



9M 2018

Financial Results & Business Update

12th November 2018



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Agenda

1. Q3 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

Q3 2018 Highlights

Q3 2018 Highlights



1

Strong business momentum, driven by key brands across Europe

2

Transformational acquisition of the Allergan portfolio in the US (immediately accretive brands + Seysara™ – launch January 2019)

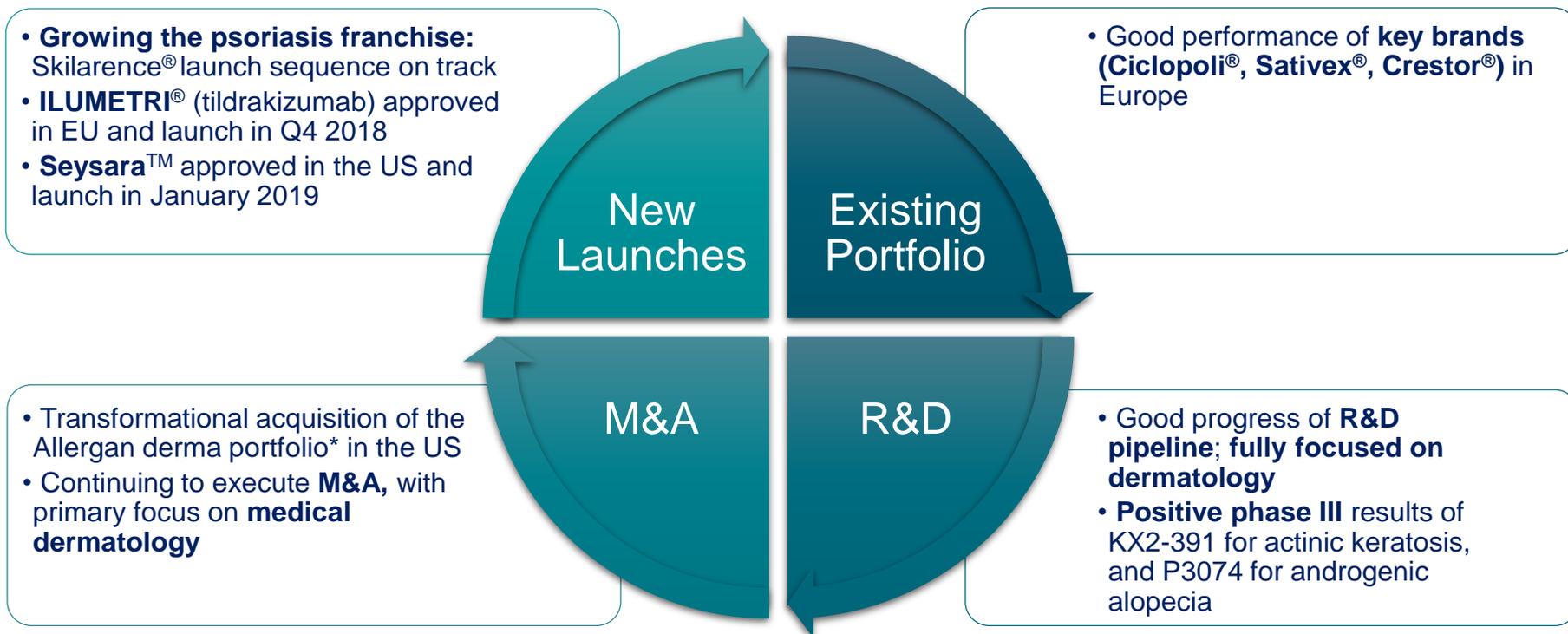
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US approval of Seysara™ (sarecycline) for acne; approval of ILUMETRI® (tildrakizumab) by the European Commission marks Almirall's entry into Biologics

4

In line to meet updated Guidance for 2018. Including Allergan acquisition we expect to grow Total Revenues at mid-to-high single-digit, Net Sales at low double-digit and reach EBITDA between €205 MM-€210 MM

