

De Tijd (January 9, 2020): [‘Maybe I should have been a little bolder in order to grow faster’](#)

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At the end of this month, Agfa-Gevaert will wave goodbye to its French CEO Christian Reinaudo after ten years. He will be succeeded by his compatriot Pascal Juery, who comes from Solvay.

After ten years, the Reinaudo era at Agfa comes to an end. The 65-year-old CEO has the same initials as the Portuguese soccer ace, who is currently starring for the Italian club Juventus. This can lead to misunderstandings, like the time when Reinaudo was awaited by a taxi driver at London Airport with a sign saying ‘Cristiano Ronaldo’. ‘He looked very disappointed when I told him that I was the one he was looking for.’ *(laughs)*

The Frenchman was recruited by his Alcatel friend Jo Cornu in 2008 to head Agfa-Gevaert’s Healthcare division. Two years later, Reinaudo succeeded him as CEO of the entire group. After twelve years of hard work and continuous restructuring, last month salvation came with the sale of the Healthcare IT business for €975 million. The icing on the cake for Reinaudo’s career. With that sum of just under a billion, his successor Pascal Juery has to return the remaining activities to growth and reduce the heavy pension burden (€1 billion).

‘It’s a good time to leave. The sale to the Italian company Dedalus is almost complete. Agfa is back on track. And in four months, I will turn 66. Time for a fresh start.’ Reinaudo will remain on the Board of Directors. ‘But I’m not going to act like a mother-in-law.’

Is this a happy man sitting in front of us?

Christian Reinaudo: ‘I can be proud of my track record. When I started here, Healthcare IT was haemorrhaging funds, with a gross operating loss of €50 million. Today, there is a profit of more than €50 million.’

‘My first decision was to halt the Healthcare IT activities in many countries and focus on Germany and France. It turned out to be the right strategy. Today, the division is worth almost €1 billion.’

The jewel in the crown has been cashed in, but for the remaining traditional activities in declining markets, the contest goes on.

Reinaudo: ‘I’m not naive. Some activities still look fragile, and the strategy is not yet spot on. That’s good news for my successor. *(laughs)* But I’m sure we’re on the right track, through the joint venture with Lucky in China for the printing plates – how fortunate it is that we had that idea. And the bundling of the wide-format printers with specialty chemical products is also bearing fruit. Now, this year and next year, a new wave of reorganisation will need to follow.’

Are major redundancies on the way?

Reinaudo: ‘I believe that we can manage without them. It’s a question of making the support services, which do not directly contribute to sales, run more efficiently.’

Your successor knows what needs to be done.

Reinaudo: ‘Pascal Juery has what it takes. Thirty years in chemistry, ten years on Solvay’s Executive Committee, before that at Procter & Gamble. Juery has worked in the United States, Korea and China. This experience will prove useful for our further steps in Asia. And he has already been living in Belgium for Solvay for seven years.’

Will you continue to live in Antwerp area?

Reinaudo: ‘I am still considering this with my wife. We really like living here. I have only made Flemish friends here, no French-speaking ones. But since I don’t speak Dutch fluently, it will be difficult to stay here. There are families to return for. Then we will move south. Certainly not Paris, what a monster.’

‘Belgium has pleasantly surprised me. Politics too in my early years. In contrast to France, it was more about content. But in recent years that too has turned into a disappointing spectacle.’

Was Juery put forward through Active Ownership, by the Chairman Klaus Röhrig? In the past, this shareholder activist ousted the CEO at the pharmaceutical manufacturer Stada.

Reinaudo: ‘You might think so, but it’s fake news. The selection was done through a headhunter, there were internal and external candidates. The best candidate made it.’

‘I get along very well with Klaus. Initially, I wanted to leave earlier, in May last year. But he asked me to stay on a bit longer. If I was ten years younger, I would have carried on and Klaus would have kept me. I have good ideas, that’s why I am staying on the Board.’

It’s a good time to leave. Agfa is back on track.

Christian Reinaudo,
CEO Agfa-Gevaert

What is your biggest source of disappointment or frustration?

Reinaudo: ‘We have tried a number of things other than selling Healthcare IT that I can’t reveal. One of them would have been a smart move. But it didn’t work out. That’s life.’

‘I also wonder if measures could have been taken more quickly between 2011 and 2016. Maybe I should have been a little bolder in order to grow faster.’

‘For the shareholders, I have created around €1.50 per share of value. That’s not enough. But that value is still there after the clean-up we did.’

What are you most proud of?

Reinaudo: ‘The number of years I was CEO here, as my predecessors didn’t stay that long. And my legacy is positive. I have made Agfa stronger.’

‘Agfa has survived the transition from analogue to digital. Unlike Kodak, which saw 95 % of its value go up in smoke, and Heidelberg, which lost 80 % of its value.’

What will your pension look like?

Reinaudo: ‘I am Chairman of the Biocartis diagnostics company and I am on the Board of Domo Chemicals, Jan De Clerck’s chemicals group. So I am going to be in Belgium on a regular basis.’
‘Apart from that, my hobby will be “having time for things”. Sleeping and doing more reading, among other things about the history of Belgium.’

Reinaudo's achievements

Christian Reinaudo (65) has reorganised and transformed Agfa for ten years. In the first few years, he limited the risks by tackling the pension burden, as well as the exposure to erratic silver prices. By reducing the amount of silver in the products as much as possible, the impact of a price increase of \$1 per ounce on the gross profit has been brought down from €12 to €3.5 million over the past decade.

The shrinking graphic arts division, Agfa's largest unit, showed Reinaudo the way to China. 'A graphics player that does not have its cost base in China is doomed', he says.

The Frenchman also completely eliminated the €700 million debt mountain. With the sale of the jewel in the crown, the cherry on Reinaudo's cake, Agfa will soon receive almost €975 million.

Shareholders who subscribed to the increase in capital at €3.45 just after Reinaudo joined in 2010 have seen a return of 33 %.

The successor

Pascal Juery, a chemist by training, has thirty years of experience in the chemical sector. He has been a member of the Executive Committee of the Solvay chemicals group for the past ten years. Last year, he was a candidate to become CEO, but the choice fell on Ilham Kadri. Juery became her senior advisor. Prior to Solvay, Juery worked at Rhodia, the French company acquired by Solvay in 2011.

Juery faces many challenges at Agfa, cutting costs and reducing a heavy pension burden of €1 billion, a legacy that absorbs some €80 million of cash flow annually. The remaining, mostly traditional activities (printing plates, hardcopy film) should allow the 54-year-old Frenchman to restore growth. Not an easy task, because these are shrinking sectors.

With the €975 million proceeds from the sale of the jewel in the Agfa crown, the new CEO will have room for manoeuvre, although he will have to share these funds across the company, the pension funds and the shareholders, who have been waiting for a dividend for 13 years.

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