

# Q3 2022 Results

Agfa-Gevaert Group



November 9, 2022



# Contrasted performances between divisions – additional measures being prepared

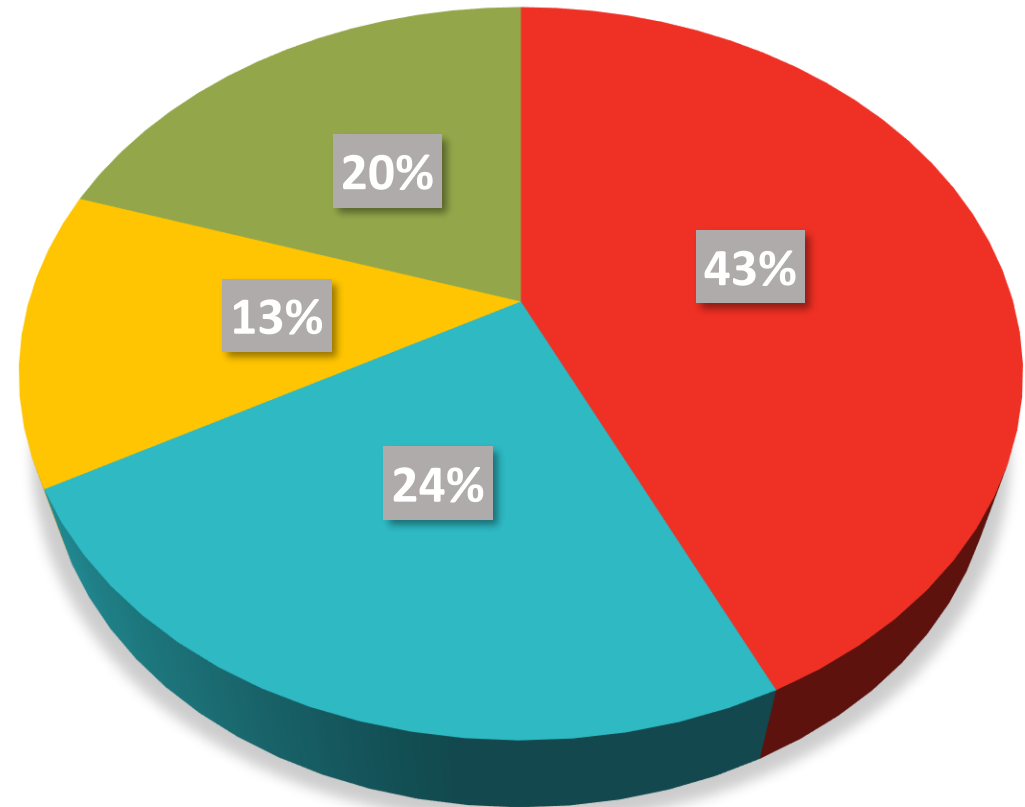
## Key highlights Q3

- Adjusted EBITDA increase of 8% with contrasted performances between the divisions
  - HealthCare IT: organic sales growth, strong increase in order intake, solid profitability
  - Digital Print & Chemicals: contrasted top line performance between the various activities – demand weakness and cost inflation impact – strong sales for Digital Print and Zirfon membranes
  - Radiology Solutions: medical film business impacted by lockdowns in China and margin pressure
  - Offset Solutions: successful pricing actions compensate for demand weakness
- The Group is preparing additional measures to address challenges in Digital Print & Chemicals and Radiology Solutions and to outline the post-offset structure

# Agfa-Gevaert Group

## Sales by division

9 months 2022 = 1367 million Euro



# Agfa-Gevaert Group

## Key figures

## Profit & Loss

Incl. IFRS 16

| in million Euro                  | Q3 '22       | Q3 '21       | Δ%<br>(excl.curr.) | 9m'22         | 9m'21         | Δ%<br>(excl.curr.) |
|----------------------------------|--------------|--------------|--------------------|---------------|---------------|--------------------|
| Sales                            | 474          | 439          | 7.8%<br>(1.4%)     | 1367          | 1276          | 7.1%<br>(2.0%)     |
| Gross Profit*<br>as a % of sales | 135<br>28.4% | 118<br>26.8% | 14.3%              | 394<br>28.9%  | 370<br>29.0%  | 6.7%               |
| SG&A*<br>as a % of sales         | -99<br>21.0% | -88<br>20.1% | 12.6%              | -292<br>21.4% | -268<br>21.0% | 9.2%               |
| R&D*                             | -25          | -22          | 11.8%              | -73           | -71           | 2.5%               |
| Other operating<br>items*        | -4           | -1           |                    | -2            | 0             |                    |
| Adj. EBITDA*<br>as a % of sales  | 23<br>4.9%   | 21<br>4.9%   | 8.0%               | 74<br>5.4%    | 77<br>6.0%    | -4.3%              |
| Adj. EBIT*<br>as a % of sales    | 7<br>1.4%    | 6<br>1.4%    | 8.4%               | 27<br>2.0%    | 31<br>2.4%    | -12.4%             |

\* Before restructuring and non-recurring items

# Agfa-Gevaert Group

## Key figures

## Profit & Loss

Incl. IFRS 16

| in million Euro                           | Q3'22 | Q3'21 | 9m'22 | 9m'21 |
|---|-------|-------|-------|-------|
| Adjusted EBIT*                            | 7     | 6     | 27    | 31    |
| Restructuring/non-recurring               | -13   | -7    | -37   | -5    |
| Operating result                          | -7    | -1    | -10   | 26    |
| Non-operating result                      | -5    | -4    | -15   | -7    |
| Profit before taxes                       | -12   | -4    | -24   | 18    |
| Taxes                                     | -5    | -1    | -12   | -15   |
| Profit                                    | -17   | -5    | -37   | 4     |
| attributable to owners of the company     | -18   | 0     | -39   | 10    |
| attributable to non-controlling interests | 1     | 15    | 2     | -1    |

