



# H1 2019 Financial Results & 2019 Outlook

Investor Presentation – September 4<sup>th</sup>, 2019

PIONEERING DIAGNOSTICS

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# AGENDA

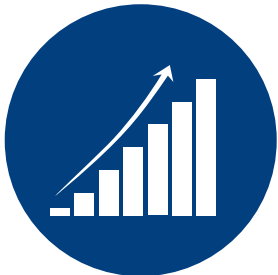
## > KEY MESSAGES & STRATEGY

H1 2019 FINANCIAL RESULTS

2019 OUTLOOK

# H1 2019

## key takeaway messages



### > SALES

€1,275m

+5.5%

at constant exchange rate and  
scope of consolidation

### > CONTRIBUTIVE OPERATING INCOME

€198m

15.5%

of sales  
vs. 15.9% in H1 2018

### Key growth drivers



Molecular biology



AsPac region

### M&A



- Acquisition of **Invisible Sentinel**
- Controlling stake in **Hybiome** (China)

### BIOFIRE



- Sales up **21%** at **€293m**
- 1,200** new installations in the last 6 months

### 2019 OBJECTIVES



- Sales organic growth of **7.0%** to **8.5%**
- Contributive operating income between **€385m** and **€400m**

# Diagnostic is an essential component to fight antimicrobial resistance (AMR)



Does the patient need antibiotics?  
If so, which one?

Can the antibiotic prescription  
be optimized?

When can the antibiotic treatment  
be safely discontinued?

## ROLE OF DIAGNOSTIC TESTS

Confirm bacterial infection and identify the causative pathogen to ensure optimal patient outcomes and avoid unnecessary antibiotic use.

Determine a pathogen's resistance profile to select the most appropriate treatment, limit use of broad-spectrum antibiotics and avoid adverse side effects.

Monitor patient response to personalized treatment duration and discontinue antibiotics as early as possible.

**BIOMÉRIEUX'S  
SOLUTIONS  
TO SUPPORT  
MEDICAL DECISIONS  
AND SERVE  
PUBLIC HEALTH**



VIDAS®  
B-R-A-H-M-S PCT™



BIOFIRE®  
FILMARRAY®



PREVI® COLOR



BACT/ALERT®  
VIRTUO®



WASPLab®



CHROMID®



VITEK® MS



BIOFIRE®  
FILMARRAY®



VITEK® 2



ETEST®



RAPIDEC®  
CARBA NP



VIDAS® B-R-A-H-M-S PCT™

LAB INFORMATICS

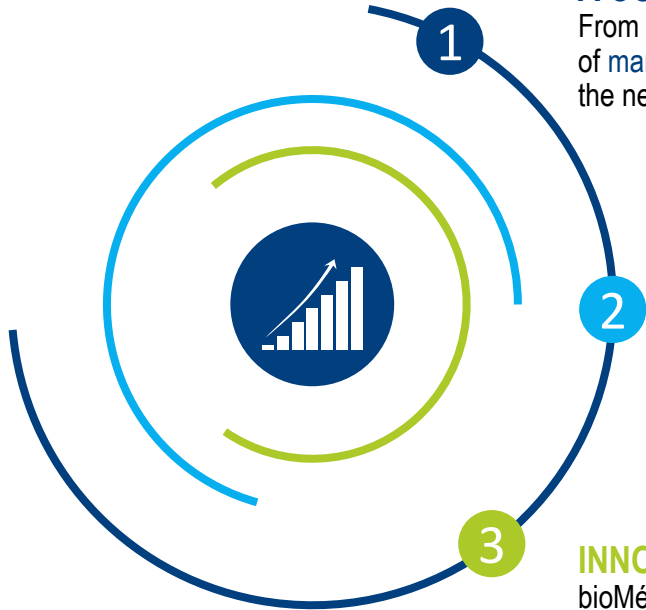


MYLA®

to provide actionable results and consolidate data

EPIDEMIOLOGICAL SURVEILLANCE, PREVENTION AND INFECTION CONTROL SOLUTIONS  
to avoid outbreaks and limit the spread of resistance

