



Q1 2019 Financial Results & Business Update

13th May 2019



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Agenda

1. Q1 2019 Highlights & Growth Drivers

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

Q1 2019 Highlights & Growth Drivers

Q1 2019 Highlights

1

- **Strong business performance with double-digit growth in Net Sales with substantial operating leverage.** Total Revenues €232.2 MM +13%, Net Sales €224.4 MM +17% and EBITDA €80.2 MM +34%*

2

- **EU psoriasis franchise gaining momentum:** strong growth of Skilarence®; positive initial uptake of ILUMETRI® (Tildrakizumab); rollout of both continues across Europe
- **Launch of Seysara™ in the US shows very encouraging signs with strong TRx pick-up**

3

- **Late stage pipeline progressing well:** full phase III results for **ALM14789** (actinic keratosis) presented at the AAD; **option agreement signed for Lebrikizumab** (atopic dermatitis) reinforces our late stage R&D pipeline potential






4

- **We are confident to meet 2019 Guidance**, given that the business is progressing well

* At constant exchange rates. ThermiGen treated as a discontinued operation

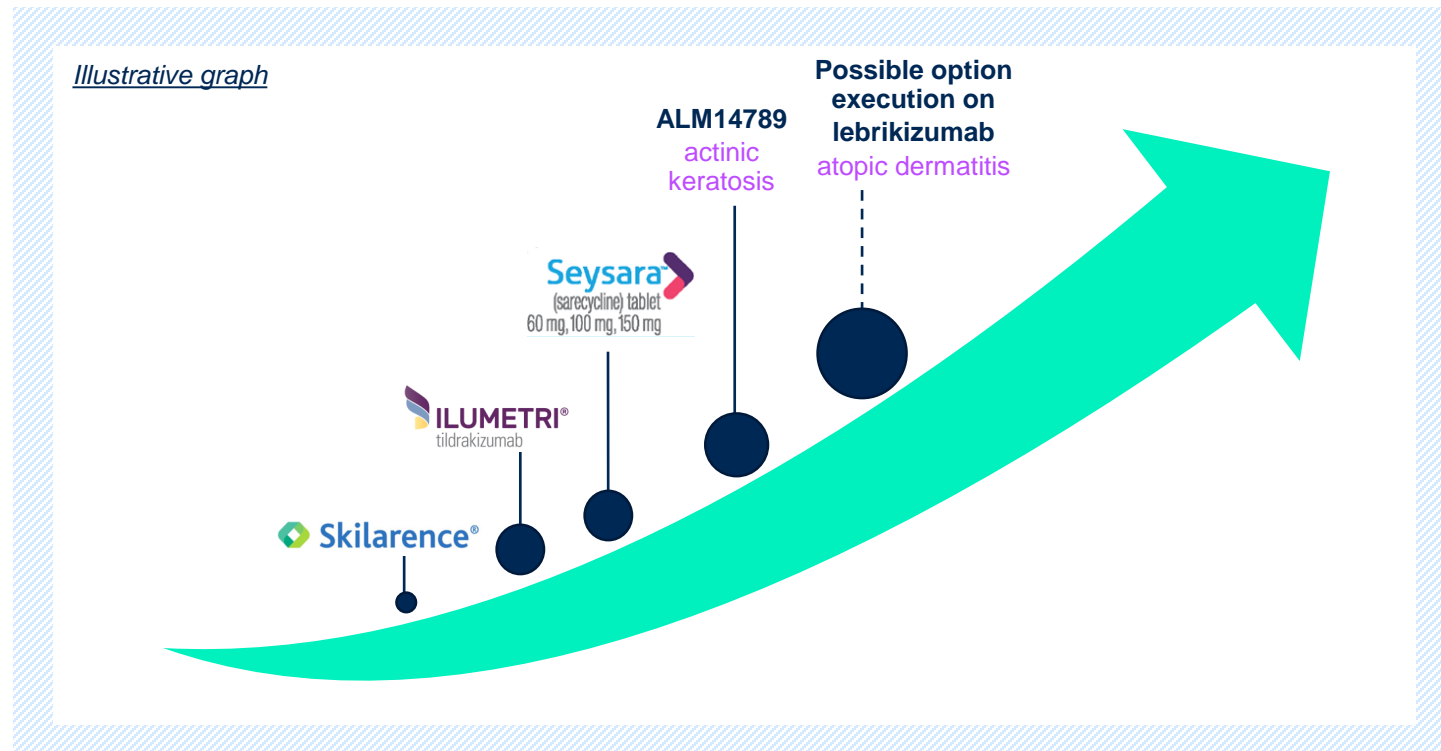
Focused Execution in Medical Dermatology

Portfolio of Innovative Launches

	Skilarence®	Recently Launched ILUMETRI® tildrakizumab	Seysara® (sarecycline) tablet 60 mg, 100 mg, 150 mg	ALM14789 <i>Pipeline Phase III</i>
Indication	Psoriasis (oral)	Psoriasis (biologic)	Acne (oral)	Actinic keratosis (topical)
Markets				 
Launch	✓ Rolling-out across EU	✓ Rolling-out across EU	✓ Executed Jan 2019	Est. Q1 2021
Peak Net Sales	} > €250 MM		\$150 MM to \$200 MM	> €250 MM

