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2018 Full Year Results

21 March 2019

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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.

- Strategy
- Financial figures
- Proton therapy market evolution
- Proton therapy future
- Other accelerators update
- Dosimetry update
- Outlook



- Despite the challenging proton therapy market
 - IBA returned to profitability in the second half of the year
 - IBA achieved a positive REBIT for the full year
- Strong improvement largely driven by:
 - Reduction in operating expenses
 - Record order intake in Other Accelerators
 - Excellent performance in Service
- PT remains a highly compelling opportunity
 - Growth of Service business
 - Larger adoption of proton therapy
 - IBA leading offering
 - New innovations increasing PT attractiveness





Viggo, treated with proton therapy

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Long term strategy for growth



Grow the PT market

- Facilitate evidence generation
- Increase awareness of PT benefits
- Increase affordability of PT solutions



Grow IBA's market share

- Superior clinical technology
- Fastest installation in the market
- Reliability of IBA equipment
- Upgradability of systems
- Strategic Partnerships



Grow Service

- High customer satisfaction
- Increase profitability
- Extension of Service offering

2018 Highlights

- On July 20, 2018, IBA announced that it had decided to explore new strategic alternatives for IBA Dosimetry which could include a sale, merger, initial public offering, or retention of the business
- Following the announcement, IBA initiated a disposal process and determined that all criteria of IFRS 5 were met in order to present the assets and liabilities of IBA Dosimetry as held-for-sale. As IBA Dosimetry is also a separate operating segment, it also meets the criteria of discontinued operations
- Consequently the results of this activity are presented on a separate line in the income statement as “Profit/(loss) from discontinued operations” in 2018 and in the comparative numbers for 2017
- Active discussions are currently ongoing on the sale of this division and the Company expects inform the market of the outcome of these discussions in Q2 2019

YE 2018 business and financial highlights



- Proton Therapy and Other Accelerators 2018 revenues down 11.9%
- Full year REBIT amounted to EUR 0.9 million. On a proforma basis including Dosimetry numbers, REBIT for 2018 would have amounted to EUR 5.4 million
- Strong improvement largely driven by a record order intake in Other Accelerators, excellent performance in service and a reduction in operating expenses as part of the ongoing cost control initiatives
- Dosimetry presented as a discontinued operation
- Total Group loss of EUR 4.4 million, representing an 89% improvement versus 2017, driven by the Group wide program to reduce costs

	FY 2018 (EUR 000)	FY 2017 (EUR 000)	Variance (EUR 000)	Variance %
PT & Other Accelerators	208 440	236 485	-28 045	-11.9%
Total Net Sales	208 440	236 485	-28 045	-11.9%
REBITDA	7 782	-11 517	19 299	
<i>% of Sales</i>	3.7%	-4.9%		
REBIT	885	-17 260	18 145	
<i>% of Sales</i>	0.4%	-7.3%		
Profit Before Tax	- 5 152	-23 502	18 350	
<i>% of Sales</i>	-2.5%	-9.9%		
<i>Discontinued operations</i>	3 171	2 457	714	29.1%
NET RESULT	- 4 401	-39 201	34 800	
<i>% of Sales</i>	-2,1%	-16,6%		

Back to profitability in H2 2018

- Even excluding the Dosimetry business, numbers show the drastic improvement from H1 to H2 2018
- REBIT, REBITDA and bottom line profitability achieved in H2 2018 thanks to completion of several installations over H2, ramp up of service revenues and cost control initiatives continued through year end

	H1 2018 (EUR 000)	H2 2018 (EUR 000)	FY 2018 (EUR 000)
Net Sales PT and Other accelerators	90 353	118 087	208 440
REBITDA	-3 074	10 856	7 782
REBIT	-6 156	7 041	885
<i>% of Sales</i>	-0.04%	6.9%	2.1%

YE 2018 business and financial highlights



■ Order intake

- Seven Proteus[®]ONE* solutions sold in the UK, Italy, China, Singapore and Belgium
 - 3 systems financially activated (China, Singapore, Belgium)
- Strong sales in Other Accelerators: record 20 machines sold
 - Boosted by sales of Cyclone[®]KIUBE, Cyclone[®]70 high energy cyclotron and new generation Rhodotron

	FY 2018	FY 2017
Proteus [®] ONE systems sold	7	2
Proteus [®] PLUS systems sold	0	1
Total rooms sold	7	5
Order intake PT & Other Accelerators*	€117M*	€111M
Book to bill PT & Other Accelerators	0.98	0.64

* While 7 Proton Therapy sales were made in 2018, only the 3 that have started to recognize revenues have been included in the EUR 117 million order intake

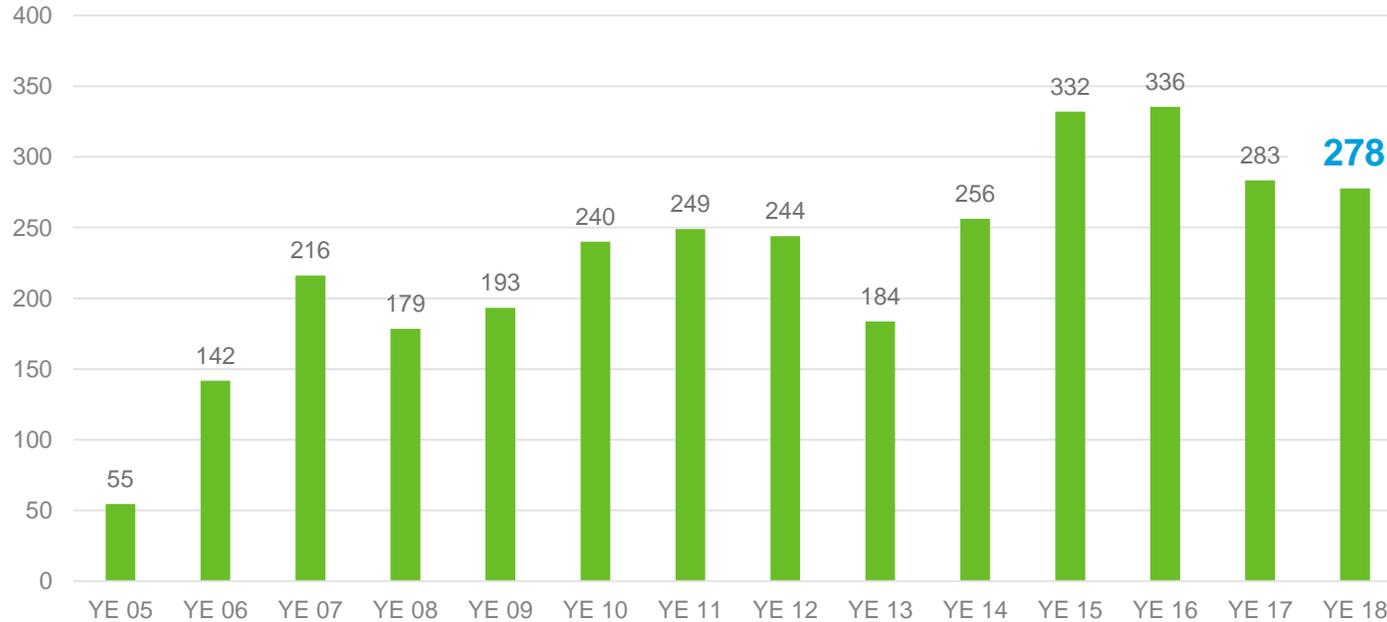
* Proteus[®]ONE is the brand name of Proteus[®]235.

