



**Q1 2014**  
**Financial Results**  
**and Business Update**

*May 12<sup>th</sup> 2014*



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# Q1 2014 Highlights

*Daniel Martinez*  
CFO



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# Strong start to 2014

## STRONG FINANCIAL PERFORMANCE

- On track to achieve yearly guidance
- Significant acceleration of Net Sales (+18.4%) and EBITDA growth (+58.7%)
- Strongly sustained Gross margin improvement (68.3% vs 64.6% in Q1 2013)

## EXECUTION ON GROWTH PLATFORMS

- Platforms of growth + 59% representing 43% of total sales
- Sustained market share gains of Eklira® in all key geographies
- 29 country / product launches planned in 2014

## BALANCING INVESTMENTS AND OPPORTUNITIES

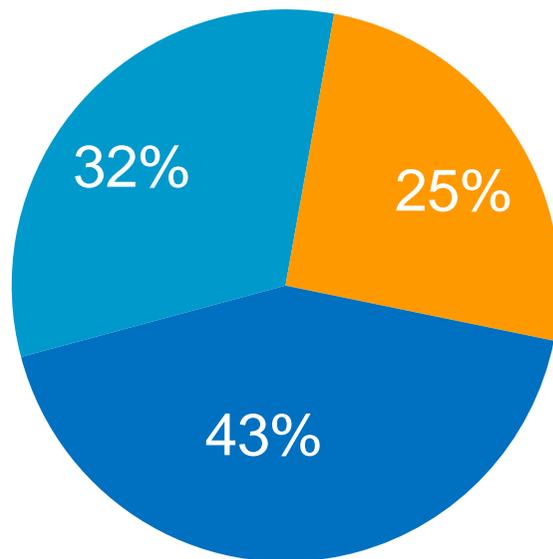
- R&D expenses over sales moved from 18.3% in FY 2013 to 14% in Q1 2014

# Q1 2014 Financial Highlights

- Acceleration of Q1 sales (+18.4% vs -14.9% in Q1 2013)
- Return to growth in Total Revenues (+9.7%) despite the predicted lower Other Income
- Significant increase in Gross Margin (68.3% vs 64.6%) driven by uptake of new products and improved sales mix
- Solid improvements in EBITDA (+58.7%) and EBIT (+194.3%) reflecting balance of more normal levels of R&D (14% vs sales) and continued strong support to new launches (SG&A : +10%)
- Net Debt: **x2.3 Pro Forma EBITDA 2013**

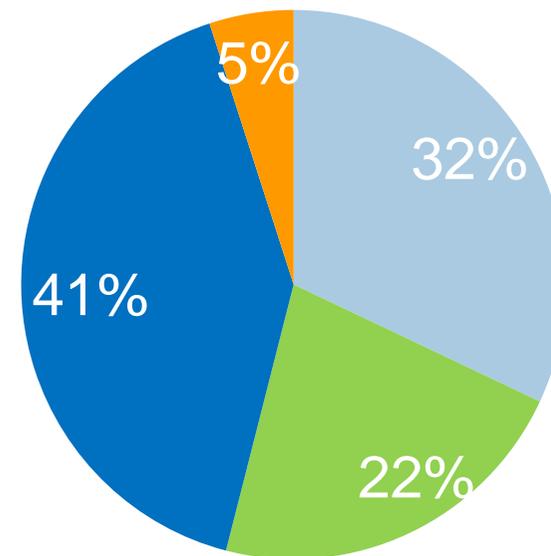
# Greater therapeutic and geographic diversification

By Therapeutic Area



■ Respiratory ■ Dermatology ■ Other

By Region



■ Spain ■ North America\*  
■ Europe (ex Spain) ■ Others

\* US, Canada, Mexico

# Income Statement

€Million	YTD Mar 2014	YTD Mar 2013	% var
<b>Total Revenues</b>	<b>217.6</b>	<b>198.3</b>	<b>9.7%</b>
Net Sales	201.6	170.3	18.4%
Other Income	16.0	28.0	(42.9%)
Cost of Goods	(64.1)	(60.3)	6.3%
<b>Gross Profit</b>	<b>137.6</b>	<b>110.0</b>	<b>25.1%</b>
% of sales	68.3%	64.6%	
<b>R&amp;D</b>	<b>(28.2)</b>	<b>(28.3)</b>	<b>(0.4%)</b>
% of sales	(14.0%)	(16.6%)	
<b>SG&amp;A</b>	<b>(115.4)</b>	<b>(104.9)</b>	<b>10.0%</b>
% of sales	(57.2%)	(61.6%)	
<b>Other Op. Exp</b>	<b>0.3</b>	<b>(1.3)</b>	<b>(123.1%)</b>
<b>EBIT</b>	<b>10.3</b>	<b>3.5</b>	<b>194.3%</b>
% of sales	5.1%	2.1%	
<b>Depreciation</b>	<b>21.6</b>	<b>16.6</b>	<b>30.1%</b>
% of sales	10.7%	9.7%	
<b>EBITDA</b>	<b>31.9</b>	<b>20.1</b>	<b>58.7%</b>
% of sales	15.8%	11.8%	
Sale of noncurrent assets / Other	0.2	0.0	n.m.
Net financial income / (expenses)	(3.8)	(1.0)	n.m.
<b>Profit before tax</b>	<b>6.7</b>	<b>2.5</b>	<b>168.0%</b>
Corporate income tax	3.9	7.7	(49.4%)
<b>Net income</b>	<b>10.6</b>	<b>10.2</b>	<b>3.9%</b>
<b>Normalized Net Income</b>	<b>10.6</b>	<b>10.2</b>	<b>3.9%</b>
Earnings per share (€) (1)	0.06 €	0.06 €	
Normalized Earnings per share (€)(1)	0.06 €	0.06 €	

