Grifols

Q3 Earnings Call

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Speakers

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Nacho Abia, CEO

Rahul Srinivasan, CFO

Roland Wandeler, President Biopharma

Questions from

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GRIFOLS Q3 2025 Results

Daniel Segarra, VP, Investor Relations and Sustainability

Hello, everyone. My name is Dani Segarra, and I serve as Head of Investor Relations and Sustainability, and Vice President at Grifols.

Welcome to our review of the company's business results for the third quarter of 2025.

Today, I'm joined by Grifols' Chief Executive Officer Nacho Abia, the President of Biopharma, Roland Wandeler and Grifols' Chief Financial Officer, Rahul Srinivasan.

A few logistics before we get into the details. Today's call will last about an hour, including a Q&A session. As a reminder, this call is being recorded. You can find additional materials including today's presentation in the Investor Relations section of the Grifols website at grifols.com. The transcript and a replay of the webcast will also be available on the Investor Relations website within 24 hours.

Turning to slide 2, please note that this presentation includes forward-looking statements regarding, among other things, the company's future operating and financial performance, market position, and business strategy. These statements are based on current expectations and available information as of the date of this recording, and they are subject to certain risks and uncertainties that may cause actual results to differ materially from those projected.

Grifols' financial statements are prepared in accordance with EU-IFRS and other applicable reporting provisions including Alternative Performance Measures, or APMs, prepared under the group's financial reporting model, as defined by the European Securities and Markets Authority. Grifols' management uses APMs to evaluate financial performance as the basis for operational and strategic decision-making. These APMs are prepared for all the time periods presented in this document.

Now, moving to today's agenda, and I will turn the call to Nacho to kick it off.

Nacho Abia, CEO

Thank you, Dani, and hello everyone – and thank you for joining us.
The results we are presenting today demonstrate the continued commitment to delivering on our Value Creation Plan. The performance achieved in the first half of the year has carried through, resulting in solid operational and financial results for the third quarter.
This quarter reflects the sustained underlying demand of our products, solid market dynamics and disciplined execution – while we continue to navigate FX headwinds and the anticipated impact of the Inflation Reduction Act. This progress also stems from the operational focus and financial stewardship we established in our roadmap at the beginning of the year, which remain the central pillars of our Plan.

Our core business continued to perform well through the third quarter, led by the Immunoglobulins franchise. This top-line performance has supported margin expansion, while tight cost management and focus on free cash flow generation have driven meaningful improvements in our free cash flow. While we acknowledge the challenges of the complex global operating environment, Grifols has performed with consistency and confidence. Our structural advantages – including scale, solid vertical local integration in key markets, and a globally diversified footprint – have enabled us so far to adapt effectively, mitigate external pressures, and sustain solid performance across key markets. Regarding FX headwinds, the impact was reflected at both revenue and EBITDA levels, but it did not extend to our leverage ratio or free cash flow due to the significant levels of natural hedges within our business. In any case, we continue to implement mitigating actions and maintain vigilant oversight of evolving external conditions.

As we track toward year-end, we remain attentive and measured in our approach. Year-to-date performance has been solid and in line with our expectations, reflecting disciplined execution and resilience. Looking ahead, we recognize that the external environment remains complex and

dynamic, yet we continue to actively manage the factors within our control. By leveraging our structural strengths and maintaining discipline, we remain on track to meet our 2025 objectives.
Before we move on, I want to pause and take a moment to thank the entire Grifols team for their ongoing commitment, focus, and passion in executing our Plan and advancing our mission.
And with that, let's move to slide 5.

On a year-to-date basis, we achieved revenue of 5.5 billion euros, representing a year-over-year increase of 7.7% and 10.5% like-for-like -after IRA and gross to net adjustments-, both at constant currency.
Third quarter Adjusted EBITDA of 482 million built on a strong first half, bringing our year-to-date Adjusted EBITDA to 1,358 million euros, up 11.2% and 17.3% like-for-like, both at constant currency.

Both figures are well ahead of revenue growth.
Improved operational execution translated directly into positive year-to-date free cash flow pre-M&A and pre-dividends of 188 million euros, marking a significant 257 million euros year-over-year improvement. This ramp-up in cash generation highlights our sustained financial discipline, keeping this a top priority.
Finally, deleveraging remains a critical financial priority too; and at the end of Q3, our leverage ratio as per credit agreement landed at 4.2 times, representing nearly 1.0 times improvement over the prior year.

We continue to reinforce our structural foundation and these YTD results position us soundly to execute our capital allocation priorities and continue strengthening our balance sheet, ensuring we can create sustainable long-term value for all our stakeholders.

As we have mentioned many times, the core tenets of our Value Creation Plan are guided by three key levers – Commercial Growth, Margin Expansion, and Pipeline Execution.
Starting with commercial growth, we continue to build on the existing market demand and our robust commercial capabilities to expand sales across our portfolio. This includes deepening our penetration in existing markets and expanding into new geographies. Margin expansion remains a core priority, supported by operational leverage, optimized plasma sourcing and manufacturing efficiencies. And through pipeline execution, we continue to drive the innovations that define and sustain Grifols' leadership in plasma-derived therapies, while our Diagnostic division advances its three cutting-edge platforms currently in advanced development.
These levers are supported by two critical enablers: our plasma supply and industrial footprint, and our innovation strategy, as highlighted on this slide.

Our resilient, diversified plasma and manufacturing network represents a decisive competitive advantage in the current global environment. It ensures reliable plasma supply and production capacity, allowing us to effectively meet growing global demand.
Turning to innovation, I'd like to provide an update on our pipeline. We remain on track to launch Fibrinogen in Europe by the end of 2025, with a planned U.S. launch in the first half of 2026. In the U.S., we are proceeding with the FDA Biological License Application for Congenital Fibrinogen Deficiency, for which we expect a decision in late December as planned. For Acquired Fibrinogen Deficiency, and based on conversations with the FDA, we have decided to build additional clinical evidence before seeking regulatory approval. This will help as well to strengthen an even more solid case to sustain the market development efforts we envision in the U.S. market for the years to come.

