Accelerating initiatives to expand margins

Q1 report 2022/23

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Agenda

- Towards improved access to the best cancer care
- Q1 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.

Towards improved access to the best cancer care

Delivering on our strategy ACCESS 2025

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 & Process Excellence across the value chain

Delivered in a sustainable way

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Global macroeconomic turmoil impact market conditions

Americas

-43%

Tough comps and cautiousness in the U.S. but growth in Latin America

US, New Jersey
RWJBarnabas Health
2nd Unity

Panama
Centro International de Cancer
LGK

EMEA

11%

Strong growth - Spanish tender driving Europe

Spain
several regional hospitals
Multiple Solutions

Nigeria
Kaduna Cancer Center
Unity, Linacs, LGK, OIS, Service

APAC

9%

Growth despite contracting Chinese market

Japan
Teikyo University Hospital
Harmony Pro, Kaiku

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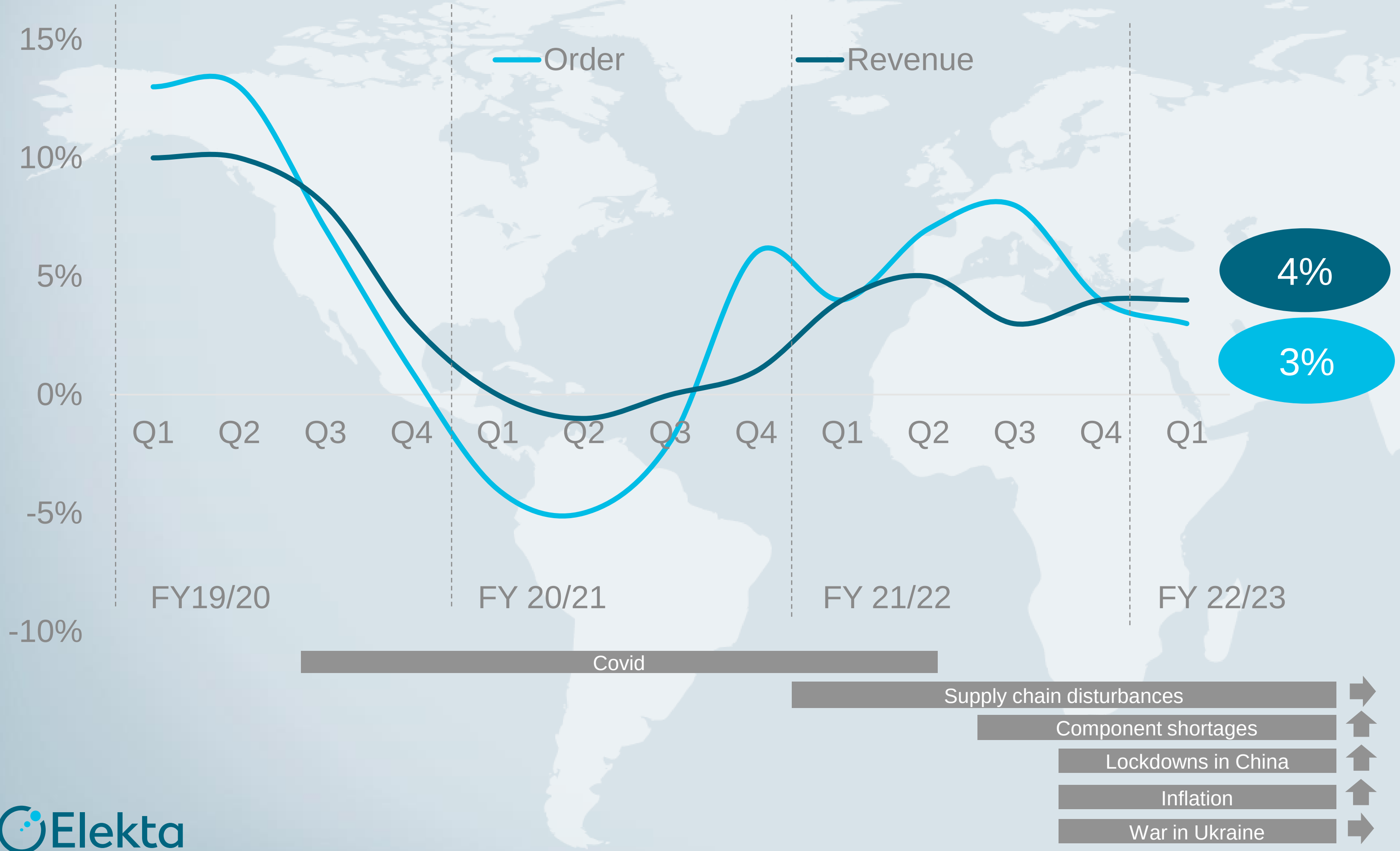
Based on constant currency.

