



bioMérieux – First-Half 2017 Results

- ▼ **Solid sales dynamic, with sales up 11.3% over the first half at constant exchange rates and scope of consolidation:**
 - €1,134 million in sales
 - Up 13.3% as reported
- ▼ **30-bp improvement in contributive operating margin before non-recurring items, which came out at 15.2% of sales**
- ▼ **Sharp 18% increase in net income to €101 million**
- ▼ **2017 financial targets revised:**
 - Organic growth in sales of between 9% and 10%
 - Contributive operating income before non-recurring items of between €330 million and €345 million

Alexandre Mérieux, Chief Executive Officer, said: "*bioMérieux has achieved very satisfactory sales and operating results for the first six months of the year. In light of this dynamic performance, as well as the more-favorable-than-expected currency environment, we are able to revise our full-year financial targets upward while pursuing our innovation and development efforts for the long term.*"

Marcy l'Etoile, August 30, 2017 – The Board of Directors of bioMérieux, a world leader in the field of *in vitro* diagnostics, met on August 29 under the chairmanship of Jean-Luc Belingard and approved the consolidated financial statements for the six months ended June 30, 2017. The statements had been reviewed by the Statutory Auditors.

Consolidated data In € millions	First-half 2017	First-half 2016	% change as reported
Sales	1,134	1,001	+13.3%
Contributive operating income before non-recurring items*	172	149	+15.4%
Operating income**	163	146	+11.9%
Net income of consolidated companies	101	86	+18.1%
Earnings per share (<i>in</i> €)	€2.57	€2.17	

* Contributive operating income before non-recurring items corresponds to operating income before non-recurring BioFire acquisition and integration costs and before accounting entries relating to the company's purchase price allocation.

** Operating income is the sum of contributive operating income, BioFire acquisition fees and purchase price amortization expense and "material, extraordinary and non-recurring items" recognized in "Other non-recurring income and expenses from operations, net".

FINANCIAL RESULTS

Sales¹

Consolidated sales rose to €1,134 million for the first six months of 2017, up from €1,001 million in the same period one year earlier. This represents growth of 13.3% as reported, including a positive currency effect of around €21 million. Year-on-year organic growth (i.e., at constant exchange rates and scope of consolidation) came to 11.3%, led by the balanced contribution of both BioFire FilmArray[®] on the one hand and the other bioMérieux strategic lines on the other.

Analysis of sales

In € millions

Sales - Six months ended June 30, 2016	1,001	
Currency effect ⁽¹⁾	+21	+2.0%
Organic growth (at constant exchange rates and scope of consolidation)	+113	+11.3%
Sales - Six months ended June 30, 2017	1,134	+13.3%

⁽¹⁾ Currency effects are established by converting data for the period at the average rates of year y-1. In practice, those rates are either average rates communicated by the ECB, or hedged rates if hedging instruments have been set up.

An analysis of sales growth by region and by application is presented in Appendix 1.

Consolidated income statement

▾ Gross profit

Gross profit for the first six months of the year came to €605 million or 53.3% of sales, up from 51.8% in the prior-year period. Gross margin benefited from a positive currency effect, strong growth in volumes and an improvement in the product mix, with the BioFire FilmArray[®] product line making a growing contribution. These positive effects more than offset the increase in depreciation relating to the commissioning of certain capital projects at several production sites.

▾ Contributive operating income before non-recurring items

Contributive operating income before non-recurring items stood at €172 million for the period, a year-on-year gain of 15.4%. It represented 15.2% of sales, versus 14.9% in first-half 2016, despite the recognition of expenses that were significantly higher than in the prior-year period on certain long-term bonus plans in the United States that are indexed to the bioMérieux share price. The positive currency effect on contributive operating income represented around €4 million in the first six months of the year.

