FY 2021 Results

Agfa-Gevaert Group

March 9, 2022

Increased EBITDA despite inflationary headwinds - Advancing transformation

Key highlights FY'21

- Group topline 3% above 2020, with contrasted divisional performances
- Resilient gross margin performance due to continued successful price actions and strict cost management – despite significant inflationary pressure and supply chain issues
- Adjusted EBITDA 5% above 2020
  - Strong profitability performance of HealthCare IT
  - Radiology Solutions impacted by lingering COVID impact and China procurement transition
  - Strong performance of the growth activities of Digital Print & Chemicals
  - Significant improvement for Offset Solutions, in spite of headwinds
- Pension de-risking measures resulting in a substantially lower net liability and decreasing cash outs
- Working capital decreased to 26% of sales despite raw material cost inflation and supply chain issues
- Substantial progress in transformation program

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Continued improvement of activity

Key highlights Q4'21

- Inflationary pressure continued to increase
- Very strong profitability for HealthCare IT
- Strong topline growth for Digital Print & Chemicals, but profitability affected by manufacturing inefficiencies and inflationary pressure
- Offset Solutions impacted by cost inflation while demand improves

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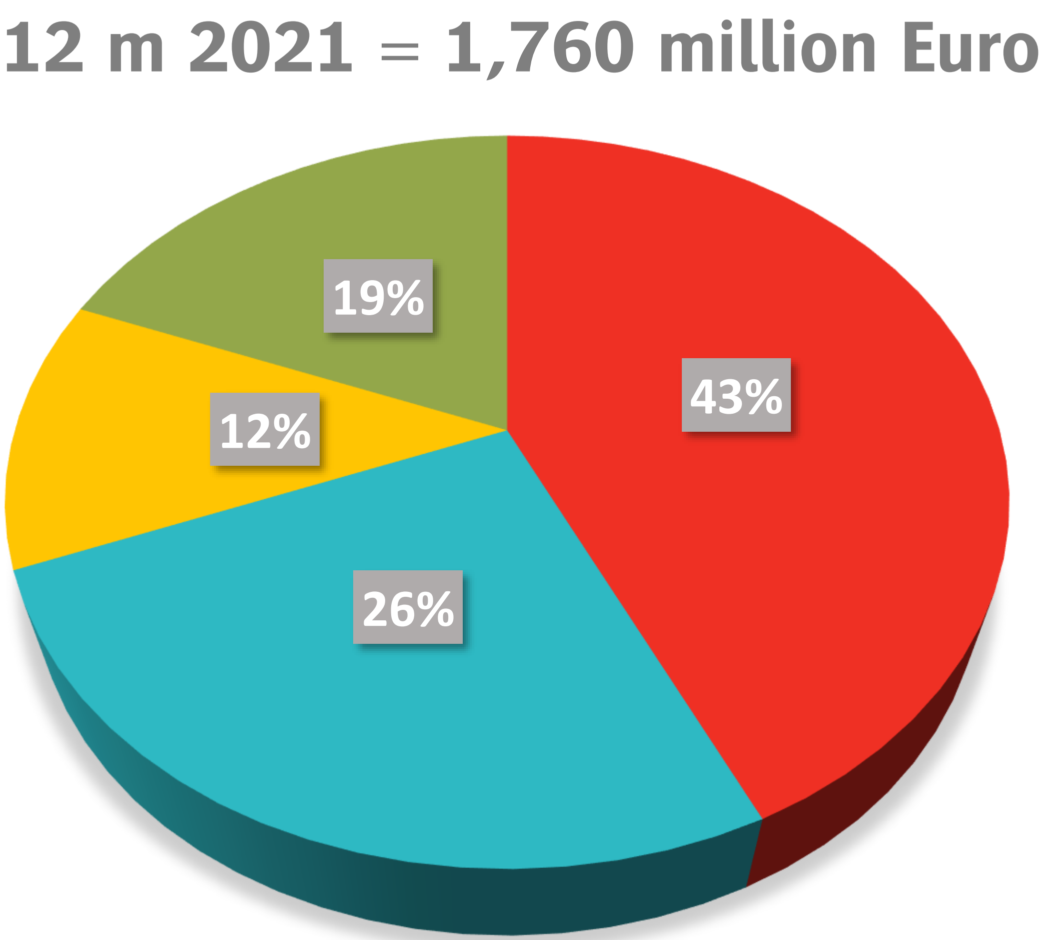
Sales by division

Offset Solutions
Radiology Solutions
HealthCare IT
Digital Print and Chemicals



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Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q4 '21	Q4 '20	Δ% (excl.curr.)	12m'21	12m'20	Δ% (excl.curr.)
Sales	484	467	3.7% (1.5%)	1,760	1,709	3.0% (3.4%)
Gross Profit* as a % of sales	128 26.5%	127 27.3%	0.6%	498 28.3%	494 28.9%	0.8%
SG&A* as a % of sales	-95 19.7%	-91 19.6%	4.3%	-363 20.6%	-355 20.8%	2.2%
R&D*	-24	-23	2.7%	-95	-94	1.5%
Other operating items*	2	0		2	-10	
Adj. EBITDA* as a % of sales	27 5.5%	28 5.9%	-2.6%	104 5.9%	99 5.8%	5.1%
Adj. EBIT* as a % of sales	11 2.3%	13 2.7%	-13.1%	42 2.4%	36 2.1%	17.0%

* Before restructuring and non-recurring items

Agfa-Gevaert Group

Key figures
Profit & Loss
Incl. IFRS 16

in million Euro	Q4'21	Q4'20	12m'21	12m'20
Adjusted EBIT*	11	13	42	36
Restructuring/non-recurring	-28	-30	-33	-88
Operating result	-17	-17	9	-52
Non-operating result	0	-5	-8	-31
Profit before taxes	-18	-22	1	-83
Taxes	0	0	-15	-15
Profit from continuing operations	-18	-22	-14	-98
Profit from discontinued operations, net of tax	0	-2	0	719
Profit	-18	-24	-14	621

