



2018 FULL YEAR RESULTS

MARCH 27, 2019



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Welcome



Jean-François Le Martret
Chief financial officer

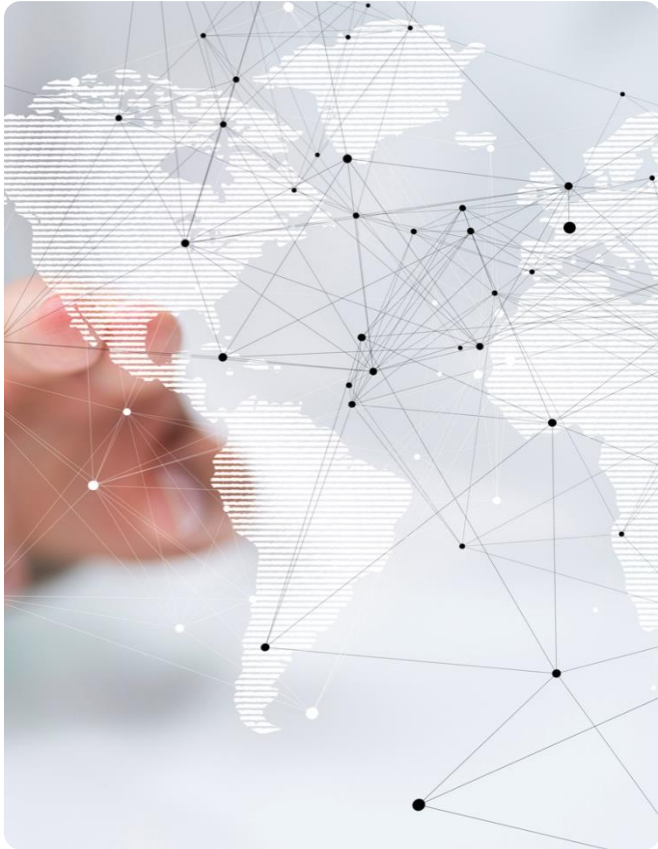
Yves L'Epine
Chief executive officer



Summary

- 1. 2018 overview**
2. Financial results
3. Outlook

Guerbet | 



In 2018

Revenue
€789.6 m

EBITDA
€110.6 m

Operating Income
€69.9 m

Net Income
€46.8 m

2018 overview: launch of a new 5 year strategic plan GEAR 2023

Key initiatives

A

Diagnostic Imaging

INTERNAL BOOST

Develop new best-in-class contrast media (P03277)

Go-direct in Japan

Capture growth opportunities in key geographies: US, Europe and China

Strengthen digital solutions

B

Interventional Imaging

Develop Lipiodol® new indications

Develop and accelerate Accurate Medical Therapeutics solutions

C

Corporate

Cost and working capital focus

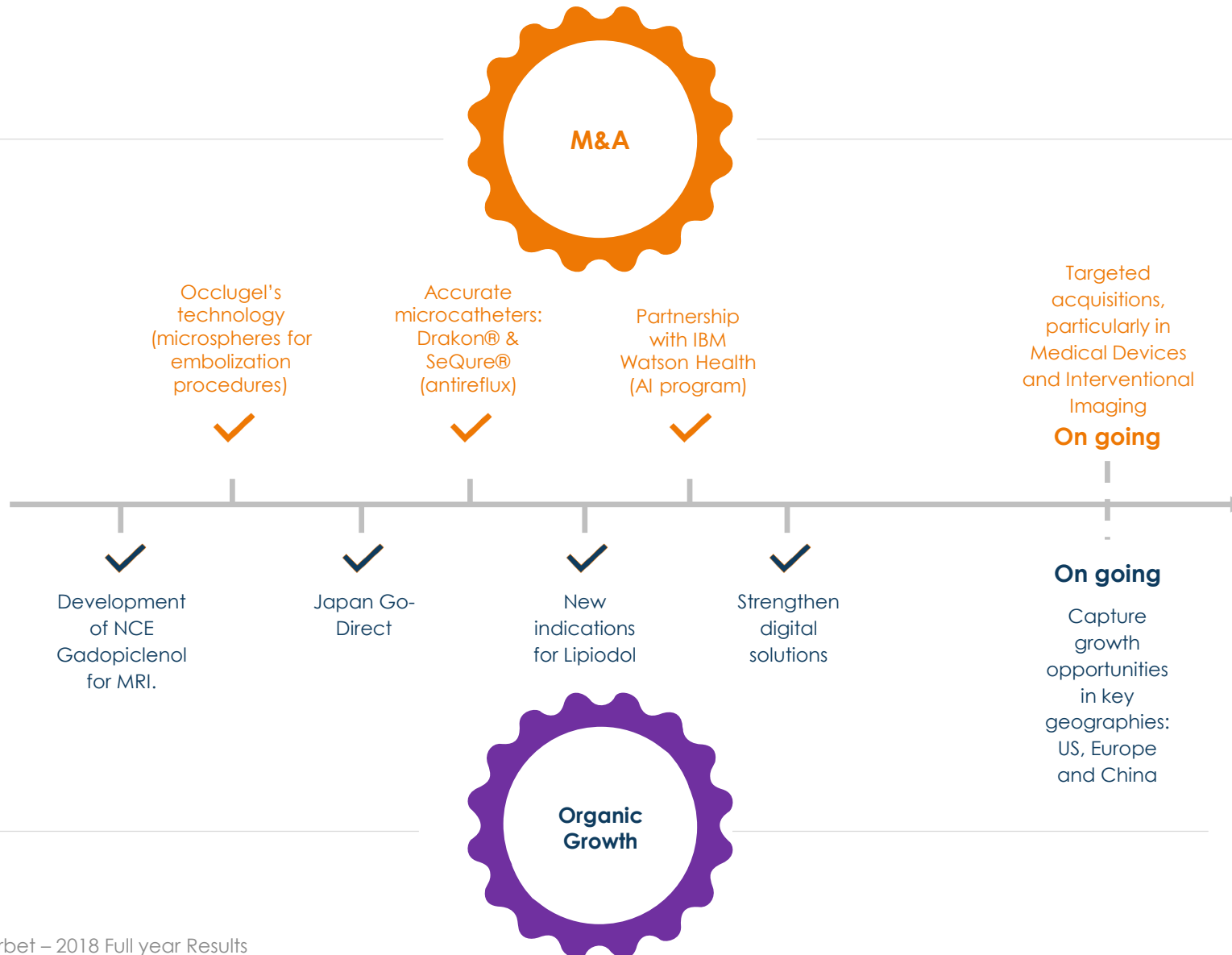
EXTERNAL BOOST

Launch Augmented Intelligence programs

Targeted acquisitions, particularly in Medical Devices and Services

Acquire high growth targets

2018 overview: several GEAR 2023 goals already initiated



▶ **FAST EXECUTION OF CONCRETE ACTIONS**

▶ **ALREADY SOME PROMISING BENEFITS**

▶ **ON TRACK TO DELIVER RESULTS IN 2020-2023**

2 franchises

Diagnostic Imaging (DI)