YE 2018 business and financial highlights

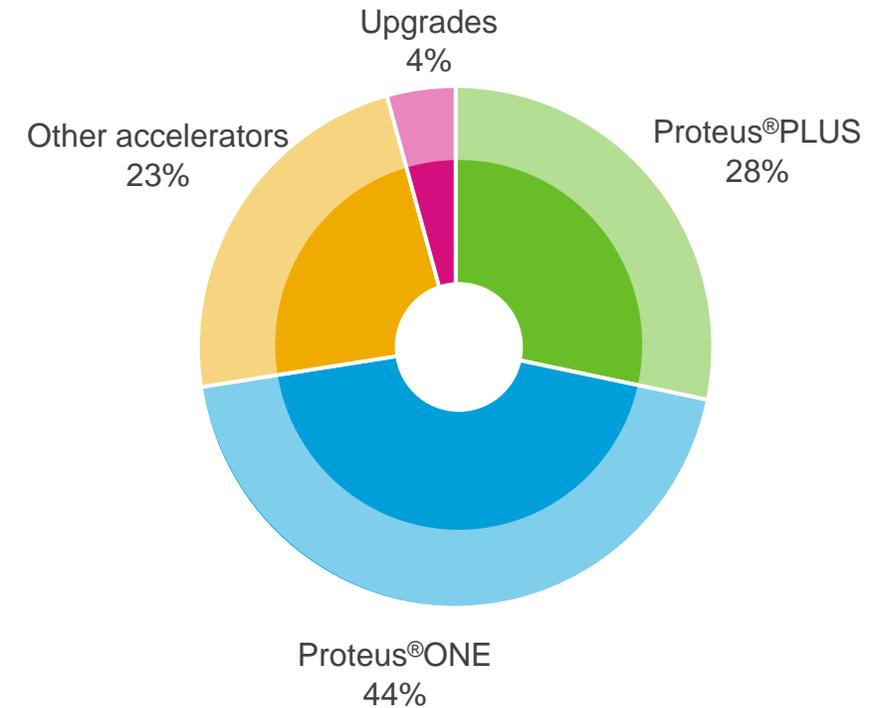


- Equipment backlog for Proton Therapy and Other Accelerators close to 2017 at EUR 278 million (2017: EUR 283 million)

Equipment backlog



Figures in million euros

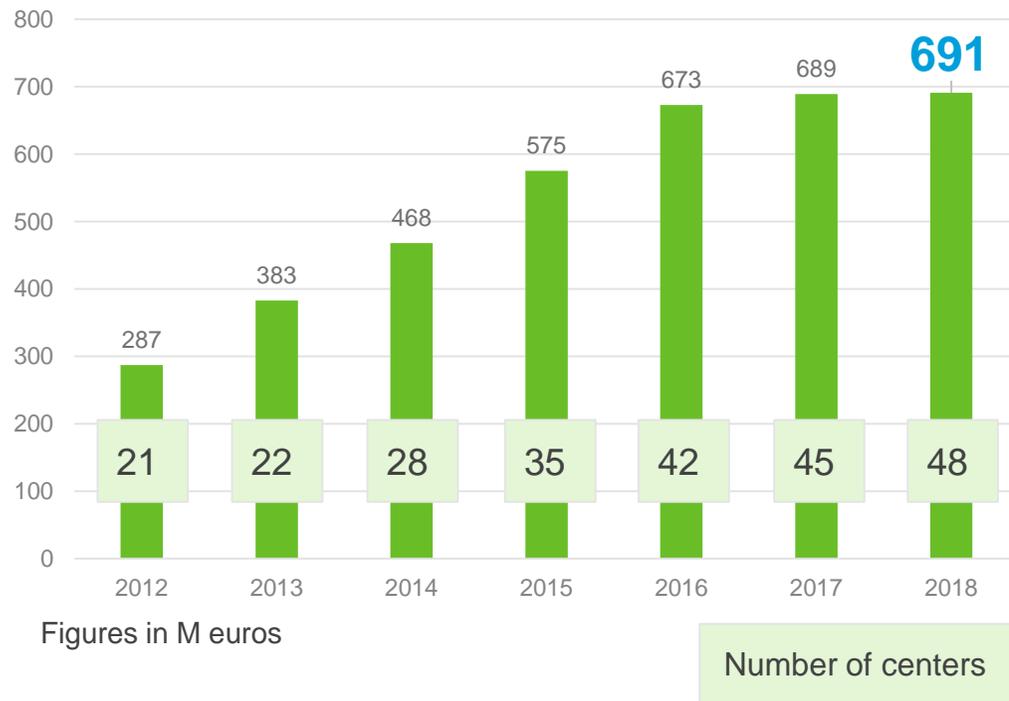


YE 2018 business and financial highlights

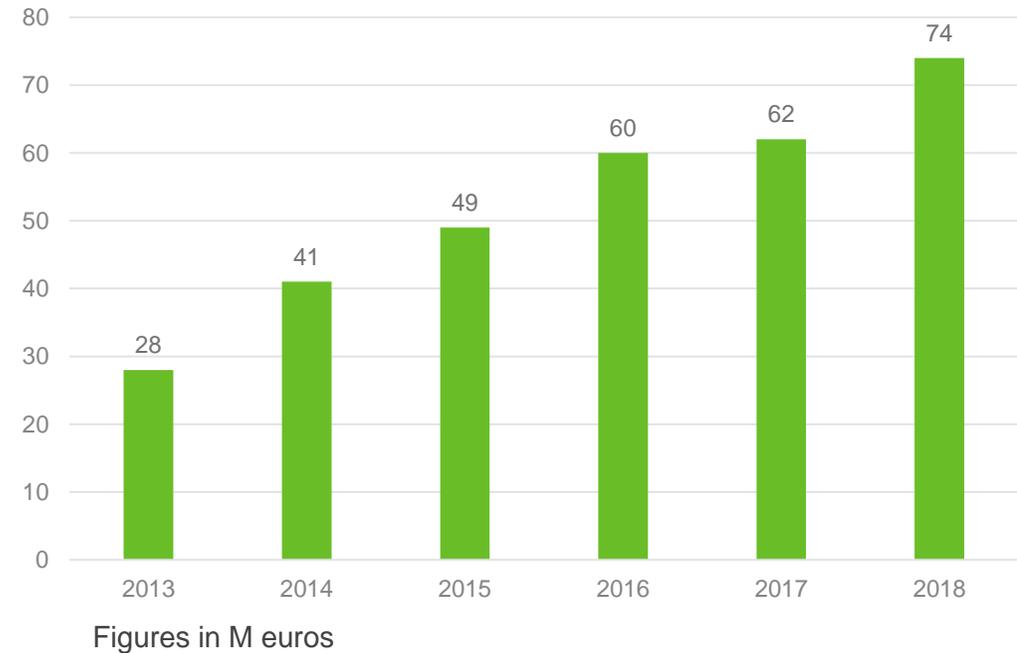


- Steadily growing PT service backlog
- Service revenues for PT alone expected to exceed EUR 100 million by 2022
- Service revenues for PT and Other Accelerators to exceed EUR 100 million by 2020

PT Service backlog



PT Service Revenues



YE 2018 business and financial highlights

- Gross cash position (including Dosimetry for EUR 2.3 million) of EUR 38,7 million at end of 2018 (2017: EUR 27.3 million)
- Net debt position of EUR -47.1 million (including Dosimetry for EUR 2.3 million) at end 2018 compared to EUR -15.5 million at end 2017
- EUR 67 million total credit lines secured to cover working capital requirements
- All bank covenants respected

