Year-end report May-April 2018/19

Q4
2018/19
May 29, 2019

Fourth quarter

- Gross order intake amounted to SEK 5,401 M (4,656), an increase of 16 percent in SEK and 8 percent based on constant exchange rates.
- Net sales were SEK 4,086 M (3,409), an increase of 20 percent in SEK and 12 percent based on constant exchange rates.
- EBITA increased by 16 percent to SEK 985 M (848)
- The EBITA margin amounted to 24.1 percent (24.9).
- Operating result was SEK 755 M (714).
- Net income amounted to SEK 536 M (502). Earnings per share was SEK 1.40 (1.31) before/after dilution.
- Cash flow after continuous investments was SEK 1,359 M (979).
- Six Elekta Unity orders booked in the quarter.

Year-end May 2018 – April 2019

- Gross order intake amounted to SEK 16,796 M (14,493), an increase of 16 percent in SEK and 8 percent based on constant exchange rates.
- Net sales were SEK 13,555 M (11,573), an increase by 17 percent in SEK and 10 percent based on constant exchange rates.
- EBITA increased by 5 percent to SEK 2,477 M (2,369), including a positive effect of SEK 70 M related to a divestment during the fiscal year.
- The EBITA margin was 18.3 percent (20.5).
- Operating result was SEK 1,696 M (1,845).
- Net income amounted to SEK 1,198 M (1,348). Earnings per share was SEK 3.14 (3.53) before/after dilution.
- Cash flow after continuous investments was SEK 962 M (1,589).
- Net debt amounted to SEK 439 M (803).
- 17 Elekta Unity orders booked in the fiscal year.

Dividend for fiscal year 2018/19

- The Board of Directors proposes a dividend of SEK 1.80 (1.40) per share for the fiscal year 2018/19.

GROUP SUMMARY

SEK M	Q4 2018/19	Q4 2017/18	Change	May - Apr 2018/19	May - Apr 2017/18	Change
Gross order intake	5,401	4,656	8% *	16,796	14,493	8% *
Net sales	4,086	3,409	12% *	13,555	11,573	10% *
EBITA	985	848	16%	2,477	2,369	5%
Operating result	755	714	6%	1,696	1,845	-8%
Net income	536	502	7%	1,198	1,348	-11%
Cash flow after continuous investments	1,359	979	39%	962	1,589	-39%
Earnings per share before/after dilution, SEK	1.40	1.31	7%	3.14	3.53	-11%

*Compared to last fiscal year based on constant exchange rates.

Outlook for fiscal year 2019/20

- Net sales growth of 8-10 percent, based on constant exchange rates.
- EBITA margin of around 19 percent.

Richard Hausmann

President and CEO

CEO comment

Strong finish to a successful year of proven Unity excellence and software innovations

A strong finish in the fourth quarter sums up a successful year 2018/19. We outperformed the previous year's sales growth with contributions from all business lines and regions. Feedback from clinics underlined Elekta Unity's excellence and the sales funnel has continued to grow, resulting in a healthy order intake. Order intake overall had a good growth rate of 8 percent, both for the year and in the fourth quarter. We exceeded the annual net sales target and delivered on the revised EBITA margin target. Based on our outstanding innovative product portfolio, solid financials and an increasing pipeline, I am confident and excited about our future prospects.

Q4 – A strong finish
During the final quarter we delivered a good performance. We achieved strong net sales growth and continued a robust order trend overall. After regulatory approvals in North America we received our first commercial Unity orders in both the U.S. and Canada. The ESTRO meeting in April emphasized the increasing interest we see for our innovative advancements in precision radiation medicine. In addition to Unity, our newest software solution, MOSAIQ® Plaza and our upgraded treatment planning system Monaco® HD, received a lot of attention. Net sales and order intake developed well across the business lines with especially strong growth in software. Gross margin improved significantly, and a reduced net working capital improved our cash flow, resulting in a better cash conversion for the quarter.

Good growth in 2018/19
During the year the demand for radiation therapy solutions remained strong in all regions. We managed to increase our growth pace through our innovative product portfolio and a strengthened sales leadership in Europe, Middle East and Africa. We achieved this at the same time as we shortened the process from shipment to installation for our solutions. I am very proud that it resulted in an annual record number of installations. It demonstrates Elekta's great delivery power. A strong installed base is also a very good foundation for our service business going forward.

All business lines contributed to the growth, both in solutions and services. Our software business developed well during the year, and I am especially satisfied with its growth in North America. Leksell Gamma Knife® also had a very strong development, coming close to the strongest year of its history.

Elekta Unity had a good performance with healthy order intake and sales. The pipeline is very impressive and growing. However, some of the expected orders for the fourth quarter shifted into the new fiscal year due to longer procurement processes with Unity. After closing the fiscal year, we have received regulatory approval from Japan. At present 45 units have been ordered globally and I am confident that we will reach our target of 75 units by Mid-2020.

Looking at profitability we had a tough start of the year but managed to improve the annual outcome by a strong fourth quarter. I am satisfied to see that the gross margin improved at year-end resulting from a better product mix and successful product positioning. Our EBITA margin is expected to improve as we benefit from our process enhancing efforts, COGS reduction program and a continued revenue growth from our investments in Unity and China.

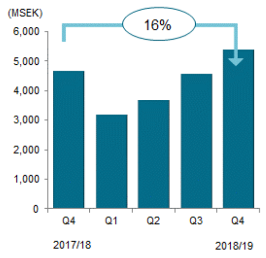
Further growth
To sum up the year we exceeded our net sales target and delivered on the revised target of the EBITA margin. I would like to thank all our employees for their efforts leading to this achievement. True teamwork where each and every one is important for our success.

Looking ahead we face the ramp-up of Unity's commercialization including regulatory approvals in China as well as the first clinical studies. We put further resources into Elekta Digital to e.g. further develop artificial intelligence features that support more efficient cancer treatment. Based on our prospects the guidance in the new fiscal year is for a net organic sales growth rate of 8-10 percent and an EBITA margin of around 19 percent. Elekta's outstanding innovative product portfolio, together with our strong order pipeline, solid financials and the organizations' commitment for further growth makes me confident of our mid-term scenario and excited about our future.

Richard Hausmann, President and CEO

Order intake and order backlog

Gross Order Intake



Gross order intake increased by 16 percent for the fiscal year to SEK 16,796 M (14,493) and 8 percent based on constant exchange rates.

GROSS ORDER INTAKE

SEK M	Q4 2018/19	Q4 2017/18	Change*	Change	May - Apr 2018/19	May - Apr 2017/18	Change*	Change
North and South America	1,869	1,554	9%	20%	5,049	4,720	-1%	7%
Europe, Middle East and Africa	2,259	1,831	18%	23%	6,739	5,389	18%	25%
Asia Pacific	1,273	1,271	-8%	0%	5,008	4,384	6%	14%
Group	5,401	4,656	8%	16%	16,796	14,493	8%	16%

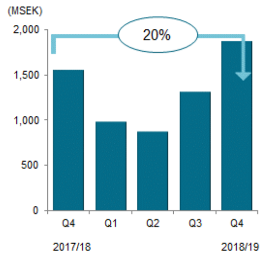
*Compared to last fiscal year based on constant exchange rates.

Order backlog was SEK 32,003 M, compared to SEK 27,974 M on April 30, 2018. Order backlog is converted at closing exchange rates, which resulted in a positive translation difference of SEK 1,763 M.

Regional development

North and South America

Gross order intake North and South America



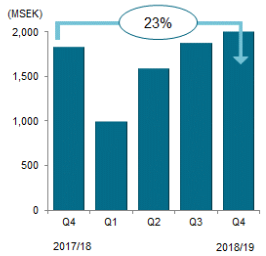
The U.S. is the world's largest market for radiation therapy. Market growth is primarily driven by service and software as well as upgrading the installed base of treatment systems. A large share of customers is private hospitals.

In the fourth quarter Elekta had a good performance in the region, driven by a very good order intake in North America. Based on unchanged exchange rates order growth was 9 percent. The feedback from the American consortium sites treating patients with Unity is very positive and we received our first commercial US order of one Unity after the FDA approval. During the fourth quarter we also received the regulatory approval in Canada, followed by an order of one Unity. Net sales in constant currencies had an evenly good development and grew by 9 percent in the quarter, with a strong development in South America.

