

Q2 2019 Results

Agfa-Gevaert Group



August 28, 2019



Transformation process

Milestones

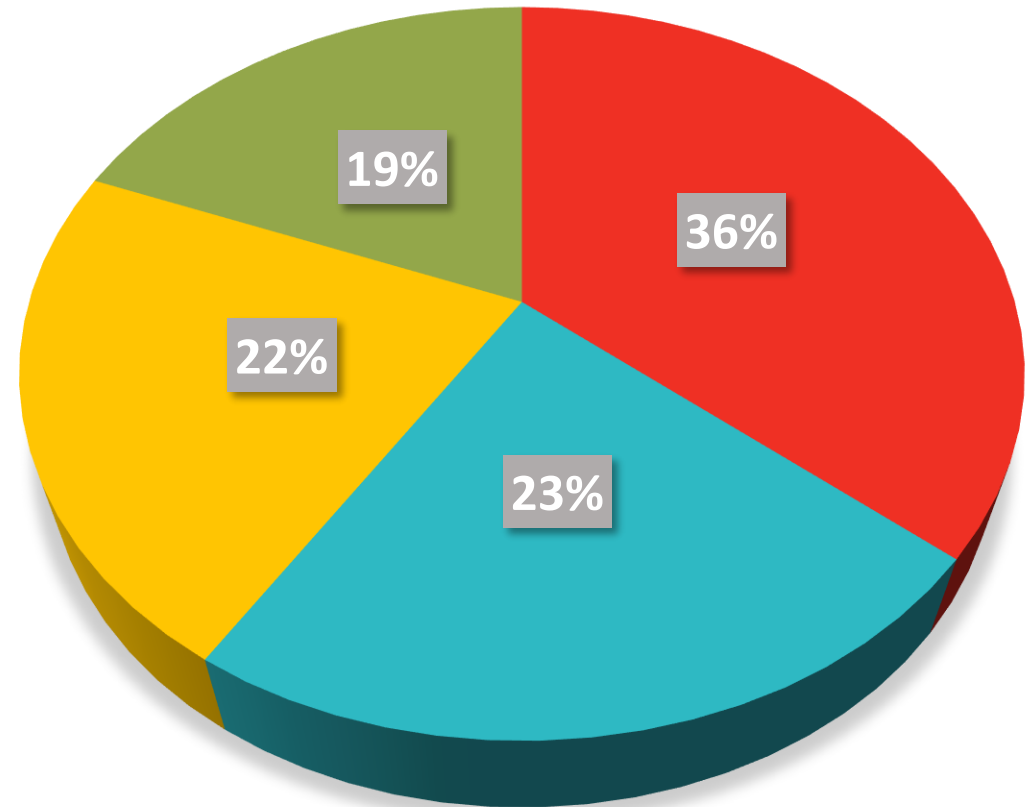
- Alliance Lucky HuaGuang Graphics: expansion of common sales platform.
- Process to sell part of Agfa HealthCare to be launched in the course of autumn. As announced in May, the part that is to be sold mainly comprises the Hospital IT and Integrated Care businesses, as well as the Imaging IT business to the extent that this business is tightly integrated into our Hospital IT business. This is the case mainly in the DACH region, France and Brazil.
- Further steps in our strategy to terminate our reseller activities in the printing industry in the United States: after having discontinued certain offset-related reseller activities of the Offset Solutions division, we have taken similar steps for our reseller activities related to inkjet media.
- Further execution of the pension derisking program.

Agfa-Gevaert Group

Sales by division

Offset Solutions ■
Radiology Solutions ■
HealthCare IT ■
Digital Print and Chemicals ■

1H 2019 = 1,115 million Euro



Agfa-Gevaert Group

Key figures Profit & Loss

	Q2 '19 (excl. IFRS 16)	Q2 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)	HY '19 (excl. IFRS 16)	HY '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
in million Euro						
Sales	576	559	3.0% (1.6%)	1115	1108	0.6% (-0.8%)
Gross Profit*	196	180	8.9%	370	358	3.5%
as a % of sales	34.0%	32.2%		33.2%	32.3%	
SG&A*	-119	-119	0.0%	241	239	0.7%
as a % of sales	20.6%	21.2%		21.6%	21.6%	
R&D*	-35	-35	-0.2%	-72	-73	-1.0%
Other operating items*	0	10		3	14	
Adjusted EBITDA*	56**	49	14.3%	89	86	3.1%
as a % of sales	9.6%	8.7%		7.9%	7.8%	
Adjusted EBIT*	42**	35	17.1%	61	60	2.2%
as a % of sales	7.2%	6.3%		5.5%	5.4%	

