Q1 2021 Results

Agfa-Gevaert Group

May 11, 2021

AGFA Agfa

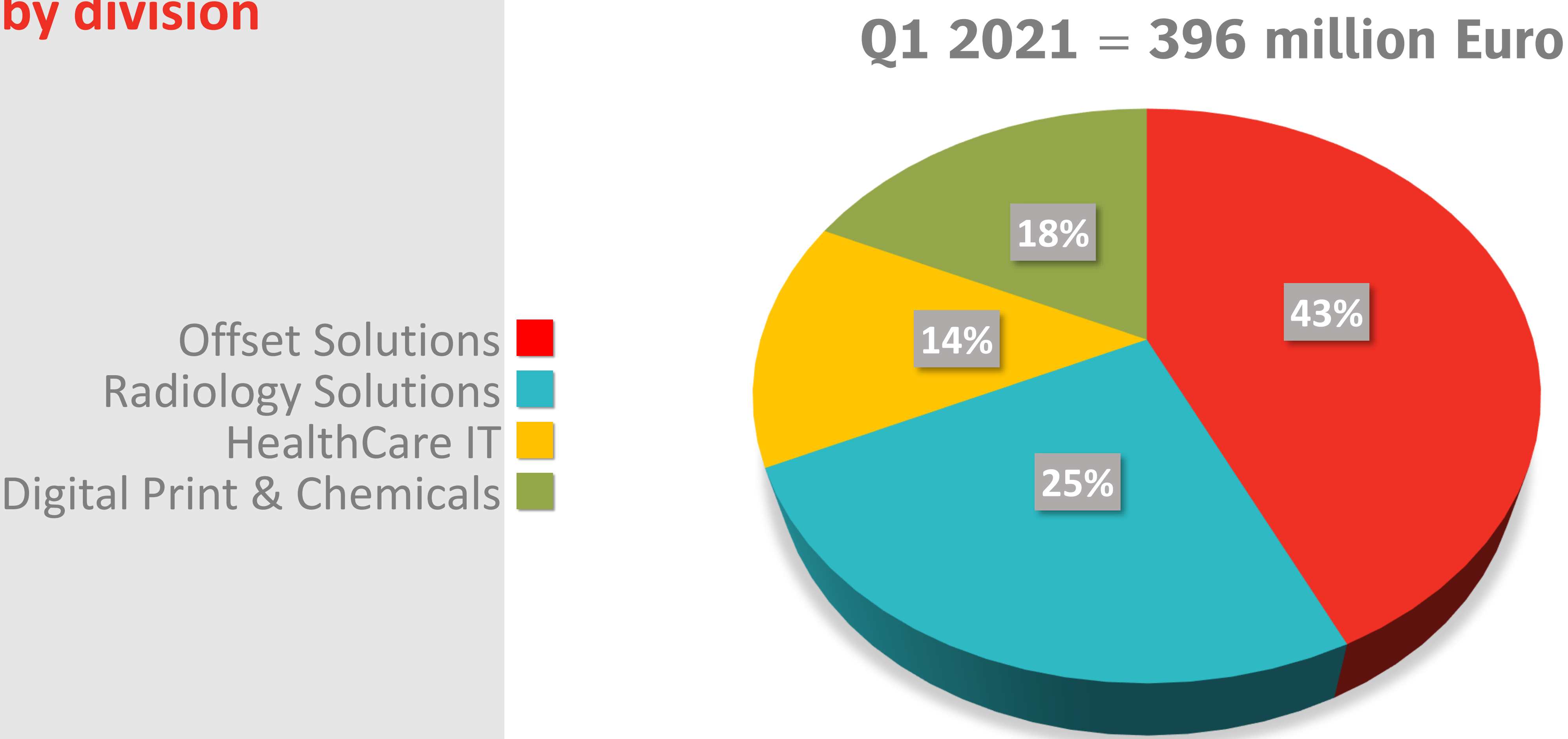
Key highlights Agfa-Gevaert Group

Key highlights

- Solid margin performance by the HealthCare IT and Digital Print & Chemicals divisions
- Ongoing volume recovery in most business areas
- Volume and price pressure for medical film, recovery expected in next quarters
- Strict cost reduction programs continued
- Price increase programs launched to counter significant inflationary pressure
- Disciplined working capital management continued
- Positive free cash flow before extra pension funding

Agfa-Gevaert Group

Sales by division



Agfa-Gevaert Group

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 ’21	Q1 ’20 (re-presented)	Δ% (excl.curr.)
Sales	**396**	**435**	-9.0% (-6.2%)
Gross Profit*	**117**	**135**	-13.7%
as a % of sales	**29.5%**	**31.1%**	
SG&A*	**-89**	**-97**	-7.7%
as a % of sales	**22.5%**	**22.2%**	
R&D*	**-25**	**-25**	3.4%
Other operating items*	**-3**	**-7**	
Adjusted EBITDA*	**15**	**24**	-36.3%
as a % of sales	**3.9%**	**5.5%**	
Adjusted EBIT*	**-1**	**7**	-107.3%
as a % of sales	**-0.1%**	**1.7%**	

