

Q3 2019 Results

Agfa-Gevaert Group



November 6, 2019



Transformation process

Milestones

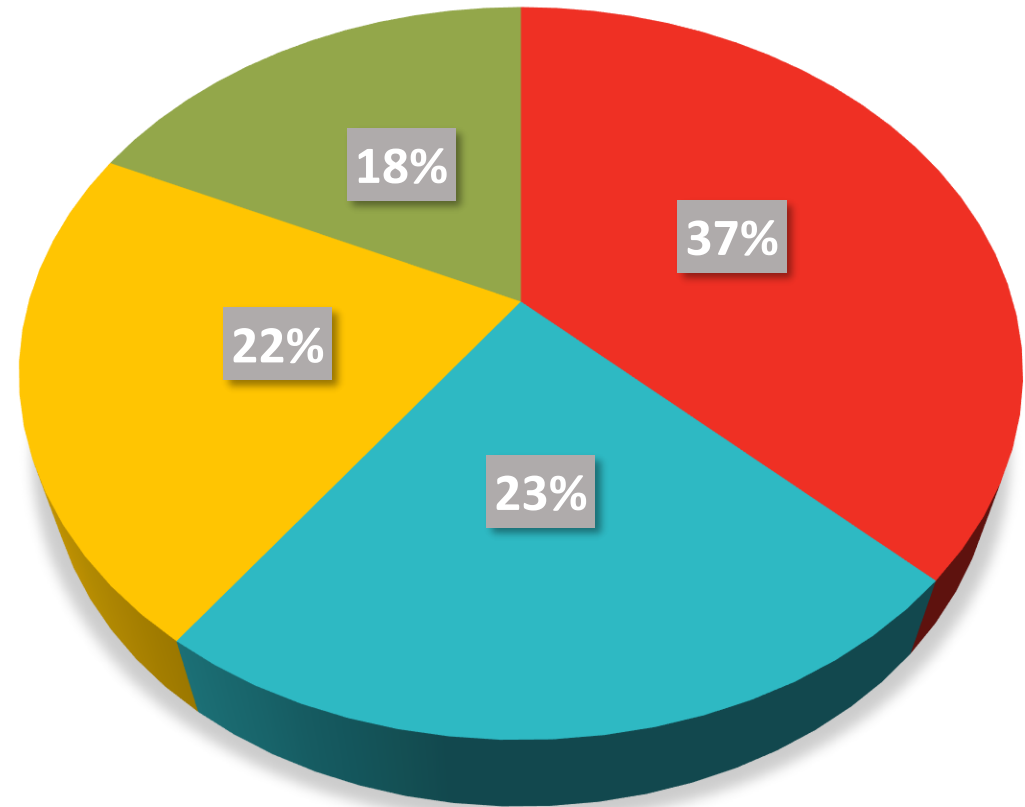
- The implementation of the offset alliance with Lucky HuaGuang Graphics is running as expected. We continued to expand the common sales platform into more regions within China.
- In the third quarter, we launched the auction process for the sale of part of the IT activities of Agfa HealthCare. It is progressing according to plan and we hope to finish this auction process by the end of the year. 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.

Agfa-Gevaert Group

Sales by division

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

9m 2019 = 1,668 million Euro



Agfa-Gevaert Group

Key figures Profit & Loss

| | Q3 '19 (excl. IFRS 16) | Q3 '18 (excl. IFRS 16, restated) | Δ% (excl.curr.) | 9m'19 (excl. IFRS 16) | 9m'18 (excl. IFRS 16, restated) | Δ% (excl.curr.) |
|------------------------|------------------------------|---|--------------------|-----------------------------|--|--------------------|
| in million Euro | | | | | | |
| Sales | 553 | 539 | 2.6% (1.1%) | 1668 | 1647 | 1.3% (-0.2%) |
| Gross Profit* | 171 | 171 | -0.1% | 542 | 529 | 2.3% |
| as a % of sales | 31.0% | 31.8% | | 32.5% | 32.1% | |
| SG&A* | -111 | -115 | -3.5% | -352 | -355 | -0.7% |
| as a % of sales | 20.1% | 21.4% | | 21.1% | 21.5% | |
| R&D* | -37 | -32 | 13.6% | -109 | -105 | 3.4% |
| Other operating items* | 0 | -2 | | 4 | 11 | |
| Adjusted EBITDA* | 38** | 35 | 9.1% | 127 | 121 | 4.8% |
| as a % of sales | 6.9% | 6.5% | | 7.6% | 7.3% | |
| Adjusted EBIT* | 24** | 21 | 11.1% | 85 | 81 | 4.6% |
| as a % of sales | 4.3% | 4.0% | | 5.1% | 4.9% | |

