Year-end report
June 1, 2017
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.
Richard Hausmann
President and CEO
My first year

Fun and rewarding
  • Clear direction outlined

We do what we say
  • Building a foundation for profitable growth

Tremendous need for cancer care
  • Customer experience in focus
  • New systems and software – we think forward
Q4 was a very special quarter – compared to last year

Net sales flat in constant currency
- Strong deliveries in Americas and Europe
- New shipment policy affecting Leksell Gamma Knife® and Asia Pacific

Strong cash flow of SEK 1 bn

Order intake -20%
- Weak performance in USA and Japan
- Challenging comparison - few large orders; strong Q3

15 Elekta Unity to date
Full-year 2016/17
A year of laying the foundation

Achievements
- Cost savings achieved
- Produce to order realized
- Very good cash flow development. Increased dividend to SEK 1.0 (0.50) proposed
- Good order growth in Europe, Asia Pacific and Latin America

Necessary fix
- Produce to order change first half $650$ MSEK revenue effect
- 3 month ship to installation: less book and bill in Q4; Leksell Gamma Knife® & Asia Pacific
- Working down outstanding projects (accrued income)
  -3 ppts EBITA effect

Actions required
- Fix weak performance in USA
- Strengthen structural set up in Japan
Strong order performance in Europe and Asia

**Europe, Middle East, and Africa**

- Western Europe +13%, Eastern Europe +13%.
- Challenging comparison in Middle East & Africa -25%.
- Important orders from Genesis Care, New Karolinska Solna.
- First Elekta Unity orders.

**Asia Pacific**

- Strong performance in China +11%, India +22% and Southeast Asia +10%.
- Elekta is the leader in the region.
- Large orders include PLA, AIIMS.
- Japanese market at low levels.

**North and South America**

  - Sales and marketing not yet where we want it.
  - Significant organization change.
  - Market is ok.
  - Growth in Latin America +11%.

*Based on constant exchange rates*
USA – accelerated actions

• Priority No. 1
• In our hands – market is robust
• Change of US leadership
• Peter Gaccione new head of North America. (people manager, sales veteran, domain expert)
• Commercial excellence program ongoing, examples:
  • Investing in accelerated improvements in sales and marketing
  • Revise incentives to create winning culture
  • We spare no effort to add customer focused resources where necessary
• Elekta Unity to be filed for FDA clearance in 2017

USA turnaround in 2017/18
Significant effect from produce to order in 2016/17, will reverse in 2017/18

Fiscal year 2016/17

- Net sales flat when adjusted for produce to order
- EBITA margin of 16% (15)
- Significant negative EBITA effect from produce to order
- Will reverse next year

EBITA bridge (SEK M)

<table>
<thead>
<tr>
<th>EBITA 15/16</th>
<th>Produce to order effects / mix</th>
<th>Cost savings</th>
<th>Currencies</th>
<th>Working capital clean up and less capitalization</th>
<th>EBITA 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 639</td>
<td>-440</td>
<td>+250</td>
<td>+315</td>
<td>-103</td>
<td>1 661</td>
</tr>
</tbody>
</table>
The future in radiation therapy
Information and data driven future

Info and analytics key to the future

Interoperability needs are increasing

Global connectivity for networks data sharing

Expect a merging of medical disciplines
New era in healthcare and cancer management
Information and data driven future

Continuous increase of radiation therapy system use and utilization
Productivity and outcomes

4x growth in the use of SRS and SBRT over the next 10 years
Precision

Up to 75% of cancer drugs fail
Personalization

Up to 80% of radiation therapy users in the emerging world are 1st time users
Ease of use / automation

Reimbursement drives
Efficiency
Innovation trends we believe in and drive
Outcome driven with focus where it matters

<table>
<thead>
<tr>
<th>Image guidance</th>
<th>Workflow</th>
<th>Automation</th>
</tr>
</thead>
</table>
| • High field MR as the ultimate soft tissue imaging tool  
• Adaptive workflows to save healthy tissue by reducing margins | • Integrated and automated workflows on treatment units  
• Seamless integration of alternative treatments on OIS level | • Big data applications  
• Decision support with self learning  
• Analytics for efficiency improvements and patient outcomes |
Elekta Unity – will revolutionize radiation therapy

- Setting a new standard
- Addresses unmet need in cancer therapy
- Intelligent software with new interface
Our next priority is to accelerate software platform convergence in the era of digitization of healthcare.
“Elekta Digital”

