Q3 2021 Results

Agfa-Gevaert Group

November 9, 2021

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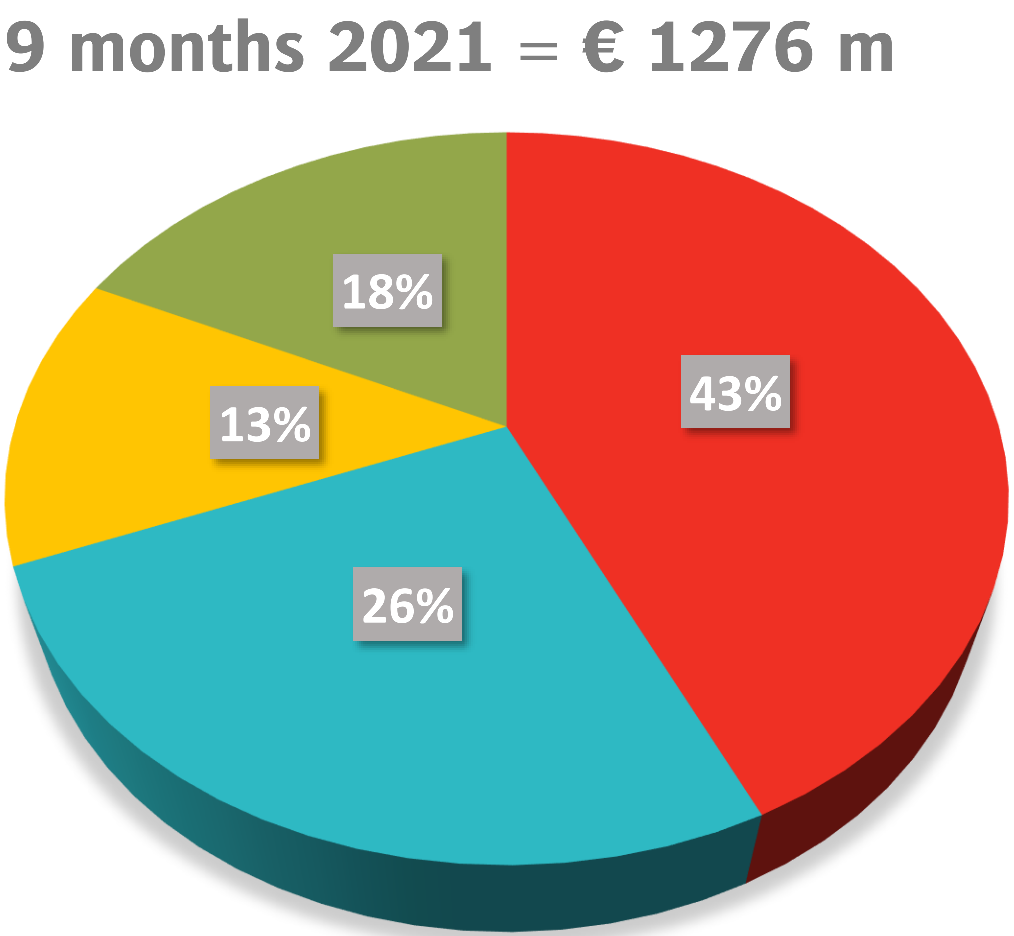
Decent top line recovery but increasing inflationary pressure and supply chain issues

Key highlights Q3

- Decent top line recovery but contrasted performance between the divisions
- Strict cost management maintained – good margin performance versus Q3 2020 despite increasing inflationary pressure and supply chain issues
- Strong price actions in place, impact delayed for some businesses
- Adjusted EBITDA 35% higher than in Q3 2020
- Working capital stable as % of sales despite raw material cost inflation and supply chain issues

Sales by division

Offset Solutions
Radiology Solutions
HealthCare IT
Digital Print and Chemicals



Agfa-Gevaert Group

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q3 ’21	Q3 ’20	Δ% (excl.curr.)	9m’21	9m’20	Δ% (excl.curr.)
Sales	**439**	410	7.2% (6.1%)	**1276**	1242	2.8% (4.2%)
Gross Profit*	**118**	112	5.4%	**370**	367	0.8%
as a % of sales	**26.8%**	27.2%		**29.0%**	29.5%	
SG&A*	**-88**	-85	3.5%	**-268**	-264	1.4%
as a % of sales	**20.1%**	20.8%		**21.0%**	21.3%	
R&D*	**-22**	-25	-9.9%	**-71**	-71	1.1%
Other operating items*	**-1**	-2		**0**	-9	
Adj. EBITDA*	**21**	16	34.9%	**77**	71	8.1%
as a % of sales	**4.9%**	3.9%		**6.0%**	5.7%	
Adj. EBIT*	**6**	0		**31**	23	33.9%
as a % of sales	**1.4%**	0.0%		**2.4%**	1.8%	

* Before restructuring and non-recurring items

Agfa-Gevaert Group

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q3'21	Q3 '20	9m'21	9m'20
Adjusted EBIT*	**6**	0	**31**	23
Restructuring/non-recurring	**-7**	-9	**-5**	-58
Operating result	**-1**	-9	**26**	-35
Non-operating result	**-4**	-9	**-7**	-25
Profit before taxes	**-4**	-17	**18**	-61
Taxes	**-1**	-8	**-15**	-15
Profit from continuing operations	**-5**	-25	**4**	-76
Profit from discontinued operations, net of tax	**0**	0	**0**	720
Profit	**-5**	-25	**4**	644

* Before restructuring and non-recurring items

Decent top line recovery but increasing inflationary pressure and supply chain issues

Main drivers behind key figures Q3

- Decent top line recovery vs Q3 2020:
  - DPC and Offset Solutions: significant improvement of top line due to successful price increase actions and volume increases
  - Radiology Solutions: medical film benefited from price increases, DR's top line lower than in Q3 2020, when hospitals invested in mobile DR solutions related to COVID.
  - HealthCare IT: healthy order book but temporary delay in project implementations.
- All divisions facing supply chain issues and electronic component shortages, leading to sales recognition delays.
- Gross profit margin almost stable at 26.8% as price actions allowed to partly mitigate cost inflation.
- Net loss of minus € 5 m.

