

Year-end report May-April 2017/18

Fourth quarter

- Gross order intake amounted to SEK 4,656 M (4,366), an increase of 10 percent based on constant exchange rates and 7 percent in SEK.
- Net sales was SEK 3,614 M (3,715), unchanged based on constant exchange rates and a decrease of 3 percent in SEK.
- Adjusted EBITA* amounted to SEK 918 M (779). Items affecting comparability was SEK 0 M (-253). Bad debt losses amounted to SEK -15 M (-16).
- Adjusted EBITA* margin was 25 percent (21).
- Operating result was SEK 769 M (347).
- Net income amounted to SEK 544 M (93). Earnings per share was SEK 1.42 (0.24) before/after dilution.
- Cash flow after continuous investments was SEK 979 M (1,016).
- Eight Elekta Unity orders were booked in the quarter.

May – April 2017/18

- Gross order intake amounted to SEK 14,493 M (14,064), an increase of 5 percent based on constant exchange rates and 3 percent in SEK.
- Net sales was SEK 11,333 M (10,704), an increase of 8 percent based on constant exchange rates and 6 percent in SEK.
- Adjusted EBITA* amounted to SEK 2,116 M (1,661). Items affecting comparability was SEK 0 M (-518). Bad debt losses amounted to SEK -53 M (-46).
- Adjusted EBITA* margin was 19 percent (16).
- Operating result was SEK 1,538 M (598).
- Net income amounted to SEK 1,099 M (126). Earnings per share was SEK 2.88 (0.33) before/after dilution.
- Cash flow after continuous investments improved to SEK 1,589 M (1,045).
- The Board of Directors proposes a dividend of SEK 1.40 (1.00) per share for the fiscal year 2017/18.

Outlook for fiscal year 2018/19

- Based on IFRS15 restatement (see pages 9-12).
- Net sales growth of around 7 percent, based on constant exchange rates.
- EBITA margin of around 20 percent (Changed from >20 percent).

Group summary

SEK M	Q4			May - Apr		
	2017/18	2016/17	Change	2017/18	2016/17	Change
Gross order intake	4,656	4,366	10% **	14,493	14,064	5% **
Net sales	3,614	3,715	0% **	11,333	10,704	8% **
Adjusted EBITA*	918	779	18%	2,116	1,661	27%
Operating result	769	347	122%	1,538	598	157%
Net income	544	93	485%	1,099	126	772%
Cash flow after continuous investments	979	1,016	-4%	1,589	1,045	52%
Earnings per share before/after dilution, SEK	1.42	0.24	492%	2.88	0.33	773%

*Adjusted for items affecting comparability and bad debt losses, for a reconciliation to operating result, see page 13. The split between restructuring costs and costs for legal processes is presented on page 21. **Compared to last fiscal year based on constant exchange rates.



President and CEO comments

Last year was a strong year. We have established sustainable business processes and built a solid platform for future profitable growth. Order intake increased, our EBITA margin improved to 19 percent, while maintaining a low level of working capital and strengthening our cash flow significantly. Elekta Unity continued its positive trend with eight new orders booked in the fourth quarter and we are on track for CE mark in June.*

We delivered a strong final quarter and strengthened our positions for the year. A number of competitive wins, Elekta Unity orders and a growing market were key reasons for order intake growth of 10 percent in the fourth quarter and 5 percent for the fiscal year. Our ongoing improvement activities in North America ensured our momentum and order intake grew by 10 percent in the fourth quarter. Also, Europe saw strong development with 28 percent growth. In Asia, we achieved growth of 2 percent for the full year, while the fourth quarter was slower, particularly in Japan. We estimate the global market growth for the past year to be 4 percent and we continue to have a positive view of the market moving forward in all regions.

We have secured a more even revenue distribution throughout the year, as reflected in the fourth quarter which was unchanged from last year. Looking at the full year, net sales showed a solid 8 percent growth driven by favorable delivery volumes for linear accelerators, good growth in treatment planning software and a strong year for Leksell Gamma Knife®. Our total installed base of treatment systems grew 6 percent compared with the preceding year. This is an important driver for the service business, which forms the foundation for stable and recurring revenues over time.

EBITA* margin in Q4 increased by 4 percentage points to 25 percent. For the full year the margin improved 3 percentage points to 19 percent and taking into account the items affecting comparability in FY16/17 the EBITA* margin increased by 8 percentage points. Our reported EBIT grew by 157 percent for the year. We achieved the highest operating cash flow to date in Elekta's history with a 30 percent increase compared with last year.

At the ESTRO event in April, the growing interest in Elekta Unity and new solutions from our Elekta Digital program confirmed our innovation and thought leadership in the sector. Our partnership with IBM Watson Oncology is a great example of this. The partnership will help clinicians to largely automate the preparation of treatment plans using artificial intelligence to convert big data into customized cancer therapy. We are excited about the opportunity this offers and are looking forward to being a pioneer in this field.

