

**The company consolidates a leading position of its Diagnostic Division enhancing its integration**

## **Grifols closes the acquisition of Hologic's share of NAT donor screening unit for USD 1,850 million**

- Grifols completes in record time the acquisition of the Hologic's (Nasdaq: HOLX) interest in their joint-business under which Grifols already owns all customer facing activities
- Grifols has acquired the Hologic unit engaged in research, development and manufacture of assays and instruments based on NAT (Nucleic Acid Testing) technology for transfusion and transplantation screening
- Hologic's share of NAT donor screening unit delivers high margins and substantial cash flows: its EBITDA<sup>1</sup> is above USD 160 million. The pro forma EBITDA margin<sup>2</sup> of the Grifols Diagnostic Division increases to 40% as a result of this vertical integration
- The assets acquired comprise a plant in San Diego, CA (United States) as well as development rights, licenses to patents and access to product manufacturers
- This transaction is part of the consolidation and growth strategy envisaged for the Diagnostic Division and enables Grifols to continue strengthening its leading position in transfusion medicine
- This acquisition strengthens cash flows and positively impacts the group's margins: Grifols' pro forma EBITDA margin<sup>2</sup> increases by more than 350 basis points
- Grifols has financed the acquisition with USD 1,700 million term loan and existing cash on the balance sheet
- Grifols consolidates itself as one of the only vertically integrated providers capable of offering comprehensive solutions to blood and plasma donation centers

**Barcelona (Spain), January 31, 2017.-** Grifols (MCE: GRF, MCE: GRF.P and NASDAQ: GRFS), a global healthcare company with a track-record of more than 75 years improving people's health and well-being, has completed the acquisition of the NAT (Nucleic Acid Testing) donor screening unit from the U.S. company Hologic for a purchase price of USD 1,850 million (EUR 1,750 million).

This agreement encompasses research, development and manufacture of assays and instruments activities using NAT technology that makes possible to detect the presence of infectious agents in blood and plasma donations, contributing to greater transfusion safety.

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<sup>1</sup> Figures from the last 12 months to September 2016

<sup>2</sup> Pro forma figures from the last 12 months to September 2016

# GRIFOLS

This transaction, announced in mid-December 2016, has been completed in record time. Based on the existing agreement with Hologic, Grifols already markets the aforementioned assays and instruments worldwide. The assets acquired comprise a production plant in San Diego (United States) as well as development rights, licenses to patents and access to product manufacturers.

This transaction is part of the growth strategy envisaged for the Diagnostic Division and enables Grifols to strengthen its leading position in transfusion medicine through NAT technology, the manufacture of antigens for immunoassay and blood-typing products.

In 2014, Grifols acquired certain assets from Novartis, which, among other things, included the rights to market transfusion medicine assays and instruments using NAT technology. The transaction enabled Grifols to enhance its capabilities to be one of the only companies capable of offering comprehensive solutions to blood and plasma donation centers, from donation to transfusion. This new transaction contributes to Grifols vertical integration process as the company also has control over the production and R&D phases.

In addition, Grifols' workforce increases by 175 employees from the acquired unit.

## Financial aspects of the transaction

Grifols has acquired Hologic's share of NAT donor screening unit for USD 1,850 million (EUR 1,750 million).

Hologic's share of NAT donor screening unit is a high margin, highly generative business with an EBITDA<sup>3</sup> above USD 160 million.

The acquisition has been structured through Grifols Diagnostic Solutions, a U.S. incorporated, wholly-owned subsidiary of Grifols, S.A.

Grifols expects the transaction will positively impact group margins and bolster generation of operating cash flows. The revenues of the Diagnostic Division will not change as a result of this acquisition due to the existing joint-business between Grifols and Hologic in place since 2014. Under the existing arrangement, Grifols owns customer facing activities and records all revenues. In this respect, the Diagnostic Division's sales will continue to represent around 16% of Grifols' total revenue.

The acquisition has been financed with a USD 1,700 million term loan and existing cash on the balance sheet. The term loan has been arranged and fully underwritten by Nomura.

Grifols continues with the refinancing process of part of its financial debt for USD 6,300 million including a Term Loan A "TLA", a Term Loan B "TLB" and the undrawn revolving credit facility. The USD 1.700 million term loan is part of the refinancing.

Grifols is committed to rapidly reducing its leverage level. The company plans to absorb the debt increase through a greater capability to generate cash flows. Historically, Grifols has a track record of deleveraging ability post acquisitions.

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<sup>3</sup> Figures from the last 12 months to September 2016

# GRIFOLS

Grifols retained Osborne Clarke, S.L.P and Proskauer Rose, L.L.P as legal advisors and Nomura as a financial advisor.

## Grifols strengthens its investments in the U.S.

United States is a priority for Grifols. Since 2002, the company has invested close to USD 10,000 million, including capital expenditure (CAPEX) and strategic acquisitions. Over 60% of the group's revenues come from the United States.

Currently, Grifols employs more than 10,500 people in the U.S., where the company has two production facilities in Los Angeles (California) and one in Clayton (North Carolina) to produce plasma-derived medicines; two centralized plasma analysis laboratories in San Marcos and Austin (Texas); and a network of over 160 plasma donor centers distributed throughout the United States.

The company also has a manufacturing plant in Emeryville (San Francisco, California) for the production of antigens for immunological diagnostic. Following the acquisition of the Hologic's share of the NAT donor screening unit it also has a manufacturing plant in San Diego (California).

Additionally, Grifols is committed with the training and professional development of its employees. For these purposes, the company has "The Grifols Academy of Plasmapheresis", with two branches in the United States (Arizona and Indianapolis), as well as one in Barcelona (Spain). In 2015, the training programs of the Grifols Academy of Plasmapheresis were awarded accreditation by the Accrediting Council for Continuing Education and Training (ACCET). It also collaborates with College for America to promote Grifols' employees access to knowledge as part of a university degree

## About Grifols

Grifols is a global healthcare company with a track-record of more than 75 years improving people's health and well-being through the development of plasma protein therapies, hospital pharmacy products and diagnostic technology for clinical use.

The company is present in more than 100 countries worldwide and its headquarters are located in Barcelona, Spain. Grifols is a leader in plasma collection with a network of 160 plasma donation centers in the U.S., and is a leading producer of plasma-derived medicines. As a recognized leader in transfusion medicine, Grifols offers a comprehensive range of transfusion medicine, hemostasis, and immunoassay solutions for clinical laboratories, blood banks, and transfusion centers.

In 2015, sales exceeded EUR 3,930 million with a headcount close to 14,700 employees. Grifols demonstrates its commitment to scientific progress by allocating a significant portion of its annual income to R&D.

The company's class A shares are listed on the Spanish Stock Exchange, where they are part of the Ibex-35 (MCE: GRF). Its non-voting class B shares are listed on the Mercado Continuo (MCE: GRF.P) and on the U.S. NASDAQ via ADRs (NASDAQ: GRFS). For more information, visit [www.grifols.com](http://www.grifols.com)

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