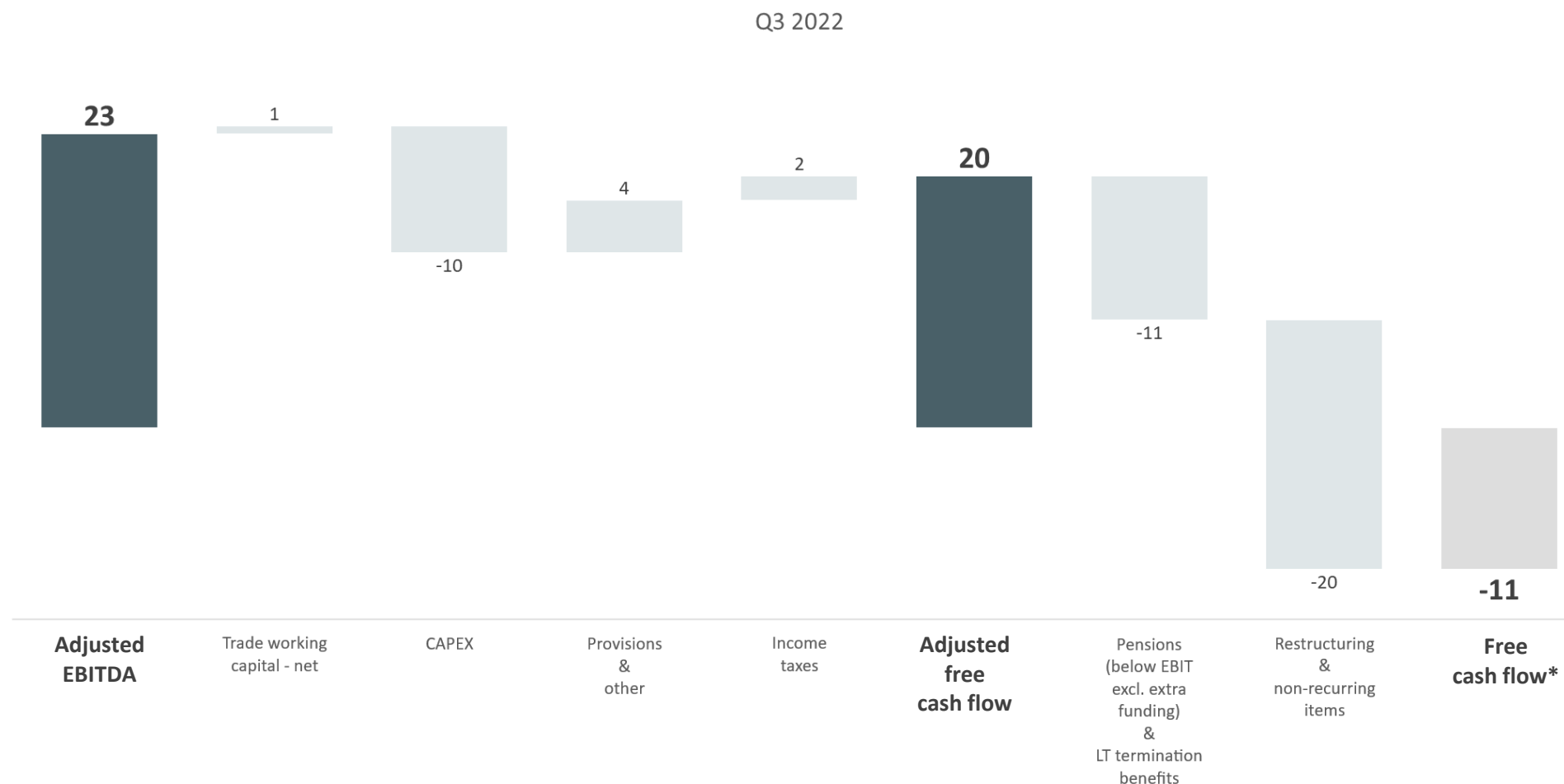
\* Before restructuring and non-recurring items

# Contrasted performances between divisions

## Main drivers behind key figures Q3

- Top line excluding currency slightly increased vs Q3 2021:
  - Digital Print and HealthCare IT: significant improvement of top line
  - Radiology Solutions: medical film continued to be impacted by the lockdowns in China, double-digit growth DR
  - HealthCare IT: healthy order book and 16% increase in order intake
- Gross margin increase to 28.4%: price increase actions to tackle cost inflation continued to bear fruit for Offset Solutions, but are to be reinforced across the Group
- Adjusted EBITDA increase of 8% with contrasted performances between the divisions
- Net loss of minus 17 million Euro

