



Second quarter

- Gross order intake amounted to SEK 4,598 M (4,045), corresponding to a 6 percent decrease in constant exchange rates
- Net sales were SEK 4,081 M (3,697), corresponding to a 5 percent decrease in constant exchange rates
- Adjusted gross margin amounted to 37.3 percent (38.6)
- Adjusted EBIT amounted to SEK 316 M (533), corresponding to an adjusted EBIT margin of 7.7 percent (14.4)
- Earnings per share was SEK 0.32 (1.00) before/after dilution
- Adjusted earnings per share was SEK 0.55 (1.00) before/after dilution
- Cash flow after continuous investments amounted to SEK -417 M (-17)

First six months

- Gross order intake amounted to SEK 8,468 M (8,025), corresponding to an 8 percent decrease in constant exchange rates
- Net sales were SEK 7,408 M (6,707), corresponding to a 1 percent decrease in constant exchange rates
- Adjusted gross margin amounted to 38.1 percent (37.9)
- Adjusted EBIT amounted to SEK 447 M (734), corresponding to an adjusted EBIT margin of 6.0 percent (10.9)
- Earnings per share was SEK 0.47 (1.33) before/after dilution
- Adjusted earnings per share was SEK 0.74 (1.33) before/after dilution
- Cash flow after continuous investments amounted to SEK -1,010 M (-360)

Group summary

SEK M	Q2			First six months		
	2022/23	2021/22	Δ	2022/23	2021/22	Δ
Gross order intake	4,598	4,045	-6%	8,468	8,025	-8%
Net sales	4,081	3,697	-5%	7,408	6,707	-1%
Gross margin	36.2%	38.6%	-2.4 ppts	37.4%	37.9%	-0.6 ppts
Adjusted gross margin ²	37.3%	38.6%	-1.3 ppts	38.1%	37.9%	0.1 ppts
EBIT	199	533	-63%	316	734	-57%
Adjusted EBIT ³	316	533	-41%	447	734	-39%
EBIT margin	4.9%	14.4%	-9.5 ppts	4.3%	10.9%	-6.7 ppts
Adjusted EBIT margin ³	7.7%	14.4%	-6.7 ppts	6.0%	10.9%	-4.9 ppts
Cash flow ⁴	-417	-17	-2,362%	-1,010	-360	-181%
Earnings per share, SEK ⁵	0.32	1.00	-68%	0.47	1.33	-64%
Adjusted earnings per share, SEK ^{5 6}	0.55	1.00	-45%	0.74	1.33	-45%

¹ Compared to last fiscal year based on constant exchange rates.

² Adjusted gross margin = Gross margin excluding items affecting comparability attributable to the Cost-reduction Initiative within the Resilience and Excellence Program, see page 29.

³ Adjusted EBIT = Operating income (EBIT) excluding items affecting comparability attributable to the Cost-reduction Initiative within the Resilience and Excellence Program, see page 29.

⁴ After continuous investments.

⁵ Before/after dilution.

⁶ Adjusted earnings per share = Net income attributable to Parent Company shareholders, excluding items affecting comparability attributable to the Cost-reduction Initiative, in relation to the weighted average number of shares (excluding treasury shares), see page 29.

This 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 November 24, 2022.

Forward-looking information. This report included forward-looking statements including, but not limited to, statements relation 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. Some of these risks and uncertainties are described further in the section "Risk and uncertainties". Elekta undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulations.

Second quarter

Product launches and Cost-reduction Initiatives on track

The uncertain macroeconomic environment and supply chain challenges continued to impact our installations, costs and margins in the second quarter. At the same time, we saw revenue growth in Europe and the U.S., as well as in Service. Elekta successfully launched key products that will support profitable growth going forward. Our Cost-reduction Initiative also progressed well during the quarter.

Mixed market situation with key wins

The market and order situation continued to be challenging in the quarter with our order intake declining in EMEA and the Americas. We were selected to deliver 37 Versa HD linacs to Italy's national health service, which will be booked in the third and fourth quarters. In India, we continued to drive adoption with leading Karkinos Healthcare acquiring several Versa HD and Harmony Pro linacs to be strategically deployed across the country.

Key product launches and rollouts

During the quarter, we continued the roll out of our new Gamma Knife platform, Elekta Esprit, for which we now have both CE and FDA regulatory clearance. Elekta Unity received CE mark for its Comprehensive Motion Management (CMM) with True Tracking and automatic gating functionalities and the FDA application is submitted. These features represent the next phase of Elekta Unity's CMM vision and will drive efficiency and productivity, as well as create opportunities for condensed treatment courses, fewer side effects, and improved outcomes for cancer patients.

To strengthen our position as a customer lifetime companion we expanded our value-added services. By introducing Elekta Care 360, the global service portfolio has expanded with services such as dosimetry, consultancy and physics start-up aiming at enhancing customers' clinical operations.

The new launches and our work with price improvements will contribute positively to revenue and margin growth going forward.

Installations and supply chain

Elekta's revenue declined in the second quarter as installations continued to be negatively impacted by Covid restrictions in China, customer readiness and continued supply chain disturbances. We enjoyed growth in the U.S. and in Europe – but saw a decline in China impacted by the lock downs. Together with inflation, the low revenue and supply chain challenges also explain the lower margins.

Cost-reduction Initiative on track

During the quarter, we have successfully driven our Cost-reduction Initiative and started to see our expenses sequentially decline. We are on track with our plan and will deliver annual savings of around SEK 450 M.

Looking forward

We expect the uncertain macroeconomic environment and supply chain challenges to continue to impact installations, costs, and margins in the third quarter. However, we foresee that the supply chain situation will gradually improve in the fourth quarter.



Gustaf Salford
President and CEO



Unity
provides
True
Tracking in
real time

Strong Service
revenue growth

Second quarter

Order intake and order backlog

The global macroeconomic challenges continued to drive uncertainties resulting in cautiousness and soft order development in the second quarter. Total order intake declined by 6 percent based on constant exchange rates compared to last year's second quarter with double-digit order growth. Order intake was weaker in mature than emerging markets. The MR-Linac with its latest developments was rewarded in the market, resulting in increased order intake for Elekta Unity in the quarter.

Order backlog increased both in SEK and based on constant exchange rates, and amounted to SEK 42,817 M, compared to SEK 39,656 M on April 30, 2022. The positive translation effect due to the conversion to closing exchange rates amounted to SEK 3,079 M.

Gross order intake

SEK M	Q2				First six months			
	2022/23	2021/22	Δ^1	Δ	2022/23	2021/22	Δ^1	Δ
Americas	1,167	1,086	-13%	8%	2,147	2,551	-31%	-16%
EMEA	1,532	1,446	-9%	6%	2,974	2,710	1%	10%
APAC	1,899	1,513	2%	26%	3,347	2,764	5%	21%
Group	4,598	4,045	-6%	14%	8,468	8,025	-8%	6%

¹ Based on constant exchange rates.

North and South America (Americas)

In the Americas, order intake decreased by 13 percent during the second quarter based on constant exchange rates. The decline was mainly explained by the development in Canada and South America. Despite continued cautiousness in the U.S., order intake remained on the previous year's high level. Mexico showed good order growth and included the high-end radiotherapy part of a bundled deal.

