

Grifols on track to meet full-year guidance and reduce debt

- Total revenue increases by 5.5% cc¹ (+6.8% cc excluding Q1'23 Diagnostic one-off) to EUR 1,626 million driven by Biopharma's strong performance (+9.4% cc)
- Adjusted EBITDA increases to EUR 350 million, representing a 21.6% margin, up 280 bps like-for-like² compared to the same quarter last year
- Net profit at EUR 21m, and improvement of EUR 129 million compared to Q1'23
- Free cash flow for FY24 expected to be positive throughout the year, offsetting the reported EUR (253) million in the first quarter due to non-recurring impacts in net working capital
- Grifols is firmly addressing 2025 debt maturities with the successful issuance of EUR 1 billion bond private offering in April, coupled with the closing of the sale of a 20% stake in Shanghai RAAS to the Haier Group for EUR 1.6 billion in June 2024
- Grifols is on track to meet guidance for 2024: revenues exceeding EUR 7 billion and adjusted EBITDA over EUR 1.8 billion; currently working to improve FCF guidance in light of several ongoing initiatives

Barcelona, Spain – May 14, 2024 – Grifols (MCE:GRF, MCE:GRF.P, NASDAQ:GRFS), a global healthcare company and leading manufacturer of plasma-derived medicines, today provided a Business Update and reported its 2024 First Quarter Financial Results. The company is committed to profitable and sustainable growth, with a focus on generating free cash flow and reducing debt, as well as accelerating innovation and executing operations effectively to drive further value for all shareholders.

Thomas Glanzmann, Executive Chairman, commented, *“Despite a challenging and unwarranted backdrop to the first quarter, the company continues to make progress against its 2024 commitments and goals, building on its strong fundamentals. The first quarter was marked by revenue growth, profitability increase, improvements in corporate governance, and progress in innovation. We are also excited to welcome Nacho Abia as our new CEO and look forward to his strong leadership. Together, our primary focus is to further strengthen the financial position of the company. Significant steps in line with our commitments have been taken with the completion of the issuance of a EUR 1 billion bond and the upcoming closing of the SRAAS deal in June 2024”*.

Nacho Abia, Chief Executive Officer, said, *“Since taking over as CEO last month, it has quickly become clear that Grifols operates in fast-growing industry, possesses a deep bench of talent, a strong product franchise and a proven track record. My priorities are increasing free cash flow and reducing debt while also accelerating growth, strengthening innovation and enhancing operational efficiencies to deliver shareholder value”*.

¹ Operating or constant currency (cc) excludes changes rate variations reported in the period.

² Since January 2024, SRAAS's EBITDA contribution has accounted for 6.6% of the share; the remaining 20% is classified as an asset held-for-sale.

Business Segment Performance

In the first quarter of 2024, total revenue reached EUR 1,626 million, a year-over-year increase of 5.5% cc (+4.1% reported). Excluding a one-off of EUR 19 million in Diagnostic in the first quarter of 2023, total revenues increased by 6.8% cc.

Biopharma reached EUR 1,395 million in revenues, up by 9.4% cc (+8.1% reported), driven by strong demand and plasma supply, supported by a double-digit revenue growth in the European Union (EU).

The immunoglobulin franchise grew by 13% cc, fuelled by strong performance ex-US and the successful acceleration of SCIG Xembify[®] which grew by 62% cc in the first quarter. This growth builds on the expected double-digit-growth of the immunodeficiency market. Albumin grew at 7% while alpha-1 antitrypsin and specialty proteins combined delivered a 4% cc increase.

Diagnostic sales stood at EUR 158 million, decreasing 8.3% cc year-over-year (-10.3% reported). The underlying business grew by 2.7% cc, excluding the EUR 19 million one-off in 2023. Performance was primarily driven by Blood Typing Solutions (+16% cc) with double-digit growth in key countries. NAT Donor Screening (-6% cc) was impacted by phasing in China but remains stable overall, with strong whole blood and plasma volume in the U.S. Excluding the abovementioned one-off, Immunoassays business segment was up by 22% cc.

Bio Supplies revenue amounted to EUR 32 million, declining by 24.8% cc. The Division performed as expected, impacted by phasing, which is anticipated to be offset by robust revenue growth, expected to start in the second quarter this year.

Plasma supply increased by 8% in the first quarter, and cost per liter (CPL) further declined by 2% in March compared to December 2023. The outlook for plasma remains positive going forward.

Financial Performance and Leverage

EBITDA Adjusted amounted to EUR 350 million in the first quarter, with a margin of 21.6%, leading to an increase of 230 bps (280 bps excluding the EUR 11 million contribution in the first quarter of 2023 from the 20% of Shanghai RAAS (SRAAS), now classified as an asset-held-for sale). EBITDA adjusted excludes EUR 40 million of one-off charges, primarily comprising transactions costs.

EBITDA Reported stood at EUR 310 million, with an 800 bps increase in terms of margin. Reported EBITDA for the first quarter of 2023 included EUR 140 million in one-time restructuring costs.

Reported net profit turned positive to EUR 21 million from negative EUR 108 million in the first quarter of 2023, a quarter impacted by the abovementioned one-time restructuring costs.

