



H1 2018 Financial Results & Business Update

30th July 2018



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Agenda

1. H1 2018 Highlights

Peter Guenter, CEO

2. Financial Review

David Nieto, CFO

3. R&D Pipeline Update

Bhushan Hardas, CSO

4. Closing Remarks

Peter Guenter, CEO

Financial Appendices

1 H1 2018 Highlights

H1 2018 Highlights

- 1 ✓ **Strong business momentum**, driven by key brands across Europe
- 2 ✓ **Skilarence[®]** launch continues according to plan in Europe, with recent launch in The Netherlands
- 3 ✓ **Psoriasis franchise expands with CHMP positive opinion received for our first biologic, ILUMETRI[®] (tildrakizumab)**, with approval expected by the beginning of October
- 4 ✓ **Pipeline progressing well** and further R&D newsflow expected in H2 2018
- 5 ✓ **Upgrading Guidance** for 2018 (New EBITDA c.+30% vs. c. +20% given in February 2018)

Update on Priorities & Focus for 2018

Building Psoriasis Franchise:

Continued positive performance of Skilarence® & CHMP positive opinion for **ILUMETRI®** (tildrakizumab) in EU

Strong performance of **key brands (Ciclopoli®, Sativex®, Crestor®)** in Europe

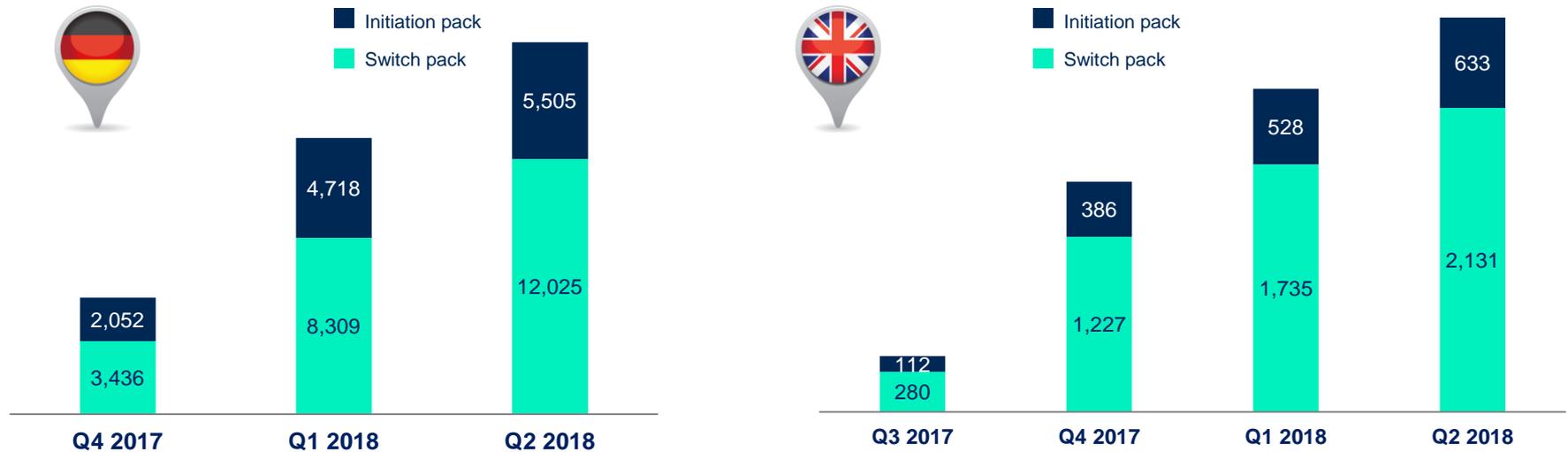


Continuing to execute **M&A**, with primary focus on **medical dermatology**

Good progress of **R&D pipeline; fully focused on dermatology** with positive phase III readings for KX2-391 (actinic keratosis) and P3074 (androgenic alopecia)

Skilarence® Uptake in Germany & UK

Growth in units



- Skilarence® continues to perform well in Germany, achieving **more than 50% of Fumaderm® volumes**
- Growth continues to come from both switched and new patients, achieving **c.70% of new patients in Germany**
- **Launched in The Netherlands**, the next two launches will be in **Spain** and **Italy**

Source: Qlik IMS audited Sales.

