



IBA Half Year Results 2023

31 August 2023

Olivier Legrain, CEO and Soumya Chandramouli, CFO



Life,
Science.

©2023 Ion Beam Applications SA. All rights reserved. Reproduction of any of the material contained herein in any format or media without the prior and express written permission of Ion Beam Applications SA is prohibited.



Disclaimer



This presentation may contain forward-looking statements.

All statements other than statements of historical facts, including statements regarding IBA's objectives, plans, goals, strategies, future growth and growth drivers, industry outlook, future orders, revenues, backlog, earnings growth, cash flows, performance, market acceptance of or transition to new products or technology, may constitute forward-looking statements. Expressions such as “could”, “believes”, “outlooks”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “plans”, “predicts”, “projects”, “will”, “would” and other similar expressions, or the negative of these terms, are forward-looking statements.

By their very nature, forward-looking statements require IBA to make assumptions and are subject to inherent risks and uncertainties that could cause the actual future facts to differ materially from those anticipated and which give rise to the possibility that IBA's assumptions may not be correct and that IBA's predictions, objectives, expectations or conclusions will not prove to be accurate or will not be achieved.

These statements are based on IBA's reasonable assumptions and beliefs in light of the information available to IBA at the time such statements are made, and may not take into account the effect of any information occurring after such statements have been made. IBA does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of IBA.

Agenda

- H1 2023 highlights
- H1 2023 key figures
- Business update
- Consolidated financial statements
- Outlook
- Q&A



H1 2023 HIGHLIGHTS

H1 2023 highlights



Revenues

EUR
169.4
million
Up 5.9%

REBIT

EUR
-20.3
million

Backlog

EUR
1.3
billion

PT rooms
sold

3
Rooms

PT & OA equip.
order intake

EUR
88
million

Gross
margin

26.6%

Net
result

EUR
-27.3
million

PT & OA
service
revenues

EUR
72.4
million
up 17%

OA systems
sold

8
Systems

Dosi
order intake

EUR
37
million

Gross cash
EUR **103.3**
million

Net cash
EUR **61.7**
million

Dosimetry

- Gain market share in **Patient QA**
- Expand and diversify through **inorganic growth**

Proton Therapy

- Deliver our **backlog**
- Enhance our **Customer Service** offering
- Support our **Chinese partner** (CGNNT) to become a successful PT provider
- Invest in the **future of PT** (DynamicARC®, ConformalFLASH®)

Other Accelerators

RadioPharma

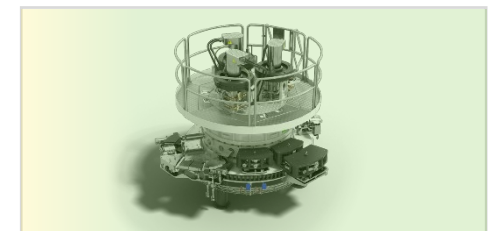
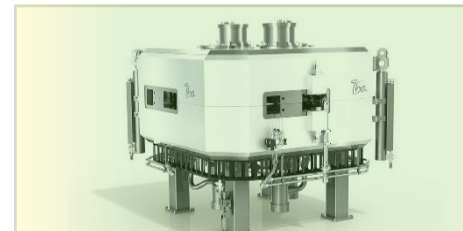
- Partnership with SCK-CEN, to **distribute ^{225}Ac worldwide** (theranostic market)
- Investigate **growth** in existing and adjacent markets

Industrial

- Deliver our **backlog**
- Increase **E-Beam/X-Ray penetration rate** in medical device sterilization

Digitalization

Sustainability



Dosimetry

- Another **record order intake** of EUR 37 million (+20% vs HY22)
- **Record backlog** of EUR 35.6 million (+63% vs HY22)
- Several **product** and **upgrade launches** in the first half including DOSE-X and Patient QA
- **Recent Modus acquisition** has delivered strong P&L contributions
- **ScandiDos alliance** progressing well



