

Third Quarter 2016 Performance Summary

GRIFOLS

Operational and Financial Highlights - 9M 2016

- Sales of the Bioscience Division grow by +6.5%, increasing Grifols' revenues to EUR 2,951.7 million
- Revenues over EUR 1,000 million and growth in the three divisions during the third quarter
- Revenues of the Bioscience Division for the nine months ended September 2016 total EUR 2,356.4 million, rising +6.5% (+6.7% cc*). The positive trend in sales of the main plasma proteins continues led by IVIG, alpha-1 antitrypsin and albumin
- Grifols moves forward in the development of its respiratory franchise with a strong revenue performance of alpha-1 antitrypsin
- The growth in Bioscience, together with the recovery in the sales of the Diagnostic (+2.1% / +2.8% cc) and Hospital (+5.8% / +6.9% cc) divisions in the third quarter, contribute to increase Grifols' recurring revenues by +4.3% (+4.5% cc) (excluding Raw Materials and Others) through September

* Constant currency (cc) excludes exchange rate variations

Operational and Financial Highlights - 9M 2016

- Margins remain stable: EBITDA reaches 28.6% of revenues and stands at EUR 842.9 million; the EBIT margin represents 23.4% of revenues and amounts to EUR 692.1 million
- Net profit rises by +1.1% to EUR 406.1 million
- The liquidity position exceeds EUR 1,300 million, with more than EUR 900 million of available cash
- The net debt to EBITDA ratio decreases to 3.32x (3.39x cc) at the end of September

Key financial figures - 9M 2016

<i>In millions of euros except % and EPS</i>	9M 2016	9M 2015	% Var
NET REVENUE (NR)	2,951.7	2,871.8	2.8%
GROSS MARGIN	47.8%	49.1%	
R&D	149.7	158.1	(5.4%)
% NR	5.1%	5.5%	
EBITDA	842.9	856.8	(1.6%)
% NR	28.6%	29.8%	
EBIT	692.1	718.0	(3.6%)
% NR	23.4%	25.0%	
GROUP PROFIT	406.1	401.6	1.1%
% NR	13.8%	14.0%	
ADJUSTED⁽¹⁾ GROUP PROFIT	464.6	463.4	0.3%
% NR	15.7%	16.1%	
CAPEX	180.3	201.1	(10.3%)
EARNINGS PER SHARE (EPS)⁽²⁾	0.59	0.59	1.1%
	September 2016	December 2015	% Var
TOTAL ASSETS	9,567.9	9,601.7	(0.4%)
TOTAL EQUITY	3,532.4	3,301.4	7.0%
CASH & CASH EQUIVALENTS	900.5	1,142.5	(21.2%)
LEVERAGE RATIO	(3.32/3.39cc)⁽³⁾	3.19	

⁽¹⁾ 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

⁽²⁾ EPS as of September 30, 2015 calculated taking into consideration the 2:1 split effective 4 January

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

Net revenue by division - 9M 2016

<i>In thousands of euros</i>	9M 2016	% of Net Revenues	9M 2015	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	2,356,352	79.8%	2,212,255	77.0%	6.5%	6.7%
DIAGNOSTIC	485,868	16.5%	509,506	17.8%	(4.6%)	(4.4%)
HOSPITAL	70,516	2.4%	72,002	2.5%	(2.1%)	(0.2%)
<i>SUBTOTAL</i>	2,912,736	98.7%	2,793,763	97.3%	4.3%	4.5%
RAW MATERIALS AND OTHERS	38,942	1.3%	77,999	2.7%	(50.1%)	(50.6%)
TOTAL	2,951,678	100.0%	2,871,762	100.0%	2.8%	3.0%

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

Net revenue by region - 9M 2016

<i>In thousands of euros</i>	9M 2016	% of Net Revenues	9M 2015	% of Net Revenues	% Var	% Var cc*
US + CANADA	1,944,070	65.9%	1,827,774	63.7%	6.4%	5.6%
EU	473,951	16.1%	496,255	17.3%	(4.5%)	(4.0%)
ROW	494,715	16.7%	469,734	16.3%	5.3%	9.1%
SUBTOTAL	2,912,736	98.7%	2,793,763	97.3%	4.3%	4.5%
RAW MATERIALS AND OTHERS	38,942	1.3%	77,999	2.7%	(50.1%)	(50.6%)
TOTAL	2,951,678	100.0%	2,871,762	100.0%	2.8%	3.0%