The region reported an order intake in line with the previous year, driven by good growth in North America especially in the second half of the year. Annual net sales had a good growth of 8 percent. Both key figures are in constant currencies.

Europe, Middle East and Africa

Gross order intake Europe, Middle East and Africa



The growth in the established markets is mainly driven by upgrading the installed base to new systems and aftermarket services, but also by investments to expand radiation therapy capacity. The region's emerging markets are characterized by a significant need for radiation therapy from current low levels.

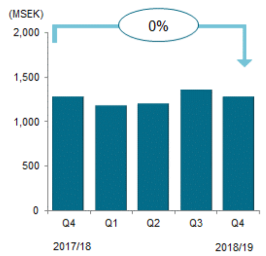
Organic order growth in the region reached 18 percent in the last quarter. The Middle East and Africa showed the strongest increase with large orders from South Africa and Turkey. Order intake in Western Europe also developed well, particularly in France and the Netherlands. During the quarter three new orders were booked for Elekta Unity. The organic quarterly net sales growth was 3 percent.

For the fiscal year 2018/19 and in constant currencies the region showed strong order intake of 18 percent and net sales growth of 9 percent.

Asia Pacific

The region has a significant long-term need for expanding cancer care and the markets are generally underserved in terms of radiation therapy capacity.

Gross order intake Asia Pacific



Asia Pacific order intake in the fourth quarter was weak, but with a good development in e.g. Thailand, India and Japan. One Unity was ordered from Thailand and the regulatory approval procedure in China has started (CFDA). The quarterly net sales were very strong with 29 percent growth based on unchanged exchange rates.

For the fiscal year 2018/19 Asia Pacific had good organic order bookings of 6 percent and a strong organic net sales growth of 16 percent.

After the fiscal year ended Elekta Unity received approval for commercialization in Japan.

Presented amounts and comments refer to the fiscal year 2018/19 and amounts within parentheses indicate comparative values for the equivalent period last fiscal year restated to IFRS 15 unless otherwise stated.

Net sales and earnings

Growth was strong in all regions and net sales increased to SEK 13,555 M (11,573) in the year, representing a growth of 17 percent or 10 percent based on constant exchange rates.

NET SALES

SEK M	Q4 2018/19	Q4 2017/18	Change*	Change	May - Apr 2018/19	May - Apr 2017/18	Change*	Change.
North and South America	1,204	998	9%	21%	4,501	3,888	8%	16%
Europe, Middle East and Africa	1,561	1,465	3%	7%	4,956	4,345	9%	14%
Asia Pacific	1,322	946	29%	40%	4,098	3,340	16%	23%
Group	4,086	3,409	12%	20%	13,555	11,573	10%	17%

*Compared to last fiscal year based on constant exchange rates.

Gross margin was 41.9 percent in the fiscal year (43.7). The decline was mainly due to product mix and price pressure on existing linac platform, especially in mature markets.

EBITA was SEK 2,477 M (2,369) representing a margin of 18.3 percent (20.5).

The effect from changes in exchange rates compared with last year was approximately SEK 85 M including hedges. Operating result was SEK 1,696 M (1,845). The operating result included a positive effect of SEK 70 M related to a divestment in the first quarter, reported as part of other operating income and expenses.

Net financial items amounted to SEK -116 M (-164). Profit before tax amounted to SEK 1,580 M (1,681) and tax amounted to SEK -382 M (-333), representing a tax rate of 24 percent (20). The higher tax rate was a consequence of a one-off effect, mainly due to new accounting principle in combination with the product mix.

Net income amounted to SEK 1,198 M (1,348) and earnings per share amounted to SEK 3.14 (3.53) before/after dilution. Return on shareholders' equity amounted to 17 percent (22) and return on capital employed was 15 percent (17).

Expenses and capitalization

Operating expenses increased, mainly related to investments in the commercialization of Elekta Unity, Elekta Digital and the sales organization. R&D expenditure, adjusted for the net of capitalization and amortization of R&D costs, amounted to SEK 1,386 M (1,348), equal to 10 percent (12) of net sales.

EXPENSES

	2018/19			2017/18		
SEK M	Q4	Q3	May - Apr	Q4	Q3	May - Apr
Selling expenses	-342	-310	-1,296	-326	-277	-1,208
Administrative expenses	-291	-247	-1,039	-249	-232	-949
R&D expenses	-417	-400	-1,592	-234	-264	-1,095
Total	-1,050	-957	-3,927	-810	-773	-3,252

The net of capitalized development costs in the R&D function decreased to SEK -206 M (252). The negative outcome this year was due both to higher amortization as a consequence of the CE marking of Elekta Unity and lower capitalized R&D costs due to a higher share of R&D project in an early phase.

CAPITALIZED DEVELOPMENT COSTS

SEK M	Q4 2018/19	Q4 2017/18	May - Apr 2018/19	May - Apr 2017/18
Capitalization of development costs	125	203	456	637
of which R&D	124	203	453	637
Amortization of capitalized development costs	-200	-103	-664	-408
of which R&D	-197	-97	-660	-385
Capitalized development costs, net	-75	100	-208	229
of which R&D	-73	105	-206	252

Investments and depreciation

Investments in intangible assets were SEK 458 M (642) and investments in tangible assets were SEK 202 M (219). Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 943 M (675).

Cash flow

Cash flow from operating activities was SEK 1,621 M (2,404). Cash flow after continuous investments was SEK 962 M (1,589). The decline in cash flow was due to increased levels of net working capital, see below.

Cash flow in the fourth quarter was strong with both operating cash flow and working capital contributing.

CASH FLOW (EXTRACT)

SEK M	Q4 2018/19	Q4 2017/18	May - Apr 2018/19	May - Apr 2017/18
Operating cash flow	937	862	2,256	2,357
Change in working capital	*610*	*372*	*-636*	*47*
Cash flow from operating activities	1,547	1,235	1,621	2,404
Continuous investments	*-188*	*-256*	*-658*	*-816*
Cashflow after continuous investments	1,359	979	962	1,589
Operational cash conversion	*151%*	*139%*	*61%*	*95%*

Working capital

Net working capital was SEK -2,089 M corresponding to -15 percent of net sales. The increase in working capital came from higher accrued income and lower advances from customers - driven by country mix - as well as higher inventory, mostly from Brexit preparations and the Unity launch. The increase in accounts payable reflected the high activity in the last quarter and the high inventory level.

The improvement seen in the fourth quarter was mainly due to reduced accounts receivable and increased accounts payable.

WORKING CAPITAL

SEK M	Apr 30 2019	Apr 30 2018	Jan 31 2019
Working capital assets			
Inventories	2,634	2,560	2,508
Accounts receivable	3,455	3,402	3,774
Accrued income	1,401	1,160	1,281
Other operating receivables	1,059	1,068	1,252
Sum working capital assets	8,548	8,191	8,815
Working capital liabilities			
Accounts payable	1,427	1,132	1,082
Advances from customers	4,883	5,316	4,850
Prepaid income	2,170	1,990	2,010
Accrued expenses	1,661	1,662	1,596
Short-term provisions	188	186	148
Other current liabilities	308	257	333
Sum working capital liabilities	10,638	10,543	10,020
Net working capital	-2,089	-2,352	-1,206
% net sales	-15%	-20%	-9%

Days Sales Outstanding (DSO) was negative 59 days (negative 51 per January 31, 2019).

The largest improvement in the fourth quarter was seen in Europe reversing some of the increase earlier in the year.

DAYS SALES OUTSTANDING (DSO)

SEK M	Apr 30 2019	Apr 30 2018	Jan 31 2019
North and South America	-74	-122	-80
Europe, Middle East and Africa	2	-30	24
Asia Pacific	-113	-122	-112
Group	-59	-87	-51

Financial position

Cash and cash equivalents and short-term investments amounted to SEK 4,119 M (4,541) and interest-bearing liabilities amounted to SEK 4,558 M (5,344). Net debt amounted to SEK 439 M (803). Net debt in relation to EBITDA was 0.17 (0.32 per April 30, 2018).

