

# Agfa Transformation update

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Mortsel, 21 April 2022



# Agfa Transformation update

## Agenda

Two new announcements in our journey to profitable growth:

- Accelerate the growth in DPC's digital printing: **the Inca acquisition**
- Update on Agfa's operating model: **the internal finance transformation**



# Digital Printing Solutions – Important growth area for Agfa

Our Mission:

***Provide Digital Printing Solutions for Selected  
Sign & Display and Industrial Markets***



Ink  
Service

+

Equipment  
Software



Our Challenge:

***Growing overall to critical mass & entering  
high growth industrial segments***



# Digital Printing Solutions – 3 important focus markets for Agfa

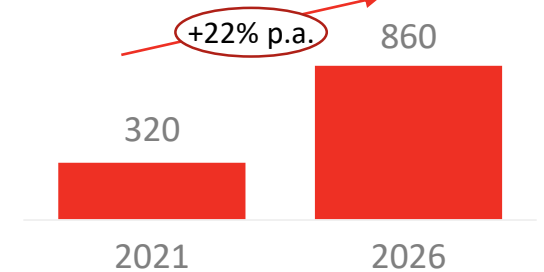
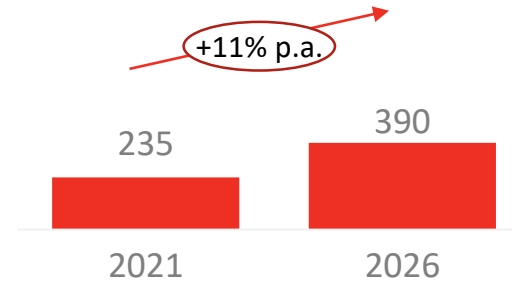
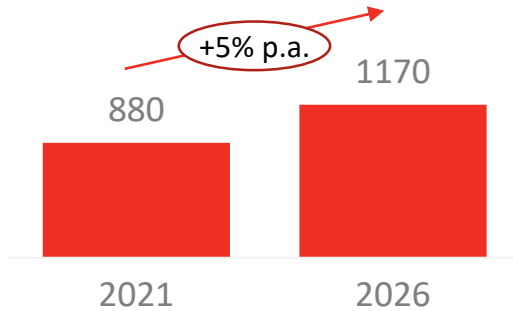
## Sign & Display

## Décor / Laminate

## Packaging

(graph below = addressable market in Corrugated only)

Market size  
€ M



### Agfa's current play

- Full solution offer in low-speed multi-pass segment (equipment, inks, software, service)

- Full solution offer in multi-pass segment
- OEM ink for (large) single-pass segment

- OEM ink for (large) single-pass segment
- Full solution offer in multi-pass segment

### Market dynamics

- Slowly growing market with wide range of applications (point-of-purchase displays, trade shows, info signage, events,...)
- Trend for higher speed & versatility (incl single-pass)

- Strong growth market
- Inkjet brings flexibility for new designs: faster to market, reduced working capital; endless possibilities
- Higher quality & lower cost versus analog

- Strong growth market, driven by packaging growth
- Inkjet brings flexibility for new designs: faster to market, reduced working capital; endless possibilities
- Focus on water-based inks (sustainability & food compliance)

Share of digital

15%

<5%

2%

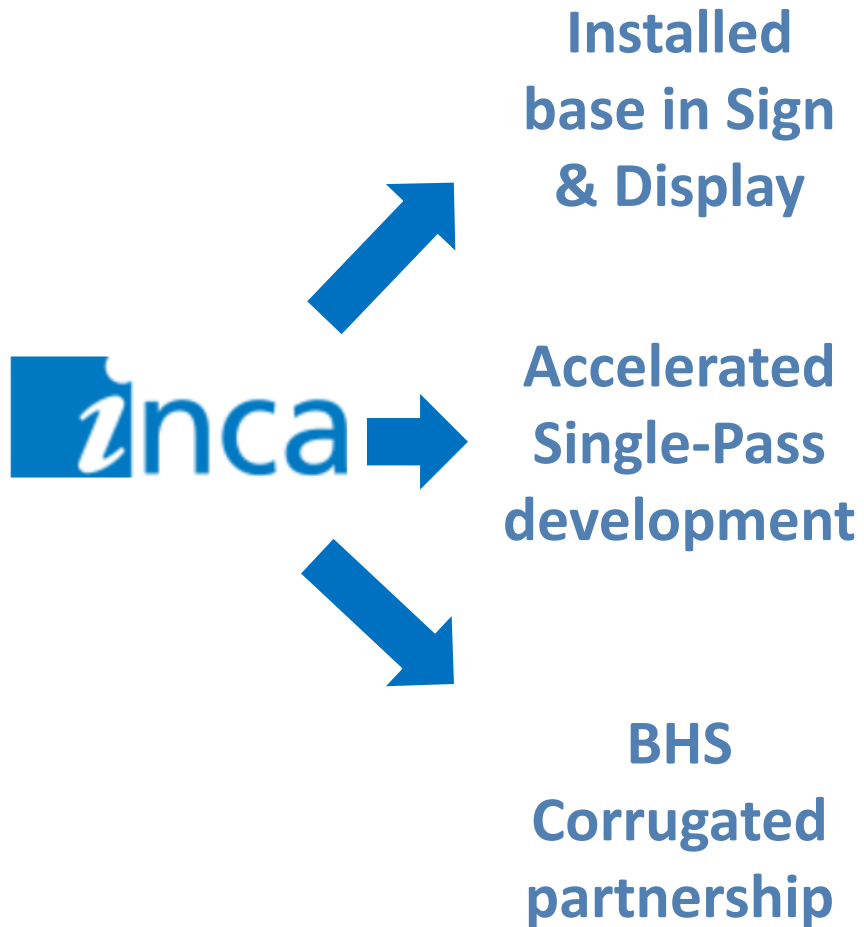
# Inca in numbers

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- 170 employees
  - 143 in HQ - Cambridge UK – mainly R&D / manufacturing
  - 27 in USA – service organization
- €36 M turnover 50% equipment / 50% service & spare parts
- 3 Product lines
  - High-end flatbed UV multi-pass printer (300+ installed) – Onset
  - New line of single-pass printers for packaging – Speedset
  - R&D Collaboration with BHS Corrugated for inline digital printing in corrugator

