

Barcelona,  
September, 21<sup>st</sup> 2018

# Almirall closes agreement with Allergan and acquires its US medical dermatology portfolio

- **The transaction has been closed for a cash consideration of \$550MM**
- **This strategic agreement, immediately EPS accretive from 2019 onwards, enhances Almirall's portfolio in the US and positions its medical dermatology franchise as a key growth driver, representing circa 45% of net sales (proforma)**
- **The acquired portfolio is comprised of four mature and growth brands for acne and dermatoses and a new innovative NCE, Seysara<sup>TM</sup> (sarecycline) for the oral treatment of acne. Expected peak sales of Seysara<sup>TM</sup> are from \$150MM to \$200MM.**
- **Almirall is continuing its focus on medical dermatology and is looking at strategic options for its aesthetic business**

[Almirall, S.A. \(ALM\)](#) has announced today the closing of the agreement for the acquisition of a portfolio of five products from Allergan's Medical Dermatology unit in the United States, which will further enhance Almirall's portfolio in the largest dermatology market in the world. The transaction has been closed for a cash consideration of \$550MM. This agreement also contemplates a possible earn-out, up to \$100 MM and payable in Q1/2022, depending on business performance. It is immediately EPS accretive from 2019 onwards and enhances Almirall's portfolio in the US.

The transaction is simple and fully synergistic —no corporate structure, promotional salesforce or manufacturing is included— and it has received the support of investors and analysts, who have raised the target price of Almirall's shares on the stock market since the deal was announced in August 3<sup>rd</sup>, 2018. Almirall is focused on its medical dermatology franchise which will become a key growth driver after this deal, representing circa 45% of net sales (proforma). As a consequence, the company will look at strategic options for its aesthetic business.

## Portfolio acquired from Allergan

The acquired portfolio includes a NCE and four key mature and growth brands: Aczone<sup>®</sup> (dapson), Tazorac<sup>®</sup> (tazarotene), Azelex<sup>®</sup> (azelaic acid) and Cordran<sup>®</sup> Tape (fludroxycortide). These four products, already marketed, generated total sales in US of \$70MM in the first 6 months of 2018. Allergan will provide support to Almirall to ensure a smooth transition of the portfolio.

The promising brand Seysara<sup>TM</sup> (sarecycline) expects peak sales of \$150MM to \$200MM. This is a new, innovative first in class tetracycline-derived antibiotic with anti-inflammatory properties for the treatment of moderate to severe acne vulgaris, in patients 9 years of age and older, with a best-in-class safety profile. The FDA approval of Seysara<sup>TM</sup> (sarecycline) is anticipated in Q4 2018.

With this transaction, Almirall consolidates its position as a leader in medical dermatology, providing health solutions to patients with considerable unmet medical needs.

**Peter Guenter, Chief Executive Officer, Almirall**, commented, *"We just closed a transformational deal for Almirall aligned with our aim on focusing in medical dermatology. The acquisition of the Allergan medical dermatology portfolio, immediately accretive to our earnings, will reinforce and consolidate our position in the U.S. which represents the largest and most profitable derma market worldwide. We are getting ready for the launch of Seysara, and the marketing of the rest of the portfolio. This acquisition is perfectly complementary to our existing platform, which will also be strengthened by the launch of KX2-391. Now as we gain critical mass and growth potential in the US medical dermatology market, it is also the right moment to look at strategic options for our aesthetics business".*

The transaction was funded through a bridge loan from BBVA and Santander banks. Leverage will not exceed 2.5 times EBITDA, with a rapid deleveraging profile.

## 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 75 years ago 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. It has more than 1,830 employees.

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