# Agfa-Gevaert Group (in million Euro)

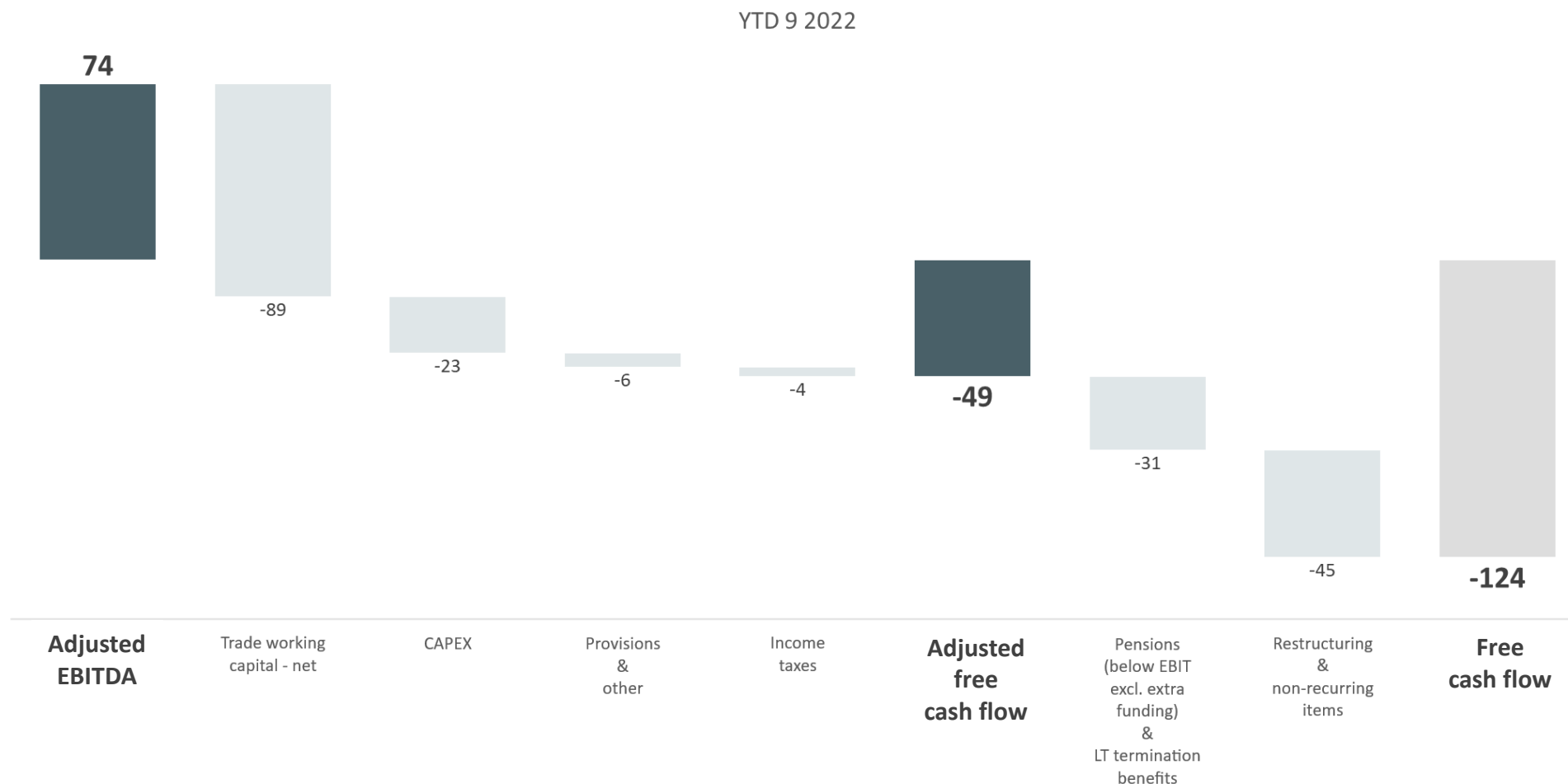


Adjusted free cash flow equals the sum of net cash from operating & investing activities excluding the impact of acquisitions and disposal of discontinued operations (see definition of Free cash flow \*) ADJUSTED for the impact of the cash out for pensions below EBIT and the cashout for LT termination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