Deleveraging remains a fundamental priority, and Grifols reiterates its commitment to deleveraging its balance sheet towards the 4.0x target, supported by further operating turnaround and the disposal of a 20% stake in SRAAS for EUR 1.6 billion. The **leverage ratio**, as per the Credit Facility, stood at 6.8x in the first quarter of 2024, up from 6.3x by the end of 2023 following the exclusion of SRAAS EBITDA contribution and an increase in net debt. The leverage ratio, as per the consolidated EBITDA as per profit and loss and Net Debt as per Balance Sheet, stood at 7.9x (8.4x by the end of 2023).

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In the first quarter, **Free Cash Flow** was EUR (253) million, a year-to-year decline of EUR 109 million, primarily due to non-recurring impacts in net working capital. Grifols increased its plasma inventory levels to meet expected revenue growth in the upcoming quarters and, simultaneously, a commercial payment of USD 150 million from China expected for Q1' 2024 was delayed to April 2, 2024. The company is implementing strategic and tactical levers to enhance its financial position and liquidity, which is expected to improve throughout 2024.

Net financial debt, as per the Credit Facility, stood at EUR 9,811 million. This amount does not include the impact of the financial obligations related to the leasing of primarily plasma centers (IFRS 16). The related impact is EUR 1,137 million, as of March 31, 2024. Therefore, net financial debt as per Balance Sheet reached EUR 10,948 million.

As of March 31, 2024, Grifols had a **liquidity position** of EUR 713 million, with a **cash position** of EUR 449 million.

The company is focused on **debt management** and addressing its 2025 maturities, evidenced in the closing of the EUR 1 billion private placement in April and the progress made on the **SRAAS transaction**, which is to close in June 2024. The transaction will raise EUR 1.6 billion through the disposal of a 20% stake in SRAAS.

FY24 Guidance

REVENUE (at cc; incl. Biotest)	
Total revenue growth	7%+
Biopharma revenue growth	8-10%
EBITDA adjusted (excl. EUR 50m SRAAS 2023 contribution; incl. Biotest)	
EBITDA adjusted	EUR 1,800m+
EBITDA adjusted margin	25-26%

Alternative Performance Measures (APMs)

This document contains the following Alternative Performance Measures (APMs): Consolidated EBITDA Reported, Consolidated EBITDA Adjusted, Leverage Ratio as per the Credit Facility, Net Debt as per the Credit Facility, Free Cash Flow, Working Capital, and non-recurring items. For further details on the definition, explanation on the use, and reconciliation of APMs, please see the Appendix of the Presentation as well as the "Alternative Performance Measures" document from our website www.grifols.com/en/investors.

CONFERENCE CALL

Grifols will host a conference call today, Tuesday, May 14, 2024, at 6:30 pm CET / 12:30 pm EST to provide a Business Update and its First Quarter 2024 Financial Results. To view and listen to the webcast and view the presentation, click on [Business Update & Q1 2024 Results](#) or visit the website www.grifols.com/en/investors. Participants are advised to register in advance of the conference call.

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The transcript and webcast replay of the call will be available on the web site at www.grifols.com/en/investors within 24 hours after the end of the live conference call.

INVESTORS:

Grifols Investors Relations & Sustainability

inversores@grifols.com - investors@grifols.com

sostenibilidad@grifols.com - sustainability@grifols.com

Tel. +34 93 571 02 21

MEDIA CONTACTS:

Grifols Press Office media@grifols.com / Tel. +34 93 571 00 02
Spain Duomo Comunicación Tel.: +34 91 311 92 89 – +34 91 311 92 90 Raquel Lumbreras (M. +34 659 572 185) Raquel_lumbreras@duomocomunicacion.com Borja Gómez (M. +34 650 402 225) Borja_gomez@duomocomunicacion.com

About Grifols

Grifols is a global healthcare company founded in Barcelona in 1909 committed to improving the health and well-being of people around the world. A leader in essential plasma-derived medicines and transfusion medicine, the company develops, produces, and provides innovative healthcare services and solutions in more than 110 countries.

Patient needs and Grifols' ever-growing knowledge of many chronic, rare and prevalent conditions, at times life-threatening, drive the company's innovation in both plasma and other biopharmaceuticals to enhance quality of life. Grifols is focused on treating conditions across a broad range of therapeutic areas: immunology, hepatology and intensive care, pulmonology, hematology, neurology, and infectious diseases.

A pioneer in the plasma industry, Grifols continues to grow its network of donation centers, the world's largest with over 390 across North America, Europe, Africa and the Middle East, and China.

As a recognized leader in transfusion medicine, Grifols offers a comprehensive portfolio of solutions designed to enhance safety from donation to transfusion, in addition to clinical diagnostic technologies. It provides high-quality biological supplies for life-science research, clinical trials, and for manufacturing pharmaceutical and diagnostic products. The company also supplies tools, information and services that enable hospitals, pharmacies and healthcare professionals to efficiently deliver expert medical care.

Grifols, with more than 23,000 employees in more than 30 countries and regions, is committed to a sustainable business model that sets the standard for continuous innovation, quality, safety, and ethical leadership.

In 2023, Grifols' economic impact in its core countries of operation was EUR 9.6 billion. The company also generated 193,000 jobs, including indirect and induced.

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

