



# January - September 2015

## Financial Results and Business Update

*November 9<sup>th</sup> 2015*

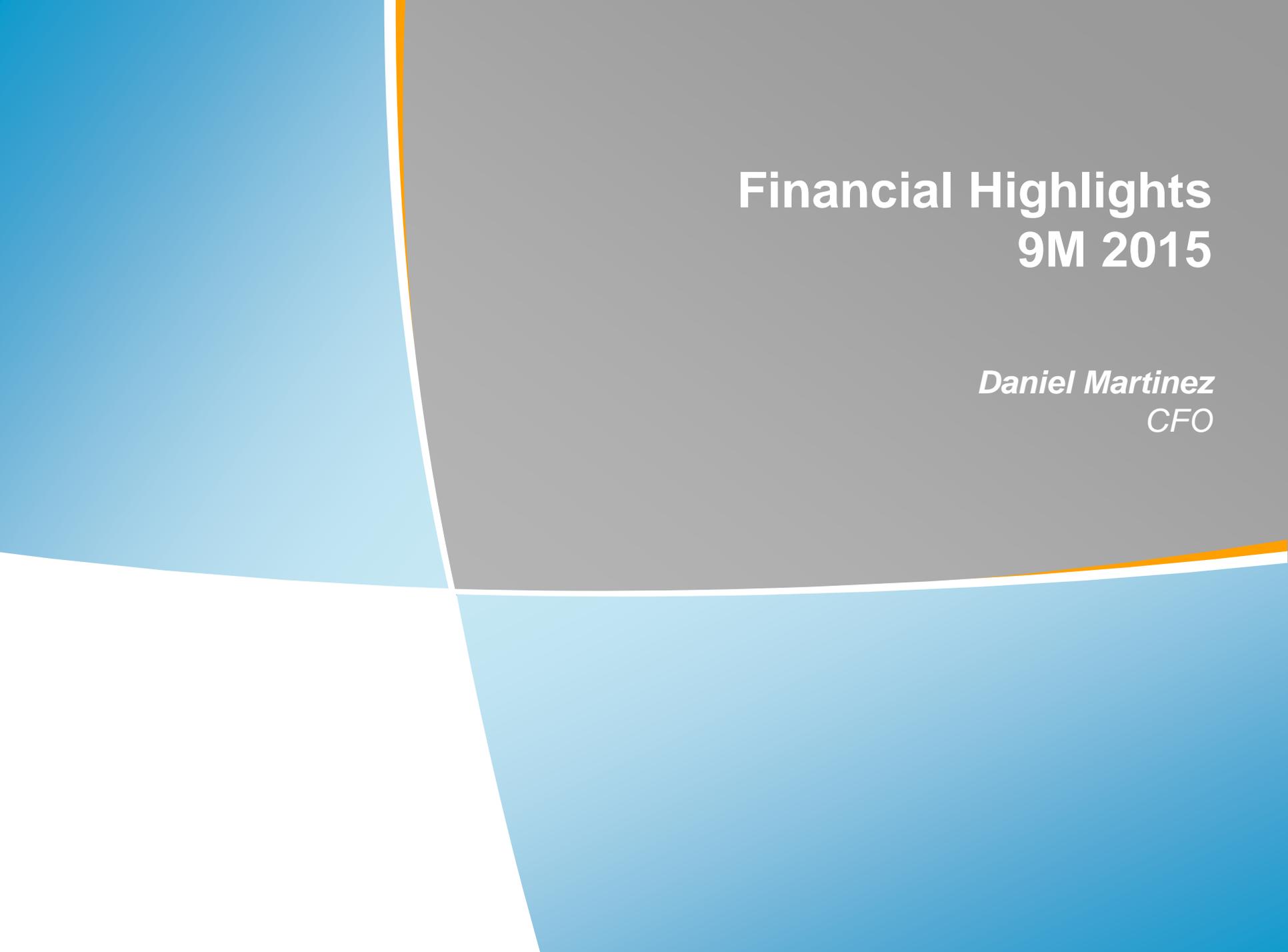
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# Financial Highlights 9M 2015