# Agfa-Gevaert Group (in million Euro)



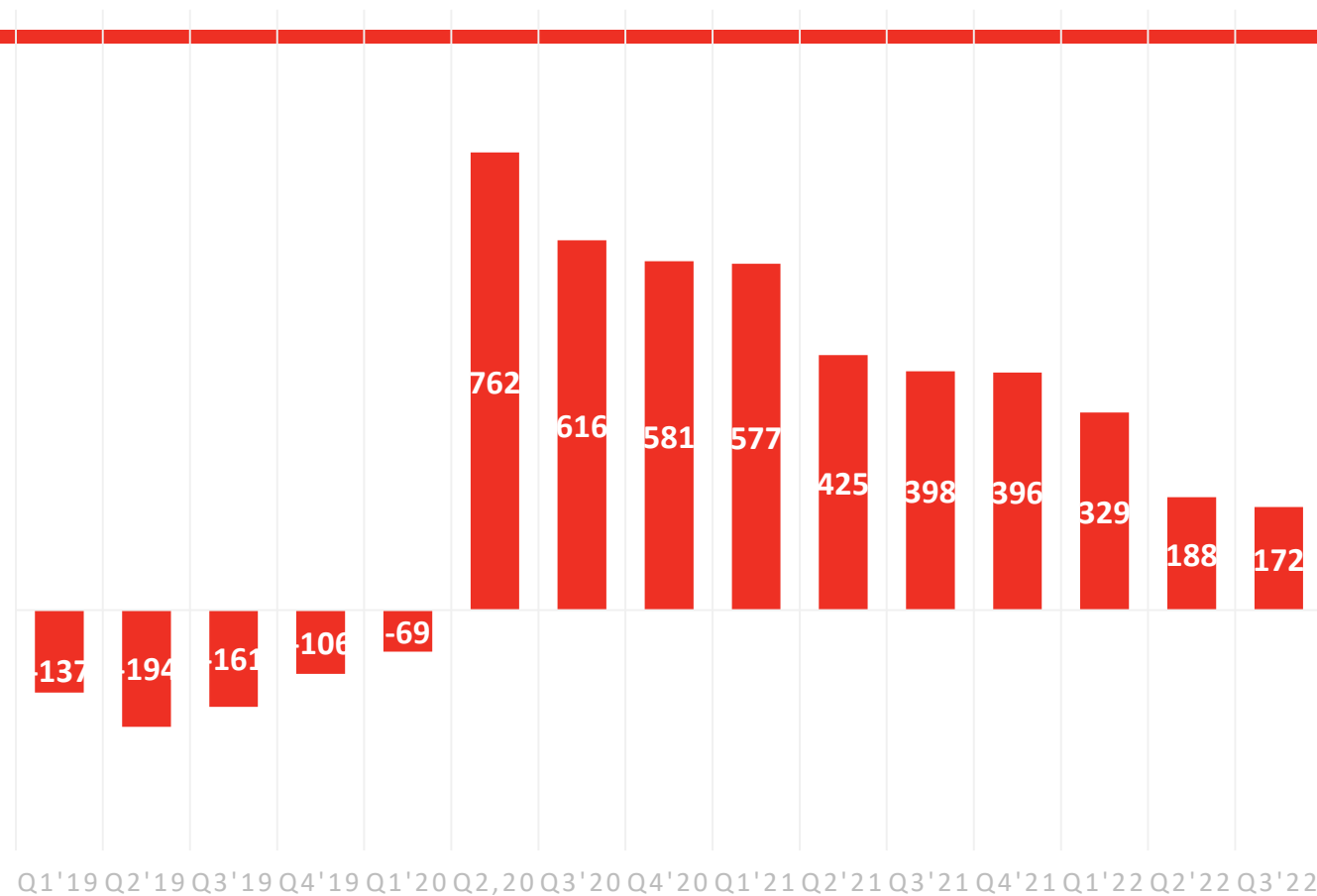
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 ADJUSTED for the impact of the cash out for pensions below EBIT and the cashout for LT termination benefits.



# Net cash position

## Net cash position

excl IFRS 16, in million Euro



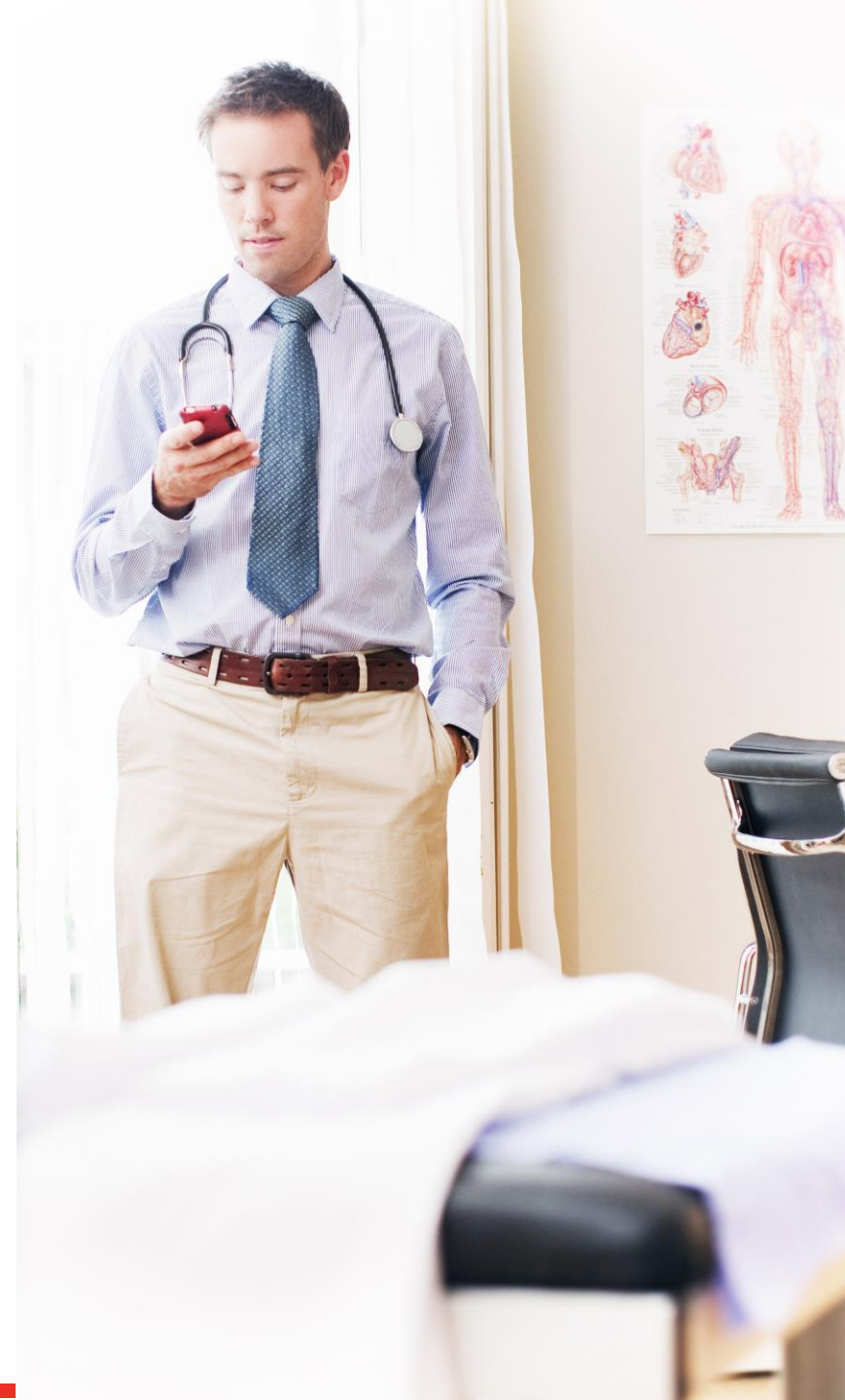
Note: Total B/S net cash position Q3 2022 **incl IFRS 16**  
= 98 million Euro