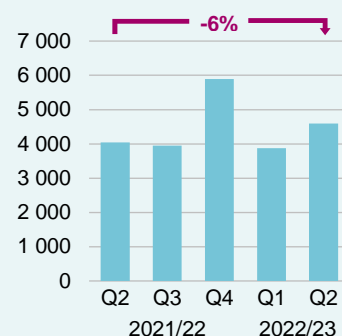
Europe, Middle East and Africa (EMEA)

In EMEA, orders declined by 9 percent based on constant exchange rates. The strong order momentum from the large tender in Spain continued, but large radiotherapy markets, such as Denmark, the Netherlands and France, drove the decline in Europe. Although Africa showed negative development, the Middle East reported good growth.

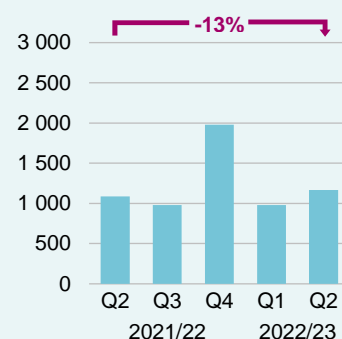
Asia Pacific (APAC)

Orders in APAC increased by 2 percent based on constant exchange rates during the second quarter. The modest growth rate in APAC was mainly explained by weak development in large mature markets such as Japan, Australia and New Zealand. The Chinese market expanded during the quarter and order intake showed good growth. East Asia had a positive development, with Korea as the main driving country.

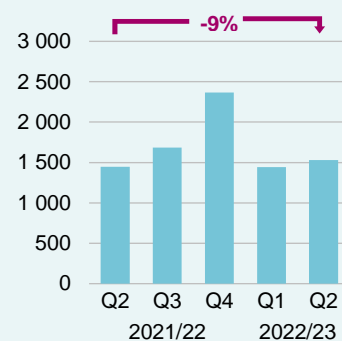
Gross order intake Group



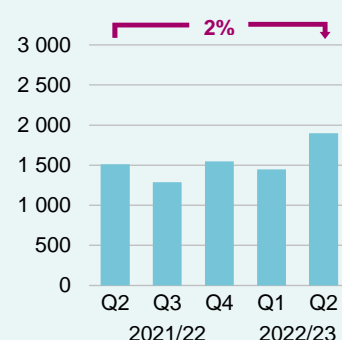
Gross order intake Americas



Gross order intake EMEA



Gross order intake APAC



Second quarter

Net sales

Elekta's revenue declined in the second quarter, as installations were impacted by the supply chain disturbances and Covid restrictions in China. The supply chain issues meant component shortages and extended lead times, as well as long shipping times delaying linac deliveries. Covid restrictions impacted both customers' readiness and planned installations. Based on constant exchange rates, net sales decreased by 5 percent, however in SEK, net sales increased by 10 percent to SEK 4,081 M (3,697).

Net sales per region

SEK M	Q2				First six months			
	2022/23	2021/22	Δ^1	Δ	2022/23	2021/22	Δ^1	Δ
Americas	1,327	1,111	-3%	19%	2,365	1,938	1%	22%
EMEA	1,332	1,284	-7%	4%	2,522	2,427	-1%	4%
APAC	1,421	1,302	-5%	9%	2,520	2,341	-3%	8%
Group	4,081	3,697	-5%	10%	7,408	6,707	-1%	10%

¹ Based on constant exchange rates.

The development was negative in all geographic regions. In the Americas, the U.S. market was positive whereas fewer installations in Canada were the main driver for the region's negative development. Europe contributed with good growth in the quarter, although a strong decline in the Middle East and Africa more than offset this growth for EMEA. The negative development in APAC was impacted by lockdowns in China, and lower installation volumes in Japan and Australia. India continued to show good growth in the quarter.

Service grew with 7 percent based on constant exchange rates with continued good growth across all business lines. Solutions decreased by 13 percent based on constant exchange rates. At the end of the period, Elekta had an installed base of approximately 7,000 devices, of which about 5,100 units were linacs, MR-Linacs or Leksell Gamma Knife systems. 46 percent of the installed base of linacs was in emerging (underserved) markets with growth of more than 40 systems in the quarter.

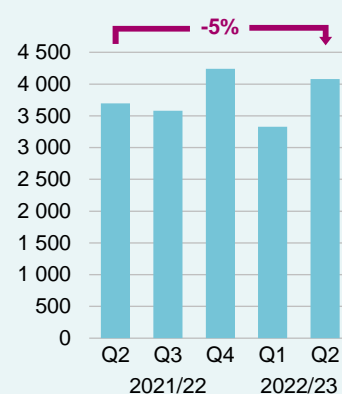
Net sales per product

SEK M	Q2				First six months			
	2022/23	2021/22	Δ^1	Δ	2022/23	2021/22	Δ^1	Δ
Solutions	2,322	2,254	-13%	3%	4,028	3,885	-7%	4%
Service	1,759	1,443	7%	22%	3,380	2,821	6%	20%
Total	4,081	3,697	-5%	10%	7,408	6,707	-1%	10%

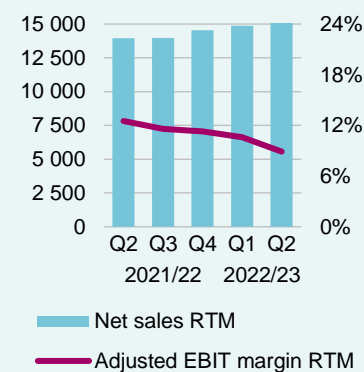
¹ Based on constant exchange rates.

7%
revenue growth in
Service

Net sales by quarter



Net sales by RTM²



² Rolling twelve months.

Revenue
growth in the U.S.
and Europe

Second quarter

Earnings

Adjusted gross margin amounted to 37.3 percent (38.6) in the second quarter. The decrease compared to last year was impacted by lower sales volume of approximately 160 basis points as well as higher supply chain costs and inflation of approximately 250 basis points. These effects were partly offset by a favorable Solutions/Service mix of approximately 140 basis points and a positive contribution from foreign exchange rates of approximately 140 basis points.

Operating expenses increased by 3 percent during the second quarter based on constant exchange rates. The increase is explained by higher selling expenses, partly offset by decreased net R&D expenditure, while the administrative expenses were on the same level as the comparing quarter. The higher selling expenses reflect more in-person customer events and meetings including travel and exhibitions such as ASTRO and launch events in China. On a rolling twelve-month basis, gross R&D expenditure to net sales was 15 percent (12), relating to accelerated investments in innovations. Net R&D expenditure decreased versus last year as R&D projects proceeded and amortizations were lower. Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 266 M (246). Foreign exchange hedges had a negative impact on adjusted EBIT. Adjusted EBIT was SEK 316 M (533) representing a margin of 7.7 percent (14.4). EBIT, including items affecting comparability, amounted to SEK 199 M (533), which represented a margin of 4.9 percent (14.4). Items affecting comparability related mainly to personnel related costs and amounted in the second quarter to SEK 117 M, whereof SEK 45 M impacted gross margin.

Net financial items increased to SEK -40 M (-30). The key driver was higher interest expenses as a result of increased interest rates. Taxes amounted to SEK -38 M (-121), representing a tax rate of 23.7 percent (24.0). Net income amounted to SEK 122 M (382) and earnings per share amounted to SEK 0.32 (1.00) before and after dilution. Adjusted earnings per share amounted to SEK 0.55 (1.00) before and after dilution. Return on shareholders' equity amounted to 9 percent (14) and return on capital employed was 9 percent (12).

