



bioMérieux – Second-Quarter 2018 Business Review

- ▾ **Strong sales dynamic confirmed in second quarter, leading to sales up 10.4% over the first half at constant exchange rates and scope of consolidation:**
 - €1,169 million in sales
 - Up 3.1% as reported
- ▾ **Growth driven by robust molecular biology and microbiology lines and by industrial applications.**

Alexandre Mérieux, Chairman and Chief Executive Officer, said: “After a first quarter in which sales were particularly high due to the flu season, the second quarter of 2018 was another period of strong sales performance for bioMérieux with organic growth of 8.4%. The Group’s balanced and diversified geographic footprint and its comprehensive offering based on three key technologies of *in vitro* diagnostics were major factors in its success in the second quarter.”

Marcy l’Etoile (France), July 18, 2018 – bioMérieux, a world leader in the field of *in vitro* diagnostics, today released its quarterly business review as at June 30, 2018.

SALES

bioMérieux’s consolidated sales amounted to €1,169 million for the first six months of 2018, versus €1,134 million for the same period one year earlier. Sales grew by 10.4% year-on-year at constant exchange rates and scope of consolidation. As expected, reported growth was once again impacted by a negative currency effect of around €83 million to stand at 3.1%.

Analysis of sales

In € millions

SALES – SIX MONTHS ENDED JUNE 30, 2017	1,134	
Currency effect	(83)	-7.4%
Changes in scope of consolidation ⁽¹⁾	0	0.0%
Organic growth (at constant exchange rates and scope of consolidation)	+118	+10.4%
SALES – SIX MONTHS ENDED JUNE 30, 2018	1,169	+3.1%

NB: A definition of the currency effect and of changes in the scope of consolidation is provided at the end of this press release.

⁽¹⁾ Acquisition of Astute Medical Inc. on April 4, 2018.

Note: Unless otherwise stated, growth is expressed year-on-year at constant exchange rates and scope of consolidation (like-for-like).

ANALYSIS OF SALES BY REGION

Sales by Region In € millions	Q2 2018	Q2 2017	% change as reported	% change at CER* and scope of consolidation	H1 2018	H1 2017	% change as reported	% change at CER* and scope of consolidation
Europe ⁽¹⁾	227.2	216.3	+5.0%	+6.8%	449.4	435.0	+3.3%	+4.8%
Americas	246.9	246.3	+0.0%	+9.1%	517.6	514.5	+0.6%	+12.9%
North America	211.2	208.0	+1.5%	+9.4%	451.7	439.2	+2.9%	+14.9%
Latin America	35.7	38.8	-7.8%	+7.1%	65.8	75.3	-12.6%	+1.5%
Asia Pacific	108.1	103.2	+4.7%	+9.9%	202.3	184.8	+9.5%	+16.6%
TOTAL CONSOLIDATED SALES	582.2	566.4	+2.8%	+8.4%	1,169.2	1,134.3	+3.1%	+10.4%

⁽¹⁾ Including the Middle East and Africa.

* CER: constant exchange rate

- ▽ In the **Americas** (44% of the consolidated total), after a particularly dynamic first quarter, sales continued to grow at a solid pace of 9% year-on-year, coming in at €247 million for the second quarter of 2018. Sales ended the first half at €518 million, up 13% on the same period in 2017.
 - In **North America** (39% of the consolidated total), sales growth was driven by the development of the BIOFIRE® FILMARRAY® molecular biology line and by a solid performance from the BACT/ALERT® microbiology line for blood cultures. Sales for the VIDAS® immunoassay line continued to slow during the quarter under the weight of price pressure, while volumes continued to grow.
 - In **Latin America**, strong sales momentum led to 7% growth, despite the impact of a major transportation strike in Brazil during the quarter.

- ▽ In the **Europe – Middle East – Africa** region (38% of the consolidated total), business accelerated in the second quarter of the year, with growth of 6.8% and sales of €227 million. As a result, first-half sales came to €449 million, up 4.8% year-on-year.
 - In **Europe** (32% of the consolidated total), second-quarter growth was primarily boosted by sales of industrial applications, particularly in France and Northern Europe. In clinical applications, the main growth drivers were Spain, the Benelux countries and Scandinavia, thanks to solid performances in the microbiology lines.
 - Sales in the **Russia – Middle East – Africa** region rose by around 18% in the second quarter, led by increased momentum in Africa, particularly South Africa thanks to the development of BIOFIRE® FILMARRAY®, and by further robust sales growth in Turkey.