Proton Therapy

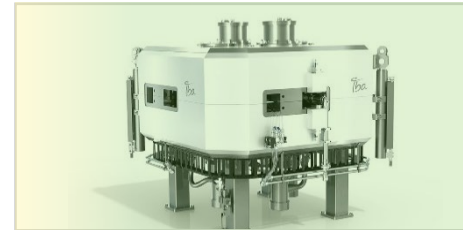
- **35 ongoing projects**
- +17% **service revenue increase**
- 2-system Proteus®ONE contract in **Israel**
- 1-room Proteus®PLUS contract in **China**
- **FLASH proton therapy research** partnership initiated with Particle Therapy Interuniversity Center Leuven (PARTICLE)
- **Predictive maintenance platform** being enhanced and shared with other business units



Other Accelerators

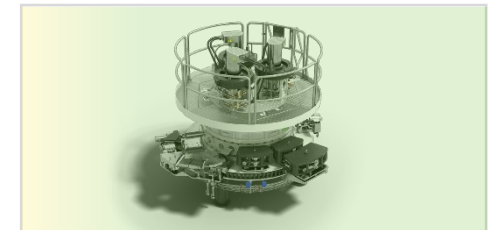
RadioPharma

- **Strong backlog conversion** with revenues up 21% from last year
- Launch of **AKURACY**, an integrated solution for Cardiac PET Imaging
- **PanTera**, the joint venture with SCK-CEN, signed key agreement with Terrapower Isotopes; post-period equity increase of 40.8 million of which 50% by IBA



Industrial

- Significant **revenue** growth, up 72% from last year
- Increasing traction in **food irradiation**; IBA organizing International Food Irradiation Symposium in September
- Launched Industrial **customer web portal** to support upgrades and customer needs



H1 2023 sustainability progress



4 STREAMS	Low carbon, low waste products	<ul style="list-style-type: none">▪ Ecodesign practices implemented on our main product lines design process
	Low carbon, low waste company	<ul style="list-style-type: none">▪ 500kWc solar carport installation to increase auto-production capacity of renewable energy
	Diverse, equitable, inclusive workplace	<ul style="list-style-type: none">▪ Green Cells (voluntary employee workgroups about mobility, biodiversity, ecodesign, ESG awareness) launched▪ Green Mobility project (to define lower impact, yet attractive, mobility policy for commuting employees) launched
	Accountable to sustainability	<ul style="list-style-type: none">▪ B-Corp recertification in progress : targeted score 2024 at 102+ pts (from 90 in 2021)▪ Supply chain ESG risk mapping started (based on Ecovadis framework)▪ ESG indicators based on newest GRI standards reported at group level

H1 2023 KEY FIGURES

H1 2023 key figures



(EUR 000)	H1 2023	H1 2022	Variance	Variance %
Total Net Sales	169 418	160 032	9 386	5.9%
Proton Therapy	95 082	101 338	-6 256	-6.2%
Other Accelerators	41 354	31 798	9 556	30.1%
Dosimetry	32 982	26 896	6 086	22.6%
REBITDA	-13 859	14 065	-27 924	-198.5%
<i>% of Sales</i>	<i>-8.2%</i>	<i>8.8%</i>		
REBIT	-20 296	4 564	-24 860	-544.7%
<i>% of Sales</i>	<i>-12.0%</i>	<i>2.9%</i>		
Profit Before Tax	-22 656	297	-22 953	-7728.3%
<i>% of Sales</i>	<i>-13.4%</i>	<i>0.2%</i>		
NET RESULT	-27 263	-1 717	-25 546	1487.8%
<i>% of Sales</i>	<i>-16.1%</i>	<i>-1.1%</i>		

- Group performance impacted mainly by timing of backlog conversion and some shifts to H2
- Strong OA and Dosimetry performance, with double digit sales growth and strong profitability
- REBIT margin affected strongly by the combination of low backlog conversion and high OPEX
- Net loss of EUR 27.2 million; strong catch up expected in H2
- Net cash position of EUR 61.7 million at period end
- Unused EUR 37 million credit facility refinanced and increased to EUR 40 million

