



FY 2015 - Financial Results

Conference 24.03.2016

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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.

IBA Group – 2015 key figures



Revenues
EUR 270 million

+ 22.6% (vs 2014)

REBIT margin

10.9%

Backlog now
EUR 332 million

+ 30% (vs 2014)

**33 PT service
contracts signed**

Service Backlog of
EUR 575 million

PT pipeline
>EUR 1 billion

Of which 70%
Proteus[®]ONE

YE 2015 Business and Financial Highlights



- Strong growth in PT and Other Accelerators driven by:

- Double digit growth for Service revenues
- Fast delivery of backlog leading to high revenue recognition on equipment
- Record order intake in 2015

- Dosimetry returned to double digit growth without reducing backlog versus 2014 YE

- REBIT at 10.9%, ahead of guidance and growing >28%

- Profit before tax at an all time high due to:

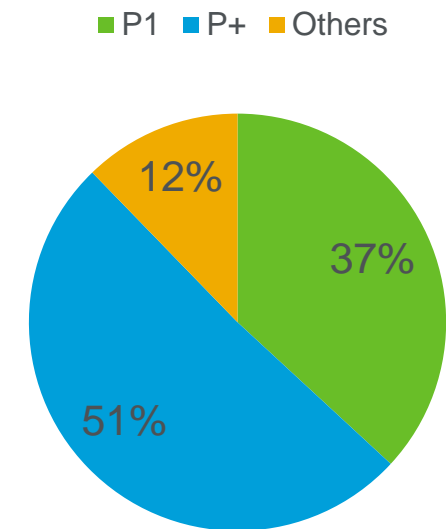
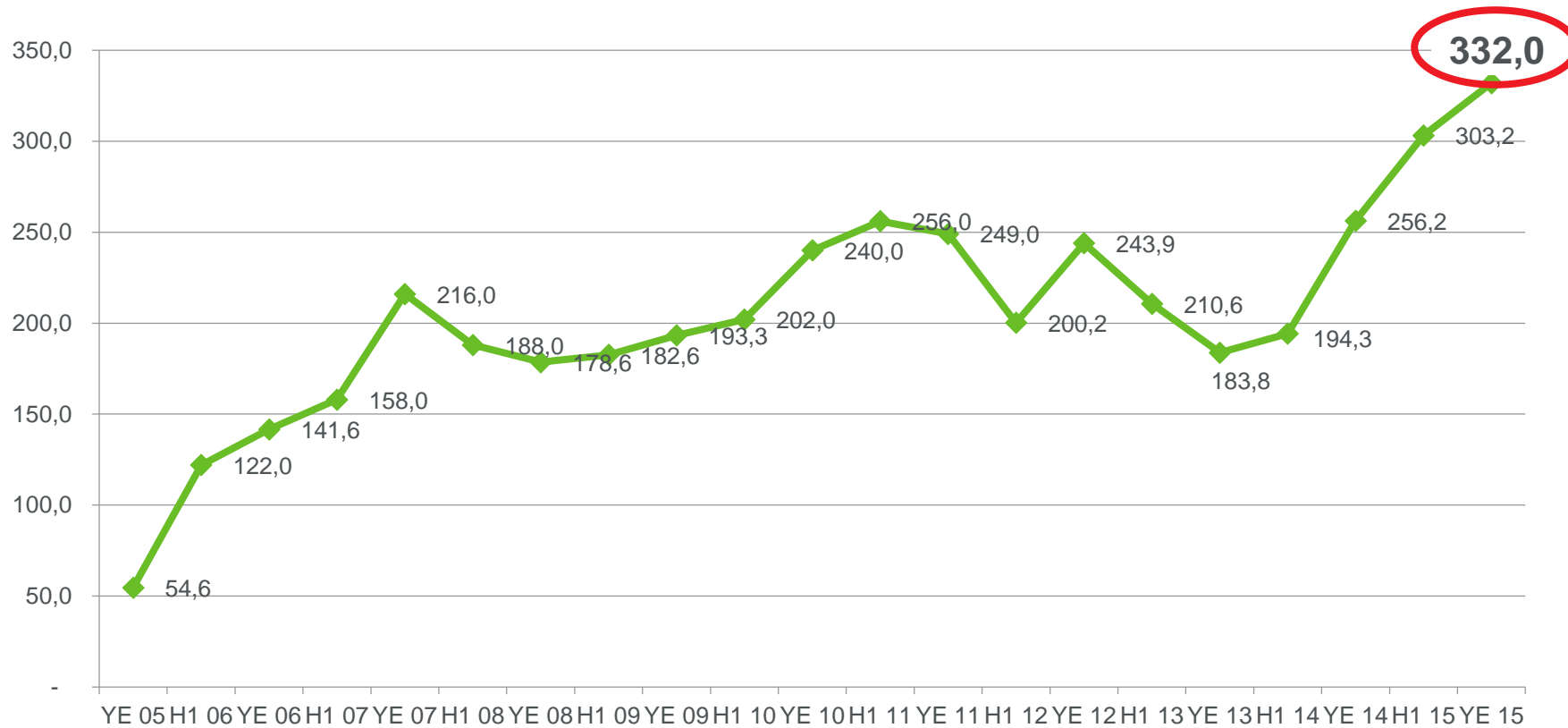
- Realized FX (USD)
- Non-recurring asset sales, including IBA Molecular
- Reduced consolidated loss from IBA Molecular

	YTD 12 2015 (EUR 000)	YTD 12 2014 (EUR 000)	Variance (EUR 000)	Variance %
PT & Other Accelerators	216 261	177 687	38 574	21.7%
Dosimetry	54 096	42 890	11 206	26.1%
Total Net Sales	270 357	220 577	49 780	22.6%
REBITDA	33 710	28 321	5 389	19.0%
<i>% of Sales</i>	<i>12.5%</i>	<i>12.8%</i>		
REBIT	29 553	22 933	6 620	28.9%
<i>% of Sales</i>	<i>10.9%</i>	<i>10.4%</i>		
Profit Before Tax	65 192	17 173	48 019	279.6%
<i>% of Sales</i>	<i>24.1%</i>	<i>7.8%</i>		
NET RESULT	61 189	24 294	36 895	151.9%
<i>% of Sales</i>	<i>22.6%</i>	<i>11.0%</i>		

YE 2015 Business and Financial Highlights

Equipment Backlog

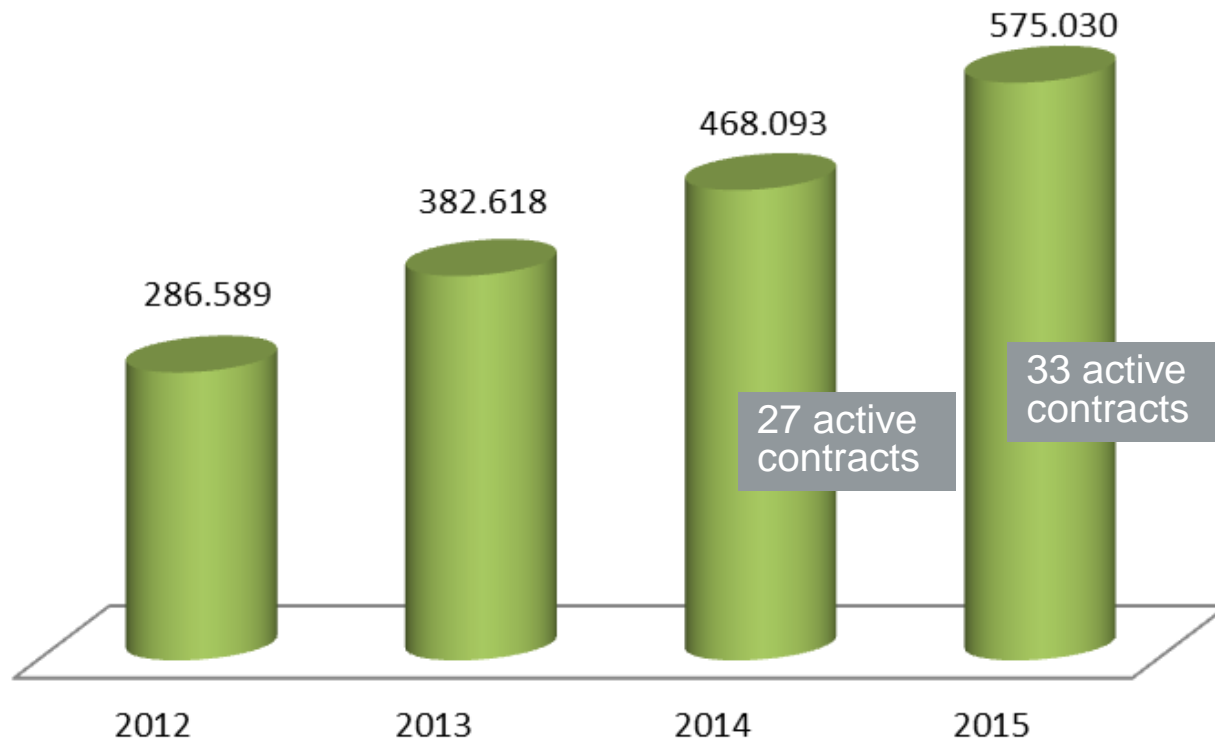
- Record year end backlog for Proton Therapy and Other Accelerators of EUR 332.0 million up 30% vs 2014 YE
- Growing importance of *Proteus[®]ONE* representing more than 1/3 of total backlog today (>40% of PT)