> Core business
88% of 2018 revenue



At CER
€722.6m ; -0,7%

Interventional Imaging (II)

> New business
8% of 2018 revenue



At CER
€67.2m ; +18,6%



Dotarem®



Optiray®



Xenetix®



OptiVantage®



FlowSens®



OptiStar Elite®



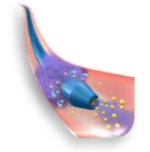
Lipiodol® Ultra-Fluid



Patent Blue V



Vectorio®

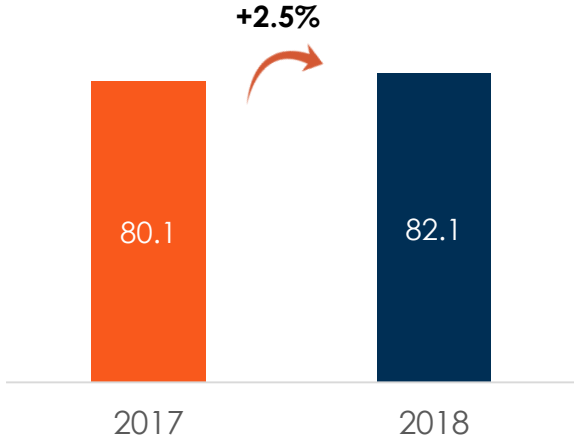
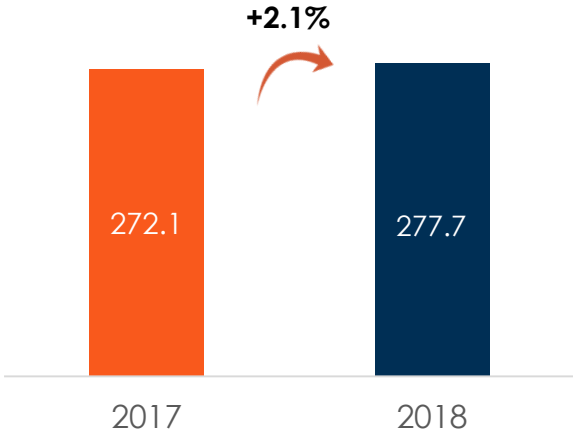


Standard/
Anti-reflux
Microcatheters

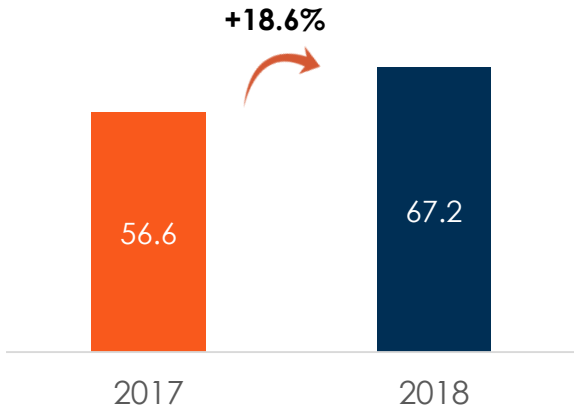
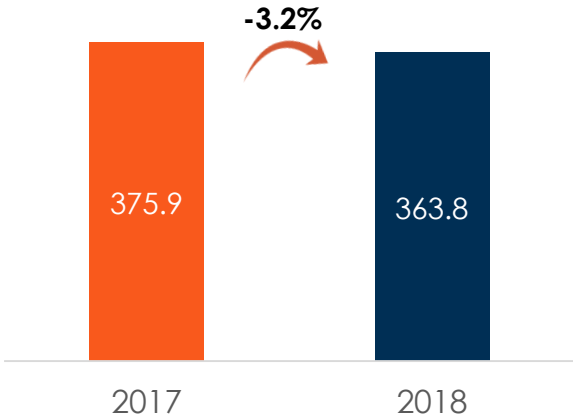


Revenues from third parties
€35.9 m at CER

All segments performance (in €m ; at CER)



2018 sales at CER
€825.7m
+2.3%



Solid growth of MRI despite Dotarem[®] generics



■ South America & Asia

- Strong Growth

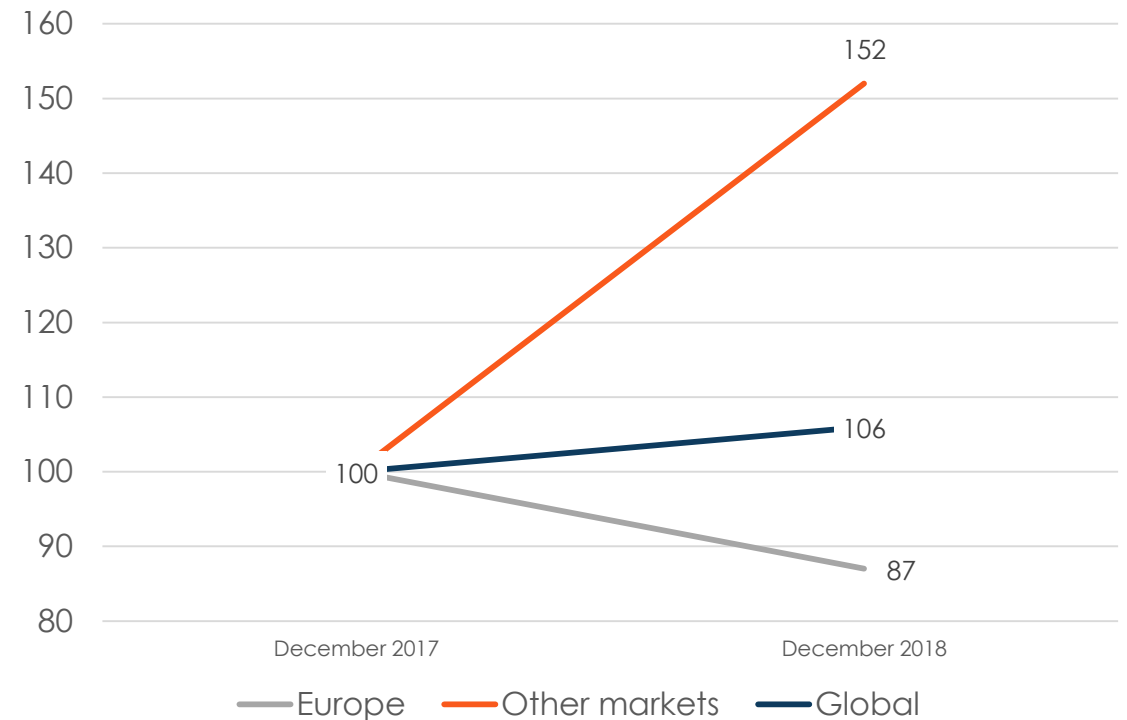
■ US

- Positioned as a reference product
- Good support and awareness of the KOL
- Market share : > 25% still growing