Roland will share more details on Fibrinogen shortly, but I want to mention that this decision does not affect our current Capital Market Day Plan in any meaningful way, nor does this change our long-term strategy or the significant opportunity we see ahead.
Other than Fibrinogen, we are maintaining disciplined investment in R&D while advancing clinical programs across both lifecycle management and new product candidates. Key initiatives – including SPARTA and alpha-1 with subcutaneous formulation – are progressing as planned, underscoring our commitment to sustained innovation, patient impact, and long-term value creation.
And with that, I will hand this over to Roland to expand on this and other market and business updates.

Roland Wandeler, President Biopharma

Thank you, Nacho. I am pleased to share an update on our Biopharma business and highlight the key factors driving our performance this year, as we continue to deliver on our Value Creation Plan. I am proud of the dedication, passion and commitment our team shows every day to deliver for patients and drive forward towards the goals we set out, in terms of commercial growth, margin expansion, and innovation.
With that, let's turn to slide 8 for our commercial performance.

In the third quarter, our Biopharma portfolio grew by 10.9%, lifting our year-to-date growth to 9.1%, both at constant currency. Our Immunoglobulins franchise led the way, outpacing the market with 18% growth in the quarter and 14% year-to-date, both at constant currency. This performance was driven by Gamunex and Xembify – with IVIG and SCIG delivering twelve-month growth of 13% and 62%, respectively. We remain confident in Xembify's strong trajectory, supported by continued strength in the U.S. and expansion into new markets in Europe. I'll dive deeper into our IG franchise on the next slide.

Turning to Albumin, third-quarter volumes remained solid, but were offset by ongoing pricing pressure in China as market demand slowed down in face of government-imposed cost controls. This resulted in a contraction of 4.5% for the quarter and 3.9% year-to-date, both at constant currency. While these dynamics were anticipated, we continue to work with our local partner SRAAS on how to best manage market dynamics and sustain a strong position in China as the principal market for albumin. At the same time, we are working on strengthening our presence and unlocking additional growth opportunities in the U.S. and other markets, in order to help us balance Albumin with our IgG growth over time.

Looking at our Alpha-1 and Specialty proteins franchises, we continue to make solid progress. In the third quarter, revenues grew by 3.3%, bringing growth to 4.3% year-to-date – both at constant currency. These results reflect our continued market leadership in Alpha-1 and HyperRab. I'll share more detail on this franchise in a later slide.

Now, let's turn to Immunoglobulins, or IG, as the main growth driver of our business.
Over the past two years, we saw an opportunity to use our strong IG inventory position to accelerate IG growth, build momentum in key markets, and win back market share in the U.S.
We have since delivered on this plan: We have strengthened our U.S. organization and commercial capabilities, expanded SCIG penetration through Xembify, and leveraged the strong profile of Gamunex as the leading IVIG to win share in strategic accounts.
These actions have delivered clear results: our IG business has posted double-digit growth over these last quarters, ahead of the market and driven by demand, as we re-gained share in the US and Europe and thus re-set our position in the IG market.

Looking ahead, from this higher base, we now expect to grow more in line with or slightly ahead of the market, consistent with the 6 to 8 percent CAGR range we shared as part of our Value Creation Plan. The fundamentals for continued growth of IG remain strong – as key indications continue to be underdiagnosed and increasing global awareness of IG as the treatment of choice in many conditions mean that more patients get to benefit from our medicines, with their long track record of proven efficacy and safety.
Looking at our three main indications, growth remains solid in Primary Immunodeficiency, where increased awareness and better diagnosis are expanding access to therapy. In Secondary Immunodeficiency, the largest growth opportunity within IG, demand continues to rise, driven by an aging population and an increase in immune-compromised patients.

And in CIDP, we are seeing continued growth, albeit at a lower level after the significant step-up in diagnosis last year with the entrance of FcRns, which has helped expand this market. CIDP is a complex neurological condition with multifactorial origins, meaning the disease can present very differently across patients. This is precisely where IG therapy stands out. With its broad and well-established range of immunomodulatory and immune supportive modes of action, IG can address multiple disease mechanisms and improve functional outcomes across a wide range of patients.

As we build on this strong foundation, innovation continues to be a cornerstone of our IG strategy. We are advancing next-generation products, new formulations, and expanded indications that strengthen our competitive position and enhance patient experience.
In terms of next-generation IGs, Yimmugo, our novel IVIG from Biotest, has launched in the U.S. in the fourth quarter of 2025, adding another differentiated therapy to our portfolio. Xembify continues to gain strong traction, growing more than 60% over the last twelve months, and we're expanding into new markets through 2026.
In terms of life-cycle management, we are advancing new delivery formats, including Xembify in pre-filled syringes to improve convenience and adherence. In parallel, we are progressing with our studies to expand indications in the U.S. – with Gamunex-C and Xembify advancing in SID, and Xembify in CIDP.

Together with our ongoing improvements in end-to-end IG yield and operational efficiency, which will help us expand margins, this focus on innovation will ensure that our IG franchise remains a cornerstone of sustainable and profitable growth for Grifols.

Now, turning to slide 10, let's take a closer look at our Alpha-1 franchise and our strategy and progress in this area.

