

A year of profitable growth

Year-end and Q4 report 2023/24

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June 5, 2024



Important information

This presentation includes forward-looking statements including, but not limited to, statements relating to operational and financial performance, market conditions, and other similar matters. These forward-looking statements are based on current expectations about future events. Although the expectations described in these statements are assumed to be reasonable, there is no guarantee that such forward-looking statements will materialize or are accurate. Since these statements involve assumptions and estimates that are subject to risks and uncertainties, results could differ materially from those set out in the statement. Certain of these risks and uncertainties are described further in the Annual Report in section “Risks and uncertainties”. Elekta undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulations.

This presentation is intended for investors and analysts only. Some products are still in research and/or not cleared/approved in all markets. Cancer statistics are given to show the potential market in the respective area and does not mean that Elekta currently has products to treat these indications.

Q4 and full-year financials

Gustaf Salford

President and CEO

Full year – key takeaways

Net sales

Increased by 5% with growth in all regions

Adj. EBIT margin

SEK 2,145 M (1,743) with an expanding margin to 11.8 percent (10.3)

Product offering

Elekta One software suite and Elekta Evo CT adaptive-Linac

Cash flow

Strong operating cash flow after continuous investments – SEK 815 M (400)

Capital allocation

Proposed dividend of 2.40 SEK per share for 2023/24 – unchanged

Q4 – key takeaways

Net sales

-2% – decline in mature markets compensated by growth in emerging markets

Adj. gross margin

36.6% (37.8%) – unfavorable market mix and inflationary cost increases

Adj. EBIT margin

13% (16.2%) – lower volumes and OPEX increase related to inflation and launches

Order intake

-1% – lower activity in Europe while China showed growth. Book-to-bill ratio of 1.28

Partnerships

Collaboration with MIM Software and acquisition of Philips' Pinnacle IP

Delivering on our strategy ACCESS 2025 in Q4



Accelerating innovation – adaptive across our portfolio



**Elekta Evo is not available in all markets*

ESTRO product launch - Elekta Evo and Elekta ONE


Driving adaptive CT-guided treatments

- Online adaptive and easily upgradeable
- Iris™ with high-definition AI enhanced imaging
- Elekta ONE Planning, powered by MIM
 - AI-driven automation in contouring
 - Faster dose calculation and planning
 - Vendor agnostic solution supporting both Elekta and non-Elekta devices



Elekta Evo – a unique position in the marketplace

Available on the market

	Versatile	Offline adaptive	Online adaptive	Upgradable from offline to online adaptive
Other workhorse linacs	●	✓	●	●
Other existing C-arm linacs	✓	✓	●	●
Other online adaptive linacs	●	✓	✓	●
 Elekta Evo	✓	✓	✓	✓

Evo alone provides both versatility and adaptivity

Strong Unity momentum from recent news and developments



Elekta Unity

Workflow efficiencies being realized

- Example: 20 patients treated in one day in Australia – fully adapt-to-shape

Adoption increasing continuously

- Example: another transition to Unity in Italy and strong momentum in India

Clinical benefits

- Example: >100 abstracts showcased at ESTRO – underscoring clinical benefits of Unity

