

# Half Year 2013 Financial Results and Business Update

*July 29<sup>th</sup> 2013*



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# Disclaimer

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# Half Year 2013 Highlights

*Eduardo Sanchiz, CEO*



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## Key messages from CEO

- Financial performance in line with guidance
- Keeping our focus on execution, new product rollout progressing well:
  - Eklira<sup>®</sup> launched in Q2 in Netherlands, Finland, Italy, Austria and Hungary
  - Constella<sup>®</sup> launched in Q2 in Germany, UK and Nordic countries
  - Sativex<sup>®</sup> launched in Q2 in Poland and Italy (early July)
- Positive phase III results of AB combo, filing expected in Q4
- Successful Scrip Dividend

# Half Year 2013 Financial Results

*Daniel Martinez, CFO*

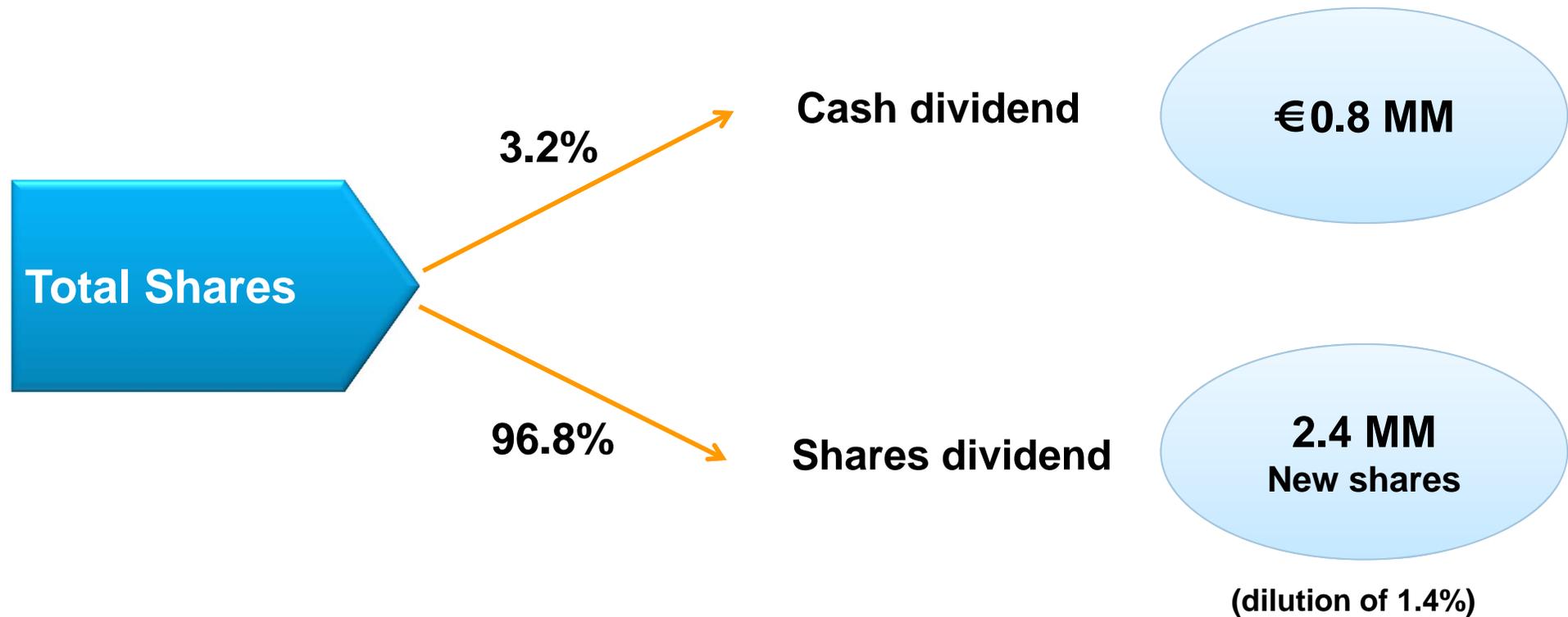


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## Half Year 2013 Financial Highlights

- Total Revenues progressing as guided (-2.6%), Net Sales (-8.1%)
- Strong improvement in Gross Margin (**66%** vs 61.6% in 2012) expecting FY Margin around **65%**
- **24%** increase in SG&A spend as guided to support new launches
- Equity represents **71%** of Total Assets
- Cash position: **€50MM**
- Financial guidance reiterated

# Successful Scrip Dividend

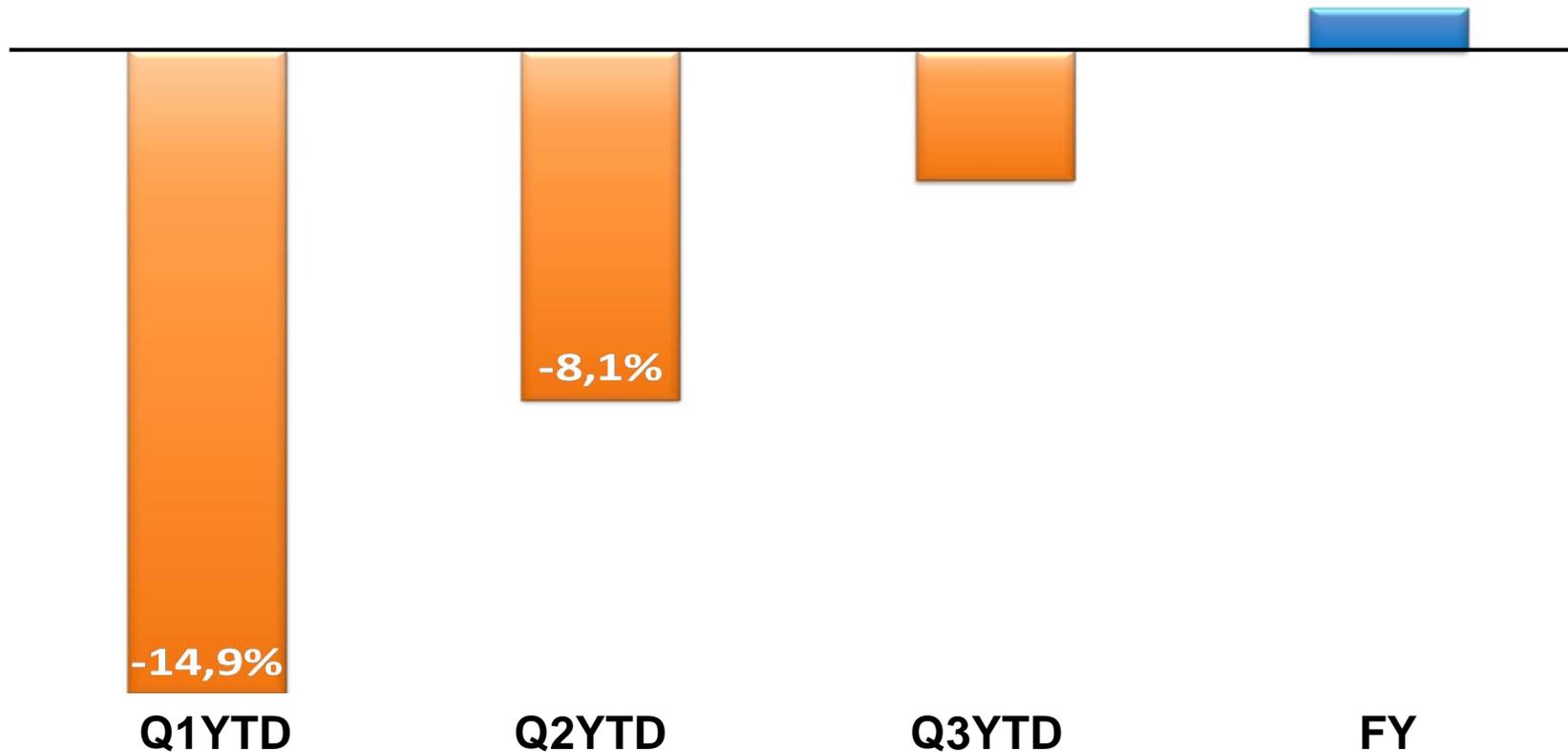


Cash kept at Almirall: **€26 MM**

New total number of shares: **172.951.120**

# Quarterly progression of Sales during 2013

*(proportions are only indicative)*



Quarterly Sales to progressively improve over the quarters until resuming growth at the end of the year

