



## bioMérieux – Fourth-Quarter 2017 Business Review

- ▶ **Excellent sales momentum in 2017 with 10.2% growth in sales, at constant exchange rates and scope of consolidation:**
  - €2,288 million in sales
  - Up 8.8% as reported
- ▶ **Growth underpinned by all strategic product lines, particularly BIOFIRE FILMARRAY® which accounted for more than half of growth Group-wide**
- ▶ **Acceleration in growth in the EMEA and Asia-Pacific regions and steady double-digit increase for the Americas**
- ▶ **bioMérieux expects contributive operating income before non-recurring items to be in line with its previous target of between €330 million and €345 million**

Alexandre Mérieux, Chairman and Chief Executive Officer, said: "All told, 2017 was a year of remarkable growth for bioMérieux, driven by a portfolio of complementary technological solutions and a broad geographic footprint. We are particularly pleased with the performance of BIOFIRE, which confirms the success of syndromic diagnosis for infectious diseases, and with the faster-paced growth in industrial applications. These results reflect a valid business strategy that meets the needs of healthcare professionals through high medical value diagnostic solutions, and of the industry sector in order to protect consumer's health."

**Marcy l'Étoile, January 23, 2018** – bioMérieux, a world leader in the field of *in vitro* diagnostics, today released its business review for the twelve months ended December 31, 2017.

### SALES

Consolidated sales came in at €2,288 million for the twelve months ended December 31, 2017, up 10.2% at constant exchange rates and scope of consolidation on the €2,103 million posted for the same period in 2016 and slightly outperforming the target of 9-10%. The negative currency effects reported in the second half as the euro strengthened against a number of currencies, notably the U.S. dollar, dampened growth reported in euros, which nonetheless reached 8.8%.

#### Analysis of sales

In € millions

<b>SALES – TWELVE MONTHS ENDED DECEMBER 31, 2016</b>	<b>2,103</b>	
Currency effect and changes in the scope of consolidation <sup>(1)</sup>	-30	-1.4%
Organic growth (at constant exchange rates and scope of consolidation)	+215	+10.2%
<b>SALES – TWELVE MONTHS ENDED DECEMBER 31, 2017</b>	<b>2,288</b>	<b>+8.8%</b>

<sup>(1)</sup> Currency effects are established by converting actual numbers at the average rates of year n-1. In practice, those rates are either average rates communicated by the ECB, or hedged rates if hedging instruments have been set up.

Fourth-quarter 2017 sales for bioMérieux rose 8.9% on fourth-quarter 2016. This performance, achieved thanks to growth across all product lines and regional markets, is remarkable considering the high basis of comparison and is a clear reflection of bioMérieux's robust business model. Sales in the last three months of the year were boosted again by momentum from BIOFIRE FILMARRAY®, following an earlier start to the flu season compared with last winter, and robust sales in microbiology, particularly the BACT/ALERT® line, and in industrial applications.

Year-on-year trends in fourth-quarter and full-year 2017 sales may be summarized by region as follows:

Sales by region In euro millions	Q4 2017	Q4 2016	% change As reported	% change Like-for-like	12m 2017	12m 2016	% change As reported	% change Like-for-like
Europe <sup>(1)</sup>	239.3	232.3	+3.0%	+4.0%	878.3	851.1	+3.2%	+3.9%
Americas	262.5	243.1	+8.0%	+16.6%	1,006.1	877.2	+14.7%	+16.5%
North America	219.8	204.7	+7.3%	+16.1%	849.8	739.2	+15.0%	+17.2%
Latin America	42.8	38.3	+11.6%	+19.6%	156.3	138.0	+13.3%	+13.2%
Asia-Pacific	110.4	111.5	-0.9%	+4.9%	397.2	364.7	+8.9%	+11.0%
<b>TOTAL FROM THE REGIONS</b>	<b>612.3</b>	<b>586.9</b>	<b>+4.3%</b>	<b>+9.4%</b>	<b>2,281.6</b>	<b>2,093.1</b>	<b>+9.0%</b>	<b>+10.5%</b>
Applied Maths	0.7	1.3			3.4	3.8		
R&D-related revenue	0.8	3.4			3.1	6.4		
<b>TOTAL SALES</b>	<b>613.8</b>	<b>591.5</b>	<b>+3.8%</b>	<b>+8.9%</b>	<b>2,288.2</b>	<b>2,103.2</b>	<b>+8.8%</b>	<b>+10.2%</b>

<sup>(1)</sup> Including the Middle East and Africa.