- ▽ In the **Asia Pacific** region (17% of the consolidated total), sales came to €108 million in the second quarter of 2018, up by nearly 10% on the same period in 2017. The region's main growth driver was **China**, where sales rose by around 15% on the back of solid performances in reagent sales for both clinical and industrial microbiology applications. At the end of the first half, sales in the Asia Pacific region totaled €202 million, representing strong year-on-year growth of nearly 17%.

ANALYSIS OF SALES BY APPLICATION

Sales by Application In € millions	Q2 2018	Q2 2017	% change as reported	% change at CER* and scope of consolidation	H1 2018	H1 2017	% change as reported	% change at CER* and scope of consolidation
Clinical Applications	474.4	464.0	+2.2%	+7.8%	960.6	931.6	+3.1%	+10.6%
Microbiology	236.6	234.9	+0.7%	+6.0%	459.2	464.0	-1.0%	+5.3%
Immunoassays	113.9	120.8	-5.7%	-1.4%	221.8	232.6	-4.6%	+0.8%
Molecular biology	115.1	99.4	+15.8%	+23.5%	263.3	218.0	+20.8%	+33.0%
Other lines ⁽¹⁾	8.8	8.9	-0.5%	+6.9%	16.3	17.0	-4.0%	+3.0%
Industrial Applications⁽²⁾	107.9	102.4	+5.3%	+10.7%	208.6	202.7	+2.9%	+9.3%
TOTAL CONSOLIDATED SALES	582.2	566.4	+2.8%	+8.4%	1,169.2	1,134.3	+3.1%	+10.4%

⁽¹⁾ Including Applied Maths, BioFire Defense, and R&D-related revenue arising on clinical applications.

⁽²⁾ Including R&D-related revenue arising on industrial applications.

* CER: constant exchange rate

- ▾ **Clinical application** sales, which accounted for approximately 82% of the consolidated total, rose by 7.8% year-on-year to €474 million for the quarter, and by 10.6% to €961 million for the first half.
 - **Microbiology** benefited from robust growth in sales of reagents and instruments in the BACT/ALERT® line, notably in China, and from sales of microbiology lab automation systems in North America and Europe.
 - In **immunoassays**, the impact of price pressure on procalcitonin assay sales in the United States was partly offset by the development of the VIDAS® line in the Asia Pacific, Latin America, Middle East and Africa regions.
 - In **molecular biology**, after a first quarter boosted by a particularly intense flu season, the BIOFIRE® FILMARRAY® line recorded a very satisfactory performance in the second quarter, with growth of more than 30%. The increase was driven by the United States and by the rapid development of international sales, in countries as varied as France, South Africa, Chile and the United Kingdom.

- ▾ **Industrial application** sales, which represent around 18% of the consolidated total, increased 10.7% like-for-like to €108 million in the second quarter and 9.3% like-for-like to €209 million for the first half. The significant gains achieved in the second quarter were fueled by strong sales growth in microbiology lines for pharmaceutical clients and by sales of immunoassay and molecular biology solutions for agri-food applications.

- ▾ In the second quarter of 2018, sales of **reagents** and **services** accounted for approximately 89% of the consolidated total, representing a year-on-year increase of 8%. This percentage of consolidated sales takes into account the reclassification of approximately €4 million of reagents sales within instruments, to reflect the implicit rentals recognized on instrument placement contracts following the first-time application of IFRS 15 on revenue recognition.

OTHER INFORMATION

▾ Installed base

bioMérieux's installed base at June 30, 2018 stood at approximately 93,400 instruments, including 7,000 BIOFIRE® FILMARRAY® units. The net increase of 600 units reflects the addition of 2,300 instruments and the withdrawal from the installed base reporting scope of 1,700 instruments, which correspond to lines that have been discontinued or are being taken off the market.