- A. Acceleration of sales growth due to Aqua integration and strong Eklira® performance
- B. Expected decline due to lower R&D contribution from partners and income milestones
- C. Strong improvement vs 2013 driven by growth of proprietary products
- D. Seasonal effect, expected to be similar vs 2013 at year end
- E. Slower growth in Q1 due to phasing effects

# Balance Sheet

€ Million	March 2014	% of BS	December 2013
Goodwill	336.0	18.8%	336.2
Intangible assets	588.0	32.9%	595.1
Property, plant and equipment	159.9	8.9%	161.3
Financial assets	22.9	1.3%	23.3
Other non current assets	324.9	18.2%	322.1
<b>Total Non Current Assets</b>	<b>1,431.7</b>	<b>80.1%</b>	<b>1,438.0</b>
Inventories	103.7	5.8%	97.7
Accounts receivable	123.4	6.9%	99.5
Cash & equivalents	85.4	4.8%	89.2
Other current assets	43.4	2.4%	48.3
<b>Total Current Assets</b>	<b>355.9</b>	<b>19.9%</b>	<b>334.7</b>
<b>Total Assets</b>	<b>1,787.6</b>		<b>1,772.7</b>
Shareholders equity	897.8	50.2%	888.3
Financial debt	315.4	17.6%	281.4
Non current liabilities	235.2	13.2%	232.4
Current liabilities	339.2	19.0%	370.6
<b>Total Equity and Liabilities</b>	<b>1,787.6</b>		<b>1,772.7</b>

- A. Mainly due to Eklira® sales to partners
- B. Equity represents 50% of Total Assets
- C. Senior notes issuance minus related expenses
- D. Driven by Restructuring cash-out in Q1

# Senior Notes Successfully Issued

- Senior notes were issued in an aggregate principal amount of €325 million due 2021
- Notes bear an annual interest of 4.625% payable semi-annually
- The Senior notes were oversubscribed 15 times

Trading bonds as of May 9th	
Price	102.6
Yield	4.075%

Agency Ratings	
Standard & Poor's	BB-
Moody's	Ba3

# Cash Flow

€Million	Mar 2014 YTD	Mar 2013 YTD
<b>Profit Before Tax</b>	<b>6.7</b>	<b>2.5</b>
Depreciation and amortisation	21.6	16.6
Change in working capital	(29.3)	(34.6)
Restructuring payments	(20.0) <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">A</span>	0.0
Other adjustments	8.0	7.9
<b>Cash Flow from Operating Activities (I)</b>	<b>(13.0)</b>	<b>(7.6)</b>
Financial Income	0.1	0.1
Investments	(12.9) <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">B</span>	(7.9)
Divestments	1.4	0.2
Payments of capex suppliers	(13.2)	0.0
<b>Cash Flow from Investing Activities (II)</b>	<b>(24.6)</b>	<b>(7.6)</b>
Finance Expense	(4.2)	(1.2)
Debt increase/ (decrease)	38.0 <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">C</span>	0.0
<b>Cash Flow from Financing Activities</b>	<b>33.8</b>	<b>(1.2)</b>
<b>Cash Flow generated during the period</b>	<b>(3.8)</b>	<b>(16.4)</b>
<b>Free Cash Flow (III) = (I) + (II)</b>	<b>(37.6)</b>	<b>(15.2)</b>
<b>Normalized Free Cash Flow</b>	<b>(17.6)</b> <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">D</span>	<b>(15.2)</b>

