



H1 2018 Results

August 23, 2018

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Disclaimer

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.

- H1 2018 results overview
- Proton therapy and other accelerators update
- Dosimetry update
- Financials
- Outlook
- Q&A



IBA Group – H1 2018



- Results are impacted by:
 - Phasing of backlog conversion
 - Five Proteus®ONE* solutions sold, with only one financially activated in H1 (included in backlog)
- Tight cost control measures delivering close to EUR 10 million savings vs last year
- REBIT margin of -4%, improving strongly from H2 2017 (EUR -13.5 million)
- Gross cash of EUR 36.3 million and net cash position of EUR -39.1 million, expected to improve over H2 2018
- Equipment and services backlog remains strong at almost EUR 1 billion
- Final agreement with Elekta for software and co-marketing signed
- The Group will drive towards a positive REBIT and net profit after tax in 2018

	H1 2018 (EUR 000)	H2 2017 (EUR 000)	H1 2017 (EUR 000)
PT & Other Accelerators	90 353	110 324	123 260
Dosimetry	24 322	25 484	28 353
Total Net Sales	114 675	135 808	151 613
REBITDA	-706	-10 004	5 264
<i>% of Sales</i>	-0.6%	-7.4%	3.5%
REBIT	-4 533	-13 498	1 901
<i>% of Sales</i>	-4.0%	-9.9%	1.3%
Profit Before Tax	-6 730	-17 232	-2 374
<i>% of Sales</i>	-5.9%	-12.7%	-1.6%
NET RESULT	-7 015	-34 546	-4 655
<i>% of Sales</i>	-6.1%	-25.4%	-3.1%

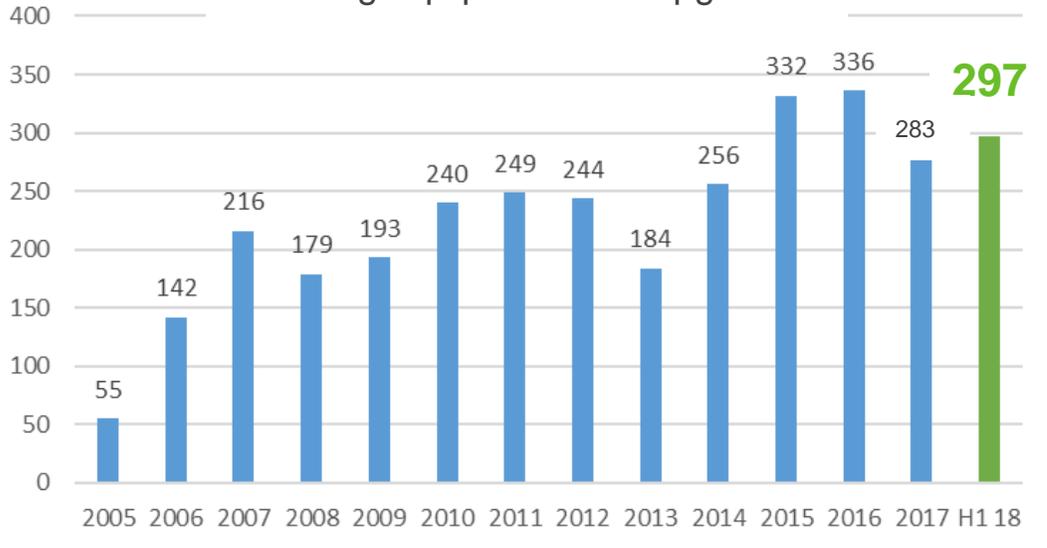
*Proteus®ONE and Proteus®PLUS are brand names of Proteus 235

H1 2018 business and financial highlights

■ Equipment backlog

- Equipment Backlog up from end of 2017 at EUR 297M
- Growth of backlog boosted thanks to an exceptional year of Other Accelerator sales. We have sold 11 machines in H1