# bioMérieux is well positioned to address the challenge of AMR



## A COMPREHENSIVE PORTFOLIO OF SOLUTIONS

From culture to identification and antibiotic susceptibility testing, bioMérieux offers the full spectrum of **manual and automated** diagnostic solutions associated with the **appropriate IT** solutions to cover the needs of any size laboratories

## MEDICAL EDUCATION & SUPPORT

bioMérieux supports major initiatives for public health such as the **Global Point Prevalence Survey**, an unprecedented study in scope to track antibiotic consumption and resistance in hospital settings. bioMérieux provides **medical education programs** related to microbiology diagnostics and antimicrobial stewardships.

## INNOVATION

bioMérieux is committed to bring **medical value** and **lab efficiency** to its customers, constantly looking at what could **shorten time to results** in microbiology analyses. *E.g. BACT/ALERT VIRTUO® provides superior performance in terms of time to results while reducing hands on time.*



# IMMUNOASSAYS

## a mixed picture short term with investment for the mid term



### Increased interest in Hybiome

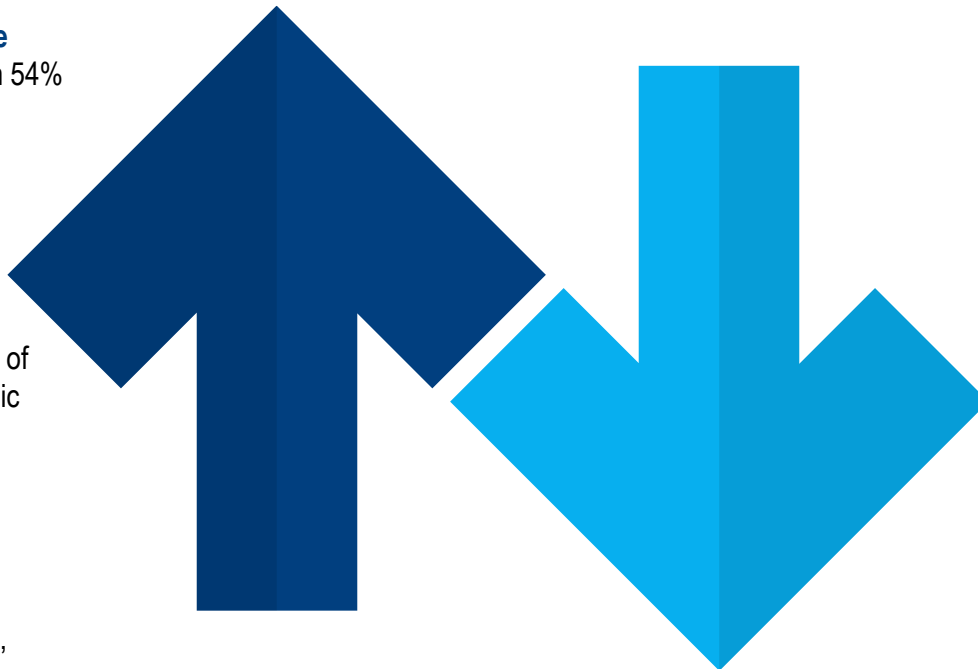
Increase stake in Hybiome from 54% to 67%, insuring control while maintaining the identity of the company

### Launch of VIDAS® PTH

Quantitative test for the dosage of PTH for the monitoring of chronic kidney disease

### Pipeline of products

Promising products in the R&D pipeline, notably Nephrocheck®, latent tuberculosis, arboviruses.



