

# Q4 and Full Year 2016 Results

March 8, 2017



# Disclaimer

You are about to view a presentation regarding Agfa-Gevaert that contains time-sensitive information. The information contained therein is only current as of the date thereof. Agfa expressly disclaims any obligation to review, update or correct these materials after the date thereof. Agfa may update, amend, supplement or otherwise alter the information by subsequent presentations, reports, filings, or other means without notice.

Certain statements made in this presentation are “forward-looking statements,” which are subject to risks and uncertainties, and Agfa’s actual numbers may differ (possibly materially) from those indicated in such statements.

# Profit & Loss: Key Figures (in million Euro)

	Q4'15	Q4'16	Δ % (excl. X-rate)	FY'15	FY'16	Δ % (excl. X-rate)
Sales	672	664	-1.2%(-0.9%)	2,646	2,537	-4.1%(-3.5%)
Gross Profit*	208	223	7.2%	843	857	1.7%
as a % of sales	31.0%	33.6%		31.9%	33.8%	
SG&A*	-129	-129	0.0%	-520	-509	-2.1%
as a % of sales	19.2%	19.4%		19.7%	20.1%	
R&D*	-35	-36	2.9%	-144	-141	-2.1%
Other operating items*	8	2		2	1	
Recurring EBITDA*	65	76	16.9%	240	265	10.4%
as a % of sales	9.7%	11.4%		9.1%	10.4%	
Recurring EBIT*	50	61	22.0%	180	208	15.6%
as a % of sales	7.4%	9.2%		6.8%	8.2%	

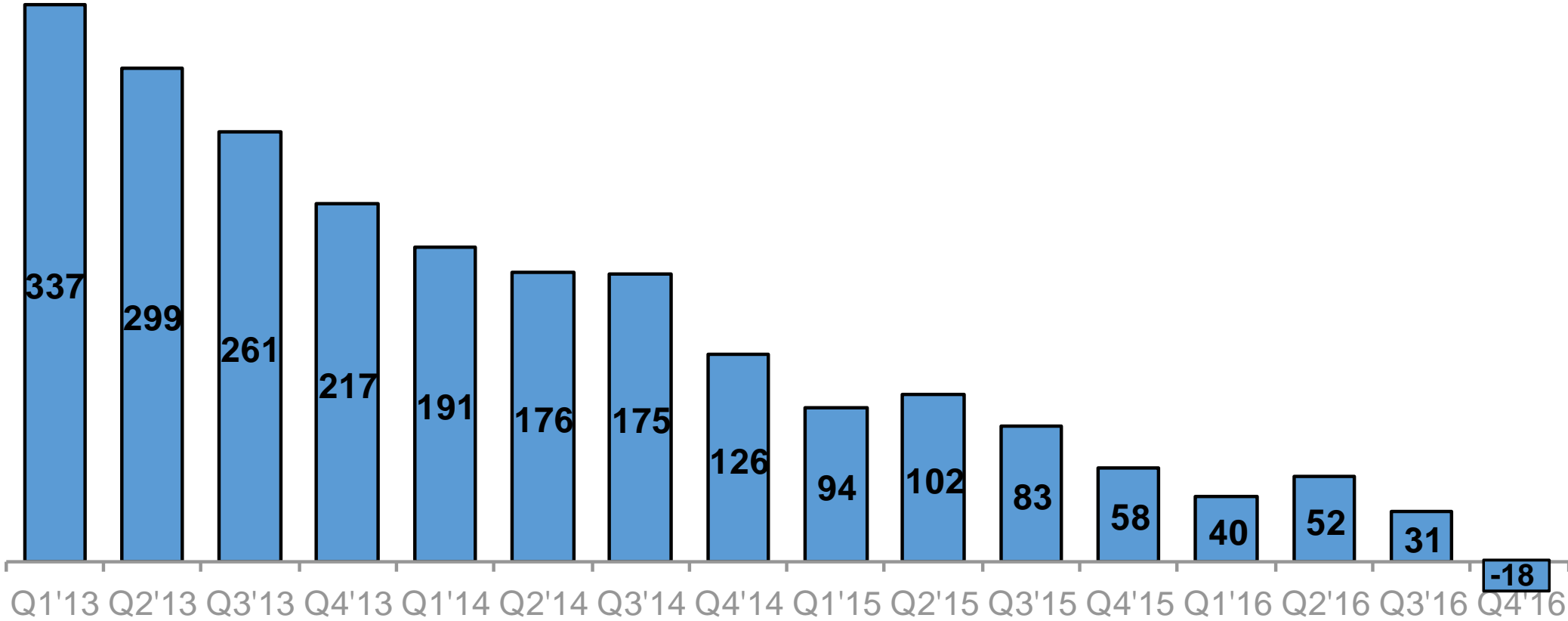
\* Before restructuring charges and non-recurring items