- **Selling, general and administrative expenses** amounted to €299 million, or 26.4% of sales, compared with €265 million and 26.5% in the year-earlier period. The change reflected a decline in general and administrative expenses, facilitated by the more precise allocation of IT expenses to the various lines of the income statement, which was offset by an increase in selling expenses that was greater than the growth in sales, primarily relating to the deployment of the BioFire FilmArray[®] offer.
- **R&D expenses** totaled €149 million, up 18.3% year on year, and represented 13.1% of sales, compared to 12.5% in first-half 2016. As announced, the increase reflected the ramp-up of research and development initiatives undertaken to boost the Group's strategic product lines, particularly BioFire FilmArray[®] in molecular biology and the microbiology lines.
- **Research tax credits and grants received** came to €12 million for the period, unchanged from the prior year.
- **Other operating income** amounted to €3 million, compared with €9 million in first-half 2016, reflecting the expected drop in royalty income due to the expiration of certain patents in 2016.

¹ The full business review for the six months ended June 30, 2017 (published on July 20, 2017) may be found at www.biomerieux-finance.com.

Operating income

BioFire acquisition expenses amounted to €9 million in the first six months of 2017, corresponding to depreciation/amortization charged against assets valued at the acquisition date, compared with €14 million in first-half 2016, which included a provision for the key employee retention plan.

As a result, interim **operating income** came out at €163 million, versus €146 million in first-half 2016. The prior-year period figure included a non-recurring gain of €11 million relating to the deconsolidation of bioTheranostics. Excluding this non-recurring item, operating income rose by more than 20% year on year.

Net income of consolidated companies

Net financial expense amounted to €13 million for the period, compared with €14 million in first-half 2016.

- **Cost of debt** stood at €11 million at June 30, 2017, versus €9 million a year earlier.
- On the other hand, **other financial expenses** totaled €2 million in first-half 2017, compared with €5 million in the prior-year period. The improvement is primarily attributable to the decrease in the cost of currency hedging instruments due to the increase in euro interest rates.

The Group's **effective tax rate** for the six months ended June 30, 2017 stood at 32.2%, versus 34.9% in first-half 2016, which included non-recurring items. Excluding non-recurring items, the Group's effective tax rate is virtually unchanged from the recurring rate of 32.3% for the first six months of 2016.

In light of the above, **net income of consolidated companies** ended the period at €101 million, up a strong 18% on the €86 million reported in first-half 2016.

Cash management and finance

Net cash from operating activities

EBITDA² rose 13.8% to €243 million in first-half 2017 from €213 million in the prior-year period, reflecting the increase in contributive operating income before non-recurring items and net additions to depreciation and amortization of operating items.

Compared with an increase of €37 million during the first half of 2016, **operating working capital requirement** increased by €57 million over the first six months of 2017, due to the payment during the period of the retention bonus relating to the BioFire acquisition for a total of €21 million. Other working capital requirement items remained under control:

- The increase in inventories over the period was just €19 million, nearly €10 million lower than in first-half 2016, despite sustained business growth.
- Trade payables decreased by €19 million in first-half 2017, compared with a €12 million decline in first-half 2016, due to legislation on payment terms.
- After dropping €27 million in first-half 2016, trade receivables fell by €14 million over the first six months of 2017, with consolidated days sales outstanding coming to 70 days, versus 77 days in the prior-year period.

Income tax paid amounted to €56 million, compared with €41 million in first-half 2016.

Net cash used in investing activities

As expected, **capital expenditure** outlays declined significantly over the period, to €97 million, of which €70 million in industrial capital expenditure, versus €114 million and €90 million respectively in first-half 2016. The decrease reflected the commissioning of capital projects designed to increase capacity at several production sites.

In light of the above, **free cash flow³** improved during the period, amounting to €38 million, versus €21 million in first-half 2016.

Purchases of non-current financial assets, net of disposals, amounted to €4 million, versus €18 million in first-half 2016, and notably reflected the Company's equity investment in Banyan Biomarkers.

Net cash flow from (used in) financing activities

A total of €39.5 million in dividends was paid in June 2017, unchanged from the prior year.

² EBITDA corresponds to the aggregate of contributive operating income before non-recurring items, depreciation and amortization.

³ Free cash flow corresponds to cash generated from operations, net of cash used in investing activities.

▾ **Net debt**

Consolidated **net debt** amounted to €280 million at June 30, 2017, versus €275 million at December 31, 2016.

