



Q1 2020 Financial Results & Business Update

11th May 2020



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Agenda

1. Q1 2020 Highlights & Growth Drivers

Peter Guenter, CEO

2. Financial Review

Mike McClellan, CFO

3. Closing Remarks

Peter Guenter, CEO

Q1 2020 Highlights

Almirall responds to Covid-19

1

100% of manufacturing sites operating at full capacity:

- Maintaining production and supply to avoid shortages
- Increased production for specific medicines such as paracetamol

2

Business continuity secured while keeping employees safe:

- Continuous access to medicines essential to patients' needs
- Employees working every day in all factories, others remote and continue to deliver on objectives
- Sales force digital activity ramping up

3

Taking on our social responsibility to support healthcare workers, local communities and Governments:

- In **Spain** we are donating protective clinical equipment (masks, gloves, coats, etc.)
- Collaborating with the Leitat Foundation for the production of 3D printed respirators
- In **Germany** we have produced sanitizing gel and distributed in hospitals and clinics
- Providing Blastoactiva and Balneum topical creams to hospitals to help professionals reduce dry and damaged skin caused by masks, repeated handwashing and the use of sanitizers in **several countries**

Initial market impact of Covid-19

1 Stocking in EU

- Across both Retail Prescription (Rx¹) and Consumer Health (CH) markets, the EU5 show consistently that wholesalers and customers have been stockpiling in preparation for lockdown, with peak sales growth occurring in the week prior to or the week of lockdown in each country
- Destocking has now been normalized during the month of April

Country ²	YTD growth vs. 2019		Latest week growth vs. 2019	
	Rx	CH	Rx	CH
Italy	-2.9%	2.5%	-26.8%	-14.0%
Germany	0.1%	1.1%	7.4%	-4.0%
Spain	2.4%	5.4%	20.4%	15.2%
France	-5.8%	8.0%	-30.8%	5.5%
UK	0.0%	7.0%	0.3%	13.1%

2 New prescriptions c. -45% vs pre-Covid baseline in the US

- As in Europe, stockpiling is evident in the US TRx³ data, but prescription trends are now starting to normalize with TRx stable vs. last week at around 70M (significantly lower than the weekly average of 79M, c. -12%)
- Compared to the pre-Covid baseline, the number of weekly diagnosis visits in both institutions and offices has declined between -60 to -70%
- Oral antibiotic prescriptions have decreased sharply over the last month, c. -30%⁴

¹ Retail pharmacy sales – captures sales of products at retail pharmacies.

² Weekly sell out data – Spain, Italy, UK (Rx) – W/S 13th Apr 2020, France, Germany – 20th Apr 2020. UK growth calculated over baseline of Rx Jan 2020.

³ TRx – Total prescriptions.

⁴ Source: IQVIA COVID-19 Market Tracking report US Source: IQVIA COVID-19 Market Tracking report for EU5 05/05/2020; US 01/05/2020 & 27/04/2020.

Q1 2020 Highlights

Solid Q1 2020 performance

1

Good business performance with double-digit growth in EBITDA: Total Revenues €247.3 MM +7%, Net Sales €241.3 MM +8% and EBITDA €88.3 MM +10%. Temporary positives outweigh Aczone™ genericization

2

Growth Drivers continue to show positive momentum:

- In Europe, good performance from our psoriasis franchise, **Ilumetri**® had a very solid start to the year in key geographies. **Skilarence**® performance impacted by compounding in The Netherlands
- TRx of **Seysara**™ (acne) stabilized after new Patient Assistant Program (PAP) implemented, but recently affected by Covid-19 measures

3

Innovative pipeline with significant mid-term value to be unlocked:

- **Tirbanibulin** (actinic keratosis) filing completed in EU and US with launch expected in early 2021
- **Lebrikizumab** (atopic dermatitis) 2023 estimated launch on track

4

Management remains firmly focused on additional external opportunities to generate sustainable value for shareholders

