

## STRONG EARNINGS GROWTH FOR THE FIRST HALF OF 2019

**EBITDA up +69% to +€4.1m and EBIT up +92% to +€2.3m**  
**Temporary increase in working capital requirements**  
**Growth targets confirmed**

Paris, October 15, 2019 – 8am

Eurobio Scientific (FR0013240934, ALERS), a leading French *in vitro* medical diagnostics and life sciences group, is today reporting its half-year earnings at June 30, 2019.

### Results confirming healthy and profitable growth

€'000	June 30, 2019	June 30, 2018	Change
Sales of <i>in vitro</i> diagnostic products	29,440	24,989	+17.8%
Other income and subsidies	185	55	
<b>Total operating income</b>	<b>29,625</b>	<b>25,044</b>	<b>+18.3%</b>
Purchase cost of goods	(18,256)	(15,920)	+14.7%
<b>Gross margin</b>	<b>11,369</b>	<b>9,124</b>	<b>+24.6%</b>
Research and development costs	(568)	(368)	+54.3%
Sales and marketing costs	(5,704)	(4,775)	+19.5%
Overheads and administrative costs	(2,781)	(2,774)	+0.3%
<b>EBIT</b>	<b>2,316</b>	<b>1,208</b>	<b>+91.6%</b>
<b>EBITDA</b>	<b>4,082</b>	<b>2,415</b>	<b>+69.0%</b>
Financial income and expenses	(159)	(521)	
Non-recurring income and expenses	(19)	(388)	
Goodwill amortization	(1,419)	(1,370)	
Tax	(369)	175	
<b>Net income</b>	<b>351</b>	<b>(896)</b>	
<b>Net income excl. goodwill amortization</b>	<b>1,770</b>	<b>474</b>	<b>+273%</b>
<b>Cash (including marketable securities)</b>	<b>8,026</b>	<b>6,848</b>	

Driven by strong growth trends, Eurobio Scientific is reporting a significant increase in half-year earnings, enabling the Group to confirm the relevance of its strategy and its solid business model.

Eurobio Scientific has successfully improved its gross margin rate (38.4% versus 36.4% last year), thanks in particular to the increase in sales of proprietary products and a favorable currency effect linked to forward dollar purchases. Alongside this, the Group has effectively managed the increase in its costs, required for its business to take a further step forward.

Thanks to its strong sales growth of 18%, significantly outpacing the *in vitro* diagnostic market, the Group recorded €4.1m of EBITDA over the first half of the year, compared with €2.4m one year ago, and €2.3m of EBIT (versus €1.2m).

R&D spending increased slightly during the first half of the year to support the development of new proprietary products: for the full year, R&D costs are expected to remain at around €1m.

Financial expenses represent €0.16m, compared with €0.5m for H1 2018: the cost of debt is stable at around €0.4m, but Eurobio Scientific recorded €0.24m of foreign exchange gains, compared with €0.16m of exchange losses last year.

Non-recurring expenses are negligible for the first half of 2019, with the last costs linked to the Group's restructuring recorded the previous year.

After factoring in €1.4m of goodwill amortization, which is stable, and a tax expense reduced by using losses carried forward previously, net income came to +€0.35m at June 30, 2019, compared with -€0.9m last year, highlighting the significant improvement in Eurobio Scientific's accounts. Excluding goodwill amortization, net income is positive, with €1.8m.

The Group's balance sheet position at June 30, 2019 shows €8.0m of cash (including marketable securities) and €17.5m of financial debt, i.e. €9.5m of net financial debt, compared with €9.0m at December 31, 2018. The strong level of cash flow from operations linked to earnings was offset by a non-recurring increase in working capital requirements due to several factors, including changes to standards for electronic payment orders (*télé règlement*) for public sector clients. These major reforms have had negative impacts on trade receivables, which have now been partly recovered. Shareholders' equity represents €31.5m, compared with €28.2m at December 31, 2018.

## Profitable growth to continue over the full year in 2019

*"Our results for the first half of this year confirm the profitability of our business model and highlight the results of the transformation of our organization, which is now ready to take on board strong levels of growth. With less buoyant seasonality trends in the second half of the year, growth is expected to remain solid and profitable for the full year in 2019. The good results achieved confirm that we are on track to meet our global revenue growth target of 25% between 2017 and 2020",* concludes Jean-Michel Carle, Chairman and CEO of Eurobio Scientific.

## Next financial date

2019 revenues: January 27, 2020

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### About Eurobio Scientific

Eurobio Scientific (ex Diaxonhit) is a key player in the field of specialty in vitro diagnostics. It is involved from research to manufacturing and commercialization of diagnostic tests in the fields of transplantation, immunology and infectious diseases, and sells instruments and products for research laboratories, including biotechnology and pharmaceutical companies. Through many partnerships and a strong presence in hospitals, Eurobio Scientific has established its own distribution network and a portfolio of proprietary products in the molecular biology field. The Group has approximately 120 employees and three production units based in the Paris region, in the United States and in the UK.

For more information, please visit: [www.eurobio-scientific.com](http://www.eurobio-scientific.com)

The company is publicly listed on the Euronext Growth market in Paris

Euronext Growth BPI Innovation / Enternext PEA PME 150 / Euronext Tech Croissance.indices.

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