* Before restructuring and non-recurring items

** Q2'19 Adjusted EBITDA incl IFRS 16: 66 million Euro
Q2'19 Adjusted EBIT incl IFRS 16: 42 million Euro

Agfa-Gevaert Group

Key figures Profit & Loss

in million Euro	Q2 '19 (excl. IFRS 16)	Q2 '18 (excl. IFRS 16, restated)	Δ%	HY '19 (excl. IFRS 16)	HY '18 (excl. IFRS 16, restated)	Δ%
Adjusted EBIT* as a % of sales	42	35	17.1%	61	60	2.2%
Restructuring/non-recurring	-11	-9		-15	-13	
Operating result	31	27	15.4%	46	46	-1.3%
Non-operating result	-9	-11		-20	-20	
Profit before taxes	22	15		26	26	
Taxes	-6	-10		-14	-13	
Net result	15	5		12	13	

* Before restructuring and non-recurring items

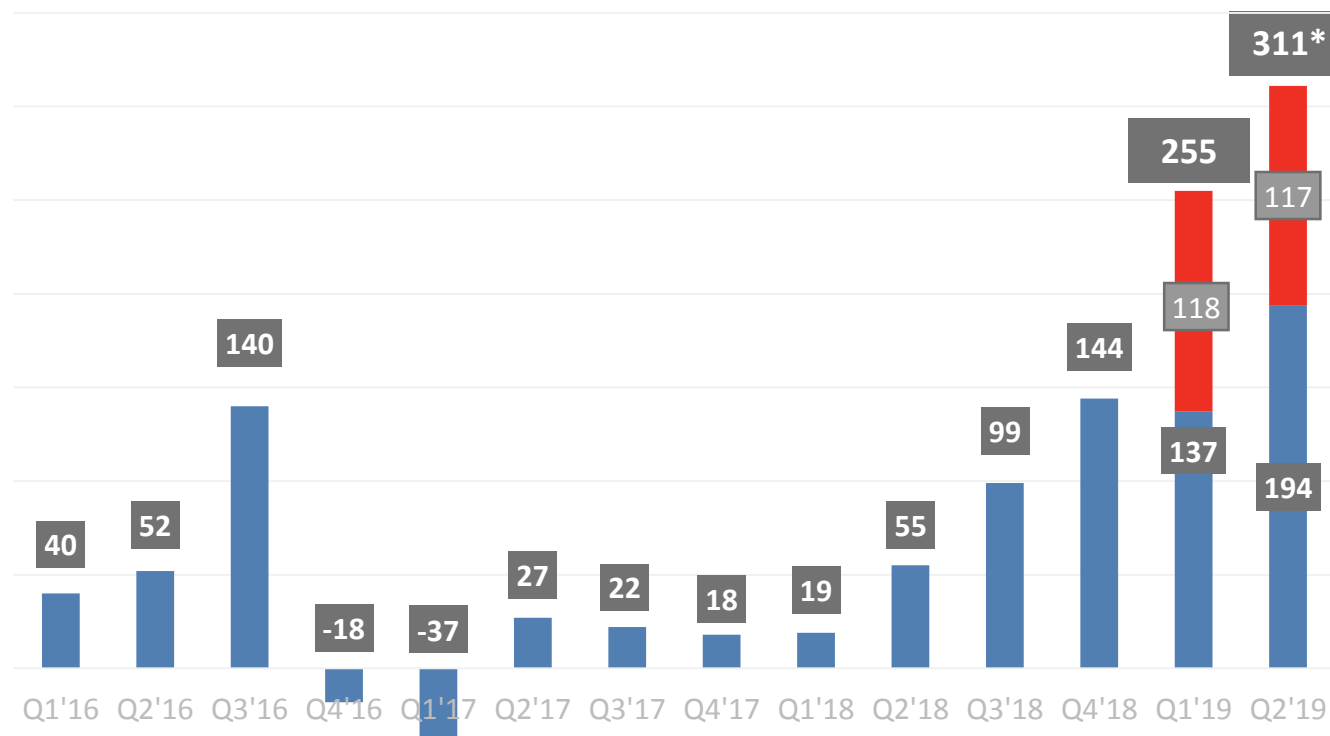
** Q2'19 Adjusted EBIT incl IFRS 16: 42 million Euro

Main drivers behind key figures

- Continuing the positive evolution of the first three months of the year, the Agfa-Gevaert Group's top line grew by 3.0% (1.6% excluding currency effects) in the second quarter of 2019. All major growth engines - including the inkjet product range, the direct radiography business and the activities of the HealthCare IT division - contributed to the strong top line performance. Furthermore, the Radiology division's hardcopy range clearly benefited from the reorganization of the Chinese distribution channels.
- In spite of the negative impact of high aluminum costs, the Group's gross profit margin increased from 32.2% of revenue in the second quarter of 2018 to 34.0%.
- Adjusted EBIT at 42 million Euro
- Net result at 15 million Euro

