



# 2017-18 GLOBAL NETWORK INVESTMENT COMPETITION

Madrid, November 12<sup>th</sup> 2017



**GLOBAL NETWORK FOR  
ADVANCED MANAGEMENT**

# The “IE Rocket Yield” Team



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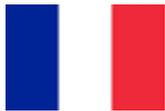
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*Venezuela*



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# Agenda

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- 1 Investment Highlights**
- 2 Company Overview, Vision and Strategy**
- 3 Industry and Environment Analysis**
- 4 Technical Analysis**
- 5 Ethics and Corporate Social Responsibility**
- 6 Conclusion**

# Investment Highlights

## The Company



**Almirall S.A. (ALM:SM) €7.97** Bolsa De Madrid  
Sector: **Healthcare**  
Industry: **Biotech & Pharma**  
52 weeks range: **€15.8 – €7.97**

## Highlights

Change in Management



Undervalued



Global Operations



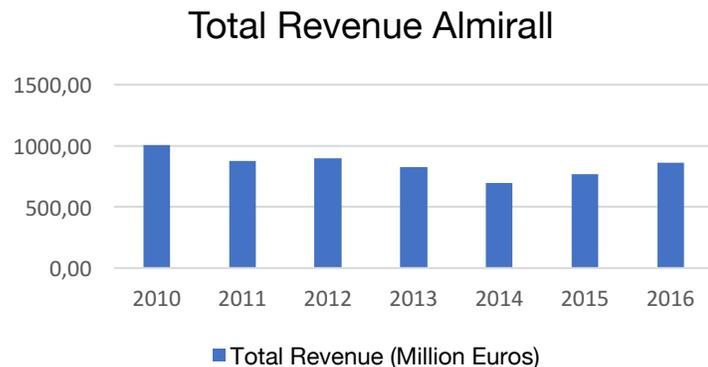
Pharmaceutical Sector



Refocus of Portfolio

# A Global Leading Pharmaceutical Company

## Company Overview

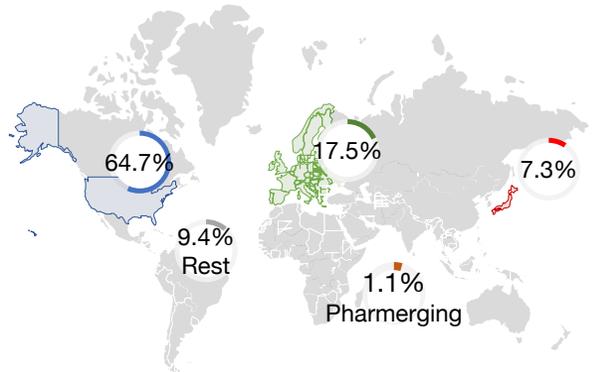


Total revenues in 2016: **€859M**  
Employees: **>2000 employees worldwide**  
Focus on **Research & Development**  
**Change in management: New CEO (Oct. 1<sup>st</sup>)**

- I Corporate Vision**
  - Leading specialty firm **differentiating** in pharmaceutical industry
  - Focus on **skin segment**
  - Tackle directly **needs of professionals and consumers**
- II Corporate Strategy**
  - **Accelerate growth** in dermatology and medical aesthetics
  - Expand portfolio through **R&D and BD<sup>1</sup>**
  - **Customer Affinity**
  - Set of **values**: Caring, Dedicated, Dynamic and Expert

# High Performances and Competitive Sector

## Industry



- Spanish pharma sector expected to increase in valuation from **€23B** to **€25B** in 2021
- Benefits from strong economy, given by **qualified workforce** and **sophisticated infrastructure**

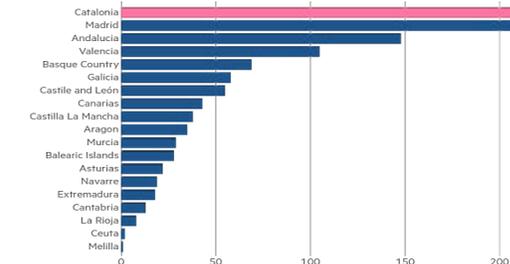
## Competition

- Competition concentrated in **Catalonia**, but competes also on **international level**
- Sustains **revenue growth** through **global expansion**



## Geopolitical Risks

Catalonia accounts for 19 per cent of Spain's GDP  
GDP by region (€bn, 2016)



- Ongoing **uncertainty** related to **Independence Referendum**
- Potential **shift of headquarters** out of Catalonia
- Conflict may lead to **economic, political crisis**

