“A solid quarter with inspiring events and significant further improvement potential”

Q2 report
November 29, 2018

Focus where it matters.
Agenda.

1. Q2 in short
2. Financials
3. Key take-aways
4. Q & A
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.
1. Q2 in short.

Agenda
Launched strategy focused on thought leadership in Precision Radiation Medicine at Capital Markets Day.

Mid-term scenario 2022/2023

- 8-10% Net sales CAGR over the period (based on constant exchange rates)
- EBITA >20% with expansion of up to 200 BPS by the end of the period
Strong sales growth in Q2.

- **Order intake** +12 percent (+2 percent in constant currency)
  - Double digit order growth for treatment and software solutions
  - Service orders declined in some regions
  - **Interest in Elekta Unity is strong.** Sales funnel continues to grow, but no orders booked in Q2
- **Net sales up 15 percent in Q2** (+6 percent in constant currency)
- **Improved cash flow**
Strong market and order intake first half year.

- Order intake **+14 percent** (+6 percent in constant currency)
  - Four Elekta Unity orders added to the backlog in H1
  - 2+2 Elekta Unity agreements in November

- **Net sales** **+14 percent** in the first six months, (+7 percent in constant currency)

- **EBITA margin** was 16 percent. Rolling 12-month EBITA margin was **19.2 percent**.
  - Significant further improvement potential in the second half
Solid order growth in 2 out of 3 regions. U.S. disappointing in service orders

**North & South America**
- 41% in Q2 ↓
  - Weak service orders in the US.
  - Installed base continues to grow overall.
  - Large 21C order LY Q2
  - Market conditions continued to be challenging in South America

**Europe, Middle East & Africa**
+43% in Q2 ↑
  - In Europe especially strong growth at the moment, particularly strong order intake in Italy, Spain and UK.
  - Middle East and Africa also showed strong order growth.

**Asia Pacific**
+18% in Q2 ↑
  - In China the MOH published a plan to invest substantially in radiation therapy over the next three years.
  - In addition to China, South Korea and Vietnam show good growth.

Focus where it matters.
ASTRO 2018 manifested great interest in Elekta’s solutions.

More traffic and sales leads than ever before

Elekta Unity drew a lot of attention
China and CIIE

Exciting opportunities

- Chinese Ministry Of Health published plan on radiotherapy investment in 2018-2020
  - ~1,400 linacs

- China International Import Expo (CIIE)
  - Elekta the only radiation therapy company invited
  - Large interest in Elekta’s solutions by both government and healthcare community
  - Signed around 60 letters of intent about future cooperation worth >USD100 M
Strengthening our GenesisCare partnership

- Linac MoU signed in November valued at approximately USD 60 million
- Agreement includes provisions for Elekta’s MOSAIQ® oncology information system (OIS) and Monaco® treatment planning system
- Separate research agreement also signed
- Builds on previous agreements from 2016 and 2018
3 new Elekta Unity handed over in the quarter.

Great feedback from customers on the performance of the system.

Exciting news! Tübingen University Hospital has started treating patients with Elekta Unity.

Simon Boekel @BoekelSimon
Today the first patient was successfully treated with @Elekt #Unity @UKTwa. Thank you to the whole team. Keep working with us to improve #Radiotherapy #Radiooncology

BBC News

Health

'More cures, fewer side-effects' with pioneering radiotherapy machine

Fergus Walsh
Medical correspondent
@BBCFergusWalsh

24 September 2018

Congratulations to the team at Odense University Hospital! Yesterday, they started treating cancer patients with our high-field magnetic resonance radiation therapy (MR/RT) system, Elekta Unity. See the television segment (starting at 16:09) here: http://ow.ly/DmxP30mmU8c
Elekta Unity – 36 systems in total as of November
2. Financials.

Agenda
### Q2 – sales growth YTD and improved margins vs. Q1

<table>
<thead>
<tr>
<th>(SEK M)</th>
<th>Q2 2018/19</th>
<th>Q1 2018/19</th>
<th>Q2 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>3,330</td>
<td>2,819</td>
<td>2,903</td>
</tr>
<tr>
<td>COGS</td>
<td>-1,953</td>
<td>-1,716</td>
<td>-1,644</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>41.4%</td>
<td>39.1%</td>
<td>43.4%</td>
</tr>
<tr>
<td>Expenses</td>
<td>-760</td>
<td>-806</td>
<td>-680</td>
</tr>
<tr>
<td>Exchange diff and other</td>
<td>-17</td>
<td>89</td>
<td>-12</td>
</tr>
<tr>
<td>EBITA</td>
<td>601</td>
<td>386</td>
<td>566</td>
</tr>
<tr>
<td>EBITA margin (%)</td>
<td>18.0%</td>
<td>13.7%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Amortization</td>
<td>-208</td>
<td>-148</td>
<td>-126</td>
</tr>
<tr>
<td>EBIT</td>
<td>393</td>
<td>238</td>
<td>440</td>
</tr>
<tr>
<td>Net financial items</td>
<td>-29</td>
<td>-25</td>
<td>-33</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-80</td>
<td>-47</td>
<td>-102</td>
</tr>
<tr>
<td>Net profit</td>
<td>284</td>
<td>166</td>
<td>305</td>
</tr>
<tr>
<td>EPS</td>
<td>0.75</td>
<td>0.43</td>
<td>0.80</td>
</tr>
</tbody>
</table>