- New services oriented platform
- Enable use of artificial intelligence for automated workflows in radiation therapy
- Focus on big data applications
- Prioritized and ring-fenced investment within our communicated margin target and R&D investment framework
End of last year was a tipping point for Elekta
Homework done - foundation in place

Values
- We work as one team
- We do what we say
- We keep thinking forward

Updated brand

Organization
Company organized in line with three key processes

Strategic priorities
- Act as an innovation leader
- Elevate the customer experience
- Sustain a competitive cost base
- Continuously improve our processes
- Live our values

Growth
Cost
Robust market
Current growth estimated at 3-5%

North America
- Technology driven
- Replacements
- Consolidation

South America
- Significant unmet need
- Volatile economic situation

Western Europe
- Pent-up demand
- Replacements
- Private initiatives

Eastern Europe
- Large unmet need
- Starting to grow

Japan
- Slow market

China
- Long-term build out of cancer care

India
- Strong growth
- Mainly private market

Global service
- Good growth
- Increasing usage in emerging markets
Leading portfolio

- Superior linac platform
- Global no.1 in brachytherapy
- Unique position with Leksell Gamma Knife®
- Competitive software portfolio

Elekta Unity
New management team

Executive Management
Richard Hausmann, CEO
Gustaf Salford, CFO
Karin Svenske Nyberg, EVP Human Resources
Maurits Wolleswinkel, Chief Strategy Officer
Ioannis Panagiotelis, Chief Marketing Officer
Ian Alexander, Chief Commercial Officer
Johan Sedihn, Chief Operating Officer
John Lapré, Chief Technology Officer
Jonas Bolander, General Counsel
Peter Gaccione, EVP North America
2017/18: 
Return to growth and >20% EBITA margin
Our way forward has started

2016/17
• Year of change and building the foundation for profitable growth
• Produce to order and ship to installation completed

2017/18
• Transformation delivers full effect
• Organization and management in place
• Culture of continuous improvements
• Elekta Unity hits the market

2018/19
• Elekta Unity – growth driver
• Significant efficiency improvements
• Further product innovations based on Elekta Digital platform
Margin drivers for 2017/18

EBITA bridge from last year (SEK M)

Margin drivers 2017/18 (indicative)

- COGS savings
- Investments
- Currency

Volume growth
Service growth

Reach >20%
EBITA margin
Record strong backlog

Last year

<table>
<thead>
<tr>
<th></th>
<th>(SEK bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening order backlog</td>
<td>18.2</td>
</tr>
<tr>
<td>Expected revenue FY 16/17</td>
<td>6.7</td>
</tr>
</tbody>
</table>

This year

<table>
<thead>
<tr>
<th></th>
<th>(SEK bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening order backlog</td>
<td>22.5</td>
</tr>
<tr>
<td>Expected revenue FY 17/18</td>
<td>7.9</td>
</tr>
</tbody>
</table>

+16%
Targets 2017/18

Growth

Reach
>20%
EBITA margin

Net working capital
<5% to net sales
Focus where it matters.
Net sales by quarter versus last year

SEK M

- Produce to order effect in first half
- Less 3rd party products
- Fewer acceptances
- Lower level of book-and-bills in Q4
## Income statement – Q4 2016/17

<table>
<thead>
<tr>
<th>(SEK M)</th>
<th>Q4 2016/17</th>
<th>Q4 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>3,715</td>
<td>3,607</td>
</tr>
<tr>
<td>COGS</td>
<td>-2,139</td>
<td>-2,067</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>42.4%</td>
<td>42.7%</td>
</tr>
<tr>
<td>OPEX</td>
<td>-774</td>
<td>-754</td>
</tr>
<tr>
<td>Capitalized R&amp;D</td>
<td>163</td>
<td>132</td>
</tr>
<tr>
<td>Exchange rate diff.</td>
<td>-147</td>
<td>-92</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-39</td>
<td>-41</td>
</tr>
<tr>
<td><strong>EBITA</strong></td>
<td>779</td>
<td>785</td>
</tr>
<tr>
<td><strong>EBITA</strong> margin (%)</td>
<td>21.0%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Items affecting comparability (incl. bad debt)</td>
<td>-253</td>
<td>-459</td>
</tr>
</tbody>
</table>

