

RESULTS FOR THE 1ST HALF OF 2024

- Revenues up 12% on a like-for-like basis (24% overall)
- Stable adjusted EBITDA¹ and operating profit
- Net financial debt down slightly to €1.6m, with cash of €86.6m
- Proposed voluntary takeover bid

Paris, September 24, 2024 - 6pm - Eurobio Scientific (FR0013240934, ALERS), a leading French group in *in vitro* medical diagnostics and life sciences, today announced its consolidated annual results at June 30, 2024, prepared under French GAAP and approved by the company's Board of Directors at its meeting on September 24, 2024.

Eurobio Scientific's results at June 30, 2024 show relative stability, with growth in sales offset by a slight fall in gross margin rate and an increase in expenses.

in €m	June 30, 2024	June 30, 2023	Change
Revenues	73.1	59.2	+23%
R&D subsidies and research tax credit	0.4	0.2	-
Total revenues	73.5	59.4	+24%
Cost of goods sold	-39.8	-31.8	+25%
Adjusted gross margin¹	33.6	27.5	+22%
Gross margin	33.4	24.0	
R&D expenses	-2.9	-3.1	-6%
Marketing and sales expenses	-11.9	-7.8	+53%
G&A expenses	-7.6	-5.4	+41%
EBITDA	13.6	9.9	
Adjusted EBITDA¹	13.9	13.4	+4%
Amortisation of intangible assets from PPA	-2.3	-2.3	-
Amortisation of goodwill	-1.9	-1.4	-
Operating result	6.8	4.1	-
Adjusted operating result¹	11.2	11.2	0%
Financial result	-1.0	-1.3	-23%
Extraordinary result	0.1	0.1	-
Taxes	-1.9	-0.7	+171%
Net result	4.0	2.2	+82%
	June 30, 2024	Dec 31, 2023	
Cash	86.6	89.0	
Financial debt excluding leasing	88.2	94.5	
Shareholders' equity	178.7	175.0	

¹ Adjusted (i) for the value of inventory allocated to PPA (€ 3.5m in H1 2023, €0.3m in H1 2024) related to the GenDx acquisition and sold since then – non recurring, (ii) the amortisation of intangible assets allocated to PPA and (iii) goodwill amortisation

Growth driven by recent acquisitions and stable share of proprietary products

Eurobio Scientific recorded revenues of €73.1m in the first half of 2024, compared with €59.1m at the end of June 2023, an increase of 24%. On a like-for-like basis, i.e. excluding the effects of acquisitions, growth was 12%. Half-year revenues for 2024 include €7.9m generated by One Lambda, compared with €7.3m in the first half of 2023, due to the extension of certain calls for tender. It should be noted that the One Lambda contract was terminated in October 2022 and that sales are therefore continuing on certain current tenders until they expire.

The perimeter effects for the first half are as follows: DID's revenues amounted to €6.1m, while Alpha Biotech's revenues amounted to €1.3m.

Excluding the effect of changes in the scope of consolidation, the €6.9m increase in sales was mainly due to the activities of GenDx (acquired at the end of 2022), which accounted for €3.6m (+32%), and France, which accounted for €3.1m (+8%). The rest of the Group's activities posted limited growth of around 2%.

GenDx grew in all territories (Europe, the United States and internationally), with a number of one-off international distribution contracts contributing €0.8m to this growth. Adjusted for this non-recurring effect, GenDx grew by around 25% over the first half.

Growth in the Group's French activities over the first half was driven by certain non-recurring factors, such as the Covid and Pertussis epidemics, and as previously mentioned, the extension for several months of certain tenders in Transplantation. Excluding these effects, revenues are stable.

The share of proprietary products is stable, despite the integration of DID's distribution activities, at around 29% of sales (compared with 30% of sales in the first half of 2023).

Operating profit stable

Gross margin rate fell slightly to 46.0% (vs. 46.7% in H1 2023). Exposure to the French market and downward trends in reimbursements for biological procedures explain the pressure on the Group's gross margin.

