Important information

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

This presentation is intended for investors and analysts only. Some products are still in research and/or not cleared/approved in all markets. Cancer statistics are given to show the potential market in the respective area and does not mean that Elekta currently has products to treat these indications.
Q3: strong order intake and cash flow

› Order growth in Q3 +34% and +11% YTD
  › Growth in all product areas

› Net Sales in Q3: +5% in SEK and +1% in local currency

› EBITA margin in Q3: at 12% (13)
  › Rolling 12-months EBITA margin improved to 16 percent or +2 percentage points since last year

› Transformation program on track - SEK 535 M in annualized savings

› Cash flow improved SEK 650* M
  › Net working capital at 1% to net sales

› Strong order backlog going into Q4

› MR-linac – 2 new customers

*Cash flow after continuous investments. Adjusted for items affecting comparability of SEK 358 M, related to cash outflow attributable to legal processes and the transformation program.
Strengthened market positions in Q3

Europe, Middle East, and Africa
- Strong growth with important customer wins: New Karolinska, Greece and Spain etc.
- 2 MR-linacs, Tübingen and Odense
- Good development in Emerging Markets

Asia Pacific
- Continued growth in the region
- Strong performance in China
- Japanese market at low levels

North and South America
- US - further actions for improvement are being implemented
- Challenging market conditions in Latin America

**Q3 Gross Order Intake (MSEK)**
- Europe, Middle East, and Africa
  - Q3 15/16: 818, Q3 16/17: 1,809 (SEK growth: +121%, LC growth*: +116%)
- Asia Pacific
  - Q3 15/16: 776, Q3 16/17: 851 (SEK growth: +10%, LC growth*: +2%)
- North and South America
  - Q3 15/16: 1,022, Q3 16/17: 993 (SEK growth: -3%, LC growth*: -6%)

*Based on constant exchange rates
Our ambition is to improve EBITA margin to >20%

**Margin development** *(illustrative)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Margin</th>
<th>EBITA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/12</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>12/13</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>13/14</td>
<td>43%</td>
<td></td>
</tr>
<tr>
<td>14/15</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>15/16</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Q3 rolling 12 months</td>
<td>41%</td>
<td></td>
</tr>
</tbody>
</table>

**Transformation program targets**

- **EBITA margin of >20%** by 2017/18
- **Cost reductions of SEK 700** **M** with full effect 2017/18
- **Net working capital to sales below 5%** by 2016/17
- **Produce-to-order process**. One-off revenue effect was SEK 650 in H1 2016/17
- **Realized SEK 535 M** as of Q3
- **Net working capital to sales at 1%**
- **Implemented**

*EBITA-margin for 2014/15 and onwards is adjusted for items affecting comparability and bad debt losses
**Base year 2014/15, excluding currency effect and bad debt
7 consortium sites

The Christie School of Oncology

5 commercial systems

OUH Striving for quality

Princess Margaret Hospital

Universitäts Klinikum Tübingen

The Chinese University of Hong Kong

12 MR-linac customers to date

Ambition: 75 orders until 2019

Launch in H2 calendar year 2017

Note: all in line with local regulatory requirements
Financial Update

Håkan Bergström
Chief Financial Officer
# Income statement - first 9 months

## Improved margins

### I. Net sales decreased by SEK 625 M
   - “Produce-to-order” process implemented with a negative effect of SEK 650 M

### II. Gross margin at 40.8 (40.4) %
   - Product mix and improved efficiency

### III. EBITA* margin at 12.6 (11.2) %
   - 12-months rolling EBITA margin improved to 16 % or two percentage points
   - Cost savings
   - Less R&D capitalization SEK ~90 M
   - Positive currency effect of SEK ~240 M

## Please see the table below for a detailed comparison of key financial metrics:

<table>
<thead>
<tr>
<th>(SEK M)</th>
<th>YTD 2016/17</th>
<th>YTD 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>6,989</td>
<td>7,614</td>
</tr>
<tr>
<td>COGS</td>
<td>-4,138</td>
<td>-4,541</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>40.8%</td>
<td>40.4%</td>
</tr>
<tr>
<td>OPEX</td>
<td>-2,170</td>
<td>-2,481</td>
</tr>
<tr>
<td>Capitalization</td>
<td>371</td>
<td>460</td>
</tr>
<tr>
<td>Exchange rate diff.</td>
<td>-53</td>
<td>-73</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-117</td>
<td>-124</td>
</tr>
<tr>
<td><strong>EBITA</strong></td>
<td><strong>882</strong></td>
<td><strong>855</strong></td>
</tr>
<tr>
<td><strong>EBITA</strong> margin (%)</td>
<td><strong>12.6%</strong></td>
<td><strong>11.2%</strong></td>
</tr>
<tr>
<td>Items affecting comparability (incl. bad debt)</td>
<td>-294</td>
<td>-246</td>
</tr>
</tbody>
</table>

*Before items affecting comparability of SEK 264 M and bad debt losses of SEK 30 M
Positive currency effect expected for FY 2016/17
Weakening of GBP have a positive effect on bottom line

<table>
<thead>
<tr>
<th>EFFECT YTD Y/Y (MSEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Effect on net sales: ~2%</td>
</tr>
<tr>
<td>• Effect on EBITA: 220</td>
</tr>
<tr>
<td>• Exchange rate differences: -53</td>
</tr>
<tr>
<td>• Result last year (reversed): 73</td>
</tr>
<tr>
<td><strong>Effect on EBITA, TOT YTD</strong> 240</td>
</tr>
</tbody>
</table>

Whereof EBITA Q1 ~115

  - **EBITA Q1** ~95
  - **EBITA Q3** ~30

**Effect on EBITA, TOT YTD** 240

<table>
<thead>
<tr>
<th>EFFECT 2016/17 Y/Y (MSEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Effect on net sales: ~3%</td>
</tr>
<tr>
<td>• <strong>Estimated effect on EBITA (Y/Y)</strong> ~350</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EFFECT 2017/18 Y/Y (MSEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Estimated effect on EBITA (Y/Y)</strong> ~200</td>
</tr>
</tbody>
</table>
Cash flow improved by approx. SEK 650 M

I. Improved working capital
   - Produce to order process

II. Lower continuous investments
   - Lower R&D capitalization

III. Items affecting comparability
     SEK ~360 M
     - Transformation program: SEK 175 M
     - Legal costs: SEK 185 M

<table>
<thead>
<tr>
<th>CASH FLOW</th>
<th>YTD 2016/17</th>
<th>YTD 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>(SEK M)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Operating Cash Flow | 267 | 460 |
| Change in Working Capital | 329 | -136 |

| Cash flow from operating activities | 596 | 324 |
| Continuous investments | -568 | -591 |
| Legal processes and transformation | 454 | 96 |
| Cash flow after continuous investments | 482 | -171 |
Net working capital at 1% of net sales*

- DSO at 30 days (56)
- Lower accrued income
- Target to reduce inventories

*Rolling 12-month
Improved backlog position

**Q3 2015/16**

- **Order backlog:** 18.0
- **Revenue YTD:** 7.6
- **Expected revenue from backlog in Q4:** 2.7

**Q3 2016/17**

- **Order backlog:** 21.9
- **Revenue YTD:** 7.0
- **Expected revenue from backlog in Q4:** 3.5

*(SEK bn)*

Focus where it matters