* Before restructuring and non-recurring items

** Q3'19 Adjusted EBITDA incl IFRS 16: 48 million Euro
Q3'19 Adjusted EBIT incl IFRS 16: 24 million Euro

Agfa-Gevaert Group

Key figures Profit & Loss

| in million Euro | Q3 '19 (excl. IFRS 16) | Q3 '18 (excl. IFRS 16, restated) | Δ% | 9m'19 (excl. IFRS 16) | 9m'18 (excl. IFRS 16, restated) | Δ% |
|-----------------------------|------------------------------|---|--------|-----------------------------|--|-------|
| Adjusted EBIT* | 24** | 21 | 11.1% | 85 | 81 | 4.6% |
| Restructuring/non-recurring | -7 | -15 | | -22 | -28 | |
| Operating result | 17 | 6 | 172.8% | 63 | 52 | 19.6% |
| Non-operating result | -11 | -11 | | -31 | -31 | |
| Profit before taxes | 7 | -5 | | 33 | 21 | |
| Taxes | -10 | 0 | | -24 | -13 | |
| Net result | -4 | -5 | | 9 | 8 | |

* Before restructuring and non-recurring items

** Q3'19 Adjusted EBIT incl IFRS 16: 24 million Euro

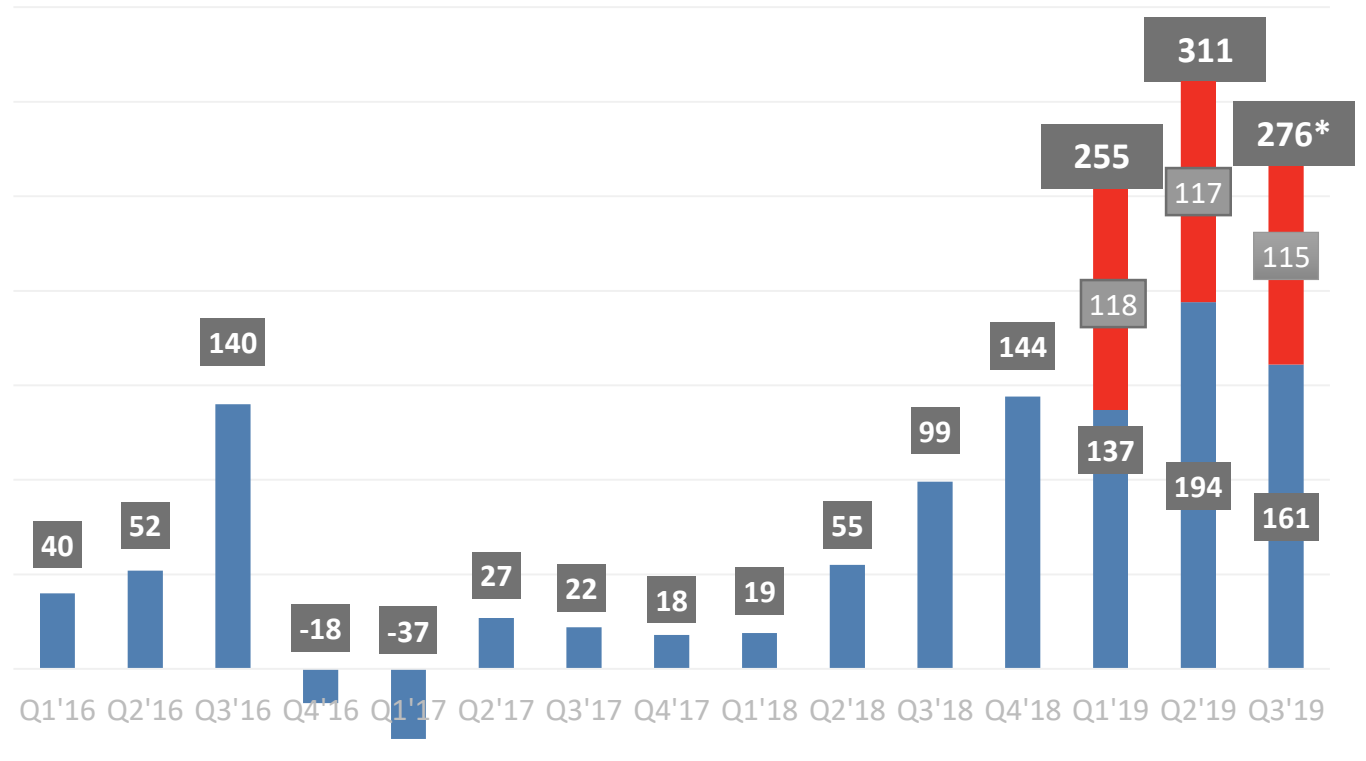
Agfa-Gevaert Group

Main drivers behind key figures

- Continuing the positive evolution of the first half of the year, the Agfa-Gevaert Group's top line grew by 2.6% (1.1% excluding exchange rate effects) in the third quarter of 2019. Most growth engines, as well as the hardcopy product line, contributed to the top line growth. The Digital Print & Chemicals division's top line was impacted by the decision to discontinue the reseller activities related to inkjet media in the USA, which was announced in August. Excluding the effect of this decision, the Group's revenue growth would amount to 5.7%.
- The Group's gross profit margin decreased from 31.8% of revenue in the third quarter of 2018 to 31.0%. The main reasons were adverse product and regional mix effects, the negative impact of high aluminum costs, as well as the dilutive effect related to the consolidation of the sales coming from the alliance with Lucky HuaGuang Graphics.
- Adjusted EBIT at 24 million Euro
- Net result at minus 4 million Euro

