



Q3 2014
Financial Results
and Business Update

November 10th 2014

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Year-To-Date Highlights

Eduardo Sanchiz
CEO

Continued Strong Performance in Q3

STRONG FINANCIAL PERFORMANCE

- Performance in line to achieve yearly guidance
- Sustained acceleration of Net Sales (+24.1% Q314 vs Q313) and EBITDA growth (+160.6% Q314 vs Q313)
- Continued progression of Gross Margin improvement at (71.6% Q314 vs 65.7% Q313)

EXECUTION ON GROWTH PLATFORMS

- Platforms of growth sales +74.9% YTD representing 47.5% of total net sales
- Sustained market share gains of Eklira® in all key geographies
- Successful launch of Acticlate® by Aqua

BALANCING INVESTMENTS AND OPPORTUNITIES

- R&D expenses 12.6% of sales Q3 2014 vs 19.7% in Q3 2013
- Positive CHMP voting on EU Combo received in Q3
- Deal with AZ completed

Performance YTD

- Continued growth in Total Revenue (+7.0% YTD)
- Sustained acceleration of net sales (+19.6% YTD)
- Significant increase in Gross Margin 70.3% YTD 2014 vs 65.9% 2013 driven by uptake of new products and improved sales mix
- Solid improvements in EBITDA (+80.4% YTD), EBIT (+467% YTD) and Net Income
- Equity represents 52% of Total Assets
- Net Debt Ratio: x2.3 Proforma Ebitda 2013
- Secondary market for our bonds is operating at 5% premium

Q3 Financial Highlights

Daniel Martinez
CFO

Income Statement

€ Million	YTD Sep 2014	YTD Sep 2013	% var
Total Revenues	654.1	611.4	7.0%
Net Sales	611.5	511.3	19.6%
Other Income	42.6	100.1	(57.5%)
Cost of Goods	(181.7)	(174.4)	4.2%
Gross Profit	429.8	336.9	27.6%
% of sales	70.3%	65.9%	
R&D	(80.1)	(90.7)	(11.7%)
% of sales	(13.1%)	(17.7%)	
SG&A	(349.1)	(337.4)	3.5%
% of sales	(57.1%)	(66.0%)	
Other Op. Exp	(0.1)	(1.3)	(92.3%)
EBIT	43.1	7.6	n.m.
% of sales	7.0%	1.5%	
Depreciation	63.9	51.7	23.6%
% of sales	10.4%	10.1%	
EBITDA	107.0	59.3	80.4%
% of sales	17.5%	11.6%	
Sale of noncurrent assets / Other	(1.7)	(6.5)	(73.8%)
Net financial income / (expenses)	(5.2)	(3.6)	44.4%
Profit before tax	36.2	(2.5)	n.m.
Corporate income tax	6.7	24.3	(72.4%)
Net income	42.9	21.8	96.8%
Normalized Net Income	43.9	21.8	101.4%
Earnings per share (€) (1)	0.25 €	0.13 €	
Normalized Earnings per share (€)(1)	0.25 €	0.13 €	

(1) Number of shares at the end of the period

- A. Continued growth of net sales driven by Respiratory + Dermatology franchises (new launches)
- B. Lower R&D contribution from partners
- C. Sustained strong improvement vs 2013 driven by growth of proprietary products
- D. Significant reduction in % of sales vs 2013
- E. Significant increase vs 2013

Balance Sheet

€ Million	September 2014	% of BS	December 2013
Goodwill	335.5	18.6%	336.2
Intangible assets	512.9	28.4%	595.1
Property, plant and equipment	128.3	7.1%	161.3
Financial assets	26.4	1.5%	23.3
Other non current assets	340.3	18.8%	322.1
Total Non Current Assets	1,343.4	74.4%	1,438.0
Inventories	93.3	5.2%	97.7
Accounts receivable	130.6	7.2%	99.5
Cash & cash equivalents	82.5	4.6%	89.2
Other current assets	25.6	1.4%	48.3
Total Current Assets	332.0	18.4%	334.7
Assets held for sale	130.2	7.2%	0.0
Total Assets	1,805.6		1,772.7
Shareholders Equity	941.2	52.1%	888.3
Financial debt	315.7	17.5%	281.4
Non current liabilities	229.2	12.7%	232.4
Current liabilities	308.9	17.1%	370.6
Liabilities held for sale	10.6	0.6%	0.0
Total Equity and Liabilities	1,805.6		1,772.7