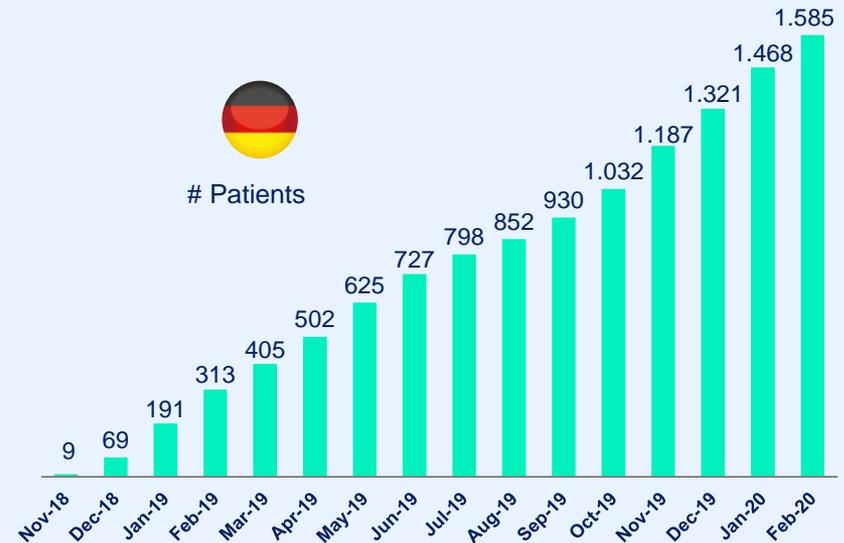
Growth Drivers

Accelerating number of new patients month after month

Adding new patients at a fast pace

- Adding number of new patients at a fast pace, pre Covid-19 impact¹
- Anticipate slow down of new patient starts due to Covid-19
- Targeting IL-23 does not appear to increase the risk for viral, bacterial or fungal infections^{2,3}
- Ilumetri® has sustained efficacy overtime⁴, only one injection per quarter in maintenance mode⁵ and the longest safety data among the IL23p19's^{6,7}
- Ilumetri® is the most cost-effective option of the new biologics⁸

Ilumetri® cumulative number of patients by month in Germany since launch¹



1. © IQVIA IMS® LRx Germany, February 2020. No personal data but exclusively anonymous information used (according to European data protection laws).

2. Schett, G., Sticherling, M. & Neurath, M.F. COVID-19: risk for cytokine targeting in chronic inflammatory diseases?. Nat Rev Immunol (2020). <https://doi.org/10.1038/s41577-020-0312-7>.

3. Crowley JJ, Warren RB, Cather JC. Safety of selective IL-23p19 inhibitors for the treatment of psoriasis. J Eur Acad Dermatol Venereol. 2019;33(9):1676-84.

4. Reich K, Warren RB, Iversen L, et al. Long-term efficacy and safety of tildrakizumab for moderate-to-severe psoriasis: pooled analyses of two randomized phase III clinical trials (reSURFACE 1 and reSURFACE 2) through 148 weeks. Br J Dermatol. 2019.

5. ILUMETRI® Summary of Product Characteristics. Almirall, July 2019.

6. Crowley J, Korman N, Spelman L, et al. Efficacy and Safety of Long-Term Tildrakizumab for Plaque Psoriasis: 4-Year Results from reSURFACE 1. Presented at 28th European Academy of Dermatology and Venerology (EADV) Congress; October 9–13; Madrid, Spain. 2019.

7. Cather JC, Nardone B, Parno J, et al. Rates of malignancies through 5 years of tildrakizumab exposure in reSURFACE 1 and reSURFACE 2. Presented at 28th European Academy of Dermatology and Venerology (EADV) 9-13 October 2019; Madrid, Spain.

8. Source: Technology appraisal guidance [TA575] Published date: 17 April 2019.



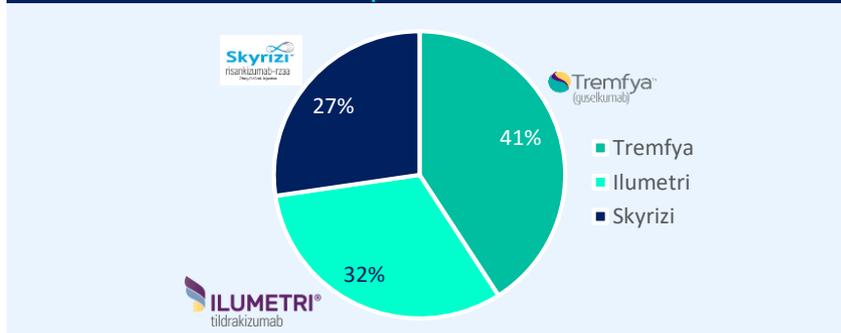
Growing market share in the winning IL-23 class within biologics

