



2018 annual results

- Growth and EBITDA in line with announced targets
 - › Reported revenue: €789.6 million
 - › Revenue at constant exchange rates: €825.7 million; +2.3%, in line with the guidance given at Capital Markets Day in April 2018 (GEAR 2023 plan)
 - › Reported EBITDA: €110.6 million, also in line with the guidance

 - Successful implementation of the GEAR 2023 strategic plan
 - › Organic growth: transition to direct distribution in Japan in October, new indications for Lipiodol®, entry into phase III for gadopiclesol
 - › External growth: strengthening of the Interventional Imaging offering with two initial acquisitions and identification of new targets

 - 2019, further transformation
 - › Gradual establishment of industrial synergies
 - › Start of sales of Accurate Medical Therapeutics microcatheters in the United States and then in Europe
 - › Opportunities for growth in Interventional Imaging
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Villepinte, March 26, 2019 – Guerbet (FR0000032526), a global specialist in contrast agents and solutions for medical imaging, is announcing its consolidated annual results for 2018.

On March 26, 2019, the Board of Directors approved the financial statements for the period ended December 31, 2018. The audit procedures have been completed, and the statutory auditors' report is being prepared.

Press release

Main highlights of the 2018 financial year

- › February: acquisition of the Israeli company Accurate Medical Therapeutics, specialising in the development of microcatheters for Interventional Imaging
- › April: presentation of the GEAR 2023 strategic plan, which aims to accelerate organic growth and generate external growth through acquisitions, particularly in the field of Interventional Imaging;
- › April: acquisition of a new microsphere technology from Occlugel to strengthen the Intervention Imaging offering;
- › June: a strategic partnership signed with IBM Watson Health for joint development and marketing of artificial intelligence solutions for earlier, more accurate diagnosis and therapeutic decision-making support for liver tumours;
- › October: launch of direct distribution in Japan, the world's number 2 market;
- › An extension of indications obtained in numerous countries for Lipiodol Ultra-Fluid® in Interventional Imaging for chemo-embolization of liver tumours by microcatheter;
- › Further development of NCE gadopiclemol for MRI. Preclinical studies have demonstrated the efficacy and safety of use of this product, and its development will proceed to phase III starting in early 2019.

Activity marked by a significant exchange rate effect

The reported revenue of €789.6 million, down 2.2%, was affected by an unfavourable exchange rate effect of €36.1 million. The main exchange rate impacts came mainly from the Brazilian real (€10.6 million), the US dollar (€7.6 million), the Turkish lira (€5.5 million), and the Argentine peso (€3.1 million).

At constant exchange rates, revenue totalled €825.7 million, representing 2.3% in fully organic growth. Diagnostic Imaging revenue at constant exchange rates decreased slightly to €722.6 million (-0.7%) compared with the 2017 financial year. The Imaging Intervention activity confirmed its strong growth with revenue at constant exchange rates at €67.2 million, up 18.6%.

Press release

EBITDA on track

In millions of euros Consolidated financial statements (IFRS)	2018	2017
Revenue	789.6	807.1
EBITDA*	110.6	130.0
<i>% of revenue</i>	<i>14.0%</i>	<i>16.1%</i>
Operating Income	69.9	79.2
<i>% of revenue</i>	<i>8.9%</i>	<i>9.8%</i>
Net income	46.8	46.2
<i>% of revenue</i>	<i>5.9%</i>	<i>5.7%</i>
Net debt	308.7	278.4

* EBITDA = Operating Income + allowance for amortization, depreciation and provisions

Reported EBITDA totals €110.6 million. For the first time, it incorporates the full-year impact of the arrival of the Dotarem[®] generic in Europe. It also reflects the efforts made under the GEAR 2023 plan with the switch to a direct distribution organisation in Japan, stronger positioning in countries with high commercial potential, and the costs associated with the transition to phase III for gadopicienol, Dotarem's successor.

Operating Income totalled €69.9 million, or 8.9% of revenue.

Net income was stable at €46.8 million compared with €46.2 million in 2017. This figure incorporates a favourable change in the effective tax rate to 29.5%.

Sound financial position, refinancing of the Group's debt

The Group enjoys solid fundamentals. Equity increased by €24.6 million to €366.8 million, and net debt amounts to €308.7 million. With €98.8 million in cash flow, Guerbet has a solid financial position with leverage (Net Debt/EBITDA) of 2.79.

The Board of Directors will propose a dividend of €0.85 per share to the shareholders at the General Meeting on May 24, 2019.

In order to contribute to the Group's development as part of its GEAR 2023 strategic plan, and in view of its debt capacity, Guerbet signed a five-year €500 million credit agreement on February 13, 2019, to refinance its existing debt.

This contract was entered into with nine financial partners, coordinated by BNP Paribas.

This new debt has a single covenant (net debt/EBITDA = 4.0) over the life of the loan.

Press release

Executive Committee strengthening

As part of its GEAR 2023 growth strategy, the Group has decided to appoint Jean-François Le Martret as Deputy CEO with two specific missions: M&A operations and deployment of the « Cost to Win » project. The Group will welcome a new CFO, Jérôme Estampes from 1 April. He has spent most of his career in international cosmetics companies (Crown, Coty, Pat McGrath).

2019 outlook

In 2019, the Group anticipates a moderate sales growth. Dotarem will continue to benefit from higher volumes and from the switch to direct distribution in Japan but will be impacted by a continued price decrease and by the arrival of generics in new countries. Guerbet also has development drivers in Interventional Imaging and digital solutions. In 2019, the start of sales of the Accurate Medical Therapeutics DraKon[®] and SeQure[®] microcatheters in the US, and then in Europe once the CE marking is obtained, is a growth area in Guerbet's strategy. In addition, the Group should benefit from the full-year contribution of Lipiodol's indications registered in new countries in 2018.

The financial position for the current year should benefit from a significant improvement in cash flow with a positive change in the WCR, particularly through the decrease in inventories.

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.

Upcoming events:

Publication of first-quarter 2019 revenue
April 18, 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 centres 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 authorisation 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-18-0387 on 25 April 2018, available on the Group's website (www.guerbet.com).

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

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