*Daniel Martinez*  
CFO

# Q3 2015 Perspectives

- ✓ Operational outperformance in third-quarter 2015 driven by Dermatology
- ✓ Milestone Income: 20 million US dollars from AstraZeneca related to the launch of Duaklir® in South Korea
- ✓ Guidance 2015 upgraded on 27th October
- ✓ Continued portfolio optimisation; divestment of Constella®
- ✓ Top priority remains M&A, R&D and in-licensing Derma projects

# Highlights 9M 2015

## STRONG FINANCIAL PERFORMANCE

- Continued growth in Total Revenue **+1.6%** YTD and net sales **+0.5%** YTD (like-for-like ex-Eklira)
- Solid improvements in EBITDA **+13.0%** YTD and EBIT **+33.5%** YTD (like-for-like ex-Eklira)

## EXECUTION ON DERMATOLOGY

- Dermatology Net Sales grew by **+21.6%**. US Derma business sales growth **+53.5%**
- Dermatology now accounts for **42.5%** of total Net Sales 9M 2015 vs **35.1%** 9M 2014 (like-for-like ex-Eklira)

## BALANCING INVESTMENTS AND OPPORTUNITIES

- R&D expenses **9.9%** of sales 9M 2015 vs **13.1%** 9M 2014
- Reduction in SG&A from **57.1%** of sales 9M 2014 to **50.9%** 9M 2015
- Positive net cash position of **422.4** million euros

# 2015 New Guidance <sup>(1)</sup>

P&L Item	Guidance
<b>Total Revenue <sup>(2)</sup></b>	740 - 770 Million Euros
<b>Net Sales</b>	650 - 680 Million Euros
<b>EBIT</b>	Around 130 Million Euros

Old  
Guidance →

P&L Item	Guidance
<b>Total Revenue</b>	720 - 750 Million Euros
<b>Net Sales</b>	650 - 680 Million Euros
<b>EBIT</b>	Around 100 Million Euros

*(1) In constant exchange rates*

*(2) Net sales + Other Income*

# Income Statement 9M 15 vs. 9M 14

€ Million	YTD Sep 2015	YTD Sep 2014	% var
<b>Total Revenues</b>	<b>595,3</b>	<b>654,1</b>	<b>(9,0%)</b>
Net Sales	520,8	611,5	(14,8%)
Other Income	74,5	42,6	74,9%
Cost of Goods	(160,1)	(181,7)	(11,9%)
<b>Gross Profit</b>	<b>360,7</b>	<b>429,8</b>	<b>(16,1%)</b>
% of sales	69,3%	70,3%	
<b>R&amp;D</b>	<b>(51,7)</b>	<b>(80,1)</b>	<b>(35,5%)</b>
% of sales	(9,9%)	(13,1%)	
<b>SG&amp;A</b>	<b>(265,3)</b>	<b>(349,1)</b>	<b>(24,0%)</b>
% of sales	(50,9%)	(57,1%)	
<b>Other Op. Exp</b>	<b>(1,2)</b>	<b>(0,1)</b>	<i>n.m.</i>
<b>EBIT</b>	<b>117,0</b>	<b>43,1</b>	<b>171,5%</b>
% of sales	22,5%	7,0%	
<b>Depreciation</b>	<b>55,6</b>	<b>63,9</b>	<b>(13,0%)</b>
% of sales	10,7%	10,4%	
<b>EBITDA</b>	<b>172,6</b>	<b>107,0</b>	<b>61,3%</b>
% of sales	33,1%	17,5%	
Gains on sale of assets	(2,5)	(0,2)	<i>n.m.</i>
Other costs	-	(1,5)	(100,0%)
Restructuring costs	(7,8)	-	<i>n.m.</i>
Net financial income / (expense)	(11,4)	(5,2)	119,2%
<b>Profit before tax</b>	<b>95,3</b>	<b>36,2</b>	<b>163,3%</b>
Corporate income tax	(22,0)	6,7	<i>n.m.</i>
<b>Net income</b>	<b>73,3</b>	<b>42,9</b>	<b>70,9%</b>
<b>Normalized Net Income</b>	<b>78,9</b>	<b>43,9</b>	<b>79,7%</b>
Earnings per share (€)	0,42 €	0,25 €	
Normalized Earnings per share (€)(1)	0,46 €	0,25 €	