* Before restructuring and non-recurring items

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Main drivers behind key figures (FY '21)

- Group topline 3% above 2020, with contrasted divisional performances
  - DPC and Offset Solutions: continued improvement of top line due to successful price increase actions and volume increases
  - Radiology Solutions: impacted by lingering COVID impact and China procurement transition
  - HealthCare IT: significant progress, strong backlog
- Gross profit margin only slightly decreased to 28.3% as price actions allowed to partly mitigate cost inflation
- Net loss of minus 14 million Euro

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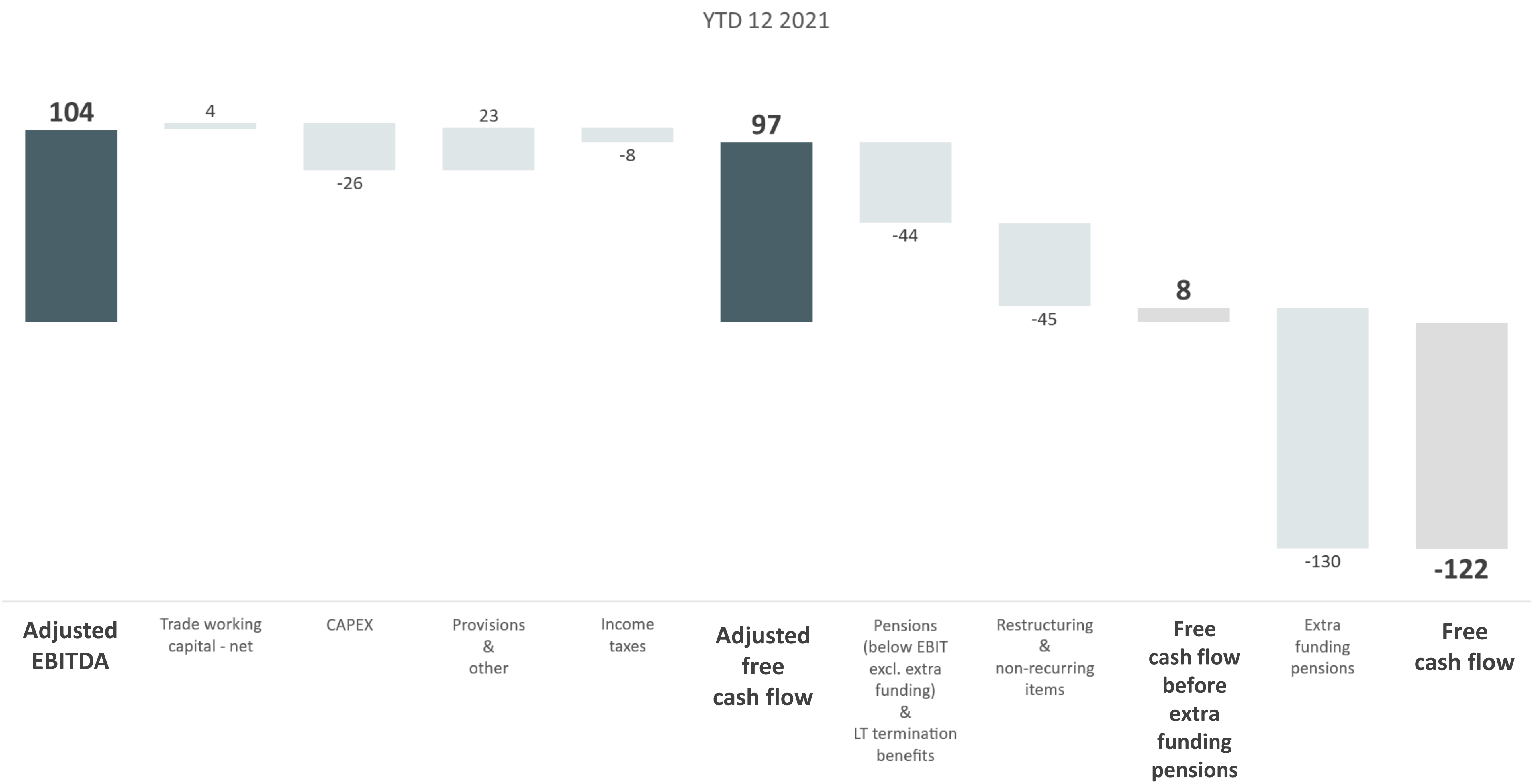
Positive free cash flow before extra pension funding (in million Euro)



