



## IBA Reports Full Year Results for 2017

Louvain-La-Neuve, Belgium, March 22, 2018 - IBA ([Ion Beam Applications SA](#), EURONEXT), the world's leading provider of proton therapy solutions for the treatment of cancer, today announces its audited consolidated annual results for the 2017 financial year.

	FY 2017 (EUR 000)	FY 2016 (EUR 000)	Variance (EUR 000)	Variance %
PT & Other Accelerators	233 584	280 666	-47 082	-16.8%
Dosimetry	53 837	48 108	5 729	11.9%
<b>Total Net Sales</b>	<b>287 421</b>	<b>328 774</b>	<b>-41 453</b>	<b>-12.6%</b>
<b>REBITDA</b>	<b>-4 740</b>	<b>42 690</b>	<b>-47 430</b>	<b>-111.1%</b>
<i>% of Sales</i>	-1.6%	13.0%		
<b>REBIT</b>	<b>-11 596</b>	<b>37 137</b>	<b>-48 733</b>	<b>-131.2%</b>
<i>% of Sales</i>	-4.0%	11.3%		
<b>Profit Before Tax</b>	<b>-19 607</b>	<b>27 899</b>	<b>-47 506</b>	<b>-170.3%</b>
<i>% of Sales</i>	-6.8%	8.5%		
<b>NET RESULT *</b>	<b>-39 201</b>	<b>24 440</b>	<b>-63 641</b>	<b>-260.4%</b>
<i>% of Sales</i>	-13.6%	7.4%		

\* Including exceptional deferred tax impacts of EUR 16.1 million in 2017

**Olivier Legrain, Chief Executive Officer of IBA SA commented:** “2017 was a challenging year for IBA, reflecting a slower market and individual project delays. However, with the world’s most attractive proton therapy offering, we have clear competitive strengths and a strategy to continue to profitably capture projected market growth over the long-term.

“The Group has taken a number of actions to streamline its business with a view to returning to a positive REBIT and net profit after tax in 2018. These include reduction of operational expenses, and productivity measures, which enable us to deliver our offering to our customers faster and at a significant advantage compared to competition, thereby improving our gross margin.

“Although the proton therapy market remains lumpy, it is growing steadily over time and we continue to have a robust equipment and services backlog with revenues secured over three and up to ten years respectively. The quality of our backlog and the fastest demonstrated times from installation to customer acceptance position us optimally to leverage the expected growth in proton therapy and maintain our position as market leader. In addition, Dosimetry had a strong year with good backlog conversion.

“Proton therapy offers great potential in the treatment of many cancers. IBA is focused on enabling the clinical potential of proton therapy by 1) growing the proton therapy market by encouraging the



adoption and awareness of proton therapy, including through education and facilitating the generation of a strong body of supporting data and 2) increasing IBA's market share by maintaining the most innovative solutions, the swiftest project execution, proven upgradability and best system reliability, supported by our global network of best-in-class partners.

"We remain confident in our long-term growth potential. Although current market conditions make it harder to predict our near-term growth trajectory, we will keep the market updated on our progress as the current year progresses."

### Financial summary

- Total Group 2017 revenues of EUR 287.4 million, down 12.6% (2016: EUR 328.8 million)
  - Proton Therapy and Other Accelerators revenue of EUR 233.6 million, down 16.8% due to project rescheduling primarily as a result of customer construction delays, a cyclical slowdown in the overall proton therapy market and aggressive activity by competitors to boost market share
  - Dosimetry revenue up 11.9% to EUR 53.8 million due to strong conversion of backlog and higher sales both from radiotherapy and proton therapy related business
- REBIT margin of -4.0% impacted by low Proton Therapy and Other Accelerators gross margin
- Equipment and service backlog of nearly EUR 1 billion, comprising an equipment backlog for Proton Therapy and Other Accelerators of EUR 283 million at full year 2017 including upgrades and a growing services backlog of EUR 689 million
- Total Group loss of EUR 39.2 million affected by strengthening EUR vs USD and including a EUR 16.1 million deferred tax asset write-off mainly due to tax reforms and the impact of R&D tax incentives in Belgium. Without the tax write-off, the Group loss would have been EUR 23.1 million
- Net cash position of EUR -15.5 million at the end of 2017 compared to EUR 44.7 million at the end of December 2016 driven down by higher working capital requirements. The Group has sufficient credit lines from its banks to finance its cash flow requirements