A

B

C

C

A. Like-for-like revenue growth of 1.6%

B. Other Income positively impacted by AZ agreement

C. Significantly reduced R&D and SG&A

D. Significant increase versus last year

D

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

# Comparative P&L w/o Eklira (like for like)

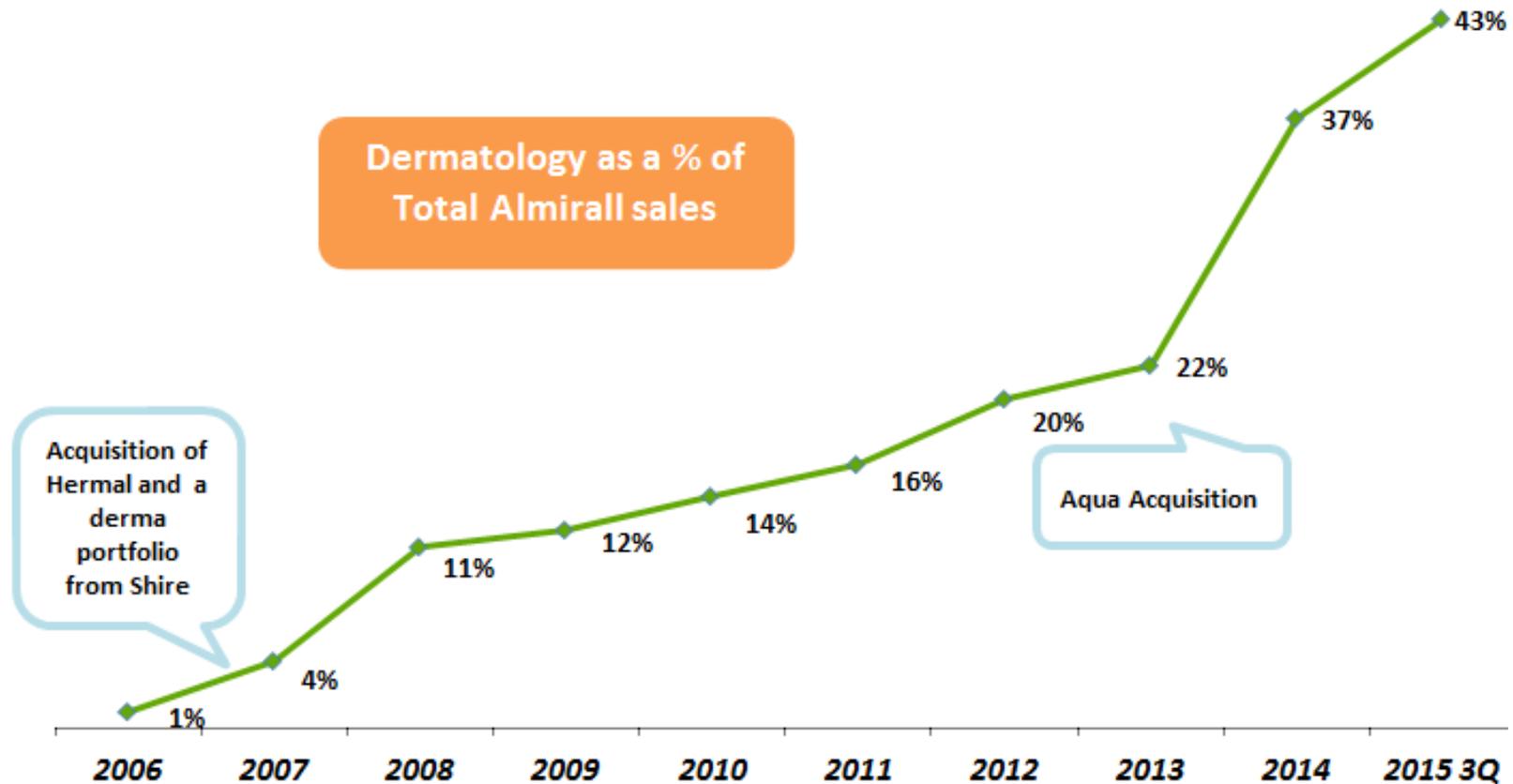
€ Million	YTD Sep 2015 w/o AZ	YTD Sep 2014 w/o Eklira	% var
<b>Total Revenues</b>	<b>535.5</b>	<b>526.9</b>	<b>1.6%</b>
Net Sales	520.8	518.1	0.5%
Other Income	14.7	8.8	66.5%
Cost of Goods	(160.1)	(154.4)	3.7%
<b>Gross Profit</b>	<b>360.7</b>	<b>363.7</b>	<b>(0.8%)</b>
% of sales	69.3%	70.2%	
<b>R&amp;D</b>	<b>(51.7)</b>	<b>(57.9)</b>	<b>(10.7%)</b>
% of sales	(9.9%)	(11.2%)	
<b>SG&amp;A</b>	<b>(265.3)</b>	<b>(271.7)</b>	<b>(2.4%)</b>
% of sales	(50.9%)	(52.4%)	
<b>Other Op. Exp</b>	<b>(1.2)</b>	<b>(0.1)</b>	<b>n.m.</b>
<b>EBIT</b>	<b>57.2</b>	<b>42.8</b>	<b>33.5%</b>
% of sales	11.0%	8.3%	
<b>Depreciation</b>	<b>55.6</b>	<b>57.0</b>	<b>(2.5%)</b>
% of sales	10.7%	11.0%	
<b>EBITDA</b>	<b>112.8</b>	<b>99.9</b>	<b>13.0%</b>
% of sales	21.7%	19.3%	