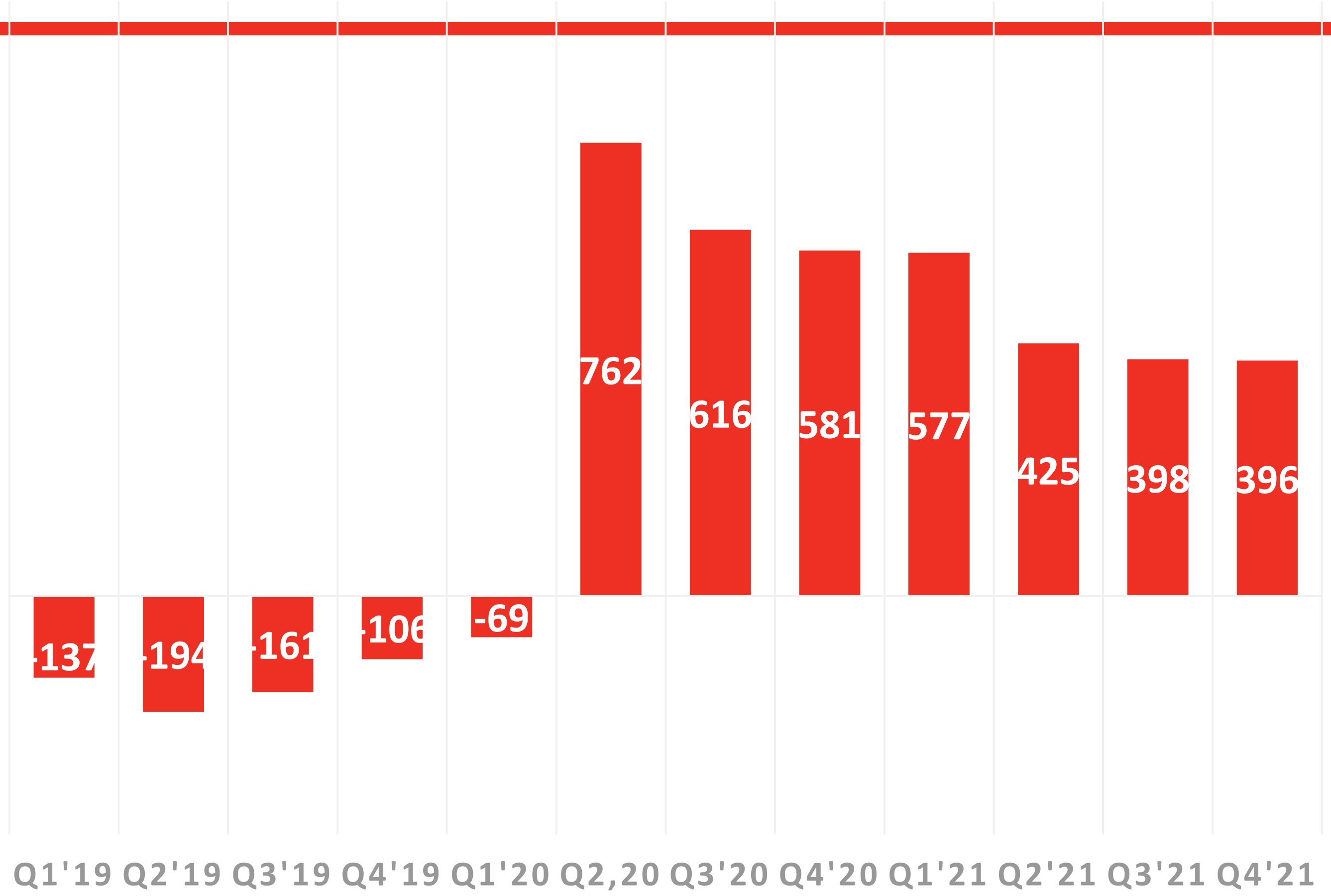
Adjusted free cash flow equals the sum of net cash from operating & investing activities excluding the impact of acquisitions and disposal of discontinued operations (see definition of Free cash flow *) ADJUSTED for the impact of the cash out for pensions below EBIT and the cashout for LT termination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