- ▶ In the **Americas** (44% of the consolidated total), growth stepped up over the fourth quarter with sales coming in at €263 million, up 16.6% on the same period in 2016. Sales amounted to more than €1 billion for the twelve months to December 31, 2017, a rise of 16.5% year-on-year.
  - In **North America** (37% of the consolidated total), sales rose by 16.1%, chiefly led by the performance of BIOFIRE FILMARRAY® and momentum from the microbiology product lines. Stronger competitive pressure for procalcitonin tests saw sales for immunoassays retreat slightly compared to fourth-quarter 2016, as prices decreased but volumes continued to grow.
  - In **Latin America**, growth accelerated to nearly 20%, thanks notably to a turnaround in Brazil where fourth-quarter sales in 2016 were affected by social unrest. Other subsidiaries also contributed to growth in the region, particularly Argentina and Colombia.
  
- ▶ Sales in the **Europe – Middle East – Africa** region (39% of the consolidated total) increased 4.0% year-on-year to €239 million for the fourth quarter and 3.9% year-on-year to €878 million for full-year 2017.
  - In **Western Europe** (31% of the consolidated total), results for the quarter were mixed. Remarkable growth in France and Spain, driven by molecular biology sales and a strong performance from industrial applications, and in Germany more than offset the slight slowdown seen in the United Kingdom, the Benelux region and some countries in Central Europe.
  - Sales in the **Eastern Europe – Middle East – Africa** region in fourth-quarter 2017 were up nearly 16% on the same period in 2016, bolstered by solid performances in Middle East countries and Russia, as well as more modest growth in Turkey and Africa.

- ▾ In the **Asia-Pacific** region (17% of the consolidated total), fourth-quarter sales increased by nearly 5% on the same period in 2016, coming in at €110 million for the last three months, and full-year sales increased 11.0% to stand at €397 million.
  - Performance in **China** was satisfactory, with very robust growth in reagent sales over the fourth quarter.
  - As expected, sales in **India** rebounded sharply in the fourth quarter following a slight slowdown in the third quarter due to a new tax bill which led to a lag in some instrument sales.

Year-on-year trends in fourth-quarter and full-year 2017 sales may be summarized by application as follows:

Sales by application In euro millions	Q4 2017	Q4 2016	% change As reported	% change Like-for-like	12m 2017	12m 2016	% change As reported	% change Like-for-like
<b>Clinical applications</b>	<b>498.6</b>	474.2	+5.1%	<b>+10.4%</b>	<b>1,850.1</b>	1,678.0	+10.3%	<b>+11.7%</b>
Microbiology	<b>246.1</b>	248.0	-0.8%	<b>+3.9%</b>	<b>946.4</b>	897.3	+5.5%	<b>+6.7%</b>
Immunoassays <sup>(1)</sup>	<b>118.8</b>	124.2	-4.4%	<b>-0.3%</b>	<b>457.2</b>	451.7	+1.2%	<b>+2.5%</b>
Molecular Biology <sup>(2)</sup>	<b>131.9</b>	99.8	+32.2%	<b>+40.4%</b>	<b>440.4</b>	322.8	+36.4%	<b>+38.6%</b>
Other lines	<b>1.8</b>	2.2	-18.4%	<b>+3.4%</b>	<b>6.0</b>	6.1	-1.7%	<b>+13.5%</b>
<b>Industrial applications</b>	<b>109.3</b>	104.7	+4.4%	<b>+8.4%</b>	<b>411.8</b>	379.9	+8.4%	<b>+9.8%</b>
BioFire Defense	<b>4.4</b>	7.9	-44.6%	<b>-38.9%</b>	<b>19.7</b>	35.2	-44.0%	<b>-42.9%</b>
Applied Maths	<b>0.7</b>	1.3			<b>3.4</b>	3.8		
R&D-related revenue	<b>0.8</b>	3.4			<b>3.1</b>	6.4		
<b>TOTAL SALES</b>	<b>613.8</b>	591.5	+3.8%	<b>+8.9%</b>	<b>2,288.2</b>	2,103.2	+8.8%	<b>+10.2%</b>

<sup>(1)</sup> Including VIDAS®: up 0.9% like-for-like in the fourth quarter and up 3.1% over full-year 2017.

<sup>(2)</sup> Including BIOFIRE FILMARRAY®: €111 million in the fourth quarter and €368 million over full-year 2017.