Revenue continued to grow despite continued market turmoil but margins under pressure

Growth figures and margin, rolling 12 months (RTM)[1]



Q1 key figures

Order	**-11%**
Revenue	**3%**
Adj. gross margin	**38.9%**
Adj. EBIT margin	**4.0%**

[1] Order and revenue development based on constant currency.

Accelerating Elekta by introducing an additional cost reduction Initiative to expand margins

FY 21/22 - ongoing

Resilience and Excellence Program

- Faster order backlog to revenue conversion
- New launches and price increases
- Digitalization and automation of processes
- Continued shared service deployment (Poland)
- Supply chain optimization (UK, China)
- Localization of key processes (e.g. installation teams)

FY 22/23

Additional Cost-reduction Initiative

- Increase productivity in operations and service
- Optimize innovation pipeline and leverage global product organization
- Drive efficiencies in selling and administration functions

Q1 financials

Stable revenue growth and improved adjusted gross margin

Increased net sales by 3% y-o-y[1]

- Growth in Americas 7% and EMEA 2%, APAC flat
- Solution -1%, Service 6%

Improved adj. gross margin both y-o-y and sequentially

FX positive on a gross-margin level but substantial negative impact from currency hedges y-o-y

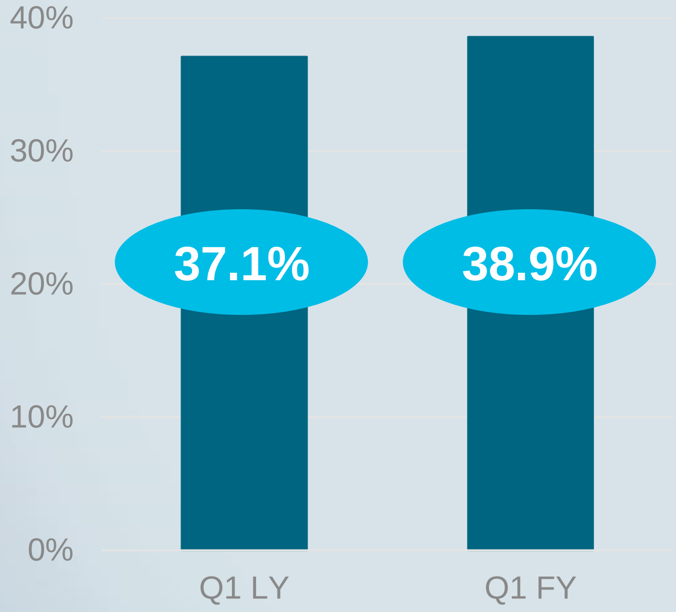
- Stronger USD
- Weaker SEK

(SEK M)	Q1 22/23	Q1 21/22	Q4 21/22
Net sales	**3,327**	**3,009**	**4,239**
Solutions	1,706	1,631	2,658
Service	1,621	1,378	1,581
COGS[2]	-2,032	-1,894	-2,669
Adj. gross margin	**38.9%**	**37.1%**	**37.0%**
Expenses[2]	-1,088	-981	-1,020
Exchange rate diff and other	-76	66	20
Adj. EBIT	**132**	**201**	**570**
Adj. EBIT margin	**4.0%**	**6.7%**	**13.4%**
EPS, SEK	**0.16**	**0.33**	**1.09**
Adj. EPS, SEK	**0.19**	**0.33**	**1.09**

[1] Net sales growth based on constant exchange rates.
[2] Excluding items affecting comparability (IAC).

