Q1 2019 Results

Agfa-Gevaert Group

May 14, 2019

AGFA Agfa

Transformation process

Milestones

- Further steps in the stategic offset alliance with Lucky HuaGuang.

- The Board of Directors has decided to investigate the sale of a part of Agfa HealthCare. That part is expected to mainly comprise the Hospital IT and the Integrated Care business, as well as the Imaging IT business to the extent that this business is tightly integrated in our Hospital IT business. This is the case mainly in the DACH region, France and Brazil.

New divisional structure and IFRS 16

New divisional structure

- As from Q1 2019, the Group will report according to the new divisional structure. To allow comparison, the Q1 2018 profit and loss has been restated accordingly.
- The **four business divisions** are technology and solutions oriented. This structure will allow the businesses to seek future partnerships.
- To allow a more accurate assessment of the business performances, some costs of corporate functions at Group level are grouped under **Corporate Services** (e.g. Investor Relations, Corporate Finance, Internal Audit, the newly created innovation Office,..).

New divisional structure and IFRS 16

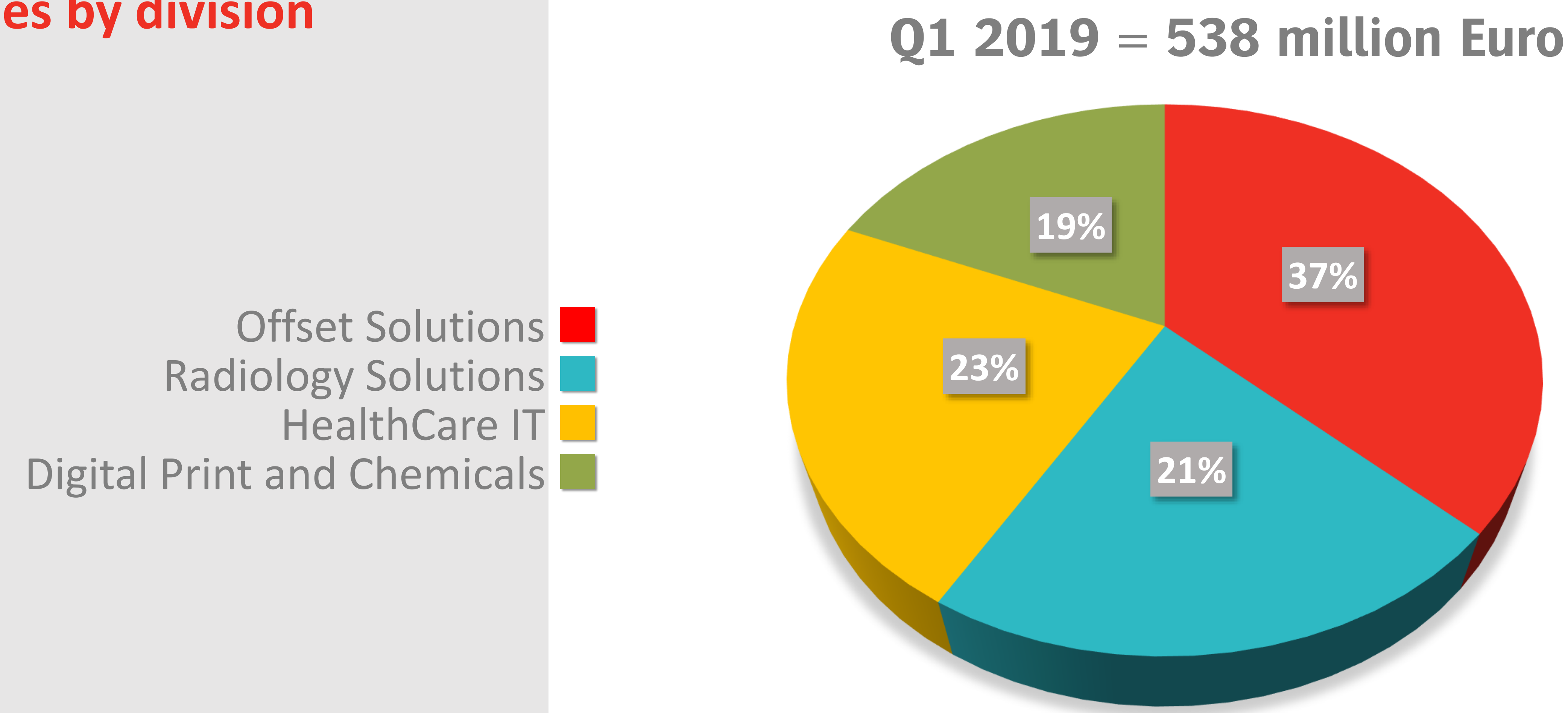
IFRS 16

- IFRS 16 “Leases” was adopted per January 1, 2019, applying the modified retrospective method. As a result, right-of-use assets and lease liabilities have been recognized on the balance sheet. In the P&L, the operating lease expenses in EBIT have been replaced by depreciation of the right-of-use assets (EBIT) and interest on the lease liability (net financing expenses). In the cash flow statement, the payments for operating leases are now recognized in the net cash from financing activities instead of net cash from operating activities.
- IFRS 16 impact on the Group numbers:
  - Balance Sheet: impact on total assets/liabilities as per January 1 2019:

    +127 million Euro Right-of-Use Assets/Lease Liabilities
  - Profit & Loss:
    - limited full year impact on Adjusted EBIT (+1 million Euro) and net result (-1 million Euro)
    - material full year impact on Adjusted EBITDA (+40 million Euro)
  - Cash Flow : no effect on the total amount of cash flows reported
- To allow correct comparison, the tables below present the Q1 2019 profit and loss numbers excluding the impact of IFRS 16.