- ✓ *P&L without Eklira excludes revenues, Other Income and all costs related to acridinium bromide*

# **Dermatology & Market Overview**

*Alfonso Ugarte*  
*Senior Director Global Business Units*

# Almirall: building on prescription dermatology w/o Eklira



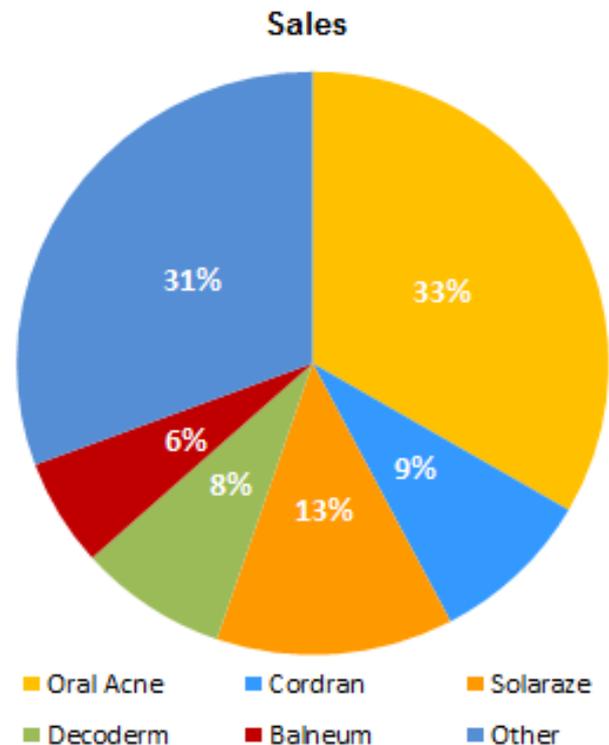
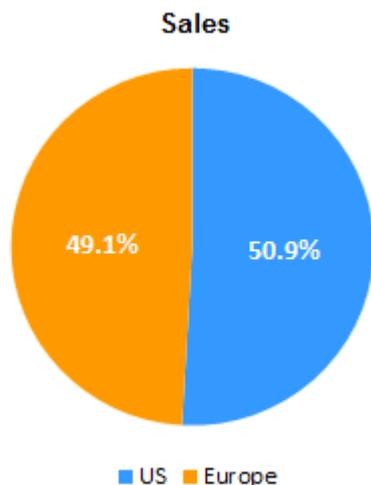
# Strong Derma sales growth in 9M 2015

