



2018 HALF-YEAR RESULTS

SEPTEMBER 26, 2018



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Welcome



Yves L'Epine
Chief executive officer

Jean-François Le Martret
Chief financial officer



In 2017

Guerbet | 

Sales
€807.1m

EBITDA
€130.0m

Net Debt/
EBITDA
X 2,1

International
footprint
+80
countries

Employees
2 750

Manufacturing
plants
9

MRI
N°2

CT & Cath
Lab
N°4

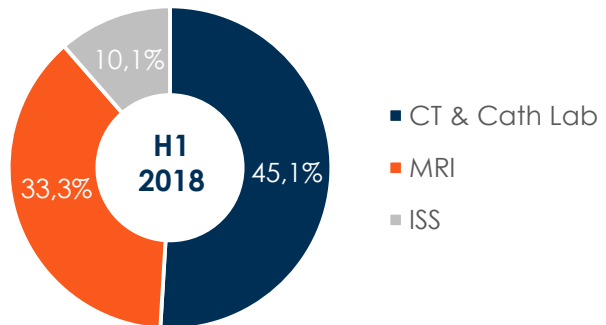
ISS
N°3

Two franchises

Diagnostic Imaging (DI)

> Core business

88,5% of H1 2018 revenue



Interventional Imaging (II)

> New business

7,5% of H1 2018 revenue



Lipiodol®
Ultra-Fluid



Patent Blue V



Vectorio®

Revenues from third parties : 4,0%

Different and complementary

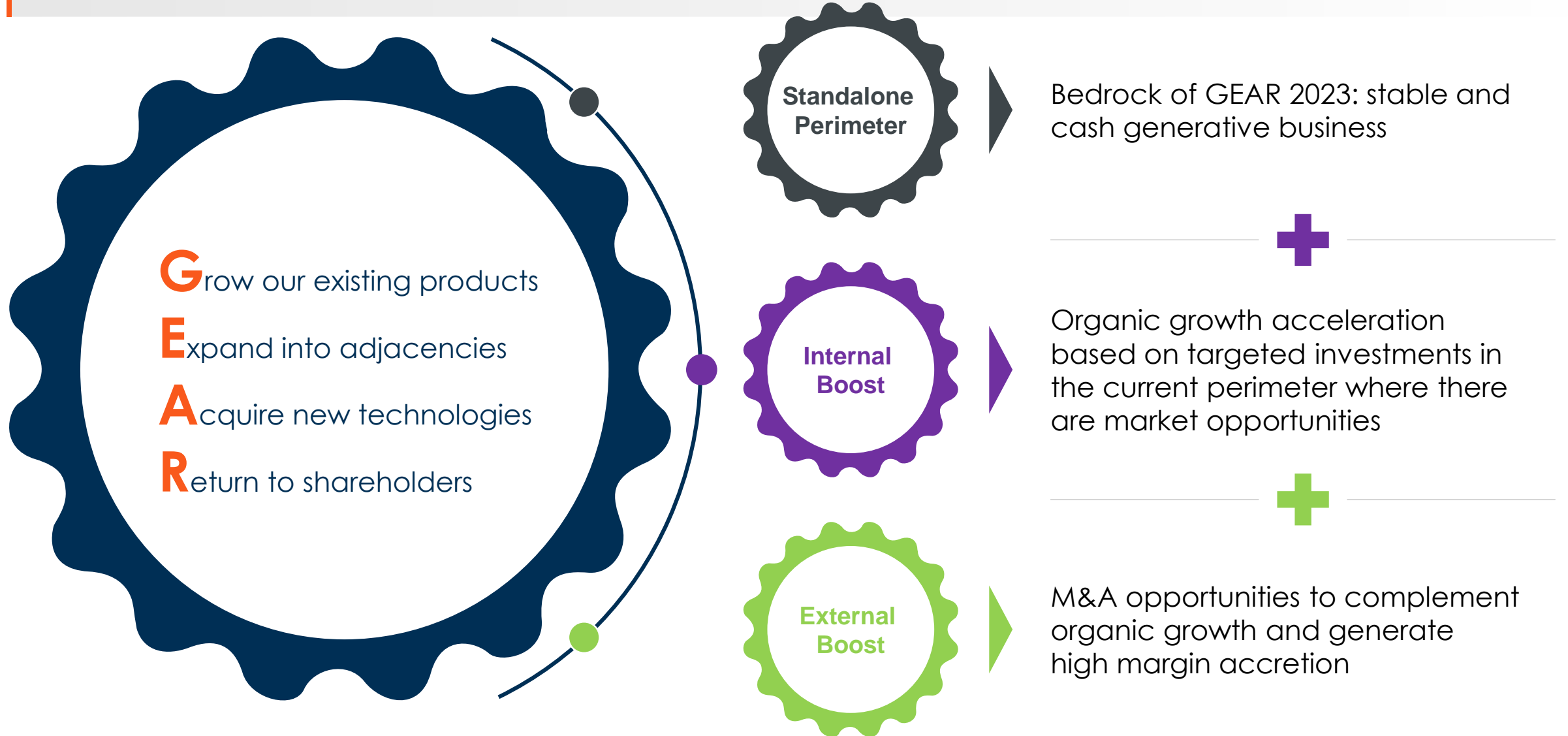
Diagnostic Imaging (DI)

- Core business
- Mature market with single digit organic growth
- Strong brands with leadership positions in both MR and CT/Cath lab modalities
- Highly regulated (pharmaceuticals or MD) with significant barriers to entry
- Dotarem® resilient brand although impacted by generics
- Key clients focus: productivity gains and cost reduction

Interventional Imaging (II)

- New business
- Double-digit market growth
- Increasing use of minimally invasive image guided procedures which progressively replace or complement surgical acts
- Guerbet leveraging its flagship product and R&D expertise to grow in selected segments
- Acquisition of Accurate Medical Therapeutics (catheters) and of a technology developed by Occlugel (beads)
- Key clients focus: clinical outcome improvement

GEAR 2023: **G**row, **E**xpand, **A**cquire, **R**eturn





Summary

1. Implementation of GEAR 2023
2. H1 2018 activity & results
3. 2018 outlook

Key initiatives

INTERNAL BOOST

EXTERNAL BOOST

Develop new best-in-class contrast media (Gadopiclenol, ex-P03277)

