Performing in a difficult time

Q4 and year-end report 2019/20
Dr Richard Hausmann, President and CEO
Gustaf Salford, CFO; May 29, 2020
Agenda

Driving innovation through leadership

Q4 and full-year performance

Financials

Outlook

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.
Driving innovation through leadership
We are Precision. Radiation. Medicine.

Everyone with cancer should have access to and benefit from precise, personalized radiotherapy.
US GenesisCare partnership

Providing RT systems to GenesisCare cancer centers in the US after the acquisition of 21st Century

Largest order ever > USD 200 M

- Numerous linacs
- 11 Elekta Unity
- Service contracts

Dan Collins, CEO at GenesisCare states “… we look forward to increasing access to innovative technology with Elekta. We’re especially excited to be introducing Unity to many regions in the U.S…”
Exceeded the Elekta Unity order target: 80 systems (May, 18)

- North & South America: +2
- Europe, Middle East & Africa (EMEA): +1
- Asia Pacific: +1

<table>
<thead>
<tr>
<th>Region</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>North &amp; South America</td>
<td>+2</td>
<td>+11</td>
</tr>
<tr>
<td>Europe, Middle EMEA</td>
<td>+1</td>
<td>+1</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>+1</td>
<td>-</td>
</tr>
</tbody>
</table>

Total: 27, 31, 22
Acquisition of Kaiku Health strengthens Elekta Digital

- Intelligent personalized digital health interventions – supporting and connecting patients and care teams
- Real-world data on the effectiveness of therapies
- At present used by >70,000 patients in 45 European clinics and cooperating with leading pharma companies
Strengthened solution portfolio with new innovations

Geneva
- First universal gynecological applicator for brachytherapy
- Designed to treat early-stage cancer

New release

LGK Lightning
- Revolution in radiosurgery
- Reduction of treatment planning time by up to 80 percent and beam-on-time by up to 50 percent

New release

High-productivity Linac

Release on plan
Q4 and full-year performance
Q4: Pandemic resulted in -10% global order intake

<table>
<thead>
<tr>
<th>Region</th>
<th>Change</th>
<th>Note</th>
</tr>
</thead>
</table>
| North & South America       | 0%     | Bundled deal to Covenant Health Care for six cancer centers in Tennessee  
|                             |        | One Elekta Unity to American Shared Hospital Services  
|                             |        | Canada reported good growth with 18 linac order to Québec  
|                             |        | First Elekta Unity to Mexico |
| Europe, Middle East & Africa (EMEA) | -17%   | Bundled deal win Radiotherapeutisch Instituut Friesland/the Netherlands including 1 Elekta Unity  
|                             |        | Several linacs order to MedEuropa  
|                             |        | NHS ordering linacs in the UK  
|                             |        | Linacs to Alexandria University Hospital and National Cancer Institute, both Egypt |
| Asia Pacific                | -13%   | Won several public tenders, continued market leader in China  
|                             |        | First Elekta Unity to Edogawa Hospital, Japan  
|                             |        | Bundled wins to Canterbury District Health Board in New Zealand  
|                             |        | OIS and linac to Eulji University in Korea |

Based on constant currency
Full-year: Order growth in EMEA and Asia Pacific despite pandemic effect

- North & South America: -6%
- Europe, Middle East & Africa (EMEA): 1%
- Asia Pacific: 8%

Based on constant exchange rates
Q4 – increasingly impacted by Covid-19

Key Q4 financials

• Order intake -10%
• Net sales -6%
• Gross margin 42.6% (45.2)
• EBITA margin 22.1% (24.1)
Q4 – increasingly impacted by Covid-19

Key Q4 financials

- Order intake -10%
- Net sales -6%
- Gross margin 42.6% (45.2)
- EBITA margin 22.1% (24.1)

FY 19/20 – uptake for Unity and strengthened portfolio

Key year-end financials

- Order intake 1%
- Net sales 3% – increase in all business lines except Neuro
- Gross margin 42.0% (41.9)
- EBITA margin 17.3% (18.3)
- Growing installed base >4,500
Better than expected due to strong finish

Net sales growth 3%  
Guidance 1% ✓

EBITA margin 17.3%  
Guidance 16-17% ✓

Net sales rolling 12 months

Orders
Net sales

EBITA margin rolling 12 months

Guidance

Better than expected due to strong finish
Stereotactic lung cancer treatment

Ability to see the tumor means
• Reduced ITV-PTV margin to 3 mm
• Sparing of nearby OARs (esophagus & trachea)
• SBRT fractionation: 60 Gy / 8 fx

Adapt to Shape
mBeam treatment using 15-field IMRT

Case courtesy of UMCU, NDL
Our Elekta Unity pioneers treating patients routinely

21 installed Elekta Unity systems in clinical use with great feedback on performance

1) Original consortium members
2) Three sites in China are clinical as part of the CFDA trial

Added in Q4
Financials
Q4: Revenue impacted by Covid in Q4 but strong finish in April