Grifols has established itself as leader in Alpha-1, with today approximately 70% market share across both the U.S. and ex-U.S. Our position is testament to Grifols' leadership in building this market, our best-in-class patient support programs, and our unique testing capabilities.
Despite important progress throughout these last decades, we are today still only treating about 10-15% of the Alpha-1 patient population across the world, leaving a large unmet need and untapped market opportunity. Testing is the key to unlocking this potential. We have over the last years complemented traditional screening with the rollout of our point-of-care and at-home direct-to-patient screening kits. Still, we only see a part of physicians systematically test their COPD patients for AATD. We believe that we have a possibility to change this and dramatically increase the number of diagnosed patients with the read-out of our outcomes study SPARTA, continued advances in AI-enabled screening of Electronic Medical Records to highlight patients at risk, as well as increasing awareness in the market from new entrants. Raising awareness and improving diagnosis remain critical levers to enhance patient outcomes and enable market growth.

As a company that first-hand gets to see the continued unmet need and the difference our medicines can make for the grievous illnesses we get to treat, we always welcome innovation that raises awareness and might provide additional options for patients – especially in a condition where the vast majority remain undiagnosed and untreated. As a leader in this space, we want to meaningfully contribute to this innovation, both through our outcomes study that will address important questions for the field, as well as both a subcutaneous and long-acting treatment option in our pipeline.

SPARTA is the largest efficacy study ever conducted in Alpha-1 antitrypsin deficiency and is designed to show clinical outcomes in real-life lung tissue preservation, different from other studies primarily focused on pharmacokinetic endpoints. The results of this study have the potential to significantly strengthen the clinical and payer value proposition for augmentation therapy, increase testing awareness and improve patient access in the U.S., as well as support broader reimbursement in Europe. The trial also includes a double-dose regimen, which could represent an important advancement in treatment. We expect the readout of SPARTA in the second half of 2026.
In parallel, we are advancing a 15% subcutaneous formulation and a next-generation Alpha-1 therapeutic to enhance patient convenience, expand access and continue strengthening our position in this growing market.
In summary, we remain confident in the continued success of Prolastin, supported by its value proposition and proven 30+ years track record of safety and efficacy.

Turning to slide 11, innovation is at the heart of our business. Our pipeline reflects a focused and disciplined approach to advancing high-value programs that drive life-cycle management, expand indications for our existing medicines, and bring new products to market both within plasma, as well as beyond plasma.

We have already covered the innovation underway for our IG and Alpha-1 franchises. Turning now to Fibrinogen, as Nacho mentioned, we have refined our go-to-market approach to maximize our long-term opportunity.

In the near-term, the largest opportunity for Fibrinogen lies in Europe, where markets such as Germany and Austria have adopted Fibrinogen Concentrate as standard of care. For these markets, we are on track for our launch of this product later this year. We have received the end-of-procedure notice from Germany and are awaiting approval in this key market shortly, to be followed by additional countries in Europe. We are confident that our differentiated product positions us well to effectively compete and gain share over time in these markets.

Longer-term, the largest opportunity remains in the U.S., where the use of Fibrinogen today is still low and the market has a long way to go to fully embrace this more targeted approach to bleeding management as standard of care. Here, we are on track with our BLA for Congenital Fibrinogen Deficiency, or CFD, with a PDUFA date end of December. We expect to launch this indication in the first half of 2026.

As Nacho mentioned, following conversations with the FDA and observing the slow growth of Fibrinogen in the U.S. over the last year, we have decided to focus our BLA on CFD for now and use the time to further strengthen our body of evidence with US patients for a BLA for Acquired Fibrinogen Deficiency, or AFD, at a later point in time. While this delays our indication for AFD in the U.S., this staged approach allows us to provide access to our medicine for US patients with CFD in the first half of next year, while giving more time for the market to evolve, further strengthen our position for a possibly differentiated label in AFD, and set us up for a leading position in the US over time.

As Nacho noted, these updates do not affect our guidance and the long-term goals outlined during our Capital Markets Day. Nor do they change our broader development efforts and our conviction in the meaningful opportunity ahead, as the standard of care continues to evolve toward concentrate-based therapies. We remain confident in the program's progress and long-term success as we continue to invest in its global rollout for the benefit of patients.
Taking a step back, while we certainly look forward to the launch of Fibrinogen, our pipeline reflects our focused and disciplined approach to advance innovation and create value across all our Therapeutic Areas.

We already covered our advancements in Immunology and Pulmonology. In Infectious diseases, our Trimodulin phase 3 trial in severe community-acquired pneumonia is progressing. With its innovative polyclonal antibody profile, Trimodulin has the potential to address a significant unmet need.

And in ophthalmology, our Ocular Surface IG program in Dry Eye Disease in phase 2 has the potential to expand use of IG into new therapeutic areas.
In the earlier stages of development, our pipeline spans both plasma-based and non-plasma programs, including a next-generation Gamunex process with improved yield, recombinant therapies, and novel treatments for infectious diseases.
Overall, our pipeline reflects a balanced mix of near-term launches and long-term innovation, aligned with our Value Creation Plan and reinforcing Grifols' leadership in plasma-derived medicines, while driving sustainable, profitable growth for years to come.
With that, I'll now hand it over to Rahul, who will provide more details on our financial performance.

Rahul Srinivasan, CFO

Thanks Roland. On slide 12 the words “continued resilience” sum up not just the Grifols financial performance but also very aptly describes both the Grifols business, that has been built over many decades, as well as the Grifols spirit of our over 24,000 teammates and our shared commitment towards the Grifols mission.
From a financial performance standpoint, Q3 was a robust quarter across-the-board that presents an equally robust across-the-board YTD picture. There have been some favorable phasing and mix benefits that have contributed to this robust YTD financial performance that I will elaborate on in the upcoming slides.
As a reminder, our reported figures include the impact of IRA and the Fee for Service / GPO reclassification, which could distort the underlying performance and hence to improve comparability to prior periods we will continue to disclose the like-for-like column for the remainder of the year, which we believe will be helpful to all our stakeholders.
Starting with Q3 financial highlights. Net revenues of just under €1.87bn up 9.1% vs Q3’24 on a constant currency basis, led by Biopharma. An Adjusted EBITDA of €482m resulting in an Adjusted EBITDA margin of 25.8% for the quarter. And a slightly higher impact on Group profit than was the case in Q2 this year. And FCF pre-M&A pre-dividends for the quarter of €203m, up meaningfully vs Q3’24.