Go-direct in Japan

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

Strengthen digital solutions

Launch Augmented Intelligence programs

Targeted acquisitions, particularly in Medical Devices and Services

Develop Lipiodol® new indications

Develop and accelerate Accurate Medical Therapeutics solutions

Acquire high growth targets

Cost and working capital focus

A Diagnostic Imaging

B Interventional Imaging

C Corporate

Many implemented initiatives in H1 2018 to execute GEAR 2023



Key initiatives

INTERNAL BOOST

EXTERNAL BOOST

Gadopliclenol : phase III to be launched after FDA & EMA meetings

Japan: Go-direct in October

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

Strengthen digital solutions

Partnership with IBM Watson Health to codevelop and market an AI program in liver diseases for earlier and more accurate diagnosis

Targeted acquisitions, particularly in Medical Devices and Services

New indications for Lipiodol®

Launch of Accurate microcatheters: Drakon® & SeQure® (antireflux)

Acquisition of new microspheres for embolization procedures, technology developed by Occlugel

Cost to Win & Inventory projects

A Diagnostic Imaging

B Interventional Imaging

C Corporate

MRI: continuation of our leadership strategy



Diagnostic Imaging

Internal boost

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

Key features

- Gadopiclenol: successor compound of Dotarem®
- Like Dotarem®, it is a safe agent (lower risk of gadolinium release due to its macrocyclic structure)
- Its relaxivity (contrasting power) is superior to all other existing agents
- Currently ready for Phase III
- Launch target: 2022
- Potential to capture a leading market share in approved indications within 5 years post launch

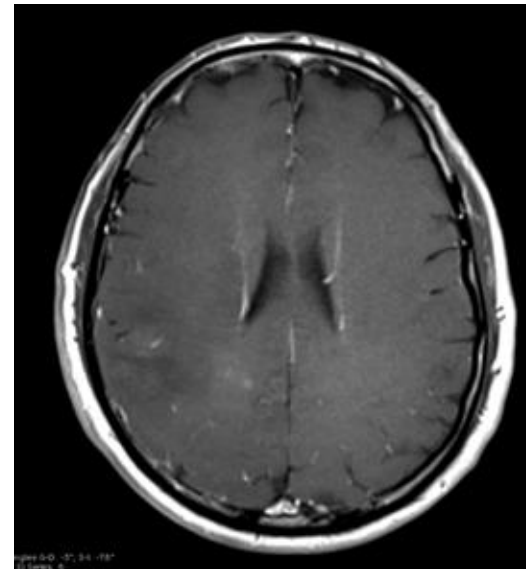
- Phase IIB criteria met
- Gadopiclenol at half dose (0.05 mmol/kg) showed similar contrast enhancement as leading product at full dose (0.1 mmol/kg)
- Gadopiclenol at full dose (0.1 mmol/kg) demonstrated superiority for contrast enhancement vs. leading product at full dose (0.1 mmol/kg)

EXAMPLE:

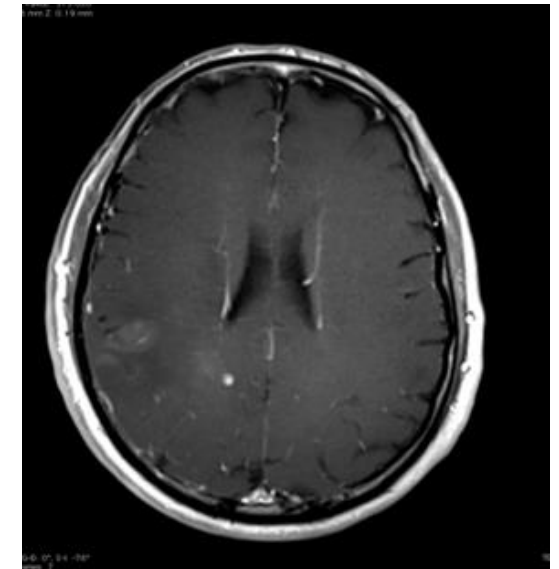
An earlier diagnosis ,

...

Toward a better prognosis for patients



Leading product
@ 0.1 mmol/kg



Guerbet Gadopiclenol
@ 0.1 mmol/kg

Go direct in Japan



Diagnostic Imaging

Internal Boost

Go-direct in Japan

After successful launch of our affiliate in the USA, Go-direct in Japan

THE #2 DIAGNOSTIC IMAGING MARKET WORLDWIDE

- #2 market for Contrast Media for MR and CT globally
- High number of MR / CT scanners per capita
- Market estimated at c. €700m
- Country with 127m inhabitants
- 8,500 hospitals

MARKET PENETRATION SINCE 2015 WITH PARTNERSHIP

- Partnership established in October 2015 with Fuji Pharma for distribution of:
 - Dotarem® distributed under Magnescope® brand in Japan for MR
 - Optiray® for CT & Cath lab
 - Lipiodiol® for Interventional Imaging

OPPORTUNITY TO BUILD SCALE WITH OWN DISTRIBUTION PLATFORM

- Guerbet brands now established in Japan
- Opportunity to build scale by investing in own distribution platform
 - Increase market share in products already distributed in Japan
 - Possibility to launch other products in Japan going forward

Ready for launch in October !

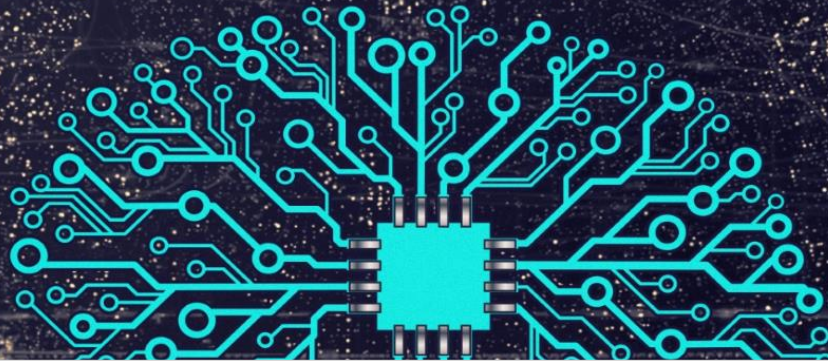
Launch Augmented Intelligence programs



Diagnostic
Imaging

External boost

Launch Augmented Intelligence
programs



Guerbet | 
Contrast for Life

IBM Watson Health

Artificial Intelligence Strategic Partnership in Medical Imaging to co-develop and co-market software solutions aiding physicians in making earlier and more accurate diagnosis of liver diseases, facilitating treatment decisions and improving therapeutic efficiency (tissue characterization without biopsy)

