



Strong demand, and supply chain challenges

Q3 report 2021/22

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Agenda

- Towards improved access to the best cancer care, Q3
- Q3 financials
- Outlook
- Q&A



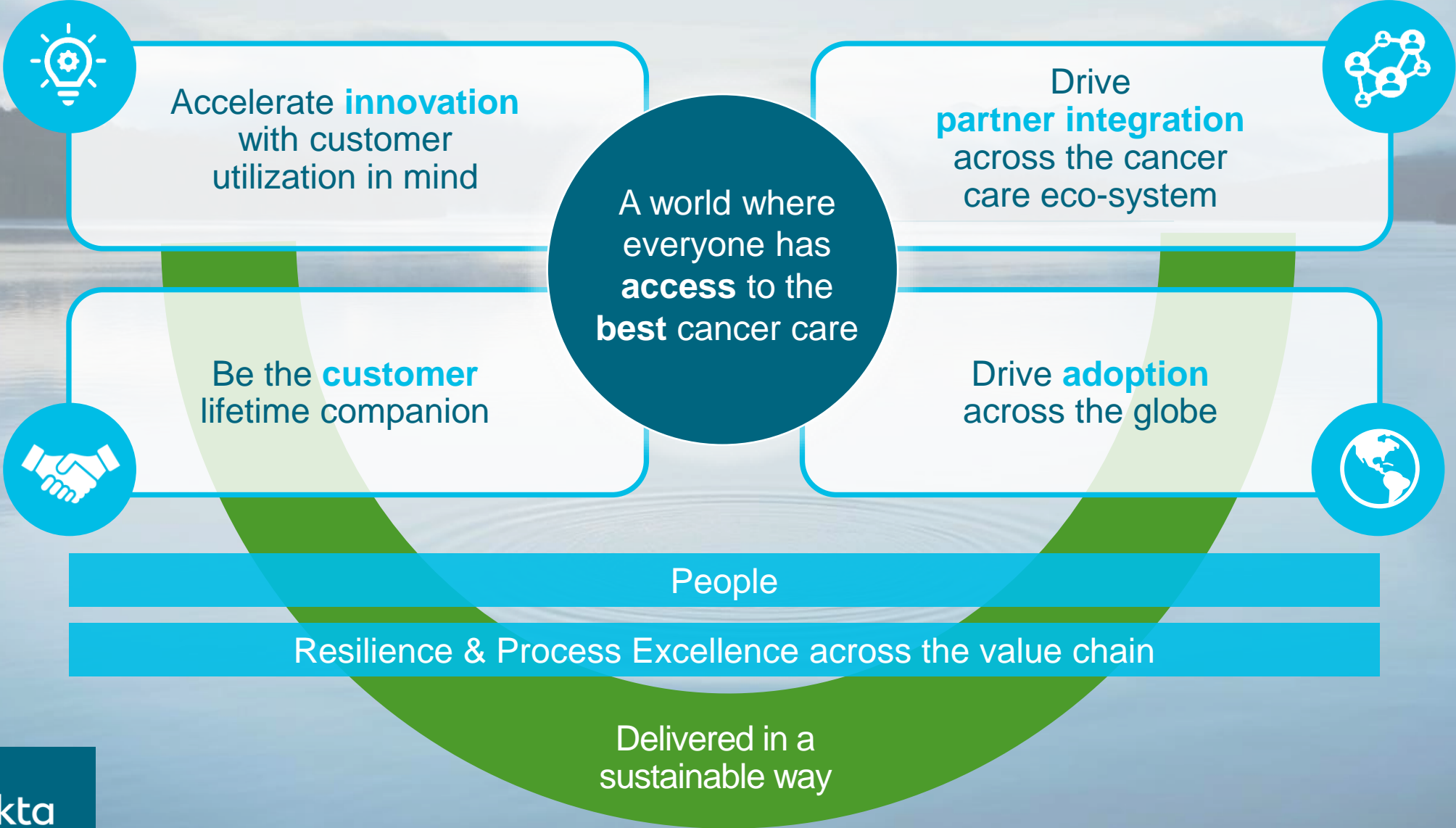
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This presentation includes forward-looking statements including, but not limited to, statements relating to operational and financial performance, market conditions, and other similar matters. These forward-looking statements are based on current expectations 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, Q3