### Price pressure in the US

Procalcitonin sales impacted by increased competition without volume loss

### Volume pressure in EU

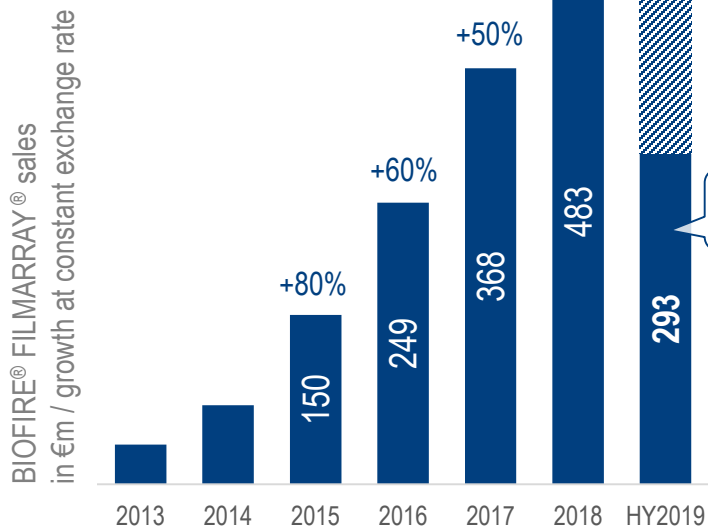
Loss of volume, mainly of routine tests, due to consolidation of the labs.

### Volatility of Emerging countries sales

Temporary custom, supply or distributor delays.

# MOLECULAR BIOLOGY

## acceleration of the growth in Q2



**+1,200** new installed units in H1



Customers from **2,600** to **3,000**



Sales outside USA from **15%** to **17%**



Normal flu season in 2019 vs. high in 2018



### Future growth drivers

- ▶ Grow the installed base and its consumption
- ▶ Enlarge the BIOFIRE® FILMARRAY® menu (incl. Pneumonia)
- ▶ Grow international markets
- ▶ Upgrade the BIOFIRE instruments



# MOLECULAR BIOLOGY

## new reimbursement rates for outpatients



PLA (Proprietary Laboratory Analyses) codes are alpha-numeric CPT® codes with a corresponding descriptor, for labs or manufacturers to more specifically identify their test.



PLAs overwrite existing CPT codes  
Can only be used for FILMARRAY®



PLA codes only impact **outpatient** reimbursements



Applies only to outpatients



PLA codes for BioFire FilmArray tests were announced and published by the American Medical Association on April 1<sup>st</sup> and are **valid for claims and billing** since **July 1<sup>st</sup> 2019**.



Effective in 2019



Reimbursement rates are **individually negotiated** with payers (private insurances, MACs).



Agreed rates with Palmetto MoIDx:

- Gastrointestinal Panel: \$363
- Respiratory Panel: \$275
- Respiratory Panel 2: \$299

### Patient case

(NY City)

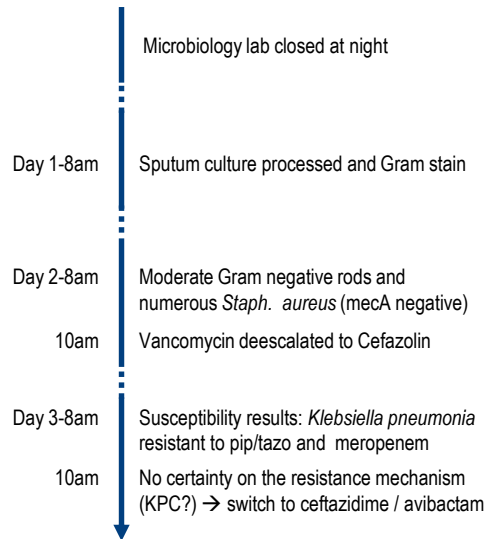
- 69 yo male, presents to ER at **9.30pm** with fever, cough and difficult breathing
- Significant medical history with 10y of worsening COPD, mild kidney failure
- Temp. 102.3°F, above normal white blood cell count, elevated PCT
- Decreased breath sounds in both lungs, low PO<sub>2</sub>, and new infiltrates on his chest X-ray



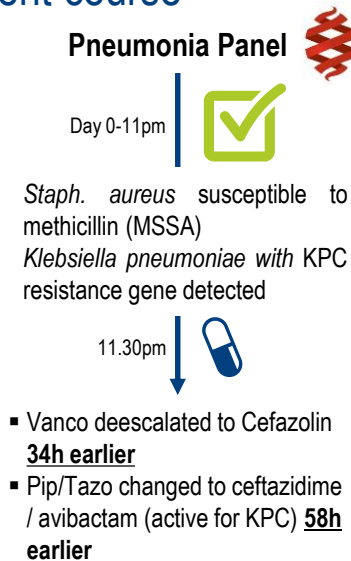
→ patient is admitted with a diagnosis of bacterial pneumonia, started in ER on antibiotics (vancomycin and piperacillin / tazobactam)