Focused Launches in Medical Dermatology

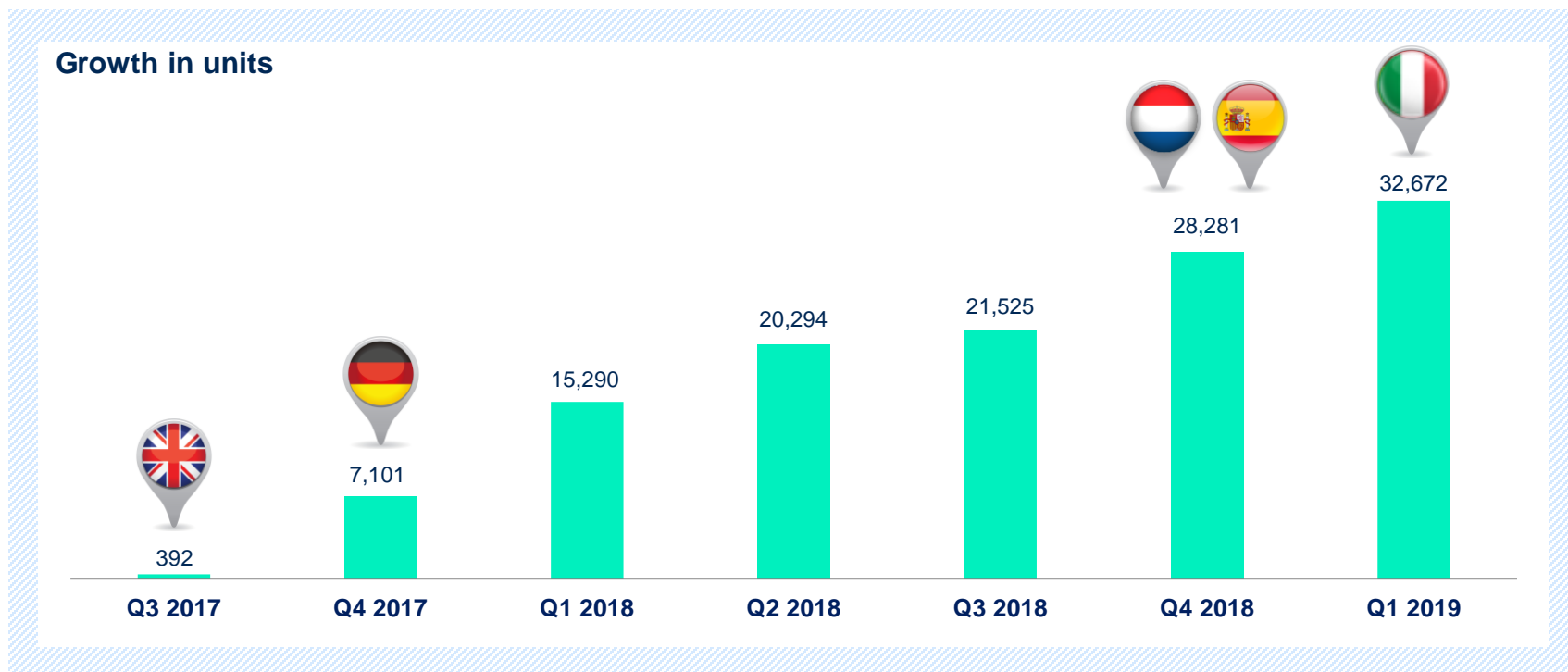
Increasingly innovative series of launches with incrementally larger product opportunities



Growth Drivers

Skilarence[®] Strong performance

Continued good momentum across Europe



- **Approximately 115% year-on-year unit growth**
- **Leading product** in dimethyl fumarate market (DMF) in Germany
- **Gaining market share** in geographies launched: Netherlands, Spain and Italy

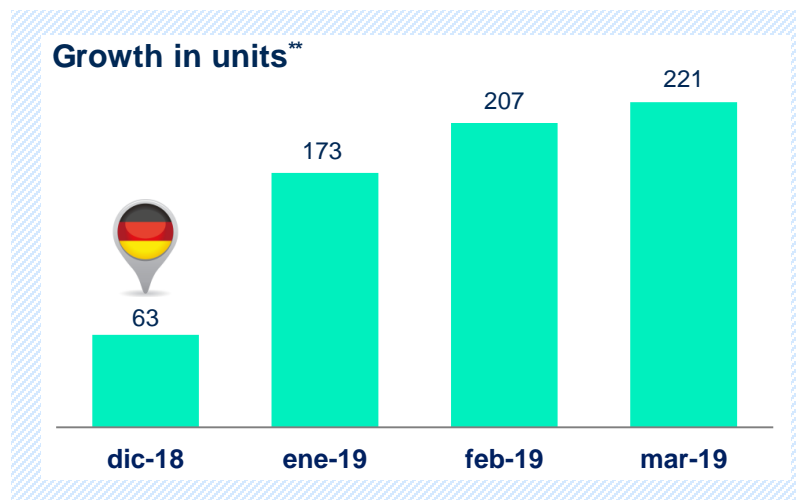
Source: Qlik IMS audited Sales

ILUMETRI® Good initial uptake

Solid sales performance

ILUMETRI®

- Indicated for the treatment of adults with **moderate-to-severe plaque psoriasis** who are candidates for systemic therapy
- ILUMETRI® is an IL23p19 inhibitor demonstrating **long-term efficacy, safety and a convenient dosing regimen** (only 4 doses/year in maintenance therapy). The efficacy of ILUMETRI® was maintained for 3 years in responders*
- **Solid unit sales performance** during Q1 2019, the first full quarter since the launch in Germany
- **Launches continue in Q2** with Norway, Denmark, Sweden and The Netherlands; recent positive recommendations by UK's NICE and by Swissmedic in Switzerland