- ▾ Sales of **clinical applications**, which account for 81% of the consolidated total, rose by 10.4% year-on-year to €499 million for the fourth quarter. Sales came to €1,850 million for 2017, a rise of 11.7% compared to 2016.
  - In **microbiology**, year-on-year growth reached nearly 4% in the fourth quarter thanks to a persistently strong performance by instruments and reagents in the BACT/ALERT® blood culture line. Sales of the VITEK® automated bacterial identification and antibiotic susceptibility line recorded more modest growth following a strong third quarter. In particular, 2017 saw increased growth in VITEK® equipment sales.
  - In **immunoassays**, the year-on-year increase for VIDAS® sales was only around 1% in fourth-quarter 2017. Robust growth in sales of reagents in China, Latin America and the Middle East offset a weaker momentum in Europe and the slowdown in procalcitonin test sales in the United States.
  - The **molecular biology** business continued to develop rapidly over the quarter, with organic growth for the BIOFIRE FILMARRAY® line reaching nearly 50%. The installed base continued to expand and now stands at around 6,100 units. Reagent sales saw a sharp increase, led by the Respiratory Panel which benefited from an earlier start to the flu season compared to last winter, and by another strong performance from the other panels in the BIOFIRE FILMARRAY® range. International deployment of the product line continued: sales outside the United States almost doubled and now represent nearly 13.5% of total BIOFIRE FILMARRAY® sales, versus 10.5% in fourth-quarter 2016. BIOFIRE FILMARRAY® sales over the full year reached €368 million, representing excellent growth of over 50%.

- Sales of **industrial applications**, which account for around 18% of the consolidated total, increased 8.4% year-on-year to €109 million in fourth-quarter 2017, and nearly 10% year-on-year to €412 million for 2017. In the fourth quarter, the increase in sales was driven by the rapid growth in product lines for customers in the pharmaceutical sector, particularly culture media, blood culture and cytometry solutions. Sales of products for agri-food clients continued to rise at a satisfactory pace, buoyed chiefly by the VIDAS<sup>®</sup>, GENE-UP<sup>®</sup> and CHEMUNEX<sup>®</sup> product lines.
- Sales of **reagents** and **services** increased 11.5% in the fourth quarter of 2017 and account for approximately 89% of the consolidated total. Over 2017, growth in sales of reagents and services (+10.0%) and instruments (+11.8%) was balanced.

## OTHER INFORMATION

### ▸ Installed base

At December 31, 2017, the installed base amounted to approximately 92,800 instruments, versus 86,900 instruments at December 31, 2016.

### ▸ Net debt

Net debt amounted to €156 million at December 31, 2017, versus €275 million at December 31, 2016.

### ▸ Human resources

At December 31, 2017, the Group had around 10,400 full-time-equivalent employees and temporary staff versus 9,800 at December 31, 2016.

## FOURTH-QUARTER OPERATING HIGHLIGHTS

### ▸ Impact of the United States tax reform on bioMérieux's performance

The new tax policy (the Tax Cuts and Jobs Act of 2017) now in force in the United States has reduced the federal corporate income tax rate from 35% to 21%, effective for tax years starting January 1, 2018. For bioMérieux, this change in federal income tax rate will impact fiscal year 2017 with a non-recurring and non-cash benefit of around €30 million, related to the true up of deferred tax assets and liabilities, with no impact on tax disbursements.

The theoretical application of this new rate to the 2016 tax base would have improved the Group's effective tax rate by around 600 basis points, excluding the impact of the true up of deferred tax assets and liabilities. As a reminder, the effective tax rate for bioMérieux was 30.8% at the end of December 2016.

Accordingly, bioMérieux estimates the effective tax rate in 2018 at between 24% and 26%.

### ▸ bioMérieux invests in Qvella

In November 2017, bioMérieux joined other investors in a series B financing round for Qvella, a Canadian molecular biology company with the primary goal of dramatically reducing time to results in the diagnosis of infectious diseases. It is developing new electrical lysis and sample treatment technology which would allow patients' blood samples to be analyzed directly. Following its investment, bioMérieux now owns less than 10% of Qvella and will record these shares in its balance sheet.

▾ **Launch of VIDAS® anti-HEV IgG and VIDAS® anti-HEV IgM for diagnosing hepatitis E**

Over the fourth quarter, bioMérieux expanded its hepatitis panel, which already included diagnostic tests for hepatitis A, B and C, with the launch of two VIDAS® hepatitis E tests.

Hepatitis E is a widely underdiagnosed liver disease that is prevalent all over the world. It is caused by infection with the hepatitis E virus which is mainly transmitted by the fecal-oral route, particularly through contaminated water and some undercooked meats. It is a serious pathology, since it can lead to fulminant or chronic hepatitis which can prove fatal if not properly treated. The number of infections with the hepatitis E virus is estimated at 20 million per year, including more than 3.3 million acute cases.<sup>1</sup> bioMérieux is dedicated to advancing public health and is now able to offer laboratories and clinicians the first automated serological tests for anti-HEV in a single-test format to diagnose the pathology reliably and quickly (40 minutes), thereby improving patient care.