Cash flow

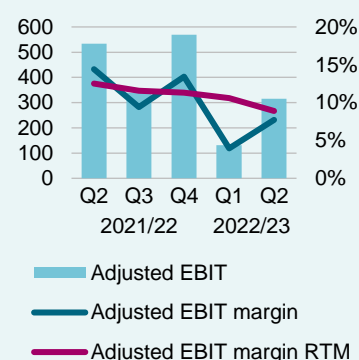
With SEK -417 M (-17) the second quarter cash flow was lower compared to last year mainly due to lower earnings. Investments in intangible assets amounted to SEK 327 M (289) and were mainly related to R&D investments in the Linac family and software. Investments in tangible assets decreased to SEK 35 M (52). Cash conversion in the second quarter was -12 percent and, based on rolling twelve months, cash conversion was 60 percent.

Cash flow (extract)

SEK M	Q2		First six months	
	2022/23	2021/22	2022/23	2021/22
Operating cash flow	147	644	498	962
Change in working capital	-202	-319	-751	-718
Cash flow from operating activities	-55	325	-253	244
Continuous investments	-362	-342	-758	-604
Cash flow after continuous investments	-417	-17	-1,010	-360
EBITDA	465	780	844	1,258
Operational cash conversion	-12%	42%	-30%	19%

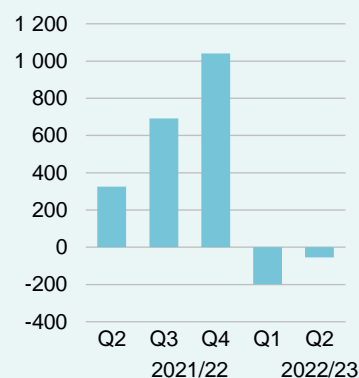
37.3%
adjusted
gross margin

Adjusted EBIT



15%
R&D expenditure
of net sales, RTM

Cash flow from operating activities

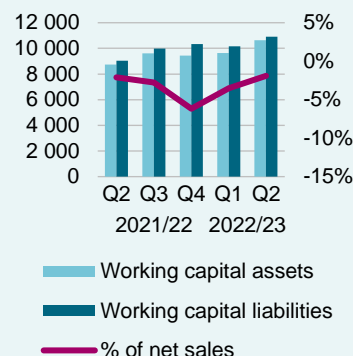


Second quarter

Working capital

Net working capital as a percentage of net sales (rolling twelve months) was stable with -2 percent (-2) and followed a seasonal pattern. Accounts receivables and customer advances increased as a result of higher level of shipments in the quarter. The higher inventory level was a result of extended supply chain lead times and buildup for coming quarters. All individual working capital items were significantly impacted by currency movements, while the net effect on the total working capital from currencies was limited. For more information, see page 27.

Working capital

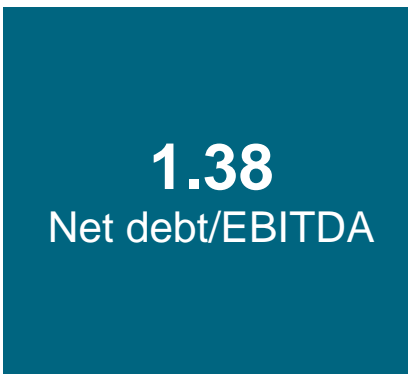


Financial position

Cash and cash equivalents and short-term investments amounted to SEK 1,535 M (2,796). Interest-bearing liabilities excluding lease liabilities amounted to SEK 4,669 M (4,570). Net debt increased to SEK 3,134 M (1,773) as a result of accelerated investments in innovation. Net debt in relation to EBITDA was 1.38 (0.62). The average maturity of interest-bearing liabilities was 3.6 years.

Net debt

SEK M	Oct 31 2022	Oct 31 2021	Apr 30 2022
Long-term interest-bearing liabilities	4,138	3,050	4,099
Short-term interest-bearing liabilities	531	1,520	510
Cash and cash equivalents and short-term investments	-1,535	-2,796	-3,077
Net debt	3,134	1,773	1,532
Long-term lease liabilities	784	849	841
Short-term lease liabilities	256	217	245
Net debt including lease liabilities	4,174	2,840	2,618



The exchange rate effect from the translation of cash and cash equivalents amounted to SEK 34 M (5). The translation difference in interest-bearing liabilities amounted to SEK 38 M (11).

Sustainability agenda

Elekta's sustainability agenda is set on improving access to healthcare globally while operating a responsible and sustainable business. The UN Sustainable Development Goals (SDGs) guide Elekta's approach to sustainability. The sustainability focus areas are: Access to Healthcare, Environmental Action, Business Ethics and People in Focus.

Business Ethics – Enhanced compliance initiatives

As part of Elekta's continuous work in Business Ethics, Elekta has had a dedicated focus on accelerating compliance and business ethics efforts, where the importance of business ethics and doing business with integrity were broadly emphasized in various communication channels. These initiatives were combined with the delivery of an upgraded online Compliance training, mandatory for all employees and covering the highest risk areas of the Elekta Code of Conduct. Elekta also released an updated



Second quarter

“Compliance Ambassador” program in order to increase support for local implementation of Elekta’s compliance and business ethics strategy and re-launched a “speak up campaign” promoting the Elekta Integrity Line and other whistleblowing channels that encourage people to report any concerns relating to business ethics.

Risk 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. For more details, please see the Annual Report 2021/22, page 36.

Covid and the war in Ukraine impact Elekta’s operations, supply and demand. These and similar events have impacted supply chains and may lead to an economic downturn, interest rate and inflation pressure, as well as foreign exchange rate fluctuations affecting Elekta’s business and financial results. In fiscal year 2020/21, and the first nine-months of fiscal year 2021/22 (before the war in Ukraine), the Group’s revenue in Russia, Belarus and Ukraine represented about 2 percent. Elekta has neither production nor Tier 1 suppliers in these three countries.

Significant events

Second quarter

Elekta’s Nomination Committee for AGM 2023

The Chairman of the Board has convened the Nomination Committee for the 2023 Annual General Meeting (AGM) consisting of representatives from the Fourth Swedish National Pension Fund, Nordea Funds, SEB Funds, Didner & Gerge Fonder in addition to the Chairman himself.

Elekta Care 360 launched

In October, Elekta announced Elekta Care 360, an expansion of Elekta Care’s global portfolio of customer services aimed at enhancing customers’ clinical operations. Elekta Care 360 increases Elekta’s value-added services and strengthens the position as a lifetime companion. The solutions include, for example, dosimetry, consultancy, and physics start-up services.

CE mark for CMM with True Tracking and automatic gating

In October, Elekta announced that its MR-Linac, Elekta Unity, has received CE mark for its Comprehensive Motion Management (CMM) with True Tracking and automatic gating functionalities. This functionality provides continuous tracking of the 3D position of any target in real time.

Elekta wins majority of Italian public tender

In October, Elekta announced that it had been selected to deliver 37 Versa HD linacs (60 percent of the tender) for a total value of approximately EUR 50 million to Italy’s national health service. The order is expected to be booked during Elekta’s third and fourth quarters of 2022/23 and the installations to be completed in 2023/24 and 2024/25.