A. Payment of Restructuring provision

B. Expected maintenance CAPEX at the end of the year €35 MM

C. Net Senior notes issuance and related amortization of bank bridge loan existing last year

D. Excluding non-recurrent items (restructuring cash-out)

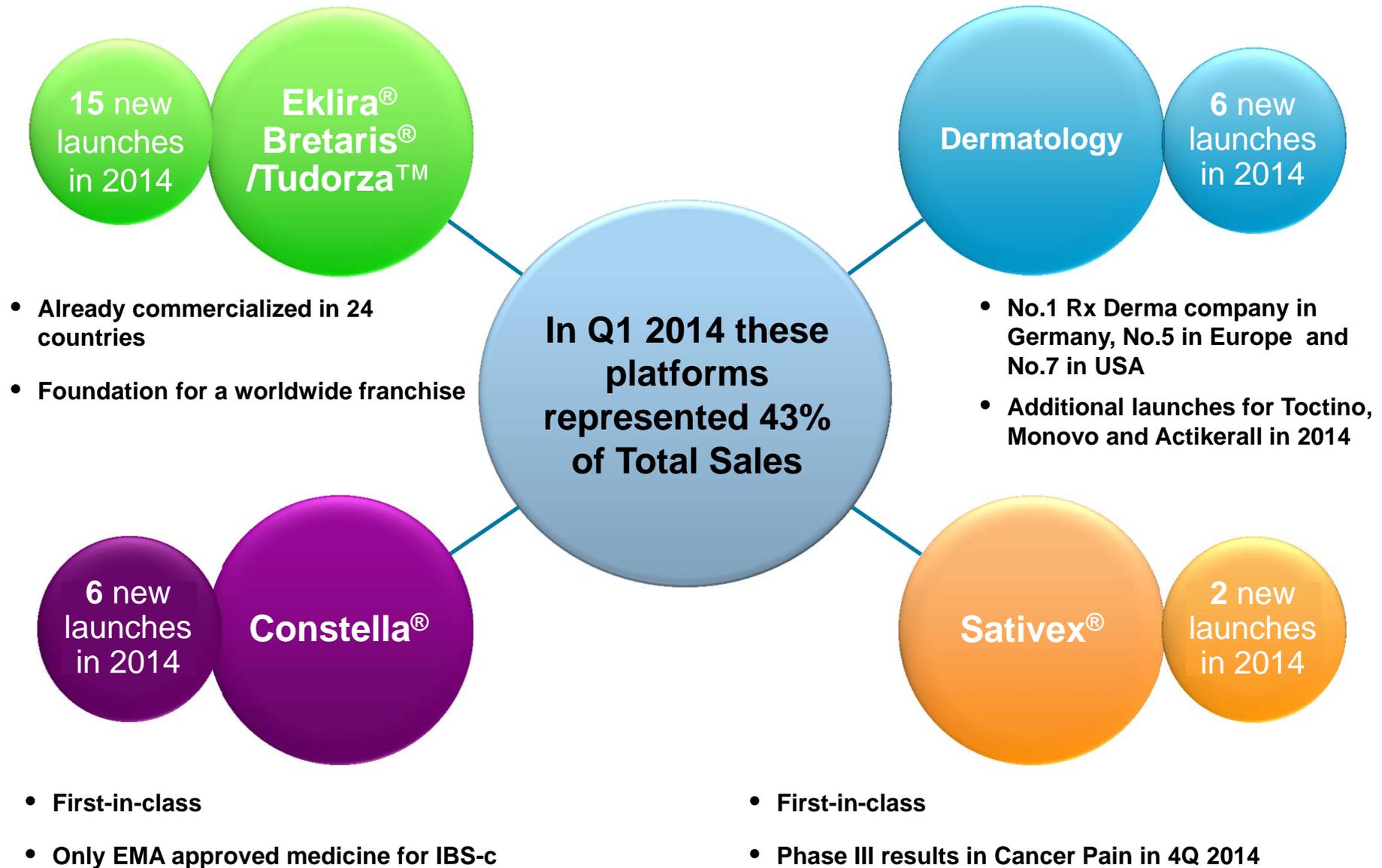
# Growth platforms

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

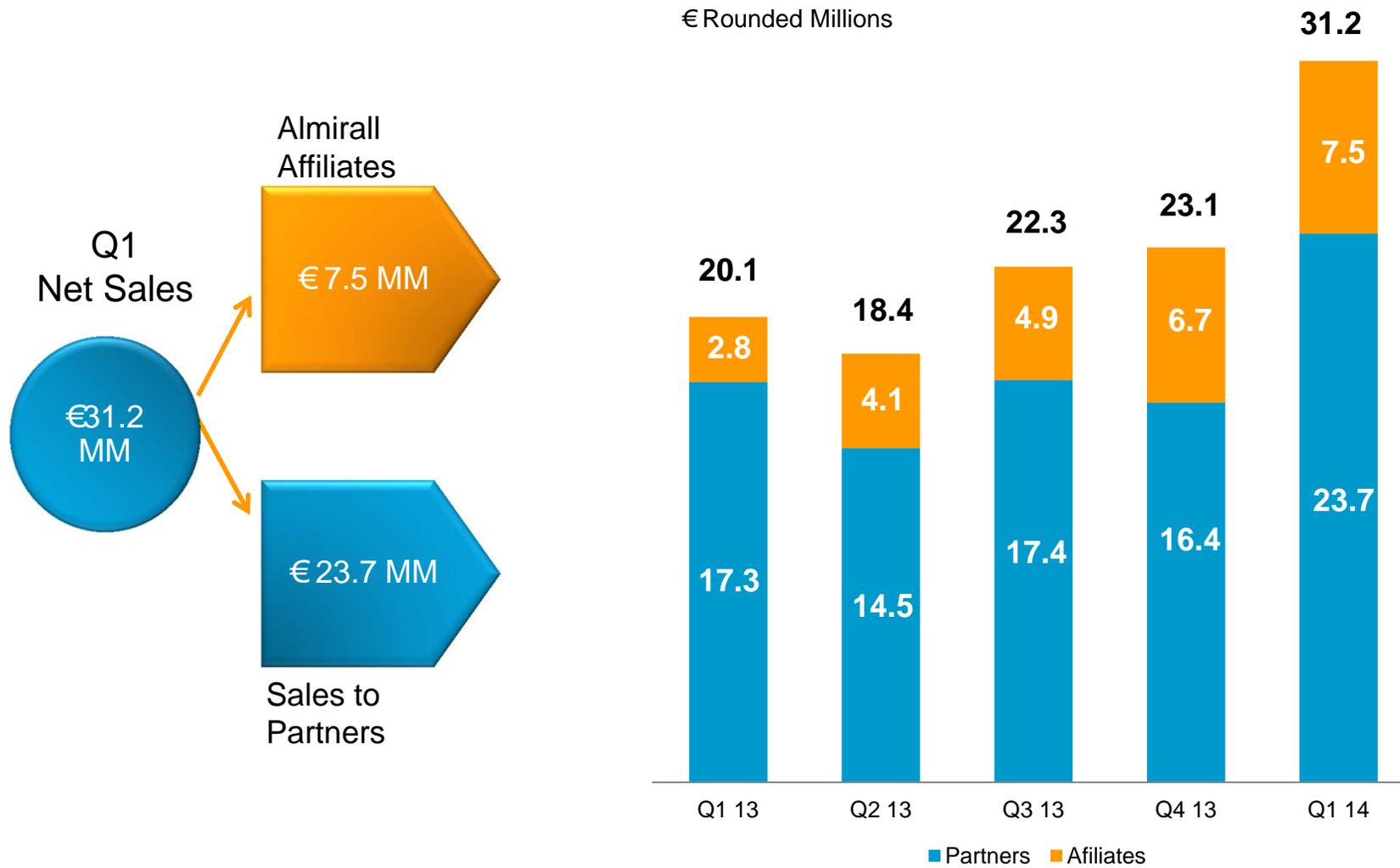


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# Four platforms of growth with transformational potential