### Business summary

- Order intake of five rooms comprising two Proteus<sup>®</sup>ONE\* solutions sold in Egypt and Spain, one Proteus<sup>®</sup>PLUS\* sold in Virginia, US and an additional Proteus<sup>®</sup>PLUS treatment room sold in Argentina
- Two IBA centers became operational in the US in 2017 and two more became operational in early 2018 in The Netherlands and the UK. Five site installations started in 2017 in India, Japan and the UK
- Completion of a review into Proton Therapy project management; enhanced systems in place and all projects on track with revised timelines
  - Construction and installation timelines adjusted to reflect new project schedules
  - A reorganization of the Group's Proton Therapy business unit as part of the plan to further enhance efficiency, project management and delivery, which took place in the fourth quarter of 2017, including appointment of dedicated regional project directors to address project management more closely with customer teams early in the



- building construction process and a headcount reduction to reflect current market conditions
- Significant progress in increasing speed of delivery, a major competitive advantage for IBA and our customers
  - First patient treated post period-end at University Medical Center Groningen Proton Therapy Center within 13 months of installation of its Proteus®PLUS by IBA
  - Testing completed post period-end with Proton Partners International at the UK's first high energy proton beam system following a record nine month installation in Newport, South Wales
- Accelerated initiatives to improve technologies, construction delivery, cost competitiveness and commercial reach, whilst maintaining tight cost controls and efficiencies
  - Partnership with leading equipment and software provider Elekta, including joint software development and sales to advance proton therapy treatments
  - Collaboration with VINCI Construction to provide dedicated proton therapy center design and construction support for customers
- Updated guidelines from the American Society for Radiation Oncology (ASTRO) and National Comprehensive Cancer Network (NCCN) further endorse proton therapy as a treatment option in the fight against cancer, with several new indications added in 2017

### Post-period end summary

- First proton beam therapy patient successfully treated in The Netherlands, within 13 months of installation of the Proteus®PLUS solution by IBA at the University Medical Center Groningen
- Installation and testing of the first high energy proton beam machine in the UK completed at the Rutherford Cancer Centre in Newport, South Wales, within a record nine months from synchro-cyclotron delivery on site, demonstrating IBA's speed of delivery from contract signature to first patient treatment
- Dosimetry management team reinforced with the appointment of Jean-Marc Bothy as President, IBA Dosimetry
- Signature of three new contracts with Proton Partners International (PPI) to install three Proteus®ONE\* compact proton therapy solutions across the UK. The contracts are subject to financing

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

## Press Release

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The conference call will be held on **Thursday, 22 March 2018 at 15:00 CET / 14:00 GMT / 10:00 EDT / 07:00 PDT** and can be accessed online at:

<http://arkadinemea-events.adobeconnect.com/iba2203/event/registration.html>

If you would like to participate in the Q&A, please dial (PIN code 74532914#):

Belgium: +3224035816  
UK: +442071943759  
NL: +31207095119  
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The presentation will be available on [IBA's investor relations](#) website and on <https://iba-worldwide.com/content/full-year-2017-results-web-conference-presentation> shortly before the call.

To ensure a timely connection, it is recommended that users register at least 10 minutes prior to the scheduled webcast.

### Financial calendar

First Quarter 2018 Business Update	May 9, 2018
General Assembly	May 9, 2018
First Half 2018 Results	August 23, 2018
Third Quarter 2018 Business Update	November 15, 2018

### 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 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 1,500 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*

## Press Release

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## Operating review

IBA is focused on creating a global proton therapy platform that is built for the long term and is optimally positioned to capture the projected growth of the proton therapy market.