Product profile and positioning attributes remain well perceived

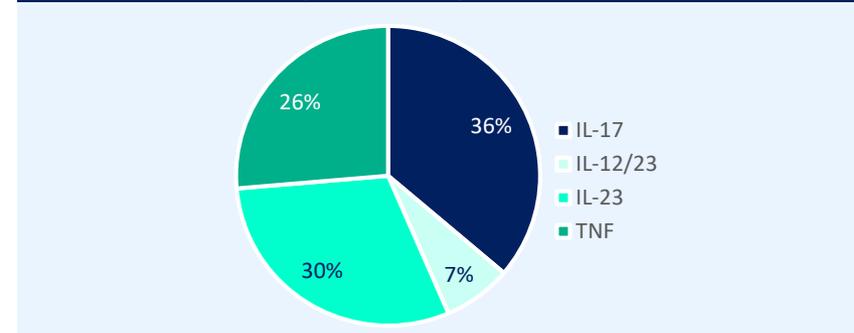
Positive momentum building in Germany, promising start to the year

- Ilumetri increases market share in new patients to 32%* gaining strong traction within the IL-23 class
- IL-23 class continues to grow capturing 30% of all new patients** emerging as the winning class in psoriasis
- Patient numbers have accelerated in recent months, having already achieved good patient penetration in 2019 in the dynamic segment of biologics market**

IL 23 market share new patients**



Market share new patients** by class



* IQVIA-LRx Data; February 2020.

** New patients (add on, win, begin); switches TNF Biosimilars to Original (or other way around) are not considered.

Q1 impacted by compounding in The Netherlands

- **High market share achieved** in The Netherlands, but compounding of DMF has stalled our growth
- **Legal proceedings underway in The Netherlands to tackle the issue of DMF compounding**
- **High market share achieved** in Germany, market leaders in Fumarates
- **As previously guided, expect a more gradual increase** moving forward as DMF-naive countries require more time and education to achieve market penetration
- **Expect adverse impact in Q2 due to Covid-19 because of blood monitoring requirements**

