



FY2018 Results & 2019 Outlook

Investor Presentation – February 27th, 2019

PIONEERING DIAGNOSTICS

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AGENDA



OVERVIEW OF BIOMERIEUX

FY2018 STRATEGY REVIEW

FY2018 FINANCIAL RESULTS

2019 OUTLOOK

+ 50 YEARS
OF EXPERTISE IN
IN VITRO DIAGNOSTICS

CLINICAL APPLICATIONS
80% of revenues



INDUSTRIAL APPLICATIONS
20% of revenues




€ Sales amounting to
€2.4 billion

 **91%**
of international sales

 **1,700** people
dedicated to R&D

About
11,200
employees worldwide

 Strong commitment
to innovation ~ **13%**
of sales invested in R&D

PIONEERING DIAGNOSTICS

to improve public health,
especially in the fight against infectious diseases.



MICROBIOLOGY

Maintain leadership positions
in both clinical and industrial
applications

**Wide & balanced
geographic footprint**



MOLECULAR BIOLOGY

Own the rapidly growing market of
syndromic diagnosis
of infectious diseases

**Broad & complementary
range of solutions**



IMMUNOASSAYS

Reinforce specialty positioning
focused on high medical value
markers on acute diseases

**Solid financial
situation**

bioMérieux provides solutions to manage infectious diseases and improve patient care



▲
SEPSIS

**ANTIMICROBIAL
RESISTANCE**



▲
**RESPIRATORY
INFECTIONS**



CONSUMER HEALTH





AGENDA

OVERVIEW OF BIOMERIEUX



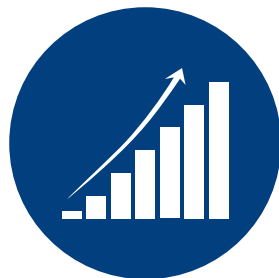
FY2018 STRATEGY REVIEW

FY2018 FINANCIAL RESULTS

2019 OUTLOOK

KEY TAKEAWAY MESSAGES

a solid performance in 2018



> SALES

€2,421m
+9.9%

at constant exchange rates and
scope of consolidation

> CONTRIBUTIVE OPERATING INCOME

€361m
14.9%

of sales
vs. 14.6% in 2017

Key growth drivers



Molecular biology



Industrial applications



AsPac region

M&A



- Acquisition of **Astute Medical**
- Majority stake in **Hybiome**
- Acquisition of **Invisible Sentinel****

BIOFIRE®



- Sales up **37%*** at **€483m**
- FDA clearance & CE mark of **Pneumonia Panel**

