

## 2022 annual results

### Activity

- Annual revenue: €753.3 million, up 2.9% (-1.1% at CER<sup>1</sup>)
- Steady momentum in Asia and for Interventional Imaging; negative impact of production delays at the Raleigh site

### Profitability in line with expectations

- The restated EBITDA margin<sup>2</sup> is 13.8%, at the top of the range of 13% to 14% announced last October

### 2023 outlook

- Revenue: expected growth above 5% on a like-for-like basis and at CER<sup>1</sup>
- Restated EBITDA margin<sup>3</sup> expected around 11% before returning in 2024 to a level higher than in 2021 (14.4%)

**Villepinte, March 22, 2023:** Guerbet (FR0000032526 GBT), a global specialist in contrast agents and solutions for medical imaging, has published its consolidated financial statements for the 2022 fiscal year. Revenue for the year was €753.3 million, up 2.9% from 2021, including a favorable forex effect of €29.3 million, almost half of which (€14.2 million) was due to the appreciation of the dollar. At constant exchange rates (CER<sup>1</sup>), the Group's activity was down 1.1% over the past year.

This change in revenue was the result of:

- The one-off decrease in production rates at the Raleigh (North Carolina, USA) plants due to recruitment difficulties in the first half of the year and the time necessary to train new hires,
- Adaptation of the production lines to prioritize manufacturing of Elucirem<sup>TM</sup>, which received its market authorization from the FDA on September 21, authorization obtained via the "fast track" process. This strategic decision mainly affected the production of Optiray<sup>®</sup> and pre-filled syringes references and related sales in many markets worldwide.

<sup>1</sup> Constant exchange rates (CER): the exchange rate impact was eliminated by recalculating sales for the period on the basis of the exchange rates used for the previous fiscal year.

<sup>2</sup> Excluding extraordinary costs relating to optimization of the operational structure and changes in the sales model in China and excluding compensation received in connection with the termination of the contract with Merative.

<sup>3</sup> Excluding extraordinary costs relating to optimization of the operational structure and changes in the sales model.

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In the **Americas** in particular, the decrease in annual revenue (-7.5% at CER) was entirely due to the contraction in volumes attributable to production delays in Raleigh.

In the **EMEA** region, activity was down -1.9% at CER last year in connection with the regulatory price reductions in France and the shutdown of the commercial activity in Turkey in November 2022.

In **Asia**, the very strong growth (+8.5% at CER) was driven by the acceleration of sales in China (+45.6%), a market that fully benefited from the direct distribution model rolled out starting in the second quarter.

By activity, the change in annual revenue in **Diagnostic Imaging** (-2.2% at CER) resulted from:

- For **MRI**, an increase in sales (+1.7% at CER) due to higher volumes and against a backdrop of negligible price erosion, despite the arrival of generic Dotarem® in the United States.
- For **X-ray**, an annual decline (-4.4% at CER) due to lower volumes of Optiray®, while sales of Xenetix® remained strong throughout the year.

In **Interventional Imaging**, the momentum also remained very positive in 2022 (+8.1% at CER) thanks to Lipiodol® sales, which accelerated steadily from the second quarter.

In millions of euros Consolidated financial statements (IFRS)	2021 Reported	2022 Reported
<b>Revenue</b>	<b>732.1</b>	<b>753.3</b>
<b>EBITDA *</b>	<b>105.1</b>	<b>103.1</b>
<i>% of revenue</i>	14.4%	13.7%
<b>Operating income</b>	<b>38.7</b>	<b>(18.2)</b>
<i>% of revenue</i>	5.3%	NS
<b>Net income</b>	<b>32.6</b>	<b>(41.1)</b>
<i>% of revenue</i>	4.5%	NS
<b>Net debt</b>	<b>217.8</b>	<b>270.4</b>

\* EBITDA = Operating income + net amortization, depreciation and provisions.

Note: The audit procedures on the consolidated financial statements have been completed. The certification report is being issued.

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## Good EBITDA margin performance in the face of inflation

In 2022, Guerbet managed to preserve its operational profitability by demonstrating great financial discipline to compensate for the impact of high inflation on certain costs. These efforts to control costs, reflected in particular in a contained rise in staff costs (+3.4%) despite wage tensions in the United States, limited the decline in the EBITDA margin. Its reported rate was 13.7% of revenue in 2022, compared with 14.4% in the previous year. In line with the 13% to 14% range announced last October, the restated EBITDA margin rate was 13.8%. This aggregation excludes extraordinary costs relating to the optimization of the operational structure and changes in the sales model in China as well as compensation (€4 million) received in connection with the termination of the contract with Merative (formerly IBM Watson) last November.