Moving on to YTD financial performance. Net revenues of over €5.5bn up 7.7% on a constant currency basis led by Biopharma that, as Roland mentioned earlier, is up 9.1% on a constant currency basis. YTD Adjusted EBITDA of over €1.35bn is up 11.2% vs 2024 on a constant currency basis despite the impact of IRA albeit benefiting from some phasing and favorable mix that I referenced earlier. Both Gross margin and Adj EBITDA margin are up vs 2024, notwithstanding the impact of IRA. YTD Group profit of €304m is up over 245% vs YTD 2024. FCF pre-M&A pre dividends is up €257m vs YTD 2024 and I will elaborate on the drivers of this FCF improvement a couple of slides later. Furthermore, the leverage and liquidity picture is significantly improved vs Q3 2024 and with secured leverage at only 2.6x we have almost 2 EBITDA turns of secured leverage capacity giving us material flexibility thus rounding out the robust and improving balance sheet that is referenced in the title of this slide.

And finally, I have deliberately not dwelled on the like for like performance that you see on this slide as we consider the impact of IRA as part of our regular cost structure now. But the numbers in this column are eye-popping and are helpful context to the underlying momentum of the business.

Notwithstanding the impact of IRA, YTD revenue growth was up 7.7% on a constant currency basis, whilst clearly Biopharma led we also had a positive contribution from our Diagnostics business that continues to execute in keeping with our plan. As Roland alluded to earlier, the Biopharma revenue growth continues to benefit from a robust underlying Biopharma demand on the back of continued IG momentum as well as progress from our Alpha-1 and specialty protein franchise. Albumin however is an area that we continue to keep a close eye on. And finally, YTD performance has benefited from some phasing related gains that have also contributed to a 9.1% constant currency growth vs 2024.

YTD Adjusted EBITDA in 2025 is at €1358m up from €1253m in 2024 after absorbing the YTD IRA impact of €75m, with Adjusted EBITDA up 11.2% on a constant currency basis and Adjusted EBITDA margins improving vs 2024 by 60bps to 24.5%. The EBITDA growth was mainly led by Biopharma supported by each of the following: strong volume growth aided by some phasing benefit a favorable Geographic mix adding to the phasing benefit, with the proportion of EBITDA from the US better than expectations and up meaningfully YTD continuing improvements in CPL And finally, continued focus on Opex discipline and driving the benefits of operational leverage.

As for the IRA impact, it is broadly in line with the guidance we provided in Q2 and we expect full year impact to be between €100-€125m.
Whilst the impact on EBITDA of a weakening USD is considerably more sheltered than Revenues as a result of the various natural hedges in our cost structure, it has still been a stiff headwind. Whilst the weakening USD has been the main issue from an FX standpoint, other currencies have also contributed to the total FX impact vs the FX rates embedded in our guidance for the year as set out in our Capital Markets Day presentation.

Over the last number of quarters, we have talked about our expectation for continued convergence between Adjusted and Reported EBITDA on a cash basis. Or said another way, focusing on reducing the amount of cash adjustments between Adjusted and Reported EBITDA. And we are pleased to see that convergence trend on a cash basis continue over the last couple of years and there are 3 specific outcomes that I would like to call out:
1. Continued reduction in cash adjustments between Adjusted and Reported EBITDA and as you will see on this page and the detail on page 30 in the Appendix, there has been a 56% reduction in cash adjustments on an LTM basis. Primarily due to lower cash adjustments pertaining to restructuring costs and transaction costs.
2. Reported EBITDA is growing at 15.7% on a constant currency basis, faster than Adjusted EBITDA despite its robust 11.2% growth on a constant currency basis.
3. The gap between Reported and Adjusted EBITDA margins is reducing and as at Q3'25 this gap has narrowed to 120bps, having been 210bps at the end of 2024 and 340bps as at the end of 2023. Mainly on the back of lower cash adjustments. And the convergence tends to happen rapidly, often within around 6-7months - validating the credibility of these cash adjustments.

We also want to proactively flag the potential of non-cash adjustments in Q4 that importantly do not at all have any impact on the go-forward EBITDA growth or FCF growth story. These potential non-cash adjustments are simply the other side of the capital allocation discipline coin where prioritizing our valuable capital mainly on the projects that we talked about at our Capital Markets Day in Feb this year means that some other projects remain dormant or on hold and potentially there could be an impact on their carrying value. But to be clear and to repeat, we are confident that these potential non-cash adjustments will not impact our go-forward Adjusted EBITDA growth or FCF growth story.

A quick update on our progress towards our FCF pre-M&A pre-dividends goal for the year. As you will recall we improved our FCF pre-M&A pre-dividend guidance at H1 from €350-400m up to €375-425m, considerably up from the €266m FCF out-performance in 2024, and we expressed our confidence that the business could do meaningfully better over time. And finally recall that, unlike EBITDA, FCF pre-M&A pre-dividends is more insulated from EUR USD volatility.
The punchline on our YTD FCF performance is that we are tracking well vs our improved FCF guidance provided in our H1 call. As at the end of Q3, we are €257m better than we were in 2024 at the same point.

The principal driver of the improving performance is greater vigilance on cash flow across the entire organization. In addition to that, Improved EBITDA contribution, lower cash adjustments, tight working capital management, disciplined capex and capitalized IT & R&D spend and an improvement in cash interest expense as a result of debt pay down and significantly lower utilization of RCF have supported our YTD progress on the FCF front.
And more on FCF guidance for 2025 on the next slide.