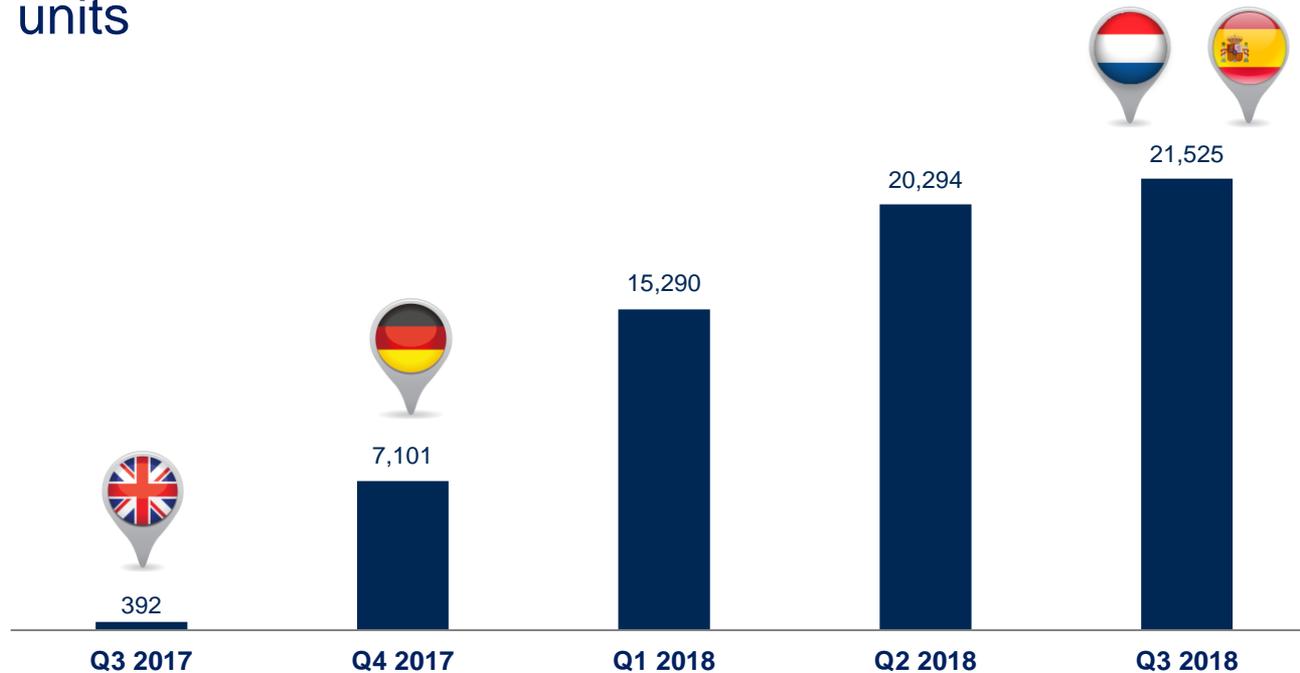
Delivering our strategy



*Excluding Rhofade

Skilarence[®] uptake in GER, UK & NL

Growth in units

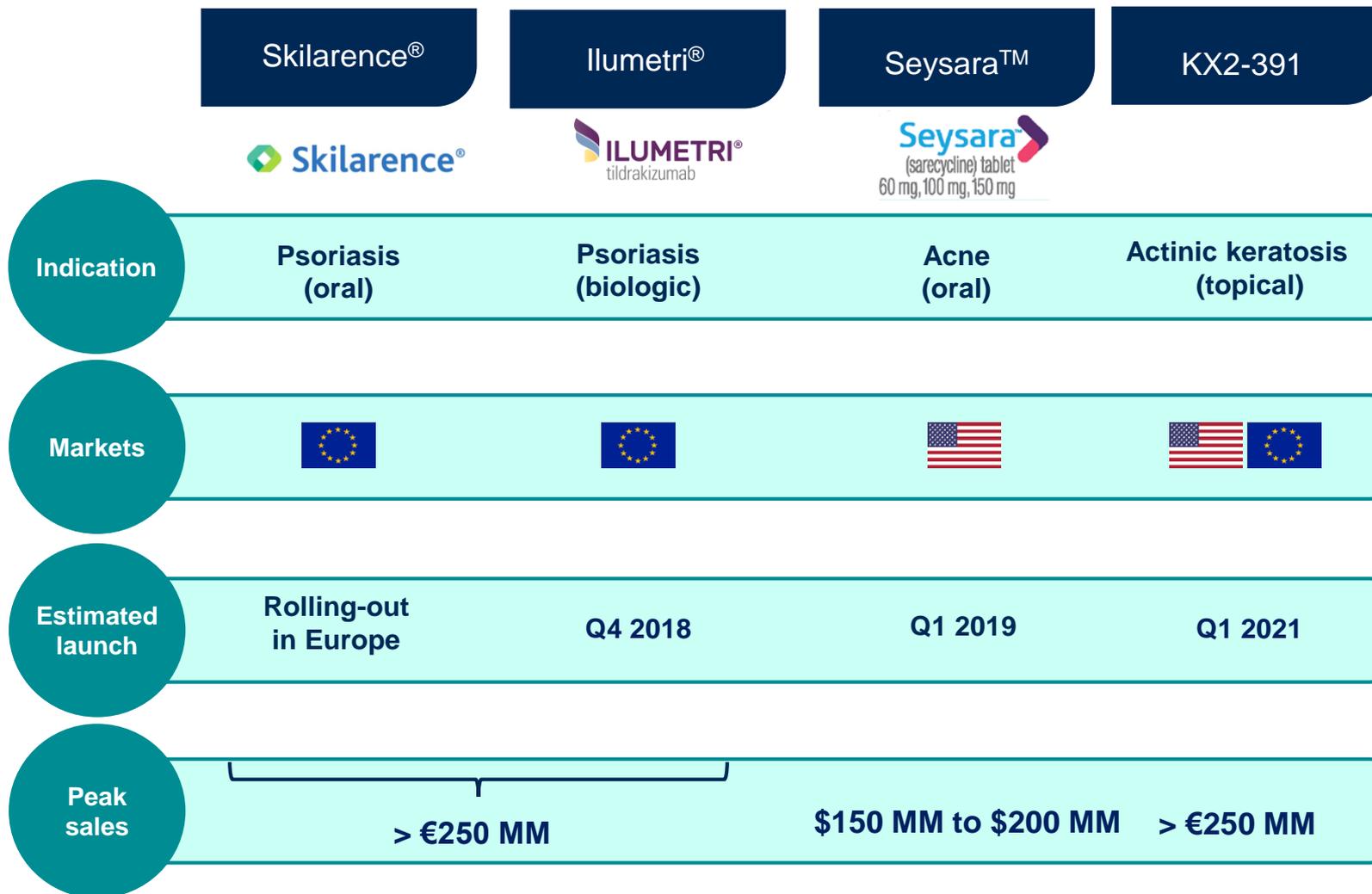


- **Launch sequence** of Skilarence[®] continues as planned
- During July Skilarence[®] was launched **in the Netherlands**. Initial sales evolution is in line with our forecast
- **Launched in Spain** end of September 2018
- Next key launch will be in **Italy** (Q1 2019)

Source: Qlik IMS audited Sales.