Our growth strategy is focused around two axes: 1) growing the proton therapy market by encouraging the adoption and awareness of proton therapy, including through education and facilitating the generation of robust supporting data and 2) increasing IBA's market share by focusing on technology, speed of delivery and reducing cost.

This strategy is underpinned by our strong global network of partnerships and collaborations which is central to IBA being able to provide a full spectrum proton therapy offering that will remove barriers to adoption, and enable further acceptance and market growth.

### Proton Therapy and Other Accelerators

	FY 2017 (EUR 000)	FY 2016 (EUR 000)	Variance (EUR 000)	Variance %
<b>Net Sales</b>	<b>233 584</b>	<b>280 666</b>	<b>-47 082</b>	<b>-16.8%</b>
- Proton Therapy	193 391	226 529	-33 138	-14.6%
- Other Accelerators	40 193	54 137	-13 944	-25.8%
<b>REBITDA</b>	<b>-11 517</b>	<b>38 613</b>	<b>-50 130</b>	<b>-129.8%</b>
<i>% of Sales</i>	<i>-4.9%</i>	<i>13.8%</i>		
<b>REBIT</b>	<b>-17 261</b>	<b>34 115</b>	<b>-51 376</b>	<b>-150.6%</b>
<i>% of Sales</i>	<i>-7.4%</i>	<i>12.2%</i>		

Total net sales for Proton Therapy and Other Accelerators were down 16.8% year on year to EUR 233.6 million. This decrease is a result of:

- Lower sales in 2017 compared to 2016 with five rooms sold compared to 12 in 2016. This slowdown reflects the lumpy nature of the proton therapy market, which operates on three-to four-year growth cycles with slower years tending to follow higher growth years. The overall market trend remains positive
- Lower conversion of the Proton Therapy backlog due to customer building delays in around half of the Proton Therapy installations, with milestones shifted to 2018 and 2019. IBA completed an in-depth review of its Proton Therapy project management and has put in place enhanced project management systems
- Some one-off project cost overruns related to specific projects
- A more aggressive stance by competitors seeking to increase market share. IBA is confident that its focus on building a full spectrum cutting-edge offering, making its systems as



affordable as possible and ensuring the fastest installation times on the market and superior operations and maintenance will enable it to maintain its long-term market leadership

IBA continued to see good Proton Therapy Services revenue growth, up 4.5% from 59.5 million in 2016 to EUR 62.2 million in 2017. Moreover, upgrades of IBA's installed base began to make a greater impact on the Proton Therapy and Other Accelerators business in 2017 with EUR 5.6 million coming from upgrades of existing proton therapy equipment, up 27% from last year. Both factors demonstrate the long-term sustainability of revenues as the installed base grows.

IBA sold 11 Other Accelerator systems in 2017, maintaining a healthy order intake in this segment. However, net sales for the Other Accelerators business segment were impacted by exceptional sales in 2016 resulting in a decline in Other Accelerator revenues of 25.8% year-on-year to EUR 40.2 million.

Services for Other Accelerators grew 13% to EUR 23.2 million due to a growing number of maintenance contracts and upgrades.

The improved performance of the combined Services for Proton Therapy and Other Accelerators resulted in this part of the business accounting for approximately 37% of total revenues. The performance also demonstrates the strength of the existing long-term contracts the Group has in place and helps to provide visibility with a backlog of EUR 689 million to be converted to sales over the next ten years.

Over the period, five new proton therapy rooms were sold by IBA. These were spread over customer sites in the US and Europe and include the first proton therapy system in Egypt, as well as a contract in South America.