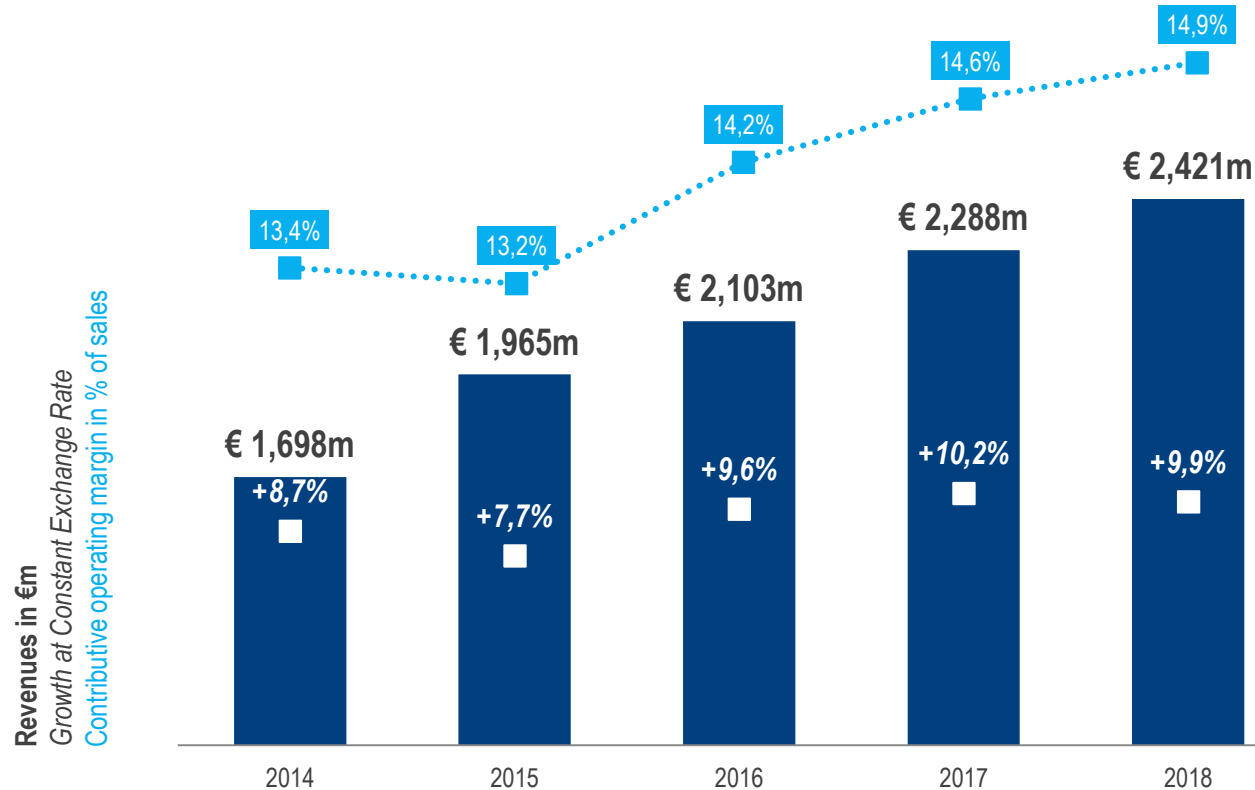
CASH FLOWS



- Strong **cash generation**
- Low **debt** level

KEY TAKEAWAY MESSAGES

a 4th year of steady improvement



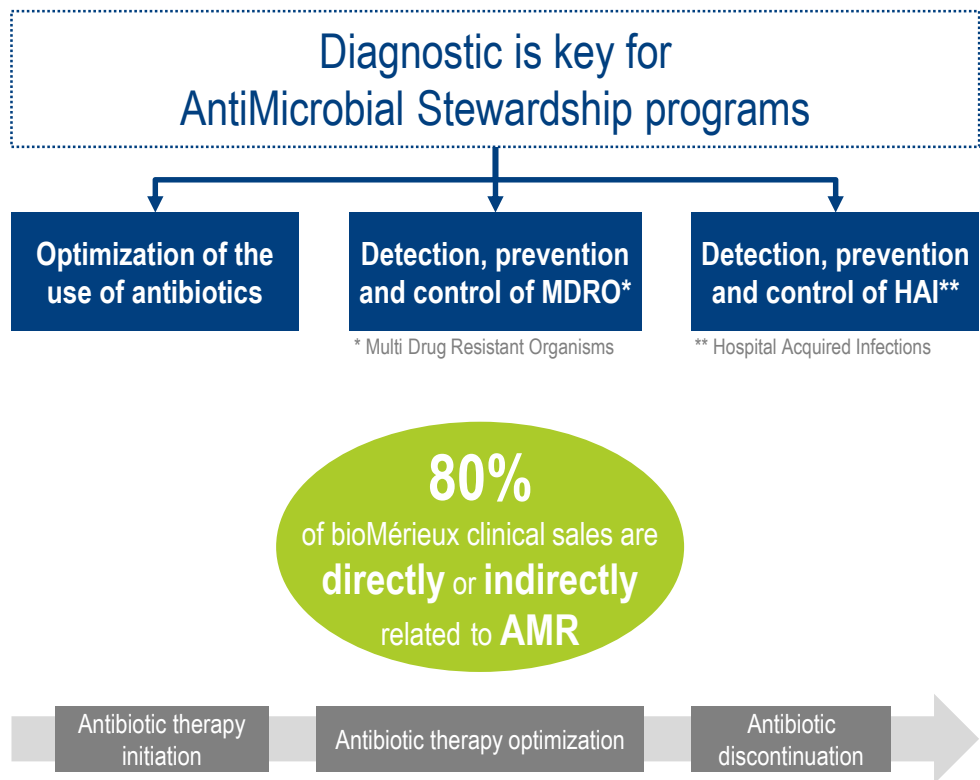
Tackling the threat of AMR is central to our strategy and benefits all product lines



2/3rd of inappropriate antibiotic use in respiratory diseases (US) ¹

50,000 deaths / year due to resistant infections ²

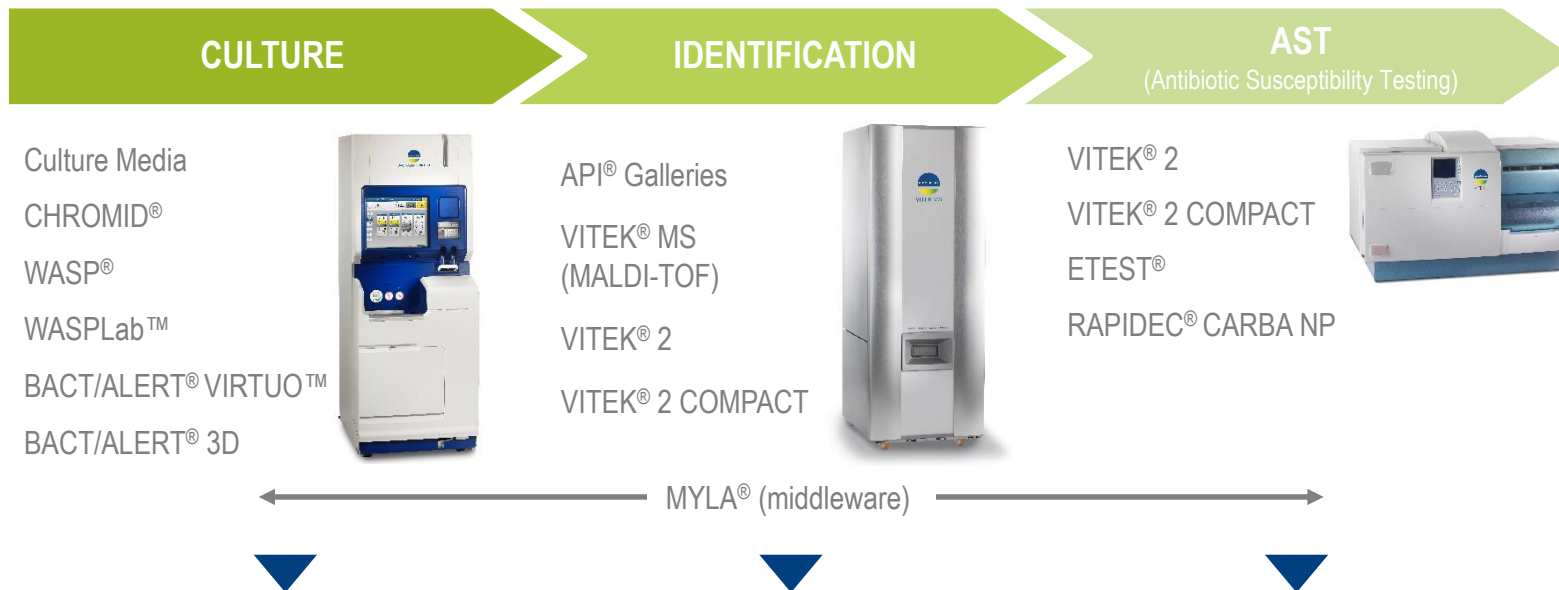
Annual antibiotic resistance cost (US) ³
\$20b