NET DEBT

SEK M	Apr 30 2019	Apr 30 2018	Jan 31 2019
Long-term interest-bearing liabilities	3,558	4,369	4,463
Short-term interest-bearing liabilities	1,000	975	38
Cash and cash equivalents and short-term investments	-4,119	-4,541	-2,980
Net debt	439	803	1,521

The exchange rate effect from the translation of cash and cash equivalents amounted to SEK 142 M (-4). The translation difference in interest-bearing liabilities amounted to SEK 129 M (54). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK 243 M (475).

The change in unrealized exchange rate effects from effective cash flow hedges reported in other comprehensive income amounted to SEK -101 M (-5). The closing balance of unrealized exchange rate effects from effective cash flow hedges amounted to SEK -70 M (33) exclusive of tax.

Acquisitions

Acquisition of quality assurance expert Acumyn

Elekta announced on July 27, 2018, that it has acquired the Canadian quality assurance expert Acumyn, a stand-alone commercial spin-off of University Health Network, Toronto. This follows an exclusive agreement between Elekta and Acumyn, signed in 2014, to commercialize its integrated Quality Management System, AQUA.

Legal disputes

ZAP

In April 2019 Elekta filed a patent infringement lawsuit against ZAP Surgical Systems Inc. Elekta claims the company is violating a patent on Elekta's design for a rotatable treatment system.

humediQ

As earlier reported, during fiscal year 2017/18, humediQ GmbH initiated a new arbitration against Elekta group companies and arising out of the agreement as the previous arbitration in 2016. The hearing in the arbitration is tentatively scheduled to October 2019. Elekta is of the opinion that the claims overall lack merit and will defend itself.

Best Medical

During fiscal year 2018/2019 Best Medical International Inc. filed a patent lawsuit against Elekta group companies. After a first assessment made Elekta believes that the claims overall lack merit and will defend itself. It is expected that it will take years before any final ruling is made in the case.

Significant events during the quarter

Investment in iRT Systems to offer improved quality assurance

On April 9, 2019, Elekta announced the acquisition of a minority stake the German Company, iRT Systems GmbH, in order to improve its quality assurance (QA) offering to clinics and hospitals around the world.

Elekta Unity received Medical Device License from Health Canada

On March 25, 2019, Elekta announced that its Elekta Unity received a Medical Device License from Health Canada, clearing the technology for commercial sales in Canada.

Partnership agreement with RTsafe for delivery of safe and efficient stereotactic cancer treatments

On March 21, 2019, Elekta and RTsafe announced that they have entered into an agreement under which Elekta will be the distributor of innovative, 3D printed PseudoPatient™ phantoms and remote dosimetry services. RTsafe simplifies the implementation of very complex therapeutic treatment techniques with its solution.

MOMENTUM program launched

On February 2, 2019, the MOMENTUM program was launched, representing the next step in the development of the Elekta Unity MR/RT system. The program will focus on building a robust body of real-world clinical experience and insights made possible by this technology. Information gained through the MOMENTUM program will guide the use of MR/RT to improve outcomes for cancer patients.

Significant events after the quarter

Elekta Unity approved in Japan

On May 24, 2019, Elekta announced that its Elekta Unity has been approved for clinical use in Japan.

Dividend

The Board of Directors proposes a dividend of SEK 1.80 (1.40) per share for the fiscal year 2018/98 to be divided into two payments. The proposed dividend represents approximately SEK 688 M (535) and 57 percent (49) of net profit for the year.

The Board of Directors intends to propose to the Annual General Meeting 2019 to renew the authorization for the Board of Directors to decide on the acquisition of a maximum number of own shares so that, after the acquisition, the company holds no more than 10 percent of the total numbers of shares in the company.

Employees

The average number of employees during the period was 3,798 (3,702).

The average number of employees in the Parent Company was 37 (36).

Shares

Total number of registered shares on April 30, 2019 was 383,568,409 of which 14,980,769 were A-shares and 368,587,640 B-shares. On April 30, 2019 1,541,368 shares were treasury shares held by Elekta.

Risks and uncertainties

Elekta's presence in a large number of geographical markets exposes the Group to political and economic risks on a global scale and/or in individual countries. The United Kingdom's decision to leave the European Union, as an example, might lead to economic uncertainty that may impact Elekta since an important part of the business is located in the United Kingdom.

The competitive landscape for Elekta is continuously changing. The medical equipment industry is characterized by technological developments and continuous improvements of industrial know-how, resulting in companies launching new products and improved methods for treatment. Elekta strives to be the leader in innovation and offer the most competitive product portfolio, developed in close collaboration with key research leaders in the field. To secure the proceeds of research investments, it is of importance that such new products and new technology are protected from the risk of improper use by competitors. When possible and deemed appropriate, Elekta protects its intellectual property rights by way of patents, copyrights and trademark registrations. Elekta carefully monitors intellectual property rights of third parties, but third parties may still direct infringement claims against Elekta which may lead to time-consuming and costly legal disputes as well as business interruption and other limitations in operations.

Elekta sells solutions through its direct sales force and through an external network of agents and distributors. The Company's continued success is dependent on the ability to establish and maintain successful relationships with customers. Elekta is continuously evaluating how to enter new markets, considering both the opportunities and the risks involved. There are regulatory registration requirements with each new market that potentially could delay product introductions and certifications. The stability of the political system in certain countries and the security situation for employees traveling to exposed areas are constantly evaluated. Corruption is a risk and an obstacle for development and growth in some countries. Elekta has implemented a specific anti-corruption policy to guide the business as it aims to be in line with national and international regulations and best practices against corruption as well as third party risk management processes.

Elekta's operations comprise several markets that expose the Group to a vast number of laws, regulations, policies and guidelines regarding, for example, health, security, environmental matters, trade restrictions, competition and delivery of products. Elekta's quality systems describe these requirements, which are reviewed and certified by external supervisory bodies and are regularly inspected by authorities in applicable countries, for example, the US FDA. Noncompliance of, for example, safety regulations can result in delayed or stopped deliveries of products. Changes in regulations and rules might also increase Elekta's costs and delay the development and introduction of new products.

Elekta depends also on the capability of producing advanced medical equipment, which requires highly qualified personnel. The Company's ability to attract and retain qualified personnel and management has a significant impact on the future success of the Group.

Weak economic development and high levels of public debt might, in some markets, mean less availability of financing for private customers and reduced future healthcare spending by governments. Political decisions that could impact the healthcare reimbursement systems also constitute a risk factor. Elekta's ability to commercialize products is dependent on the reimbursement level that hospitals and clinics can obtain for different types of treatments. Alterations in the existing reimbursement systems related to medical products, or implementation of new regulations, might impact future product mix in specific markets.

Elekta's delivery of treatment equipment relies largely on customers' readiness to receive the delivery at site. Depending on contractual payment terms, a delay can result in postponed invoicing and affect timing of revenue recognition. The Group's credit risks are normally limited since customer operations are, to a large extent, financed either directly or indirectly by public funds.

Elekta depends on a number of suppliers for components. There is a risk that delivery difficulties might occur due to circumstances beyond Elekta's control. Critical suppliers are regularly followed up regarding delivery precision and quality of components.

Elekta's operations within research and development, production, distribution, marketing and administration depend on a large number of advanced IT systems and IT solutions. Routines and procedures are applied in order to protect the hardware, software and information against damages, manipulations, loss or incorrect use. If these systems and solutions should be affected by any interference resulting in loss of information it might have a negative impact on Elekta's operations, result and financial position.

In its operations, Elekta is subject to a number of financial risks primarily related to exchange rate fluctuations. In the short term, the effect of currency movements is reduced through forward contracts. Hedging is conducted on the basis of expected net sales over a period of up to 24 months. The scope of the hedging is determined by the Company's assessment of currency risks. Risk exposure is regulated through a financial policy established by the Board of Directors. The overall responsibility for handling the Group's financial risks and developing methods and guidelines for dealing with financial risks, rests with the executive management and the finance function. For more detailed information regarding these risks, see Note 2 in the Annual Report 2017/18.

