Q1 2022 Results

Agfa-Gevaert Group

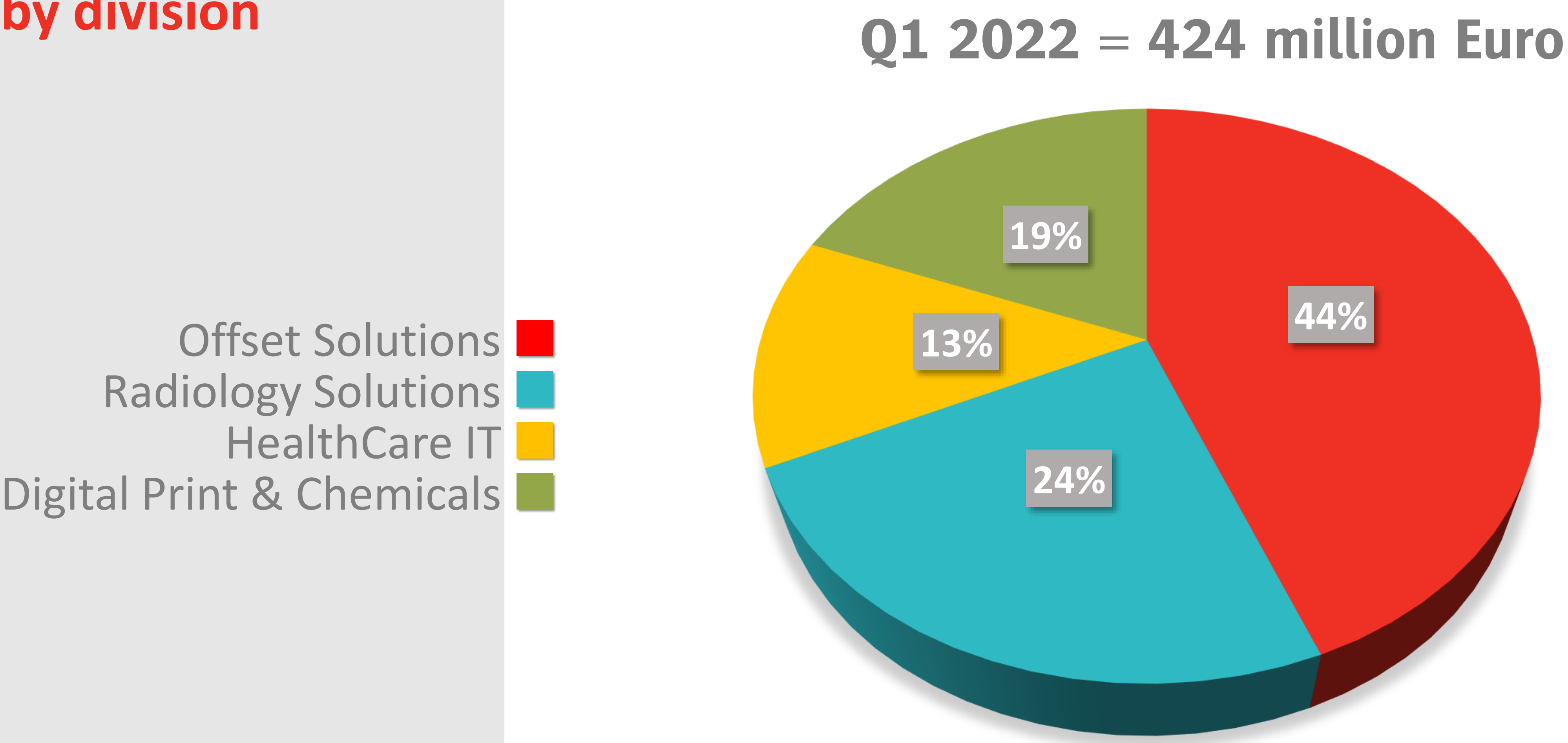
May 10, 2022

Key highlights Agfa-Gevaert Group

Key highlights

- Continued top line growth driven by strong performances of Offset Solutions and Digital Print & Chemicals
- Resilient gross profit margin due to successful price actions and strict cost management
- Adjusted EBITDA increase of 22% – despite extended inflationary pressure and supply chain issues
- Continued progress in transformation programs
- Free cash flow impacted by seasonally increased working capital, amplified by supply chain disruptions and cost inflation

Sales by division



Agfa-Gevaert Group

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 '22	Q1 '21	Δ% (excl.curr.)
Sales	424	396	7.2% (3.5%)
Gross Profit* as a % of sales	123 29.0%	117 29.5%	5.5%
SG&A* as a % of sales	-97 22.8%	-89 22.5%	8.5%
R&D*	-24	-25	-5.1%
Other operating items*	1	-3	
Adjusted EBITDA* as a % of sales	19 4.4%	15 3.9%	22.2%
Adjusted EBIT* as a % of sales	4 0.8%	-1 -0.1%	781.9%