* Pooled data from patients who achieved at least PASI 75 at week 28 and continued into the extension phase. Observed-case analysis. ILUMETRI® 100mg

** Internal Data

ILUMETRI® vs. Competitors

Surpassing most recent IL17 launches

EASY CHOICE	Reassuring safety
	Best convenience (x4)
	Flexible dosing 100/200mg
LASTING CHANGE	Long term maintained efficacy

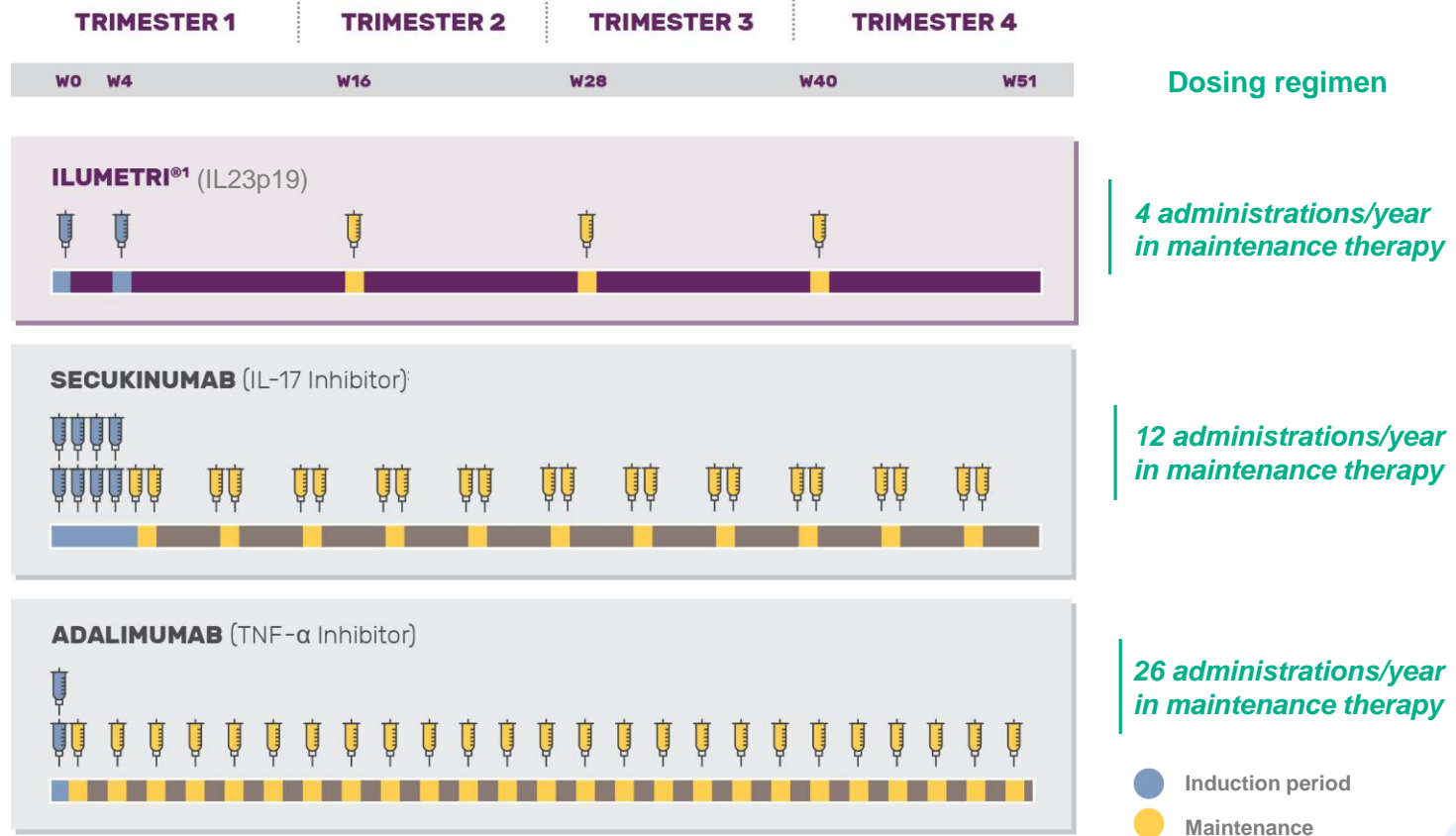
Patient take-off in German launch*



* Source: IQVIA. Tracked products: guselkumab, ixekizumab and brodalumab. Common times zero (first full month of launch = month 1) with three most recent launches

ILUMETRI® Offers a convenient dosing regimen

Biologic treatment options for moderate-to-severe plaque psoriasis*



* Dosing schedule for first year of treatment (51 weeks)

