



2021 half-year results

- **Strong sales pickup across all activities**
 - > H1 sales: €363.1 million (+9.6%¹) with a sharp increase in Q2

- **Solid financial structure**
 - > H1 EBITDA margin²: 17.1% at €62.3 million (versus 14.7% in H1 2020 at €53.3 million)
 - > Strong net income growth at €23.4 million (6.4% of revenue) versus €8.2 million (2.3% of revenue) in H1 2020.
 - > Net debt decrease at €249.3 million

- **2021 objectives: Confirmation of guidance**
 - > 2021 EBITDA margin of at least 14.1% of annual revenue

- **Acquisition of pharmaceutical license for direct distribution in China in 2022 of all pharmaceutical products registered in the territory**

Villepinte, September 22, 2021 – Guerbet (FR0000032526), a global specialist in contrast agents and solutions for medical imaging, is announcing its consolidated results for the first half of 2021.

Excluding forex effects and on a like-for-like basis³, H1 sales increased by 9.6% from June 30, 2020. It benefited from the return to growth across all Group products with Q2 sales up 25.1% excluding forex effects and on a like-for-like basis. This quarterly performance is very close to the Group's activity levels prior to the health crisis.

¹ On a like-for-like basis and at constant exchange rates

² EBITDA: Operating income + net amortization, depreciation, and provisions.

³ Like-for-like basis: sales by the Montreal plant, sold on July 16, 2020, were excluded from H1 2020 sales. During the period, sales totaled €16.6 million and were made in the Americas.

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Reported H1 revenue amounts to €363.1 million, stable compared with June 30, 2020 (€363.7 million) and including an unfavorable forex effect of €17.2 million.

Robust growth momentum across all geographic regions and product segment

- Growth is back in most **EMEA** countries with significant volume effects along with a slight drop in prices.
- In the **Americas**, like-for-like sales (excluding the contribution of the Montreal plant in Canada sold on July 16, 2020) were up 3.7%. On a like-for-like basis and excluding the €11.0 million unfavorable forex effect, mainly attributable to the Brazilian real and the US dollar, sales were up 14.3% over the first half of the year.
- In **Asia**, sales were up 3.5% at constant exchange rates with very strong momentum in Japan and China.

H1 sales in **Diagnostic Imaging** were up 8.2% at constant exchange rates.

- H1 revenue in **MRI** amounted to €118.4 million (+6.8%, or +11.7% at constant exchange rates). It benefited from the excellent sales of Dotarem[®] with a sharp increase in volumes sold during Q2 2021 (+39.0% compared with Q2 2020).
- **X-ray** revenue at constant exchange rates increased by 6.2%, supported especially by the good performance of Optiray[®] during Q2 2021.

The good sales figures in **Interventional Imaging** continued to be driven by Lipiodol[®], which benefits from an increasingly important influence because of its properties and its reinforced geographical establishment.

Excellent half-year results

In millions of euros Consolidated financial statements (IFRS)	H1 2019 Reported	H1 2020 Reported	H1 2021 Reported
Revenue	400.6	363.7	363.1
EBITDA ⁽³⁾	61.6	53.3	62.3
<i>% of revenue</i>	<i>15.4%</i>	<i>14.7%</i>	<i>17.1%</i>
Operating income	22.3	25.4	34.8
<i>% of revenue</i>	<i>5.6%</i>	<i>7.0%</i>	<i>9.6%</i>
Net income	19.0	8.2	23.4
<i>% of revenue</i>	<i>4.8%</i>	<i>2.3%</i>	<i>6.4%</i>
Net debt	358.1	269.3	249.3

The 2021 half-year financial statements, approved by the Board of Directors on September 22, 2021, underwent a limited review by the statutory auditors. The statutory auditors' report is being prepared.

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EBITDA margin: 17.1% of H1 revenue

During the first half, the Group maintained the budgetary discipline implemented at the height of the COVID crisis, allowing to maintain the savings generated over the 2020 fiscal year. Efforts related to production and fixed costs optimization. SG&A costs during H1 2021 were in line with H1 2020, but down €15 million compared with H1 2019. This budgetary discipline has allowed the Group's EBITDA to be at €62.3 million versus €53.3 million at June 30, 2020. The EBITDA/Sales ratio was 17.1%, compared with 14.7% in 2020 and 15.4% in 2019.

