



# Third Quarter 2017 Performance Summary

November 2, 2017



GRIFOLS

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# Operational and Financial highlights - 9M 2017

- The Bioscience Division sales grow by 11.6% (10.3% cc<sup>1</sup>) to Euros 2,600 million. Demand for plasma proteins remains robust.
- The Diagnostic Division continues to grow, reporting a 7.3% (6.3% cc) upturn in sales to Euros 521 million.
- The Hospital Division sales increase by 1.1% (0.7% cc) to Euros 71 million, while the Bio Supplies Division reports sales growth of 19.5% (18.1% cc) to Euros 48 million.
- The adjusted EBITDA<sup>2</sup> grows to Euros 983 million (a 16.6% increase), which represents a margin of 30.2%.
- Net profit increases by 6.3% to Euros 432 million.

# Operational and Financial highlights - 9M 2017

- Solid operating cash-flow generation enables Grifols to continue to improve its leverage ratio.
- Grifols continues to expand its portfolio of products. The FDA approves the liquid formulation of its alpha-1 antitrypsin (Prolastin®-C Liquid), and the EMA recommends approval of the new Grifols biological sealant VeraSeal® (fibrinogen/human thrombin).

1. *cc: at constant currency rates.*

2. *Excludes non-recurring costs and associated with recent acquisitions.*

# Key financial metrics - 9M 2017

<i>In millions of euros except % and EPS</i>	9M 2017	9M 2016	% Var
<b>NET REVENUE (NR)</b>	<b>3,250.2</b>	<b>2,951.7</b>	10.1%
<b>GROSS MARGIN</b>	<b>50.3%</b>	<b>47.8%</b>	
<b>EBITDA</b>	<b>960.9</b>	<b>842.9</b>	14.0%
% NR	29.6%	28.6%	
<b>ADJUSTED EBITDA<sup>(1)</sup></b>	<b>982.6</b>	<b>842.9</b>	16.6%
% NR	30.2%	28.6%	
<b>EBIT</b>	<b>802.5</b>	<b>692.1</b>	15.9%
% NR	24.7%	23.4%	
<b>GROUP PROFIT</b>	<b>431.8</b>	<b>406.1</b>	6.3%
% NR	13.3%	13.8%	
<b>ADJUSTED<sup>(2)</sup> GROUP PROFIT</b>	<b>500.7</b>	<b>464.6</b>	7.8%
% NR	15.4%	15.7%	
<b>CAPEX</b>	<b>186.2</b>	<b>180.3</b>	3.3%
<b>R&amp;D NET INVESTMENT</b>	<b>201.6</b>	<b>162.9</b>	23.8%
<b>EARNINGS PER SHARE (EPS)</b>	<b>0.63</b>	<b>0.59</b>	6.3%
	<b>September 2017</b>	<b>December 2016</b>	<b>% Var</b>
<b>TOTAL ASSETS</b>	<b>11,009.9</b>	<b>10,129.8</b>	8.7%
<b>TOTAL EQUITY</b>	<b>3,588.1</b>	<b>3,728.0</b>	(3.8%)
<b>CASH &amp; CASH EQUIVALENTS</b>	<b>815.1</b>	<b>895.0</b>	(8.9%)
<b>LEVERAGE RATIO</b>	<b>3.98/(4.32 cc)<sup>(3)</sup></b>	<b>3.55/(3.45 cc)<sup>(3)</sup></b>	

<sup>(1)</sup> Excludes non-recurring costs and associated with recent acquisitions.

<sup>(2)</sup> 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.

<sup>(3)</sup> Constant currency (cc) excludes the impact of exchange rate movements. 2016 reported figures: not including the financing of the NAT assets acquisition.

# Net revenue by division - 9M 2017

*In thousands of euros*

	9M 2017	% of Net Revenues	9M 2016**	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	2,598,890	80.0%	2,327,865	78.9%	11.6%	10.3%
DIAGNOSTIC	521,216	16.0%	485,868	16.5%	7.3%	6.3%
HOSPITAL	71,277	2.2%	70,516	2.4%	1.1%	0.7%
BIO SUPPLIES	47,703	1.5%	39,905	1.4%	19.5%	18.1%
OTHERS	11,097	0.3%	27,524	0.8%	(59.7%)	(58.7%)
<b>TOTAL</b>	<b>3,250,183</b>	<b>100.0%</b>	<b>2,951,678</b>	<b>100.0%</b>	<b>10.1%</b>	<b>8.9%</b>