The Board of Directors and CEO declare that the undersigned year-end report provides a fair overview of the parent company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, May 29, 2019

Richard Hausmann
CEO and President

This report has not been reviewed by the Company´s auditors.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT SEK M	Q4 2018/19	Q4 2017/18	May - Apr 2018/19	May - Apr 2017/18
Net sales	4,086	3,409	13,555	11,573
Cost of products sold	-2,240	-1,969	-7,875	-6,517
Gross income	1,847	1,440	5,680	5,056
Selling expenses	-342	-326	-1,296	-1,208
Administrative expenses	-291	-249	-1,039	-949
R&D expenses	-417	-234	-1,592	-1,095
Other operating income and expenses	-15	25	23	0
Exchange rate differences	-28	60	-80	42
Operating result	755	714	1,696	1,845
Result from participations in associates	-3	-13	3	-7
Interest income	23	23	66	67
Interest expenses and similar items	-44	-69	-186	-225
Exchange rate differences	0	0	2	1
Profit before tax	731	655	1,580	1,681
Income taxes	-195	-153	-382	-333
Net income	536	502	1,198	1,348
Net income attributable to:				
Parent Company shareholders	536	502	1,198	1,348
Non-controlling interests	0	0	0	0
Earnings per share before dilution, SEK	1.40	1.31	3.14	3.53
Earnings per share after dilution, SEK	1.40	1.31	3.14	3.53
STATEMENT OF COMPREHENSIVE INCOME SEK M				
Net income	536	502	1,198	1,348
Other comprehensive income:				
Items that will not be reclassified to the income statement:				
Remeasurements of defined benefit pension plans	-1	-19	-1	-19
Tax	1	5	1	5
Total items that will not be reclassified to the income statement	-1	-14	-1	-14
Items that subsequently may be reclassified to the income statement:				
Revaluation of cash flow hedges	-35	-112	-101	-5
Translation differences from foreign operations	284	624	243	475
Tax	7	23	19	2
Total items that subsequently may be reclassified to the income statement	256	535	161	472
Other comprehensive income for the period	256	521	160	458
Total comprehensive income for the period	791	1,023	1,358	1,806
Comprehensive income attributable to:				
Parent Company shareholders	791	1,023	1,358	1,806
Non-controlling interests	0	0	0	0

RESULT OVERVIEW

SEK M	Q4 2018/19	Q4 2017/18	May - Apr 2018/19	May - Apr 2017/18
Operating result/EBIT	755	714	1,696	1,845
Amortization:				
Capitalized development costs	200	103	664	408
Assets relating to business combinations	30	30	117	116
EBITA	985	848	2,477	2,369

CONSOLIDATED BALANCE SHEET

SEK M	Apr 30 2019	Apr 30 2018
Non-current assets		
Intangible assets	9,301	9,175
Tangible fixed assets	957	895
Financial assets	508	261
Deferred tax assets	402	350
Total non-current assets	11,167	10,681
Current assets		
Inventories	2,634	2,560
Accounts receivable	3,455	3,402
Accrued income	1,401	1,160
Current tax assets	158	177
Derivative financial instruments	72	170
Other current receivables	1,059	1,068
Short-term investments	45	83
Cash and cash equivalents	4,073	4,458
Total current assets	12,897	13,080
Total assets	24,064	23,760
Elekta's owners' equity	7,778	6,987
Non-controlling interests	1	0
Total equity	7,779	6,987
Non-current liabilities		
Long-term interest-bearing liabilities	3,558	4,369
Deferred tax liabilities	587	511
Long-term provisions	188	158
Other long-term liabilities	55	63
Total non-current liabilities	4,388	5,102
Current liabilities		
Short-term interest-bearing liabilities	1,000	975
Accounts payable	1,427	1,132
Advances from customers	4,883	5,316
Prepaid income	2,170	1,990
Accrued expenses	1,661	1,662
Current tax liabilities	166	107
Short-term provisions	188	186
Derivative financial instruments	94	46
Other current liabilities	308	257
Total current liabilities	11,897	11,671
Total equity and liabilities	24,064	23,760

CASH FLOW

SEK M	Q4 2018/19	Q4 2017/18	May - Apr 2018/19	May - Apr 2017/18	
Profit before tax	731	655	1,580	1,681	
Amortization and depreciation	273	174	943	675	
Interest net	7	28	91	96	
Other non-cash items	31	92	21	254	
Interest received and paid	-3	-11	-110	-98	
Income taxes paid	-102	-75	-269	-250	
Operating cash flow	*937*	*862*	*2,256*	*2,357*	
Increase (-)/decrease (+) in inventories	-29	125	-20	-125	
Increase (-)/decrease (+) in operating receivables	421	202	-367	-21	*
Increase (+)/decrease (-) in operating liabilities	219	45	-249	192	
Change in working capital	*610*	*372*	*-636*	*47*	
Cash flow from operating activities	1,547	1,235	1,621	2,404	
Investments intangible assets	-123	-206	-458	-642	
Investments other assets	-65	-51	-201	-212	
Sale of fixed assets	0	0	0	38	*
Continuous investments	*- 188*	*-256*	*- 658*	*- 816*	
Cash flow after continuous investments	1,359	979	962	1,589	
Increase(-)/decrease(+) in short-term investments	-1	6	38	-83	
Business combinations, divestments and investments in other shares	-6	-16	-54	-58	
Cash flow after investments	1,352	968	946	1,447	
Cash flow from financing activities	-322	-176	-1,473	-367	
Cash flow for the period	1,030	792	-527	1,080	
Change in cash and cash equivalents during the period					
Cash and cash equivalents at the beginning of the period	2,936	3,523	4,458	3,383	
Cash flow for the period	1,030	792	-527	1,080	
Exchange rate differences	107	143	142	-4	
Cash and cash equivalents at the end of the period	4,073	4,458	4,073	4,458	

** Adjusted for receivables/liabilities relating to investments/sale of fixed assets.*

CHANGES IN EQUITY

SEK M	May - Apr 2018/19	May - Apr 2017/18
Attributable to Elekta's owners		
Opening balance	6,987	6,774
Opening balance adjustment due to IFRS 15 and IFRS 9	-39	-1,212
Comprehensive income for the period	1,358	1,806
Incentive programs	6	2
Dividend	-535	-382
Total	7,778	6,987
Attributable to non-controlling interests		
Opening balance	0	0
Comprehensive income for the period	0	0
Total	1	0
Closing balance	7,779	6,987

Accounting principles

This interim report is prepared, with regard to the Group, according to IAS 34 and the Swedish Annual Accounts Act and, with regard to the Parent Company, according to the Swedish Annual Accounts Act and RFR 2. The accounting principles applied are consistent with those presented in Note 1 of the Annual Report 2017/18, with exception for the accounting policies described below.

New accounting principles

Two new IFRS standards are effective as from January 1, 2018; IFRS 15 *Revenue from Customer Contracts* and IFRS 9 *Financial instruments*, and both these standards are applied since May 1, 2018. For IFRS 15 Elekta applies the full retrospective method and thus the prior year comparative period has been restated. IFRS 9 is applied retrospectively and the comparative period has not been restated.

IFRS 15 Revenue from contracts with customers - revenue recognition

Elekta's revenue is primarily derived from the sales of treatment solutions and oncology informatics including equipment used for radiation therapy, radiosurgery and brachytherapy as well as software products and related services.

Many of Elekta's products and services are sold on a stand-alone basis but are often included in bundled deals, which are arrangements where equipment, software and services may be included in the same contract. A bundled deal is treated as a project which is supported by a project team that coordinates the production, delivery and installation, which can occur at different stages.

In most contracts the transaction price consists of a fixed consideration which is clearly stated in the contract and the products are usually sold without a right of return. In rare cases contracts can include variable consideration for which the value is estimated for revenue allocation purposes.

The allocation of the transaction price, including any discount, to the various goods and services (performance obligations) in a contract is performed based on the estimated stand-alone selling prices for the goods and services identified as performance obligations. As many items included in a bundled deal are also sold on a stand-alone basis, the stand-alone selling prices are based on observable prices in most cases. For items not sold on a stand-alone basis the stand-alone selling prices have been estimated using the best available market and internal data relating to those items.

