

Q4 2018 Results

March 13, 2019



Achievements 2018

- Major steps in Agfa's transformation reached in 2018
 - Split-up into Agfa HealthCare and Agfa within the Agfa-Gevaert Group
 - New, more simplified divisional structure
 - Strategic alliance in the offset industry
 - Refocus on core businesses
 - Reorganization of hardcopy distribution channels in China
 - Further pension de-risking

New structure and strategy

- New divisional structure: technology and solutions oriented and open to future partnerships
 - Offset Solutions
 - Radiology Solutions
 - Digital Print and Chemicals
 - HealthCare IT
- Strategy:
 - Offset Solutions : partner to drive the consolidation in the industry : Lucky alliance, Ipagsa acquisition, Branchburg closure
 - Radiology Solutions : expand our reach (organically or through partnerships)
 - Digital Print and Chemicals : boost growth for the long term development
 - Healthcare IT : boost growth and maximize value

Future steps

- After a strategic options review, the Board of Directors of the Agfa-Gevaert Group has decided to further extend the independence of Agfa Healthcare. In this respect, the Board will be appointing J.P. Morgan as financial advisor. Further details on scope and timing will be communicated in due course.
- In offset, the alliance with Lucky will be extended, as both companies will explore additional options to intensify collaboration in R&D, manufacturing and distribution.
- Strategic steps similar to the ones taken in the offset business, will be examined for the other businesses of Agfa.
- Projects will be launched to further streamline the various businesses of the Agfa-Gevaert Group, aiming at reducing operational costs and improving profitability.

Profit & Loss: Key Figures (in million Euro)

	Q4'17	Q4'18	Δ % (excl. X-rate)	FY'17	FY'18	Δ % (excl. X-rate)
Sales	640	600	-6,3% (-5,5%)	2,443	2,247	-8,0% (-5,3%)
Gross Profit*	213	192	-9.8%	814	722	-11.3%
as a % of sales	33.3%	32.1%		33.3%	32.1%	
SG&A*	-120	-121	-0.1%	-496	-476	-4.2%
SG&A as % of sales	18.9%	20.1%		20.3%	21.2%	
R&D*	-35	-36	1.9%	-144	-141	-2.3%
Other operating items*	-1	8		-4	19	
Recurring EBITDA*	70	58	-16.5%	222	179	-19.4%
as a % of sales	10.9%	9.7%		9.1%	8.0%	
Recurring EBIT*	56	44	-22.5%	169	125	-26.4%
as a % of sales	8.8%	7.3%		6.9%	5.5%	

* Before restructuring charges and non-recurring items

Profit & Loss: Key Figures (in million Euro)

	Q4 '17	Q4 '18	Δ %	FY'17	FY'18	Δ %
Recurring EBIT*	56	44	-22.5%	169	125	-26.4%
Restructuring and non-recurring	-17	-37		-31	-66	
Operating result	39	6		138	59	
Non-operating result	-11	-8		-39	-39	
Share of profit of associates, net of tax	-1	0		-1	-1	
Profit before taxes	27	-2		98	19	
Taxes	-31	-21		-53	-34	
Net result	-4	-23		45	-15	
of which attr to equity holders of the company	-7	-28		37	-24	
of which attr to non controlling interests	3	5		8	9	