Net Sales € MM



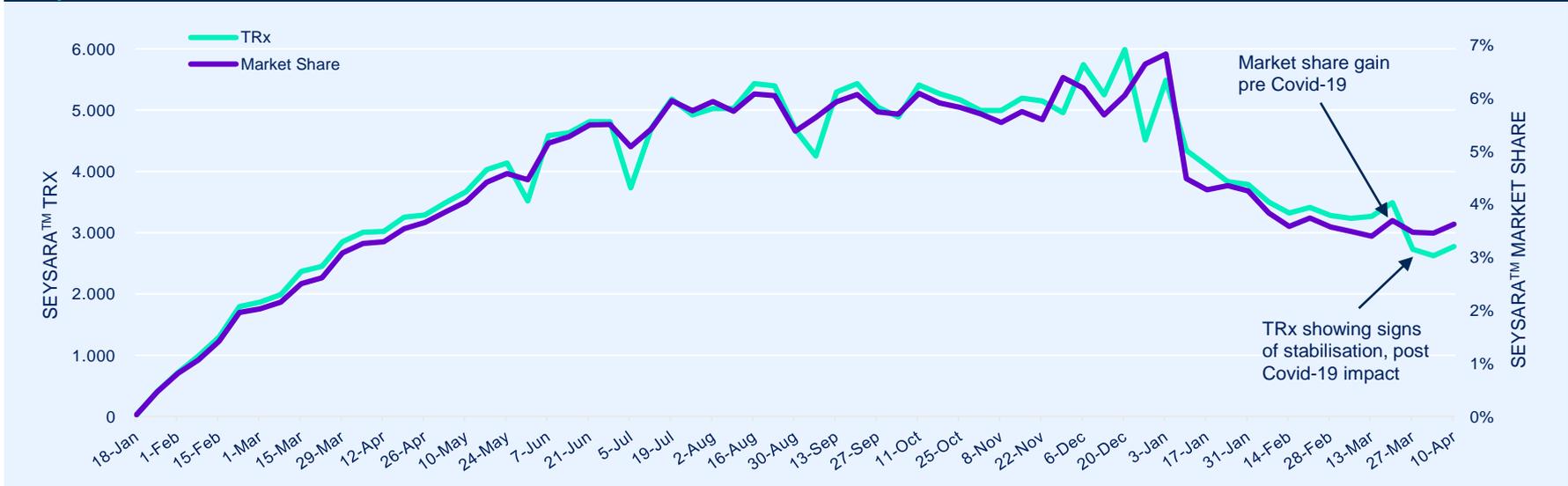


TRx stabilized following revised co-pay card program changes (pre-Covid)



- TRx stabilized and started to see a revival of market share, pre-Covid-19
- Overall US OAB market has declined during Covid-19, but **Seysara™ maintains market share**
- **Expect to regain market share from the new bottom** once the Covid-19 crisis starts to normalise

Seysara™ TRx versus Market Share of OAB Market



Financial Review

Q1 2020 Results: Good start to the year

Highlights

- **Total Revenues and Net Sales growing at +7% and +8% respectively**, driven by Growth Drivers, Wholesaler stocking and a positive impact in Deferred Income, more than offsetting Aczone™ genericization
- **Positive effect on Sales from Wholesaler Stocking**, seen in March particularly in Europe, ahead of lockdown measures related to Covid-19
- **Gross Margin c. 71%** (-240 bps vs. 2019) as expected relating to the genericization of Aczone™
- **SG&A excluding depreciation was flat at €71 MM** as increased new product investments were offset by lower promotion activity in late March due to Covid-19 situation
- **Strong operating leverage with EBITDA at €88.3 MM**, growing by +10% (vs. 2019), despite important investment in commercial operations to support our launches
- **Strong Operating Cash Flow reached €48.5 MM** (+70% vs. 2019)

Q1 2020 Profit & Loss Breakdown

Operating leverage driven by Growth Drivers in Europe

€ Million	YTD March 2020	YTD March 2019	% var LY	% var CER LY
Total Revenues	247.3	232.2	6.5%	6.1%
Net Sales	241.3	224.4	7.5%	7.0%
Other Income	6.0	7.8	(23.1%)	(21.8%)
Cost of Goods	(70.5)	(60.2)	17.1%	17.1%
Gross Profit	170.8	164.2	4.0%	3.3%
<i>% of sales</i>	<i>70.8%</i>	<i>73.2%</i>		
R&D	(21.3)	(21.7)	(1.8%)	(3.2%)
<i>% of sales</i>	<i>(8.8%)</i>	<i>(9.7%)</i>		
SG&A	(98.2)	(99.6)	(1.4%)	(2.1%)
<i>% of sales</i>	<i>(40.7%)</i>	<i>(44.4%)</i>		
SG&A w/o Depreciation & Amortization	(71.3)	(71.0)	0.4%	(0.1%)
<i>% of sales</i>	<i>(29.5%)</i>	<i>(31.6%)</i>		
Depreciation & Amortization	(26.9)	(28.6)	(5.9%)	(7.0%)
Other Op. Exp	0.2	(3.1)	(106.5%)	(106.5%)
EBITDA	88.3	80.2	10.1%	9.7%
<i>% of sales</i>	<i>36.6%</i>	<i>35.7%</i>		

Net Sales boosted by performance of growth products in Europe, Wholesaler Stocking and positive impact in Deferred Income offset by Aczone™ generization

Gross margin decrease driven by the generization of Aczone™

R&D spend flat due to lower Phase IV studies, impacted by Covid-19

Increase EBITDA mainly driven by increase in Net Sales and lower spend on sales & marketing due to Covid-19

Q1 2020 EBITDA to Normalized Net Income

Strong increase of Normalized EPS to €0.28 (+47% versus 2019)

