

2021 HALF-YEAR EARNINGS

EBITDA up +110% to €42.5m

Net cash of €60.4m

COVID accelerating the Group's longstanding activities and strategic development

Paris, October 12, 2021 – 5:35pm

Eurobio Scientific (FR0013240934, ALERS, PEA-PME eligible), a leading French in vitro medical diagnostics and life sciences group, is today reporting its half-year earnings at June 30, 2021¹.

Eurobio Scientific's first-half earnings reflect another strong level of revenues, with €95.6m, across its COVID and non-COVID activities. EBITDA came to €42.5m, representing 44% of revenues. Eurobio Scientific continued to benefit from the impact of its COVID-related activities which, in addition to the increase in business and profitability, had a positive impact on its core business in two ways:

- Further strengthening its presence with analytical laboratories through growth in the fleet of instruments deployed, the majority of which can handle all types of tests, COVID and non-COVID;
- Considerably increasing the Group's financial resources, enabling it to accelerate its strategic deployment by investing in R&D or targeted external growth with a view to increasing the percentage of proprietary products.

in €m	30 June 2021	30 June 2020	Change
IVD product sales	95.6	62.1	+53.9%
Other revenues	0.3	0.4	-12.5%
Total revenues	95.9	62.5	+53.5%
Cost of goods sold	-41.4	-32.2	+28.6%
Gross margin	54.6	30.3	+80.1%
R&D expenses	-1.2	-0.9	+29.6%
Marketing and sales expenses	-8.6	-7.6	+13.4%
G&A expenses	-4.7	-3.4	+39.9%
Operating income	40.0	18.4	+117.5%
EBITDA	42.5	20.3	+109.5%
Financial result	-0.3	-0.2	+50.0%
Extraordinary result	0.2	-	-
Goodwill amortization	-1.4	-1.4	-0.3%
Taxes	-5.4	8.9	+284.1%
Net income	33.1	25.7	+28.7%
Net income excluding goodwill amortization & Deferred Tax Assets	34.5	16.8	+105.4%
	30 June 2021	31 Dec. 2020	
Cash (including marketable securities)	73.0	65.6	
Financial debt *	12.6	24.9	
Shareholders equity	133.0	107.1	

* excluding financial lease (€4.6m at 30/06/21 vs €4.8m at 31/12/20)

"Our dearest wish is for an end to the COVID-19 epidemic. Our teams were able to successfully adapt last year to its sudden outbreak; they will also be able to adapt to its gradual extinction", explains Jean-Michel Carle, Chairman and CEO of Eurobio Scientific. "Our group will emerge from this environment in a stronger position, with an extended portfolio of clients and products, and considerably reinforced financial resources as we look to accelerate the rollout of our strategy", concludes Denis Fortier, General Manager.

Slowdown in COVID business compared with the second half of 2020

The strong year-on-year increase in revenues factors in a slowdown in the COVID activities on a sequential basis: these contracted from €86m in H2 2020 to €54.8m in H1 2021 due to the combined impact of an expected reduction in prices and a shift in distribution in favor of pharmacy networks, where the Group has a relatively limited presence. However, the non-COVID activities remained at a high level during H1 2021, climbing to €40.8m, with strong growth of 31% versus H1 2020 and stable versus H2 2020 (€40.4m), which was marked by a very strong catch-up effect after the first half of 2020 had been disrupted by the health crisis and the first lockdown.

Year-on-year, revenues are up 54%, combined with a significantly lower increase in costs, from purchases to overheads, paving the way for strong progress with earnings.

High profitability

Driven by a positive product mix, the gross margin rate came to 57%, compared with 49% for the first half of 2020, thanks in particular to the increase in sales of proprietary products, including the COVID-19 range.

