



FY 2014 Financial Results and Business Update

23rd February 2015

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FY 2014 Highlights

Eduardo Sanchiz
CEO

Strong Performance in FY2014

STRONG FINANCIAL PERFORMANCE

- Like for like performance in line with guidance
- Sustained acceleration of Net Sales during the year (+13.5% FY14 vs FY13) and strong EBITDA growth
- Excellent progression of Gross Margin (70.1% FY14 vs 66.4% FY13)

EXECUTION ON DERMATOLOGY

- Market-leading TRx share for Acticlate® only three months after launch
- Dermatology growth 88.9 %
- Dermatology accounts for 37% of total sales excluding Eklira

BALANCING INVESTMENTS AND OPPORTUNITIES

- R&D expenses 12.8% of sales FY14 vs 18.3% in FY13
- Favorable impact of AZ transaction
- Positive net cash position of 337.9 million euros
- Equity represents 52.7 % of Total Assets

FY 2014 Financial Highlights

Daniel Martinez
CFO

Reported 2014 results vs. 2013

€ Million	YTD Dec 2014	YTD Dec 2013	% var
Total Revenues	1,407.4	825.5	70.5%
Net Sales	786.4	692.9	13.5%
Other Income	621.0	132.6	<i>n.m.</i>
Cost of Goods	(235.4)	(233.1)	1.0%
Gross Profit	551.0	459.8	19.8%
% of sales	70.1%	66.4%	
R&D	(100.6)	(126.7)	(20.6%)
% of sales	(12.8%)	(18.3%)	
SG&A	(459.9)	(448.1)	2.6%
% of sales	(58.5%)	(64.7%)	
Other Op. Exp	(9.9)	(1.9)	<i>n.m.</i>
% of sales	(1.3%)	(0.3%)	
EBIT	601.6	15.7	<i>n.m.</i>
% of sales	76.5%	2.3%	
Depreciation	84.7	69.4	22.0%
% of sales	10.8%	10.0%	
EBITDA	686.3	85.1	<i>n.m.</i>
% of sales	87.3%	12.3%	
Gains on sale of assets	14.1	(5.8)	<i>n.m.</i>
Other costs	(36.8)	(9.4)	<i>n.m.</i>
Restructuring costs	0.0	(80.3)	(100.0%)
Impairment reversals / (losses)	(69.2)	(4.6)	<i>n.m.</i>
Net financial income / (expenses)	(27.8)	(5.3)	<i>n.m.</i>
Profit before tax	481.9	(89.7)	<i>n.m.</i>
Corporate income tax	(33.5)	56.0	(159.8%)
Net income	448.4	(33.7)	<i>n.m.</i>
Normalized Net Income	43.5	31.0	40.3%
Earnings per share (€)	2.59 €	-0.20 €	
Normalized Earnings per share (€)	0.25 €	0.18 €	

- A.** Increase versus last year due to Aqua integration and impact from AZ transaction
- B.** Higher than last year due to Aqua contribution and higher share of proprietary products
- C.** Lower as a percentage of sales versus 2013
- D.** Well below nominal tax rate in Spain

AZ Price Allocation. Impact on the Income Statement

Concept	Announced in \$	Collected in €	PBT Impact in 2014 (€)*	Deferred P&L Impact (€)
Upfront	875,0	641,1	271,5	214,7
Pre-clinical	25,0	19,8	0,7	19,2
	900,0	660,9	272,2	233,9
Milestones & Royalties	-	-	267,3	-
Working Capital Impact	-	43,7	6,7	
TOTAL IMPACT	900,0	704,6	546,1	233,9

* Profit Before Tax

Other income	572,9
Expenses below EBITDA	-26,8
TOTAL IMPACT	546,1

- Deferred income: Classified within non-current liabilities in the balance sheet
- PBT 2014 impact is net amount after deducting associated costs to the AZ transaction (eg. Write off of net book value of assets transferred, among others)