### EBITA bridge vs. Q4 last year

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016/17</th>
<th>Q4 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITA 15/16 Q4</strong></td>
<td>785</td>
<td></td>
</tr>
<tr>
<td>Leksell Gamma Knife - shipment policy</td>
<td></td>
<td>-65</td>
</tr>
<tr>
<td>Increased spend, Unity etc.</td>
<td></td>
<td>-35</td>
</tr>
<tr>
<td>Capitalization and other</td>
<td></td>
<td>+19</td>
</tr>
<tr>
<td>FX EBITA Impact</td>
<td></td>
<td>+75</td>
</tr>
<tr>
<td><strong>EBITA 16/17 Q4</strong></td>
<td>779</td>
<td></td>
</tr>
</tbody>
</table>
Positive currency effect expected for FY 2017/18
Weakening of GBP has a positive effect on bottom line

Effect YTD Y/Y (SEK M)

- Effect on net sales: +2%
- Effect on EBITA: 351
- Exchange rate differences: -201
- Result last year (reversed): 165

**Effect on EBITA, TOT YTD**: 315

*Whereof EBITA Q1*: ~115
*EBITA Q2*: ~95
*EBITA Q3*: ~30
*EBITA Q4*: ~75

Effect YTD Y/Y (SEK M)

Estimated effect on EBITA (Y/Y): ~200

Main currency rates vs. last year

<table>
<thead>
<tr>
<th>Currency</th>
<th>Apr LY</th>
<th>Apr FY</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR/SEK</td>
<td>9,33</td>
<td>9,52</td>
<td>+2%</td>
</tr>
<tr>
<td>USD/SEK</td>
<td>8,43</td>
<td>8,69</td>
<td>+3%</td>
</tr>
<tr>
<td>GBP/SEK</td>
<td>12,67</td>
<td>11,31</td>
<td>-10,7%</td>
</tr>
</tbody>
</table>
Transformation program implemented

<table>
<thead>
<tr>
<th>Cost reductions of SEK 700 M with full effect 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net working capital to sales below 5% by 2016/17</td>
</tr>
<tr>
<td>Produce-to-order and ship to installation process</td>
</tr>
</tbody>
</table>

- Significantly fewer Leksell Gamma Knife® units shipped, despite increased order intake. Good backlog position for next year

- Realized SEK 540 M as of Q4
- Net working capital to sales at -6%
- Implemented

**COGS:** full savings next year
Opex savings target reached

Rolling 12 months gross spend development

- Achieved operating savings target reached
- Additional investments in growth
  - Elekta Unity
  - New markets
Net working capital at -6% of sales

Key working capital assets

- Accounts receivables
- Accrued income
- Inventories

Key working capital liabilities

- Customer advances
- Prepaid income
- Accounts payable

Net working capital as % of sales

- DSO at 33 days (60)
- Lower accrued income
- Inventory at target
**Strong cash flow generation**

### Cash conversion

![Cash conversion graph]

### Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>FY14/15</th>
<th>FY15/16</th>
<th>FY16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>1,299</td>
<td>709</td>
<td>767</td>
</tr>
<tr>
<td>Working Capital</td>
<td>+524</td>
<td>+461</td>
<td>+1,051</td>
</tr>
<tr>
<td>Cash Flow from operating activities</td>
<td>1,823</td>
<td>1,170</td>
<td>1,819</td>
</tr>
<tr>
<td>Investments tangibles &amp; other</td>
<td>-271</td>
<td>-178</td>
<td>-141</td>
</tr>
<tr>
<td>Capitalization</td>
<td>-685</td>
<td>-596</td>
<td>-633</td>
</tr>
<tr>
<td>Cash Flow after continuous investments</td>
<td>867</td>
<td>396</td>
<td>1,045</td>
</tr>
<tr>
<td>Operational Cash Conversion*</td>
<td>126%</td>
<td>111%</td>
<td>145%</td>
</tr>
</tbody>
</table>

*Cash flow from operating activities / EBITDA*
Implementation of IFRS 15 from fiscal year 2018/19

- Elekta will implement IFRS 15 revenue recognition standard as of 1 May 2018
  - An analysis is performed of the expected effects from implementing the new standard
- Based on the analysis, a significant effect from the **timing of recognition** of revenue for hardware is expected
- Elekta considers the transfer of control to the customer to **occur when the hardware has been installed** and not at the time of shipment
- Currently a detailed assessment is performed of the impact from the implementation of IFRS 15, both from an operational and financial perspective
  - This exercise is still ongoing and therefore it is not at this stage possible to disclose reliable estimates of the impact on financial statements
Focus where it matters.
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Elekta Unity