Our strategy – ACCESS 2025



The recovery continues towards pre-pandemic growth levels

Order and revenue growth, RTM



Fifth quarter with underlying order growth, resulting in strongest order backlog ever

**38 bn
SEK**

Revenue impacted by lower installation volumes compared to plan

Strong order growth in Europe and emerging markets

Americas

-3%

9M: 0%

Latin America returned to growth. Tough US comps

US, Oklahoma
Stillwater Cancer Center:
Unity

EMEA

23%

9M: 10%

Europe strong growth. Middle East & Africa returned to growth

UK
NHS:
Linacs, Brachy

Egypt + Ghana
Elevate Group:
Linacs, LGK, Brachy

APAC

-3%

9M: 4%

Strong growth in India and East Asia. Soft in China

India
Cancer center of Americas:
Linacs, SaaS

Good order growth in Solutions but continued pressure on margins

Order development

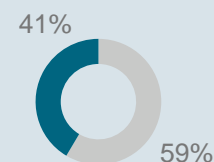
8%

Q3 21/22

Revenue development

-3%

Q3 21/22



■ Solutions
■ Service

Margin development

Gross margin

36.7%

EBIT margin

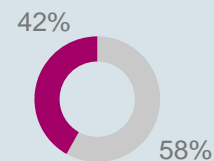
10.4¹%

5%

9M 21/22

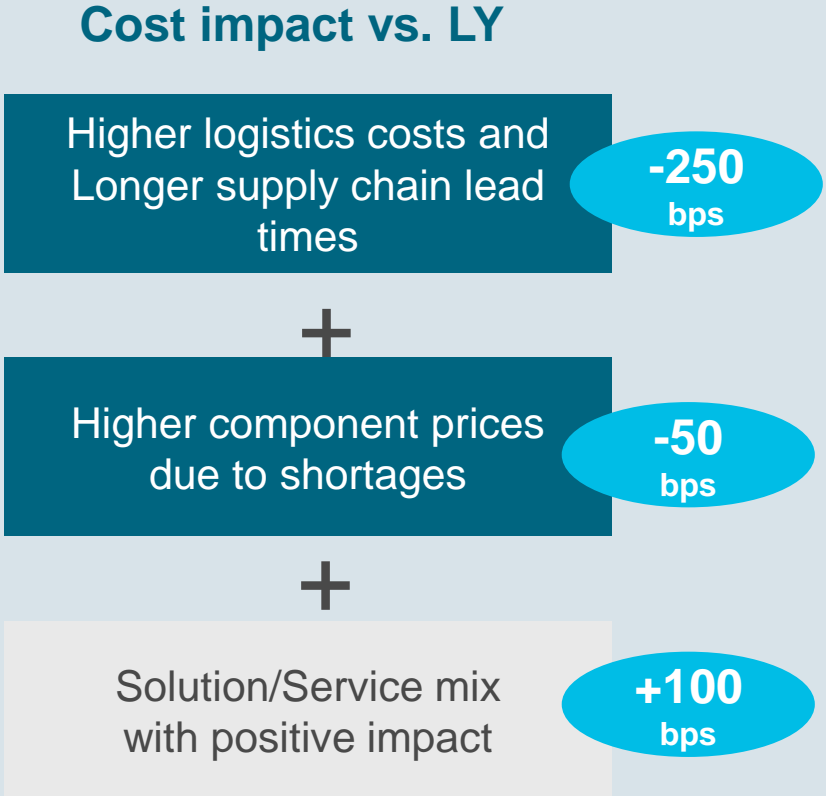
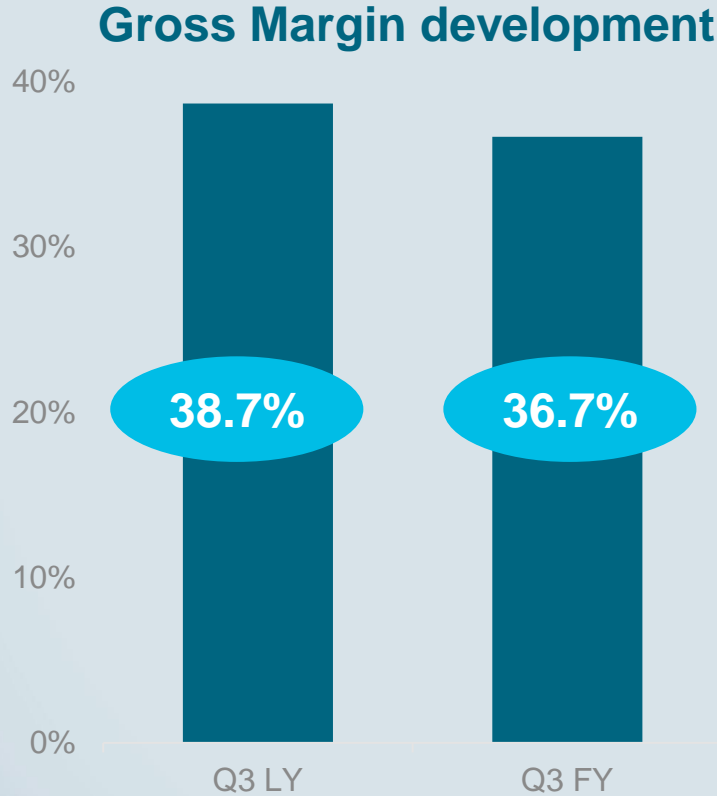
4%