2014 Normalized P&L

€ Million	Almirall normalized	YTD Dec 2013	% var
Total Revenues	834,5	825,5	1,1%
Net Sales	786,4	692,9	13,5%
Other Income	48,1	132,6	(63,7%)
Cost of Goods	(235,4)	(233,1)	1,0%
Gross Profit	551,0	459,8	19,8%
% of sales	70,1%	66,4%	
R&D	(100,6)	(126,7)	(20,6%)
% of sales	(12,8)%	(18,3)%	
SG&A	(459,9)	(448,1)	2,6%
% of sales	(58,5)%	(64,7)%	
Other Op. Exp	(9,9)	(1,9)	<i>n.m.</i>
% of sales	(1,3)%	(0,3)%	
EBIT	28,7	15,7	82,8%
% of sales	3,6%	2,3%	
Depreciation	84,7	69,4	22,0%
% of sales	10,8%	10,0%	
EBITDA	113,4	85,1	33,3%

- A. Performance in line with guidance (10 months of Eklira sales in 2014)
- B. Significant decrease as % of sales, 5.5 points
- C. Significant growth versus 2013 results

Balance Sheet

€ Million	Dec 2014	% of BS	Dec 2013
Goodwill	338.8	13.3%	336.2
Intangible assets	444.4	17.5%	595.1
Property, plant and equipment	132.1	5.2%	161.3
Financial assets	179.2	7.1%	23.3
Other non current assets	338.7	13.3%	322.1
Total Non Current Assets	1,433.2	56.4%	1,438.0
Inventories	81.0	3.2%	97.7
Accounts receivable	207.2	8.2%	99.5
Cash & cash equivalents	754.4	29.7%	89.2
Other current assets	64.6	2.5%	48.3
Total Current Assets	1,107.2	43.6%	334.7
Total Assets	2,540.4		1,772.7
Shareholders Equity	1,339.6	52.7%	888.3
Financial debt	319.9	12.6%	281.4
Non current liabilities	523.5	20.6%	232.4
Current liabilities	357.4	14.1%	370.6
Total Equity and Liabilities	2,540.4		1,772.7

A

A. Decrease mainly due to AZ transaction transfer of assets

B

B. Increase due to AZ transaction potential future milestones and royalties

B

C. Increase due to deferral of up-front payments related to AZ transaction

C

Cash Flow

€ Million	Dec 2014	Dec 2013
	YTD	YTD
Profit Before Tax	481.9	(89.7)
Depreciation and amortisation	84.7	69.4
Change in working capital	56.0	95.4
Restructuring payments	(29.3)	0.0
Other adjustments	131.7	(6.9)
Tax Cash Flow	(78.1)	(1.1)
Cash Flow from Operating Activities (I)	646.9	67.1
Financial Income	0.8	0.5
Investments	(64.2)	(78.2)
Divestments	64.3	2.4
Payments of capex suppliers	(4.6)	0.0
Changes in scope of consolidation	1.7	(231.7)
Other cash flows	0.0	0.0
Cash Flow from Investing Activities (II)	(2.0)	(307.0)
Finance Expense	(14.7)	(5.3)
Dividend distribution	0.0	(0.8)
Capital increase/ (decrease)	0.0	(0.1)
Debt increase/ (decrease)	37.6	281.4
Other cash flows	(2.6)	1.6
Cash Flow from Financing Activities	20.3	276.8
Cash Flow generated during the period	665.2	36.9
Free Cash Flow (III) = (I) + (II)	644.9	(239.9)

- A. Payment of restructuring provision
- B. Other adjustments include upfront collected, but not in P&L, and potential future payments from AZ in P&L but not collected
- C. Net Senior Notes issuance less related amortization of bank bridge loan existing at year end