Costs incurred to obtain a contract consist mainly of commissions, which are recognized at the time when the related revenue is recognized.

The timing for revenue recognition of the goods and services included in a bundled deal depends on their characteristics and when the control of each good or service is transferred to the customer.

Treatment solutions

Elekta sells treatment solutions including devices, software and service. Main devices are Leksell Gamma Knifes, Linear accelerators, MR linacs and Afterloaders. Software licenses consist mainly of Oncology informatics systems (OIS) and Treatment planning systems (TPS). Services include maintenance and support relating to equipment, software, training and installation services. Most bundled deals include at least one device, software licenses, installation, service and training. Revenue recognition for these deals is linked to when control for each identified performance obligation is transferred to the customer, which for a standard contract happens at different stages over a longer period, usually up to six months depending on the geographical market.

Devices

In a standard contract, the control is considered to be transferred when the device is delivered to the customer’s site and installation is started. At this time, risk and rewards are transferred, the customer has physical possession of the unit and Elekta has the right to payment for the equipment delivered.

Software

For software licenses control is considered to be transferred and revenue is recognized when the licenses are made available to the customer, which is usually at the time of acceptance of the software.

Service

For service agreements, control is considered to be transferred over time and revenue is recognized on a straight-line basis over the contractual term of the arrangement or the expected period during which the specified services will be performed. Maintenance and support agreements relating to software products are generally renewed on an annual basis. Installation services and training with low values and which span over a limited time are considered non-material and revenue is recognized when the related device reaches the stage of technical acceptance.

Changes to the goods and services included in an arrangement and the amounts allocated to each item could affect the timing and amount of revenue recognition. Revenue recognition also depends on the timing of shipment, readiness of the customer's site, availability of products and for some contracts, customer acceptance terms. If shipments or installations are not made on scheduled timelines or if the products are not accepted by the customer in a timely manner, revenues may differ from expectations.

Revenue recognition does often not coincide with invoicing to, and payments from, customers. Payment terms or conditions for projects may differ between contracts and regions, but in a standard Elekta contract partial payments will be due upon certain events, such as order receipt, shipment and acceptance. In a standard project, amounts invoiced in accordance with an invoicing plan are reported as accounts receivable and as a contract liability included in advances from customers if performance obligations are not yet satisfied and revenue cannot be recognized. Amounts that have been recognized as revenue, but for which Elekta has not yet the right to invoice according to the invoicing plan agreed, are reported as contract assets and included in accrued income. For service contracts the agreed consideration is invoiced and paid in advance in most markets. When there is a contract agreed and invoiced to the customer, Elekta usually has the right to payment even if the performance obligations are still to be satisfied. Therefore, a receivable is accounted for with a corresponding contract liability reported as deferred income.

IFRS 9 - Financial instruments

IFRS 9 comprises classification, measurement and impairment of financial instruments as well as hedge accounting. The financial effects for Elekta from the transition to IFRS 9 are limited and relate to the introduction of an expected credit loss model for impairment of financial assets that replaces the previously used incurred loss model. An expected credit loss is to be calculated for all outstanding amounts based on historical experiences and expectations about the future. The main effect relates to the calculation of bad debt losses, as the provision for expected losses comprises all financial receivables, including those that are not yet due. Applying the expected credit loss model, the provision for bad debt will increase or decrease based on the outstanding value of financial assets. The financial effect from the application of expected credit loss model mainly affects the value of trade receivables and accrued project income and is presented in the schedule below.

IFRS 9 also introduces a new model for classification and related measurement of financial instruments. Elekta has reviewed all financial instruments in order to classify these according to the new standard and the following main categories have been identified:

Excess liquidity investments such as money market funds and tradeable securities are held in a portfolio managed on a fair value basis and are classified as financial assets at Fair Value through Profit and Loss.

Trade receivables are in general held with the objective to collect contractual cash flows and therefore fulfill the requirements for being classified into the Hold To Collect business model with valuation at amortized cost. In some countries Elekta holds trade receivables that may be sold and are managed within a business model with the objective to realize cash flows through both collection of contractual cash flows and sale of the asset. These trade receivables are valued at Fair Value through Other Comprehensive Income.

The reclassification of assets does not result in any material changes in valuation of assets at the transition date.

Hedge accounting is applied in accordance with IFRS 9 and hedging relationships existing at the transition date qualified for hedge accounting under IFRS 9 as well as under the previous standard, IAS 39. In general, IFRS 9, more closely than the previous standard, aligns the hedge accounting rules to the risk management objectives of a company. Elekta applies hedge accounting for the hedging of foreign currency risks and from time to time also for hedging interest rate risks. The application of hedge accounting according to IFRS 9 has no financial effects at the transition date.

Effects from the implementation of IFRS 15 and IFRS 9

The net balance effect from the transition to IFRS 15 was reported in equity with SEK - 987 M as per May 1, 2018 and SEK -1,212 M at the beginning of the comparative year. The transition to IFRS 9 has affected the opening balance of fiscal year 2018/19 and the impact on equity is SEK - 39 M.

The one-time effect reported in equity from the implementation of the standards is mainly relating to IFRS 15 and the timing for revenue recognition of treatment solutions. According to IFRS 15 revenue recognition should occur at the time of transfer of control to the customer, which according to Elekta's assessment is when the treatment solution is ready for installation at the customer's site. Prior to the implementation of IFRS 15, revenue recognition for treatment solutions occurred when risks and rewards were transferred to the customer, which is normally at the time of shipment. The financial impact reported in equity on transition primarily depended on the number of treatment solutions that was shipped but not yet being installed at the customer's site at this point in time. Other less significant financial effects from the transition relate to changes in the allocation of the transaction price to various performance obligations. The effects from the implementation of IFRS 15 and IFRS 9 are further described below.

EFFECTS FROM IFRS 15 AND IFRS 9 ON CONSOLIDATED BALANCE SHEET

	Opening balance 2017/18			Closing balance 2017/18			Opening balance 2018/19		
	Reported		Restated	Reported		Restated	Restated		Adjusted
SEK M	Apr 30, 2017	Adj. IFRS 15	Apr 30, 2017	Apr 30, 2018	Adj. IFRS 15	Apr 30, 2018	Apr 30, 2018	Adj. IFRS 9	May 1, 2018
Non-current assets									
Deferred tax assets	375	91	466	267	83	350	350	10	360
Financial assets	308	-	308	261	-	261	261	-	261
Current assets									
Inventories	936	1,384	2,320	1,121	1,439	2,560	2,560	-	2,560
Accounts receivable	3,726	-	3,726	3,402	-	3,402	3,402	-25	3,377
Accrued income	1,640	-789	851	1,601	-441	1,160	1,160	-24	1,136
Other current receivables	802	134	936	846	222	1,068	1,068	-	1,068
Total assets	20,950	820	21,770	22,457	1,303	23,760	23,760	-39	23,721
Total equity	6,774	-1,212	5,562	7,975	-987	6,987	6,987	-39	6,948
Non-current liabilities									
Deferred tax liabilities	778	-225	553	693	-182	511	511	-	511
Current liabilities									
Advances from customers	2,531	2,680	5,211	2,575	2,741	5,316	5,316	-	5,316
Prepaid income	1,874	1	1,875	2,053	-63	1,990	1,990	-	1,990
Accrued expenses	1,875	-398	1,477	1,854	-192	1,662	1,662	-	1,662
Short-term provisions	231	-26	205	201	-15	186	186	-	186
Total equity and liabilities	20,950	820	21,770	22,457	1,303	23,760	23,760	-39	23,721

