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2017 Full Year Results

22 March 2018

Olivier Legrain (CEO) and Soumya Chandramouli (CFO)



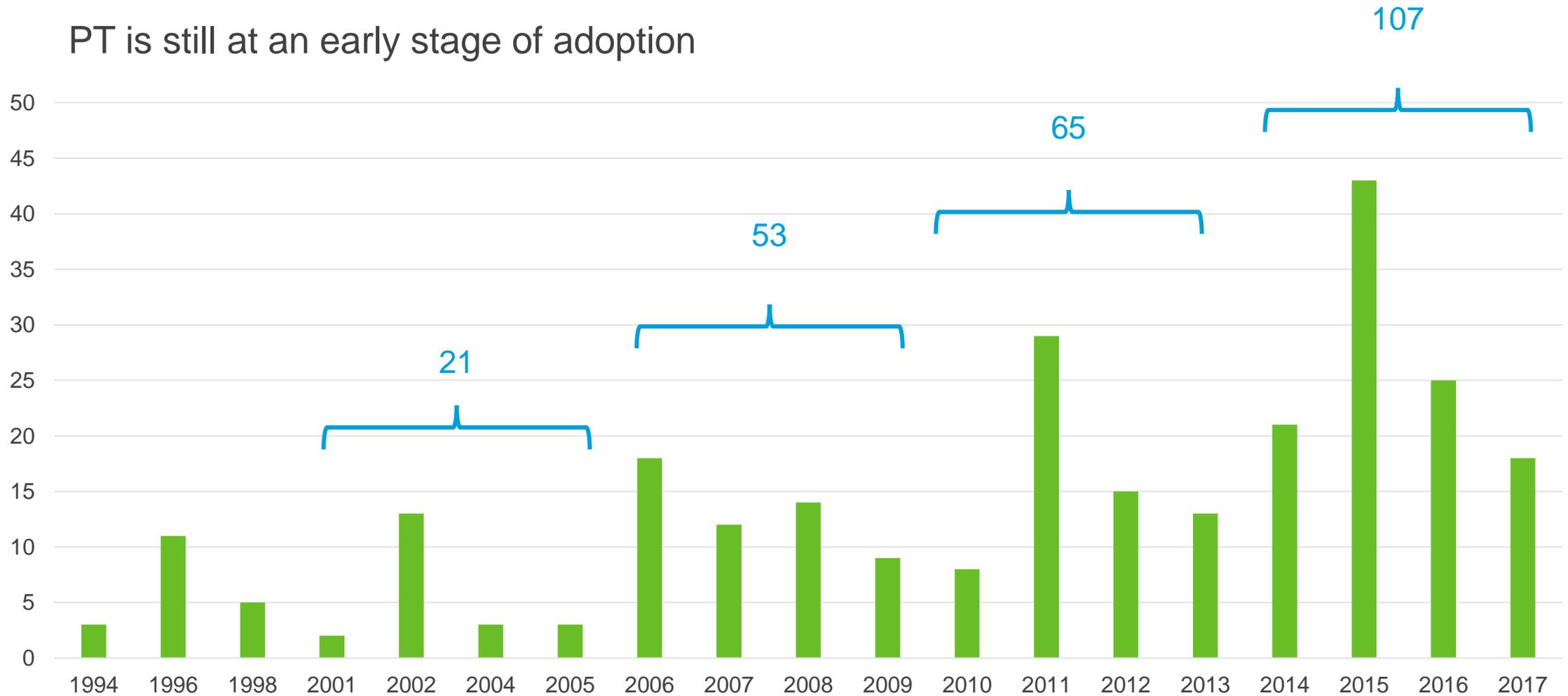
This presentation may contain forward-looking statements concerning industry outlook, including growth drivers; the company's future orders, revenues, backlog, or earnings growth; future financial results; market acceptance of or transition to new products or technology and any statements using the terms "could," "believe," "outlook," or similar statements are forward-looking statements that involve risks and uncertainties that could cause the company's actual results to differ materially from those anticipated. The company assumes no obligation to update or revise the forward-looking statements in this release because of new information, future events, or otherwise.

- Challenging year for IBA
 - Slower market
 - Revenue recognition delays on specific projects
- Streamlined business to return to a positive REBIT and net profit after tax in 2018
 - Reduction of operational expenses and productivity measures
- PT remains a highly compelling opportunity
 - Robust equipment and services backlog
 - Larger adoption of proton therapy
 - IBA leading offering

Evolution of the market (rooms) ***



PT is still at an early stage of adoption



* Only commercial solutions

** End of 2017 – UAB and University of Miami included

Grow the PT market

Facilitate evidence generation

Increase awareness of PT benefits

Increase affordability of PT solutions

Increase IBA's market share

Superior clinical technology

Fastest installation in the market

Reliability of IBA equipment

Continuous upgradability of systems

2017 Group Highlights

YE 2017 business and financial highlights



- Total Group 2017 revenues down 12.6%
- Proton Therapy and Other Accelerators revenue down 16.8% due to project delays and a cyclical slowdown in the overall proton therapy market
- Dosimetry revenue up 11.9% due to strong conversion of past backlog and higher order intake both from radiotherapy and proton therapy related business
- REBIT margin of -4.0% impacted by low Proton Therapy and Other Accelerators gross margin

	FY 2017 (EUR 000)	FY 2016 (EUR 000)	Variance (EUR 000)	Variance %
PT & Other Accelerators	233 584	280 666	-47 082	-16.8%
Dosimetry	53 837	48 108	5 729	11.9%
Total Net Sales	287 421	328 774	- 41 353	- 12.6%
REBITDA	- 4 740	42 690	- 47 430	- 111.1%
<i>% of Sales</i>	<i>- 1.6%</i>	<i>13.0%</i>		
REBIT	- 11 596	37 137	- 48 733	- 131.2%
<i>% of Sales</i>	<i>- 4.0%</i>	<i>11.3%</i>		
Profit Before Tax	- 19 607	27 899	-47 506	-170.3%
<i>% of Sales</i>	<i>- 6.8%</i>	<i>8.5%</i>		
NET RESULT	- 39 201	24 440	- 63 641	- 260.4%
<i>% of Sales</i>	<i>- 13.6%</i>	<i>7.4%</i>		

YE 2017 business and financial highlights

■ Order intake

- Order intake of five rooms comprising two Proteus[®]ONE* systems sold in Egypt and Spain, one Proteus[®]PLUS* sold in Virginia, USA and an additional Proteus[®]PLUS treatment room sold in Argentina
- Other Accelerators: 11 machines sold, boosted by introduction of new Cyclone[®]KIUBE PET accelerator
- Upgrade order intake in 2017: EUR 13.1 million

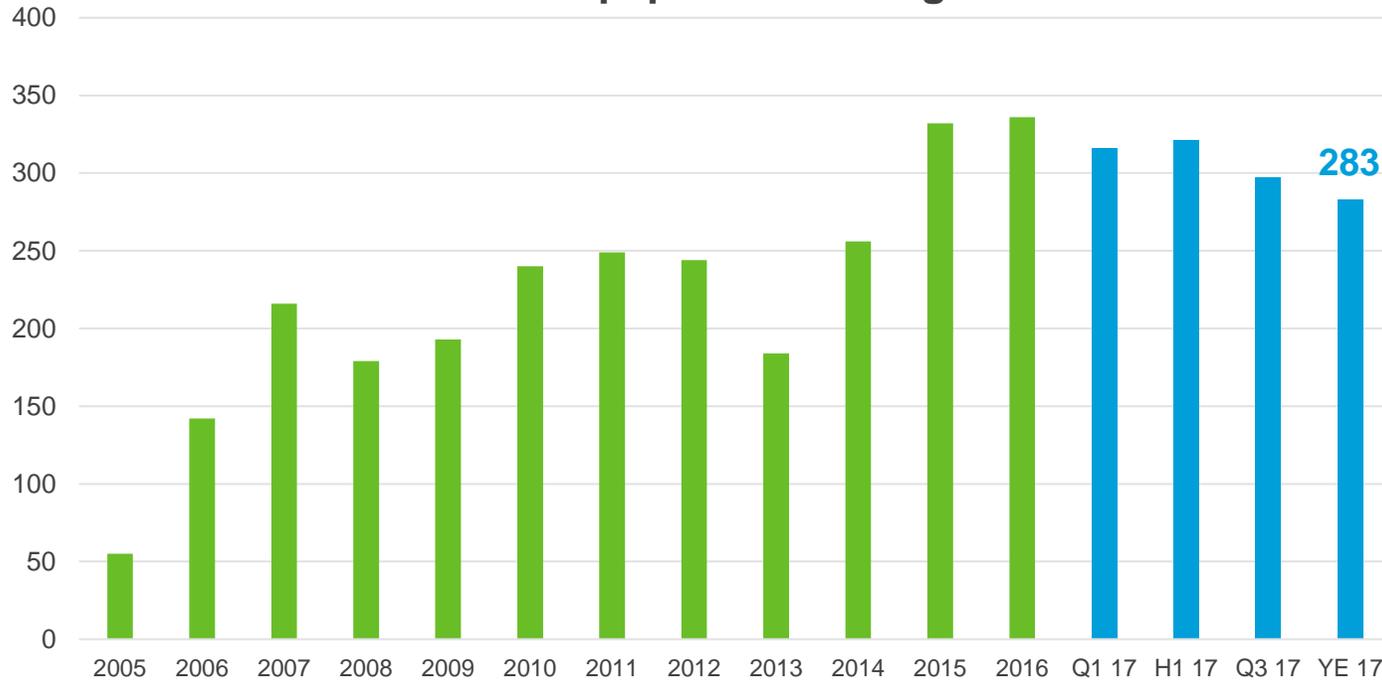
	FY 2017	FY 2016
Proteus [®] ONE systems sold	2	5
Proteus [®] PLUS systems sold	1	3
Total rooms sold	5	17
Order intake PT & Other Accelerators	€111M	€250M
Book to bill PT & Other Accelerators	0.66	1.12

