

Fourth Quarter 2015 Performance Summary

GRIFOLS

Operational and Financial Highlights - 2015

- Grifols' revenues grow by 17.3% to Euros 3,935 million, and net profit grows by 13.2% reaching Euros 532 million
- Revenues of the Bioscience division exceed Euros 3,000 million for the first time, with +18.8% (+6.8% cc*) growth in the fourth quarter
- Recurring sales, excluding Raw Materials and Others, rise by +16.4% (+5.4% cc) in the fourth quarter
- Net investment in R&D reaches Euros 236 million (+21.2%), 6.0% of total revenue
- Euros 266 million (+5.8%) allocated to capital expenditure (CAPEX); investments in the new plasma donor centers network and in industrial assets accelerate

* Constant currency (cc) excludes exchange rate variations

Operational and Financial Highlights - 2015

- Solid results: EBITDA reaches Euros 1,163 million (+11.0%), with an EBITDA margin of 29.5%. EBIT exceeds Euros 970 million (+13.1%) representing 24.7% of revenues
- The strong cash generation continues: Euros 1,143 million of cash balance at December 31, 2015. Liquidity position exceeds Euros 1,600 million
- Gradual reduction in the group's leverage ratio over the year. Changes in the euro-dollar exchange rate impact the net financial debt to EBITDA ratio, which stood at 3.19 (2.92 at cc) at December 2015
- Total workforce increases by +5.4% to 14,737 employees

Key financial figures - 2015

<i>In millions of euros except % and EPS</i>	2015	2014	% Var
NET REVENUE (NR)	3,934.6	3,355.4	17.3%
GROSS MARGIN	49.1%	50.6%	
R&D	224.2	180.8	24.0%
% NR	5.7%	5.4%	
EBITDA	1,162.6	1,047.2	11.0%
% NR	29.5%	31.2%	
EBIT	970.4	857.7	13.1%
% NR	24.7%	25.6%	
GROUP PROFIT	532.1	470.3	13.2%
% NR	13.5%	14.0%	
ADJUSTED⁽¹⁾ GROUP PROFIT	614.2	597.9	2.7%
% NR	15.6%	17.8%	
CAPEX	266.4	251.8	5.8%
EARNINGS PER SHARE (EPS)⁽²⁾	0.78	0.69	13.0%
	2015	2014	% Var
TOTAL ASSETS	9,601.7	8,449.8	13.6%
TOTAL EQUITY	3,301.4	2,662.9	24.0%
CASH & CASH EQUIVALENTS	1,142.5	1,079.2	5.9%
LEVERAGE RATIO	(3.19/2.92cc)⁽³⁾	(3.01/2.71cc)⁽³⁾	

⁽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⁾ EPS calculated as of December 31, 2015 taking into consideration the 2:1 split effective 4 January 2016

⁽³⁾ Constant currency (cc) excludes the impact of exchange rate movements

Net revenue by division - 2015

<i>In thousands of euros</i>	2015	% of Net Revenues	2014	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	3,032,111	77.1%	2,513,510	74.9%	20.6%	4.8%
DIAGNOSTIC	691,452	17.6%	620,022	18.5%	11.5%	(0.9%)
HOSPITAL	96,245	2.4%	94,800	2.8%	1.5%	(0.2%)
SUBTOTAL	3,819,808	97.1%	3,228,332	96.2%	18.3%	3.5%
RAW MATERIALS AND OTHERS	114,755	2.9%	127,052	3.8%	(9.7%)	(22.2%)
TOTAL	3,934,563	100.0%	3,355,384	100.0%	17.3%	2.5%

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

Net revenue by region - 2015

<i>In thousands of euros</i>	2015	% of Net Revenues	2014	% of Net Revenues	% Var	% Var cc*
US + CANADA	2,505,791	63.7%	2,042,700	60.9%	22.7%	2.8%
EU	662,917	16.8%	662,802	19.8%	0.0%	(1.7%)
ROW	651,100	16.6%	522,830	15.5%	24.5%	12.8%
SUBTOTAL	3,819,808	97.1%	3,228,332	96.2%	18.3%	3.5%
RAW MATERIALS AND OTHERS	114,755	2.9%	127,052	3.8%	(9.7%)	(22.2%)
TOTAL	3,934,563	100.0%	3,355,384	100.0%	17.3%	2.5%

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

Profit & Loss account - 2015

<i>In thousands of euros</i>	2015	2014	% Var
NET REVENUE (NR)	3,934,563	3,355,384	17.3%
COST OF SALES	(2,003,565)	(1,656,170)	21.0%
GROSS PROFIT	1,930,998	1,699,214	13.6%
% NR	49.1%	50.6%	
R&D	(224,193)	(180,753)	24.0%
SG&A	(736,435)	(660,772)	11.5%
<i>OPERATING EXPENSES</i>	<i>(960,628)</i>	<i>(841,525)</i>	<i>14.2%</i>
OPERATING RESULT (EBIT)	970,370	857,689	13.1%
% NR	24.7%	25.6%	
<i>FINANCIAL RESULTS</i>	<i>(271,840)</i>	<i>(261,427)</i>	<i>4.0%</i>
SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES	(8,280)	(6,582)	25.8%
PROFIT BEFORE TAX	690,250	589,680	17.1%
% NR	17.5%	17.6%	
INCOME TAX EXPENSE	(158,809)	(122,597)	29.5%
<i>% OF PRE-TAX INCOME</i>	<i>23.0%</i>	<i>20.8%</i>	
CONSOLIDATED PROFIT FOR THE YEAR	531,441	467,083	13.8%
RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(704)	(3,170)	(77.8%)
GROUP PROFIT FOR THE PERIOD	532,145	470,253	13.2%
% NR	13.5%	14.0%	