EFFECTS FROM IFRS 15 RESTATEMENT ON CONSOLIDATED BALANCE SHEET

	Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18		
SEK M	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated
Non-current assets												
Deferred tax assets	290	124	415	310	131	441	260	98	358	267	83	350
Current assets												
Inventories	1,076	1,164	2,240	1,102	1,253	2,355	1,243	1,265	2,508	1,121	1,439	2,560
Accounts receivable	3,032	-	3,032	3,120	-	3,120	3,505	-	3,505	3,402	-	3,402
Accrued income	1,467	-570	897	1,545	-533	1,012	1,177	-408	769	1,601	-441	1,160
Other current receivables	878	148	1,026	917	155	1,072	926	184	1,110	846	222	1,068
Total assets	19,659	866	20,525	20,152	1,006	21,158	20,617	1,139	21,756	22,457	1,303	23,760
Total equity	6,511	-956	5,555	6,734	-919	5,815	7,040	-886	6,154	7,975	-987	6,987
Non-current liabilities												
Deferred tax liabilities	668	-134	534	669	-115	554	593	-138	455	693	-182	511
Current liabilities												
Advances from customers	2,537	2,324	4,861	2,440	2,280	4,720	2,643	2,382	5,025	2,575	2,741	5,316
Prepaid income	1,704	-50	1,653	1,764	10	1,774	1,830	-7	1,823	2,053	-63	1,990
Accrued expenses	1,611	-297	1,314	1,742	-232	1,510	1,688	-197	1,491	1,854	-192	1,662
Short-term provisions	196	-21	175	172	-18	154	140	-15	125	201	-15	186
Total equity and liabilities	19,659	866	20,525	20,152	1,006	21,158	20,617	1,139	21,756	22,457	1,303	23,760

EFFECTS FROM IFRS 15 RESTATEMENT ON CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			May - Apr 2017/18		
SEK M	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated
Net sales	2,169	335	2,504	2,802	101	2,903	2,747	9	2,756	3,614	-205	3,409	11,333	240	11,573
Cost of products sold	-1,250	-92	-1,343	-1,620	-25	-1,645	-1,595	34	-1,561	-2,120	150	-1,970	-6,584	67	-6,517
Gross income	919	243	1,162	1,183	76	1,259	1,153	43	1,196	1,494	-55	1,439	4,748	307	5,056
Operating result	38	243	281	365	76	441	366	43	409	769	-55	714	1,538	307	1,845
Operating margin	*2%*	-	*11%*	*13%*	-	*15%*	*13%*	-	*15%*	*21%*	-	*21%*	*14%*	-	*16%*
Income taxes	0	-44	-44	-84	-18	-102	-25	-9	-34	-166	13	-153	-276	-57	-333
Net income	-1	199	199	247	58	305	308	34	342	544	-42	502	1,099	249	1,348
Total comprehensive income for the period	-265	256	-9	410	37	447	312	32	345	1,123	-101	1,023	1,581	225	1,806
Earnings per share before/after dilution, SEK	0.00	0.52	0.52	0.65	0.15	0.80	0.81	0.09	0.90	1.42	-0.11	1.31	2.88	0.65	3.53
EBITA	177	243	420	491	76	566	491	43	534	903	-55	848	2,062	307	2,369
EBITA margin	*8%*		*17%*	*18%*		*20%*	*18%*		*19%*	*25%*		*25%*	*18%*		*20%*

Effects of future accounting standards

IFRS16 is a new standard on accounting for leases which replaces IAS 17 and the associated interpretation statements IFRIC 4, SIC-15 and SIC-27. The new standard is effective for annual reporting periods beginning on or after 1 January 2019 and Elekta will apply the new standard from 1 May 2019.

The standard requires all lease arrangement to be recognized in the balance sheet with a few exceptions for short-time leases and low-value leases. This recognition is based on the view that the lessee has a right to use an asset for a specific period of time and a simultaneous obligation to pay for that right.

Elekta has decided to apply IFRS 16 with the modified retrospective approach and as permitted by the standard the comparative period will not be restated, instead an adjustment on the opening balance will show the cumulative effect. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at transition date. Right-of-use assets will be recognized based on the amount equal to the related lease liability.

IFRS 16 permit to use some practical expedients. Elekta will apply the following practical expedients when applying IFRS 16 at transition date:

- Operating leases with a remaining lease term of less than 12 months as at May 1, 2019, will be accounted for as short-term leases. Short-term leases and operating leases of low-value will not be recognized on the balance sheet at transition date.
- Initial direct costs will be excluded from the measurement of the right-to-use asset at the date of initial recognition.
- Hindsight will be used in determining the lease term for contracts containing options to extend or terminate the lease.

Under the new standard the present value of lease obligations will be measured and reported as a non-current asset and interest-bearing liability in the Balance Sheet. The asset is adjusted with prepaid rents and received incentives. The incentives are currently reported as liabilities in the Balance Sheet and are accrued over the lease period. In the Income Statement, lease payments currently reported as an operating expense within operating result will be replaced with depreciation and interest expenses. This change means that total assets and operating profit will increase, which will affect various key indicators. The cash flow from operations will increase related to the amortization of the lease liability, the amortization will instead be shown in the cash flow from financing activities.

PRELIMINARY EFFECTS FROM IFRS 16 ON CONSOLIDATED BALANCE SHEET

SEK M	Reported Apr 30, 2019	Adj. IFRS 16	Adjusted May 1, 2019
Right of use asset	0	1 180	1 180
Other assets	24 064	-20	24 044
Total assets	24 064	1 160	25 224
Total equity	7 779	0	7 779
Long term lease liability	0	1 020	1 020
Short term lease liability	0	200	200
Other liabilities	16 285	-60	16 225
Total equity and libilities	24 064	1 160	25 224

Other new or revised standards and interpretations, not yet applied, are not considered to have a material impact on the Elekta Group´s financial statements.

Exchange rates

Country	Currency	Average rate			Closing rate		
		May - Apr 2018/19	May - Apr 2017/18	Change *	Apr 30, 2019	Apr 30, 2018	Change *
Euroland	1 EUR	10.378	9.811	6%	10.640	10.509	1%
Great Britain	1 GBP	11.778	11.103	6%	12.306	11.942	3%
Japan	1 JPY	0.081	0.075	8%	0.085	0.079	8%
United States	1 USD	9.028	8.302	9%	9.510	8.664	10%

** April 30, 2019 vs April 30, 2018*

For Group companies with functional currency other than Swedish kronor, order intake and income statements are translated at average exchange rates for the reporting period, while order backlog and balance sheets are translated at closing exchange rates.

Segment reporting

Elekta applies geographical segmentation. Order intake, net sales and contribution margin for respective regions are reported to Elekta's CFO and CEO (chief operating decision makers). The regions' expenses are directly attributable to the respective region reported including cost of products sold. Global costs for R&D, marketing, management of product supply centers and Parent Company are not allocated per region. Currency exposure is concentrated to product supply centers. The majority of exchange differences in operations are reported in global costs.

Segment reporting
May - Apr 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other/ Group-wide	Group total	% of net sales
Net sales	4,501	4,956	4,098	-	13,555	
Regional expenses	-2,793	-3,207	-2,807	-	-8,807	65%
Contribution margin	1,707	1,749	1,291	-	4,748	35%
Contribution margin, %	38%	35%	32%			
Global costs				-3,052	-3,052	23%
Operating result	1,707	1,749	1,291	-3,052	1,696	13%
Net financial items				-116	-116	
Profit before tax	1,707	1,749	1,291	-3,167	1,580	

May - Apr 2017/18

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other/ Group-wide	Group total	% of net sales
Net sales	3,888	4,345	3,340	-	11,573	
Regional expenses	-2,375	-2,783	-2,294	-	-7,452	64%
Contribution margin	1,513	1,562	1,046	-	4,121	36%
Contribution margin, %	39%	36%	31%			
Global costs				-2,276	-2,276	20%
Operating result	1,513	1,562	1,046	-2,276	1,845	16%
Net financial items				-164	-164	
Profit before tax	1,513	1,562	1,046	-2,440	1,681	

Elekta's operations are characterized by significant quarterly variations in volumes and product mix, which have a direct impact on net sales and profits. This is accentuated when the operation is split into segments, as is the impact of currency fluctuations between the years.