Elekta Esprit receives CE mark and FDA clearance

In August, Elekta announced that the next-generation Leksell Gamma Knife® radiosurgery platform, Elekta Esprit, received CE mark and in October, it received FDA 510(k) clearance.

Midterm outlook

- Net sales CAGR >7% until 2024/25
- EBIT margin % expansion until 2024/25

Dividend policy

- ≥50% of net income for the year



Second quarter

AGM 2022 approves dividend and new Board member

In August, Elekta's AGM resolved on a dividend corresponding to SEK 2.40 per share, to be paid in two installments. The Meeting also elected Kelly Londy as a new member of the Board and Laurent Leksell was reelected as Chairman of the Board.

Changes in Executive Management

During the quarter Elekta carried out changes in the Executive Management team in order to streamline and enhance the business. Business line Oncology Informatics Solutions (OIS) now reports to Chief Product Officer, Maurits Wolleswinkel; Neuro Solutions to President Brachy Solutions, John Lapré; and HR to General Counsel and EVP, Jonas Bolander. These new Heads will represent the business line/function in the Executive Management team going forward. Andrew Wilson, former President OIS, and Karin Svenske Nyberg, former EVP HR, have left Elekta to pursue new challenges.

First quarter¹

- New radiosurgery system Elekta Esprit launched
- Elekta and the Netherlands Cancer Institute to co-develop the next generation of radiotherapy solutions
- Elekta's Nomination Committee's proposal to the AGM
- Changes in Executive Management (Carlos Castilleja)

Cost-reduction Initiative

In the first quarter 2022/23, Elekta accelerated the Resilience and Excellence Program by launching a Cost-reduction Initiative to reduce structural costs and enhance productivity across the organization. The Cost-reduction Initiative will generate annual savings of approximately SEK 450 M. The measures include increasing productivity in operations and service as well as optimizing the innovation pipeline and leverage the global product organization. The Initiative will also drive efficiencies in selling and administration functions. In the first half of 2022/23, the Initiative has reduced spending by SEK 50 M. Implementation costs related to the Initiative are expected to amount to up to SEK 400 M and are reported as items affecting comparability. In the first half of 2022/23 the implementation costs were SEK 131 M, see page 28.

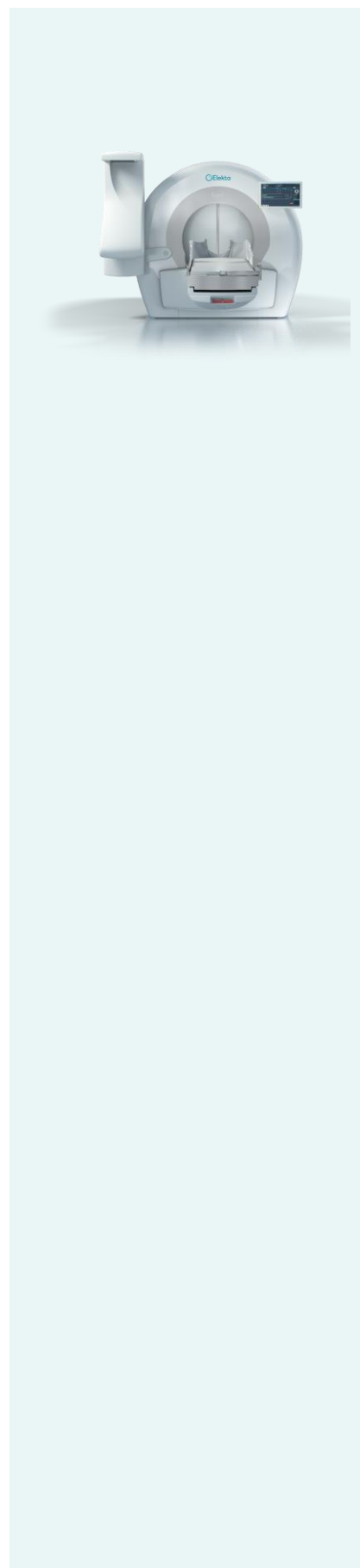
Employees

The average number of employees during the period was 4,664 (4,522). The average number of employees in the Parent Company was 58 (55).

Shares

Total number of registered shares on October 31, 2022, was 383,568,409 of which 14,980,769 were A-shares and 368,587,640 B-shares. On October 31, 2022 1,485,289 shares were treasury shares held by Elekta.

¹ For more details about the previous significant events please see respective quarterly report.



Second quarter and first six months

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

Stockholm, November 24, 2022

Laurent Leksell
Chairman of
the Board

Caroline Leksell Cooke
Member of the Board

Kelly Londy
Member of the Board

Johan Malmquist
Member of the Board

Wolfgang Reim
Member of the Board

Jan Secher
Member of the Board

Birgitta Stymne Göransson
Member of the Board

Cecilia Wikström
Member of the Board

Gustaf Salford
President and CEO

Second quarter and first six months



Review report

Elekta Ab (publ), 556170-4015

Box 7593
Stockholm

Introduction

We have reviewed the condensed interim report for Elekta AB as at October 31, 2022 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, the 24th of November 2022

Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Consolidated income statement – condensed

SEK M	Q2		First six months		12 months	
	2022/23	2021/22	2022/23	2021/22	RTM	2021/22
Net sales	4,081	3,697	7,408	6,707	15,248	14,548
Cost of products sold	-2,602	-2,270	-4,641	-4,164	-9,588	-9,111
Gross income	1,479	1,427	2,767	2,543	5,660	5,436
Selling expenses	-421	-317	-812	-633	-1,534	-1,355
Administrative expenses	-339	-287	-657	-561	-1,269	-1,173
R&D expenses	-362	-310	-748	-701	-1,419	-1,372
Other operating income and expenses	-15	-27	-23	-34	-37	-48
Exchange rate differences	-142	47	-210	119	-175	155
Operating income	199	533	316	734	1,226	1,643
Financial items, net	-40	-30	-79	-66	-155	-142
Income after financial items	160	503	237	668	1,071	1,501
Income tax	-38	-121	-56	-160	-240	-345
Net income for the period	122	382	182	507	831	1,157
<i>Net income for the period attributable to:</i>						
Parent Company shareholders	122	383	181	509	826	1,154
Non-controlling interests	0	-1	0	-2	5	3
<i>Average number of shares</i>						
Before dilution, millions	382	382	382	382	382	382
After dilution, millions	382	382	382	382	382	382
<i>Earnings per share</i>						
Before dilution, SEK	0.32	1.00	0.47	1.33	2.16	3.02
After dilution, SEK	0.32	1.00	0.47	1.33	2.16	3.02

Second quarter and first six months

Consolidated statement of comprehensive income

SEK M	Q2		First six months		12 months	
	2022/23	2021/22	2022/23	2021/22	RTM	2021/22
Net income for the period	122	382	182	507	831	1,157
Other comprehensive income:						
<i>Items that will not be reclassified to the income statement:</i>						
Remeasurements of defined benefit pension plans	-	0	-	10	17	27
Change in fair value of equity instruments	-	-3	-15	-1	-58	-45
Tax	-	1	-9	-3	-4	2
Total items that will not be reclassified to the income statement	-	-2	-24	6	-45	-16
<i>Items that subsequently may be reclassified to the income statement:</i>						
Revaluation of cash flow hedges	-144	-33	-210	-116	-542	-448
Translation differences from foreign operations	496	-169	673	-63	1,494	758
Tax	30	7	43	24	112	92
Total items that subsequently may be reclassified to the income statement	382	-195	506	-155	1,063	402
Other comprehensive income for the period	382	-197	483	-149	1,018	386
Total comprehensive income for the period	504	184	664	358	1,849	1,543
<i>Comprehensive income attributable to:</i>						
Parent Company shareholders	503	186	664	360	1,843	1,540
Non-controlling interests	1	-2	1	-2	6	3