# Income Statement

€ rounded million	YTD Jun 2013	YTD Jun 2012	% var
<b>Total Revenues</b>	<b>410,4</b>	<b>421,5</b>	<b>(2,6%)</b>
Net Sales	343,8	374,0	(8,1%)
Other Income	66,6	47,5	40,2%
Cost of Goods	(116,8)	(143,5)	(18,6%)
<b>Gross Profit</b>	<b>226,9</b>	<b>230,5</b>	<b>(1,6%)</b>
<i>% of sales</i>	<b>66,0%</b>	61,6%	
<b>R&amp;D</b>	<b>(57,7)</b>	<b>(77,7)</b>	<b>(25,7%)</b>
<i>% of sales</i>	(16,8%)	(20,8%)	
<b>SG&amp;A</b>	<b>(228,4)</b>	<b>(184,5)</b>	<b>23,8%</b>
<i>% of sales</i>	(66,4%)	(49,3%)	
<b>Other Op. Exp</b>	<b>0,3</b>	<b>2,1</b>	<b>(85,7%)</b>
<b>EBIT</b>	<b>7,7</b>	<b>17,9</b>	<b>(57,0%)</b>
<i>% of sales</i>	2,2%	4,8%	
<b>Depreciation</b>	<b>34,1</b>	<b>33,2</b>	<b>2,7%</b>
<i>% of sales</i>	9,9%	8,9%	
<b>EBITDA</b>	<b>41,8</b>	<b>51,1</b>	<b>(18,2%)</b>
<i>% of sales</i>	12,2%	13,7%	
Sale of noncurrent assets / Other	(1,4)	(0,6)	133,3%
Net financial income / (expenses)	(2,1)	(1,8)	16,7%
<b>Profit before tax</b>	<b>4,2</b>	<b>15,5</b>	<b>(72,9%)</b>
Corporate income tax	13,4	11,5	16,5%
<b>Net income</b>	<b>17,6</b>	<b>27,0</b>	<b>(34,8%)</b>
<b>Normalized Net Income</b>	<b>17,6</b>	<b>27,0</b>	<b>(34,8%)</b>
Earnings per share (€)	0,10 €	0,16 €	
Normalized Earnings per share (€)	0,10 €	0,16 €	
Nu. of employees end of period	2.943	2.788	5,6%

- ✓ Improvement of YoY sales evolution (-8.1% vs -14.9% in Q1)
- ✓ Strong improvement in Gross Margin, expected to be around 65% at the end of the year
- ✓ Higher SG&A to support new launches

# Financial guidance 2013 reiterated

	2013 (vs 2012)
<b>Net Sales</b>	Return to growth
<b>Total Revenues*</b>	Slight decline
<b>R&amp;D</b>	Return to more normal levels
<b>SG&amp;A</b>	Near term significant increase to support new product launches
<b>Corporate Tax</b>	Negative Tax effective rate envisaged
<b>Normalized Net Income</b>	Impact in 2013 due to investment in new products launches. Rapid growth thereafter.