Improvements in adjusted gross margin despite higher logistics and supply chain costs

Adjusted gross margin development



Impact vs. LY

Net sales growth	**+120 bps**
Product mix and Solution-Service mix	**+250 bps**
FX impact	**+110 bps**
Higher supply chain costs and inflation	**-300 bps**
	+180 bps

Net sales growth based on constant exchange rates. Margin excluding IAC.

Increased activities at higher costs

Higher selling costs

- More in-person customer events and meetings including travel and exhibitions

Higher administrative expenses y-o-y but sequentially decreasing

Continued investments in innovation pipeline

- Net R&D expenditure decreased y-o-y as R&D projects proceeded and amortizations were lower
- Sequentially net R&D increased due to higher gross R&D in Q1

Quarterly expenses

Expenses (SEK M)	Q1[1] 22/23	Q1 21/22	Growth[2] Y/Y	Q4 21/22	Growth[1] Q/Q
Selling	-390	-316	14%	-380	0%
Administrative	-317	-274	9%	-309	-2%
R&D (Net)	-380	-391	-10%	-331	12%
Total	**-1,088**	**-981**	**3%**	**-1,020**	**3%**

[1] Excluding items affecting comparability (IAC) of SEK 7 M.
[2] Based on constant exchange rates.

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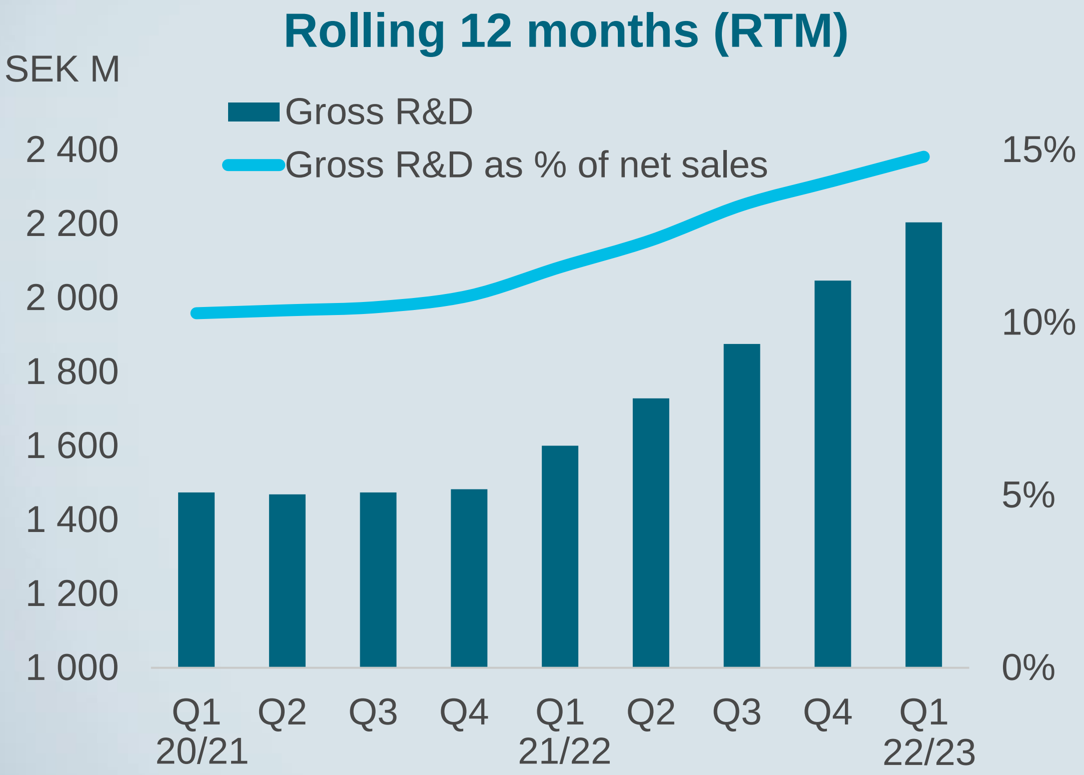
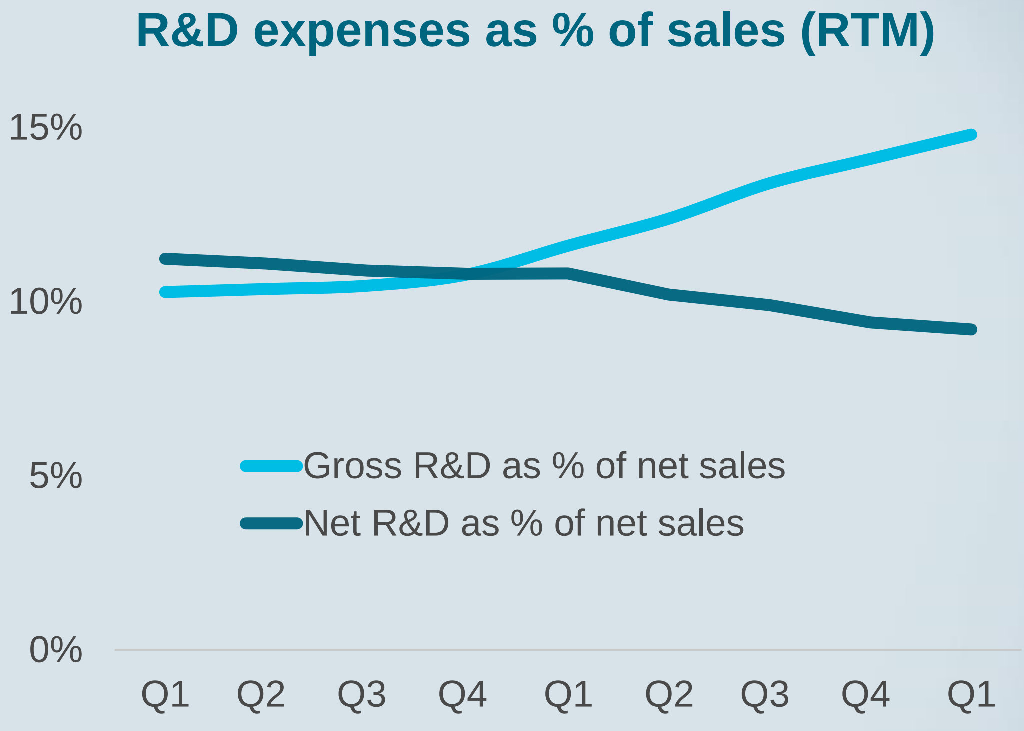
Optimization of innovation pipeline



Important innovation investments was driving gross R&D (RTM) to 15% as percentage of net sales.



Gross R&D expected to stabilize and decline during coming quarters. Gradually increase of amortizations throughout the year.

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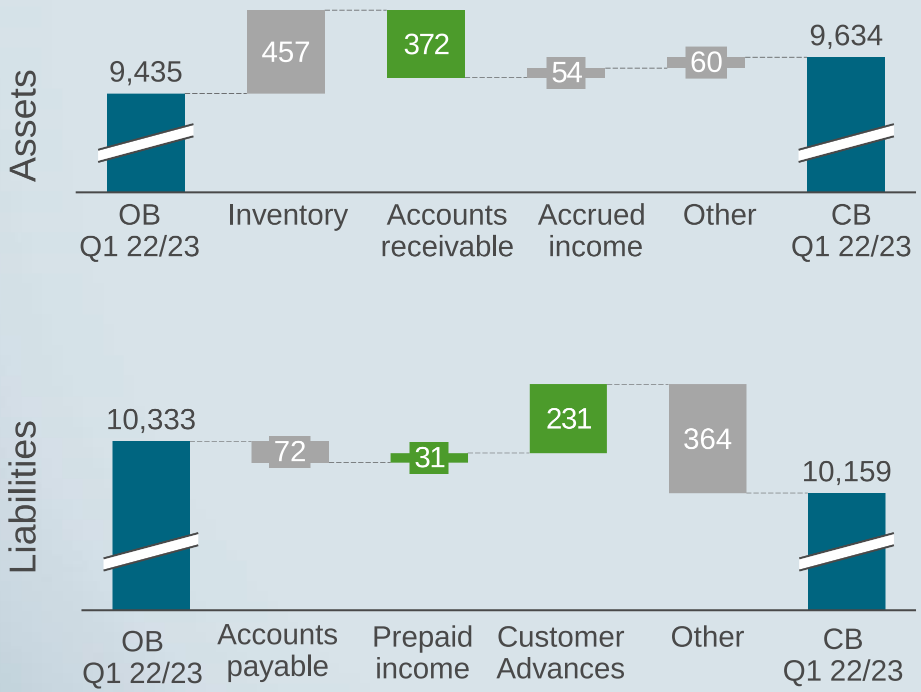
Net working capital (NWC) ratio in line with seasonal pattern despite some inventory build up