Dermatology Net Sales grew by 21.6%

- ✓ US Business the key growth driver sales **+53.5%** (YOY), benefiting from maintained market-leading TRx share for **Acticlate®**
- ✓ Europe sales increased by **+0.1%** (YOY) driven by the Actinic Keratosis franchise (**Solaraze® & Actikerall®**)
- ✓ Dermatology now accounts for **42.5%** of total Net Sales (vs. **35.1%** on a like-for-like basis in 9M14)
- ✓ US Derma now accounts for **50.9%** of total Derma sales vs. **49.1%** of sales in Europe

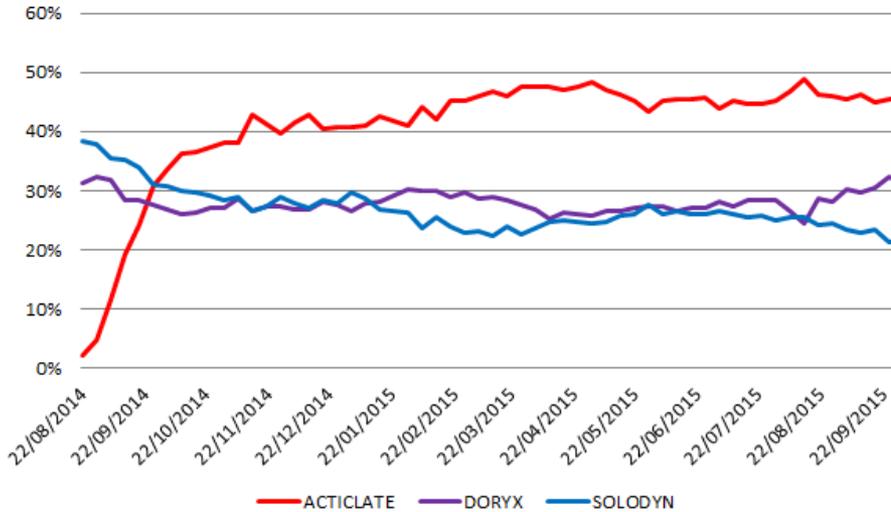
# 9M 2015 Derma Net sales performance

€ thousand	YTD Sep 2015	YTD Sep 2014	% var vs LY
<b>US</b>	<b>112,659</b>	<b>73,385</b>	<b>53.5%</b>
Oral Acne franchise	73,872	43,084	71.5%
Cordran	19,718	17,134	15.1%
Other US	19,069	13,167	44.8%
<b>Europe</b>	<b>108,625</b>	<b>108,564</b>	<b>0.1%</b>
Solaraze and other	28,673	27,923	2.7%
Decoderm and others	17,991	18,531	(2.9%)
Balneum	13,194	12,720	3.7%
Other Europe	48,768	49,390	(1.3%)
<b>Total Net Sales</b>	<b>221,284</b>	<b>181,949</b>	<b>21.6%</b>