* Before restructuring and non-recurring items

Agfa-Gevaert Group

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1'21	Q1 '20 (re-presented)
Adjusted EBIT*	-1	7
Restructuring/non-recurring	-1	-2
Operating result	-1	5
Non-operating result	0	-8
Profit before taxes	-2	-3
Taxes	-4	-2
Profit from continuing operations	-6	-5
Profit from discontinued operations	0	7
Profit	-6	1

* Before restructuring and non-recurring items

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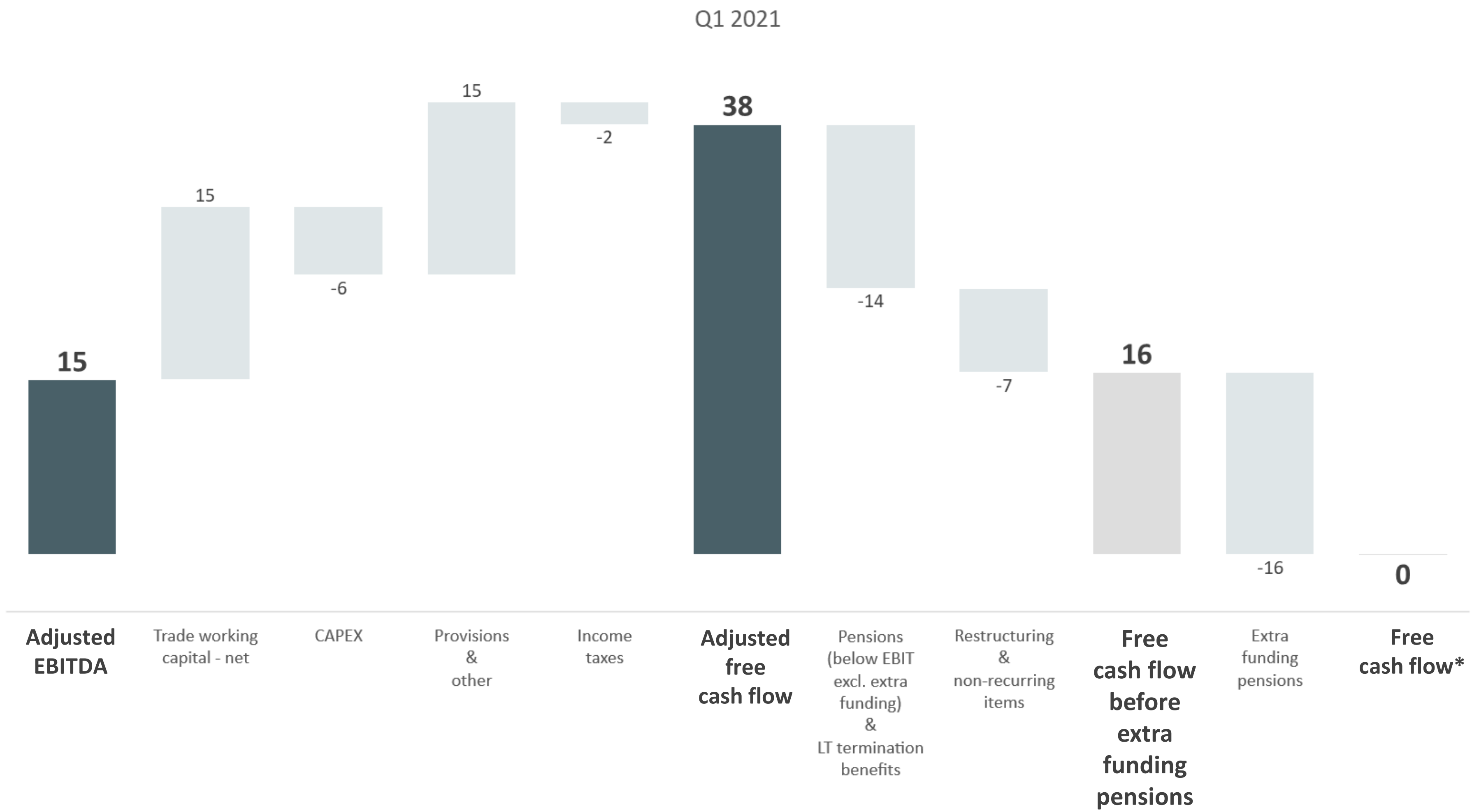
Ongoing volume recovery, good performance HE IT and DPC

Main drivers behind key figures

- Overall top line 6.2% below 2020 with contrasted performances
  - HealthCare IT positive growth
  - Digital Print & Chemicals in line with Q1 2020 (pre-COVID quarter)
  - Offset Solutions and Radiology Solutions still below pre-COVID situation
- Overall gross profit margin declines from 31.1% to 29.5%
  - Significant cost inflation impacting Offset Solutions and Radiology Solutions, currency impact strongly unfavorable
  - HealthCare IT and Digital Print & Chemicals continue to improve profitability
  - Radiology Solutions had a subdued quarter, impacted by China
  - Offset cost improvements delivered but negated by cost inflation and currency: price actions are in place