YE 2017 business and financial highlights

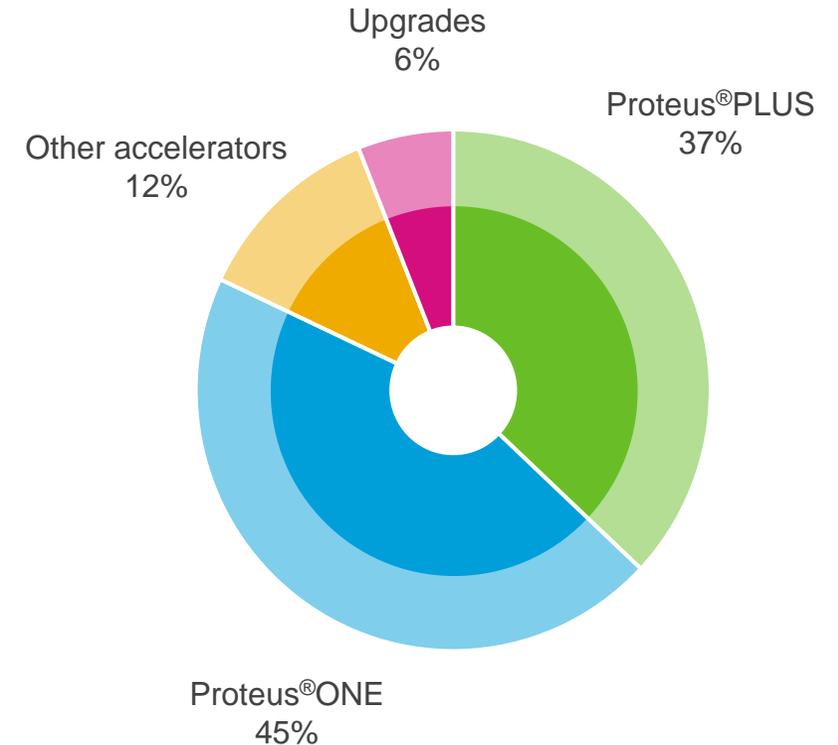


- Equipment backlog for Proton Therapy and Other Accelerators of EUR 283 million at full year 2017

Equipment backlog



Figures in million euros

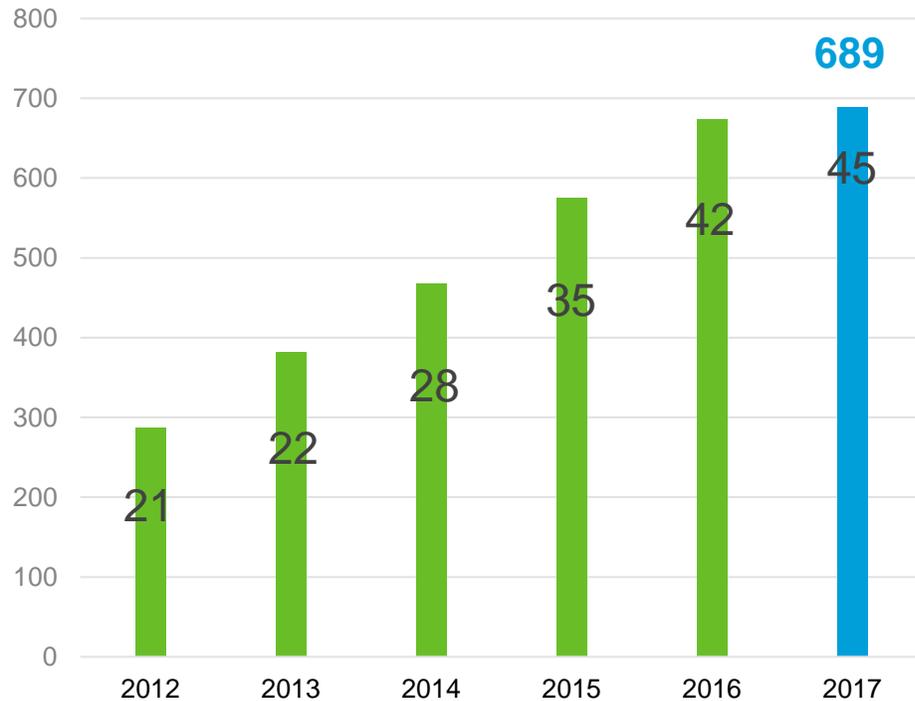


YE 2017 business and financial highlights



- Proton Therapy services backlog
 - Steadily growing PT service backlog due to strong capture rate on new PT systems sales

Service backlog



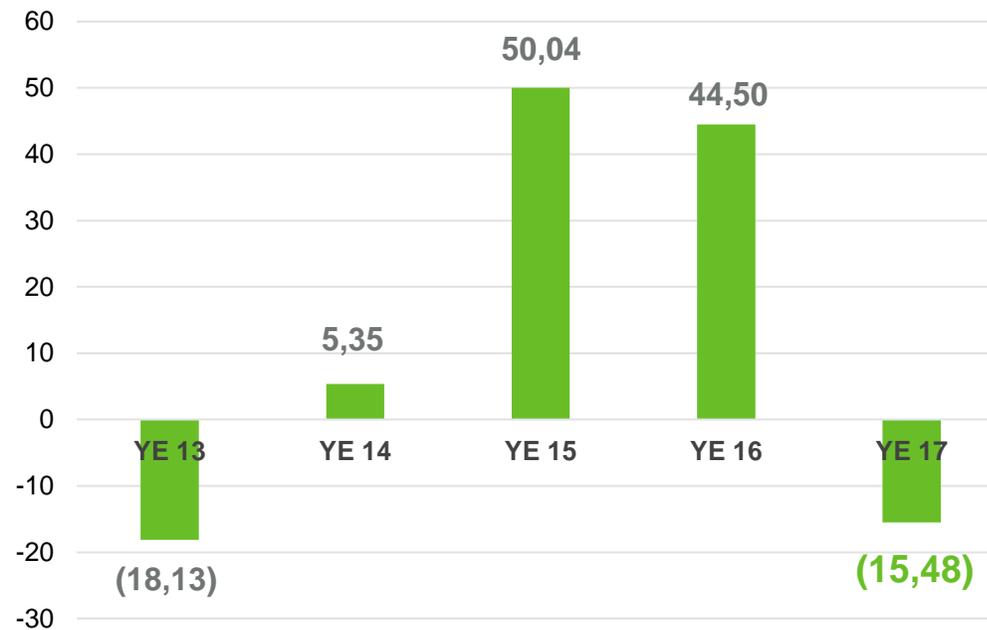
Figures in M euros



YE 2017 business and financial highlights

- Net cash position of EUR -15.5 million at end 2017 compared to EUR 44.7 million at end 2016
- Credit lines secured to cover working capital requirements