\* Net Sales + Other Income

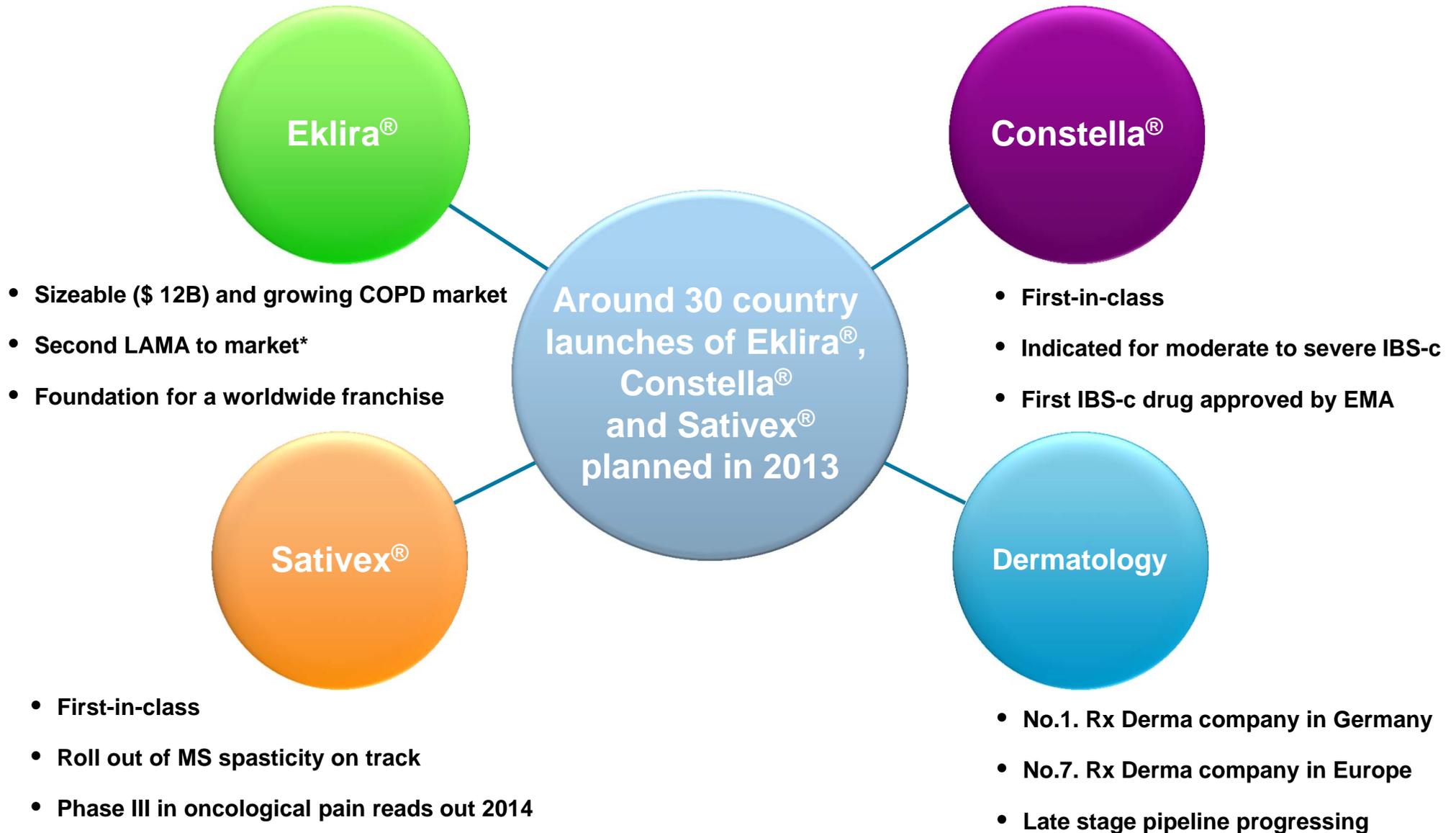
# Growth platforms

*Steve Lewington*  
*Senior Director Global Marketing*  
*& Medical Affairs*



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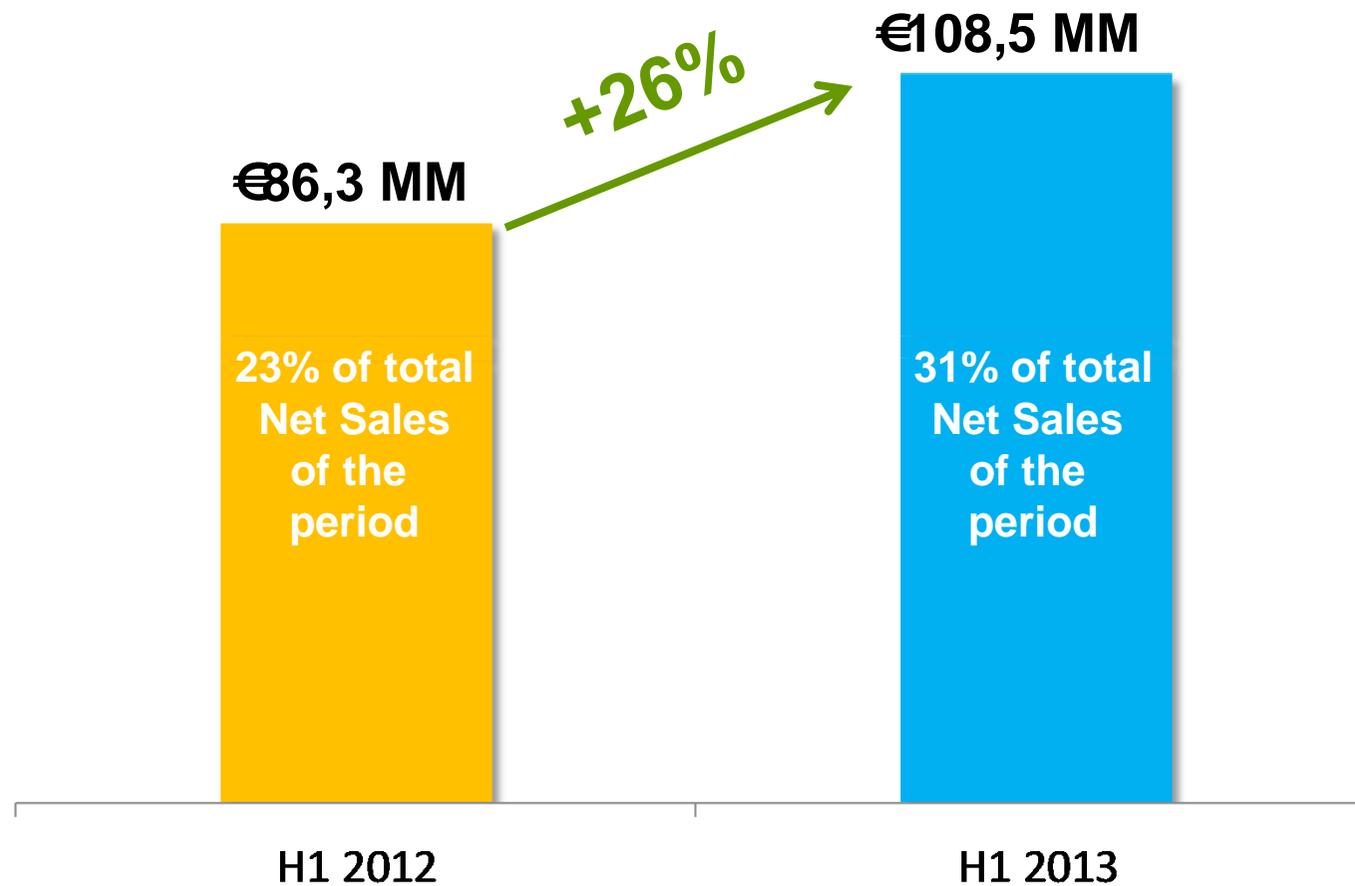
# Four platforms of growth with transformational potential



\* In the US and some European countries

# Growing contribution of the new platforms of growth

Includes, Eklira<sup>®</sup>, Constella<sup>®</sup>, Sativex<sup>®</sup> and Derma



**Eklira<sup>®</sup> Genuair<sup>®</sup> / Bretaris<sup>®</sup> Genuair<sup>®</sup>  
& Tudorza<sup>™</sup> Pressair<sup>™</sup>  
(acclidinium bromide)**

