

First Half of 2015 Performance Summary

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ANNIVERSARY

Operational and Financial Highlights - 1H 2015

- Net profit grows +16.3% to Euros 261.5 million and revenues increase +18% exceeding Euros 1,900 million
- The revenues of the Bioscience division grow +27.8% (+5.9% cc*) in the second quarter. In the first half, the increase is +20.6% (+3.0% cc) to Euros 1,457.4 million, driven by the sales performance of the main plasma proteins
- Recurring revenue, excluding Raw Materials and Others, increases by +19.3% (+2.7% cc) driven by sales growth in the second quarter of +24.9% (+4.5% cc)
- Growth in ROW (Rest of the World) is particularly strong at +25.1% (+9.5% cc), as a result of the +31.8% increase (+11.9% cc) in the second quarter
- Net R&D investment of Euros 116.4 million; 6.1% of revenues

* Constant currency (cc) excludes exchange rate variations

Operational and Financial Highlights - 1H 2015

- EBITDA grows +10.4% reaching Euros 560.8 million; 29,5% EBITDA margin
- Margins are impacted by the termination of royalties' revenue related to the transfusion diagnostic unit, by the operation of the two fractionation plants at Clayton and by the competitive landscape of the intravenous immunoglobulin market in the United States. The geographic mix was not beneficial and affected margins in the second quarter
- EBIT rises by +12.8% to Euros 470.7 million
- The net financial debt to EBITDA ratio falls to 3.4x (3.2x cc) end of June, from 3.7x (3.3x cc) in March

Key financial figures - 1H 2015

<i>In millions of euros except % and EPS</i>	1H 2015	1H 2014	% Var
NET REVENUE (NR)	1,900.6	1,610.8	18.0%
GROSS MARGIN	48.8%	51.5%	
R&D	103.9	85.2	21.9%
% NR	5.5%	5.3%	
EBITDA	560.8	508.2	10.4%
% NR	29.5%	31.5%	
EBIT	470.7	417.3	12.8%
% NR	24.8%	25.9%	
GROUP PROFIT	261.5	224.8	16.3%
% NR	13.8%	14.0%	
ADJUSTED⁽¹⁾ GROUP PROFIT	302.8	288.7	4.9%
% NR	15.9%	17.9%	
CAPEX	134.8	125.3	7.6%
EARNINGS PER SHARE (EPS)	0.76	0.65	16.9%
	June 2015	December 2014	% Var
TOTAL ASSETS	9,095.4	8,449.8	7.6%
TOTAL EQUITY	3,073.9	2,662.9	15.4%
CASH & CASH EQUIVALENTS	788.7	1,079.2	(26.9%)
LEVERAGE RATIO	3.4 / (3.2 cc)⁽²⁾	3.0	

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

Net revenue by division - 1H 2015

<i>In thousands of euros</i>	1H 2015	% of Net Revenues	1H 2014	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	1,457,393	76.7%	1,208,236	75.0%	20.6%	3.0%
DIAGNOSTIC	343,987	18.1%	293,546	18.2%	17.2%	2.7%
HOSPITAL	49,276	2.6%	49,551	3.1%	(0.6%)	(3.0%)
RAW MATERIALS AND OTHERS	49,909	2.6%	59,447	3.7%	(16.0%)	(27.8%)
TOTAL	1,900,565	100.0%	1,610,780	100.0%	18.0%	1.6%

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

Net revenue by region - 1H 2015

<i>In thousands of euros</i>	1H 2015	% of Net Revenues	1H 2014	% of Net Revenues	% Var	% Var cc*
US + CANADA	1,199,176	63.2%	970,405	60.3%	23.6%	1.9%
EU	342,750	18.0%	334,156	20.7%	2.6%	0.2%
ROW	308,730	16.2%	246,772	15.3%	25.1%	9.5%
<i>SUBTOTAL</i>	1,850,656	97.4%	1,551,333	96.3%	19.3%	2.7%
RAW MATERIALS AND OTHERS	49,909	2.6%	59,447	3.7%	(16.0%)	(27.8%)
TOTAL	1,900,565	100.0%	1,610,780	100.0%	18.0%	1.6%

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

Profit & Loss account - 1H 2015

<i>In thousands of euros</i>	1H 2015	1H 2014	% Var
NET REVENUE (NR)	1,900,565	1,610,780	18.0%
COST OF SALES	(973,749)	(781,374)	24.6%
GROSS PROFIT	926,816	829,406	11.7%
% NR	48.8%	51.5%	
R&D	(103,936)	(85,194)	22.0%
SG&A	(352,192)	(326,878)	7.7%
<i>OPERATING EXPENSES</i>	<i>(456,128)</i>	<i>(412,072)</i>	<i>10.7%</i>
OPERATING RESULT (EBIT)	470,688	417,334	12.8%
% NR	24.8%	25.9%	
<i>FINANCIAL RESULTS</i>	<i>(135,222)</i>	<i>(124,318)</i>	<i>8.8%</i>
SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES	(1,383)	(3,443)	(59.8%)
PROFIT BEFORE TAX	334,083	289,573	15.4%
% NR	17.6%	18.0%	
INCOME TAX EXPENSE	(73,498)	(66,602)	10.4%
<i>% OF PRE-TAX INCOME</i>	<i>22.0%</i>	<i>23.0%</i>	
CONSOLIDATED PROFIT FOR THE YEAR	260,585	222,971	16.9%
RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(920)	(1,864)	(50.6%)
GROUP PROFIT FOR THE PERIOD	261,505	224,835	16.3%
% NR	13.8%	14.0%	