■ Europe

- Generic presence is confirmed in all significant markets
- Good resilience of Dotarem sales in volume, price effect in line with budget

Dotarem[®] sales evolution - At CER
Europe / US / Global / Base 100



■ Optiray®

- Negative impact due to a strong 2017 (return to volume growth expected in 2019)
- Change in revenue method of recognition of sales in China
- Ongoing efforts on production costs

■ Xenetix®

- Robust presence in its historical markets

■ Launch of the multi-patient solution in H2 2019 : OptiVantage®



An increasingly interconnected offer
(systems + products + services + maintenance)

Progressive ramp-up of ISS sales



- A complete range of injectors well identified by practitioners
- Our interconnected offer (systems + products + services + maintenance) leads us to change the sales reporting system from 2019:
 - Sales of Injectors, MD and maintenance services will be reported in our 2 Imaging Modalities (CT/Cathlab & MRI)
 - Sales of Digital solutions will be reported apart

"PRINTER MODEL"

"The Printer"



"The Cartridge"



THE GUERBET PLAY

Injector Installed Base



Contrast Media



Consumables



Services



Contrast&Care.



- Collects data automatically through bar code system (contrast media used, patient data, injection protocols)
- Shares data with hospitals IT systems
- Facilitates traceability of all legal parameters concerning contrast media (batch number, concentration, dose etc)
- Allows benchmarks for continuous improvements and optimal management of contrast administration

Dose&Care.

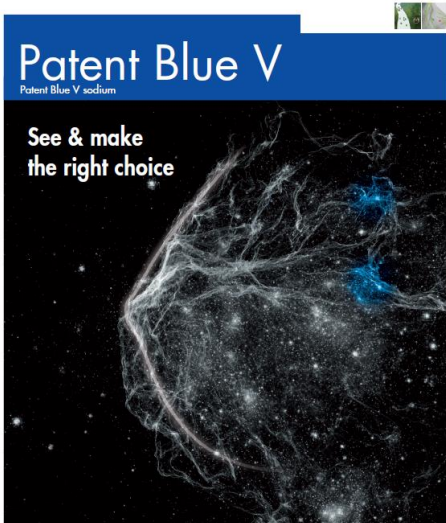


- Monitors the levels of ionizing radiation to which patients and medical community are exposed
- Records the data from all imaging Xrays modalities (CT, fluoroscopy etc.)
- Creates patient-specific files to allow optimization of protocols
- Aligns with regulatory requirements (Euratom directive in Europe)

Interventional: +18.6% growth at CER, in line with expectations

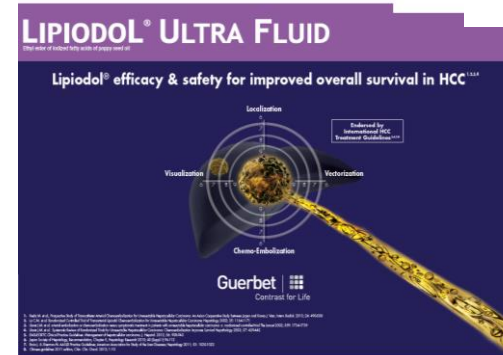


- **Lipiodol®**
 - Double digit growth of Lipiodol® on most markets
 - Remarkable performance, especially in Europe & distributors
 - Launch of TACE indication in several new countries
 - Vectorio® Launch



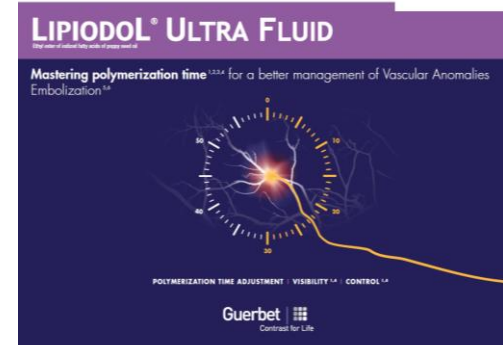
- **Bleu Patenté V**
 - Double digit growth

A Growing portfolio of indications for Lipiodol



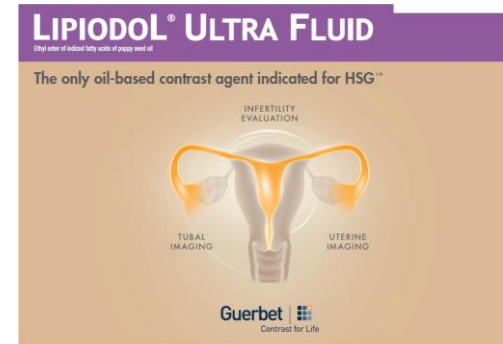
Immuno-oncology
Trans-Arterial Chemoembolization (TACE) of hepatocellular carcinoma (HCC)

Visualization, Localization, Vectorization



Vascular Anomalies Embolization (VAE)

Selective embolization



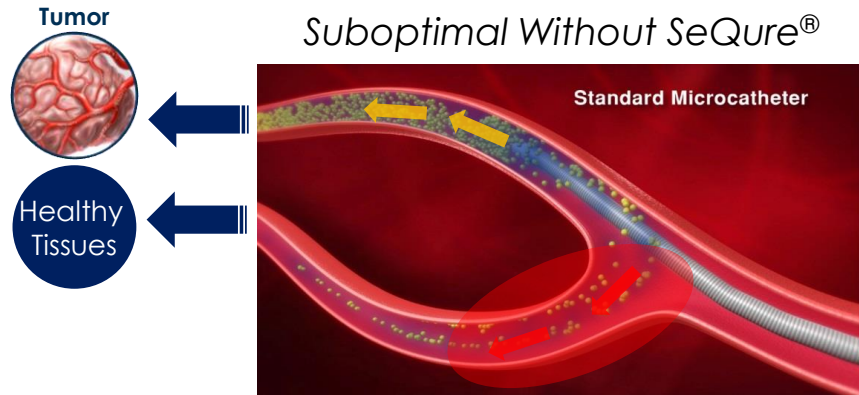
Interventional Women Healthcare - Fertility
Hysterosalpingography (HSG)

