



PROTECT +
ENHANCE +
SAVE LIVES

KBC Healthcare Conference

29 March 2017

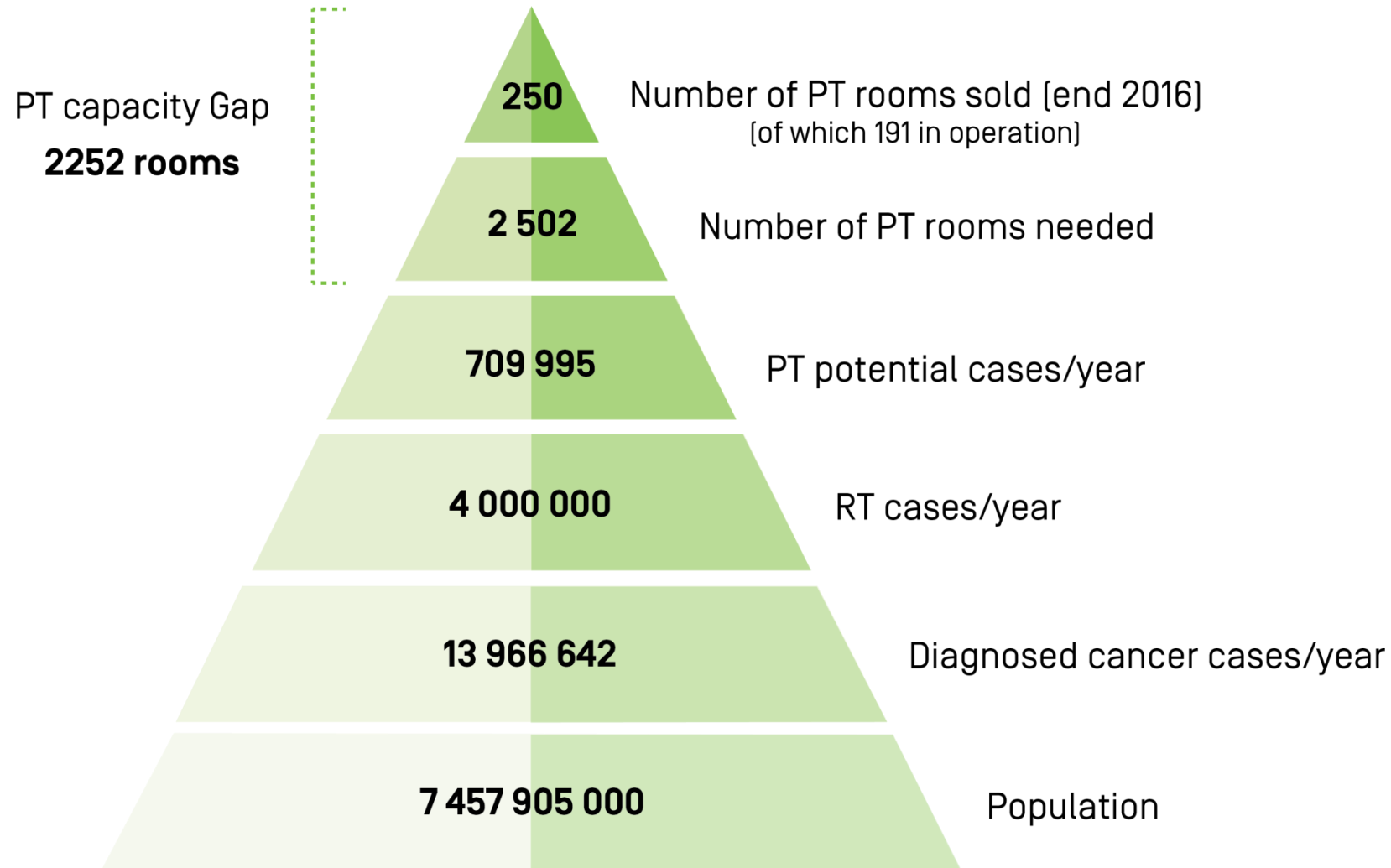
Jean-Marc Bothy (CSO) and Bernard Dandoy (IR)



Disclaimer

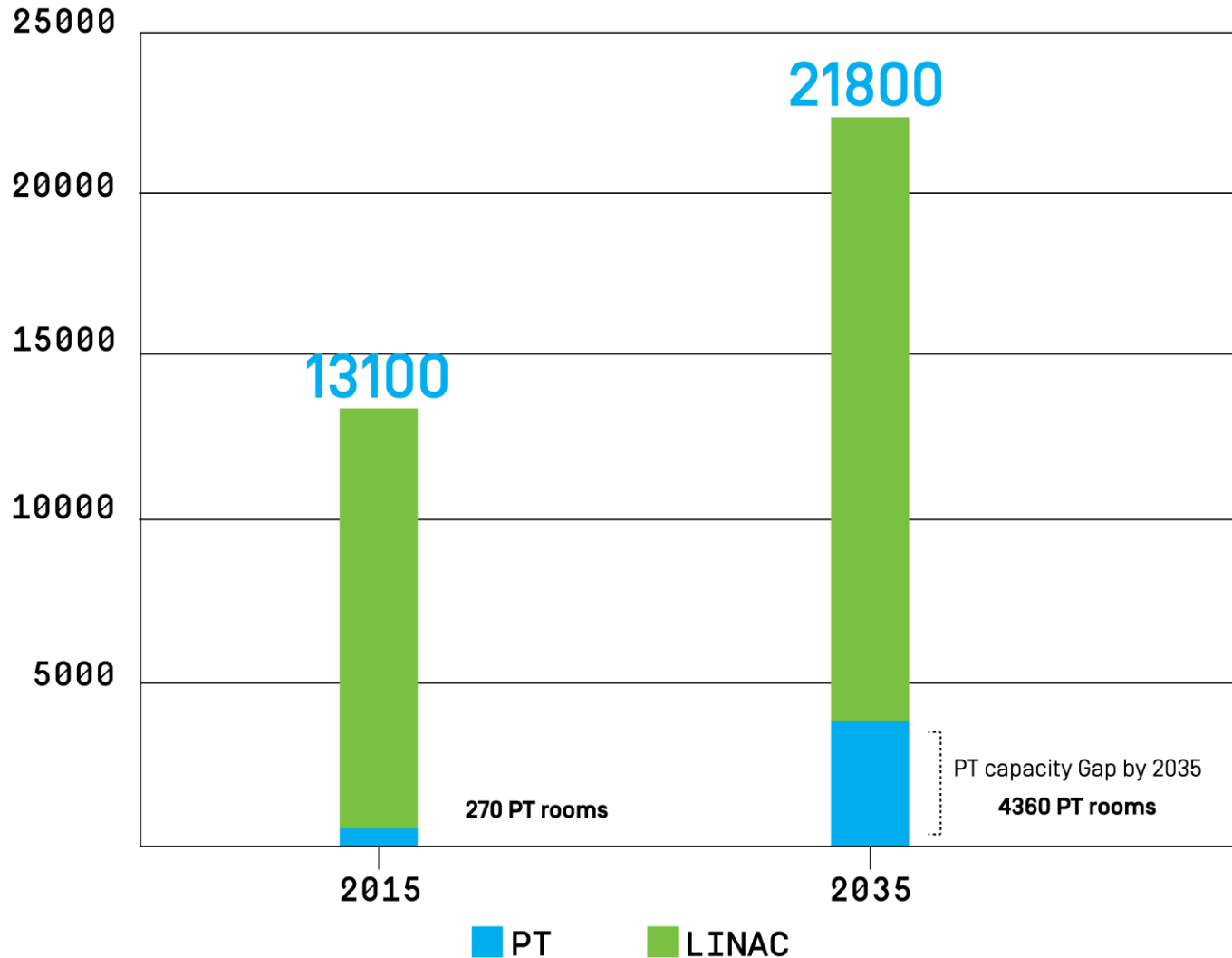
This presentation may contain forward-looking statements concerning industry outlook, including growth drivers; the company's future orders, revenues, backlog, or earnings growth; future financial results; market acceptance of or transition to new products or technology and any statements using the terms "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.