Net sales by product type

Q4 2018/19 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other/ Group-wide	Group total
Solutions	606	1,083	1,019	-	2,708
Service	598	477	303	-	1,378
Total	1,204	1,561	1,322	-	4,086

Q4 2017/18 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other/ Group-wide	Group total
Solutions	492	1,051	692	-	2,235
Service	505	414	254	-	1,173
Total	998	1,465	946	-	3,409

May-Apr 2018/19 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other/ Group-wide	Group total
Solutions	2,192	3,224	2,977	-	8,394
Service	2,308	1,731	1,122	-	5,161
Total	4,501	4,956	4,098	-	13,555

May- Apr 2017/18 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other/ Group-wide	Group total
Solutions	1,877	2,831	2,346	-	7,054
Service	2,011	1,514	994	-	4,519
Total	3,888	4,345	3,340	-	11,573

Financial instruments

The table below shows the fair value of the Group's financial instruments, for which fair value is different than carrying value. The fair value of all other financial instruments is assumed to correspond to the carrying value.

	Apr 30, 2019		Apr 30, 2018	
SEK M	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing liabilities	3,558	3,573	4,369	4,372
Short-term interest-bearing liabilities	1,000	1,000	975	975

The Group's financial assets and financial liabilities, which have been measured at fair value, have been categorized in the fair value hierarchy. The different levels are defined as follows:

Level 1: Quoted prices on an active market for identical assets or liabilities
Level 2: Other observable data than quoted prices included in Level 1, either directly (that is, price quotations) or indirectly (that is, obtained from price quotations)
Level 3: Data not based on observable market data

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

SEK M	Level	Apr 30, 2019	Apr 30, 2018
FINANCIAL ASSETS			
Financial assets measured at fair value through profit or loss:			
Derivative financial instruments – non-hedge accounting	2	70	111
Short-term investments	1	45	83
Current investments classified as cash equivalents	1	1,716	-
Equity instruments	1	58	-
Equity instruments	3	2	-
Derivatives used for hedging purposes:			
Derivative financial instruments – hedge accounting	2	2	59
Total financial assets		1,893	253
FINANCIAL LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivative financial instruments – non-hedge accounting	2	25	27
Contingent consideration	3	2	20
Derivatives used for hedging purposes:			
Derivative financial instruments – hedge accounting	2	72	26
Total financial liabilities		99	73

KEY FIGURES

	May - Apr * 2013/14	May - Apr * 2014/15	May - Apr * 2015/16	May - Apr * 2016/17	May - Apr 2017/18	May - Apr 2018/19
Gross order intake, SEK M	n/a	12,825	13,821	14,064	14,493	16,796
Net sales, SEK M	10,694	10,839	11,221	10,704	11,573	13,555
Order backlog, SEK M	13,609	17,087	18,239	22,459	27,974	32,003
Operating result, SEK M	1,727	937	423	598	1,845	1,696
Operating margin, %	16	9	4	6	16	13
Profit margin, %	14	7	2	3	15	12
Shareholders' equity, SEK M	6,257	6,646	6,412	6,774	6,987	7,779
Capital employed, SEK M	10,743	12,678	11,360	12,046	12,331	12,337
Net debt, SEK M	2,239	2,768	2,677	1,889	803	439
Operational cash conversion, %	60	126	111	145	95	61
Average number of employees	3,631	3,679	3,677	3,581	3,702	3,798

	May - Apr * 2013/14	May - Apr * 2014/15	May - Apr * 2015/16	May - Apr * 2016/17	May - Apr 2017/18	May - Apr 2018/19
Return on shareholders' equity, %	21	9	2	2	22	17
Return on capital employed, %	17	9	4	5	17	15

* Calculation based on IAS18.

DATA PER SHARE

	May - Apr * 2013/14	May - Apr * 2014/15	May - Apr * 2015/16	May - Apr * 2016/17	May - Apr 2017/18	May - Apr 2018/19
Earnings per share						
before dilution, SEK	3.01	1.45	0.36	0.33	3.53	3.14
after dilution, SEK	3.00	1.45	0.36	0.33	3.53	3.14
Cash flow per share						
before dilution, SEK	1.31	1.78	1.00	2.69	3.79	2.48
after dilution, SEK	1.24	1.78	1.00	2.69	3.79	2.48
Shareholders' equity per share						
before dilution, SEK	16.39	17.41	16.79	17.73	18.29	20.36
after dilution, SEK	20.32	17.41	16.79	17.73	18.29	20.36
Average number of shares						
before dilution, 000s	381,277	381,287	381,288	381,306	382,027	382,027
after dilution, 000s	400,686	381,287	381,288	381,306	382,027	382,027
Number of shares at closing						
before dilution, 000s **	381,287	381,287	381,288	382,027	382,027	382,027
after dilution, 000s	400,696	381,287	381,288	382,027	382,027	382,027

* Calculation based on IAS18.
**Number of registered shares at closing excluding treasury shares (1,541,368 per April 30, 2019).

DATA PER QUARTER

	2016/17 *	2017/18				2018/19			
SEK M	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross order intake	4,366	2,738	3,267	3,833	4,656	3,174	3,670	4,551	5,401
Net sales	3,715	2,504	2,903	2,756	3,409	2,819	3,330	3,320	4,086
EBITA	509	420	566	534	848	386	601	505	985
Operating result	347	281	440	409	714	238	393	311	755
Cash flow from operating activities	1,222	76	403	691	1,235	-381	512	-57	1,547

* Calculation based on IAS18

ORDER INTAKE GROWTH BASED ON CONSTANT EXCHANGE RATES

	2016/17	2017/18				2018/19			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
North and South America, %	-19	-6	14	15	10	23	-41	16	9
Europe, Middle East and Africa, %	-32	-4	-5	-5	28	15	43	5	18
Asia Pacific, %	-5	7	-11	33	-9	2	18	20	-8
Group, %	-20	0	0	9	10	12	2	12	8

PARENT COMPANY

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK M	May - Apr 2018/19	May - Apr 2017/18
Operating expenses	-145	-86
Financial net	781	746
Income after financial items	636	661
Appropriations	- 14	-
Tax	3	-63
Net income	624	598
Statement of comprehensive income		
Net income	624	598
Other comprehensive income	-	-
Total comprehensive income	624	598

BALANCE SHEET

SEK M	Apr 30, 2019	Apr 30, 2018
Non-current assets		
Intangible assets	60	68
Shares in subsidiaries	2,439	2,239
Receivables from subsidaries	2,393	2,411
Other financial assets	87	14
Deferred tax assets	3	0
Total non-current assets	4,983	4,731
Current assets		
Receivables from subsidaries	3,436	3,468
Other current receivables	102	137
Other short-term investments	45	83
Cash and cash equivalents	2,941	3,625
Total current assets	6,524	7,312
Total assets	11,507	12,044
Shareholders' equity	2,898	2,823
Untaxed reserves	14	-
Non-current liabilities		
Long-term interest-bearing liabilities	3,553	4,366
Long-term liabilities to Group companies	0	39
Long-term provisions	12	9
Total non-current liabilities	3,579	4,414
Current liabilities		
Short-term interest-bearing liabilities	1,000	959
Short-term liabilities to Group companies	3,934	3,754
Short-term provisions	0	0
Other current liabilities	95	94
Total current liabilities	5,029	4,807
Total shareholders' equity and liabilities	11,507	12,044

Alternative performance measures

Alternative Performance Measures (APMs) are measures and key figures that Elekta's management and other stakeholders use when managing and analyzing Elekta's business performance. These measures are not substitutes, but rather supplements to financial reporting measures prepared in accordance with IFRS. Key figures and other APMs used by Elekta are defined on www.elekta.com/investors/financials/definitions.php. Definitions and additional information on APMs can also be found on pages 120-122 in the Annual Report 2017/18.

Starting the first quarter of the fiscal year 2018/2019, no items in the income statement are reported as items affecting comparability. Thus, the definition is no longer included in the definitions presented below.

Order and sales growth based on constant exchange rates

Elekta's order intake and sales are, to a large extent, reported in subsidiaries with other functional currencies than SEK, which is the group reporting currency. In order to present order and sales growth on a more comparable basis and to show the impact of currency fluctuations, order and sales growth based on constant exchange rates are presented. The schedules below present growth based on constant exchange rates reconciled to the total growth reported in accordance with IFRS.

