

Q4/FY 2020 Results

Agfa-Gevaert Group



March 10, 2021



Advancing transformation

Key highlights

- Successful sale of part of the HealthCare IT activities - pension funding and de-risking actions well on track
- Imaging IT business doubled its adjusted EBITDA
- Strong performance of other growth engines, including Direct Radiography, inkjet consumables and specialty chemicals
- Strong COVID-19 impact on offset, printing equipment and various film-related activities - gradual recovery for most activities in second half of the year
- Cost reduction program delivered significant benefit to mitigate top line decline
- Disciplined working capital management with close to 100 million Euro reduction
- 50 million Euro share buy-back decided by Board of Directors
- New revolving credit facility of 230 million Euro

Gradual improvement of activity

Key highlights Q4

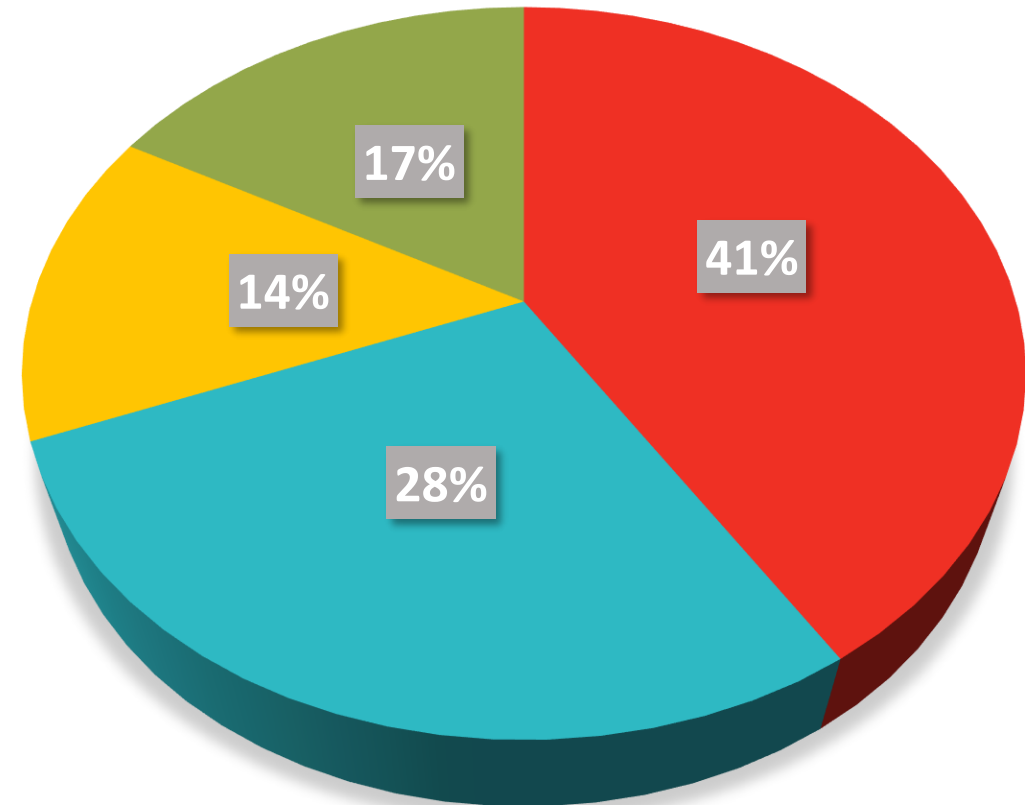
- Strong profitability improvement for Digital Print & Chemicals and return to positive adjusted EBITDA for Offset Solutions
- Continued double-digit top line growth for Direct Radiography
- Increased price and volume pressure for medical film due to new centralized procurement practices in China
- Structural reduction of working capital as a percentage of sales

Agfa-Gevaert Group

Sales by division

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

12 m 2020 = 1,709 million Euro



Agfa-Gevaert Group

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q4 '20	Q4 '19 (re-presented)	Δ% (excl.curr.)	12m'20 (re-presented)	12m'19 (re-presented)	Δ% (excl.curr.)
Sales	467	529	-11.7% (-9.5%)	1,709	1,975	-13.5% (-12.7%)
Gross Profit*	127	156	-18.3%	494	590	-16.3%
as a % of sales	27.3%	29.5%		28.9%	29.9%	
SG&A*	-91	-103	-11.6%	-355	-414	-14.2%
as a % of sales	19.6%	19.6%		20.8%	21.0%	
R&D*	-23	-27	-16.0%	-94	-103	-9.1%
Other operating items*	0	0		-10	4	
Adj. EBITDA*	28	44	-36.9%	99	153	-35.7%
as a % of sales	5.9%	8.3%		5.8%	7.8%	
Adj. EBIT*	13	25	-49.0%	36	77	-53.8%
as a % of sales	2.7%	4.8%		2.1%	3.9%	

