Profitable growth and record cash flow

Q3 report 2023/24

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Agenda

- Delivering on our strategy
- Q3 financials
- Outlook
- Q&A

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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.

Delivering on our strategy

Delivering on our strategy ACCESS 2025 in Q3

Accelerate **innovation** with customer utilization in mind

Drive partner **integration** across the cancer care eco-system

A world where everyone has **access** to the **best** cancer care

Be the **customer** lifetime companion

Drive **adoption** across the globe

People

Resilience and Process Excellence across the value chain

Delivered in a sustainable way

Focus on driving shareholder value

>7% net sales growth	EBIT margin expansion	>50% annual net profit in dividend

Delivering on our strategy ACCESS 2025 in Q3

- **Accelerated innovation and investments in Software are paying off**

  - Elekta MOSAIQ Best in “KLAS: Software and Service Report” award

  - Kaiku Health pharma deal with BMS

  - Major order for proton Treatment Planning Software

- **Access to best cancer care**

  - Croatian contract including Elekta full suite offering

  - US cancer center transitions MR Linac program to Elekta Unity

- **Resilience and process excellence** – Record high cash flow in Q3

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Accelerated Elekta Software R&D investments expediting results

KLAS 2024 Ranking of Elekta ONE OIS™ powered by MOSAIQ®

#1 Oncology: Radiation Category
+8% in score YoY

#2 Oncology: Medical Category
+5% in score YoY

"Winning this prestigious award, and the increased use of Elekta ONE OIS globally, is the result of our software investment in recent years. We see how accelerating innovation is having a direct benefit to healthcare providers and those they treat."

Anish Patankar
Sr. Vice President and Head of
Oncology Software Solutions Business Line

100% of RO and MO respondents* said they will buy Elekta ONE OIS powered by MOSAIQ again

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Source: 2024 Best in KLAS: Software & Services (https://klasresearch.com/report/2024-best-in-klas-awards-software-and-services/3413)

Our innovation agenda will drive growth through more personalization, with less effort, enabled by software and informatics

Across Elekta's strong portfolio, three focus areas steer our innovation agenda

1 Personalized precision

Software
- Decision support
- Patient care pathway

Devices
- Enhanced imaging
- Adaptive treatments

2 Elevated productivity

Software
- Resource optimization
- Mobility of care

Devices
- Workflow efficiency
- Cost-effectiveness

3 Integrated informatics

1

CMM with Unity

Adaptive CT-Linac

Kaiku HEALTH

Patient-reported outcomes

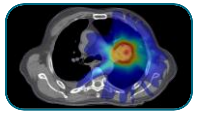
2

3

Elekta ONE

SmartView

SmartFlow



AutoPlanning

AI-driven informatics & Real-world outcomes

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Weak order intake – expected to improve in Q4

-17%

in Q3 **YTD: -7%**

- China demand impacted by anti-corruption campaign
- Tough comparables in EMEA & China

SEK 42 B

Order Backlog

0.98

R12: 1.08

Book-to-bill

Fifth consecutive quarter of sales growth - service growing faster than installed base in Q3