Proton Therapy and Other Accelerators

Proton Therapy & Other Accelerators



	FY 2018 (EUR 000)	FY 2017 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	208 440	236 485	- 28 045	- 11.9%
<i>Proton Therapy</i>	<i>160 395</i>	<i>196 290</i>	<i>- 35 896</i>	<i>- 18.3%</i>
<i>Other Accelerators</i>	<i>48 045</i>	<i>40 195</i>	<i>7 851</i>	<i>19.5%</i>
REBITDA	7 782	-11 517	19 299	
<i>% of Sales</i>	<i>3.7%</i>	<i>-4.9%</i>		
REBIT	885	-17 260	18 145	
<i>% of Sales</i>	<i>0.4%</i>	<i>-7.3%</i>		

- Total net sales for Proton Therapy and Other Accelerators down 11.9%
 - Of the seven PT rooms sold, three were financially activated at year end
 - Other Accelerators had a 33% increase in equipment sales, boosted by a record order intake
 - Backlog conversion continued to remain strong with six PT centers completing installation in the period
 - Service and upgrade revenues continued to grow

Proton Therapy & Other Accelerators

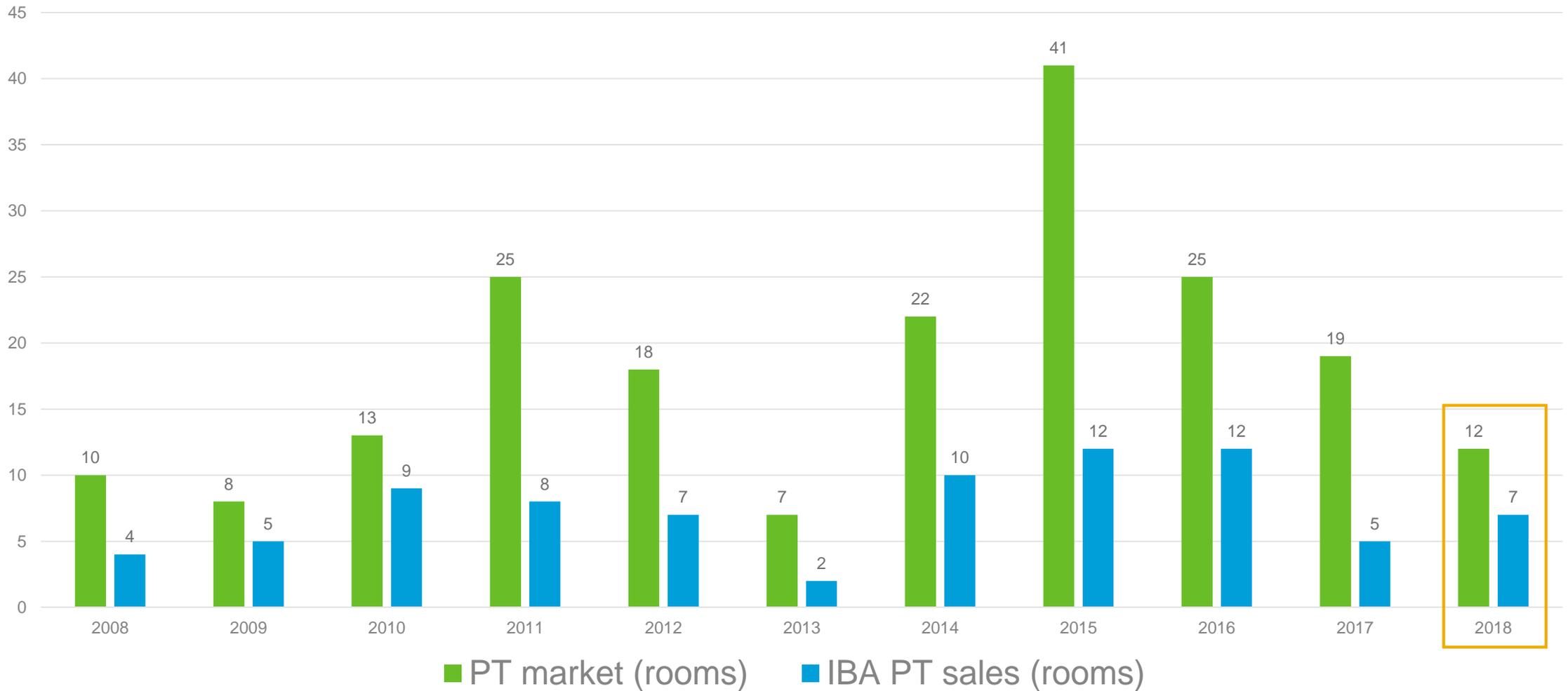


	FY 2018 (EUR 000)	FY 2017 (EUR 000)	Variance (EUR 000)	Variance %
Equipment Proton Therapy	86 642	134 046	-47 405	-35.4%
Equipment Other Accelerators	26 808	16 994	9 812	57.7%
Total equipment revenues	113 450	151 040	-37 591	-24.9%
Services Proton Therapy	73 753	62 245	11 508	18.5%
Services Other Accelerators	21 237	23 200	-1 962	-8.5%
Total service revenues	94 990	85 445	9 546	11.2%
Total revenues Proton Therapy & Other Accelerators	208 440	236 485	-28 045	-11.9%
<i>Service in % of segment revenues</i>	<i>45.6%</i>	36.1%		

- Services revenues represented 45.6% of total sales in 2018 against 36.1% of revenues in 2017, growing strongly by 11.2% vs the previous year
- In proton therapy, the increase was close to 19% thanks to the 6 new centers that became operational during the year in Japan, France, Netherlands, UK and India

