

First Half 2016 Performance Summary

GRIFOLS

Operational and Financial Highlights - 1H 2016

- Strong positive growth for the four main plasma proteins, that jointly with the others, take the revenues of the Bioscience Division to EUR 1,559.3 million with an increase of +7.0% (+6.7% cc*)
- Significant strengthening of the respiratory franchise, with a record number of patients diagnosed with alpha-1 antitrypsin deficiency (AATD) and increased effectiveness of patient programmes
- Recurring revenues, excluding Raw Materials and Others, are up by +3.9% (+3.7% cc)
- Revenues in ROW (Rest of the World) increase by +6.9% (+11.2% cc) reflecting the geographical expansion pursued by the company. In the US and Canada, the upward trend is maintained with an increase of +5.9% (+4.4% cc)
- EBITDA remains in line with the same period of 2015 at EUR 553.6 million with the margin holding at 28.4% of revenues

* Constant currency (cc) excludes exchange rate variations

Operational and Financial Highlights - 1H 2016

- Net profit rises to EUR 264.4 million (+1.1%). This result reflects the positive effect of certain financial investments of the company, although net profit continues to be impacted by increased depreciation charges and a higher effective tax rate
- Grifols is prepared for further growth and has announced a capital investment plan of EUR 1,200 million for the period 2016-2020 that covers all its divisions
- The company is focused on increasing its supplies of plasma: the investment in IBBI and the plan to open new donor centres secure the access to the raw material to continue meeting the growing demand for plasma products on a sustainable basis
- Shareholder remuneration: 40% pay-out on consolidated net profit and EUR 213 million allocated to dividends after paying the second dividend for 2015

Key financial figures - 1H 2016

<i>In millions of euros except % and EPS</i>	1H 2016	1H 2015	% Var
NET REVENUE (NR)	1,951.6	1,900.6	2.7%
GROSS MARGIN	48.3%	48.8%	
R&D	97.3	103.9	(6.3%)
% NR	5.0%	5.5%	
EBITDA	553.6	560.8	(1.3%)
% NR	28.4%	29.5%	
EBIT	452.7	470.7	(3.8%)
% NR	23.2%	24.8%	
GROUP PROFIT	264.4	261.5	1.1%
% NR	13.5%	13.8%	
ADJUSTED⁽¹⁾ GROUP PROFIT	294.2	302.8	(2.8%)
% NR	15.1%	15.9%	
CAPEX	112.5	134.8	(16.5%)
EARNINGS PER SHARE (EPS)⁽²⁾	0.39	0.38	1.1%
	June 2016	December 2015	% Var
TOTAL ASSETS	9,539.7	9,601.7	(0.6%)
TOTAL EQUITY	3,412.4	3,301.4	3.4%
CASH & CASH EQUIVALENTS	807.0	1,142.5	(29.4%)
LEVERAGE RATIO	(3.39/3.45cc)⁽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 June 30, 2015 calculated taking into consideration the 2:1 split effective 4 January 2016

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

Net revenue by division - 1H 2016

<i>In thousands of euros</i>	1H 2016	% of Net Revenues	1H 2015	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	1,559,340	79.9%	1,457,393	76.7%	7.0%	6.7%
DIAGNOSTIC	316,830	16.2%	343,987	18.1%	(7.9%)	(7.9%)
HOSPITAL	46,478	2.4%	49,276	2.6%	(5.7%)	(3.5%)
SUBTOTAL	1,922,648	98.5%	1,850,656	97.4%	3.9%	3.7%
RAW MATERIALS AND OTHERS	28,997	1.5%	49,909	2.6%	(41.9%)	(42.8%)
TOTAL	1,951,645	100.0%	1,900,565	100.0%	2.7%	2.5%

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

Net revenue by region - 1H 2016

<i>In thousands of euros</i>	1H 2016	% of Net Revenues	1H 2015	% of Net Revenues	% Var	% Var cc*
US + CANADA	1,269,466	65.0%	1,199,176	63.2%	5.9%	4.4%
EU	323,140	16.6%	342,750	18.0%	(5.7%)	(5.5%)
ROW	330,042	16.9%	308,730	16.2%	6.9%	11.2%
SUBTOTAL	1,922,648	98.5%	1,850,656	97.4%	3.9%	3.7%
RAW MATERIALS AND OTHERS	28,997	1.5%	49,909	2.6%	(41.9%)	(42.8%)
TOTAL	1,951,645	100.0%	1,900,565	100.0%	2.7%	2.5%