Positive free cash flow before extra pension funding



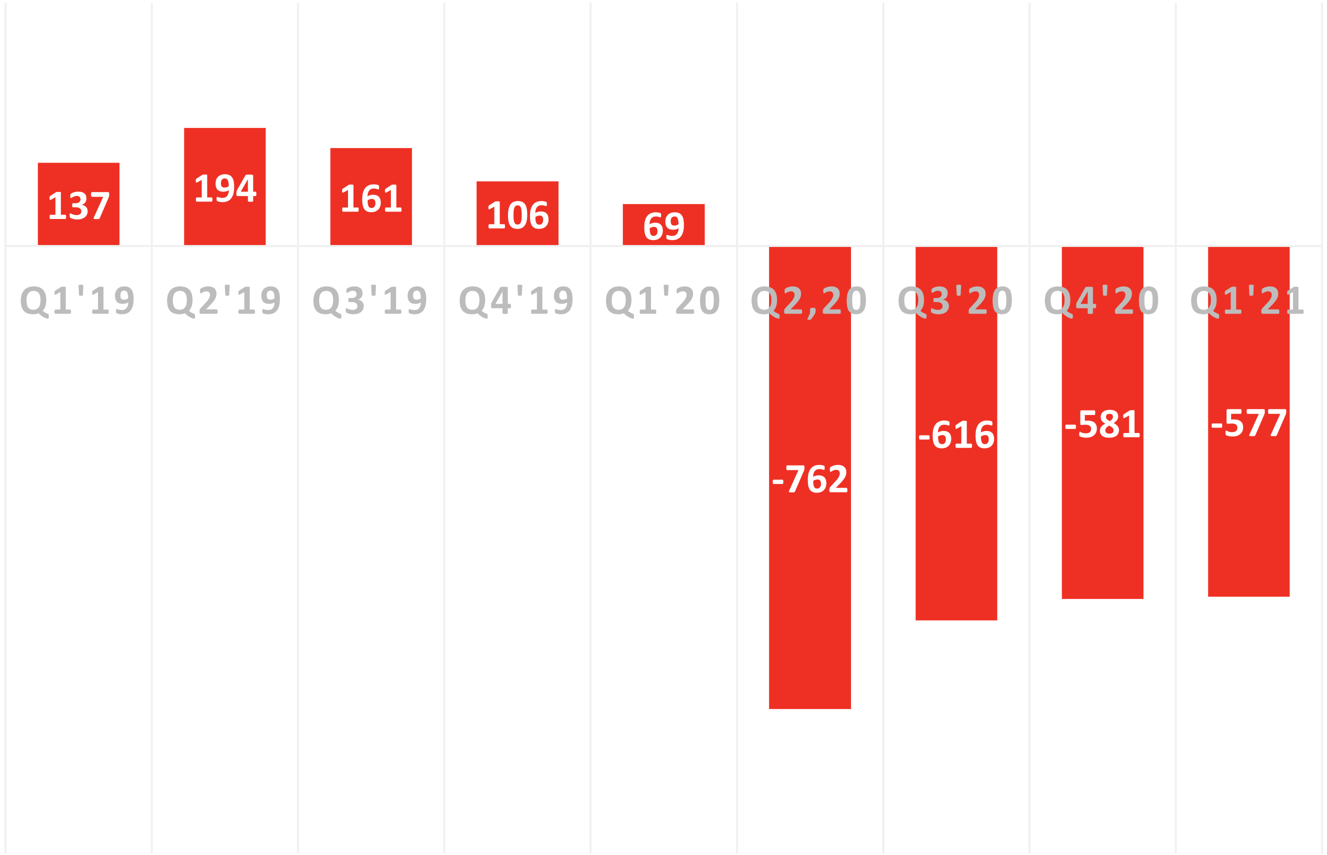
Adjusted free cash flow equals the sum of net cash from operating & investing activities excluding the impact of acquisitions and disposal of discontinued operations (see definition of Free cash flow *) ADJUSTED for the impact of the cash out for pensions below EBIT and the cashout for LT termination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

Free cash flow * is defined as the sum of net cash from operating & investing activities excluding the impact of acquisitions and disposal of discontinued operations.

The Agfa-Gevaert Group has a strong cash position

Net financial debt

excl IFRS 16, in million Euro



Note: Total net cash position Q1 2021 incl IFRS 16 = 500 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

- As previously mentioned, the 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.
- In Q1 2021, 16 million Euro was used for an annuity purchase in relation to the liabilities of the Swedish pension plan.
- In April 2021, 103 million Euro was contributed to the UK pension plan to support an annuity purchase (buy-in), which was successfully placed.
- We expect to have the whole pension program completed in Q2 2021.
- Full year 2021 pension cash out below EBITDA expected to be at 52 million Euro.