€ Million	YTD March 2020	YTD March 2019	% var LY	% var CER LY
EBITDA	88.3	80.2	10.1%	9.7%
<i>% of sales</i>	36.6%	35.7%		
Depreciation & Amortization	30.8	32.6	(5.5%)	(6.4%)
<i>% of sales</i>	12.8%	14.5%		
EBIT	57.5	47.6	20.8%	20.8%
<i>% of sales</i>	23.8%	21.2%		
Gains on sale of assets	-	0.7	n.m.	n.m.
Other costs	(0.4)	0.1	n.m.	n.m.
Net financial income / (expenses)	0.2	(6.0)	(103.3%)	(103.3%)
Profit before tax	57.3	42.4	35.1%	34.9%
Corporate income tax	(8.7)	(9.3)	(6.5%)	(3.2%)
Discontinued Operations (Thermi)	-	(3.2)	n.m.	n.m.
Net Income	48.6	29.9	62.5%	61.2%
Normalized Net Income	48.9	32.6	50.1%	48.9%
EPS	0.28€	0.17€		
EPS normalized	0.28€	0.19€		

Margin increase driven by improved product mix and limited expense increase

Normalized EPS up +47% to €0.28

Q1 2020 Balance Sheet

€ Million	March 2020	December 2019	Var of BS	
Goodwill	316.0	316.0	-	
Intangible assets	1,163.7	1,157.2	6.5	
Property, plant and equipment	115.2	117.4	(2.2)	
Financial assets	101.4	103.2	(1.8)	Includes the fair value of milestones and royalties to be collected from AstraZeneca, consistent with the previous year
Other non current assets	263.7	269.3	(5.6)	
Total Non Current Assets	1,960.0	1,963.1	(3.1)	
Inventories	114.9	106.4	8.5	
Accounts receivable	154.4	203.1	(48.7)	Decrease driven by collections from AstraZeneca
Cash & cash equivalents	91.9	117.4	(25.5)	
Other current assets	60.5	49.8	10.7	
Total Current Assets	421.7	476.7	(55.0)	
Total Assets	2,381.7	2,439.8	(58.1)	
Shareholders Equity	1,343.8	1,280.2	63.6	
Financial debt	477.6	493.0	(15.4)	Debt decrease mainly due to the repayment of the Almirall US Revolving Credit Facility
Non current liabilities	304.1	350.5	(46.4)	
Current liabilities	256.2	316.1	(59.9)	
Total Equity and Liabilities	2,381.7	2,439.8	(58.1)	

Net Debt Position	March 2020	December 2019	Var.	
Cash and cash equivalents:	(91.9)	(117.4)	25.5	Good liquidity and leverage at 1.5x Net Debt/EBITDA* with no immediate debt repayments (Convertible Bond end of 2021)
Financial debt:	477.6	493.0	(15.4)	
Pension plans:	79.3	79.4	(0.1)	
Net Debt / (Cash)	465.0	455.0	10.0	

* EBITDA 12-month trailing until March 2020 (3 months of 2020 & 9 months of 2019).

Q1 2020 Cash Flow

Strong Operating Cash Flow generation

€ Million	YTD March 2020	YTD March 2019
Profit Before Tax	57.3	39.2
Depreciation and amortization	30.8	32.6
Change in working capital	(33.5)	(33.5)
Other adjustments	(3.4)	(6.3)
CIT Cash Flow	(2.7)	(3.5)
Cash Flow from Operating Activities (I)	48.5	28.5
Ordinary Capex	(6.4)	(3.6)
Investments	(48.9)	(34.3)
Divestments	-	1.2
Cash Flow from Investing Activities (II)	(55.3)	(36.7)
Interest Payment	(0.8)	(1.0)
Debt increase/ (decrease) and Others	(17.9)	(33.4)
Cash Flow from Financing Activities	(18.7)	(34.4)
Cash Flow generated during the period	(25.5)	(42.6)
Free Cash Flow (III) = (I) + (II)	(6.8)	(8.2)

Strong Operating Cash-Flow, in line with EBITDA growth

Milestone payment of Lebrizumab and Crestor

Debt decrease related to the repayment of the Almirall US Revolving Credit Facility

