





# Back to growth with a strong finish of the quarter

Year-end and Q4 report 2021/22

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# Agenda

- Towards improved access to the best cancer care
- Q4 and full-year financials
- Outlook
- Q&A



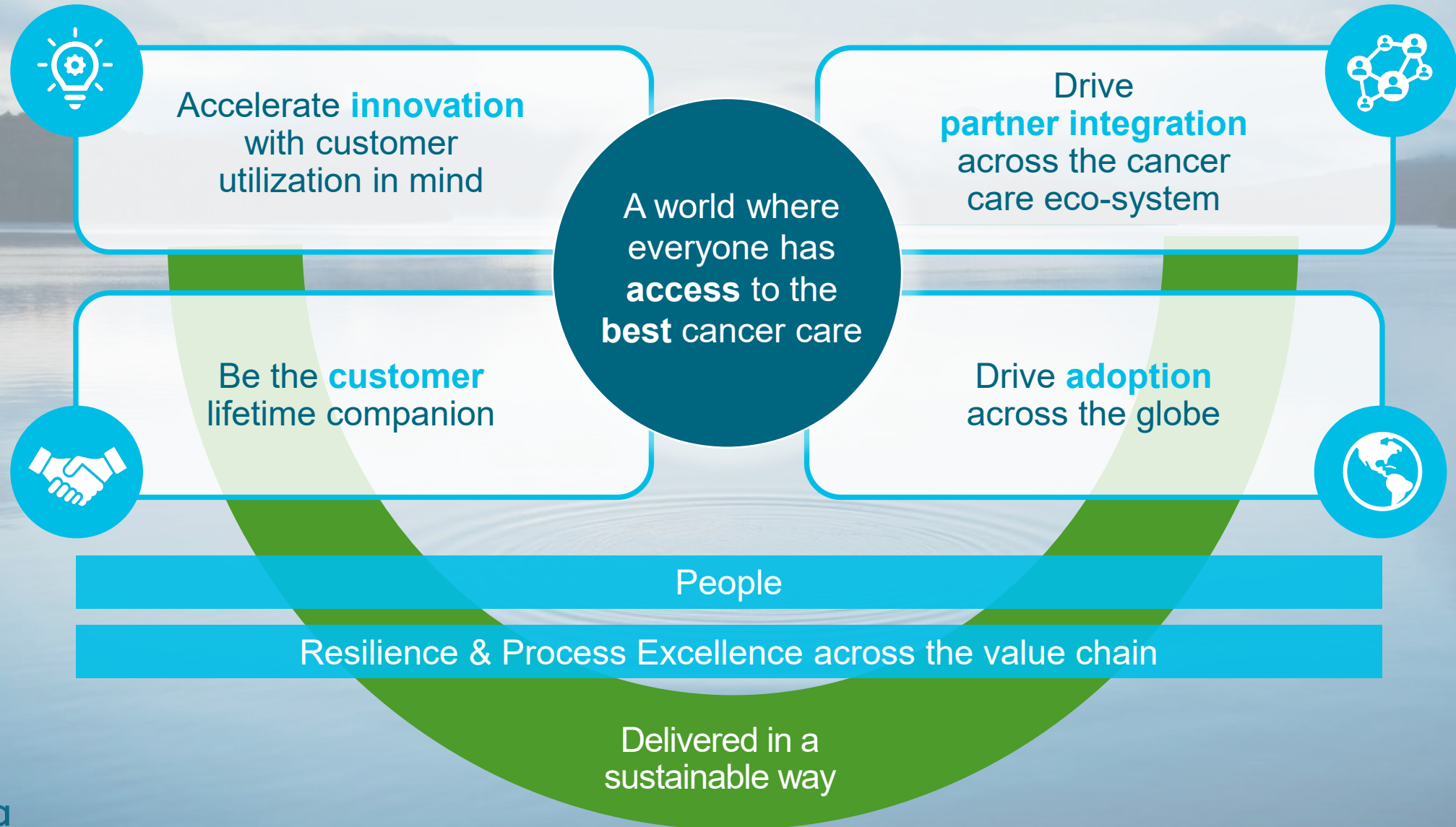
# Important information

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.

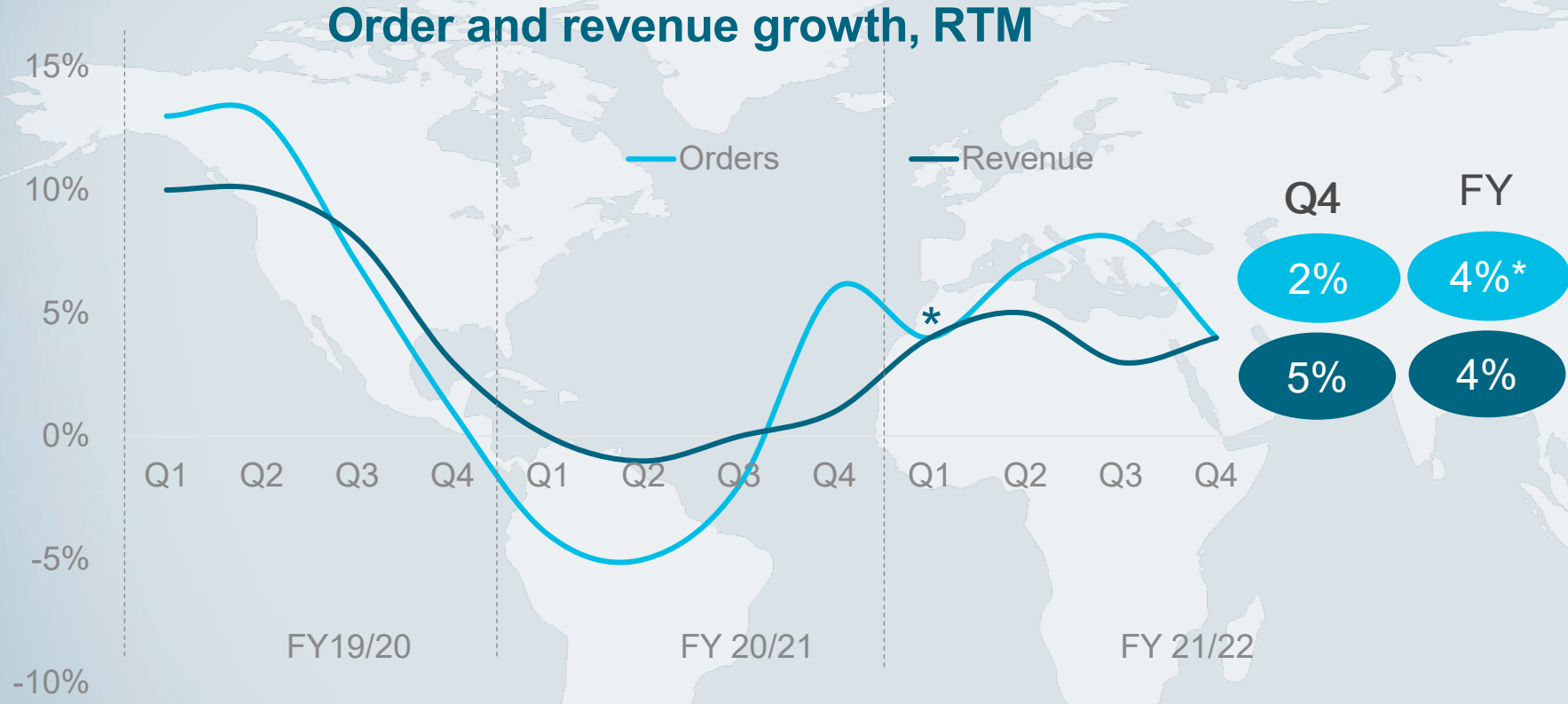
This presentation is intended for investors and analysts only. Some products are still in research and/or not cleared/approved in all markets. Cancer statistics are given to show the potential market in the respective area and does not mean that Elekta currently has products to treat these indications.