Net financial position



Figures in M euros

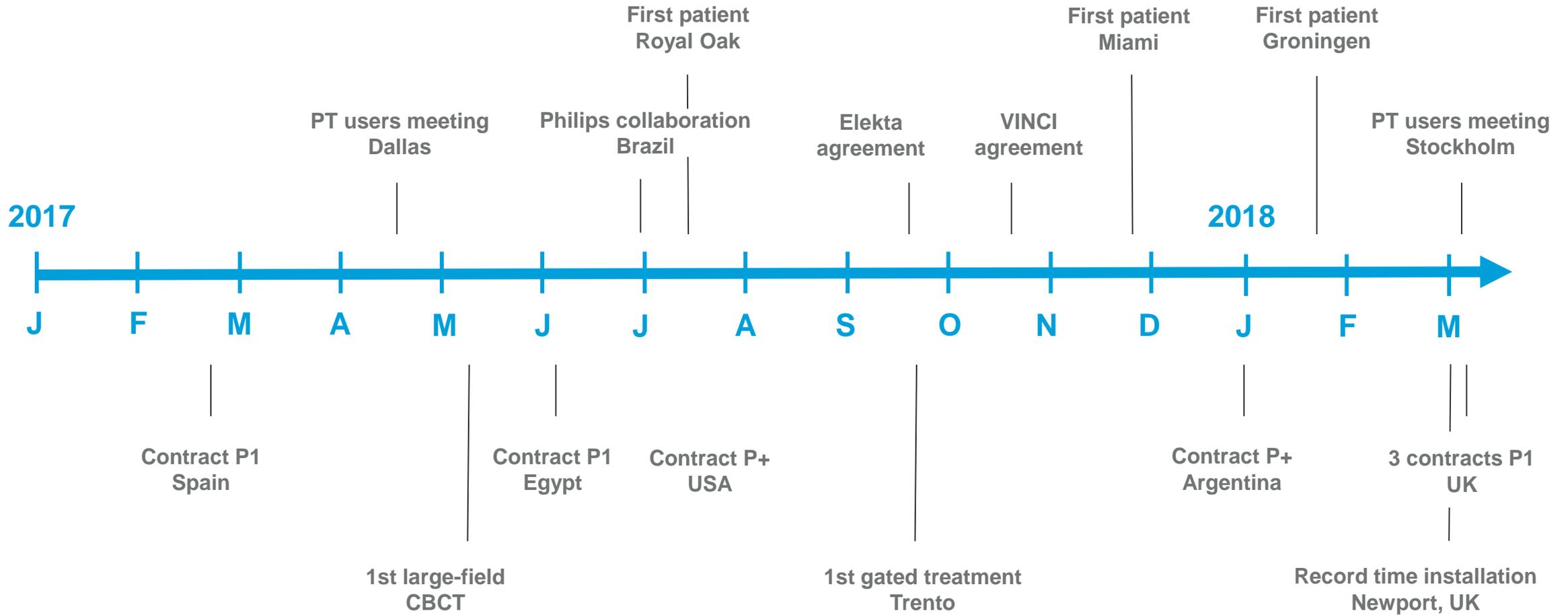
Initiatives to streamline IBA business

- Completion of a review into Proton Therapy project management
 - Enhanced systems in place
 - All projects on track with revised timelines

- Accelerated initiatives to improve commercial reach, construction delivery and cost competitiveness
 - Partnership with Elekta
 - Collaboration with VINCI Construction
 - Reorganization of the Group's Proton Therapy business unit
 - Tight cost controls and efficiencies

- Significant progress in speed of delivery
 - Major competitive advantage for IBA and our customers

2017 in review



Proton Therapy and Other Accelerators

Proton Therapy & Other Accelerators



	FY 2017 (EUR 000)	FY 2016 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	233 584	280 666	- 47 082	- 16.8%
<i>Proton Therapy</i>	<i>193 391</i>	<i>226 529</i>	<i>- 33 138</i>	<i>- 14.6%</i>
<i>Other Accelerators</i>	<i>40 193</i>	<i>54 137</i>	<i>- 13 944</i>	<i>- 25.8%</i>
REBITDA	- 11 517	38 613	- 50 130	- 129.8%
<i>% of Sales</i>	<i>- 4.9%</i>	<i>13.8%</i>		
REBIT	- 17 261	34 115	- 51 376	- 150.6%
<i>% of Sales</i>	<i>- 7.4%</i>	<i>12.2%</i>		

Total net sales for Proton Therapy and Other Accelerators down 16.8%

- Lower sales in 2017 which reflect the lumpy nature of the proton therapy market
- A more aggressive stance by competitors seeking to increase market share
- Lower conversion of the Proton Therapy backlog due to delays in around half of all Proton Therapy installations
- Some one-off project cost overruns related to specific projects

Proton Therapy & Other Accelerators



	FY 2017 (EUR 000)	FY 2016 (EUR 000)	Variance (EUR 000)	Variance %
Equipment Proton Therapy	131 145	166 615	- 35 470	- 21.3%
Equipment Other Accelerators	16 994	33 983	- 16 989	- 50.0%
Total equipment revenues	148 139	200 598	- 52 459	- 26.2%
Services Proton Therapy	62 245	59 541	2 704	4.5%
Services Other Accelerators	23 200	20 527	2 673	13.0%
Total service revenues	85 445	80 068	5 377	6.7%
Total revenues Proton Therapy & Other Accelerators	233 584	280 666	- 47 082	-16.8%
<i>Service in % of segment revenues</i>	36.6%	28.5%		

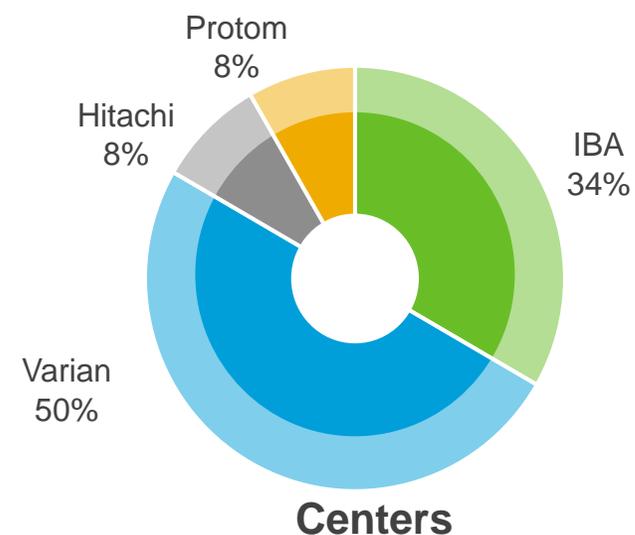
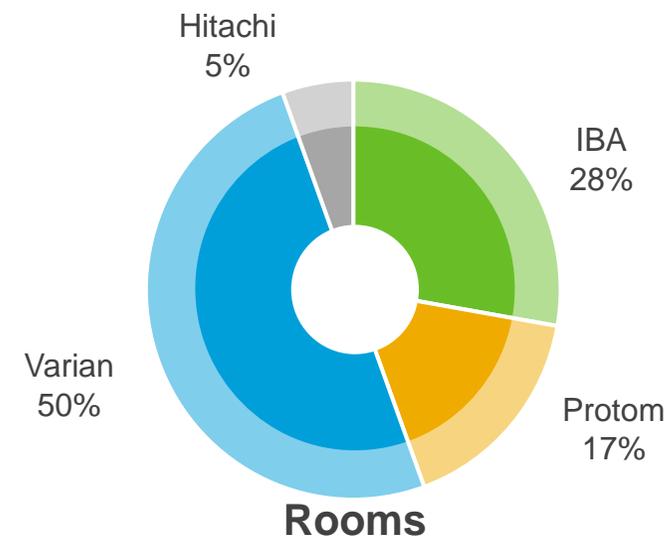
- Good performance of Services for the Proton Therapy and Other Accelerators accounting for approximately 37% of total revenues
 - PT Services revenue growth, up 4.5%
 - Services for Other Accelerators up 13%
- Net sales for Other Accelerators impacted by exceptional sales in 2015 and 2016

2017 PT Market update

Market share in 2017*



Center	No of Rooms	Region	Vendor
Clinica Universidad de Navarra	1	Europe	Hitachi
Boao Evergrande International	3	Asia	Protom
INVAP SOCIEDAD DEL ESTADO	1	LATAM	IBA
Inova Health Care Services	2	North America	IBA
Children's Cancer Hospital Egypt (Hospital 57357)	1	MENA	IBA
IDCQ Hospitales y Sanidad SLU	1	Europe	IBA
Concord Medical Services Holdings Limited	4	Asia	Varian
HealthCare Global Enterprises Ltd.	1	Asia	Varian
Roberts Proton Therapy Center	1	North America	Varian
Chulalongkorn Hospital	1	Asia	Varian
University of Alabama At Birmingham	1	North America	Varian
Delray Medical Center	1	North America	Varian
University of Miami	1	North America	Varian

