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Agfa strategy and competitive positioning

Philippe Houssiau
President HealthCare Business Group
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Today’s presentation

- Market drivers
- Market opportunity
- Combined strengths
- Integration approach
- GWI model, Orbis® overview, synergies with Agfa
- Ludwigsburg case study
  - Introduction to needs and benefits of hospital-wide IT
  - Hospital tour and demos
Current drivers

Societal and medical trends
- INCREASED LIFE EXPECTANCY and LOWER BIRTH RATE
  - Increased demand for Healthcare services
- MORE CHRONIC DISEASES
  - Increased need for screening
- MEDICO-LEGAL REQUIREMENTS
  - Need to avoid errors and failures
- MOVE TO OUTPATIENT CARE and MINIMAL INVASIVE TREATMENTS

Today’s medical environment
- WAGE COST and STAFF SHORTAGE
  - Need to control costs and enhance efficiency
- COMPLEXITY OF THE MEDICAL PRACTICE
  - Increased communication between healthcare professionals
  - Management and deployment of more sophisticated medical equipment
- REGULATION FORCES IT ADOPTION

- Staff shortage & salary issues
- Non optimal operating process
- Labor and administrative intensive
- Limited patient care time
- Disparate information components
- Unconnected & non-transparent
- Systematic medical error risk
Agfa HealthCare strategy

Radiology solutions

- Grow with radiology
  - Provide imaging information systems and services

Departmental solutions

- Develop presence in clinical departments
  - Provide image management and information systems and services

Healthcare IT solutions

- Grow mainly by acquisition
  - Provide community wide systems and services, Hospital Information System and Electronic Patient Record (HIS, EPR)

Imaging Technologies

- Leverage Intellectual property and expertise
- Innovate through ventures and partnerships
  - Provide leading edge healthcare Imaging technologies and computer aided detection tools
Disparate hospital information components

- Administration
- Logistics
- Human Resources
- Accounting
- Billing
- Catering

CONCLUSION
- Diverse departmental needs
- Existing departmental systems with retained value lead to fragmented systems
- Many of these departments still use non-digital solutions
Agfa in healthcare today

**HIS**
- Administration
- Logistics
- Human Resources
- Accounting
- Billing
- Catering

**PAS**
- Admission
- Discharge
- Transfer

**CIS - EPR**
- Intensive Care
- Operating Room
- Emergency Room
- Ward
- Nursing

**SPECIALTIES**
- Cardiology
- Pediatrics
- Dermatology
- Oncology
- Psychiatry
- Urology
- Orthopedics
- Internal medicine
- Gynecology
- Ophthalmology
- Dental
- Surgery

**Medico-Technical IS**
- Radiology & Nuclear medicine
- Laboratory & Pathology
- Pharmacy

**ACTIVITIES**
- Planning
- Consulting
- Treatment
- Ordering
- Results
- Reporting

HIS = Hospital Information System
PAS = Patient Admission System
EPR = Electronic Patient Record
CIS = Clinical Information System
Europe Healthcare IT market revenue forecast, 2004-2009

Source: F&S, 2004 / COCIR / Agfa team

CAGR (2004-2009)
Total: 9.9%

Including HW, software, services, consultancy…

Administrative systems (HIS)
Clinical systems less PACS/RIS
PACS/RIS systems

€ Million
0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000
2004 2005 2006 2007 2008 2009

Source: F&S, 2004 / COCIR / Agfa team
Consolidation has started in the fragmented European IT market

PIMSACT Medisys

SMS U.K.

Hiscom

Applicare (PACS)

Innomed (RIS)

Image Devices

Symphonie on Line [HIS]

GWI

Tieto Enator

InformationsLogic;
C&S Healthcare;
Doctorex; Respons;
ITB AG [Loi]

IcelandRis (RIS)

ACT Medisys

PIMS

Laufenberg

SMS Ireland

SMS U.K.

SMS / Hiscom

GAP

Amersham
[Applicare/GE]

Cap Gemini Santé

SIAC and VPI

EDS

Pyrénées Informatique

DP Informatica

Siemens
Europe: market observations

Europe is at different stages in rolling out EPR

- **Germany**
  - Highest level of installations
  - High IT spend and steady growth
  - Many mid-sized national players
  - GWI + Boss has the largest customer base

- **France**
  - Lowest IT budget levels, average growth
  - Preference for established suppliers
  - Symphonie On Line, Medasys, and public “companies” have the largest Customer base

- **Italy**
  - Relatively high IT budgets, highest rate of growth
  - Fragmented market with many small national players

- **Netherlands**
  - Government push of EPR programs

- **Belgium**
  - Agfa’s stronghold – Medar winning in EPR...

- **Spain**
  - Low IT spend with high growth expectations
  - Few global players but preference for hardware vendors

- **UK**
  - Short term impact of National Programme – but Frozen market
  - Big increase in IT budget levels
  - High level of standalone systems
How we compete

- Disruptive IT model, disruptive technology
- Innovation
- Install-base leverage
- Neutral integrator
- Competitive edge through clinical depth
Agfa and GWI: a powerful combination

**GWI**
- Connectivity & integration to hospital & public information systems
- Domain know-how in administrative and clinical hospital IT – horizontal ‘holistic’ approach
- Strong methodology in project IT business
- Software architecture built for future vision
- Germany, Austria, Switzerland – key contacts at enterprise level

**AGFA HealthCare**
- Connectivity & integration to diagnostic modalities and information systems
- Domain know-how in key hospital departments and imaging centers – vertical approach
- Strength of a large corporate organization
- Worldwide sales & services organization
- Worldwide customer base – market share
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Agfa and GWI - Complementing each other