* Before restructuring and non-recurring items

Agfa-Gevaert Group

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q4'20	Q4 '19 (re-presented)	12m'20 (re-presented)	12m'19 (re-presented)
Adjusted EBIT*	13	25	36	77
Restructuring/non-recurring	-30	-84	-88	-111
Operating result	-17	-59	-52	-34
Non-operating result	-5	-7	-31	-36
Profit before taxes	-23	-66	-84	-70
Taxes	0	-1	-15	-14
Profit from continuing operations	-22	-68	-98	-84
Profit from discontinued operations, net of tax	-2	11	719	36
Profit	-24	-57	621	-48

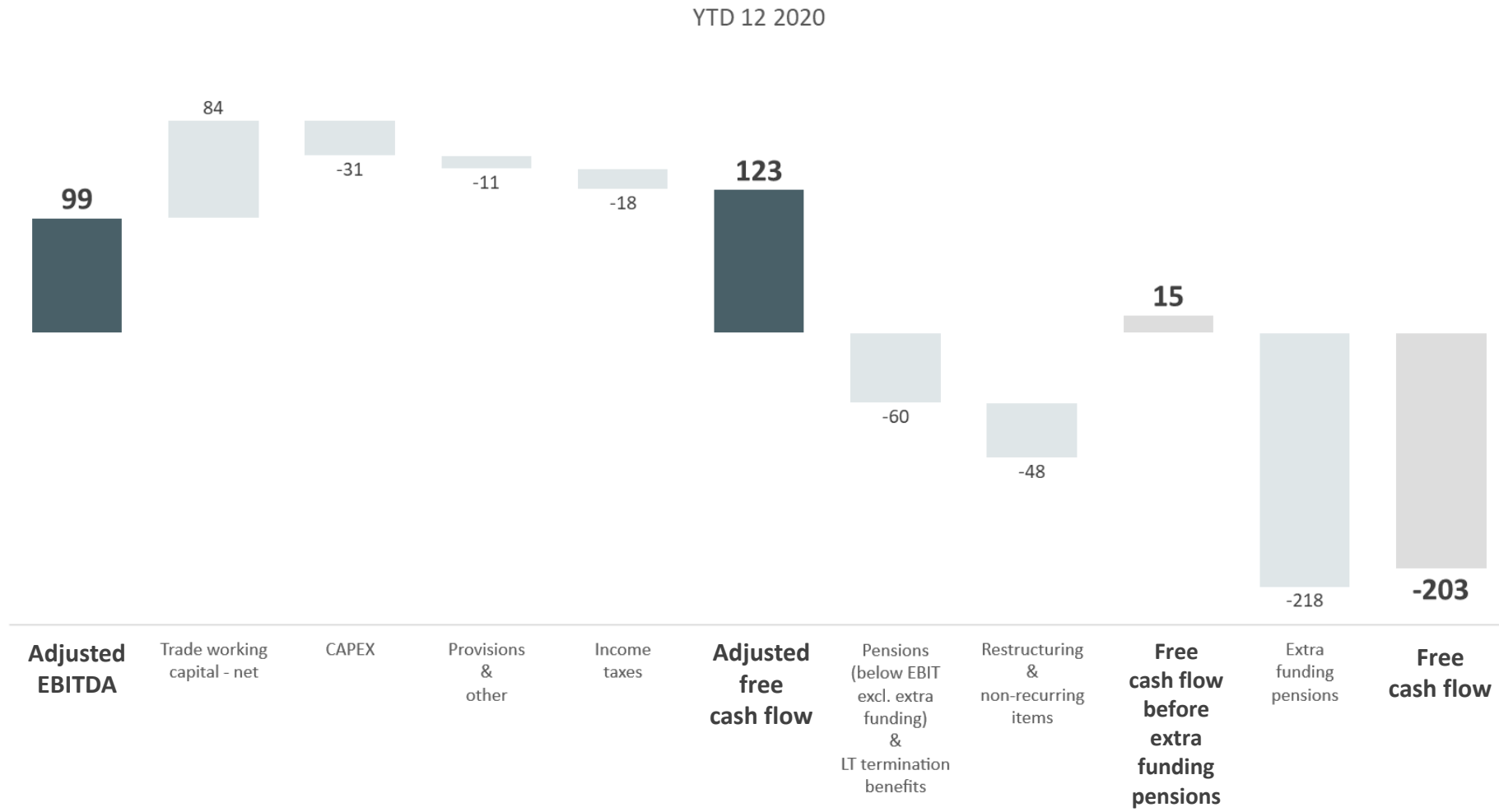
* Before restructuring and non-recurring items

Agfa-Gevaert Group

Main drivers behind key figures (FY '20)

- The Group's revenue decreased by 12.7% (excl. curr.). The Imaging IT and DR growth engines performed well, despite the effects of COVID-19 on the business environment. The issues in the offset printing industry, as well as the COVID-19 impact on the medical film business and the Digital Print & Chemicals division significantly impacted the Group's top line. In the second half of the year, most businesses started to recover.
- The gross profit margin amounted to 28.9% of revenue, versus 29.9% in 2019.
- Adjusted EBIT at 36 million Euro.
- Including the proceeds of the sale of part of the HealthCare IT activities, the Agfa-Gevaert Group posted a net profit of 621 million Euro.