Dermatology & Other Key Businesses

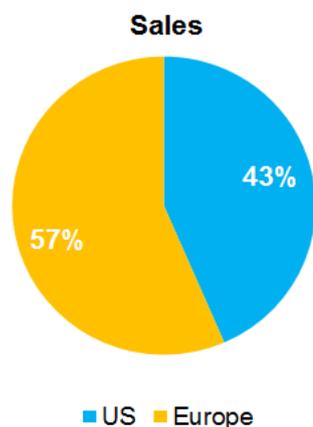
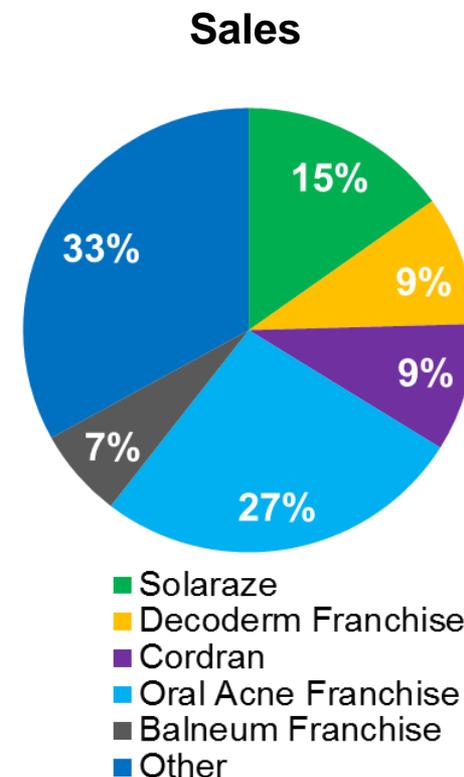
Alfonso Ugarte
Senior Director Global Business Units

Derma FY 2014 Highlights

- ✓ Strong growth in 2014, **+88.9%**
- ✓ Key products growth: Acne Franchise **+29%**, Decoderm® **+12.1%**, Solaraze® **+14.6%**
- ✓ Approval of Acticlate® received on July 25th 2014. Outstanding launch and uptake of Acticlate® 75 mg/150 mg. Market leader in total prescriptions after 3 months
- ✓ Successful launch of Cordran® Ointment 60 gm. In June 2014
- ✓ Monovo® (atopic eczema) was launched in Italy and Poland during 2014 and was previously available in Germany and Switzerland.

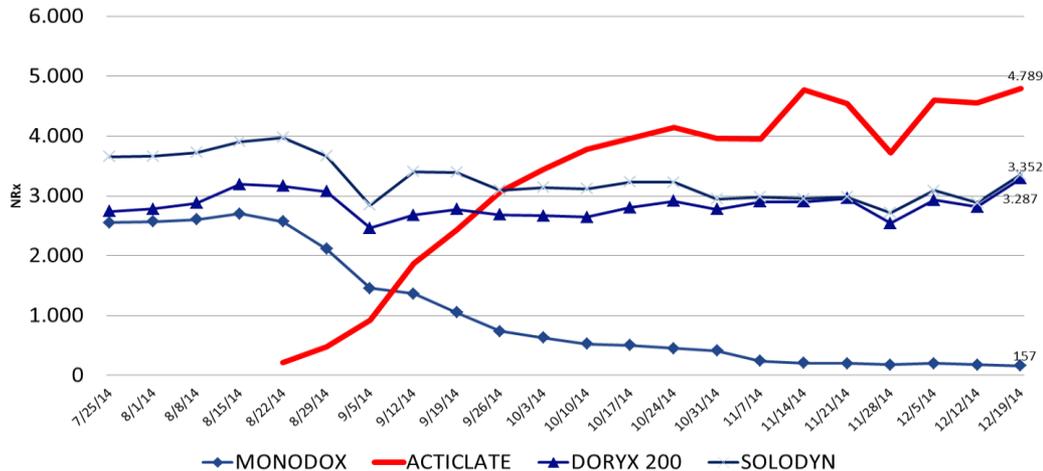
FY 2014 Derma sales performance

	€ million	Net Sales
US		110.7
Oral Acne Franchise (Monodox / Acticlate)		67.7
Cordran		23.7
Other US		19.3
Europe		143.8
Solaraze		38.5
Decoderm Franchise		24.0
Balneum Franchise		16.5
Other Europe		64.8
Total Derma		254.5



