





Very strong order intake kick-starts the year

Q1 report 2019/20

August 22, 2019

Agenda

1. Q1 performance
2. Financials
3. Outlook
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.

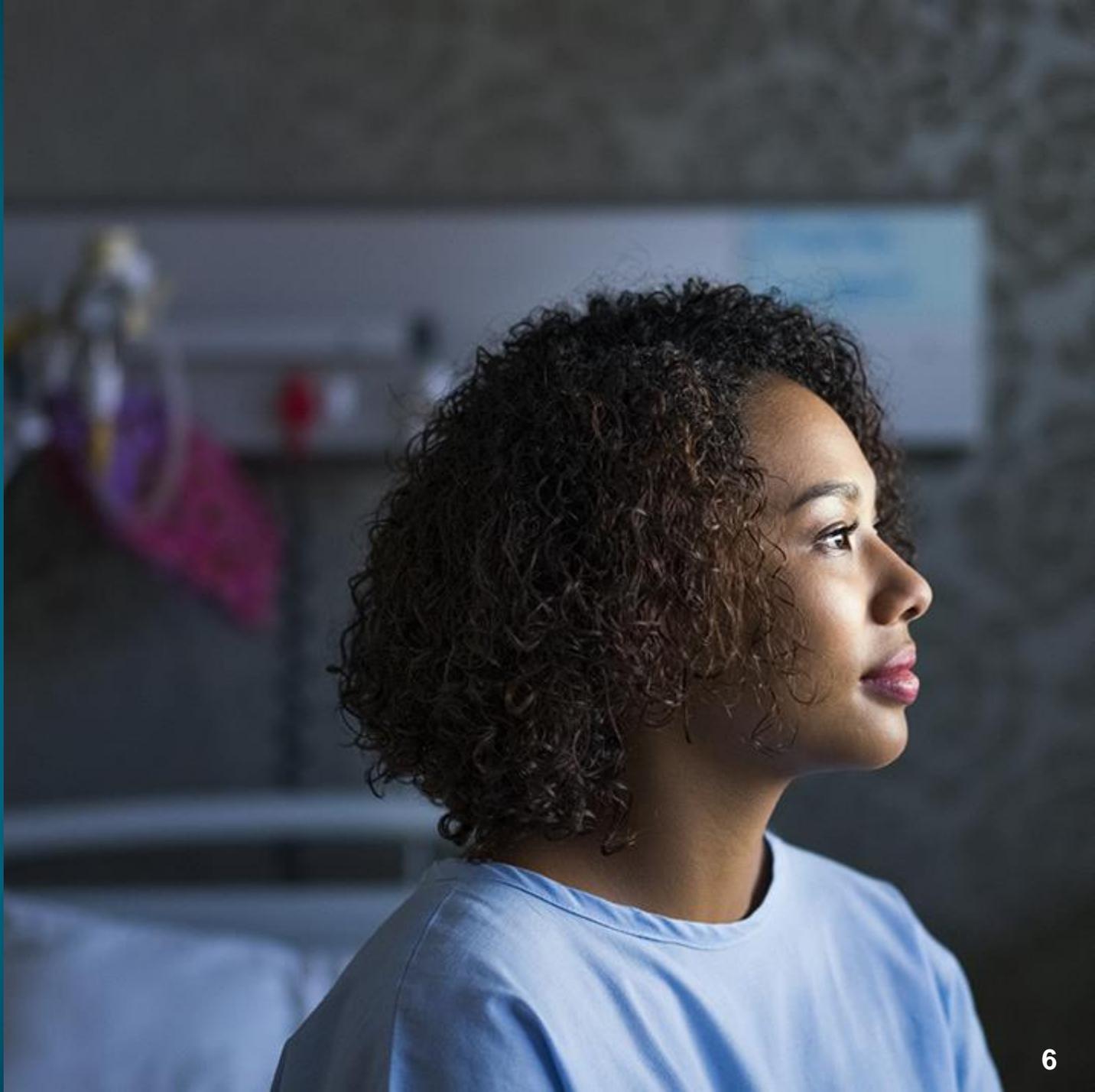
This presentation is intended for investors and analysts only. Some products are still in research and/or not cleared/approved in all markets. Cancer statistics are given to show the potential market in the respective area and does not mean that Elekta currently has products to treat these indications.

1. Q1 performance

Dr. Richard Hausmann
President and CEO

We are Precision. Radiation. Medicine.

Everyone with cancer should
have access to and benefit
from precise, personalized
radiotherapy