**Towards improved access to  
the best cancer care**

# Delivering our strategy – ACCESS 2025



# Growing orders and revenue in the quarter and for the full year under challenging circumstances

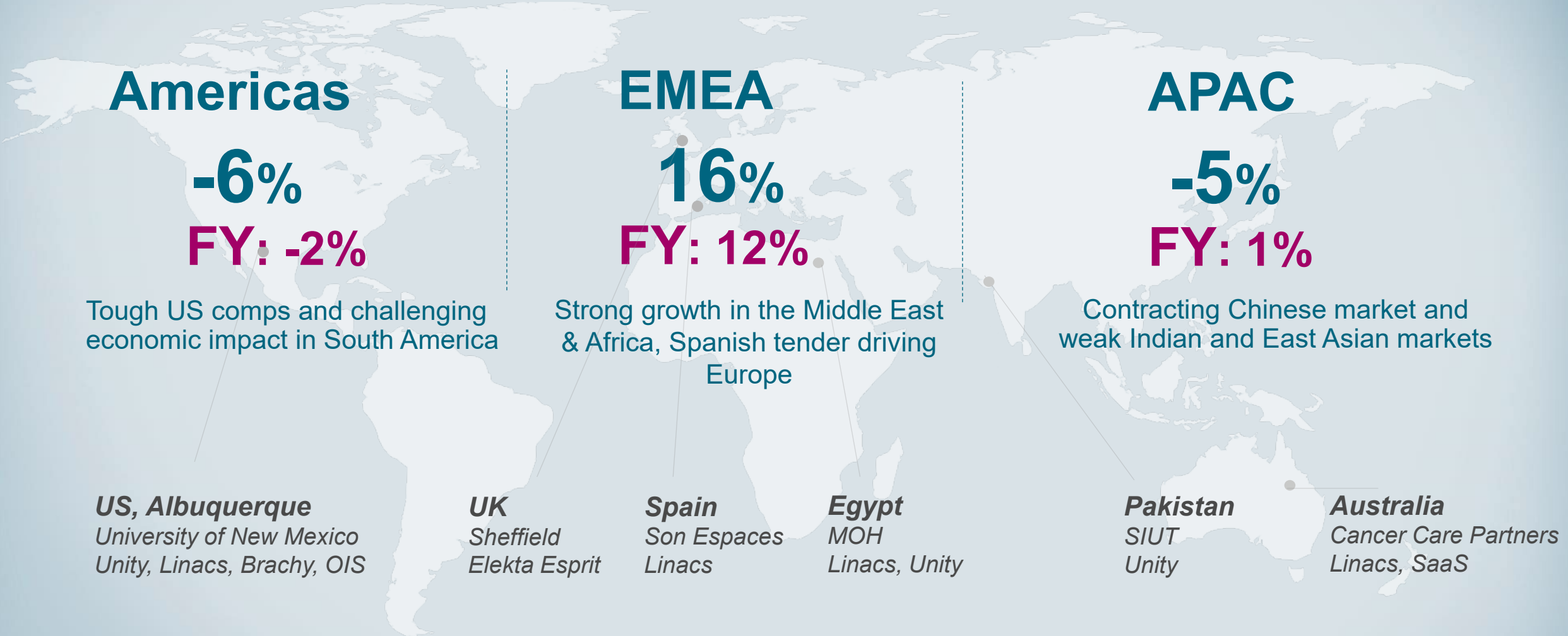


## Focus areas

- Continue to mitigate covid and supply chain disturbances
- Address inflation by pricing and cost reduction activities
- Drive growth and margin expansion

Covid – Supply chain disturbances – Component shortages – Lockdowns – War in Ukraine

