

March 1<sup>st</sup>, 2017

# 2016 Annual Results & 2017 Outlook

PIONEERING DIAGNOSTICS



*This presentation contains information, assumptions and estimates that were used by the Company to determine its objectives on a reasonable basis. They are subject to change or modification due to economic, financial and competitive uncertainties in markets addressed by bioMérieux. Further information regarding these assumptions, risks and estimates are described in the documents registered with the Autorité des Marchés Financiers. The forward-looking statements contained in this presentation apply only up to the date of the presentation. Accordingly, the Company cannot give any assurance as to whether it will achieve the objectives described in this presentation, and makes no commitment or undertaking to update or otherwise revise such information.*

*This document does not constitute an offer to sell or an invitation or solicitation of an offer to subscribe for or purchase any securities, and this shall not form the basis for or be used for any such offer or invitation or other contract or engagement in any jurisdiction.*



1 Overview

2 2016 Business Review

3 2016 Financial Results

4 2017 Outlook & Conclusion



**+ 50 YEARS**  
OF EXPERTISE IN  
*IN VITRO* DIAGNOSTICS

**2 LEADERSHIP  
POSITIONS IN  
MICROBIOLOGY**  
GENERATE 2/3 OF SALES

**+ 20 YEARS**  
OF EXPERTISE IN INDUSTRIAL  
MICROBIOLOGY CONTROL



Sales amounting to  
**€2.1** billion



**1,500** people  
dedicated to R&D



A large installed base of  
**86,900** instruments



**91%**  
of international  
sales



About **9,800**  
employees worldwide



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

**CLINICAL APPLICATIONS**  
80% of revenues



**MICROBIOLOGY**  
*To sustainably be the  
recognized leader*  
*Clinic & Industry*

**Leadership positions  
in clinical & industrial  
microbiology**

## PIONEERING DIAGNOSTICS

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



**MOLECULAR BIOLOGY**  
*To own the fast growing  
syndromic approach  
of infectious  
diseases testing*

**Wide & balanced  
geographic footprint**

**INDUSTRIAL APPLICATIONS**  
20% of revenues



**IMMUNOASSAYS**  
*To be a  
specialized player*

**Broad &  
complementary range  
of solutions**

**Solid financial  
situation**

# bioMérieux provides solutions to manage infectious diseases and improve patient care



DEVELOP SYNDROMIC DIAGNOSIS  
FOR INFECTIOUS DISEASES



DETECT AND CURB  
ANTIMICROBIAL  
RESISTANCE



FIGHT AGAINST  
SEPSIS



MANAGE EMERGENCY  
CONDITIONS



PROTECT CONSUMERS'  
HEALTH





1 Overview

2 2016 Business Review

3 2016 Financial Results

4 2017 Outlook & Conclusion