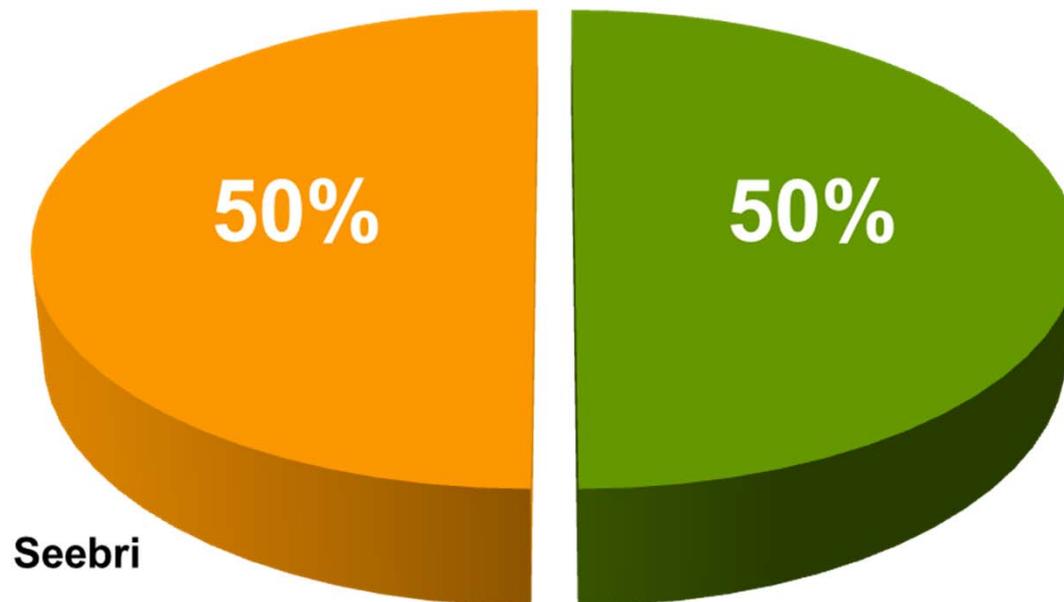
# Launches in 2012 and 2013 YTD

Up to five new launches planned before year end



# Acclidinium's competitive market share among new LAMAs

Eklira<sup>®</sup> + Bretaris<sup>®</sup> holds 50% in value



 **Eklira<sup>®</sup>Genuair<sup>®</sup>**  
aclidinium bromide inhalation powder

**BRETARIS<sup>®</sup>**  
Genuair<sup>®</sup>

Source: IMS MIDAS May-13

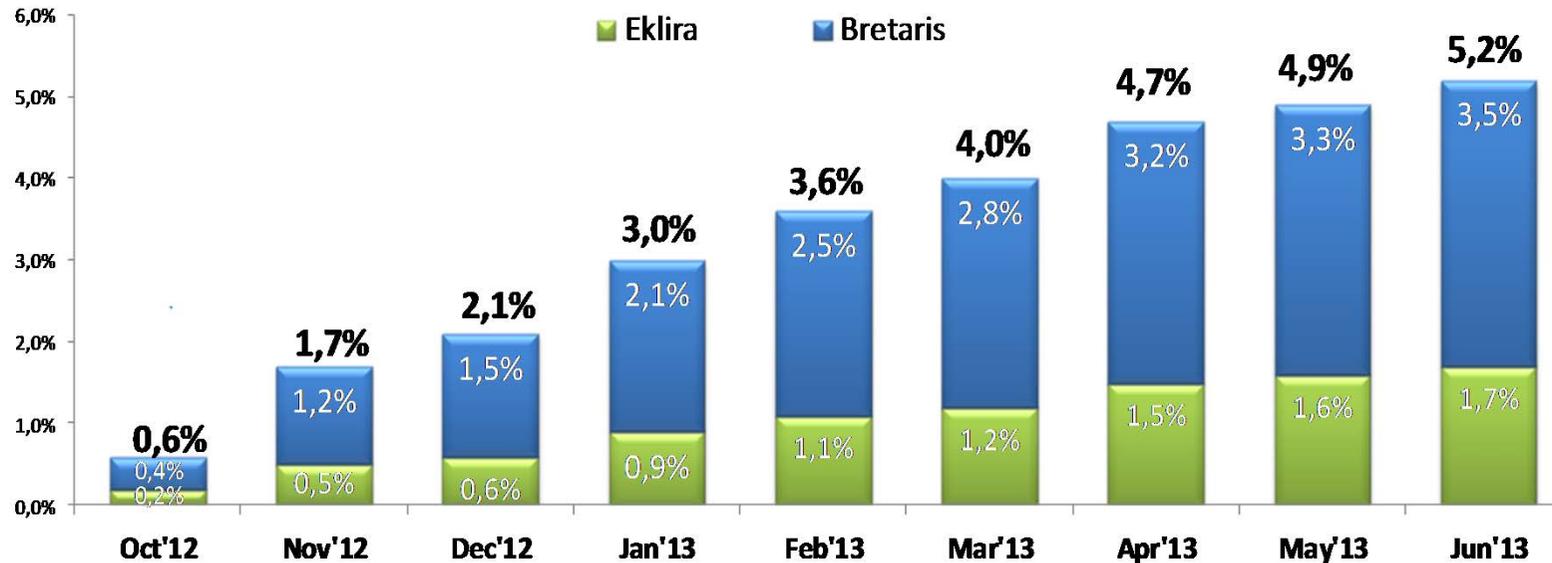
Includes all countries where Eklira/Bretaris and Seebri are launched: Germany, Italy, Spain, UK, Denmark, Finland, Norway, Netherlands and Austria

# Eklira® Genuair® / Bretaris® Genuair®

Sales evolution in Germany



**AB's share of LAMAs (in values)**



Source: IMS Audited Sales June 2013

**Market share among  
new LAMAs <sup>1</sup>**

**41%**

**% Share of  
Voice COPD drugs <sup>2</sup>**

**21%**

<sup>1</sup> In values. Source: IMS Audited Sales June 2013

<sup>2</sup> Source: Cegedim-Reportive May-13

COPD Drugs Include: LAMA, ICS, LABA, LABA+ICS, SAMA, SABA+SAMA, PDE-4 inh



- As expected, slower uptake than in other EU Top markets due to local formulary reviews plus the impact of the recent NHS reorganization from PCT to GP led CCG s
- So far, around 80% of the targeted PCT have assessed Eklira® in their formularies, with an 80% of successful inclusion rate
- Formularies that include Eklira® account for around 60% of total LAMA targeted prescriptions

**Market share among  
new LAMAs <sup>1</sup>**

**41%**

**% Share of  
Voice COPD drugs <sup>2</sup>**

**15%**

<sup>1</sup> In values. Source: IMS Audited Sales May 2013

<sup>2</sup> Source: Cegedim-Reportive May-13

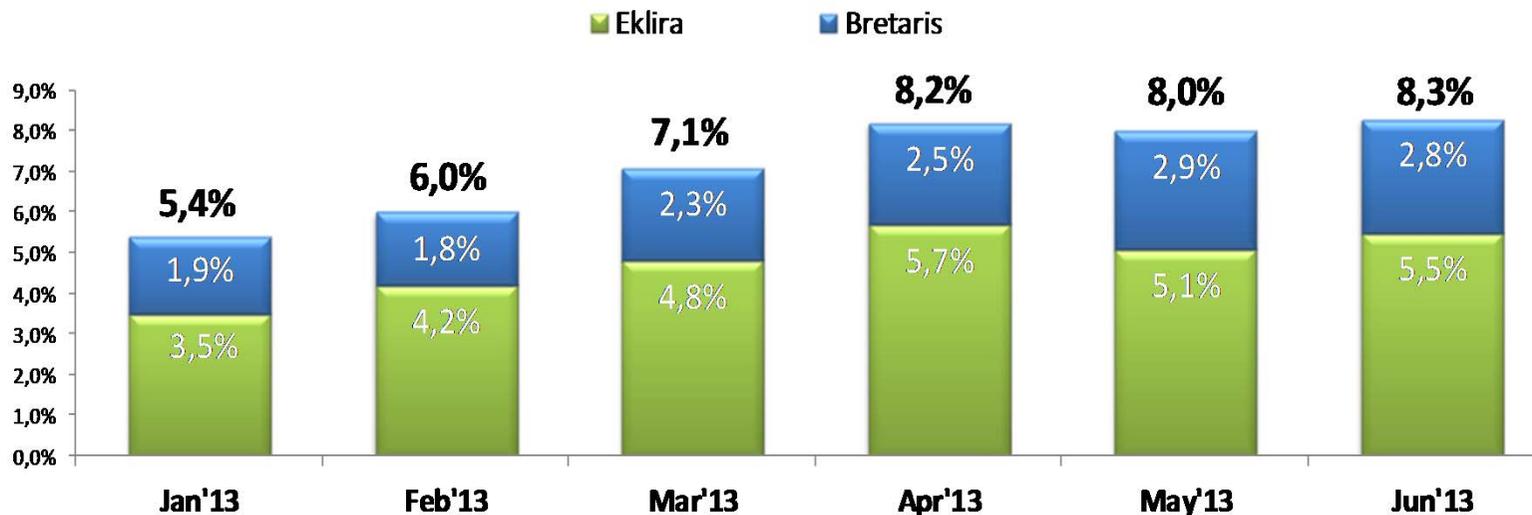
COPD Drugs Include: LAMA, ICS, LABA, LABA+ICS, SAMA, SABA+SAMA, PDE-4 inh

# Eklira® Genuair® / Bretaris® Genuair®

Sales evolution in Spain



## AB's share of LAMAs (in values)



Source: IMS Audited Sales June 2013

**Market share among  
new LAMAs<sup>1</sup>**

**69%**

**% Share of  
Voice COPD drugs<sup>2</sup>**

**25%**

<sup>1</sup> In values. Source: IMS Audited Sales June 2013

<sup>2</sup> Source: Cegedim-Reportive May-13

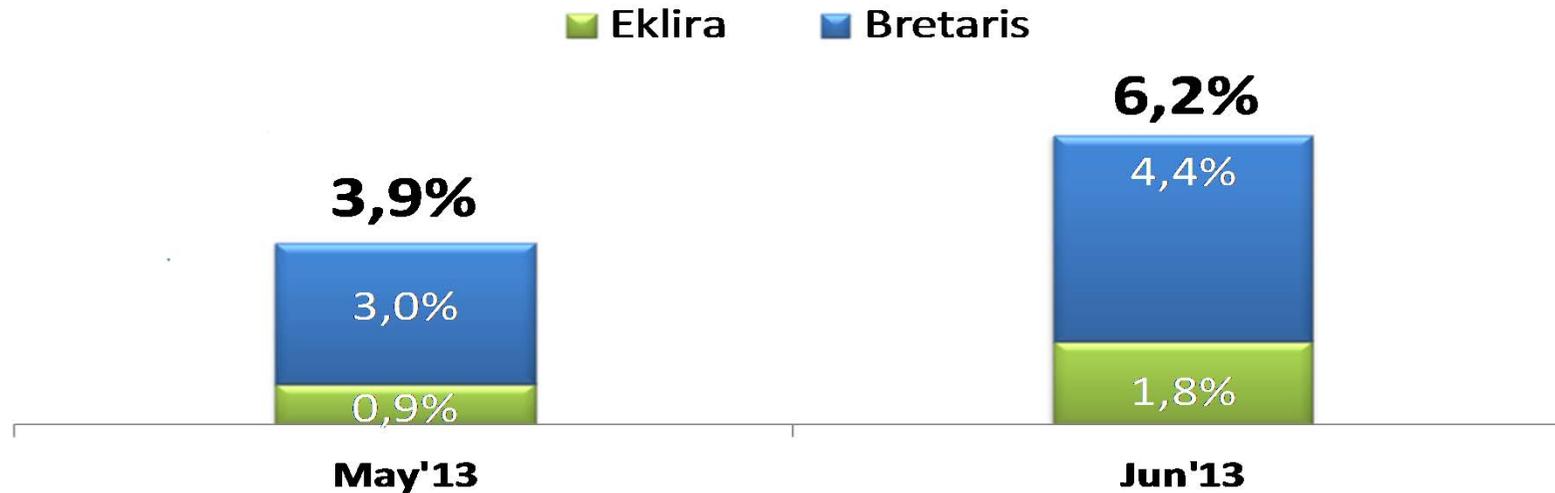
COPD Drugs Include: LAMA, ICS, LABA, LABA+ICS, SAMA, SABA+SAMA, PDE-4 inh