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

Profit & Loss account - 1H 2016

<i>In thousands of euros</i>	1H 2016	1H 2015	% Var
NET REVENUE (NR)	1,951,645	1,900,565	2.7%
COST OF SALES	(1,009,801)	(973,749)	3.7%
GROSS MARGIN	941,844	926,816	1.6%
% NR	48.3%	48.8%	
R&D	(97,348)	(103,936)	(6.3%)
SG&A	(391,826)	(352,192)	11.3%
<i>OPERATING EXPENSES</i>	<i>(489,174)</i>	<i>(456,128)</i>	<i>7.2%</i>
OPERATING RESULT (EBIT)	452,670	470,688	(3.8%)
% NR	23.2%	24.8%	
<i>FINANCIAL RESULT</i>	<i>(124,164)</i>	<i>(135,222)</i>	<i>(8.2%)</i>
SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES	16,706	(1,383)	(1308.0%)
PROFIT BEFORE TAX	345,212	334,083	3.3%
% NR	17.7%	17.6%	
INCOME TAX EXPENSE	(81,125)	(73,498)	10.4%
<i>% OF PRE-TAX INCOME</i>	<i>23.5%</i>	<i>22.0%</i>	
CONSOLIDATED PROFIT FOR THE YEAR	264,087	260,585	1.3%
RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(356)	(920)	(61.3%)
GROUP PROFIT FOR THE PERIOD	264,443	261,505	1.1%
% NR	13.5%	13.8%	

Balance sheet (Assets) - June 30, 2016

<i>In thousands of euros</i>	June 2016	December 2015
NON-CURRENT ASSETS	6,618,939	6,512,243
GOODWILL AND OTHER INTANGIBLE ASSETS	4,603,871	4,693,931
PROPERTY PLANT & EQUIPMENT	1,659,780	1,644,402
INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES	202,412	76,728
NON-CURRENT FINANCIAL ASSETS	87,045	30,388
OTHER NON-CURRENT ASSETS	65,831	66,794
CURRENT ASSETS	2,920,719	3,089,472
INVENTORIES	1,530,867	1,431,391
TRADE AND OTHER RECEIVABLES	554,882	483,196
OTHER CURRENT FINANCIAL ASSETS	1,983	1,294
OTHER CURRENT ASSETS	25,968	31,091
CASH AND CASH EQUIVALENTS	807,019	1,142,500
TOTAL ASSETS	9,539,658	9,601,715

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

<i>In thousands of euros</i>	June 2016	December 2015
EQUITY	3,412,351	3,301,390
CAPITAL	119,604	119,604
SHARE PREMIUM	910,728	910,728
RESERVES	1,696,359	1,371,061
TREASURY STOCK	(62,025)	(58,575)
INTERIM DIVIDENDS	0	(119,615)
CURRENT YEAR EARNINGS	264,443	532,145
OTHER COMPREHENSIVE INCOME	479,094	540,855
NON-CONTROLLING INTERESTS	4,148	5,187
NON-CURRENT LIABILITIES	5,152,116	5,247,319
NON-CURRENT FINANCIAL LIABILITIES	4,512,783	4,597,654
OTHER NON-CURRENT LIABILITIES	639,333	649,665
CURRENT LIABILITIES	975,191	1,053,006
CURRENT FINANCIAL LIABILITIES	215,146	262,497
OTHER CURRENT LIABILITIES	760,045	790,509
TOTAL EQUITY AND LIABILITIES	9,539,658	9,601,715

Cash flow - 1H 2016

<i>In thousands of euros</i>	1H 2016	1H 2015
GROUP PROFIT	264,443	261,505
DEPRECIATION AND AMORTIZATION	100,915	90,132
NET PROVISIONS	(605)	(5,749)
OTHER ADJUSTMENTS AND OTHER CHANGES IN WORKING CAPITAL	9,899	1,143
CHANGES IN INVENTORIES	(124,548)	(56,578)
CHANGES IN TRADE RECEIVABLES	(84,501)	75,232
CHANGES IN TRADE PAYABLES	1,256	(108,541)
<i>CHANGE IN OPERATING WORKING CAPITAL</i>	<i>(207,793)</i>	<i>(89,887)</i>
NET CASH FLOW FROM OPERATING ACTIVITIES	166,859	257,144
BUSINESS COMBINATIONS AND INVESTMENTS IN GROUP COMPANIES	(188,065)	(58,040)
CAPEX	(112,525)	(134,842)
R&D/OTHER INTANGIBLE ASSETS	(13,380)	(19,521)
OTHER CASH INFLOW / (OUTFLOW)	(6,277)	(272,119)
NET CASH FLOW FROM INVESTING ACTIVITIES	(320,247)	(484,522)
FREE CASH FLOW	(153,388)	(227,378)
PROCEEDS FROM / (PAYMENTS) FOR EQUITY INSTRUMENTS	(5,131)	12,695
ISSUE / (REPAYMENT) OF DEBT	(41,701)	(41,985)
DIVIDENDS (PAID) / RECEIVED	(93,243)	(102,157)
OTHER CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(21,943)	(15,835)
NET CASH FLOW FROM FINANCING ACTIVITIES	(162,018)	(147,282)
TOTAL CASH FLOW	(315,406)	(374,660)
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	(20,075)	84,248
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	807,019	788,734

Group profit reconciliation - 1H 2016

<i>In millions of euros</i>	1H 2016	1H 2015	% Var
GROUP NET PROFIT	264.4	261.5	1.1%
<i>% NR</i>	13.5%	13.8%	
Amortization of deferred financial expenses	18.7	31.9	(41.4%)
Amortization of intangible assets acquired in business combinations	20.2	21.0	(3.8%)
Tax impacts of adjustments	(9.1)	(11.6)	(21.6%)
ADJUSTED⁽¹⁾ GROUP NET PROFIT	294.2	302.8	(2.8%)
<i>% NR</i>	15.1%	15.9%	