▾ Human resources

At June 30, 2018, the Group had around 10,800 full-time-equivalent employees and temporary staff, including the workforce of Astute Medical Inc. acquired in April 2018, versus 10,400 at December 31, 2017.

SECOND-QUARTER OPERATING HIGHLIGHTS

▾ NEPHROCHECK® test included in recommendations issued by several leading medical societies

During the second quarter, the biomarkers in the NEPHROCHECK® test, an FDA-cleared and CE-marked urine test that indicates kidney stress in advance of acute kidney injury (AKI), were included in guidelines issued by the ERAS® Cardiac Surgery Society and in consensus recommendations published by the Acute Dialysis Quality Initiative (ADQI), an international organization that brings together more than 150 members who specialize in the diagnosis and management of AKI and other conditions that require dialysis.

These recommendations follow the recent publication of two randomized controlled trials that demonstrated significant improvement in patient outcomes, length of stay in hospital and AKI-related costs following cardiac and non-cardiac surgery by using NEPHROCHECK® to initiate kidney-protecting interventions.

▾ Launch of ENDOZYME® II GO, an innovative test for the detection of endotoxins in pharmaceutical microbiology control

Based on recombinant horseshoe crab Factor C (rFC), this new assay resulting from the combined expertise of bioMérieux in microbiology and Hyglos GmbH acquired by bioMérieux in 2016 and specialized in endotoxin detection enables endotoxin testing in pharmaceutical grade water, injectable drugs and other pharmaceutical products. This new test allows an easy and fast workflow, and is particularly adapted to raw materials and final product testing.

The animal-free rFC technology, included in the European Pharmacopoeia since 2016, completely eliminates the need to harvest ecologically vulnerable horseshoe crabs, which are endangered in Asia and protected in the United States. Horseshoe crab blood is used in most endotoxin detection tests currently on the market.

▾ Launch of the VIKIA® anti-HCV test for the rapid diagnosis of hepatitis C

In June 2018, bioMérieux launched VIKIA® anti-HCV, a screening test that can detect the six major genotypes of the hepatitis C virus in just 10 minutes with a sample volume of just one drop of whole blood, serum or plasma. The test has been validated for near-patient testing, including by healthcare professionals outside the laboratory environment.

▾ CE mark for expanded VITEK® MS database

The latest additions to the database used by VITEK® MS, an automated mass spectrometry microbial identification system, have been CE-marked. The system can now also be used to safely identify *Brucella*, which is often difficult for laboratory staff to recognize, as well as emerging antibiotic-resistant pathogens such as *Candida auris*, *Elizabethkingia anophelis* and other clinically relevant bacteria. This innovative solution further improves the performance of the VITEK® MS system by adding 272 new species to its database, including 217 bacteria species and 55 fungal species.

SUBSEQUENT EVENTS

▾ Acquisition of an interest in Hybiome, China

In July 2018, bioMérieux signed an agreement to acquire a minority interest in Suzhou Hybiome Biomedical Engineering Co. Ltd. which allows for a potential future increase in shares. Based in Suzhou, China, Hybiome was founded in 2009, and develops, produces and markets a comprehensive range of automated immunoassay analyzers (reagents, instruments, software, etc.) that have been cleared by the China Food and Drug Administration.

Finalization of the transaction is subject to customary closing conditions.

INVESTOR CALENDAR

First-half 2018 results: September 5, 2018, before start of trading

Third-quarter 2018 sales: October 18, 2018, before start of trading

Notes and definitions

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 2017 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.

Currency effect: this is established by converting actual numbers 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.

Changes in scope of consolidation: these are determined:


- for acquisitions in the period, by deducting from sales for the period the amount of sales generated during the period by acquired entities as from the date they entered the consolidated reporting scope;
- for acquisitions in the previous period, by deducting from sales for the period the amount of sales generated in the months in the previous period during which the acquired entities were not consolidated;
- for disposals in the period, by adding to sales for the period the amount of sales generated by entities sold during the previous period in the months of the current period during which these entities were no longer consolidated;
- for disposals in the previous period, by adding to sales for the period the amount of sales generated during the previous period by the entities sold.