Agfa-Gevaert Group

Net financial debt in million Euro



* IFRS 16 impact of 115 million Euro

Agfa-Gevaert Group

Working capital

in million Euro

| in million Euro | Q4 2018 | Q3 2019 |
|---|--------------|--------------|
| Inventories | 498 | 512 |
| DIOH (in days) | 117 | 120 |
| Trade Receivables, Contract Assets, Contract liabilities | 374 | 349 |
| DSO (in days) | 56 | 57 |
| Trade Payables | (219) | (227) |
| DPO (in days) | 52 | 53 |
| Trade Working Capital | 653 | 633 |
| as a % of sales | 29% | 28% |

Corporate Services

Key figures Profit & Loss

| in million Euro | Q3 '19 (excl. IFRS 16) | Q3 '18 (excl. IFRS 16, restated) | Δ% (excl.curr.) | 9m'19 (excl. IFRS 16) | 9m'18 (excl. IFRS 16, restated) | Δ% (excl.curr.) |
|------------------|------------------------------|---|--------------------|-----------------------------|--|--------------------|
| Adjusted EBITDA* | -3.7** | -3.7 | 0.9% | -12.1 | -10.9 | 10.4% |
| Adjusted EBIT* | -3.7** | -3.7 | -0.9% | -12.9 | -10.9 | 17.8% |

- 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
 ** Q3'19 Adjusted EBITDA incl IFRS 16: -3.7 million Euro
 Q3'19 Adjusted EBIT incl IFRS 16: -3.7 million Euro