- Net sales down 6% in the fourth quarter\(^2\)
  - Solutions -11% and Service 4%
  - Strong finish in April in light of Covid difficulties
  - North and South America: -1%
  - Europe Middle East and Africa: -2%
  - Asia Pacific: -14%
- Gross margin declined due to product mix and Covid access issues for Neuro/LGK
- EBITA margin at 22.1%
  - Down 2 ppts vs. very strong Q4 last year

### Key Figures

<table>
<thead>
<tr>
<th>(SEK M)</th>
<th>Q4 19/20</th>
<th>Q3 19/20</th>
<th>Q2 19/20</th>
<th>Q1 19/20</th>
<th>Q4 18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>4,008</td>
<td>3,656</td>
<td>3,709</td>
<td>3,228</td>
<td>4,086</td>
</tr>
<tr>
<td>Solutions</td>
<td>2,524</td>
<td>2,216</td>
<td>2,249</td>
<td>1,858</td>
<td>2,708</td>
</tr>
<tr>
<td>Service</td>
<td>1,485</td>
<td>1,440</td>
<td>1,460</td>
<td>1,371</td>
<td>1,378</td>
</tr>
<tr>
<td>COGS</td>
<td>-2,301</td>
<td>-2,121</td>
<td>-2,188</td>
<td>-1,853</td>
<td>-2,240</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>42.6%</td>
<td>42.0%</td>
<td>41.0%</td>
<td>42.6%</td>
<td>45.2%</td>
</tr>
<tr>
<td>Expenses(^1)</td>
<td>-798</td>
<td>-831</td>
<td>-848</td>
<td>-854</td>
<td>-819</td>
</tr>
<tr>
<td>Exchange diff and other</td>
<td>-24</td>
<td>-55</td>
<td>-133</td>
<td>-72</td>
<td>-43</td>
</tr>
<tr>
<td>EBITA</td>
<td>886</td>
<td>648</td>
<td>539</td>
<td>448</td>
<td>985</td>
</tr>
<tr>
<td>EBITA margin (%)</td>
<td>22.1%</td>
<td>17.7%</td>
<td>14.5%</td>
<td>13.9%</td>
<td>24.1%</td>
</tr>
<tr>
<td>Amortization</td>
<td>-228</td>
<td>-205</td>
<td>-219</td>
<td>-212</td>
<td>-230</td>
</tr>
<tr>
<td>EBIT</td>
<td>658</td>
<td>443</td>
<td>321</td>
<td>236</td>
<td>755</td>
</tr>
<tr>
<td>Net financial items</td>
<td>-77</td>
<td>-45</td>
<td>-36</td>
<td>-46</td>
<td>-24</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-173</td>
<td>-89</td>
<td>-64</td>
<td>-43</td>
<td>-195</td>
</tr>
<tr>
<td>Net profit</td>
<td>407</td>
<td>308</td>
<td>221</td>
<td>147</td>
<td>536</td>
</tr>
<tr>
<td>EPS</td>
<td>1.07</td>
<td>0.81</td>
<td>0.58</td>
<td>0.38</td>
<td>1.40</td>
</tr>
</tbody>
</table>

\(^1\) Excluding amortization
\(^2\) Based on constant currency
**FY 19/20: Full year revenue growth 3% and EBITA margin at 17.3%**

<table>
<thead>
<tr>
<th>(SEK M)</th>
<th>FY 19/20</th>
<th>FY 18/19</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>14,601</td>
<td>13,555</td>
<td>3%</td>
</tr>
<tr>
<td>Solutions</td>
<td>8,846</td>
<td>8,394</td>
<td>1%</td>
</tr>
<tr>
<td>Service</td>
<td>5,755</td>
<td>5,161</td>
<td>6%</td>
</tr>
<tr>
<td>COGS</td>
<td>-8,464</td>
<td>-7,875</td>
<td>7%</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>42.0%</td>
<td>41.9%</td>
<td>0.1 ppts</td>
</tr>
<tr>
<td>Expenses¹</td>
<td>-3,329</td>
<td>-3,145</td>
<td>6%</td>
</tr>
<tr>
<td>Exchange diff and other</td>
<td>-287</td>
<td>-57</td>
<td>272%</td>
</tr>
<tr>
<td>EBITA</td>
<td>2,521</td>
<td>2,477</td>
<td>2%</td>
</tr>
<tr>
<td>EBITA margin (%)</td>
<td>17.3%</td>
<td>18.3%</td>
<td>-1 ppts</td>
</tr>
</tbody>
</table>

- **Net sales up 3% in year²**
  - North and South America: -6%
  - Europe Middle East and Africa: 9%
  - Asia Pacific: 6%
  - Solutions 1% and Service 6%
- **Gross margin at last year’s levels**
- **EBITA margin at 17.3%**
- **Net profit affected by increased financial costs**
  - Increased debt/liquidity levels due to Covid mitigation
  - Lower return on invested funds
  - IFRS16 effect

¹) Excluding amortization
²) Based on constant currency
Continued focus on cost control and reduction in expenses in Q4