Agfa-Gevaert Group

Net financial debt in million Euro



* IFRS 16 impact of 117 million Euro

Agfa-Gevaert Group

Working capital

in million Euro

in million Euro	Q2 2018	Q4 2018	Q2 2019
Inventories	516	498	529
DIOH (in days)	118	117	125
Trade Receivables, Contract Assets, Contract liabilities	351	374	343
DSO (in days)	56	56	54
Trade Payables	(226)	(219)	(216)
DPO (in days)	52	52	51
Trade Working Capital	641	653	656
as a % of sales	27%	29%	29%

Corporate Services

Key figures Profit & Loss

in million Euro	Q2 '19 (excl. IFRS 16)	Q2 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)	HY '19 (excl. IFRS 16)	HY '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Adjusted EBITDA*	-3.6**	-3.6	1.7%	-8.4	-7.2	16.2%
Adjusted EBIT*	-3.6**	-3.6	2.4%	-8.5	-7.2	17.6%

- 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
 ** Q2'19 Adjusted EBITDA incl IFRS 16: -3.6 million Euro
 Q2'19 Adjusted EBIT incl IFRS 16: -3.6 million Euro



Offset Solutions

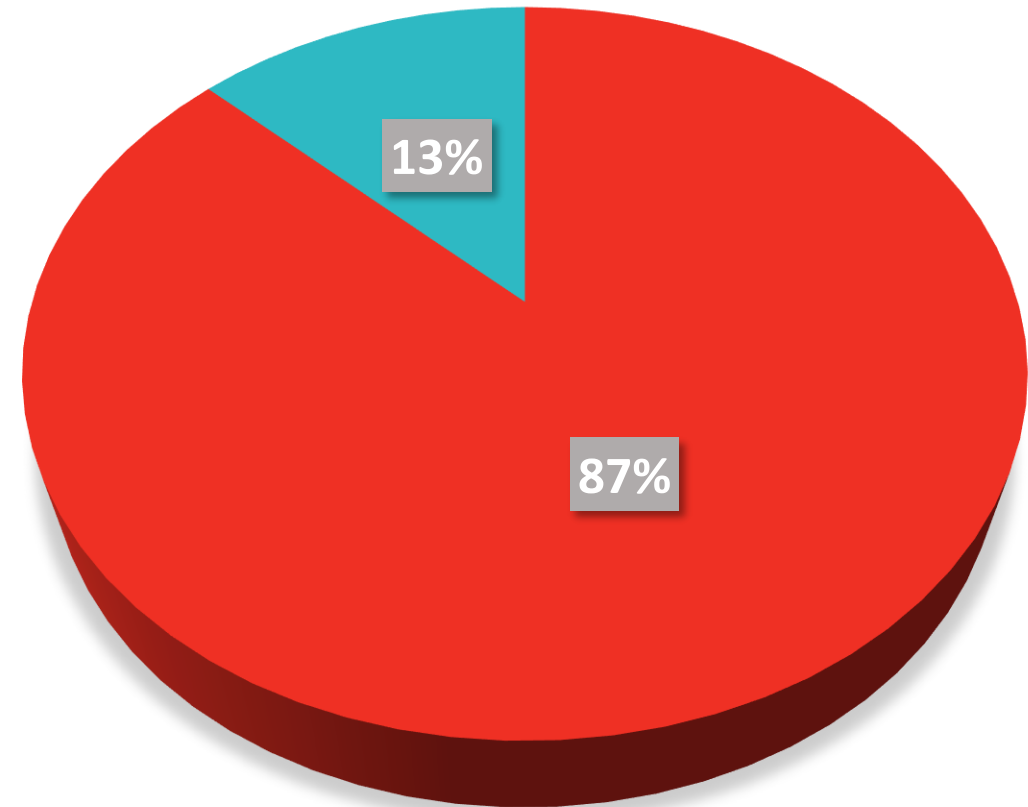


Offset Solutions

Sales by business segment

Digital computer-to-plate ■
Analog computer-to-film ■

1H 2019 = 406 million Euro



Offset Solutions

Key figures Profit & Loss

	Q2 '19 (excl. IFRS 16)	Q2 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)	HY '19 (excl. IFRS 16)	HY '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
in million Euro						
Sales	207	212	-2.6% (-4.0%)	406	427	-5.0% (-6.8%)
Gross Profit*	53	57	-7.9%	101	116	-13.3%
as a % of sales	25.4%	26.9%		24.8%	27.1%	
SG&A*	-41	-43	-4.7%	-84	-87	-3.6%
as a % of sales	19.7%	20.1%		20.6%	20.3%	
R&D*	-7	-7	-8.0%	-14	-15	-9.3%
Other operating items*	-1	1		-3	0	
Adjusted EBITDA*	8.4**	13.1	-36.0%	9.6	24.9	-61.6%
as a % of sales	4.0%	6.2%		2.4%	5.8%	
Adjusted EBIT*	3.8**	7.7	-50.1%	0.0	14.1	-99.4%
as a % of sales	1.8%	3.6%		0.0%	3.3%	