Backlog Equipment and Upgrades

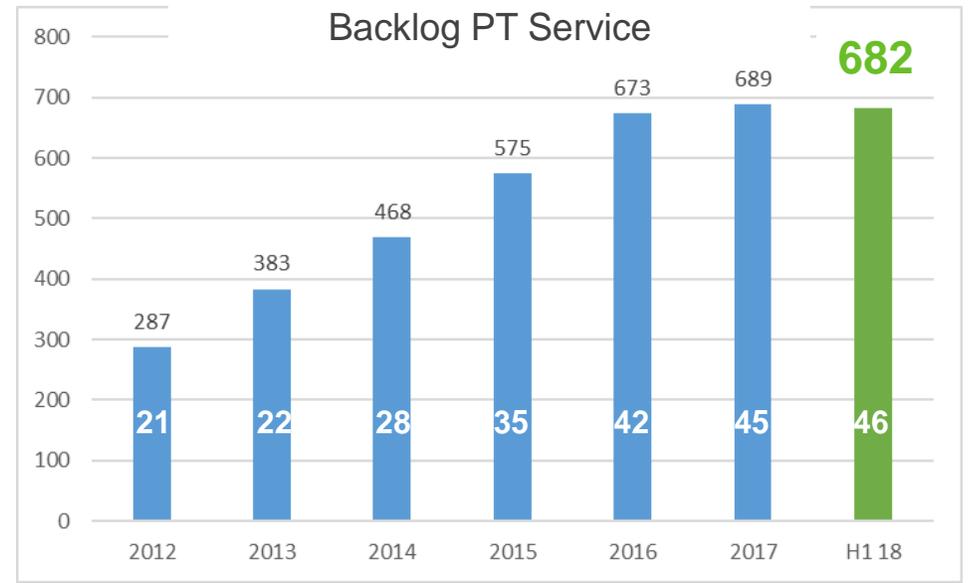


Figures in million euros

■ Service backlog

- PT Service backlog slightly down from end of 2017 at EUR 682M
- 4 new PT contracts start delivering O&M revenues from H1 2018

Backlog PT Service



Figures in million euros

Proton Therapy & Other Accelerators

2018 update

Proton Therapy & Other Accelerators



	H1 2018 (EUR 000)	H1 2017 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	90 353	123 260	-32 907	-26.7%
<i>Proton Therapy</i>	<i>71 600</i>	<i>105 030</i>	<i>-33 430</i>	<i>-31.8%</i>
<i>Other Accelerators</i>	<i>18 753</i>	<i>18 230</i>	<i>523</i>	<i>2.9%</i>
REBITDA	-3 072	-372	-2 700	N/A
<i>% of Sales</i>	<i>-3.4%</i>	<i>-0.3%</i>		
REBIT	-6 156	-3 548	-2 608	N/A
<i>% of Sales</i>	<i>-6.8%</i>	<i>-2.9%</i>		

- Total net sales were down 26.7% reflecting the reduced order intake over H2 2017 and only one new order starting revenue recognition in H1 2018
- Other accelerators sales showed growth of 2.9%, reflecting the strong conversion of 2017 sales and the record order intake in 2018
- 20 ongoing projects currently under construction or installation – 2 installations started in H1 and 5 to start in H2
- Operating loss is EUR -6.2 million for H1 2018



Proton Therapy & Other Accelerators



	H1 2018 (EUR 000)	H1 2017 (EUR 000)	Variance (EUR 000)	Variance %
Equipment Proton Therapy	38 157	74 583	-36 426	-48.8%
Equipment Other Accelerators	8 303	7 798	505	6.5%
Total equipment revenues	46 460	82 381	-35 921	-43.6%
Services Proton Therapy	33 443	30 446	2 997	9.8%
Services Other Accelerators	10 450	10 433	17	0.2%
Total service revenues	43 893	40 879	3 014	7.4%
Total revenues Proton Therapy & Other Accelerators	90 353	123 260	-32 907	-26.7%
<i>Service in % of segment revenues</i>	<i>48.6%</i>	<i>33.2%</i>		

- Services are up nearly 10% as 4 new PT contracts start delivering O&M revenues from H1 2018
- Other accelerators equipment revenues up 6.5% thanks to strong order intake the last 18 months
- Other accelerators service revenues remained high, boosted by recognition of revenues on multiple high margin upgrades and maintenance services



Proton Therapy

2018 update

H1 2018 Proton Therapy and Other Accelerators orders



Order intake 2018

	H1 2018	H1 2017
Proteus® <i>ONE</i> * systems sold	5*	2
Proteus® <i>PLUS</i> * systems sold	0	1
Total rooms sold	5*	4
Total Other accelerators	11	4
Order intake PT & Other Accelerators	€140M**	€74M

*3 PT contracts await financing and one term sheet with down payment, expected before year end

**Of which 63 million in PT and Other Accelerators backlog at June 30

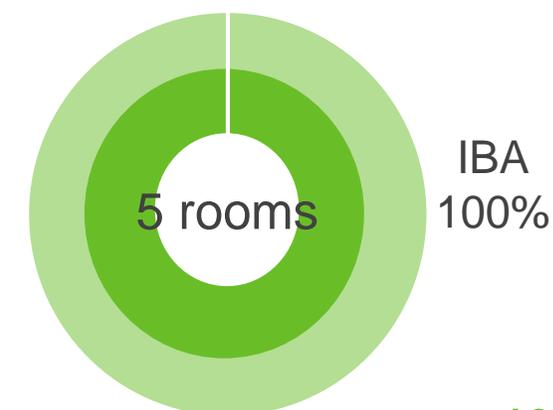
PT Order intake 2018

	Rooms	Region	Vendor
Proton Partners International 7*	1	Europe	IBA
Proton Partners International 8*	1	Europe	IBA
Proton Partners International 9*	1	Europe	IBA
European Institute of Oncology (IEO)**	1	Europe	IBA
China CNNR 1**	1	Asia	IBA