Agfa-Gevaert Group

Sales by division



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Key figures

Profit & Loss

in million Euro	Q1 ’19 (excl. IFRS 16)	Q1 ’18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Sales	**538**	549	-1.9% (-3.3%)
Gross Profit* as a % of sales	**174** **32.4%**	178 32.4%	-2.0%
SG&A* as a % of sales	**-122** **22.7%**	-120 21.9%	1.4%
R&D*	**-37**	-37	-1.8%
Other operating items*	**4**	4	
Adjusted EBITDA as a % of sales	**33**** **6.1%**	37 6.8%	-11.6%
Adjusted EBIT* as a % of sales	**19**** **3.6%**	24 4.4%	-19.7%

* Before restructuring and non-recurring items

** Q1’19 Adjusted EBITDA incl IFRS 16: 43 million Euro
Q1’19 Adjusted EBIT incl IFRS 16: 20 million Euro

Agfa-Gevaert Group

Key figures
Profit & Loss

in million Euro	Q1 '19 (excl. IFRS 16)	Q1 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Adjusted EBIT* as a % of sales	**19**** **3.6%**	24 4.4%	-19.7%
Restructuring/non-recurring	**-4**	-4	
Operating result	**15**	20	
Non-operating result	**-11**	-10	
Profit before taxes	**4**	10	
Taxes	**-8**	-3	
Net result	**-3**	7	

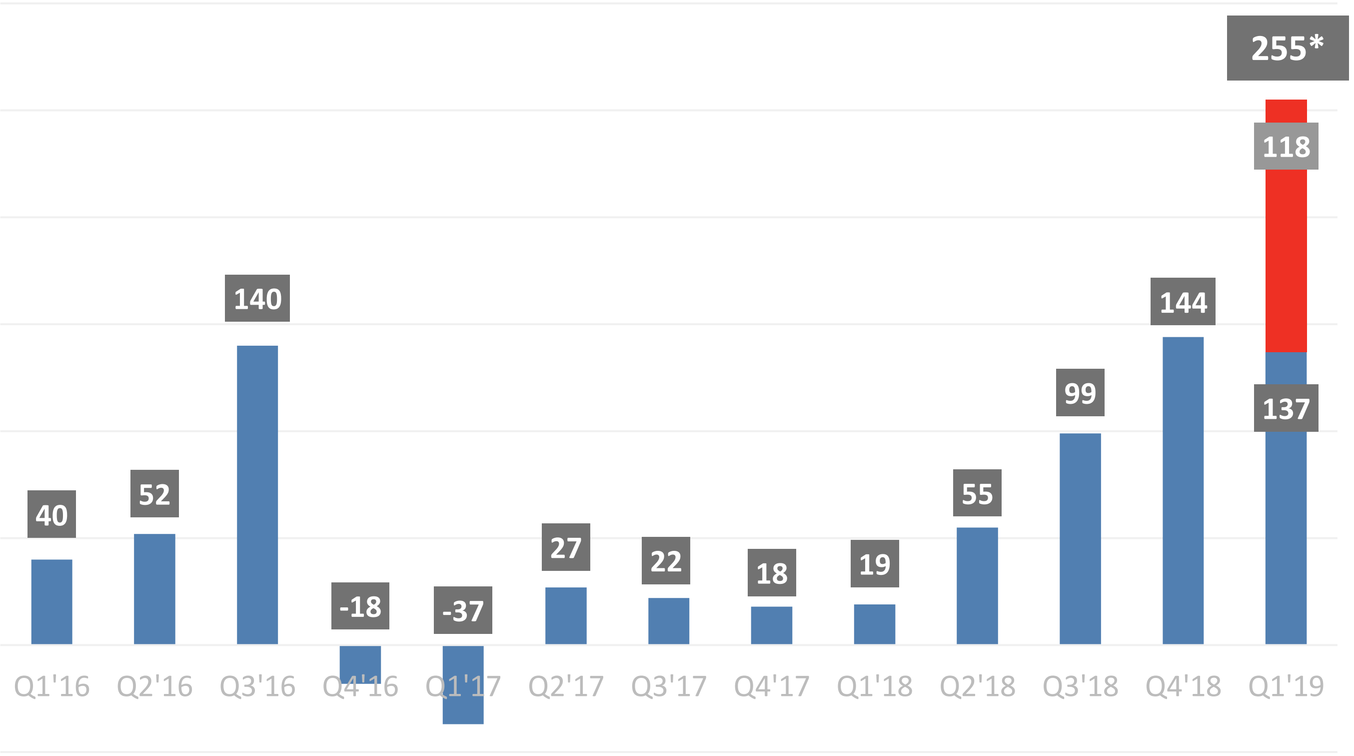
* Before restructuring and non-recurring items
** Q1'19 Adjusted EBIT incl IFRS 16: 20 million Euro