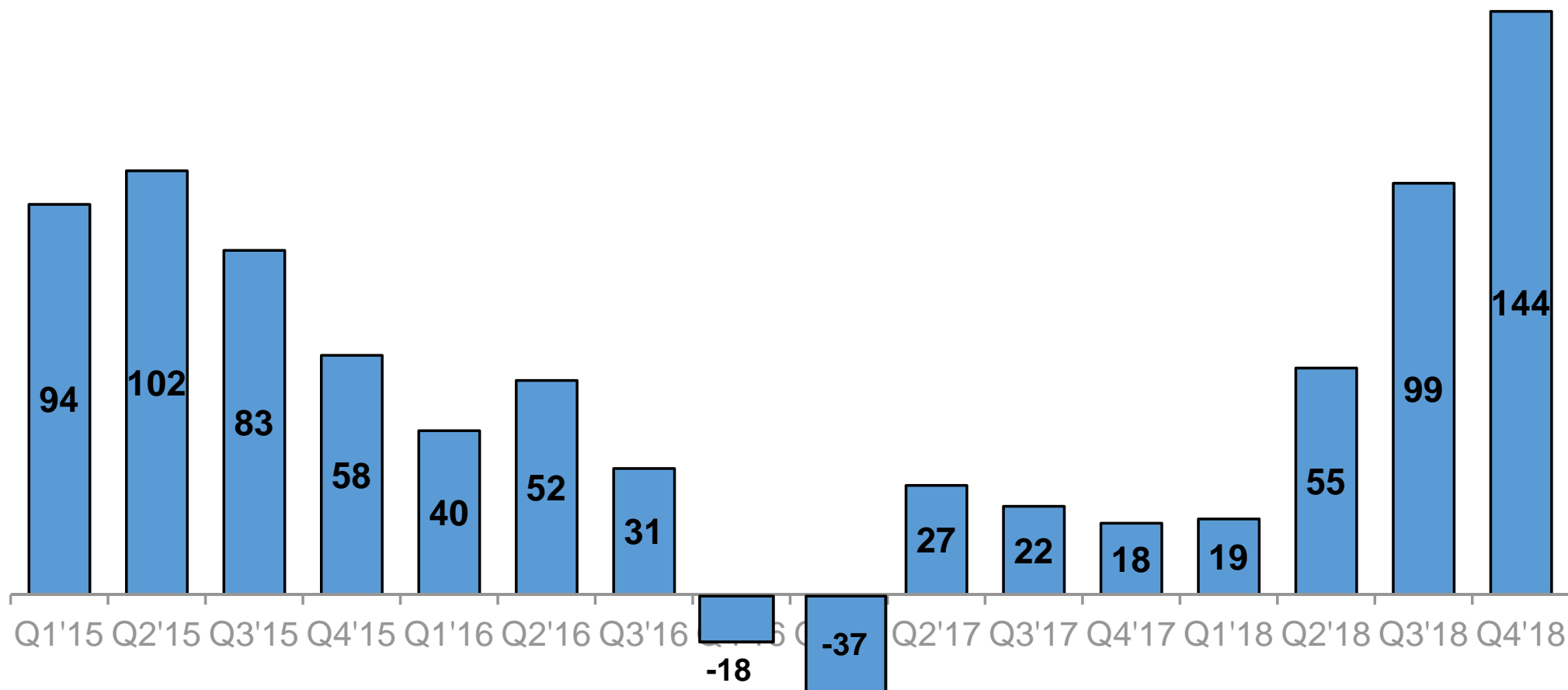
* Before restructuring charges and non-recurring items

Main Group Drivers behind Key Figures

Q4 2018

- Excluding portfolio rationalizations and currency effects, the Agfa-Gevaert Group's revenue decline amounted to 3.4%, which is markedly better than in the previous quarter. Topline growth was recorded for several of the Group's growth engines, including Agfa HealthCare's HealthCare Information Solutions and Direct Radiography systems, as well as several activities of Agfa Specialty Products.
- Driven by adverse product/mix effects and high aluminum costs, the Group's gross profit margin decreased to 32.1% of revenue.
- Recurring EBIT at 44 million Euro.
- Net loss and increase in net debt largely due to transformation investments.

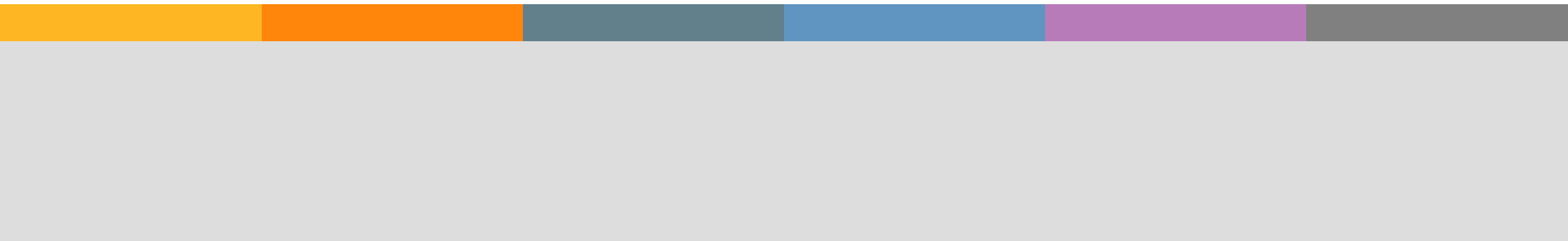
Net Financial Debt (in million Euro)