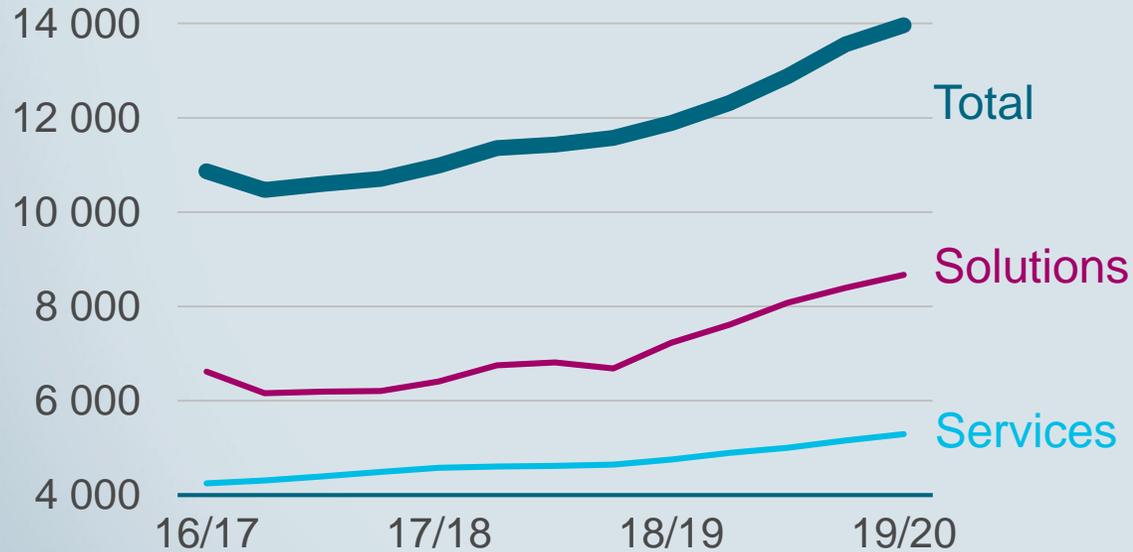


Creating value by innovation and thought leadership

Net sales

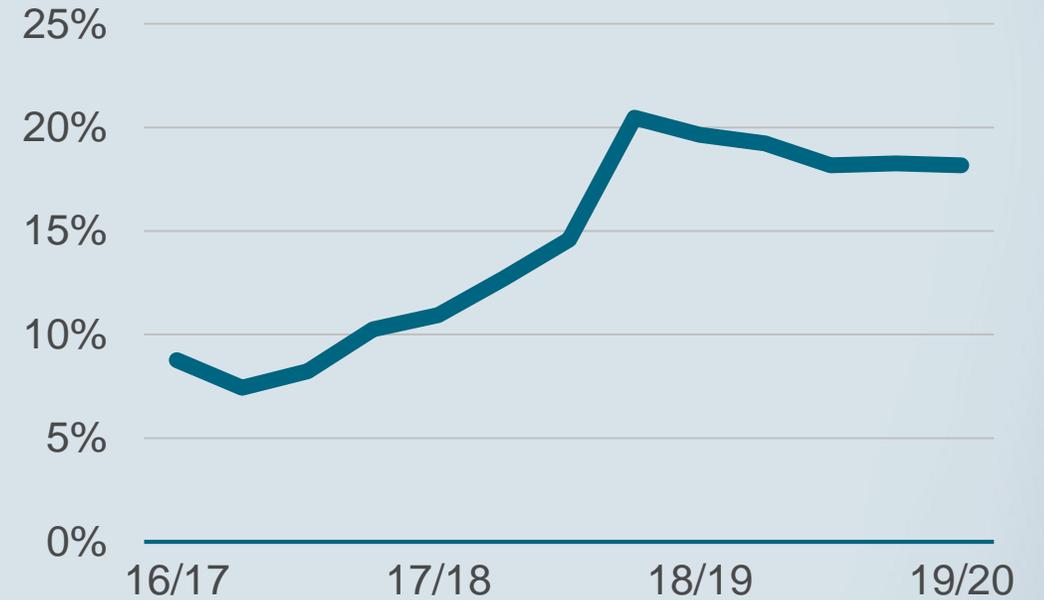
rolling 12 months

MSEK



EBITA margin

rolling 12 months



Q1 – historically high order intake

Key Q1 financials

- Organic order intake +32%
- Organic net sales +9%
- Gross margin 42.6% (39.1)
- EBITA margin 13.9% (13.7)



Q1: Very strong order growth in EMEA and Asia Pacific

North & South America

+0%

- Stable development overall
- Good growth in Solutions in North America
- 2 new Elekta Unity orders

Europe, Middle East & Africa (EMEA)

+64%

- Historically high growth
- Especially strong growth in Germany, Italy and Africa
- 5 new Elekta Unity orders

Asia Pacific

+31%

- Strong order intake
- Good development in China, India, Indonesia and Australia
- 6 new Elekta Unity orders

Highlights so far FY 19/20

Precision Radiation Medicine



GenesisCare collaboration



*Dan Collins, CEO at GenesisCare states
“ This innovative technology represents a
new era in radiotherapy...”*



Ordering 9 Elekta Unity (July 2019)