# Profit & Loss: Key Figures (in million Euro)

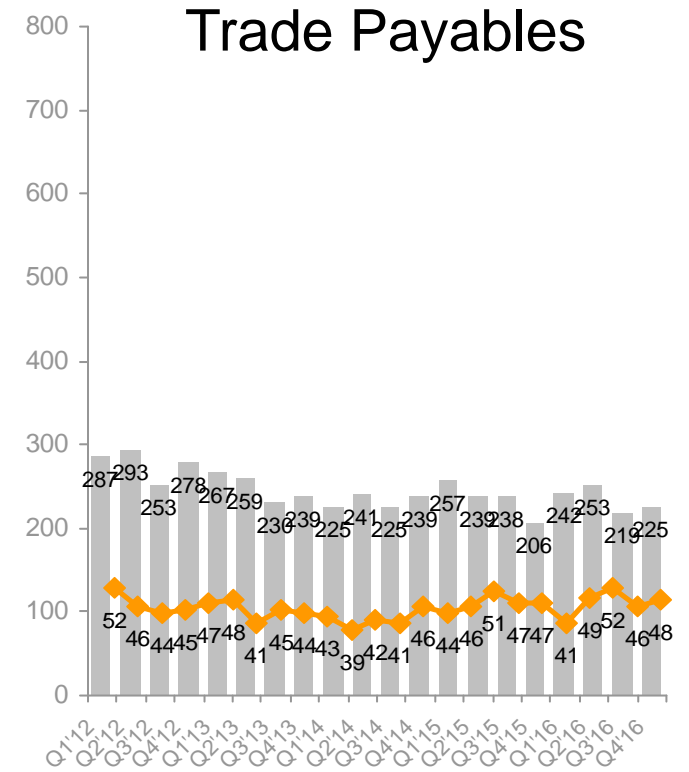
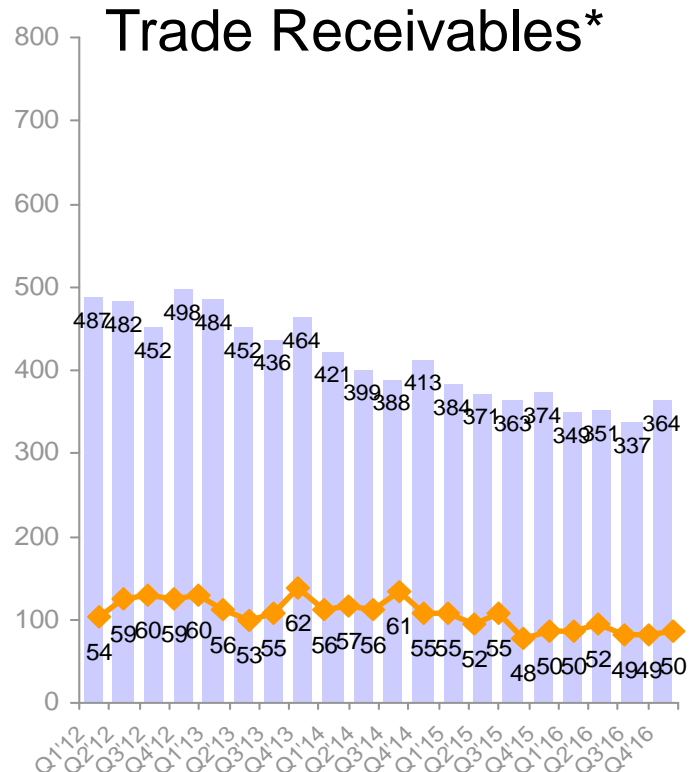
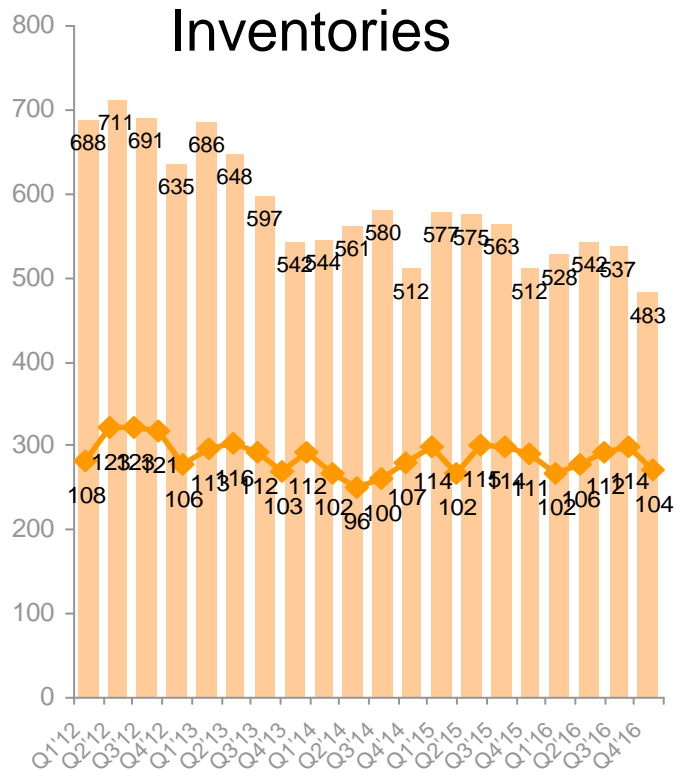
	Q4 '15	Q4 '16	Δ %	FY'15	FY'16	Δ %
Recurring EBIT*	50	61	22.0%	180	208	15.6%
Restructuring and non-recurring	-4	-42		-19	-42	
Operating result	46	19		161	166	
Non-operating result	-31	-11		-74	-51	
Profit before taxes	15	8		87	115	
Taxes	-5	-3		-16	-35	
Net result	10	5		71	80	
of which attr to equity holders of the company	7	2		62	70	
of which attr to non controlling interests	3	3		9	10	