Main drivers behind key figures

- The Agfa-Gevaert Group's top line was stable versus the first quarter of 2018 excluding the impact of the discontinuation of certain offset-related reseller activities in the United States. The inkjet product range performed well and the Radiology Solutions division's hardcopy range clearly started to benefit from the reorganization of the distribution channels in China. The HealthCare IT division performed according to expectations.
- Gross profit margin remained stable versus Q1 2018
- Adjusted EBIT at 19 million Euro
- Net result at minus 3 million Euro

Net financial debt

in million Euro



* IFRS 16 impact of 118 million Euro

Working capital

in million Euro

in million Euro	Q1 2018	Q4 2018	Q1 2019
Inventories	**505**	**498**	**539**
DIOH (in days)	113	117	128
Trade Receivables, Contract Assets, Contract liabilities	**366**	**374**	**338**
DSO (in days)	59	56	57
Trade Payables	**(236)**	**(219)**	**(230)**
DPO (in days)	53	52	55
Trade Working Capital	**635**	**653**	**647**
as a % of sales	26%	29%	29%

Corporate Services

Key figures

Profit & Loss

in million Euro	Q1 '19 (excl. IFRS 16)	Q1 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Adjusted EBITDA	**-4.8****	-3.7	30.2%
Adjusted EBIT*	**-4.9****	-3.7	33.3%

- To allow a more accurate assessment of the business performances, costs of corporate functions at Group level are grouped under Corporate Services

* Before restructuring and non-recurring items
** Q1'19 Adjusted EBITDA incl IFRS 16: -4.8 million Euro
Q1'19 Adjusted EBIT incl IFRS 16: -4.9 million Euro

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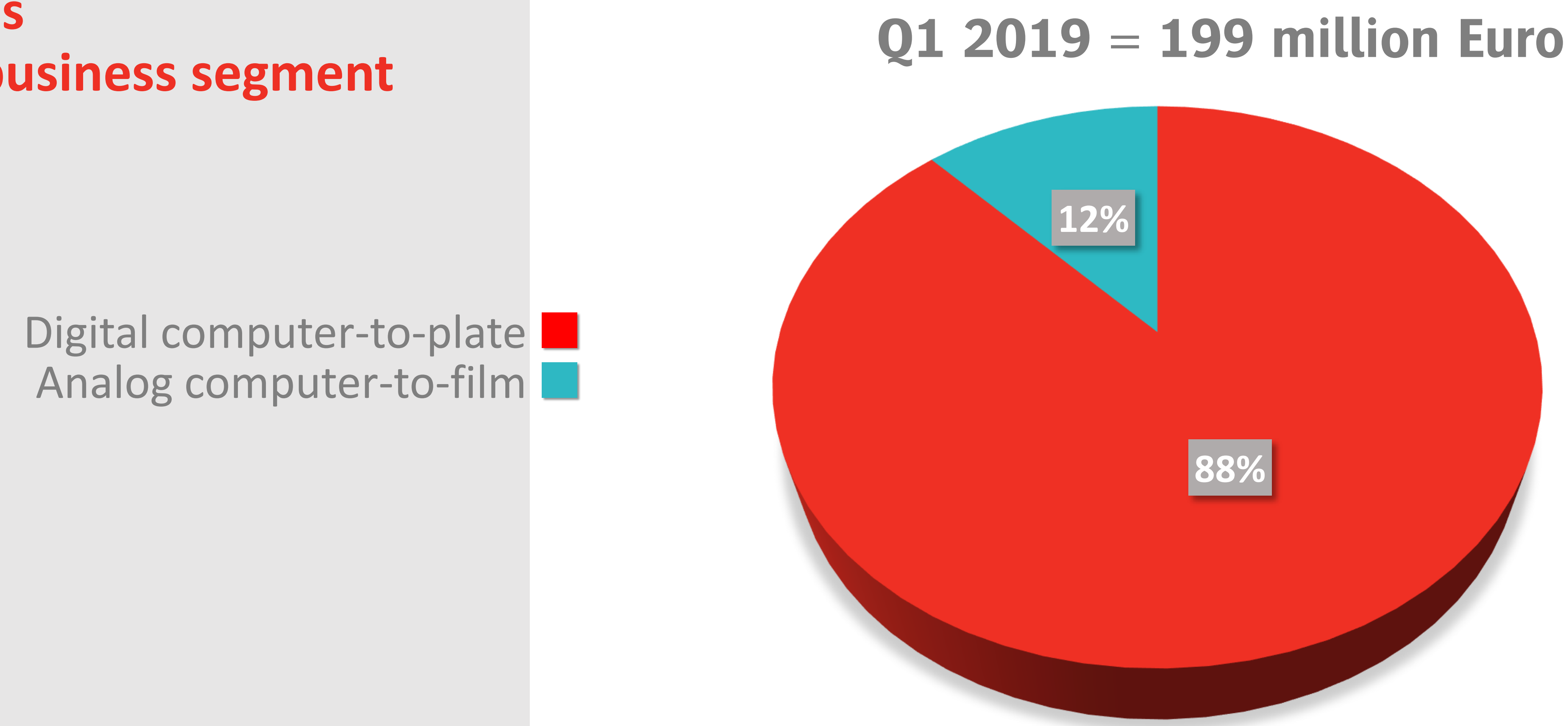
Offset Solutions