During the quarter, we booked orders for eight Unity systems. This brings the total to 28 sold. I'm happy to see the momentum growing while feedback from installed sites confirms the potential of enabling precision radiation medicine to offer each patient further personalized therapy. We are on schedule for CE mark in June, which in practice means that we are currently finalizing the system development with the customer validation phase.

From this current fiscal year (2018/19), we are changing our accounting principles in line with IFRS15. For transparency, we have provided restated historic numbers on pages 9-12 in this report. The restatement, where net sales is SEK 240 M higher for the year, provide the basis for our outlook.

For the coming fiscal year, we foresee continued rising demand for advanced cancer care and, together with higher deliveries of Elekta Unity, our assessment is that net sales will grow around 7 percent based on constant exchange rates. With this growth, and our focus on process improvements and cost control, we target to achieve an EBITA margin of around 20 percent. The response in China regarding Unity has been very positive and we will install the first five systems during this current fiscal year. However, revenue for these systems will be recognized after CFDA approval, meaning not in this fiscal year.

I would like to thank my 3,700 colleagues around the world for the great results and achievements during the year and even more so our customers for their trust and support to help us developing the best tools for fighting cancer. We will continue to invest in our organization and its development, and together create profitable growth and help even more patients this year.

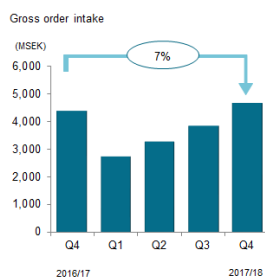
Richard Hausmann, President and CEO

Note: Growth figures in CEO statement are based on unchanged exchange rates. *Adj. EBITA margin

Presented amounts refer to the fiscal year 2017/18 and amounts within parentheses indicate comparative values for the equivalent period last fiscal year unless otherwise stated.

Order intake and order backlog

Gross order intake amounted to SEK 14,493 M (14,064), an increase of 5 percent based on constant exchange rates and 3 percent in SEK. In the fourth quarter gross order intake increased by 10 percent based on constant exchange rates or 7 percent in SEK.



Gross order intake

SEK M	Q4		Q4		May - Apr		May - Apr	
	2017/18	2016/17	Change*	Change	2017/18	2016/17	Change*	Change
North and South America	1,554	1,507	10%	3%	4,720	4,516	9%	5%
Europe, Middle East and Africa	1,831	1,383	28%	32%	5,389	5,078	4%	6%
Asia Pacific	1,271	1,476	-9%	-14%	4,384	4,470	2%	-2%
Group	4,656	4,366	10%	7%	14,493	14,064	5%	3%

*Compared to last fiscal year based on constant exchange rates.

Order backlog was SEK 24,675 (22,459) M. Order backlog is converted at closing exchange rates which resulted in a positive translation difference of SEK 493 M.

Regional development

North and South America

The U.S. is the world's largest market for radiation therapy. Market growth is primarily driven by service and software as well as replacement investments.

Elekta's U.S. operations continued to improve during the quarter and we gained market share. The growth was notably good in software and services. For the region in total, fourth quarter order intake grew by 3 percent, corresponding to an increase of 10 percent based on constant exchange rates. During the quarter, we booked an order for an Elekta Unity research system at Memorial Sloan Kettering Cancer Center in New York.

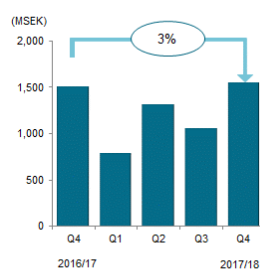
South America has a significant need for high-quality, cost-effective cancer care. At the same time, economic development has been volatile for a number of years, resulting in low investments in new equipment. Elekta's activities have recently started to gain momentum in the region with, for example, orders from Brazil, Peru and Bolivia.

Europe, Middle East and Africa

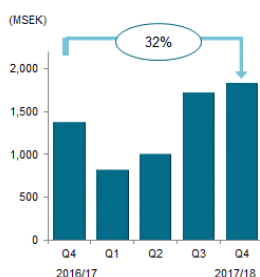
We have seen stable growth in the established markets, driven mainly by replacement investments and aftermarket services, but also investment to expand radiation therapy capacity. The region's growing markets are characterized by a great need for radiation therapy and a substantial capacity gap.

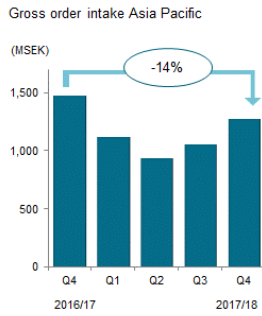
During the quarter, Elekta signed an order for five Elekta Unity systems from Proton Partners International. Western European markets showing favorable growth include the UK and Southern Europe. Elekta's operations in the Middle East and Africa reported a positive trend during the period and the Russian market began to show signs of growth. Altogether, fourth quarter order intake grew 32 percent, corresponding to 28 percent based on constant exchange rates.