Strong net cash position

Net cash position

excl IFRS 16, in million Euro

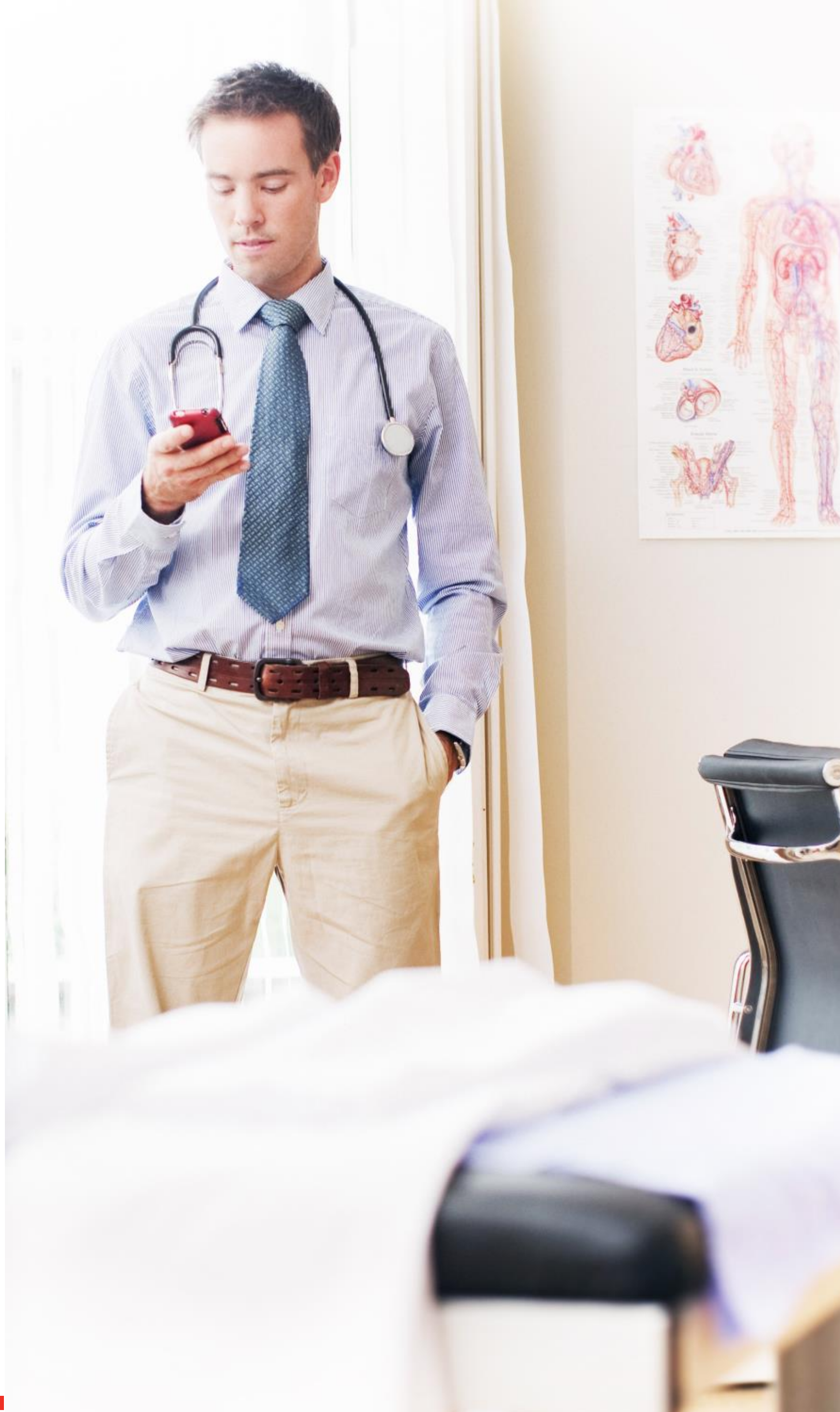


Note: Total B/S net cash position Q4 2021 incl IFRS 16 = 325 million Euro

Working Capital decreased in % of sales

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Δ Q4 2021 vs 2020	Δ 2021 Q4 vs Q3
Inventories (Mio Eur)	418	465	445	421	389	29	-47
° DIOH in days	119	134	131	127	115	4	-15
Trade Receivables, Contract Assets/Liabilities	283	270	255	266	271	12	14
° DSO in days	53	55	52	60	52	0	-3
Trade Payables (Mio Eur)	252	258	240	238	199	53	-6
° DPO in days	72	74	71	72	59	13	-3
Trade Working Capital	449	477	460	449	462	-12	-28
° Trade Working Capital as % of sales	26%	27%	27%	27%	27%		

HealthCare IT



HealthCare IT

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q4 '21	Q4 '20	Δ% (excl.curr.)	12m'21	12m'20	Δ% (excl.curr.)
Sales	59	59	-0.1% (-2.9%)	219	230	-4.9% (-3.9%)
Gross Profit*	30	21	38.3%	102	101	0.7%
as a % of sales	50.3%	36.4%		46.5%	43.9%	
SG&A*	-14	-15	-6.3%	-52	-58	-9.7%
as a % of sales	23.0%	24.6%		23.8%	25.0%	
R&D*	-7	-8	-16.3%	-29	-31	-6.6%
Other operating items*	0	1		1	2	
Adjusted EBITDA*	11.2	2.5	355.1%	30.2	23.7	27.4%
as a % of sales	19.0%	4.2%		13.8%	10.3%	
Adjusted EBIT*	9.2	0.3	3168.9%	21.6	14.4	50.3%
as a % of sales	15.6%	0.5%		9.9%	6.2%	

* Before restructuring and non-recurring items

HealthCare IT delivers on its strategic roadmap

Main drivers behind key figures (FY ‘21)

- Very profitable Q4 and order book remains at healthy level
- Mainly driven by improved sales mix and service efficiencies, the gross profit margin reached 46.5% of revenue
- Adjusted EBITDA grew 27.4% to 30.2 million Euro.
- On track to reach profitability target of high teens EBITDA margin over the next years.

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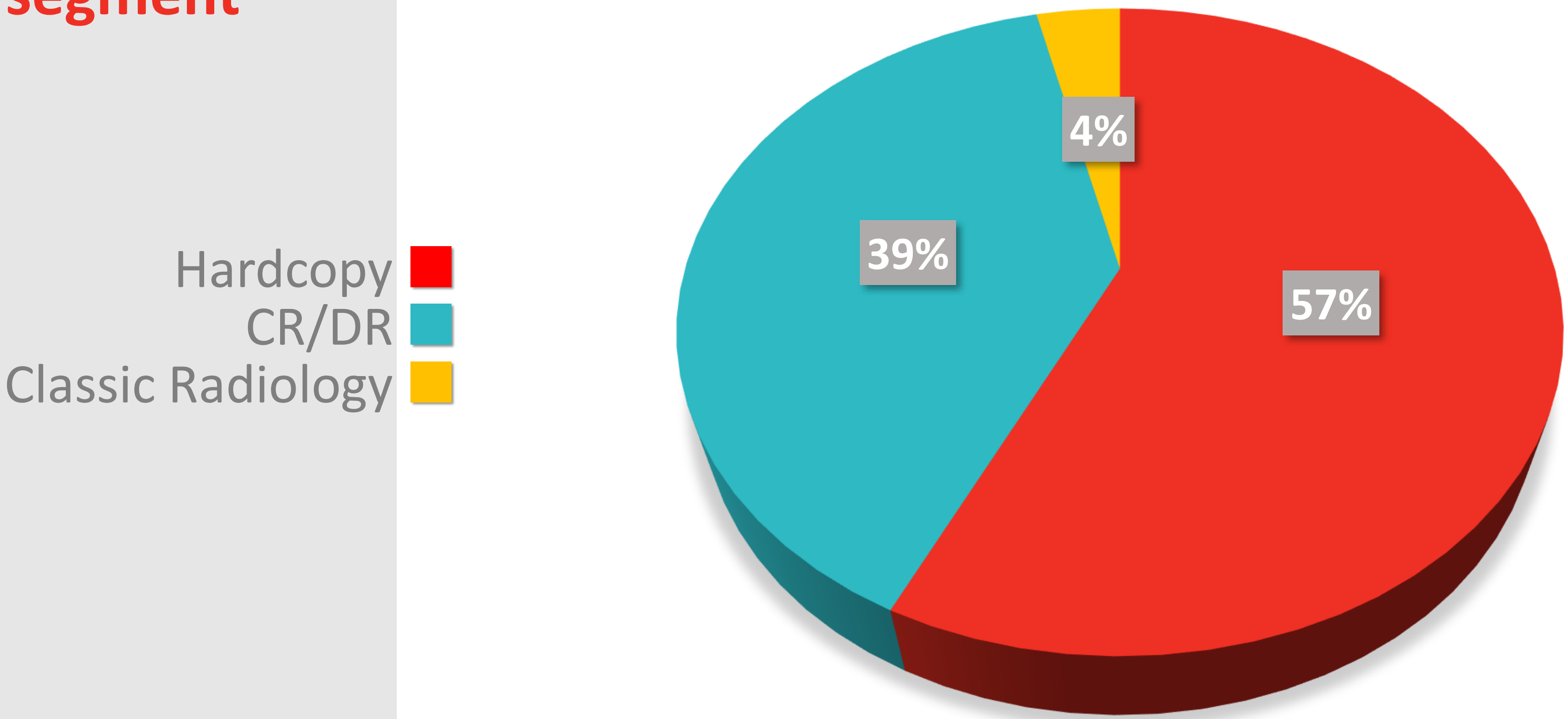
Radiology Solutions