The Company has issued €300 million in bonds maturing in October 2020, and holds an undrawn syndicated line of credit for €500 million maturing on January 26, 2022, with options to extend the facility for two additional years.

OTHER INFORMATION

▾ **Installed base**

The installed base at June 30, 2017 stood at approximately 89,400 instruments, including 4,800 FilmArray[®] units. This represented an increase of 2,500 instruments over the six-month period, including around 800 FilmArray[®] units.

▾ **Human resources**

The Company had a total of around 10,100 full-time-equivalent employees and temporary staff as of June 30, 2017, compared with 9,400 a year earlier.

SIGNIFICANT EVENTS OF THE PERIOD

▾ **Commercial offer**

Since the beginning of the year, bioMérieux has enhanced its commercial offer in several areas:

- On February 24, 2017, bioMérieux received 510(k) clearance from the U.S. Food and Drug Administration (FDA) for the expanded use of VIDAS[®] B•R•A•H•M•S PCT™, making it the first procalcitonin test to receive FDA clearance to help encourage appropriate use of antibiotics in respiratory infections and sepsis.
- On April 6, 2017, bioMérieux announced that BacT/ALERT[®] VIRTUO™ had received 510(k) clearance from the U.S. FDA, making this system available in the United States after its launch in Europe. The BacT/ALERT[®] VIRTUO™ system is a fully automated blood culture system which enables faster detection of pathogens by clinical microbiology laboratories to help deliver optimal patient treatment.
- On April 27, 2017, bioMérieux obtained FDA clearance to market and sell RAPIDEC[®] Carba NP, a manual, high medical value test used to confirm the detection of carbapenemase-producing bacteria in agar cultures. The test gives reliable results in under two hours, making it a quick and easy way to improve patient management and control healthcare-associated infections. Carbapenemases are a group of enzymes that hydrolyze carbapenems, a sub-class of antibiotics with the broadest spectrum of antibacterial activity, used primarily for the treatment of multi-drug resistant bacterial infections, exclusively in hospital settings.
- On April 20, 2017, bioMérieux announced that its BioFire FilmArray[®] RP2*plus* test, a new generation of FilmArray[®] respiratory panels, was CE-marked. The BioFire FilmArray[®] RP2*plus* simultaneously tests for 22 pathogens responsible for respiratory tract infections in a reduced processing time of 45 minutes and offers improved overall sensitivity. This new improved version of the FilmArray[®] respiratory panel includes two additional pathogens: Middle East Respiratory Syndrome coronavirus (MERS-CoV), and the *Bordetella parapertussis* bacteria, the causative agent of whooping cough. On June 1, 2017, bioMérieux announced that its BioFire FilmArray[®] RP2 panel, which includes the same pathogens as the RP2*plus* test except for MERS-CoV, had received FDA clearance in the United States.
- As of June 2017, the automated VIDAS[®] D-Dimer test, cleared to exclude the diagnosis of deep vein thrombosis and pulmonary embolism in outpatients, is authorized for extended use. It can now be used to help guide the duration of long-term oral anticoagulant therapy in women with a first unprovoked venous thromboembolism (VTE). Financed for a number of years by bioMérieux, the multicenter REcurrent VEnous Thromboembolism Risk Stratification Evaluation (REVERSE) study coordinated by Dr. Marc Rodger from the Ottawa Hospital Research Institute has led to the definition of a clinical decision rule that includes the use of the VIDAS[®] D-Dimer test and has confirmed its clinical utility. Given the bleeding risks and constraints associated with such long-term therapy, the ability to safely discontinue oral anticoagulants represents a true benefit for patients.

▸ **bioMérieux and Banyan Biomarkers partner to develop, validate and market tests for the diagnosis of traumatic brain injuries**

On January 19, 2017, bioMérieux and Banyan Biomarkers, an innovative biomarkers company specializing in traumatic brain injuries, announced that they had entered into a partnership. Under the terms of the agreement, bioMérieux obtains the rights to develop and market Banyan's proprietary tests worldwide for use on the VIDAS® platform in the field of *in vitro* diagnostics.

