



FAQ on Almirall's acquisition of five Medical Dermatology products in the US from Allergan

On August 3, 2018, Almirall announced they entered into a definitive agreement with Allergan to acquire Allergan's U.S. medical dermatology portfolio for a cash consideration of \$550 million plus contingent consideration (up to \$100m, payable in 2022) depending on business performance.

The portfolio of products includes the following brands: Aczone® (dapsons), Tazorac® (tazarotene), Azelex® (azelaic acid), Cordran® Tape (fludroxycortide), and Seysara™ (sarecycline).

The closing of this transaction is expected by Q4 2018.

1. What is the impact of the sale of these assets to Allergan's revenues?

On a FY 2018 basis, the portfolio of products included in this transaction represents approximately \$140 million in net revenues.

2. What is the impact to non-GAAP performance net income per share?

On a FY 2018 basis, the portfolio of products included in this transaction represents approximately \$0.27 cents on a GAAP basis, or approximately \$0.30 on a non-GAAP performance net income per share basis.¹

All of these products are currently non-promoted brands.


3. How do you plan to use the proceeds from the divestiture of these assets?

The use of proceeds from the sale of these assets will support our capital allocation priorities disclosed at our Q2 2018 earnings call.

4. Does this transaction change your FY 2018 guidance?

No, the FY 2018 non-GAAP guidance provided during our Q2 2018 earnings is not affected by this announcement.

¹Table 1: GAAP to non-GAAP Reconciliation



in millions except per share amounts	Twelve Months Ending December 31, 2018	
GAAP income from continuing operations attributable to shareholders	\$	93.0
Adjusted for:		
Amortization		12.0
Income taxes on items above and other income tax adjustments		(2.0)
Non-GAAP performance net income attributable to shareholders		103.0
Diluted earnings per share		
Diluted income per share from continuing operations attributable to shareholders- GAAP **	\$	0.27
Non-GAAP performance diluted net income per share attributable to shareholders	\$	0.30
Basic weighted average ordinary shares outstanding		339.0
Effect of dilutive securities:		
Dilutive shares		4.0
Diluted weighted average ordinary shares outstanding		343.0

** GAAP EPS is based on the basic weighted average ordinary shares outstanding as FY 2018 GAAP earnings are expected to be in a net loss position.