## Significant asset impairments in connection with new strategic priorities

As of December 31, 2022, the Group's operating result was negative at -€18.2 million, a change entirely due to items with no impact on cash flow. As announced in February, and in connection with the new strategic priorities unveiled at the beginning of the year for Interventional Imaging and Artificial Intelligence, Guerbet recognized significant asset impairments in 2022 relating to Accurate Medical Therapeutics, Occlugel and to software developed with IBM Watson. Impairments on these three assets totaled €58.8 million.

The Group's net income amounted to -€41.1 million for the year after accounting for financial expenses and stable forex losses. The tax expense was €12.7 million after the Group accounted for €4.5 million in items indicated in a notice from the tax authorities. After examining the tax risks of all its subsidiaries, the Group recorded an additional tax expense of €4.4 million under IFRIC 23.

## Solid financial structure despite increased inventories; dividend of €0.50 per share

As of December 31, 2022, equity totaled €380 million, compared with €405 million one year earlier. At the same time, net debt increased from €218 million to €270 million, mainly because of the increase in WCR, fueled by higher inventories. This increase resulted from inflationary pressures as well as the establishment of both precautionary stocks on critical materials and stocks of Elucirem™.

For the 2022 fiscal year, the Board of Directors will propose a dividend of €0.50 per share to the shareholders at the General Meeting on May 26, 2023.

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**2023: acceleration of activity but operational profitability impacted by inflation**

Since the beginning of the year, Guerbet has been confident in its ability to grow its revenue in an improving contrast media market, with structural growth in volumes accompanied by positive price effects for the first time in many years. The Group is able to address this promising market with an innovative range of solutions meeting the needs of healthcare professionals as closely as possible. As announced in January, Guerbet intends to mobilize its teams around three main priorities in 2023:

- **Stronger positions in Diagnostic Imaging**, where the year will be marked by the commercial launch of Elucirem™, a new product bringing a major innovation to complement the MRI offering. The ramp-up is expected by 2024, with a launch already effective in the United States, while in Europe the marketing authorization is expected in the second half of the year.
- **Refocusing of the Interventional Imaging activity on Lipiodol®**, with an emphasis on the commercial development of current innovative indications and an acceleration of R&D efforts to develop new applications and indications for this product.
- **Acceleration of the Artificial Intelligence roadmap**, where the Group, after having regained full strategic latitude following the termination of its collaboration with Merative (formerly IBM Watson), confirmed its ambitions by acquiring a stake in Intrasure. Licensing agreements are expected to materialize in the first half of the year with the company, whose medical imaging software is highly complementary to Guerbet's asset portfolio.

Although Guerbet has identified numerous business opportunities in growing markets, it continues to face a demanding environment marked by persistent pressure on supply costs, specifically in Iodine. Certain inflationary effects, with little impact in 2022, will have a significant negative effect on the Group's margins in 2023.

In this context, Guerbet confirms that it anticipates revenue growth of more than 5% on a like-for-like basis and at CER for 2023. The Group expects stronger growth in the second half of the year than in the first, especially with the industrial activity being brought back up to the required level standard in Raleigh and the gradual ramp-up of Elucirem™. In terms of profitability, the restated EBITDA/revenue margin rate<sup>3</sup> is expected to be around 11% before returning in 2024 to a level higher than in 2021 (14.4%).

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<sup>3</sup> Excluding extraordinary costs relating to optimization of the operational structure and changes in the sales model.

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## 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 €753 million in revenue in 2022.

## Forward-looking statements

This press release may contain forward-looking statements based on assumptions and forecasts by the Guerbet Group's management. Various known and unknown risks, uncertainties, and other factors could lead to marked differences between the Group's future results, financial situation, development, and performances and the estimates presented in these forward-looking statements. These factors include those mentioned in Guerbet's public documents, available on its website [www.guerbet.com](http://www.guerbet.com). The Group assumes no obligation to update or revise the forward-looking statements in this press release to reflect future events or developments.

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