* Under financing

** Down payment received

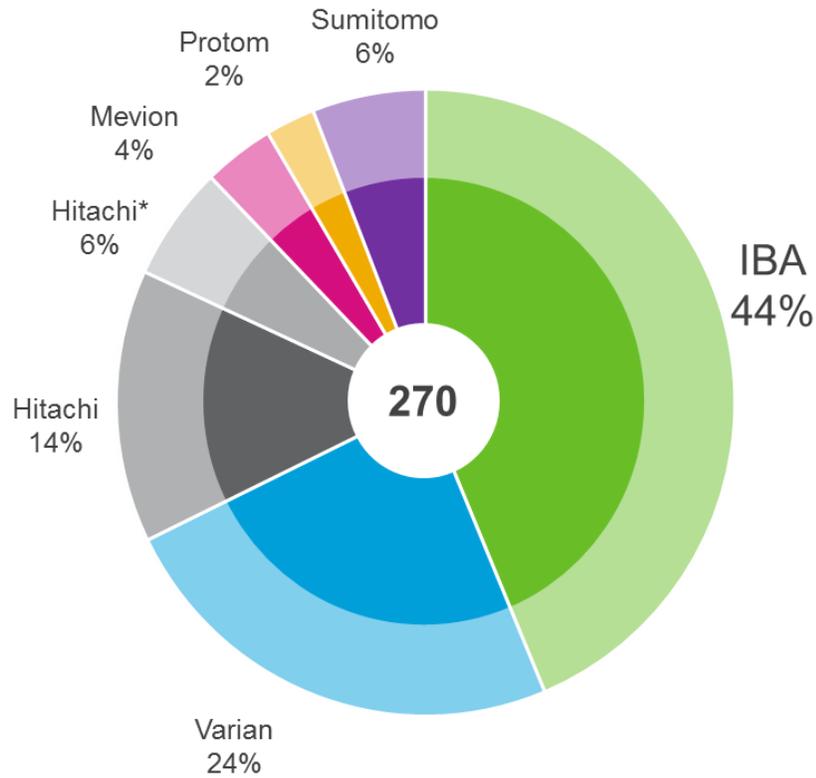
2018 H1 Market Share - Rooms



IBA leading market share to date

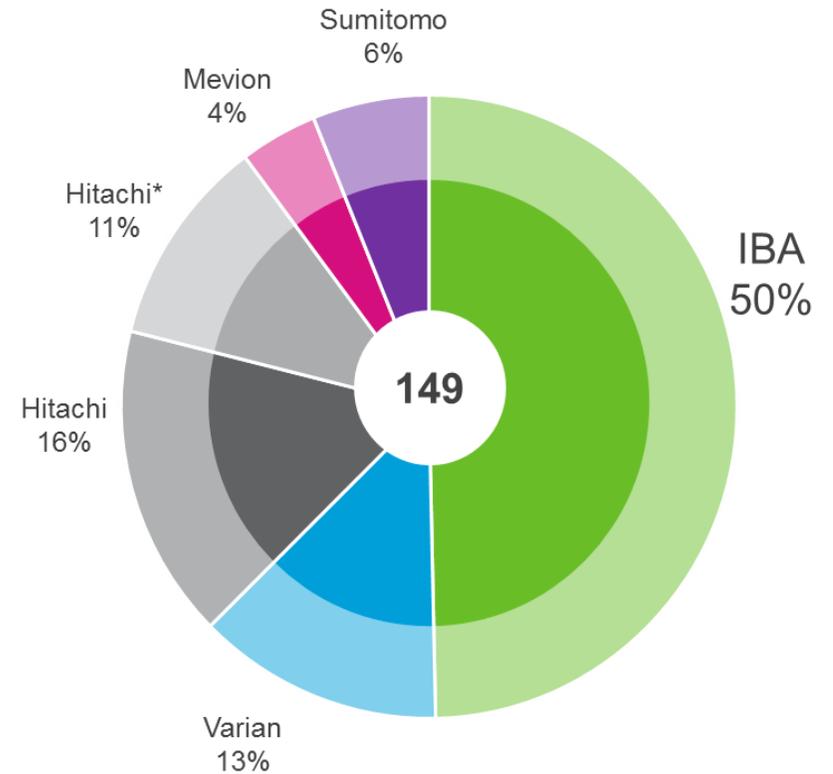


