



First Quarter 2017 Earnings Results

Performance Summary

May 3, 2017



GRIFOLS

Legal Disclaimer

The facts and figures contained in this report that do not refer to historical data are “future projections and assumptions”. Words and expressions such as “believe”, “hope”, “anticipate”, “predict”, “expect”, “intend”, “should”, “will seek to achieve”, “it is estimated”, “future” and similar expressions, in so far as they relate to the Grifols group, are used to identify future projections and assumptions. These expressions reflect the assumptions, hypotheses, expectations and predictions of the management team at the time of writing this report, and these are subject to a number of factors that mean that the actual results may be materially different. The future results of the Grifols group could be affected by events relating to its own activities, such as a shortage of supplies of raw materials for the manufacture of its products, the appearance of competitor products on the market, or changes to the regulatory framework of the markets in which it operates, among others. At the date of compiling this report, the Grifols group has adopted the necessary measures to mitigate the potential impact of these events. Grifols, S.A. does not accept any obligation to publicly report, revise or update future projections or assumptions to adapt them to events or circumstances subsequent to the date of writing this report, except where expressly required by the applicable legislation. This document does not constitute an offer or invitation to buy or subscribe shares in accordance with the provisions of the following Spanish legislation: Royal Legislative Decree 4/2015, of 23 October, approving recast text of Securities Market Law; Royal Decree Law 5/2005, of 11 March and/or Royal Decree 1310/2005, of 4 November, and any regulations developing this legislation. In addition, this document does not constitute an offer of purchase, sale or exchange, or a request for an offer of purchase, sale or exchange of securities, or a request for any vote or approval in any other jurisdiction. The information included in this document has not been verified nor reviewed by the external auditors of the Grifols Group.

Operational and Financial Highlights - 1Q 2017

- Grifols' market positioning amid a solid demand for the main plasma proteins leads to an outstanding 15.1% (11.9% cc¹) increase in sales of its Bioscience Division to Euros 853.6 million.
- The Diagnostic Division increases revenues by 6.0% (3.3% cc), driven by the evolution of the NAT (Nucleic Acid Testing) technology business in its main markets.
- The adjusted EBITDA² grows to Euros 322.9 million (a 14.3% increase) and the adjusted EBITDA margin is 30.4%.
- Net profits rise by 7.0% to Euros 134.0 million. The adjusted net profit³ increases by 17.1% to reach Euros 164.2 million.
- Grifols is the world-leading company with nearly 180 plasma donation centers in the U.S. The group's investment plan aims to expand this network to 225.
- Grifols promotes the vertical integration of its Diagnostic Division with the acquisition of the Hologic's share of the NAT donor screening unit for USD 1,850 million in January 2017.
- Grifols successfully completes the refinancing of its debt by USD 7.300 million, notably improving all existing conditions: the average cost of debt drops by 120 basis points and falls below 3%. The average maturity exceeds 7 years.

Operational and Financial Highlights - 1Q 2017

- Total net investments in R&D+i increase by 22.9% to Euros 62.6 million, including resources allocated to both internal and external projects.
- Euros 1,200 million 2016-2020 Capital Investment Plan on track with Euros 62.5 million invested during the quarter.

1. cc: at constant currency rates.
2. Excludes the non-recurring costs related to the acquisition of Hologic's share of the NAT donor-screening unit.
3. Excludes non-recurring costs and costs related to recent acquisitions, depreciation of deferred financial expenses associated with the refinancing process and depreciation of intangibles associated with acquisitions.

Key financial metrics - 1Q 2017

<i>In millions of euros except % and EPS</i>	1Q 2017	1Q 2016	% Var
NET REVENUE (NR)	1,061.7	958.9	10.7%
GROSS MARGIN	51.0%	49.4%	
EBITDA	306.0	282.5	8.3%
% NR	28.8%	29.5%	
ADJUSTED EBITDA ⁽¹⁾	322.9	282.5	14.3%
% NR	30.4%	29.5%	
EBIT	252.7	231.5	9.2%
% NR	23.8%	24.1%	
GROUP PROFIT	134.0	125.2	7.0%
% NR	12.6%	13.1%	
ADJUSTED⁽²⁾ GROUP PROFIT	164.2	140.2	17.1%
% NR	15.5%	14.6%	
CAPEX	62.5	57.5	8.7%
R&D NET INVESTMENT	62.6	51.0	22.9%
EARNINGS PER SHARE (EPS)	0.20	0.18	7.0%
	March 2017	December 2016	% Var
TOTAL ASSETS	11,708.4	10,129.8	15.6%
TOTAL EQUITY	3,816.8	3,728.0	2.4%
CASH & CASH EQUIVALENTS	737.3	895.0	(17.6%)
LEVERAGE RATIO	4.45/(4.51cc)⁽³⁾	3.55/(3.45cc)⁽³⁾	