Radiology Solutions

Sales
by business segment

12m 2021 = 464 million Euro



Radiology Solutions

Key figures
Profit & Loss
Incl. IFRS 16

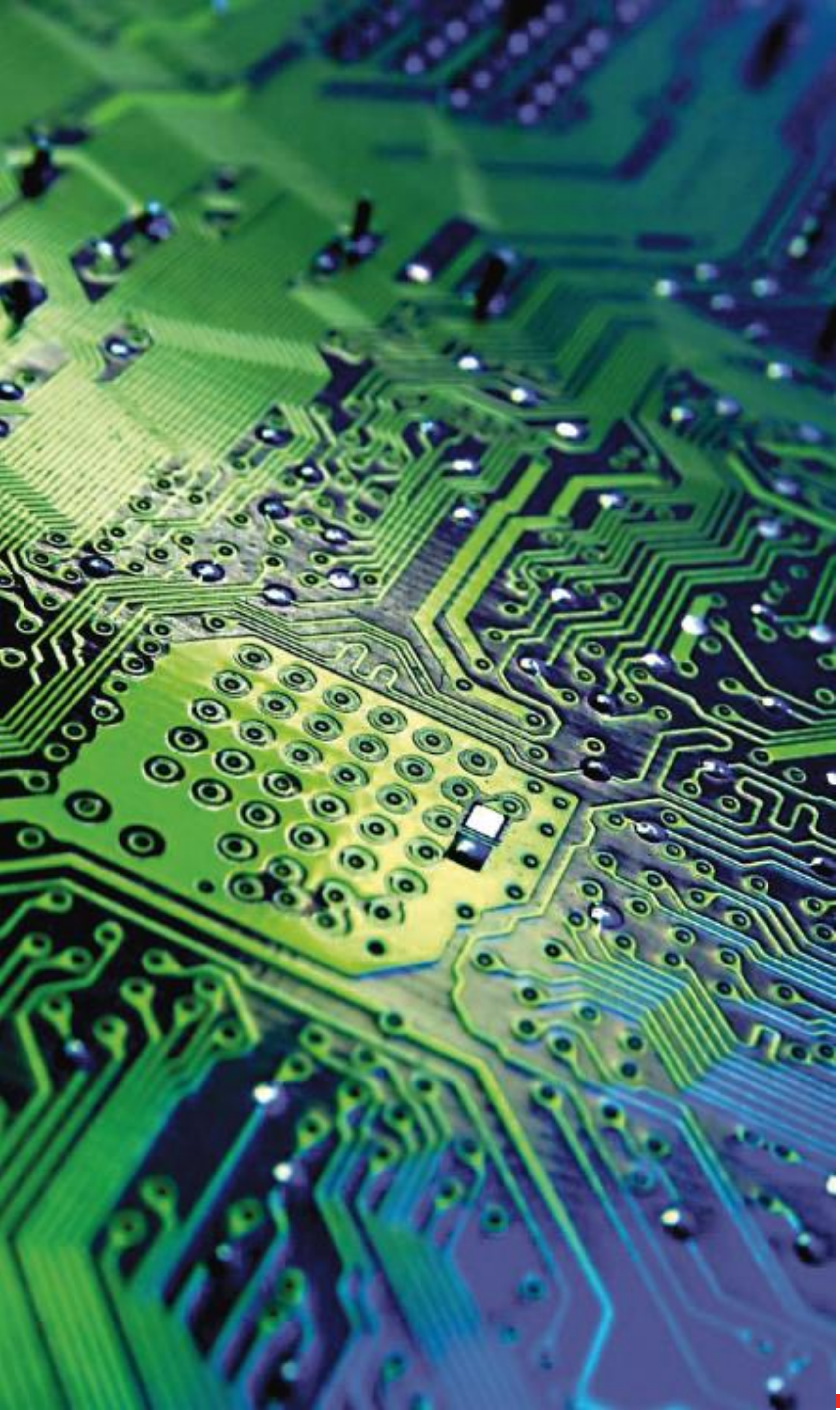
in million Euro	Q4 '21	Q4 '20	Δ% (excl.curr.)	12m'21	12m'20	Δ% (excl.curr.)
Sales	128	136	-5.6% (-7.7%)	464	485	-4.5% (-4.1%)
Gross Profit*	41	43	-5.7%	157	172	-8.5%
as a % of sales	31.9%	31.9%		33.9%	35.3%	
SG&A*	-26	-26	0.3%	-101	-98	2.7%
as a % of sales	20.3%	19.1%		21.8%	20.3%	
R&D*	-5	-4	17.2%	-18	-16	8.7%
Other operating items*	1	0		0	-5	
Adjusted EBITDA*	17.6	19.2	-8.3%	60.7	75.8	-19.9%
as a % of sales	13.7%	14.1%		13.1%	15.6%	
Adjusted EBIT*	11.6	13.6	-14.2%	37.7	51.9	-27.4%
as a % of sales	9.1%	10.0%		8.1%	10.7%	

* Before restructuring and non-recurring items

Radiology Solutions: DR impacted by aftermath of COVID boost, medical film still COVID impacted

Main drivers behind key figures (FY’21)