Sales



IBA
118 rooms

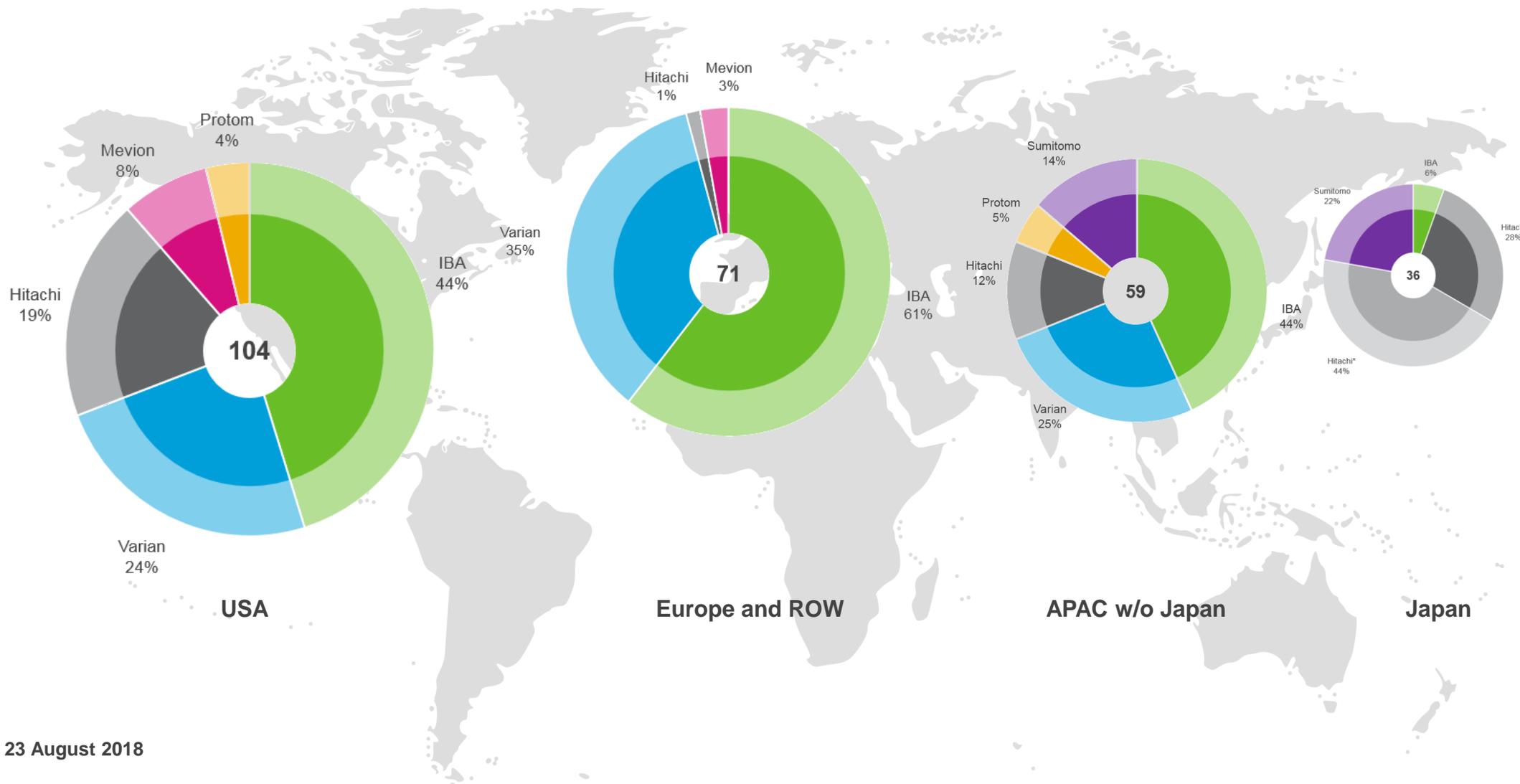
In operation



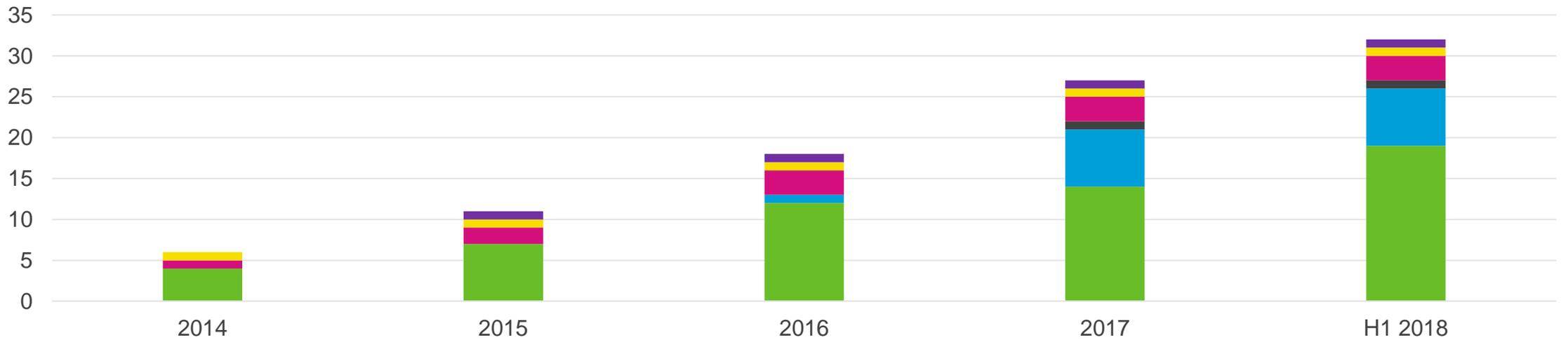
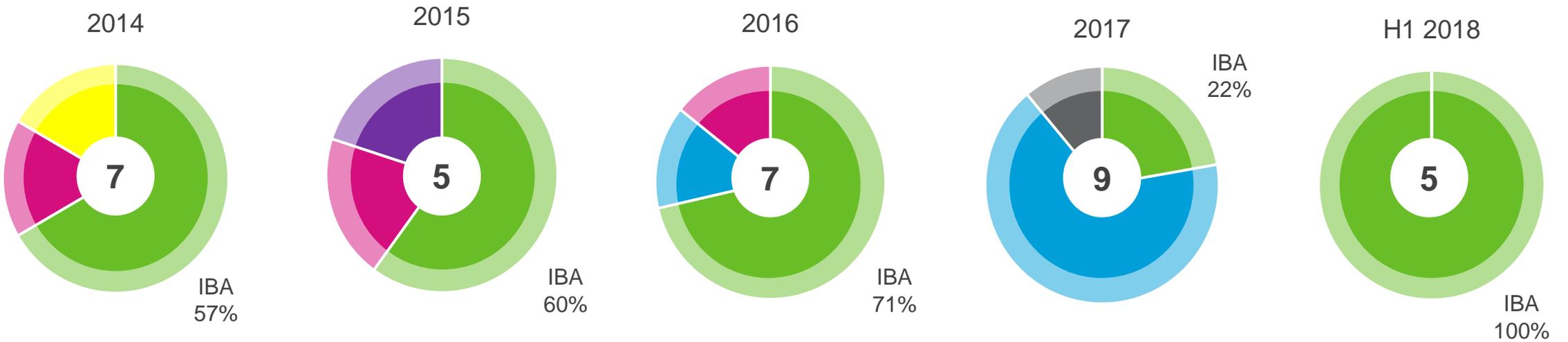
IBA