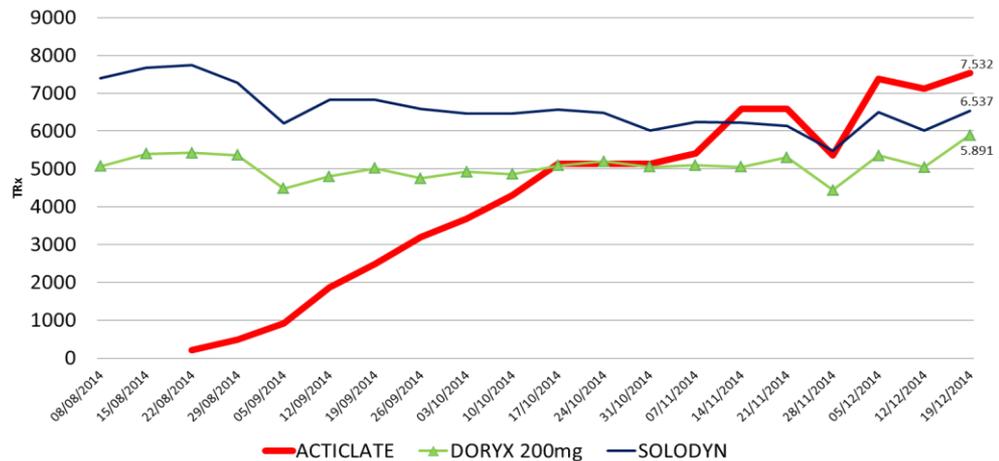
ACTICLATE® Launch performance in the US

NRx Performance - Branded OABs



**THE FASTEST GROWING
ACNE TREATMENT ON THE MARKET**

TRx Performance - Branded OABs



Commercial execution of Constella® (Linaclootide)

Available to Patients		Planned 2015	
 UK	 Sweden		New Launches
 Denmark	 Austria		
 Finland	 Switzerland		
 Norway	 Iceland		
 Mexico	 Spain		
 Germany	 Italy		

- ✓ First in class treatment for moderate to severe IBS-c
- ✓ First IBS-c drug approved by EMA



Pan European commercialization of Sativex®

Available to Patients by Almirall		Planned 2015	
 Spain	 Germany		New Launches
 Denmark	 Norway		
 Austria	 Sweden		
 Poland	 Italy		
 Finland	 Iceland		
 Switzerland			

- ✓ Positive volume trends: **+104%**
- ✓ Pan-European rollout to continue in 2015 for spasticity in MS.



2015 and Beyond

Eduardo Sanchiz
CEO

Strategic evolution / Compelling value for Shareholders

- ✓ The AstraZeneca global respiratory collaboration provides us with the resources and the opportunity to move towards a Specialty Pharma model
- ✓ We will become a top global dermatology player
- ✓ Solid track record in derma license and company acquisitions: Hermal, Aqua Pharmaceutical, Shire's portfolio
- ✓ Primary use of cash will be to acquire growth assets to further support the long-term outlook of the company and to continue investing in R&D
- ✓ Dividend: The Board of Directors will propose a gross dividend of 35 million euros or 0.20 euros per share at the General Shareholders' Meeting

Current and ongoing actions

- ✓ R&D – organized to leverage strong formulation capabilities in the near term and advance high-quality NCEs with key strategic criteria to be met for all future R&D projects
- ✓ Developed pipeline that balance NCEs with repositioning and reformulation ideas
- ✓ Sales & Marketing – we currently have established commercial organizations with direct presence in 13 markets, including the US. We are now redirecting and strengthening focus and resources in dermatology
- ✓ Corporate Development – strengthening the corporate development function and increasing the focus on the US market