FY : Positive free cash flow before extra pension funding due to significant WC reduction

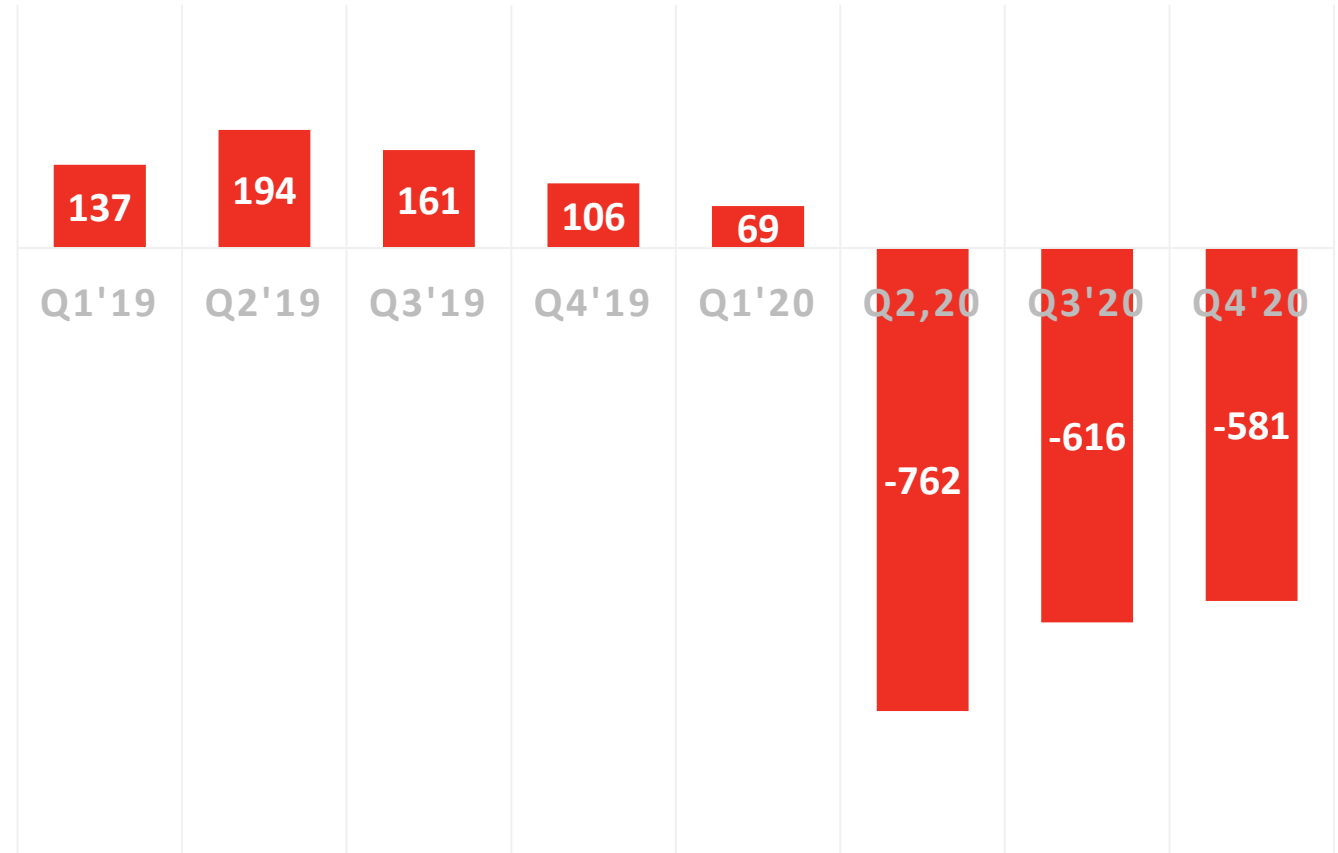


Adjusted free cash flow equals the sum of net cash from operating & investing activities excluding the impact of acquisitions and disposal of discontinued operations (see definition of Free cash flow *) ADJUSTED for the impact of the cash out for pensions below EBIT and the cashout for LT termination benefits.