Fundamental transformation of our portfolio

Focus on innovative, high margin launches in Dermatology



Financial Review

9M Results: On track to deliver upgraded guidance

Highlights

- **Total Revenues and Net Sales growing at mid-single-digit +5% and +6% at CER* respectively.** Strong YTD performance of key brands (Ciclopoli[®], Sativex[®], Crestor[®])
- **Continued improvement of Gross Margin at 68.8% (+250bps at CER) due to product mix & performance of key products**
- **SG&A decline (-5% yoy)** despite investment in new launches
- **Strong EBITDA growth of 49%**
- **Excellent operational cash flow generation (€102 MM at 9M)**
- **Net debt at €553 MM lower than expected**

Challenges

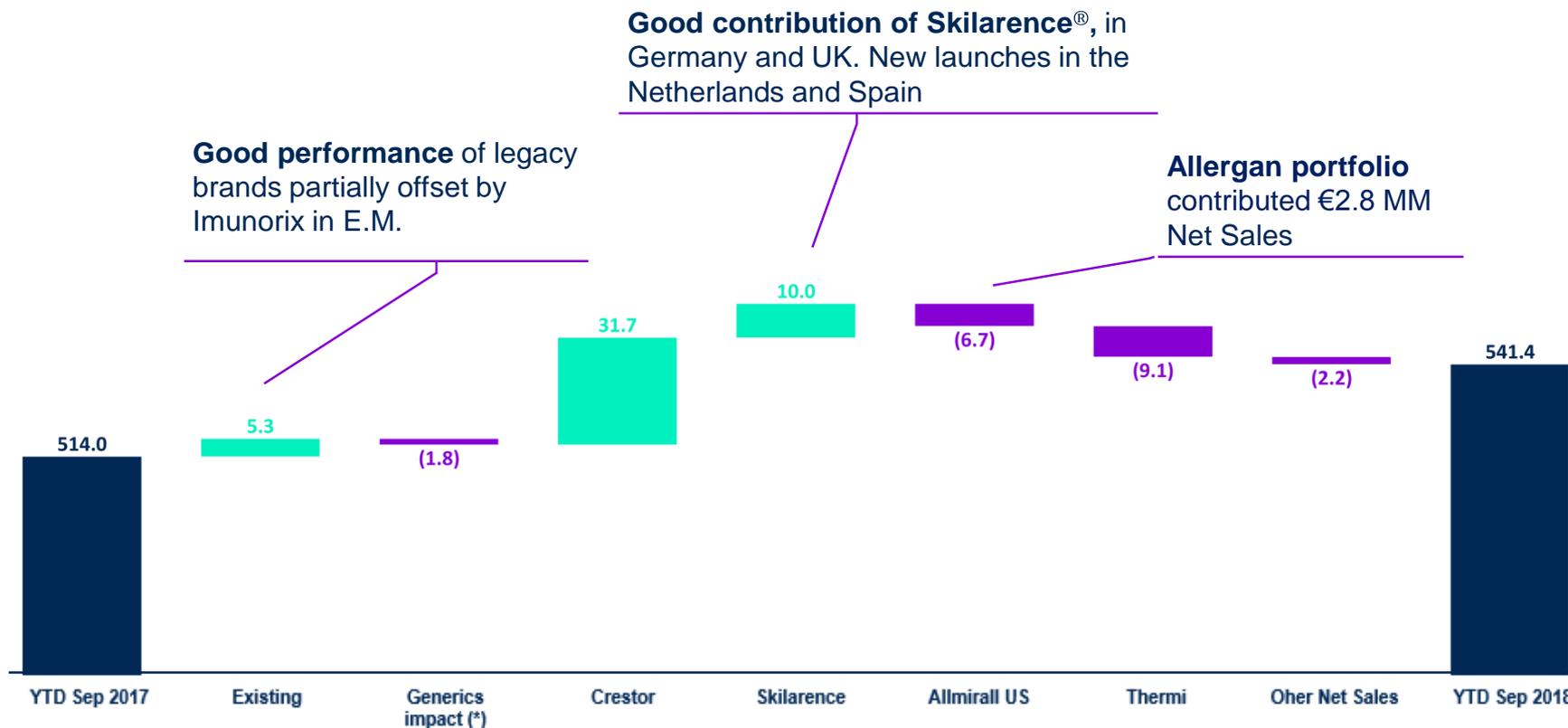
- **Double-digit decline in sales at ThermiGen**, due to early termination of the Instalift[™] agreement and poor performance of capital sales
- **Emerging markets slow down** due to demand decrease for **Imunorix[®]**

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

9M 2018 Net Sales Evolution

Growth of key products & new launches

Million Euros



(*) Includes all geographies, except US derma

9M 2018 Profit & Loss Breakdown

€ Million	YTD Sep 2018	YTD Sep 2017	% var LY	% var CER LY
Total Revenues	584.0	561.6	4.0%	4.7%
Net Sales	541.4	514.0	5.3%	6.1%
Other Income	42.6	47.6	(10.5%)	(9.9%)
Cost of Goods	(169.0)	(171.7)	(1.6%)	(1.8%)
Gross Profit	372.4	342.3	8.8%	10.0%
<i>% of sales</i>	<i>68.8%</i>	<i>66.6%</i>		
R&D	(57.4)	(67.2)	(14.6%)	(13.7%)
<i>% of sales</i>	<i>(10.6%)</i>	<i>(13.1%)</i>		
SG&A	(264.7)	(295.6)	(10.5%)	(8.8%)
<i>% of sales</i>	<i>(48.9%)</i>	<i>(57.5%)</i>		
SG&A w/o Depreciation	(215.6)	(230.5)	(6.5%)	(4.6%)
<i>% of sales</i>	<i>(39.8%)</i>	<i>(44.8%)</i>		
SG&A Depreciation	(49.1)	(65.1)	(24.6%)	(23.5%)
Other Op. Exp	(5.6)	(5.5)	1.8%	7.3%
EBITDA	149.5	100.1	49.4%	48.7%
<i>% of sales</i>	<i>27.6%</i>	<i>19.5%</i>		