### Net Sales

**€2,103 million**

+ 7.1% reported  
+ 9.6% organic

### Contributive Operating Income\*

**€298 million**

+ 14.5% reported  
14.2% of sales

### Net Income

**€179 million**

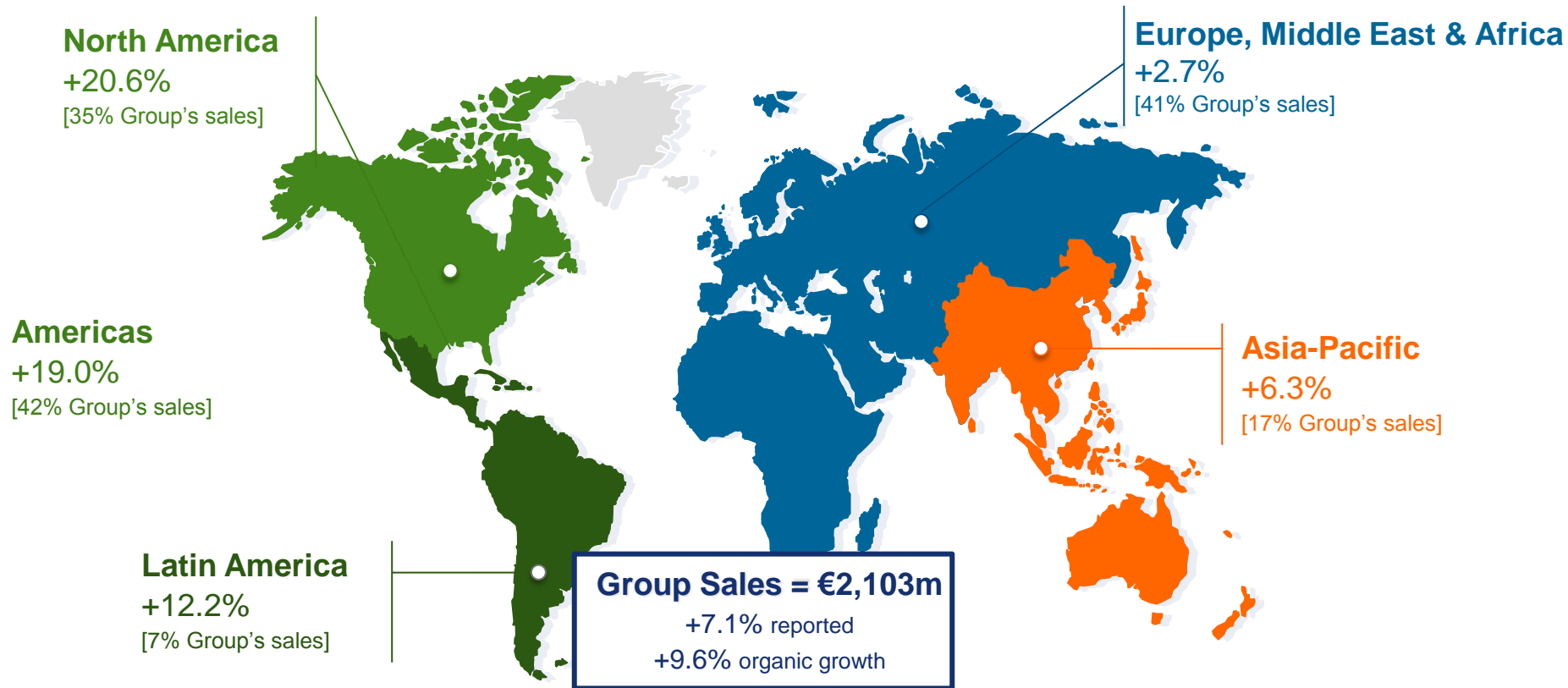
+ 62.4% reported  
8.5% of sales

Leverage **0.6**

Gearing **17%**

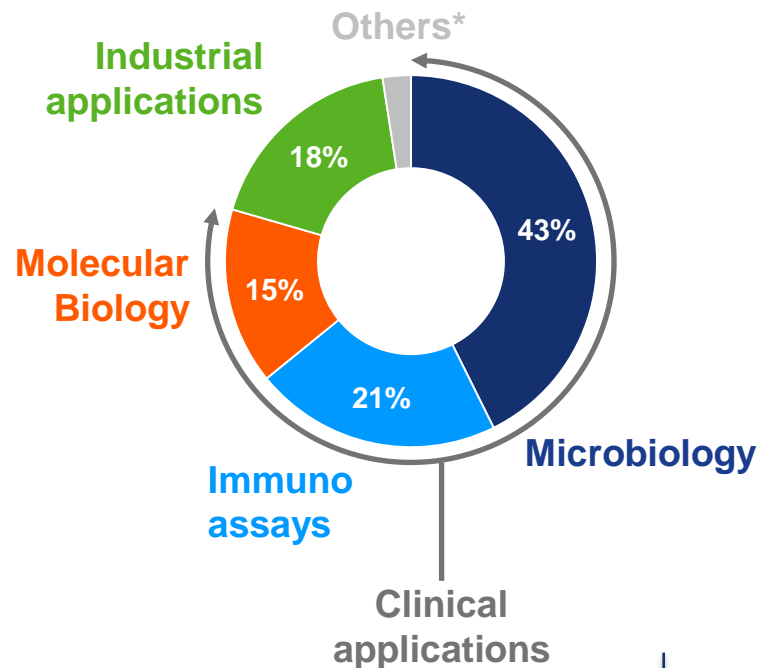


# FY 2016 sales by geography: strong sales dynamic at 9.6% organic growth



# FY 2016 sales by application: growth supported by all product lines

Sales by application	Dec31, 2016 (€m)	% Change Like-for-like	Highlights
<b>Clinical Applications</b>	<b>1,678</b>	<b>+9.9%</b>	
Microbiology	897	+4.0%	BacT/ALERT®: +10%
Immunoassays	452	+5.8%	VIDAS®: +8%
Molecular Biology	323	+43.3%	FilmArray®: +64%
<b>Industrial Applications</b>	<b>380</b>	<b>+6.6%</b>	
BioFire Defense	35	+41.5%	
Applied Maths	4		
R&D-Related Revenue	6		
<b>TOTAL</b>	<b>2,103</b>	<b>+9.6%</b>	



\* Incl. BioFire Defense, Applied Maths and R&D-Related Revenue

### Molecular Biology

- ▶ FDA clearance and CE-marking of **FilmArray® Torch**
- ▶ FDA clearance and CLIA-waiver for **FilmArray® RP EZ**
- ▶ Launch of **eMAG®**, next generation instrument for DNA/RNA extraction

### Microbiology

- ▶ CE-marking and FDA filing of **BacT/ALERT® VIRTUO™** new release
- ▶ **VITEK® MS** extended database CE-marked

### Immuno-assays

- ▶ FDA clearance of VIDAS® B•R•A•H•M•S PCT™ in **sepsis monitoring** and in **LRTI\* to aid antibiotic management**
- ▶ Development & commercialization license for **Banyan's TBI markers\*\***

### Industry

- ▶ Acquisition of **Hyglos** to enter the market of **endotoxin** detection
- ▶ Launch of **EviSight™ Compact** (real-time culture media reading)

### Quality

- ▶ ANSM injunction letter (Craponne) lifted in July 2016
- ▶ Continuing progress in Durham (USA)

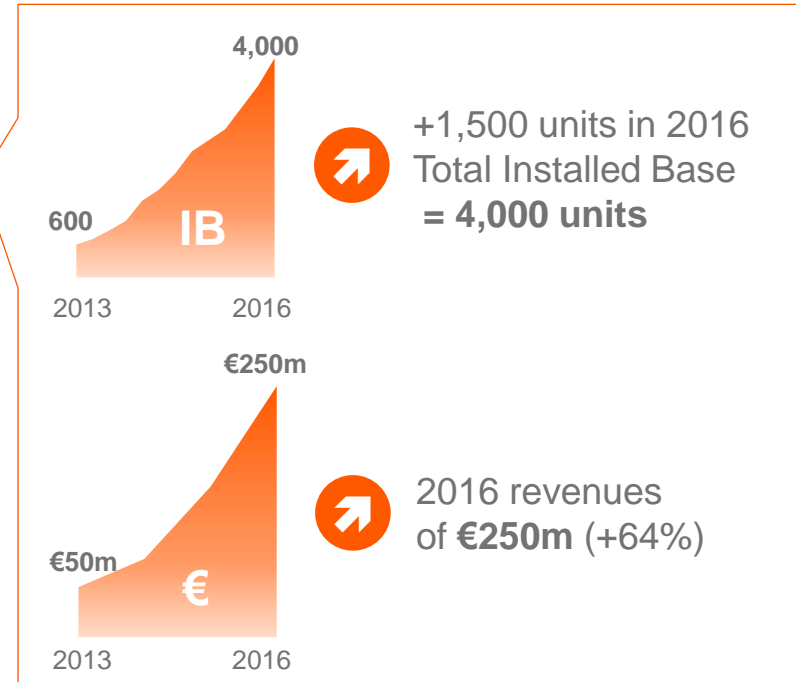
# FilmArray<sup>®</sup>: a year of strategic progress confirming the long term potential of the range

Grow the installed base and its consumption

Enrich the FilmArray<sup>®</sup> menu

Penetrate international markets

Improve the FilmArray<sup>®</sup> instruments



# FilmArray<sup>®</sup>: a year of strategic progress confirming the long term potential of the range

Grow the installed base and its consumption

Enrich the FilmArray<sup>®</sup> menu

Penetrate international markets

Improve the FilmArray<sup>®</sup> instruments



Rapid progression of the recently launched GI and ME panels

Most of our customers use more than 1 panel

FilmArray<sup>®</sup> RP-EZ FDA-cleared and CLIA-waived



> 30% of 2016 installations outside of the US

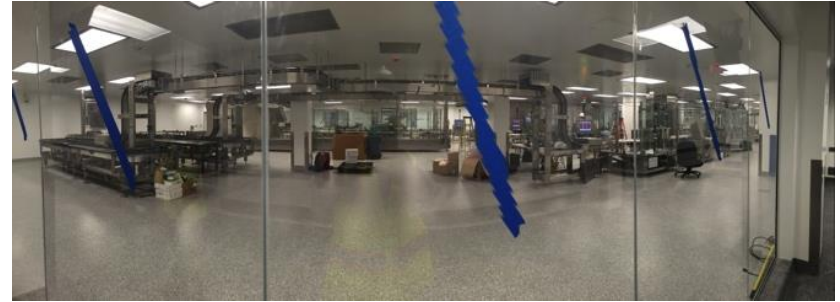
11% of 2016 FilmArray<sup>®</sup> revenues from international sales