Offset Solutions

Sales
by business segment



Offset Solutions

Key figures

Profit & Loss

in million Euro	Q1 ’19 (excl. IFRS 16)	Q1 ’18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Sales	**199**	215	-7.4% (-9.6%)
Gross Profit* as a % of sales	**48** **24.1%**	59 27.4%	-18.4%
SG&A* as a % of sales	**-43** **21.6%**	-44 20.5%	-2,4%
R&D*	**-7**	-8	-10.6%
Other operating items*	**-2**	-1	
Adjusted EBITDA as a % of sales	**1.2**** **0.6%**	11.9 5.5%	-89.8%
Adjusted EBIT* as a % of sales	**-3.7**** **-1.9%**	6.4 3.0%	-158.3%

* Before restructuring and non-recurring items
** Q1’19 Adjusted EBITDA incl IFRS 16: 3.9 million Euro
Q1’19 Adjusted EBIT incl IFRS 16: -3.6 million Euro

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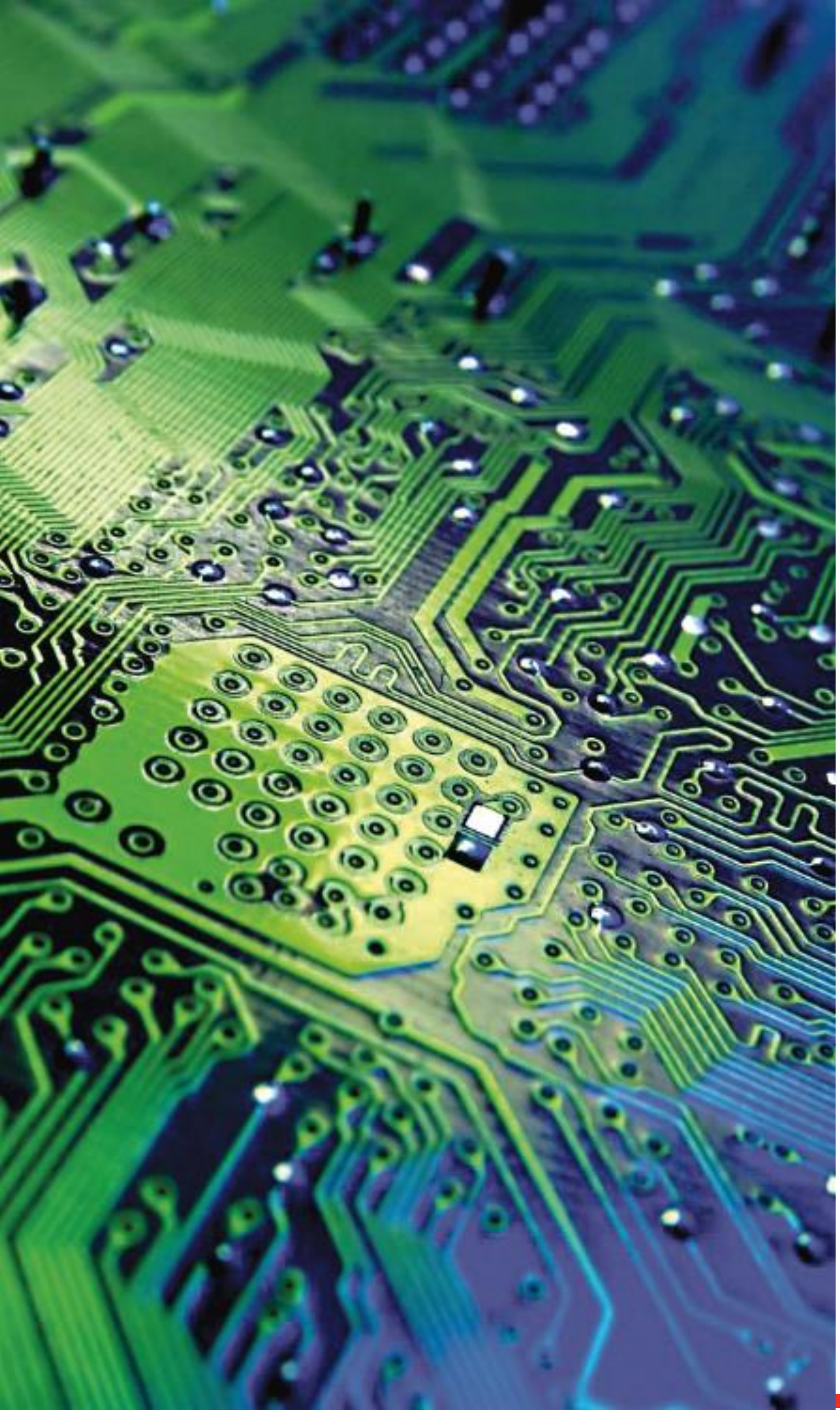
Offset Solutions