YE 2015 Business and Financial Highlights

Proton Therapy Services backlog

- Steady growth of PT service backlog due to strong capture rate on new PT systems sales



YE 2015 Business and Financial Highlights

Record order intake again in a growing PT market

	YE 2015	YE 2014
<i>Proteus</i> [®] <i>ONE</i> systems sold	4	4
<i>Proteus</i> [®] <i>PLUS</i> systems sold	4	2
Total rooms sold	13	10
Order intake PT & Other Accelerators	€221M	€176M
Book to bill PT & Other Accelerators	1.48	1.45



YE 2015 Business and Financial Highlights

■ Dosimetry

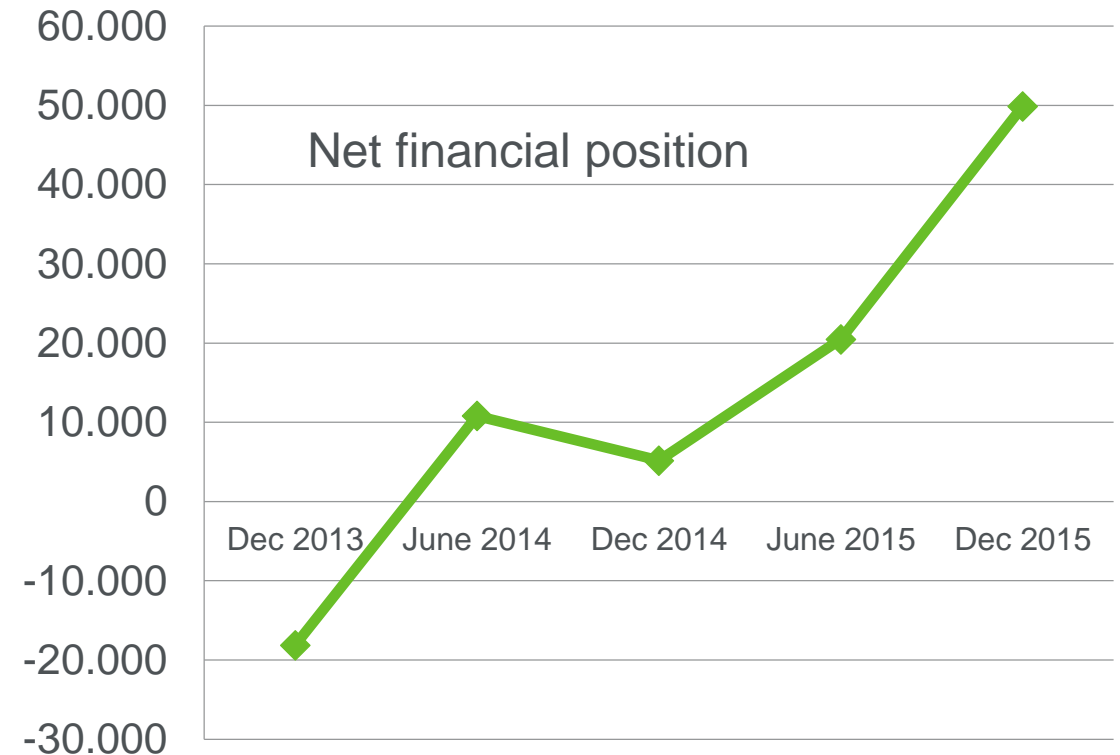
- H1 trend confirmed in H2
 - Revenues up with 26.1% (+18.8% at constant rate)
 - REBIT margin at 15.8%
- Strong order intake resulting in increased end of period backlog vs 2014 at EUR 18.4 Million (up 9.5%)
- Good performance driven by USD and strong demand from the market for myQA (new software) and Dosimetry products for PT



YE 2015 Business and Financial Highlights

- Net cash continues to improve

- From EUR 5.3m at end of 2014 to EUR 50.0m at end of YE 2015
- Good operating performance, working capital management and disposals of assets (IBA Molecular North America)
- 2015 YE position does not include payment of disposal of IBA Molecular EMEA (+/- EUR 62 million)



Other corporate news

- Agreement signed for the full disposal of IBA's 40% share in IBA Molecular EMEA
- Cash proceeds in 2015 and Q1 2016 above EUR 72 million (10M for US + 62M for EMEA)
- Recommended total special dividend of EUR1.39 per share (about EUR 41.1 million), representing the 30% payout on the recurring profit and most of the capital gain on the IBA Molecular transaction



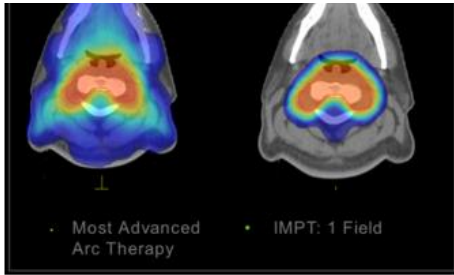
PROTON THERAPY

MARKET UPDATE 2015

PT Momentum Supported by Proof of Medical Relevance

- Reminder: IBA's three key areas of focus in PT

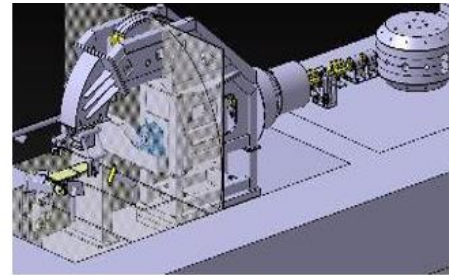
Clinical Relevance



Affordability



Technology



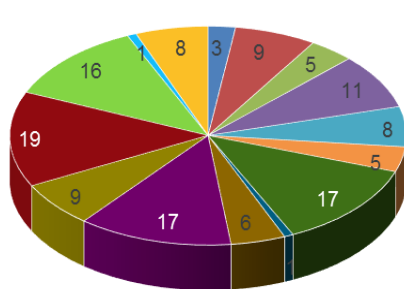
- Increasing number of publications
- Increasing number of clinical trials
- Growth of demonstrated positive outcome
- Growth of interest for hypofractionation