* Before restructuring and non-recurring items

Agfa-Gevaert Group

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1'22	Q1 '21
Adjusted EBIT*	4	-1
Restructuring/non-recurring	-9	-1
Operating result	-6	-1
Non-operating result	2	0
Profit before taxes	-4	-2
Taxes	-3	-4
Profit	-7	-6
attributable to the owners of the company	-4	-5
attributable to non controlling interests	-3	-1

* Before restructuring and non-recurring items

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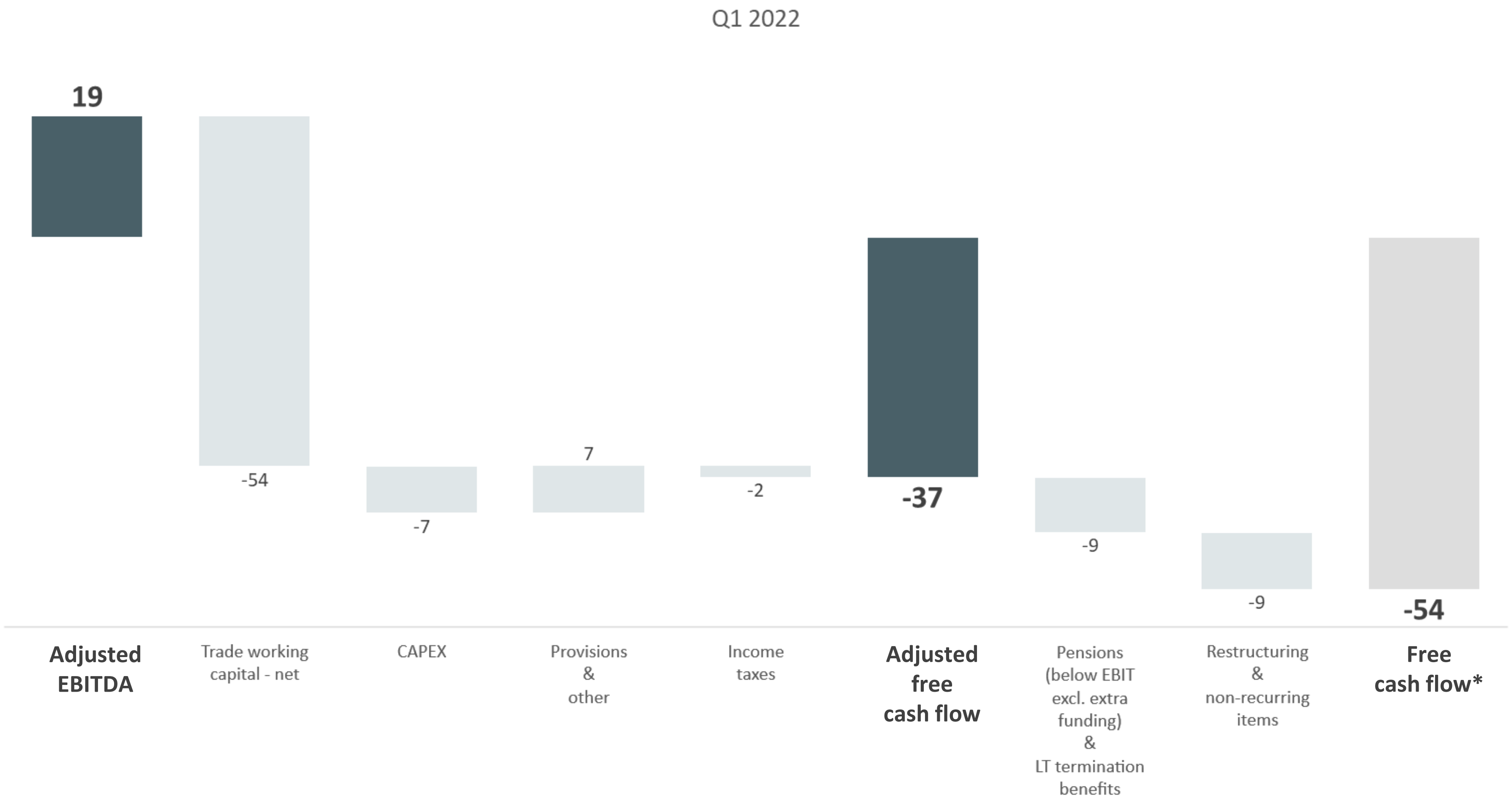
EBITDA increases by 22% year-on-year in an extraordinary inflationary context