▾ **Alexandre Mérieux is appointed Chairman and Chief Executive Officer of bioMérieux**

The bioMérieux Board of Directors' meeting on December 15, 2017 approved the appointment of Alexandre Mérieux as Chairman and Chief Executive Officer of the Company, effective immediately. The appointment sees Alexandre Mérieux take over from Jean-Luc Bélingard, who had chaired the Company since 2010 and who will remain a Board director of bioMérieux and Vice-President of Institut Mérieux, where he is responsible for strategy and institutional relations.

## INVESTOR CALENDAR

2017 financial results:	February 28, 2018, before start of trading
First-quarter sales:	April 19, 2018, before start of trading
Annual General Meeting:	May 17, 2018
Second-quarter sales:	July 19, 2018, before start of trading
First-half 2018 results:	September 5, 2018, before start of trading
Third-quarter sales:	October 18, 2018, 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.*

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<sup>1</sup> Rein D.B., Stevens G.A., Theaker J., Wittenborn J.S., Wiersma S.T. The Global Burden of Hepatitis E Virus Genotypes 1 and 2 in 2005. *Hepatology*, Vol. 55, No. 4, 2012: 988-997



## 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 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](http://www.biomerieux.com). Investor website: [www.biomerieux-finance.com](http://www.biomerieux-finance.com)

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## APPENDIX: QUARTERLY SALES DATA

### Sales by region in € millions

	Q1		Q2		Q3		Q4		FY	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Europe <sup>(1)</sup>	216.9	206.9	215.2	210.3	206.8	201.6	239.3	232.3	878.3	851.1
Americas	267.5	212.8	246.5	205.3	229.6	216.0	262.5	243.1	1,006.1	877.2
North America	230.9	182.9	207.7	172.5	191.4	179.1	219.8	204.7	849.8	739.2
Latin America	36.6	29.9	38.8	32.9	38.2	36.9	42.8	38.3	156.3	138.0
Asia-Pacific	81.6	67.4	103.2	95.0	102.0	90.9	110.4	111.5	397.2	364.7
<b>TOTAL FROM THE REGIONS</b>	<b>566.0</b>	<b>487.1</b>	<b>564.9</b>	<b>510.6</b>	<b>538.4</b>	<b>508.5</b>	<b>612.3</b>	<b>586.9</b>	<b>2,281.6</b>	<b>2,093.1</b>
Applied Maths	1.6	0.6	0.6	0.7	0.5	1.1	0.7	1.3	3.4	3.8
R&D-related revenue	0.4	0.8	0.8	1.0	1.1	1.2	0.8	3.4	3.1	6.4
<b>TOTAL SALES</b>	<b>568.0</b>	<b>488.5</b>	<b>566.4</b>	<b>512.3</b>	<b>540.0</b>	<b>510.8</b>	<b>613.8</b>	<b>591.5</b>	<b>2,288.2</b>	<b>2,103.2</b>

<sup>(1)</sup> Including the Middle East and Africa.

### % change in sales by region

	Q1		Q2		Q3		Q4		FY	
	As reported	Like-for-like <sup>(2)</sup>	As reported	Like-for-like	As reported	Like-for-like	As reported	Like-for-like	As reported	Like-for-like
Europe <sup>(1)</sup>	+4.9%	+5.4%	+2.3%	+2.8%	+2.5%	+3.4%	+3.0%	+4.0%	+3.2%	+3.9%
Americas	+25.8%	+20.6%	+20.1%	+17.0%	+6.3%	+12.3%	+8.0%	+16.6%	+14.7%	+16.5%
North America	+26.3%	+21.9%	+20.4%	+17.7%	+6.9%	+6.9%	+7.3%	+16.1%	+15.0%	+17.2%
Latin America	+22.4%	+12.1%	+18.0%	+13.3%	+3.6%	+3.6%	+11.6%	+19.6%	+13.3%	+13.2%
Asia-Pacific	+21.0%	+17.5%	+8.7%	+7.1%	+12.2%	+12.2%	-0.9%	+4.9%	+8.9%	+11.0%
<b>TOTAL FROM THE REGIONS</b>	<b>+16.2%</b>	<b>+13.7%</b>	<b>+10.7%</b>	<b>+9.3%</b>	<b>+5.9%</b>	<b>+5.9%</b>	<b>+4.3%</b>	<b>+9.4%</b>	<b>+9.0%</b>	<b>+10.5%</b>
Applied Maths										
R&D-related revenue										
<b>TOTAL SALES</b>	<b>+16.3%</b>	<b>+13.7%</b>	<b>+10.5%</b>	<b>+9.1%</b>	<b>+5.7%</b>	<b>+9.6%</b>	<b>+3.8%</b>	<b>+8.9%</b>	<b>+8.8%</b>	<b>+10.2%</b>

<sup>(1)</sup> Including the Middle East and Africa.