# Working Capital: % stable versus Q2, impacted by demand slowdown

|  | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Δ Q3<br>2022 vs 2021 | Δ 2022<br>Q3 vs Q2 |
|--|---------|---------|---------|---------|---------|----------------------|--------------------|
| Inventories (Mio Eur)                          | 561     | 536     | 477     | 418     | 465     | 95                   | 24                 |
| ° DIOH in days                                 | 152     | 147     | 134     | 119     | 134     | 17                   | 5                  |
| Trade Receivables, Contract Assets/Liabilities | 284     | 297     | 293     | 283     | 270     | 14                   | -13                |
| ° DSO in days                                  | 54      | 57      | 62      | 53      | 55      | -1                   | -3                 |
| Trade Payables (Mio Eur)                       | 273     | 270     | 263     | 252     | 258     | 16                   | 3                  |
| ° DPO in days                                  | 74      | 74      | 74      | 72      | 74      | 0                    | 0                  |
| Trade Working Capital                          | 571     | 563     | 507     | 449     | 477     | 93                   | 8                  |
| ° Trade Working Capital as % of sales          | 31%     | 31%     | 28%     | 26%     | 27%     |                      |                    |



## HealthCare IT



# HealthCare IT

## Key figures

## Profit & Loss

Incl. IFRS 16

|                        | Q3 '22 | Q3 '21 | Δ%<br>(excl.curr.) | 9m'22 | 9m'21 | Δ%<br>(excl.curr.) |
|------------------------|--------|--------|--------------------|-------|-------|--------------------|
| in million Euro        |        |        |                    |       |       |                    |
| Sales                  | 62     | 49     | 25.7%<br>(14.3%)   | 174   | 160   | 8.7%<br>(1.1%)     |
| Gross Profit*          | 28     | 22     | 28.0%              | 78    | 72    | 9.1%               |
| as a % of sales        | 44.9%  | 44.1%  |                    | 45.2% | 45.0% |                    |
| SG&A*                  | -16    | -13    | 23.9%              | -46   | -38   | 20.0%              |
| as a % of sales        | 25.6%  | 26.0%  |                    | 26.5% | 24.0% |                    |
| R&D*                   | -8     | -7     | 19.0%              | -25   | -23   | 11.7%              |
| Other operating items* | 0      | 1      |                    | 3     | 1     |                    |
| Adjusted EBITDA*       | 5.9    | 4.6    | 28.8%              | 15.8  | 19.0  | -16.6%             |
| as a % of sales        | 9.5%   | 9.3%   |                    | 9.1%  | 11.9% |                    |
| Adjusted EBIT*         | 4.0    | 2.5    | 63.4%              | 10.2  | 12.3  | -17.3%             |
| as a % of sales        | 6.5%   | 5.0%   |                    | 5.9%  | 7.7%  |                    |

\* Before restructuring and non-recurring items

# HealthCare IT: strong Q3 and healthy order book

## Main drivers behind key figures Q3

- The HealthCare IT division's top line increased strongly, driven by the revenue recognition from a number of important contracts, mainly in North America
- Order book remains at healthy level, 16% growth in the 12 months rolling order intake versus last year
- Driven by favorable mix effects (more own IP and services), the division's gross profit margin improved to 44.9% of revenue
- Adjusted EBIT amounted to 4.0 million Euro