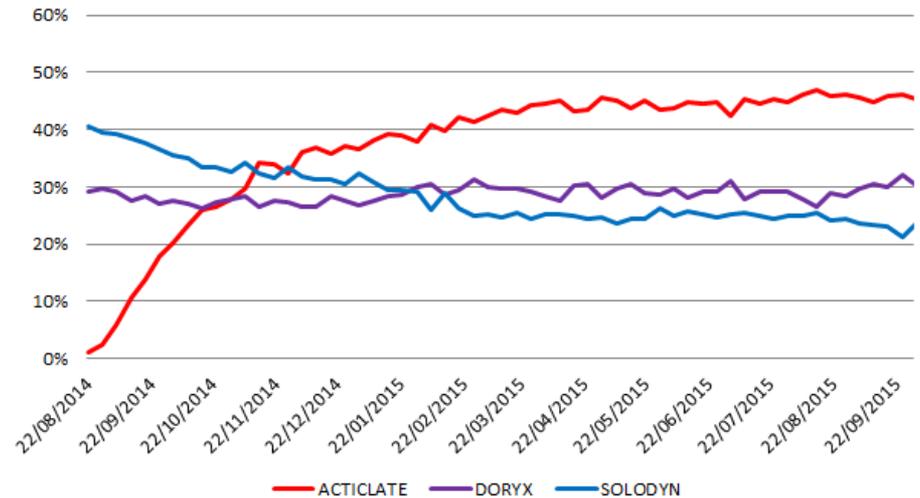


# ACTICLATE™ Market share

NRx Branded Share



TRx Branded Share



Source: Based on IMS Data

# Wrap-up

*Daniel Martinez*  
CFO

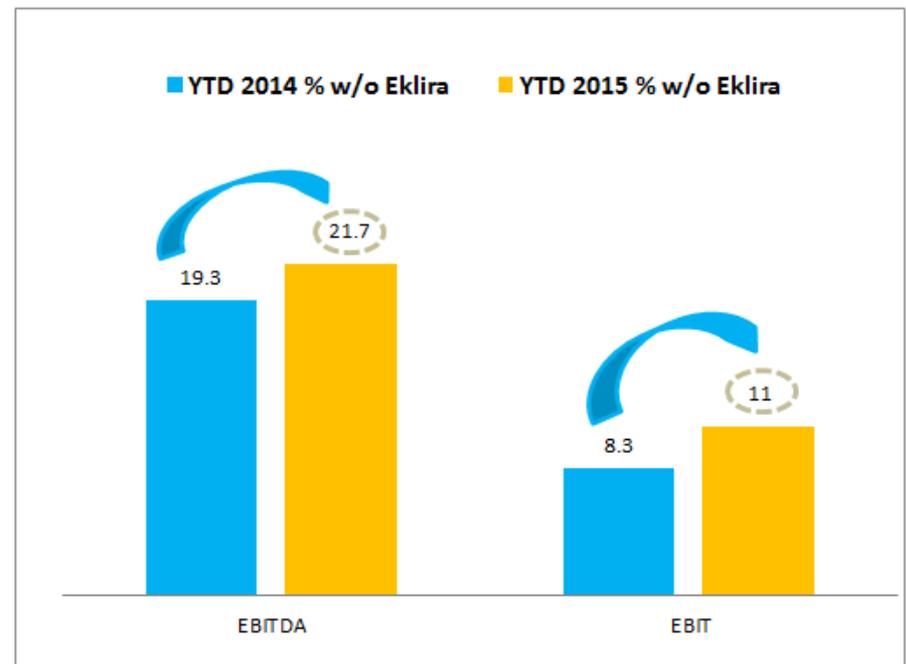
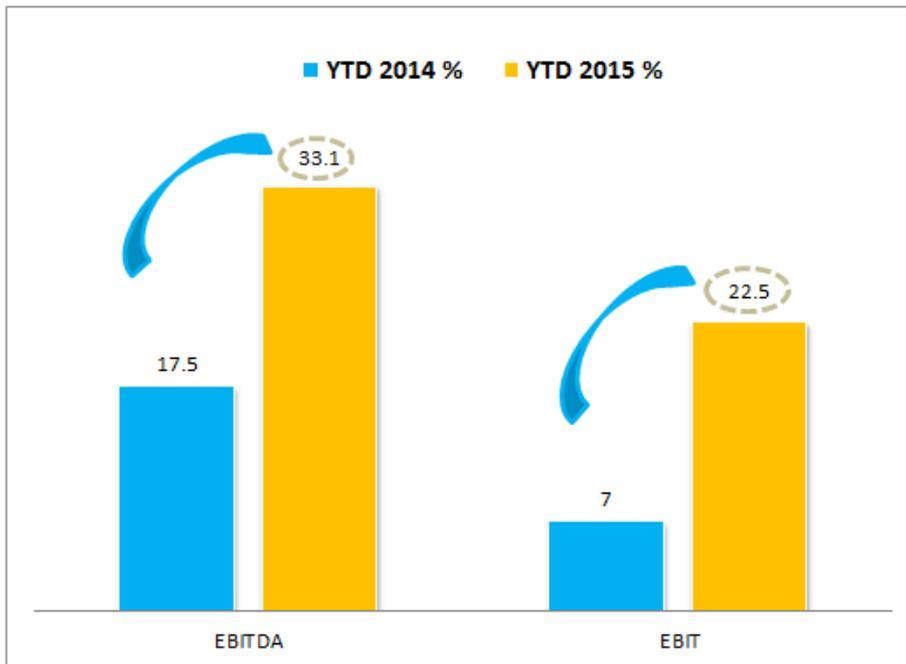
# Wrap-up