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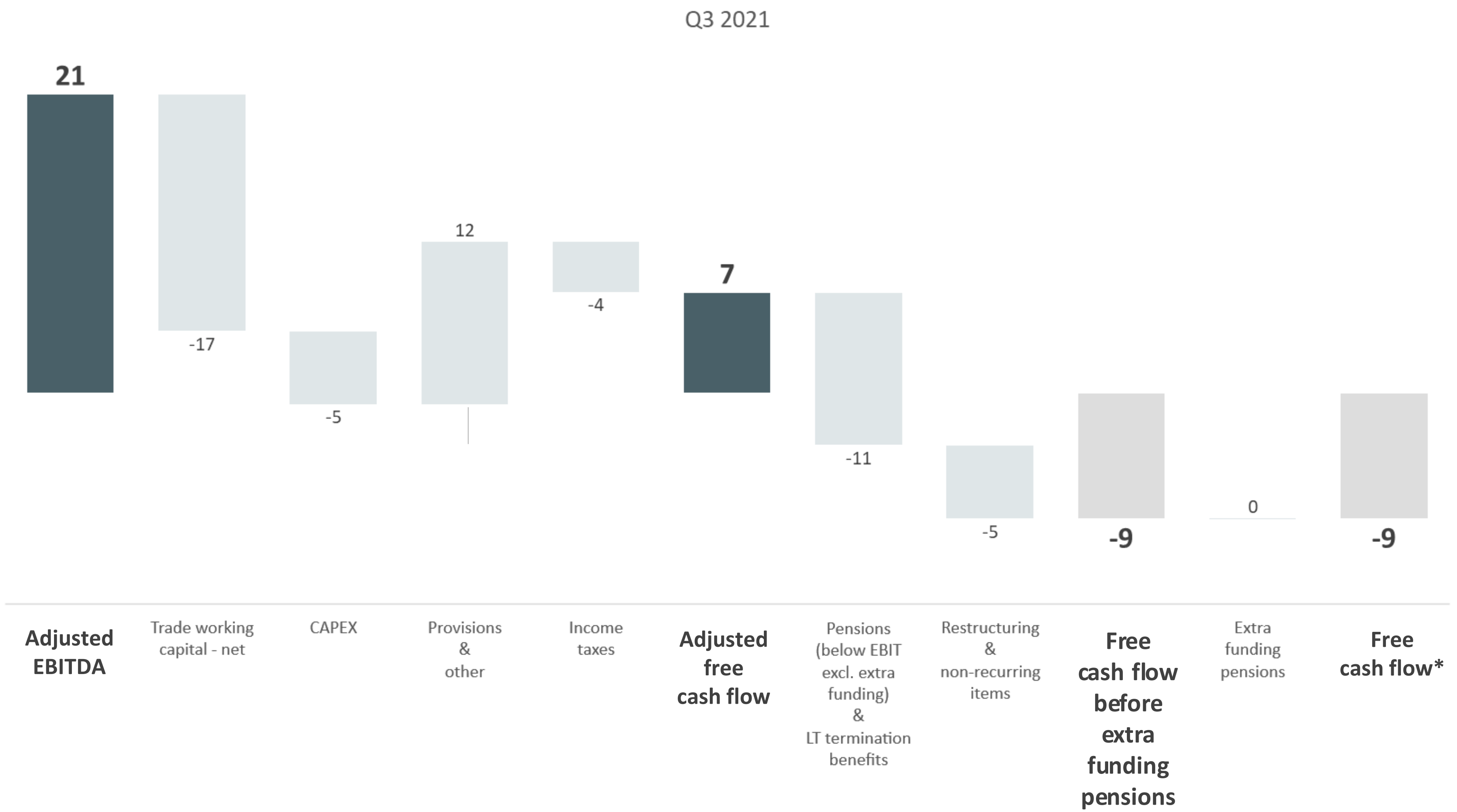
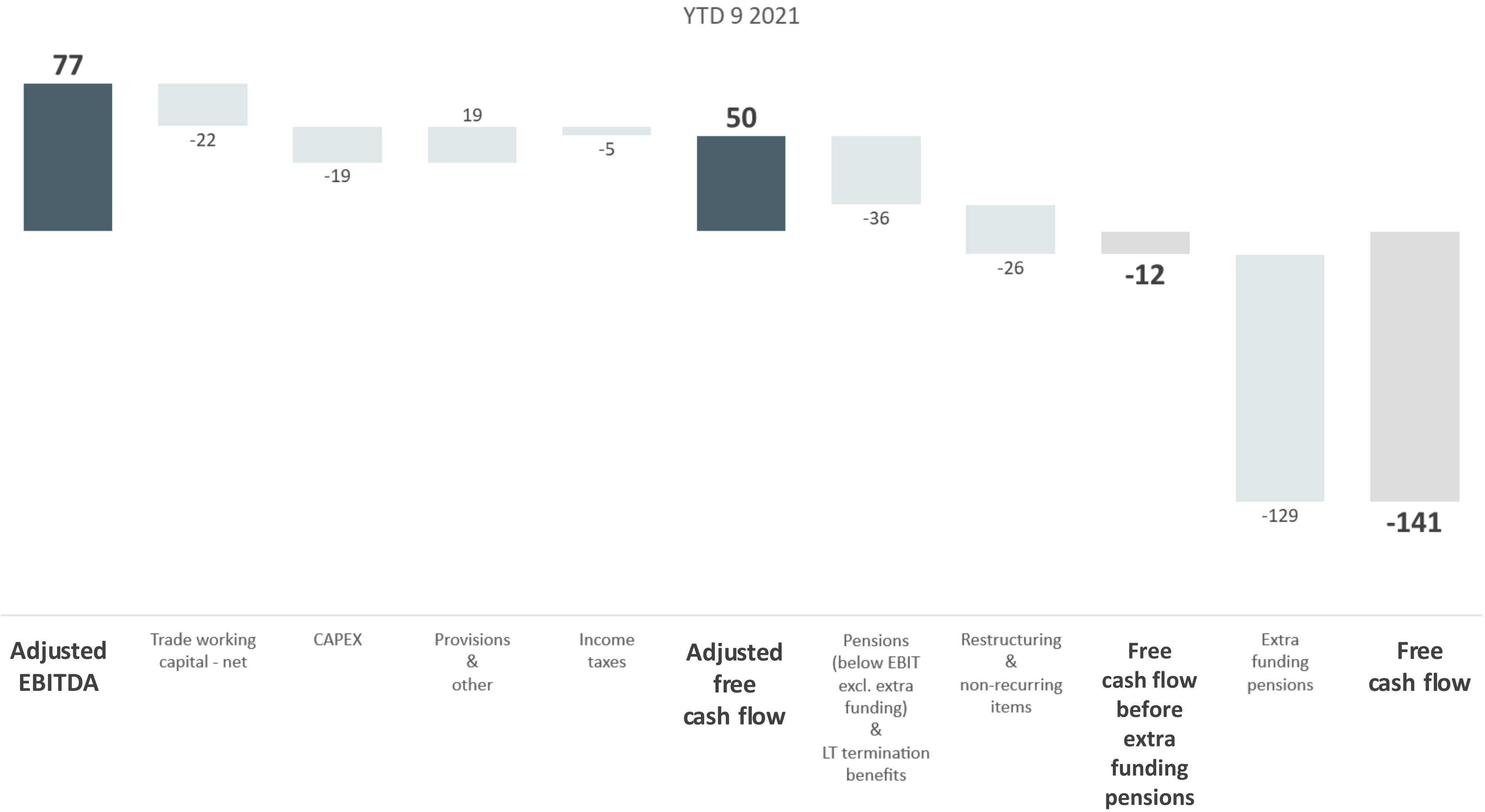
Free cash flow Agfa-Gevaert Group Q3 2021 (in million Euro)