⁽¹⁾ Excludes non-recurring costs and associated with recent acquisitions

⁽²⁾ Excludes non-recurring costs and associated with recent acquisitions, amortization of deferred expenses associated to the refinancing and amortization of intangible assets related to acquisitions

⁽³⁾ Constant currency (cc) excludes the impact of exchange rate movements

Net revenue by division - 1Q 2017

<i>In thousands of euros</i>	1Q 2017	% of Net Revenues	1Q 2016 **	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	853,639	80.4%	741,859	77.4%	15.1%	11.9%
DIAGNOSTIC	170,643	16.1%	161,040	16.8%	6.0%	3.3%
HOSPITAL	22,964	2.2%	22,838	2.4%	0.6%	(0.3%)
BIO SUPPLIES	14,401	1.3%	17,635	1.8%	(18.3%)	(20.5%)
OTHERS	33	0.0%	15,561	1.6%	(99.8%)	(99.3%)
TOTAL	1,061,680	100.0%	958,933	100.0%	10.7%	7.7%

* Constant currency (cc) excludes the impact of exchange rate movements

** Comparable net revenues considering the reclassification of the biological products for non-therapeutic use sales that since January of 2017 are reported in the Bio Supplies Division

Net revenue by region - 1Q 2017

<i>In thousands of euros</i>	1Q 2017	% of Net Revenues	1Q 2016 **	% of Net Revenues	% Var	% Var cc*
US + CANADA	728,570	68.6%	634,972	66.2%	14.7%	11.1%
EU	161,747	15.3%	162,708	17.0%	(0.6%)	0.3%
ROW	171,363	16.1%	161,253	16.8%	6.3%	2.1%
TOTAL	1,061,680	100.0%	958,933	100.0%	10.7%	7.7%

* Constant currency (cc) excludes the impact of exchange rate movements

** Comparable net revenues considering the reclassification of the biological products for non-therapeutic use sales that since January of 2017 are reported in the Bio Supplies Division

Profit & Loss account - 1Q 2017

<i>In thousands of euros</i>	1Q 2017	1Q 2016	% Var
NET REVENUE (NR)	1,061,680	958,933	10.7%
COST OF SALES	(519,783)	(484,754)	7.2%
GROSS MARGIN	541,897	474,179	14.3%
% NR	51.0%	49.4%	
R&D	(59,171)	(47,665)	24.1%
SG&A	(230,014)	(195,061)	17.9%
<i>OPERATING EXPENSES</i>	<i>(289,185)</i>	<i>(242,726)</i>	<i>19.1%</i>
OPERATING RESULT (EBIT)	252,712	231,453	9.2%
% NR	23.8%	24.1%	
<i>FINANCIAL RESULT</i>	<i>(66,225)</i>	<i>(68,565)</i>	<i>(3.4%)</i>
SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES	(3,288)	1,351	(343.4%)
PROFIT BEFORE TAX	183,199	164,239	11.5%
% NR	17.3%	17.1%	
INCOME TAX EXPENSE	(49,464)	(39,417)	25.5%
<i>% OF PRE-TAX INCOME</i>	<i>27.0%</i>	<i>24.0%</i>	
CONSOLIDATED PROFIT FOR THE YEAR	133,735	124,822	7.1%
RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(258)	(424)	(39.2%)
GROUP PROFIT FOR THE PERIOD	133,993	125,246	7.0%
% NR	12.6%	13.1%	