# FY 2016 highlights: 3 major capacity projects nearly and/or fully completed

- ▶ Salt Lake City (UT - USA):  
production of FilmArray®



- ▶ Durham (NC - USA):  
production of BacT/ALERT® bottles



- ▶ Marcy l'Etoile (France): site expansion and packaging of VIDAS®





1 Overview

2 2016 Business Review

**3 2016 Financial Results**

4 2017 Outlook & Conclusion

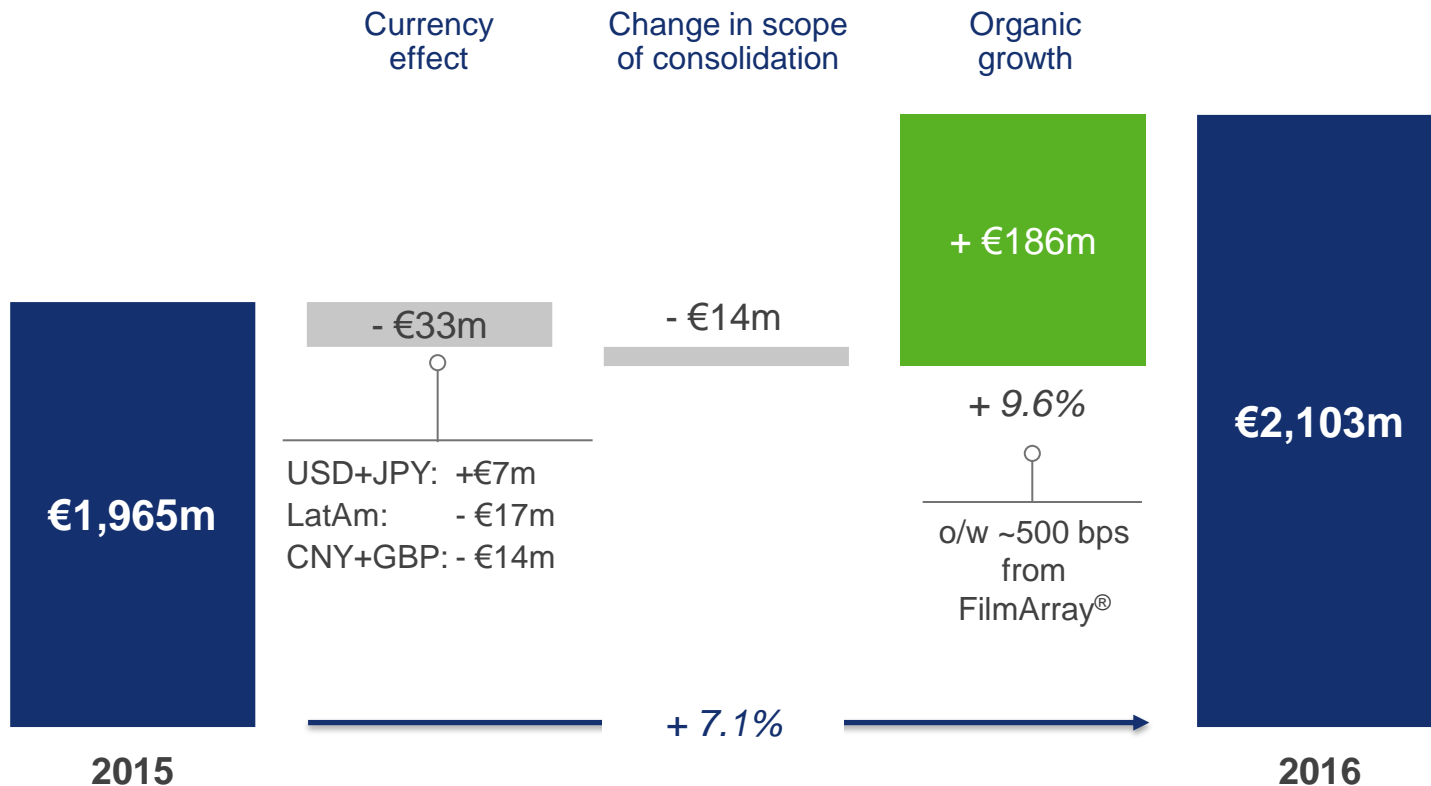


# Consolidated P&L as of December 31, 2016

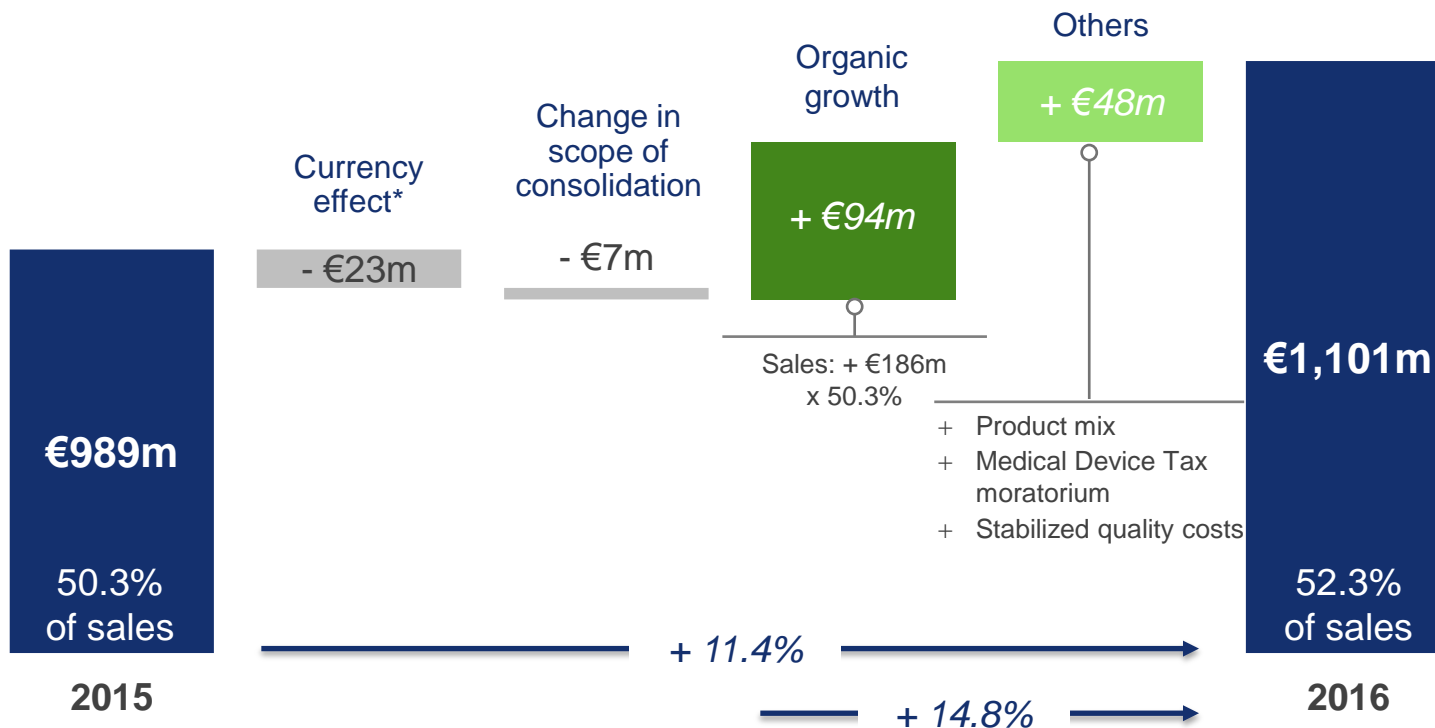
<i>In €m</i>	<b>2016</b>	<i>As a % of sales</i>	<b>2015</b>	<i>As a % of sales</i>	<b>% Change 2016 / 2015</b>
Net sales	2,103	100%	1,965	100%	<b>+ 7.1%</b>
Gross profit	1,101	52.3%	989	50.3%	<b>+ 11.3%</b>
Contributive operating income <sup>(1)</sup>	298	14.2%	260	13.2%	<b>+ 14.5%</b>
Operating income	282	13.4%	195	9.9%	<b>+ 44.9%</b>
Net income	179	8.5%	110	5.6%	<b>+ 62.4%</b>
<i>Earnings per share (€)</i>	€ 4.54		€ 2.80		