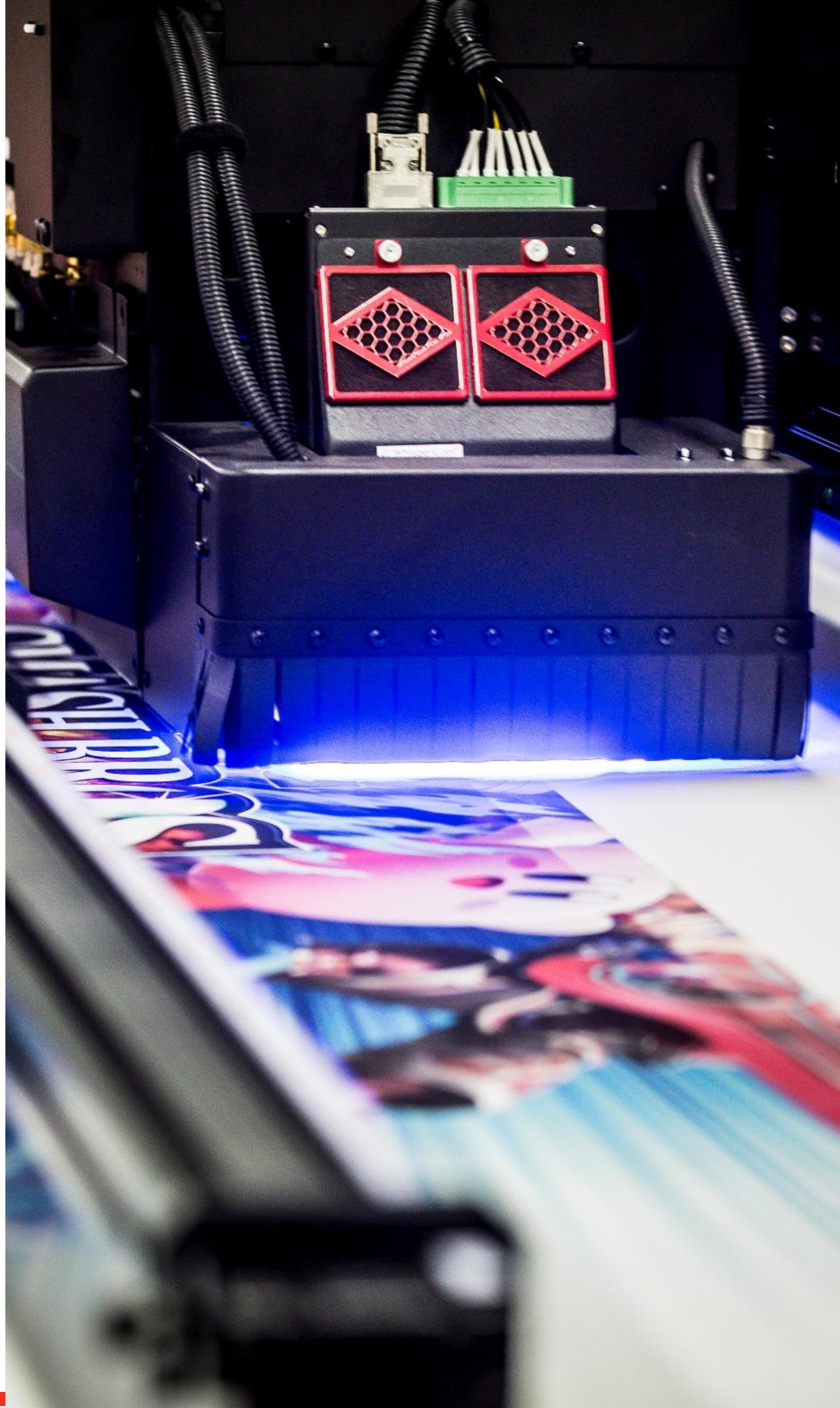
- Medical film: gradual demand recovery, impact of China procurement process change
- DR: market demand subdued in 2021
- Gross margin slightly decreased to 33.9% thanks to strict cost management and price actions
- Adjusted EBIT amounted to 37.7 million Euro (8.1% of revenue)