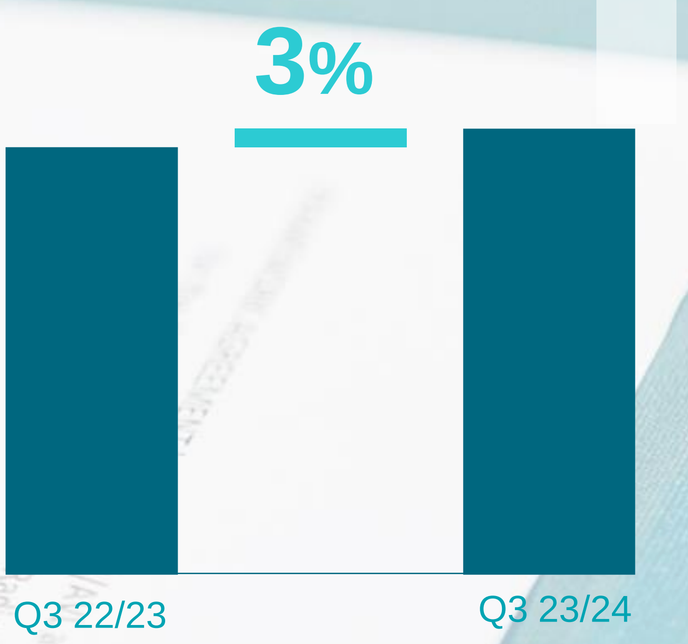
4%

in Q3 **YTD:8%**

	Q3	YTD
Solutions	**4%**	**9%**
Service	**5%**	**5%**

- ≈1% pts lower sales due to Red Sea
- Continued backlog conversion

Installed base



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Q3 financials

Continued sales growth and improved EBIT

Net sales increased by 4%[1)]
- Double-digit growth in China
- Mid-single digit growth in Americas and APAC

Adj gross margin of 36.9% (38.4%)
- Sequential improvement vs Q2
- Higher material and salary costs

Continued strong adj EBIT margin expansion
- Margin improved by 90 bp
- Operational excellence and cost control

(SEK M)	Q3 23/24	Q3 22/23	Q2 23/24
Net sales	**4,537**	**4,337**	**4,732**
Solutions	2,742	2,628	2,836
Service	1,795	1,709	1,896
COGS[2]	-2,864	-2,674	-3,029
Adj. gross margin	**36.9%**	**38.4%**	**36.0%**
Expenses[2]	-1,036	-1,052	-1,084
Exchange rate diff and other	-112	-148	-77
Adj. EBIT	**525**	**463**	**542**
Adj. EBIT margin	**11.6%**	**10.7%**	**11.5%**
Financial items, net	-93	-58	-83
Income tax	-86	-57	-97
EPS[3], SEK	**0.80**	**0.57**	**0.90**
Adj. EPS[3], SEK	**0.88**	**0.84**	**0.94**

[1] Based on constant exchange rates.
[2] Excluding items affecting comparability (IAC) in Q3 2023/24 of SEK 40 M (132), of which SEK 10 M (12) is related to COGS, and in Q2 2023/24 of SEK 17 M (117), of which SEK 8 M (45) is related to COGS.
[3] Before/after dilution

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Leverage on EBIT margin from sales growth and improved operational productivity

Operational drivers to the adjusted gross margin

+ Leverage from sales growth
- Continued inflationary pressure on material and salary costs

Additional operational drivers to the adjusted EBIT margin

+ Further leverage from revenue growth and improved operational productivity

	Q3 23/24	Operations	FX	Q3 22/23
Net sales	4,537	175	25	4,337
Growth, %	*5.0%*	*4.0%*	*1.0%*	-
Adj. gross income	1,673	10	-1	1,664
Adj. gross margin	*36.9%*			*38.4%*
Margin impact, ppts	*-1.5%*	*-1.3%*	*-0.2%*	
Adj. EBIT	525	24	38	463
Adj. EBIT margin	*11.6%*			10.7%
Margin impact, ppts	*0.9%*	*0.1%*	*0.8%*	-

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Continued solid cost control

Y-o-Y comparison

Selling and Administrative expenses[2] declined as successful completion of cost reduction initiative more than offset salary inflation. Selective investments in customer-generating activities