2 Financial Review

H1 Upgrading Guidance 2018

Highlights

- **Total Revenues growing at mid single digit 5.1% and 6.5% in CER***.
Strong first half for Skilarence®
Good growth of key brands
- **Strong improvement of Gross Margin at 68.8% due to product mix & performance of key products**
- **SG&A lower than H1 2017, despite investment in new launches**
- **Strong EBITDA growth of 78.2% (CER)**
- **Significant operational cash flow generation during H1 2018**

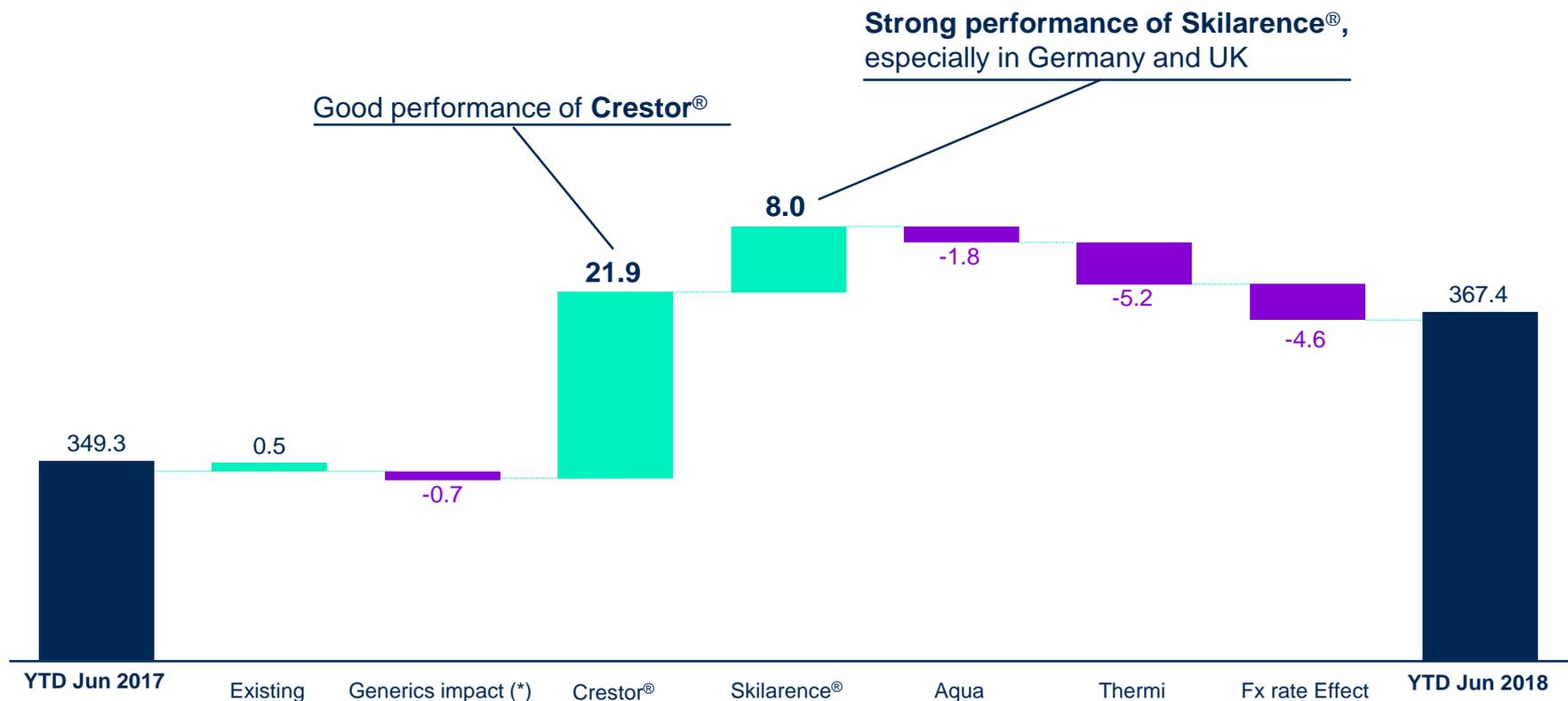
Challenges

- **Decline in sales at ThermiGen**, due to early termination of the Instalift™ agreement and poor performance of capital sales
- **Emerging markets slow down because of demand decrease for Imunorix®**