Liver Cancer Figures

840,000 patients

2nd cause of death worldwide

Fast growing cause of cancer
deaths in the US

Nearly 50% patients with
digestive cancers develop
metastases in the liver

**Survival rate increases
with early detection**

<http://www.who.int/news-room/fact-sheets/detail/cancer>

<https://www.cancer.org/cancer/liver-cancer.html>

<http://pressroom.cancer.org/LiverCancer2017>

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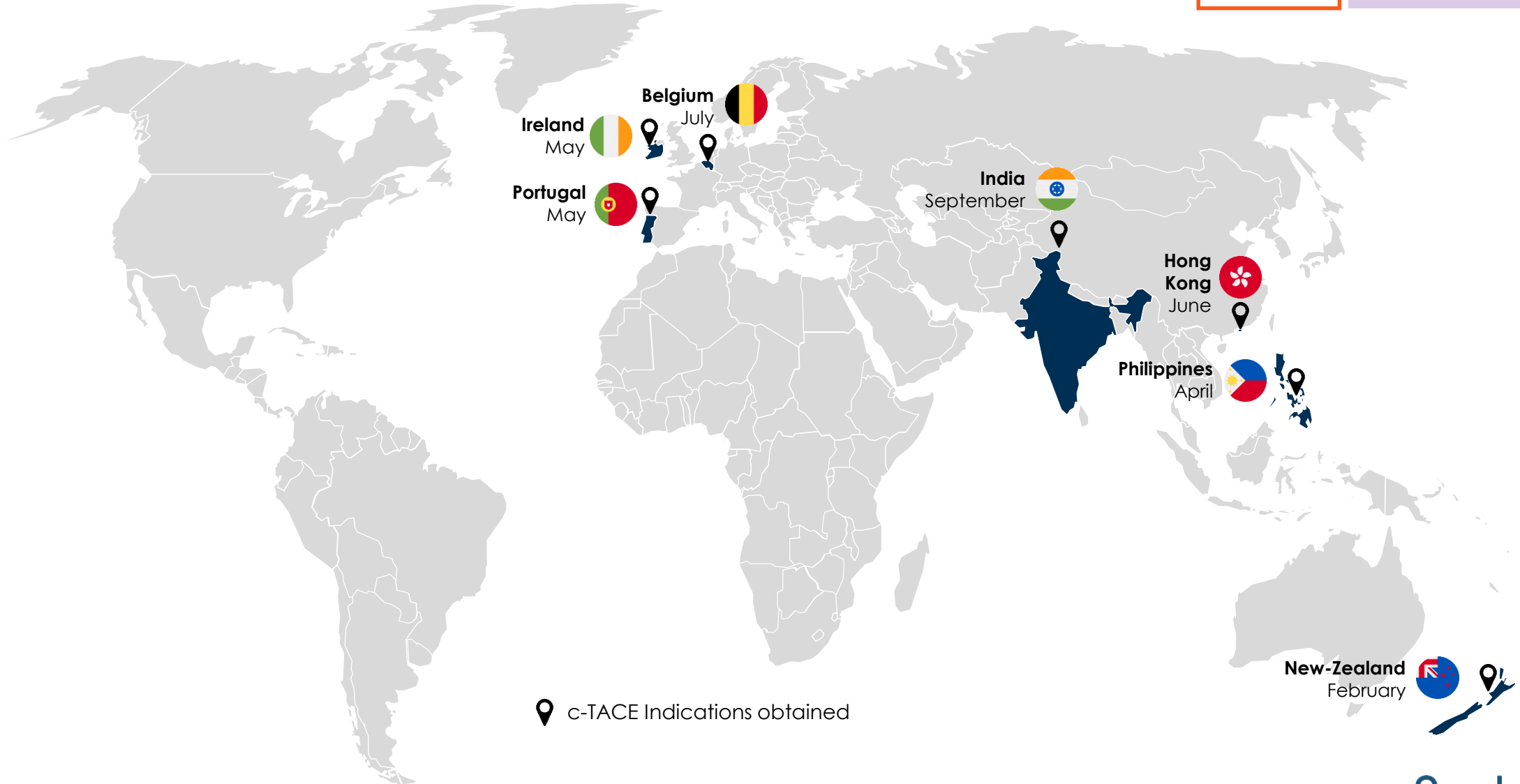
Lipiodol® new indications in 2018



Interventional imaging

Internal boost

Develop Lipiodol® new indications



📍 c-TACE Indications obtained

Acquire high growth targets



Interventional imaging

External boost
Acquire high growth targets

FCPI BioMedTech Truffle Capital

(€15m)



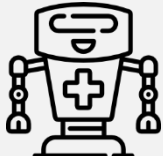
Funding of 12 startups



1st European fund dedicated to medtechs



Interventional Imaging



Robotics



Connected prosthesis



Biomarkers, AI

Accurate Medical Therapeutics

Maximum Total Amount €57m out of which €28m already paid

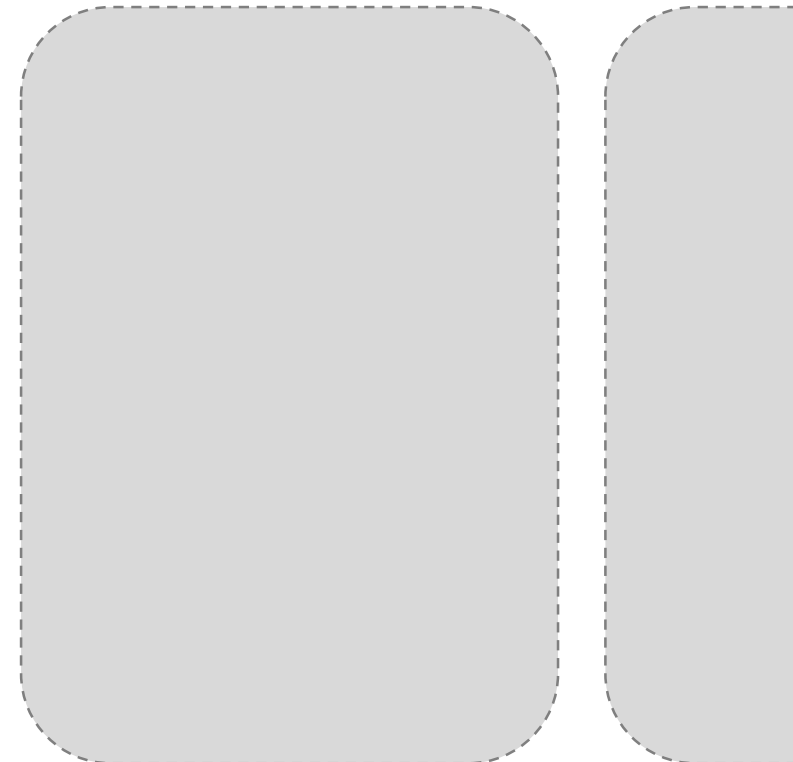
- Innovative Israeli company that is developing microcatheters for tumor embolization procedures and vascular aneurysms
- First sales expected end of 2018

A new microsphere technology developed by Occlugel

Initial payment of €3m and additional payments subject to milestones

- A technology used in embolization to complete the Accurate Medical Therapeutics offer
- Launch expected in 2021

On going discussions



June 2017

January 2018

April 2018

...