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

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

# Net revenue by region - 9M 2017

<i>In thousands of euros</i>	<b>9M 2017</b>	<b>% of Net Revenues</b>	<b>9M 2016**</b>	<b>% of Net Revenues</b>	<b>% Var</b>	<b>% Var cc*</b>
US + CANADA	2,216,814	68.2%	1,973,027	66.9%	12.4%	10.8%
EU	505,609	15.6%	481,362	16.3%	5.0%	5.6%
ROW	527,760	16.2%	497,289	16.8%	6.1%	4.2%
<b>TOTAL</b>	<b>3,250,183</b>	<b>100.0%</b>	<b>2,951,678</b>	<b>100.0%</b>	<b>10.1%</b>	<b>8.9%</b>

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

\*\* Comparable considering the new divisional structure.

# Profit & Loss account - 9M 2017

<i>In thousands of euros</i>	<b>9M 2017</b>	<b>9M 2016</b>	<b>% Var</b>
<b>NET REVENUE (NR)</b>	<b>3,250,183</b>	<b>2,951,678</b>	<b>10.1%</b>
COST OF SALES	(1,615,638)	(1,541,925)	4.8%
<b>GROSS MARGIN</b>	<b>1,634,545</b>	<b>1,409,753</b>	<b>15.9%</b>
% NR	50.3%	47.8%	
R&D	(181,884)	(149,659)	21.5%
SG&A	(650,161)	(567,952)	14.5%
<i>OPERATING EXPENSES</i>	<i>(832,045)</i>	<i>(717,611)</i>	<i>15.9%</i>
<b>OPERATING RESULT (EBIT)</b>	<b>802,500</b>	<b>692,142</b>	<b>15.9%</b>
% NR	24.7%	23.4%	
<i>FINANCIAL RESULT</i>	<i>(205,821)</i>	<i>(183,395)</i>	<i>12.2%</i>
SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES	(6,639)	13,144	(150.5%)
<b>PROFIT BEFORE TAX</b>	<b>590,040</b>	<b>521,891</b>	<b>13.1%</b>
% NR	18.2%	17.7%	
INCOME TAX EXPENSE	(159,310)	(116,381)	36.9%
<i>% OF PRE-TAX INCOME</i>	<i>27.0%</i>	<i>22.3%</i>	
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>430,730</b>	<b>405,510</b>	<b>6.2%</b>
RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(1,033)	(586)	76.3%
<b>GROUP PROFIT FOR THE PERIOD</b>	<b>431,763</b>	<b>406,096</b>	<b>6.3%</b>
% NR	13.3%	13.8%	



# Balance sheet (Assets) - September 30, 2017

<i>In thousands of euros</i>	September 2017	December 2016
<b>NON-CURRENT ASSETS</b>	<b>8,094,225</b>	<b>7,007,258</b>
GOODWILL AND OTHER INTANGIBLE ASSETS	5,972,107	4,839,297
PROPERTY PLANT & EQUIPMENT	1,740,630	1,809,852
INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES	233,110	201,345
NON-CURRENT FINANCIAL ASSETS	61,993	89,545
OTHER NON-CURRENT ASSETS	86,385	67,219
<b>CURRENT ASSETS</b>	<b>2,915,714</b>	<b>3,122,514</b>
INVENTORIES	1,594,215	1,642,931
TRADE AND OTHER RECEIVABLES	471,385	533,668
OTHER CURRENT FINANCIAL ASSETS	11,381	2,582
OTHER CURRENT ASSETS	23,618	48,324
CASH AND CASH EQUIVALENTS	815,115	895,009
<b>TOTAL ASSETS</b>	<b>11,009,939</b>	<b>10,129,772</b>

# Balance sheet (Equity & Liabilities) - September 30, 2017

<i>In thousands of euros</i>	September 2017	December 2016
<b>EQUITY</b>	<b>3,588,115</b>	<b>3,727,978</b>
CAPITAL	119,604	119,604
SHARE PREMIUM	910,728	910,728
RESERVES	2,025,800	1,694,245
TREASURY STOCK	(62,422)	(68,710)
INTERIM DIVIDENDS	0	(122,908)
CURRENT YEAR EARNINGS	431,763	545,456
OTHER COMPREHENSIVE INCOME	157,216	643,066
NON-CONTROLLING INTERESTS	5,426	6,497
<b>NON-CURRENT LIABILITIES</b>	<b>6,469,757</b>	<b>5,330,031</b>
NON-CURRENT FINANCIAL LIABILITIES	5,889,455	4,712,071
OTHER NON-CURRENT LIABILITIES	580,302	617,960
<b>CURRENT LIABILITIES</b>	<b>952,067</b>	<b>1,071,763</b>
CURRENT FINANCIAL LIABILITIES	170,557	230,065
OTHER CURRENT LIABILITIES	781,510	841,698
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,009,939</b>	<b>10,129,772</b>