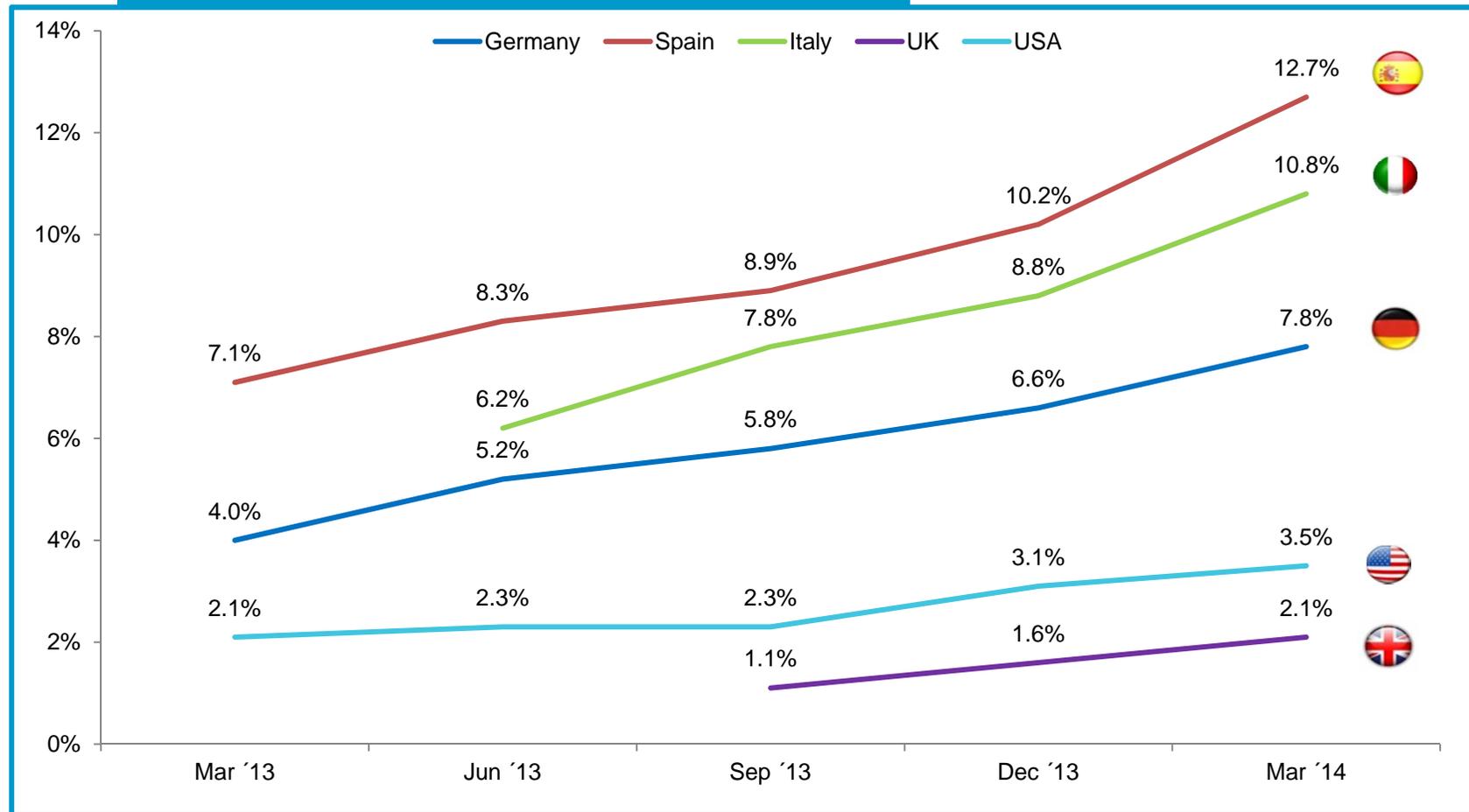


# Eklira<sup>®</sup> / Bretaris<sup>®</sup> / Tudorza<sup>™</sup> : sales ramping up



# Eklira<sup>®</sup> /Bretaris<sup>®</sup>/Tudorza<sup>™</sup>: continues to gain market share

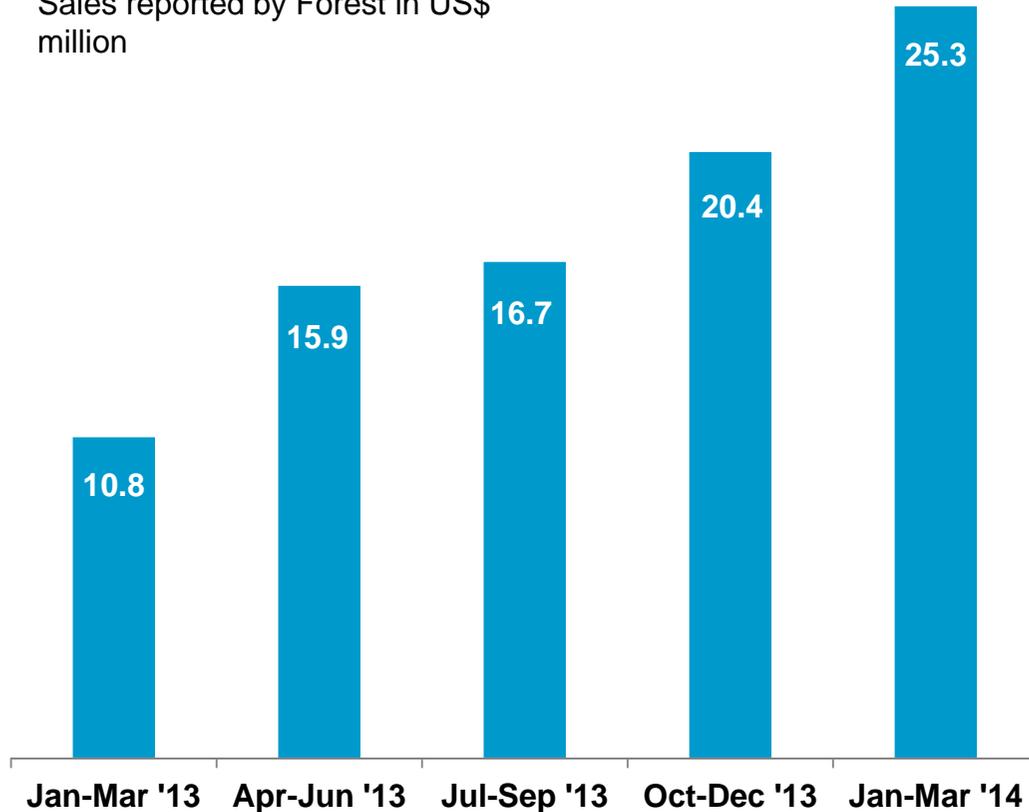
AB Market Share Among LAMAs (in values)\*