9M 21/22



■ Solutions
■ Service

Gross margins negatively impacted by logistics costs and higher component prices

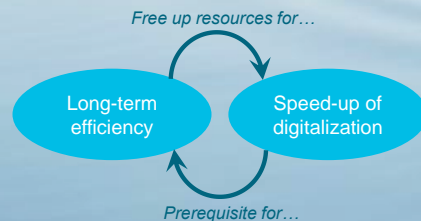


We are accelerating our resilience and excellence activities

FY 20/21

Adjusting to the new normal

- ✓ Redefine ways of working to allow for less travel needs going forward
- ✓ Virtualize sales, marketing and education & training activities
- ✓ Structurally continue to improve our ability to service remotely
- ✓ Outcome: travel and marketing costs ~50% savings



FY 21/22-

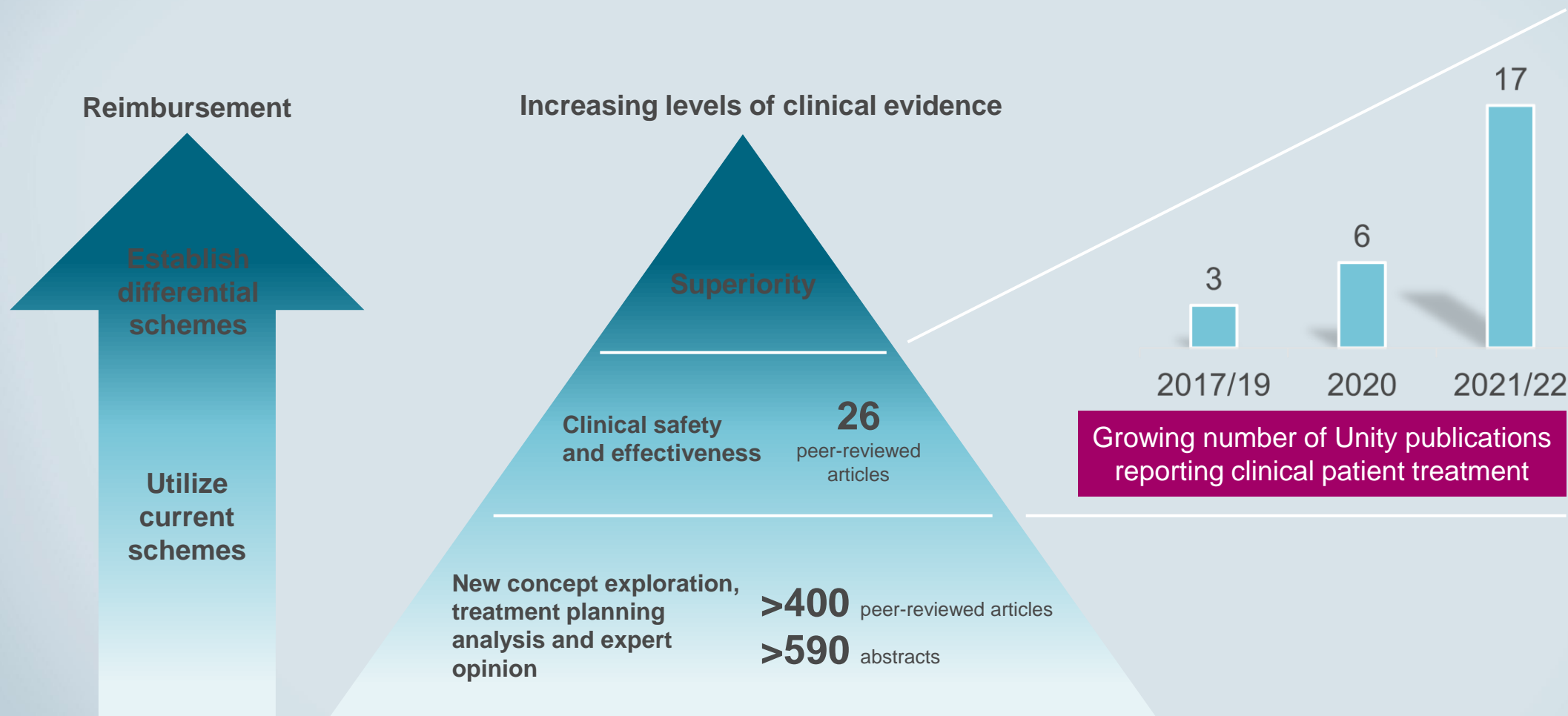
Acceleration of resilience and excellence activities