Seysara™ Strong Initial Launch

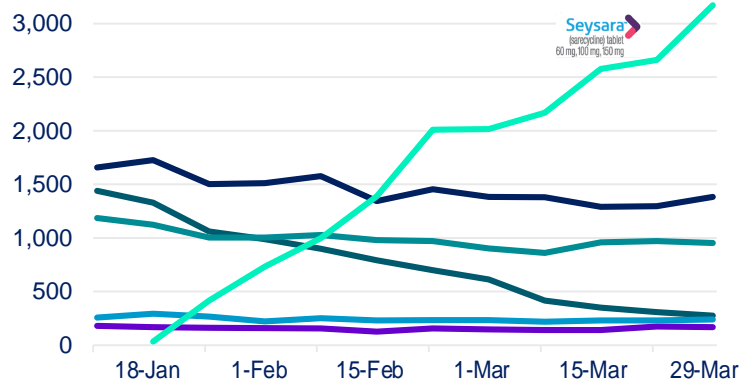


Good payer coverage and initial sales volume following launch

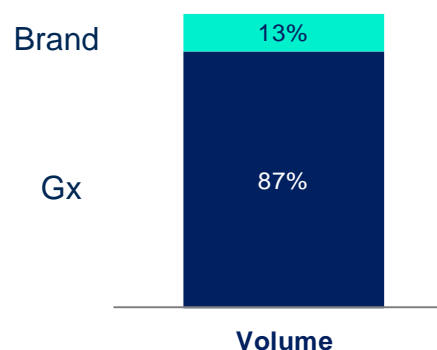
Seysara™

- **Initial uptake very encouraging** following the launch in January, **current market coverage at around 50%** of which 35% is unrestricted
- **Already number 1 branded product in important US oral acne market** (estimated size: 14 million prescriptions per year)
- **Gaining market share in the non-branded segment will provide additional growth** due to the lack of innovation in the category
- **Excellent feedback from KOL's** and patients from pre-teens to adults
- **Seysara continues to grow week on week post launch**
- **Estimated peak sales of \$150 MM – \$200 MM**

Seysara TRx vs OAB Brands TRx since launch*



Oral antibiotic market



* Source: IQVIA. Brands tracked: Doryx, Solodyn Tab, Targadox, Okebo, Ximino, Seysara

Financial Review

Q1 2019 Results: Strong start to the year

Highlights

- **Total Revenues and Net Sales growing at +13% and +17% at CER* respectively**, driven by both growth brands and the acquired portfolio in the US
- **Gross Margin at 73%** (+420 bps vs. Q1 2018) due to positive product mix
- **Flat SG&A at €71 MM +1%*** vs. Q1 2018 despite important investment in product launches and building new capabilities
- **Strong operating leverage with EBITDA growing by +34%*** vs. Q1 2018, despite important investment in R&D and new launches
- **Successful divestment of ThermiGen** allowing efficient resources reallocation

Challenges

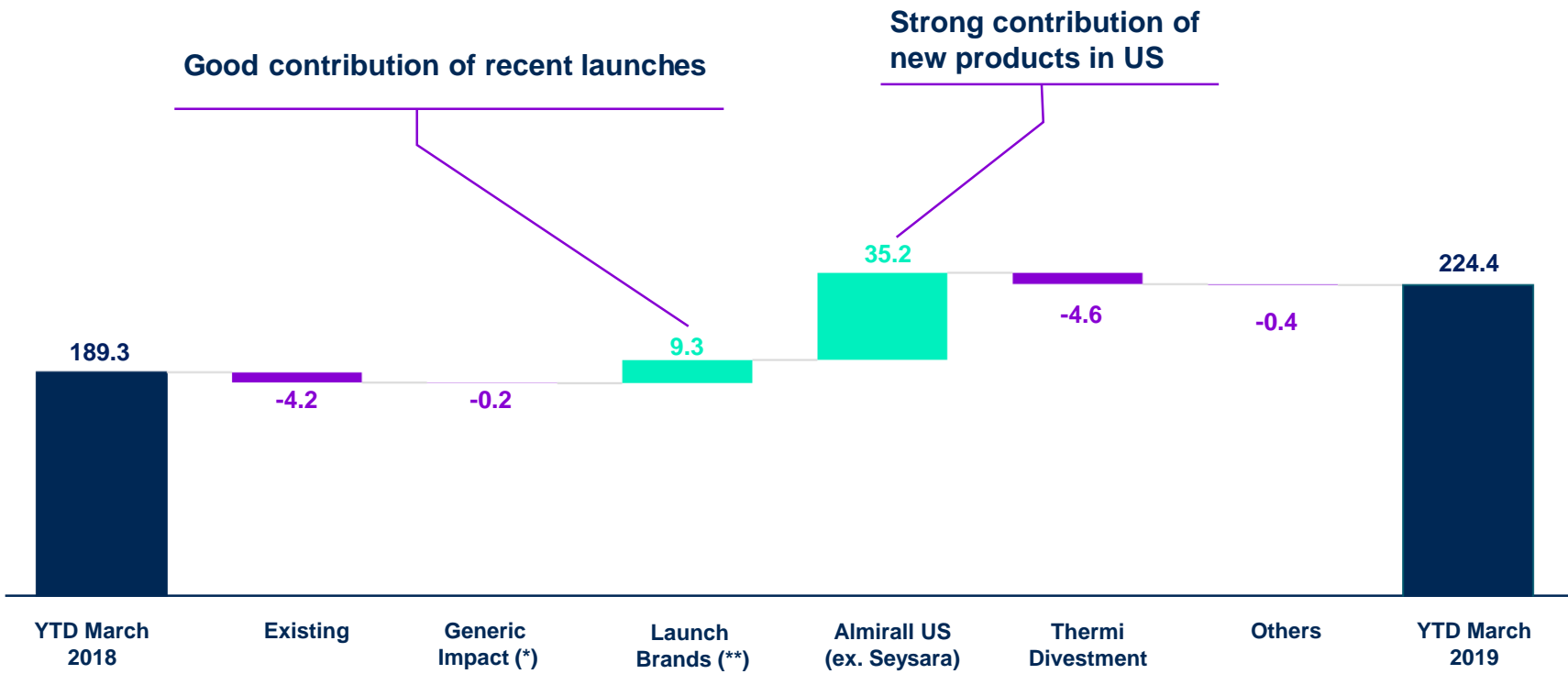
- **Emerging Markets sales decline** due to delay in shipments. We expect to recover growth pattern in the coming quarters
- Weaker than expected **Operating Cash Flow at €29 MM** mainly impacted by US Accounts Receivable collections

