launches in the US: Veltin™, indicated for the treatment of Acne, and Altabax™, a novel topical treatment for Impetigo
- R&D: Two key Psoriasis products anticipated to be launched in 2017 and 2018
- Dividend proposal: gross dividend of €33 million or €0.19 per share

Barcelona, 27th February 2017

Financial highlights (million €)

	2016	2015	Variation
Total Revenues	859.3	769.0	+11.7%
• Net Sales	764.4	685.0	+11.6%
• Other Income	94.9	84.0	+13.0%
Gross Profit	536.9	470.5	+14.1%
• % of sales	70.2%	68.7%	
EBITDA	227.6	205.7	+10.6%
Net income	75.5	131.8	(42.7%)
Normalized Net income	83.0	82.5	+0.6%

Eduardo Sanchiz, CEO, commented:

"2016 has been an important year for Almirall to continue consolidating our new strategic direction. Dermatology continues to be the key growth driver and now accounts for 51% of Net Sales. The addition of Poli Group has reinforced our dermatology Rx business while the acquisition of ThermiGen allows us an entry point into the Aesthetics market. In addition to those new businesses, new product launches like Veltin™ and Altabax™ in the US and the good performance of our current portfolio have further supported our growth. We have made great progress by continuing to bring in new Dermatology products and companies through our corporate development efforts, by growing our Dermatology pipeline and, finally, by moving forwards in developing new capabilities in this area. We continue to be dedicated to the transformation of Almirall into a leading Dermatology player".

Barcelona, 27th February, 2017.- Almirall, the global pharmaceutical company based in Barcelona, has posted its full-year 2016 results today.

Operational outperformance

For the year 2016, **Total Revenues** reached €859.3 MM representing an increase of +11.7% vs 2015.

Total Revenues include **Net Sales** of €764.4 MM (+11.6% vs €685.0 MM in 2015) and **Other Income** of €94.9 MM vs €84.0 MM in 2015

Gross profit came in at €536.9 MM, which represents 70.2% of sales, and compared with a gross margin of 68.7% in 2015.

The company's **Net Cash Position** at the close of 2016 was €74 MM, whereas Financial Debt came to a total of €317.2 MM, related to Senior Notes. The company has decided to redeem the **Senior Notes** and replace them with a **Revolving Credit Facility** for €250 MM, which is estimated to generate cumulative savings over the next 4 years.

As a direct result of a growing and progressive pipeline, **Research & Development** expenses were €98.3 MM and accounted for 12.9% of Net Sales.

Selling, General & Administrative expenses of €404.8 MM increased by +14.3% due to recent acquisitions, but excluding depreciation they grew by +8.5% to €320.5 MM, representing 41.9% of sales (compared with 43.1% of sales in 2015).

EBITDA at close of 2016 was €227.6 MM, an increase of +10.6% vs 2015.

Net Income was €75.5 MM (-42.7%), while **Normalised Net income** excluding extraordinary one off elements was €83.0 MM (+0.6%).

Shareholders Equity accounted for 53.9% of Total Assets.

Dermatology focus

Dermatology Sales grew by +32.1% in 2016 to €390 MM. This therapeutic area now accounts for 51% of total Net Sales vs 43.1% in 2015. Europe is a key growth driver, up +23.4% (YOY) to €179 MM, boosted by the **Actinic Keratosis** franchise and **Ciclopoli®** (onychomycosis).

Rx prescription Dermatology in the US grew at +10%, boosted by the Acne franchise. It is worth noting the successful product launches in the US of **Veltin™**, a prescription antibiotic indicated for the topical treatment of Acne, and **Altabax™**, a patent-protected and novel topical treatment for Impetigo, a highly contagious and the most common bacterial infection in children; combined, these generated revenues of €20 MM.

The acquisition of ThermiGen has been key in Almirall's presence in Aesthetics. 2016 delivered a +62% growth versus the previous year. In 2017 ThermiGen approved devices will be available in the EU.

R&D and pipeline progress

Almirall's R&D is focused on Dermatology, with 11 discovery programs, and 2 are in early development, for the key indications which form part of the company strategy.

In the clinical phase, we have a number of promising projects:

- LAS41008 (DMF) is an oral treatment for adult patients with moderate to severe plaque Psoriasis – EU approval is anticipated around mid-2017.
- Tildrakizumab is an IL-23p19 antibody for the treatment of Psoriasis, with a convenient dosing frequency, long term efficacy and a lower risk of infection and is expected to be filed in EU in the coming months.
- P3058 is a nail lacquer in HPCH technology in Phase III development for the treatment of Onychomycosis, whose active ingredient is terbafine, which penetrates the nail.
- P3073, whose active ingredient is calcipotriol, in HPCH technology, is in Phase III trials for the treatment of Nail Psoriasis.
- P3074, a topical scalp spray solution in HPCH technology, whose active ingredient is finasteride, is in Phase III development for the treatment of Androgenetic Alopecia.

M&A activities and Business Development

During 2016, Almirall has continued to transform its business with the ultimate goal of becoming a key player in the global Dermatology market.

Poli Group and ThermiGen have been fully integrated within Almirall. In addition, a US distribution and strategic-marketing collaboration agreement was made with Sinclair for Silhouette Instalift™, the only injectable aesthetic product with a lifting claim in the US market, providing access for this product to the world's largest Aesthetics market.

Additional important licensing agreements were made with Sun Pharma for the development and commercialisation of tildrakizumab for Psoriasis in Europe (Phase III studies of this novel biologic have recently been completed), Patagonia Pharmaceuticals for a product in Phase II development for Congenital Ichthyosis and Mercachem and Nuevolution, respectively, for the development of products to treat inflammatory skin diseases and Psoriatic Arthritis.

Dividend

The Board of Directors will propose a gross dividend of €33 million or €0.19 per share at the General Shareholders Meeting.

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 the Board since 2014.

Vision for the future

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

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

Guidance for 2017

For 2017, Almirall expects to generate low to mid single-digit growth in terms of Total Revenues and Net Sales and mid-single-digit growth in terms of EBITDA.

Investor Calendar 2017

- Q1 2017 Financial Results – 8th May
- H1/Q2 2017 Financial Results – 24th July
- Q3 2017 Financial Results – 6th 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 2016, its Total revenues totalled 859.3 million euros and, with more than 1,900 employees, it has gradually built up a trusted presence across Europe and in the US.

For more information please visit www.almirall.com

Media contact:

Cohn & Wolfe

Marta Gallego / Henar López
henar.lopez@cohnwolfe.com
marta.gallego@cohnwolfe.com
Tel.: (+34) 91 531 42 67

Corporate and Investor contact:

Almirall

Pablo Divasson del Fraile
Tel.: 00 34 93 291 30 87

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