### Diagnostic and treatment course

#### Traditional culture method



#### Pneumonia Panel



**Faster result, more comprehensive insights** allowing a more adapted and earlier treatment of the patient



# AGENDA

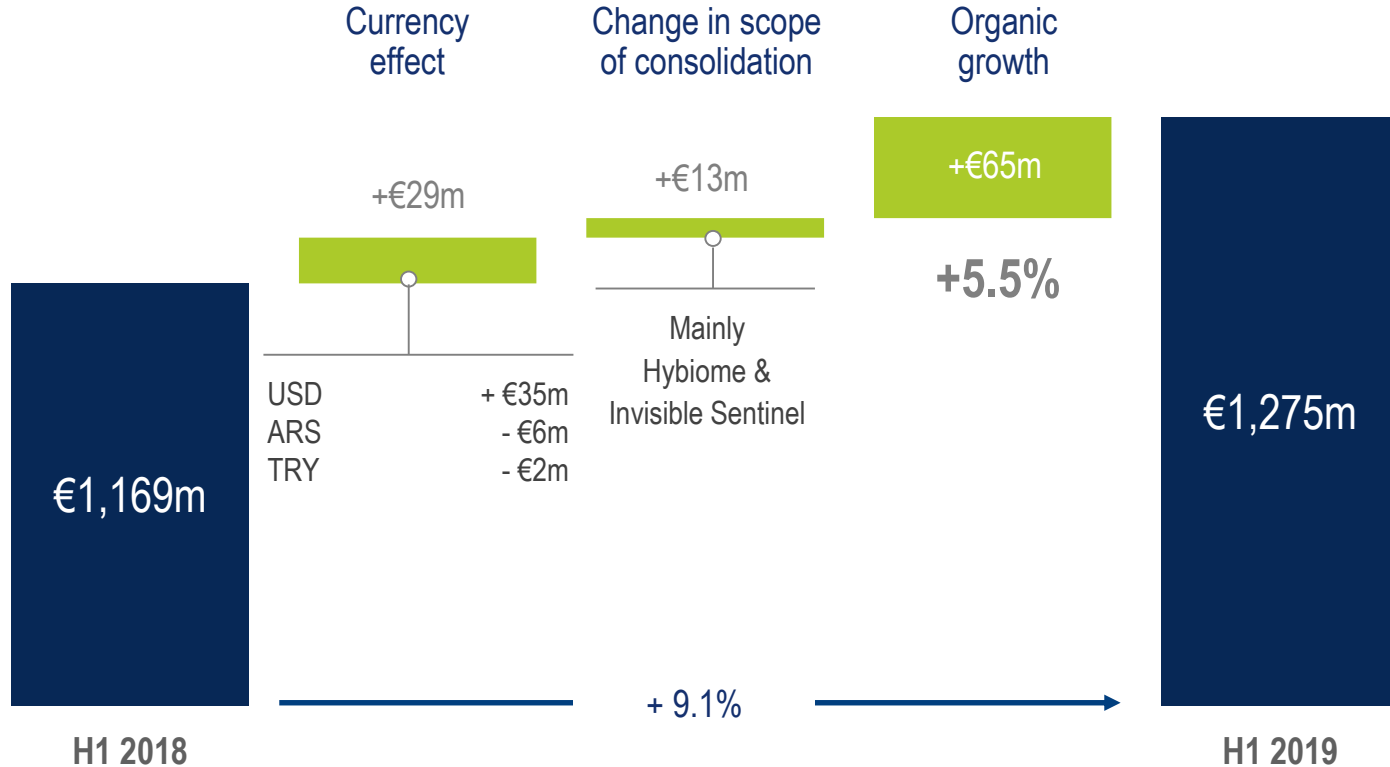
KEY MESSAGES & STRATEGY



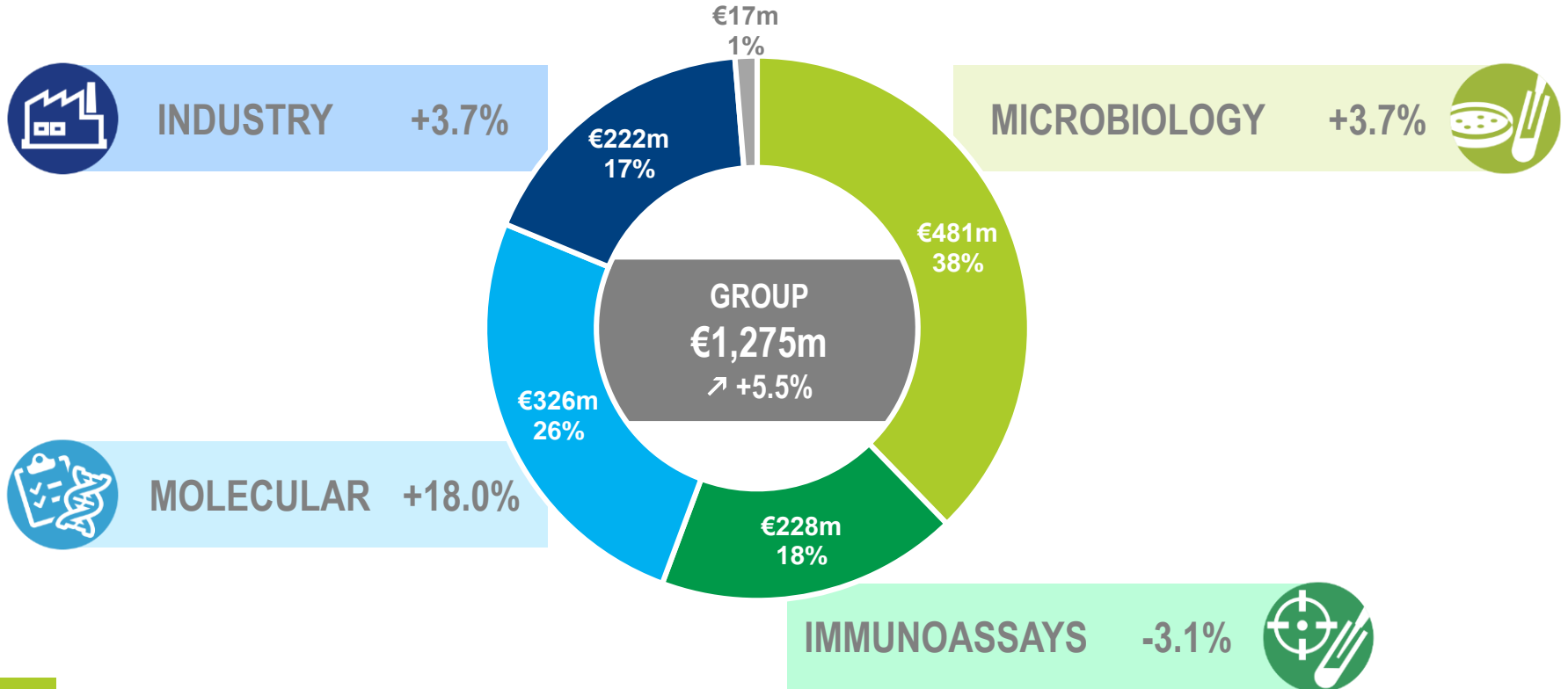
**H1 2019 FINANCIAL RESULTS**

2019 OUTLOOK

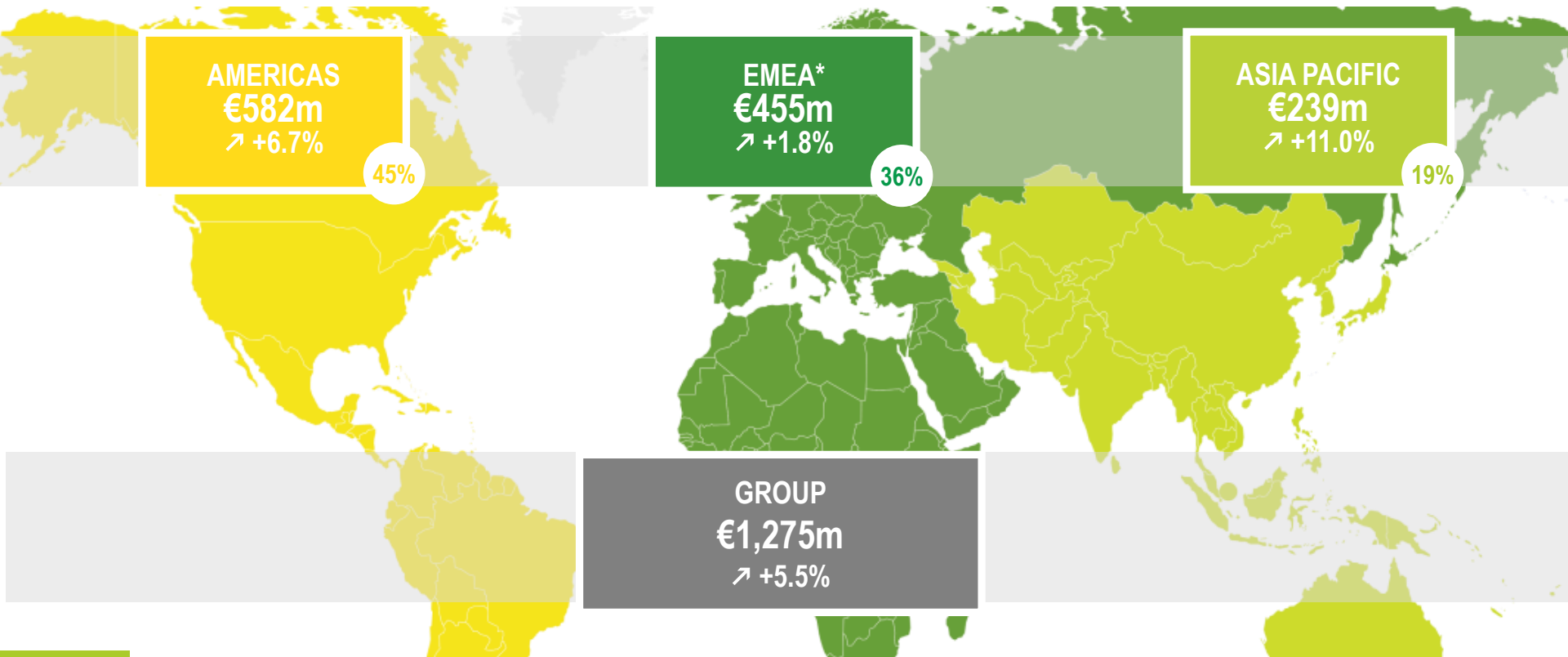