### **Updates to US proton therapy policies and guidelines**

Alongside our proton therapy customers and partners, IBA has a clear strategy to support the enhancement of clinical evidence supporting the adoption of proton therapy treatment and its use in a range of indications and to ensure the inclusion of proton therapy treatment into the critical clinical guidelines for healthcare systems across the world.

During the period, both the American Society for Radiation Oncology (ASTRO) and National Comprehensive Cancer Network (NCCN) expanded their indication policies for proton therapy, leading to greater penetration of the market for proton therapy in the US. The guidelines further endorse proton therapy as an important treatment option in the fight against cancer.

The body of evidence for proton therapy is growing with 620 proton therapy publications published in 2017 and a total of 160 trials active. IBA is committed to support multi-centric data collection initiatives in the US and Europe in order to accelerate the generation of clinical evidence regarding clinical outcome, cost effectiveness and patient selection criteria.



Moreover, IBA commissioned a study across a wide variety of proton therapy centers to give the Group a greater understanding and quantification of patient access to proton therapy in the US and Europe. In particular, the study shows that in US, hospital-based proton therapy centers, an average of 23% of the radiotherapy patients are treated with proton therapy. This number is very much in line with the *Proton Radiotherapy Horizon Scanning* report published in 2009 and revised in 2016 by the Health Council of The Netherlands.

### **Proton therapy partnerships**

In September, IBA announced that it had entered into a memorandum of understanding with the radiotherapy leader Elekta to collaborate on software development and the sales and marketing of each other's products. As part of the agreement, the companies are co-investing in the development of new functionality for proton therapy treatment in Elekta's Monaco<sup>®</sup> treatment planning system and MOSAIQ<sup>®</sup> oncology information system. The goal is to further improve patient care by offering a more seamless experience for comprehensive radiotherapy departments. In addition to the software development collaboration, both companies expect to offer a joint portfolio of radiation therapy solutions and co-market each other's products, based on a shared vision of integration and adaptive radiation therapy.

IBA continues to make use of strong partnerships with Raysearch and Philips to integrate its solutions with the leading software used today by radiation oncologists. IBA also collaborates with Philips and Canon Medical Systems (previously Toshiba) in order to maximize its worldwide market coverage.

Together, these partnerships form the basis from which IBA is seeking to build its global proton therapy platform that can provide fully integrated support for proton therapy treatment from diagnosis to treatment planning and delivery.

### **Market leading installation time and technology**

IBA is a market leader in the delivery of proton therapy solutions and our quality and fastest time to treating patients was demonstrated in January 2018 when the first patient was treated at University Medical Center Groningen Proton Therapy Center within 13 months of start of installation of its Proteus<sup>®</sup>PLUS. The Proteus<sup>®</sup>PLUS at UMCG is configured with two gantry treatment rooms equipped with IBA's pencil beam scanning (PBS) and Cone Beam Computed Tomography (CBCT) large field of view image guidance. These technologies improve the precision of treatment and enable adaptive treatment.

Post period end, alongside Proton Partners International, testing was completed at the UK's first high energy proton beam machine, following a record nine months installation in Newport, South Wales; a global record and at least 50% faster than any competitor. The single room Proteus<sup>®</sup>ONE solution, installed and maintained by IBA, is the industry's only truly compact image-guided IMPT proton therapy system.





This speed of delivery and time to go clinical is critical for customers for achieving their proton therapy business plan potential, and is of further importance for a system, which is the first in its local market.

## Radiopharma Solutions and Industrial Accelerators

IBA sold 11 other systems in 2017 with particular success following the launch of the new Cyclone®KIUBE, and also building on the record level of upgrade orders.

In Industrial Accelerators, in particular, IBA's focus has been on its Rhodotron integrated solution with the launch of its new Rhodotron generation, including the new compact TT50, offering undisputable modularity and energy efficiency. IBA is leading the market with the sale of three Rhodotrons over the past three months and a promising pipeline, with fast growth expected in alternative applications such as sterilization, cargo screening and radioisotope production. Services for this segment also continued to add a growing revenue stream.