Update on Proton Therapy Market

Proton therapy market evolution *



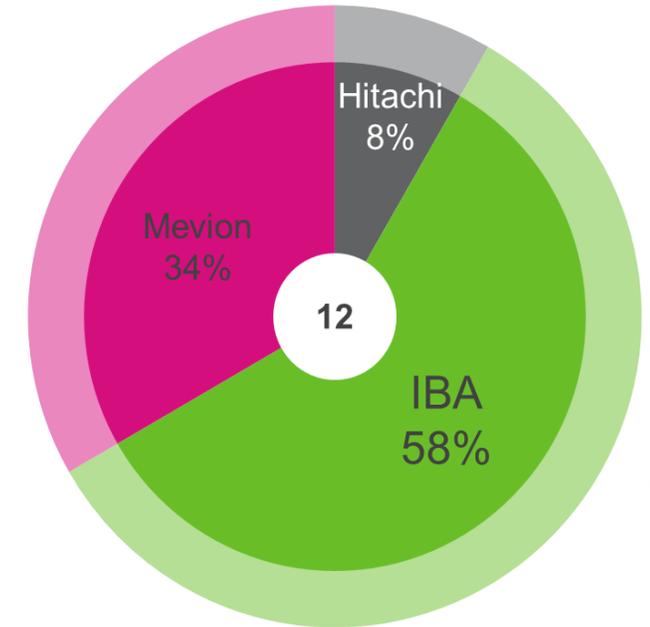
* Only commercial solutions

2018: 3 rooms financially activated by IBA

2018 Global PT sales

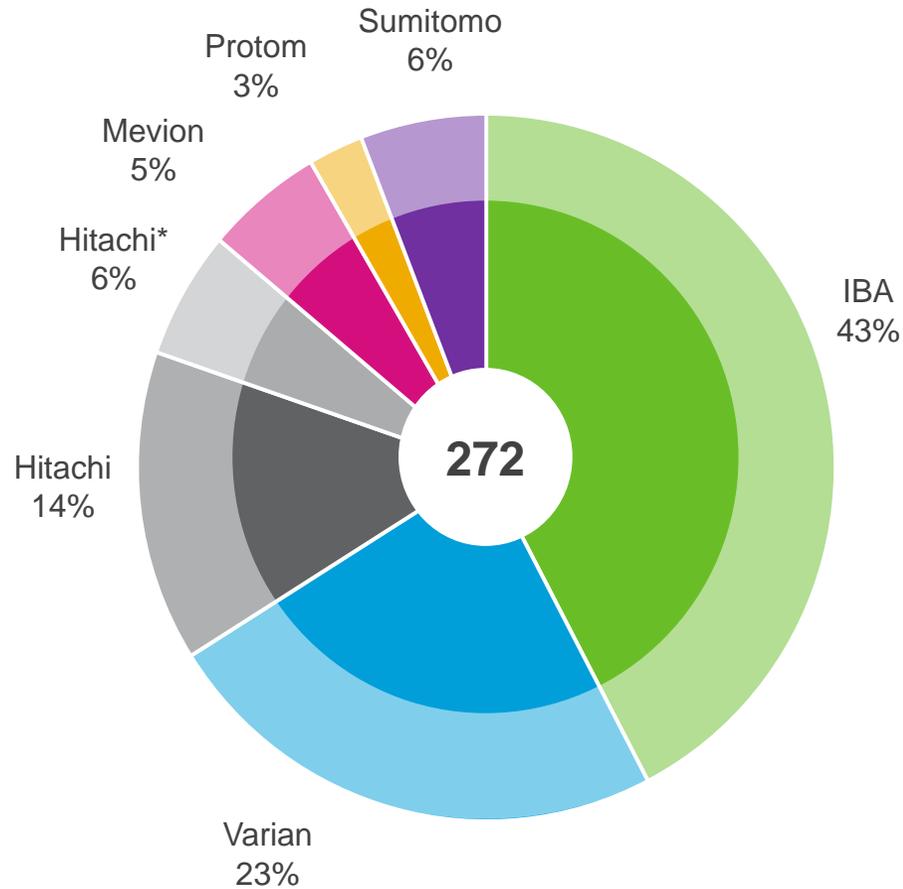
Center	No of rooms	Region	Vendor	Date	Comments
Proton Partners International 7	1	Europe	IBA	12 Mar	Subject to finance
Proton Partners International 8	1	Europe	IBA	12 Mar	Subject to finance
Proton Partners International 9	1	Europe	IBA	12 Mar	Subject to finance
European Institute of Oncology (IEO)	1	Europe	IBA	03 May	Term sheet
China CNNR*	1	Asia	IBA	29 May	Financed
Parkway Pantai*	1	Asia	IBA	30 Aug	Financed
Hopital Civil Marie Curie Charleroi*	1	Europe	IBA	21 Dec	Financed
Tokushukai Medical Group	1	Asia	Hitachi	14 Sept	Contract
University of Utah	1	North America	Mevion	01 Oct	Contract
Barnes-Jewish Hospital	1	North America	Mevion	22 Oct	Construction start
Mercy Hospital St. Louis	1	North America	Mevion	31 Dec	Contract
Allcure Kangtai	1	Asia	Mevion	13 Feb	Contract