Gross order intake North and South America



Gross order intake Europe, Middle East and Africa





Asia Pacific

The region had mixed results. Growth was strong in India, Australia, South Korea and Thailand, while market development in Japan was challenging. In China, we had good growth for the full year and increased our market share; we foresee a continued favorable market for the next year. Reimbursement levels in China have increased and growth in the private market is good. In addition, two new Unity customers were added during the quarter, the leading hospitals Shanghai Fudan Tumor Hospital and Sichuan Tumor Hospital in China.

In summary, Elekta's order intake for the year rose by 2 percent based on constant exchange rates. In the fourth quarter, order intake decreased 14 percent, corresponding to 9 percent based on constant exchange rates.

Net sales and earnings

Growth was strong in China, Western Europe and emerging markets for the year and net sales increased to SEK 11,333 M (10,704) representing a growth of 8 percent based on constant exchange rates and 6 percent in SEK.

In the fourth quarter net sales was unchanged, based on constant exchange rates, and in line with achieving a more even revenue distribution throughout the year.

Net sales

SEK M	Q4		Q4		May - Apr		May - Apr	
	2017/18	2016/17	Change*	Change	2017/18	2016/17	Change*	Change
North and South America	1,181	1,402	-10%	-16%	3,878	4,147	-2%	-6%
Europe, Middle East and Africa	1,432	1,261	9%	14%	4,280	3,444	22%	24%
Asia Pacific	1,001	1,053	0%	-5%	3,175	3,114	7%	2%
Group	3,614	3,715	0%	-3%	11,333	10,704	8%	6%

*Compared to last fiscal year based on constant exchange rates.

Higher volumes and cost control resulted in a 0.5 percentage points expansion of the gross margin to 41.9 percent (41.4). In the fourth quarter gross margin decreased to 41.3 percent (42.4), primarily due to increased low margin third-party revenues. In addition, not all expected COGS savings materialized this year.

Increased investments for the finalization of Elekta Unity resulted in higher R&D expenditure for the year and adjusted for the net of capitalization and amortization of development costs the R&D expenditure amounted to SEK 1,348 M (1,196), equal to 12 percent (11) of net sales. EBITA before items affecting comparability and bad debts losses increased to SEK 2,116 M (1,661) representing a margin of 19 percent (16). The increase was driven by higher volumes, cost control and currency effects.

The effect from changes in exchange rates compared with last year was approximately SEK 160 M (315) including hedges. In the fourth quarter, effects from changes in exchange rates, compared with last year, was approximately SEK 150 M (75) including hedges.

As the transformation program and the legal dispute with Varian was completed in 2016/17, items affecting comparability were SEK 0 M (-518). Bad debt losses amounted to SEK -53 M (-46) and operating result was SEK 1,538 M (598).

Expenses

SEK M	2017/18			2016/17		
	Q4	Q3	May-Apr	Q4	Q3	May - Apr
Selling expenses	-326	-277	-1,208	-296	-279	-1,165
Administrative expenses	-224	-244	-948	-248	-234	-928
R&D expenses	-234	-264	-1,095	-285	-261	-1,018
Total	-784	-785	-3,252	-828	-774	-3,111

Operating expenses in the fourth quarter was slightly lower than the third quarter, driven by lower administrative, and R&D expenses. Selling expenses increased as planned primarily due to costs for customer events in the quarter.

Net financial items amounted to SEK -164 M (-258). The improvement is mainly related to lower interest rates as a result of refinancing in the previous year. A write-down of a loan to an associated company (Global Medical Investments, GMI AB) had a negative effect in the quarter of SEK -14 M. Profit before tax amounted to SEK 1,374 M (340) and tax amounted to SEK -276 M (-214), representing a tax rate of 20 percent (63). The decrease of the tax rate was mainly due to the increased earnings before tax and the US tax reform. Net income amounted to SEK 1,099 M (126) and earnings per share amounted to SEK 2.88 (0.33) before/after dilution. Return on shareholders' equity amounted to 16 percent (2) and return on capital employed amounted to 13 percent (5).

Capitalized development costs

SEK M	Q4	Q4	May - Apr	May - Apr
	2017/18	2016/17	2017/18	2016/17
Capitalization of development costs	203	164	637	535
of which R&D	203	163	637	534
Amortization of capitalized development costs	-103	-130	-408	-380
of which R&D	-97	-125	-385	-356
Capitalized development costs, net	100	33	229	155
of which R&D	105	38	252	178

The net of capitalization and amortization of development costs in the R&D function increased to SEK 252 M (178). The increase in capitalization is related to Elekta Unity. Amortization of capitalized development costs amounted to SEK 408 M (380).