## Dosimetry

	FY 2017 (EUR 000)	FY 2016 (EUR 000)	Variance (EUR 000)	Variance %
Dosimetry	53 837	48 108	5 729	11.9%
<b>REBITDA</b>	<b>6 777</b>	<b>4 077</b>	<b>2 700</b>	<b>66.2%</b>
<i>% of Sales</i>	<i>12.6%</i>	<i>8.5%</i>		
<b>REBIT</b>	<b>5 665</b>	<b>3 022</b>	<b>2 643</b>	<b>87.5%</b>
<i>% of Sales</i>	<i>10.5%</i>	<i>6.3%</i>		

Dosimetry saw excellent sales performance in 2017 with revenues up 11.9% to EUR 53.8 million thanks to fast conversion of the backlog and a strong 2017 order intake. REBIT has also increased 87.5% to EUR 5.7 million with a margin improvement to 10.5% from 6.3%.

The total order intake in 2017 was EUR 51.5 million, up 7% compared to last year, boosted by medical imaging and services. This has helped to maintain a backlog that remains high at EUR 15.4 million at end of 2017.

During the period, IBA launched the new RAZOR Nano Chamber, the smallest available ionization chamber in the market for small-field dosimetry. In addition, the IBA Dosimetry Blue Phantom system was used for acceptance of the first Varian Halcyon™ machine in Europe. IBA now has more than 1,000 worldwide customers using its myQA® quality assurance platform, a unique platform that connects QA applications and data through a central database and software application.



### Financial review

IBA reported revenues of EUR 287.4 million, down 12.6% from 2016.

Recurring operating loss before interest and taxes (REBIT) fell sharply due to cyclical market slowdown and individual project delays. The Group REBIT fell to EUR -11.6 million from EUR 37.1 million in 2016.

Financial results were strongly affected by the strengthening of the euro against the US dollar. Other operating expenses were mostly related to restructuring and reorganization costs and write-offs on some assets and receivables.

IBA booked a deferred tax charge of EUR 16.1 million, due to tax reforms that became effective in Belgium at the end of December, as well as a very favorable tax regime for companies investing in R&D in Belgium that reduced recoverability of deferred tax assets against future taxable income.

As a result of the above effects, IBA reported a net loss of EUR -39.2 million down from a profit of EUR 24.4 million in the prior year.

Operating cash flow during 2017 amounted to EUR -44.6 million with recurring operations impacted by the growth of activity at the working capital level to support ongoing installations, at the same time affected by the delays in project scheduling. Inventory levels grew to deliver equipment on time and support installations.

Cash flow from investing was EUR -12.9 million, mostly related to CAPEX for asset maintenance and for the new factory that will become operational in 2018.

As a consequence, the net cash position fell to EUR -15.5 million at the end of 2017. IBA has secured adequate credit lines from its financial institutions to finance its working capital requirements.

### Outlook

The fundamentals of the proton therapy market continue to be solid, as demonstrated by the numerous prospects IBA is pursuing across all global markets. IBA remains fully focused on driving growth and, alongside our strategic partnerships and ongoing focus on cost controls and maintaining the world's most competitive and attractive proton therapy offering, IBA will continue to drive towards a positive REBIT and net profit after tax in 2018 and beyond.

This will be focused around our two axes for growth: growing the market by facilitating evidence generation and creating awareness of the benefits of proton therapy, whilst improving its affordability, and increasing IBA's market share with its superior clinical technology, fastest installation times, proven quality of service and unique ability to completely upgrade all systems to the latest technology available.

Although current market conditions make it harder to predict IBA's near-term growth trajectory, the Group will continue to keep the market updated on its progress as the current year progresses.

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Whilst it is IBA's intention to keep providing quarterly qualitative business updates to the market, going forward, key financial figures and detailed analysis of its financials will only be provided at the time of its half and full year results.