Main drivers behind key figures

- Overall top line 7.2% above Q1 2021
  - Strong performances of Offset Solutions and DPC
  - As expected, after a strong Q4, a softer Q1 for HealthCare IT
  - Radiology: growth in DR while medical film still impacted by lockdowns in China and geopolitical situation
- Overall resilient gross profit margin at 29.0% due to successful price actions and strict cost management
  - Offset Solutions: pricing actions more than compensated cost inflation impact
  - HealthCare IT and Radiology Solutions: significant cost inflation and mix effects impacting the gross margin
  - DPC: film businesses impacted by cost increases and mix effects
- EBITDA increases by 22% year-on-year in an extraordinary inflationary context

Free cash flow Agfa-Gevaert Group



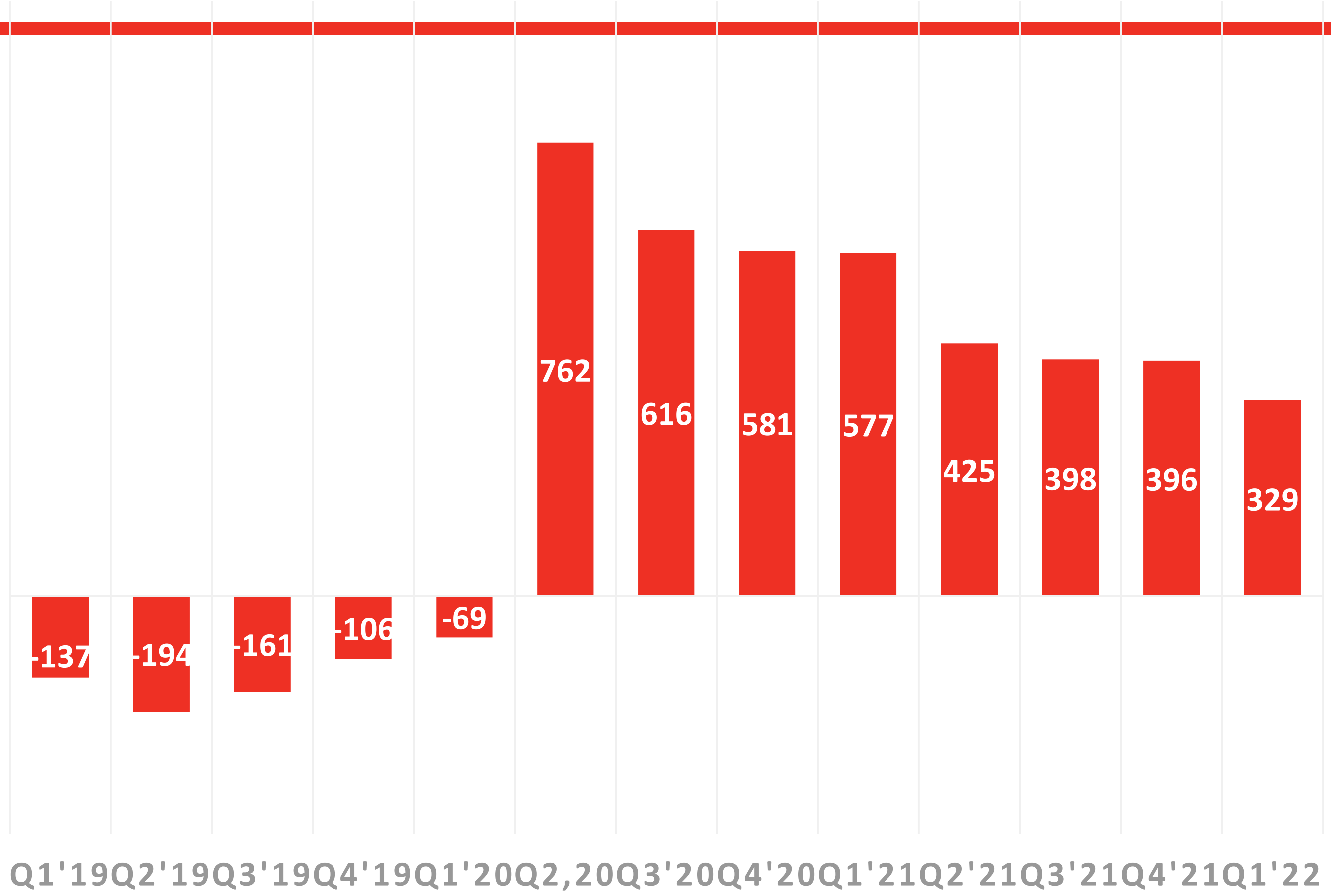
Adjusted free cash flow equals the sum of net cash from operating & investing activities excluding the impact of acquisitions and disposal of discontinued operations (see definition of Free cash flow *) ADJUSTED for the impact of the cash out for pensions below EBIT and the cashout for LT termination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