# Net sales as of June 30, 2019



# H1 2019 sales by application: growth driven by the Molecular range



# H1 2019 sales by geography: double digit growth of AsPac and Q2 acceleration in EMEA and AMERICAS



# Consolidated P&L: sales to contributive operating income as of June 30, 2019



<i>In €m</i>	<b>H1 2019</b>	<i>As a % of sales</i>	<b>H1 2018<sup>(1)</sup></b>	<i>As a % of sales</i>	<i>% change as reported</i>	<i>% change like-for-like<sup>(2)</sup></i>
Net sales	1,275	100%	1,169	100%	+ 9.1%	+ 5.5%
Cost of sales	-565	-44.3%	-535	-45.7%	+ 5.7%	+ 1.1 %
Gross profit	710	55.7%	634	54.3%	+ 11.9%	+ 9.3%
Other operating income	21	1.7%	12	1.0%	+ 76.7%	+ 71.2%
SG&A	-354	-27.8%	-305	-26.0%	+ 16.3%	+ 11.4%
R&D	-179	-14.0%	-156	-13.4%	+ 14.5%	+ 7.6 %
<b>Contributive operating income <sup>(3)</sup></b>	<b>198</b>	<b>15.5%</b>	<b>186</b>	<b>15.9%</b>	<b>+ 6.7%</b>	<b>+ 11.4%</b>