Net Sales increase vs 2017 boosted by Skilarence® & Crestor®. Allergan portfolio contributed €2.8 MM Net Sales

Other Income lower than last year as expected

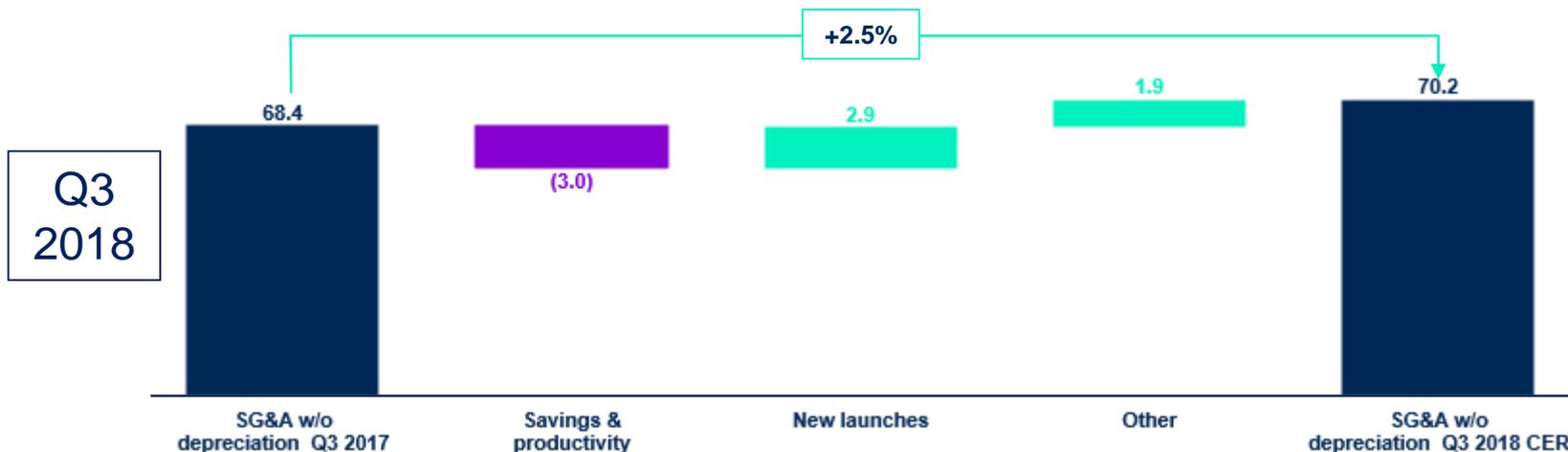
Strong gross margin increase driven by improved product mix and new launches

R&D decrease following cancellation of phase III projects

Strong cost control: SG&A lower than last year despite continued investment in key European launches to build psoriasis franchise

YTD 2018 SG&A Evolution

Using savings to fuel growth investment (Million Euros)