1. O'Neill, Review on Antimicrobial Resistance (2014)
2. EU and US alone: European Antimicrobial Resistance Surveillance Network (2015) and Antibiotic Resistance Threats in the United States (2013)
3. Roberts RR & al., Clin Infect Dis. 2009;15:1175-84

MICROBIOLOGY

reinforcing our leadership thanks to our broad portfolio



- Continuous success of **VIRTUO™**
- Fast development of **lab automation** offers

- Solid performance of **VITEK®** sales despite high comps in mass spectrometry instruments



+6%
yoy

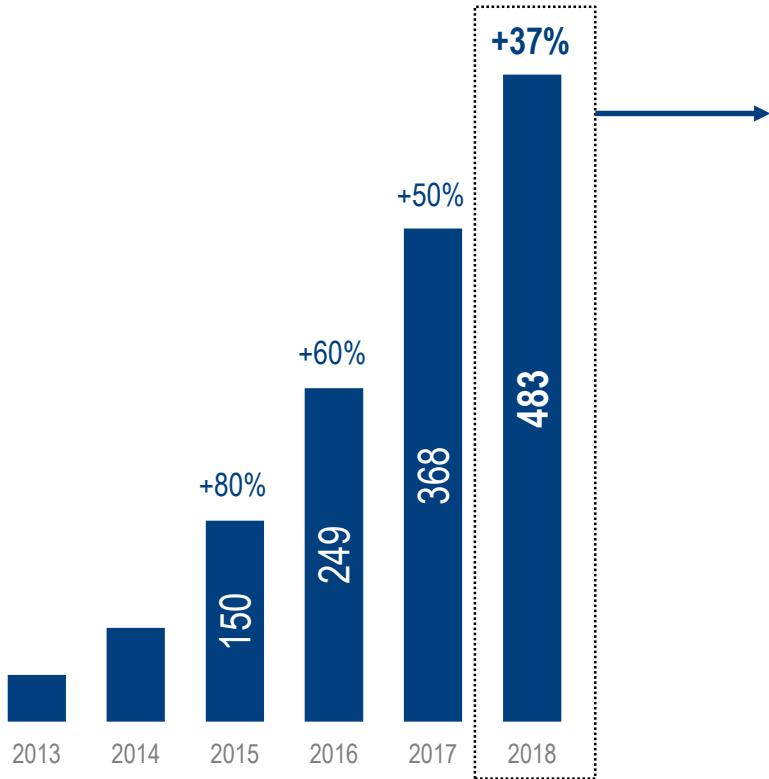
MOLECULAR BIOLOGY

sustaining leadership position in syndromic testing



BIOFIRE® FILMARRAY® sales

in €m



Installed base from 6,100 to **8,200** units



Customers from 1,900 to **2,600**



Sales outside USA from 13% to **17%**



Changes in US reimbursement landscape



Future growth drivers

- ▶ Grow the **installed base** and its **consumption**
- ▶ **Enlarge** the BIOFIRE® FILMARRAY® menu
- ▶ Grow **international** markets
- ▶ **Upgrade** the BIOFIRE instruments

MOLECULAR BIOLOGY

the largest syndromic menu, with unique Pneumonia Panel



Respiratory
Panels



Gastro-intestinal
Panel



Meningitis-Encephalitis
Panel



Blood Culture
Identification Panel



BIOFIRE® FILMARRAY® Pneumonia Panel

Pneumonia causes about 1 million hospitalizations / year in the US alone



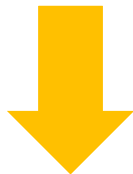
FEATURES

- **Comprehensive** panel: 33 targets in one test (18 bacteria, 8 viruses, 7 resistance genes)
- **Fast turnaround** of about 1 h
- Broad respiratory **sample type** compatibility (Sputum, Endotracheal Aspirate, BAL and mini-BAL)
- **Semi-quantitative** information for 15 bacteria

POTENTIAL BENEFITS

- ➔ Administer the **appropriate antibiotic earlier**
- ➔ **Reduce** treatment costs
- ➔ Help **separate colonization** from true **infection**

TODAY



Price pressure on VIDAS[®] procalcitonin in the US

Volume growth in Asia, Middle East and Africa



GROWTH DRIVERS



ASTUTE MEDICAL

- High medical value markers for **acute kidney injury**, already included in medical guidelines
- NephroCheck** test in development for VIDAS[®]
- \$90m** acquisition



HYBIOME

- Reinforcing manufacturing and R&D in China
- CLIA-based immunoassays, menu of 80+ tests
- €24m** revenues in 2018
- €115m** for majority holding



solid 2018
performance

+9%

organic sales growth

- ▼ **US, France, India** and **Japan** driving the growth
- ▼ Strong **Pharma** business pulled by regulatory requirements and rapid methods
- ▼ **Food** business led by the development of pathogen detection methods and food crisis

INVISIBLE SENTINEL



Key assets for future growth

- Simple & robust **at-line molecular** method
- **Cost efficient solution** to drive adoption in low volume production settings
- **US-based, agile** and **focused** R&D team
- Strong **knowledge of beer & wine** processing markets
- Solid **IP** portfolio
- **AOAC approved** methods



- ➔ **Access to growing market segments**
- ➔ **Reinforced competitive strengths** in **strategic** segments
- ➔ **Synergies to accelerate** the **international development** of Invisible Sentinel offers