Finally on slide 18, updates on both Capital Structure and our Outlook for the year.
First on Capital Structure. The clear tightening of our longest dated bonds in our capital structure by over 200bps in just the last 3-4 quarters is evidence of the clear progress in the rerating of the Grifols story. And by that we mean not just from a credit perspective but also our clear focus on progressing on the immense equity rerating opportunity we believe there is.
And it is also pleasing to see a number of our banking partners further corroborate the rerating progress implied by our tightening bond yields by proactively offering meaningful upsized support for a potential upsized RCF as part of the refinancing that we are targeting in H1'26.

All very helpful steps forward on the capital structure front and preparations are ongoing.
We have also just a short while ago launched a harmonizing exercise to align the documentation of the two bonds we currently have maturing in 2030. As I alluded to before, both bonds continue to trade very positively, hence the launch of this nice-to-have action.
Before speaking about Outlook, it might be helpful for us to contextualize our YTD performance. Notwithstanding very stiff FX headwinds and the IRA impact, our performance has been robust for the reasons we have already discussed. We have also benefited from some positive phasing and mix gains and thereby accelerating aspects of our ebitda performance for the year, which we expect will partly reverse in Q4. When considering year over year comparison to Q4 please remember that we are lapping our best quarter in history from an ebitda perspective - a quarter that itself back then benefited considerably from phasing - and taking that together with IRA and the FX headwinds, we

expect a robust Q4'25, however it will compare less favorably to Q4'24 in absolute terms. The team remains very focused on ensuring that we execute with the same discipline and intensity as we have all year.

It is also worth reminding the market of our updates in prior quarters of the impact of a weakening USD and how that headwind reduces as we move down our P&L as a result of the natural hedges embedded in our business - from a weaker USD having a significant impact at the revenue level to being broadly neutral at the net income or group profit level and indeed broadly neutral on FCF too. And absent any abrupt movements in FX, eur usd in particular, as we move to the end of the year, we expect it to be broadly neutral on leverage too.

Which then leads me to the final section on Guidance. On the right-hand side, we compare our updated guidance to the original guidance provided at our Capital Markets Day on 27 Feb 2025 at Guidance FX rates. And on the left-hand side we estimate the full year FX impact to be roughly around €70m on Adjusted EBITDA if FX rates stay as they are currently for the rest of the year vs the Guidance FX rates in order to assist all our stakeholders with their analysis. As you will see on the right-hand side, our updated guidance at Guidance FX Rates compares favorably to the Original guidance we provided at our Capital Markets Day. Improving Updated guidance at guidance FX rates for both revenues and FCF pre-M&A pre-dividends, on the latter we are once again improving our guidance further to €400-425m. And adj EBITDA at Guidance FX rates is reaffirmed to be consistent with the original guidance provided and that we are currently tracking very comfortably within the guidance range provided.

Which, as I mentioned at the start of the financial performance section, speaks to the resilience of the Grifols business notwithstanding the highly dynamic markets that we have navigated well thus far this year.
With that let me hand it back to Nacho for his concluding remarks.

Nacho Abia, CEO

Thanks Rahul. I would like to conclude today's presentation with a few final remarks.

Our third quarter results confirm that the strategic roadmap we set in motion this year is delivering results. The Value Creation Plan is driving measurable progress – from continued market share gains and sustained topline growth to a significant improvement in free cash flow generation. This performance underscores our focus on strengthening financial fundamentals and executing with the discipline required to turn strategic vision into financial performance.

We have also further strengthened our balance sheet through deleveraging, enhanced free cash flow generation, and a disciplined financial and capital allocation. This combination provides the flexibility to invest in growth while maintaining a prudent approach to leverage and liquidity.

As we approach year-end, we remain vigilant as market conditions continue to be dynamic, with foreign exchange pressures and other external factors still present. These potential headwinds are being closely monitored, and as in previous periods, we are confident in our ability to respond with resilience and execution.

Therefore, we reaffirm full-year 2025 revenue and adjusted EBITDA guidance at the FX rate presented at our Capital Markets Day, and updated Free Cash Flow guidance to more than 400 million euros.

Finally, I want to recognize once again the dedication of the entire Grifols team, whose commitment to our Value Creation Plan continues to drive this company forward. We are executing with focus, accountability and discipline – and remain fully committed to creating long-lasting value for all our patients, donors, and stakeholders

Thank you, as always, for your continued support. With that, Dani – back to you.

Daniel Segarra, VP, Investor Relations and Sustainability

Thank you, Nacho. Now, let's turn to the Q&A session.

Please remember to press STAR 5 to ask your question.

We need to place a limit of two questions per analyst. If you have follow-ups, please dial STAR 5 again to get back on the list. After you ask your question, we will put you on mute to reduce any background noise.

Let's start with Charles from Barclays.

Charles Pitman, Barclays

Hi, guys. This is Charles from Barclays. Thank you very much for taking my questions. Just first one on fibrinogen just I want to clarify what the driver there is behind the fibrinogen and AFD being delayed to the US? Is this kind of FDA push-back on is that reflective of their internal resourcing or is it reflective of the quality quantity of your supporting data for the indication? Just because thinking about this asset previously a key differentiating factor for Grifols was to be the first US approved asset with both forms of the disease as part of the label?
So, just to your point about
not impacting the mid-term guidance, how do you expect to be able to continue to differentiate against competition or is this just set to be a very short delay?

And then my other question is just for Rahul on the refinancing. Just coming back to the terminology there, you're highlighting the harmonization process of the 2030 bonds. Can you confirm whether this means that you're also considering refinancing of these 2030 maturities as part of the 1H 2026 targeted refinancing for the 2027 maturing bonds? Just wondering, as part of that refinancing as well, is there any potential to renegotiate the terms of the GIC deal?
Thank you very much.