# Eklira® Genuair® / Bretaris® Genuair®

Sales evolution in Italy



## AB's share of LAMAs (in values)



Source: IMS Audited June 2013

Market share among  
new LAMAs <sup>1</sup>

48%

% Share of  
Voice COPD drugs <sup>2</sup>

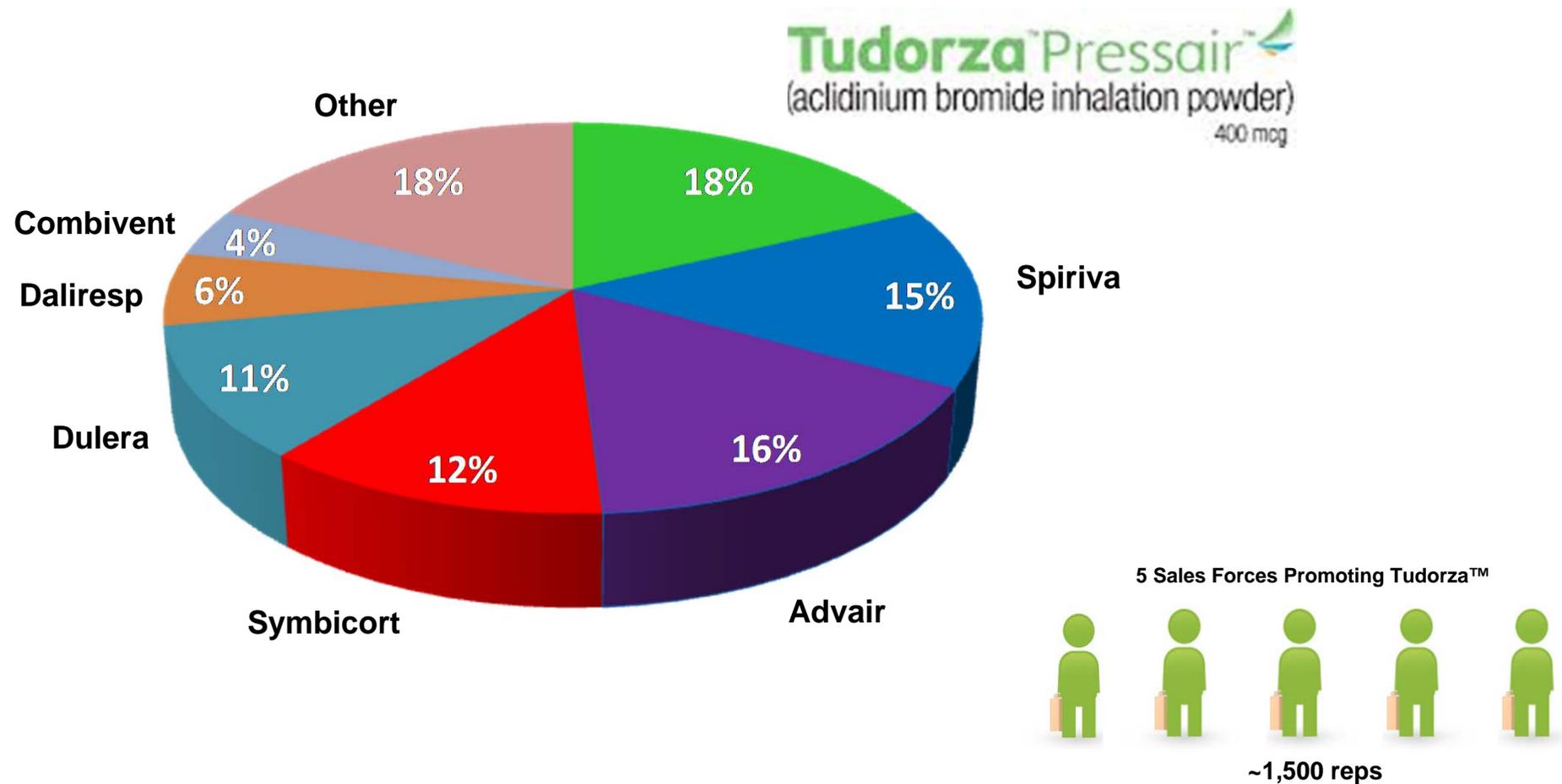
30%

<sup>1</sup> In values. Source: IMS Audited Sales May 2013

<sup>2</sup> Source: Cegedim-Reportive May-13

COPD Drugs Include: LAMA, ICS, LABA, LABA+ICS, SAMA, SABA+SAMA, PDE-4 inh

# Tudorza™ holds a competitive Share of Voice in the US COPD market

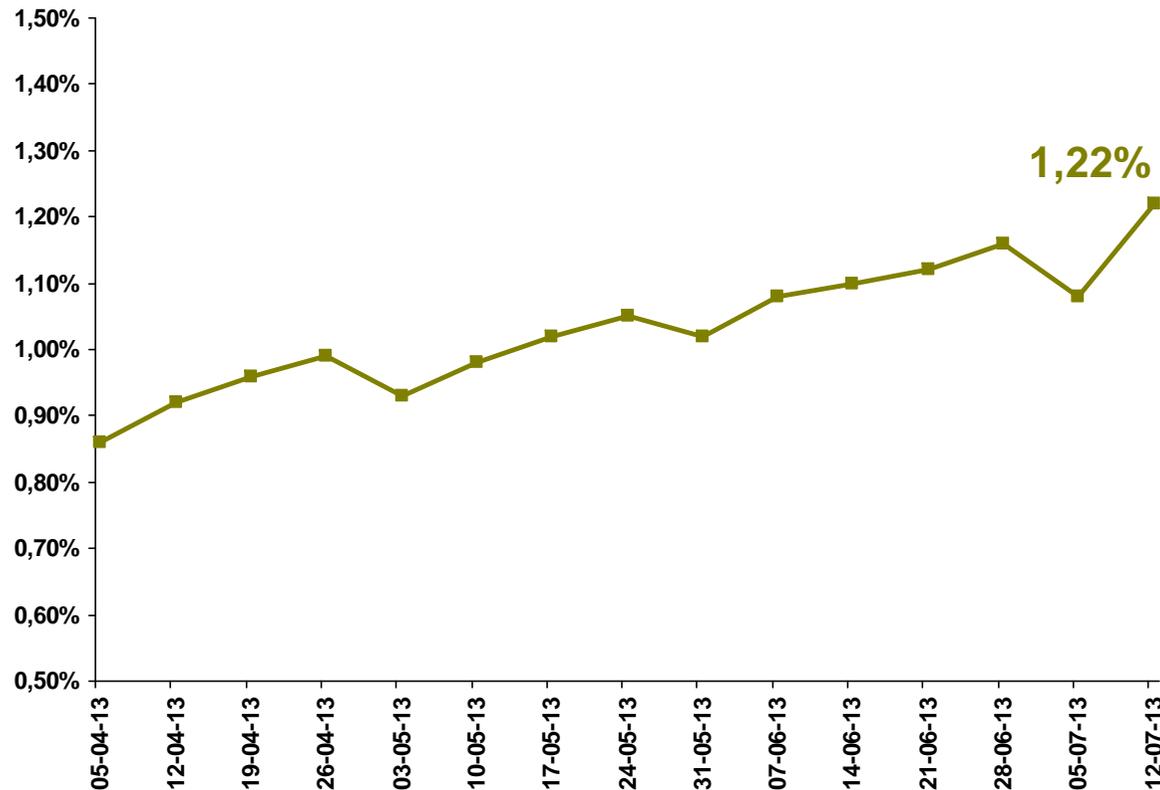


Source: Cedegim-Reportive Mar 2013 MAT.  
Includes LAMA, ICS, LABA, LABA+ICS, SAMA, SABA+SAMA, PDE-4 inh..