Radiological examination

M&A: Accurate Medical Therapeutics microcatheters

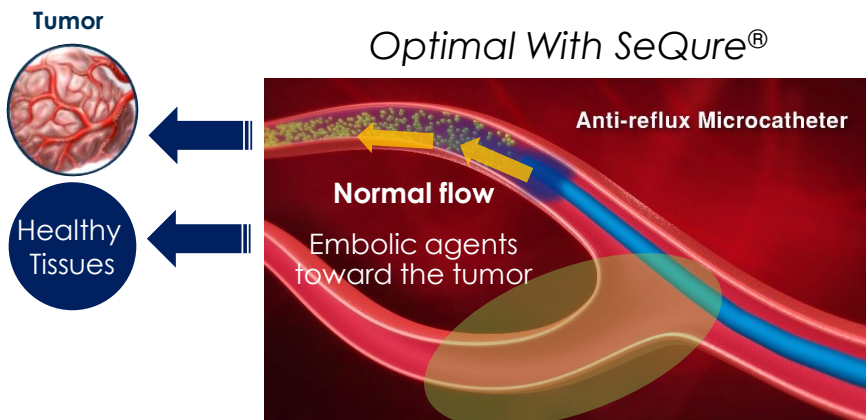


A disruptive solution



NON TARGETED EMBOLIZATION

Reflux often occurs along the catheter, sending the chemotherapy backward into non-targeted tissue (healthy tissue)

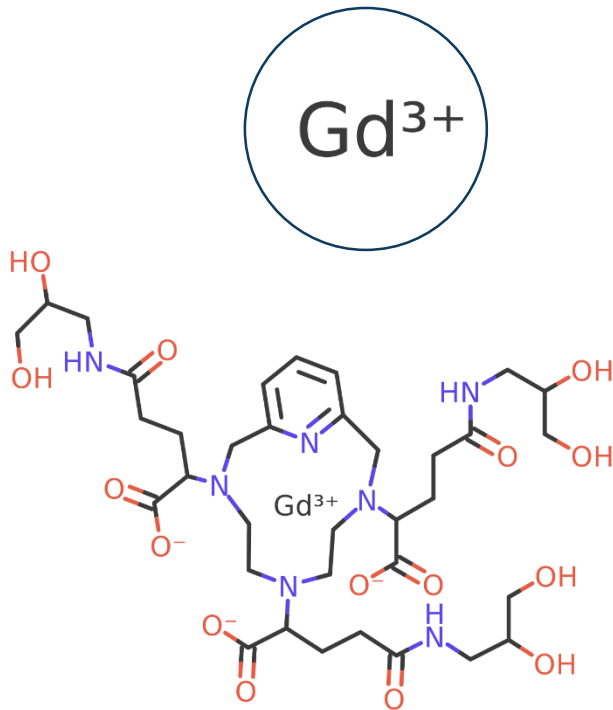


Creation of an external fluid barrier:

ANTI REFLUX PRESERVING HEALTHY TISSUES

- Closing date: 8 February 2018
- 1st sales in US in December 2018
- Early 2019: clearing regulatory pathway in EU with the CE Mark
- Expected launch in Europe: H1 2019
- Sales force already operational and trained



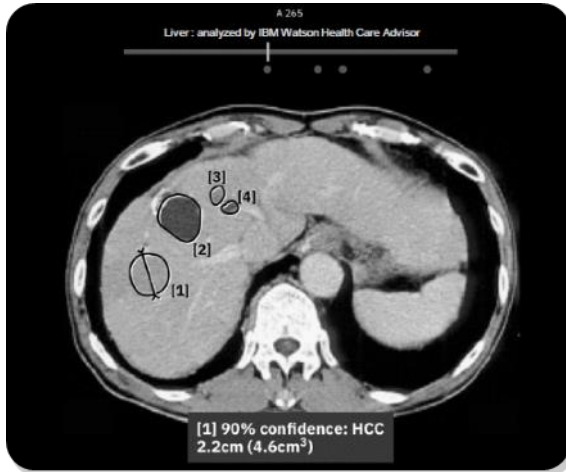


GADOPICLESENOL

- Like Dotarem[®], gadopiclesenol is a macrocyclic GBCA with high stability (lower risk of Gd detachment)
- Its main differentiating property is its high relaxivity (contrasting power), superior to all other macrocyclic and linear agents, without any protein binding
- Phases I and II have been completed and demonstrated the proof of concept in humans and lead to a new paradigm in the dose-response relationship of GBCA
- Phase III studies have been discussed with the FDA and the EMA to define the most efficient way to introduce rapidly this innovative GBCA on the worldwide market
- First Pre-clinical & Phase 2 Clinical results presented at ECR, March 2019 (5 scientific communications accepted)
- Launch target in 2022 with the potential to capture a leading market share in approved indications within 5 years post launch

R&D: Liver Care Advisor - Co-development with IBM Watson

- Liver Cancer 4th leading cause of cancer death worldwide (782,000)
- Only cancer in USA with incidence rates growing year over year
- Early detection matters: 5 year survival only 11% if cancer has spread to surrounding tissues or lymph nodes
- Liver is the second most common site for cancer metastases (4.5M cases annually)
- Liver image analysis market estimated at €146 m in 2023 with 5y CAGR of 36% (source: signify research 2018)
- 1st software release before end of 2020



AI Expertise
Merge PACS
Medical Imaging
Collaborative Network



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Medical Expertise
Global Network
Synergies with DI/II

FOCUS ON PATIENT SYNOPSIS

- Radiologist-trained AI that extracts relevant patient information (mostly unstructured) and summarizes it into concise dashboard at time of read
- Distribution agreement under finalization