Main drivers behind key figures

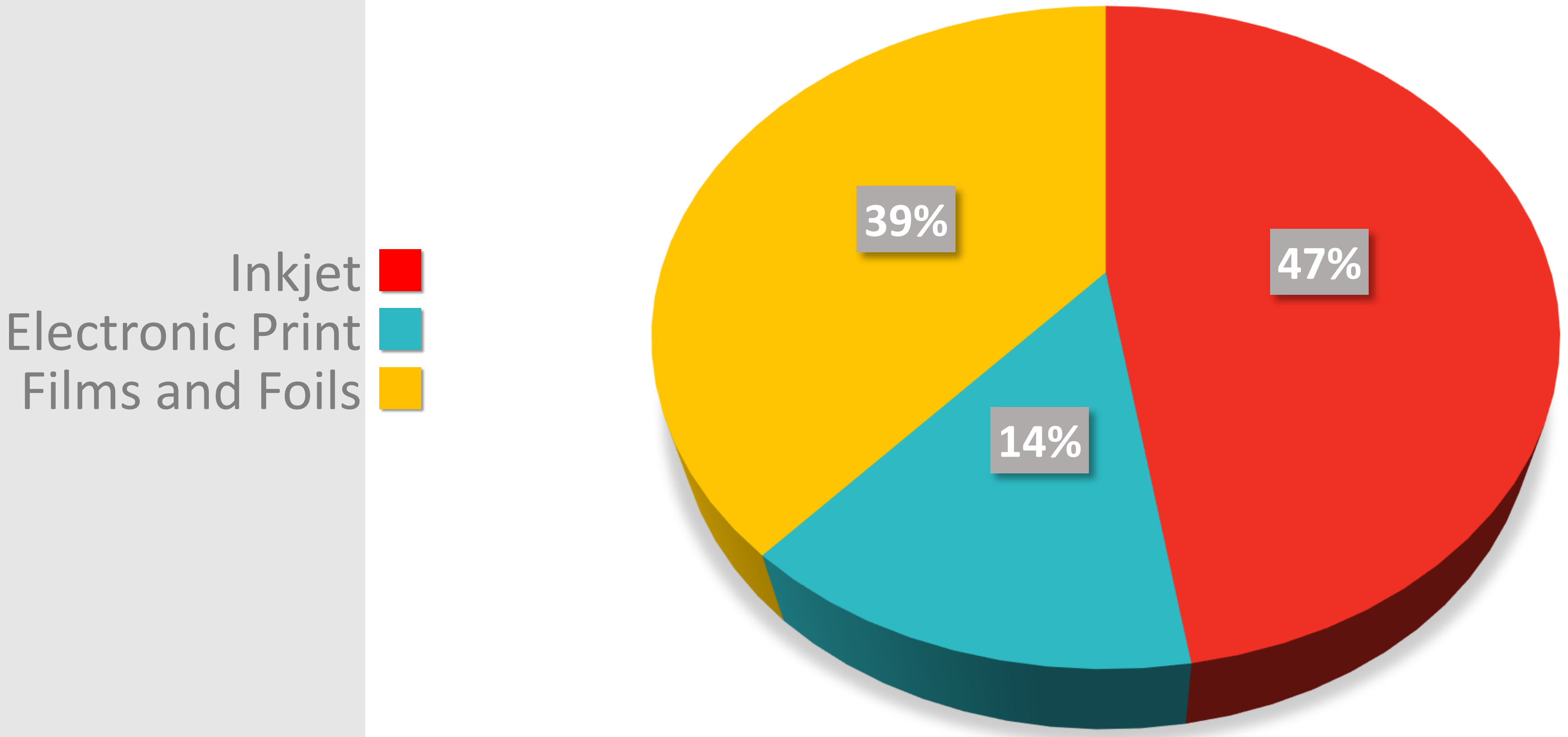
- Excluding the effects of the decision to discontinue certain offset-related reseller activities in the United States, the Offset Solutions division's top line decreased by 2.6%.
- Given the important new steps taken in the first quarter, it is expected that the positive effects of the alliance with Lucky HuaGuang Graphics will gradually become more visible in the course of the year.
- Mainly due to adverse product and regional mix effects and high aluminum costs, the Offset Solutions division's gross profit margin decreased from 27.4% of revenue in the first quarter of 2018 to 24.1%.
- Adjusted EBIT at minus 3.7 million Euro
- Business highlights
  - First ever value conference at Agfa
  - Prepress refurbishment program at Newsquest Group (UK) completed



Digital Print
&
Chemicals

Sales by business segment

Q1 2019 = 101 million Euro



Digital Print & Chemicals

Key figures
Profit & Loss

in million Euro	Q1 ’19 (excl. IFRS 16)	Q1 ’18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Sales	**101**	95	5.9% (3.2%)
Gross Profit* as a % of sales	**28** **28.2%**	26 27.0%	10.4%
SG&A* as a % of sales	**-20.1** **20.0%**	-19.8 20.8%	1.8%
R&D*	**-5**	-6	-23.1%
Other operating items*	**4**	4	
Adjusted EBITDA as a % of sales	**9.7**** **9.6%**	5.1 5.4%	89.3%
Adjusted EBIT* as a % of sales	**7.9**** **7.9%**	3.7 3.9%	113.4%