Second quarter and first six months

Consolidated balance sheet statement – condensed

SEK M	Oct 31 2022	Oct 31 2021	Apr 30 2022
Non-current assets			
Intangible assets	11,390	9,034	10,262
Right-of-use assets	923	966	975
Tangible assets	969	896	954
Financial assets	720	552	615
Deferred tax assets	696	454	616
Total non-current assets	14,699	11,903	13,423
Current assets			
Inventories	3,216	2,416	2,533
Accounts receivable	3,666	3,037	3,647
Accrued income	2,047	1,988	1,796
Other current receivables	2,062	1,702	1,827
Cash and cash equivalents	1,535	2,796	3,077
Total current assets	12,526	11,940	12,880
Total assets	27,225	23,843	26,303
Equity attributable to Parent Company shareholders	9,128	8,143	8,913
Non-controlling interests	4	-2	3
Total equity	9,131	8,141	8,916
Non-current liabilities			
Interest-bearing liabilities	4,138	3,050	4,099
Lease liabilities	784	849	841
Other liabilities	854	782	884
Total non-current liabilities	5,776	4,681	5,824
Current liabilities			
Interest-bearing liabilities	531	1,520	510
Lease liabilities	256	217	245
Accounts payable	1,464	1,111	1,352
Advances from customers	4,686	3,802	4,161
Prepaid income	2,335	1,946	2,342
Accrued expenses	1,835	1,603	1,901
Other current liabilities	1,211	822	1,054
Total current liabilities	12,318	11,020	11,564
Total equity and liabilities	27,225	23,843	26,303

Second quarter and first six months

Changes in consolidated equity – condensed

SEK M	Oct 31		Apr 30
	2022/23	2021/22	2021/22
Attributable to Parent Company shareholders			
Opening balance	8,913	8,197	8,197
Comprehensive income for the period	664	360	1,540
Incentive programs	8	7	17
Dividend	-459	-420	-841
Total	9,128	8,143	8,913
Attributable to non-controlling interests			
Opening balance	3	0	0
Comprehensive income for the period	1	-2	3
Total	4	-2	3
Closing balance	9,131	8,141	8,916

Second quarter and first six months

Consolidated cash flow statement – condensed

SEK M	Q2		First six months		12 months	
	2022/23	2021/22	2022/23	2021/22	RTM	2021/22
Income after financial items	160	503	237	668	1,071	1,501
Amortization and depreciation	266	246	528	524	1,042	1,039
Interest net	24	23	51	52	105	106
Other non-cash items	-130	7	-96	-36	-270	-211
Interest received and paid	-26	-31	-43	-63	-94	-114
Income taxes paid	-145	-104	-178	-183	-447	-452
Operating cash flow	147	644	498	962	1,405	1,869
Change in inventories	-175	34	-597	-128	-566	-97
Change in operating receivables	-459	-543	-259	-252	-298	-291
Change in operating liabilities	432	190	105	-338	819	376
Change in working capital	-202	-319	-751	-718	-45	-12
Cash flow from operating activities	-55	325	-253	244	1,361	1,858
Investments in intangible assets	-327	-289	-676	-515	-1,381	-1,220
Investments in tangible assets	-35	-52	-82	-89	-181	-188
Continuous investments	-362	-342	-758	-604	-1,562	-1,408
Cash flow after continuous investments	-417	-17	-1,010	-360	-201	450
Short-term investments	-	-	-	-	-	-
Business combinations, divestments and investments in other shares	-3	-99	-2	-121	-122	-241
Cash flow after investments	-420	-116	-1,013	-481	-323	209
Dividends	-459	-420	-459	-420	-879	-841
Cash flow from other financing activities	-60	-285	-105	-718	-273	-886
Cash flow for the period	-938	-821	-1,576	-1,619	-1,475	-1,517
Change in cash and cash equivalents during the period						
Cash and cash equivalents at the beginning of the period	2,423	3,652	3,077	4,411	2,796	4,411
Cash flow for the period	-938	-821	-1,576	-1,619	-1,475	-1,517
Exchange rate differences	50	-34	34	5	213	183
Cash and cash equivalents at the end of the period	1,535	2,796	1,535	2,796	1,535	3,077

Parent company

Income statement and statement of comprehensive income - condensed

SEK M	First six months	
	2022/23	2021/22
Operating expenses	-3	-130
Financial net	461	353
Income after financial items	458	223
Tax	-55	21
Net income for the period	403	244
Statement of comprehensive income		
Net income for the period	403	244
Other comprehensive income	-	-
Total comprehensive income	403	244

Balance sheet - condensed

SEK M	Oct 31	Apr 30
	2022	2022
Non-current assets		
Intangible assets	36	39
Shares in subsidiaries	2,762	2,752
Receivables from subsidiaries	2,137	2,160
Other financial assets	29	44
Deferred tax assets	20	44
Total non-current assets	4,984	5,039
Current assets		
Receivables from subsidiaries	4,303	2,599
Other current receivables	32	42
Cash and cash equivalents	265	1,863
Total current assets	4,600	4,504
Total assets	9,584	9,543
Shareholders' equity	2,313	2,368
Non-current liabilities		
Interest-bearing liabilities	4,138	4,099
Provisions	11	13
Total non-current liabilities	4,149	4,112
Current liabilities		
Interest-bearing liabilities	500	500
Liabilities to Group companies	2,504	2,482
Other current liabilities	118	81
Total current liabilities	3,122	3,063
Total shareholders' equity and liabilities	9,584	9,543

Second quarter and first six months

Accounting principles

This interim report is prepared, with regards to the Group, according to IAS 34 and the Swedish Annual Accounts Act and, with regards 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 2021/22.

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

All figures are stated in SEK M and, accordingly, rounding differences can occur. Comparisons refer to the corresponding period for the prior year, unless otherwise stated.

Related party transactions

Related party transactions are described in note 35 in the Annual Report for 2021/22. No material changes have taken place in relations or transactions with related parties companies compared with the description in the Annual report 2021/22.

Exchange rates

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

Country	Currency	Average rate			Closing rate					
		Q2		Δ^1	Oct 31		Apr 30		Δ^1	Δ^2
		2022	2021		2022	2021	2022	2021		
Euroland	1 EUR	10.643	10.153	5%	10.915	9.940	10.349	10%	5%	
Great Britain	1 GBP	12.414	11.862	5%	12.720	11.751	12.294	8%	3%	
Japan	1 JPY	0.076	0.078	-2%	0.074	0.075	0.075	-1%	-2%	
United States	1 USD	10.437	8.562	22%	10.971	8.522	9.839	29%	11%	

¹ October 31, 2022, vs October 31, 2021.

² October 31, 2022, vs April 30, 2022.

Segment reporting

Elekta applies geographical segmentation. Order intake, net sales and contribution margin for the respective regions are reported to Elekta's CFO and CEO (chief operating decision makers). The regions' expenses are directly attributable to the respective regions' reported figures 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.