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

H1 2018 Net Sales Evolution

Growth of key products & new launches



(*) Includes all geographies, except US derma

H1 2018 Profit & Loss Breakdown

€ Million	YTD Jun 2018	YTD Jun 2017	% var LY	% var CER LY
Total Revenues	398.3	378.9	5.1%	6.5%
Net Sales	367.4	349.3	5.2%	6.5%
Other Income	30.9	29.6	4.4%	6.4%
Cost of Goods	(114.8)	(116.3)	(1.3%)	(1.1%)
Gross Profit	252.6	233.0	8.4%	10.3%
<i>% of sales</i>	<i>68.8%</i>	<i>66.7%</i>		
R&D	(38.2)	(48.2)	(20.7%)	(19.3%)
<i>% of sales</i>	<i>(10.4%)</i>	<i>(13.8%)</i>		
SG&A	(176.4)	(206.8)	(14.7%)	(12.0%)
<i>% of sales</i>	<i>(48.0%)</i>	<i>(59.2%)</i>		
SG&A w/o Depreciations	(145.1)	(162.1)	(10.5%)	(7.7%)
<i>% of sales</i>	<i>(39.5%)</i>	<i>(46.4%)</i>		
SG&A Depreciation	(31.3)	(44.7)	(30.0%)	(27.7%)
Other Op. Exp	(3.4)	(2.6)	30.8%	65.4%
EBITDA	105.5	58.6	80.0%	78.2%
<i>% of sales</i>	<i>28.7%</i>	<i>16.8%</i>		

Net Sales increase vs 2017 due to new launches (Skilarence® & Crestor®)

Other Income higher than expected due to increase in probability of potential milestones

Strong gross margin driven by improved product mix

R&D decrease following cancellation of phase III projects

Strong cost control: SG&A below last year despite important investment in key European launches to build PsO franchise

H1 2018 EBITDA to Normalized Net Income

€ Million	YTD Jun 2018	YTD Jun 2017	% var LY	% var CER LY
EBITDA	105.5	58.6	80.0%	78.2%
<i>% of sales</i>	<i>28.7%</i>	<i>16.8%</i>		
Depreciation	(40.0)	(53.6)	(25.4%)	(23.5%)
<i>% of sales</i>	<i>(10.9%)</i>	<i>(15.3%)</i>		
EBIT	65.5	5.0	1210.0%	1168.0%
<i>% of sales</i>	<i>17.8%</i>	<i>1.4%</i>		
Gains on sale of assets	(0.4)	-	n.m.	n.m.
Other costs	(0.2)	(6.2)	(96.8%)	(96.8%)
Impairment reversals / (losses)	-	(79.6)	(100.0%)	(100.0%)
Net financial income / (expenses)	(5.6)	(8.9)	(37.1%)	(37.1%)
Profit before tax	59.3	(89.7)	(166.1%)	(163.8%)
Corporate income tax	(7.3)	16.6	(144.0%)	(143.4%)
Net Income	52.0	(73.1)	n.m.	n.m.
Normalized Net Income	52.2	9.2	467.7%	446.7%

EBITDA increase versus 2017 is mainly driven by Net Sales increase due to new launches and cost reduction with lower R&D costs

Depreciation decline is mainly explained by the impairment of Aqua assets in 2017

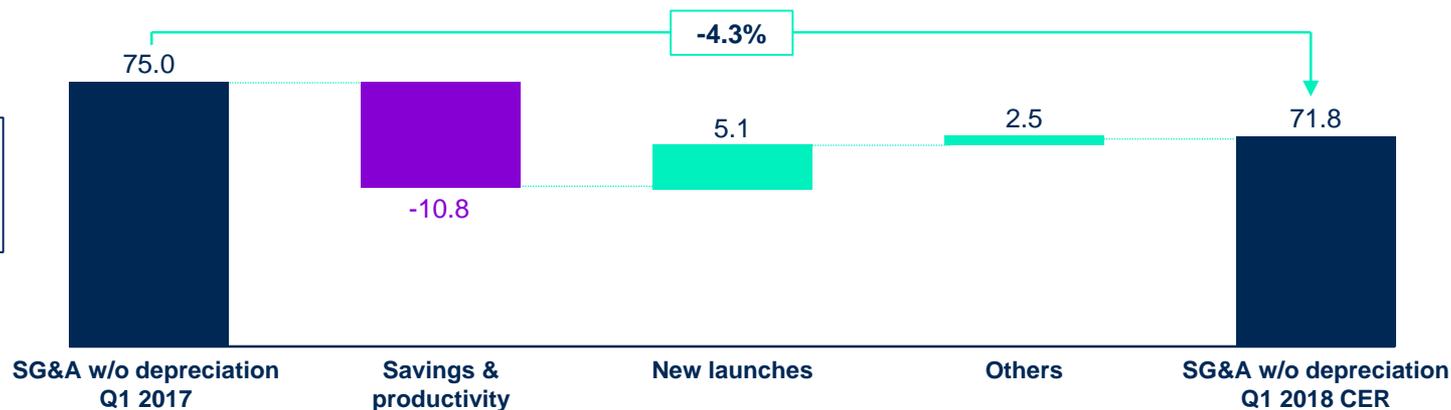
Interest expenses reduction due to changes in financing from Senior Notes (€325 M at 4.6%) to RCF (€250M less than 1%)