* CER (Constant Exchange Rates): Excluding the effects of exchange rate fluctuations. Thermi treated as a discontinued operation

Q1 2019 Net Sales Evolution

Growth of key products & new launches

Million Euros



* Includes all geographies, except US derma

** Includes Skilarence, Ilumetri, Seysara

Q1 2019 Profit & Loss Breakdown

Growth and favorable product mix delivers strong operating leverage

€ Million	YTD March 2019	YTD March 2018	% var LY	% var CER LY	
Total Revenues	232.2	202.0	15.0%	13.2%	Net Sales increase vs 2018 boosted by performance of new products
Net Sales	224.4	189.3	18.5%	16.7%	
Other Income	7.8	12.7	(38.6%)	(39.4%)	Other Income expected to increase through the year due to announced milestones
Cost of Goods	(60.2)	(58.6)	2.7%	3.2%	
Gross Profit	164.2	130.7	25.6%	22.7%	Strong gross margin increase driven by new launches and improved product mix
<i>% of sales</i>	<i>73.2%</i>	<i>69.0%</i>			
R&D	(21.7)	(18.6)	16.7%	15.6%	
<i>% of sales</i>	<i>(9.7%)</i>	<i>(9.8%)</i>			R&D spend at similar levels in percentage terms to 2018
SG&A	(99.6)	(84.9)	17.3%	15.0%	
<i>% of sales</i>	<i>(44.4%)</i>	<i>(44.8%)</i>			
SG&A w/o Depreciation & Amortization	(71.0)	(69.3)	2.5%	0.9%	Similar levels to 2018 despite continued investment in key European and US product launches
<i>% of sales</i>	<i>(31.6%)</i>	<i>(36.6%)</i>			
Depreciation & Amortization	(28.6)	(15.6)	83.3%	77.6%	
Other Op. Exp	(3.1)	(1.9)	63.2%	63.2%	
EBITDA	80.2	58.0	38.3%	33.8%	Strong operating leverage at EBITDA level , despite important investment in R&D and SG&A for new products
<i>% of sales</i>	<i>35.7%</i>	<i>30.6%</i>			

Q1 2019 EBITDA to Normalized Net Income

Continued discipline in managing non-operating items

€ Million	YTD March 2019	YTD March 2018	% var LY	% var CER LY	
EBITDA	80.2	58.0	38.3%	33.8%	EBITDA increase mainly driven by net sales performance, improved gross margin and tight cost control
<i>% of sales</i>	35.7%	30.6%			
Depreciation & Amortization	32.6	20.0	63.0%	58.5%	
<i>% of sales</i>	14.5%	10.6%			
EBIT	47.6	38.0	25.3%	20.8%	
<i>% of sales</i>	21.2%	20.1%			
Gains on sale of assets	0.7	(0.1)	n.m.	n.m.	Net financial expenses increase driven by new debt and negative exchange rate impact
Other costs	0.1	(0.3)	(133.3%)	(166.7%)	
Net financial income / (expenses)	(6.0)	(0.6)	n.m.	n.m.	
Profit before tax	42.4	37.1	14.4%	10.4%	
Corporate income tax	(9.3)	(6.2)	50.0%	37.1%	
Discontinued Operations (Thermi)	(3.2)	-	n.m.	n.m.	Thermi treated as discontinued operations in Q1 2019
Net Income	29.9	30.9	(3.1%)	(4.4%)	
Normalized Net Income	32.6	30.9	5.6%	3.3%	
EPS	0.17	0.18			
EPS normalized	0.19	0.18			

Q1 2019 Balance Sheet

€ Million	March 2019	December 2018	Var of BS	
Goodwill	316.0	316.0	-	
Intangible assets	1,168.4	1,121.2	47.2	
Property, plant and equipment	116.7	115.2	1.5	
Financial assets	131.4	142.3	(10.9)	
Other non current assets	280.5	280.4	0.1	
Total Non Current Assets	2,013.0	1,975.1	37.9	
Inventories	97.8	92.3	5.5	
Accounts receivable	250.4	192.8	57.6	
Cash & cash equivalents	43.7	86.3	(42.6)	
Other current assets	60.2	43.0	17.2	
Total Current Assets	452.1	414.4	37.7	
Total Assets	2,465.1	2,389.5	75.6	
Shareholders Equity	1,227.6	1,191.7	35.9	
Financial debt	529.7	548.7	(19.0)	
Non current liabilities	376.5	407.6	(31.1)	
Current liabilities	331.3	241.5	89.8	
Total Equity and Liabilities	2,465.1	2,389.5	75.6	