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.

Free cash flow Agfa-Gevaert Group ytd 2021 (in million Euro)



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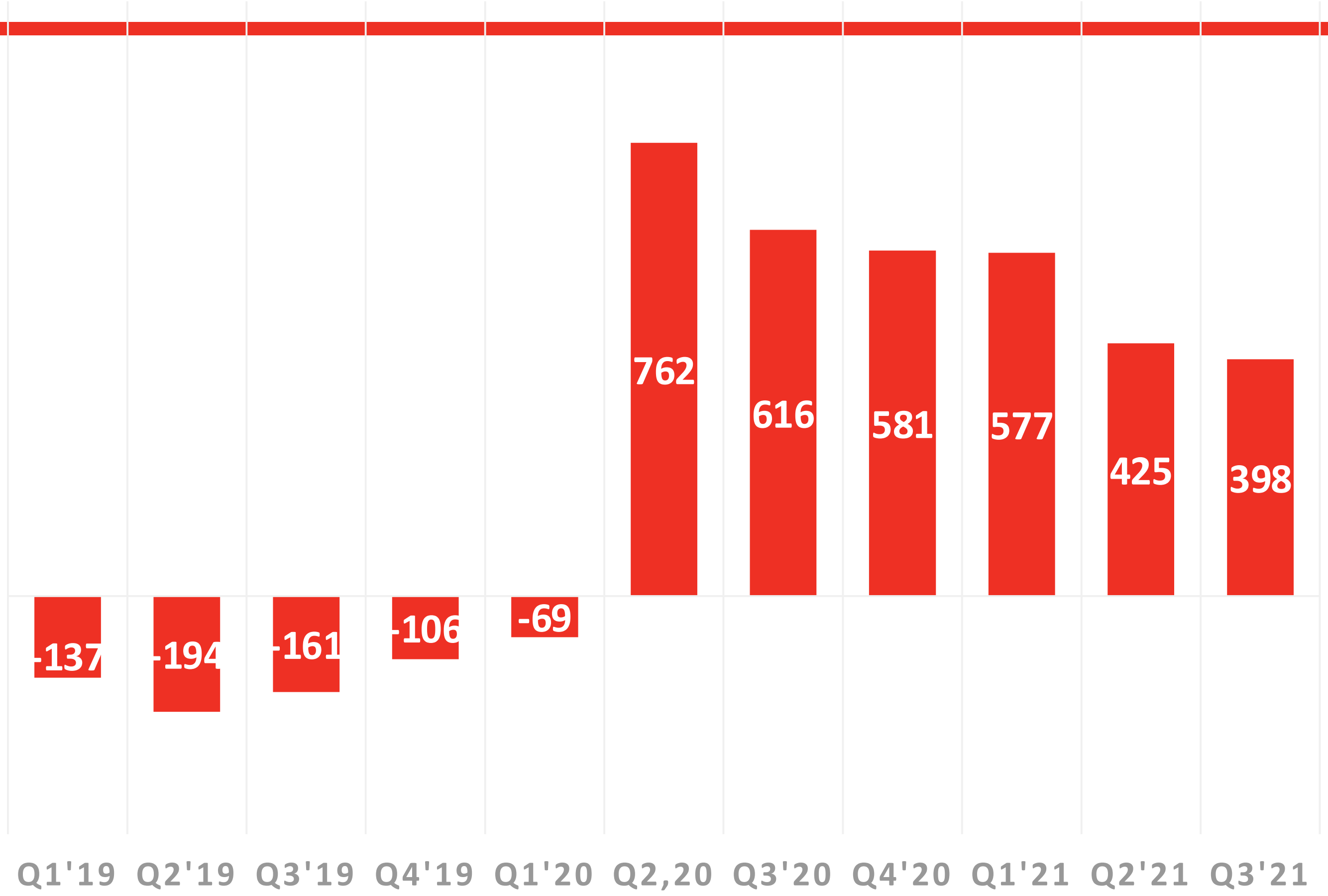
Strong net cash position