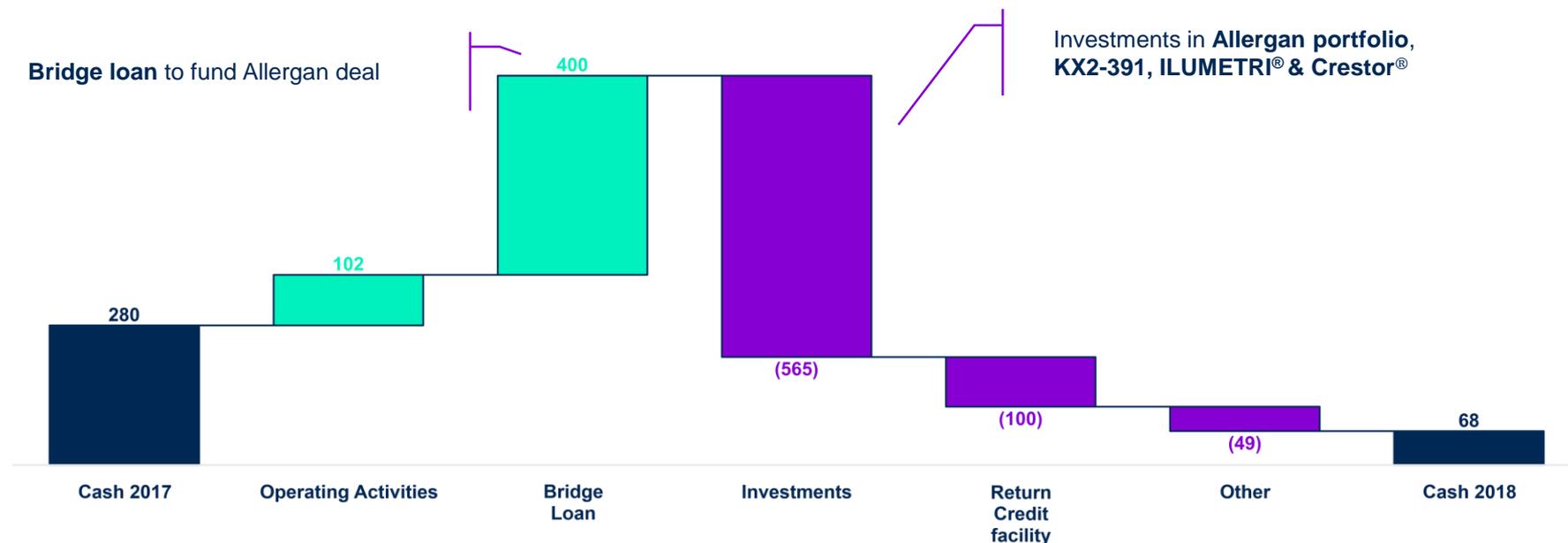


9M 2018 EBITDA to Normalized Net Income

€ Million	YTD Sep 2018	YTD Sep 2017	% var LY	% var CER LY	
EBITDA	149.5	100.1	49.4%	48.7%	EBITDA increase mainly driven by net sales performance, improved gross margin and tight cost control
<i>% of sales</i>	27.6%	19.5%			
Depreciation	(62.2)	(78.5)	(20.8%)	(19.9%)	Depreciation decline is mainly explained by the impairment of Aqua assets in 2017
<i>% of sales</i>	11.5%	15.3%			
EBIT	87.3	21.6	304.2%	297.7%	
<i>% of sales</i>	16.1%	4.2%			
<i>Gains on sale of assets</i>	1.2	-	n.m.	n.m.	
<i>Other costs</i>	(2.3)	(6.2)	(62.9%)	(62.9%)	
<i>Restructuring costs</i>	-	(5.8)	(100.0%)	(100.0%)	Renegotiation of the agreement with Sun Pharma
<i>Impairment reversals / (losses)</i>	20.0	(129.0)	(115.5%)	(115.5%)	
<i>Net financial income / (expenses)</i>	(3.4)	(10.7)	(68.2%)	(65.9%)	Net financial expenses reduction due to changes in financing from Senior Notes and profit linked to equity swap valuation
Profit before tax	102.8	(130.1)	n.m.	n.m.	
<i>Corporate income tax</i>	(9.6)	30.4	n.m.	n.m.	
Net Income	93.2	(99.7)	n.m.	n.m.	Net Income increase based on strong EBITDA, and low financing costs
Normalized Net Income	78.6	22.6	248.4%	244.6%	

9M 2018 Cash Evolution & Equity Swap

Million Euros



- Net Debt €553 MM lower than expected
- As announced, **up to 5%** of the company to be held as treasury shares. Execution of the Equity Swap: **0.8% of shares** of Almirall acquired, equivalent to around **1.4 Million shares** (average price 12.74 euros)

9M 2018 Cash Flow

Strong Operating Cash Flow generation

€ Million	YTD Sep 2018	YTD Sep 2017
Profit Before Tax	102.8	(130.1)
Depreciation and amortisation	62.2	78.6
Impairment losses	(20.0)	134.2
Change in working capital	5.6	(65.2)
Restructuring payments	-	(5.7)
Other adjustments	(59.4)	(60.9)
CIT Cash Flow	10.7	(12.7)
Cash Flow from Operating Activities (I)	101.9	(61.8)
Interest Collections	0.2	0.2
Ordinary Capex	(10.3)	(14.5)
Investments	(565.2)	(36.0)
Divestments	2.0	0.6
Business combination payments	(17.5)	(7.5)
Cash Flow from Investing Activities (II)	(590.8)	(57.2)
Interest Payment	(0.8)	(15.1)
Dividend Payment	(22.7)	(33.0)
Debt increase/ (decrease)	300.0	(172.3)
Cash Flow from Financing Activities	276.5	(220.4)
Cash Flow generated during the period	(212.4)	(339.4)
Free Cash Flow (III) = (I) + (II)	(488.9)	(119.0)

9M 2018 Balance Sheet

€ Million	September 2018	December 2017	Var of BS	
<i>Goodwill</i>	342.8	341.8	1.0	Increase mostly driven by the Allergan transaction. PPA works are ongoing, but final allocation is still pending
<i>Intangible assets</i>	1,169.2	730.3	438.9	
<i>Property, plant and equipment</i>	117.2	128.3	(11.1)	
<i>Financial assets</i>	144.3	192.0	(47.7)	
<i>Other non current assets</i>	266.4	268.7	(2.3)	
Total Non Current Assets	2,039.9	1,661.1	378.8	
<i>Inventories</i>	96.3	83.7	12.6	Linked to AstraZeneca Milestones
<i>Accounts receivable</i>	159.5	90.5	69.0	
<i>Cash & cash equivalents</i>	67.8	280.2	(212.4)	
<i>Other current assets</i>	59.0	61.0	(2.0)	
Total Current Assets	382.6	515.4	(132.8)	
Total Assets	2,422.5	2176.5	246.0	Increase due to the bridge loan (€400 MM), partially offset by the return of Revolving Credit Facility
<i>Shareholders Equity</i>	1,202.6	1,133.7	68.9	
<i>Financial debt</i>	550.3	250.1	300.2	Reduction is mainly linked to payments relating to KX2-391, ILUMETRI®, Crestor® and the Poli earnout
<i>Non current liabilities</i>	432.0	444.4	(12.4)	
<i>Current liabilities</i>	237.6	348.3	(110.7)	
Total Equity and Liabilities	2,422.5	2,176.5	246.0	

Net Debt Position

Cash and cash equivalents:	(67.8)
Financial debt:	550.3
Pension plans:	70.2

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

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

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

- **Update on Almirall R&D coding**

New code indicated in the next slide

Seysara™ is a next-generation OAB

Strong efficacy and improved tolerability

First oral antibiotic specifically designed for dermatology

- Sarecycline (Seysara™) is a next-generation oral tetracycline
- First new oral antibiotic (OAB) in the space for 40 years