Net Income increase based on **strong EBITDA, low financing costs** and **lower tax rate**

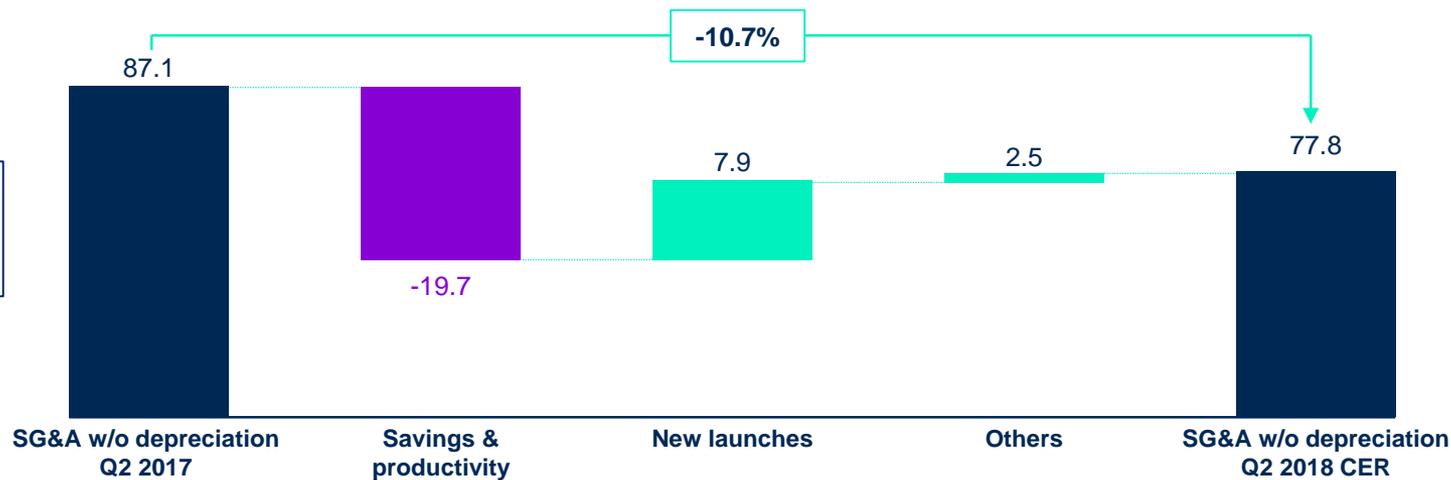
H1 2018 SG&A Evolution

Savings to fuel growth investment

Q1
2018



Q2
2018



H1 2018 Balance Sheet

€ Million	Jun 2018	Dec 2017	Var of BS
Goodwill	343	342	1.3
Intangible assets	733	730	2.5
Property, plant & equipment	122	128	(6.5)
Financial assets	201	192	9.4
Other non current assets	266	269	(3.0)
Total Non Current Assets	1,665	1,661	3.7
Inventories	89	84	5.1
Accounts receivable	93	91	2.4
Cash & cash equivalents	63	280	(217.0)
Other current assets	50	61	(10.7)
Total Current Assets	295	515	(220.2)
Total Assets	1,960	2,177	(216.5)
Shareholders Equity	1,156	1,134	22.1
Financial debt	100	250	(150.0)
Non current liabilities	446	444	1.3
Current liabilities	258	348	(89.9)
Total Equity & Liabilities	1,960	2,177	(216.5)

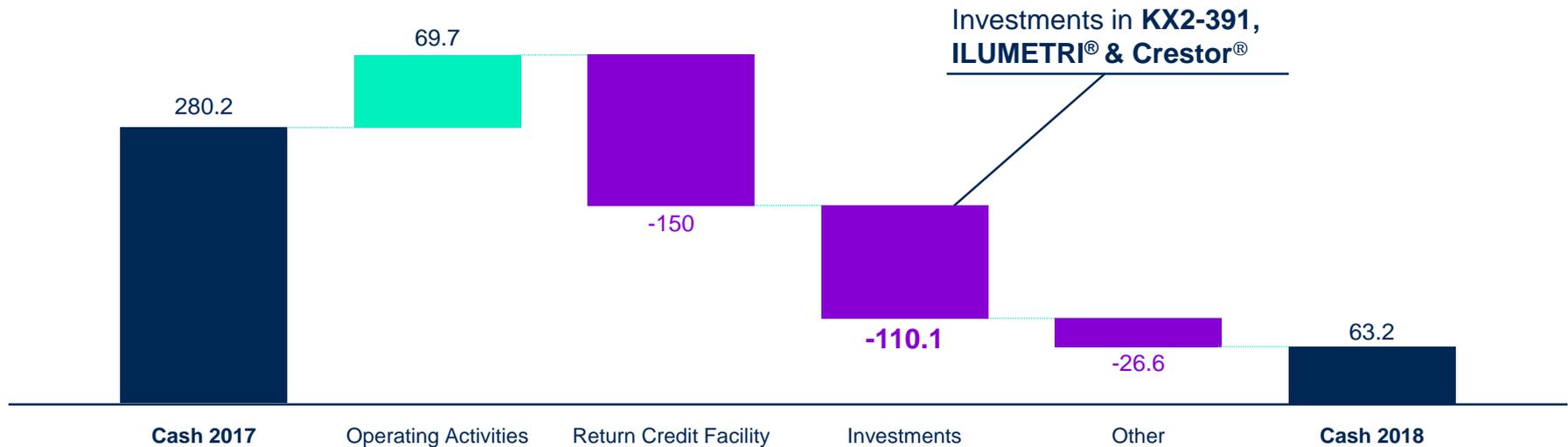
Fluctuation due to return of BBVA credit facility (€ 100M in February and € 50M in June).