Agfa-Gevaert Group has a strong cash position

Net financial debt

excl IFRS 16, in million Euro



Note: Total net cash position Q4 2020 **incl IFRS 16**
= 502 million Euro

Pensions: execution of pension de-risking measures on track

Objectives

De-risk funded plans

Decrease volatility

Increase funding ratio

Decrease future pension cash outflows

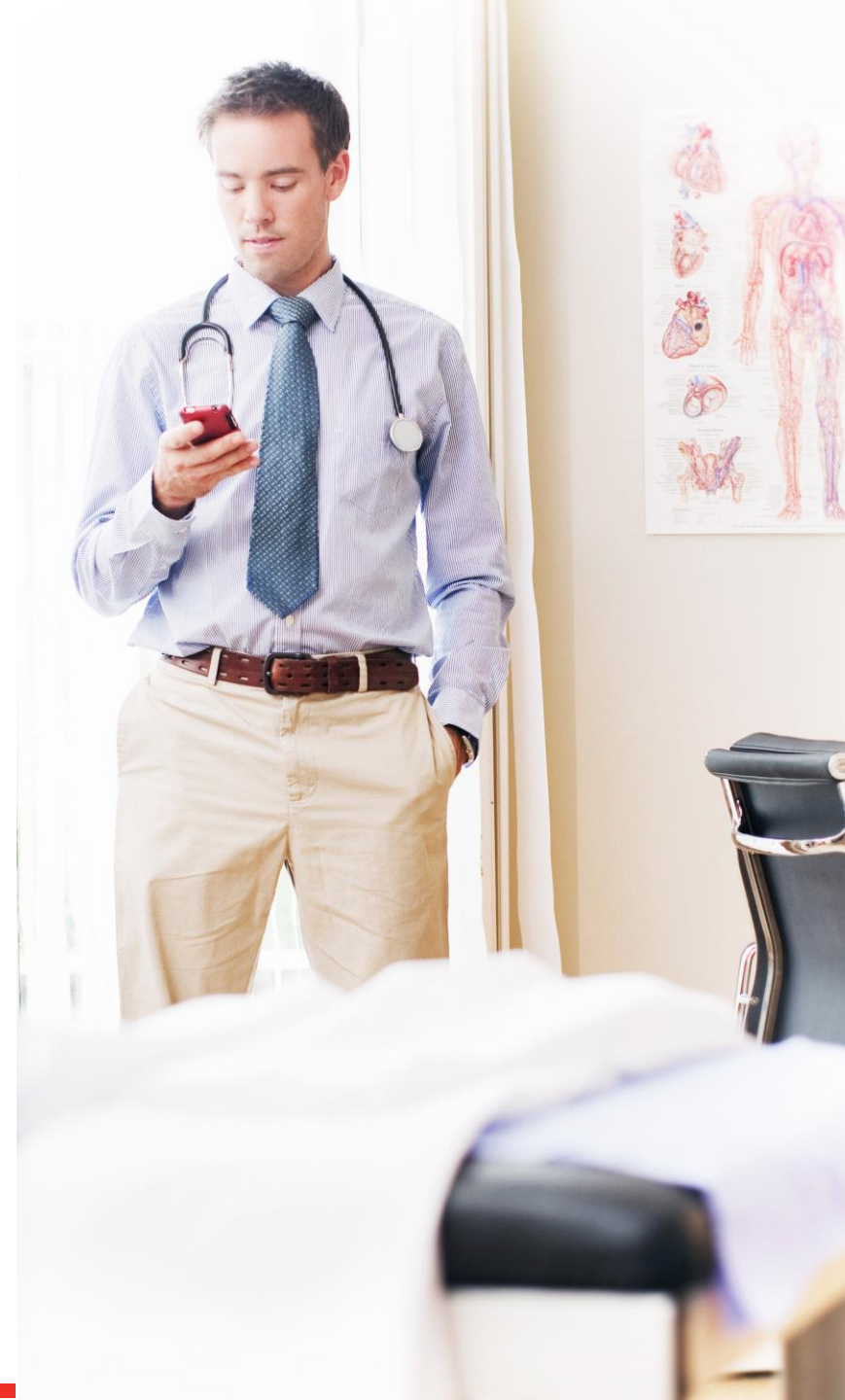
- Objective is to reduce the total net Agfa post-employment and long term benefit liabilities to below 700 million Euro over the next 4 years, decreasing the balance sheet volatility
- Plan is to use 350 million Euro for the key funded plans: reducing pension liabilities and de-risking
 - Around 218 million Euro was injected in 2020: on top of the 37 million Euro already spent in Q2 (for Belgium), the company invested about 111 million Euro in the plans in the UK and the USA in Q3 and 70 mio Euro for the US in Q4.
 - De-risking actions are ongoing.
 - Target to raise the funded status close to fully funded.
- The predictable German plan will remain unfunded, with a known cash outflow reducing by 1 million Euro/year (from 40 million Euro in 2020 to 30 million Euro in 2030)
- As a result, the total cash contributions* will decrease from 80 million Euro/year today, to around 50 million Euro in 2026, continuing to reduce over time.