75 rooms

About **70,000 patients** have been treated on IBA systems

IBA worldwide market share



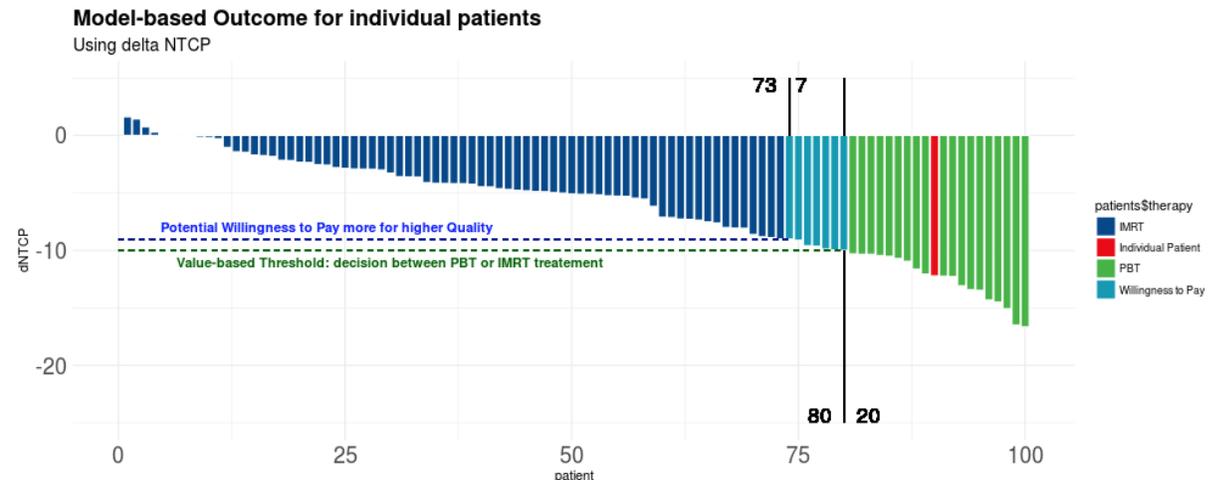
Evolution of single room solution market