Reduction is mainly linked to payments relating to KX2-391, tildrakizumab, Crestor® and the Poli Earnout

NET DEBT POSITION

Cash and cash equivalents:	(63.2)
Financial debt:	100.1
Pension plans:	72.1

H1 2018 Cash Evolution & Equity Swap



- As announced, **up to 5%** of the company to be held as treasury shares
- Execution of the Equity Swap: **0.5% of shares** of Almirall acquired, equivalent to around **948,000 shares** (average price 11.12 euros)

2018 Full Year Guidance Upgraded⁽¹⁾

Total Revenues

Mid single digit growth



EBITDA

c. +30% growth
(previously c. +20%)



Total Revenues are expected to grow at mid-single-digit with:

- Net Sales to grow mid-to-high single digit
- Other Income to decline double-digit

EBITDA leverage driven by core business

(1) In constant exchange rates. Also, see appendix for restated Net Sales and Other Income based on IFRS 15 change Barring unforeseen events

3 R&D Pipeline Update

R&D Update

- **Phase III trials of KX2-391** (*actinic keratosis*)

Readings of top-line results of both phase III trials met their primary endpoint

- **Phase III trial of P3074** (*androgenic alopecia*)

Readings of top-line results of phase III trial of P3074 were positive and showed a statistical significance of the primary endpoint, change of TAHC (target area hair count) at week 24

- **Phase II review of PAT001** (*ichthyosis*)

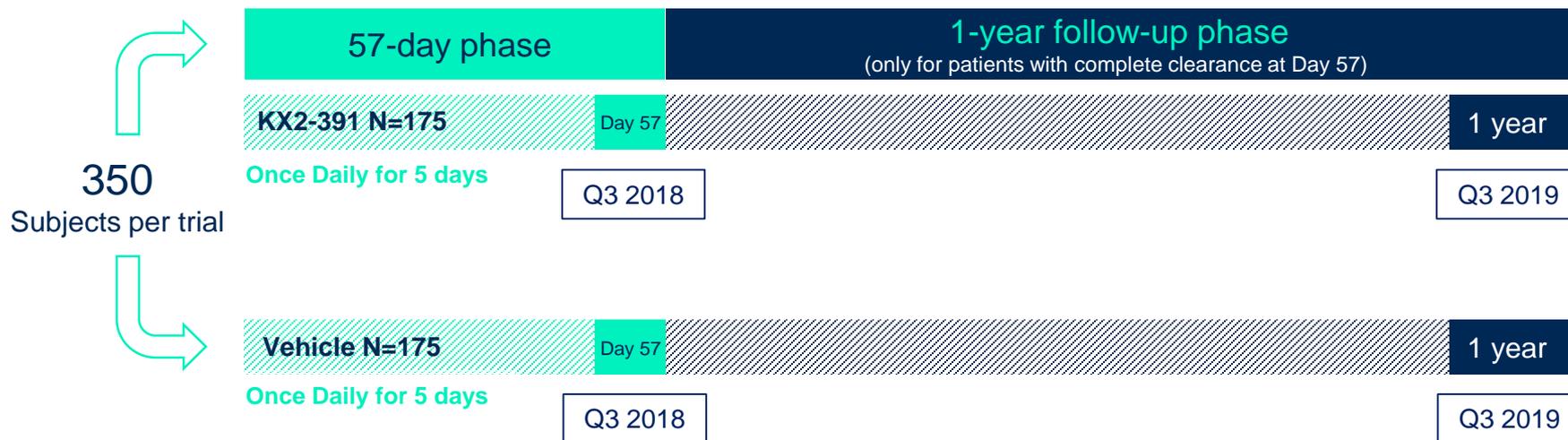
The phase II review of PAT001 did not meet Almirall's internal development criteria and therefore the company has decided not to continue with the license agreement with Patagonia

