

IBA TRADING UPDATE - THIRD QUARTER 2014

Louvain-La-Neuve, Belgium, 13 November 2014 - IBA (Ion Beam Applications S.A., EURONEXT), the world's leading provider of proton therapy solutions for the treatment of cancer, today releases its trading update for the third quarter ending 30 September 2014.

Group Highlights

- Strategic global collaboration signed with Philips Healthcare in sales, marketing and research and development (R&D) of imaging and therapy solutions in oncology
- US Food and Drug Administration (FDA) approval of new compact gantry and CE marking received in Q3, clearing the way for Proteus[®]ONE*, IBA's smaller and more affordable compact single-room proton therapy solution
- First patient treated with a Proteus[®]ONE, at the Willis-Knighton Cancer Center (WKCC) in Shreveport, Louisiana, USA
- FDA approval and first patient treatment successfully completed with IBA's Proton Therapy specific Cone Beam CT (CBCT) at Penn Medicine's Roberts Proton Therapy Center

Financial Highlights

- Revenues for the first nine months to 30 September 2014 of EUR 151.0 million, down 2.5% compared to the same period in 2013. Dosimetry down 4.5% YOY and Proton Therapy & Other Accelerators down 1.9% YOY
- Strong backlog of EUR 177.4 million in the Proton Therapy and Other Accelerators division at the end of September 2014, down 3% from EUR 183.0 million at the end of third quarter 2013
- Service revenues growing 35% compared to Q3 YTD 2013 at EUR 41.1 million
- September 2014 YTD REBIT margin above 10%, on target to reach REBIT margin guidance of 10%
- Working capital position strongly improved, with net cash position of EUR 13.0 million as of 30 September 2014, versus an adjusted net debt of EUR 44.9 million at the end of Q3 2013
- Guidance reiterated. IBA expects to report revenue growth in the 5-10% range for the full year 2014 based on:
 - Confidence in scheduled strong revenue recognition in Q4 from the EUR 177.4 million backlog of Proton Therapy and Other Accelerators projects
 - Revenue recognition anticipated on already built inventory for three proton therapy orders expected to close before year end from a growing pipeline evaluated above EUR 1 billion today, of which EUR 108 million is under term sheets with customers and EUR 380 million is in public tenders
 - Strong Dosimetry backlog of EUR 14.0 million, up 26% versus last year

Olivier Legrain, Chief Executive officer of IBA, commented: *"IBA remains the best placed company to capitalise on the growing momentum in the global proton therapy market. Our world leading technological position combined with a strong pipeline of well over EUR 1 billion, significant recurring equipment service revenues and continued strict management of costs makes us confident that IBA will continue to increase value for its shareholders."*

KEY FIGURES AND EVENTS AT SEGMENT LEVEL

Proton Therapy & Other Accelerators

Strong order book supported by growing pipeline

- In the first nine months to 30 September 2014, IBA has continued to expand its international proton therapy market coverage with two contracts signed for Proteus[®]ONE systems in Japan. IBA was also selected as preferred vendor by the Universitair Medisch Centrum Groningen (UMCG) to establish a two room Proteus[®]PLUS proton therapy center in the Netherlands following a comprehensive European public tender. Future revenue from the UMCG system has not yet been recognised into the order book as the contract has not yet been fully signed. Signature is expected in the coming months.
- Moreover, Baptist Health South Florida hospital in Miami, USA, announced in October that it has selected IBA for the installation and maintenance of a proton therapy three room system (Proteus[®]PLUS).
- Globally, during the third quarter, IBA has continued to strengthen its pipeline of proton therapy prospective contracts. The IBA Proton Therapy pipeline is estimated at above EUR 1 billion today, of which EUR 108 million is under term sheets with customers and EUR 380 million is in public tenders.

Proteus[®]ONE Driving Momentum

- During the third quarter IBA announced that the first patient had been treated with IBA's compact proton therapy solution Proteus[®]ONE, at WKCC in Shreveport, Louisiana, USA. The patient received Image Guided Intensity Modulated Proton Therapy (IMPT) treatment on 9 September 2014, three months ahead of schedule.
- During the third quarter IBA received Marketing Authorization from the US FDA in July 2014 for IBA's Compact Gantry Beam Line (CGBL: FDA 510(k) K132919) and for its advanced imaging platform adaPT Insight (FDA 510(k) K132847) and in Europe where CE marking was received for the Compact Gantry Beam Line. IBA believes that these regulatory milestones, combined with Proteus[®]ONE's attractive profile of lower cost, footprint and time to install, will further accelerate the adoption of proton therapy across all global markets, especially in the US.