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



Establish clinical evidence

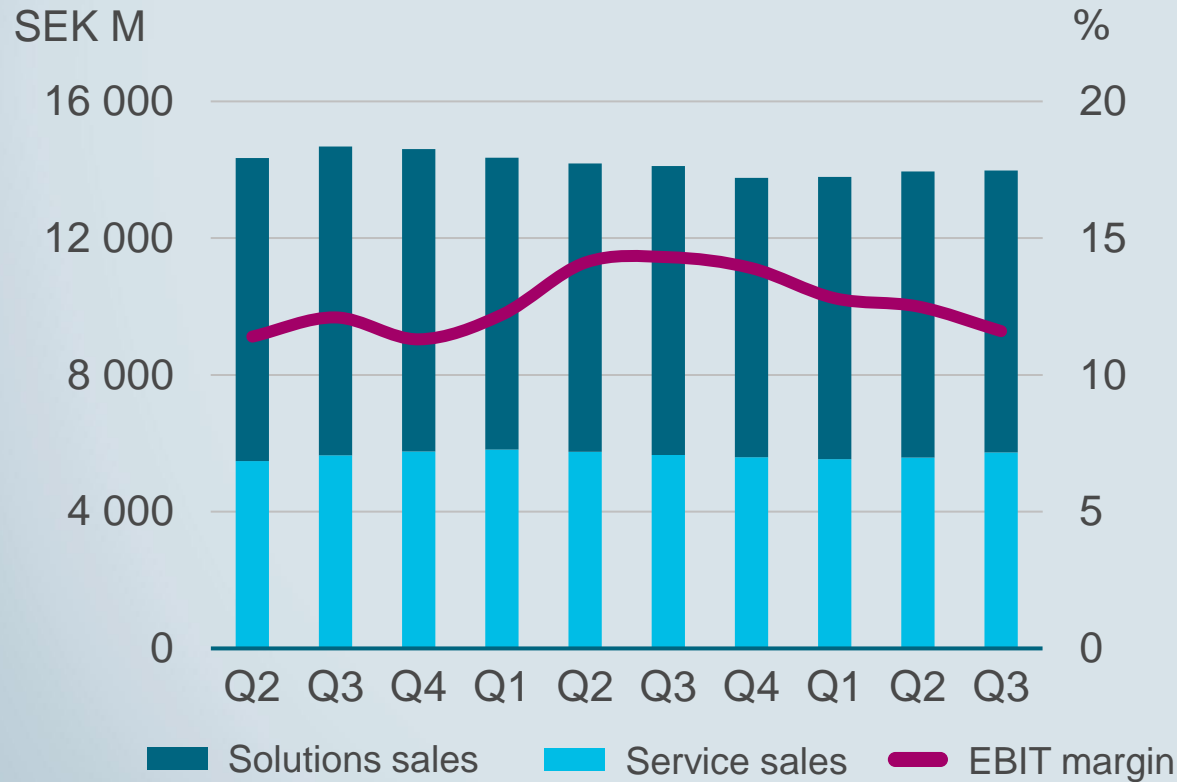
Publications to drive reimbursement



Q3 financials

Strong service growth but total revenue decline

Rolling 12 month (RTM) development



9M

Q3



Continued pressure on margins

(SEK M)	Q3 21/22	Q3 20/21	Q2 21/22
Net sales	3,602	3,581	3,697
Solutions	2,109	2,234	2,254
Service	1,494	1,347	1,443
COGS	-2,279	-2,194	-2,270
Gross margin (%)	36.7%	38.7%	38.6%
Expenses	-984	-913	-913
Exchange diff and other ²	36	-7	19
EBIT²	375	468	533
EBIT margin (%)	10.4%	13.1%	14.4%
Net financial items	-40	-48	-30
Income taxes	-72	-99	-121
Net profit	228	321	382
EPS, SEK	0.60	0.84	1.00

Net sales declined by 3% in constant currencies

- Americas: -2%
- EMEA: -4%
- APAC: -2%

Gross margin amounted to 36.7% (38.7)

- Higher supply chain, logistics and service costs ~300 bps
- Improved Solution/Service mix ~100 bps

Expenses increased by 3 percent in constant currency

Increased expenses as selling activities normalize and digitalization focus continues

Quarterly expenses

Expenses (SEK M)	Q3 2021/22	Q3 2020/21	Growth ¹ Y/Y	Q2 2021/22	Growth ¹ Q/Q
Selling	-342	-279	↗ 19%	-317	↗ 2%
Administrative	-303	-255	↗ 14%	-287	→ 0%
R&D (Net)	-339	-379	↘ -16%	-310	→ 0%
Total	-984	-913	↗ 3%	-913	↗ 1%

