

**Elekta announces preliminary Q2 results and updated guidance for fiscal year 2019/20**

STOCKHOLM – Elekta (EKTA-B.ST), the global leader in precision radiation medicine, today published preliminary financial results for the second quarter 2019/20. The underlying business continued to be strong, but currency and delayed starts of installation have impacted EBITA negatively in the quarter. The company has initiated measures to improve the margin during the second half of the year but has also decided to update its margin guidance for the full year to an EBITA margin of around 18 percent.

Preliminary second quarter results in summary:

- Gross order intake amounted to approximately SEK 4,000 M (3,670) corresponding to a 5 percent organic growth.
- Net sales were around SEK 3,700 M (3,330), corresponding to a 7 percent organic growth.
- Gross margin amounted to 41.0 (41.4) percent.
- EBITA was approximately SEK 540 M (601), corresponding to an EBITA margin of 14.5 percent (18.0).
- Cash flow after continuous investments was around SEK 230 M (367).
- 6 Elekta Unity orders booked in the quarter.

Organic order intake growth in the second quarter amounted to around five percent, following a very strong first quarter. Order intake for the first six months was 17 percent, including 19 Elekta Unity orders, of which six came in the second quarter.

Net sales grew by seven percent in the quarter based on constant exchange rates, equaling eight percent for the first six months. This was below the company's revenue plan due to delayed installations mainly of Leksell Gamma Knife® systems impacting EBITA margin by around 150 BPS. The gross margin was slightly down compared to last year and EBITA came in lower than anticipated at around SEK 540 million, corresponding to an EBITA margin of 14.5 percent. Exchange rate differences amounted to around minus SEK 120 million, mostly driven by negative currency effects, affecting the margin of around 200 BPS.

Cash flow improved after a weak start in the year and reached around SEK 230 million in the second quarter, despite inventory buildup as part of the company's Brexit mitigation plan. The inventory is expected to return to normal levels during the second half of the year.

"We continue to see good market momentum and strong interest in our solutions in particular a very promising Unity business. However, EBITA came in lower than plan and we are focusing on strengthening our supply chain and driving installations to secure a strong second half of our fiscal year. In addition, the previously communicated COGS reduction programs will have a positive effect in the second half of this fiscal year," said Richard Hausmann, Elekta's President and CEO.

With the already strong installation plan for the second half we do not see a way to fully recover the delayed installations from Q2 in the rest of the year. Therefore, Elekta has decided to adjust its EBITA margin guidance to around 18 percent for the fiscal year 2019/20. The net sales

guidance of 8-10 percent for the full year stays unchanged. The underlying business continues to be strong and Elekta's midterm scenario therefore remains unchanged.

Elekta will host a telephone conference for financial analysts and investors to a telephone conference at 11:00 CET today with Richard Hausmann, President and CEO, and Gustaf Salford, CFO.

To take part in the conference call, please dial:

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Elekta will publish the full quarterly report on November 28, 2019.

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This is information that Elekta AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 9:55 CET on November 15, 2019. (REGMAR)

**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.

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