Rapid onset of action

- Provided visible results as early as 3 weeks, based on reductions in inflammatory lesion counts
- Provided significant reductions in both inflammatory and non-inflammatory lesions counts
- Approximately 85% of subjects in sarecycline clinical trials had moderate acne

Improved safety and tolerability

- Placebo like rates of GI side effects, vestibular AEs, and phototoxicity were observed in sarecycline clinical trials
- Sarecycline pivotal trial included subjects as young as 9 years of age

Convenient Dosing

- A once-daily tablet
- Available in multiple dosages for tailored, weight-based dosing (1.5 mg/kg)

Now dermatologists have an option that is proven to reduce inflammatory lesions in as little as 3 weeks, yet is safe enough to be used in children as young as 9 years old

Seysara™ analysis

Phase III data shows strong efficacy

- Good efficacy in the treatment of moderate to severe acne was seen in both phase III trials submitted to FDA
- The primary endpoint assessed Seysara™ 1.5mg/kg per day compared to placebo in treating inflammatory acne lesions based on Investigators Global Assessment (IGA) scale score and inflammatory lesion counts
- Seysara™ was statistically superior ($p < 0.004$) vs. placebo on the primary efficacy endpoints

Favorable safety and tolerability profile

- The label shows Seysara™ has fewer adverse effects compared to approved antibiotics
- The only adverse effect with at least 1% greater incidence in active arm compared to placebo was nausea in contrast to fatigue, dizziness, malaise, somnolence and urticaria imbalances were reported with minocycline
- Additionally, the Seysara™ rate of discontinuation due to adverse events was low (1.4%) in the two studies

ILUMETRI[®] offers specific upstream targeting of IL23p19 in only 4 doses per year



Lasting efficacy – results that get better over time

- ILUMETRI[®] showed maintained efficacy over time, 92% of patients who are PASI 75 responders at week 28 maintained response at 3 years
- Effective in 3 out of 4 patients who did not respond to a TNFa inhibitor



Safety profile that gives physicians peace of mind

- ILUMETRI[®] results to date suggest one of the best safety profiles among biologic treatments in psoriasis
- Not linked to a significantly increased risk of serious infections, inflammatory bowel disease, major cardiovascular events or suicidal ideation



Convenient dosing (4 times per year) lifts the treatment burden

- Lower dosing frequency will improve adherence
- In patients with certain characteristics, dosage can be adapted for greater efficacy



Improved QoL

- Nearly 2 out of 3 patients reported that psoriasis no longer affected their lives after only 3 doses
- 7 out of 10 patients reported DLQI score of 0 or 1 at the end of the pivotal studies

ILUMETRI® launch sequence

Indicated for the **treatment of adults with moderate-to-severe plaque psoriasis** who are candidates for systemic therapy

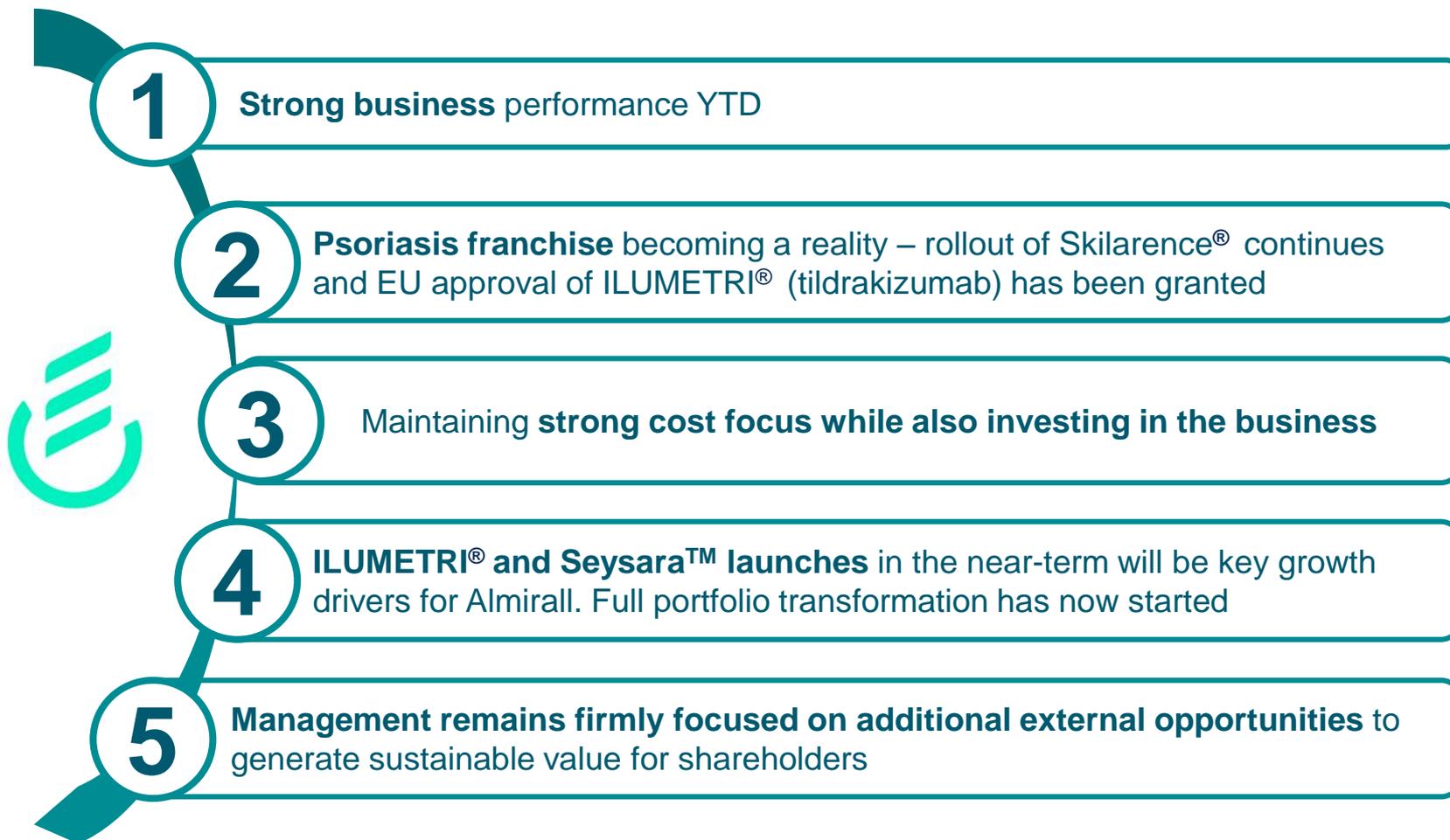
ILUMETRI is an IL23p19 inhibitor that delivers **Maintained Control** because it gives **long-term efficacy without the burden of frequent injections** (only 4 doses per year during maintenance), nor the worry of safety concerns, so patients can be free to fully engage in what matters most in their lives