Selling expenses

- Increased customer facing activities

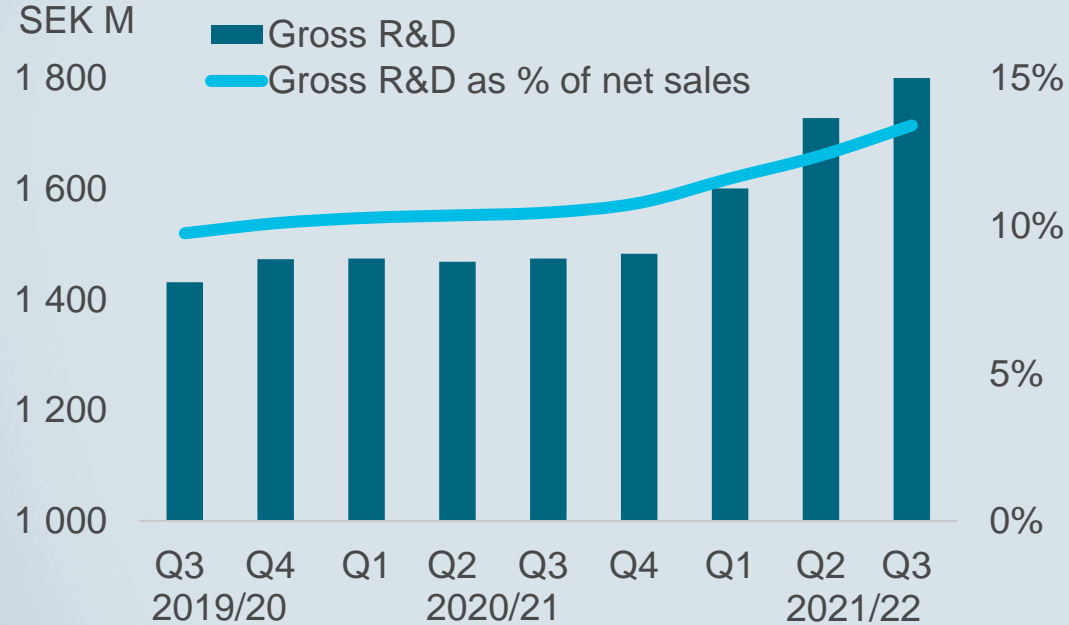
Administrative expenses

- Investments in digitalization

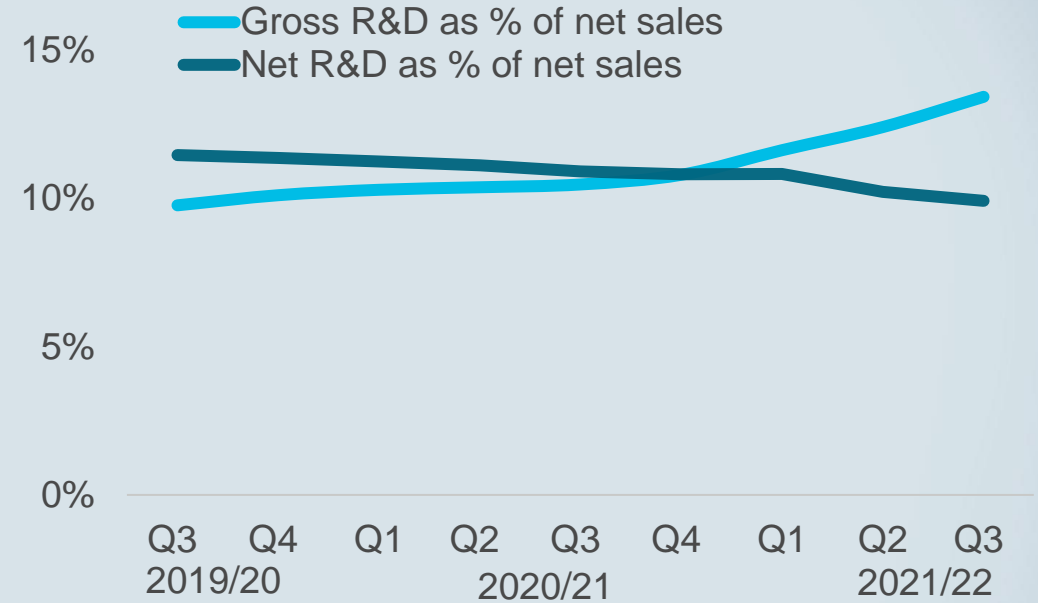
R&D expenses lower than last year

Accelerated R&D investments forming future growth

Rolling 12 months (RTM)



R&D expenses as % of sales (RTM)

