



2020 half-year results

- Revenue affected by the COVID crisis
 - › -9.2% at current exchange rates at €363.7 million
 - › -8.4% at constant exchange rates (CER)¹ at €367.1 million

- Satisfactory results in the midst of COVID
 - › Strict management of operating costs
 - › EBITDA margin rate of 14.7% of revenue
 - › Operating income of €25.4 million
 - › Net income of €8.2 million

- Improvement of the already very solid financial structure
 - › Sharp improvement in WCR
 - › Cash flow generation increase
 - › Net debt decrease

- Continued transformation of the Group
 - › Development strategy roadmap maintained: diagnostic imaging, interventional imaging, digital solutions, and artificial intelligence
 - › Reinforcement of the Executive Committee

- 2020 objectives: EBITDA margin around 14%
 - › Second-half revenue comparable with the first half, leading to a decrease of approximately 10% over the year at CER
 - › Long-term reduction of structural costs, improving operational leverage
 - › Acceleration of the transformation

Press release

Villepinte, September 23, 2020 – Guerbet (FR0000032526), a global specialist in contrast agents and solutions for medical imaging, announced its consolidated results for the first half of 2020.

On the occasion of this publication, David Hale, Chief Executive Officer of Guerbet, stated: *“ Together we’ve shown agility and exemplary resilience during this unusual period. In that respect, I’d like to give warm thanks to all our staff. We’ve also implemented strict budgetary discipline to return to our path to sustainable development. During this period, we continued the roadmap on our promising projects: continued R&D, digitization, and an active search for acquisitions in Interventional Imaging. With a portfolio of quality products in growing markets, a reinforced Executive Committee, and a solid financial structure, all the pieces are there to speed up our profitable growth once business will be back to normal”.*

Europe and the Americas impacted by the health crisis, good sales in Asia

The health crisis had a major impact on the first half of the year. Since the crisis began, Guerbet has taken swift action to ensure employee safety and business continuity. All of the Group’s production plants and logistics centers around the world continued to operate.

The postponement of non-essential radiological examinations and procedures by radiologists, combined with spontaneous cancellations by certain patients and the increase in longer disinfection and protection measures due to SARS-Cov-2, impacted activity, especially MRI but also CT/Cath Lab.

The development of artificial intelligence solutions and digital solutions continued without any impact on project progress or on their actual market release date. Regarding Gadopichlenol, the recruitment of phase IIIb patients was logically slowed down during the lockdown, delaying the process in progress accordingly. The market release is still planned for the first part of 2023.

Revenue was €363.7 million at June 30, down 9.2% compared with the first half of 2019, including an unfavorable forex impact of €3.4 million (€367.1 at constant exchange rates). This decrease at constant exchange rates was driven by sales drop of 21.2% in Europe and 13.6% in the Americas. In Asia, the implementation of Go-Direct in Japan and good sales in China led to 9% increase.

Diagnostic Imaging revenue was €308.4 million, compared with €354.6 million in the first half of 2019, down 13.0% (-11.9% at CER). The main reason was the impact of the health crisis following the lockdown in most countries.

- **MRI** sales decreased 18.7% (identical at constant exchange rates) to €110.9 million;
- **CT/Cath Lab** revenue was down 9.7% at €196.0 million with reduced volumes across all products in the range except for Xenetix® used in some countries for the diagnostic of the most serious Covid cases (At CER, revenue for the half-year period was €199.9 million, down -7.9%).

Interventional Imaging continued to be driven by Lipiodol® sales. Its revenue totaled €36 million, up 3.1% (+1.9% at CER) from €34.9 million in the same period last year.