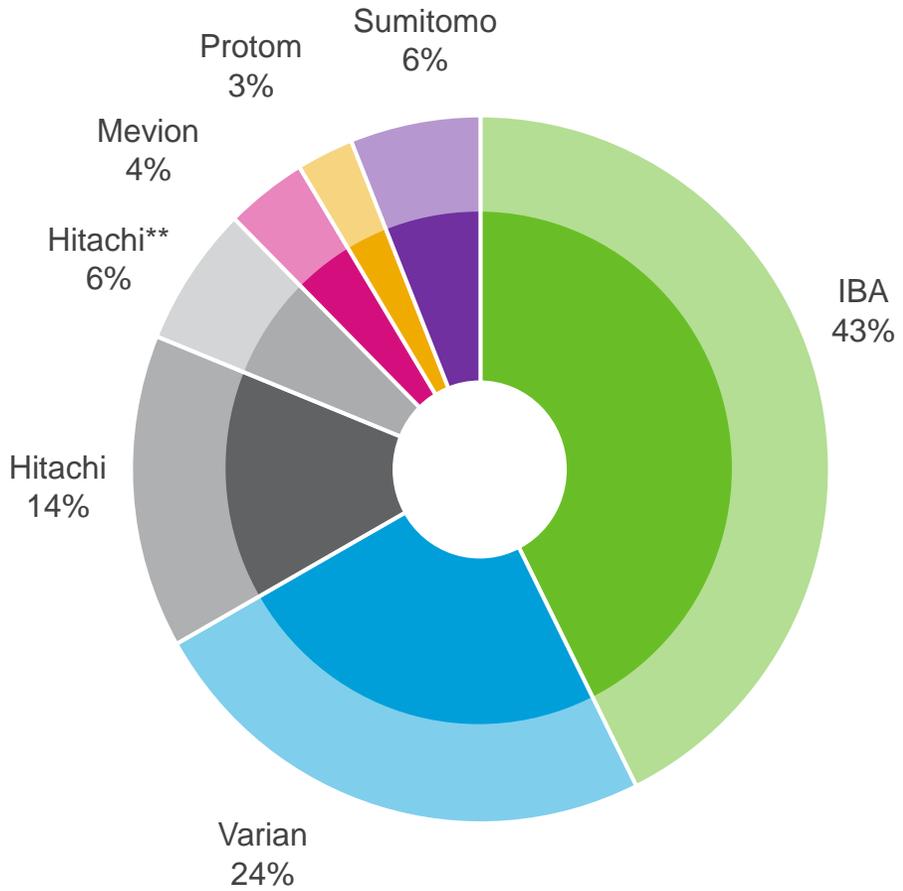


* End of 2017 – UAB and University of Miami included

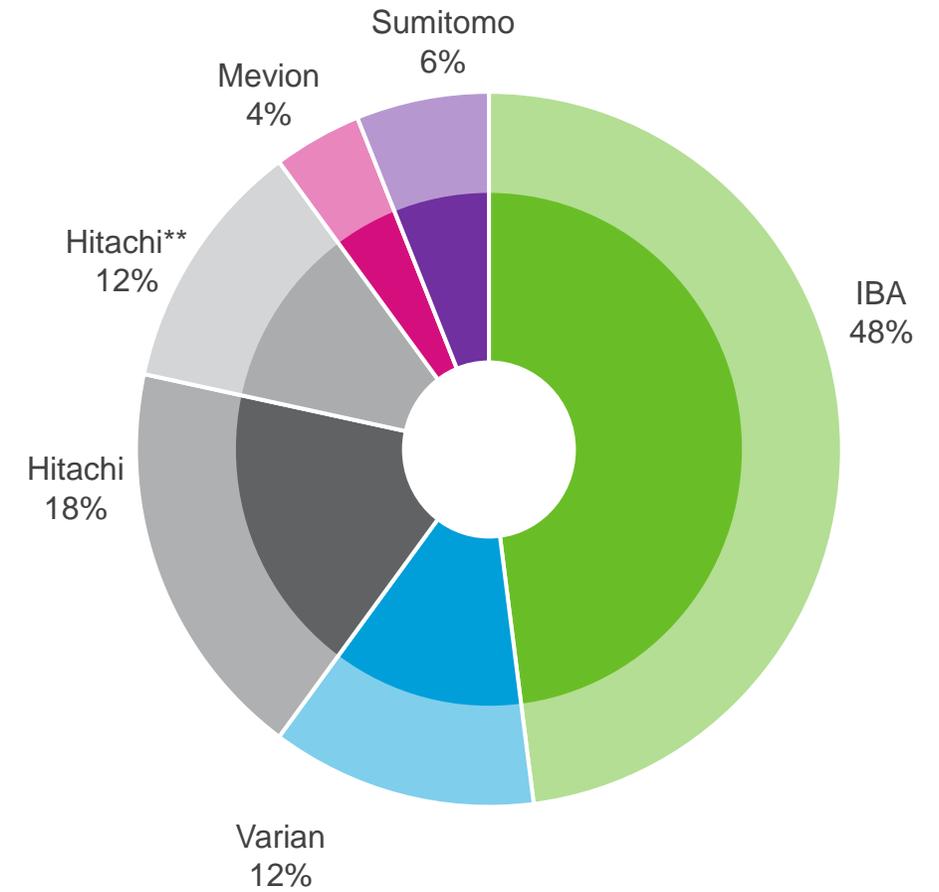
Market share since the beginning (up to end 2017)