→ **Continuous Growth of PT market**

Up to
20%
of RT patients should
be treated with PT

Increasing Relevance of PT

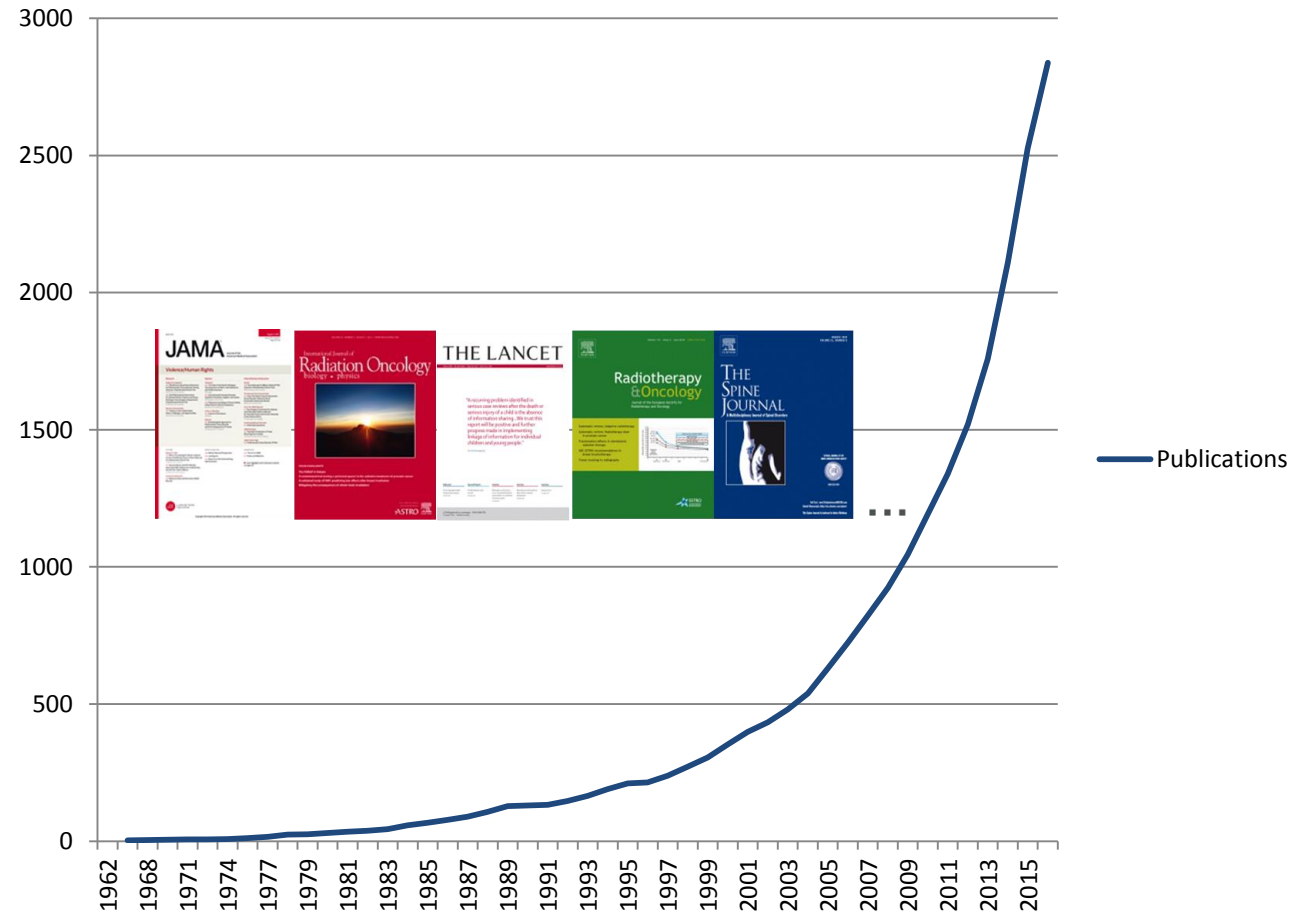
Ongoing clinical trial Total 135



+13 vs last year

- ocular
- spine
- pancreas
- prostate
- bone soft tissues
- breast
- pediatric
- others
- head and neck
- liver
- esophagus, anal
- uterus, cervix
- lung
- brain, CNS, skullbase
- lymphoma, hodgkins
-

Cumulative number of PT publications



New disease sites added with PBS

- Advanced prostate cancer (whole pelvis treatment)
- Rectal cancer
- Anal cancer
- Oropharyngeal cancer
- Nasopharyngeal cancer
- Base of skull cancer
- Gynecologic cancer (whole pelvis)
- Larger sarcomas (greater than 20cm)
- Craniospinal irradiation

Upcoming sites with PBS treatment at Penn

- Sinus tumors
- Laryngeal cancers
- Esophageal cancer
- Mediastinal tumors – lymphoma and thymoma



Penn Medicine

The study, led by Massachusetts General Hospital, found Proton radiotherapy appeared to result in acceptable toxicity levels while having similar survival outcomes to those noted with conventional radiotherapy,

Analysis of 59 patients aged three to 21 who had the therapy showed three years after treatment 83% survived without the cancer getting worse, falling to 80% after five years.



MASSACHUSETTS
GENERAL HOSPITAL

CANCER CENTER

- Hypofractionation = fewer, more intense treatments

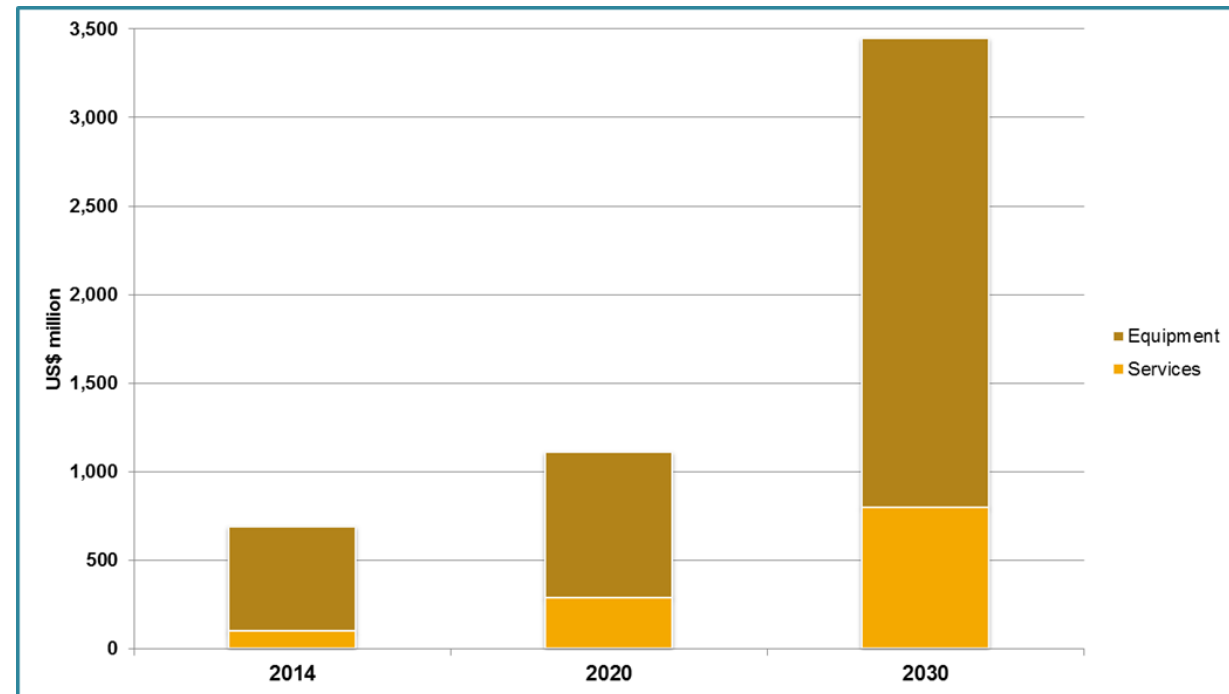
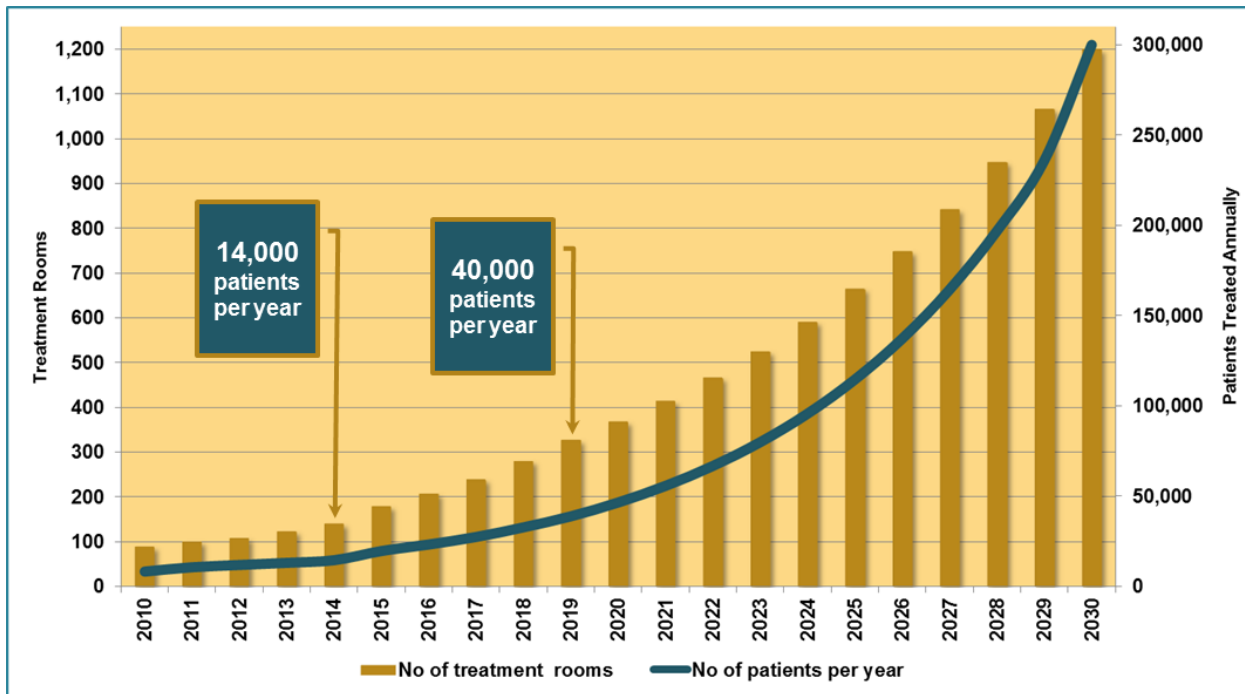
Progress made on demonstrating opportunity of hypofractionation for prostate treatment = potential reduction of cost of PT vs X-Rays