Launch sequence



Closing Remarks

Conclusions

- 
- 1** **Strong business** performance YTD
 - 2** **Psoriasis franchise** becoming a reality – rollout of Skilarence® continues and EU approval of ILUMETRI® (tildrakizumab) has been granted
 - 3** Maintaining **strong cost focus while also investing in the business**
 - 4** **ILUMETRI® and Seysara™ launches** in the near-term will be key growth drivers for Almirall. Full portfolio transformation has now started
 - 5** **Management remains firmly focused on additional external opportunities** to generate sustainable value for shareholders

2018 Full Year Guidance⁽¹⁾

Estimated impact of the Allergan deal

	From	To *
Total Revenues	Mid single-digit growth	Mid to high single-digit growth
Net Sales	Mid-to-high single-digit growth	Low double-digit growth
EBITDA	c. +30% growth	€205 MM - €210 MM

(*) Allergan Net Sales estimated between €30 MM to €35 MM for Q4 2018

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

Financial Appendices

Q3 2018 Restated under new IFRS 15

€ Million	Q3 2018	Q3 2017 Restated IFRS 15	% var LY
Total Revenues	185.7	182.7	1.6%
Net Sales	174.0	164.7	5.6%
Other Income	11.7	18.0	(35.0%)
Cost of Goods	(54.2)	(55.4)	(2.2%)
Gross Profit	119.8	109.3	9.6%
<i>% of sales</i>	68.9%	66.4%	
R&D	(19.2)	(19.0)	1.1%
<i>% of sales</i>	(11.0%)	(11.5%)	
SG&A	(88.3)	(88.8)	(0.6%)
<i>% of sales</i>	(50.7%)	(53.9%)	
SG&A w/o Depreciation	(70.5)	(68.4)	3.1%
<i>% of sales</i>	(40.5%)	(41.5%)	
Depreciation	(17.8)	(20.4)	(12.7%)
Other Op. Exp	(2.2)	(2.9)	(24.1%)
EBITDA	44.0	41.5	6.0%

9M 2018 Restated under new IFRS 15

€ Million	YTD Sep 2018	Sep 2017 Restated IFRS 15	% var LY	YTD Sep 2017	% var LY
Total Revenues	584.0	561.6	4.0%	561.6	4.0%
Net Sales	541.4	514.1	5.3%	482.3	12.3%
Net Sales	541.4	482.3	12.3%	482.3	12.3%
Other Income Reclas	-	31.8	(100.0%)	-	n.m.
Other Income	42.6	47.5	(10.3%)	79.3	(46.3%)
Other Income	42.6	79.3	(46.3%)	79.3	(46.3%)
Other Income Reclas	-	(31.8)	(100.0%)	-	n.m.
Cost of Goods	(169.0)	(171.7)	(1.6%)	(171.7)	(1.6%)
Gross Profit	372.4	342.4	8.8%	310.6	19.9%
<i>% of sales</i>	68.8%	66.6%		64.4%	
R&D	(57.4)	(67.2)	(14.6%)	(67.2)	(14.6%)
<i>% of sales</i>	(10.6%)	(13.1%)		(13.9%)	
SG&A	(264.7)	(295.6)	(10.5%)	(295.6)	(10.5%)
<i>% of sales</i>	(48.9%)	(57.5%)		(61.3%)	
SG&A w/o Depreciation	(215.6)	(230.5)	(6.5%)	(230.5)	(6.5%)
<i>% of sales</i>	(39.8%)	(44.8%)		(47.8%)	
Depreciation	(49.1)	(65.1)	(24.6%)	(65.1)	(24.6%)
Other Op. Exp	(5.6)	(5.5)	1.8%	(5.5)	1.8%
EBITDA	149.5	100.1	49.4%	100.1	49.4%

