



IBA TRADING UPDATE - THIRD QUARTER 2017

*PROTON THERAPY AND OTHER ACCELERATORS PROJECTS ON TRACK,
DOSIMETRY SALES UP 20%, GUIDANCE REITERATED*

Louvain-La-Neuve, Belgium, 16 November 2017 - IBA (Ion Beam Applications S.A., EURONEXT), the world's leading provider of proton therapy solutions for the treatment of cancer, today announces its trading update for the third quarter ending 30 September 2017.

Olivier Legrain, Chief Executive Officer of IBA commented: "Our performance in the third quarter continues to reflect the challenges reported at the time of our half year results. However, the proton therapy market remains buoyant and demand for IBA's leading offering is high, with over five systems in the last stages of negotiation. Revenue recognition from our ongoing projects is on track and Dosimetry and Services continue to demonstrate good revenue and backlog growth. Furthermore, the collaborations announced with Elekta and Vinci Construction during the quarter give us an even more competitive and attractive offering for our customers worldwide.

"We continue to build upon our world leading position in proton therapy, our production expansion remains on track and will assist us in our aim to bring the most technologically advanced and commercially attractive offering to established and growing markets globally."

Financial Highlights

- Revenues for the first nine months to 30 September 2017 of EUR 217.3 million, down 3.6% compared to the same period in 2016. This is due to a lower order intake and project rescheduling in Proton Therapy and Other Accelerators equipment (-15%), compensated by excellent Dosimetry performance (+20%) and strong growth of service revenues in Proton Therapy and Other Accelerators (+8.6%).
- Proton Therapy and Other Accelerators orders at end of Q3 totalling EUR 76.7 million comprising two Proteus[®]ONE* and one Proteus[®]PLUS* and five other accelerators.
- Proton Therapy and Other Accelerators service revenues up 8.6% to EUR 62.6 million.
- Proton Therapy and Other Accelerators backlog remains high at EUR 284 million for equipment and EUR 682 million for services.
- Dosimetry backlog at EUR 15.4 million, as pre-2016 orders convert to sales.
- Net cash position of EUR -2.5 million at the end of Q3 2017, compared with EUR 36.1 million at the end of Q3 2016.

Business highlights (including post-period end)

- Installation of 25 international proton therapy projects ongoing.
- Proton Therapy and Other Accelerators orders at end of the third quarter totalling EUR 76.7 million, comprising two Proteus[®]ONE* and one Proteus[®]PLUS* (three projects and four rooms in total) and five other accelerators. This order intake also includes upgrades for EUR 4.7 million.
- International collaborations announced with:
 - Elekta, to develop new functionality for proton therapy treatment in Elekta's treatment planning system and oncology information system as well as the co-marketing of each other's products.



- Vinci Construction, to collaborate in offering dedicated proton therapy project design and construction support.
- First patient treated with Proteus®ONE solution at Beaumont Proton Therapy Center in Royal Oak, MI, USA, in less than 12 months from shipment to treatment as well as a new research agreement signed with the center to develop the next generation proton therapy delivery technique called scanned proton arc therapy (SPArc).

KEY FIGURES AND EVENTS AT SEGMENT LEVEL

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

Proton Therapy and Other Accelerators

- Q3 year to date revenues totaled EUR 175.9 million compared to EUR 190.9 million for the same period in 2016, down 7.8%; while Proton Therapy revenues declined by only 2.4%, despite the negative effects of slow order intake, project rescheduling and exceptional items, Other Accelerators revenues declined by 29%, predominantly due to exceptional sales in 2016.
- In July 2017, IBA announced that the Beaumont Proton Therapy Center in Royal Oak, MI, treated its first patient on IBA's Proteus®ONE, the industry's only truly compact IMPT proton therapy solution, in less than 12 months from shipment to treatment. In September, IBA also announced a research agreement with the center to develop the next generation proton therapy delivery technique called scanned proton arc therapy (SPArc). Proton arc therapy has the potential to further improve the quality of the treatment by enhancing dose conformity at the tumor level while reducing the total dose received by the patient.
- In September, IBA and Elekta entered an MOU regarding a comprehensive partnership including joint investment to develop new functionality for proton therapy treatment in Elekta's treatment planning system and oncology information system as well as the co-marketing of each other's products.
- In October, IBA announced a collaboration with Vinci Construction, a global player in building construction, to offer dedicated construction and design support to selected proton therapy customers.

Dosimetry

- Dosimetry revenues grew by 20% to EUR 41.3 million versus EUR 34.4 million in the third quarter of 2016 due to the delivery of certain long-term orders and conversion of the backlog from 2014 to 2016.
- The backlog at end of the third quarter 2017 was at EUR 15.4 million and order intake remained strong at EUR 39.4 million versus EUR 34.6 million at end of the third quarter of 2016.
- In July, IBA announced that it had reached the 1,000 myQA® customer milestone worldwide. myQA® is IBA's global QA platform to integrate quality assurance applications, people, and know-how through a central database and the cloud.

OUTLOOK

IBA reiterates its guidance given at the time of its half year 2017 results which is based upon:

- Confidence in its scheduled revenue recognition in the fourth quarter from its strong backlog of Proton Therapy and Other Accelerators, Dosimetry and Services projects.



- Expected revenue recognition from at least five proton therapy systems, for which contracts are not yet signed, but are in the final stages of negotiation.
- Strong growth in Service revenues.
- Continued tight cost control and focus on efficiencies.

IBA therefore expects the following:

- FY17: 5-10% revenue growth and a 0-5% REBIT margin.
- 2018/2019: 0-5% revenue growth and a 5-10% REBIT margin.
- 2020 onwards: 5-10% revenue growth and 13-15% REBIT margin.
- Dividend policy remains unchanged.

SHAREHOLDER'S AGENDA

Year End results 2017

22 March 2018

First Quarter 2018 results

9 May 2018

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).

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, 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 1,400 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

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

Press Release

Regulated information



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