Closing Remarks

Conclusions

1 Strong start to the year

2 Positive momentum from our European Growth Drivers

3 Significant mid-term value potential from our innovative pipeline to be unlocked

4 Expect Covid-19 impact in Q2 especially in US

5 Guidance maintained, Net Sales low to mid single-digit growth, EBITDA between €260 - €280 MM, subject to a progressive normalisation of Healthcare Systems by the end of Q2

6 Management remains firmly focused on additional external opportunities to generate **sustainable value for shareholders** and further boost growth prospects

Appendices

Late stage pipeline Significant mid-term value

Focus on Innovation and Science to unlock mid-term potential

Indication	Commercial name	Expected Launch	Phase I	Phase II	Phase III	Under registration	Geography
Actinic keratosis	Tirbanibulin	US Q1 2021 Europe Q2 2021					
Atopic dermatitis	Lebrikizumab	2023					
Acne	Sarecycline	Submission 2023					
Cutaneous T-cell Lymphoma (CTCL)	BNZ01*	2023					
LEGACY PIPELINE							
Androgenic alopecia	Finasteride						
Onychomycosis	Terbinafine						

Expected Peak Sales of late stage pipeline & recent launches > €1Bn**

Minimal Covid-19 impact expected to the late stage pipeline

- **Tirbanibulin** in registration with US and European regulatory agencies (FDA & EMA) which continue with regulatory reviews and we therefore do not anticipate any delays to launch
- **Lebrikizumab** phase 3 continues although new patient enrolment has been temporarily paused by our partner Eli Lilly

* Subject to option exercised.

** Not including BNZ01 nor Sarecycline China.

Q1 2020 Income Statement CER

€ Million	YTD Mar CER 2020	YTD Mar 2020	var.	YTD Mar 2019	% var. CER	% var LY
Total Revenues	246.3	247.3	0.4%	232.2	6.1%	6.5%
Net Sales	240.2	241.3	0.5%	224.4	7.0%	7.5%
Other Income	6.1	6.0	(1.6%)	7.8	(21.8%)	(23.1%)
Cost of Goods	(70.5)	(70.5)	-	(60.2)	17.1%	17.1%
Gross Profit	169.7	170.8	0.6%	164.2	3.3%	4.0%
<i>% of sales</i>	<i>70.6%</i>	<i>70.8%</i>		<i>73.2%</i>		
R&D	(21.0)	(21.3)	1.4%	(21.7)	(3.2%)	(1.8%)
<i>% of sales</i>	<i>(8.7%)</i>	<i>(8.8%)</i>		<i>(9.7%)</i>		
SG&A	(97.5)	(98.2)	0.7%	(99.6)	(2.1%)	(1.4%)
<i>% of sales</i>	<i>(40.6%)</i>	<i>(40.7%)</i>		<i>(44.4%)</i>		
SG&A w/o Amort. & Dep.	(70.9)	(71.3)	0.6%	(71.0)	(0.1%)	0.4%
<i>% of sales</i>	<i>(29.5%)</i>	<i>(29.5%)</i>		<i>(31.6%)</i>		
SG&A Amort. & Dep.	(26.6)	(26.9)	1.1%	(28.6)	(7.0%)	(5.9%)
Other Op. Exp	0.2	0.2	-	(3.1)	(106.5%)	(106.5%)
EBIT	57.5	57.5	-	47.6	20.8%	20.8%
<i>% of sales</i>	<i>23.9%</i>	<i>23.8%</i>		<i>21.2%</i>		
Amort. & Dep.	30.5	30.8	1.0%	32.6	(6.4%)	(5.5%)
<i>% of sales</i>	<i>12.7%</i>	<i>12.8%</i>		<i>14.5%</i>		
EBITDA	88.0	88.3	0.3%	80.2	9.7%	10.1%
<i>% of sales</i>	<i>36.6%</i>	<i>36.6%</i>		<i>35.7%</i>		
Gains on sale of assets	-	-	n.m.	0.7	n.m.	n.m.
Other costs	(0.5)	(0.4)	(20.0%)	0.1	n.m.	n.m.
Net financial income / (expenses)	0.2	0.2	-	(6.0)	(103.3%)	(103.3%)
Profit before tax	57.2	57.3	0.2%	42.4	34.9%	35.1%
Corporate income tax	(9.0)	(8.7)	(3.3%)	(9.3)	(3.2%)	(6.5%)
Discontinued Operations	-	-	n.m.	(3.2)	n.m.	n.m.
Net Income	48.2	48.6	0.8%	29.9	61.2%	62.5%
Normalized Net Income	48.5	48.9	0.8%	32.6	48.9%	50.1%