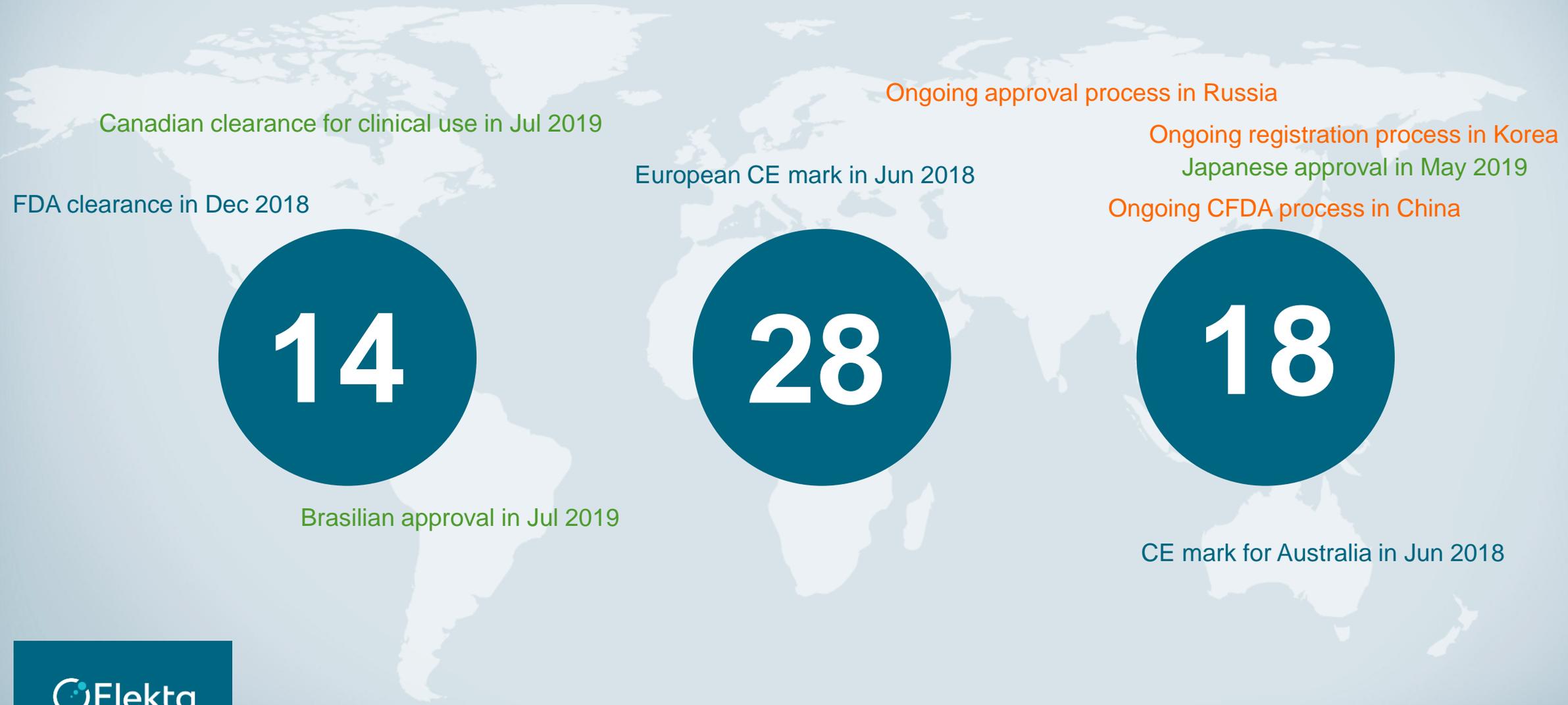
- Order value USD 58 M plus service agreement
- Sites in Australia, southeast Asia and Europe

Extended strategic cooperation

- Collection agreement of real-world treatment data
- Further enhance Elekta Unity workflows

Elekta Unity – 60 systems ordered as of today – approvals coming in

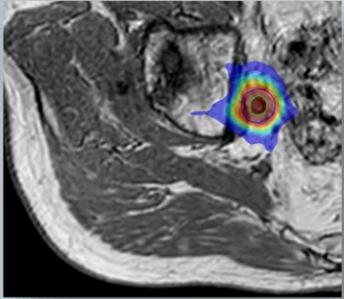
Reiterating 75 orders by mid-2020



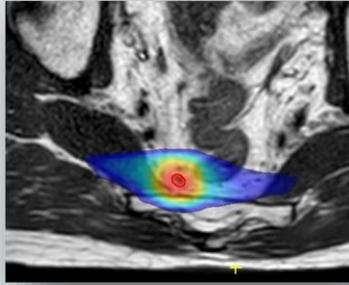
1000th fraction treated at University Hospital Tübingen in less than 1 year of operation



Elekta Unity clinical cases: >350 patients



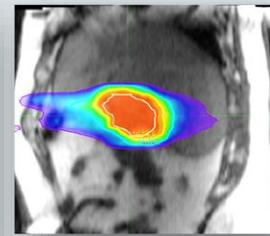
UMC Utrecht



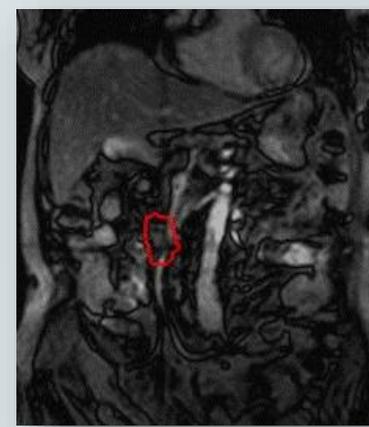
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UMC Utrecht