Investments and depreciation

Investments in intangible assets were SEK -642 M (-541) and investments in tangible assets were SEK -219 M (-140). Investments in intangible assets are related to ongoing R&D programs and the increase was mainly related to investments in Elekta Unity. The increase in tangible investments was mainly related to a new office building in the UK. Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 675 M (655). The increase refers mainly to amortizations relating to Elekta Unity.

Cash flow

Cash flow from operating activities improved to SEK 2,404 M (1,819). The operational cash conversion was 109 percent (145). Cash flow after continuous investments was SEK 1,589 M (1,045). The cash flow improvement was mainly due to higher earnings and continued decrease of working capital.

Cash flow (extract)

SEK M	Q4 2017/18	Q4 2016/17	May - Apr 2017/18	May - Apr 2016/17
Operating cash flow	920	500	2,054	767
Change in working capital	314	723	351	1,051
Cash flow from operating activities	1,235	1,222	2,404	1,819
Continuous investments	-256	-206	-816	-774
Cashflow after continuous investments	979	1,016	1,589	1,045
Operational cash conversion	131%	223%	109%	145%

Working capital

Net working capital decreased to SEK -1,101 M (-688), corresponding to -10 percent (-6) of net sales. Inventory was reduced in the quarter and accounts payable and accrued income increased, reflecting higher volumes.

Working capital

SEK M	Apr 30, 2018	Apr 30, 2017	Jan 31 2018
Working capital assets			
Inventories	1,121	936	1,243
Accounts receivable	3,402	3,726	3,505
Accrued income	1,601	1,640	1,177
Other operating receivables	846	802	926
Sum working capital assets	6,970	7,104	6,851
Working capital liabilities			
Accounts payable	1,132	1,000	962
Advances from customers	2,575	2,531	2,643
Prepaid income	2,053	1,874	1,830
Accrued expenses	1,854	1,875	1,688
Short-term provisions	201	231	140
Other current liabilities	257	281	300
Sum working capital liabilities	8,071	7,792	7,564
Net working capital	-1,101	-688	-713
% of net sales	-10%	-6%	-6%

As a consequence of the produce to order process implemented in 2016/17, lead times have decreased compared to last year which reduced Days Sales Outstanding (DSO) to 12 days (33). Europe, Middle East and Africa as well as Asia Pacific improved compared to last year, while North and South America is still showing negative DSO.

Days Sales Outstanding (DSO)

SEK M	Apr 30, 2018	Apr 30, 2017	Jan 31 2018
North and South America	-47	-35	-52
Europe, Middle East and Africa	62	74	51
Asia Pacific	23	84	29
Group	12	33	7

Financial position

Cash and cash equivalents and short-term investments amounted to SEK 4,541 M (3,383) and interest-bearing liabilities amounted to SEK 5,344 M (5,272). Net debt amounted to SEK 803 M (1,889) and the net debt/equity ratio was 0.10 (0.28).

Net debt

SEK M	Apr 30, 2018	Apr 30, 2017	Jan 31 2018
Long-term interest-bearing liabilities	4,369	5,272	4,180
Short-term interest-bearing liabilities	975	0	883
Cash and cash equivalents and short-term investments	-4,541	-3,383	-3,612
Net debt	803	1,889	1,450

The exchange rate effect from the translation of cash and cash equivalents amounted to SEK -4 M (138). The translation difference in interest-bearing liabilities amounted to SEK 54 M (207). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK 499 M (364).

The change in unrealized exchange rate effects from effective cash flow hedges reported in other comprehensive income amounted to SEK -5 M (34). The closing balance of unrealized exchange rate effects from effective cash flow hedges amounted to SEK 33 M (36) exclusive of tax.

On June 29 2017, Elekta AB entered into a new five-year revolving credit facility of EUR 200 M, primarily intended to be used as a back-up financing. The previously existing EUR 175 M revolving credit facility with maturity in May 2018 was cancelled in connection with the signing of the new facility.

Outlook for fiscal year 2018/19

	Status/comment
Net sales growth of around 7 percent, based on constant exchange rates.	Based on IFRS15 restatement (see page 11). Five Elekta Unity systems is scheduled to be installed in China this year but with revenue recognized after CFDA approval, meaning not in this fiscal year.
EBITA margin of around 20 percent. (Changed from >20 percent).	In 2017/18, the EBITA-margin was 19 percent.

Significant events during the reporting period

Changes to Executive Management Team

Gustaf Salford was appointed Chief Financial Officer effective July 1, 2017. He succeeded Håkan Bergström.

Ioannis Panagiotelis was appointed Chief Marketing and Sales Officer (CMSO) effective August 23, 2017. All Elekta markets report to the CMSO except China and North America; they report directly to the CEO.

Steven Wort was appointed Chief Operating Officer effective September 1, 2017. He is an Elekta veteran and succeeded Johan Sedihn.

Paul Bergström was appointed EVP Global Services, effective November 1, 2017.

Oskar Bosson was appointed Global EVP Corporate Communications and Investor Relations, effective February 12, 2018.