\* Before restructuring charges and non-recurring items

# Net Financial Debt (in million Euro)



# Working Capital: Key Figures (in million Euro/days)



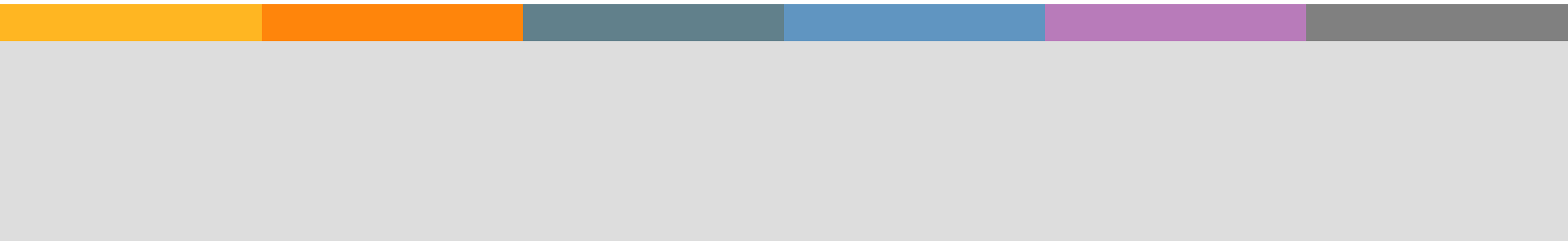
\* Trade receivables minus deferred revenue and advanced payments from customers