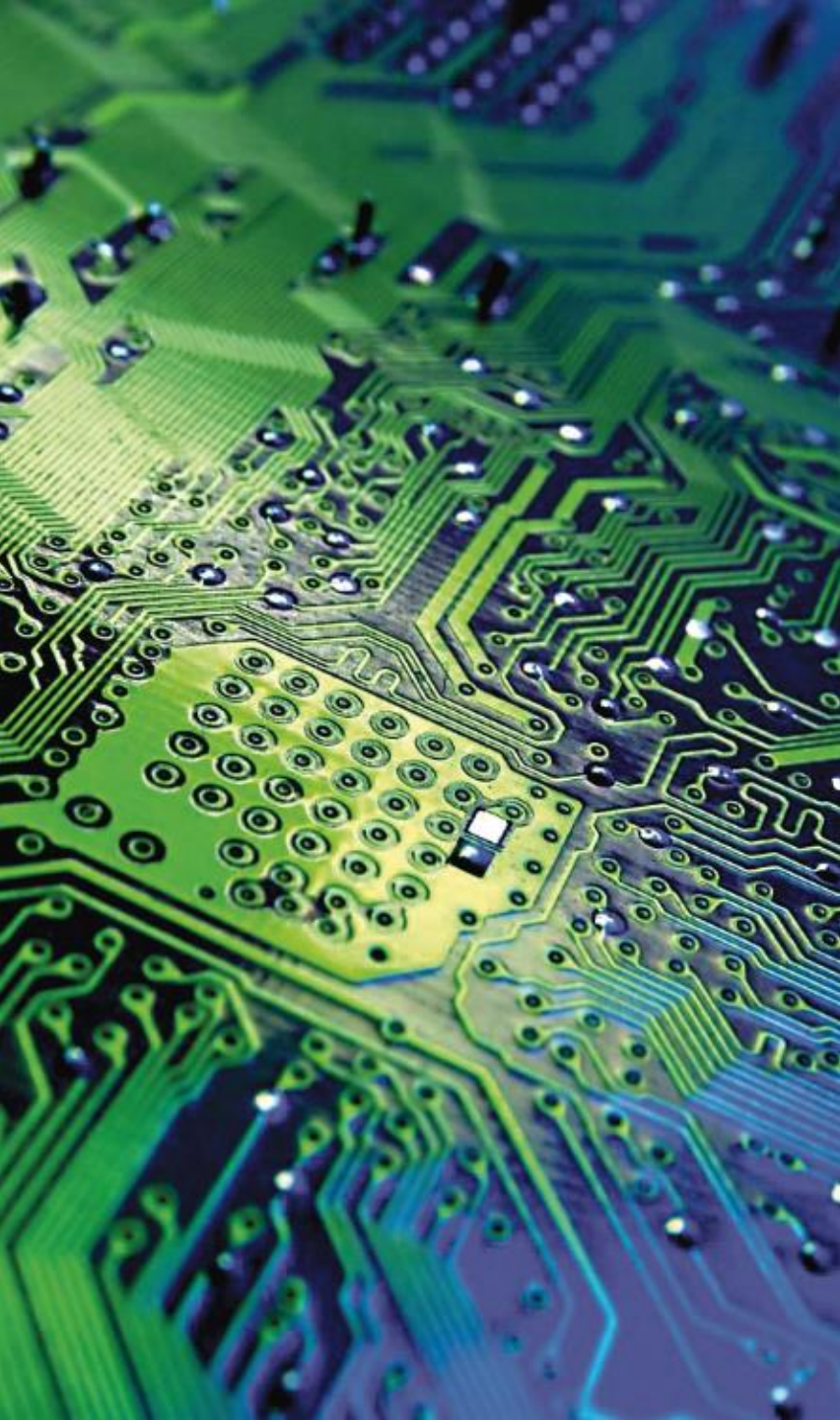
* Before restructuring and non-recurring items