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

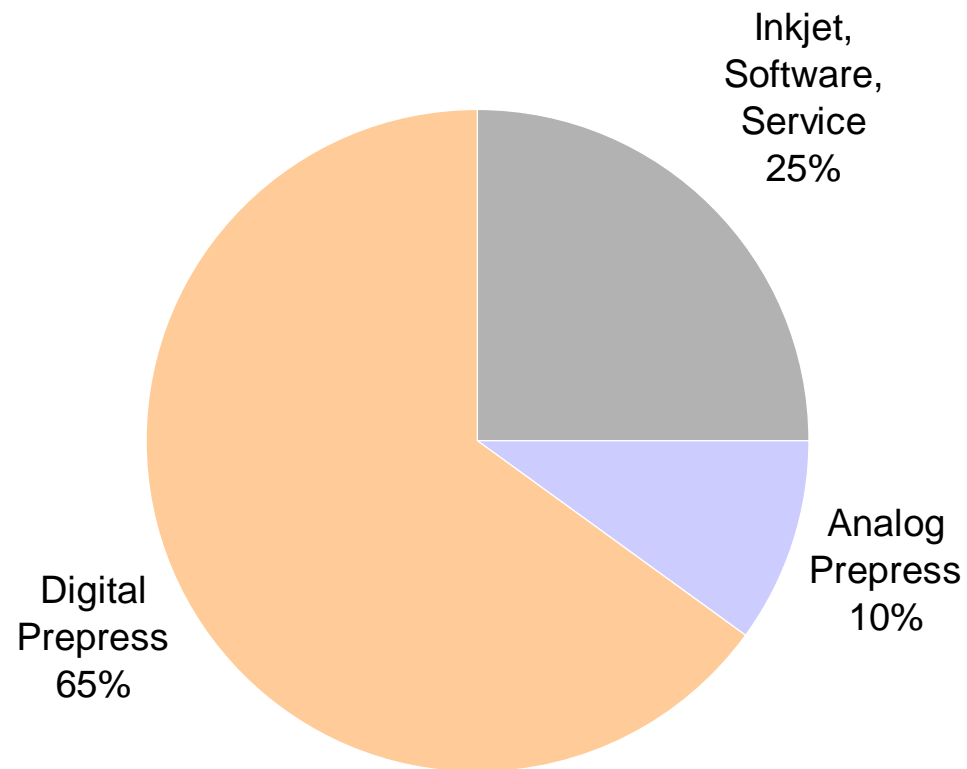
	Q4 2017	Q4 2018
Inventories (Mio Eur)	476	498
• DIOH in days	105	117
Trade Receivables, Contract Assets, Contract liabilities (Mio Eur)	393	375
• DSO in days	55	56
Trade Payables (Mio Eur)	(224)	(219)
• DPO in days	50	52
Trade Working Capital (Mio Eur)	644	653
• Trade Working Capital as % of sales	26%	29%

Graphics



Graphics: YTD Sales per Business Segment

12M 2018
100% = 1049 million Euro



Graphics: Key Figures (in million Euro)

	Q4'17	Q4'18	Δ % (excl. curr.)	FY'17	FY'18	Δ % (excl. curr.)
Sales	302	271	-10,0% (-10,9%)	1,195	1,049	-12,2% (-9,9%)
Gross Profit*	85	70	-17.7%	347	277	-20.4%
as a % of sales	28.3%	25.9%		29.1%	26.4%	
SG&A*	-61	-60	-1.3%	-251	-238	-5.2%
as % of sales	20.2%	22.1%		21.0%	22.7%	
R&D*	-10	-12	19.2%	-43	-43	0.6%
Other operating items*	0	7		-1	21	
Recurring EBITDA*	20.0	11.2	-43.9%	77.0	40.3	-47.7%
as a % of sales	6.6%	4.1%		6.4%	3.8%	
Recurring EBIT*	14.1	5.5	-61.0%	52.8	17.0	-67.9%
as a % of sales	4.7%	2.0%		4.4%	1.6%	