AGENDA

OVERVIEW OF BIOMERIEUX

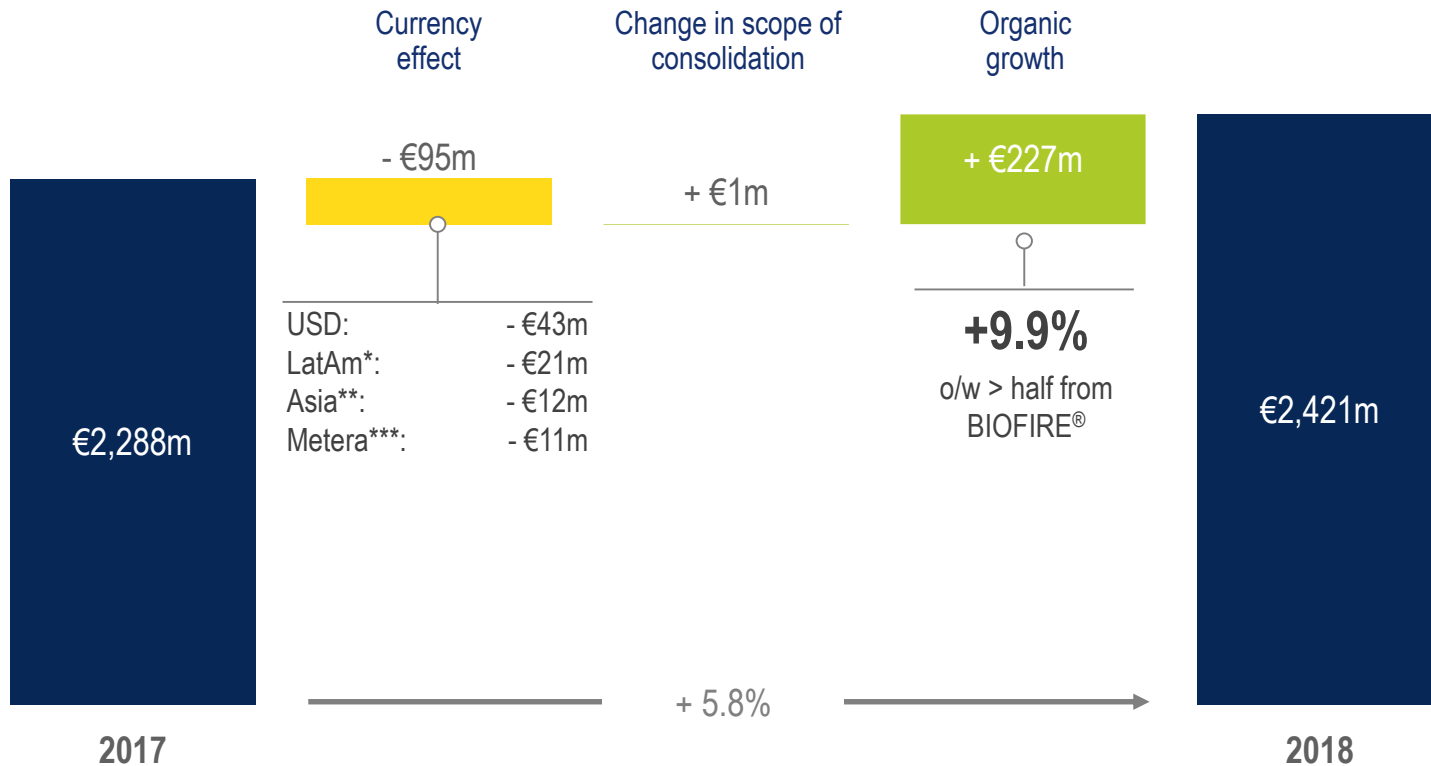
FY2018 STRATEGY REVIEW



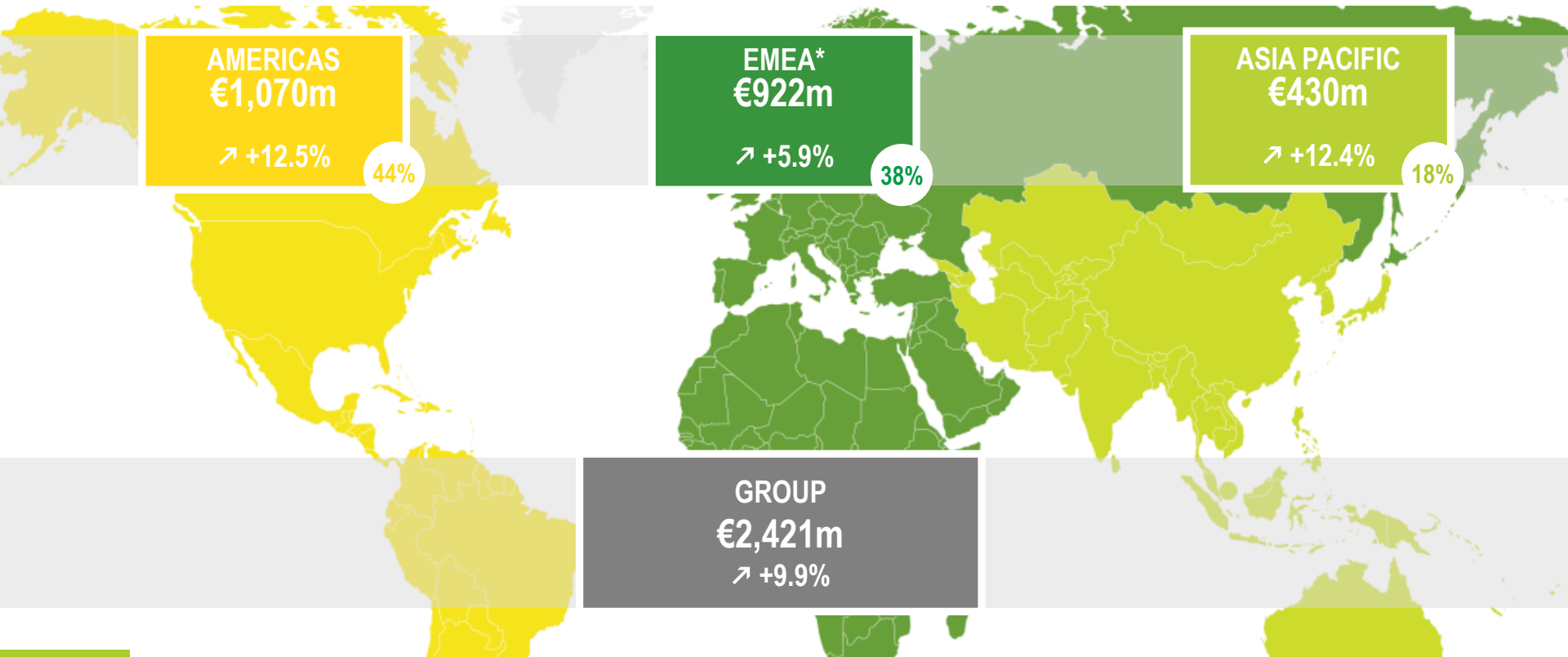
FY2018 FINANCIAL RESULTS

2019 OUTLOOK

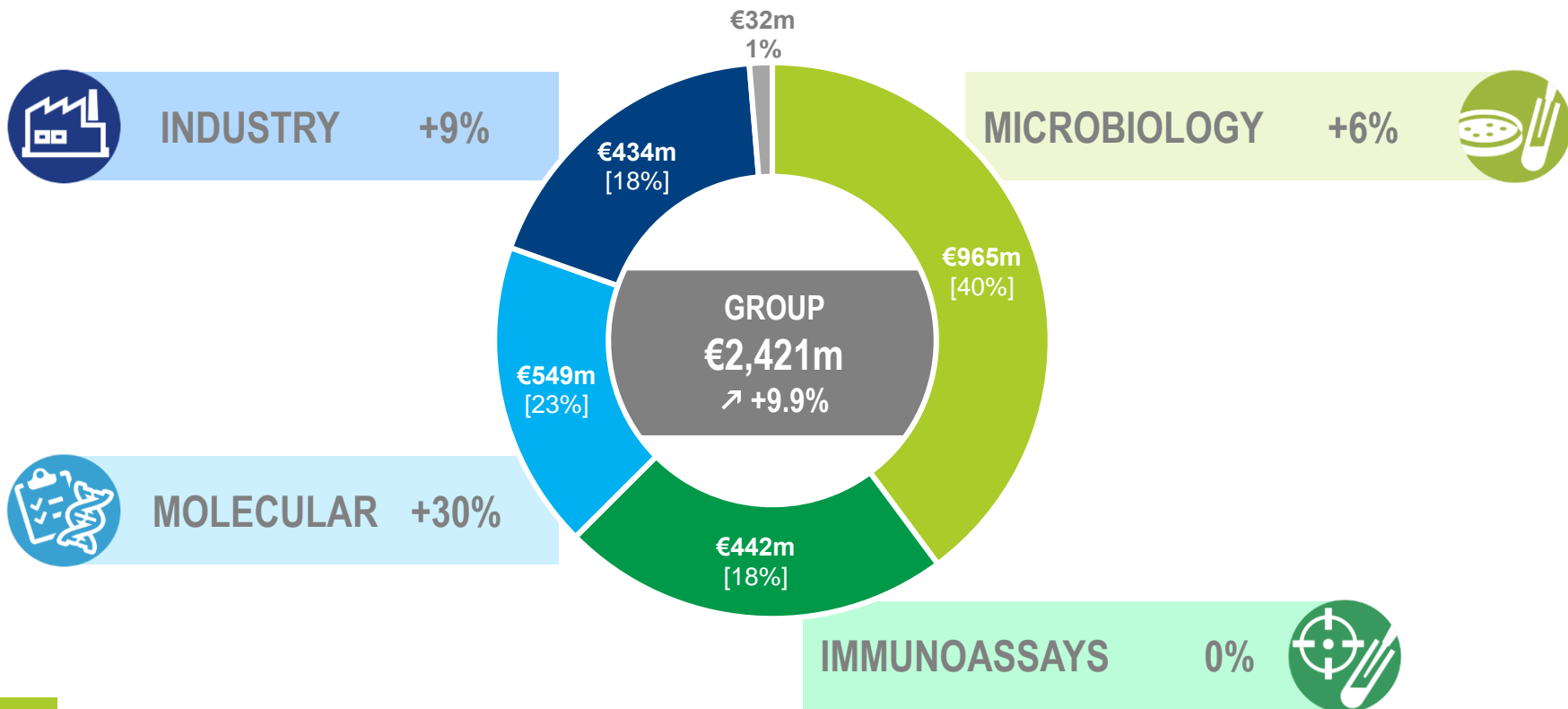
FY2018 sales



FY2018 sales by geography: strong sales dynamic at 9.9% organic growth



FY2018 sales by application: strong growth supported by most strategic lines



FY2018 consolidated P&L: sales dynamics driving profitability improvement



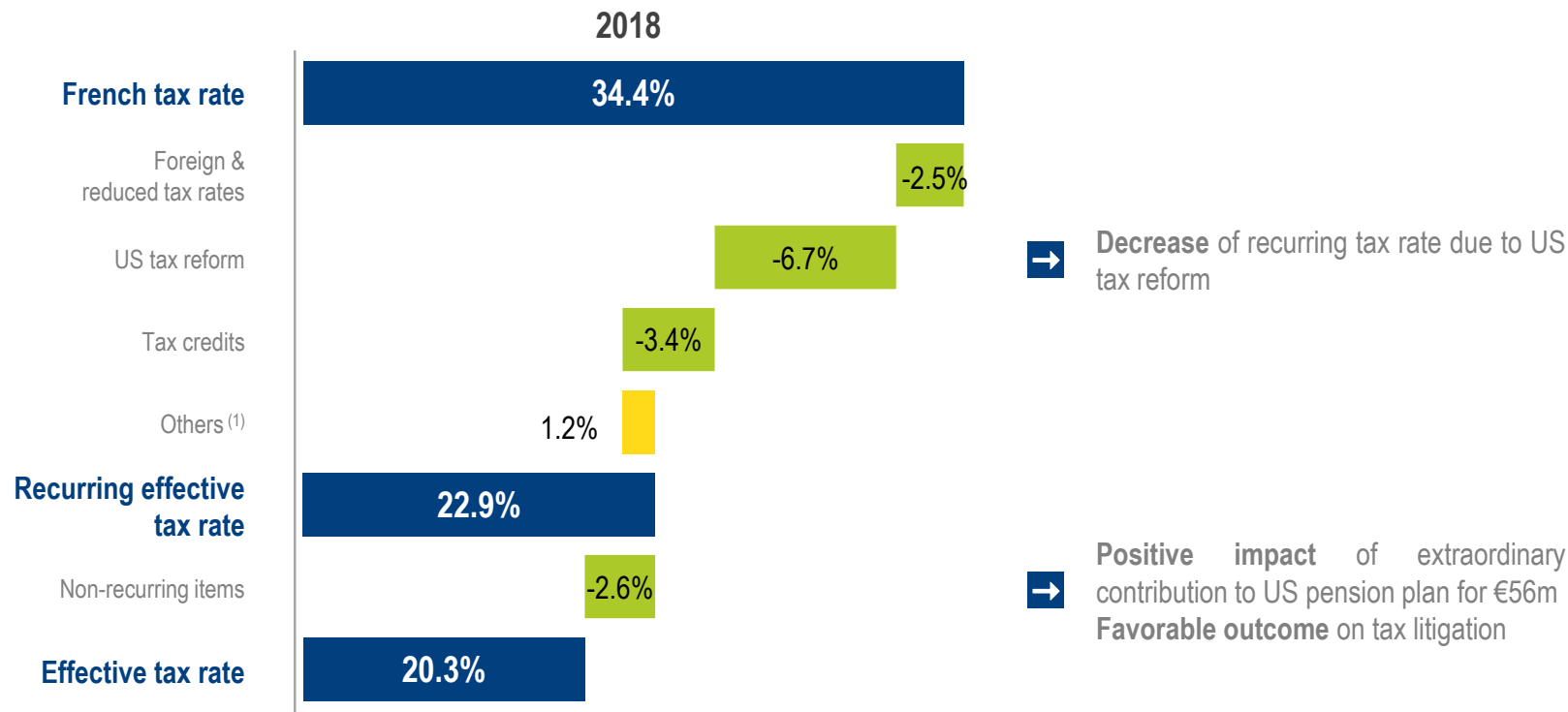
<i>In €m</i>	2018	<i>As a % of sales</i>	2017	<i>As a % of sales</i>	<i>% change as reported</i>	<i>% change at constant exchange rates</i>
Net sales	2,421	100%	2,288	100%	+ 5.8%	+9.9%
Cost of sales	-1,119	-46.2%	-1,076	-47.0%	+ 4.0%	+5.8%