** Q2'19 Adjusted EBITDA incl IFRS 16: 11.3 million Euro
Q2'19 Adjusted EBIT incl IFRS 16: 3.8 million Euro

Offset Solutions

Main drivers behind key figures

- The Offset Solutions division was able to limit the decline of its top line to 2.6%, showing a clearly positive evolution compared to the first three months of the year. The offset industry continues to be challenging. The strong market-driven decline for analog computer-to-film products, the pressure on volume for the digital computer-to-plate product offerings and regional mix effects continued to weigh on the Offset Solutions division's top line. On the other hand, the division started to benefit from the alliance with Lucky HuaGuang Graphics and acquisition of the prepress business of Ipagsa.
- Mainly due to adverse product and regional mix effects and high aluminum costs, the Offset Solutions division's gross profit margin decreased from 26.9% of revenue in the second quarter of 2018 to 25.4%.
- Adjusted EBIT at 3.8 million Euro



Digital Print & Chemicals

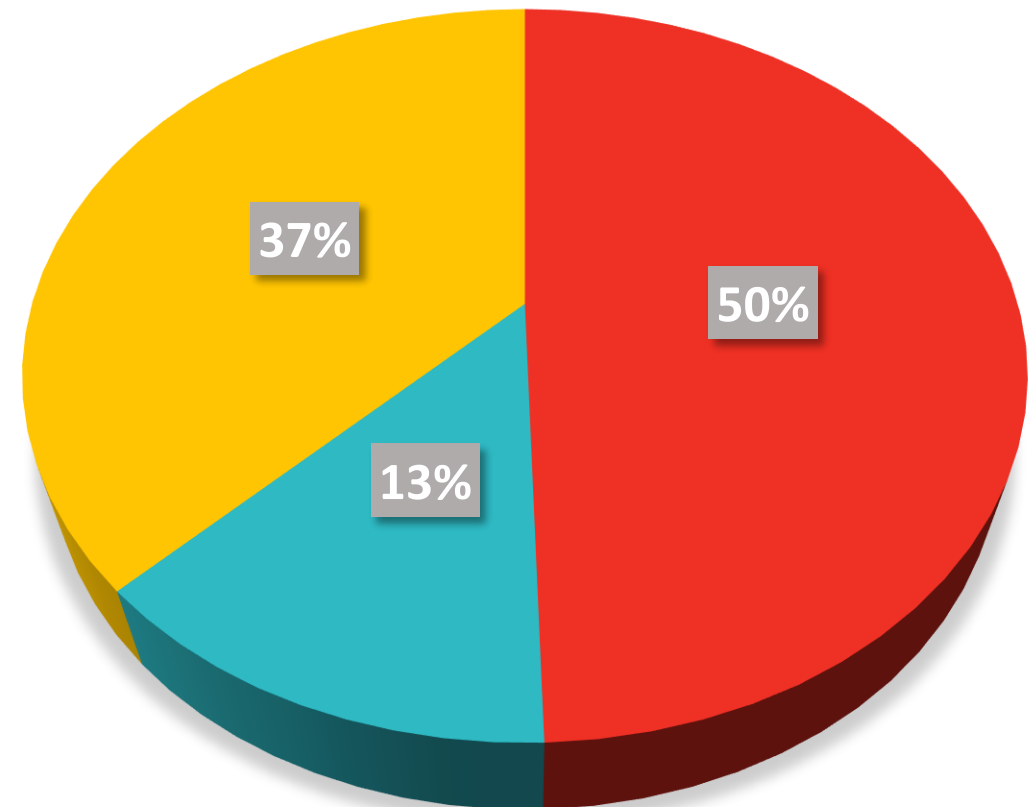


Digital Print & Chemicals

Sales by business segment

Inkjet ■
Electronic Print ■
Films and Foils ■

1H 2019 = 208 million Euro



Digital Print & Chemicals

Key figures Profit & Loss

in million Euro	Q2 '19 (excl. IFRS 16)	Q2 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)	HY '19 (excl. IFRS 16)	HY '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Sales	108	99	9.2% (7.2%)	208	194	7.6% (5.3%)
Gross Profit*	33	26	25.1%	61	52	17.8%
as a % of sales	30.5%	26.6%		29.4%	26.8%	
SG&A*	-21	-21	1.3%	-41	-40	1.5%
as a % of sales	19.3%	20.8%		19.6%	20.8%	
R&D*	-5	-6	-13.9%	-10	-12	-18.7%
Other operating items*	2	7		7	11	
Adjusted EBITDA*	11.2**	8.7	28.5%	20.9	13.9	51.0%
as a % of sales	10.4%	8.8%		10.0%	7.2%	
Adjusted EBIT*	9.5**	7.2	30.8%	17.4	11.0	58.8%
as a % of sales	8.8%	7.3%		8.4%	5.7%	