\* Source : IMS

# Tudorza™ sales making steady progress in the US

Sales reported by Forest in US\$ million



- 24% increase vs previous quarter
- Tudorza™ is now on formulary unrestricted at 7 of the Top 10 Part D plans
- Available without restrictions to 70% of patients including both Part D and Commercial

# Eklira<sup>®</sup> status in other key LAMA geographies



**Japan**



**South Korea**



**Australia**

**Status**

Phase III completed  
Dossier submitted

Filed in Q3 2013

Approved in Q1 2014

**Next Steps**

Regulatory feedback  
expected Q1 2015

Regulatory feedback  
expected Q3 2014

Launch expected in Q3  
2014

**Partnered with**



# Aclidinium Combo for high growth LAMA/LABA market



- Aclidinium + formoterol EMA regulatory feedback expected in Q4
- Regulatory submission filed with Health Canada in Q1
- Type C meeting with FDA likely to be held in Q3



# American Thoracic Society

May, 16-21, 2014

San Diego, USA

Almirall presenting 25 abstracts:

data on 5 NCE's from Almirall Respiratory Research

- Acclidium Combination - 12 (Phase III)
- Abediterol / ICS - 7 (Phase II)
- MABA Program - 2 (Pre-clin)
- Inhaled Pan-JAK inhibitor - 2 (Pre-clin)
- Aclidinium mono - 2 (Phase IV)

# Commercial execution of Constella®



Available to Patients		Planned 2014	
UK	Italy		<b>New Launches</b>
Denmark	Austria		
Finland	Switzerland		
Norway	Iceland		
Sweden			

- Launched in Italy in Q1
- Approved in Mexico (under 'Linzess' brand), launch expected in mid-2014
- Arbitration procedure started in Germany

# Pan European Commercialization of Sativex®

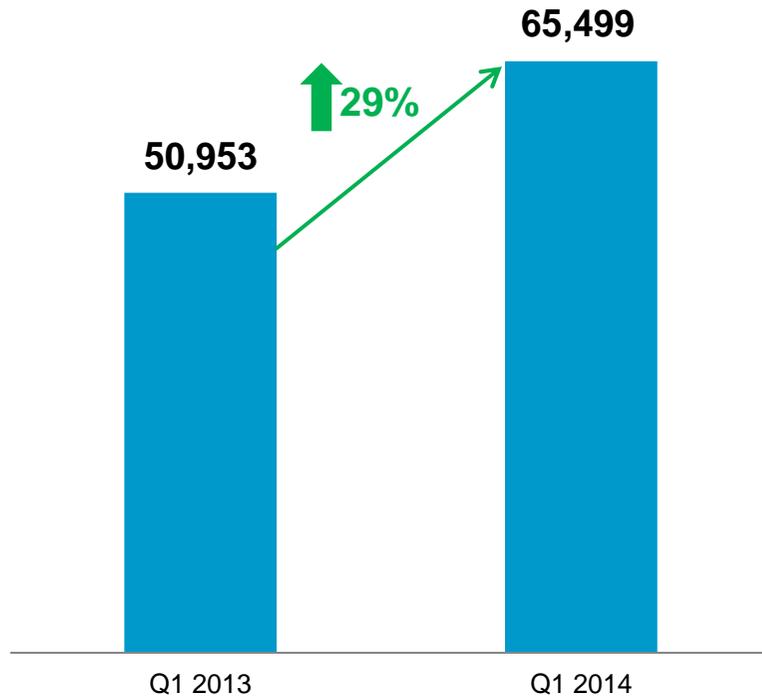


Available to Patients by Almirall	Planned 2014
 Spain  Germany	<div data-bbox="1160 555 1332 746" style="text-align: center;">  </div> <p data-bbox="1429 662 1709 699"><b>New Launches</b></p>
 Denmark  Norway	
 Austria  Sweden	
 Poland  Italy	
 Finland  Iceland	

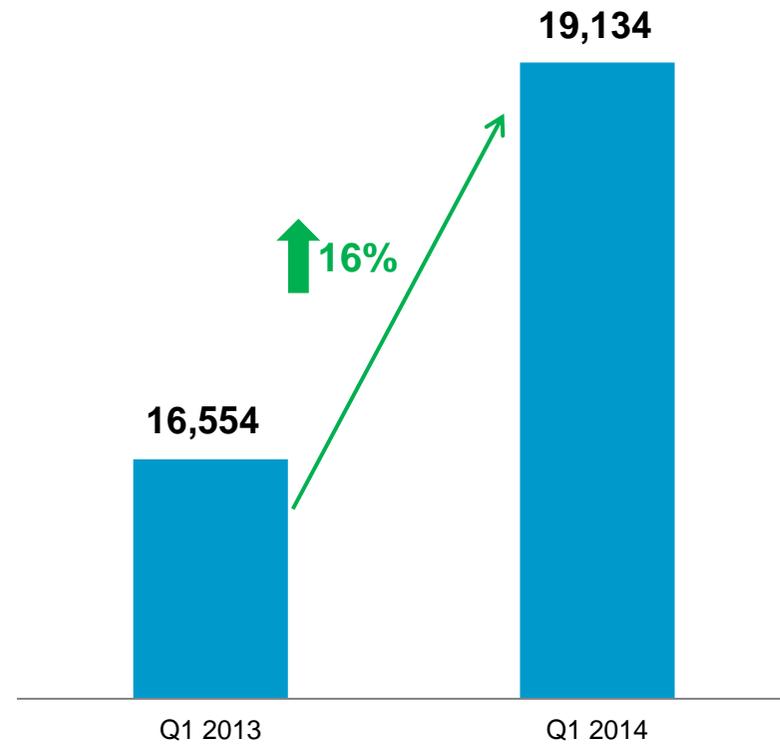
- Positive volume trends:  58% Q1 2014 vs Q1 2013
- Pan-European rollout continues in 2014 for spasticity in MS
- Topline results oncological pain Phase III reads out end of 2014