# Main Group Drivers behind Key Figures

## Q4 2016

- The Group's revenue decreased by 1.2%. Driven by Imaging IT solutions, DR and the hardcopy business, the Agfa HealthCare business group posted significant revenue growth. The Agfa Graphics business group's revenue decline eased in Q4.
- Due to targeted efficiency measures across the Group and positive raw material effects in the Agfa Graphics business group, the Group's gross profit margin improved.
- Recurring EBIT at 61 million Euro.
- Restructuring and non-recurring items at 42 million Euro, mainly due to the intended closure of the printing plate factory in Vallese and the decision to exit the contrast media market.
- Net cash position of 18 million Euro.

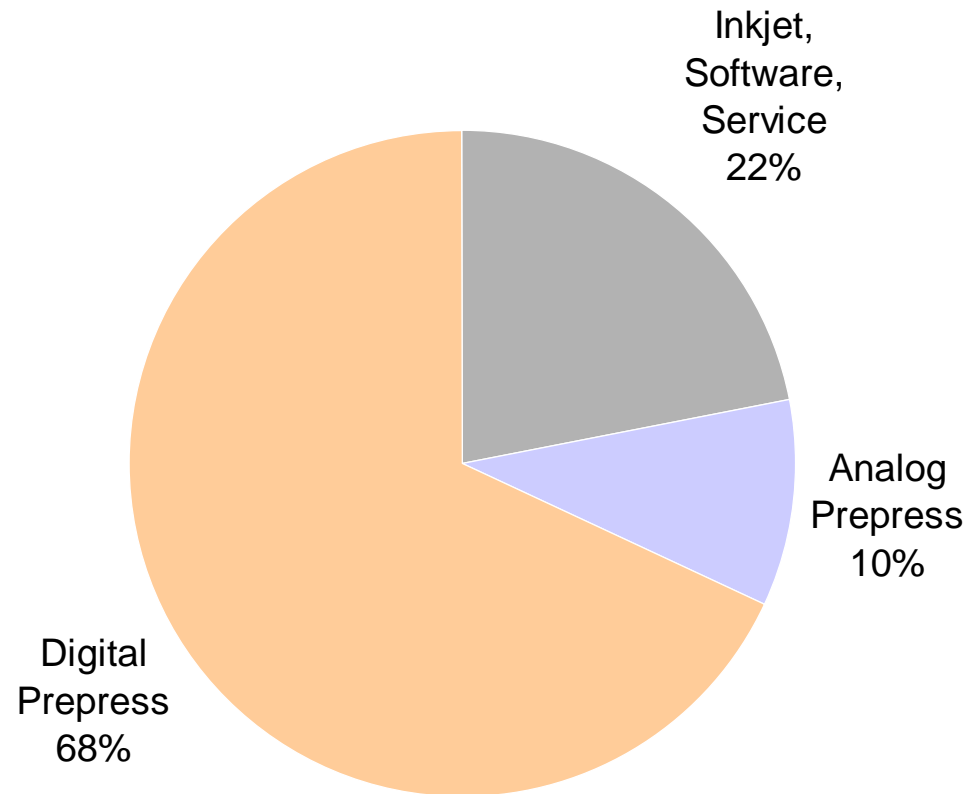
# Graphics





# Graphics: YTD Sales per Business Segment

FY 2016  
100% = 1,267 million Euro



