



Record earnings in 2015

2015 Current Operating Income: €56.2 million, up 46.4%

2015 Net Income: €39.9 million, up 52.8%

A major acquisition

Revenue of the new structure: €789 million (2015 proforma)

Villepinte, 14 April 2016 - **Guerbet** (FR0000032526 GBT), a global specialist in contrast agents and solutions for medical imaging, has reported its audited consolidated annual results for financial year 2015 (1).

On 13 April 2016, the Board of Directors approved the financial statements for the period ended on 31 December 2015.

In millions of euros Consolidated financial statements (IFRS)	2015	2014
Revenue (*)	488.7	409.0
EBITDA (**)	84.4	67.7
Current Operating Income	56.2	38.4
<i>% of revenue</i>	11.5%	9.4%
Net income	39.9	26.1
<i>% of revenue</i>	8.2%	6.4%
Net debt	287.8	60.8

* Integration of revenue from CMDS activities as from November 27

** EBITDA = Current Operating Income + net allowance for amortisation, depreciation, and provisions

Strong growth in activity in 2015 and a major acquisition

Annual revenue totalled €488.7 million (+19.5%), including €27.9 million from the CMDS activity integrated into the Group's consolidated scope since 27 November 2015.

On a like-for-like basis, revenue totalled €460.8 million, an increase of 12.7%.

On a like-for-like basis and at constant exchange rates, activity increased by 10% to €449.4 million.

Press release

The four business segments saw further increases, particularly with strong growth in sales of Dotarem[®] and Lipiodol[®].

Nearly all countries contributed to the growth. The increase in the European region reached 9% at constant exchange rates, and the other geographical regions also experienced strong growth (+14.5% at constant exchange rates), mainly as a result of the good sales of the subsidiaries in the US, in Korea, and also distributors, particularly in Latin America.

Financial year 2015 was also marked by the acquisition of the “contrast media and delivery systems” business of Mallinckrodt (“CMDS”), finalised on 27 November last. This transaction allowed Guerbet to reach a critical size on each of its business segments and the ambition of joining the world’s top 3.

If the acquisition had taken place on 1 January 2015, the Group’s proforma revenue including the CMDS activities would have been €789 million.

Record earnings in 2015. Distribution of a dividend of €0.65/share

The strong growth in activity was accompanied by record earnings.

The change in the product/country mix, favouring the highest-contributing segments, and good control of purchases and expenses resulted in an EBITDA of €84.4 million, up 24.7%, despite incorporating €13.3 million in expenses associated with the acquisition.

Current Operating Income increased sharply to €56.2 million, representing 11.5% of revenue for the financial year.

The Guerbet and CMDS proforma accounts show an EBITDA of €113 million.

The financial result improved by €0.6 million. Lastly, net income increased by 52.8% to €39.9 million, compared with €26.1 million at 31 December 2014.

At 31 December 2015, the Group’s financial position still showed very strong fundamentals. The Group’s shareholders’ equity now totals €283.9 million, compared with €259.1 million at 31 December 2014. Financial debt, incorporating the debt relating to the transaction, totalled €287.8 million. The net debt/equity ratio is 1.01.

The Board of Directors will propose to the shareholders meeting of 27 May 2016 the payment of a dividend of €0.65 per share, an increase of 30%.

Press release

Integration of CMDS in progress. Initial effects of synergies in 2016

The period of analysis and identification of synergies and clarification of the strategy has been completed. The implementation of multiple projects and the relaunch of production of certain priority products at a faster pace are underway.

The overhaul of the commercial structures and the repositioning of the product/country offering, which are priority projects for financial year 2016, have already begun. The reorganisation of logistics flows, the optimisation of industrial performance, and the convergence of the information systems have also begun.

Given the good progress of the integration processes, the Group's strategic ambitions are confirmed.

In MRI, the Group aims to be the market leader by rolling out Dotarem internationally while pursuing its innovation policy with the accelerated development of P3277.

In X-ray imaging, the Group wishes to be a profitable challenger with refined positioning of its product/market offering, while improving its industrial costs thanks to the size effect brought about by the consolidation of CMDS.

A pioneer on the interventional radiology (IRT) segment, Guerbet intends to continue its progress by offering new tools to simplify interventional procedures and, where necessary, carrying out partnership strategies.

Lastly, on injection systems, Guerbet intends to take advantage of CMDS's know-how to revive injector sales. These measures will be accompanied by the development of new software and services.

The priority for 2016 will be to maintain a level of growth greater than the market on Guerbet's former scope while gradually halting the decline in sales on acquired activities (CMDS), which was 20% between July and December 2015 compared with the same period of the previous year. The goal is to stabilise consolidated sales in 2016 (+/-3%) at constant exchange rates.

In addition, in 2016, the Group should be able use its synergies to absorb most of the integration costs at constant exchange rates.

Return to growth starting in 2017

In 2017, the Group is expected to have completed this integration and turnaround phase. A return to sales growth, accompanied by an EBITDA growth, to return to an EBITDA/revenue ratio close to Guerbet's recent performance levels can be envisaged.

The Group confirms its goal of returning to a net debt/EBITDA ratio between 2 and 3 by the end of 2017.

Press release

Yves L'Epine, CEO of Guerbet, commented on these results: “*Financial year 2015 was a record financial year for the Group through its excellent results and the acquisition of Mallinckrodt’s CMDS activities, launching the Group into a new dimension. The challenge for the coming years is significant since we will first have to stop the continued decline in sales of an entity almost equivalent in size to Guerbet before regaining the path to growth starting in 2017. I’m confident in our ability to take advantage of all synergies, particularly industrial and commercial synergies, to hoist us into the world’s top 3.*”

Simplified 2015 proforma P&L

In millions of euros	Guerbet + CMDS proforma
Revenue	789.3
<i>MRI</i>	237.9
<i>X Rays</i>	383.1
<i>IRT</i>	45.4
<i>ISS</i>	82.5
<i>Other</i>	40.4
EBITDA	113.1

Note: the proforma information has not been audited.

(1) The audit procedures of the consolidated accounts have been conducted. The auditors' certification report will be published after completion of specific verifications and other procedures required for the registration document to be filed with the market authorities.

Upcoming events:

Publication of 1st quarter 2016 revenue: 27 April 2016 after trading

Publication of 2nd quarter 2016 revenue: 28 July 2016 after trading

Press release

About Guerbet

Guerbet is a pioneer in the contrast agent field with nearly 90 years' experience, and is the only pharmaceutical group dedicated to medical imaging worldwide. It offers a comprehensive range of X-Ray, Magnetic Resonance Imaging (MRI) and Interventional Radiology and Theranostics (IRT) products, along with a range of injectors and related medical devices to improve the diagnosis and treatment of patients. To discover new products and ensure future growth, Guerbet invests heavily in R&D, spending around 9% of its sales each year. Guerbet (GBT) is listed on Euronext Paris (Segment B – Mid Caps) and generated revenue of €489M in 2015.

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

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