* Before restructuring and non-recurring items

** Q2'19 Adjusted EBITDA incl IFRS 16: 12.4 million Euro
Q2'19 Adjusted EBIT incl IFRS 16: 9.5 million Euro

Digital Print & Chemicals

Main drivers behind key figures

- Based on the good performances of several growth engines, the Digital Print & Chemicals division's top line grew strongly. The division's inkjet business posted solid double-digit revenue growth, driven by the 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 9.5 million Euro



Radiology Solutions

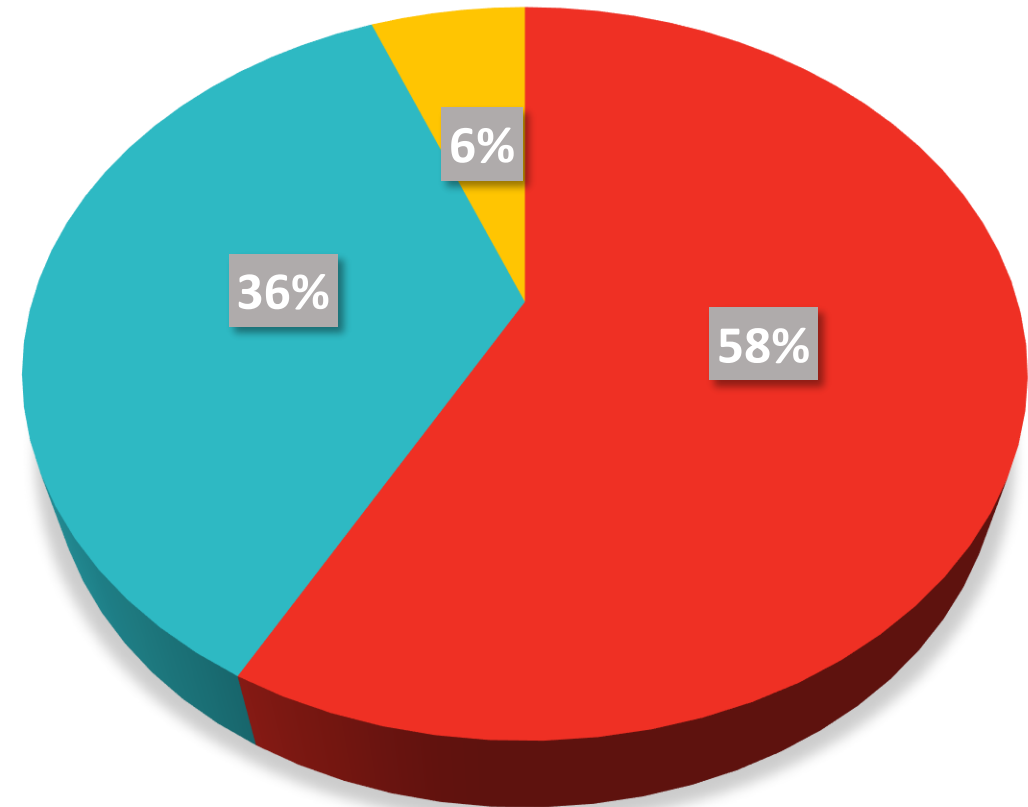


Radiology Solutions

Sales by business segment

Hardcopy ■
CR/DR ■
Classic Radiology ■

1H 2019 = 251 million Euro



Radiology Solutions

Key figures Profit & Loss

in million Euro	Q2 '19 (excl. IFRS 16)	Q2 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)	HY '19 (excl. IFRS 16)	HY '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Sales	135	130	3.8% (2.9%)	251	246	2.1% (2.3%)
Gross Profit*	51	45	13.8%	94	85	10.4%
as a % of sales	38.2%	34.8%		37.4%	34.6%	
SG&A*	-27	-25	4.8%	-54	-51	5.9%
as a % of sales	19.7%	19.6%		21.4%	20.6%	
R&D*	-5	-4	11.9%	-10	-9	10.6%
Other operating items*	-2	1		-1	1	
Adjusted EBITDA*	22.2**	20.1	10.1%	37.2	32.8	13.5%
as a % of sales	16.5%	15.5%		14.8%	13.3%	
Adjusted EBIT*	17.7**	17.0	3.7%	29.1	26.8	8.6%
as a % of sales	13.1%	13.1%		11.6%	10.9%	