Net Debt Position	March 2019	December 2018	Var.
Cash and cash equivalents:	(43.7)	(86.3)	42.6
Financial debt:	529.7	548.7	(19.0)
Pension plans:	70.3	70.6	(0.3)
Net Debt / (Cash)	556.3	533.0	(23.3)

Increase mostly driven by the Dermira option fee for Lebrikizumab

Includes the fair value of milestones and royalties to be collected from AstraZeneca

Mainly impacted by US collections

Decrease mainly due to Revolving Credit Facility partial cancellation

Q1 2019 Cash Flow

Operating Cash Flow impacted by US Accounts Receivable collection

€ Million	YTD March 2019	YTD March 2018
Profit Before Tax	39.2	37.1
Depreciation and amortization	32.6	20.0
Change in working capital	(33.5)	(13.8)
Other adjustments	(6.3)	(20.5)
CIT Cash Flow	(3.5)	11.1
Cash Flow from Operating Activities (I)	28.5	33.9
Ordinary Capex	(3.6)	(1.8)
Investments	(34.3)	(75.7)
Divestments	1.2	0.6
Cash Flow from Investing Activities (II)	(36.7)	(76.9)
Interest Payment	(1.0)	(0.3)
Other	(3.4)	-
Debt increase/ (decrease)	(30.0)	(100.0)
Cash Flow from Financing Activities	(34.4)	(100.3)
Cash Flow generated during the period	(42.6)	(143.3)
Free Cash Flow (III) = (I) + (II)	(8.2)	(43.0)

Increase in US Accounts Receivable driven by timing of collection in Q1

Corporate Income Taxes Cash Flow going back to normal after 2018 one-time benefits (such as reimbursement in Spain)

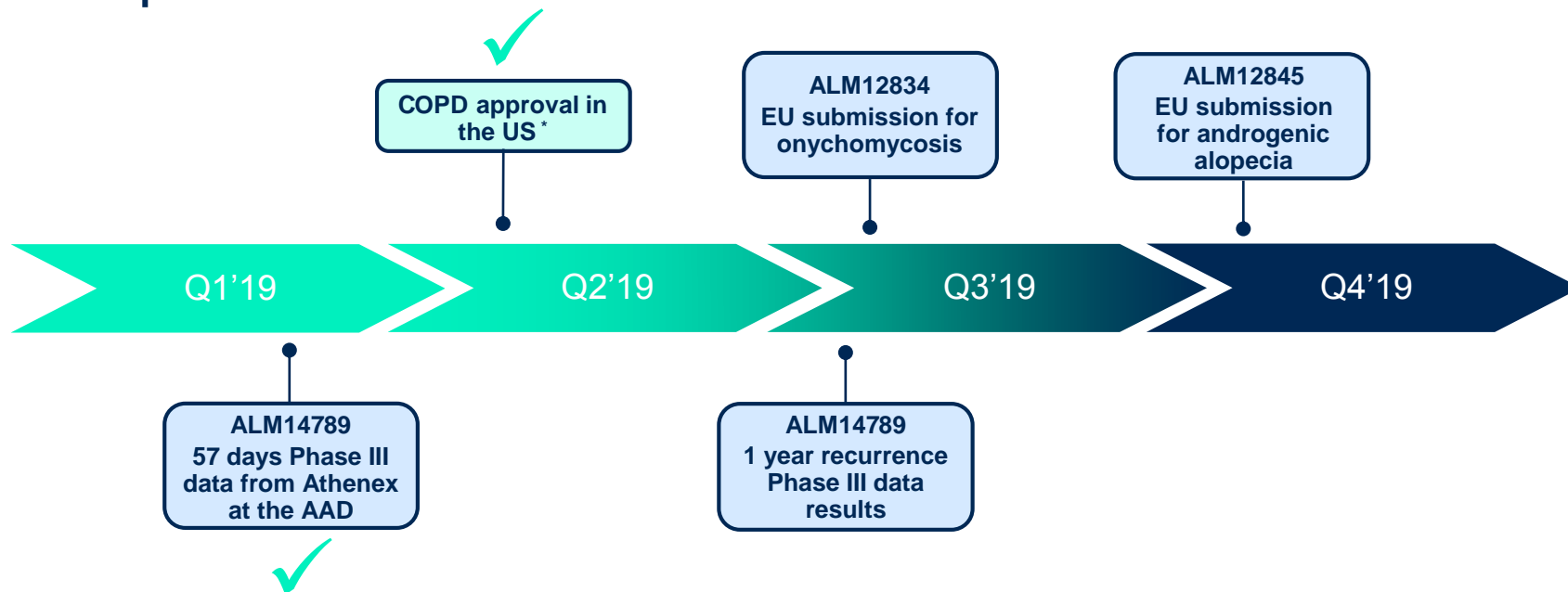
R&D Pipeline Update

Pipeline Update



Indication	New Code <small>(Old)</small>	Early Development	Phase II	Phase III	Under registration	Geography
Actinic keratosis	ALM14789 (KX2-391)					
Androgenic alopecia	ALM12845 (P3074)					
Onychomycosis	ALM12834 (P3058)					
Psoriasis	ALM12734 (ADP12734)					