Working Capital adjustment delivered

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Δ Q4 2020 vs 2019	Δ 2020 Q4 vs Q3
Inventories (Mio Eur)	389	464	496	467	435	-46	-75
° DIOH in days	115	134	137	124	113		
Trade Receivables, Contract Assets/Liabilities	271	269	264	307	344	-73	2
° DSO in days	52	59	60	63	58		
Trade Payables (Mio Eur)	199	193	221	259	218	-20	6
° DPO in days	59	56	61	68	57		
Trade Working Capital	462	540	539	515	561	-99	-79
° Trade Working Capital as % of sales	27%	31%	29%	26%	28%		



HealthCare IT



HealthCare IT

Key figures

Profit & Loss

Incl. IFRS 16

	Q4 '20	Q4 '19 (re-presented)	Δ% (excl.curr.)	12m'20 (re-presented)	12m'19 (re-presented)	Δ% (excl.curr.)
in million Euro						
Sales	59	61	-2.8% (1.8%)	230	241	-4.6% (-3.0%)
Gross Profit*	21	24	-9.9%	101	96	5.5%
as a % of sales	36.4%	39.2%		43.9%	39.7%	
SG&A*	-15	-15	-5.4%	-58	-64	-10.3%
as a % of sales	24.6%	25.2%		25.0%	26.6%	
R&D*	-8	-9	-10.8%	-31	-32	-3.2%
Other operating items*	1	1		2	1	
Adjusted EBITDA*	2.5	3.1	-20.8%	23.7	11.8	100.2%
as a % of sales	4.2%	5.1%		10.3%	4.9%	
Adjusted EBIT*	0.3	0.7	-57.5%	14.4	0.7	1965.2%
as a % of sales	0.5%	1.1%		6.2%	0.3%	

* Before restructuring and non-recurring items

HealthCare IT delivers on its strategic roadmap

Main drivers behind key figures (FY '20)

- Robust project revenues in North America positively influenced the results of the business.
- In spite of the uncertainties due to the COVID-19 situation, the outlook for value creation in the Imaging IT solutions business remains very positive.
- In line with expectations, the division posted a 4.6% revenue decrease in 2020.
- Mainly driven by improved service efficiencies and product offering, the gross profit margin reached 43.9% of revenue,
- Adjusted EBITDA more than doubled to 23.7 million Euro.
- In the course of the year, the division recorded a ramp up of the order intake and the total order backlog remains at a healthy level, covering more than a full year of total revenues.
- On track to reach profitability target of high teens EBITDA margin over the next years.