BUSINESS UPDATE

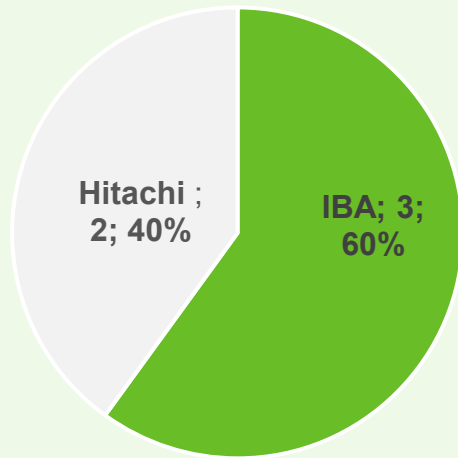
PROTON THERAPY

IBA remains market leader in proton therapy

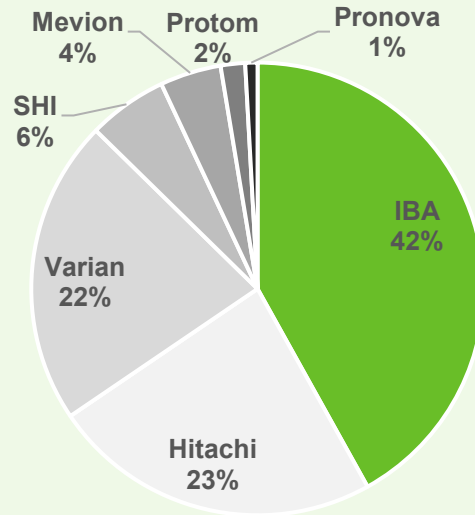


60% market share in 2023

2023 sales of PT rooms

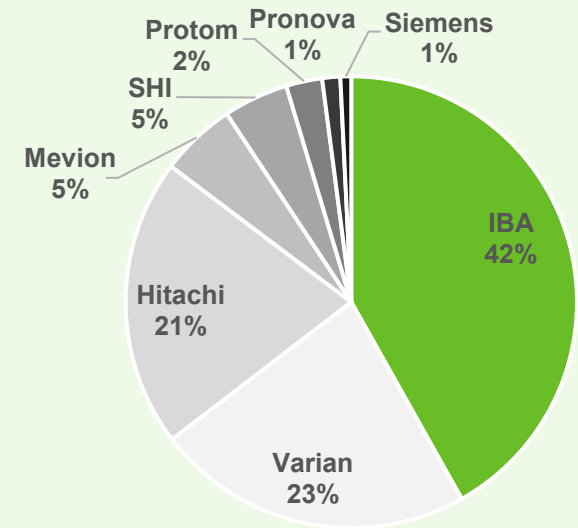


PT rooms in operation*



42% market share overall

Total market share in PT rooms*



Proton Therapy performance



- Order intake of EUR 59 million; three rooms sold in China and Israel
- Overall revenues decreased by 6% due to phasing of projects and to a lesser extent some customer-related shifts to H2 and impacts from inflation; 2022 had been positively impacted by Rutherford related indemnities
- Services revenues grew 10%, with backlog of EUR 617 million
- PARTICLE agreement signed in June to support development of ConformalFLASH®
- 35 projects ongoing at period end

(EUR 000)	H1 2023	H1 2022	Variance	Variance %
Equipment Proton Therapy	38 537	49 923	-11 386	-22.8%
Services Proton Therapy	56 545	51 415	5 130	10.0%
Net sales	95 082	101 338	-6 256	-6.2%
REBIT*	-22 948	4 085	-27 033	-661.8%
% of Sales	-24.1%	4.0%		
Book-to-bill ratio	1.5	1.7		

* Based on a pro forma allocation of overheads and SG&A to each business

BUSINESS UPDATE

OTHER ACCELERATORS

Other Accelerators **performance**

Industrial

- Slower order intake over the period driven by macroeconomic situation
- Revenues however increased 72.3% on same period last year, fueled by increasing business in equipment and services

Radiopharmaceutical

- Launch of AKURACY® for Cardiac PET imaging
- Successful installation of a Cyclone® 30XP in Germany to produce astatine-211
- Increased demand, in emerging geographies as well as for high energy machines for the theranostic market

Pantera

- Agreement signed with Terrapower for early production supply of actinium-225 in 2024



Other Accelerators performance



- Order intake of EUR 29 million, with eight systems sold globally and three more after period-end
- Equipment revenues increased by EUR 4.3 million, thanks to good backlog conversion
- Services increased 50%, due to an increasing installed base, upgrades and a strong replacement parts business
- REBIT* of EUR -0.5 million, impacted by inflation, in particular in Belgium