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 43 subsidiaries and a large network of distributors. In 2017, revenues reached €2.3 billion, 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: FR0013280286

Reuters: BIOX.PA/Bloomberg: BIM.FP

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



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APPENDIX: QUARTERLY SALES DATA

Sales by Region (€ millions and % change)

	First quarter		Second quarter		First half	
	2018	2017	2018	2017	2018	2017
Europe ⁽¹⁾	222.1	218.7	227.2	216.3	449.4	435.0
Americas	270.6	267.7	246.9	246.3	517.6	514.5
North America	240.5	231.1	211.2	208.0	451.7	439.2
Latin America	30.1	36.6	35.7	38.8	65.8	75.3
Asia Pacific	94.2	81.6	108.1	103.2	202.3	184.8
TOTAL CONSOLIDATED SALES	587.0	568.0	582.2	566.4	1,169.2	1,134.3

⁽¹⁾ Including the Middle East and Africa.

	First quarter		Second quarter		First half	
	As reported	Like-for-like ⁽²⁾	As reported	Like-for-like	As reported	Like-for-like
Europe ⁽¹⁾	+1.6%	+2.8%	+5.0%	+6.8%	+3.3%	+4.8%
Americas	+1.1%	+16.5%	+0.0%	+9.1%	+0.6%	+12.9%
North America	+4.1%	+19.9%	+1.5%	+9.4%	+2.9%	+14.9%
Latin America	-17.7%	-4.8%	-7.8%	+7.1%	-12.6%	+1.5%
Asia Pacific	+15.6%	+25.3%	+4.7%	+9.9%	+9.5%	+16.6%
TOTAL CONSOLIDATED SALES	+3.4%	+12.5%	+2.8%	+8.4%	+3.1%	+10.4%

⁽¹⁾ Including the Middle East and Africa.

⁽²⁾ At constant exchange rates and scope of consolidation.

Sales by Application (€ millions and % change)

	First quarter		Second quarter		First half	
	2018	2017	2018	2017	2018	2017
Clinical Applications	486.3	467.7	474.4	464.0	960.6	931.6
Microbiology	222.7	229.2	236.6	234.9	459.2	464.0
Immunoassays	107.9	111.7	113.9	120.8	221.8	232.6
Molecular biology	148.2	118.6	115.1	99.4	263.3	218.0
Other lines ⁽¹⁾	7.5	8.1	8.8	8.9	16.3	17.0
Industrial Applications⁽²⁾	100.8	100.3	107.9	102.4	208.6	202.7
TOTAL CONSOLIDATED SALES	587.0	568.0	582.2	566.4	1,169.2	1,134.3

⁽¹⁾ Including Applied Maths, BioFire Defense, and R&D-related revenue arising on clinical applications.

⁽²⁾ Including R&D-related revenue arising on industrial applications.

	First quarter		Second quarter		First half	
	As reported	Like-for-like ⁽³⁾	As reported	Like-for-like	As reported	Like-for-like
Clinical applications	+4.0%	+13.5%	+2.2%	+7.8%	+3.1%	+10.6%
Microbiology	-2.8%	+4.6%	+0.7%	+6.0%	-1.0%	+5.3%
Immunoassays	-3.4%	+3.3%	-5.7%	-1.4%	-4.6%	+0.8%
Molecular biology	+24.9%	+41.3%	+15.8%	+23.5%	+20.8%	+33.0%
Other lines ⁽¹⁾	-7.8%	-1.1%	-0.5%	+6.9%	-4.0%	+3.0%
Industrial Applications⁽²⁾	+0.5%	+7.9%	+5.3%	+10.7%	+2.9%	+9.3%
TOTAL CONSOLIDATED SALES	+3.4%	+12.5%	+2.8%	+8.4%	+3.1%	+10.4%

⁽¹⁾ Including Applied Maths, BioFire Defense, and R&D-related revenue arising on clinical applications.

⁽²⁾ Including R&D-related revenue arising on industrial applications.

⁽³⁾ At constant exchange rates and scope of consolidation.

Note: Unless otherwise stated, growth is expressed year-on-year at constant exchange rates and scope of consolidation (like-for-like).