## Radiology Solutions

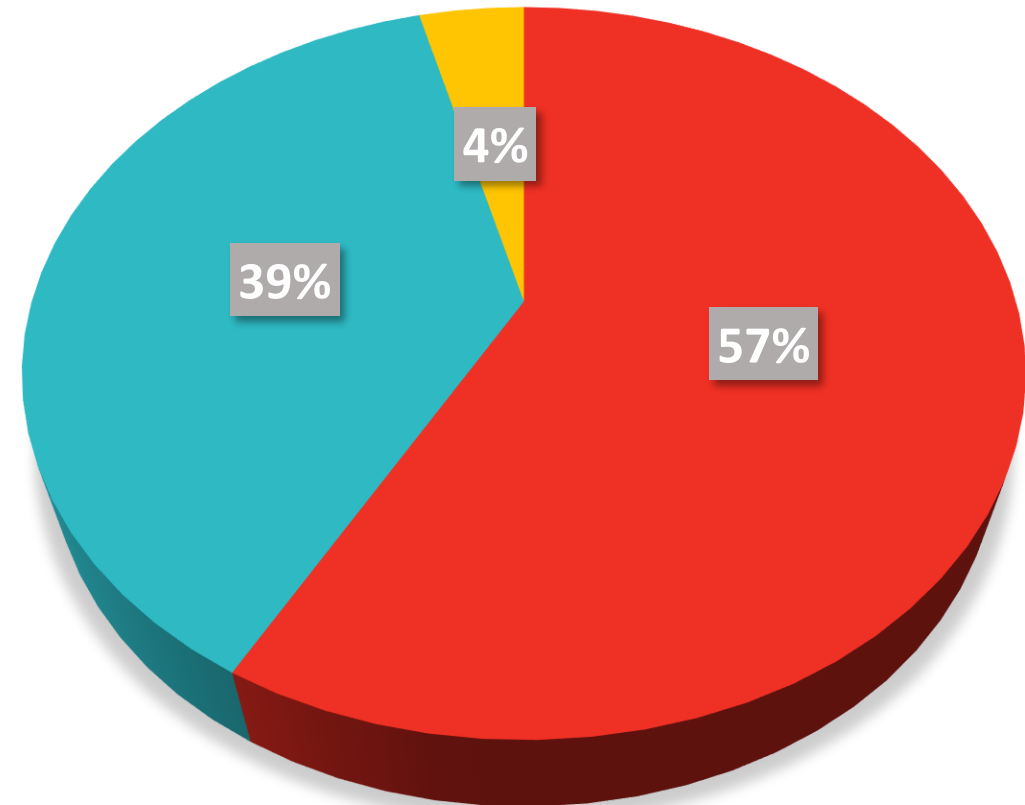


# Radiology Solutions

## Sales by business segment

Hardcopy ■  
CR/DR ■  
Classic Radiology ■

9 months 2022 = 333 million Euro





# Radiology Solutions

## Key figures

## Profit & Loss

Incl. IFRS 16

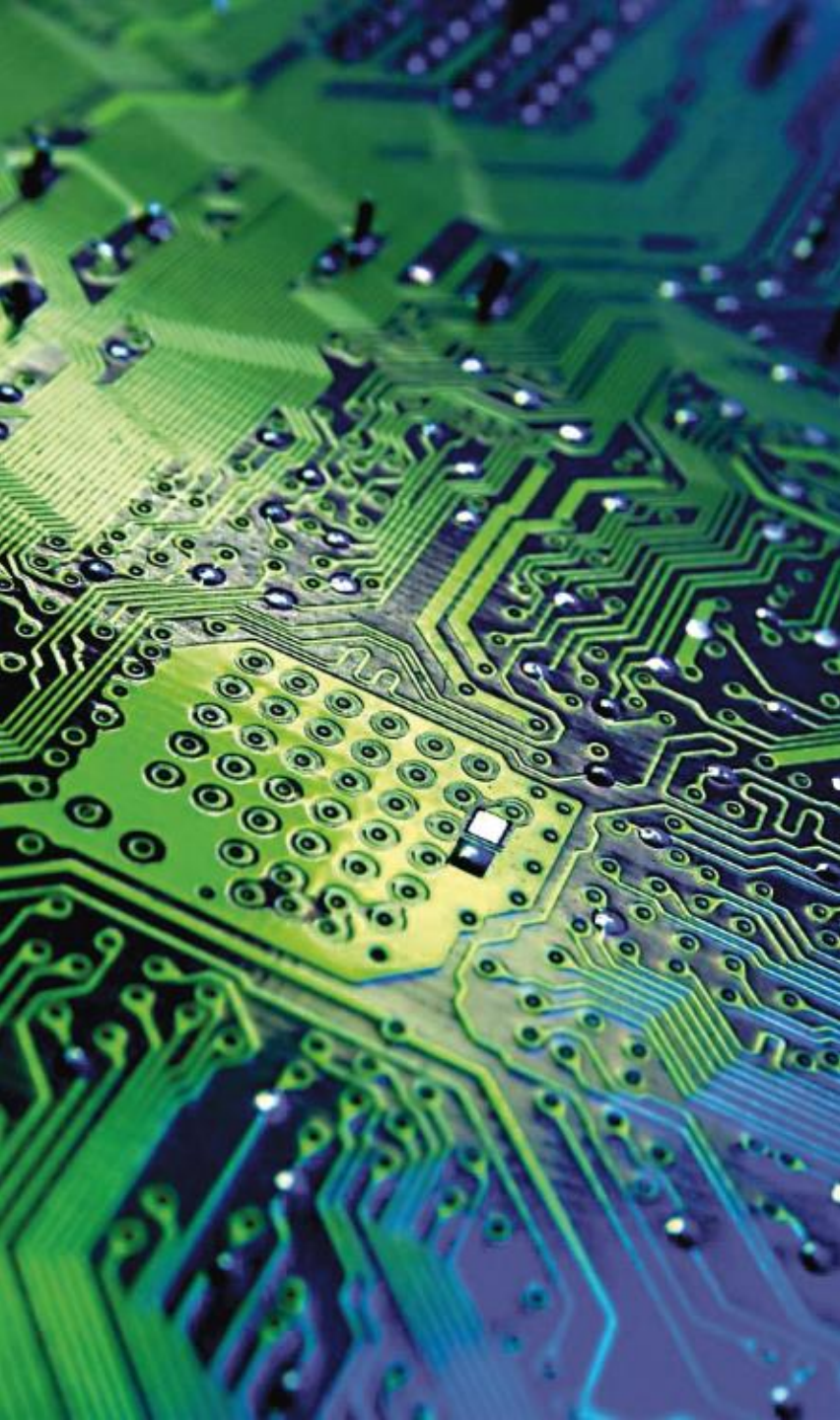
|                        | Q3 '22 | Q3 '21 | Δ%<br>(excl.curr.) | 9m'22 | 9m'21 | Δ%<br>(excl.curr.) |
|------------------------|--------|--------|--------------------|-------|-------|--------------------|
| in million Euro        |        |        |                    |       |       |                    |
| Sales                  | 117    | 116    | 1.5%<br>(-5.4%)    | 333   | 335   | -0.8%<br>(-6.3%)   |
| Gross Profit*          | 36     | 39     | -8.4%              | 103   | 116   | -10.9%             |
| as a % of sales        | 30.5%  | 33.8%  |                    | 31.1% | 34.6% |                    |
| SG&A*                  | -27    | -25    | 10.2%              | -79   | -75   | 5.1%               |
| as a % of sales        | 23.1%  | 21.3%  |                    | 23.7% | 22.4% |                    |
| R&D*                   | -4     | -5     | -12.1%             | -12   | -13   | -9.9%              |
| Other operating items* | -2     | -1     |                    | -3    | -2    |                    |
| Adjusted EBITDA*       | 9.1    | 15.0   | -39.0%             | 28.3  | 43.2  | -34.5%             |
| as a % of sales        | 7.8%   | 13.0%  |                    | 8.5%  | 12.9% |                    |
| Adjusted EBIT*         | 2.8    | 9.2    | -69.3%             | 9.8   | 26.0  | -62.5%             |
| as a % of sales        | 2.4%   | 8.0%   |                    | 2.9%  | 7.8%  |                    |