ACCESS 2025 - providing radiotherapy access and increasing installed base

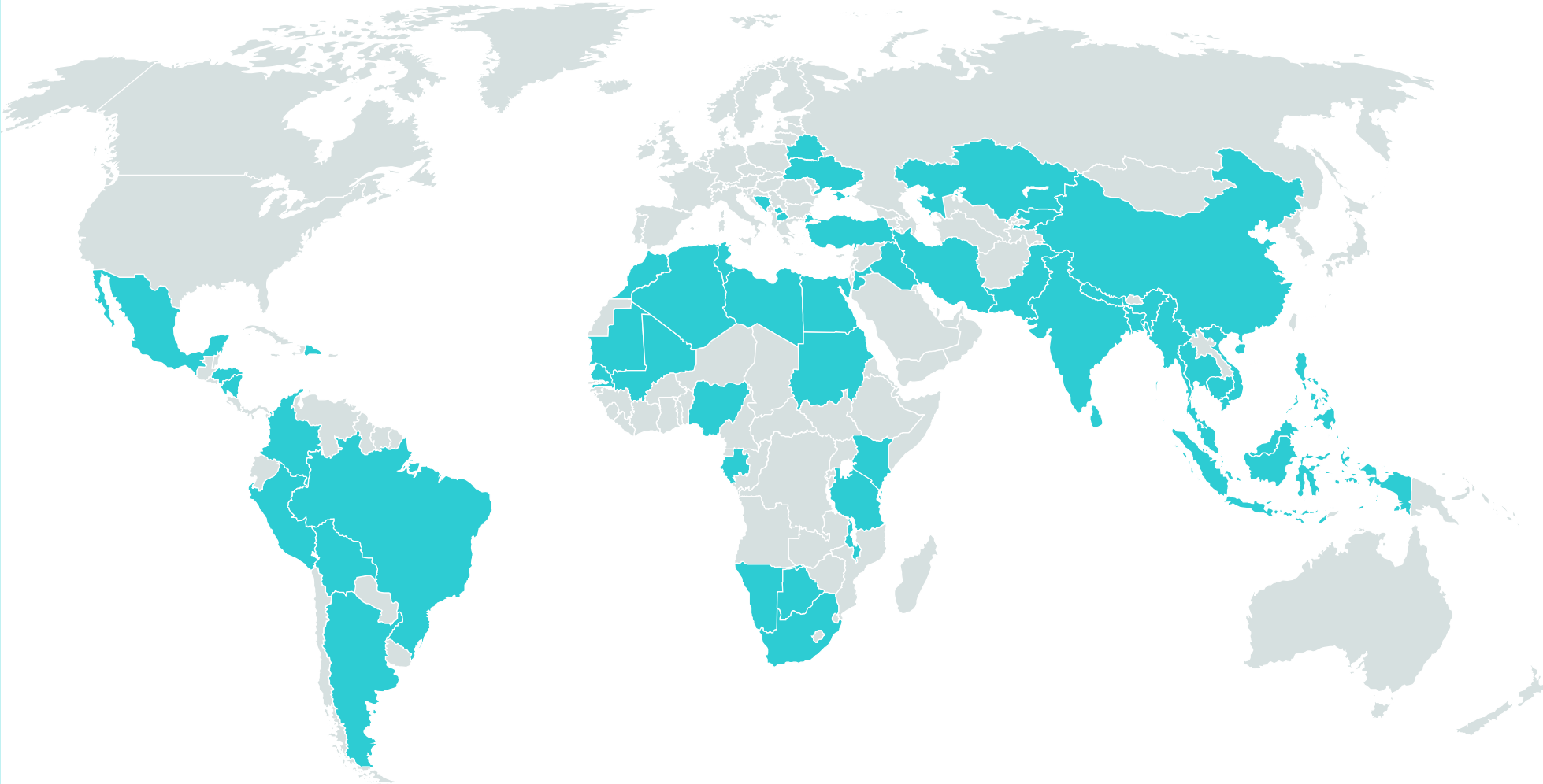
Our target for ACCESS 2025:

+300M people



Our progress heading into the last year:

260M people



Tobias Häggglöv

CFO

Full year – growth with margin expansion and higher EPS

(SEK M)	FY 23/24	FY 22/23
Net sales	18,119	16,869
Solutions	10,633	9,981
Service	7,487	6,889
COGS ²	-11,316	-10,450
Adj gross margin (%)	37.5%	38.1%
Expenses ²	-4,333	-4,177
Exchange rate diff and other	-323	-499
Adj. EBIT	2,145	1,743
Adj EBIT margin (%)	11.8%	10.3%
Financial items, net	-371	-233
Income tax	-365	-254
EPS³, SEK	3.41	2.47
Adj. EPS³, SEK	3.62	3.11

Net sales increased by 5%¹

- Americas 1%, EMEA 6%, APAC 8%
 - China grew despite the anti-corruption campaign
- Solutions 4% and Service 6%

Adj. gross margin of 37.5%

- Unfavorable market mix and inflationary pressure
- Leverage from revenue growth and cost control

Improved adj. EBIT margin of 150bps to 11.8%

- Cost control and Cost-reduction Initiative savings
- Expenses increased by 2%² mainly driven by selective investments in product launches

¹ Based on constant exchange rates.