# Tudorza™ Weekly TRx Share in COPD Market



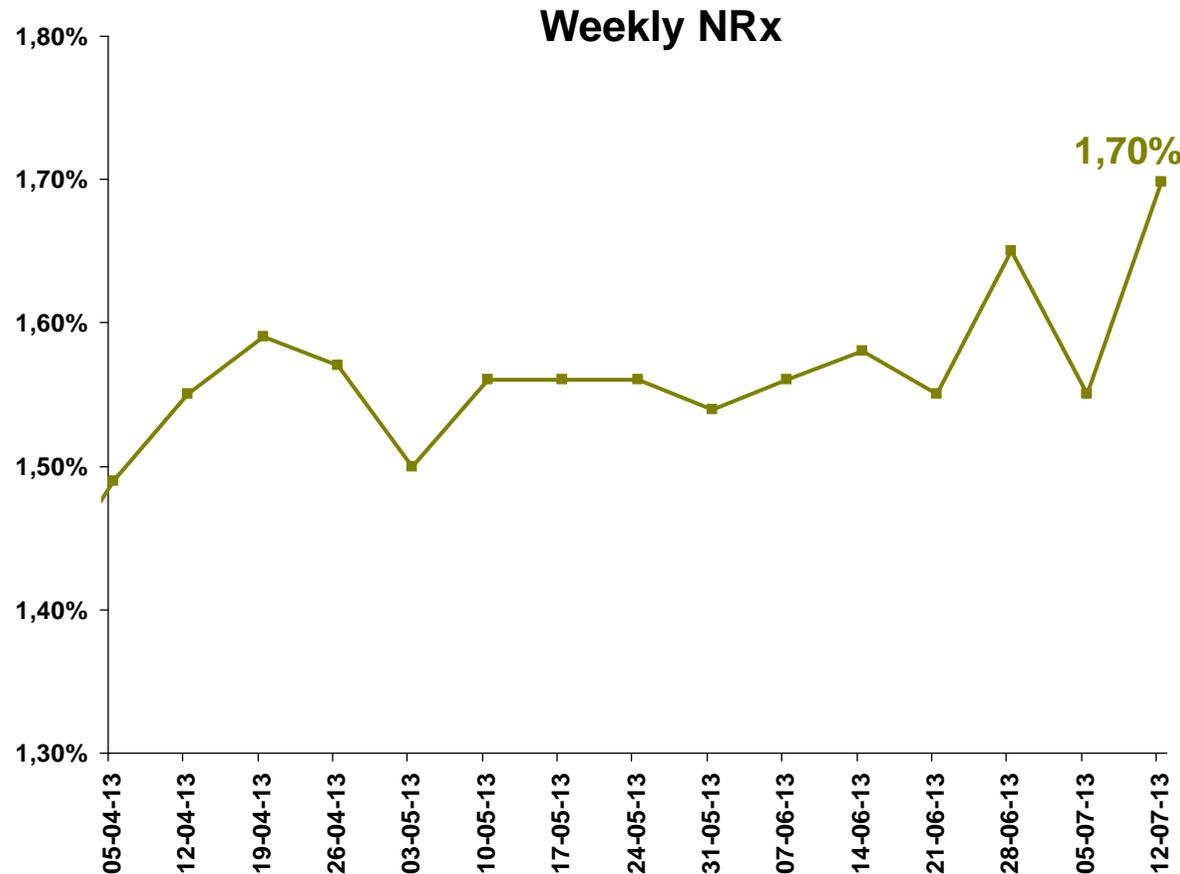
Weekly TRx



- As of July 1<sup>st</sup>, formulary coverage increased in Medicare Part D from 20% to 50%
- 75% of patients now have unrestricted access to Tudorza™
- Over 20.000 physicians have used Tudorza™ (and adding over 600 new users each week)

Source: IMS Weekly NPA  
TRx: Total prescriptions

# Tudorza™ Weekly NRx Share in COPD Market



- NRx market share continues to increase after the July 4<sup>th</sup> holiday week
- Physicians report that the drug and the device are performing in clinical practice like they did in the clinical trials
- Since launch, there have been 110,000 Tudorza™ NRx

Source: IMS Weekly NPA  
NRx: New prescriptions

## Other key LAMA geographies



**Japan**



**Canada**



**Australia**

**Status of AB monotherapy**

Positive results from bridging study carried out by Kyorin

Regulatory feedback expected in Q3 2013

Regulatory feedback expected in Q3 2013

**World rank among LAMAs**

**4<sup>th</sup>**

**6<sup>th</sup>**

**9<sup>th</sup>**

**Partnered to**

Kyorin

Forest

Invida (Menarini)