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. Revenue from solutions are recognized at a point in time and revenue from services are recognized over time.

Second quarter and first six months

Q2 2022/23

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total	% of net sales
Net sales	1,327	1,332	1,421	-	4,081	
Operating expenses	-800	-914	-961	-	-2,675	66%
Contribution margin	527	418	460	-	1,406	34%
Contribution margin, %	40%	31%	32%		34%	
Global costs	-	-	-	-1,090	-1,090	27%
Adjusted EBIT	527	418	460	-1,090	316	8%
Items affecting comparability ¹	-31	-10	-9	-67	-117	
Operating income (EBIT)	496	409	452	-1,157	199	5%
Net financial items	-	-	-	-40	-40	
Income after financial items	496	409	452	-1,197	160	

Q2 2021/22

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total	% of net sales
Net sales	1,111	1,284	1,302	-	3,697	
Operating expenses	-646	-783	-870	-	-2,298	62%
Contribution margin	465	501	433	-	1,399	38%
Contribution margin, %	42%	39%	33%			
Global costs	-	-	-	-866	-866	23%
Adjusted EBIT	465	501	433	-866	533	14%
Items affecting comparability ¹	-	-	-	-	-	
Operating income (EBIT)	465	501	433	-866	533	14%
Net financial items	-	-	-	-30	-30	
Income after financial items	465	501	433	-896	503	

First six months 2022/23

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total	% of net sales
Net sales	2,365	2,522	2,520	-	7,408	
Operating expenses	-1,477	-1,710	-1,710	-	-4,898	66%
Contribution margin	888	812	810	-	2,510	34%
Contribution margin, %	38%	32%	32%			
Global costs	-	-	-	-2,063	-2,063	28%
Adjusted EBIT	888	812	810	-2,063	447	6%
Items affecting comparability ¹	-34	-12	-9	-76	-131	
Operating income (EBIT)	855	800	801	-2,139	316	4%
Net financial items	-	-	-	-79	-79	
Income after financial items	855	800	801	-2,218	237	

First six months 2021/22

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total	% of net sales
Net sales	1,938	2,427	2,341	-	6,707	
Operating expenses	-1,195	-1,543	-1,576	-	-4,314	64%
Contribution margin	743	885	765	-	2,393	36%
Contribution margin, %	38%	36%	33%			
Global costs	-	-	-	-1,659	-1,659	25%
Adjusted EBIT	743	885	765	-1,659	734	11%
Items affecting comparability ¹	-	-	-	-	-	
Operating income (EBIT)	743	885	765	-1,659	734	11%
Net financial items	-	-	-	-66	-66	
Income after financial items	743	885	765	-1,725	668	

¹ Items affecting comparability include mainly personnel costs attributable to the Cost-reduction Initiative within the Resilience and Excellence Program.

Second quarter and first six months

Full year 2021/22

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total	% of net sales
Net sales	4,254	5,321	4,972	-	14,548	
Operating expenses	-2,606	-3,486	-3,409	-	-9,501	65%
Contribution margin	1,648	1,835	1,563	-	5,047	35%
Contribution margin, %	39%	34%	31%			
Global costs	-	-	-	-3,403	-3,403	23%
Adjusted EBIT	1,648	1,835	1,563	-3,403	1,643	11%
Items affecting comparability ¹	-	-	-	-	-	
Operating income (EBIT)	1,648	1,835	1,563	-3,403	1,643	11%
Net financial items	-	-	-	-142	-142	
Income after financial items	1,648	1,835	1,563	-3,545	1,501	

Rolling twelve months

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total	% of net sales
Net sales	4,681	5,417	5,151	-	15,248	
Operating expenses	-2,888	-3,654	-3,543	-	-10,084	66%
Contribution margin	1,793	1,763	1,608	-	5,164	34%
Contribution margin, %	38%	33%	31%			
Global costs	-	-	-	-3,807	-3,807	25%
Adjusted EBIT	1,793	1,763	1,608	-3,807	1,357	9%
Items affecting comparability ¹	-34	-12	-9	-76	-131	
Operating income (EBIT)	1,760	1,750	1,600	-3,884	1,226	8%
Net financial items	-	-	-	-155	-155	
Income after financial items	1,760	1,750	1,600	-4,038	1,071	

¹ Items affecting comparability include mainly personnel costs attributable to the Cost-reduction Initiative within the Resilience and Excellence Program.

Second quarter and first six months

Net sales by product type

Q2 2022/23

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Solutions	572	732	1,019	-	2,322
Service	756	600	403	-	1,759
Total	1,327	1,332	1,421	-	4,081

Q2 2021/22

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Solutions	504	780	970	-	2,254
Service	607	504	332	-	1,443
Total	1,111	1,284	1,302	-	3,697

First six months 2022/23

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Solutions	912	1,363	1,753	-	4,028
Service	1,453	1,159	768	-	3,380
Total	2,365	2,522	2,520	-	7,408

First six months 2021/22

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Solutions	769	1,421	1,695	-	3,885
Service	1,169	1,006	646	-	2,821
Total	1,938	2,427	2,341	-	6,707

Full year 2021/22

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Solutions	1,819	3,221	3,612	-	8,652
Service	2,435	2,100	1,360	-	5,896
Total	4,254	5,321	4,972	-	14,548

Rolling twelve months

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Solutions	1,962	3,164	3,669	-	8,795
Service	2,719	2,253	1,482	-	6,454
Total	4,681	5,417	5,151	-	15,248

Net sales from Solutions is taken point at time, net sales from Service is taken over time.

Second quarter and first six months

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.

SEK M	Oct 31, 2022		Oct 31, 2021		Apr 30, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing liabilities	4,138	4,177	3,050	3,208	4,099	4,251
Short-term interest-bearing liabilities	531	535	1,520	1,521	510	514

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	Oct 31, 2022	Oct 31, 2021	Apr 30, 2022
FINANCIAL ASSETS				
Financial assets measured at fair value through income statement:				
Derivative financial instruments – non-hedge accounting	2	20	64	16
Short-term investments classified as cash equivalents	1	3	3	3
Financial assets measured at fair value through other comprehensive income:				
Equity instruments	1	-	58	-
Equity instruments	3	0	-	15
Derivatives used for hedging purposes:				
Derivative financial instruments – hedge accounting	2	125	120	135
Total financial assets		148	244	168
FINANCIAL LIABILITIES				
Financial liabilities at fair value through income statement:				
Derivative financial instruments – non-hedge accounting	2	42	20	55
Contingent considerations	3	33	97	32
Derivatives used for hedging purposes:				
Derivative financial instruments – hedge accounting	2	584	37	384
Total financial liabilities		658	153	471

The fair value of accounts receivables, other current and non-current receivables, cash and cash equivalents, accounts payable and other current and non-current liabilities is estimated to be equal to their carrying amount.