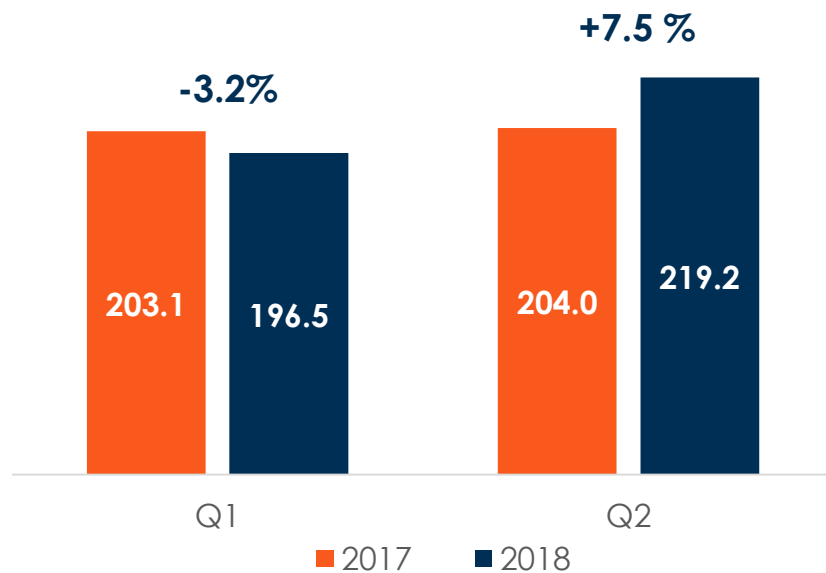


Summary

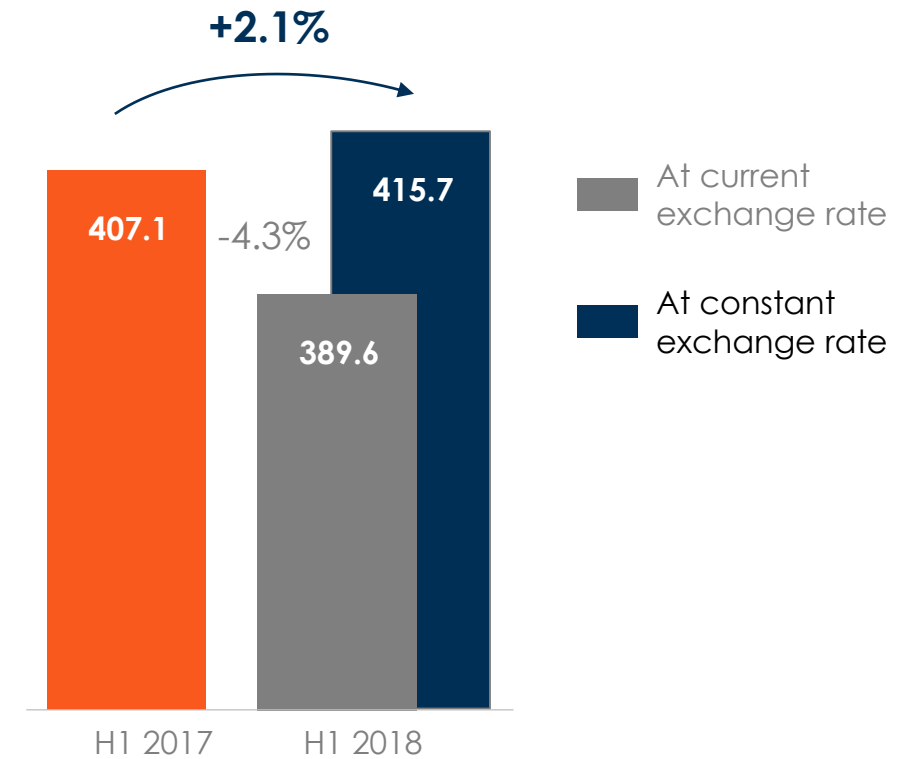
1. Implementation of GEAR 2023
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Rebound of activity in Q2 leading to a slight increase in H1 at CER

