

Almirall's Full-Year 2017 Results

- Total Revenues and EBITDA in line with updated Guidance.
- Encouraging roll-out of Skilarence® in early launch countries.
- Continued pipeline evolution including addition of KX2-391 for actinic keratosis (phase III), through Athenex agreement.
- Dividend proposal of €0.19 per share in line with prior years.
- M&A remains a top priority.
- 2018 Guidance: mid-single-digit Total Revenues growth vs. 2017 and around 20% growth vs. 2017 in terms of EBITDA.

Financial highlights (€ rounded million)

	2017	2016	Variation
Total Revenue	755.8	859.3	(12%)
• Net Sales	639.4	764.4	(16%)
• Other Income	116.4	94.9	23%
Gross Profit	411.3	536.9	(23%)
• % of sales	64.3%	70.2%	
EBITDA	142.2	227.6	(37%)
Normalised Net Income	27.1	83.0	(67%)

Peter Guenter, CEO, commented:

"2017 was a challenging year for Almirall. Although it did not evolve as was initially expected, management put into place a set of actions to address adverse U.S. business pressures and these measures were largely effective. Since my arrival in October, I have driven further significant change within the organisation that has helped us to deliver the revised EBITDA guidance.

Those changes allow us to view 2018 with confidence. We are very encouraged by the initial launch and uptake of Skilarence® in UK and Germany. Skilarence® will be commercialized in most other European markets in 2018 and 2019. In addition, we are looking forward to introducing tildrakizumab, our first biologic for psoriasis, in the European market in late 2018 - early 2019. We also continued to build our R&D capabilities in skin health, most notably with a strategic partnership with Athenex to develop and commercialize KX2-391, a first-in-class and potentially best-in-class topical treatment for actinic keratosis, currently in phase III.

Furthermore, Almirall continues to be ready to leverage opportunities to increase critical mass in key markets. With all this, we are confident that Almirall remains on the right growth trajectory and will deliver long-term, sustainable shareholder value."

Almirall, S.A. (ALM), a global pharmaceutical company based in Barcelona, has announced its full-year 2017 results today.

Operational performance as expected, Guidance achieved.

- **Total Revenues** reached €755.8 MM in 2017 vs €859.3 MM in 2016. Total Revenues comprised **Net Sales** of €639.4 MM (€764.4 MM in 2016) and **Other Income** of €116.4 MM (an increase of +22.7% vs 2016 due to positive phase III results for the acridinium combo licensed to AstraZeneca and sales-related milestone).
- **Gross Profit** came in at €411.3 MM vs 536.9 MM in 2016 and was adversely impacted by the reduction in sales in high margin geographies.
- **Cash Position** at the close of 2017 was €280.2 MM, whereas Financial Debt came to a total of €250.1 MM, representing 11.5% of total assets.
- **Research & Development** expenses were €87.9 MM and accounted for 13.7% of Net Sales (versus 12.9% in 2016).
- **Selling, General & Administrative** expenses declined by 2.9% in 2017 (48.1% of net sales excluding depreciation) despite investments in the rollout of Skilarence® and in the anticipated launch of tildrakizumab.
- **EBITDA** at close of 2017 was €142.2 MM, aligned with the guidance given in July 2017.
- **Normalised Net Income** was €27.1 MM.
- **Shareholders Equity** represented 52.1% of Total Assets.

Key events in 2017

- March, 16th. Collaboration with Symatase for the development and commercialisation of customised products in the aesthetics area.
- March, 24th. Regulatory filing of **tildrakizumab** in EU.
- June, 27th. Approval of **Skilarence®** by European Commission.
- November, 17th. Receipt of \$80 million sales-related milestone from the agreement with **AstraZeneca** related to the acridinium bromide franchise and, in December, we reinforced our partnership with the agreement for the commercialisation of Crestor® and Provisacor® (rosuvastatin) in Spain.
- December, 11th. Agreement with **Athenex** to develop phase III product for actinic keratosis.

Successful roll-out of Skilarence® drives performance in skin health

Europe has been a key growth driver in dermatology during 2017, accounting for sales of €176.8 MM (73,5% of total Rx Dermatology), boosted by Skilarence and also Poli Group products which continue to perform well with double-digit growth.