# Graphics: Key Figures (in million Euro)

	Q4'15	Q4'16	$\Delta$ % (excl. curr.)	FY'15	FY'16	$\Delta$ % (excl. curr.)
Sales	<b>350</b>	<b>331</b>	<b>-5.4%</b> <del>(-5.4%)</del>	<b>1,358</b>	<b>1,267</b>	<b>-6.7%</b> <del>(-6.3%)</del>
Gross Profit*	<b>99</b>	<b>98</b>	<b>-1.0%</b>	<b>384</b>	<b>378</b>	<b>-1.6%</b>
as a % of sales	28.3%	29.6%		28.3%	29.8%	
SG&A*	<b>-68</b>	<b>-67</b>	<b>-1.5%</b>	<b>-273</b>	<b>-263</b>	<b>-3.7%</b>
as a % of sales	19.4%	20.2%		20.1%	20.8%	
R&D*	<b>-11</b>	<b>-12</b>	<b>9.1%</b>	<b>-45</b>	<b>-43</b>	<b>-4.4%</b>
Other operating items*	<b>-1</b>	<b>-1</b>		<b>-1</b>	<b>7</b>	
Recurring EBITDA*	<b>28.9</b>	<b>29.0</b>	<b>0.3%</b>	<b>94.7</b>	<b>106.5</b>	<b>12.5%</b>
as a % of sales	8.3%	8.8%		7.0%	8.4%	
Recurring EBIT*	<b>22.2</b>	<b>22.3</b>	<b>0.5%</b>	<b>65.3</b>	<b>79.8</b>	<b>22.2%</b>
as a % of sales	6.3%	6.7%		4.8%	6.3%	

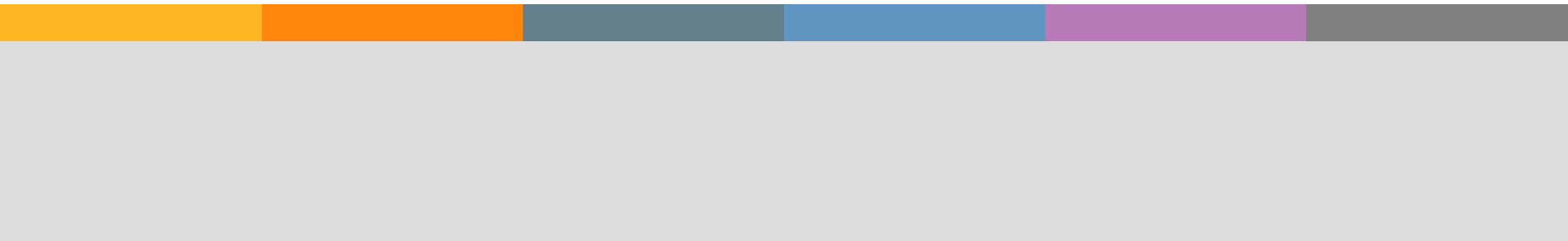
\* Before restructuring charges and non-recurring items

