

## SuperSonic Imagine announces its 2018 results

- Sales of €24.6 million, +2%, with very buoyant growth in China +36% (at constant currency)
- Continuing cost discipline, with operating losses under control: EBITDA of -€6.5 million and Core Operating Result of -€9.6 million
- Cash position of €8.6 million as of December 31<sup>st</sup>, 2018
- Break-even EBITDA at the end of 2019 confirmed, after a transitional year in 2018 marked by the launch of the new platform

**SuperSonic Imagine will host a conference call at 6.30 pm CET this evening. To participate, please call +33 (0)1 70 71 01 59 followed by participant PIN code 80 806 579#.**

**Aix-en-Provence, France, March 12, 2019** - 6 pm CET - SuperSonic Imagine (Euronext: SSI, FR0010526814, PEA-PME eligible), the highly-innovative ultrasound company, today announces its annual results for the year to December 31, 2018.

**Michèle Lesieur, CEO of SuperSonic Imagine's** comments: "2018 was a transitional year for SuperSonic Imagine, with the introduction of the second generation of our platform and the launch of Aixplorer MACH 30 at the end of the year. The marketing ramp up of this product took longer than anticipated and was therefore unable to generate the growth and profit we had been expecting in 2018. To ensure a stable core operating result and EBITDA, we reduced all our operating expenses apart from Sales and Marketing costs, which remained at the same level in order not to jeopardize our 2019 growth. The excellent feedback received for our new product by the medical community bodes well for strong sales growth this year, enabling us to maintain our target of breaking even in terms of EBITDA in 2019".

<i>In thousands of euros, audited</i>	2018	2017	Change (%)
Sales	24,290	24,695	-2%
Other revenue	338	-	-
<b>Total revenue</b>	<b>24,628</b>	<b>24,695</b>	-
Cost of sales	(13,530)	(13,608)	-1%
<b>Gross margin</b>	<b>11,098</b>	<b>11,088</b>	-
<i>Gross margin on sales<sup>1</sup></i>	10,760	11,088	-3%
<i>Gross margin on sales (%)<sup>2</sup></i>	44.3%	44.9%	-0.6 pp
Operating expenses	(20,713)	(20,968)	-1%
<b>EBITDA</b>	<b>(6,470)</b>	<b>(6,611)</b>	+2%
<b>Core operating result</b>	<b>(9,615)</b>	<b>(9,880)</b>	+3%
<b>Operating results</b>	<b>(11,290)</b>	<b>(9,880)</b>	-14%
Financial result	(1,944)	(2,405)	+19%
<b>Net profit/loss</b>	<b>(13,294)</b>	<b>(12,247)</b>	-9%

<sup>1</sup> Gross margin on sales = Sales – Cost of sales

<sup>2</sup> Gross margin on sales (%) = Gross margin on sales / Sales x 100

## 2018: stable revenues in a complex international context

SuperSonic Imagine recorded revenues of €24.628 million in 2018, stable as compared to 2017. At constant currency, revenue was up 2% at €25.165 million.

**Product sales** were down -5% (-3% at constant currency) at €20.653 million, reflecting the transitional phase between the 2 generations of products. Indeed, and as already announced, the industrial ramping up of Aixplorer MACH 30 took longer than anticipated and had a substantial impact on the third quarter, with some clients preferring to wait for the new generation. Nevertheless, the momentum observed during the final quarter of the year confirms all the potential of our latest platform.

**Service sales** continued to increase and reached €3.637 million, giving growth of +27% (+29% at constant currency), accounting for 15% of total sales in 2018 versus 12% in 2017 and 10% in 2016. This growth is the result of a regular increase in the installed base of Aixplorer systems.

At constant currency, China recorded further strong annual growth with sales up +36% to €10.157 million, the United States saw a return to growth (+4%) with sales of €3.323 million while France recorded a decline in sales by 41% to €3.013 million. These results in France were due on the one hand to a contraction of the French ultrasound market in the radiology segment since the start of 2018 and on the other hand to delays in the marketing of Aixplorer MACH 30, which had an impact from the second quarter of 2018 onwards.

From a regional perspective, at constant currency Asia grew by 18%, the Americas were stable (+1%) and the EMEA zone fell by 16%.

As of December 31<sup>st</sup>, 2018, the number of SuperSonic Imagine systems deployed worldwide exceeded 2,300, thus representing an increase of more than 20% of its installed base. This solid growth in our installed base will enable our service sales to continue growing. Furthermore, the arrival of Aixplorer MACH 30 will also enable us to renew part of this installed base.

## Stable gross margin on sales

Other than affecting the revenue growth the delayed launch of the Mach 30 platform also shifted the planned gross margin improvement from the significantly reduced cost of the new platform into 2019. **The gross margin on sales** was thus stable, at 44.3% in 2018 versus 44.9% in 2017, with an improvement in the gross margin on system sales and a deterioration in the gross margin on service sales, essentially due to the increase in provisions on inventories of spare parts.

## Slight improvement in the core operating result and EBITDA

As of December 31<sup>st</sup>, 2018, the core operating result improved by €0.3 million to -€9.6 million (versus -€9.9 million in 2017). The weight of the loss on sales was stable, at -39.0% in 2018 vs. -40.0% in 2017.