A. Includes Assets that will be transferred to AZ

B. Equity represents 52% of Total Assets

C. Senior notes issuance less deferred expenses

D. Includes Liabilities that will be transferred to AZ

September YTD vs guidance

P&L Item	Guidance	Sep. YTD vs guidance
Net Sales*	Mid to High Teen % Growth*	19.6% ✓
Total Revenue**	Mid to High Single digit Growth	7.0% ✓
R&D	c 14% of Net sales	13.1% ✓
SG&A	Similar levels to 2013	57.1% ✓
Normalised Net Income*	Significant growth vs 2013	101.4% ✓

* In constant exchange rates

** Net sales + other income

Dermatology Business

Alfonso Ugarte
Senior Director Dermatology Business Unit

Derma Q3 Highlights

- Continued strong growth in Q3, **+83.4%** yoy
- Key products growth: Decoderm® **+14.6%** Solaraze® **+16.9%** yoy
- Oral Acne Franchise (Monodox® / Acticlate®)
 - Anti-infection, including adjunctive therapy in severe acne
 - Acticlate® launched in the US in August
 - Top 15 Product already with **43.1** million euros in net sales
- Cordran® Ointment (flurandrenolide)
 - Anti-inflammatory, anti-itch
 - Launched in the US at the end of June to complement the lotion and cream formats
 - Cordran® Franchise Top 15 Product already with **17.1** million euros in net sales

Oral Acne Franchise

Introducing **ACTICLATE™** Tablets

150 mg and 75 mg film-coated tablets

- Small enough for patients to take¹
- Easy enough for patients to break
- Flexibility to easily adjust to the desired dose²
- Functional score delivers a clean break for reliable and accurate dosing²
- No generic equivalent



150 mg



100 mg



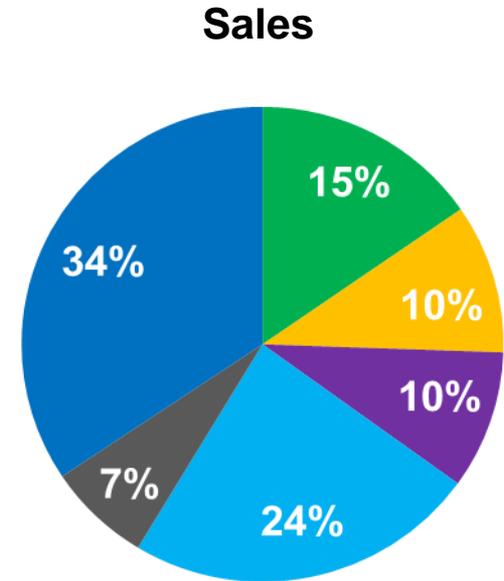
50 mg



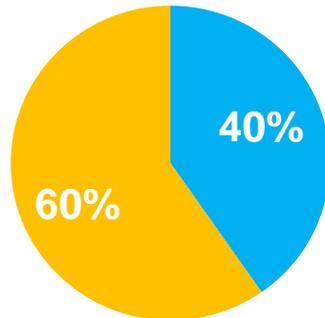
75 mg

Year-To-Date Sales Performance

	€ million	Net Sales
Aqua		73.3
Oral Acne Franchise (Monodox / Acticlate)		43.1
Cordran		17.1
Other Aqua		13.1
Derma Almirall		108.7
Solaraze		28.0
Decoderm Franchise		18.5
Balneum Franchise		12.7
Other Almirall		49.5
Total Derma		181.9