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



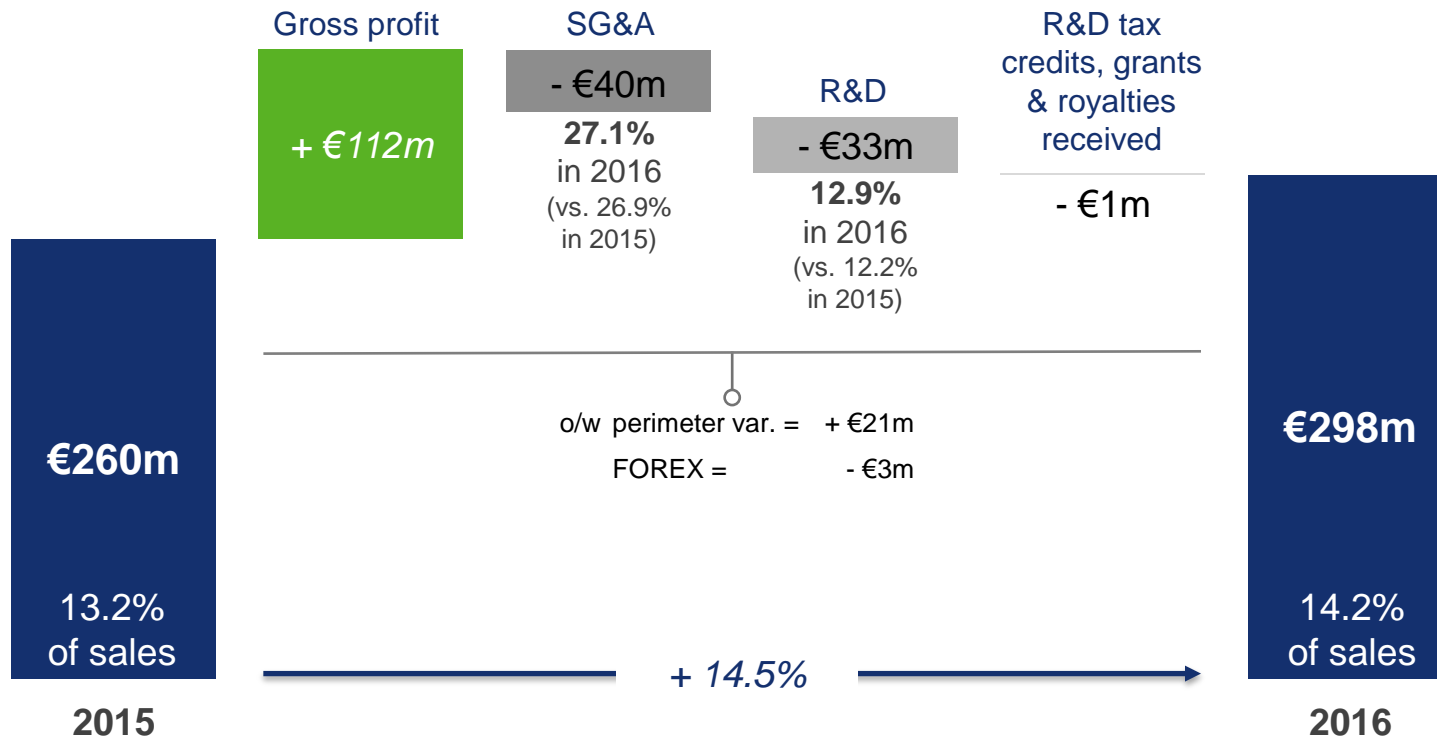


# Gross profit as of December 31, 2016



\* Estimates

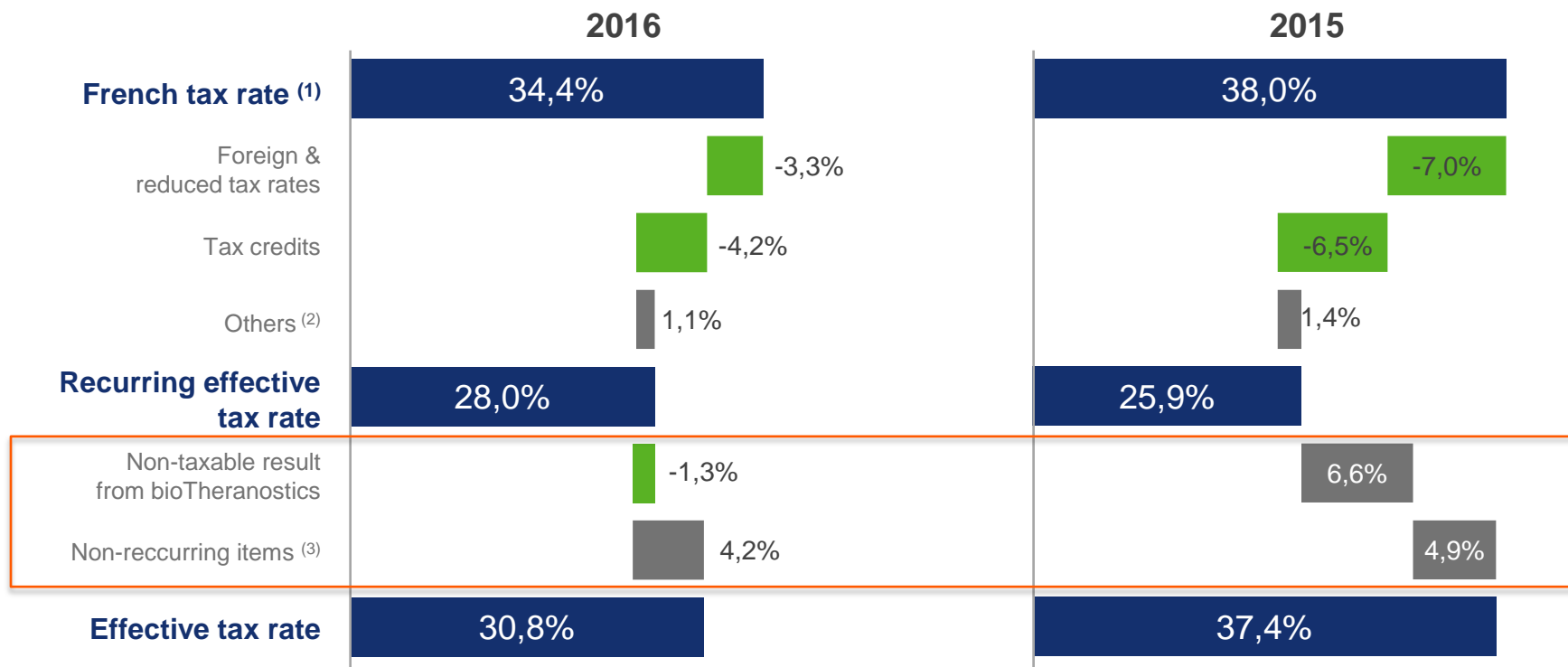
# Contributive operating income\* as of December 31, 2016



\* Earnings Before Interest and Tax deriving from ordinary activities

# Net Income as of December 31, 2016

<i>In €m</i>	<b>2016</b>	<i>As a % of sales</i>	<b>2015</b>	<i>As a % of sales</i>	<i>% Change 2016 / 2015</i>
<b>Contributive operating income</b>	<b>298</b>	<b>14.2%</b>	<b>260</b>	<b>13.2%</b>	<b>+ 14.5%</b>
BioFire acquisition related costs	- 25		- 32		