### **Report of the statutory auditor on the financial information presented in the annual press release of Ion Beam Applications SA**

The auditor, Ernst & Young, Reviseurs d'entreprises SCCRL, represented by Vincent Etienne, has confirmed that the audit procedures on the consolidated financial information included in this press release are substantially completed and have not revealed material corrections that should be made to the information included in the press release. The auditor will issue an unqualified opinion on the IFRS Consolidated Financial Statements.

### **Directors' declarations**

In accordance with the Royal Decree of November 14, 2007, IBA indicates that this announcement was prepared by the Chief Executive Officer (CEO), Olivier Legrain, and the Chief Financial Officer (CFO), Soumya Chandramouli.

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<b><u>INCOME STATEMENT</u></b>	<b>31/12/2017</b>	<b>31/12/2016</b>	<b>Variance</b>	
	<b>(EUR '000)</b>	<b>(EUR '000)</b>	<b>(EUR '000)</b>	<b>%</b>
Sales and services	287,421	328,774	-41,353	-12.6%
Cost of sales and services	192,501	190,213	2,288	1.2%
<b>Gross profit/(loss)</b>	<b>94,920</b>	<b>138,561</b>	<b>-43,641</b>	<b>-31.5%</b>
	33.0%	42.1%		
Selling and marketing expenses	28,842	27,651	1,191	4.3%
General and administrative expenses	43,239	41,424	1,815	4.4%
Research and development expenses	34,435	32,350	2,085	6.4%
<b>Recurring expenses</b>	<b>106,516</b>	<b>101,425</b>	<b>5,091</b>	<b>5.0%</b>
<b>Recurring profit/(loss)</b>	<b>-11,596</b>	<b>37,136</b>	<b>-48,732</b>	<b>-131.2%</b>
	-4.0%	11.3%		
Other operating expenses/(income)	4,573	7,929	-3,356	-42.3%
Financial expenses/(income)	3,530	1,453	2,077	142.9%
Share of (profit)/loss of equity-accounted companies	-92	-145	53	-36.6%
<b>Profit/(loss) before tax</b>	<b>-19,607</b>	<b>27,899</b>	<b>-47,506</b>	<b>-170.3%</b>
Tax (income)/ expenses	19,526	3,359	16,167	481.3%
<b>Profit/ (loss) for the period from continuing operations</b>	<b>-39,133</b>	<b>24,540</b>	<b>-63,673</b>	<b>-259.5%</b>
Profit/(loss) for the period from discontinued operations	-68	-100	32	-32.0%
<b>Profit/ (loss) for the period</b>	<b>-39,201</b>	<b>24,440</b>	<b>-63,641</b>	<b>-260.4%</b>
REBITDA	-4,740	42,690	-47,430	-111.1%