- **The rest of Almirall's R&D pipeline is progressing well**

- ✓ ILUMETRI®(tildrakizumab) for psoriasis, approval in EU is expected for beginning of October 2018

- ✓ P3058 (onychomycosis) trials continue progressing in Europe and results are expected in Q4 2018

Results of the two pivotal phase III studies in actinic keratosis



Main Entry Criteria:

- Males and females ≥ 18 years old.
- Clinical diagnosis of stable, clinically typical actinic keratosis.
- Treatment area on the face or scalp (2:1) that:
 - ✓ Is a continuous area measuring 25 cm².
 - ✓ Contains 4 to 8 AK lesions.

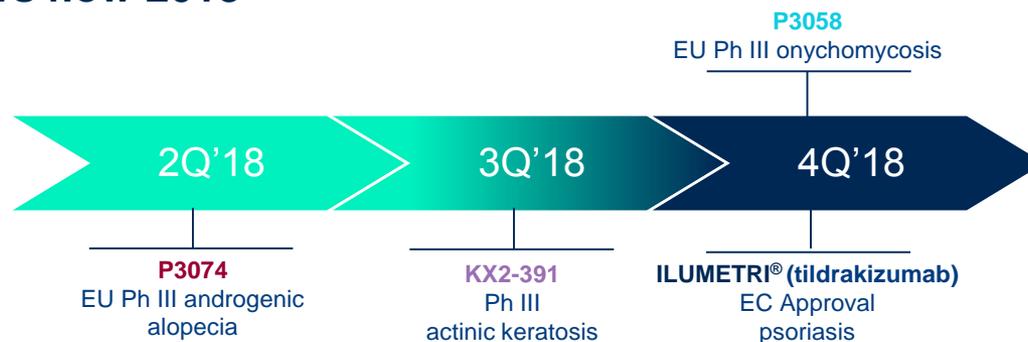
Both studies met their day 57 primary endpoints respectively:

- 5-day treatment with topical KX2-391 ointment 1%
- Each study achieved statistical significance ($p < 0.0001$). Statistical significance ($p < 0.001$) was also achieved for both face and scalp subgroups
- Patients with Recurrences at 1 year will be measured in Q3 2019
- There were no treatment related serious AEs

R&D Pipeline

Program	Indication	Early Development	Phase II	Phase III	Registration	Estimated Peak Sales (€MM)
 ILUMETRI® tildrakizumab	Psoriasis (biologic)					} > 250€ 
 Skilarence®	Psoriasis (oral)					
KX2-391	Actinic keratosis					> 250€  
P3074	Androgenic alopecia					 
P3058	Onychomycosis					
ADP12734	Psoriasis					
ADP12778	Atopic dermatitis					

R&D Pipeline news flow 2018



4 Closing Remarks

Conclusions

- 1 ✓ **Strong business performance in H1** allows us to upgrade EBITDA Guidance for the year
- 2 ✓ Psoriasis franchise growing in importance – **rollout of Skilarence[®] continues and EU approval of ILUMETRI[®] (tildrakizumab) is anticipated for the beginning of October 2018**
- 3 ✓ Maintaining **strong cost focus while also investing in the business**
- 4 ✓ **R&D pipeline progressing well with two phase III positive readouts**
- 5 ✓ **Management remains firmly focused on additional external opportunities** to generate sustainable value for shareholders

Financial Appendices

H1 2018 Cash Flow

€ Million	Jun 2018 YTD	Jun 2017 YTD
Profit Before Tax	59.3	(89.7)
Depreciation & amortisation	40.0	53.6
Impairment losses	-	82.3
Change in working capital	4.5	(60.7)
Restructuring payments	-	5.4
Other adjustments	(39.0)	(38.7)
CIT Cash Flow	4.9	(9.0)
Cash Flow from Operating Activities (I)	69.7	(56.8)
Interest Collections	0.1	0.2
Ordinary Capex	(5.9)	(9.8)
Investments	(92.6)	(36.0)
Divestments	2.1	(0.2)
Business combination payments	(17.5)	(7.5)
Cash Flow from Investing Activities (II)	(113.8)	(53.3)
Interest Payment	(0.3)	(15.5)
Dividend Payment	(22.7)	(33.0)
Debt increase / (decrease)	(150.0)	(171.5)
Cash Flow from Financing Activities	(173.0)	(220.0)
Cash Flow generated during the period	(217.1)	(330.1)
Free Cash Flow (III)=(I)+(II)	(44.1)	(110.1)