Key figures and data per share

Key figures

	Full year					May - Oct	
	2017/18	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
Gross order intake, SEK M	14,493	16,796	17,735	17,411	18,364	8,025	8,468
Net sales, SEK M	11,573	13,555	14,601	13,763	14,548	6,707	7,408
Order backlog, SEK M	27,974	32,003	34,689	33,293	39,656	34,076	42,817
Gross margin, %	43.7	41.9	42.0	40.8	37.4	37.9	37.4
Adjusted gross margin, %	43.7	41.9	42.0	40.8	37.4	37.9	38.1
Operating income, SEK M	1,845	1,696	1,657	1,906	1,643	734	316
Operating margin, %	15.9	12.5	11.3	13.9	11.3	10.9	4.3
Adjusted EBIT	1,845	1,696	1,657	1,906	1,643	734	447
Adjusted EBIT margin, %	15.9	12.5	11.3	13.9	11.3	10.9	6.0
Shareholders' equity, SEK M ¹	6,987	7,779	8,113	8,197	8,913	8,143	9,128
Return on shareholders' equity, %	22	17	14	16	14	14	9
Net debt, SEK M	803	439	1,632	774	1,532	1,773	3,134
Operational cash conversion, %	95	61	35	82	69	19	-30
Average number of employees	3,702	3,798	4,117	4,194	4,631	4,522	4,664

¹ Attributable to Parent Company shareholders.

Data per share

	Full year					May - Oct	
	2017/18	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
Earnings per share							
before dilution, SEK	3.53	3.14	2.84	3.28	3.02	1.33	0.47
after dilution, SEK	3.53	3.14	2.84	3.28	3.02	1.33	0.47
Adjusted earnings per share							
before dilution, SEK	3.53	3.14	2.84	3.28	3.02	1.33	0.74
after dilution, SEK	3.53	3.14	2.84	3.28	3.02	1.33	0.74
Cash flow per share							
before dilution, SEK	3.79	2.48	-0.74	5.05	0.55	-1.26	-2.65
after dilution, SEK	3.79	2.48	-0.74	5.05	0.55	-1.26	-2.65
Shareholders' equity per share							
before dilution, SEK	18.29	20.36	21.23	21.45	23.33	21.31	23.89
after dilution, SEK	18.29	20.36	21.23	21.45	23.33	21.31	23.89
Average number of shares							
before dilution, thousands	382,027	382,027	382,062	382,083	382,083	382,083	382,083
after dilution, thousands	382,027	382,027	382,062	382,083	382,083	382,083	382,083
Number of shares at closing ¹							
before dilution, thousands	382,027	382,027	382,083	382,083	382,083	382,083	382,083
after dilution, thousands	382,027	382,027	382,083	382,083	382,083	382,083	382,083

¹ Number of registered shares at closing excluding treasury shares (1,485,289 per October 31, 2022).

Second quarter and first six months

Data per quarter

SEK M	2020/21			2021/22				2022/23	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross order intake	3,627	3,954	5,379	3,980	4,045	4,441	5,897	3,871	4,598
Net sales	3,534	3,581	3,667	3,009	3,697	3,602	4,239	3,327	4,081
Operating income	559	468	545	201	533	340	570	117	199
Cash flow from operating activities	535	690	1,114	-81	325	573	1,040	-198	-55

Order intake growth based on constant exchange rates

%	2020/21			2021/22				2022/23	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Americas	-12	41	13	-7	16	-3	-6	-43	-13
EMEA	20	-17	7	0	3	23	16	11	-9
APAC	-12	8	46	-4	19	-3	-5	9	2
Group	-2	2	18	-4	12	8	2	-11	-6

Investments and amortization/depreciation

SEK M	Q2		First six months	
	2022/23	2021/22	2022/23	2021/22
R&D, net	217	178	455	254
Capitalization	326	288	674	513
Amortization	-110	-111	-219	-259
Other, net	-3	-1	-7	-2
Total, net	213	176	448	253

No significant events after the quarter

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 ir.elekta.com/investors/financials. Definitions and additional information on APMs can also be found on pages 155-157 in the Annual Report 2021/22.

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

	Americas		EMEA		APAC		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
Q2 2022/23 vs. Q2 2021/22								
Change based on constant exchange rates	-13	-147	-9	-138	2	33	-6	-253
Currency effects	21	229	10	223	18	353	16	806
Reported change	8	82	1	85	20	386	10	553
Q2 2021/22 vs. Q2 2020/21								
Change based on constant exchange rates	16	148	3	45	19	246	12	440
Currency effects	1	13	-2	-27	-1	-8	-1	-22
Reported change	17	161	1	19	19	238	12	418
May - Oct 2022/23 vs. May - Oct 2021/22								
Change based on constant exchange rates	-31	-778	1	25	5	144	-8	-609
Currency effects	15	373	9	239	16	439	14	1,052
Reported change	-16	-405	10	264	21	583	6	443
May - Oct 2021/22 vs. May - Oct 2021/20								
Change based on constant exchange rates	1	20	2	47	7	185	3	252
Currency effects	-5	-121	-3	-96	-3	-88	-4	-305
Reported change	-4	-102	-2	-48	4	97	-1	-53

Second quarter and first six months

Change net sales

	Americas		EMEA		APAC		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
Q2 2022/23 vs. Q2 2021/22								
Change based on constant exchange rates	-3	-38	-7	-94	-5	-72	-5	-204
Currency effects	22	254	4	142	11	191	12	587
Reported change	19	216	-3	48	6	119	7	383
Q2 2021/22 vs. Q2 2020/21								
Change based on constant exchange rates	24	219	6	70	-2	-34	7	256
Currency effects	-2	-14	-4	-48	-2	-31	-3	-93
Reported change	23	205	2	22	-5	-64	5	163
May - Oct 2022/23 vs. May - Oct 2021/22								
Change based on constant exchange rates	1	20	-1	-36	-3	-78	-1	-95
Currency effects	21	407	5	131	11	257	11	796
Reported change	22	427	4	95	8	179	10	701
May - Oct 2021/22 vs. May - Oct 2021/20								
Change based on constant exchange rates	10	179	6	146	7	156	7	481
Currency effects	-5	-91	-4	-88	-5	-109	-4	-289
Reported change	5	88	2	57	2	47	3	192

Second quarter and first six months

EBITDA

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

SEK M	Q2 2021/22	Q3 2021/22	Q4 2021/22	Q1 2022/23	Q2 2022/23
Operating income/EBIT	533	340	570	117	199
Amortization intangible assets:					
Capitalized development costs	113	113	119	113	114
Assets relating business combinations	29	32	33	35	36
Depreciation tangible assets	105	106	112	114	117
EBITDA	780	591	833	379	465

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	Oct 31, 2021	Jan 31, 2022	Apr 30, 2022	Jul 31, 2022	Oct 31, 2022
Income after financial items (12 months rolling)	1,525	1,405	1,501	1,414	1,071
Financial expenses (12 months rolling)	245	238	200	211	230
Income after financial items plus financial expenses	1,770	1,644	1,702	1,625	1,301
Total assets	23,843	27,577	26,303	26,322	27,225
Deferred tax liabilities	-482	-443	-549	-483	-503
Long-term provisions	-218	-235	-215	-207	-199
Other long-term liabilities	-82	-144	-120	-133	-151
Accounts payable	-1,111	-1,187	-1,352	-1,280	-1,464
Advances from customers	-3,802	-4,267	-4,161	-4,392	-4,686
Prepaid income	-1,946	-2,238	-2,342	-2,373	-2,335
Accrued expenses	-1,603	-1,754	-1,901	-1,606	-1,835
Current tax liabilities	-199	-277	-114	-164	-100
Short-term provisions	-181	-187	-149	-142	-200
Derivative financial instruments	-40	-351	-361	-395	-516
Other current liabilities	-401	-365	-429	-367	-395
Capital employed	13,777	16,129	14,610	14,781	14,840
Average capital employed (last five quarters)	14,490	14,722	14,638	14,638	14,828
Return on capital employed	12%	11%	12%	11%	9%

Return on shareholders' equity

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

SEK M	Q2 2021/22	Q3 2021/22	Q4 2021/22	Q1 2022/23	Q2 2022/23
Net income (12 months rolling)	1,173	1,079	1,154	1,087	826
Average shareholders' equity excluding non-controlling interests a (last five quarters)	8,185	8,375	8,515	8,529	8,842
Return on shareholders' equity	14%	13%	14%	13%	9%

Second quarter and first six months

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	Q2 2021/22	Q3 2021/22	Q4 2021/22	Q1 2022/23	Q2 2022/23
Cash flow from operating activities	325	573	1,040	-198	-55
EBITDA	780	591	833	379	465
Operational cash conversion	42%	97%	125%	-52%	-12%

Working capital

In order to optimize cash generation, management focuses on working capital and reducing lead times between orders booked and cash received.