- Vargas et al. reported the interim patient-evaluated quality-of-life scores of a small randomized pilot trial to determine whether proton therapy can be completed in just five treatments. Patients treated with proton therapy in this randomized trial tolerated treatment well, with excellent quality-of-life scores, persistent low AUA*. There was no grade 3 or higher toxicity at any time on either group. The study showed no apparent clinical difference in outcomes with hypofractionated proton-beam therapy compared with standard fractionation on the basis of this interim analysis
- Kim et al. reported on a trial among 83 patients treated with five different fractionation schedules. There was no significant difference in 4-year biochemical failure for any of the treatment schedules within any risk group. Toxicity was low in all groups
- Loma Linda and the Provision Center for Proton Therapy in Tennessee have ongoing clinical trials of a 20-treatment protocol.
- M. D. Anderson Cancer Center is testing a 15-treatment protocol
- The University of Florida is testing a mild hypofractionation schedule

*AUA: American Urological Association Symptom Index Score

Continuous Growth of PT Market

- Global proton therapy market expected to reach **1,200 treatment rooms in 2030**, from 141 in 2014
- Patients treated expected to reach **300,000 in 2030** from 14,000 in 2014
- Global proton therapy market expected to grow to **US\$ 3.4 billion in 2030** from US\$ 690 million in 2014



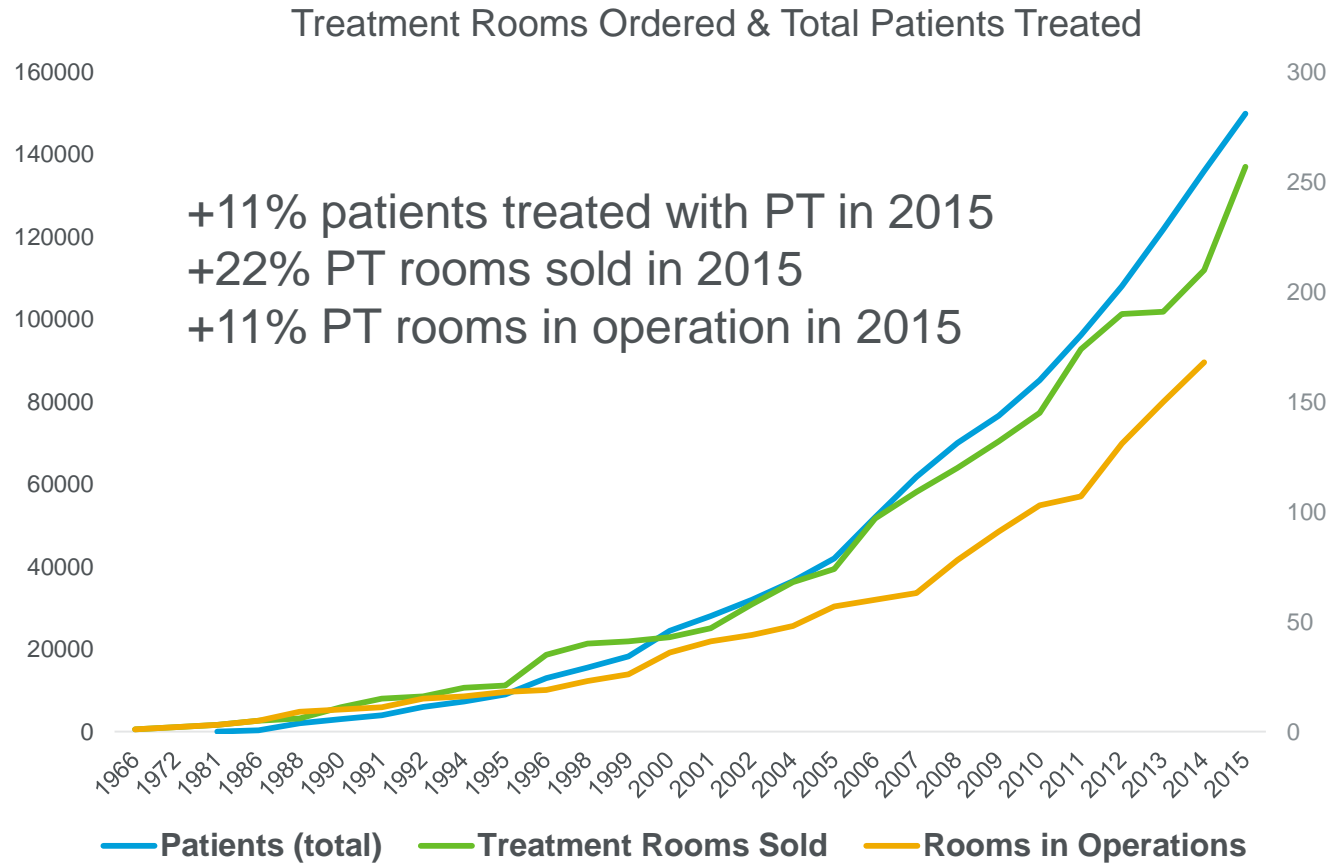
Continuous Growth of PT Market

Region	Current number of sold rooms	Current number of rooms in operation	Treatment Room Potential
North America	102	74	339
South America	2	0	198
Europe incl. Russia	75	43	658
Asia	78	51	1 307
World	257	168	2 502



Growth of Operational PT Rooms

Observed number of PT rooms in operation, patients treated with PT and medical publications



Strategic Alliance Network

Complementarity – Multidisciplinary

- Increase market coverage and position in specific territories
 - *Leverage on partners' position and network in oncology, C-level, authorities*

PHILIPS

TOSHIBA

- Develop next generation of PT with the latest imaging and treatment modalities
 - *Integrate advanced imaging technologies, improve TPS capabilities and optimise workflows for PT specifics*

PHILIPS



IBA Users meeting 2016

IBA – At the Forefront of Technology

Adaptive High Precision Proton Therapy

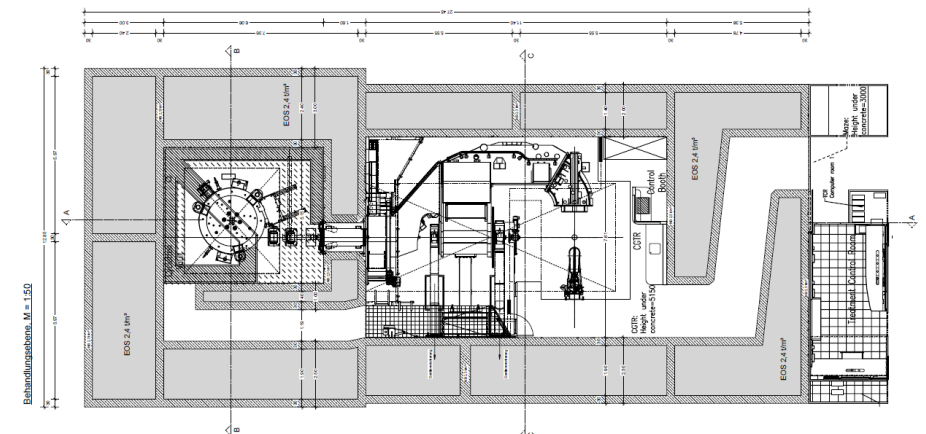
- Adaptive Software and QA
- Enhanced delivery and monitoring hardware
- In Room Imaging
- Range management (Gamma prompt camera and virtual CT)