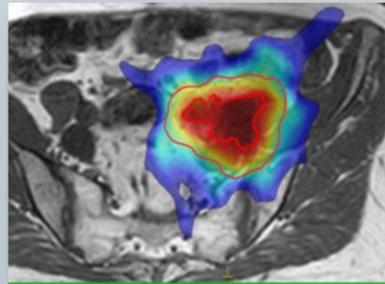
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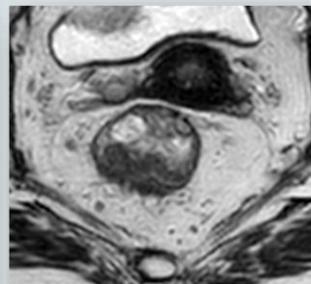
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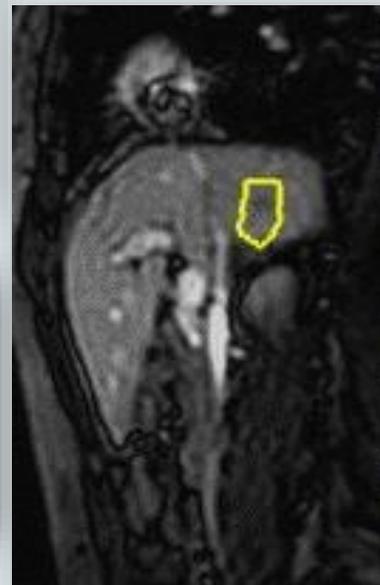
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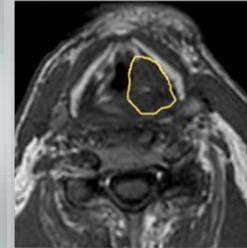
Univ Tübingen



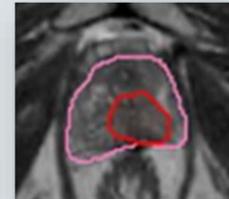
Univ Tübingen



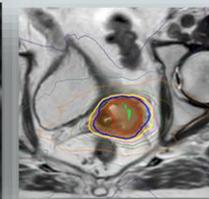
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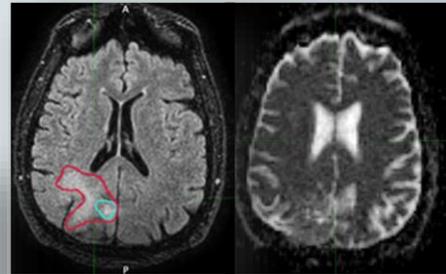
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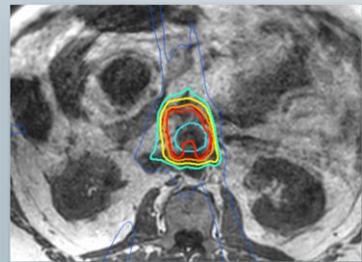
Odense



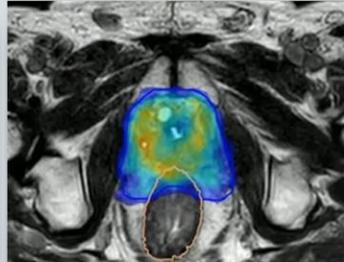
Odense



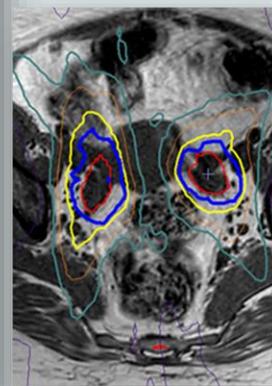
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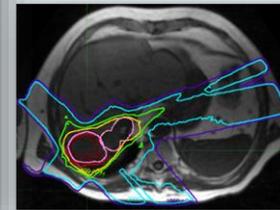
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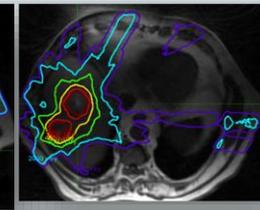
AvL-NKI



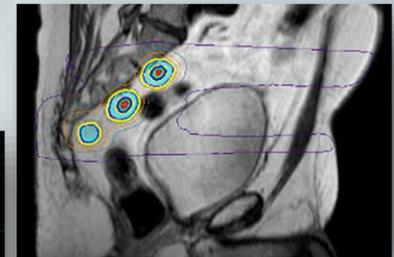
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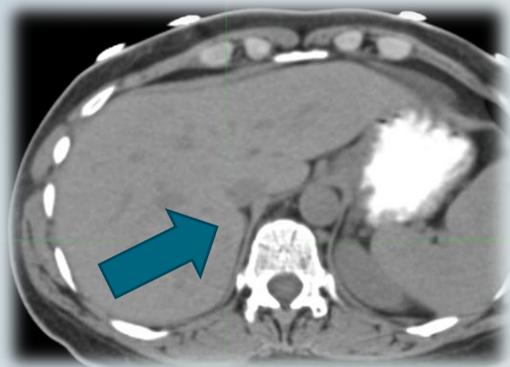
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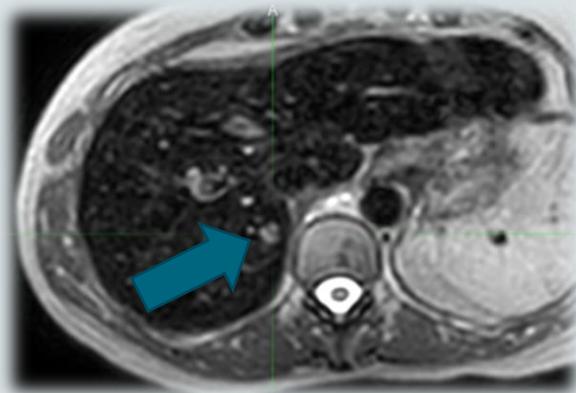
Odense