Q2 2018 Restated under new IFRS 15

€ Million	Q2 2018	Q2 2017 Restated IFRS 15	% var LY
Total Revenues	196.3	168.2	16.7%
Net Sales	178.1	159.9	11.4%
Other Income	18.2	8.3	119%
Cost of Goods	(56.2)	(55)	2.2%
Gross Profit	121.9	104.9	16.3%
<i>% of sales</i>	<i>68.4%</i>	<i>65.6%</i>	
R&D	(19.6)	(24.0)	(18.3%)
<i>% of sales</i>	<i>(11%)</i>	<i>(15%)</i>	
SG&A	(91.5)	(109.6)	(16.5%)
<i>% of sales</i>	<i>(51.4%)</i>	<i>(68.6%)</i>	
SG&A w/o Depreciations	(75.8)	(87.1)	(13.0%)
<i>% of sales</i>	<i>(42.6%)</i>	<i>(54.5%)</i>	
SG&A Depreciation	(15.7)	(22.5)	(30.2%)
Other Op. Exp	(1.5)	(2.9)	(48.3%)
EBITDA	47.5	3.6	1219.4%

YTD 2018 Restated under new IFRS 15

€ Million	YTD Jun 2018	Restated IFRS 15 Jun 2017	% var LY	YTD Jun 2017	% var LY
Total Revenues	398.3	378.9	5.1%	378.9	5.1%
Net Sales	367.4	349.3	5.2%	328.5	11.8%
Net Sales	367.4	328.5	11.8%	328.5	11.8%
Other Income Reclas	-	20.8	(100.0%)	-	n.m.
Other Income	30.9	29.6	4.4%	50.4	(38.7%)
Other Income	30.9	50.4	(38.7%)	50.4	(38.7%)
Other Income Reclas	-	(20.8)	(100.0%)	-	n.m.
Cost of Goods	(114.8)	(116.3)	(1.3%)	(116.3)	(1.3%)
Gross Profit	252.6	233.0	8.4%	212.2	19.0%
<i>% of sales</i>	68.8%	66.7%		64.6%	
R&D	(38.2)	(48.2)	(20.7%)	(48.2)	(20.7%)
<i>% of sales</i>	(10.4%)	(13.8%)		(14.7%)	
SG&A	(176.4)	(206.8)	(14.7%)	(206.8)	(14.7%)
<i>% of sales</i>	(48.0%)	(59.2%)		(63.0%)	
SG&A w/o Depreciations	(145.1)	(162.1)	(10.5%)	(162.1)	(10.5%)
<i>% of sales</i>	(39.5%)	(46.4%)		(49.3%)	
Depreciation	(31.3)	(44.7)	(30.0%)	(44.7)	(30.0%)
Other Op. Exp	(3.4)	(2.6)	30.8%	(2.6)	30.8%
EBITDA	105.5	58.6	80.0%	58.6	80.0%

H1 2018 Income Statement CER

€ Million	YTD Jun 2018 CER	YTD Jun 2018	Var.	YTD Jun 2017	% var CER	% var Actual
Total Revenues	403.5	398.3	5.2	378.9	6.5%	5.1%
Net Sales	372.0	367.4	4.6	349.3	6.5%	5.2%
Other Income	31.5	30.9	0.6	29.6	6.4%	4.4%
Cost of Goods	(115.0)	(114.8)	(0.2)	(116.3)	(1.1%)	(1.3%)
Gross Profit	257.0	252.6	4.4	233.0	10.3%	8.4%
<i>% of sales</i>	69.1%	68.8%		66.7%		
R&D	(38.9)	(38.2)	(0.7)	(48.2)	(19.3%)	(20.7%)
<i>% of sales</i>	(10.5%)	(10.4%)		(13.8%)		
SG&A	(181.9)	(176.4)	(5.5)	(206.8)	(12.0%)	(14.7%)
<i>% of sales</i>	(48.9%)	(48.0%)		(59.2%)		
SG&A w/o Depreciations	(149.6)	(145.1)	(4.5)	(162.1)	(7.7%)	(10.5%)
<i>% of sales</i>	(40.2%)	(39.5%)		(46.4%)		
SG&A Depreciation	(32.3)	(31.3)	(1.0)	(44.7)	(27.7%)	(30.0%)
Other Op. Exp	(4.3)	(3.4)	(0.9)	(2.6)	65.4%	30.8%
EBIT	63.4	65.5	(2.1)	5.0	1168.0%	1210.0%
<i>% of sales</i>	17.0%	17.8%		1.4%		
Depreciaton	41.0	40.0	1.0	53.6	(23.5%)	(25.4%)
<i>% of sales</i>	11.0%	10.9%		15.3%		
EBITDA	104.4	105.5	(1.1)	58.6	78.2%	80.0%
<i>% of sales</i>	28.1%	28.7%		16.8%		
Gains on sale of assets	(0.4)	(0.4)	-	-	n.m.	n.m.
Other costs	(0.2)	(0.2)	-	(6.2)	(96.8%)	(96.8%)
Impairment reversals / (losses)	-	-	-	(79.6)	(100.0%)	(100.0%)
Net financial income / (expenses)	(5.6)	(5.6)	-	(8.9)	(37.1%)	(37.1%)
Profit before tax	57.3	59.3	(2.0)	(89.7)	(163.8%)	(166.1%)
Corporate income tax	(7.2)	(7.3)	0.1	16.6	(143.4%)	(144.0%)
Net income	50.1	52.0	(1.9)	(73.1)	n.m.	n.m.
Normalized Net Income	50.3	52.2	(1.9)	9.2	446.5%	467.7%