New humediQ legal dispute

As earlier reported an arbitration tribunal in London issued an award in the dispute between two Elekta group companies and humediQ GmbH in May 2016. humediQ GmbH has now initiated a new arbitration against the same Elekta group companies and arising out of the same agreement as the previous arbitration. Elekta believes that the claims are meritless and will vigorously defend itself.

Investigation in Italy

As communicated in November 2015, Elekta's subsidiary in Italy and some former employees are suspected of interfering with public procurement processes. Elekta provided all requested information to the Italian authorities during the investigation which closed in August 2016. Elekta has zero tolerance for any deviation from its code of conduct and have clear corporate policies and procedures in place. The Judge of the Milan Court declared on July 3, 2017 lack of jurisdiction and the case is referred to the Prosecution Office of Monza.

McLaren Health Care and Elekta mutually terminate long-term agreement

Michigan-based McLaren Health Care and Elekta have mutually agreed to terminate their business agreement from December 2013. McLaren Health Care and Elekta will continue their business relationship, but on a smaller scale.

Elekta MR-linac functionality and CE mark update

On November 10, 2017, Elekta announced that the company extended the final stage of the development and testing of Elekta Unity in order to finalize and validate the linac control system, as well as ensure that customers can make use of the full potential of high-field functional MRI imaging from day one. Consequently, CE mark for Unity is currently expected during the first half of 2018 instead of the end of 2017.

Significant events after the reporting period

Renato Leite joined Elekta on June 1, 2018, as Executive Vice President Region Europe and member of the Executive Management team.

Employees

The average number of employees during the period was 3,702 (3,581). The increase compared to previous year is mainly related to investments in research and development.

The average number of employees in the Parent Company was 36 (30).

Shares

Total number of registered shares on April 30, 2018 was 383,568,409 of which 14,980,769 were A-shares and 368,587,640 B-shares. On April 30, 2018 1,541,368 shares were treasury shares held by Elekta.

Dividends and proposal to repurchase shares

The Board of Directors proposes a dividend of SEK 1.40 (1.00) per share for the fiscal year 2017/18 to be divided into two payments. The proposed dividend represents approximately SEK 535 M (382) and 49 percent (306) of net profit for the year.

The Board of Directors intends to propose to the Annual General Meeting 2018 to renew the authorization for the Board of Directors to decide on the acquisition of a maximum number of own shares so that, after the acquisition, the company holds no more than 10 percent of the total numbers of shares in the company.

Risks and uncertainties

Elekta's presence in a large number of geographical markets exposes the Group to political and economic risks on a global scale and/or in individual countries. United Kingdom's decision to leave the European Union, as an example, might lead to economic uncertainty that may impact Elekta since an important part of the business is located in the United Kingdom.

The competitive landscape for Elekta is continuously changing. The medical equipment industry is characterized by technological developments and continuous improvements of industrial know-how, resulting in companies launching new products and improved methods for treatment. Elekta strives to be the leader in innovation and offer the most competitive product portfolio, developed in close collaboration with key research leaders in the field. To secure the proceeds of research investments, it is of importance that such new products and new technology are protected from the risk of improper use by competitors. When possible and deemed appropriate, Elekta protects its intellectual property rights by patents, copyrights and trademark registrations. Elekta carefully

monitors intellectual property rights of third parties, but third parties may still direct infringement claims against Elekta which may lead to time-consuming and costly legal disputes as well as business interruption and other limitations in operations.

Elekta sells solutions through its direct sales force and through an external network of agents and distributors. The Company's continued success is dependent on the ability to establish and maintain successful relationships with customers. Elekta is continuously evaluating how to enter new markets, considering both the opportunities and the risks involved. There are regulatory registration requirements with each new market that potentially could delay product introductions and certifications. The stability of the political system in certain countries and the security situation for employees traveling to exposed areas are constantly evaluated. Corruption is a risk and an obstacle for development and growth in some countries. Elekta has implemented a specific anti-corruption policy to guide the business as it aims to be in line with national and international regulations and best practices against corruption as well as third party risk management processes.

Elekta's operations comprise several markets that expose the Group to a vast number of laws, regulations, policies and guidelines regarding, for example, health, security, environmental matters, trade restrictions, competition and delivery of products. Elekta's quality systems describe these requirements, which are reviewed and certified by external supervisory bodies and are regularly inspected by authorities in applicable countries, for example, the US FDA. Noncompliance of, for example, safety regulations can result in delayed or stopped deliveries of products. Changes in regulations and rules might also increase Elekta's costs and delay the development and introduction of new products.

Elekta depends also on the capability of producing advanced medical equipment, which requires highly qualified personnel. The Company's ability to attract and retain qualified personnel and management has a significant impact on the future success of the Group.

Weak economic development and high levels of public debt might, in some markets, mean less availability of financing for private customers and reduced future healthcare spending by governments. Political decisions that could impact the healthcare reimbursement systems also constitute a risk factor. Elekta's ability to commercialize products is dependent on the reimbursement level that hospitals and clinics can obtain for different types of treatments. Alterations in the existing reimbursement systems related to medical products, or implementation of new regulations, might impact future product mix in specific markets.

