



2018 revenue

Activity growth consistent with the objectives:

+2.3% at constant exchange rates, or €825.7 million

Villepinte, 14 February 2019 – Guerbet (FR0000032526), a global specialist in contrast agents and solutions for medical imaging, is reporting revenue of €789.6 million at 31 December 2018, down 2.2% due to a very unfavourable foreign exchange impact of €36 million. At constant exchange rates (CER), revenue growth, completely organic, was 2.3%, in line with the announced objective.

Consolidated Group revenue (IFRS)

In millions of euros, at 31 December	Change (%)	2018 at current exchange rates	Change (%)	2018 at constant exchange rates*	Published 2017
Sales in Europe	-9.4%	339.5	-7.6%	346.2	374.7
Sales in Other Markets	+4.1%	450.1	+10.9%	479.5	432.4
Total	-2.2%	789.6	+2.3%	825.7	807.1

* 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.

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2018 financial year highlights

- › Presentation in April 2018 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;
- › Further development of NCE Gadopiclenol 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;
- › Authorisation obtained from the FDA in the United States (510K) to market Accurate Medical Therapeutics microcatheters and start of sales at the end of 2018;
- › Acquisition of a new microsphere technology from Occlugel to strengthen the Interventional Imaging offering;
- › In June, a strategic partnership signed with IBM Watson Health to develop and market together artificial intelligence solutions for earlier, more accurate diagnosis and therapeutic decision-making support for liver tumors;
- › In 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-embolisation of liver tumors by microcatheter.

4th quarter 2018: slight increase in sales at CER confirmed

At current exchange rates, 4th quarter sales totalled €208.2 million versus €205.7 million in fourth quarter 2017. The unfavourable foreign exchange effect was €3.3 million.

At constant exchange rates, revenue for the period amounted to €211.5 million compared with €205.7 million in 2017, a 2.8% increase, confirming the trend observed in the nine first months, and which is mainly due to dynamic sales growth outside Europe (+11.0%). In Europe, sales were down 7.1%. In this region and at comparable periods, Dotarem® revenue was slightly down by 0.8%. This is the expression of an increase in volumes due to a market evolution of linear products towards macrocycle products, which is partly offset by a price reduction due to the penetration of generics in Europe for more than two years.

Press release

4th quarter consolidated Group revenue (IFRS)

In millions of euros	Change (%)	Q4 2018 at current exchange rates	Change (%)	Q4 2018 at constant exchange rates	Published Q4 2017
Sales in Europe	-8.6%	85.4	-7.1%	86.8	93.4
Sales in Other Markets	+9.4%	122.8	+11.0%	124.7	112.3
Total	+1.2%	208.2	+2.8%	211.5	205.7

2018 financial year: activity in line with the objectives but affected by a significant foreign exchange effect

The total foreign exchange effect in 2018 resulted in an unfavourable impact of €36.1 million, or 4.5 points of growth, compared with €5.3 million in 2017.

In the Europe zone, at current exchange rates, revenue totalled €339.5 million, incorporating an unfavourable exchange rate impact of €6.7 million, with Turkey alone accounting for more than €5 million. Sales at constant exchange rates were down 7.6%. This decrease, mainly in France and Germany, was due to the presence of a new generic form of Dotarem and was slightly less than what the Group expected.

In Other Markets, revenue at current exchange rates increased 4.1% to €450.1 million, despite a significant negative foreign exchange impact of €29.4 million (Brazil and the US). At constant exchange rates, sales totalled €479.5 million, up 10.9%.

Diagnostic Imaging revenue at constant exchange rates decreased slightly to €722.6 million (-0.7%) compared with the 2017 financial year:

- › On the **MRI segment**, despite the arrival of the generic form, the good level of Dotarem sales confirmed its status as the market's product of reference. This segment grew by 2.1% to €277.7 million overall, despite the planned decline of Optimark®.
- › On the **CT/Cath Lab segment**, the situation was mixed. Sales of Optiray® were down due to an unfavourable 2017 base effect, while sales of Xenetix® grew. The segment was down 3.2% overall at €363.8 million.
- › The **Injection Systems and Services (ISS)** segment continued its growth (+2.5%) to reach €82.1 million.

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The Interventional Imaging activity confirmed its status as a growth driver with revenue at constant exchange rates of €67.2 million, up 18.6%. As a reminder, supply difficulties affected the first nine months of financial year 2017.

After obtaining the 510k from the FDA, the first sales of Accurate Medical Therapeutics microcatheters were made in December. The Group is expecting sales to take off starting in 2019.

Refinancing of the Group's debt

In order to contribute to the Group's development as part of its GEAR 2023 strategic plan, Guerbet signed a five-year €500 million credit agreement on 13 February 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 ($\text{net debt/EBITDA}^* = 4.0$) over the life of the loan.

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

2018 outlook

The Group anticipates a restated EBITDA close to 15% of sales at constant exchange rates. The restated EBITDA excludes the foreign exchange rates effect and two non-recurrent effects: i) an exceptional profit due to the inventory revaluation of €15.6 million, as previously anticipated and ii) an exceptional charge of €8 million. This charge is the consequence of the Group's decision, at year end, to focus on the reduction of the inventories which entailed the destruction of obsolete products. This exceptional charge is offset by a provision reversal and does not impact the Operational Income. These exceptional items have no impact on the cash flow of the Company.

Upcoming events:

Publication of 2018 annual results
26 March 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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