Gross profit	1,302	53.8%	1,212	53.0%	+ 7.5%	+13.6%
SG&A	-646	-26.6%	-604	-26.4%	+ 6.9%	+ 9.4%
R&D	-327	-13.5%	-304	-13.3%	+ 7.4%	+ 6.9%
Contributive operating income ⁽¹⁾	361	14.9%	335	14.6%	+ 7.8%	+26.0%

FY2018 consolidated P&L: from contributive operating income to EPS



<i>In €m</i>	2018	<i>As a % of sales</i>	2017	<i>As a % of sales</i>	<i>% change as reported</i>
Contributive operating income	361	14.9%	335	14.6%	+ 7.8%
BioFire acquisition related costs	- 18		- 18		
Operating income	344	14.2%	317	13.8%	+ 9.1%
Net financial expense	- 23		- 22		
Income tax (<i>effective tax rate</i>)	- 65	(20.3%)	- 55	(18.6%)	
Net income	256	10.6%	238	10.4%	+7.6%
EPS	€ 2.18		€ 2.02		

FY2018 tax rate



(1) Withholding tax, utilization of NOLs

FY2018 cash flow statement



In €m	2018	2017	
EBITDA ⁽¹⁾	519	475	Inventory: - €27m Receivables: - €30m Payables: €14m Others: €41m
Working capital requirement	- 3	- 38	
Income tax paid & financial charge	- 85	- 108	
Other cash flow from operations	+ 17	+ 19	
Capital expenditure	- 227	- 184	→ Sustained investments (9% of sales)
Free cash flow ⁽²⁾, excluding extraordinary funding to US pension plan (€56m)	222	165	→ Strong free cash flow generation
Free cash flow	166	165	→ Acquisition of Astute & Hybiome
Acquisition of shares	- 197	- 16	
Share buyback program for employees' free share plans	- 23	- 1	
Dividends	- 40	- 40	
Net cash flow	- 94	109	
Closing net cash (debt) position	- 267	- 156	→ Solid balance sheet with a leverage ratio of 0.5x & gearing of 13%