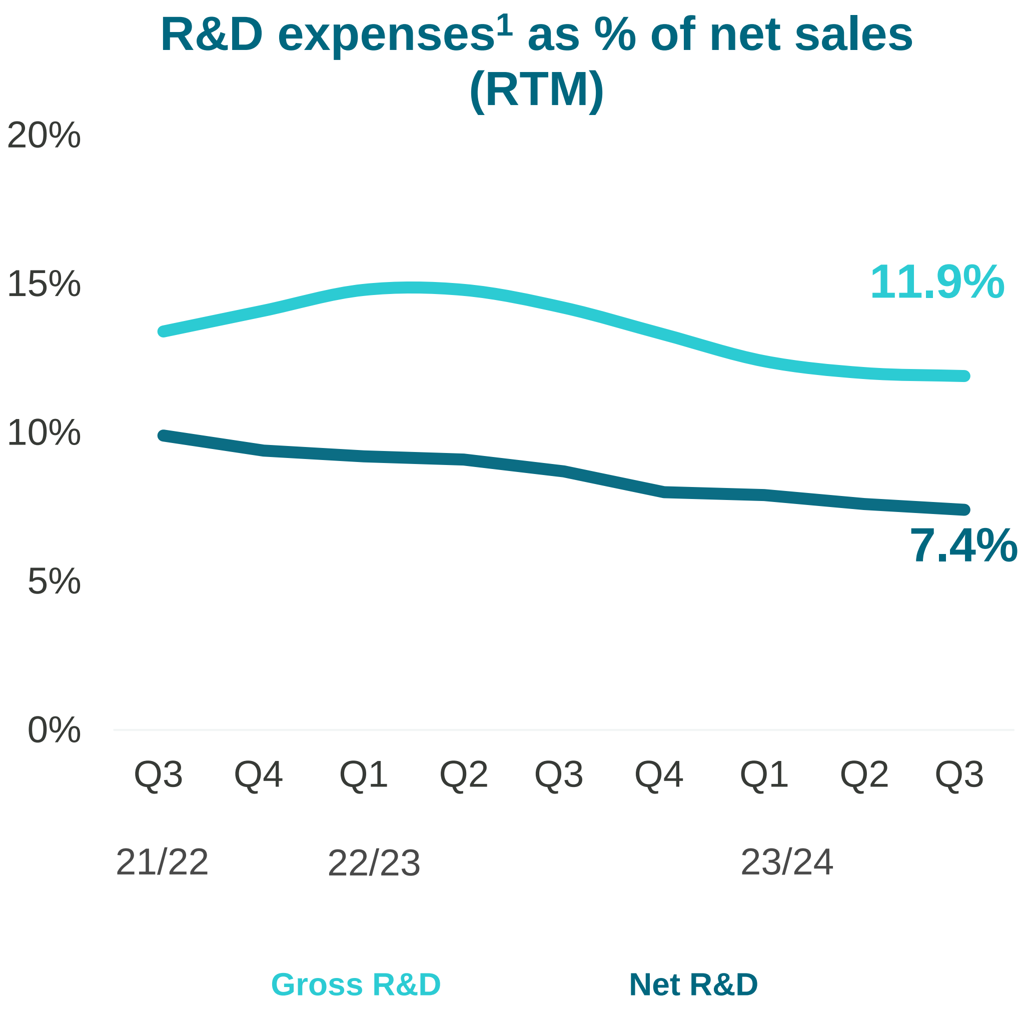
Net R&D expenses[2] declined y-o-y. Continued focus on innovation pipeline

Quarterly expenses

Expenses (SEK M)	Q3[1] 23/24	Q3 22/23	Growth[2] Y/Y	Q2[1] 23/24	Growth[2] Q/Q
Selling	-362	-374	-2%	-422	-11%
Administrative	-339	-330	-3%	-339	2%
Net R&D	-335	-348	-4%	-323	-7%
Total	**1,036**	**1,052**	**-3%**	**-1,084**	**-2%**

[1] Excluding items affecting comparability (IAC).
[2] Based on constant exchange rates.