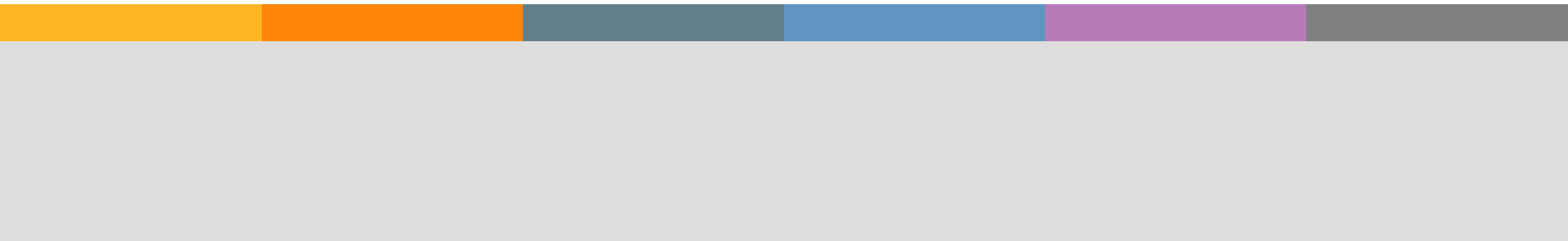
* Before restructuring charges and non-recurring items

Graphics: Main Drivers behind Key Figures

Q4 2018

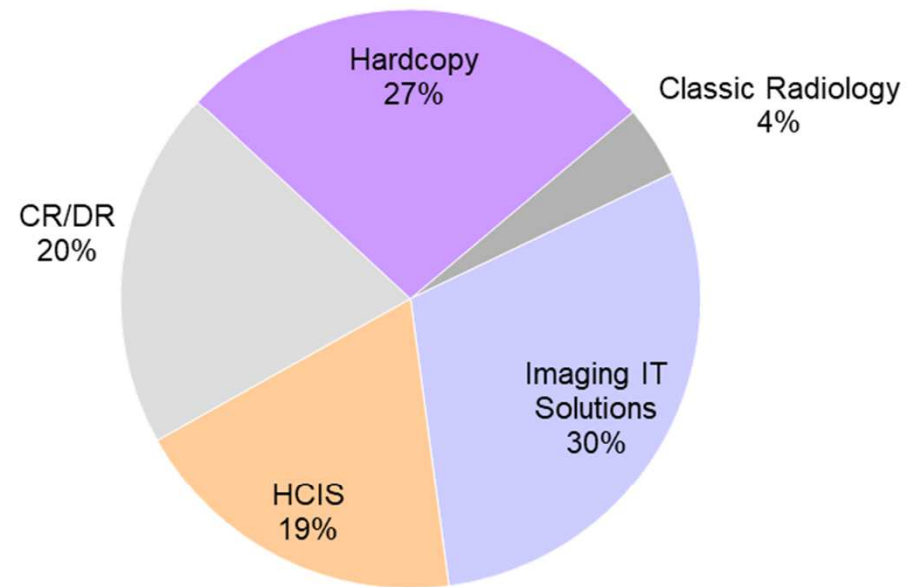
- Excluding the effects of the decision to discontinue certain prepress-related reseller activities in the United States, Agfa Graphics' top line decreased by 5.4%.
- The prepress segment continued to suffer from the elements mentioned above. The strategic steps taken to drive the consolidation of the offset industry are expected to become visible in the top line and bottom line in the course of 2019.
- In the Inkjet segment, the ink range continued to report solid volume growth.
- Mainly due to adverse product and regional mix effects and high aluminum costs, Agfa Graphics' gross profit margin decreased from 28.3% of revenue in the fourth quarter of 2017 to 25.9%.
- Recurring EBIT at 5.5 million Euro.
- Business highlights
 - 5-year prepress contract with News Corp Australia
 - 'Best Printing Plates Supplier' award by Brazilian Association of Graphic Technology
 - North American debut Jeti Tauro H3300 LED at SGIA Expo