- Net sales up 6% in Q2
  - 7% YTD - growth in all regions
  - Unity installations contribute to growth
- Gross Margin increased to 41.4% from low level in Q1
  - 40.3% YTD
  - 41.5% R12
- EBITA at 18.0% in Q2
  - 16.0% YTD
  - 19.2% R12
Continued focus on cost control in the quarter

<table>
<thead>
<tr>
<th>Expenses (SEK M)</th>
<th>Q2 2018/19</th>
<th>Q1 2018/19</th>
<th>Growth* Q/Q</th>
<th>Q2 2017/18</th>
<th>Growth* Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling</td>
<td>-320</td>
<td>-324</td>
<td>-5%</td>
<td>-300</td>
<td>0%</td>
</tr>
<tr>
<td>Administrative</td>
<td>-237</td>
<td>-265</td>
<td>-14%</td>
<td>-224</td>
<td>-2%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-411</td>
<td>-365</td>
<td>+8%</td>
<td>-282</td>
<td>+34%</td>
</tr>
<tr>
<td>of which capitalization</td>
<td>104</td>
<td>129</td>
<td>8%</td>
<td>146</td>
<td>34%</td>
</tr>
<tr>
<td>of which amortization</td>
<td>176</td>
<td>120</td>
<td>14%</td>
<td>90</td>
<td>14%</td>
</tr>
<tr>
<td>Gross R&amp;D spend</td>
<td>-339</td>
<td>-373</td>
<td>-13%</td>
<td>-338</td>
<td>-8%</td>
</tr>
<tr>
<td>Total</td>
<td>-967</td>
<td>-953</td>
<td>-3%</td>
<td>-806</td>
<td>+11%</td>
</tr>
</tbody>
</table>

*In constant currency

- Expenses% decrease vs. Q1 – good cost control
- Net R&D expense increase from higher amortization and less capitalization post Unity CE
- Gross R&D spend decrease both vs. Q1 and Q2 last year

Focus where it matters.
Unity commercialization, less capitalization and price pressure impacting EBITA% vs. last year

Q2 YTD - EBITA bridge (SEK M)

Currency effect Q2 YTD 2018/19 (SEK M, Y/Y)
- Effect on net sales: +380
- Effect on expenses: -341
- Exchange rate differences: +30
- Effect on EBITA: +69

Focus where it matters.
EBITA expected to improve in second half of FY18/19 – primarily from volume and positive market mix

<table>
<thead>
<tr>
<th>Margin drivers H2 2018/19 (indicative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth leverage</td>
</tr>
<tr>
<td><strong>EBITA H1</strong></td>
</tr>
</tbody>
</table>

EBITA FY ~20%

FX EBITA effect + SEK175 M in 2018/19

Focus where it matters.
EBITDA growth improved cash flow in the quarter

### Cash Conversion bridge

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018/19</th>
<th>Q2 iso. 18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>427</td>
<td>639</td>
</tr>
<tr>
<td>Working capital</td>
<td>-699</td>
<td>-81</td>
</tr>
<tr>
<td>Financial net</td>
<td>-25</td>
<td>-29</td>
</tr>
<tr>
<td>Paid tax</td>
<td>-21</td>
<td>-47</td>
</tr>
<tr>
<td>Other</td>
<td>-63</td>
<td>30</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td>-381</td>
<td>512</td>
</tr>
<tr>
<td><strong>Cash conversion</strong></td>
<td>-89%</td>
<td>80%</td>
</tr>
</tbody>
</table>

### Net working capital as % of net sales

- **14/15**: 14%
- **15/16**: 8%
- **16/17**: 2%
- **17/18**: -6% (IFRS15)
- **Q1**: -10%
- **Q2**: -14%

Focus where it matters.
Cash Conversion at 81% and maintained Net Debt/EBITDA at 0.5x

**Operational cash conversion and EBITDA**

Cash Conversion = Cash flow from operating activities / EBITDA

**Net debt / EBITDA and equity**

Net debt to equity

Focus where it matters.
3. Key take-aways.

Agenda
Our strategic focus:
Thought leadership in
Precision Radiation Medicine
It resonates well with our customers
We reiterate our guidance for 2018/19

- Net sales growth: ~7%
- EBITA margin: ~20%
Q&A.

We now welcome any of your questions

Richard Hausmann
President and CEO

Gustaf Salford
CFO
Thank you
Next report Q3, 22 February 2019

Gunilla Öhman, Head of IR (interim)
gunilla.oehman@elekta.com
+46707638125