▸ **bioMérieux's General Shareholders' Meeting approves the appointment of two directors**

On May 30, 2017, the General Shareholders' Meeting approved the appointment of two independent directors: Fanny Letier and Marie-Paule Kieny. In compliance with the law of January 27, 2011 concerning gender equality on boards of directors and supervisory boards and equal opportunity in the workplace, the Board of Directors now comprises 10 members, including 4 women.

SUBSEQUENT EVENTS

▸ **Sysmex**

On July 27, 2017, Sysmex Corporation and bioMérieux announced that they had agreed to transfer all of Sysmex' holdings in Sysmex bioMérieux Co., Ltd. (Tokyo, Japan) to bioMérieux, thereby dissolving the joint venture created by the two companies in 2008 with the goal of bringing together bioMérieux's innovative solutions and Sysmex' expertise in the Japanese market. As part of a long-term vision, bioMérieux will create its own commercial structure in Japan to take over the activities previously led by Sysmex.

▸ **bioMérieux receives FDA clearance for expanded pathogen identification capability on VITEK® MS**

On July 31, 2017, bioMérieux announced that its rapid pathogen identification system VITEK® MS had received 510(k) clearance from the FDA for the identification of new pathogens. The expanded database includes more than 15,000 distinct strains and, for the first time, enables the safe identification of the *Mycobacterium tuberculosis* (TB) group, the most frequent non-tuberculous mycobacteria (NTM), *Nocardia* and the most medically important molds.

▸ **Stock split**

Pursuant to the authority delegated to it by the Ordinary and Extraordinary Shareholders' Meeting of May 30, 2017, which approved the decision to divide the par value of the bioMérieux share by three (18th resolution), the Board of Directors decided on August 29 that the stock split would be effective as of September 19, 2017.

Each of the existing shares will therefore be exchanged for three new shares, with the same rights, on September 22, 2017, the payment date. The total number of shares will therefore increase from 39,453,740 to 118,361,220 (ISIN Code: FR0013280286).

The transaction will not generate any costs for or require any formalities from the existing shareholders and will have no impact on their rights.

The new shares created to replace existing shares with double voting rights will therefore also have double voting rights from the payment date.

The maximum purchase price per share under the share buyback program authorized by the Shareholders' Meeting of May 30, 2017 will be reduced from €300 to €150.

Transaction timeline:

September 19, 2017	Last trading day for existing shares
September 20, 2017	Delisting of old shares – Listing of new shares
September 21, 2017	Record date
September 22, 2017	Payment date and transfer to the new ISIN

2017 OBJECTIVES

In light of the robust organic growth reported in the first half and based on the information available to bioMérieux, the Company is now targeting organic sales growth for the full year of between 9% and 10%.

Given the more-favorable-than-expected exchange rates in the first half and the revised target for full-year organic sales growth, bioMérieux is now aiming to deliver full-year contributive operating income before non-recurring items of between €330 million and €345 million. This new target takes into account the Group's ongoing efforts in sales and innovation as part of a long-term strategy and is subject to current exchange rates holding firm in the second half of the year.

Jean-Luc Belingard, Chairman, said: "*bioMérieux had an excellent first half. Combining strong organic growth in sales and a significant increase in earnings, the Company's performance confirms the validity of our strategic focus on the fight against infectious diseases and also reflects our disciplined day-to-day operational management. This is what prompted our decision to raise our financial objectives for full-year 2017.*"

INVESTOR CALENDAR

Third-quarter 2017 sales: October 18, 2017, before start of trading

The above forward-looking statements are based, entirely or partially, on assessments or judgments that may change or be modified, due to uncertainties and risks related to the Company's economic, financial, regulatory and competitive environment, notably those described in the 2016 Registration Document. Accordingly, the Company cannot give any assurance nor make any representation as to whether the objectives will be met. The Company does not undertake to update or otherwise revise any forecasts or objectives presented herein, except in compliance with the disclosure obligations applicable to companies whose shares are listed on a stock exchange.