Luc Thijs
Head of Radiology & Departmental Solutions
February 2nd, 2005
Most hospital structures are highly fragmented, with highly specialized staff performing tasks within their department.
Two market realities co-exist today

- Enlightened CEO/CFO/CIO/BoM of a hospital
- Achieve quality of care and increased control of outcomes at enterprise level > Integration of the ‘departments’ into one coherent interoperable environment
- Top-down decision from enterprise management
- Commitment to projects with a 3 to 7 year span, affecting entire organization
- Focus on ‘best common platform across the enterprise’

- Inspired head of a department or a discipline
- Achieve quality of care and increased control of outcomes within discipline or department
- Mostly bottom-up initiatives from the department head
- Commitment to projects with a 1 to 2 year span, affecting a subset of the organization
- Focus on a ‘best-in-class’ platform with comprehensive functionality for a department or a discipline

Urging for two complementary approaches
But one well-integrated portfolio

Enterprise Solutions

Hospital Information System (admin perspective)

Electronic Medical Record (clinical perspective)

Enterprise Workflow Management (e.g. scheduling, tracking)

Radiology Solutions

- Film & Print Systems
- CR/DR Connectivity
- Radiology Information System

Cardiology Solutions

- Film & Print Systems
- Connectivity
- Cardiology PACS
- Cardiovascular Information System

Other departments

- Imaging
- Connectivity & Integration
- Information Technology
- Clinical Workflow Plan/Report

AGFA
The strengths of Agfa and GWI combined

- Two complementary approaches to the market:
  - Initiatives from Enterprise Management
  - Initiatives from Departmental Management

- One broad yet unified portfolio that uniquely combines:
  - A best-in-class platform at enterprise level
  - Best-in-class platforms for key departments

- One proven methodology in project business:
  - Metrics that lead to predictable and repeatable results
The integration effort is focused

- Securing business in current markets
- Achieving synergies
  - Portfolio integration track
  - Fast market access
  - Preparing roll-out sequence beyond Germany and France
Agfa, GWI and SOL: Market access in Europe

**Benelux**
- 436 customers

**UK & Ireland**
- 800 customers

**France**
- 1500 customers
- 1250 customers
- 960 customers

**Iberia**
- 384 customers

**Switzerland**
- 220 customers
- 50 customers

**Germany**
- 3000 customers
- 700 customers

**Nordics**
- 1194 customers

**South Eastern Europe**
- 880 customers
- 350 customers

**Italy**
- 1392 customers

**Total Europe**
- 10478 customers
- 2060 customers
- 1250 customers

- 843 employees [region only]
- 890 employees (770 FTE)
- 220 employees

**GWI**

**AGFA**

**SoL**
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Agfa & GWI: Powerful combination

Ruediger Wilbert
Head of Healthcare IT
February 2nd, 2005
Continuous Development

- Foundation of the group in Trier in 1990
- Continuous growth since market entry in 1996
- Hospital sector strongly regulated by government
- Focus on Electronic Medical Record
- Extensive software portfolio for medical specialties
- System development started with our integrated environmental HOLISTIC approach as empowering force
- Comprehensive know-how by specialized medical professional staff
- Build up a significant innovative image by smart time-to-market strategies
Hospital Customers ORBIS® - Growth

- Market leader with integrated hospital information system (HIS) ORBIS®
- Most extensive product range in comparison to competition
- Hospitals of all sizes, segments and types
  (small, medium, large hospitals - acute care, rehabilitation, psychiatry)
  incl. hospital groups and university hospitals

Total number of ORBIS® hospital customers
Facts & figures - Sales distribution

Thousand €


Hardware
Services
Licences
ORBIS® is a complete information system and has over 70 applications for hospitals and other healthcare facilities, including nursing, wards, operating theater, anesthetics, intensive care, radiology, laboratories, pathology, cardiology and other clinical departments, blood banks, out-patients, all administrative functions and financial affairs.
IT architecture model - ORBIS®

Customized for hospital/department workflow

- Admit patient
- Administer drug
- Order exam
- ... Release patient

- Application Metaware
- Business objects
- Core / kernel

AGFA/GWI STAFF
- Clinical/medical specialists
- Domain specialists
- IT Developers
ORBIS® – the integrated Healthcare Information System

**Product Lines**

**ORBIS® Ways**
Cross-area and cross-sector cooperation. Organization of higher-level flows.

**ORBIS® Medical**
Treatment management and medical documentation. Systems for specialist areas, functional areas and departments.

**ORBIS® Care**
Nursing management and nursing documentation.

**ORBIS® Management**
Institution management. Hospital management, business management, controlling, accounting and administration.

**ORBIS® Basics**
Basic systems and services.

**ORBIS® Links**
Networking with other systems. Interfaces, system integration, communication.
Why Agfa?

- One well integrated portfolio
- Internationalization of ORBIS® with Agfa infrastructure and market access
- Agfa as complete IT provider for hospitals
- Enterprise Solutions for Healthcare: Hospital Information System – Electronic Medical Record – Enterprise Workflow Management
- Departmental solutions: Radiology, Cardiology and others
- Complementary customer base
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Glossary

- GWI: Gesellschaft für Wirtschaftsberatung und Informatik
- PACS: Picture Archiving and Communication System
- RIS: Radiology Information System
- CIS: Clinical Information System
- HIS: Hospital Information System
- EPR: Electronic Patient Record
- EMR: Electronic Medical Record
- MRI: Magnetic Resonance Imaging
- PAS: Patient Admission System
- CR: Computed Radiography
- DR: Direct Radiography