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

Profit & Loss account - 9M 2016

<i>In thousands of euros</i>	9M 2016	9M 2015	% Var
NET REVENUE (NR)	2,951,678	2,871,762	2.8%
COST OF SALES	(1,541,925)	(1,462,367)	5.4%
GROSS MARGIN	1,409,753	1,409,395	0.0%
% NR	47.8%	49.1%	
R&D	(149,659)	(158,134)	(5.4%)
SG&A	(567,952)	(533,253)	6.5%
<i>OPERATING EXPENSES</i>	<i>(717,611)</i>	<i>(691,387)</i>	3.8%
OPERATING RESULT (EBIT)	692,142	718,008	(3.6%)
% NR	23.4%	25.0%	
<i>FINANCIAL RESULT</i>	<i>(183,395)</i>	<i>(197,620)</i>	(7.2%)
SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES	13,144	(3,603)	(464.8%)
PROFIT BEFORE TAX	521,891	516,785	1.0%
% NR	17.7%	18.0%	
INCOME TAX EXPENSE	(116,381)	(116,277)	0.1%
<i>% OF PRE-TAX INCOME</i>	<i>22.3%</i>	<i>22.5%</i>	
CONSOLIDATED PROFIT FOR THE YEAR	405,510	400,508	1.2%
RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(586)	(1,101)	(46.8%)
GROUP PROFIT FOR THE PERIOD	406,096	401,609	1.1%
% NR	13.8%	14.0%	

Balance sheet (Assets) - September 30, 2016

<i>In thousands of euros</i>	September 2016	December 2015
NON-CURRENT ASSETS	6,614,792	6,512,243
GOODWILL AND OTHER INTANGIBLE ASSETS	4,577,704	4,693,931
PROPERTY PLANT & EQUIPMENT	1,680,447	1,644,402
INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES	197,937	76,728
NON-CURRENT FINANCIAL ASSETS	90,272	30,388
OTHER NON-CURRENT ASSETS	68,432	66,794
CURRENT ASSETS	2,953,073	3,089,472
INVENTORIES	1,544,502	1,431,391
TRADE AND OTHER RECEIVABLES	475,214	483,196
OTHER CURRENT FINANCIAL ASSETS	1,779	1,294
OTHER CURRENT ASSETS	31,117	31,091
CASH AND CASH EQUIVALENTS	900,461	1,142,500
TOTAL ASSETS	9,567,865	9,601,715

Balance sheet (Equity & Liabilities) - September 30, 2016

<i>In thousands of euros</i>	September 2016	December 2015
EQUITY	3,532,438	3,301,390
CAPITAL	119,604	119,604
SHARE PREMIUM	910,728	910,728
RESERVES	1,696,074	1,371,061
TREASURY STOCK	(68,710)	(58,575)
INTERIM DIVIDENDS	0	(119,615)
CURRENT YEAR EARNINGS	406,096	532,145
OTHER COMPREHENSIVE INCOME	464,607	540,855
NON-CONTROLLING INTERESTS	4,039	5,187
NON-CURRENT LIABILITIES	5,109,749	5,247,319
NON-CURRENT FINANCIAL LIABILITIES	4,486,770	4,597,654
OTHER NON-CURRENT LIABILITIES	622,979	649,665
CURRENT LIABILITIES	925,678	1,053,006
CURRENT FINANCIAL LIABILITIES	222,885	262,497
OTHER CURRENT LIABILITIES	702,793	790,509
TOTAL EQUITY AND LIABILITIES	9,567,865	9,601,715

Cash flow - 9M 2016

<i>In thousands of euros</i>	9M 2016	9M 2015
GROUP PROFIT	406,096	401,609
DEPRECIATION AND AMORTIZATION	150,758	138,805
NET PROVISIONS	(23,708)	(3,975)
OTHER ADJUSTMENTS AND OTHER CHANGES IN WORKING CAPITAL	27,350	(2,108)
CHANGES IN INVENTORIES	(145,560)	(80,575)
CHANGES IN TRADE RECEIVABLES	(36,842)	99,104
CHANGES IN TRADE PAYABLES	(5,218)	(120,468)
<i>CHANGE IN OPERATING WORKING CAPITAL</i>	<i>(187,620)</i>	<i>(101,939)</i>
NET CASH FLOW FROM OPERATING ACTIVITIES	372,876	432,392
BUSINESS COMBINATIONS AND INVESTMENTS IN GROUP COMPANIES	(188,836)	(58,040)
CAPEX	(180,293)	(201,118)
R&D/OTHER INTANGIBLE ASSETS	(20,205)	(22,240)
OTHER CASH INFLOW / (OUTFLOW)	(5,953)	(279,067)
NET CASH FLOW FROM INVESTING ACTIVITIES	(395,287)	(560,465)
FREE CASH FLOW	(22,411)	(128,073)
PROCEEDS FROM / (PAYMENTS) FOR EQUITY INSTRUMENTS	(11,766)	12,695
ISSUE / (REPAYMENT) OF DEBT	(61,696)	(42,341)
DIVIDENDS (PAID) / RECEIVED	(93,243)	(97,157)
OTHER CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(27,104)	(13,168)
NET CASH FLOW FROM FINANCING ACTIVITIES	(193,809)	(139,971)
TOTAL CASH FLOW	(216,220)	(268,044)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,142,500	1,079,146
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(25,819)	80,746
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	900,461	891,848

Group profit reconciliation - 9M 2016

In millions of euros

	9M 2016	9M 2015	% Var
GROUP NET PROFIT	406.1	401.6	1.1%
% NR	13.8%	14.0%	
Amortization of deferred financial expenses	47.4	48.0	(1.3%)
Amortization of intangible assets acquired in business combinations	27.9	31.7	(12.0%)
Tax impacts of adjustments	(16.8)	(17.9)	(6.1%)
ADJUSTED⁽¹⁾ GROUP NET PROFIT	464.6	463.4	0.3%
% NR	15.7%	16.1%	