ABOUT BIOMÉRIEUX

Pioneering Diagnostics

A world leader in the field of *in vitro* diagnostics for over 50 years, bioMérieux is present in more than 150 countries through 42 subsidiaries and a large network of distributors. In 2016, revenues reached €2,103 million, with over 90% of sales outside of France.

bioMérieux provides diagnostic solutions (systems, reagents, software) which determine the source of disease and contamination to improve patient health and ensure consumer safety. Its products are mainly used for diagnosing infectious diseases. They are also used for detecting microorganisms in agri-food, pharmaceutical and cosmetic products.



bioMérieux is listed on the Euronext Paris stock market

Symbol: BIM - ISIN Code: FR0010096479

Reuters: BIOX.PA/Bloomberg: BIM.FP

Corporate website: www.biomerieux.com. Investor website: www.biomerieux-finance.com

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Appendix 1: Sales by Region and Application

Sales by Region In € millions	6 months ended June 30, 2017	6 months ended June 30, 2016	% change as reported	% change like-for-like
Europe ⁽¹⁾	432.2	417.1	+3.6%	+4.1%
Americas	514.0	418.1	+23.0%	+18.7%
North America	438.7	355.4	+23.4%	+19.8%
Latin America	75.3	62.7	+20.1%	+12.6%
Asia-Pacific	184.8	162.4	+13.8%	+11.4%
Total sales from the regions	1,130.9	997.7	+13.4%	+11.4%
Applied Maths	2.2	1.3		
R&D-related revenue	1.2	1.8		
TOTAL	1,134.3	1,000.8	+13.3%	+11.3%

¹Including the Middle East and Africa.

Sales by Application In € millions	6 months ended June 30, 2017	6 months ended June 30, 2016	% change as reported	% change like-for-like
Clinical Applications	917.3	798.2	+14.9%	+12.8%
Microbiology	464.0	426.7	+8.7%	+6.8%
Immunoassays ⁽¹⁾	232.6	219.1	+6.1%	+4.8%
Molecular biology ⁽²⁾	218.0	149.5	+45.8%	+41.9%
Others	2.7	2.8	-5.4%	+13.9%
Industrial Applications	202.3	181.5	+11.5%	+10.2%
BioFire Defense	11.3	18.0	-37.5%	-39.4%
Applied Maths	2.2	1.3		
R&D-related revenue	1.1	1.8		
TOTAL	1,134.3	1,000.8	+13.3%	+11.3%

⁽¹⁾ Including VIDAS®: up 5.8% at constant exchange rates and scope of consolidation.

⁽²⁾ Including FilmArray®: €183 million

Appendix 2: Summary consolidated financial statements at June 30, 2017

bioMérieux CONSOLIDATED INCOME STATEMENT

<i>In millions of euros</i>	06/30/2017	06/30/2016
Net Sales	1,134.3	1,000.8
Cost of sales	(529.3)	(482.0)
Gross profit	605.0	518.8
Other operating income	15.1	20.9
Selling and marketing expenses	(220.9)	(185.2)
General and administrative expenses	(78.3)	(79.6)
Research and development expenses	(148.5)	(125.5)
Total operating expenses	(447.7)	(390.3)
Contributive operating income	172.4	149.4
BioFire acquisition's fees and depreciation costs	(9.5)	(13.6)
Operating income before non-recurring items	162.9	135.8
Other non-recurring income (expenses)	(0.0)	9.7
Operating income	162.8	145.5
Cost of net financial debt	(11.3)	(9.1)
Other financial items	(2.2)	(4.7)
Income tax	(48.1)	(46.0)
Investments in associates	(0.1)	(0.1)
Net income of consolidated companies	101.2	85.6
Attributable to the minority interests	0.1	(0.1)
Attributable to the parent company	101.1	85.7
Basic net income per share	2.57 €	2.17 €
Diluted net income per share	2.57 €	2.17 €