Proton therapy capacity gap - today



Proton therapy capacity gap - 2035

Estimation of RT and PT rooms needed by 2035



- Radiotherapy rooms needed by 2035 estimated by Lancet Oncology - www.thelancet.com/oncology
- ProtonTherapy rooms needed by 2035 extrapolated worldwide from the "Horizon Scanning : Proton Therapy "in the Netherlands https://www.gezondheidsraad.nl/sites/default/files/proton%20radiotherapy200917E_0.pdf





Grow market from 1% to 20% or more

Increase clinical relevance

Trials
Publications

Adaptive

Reduce cost of modality

Equipment
set up

Operational
costs

Hypofraction



Maintain or improve market share

Enhance market penetration

Partnership

Regionalization

Leverage IBA expertise


Dosimetry

Other
Accelerators


IBA Group – 2016 key figures



Revenues
EUR **329** million
+ 21.6% [vs 2015]




REBIT margin
11.3%



Backlog now
EUR **335.5** million




42 PT Services
contracts **SIGNED**
Service backlog of
EUR **673** million



8 PT solutions
sold in 2016
53% market share

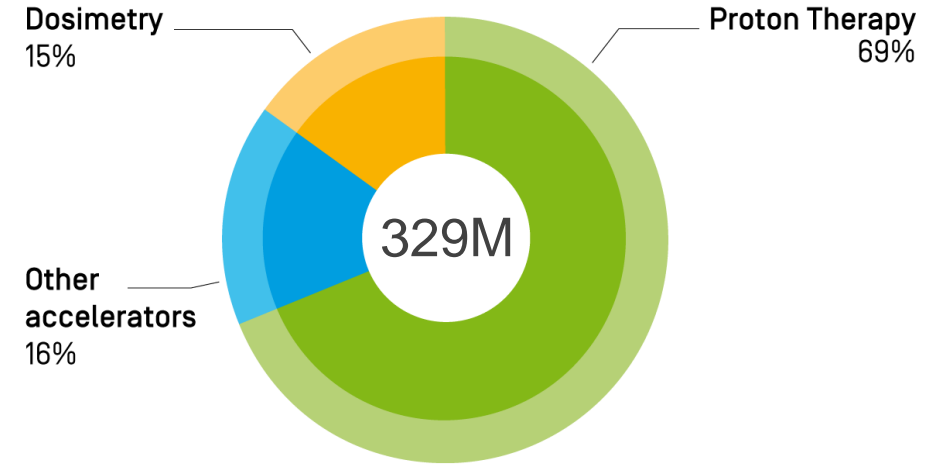


Dividend :
EUR **0.29**
per share
> **35%** pay-out



YE 2016 Business and Financial Highlights

- Full-year 2016 guidance met
 - Total Group YE revenue up 21.6% vs YE 2015
 - REBIT 11.3% margin up 26%
- Established leadership in Proton Therapy
 - 17 PT rooms sold in 2016 (8 systems)
 - Leadership position in single room market confirmed with 5 contracts signed for Proteus[®]ONE*
 - Continued strong demand for Proteus[®]PLUS*, including in India and China
- Continued focus on innovation
 - Next-generation technology collaboration announced with HIL
 - First patient treated in Europe with Proteus[®]ONE
 - New PET cyclotron launched at 2016 Society of Nuclear Medicine and Molecular Imaging Annual Meeting
- Strategy to meet demand growth on track
 - Recruitment of 400 engineers completed. Plan to recruit another 200 engineers in 2017
 - Production capacity scale-up progressing (9000 m² facility under construction)



YE 2016 Business and Financial Highlights



- Strong growth in PT and Other Accelerators fuelled by execution on backlog (6 new PT installations started in 2016, fast execution in Other accelerator segment) and new orders mentioned earlier
- Dosimetry sales down 11% compared to previous year due to slow conversion rate but catching up over Q4
- REBIT 11.3%, up 26% from 2015 and slightly above the “around 10%” revised target in part due to better than expected performance from Dosimetry over Q4
- Net profit down EUR 36.7 million (2015 boosted by capital gain on full exit from Molecular business following disposal of remaining 40%)

	FY 2016 (EUR 000)	FY 2015 (EUR 000)	Variance (EUR 000)	Variance %
PT & Other accelerators	280 666	216 261	64 405	29.8%
Dosimetry	48 108	54 096	-5 988	-11.1%
Total Net Sales	328 774	270 357	58 417	21.6%
REBITDA	42 690	33 710	8 980	26.6%
<i>% of Sales</i>	<i>13.0%</i>	<i>12.5%</i>		
REBIT	37 137	29 553	7 584	25.7%
<i>% of Sales</i>	<i>11.3%</i>	<i>10.9%</i>		
Profit Before Tax	27 899	65 192	-37 293	-57.2%
<i>% of Sales</i>	<i>8.5%</i>	<i>24.1%</i>		
NET RESULT	24 440	61 189	-36 749	-60.1%
<i>% of Sales</i>	<i>7.4%</i>	<i>22.6%</i>		

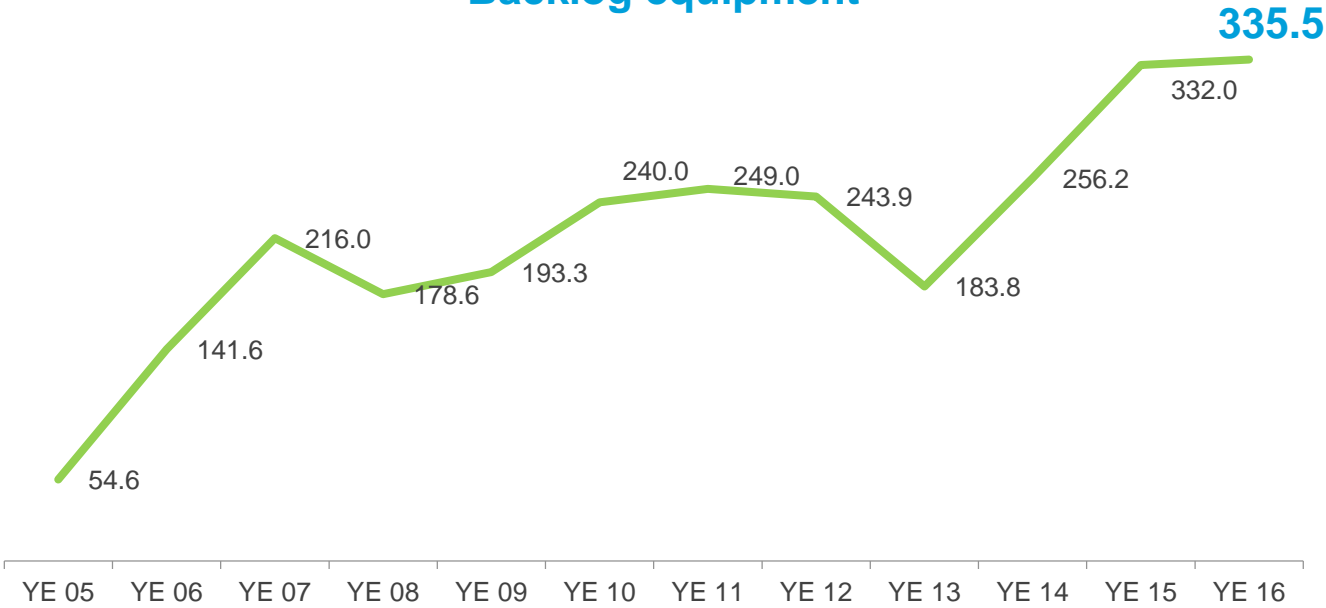
YE 2016 Business and Financial Highlights



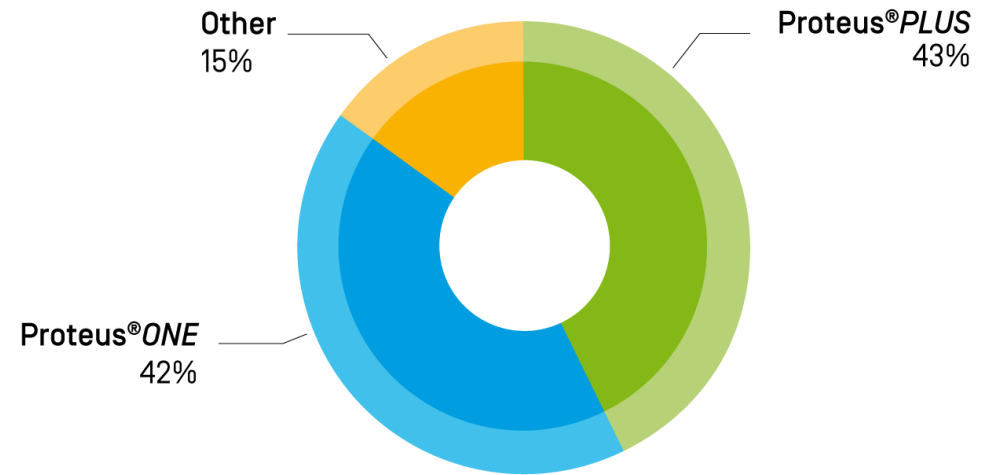
■ Equipment backlog

- Record period-end backlog for PT and other accelerators at EUR 335.5M (excludes H1 2016 order in China (Qingdao) awaiting down payment)
- Growing importance of Proteus[®]ONE (42% today from 37% FY15)

