



First Half 2017

Performance Summary

July 28, 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 - 1H 2017

- The Bioscience Division reports an exceptional increase in sales, which grow by 14.4% (10.9% cc¹) to reach EUR 1,760 million.
- The Diagnostic Division sales increase by 10.8% (7.8% cc) to EUR 351 million.
- The Hospital Division grows by 3.0% (1.9% cc), while sales of the Bio Supplies Division increase by 14.6% (11.4% cc), with net revenues of EUR 48 million and EUR 32 million, respectively.
- The adjusted EBITDA² increases to EUR 664 million (19.9%), with a margin of 30.3%.

Operational and Financial highlights - 1H 2017

- The company increases its net investments in R&D+i by 19.0% to EUR 129 million. Grifols manages its innovation strategy through both internal and investee projects, such as the recent acquisition of a 44% stake in the U.S. firm GigaGen for USD 35 million.
- The group expands its portfolio of plasma products with a biological sealant for biosurgical use; promotes the Diagnostic Division hemostasis line with a new global distribution contract; and boosts the presence of its Hospital Division in the U.S. after obtaining FDA approval to commercialize its saline solution in this market.

1. *cc: at constant currency rates.*
2. *Excludes non-recurring costs and associated with recent acquisitions.*

Key financial metrics - 1H 2017

| <i>In millions of euros except % and EPS</i> | 1H 2017 | 1H 2016 | % Var |
|--|----------------|----------------|-------|
| NET REVENUE (NR) | 2,192.4 | 1,951.6 | 12.3% |
| GROSS MARGIN | 50.3% | 48.3% | |
| EBITDA | 644.4 | 553.6 | 16.4% |
| % NR | 29.4% | 28.4% | |
| ADJUSTED EBITDA ⁽¹⁾ | 663.9 | 553.6 | 19.9% |
| % NR | 30.3% | 28.4% | |
| EBIT | 537.8 | 452.7 | 18.8% |
| % NR | 24.5% | 23.2% | |
| GROUP PROFIT | 277.9 | 264.4 | 5.1% |
| % NR | 12.7% | 13.5% | |
| ADJUSTED⁽²⁾ GROUP PROFIT | 330.2 | 294.2 | 12.2% |
| % NR | 15.1% | 15.1% | |

| | | | |
|---------------------------------|--------------|--------------|-------|
| CAPEX | 135.3 | 112.5 | 20.3% |
| R&D NET INVESTMENT | 129.3 | 106.0 | 19.0% |
| EARNINGS PER SHARE (EPS) | 0.41 | 0.39 | 5.1% |

| | June 2017 | December 2016 | % Var |
|------------------------------------|------------------------------------|------------------------------------|---------|
| TOTAL ASSETS | 11,117.0 | 10,129.8 | 9.7% |
| TOTAL EQUITY | 3,584.8 | 3,728.0 | (3.8%) |
| CASH & CASH EQUIVALENTS | 750.2 | 895.0 | (16.2%) |
| LEVERAGE RATIO | 4.10/(4.43cc)⁽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. 2016 reported figures: not including the NAT assets debt acquisition

Net revenue by division - 1H 2017

| <i>In thousands of euros</i> | 1H 2017 | % of Net Revenues | 1H 2016** | % of Net Revenues | % Var | % Var cc* |
|------------------------------|------------------|-------------------|------------------|-------------------|--------------|-------------|
| BIOSCIENCE | 1,759,852 | 80.3% | 1,538,805 | 78.8% | 14.4% | 10.9% |
| DIAGNOSTIC | 351,051 | 16.0% | 316,830 | 16.2% | 10.8% | 7.8% |
| HOSPITAL | 47,866 | 2.2% | 46,478 | 2.4% | 3.0% | 1.9% |
| BIO SUPPLIES | 32,072 | 1.5% | 27,976 | 1.4% | 14.6% | 11.4% |
| OTHERS | 1,606 | 0.0% | 21,556 | 1.2% | (92.5%) | (92.6%) |
| TOTAL | 2,192,447 | 100.0% | 1,951,645 | 100.0% | 12.3% | 9.0% |

* 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 - 1H 2017

| <i>In thousands of euros</i> | 1H 2017 | % of Net Revenues | 1H 2016** | % of Net Revenues | % Var | % Var cc* |
|------------------------------|------------------|--------------------------|------------------|--------------------------|--------------|------------------|
| US + CANADA | 1,494,131 | 68.2% | 1,292,192 | 66.2% | 15.6% | 11.6% |
| EU | 338,288 | 15.4% | 327,813 | 16.8% | 3.2% | 3.8% |
| ROW | 360,028 | 16.4% | 331,640 | 17.0% | 8.6% | 4.3% |
| TOTAL | 2,192,447 | 100.0% | 1,951,645 | 100.0% | 12.3% | 9.0% |