Balance sheet (Assets) - December 31, 2015

<i>In thousands of euros</i>	2015	2014
NON-CURRENT ASSETS	6,512,243	5,536,627
GOODWILL AND OTHER INTANGIBLE ASSETS	4,693,931	4,243,093
PROPERTY PLANT & EQUIPMENT	1,644,402	1,147,782
INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES	76,728	54,296
NON-CURRENT FINANCIAL ASSETS	30,388	9,011
OTHER NON-CURRENT ASSETS	66,794	82,445
CURRENT ASSETS	3,089,472	2,913,122
INVENTORIES	1,431,391	1,194,057
TRADE AND OTHER RECEIVABLES	483,196	615,748
OTHER CURRENT FINANCIAL ASSETS	1,294	502
OTHER CURRENT ASSETS	31,091	23,669
CASH AND CASH EQUIVALENTS	1,142,500	1,079,146
TOTAL ASSETS	9,601,715	8,449,749

Balance sheet (Equity & Liabilities) - December 31, 2015

<i>In thousands of euros</i>	2015	2014
EQUITY	3,301,390	2,662,888
CAPITAL	119,604	119,604
SHARE PREMIUM	910,728	910,728
RESERVES	1,371,061	1,088,337
TREASURY STOCK	(58,575)	(69,252)
INTERIM DIVIDENDS	(119,615)	(85,944)
CURRENT YEAR EARNINGS	532,145	470,253
OTHER COMPREHENSIVE INCOME	540,855	224,397
NON-CONTROLLING INTERESTS	5,187	4,765
NON-CURRENT LIABILITIES	5,247,319	4,707,150
NON-CURRENT FINANCIAL LIABILITIES	4,597,654	4,154,630
OTHER NON-CURRENT LIABILITIES	649,665	552,520
CURRENT LIABILITIES	1,053,006	1,079,711
CURRENT FINANCIAL LIABILITIES	262,497	194,726
OTHER CURRENT LIABILITIES	790,509	884,985
TOTAL EQUITY AND LIABILITIES	9,601,715	8,449,749

Cash flow - 2015

<i>In thousands of euros</i>	2015	2014
GROUP PROFIT	532,145	470,253
DEPRECIATION AND AMORTIZATION	189,755	189,472
NET PROVISIONS	(564)	(21,388)
OTHER ADJUSTMENTS AND OTHER CHANGES IN WORKING CAPITAL	43,771	296,368
CHANGES IN INVENTORIES	(120,641)	(97,023)
CHANGES IN TRADE RECEIVABLES	169,985	26,486
CHANGES IN TRADE PAYABLES	(71,673)	114,760
<i>CHANGE IN OPERATING WORKING CAPITAL</i>	<i>(22,329)</i>	<i>44,223</i>
NET CASH FLOW FROM OPERATING ACTIVITIES	742,778	978,928
BUSINESS COMBINATIONS AND INVESTMENTS IN GROUP COMPANIES	(58,609)	(1,234,952)
CAPEX	(266,416)	(251,829)
R&D/OTHER INTANGIBLE ASSETS	(24,147)	(35,210)
OTHER CASH INFLOW / (OUTFLOW)	(283,938)	887
NET CASH FLOW FROM INVESTING ACTIVITIES	(633,110)	(1,521,104)
FREE CASH FLOW	109,668	(542,176)
PROCEEDS FROM / (PAYMENTS) FOR EQUITY INSTRUMENTS	12,695	(69,252)
ISSUE / (REPAYMENT) OF DEBT	28,953	1,226,339
DIVIDENDS (PAID) / RECEIVED	(216,772)	(156,007)
OTHER CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	17,086	(159,962)
NET CASH FLOW FROM FINANCING ACTIVITIES	(158,038)	841,118
TOTAL CASH FLOW	(48,370)	298,942
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	111,724	71,427
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,142,500	1,079,146

Group profit reconciliation - 2015

<i>In millions of euros</i>	2015	2014	% Var
GROUP NET PROFIT	532.1	470.3	13.2%
% NR	13.5%	14.0%	
Non-recurring costs and associated with recent acquisitions	-	27.0	
Amortization of deferred financial expenses	64.1	58.2	10.1%
Amortization of intangible assets acquired in business combinations	42.5	76.3	(44.3%)
Tax impacts of adjustments	(24.5)	(33.9)	(27.7%)
ADJUSTED⁽¹⁾ GROUP NET PROFIT	614.2	597.9	2.7%
% NR	15.6%	17.8%	