Backlog equipment

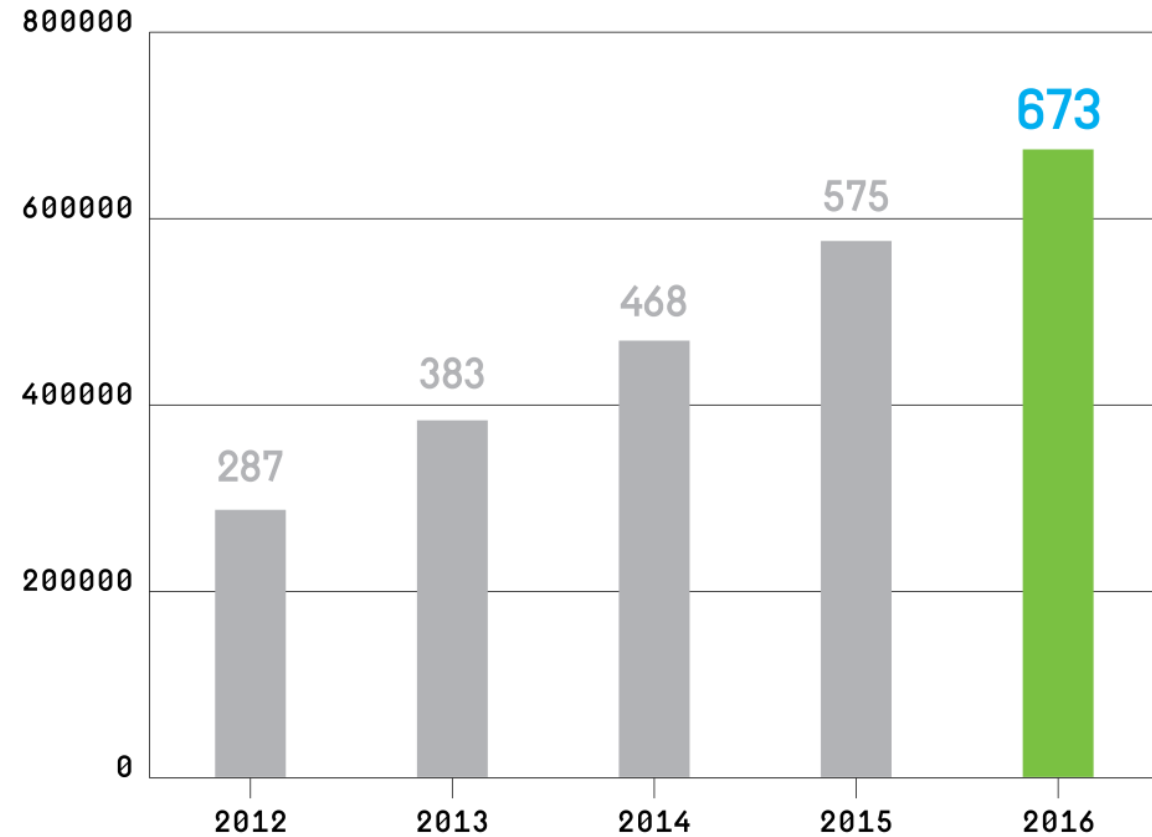


Figures in million euros



YE 2016 Business and Financial Highlights

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



Figures in million euros

YE 2016 Business and Financial Highlights



- Strong order intake:
 - Growing PT market with 8 systems sold in India (1 system, 3 rooms), China (2 systems, 9 rooms), US (1 room), UK (2 systems, 2 rooms), Belgium (1 room), Abu Dhabi (1 room)
 - Strong sales in Other Accelerators: 14 machines sold, boosted by introduction of new Cyclone®KIUBE PET accelerator
- Developing a new revenue stream
 - Strong upgrade sales in 2016: EUR 19.5M worth of upgrades sold in all business lines with major upgrades on several PT sites in US and Europe

	FY 2016	FY 2015
Proteus® <i>ONE</i> systems sold	5	4
Proteus® <i>PLUS</i> systems sold	3	4
Total rooms sold	17	13
Order intake PT & Other Accelerators	€250M	€221M
Book to bill PT & Other Accelerators	1.12	1.48



YE 2016 Business and Financial Highlights

- Net cash EUR 44.5M compared to EUR 50.0 at end of 2015
(reminder: EUR 62.3M cash from Molecular received in Q1 and EUR 40.3M dividend paid Q2)



IBA Group

2016 update



IBA 30th celebrations

Expansion Strategy – New factory

- Assembly, integration and test of accelerators for Proteus[®]ONE
- CAPEX: EUR 16 million investment program over 2 years
- Digital factory
- Green and sustainable
- Lean – total combined capacity of 20 to 30 accelerators per year (from 8 to 10 today)



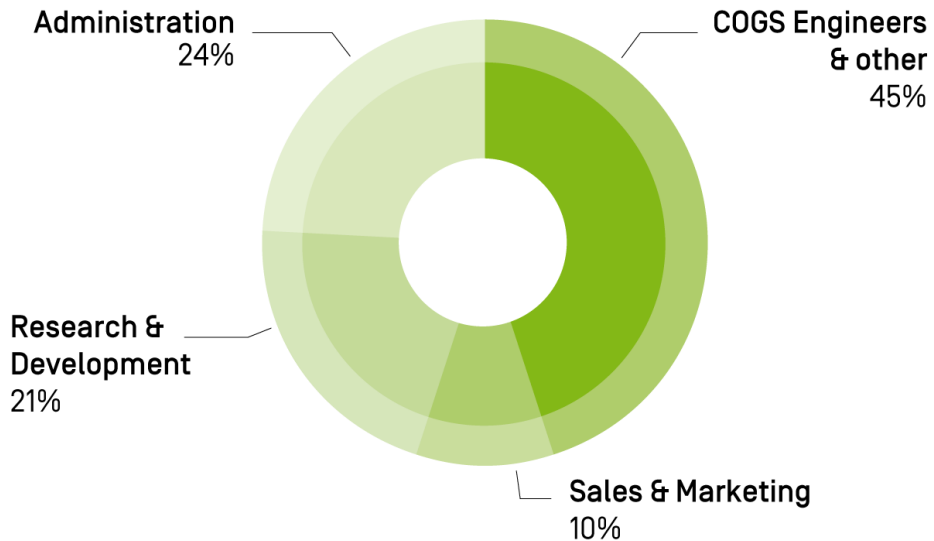
Expansion Strategy - Human Resources

■ Staffing

- 2016: Recruitment of 400 employees (1500 employees at end 2016)
- 2017: Recruitment of another 200 engineers and qualified staff



Employee profile



IBA employees worldwide

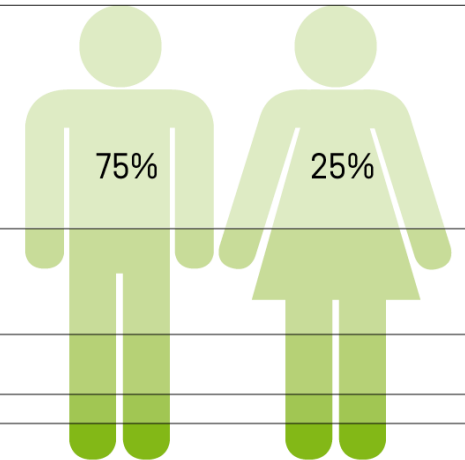
Belgium 51%

USA 21%

Germany 14%

China 6%

Other 8%



Proton Therapy and Other Accelerators

2016 update

Proton Therapy & Other Accelerators



	FY 2016 (EUR 000)	FY 2015 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	280 666	216 261	64 405	29.8%
<i>Proton Therapy</i>	<i>226 529</i>	<i>161 938</i>	<i>64 591</i>	<i>39.9%</i>
<i>Other Accelerators</i>	<i>54 137</i>	<i>54 323</i>	<i>-186</i>	<i>-0.3%</i>
REBITDA	38 613	25 270	13 343	52.8%
<i>% of Sales</i>	<i>13.8%</i>	<i>11.7%</i>		
REBIT	34 115	21 956	12 159	55.4%
<i>% of Sales</i>	<i>12.2%</i>	<i>10.2%</i>		

- Strong growth in service and equipment revenue recognition for Proton Therapy largely offset flat revenue recognition level for Other Accelerators (mostly due to slow conversion of backlog on industrial accelerators)
- Operating profit up 54.4% from YE 2015
- Operating margins up 1.4% as a percentage of sales from 2015, reflecting measured growth and operational leverage in OPEX