Net cash position

excl IFRS 16, in million Euro

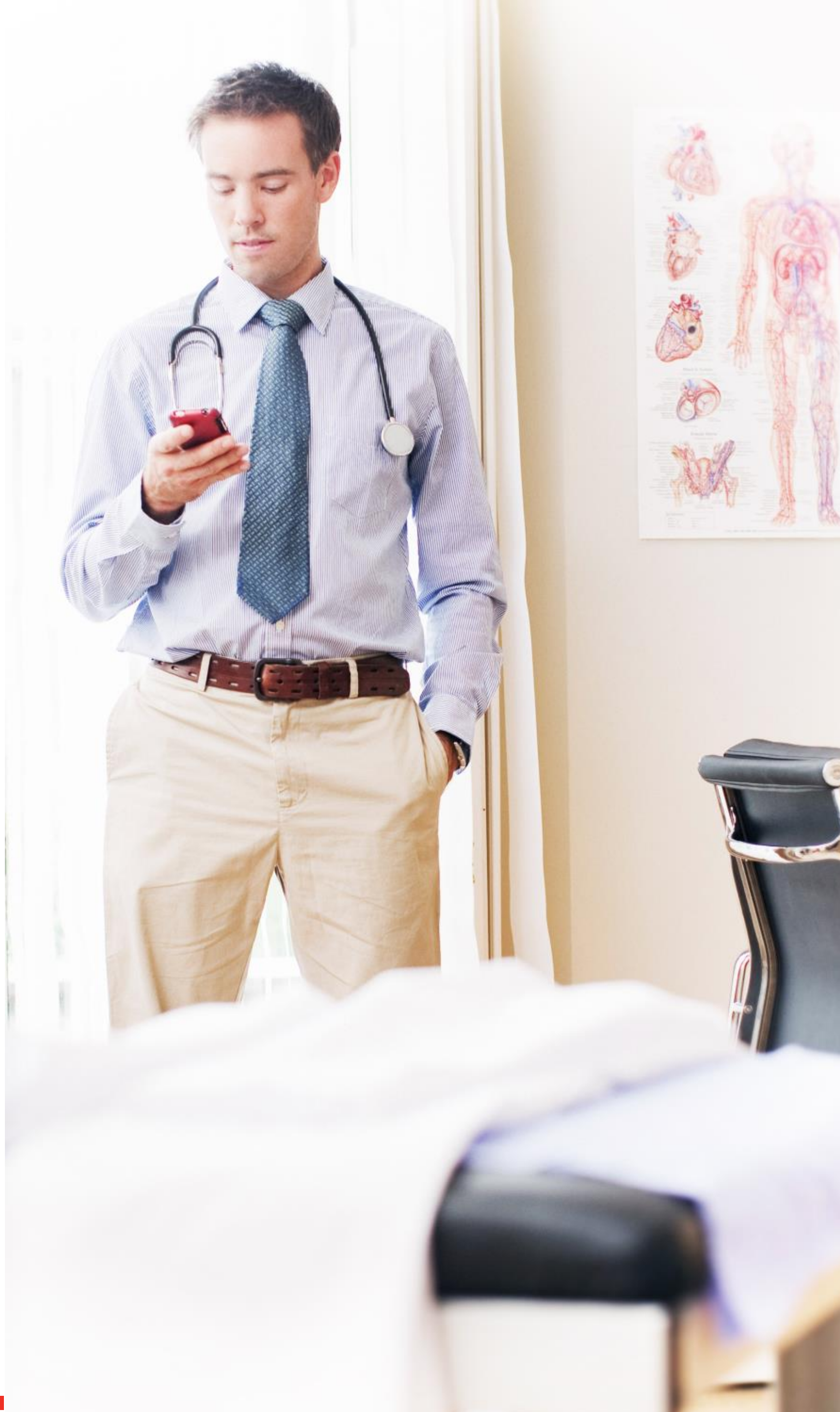


Note: Total B/S net cash position Q3 2021 incl IFRS 16
= € 324 m

Working Capital: stable as % of sales despite supply chain issues and raw material cost inflation

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Δ Q3 2021 vs 2020	Δ 2021 Q3 vs Q2
Inventories (Mio Eur)	465	445	421	389	464	1	20
° DIOH in days	134	131	127	115	134	1	3
Trade Receivables, Contract Assets/Liabilities	270	255	266	271	269	0	15
° DSO in days	55	52	60	52	59	-4	3
Trade Payables (Mio Eur)	258	240	238	199	193	65	17
° DPO in days	74	71	72	59	56	19	4
Trade Working Capital	477	460	449	462	540	-63	17
° Trade Working Capital as % of sales	27%	27%	27%	27%	31%		