EURO	CER 2020	Mar. 2020
USD	1.14	1.11
CHF	1.13	1.07
GBP	0.86	0.86
PLN	4.30	4.32
DKK	7.46	7.47

Q1 2020 Dermatology sales breakdown

€ Million	YTD March 2020	YTD March 2019	% var vs LY
Europe	59	54	10.0%
Ciclopoli franchise	13	12	10.4%
Skilarence	8	8	(1.3%)
Solaraze	6	7	(15.3%)
Decoderm franchise	7	7	5.6%
Ilumetri	9	3	197.7%
Others	16	17	(5.9%)
US	25	49	(49.3%)
RoW	2	2	(23.7%)
Total Derma Rx	86	105	(18.3%)
Total Almirall Derma	86	105	(18.3%)

Q1 2020 Net Sales by Geography

€ Million	YTD March 2020	YTD March 2019	% var vs LY
Europe	188.1	148.2	26.9%
US	24.9	50.0	(50.2%)
Emerging Markets	28.3	26.2	8.0%
Total	241.3	224.4	7.5%

Q1 2020 Leading Product Sales

€ Million	YTD March 2020	YTD March 2019	% var vs LY
Ebastel franchise	23	21	5.6%
Ciclopoli franchise	13	12	8.2%
Efficib/Tesavel	13	13	0.8%
Crestor	10	9	10.5%
Sativex	9	7	28.2%
Illumetri	9	3	161.8%
Almax	8	8	6.6%
Skilarence	8	8	(1.3%)
Decoderm franchise	7	7	12.1%
Aczone	7	20	(65.3%)
Rest of products	135	117	15.3%
Net Sales	241	224	7.5%

Reconciliations with audited financial statements

Gross Margin & EBITDA

€ Million	YTD March 2020	YTD March 2019
Revenues (1)	241.3	226.7
ThermiGen Net Sales (3)	-	(2.3)
Net Sales	241.3	224.4
- Procurements (1)	(55.3)	(46.1)
ThermiGen Procurements (3)		1.6
- Other manufacturing costs (2)		
Staff costs	(7.7)	(8.1)
Amortization & Depreciation	(2.6)	(2.5)
Other operating costs	(4.6)	(5.1)
- Provision variations (2)	(0.3)	-
Gross Profit	170.8	164.2
As % of Revenues	70.8%	73.2%

€ Million	YTD March 2020	YTD March 2019
Operating Profit	57.2	45.1
- Directly traceable with annual accounts		
Amortization & Depreciation	30.8	32.6
Net gain (loss) on asset disposals	0.0	(0.7)
Loss (Gain) on recognition (reversal) of impairment of property, plant and equipment, intangible assets and goodwill	-	-
Other gain / (Loss) from operating expenses	0.3	(0.1)
- Non directly traceable with annual accounts		
Revenues (3)	-	(2.3)
Procurements (3)	-	1.6
Personnel expenses (3)	-	2.0
Other operating expense (3)	-	1.9
EBITDA	88.3	80.2

(1) As per Annual Account Terminology

(2) Data included in the corresponding caption of the profit and loss account

(3) Mainly due to the contribution of ThermiGen in 2019 in the respective captions of the Annual Accounts

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

€ Million	YTD March 2020	YTD March 2019
EBITDA	88.3	80.2
- Amortization & Depreciation	(30.8)	(32.6)
EBIT	57.5	47.6

€ Million	YTD March 2020	YTD March 2019
Financial income	-	-
Financial cost	(4.5)	(2.3)
Change to fair value in financial instruments	2.1	(0.8)
Exchange rate differences	2.6	(3.0)
Net Financial income / (expenses)	0.2	(6.0)



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