* IBA Activated

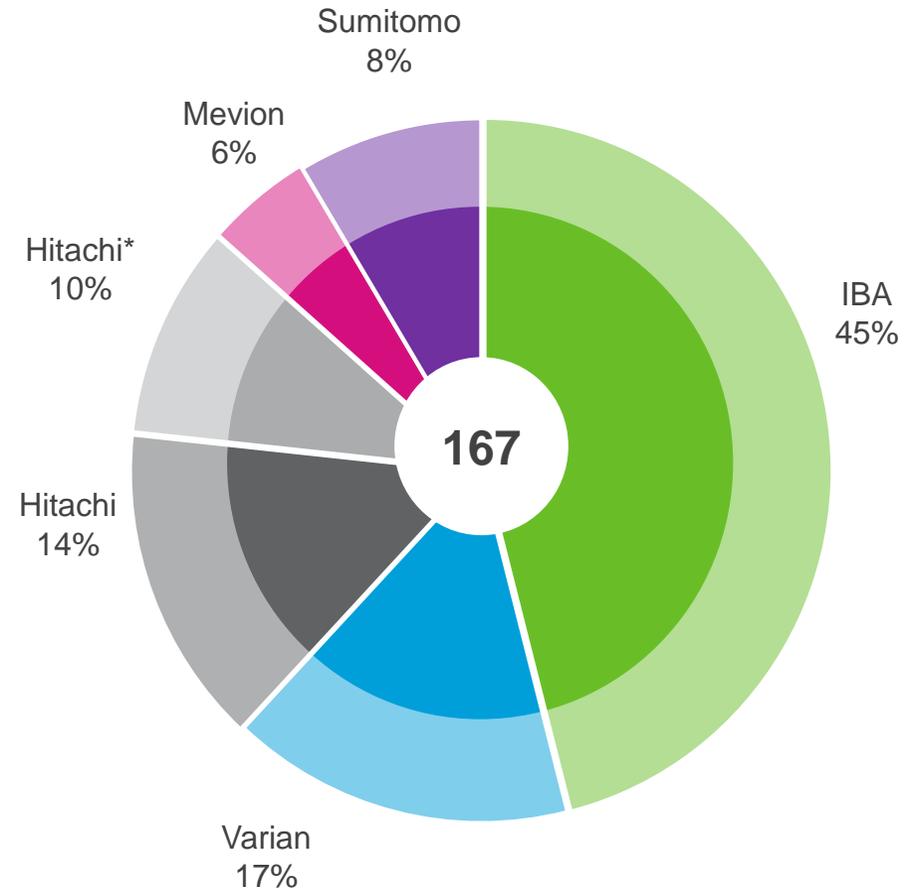


Global market share in rooms

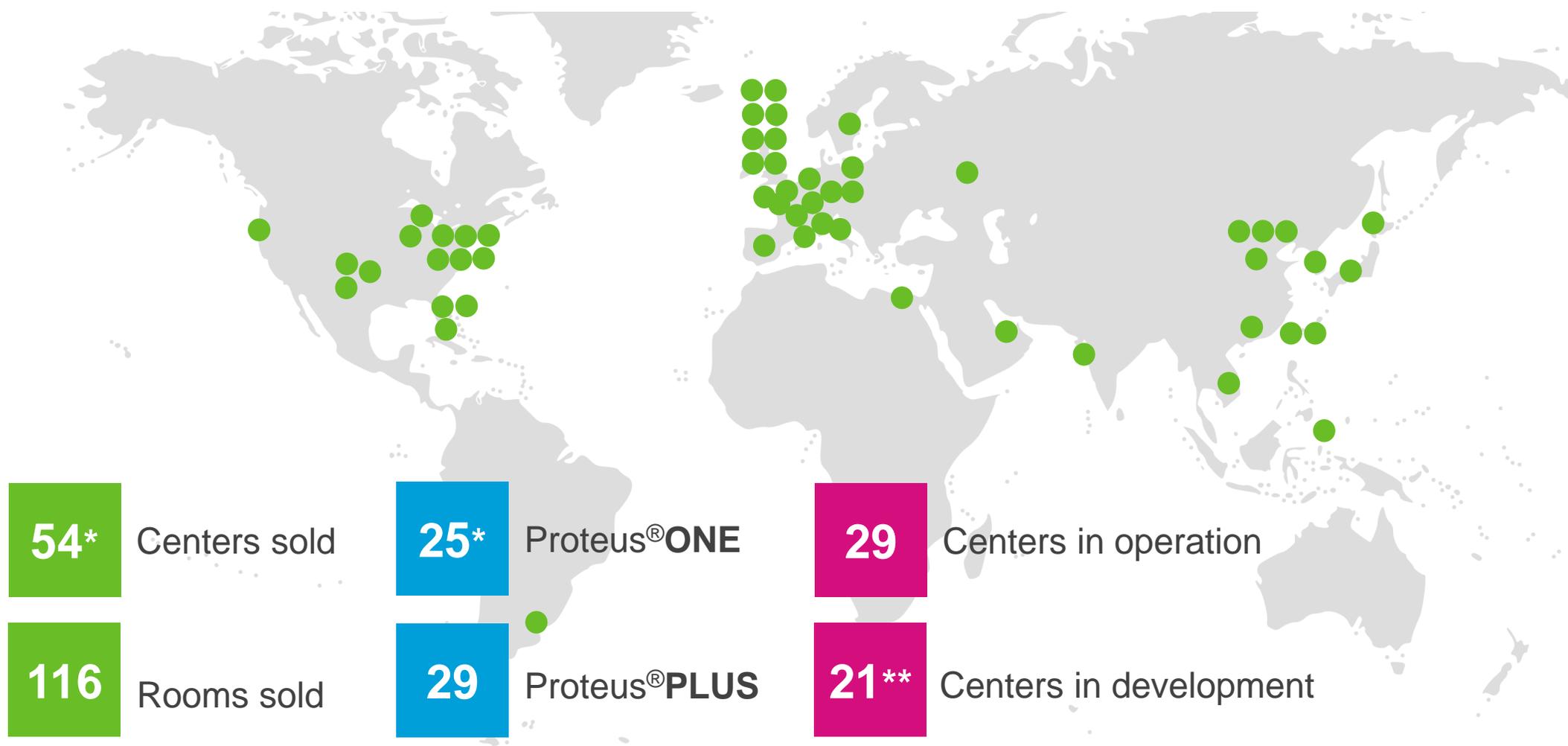
Sales



In operation

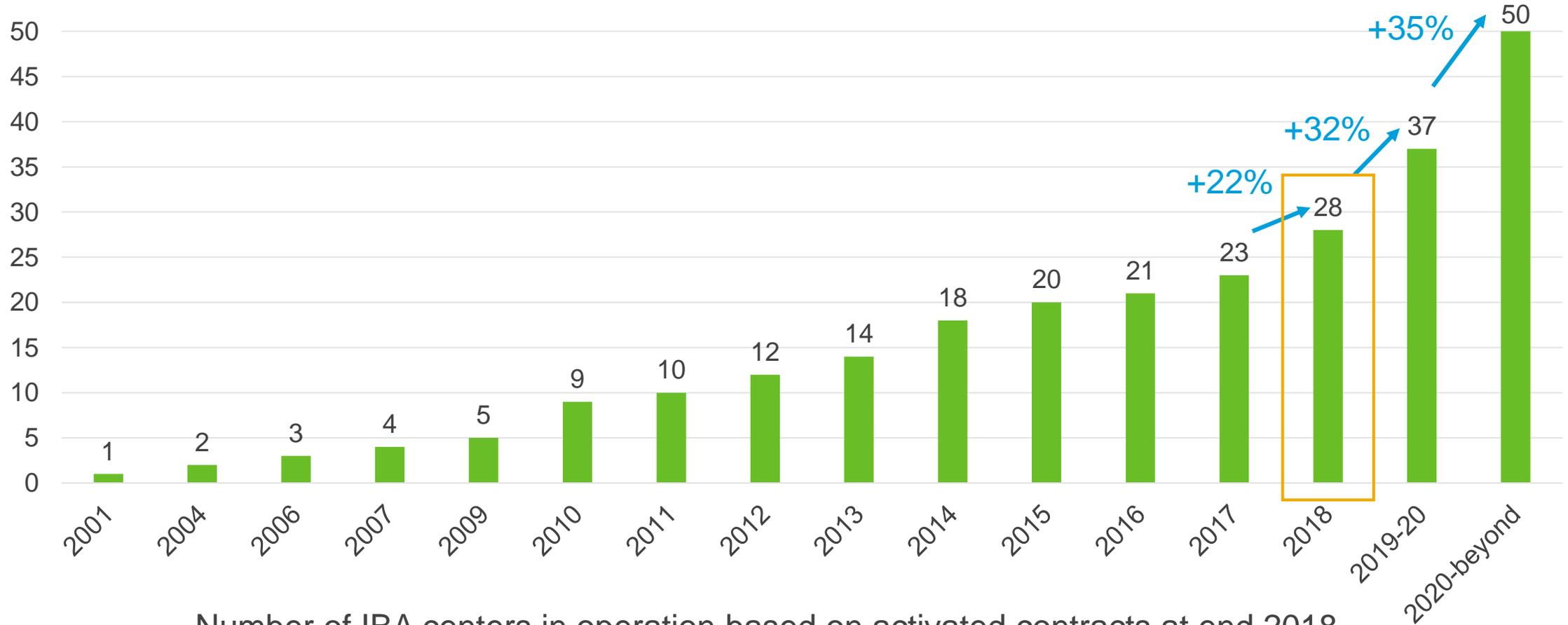


IBA proton therapy centers



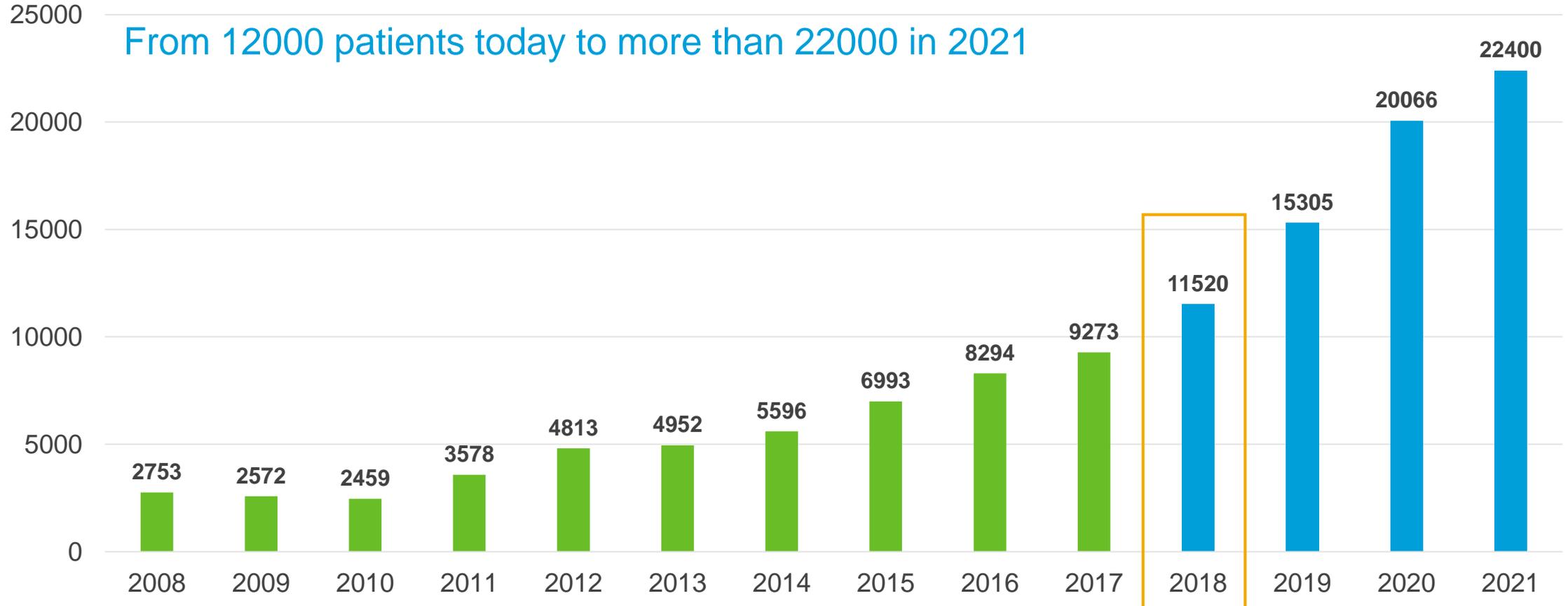
Number of IBA centers in operation is growing fast