(1) Restated from the impact of IFRS16

(2) At constant rate and scope of consolidation

(3) Earnings Before Interest and Tax deriving from ordinary activities

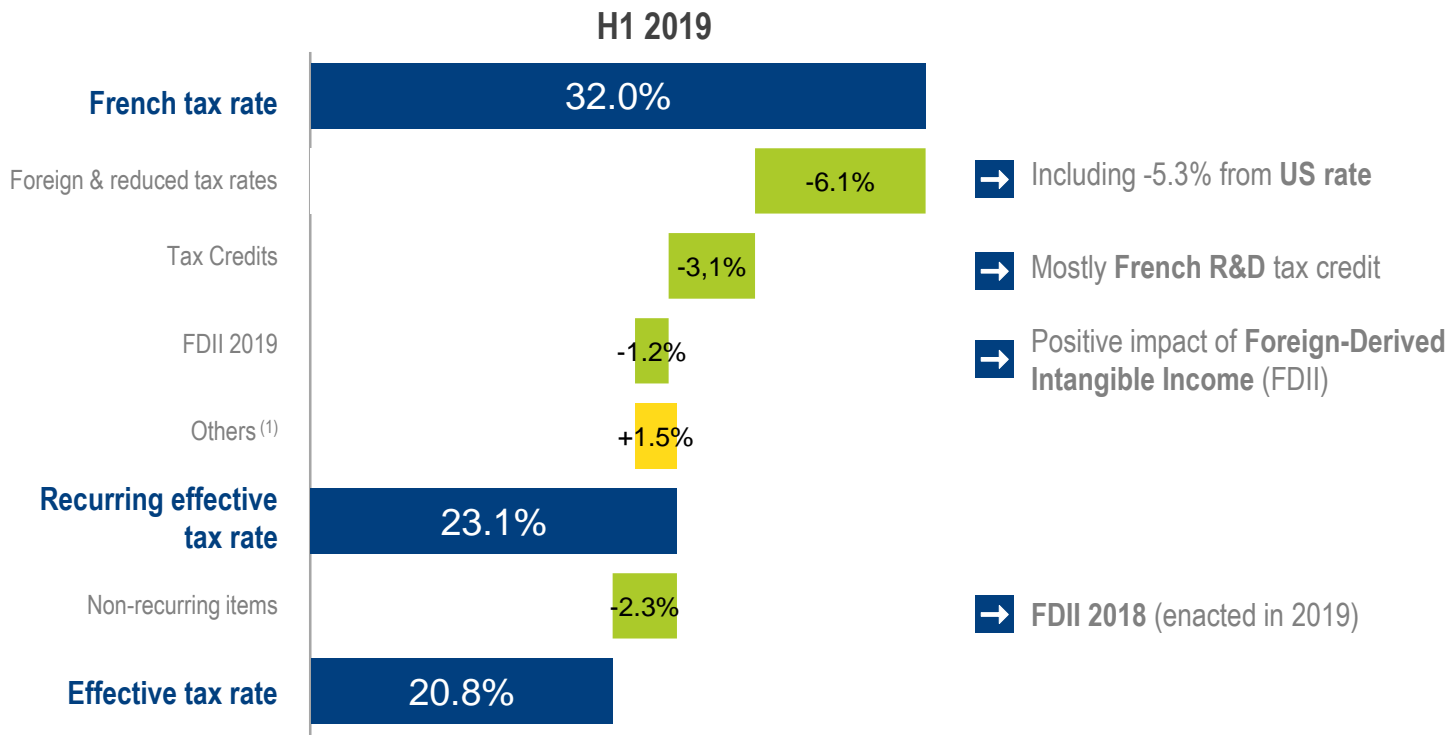
# Consolidated P&L: contributive operating income to EPS as of June 30, 2019