Balance sheet (Assets) - June 30, 2015

<i>In thousands of euros</i>	June 2015	December 2014
NON-CURRENT ASSETS	6,343,471	5,536,627
GOODWILL AND OTHER INTANGIBLE ASSETS	4,590,034	4,243,093
PROPERTY PLANT & EQUIPMENT	1,559,928	1,147,782
INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES	87,373	54,296
NON-CURRENT FINANCIAL ASSETS	34,130	9,011
OTHER NON-CURRENT ASSETS	72,006	82,445
CURRENT ASSETS	2,751,887	2,913,122
INVENTORIES	1,342,715	1,194,057
TRADE AND OTHER RECEIVABLES	594,071	615,748
OTHER CURRENT FINANCIAL ASSETS	1,177	502
OTHER CURRENT ASSETS	25,190	23,669
CASH AND CASH EQUIVALENTS	788,734	1,079,146
TOTAL ASSETS	9,095,358	8,449,749

Balance sheet (Equity & Liabilities) - June 30, 2015

<i>In thousands of euros</i>	June 2015	December 2014
EQUITY	3,073,885	2,662,888
CAPITAL	119,604	119,604
SHARE PREMIUM RESERVE	910,728	910,728
RESERVES	1,372,523	1,088,337
TREASURY STOCK	(58,575)	(69,252)
INTERIM DIVIDENDS	0	(85,944)
CURRENT YEAR EARNINGS	261,505	470,253
OTHER COMPREHENSIVE INCOME	464,366	224,397
NON-CONTROLLING INTERESTS	3,734	4,765
NON-CURRENT LIABILITIES	5,016,156	4,707,150
NON-CURRENT FINANCIAL LIABILITIES	4,426,143	4,154,630
OTHER NON-CURRENT LIABILITIES	590,013	552,520
CURRENT LIABILITIES	1,005,317	1,079,711
CURRENT FINANCIAL LIABILITIES	200,561	194,726
OTHER CURRENT LIABILITIES	804,756	884,985
TOTAL EQUITY AND LIABILITIES	9,095,358	8,449,749

Cash flow - 1H 2015

<i>In thousands of euros</i>	1H 2015	1H 2014
GROUP PROFIT	261,505	224,835
DEPRECIATION AND AMORTIZATION	90,132	90,862
NET PROVISIONS	(5,749)	(25)
OTHER ADJUSTMENTS AND OTHER CHANGES IN WORKING CAPITAL	1,143	69,917
CHANGES IN INVENTORIES	(56,578)	(14,015)
CHANGES IN TRADE RECEIVABLES	75,232	(36,878)
CHANGES IN TRADE PAYABLES	(108,541)	65,819
<i>CHANGE IN OPERATING WORKING CAPITAL</i>	<i>(89,887)</i>	<i>14,926</i>
NET CASH FLOW FROM OPERATING ACTIVITIES	257,144	400,515
BUSINESS COMBINATIONS AND INVESTMENTS IN GROUP COMPANIES	(58,040)	(1,212,788)
CAPEX	(134,842)	(125,278)
R&D/OTHER INTANGIBLE ASSETS	(19,521)	(17,900)
OTHER CASH INFLOW / (OUTFLOW)	(272,119)	(598)
NET CASH FLOW FROM INVESTING ACTIVITIES	(484,522)	(1,356,564)
FREE CASH FLOW	(227,378)	(956,049)
PROCEEDS FROM / (PAYMENTS) FOR EQUITY INSTRUMENTS	12,695	(44,360)
ISSUE / (REPAYMENT) OF DEBT	(41,985)	1,273,749
DIVIDENDS	(102,157)	(70,063)
OTHER CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(15,835)	(180,310)
NET CASH FLOW FROM FINANCING ACTIVITIES	(147,282)	979,016
TOTAL CASH FLOW	(374,660)	22,967
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,079,146	708,777
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	84,248	5,160
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	788,734	736,904

Group profit reconciliation - 1H 2015

<i>In millions of euros</i>	1H 2015	1H 2014	% Var
GROUP NET PROFIT	261.5	224.8	16.3%
<i>% NR</i>	13.8%	14.0%	
Non-recurring costs and costs associated with recent acquisitions	0	15.6	(100.0%)
Amortization of deferred financial expenses	31.9	30.1	6.0%
Amortization of intangible assets acquired in business combinations	21.0	37.2	(43.5%)
Tax impacts of adjustments	(11.6)	(19.0)	(38.9%)
ADJUSTED⁽¹⁾ GROUP NET PROFIT	302.8	288.7	4.9%
<i>% NR</i>	15.9%	17.9%	