- ✓ Upgrading of Guidance FY2015
- ✓ Dermatology continues to drive growth, both in Europe and the US
- ✓ SG&A and R&D expenses reflect a more specialty pharma model
- ✓ Company fully aligned in the new strategic direction
- ✓ Almirall to continue growing its leading Dermatology franchise

# Financial Appendixes

# High EBITDA and EBIT evolution

Continued improvement in profit margins (% over net sales)



# Balance Sheet as of 30<sup>th</sup> September 2015

€ Million	September 2015	% of BS	December 2014
Goodwill	345.2	13.8%	338.8
Intangible assets	428.6	17.2%	444.4
Property, plant and equipment	125.2	5.0%	132.1
Financial assets	195.4	7.8%	179.2
Other non current assets	338.2	13.6%	338.7
<b>Total Non Current Assets</b>	<b>1,432.60</b>	<b>57.5%</b>	<b>1,433.20</b>
Inventories	89.7	3.6%	81
Accounts receivable	100.2	4.0%	207.2
Cash & cash equivalents	806.7	32.4%	754.4
Other current assets	64.3	2.6%	64.6
<b>Total Current Assets</b>	<b>1,060.90</b>	<b>42.5%</b>	<b>1,107.20</b>
<b>Total Assets</b>	<b>2,493.50</b>		<b>2,540.40</b>
Shareholders Equity	1,399.40	56.1%	1,339.60
Financial debt	316.8	12.7%	319.9
Non current liabilities	464.7	18.6%	523.5
Current liabilities	312.6	12.5%	357.4
<b>Total Equity and Liabilities</b>	<b>2,493.50</b>		<b>2,540.40</b>

- A. Increase is mainly due to US affiliate assets revaluation due to positive FX rate effect
- B. Increased due to Equity investment in Suneva Medical
- C. Decrease mainly due to AB Combo EU milestone collected in 2015
- D. Decreased due to Aqua commercial earnouts reclassified as current liability.