HealthCare IT



HealthCare IT

Key figures
Profit & Loss

Incl. IFRS 16

in million Euro	Q3 '21	Q3 '20	Δ% (excl.curr.)	9m'21	9m'20	Δ% (excl.curr.)
Sales	**49**	54	-8.6% (-9.4%)	**160**	171	-6.5% (-4.2%)
Gross Profit* as a % of sales	**22** **44.1%**	25 46.4%	-13.0%	**72** **45.0%**	79 46.5%	-9.4%
SG&A* as a % of sales	**-13** **26.0%**	-14 25.2%	-5.9%	**-38** **24.0%**	-43 25.2%	-10.9%
R&D*	**-7**	-8	-16.7%	**-23**	-23	-3.4%
Other operating items*	**1**	1		**1**	1	
Adjusted EBITDA* as a % of sales	**4.6** **9.3%**	6.0 11.2%	-24.4%	**19.0** **11.9%**	21.2 12.4%	-10.7%
Adjusted EBIT* as a % of sales	**2.5** **5.0%**	3.7 6.9%	-33.8%	**12.3** **7.7%**	14.1 8.2%	-12.3%

* Before restructuring and non-recurring items

HealthCare IT: slower Q3, upturn expected in Q4

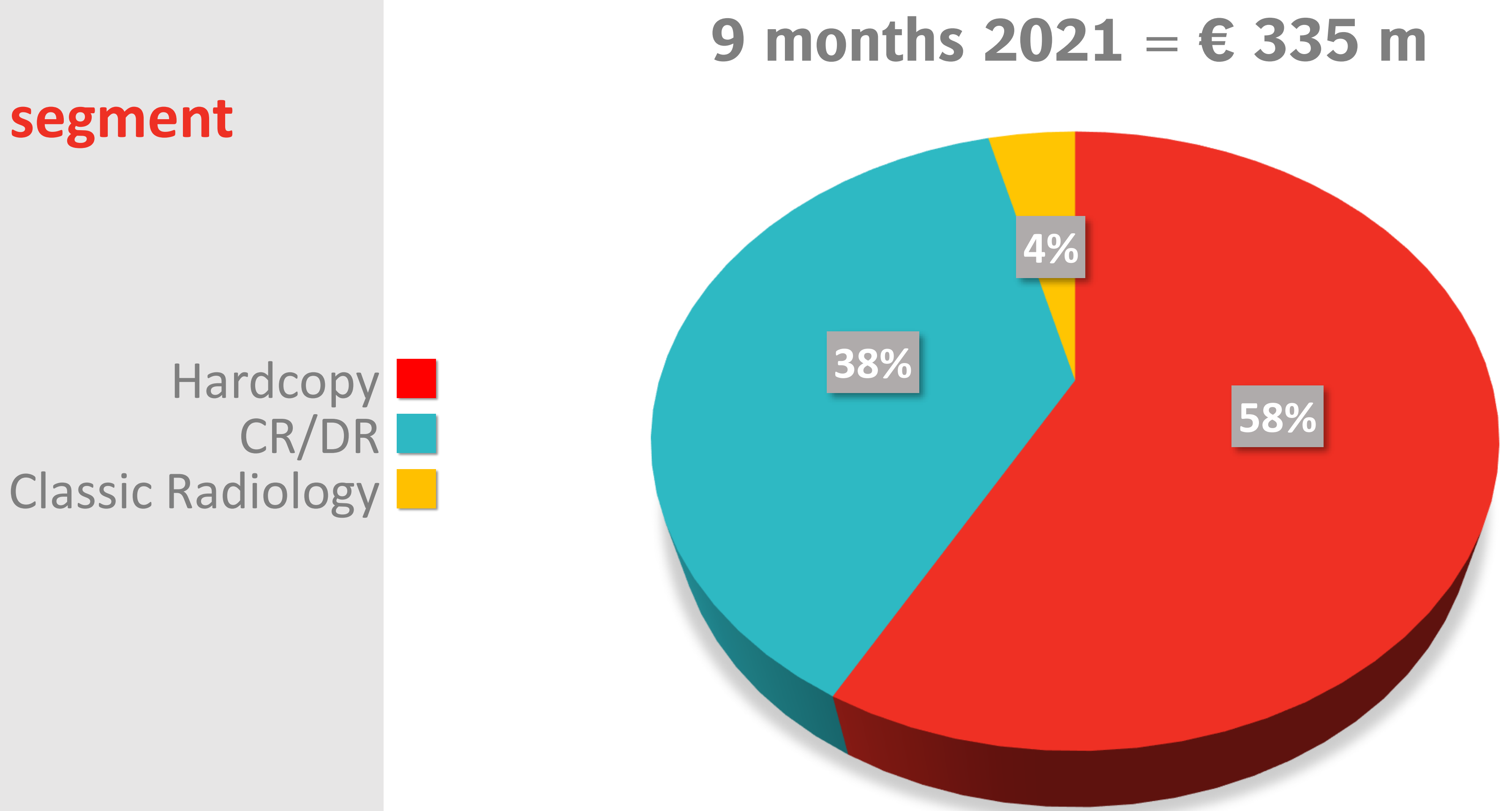
Main drivers behind key figures Q3

- Order book remains at healthy level but temporary delay in project revenue recognition impacts Q3
- Q4 2021 expected to be significantly stronger
- FY outlook: overall progress in adjusted EBITDA expected

Radiology Solutions

Radiology Solutions

Sales
by business segment



Radiology Solutions

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q3 '21	Q3 '20	Δ% (excl.curr.)	9m'21	9m'20	Δ% (excl.curr.)
Sales	**116**	119	-2.6% (-3.6%)	**335**	350	-4.0% (-2.6%)
Gross Profit*	**39**	39	-0.7%	**116**	128	-9.4%
as a % of sales	**33.8%**	33.1%		**34.6%**	36.7%	
SG&A*	**-25**	-24	3.1%	**-75**	-72	3.6%
as a % of sales	**21.3%**	20.1%		**22.4%**	20.7%	
R&D*	**-5**	-4	2.6%	**-13**	-12	6.1%
Other operating items*	**-1**	0		**-2**	-5	
Adjusted EBITDA*	**15.0**	16.5	-9.2%	**43.2**	56.7	-23.8%
as a % of sales	**13.0%**	13.9%		**12.9%**	16.2%	
Adjusted EBIT*	**9.2**	10.6	-12.8%	**26.0**	38.3	-32.0%
as a % of sales	**8.0%**	8.9%		**7.8%**	11.0%	