Non-recurring items	+ 10		- 33		
<b>Operating income</b>	<b>282</b>	<b>13.4%</b>	<b>195</b>	<b>9.9%</b>	<b>+ 44.9%</b>
Net financial expense	- 23		- 18		
Income tax ( <i>effective tax rate</i> )	- 80	30.8%	- 66	37.4%	
<b>Net income</b>	<b>179</b>	<b>8.5%</b>	<b>110</b>	<b>5.6%</b>	<b>+62.4%</b>



(1) In 2016, withdrawal of temporary exceptional tax in France ("contribution exceptionnelle à l'impôt sur les sociétés")

(2) Withholding tax, net operating losses unrecognized, tax on paid dividends

(3) Mainly tax reassessments

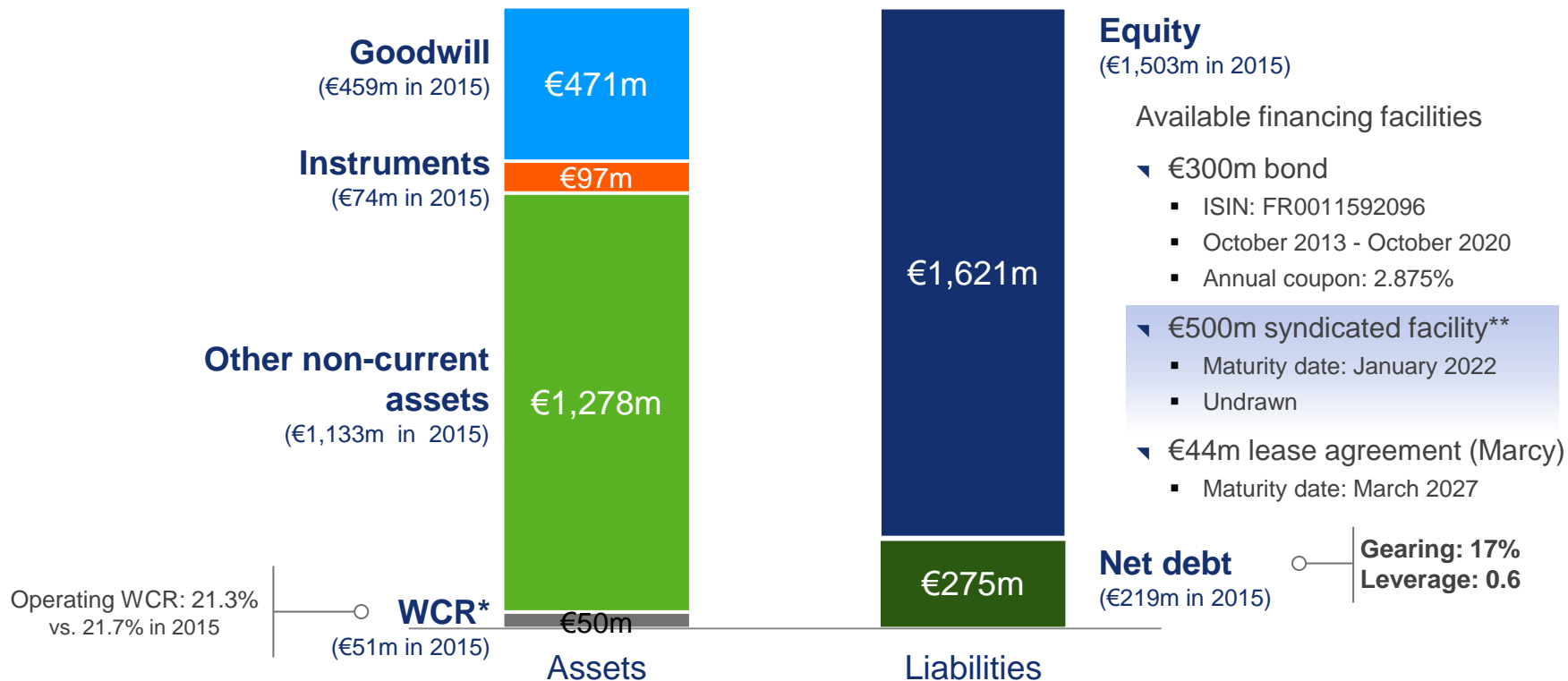
# Cash flow statement as of December 31, 2016