⁽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 - 2Q 2016

<i>In thousands of euros</i>	2Q 2016	% of Net Revenues	2Q 2015	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	804,395	81.0%	776,366	78.2%	3.6%	7.0%
DIAGNOSTIC	155,790	15.7%	171,426	17.3%	(9.1%)	(5.8%)
HOSPITAL	23,640	2.4%	26,017	2.6%	(9.1%)	(5.5%)
SUBTOTAL	983,825	99.1%	973,809	98.1%	1.0%	4.4%
RAW MATERIALS AND OTHERS	8,887	0.9%	18,372	1.9%	(51.6%)	(50.6%)
TOTAL	992,712	100.0%	992,181	100.0%	0.1%	3.4%

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

Net revenue by region - 2Q 2016

<i>In thousands of euros</i>	2Q 2016	% of Net Revenues	2Q 2015	% of Net Revenues	% Var	% Var cc*
US + CANADA	650,883	65.6%	632,064	63.7%	3.0%	5.9%
EU	163,320	16.4%	171,753	17.3%	(4.9%)	(4.3%)
ROW	169,622	17.1%	169,992	17.1%	(0.2%)	7.4%
SUBTOTAL	983,825	99.1%	973,809	98.1%	1.0%	4.4%
RAW MATERIALS AND OTHERS	8,887	0.9%	18,372	1.9%	(51.6%)	(50.6%)
TOTAL	992,712	100.0%	992,181	100.0%	0.1%	3.4%

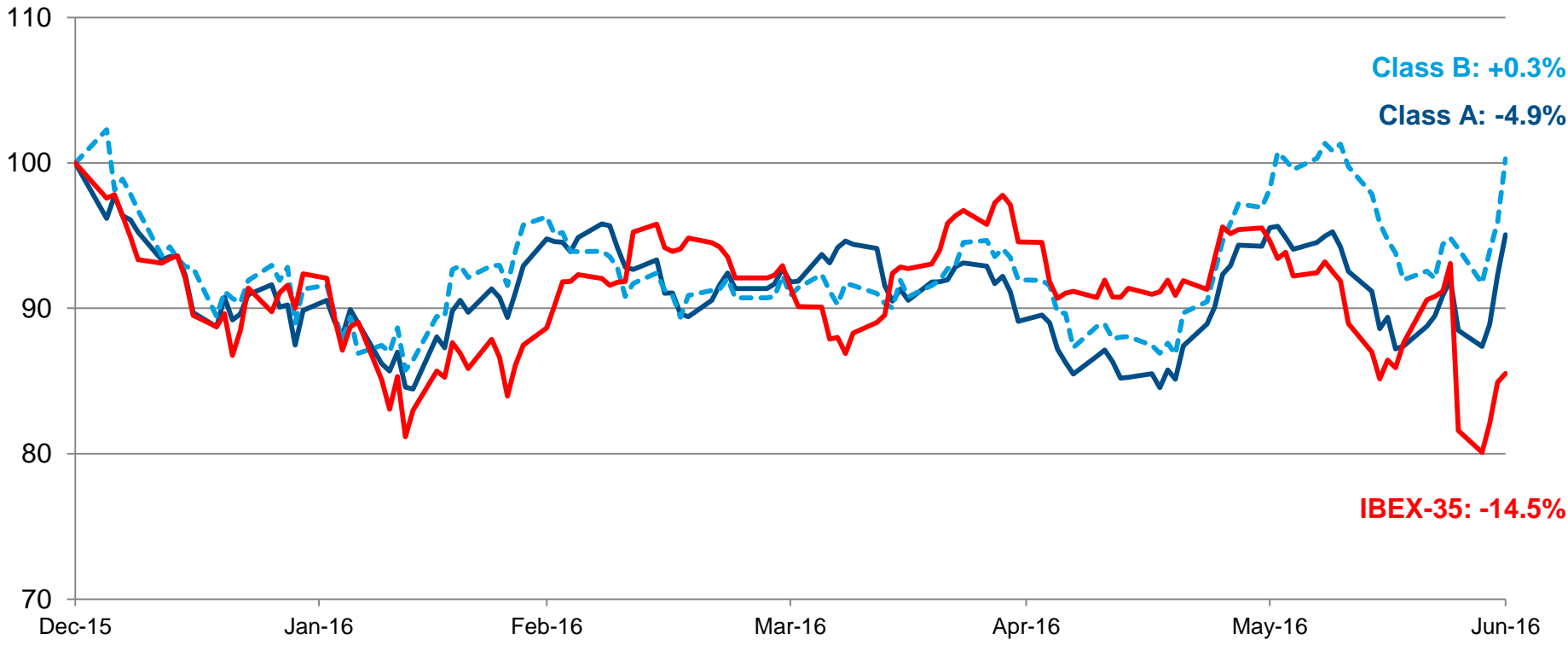
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Share Performance - June 30, 2016

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

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

Source: Infobolsa



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