# Orders by regions: EMEA key growth driver both in Q4 and full year





# Comprehensive portfolio and accelerated innovations, gross R&D as % of sales to stabilize and reduce over time

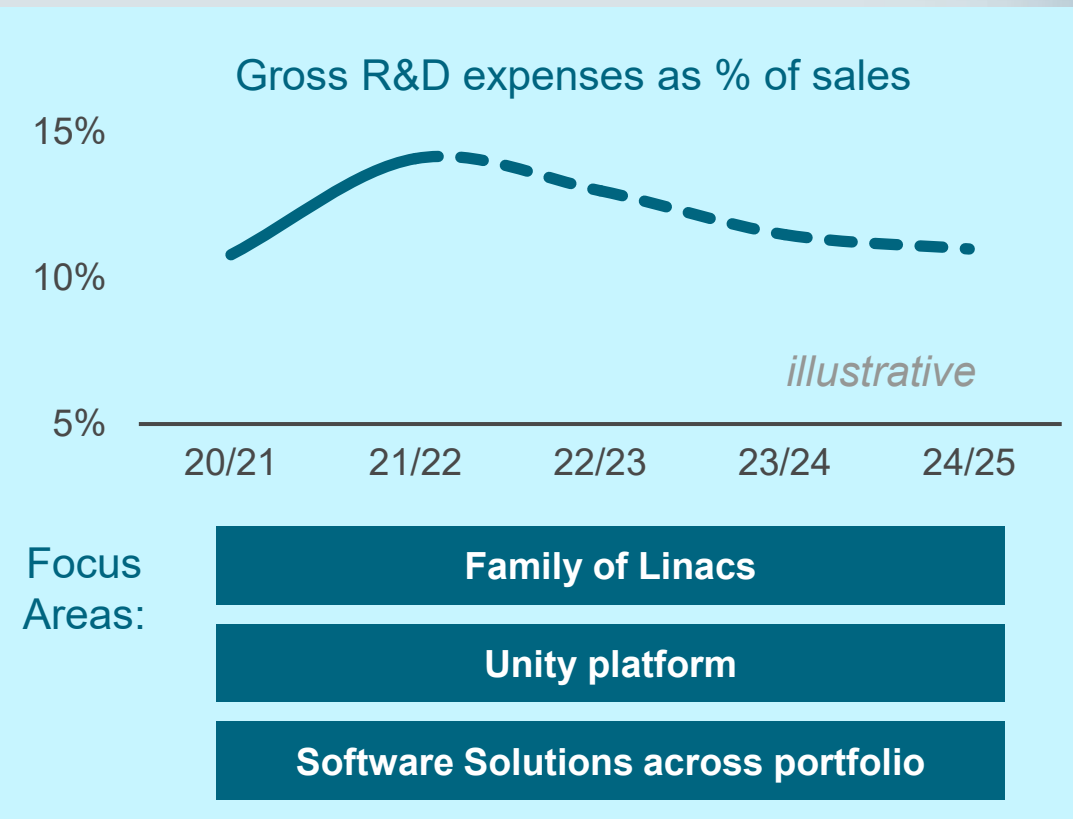
## Comprehensive portfolio with recent launches

|  |   |   |  |
|--|---|---|--|
|  |  |  |  |
| <p><b>Oncology Informatics Solutions</b></p>                                     | <p><b>Linac Solutions</b></p>   | <p><b>Brachy Solutions</b></p>  | <p><b>Neuro Solutions</b></p>  |
| <p>MOSAIQ 3</p>  | <p>Elekta Harmony</p>   | <p>Elekta Studio</p>  | <p>Elekta Esprit</p>   |

Recent launches



## Accelerated innovation to drive long term growth



# Launch of Elekta Esprit at ESTRO

## Dedication in design

Designed solely for accurate and precise intracranial stereotactic radiosurgery (SRS)

## Patients at the center

Personalized treatment for improved quality of life

## Proven beyond compare

Real-world evidence that is transforming treatment protocols and redefining standard of care



**<1 minute** per treatment plan with Lightning

**Superior visualization** of brain anatomy with Leksell Vantage

**73%** of clinical peer-reviewed evidence

# Momentum around Unity continues

## >70 clinical abstracts at ESTRO

Example abstracts

- **>40 different tumor sites**  
no severe toxicity recorded in MOMENTUM<sup>1</sup> with nearly 1,800 treated patients included
- **Pancreas cancer**  
ultra-high doses safe with Unity-based treatments (Odense<sup>2</sup>)
- **Prostate cancer**  
0% acute toxicity with MR-guided vs 8% with conventional prostate SBRT (Toronto<sup>3</sup>)