Expenses – both FY and Q4

<table>
<thead>
<tr>
<th>(SEK M)</th>
<th>FY 19/20</th>
<th>Δ vs FY 18/19 1)</th>
<th>Q4 19/20</th>
<th>Δ vs Q4 18/19 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling</td>
<td>-1,444</td>
<td>-7%</td>
<td>-380</td>
<td>-9%</td>
</tr>
<tr>
<td>Administrative</td>
<td>-1,093</td>
<td>-1%</td>
<td>-250</td>
<td>-20%</td>
</tr>
<tr>
<td>R&amp;D (net)</td>
<td>-1,657</td>
<td>-0%</td>
<td>-395</td>
<td>-8%</td>
</tr>
<tr>
<td>Total</td>
<td>-4,195</td>
<td>-3%</td>
<td>-1,025</td>
<td>-6%</td>
</tr>
</tbody>
</table>

Selling expenses
- FY: Increase to drive growth, and Unity opportunities
- Q4: Some Covid-19 related digital investments and provisions

Administrative expense
- FY: increase driven by investments in IT solutions/operational excellence and costs for litigation
- Q4: Lower spend in due to cost control, less external support and travel

R&D expenses
- Gross R&D in relation to net sales at 10%
- In Q4 net R&D decreased vs last year due to higher capitalization driven by late-stage R&D projects
- Net annual R&D flat compared to last year.

1) Based on constant currency
EBITA grew by 2% and came in at 17.3%

2019/20 EBITA bridge (SEK M)

18.3%

EBITA YTD 18/19: 2477

Volume: 439

Product mix: 19

R&D and Sales Exp: 213

Admin / Other Exp: 63

FX rate diff: 218

Amortization: 84

MEG & Palabra impact 1): -4

EBITA YTD 19/20: 2521

18.3% growth

17.3%

- Positive contribution from top-line growth
- FX rate differences had a negative EBITA impact of -37 MSEK

1) Net impact of -4 MSEK from Palabra acquisition (66 MSEK) and MEG divestment (70 MSEK)
Improved net working capital in Q4 reflecting lower inventory and accounts receivables

Net working capital change in the quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Inventory</th>
<th>Accounts receivable</th>
<th>Accrued income</th>
<th>Other</th>
<th>Q4 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 19/20</td>
<td>9,741</td>
<td>-211</td>
<td>-548</td>
<td>45</td>
<td>8,856</td>
</tr>
</tbody>
</table>

Net Working Capital as % of sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>18/19</th>
<th>18/19</th>
<th>18/19</th>
<th>18/19</th>
<th>19/20</th>
<th>19/20</th>
<th>19/20</th>
<th>19/20</th>
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</thead>
<tbody>
<tr>
<td>Q1 18/19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-16%</td>
</tr>
<tr>
<td>Q2 18/19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-14%</td>
</tr>
<tr>
<td>Q3 18/19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-13%</td>
</tr>
<tr>
<td>Q4 18/19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-12%</td>
</tr>
<tr>
<td>Q1 19/20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-10%</td>
</tr>
<tr>
<td>Q2 19/20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-8%</td>
</tr>
<tr>
<td>Q3 19/20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-6%</td>
</tr>
<tr>
<td>Q4 19/20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0%</td>
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</tbody>
</table>

Key focus areas going forward

- Continue working down inventory
- Improve invoice and cash collection processes
**Strengthened liquidity and secured long term financing to mitigate Covid-19 impacts**

- **Strong net debt/EBITDA of 0.6**
- **Additional financing strengthening liquidity**
- **Available cash of more than SEK 6 bn**

**Net Debt**\(^1\) / EBITDA and available cash

- **Maturity profile**
  - Issued two bonds (3/5-years maturity) totalling SEK 1.5 bn in March
  - Credit loan of ~SEK 1.1 bn with 7-years maturity (NIB), SEK 300 m with 2-years maturity (SEK) and draw down of ~SEK 2 bn on existing credit line in April

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\(^1\) Excluding leasing liabilities
Capital allocation FY19/20

**Dividend**
- 1.80 SEK/share in two payments (Aug and Feb)

**Selective acquisitions/invest.**
- ViewRay
- ProKnow
- Remaining stake in Palabra

**Geographic expansion**
- Increased footprint in emerging markets

**Maturing debt**
- Repaid loans of SEK 1.2 bn
• Dividend decision on July, 10
• No new guidance until better quantification of Covid-19 effects possible
Covid-19 effect in May

- Still tough order situation
- Installations focusing on execution of strong back log
- Supply-chain no major impact
- 100% of normal global treatment volumes during week 21, starting May 18
- Cash flow – continue to follow payments closely
Accelerating initiative to strengthen our competitiveness and resilience

Simplification by digitalization
In light of Covid-19
adapt and improve ways of working
by deploying Elekta Digital internally

Improve cost of products
further COGS reduction
In summary

• Q4 (Feb-April) was negatively affected by Covid-19 leading to a modest growth for the full year
• Exceeded Elekta Unity order target in May
• Strong liquidity and financial situation
• Strengthend product portfolio
• Continued strong underlying need for RT but uncertainties about future global economic fundamentals due to Covid-19