CHANGE GROSS ORDER INTAKE	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
Q4 2018/19 vs. Q4 2017/18								
Change based on constant exchange rates	9	141	18	335	-8	-108	8	368
Currency effects	11	174	5	93	9	110	8	377
Reported change	20	315	23	428	0	2	16	745
Q4 2017/18 vs. Q4 2016/17								
Change based on constant exchange rates	10	158	28	394	-9	-129	10	423
Currency effects	-7	-111	4	54	-5	-76	-3	-133
Reported change	3	47	32	448	-14	-205	7	290
May - Apr 2018/19 vs. May - Apr 2017/18								
Change based on constant exchange rates	-1	-40	18	977	6	282	8	1,219
Currency effects	8	369	7	373	8	342	7	1,084
Reported change	7	329	25	1,350	14	624	16	2,303
May - Apr 2017/18 vs. May - Apr 2016/17								
Change based on constant exchange rates	9	422	4	210	2	105	5	737
Currency effects	-5	-218	2	101	-4	-191	-2	-308
Reported change	5	204	6	311	-2	-86	3	429

CHANGE NET SALES	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
Q4 2018/19 vs. Q4 2017/18								
Change based on constant exchange rates	9	90	3	40	29	278	12	407
Currency effects	12	117	4	56	10	98	8	271
Reported change	21	206	7	96	40	376	20	677
Q4 2017/18 vs. Q4 2016/17 *								
Change based on constant exchange rates	-10	-140	9	120	0	0	0	-20
Currency effects	-6	-81	4	51	-5	-52	-3	-82
Reported change	-16	-221	14	171	-5	-52	-3	-101
May - Apr 2018/19 vs. May - Apr 2017/18								
Change based on constant exchange rates	8	295	9	375	16	524	10	1,194
Currency effects	8	318	5	236	7	235	7	788
Reported change	16	613	14	611	23	758	17	1,982
May - Apr 2017/18 vs. May - Apr 2016/17 *								
Change based on constant exchange rates	-2	-95	22	763	7	203	8	871
Currency effects	-4	-174	2	73	-5	-142	-2	-243
Reported change	-6	-269	24	836	2	61	6	629

"* Calculation based on IAS18

EBITDA

EBITDA is used for the calculation of operational cash conversion and the net debt/EBITDA ratio.

SEK M	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19
Operating result/EBIT	714	238	393	311	755
Amortization:					
Capitalized development costs	103	120	176	167	200
Assets relating business combinations	30	27	32	27	30
Depreciation	40	41	38	40	42
EBITDA	888	427	639	545	1,028

Return on capital employed

Return on capital employed is a measure of the profitability after taking into account the amount of total capital used unrelated to type of financing. A higher return on capital employed indicates a more efficient use of capital. Capital employed represents the value of the balance sheet net assets that is the key driver of cash flow and capital required to run the business. It is also used in the calculation of return on capital employed.

SEK M	Apr 30, 2018	Jul 31, 2018	Oct 31, 2018	Jan 31, 2019	Apr 30, 2019
Profit before tax (12 months rolling)	1,681	1,651	1,609	1,504	1,580
Financial expenses (12 months rolling)	225	225	220	211	186
Profit before tax plus financial expenses	1,905	1,877	1,829	1,715	1,766
Total assets	23,760	21,921	22,645	22,685	24,064
Deferred tax liabilities	-511	-504	-537	-537	-587
Long-term provisions	-158	-169	-172	-165	-188
Other long-term liabilities	-63	-59	-84	-57	-55
Accounts payable	-1,132	-841	-1,111	-1,082	-1,427
Advances from customers	-5,316	-4,608	-4,652	-4,850	-4,883
Prepaid income	-1,990	-1,899	-1,910	-2,010	-2,170
Accrued expenses	-1,662	-1,508	-1,570	-1,596	-1,661
Current tax liabilities	-107	-111	-112	-93	-166
Short-term provisions	-186	-165	-157	-148	-188
Derivative financial instruments	-46	-105	-153	-57	-94
Other current liabilities	-257	-255	-258	-333	-308
Capital employed	12,331	11,697	11,928	11,756	12,337
Average capital employed (last five quarters)	11,194	11,367	11,628	11,786	12,010
Return on capital employed	17%	17%	16%	15%	15%

Return on shareholders' equity

Return on shareholders' equity measures the return generated on shareholders' capital invested in the company.

SEK M	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19
Net income (12 months rolling)	1,348	1,315	1,294	1,164	1,198
Average shareholders' equity excluding non-controlling interests (last five quarters)	6,015	6,271	6,554	6,842	7,167
Return on shareholders' equity	22%	21%	20%	17%	17%

Operational cash conversion

Cash flow is a focus area for management. The operational cash conversion shows the relation between cash flow from operating activities and EBITDA.

SEK M	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19
Cash flow from operating activities	1,235	-381	512	-57	1,547
EBITDA	888	427	639	545	1028
Operational cash conversion	139%	-89%	80%	-10%	151%

Working capital

In order to optimize cash generation, management focuses on working capital and reducing lead times between orders booked and cash received. A reconciliation of working capital to items in the balance sheet is presented on page 4.

Days sales outstanding (DSO)

DSO is used by management to follow the development of overall payment terms to customers, which have significant impact on working capital and cash flow.

SEK M	Apr 30, 2018	Jul 31, 2018	Oct 31, 2018	Jan 31, 2019	Apr 30, 2019
Accounts receivable	3,402	3,061	2,982	3,774	3,455
Accrued income	1,160	1,004	1,420	1,281	1,401
Advances from customers	-5,316	-4,608	-4,652	-4,850	-4,883
Prepaid income	-1,990	-1,899	-1,910	-2,010	-2,170
Net receivable from customers	-2,744	-2,441	-2,160	-1,805	-2,198
Net sales (12 months rolling)	11,573	11,887	12,314	12,877	13,555
Number of days	365	365	365	365	365
Net sales per day	32	33	34	35	37
Days sales outstanding (DSO)	-87	-75	-64	-51	-59

Net debt and net debt/EBITDA ratio

Net debt is important to understand the financial stability of the company. Net debt and net debt/EBITDA ratio are used by management to track the debt evolvement, the refinancing need and the leverage for the Group.

SEK M	Apr 30, 2018	Jul 31, 2018	Oct 31, 2018	Jan 31, 2019	Apr 30, 2019
Long-term interest-bearing liabilities	4,369	4,341	4,422	4,463	3,558
Short-term interest-bearing liabilities	975	513	536	38	1,000
Cash and cash equivalents and short-term investmei	-4,541	-3,547	-3,669	-2,980	-4,119
Net debt	803	1,307	1,290	1,521	439
EBITDA (12 months rolling)	2,520	2,489	2,522	2,499	2,639
Net debt/EBITDA ratio	0.32	0.53	0.51	0.61	0.17

Shareholder information

Conference call

Elekta will host a telephone conference at 10:00-11:00 CET on May 29, with president and CEO Richard Hausmann, and CFO Gustaf Salford.
To take part in the conference call, please dial in about five minutes in advance.

Swedish dial-in number: +46 (0) 8 566 427 03
UK dial-in number: +44 (0) 333 300 9260
US dial-in number: +1 646 722 4903

The webcast will be through the following link:
http://event.on24.com/wcc/r/2003600-1/2C26486E459138EA3608C1CAEEAA5B15?partnerref=rss-events

This is information is such that Elekta AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by the below mentioned contact persons at 07:30 CET on May 29, 2019. (REGMAR)

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Financial calendar

Annual report 2018/19	July 12, 2019
Interim report, Q1 May-July 2019/20	August 22, 2019
Annual General Meeting	August 22, 2019
Interim report, Q2 May-Oct 2019/20	November 28, 2019
Interim report, Q3 May-Jan 2019/20	February 20, 2020
Year-end report 2019/20	May 29, 2020

About Elekta

For almost five decades, Elekta has been a leader in precision radiation medicine. Our nearly 4,000 employees worldwide are committed to ensuring everyone in the world with cancer has access to – and benefits from – more precise, personalized radiotherapy treatments. Headquartered in Stockholm, Sweden, Elekta is listed on NASDAQ Stockholm Exchange. Visit elekta.com or follow @Elekta on Twitter.