* Before restructuring and non-recurring items

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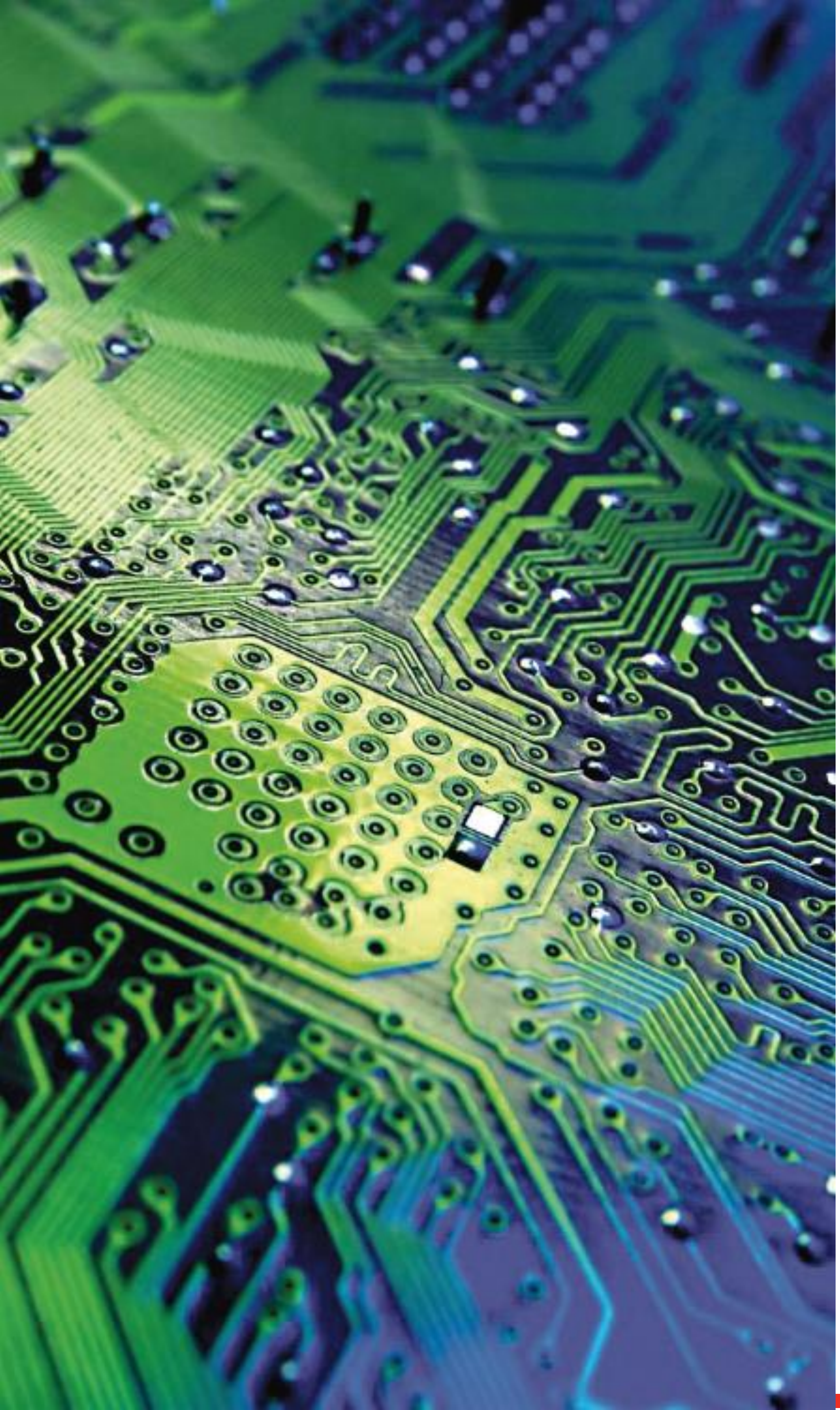
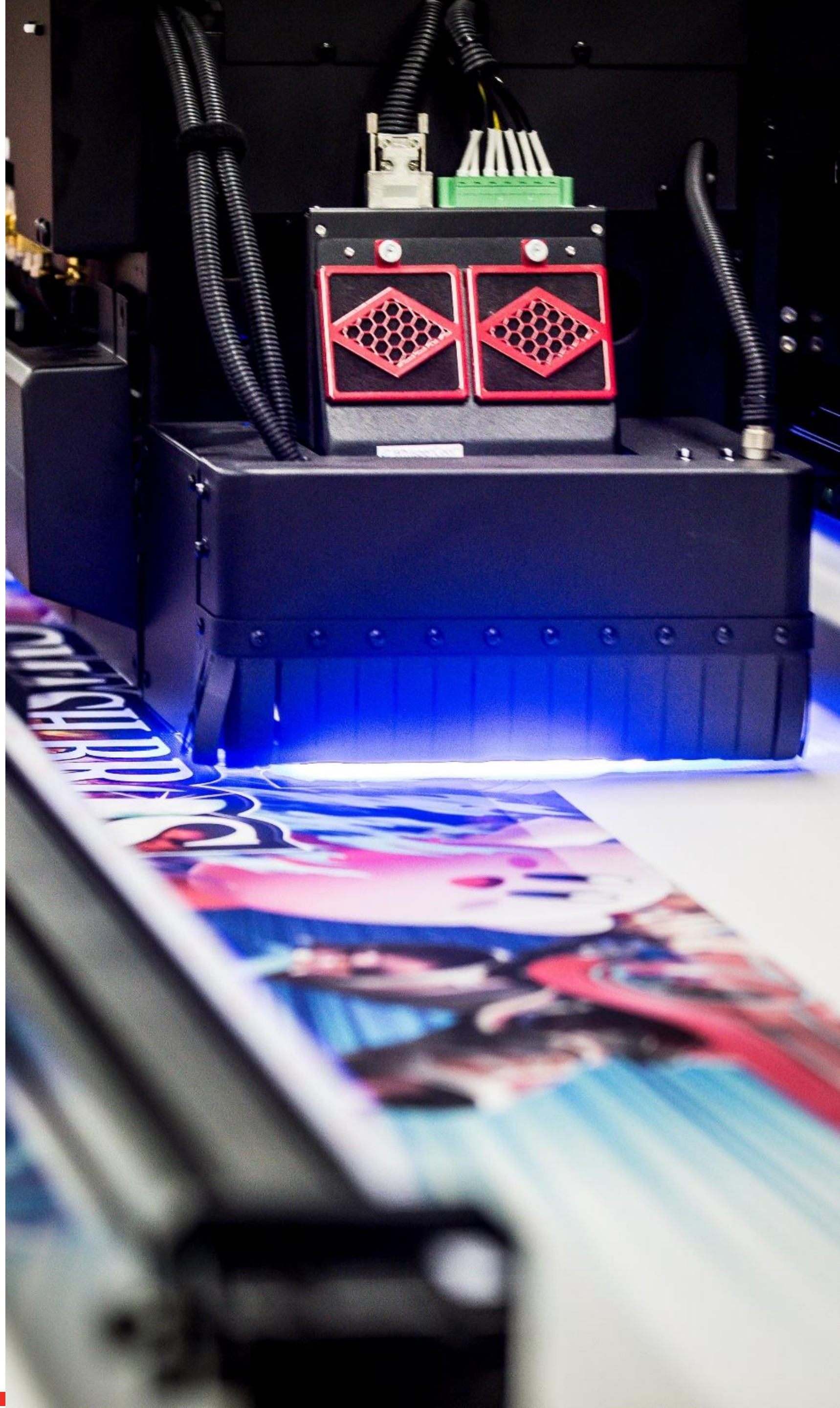
Radiology Solutions: medical film stabilized, DR marked by volatility