Digital Print

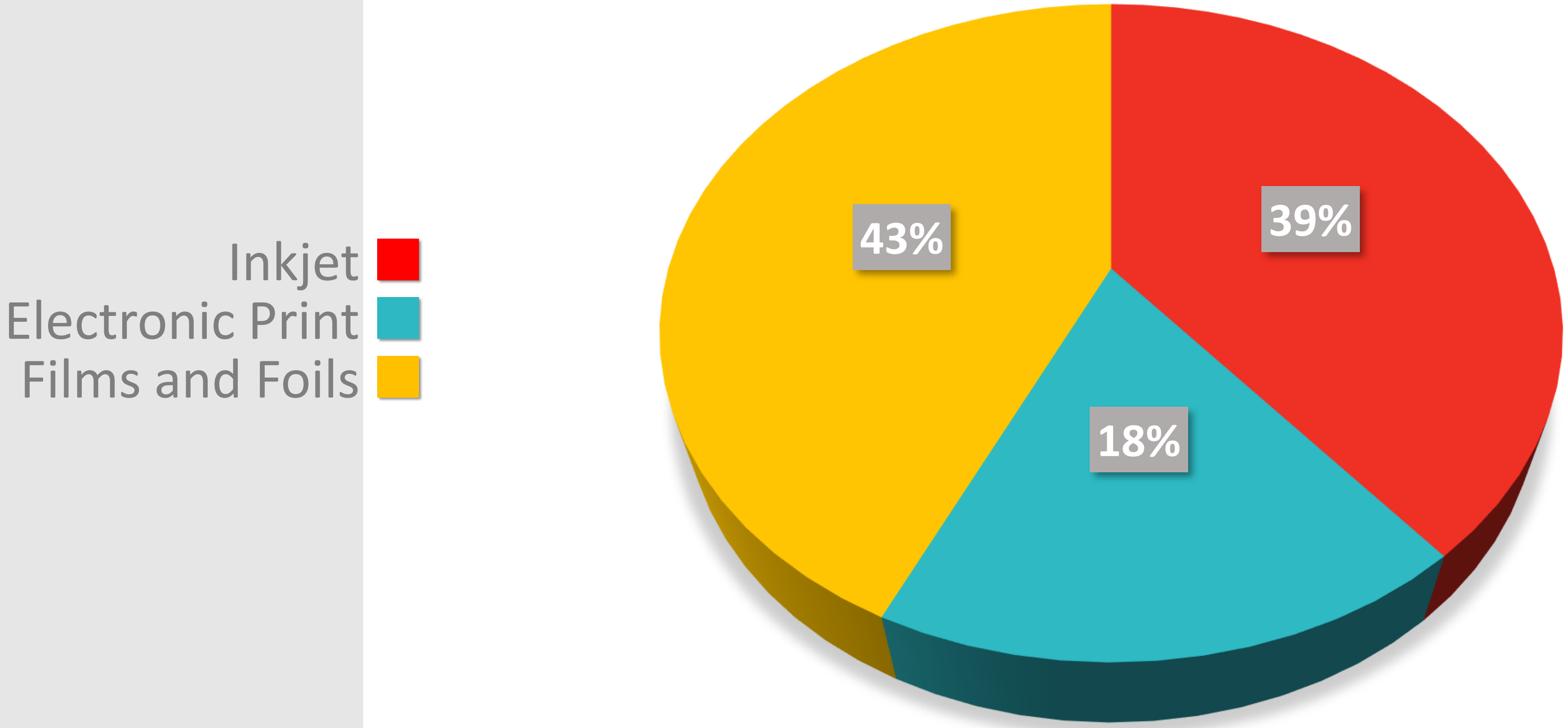
&

Chemicals



Sales
by business segment

12m 2021 = 330 million Euro



Digital Print & Chemicals

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q4 '21	Q4 '20	Δ% (excl.curr.)	12m'21	12m'20	Δ% (excl.curr.)
Sales	93	79	18.4% (17.3%)	330	289	13.9% (14.4%)
Gross Profit* as a % of sales	21 22.2%	23 29.1%	-9.5%	87 26.3%	81 28.0%	7.0%
SG&A* as a % of sales	-16 17.3%	-14 17.4%	17.8%	-58 17.7%	-53 18.3%	9.8%
R&D*	-5	-5	12.9%	-22	-20	10.5%
Other operating items*	1	0		1	0	
Adjusted EBITDA* as a % of sales	3.3 3.5%	7.4 9.4%	-55.7%	19.2 5.8%	18.8 6.5%	1.7%
Adjusted EBIT* as a % of sales	0.3 0.4%	5.0 6.3%	-93.5%	7.4 2.3%	8.6 3.0%	-14.1%

* Before restructuring and non-recurring items

Digital Print & Chemicals on track to recovery

Main drivers behind key figures (FY’21)

- 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
- Mainly impacted by cost inflation, logistic challenges and temporary manufacturing inefficiencies in Q4, the gross profit margin decreased to 26.3%
- Adjusted EBIT amounted to 7.4 million Euro

Green Hydrogen Membranes

The hydrogen market: Agfa's focus on green hydrogen with alkaline electrolysis

H_2

GREY

Produced from fossil fuels (gas, coal)
- Steam Methane Reforming
- Coal gasification

High carbon emissions

Cost lever : natural gas, CO_2

H_2

BLUE

Grey hydrogen combined with Carbon Capture Usage and Storage (CCUS)

Low carbon emissions

Cost lever : natural gas, CCUS

H_2

GREEN

Produced from renewable energy sources (solar, wind, hydro) with electrolysis (<u>Alkaline</u>, PEM[1], SOEC[2])

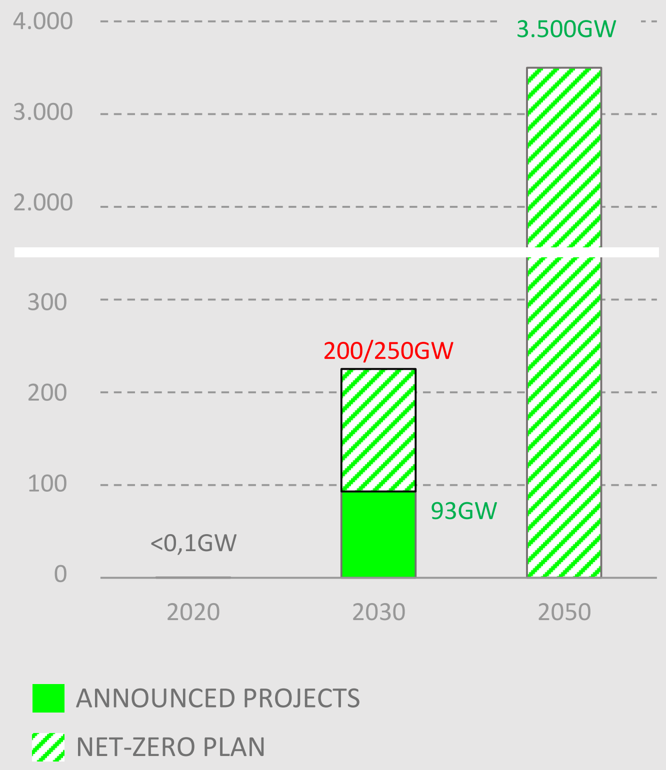
Zero carbon emissions

Cost lever : technology, green electricity

1. PEM = Proton Exchange Membrane ; 2. SOEC = Solid Oxide Electrolysis Cell

The green hydrogen market development: project momentum is growing

Green Hydrogen Market development 2050[1]
(in GW installed electrolyzer capacity)



- Green hydrogen is key to reach net-zero emissions target by 2050: net zero milestone for 2030 is estimated at 200/250 GW electrolyzer capacity[1]
- Announced green hydrogen market capacity by 2030: 93 GW[1] - with the number of announced giga scale (>1GW) projects increasing each day
- Alkaline electrolysis technology has a strong position and is estimated to represent 75% of the market[2] → Agfa's expected addressable market = about 70 GW in the next 10 years
- Based on the announced portfolio, Agfa expects a 10-year market opportunity of above 1 billion Euro

1. *Source : Hydrogen for Net-Zero, November 2021, Hydrogen Council, McKinsey & Company*
2. *Source : Clean Hydrogen Monitor 2021, Hydrogen Europe*

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The electrolysis technologies: advanced alkaline electrolysis (Zirfon) has a strong position