* Before restructuring and non-recurring items

** Q2'19 Adjusted EBITDA incl IFRS 16: 24.2 million Euro
Q2'19 Adjusted EBIT incl IFRS 16: 17.7 million Euro

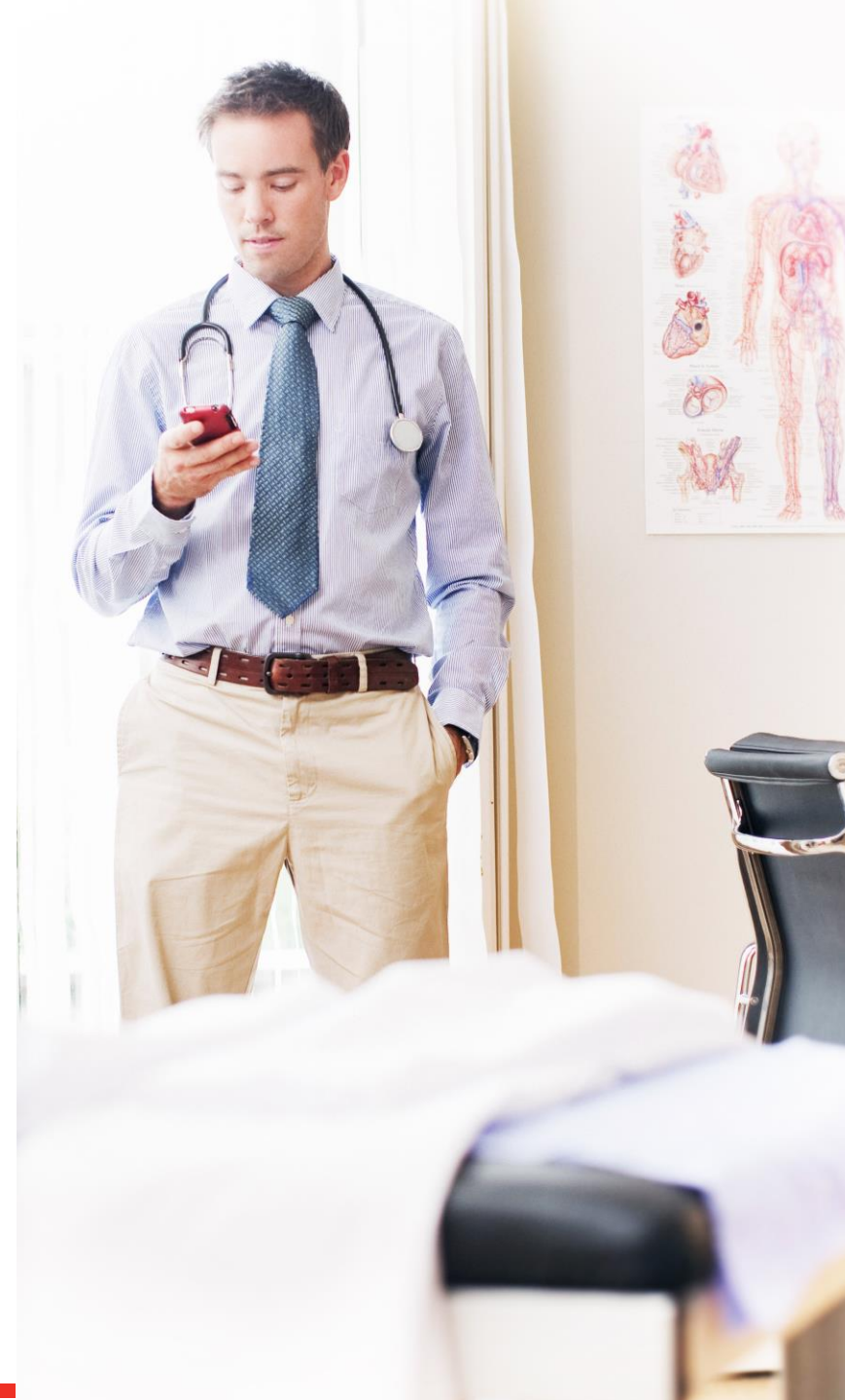
Radiology Solutions

Main drivers behind key figures

- The Radiology Solutions division's revenue increased by 3.8% compared to the second quarter of 2018. Firstly, the hardcopy business reported substantial revenue growth based on the positive effects of the reorganization of the distribution channels in China. Secondly, the top line of the innovative Direct Radiography solutions range grew strongly, partly due to increased service revenues.
- Mainly due to positive product/mix effects and improved manufacturing efficiency, the division's gross profit margin improved strongly from 34.8% of revenue in the second quarter of 2018 to 38.2%.
- Adjusted EBIT reached 17.7 million Euro