Thanks to this good performance, the operating result was €34.8 million at June 30, 2021, compared with €25.4 million for the same period in 2020. This represents 9.6% of the Group's H1 sales versus 7.0% at June 30, 2020.

H1 net income totaled €23.4 million, compared to €8.2 million at June 30, 2020. This increase is also explained by forex losses in 2020 not repeated in 2021.

Very sound financial structure

At June 30, 2021, equity totaled €387 million, compared to €364 million at December 31, 2020. The Group continued to reduce its financial debt by more than €7 million over the first six months of the fiscal year. This continued positive trend brought net debt down to €249.3 million at June 30, 2021. The net debt/EBITDA ratio was 2.27, compared with 2.55 at December 31, 2020.

With its strong financial situation, the Group has the necessary resources for successful implementation of its ambitious development strategy underpinned by its geographical expansion, the launch of new products with high added value, and the targeted acquisition of companies in high-potential markets.

Outlook for 2021: renewed sales and marketing efforts to support future growth

Sales and marketing investments intended to boost activity and accelerate the implementation of the strategy will have a direct impact on profitability at the end of the fiscal year.

- Go-Direct in China in 2022

Following its territorial expansion strategy, the Guerbet group intends to go direct in one of the world's leading diagnostic imaging markets: the rapidly growing Chinese market.

As a first step, the Group obtained a license for medical devices in this market in 2020. The Group also recently obtained a pharmaceutical license to distribute any pharmaceutical product registered in Chinese territory. This will be followed by the direct go-to-market of Guerbet-branded products in Chinese territory starting in 2022. At this stage, certain costs will be incurred during the second half of the year. The recruitment of sales teams is also expected to be finalized in the coming months. This initiative will allow the Group to strengthen its penetration of a market with annual growth of 9% and to double its sales over three to four years. As a reminder, the Group decided in 2018 to switch to a direct-distribution organization in Japan. This successful initiative enabled the Group to double its revenue in this market in three years.

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- **Preparation for the launch of new Artificial Intelligence and Interventional Imaging products**

As announced, the Group is preparing to launch its artificial intelligence software to support liver cancer diagnosis resulting from a joint development with IBM Watson Health initiated in July 2018. This artificial intelligence software solution is expected to be launched in the first half of 2022. The Group will recruit sales teams and incur marketing costs during the second half of 2021 in preparation for the launch.

In Interventional Imaging, Accurate Medical Therapeutics is expected to launch new ranges and sizes of micro-catheters as well as Micro-guidewire in the coming months.

Confirmation of 2021 guidance

Despite a still unstable health situation in significant part of the world, the Group remains confident that it will find its way back to growth in 2021. As previously announced, the Group expects the increase in sales of the generic form of Dotarem® in the United States to continue to have an impact on its activity. It believes that this impact will be limited with movements in Dotarem® volumes and prices expected to be comparable with Europe, where the generic form has already been available for more than three years.

For 2021, the Group anticipates moderate growth in its reported sales but an increase of 6 to 8% on a like-for-like basis and constant exchange rate. This increase in activity should allow an EBITDA/revenue ratio of at least 14.1%. In the medium term, the Group expects the EBITDA/revenue ratio to improve gradually, enabling it to create strong, sustainable growth.

Upcoming events:

Publication of Q3 2021 revenue
Thursday, October 21, 2021, after trading

About Guerbet

At Guerbet, we build lasting relationships so that we enable people to live better. That is our purpose. We are 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. A pioneer in contrast media for 95 years, with more than 2,600 employees worldwide, we continuously innovate and devote 10% of our 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 €712 million in revenue in 2020. For more information, 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.

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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 activities can be found in Chapter 4.9 "Risk factors" of the Group's Universal Registration Document filed with the AMF (French financial markets authority) under number D-21-0360 on April 27, 2021, available on the Group's website (www.guerbet.com).

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

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