## Ongoing clinical trials

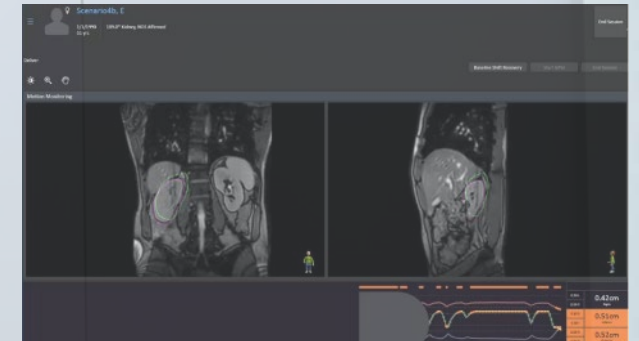


**MR-Linac**  
CONSORTIUM

**16** ongoing  
clinical trials

## Comprehensive Motion Management (CMM) with automatic gating

**1<sup>st</sup>** non-invasive true  
3D target tracking



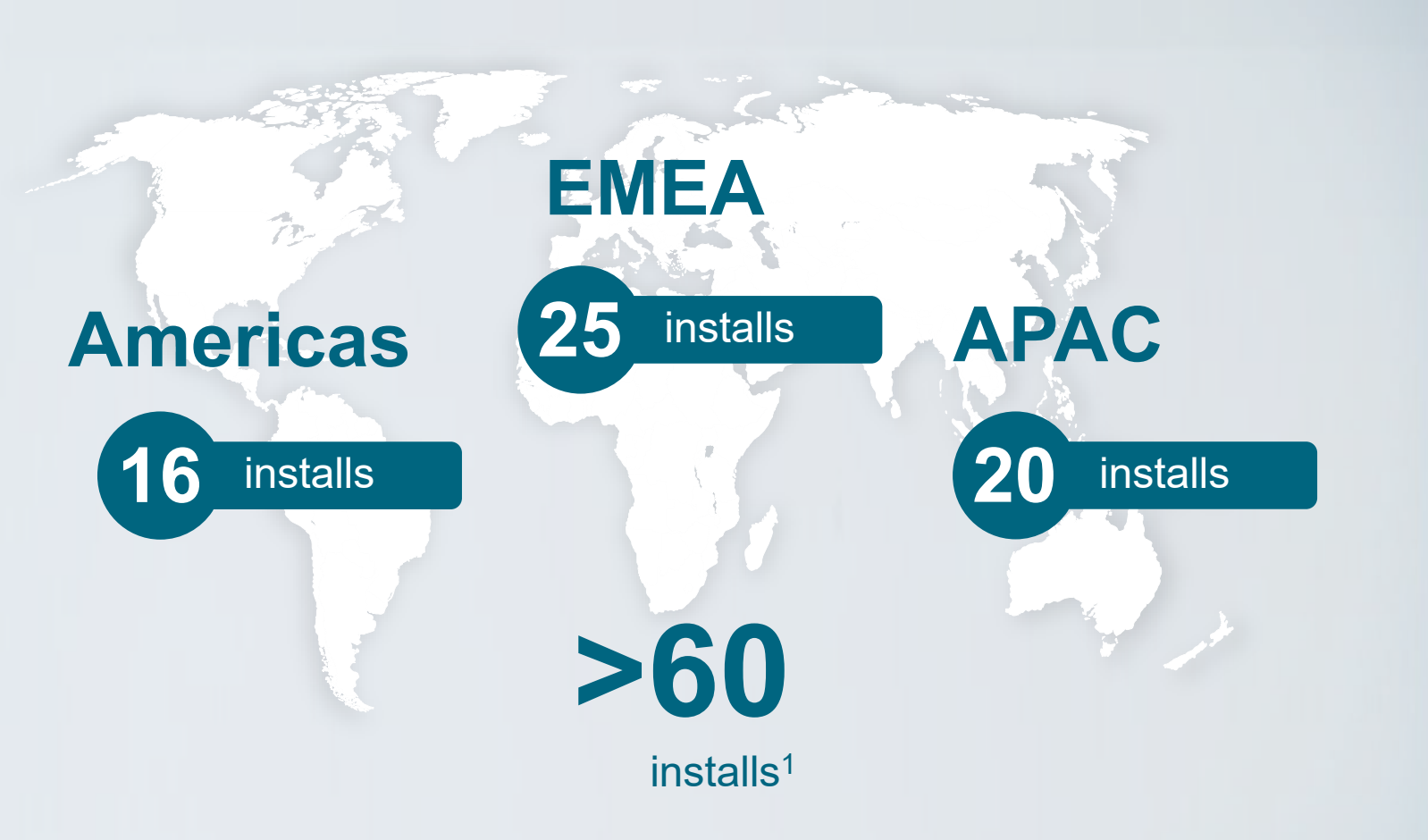
First install ongoing

<sup>1</sup> Patterns of Care and Safety in 1800 patients treated on a high-field MR-Linac platform registry

<sup>2</sup> Adaptive MR guided stereotactic body radiotherapy for locally advanced pancreatic cancer

<sup>3</sup> Dosimetry & toxicity comparison between CBCT-Guided and MR-Guided Prostate Ultra-hypofractionated RT

# Continued roll-out of Unity across the globe



<sup>1</sup>Installed or under installations.

# Q4 and full-year financials

# Strong finish of Q4 and improved margins vs last quarter

## Net sales increased by 5% y-o-y

- Strong growth in Americas 11% and APAC 8%
- EMEA flat despite challenging market conditions
- Solution 6%, Service 4%

## Gross margin declined to 37.0% (38.5) y-o-y but increased sequentially from Q3

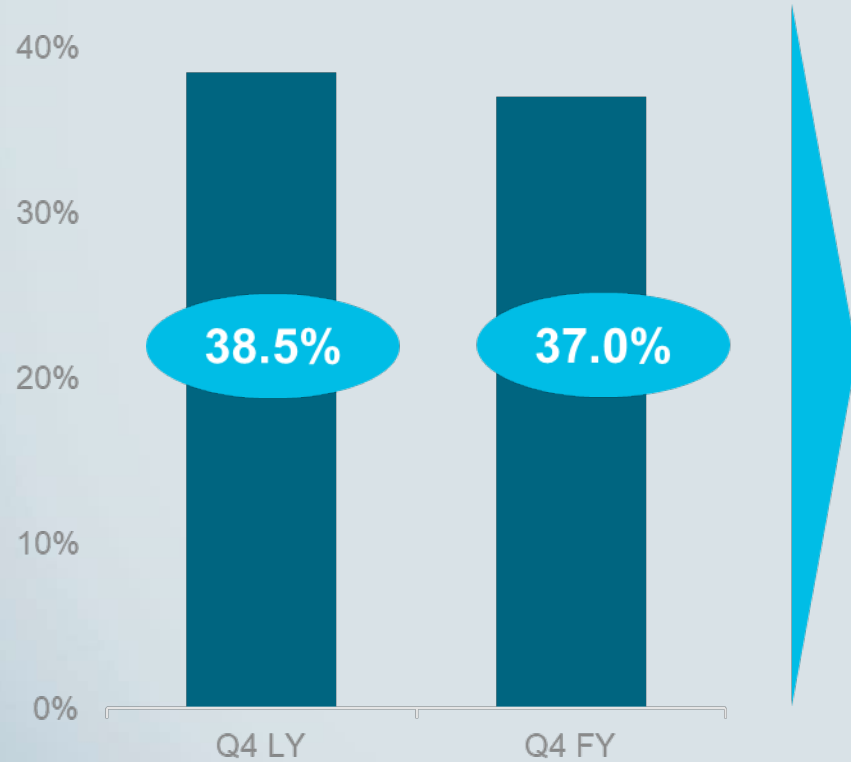
## EBIT margin of 13.4% (14.9)