² Excluding items affecting comparability (IAC) in 2023/24 of SEK 106 M (312), of which SEK 26 M (71) is related to COGS.

³ Before dilution

Q4 – tough comparables and slower market in Europe and the U.S.

(SEK M)	Q4 23/24	Q4 22/23	Q3 23/24
Net sales	5,023	5,125	4,537
Solutions	3,060	3,325	2,742
Service	1,963	1,800	1,795
COGS ²	-3,186	-3,187	-2,864
Adj. gross margin	36.6%	37.8%	36.9%
Expenses ²	-1,104	-987	-1,036
Exchange rate diff and other	-80	-119	-112
Adj. EBIT	653	832	525
Adj. EBIT margin	13.0%	16.2%	11.6%
Financial items, net	-88	-95	-93
Income tax	-115	-142	-86
EPS³, SEK	1.08	1.43	0.80
Adj. EPS³, SEK	1.15	1.53	0.88

Net sales decreased by 2%¹

- Slower market activity in Europe and the U.S.
- Growth in APAC despite negative impact from the anti-corruption campaign in China

Adj. gross margin of 36.6% (37.8%)

- Lower volumes and unfavorable market mix
- Continued inflationary pressure

Adj. EBIT of 13% (16.2%)

- Higher operating expenses mainly related to product launches

Continued and accelerated cost focus going forward

- Address inflation and cost increases by reducing COGS and operating expenses

¹ Based on constant exchange rates.

² Excluding items affecting comparability (IAC) in Q4 2023/24 of SEK 34 M (49), of which SEK 7 M (7) is related to COGS, and in Q3 2023/24 of SEK 40 M (132), of which SEK 10 M (12) is related to COGS.

³ Before/after dilution

Selective investments and non-recurring items

Quarterly expenses

Expenses (SEK M)	Q4 ¹ 23/24	Q4 22/23	Growth ² Y/Y	Q3 ¹ 23/24	Growth ² Q/Q
Selling	-403	-389	➔ 5%	-362	➔ 13%
Administrative	-350	-307	➔ 15%	-339	➔ 3%
Net R&D	-350	-291	➔ 20%	-335	➔ 6%
Total	1,104	987	12%	-1,036	8%