The path forward

- ✓ We will be focusing on areas of Dermatology that target the dermatologist – leveraging our existing brands and capabilities in: R&D, manufacturing, commercial and business development
- ✓ We plan to be active in therapeutic, aesthetics and medicalised OTC dermatology, areas that can provide strong organizational synergies (brand, customer, development, costs)
- ✓ We have developed a clear set of priorities within each area of dermatology and will not invest in high-risk profile assets or develop assets to be commercialized by others

2015 Guidance ⁽¹⁾

P&L Item	Guidance
Total Revenue ⁽²⁾	720 - 750 Million Euros
Net Sales	650 - 680 Million Euros
EBIT	≈ 100 Million Euros

(1) In constant exchange rates

(2) Net sales + Other Income

A new journey begins

- ✓ 2014 saw significant growth in Eklira sales, the AB combo was approved in the EU and Derma showed strong performance
- ✓ The AZ transaction enables the transformation of Almirall into a specialty pharma company with a strong financial and cash position to fund new developments
- ✓ We continue to maintain a strong operational focus and expect current business to continue to evolve positively in 2015
- ✓ Appropriate teams with a strong track record of finding the most beneficial opportunities for Almirall and its shareholders are fully focused on BD in 2015
- ✓ Strong ambition to grow in dermatology and other specialty areas

Financial Appendixes

Sales breakdown by Region and Therapeutic Area

By Region

€ million	YTD Dec 2014	YTD Dec 2013	% var vs LY
Spain	236.1	251.8	(6.2%)
Europe (ex. Spain)	271.9	270.1	0.7%
America*	134.7	36.5	269.0%
Others	46.0	50.4	(8.8%)
AB franchise	97.7	84.1	16.20%
Total Net Sales	786.4	692.9	13.5%

By Main Therapeutic Area

€ million	YTD Dec 2014	YTD Dec 2013	% Var YTD
Dermatology	254.5	134.8	88.9%
Respiratory	211.7	211.1	0.3%
Gastrointestinal and Metabolism	130.1	143.8	(9.5%)
CNS	77.9	80.8	(3.6%)
Osteomuscular	44.8	43.5	2.9%
Cardiovascular	35.0	43.2	(18.8%)
Urological	16.9	17.1	(1.1%)
Other therapeutic specialties	15.5	18.6	(16.9%)
Total Net Sales	786.4	692.9	13.5%

* US, Canada, Mexico

Breakdown of the core business

- Proprietary products
- In-licensing products

€ Million		YTD Dec 2014	YTD Dec 2013	% Var YTD
Eklira and other (aclidinium bromide)	●	97.7	84.1	16.2%
Ebastel and other (ebastine)	●	67.8	75.9	(10.7%)
Oral Acne Franchise (Monodox / Acticlate)	●	67.7	-	<i>n.m.</i>
Tesavel & Efficib (sitagliptine)	●	46.3	46.4	(0.3%)
Almogran and other (almotriptan)	●	43.2	52.0	(17.0%)
Solaraze (diclofenac sodium)	●	38.5	33.6	14.6%
Plusvent (salmeterol & fluticasone)	●	38.3	43.7	(12.3%)
Airtal and other (aceclofenac)	●	30.6	29.1	5.2%
Decoderm and others (flupredniden)	●	24.0	21.4	12.1%
Cordran (flurandrenolide)	●	23.7	-	<i>n.m.</i>
Almax (almagate)	●	21.7	20.4	6.2%
Parapres (candesartan cilexetile)	●	17.7	20.9	(15.5%)
Balneum (urea oil)	●	16.5	17.6	(6.3%)
Sativex (delta-9-tetrahydrocannabinol)	●	14.7	7.2	104.0%
Other	● ●	238.1	240.5	(1.0%)
Total Net Sales		786.4	692.9	13.5%

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