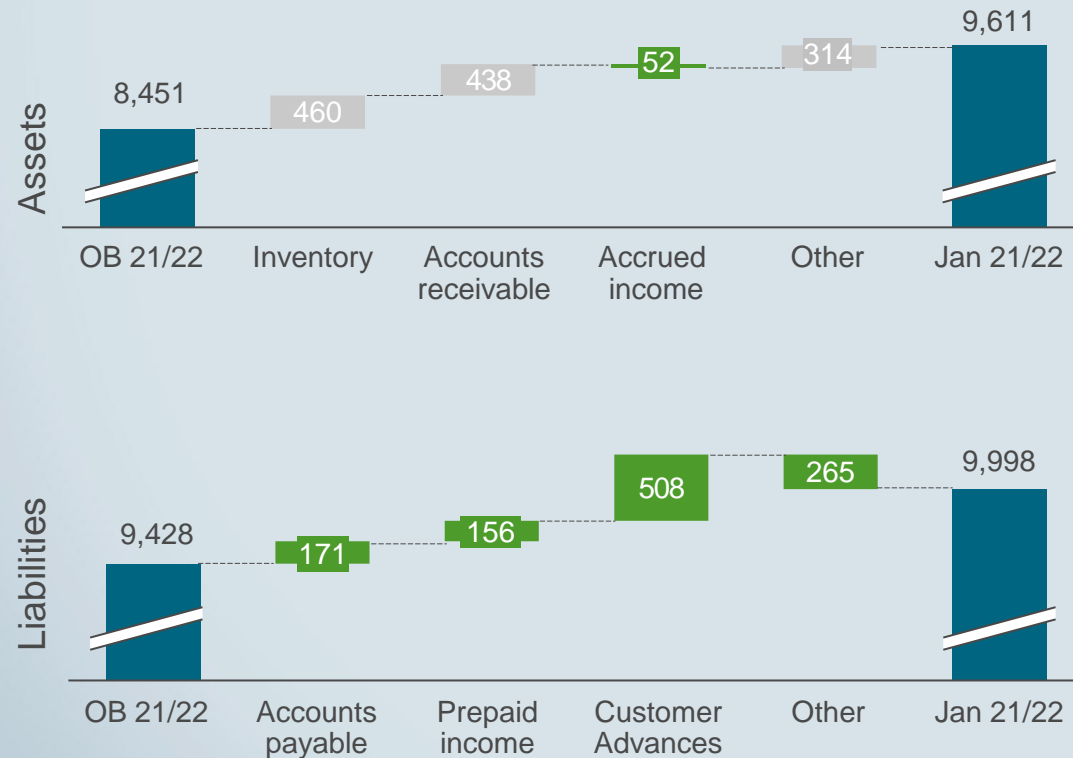


- Higher gross R&D due to accelerated investments
- Gross R&D corresponded to 13% of net sales RTM

- Lower net R&D as
 - Unity amortization has decreased
 - several R&D projects reached capitalization phase

NWC in line with seasonal pattern

Net working capital changes (SEK M)