9M 2018 Income Statement CER

€ Million	YTD CER Sep 2018	YTD Sep 2018	Var	YTD Sep 2017	% var CER	% var LY
Total Revenues	588.0	584.0	4.0	561.6	4.7%	4.0%
Net Sales	545.1	541.4	3.7	514.0	6.1%	5.3%
Other Income	42.9	42.6	0.3	47.6	(9.9%)	(10.5%)
Cost of Goods	(168.6)	(169.0)	0.4	(171.7)	(1.8%)	(1.6%)
Gross Profit	376.5	372.4	4.1	342.3	10.0%	8.8%
<i>% of sales</i>	69.1%	68.8%		66.6%		
R&D	(58.0)	(57.4)	(0.6)	(67.2)	(13.7%)	(14.6%)
<i>% of sales</i>	(10.6%)	(10.6%)		(13.1%)		
SG&A	(269.6)	(264.7)	(4.9)	(295.6)	(8.8%)	(10.5%)
<i>% of sales</i>	(49.5%)	(48.9%)		(57.5%)		
SG&A w/o Depreciations	(219.8)	(215.6)	(4.2)	(230.5)	(4.6%)	(6.5%)
<i>% of sales</i>	(40.3%)	(39.8%)		(44.8%)		
SG&A Depreciation	(49.8)	(49.1)	(0.7)	(65.1)	(23.5%)	(24.6%)
Other Op. Exp	(5.9)	(5.6)	(0.3)	(5.5)	7.3%	1.8%
<i>% of sales</i>	(1.1%)	(1.0%)		(1.1%)		
EBIT	85.9	87.3	(1.4)	21.6	297.7%	304.2%
<i>% of sales</i>	15.8%	16.1%	-	4.2%		
Depreciation	62.9	62.2	0.7	78.5	(19.9%)	(20.8%)
<i>% of sales</i>	11.5%	11.5%		15.3%		
EBITDA	148.8	149.5	(0.7)	100.1	48.7%	49.4%
<i>% of sales</i>	27.3%	27.6%		19.5%		
Gains on sale of assets	1.3	1.2	0.1	-	n.m.	n.m.
Other costs	(2.3)	(2.3)	-	(6.2)	(62.9%)	(62.9%)
Impairment reversals / (losses)	20.0	20.0	-	(129.0)	(115.5%)	(115.5%)
Net financial income / (expenses)	(3.7)	(3.4)	(0.3)	(10.7)	(65.9%)	(68.2%)
Profit before tax	101.3	102.8	(1.5)	(130.1)	(177.8%)	(179.0%)
Corporate income tax	(8.9)	(9.6)	0.7	30.4	(129.3%)	(131.6%)
Net Income	92.3	93.2	(0.8)	(99.7)	-192.6%	-193.5%
Normalized Net Income	77.8	78.6	(0.9)	22.6	244.6%	248.4%

EURO	CER 2018	Sep 2018
USD	1.11	1.19
CHF	1.09	1.16
GBP	0.87	0.88
PLN	4.26	4.25
DKK	7.44	7.45

9M 2018 Dermatology sales breakdown

€ Million	YTD Sep 2018	YTD Sep 2017	% var vs LY
Europe	142.0	134.7	5.5%
Ciclopoli franchise	33	30	9.6%
Solaraze	24	26	(6.7%)
Decoderm franchise	19	19	3.5%
Skilarence	12	2	n.m.
Others	54	58	(7.8%)
US	35	42	(15.7%)
RoW	8	7	5.8%
Total Derma Rx	185	184	0.6%
ThermiGen	13	22	(41.9%)
Total Almirall Derma	198	206	(3.8%)

9M 2018 Net Sales by Geography

€ Million	YTD Sep 2018	YTD Sep 2017	% var vs LY
Europe	406.0	363.6	11.7%
US	48.6	64.7	(24.9%)
Emerging Markets	86.8	85.8	1.2%
Total	541.4	514.1	5.3%

9M 2018 Leading Product Sales

€ Million	YTD Sep 2018	YTD Sep 2017	% var vs LY
Ebastel franchise	45	44	1.5%
Ciclopoli franchise	38	34	10.0%
Efficib/Tesavel	38	36	5.0%
Crestor	32	-	n.m.
Solaraze	24	26	(6.4%)
Almax	21	19	14.9%
Sativex	20	18	11.7%
Decoderm franchise	20	19	4.0%
Airtal franchise	18	16	12.6%
Imunorix	13	17	(23.2%)
Skilarence	12	2	n.m.
Rest of Products	262	284	(8.8%)
Net Sales	541	514	5.3%

Reconciliations with audited financial statements

Gross Margin & EBITDA

€ Million	YTD Sep 2018	YTD Sep 2017
Revenues (*)	541.4	482.3
IFRS 15 impact	-	31.7
- Procurements	(123.0)	(130.5)
- Other manufacturing costs (**)		
Staff costs	(21.9)	(21.4)
Amortisation	(7.6)	(7.2)
Other operating costs	(12.6)	(12.5)
- Provisions variation (**)	(3.9)	-
Gross Profit	372.4	342.3
As % of Revenues	68.8%	66.6%

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

€ Million	YTD Sep 2018	YTD Sep 2017
Profit (Loss) from operations	106.2	(115.0)
- Directly traceable with annual accounts		
Amortisation	62.2	78.6
Net gain (loss) on asset disposals	(1.2)	0.0
Loss (Gain) on recognition (reversal) of impairment of property.	(20.0)	124.5
Plant and equipment, intangible assets and goodwill		
- Non directly traceable with annual accounts		
Other operating expense (***)	2.3	6.3
EBITDA	149.5	100.1

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

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

€ Million	YTD Sep 2018	YTD Sep 2017
EBITDA	149.5	100.1
- Amortisation	(62.2)	(78.5)
EBIT	87.3	21.6

€ Million	YTD Sep 2018	YTD Sep 2017
Financial income	0.7	0.2
Finance costs	(3.3)	(21.8)
Change to fair value in financial instruments	6.3	(3.3)
Exchange rate differences	(7.1)	14.1
Net Financial income / (expenses)	(3.4)	(10.7)



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