In €m	2016	2015	
Contributive operating income	298	260	
Depreciation and amortization	143	120	
<b>EBITDA (1)</b>	<b>441</b>	<b>380</b>	Inventory: - €1m Payables: + €14m Receivables: - €26m Others: + €17m
Operating working capital requirement	- 33	- 37	
Other cash flow from operation (mainly income tax paid)	- 72	- 33	↗ tax paid in the US
<b>Cash flow from operations</b>	<b>336</b>	<b>310</b>	
Capital expenditure	- 277	- 208	Investment in Durham, Salt Lake City and Marcy sites
Impact of finance lease	+ 44	0	
Other flows from investment activities	- 18	0	
<b>Free cash flow (2)</b>	<b>85</b>	<b>102</b>	
Finance lease	- 44	0	Expansion of Marcy site financed by lease
Acquisition of shares	- 38	- 26	
Dividends	- 40	- 40	
<b>Net cash flow</b>	<b>- 37</b>	<b>37</b>	
<b>Opening net cash (debt) position</b>	<b>- 219</b>	<b>- 249</b>	
Net cash flow	- 37	37	
FOREX impacts	- 18	- 7	
<b>Closing net cash (debt) position</b>	<b>- 275</b>	<b>- 219</b>	

(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

# Summarized balance sheet as of December 31, 2016



\* Working Capital Requirement

\*\* Contract amended on Jan 26, 2017



1 Overview

2 2016 Business Review

3 2016 Financial Results

4 2017 Outlook & Conclusion





Sales organic  
growth

## *Pursue commercial dynamics*

- ▶ bioMérieux well positioned to address public health concerns
- ▶ Maintained regional dynamics
- ▶ Promotion and internationalization of FilmArray®
- ▶ Industry to continue high single digit growth

**8 to 9%**

at constant exchange rates  
& scope of consolidation

Contributive  
Operating  
Income\*

## *Operating leverage offset by potential Forex impacts*

- ▶ Improvement of operational performance (impact of commercial performance initiative, supply chain re-engineering)
- ▶ €30m negative Forex impact anticipated
- ▶ Intensification of Innovation efforts on our strategic lines

**€ 300 – € 315 m**

at current exchange rates

CAPEX

- ▶ End of major capacity projects in Salt Lake City, Marcy l'Etoile and Durham

**9-10%**

of sales

# bioMérieux is well positioned to address public health needs for the management of infectious diseases



Balanced international footprint



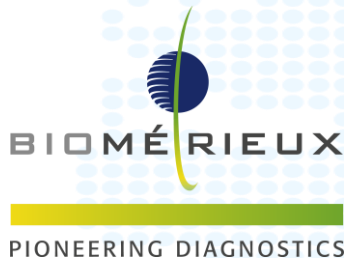
Recognition of IVD value to answer growing public health concerns



Healthy growth of all strategic lines



On-going initiatives aiming at operational improvements



Sustained commitment to innovation to deliver medical value

# INVENTING HEALTH BEYOND BORDERS

## PIONEERING DIAGNOSTICS

### Ordinary shares (EUR)

ISIN: FR0010096479

Reuters: BIOX.PA / Bloomberg: BIM.FP

### American Depository Receipt (1:0.1 USD)

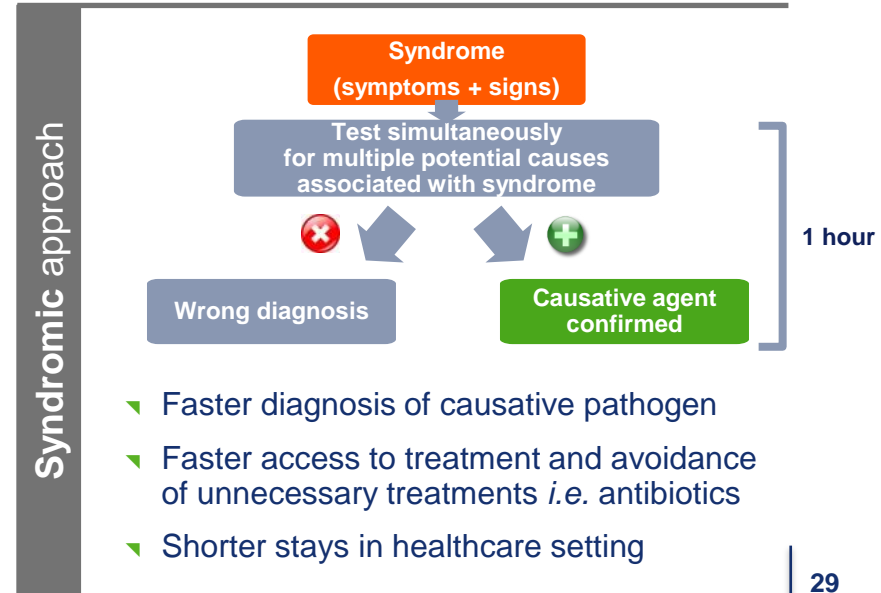
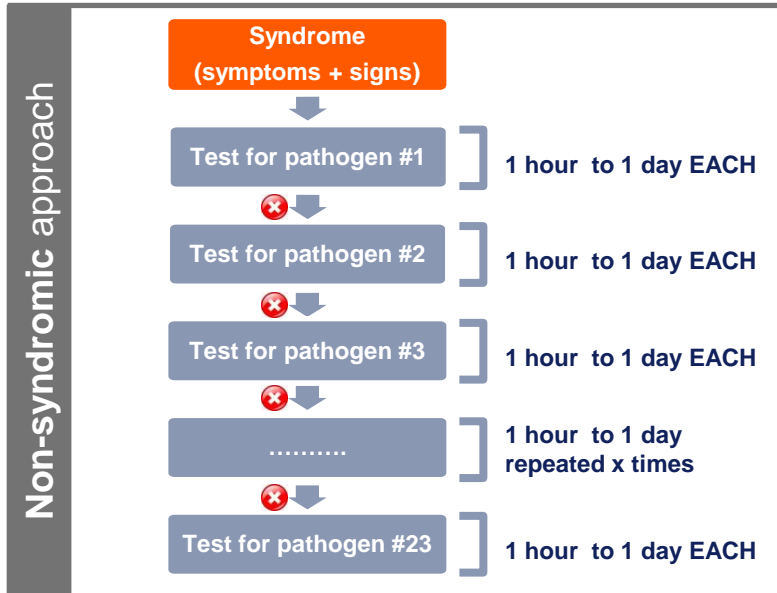
Reuters: BMXXY.PK / Bloomberg: BMXXY.US



# The benefits of syndromic multiplex testing of infectious diseases

Many infectious diseases present as a *syndrome* but can be caused by a *variety of pathogens* including: viruses, bacteria, fungi, or parasites.