⁽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 2015

<i>In thousands of euros</i>	2Q 2015	% of Net Revenues	2Q 2014	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	776,366	78.2%	607,278	74.7%	27.8%	5.9%
DIAGNOSTIC	171,426	17.3%	146,997	18.1%	16.6%	(0.6%)
HOSPITAL	26,017	2.6%	25,289	3.1%	2.9%	(0.9%)
RAW MATERIALS AND OTHERS	18,372	1.9%	33,218	4.1%	(44.7%)	(53.7%)
TOTAL	992,181	100.0%	812,782	100.0%	22.1%	2.1%

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

Net revenue by region - 2Q 2015

<i>In thousands of euros</i>	2Q 2015	% of Net Revenues	2Q 2014	% of Net Revenues	% Var	% Var cc*
US + CANADA	632,064	63.7%	485,600	59.7%	30.2%	3.7%
EU	171,753	17.3%	164,977	20.3%	4.1%	1.0%
ROW	169,992	17.1%	128,987	15.9%	31.8%	11.9%
<i>SUBTOTAL</i>	973,809	98.1%	779,564	95.9%	24.9%	4.5%
RAW MATERIALS AND OTHERS	18,372	1.9%	33,218	4.1%	(44.7%)	(53.7%)
TOTAL	992,181	100.0%	812,782	100.0%	22.1%	2.1%

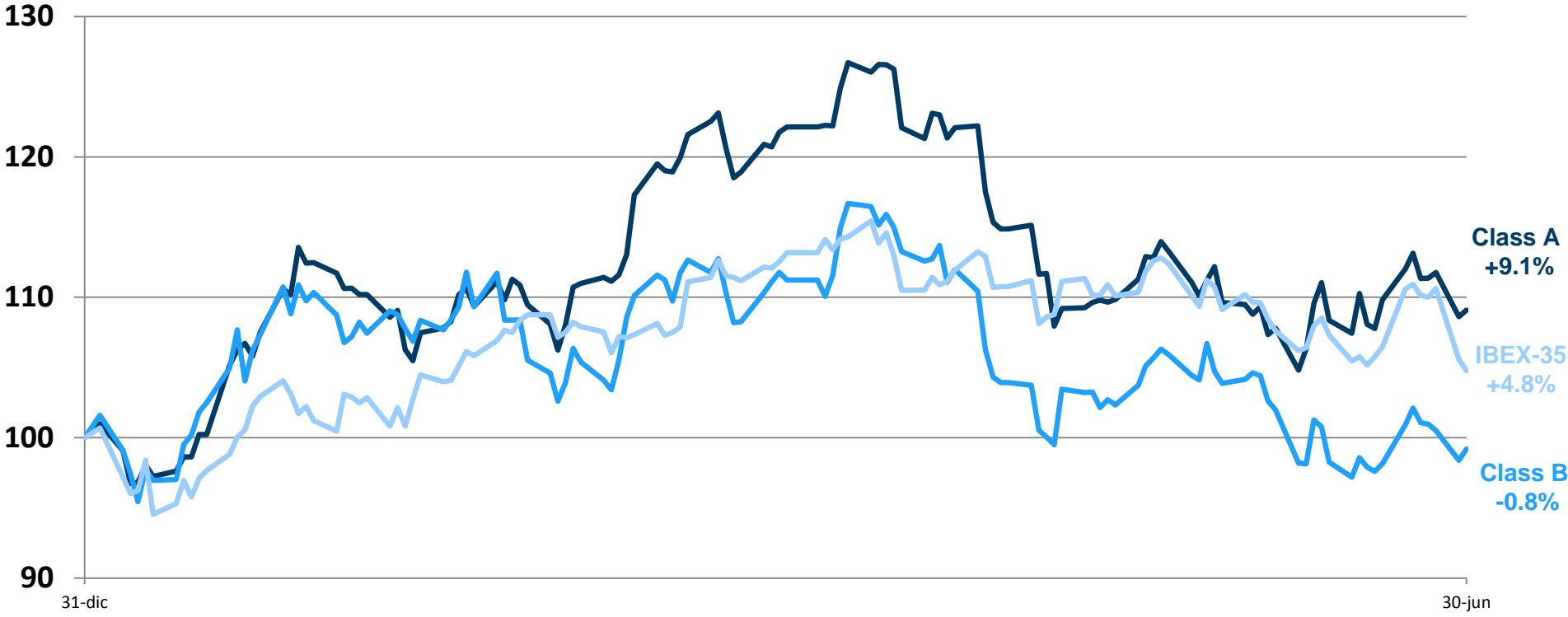
* Constant currency (cc) excludes the impact of exchange rate movements

Share Performance - June 30, 2015

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

BASE 100, from December 31, 2014 to June 30, 2015

Source: Infobolsa



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