⁽¹⁾ 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

Net revenue by division - 3Q 2016

<i>In thousands of euros</i>	3Q 2016	% of Net Revenues	3Q 2015	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	797,012	79.7%	754,862	77.8%	5.6%	6.7%
DIAGNOSTIC	169,038	16.9%	165,519	17.0%	2.1%	2.8%
HOSPITAL	24,038	2.4%	22,726	2.3%	5.8%	6.9%
<i>SUBTOTAL</i>	990,088	99.0%	943,107	97.1%	5.0%	6.0%
RAW MATERIALS AND OTHERS	9,945	1.0%	28,090	2.9%	(64.6%)	(64.4%)
TOTAL	1,000,033	100.0%	971,197	100.0%	3.0%	4.0%

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

Net revenue by region - 3Q 2016

<i>In thousands of euros</i>	3Q 2016	% of Net Revenues	3Q 2015	% of Net Revenues	% Var	% Var cc*
US + CANADA	674,604	67.5%	628,598	64.7%	7.3%	7.9%
EU	150,811	15.0%	153,506	15.8%	(1.8%)	(0.7%)
ROW	164,673	16.5%	161,003	16.6%	2.3%	5.0%
SUBTOTAL	990,088	99.0%	943,107	97.1%	5.0%	6.0%
RAW MATERIALS AND OTHERS	9,945	1.0%	28,090	2.9%	(64.6%)	(64.4%)
TOTAL	1,000,033	100.0%	971,197	100.0%	3.0%	4.0%

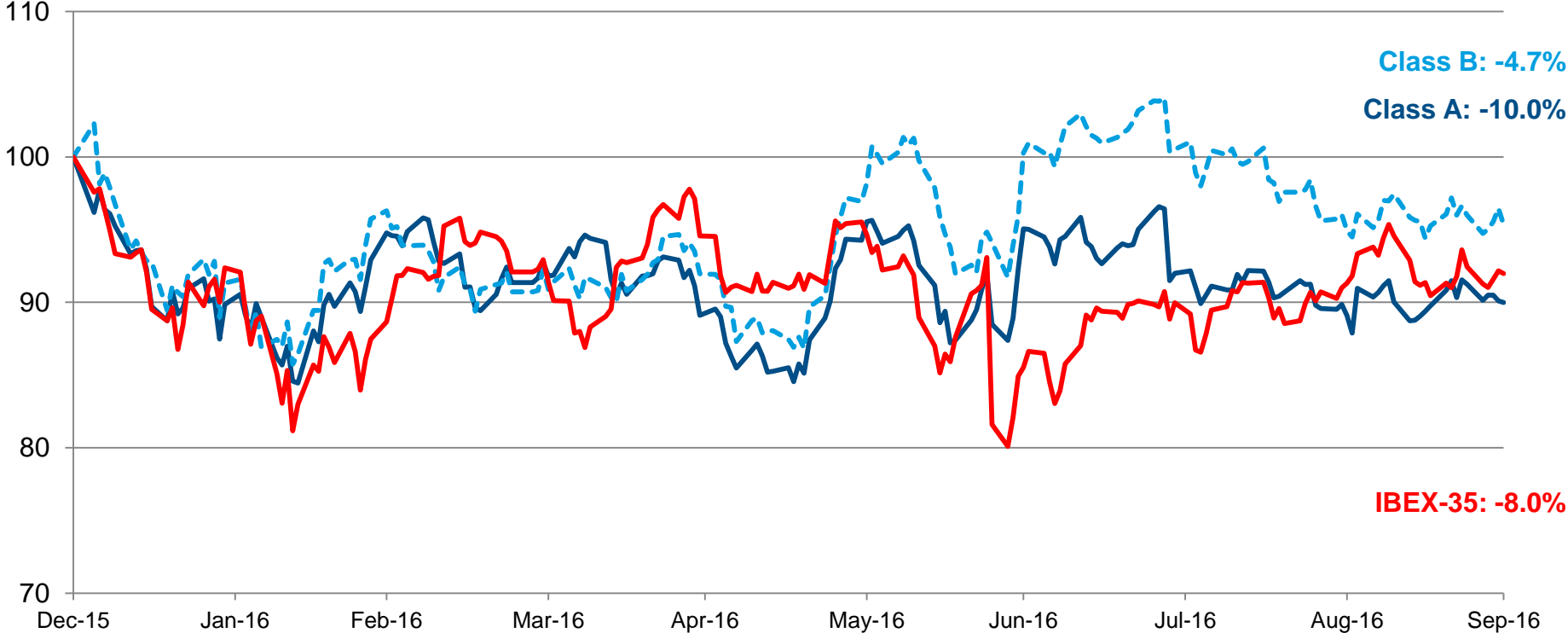
* Constant currency (cc) excludes the impact of exchange rate movements

Share performance - September 30, 2016

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

BASE 100, from December 31, 2015 to September 30, 2016

Source: Infobolsa



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