Elekta's delivery of treatment equipment relies largely on customers' readiness to receive the delivery at site. Depending on contractual payment terms, a delay can result in postponed invoicing and also affect timing of revenue recognition. The Group's credit risks are normally limited since customer operations are, to a large extent, financed either directly or indirectly by public funds.

Elekta depends on a number of suppliers for components. There is a risk that delivery difficulties might occur due to circumstances beyond Elekta's control. Critical suppliers are regularly followed up regarding delivery precision and quality of components.

Elekta's operations within research and development, production, distribution, marketing and administration depend on a large number of advanced IT systems and IT solutions. Routines and procedures are applied in order to protect the hardware, software and information against damages, manipulations, loss or incorrect use. If these systems and solutions should be affected by any interference resulting in loss of information it might have a negative impact on Elekta's operations, result and financial position.

In its operations, Elekta is subject to a number of financial risks primarily related to exchange rate fluctuations. In the short term, the effect of currency movements is reduced through forward contracts. Hedging is conducted on the basis of expected net sales over a period of up to 24 months. The scope of the hedging is determined by the Company's assessment of currency risks. Risk exposure is regulated through a financial policy established by the Board of Directors. The overall responsibility for handling the Group's financial risks, and developing methods and guidelines for dealing with financial risks, rests with the executive management and the finance function. For more detailed information regarding these risks, see Note 2 in the Annual Report 2016/17.

Stockholm, June 1, 2018

Richard Hausmann
President and CEO

This report has not been reviewed by the Company's auditors.

Accounting principles

This interim report is prepared, with regard to the Group, according to IAS 34 and the Swedish Annual Accounts Act and, with regard to the Parent Company, according to the Swedish Annual Accounts Act and RFR 2. The accounting principles applied correspond to those presented in Note 1 of the Annual Report 2016/17.

Implementation of new accounting principles

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial instruments are effective for annual reporting periods beginning on or after 1 January 2018 and Elekta will apply the new standards from 1 May 2018.

For IFRS 15 Elekta has decided to apply the full retrospective method with restatement of the prior year comparative period. IFRS 9 will be applied retrospectively and as permitted by the standard the comparative period will not be restated.

The net balance effect from the transition to IFRS 15 will be reported in equity and is estimated to SEK -987 M as per May 1 2018 and SEK -1,212 M at the beginning of the comparative year. The transition to IFRS 9 will affect the opening balance of fiscal year 2018/19 and the impact on equity is estimated to SEK -39 M.

The one-time effect reported in equity from the implementation of the standards is mainly relating to IFRS15 and the timing for revenue recognition of treatment solutions. According to IFRS 15 revenue recognition should occur at the time of transfer of control to the customer, which according to Elekta's assessment is when the treatment solution is ready for installation at the customer's site. Prior to the implementation of IFRS 15, revenue recognition for treatment solutions occurred when risks and rewards were transferred to the customer, which is normally at the time of shipment. The financial impact reported in equity on transition will primarily depend on the number of treatment solutions that are shipped but not yet being installed at the customer's site at this point in time. Other less significant financial effects from the transition relate to changes in the allocation of the transaction price to various performance obligations. The effects from the implementation of IFRS 15 and IFRS 9 are further described below.

The following schedule presents the estimated transition effects on equity and other balance sheet items from the implementation of IFRS 15 and IFRS 9.

SEK M	Opening balance 2017/18			Closing balance 2017/18			Opening balance 2018/19		
	Reported Apr 30, 2017	Adj. IFRS 15	Restated Apr 30, 2017	Reported Apr 30, 2018	Adj. IFRS 15	Restated Apr 30, 2018	Restated Apr 30, 2018	Adj. IFRS 9	Adjusted May 1, 2018
Non-current assets									
Deferred tax assets	375	91	466	267	83	350	350	10	360
Financial assets	308	-	308	261	-	261	261	0	261
Current assets									
Inventories	936	1,384	2,320	1,121	1,455	2,576	2,576	-	2,576
Accounts receivable	3,726	-	3,726	3,402	-	3,402	3,402	-25	3,377
Accrued income	1,640	-789	851	1,601	-441	1,160	1,160	-24	1,136
Other current receivables	802	134	936	846	222	1,068	1,068	0	1,068
Total assets	20,950	820	21,770	22,457	1,319	23,776	23,776	-39	23,737
Total equity	6,774	-1,212	5,562	7,975	-987	6,988	6,988	-39	6,949
Non-current liabilities									
Deferred tax liabilities	778	-225	553	693	-182	511	511	-	511
Current liabilities									
Advances from customers	2,531	2,680	5,211	2,575	2,741	5,316	5,316	-	5,316
Prepaid income	1,874	1	1,875	2,053	-46	2,007	2,007	-	2,007
Accrued expenses	1,875	-398	1,477	1,854	-192	1,662	1,662	-	1,662
Short-term provisions	231	-26	205	201	-15	186	186	-	186
Total equity and liabilities	20,950	820	21,770	22,457	1,319	23,776	23,776	-39	23,737

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers is a new revenue recognition standard replacing IAS 18 Revenue and IAS 11 Construction contracts. IFRS 15 introduces a new core principle which requires the

expected amount of revenue to be recognized when control over goods and services is transferred to the customer, instead of when risks and rewards are transferred which is the requirement under current standards.