The initial uptake of Skilarence®, the first and only EU approved fumaric acid ester (FAE) for the treatment of adult patients with moderate-to-severe chronic plaque psoriasis, has been encouraging in UK and Germany. It's a key factor for re-inforcing our positioning in this therapeutic area. We have received positive and encouraging feedback from both healthcare providers and payers.

Skilarence® captured in just 3 months 40% of Fumaderm volume and about 20% of the conventional market share in Germany and continues to grow in the UK. We plan to launch it in most other European countries during 2018 and 2019.

In US, net sales of €81.9 MM reflected the difficult operating environment during 2017. This business has been restructured and re-sized to the new environment.

R&D and pipeline progress in skin health

During 2017, we were extremely pleased to appoint as new Chief Scientific Officer and Executive Vice President (CSO), Bhushan Hardas coming from Allergan, who brings with him notable R&D experience in the field of dermatology and aesthetics medicine.

2017 was also a period of important advances in our own R&D, both in the clinical and preclinical phases. At the beginning of 2017, we submitted the regulatory filing in Europe of our first biologic, tildrakizumab, an investigational IL-23p19 inhibitor being evaluated for the treatment of moderate-to-severe plaque psoriasis. We expect to commence the roll-out at the end of 2018 or early 2019.

In terms of collaborations, we note our agreement with Athenex to develop a first-in-class treatment for actinic keratosis, currently in phase III, and with Symatase, whose first project is the development of an injectable hyaluronic acid.

Among the nine programs currently under development, in addition to tildrakizumab and Skilarence® (in registration for other countries), we have three products in phase III, P3058 (onychomycosis) in Europe, P3074 (androgenetic alopecia) in Europe and US and KX2-391 (actinic keratosis) in Europe, while Athenex is in charge of the US development. We also have one program in phase II for ichthyosis (PAT001) and three more in early development for rosacea (ADP13612), psoriasis (ADP12734) and atopic dermatitis (ADP12778).

Program	Indication	Phase
Tildrakizumab	Psoriasis	Registration
Skilarence	Psoriasis	Registration (Other countries)
P3058	Onychomycosis	
P3074	Androgenetic alopecia	Phase III
KX2-391	Actinic keratosis	
PAT001	Ichthyosis	Phase II
ADP13612	Rosacea	
ADP12734	Psoriasis	Early Development
ADP12778	Atopic dermatitis	

Board proposals to the Annual General Meeting: dividend & treasury shares

At the Annual General Meeting on May 10th, 2018, the Board of Directors will propose a dividend of €0.19 per share, in line with prior years, and will request authorization to acquire a maximum of 5% of the company to be held as treasury shares. This will provide the company with flexibility and options for general corporate proposes.

Reference shareholders re-affirm their long-term commitment

In 2018, our reference shareholders, who own 66% of the company, re-affirm their long-term commitment to Almirall. We also note that two third-generation members of the family have been part of the Board since 2014, this being a sign of continuity and confidence in Almirall's project.

Guidance for 2018

For 2018, Almirall expects **mid-single-digit growth vs. 2017** in terms of Total Revenues **and around 20% growth vs. 2017** in terms of EBITDA. EBITDA leverage is mainly driven by the core business.

(Total Revenues are expected to grow at mid-single-digit with Net Sales to grow mid to high-single-digit and Other Income to decline double-digit).

Investor Calendar 2018

- Q1 2018 Financial Results – 14th May 2018
- H1 2018 Financial Results – 30th July 2018
- Q3 2018 Financial Results – 12th November 2018

About Almirall

Almirall is a leading skin-health focused global pharmaceutical company that partners with healthcare professionals, applying Science to provide medical solutions to patients & future generations. Our efforts are focused on fighting against skin health diseases and helping people feel and look their best. We support healthcare professionals in its continuous improvement, bringing our innovative solutions where they are needed.

The company, founded in 1943 and with headquarters in Barcelona, is listed on the Spanish Stock Exchange (ticker: ALM). Almirall has become a key element of value creation to society according to its commitment with its major shareholders and its decision to help others, to understand their challenges and to use Science to provide them with solutions for real life. Total revenues in 2017 were 755.8 million euros. More than 1,830 employees are devoted to Science.

For more information, please visit almirall.com [linkedin.com/company/almirall](https://www.linkedin.com/company/almirall)

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