## Improved EPS due to higher EBIT and lower financial items

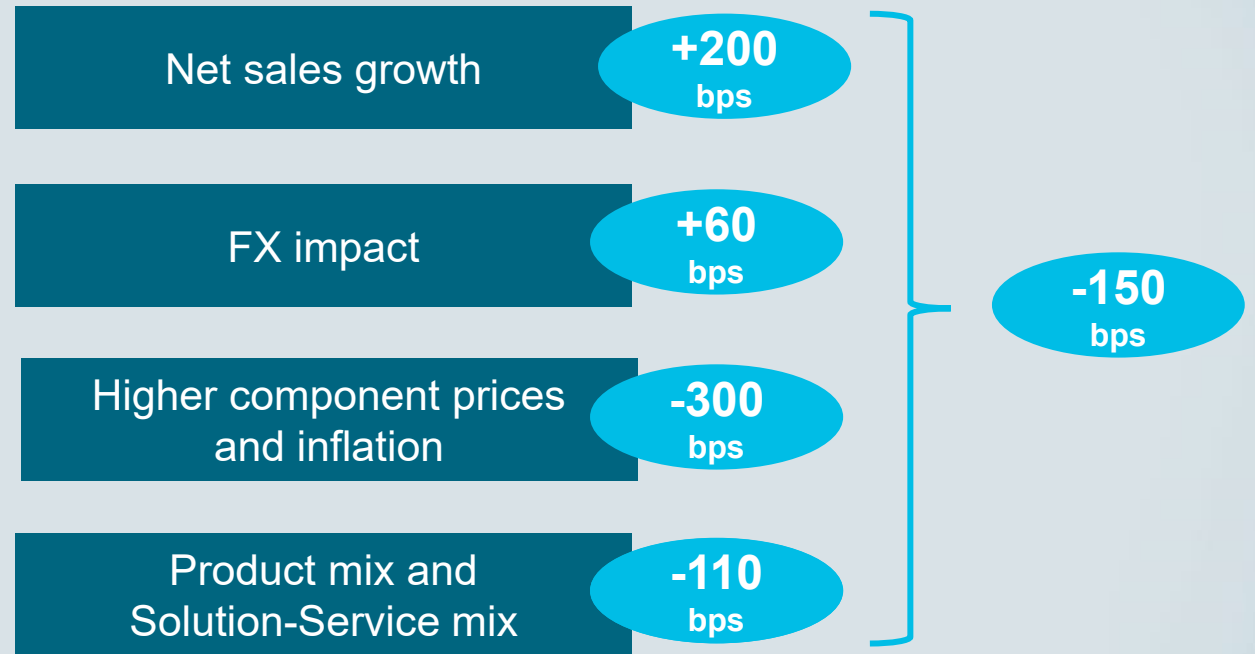
| (SEK M)                      | Q4 21/22     | Q4 20/21     | Q3 21/22     |
|------------------------------|--------------|--------------|--------------|
| <b>Net sales</b>             | <b>4,239</b> | <b>3,667</b> | <b>3,602</b> |
| Solutions                    | 2,658        | 2,254        | 2,109        |
| Service                      | 1,581        | 1,413        | 1,494        |
| COGS                         | -2,669       | -2,256       | -2,279       |
| <b>Gross margin (%)</b>      | <b>37.0%</b> | <b>38.5%</b> | <b>36.7%</b> |
| Expenses                     | -1,020       | -950         | -984         |
| Exchange rate diff and other | 20           | -85          | 1            |
| <b>EBIT</b>                  | <b>570</b>   | <b>545</b>   | <b>340</b>   |
| <b>EBIT margin (%)</b>       | <b>13.4%</b> | <b>14.9%</b> | <b>9.4%</b>  |
| Financial items, net         | -36          | -108         | -40          |
| Income tax                   | -113         | -97          | -72          |
| <b>Net income</b>            | <b>421</b>   | <b>341</b>   | <b>228</b>   |
| <b>EPS, SEK</b>              | <b>1.09</b>  | <b>0.89</b>  | <b>0.60</b>  |

# Gross margin negatively impacted by inflation and mix

## Gross margin development



## Impact vs. LY



# More customer-related activities while administration costs declined

## Quarterly expenses

### Higher selling costs

- Increased customer-related activities
- Provision of SEK 18 M related to war in Ukraine

### Lower administrative expenses

- Declined y-o-y and sequentially

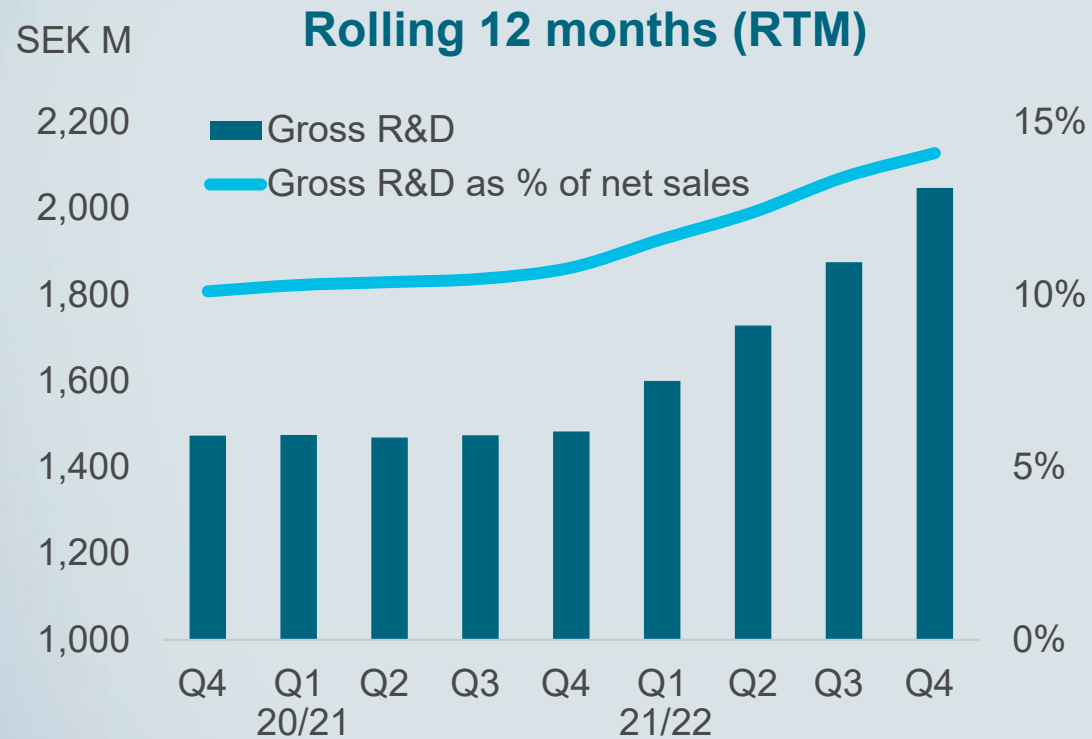
### Continued investments in the innovation pipeline