* Before restructuring and non-recurring items
** Q1’19 Adjusted EBITDA incl IFRS 16: 10.8 million Euro
Q1’19 Adjusted EBIT incl IFRS 16: 8.0 million Euro

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Digital Print & Chemicals

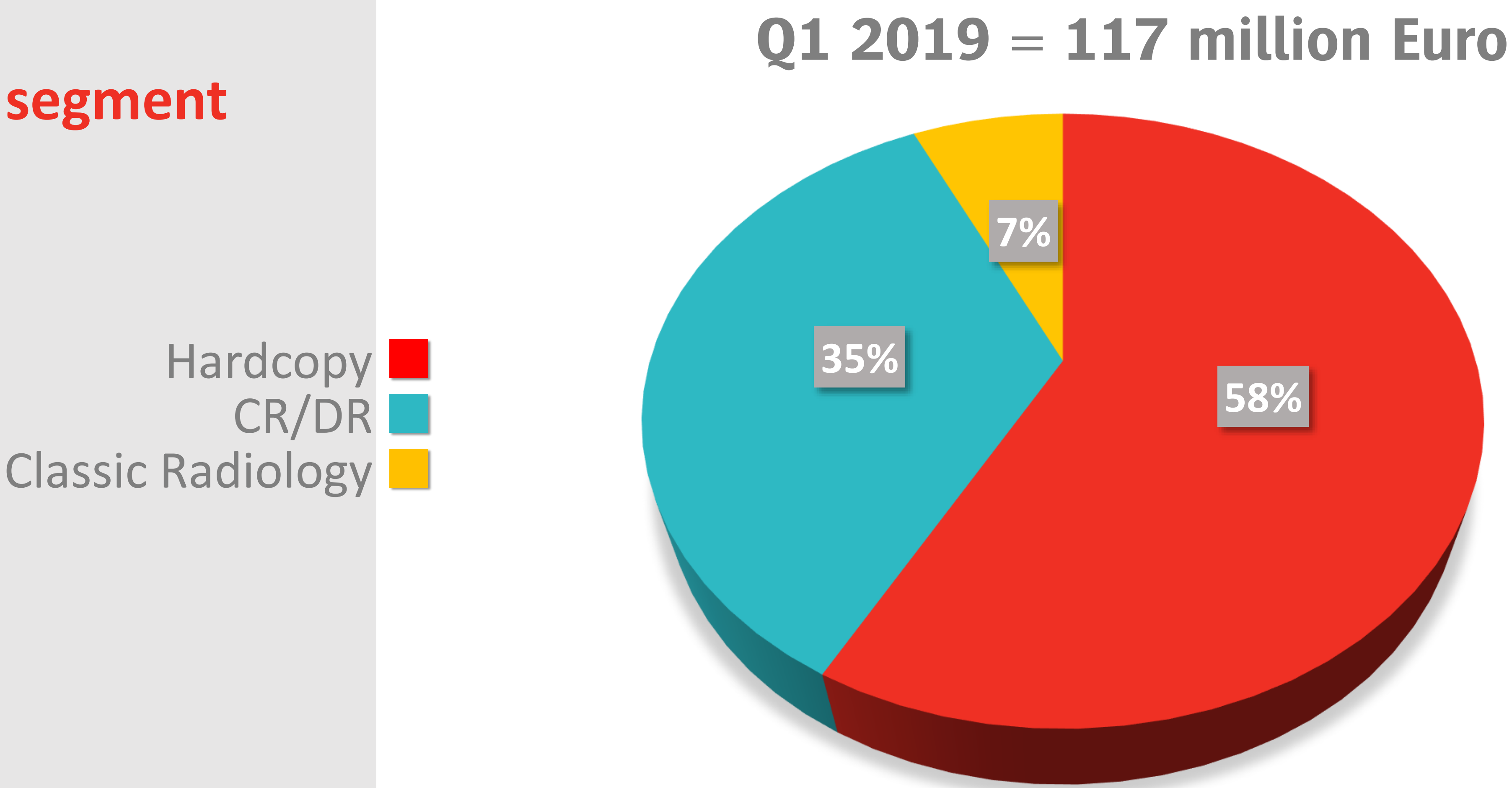
Main drivers behind key figures

- The division's inkjet business posted solid volume growth, with a good performance of the high-end Jeti wide format printer range and continuous strong volume growth for the ink range.
- In the Industrial Films and Foils segment, the Synaps Synthetic Paper range and the Security range performed well. The Electronic Print segment's Orgacon Electronic Materials range also reported good sales figures.
- Adjusted EBIT amounted to 7.9 million Euro
- Business highlights
  - Continued success for flagship Jeti Tauro H3300 printer
  - Agreement with Fujitex for distribution of SYNAPS synthetic paper in Japan