HealthCare



HealthCare: YTD Sales per Business Segment

12M 2018
100% = 1004 million Euro



HealthCare IT = 49%

HealthCare: Key Figures (in million Euro)

	Q4'17	Q4'18	Δ % (excl. curr.)	FY'17	FY'18	Δ % (excl. curr.)
Sales	291	280	-3,7% (-1,0%)	1,052	1,004	-4,6% (-1,0%)
Gross Profit*	118	111	-6.0%	418	395	-5.6%
as a % of sales	40.4%	39.4%		39.8%	39.3%	
SG&A*	-54	-55	2.0%	-221	-214	-3.0%
as % of sales	18.5%	19.6%		21.0%	21.4%	
R&D*	-23	-23	-2.7%	-93	-90	-3.1%
Other operating items*	0	0		1	0	
Recurring EBITDA*	47.0	40.9	-13.0%	131.1	118,1	-9.9%
as a % of sales	16.1%	14.6%		12.5%	11.8%	
Recurring EBIT*	40.5	33.3	-17.9%	105.9	91.0	-14.0%
as a % of sales	13.9%	11.9%		10.1%	9.1%	

* Before restructuring charges and non-recurring items

HealthCare: Main Drivers behind Key Figures

Q4 2018

- Excluding currency effects, Agfa HealthCare's revenue decreased by only 1.0% compared to the strong fourth quarter of 2017. Volumes in the Imaging segment's hardcopy business started to pick up again. The Direct Radiography business posted strong double-digit revenue growth.
- The IT segment performed according to expectations with continuously strong top line growth for the HealthCare Information Solutions range.
- Agfa HealthCare's gross profit margin evolved from 40.4% of revenue in the fourth quarter of 2017 to 39.4%
- Recurring EBIT at 33.3 million Euro.
- Business highlights
 - Hardcopy agreement with China Meheco Corporation
 - GenesisCare rolls out Enterprise Imaging for Cardiology to all of its cardiology clinics in Australia
 - Successful go-live of Enterprise Imaging in Zuckerberg San Francisco General Hospital and Trauma Center

Specialty Products



Specialty Products: Key Figures (in million Euro)

	Q4 '17	Q4 '18	Δ % (excl. curr.)	FY '17	FY '18	Δ % (excl. curr.)
Sales	47	48	0,9% (0,5%)	195	194	-0,7% (0,2%)
Gross profit*	10	12	12.1%	48	50	4.5%
as a % of sales	22.1%	24.5%		24.5%	25.9%	
SG&A*	-6	-6	-7.0%	-24	-23	-4.9%
as a % of sales	12.6%	11.6%		12.3%	11.8%	
R&D*	-2	-1	-36.4%	-8	-7	-8.5%
Other operating items*	0	0		-1	-1	
Recurring EBITDA*	3.5	6.2	77.9%	18.0	23.2	29.5%
as a % of sales	7.3%	13.0%		9.2%	12.0%	
Recurring EBIT*	2.7	5.2	92.5%	14.7	19.3	31.3%
as a % of sales	5.7%	10.9%		7.5%	10.0%	

* Before restructuring charges and non-recurring items.

Specialty Products: Main Drivers behind Key Figures

Q4 2018

- Agfa Specialty Products' top line increased by 0.9% to 48 million Euro, with good performances of the Specialty Chemicals business (including Orgacon Electronic Materials) and the Industrial Foils business.
- The business group's recurring EBITDA increased to 6.2 million Euro (13.0% of revenue). Recurring EBIT reached 5.2 million Euro (10.9% of revenue).

Pensions



Pension status (4 material countries)

Excluding Belgian DC-plans

Mio Euro	2017	2018	Delta
Funded Status	(1078)	(1001)	(77)
Obligations	2110	1970	(140)
Assets	1033	969	(64)

Pension cost and cash outflow (4 material countries)

Excluding Belgian DC-plans

Mio Euro	2017	2018	2019 (Est)
Pension Cost in Ebit	23	21	21
Net interest cost	24	22	22
Non recurring	-	1	-
Total pension cost	47	44	43
Pension cash outflow	70	98	106

- Pension cost:
 - Total recurring pension cost expected to remain stable versus 2018.
- Pension cash outflow:
 - 2018 and 2019 cash outflow impacted by actions related to pension de-risking.