Proton Therapy & Other Accelerators



	FY 2016 (EUR 000)	FY 2015 (EUR 000)	Variance (EUR 000)	Variance %
Equipment Proton Therapy	166 988	113 029	53 959	47.7%
Equipment Other Accelerators	33 610	34 717	-1 107	-3.2%
Total equipment revenues	200 598	147 746	52 852	35.8%
Services Proton Therapy	59 541	48 908	10 633	21.7%
Services Other Accelerators	20 527	19 607	920	4.7%
Total service revenues	80 068	68 515	11 553	16.9%
Total revenues Proton Therapy & Other Accelerators	280 666	216 261	64 405	29.8%
<i>Service in % of segment revenues</i>	<i>28.5%</i>	<i>31.7%</i>		

- Services accounted for approx. 29% of segment revenues at YE 16, slightly down due to strong (48%) growth of PT equipment revenues
- Other accelerators revenues slightly down at YE 16, mostly due to timing effects (production planning, late order intake: 4 PET accelerator orders taken in December 2016 with little P&L impact) and slow conversion of Industrial accelerator backlog
- PT service growing with expansion of installed base on track



Proton Therapy

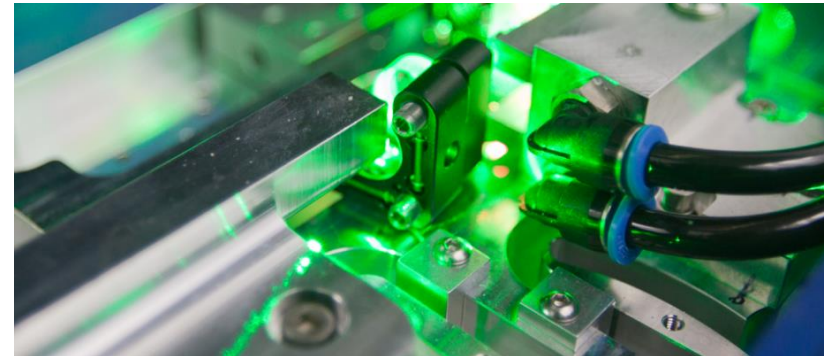
2016 update

Market and Business Update 2016 - innovation

- Proteus[®]ONE
 - Certified in three major regions (USA, Japan and Europe)
 - First patient treated in Europe at Centre Antoine Lacassagne in Nice, France
- Investment in HIL Applied Medical Ltd to develop laser-based proton therapy solution
- Initiatives with Philips and also with RaySearch to develop integrated comprehensive solutions for adaptive proton radiation therapy



Proteus[®]ONE

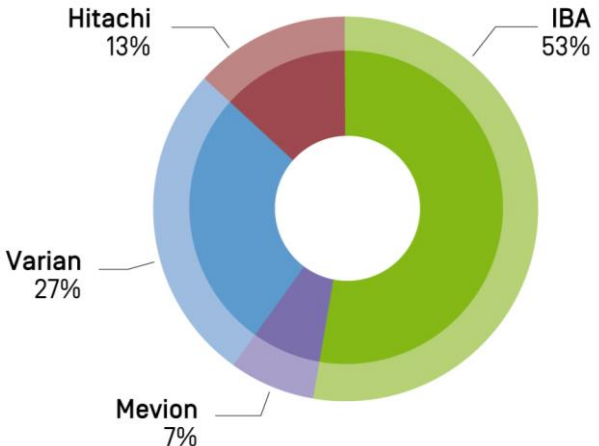


Laser-based proton therapy solution (courtesy of HIL)

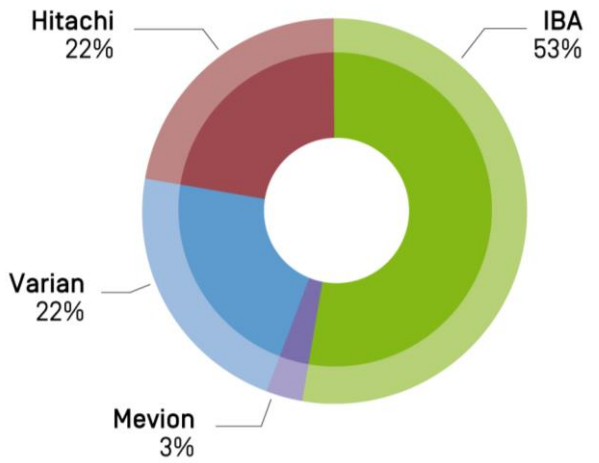
2016 Proton Therapy orders



Market Share - Systems



Market Share - Rooms



Total in 2016: 15 centers (32 rooms)

United States	Florida	Delray Beach	Delray	1	Varian
United States	Alabama	Birmingham	UAB Medical Center	1	Varian
United Kingdom		Reading	PPI	1	IBA
United Kingdom		Liverpool	PPI	1	IBA
China		Qingdao	Qingdao PT Center (PLA301)	5	IBA
China		Beijing	CMS Beijing-Sino-Japan Friendship Hospital	4	IBA
Singapore		Singapore	SAM Singapore	1	Varian
Singapore		Singapore	NCC Singapore	5	Hitachi
India		Mumbai	Tata Memorial Hospital	3	IBA
Netherlands		Maastricht	Maastro Maastricht / Zon PTC	1	Mevion
China		Hefei	Hefei	4	Varian
China		Hong Kong	Hong Kong Sanatorium & Hospital LTD.	2	Hitachi
Belgium		Leuven	KUL/UCL	1	IBA
United Arab Emirates		Abu Dhabi	PPI	1	IBA
United States	Florida	Jacksonville	University of Florida : Univ of Florida—Rad Onc : University of Florida Proton Therapy Institute (UFPTI)	1	IBA

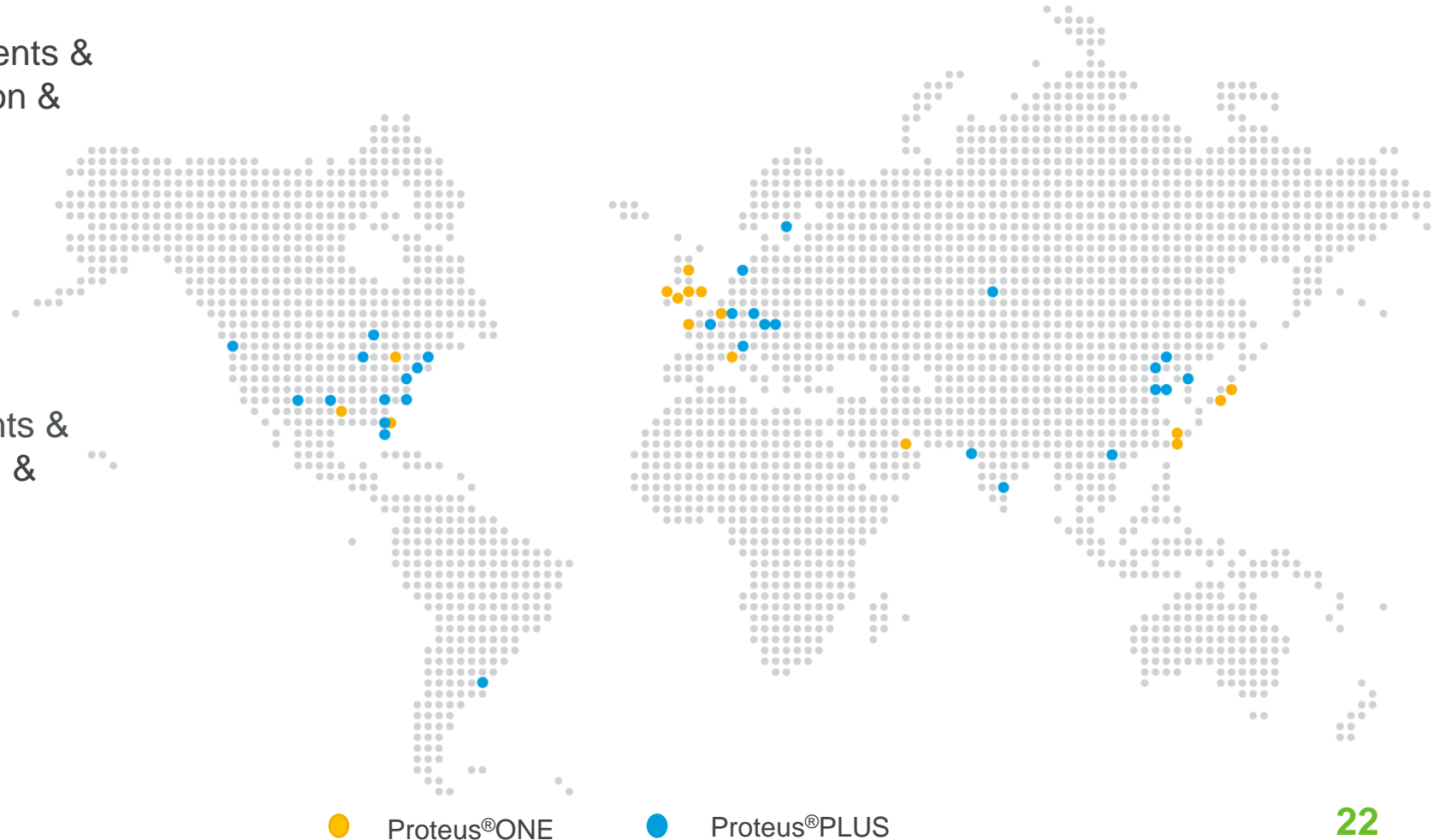
Proton therapy centers equipped by IBA (end 2016)