Y-o-Y comparison

Selling expenses²

- Ramp-up of customer activities and commercialization of product launches

Administrative expenses²

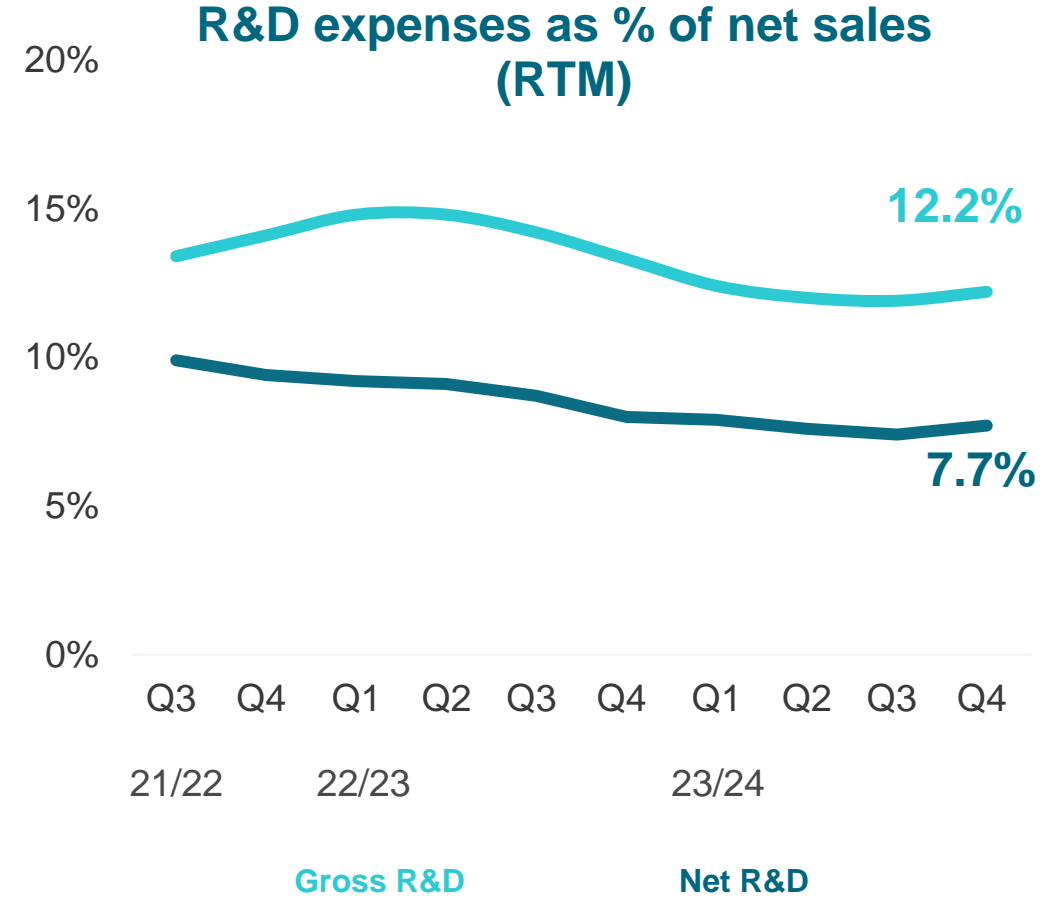
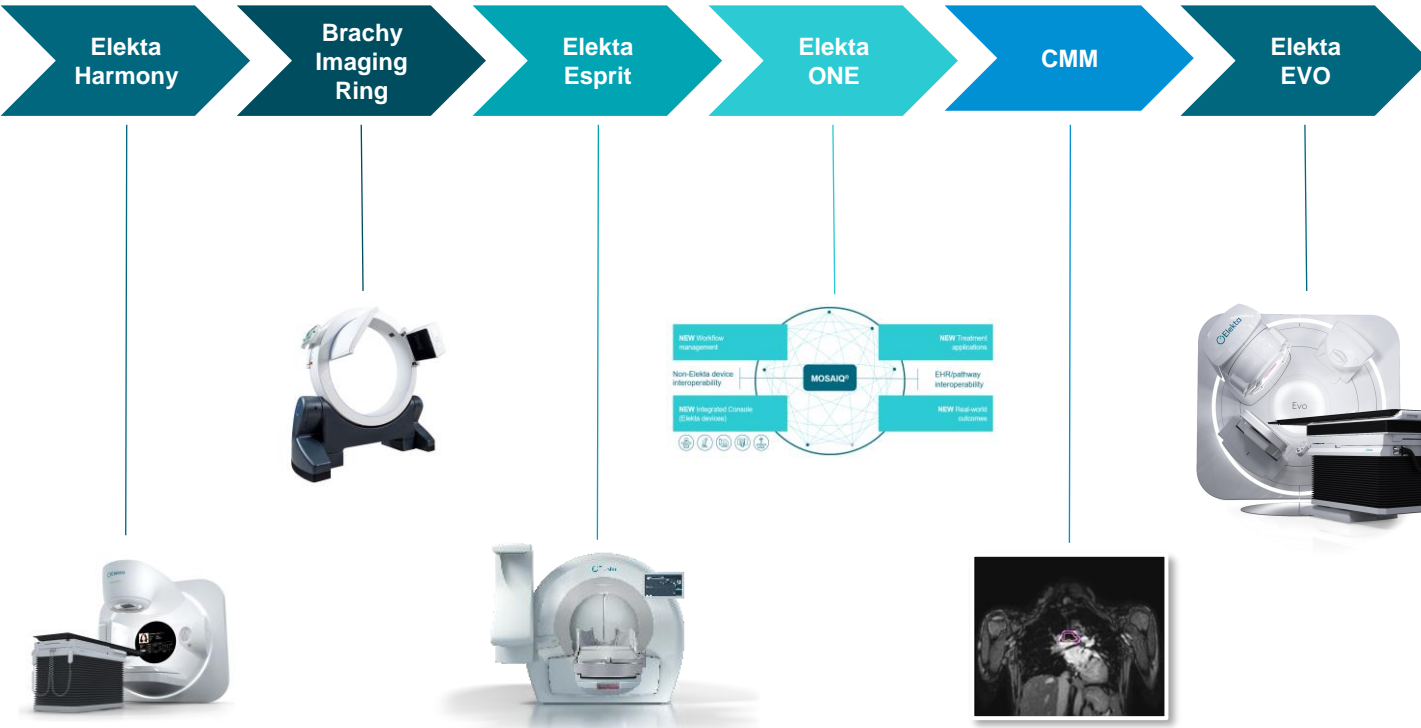
- 7% increase y-o-y excl non-recurring items
- Selective investments in IT in the quarter