Focus on R&D for growth and margin expansion

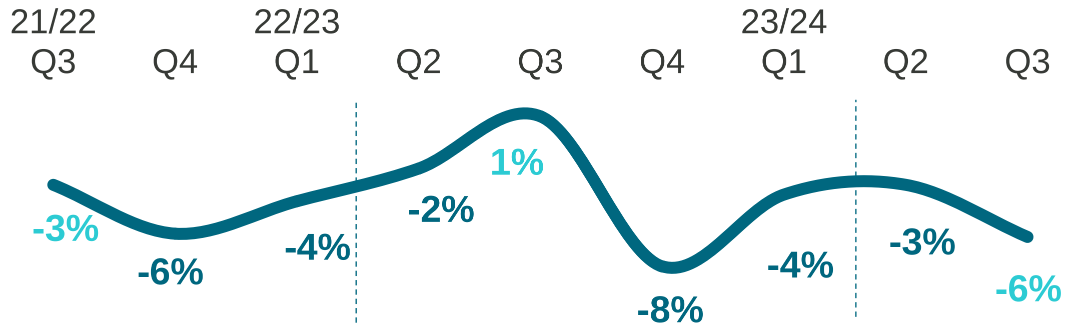


Innovation and new launches will be a key driver for profitable growth

[1] Excluding items affecting comparability (IAC).

Improvement in net working capital

NWC as % of net sales (RTM)



Lower working capital (NWC) both compared to last quarter and y-o-y

Lower **accrued income and accounts receivables** following healthy cash collection with high contribution from Southern Europe