<i>In €m</i>	<b>H1 2019</b>	<i>As a % of sales</i>	<b>H1 2018<sup>(1)</sup></b>	<i>As a % of sales</i>	<i>% change as reported</i>
<b>Contributive operating income</b>	<b>198</b>	<b>15.5%</b>	<b>185</b>	<b>15.8%</b>	<b>+ 6.7%</b>
BioFire acquisition related costs	- 9		- 9		
<b>Operating income</b>	<b>189</b>	<b>14.8%</b>	<b>177</b>	<b>15.2%</b>	<b>+ 6.7%</b>
Net financial expense	- 14		- 12		
Income tax ( <i>effective tax rate</i> )	- 36	(20.8%)	- 32	(19.1%)	
Minority interests	-2		0		
<b>Net income, group share</b>	<b>141</b>	<b>11.0%</b>	<b>134</b>	<b>11.5%</b>	<b>+4.7%</b>
EPS	€ 1.19		€ 1.14		



# Tax rate as of June 30, 2019



(1) Withholding tax, utilization of NOLs

# Cash flow statement as of June 30, 2019



In €m	H1 2019	H1 2018 <sup>(1)</sup>	
<b>EBITDA <sup>(1)</sup></b>	<b>283</b>	<b>269</b>	Inventory: - €59m Payables: + €9m Receivables: +€1m Others: + €12m
Working capital requirement	- 37	- 37	
Income tax paid & financial charges	- 62	- 43	Reimbursement of dividend tax Deductibility of US pension contribution
Other cash flow from operations	- 5	13	
Capital expenditure	- 123	- 104	→ <b>Sustained investments</b>
<b>Free cash flow <sup>(2)</sup>, excluding extraordinary funding to US pension plan (€56m)</b>	<b>55</b>	<b>98</b>	
<b>Free cash flow</b>	<b>55</b>	<b>42</b>	
Acquisitions / disposals	- 72	- 85	→ Acquisition of <b>Invisible Sentinel</b> Increase interests in <b>Hybiome</b>
Dividends	- 41	- 40	
<b>Net cash flow</b>	<b>- 58</b>	<b>- 83</b>	
<b>Closing net cash (debt) position</b>	<b>- 422</b>	<b>- 340</b>	→ solid balance sheet with a <b>leverage ratio of 0.8x</b> incl. 0.2x impact from IFRS16

(1) Restated from IFRS16 Impact on EBITDA and closing net debt positions

(2) Earnings Before Interest, Tax, Depreciation and Amortization deriving from ordinary activities

(3) Sum of the cash flow from operations and the net cash flow used in investment activities



# AGENDA

KEY MESSAGES & STRATEGY

H1 2019 FINANCIAL RESULTS



**2019 OUTLOOK**

# 2019 Outlook maintained



Sales organic  
growth

**7.0 to 8.5%**

at constant exchange rates  
& scope of consolidation

- ▼ Estimated **€45m** of positive FOREX impacts

Contributive  
operating income

**€385m to €400m**

at current exchange rates

- ▼ **+10% to +15%** increase at constant currency & scope of consolidation
- ▼ Estimated **neutral** FOREX impacts

Tax rate

**~ 22%**

- ▼ Positive impact of FDII US tax reform

CAPEX

**~ 10%**

of consolidated sales

- ▼ Capacity and automation
- ▼ Support BIOFIRE growth



# CONTACTS

## Ordinary shares (EUR)

ISIN: FR0013280286

**BIM** bioMérieux is listed on Euronext Paris  
LISTED  
EURONEXT Reuters: BIOX.PA / Bloomberg: BIM.FP

## American Depository Receipt (1:0.1 USD)

Reuters: BMXXY.PK / Bloomberg: BMXXY.US

## Sylvain MORGEAU

Investor Relations

sylvain.morgeau@biomerieux.com

+33 (0)6 01 27 56 46

Follow us on:

[www.biomerieux-finance.com](http://www.biomerieux-finance.com)