⁽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 - 4Q 2015

<i>In thousands of euros</i>	4Q 2015	% of Net Revenues	4Q 2014	% of Net Revenues	% Var	% Var cc*
BIOSCIENCE	819,856	77.1%	690,204	75.3%	18.8%	6.8%
DIAGNOSTIC	181,946	17.1%	167,216	18.2%	8.8%	(0.2%)
HOSPITAL	24,242	2.3%	23,825	2.6%	1.8%	2.1%
SUBTOTAL	1,026,044	96.5%	881,245	96.1%	16.4%	5.4%
RAW MATERIALS AND OTHERS	36,757	3.5%	36,049	3.9%	2.0%	(10.9%)
TOTAL	1,062,801	100.0%	917,294	100.0%	15.9%	4.7%

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

Net revenue by region - 4Q 2015

<i>In thousands of euros</i>	4Q 2015	% of Net Revenues	4Q 2014	% of Net Revenues	% Var	% Var cc*
US + CANADA	678,017	63.8%	558,870	60.9%	21.3%	5.8%
EU	166,662	15.7%	175,155	19.1%	(4.8%)	(5.4%)
ROW	181,365	17.0%	147,220	16.1%	23.2%	16.7%
SUBTOTAL	1,026,044	96.5%	881,245	96.1%	16.4%	5.4%
RAW MATERIALS AND OTHERS	36,757	3.5%	36,049	3.9%	2.0%	(10.9%)
TOTAL	1,062,801	100.0%	917,294	100.0%	15.9%	4.7%

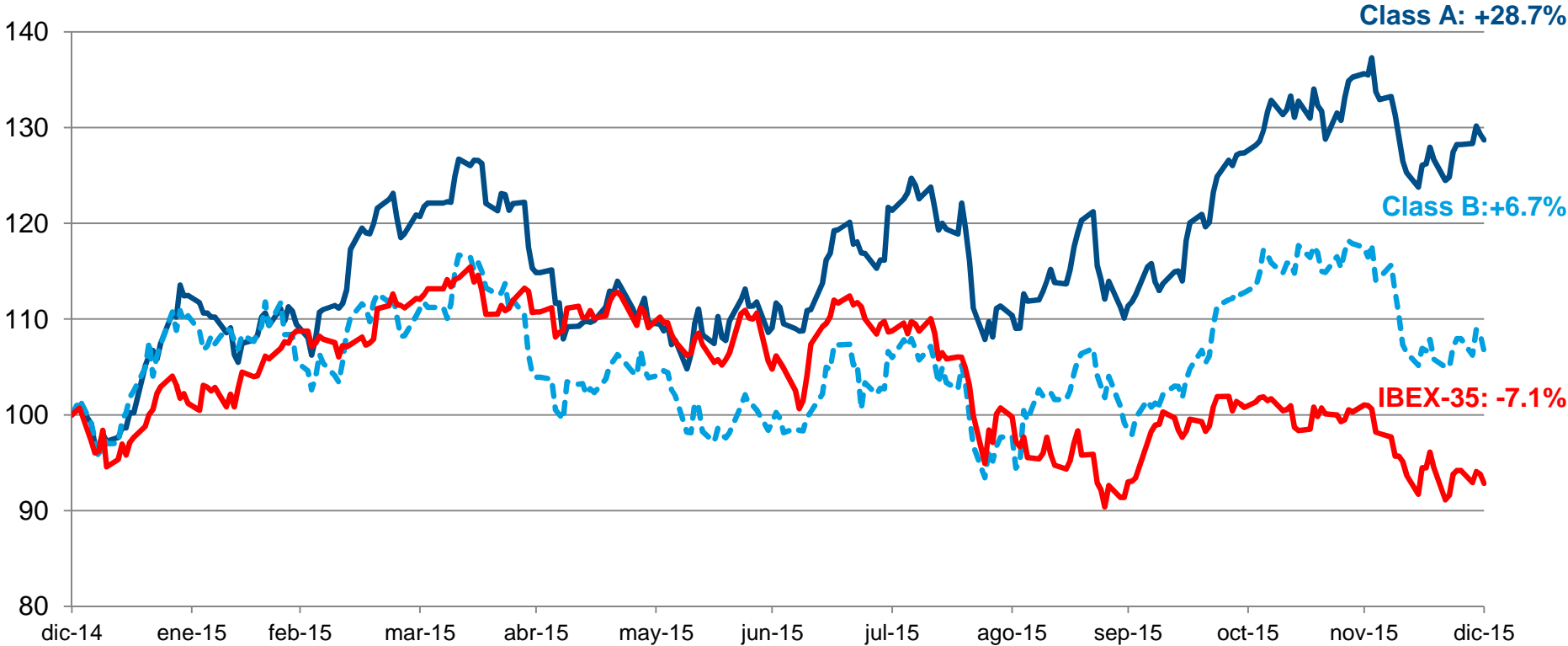
* Constant currency (cc) excludes the impact of exchange rate movements

Share Performance - December 31, 2015

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

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

Source: Infobolsa



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