Organ Motion Management

- Faster Beam Delivery
- Real time monitoring
- Respiratory management systems integration (Universal Beam Triggering Interface)

Cost of Ownership/Treatment

- Equipment/construction (Partnership with Pravida)
- Operation / high uptime (98%)
- Reduction of electricity consumption by 30%
- Hypofractionation (Dynamic Collimator System)



PROTON THERAPY

IBA Business UPDATE 2015

Proton Therapy & Other Accelerators

	YTD 12 2015 (EUR 000)	YTD 12 2014 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	216 261	177 687	38 574	21.7%
- Proton Therapy	161 938	128 488	33 450	26.0%
- Other Accelerators	54 323	49 199	5 124	10.4%
REBITDA	25 270	24 148	1 122	4.6%
<i>% of Sales</i>	<i>11.7%</i>	<i>13.6%</i>		
REBIT	21 956	19 516	2 440	12.5%
<i>% of Sales</i>	<i>10.2%</i>	<i>11.0%</i>		

	YTD 12 2015 (EUR 000)	YTD 12 2014 (EUR 000)	Variance (EUR 000)	Variance %
- Equipment Proton Therapy	113 029	87 930	25 099	28.5%
- Equipment Other Accelerators	34 717	32 171	2 546	7.9%
Total equipment revenues	147 746	120 101	27 645	23.0%
- Services Proton Therapy	48 908	40 558	8 350	20.6%
- Services Other Accelerators	19 607	17 028	2 579	15.1%
Total service revenues	68 515	57 586	10 929	19.0%
Total revenues Proton Therapy & Other Accelerators	216 261	177 687	38 574	21.7%
Service in % of segment revenues	31.7%	32.4%		

- Continuous growth in PT equipment revenue from fast backlog delivery
- Strong equipment revenue growth led to a slight decrease in percentage of service revenues in the total segment revenues, but growing > 20% in PT
- Soft H2 in Other Accelerators equipment revenue recognition
- Operating profit 1.3% below last year due to reinvestment (COGS, S&M and G&A) to meet demand of strong order intake and backlog

2015 Proton Therapy Orders

Client	City	Country	Competitors	# of Treatment Rooms
Sibley (John Hopkins)	Washington	USA	Hitachi	3
TMS (Tomorrow Medical Systems)	Taipei	Taiwan	IBA	1
Proton Partners International	Northumberland	UK	IBA	1
Proton Partners International	London	UK	IBA	1
Proton Partners International	Cardiff	UK	IBA	1
INVAP	Bariloche	Argentina	IBA	2
Heng Jian	Guangzou	China	IBA	2
University of Groningen	Groningen	Netherlands	IBA	2
Miami Baptist	Miami	USA	IBA	3
CHUV	Lausanne	Switzerland	Mevion	1
Social Medical Corporation Kouseikai Takai Hospital	Tenri, Nara Pref.	Japan	SHI	1
UCLH	London	UK	Varian	3
Christies	Machester	UK	Varian	3
Holland PTC	Delft	Netherlands	Varian	3
New York Proton Consortium (NYPC)	New York	USA	Varian	4
Dansk Center for Partikelterapi (DCPT) - Aarhus Universitetshospital	Aarhus	Denmark	Varian	4
University of Maryland	Baltimore	USA	Varian	5

Growing PT market

- 2014: 12 systems sold (19 rooms)
- 2015: 17 systems sold (40 rooms)

IBA

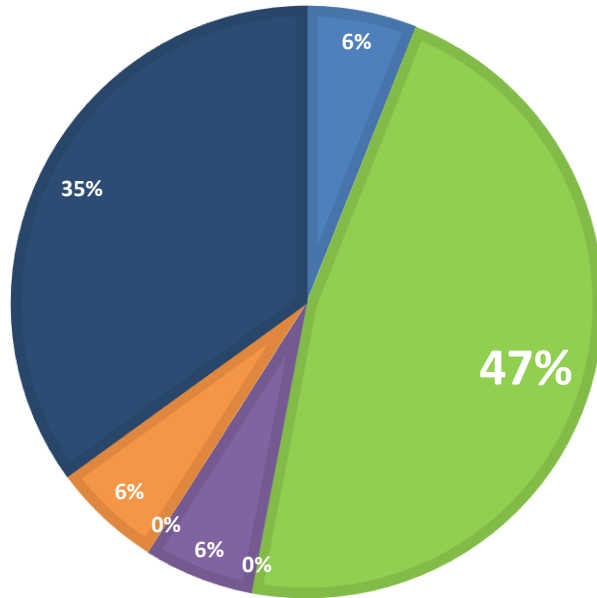
- 50/50 multi and single room mix
- High quality contracts with sustainable terms

2015 Proton Therapy Orders

- 2015 Market Shares

2015 SYSTEMS MARKET SHARE

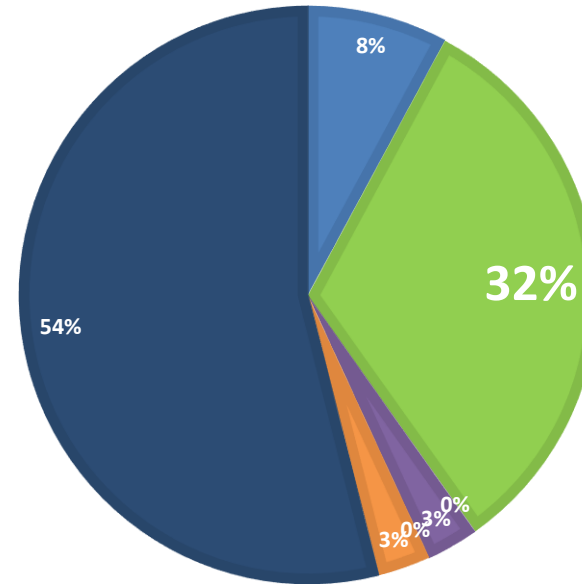
■ Hitachi ■ IBA ■ MELCO ■ Mevion ■ Protom ■ SHI ■ Varian



Total 17 systems

2015 ROOMS MARKET SHARE

■ Hitachi ■ IBA ■ MELCO ■ Mevion ■ Protom ■ SHI ■ Varian

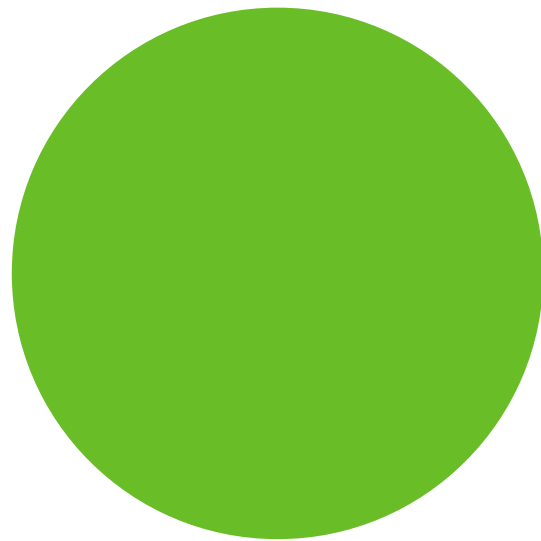


Total 40 rooms

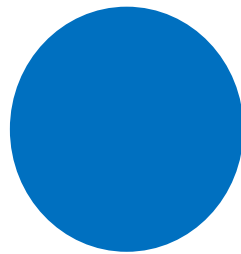
Based on firm orders in backlog at 2015 YE – and including fully financed deals by competitors

2015 Growth in Patient Treatments

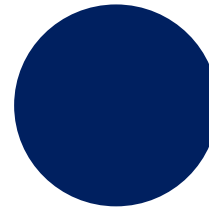
- Already 50 000 patients treated by IBA clients, more than by all competitors combined