Offset Solutions

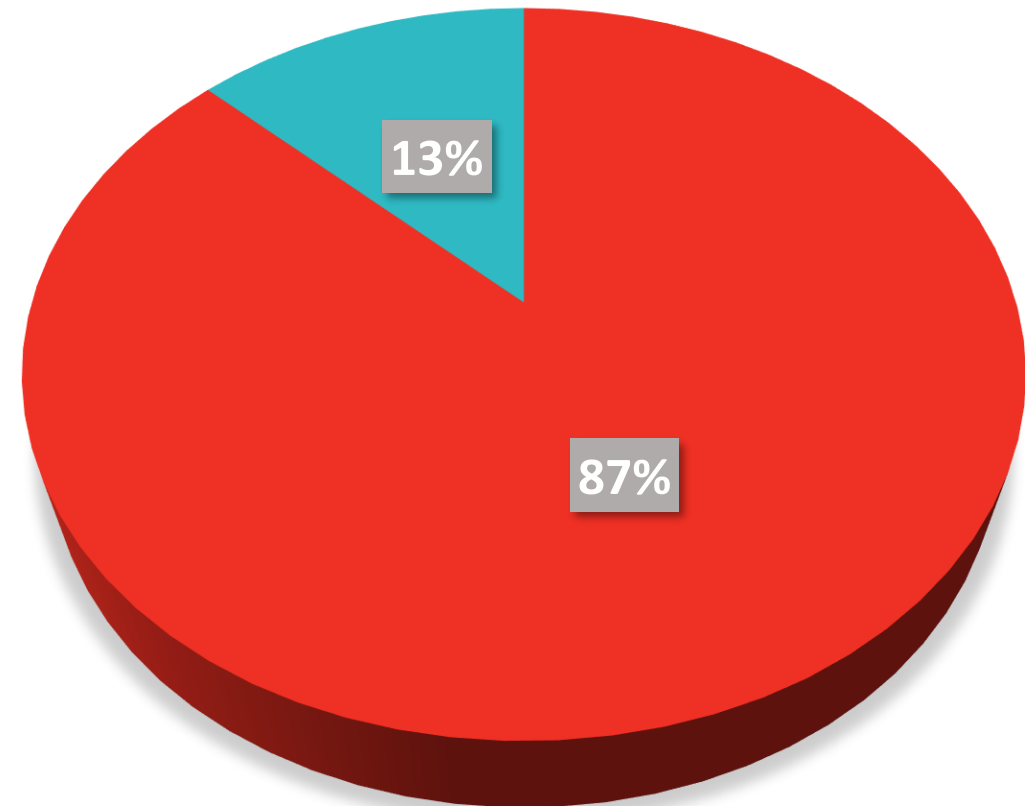


Offset Solutions

Sales by business segment

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

9m 2019 = 617 million Euro



Offset Solutions

Key figures Profit & Loss

| | Q3 '19 (excl. IFRS 16) | Q3 '18 (excl. IFRS 16, restated) | Δ% (excl.curr.) | 9m'19 (excl. IFRS 16) | 9m'18 (excl. IFRS 16, restated) | Δ% (excl.curr.) |
|------------------------|------------------------------|---|--------------------|-----------------------------|--|--------------------|
| in million Euro | | | | | | |
| Sales | 212 | 204 | 3.6% (1.9%) | 617 | 632 | -2.2% (-4.0%) |
| Gross Profit* | 44 | 50 | -12.6% | 144 | 166 | -13.1% |
| as a % of sales | 20.7% | 24.6% | | 23.4% | 26.3% | |
| SG&A* | -39 | -42 | -6.6% | -123 | -129 | -4.6% |
| as a % of sales | 18.5% | 20.5% | | 19.9% | 20.4% | |
| R&D* | -7 | -6 | 9.8% | -21 | -21 | -3.8% |
| Other operating items* | 1 | -2 | | -2 | -1 | |
| Adjusted EBITDA* | 3.4** | 5.9 | -42.7% | 13.0 | 30.8 | -58.0% |
| as a % of sales | 1.6% | 2.9% | | 2.1% | 4.9% | |
| Adjusted EBIT* | -0.8** | 0.6 | - | -0.7 | 14.7 | - |
| as a % of sales | -0.4% | 0.3% | | -0.1% | 2.3% | |

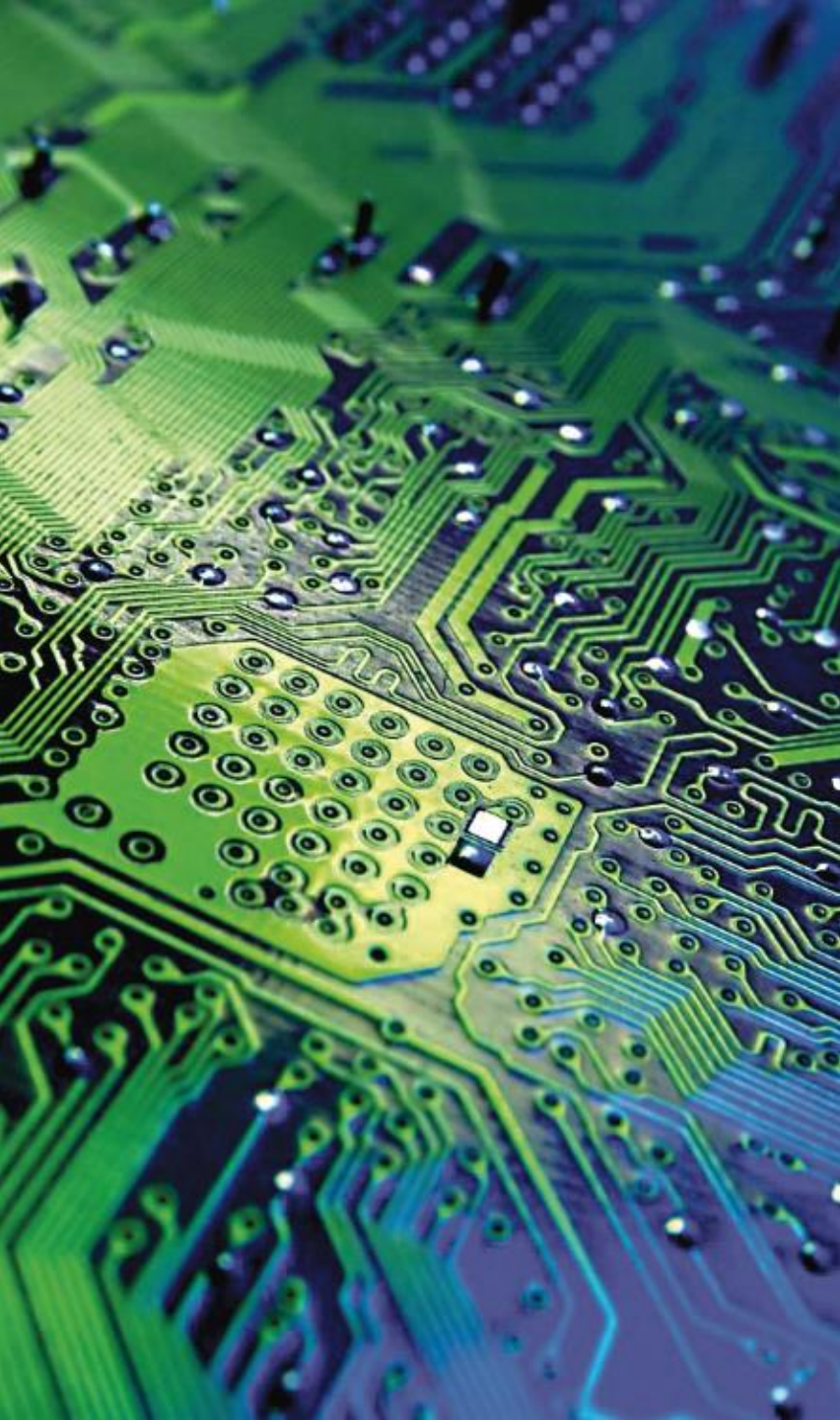
* Before restructuring and non-recurring items