Net R&D expenses²

- R&D investments and higher amortization from product launches

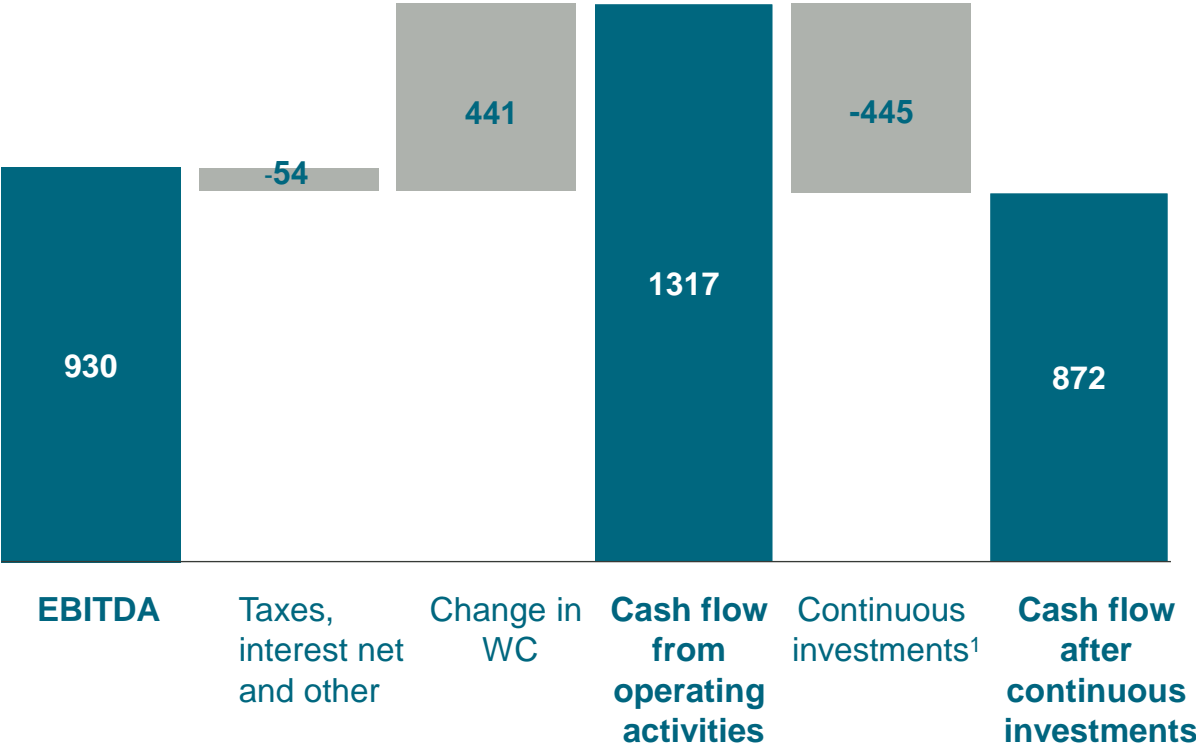
R&D to ensure technology leadership and financial result