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

** Comparable considering the new divisional structure

Profit & Loss account - 1H 2017

| <i>In thousands of euros</i> | 1H 2017 | 1H 2016 | % Var |
|--|------------------|------------------|--------------|
| NET REVENUE (NR) | 2,192,447 | 1,951,645 | 12.3% |
| COST OF SALES | (1,089,246) | (1,009,801) | 7.9% |
| GROSS MARGIN | 1,103,201 | 941,844 | 17.1% |
| % NR | 50.3% | 48.3% | |
| R&D | (121,575) | (97,348) | 24.9% |
| SG&A | (443,789) | (391,826) | 13.3% |
| <i>OPERATING EXPENSES</i> | <i>(565,364)</i> | <i>(489,174)</i> | <i>15.6%</i> |
| OPERATING RESULT (EBIT) | 537,837 | 452,670 | 18.8% |
| % NR | 24.5% | 23.2% | |
| <i>FINANCIAL RESULT</i> | <i>(147,583)</i> | <i>(124,164)</i> | <i>18.9%</i> |
| SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES | (10,295) | 16,706 | (161.6%) |
| PROFIT BEFORE TAX | 379,959 | 345,212 | 10.1% |
| % NR | 17.3% | 17.7% | |
| INCOME TAX EXPENSE | (102,589) | (81,125) | 26.5% |
| <i>% OF PRE-TAX INCOME</i> | <i>27.0%</i> | <i>23.5%</i> | |
| CONSOLIDATED PROFIT FOR THE YEAR | 277,370 | 264,087 | 5.0% |
| RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | (491) | (356) | 37.9% |
| GROUP PROFIT FOR THE PERIOD | 277,861 | 264,443 | 5.1% |
| % NR | 12.7% | 13.5% | |

Balance sheet (Assets) - June 30, 2017

| <i>In thousands of euros</i> | June 2017 | December 2016 |
|--|-------------------|-------------------|
| NON-CURRENT ASSETS | 8,265,947 | 7,007,258 |
| GOODWILL AND OTHER INTANGIBLE ASSETS | 6,125,692 | 4,839,297 |
| PROPERTY PLANT & EQUIPMENT | 1,775,907 | 1,809,852 |
| INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES | 223,483 | 201,345 |
| NON-CURRENT FINANCIAL ASSETS | 62,724 | 89,545 |
| OTHER NON-CURRENT ASSETS | 78,141 | 67,219 |
| CURRENT ASSETS | 2,851,032 | 3,122,514 |
| INVENTORIES | 1,595,786 | 1,642,931 |
| TRADE AND OTHER RECEIVABLES | 466,540 | 533,668 |
| OTHER CURRENT FINANCIAL ASSETS | 12,366 | 2,582 |
| OTHER CURRENT ASSETS | 26,122 | 48,324 |
| CASH AND CASH EQUIVALENTS | 750,218 | 895,009 |
| TOTAL ASSETS | 11,116,979 | 10,129,772 |

Balance sheet (Equity & Liabilities) - June 30, 2017

| <i>In thousands of euros</i> | June 2017 | December 2016 |
|-------------------------------------|-------------------|-------------------|
| EQUITY | 3,584,830 | 3,727,978 |
| CAPITAL | 119,604 | 119,604 |
| SHARE PREMIUM | 910,728 | 910,728 |
| RESERVES | 2,025,549 | 1,694,245 |
| TREASURY STOCK | (62,422) | (68,710) |
| INTERIM DIVIDENDS | 0 | (122,908) |
| CURRENT YEAR EARNINGS | 277,861 | 545,456 |
| OTHER COMPREHENSIVE INCOME | 307,722 | 643,066 |
| NON-CONTROLLING INTERESTS | 5,788 | 6,497 |
| NON-CURRENT LIABILITIES | 6,631,828 | 5,330,031 |
| NON-CURRENT FINANCIAL LIABILITIES | 6,042,177 | 4,712,071 |
| OTHER NON-CURRENT LIABILITIES | 589,651 | 617,960 |
| CURRENT LIABILITIES | 900,321 | 1,071,763 |
| CURRENT FINANCIAL LIABILITIES | 148,561 | 230,065 |
| OTHER CURRENT LIABILITIES | 751,760 | 841,698 |
| TOTAL EQUITY AND LIABILITIES | 11,116,979 | 10,129,772 |