Sales*



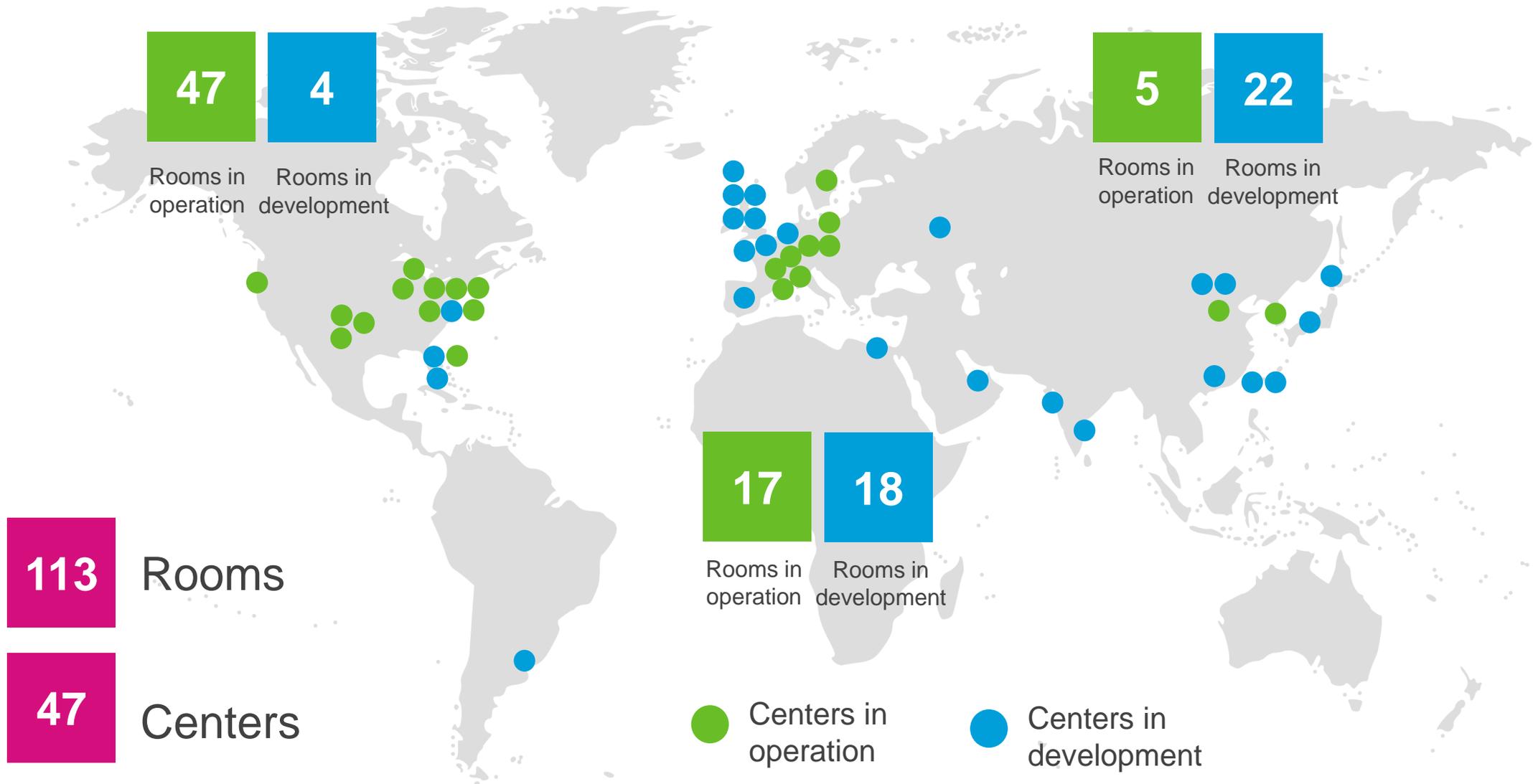
Treating



* End of 2017 – UAB and University of Miami included

** Mitsubishi particle therapy was acquired by Hitachi in 2017

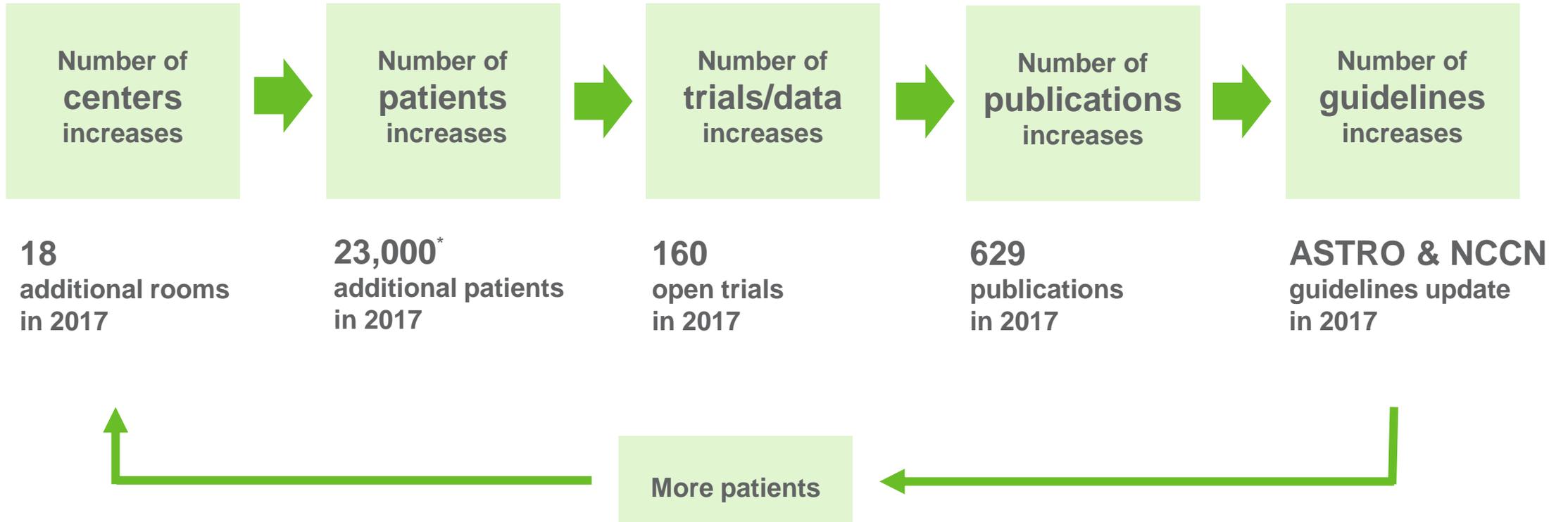
IBA – a global leader in proton therapy (up to end 2017)



Market potential

From 1% to 20%

Increasing acceptance of PT benefits

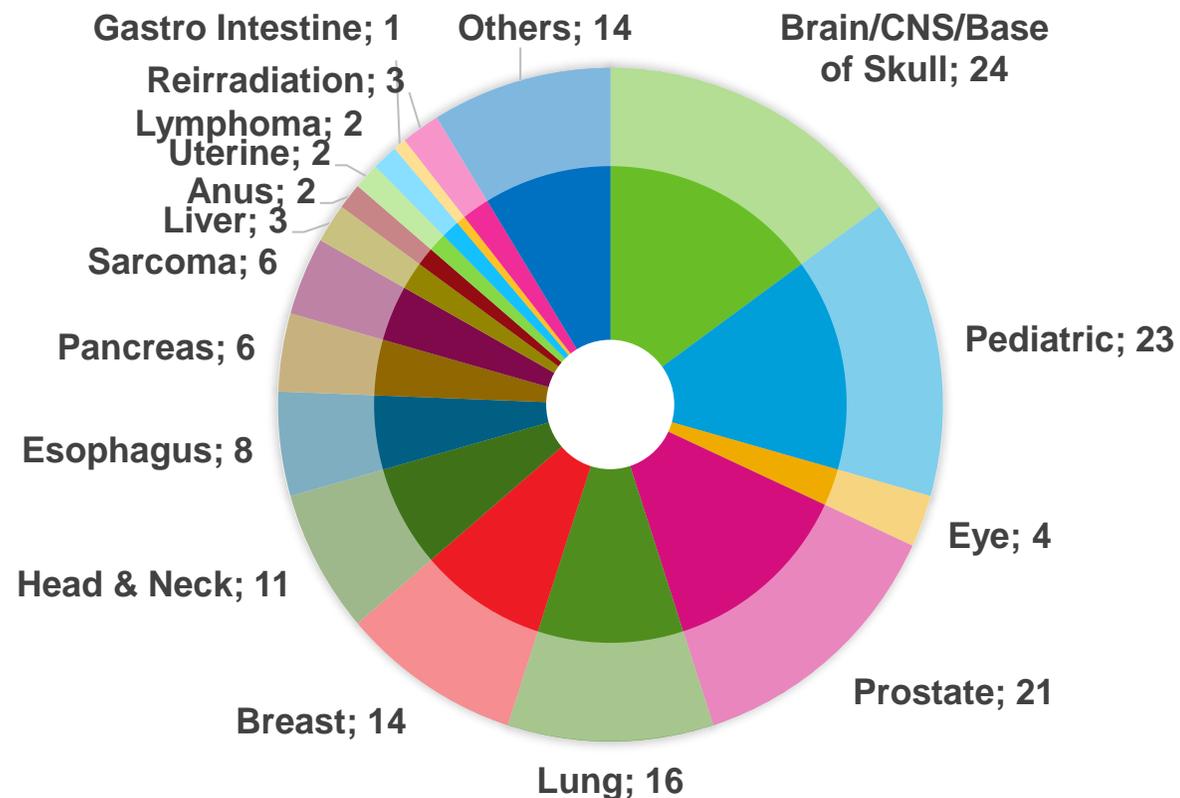
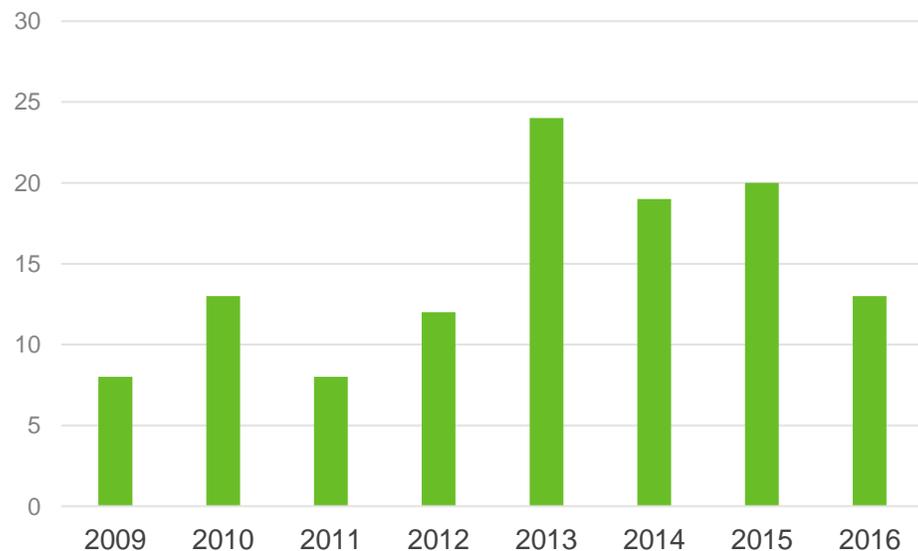


*IBA internal modeling based on PTCOG reports

Increasing number of clinical trials



- 160 open trials in 2017
- New strong interest on
 - Lung
 - Head and neck
 - Breast



Overview of additional PT clinical trials per year*

Split of PT clinical trials per indication

*Mishra MV et al. Establishing evidence-based indications for proton therapy: an overview of current clinical trials, Red Journal, October 2016

Creating a compelling body of evidence



Proton therapy trumps IMRT for prostate cancer: study

October 27, 2017
by John R. Fischer, Staff Reporter



A study from the Northwestern Medical Chicago Proton Center says proton therapy may ensure higher survival rates in prostate cancer treatment than IMRT

Proton therapy may ensure higher survival rates and a decline in complications among prostate cancer patients, compared to intensity-modulated radiation therapy (IMRT).

That is the possibility raised in a new study presented by researchers from the Northwestern Medical Chicago Proton Center at the 4th Annual Particle Therapy Co-Operative Group North America (PTCOG-NA) Conference on October 25, in Chicago. The authors of the study hope their findings will prompt insurance companies to enroll patients in PARTIQoL, a randomized trial for evaluating quality of life in both sets of patients.