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

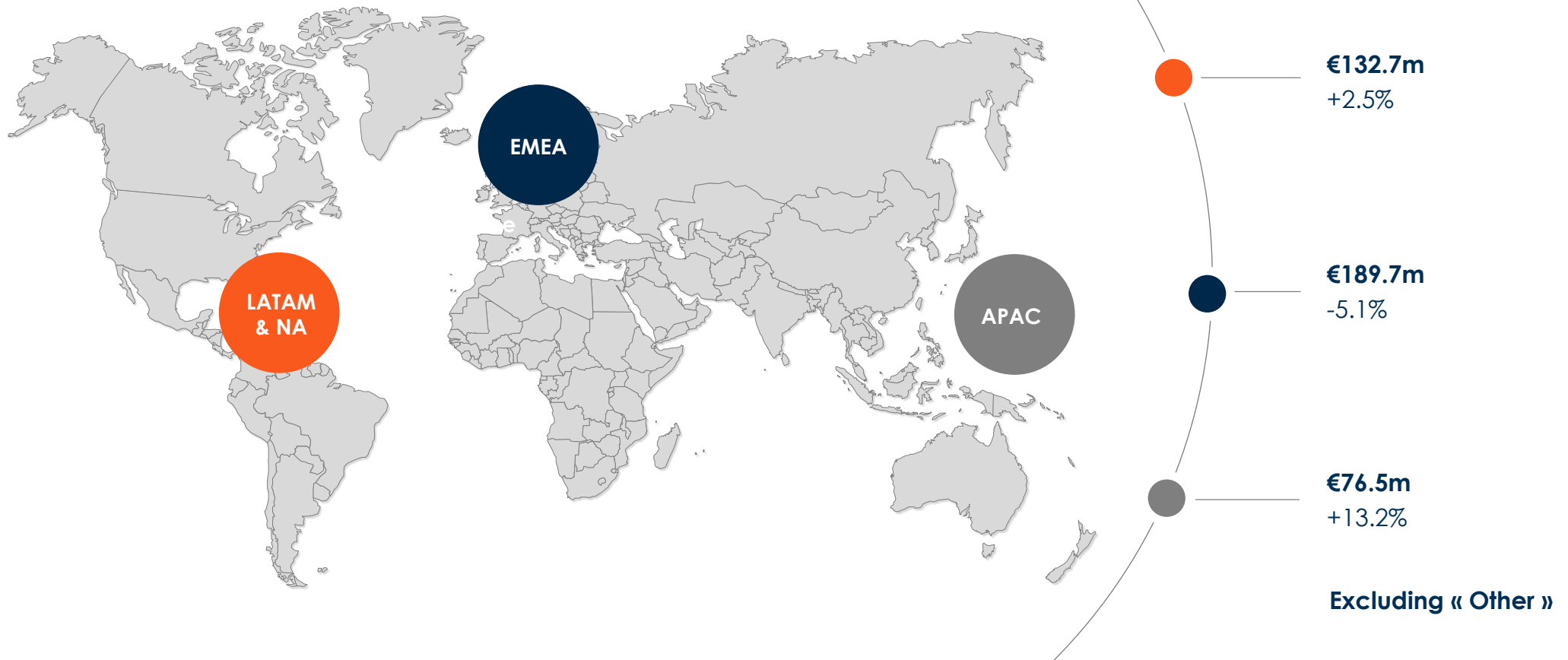


Sales evolution at constant exchange rates (CER) and
at current exchange rates
(in millions of euros)

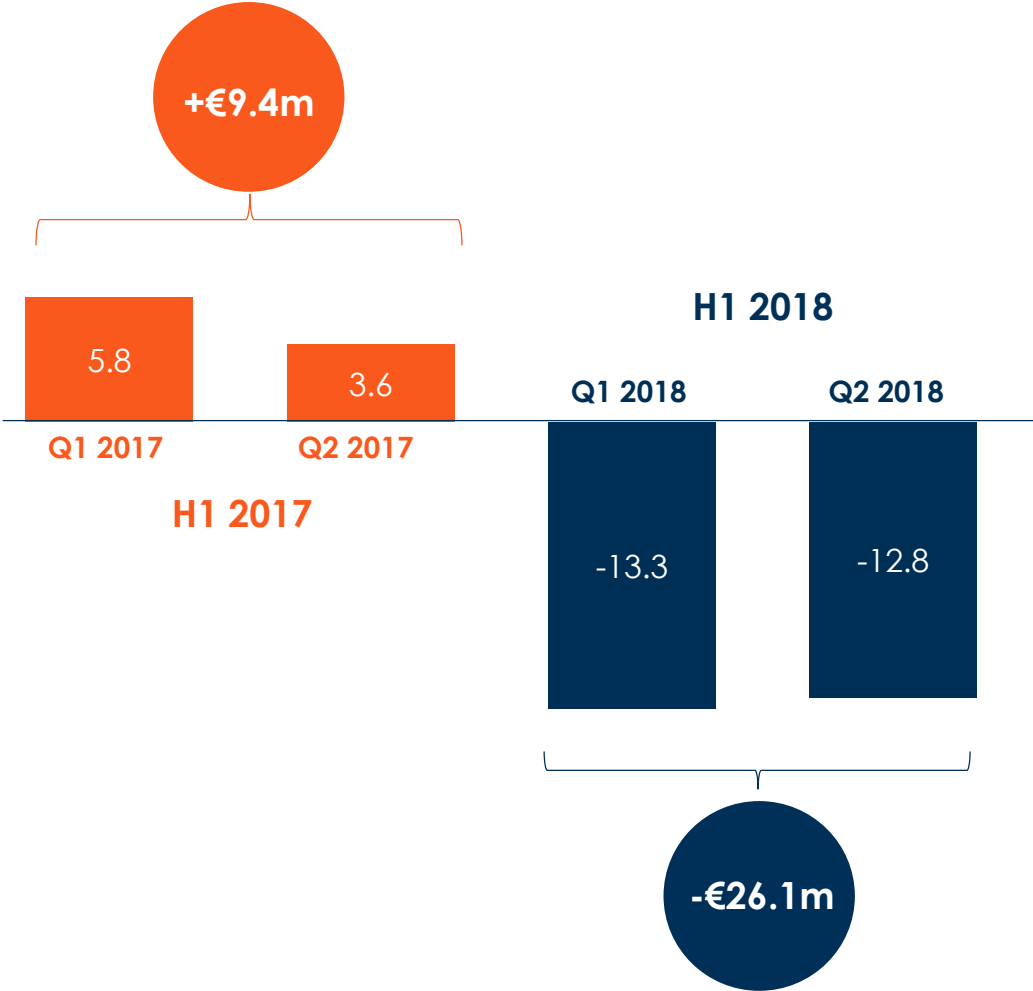


Favorable dynamics outside Europe

Evolution of H1 2018 sales by geographical area
(in % at CER)



A strongly unfavorable currency effect



Main currency effects

-  - €7.3m
-  - €5.5m
-  - €1.9m
-  - €1.3m
-  - €1.3m
-  - €1.2m
-  - €1.2m

On track with guidance

Reminder of 2018 targets

- Sales stable vs. 2017 at constant exchange rates
- EBITDA margin vs. 2017 down c. 2 points of sales, excluding one-off impacts, due to full year impact of Dotarem®
- One-off impacts of c. -€10m at EBITDA level
 - Integration of Accurate Medical Therapeutics
 - Transition to go-direct in Japan

H1 2018 achievements

H1 2018
Sales

At constant exchange rates
€415.7m ; +2.1%

Reported
EBITDA

At current exchange rates
€59.6m ; 15.3% of revenue

Performance by franchise



Diagnostic Imaging (DI)

At CER
€367.9m ; -1.5%

- MRI: Resilience of Dotarem® sales despite new generics
- CT & Cath Lab: Unfavorable base effect on Optiray®
- ISS: Progressive ramp up

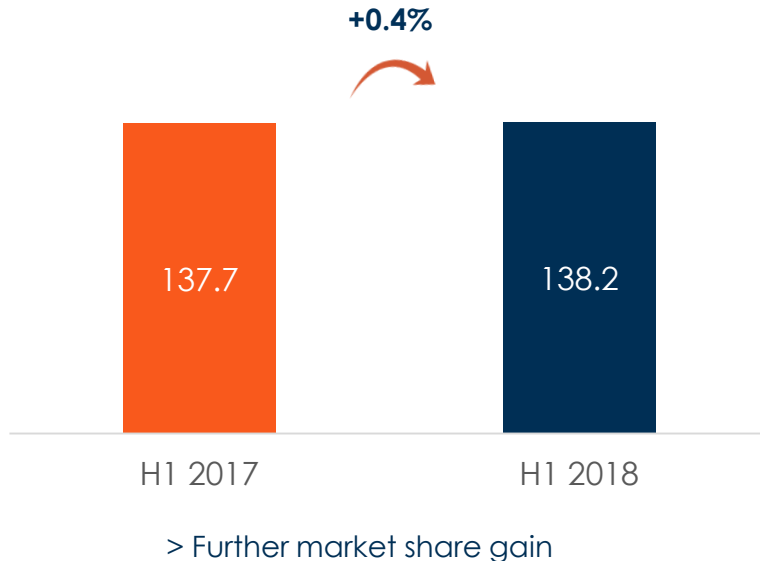


Interventional Imaging (II)