- More projects in capitalization phases and lower amortizations

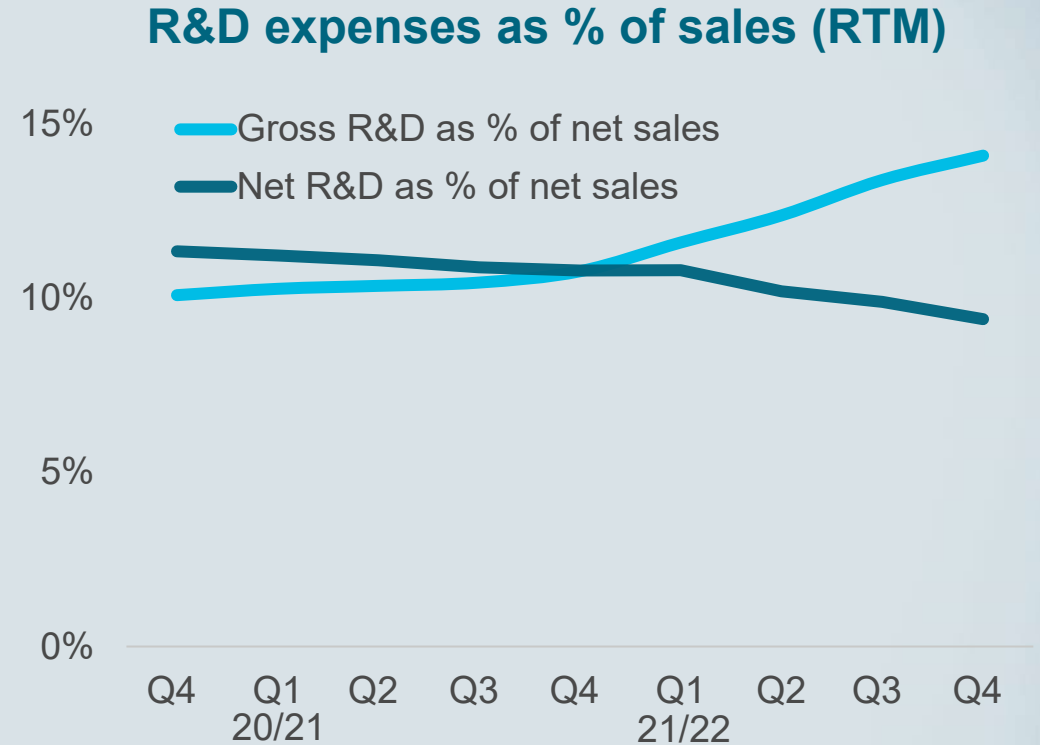
| Expenses (SEK M) | Q4 21/22      | Q4 20/21    | Growth <sup>1</sup> Y/Y | Q3 21/22    | Growth <sup>1</sup> Q/Q |
|------------------|---------------|-------------|-------------------------|-------------|-------------------------|
| Selling          | -380          | -314        | ➔ 15%                   | -342        | ➔ 11%                   |
| Administrative   | -309          | -292        | ➔ -1%                   | -303        | ➔ -1%                   |
| R&D (Net)        | -331          | -344        | ➔ -11%                  | -339        | ➔ -4%                   |
| <b>Total</b>     | <b>-1,020</b> | <b>-950</b> | ➔ 1%                    | <b>-984</b> | ➔ 2%                    |



# Accelerated focus on R&D – developing according to plan



- Increasing R&D for future growth. Gross R&D corresponded to 14% of net sales FY 21/22



- Lower net R&D as Unity amortizations have decreased, and several R&D projects have reached capitalization phases

# Yearly revenue growth in a high-cost environment

## Net sales increased by 4%

- Americas 7%, EMEA 2%, APAC 4%
- Solutions 4%, Service 5%

## Gross margin of 37.4% (-3.4 ppts)

- Inflation and higher costs for supply chain, logistics and service partly offset by higher sales
- Slightly negative FX

## EBIT margin of 11.3% (-2.6 ppts)

- Lower gross margin
- Expenses increased by 3% in constant exchange rates

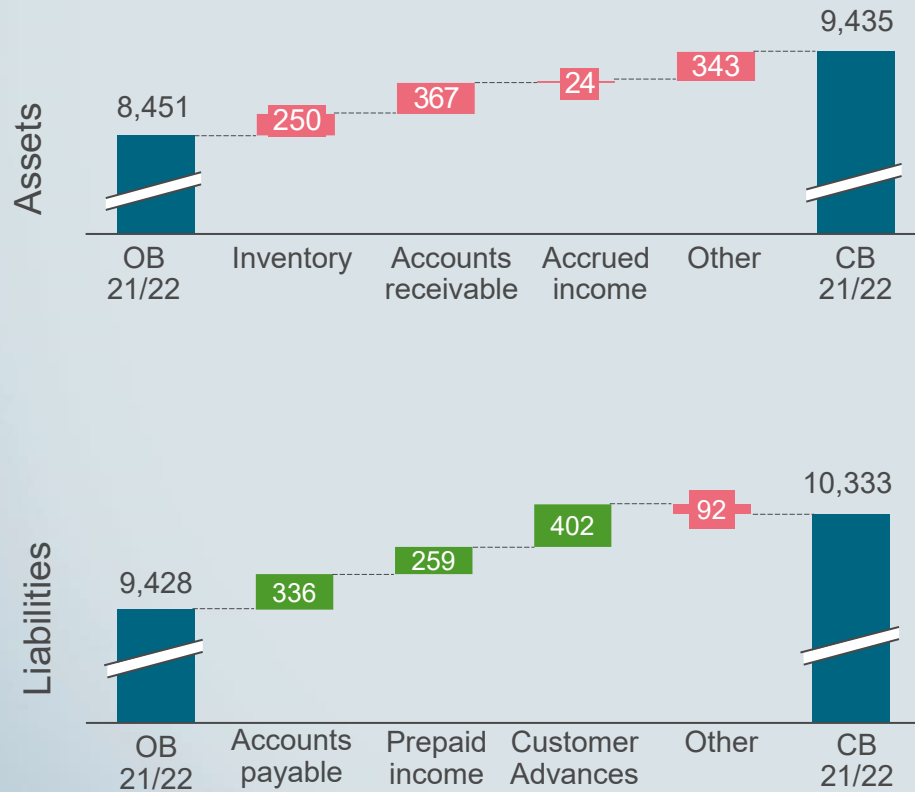
## Net profit impacted by lower financial costs