**Syndrome** = symptoms + signs  
*i.e.:* "meningitis syndrome" = headache + fever & neck stiffness



# Creating medical value: a full set of solutions to address Sepsis

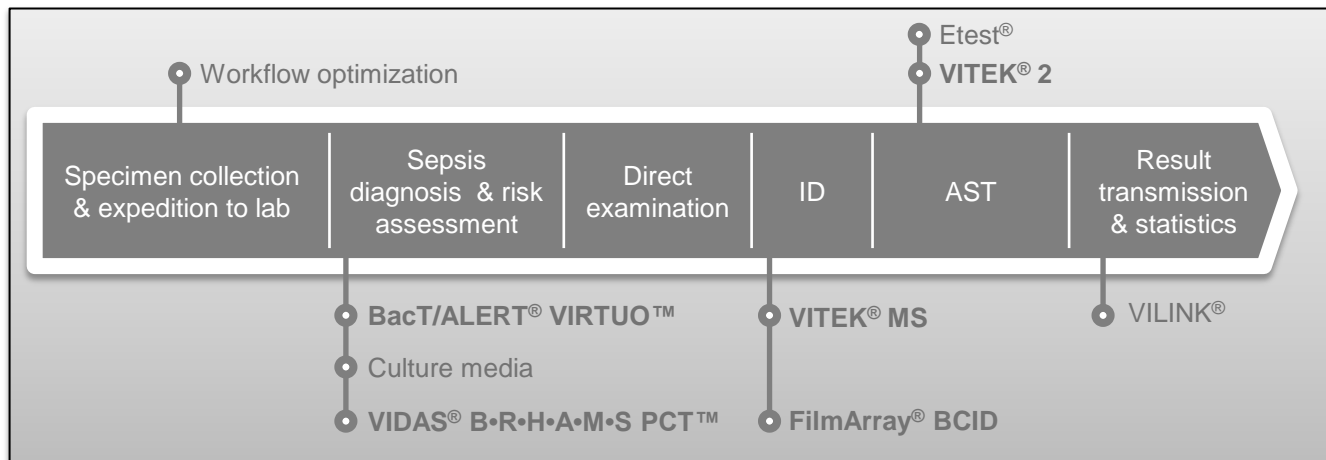
A medical & economic burden

Sepsis strikes about  
**30 million**  
people per year worldwide

Every  
**3-4 sec**  
someone in the world dies  
of sepsis

Annual sepsis cost  
**\$24b**  
(US)

bioMérieux's solutions



Outcomes

Accelerated time to adequate treatment and care

# Antimicrobial resistance, a recognized global healthcare challenge

## Facts & Figures

**2/3<sup>rd</sup>** of  
inappropriate antibiotic  
use in respiratory  
diseases (US) <sup>1</sup>

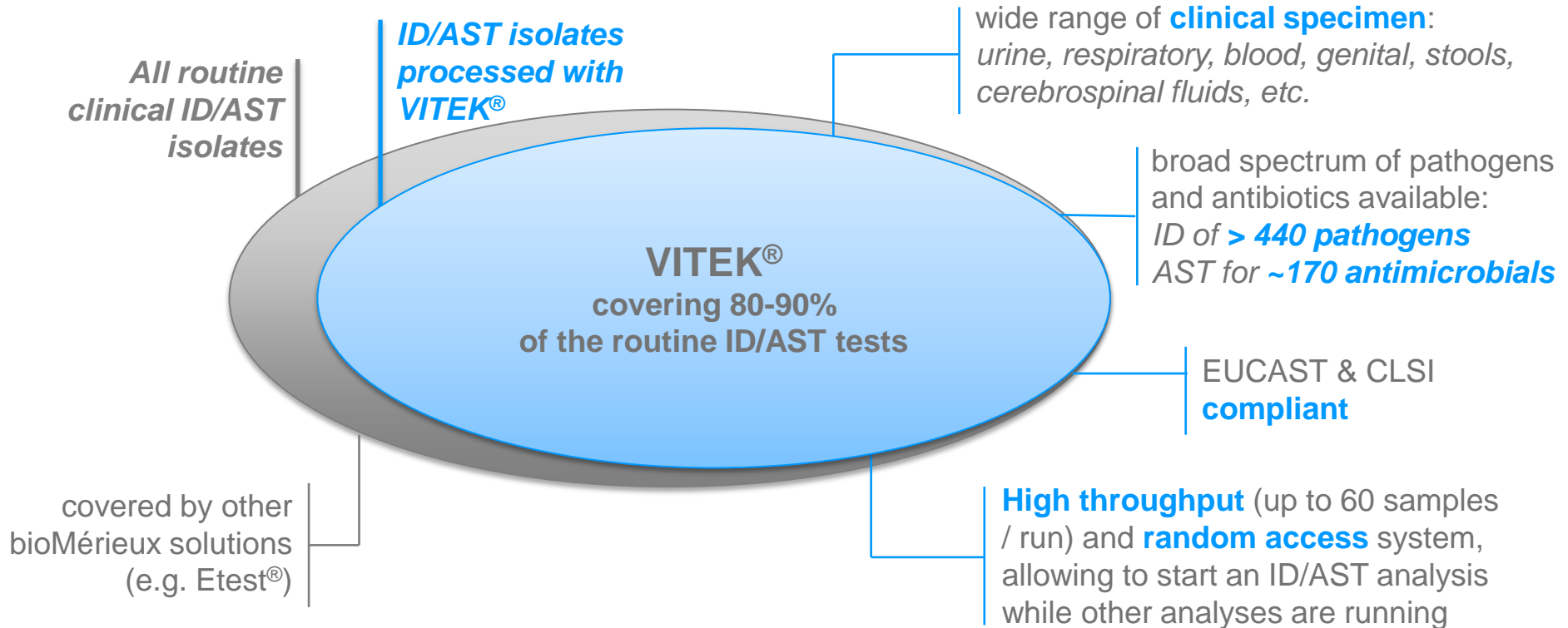
**50,000**  
deaths / year due to  
resistant infections  
(EU & US alone) <sup>1</sup>