# Positive TRx evolution in Aqua's leading products

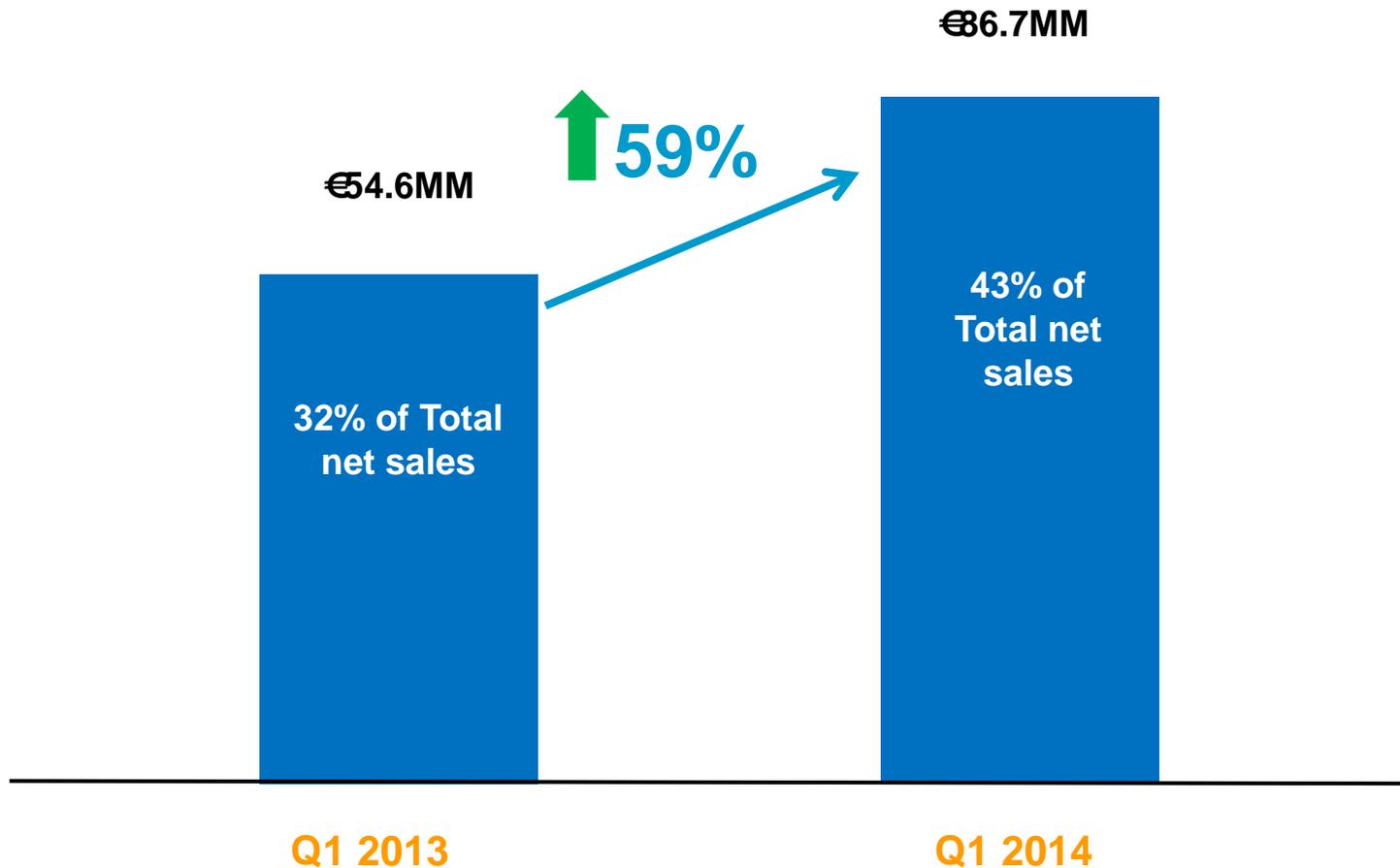
## Monodox®



## Cordran®



# Four platforms of growth now driving significant sales acceleration



\* Eklira®, Sativex®, Constella® and Dermatology franchise

# Wrapping-up Q1

*Daniel Martinez, CFO*



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## Wrapping-up Q1 2014

- Acceleration of sales and EBITDA growth driven by Eklira® and Aqua
- Sustained improvement in Gross Margin
- Successful issuance of Corporate Bonds
- 29 product / country launches scheduled in 2014
- Intense R&D / Regulatory news flow in the next 18 months
- On track to achieve yearly guidance