Thanks to good cost control, operating expenses decreased by €0.3 million to €20.7 million in 2018 (vs. €21.0 million in 2017).

There was a significant 14% reduction in Research & Development costs, to €8.4 million in 2018 from €9.8 million in 2017. This considerable decrease was the result of the end of the development on the new Aixplorer MACH 30 platform. Nevertheless, the Group is maintaining its R&D investments by devoting a sizeable portion of its sales (34.3%) to this activity.

General and Administrative costs were also significantly down, decreasing by 15% to €5.9 million, while Sales & Marketing costs were stable at €11.7 million.

All in all, EBITDA<sup>3</sup> improved by +2%, with the loss decreasing by €0.1 million to -€6.5 million in 2018 from -€6.6 million in 2017.

---

<sup>3</sup> 2017 EBITDA corresponds to the current operating income, i.e. -€9.9 million, minus taxes of -€724 thousands and amortization and provisions of -€2.5 million. 2017 EBITDA was thus -€6.6 million.

## Improvement in the financial result and decrease in the net result

The financial result improved by €0.5 million, to -€1.9 million in 2018 from -€2.4 million in 2017. This improvement was due to:

- a €0.1 million reduction in financial interest, including:
  - +€0.9 million essentially corresponding to the early repayment of the Norgine loan in the first half of 2017, with no impact on 2018;
  - -€0.8 million primarily associated with the Kréos loan.
- a €0.4 million improvement in the foreign exchange result.

Once non-recurring operational elements associated with net attorney fees within the framework of the Verasonics litigation of €1.7 million and the financial result are taken into account, SuperSonic Imagine recorded a net loss of -€13.3 million in 2018 (versus -€12.2 million in 2017).

## Cash position of €8.6 million at December 31, 2018

As of December 31<sup>st</sup>, 2018, the Company had a cash position of €8.6 million (vs. €19.0 million at December 31, 2017), giving net cash burn of €10.4 million, which broke down as follows:

- -€10.0 million cash burn associated with operating activities in 2018 (vs. -€4.6 million in 2017). This €5.4 million change in cash burn principally came from the deterioration in the net loss, for €1.0 million, and from Working Capital Requirements, for €4.5 million.
- -€4.6 million cash burn associated with investment activities in 2018 (vs. -€8.0 million in 2017). The reduction in cash burn was €3.4 million, resulting from the decrease in R&D investments.
- +€4.2m of cash from financing activities in 2018 (vs. €18.9m in 2017).
- No impact on the cash position resulting from currency fluctuations (vs. -€0.5 million in 2017).

## 2019 outlook

With the launch of the new platform whose cost base has been significantly reduced, the company confirms its innovative and disruptive approach to medical imaging by offering unique clinical benefits to both patients and clinicians. Clinicians now have a product with high clinical added value, as evidenced by the first positive reactions following the launch of its commercialization.

After investing heavily in R&D from 2015 to 2018, the company intends to strengthen and optimize its commercial structure to capture growth in a market that is now larger than before. Indeed, SuperSonic Imagine has a wider range of products that are better adapted to each of its key markets. The company is thus resolutely confident about the dynamism of its sales and confirms that it aims to achieve break-even EBITDA in 2019, as well as a sharp reduction in its cash consumption.

---

2018 EBITDA correspond to the current operating income, i.e. -€9.6 million, minus taxes of -€581 thousands, amortization and provisions of -€2.6 million. 2018 EBITDA was thus -€6.5 million.

## **About SuperSonic Imagine**

SuperSonic Imagine is a medical technology company (Medtech) specialized in ultrasound imaging. The company designs, develops and markets an ultrasound platform whose exclusive ultrafast technology (UltraFast™) has given rise to new imaging methods, which have now become standards in the non-invasive care path for the characterization of breast, liver or prostate diseases. The first innovative mode UltraFast™ is ShearWave® elastography (SWE™), which allows doctors to instantly visualize and analyze tissue hardness, which is critical information for the diagnosis of many pathologies. To date, more than 600 publications have validated the benefits of its technologies. The latest addition to the Aixplorer® range, Aixplorer MACH® 30 introduces a new generation of imaging UltraFast™ allowing the optimization of all innovative imaging modes: ShearWave PLUS, UltraFast Doppler, Angio PL.U.S, TriVu. With more than 2,300 ultrasound platforms installed worldwide, SuperSonic Imagine is present in more than 80 countries and its main markets are China, the United States and France. In 2018, the company generated revenues of €24.6 million. SuperSonic Imagine is a company listed on Euronext (symbol: SSI).

For more information, visit [www.supersonicimagine.fr](http://www.supersonicimagine.fr).

## **Contacts**

### **SuperSonic Imagine**

Marketing & Communication

Emmanuelle Vella

[emmanuelle.vella@supersonicimagine.com](mailto:emmanuelle.vella@supersonicimagine.com)

+33 4 86 79 03 27

### **NewCap**

Investor Relations – EU

Thomas Grojean / Nicolas Merigeau

[supersonicimagine@newcap.eu](mailto:supersonicimagine@newcap.eu)

+33 1 44 71 98 55

### **FP2COM**

Relations Médias - EU

Florence Portejoie

[fportejoie@fp2com.fr](mailto:fportejoie@fp2com.fr)

+33 6 07 76 82 83