Proton Therapy Innovation

- In the third quarter, IBA announced that it had signed a strategic global collaboration with Philips Healthcare to provide advanced diagnostic and therapeutic solutions for the treatment of cancer. The collaboration covers sales, marketing and R&D of imaging and therapy solutions in oncology. IBA will benefit from Philips' diagnostic imaging products offered to oncology care centers, while Philips will leverage IBA's proton therapy solutions within its offering for customers in select markets around the world.



- Also reported in the third quarter, IBA, in collaboration with the Université Catholique de Louvain (UCL), announced at the American Society of Radiation Oncology (ASTRO) that the first patient treatment with IBA's Proton Therapy Specific CBCT was successfully completed at Penn Medicine's Roberts Proton Therapy Center. This technology allows for significantly enhanced precision and accuracy of proton therapy delivery and therefore an improved outcome and treatment experience for the patient.

Other Accelerators

- IBA announced in early July that it had signed a contract, with a significant upfront payment, with the Centre for Development of Nuclear Medicine in Moscow, Russia, for the installation of its Cyclone[®]70, a system dedicated to the production of a new generation of medical isotopes used mainly in the diagnosis of severe diseases. This third Cyclone[®]70 order further demonstrates IBA's market-leading expertise and success with high energy cyclotrons.
- At the end of Q3, IBA had recorded 11 new orders of PET cyclotrons and industrial accelerators.

Dosimetry

- During the third quarter, IBA Dosimetry experienced good order intake, especially in the US where signs of market recovery seemed to be confirmed. Order intake at the end of the third quarter in the US was up 24% versus FY13 and the total backlog for Dosimetry was EUR 14.0 million versus EUR 11.1 million at the end of Q3 2013, which represents a 26.1% growth.
- In September, IBA announced the launch of its next generation patient verification system, Dolphin. Dolphin measures the actual delivery of radiation to the patient during the treatment and subsequently performs a treatment evaluation immediately after each fraction. Next to increasing patient safety, the unique design of the Dolphin detector also supports a positive mindset of the patient while being treated.
- IBA also announced at the American Association of Physics in Medicine (AAPM) in July, the launch of a global software platform for quality assurance, called myQA. This software platform sets a new standards in workflow and data management efficiency by integrating all QA needs under one software roof.

OUTLOOK

IBA continues to maintain its leading position in the growing proton therapy market. With a strong backlog, recurring service revenue, world leading technology and strengthening pipeline, IBA is best placed to capitalise on the increasing momentum in the proton therapy market.

IBA's backlog of EUR 177.4 million in the Proton Therapy and Other Accelerators division, combined with its proton therapy pipeline, estimated at above EUR 1 billion today, of which EUR 108 million is under term sheets with customers and EUR 380 million is in public tenders, continues to provide confidence and good visibility on future revenues.



IBA reiterates its guidance given at the time of the Company's 2013 Full Year Results in March and anticipates growth in Group revenues in 2014 of 5 to 10% in line with the medium term guidance range.

The Company also confirms its guidance of 10% REBIT margin in 2014. Over the medium term, IBA is confident it can achieve an annual compound revenue growth rate of 5% to 10% over the next three years and resume its dividend payout program.

SHAREHOLDERS' AGENDA

Full Year results 2014
First Quarter results 2015

March 26, 2015
May 13, 2015

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 cancer diagnostics and treatment equipment company, and the worldwide technology leader in the field of proton therapy, the most advanced form of radiotherapy available today.

The Company's primary expertise lies in the development of next generation proton therapy technologies that provide oncology care providers with premium quality services and equipment. IBA's proton therapy solutions are scalable and adaptable, offering universal full scale proton therapy centers as well as next generation compact, single room systems. IBA also focuses on the development and supply of dosimetry solutions for Quality Assurance of medical equipment and increased patient safety as well as particle accelerators for medical and industrial applications.

Headquartered in Belgium and employing more than 1,000 people worldwide, IBA currently has installed systems across Europe and the US and is expanding into emerging markets. The Company is focused on building sustainable global growth for investors, providing solutions in the fight against cancer.

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

**Proteus[®] ONE is the brand name of a new configuration of the Proteus[®] 235.*

Press release |

Regulated information



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