

Almirall H1 2019.

Continued strong business momentum while reinforcing pipeline

- Strong H1 2019 performance with 16% growth in Net Sales to €430.3 MM. Total Revenues €469 MM +16%, and EBITDA €166.2 MM +53%, all vs. previous year (% in CER)¹.
- EU psoriasis franchise continues its expansion with strong performances from both Skilarence[®] and Ilumetri[®] driving net sales growth across Europe.
- Seysara[™] is already the number one branded product in the US oral acne market and starts to take share from broader non-branded market.
- Promising late-stage R&D pipeline reinforced by exercise of option for potential best-in-disease atopic dermatitis therapy, lebrikizumab, in Europe. Phase 3 program expected to be initiated by end of 2019.
- Upgrading EBITDA guidance to €300-310 MM for the full year (from €290-300 MM initially).

Financial highlights (€ rounded million)

	YTD Jun 2019	YTD Jun 2018	Variation	Variation (CER ¹)
Total Revenues	469.0	398.3	17.8%	15.8%
• Net Sales	430.3	367.4	17.1%	15.6%
• Other Income	38.7	30.9	25.2%	19.1%
Gross Profit	308.9	252.6	22.3%	20.3%
• % of sales	71.8%	68.8%		
EBITDA	166.2	105.5	57.5%	53.0%
Net Income	61.9	52.0	19.0%	16.7%
Normalized Net Income	76.0	52.2	45.6%	38.7%

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

“We are seeing continued good momentum with year-on-year CER growth in H1 of around 16% in Net Sales and over 50% in EBITDA.

We are encouraged by the product performances during this first half of the year. Our best-in-class acne product, Seysara™, has become the number one branded product in the US acne market, and continues to gain penetration in the broader oral antibiotic market. Furthermore, the performances of Skilarence® and Ilumetri® continue to drive our psoriasis franchise in Europe. In addition, we have reinforced our pipeline with the recent licensing agreement for lebrikizumab, for atopic dermatitis. This novel late-stage product has the potential to become a best-in-disease therapy in atopic dermatitis and a major revenue generator for the company.

Moreover, the promising evolution of our pipeline confirms the success of our strategy to focus on addressing unmet needs of patients with skin diseases with an increasingly innovation-driven model.

Due to this continued good momentum we feel confident about our evolution in 2019. We are upgrading our EBITDA guidance to €300-310 MM for the full year, from €290-300 MM initially, while we expect to grow in Total Revenues at low double-digit”.

Peter Guenter, CEO

Almirall, S.A. (ALM), a specialty pharmaceutical company based in Barcelona, has announced its first-half year 2019 results.

Results summary

- **Total Revenues** reached €469 MM in H1 2019 (+15.8% in CER), boosted in Q2 by the milestones income from AstraZeneca.
- **Net Sales** of €430.3 MM grew by 15.6% in CER vs. H1 2018, boosted by the performance of growth products, like Seysara™ and new products in the US.
- **Gross Profit** growth of 20.3% in CER (€308.9 MM vs €252.6 MM in H1 2018) reflected a constant currency gross margin over sales increase of 280 bps in CER, driven by new launches and improved product mix.
- **Research & Development** costs were €43.9 MM in H1, representing 10.2% of Net Sales (vs. 9.7% of Net Sales in Q1 2019 and 10.4% in H1 2018) due to Phase IV studies for Skilarence® and Ilumetri®.
- **Selling, General & Administrative** expenses, excluding depreciation, were €145 MM, at similar levels to 2018, despite continued investment in key European and US product launches.
- We have experienced a strong operating leverage at **EBITDA** level, which came in at €166.2 MM (+53.0% growth in CER) at close of H1 2019, mainly driven by Net Sales increase and gross margin improvement.
- **Normalised Net Income** of €76.0 MM experienced strong growth in comparison to H1 2018 (€52.2 MM).
- **Cash Flow from Operating Activities** was €108.0 MM, representing a significant year-on-year increase and a strong pickup versus Q1. **Net Debt** came to a total of €529.2 MM.
- **Shareholders Equity** represented 49% of Total Assets.

Focused launches in Medical Dermatology with incrementally larger product opportunity

Key medical dermatology brands such as Skilarence® and Ilumetri®, both indicated for psoriasis, have driven the strong net sales performance in Europe in the first half of the year.