** Q3'19 Adjusted EBITDA incl IFRS 16: 6.3 million Euro
Q3'19 Adjusted EBIT incl IFRS 16: -0.7 million Euro

Offset Solutions

Main drivers behind key figures

- As the alliance with Lucky is coming up to speed, the Offset Solutions division was able to post a 3.6% top line growth (1.9% excluding currency effects) compared to the third quarter of 2018. It is expected that the effects of the alliance will become increasingly visible in the coming quarters. The Offset Solutions division is active in structurally declining markets. The offset industry is marked by the strong decline in demand for analog prepress technology and decreasing newspaper and commercial print volumes. The division also continues to face price pressure, caused by intense competition.
- The Offset Solutions division's gross profit margin decreased from 24.6% of revenue in the third quarter of 2018 to 20.7%. Half of the decrease was due to the dilutive effect related to the consolidation of the sales coming from the alliance with Lucky. In addition, adverse product and regional mix effects, increased idle time due to overcapacity and high aluminum costs also impacted the gross profit margin.
- Adjusted EBIT at -0.8 million Euro



Digital Print & Chemicals

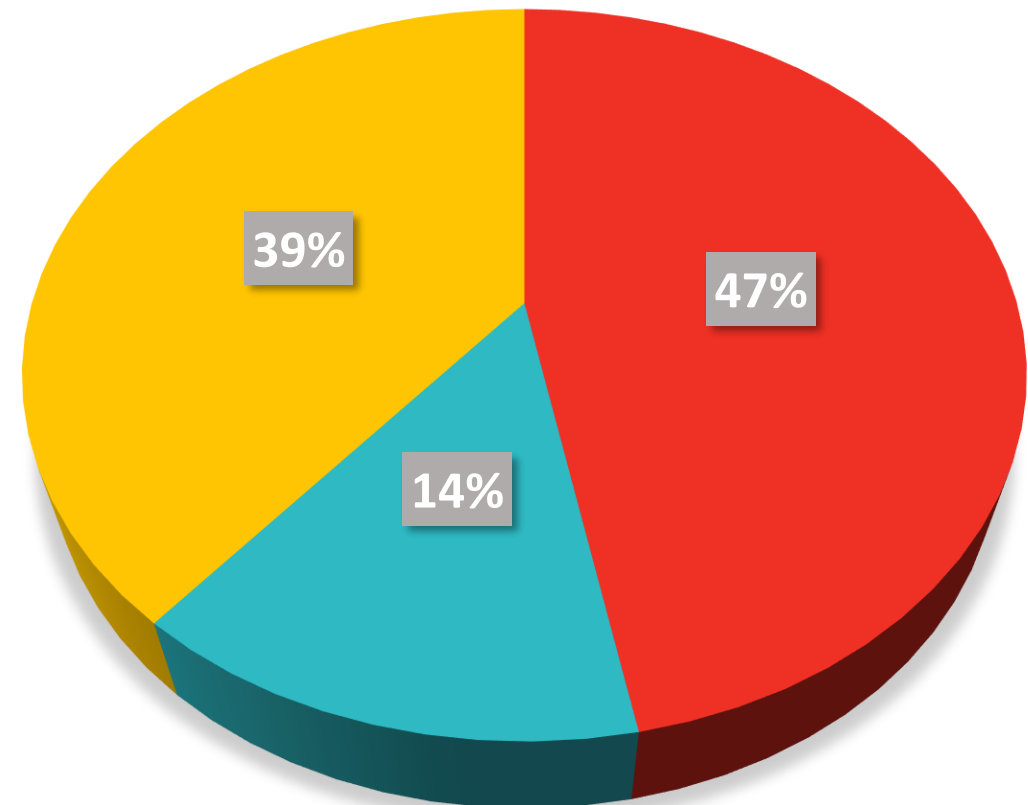


Digital Print & Chemicals

Sales by business segment

Inkjet 
Electronic Print 
Films and Foils 

9m 2019 = 294 million Euro



Digital Print & Chemicals

Key figures Profit & Loss

| in million Euro | Q3 '19 (excl. IFRS 16) | Q3 '18 (excl. IFRS 16, restated) | Δ% (excl.curr.) | 9m'19 (excl. IFRS 16) | 9m'18 (excl. IFRS 16, restated) | Δ% (excl.curr.) |
|------------------------|------------------------------|---|--------------------|-----------------------------|--|--------------------|
| Sales | 85 | 98 | -13.0% (-14.0%) | 294 | 292 | 0.6% (-1.3%) |
| Gross Profit* | 23 | 27 | -14.0% | 84 | 79 | 7.1% |
| as a % of sales | 26.8% | 27.1% | | 28.6% | 26.9% | |
| SG&A* | -16 | -20 | -19.3% | -57 | -60 | -5.3% |
| as a % of sales | 18.6% | 20.1% | | 19.3% | 20.6% | |
| R&D* | -6 | -4 | 30.7% | -15 | -16 | -5.3% |
| Other operating items* | 0 | 4 | | 6 | 15 | |
| Adjusted EBITDA* | 2.8** | 7.6 | -63.1% | 23.7 | 21.5 | 10.4% |
| as a % of sales | 3.3% | 7.8% | | 8.1% | 7.4% | |
| Adjusted EBIT* | 1.1** | 6.2 | -82.6% | 18.5 | 17.1 | 7.9% |
| as a % of sales | 1.3% | 6.3% | | 6.3% | 5.9% | |