Main drivers behind key figures Q3

- Medical film: top line was slightly up vs Q3 2020 due to price increases for medical film to tackle the higher silver prices.
- DR: top line decreased vs Q3 2020 when hospitals invested heavily in mobile DR equipment related to COVID. The DR market continues to be volatile.
- Thanks to strict cost management and price actions for medical film, the gross profit margin increased from 33.1% in Q3 2020 to 33.8%.
- Adjusted EBIT amounted to € 9.2 m (8.0% of revenue).

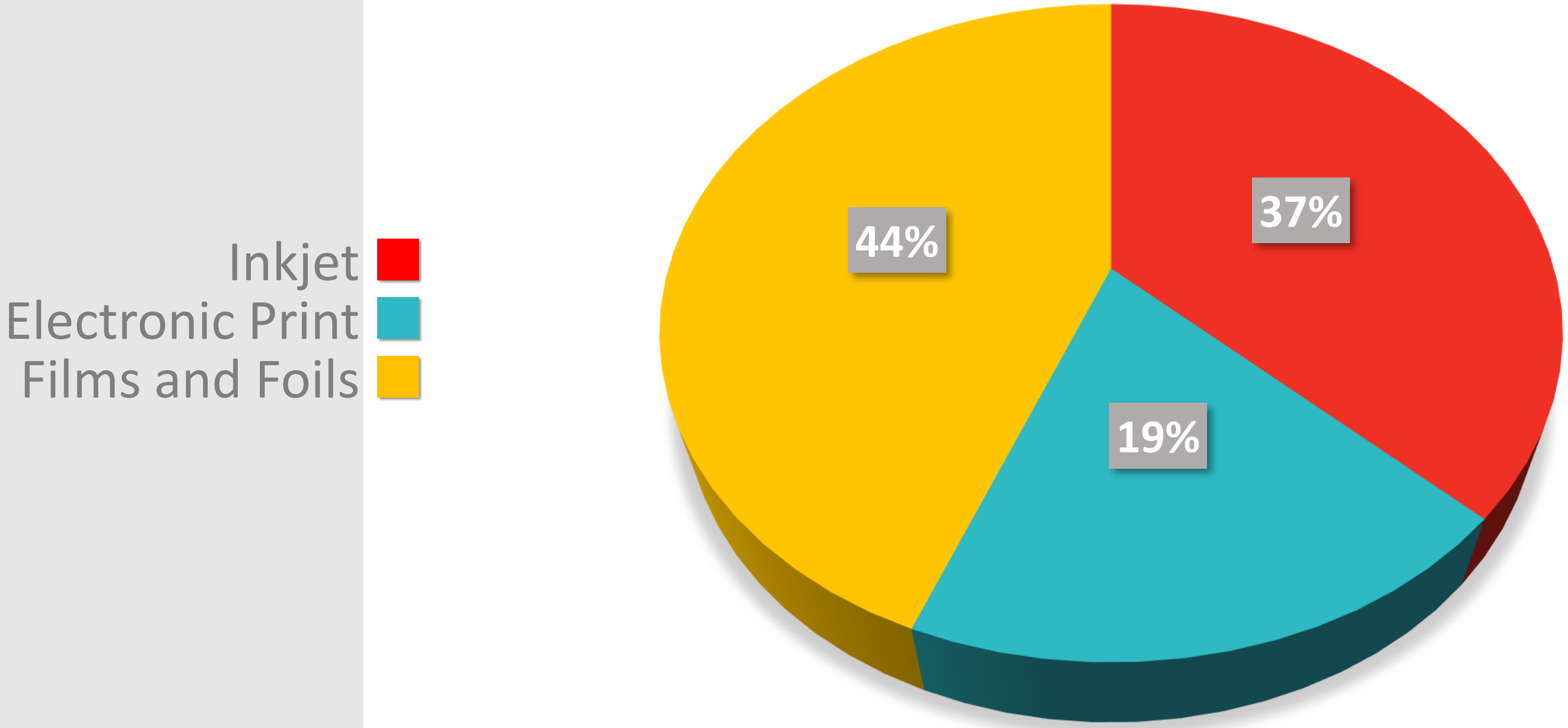


Digital Print
&
Chemicals



Sales by business segment

9 months 2021 = € 236 m



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Digital Print & Chemicals

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q3 '21	Q3 '20	Δ% (excl.curr.)	9m'21	9m'20	Δ% (excl.curr.)
Sales	**82**	69	18.9% (18.5%)	**236**	211	12.3% (13.4%)
Gross Profit* as a % of sales	**20** **24.5%**	19 27.1%	7.5%	**66** **28.0%**	58 27.7%	13.5%
SG&A* as a % of sales	**-14** **17.1%**	-13 18.1%	12.0%	**-42** **17.8%**	-39 18.7%	7.0%
R&D*	**-5**	-5	-9.1%	**-16**	-15	9.8%
Other operating items*	**-1**	1		**0**	0	
Adjusted EBITDA* as a % of sales	**3.8** **4.7%**	4.3 6.2%	-11.0%	**15.9** **6.7%**	11.5 5.4%	38.8%
Adjusted EBIT* as a % of sales	**0.9** **1.1%**	1.7 2.5%	-46.0%	**7.1** **3.0%**	3.6 1.7%	94.6%

* Before restructuring and non-recurring items

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Digital Print & Chemicals continued to recover

Main drivers behind key figures Q3

- Continued recovery from COVID impact - price increase implementations in almost all business areas to tackle inflationary pressure.
- Performance of inkjet as well as of the future-oriented activities (e.g. Orgacon conductive materials and Zirfon membranes) improved considerably.
- Inkjet performance impacted by supply chain issues.
- High cost inflation had a strong impact on film products.
- Mainly impacted by higher silver costs and supply chain challenges, the gross profit margin decreased to 24.5%.

Offset Solutions

Offset Solutions

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q3 '21	Q3 '20	Δ% (excl.curr.)	9m'21	9m'20	Δ% (excl.curr.)
Sales	**192**	168	14.5% (13.0%)	**544**	510	6.6% (7.9%)
Gross Profit*	**37**	29	29.4%	**116**	101	14.8%
as a % of sales	**19.3%**	17.0%		**21.3%**	19.8%	
SG&A*	**-32**	-31	3.9%	**-98**	-98	-0.2%
as a % of sales	**16.7%**	18.4%		**18.0%**	19.2%	
R&D*	**-5**	-6	-11.1%	**-15**	-16	-6.9%
Other operating items*	**-2**	-4		**-4**	-7	
Adjusted EBITDA*	**2.5**	-7.0	-136.2%	**12.2**	-6.0	-301.4%
as a % of sales	**1.3%**	-4.2%		**2.2%**	-1.2%	