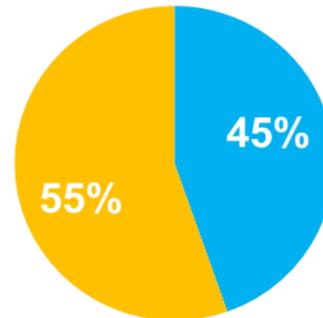


Sales



■ Aqua ■ Derma Almirall

Gross Profit



■ Aqua ■ Derma Almirall

- Solaraze
- Decoderm Franchise
- Cordran
- Oral Acne Franchise
- Balneum Franchise
- Other

Strategic Respiratory transaction with AstraZeneca

Eduardo Sanchiz
CEO

Transaction details

- Upfront payment of \$875 million. Up to \$1.22 billion in development, launch and sales related milestones. This figure does not include future royalties
- For acclidinium, AZ takes on development and commercial obligations including the combination with formoterol. Almirall will continue to manufacture the product for at least 7 years
- AZ assumes obligations towards the development and commercialization of the LABA and MABA alone or in combination. Development to be done under a “pooling of assets” concept. There are development, launch and sales related milestones plus royalties
- 3 Discovery projects in collaboration
- Transfer of 719 employees and 760 positions affected in total globally

Financial Highlights of the Strategic transaction

Daniel Martinez
CFO

Savings 2015 and beyond

Positions Transferred	719
Positions Cancelled	760

- Expected personnel savings approx. 60 MM € and similar amount for OPEX
- 719 employees of Almirall pass to AstraZeneca. Total number of positions eliminated in Almirall though this transaction is 760

Expected FY 2014 on going business post deal

P&L Item	Prior Guidance	Expected FY 2014 on going business post deal
Net Sales*	Mid to High Teen % Growth*	Low Teen % growth
Total Revenue**	Mid to High Single digit Growth	Low single digit growth
R&D	c 14% of Net sales	12 - 13% of sales
SG&A	Similar levels to 2013	55 - 56% of sales
Normalized Net Income*	Significant growth vs 2013	Significant growth vs 2013

* In constant exchange rates

** Net sales + other income

Key Takeaways

Eduardo Sanchiz
CEO

Summary

- YTD P&L in line with yearly guidance.
- Acceleration of sales and EBITDA growth driven by proprietary products
- The global respiratory transaction collaboration provides us with the resources and the opportunity to move towards a Specialty Pharma model
- We will become a top global dermatology player with a strong interest in other specialist-driven therapeutic areas
- 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

Appendixes

Financial Appendixes

Q3 2014 vs Q3 2013

€ Million	2014 Q3	2013 Q3	% 3Q'14 vs 3Q'13
Total Revenue	220.7	201.0	9.8%
Net Sales	207.8	167.5	24.1%
Other Income	12.9	33.5	(61.5%)
Cost of Goods	(59.1)	(57.5)	2.8%
Gross Profit	148.7	110.0	35.2%
<i>% of sales</i>	71.6%	65.7%	
R&D	(26.1)	(33.0)	(20.9%)
<i>% of sales</i>	(12.6%)	(19.7%)	
SG&A	(111.0)	(109.0)	1.8%
<i>% of sales</i>	(53.4%)	(65.1%)	
Other Op. Exp	(0.5)	(1.6)	(68.8%)
<i>% of sales</i>	(0.2%)	(1.0%)	
EBIT	24.0	(0.1)	n.a.
<i>% of sales</i>	11.5%	(0.1%)	
Depreciation	21.6	17.6	22.7%
<i>% of sales</i>	10.4%	10.5%	
EBITDA	45.6	17.5	160.6%
<i>% of sales</i>	21.9%	10.4%	
Sale of noncurrent assets / Other	(1.6)	(5.1)	(68.6%)
Net financial income / (expenses)	4.6	(1.5)	n.a.
Profit before tax	27.0	(6.7)	n.a.
Tax	(3.2)	10.9	(129.4%)
Net income	23.8	4.2	n.a.
Normalized Net Income	24.8	4.2	n.a.