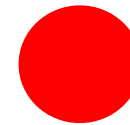
IBA : 48 177



Hitachi: 11 091



Varian: 10 645



MELCO: 6 854



SHI: 1 561



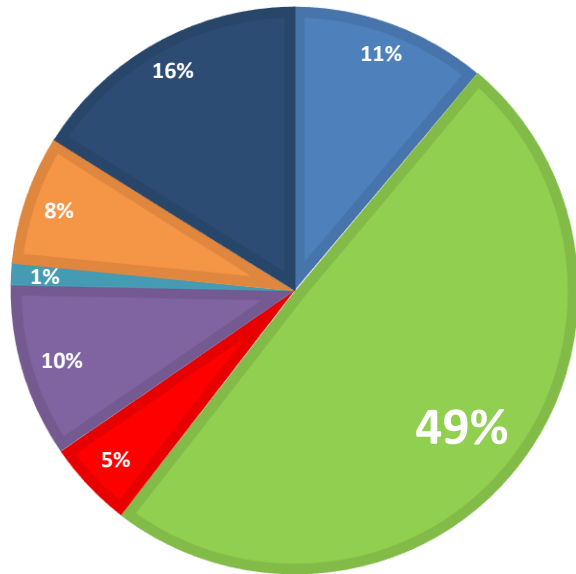
Mevion: 410

IBA – Leading the Installed Base

- Total Market Shares (at end 2015)

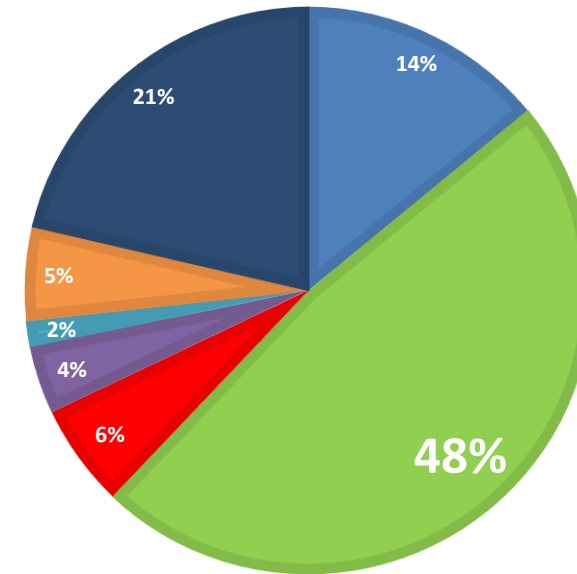
TOTAL SYSTEMS MARKET SHARE

■ Hitachi ■ IBA ■ MELCO ■ Mevion ■ Protom ■ SHI ■ Varian



TOTAL ROOMS MARKET SHARE

■ Hitachi ■ IBA ■ MELCO ■ Mevion ■ Protom ■ SHI ■ Varian

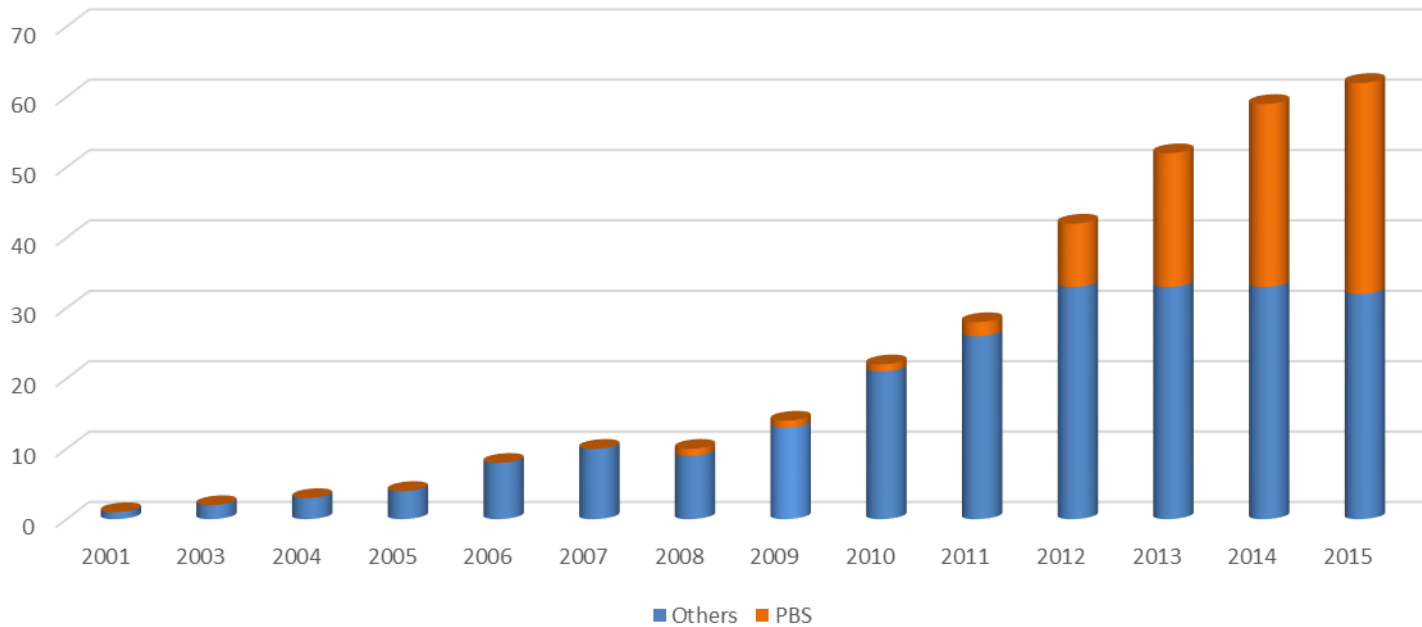


Excluding the contract signed by IBA in 2016 with Tata Memorial Centre (3 rooms)

IBA Installed Base Deployment

- IBA has a unique capacity to successfully deliver treatment rooms to customers

Rooms clinically delivered to customers

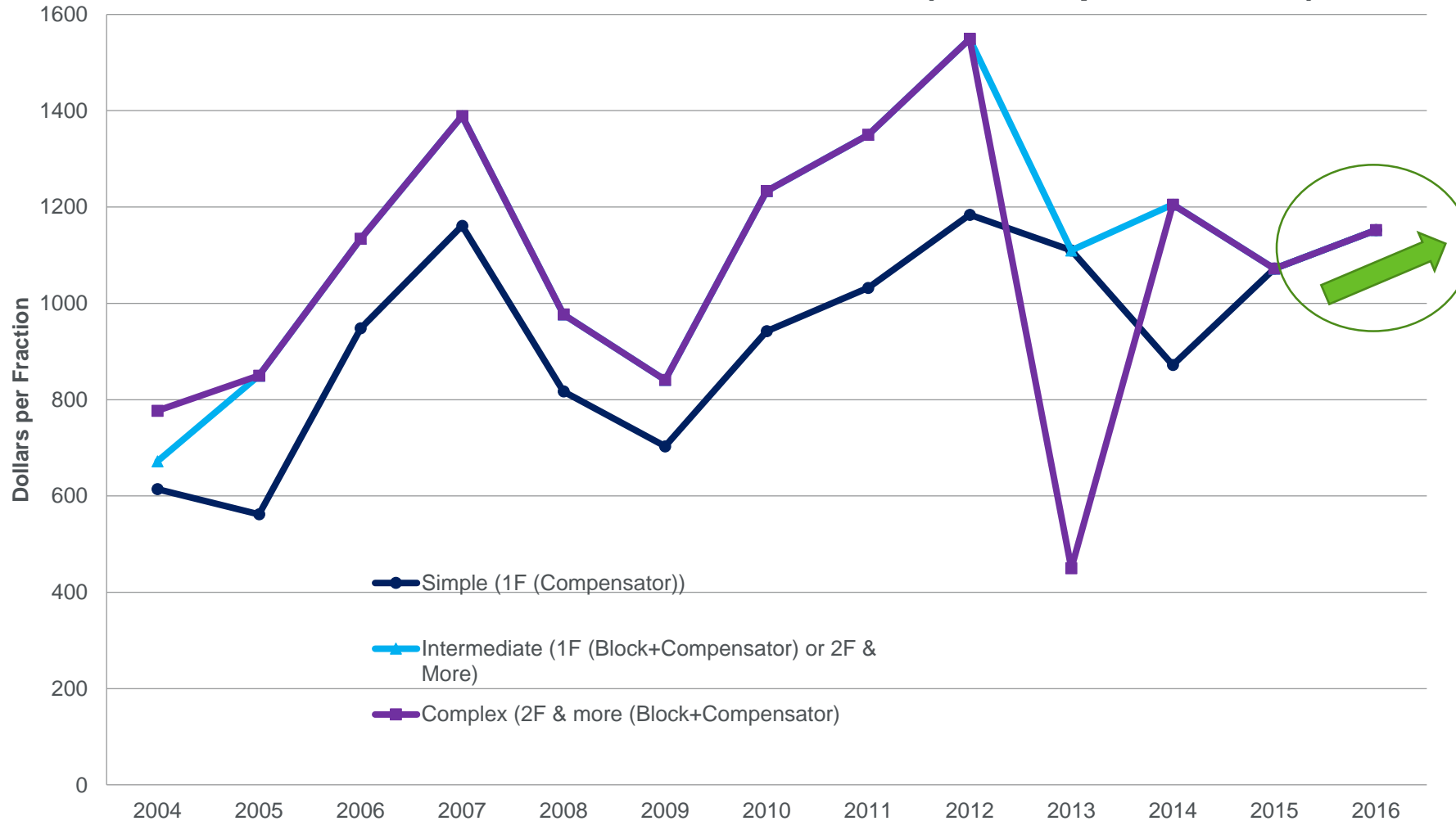


In 2015:

- Complete delivery of Krakow Center, Poland
- Started treatment at Texas Center (Dallas), USA
- Started treatment with Cone beam CT (CBCT) at Willis-Knighton Cancer Center, Shreveport, USA
- Delivered PBS Upgrade at Chicago Center, USA

Reimbursement Trend Supporting PT Development

Medicare Reimbursement Rate Evolution (Dollars per Fraction)



OTHER ACCELERATORS

MARKET UPDATE 2015

Market trends

- PET procedure growth driven by improved reimbursements, new agents, and oncology procedures in emerging markets
- **Oncology with FDG continues to predominate**
 - PET-FDG continues to predominate (increase thanks to emerging markets and therapy follow up)
 - Emergence of other radiopharmaceuticals
 - Ga-68 is growing
- **Cardiology**
 - Still niche for general clinical use
 - High interest for Strontium/Rubidium
- **Neurology**
 - Growth of imaging segment dependent upon emergence of therapy options, and absence of non-imaging methods (e.g. blood testing) for therapy monitoring.

Cyclone®70 at Zevacor



Cyclone®18



Stable market with new opportunities

- Turnkey radiopharmacy solutions as key competitive edge
- New IBA Synthera solutions for Ga-68 growing needs
- Installations of Cyclone 70 in USA and Russia for cardiology

Market trends

- **Sterilization of single-use medical devices**
 - IBA leadership on a stable market
 - Continuous consolidation in industry
 - Active initiatives to promote X-ray as alternative to gamma:
 - ✓ Duo configuration (E-beam & X-ray) for improved value proposition
 - ✓ Feerix project, France
- **Polymer Crosslinking**
 - Highly competitive market
 - Easy-e-Beam® v3 well received
 - Renewed interest from Chinese market for reliability & quality
- **Cargo screening**
 - Partnering with US cargo technology pioneer
 - New Rhodotron prototype for security and detection



Rhodotron® Duo



Easy-e-Beam® V3

DOSIMETRY

UPDATE 2015

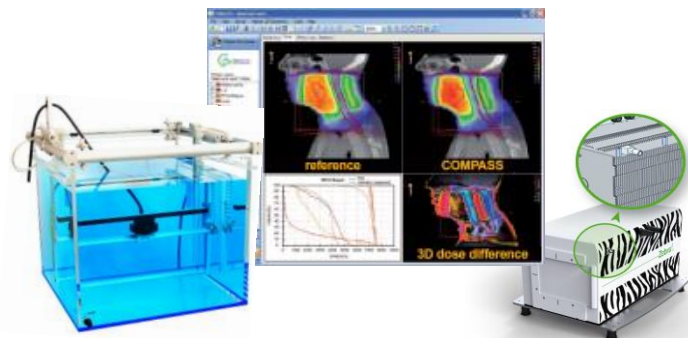
- Dosimetry returns to growth. At constant rate, growth would have been 18.8%
- Due to PT growth, Dosimetry for PT sales has reacted strongly
- Return to REBIT > 15% driven by high top line.
- Record backlog of EUR 18.4m up from the previous record of 16.8m end of 2014

	YTD 12 2015 (EUR 000)	YTD 12 2014 (EUR 000)	Variance (EUR 000)	Variance %
Dosimetry	54 096	42 890	11 206	26.1%
REBITDA	8 440	4 173	4 267	102.3%
<i>% of Sales</i>	<i>15.6%</i>	<i>9.7%</i>		
REBIT	7 597	3 417	4 180	122.3%
<i>% of Sales</i>	<i>14.0%</i>	<i>8.0%</i>		

Portfolio



	Radiation Therapy (RT)	Diagnostics (Dia)	Services (RT+Dia)	Fiducial markers
Revenue 2015: 54M€	35.8	8.7	6.4	3.1
Market dynamics	135M€. Conventional RT stagnating. PT emerging. CAGR 4%.	42M€. Mature. CAGR 3%.	Growing need for service + specialized education.	Reimbursement driven.
Key strategies	Protect + expand conventional RT with new products (myQA!), grow PT.	Be preferred vendor to OEM Use technology in RT.	Premium services as business- and loyalty driver.	Defend USA, grow ROW.



Treatment and Data Efficiency

- **myQA software platform was successfully released**
 - In March, IBA announced the release of its new global quality assurance platform: myQA®, and a subsequent upgrade in September
 - 260 licenses delivered in first 9 months
- **New IBA Dosimetry Support Portal**
 - Continuous service accessibility and improved service quality for global customer satisfaction



myQA sets new standards in workflow and data management efficiency by integrating all QA needs under one software roof

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated P&L



Selected Key Figures	31/12/2015	31/12/2014	Variance	
	(EUR '000)	(EUR '000)	(EUR '000)	%
Sales and services	270.357	220.577	49.780	22,6%
Cost of sales and services	156.703	124.481	32.222	25,9%
Gross profit/(loss)	113.655	96.096	17.558	18,3%
	42,0%	43,6%		
Selling and marketing expenses	24.528	20.111	4.417	22,0%
General and administrative expenses	32.827	30.310	2.516	8,3%
Research and development expenses	26.747	22.740	4.007	17,6%
Recurring expenses	84.102	73.162	10.940	15,0%
Recurring profit/(loss)	29.552	22.934	6.618	28,9%
	10,9%	10,4%		
Other operating expenses/(income)	-32.534	710	-33.243	-4683,2%
Financial expenses/(income)	-3.228	-1.822	-1.406	77,2%
Share of (profit)/loss of equity-accounted companies	122	6.873	-6.751	-98,2%
Profit/(loss) before tax	65.192	17.173	48.019	279,6%
Tax (income)/ expenses	3.930	-3.413	7.344	-215,1%
Profit/ (loss) for the period from continuing operations	61.262	20.587	40.675	197,6%
Profit/(loss) for the period from discontinued operations	-73	3.708	-3.780	-102,0%
Profit/ (loss) for the period	61.189	24.295	36.895	151,9%
REBITDA	33.710	28.321	5.389	19,0%

- **Gross margin 1.6%** below FY14 due to PT and OA (Dosimetry in line) due to project mix (price pressure) and gearing up of the production infrastructure and support
- **S&M & G&A:** Impact of gearing up structure to address PT momentum and direct expenses from tenders
- **R&D** back to below 10% of revenues
- **Other operating income** positively impacted by full disposal of IBA Molecular
- **Financial income** positively impacted by realized gains on excess USD
- **Equity accounted co:** Molecular no longer impacting negatively results within the trend of H2 14 – H1 15