Long-term potential of PT remains very encouraging

- Dutch model approach is gaining momentum
 - Evidence based methodology
 - To select patients for proton therapy
 - To clinically validate the benefit of the technology
 - 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

- Growing evidence
 - 174 on going trials at end H1 2018
 - 287 publications in H1



Project execution is on target, far ahead of all competition



Consistently delivered* on schedule < 12 months in H1



Proteus[®]**ONE**
Rutherford CC, Newport, UK
9 months**



Proteus[®]**ONE**
Toyohashi, Japan
10 months**



Proteus[®]**ONE**
Hokkaido Ohno, Sapporo, Japan
11 months

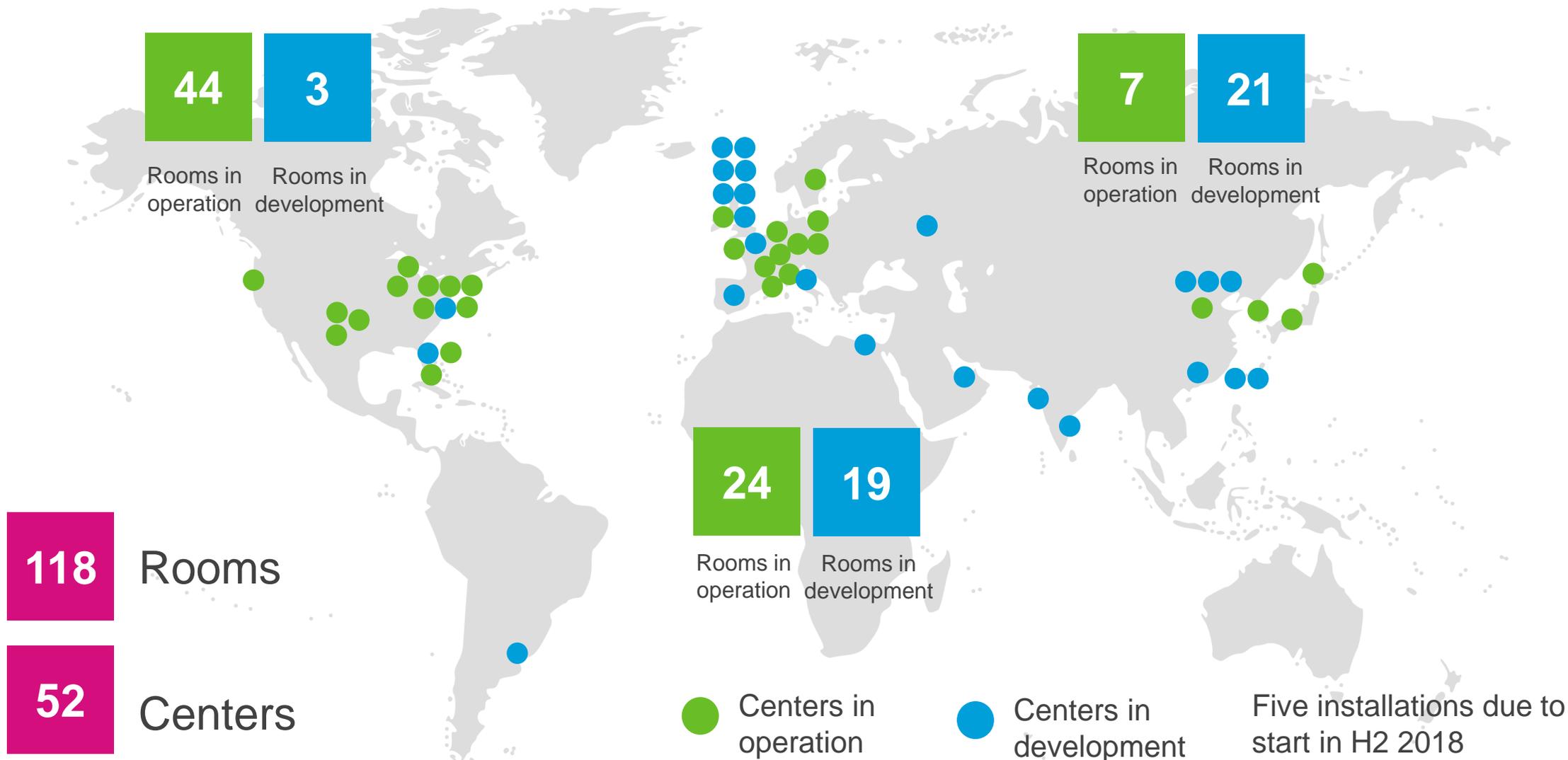


Proteus[®]**ONE**
Cyclhad/Archade, Caen, France
12 months



Proteus[®]**PLUS**
UMCG, Groningen, The Netherlands
12 months

IBA – a global leader in proton therapy



A closer look at Beaumont's PT Center in Michigan

- Beaumont's PT Center celebrates 1st anniversary
 - Highly compelling clinical and business case
 - Proteus[®]ONE integrated into comprehensive cancer care center
 - 101 patients in the first 12 months of operation
 - Surpassing conservative projection of 40 patients
 - Estimate of 225 patients for year two
 - Projection to treat 300 to 500 patients per year
 - Many types of cancer have been treated in children and adults including:
 - Brain tumors; head and neck; lung; prostate; breast; sarcoma/chordoma; thymoma; esophagus; liver; Hodgkin's disease/lymphoma; and testicular