* Before restructuring and non-recurring items

** Q3'19 Adjusted EBITDA incl IFRS 16: 4.0 million Euro

Q3'19 Adjusted EBIT incl IFRS 16: 1.1 million Euro

Digital Print & Chemicals

Main drivers behind key figures

- Mainly as a result of the discontinuation of the reseller activities related to inkjet media in the USA, the top line of the Digital Print & Chemicals division decreased by 13.0% (14.0% excluding currency effects) compared to the third quarter of 2018. In inkjet, the ink product ranges performed well, whereas equipment sales were weaker following a strong second quarter.
- 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 1.1 million Euro. With the main impact of the strategic alliance for UV digital packaging inks with Siegwerk Druckfarben coming to an end, the third quarter 2019 adjusted EBITDA margin was negatively influenced. Excluding this effect, the adjusted EBITDA margin would have remained stable.



Radiology Solutions

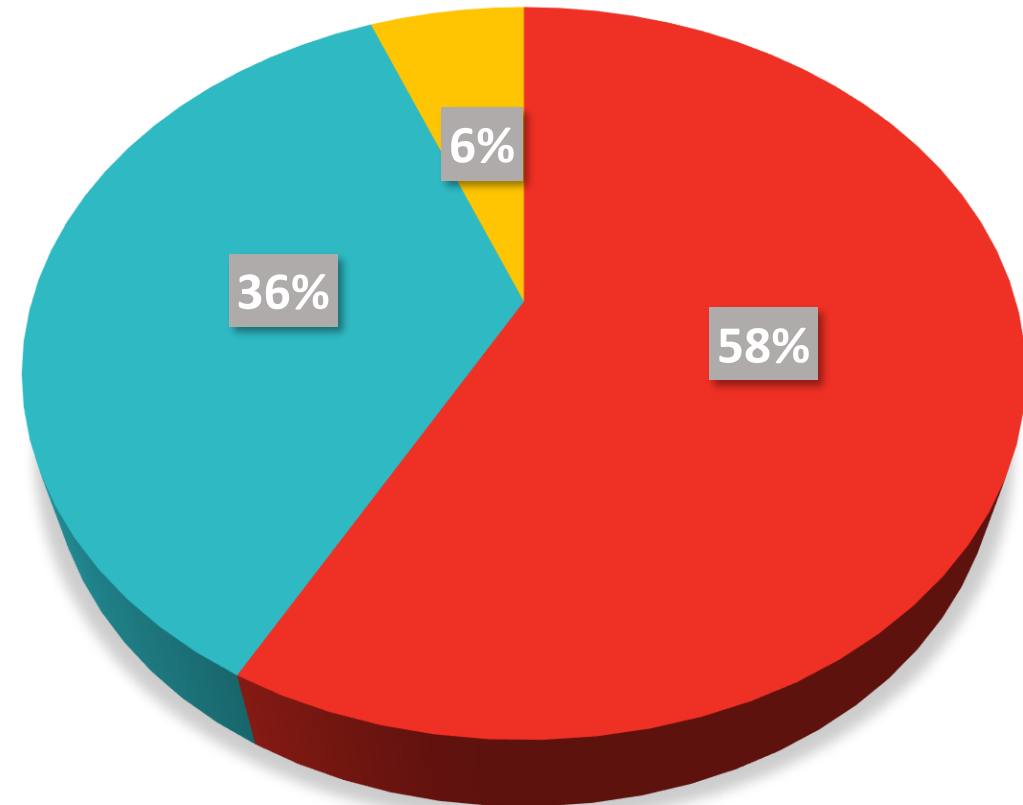


Radiology Solutions

Sales by business segment

Hardcopy ■
CR/DR ■
Classic Radiology ■

9m 2019 = 383 million Euro



Radiology Solutions

Key figures Profit & Loss

| | Q3 '19 (excl. IFRS 16) | Q3 '18 (excl. IFRS 16, restated) | Δ% (excl.curr.) | 9m'19 (excl. IFRS 16) | 9m'18 (excl. IFRS 16, restated) | Δ% (excl.curr.) |
|------------------------|------------------------------|---|--------------------|-----------------------------|--|--------------------|
| in million Euro | | | | | | |
| Sales | 132 | 118 | 11.8% (9.8%) | 383 | 364 | 5.2% (4.7%) |
| Gross Profit* | 46 | 42 | 9.0% | 140 | 127 | 9.9% |
| as a % of sales | 34.9% | 35.8% | | 36.5% | 35.0% | |
| SG&A* | -26 | -25 | 5.1% | -80 | -75 | 5.6% |
| as a % of sales | 19.7% | 21.0% | | 20.8% | 20.7% | |
| R&D* | -4 | -4 | 18.5% | -14 | -13 | 12.9% |
| Other operating items* | 0 | -2 | | -1 | -1 | |
| Adjusted EBITDA* | 19.7** | 14.5 | 35.2% | 56.8 | 47.3 | 20.2% |
| as a % of sales | 14.9% | 12.4% | | 14.9% | 13.0% | |
| Adjusted EBIT* | 15.6** | 11.2 | 38.8% | 44.7 | 38.0 | 17.5% |
| as a % of sales | 11.9% | 9.5% | | 11.7% | 10.5% | |