(EUR 000)	H1 2023	H1 2022	Variance	Variance %
Equipment Other Accelerators	25 473	21 187	4 286	20.2%
Services Other Accelerators	15 881	10 611	5 270	49.7%
Net sales	41 354	31 798	9 556	30.1%
REBIT*	-507	-562	55	-9.8%
% of Sales	-1.2%	-1.8%		
Book-to-bill ratio	1.1	4.3		

* Based on a pro forma allocation of overheads and SG&A to each business

BUSINESS UPDATE

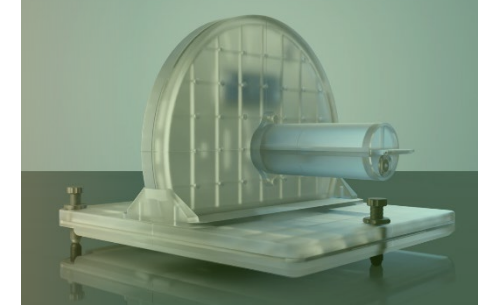
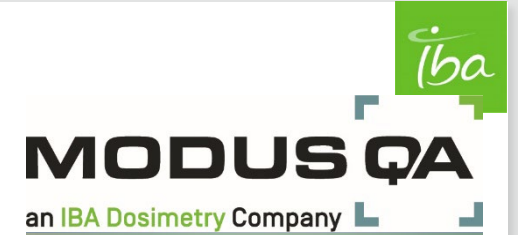
DOSIMETRY

Dosimetry performance

- Strong order intake at EUR 37 million, up 20% from HY 2022
- Sales of EUR 33 million, up 23% from HY 2022
- Backlog increased to EUR 35.6 million, up 47% from year-end
- REBIT 200% above H1 2022, thanks to excellent sales performance; despite cost increases with inflation, and as R&D ramped up
- Launch of DOSE-X, next-generation electrometer and myQA[®] PROactive radiation oncology risk management software
- Agreement with ScandiDos to sell combined myQA[®] iON and Delta4 phantom+ solutions directly from IBA

(EUR 000)	H1 2023	H1 2022	Variance	Variance %
Net sales	32 982	26 896	6 086	22.6%
REBITDA	4 627	1 854	2 773	149.6%
% of Sales	14.0%	6.9%		
REBIT	3 159	1 041	2 118	203.5%
% of Sales	9.6%	3.9%		

* Original Equipment Manufacturers



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated P&L



(EUR 000)	H1 2023	H1 2022	Variance	Variance %
Sales and services	169 418	160 032	9 386	5.9%
Cost of sales and services (-)	124 380	97 455	26 925	27.6%
Gross profit/(loss)	45 038	62 577	-17 539	-28.0%
	26.58%	39.10%		
Selling and marketing expenses (-)	14 035	11 358	2 677	23.6%
General and administrative expenses (-)	27 099	26 761	338	1.3%
Research and development expenses (-)	24 200	19 894	4 306	21.6%
Recurring expenses (-)	65 334	58 013	7 321	12.6%
Recurring profit/(loss)	-20 296	4 564	-24 860	-544.7%
	-11.98%	2.85%		
Other operating result (-)	462	2 382	-1 920	-80.6%
Financial result (-)	1 879	1 885	-6	-0.3%
Share of profit/(loss) of equity-accounted companies (-)	19	0	19	#DIV/0!
Profit/(loss) before tax	-22 656	297	-22 953	-7728.3%
Tax result (-)	4 607	2 014	2 593	128.7%
Profit/(loss) for the period	-27 263	-1 717	-25 546	1487.8%
REBITDA	-13 859	14 065	-27 924	-198.5%

- Group sales grew 6%, driven by Other Accelerators backlog conversion, Dosimetry sales and Service growth but dampened by PT backlog conversion
- G&A strongly controlled, beating inflation
- Increase in S&M and R&D expenses due to investment in future growth and product development as well as inflationary impacts
- Other operating expenses included stock option costs
- Financial expenses strongly affected by currency fluctuations, particularly USD
- Taxes were affected strongly by increasing profitability in Asia
- Net loss of EUR 27 million