Nacho Abia, CEO

Thank you, Charles. On fibrinogen, I think that we always have stated and have been aware the fact that, in the United States we would need to change the standard of care which currently is based on cryoprecipitate in order to boost the sales of fibrinogen to the level that we expected. This is a mission that we are very committed to do.
We believe based on what we see in other markets that, that certainly will bring benefit for patients. But as I mentioned, based on the conversations with FDA, we feel that, it's important to bring even more solid clinical information and clinical data with US patients in order to help with that standard of care. At the same time, I think obviously our focus in the short-term is going to be to develop markets outside of the US, and in the US obviously with the Congenital Fibrinogen Deficiency, certainly we will start working with physicians for them to know and be more aware about the benefits of fibrinogen versus other alternatives. I don't know. Roland, if you want to add anything else.

Roland Wandeler, President Biopharma

Perhaps just commenting on how this compares to the plan that we laid out at the Capital Markets Day. As mentioned today, the largest opportunities in Europe north of EUR200 million and there we remain on track for our launch in Germany this year, and we believe that we can differentiate and gain share in this market and actually have some opportunities in ex-Europe market as well to gain share.

In our considerations, the US was always a slower build and therefore a delay of AFD at this point does not materially change our outlook in the near-term. And at the same time we believe that, with a possibly-differentiated label at the time of launch of AFD in the US, we have an opportunity to still lead that market and capture the long-term potential of north of EUR800 million that we

laid out at the Capital Markets Day. So, that's where the comments come about that we don't see a change in our outlook.

Rahul Srinivasan, CFO

And Charles, on the 2030 bond harmonization, that's just a harmonization exercise between the conditions or the documentation if you like between the two bonds. Your comment around 2030 refinancing, of course, we have the optionality, if we so choose to refinance those bonds are callable on 1st May 2026, if I recall correctly. But it just gives us we have that optionality, and clearly as you can see with where those bonds are trading today, there is value. There is value as we think about refinancing those in due course, but it is a part of refinancing options that are available to us. It doesn't have to be in 2026. We can decide on the right time for that.

And then finally on GIC, you're absolutely right. There is a you know, those are 8% dollar bonds, and the way we look at that is at sort of unsecured risk. There is value there. Again we a in terms of the right time to optimize a possible redemption of that, we'll decide that in close partnership with GIC. GIC has been a partner of us for some time. We'll work through that at the right time. But clearly, there is also possible value there. In due course we can seek to capture that from a redemption and refinancing stand point.

Daniel Segarra, VP, Investor Relations and Sustainability

Thank you, Rahul. Thank you, Charles. Now let's move to the next one. Jaime from Santander.

Jaime Escribano, Banco Santander

Hi. Good evening. So, a couple of questions from my side. The first one, could you elaborate a little bit more on the dynamics of the Albumin in China? Basically if this pricing pressure comes from the offer side, so more competition or is it the demand or the reimbursement or the Social Security there, that is putting lower prices?

And the second one regarding also fibrinogen, just for my understanding. It seems that there are two segments, so AFD and CFD. So, out of the $800 million addressable market, how much is AFD and how much is CFD? Basically my question tries to understand the short-term opportunity when you launch for CFD versus the other indication, AFD. Thank you.

Nacho Abia, CEO

Thanks, Jaime. And let me start with the second one and then Roland will address the one about China. On the fibrinogen, I mean, it's not possible to see or to assess really what is the market opportunity right now, because the market development effort needs to be done. I think that, we know that, at this point, the use of fibrinogen in the US is limited. It is very limited. It's small. And we know as well that, what is the potential that fibrinogen can have, if we manage to get the standard of care at the levels that we see in other markets like Germany or Austria. At this point, both AFD and CFD are small and our work is going to be to really prove and bring clinical evidence that those markets will develop to the level that we expect they will be of these 800 million that over time we are confident it will happen. And on China, Roland will comment now.

Roland Wandeler, President Biopharma

Now on China, the key underlying driver are the government-imposed cost controls that we talked about across the whole health care sector that had an impact on prices and also had an impact in terms of the demand in the market slowing down. But, it is important to note that, while we see this impact at this moment, China remains to be the key market and the prices actually still compare favorably with other parts of the world.

Also, as we think about China for the future, it's a key market for us. It is important. We believe that our partnership, our strategic partnership with Haier and SRAAS puts us in a strong position to navigate this market. And we are working to seize opportunities to realize growth and in other parts of the world, particularly US and ex-US to see how we can aid to continue to balance our albumin with IG growth that we foresee. In terms of the driver, it's really coming down on this market. It's a dynamic situation but we believe that we are in a good position to navigate this with our strategic partnership.

Daniel Segarra, VP, Investor Relations and Sustainability

Thank you, Roland. Thank you, Jaime.

Jaime Escribano, Banco Santander

Thank you very much.

Daniel Segarra, VP, Investor Relations and Sustainability

Thank you, Jaime. Now, we will go to Alvaro Lenze from Alantra, please.

Álvaro Lenze, Alantra

Hi. Thanks for taking my question. The first one is on the EBITDA guidance for the year. If I take the range you provided and I subtract the EUR70 million expected FX impact, the implied Q4 in the lower range would be about EUR450 million adjusted EBITDA, and on the upper range would be around EUR500 million. That is on the low end, a 15% decline. And that would put Q4 less than either Q3 and Q2. So, I don't know if there is any phasing there. I know Rahul explained the comparison base for Q4 last year is quite tough. But still, in absolute terms, the low range of the guidance would look a bit underwhelming. So, I was just wondering what your thinking process for that guidance was.