HealthCare IT

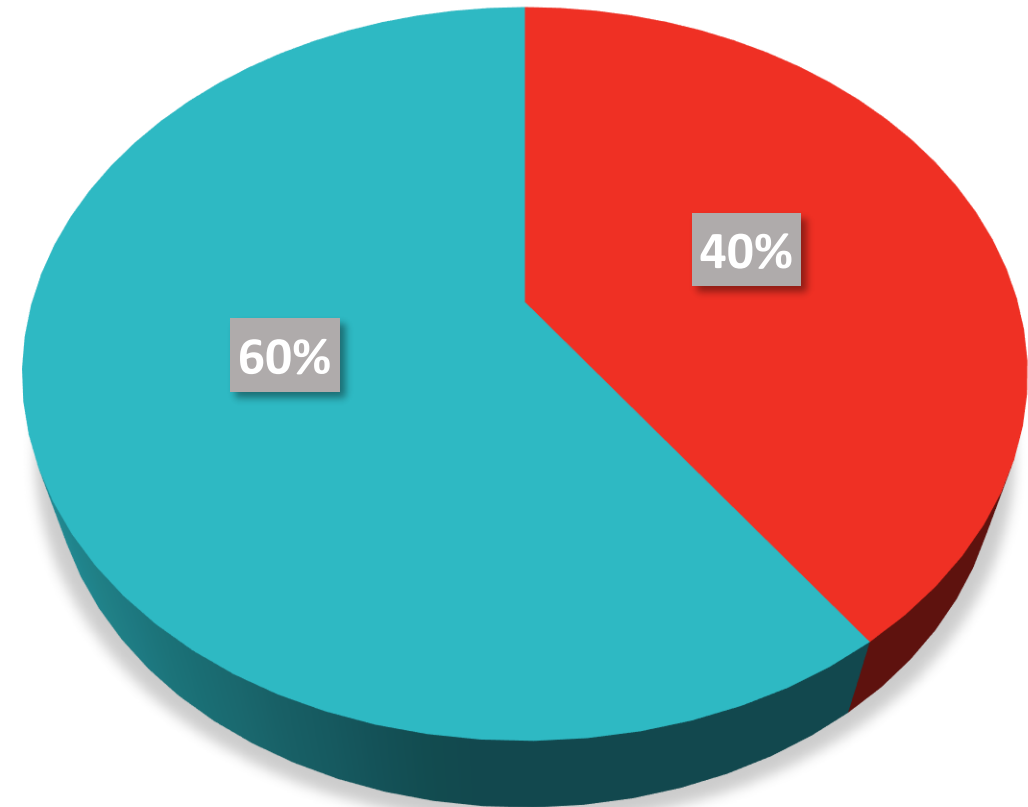


HealthCare IT

Sales by business segment

HCIS 
Imaging IT Solutions 

1H 2019 = 249 million Euro



HealthCare IT

Key figures Profit & Loss

in million Euro	Q2 '19 (excl. IFRS 16)	Q2 '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)	HY '19 (excl. IFRS 16)	HY '18 (excl. IFRS 16, restated)	Δ% (excl.curr.)
Sales	127	119	7.2% (5.6%)	249	241	3.3% (1.6%)
Gross Profit*	59	51	15.0%	115	105	9.3%
as a % of sales	46.5%	43.3%		46.0%	43.5%	
SG&A*	-28	-27	1.4%	-56	-56	0.5%
as a % of sales	21.8%	23.0%		22.4%	23.0%	
R&D*	-18	-18	1.2%	-37	-37	0.9%
Other operating items*	1	1		1	2	
Adjusted EBITDA*	17.5**	10.3	69.7%	29.3	21.7	35.1%
as a % of sales	13.8%	8.7%		11.8%	9.0%	
Adjusted EBIT*	14.2**	7.1	99.7%	22.8	15.0	51.9%
as a % of sales	11.2%	6.0%		9.2%	6.2%	

* Before restructuring and non-recurring items

** Q2'19 Adjusted EBITDA incl IFRS 16: 21.6 million Euro
Q2'19 Adjusted EBIT incl IFRS 16: 14.6 million Euro

HealthCare IT

Main drivers behind key figures

- Both the Imaging IT Solutions business and the HealthCare Information Solutions business contributed to the HealthCare IT division's substantial top line growth. The HealthCare Information Solutions business recorded close to double-digit revenue growth, confirming its leading position in the German speaking countries of Europe and in France. The Imaging IT Solutions business performed strongly based on the adoption of the new Enterprise Imaging platform, the equivalent of the Electronic Medical Record for image information. In addition, the division continued to adapt its operations to an increasing degree of customer managed and purchased infrastructure.
- The gross profit margin improved from 43.3% of revenue in the second quarter of 2018 to 46.5%. Significant service efficiency improvements, strong software sales and the decision to withdraw the Imaging IT Solutions from certain less sustainable markets had a positive effect on profitability.
- Adjusted EBIT at 14.2 million Euro

Questions & Answers