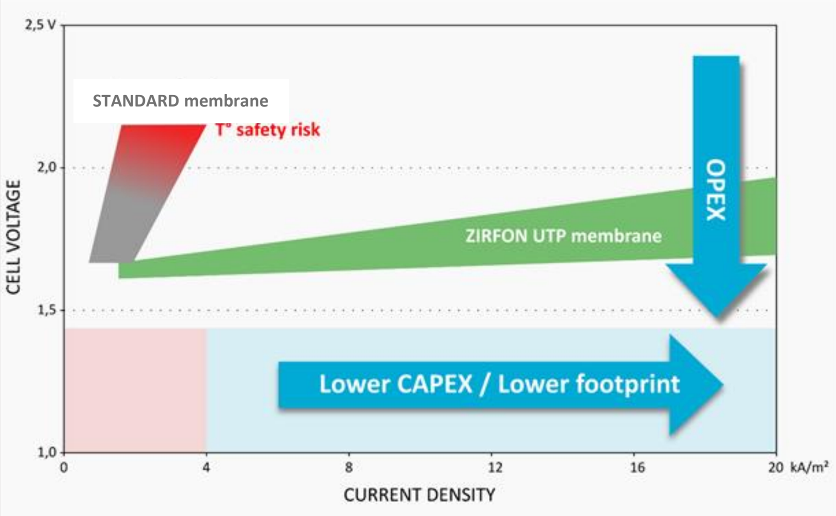
	PEM[1]	Advanced Alkaline (Zirfon)
Readiness	Commercial Development	Commercial Mature
Dynamic range		
Efficiency		
H_2 purity		
Lifetime		
Use of PGM's		–
Capex		
Average Project size[3]	34 MW (2030)	235 MW (2030)

Low High

- Advantages advanced alkaline electrolysis (Zirfon) versus PEM[1]
  - Is mature and brings the same performance (dynamic range, efficiency and H_2 purity)
  - Has a better proven lifetime at industrial scale
  - Is not impacted by scarcity of PGM's[2] in case of volume scale up
  - Needs a low level of capex, combined with high efficiency → has lowest production cost
- Advanced alkaline electrolysis is preferred for large-scale projects[3]
- Advanced alkaline electrolysis is estimated to represent about 75% of the total electrolysis market in 2030[3]

1. *PEM = Proton Exchange Membrane*
2. *PGM = Platinum Group of Metals*
3. *Source : Clean Hydrogen Monitor 2021, Hydrogen Europe*

Zirfon: Agfa's high performance membrane



- High performance membrane for advanced alkaline electrolysis, key to lower the cost of green hydrogen
- Proven experience in alkaline electrolyzers provides a solid and mature technology base
  - > 10 years use in industrial electrolyzers
  - > 350 MW installed base
- Fraunhofer Institute (IFAM Dresden) stated that use of Agfa's ZIRFON membranes makes alkaline electrolysis the most efficient technology for the production of hydrogen
- Partnerships established with leading European manufacturers of alkaline electrolyzers
- Selected by thyssenkrupp nucera for the supply of large-scale hydrogen projects

Offset Solutions

Offset Solutions

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q4 '21	Q4 '20	Δ% (excl.curr.)	12m'21	12m'20	Δ% (excl.curr.)
Sales	204	193	5.5% (3.0%)	748	704	6.3% (6.5%)
Gross Profit*	37	40	-7.1%	153	141	8.6%
as a % of sales	18.1%	20.6%		20.4%	20.0%	
SG&A*	-35	-33	6.8%	-133	-131	1.6%
as a % of sales	17.1%	16.8%		17.8%	18.6%	
R&D*	-5	-5	4.7%	-20	-21	-4.2%
Other operating items*	-2	-3		-6	-11	
Adjusted EBITDA*	0.2	3.4	-94.0%	12.4	-2.6	-577.3%
as a % of sales	0.1%	1.8%		1.7%	-0.4%	
Adjusted EBIT*	-4.5	-1.1	328.1%	-6.0	-21.9	-72.7%
as a % of sales	-2.2%	-0.5%		-0.8%	-3.1%	

* Before restructuring and non-recurring items

Offset Solutions: increased impact of cost inflation

Main drivers behind key figures (FY'21)

- Revenue increase vs 2020 due to partial recovery of the offset markets and price increases to tackle cost inflation
- Price increase actions are in place with main impact in 2022 due to contractual commitments
- Gross profit margin increase mainly due to the closure of the factories in Leeds and Pont-à-Marcq
- Continuous operational cost improvement actions
- Adjusted EBIT amounted to -6.0 million Euro

Outlook 2022: further improvement of activity but continued inflationary pressure

Outlook

- Inflationary pressure expected to increase in 2022
- Strong price actions in place, but more required and to be expected
- All businesses expected to improve topline in 2022
- HealthCare IT will have a consolidation year as focus turns to profitable growth – investment in key resources
- Transformation programs expected to continue to bring agility, simplification and cost reductions from 2023 onwards
- More recently, the Ukraine crisis creates new uncertainties the Group is assessing

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Pensions

Pension Status (4 material countries): strong decrease in net liability

Excluding Belgian DC Plans

Funded status

Strong decrease in net liability thanks to all pension actions

in million Euro	2020	2021	Δ
Funded Status	**(900)**	**(670)**	**230**
Obligations	1,863	1,767	(95)
Assets	963	1,098	135

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Pension cost and cash outflow (4 material countries): strong decrease in cash outflow expected

Excluding Belgian DC Plans

Cost and cash outflow

Pension cost in EBIT expected to decrease and net interest cost expected to increase versus 2021

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

Strong decrease in cash outflow expected in 2022 thanks to all pension actions

in million Euro	2020	2021	2022 (Est)
Pension Cost in EBIT	23	24	19
Net interest cost	14	8	9
Non recurring	(1)	-	-
Total pension cost	**36**	**32**	**28**
Pension cash outflow	**(293)**	**(178)**	**(55)**

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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 (Mortsel), 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 concluded, Radiology on-going
- EcoVadis ESG rating assessment finalized → bronze medal
- Corporate website sustainability section → More open and transparent communication
- Annual Report under preparation

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

- Started purchase of green electricity
- New hybrid working policy as of September → reduced commuting
- Won 1 mio euros for PET recycling project STRES → 1250 tons PET / year

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Questions

&

Answers