And then, second question would be, you mentioned some impairments for Q4. I just wanted to know what sort of assets are you thinking the impairment were? When did those assets join the balance sheet? Just to understand whether you are looking at past or very old investments that you no longer think are as valuable as represented in the balance sheet, or if it's more recent investments that you're cutting? Thank you.

Rahul Srinivasan, CFO

Sure. Let me start with the second one on impairments. It's certainly as you as I mentioned in my prepared remarks, we laid out at our Capital Markets Day, R&D and innovation plan and none of those from our standpoint are impacted at all. This really is some of the efforts in our portfolio that perhaps have not had the prioritization from a capital standpoint. And all we're doing is proactively flagging that, but importantly, Alvaro, this does not impact our go-forward adjusted EBITDA growth story or indeed our go forward free cash flow growth story. So, just to give you an idea, just in terms of lower prioritization in terms of from a project standpoint. So, that's on the second question.

On the first question around guidance and ranges, I said two things on our as I described the guidance. One, I said, we are very comfortably within our guidance range for adjusted EBITDA. And then, the other thing I said is, we expect a robust Q4 2025. The only thing I caveat to there was that, the absolute comparison versus Q4 2024 that also benefited meaningfully from phasing last year is something that we just wanted to make sure that, we prudently guided on.

But from our standpoint, you know, as you look at those ranges, I think the bottom end of the range that you were talking about, that implied by the guidance notwithstanding the FX impact is something that we feel very comfortable about managing and beating, and as we've always done focuses head down on execution with discipline and intensity. So, we'll see where we get to. But, we're tracking on that basis, and what we want to do is make sure we flag the phasing aspects as we've done.

Álvaro Lenze, Alantra

That's clear and helpful. Thank you.

Daniel Segarra, VP, Investor Relations and Sustainability

Okay. Thank you so much. Now we would like to get Charlie Haywood from Bank of America.

Charlie Haywood, BofA

Thank you. Charlie Haywood with bank of America. Two questions please. First one, unless I've misunderstood, could you clarify what the FX headwind to your reported revenue guide would be for the full year? And then, just on the sort of FX impact, what specifically on FX has changed since second quarter when I guess guide was reiterated and there wasn't an implied FX impact there? And then Second question, just wanted to get your thoughts on obviously the competitor readout we've had in Alpha-1, your confidence in rebuttal of that, especially on the margin level which I understand slightly higher than your standard products and given also fibrinogen delay today might lead to more of a margin impact. So, just high level thoughts on how you can rebut that impact. Thank you.

Nacho Abia, CEO

Thanks Charlie. I'll take the first one. So, if you go back to our Q1, go back to our Q2 and indeed repeating now in Q3, we've been consistent around the headwind of US dollar weakening on EBITDA. But remember, it remains broadly neutral from a leverage standpoint and indeed broadly neutral from both the Group profit that is bottom-line netting and from a free cash flow standpoint.

Number two, you will also if you go back to each of those presentations, you will also see that, we have been reiterating. I think Q1 and Q2, we've always taken you back to the basis on which guidance was provided, and there's no change in that respect now in Q3 either. So, that's why we're always saying is that, as you compare our guidance or implied guidance now relative to on a guidance FX rates basis, we continue to track well from a revenue and free cash flow standpoint, in fact improved and maintain the reaffirmed guidance from an EBITDA standpoint. Equally, we want to make sure that, we are being completely upfront. We provided a sensitivity analysis in Q2 and what we're trying to do now is just give you a number, if the rates as at the end of Q3 persists through to the end of the year, what that implies from an adjusted EBITDA headwind.

The question around revenue impact. We've not provided that, but, I mean, if you just assume that roughly about two-thirds or 65% of our revenues is US dollar denominated. And if you do the rough math around that, depending on what your exchange rate assumptions are for the rest of the year that could have an impact of anywhere between EUR300 million to EUR400 million, give or take. But on the basis of the guidance FX rates, we are guiding to an improved revenue guidance for the year. So, let me leave it at that. And on the second question, I'll hand it over to Roland.

Roland Wandeler, President Biopharma

Yeah. On Alpha-1, we always as part of our plan assumed positive top-line data of the pharmacokinetic endpoint, so this was as we expected. What we hear from thought leaders are basically two questions at this point. One is waiting to see the detailed data and understanding safety of this re-combinant approach. And the second question is around the pathway to approval, and we obviously also eagerly awaiting to see what this means. But as we think about Alpha-1, we just want to bring it back to the immense opportunity that still remains.

We only are treating 10% to 15% of patients today, which means 85% of patients are undiagnosed. And we just saw with CIDP how a new entrant can actually dramatically improve and accelerate diagnosis. Beyond that, we know that with our outcome study SPARTA, we have it in our hands to raise awareness of this disease in the US and ensure that we can have a broader reimbursement in Europe, which gives us a growth leverage. And then lastly, as we mentioned, we're excited about our soft Q3 at 15%, which we're advancing into Phase 3 and planning to submit an IND there in the coming months and our long-acting option. So, as we look in at this market, a new entrant but most importantly the growth opportunity that this market has, we remain committed and confident about Alpha-1. And as you think about vibration concentrate, as we outlined, the path to growth is not materially affected by weight what we just shared. We are still in a position to compete and possibly accelerate our uptake ex-US, and we have an opportunity to strengthen our positioning in the US and see that we can lead in this market in the long-term.

Daniel Segarra, VP, Investor Relations and Sustainability

Thank you so much, Roland. I appreciate the question, Charlie. Next up is Thibault Boutherin from Morgan Stanley. Thibault, please go ahead.

Thibault Boutherin, Morgan Stanley

Yes. Thank you very much. Just on the free cash flow guidance. Obviously, versus beginning of the year EBITDA and change as constant currency, I mean, using February FX as a base, free cash flow guidance has been upgraded couple of times since. If you can just remind us the moving parts in between for the free cash flow improvement and any risk of seeing some of these elements reversing in the future? For example working capital, if you could comment on your expectations for working capital position at the end of the year, and what it means for potential reversal in Q1 next year? Thank you.