Potential to treat more challenging cases

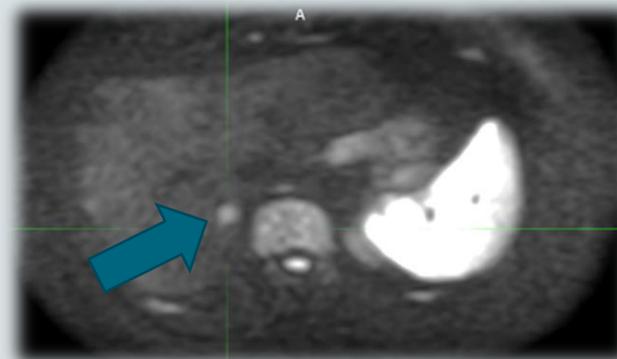
Planning CT



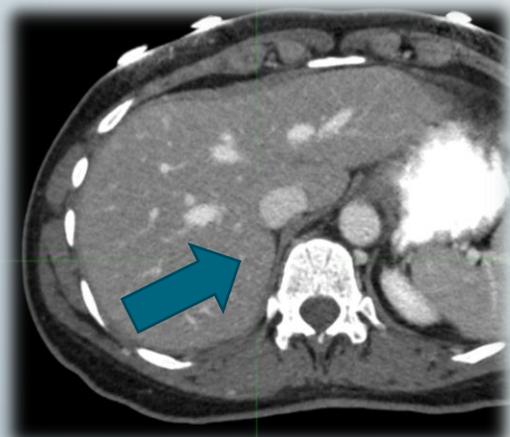
Navigated T2



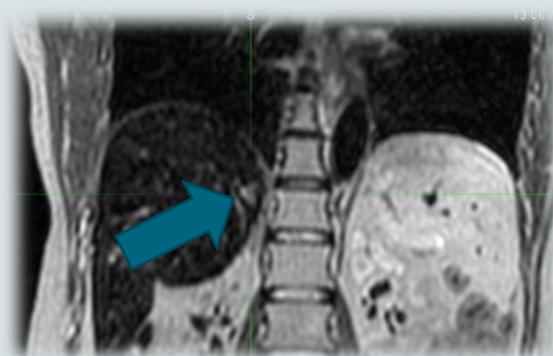
DWI*



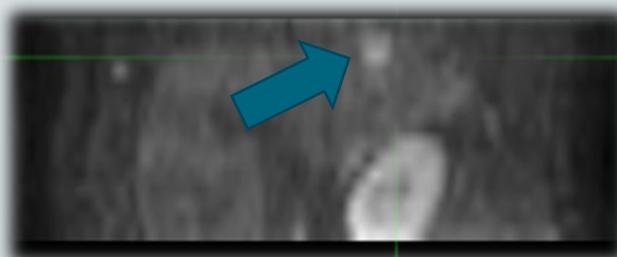
IV CT



Navigated T2 Cor reformat



DWI* Sag reformat



Beam-on
monitoring
(Sagittal plane)



Our Elekta Unity pioneers treating patients routinely

11 installed Elekta Unities in use with great feedback on performance



1)



1)



1)



1)



1)



