



### IBA TRADING UPDATE – FIRST QUARTER 2017

- **Group revenue up 13.4% to EUR 73.3 million**
- **Dosimetry returns to growth up 19% to EUR 14.6 million**
- **Proton Therapy and Other Accelerators backlog remains strong at EUR 316 million**

**Louvain-La-Neuve, Belgium, May 10, 2017** - IBA (Ion Beam Applications S.A., EURONEXT), the world's leading provider of proton therapy solutions for the treatment of cancer, today provides a trading update for the first quarter ending 31 March 2017.

**Olivier Legrain, Chief Executive Officer of IBA, commented:** "We are pleased to have made good progress in this first quarter of 2017 and are on track to meet our growth targets. Dosimetry has seen a good recovery across all regions and is now positively contributing to our REBIT. Our production expansion and regionalization strategy to meet growing global demand continues to be rolled out and we are currently installing eight projects across the globe and getting ready to install another 17 internationally.

"In Proton Therapy, however, several recent delays in project execution caused by customer building delays lead us to slightly adjust our full year guidance for 2017. While our guidance on revenue growth remains unchanged at around 15% to 20%, the project execution delays impact our revenue recognition and, to some extent, our operational leverage. Due to this, we revise our guidance on REBIT to between 10% and 12% for 2017, and around 13% for 2018.

"We are confident in the strong prospects for IBA in 2017 and beyond due to our growth strategy, the significant market potential in proton therapy and our focus on maintaining the world's leading proton therapy offering."

#### **Group Highlights:**

- Q1 2017 Group revenues of EUR 73.3 million, up 13.4% YoY and on track to meet guidance:
  - Proton Therapy and Other Accelerators up 12% to EUR 58.7 million, backlog now EUR 316 million and down slightly from year-end (EUR 335.5 million) but does not yet include the recently announced orders for Proteus<sup>®</sup>ONE\* solutions in Charleroi and Cairo
  - Dosimetry demonstrated a good recovery in Q1 2017 with revenues of EUR 14.6 million, up 19%. The Company continues to believe in the correlation between Dosimetry's long term growth and the overall growth of the radiotherapy market which is currently in the low single digits
- Net cash position of EUR 24.5 million compared to EUR 44.5 million at YE 2016
- One Proteus<sup>®</sup>ONE solution sold in Q1 2017 to Quirónsalud in Madrid, Spain and IBA selected as preferred vendor for another Proteus<sup>®</sup>ONE solution in Charleroi, Belgium
- Strategy to meet increasing global demand on track:



- Integration of 400 new engineers ongoing. Recruitment of another 200 engineers in 2017 underway
- Production capacity scale-up commenced (9000 m<sup>2</sup> facility under construction)
- Guidance for 2017 maintained for topline growth at around 15% to 20% and revised slightly for REBIT margin at around 10% to 12%

### Post-Period End Highlights

- On 28 April, a contract was signed with the Children's Cancer Hospital Foundation for a Proteus<sup>®</sup>ONE\* compact proton therapy solution in Cairo, Egypt

## KEY FIGURES AND EVENTS AT SEGMENT LEVEL

IBA reported the following segmental trends and news during the first quarter of 2017:

### Proton Therapy and Other Accelerators

- Proton Therapy and Other Accelerator revenues continue to show strong growth as execution on projects continues, with eight projects in installation at the end of Q1 2017
- At the end of the first quarter, the Proton Therapy and Other Accelerators segment reported revenue growth of 12% to EUR 58.7 million, up from EUR 52.4 million for the same period in 2016
- Revenue growth comprises 25.3% from Proton Therapy equipment revenue recognition and 20.7% from Proton Therapy service contracts revenue recognition which continues to be a good revenue growth driver
- Other Accelerators revenue was down EUR 3.6 million (33%). However, Other Accelerator service revenues showed a strong increase from 2016 (26%), partially compensating for the drop in revenue recognition on projects
- Demonstrating the continuing strength of the proton therapy market, IBA reported a backlog in Proton Therapy and Other Accelerators amounting to EUR 316 million at the end of the first quarter of 2017

### Dosimetry

- Dosimetry has shown a good recovery in the first quarter due to excellent revenue conversion and a strong order intake during the quarter
- Revenue in the first quarter increased 19% to EUR 14.6 million versus EUR 12.2 million for the same period last year
- Tight control of expenses has contributed to improved margins
- The backlog remains healthy at above EUR 16.7 million, compared with a EUR 18.1 million backlog at the end of Q1 2016



## OUTLOOK AND GUIDANCE

Proton therapy's penetration of the radiation therapy market continues to grow due to increasing interest from the clinical community, affordability and technological advances. To keep ahead of and to lead this growth, IBA continues to scale up production capacity, including investment in a new superconducting synchrocyclotron assembly line (for Proteus<sup>®</sup>ONE\*), and a new customer center, with an expected further combined CAPEX of about EUR 16 million, of which around EUR 10 million will be invested in 2017. The Company is also recruiting an additional 200 engineers and qualified staff, worldwide, through 2017.

IBA has a high backlog of EUR 316 million and the sustainable revenue source from service and maintenance contracts now represents EUR 673 million of revenue over the next 10-15 years. IBA expects to achieve revenue growth of between 15% to 20% in 2017 and double digit thereafter.

The Company expects its operating margin to be 10% to 12% in 2017, increasing to around 13% by 2018 and stabilizing at around 15% by 2020.

IBA is planning to maintain a dividend payout ratio of 30%.

This guidance is not only 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.

## SHAREHOLDER'S AGENDA

H1 2017 results  
Q3 2017 trading update

24 August 2017  
16 November 2017

## DIRECTORS' DECLARATIONS

In accordance with the Royal Decree of 14 November 2007, IBA indicates that this Trading Update has been prepared by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

\*\*\*ENDS\*\*\*

### About IBA

IBA (Ion Beam Applications S.A.) is a global medical technology company focused on bringing integrated and innovative solutions for the diagnosis and treatment of cancer. The company is the worldwide technology leader in the field of proton therapy, considered to be the most advanced form of radiation therapy available today. IBA's proton therapy solutions are flexible and adaptable, allowing customers to choose from universal full-scale proton therapy centers as well as compact,

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single room solutions. In addition, IBA also has a radiation dosimetry business and develops particle accelerators for the medical world and industry. Headquartered in Belgium and employing about 1,500 people worldwide, IBA has installed systems across the world.

IBA is listed on the pan-European stock exchange NYSE EURONEXT (IBA: Reuters IBAB.BR and Bloomberg IBAB.BB). More information can be found at: [www.iba-worldwide.com](http://www.iba-worldwide.com)

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

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