# Cash flow - 9M 2017

<i>In thousands of euros</i>	<b>9M 2017</b>	<b>9M 2016</b>
<b>GROUP PROFIT</b>	<b>431,763</b>	<b>406,096</b>
DEPRECIATION AND AMORTIZATION	158,359	150,758
NET PROVISIONS	145	(23,708)
OTHER ADJUSTMENTS AND OTHER CHANGES IN WORKING CAPITAL	60,580	27,350
CHANGES IN INVENTORIES	(108,411)	(145,560)
CHANGES IN TRADE RECEIVABLES	69,198	(36,842)
CHANGES IN TRADE PAYABLES	(41,062)	(5,218)
<i>CHANGE IN OPERATING WORKING CAPITAL</i>	<i>(80,275)</i>	<i>(187,620)</i>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>570,572</b>	<b>372,876</b>
BUSINESS COMBINATIONS AND INVESTMENTS IN GROUP COMPANIES	(1,856,491)	(188,836)
CAPEX	(186,206)	(180,293)
R&D/OTHER INTANGIBLE ASSETS	(25,564)	(20,205)
OTHER CASH INFLOW / (OUTFLOW)	8,436	(5,953)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(2,059,825)</b>	<b>(395,287)</b>
<b>FREE CASH FLOW</b>	<b>(1,489,253)</b>	<b>(22,411)</b>
PROCEEDS FROM / (PAYMENTS) FOR EQUITY INSTRUMENTS	0	(11,766)
ISSUE / (REPAYMENT) OF DEBT	1,745,865	(61,696)
DIVIDENDS (PAID) / RECEIVED	(95,274)	(93,243)
OTHER CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(154,542)	(27,104)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1,496,049</b>	<b>(193,809)</b>
<b>TOTAL CASH FLOW</b>	<b>6,796</b>	<b>(216,220)</b>
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	(86,690)	(25,819)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>815,115</b>	<b>900,461</b>

# Group profit reconciliation - 9M 2017

<i>In millions of euros</i>	9M 2017	9M 2016	% Var
<b>GROUP NET PROFIT</b>	<b>431.8</b>	<b>406.1</b>	6.3%
<i>% NET REVENUE</i>	13.3%	13.8%	
Amortization of deferred financial expenses	45.2	47.4	(4.6%)
Amortization of intangible assets acquired in business combinations	27.4	27.9	(1.8%)
Non-recurring costs and associated with recent acquisitions	21.8	-	
Tax impacts of adjustments	(25.5)	(16.8)	51.8%
<b>ADJUSTED GROUP NET PROFIT</b>	<b>500.7</b>	<b>464.6</b>	7.8%
<i>% NET REVENUE</i>	15.4%	15.7%	

# Net revenue by division - 3Q 2017

*In thousands of euros*

	3Q 2017	% of Net Revenues	3Q 2016**	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	839,038	79.3%	789,060	78.9%	6.3%	9.1%
DIAGNOSTIC	170,165	16.1%	169,038	16.9%	0.7%	3.5%
HOSPITAL	23,411	2.2%	24,038	2.4%	(2.6%)	(1.7%)
BIO SUPPLIES	15,631	1.5%	11,929	1.2%	31.0%	33.9%
OTHERS	9,491	0.9%	5,968	0.6%	59.0%	63.5%
<b>TOTAL</b>	<b>1,057,736</b>	<b>100.0%</b>	<b>1,000,033</b>	<b>100.0%</b>	<b>5.8%</b>	<b>8.5%</b>

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

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

# Net revenue by region - 3Q 2017

<i>In thousands of euros</i>	<b>3Q 2017</b>	<b>% of Net Revenues</b>	<b>3Q 2016**</b>	<b>% of Net Revenues</b>	<b>% Var</b>	<b>% Var cc*</b>
US + CANADA	722,683	68.3%	680,835	68.1%	6.1%	9.4%
EU	167,321	15.8%	153,549	15.4%	9.0%	9.4%
ROW	167,732	15.9%	165,649	16.5%	1.3%	4.1%
<b>TOTAL</b>	<b>1,057,736</b>	<b>100.0%</b>	<b>1,000,033</b>	<b>100.0%</b>	<b>5.8%</b>	<b>8.5%</b>

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

\*\* Comparable considering the new divisional structure.

# Share performance - 9M 2017

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

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

Source: Infobolsa