Press release

Satisfactory results under unprecedented health conditions

	H1 2019	H1 2020
Revenue	400.6	363.7
EBITDA ⁽²⁾	61.6	53.3
<i>% of revenue</i>	<i>15.4%</i>	<i>14.7%</i>
Operating income	22.3	25.4
<i>% of revenue</i>	<i>5.6%</i>	<i>7.0%</i>
Net income	19.0	8.2
<i>% of revenue</i>	<i>4.8%</i>	<i>2.3%</i>
Net Debt	358.1	269.3

The financial statements for the first half of 2020, approved by the Board of Directors on 23 September 2020, underwent a limited review by the statutory auditors. The statutory auditors' report is currently being drawn up.

EBITDA stood at €53.3 million compared with €61.6 million in the first half of 2019. However, it represents 14.7% of revenue for the period, which was a satisfactory performance for the Group given the significant drop in activity.

The EBITDA margin rate was maintained thanks to strict budgetary discipline. It concerned sales and marketing costs and the acceleration of the "Cost to Win" plan. The total reduction of expenditures over the first half of the year was around €20 million.

As of June 30, 2020, operating income totaled €25.4 million and represented 7.0% of revenue. Net income was €8.2 million compared with €19.0 million at June 30, 2019. This decrease between the two periods is primarily explained by significant favorable forex gains in 2019 as well as the write-down of the Canadian subsidiary's assets in June 2020 for €5.7 million in anticipation of the sale of the Montreal production plant on July 15, 2020, associated with the agreed sale price.

Sound financial structure

As of June 30, 2020, shareholders' equity amounted to €374.9 million compared with €367.9 million for the same period last year. The Group has reduced its debt dramatically. At the end of June, the net debt/EBITDA ratio was 2.61 compared with 3.06 at June 30, 2019. This improvement brought net debt to €269.3 million at June 30, 2020, compared with €358.1 million at the end of the first half of 2019.

Press release

Stronger governance

To accelerate its transformation and achieve its strategic ambitions, the Group recently announced the reinforcement of its Executive Committee with four new functions dedicated to Diagnostic Imaging and Interventional Imaging franchises and its Asia-Pacific, Americas, and EMEA regions.

2020 outlook

The future of the health situation remains uncertain, and the gradual upturn in activity is still inconsistent. July benefited from a restocking effect, but activity fell in August.

In the coming months, the Group's activity is expected to be affected by the initial sales of the generic of Dotarem[®] in the United States. The Group believes that the change in Dotarem[®] volumes and prices should be comparable with Europe, where the generic has already been available for more than two years. Moreover, Guerbet should continue to benefit from the good performance of Lipiodol[®] and the strength of Xenetix[®] and Optiray[®].

Given the impact of the generic and against the backdrop of a stabilized health crisis with normal operation of the healthcare system, the Group expects second-half revenue to be largely comparable with the first-half revenue, down 12% compared with 2019 at constant exchange rates. On this basis, the Group expects EBITDA for the 2020 financial year to be around 14% of revenue.

Lastly, the Group is confident that it can lower its level of structural costs for the long term with expectations of a very favorable impact on profitability once business is back to normal.

(1) At constant exchange rates: amounts and rates of growth are calculated by canceling 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) EBITDA refers to operating income with the net allowance for amortization, depreciation, and provisions added back in.

Upcoming events:

Publication of revenue at September 30, 2020
October 22, 2020, after trading

Press release

About Guerbet

Guerbet is a leader in medical imaging worldwide, offering a comprehensive range of pharmaceutical products, medical devices, and digital and AI solutions for diagnostic and interventional imaging to improve patient diagnosis and treatment. A pioneer in contrast media for more than 90 years, with more than 2,800 employees worldwide, Guerbet continuously innovates and devotes 9% of its sales to research and development in four centers in France, Israel, and the United States. Guerbet (GBT) is listed on Euronext Paris (segment B – mid caps) and generated €817 million in revenue in 2019. 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 labeling 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 4.8 "Management of Risk Factors" of the Group's Universal Registration Document filed with the French Financial Markets Authority (AMF) under number D-20-0369 on April 28, 2020, available on the Group's website (www.guerbet.com).

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

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