Annual antibiotic  
resistance cost (US) <sup>2</sup>  
**\$20b**

## bioMérieux's commitment

- ▼ **VIDAS® B•R•A•H•M•S PCT™** expanded claims will directly impact antibiotic use in LRTI (stop & start rules) and in sepsis (stop rules)
- ▼ Upcoming launch of resistance detection products (**ChromID® Colistin** for animals and humans “one health”, **Rapidec® Carba NP** in the US)
- ▼ bioMérieux's management involved in **high level meetings**: White House Forum, UN Forum, O'Neill report, Davos Forum...
- ▼ Sole sponsor of the **Global-PPS\*** (53 countries, 335 hospitals, 100,000 patients)
- ▼ Targeted awareness initiatives: [www.antimicrobial-resistance.biomerieux.com](http://www.antimicrobial-resistance.biomerieux.com)

# VITEK® 2: a cornerstone in the Microbiology Lab workflow



# Move forward multiyear initiatives to drive profitable and sustainable growth

Supply chain re-engineer leading to improved KPIs in terms of service and inventory

Global Commercial Performance Initiative

New CRM tool deployed in 28 countries



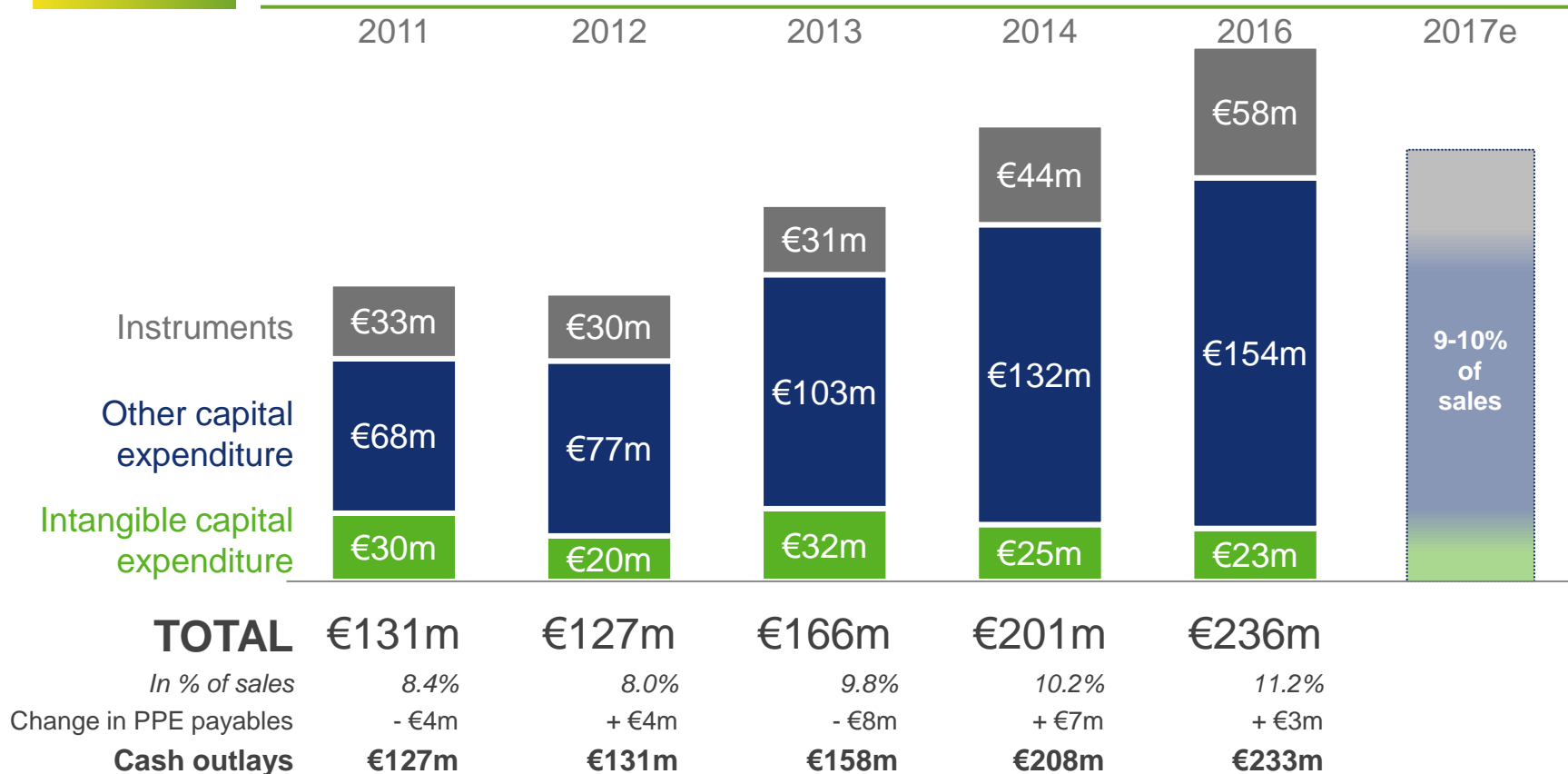
Develop medical outcome studies

Product portfolio streamlining

Continue R&D pipeline prioritization



# Evolution of CAPEX: return to normalized levels in 2017



## Culture



Culture Media

ChromID®



WASP®



WASPLab™



BacT/ALERT® VIRTUO™



BacT/ALERT® 3D

## Identification

API® Galleries



VITEK® MS  
(MALDI-TOF)

VITEK® ID cards

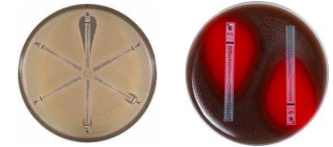


## Antibiotic Susceptibility Testing

Rapidec®  
Carba NP



Etest®



VITEK® 2



VITEK® 2 Compact



VITEK® AST cards



### Immunoassays



### Molecular Biology



## Food

## Pharma & Cosmetics



**Blue Line™**  
sample preparation



**MASTERCLAVE®**  
culture media preparation



**Chromogenic Media**  
Pathogen detection and enumeration



**3P®**  
environmental monitoring



**BioBall®**  
method validation



**Bac/ALERT®**  
platelet microbial safety

**GENE-UP®**  
PCR pathogen detection



**VIDAS®**  
automated pathogen detection



**VITEK®**  
automated pathogen identification



**API®**  
manual pathogen identification



**Scan RDI®**  
real time microbial detection and enumeration

**EviSight™ Compact**  
incubator & colony counter



**Tempo®**  
enumeration of bacterial flora



**Labguard®**  
automated environmental monitoring system