Radiology Solutions

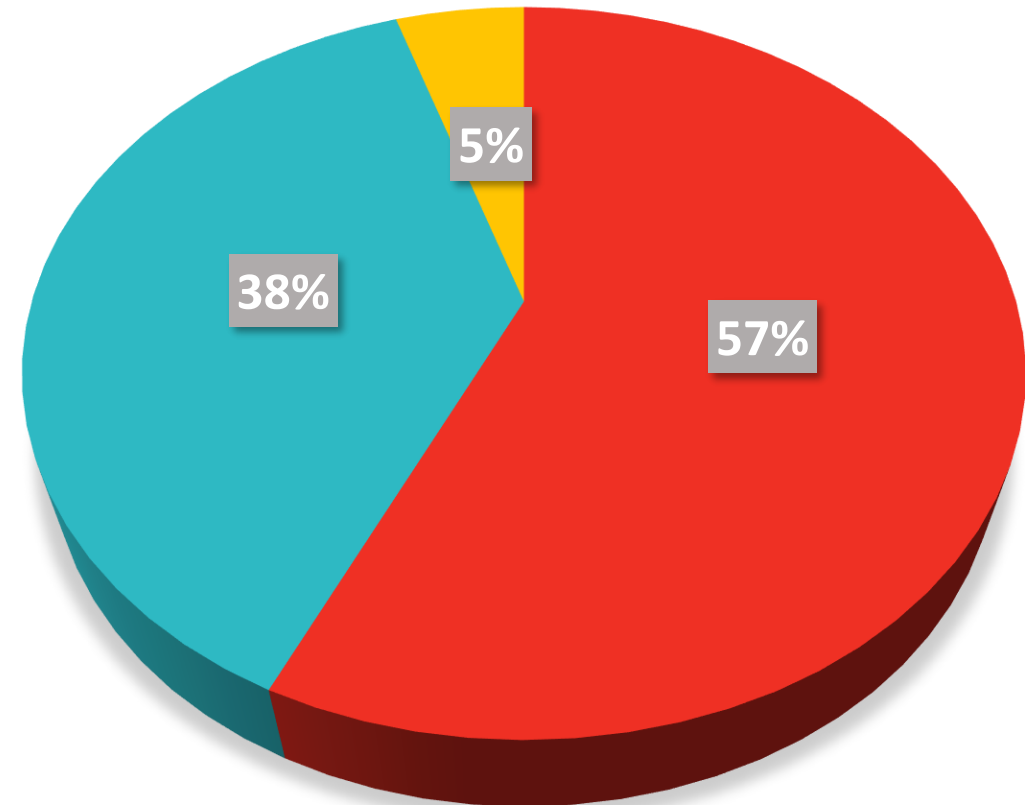


Radiology Solutions

Sales by business segment

Hardcopy ■
CR/DR ■
Classic Radiology ■

12m 2020 = 485 million Euro



Radiology Solutions

Key figures

Profit & Loss

Incl. IFRS 16

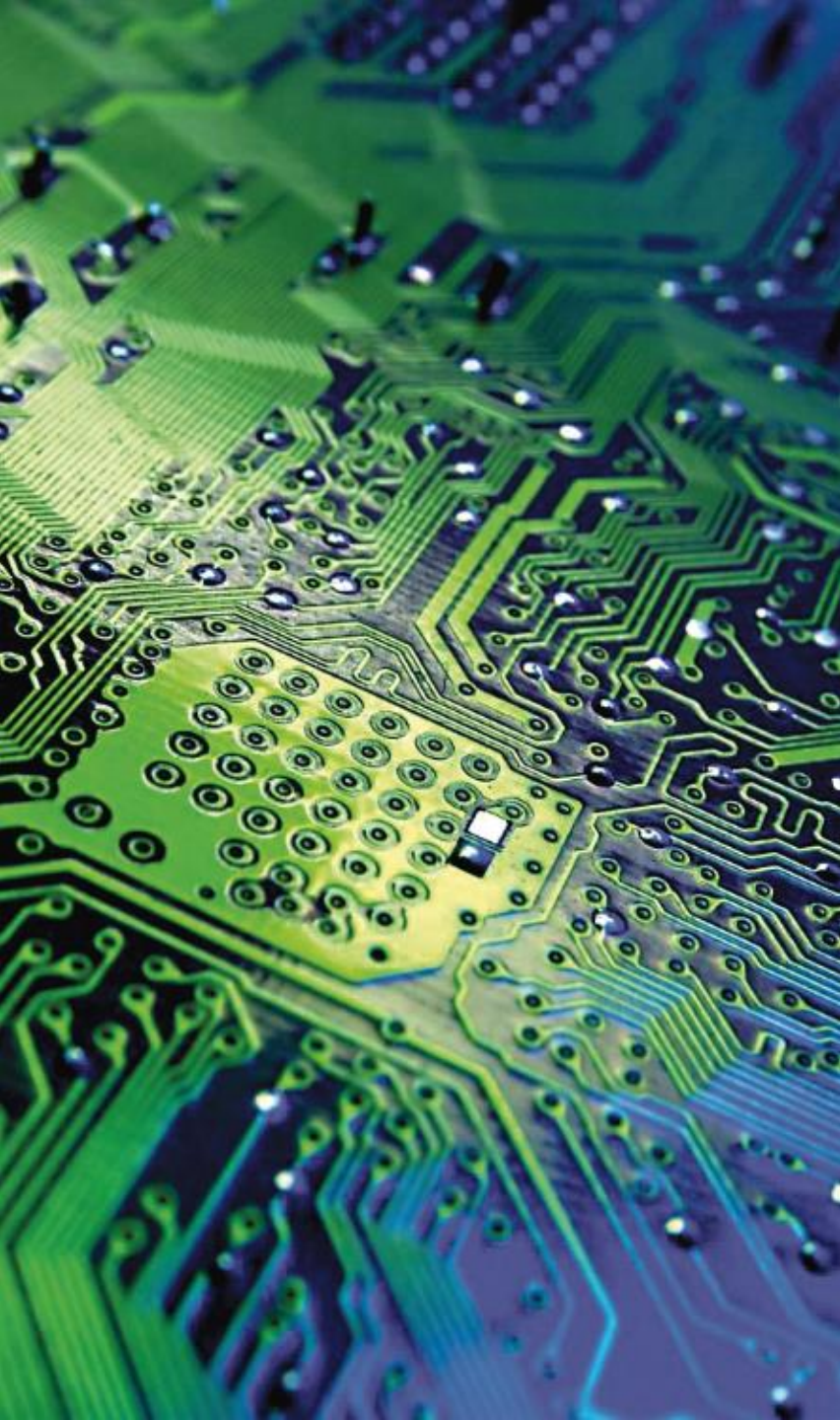
	Q4 '20	Q4 '19	Δ% (excl.curr.)	12m'20	12m'19	Δ% (excl.curr.)
in million Euro						
Sales	136	153	-11.1% (-9.1%)	485	536	-9.4% (-8.3%)
Gross Profit*	43	61	-28.8%	172	201	-14.6%
as a % of sales	31.9%	39.8%		35.3%	37.5%	
SG&A*	-26	-28	-7.9%	-98	-108	-8.6%
as a % of sales	19.1%	18.5%		20.3%	20.1%	
R&D*	-4	-5	-22.4%	-16	-20	-15.9%
Other operating items*	0	0		-5	-1	
Adjusted EBITDA*	19.2	33.7	-43.2%	75.8	97.1	-21.9%
as a % of sales	14.1%	22.1%		15.6%	18.1%	
Adjusted EBIT*	13.6	27.5	-50.8%	51.9	72.4	-28.4%
as a % of sales	10.0%	18.0%		10.7%	13.5%	