- Lower level of gross debt
- Tax rate 21%, down from 22%

| (SEK M)                      | FY 21/22      | FY 20/21      |
|------------------------------|---------------|---------------|
| <b>Net sales</b>             | <b>14,548</b> | <b>13,763</b> |
| Solutions                    | 8,652         | 8,175         |
| Service                      | 5,896         | 5,588         |
| COGS                         | -9,111        | -8,153        |
| <b>Gross margin (%)</b>      | <b>37.4%</b>  | <b>40.8%</b>  |
| Expenses                     | -3,900        | -3,715        |
| Exchange rate diff and other | 107           | 12            |
| <b>EBIT</b>                  | <b>1,643</b>  | <b>1,906</b>  |
| <b>EBIT margin (%)</b>       | <b>11.3%</b>  | <b>13.9%</b>  |
| Financial items, net         | -142          | -277          |
| Income tax                   | -345          | -377          |
| <b>Net income</b>            | <b>1,157</b>  | <b>1,253</b>  |
| <b>EPS, SEK</b>              | <b>3.02</b>   | <b>3.28</b>   |

# Net working capital (NWC) ratio in line with seasonal pattern

## NWC changes (SEK M)



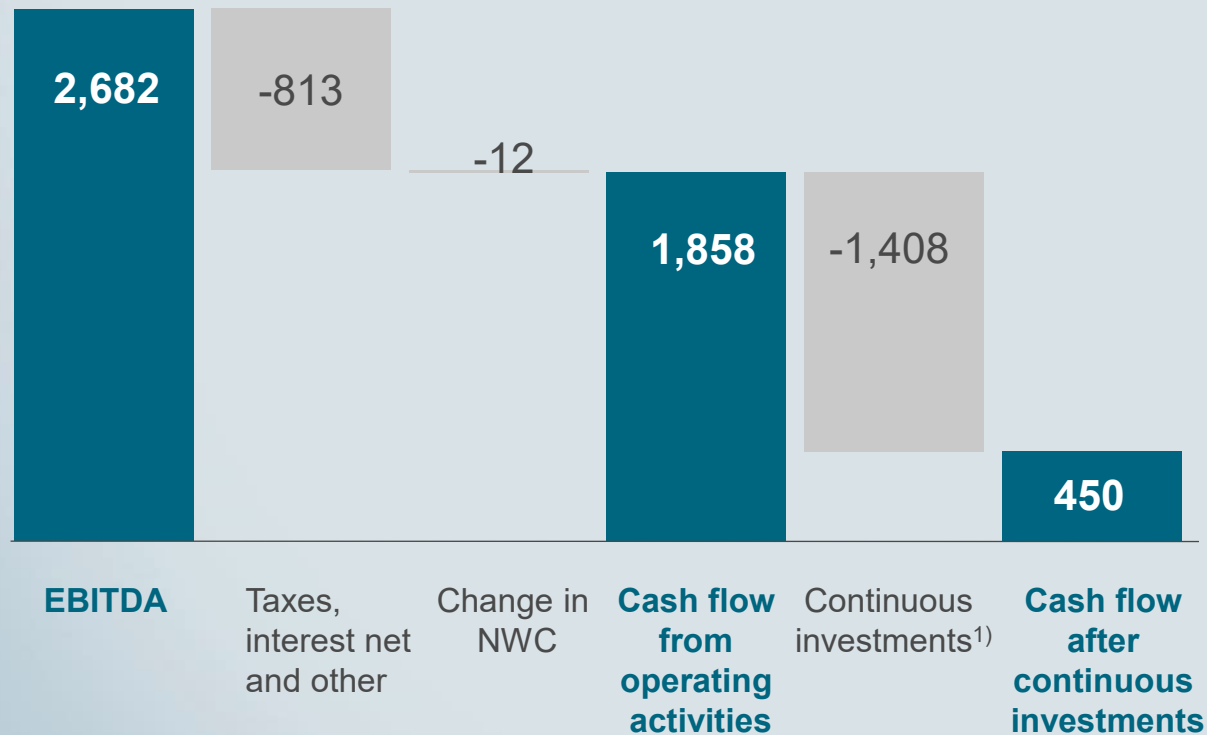
## NWC as % of net sales



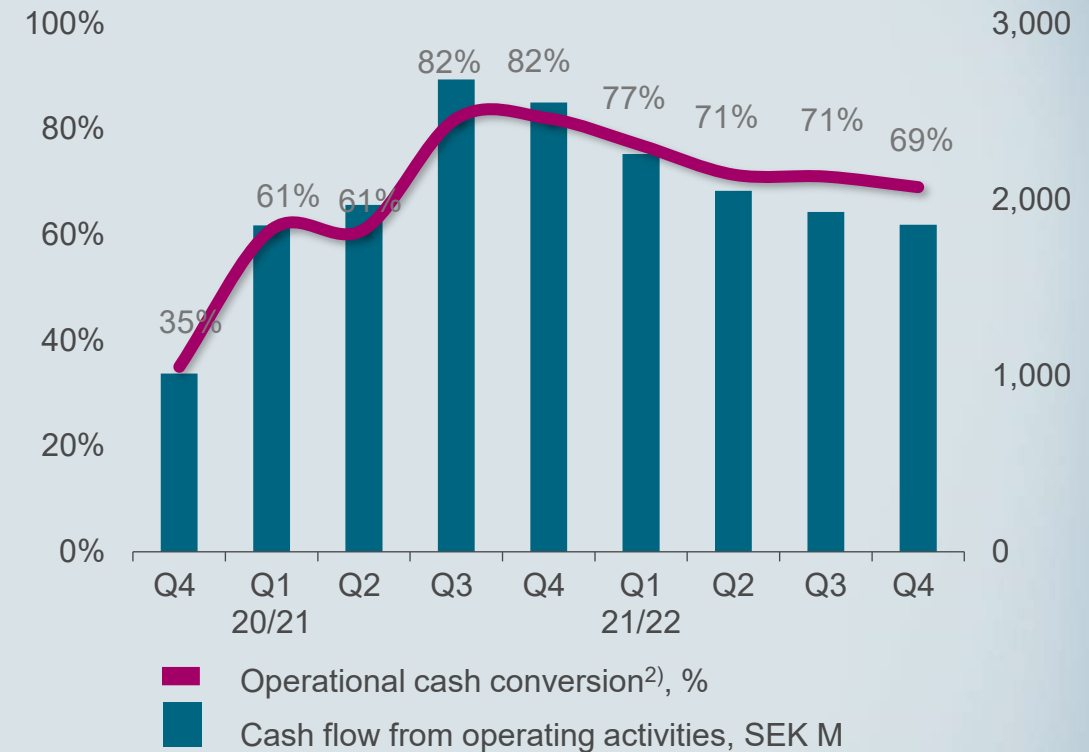
← All individual working capital items impacted by currency movements, limited net effect