Balance sheet (Assets) - 1Q 2017

<i>In thousands of euros</i>	March 2017	December 2016
NON-CURRENT ASSETS	8,756,188	7,007,258
GOODWILL AND OTHER INTANGIBLE ASSETS	6,529,475	4,839,297
PROPERTY PLANT & EQUIPMENT	1,841,190	1,809,852
INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES	243,341	201,345
NON-CURRENT FINANCIAL ASSETS	64,600	89,545
OTHER NON-CURRENT ASSETS	77,582	67,219
CURRENT ASSETS	2,952,170	3,122,514
INVENTORIES	1,685,606	1,642,931
TRADE AND OTHER RECEIVABLES	485,251	533,668
OTHER CURRENT FINANCIAL ASSETS	12,541	2,582
OTHER CURRENT ASSETS	31,481	48,324
CASH AND CASH EQUIVALENTS	737,291	895,009
TOTAL ASSETS	11,708,358	10,129,772

Balance sheet (Equity & Liabilities) - 1Q 2017

<i>In thousands of euros</i>	March 2017	December 2016
EQUITY	3,816,765	3,727,978
CAPITAL	119,604	119,604
SHARE PREMIUM	910,728	910,728
RESERVES	2,240,347	1,694,245
TREASURY STOCK	(68,710)	(68,710)
INTERIM DIVIDENDS	(122,908)	(122,908)
CURRENT YEAR EARNINGS	133,993	545,456
OTHER COMPREHENSIVE INCOME	597,378	643,066
NON-CONTROLLING INTERESTS	6,333	6,497
NON-CURRENT LIABILITIES	6,946,755	5,330,031
NON-CURRENT FINANCIAL LIABILITIES	6,333,049	4,712,071
OTHER NON-CURRENT LIABILITIES	613,706	617,960
CURRENT LIABILITIES	944,838	1,071,763
CURRENT FINANCIAL LIABILITIES	158,813	230,065
OTHER CURRENT LIABILITIES	786,025	841,698
TOTAL EQUITY AND LIABILITIES	11,708,358	10,129,772

Cash flow - 1Q 2017

In thousands of euros

	1Q 2017	1Q 2016
GROUP PROFIT	133,993	125,246
DEPRECIATION AND AMORTIZATION	53,314	51,068
NET PROVISIONS	(272)	(92)
OTHER ADJUSTMENTS AND OTHER CHANGES IN WORKING CAPITAL	(21,103)	(2,837)
CHANGES IN INVENTORIES	(59,885)	(70,455)
CHANGES IN TRADE RECEIVABLES	57,252	(39,660)
CHANGES IN TRADE PAYABLES	(17,915)	(4,935)
<i>CHANGE IN OPERATING WORKING CAPITAL</i>	<i>(20,548)</i>	<i>(115,050)</i>
NET CASH FLOW FROM OPERATING ACTIVITIES	145,384	58,335
BUSINESS COMBINATIONS AND INVESTMENTS IN GROUP COMPANIES	(1,812,688)	(27,270)
CAPEX	(62,523)	(57,537)
R&D/OTHER INTANGIBLE ASSETS	(3,810)	(4,803)
OTHER CASH INFLOW / (OUTFLOW)	20,614	(2,881)
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,858,407)	(92,491)
FREE CASH FLOW	(1,713,023)	(34,156)
ISSUE / (REPAYMENT) OF DEBT	1,663,125	(24,376)
OTHER CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(97,198)	(29,761)
NET CASH FLOW FROM FINANCING ACTIVITIES	1,565,927	(54,137)
TOTAL CASH FLOW	(147,096)	(88,293)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	895,009	1,142,500
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(10,622)	(46,630)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	737,291	1,007,577

Group profit reconciliation - 1Q 2017

In millions of euros

	1Q 2017	1Q 2016	% Var
GROUP NET PROFIT	134.0	125.2	7.0%
<i>% NR</i>	12.6%	13.1%	
Amortization of deferred financial expenses	15.0	10.2	47.1%
Amortization of intangible assets acquired in business combinations	9.4	9.5	(1.1%)
Non-recurring costs and costs associated with recent acquisitions	16.9	-	
Tax impacts of adjustments	(11.1)	(4.7)	136.2%
ADJUSTED GROUP NET PROFIT	164.2	140.2	17.1%
<i>% NR</i>	15.5%	14.6%	

Share performance - 1Q 2017

GRIFOLS' DAILY SHARE PRICE, CLASS A & CLASS B vs IBEX 35

BASE 100: from December 31, 2016 to March 31, 2017

Source: Infobolsa