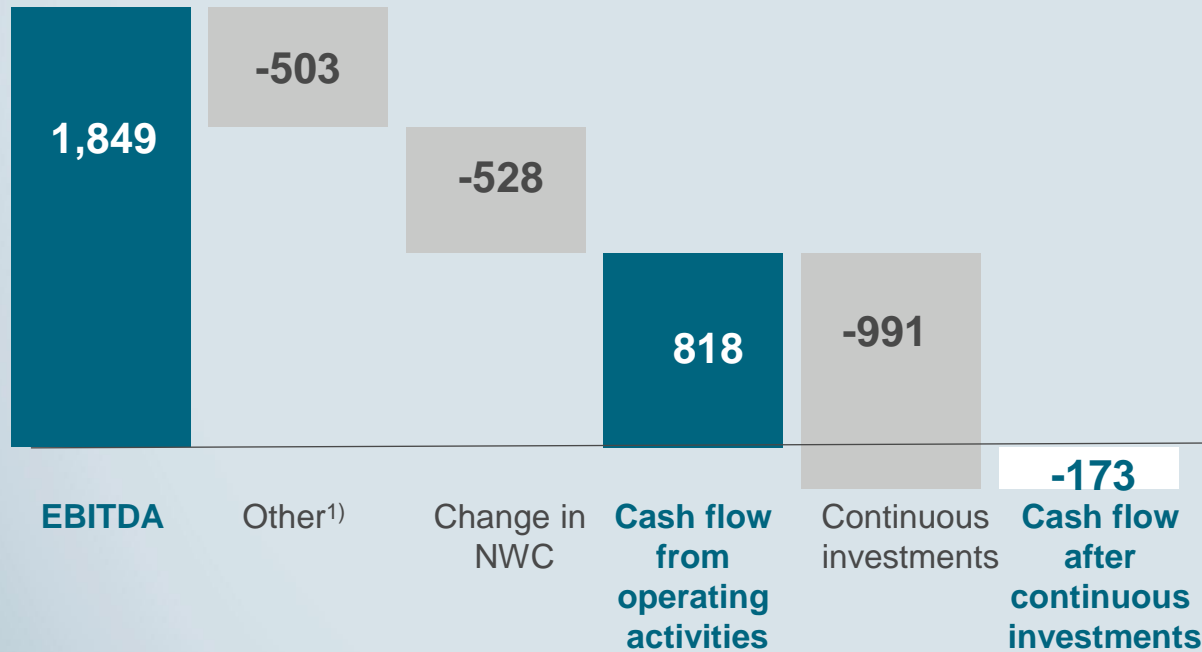


Net working capital as % of net sales

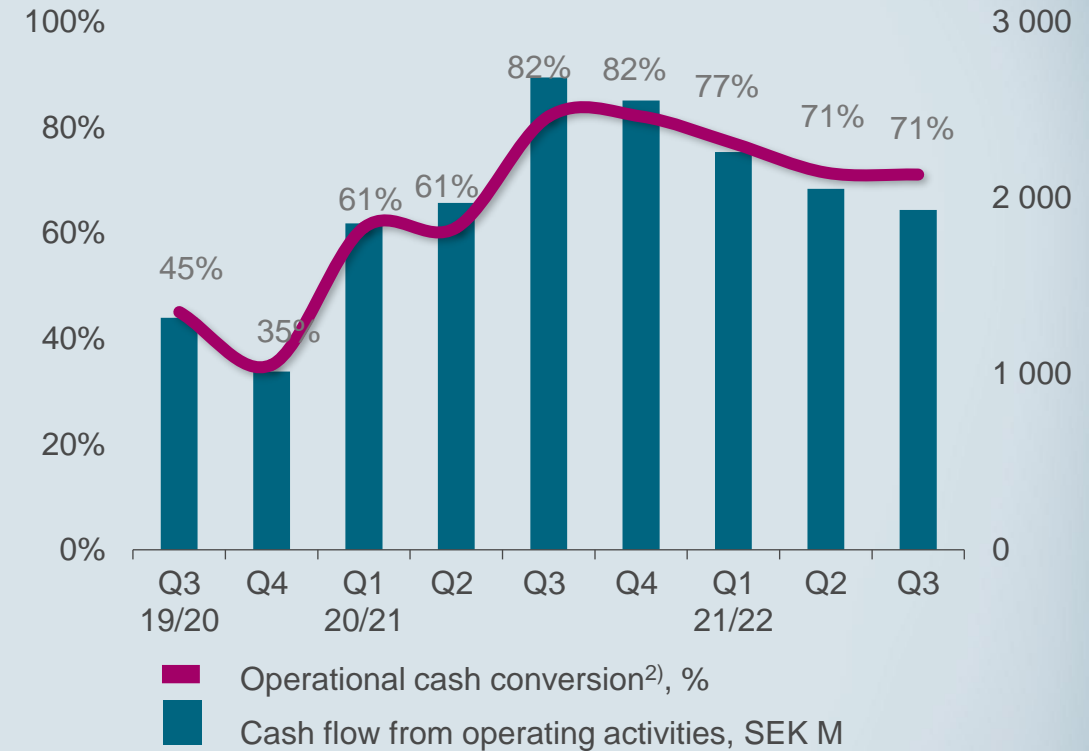


Cash conversion continued on good levels

9M Cash flow (SEK M)



Operational cash conversion, RTM



¹⁾ Other = Income tax paid, interest net, interest received and paid, other non-cash items

²⁾ Cash conversion = Cash flow from operating activities/EBITDA and Basic Personal Data

Outlook – Q4 and midterm

Outlook in Q4

- Higher installation volumes than last year, but component shortages continue to be challenging
- Continued high logistics and supply chain costs impacting 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 Q3

- Supply chain challenges continued to impact revenue and margins
- Strong order growth mainly driven by Europe and recovery in emerging markets. Highest order backlog ever
- Additional local presence in the Philippines when delivering on ACCESS 2025
- Strong platform for profitable growth going forward



We don't just build technology

We build hope





Q&A