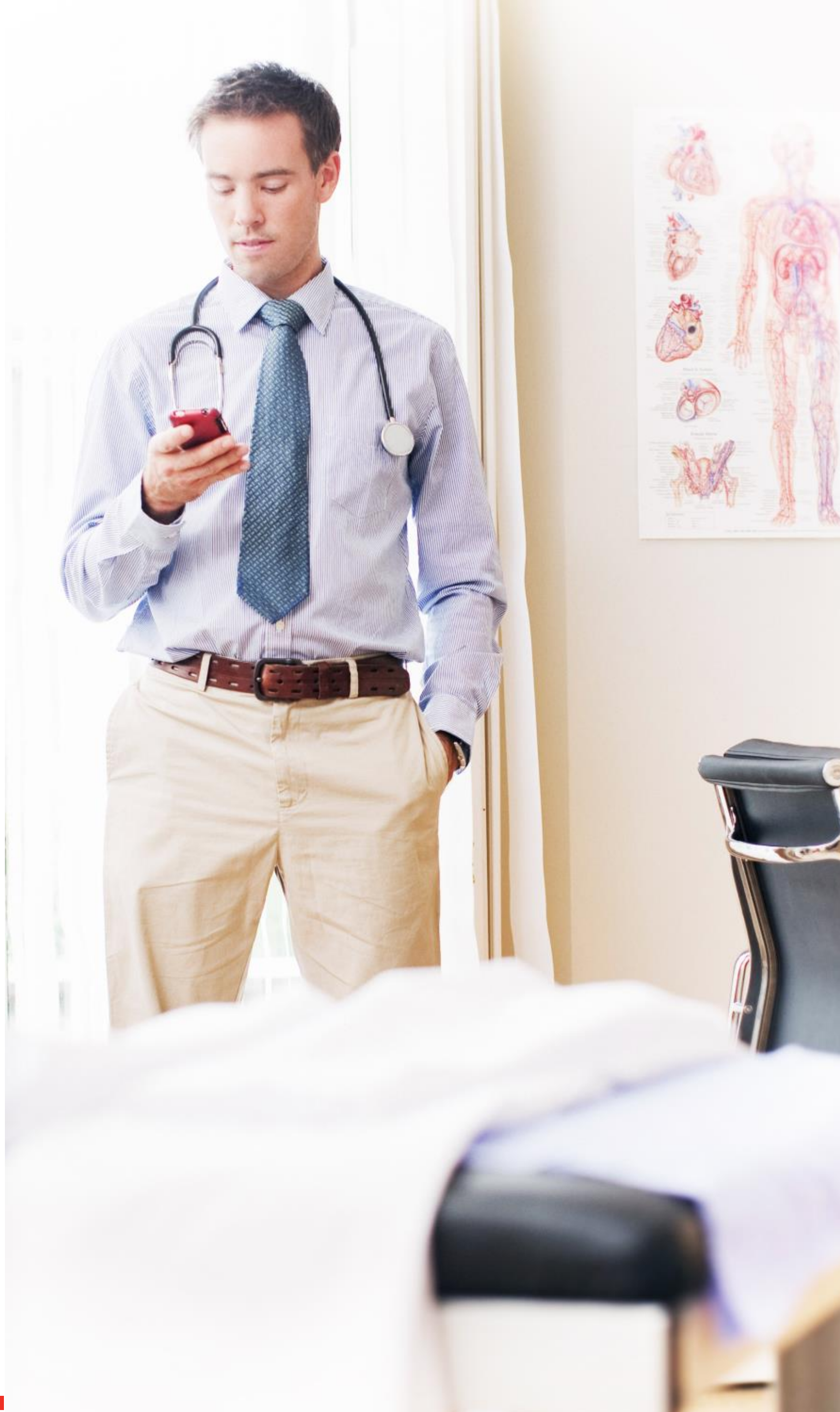


Note: Total B/S net cash position Q1 2022 incl IFRS 16 = 262 million Euro

Trade Working Capital Agfa-Gevaert Group

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Δ Q1 2022 vs 2021	Δ 2022 Q1 vs Q4 LY
Inventories (Mio Eur)	477	418	465	445	421	56	60
° DIOH in days	134	119	134	131	127	7	15
Trade Receivables, Contract Assets/Liabilities	293	283	270	255	266	28	10
° DSO in days	62	53	55	52	60	2	10
Trade Payables (Mio Eur)	263	252	258	240	238	26	12
° DPO in days	74	72	74	71	72	2	2
Trade Working Capital	507	449	477	460	449	58	58
° Trade Working Capital as % of sales	28%	26%	27%	27%	27%		

