

Almirall 9M 2019 business results

Continued good business momentum driven by positive uptake of recent launches

- Double-digit top-line growth and significant operating leverage: Total Revenues €683 MM (+17%), Net Sales €638 MM (+18%) and EBITDA €237 MM (+58%), all vs. previous year
- EU psoriasis franchise continues to boost growth with strong performances from Skilarence[®] and Ilumetri[®]
- In the US, Seysara[®] continues to gain penetration in both the branded and non-branded US oral acne market
- Notable progress of the late-stage R&D pipeline: Initiation of Phase 3 for Lebrikizumab (atopic dermatitis); EU filings of ALM12834 (onychomycosis) and ALM12845 (androgenic alopecia)

Financial highlights (€ rounded million)¹

	YTD Sep 2019	YTD Sep 2018	Variation	Variation (CER ¹)
Total Revenues	683.2	584.0	17.0%	15.4%
• Net Sales	637.7	541.4	17.8%	16.5%
• Other Income	45.5	42.6	6.8%	2.3%
Gross Profit	457.0	372.4	22.7%	21.1%
• % of sales	71.7%	68.8%		
EBITDA	236.5	149.5	58.2%	54.6%
Net Income	97.3	93.2	4.4%	(0.1%)

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

“Our strong results confirm that we are on track to consolidate our leadership position in medical dermatology. Total Revenues and Net Sales continue to be driven by the strong development of our European psoriasis franchise. In the US, Seysara® has gained penetration in the broader non-branded market after having become the number one branded product in the oral acne market over the first half of the year.

In parallel, we continue to develop our R&D activity with a very significant progress in the late-stage pipeline over the past quarter that supports our future growth prospects.

Combined, these advances give us confidence in our strategy and belief that we are on the right track with our focused commitment to medical dermatology to solve unmet needs of patients with skin diseases through an increasingly innovation-driven model”.

Peter Guenter, CEO

[Almirall, S.A. \(ALM\)](#), a specialty pharmaceutical company based in Barcelona (Spain), has announced its nine-month 2019 results.

Results summary

- **Total Revenues** reached €683 MM in the first nine months of 2019 (+15% in CER) and Net Sales grew by 17% in CER to €638 MM, driven in particular by the psoriasis franchise in Europe and the strong performance of Seysara® in the US.
- **Gross Profit** growth of 21% in CER (€457 MM vs €372 MM in 9M 2018) reflected a CER gross margin improvement of 280 basis points driven in particular by product mix.
- **Research & Development costs** were €66.1 MM in the first nine months of 2019, or 10.4% of Net Sales.
- **Sales, General & Administrative expenses**, excluding depreciation, of €212 MM reflected a 3% CER decline (versus 9M 2018) despite the roll out of our recently-launched products.
- **EBITDA** was €237 MM (+55% growth in CER) at close of September 2019.
- **Normalized Net Income** of €112 MM experienced an increase of 35% in CER in comparison to 9M 2018.
- **Cash Flow** from Operating Activities was €149 MM, maintaining the upwards trend already registered in Q2. **Net Debt** came to a total of €548.4 MM.
- **Shareholders Equity** represented 51.2% of Total Assets.

Solid growth drivers focused on medical dermatology

Almirall's solid performance over the first nine months of 2019 has been boosted by key brands across Europe and US. The positive uptake of Skilarence® and Ilumetri® in Europe and Seysara® in the US boosted the top-line growth and confirmed their potential as important growth drivers for Almirall.

Skilarence® sales were of €24 MM. This product, an oral formulation for the treatment for patients with moderate-to-severe chronic plaque psoriasis, has consolidated as the leading product in dimethyl fumarate market in Germany with over 80% market share of the 30 mg initiation pack. It is also the leading of the dimethyl fumarate in the Netherlands. Rollout is expected to continue in Portugal, Poland and Czech Republic shortly.

Ilumetri®, a humanized, high-affinity IL-23p19 monoclonal antibody, for the treatment of adult patients with moderate-to-severe plaque psoriasis, continues the rollout. It has achieved €13 MM of net sales during the first nine months of 2019 and, in the third quarter, the product was launched in Austria, Switzerland, the Netherlands and Spain. The rollout continues in Italy, Belgium, Czech Republic and France. Two extension studies confirm the long-term efficacy and safety with the longest IL23p19 data published in manuscript.

In the US, Seysara® continues to gain penetration in the branded and non-branded segment of the market after having consolidated its position as the number one branded product in the US oral acne market. Approximately 4,230 dermatologists prescribed Seysara® in Q3 (+28% versus Q2), +89% wrote at least 2 scripts in Q3.

Additionally, the licensing agreement with AstraZeneca for the respiratory franchise continues to generate significant value. Almirall recently announced that will receive a milestone of \$100 MM in October, following the first commercial sale of Duaklir® in the US. The product has been available in this market since October 21st.

A strong and healthy pipeline able to drive further growth

Almirall continues to build an R&D pipeline with strong market potential as our R&D strategy focuses on delivering true innovation and making a real difference for patients and healthcare professionals. Significant progress was seen during the third quarter.

Finasteride and Terbinafine were both submitted to the EMA: Finasteride (ALM12845) is a cutaneous spray solution demonstrated to be safe and effective in the treatment of androgenic alopecia, while Terbinafine (ALM12834) is indicated for the topical treatment of onychomycosis.

In addition, Almirall expects the filing for Tirbanibulin (ALM14789) in early 2020. Tirbanibulin is a topical medicinal product for the treatment of actinic keratosis (AK) in adult patients developed by Athenex and licensed by Almirall. It is estimated to be launched in the US and the EU in H1 2021.

Initiation of Phase 3 program for Lebrikizumab (atopic dermatitis)

Recently, Almirall also initiated the Phase 3 program evaluating the safety and efficacy of Lebrikizumab as a monotherapy in patients ages 12 and older with moderate-to-severe atopic dermatitis. Almirall signed a license agreement with Dermira under which acquired exclusive rights to develop lebrikizumab for the treatment or prevention of dermatology indications and commercialize it in Europe. Almirall anticipates potential peak sales of around €450 MM.

Upgrade FY 2019 Guidance reiterated due to strong performance YTD

Almirall reiterates the upgraded FY 2019 Guidance announced in July 2019 following the strong performance of the business during the first nine months of the year.

Guidance given on a CER basis:

- **Total Revenues** and **Net Sales**: low double-digit growth (vs 2018)
- **EBITDA**: €300-310 MM (versus €290-300 MM given previously)

YTD Investor Calendar 2020

- **FY 2019:** February 24th
- **Q1 2020:** May 11th
- **H1 2020:** July 27th
- **Q3 2020:** November 9th

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 with 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 2018 were 811 million euros. More than 1,800 employees are devoted to Science.

For more information, please visit almirall.com

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