

Half-year results 2023

Acceleration of activity

- Half-year revenue: €378.6 million, up 2.8% at CER¹
- Strong acceleration of activity in the second quarter, up 6.7% at CER

Profitability in line with expectations

- EBITDA for the first half-year: €45.9 million, compared to €50.5 million one year earlier
- The restated EBITDA margin² amounted to 12.7% of revenue

2023 objectives confirmed

- Revenue: expected growth of more than 5% on a like-for-like basis and at CER
- Expected restated EBITDA margin² around 11%, before a return in 2024 to a higher level than in 2021 (14.4%)

Villepinte, 20 September 2023: Guerbet (FR0000032526 GBT), a global specialist in contrast agents and solutions for medical imaging, is publishing its consolidated financial statements for the first half of 2023. Revenue as at 30 June amounted to €378.6 million, up 2% compared to the same period in 2022. Excluding the unfavourable foreign currency effect (-€2.9 million), revenue was up 2.8% at CER¹. As anticipated, this change was marked by a sharp acceleration of activity in the second quarter (+6.7% at CER) after a slight decline in the first quarter (-1.3%).

¹ Constant exchange rates (CER): 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 Excluding extraordinary costs relating to optimisation of the operational structure and changes in the sales model.

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Strong activity in Asia and Europe; good dynamics for Diagnostic Imaging

In the **EMEA region**, activity increased over the first six months of the fiscal year by 7.8% at current exchange rates and at CER, in the wake of the sustained increase in volumes and positive price effects, which had been accelerating since the beginning of the year.

In **Asia**, the large increase in revenue in the first half of the year (+16.6% at CER) resulted from a sharp acceleration in the second quarter (+30.1%). This performance was driven by China, where the implementation of direct distribution just a year ago continues to pay off.

The decline in sales in the **Americas region** (-15.3% at CER), reflects in part the optimisation of the customer portfolio and the production adjustments associated with the launch of Elucirem™. On the Raleigh site (North Carolina), the situation returned to normal, with production as of 30 June 2023 higher than in the first half of 2021, i.e. before the decline in production linked to recruitment difficulties.

By activity, revenue for **Diagnostic Imaging** increased by 3.3% at CER. It should be noted that X-ray revenue now includes the revenue of the company Intrasure (€2.2 million in the first half of 2023), consolidated as of 11 January 2023.

- In **MRI**, growth of 3.2% at CER was marked by an acceleration in the second quarter (+5.6%);
- **X-ray** growth over the first half of the year (+3.4% at CER) reflected an ever-strong increase in sales of Xenetix® and a decrease in Optiray® volumes, resulting from price increases and customer portfolio and production adjustments on the Raleigh site.

In **Interventional Imaging**, sales at CER were down 1.1% in the first half of 2023 due to a base effect in the Asia region; activity increased (+1.4%) in the second quarter alone.

In millions of euros Consolidated financial statements (IFRS standards)	H1 2022 Published	H1 2023 Published
Revenue	371.1	378.6
EBITDA*	50.5	45.9
<i>% of revenue</i>	<i>13.6%</i>	<i>12.1%</i>
Operating income	16.9	10.3
<i>% of revenue</i>	<i>4.6%</i>	<i>2.7%</i>
Net income	3.3	1.3
<i>% of revenue</i>	<i>0.9%</i>	<i>0.4%</i>
Net debt	251.5	342.3

* EBITDA = Operating income + net amortisation, depreciation, and provisions.

Note: Audit procedures have been carried out for the consolidated financial statements. The certification report is currently being issued.

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Resilience of the EBITDA margin in a context of inflation

As indicated when the annual results were published, Guerbet's 2023 operational profitability is subject to a context in which costs are rising more sharply than in the previous fiscal year. In the first half of the year, this context was particularly reflected in a significant increase in staff costs, in connection with salary inflation but also with the compensation paid as part of the departure of employees following the optimisation of the operational structure. The sales price increases initiated over the past few months, as well as continued efforts focusing on the cost structure, partially offset inflationary pressures, limiting the decrease of the EBITDA margin, which amounted to 12.1%, compared to 13.6% in the first half of 2022. The restated EBITDA margin, calculated excluding extraordinary costs relating to optimisation of the operational structure and changes in the sales model, came to 12.7%, compared to 13.9% one year earlier.