Zoom in – Other Income

€ million	YTD Sep 2014	YTD Sep 2013	% var
Co-development agreements	7.8	56.2	(86.2%)
Co-promotion agreements	4.2	16.4	(74.7%)
Product promotion collaboration	3.5	3.8	(6.8%)
Other	27.1	23.7	14.2%
Total Other Income	42.6	100.1	(57.5%)

Cash Flow

€ Million	Sep 2014 YTD	Sep 2013 YTD
Profit Before Tax	36.2	(2.5)
Depreciation and amortisation	63.9	51.7
Change in working capital	(42.3)	(2.0)
Restructuring payments	(20.0)	0.0
Other adjustments	0.2	2.0
Cash Flow from Operating Activities (I)	38.0	49.2
Financial Income	0.2	0.3
Investments	(45.6)	(48.0)
Divestments	2.4	0.0
Payments of capex suppliers	(13.8)	0.0
Changes in scope of consolidation	(9.0)	0.0
Cash Flow from Investing Activities (II)	(65.8)	(47.7)
Finance Expense	(16.3)	(3.3)
Debt increase/ (decrease)	37.8	0.0
Other cash flows	(0.5)	(0.9)
Cash Flow from Financing Activities	21.0	(5.1)
Cash Flow generated during the period	(6.8)	(3.6)
Free Cash Flow (III) = (I) + (II)	(27.8)	1.5

Sales breakdown by Region and Therapeutic Area

By Region

€ Million	YTD Sep 2014	YTD Sep 2013	% var YTD
Spain	186.8	194.9	(4.2%)
Europe (ex. Spain)	245.0	216.2	13.3%
America*	144.1	65.9	118.6%
Others	35.6	34.3	3.7%
Total Net Sales	611.5	511.3	19.6%

By Main Therapeutic Area

€ Million	YTD Sep 2014	YTD Sep 2013	% Var YTD
Dermatology	181.9	99.2	83.4%
Respiratory	181.9	155.0	17.4%
Gastrointestinal and Metabolism	96.0	103.7	(7.4%)
CNS	63.1	62.0	1.8%
Osteomuscular	35.5	31.8	11.9%
Cardiovascular	28.1	32.9	(14.8%)
Urological	12.8	12.7	0.8%
Other therapeutic specialties	12.2	14.1	(14.0%)
Total Net Sales	611.5	511.3	19.6%