* Before restructuring and non-recurring items

** Q3'19 Adjusted EBITDA incl IFRS 16: 22.0 million Euro
Q3'19 Adjusted EBIT incl IFRS 16: 15.8 million Euro

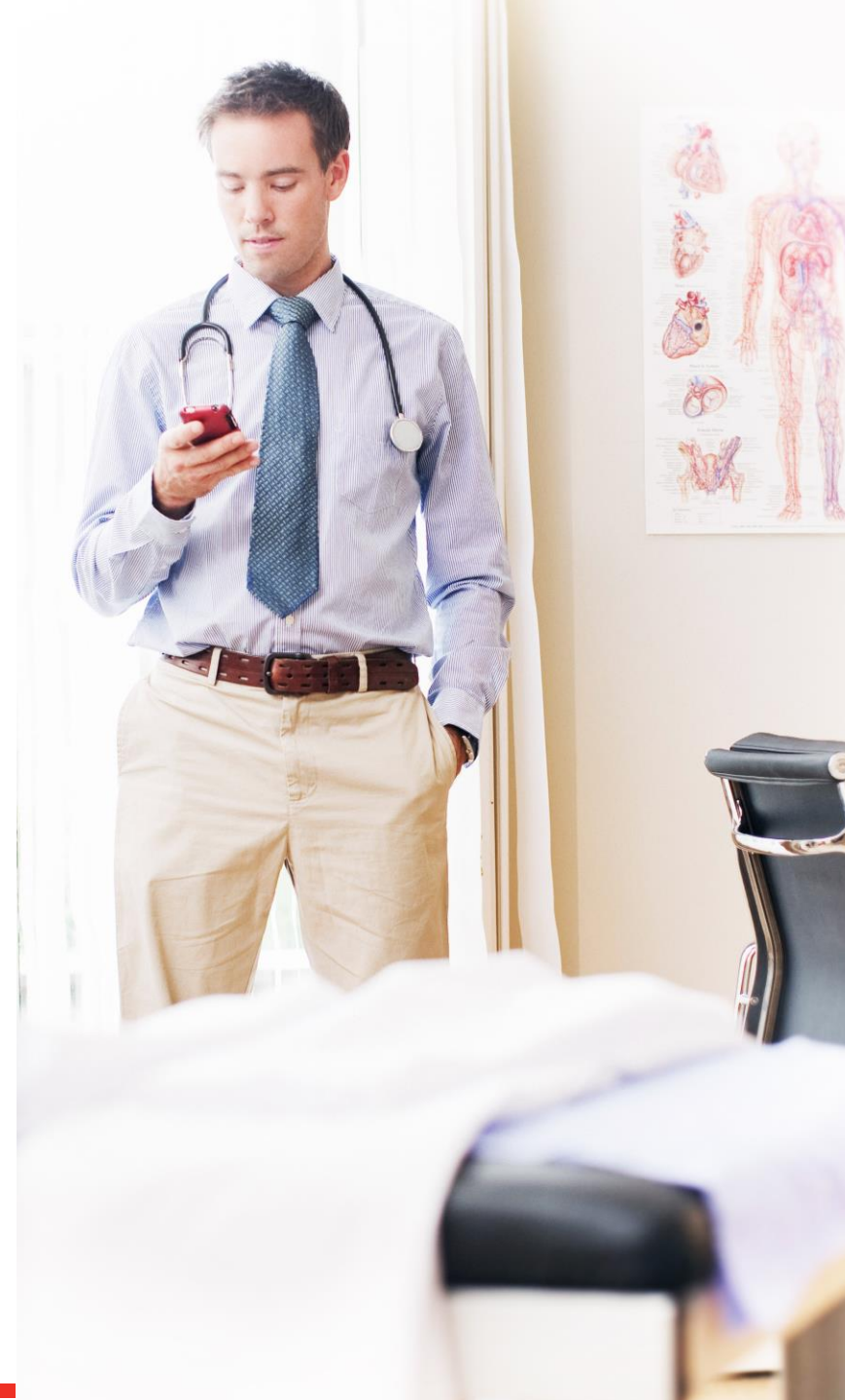
Radiology Solutions

Main drivers behind key figures

- The Radiology Solutions division's revenue increased by 11.8% compared to the third quarter of 2018 based on double-digit growth for both the hardcopy business and the Direct Radiography solutions range. The hardcopy business continued to benefit from the effects of the reorganization of the distribution channels in China. The top line growth of the innovative Direct Radiography solutions range was partly based on increased service revenues.
- Due to regional and product/mix effects, the division's gross profit margin decreased from 35.8% of revenue in the third quarter of 2018 to 34.9%.
- Adjusted EBIT reached 15.6 million Euro