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## **BALANCE SHEET**

	<b>31/12/17</b>	<b>31/12/16</b>	
	<b>(EUR '000)</b>	<b>(EUR '000)</b>	<b>(EUR '000)</b>
<b>ASSETS</b>			
Goodwill	3,821	3,821	0
Other intangible assets	12,396	9,972	2,424
Property, plant and equipment	22,686	16,322	6,364
Investments accounted for using the equity method and other investments	8,909	10,311	-1,402
Deferred tax assets	6,017	22,796	-16,779
Long-term financial assets	2,289	2,171	118
Other long-term assets	18,572	18,467	105
<b>Non-current assets</b>	<b>74,690</b>	<b>83,860</b>	<b>-9,170</b>
Inventories and contracts in progress	140,288	132,702	7,586
Trade receivables	61,000	65,736	-4,736
Other receivables	26,218	22,409	3,809
Short-term financial assets	3,049	1,346	1,703
Cash and cash equivalents	27,273	74,564	-47,291
<b>Current assets</b>	<b>257,828</b>	<b>296,757</b>	<b>-38,929</b>
<b>Total assets</b>	<b>332,518</b>	<b>380,617</b>	<b>-48,099</b>
<b>EQUITY AND LIABILITIES</b>			
Capital stock	42,053	41,776	277
Capital surplus	41,322	40,618	704
Treasury shares	-8,502	-8,502	0
Reserves	16,205	9,496	6,709
Currency translation difference	-3,320	-1,367	-1,953
Retained earnings	20,937	68,370	-47,433
<b>Capital and reserves attributable to Company's equity holders</b>	<b>108,695</b>	<b>150,391</b>	<b>-41,696</b>
Long-term borrowings	19,286	27,750	-8,464
Long-term financial liabilities	0	1,423	-1,423
Deferred tax liabilities	667	582	85
Long-term provisions	5,975	10,112	-4,137
Other long-term liabilities	8,970	3,916	5,054
<b>Non-current liabilities</b>	<b>34,898</b>	<b>43,783</b>	<b>-8,885</b>
Short-term provisions	6,722	6,311	411
Short-term borrowings	23,464	2,151	21,313
Short-term financial liabilities	118	3,006	-2,888
Trade payables	46,332	56,041	-9,709
Current income tax liabilities	756	90	666
Other payables	111,533	118,844	-7,311
<b>Current liabilities</b>	<b>188,925</b>	<b>186,443</b>	<b>2,482</b>
<b>Total liabilities</b>	<b>223,823</b>	<b>230,226</b>	<b>-6,403</b>
<b>Total equity and liabilities</b>	<b>332,518</b>	<b>380,617</b>	<b>-48,099</b>

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<b><u>CASH FLOW STATEMENT</u></b>	<b>31/12/17</b>	<b>31/12/16</b>
	<b>(EUR '000)</b>	<b>(EUR '000)</b>
<b>Net profit/(loss) for the period</b>	<b>-39,201</b>	<b>24,440</b>
Adjustments for:		
Depreciation and impairment of property, plant and equipment	3,381	2,451
Amortization and impairment of intangible assets	2,742	2,219
Write-off on receivables	1,994	253
Changes in fair value of financial assets (gains)/losses	834	-141
Changes in provisions	-2,146	2,579
Deferred taxes	16,586	398
Share of result of associates and joint ventures accounted for using the equity method	-92	-145
Other non cash items	-737	-250
<b>Net cash flow changes before changes in working capital</b>	<b>-16,639</b>	<b>31,804</b>
Trade receivables, other receivables, and deferrals	-3,477	-10,445
Inventories and contract in progress	-20,066	-53,024
Trade payables, other payables, and accruals	1,044	17,530
Other short-term assets and liabilities	-3,019	-1,455
<b>Change in working capital</b>	<b>-25,518</b>	<b>-47,394</b>
Income tax paid/received, net	-3,436	-2,510
interest (income)/expenses	952	1,082
<b>Net cash (used in)/generated from operations</b>	<b>-44,641</b>	<b>-17,018</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant, and equipment	-9,913	-9,406
Acquisition of intangible assets	-5,363	-3,559
Acquisition of third party and equity-accounted companies	7	-1,793
Disposals of other investments and equity-method-accounted companies, net of assigned cash	-494	63,437
Other investing cash flows	2,891	-380
<b>Net cash (used in)/generated from investing activities</b>	<b>-12,871</b>	<b>48,300</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	15,000	15,750
Repayments of borrowings	-2,151	-17,524
Interest paid/Interest received	-796	-812
Capital increase (or proceeds from issuance of ordinary shares)	981	4,201
Dividends paid	-8,232	-40,347
Other financing cash flows	5,391	-49
<b>Net cash (used in)/generated from financing activities</b>	<b>10,193</b>	<b>-38,781</b>
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>74,564</b>	<b>81,715</b>
Changes in net cash and cash equivalents	-47,319	-7,499
Exchange gains/(losses) on cash and cash equivalents	28	348
<b>Net cash and cash equivalents at the end of the year</b>	<b>27 273</b>	<b>74 564</b>