Press release

2018 half-year results

> Sales growth at constant exchange rates

> EBITDA margin in line with announced targets

> Significant progress in implementing the GEAR 2023 plan

Villepinte, September 25, 2018 - **Guerbet** (FR0000032526 GBT), a global specialist in contrast agents and solutions for medical imaging, has reported its consolidated half-year results, following the limited review by its auditors.

In millions of Euros	1st half 2017	1st half 2018
Revenue	**407.1**	**389.6**
Revenue at constant exchange rates		*415.7*
EBITDA*	**64.5**	**59.6**
% of revenue	*15.80%*	*15.30%*
*Restated EBITDA***		*49.2*
% of revenue		*12.60%*
Operating Income	**40.7**	**36.6**
% of revenue	*10.00%*	*9.40%*
Net Income	**23.1**	**22.4**
% of revenue	*5.70%*	*5.80%*

** EBITDA: Operating income + net allowance for amortization, depreciation, and provisions*
*** Restated EBITDA: excluding revaluation of inventories at the beginning of the year for a value of €10.4 M at June 30, 2018*

Revenue up slightly at constant exchange rates

Reported revenue for the first half of 2018 totaled €389.6 M, down 4.3% due to a highly unfavorable exchange rate effect of €26.1 M. At constant exchange rates, the Group's revenue increased 2.1% to €415.7 M.

At constant exchange rates, the **Diagnostic Imaging** business generated €367.9 M in the first half of the year, down 1.5% compared with the first half of 2017. This slight decline is mainly attributable to Optiray® on the **CT/Cath Lab** segment. Conversely, MRI sales increased. The introduction of Dotarem® generics in Europe and certain Asian countries has been more than offset by the market's shift from linear gadolinium-based products to macrocycles. Dotarem® sales volumes increased 14% with prices down 9% on average.

In **Interventional Imaging**, sales were up 27.7% at €31.0 M at constant exchange rates. This rebound should be viewed in the context of the supply difficulties experienced during the first nine months of the 2017 financial year.

EBITDA margin in line with forecasts

At the end of the first half of 2018, EBITDA amounted to €59.6 M, representing 15.3% of revenue, compared with €64.5 M in the first half of 2017. Without a particularly unfavorable exchange rate effect valued at €18.4 M, reported EBITDA would have been up 20.9%.
However, in order to analyze operational performance, EBITDA must be restated for the revaluation of inventories at the beginning of the year relating to the harmonisation of the calculation of standard production costs for €10.4 M at the end of June and €15.6 M over the full financial year. Once restated, EBITDA for the first half of the year would therefore be €49.2 M, or €67.6 M excluding the exchange rate effect.

Net income remained stable at 5.8% of revenue or €22.4 M.

Sound financial structure

The Group's shareholders' equity increased 6.9% to €346.4 M, compared with €324.0 M at June 30, 2017. The Group's cash position totals €89.6 M, with net debt increasing slightly to €329.0 M. This change is due to the external growth operations carried out at the beginning of the year for €31 M but also an increase in inventories, which should decrease by the end of the year. Lastly, debt at June 30, 2018 suffered a cumulative currency effect of €14 M compared with the same period in 2017.

Significant progress in implementing the GEAR 2023 plan

The GEAR 2023 strategic plan, presented on 18 April 2018, combines internal development initiatives ("Internal Boost"), aimed at accelerating organic growth, with external development initiatives ("External Boost") based on acquisitions to generate additional growth and improve margin prospects.

To carry this plan forward, the Group implemented several initiatives in the first half of 2018:

Internal Boost:

- The positive phase IIB results for Gadopliclenol confirms the strong development potential of the successor to Dotarem®;
- In Japan, the beginning of direct distribution in October will speed up our penetration in the world's number 2 market;
- The marketing launch of Contrast&Care, software offered in SaaS mode;
- In interventional imaging, new indications obtained for Lipiodol® in transarterial chemoembolization (C-Tace) in several new countries.

External Boost:

- With regard to Artificial Intelligence, the signing of the partnership with IBM Watson Health aims to develop and market a software solution for the diagnosis and treatment of liver cancer;
- Acquisition of a new microsphere technology from Occlugel to strengthen the interventional imaging offering;
- 510(k) obtained from the FDA in the United States to market Accurate Medical Therapeutics microcatheters starting in late 2018. In Europe, the CE mark is expected during the fourth quarter for initial sales in 2019.

2018 outlook

For 2018, the Group anticipates slightly greater revenue than in the 2017 financial year at constant exchange rates.

Restated EBITDA at constant exchange rates (excluding the full-year effect of revaluation of inventories for €15.6 M) is expected to be around 15% of revenue.

Upcoming events:

Publication of Q3 2018 revenue
25 October 2018, after trading

About Guerbet

Guerbet is a pioneer in the contrast-agent field, with more than 90 years' experience, and is a leader in medical imaging worldwide. It offers a comprehensive range of pharmaceutical products, medical devices and services for diagnostic and interventional imaging, to improve the diagnosis and treatment of patients. With 8% of revenue dedicated to R&D and more than 200 employees distributed amongst its four centers in France, Israel, and the United States, Guerbet is a substantial investor in research and innovation. Guerbet (GBT) is listed on Euronext Paris (segment B – mid caps) and generated €807 million in revenue in 2017. For more information about Guerbet, 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 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, as well as their decisions regarding labelling 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 businesses can be found in Chapter 4.4 "Risk Factors" of the Group's Registration Document filed with the French Financial Markets Authority (AMF) under number D-18-0387 on 25 April 2018, available on the Group's website (www.guerbet.com).

For more information about Guerbet, please visit www.guerbet.com

Press release

Contacts

Guerbet

Jean-François Le Martret
Chief Financial Officer
+33 (0)1 45 91 50 00

Actifin

Financial Communications
Benjamin Lehari
+33 (0)1 56 88 11 25
blehari@actifin.fr

Press
Jennifer Jullia
+33 (0)1 56 88 11 19
jjullia@actifin.fr