Consolidated Cash Flow



(EUR 000)	H1 2023	H1 2022
Cash flow from operating activities		
Net cash flow changes before changes in working capital	-21 373	959
Change in working capital	-19 804	25 155
Income tax paid/received, net	-1 984	-1 458
Interest (income)/expenses	-577	494
Net cash (used in)/generated from operations	-43 738	25 150
Cash flow from investing activities		
Capital expenditures	-6 630	-2 254
M&A and other activities	-185	-8 711
Net cash (used in)/generated from investing activities	-6 815	-10 965
Cash flow from financing activities		
Capital increase (or proceeds from issuance of ordinary shares)	0	-5 161
Dividend paid	0	0
Other financing cash flows	-3 210	-6 649
Net cash (used in)/generated from financing activities	-3 210	-11 810
Changes in net cash and cash equivalents	-53 763	2 375
Exchange gains/(losses) on cash and cash equivalents	-1 292	687
Total changes in net cash and cash equivalents	-55 055	3 062
Net cash flow changes before changes in working capital	-21 373	959

- Operating cash flow of EUR -43.7 million, impacted by large inventory increase and supplier downpayments
- Cash flow driven by investment into IT tools, medical device regulation costs and a small Radiopharmaceutical acquisition
- Cash flow used in financing activities mostly included lease repayments

Consolidated Balance Sheet



(EUR 000)	H1 2023	H1 2022	Variance
ASSETS			
Goodwill	10 294	10 262	32
Other intangible assets	11 475	7 578	3 897
Property, plant and equipment	19 243	18 952	291
Right-of-use assets	28 070	27 116	954
Investments accounted for using the equity method	254	273	-19
Long-term financial assets	2 767	3 847	-1 080
Deferred tax assets	19 554	20 211	-657
Other long-term assets	35 581	35 184	397
Non-current assets	127 238	123 423	3 815
Inventories and contracts in progress	189 566	140 408	49 158
Trade receivables	93 728	111 649	-17 921
Other receivables	94 829	89 893	4 936
Short-term financial assets	1 569	160	1 409
Cash and cash equivalents	103 311	158 366	-55 055
Current assets	483 003	500 476	-17 473
Total assets	610 241	623 899	-13 658

(EUR 000)	H1 2023	H1 2022	Variance
EQUITY AND LIABILITIES			
Capital stock	42 502	42 502	0
Capital surplus	43 478	43 478	0
Treasury shares	-18 328	-18 328	0
Reserves	3 464	2 453	1 011
Currency translation difference	-2 254	-5 585	3 331
Retained earnings	18 042	51 431	-33 389
TOTAL EQUITY	86 904	115 951	-29 047
Long-term borrowings	10 748	10 647	101
Long-term lease liabilities	21 279	20 811	468
Long-term financial liabilities	6 735	7 479	-744
Deferred tax liabilities	523	1 221	-698
Long-term provisions	1 317	756	561
Other long-term liabilities	4 691	5 862	-1 171
Non-current liabilities	45 293	46 776	-1 483
Short-term borrowings	3 734	3 734	0
Short-term lease liabilities	5 823	5 675	148
Short-term provisions	7 742	7 647	95
Short-term financial liabilities	1 064	2 907	-1 843
Trade payables	65 723	65 559	164
Current income tax liabilities	3 548	3 853	-305
Other payables	83 901	75 578	8 323
Advances received on contracts in progress	306 509	296 219	10 290
Current liabilities	478 044	461 172	16 872
Total liabilities	523 337	507 948	15 389
Total equity and liabilities	610 241	623 899	-13 658

OUTLOOK

Subject to stabilization of macro-economic factors and order intake levels

IBA reiterates its mid-term guidance laid out at the full-year results:

Target of 15% CAGR 2022-2026 on revenues

Aiming to deliver 10% REBIT on sales by 2026, heavily weighted after 2024

CAPEX will grow from current 5-7 million to around EUR 10-12 million per year until 2026 to support increased investment for the future

Q&A

THANK YOU



©2021 Ion Beam Applications SA. All rights reserved. Reproduction of any of the material contained herein in any format or media without the prior and express written permission of Ion Beam Applications SA is prohibited.

Life.
Science.