EURO	CER 2018	Jun 2018
USD	1,07	1,21
CHF	1,08	1,17
GBP	0,86	0,88
PLN	4,27	4,22
DKK	7,44	7,45

H1 2018 Dermatology sales breakdown

€ Million	YTD Jun 2018	YTD Jun 2017	% var vs LY
Europe	94.8	91.8	3.3%
Ciclopoli	22.5	21.4	4.8%
Solaraze	16.2	17.4	(6.9%)
Skilarence	8.0	0.0	<i>n.m.</i>
Decoderm and others	12.9	12.4	3.8%
Others	35.2	40.5	(13.0%)
US	19.2	23.2	(17.3%)
ROW	4.3	5.3	(18.2%)
Total Derma Rx	118.3	120.2	(1.6%)
ThermiGen	8.6	15.0	(42.7%)
Total Almirall Derma	126.9	135.2	(6.2%)

H1 2018 Net Sales by Geography

€ Million	YTD Jun 2018	YTD Jun 2017	% var vs LY
Europe	281.1	252.0	11.5%
US	27.3	38.1	(28.3%)
Emerging markets	59.0	59.2	(0.2%)
Total	367.4	349.3	5.2%

H1 2018 Leading Product Sales

€ Million	YTD Jun 2018	YTD Jun 2017	% var vs LY
Ebastel and others	36	36	1.1%
Efficib/Tesavel	25	23	5.5%
Ciclopoli	24	24	1.2%
Crestor	22	0	<i>n.m.</i>
Solaraze	16	18	(6.7%)
Almax	14	12	17.2%
Sativex	13	12	15.7%
Decoderm and others	13	13	4.3%
Airtal and others	13	11	17.6%
Imunorix	11	12	(8.6%)
Skilarence	8	0	<i>n.m.</i>
Rest of Products	172	189	(9.4%)
Net Sales	367	349	5.2%

Reconciliations with audited financial statements

Gross Margin & EBITDA

€ Million	YTD Jun 2018	YTD Jun 2017
Revenues (*)	367.4	328.5
IFRS 15 impact	-	20.8
- Procurements	(82.6)	(87.9)
- Other manufacturing costs (**)		
Staff costs	(14.7)	(14.2)
Amortisation	(5.0)	(4.8)
Other operating costs	(8.4)	(9.4)
- Provisions variation (**)	(4.1)	-
Gross Profit	252.6	233.0
As % of Revenues	68.8%	66.7%

(*) As per annual account terminology (**) Data included in the corresponding caption of the profit and loss account

€ Million	YTD Jun 2018	YTD Jun 2017
Profit (Loss) from operations	65.0	(76.1)
- Directly traceable with annual accounts		
Amortisation	40.0	53.6
Net gain (loss) on asset disposals	0.4	-
Loss (Gain) on recognition (reversal) of impairment of property, plant & equipment, intangible assets & goodwill	-	75.0
- Non directly traceable with annual accounts		
Other gain / (loss) from operations (***)	0.1	6.1
EBITDA	105.5	58.6

(***) Included in the caption with the same name of the income statement

Reconciliations with audited financial statements EBIT & Net Financial income/ (expenses)

€ Million	YTD Jun 2018	YTD Jun 2017
EBITDA	105.5	58.6
- Amortisation	(40.0)	(53.6)
EBIT	65.5	5.0

€ Million	YTD Jun 2018	YTD Jun 2017
Financial income	0.4	0.2
Finance costs	(2.0)	(20.5)
Change to fair value in financial instruments	0.3	(1.9)
Exchange rate differences	(4.3)	13.3
Net Financial income / (expenses)	(5.6)	(8.9)



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