Disciplined working capital management continued

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Δ Q1 2021 vs 2020	Δ 2021 Q1 vs Q4
Inventories (Mio Eur)	421	389	464	496	467	-46	32
° DIOH in days	127	115	134	137	124		
Trade Receivables, Contract Assets/Liabilities	266	271	269	264	307	-41	-5
° DSO in days	60	52	59	60	63		
Trade Payables (Mio Eur)	238	199	193	221	259	-21	39
° DPO in days	72	59	56	61	68		
Trade Working Capital	449	462	540	539	515	-66	-12
° Trade Working Capital as % of sales	27%	27%	31%	29%	26%		

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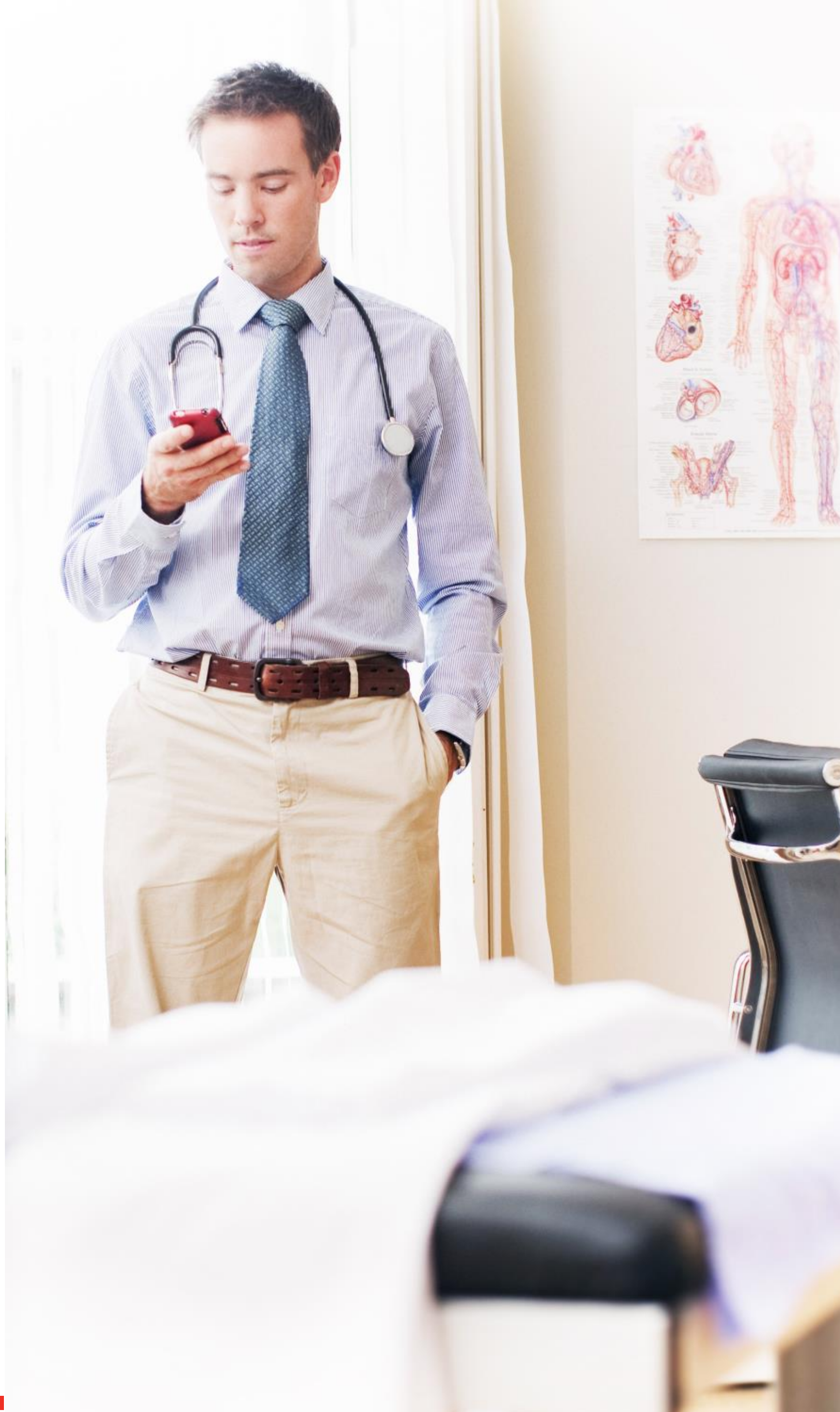
HealthCare IT



HealthCare IT

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 ’21	Q1 ’20 (re-presented)	Δ% (excl.curr.)
Sales	55	55	-1.0% (+3.6%)
Gross Profit* as a % of sales	25 45.5%	24 43.4%	3.6%
SG&A* as a % of sales	-13 24.1%	-15 27.2%	-12.4%
R&D*	-8	-8	2.0%
Other operating items*	0	1	
Adjusted EBITDA* as a % of sales	6.5 11.8%	4.7 8.5%	37.7%
Adjusted EBIT* as a % of sales	4.1 7.4%	2.0 3.5%	107.2%