Systems

- 21 Systems Treating Patients & 17 Systems in Construction & 8 Systems in Installation
- Total: **46** Systems

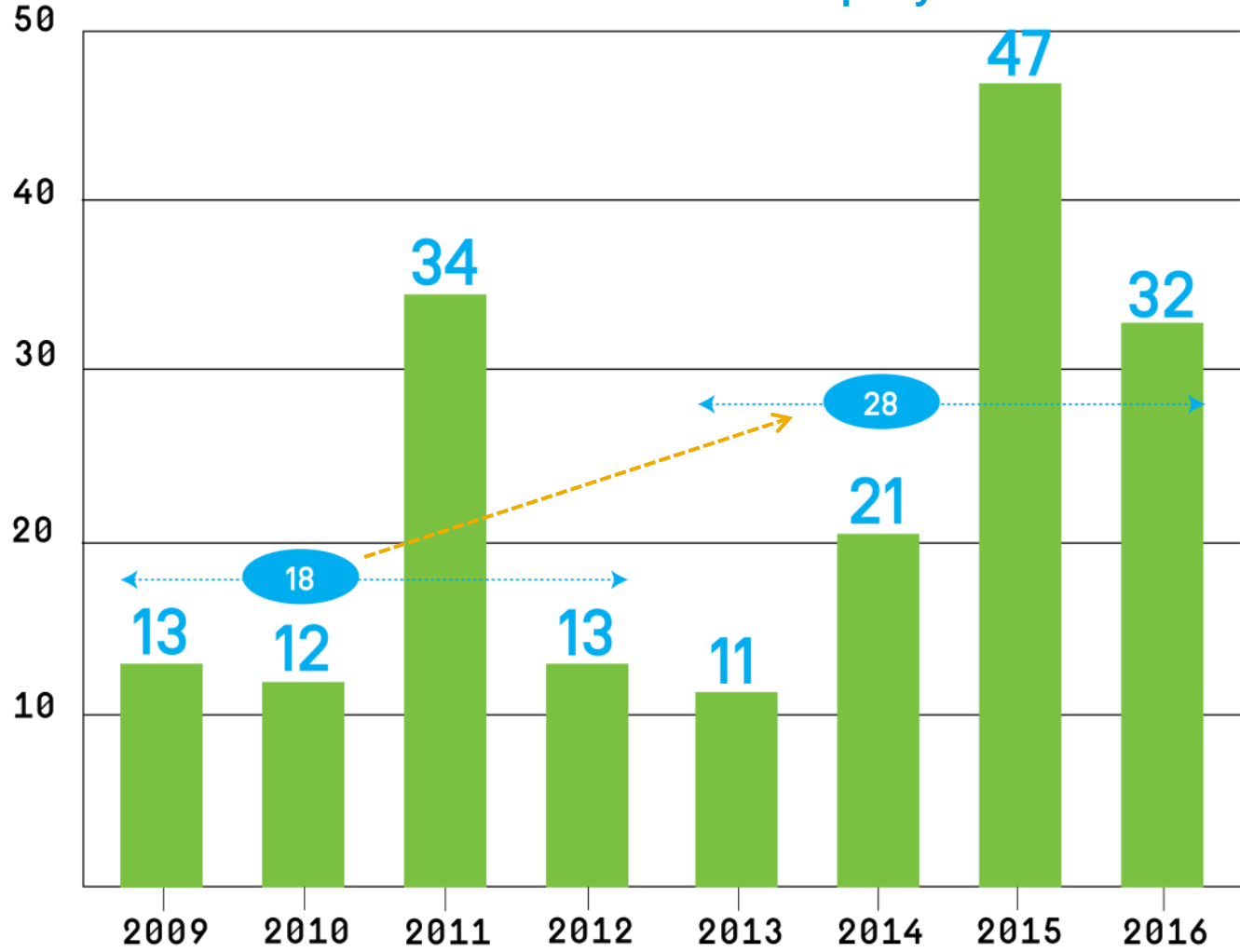
Rooms

- 67 Rooms Treating Patients & 24 Rooms in Construction & 20 Rooms in Installation
- Total: **111** Rooms



Rate of sales increasing 55% vs previous years

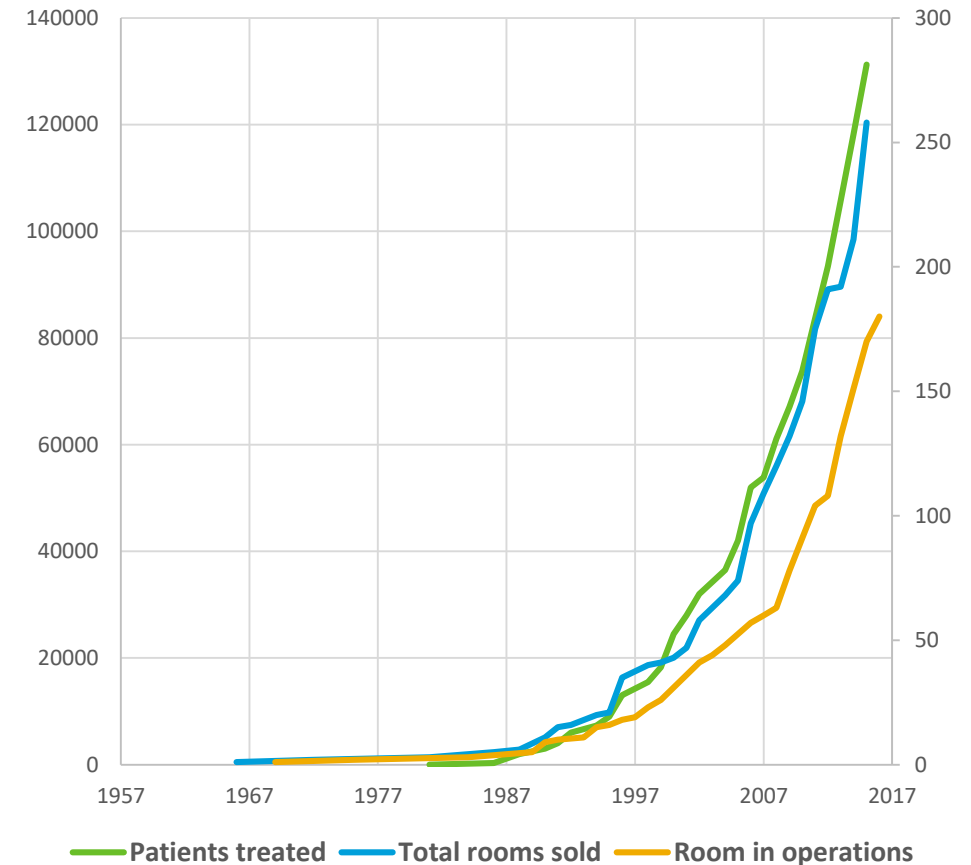
PT Market - Number of rooms sold per year



- Wider acceptance of PT
- Competitive dynamics
- Lower entry barriers to PT
- Technology evolving
- More centres opening