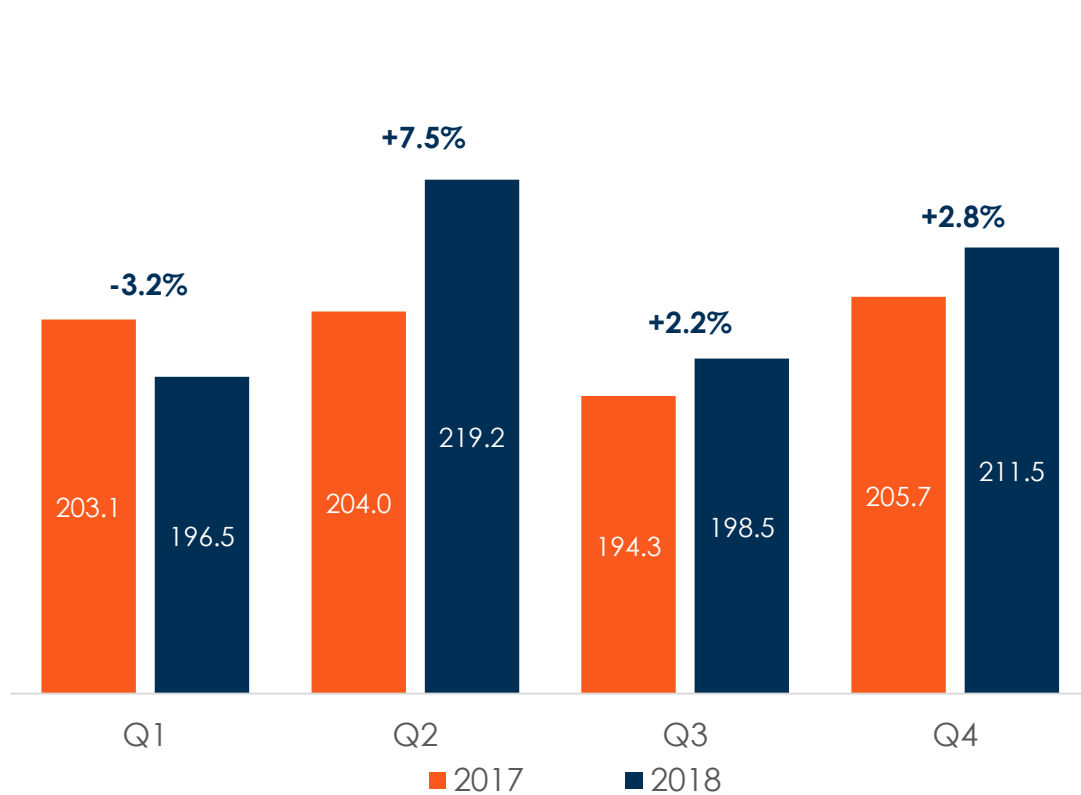


Summary

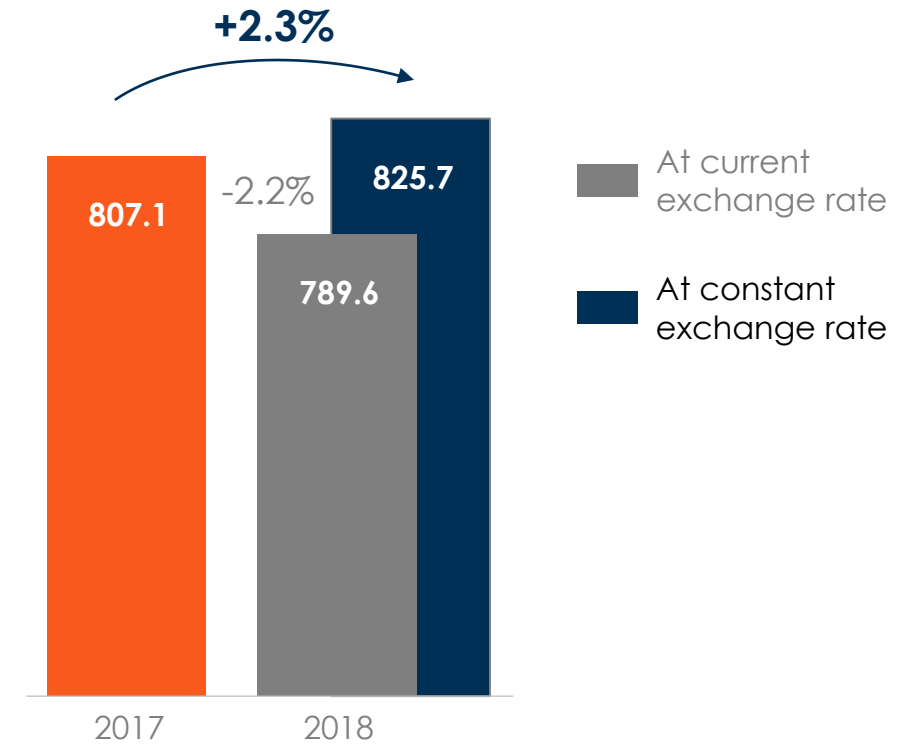
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Activity in line with the objectives but impacted by a significant FX effect

Quarterly change in revenue at constant exchange rates (CER) (in millions of euros)

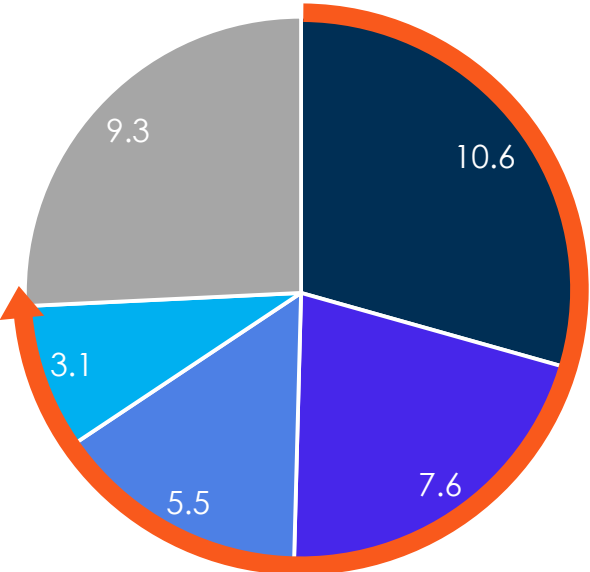


Sales evolution at constant exchange rates (CER) and at current exchange rates (in millions of euros)