Major launches since FY19/20

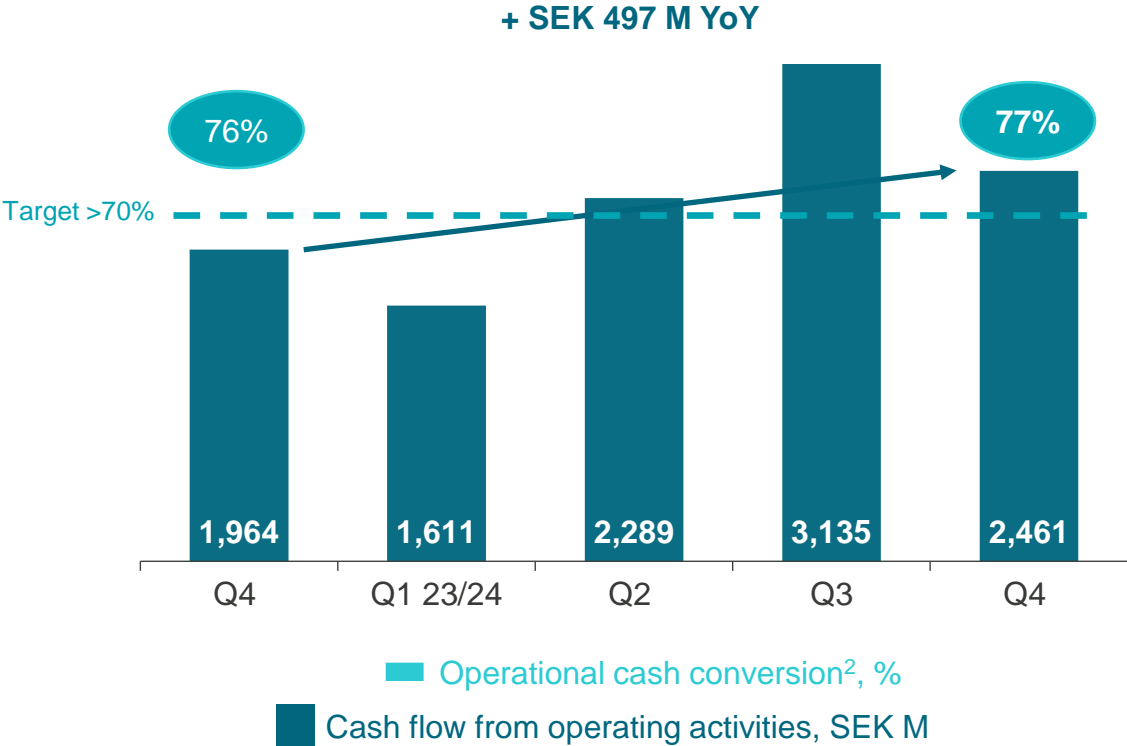


Cash conversion above target and operational cash flow SEK 497 M higher compared to last year

Q4 Cash flow (SEK M)



