
Hologic to Divest Blood Screening Business to Partner Grifols for \$1.85 Billion



GRIFOLS

- Transaction Strengthens Hologic's Efforts to Build a Sustainable Growth Company - - Deal Accelerates Company's Top- and Bottom-Line Growth Rates, Increases Financial Flexibility -

Hologic, Inc. has entered into a definitive agreement to sell its share of its blood screening business to long-time commercial partner, Grifols (MCE: GRF, MCE: GRF.P and NASDAQ: GRFS), for gross proceeds of \$1.85 billion in cash. The transaction has been approved by the boards of directors of both companies.

"Divesting our share of our blood screening business to Grifols will strengthen our efforts to build a sustainable growth company by accelerating top- and bottom-line growth rates, while significantly increasing financial flexibility," said Steve MacMillan, the Company's Chairman, President and Chief Executive Officer. "We are immensely proud of the contributions we have made to global blood safety over nearly 20 years. But at the same time, we believe that the business and our blood screening employees are best positioned to succeed under a single owner, and that this sale to Grifols provides excellent value for Hologic and our shareholders."

Hologic and Grifols are the global leader in molecular blood screening, and have collaborated since 1998 through their respective predecessor companies. In the collaboration, Hologic is primarily responsible for research and development and manufacturing of the Procleix blood screening products, while Grifols is responsible for commercialization worldwide. The companies share revenue from the products, which are molecular assays and instruments that are used by blood banks around the world to screen donated blood, prior to transfusion, for viruses including HIV, hepatitis C and B, West Nile and Zika.

Under the agreement, Grifols will receive a fully paid-up license to certain of Hologic's intellectual property for use in the blood screening field. Approximately 175 people, mainly in operations and research and development, will transfer to Grifols, along with Hologic's blood screening manufacturing facility in Rancho Bernardo, California. Hologic will retain the engineering expertise that led to the development of the fully automated TIGRIS® and Panther® systems, but will partner with Grifols to ensure that blood screening customers continue to benefit from state-of-the-art instrumentation over the long term.

For all of Hologic's fiscal 2017, the Company's share of the blood screening business was forecast to contribute approximately \$240 million of revenue, GAAP diluted earnings per share (EPS) of \$0.19, and non-GAAP diluted EPS of \$0.34. Hologic expects to update its financial guidance for fiscal 2017 after the transaction closes. A reconciliation of GAAP to non-GAAP EPS is shown under "Non-GAAP Financial Measures" later in this press release.

The transaction is expected to close in the first quarter of calendar 2017, subject to customary conditions such as the expiration or termination of any applicable waiting periods under antitrust laws.

Morgan Stanley & Co. LLC is serving as financial adviser to Hologic, while Gibson, Dunn & Crutcher LLP is serving as legal adviser.

Conference Call and Webcast

Hologic's management will host a conference call at 4:30 p.m. ET today to discuss this transaction. Approximately 10 minutes before the call, dial 877-795-3610 (U.S. and Canada) or 719-325-4776 (international) and enter access code 3837366. A replay will be available starting two hours after the call ends through January 13, 2017 at 888-203-1112 (U.S. and Canada) or 719-457-0820 (international), access code 3837366, pin 9876. The Company will also provide a live webcast of the call at <http://investors.hologic.com>.

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