\* Before restructuring and non-recurring items

# Radiology Solutions: DR grows double digit, medical film impacted by lockdowns in China

## Main drivers behind key figures Q3

- DR: top line grew double digit but market continues to be volatile
- Medical film: impacted by the lockdowns in China
- Profitability impacted by volume decreases, mix effects and cost inflation. The gross profit margin of the division decreased from 33.8% of revenue to 30.5%
- Adjusted EBIT amounted to 2.8 million Euro



## Digital Print & Chemicals

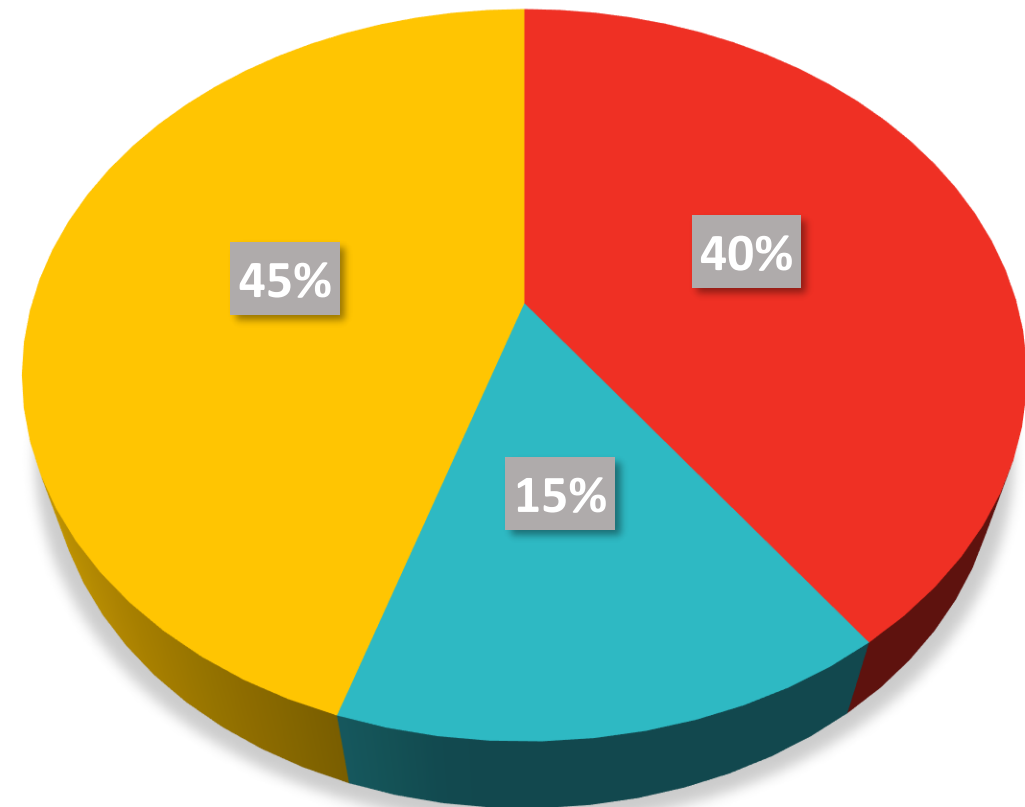


# Digital Print & Chemicals

## Sales by business segment

Inkjet ■  
Electronic Print ■  
Films and Foils ■

9 months 2022 = 274 million Euro





# Digital Print & Chemicals

## Key figures

## Profit & Loss

Incl. IFRS 16

|                        | Q3 '22 | Q3 '21 | Δ%<br>(excl.curr.) | 9m'22 | 9m'21 | Δ%<br>(excl.curr.) |
|------------------------|--------|--------|--------------------|-------|-------|--------------------|
| in million Euro        |        |        |                    |       |       |                    |
| Sales                  | 96     | 82     | 16.4%<br>(12.4%)   | 274   | 236   | 15.7%<br>(12.8%)   |
| Gross Profit*          | 24     | 20     | 21.1%              | 74    | 66    | 12.3%              |
| as a % of sales        | 25.5%  | 24.5%  |                    | 27.1% | 28.0% |                    |
| SG&A*                  | -19    | -14    | 36.8%              | -52   | -42   | 24.1%              |
| as a % of sales        | 20.1%  | 17.1%  |                    | 19.1% | 17.8% |                    |
| R&D*                   | -7     | -5     | 47.5%              | -19   | -16   | 17.3%              |
| Other operating items* | -2     | -1     |                    | -4    | 0     |                    |
| Adjusted EBITDA*       | 0.0    | 3.8    | -100.4%            | 8.3   | 15.9  | -47.8%             |
| as a % of sales        | 0.0%   | 4.7%   |                    | 3.0%  | 6.7%  |                    |
| Adjusted EBIT*         | -3.6   | 0.9    | -486.4%            | -0.8  | 7.1   | -111.9%            |
| as a % of sales        | -3.7%  | 1.1%   |                    | -0.3% | 3.0%  |                    |