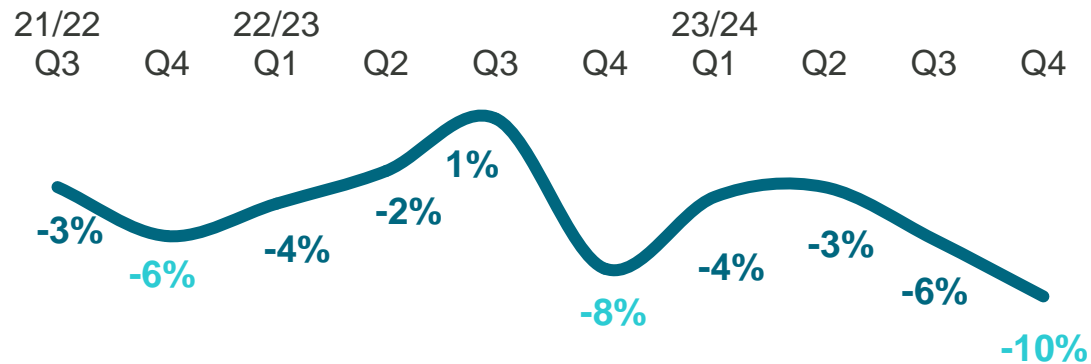
Operational cash conversion, RTM



¹ Of which SEK 378 M related to investments in innovations
 ² Cash conversion = Cash flow from operating activities/EBITDA

Improvement in net working capital

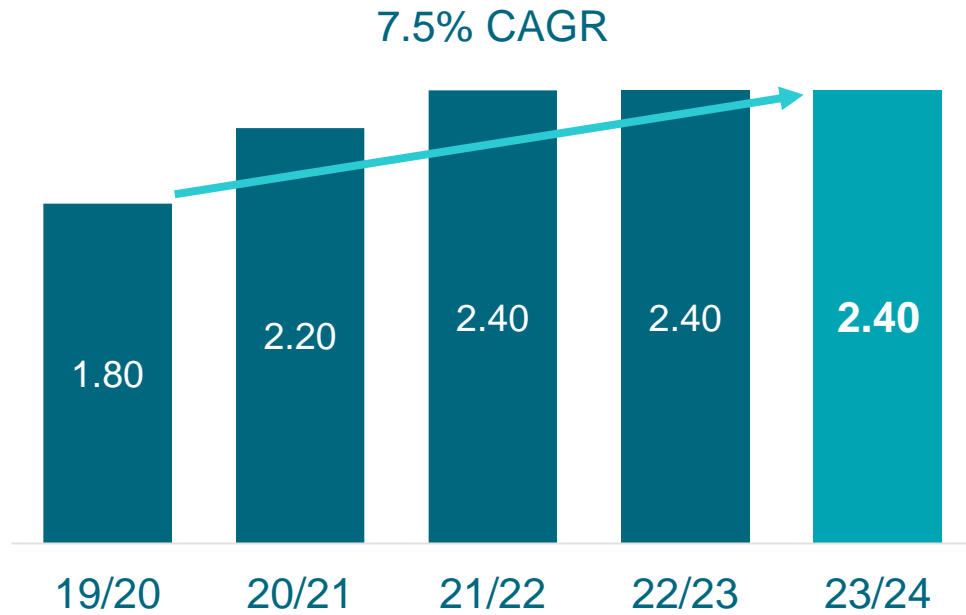
NWC as % of net sales (RTM)



- Lower working capital (NWC) both compared to last quarter and y-o-y
- Lower accrued income and accounts receivables following healthy cash collection with high contribution from Southern Europe
- Higher prepaid income in the U.S. and China
- Lower Customer advances in China

Proposed dividend for 2023/24

Dividend, SEK per share



Pay-out ratio of 70% of net income

(Dividend policy of >50%)

SEK 917 M
(two installments)

SEK 458.5 M

SEK 458.5 M

Outlook

Outlook 2024/25

First half

- Weaker due to challenging market conditions

Second Half

- We expect sales and profitability to pick up from new product launches as well as productivity measures

Full year

- Net sales expected to grow by mid-single digit with an improved EBIT margin

Beyond 2024/25, EBIT margin expansion to 14% and higher

Financial calendar

Annual Report 2023/24	Jul 5, 2024
Interim report, Q1 May-Jul 2024/25	Aug 28, 2024 (new date)
Annual General Meeting 2024	Sep 5, 2024
Interim report, Q2 Aug-Oct 2024/25	Nov 27, 2024
Interim report, Q3 Nov-Jan 2024/25	Feb 21, 2025

Further questions

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Q&A

We don't just build technology,
we build hope