Proton Collaborative Group (PCG) boosts its efforts to gather compelling clinical evidence on proton therapy

October 6, 2017

Leave your thoughts

Warrenville, IL, September 22, 2017 - Proton Collaborative Group (PCG) is proud to announce the start of a large-scale initiative to enhance its clinical data collection efforts in the field of proton therapy. PCG currently houses the largest multi-institutional proton therapy patient registry with over 10,000 patients from 12 treatment facilities across the U.S. included in its database. PCG intends to expand its role in the collection of high quality data through the implementation of a more robust database which is reviewed in on a going basis by an expert International Data Steering Committee. The enhanced database, "Alexandria", will boost PCG's registry to the next level. It will allow for collection of more comprehensive data, by providing a platform for advanced dosimetry and imaging data to be captured for all patients. This will greatly augment the current data entry and data quality assurance efforts. Data collection will be quicker and more robust, allowing for better data analysis...

UF awarded \$11.9 million for prostate cancer research comparing proton and X-ray therapies

December 7, 2017

[Download This Press Release](#)

GAINESVILLE, Fla. — A University of Florida research team has been approved for a five-year, \$11.9 million award to directly compare the potential benefits and harms of proton therapy to standard radiation therapy when treating prostate cancer.

Nancy Mendenhall, M.D., medical director of the UF Health Proton Therapy Institute, leads the team that received funding from the Patient-Centered Outcomes Research Institute, or PCORI, for a large-scale pragmatic clinical study on prostate cancer — the most common non-skin cancer afflicting men in the United States, according to the American Cancer Society.

There are around 160,000 new cases of prostate cancer diagnosed each year in the United States, and approximately one-third of all men with the disease receive radiation therapy as part of their treatment. However, this can cause short-term and long-term bowel and bladder damage that leads to organ dysfunction and significantly impacts the patient's quality of life. Most radiation therapy is delivered using X-rays, but proton therapy is an alternative that uses a focused beam of accelerated protons rather than traditional X-rays to target tumors and cancer cells more precisely.

The use of proton therapy in prostate cancer is controversial, however, because it is a more expensive treatment and its effects on patient quality of life, organ dysfunction and cancer cure rates relative to standard radiation treatment are unknown. Therefore, many insurers do not cover proton therapy for prostate cancer because of its high cost and the unanswered questions about its effectiveness compared to X-rays. The goal of the newly funded study is to find answers to these questions.

Guidelines and recommendations are updated



National
Comprehensive
Cancer
Network®

■ American Society for Radiation Oncology (ASTRO)

■ 5 new indications in Group 1

(frequently supported treatment with proton therapy)

- Paranasal sinuses and other accessory sinuses
- Non-metastatic retroperitoneal sarcomas
- Malignant and benign primary central nervous system tumors
- Advanced and/or unresectable head and neck cancers
- Re-irradiation cases (where cumulative critical structure dose would exceed tolerance dose)

Source: www.astro.org

■ National Comprehensive Cancer Network (NCCN)

■ 5 new indications

(where proton therapy is appropriate or may be appropriate in specific situations)

- Central nervous system cancers
- Head and neck cancers
- Non-small cell lung cancer
- Hepatocellular carcinoma (liver)
- Esophageal and esophagogastric junction cancers

Source: www.nccn.org

The Dutch report remains a reference

	Reason behind benefit from PT			
	Standard	Improved local control	Reduced side effects	Reduced secondary cancers
Eye	✓			
Pediatric	✓			
Brain	✓			
Base of Skull	✓			
Intracranial		✓	✓	
Head & Neck	Standard coverage	✓	✓	
Urologic	Standard coverage	✓	✓	
Lung		✓ NSCLC	✓	
Sarcoma		✓	✓	
Reirradiation		✓		
Breast				✓
Gynecological			✓	
GI			✓	
Lymphoma			✓	✓
Testis				✓

Proton Therapy Capacity Requirement in the Netherlands

An update to the Proton Therapy Report (*Signalement Protonenbestraling*) of the Health Council of the Netherlands (*Gezondheidsraad*).

Performed by the National Platform for Proton Therapy (*Landelijk Platform Protontherapie, LPPT*) at the request of the Management Committee of the Dutch Society for Radiotherapy and Oncology (*Nederlandse Vereniging voor Radiotherapie en Oncologie, NVRO*).

14 July 2016

23% of RT patients receive PT in US hospital-based centers

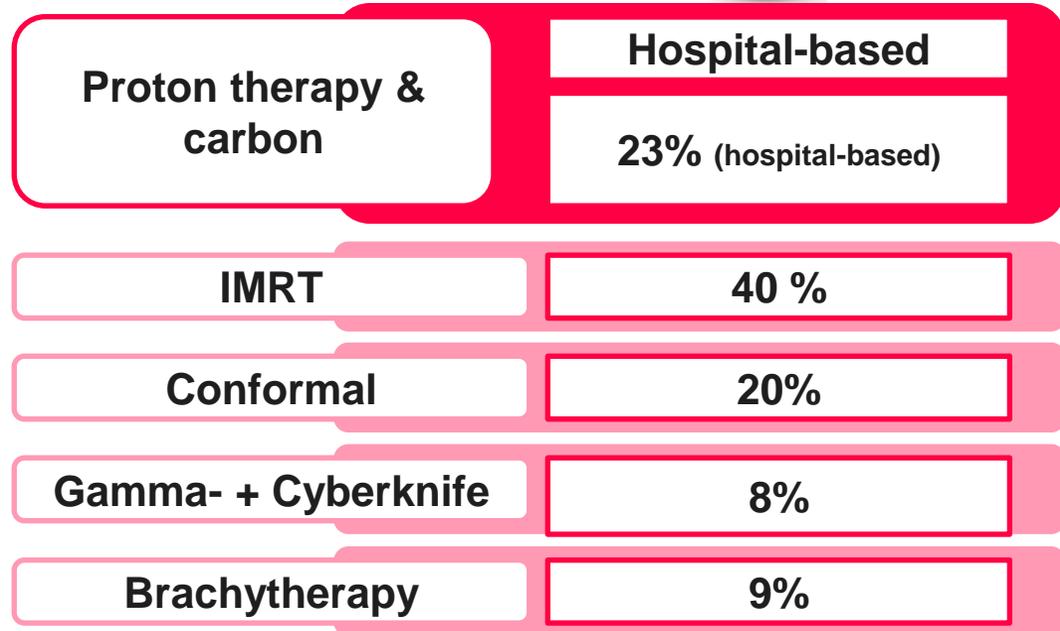


Alcimed

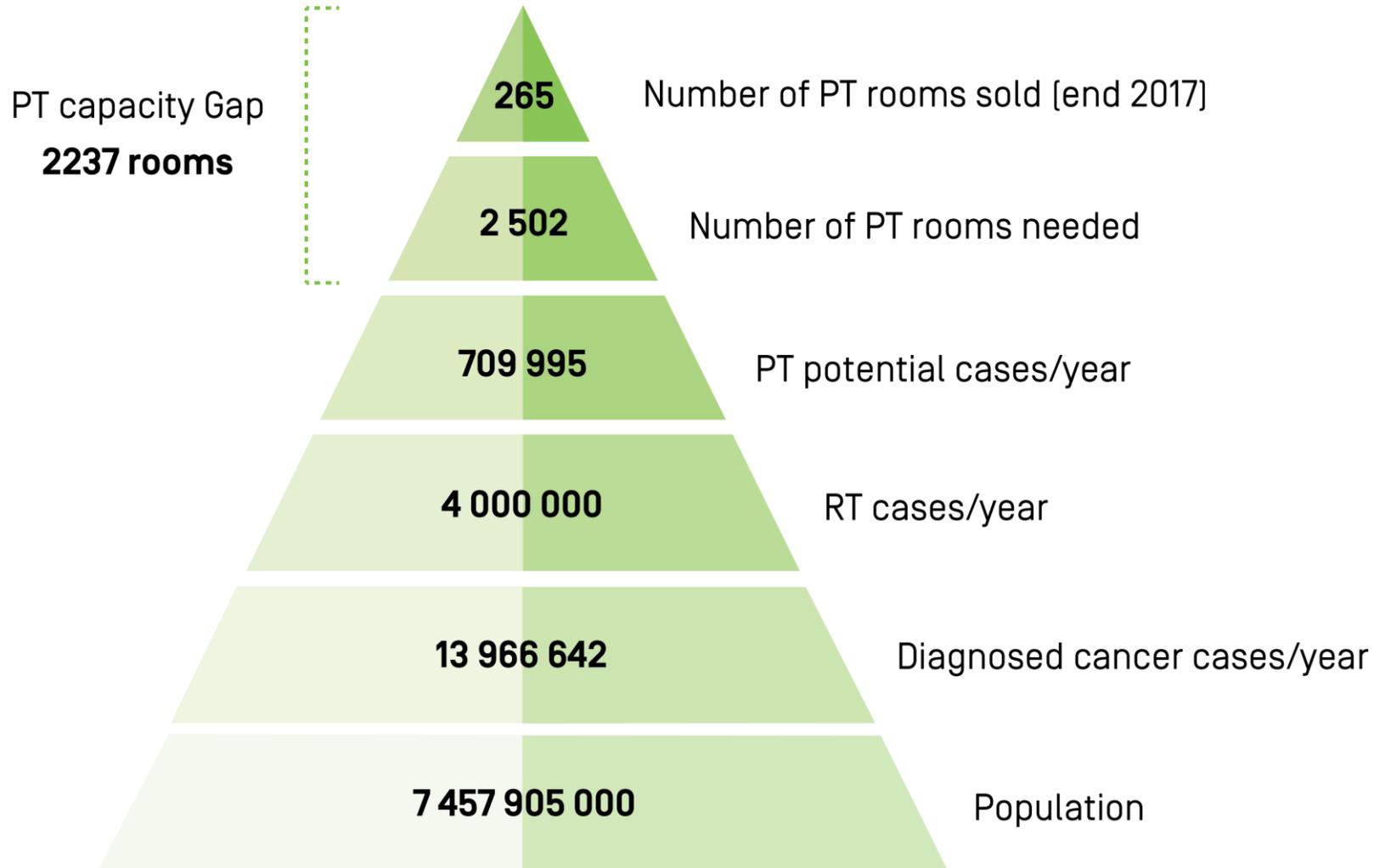
Average share per center of PT & Carbon patients of all patients receiving RT treatment in hospital-based centers