**LAMA Market size**

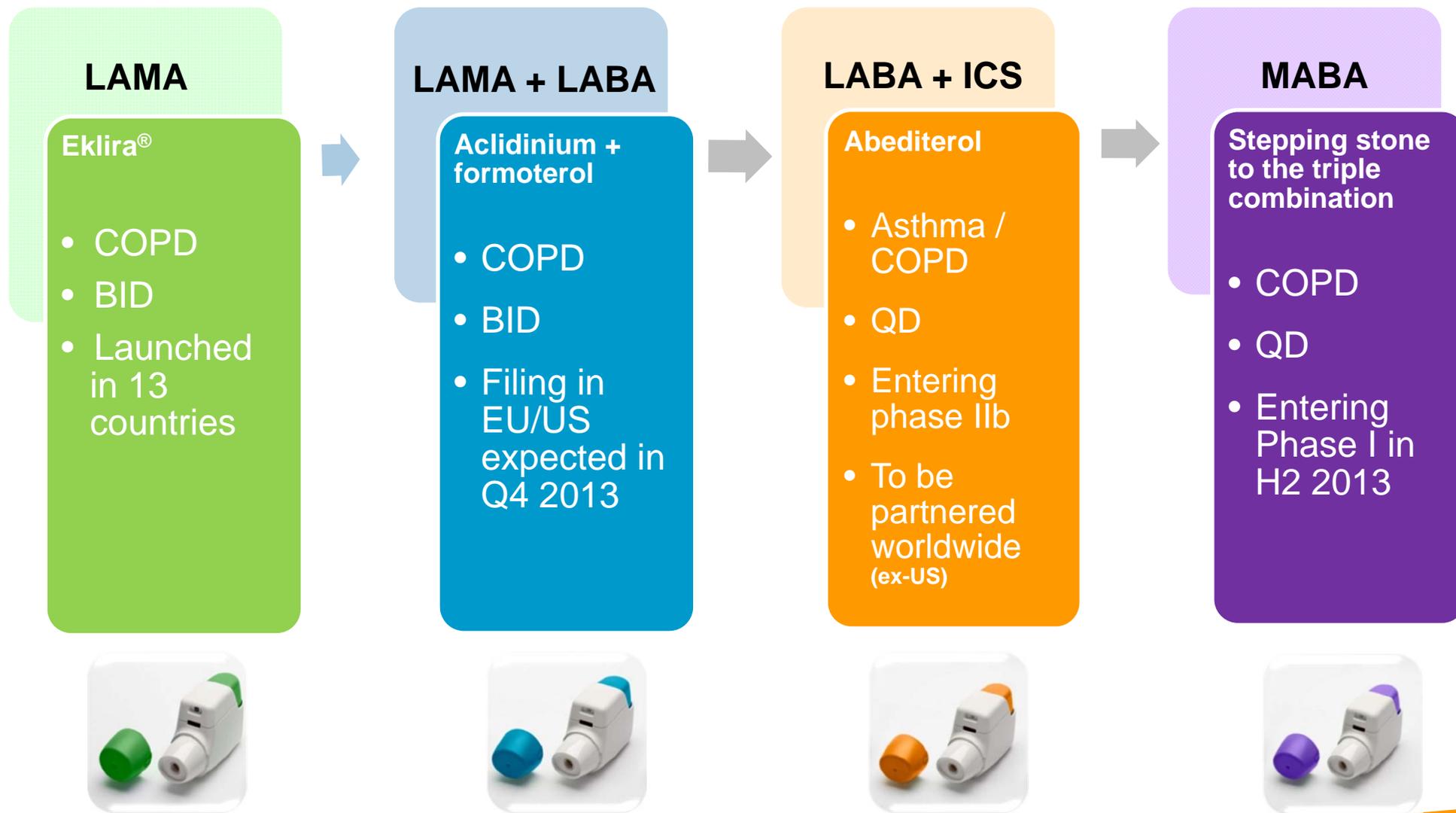
**€175 MM**

**€139 MM**

**€88 MM**

Source: IMS Knowledge link. US\$ Sales MAT Q3 2013.

# Our respiratory franchise moving forward



**Constella<sup>®</sup>**  
**(linaclotide)**

# Constella® hitting the first countries and gaining access in other



- Launched in May in Germany, the UK and the Nordic Countries
- Market access progress:
  - Positive SMC advice in June confirming acceptance for use in NHS Scotland
  - Reimbursement process started in Germany
- Early qualitative feedback consistent across countries:
  - Physicians interested in the product and convinced of clinical data presented
  - Mostly positive initial experiences despite diarrhea is reported as predicted

**Sativex<sup>®</sup>**

# Commercial execution of Sativex®

As of July 29<sup>th</sup> 2013



Available for Patients		Approved	
 Spain	 Germany	 Finland	 Czech Republic
 Denmark	 Norway	 Iceland	 Portugal
 Austria	 Sweden	 Slovakia	 Belgium
 Poland	 Italy	 Netherlands	 Luxembourg

- Positive trend of Sativex® despite headwinds in Germany (+37% YoY in volume uptake).
- Pan-European rollout to continue 2013-14 for spasticity in MS.
- Topline results of oncological pain Phase III study reads out in 2014.

# Commercial wrap-up

## Commercial execution wrap-up

- New product rollout progressing well:

	Launches in Q2 2013	Countries present
Eklira <sup>®</sup> / Bretaris <sup>®</sup> / Tudorza <sup>®</sup>	5	13
Constella <sup>®</sup>	6	6
Sativex <sup>®</sup>	2*	7

- Up to 10 further launches planned in 2013
- Our partners Forest and Menarini have given us the global commercial footprint to compete successfully
- Almirall has the right products, commercial capabilities, right market access to drive significantly earnings growth going forward.

\* Includes launch in Italy in early July

# Key takeaways

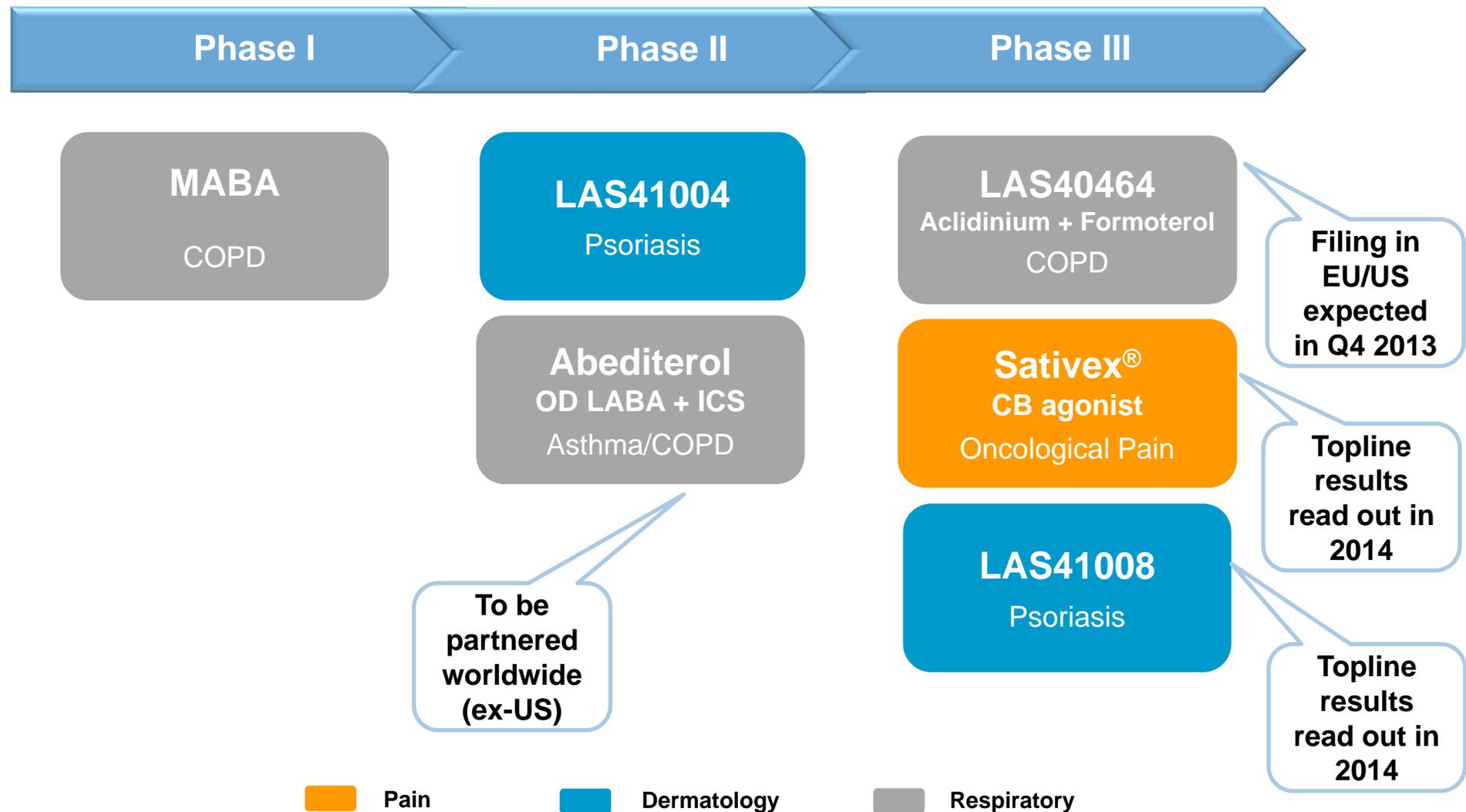
*Eduardo Sanchiz, CEO*



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# A pipeline with significant upside

Preclinical projects not included



# 2013: Beginning the transformation

## Executing on platforms of growth

- Eklira<sup>®</sup> rollout and uptake on track in US and EU
- Constella<sup>®</sup> and Sativex<sup>®</sup> entering new countries

## Progressing our pipeline

- Positive combo pivotal trials
- Combo filing planned in Q4 2013 in US and EU
- MABA to start Phase I in H2

## Financials

- Guidance reiterated
- Solid cash position and healthy Balance Sheet
- Investor Day rescheduled to 2014