Operating expenditure increased by significantly less than revenues. Illustrating this, sales and marketing costs show an increase of just 13.4% to €8.6m, particularly following the TECOmedical Group's inclusion in the basis for consolidation since July 1, 2020. Overheads and administrative costs show a stronger increase, up from €3.4m to €4.7m (+39.9%), due to the structuring of the company within its new headquarters and TECOmedical. During the first half of 2021, EBITDA more than doubled to €42.5m, compared with €20.3m for the first half of 2020.

EBIT came to €40.0m, up 117%.

Financial expenses continued to remain effectively under control at €0.3m, versus €0.2m for the first half of 2020.

Goodwill amortization was stable at €1.4m.

Net income came to +€33.1m at June 30, 2021, compared with +€25.7m mid-2020. Excluding goodwill amortization and deferred tax assets, net income totaled €34.5m, compared with €16.8m at June 30, 2020.

Strong operational cash generation

With €38.3m of cash flow from operations and an €8.4m increase in working capital requirements, linked primarily to the non-recurring impact of a reduction in tax and employee-related liabilities, the cash flow generated by the business came to €29.9m.

This was allocated primarily to repayments on bank borrowings, for €11.8m, and the continued share buyback program, for €6.9m.

At June 30, 2021, cash totaled €73.0m and financial debt represented €12.6m, with +€60.4m of net cash, thanks to very strong growth compared with -€11.2m at June 30, 2020.

Outlook

In a context of falling prices and volumes for COVID tests, the Group expects the contraction in its COVID activities, which was already underway in the first half of the year, to continue during the second half of 2021. However, the traditional non-COVID activities are expected to maintain their growth and the synergies between the Group's various subsidiaries will continue to develop.

Eurobio Scientific is now positioned to significantly accelerate its strategic deployment, focused primarily on ramping up its activities based on proprietary products and its geographical expansion in Europe. Major progress has already been made, thanks in particular to the acquisition of TECOmedical and the recruitment of new talents within the R&D team. Over the coming months, they may be followed by new targeted acquisitions and investments, notably making it possible to address new market segments, while positioning the Group on the sectors that are expected to see strong rates of growth over the coming years.

Availability of the half-year financial report

The 2021 Half-Year Financial Report is made available to the public and will be filed with Euronext on 13 October 2021.

It can be viewed on the company's website (<https://www.eurobio-scientific.com>).

Next financial meeting

2021 FY revenues: 24 January 2022

Disclaimer

This press release contains elements that are not historical facts including, without limitation, certain statements about future expectations and other forward-looking statements. Such statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, profitability or events to differ materially from those anticipated. In addition, Eurobio Scientific, its shareholders, and its affiliates, directors, officers, advisors and employees have not verified the accuracy of, and make no representations or warranties in relation to, statistical data or predictions contained in this press release that were taken or derived from third party sources or industry publications. Such statistical data and predictions are used in this press release for information purposes only. Finally, this press release may be drafted in the French and English languages. If both versions are interpreted differently, the French language version shall prevail.

About Eurobio Scientific

Eurobio Scientific is a key player in the field of specialty in vitro diagnostics. It is involved from research to manufacturing and commercialization of diagnostic tests in the fields of transplantation, immunology and infectious diseases, and sells instruments and products for research laboratories, including biotechnology and pharmaceutical companies. Through many partnerships and a strong presence in hospitals, Eurobio Scientific has established its own distribution network and a portfolio of proprietary products in the molecular biology field. The Group has approximately 164 employees and three production units based in the Paris region, in Germany and in the United States, and several affiliates based in Dorking UK, Sissach Switzerland, Bünde Germany and Utrecht in The Netherlands.

For more information, please visit : www.eurobio-scientific.com

The company is publicly listed on the Euronext Growth market in Paris

Euronext Growth BPI Innovation, PEA-PME 150 and Next Biotech indices, Euronext European Rising Tech label.

Symbol: ALERS - ISIN Code: FR0013240934 - Reuters: ALERS.PA - Bloomberg: ALERS:FP

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¹ The half-year financial statements at June 30, 2021 have been subject to a limited review by the statutory auditors and were approved by the Board of Directors during its meeting on October 11, 2021