# Inca acquisition – a significant step up!

## 3 value drivers



- Complement Agfa's Sign & Display offer in **high-end segment** and **reaching critical mass** with synergies in inks, service & commercial network
- Access to **Single-Pass technology** to grow in packaging market, targeting **double digit growth segments** with **high ink consumption**
- Continue Inca's joint development of a customized **in-line print engine** with leading corrugator manufacturer BHS Corrugated



# Value driver 1 = Increasing the installed based in Sign & Display

## Agfa Tauro UHS



600 m<sup>2</sup>/hr

0,7 – 1 M€

~ 3 000 l/yr

Max speed

Capex

Ink

## Inca Onset



1 400 m<sup>2</sup>/hr

1,8 – 2 M€

> 6 000 l/yr

## Current

- Installed base of 300 printers
- Currently distributed by Fuji
- Only equipment & spare parts
- Service in part of the world

## Agfa potential

- Immediate plug-in in Agfa product portfolio & commercial network
- Potential for collaboration with Fuji on inks & service / potential for own inks & service

# Value driver 2 = Accelerated Single-Pass development

## Agfa Tauro UHS

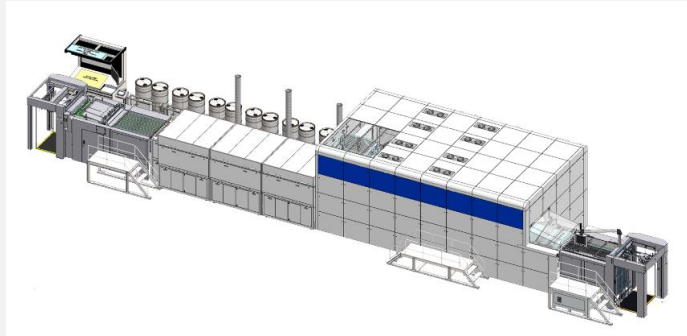


600 m<sup>2</sup>/hr

0,7 – 1 M€

~ 3 000 l/yr

## Inca Speedset



Max speed

Capex

Ink

9 000 m<sup>2</sup>/hr

4 M€

> 30 000 l/yr

## Current

- Single-Pass printer to enter folding carton and subsequently corrugated
- Expected commercial launch in 2024 – Beta unit 2022

## Agfa potential

- Enter in high growth packaging markets
- Value creation with full solution offering (inks; service & software)
- EBITDA generation as of 2024



# Value driver 3 = BHS Corrugated partnership

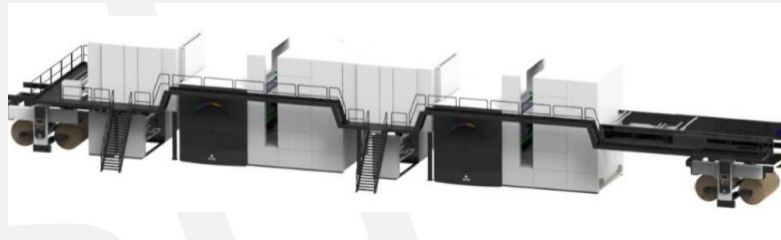
## Agfa Tauro UHS



600 m<sup>2</sup>/hr  
0,7 – 1 M€  
~ 3 000 l/yr

**Max speed**  
**Capex**  
**Ink**

## Print Engine (joint development with BHS Corrugated)



60 000 m<sup>2</sup>/hr  
4 M€  
> 100 000 l/yr

## Current

- Active field test unit (Germany)
- Collaboration with largest corrugator manufacturer BHS Corrugated
- Expected commercial launch in 2024

## Agfa potential

- Build on BHS Corrugated partnership
- Solid technology to enter high growth packaging market
- Value creation through ink & service offering
- EBITDA generation as of 2024

# Update on Agfa's operating model transformation

## Operating model

- Steps already taken:
  - Simplification of our go to market organization
  - Internal IT transformation – Atos cooperation
- Today's announcement: the internal finance transformation following a **global business services** approach

# The internal finance transformation: moving towards a more efficient, digital and impactful organization

**Generate cost savings while improving overall service levels and analytic capabilities**

- Agfa will use a **Global Business Services (GBS) approach** focusing on:
  - Redesign towards **standardized** and efficient **end-to-end processes** in accounting and FP&A
  - Further increase in efficiency through **automation, simplification** and **digital technologies**
  - **Scalability to support business portfolio evolutions** and **coherence** across the organization
- Centralize finance operations, refocusing our Polish Shared Service Center towards a Middle Office while outsourcing & offshoring transactional finance activities
- Partnering with IBM for transformation support (processes & technology) and outsourcing
- The implementation of this finance transformation project is subject to completion of the social processes, where applicable according to local law

# Agfa Transformation update

## In summary

- The Inca acquisition means a **significant step up** in expanding Agfa's digital printing business
- The reorganization of our internal finance activities is another **important step in Agfa's transformation program** and we will continue to review our operating model and to focus on the **Global Business Services (GBS)** approach to optimize our enabling functions

**Questions?**