1
OF ONLY
28
PROTON THERAPY
CENTERS IN
THE NATION

1
YEAR
ANNIVERSARY

MANY TYPES OF CANCER
TREATED IN CHILDREN
AND ADULTS

**PROTON
THERAPY**

101
PATIENTS TREATED

PATIENTS FROM
6
STATES

1st
AND ONLY
OPERATIONAL
PROTON CENTER
IN MICHIGAN

BEAUMONT
RESEARCHERS
ARE LEADERS -
ADVANCING
PROTON THERAPY

Beaumont

Construction of new factory on track

- Reducing lead time and cost
- Planning
 - Assembly line operational in September 2018
 - Offices and Customer Center operational in December 2018



Other accelerators

2018 update

Other accelerators – H1 2018 business update

- Sales of 11 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

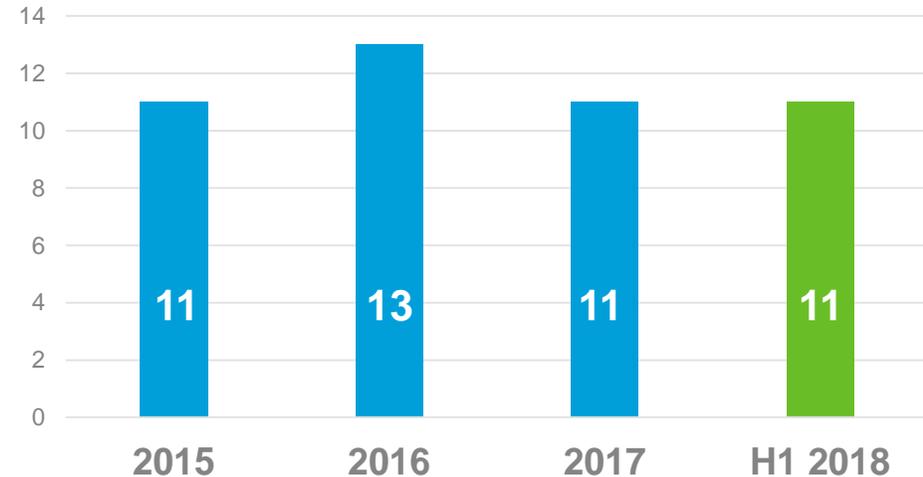


Cyclone®KIUBE



Rhodotron®

Other Accelerators Sales



Dosimetry

2018 update

IBA Dosimetry

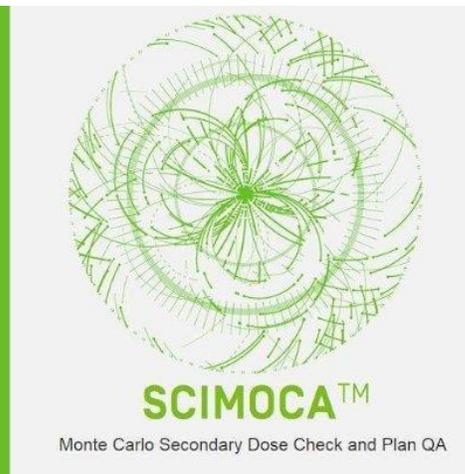
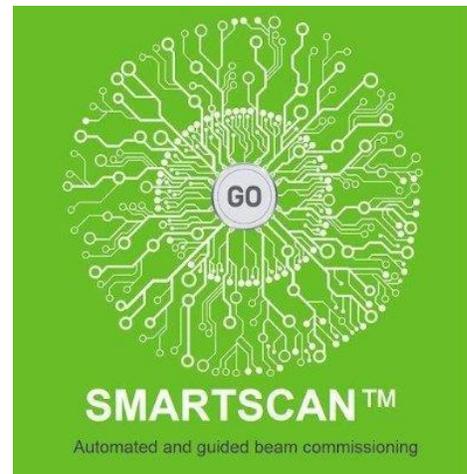
- High order intake in 2018 of EUR 25.8M at the same level as 2017
- 2017 sales were boosted by exceptional backlog conversion as shown by book-to-bill ratio
- REBIT margins low due to slower backlog conversion and fixed cost structure
- Backlog growing at EUR 16.1M vs EUR 15.4M at end 2017, boosted by strong growth in services and PT Dosimetry
- Overall low single digit growth confirmed in line with growth of radiotherapy market, while PT Dosimetry continues to grow as a percentage of Dosimetry sales

