2022 half-year results

Slight business growth

- H1 revenue: €371.1 million, up 2.2% (-1.3% at CER[1]); sustained momentum in Asia and activity in the United States impacted by labor market tensions affecting a production site

Profitability maintained

- H1 EBITDA[2]: €50.5 million; margin of 13.9% of revenue (excluding extraordinary expenses for optimization of the operational structure and changes in the sales model in China)

2022 objectives confirmed

- Expected revenue growth of between 2% and 4% on a like-for-like basis and at constant exchange rates
- 2022 EBITDA margin at least identical to the 2021 EBITDA margin (14.4% excluding extraordinary costs for optimization of the operational structure and changes in the sales model in China)

Villepinte, Wednesday, September 21, 2022: Guerbet (FR0000032526), a global specialist in contrast agents and solutions for medical imaging, is announcing its consolidated results for the first half of 2022.

Revenue totaled €371.1 million, up 2.2% from June 30, 2021. This includes a positive forex effect of €12.8 million, almost half of which (€6 million) was due to the dollar's strength against the euro.

Excluding forex effects and on a like-for-like basis, first-half revenue was down -1.3% at €358.3 million. It was up +0.5% in the first quarter and down -3.1% in the second quarter due to a largely unfavorable base effect (sales had jumped +25.1% in the second quarter of 2021 in a context of post-lockdown improvements).

[1] At constant exchange rates: 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.
[2] EBITDA: Operating income before net amortization, depreciation, and provisions.

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Good momentum across all sectors and geographic areas, excluding the Raleigh effect

In the **Americas**, reported sales were up +6.4% (down -3.7% at CER). Demand remained strong, with activity at the industrial site in Raleigh (North Carolina) hampered in the first half of the year by recruitment difficulties affecting the production of Optiray® and Dotarem®. The measures put in place in recent months have paid off and are now significantly limiting the impact of these difficulties.

In **Asia**, activity increased 7.7% (4.2% at CER), driven by the introduction of direct distribution in China in the second quarter.

In **EMEA**, reported sales were down -3.2% (-2.6% at CER) with stable volumes overall, accompanied by continued price erosion.

Diagnostic Imaging revenue in the first half grew 2.1% at current exchange rates (-1.3% at CER).

- In MRI, H1 revenue increased +2.5% to €121.3 million (-0.5% at CER).
- **X-ray** revenue totaled €206.8 million, up 1.9% (-1.8% at CER) thanks to volumes and prices that remained strong for Xenetix® and despite the decline in Optiray® sales due to production constraints at the Raleigh site.

In **Interventional Imaging**, reported sales were up 2.5%. At CER, sales were down -1.6%. The implementation of a worldwide Lipiodol® sales contract led to a decline in revenue from this activity in the first quarter (-9.7%) due to one-off price effects. The recovery was very pronounced in the second quarter (+7.3%). For the first half as a whole, there was double-digit growth in micro-catheters (+21.5%).

Resilient first-half results

In millions of euros, Consolidated financial statements (IFRS)	H1 2021 Reported	H1 2022 Reported
Revenue	**363.1**	**371.1**
EBITDA[2]	**62.3**	**50.5**
% of revenue	17.1%	13.6%
Operating income	**34.8**	**16.9**
% of revenue	9.6%	4.6%
Net income	**23.4**	**3.3**
% of revenue	6.4%	0.9%
Net debt	**249.3**	**251.5**

[2] *EBITDA: Operating income before net amortization, depreciation, and provisions.*

The 2022 half-year financial statements, approved by the Board of Directors on Wednesday, September 21, 2022, underwent a limited review by the statutory auditors. The statutory auditors' report is being prepared.

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EBITDA margin in line with expectations

As a reminder, the exceptional budgetary measures put in place at the height of the COVID crisis led to the Group's EBITDA ratio of 17.1% at the end of June 2021. During the second half of 2021, the Group relaunched its sales and marketing investments to boost activity and accelerate the strategy's implementation, resulting in an EBITDA/revenue ratio of 14.4% at the end of 2021.