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

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

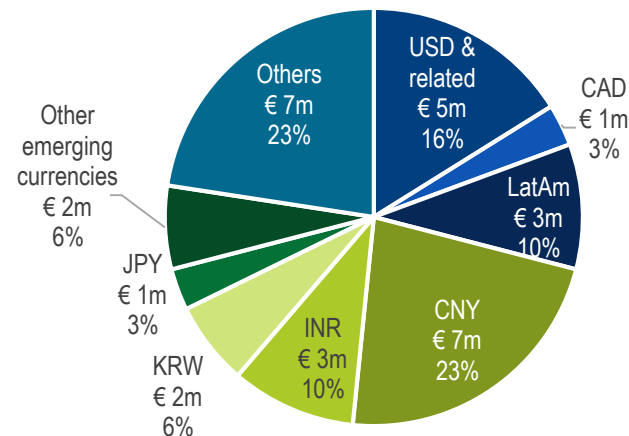
(3) Including put Hybiome and reclassification of phantom shares plan from financial debt to employee-related payables

Exposure and sensitivity to foreign currencies



	FX exposure on revenues (2018 basis)	Estimated impact of +/- 5% FX variation vs EUR on contributive operating income ⁽¹⁾
USD & related ⁽²⁾	41%	+/- € 5m
Chinese Yuan	7%	+/- € 7m
Indian Rupie	3%	+/- € 3m
Korean Won	2%	+/- € 2m
Japanese Yen	2%	+/- € 1m
Canadian Dollar	2%	+/- € 1m
LatAm currencies ⁽³⁾	6%	+/- € 3m
Other emerging currencies ⁽⁴⁾	2%	+/- € 2m
Others	6%	+/- € 7m
TOTAL	71%	+/- € 31m

FX impact of +/- 5% FX variation vs. EUR on contributive operating income



TOTAL = € 31m

(1) Estimated impact calculated vs. Dec 31, 2018 rates

(2) HKD, AED

(3) ARS, BRL, COP, CLP, MXN

(4) ZAR, TRY, RUB



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2019 OUTLOOK

2019 OUTLOOK



Revenues



+7.0% to +8.5%
at constant exchange rates
& scope of consolidation

- ▼ Less intense **flu season** driving lower Q1 growth
- ▼ Estimated **neutral** FOREX impacts on sales

Contributive operating income



€385m to €400m
as reported

- ▼ Corresponding to **+10% to +15%** increase at constant exchange rates & scope of consolidation
- ▼ Estimated **€5m** of negative FOREX impacts
- ▼ Including dilutive impact of **Astute***, **Hybiome** and **Invisible Sentinel** acquisitions for about **€10m**

Tax rate



~ 23-25%

- ▼ Without non-recurring events

CAPEX



~10%
of consolidated sales

- ▼ Capacity & automation
- ▼ Support BIOFIRE growth

bioMérieux is well positioned to address the challenge of diagnostics for infectious diseases



FIGHT SEPSIS



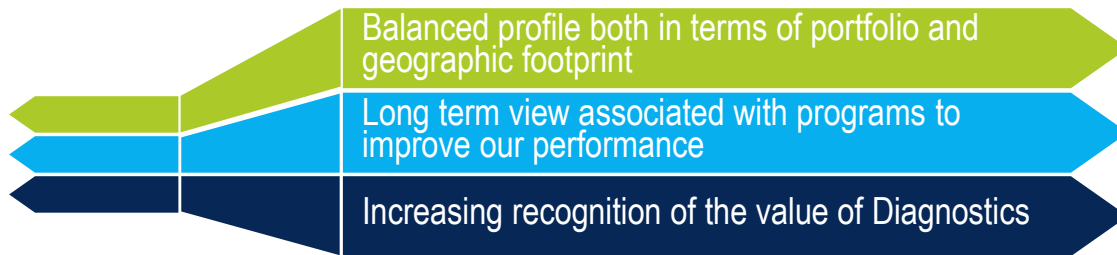
**CURB
ANTIMICROBIAL
RESISTANCE**



**ADDRESS
RESPIRATORY
INFECTIONS**



**PROTECT
CONSUMERS'
HEALTH**





PIONEERING DIAGNOSTICS



APPENDICES

bioMérieux is recognized for its Corporate Social Responsibility policy



RESPONSIBILITY TO THE ENVIRONNEMENT

Reduce and control our environmental impact to preserve the health of people everywhere



RESPONSIBILITY TO OUR WORKFORCE

Create an optimal working environment



RESPONSIBILITY TO THE SOCIETY

Help make diagnostics accessible, through a commitment to address priority public health needs worldwide