* Before restructuring and non-recurring items

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HealthCare IT on track

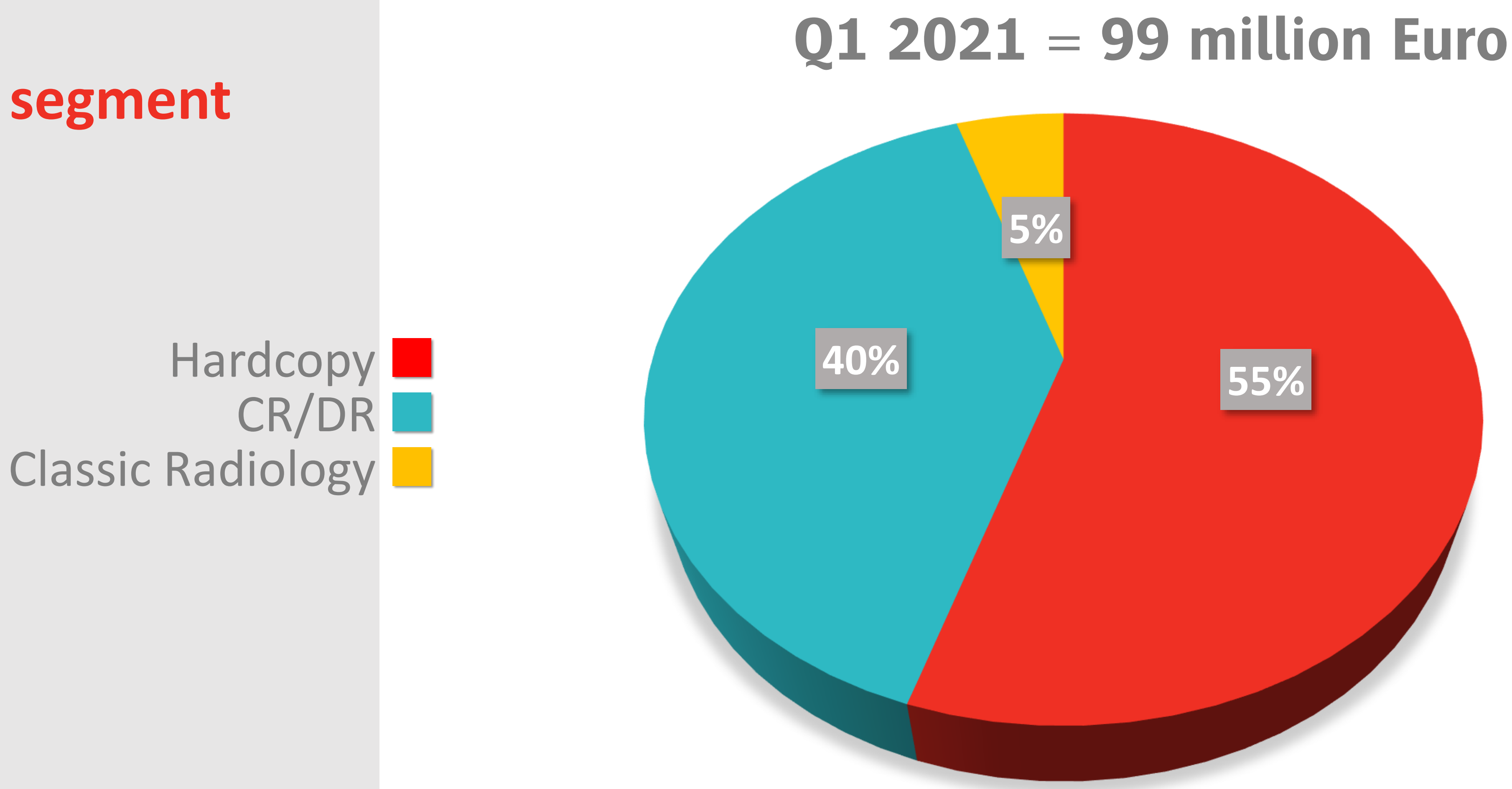
Main drivers behind key figures

- Excluding currency effects, the top line improved by 3.6% fueled by new projects, with smooth go-lives of the Enterprise Imaging platform in Europe and the Middle East.
- Total order backlog remains at a healthy level, covering more than a full year of total revenues, order intake is picking up pace and quality.
- Agfa recognized by KLAS market research in North America as most ready for enterprise imaging.
- Agfa's focused strategy to target specific customer segments and geographies for which its Enterprise Imaging solution is best fit, as well as improved license sales and improved service efficiencies translate in an increase of gross profit margin from 43.4% in Q1 '20 to 45.5% in Q1 '21.
- Adjusted EBITDA improved from 4.7 million Euro in Q1 '20 to 6.5 million Euro. Adjusted EBIT improved strongly to 4.1 million Euro, from 2.0 million Euro in Q1 '20.
- Confirming mid-term target of high teen EBITDA % within 3 years.