<sup>(2)</sup> At constant exchange rates and scope of consolidation.

## Sales by application in € millions

	Q1		Q2		Q3		Q4		FY	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Clinical applications</b>	<b>460.7</b>	<b>392.9</b>	<b>456.6</b>	<b>405.3</b>	<b>434.1</b>	<b>405.6</b>	<b>498.6</b>	<b>474.2</b>	<b>1,850.1</b>	<b>1,678.0</b>
Microbiology	229.2	206.9	234.8	219.9	236.2	222.6	246.1	248.0	946.4	897.3
Immunoassays	111.7	104.1	120.8	115.1	105.9	108.4	118.8	124.2	457.2	451.7
Molecular biology <sup>(1)</sup>	118.6	80.2	99.4	69.3	90.5	73.5	131.9	99.8	440.4	322.8
Other lines	1.2	1.7	1.5	1.1	1.5	1.1	1.8	2.2	6.0	6.1
<b>Industrial applications</b>	<b>100.2</b>	<b>86.0</b>	<b>102.2</b>	<b>95.5</b>	<b>100.1</b>	<b>93.6</b>	<b>109.3</b>	<b>104.7</b>	<b>411.8</b>	<b>379.9</b>
BioFire Defense	5.1	8.2	6.2	9.8	4.1	9.3	4.4	7.9	19.7	35.2
Applied Maths	1.6	0.6	0.6	0.7	0.5	1.1	0.7	1.3	3.4	3.8
R&D-related revenue	0.4	0.8	0.8	1.0	1.1	1.2	0.8	3.4	3.1	6.4
<b>TOTAL SALES</b>	<b>568.0</b>	<b>488.5</b>	<b>566.4</b>	<b>512.3</b>	<b>540.0</b>	<b>510.8</b>	<b>613.8</b>	<b>591.5</b>	<b>2,288.2</b>	<b>2,103.2</b>

<sup>(1)</sup> Including BIOFIRE FILMARRAY® sales.

## % change in sales by application

	Q1		Q2		Q3		Q4		FY	
	As reported	Like-for-like <sup>(2)</sup>	As reported	Like-for-like	As reported	Like-for-like	As reported	Like-for-like	As reported	Like-for-like
<b>Clinical applications</b>	<b>+17.3%</b>	<b>+14.7%</b>	<b>+12.7%</b>	<b>+11.2%</b>	<b>+7.0%</b>	<b>+11.0%</b>	<b>+5.1%</b>	<b>+10.4%</b>	<b>+10.3%</b>	<b>+11.7%</b>
Microbiology	+10.8%	+8.1%	+6.8%	+5.5%	+6.1%	+9.7%	-0.8%	+3.9%	+5.5%	+6.7%
Immunoassays	+7.4%	+5.9%	+5.0%	+4.0%	-2.3%	+0.9%	-4.4%	-0.3%	+1.2%	+2.5%
Molecular biology <sup>(1)</sup>	+47.8%	+43.4%	+43.5%	+40.3%	+23.1%	+29.4%	+32.2%	+40.4%	+36.4%	+38.6%
Other lines	-30.7%	-2.4%	+33.0%	+37.5%	+42.7%	+28.9%	-18.4%	+3.4%	-1.7%	+13.5%
<b>Industrial applications</b>	<b>+16.7%</b>	<b>+14.5%</b>	<b>+7.1%</b>	<b>+6.4%</b>	<b>+7.0%</b>	<b>+10.4%</b>	<b>+4.4%</b>	<b>+8.4%</b>	<b>+8.4%</b>	<b>+9.8%</b>
BioFire Defense	-38.3%	-40.4%	-36.8%	-38.6%	-56.0%	-52.8%	-44.6%	-38.9%	-44.0%	-42.9%
Applied Maths										
R&D-related revenue										
<b>TOTAL SALES</b>	<b>+16.3%</b>	<b>+13.7%</b>	<b>+10.5%</b>	<b>+9.1%</b>	<b>+5.7%</b>	<b>+9.6%</b>	<b>+3.8%</b>	<b>+8.9%</b>	<b>+8.8%</b>	<b>+10.2%</b>

<sup>(1)</sup> Including BIOFIRE FILMARRAY® sales.

<sup>(2)</sup> At constant exchange rates and scope of consolidation.