Cash flow - 1H 2017

| <i>In thousands of euros</i> | 1H 2017 | 1H 2016 |
|--|--------------------|------------------|
| GROUP PROFIT | 277,861 | 264,443 |
| DEPRECIATION AND AMORTIZATION | 106,549 | 100,915 |
| NET PROVISIONS | (279) | (605) |
| OTHER ADJUSTMENTS AND OTHER CHANGES IN WORKING CAPITAL | 38,774 | 9,899 |
| CHANGES IN INVENTORIES | (64,217) | (124,548) |
| CHANGES IN TRADE RECEIVABLES | 59,135 | (84,501) |
| CHANGES IN TRADE PAYABLES | (39,260) | 1,256 |
| <i>CHANGE IN OPERATING WORKING CAPITAL</i> | <i>(44,342)</i> | <i>(207,793)</i> |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 378,563 | 166,859 |
| BUSINESS COMBINATIONS AND INVESTMENTS IN GROUP COMPANIES | (1,813,163) | (188,065) |
| CAPEX | (135,269) | (112,525) |
| R&D/OTHER INTANGIBLE ASSETS | (10,887) | (13,380) |
| OTHER CASH INFLOW / (OUTFLOW) | 20,467 | (6,277) |
| NET CASH FLOW FROM INVESTING ACTIVITIES | (1,938,852) | (320,247) |
| FREE CASH FLOW | (1,560,289) | (153,388) |
| PROCEEDS FROM / (PAYMENTS) FOR EQUITY INSTRUMENTS | 0 | (5,131) |
| ISSUE / (REPAYMENT) OF DEBT | 1,723,945 | (41,701) |
| DIVIDENDS (PAID) / RECEIVED | (95,274) | (93,243) |
| OTHER CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES | (151,374) | (21,943) |
| NET CASH FLOW FROM FINANCING ACTIVITIES | 1,477,297 | (162,018) |
| TOTAL CASH FLOW | (82,992) | (315,406) |
| 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 | (61,799) | (20,075) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 750,218 | 807,019 |

Group profit reconciliation - 1H 2017

In millions of euros

| | 1H 2017 | 1H 2016 | % Var |
|---|--------------|--------------|--------|
| GROUP NET PROFIT | 277.9 | 264.4 | 5.1% |
| <i>% NR</i> | 12.7% | 13.5% | |
| Amortization of deferred financial expenses | 33.5 | 18.7 | 79.2% |
| Amortization of intangible assets acquired in business combinations | 18.7 | 20.2 | (7.5%) |
| Non-recurring costs and associated with recent acquisitions | 19.5 | - | |
| Tax impacts of adjustments | (19.4) | (9.1) | 112.7% |
| ADJUSTED GROUP NET PROFIT | 330.2 | 294.2 | 12.2% |
| <i>% NR</i> | 15.1% | 15.1% | |

Net revenue by division - 2Q 2017

| <i>In thousands of euros</i> | 2Q 2017 | % of Net Revenues | 2Q 2016 ** | % of Net Revenues | % Var | % Var cc* |
|------------------------------|------------------|-------------------|----------------|-------------------|--------------|--------------|
| BIOSCIENCE | 906,213 | 80.1% | 796,946 | 80.3% | 13.7% | 10.0% |
| DIAGNOSTIC | 180,408 | 16.0% | 155,790 | 15.7% | 15.8% | 12.5% |
| HOSPITAL | 24,902 | 2.2% | 23,640 | 2.4% | 5.3% | 4.1% |
| BIO SUPPLIES | 17,671 | 1.6% | 10,342 | 1.0% | 70.9% | 65.7% |
| OTHERS | 1,573 | 0.1% | 5,994 | 0.6% | (73.8%) | (75.1%) |
| TOTAL | 1,130,767 | 100.0% | 992,712 | 100.0% | 13.9% | 10.3% |

* 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 - 2Q 2017

| <i>In thousands of euros</i> | 2Q 2017 | % of Net Revenues | 2Q 2016 ** | % of Net Revenues | % Var | % Var cc* |
|------------------------------|------------------|--------------------------|-------------------|--------------------------|--------------|------------------|
| US + CANADA | 765,561 | 67.7% | 657,219 | 66.2% | 16.5% | 12.1% |
| EU | 176,541 | 15.6% | 165,105 | 16.6% | 6.9% | 7.4% |
| ROW | 188,665 | 16.7% | 170,388 | 17.2% | 10.7% | 6.3% |
| TOTAL | 1,130,767 | 100.0% | 992,712 | 100.0% | 13.9% | 10.3% |

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

** Comparable considering the new divisional structure

Share performance - 1H 2017

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

Base 100: from December 31, 2016 to June 30, 2017

Source: Infobolsa