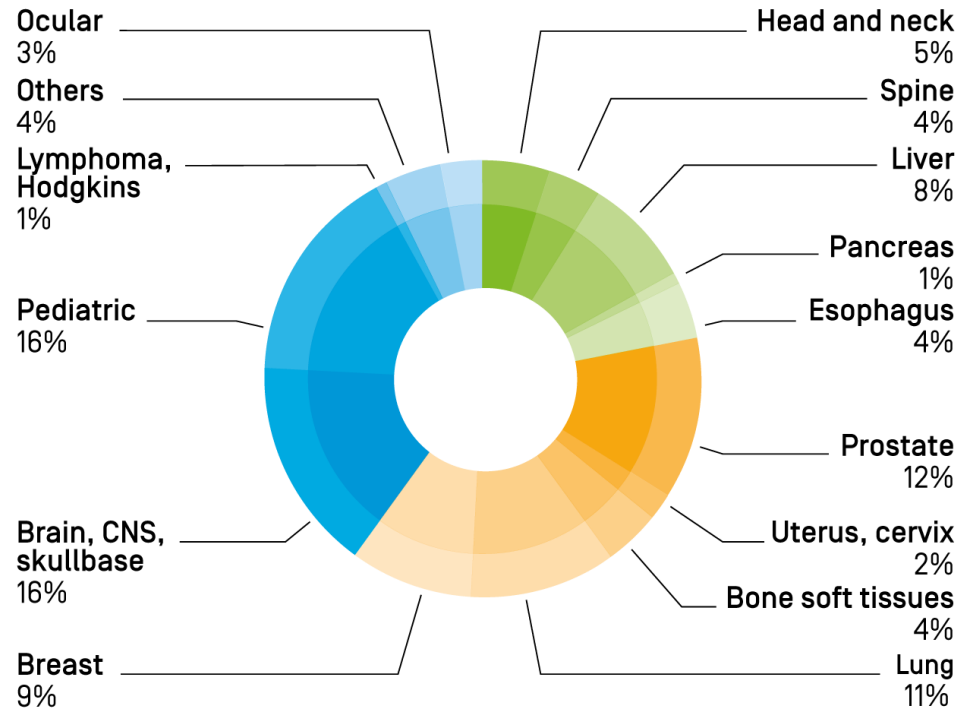
Updated PT global market dynamics

- Number of patients treated with PT rose 21% between 2012 and 2015 to 131 240 (cumulated)
 - Number of patients treated with PT in 2015: 13 195
 - This still represents less than 1% of the ~4 000 000 cancer patients treated every year with radiotherapy



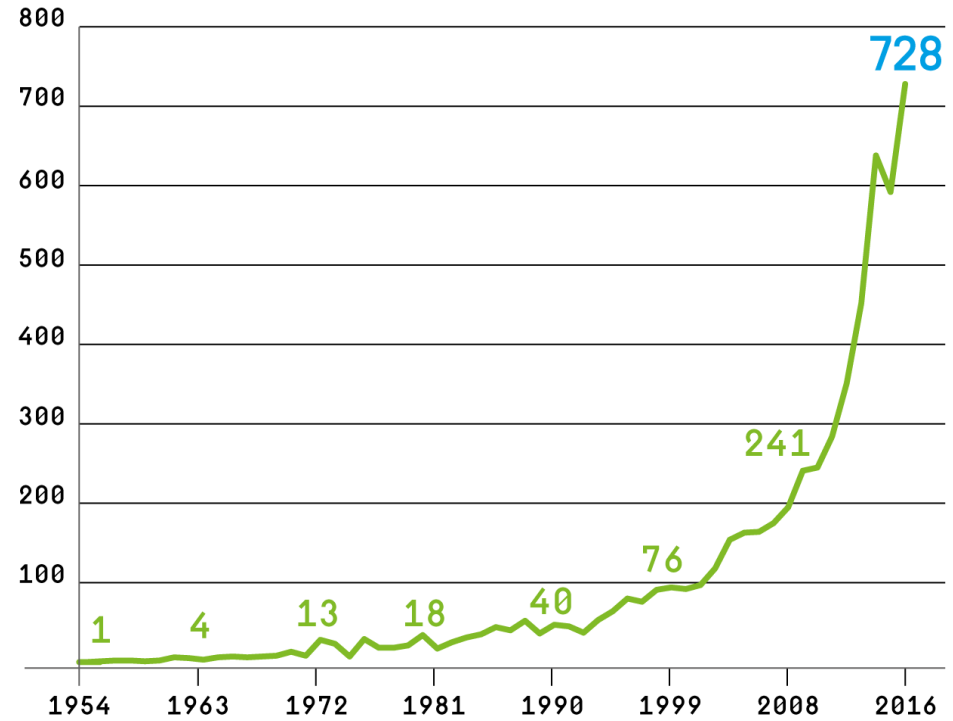
Increasing relevance of proton therapy

108 Trials Open and Recruiting



End December 2016

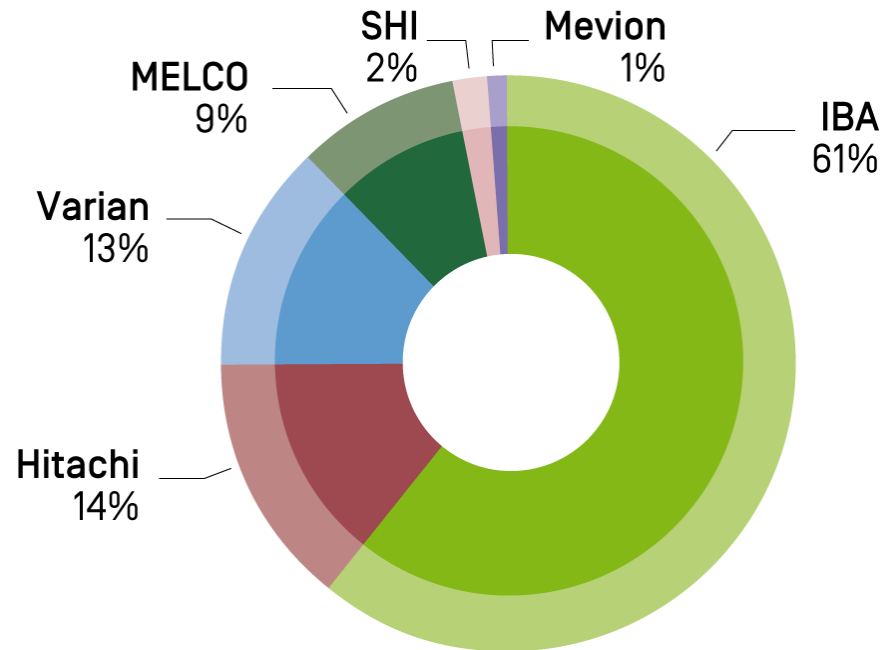
Publications Statistics per Year



Number of publications up to end of 2016

61% of patients treated on IBA equipment

Number of patients treated



On commercial PT systems at end 2016



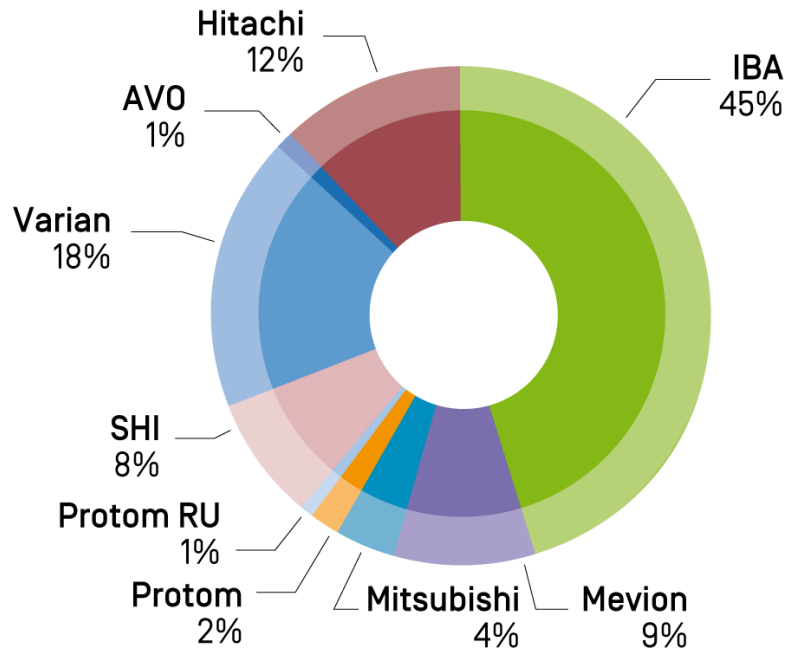
At the end of 2015 almost **50 000** patients* treated on IBA equipment