# Graphics: Main Drivers behind Key Figures

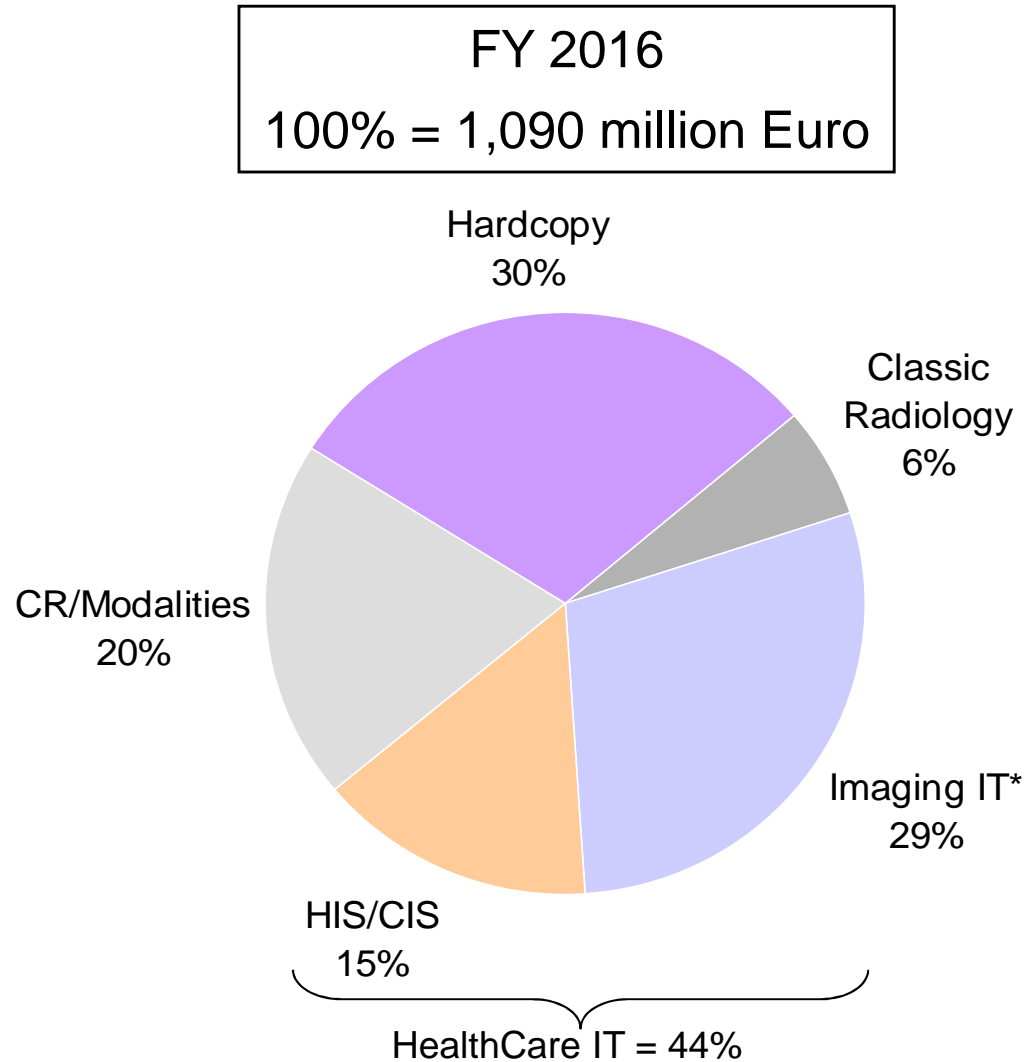
## Q4 2016

- Agfa Graphics' top line decline started to slow down versus the previous quarters. The prepress segment's digital computer-to-plate (CtP) continued to suffer from competitive pressure and market softness in emerging markets. The analog computer-to-film (CtF) business continued to decline. The inkjet segment's order book started to show some improvement.
- Due to its efficiency projects and raw material effects, Agfa Graphics succeeded in improving its gross profit margin.
- Recurring EBIT at 22.3 million Euro.
- Business highlights:
  - Powerful upgrade of the Jeti Mira flatbed printing engine
  - Integration between EFI digital front ends workflow solution and Apogee 10 workflow solution
  - Winner in three categories of the 'Pini Suppliers of the Year Awards'

# HealthCare



# HealthCare: YTD Sales per Business Segment



\* Includes Radiology and Cardiology IT

# HealthCare: Key Figures (in million Euro)

	Q4'15	Q4'16	$\Delta$ % (excl. curr.)	FY'15	FY'16	$\Delta$ % (excl. curr.)
Sales	275	288	4.7%(+5.5%)	1.099	1.090	-0.8(+0.1%)
Gross Profit*	99	114	15,2%	416	435	4,6%
as a % of sales	36,0%	39,6%		37,9%	39,9%	
SG&A*	-56	-56	0,0%	-223	-222	0,4%
as a % of sales	20,4%	19,4%		20,3%	20,4%	
R&D*	-21	-22	4,8%	-90	-92	2,2%
Other operating items*	5	1		4	-1	
Recurring EBITDA*	34,2	43,6	27,5%	134,0	146,5	9,3%
as a % of sales	12,4%	15,1%		12,2%	13,4%	
Recurring EBIT*	27,6	37,1	34,4%	107,4	120,3	12,0%
as a % of sales	10,0%	12,9%		9,8%	11,0%	