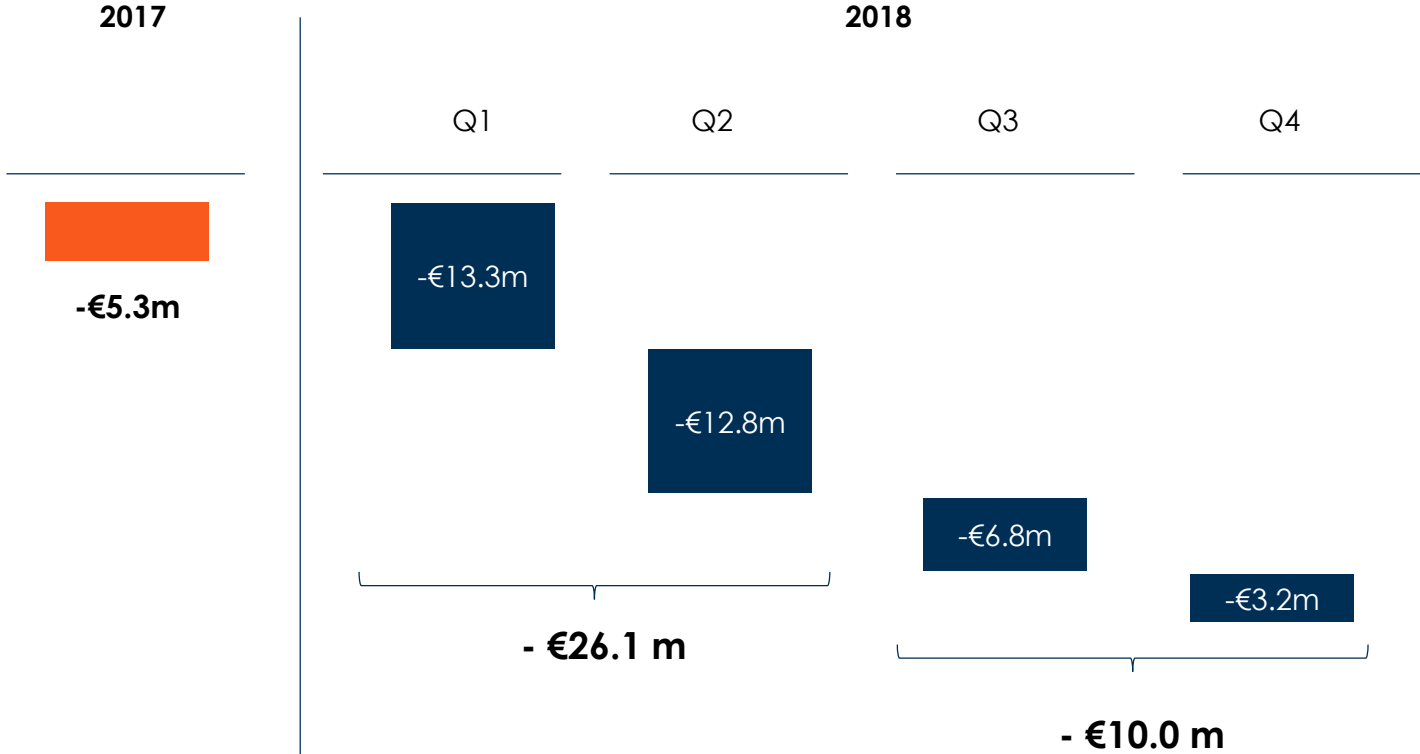
A strongly unfavorable currency effect on sales

Currency exposures in 2018 in €m



■ Brazil ■ USA ■ Turkey ■ Argentina ■ Others

▶ 4 currencies represent 74% of FX effect



- €36.1m

Progression of Interventional Imaging in the product-mix

IFRS €m	2017	% revenue	2018	2018 At CER	% revenue at CER	Change 2018 / 2017 at CER
Diagnostic Imaging	727.7	90.2%	690.0	722.6	87.6%	-0.7%
MRI	272.1	33.7%	266.4	277.7	33.6%	+2.1%
CT & Cath Lab	375.9	46.6%	346.3	363.8	44.1%	-3.2%
Injection Systems and Services	80.1	9.9%	78.2	82.1	10.0%	+2.5%
Other	(0.4)	(0.0)%	(0.9)	(1.0)	(0.1)%	Na
Interventional Imaging	56.6	7.0%	65.3	67.2	8.1%	+18.6%
Other	22.8	2.8%	34.3	35.9	4.3%	+55.4%
TOTAL	807.1	100%	789.6	825.7	100%	+2.3%

EBITDA in line with GEAR 2023 guidance

IFRS €m	2017	% revenue	2018	% revenue
Net sales	807.1	100.0%	789.6	100.0%
Other revenue	2.2	0.3%	6.1	0.7%
Supplies used in operations	(187.1)	(23.2)%	(189.6)	(24.0)%
Staff costs	(222.2)	(27.5)%	(235.1)	(29.8)%
External expenses	(254.8)	(31.6)%	(246.5)	(31.2)%
Taxes other than on income	(17.7)	(2.2)%	(16.1)	(2.0)%
Other operating income and expenses	2.6	0.3%	2.2	0.3%
EBITDA	130.0	16.1%	110.6	14.0%