More than all competitors combined

* Source: PTCOG 2015

IBA is leading the installed base

Share of installed base - Rooms



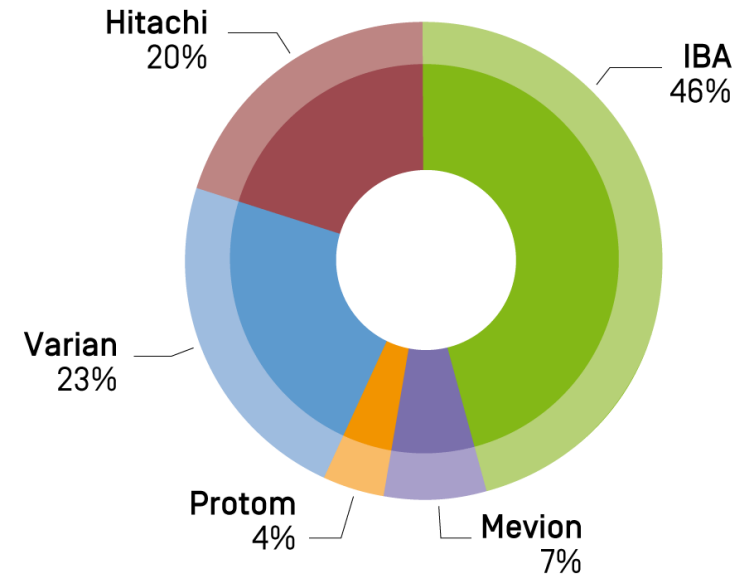
Total accumulated: 250 rooms

Including commercial PT rooms at end 2016

PT market dynamics in North America

- 36 PT centers sold (102 rooms)
 - 28 of which – or 78% - treat patients
 - 13 of which – or 36% - are single-room systems
- General market updates
 - PT reimbursement decrease by 13% for technical reasons, yet significantly above IMRT
 - Canada interest up. Reimbursement expected by 2018/19

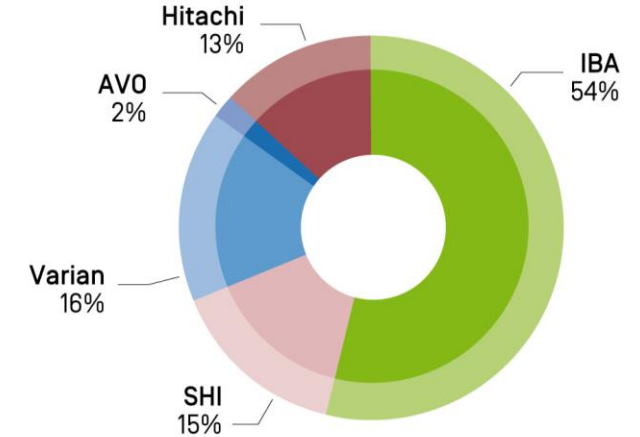
Share of Installed Base in NA - Rooms



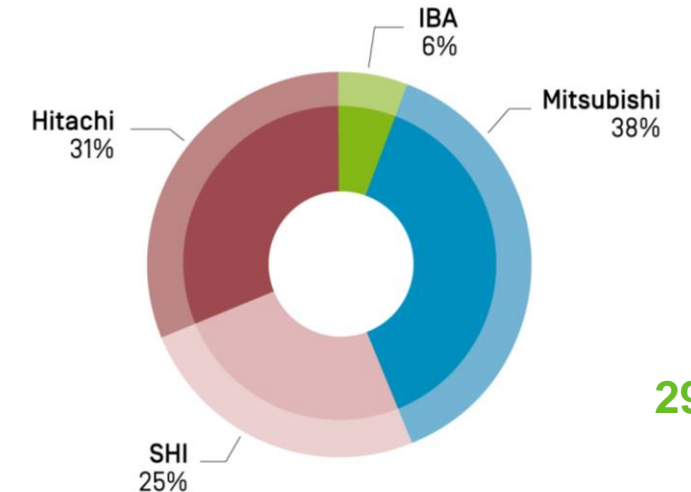
PT market dynamics in Asia

- 35 PT centers sold (87 rooms)
 - 16 of which – or 44% - treat patients
 - 8 of which – or 23% - are single-room systems
- General market trends
 - Rapid adaption of PT
 - More clinical evidence and lower capex increases affordability of PT centers
 - China Medical Cities green fields drive Proteus®PLUS needs
 - Proteus®ONE affordability, small size and speed from installation to treating patients

Share of Installed Base in APAC (without Japan) - Rooms



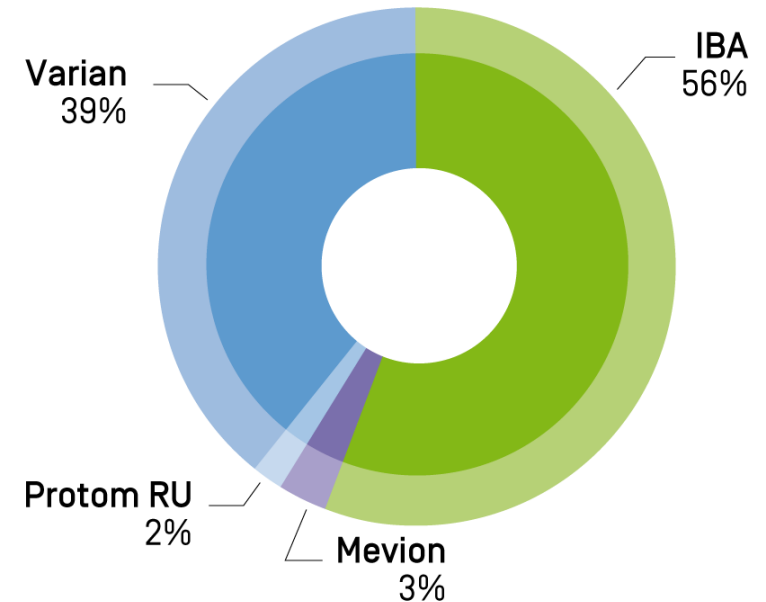
Share of Installed Base in Japan - Rooms



PT market dynamics in Europe and ROW

- 29 PT centers are sold (61 rooms)
 - 7 of which – or 24% - treat patients
 - 11 of which – or 38% - are single-room systems
- General market trends
 - Increase of medical evidence
 - New countries adopting the technology every year: The Netherlands, Argentina, UK (2015), Belgium, UAE (2016), Spain (2017)
 - Expanding in Europe in function of public reimbursement perspectives
 - Driven by early adopter or by politic decisions for megacities in emerging countries
 - Success of the compact solution as a major step to PT affordability (6 Proteus[®]ONE sold in 2016)

Share of Installed Base in Europe and ROW in rooms



Our strategy is to create a Virtuous Circle in PT

- Enhance market penetration
- Develop regionalization
- Leverage partnership



- Increase clinical relevance
- Reduce cost of modality

- Invest in clinical affairs initiatives
- Focus on product roadmap

Other accelerators

2016 update

RadioPharma Solutions – 2016 Business Update



- New market introductions
 - Cyclone®KIUBE cyclotron
 - IBA Synthera + chemistry box
- Completed acceptance testing of two Cyclone® 70



New Cyclone®KIUBE



Synthera +



Cyclone® 70

Industrial Activities – 2016 Business Update



- Unveiling of the second generation Rhodotron
 - New compact and cost efficient TT50
 - More efficient use of power
- First 1 MeV Easy-e-Beam ordered and under installation
 - Allows processing an extended range of wires
- Next generation X-ray cargo screening system installed in the port of Boston



TT50 – New generation Rhodotron

Dosimetry

2016 update

- Dosimetry sales down 11.1%, partly due to exceptional 2015 and low conversion rate on long-term orders, even though sales caught up over Q4 and conversion rates improved (88% at end of 2016)
- Total order intake in 2016 of EUR 48.1M, down 11.1% due to strong prior year in including LATAM long term orders as well as exchange rate effects
- However,
 - Backlog of EUR 17.9M still high (EUR 18.4M end 2015)
 - Over the last three years, the average growth (excluding temporary periodic effects) shows 3% growth in line with Linac market.
- Low REBIT margins are a direct effect of lower sales than expected

	FY 2016 (EUR 000)	FY 2015 (EUR 000)	Variance (EUR 000)	Variance %
Dosimetry	48 108	54 096	-5 988	-11.1%
REBITDA	4 077	8 440	-4 363	-51.7%
<i>% of Sales</i>	<i>8.5%</i>	<i>15.6%</i>		
REBIT	3 022	7 597	-4 575	-60.2%
<i>% of Sales</i>	<i>6.3%</i>	<i>14.0%</i>		