\* Before restructuring charges and non-recurring items

# HealthCare: Main Drivers behind Key Figures

## Q4 2016

- Agfa HealthCare's fourth quarter top line growth was driven by the strong performances of the Imaging IT business, the DR business and the hardcopy film business.
- Structural efficiency measures and positive product mix effects allowed Agfa HealthCare to improve its gross margin.
- Recurring EBIT at 37.1 million Euro.
- Business highlights
  - Introduction of the new multi-purpose DR 800 X-ray room
  - Release of a new version of the Enterprise Imaging platform

# Specialty Products





# Specialty Products: Key Figures (in million Euro)

	Q4'15	Q4'16	$\Delta$ % (excl. curr.)	FY'15	FY'16	$\Delta$ % (excl. curr.)
Sales	47	45	-4.3%(-4.3%)	189	180	-4.8%(-4.4%)
Gross Profit*	9	11	22,2%	42	44	4,8%
as a % of sales	19,1%	24,4%		22,2%	24,4%	
SG&A*	-6	-6	0,0%	-24	-24	0,0%
as a % of sales	12,8%	13,3%		12,7%	13,3%	
R&D*	-3	-1	-66,7%	-9	-6	-33,3%
Other operating items*	1	0		3	-1	
Recurring EBITDA*	2,9	4,2	44,8%	16,7	16,5	-1,2%
as a % of sales	6,2%	9,3%		8,8%	9,2%	
Recurring EBIT*	1,9	3,2	68,4%	12,7	12,9	1,6%
as a % of sales	4,0%	7,1%		6,7%	7,2%	

\* Before restructuring charges and non-recurring items

# Specialty Products: Main Drivers behind Key Figures

## Q4 2016

- The future-oriented businesses Synaps Synthetic Paper and Orgacon Electronic Materials performed well.
- Recurring EBIT at 3.2 million Euro.
- Business highlights
  - Agfa Specialty Products and LCsys Systèmes Industriels jointly introduced ABSOLUT-ID, their solution for the integrated production of high security ID cards
  - Agreement with Paper Merchants Ireland for the distribution of Synaps throughout Ireland

# Agfa-Gevaert Group: strategy and targets

- Full year 2016 rebitda target of 10% exceeded focusing on 4 domains:
    - Efficiency of manufacturing
    - Efficiency of services
    - Efficiency of procurement
    - Product portfolio rationalisation
  - The net debt position has been turned into a net cash position
- Next target: topline growth

# Agfa-Gevaert Group: strategy and targets

- Topline growth → based on 4 pillars:
  - Resist the decline in our traditional businesses
  - Boost our growth engines
  - Analyse clever, profitable acquisitions
  - Develop competences and culture change

# Pensions

# Pension status (4 material countries)

Mio Euro	2015	2016	Delta
<b>Funded Status</b>	<b>(1094)</b>	<b>(1184)</b>	<b>(90)</b>
Obligations	2250	2225	25
Assets	1156	1041	(115)

- Annuity buy-out in the US: liabilities amounting to 140 million Euro have been settled through payment of a single premium of 143 million Euro from the plan assets, resulting in a settlement loss of 3 million Euro

# Pension cost and cash outflow (4 material countries)

Mio Euro	2015	2016	2017 (Est)
Pension Cost in Ebit	26	23	23
Net interest cost	28	29	24
Non recurring		3	-
<b>Total pension cost</b>	<b>54</b>	<b>55</b>	<b>47</b>
<b>Pension cash outflow</b>	<b>80</b>	<b>82</b>	<b>73</b>

- Pension cost:
  - Pension cost in EBIT expected to be flat in 2017.
  - Total recurring pension cost expected to decline versus 2016 due to lower interest rate.
- Pension cash outflow:
  - Cash flow guidance : expected cash outflow below EBITDA about 50 million Euro

Q&A