Decreased **inventory** driven by supply chain management

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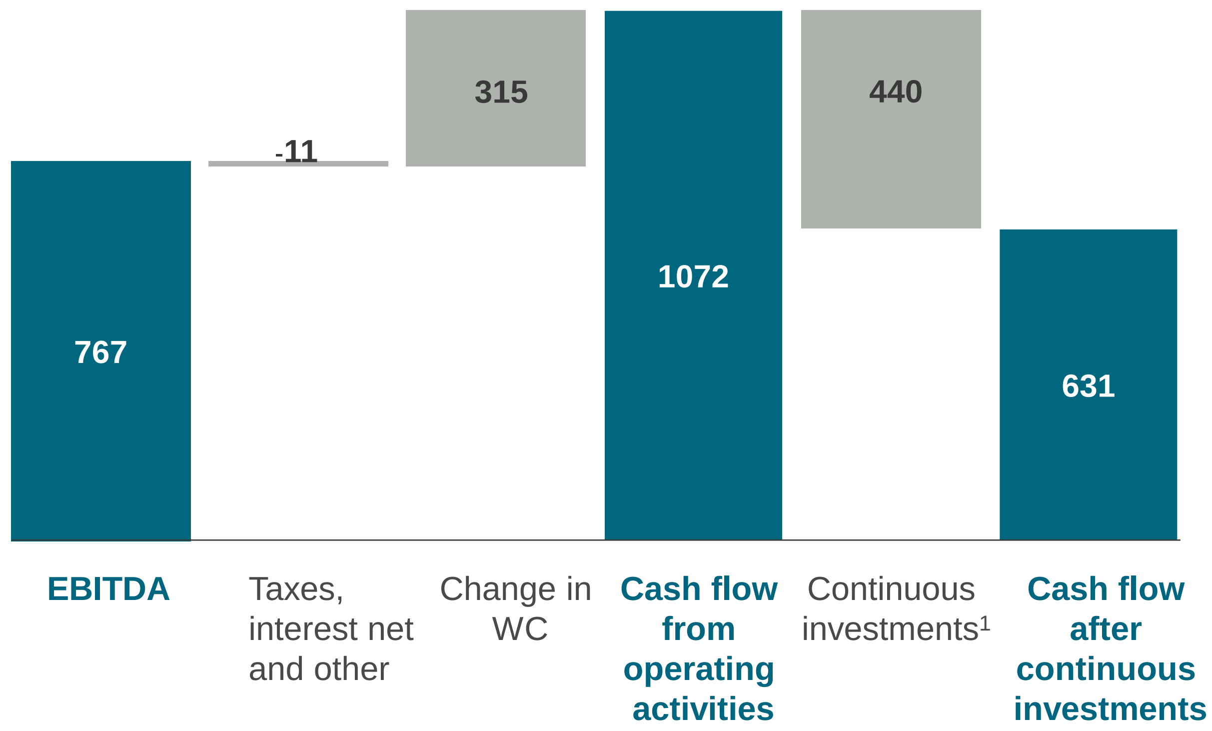
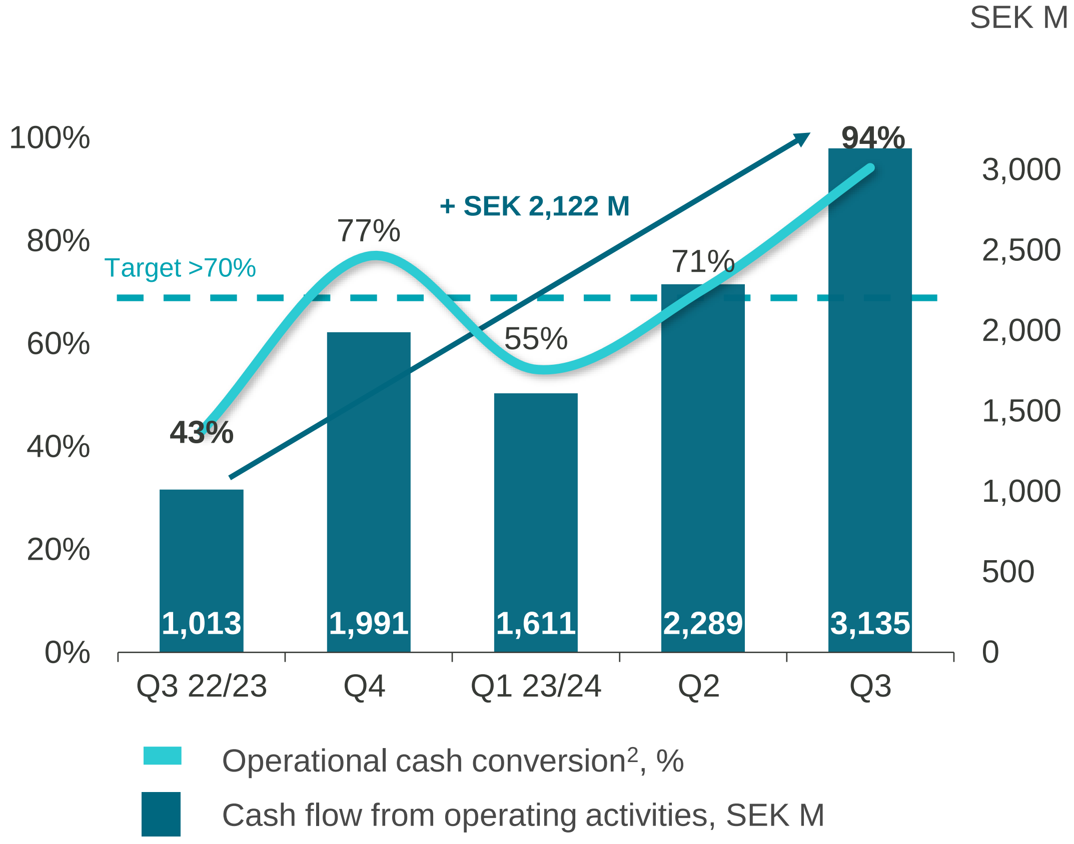
Record cash flow driven by increased earnings and improved working capital

Q3 Cash flow (SEK M)



Operational cash conversion, RTM



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[1] Of which SEK 344 M related to investments in innovations
[2] Cash conversion = Cash flow from operating activities/EBITDA

Outlook

Mid-term outlook until 2024/25

Net sales

>7%
CAGR

EBIT margin

expansion

Dividend policy

>50%
of annual net profit

Focus on driving shareholder value

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Outlook

- Net sales and EBIT levels for Q4 in line with last year's strong quarter
- Drive profitable growth fiscal year 24/25
- Mid-term outlook reiterated
- Long-term market trends support growth and investment in high-end radiation therapy equipment and margin expansion
- Continued focus on driving access to the best cancer care and creating shareholder value

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Summary Q3

- Fifth consecutive quarter with net sales growth and EBIT margin expansion
- Our investments in software are paying off
- Record cash flow

We don’t just build technology, **we build hope**

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Q&A

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