* US, Canada, Mexico

Breakdown of the core business

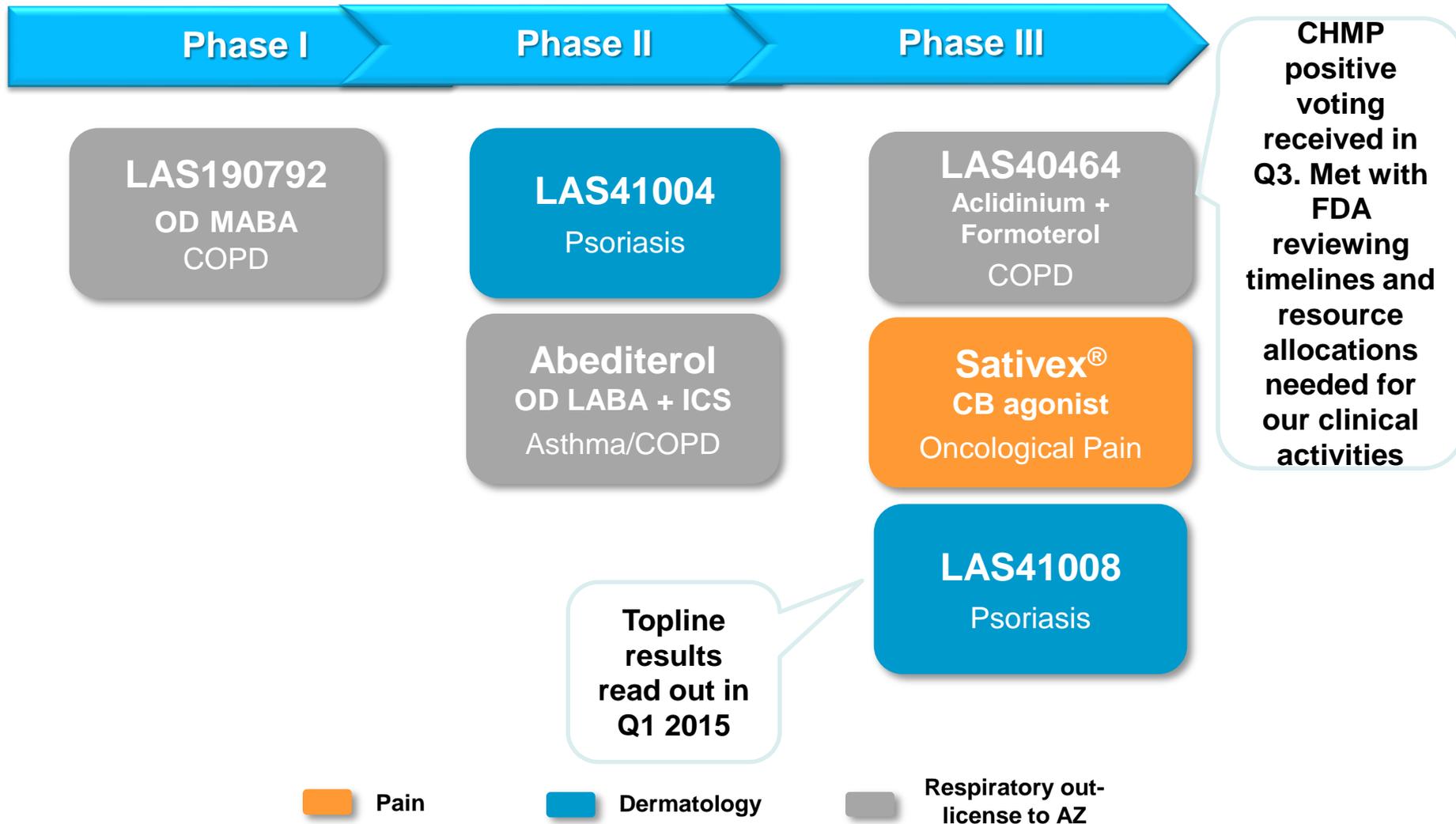
- Proprietary products
- In-licensing products

€ Million		YTD Sep 2014	YTD Sep 2013	% Var YTD
Eklira and other (aclidinium bromide)	●	93.4	60.9	53.4%
Ebastel and other (ebastine)	●	53.6	56.3	(4.8%)
Oral Acne Franchise (Monodox / Acticlate)	●	43.1	0.0	<i>n.m</i>
Almogran and other (almotriptan)	●	38.0	41.5	(8.4%)
Tesavel & Efficib (sitagliptine)	●	34.5	34.4	0.3%
Plusvent (salmeterol & fluticasone)	●	29.2	32.7	(10.7%)
Solaraze (diclofenac sodium)	●	28.0	23.9	17.2%
Airtal and other (aceclofenac)	●	24.8	21.2	17.0%
Decoderm and other (flupredniden)	●	18.5	16.2	14.2%
Cordran (flurandrenolide)	●	17.1		<i>n.m</i>
Almax (almagate)	●	15.5	13.0	19.2%
Parapres (candesartan cilexetile)	●	14.0	15.6	(10.3%)
Balneum (urea oil)	●	12.7	13.3	(4.5%)
Sativex (delta-9-tetrahydrocannabinol)	●	10.9	4.8	127.1%
Cleboril (clebopride)	●	9.6	10.8	(11.1%)
Other	● ●	168.6	166.8	1.1%
Total Net Sales		611.5	511.3	19.6%

Pipeline Appendix

Pipeline

Preclinical projects not included



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