23%

Alcimed has supported IBA in developing a vision of the current situation regarding the PT landscape and patient recruitment barriers in PT centers.



PT is a very promising oncology treatment modality

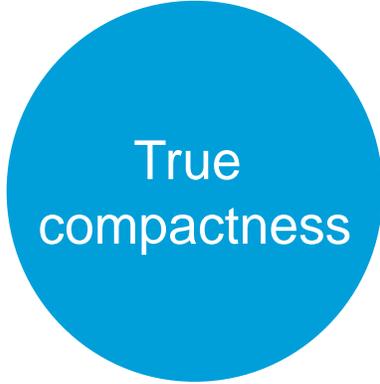


IBA leads the PT market

Undisputable advantages of IBA solutions

A solid green circle containing the text 'Fastest installation' in white, sans-serif font.

Fastest
installation

A solid blue circle containing the text 'True compactness' in white, sans-serif font.

True
compactness

A solid yellow circle containing the text 'Smart workflow' in white, sans-serif font.

Smart
workflow

A solid magenta circle containing the text 'Innovation built on expertise' in white, sans-serif font.

Innovation
built on
expertise

Fastest installation in the market

IBA: fastest installation completed
9 months

from cyclotron arrival to acceptance



Record nine month installation at Rutherford Cancer Centre in Newport, South Wales

Competition: significant longer time of installation



St Petersburg, Russia
21 months



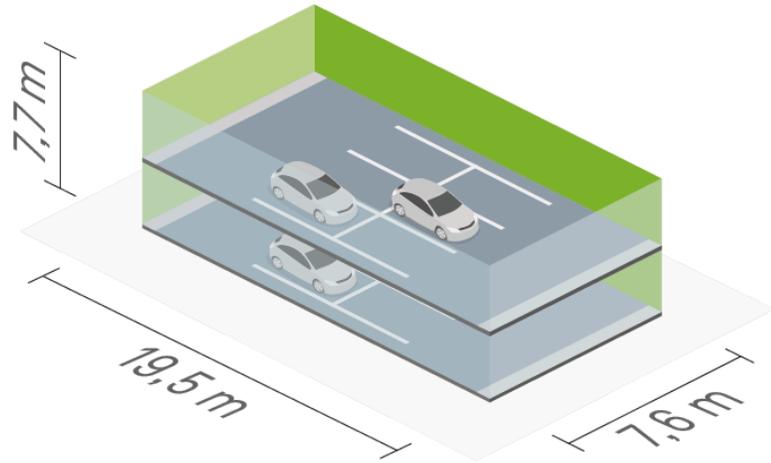
Holland PTC, Delft, The Netherlands
> 21 months - still not completed



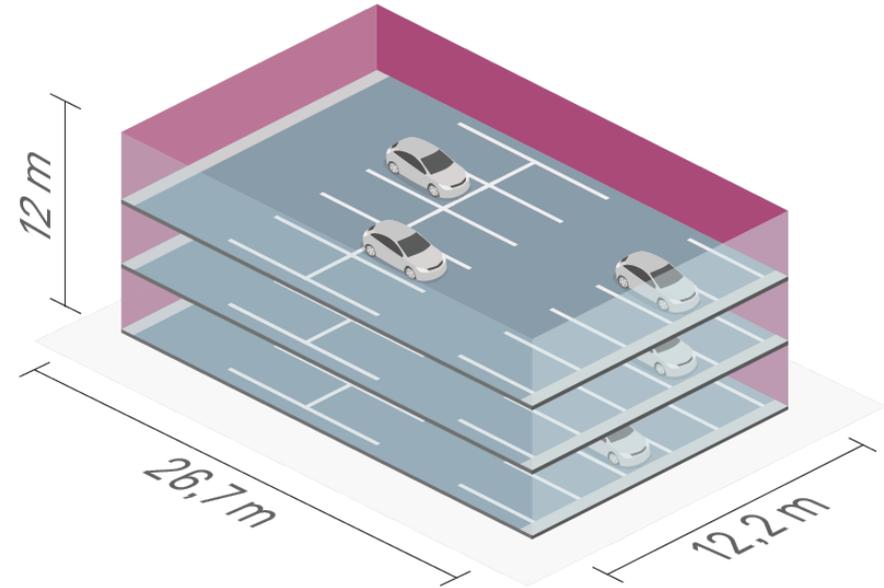
Villigen, Switzerland
> 30 months - still not completed

True compactness

IBA



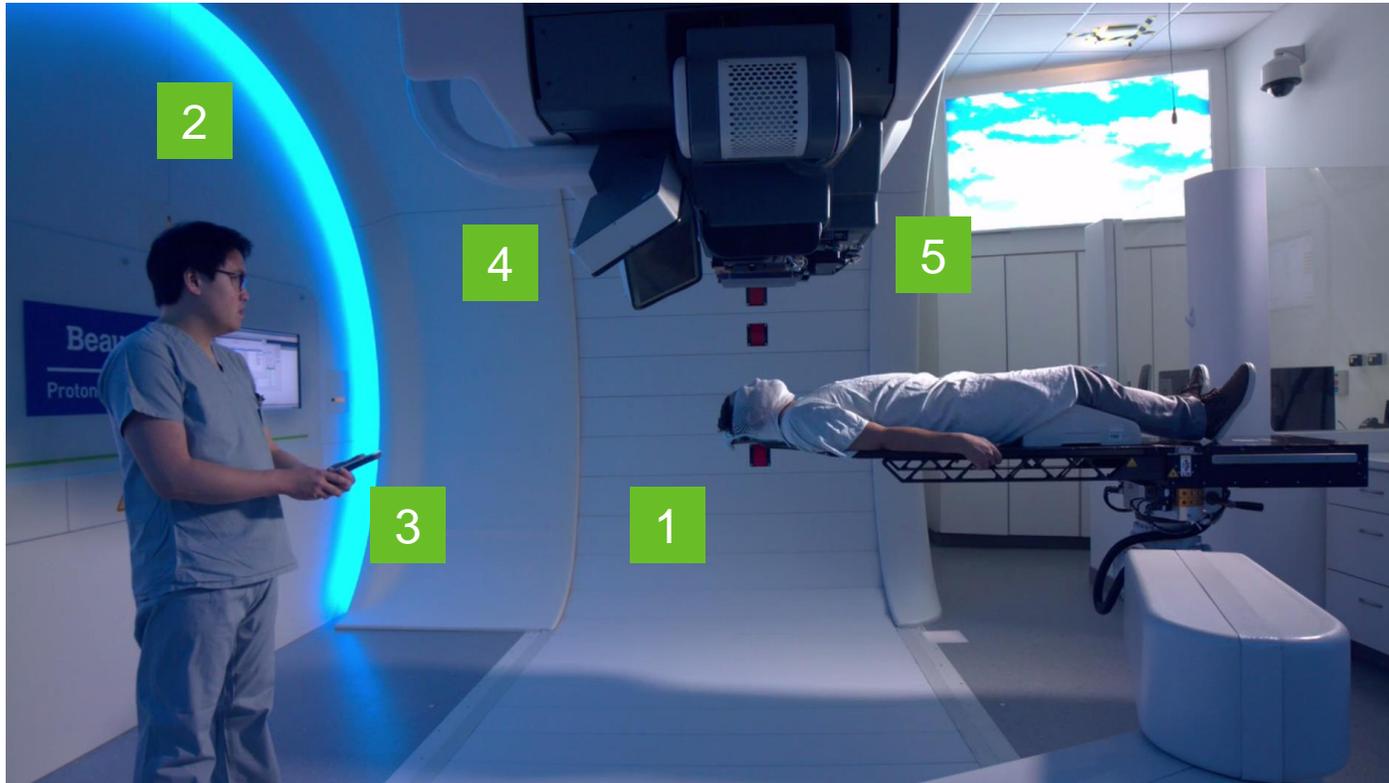
Competition



2x footprint
3x volume

+ 2-3M € for building cost

Smart workflow



- 1 Open environment to ease patient setup
- 2 Ambient experience to decrease patient anxiety
- 3 Wireless hand pendant to increase staff comfort
- 4 Unique instantaneous imaging available all the time
- 5 Remote operation of accessories