# Appendixes

# Anticipated Newsflow



American Thoracic Society conference  
May 17-21  
San Diego

LAS 40464 Acclidinium + Formoterol COPD  
Likely FDA type C meeting

LAS 40464 Acclidinium + Formoterol COPD  
EMA feedback expected

Elkira: regulatory feedback expected in Japan  
Partnered with Kyorin

European Respiratory Society Congress  
September 6-10  
Munich

Elkira: regulatory feedback expected in South Korea  
Partnered with Daewoong

LAS 41008 Psoriasis topline results read out

H2 results  
July 28

Sativex CB agonist oncological pain  
Topline results read out

FY 2014 results  
End of February

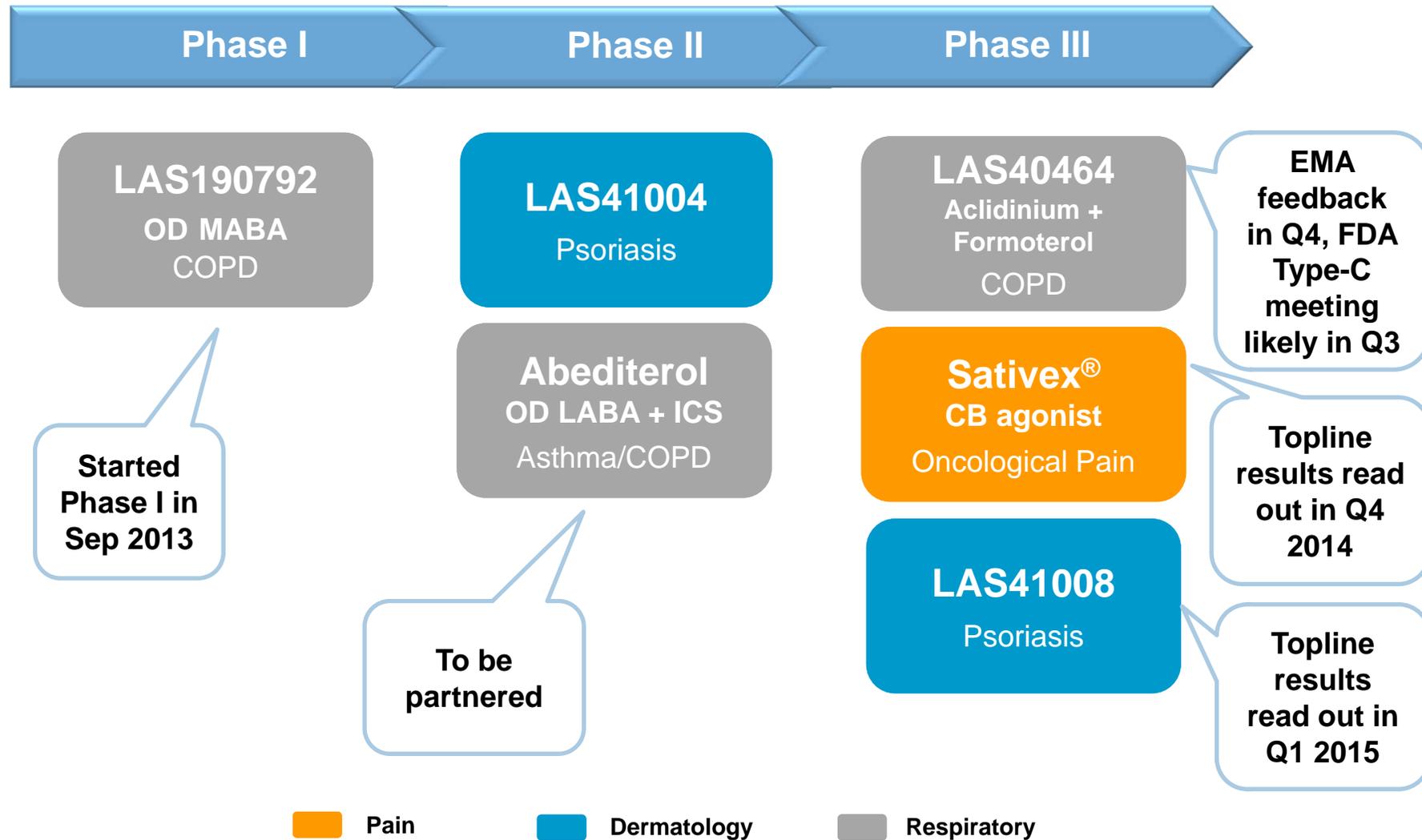
United European Gastroenterology week  
October 24-28  
Barcelona

Q3 results  
November 10

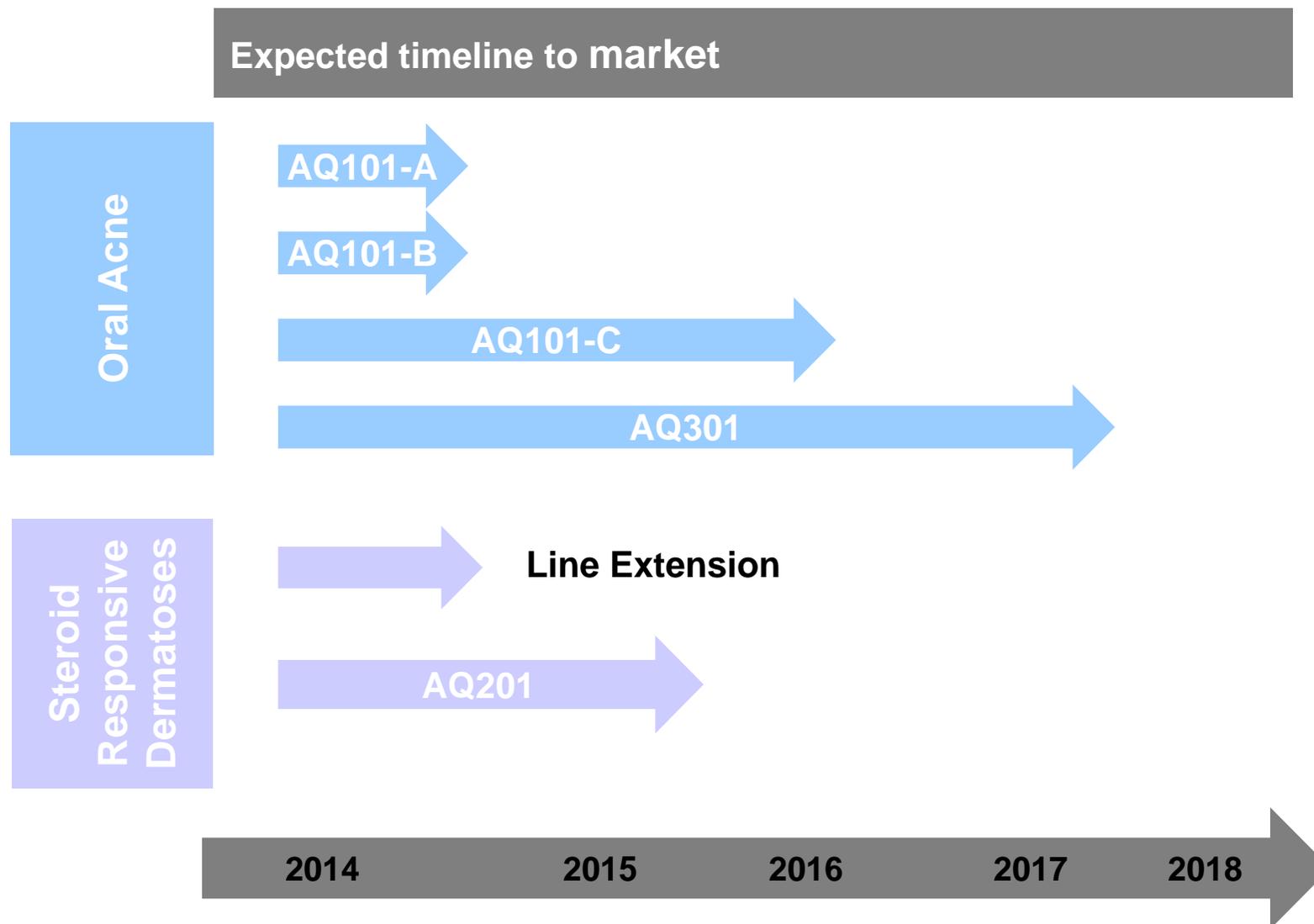
- Pain
- Respiratory
- Dermatology
- Financial Results
- Key Scientific Congresses