From 29 centers in operation today to 50+ beyond 2020



Number of IBA centers in operation based on activated contracts at end 2018

Number of patients treated on IBA solutions is growing fast



Patients treated every year on IBA solutions

■ Data from PTCOG 2017

■ IBA internal model

Proton Therapy Future

From research towards product

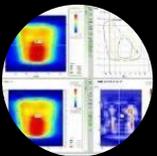
Short term

1

Image Guidance
for Moving Targets
and advanced QA



Fast motion
estimation



Log-based
patient QA

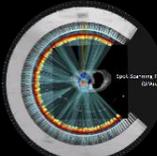
Mid term

2

Editable, Adaptive,
Arc therapy



Online adaptive
workflow



Arc therapy

Long term

3

Future of
Proton Therapy



MR Guided
Proton Therapy



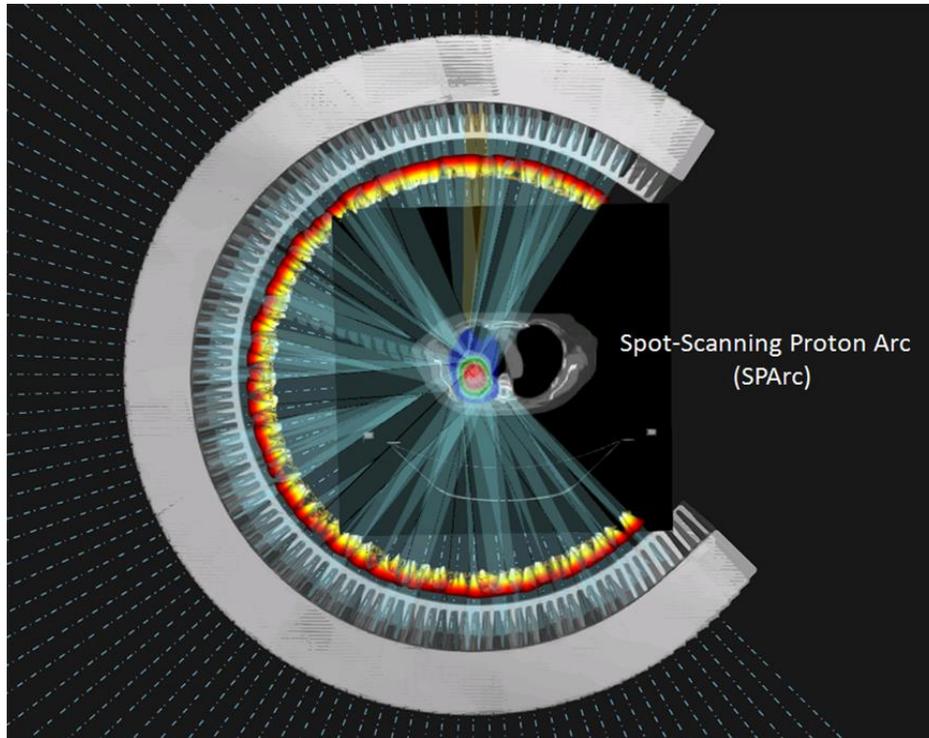
Prompt
Gamma



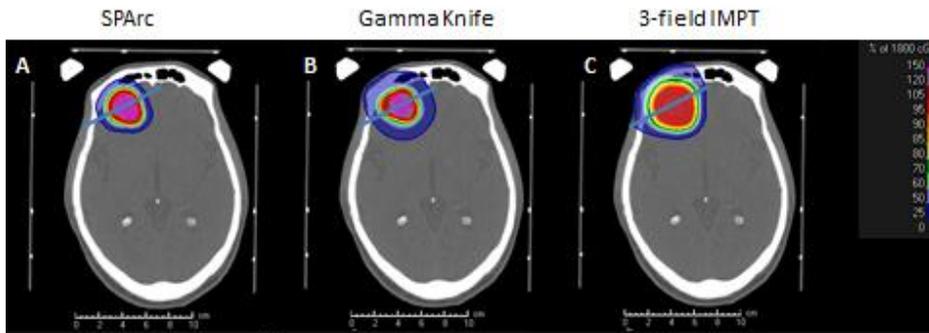
Flash
Therapy

With continued focus on upgradability





- Spot-Scanning Proton Arc therapy
 - Enhances dose conformity at the tumor level
 - Reduces the total dose received by the patient
 - Increases the robustness of the treatment plan
 - Improves the adoption of dose escalation and hypofractionation
- Proton Arc therapy proof of concept
 - In collaboration with Beaumont Health Proton Therapy Center in Royal Oak, Michigan. Plan delivered in August 2018



Brain SRS

First irradiation of a proton ARC beam

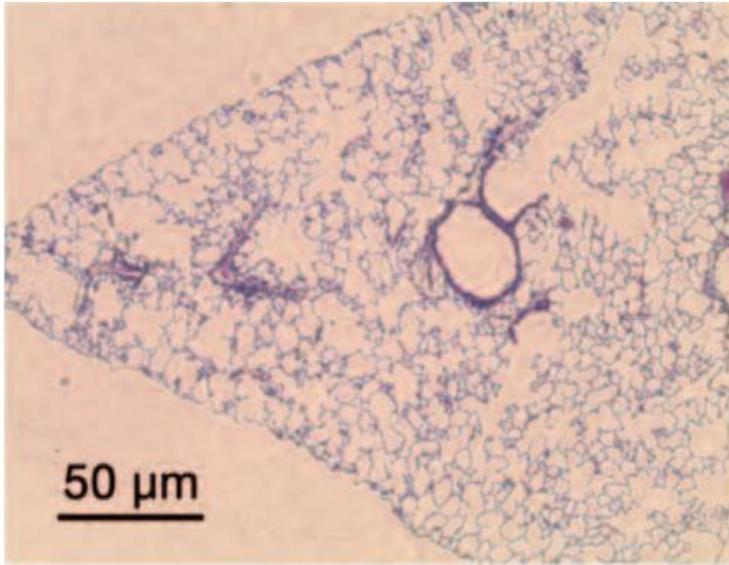
- World première in proton therapy
- Plan delivered in August 2018