Adjusted EBIT*	**-1.6**	-11.9	-86.2%	**-1.5**	-20.9	-93.0%
as a % of sales	**-0.9%**	-7.1%		**-0.3%**	-4.1%	

* Before restructuring and non-recurring items

Offset Solutions: performance improved, price actions in place

Main drivers behind key figures Q3

- Revenue increase vs Q3 2020 due to partial recovery of the offset markets and price increases to tackle cost inflation.
- Volumes still below pre-Covid.
- Price increase actions (third wave) are in place with main impact in 2022 due to contractual commitments.
- Continuous cost improvement actions.
- Full impact of cost inflation expected in Q4 2021.

Upturn in HealthCare IT expected but continued inflationary pressure and supply chain issues

Outlook

- Upturn in performance expected for HealthCare IT in Q4 2021. For the other divisions, a subdued performance is expected, as the inflation impact will increase. For Radiology, a lower sales figure for its medical film business is expected. As a result, the Group's EBITDA is expected to be below the level of Q4 2020.
- Inflationary pressure and supply chain issues expected to continue to impact the first quarters of 2022.
- Tight working capital and cost management continued, as well as price increase programs to mitigate cost inflation. In some cases, the effects of price actions come with a certain delay due to clauses in contracts with customers.

Sustainability @ Agfa

The road to 2030 & beyond: sustainable and profitable growth

For a safe, diverse, inclusive and stimulating work environment

- On-going refresh of safety programs, thorough root causes analysis, observation tours, …
- Brain based safety program in maintenance, 5S pilot programs launched for DPC
- Increasing visibility of accidents to management
- Increased focus on D&I via talent development and leadership tracks

For an increased focus on sustainable innovation and corporate governance

- Matrix to assess sustainability of R&D products: pilot Innovation Office on-going, Radiology next (broader roll out in 2022)
- EcoVadis ESG rating assessment submitted → outcome report expected before year end
- Internal stakeholders consultation on-going to define gaps & priorities for future work
- Continuous effort in developing always more sustainable solutions for our customers

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

- Solar panels installed in Mortsel → provide 4% of total electricity
- Cooling water production in Heultje
- Implementation of a new car policy with electric and hybrid cars
- New hybrid working policy as of September → reduced commuting

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Questions

&

Answers