Radiology Solutions

Radiology Solutions

Sales
by business segment



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Radiology Solutions

Key figures

Profit & Loss

in million Euro	Q1 '19 (excl. IFRS 16)	Q1 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Sales	**117**	116	0.1% (1.6%)
Gross Profit* as a % of sales	**43** **36.5%**	40 34.3%	6.4%
SG&A* as a % of sales	**-27** **23.2%**	-25 21.7%	7.1%
R&D*	**-5**	-5	9.5%
Other operating items*	**1**	0	
Adjusted EBITDA as a % of sales	**15.0**** **12.9%**	12.6 10.8%	18.9%
Adjusted EBIT* as a % of sales	**11.4**** **9.8%**	9.7 8.4%	17.0%

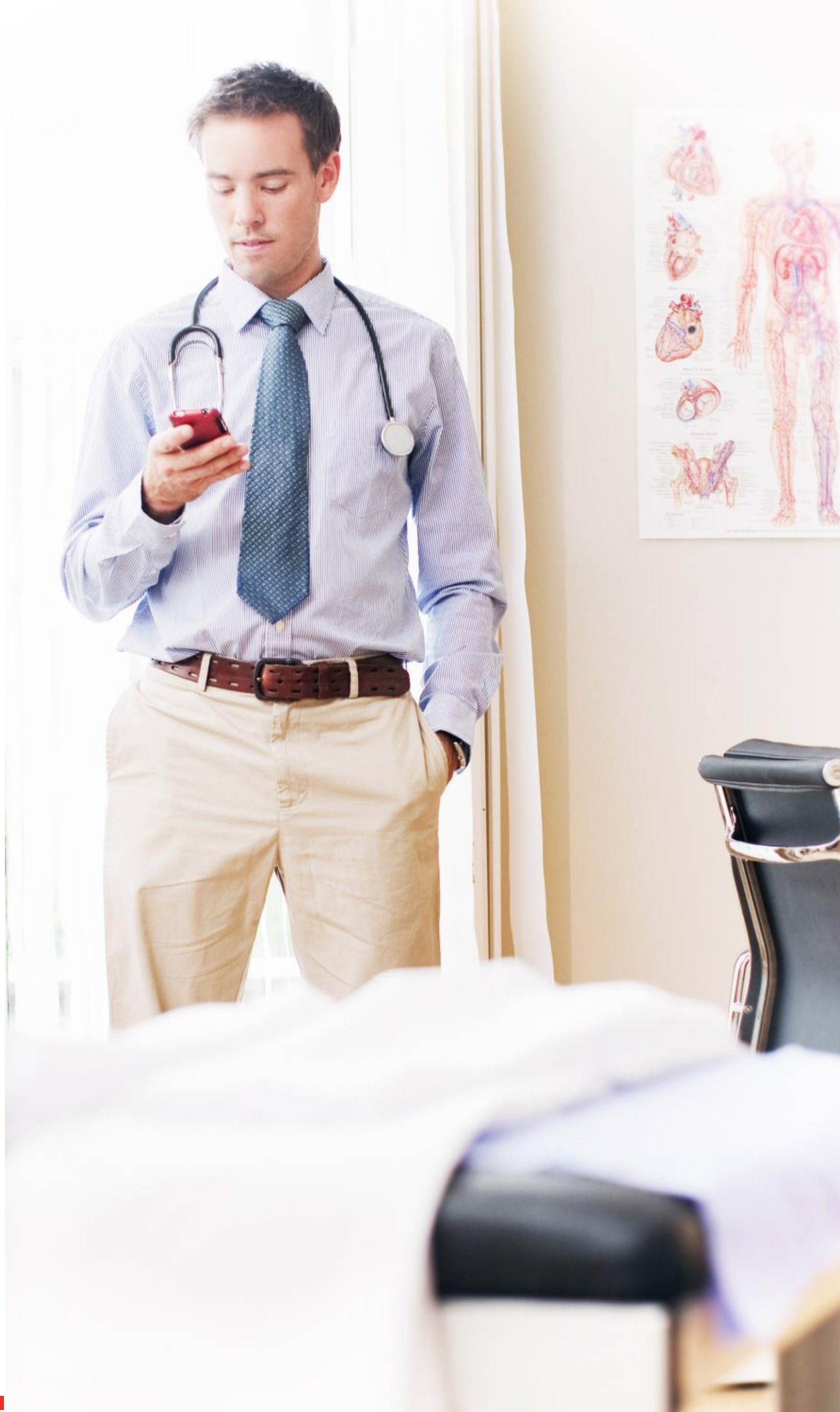
* Before restructuring and non-recurring items
** Q1'19 Adjusted EBITDA incl IFRS 16: 17.1 million Euro
Q1'19 Adjusted EBIT incl IFRS 16: 11.5 million Euro

Radiology Solutions

Main drivers behind key figures

- The Radiology Solutions division's revenue remained stable versus the first quarter of 2018. The hardcopy business reported strong revenue growth, based on the positive effects of the reorganization of the distribution channels in China.
- Mainly due to positive product/mix effects and improved manufacturing efficiency, the division's gross profit margin improved from 34.3% of revenue in the first quarter of 2018 to 36.5%.
- Adjusted EBIT reached 11.4 million Euro
- Business highlights
  - Frost & Sullivan 2019 Global New Product Innovation Award for DR 800
  - Important DR contracts in the UK, the US, Poland,…