2015 Cash Flow Statement

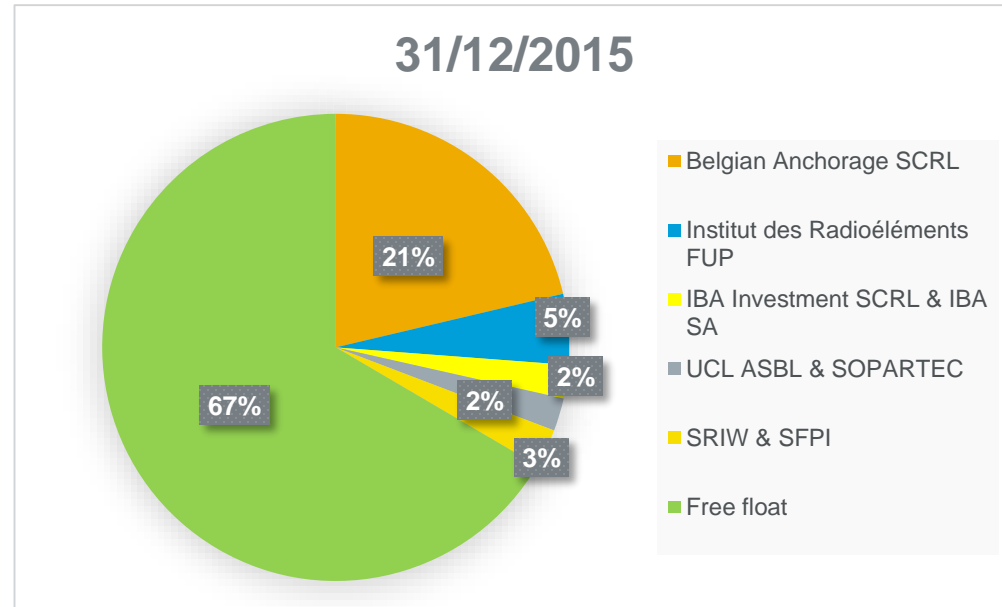
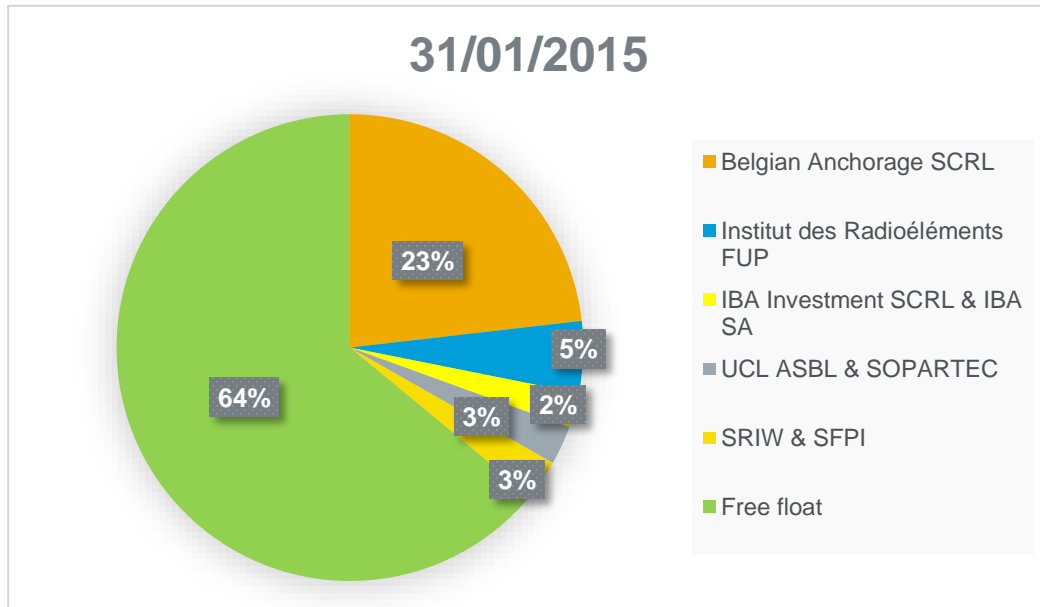
Simplified cash flow	31/12/2015	31/12/2014
	(EUR '000)	(EUR '000)
Cash flow from operating activities		
Net cash flow changes before changes in working capital	65.850	27.119
Change in working capital	-19.494	-10.295
Income tax paid/received, net	-2.211	-3.770
interest (income)/expenses	1.249	1.915
Net cash (used in)/generated from operations	45.394	14.969
Cash flow from investing activities		
capital expenditures	-4.282	-4.929
M&A and other activities	9.794	6.649
Net cash (used in)/generated from investing activities	5.512	1.720
Cash flow from financing activities		
Capital increase (or proceeds from issuance of ordinary shares)	5.910	7.845
Dividend paid	-5.216	-140
Other financing cash flows	-6.274	-16.030
Net cash (used in)/generated from financing activities	-5.580	-8.325
Changes in net cash and cash equivalents	45.326	8.364

- Highly improved cash generation from operations
- Level of CAPEX very much under control
- M&A in 2015 represent the early repayment in full of the vendor loan granted by IBA to Bioassays buyer and the dividend received after disposal of IBA Molecular partially compensated by shares acquired in partnering companies
- Capital increased through warrant exercising
- Other repayments: company continues to reduce debt, now down to EUR 31.7 million (EUR 5 million convertible note not converted at YE and transferred from equity to debt)

YE 2015 Business and Financial Highlights

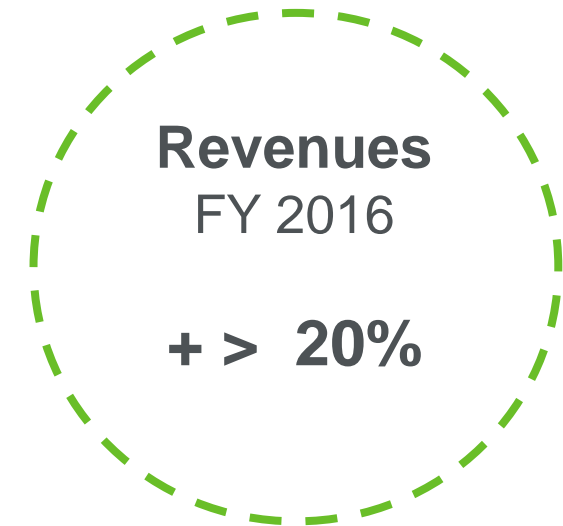
Changes in shareholder structure

- Reduction of Belgian Anchorage participation (debt management) is now finalized
- Natural dilution from exercising of SOP
- Increase of free float – improvement of liquidity



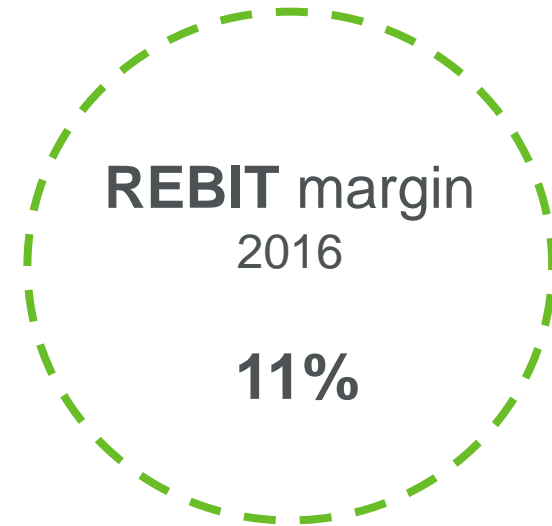
GUIDANCE

- Based on the following elements at YE 2015:
 - PT & Other Accelerators equipment backlog of EUR 332 million
 - PT & Other Accelerators service backlog of EUR 575 million representing 33 signed contracts of 10 years on average
 - Dosimetry backlog of EUR 18.4 million
 - Well mastered production and installation schedule for the 18 PT projects ordered and not yet delivered offering a high visibility
 - > EUR 1 billion strong & growing PT pipeline of which 70% Proteus[®]ONE where IBA has a unique competitive position
- **The company revises top line guidance to:**
 - **“Above 20%” top line growth in 2016 (from “above 10%”)**
 - **Double digit annual growth thereafter**



Guidance REBIT Margin

- **Confirmed REBIT guidance**
 - c.11% in 2016
 - 13 to 15% by 2018
- Guidance supported by the balance between:
 - Economies of scale/operational leverage
 - Growing importance of service
 - Price erosion
 - Investment in scaling up company production capacity and “go to market” resources
 - Investment in R&D to keep market leadership



- **Staffing**
Recruitment of 400 engineers and qualified staff (of which 200 in Belgium) to grow headcount from 1200 to 1600 in the next 12 months
- **CAPEX:**
The company is engaged into a “scale up” program to increase production capacity including investment in production (new Proteus One assembly line) & marketing infrastructures (customer center) for 15 million over 2 years
- **Dividend**
Target 30% dividend payout confirmed

**Dividend
pay-out ratio
target**

30%



Recruitment campaign



New factory

- First Quarter 2016 trading update
 - May 11, 2016
- General Assembly
 - May 11, 2016
- First Half 2016 results
 - August 25, 2016
- Third Quarter 2016 trading update
 - November 16, 2016





Q&A

 **Olivier Legrain (CEO) and Jean-Marc Bothy (CFO)**

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