At CER
€31.0m ; +27.6%

- Sales rebound
- Marketing of Accurate Microcatheters
- Continuation of acquisition strategy

Sales at constant exchange rates
(€m)



■ USA:

- Further increase of Dotarem®, erosion of Optimark®

■ Europe:

- New volume market shares gain in all countries as a result of the CHMP recommendation to suspend all linear products (except those with a liver indication)
- Impact of the generic entry = more sensitive in Germany and France

■ Other markets:

- robust growth in South America, Oceania and Asia, particularly strong market share gain in Japan following the announcement of the Go-direct decision & supply difficulty of competitors



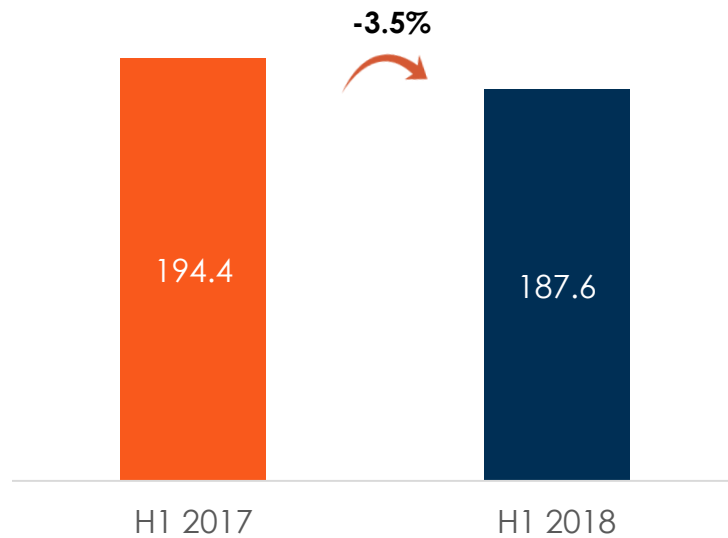
Dotarem®

IMPACT OF GENERICS COMPETITION ON DOTAREM PERFORMANCE

	REFERENCE PERIOD (Q1+ Q2 2017)	LAST 6 MONTHS (Q1+ Q2 2018)	COMMENT
Volume	Base 100	114	Volume effect: generic competition is more than offset by positive impact of switch from linear to macrocyclic products
Price	Base 100	91	Price effect: mainly concentrated in Europe (erosion of -10 to -20%, in-line with expectations)
Revenue (at CER)	Base 100	104	Sales progression despite generics

CT & Cath Lab: unfavorable base effect on Optiray®

Sales evolution at constant exchange rate
(€m)



> High competitive pressure

- Optiray® : base effect, destocking and revenue recognition in China
- Xenetix® sales increase at CER
- Slight evolution of first generation products (Telebrix®, Conray®) at lower margin



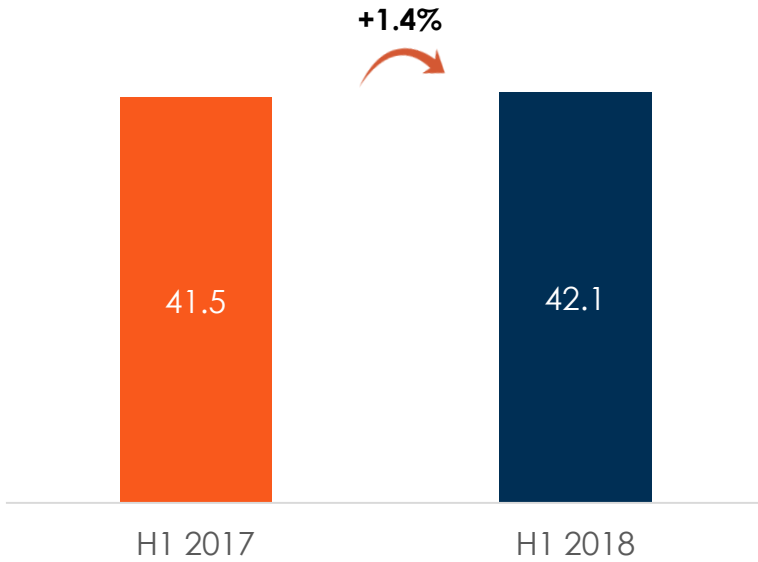
Optiray®



Xenetix®

ISS: progressive ramp-up

Sales evolution at constant exchange rate (€m)



- Internalization of technical maintenance teams in major countries
- Digital: launched Contrast&Care®, took first orders for Dose&Care®

Guerbet Digital Services

Contrast&Care. INJECTION MANAGEMENT SOLUTION

EFFICIENCY TRACEABILITY INFORMED DECISION

Contrast&Care®



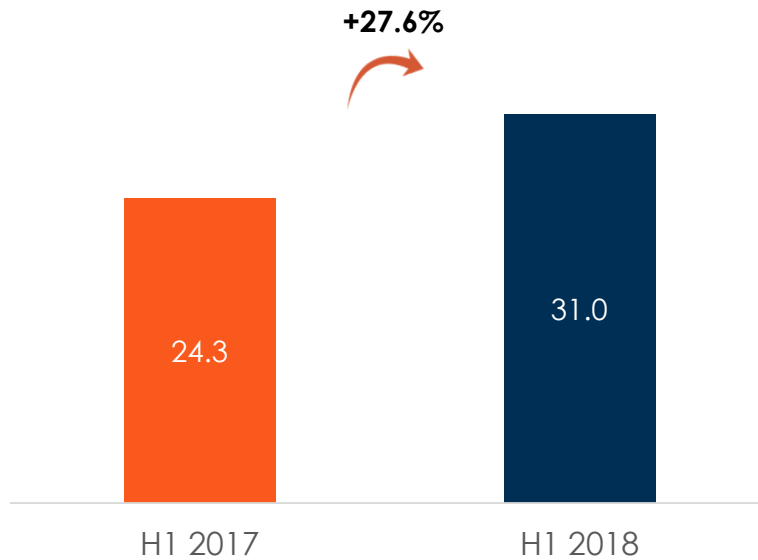
Optistar® Elite



OptiVantage®

Interventional Imaging: robust double digit growth of Lipiodol®

Sales evolution at constant exchange rate
(€m)



- Supply difficulties in 2017
- H1 2018 demonstrates intact growth potential for Lipiodol® and for Patent Blue V



Patent Blue V



Lipiodol®



Vectorio®

Marketing of Accurate Microcatheters

Zones



USA



Europe

Regulatory steps

510k granted

CE marking expected in Q4 2018

Sales

End 2018

H1 2019

DRAKON™ Peripheral Microcatheter

Meeting The Highest Standards.