Net cash position:

- + Cash and cash equivalents 806.7 Million
- Financial Debt 317.0 Million
- Pension Plans 67.4 Million

# Cash Flow 9M 2015

€ Million	Sep 2015 YTD	Sep 2014 YTD
<b>Profit Before Tax</b>	95,3	36,2
Depreciation and amortisation	55,6	63,9
Change in working capital	(33,9)	(42,3)
Restructuring payments	(19,8)	(20,0)
Other adjustments	94,8	5,0
Tax Cash Flow	(39,9)	(4,8)
<b>Cash Flow from Operating Activities (I)</b>	<b>152,1</b>	<b>38,0</b>
Financial Income	2,3	0,2
Investments	(31,5)	(45,6)
Divestments	-	2,4
Payments of capex suppliers	(4,4)	(13,8)
Changes in scope of consolidation	(15,9)	(9,0)
<b>Cash Flow from Investing Activities (II)</b>	<b>(49,5)</b>	<b>(65,8)</b>
Finance Expense	(15,2)	(16,3)
Dividend distribution	(35,0)	-
Debt increase/ (decrease)	(0,1)	37,8
Other cash flows	0,0	(0,5)
<b>Cash Flow from Financing Activities</b>	<b>(50,3)</b>	<b>21</b>
<b>Cash Flow generated during the period</b>	<b>52,3</b>	<b>(6,8)</b>
<b>Free Cash Flow (III) = (I) + (II)</b>	<b>102,6</b>	<b>(27,8)</b>

- A. \$150 Million AB Combo EU milestone (income in 2014 but cash in 2015)
- B. Mainly due to our US affiliate commercial earnout
- C. €35 Million Gross Dividend payment, June 1st
- D. Important increase in cash generation vs. same period 2014 (€59.1 Million).

# Sales breakdown by Region and Therapeutic Area

## By Region

€ thousand	YTD Sep 2015	YTD Sep 2014	% var LY
Spain	165,179	178,423	(7.4%)
Europe (ex Spain)	186,174	211,060	(11.8%)
North America (*)	130,325	93,791	39.0%
Others	39,107	34,785	12.4%
AB franchise	-	93,405	n.m.
<b>Total</b>	<b>520,785</b>	<b>611,464</b>	<b>(14.8%)</b>

(\*) Canada, US, Mexico

## By Main Therapeutic Area

€ thousand	YTD Sep 2015	YTD Sep 2014	% var vs LY
Dermatology	221,285	181,949	21.6%
Gastrointestinal and Metabolism	92,213	96,013	(4.0%)
Respiratory	87,403	181,882	(51.9%)
CNS	40,127	63,101	(36.4%)
Other therapeutic specialties	79,757	88,519	(9.9%)
<b>Total Net Sales</b>	<b>520,785</b>	<b>611,464</b>	<b>(14.8%)</b>

# Breakdown of the core business

- Proprietary products
- In-licensing products

€ thousand		YTD Sep 2015	YTD Sep 2014	% var vs LY
Oral Acne franchise (doxycycline)	●	73,872	43,084	71.5%
Ebastel and other (ebastine)	●	51,404	53,636	(4.2%)
Tesavel & Efficib (sitagliptine)	●	32,848	34,516	(4.8%)
Solaraze (diclofenac sodium)	●	28,673	27,923	2.7%
Plusvent (salmeterol & fluticasone)	●	23,985	29,161	(17.8%)
Airtal and other (aceclofenac)	●	20,513	24,801	(17.3%)
Cordran (flurandrenolide)	●	19,718	17,134	15.1%
Almogran and other (almotriptan)	●	18,548	38,004	(51.2%)
Decoderm and others (flupredniden)	●	17,991	18,531	(2.9%)
Almax (almagate)	●	17,134	15,494	10.6%
Eklira and other (acridinium bromide)		-	93,405	n.m.
Other	● ●	216,099	215,775	0.2%
<b>Total Net Sales</b>		<b>520,785</b>	<b>611,464</b>	<b>(14.8%)</b>

**For further information, please contact:**

**Pablo Divasson del Fraile**

**Investor Relations**

**Tel. +34 93 291 3087**

**[pablo.divasson@almirall.com](mailto:pablo.divasson@almirall.com)**

**Or visit our website: [www.almirall.com](http://www.almirall.com)**