* Before restructuring and non-recurring items

Radiology Solutions: Medical film volume decrease, DR growth

Main drivers behind key figures (FY'20)

- Agfa's Direct Radiography business grew by double digits, driven by its innovative mobile DR solutions.
- Agfa managed the CR range well to keep the profit margins intact. In order to improve its competitiveness, Agfa is adjusting its CR equipment production capacity to the declining market trend.
- The medical film product range's top line was impacted by COVID-19 and the business started to face increased price and volume pressure in the fourth quarter due to new centralized procurement practices in China.
- The division's gross profit margin reached 35.3%.
- Adjusted EBIT amounted to 51.9 million Euro.



Digital Print & Chemicals

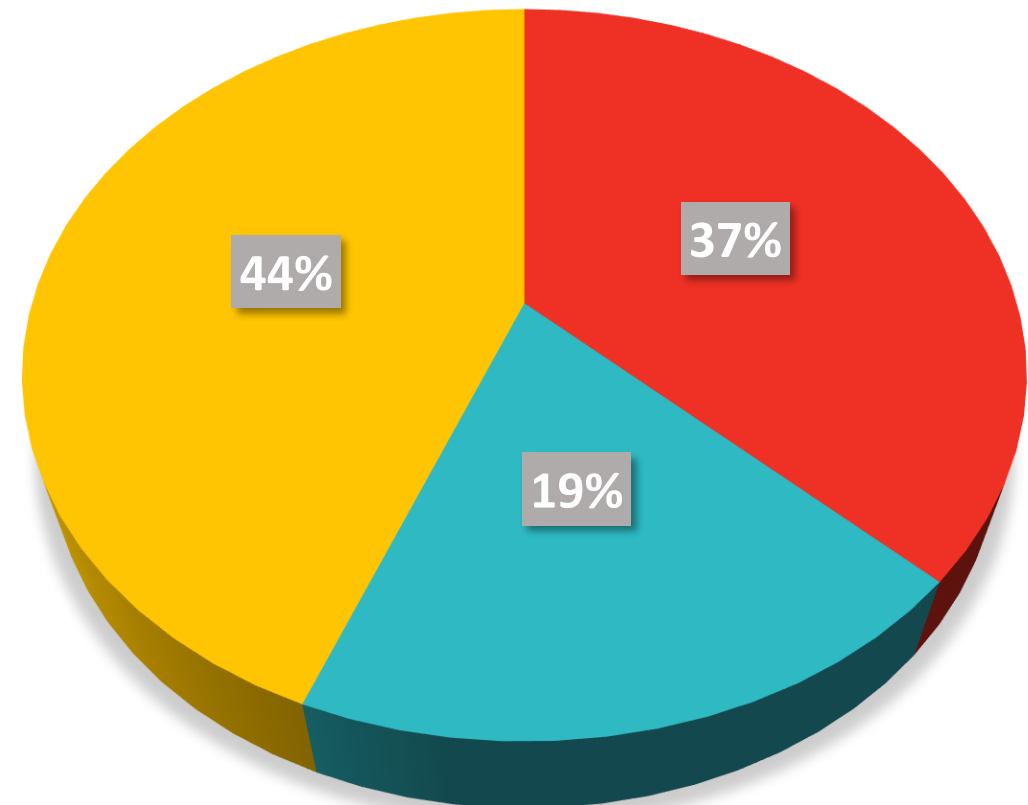


Digital Print & Chemicals

Sales by business segment

Inkjet ■
Electronic Print ■
Films and Foils ■

12m 2020 = 289 million Euro



Digital Print & Chemicals

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q4 '20	Q4 '19 (re-presented)	Δ% (excl.curr.)	12m'20	12m'19 (re-presented)	Δ% (excl.curr.)
Sales	79	89	-11.9% (-10.7%)	289	355	-18.6% (-18.1%)
Gross Profit*	23	23	0.5%	81	101	-19.6%
as a % of sales	29.1%	25.5%		28.0%	28.4%	
SG&A*	-14	-15	-11.2%	-53	-65	-18.2%
as a % of sales	17.4%	17.2%		18.3%	18.2%	
R&D*	-5	-5	-11.4%	-20	-21	-4.4%
Other operating items*	0	1		0	7	
Adjusted EBITDA*	7.4	5.5	34.3%	18.8	33.8	-44.3%
as a % of sales	9.4%	6.1%		6.5%	9.5%	
Adjusted EBIT*	5.0	2.7	86.5%	8.6	22.4	-61.4%
as a % of sales	6.3%	3.0%		3.0%	6.3%	