HealthCare IT



HealthCare IT

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 '22	Q1 '21	Δ% (excl.curr.)
Sales	55	55	-0.5% (-5.2%)
Gross Profit* as a % of sales	25 44.9%	25 45.5%	-1.8%
SG&A* as a % of sales	-15 27.7%	-13 24.1%	14.2%
R&D*	-8	-8	7.8%
Other operating items*	1	0	
Adjusted EBITDA* as a % of sales	4.4 8.0%	6.5 11.8%	-32.3%
Adjusted EBIT* as a % of sales	2.5 4.6%	4.1 7.4%	-38.1%

* Before restructuring and non-recurring items

HealthCare IT on track

Main drivers behind key figures

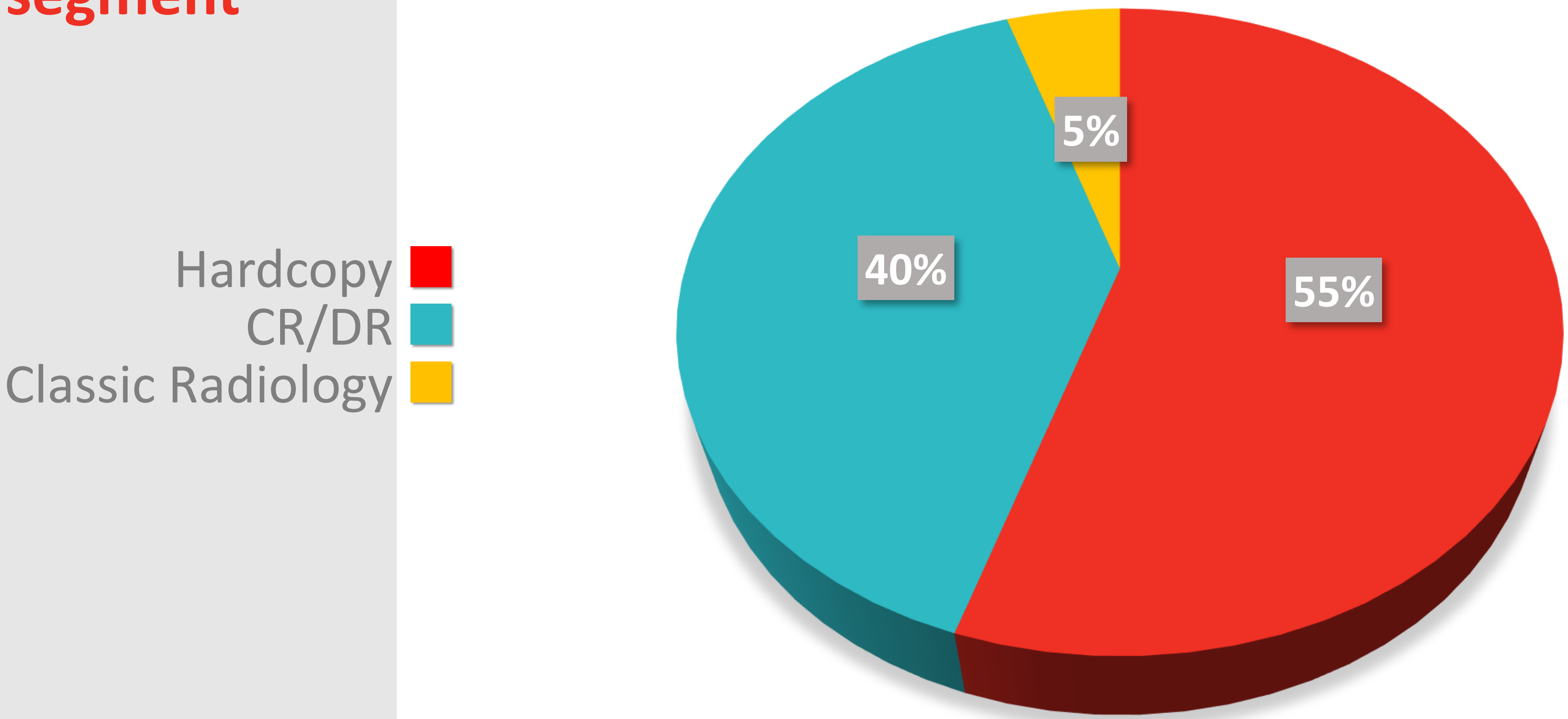
- As expected, softer Q1 2022 following a strong Q4 2021. In North America, however, revenue increase recorded versus Q1 2021.
- Mainly due to mix effects and increased cost inflation, the gross profit margin decreased from 45.5% in Q1 2021 to 44.9%.
- Adjusted EBITDA reached 4.4 million Euro (8.0% of revenue).
- HealthCare IT's order book remains at a very healthy level and a strong order intake was recorded in Q1.
- 2022 will be a year of consolidation, as the focus is turning towards profitable growth but confirming mid-term target of high teen EBITDA % within 3 years.