As of 30 June 2023, the Group's operating income was €10.3 million, compared to €16.9 million one year earlier.

Net income was €1.3 million over the period. Taxes came to €2.2 million compared to €11.2 million in the first half of 2022, which was marked by the accounting of items notified by the tax authorities (for €4.5 million) and additional expenses under IFRIC 23 (€4.4 million). Financial expenses increased to €3.8 million (compared to €1.2 million one year earlier).

At the end of June 2023, shareholders' equity amounted to €370 million, compared to €380 million at the end of 2022. Over the same period, the Group's net debt rose from €270 million on 31 December 2022 to €342 million at the end of June 2023. This change was related to an increase in WCR driven by the increase in stocks, due to the prices of supplies (iodine) as well as the creation of stocks of Elucirem™.

As a reminder, in late July, Guerbet finalised the refinancing of its debt backed by a new five-year credit agreement, replacing the one expiring in March 2024. The amount of this agreement comes to €350 million, including an undrawn €100 million revolving credit facility. In addition, in order to support its development and diversify its sources of financing, Guerbet has announced the signing of agreements for the issue of €50 million in EuroPP bonds over a period of six and a half years and the issue of €50 million in Relance bonds over eight years.

Continued acceleration of sales in the second half of the year and rebound in margins in 2024

Guerbet's teams are committed to the strategic priorities that should enable the Group to boost its growth in the long term; these include:

- **Increasing sales of Elucirem™.** Launched in March 2023 in the United States, this breakthrough MRI innovation posted initial sales in line with the Group's expectations. In Europe, marketing authorisation is still expected in the second half of 2023. For clarification, this process will be carried

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out in two stages: in mid-October, the Committee for Medicinal Products for Human Use (CHMP) should issue its opinion, which must then be approved by the European commission around mid-December.

- **Accelerating the Artificial Intelligence roadmap.** The non-exclusive licensing agreement signed in June with the company Intrasure, in which the Group now owns a 56.5% stake, will enable the algorithms developed by Guerbet to be marketed in the near future via the Myrian® platform. As a reminder, Guerbet has built its AI portfolio around the detection of liver and bone lesions and pancreatic and prostate cancers. With regard to this latter disease, the Group's algorithm recently won the "PI-CAI" challenge organised by a large international consortium (*see press release of 17 July 2023*).

In terms of financial prospects, Guerbet remains confident for the second half of fiscal year 2023 and beyond. The contrast media market remains driven by structural volume growth along with positive price effects. Activity in the coming months will also benefit from the gradual rise in Elucirem™ sales and the sustained growth of Lipiodol® sales. As previously stated, Guerbet's growth in the second half of 2023 will be more sustained than in the first half. In terms of profitability, inflationary pressures (in particular for iodine) will continue to be felt in the second half of 2023.

In this context, Guerbet confirms that it anticipates revenue growth of more than 5% on a like-for-like basis and at CER in 2023. The restated EBITDA margin/revenue ratio is expected to be around 11%, before a return in 2024 to a higher level than in 2021 (14.4%).

About Guerbet

At Guerbet, we build lasting relationships so that we enable people to live better. That is our purpose. We are a leader in medical imaging worldwide, offering a comprehensive range of pharmaceutical products, medical devices, and digital and AI solutions for diagnostic and interventional imaging. A pioneer in contrast media for 95 years, with more than 2,600 employees worldwide, we continuously innovate and devote 10% of our sales to research and development in four centres in France, Israel, and the United States. Guerbet (GBT) is listed on Euronext Paris (segment B – mid caps) and generated €753 million in revenue in 2022.

Forward-looking statements

This press release may contain forward-looking statements based on the assumptions and forecasts of Guerbet Group management. They involve known and unknown risks, uncertainties, and other factors that may result in a significant difference between the Group's future results, financial situation, growth and performance and those presented by these forward-looking statements. These factors include those that are mentioned in Guerbet's public documents and available on its website www.guerbet.com. The Group expressly disclaims any obligation to publish an update or revision of the forward-looking statements contained in this press release to reflect future events or developments.

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