Dr. Ioannis Panagiotelis, Chief Marketing Officer
1972
Pioneered Radiosurgery with Gamma Knife

2003
First to integrate CBCT and introduce Image-guided radiotherapy

2008
First Monte Carlo based Treatment Planning System (CMS)

2012
Introduction of Agility, the highest performing MLC in market

2015
First online adaptive radiosurgery system; ICON

Pioneer in Radiotherapy
Elekta Unity* – will revolutionize radiation therapy

• Setting a new standard
• Addresses unmet need in cancer therapy
• Intelligent software with new interface

*Elekta Unity is a Technology in Development.
Film
Elekta Unity

**Ground Breaking**

- New, unique next-generation linac platform specifically designed to deliver dose during live imaging
- State-of-the-art, short, wide-bore high-field MR at time of treatment
- Clinically developed protocols achieved in partnership with world-leading centres

**Personalized Therapy**

- New, paradigm of surgical precision radiotherapy & cancer treatment
- Patient-centric platform allows response to live images of the tumour whilst patient is on the table
- Tailored on-demand treatment plan with potentially shorter fractionation regimes

**Extraordinary Potential**

- ‘Scan, Plan and Treat’
- Unique potential for ‘hard to treat’ cancers
- Go beyond anatomical imaging with additional dimensions of information
Personalized radiotherapy

**MR/RT**

The expansion of the PTV ensures that the dose cloud still covers the target, accounting for uncertainties.

MR/RT shrinks the PTV & reduces the amount of healthy tissue in the high dose region.

No change in the PTV relation to the target due to the online plan adaptation to the new location.

45 | Focus where it matters.
Potential for significant reduction of dose to healthy tissue

Delivering conformal treatments for static, moving targets, and deforming targets with the smallest margin.

- **S** 3-5 mm
- **M** 5-7 mm
- **L** 7-12 mm
- **XL** 12-20 mm

PTV with imaging

- GBM Oropharynx
- Prostate only Rectum Breast
- Esophagus Pancreas Prostate + Pelvis
- Lung Stomach Bladder Liver

Normal Tissue spared

Focus where it matters.
Unique potential for ‘hard to treat’ cancers

- Preoperative Breast
- Liver Metastases
- Biliary Cancers
- Nodal Diseases
- Pancreatic Cancer
- Renal Cell Carcinoma
- Adrenal metastasis (Oligo-metastatic disease)

65% of all cancers occur in the lungs, prostate, colorectum, stomach, liver, breast and cervix.

6 out of 7 of these cancers are in difficult to visualize soft-tissue anatomies.

Integrating MR with surgical precision RT makes it possible to see the target and soft tissue during treatment.
Successful presentation at ESTRO

- 1118 leads vs. 705 in 2016 [↑58%]
- 329 Unity new customer leads
- Evening event 450 professionals representing 250 institutions
- >180 planning guides sent
- 15 systems sold to date
First patient treated at UMC – part of the clinical study
First-in-man treatments on Elekta Unity*

Results “Better than Expected”

Uncompromised diagnostic imaging quality

Image anywhere, anytime
High Speed (>15 images/s)
High Resolution (<1mm³)

Full breadth of Diagnostic MR sequences

Demonstrated technical accuracy and safety in the clinical setting

Patients with bone metastases treated with palliative intention.

*Elekta Unity is a Technology in Development.
Commercialization on track

- ESTRO presentation
- First patient treated
- Target: CE-mark 2017
- ASTRO September 2017
- Target: 510k submission 2017
- RSNA November 2017
Long-term addressable market ~25% of current installed linacs

Phase 1: Reputation driven phase
- High-profile clinics
- ~300-400 units addressable market

Phase 2: Clinical adoption driven phase
- Larger mainstream profile, guidelines driven
- ~3,000 units addressable market

Target:
75 orders until 2019;
15 to date
Focus where it matters.
Gustaf Salford  
Chief Financial Officer

- MSc from Stockholm School of Economics
- Consultancy background (Boston Consulting Group, Booz Allen Hamilton)
- At Elekta since 2009
- Finance Director Europe
- Head of Business Control
What I believe in

- Continue to transform through process excellence
- Transparency and accountability
- Balanced business model
Q&A
Focus where it matters.