HealthCare IT

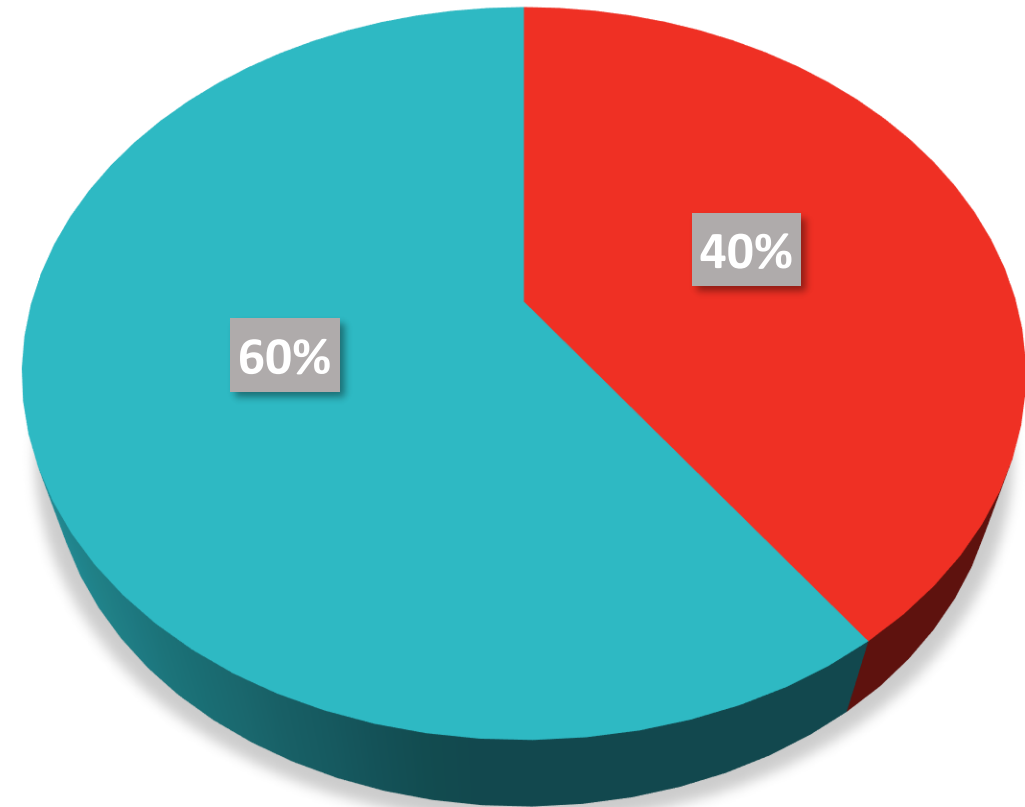


HealthCare IT

Sales by business segment

HCIS 
Imaging IT Solutions 

9m 2019 = 374 million Euro



HealthCare IT

Key figures Profit & Loss

| in million Euro | Q3 '19 (excl. IFRS 16) | Q3 '18 (excl. IFRS 16, restated) | Δ% (excl.curr.) | 9m'19 (excl. IFRS 16) | 9m'18 (excl. IFRS 16, restated) | Δ% (excl.curr.) |
|------------------------|------------------------------|---|--------------------|-----------------------------|--|--------------------|
| Sales | 125 | 119 | 5.0% (3.7%) | 374 | 360 | 3.9% (2.3%) |
| Gross Profit* | 59 | 52 | 11.8% | 173 | 157 | 10.1% |
| as a % of sales | 47.1% | 44.2% | | 46.3% | 43.7% | |
| SG&A* | -27 | -26 | 3.5% | -83 | -82 | 1.5% |
| as a % of sales | 21.7% | 22.0% | | 22.2% | 22.7% | |
| R&D* | -19 | -18 | 7.9% | -56 | -55 | 3.2% |
| Other operating items* | -1 | -1 | | 1 | 1 | |
| Adjusted EBITDA* | 16.0** | 10.6 | 50.4% | 45.3 | 32.3 | 40.1% |
| as a % of sales | 12.8% | 8.9% | | 12.1% | 9.0% | |
| Adjusted EBIT* | 11.7** | 7.1 | 64.6% | 34.5 | 22.1 | 56.0% |
| as a % of sales | 9.3% | 6.0% | | 9.2% | 6.1% | |

* Before restructuring and non-recurring items

** Q3'19 Adjusted EBITDA incl IFRS 16: 19.9 million Euro
Q3'19 Adjusted EBIT incl IFRS 16: 12.0 million Euro

Main drivers behind key figures

- The HealthCare IT division posted substantial top line growth, based on the good performance of the HealthCare Information Solutions business especially. Like in the previous quarters, the HealthCare Information Solutions business again recorded solid top line growth, confirming its leading position in the German speaking countries of Europe and in France.
- The gross profit margin improved from 44.2% of revenue in the third quarter of 2018 to 47.1%. Significant service efficiency improvements, strong software sales and the decision to wind down the Imaging IT Solutions from certain less sustainable markets had a positive effect on profitability.
- Adjusted EBIT at 11.7 million Euro

Questions & Answers