# Cash conversion continued on good level

## Cash flow 21/22 (SEK M)

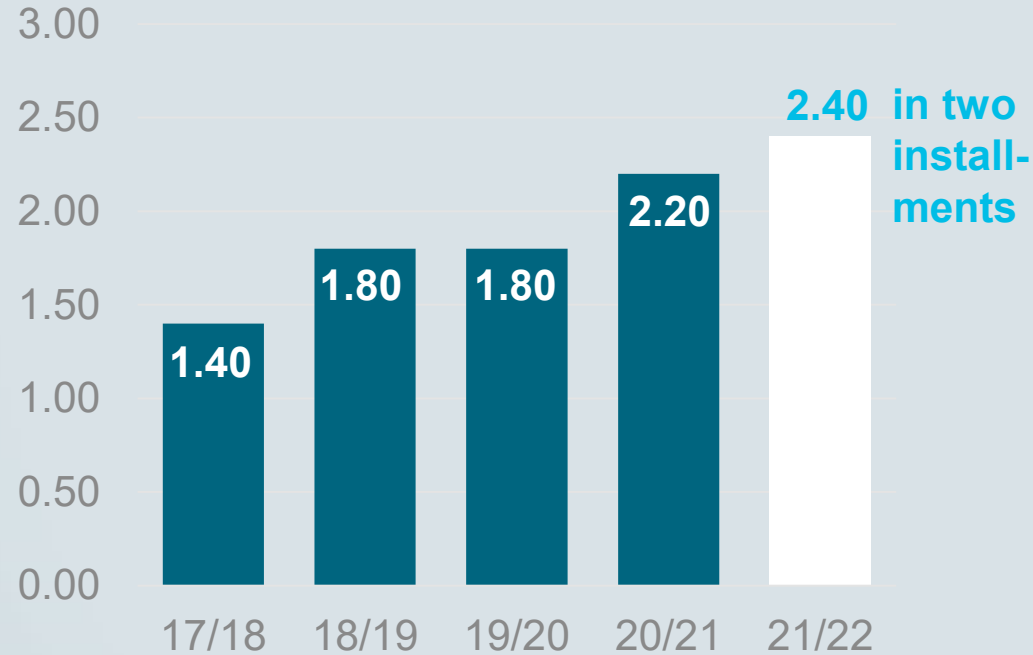


## Operational cash conversion, RTM

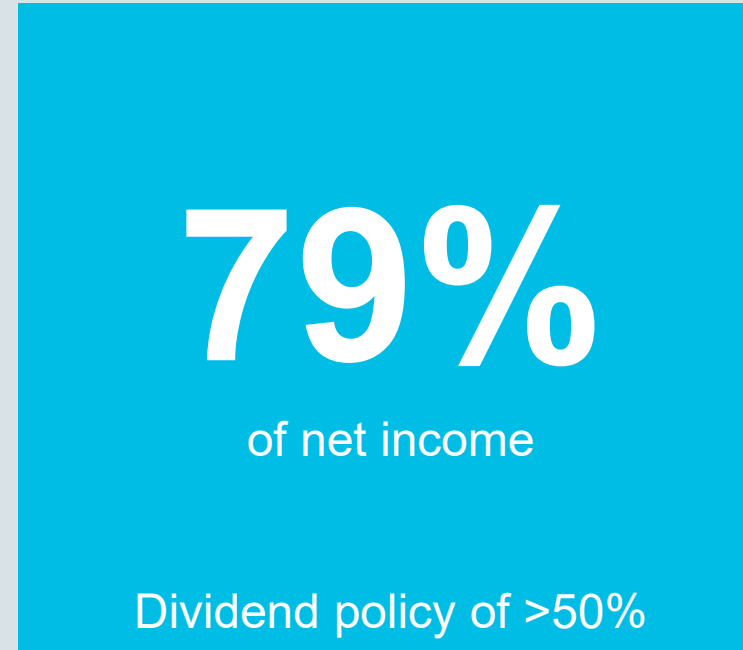


# Proposed dividend for FY 21/22

Dividend, SEK per share



Pay-out ratio



Increased direct return enabled by a strong balance sheet

# Outlook – Q1 FY 22/23 and midterm

# Outlook Q1 FY 22/23

- Uncertain macro environment with continued supply chain challenges impacting installations, costs and margins
- Long-term market trends to support growth and investment in high-end radiotherapy equipment and margin expansion



# Midterm outlook until 24/25

## Growth

**>7%**  
net sales  
CAGR

## Margin

**EBIT %**  
expansion  
over period

## Capital allocation

**>50%**  
of annual net profit  
in dividend



# Summary Q4

- Strong finish of Q4 and improved margins vs Q3, although lower margin vs last year
- Growing orders and revenue in the quarter.  
>120 Unity orders and >60 Unity installations
- Delivering on ACCESS 2025 by new partnerships and well on track with targeted installed base in underserved markets
- Comprehensive portfolio including Elekta Esprit, and accelerated innovations





We don't just build technology

**We build hope**



**Q&A**