# A pipeline with significant upside

Preclinical projects not included



# Aqua's pipeline



## Zoom in – Other Income

Includes:  
€ 1.8 MM linked to upfront and milestones received (Eklira®)

€ rounded million	YTD Mar 2014	YTD Mar 2013	% var
Co-development agreements	2.6	16.8	(84.5%)
Co-promotion agreements	2.3	3.9	(41.0%)
Product promotion collaboration	1.3	1.2	8.3%
Other	9.8	6.1	60.7%
<b>Total Other Income</b>	<b>16.0</b>	<b>28.0</b>	<b>(42.8%)</b>

Includes income from co-promotion and distribution agreements

Includes € 6.4 MM of capitalisation of aclidinium line extensions and royalties from partners

# Sales breakdown by Region and Therapeutic Area

## By Region

€rounded million	YTD Mar 2014	YTD Mar 2013	% var YTD
Spain	64.5	68.8	(6.6%)
Europe (ex Spain)	81.9	68.4	16.5%
North America (*)	44.7	23.5	47.4%
Others	10.5	9.6	8.6%
<b>Total Net Sales</b>	<b>201.6</b>	<b>170.3</b>	<b>15.6%</b>

## By Main Therapeutic Area

€to nearest million	YTD Mar 2014	YTD Mar 2013	% Var YTD
Respiratory	64.5	55.3	16.8%
Dermatology	51.1	32.8	56.0%
Gastrointestinal and Metabolism	30.9	32.8	(5.9%)
CNS	25.0	23.1	8.6%
Osteomuscular	12.4	9.8	26.2%
Cardiovascular	10.0	10.1	(0.4%)
Urological	4.3	4.3	0.1%
Other therapeutic specialties	3.4	2.3	48.9%
<b>Total Net Sales</b>	<b>201.6</b>	<b>170.3</b>	<b>18.4%</b>

\* US, Canada, Mexico

# Breakdown of the core business

● Proprietary products  
● In-licensing products

€rounded to nearest million		YTD Mar 2014	YTD Mar 2013	% Var
Eklira® and others (aclidinium bromide)	●	31.2	20.1	55.2%
Ebastel® and others (ebastine)	●	20.6	21.0	(1.9%)
Almogran® and others (almotriptan)	●	16.2	15.6	3.8%
Tesavel® & Efficib® (sitagliptin)	●	11.0	11.1	(0.9%)
Plusvent® (salmeterol & fluticasone)	●	10.5	12.2	(13.9%)
Monodox® (doxycycline hyclate)	●	10.3	-	n.d.
Airtal® and others (aceclofenac)	●	8.8	6.5	35.4%
Solaraze® (diclofenac sodium) & Actikerall® (5-FU/SA)	●	8.1	7.4	9.5%
Decoderm® and others (flupredniden)	●	6.1	5.2	17.3%
Parapres® (candesartan cilexetile)	●	4.8	5.4	(11.1%)
Almax® (almagate)	●	4.6	4.1	12.2%
Balneum® (urea oil)	●	4.4	5.0	(12.0%)
Pantopan® (pantoprazole)	●	4.3	3.7	16.2%
Cordran® (flurandrenolide)	●	4.2	-	n.d.
Elecor® (eplerenone)	●	3.6	2.7	33.3%
Other	●●	52.9	50.3	5.4%
<b>Total Net Sales</b>		<b>201.6</b>	<b>170.3</b>	<b>18.4%</b>

n.d.: not disclosed

# Financial guidance 2014

P&L Item	Trend	Context
<b>Net Sales*</b>	Mid to High Teen % Growth*	Driven by platforms of growth and Aqua consolidation
<b>Total Revenues**</b>	Mid to High Single digit Growth	Due to lower Other Income
<b>R&amp;D</b>	c 14% of Net sales	Return to more normal levels
<b>SG&amp;A</b>	Similar levels to 2013	Addition of Aqua and continued cost focus
<b>Normalised Net Income*</b>	Significant growth vs 2013	Financial expenses: Mid twenties million euros

\* In constant exchange rates

\*\* Net sales + other income

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