Clinical experience with Elekta Unity

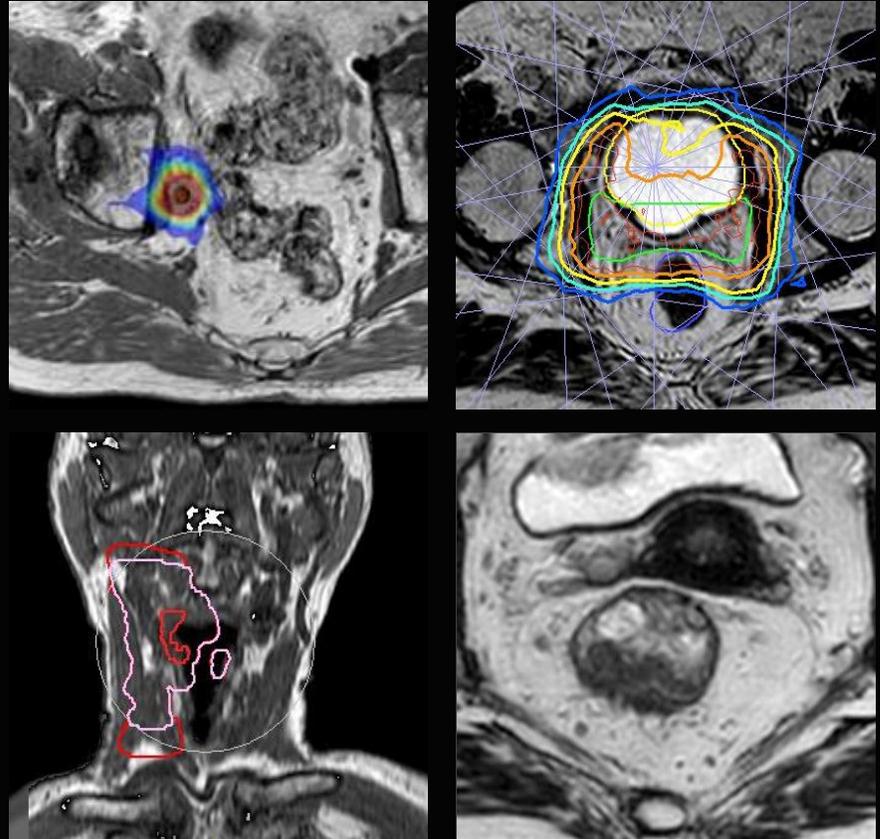
From Aug 2018 until today

>350 patients
completed treatment

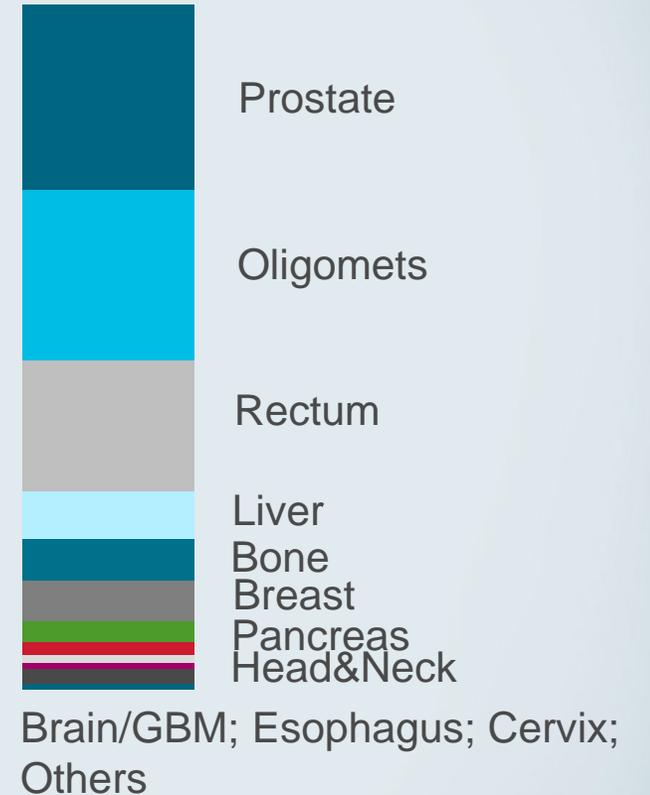
>50%
SBRT adoption

16 min
Minimum session time
(at AvL-NKI)

>18
different cancer types treated



Treated cancer types



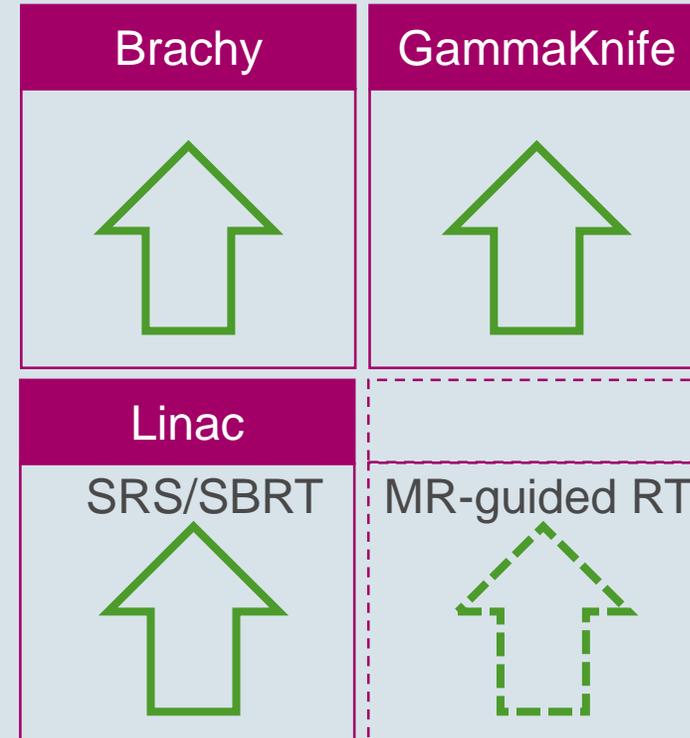
The US radiation oncology alternative payment model

Supports our strategy Precision Radiation Medicine

Focus on outcome and cost of care:

- Increasing hypofractionation and SBRT
- Enhancing efficient work flows and staffing
- Optimizing equipment mix with sites/ departments, opportunities for analytics tools e.g. MOSAIQ® Oncology Analytics

