

Almirall's H1 results 2017: reiterating recent Guidance

- Financial results in accordance with recent Guidance update
- Performance in Europe and RoW in line with the expectations
- Upcoming launches of Skilarence® in Europe in Q3
- Strong focus on Business Development and R&D pipeline

Barcelona, 24th July 2017

Financial highlights (€ rounded million)

	H1 2017	H1 2016	Variation
Total Revenues	378.9	428.1	<i>(11.5%)</i>
• Net Sales	328.5	388.3	<i>(15.4%)</i>
• Other Income	50.4	39.8	<i>26.6%</i>
Gross Profit	212.2	273.2	<i>(22.3%)</i>
• % of sales	64.6%	70.4%	
EBITDA	58.6	123.5	<i>(52.6%)</i>
Normalised Net Income	9.2	55.4	<i>(83.3%)</i>

Eduardo Sanchiz, Chief Executive Officer:

The first half of the year has been very challenging as a result of a combination of unexpected issues in the US market. We have implemented a comprehensive set of actions to deal with them and to mitigate the impact. We are reiterating, in consequence, the recently updated Guidance.

Thermi's performance is expected to improve in the second part of the year and our base business in Europe and the rest of the world continues to perform in line with expectations. With new leadership in R&D we see new programs coming into early stages of research and also new life cycle management projects that could reach the market quicker. Together with R&D, Business Development continues to receive high priority to bring external growth opportunities and critical mass. New products bring excitement to our European organization; the imminent launch of Skilarence® will provide a very cost-effective new product to patients with psoriasis that healthcare providers and payers equally welcome. The registration of tildrakizumab continues to make progress.

We remain convinced about the opportunity to generate value for our key stakeholders with our current strategic direction.

Barcelona, 24th July, 2017.- Almirall, the global pharmaceutical company based in Barcelona, has announced its first-half year 2017 results.

Solid performance in Europe and Rest of the World

In the first half of the year **Total Revenues** reached €378.9 MM vs. €428.1 MM in H1 2016. **Net Sales** were €328.5 MM in H1 2017 vs €388.3 MM in H1 2016.

The company's **Cash Position** was €136.6 MM. **Financial Debt** came to a total of €152.1 MM, representing 6.4% of total assets.

Research & Development expenses of €48.2 MM (+9.5%) accounted for 14.7% of Net Sales as a direct result of a growing and progressive pipeline.

Selling, General & Administrative expenses came in at €206.8 MM, an increase of +5.3% year- on-year (+4% excluding depreciation).

EBITDA came in at €58.6 MM, **Normalised Net Income** was €9.2 MM and **Shareholders Equity** represented 58.2% of Total Assets.

Dermatology Business Performance

Dermatology accounted for 37% of total Net Sales (vs 43% in H1 2016). The performance of Rx Dermatology in Europe and the Rest of the World (combined, +3.4% year-on-year) helped to mitigate the setback experienced in US (-68.2% yoy). Former Polichen business is delivering high sales growth and in line with our expectations.

Almirall's Dermatology business in US, operated by Aqua, has been adversely impacted by three issues: a rebalancing of inventories in the distribution channel; a significant level of inappropriate adjudication of the Patient Assistance Program (PAP); and the recent launch of a generic to Acticlate™ in the US market. Combined, these led to the company providing the market with a Guidance update on 10 July 2017.

Concerning **Aesthetics**, we anticipate an acceleration in ThermiGen's performance in the second half of the year, following a slow start in H1 as the business benefits from the current product rollout underway in Europe and a strong and experienced new leadership.

R&D progression

We have recently obtained the EU approval of Skilarence®, a new oral formulation of dimethyl fumarate, as a first-line induction and long-term treatment for adults with moderate-to-severe chronic plaque psoriasis. Initial EU launch of this product is planned for Q3 2017.

We have recently submitted the regulatory filing in Europe of our first biologic, tildrakizumab, an investigational IL-23p19 inhibitor being evaluated for the treatment of moderate-to-severe plaque psoriasis. This, together with our pipeline and a healthy balance sheet provide potential catalysts for the growth of the company.

2017 Guidance update

On 10 July 2017 we provided updated 2017 Guidance of low double-digit decline in Total Revenues and Net Sales versus 2016 and an EBITDA figure within the range of 140 to 170 million euros.

We are confident that the new Guidance is reflective of the new environment in the US and takes account of the wholesaler's inventory destocking, inappropriate use of the savings cards under the Patient Assistance Program (PAP) at certain pharmacies and recent launch of a generic version of Acticlate™.

Dividend payment

A dividend payment of 33 million euros or 0.19 euros per share was paid on June 2017.

Vision for the future

Almirall continues to transform its business with the ultimate goal of becoming a key player in the global Dermatology market. The company will use its financial position to fund growth opportunities in this direction as business development will continue to be focused on additional opportunities in this area & Aesthetics.

Investor Calendar 2017

- Q3 2017 Financial Results – 6th November

About Almirall

Almirall is a global pharmaceutical company with a strong focus in Dermatology and Aesthetics with the mission of providing valuable medicines and medical devices to you and future generations. Our R&D is focused on Dermatology, with a wide range of programs including key indications. Through our innovative products, agreements and alliances, our work covers the entire drug value chain. Almirall is continually growing as a specialist company in a wide range of skin diseases, in order to cover our customers unmet needs.

Founded in 1943, headquartered in Barcelona, Spain, 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 revenues totaled 859.3 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.

For more information, please visit www.almirall.com

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