Research and development expenses were slightly down at €2.9m in the first half. Marketing and sales costs rose by €4.1m (+53%). General and administrative expenses rose by €2.3m (+41%). The €6.1m increase in operating expenses over the first half is due to the scope effects with DID and Alpha Biotech (€3.5m) and to the evolution of business activity for the remainder.

As a result, adjusted EBITDA at June 30, 2024 was €13.9m, compared with €13.4m at June 30, 2023. Adjusted operating profit was stable at €11.2m.

Net financial expense was negative at €1.0m, due to the costs associated with the loan taken out to finance the acquisition of GenDx.

After exceptional income of €52k and income tax of €1.9m (compared with €0.7m a year earlier), net profit was €4.0m at June 30, 2024.

Free cash flow of €6.3m

The Group generated free cash flow of €6.3m in the first half, driven by cash flow from operating activities of €10.9m, a €3.2m negative contribution from changes in working capital requirements, and net capital expenditure of €1.4m.

With cash flow from financing activities of €8.7m, including €7.3m in repayments of loans and leases, Eurobio Scientific had cash of €86.6m at June 30, 2024, for financial debt excluding leases of €88.2m, giving net financial debt of €1.6m, compared with €5.5m a year earlier.

Outlook

Eurobio Scientific's policy is not to communicate objectives for the current financial year. In the medium term, the Eurobio Scientific Group will continue to pursue the strategic directions it has been developing for several years: the development of proprietary products, internationalisation and the opening up of new markets. Over the next 5 years, the Group hopes that proprietary products will account for around 50% of its revenues.

Availability of the 2024 half-yearly financial report

Eurobio Scientific made available to the public and filed with the French Financial Markets Authority (AMF) on 24 September 2024 its half-year financial report as at 30 June 2024.

The half-year financial report can be found on the company's website at: www.eurobio-scientific.com under the heading "investors" / "regulated information" / "half-year financial reports".

Proposed tender offer on Eurobio Scientific shares

On 31 July 2024, Denis Fortier and the management team announced that Eurobio Scientific, NextStage AM and IK Partners had reached an agreement to form a consortium with a view to launch a voluntary tender offer. A press release, published jointly by the Company and the Consortium, presenting this project and its main preliminary features was made available on this date. As indicated in the press release issued on 31 July 2024, the draft offer document and draft reply document are expected to be filed at the end of September by the Bidder and the Company respectively, so that the Offer can be submitted to the AMF's (French Financial Markets Authority) College in October 2024.

About Eurobio Scientific

Eurobio Scientific is a key player in the field of specialty in vitro diagnostics. It is involved from research to manufacturing and commercialization of diagnostic tests in the fields of transplantation, immunology and infectious diseases, and sells instruments and products for research laboratories, including biotechnology and pharmaceutical companies. Through many partnerships and a strong presence in hospitals, Eurobio Scientific has established its own distribution network and a portfolio of proprietary products in the molecular biology field. The Group has approximately 290 employees and four production units based in the Paris region, in Germany, in the Netherlands and in the United States, and several affiliates based in Dorking UK, Sissach Switzerland, Bünde Germany, Antwerp Belgium, Utrecht in The Netherlands and Milan in Italy.

Eurobio Scientific's reference shareholder is the EurobioNext holding company which brings together its two directors, Jean-Michel Carle and Denis Fortier, alongside the "Pépites et Territoires" by AXA & NextStage AM investment program, managed by NextStage AM.

For more information, please visit: www.eurobio-scientific.com

The company is publicly listed on the Euronext Growth market in Paris
Euronext Growth BPI Innovation, PEA-PME 150 and Next Biotech indices, Euronext European Rising Tech label.
Symbol: ALERS - ISIN Code: FR0013240934 - Reuters: ALERS.PA - Bloomberg: ALERS:FP

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