~ 20%

more efficient than competition



~ 60

more patients that could be treated per room per year with IBA solution

Innovation built on expertise

Short term

Mid term

Long term

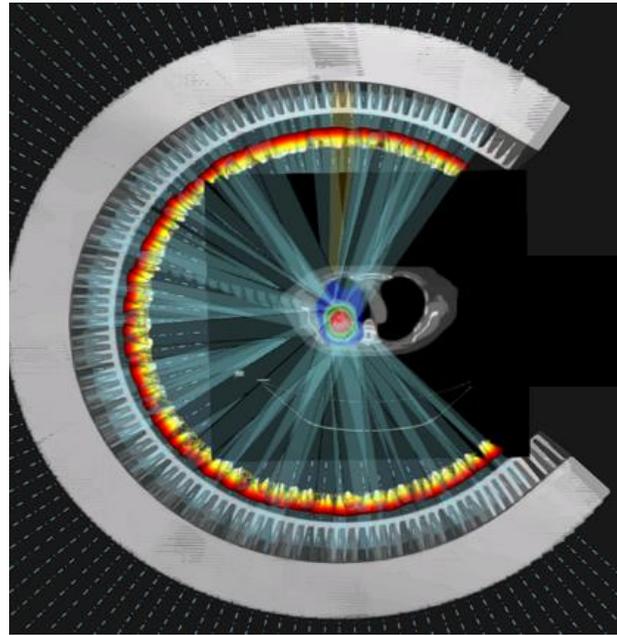
1

Image guidance
for moving targets



2

Arc therapy



3

Other R&D
programs



With continued focus on upgradability of all IBA systems

Other Accelerators 2017 update

Other accelerators – 2017 business update

- Sales of 11 systems
- RadioPharma Solutions
 - Successful launch of Cyclone® Kiube
 - Important users meeting in Belgium
 - High levels of upgrade order intake
- Industrial Activities
 - Focus on Rhodotron integrated solutions for sterilization first
 - Launch of new Rhodotron generation offering undisputable modularity and energy efficiency
 - Strong growing Service business



New Cyclone®KIUBE



Synthera +



Rhodotron



TT50

Dosimetry 2017 update

- Excellent sales performance, with revenues up 11.9% due to fast conversion of past backlog and a strong order intake
- REBIT has increased 87.5% with a margin improvement to 10.5% from 6.3%
- Total order intake in 2017 was up 7% compared to last year, boosted by medical imaging and services
- Backlog remains high at EUR 15.4 million at end of 2017

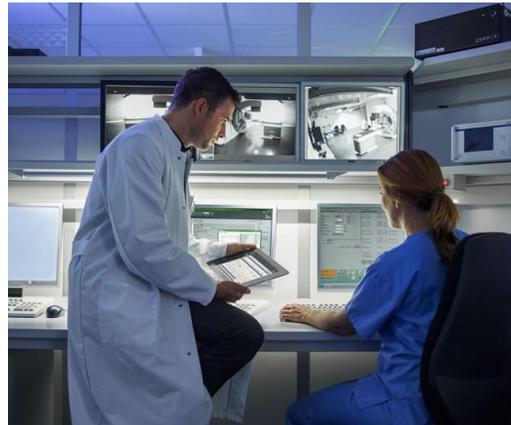
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REBITDA	6 777	4 077	2 700	66.2%
<i>% of Sales</i>	<i>12.6%</i>	8.5%		
REBIT	5 665	3 022	2 643	87.5%
<i>% of Sales</i>	<i>10.5%</i>	6.3%		

IBA Dosimetry – 2017 business update

- Clear leader in conventional RT dosimetry
- Clear leader in PT dosimetry
- Software strategy confirmed by myQA success
 - More than 1,000 worldwide customers using its myQA[®] quality assurance platform



Razor nano chamber



myQA



Blue Phantom

Consolidated financial statements

Consolidated P&L



	FY 2017 (EUR 000)	FY 2016 (EUR 000)	Variance (EUR 000)	Variance %
Sales and services	287 421	328 774	- 41 353	- 12,6%
Cost of sales and services	192 501	190 213	2 288	1,2%
Gross profit/(loss)	94 920	138 561	- 43 641	- 31,5%
	33,0%	42,1%		
Selling and marketing expenses	28 842	27 651	1 191	4,3%
General and administrative expenses	43 239	41 424	1 815	4,4%
Research and development expenses	34 435	32 350	2 085	6,4%
Recurring expenses	106 516	101 425	5 091	5,0%
Recurring profit/(loss)	- 11 596	37 136	- 48 732	- 131,2%
	- 4,0%	11,3%		
Other operating expenses/(income)	4 573	7 929	- 3 356	- 42,3%
Financial expenses/(income)	3 530	1 453	2 077	142,9%
Share of (profit)/loss of equity-accounted companies	- 92	- 145	53	- 36,6%
Profit/(loss) before tax	- 19 607	27 899	- 47 506	- 170,3%
Tax (income)/expenses	19 526	3 359	16 167	481,3%
Profit/(loss) for the period from continuing operations	- 39 133	24 540	- 63 673	- 259,5%
Profit/(loss) for the period from discontinued operations	- 68	- 100	32	- 32,0%
Profit/(loss) for the period	- 39 201	24 440	- 63 641	- 260,4%
REBITDA	- 4 740	42 690	- 47 430	- 111,1%

- Gross margin down 9.1%, mainly down to project delays and low order intake
- SG&A expenses increase marginally, as operations expand to prepare for installations across the world
- R&D expenses reflect continuous investment in product development and product cost reduction initiatives
- Other operating expenses include reorganization and restructuring costs and write-offs on assets and receivables
- Financial expenses affected by strengthening of EUR vs USD
- Tax expenses affected by a EUR 16.1 million write-off on deferred tax assets following tax reforms and impact of favorable conditions for R&D companies in Belgium

2017 cash flow statement



	FY 2017 (EUR 000)	FY 2016 (EUR 000)
Cash flow from operating activities		
Net cash flow changes before changes in working capital	- 16 639	31 804
Change in working capital	- 25 518	- 47 394
Income tax paid/received, net	- 3 436	- 2 510
Interest (income)/expenses	952	1 082
Net cash (used in)/generated from operations	- 44 641	- 17 018
Cash flow from investing activities		
Capital expenditures	- 15 275	- 12 964
M&A and other activities	2 404	61 264
Net cash (used in)/generated from investing activities	- 12 871	48 300
Cash flow from financing activities		
Capital increase (or proceeds from issuance of ordinary shares)	981	4 201
Dividend paid	- 8 232	- 40 347
Other financing cash flows	17 444	- 2 635
Net cash (used in)/generated from financing activities	10 193	- 38 781
Changes in net cash and cash equivalents	- 47 319	- 7 499

- Operating cash flow affected by increase in inventories to enable timely delivery of equipment and in accounts receivable from delays in project scheduling
- Investing cashflows include mainly the CAPEX in the new production facility
- Financing activities mainly affected by drawdowns on short term credit lines to cover working capital requirements

Outlook

- IBA will return to a positive REBIT and net profit after tax in 2018 based on
 - Strength of IBA competitive PT offering
 - Quality equipment and service backlog
 - Strong pipeline
 - Continuous cost control measures

- IBA will continue to focus on initiatives to
 - Grow the market
 - Increase IBA's share of the market



- First Quarter Business Update
 - 9 May 2018
- General Assembly
 - 9 May 2018
- Half Year Business Update
 - 23 August 2018
- Third Quarter Business Update
 - 15 November 2018

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Q&A

Olivier Legrain (CEO) and Soumya Chandramouli (CFO)

Conclusion

- Challenging year for IBA
- Streamlined business to return to a positive REBIT and net profit after tax in 2018
- PT remains a highly compelling opportunity
- IBA has the most competitive product offering in the market



Thank you

Olivier Legrain (CEO) and Soumya Chandramouli (CFO)



Shareholders structure Dec 2017