Radiology Solutions

Radiology Solutions

Sales
by business segment



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Radiology Solutions

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 '21	Q1 '20	Δ% (excl.curr.)
Sales	99	118	-16.3% (-13.6%)
Gross Profit* as a % of sales	32 32.1%	45 38.2%	-29.7%
SG&A* as a % of sales	-24 24.7%	-26 22.1%	-6.4%
R&D*	-4	-5	-1.8%
Other operating items*	-1	-4	
Adjusted EBITDA* as a % of sales	7.2 7.3%	16.4 13.9%	-56.1%
Adjusted EBIT* as a % of sales	1.5 1.5%	10.1 8.5%	-84.9%

* Before restructuring and non-recurring items

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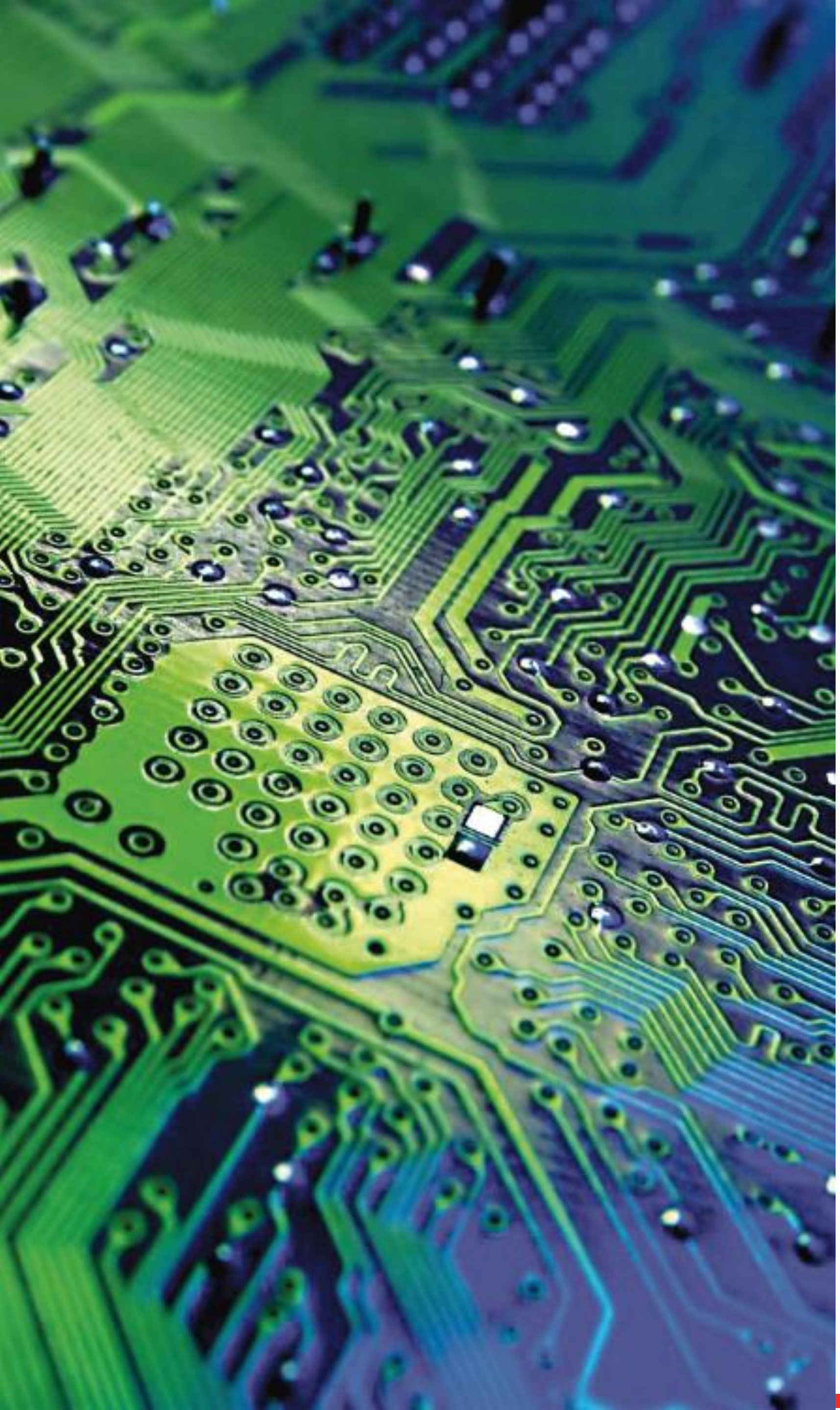
Radiology Solutions still impacted by COVID and China

Main drivers behind key figures

- Overall, the division saw an exceptionally slow first quarter.
- Consolidation of DR sales at last year's level as market slowly normalizes post-COVID.
- Medical film volumes still impacted by COVID in Latin America and India. In China, the business is facing increased price and volume pressure due to new centralized procurement practices. Selective price actions outside China.
- Significant pick-up of activity in Q2 expected across segments.
- The division's gross profit margin decreased from 38.2% of revenue in Q1 '20 to 32.1%, mainly due to volume decreases in medical film and CR, product/mix effects in DR and high raw material costs.
- Adjusted EBIT amounted to 1.5 million Euro, versus 10.1 million Euro in Q1 '20.



