

H1 2022 RESULTS

CONTINUED GROWTH OF NON-COVID ACTIVITY

- Decisive and strategic move with the acquisitions of GenDx and bmd Belgium
- Non-COVID activity increases by +5.1%
- +€26M EBITDA including significant provisions on COVID products
- €111M cash position

Paris, October 11, 2022 – 8:00 am

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

Eurobio Scientific's first-half results reflect the continued growth of its historical activities, excluding COVID, in a context of disengagement from low-margin distributions. With the impact of epidemic waves diminishing, COVID activities are declining as expected. The Group's good control of its working capital requirement enabled it to post a positive cash position of €111.2 million at June 30, and to accelerate the implementation of its strategy as well as its share buyback program. Were thus acquired : Bmd Belgium (June) and, post-closing (October), the Dutch company GenDX, a structuring transaction that brings many synergies.

in €m	30 June 2022	30 June 2021	Change
IVD product sales	83.6	95.6	-12.6%
Other revenues	0.7	0.3	+133%
Total revenues	84.3	95.9	-12.1%
Cost of goods sold	-43.4	-41.4	+4.8%
Gross margin	40.9	54.6	-25.1%
R&D expenses	-1.4	-1.2	+16.7%
Marketing and sales expenses	-8.9	-7.6	+17.1%
G&A expenses	-6.3	-4.7	+34.0%
Operating income	22.0	40.0	-45.0%
EBITDA	26.0	42.5	-38.8%
Financial result	0.4	-0.3	-
Extraordinary result	-0.1	0.2	-
Goodwill amortization	-1.4	-1.4	-
Taxes	-3.1	-5.4	-42.6%
Net income	19.2	33.1	-42.0%
Net income excluding goodwill amortization & Deferred Tax Assets	20.6	34.5	-40.3%
	30 June 2022	31 Dec. 2021	
Cash (including marketable securities)	111.2	102.4	
Financial debt *	8.8	10.7	
Shareholders equity	168.6	160.6	

* excluding financial lease (€4.4m at 30/06/22 vs €5.0m at 31/12/21)

¹ The half-year financial statements at June 30, 2022 have been subject to a limited review by the statutory auditors and were approved by the Board of Directors during its meeting on October 10, 2022.

Good overall business strength

With a growth of +5.1% in its turnover excluding COVID to €43.0M in the 1st half of 2022 compared to €40.9M in the 1st half of 2021, and COVID sales at €40.6M compared to €54.8M (-26%), Eurobio Scientific recorded revenue of €83.6m in the 1st half of 2022, compared to €95.6m in the 1st half of 2021. This activity reflects:

- The significant and continued growth of traditional activities, excluding COVID, despite the termination of less profitable partnerships as a result of increased selectivity in terms of distribution;
- Continued substantial COVID revenue despite a sharp drop in sales prices and test volumes, partially offset by the extension of the product portfolio with specific tests for the characterization of SARS-Cov-2 virus variants.

Results impacted by the anticipated drop in COVID sales

In the 1st half of 2022, the gross margin stood at €40.9 million, compared to €54.6 million in the 1st half of 2021. This decline is linked to the drop in revenue from COVID activities and to provisions made on the inventory of COVID products as part of the pandemic slowdown. Restated for these provisions, the gross margin would amount to €46.1 million, i.e. a rate of 55.1% compared to 57.1% in H1 2021.

R&D expenses and marketing and sales expenses are increasing slightly faster than sales, in order to support future growth. The faster rise in general and administrative expenses includes expenses related to corporate finance transactions during the half-year: two acquisitions and a strategic and capitalistic partnership. Operating income is therefore down at €22.0m (€40.0m in H1 2021), and EBITDA at €26.0m (€42.5m in H1 2021).

The financial result is positive (+0.4 vs -0.3 in H1 2021) due to foreign exchange gains, in particular linked to the valuation of assets in dollars.

Corporate tax amounted to €3.1m, compared to €5.4m in H1 2021.

After taking into account €1.4 million in goodwill amortization, net income for the first half of 2022 amounted to €19.2 million, compared to €33.1 million in H1 2021.

Strong operating cash flow at €25.5m (€29.9m in H1 2021)

Even though it is lower compared to last year, Eurobio Scientific continues to generate significant operating cash flow at €25.5 million (-14.7% compared to H1 2021), mainly thanks to a better control of its WCR and to the decrease in operating receivables.

This good performance enabled the Company to accelerate its share buyback program for which it allocated €10.6 million during the half-year.

The total amount of cash thus amounted to €111.2 million as of June 30, 2022 and shareholders equity rose to €168.6 million. Financial debt decreased again, to €8.8m compared to €10.7m at 12/31/21.

Perspectives: decisive and strategic developments

The historical activities of Eurobio Scientific should grow steadily, with stronger margins linked to the increasing share of proprietary products and the reallocation of the distribution portfolio. In addition, as the slowdown in the COVID diagnostics market continues, but in a non-linear fashion, the Group remains attentive and cautious in order to continue to serve the needs of its customers while cushioning the decline in this business segment.

Backed by significant cash and its leadership position, the Group has made two acquisitions in recent months to accelerate the deployment of its strategic axis:

- increasing the share of proprietary products,
- continued international expansion, and
- opening of new market segments.

The takeover of bmd Belgique in June strengthens the Group's sales and marketing presence in the Benelux zone.

The acquisition of GenDX, which closing was just completed on October 3, takes on a particular dimension. It is strategic and transformative as it brings value in each of the Group's three strategic areas:

- GenDx has a range of highly innovative and 100% proprietary products;
- it is also present directly in the Netherlands, Germany and North America as well as, via its distributors, in the rest of Europe and Asia;
- finally, GenDx's technological advance in the digitization of diagnostics, through the algorithms and software developed by its bioinformatics specialists, will enable the Group to address new market segments well beyond transplantation on which GenDx was positioned until now.

Next financial meetings

2022 sales : January 23, 2023, after market closes

2022 results: April 5, 2023, before market opens

Annual shareholders' meeting : June 12, 2023 at 9am

Half-year 2023 sales : July 24, 2023, after market closes

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 148 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.

Eurobio Scientific's reference shareholder is the EurobioNext holding company which brings together its two directors, Jean-Michel Carle and Denis Fortier, alongside the "Pépites et Territoires" by AXA & NextStage AM investment program, managed by NextStage AM.

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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