Elekta – Nine month report
2014/15

Niklas Savander
President and CEO

Håkan Bergström
Chief Financial Officer
Introduction

• Third quarter affected by
  – Timing of large orders
  – Product mix
  – Temporary slower growth in certain markets

• Outlook full-year reiterated
  – Strong large order pipeline
  – Sales momentum of Leksell Gamma Knife

• Strategic Agenda: long term upside
Market development

• Elekta viable player for large health systems
• Service business is growth opportunity
• EMEA improving
• APAC declined
• RNA low growth, but positive for Leksell Gamma Knife
Performance YTD

• Order bookings -10%*
  – EMEA returned as anticipated
  – Asia Pacific declined due to weaker market conditions in China and Japan
  – North America affected by volatility

• Net sales -3%*
  – Lower shipment volumes
  – Product mix
  – Slower growth in China, Japan, Russia and USA

• EBITA decreased to SEK 705 (895)** M

• Cash flow from operating activities improved to SEK 158 M (44)

*Based on unchanged exchange rates
** Before non-recurring items
Portfolio progress
Fiscal year 2014/15

Main Elekta R&D programs:
• Atlantic
• Information Guided Cancer Care™
• Next generation Gamma Knife
• Vision 2020 for Brachytherapy

R&D expenditures 15% of net sales
Strategic agenda for growth

- Grow the Pie
- Innovation Leadership
- Commercial Transformation
- Lifecycle Management
- Customers
- Patients
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Håkan Bergström
CFO
Financial performance

- Order bookings -10%*
- Net sales -3%*
- Gross margin of 39%
- EBITA of SEK 705 (895)** M
- Cash flow from operating activities improved to SEK 158 M (44)
- Continuous investments increased 18% to SEK 700 M. The main driver is the ongoing R&D program.
  - Cash conversion 33% (12 months rolling)
- Tax rate: 22% (24%)

*Based on constant exchange rates  
** Before non-recurring items
Drivers for improvement in free cash flow

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2014/15 change</th>
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<tbody>
<tr>
<td>Operating cash flow excl. depreciation and amortization</td>
<td>1,278</td>
<td>&gt;350</td>
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<tr>
<td>Change in net working capital</td>
<td>-417</td>
<td>&gt;350</td>
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<tr>
<td>Continuous investments minus depreciation and amortization</td>
<td>-367</td>
<td>-100</td>
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<tr>
<td>Free cash flow</td>
<td>=494</td>
<td>&gt;600</td>
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</tbody>
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FY 2014/15
Free cash flow: SEK >1,100 M
Net working capital to sales

Year-end drivers
- Lower inventories
  - Shipment of finished goods
  - Stricter control of spare parts levels
  - Centralizing purchasing
- DSO – slightly improved
- Seasonal - higher net sales
DSO improving

DSO* development

Regional split:
North America: -43 days
Europe & AFLAME: 171 days
Asia Pacific: 85 days

• Public deals in Europe with extended payment terms
• Longer lead times in emerging markets

DSO calculation based on: Accounts receivables, Accrued income, advances from customers, prepaid income
Favorable currency development

Reported currency effect for YTD:

- Net sales +7%
- Positive effect on EBITA by SEK 40 M including hedges

Estimated positive currency effect* for FY 2014/15:

- Net sales ~9 percentage points
- EBITA ~2 percentage points

*Based on current exchange rates
Outlook for 2014/15:

**Net sales growth**
4%*

**EBITA growth**
~6%*

**Cash flow after continuous investments**
>SEK 1.1bn

**Growth drivers in Q4:**
- Strong pipeline of large orders
- Strong deliveries of Leksell Gamma Knife
- Strong year-end execution
- Favorable FX

*Based on constant exchange rates
Q&A