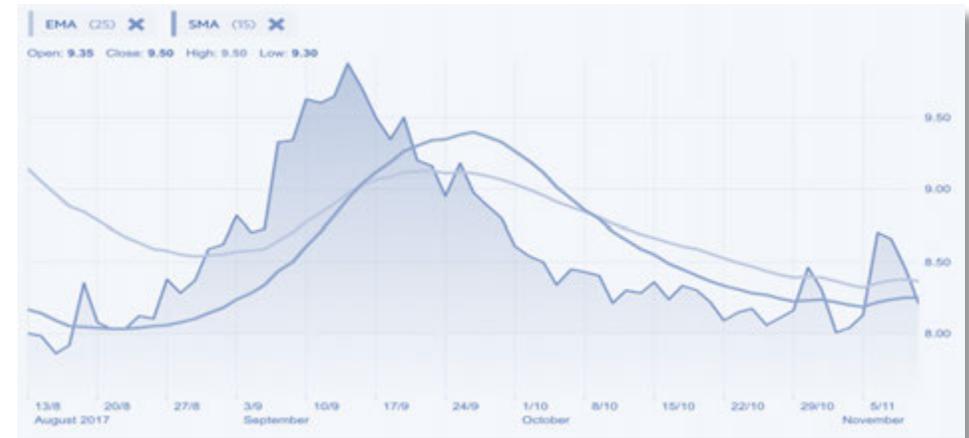
# Calling the Bottom After Strong Correction

Bottom – Call



- **Calling out bottom** at market price **€7,84**
- Correction around **40%** in July, overreaction of market
- Trading at **52-week low**

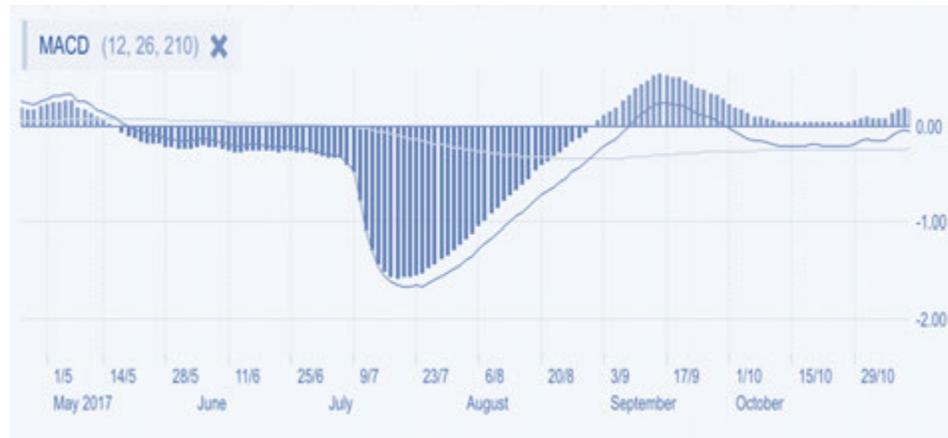
SMA<sup>2</sup> & EMA<sup>3</sup>



- 15-day **SMA**, 25-day **EMA** on 3 months horizon, daily data
- October 17<sup>th</sup> – Graph crossed SMA and EMA – **Upward trend signal**

# Stock Oversold – Positive Trend Building

## MACD<sup>4</sup>



- **MACD** on 6 months period, daily data
- Long negative trend ended
- **Positive trend** building - justifies **leg up**

## Oscillators



- Key oscillators: **Relative Strengths Index** and **Williams Percentage Range**
- Stock **oversold** in July / August
- Confirm **support call** around **€7.84**

# Ethics, a Concern for Long-Term Profitability



**Society**

**Company**

**Environment**

**Stakeholders**

4 Pillars

- **Pharmaceutical** sector – Ethics real concern for **long-term profitability**
- **4 Pillars** for Ethics and Corporate Social Responsibility
- **Science** alongside with **patients** best path for **real solutions**
- **Give – and – take** between company and society
- **Code of Integrity:** Customers and Employees **first**
- **High quality** of products and **training** programs, in respect of **international standards**
- **Efficient** production process: **Ecologically friendly** company
- Collection of unused medicines for **non-profit organizations** to minimize waste
- Operations based on **long-term trust and transparency** between management and employees, company and clients, company and furnishers, **key for success**

# Summary of Investment Thesis

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## Major global leader and reputable pharmaceutical firm

- Diversified portfolio of industries and products

## Extraordinary short – term investment opportunity

- Share price dropped 40% in July due to disappointing earnings estimates
- Since July, stock bottomed out
- Technical Analysis indicators are bullish
- Geopolitical crisis aided decline in price

## Change in management

- Peter Guenter appointed as new CEO
- Proven track record in pharmaceutical industry



**Thank you!**

*IE Rocket Yield*