	H1 2018 (EUR 000)	H1 2017 (EUR 000)	Variance (EUR 000)	Variance %
Order intake	25 747	25 843	-96	-0.4%
Net sales	24 322	28 353	-4 031	-14.2%
Book-to-bill ratio	1.1	0.91		
REBITDA	2 366	5 636	-3 270	-58.0%
<i>% of Sales</i>	9.7%	19.9%		
REBIT	1 623	5 449	-3 826	-70.2%
<i>% of Sales</i>	6.7%	19.2%		



Dolphin Online Ready Patient QA and Monitoring

- Strategic review of IBA Dosimetry business
 - IBA is reviewing strategic alternatives for IBA Dosimetry, including a sale, merger, initial public offering, or retention of the business
 - Update by the end of the year
- Business update
 - Order intake and revenue recognition in the second half of 2018 are expected to be stronger, thanks to the impact of product launches
 - SmartScan, SciMoCa, Blue Phantom PT and DigiPhant with MyQA



Consolidated Financial Statements

Consolidated P&L



	H1 2018 (EUR 000)	H1 2017 (EUR 000)	Variance (EUR 000)	Variance %
Sales and services	114 675	151 613	-36 938	-24.4%
Cost of sales and services	74 738	96 663	-21 925	-22.7%
Gross profit/(loss)	39 937	54 950	-15 013	-27.3%
	34.8%	36.2%		
Selling and marketing expenses	12 357	14 332	-1 975	-13.8%
General and administrative expenses	17 911	21 743	-3 832	-17.6%
Research and development expenses	14 202	16 974	-2 772	-16.3%
Recurring expenses	44 470	53 049	-8 579	-16.2%
Recurring profit/(loss)	-4 533	1 901	-6 434	-338.5%
	-4.0%	1.3%		
Other operating expenses/(income)	1 970	2 417	-447	-18.5%
Financial expenses/(income)	227	1 929	-1 702	88.2%
Share of (profit)/loss of equity-accounted companies	0	-71	71	-100%
Profit/(loss) before tax	-6 730	-2 374	-4 356	N/A
Tax (income)/expenses	280	2 256	-1 976	-87.6%
Profit/(loss) for the period from continuing operations	-7 010	-4 630	-2 380	N/A
Profit/(loss) for the period from discontinued operations	-5	-25	20	-80%
Profit/(loss) for the period	-7 015	-4 655	-2 360	N/A
REBITDA	-706	5 264	-5 970	-113.4%

- Gross margin slightly down from H1 2017 but recovering from H2 2017 reflecting project schedules on track and growing service business
- Sales and marketing and general and administrative expenses fell in absolute values, thanks to cost control measures, whilst retaining the firepower to maintain strategic initiatives
- R&D expenditure continued at around 12% of sales
- Other operating income and expenses in 2018 mainly related to reorganizational costs early 2018
- Financial income in 2018 positively impacted by FX gains on USD

H1 2018 cash flow statement

	H1 2018 (EUR 000)	H1 2017 (EUR 000)
Cash flow from operating activities		
Net cash flow changes before changes in working capital	-987	-3 947
Change in working capital	-26 512	-4 586
Income tax paid/received, net	-36	-2 391
Interest (income)/expenses	946	438
Net cash (used in)/generated from operations	-26 589	-10 486
Cash flow from investing activities		
Capital expenditures	-1 344	-8 986
M&A and other activities	-3	-2
Net cash (used in)/generated from investing activities	-1 347	-8 988
Cash flow from financing activities		
Capital increase (or proceeds from issuance of ordinary shares)	139	438
Dividend paid	0	-8 515
Other financing cash flows	37 707	2 820
Net cash (used in)/generated from financing activities	37 846	-5 257
Profit/(loss) for the period from continuing operations	9 910	-24 731

- Negative cash flow from operations, stemming from invoicing to customers and inventory build-up on projects
- Low CAPEX investments vs 2017 which included new building investments
- Cash flow from financing includes drawdowns on credit lines to finance working capital requirements

Outlook

- Based on current market outlook, IBA will continue to drive towards a positive REBIT and net profit after tax in 2018 and beyond
- Driven by second half of 2018 weighting
- The fundamentals of the proton therapy market continue to be solid
 - Quality equipment and service backlog
 - Numerous prospects across all markets
- IBA has the world's most competitive proton therapy offering
- IBA remains fully focused on driving growth whilst absorbing the unpredictability of the PT market through tight cost controls



Q&A





- Capital Market Day ASTRO's Annual Meeting
 - October 22th, 2018
- Business Update 3rd quarter 2018
 - November 15th, 2018
- Full Year Results 2018
 - March 21th, 2019



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