bioMérieux
CONSOLIDATED BALANCE SHEET

ASSETS <i>(in millions of euros)</i>	06/30/2017	12/31/2016	06/30/2016
Intangible assets	454.8	492.6	471.7
Goodwill	454.8	470.6	455.8
Property, plant and equipment	712.3	734.5	614.1
Financial assets	46.6	36.9	58.1
Investments in associates	0.3	0.5	0.6
Other non-current assets	16.7	18.0	18.8
Deferred tax assets	79.5	92.8	83.3
Non-current assets	1,765.2	1,845.8	1,702.4
Inventories and work in progress	404.4	404.4	382.9
Accounts receivable	435.4	465.8	420.5
Other operating receivables	100.5	79.8	97.1
Tax receivable	12.1	25.7	14.1
Non-operating receivables	23.3	28.8	14.8
Cash and cash equivalents	182.2	178.6	126.3
Current assets	1,158.0	1,183.0	1,055.7
TOTAL ASSETS	2,923.1	3,028.8	2,758.1
LIABILITIES AND SHAREHOLDERS' EQUITY <i>(in millions of euros)</i>	06/30/2017	12/31/2016	06/30/2016
Share capital	12.0	12.0	12.0
Additional paid-in capital & Reserves	1,524.5	1,428.0	1,404.2
Net income for the year	101.1	179.1	85.7
Shareholders' equity	1,637.6	1,619.1	1,502.0
Minority interests	2.1	2.2	8.0
Total equity	1,639.7	1,621.4	1,510.0
Net financial debt - long-term	376.8	365.4	312.4
Deferred tax liabilities	153.5	167.3	157.4
Provisions	116.2	115.0	134.5
Non-current liabilities	646.5	647.6	604.2
Net financial debt - short-term	85.7	87.9	79.4
Provisions	33.4	36.8	20.6
Accounts payable	152.3	175.6	162.7
Other operating liabilities	296.3	324.2	287.2
Tax liabilities	17.8	37.2	14.8
Non-operating liabilities	51.4	98.2	79.2
Current liabilities	636.9	759.8	643.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,923.1	3,028.8	2,758.1

bioMérieux
CONSOLIDATED CASH FLOW STATEMENT

<i>In millions euros</i>	06/30/2017	06/30/2016
Net income of consolidated companies	101.2	85.6
- Investments in associates	0.1	0.1
- Cost of net financial debt	11.3	9.1
- Other financial items	2.2	4.7
- Current income tax expense	48.1	46.0
- Operating depreciation and provisions on assets	70.1	63.7
- Non-recurring items and BioFire acquisition's fees and depreciation costs	9.5	3.9
EBITDA (before non-recurring items)	242.5	213.1
Other non current operating gains/losses (w/o exceptional depreciations, assets losses and capital gains/losses)	0.0	0.0
Other financial items (w/o accruals & disposal of financial assets)	(2.0)	(3.8)
Operating provisions for risks and contingencies	1.3	0.1
Change in fair value of financial instruments	0.0	1.4
Share-based payments	3.2	1.0
Elimination of other gains and losses without any impact on cash or operations	2.5	(1.3)
Change in inventories	(18.5)	(29.5)
Change in accounts receivable	14.0	27.3
Change in accounts payable	(18.6)	(12.4)
Change in other operating working capital	(34.0)	(22.1)
Change in operating working capital	(57.1)	(36.7)
Other non operating working capital	12.1	5.2
Change in non-current assets	1.5	2.7
Other cashflows from operation	(43.5)	(28.8)
Income tax paid	(56.1)	(41.3)
Net cash flow from operations	145.4	141.7
Purchase of property, plant and equipment	(96.9)	(114.0)
Proceeds on fixed asset disposals	3.5	2.3
Purchase of financial assets / Disposals of financial assets	(8.1)	0.9
Impact of changes in the scope of consolidation	3.7	(18.1)
Net cash flow from (used in) investment activities	(97.8)	(128.9)
Increase in capital	0.0	0.0
Purchases and proceeds of treasury stocks	(1.1)	(0.1)
Dividends to shareholders	(39.5)	(39.4)
Cost of net financial debt	(11.3)	(9.1)
Change in confirmed financial debt	18.9	13.8
Net cash flow from (used in) financing activities	(33.0)	(34.9)
Net change in cash and cash equivalents	14.6	(21.8)
Net cash and cash equivalents at the beginning of the year	146.7	136.7
Impact of currency changes on net cash and cash equivalents	(4.3)	(8.2)
Net cash and cash equivalents at the end of the year	157.0	106.7