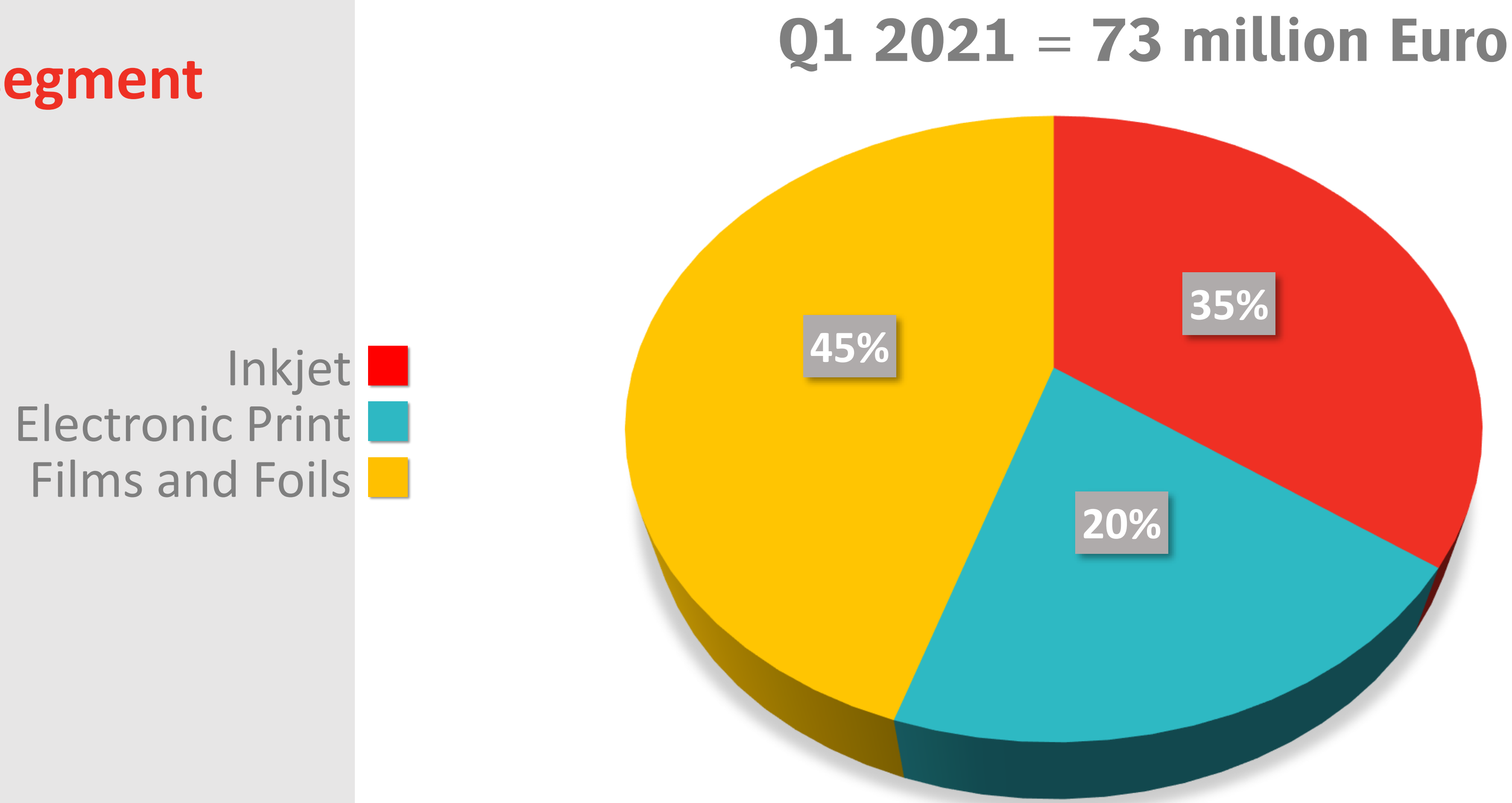
Digital Print

&

Chemicals

Digital Print & Chemicals

Sales by business segment



Digital Print & Chemicals

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 ’21	Q1 ’20	Δ% (excl.curr.)
Sales	73	74	-1.9% (-0.4%)
Gross Profit* as a % of sales	23 31.1%	22 29.5%	3.4%
SG&A* as a % of sales	-14 18.8%	-14 19.5%	-5.2%
R&D*	-6	-5	14.8%
Other operating items*	0	-1	
Adjusted EBITDA* as a % of sales	5.2 7.2%	3.5 4.7%	49.0%
Adjusted EBIT* as a % of sales	2.3 3.2%	0.9 1.2%	161.9%