DRAKON™ is a new high performance peripheral microcatheter designed to optimize targeted interventions in challenging anatomies

- Smooth delivery**
New PFC lumen facilitates smooth passage of fluids, embolic agents and devices (such as guidewires).
- Compatible with Lipiodol**
- Gradual flexibility**
7 Pebax & Carbothane segments designed to enhance proximal support and pushability while providing optimal flexibility and trackability from hub to tip.
- Kink-resistance & lumen integrity**
Tungsten RO braid provides support and increases pushability, and optimizes kink-resistance to ensure inner lumen integrity for an efficient delivery of embolic agents.
- Easier navigation through tortuous vessels**
Made possible by hydrophilic coating.
- Controlled visibility**
 - Tungsten RO braid runs through the entire catheter length, allowing enhanced visibility under fluoroscopy.
 - Digital RO marker enhances tip visibility.

Drakon®

SEQUIRE® Reflux Control Microcatheter

Deliver more¹. Reduce the risk of nontarget embolization^{2,3}.

The only reflux control microcatheter enabling flow directed embolization.

Guerbet | Contrast for Life

SeSure® (antireflux)

Continuation of GEAR 2023 acquisition strategy

INTERNAL BOOST

Existing product offering

Interventional Oncology

Lipiodol® in Hepato Cellular Carcinoma (HCC)

Existing and potential universe

Interventional Vascular

Lipiodol® in vascular embolization

Lipiodol® in lymphatic embolization

Interventional Optimized Delivery

Vectorio®

ACCURATE μ-catheters

EXTERNAL BOOST

Potential product offering

Ablation

Microspheres/ Drug Eluting Beads

Trans-Arterial Radio Embolization

High Intensity Focused Ultrasound

Liquid Embolic & Glue

Coils & Plugs

New II kits for Lipiodol®

Robotic & Guiding



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

Progression of Interventional Imaging in the product-mix

IFRS €m	H1 2017	% revenue	H1 2018	H1 2018 At CER	% revenue at CER	Change 2018 / 2017 at CER
MRI	137.7	33.8%	130.4	138.2	33.3%	+0.4%
CT & Cath Lab	194.4	47.7%	175.2	187.6	45.1%	(3.5)%
Injection Systems and Services	41.5	10.2%	39.3	42.1	10.1%	+1.4%
Interventional Imaging	24.3	6.0%	29.1	31.0	7.5%	+27.6%
Other	9.2	2.3%	15.6	16.8	4.0%	+82.6%
TOTAL	407.1	100.0%	389.6	415.7	100.0%	+2.1%

EBITDA in line with guidance

IFRS €m	H1 2017	% revenue	H1 2018	% revenue
Net sales	407.1	100.0%	389.6	100.0%
Other revenue	1.8	0.4%	1.1	0.2%
Supplies used in operations	(96.6)	(23.7)%	(76.5)	(19.6)%
Staff costs	(114.4)	(28.1)%	(118.5)	(30.4)%
External expenses	(122.6)	(30.1)%	(122.4)	(31.4)%
Taxes other than on income	(10.5)	(2.6)%	(10.1)	(2.6)%
Other operating income and expenses	(0.3)	(0.1)%	(3.6)	(0.9)%
EBITDA	64.5	15.8%	59.6	15.3%

Restated EBITDA at CER



Operating Income

IFRS €m	H1 2017	% revenue	H1 2018	% revenue
EBITDA	64.5	15.8%	59.6	15.3%
Allowances for depreciation	(20.8)	(5.1)%	(21.0)	(5.4)%
Provisions	(3.0)	(0.7)%	(2.0)	(0.5)%
Operating Income	40.7	10.0%	36.6	9.4%

Operating Income variance analysis



Stable Net Income

IFRS €m	H1 2017	% revenue	H1 2018	% revenue
Operating Income	40.7	10.0%	36.6	9.4%
Net interest expense	(3.1)	(0.8)%	(3.2)	(0.8)%
Net currency gains/losses	(2.4)	(0.6)%	(1.1)	(0.3)%
Other financial income and expenses	(0.9)	(0.2)%	-	
Income tax	(11.2)	(2.7)%	(9.9)	(2.5)%
Net Income	23.1	5.7%	22.4	5.8%
Income tax rate	32.7%		30.7%	

Sound financial structure

ASSETS	June 30, 2017	December 31, 2017	June 30, 2018
Non-current assets <i>of which fixed assets</i>	395.9 (365.4)	395.5 (367.4)	456.8 (421.3)
Inventories	279.5	270.5	280.6
Trade receivables	153.0	150.4	148.8
Other current assets <i>of which CCE</i>	133.6 (55.8)	137.2 (75.4)	147.8 (89.6)
Total Balance sheet	962.0	953.6	1 034.0

EQUITY & LIABILITIES	June 30, 2017	December 31, 2017	June 30, 2018
Shareholders' equity	324.0	342.1	346.4
Non-current liabilities <i>of which financial debt</i>	357.0 (303.3)	348.4 (287.4)	309.8 (249.8)
Trade payables	71.3	78.7	74.5
Other current liabilities <i>of which financial debt</i>	209.7 (63.1)	184.4 (66.4)	303.3 (168.8)
Total Balance sheet	962.0	953.6	1 034.0

Free Cash Flow impacted by working capital, acquisitions and exchange rates

IFRS €m	H1 2017		H1 2018	
Cash flow from operations	65.2		61.0	
Change in WCR	(44.1)		(32.6)	
<i>of which change in inventories</i>		(28.4)		(15.1)
<i>of which change in trade receivables</i>		20.6		4.1
<i>of which change in trade payables</i>		(27.6)		(5.9)
<i>of which change in other assets and liabilities</i>		(8.7)		(15.7)
Net capital expenditure	(20.7)		(14.0)	
Change in fixed assets trade payables	(3.1)		(0.7)	
CMDS purchase price adjustment	7.7			
Investment in intangible assets (acquisitions)			(31.0)	
Dividends	(10.8)		(10.7)	
Capital increase	0.4		0.1	
Income tax paid	(6.9)		(11.7)	
Exchange	3.4		(11.0)	
Free Cash Flow	(8.9)		(50.6)	
Final net debt	310.7		329.0	