Rollout of **Ilumetri®** is ongoing, achieving a solid unit sales growth (+63% unit growth) during Q2 2019 in Germany, the UK and some Nordic Countries. Its initial performance suggests a major demand for effective treatments in moderate-to-severe plaque psoriasis in adults and gives us confidence that **Ilumetri®** will be another important growth driver for Almirall. Rollout continues in H2 with The Netherlands, Austria, Spain, Ireland, Poland and additionally Switzerland, following positive recommendations by Swissmedic.

Skilarence® has delivered €16 MM of sales, representing over 102% year-on-year Net Sales growth vs. H1 2018. It is the leading product in the dimethyl fumarate market in Germany, achieving nearly 80% of the market share in units. Our latest launches in the Netherlands (a market with significant previous DMF experience), Spain and Italy are reinforcing the rising sales trend of this systemic product for psoriasis.

Regarding US, we are very pleased with the performance of **Seysara™** which has benefited from both a better safety profile and Almirall's detailed knowledge of the US oral antibiotic market for acne. **Seysara™ is already the number one branded product in the US oral acne market** and we see additional upside by gaining market share in the non-branded segment. KOL's and patients continue to give excellent feedback both on the utility and the effectiveness of having an oral antibiotic approved for a wide age-range of patients.

R&D continues to strengthen the Dermatological late-stage pipeline

In June, Almirall exercised its option to license rights to develop and commercialize lebrikizumab for the treatment of atopic dermatitis and certain other indications in Europe. **Lebrikizumab** could be a best-in-disease therapy for people living with moderate-to-severe atopic dermatitis. **We anticipate potential peak sales of around €450 MM.**

Almirall's decision followed Phase 2b dose-ranging study positive topline results that showed all three doses of lebrikizumab met the primary endpoint, and demonstrated dose-dependent improvements across a range of measures characterizing the signs and symptoms of moderate-to-severe atopic dermatitis, including itch and skin inflammation, compared to placebo. The safety profile observed in the study was consistent with prior studies of lebrikizumab. The Phase 3 clinical development program for lebrikizumab is expected to be initiated by the end of 2019.

Lebrikizumab is a novel, injectable, humanized monoclonal antibody designed to bind interleukin-13 (IL-13) with very high affinity, specifically preventing the formation of the IL-13R α 1/IL-4R α heterodimer complex and subsequent signaling, thereby inhibiting the biological effects of IL-13 in a targeted and efficient fashion. IL-13 is believed to be a central pathogenic mediator that drives multiple aspects of the pathophysiology of atopic dermatitis by promoting type 2 inflammation and mediating its effects on tissue, resulting in skin barrier dysfunction, itch, skin thickening and infection.

This transaction reinforces Almirall's commitment to the dermatology community and supports our vision of offering truly meaningful, new treatment advances to people living with chronic, life-altering skin conditions. Lebrikizumab will reinforce the strong pipeline of Almirall, with 4 promising late-stage products and 14 preclinical programs.

Indication	New Code <small>(old)</small>	Phase I	Phase II	Phase III	Under registration	Geography
Actinic keratosis	ALM14789 (KX2-391)					
Androgenic alopecia	ALM12845 (P3074)					
Onychomycosis	ALM12834 (P3058)					
Atopic dermatitis	Lebrikizumab					

Dividend payment (Scrip)

A dividend payment of €0.203 per share was paid on June 3rd 2019, representing an increase of 7% versus previous year.

Full Year 2019 Guidance upgraded

Guidance given on a CER basis.

Total Revenues	→	<i>low double-digit growth (vs. 2018)</i>
EBITDA	→	<i>Upgraded to €300-310MM (versus €290-300MM given previously)</i>

Investor Calendar 2019

- Q3 2019 Financial Results – 11th November 2019

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 skin health diseases and helping people feel their best. We support healthcare professionals in continuous improvement, bringing our innovative solutions where they are needed.

The company, founded almost 75 years ago and with headquarters in Barcelona, is listed on the Spanish Stock Exchange (ticker: ALM). Almirall has become a key element of value creation to society according to its commitment with its shareholders and its decision to help others by understanding their challenges and using Science to provide solutions for real life. Total revenues in 2018 were 811 million euros. Almirall has more than 1,800 employees.

For more information, please visit almirall.com

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