Radiology Solutions

Radiology Solutions

Sales
by business segment

Q1 2022 = 101 million Euro



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Radiology Solutions

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 '22	Q1 '21	Δ% (excl.curr.)
Sales	101	99	2.7% (-1.0%)
Gross Profit* as a % of sales	31 30.1%	32 32.1%	-3.7%
SG&A* as a % of sales	-26 25.6%	-24 24.7%	6.4%
R&D*	-4	-4	-9.2%
Other operating items*	0	-1	
Adjusted EBITDA* as a % of sales	7.0 6.9%	7.2 7.3%	-2.9%
Adjusted EBIT* as a % of sales	1.0 1.0%	1.5 1.5%	-35.2%

* Before restructuring and non-recurring items

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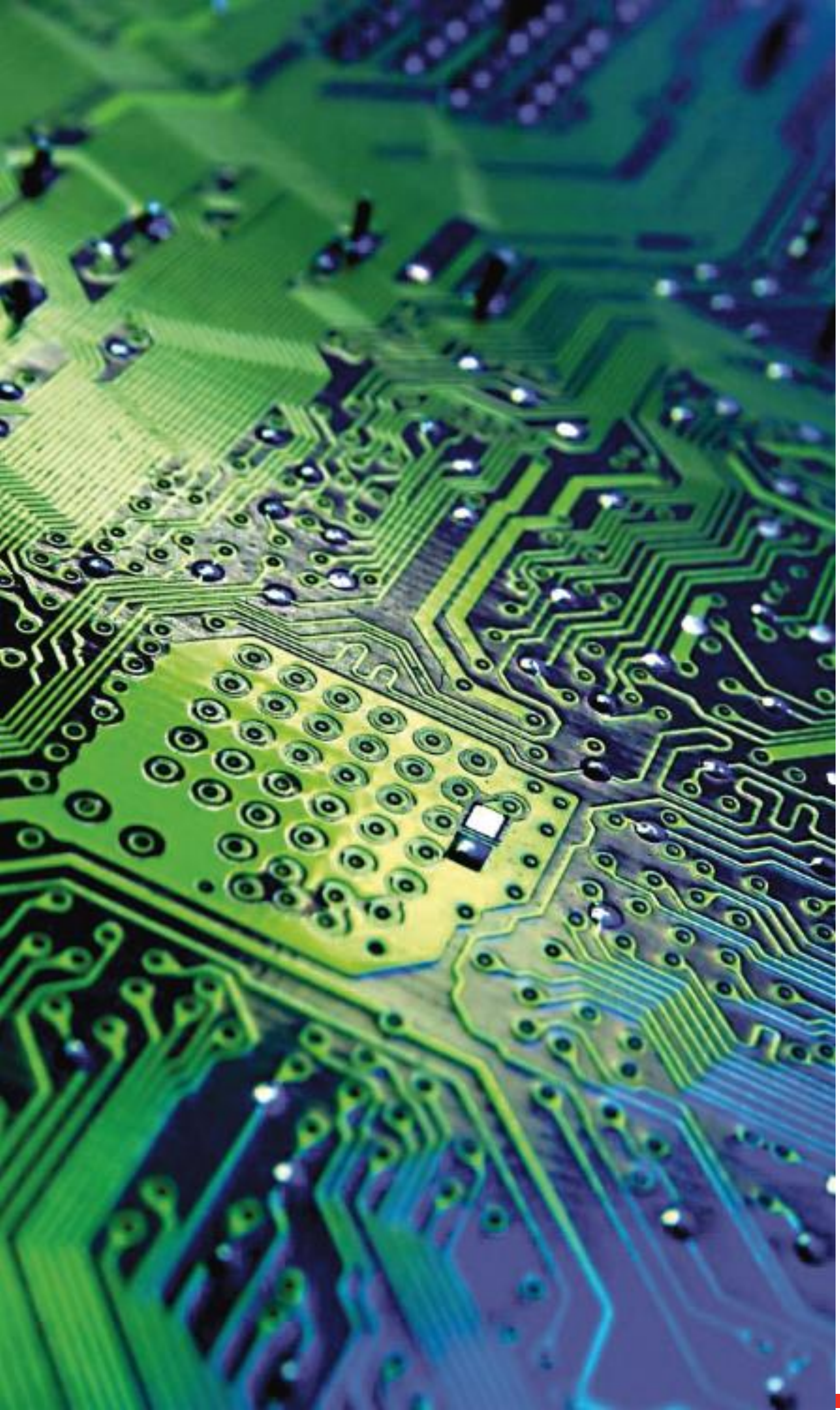
Radiology Solutions: good performance of DR, medical film still impacted by COVID and geopolitical situation

Main drivers behind key figures

- Top line increased by 2.7% compared to Q1 2021, a better performance versus the previous quarters.
- Building on the strong order intake in 2H 2021, DR's revenue started to pick up in Q1 2022. Overall, the post-COVID market volatility continues to generate uncertainty.
- Mainly in China, the COVID situation still weighed on the medical film business. Furthermore, the current geopolitical situation also had an impact.
- Despite a better performance of DR, strict cost management and price actions did not fully suffice to tackle volume decreases, mix effects and cost inflation. The gross profit margin decreased from 32.1% of revenue to 30.1%.
- Adjusted EBITDA margin amounted to 6.9% of revenue.