NWC changes (SEK M)



NWC as % of net sales

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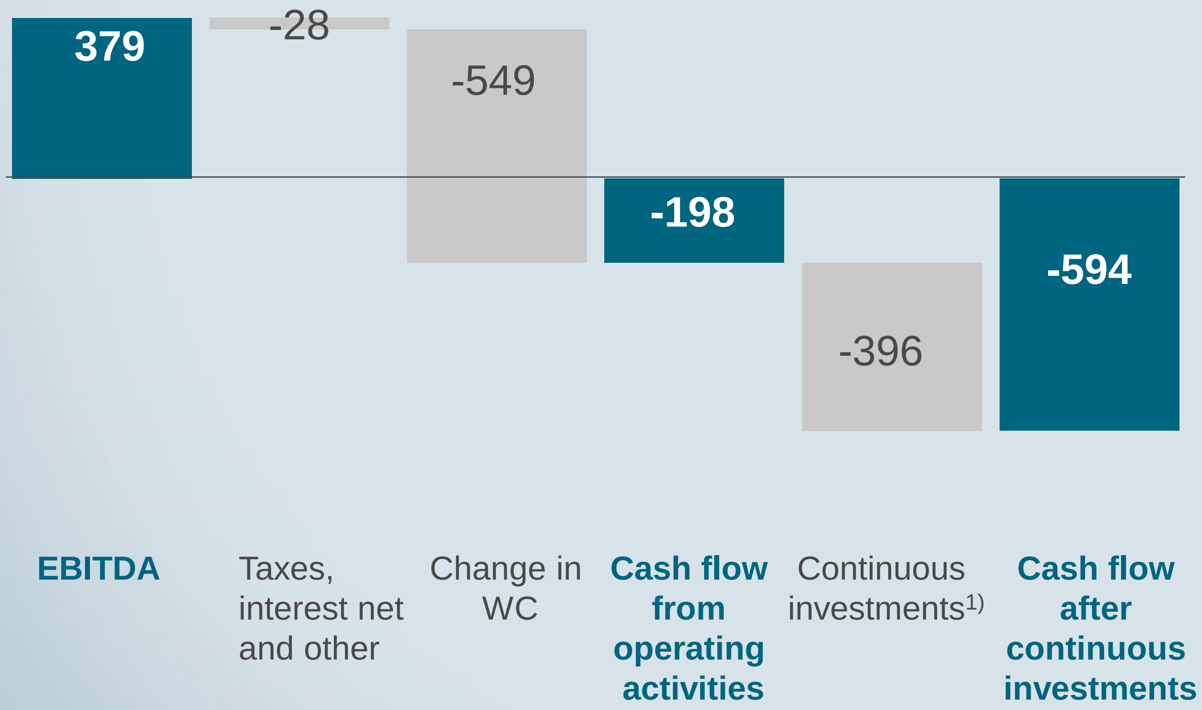
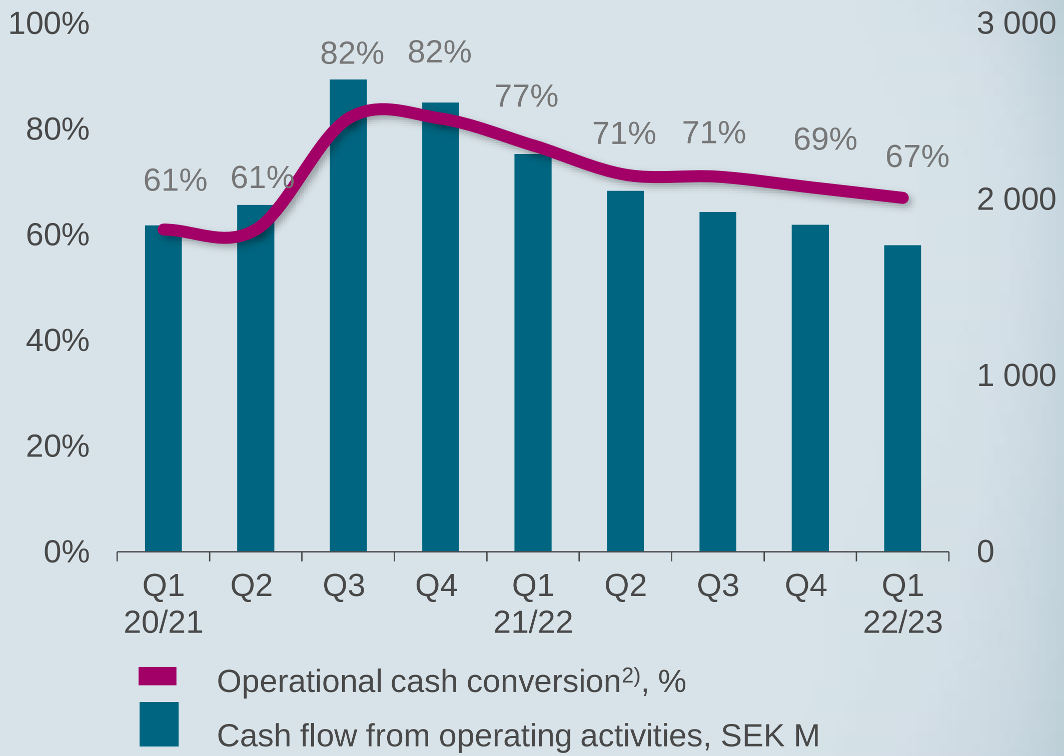
Cash conversion close to target of 70 percent