The new standard introduces a five-step model that should be applied to all contracts with customers in order to establish how and when to recognize revenue:

1. Identify contracts with customers.
2. Identify the separate performance obligations.
3. Determine the transaction price of the contract.
4. Allocate the transaction price to each of the separate performance obligations.
5. Recognize the revenue as each performance obligation is satisfied.

An important amount of judgments is required when applying these steps to a contract in order to define performance obligations, transaction price, revenue allocation and timing of revenue recognition.

Allocation of the transaction price to performance obligations

A significant part of Elekta's revenue is derived from bundled deals, in which devices, software and service are included in the same contract. IFRS 15 gives clear guidance on how to allocate the transaction price to identified deliverables (performance obligations) in a bundled contract. According to the standard the allocation should be based on stand-alone selling prices and any discount should be proportionally distributed amongst the various performance obligations. A stand-alone-selling price is the price an entity charges for a good or service when the entity sells it separately in similar circumstances to similar customers. If a good or service is not sold separately the stand-alone selling price must be estimated. As part of the implementation of IFRS 15 a reassessment has been made of stand-alone selling prices and the allocation of discounts to the components included in bundled contracts. The effects vary between contracts and markets but the general impact is that under IFRS 15 more revenue will be allocated to devices and software and less revenue will be allocated to service compared with the previous allocation model. The reallocation of revenue will result in some revenue being recognized earlier as the point in time for revenue recognition of equipment and software occurs before recognizing revenue relating to the service component. The new allocation model will only affect revenues included in bundled deals as stand-alone sales are not affected by the revenue allocation model.

Timing for revenue recognition of treatment solutions

Under IFRS 15 revenue recognition should occur at the time of transfer of control to the customer. The assessment of control transfer should consider indicators such as transfer of risk and rewards, rights to payment, customer acceptance, physical possession and transfer of legal title. For the sale of equipment in a standard bundled deal, Elekta considers the transfer of control to occur when the device is ready for installation at the customer's site. At this point in time the risk and rewards are usually transferred, Elekta has the right to payment and the customer has gained physical possession of the equipment. Contractual terms may vary and therefore judgement must be applied when assessing the indicators of transfer of control. Under the previous standard revenue was recognized when risks and rewards were transferred to the customer, which is usually at the time of shipment under a standard contract. The impact of the transition to IFRS 15 is that revenue recognition for equipment included in a standard bundled deal is postponed. The financial impact reported in equity on transition relates primarily to devices that have been shipped but are not yet ready for installation at the customer's site at the transition date.

For software sales, control is considered to be transferred when the licenses are made available to the customer which is usually at the acceptance of the software. For a large part of the software licenses this is in line with revenue recognition under the previous standard. However, certain software licenses that were considered being part of the devices under the previous standard are considered to be separate performance obligations under IFRS 15, and as a result the timing of the revenue recognition has changed under IFRS 15 to be aligned with revenue recognition for other software licenses.

Based on the assessment performed, Elekta has identified the areas where the new standard requires changes to accounting policies, internal processes, procedures, systems and controls. Changes have been implemented from 1 May 2018 in order to comply with the new standard.

Effects from IFRS 15 restatement on consolidated income statement and statement of comprehensive income

SEK M	Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			May - Apr 2017/18		
	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated
Net sales	2,169	335	2,504	2,802	101	2,903	2,747	9	2,756	3,614	-205	3,409	11,333	240	11,573
Cost of products sold	-1,250	-92	-1,342	-1,620	-25	-1,645	-1,595	34	-1,561	-2,120	150	-1,970	-6,584	67	-6,517
Gross income	919	243	1,162	1,183	76	1,259	1,153	43	1,196	1,494	-55	1,439	4,748	307	5,055
Operating result	38	243	281	365	76	441	366	43	409	769	-55	714	1,538	307	1,845
Operating margin	2%		11%	13%		15%	13%		15%	21%		21%	14%		16%
Income taxes	0	-44	-44	-84	-18	-102	-25	-9	-34	-166	13	-153	-276	-62	-338
Net income	-1	199	198	247	58	305	308	34	342	544	-42	502	1,099	249	1,348
Total comprehensive income for the period	-265	199	-66	409	58	467	312	34	346	1,124	-42	1,082	1,581	249	1,830
Earnings per share before/after dilution, SEK	0.00	0.52	0.52	0.65	0.15	0.80	0.81	0.09	0.89	1.42	-0.11	1.31	2.88	0.65	3.53
Adjusted EBITA	187	243	431	509	76	585	502	43	545	918	-55	863	2,116	307	2,423
Adjusted EBITA margin	9%		17%	18%		20%	18%		20%	25%		25%	19%		21%