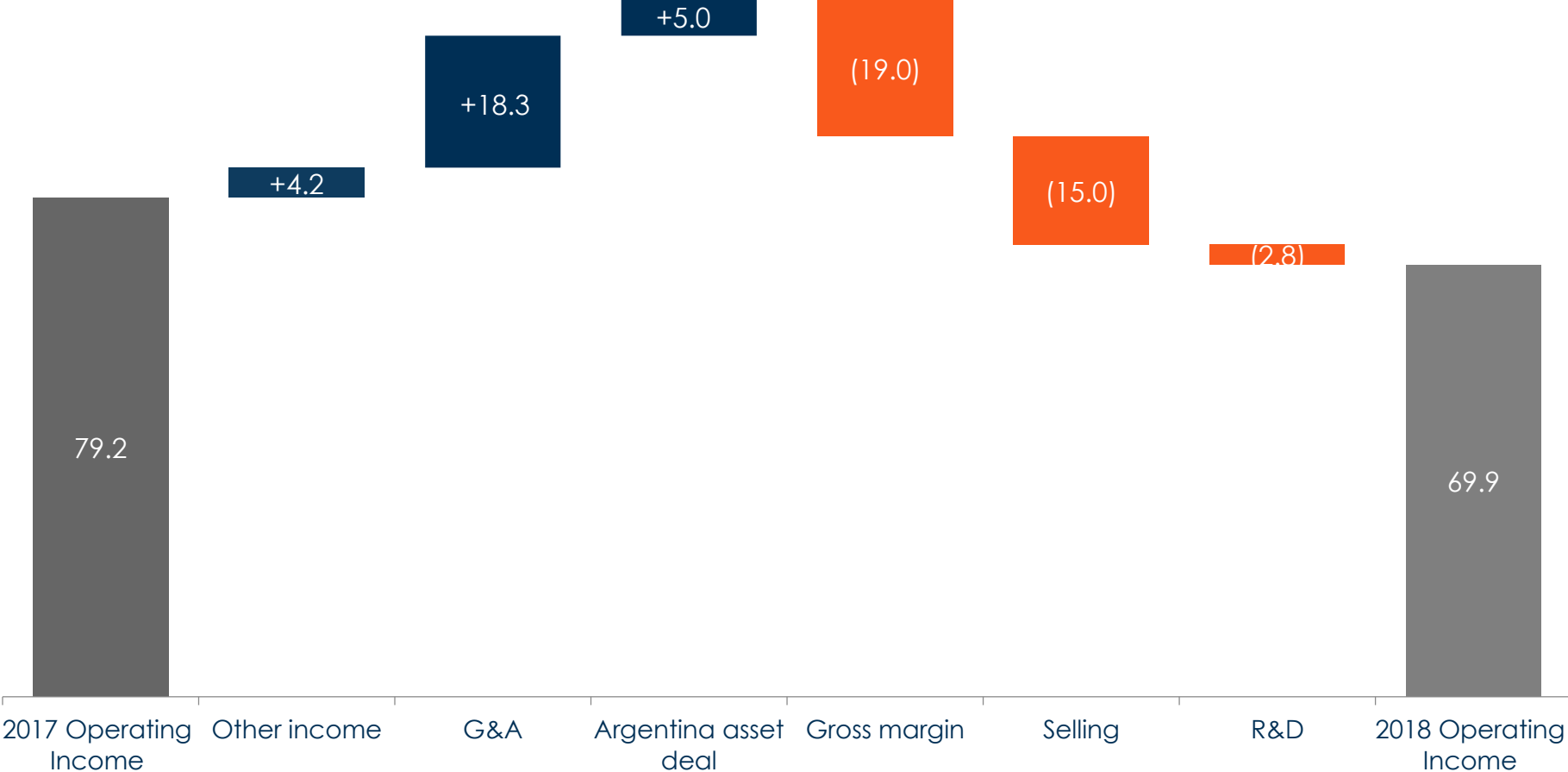
GEAR 2023 Guidance

- EBITDA margin vs. 2017 down c.2 percentage points of revenue, excluding one-off impacts, due to full year impact of Dotarem®
- One-off impacts of c. -€10m at EBITDA level

Operating Income

IFRS €m	2017	% revenue	2018	% revenue
EBITDA	130.0	16.1%	110.6	14.0%
Allowances for depreciation	(39.4)	(4.9)%	(47.1)	(5.9)%
Provisions	(11.4)	(1.4)%	6.4	0.8%
Operating Income	79.2	9.8%	69.9	8.9%

Operating Income variance analysis



Stable Net Income

IFRS €m	2017	% revenue	2018	% revenue
Operating Income	79.2	9.8%	69.9	8.9%
Net interest expense	(6.0)	(0.7)%	(6.9)	(0.9)%
Net currency gains/losses	(5.8)	(0.7)%	3.1	0.4%
Other financial income and expenses	(0.6)	(0.1)%	0.3	-
Income tax	(20.6)	(2.6)%	(19.6)	(2.5)%
Net Income	46.2	5.7%	46.8	5.9%
Income tax rate	30.8%		29.5%	

Balance sheet

ASSETS	December 31, 2018	December 31, 2017
Non-current assets <i>of which fixed assets</i>	474.3 (437.3)	395.5 (367.4)
Inventories	280.8	270.5
Trade receivables	145.9	150.4
Other current assets <i>of which CCE</i>	179.8 (106.8)	137.2 (75.4)
Total Balance sheet	1 080.8	953.6

EQUITY & LIABILITIES	December 31, 2018	December 31, 2017
Shareholders' equity	366.8	342.1
Non-current liabilities <i>of which financial debt</i>	264.5 (192.6)	348.4 (287.4)
Trade payables	81.8	78.7
Other current liabilities <i>of which financial debt</i>	367.7 (222.8)	184.4 (66.4)
Total Balance sheet	1 080.8	953.6

Cash flow statement impacted by the acquisitions

IFRS €m	2017	2018
Cash flow from operations	126.5	98.8
Increase (decrease) in inventories	(30.4)	(5.0)
Increase (decrease) in trade receivables	1.3	2.6
Increase (decrease) in trade payables	(26.6)	3.1
Increase (decrease) in other assets and liabilities	3.5	(16.7)
Change in WCR	(52.2)	(16.0)
Capital expenditure	(48.2)	(38.4)
Divestiture	4.4	0.8
Change in fixed assets payables	(3.9)	(0.2)
Acquisitions		(31.0)
CMDs purchase price adjustment	7.7	
Distribution free shares to employees		(3.0)
Net cash flow from investing operations	(40.0)	(71.8)
Dividends	(10.8)	(10.7)
Capital increase	1.0	0.3
Net cash flow from financing operations	(9.8)	(10.4)
Exchange	23.3	(5.5)
Income tax paid	(24.4)	(25.3)
Free Cash Flow	23.4	(30.2)