* Before restructuring and non-recurring items

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Digital Print & Chemicals growth

Main drivers behind key figures

- Overall topline at pre-COVID level.
- Digital Print continues to recover as equipment order book is replenished with a favorable mix of high-end solutions, successful market entry in industrial markets and solid ink volumes overall.
- Electronic Print growth through film and chemical niches in electronics, automotive. Zirfon hydrogen membrane sales pipeline reflects strong growth.
- Specialty Film and Foils still below last year, some recovery expected to continue during the year.
- In spite of increasing silver costs, the gross profit margin improved from 29.5% of revenue in Q1 ‘20 to 31.1% of revenue.
- Adjusted EBIT more than doubled from 0.9 million Euro (1.2% of revenue) to 2.3 million Euro (3.2% of revenue).

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Offset Solutions

Offset Solutions

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 '21	Q1 '20	Δ% (excl.curr.)
Sales	169	187	-9.7% (-6.8%)
Gross Profit* as a % of sales	37 22.2%	44 23.6%	-15.1%
SG&A* as a % of sales	-33 19.5%	-38 20.2%	-12.8%
R&D*	-5	-6	-9.8%
Other operating items*	-2	-2	
Adjusted EBITDA* as a % of sales	1.6 1.0%	3.7 2.0%	-56.8%
Adjusted EBIT* as a % of sales	-3.2 -1.9%	-1.4 -0.7%	130.5%

* Before restructuring and non-recurring items

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Offset Solutions faces cost headwinds, price actions in place

Main drivers behind key figures

- Excluding currency effects, revenue decreased by 6.8% to 169 million Euro, improving sequentially vs. previous quarters.
- Affected by mix effects, cost inflation and currency impact, the Offset Solutions division's gross profit margin decreased from 23.6% of revenue in Q1'20 to 22.2%.
- Strong price actions in place.
- To improve profitability and to address the significant decline in market demand, Agfa is reviewing its offset business model, simplifying its organization and streamlining its product offering.
- Adjusted EBIT amounted to minus 3.2 million Euro (minus 1.9% of revenue), compared to minus 1.4 million Euro (minus 0.7% of revenue) in Q1 '20.
- In 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.

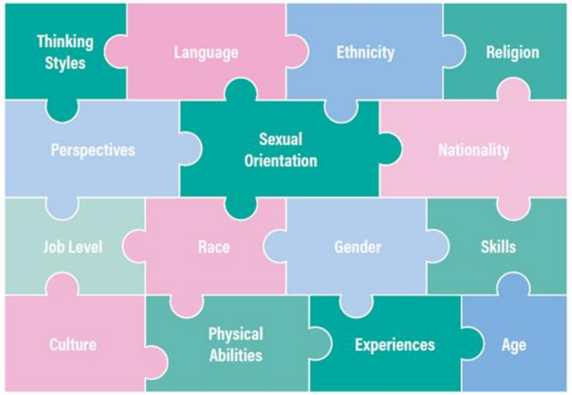
Volume recovery expected to continue

Outlook

- After a seasonally subdued Q1, business volume recovery expected to continue in 2021.
- Implementation of cost reduction programs to continue in 2021.
- Continuing price increase programs will be required to mitigate cost inflation.
- Confirmed performance growth of HealthCare IT and Digital Print & Chemicals.
- Offset improving but under inflationary and structural pressure.
- Volumes and margins in Radiology Solutions expected to recover substantially in the next quarters.

Sustainability @ Agfa

The road to 2030 & beyond: sustainable and profitable growth

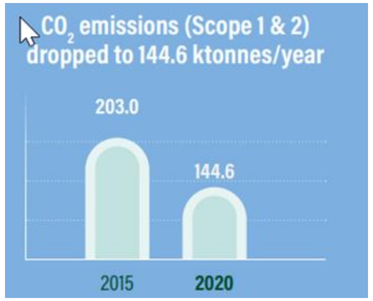


For a safe, diverse, inclusive and stimulating work environment

- Data management system set up – broad set of indicators
- Focus on adapting wording and identifying platforms to advertise vacancies
- Learning channels and specific trainings under development
- Close monitoring of accidents and more visibility to management
- Focus on regular refresh of safety programs

For an increased focus on sustainable innovation

- Matrix under development to assess sustainability profile of products in R&D phase (Pilot: Zirfon)
- Analysis of Circular Business Models for plastics (Pilot: SYNAPS)
- Choice on-going for third party assessment of Agfa ESG rating



For a continuous reduction of our operations' impact on the planet

- Installation of solar panels in Mortsel
- Cooling water production in Heultje
- …

*More information on all the activities we set up and the future plans in our **2020 Annual Report.***

AGFA

Questions

&

Answers