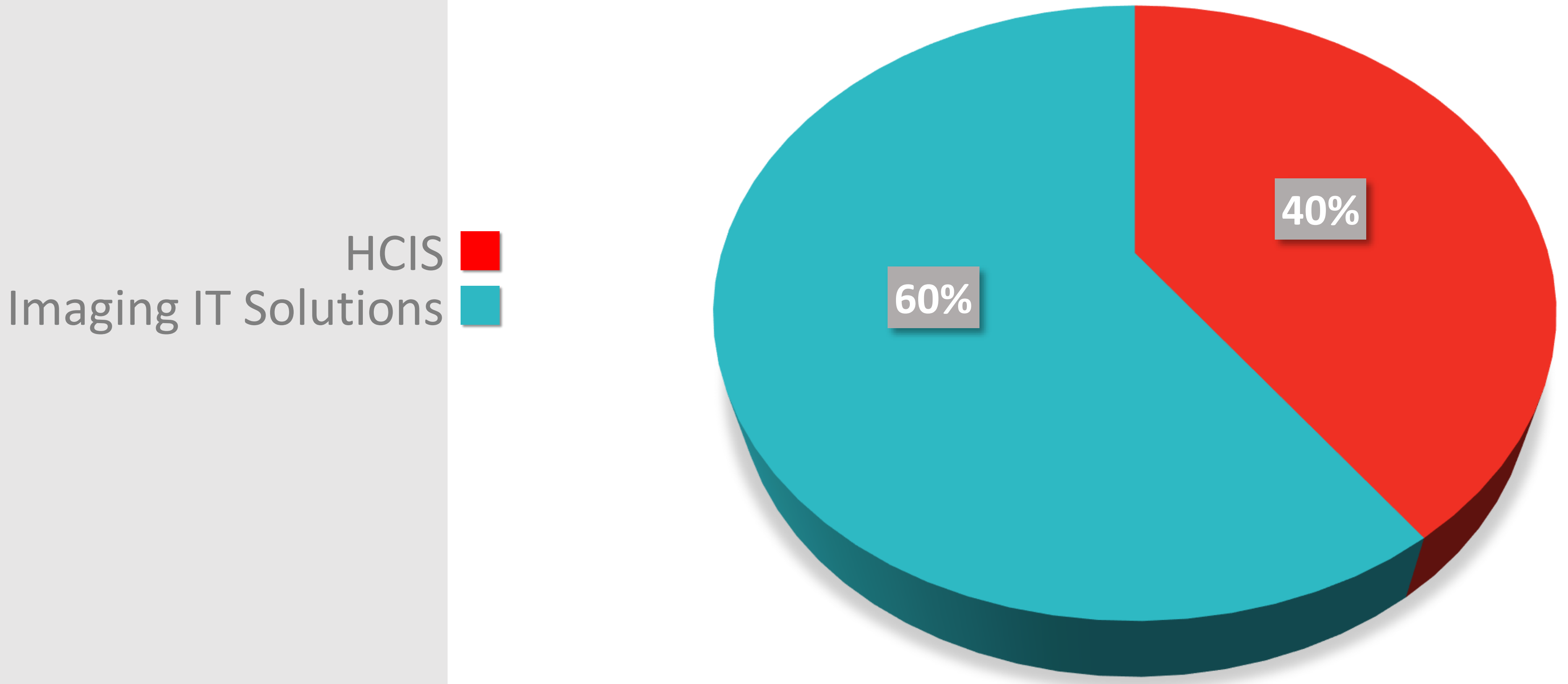
HealthCare IT



HealthCare IT

Sales by business segment

Q1 2019 = 122 million Euro



HealthCare IT

Key figures

Profit & Loss

in million Euro	Q1 '19 (excl. IFRS 16)	Q1 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Sales	**122**	123	-0.4% (-2.2%)
Gross Profit* as a % of sales	**55** **45.4%**	53 43.6%	3.7%
SG&A* as a % of sales	**-28** **23.0%**	-28 23.0%	-0.4%
R&D*	**-19**	-19	0.6%
Other operating items*	**0**	1	
Adjusted EBITDA as a % of sales	**11.9**** **9.7%**	11.4 9.3%	3.9%
Adjusted EBIT* as a % of sales	**8.6**** **7.0%**	7.9 6.4%	8.8%

* Before restructuring and non-recurring items
** Q1'19 Adjusted EBITDA incl IFRS 16: 15.6 million Euro
Q1'19 Adjusted EBIT incl IFRS 16: 8.8 million Euro

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HealthCare IT

Main drivers behind key figures

- The division’s revenue remained stable compared to the first quarter of 2018.
- The HealthCare Information Solutions business recorded revenue growth, confirming its leading position in the German speaking countries of Europe and France.
- The Imaging IT Solutions business performed according to expectations.
- The gross profit margin evolved from 43.6% of revenue in the first quarter of 2018 to 45.4%. Significant service efficiency improvements and the decision to withdraw its Imaging IT Solutions from certain less sustainable markets had a positive effect on profitability.
- Adjusted EBIT at 8.6 million Euro
- Business highlights
  - Multi-year Imaging IT collaboration with Noordwest Ziekenhuisgroep (NL)
  - Contracts related to German Telematikinfrastruktur project

Questions

&

Answers