R&D Pipeline News Flow



* FDA approval of Duaklir® (1st April 2019) a new drug application for chronic obstructive pulmonary disease (COPD)

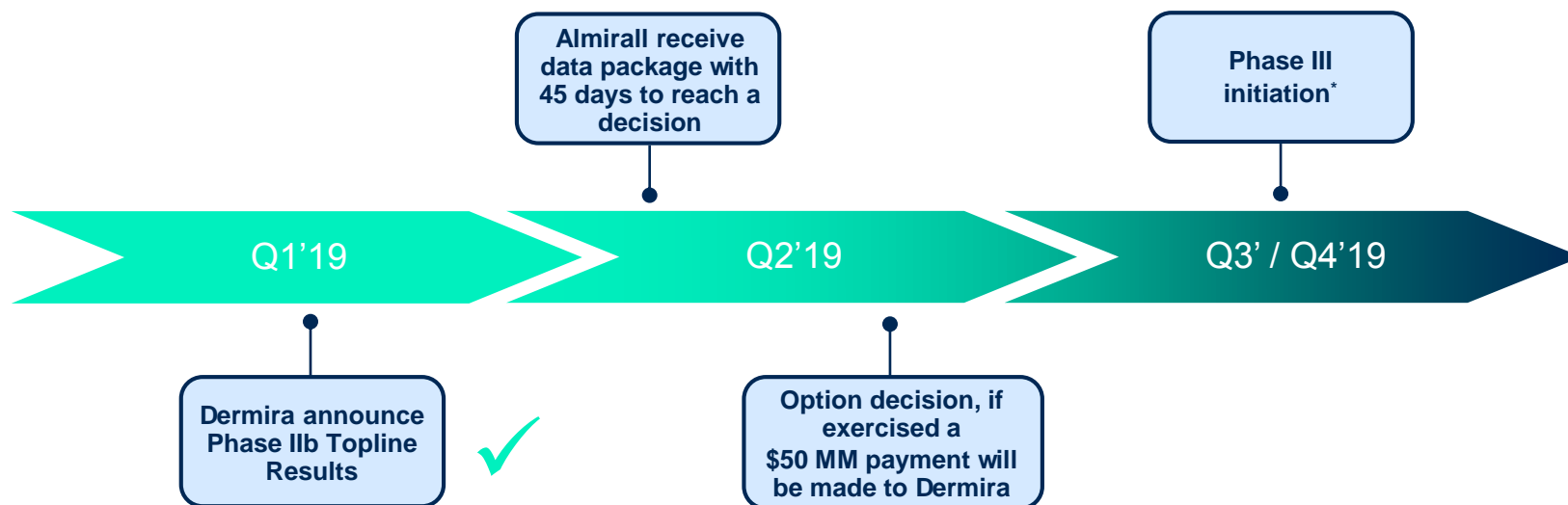
Lebrikizumab Update



Phase IIb: Positive Topline Results

- Selective inhibition of IL-13 with Lebrikizumab could be a superior approach to treating atopic dermatitis
- All three doses of Lebrikizumab met primary endpoint with statistical significance
- Robust dose-dependent efficacy across multiple measures which was well-tolerated with a safety profile consistent with prior studies

Lebrikizumab Time Line



* Subject to Almirall exercising the option

Closing Remarks

2019 Full Year Guidance Reiterated*


Total Revenues	Low double-digit growth
EBITDA	Between €290 - €300 MM

Total Revenues are expected to grow at low double-digit with:

- Net Sales to grow at low double-digit
- Other Income to grow at ca.+20%

* At constant exchange rates. 2019 guidance excludes ThermiGen and includes accounting changes (such as IFRS 16 and US wholesalers' fee treatment)

Conclusions

- 
- 1** • **Confident to meet 2019 Guidance:** Solid business momentum driven by key brands across Europe and US
 - 2** • **Encouraging launches uptake and rollout of key growth drivers:**
 - **EU Psoriasis franchise gaining momentum**, strong growth of Skilarence[®], positive initial uptake of ILUMETRI[®] (Tildrakizumab)
 - **Launch of Seysara[™] in the US strong**, with good coverage and sales volume
 - 3** • **Late stage pipeline advancing, supporting future growth:**
 - **Positive full phase III results for ALM14789** (actinic keratosis) demonstrate good efficacy and safety
 - **Pipeline reinforced** with option agreement for lebrikizumab (atopic dermatitis)
 - 4** • **Management remains firmly focused on additional external opportunities** to generate sustainable value for shareholders