Unity perfectly aligned with the alternative payment model principles



2. Financials

Gustaf Salford
CFO

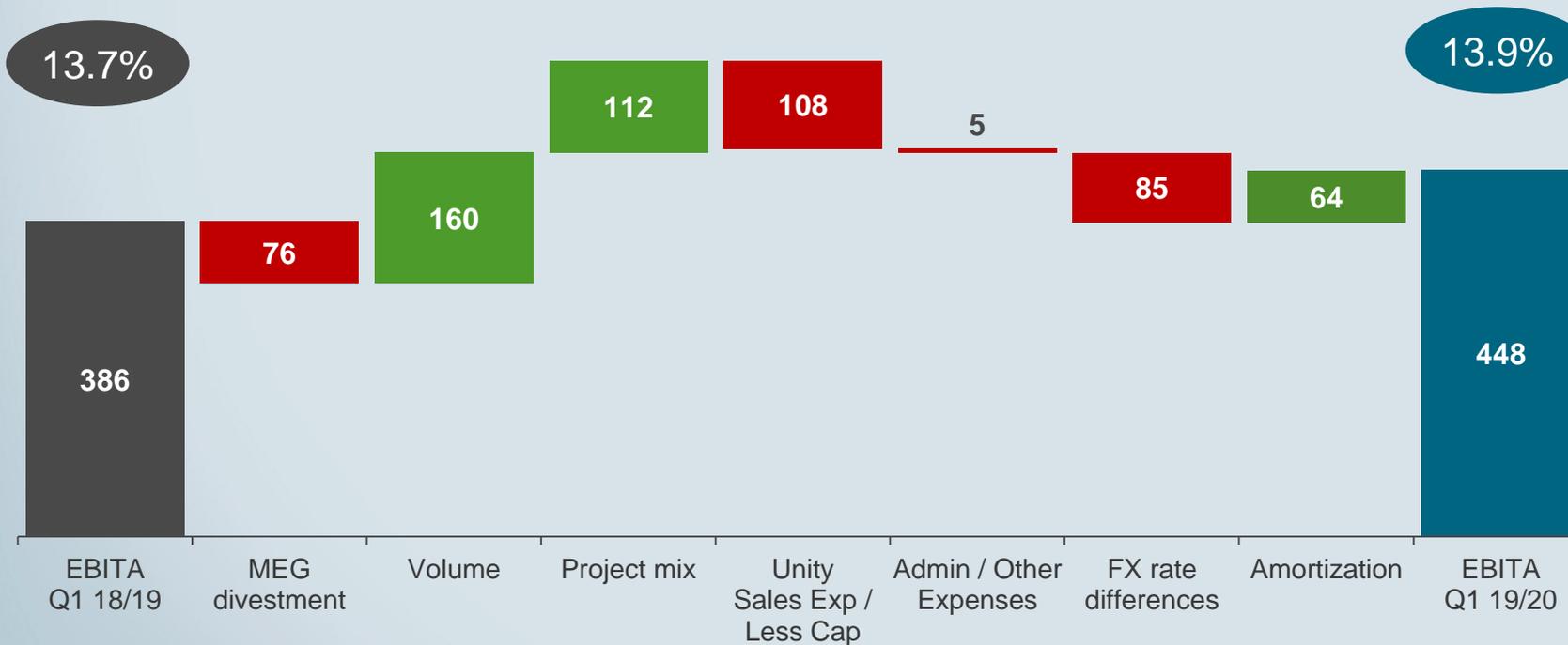
Revenue growth and Gross margin improvement in the quarter

(SEK M)	Q1 2019/20	Q1 2018/19
Net sales	3,228	2,819
Solutions	1,858	1,582
Service	1,371	1,237
COGS	-1,853	-1,716
Gross margin (%)	42.6%	39.1%
Expenses	-854	-806
Exchange diff and other	-72	89
EBITA	448	386
EBITA margin (%)	13.9%	13.7%
Amortization	-212	-148
EBIT	236	238
Net financial items	-46	-25
Income taxes	-43	-47
Net profit	147	166
EPS	0.38	0.43

- **Net sales up 9% for the quarter**
 - North and South America: 0%
 - Europe Middle East and Africa: 13%
 - Asia Pacific: 14%
- **Gross margin at 42.6% - significant improvement vs. LY**
 - Software growth and improved project margins
- **EBITA at 13.9%**
- **Net financial items increased**
 - IFRS16 leasing reporting key driver

EBITA% improvement vs. last year driven by higher volume and positive project mix

Q1 YTD - EBITA bridge (SEK M)



- Small increase in EBITA%
- Strong contribution from volume and project mix
- FX effect on EBITA: -50 MSEK
- In Q1 FY18/19 the MEG divestment contributed 2.7% pts to EBITA

Continued good cost control in Q1

Expenses (SEK M)	Q1 2019/20	Q1 2018/19	Growth* Y/Y	Q4 2018/19	Growth* Q/Q
Selling	-365	-324	← 8%	-342	← 9%
Administrative	-270	-265	← -2%	-291	← -1%
R&D	-431	-365	← 14%	-417	← 6%
of which capitalization	101	128		124	
of which amortization	-183	-120		-197	
Gross R&D spend	-349	-372	← -10%	-346	← 3%
Total	-1,066	-954	7%	-1,050	5%