Q1 Cash flow (SEK M)



Operational cash conversion, RTM



[1] Of which SEK 348 M related to investments in innovations
[2] Cash conversion = Cash flow from operating activities/EBITDA

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Introducing Cost-reduction Initiative to secure profitable growth

Estimated reduction spend, SEK M	2022/23	Yearly run-rate
Increase productivity in operations and service (COGS)	**~50**	**~150**
Optimize innovation pipeline and leverage global product organization (Gross R&D)	**~110**	**~200**
Drive efficiencies in selling and administration functions	**~40**	**~100**
Selling	50%	60%
Admin.	50%	40%
Total	**~200**	**~450**

Implementation costs of up to SEK ~400 M
(defined as items affecting comparability)

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Outlook – Q2 FY 22/23 and midterm

Outlook Q2 FY 22/23

- Uncertain macroeconomic environment and supply chain challenges to continue to impact installations, costs and margins
- Installation volumes expected to be in line with LY
- Long-term market trends to support growth and investment in high-end radiotherapy equipment and margin expansion

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Midterm outlook until 2024/25 unchanged

Net sales

>7%
CAGR
over period

EBIT margin

expansion
over period

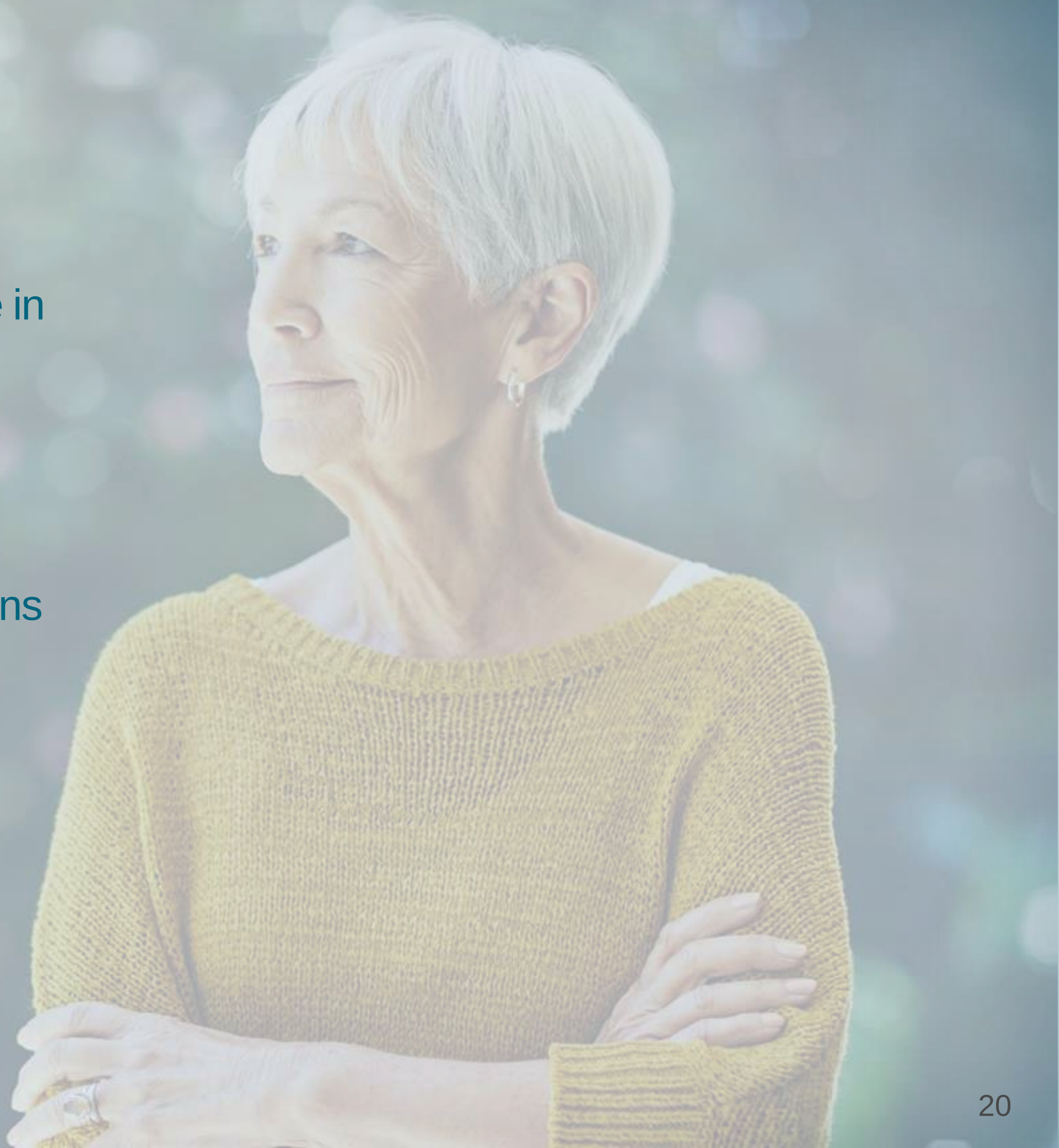
Dividend policy

≥50%
of annual
net income

Elekta's outlook is based on an average 6-8% market growth during the mid-term period

Summary Q1

- Continued revenue growth and strong order intake in EMEA and APAC
- Increased market activities and continued higher supply chain costs and inflation impacting margins
- Cost-reduction Initiative launched to expand margins and support profitable growth
- Reiterate outlook to 2024/25 and continue to deliver on ACCESS 2025



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We don’t just build technology

We build hope

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Q&A