



2019 half-year results

- **Activity growth**
 - › Reported revenue of €400.6 million, up 2.8%, in line with the annual objectives
 - › Revenue of €396.5 million at constant exchange rates, up 1.8%

- **Results in line with GEAR 2023**
 - › €61.6 million EBITDA, including significant expenditures to prepare for the future
 - › Net income of €19.0 million

- **2019 objectives confirmed**
 - › Moderate sales growth
 - › Improved inventory levels

Villepinte, 26 September 2019 – Guerbet (FR0000032526), a global specialist in contrast agents and solutions for medical imaging, announced its consolidated results for the first half of 2019.

Revenue growth across all areas of activity

The Group generated €400.6 million in revenue in the first half, up 2.8%. This figure incorporates a favorable exchange effect of €4.1 million. At constant exchange rates ⁽¹⁾, sales total €396.5 million, up 1.8%.

Diagnostic Imaging revenue grew 2.2% to €351.9 million at constant exchange rates. At current exchange rates, revenue totaled €354.6 million at 30 June.

- MRI activity increased 1.8% at constant exchange rates (to €135.9 million) despite Dotarem[®] generics and the withdrawal of Optimark[®], now nearly completed;
- CT & Cath Lab revenue grew 2.5% at constant exchange rates (to €216 million) ⁽¹⁾ due to good sales of Optiray[®] ⁽²⁾.

Interventional Imaging, the Group's growth driver, saw 15.9% revenue growth (€33.8 million at

Press release

constant exchange rates).

A half-year marked by significant expenditures for organic growth

IFRS 16 on the recognition of leases for consolidated financial statements entered into force on 1 January 2019. Guerbet decided to apply this standard on a simplified retrospective basis, which does not provide for restatement of the previous financial year. For comparison purposes, the 2019 figures are presented after application of IFRS 16 and before application of IFRS 16 to make them comparable with the 2018 figures.

	H1 2018 Published	H1 2019 Published (With IFRS 16)	H1 2019 Comparable (Without IFRS 16)
Revenue	389.6	400.6	400.6
EBITDA ⁽³⁾	59.6	61.6	57.1
<i>% of revenue</i>	<i>15.3%</i>	<i>15.4%</i>	<i>14.3%</i>
Operating income	36.6	22.3	22.2
<i>% of revenue</i>	<i>9.4%</i>	<i>5.6%</i>	<i>5.5%</i>
Net income	22.4	19.0	19.2
<i>% of revenue</i>	<i>5.8%</i>	<i>4.8%</i>	<i>4.8%</i>
Net Debt	308.7	358.1	339.9

The financial statements for the first half of 2019, approved by the Board of Directors on 25 September 2019, underwent a limited review by the statutory auditors. The statutory auditors' report is currently being drawn up.

EBITDA totals €61.6 million, up 3.3%. It incorporates additional charges related to the transition to direct distribution in Japan, the enhancement of resources required for the development of the interventional imaging activity, and the increase in costs associated with gadopicles phase III. It also includes €4.5 million for the elimination of rents following the implementation of IFRS 16.

EBITDA also benefited from the increase in activity and strict cost control resulting from the implementation of the Cost to Win plan. This plan to reduce SG&A expenditures is expected to start delivering its full potential in 2021.

At 30 June 2019, operating income totaled €22.3 million. This includes an increase in amortization related, among others, to Accurate.

Net income was €19.0 million versus €22.4 million as of 30 June 2018.

Press release

Sound financial structure and refinancing of the Group's debt

Following the application of IFRS 16, the Group booked greater non-current assets by including the rights to use leased real estate assets for a net amount of €18 million, resulting in greater financial debt. As of 30 June 2019, shareholders' equity stood at €367.9 million, net debt including IFRS 16 amounted to €358.1 million, and cash totaled €75.9 million. With a cash flow of €62.3 million during the half-year period, the Group has the necessary resources for its development.

As a reminder, Guerbet signed a five-year €500 million credit agreement on 13 February 2019 to refinance its existing debt. As of the end of June, the net debt/EBITDA ratio was 3.14 without IFRS 16.

2019 outlook

Guerbet should benefit from moderate sales growth in the second half of 2019, in particular thanks to Optiray's growth, Dotarem's resilience, an improved consumables dynamic for injecting contrast media, the increase in Lipiodol® and the progressive uptake in sales of Accurate's microcatheters.

Moreover, Guerbet anticipates the start of sensitive and sustainable improvements in its inventory levels following the launch of industrial transfers.

(1) At constant exchange rates: amounts and rates of growth are calculated by cancelling out the exchange rate effect, which is defined as the difference between the indicator's value for period N, converted at the exchange rate for period N-1, and the indicator's value for period N-1.

(2) This figure includes digital services solutions, technical services, and other Diagnostic Imaging services for €5 million.

(3) EBITDA refers to operating income with the net allowance for amortization, depreciation, and provisions added back in.

Upcoming events:

Publication of 3rd quarter 2019 revenue
24 October 2019 after trading

Press release

About Guerbet

Guerbet is a pioneer in the contrast-agent field, with more than 90 years' experience, and is a leader in medical imaging worldwide. It offers a comprehensive range of pharmaceutical products, medical devices, and services for diagnostic and interventional imaging to improve the diagnosis and treatment of patients. With 8% of revenue dedicated to R&D and more than 200 employees distributed across its four centers in France, Israel, and the United States, Guerbet is a substantial investor in research and innovation. Guerbet (GBT) is listed on Euronext Paris (segment B – mid caps) and generated €790 million in revenue in 2018. For more information about Guerbet, please visit www.guerbet.com

Forward-looking statements

Certain information contained in this press release does not reflect historical data but constitutes forward-looking statements. These forward-looking statements are based on estimates, forecasts, and assumptions, including but not limited to assumptions about the current and future strategy of the Group and the economic environment in which the Group operates. They involve known and unknown risks, uncertainties, and other factors that may result in a significant difference between the Group's actual performance and results and those presented explicitly or implicitly by these forward-looking statements.

These forward-looking statements are valid only as of the date of this press release, and the Group expressly disclaims any obligation or commitment to publish an update or revision of the forward-looking statements contained in this press release to reflect changes in their underlying assumptions, events, conditions, or circumstances. The forward-looking statements contained in this press release are for illustrative purposes only. Forward-looking statements and information are not guarantees of future performance and are subject to risks and uncertainties that are difficult to predict and are generally beyond the Group's control. These risks and uncertainties include but are not limited to the uncertainties inherent in research and development, future clinical data and analyses (including after a marketing authorization is granted), decisions by regulatory authorities (such as the US Food and Drug Administration or the European Medicines Agency) regarding whether and when to approve any application for a drug, process, or biological product filed for any such product candidates, as well as their decisions regarding labelling and other factors that may affect the availability or commercial potential of such product candidates. A detailed description of the risks and uncertainties related to the Group's businesses can be found in Chapter 4.4 "Risk Factors" of the Group's Registration Document filed with the French Financial Markets Authority (AMF) under number D.19-0363 on 18 April 2019, available on the Group's website (www.guerbet.com).

For more information about Guerbet, please visit www.guerbet.com

Contacts

Guerbet

Jérôme Estampes
Chief Financial Officer
+33 (0)1 45 91 50 00

Actifin

Financial Communications
Benjamin Lehari
+33 (0)1 56 88 11 25
blehari@actifin.fr

Press
Jennifer Jullia
+33 (0)1 56 88 11 19
jjullia@actifin.fr