# Appendixes

## Q2 vs Q2

€rounded million	2013 2Q	2012 2Q	% Var
<b>Total Revenue</b>	<b>212,1</b>	<b>200,6</b>	<b>5,7%</b>
Net Sales	173,5	173,8	(0,2%)
Other Income	38,6	26,8	44,0%
Cost of Goods	(56,6)	(67,3)	(15,9%)
<b>Gross Profit</b>	<b>116,9</b>	<b>106,5</b>	<b>9,8%</b>
% of sales	67,4%	61,3%	
<b>R&amp;D</b>	<b>(29,4)</b>	<b>(39,7)</b>	<b>(25,9%)</b>
% of sales	(16,9%)	(22,8%)	
<b>SG&amp;A</b>	<b>(123,5)</b>	<b>(92,7)</b>	<b>33,2%</b>
% of sales	(71,2%)	(53,3%)	
<b>Other Op. Exp</b>	<b>1,6</b>	<b>2,1</b>	<b>(23,8%)</b>
% of sales	0,9%	1,2%	
<b>EBIT</b>	<b>4,2</b>	<b>3,0</b>	<b>40,0%</b>
% of sales	2,4%	1,7%	
<b>Depreciation</b>	<b>17,5</b>	<b>16,8</b>	<b>4,2%</b>
% of sales	10,1%	9,7%	
<b>EBITDA</b>	<b>21,7</b>	<b>19,8</b>	<b>9,6%</b>
% of sales	12,5%	11,4%	
Sale of noncurrent assets / Other	(1,4)	(0,2)	n.m.
Net financial income / (expenses)	(1,1)	(0,4)	175,0%
<b>Profit before tax</b>	<b>1,7</b>	<b>2,4</b>	<b>(29,2%)</b>
Tax	5,7	6,3	(9,5%)
<b>Net income</b>	<b>7,4</b>	<b>8,7</b>	<b>(14,9%)</b>
<b>Normalized Net Income</b>	<b>7,4</b>	<b>8,7</b>	<b>(14,9%)</b>

# Balance Sheet

€rounded million	June 2013	% of BS	December 2012
Goodwill	269,9	20,3%	270,3
Intangible assets	349,7	26,2%	358,2
Property, plant and equipment	153,8	11,5%	157,0
Financial assets	7,9	0,6%	8,8
Other non current assets	266,9	20,0%	251,4
<b>Total Non Current Assets</b>	<b>1.048,2</b>	<b>78,7%</b>	<b>1.045,7</b>
Inventories	89,2	6,7%	92,4
Accounts receivable	93,4	7,0%	98,8
Cash & equivalents	49,6	3,7%	52,3
Other current assets	52,0	3,9%	66,9
<b>Total Current Assets</b>	<b>284,2</b>	<b>21,3%</b>	<b>310,4</b>
<b>Total Assets</b>	<b>1.332,4</b>		<b>1.356,1</b>
Shareholders equity	939,9	70,5%	923,7
Financial debt	0,3	0,0%	0,0
Non current liabilities	163,2	12,2%	183,0
Current liabilities	229,0	17,2%	249,4
<b>Total Equity and Liabilities</b>	<b>1.332,4</b>		<b>1.356,1</b>

# Cash Flow

€ rounded million	YTD Jun 2013	YTD Jun 2012
<b>Profit Before Tax</b>	<b>4,2</b>	<b>15,5</b>
Depreciation and amortisation	34,1	33,2
Change in working capital	(16,3)	(16,9)
Other adjustments	1,8	15,2
<b>Cash Flow from Operating Activities (I)</b>	<b>23,8</b>	<b>47,0</b>
Financial Income	0,2	2,0
Investments	(23,0)	(22,7)
Divestments	0,1	0,5
<b>Cash Flow from Investing Activities (II)</b>	<b>(22,7)</b>	<b>(20,2)</b>
Finance Expense	(2,2)	(4,3)
Dividend distribution	(0,8)	(1,2)
Debt increase/ (decrease)	0,3	(119,9)
Other cash flows	(1,1)	(1,6)
<b>Cash Flow from Financing Activities</b>	<b>(3,8)</b>	<b>(127,0)</b>
<b>Cash Flow generated during the period</b>	<b>(2,7)</b>	<b>(100,2)</b>
<b>Free Cash Flow (III) = (I) + (II)</b>	<b>1,1</b>	<b>26,8</b>

## Zoom in – Other Income

Includes:

€9.3 MM of co-development revenues

€35,7 MM linked to upfront and milestones received (Eklira®)

€rounded million	YTD Jun 2013	YTD Jun 2012	% var
Co-development agreements	45,0	31,1	44,6%
Co-promotion agreements	8,0	7,4	8,4%
Product promotion collaboration	2,2	7,4	(70,2%)
Other	11,4	1,6	613,3%
<b>Total Other Income</b>	<b>66,6</b>	<b>47,5</b>	<b>40,2%</b>

Includes Actonel®, Cipralex®,  
Conbriza®, Libertek® and Xarelto®

Includes €9.5 MM of capitalisation of  
acridinium line extensions and royalties  
from partners

## Sales breakdown by Region and by main Therapeutic Area

### By Region

€ rounded million	YTD Jun 2013	YTD Jun 2012	% var
Spain	134,1	162,0	(17,3%)
Europe & Middle East	147,5	152,2	(3,0%)
America, Africa & Asia Pacific	53,4	50,8	5,1%
Corporate	8,8	9,1	(2,6%)
<b>Total</b>	<b>343,8</b>	<b>374,0</b>	<b>(8,1%)</b>

### By Therapeutic Area

€ rounded million	YTD Jun 2013	YTD Jun 2012	% var
Respiratory	108,6	100,7	7,8%
Gastrointestinal and Metabolism	69,8	75,1	(7,1%)
Dermatology	66,3	65,7	1,0%
CNS	39,4	46,0	(14,3%)
Cardiovascular	21,2	40,0	(47,1%)
Osteomuscular	20,5	25,2	(18,7%)
Urological	8,4	10,6	(20,3%)
Other therapeutic specialties	9,5	10,7	(11,4%)
<b>Total</b>	<b>343,8</b>	<b>374,0</b>	<b>(8,1%)</b>

# Breakdown of the core business

- Proprietary products
- In-licensing products

€ rounded million		YTD Jun 2013	YTD Jun 2012	% Var
Ebastel® and others (ebastine)	●	43,2	52,4	(17,5%)
Eklira® and others (acridinium bromide)	●	38,7	16,7	132,2%
Almogran® and others (almotriptan)	●	25,5	30,6	(16,7%)
Plusvent® (salmeterol & fluticasone)	●	23,2	28,4	(18,1%)
Tesavel® & Efficib® (sitagliptin)	●	22,6	21,8	3,6%
Solaraze® (diclofenac sodium) & Actikerall® (5-FU/SA)	●	15,5	15,5	0,0%
Airtal® and others (aceclofenac)	●	13,7	16,0	(14,3%)
Parapres® (candesartan cilexetile)	●	10,5	21,0	(50,0%)
Decoderm® and others (flupredniden)	●	10,5	9,6	8,4%
Balneum® (urea oil)	●	9,4	9,6	(1,8%)
Almax® (almagate)	●	8,7	8,3	4,4%
Pantopan® (pantoprazole)	●	7,7	8,5	(10,1%)
Cleboril® (clebopride)	●	7,1	6,9	3,3%
Elecor® (eplerenone)	●	6,4	7,8	(18,2%)
Cidine® and others (cinitapride)	●	5,0	7,9	(37,1%)
Other	● ●	96,0	112,9	(15,0%)
<b>Total Net Sales</b>		<b>343,8</b>	<b>374,0</b>	<b>(8,1%)</b>

# 2013 Investor Calendar

Event	Release date
Q3 2013 Financial results	11 <sup>th</sup> November

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