THE FIRST IRRADIATION OF A PROTON ARC BEAM

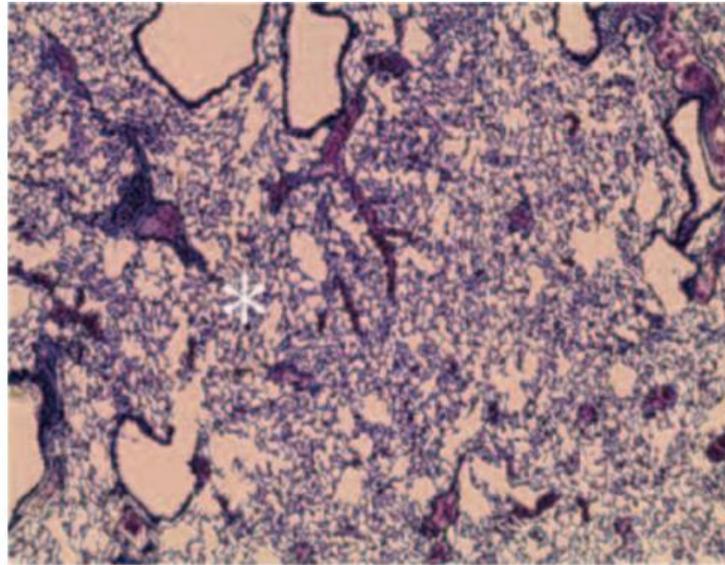
In collaboration with Beaumont
Health Proton Therapy Center



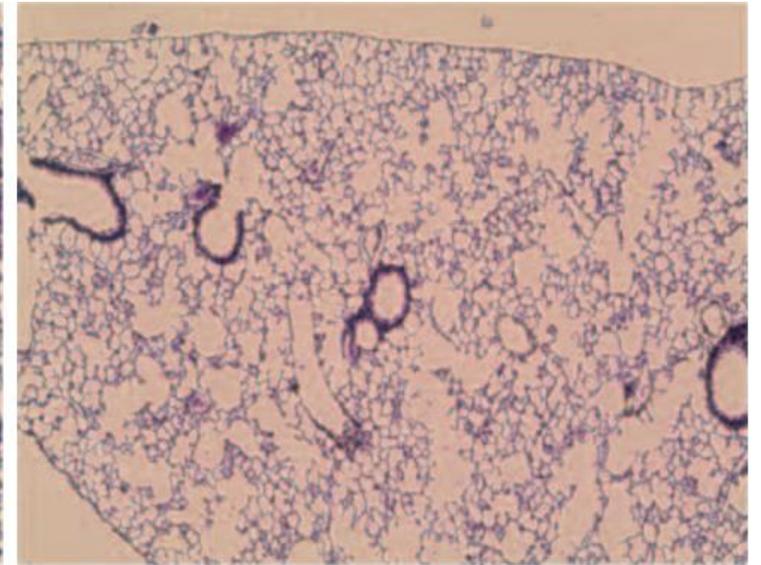
Proton Flash Therapy: less toxicities to healthy tissues



Normal Tissue
0 Gy/s



Standard RT – 17 Gy
0.03 Gy/s

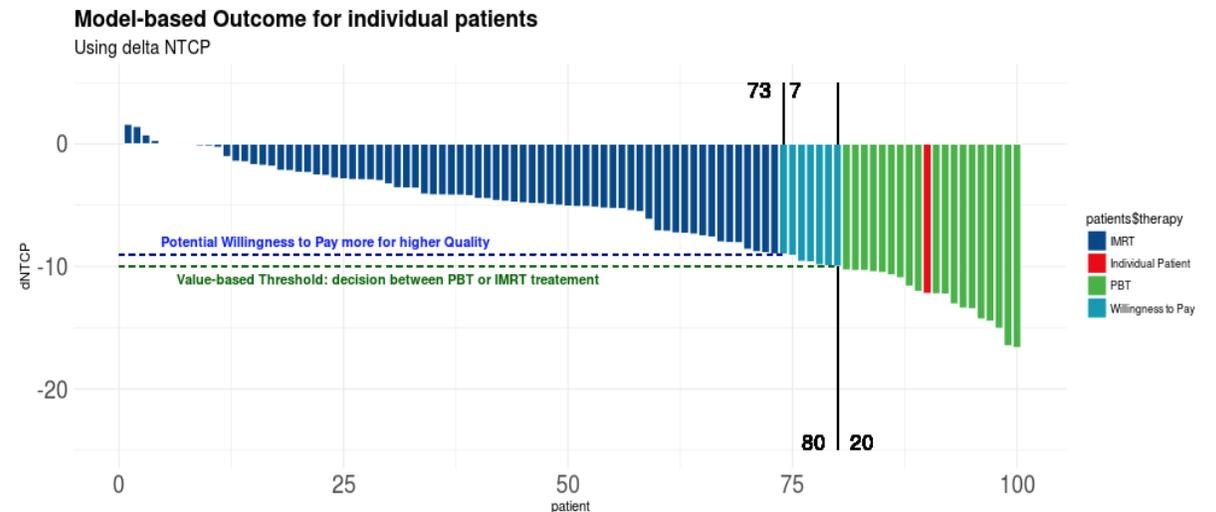


Flash – 17 Gy
60 Gy/s

- Flash could allow dose escalation with less complications
- IBA's equipment is Flash ready
- IBA is the only company to have demonstrated Flash compatible dose rate in a clinical environment (at UMCG in Groningen on 1 March 2019)

Long-term potential of PT remains very encouraging

- Dutch model approach is gaining momentum
 - University Medical Center Groningen (UMCG) has implemented advanced selection procedures for proton therapy in head and neck cancer patients
 - Preliminary experience presents promising results
 - To validate the model-based approach
 - To extend it to other indications
 - Interests from hospitals in all regions



Other Accelerators 2018 update

Other accelerators – 2018 business update

- Sales of 20 Systems
 - Contract signed for a 70 MeV project in Arizona, USA
 - Excellent Rhodotron and Cyclone®Kiube sales in all regions
 - Strong upgrade sales
 - Promising Service pipeline