\* Before restructuring and non-recurring items

# DPC: growth in Digital Print and Zirfon membranes, margins impacted by cost inflation

## Main drivers behind key figures Q3

- Top line growth: good performance of Digital Print and Zirfon
  - Digital Print: contracts signed for the delivery of the first Agfa-branded Onset machines, development of Speedset single-pass packaging printer proceeding as planned
  - Zirfon: engineering studies for a new industrial unit at the Belgian site started, winner of the prestigious essenscia Innovation Award 2022 for Zirfon UTP 220 membrane technology
- Impact of the weaker economic environment - mainly in Europe and Asia - felt in some areas.
- Due to overall SG&A cost inflation, increased marketing & sales activities and lower R&D subsidies, adjusted EBIT amounted to minus 3.6 million Euro



## Offset Solutions





# Offset Solutions

## Key figures

## Profit & Loss

Incl. IFRS 16

|                        | Q3 '22 | Q3 '21 | Δ%<br>(excl.curr.) | 9m'22 | 9m'21 | Δ%<br>(excl.curr.) |
|------------------------|--------|--------|--------------------|-------|-------|--------------------|
| in million Euro        |        |        |                    |       |       |                    |
| Sales                  | 199    | 192    | 3.3%<br>(-2.6%)    | 587   | 544   | 7.8%<br>(2.8%)     |
| Gross Profit*          | 46     | 37     | 25.4%              | 138   | 116   | 18.8%              |
| as a % of sales        | 23.4%  | 19.3%  |                    | 23.5% | 21.3% |                    |
| SG&A*                  | -33    | -32    | 3.9%               | -102  | -98   | 4.1%               |
| as a % of sales        | 16.8%  | 16.7%  |                    | 17.4% | 18.0% |                    |
| R&D*                   | -5     | -5     | -5.5%              | -14   | -15   | -5.2%              |
| Other operating items* | 0      | -2     |                    | 0     | -4    |                    |
| Adjusted EBITDA*       | 12.7   | 2.5    | 401.6%             | 34.8  | 12.2  | 186.2%             |
| as a % of sales        | 6.4%   | 1.3%   |                    | 5.9%  | 2.2%  |                    |
| Adjusted EBIT*         | 8.2    | -1.6   | 600.4%             | 21.4  | -1.5  | 1556.9%            |
| as a % of sales        | 4.1%   | -0.9%  |                    | 3.6%  | -0.3% |                    |

\* Before restructuring and non-recurring items

# Offset Solutions: strong improvement in margins, price actions in place

## Main drivers behind key figures Q3

- Revenue stable due to price increases to tackle cost inflation
- Continuous cost improvement actions and increased focus on high-value regions lead to an increased gross profit margin
- Adjusted EBIT improved to 8.2 million Euro

# Despite uncertain environment, quarter-on-quarter improvement expected for HealthCare IT and Radiology Solutions

## Outlook

- A continuing impact of cost inflation, supply chain issues, lockdowns in China and the uncertain geopolitical and economic situation expected in the coming quarters. Raw material cost inflation started to ease, but salary cost inflation is expected to remain a concern in the near future.
- Agfa continues to focus on working capital improvements and cost management - working capital expected to go down in Q4, driven by lower inventories. Ongoing transformation actions are well on track and are expected to bring more agility and to further simplify the operations. On top of these actions, the economic reality requires additional measures to adapt the Group's cost structure.
- The HealthCare IT division expects to deliver strong results in the next quarter. The Radiology Solutions division is expected to show quarter-on-quarter improvement.

# **Sustainability @ Agfa**

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# The road to 2030 & beyond: sustainable and profitable growth



## For a safe work environment

- Roll out 5S program in DPC continuing
- Roll out safe driving training to prevent commuting accidents

➤ - 14% accidents with min. one day lost in Q1 – Q3 2022 vs same period 2021

## For a diverse, inclusive and stimulating work environment

- 3 Employees Resource Groups: Equal Gender Opportunity, EMBRACE, Generations Working Together
- ERG group Leads selected and announced to the Board of Directors
- DEI Council kick off in November
- DEI learning track for training HE IT concluded by 82% of the division
- Perception and satisfaction survey concluded, good DEI perception, work to be done on engagement

➤ 32% women in new permanent hires in Q1 – Q3 2022 (goal for 2022 is 37%)

## For an increased focus on sustainable innovation and corporate governance

- 2 CO<sub>2</sub> reduction projects already implemented in head office and energy saving sensibilisation campaign started
- 100% of the bought volume of electricity in Belgium comes from renewable resources in 2022
- Sustainability matrix included in product development procedure (DPC), roll out on-going
- Greener car fleet at head office (end of September): 6% ICE, 41% EV, 53% PHEV
- New bike lease plan launched in head office
- EcoVadis re-assessment started



# Questions & Answers