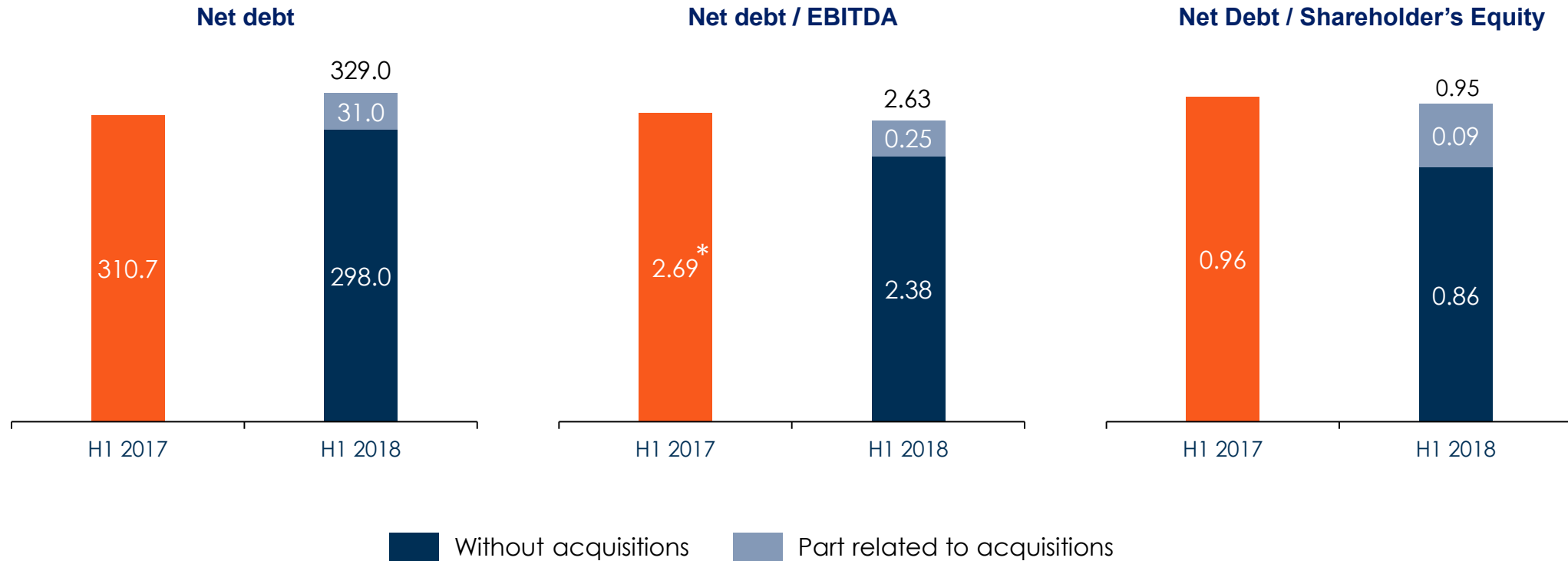
Unfavourable change in working capital

- Inventories : will decrease at year end
- Other assets & liabilities : mainly due to prepayments and VAT

Acquisitions of Accurate and Occlugel

Forex impact on hedging instruments

Net debt increase triggered by acquisitions, in line with GEAR 2023



*The method that has prevailed up to now for the ratio calculation (Net debt / half-year EBITDA x 2) has been changed to apply the market place practices. The calculation is now Net debt / EBITDA of the last twelve months. As a consequence, the 2017 ratio has moved from 2.41 to 2.69.

Performance of the Guerbet share

■ At September 21, 2018

- Price €57
- Capitalization €716m
- High since January, 2017: €90.5
- Low since January, 2017: €50.2
- Perf. since January 2017 : -20.31%

■ Indexes

- CAC Mid & Small, CAC All-Share, CAC Pharma & Bio

■ Securities trading info

- Code ISIN FR0000032526
- Symbol GBT
- Reuters Code GRBT.PA
- Bloomberg Code GBT:FP
- Number of shares 12 575 664
- Market segment Euronext B

Change in market price
From Jan. 1, 2017 to Sept. 21, 2018





Summary

1. Implementation of GEAR 2023
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Outlook 2018

Revenue

- 2018 sales slightly exceeding 2017 sales at constant exchange rates

EBITDA

- Restated EBITDA (excluding inventory revaluation of €15.6m on a full year basis) around 15% at CER

Financial communication calendar

- **3rd quarter 2018 revenue: October 25, 2018 after trading**
- **2018 annual revenue: February 14, 2019 after trading**
- **2018 annual results: March 26, 2019 after trading**



Q & A

QUESTIONS & ANSWERS



Glossary

- **CT:** Computed Tomography (*Tomodensitométrie* in French) is a medical imaging modality that consists in measuring the absorption of X-rays by the tissue, digitalizing the output by computer processing and then reconstructing 2D (section) or 3D images of anatomical structures. Tissue contrast can be increased by injecting a iodine-based contrast medium. This product has the property of strongly absorbing X-rays and thus making the tissues in which it is circulating highly visible
- **Cath Lab:** the Catheterization Laboratory (*Salle D'angiographie* in French) is an examination room in a hospital or clinic where minimally invasive diagnostic and therapeutic procedures dedicated to cardiovascular diseases are performed. By using the absorption of X-rays and injected iodine-based contrast agents both diagnosis procedure and therapies such as stenotic artery dilation or embolization of an arterial aneurism are refined
- **MRI:** Magnetic Resonance Imaging (*Imagerie par Résonance Magnétique* in French) is a non-irradiating alternative modality that uses magnetic fields to reconstruct 2D (section) or 3D images of anatomical structures. Tissue contrast can be increased by injecting a gadolinium-based contrast agent, which makes the tissues in which it is circulating very visible
- **TACE:** Trans-Arterial Chemo-Embolization (*Chimio-Embolisation Trans-Artérielle* in French) is a minimally invasive procedure that involves mixing Lipiodol® Ultra-Fluid with an anticancer agent and injecting the mixture into the liver tumor by connecting a catheter into the tumor's feeder artery
- **cTACE:** conventional Trans-Arterial Chemo-Embolization
- **CHMP:** Committee for Medicinal Products for Human Use