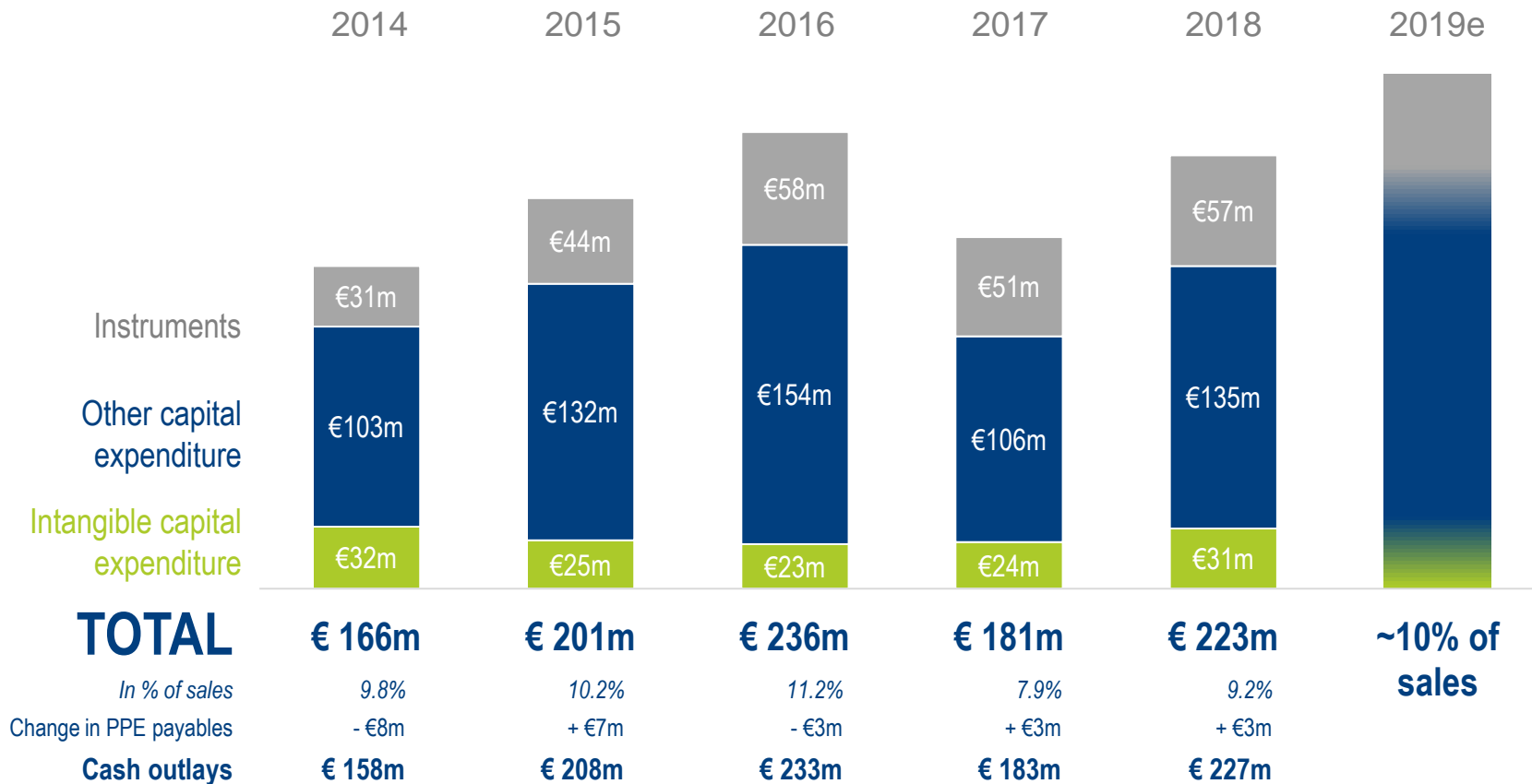
Balance sheet as of Dec. 31st, 2018



ASSETS in € million	Dec 31, 2018	Dec 31, 2017
Intangible assets (incl. goodwill)	1,124	873
Property, plant and equipment	808	711
Deferred tax assets	74	52
Non-current financial assets & other non-current assets	88	72
NON-CURRENT ASSETS	2,094	1,708
Inventories and work-in-progress	415	380
Trade, tax & other operating receivables	591	571
Non operating receivables	10	16
Cash and cash-equivalents	280	312
CURRENT ASSETS	1,296	1,279
Assets held for sale	0	2
TOTAL ASSETS	3,390	2,990

EQUITY & LIABILITIES in € million	Dec 31, 2018	Dec 31, 2017
Equity attributable to owners of the parent	1,929	1,738
Minority interests	74	-1
TOTAL EQUITY	2,003	1,737
Net financial debt - long-term	447	391
Deferred tax liabilities	136	104
Provisions	47	107
NON-CURRENT LIABILITIES	630	601
Net financial debt - short-term	100	77
Trade, tax & other operating liabilities	555	486
Non-operating liabilities	56	55
Provisions	45	34
CURRENT LIABILITIES	756	652
Liabilities related to assets held for sale	0	0
TOTAL EQUITY & LIABILITIES	3,390	2,990

Evolution of CAPEX



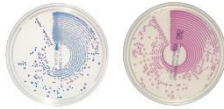


CULTURE



Culture Media

CHROMID®



WASP®

WASPLab™



BACT/ALERT® VIRTUO™



BACT/ALERT® 3D



IDENTIFICATION

API® Galleries



VITEK® MS
(MALDI-TOF)

VITEK® ID cards

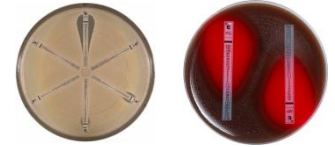


AST

RAPIDEC®
CARBA NP



ETEST®



VITEK® 2



VITEK® 2 COMPACT



VITEK® AST cards





Clinical Applications

Immunoassays and Molecular Biology



IMMUNOASSAYS

VIDAS® 3



VIDAS®



MINIVIDAS®



BIONEXIA® and VIKIA® rapid tests



VIDAS® reagents

MOLECULAR BIOLOGY



easyMAG® and EMAG®



ESTREAM®



FILMARRAY® Torch

FILMARRAY® reagents



FILMARRAY® 2.0



Industrial Applications



FOOD



BLUE LINE™
sample preparation



MASTERCLAVE®
culture media preparation



Chromogenic Media
Pathogen detection and enumeration

GENE-UP®
PCR pathogen detection



VIDAS®
automated pathogen detection



VITEK®
automated pathogen identification

TEMPO®
enumeration of bacterial flora



API®
manual pathogen identification



3P®
environmental monitoring



BIOBALL®
method validation

BACT/ALERT®
platelet microbial safety



SCAN RDI®
real time microbial detection and enumeration



LABGUARD®
automated environmental monitoring system





CONTACTS

Ordinary shares (EUR)

ISIN: FR0013280286



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

American Depository Receipt (1:0.1 USD)

Reuters: BMXXY.PK / Bloomberg: BMXXY.US

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