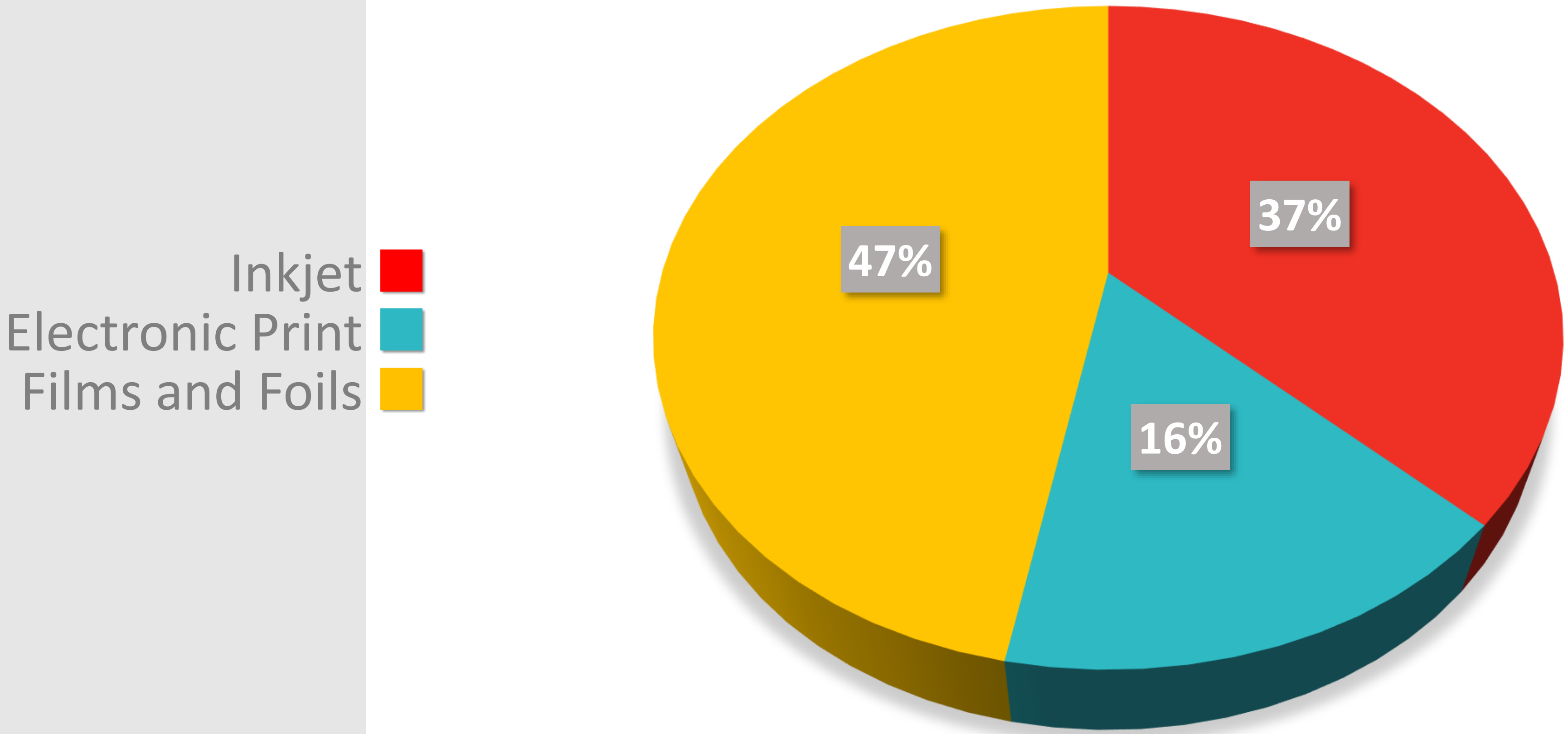


Digital Print
&
Chemicals

Digital Print & Chemicals

Sales by business segment

Q1 2022 = 79 million Euro



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Digital Print & Chemicals

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 '22	Q1 '21	Δ% (excl.curr.)
Sales	79	73	9.1% (7.2%)
Gross Profit* as a % of sales	24 30.4%	23 31.1%	6.7%
SG&A* as a % of sales	-16 19.7%	-14 18.8%	14.2%
R&D*	-6	-6	-1.7%
Other operating items*	-1	0	
Adjusted EBITDA* as a % of sales	4.1 5.2%	5.2 7.2%	-21.8%
Adjusted EBIT* as a % of sales	1.5 1.9%	2.3 3.2%	-36.6%