In an environment of inflation and labor market tensions, the Group managed to preserve its profitability by continuing its efforts to optimize production and structural costs. This discipline enabled it to limit the impact of rising costs of raw materials and other supplies (iodine in particular). The increase in payroll costs remained contained (+3.3%) despite intense recruitment pressure in the US. Excluding extraordinary costs related to the optimization of the Group's operating structure and the change in the sales model in China (direct distribution), the EBITDA/revenue ratio was 13.9%, in line with the Group's expectations at the end of this first half of the year. The reported margin was 13.6%.

As of June 30, operating income totaled €16.9 million. This includes an increase in depreciation and amortization as well as provisions related to quality disputes with component suppliers.

Net income for the first half amounted to €3.3 million. Financial expenses fell sharply to €1.2 million (versus €4.4 million in the first half of 2021). The tax expense increased to €11.2 million (compared with €5.1 million previously) after the Group analyzed the tax risks across all its subsidiaries and booked an additional €9.5 million provision in its consolidated accounts in compliance with IFRIC 23.

As of June 30, 2022, equity totaled €429 million, compared with €405 million on Friday, December 31, 2021. The decrease in cash (-€56 million, at €60 million) reflects the €25 million repayment of the installment loan obtained in 2019 and the increase in WCR fueled by the establishment of precautionary stocks and stocks of Elucirem™ to prepare for its launch in 2023. This did not prevent a further improvement in the debt ratio, with a net debt/equity ratio of 0.59 as of June 30, 2022, compared with 0.64 a year earlier.

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2022 outlook and guidance

During the first half of the year, the Group made industrial, commercial, and operational investments on several fronts in order to prepare for the future, thus contributing to an unprecedented renewal of its product portfolio in all divisions.

- **In Diagnostic Imaging**, the production chains are on track for the sale of Elucirem™, expected by 2023, after reviews by the FDA and the EMA[3].
- **In Interventional Imaging**, the significant expansion of the portfolio of SeQure® and DraKon™ microcatheters (addition of 20 models, representing a total of 38 products) and the launch of a new line of Axessio™ guidewires allow Guerbet to now offer a complete platform of solutions to the interventional radiology community.
- **In Artificial Intelligence (AI),** the Group is preparing to launch its first solution in 2023 to help diagnose prostate cancer.

Guerbet believes that it can meet its ambitious revenue growth objective of 2% to 4% on a like-for-like basis and at constant exchange rates for the full 2022 fiscal year, on the back of solid activity in the first two months of the third quarter and a continuous improvement in production rates at the Raleigh site. The Group also reiterates its operating profitability forecast for the full 2022 fiscal year of an EBITDA/revenue ratio at least identical to the 2021 ratio (14.4%), excluding extraordinary costs for optimizing the Group's operating plan and shifting to direct distribution in China.

Upcoming events:

Publication of Q3 2022 revenue

Thursday, October 20, 2022, after trading

[3] *ElucirемTM (gadopiclenol) is under review in Europe by the EMA (European Medicines Agency) and in the US by the FDA (Food and Drug Administration)*

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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 global leader in medical imaging, offering a comprehensive range of pharmaceutical products, medical devices, and digital and AI solutions for diagnostic and interventional imaging. As pioneers in contrast products for 95 years, with more than 2,700 employees worldwide, we continuously innovate and devote 8% to 10% of our revenue to research and development in five centers in France, Israel, and the United States. Guerbet (GBT) is listed on Euronext Paris (segment B – mid caps) and generated €732 million in revenue in 2021. For more information, 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 authorization 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, and their decisions regarding labeling 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 activities can be found in Chapter 4.9 "Risk factors" of the Group's Universal Registration Document filed with the AMF (French financial markets authority) under number D-22-0242 on Tuesday, April 5, 2022, available on the Group's website (www.guerbet.com).

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