Financial Appendices

Q1 2019 Income Statement CER

€ Million	YTD Mar CER 2019	YTD Mar 2019 Actual	var.	YTD Mar 2018	% var. CER	% var Actual
Total Revenues	228.6	232.2	3.6	202.0	13.2%	15.0%
Net Sales	220.9	224.4	3.5	189.3	16.7%	18.5%
Other Income	7.7	7.8	0.1	12.7	(39.4%)	(38.6%)
Cost of Goods	(60.5)	(60.2)	0.3	(58.6)	3.2%	2.7%
Gross Profit	160.4	164.2	3.8	130.7	22.7%	25.6%
<i>% of sales</i>	72.6%	73.2%		69.0%		
R&D	(21.5)	(21.7)	(0.2)	(18.6)	15.6%	16.7%
<i>% of sales</i>	(9.7%)	(9.7%)		(9.8%)		
SG&A	(97.6)	(99.6)	(2.0)	(84.9)	15.0%	17.3%
<i>% of sales</i>	(44.2%)	(44.4%)		(44.8%)		
SG&A w/o Amort. & Dep.	(69.9)	(71.0)	(1.1)	(69.3)	0.9%	2.5%
<i>% of sales</i>	(31.6%)	(31.6%)		(36.6%)		
SG&A Amort. & Dep.	(27.7)	(28.6)	(0.9)	(15.6)	77.6%	83.3%
Other Op. Exp	(3.1)	(3.1)	-	(1.9)	63.2%	63.2%
EBIT	45.9	47.6	1.7	38.0	20.8%	25.3%
<i>% of sales</i>	20.8%	21.2%		20.1%		
Amort. & Dep.	31.7	32.6	0.9	20.0	58.5%	63.0%
<i>% of sales</i>	14.4%	14.5%		10.6%		
EBITDA	77.6	80.2	2.6	58.0	33.8%	38.3%
<i>% of sales</i>	35.1%	35.7%		30.6%		
Gains on sale of assets	0.7	0.7	-	(0.1)	n.m.	n.m.
Other costs	0.2	0.1	(0.1)	(0.3)	(166.7%)	(133.3%)
Net financial income / (expenses)	(5.9)	(6.0)	(0.1)	(0.6)	n.m.	n.m.
Profit before tax	40.9	42.4	1.5	37.1	10.4%	14.4%
Corporate income tax	(8.5)	(9.3)	(0.8)	(6.2)	37.1%	50.0%
Discontinued Operations	(2.9)	(3.2)	(0.3)	-	n.m.	n.m.
Net Income	29.5	29.9	0.7	30.9	(4.4%)	(3.1%)
Normalized Net Income	31.9	32.6	0.7	30.9	3.3%	5.6%

EURO	CER 2019	Mar 2019
USD	1.23	1.14
CHF	1.16	1.13
GBP	0.88	0.86
PLN	1.23	4.30
DKK	7.45	7.46

Q1 2019 Dermatology sales breakdown

€ Million	YTD March 2019	YTD March 2018	% var vs LY
Europe	54	46	19.1%
Ciclopoli franchise	12	10	20.2%
Skilarence	8	4	117.1%
Solaraze	7	8	(1.9%)
Decoderm franchise	7	6	4.8%
Illumetri	3	-	n.m.
Others	17	18	(5.5%)
US	49	9	n.m.
RoW	2	3	(35.5%)
Total Derma Rx	105	57	84.2%
ThermiGen	-	5	n.m.
Total Almirall Derma	105	62	70.5%

Q1 2019 Net Sales by Geography

€ Million	YTD March 2019	YTD March 2018	% var vs LY
Europe	148	140	5.7%
US	50	14	<i>n.m.</i>
Emerging Markets	26	35	(25.6%)
Total	224	189	18.6%

Q1 2019 Leading Product Sales

€ Million	YTD Mar 2019	YTD Mar 2018	% var vs LY
Ebastel franchise	21	19	11.4%
Aczone	20	-	<i>n.m.</i>
Efficib/Tesavel	13	12	4.3%
Ciclopoli franchise	12	11	8.3%
Crestor	9	10	(16.2%)
Skilarence	8	4	117.1%
Almax	8	7	5.8%
Solaraze	7	8	(1.9%)
Tazorac	7	-	<i>n.m.</i>
Sativex	7	7	2.1%
Rest of products	112	111	1.1%
Net Sales	224	189	18.6%

Reconciliations with audited financial statements

Gross Margin & EBITDA

€ Million	YTD March 2019	YTD March 2018
Revenues (1)	226.7	189.3
ThermiGen Net Sales (3)	(2,3)	-
Net Sales	224.4	189.3
- Procurements (1)	(46.1)	(44.7)
ThermiGen Procurements (3)	1.6	-
- Other manufacturing costs (2)		
Staff costs	(8.1)	(7.4)
Amortisation & Depreciation	(2.5)	(2.5)
Other operating costs	(5.1)	(4.0)
Gross Profit	164.2	130.7
As % of Revenues	73.2%	69.0%

€ Million	YTD March 2019	YTD March 2018
Profit (Loss) from operations	45.1	37.7
- Directly traceable with annual accounts		
Amortisation & Depreciation	32.6	20.0
Net gain (loss) on asset disposals	(0.7)	-
- Non directly traceable with annual accounts		
Revenues (3)	(2.3)	-
Procurements (3)	1.6	-
Personnel expenses (3)	2.0	-
Other operating expense (3)	1.9	0.3
EBITDA	80.2	58.0

(1) As per Annual Account Terminology

(2) Data included in the corresponding caption of the profit and loss account

(3) Mainly due to the contribution of ThermiGen in 2019 in the respective captions of the Annual Accounts

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

€ Million	Q1 2019	Q1 2018
EBITDA	80.2	58.0
- Amortization & Depreciation	(32.6)	(20.0)
EBIT	47.6	38.0

€ Million	Q1 2019	Q1 2018
Financial derivative	(0.8)	-
Finance costs	(2.3)	(1.2)
Exchange rate differences	(2.9)	0.6
Net Financial income / (expenses)	(6.0)	(0.6)



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