A key partner in the global expansion of advanced medical technology

IBA

Belgium-headquartered IBA is a world market leader in particle accelerator technology that is mostly used in the diagnosis and treatment of cancer and other high-impact applications. The company's long-standing relationship with Credendo – Export Credit Agency has strengthened IBA's global presence and widened access to cutting-edge medical and sterilisation technology.

THOMAS PEVENAGE,

Head of Corporate Finance & Investments at IBA

"Credendo – Export Credit Agency has been a real enabler of market growth."

IBA is a Belgium-based company established in 1986 specialising in particle accelerator technology. This technology is mainly used in the diagnosis and treatment of cancer and other impactful applications.

IBA is structured around four main business units: proton therapy (an advanced form of radiation therapy against cancer), nuclear medicine, dosimetry, and industrial solutions for the sterilisation of medical consumables and the improved performance of materials.

Its flagship proton therapy solution is called 'Proteus®ONE', a compact single-room therapy system aiming to improve affordability for hospitals and widen the reach of this technology.

"The implementation of our first, multi-room solutions was often like building a whole new hospital facility. We are making the technology more widely available," said Thomas Pevenage, Head of Corporate Finance & Investments at IBA.

Proton therapy typically accounts for 55–60% of IBA's revenues, and the large majority of its activities are export-driven with its core markets in the USA, Europe and Asia. "Given the high level of exports, a partnership with a credit insurer such as Credendo – Export Credit Agency is instrumental," said Thomas Pevenage.

Credendo – Export Credit Agency's support for IBA started in the 1990s, and one of the transactions saw the insurer play a central role in helping the company secure its first proton therapy project in Boston, USA. "IBA's banks were not comfortable with taking on the full risk of the project on their own, so Credendo – Export Credit Agency accepted to risk-share on the bank guarantees required," he explained.

"A private insurer would not have done it at the time, but Credendo – Export Credit Agency stepped in, given its mission of public interest to support the Belgian economy," he explained. "Credendo – Export Credit Agency has been instrumental in setting up proton therapy in the USA, as this initial US project led to a subsequent project financing in Florida supported by Credendo – Export Credit Agency."

In the following decade, Credendo – Export Credit Agency has mainly provided cash transaction insurance for IBA's export activities, but more recently has started to provide different products.

The cash transaction insurance product has been particularly useful in China, where IBA is installing large multi-room proton therapy facilities for local hospitals. It is Credendo – Export Credit Agency's adaptable approach to transactions that Thomas Pevenage really values. "They really take the time to listen and understand the needs and specificities of projects – they know us and our business," he said.

IBA's business tends to revolve around long-term projects that need a committed long-term partner. "It can take up to three or four years to sell a contract, a further few years to install the system and then the therapy centre will be in operation for 20-plus years," Thomas Pevenage explained.

IBA is often dealing with new customers and new countries – with many regulatory hurdles to overcome, such as securing specific licences for the local import of medical devices as well gaining an understanding of the risk profile of new customers.

"Projects which might initially be introduced to Credendo – Export Credit Agency three years ago, may change in terms of the geopolitics and stability of that country," Thomas Pevenage said. "So it is important to have a partner that does not take the first opportunity to shut the door on its insurance cover."

"We need a partner that is quite agile and willing to understand that often there are things that affect the project structuring and timeline," he added.

Alongside cash transaction insurance, IBA is looking at increasing its use of Credendo – Export Credit Agency's direct financing 'buyer credit' tool to help its expansion into new geographies – for example for the sales of its radiopharmaceuticals production equipment and services.

IBA has installed and supports more than 350 of these particle accelerators around the world – helping medical departments produce radiopharmaceuticals used to detect and treat cancer and other diseases.

"Thanks to Credendo – Export Credit Agency's buyer credit tool, we are able to sell projects where we would not have sold otherwise – it has been a real enabler of market growth," he said.

"We try to not say 'no' to potential customers even if they are in specific countries that we might find challenging. We will involve partners to support us if we are not fully confident of handling it on our own," he said.

Looking to the future, Thomas Pevenage wants to see not only IBA's market share increase, but to see IBA drive the growth of the whole market for the benefit of more people around the world. "Proton therapy is an advanced form of therapy and an estimated 10 to 15% of radiation patients would benefit from it," he said.

PASCALE DEKOKER,

Senior Underwriter at Credendo

"IBA and Credendo – Export Credit Agency have a long-term relationship of more than 20 years. Credendo – Export Credit Agency was there at the beginning to support IBA's business development and Credendo – Export Credit Agency is still present today as a trusted partner."