Expenses excl. Capitalization and Amortization

-2%

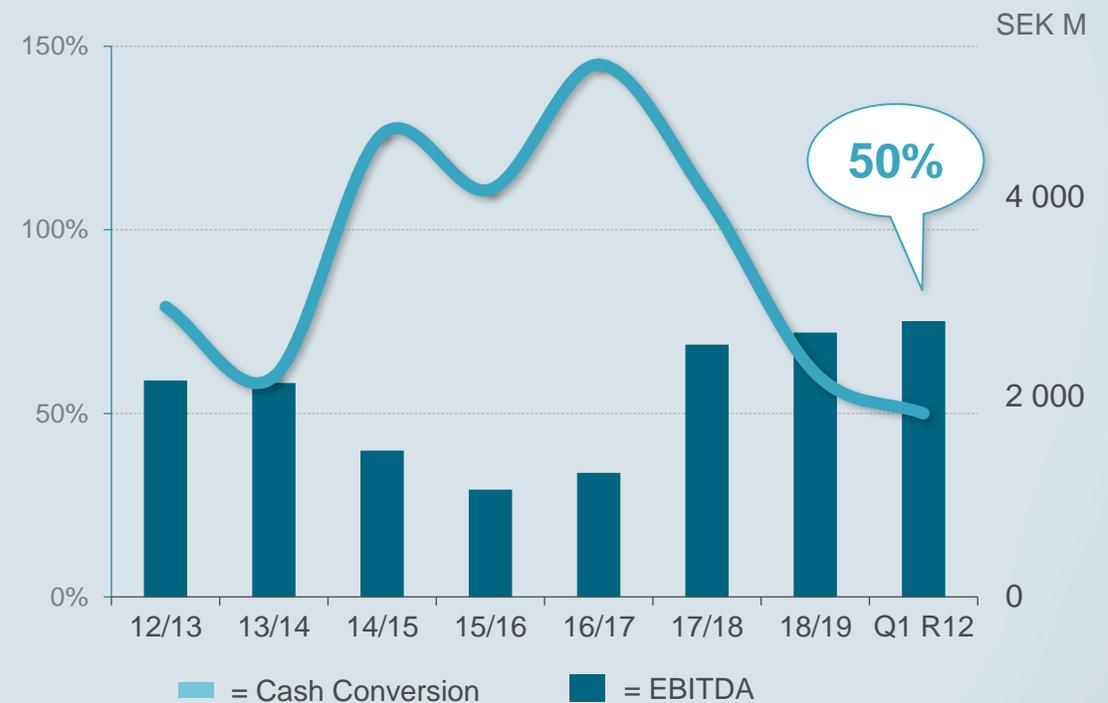
- Continued focus on cost control
- Selling expense increase related to investments in the sales organization to capture market growth and Unity opportunities
- Admin expense decrease vs Q4 and vs Q1 LY
- R&D expense increase driven by lower capitalization and higher amortization, Gross R&D spend decreased vs Q4 and Q1 LY
- Gross R&D in relation to net sales at 10%
- Total Expenses excl. Capitalization and Amortization at -2% vs LY

Cash conversion weak in the quarter due to increased working capital

Cash conversion bridge

(SEK M)	Q1 19/20	Q1 18/19	Rolling 12 months
EBITDA	542	427	2,754
Working capital	-1,023	-699	-960
Financial net	-46	-25	-136
Paid tax	-41	-21	-289
Other	-61	-63	4
Cash flow from operating activities	-629	-381	1,373
Cash conversion	-116%	-89%	50%

Operational cash conversion and EBITDA



Cash Conversion = Cash flow from operating activities / EBITDA

Net working capital increase from higher inventory, lower collections and higher outgoing payments

Net working capital change in the quarter



Net working capital as % of net sales



Main Drivers for increase of working capital in Q1:

- Inventory build up due to ramp-up of Unity installations
- Brexit preparations for October
- Less collections in the quarter

Continued strong financial position

Net debt* / EBITDA



(SEK M)	Q1 19/20
Long term interest bearing liabilities	3,504
Short term interest bearing liabilities	1,015
Cash and cash equivalents and short-term investments	-3,349
Net debt*	1,170
LT leasing liabilities (from IFRS16)*	1,047
ST leasing liabilities (from IFRS16)*	214
Net debt including leasing liabilities	2,430

* Leasing liabilities not included in Elekta's net debt definition

3. Outlook

Dr. Richard Hausmann
President and CEO

New members in executive mangement team



Sukhveer Singh



Habib Nehme



Lionel Hadjadjeba



Verena Schiller

Guidance and priorities going forward

	Guidance FY 19/20	Scenario FY 20/21-22/23	Focus in FY 19/20
Net sales	8-10%	8-10%	<ul style="list-style-type: none">• Continue the success of Elekta Unity, Ramp-up development of Elekta Digital etc.• Growing installed base• Continued cost control• Focus on innovation
EBITA margin	~19%	>20% with expansion of up to 200 BPS in the end of the period	



In summary

- New technology driving the market
 - Increasing interest in Unity
- Very good order growth
- Gross margin and EBITA pick up
- Positive outlook

Elekta Investor Meeting



16 September 2019

09:00 - 11:00
Central Time

[Register Now](#)



Hilton Chicago

720 South Michigan Avenue
Chicago, Illinois 78205
USA



Q&A