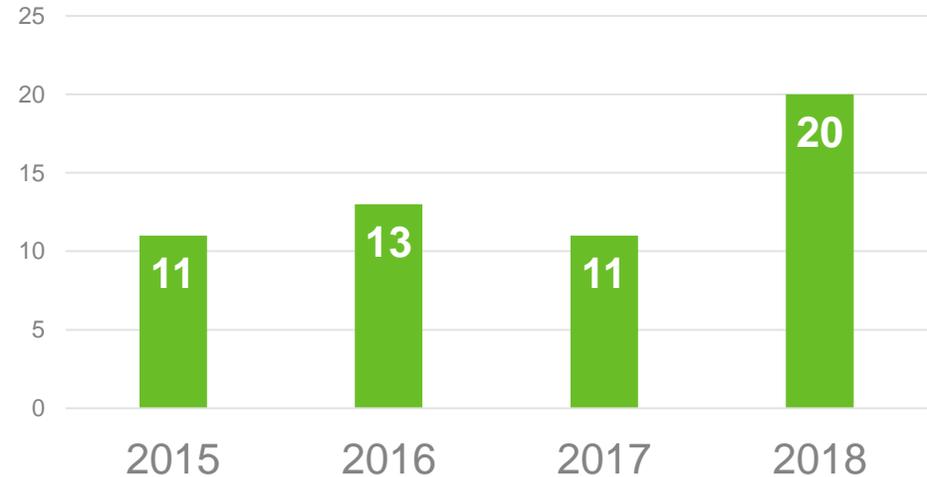


Cyclone®KIUBE



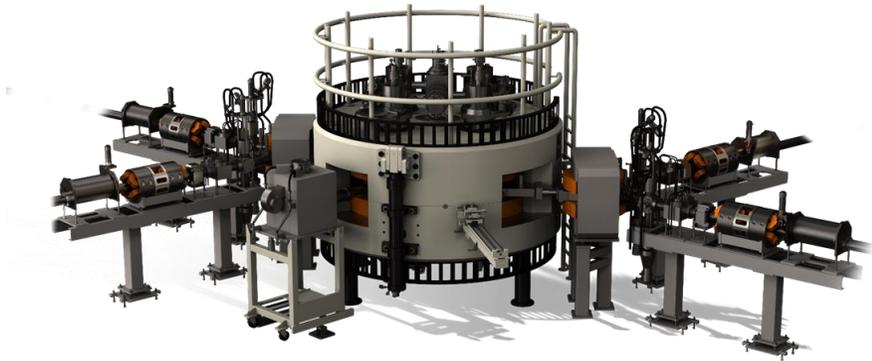
Rhodotron®

Other Accelerators Sales



- New generation Cyclone[®]KIUBE and Cyclone[®]70
 - Reach new markets
 - Gain market shares
 - Give access to latest applications (e.g. theranostics)

Cyclone[®]70



- High energy and high current proton cyclotron
- Production of isotopes for diagnosis of cardiovascular diseases and other critical illnesses

Cyclone[®]KIUBE



- Highest radiopharmaceuticals production capacity
- Upgradable to enable the increase of production capacity
- Give access to 18F, 13N, 15O, 11C (CO₂ & CH₄), 18F₂, 68Ga,...

Industrial Solutions

- New generation Rhodotron brings new perspectives
 - Reach new markets
 - Gain market shares
 - Allows a unique alternative to Cobalt for sterilization
 - Offers a new way to diagnose and treat cancer

New TT50



TT100



TT200/TT300



TT1000



High Energy



Sterilization
Research
New Applications

Sterilization
Low volumes

Sterilization
High
throughputs

Sterilization
Very High
throughputs

Radiol isotopes
And Theranostics
Production

Dosimetry 2018 update

- While Dosimetry order intake remained at prior year levels at around EUR 51 million, sales were down 6.3% mainly due to slower backlog conversion.
- Backlog remained high at EUR 15 million (2017: EUR 15.4 million)
- Gross margin slightly decreased versus 2017, whilst the overall profit margin was more favourable as a result of sustained cost control.
- Dosimetry showed a FY18 REBIT of EUR 4.5 million

	FY 2018 (EUR 000)	FY 2017 (EUR 000)	Variance (EUR 000)	Variance %
Dosimetry Net Sales	50 449	53 837	-3 388	-6.3%
REBITDA	5 429	6 777	-1 348	-19.9%
<i>% of Sales</i>	10.8%	12.6%		
REBIT	4 468	5 665	-1 197	-21.1%
<i>% of Sales</i>	8.9%	10.5%		

IBA Dosimetry – market and business update

- Strategic review of IBA Dosimetry business
 - On July 20, 2018, IBA announced that it had decided to explore new strategic alternatives for IBA Dosimetry which could include a sale, merger, initial public offering, or retention of the business
 - Active discussions are currently ongoing on the potential sale of this division and the Company will inform the market of the outcome of these discussions in Q2 2019
- Business update
 - Second half of 2018 positively impacted by new product launches



Consolidated financial statements

2018 Consolidated P&L



	FY 2018 (EUR 000)	FY 2017 (EUR 000)	Variance (EUR 000)	Variance %
Sales and services	208 440	236 485	- 28 045	- 11,9%
Cost of sales and services	139 332	169 116	- 29 784	- 17,6%
Gross profit/(loss)	69 108	67 369	1 739	2,6%
% of sales	33,2%	28,5%		
Selling and marketing expenses	16 849	19 365	- 2 516	- 13,0%
General and administrative expenses	30 787	37 814	- 7 027	- 18,6%
Research and development expenses	20 587	27 450	- 6 863	- 25,0%
Recurring expenses	68 223	84 629	- 16 406	- 19,4%
Recurring profit/(loss)	885	-17 260	18 145	
	0,4%	- 7,3%		
Other operating expenses/(income)	1 672	3 545	- 1 873	- 52,8%
Financial expenses/(income)	4 365	2 789	1 576	56,5%
Share of (profit)/loss of equity-accounted companies	- 0	- 92	92	- 100,0%
Profit/(loss) before tax	- 5 152	- 23 502	18 350	
Tax (income)/expenses	2 420	18 156	- 15 736	- 86,7%
Profit/(loss) for the period from continuing operations	- 7 572	-41 658	34 086	
Profit/(loss) for the period from discontinued operations	3 171	2 457	714	29,1%
Profit/(loss) for the period	- 4 401	-39 201	34 800	
REBITDA	7 782	-11 517	19 299	

- Gross margin as a percentage of sales up 4.7%, thanks to project mix and service performance
- SG&A expenses decreased strongly by EUR 9.5 million, as cost control measures paid off
- R&D expenses also dropped by EUR 6.9 million, however maintaining strategic initiatives in new developments and product and service cost reduction
- Overall cost containment initiatives in operating expenses totaled nearly 20% at EUR 16.4 million
- Other operating expenses include reorganization and restructuring costs
- Financial expenses affected by USD fluctuations and discounting of long term receivables
- Tax expenses affected last year 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
- Discontinued operations reflect performance of Dosimetry business classified as Asset Held for sale

2018 Cash Flow Statement



	FY 2018 (EUR 000)	FY 2017 (EUR 000)
Cash flow from operating activities		
Net cash flow changes before changes in working capital	7 124	- 16 639
Change in working capital	- 26 203	- 25 518
Income tax paid/received, net	- 1 712	- 3 436
Interest (income)/expenses	2 270	952
Net cash (used in)/generated from operations	- 18 521	- 44 641
Cash flow from investing activities		
Capital expenditures	- 18 731	- 15 275
M&A and other activities	12	2 404
Net cash (used in)/generated from investing activities	- 18 719	- 12 871
Cash flow from financing activities		
Capital increase (or proceeds from issuance of ordinary shares)	766	981
Dividend paid	0	- 8 232
Other financing cash flows	48 867	17 444
Net cash (used in)/generated from financing activities	49 633	10 193
Changes in net cash and cash equivalents	12 393	- 47 319

- Cashflow from operations improved overall from last year as profitability increased from 2017
- While inventories decreased, accounts receivable increased over the year. However, working capital improved after year end as several major accounts receivable positions open at year end were paid
- Cashflow from investing was affected mostly by the investment in the new factory acquired under a long term financial lease
- Cashflow from financing increased as the Company drew on its short term credit lines to cover working capital needs as well as from the lease facility related to the new factory

Outlook

Guidance

- Based on the current prudent outlook on the Proton Therapy market, IBA maintains guidance of positive REBIT for 2019



Conclusion

- IBA returned to profitability in the second half of the year
- IBA achieved a positive REBIT for the full year
- Excellent performance in Other Accelerators
- Excellent performance in Service
- Proton therapy remains a highly compelling opportunity
- IBA maintains guidance of positive REBIT for 2019





Q&A



Olivier Legrain (CEO) and Soumya Chandramouli (CFO)

Shareholders structure Dec 2018