* Before restructuring and non-recurring items

Digital Print & Chemicals on track to recovery

Main drivers behind key figures (FY'20)

- In digital printing, inks for sign and display applications as well as inks for industrial applications recovered well. The large format inkjet printing equipment business continues to show weakness but order intake has turned positive in the second half.
- Preparing several product initiatives for the rebound:
 - Agfa has added a top end model to its Jeti Tauro printer family.
 - Solutions for new digital printing applications are launched, such as laminate floorings and leather.
 - Solutions for other new applications (e.g. in the field of packaging) are being developed.
- Film and foil business impacted by COVID-19 but recovery visible.
- Specialty chemical business well positioned for future growth.
 - Membranes for advanced alkaline electrolysis used in green hydrogen production: in Q3 Agfa joined the European Clean Hydrogen Alliance.
 - Conductive polymers in hybrid and electric car technology.
- In spite of top line decline, the gross profit margin remained almost stable at 28.0%.
- Adjusted EBIT amounted to 8.6 million Euro



Offset Solutions



Offset Solutions

Key figures

Profit & Loss

Incl. IFRS 16

	Q4 '20	Q4 '19	Δ% (excl.curr.)	12m'20	12m'19	Δ% (excl.curr.)
in million Euro						
Sales	193	226	-14.3% (-12.2%)	704	843	-16.5% (-15.5%)
Gross Profit*	40	48	-17.9%	141	193	-27.1%
as a % of sales	20.6%	21.5%		20.0%	22.9%	
SG&A*	-33	-41	-20.0%	-131	-163	-20.0%
as a % of sales	16.8%	18.0%		18.6%	19.4%	
R&D*	-5	-7	-27.6%	-21	-27	-22.9%
Other operating items*	-3	-1		-11	-3	
Adjusted EBITDA*	3.4	6.4	-46.4%	-2.6	27.9	-109.3%
as a % of sales	1.8%	2.9%		-0.4%	3.3%	
Adjusted EBIT*	-1.1	-0.6	-89.6%	-21.9	-1.1	-1904.4%
as a % of sales	-0.5%	-0.2%		-3.1%	-0.1%	

* Before restructuring and non-recurring items

Offset Solutions performance improved in Q4

Main drivers behind key figures (FY'20)

- Excluding currency effects, revenue decreased by 15.5% due to COVID-19 related effects - including adverse price/mix effects - and the structural decline of the offset markets. The pandemic causes a decrease in advertising and commercial activities, leading to lower print volumes and a lower demand for printing plates. The division's top line started to recover in the 2H.
- The gross profit margin decreased to 20.0%.
- Adjusted EBIT amounted to minus 21.9 million Euro.
- Agfa is also reorganizing its printing plate manufacturing capacity. The operations in the printing plate factories in Pont-à-Marcq (France) and Leeds (UK) were terminated in the course of Q4.
- January 2021, Agfa expressed the intention to organize the Offset Solutions activities into a stand-alone legal entity structure and organization within the Agfa-Gevaert Group.

Gradual improvement expected in 2021

Outlook

- Due to the continuing impact of COVID-19 and inflationary pressure, the Agfa-Gevaert Group expects a subdued first half of the year, followed by a substantial recovery in the second semester.
- In the second half of the year, the Group expects substantial progress in all divisions, except in the Radiology Solutions division, where margin and volume impact in the film activity cannot be compensated by the growth in DR.
- In the medium term, most activities of the Group will fully recover from the disruption caused by COVID-19 and some will even benefit from post-COVID opportunities and market developments. However, offset printing demand is not expected to fully recover going forward.

Pensions

Pension Status (4 material countries)

Excluding Belgian DC Plans

Funded status

in million Euro	2019	2020	Δ
Funded Status	(1068)	(900)	168
Obligations	2041	1863	178
Assets	973	963	-10

Pension cost and cash outflow (4 material countries) Excluding Belgian DC Plans

Cost and cash outflow

Pension cost in EBIT expected to increase and net interest cost expected to decrease versus 2020

Pension cash outflow 2020 and 2021 impacted by the actions related to pension de-risking.

in million Euro	2019	2020	2021 (Est)
Pension Cost in EBIT	21	23	24
Net interest cost	21	14	8
Non recurring	-1	-1	-
Total pension cost	42	36	32
Pension cash outflow	-108	-293	-183

Sustainability @ Agfa

Accelerating UN SDG implementation: the road to 2030 & beyond

Our mission → *sustainable and profitable growth*

Our priorities →



SDG 3: Good health and well-being

SDG 4: Quality education



SDG 5: Achieve gender equality and empower all women

SDG 9: Promote sustainable industrialization and foster innovation



SDG 12: Ensure sustainable consumption and production patterns

SDG 13: Combat climate change and its impacts

Our results → *full overview 2020 performance in the Annual Report (early April)*

Our outlook → *global targets and inclusion in teams' objectives for all priorities*

Questions & Answers