Rahul Srinivasan, CFO

Yes. So, your question is on just the various constituent parts of our free cash flow improvement. You're absolutely right, in that we have -- we are improved our guidance on free cash flow a couple of times this year. The drivers of that free cash flow improvement come from the improved EBITDA. On a year-to-date basis, our adjusted EBITDA is up meaningfully and even if you eliminate some of those cash adjustments, they continue to track very well compared to 2024.
On a networking capital basis, we talk about tight working capital management notwithstanding the impact of a depreciating dollar on just sort of inventory levels and so on. Our inventory levels continue to be managed on a tight basis as is the case both from a receivables and payables standpoint. So, that is tracking well and tight. As you look at CapEx and capitalized it and R&D, clearly we are as we anticipated at our Capital Markets Day, we saw 2024 as being a sort of a peak from our total CapEx, when here when we talk about CapEx, I also include what we used to refer to as extraordinary growth CapEx previously. So, the total CapEx number to sales was at a peak in 2024 and all that's happening here is, it's playing out, as we expected prudent and disciplined CapEx spend.

And then, finally, as you look at interest cost, we had the significant deleveraging benefit in 2024 from the partial disposition of our Shanghai RAAS, that has helped leverage helped debt redemption, and in addition to that what has also help significantly is our meaningfully lower utilization of RCF from a financing standpoint. So, all of that translates to free cash flow improvement of EUR257 million versus last year.

As I look at the picture for the rest of the year, we remain confident about executing on our improved guidance of EUR400 million to EUR425 million for free cash flow pre-M&A predividends for 2025. And then, with respect to the impact in 2026, we will cover that off when we provide guidance at the end of February next year. But certainly, we're not anticipating significantly different variations. If you recall in Q1 this year, we had a meaningful improvement from a free cash flow standpoint versus Q1 2024 and one of the things that we will seek to do is maintain that to the extent possible. But, that's something that we will pick up in a bit more detail when we provide our guidance for 2026 at the end of February next year.

Daniel Segarra, VP, Investor Relations and Sustainability

Thank you so much Rahul. Very clear. Guilherme I think that you were waiting.

Guilherme Sampaio, CaixaBank BPI

Yes. Thank you for taking my questions, Two, if I may. The first one, I assume that, this IG growth acceleration was positively impacted by benefits that you alluded to but also some volume gains in the UK. You're guiding for a slowdown in terms of prices growth going forward. Just to understand a bit, how to phase in between Q4 and Q1, taking Q1 as potential the potential reference for going forward. So, this 6% to 8% is something that we should consider only for Q1 and Q4 could be a bit below these references or is the run rate the 6% to 8% is the run rate that we can assume going forward?

And second question regarding 2026. From your comment, I assume that, we should expect a lower underlying growth at least in Biopharma, but the effects typically has a positive impact in terms of margins, so with weaker dollar. So, at the Capital Markets Day you guided for a uniform margin progression across the plan. These less favorable effects on, I don't know, the absolute EBITDA standpoint could impact positively margins. So, we might have in 2026 a faster margin expansion than what you were planning in the Capital Markets Day. Thank you.

Roland Wandeler, President Biopharma

Guilherme, happy to add a bit more color on the IG side. As you may recall, in our Capital Markets Day, we said that we aim to grow IG in line or slightly ahead of the market and gave that 6% to 8% CAGR rate, which just reflects the potential that IG has, and we expect to be in there. The other part that that I want to just bring up again is, you may recall that in the 2023 call, leadership at the time announced a plan to win back share in the US. During the pandemic, we have lost share in the US, and we have announced that we want to win it back. We have since executed on this plan using a strong inventory position that we had at the time, and that translated into this double-digit growth well, well ahead of the market during this time. We have since regained the market share and at this higher market share, we now expect to grow in line with the market or ahead of the market. So, from that perspective, I would look at these last two years as our ability to actually reposition us in the market and from here to grow with or ahead of the market moving forward.

Rahul Srinivasan, CFO

And then finally on the question around margins, no real change in terms of the building blocks driving our margin improvement story over the coming years. And with respect to, what we had guided from a margin standpoint for 2025 was adjusted EBITDA margins to be in line with 2024,

having fully absorbed the impact of IRA. Year-to-date, we're doing exactly that, you can see on a like for like basis and even on a year-to-date basis, our margin improvement is up. So, that remains the story for 2025. With respect to 2026 and beyond, no change. We will update the market with respect to 2026 guidance specifically, when we come to it at the end of February.

Daniel Segarra, VP, Investor Relations and Sustainability

Thank you, Roland. Thank you, Rahul. We have time for the very last question. It's going to be Justin Smith from Bernstein. Justin, please.

Justin Smith, Bernstein

Yes. Thanks very much. Justin from Bernstein. It's just a quick one on fibrinogen and apologies if I've missed some remarks here. But when you talk about the new evidence that you need to bring, are we talking about new clinical data? If so, could you just share some thoughts on execution risk there? I mean, is it a case with acquired patients? It's quite difficult to locate those patients and run the trial. So any thoughts there would be very helpful.

Roland Wandeler, President Biopharma

The one thing to highlight is that we are obviously looking at the study in the US and you know we have different proposals on the table and we'll be looking at the best way with an eye on making sure that this obviously helps us with speed to the market at the same differentiation, possibly narrow label, and we do not see an execution risk there. We see a need and interest to conduct a trial like that.

Daniel Segarra, VP, Investor Relations and Sustainability

Okay. Thank you so much Roland. I'd say that was all for now. Thank you so much for all your questions and for joining us today. If there is any follow-up please let us know. There is an IR team, you know dedicated for that. Thank you so much.