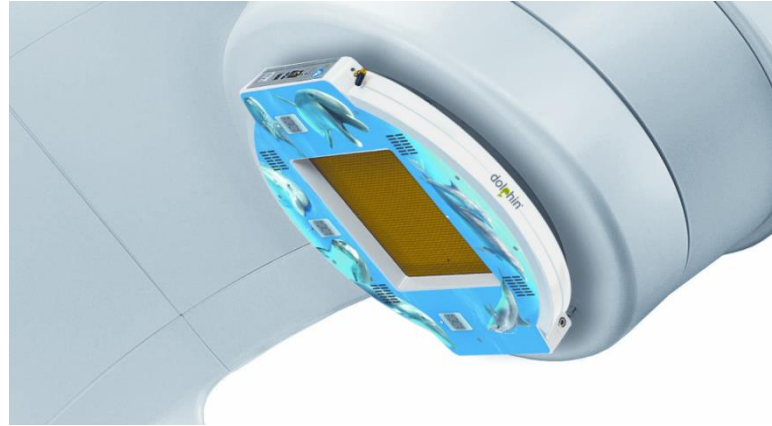
Dolphin Online Ready Patient QA and Monitoring

IBA Dosimetry – Market and Business Update

- Flat “conventional RT” market which impacts the dosimetry and QA market
- First worldwide clinical implementation of Dolphin Online Ready Patient QA and Monitoring
 - At the radiation therapy department of the Klinikum Bayreuth GmbH in Germany
- Fourth release of myQA[®], the unique platform that connects QA applications and data through a central database and software application



myQA[®]



Dolphin Online Ready Patient QA and Monitoring

Consolidated Financial Statements

Consolidated P&L



	FY 2016 (EUR 000)	FY 2015 (EUR 000)	Variance (EUR 000)	Variance %
Sales and services	328 774	270 357	58 417	21.6%
Cost of sales and services	190 213	156 702	33 511	21.4%
Gross profit/(loss)	138 561	113 655	24 906	21.9%
	42.1%	42.0%		
Selling and marketing expenses	27 651	24 528	3 123	12.7%
General and administrative expenses	41 424	32 827	8 597	26.2%
Research and development expenses	32 350	26 747	5 602	20.9%
Recurring expenses	101 425	84 102	17 323	20.6%
Recurring profit/(loss)	37 136	29 553	7 583	25.7%
	11.3%	10.9%		
Other operating expenses/(income)	7 929	-32 534	40 463	-124.4%
Financial expenses/(income)	1 453	-3 227	4 680	-145.0%
Share of (profit)/loss of equity-accounted companies	-145	122	-266	-219.0%
Profit/(loss) before tax	27 899	65 192	-37 293	-57.2%
Tax (income)/expenses	3 359	3 930	-572	-14.5%
Profit/(loss) for the period from continuing operations	24 540	61 262	-36 722	-60.0%
Profit/(loss) for the period from discontinued operations	-100	-73	-28	38.5%
Profit/(loss) for the period	24 440	61 189	-36 749	-60.1%
REBITDA	42 690	33 710	8 980	26.7%

- Gross margin up 0.1% PT and other accelerators offsetting weaker Dosimetry performance
- S&M & G&A increase in absolute value but remain stable as a % of sales (around 31%) reflecting investment to address PT momentum and direct expenses from tenders
- R&D 9.8% of sales
- Other operating expenses in 2016 mainly related to one-time bonuses, reorganisational costs and write-offs on loss-making projects. Other operating income in 2015 positively impacted by full exit from Molecular Business
- Financial income in 2015 positively impacted by realized gains on excess USD
- Equity accounted companies – IBA Molecular fully divested

2016 Cash Flow Statement

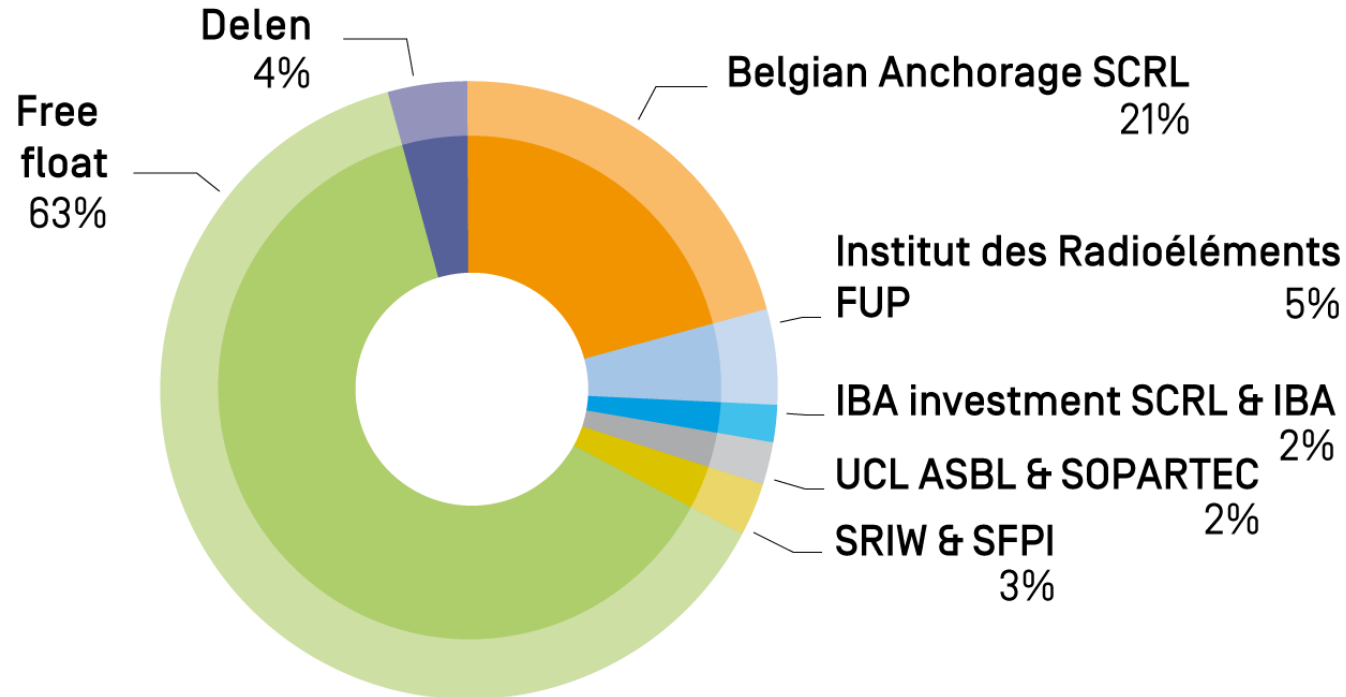


	FY 2016 (EUR 000)	FY 2015 (EUR 000)
Cash flow from operating activities		
Net cash flow changes before changes in working capital	31 804	65 850
Change in working capital	-47 394	-19 494
Income tax paid/received, net	-2 510	-2 211
Interest (income)/expenses	1 082	1 249
Net cash (used in)/generated from operations	-17 018	45 394
Cash flow from investing activities		
Capital expenditures	-12 964	-4 282
M&A and other activities	61 264	9 794
Net cash (used in)/generated from investing activities	48 300	5 512
Cash flow from financing activities		
Capital increase (or proceeds from issuance of ordinary shares)	4 201	5 910
Dividend paid	-40 347	-5 216
Other financing cash flows	-2 635	-6 274
Net cash (used in)/generated from financing activities	-38 781	-5 580
Profit/(loss) for the period from continuing operations	-7 499	45 326

- Recurring operations impacted by the growth of activity at working capital level (mainly inventory)
- Level of CAPEX mostly invested in manufacturing equipment and structuring IT projects (CRM, CMMS, PLM...)
- Cash flow from investing includes EUR 62.3 million received in March 2016 from sale of remaining stake in Molecular business
- Capital increase due to exercise of stock options
- Dividend of EUR 40.3 million paid in H1 16 affected cash flow from financing

Dividend and shareholders structure

Shareholders structure 31/12/16



Dividend

Recommendation of a dividend of EUR 0.29 per share representing more than 35% of its net profit

Guidance

- IBA expects to achieve revenue growth between 15% to 20% in 2017 and double digit thereafter
- REBIT margin guidance of approx. 11% to 12% in 2017; confirmation of the increase to 13%-15% by 2018 and stabilizing at 15% by 2020
- 30% dividend pay-out ratio target maintained for 2017

- This guidance is based upon the continued expected growth of the proton therapy market but also the balance between the economies of scale that we can achieve at a higher production rate. In addition, the growing importance of service revenue versus the increased demand driven by the equipment price tag reduction in the proton therapy market and our continued investment in R&D and software capabilities, are anticipated to be contributing factors.



- First Quarter Business Update
 - May 10, 2017
- General Assembly
 - May 10, 2017
- Half Year Business Update
 - August 24, 2017
- Third Quarter Business Update
 - November 16, 2017



Jean-Marc Bothy (CSO) and Bernard Dandoy (IR)