Performance of the Guerbet share

■ At March 15, 2019

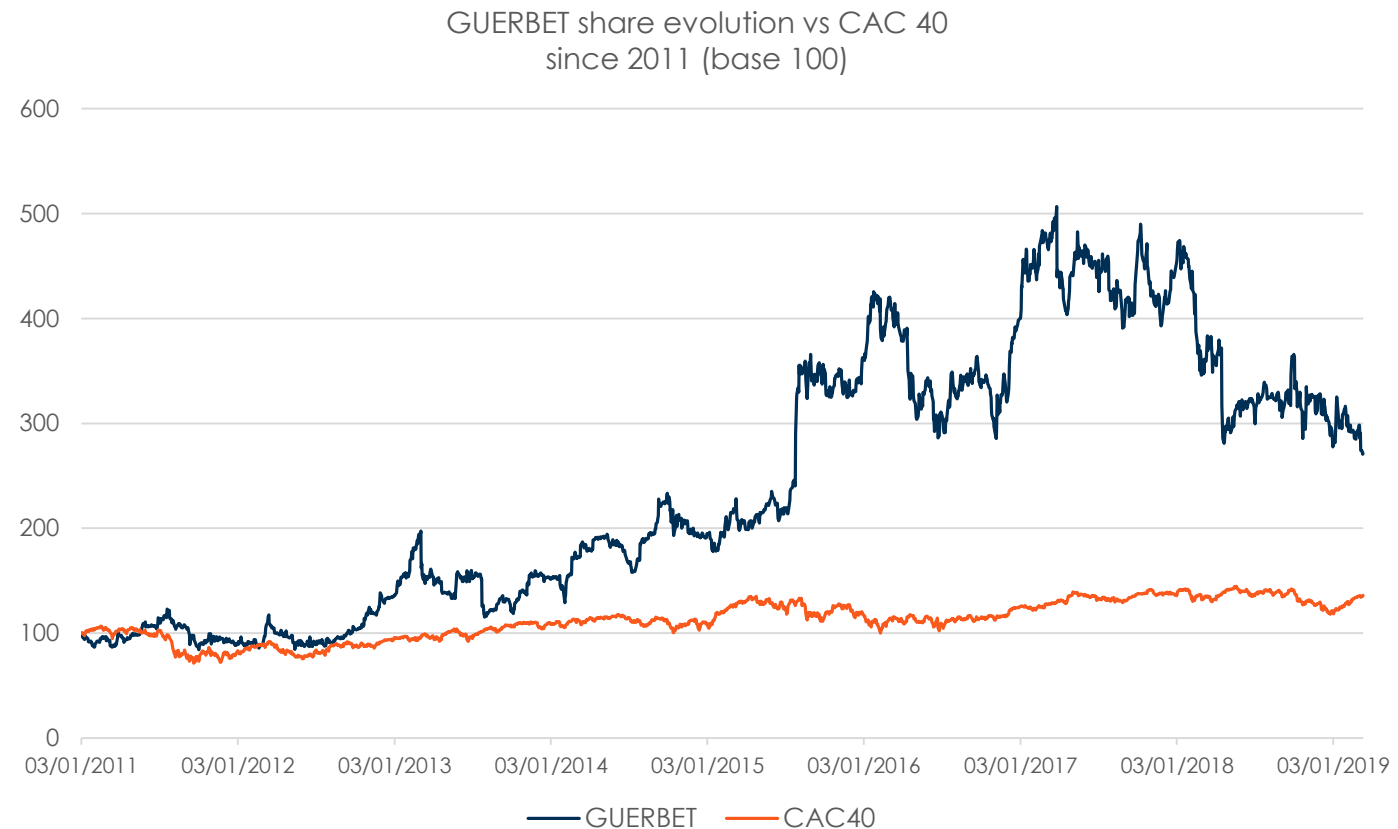
- Price €49.25
- Capitalization €620m
- High since January 2018 €84.7
- Low since January, 2018: €48.3
- Perf. since January 2018 : - 39.27 %

■ Indexes

- CAC Mid & Small, CAC All-Share

■ Securities trading info

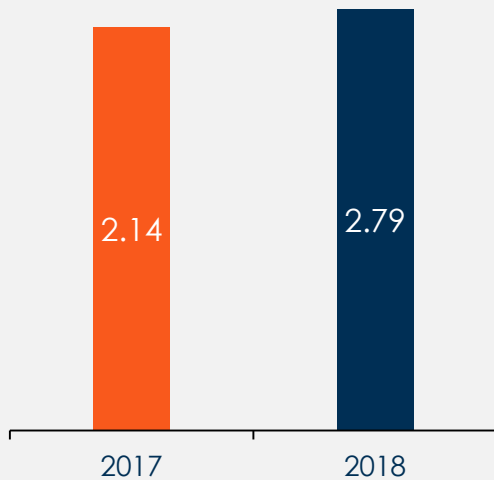
- Code ISIN FR0000032526
- Symbol GBT
- Reuters Code GRBT.PA
- Bloomberg Code GBT:FP
- Number of shares 12 582 361
- Market segment Euronext B



Dividend of €0.85 per share
proposed to the General Shareholders' meeting on May 24, 2019

Refinancing of the Group's debt

Net debt / EBITDA



Contribute to the Group's development as part of its GEAR 2023 strategic plan



€500 million credit agreement signed on 13 February 2019 for 5 years



9 financial partners coordinated by BNP Paribas



A single covenant (net debt/EBITDA = 4.0) over the life of the loan



Summary

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Top line

Contribution of new products expected to more than offset price impacts

- + Contribution of Accurate Medical sales on a full year basis
- + Accelerated sales in Japan
- + Ramp-up of digital sales, improvement of our CT/Cathlab sales with our interconnected offer
- Further price impacts on Dotarem®

Bottom line

Consolidation of operational efficiency

- + Industrial synergies : significant benefits, notably for Dotarem®, transferred from CMO to internal sites and for Optiray®
- + Cost to Win program
- Cost of gadopichlenol phase III

Cash line

Working Capital Improvement

Continuation of GEAR 2023 acquisition strategy



		Existing and potential universe		
		Interventional ONCOLOGY	Interventional VASCULAR	Optimized DELIVERY & NAVIGATION
INTERNAL BOOST	Existing product offering	<ul style="list-style-type: none"> Lipiodol® in Hepato Cellular Carcinoma (HCC) Microspheres / Drug Eluting Beads 	<ul style="list-style-type: none"> Lipiodol® in vascular embolization Lipiodol® in lymphatic embolization 	<ul style="list-style-type: none"> Vectorio® DRAKON®, SEQUIRE® micro-catheters
	Potential product offering	<ul style="list-style-type: none"> Ablation: RFA, MWA, CryoA Trans Arterial Radio Embolization High Intensity Focused Ultrasound 	<ul style="list-style-type: none"> Liquid Embolic & Glue Coils & Plugs 	<ul style="list-style-type: none"> New Lipiodol® kits Robotic solutions Guiding solutions

► **Guerbet - uniquely positioned to address those identified, profitable and rapidly growing segments thanks to its commercial footprint and well-known R&D credibility**

R&D portfolio

		RESEARCH AND EARLY DEVELOPMENT	LATE DEVELOPMENT	ON GOING REGISTRATION	RECENTLY LAUNCHED (< 2 YEARS)	
A Diagnostic Imaging	Contrast Media	-	Gadopiclénol	-	Dotarem Neonates® US	
	Medical Devices and Services	-	Optistar® upgrades	OptiOne® CT	Optivantage® Multi-use Europe	
		Liver Advisor Artificial Intelligence (IBM Watson for Imaging partnership)	Optivantage® Multi-use V2	Illumena® Neo	OptiOne® CT China	Urologic imagery systems US
			Urologic imagery systems upgrades	Optivantage® Multi-use	Dose&care® Contrast&care® Patient Synopsis® US	
B Interventional Imaging	Microsphere Embolization	Confidential	Lipiodol® new indications	SeQure® and DraKon™	SeQure® and DraKon™ US	
				Lipiodol®	Lipiodol® EMEA wave 2 & ASEAN	
				Vectorio®	Vectorio® EMEA wave 1 & ASEAN	

Financial communication calendar

- **1st quarter 2019 revenue: April 18, 2019 after trading**
- **2nd quarter 2019 revenue: July 25, 2019 after trading**
- **2019 half-year results: September 25, 2019 after trading**
- **3rd quarter 2019 revenue: October 24, 2019 after trading**