* Before restructuring and non-recurring items

Digital Print & Chemicals: top line growth but inflationary pressure not fully offset

Main drivers behind key figures

- Top line grew substantially versus Q1 2021. Price increases have been implemented in almost all business areas.
  - Continued growth in digital print’s sign and display segment
  - Specialty chemicals range well-positioned for future growth with Orgacon and Zirfon membranes
  - PCB hit by cost inflation
  - Film and foils mostly used in industries that have been COVID impacted, no recovery yet to pre pandemic levels.
- Mainly impacted by strong cost inflation, logistic challenges and mix effects, gross profit margin decreased slightly to 30.4% of revenue.
- Adjusted EBITDA margin evolved from 7.2% of revenue in Q1 2021 to 5.2%.

Offset Solutions

Offset Solutions

Key figures

Profit & Loss

Incl. IFRS 16

in million Euro	Q1 '22	Q1 '21	Δ% (excl.curr.)
Sales	189	169	11.6% (7.6%)
Gross Profit* as a % of sales	44 23.1%	37 22.2%	16.6%
SG&A* as a % of sales	-35 18.4%	-33 19.5%	5.5%
R&D*	-5	-5	-10.3%
Other operating items*	-1	-2	
Adjusted EBITDA* as a % of sales	7.9 4.2%	1.6 1.0%	392.0%
Adjusted EBIT* as a % of sales	3.4 1.8%	-3.2 -1.9%	206.0%

* Before restructuring and non-recurring items

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Offset Solutions: strong performance due to price and cost actions

Main drivers behind key figures

- Top line improved by 11.6% compared to Q1 2021, fueled by successful price increases
- Although affected by cost inflation, gross profit margin improved from 22.2% of revenue in Q1 2021 to 23.1% due to the implemented price adjustments.
- Targeted actions resulted in lower selling, general and administration expenses as a percentage of revenue.
- Adjusted EBITDA improved strongly to 7.9 million Euro (4.2% of revenue).

Full impact of cost inflation in Q2, better 2H 2022 expected

Outlook

- Full impact of cost inflation expected in Q2 2022, which will also be affected by the uncertain geopolitical situation and the COVID-related lockdowns in China.
- Additional price actions are being taken to tackle cost inflation.
- Assuming no deterioration of current market demand, 2H 2022 is expected to be better thanks to additional pricing actions coming into effect.
- Continued focus on working capital improvements and cost management - ongoing transformation actions expected to bring more agility and simplification allowing further cost reduction from 2023 onwards.

Sustainability @ Agfa

The road to 2030 & beyond: sustainable and profitable growth

For a safe work environment

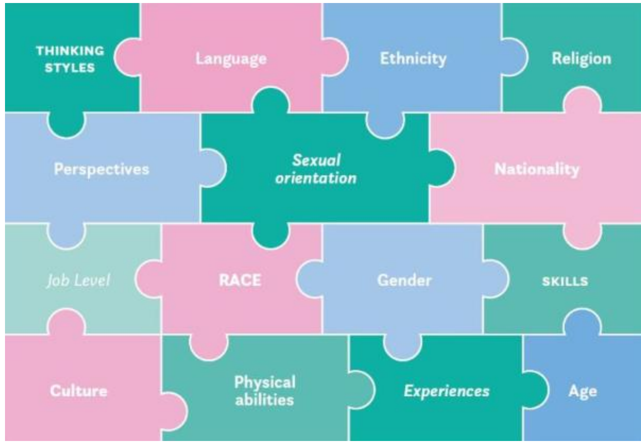
- Refresh of safety programs, thorough root causes analysis, …
- Brain based safety program in maintenance (Mortsel)
- Roll out 5S program in DPC

➢ **- 56% accidents with minimum one day lost in Q1 2022 vs Q1 2021**

For a diverse, inclusive and stimulating work environment

- Increased focus on D&I via talent development and leadership tracks
- Comprehensive D&I strategy to be delivered by end of 2022

➢ **35% women in new permanent hires in Q1 2022 (goal for 2022 is 37%)**



For an increased focus on sustainable innovation and corporate governance

- Increase sustainability for the next generation products in DPC
- EcoVadis ESG assessment follow-up: corrective actions agreed
- CO2 emission reduction actions in place, CO2 reduction roadmap in progress
- Achievement ESG goals part of Global Bonus Plan of top executives (exco and n-1 level)

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Questions

&

Answers