SEK M	Oct 31 2022	Oct 31 2021	Apr 30 2022
Working capital assets			
Inventories	3,216	2,416	2,533
Accounts receivable	3,666	3,037	3,647
Accrued income	2,047	1,988	1,796
Other operating receivables	1,696	1,310	1,459
Sum working capital assets	10,625	8,751	9,435
Working capital liabilities			
Accounts payable	1,464	1,111	1,352
Advances from customers	4,686	3,802	4,161
Prepaid income	2,335	1,946	2,342
Accrued expenses	1,835	1,603	1,901
Short-term provisions	200	181	149
Other current liabilities	395	401	429
Sum working capital liabilities	10,915	9,044	10,333
Net working capital	-290	-292	-898
% of rolling 12 months net sales	-2%	-2%	-6%

Days Sales Outstanding (DSO)

Days Sales Outstanding was negative 31 days on October 31, 2022 (negative 19 days per October 31, 2021).

SEK M	Oct 31 2022	Oct 31 2021	Apr 30 2022
Americas	-69	-63	-66
EMEA	38	52	39
APAC	-62	-54	-57
Group	-31	-19	-27

Second quarter and first six months

Net debt and net debt/EBITDA ratio

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

SEK M	Oct 31, 2021	Jan 31, 2022	Apr 30, 2022	Jul 31, 2022	Oct 31, 2022
Long-term interest-bearing liabilities	3,050	4,625	4,099	4,112	4,138
Short-term interest-bearing liabilities	1,520	1,446	510	528	531
Cash and cash equivalents and short-term investments	-2,796	-4,366	-3,077	-2,423	-1,535
Net debt	1,773	1,705	1,532	2,217	3,134
EBITDA (12 months rolling)	2,871	2,703	2,682	2,582	2,268
Net debt/EBITDA ratio	0.62	0.63	0.57	0.86	1.38

Items affecting comparability

Items affecting comparability include cost attributable to the Cost-reduction Initiative within the Resilience and Excellence Program. The costs are adjusted in order to track the underlying profitability of the Group's products and services.

Q2 2022/23

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Items affecting comparability:					
Personnel related cost	31	9	9	67	115
Other cost	0	1	0	1	2
Sum	31	10	9	67	117

First six months 2022/23

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Items affecting comparability:					
Personnel related cost	34	11	9	76	129
Other cost	0	1	0	1	2
Sum	34	12	9	76	131

Gross margin

Gross margin is used to track operational performance and efficiency.

SEK M	Q2		First six months	
	2022/23	2021/22	2022/23	2021/22
Net sales	4,081	3,697	7,408	6,707
Cost of products sold	-2,602	-2,270	-4,641	-4,164
Gross income	1,479	1,427	2,767	2,543
Gross margin (Gross income/ Net sales)	36.2%	38.6%	37.4%	37.9%

Second quarter and first six months

Adjusted gross margin

Adjusted gross margin is used to track the underlying operational performance, i.e. excluding items affecting comparability.

SEK M	Q2		First six months	
	2022/23	2021/22	2022/23	2021/22
Net sales	4,081	3,697	7,408	6,707
Cost of products sold	-2,602	-2,270	-4,641	-4,164
Gross income	1,479	1,427	2,767	2,543
Items affecting comparability	45	0	52	0
Adjusted gross income	1,524	1,427	2,819	2,543
Adjusted gross margin (Adjusted gross income/ Net sales)	37.3%	38.6%	38.1%	37.9%

Adjusted EBIT

Adjusted EBIT is used to track the underlying operational performance, i.e. excluding items affecting comparability.

Q2 2022/23

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Operating Income (EBIT)	496	409	452	-1,157	199
Items affecting comparability	31	10	9	67	117
Adjusted EBIT	527	418	460	-1,090	316

First six months 2022/23

SEK M	Americas	EMEA	APAC	Other / Group-wide	Group total
Operating Income (EBIT)	855	800	801	-2,139	316
Items affecting comparability	34	12	9	76	131
Adjusted EBIT	888	812	810	-2,063	447

Adjusted earnings per share

Adjusted earnings per share is used to track the underlying operational performance, i.e. excluding items affecting comparability.

SEK M	Q2		First six months	
	2022/23	2021/22	2022/23	2021/22
Net income for the period attributable to:				
Parent Company shareholders	122	383	181	509
Items affecting comparability	117	0	131	0
Tax on Items affecting comparability	-27	0	-30	0
Adjusted net income	211	383	282	509
Average number of shares, before and after dilution	382	382	382	382
Adjusted earnings per share (adjusted net income/average number of shares)	0.55	1.00	0.74	1.33

Second quarter and first six months

Shareholder information

Conference call

Elekta will host a web conference at 10:00-11:00 CET on November 24 with President and CEO Gustaf Salford, and CFO Tobias Hägglov. To take part of the presentation please dial the numbers or watch via the web link below.

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<https://elekta-qreports.creo.se/221124/>

Financial calendar

Interim report, Q3, May-Jan 2022/23	Feb 24, 2023
Year-end report, Q4, May-Apr 2022/23	May 25, 2023
Annual General Meeting 2023	Aug 24, 2023

About Elekta

Elekta is a global leader in radiotherapy solutions to fight cancer and neurological diseases. In fact, we are the only independent radiotherapy provider of scale. We have a broad offering of advanced solutions for delivering the most efficient radiotherapy treatments. Elekta's offering allows clinicians to treat more patients with increased quality, both with value-creating innovations in solutions and AI-supported service based on a global network.

Purpose

Elekta's purpose is to inspire hope for anyone dealing with cancer, be that patients, clinicians, or relatives.

Mission

Our mission is to improve patients' lives by working together with our customers. We use our precision radiation expertise to work hand in hand with clinicians and our partners to continuously develop innovative, outcome-driven and cost-efficient solutions that provide lasting clinical difference in a sustainable way.

Vision

Elekta's vision is a world where everyone has access to the best cancer care. Our strategy, called ACCESS 2025, is the first part of our journey towards the vision.

Strategy – ACCESS 2025

Through our strategy, ACCESS 2025, we improve patient access to the best cancer care by:

- **Accelerating innovation** with customer utilization in mind
- **Driving partner integration** across the cancer care ecosystem
- **Being the customer lifetime companion**
- **Driving market adoption** across the globe

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