Effects from IFRS 15 restatement on consolidated balance sheet

SEK M	Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18		
	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated	Reported	Adj.	Restated
Non-current assets												
Deferred tax assets	290	124	414	310	131	441	260	98	358	267	83	350
Current assets												
Inventories	1,076	1,164	2,240	1,102	1,253	2,355	1,243	1,265	2,508	1,121	1,455	2,576
Accounts receivable	3,032	-	3,032	3,120	-	3,120	3,505	-	3,505	3,402	-	3,402
Accrued income	1,467	-570	897	1,545	-533	1,012	1,177	-408	769	1,601	-441	1,160
Other current receivables	878	148	1,026	917	155	1,072	926	184	1,110	846	222	1,068
Total assets	19,659	866	20,525	20,152	1,006	21,158	20,617	1,139	21,756	22,457	1,319	23,776
Total equity	6,511	-956	5,555	6,734	-919	5,815	7,040	-886	6,154	7,975	-987	6,988
Non-current liabilities												
Deferred tax liabilities	668	-134	534	669	-115	554	593	-138	455	693	-182	511
Current liabilities												
Advances from customers	2,537	2,324	4,861	2,440	2,280	4,720	2,643	2,382	5,025	2,575	2,741	5,316
Prepaid income	1,704	-50	1,654	1,764	10	1,774	1,830	-7	1,823	2,053	-46	2,007
Accrued expenses	1,611	-297	1,314	1,742	-232	1,510	1,688	-197	1,491	1,854	-192	1,662
Short-term provisions	196	-21	175	172	-18	154	140	-15	125	201	-15	186
Total equity and liabilities	19,659	866	20,525	20,152	1,006	21,158	20,617	1,139	21,756	22,457	1,319	23,776

IFRS 9 Financial instruments

IFRS 9 is a new standard on accounting for financial instruments which replaces IAS 39 Financial instruments. The standard comprises classification, measurement and impairment of financial instruments as well as hedge accounting. The financial effects from the transition to IFRS 9 for Elekta are limited and relate to the introduction of an expected credit loss model for impairment of financial assets to replace the previously used incurred loss model. The new model mainly has an effect on the calculation of bad debt losses as the new standard requires a provision for expected losses to be made for all financial receivables, including those that are not yet due. With the new model the provision for bad debt and bad debt losses will increase or decrease based on the outstanding value of financial assets as an expected loss will be calculated for all outstanding amounts based on historical experiences and expectations about the future. The financial effect from the application of the new model for calculation of bad debt losses mainly affects the value of trade receivables and accrued project income and is presented in the schedule on page 9.

IFRS 9 also introduces a new model for classification and related measurement of financial instruments. Elekta has reviewed all financial instruments in order to classify these according to the new standard and the following main categories have been identified:

Excess liquidity investments such as money market funds and tradeable securities are held in a portfolio managed on a fair value basis and will be classified as financial assets at fair value through profit or loss.

Trade receivables within the group are in general held with the objective to collect contractual cash flows and therefore fulfill the requirements for being classified into the hold to collect business model with valuation at amortized cost. In some countries Elekta holds trade receivables that may be sold and are managed within a business model with the objective to realize cash flows through both collection of contractual cash flows and selling of the asset. These trade receivables are valued at fair value through other comprehensive income. The reclassification of assets does not result in any material changes in valuation of assets at the transition date.

Hedge accounting will be applied in accordance with IFRS 9 and Elekta has confirmed that existing hedging relationships will qualify for hedge accounting under the new standard. In general, IFRS 9, more closely than the previous standard, aligns the hedge accounting rules to the risk management objectives of a company. Elekta applies hedge accounting for the hedging of foreign currency risks and from time to time also for hedging interest rate risks. The application of hedge accounting according to IFRS 9 will not result in any financial effects at the transition date.

Exchange rates

Country	Currency	Average rate			Closing rate		
		May - Apr 2017/18	May - Apr 2016/17	Change *	Apr 30, 2018	Apr 30, 2017	Change *
Euroland	1 EUR	9.811	9.518	3%	10.509	9.630	9%
Great Britain	1 GBP	11.103	11.314	-2%	11.942	11.439	4%
Japan	1 JPY	0.075	0.080	-6%	0.079	0.079	0%
United States	1 USD	8.302	8.694	-5%	8.664	8.840	-2%

*April 30, 2018 vs April 30, 2017

Regarding foreign Group companies, order intake and income statements are translated at average exchange rates for the reporting period, while order backlog and balance sheets are translated at closing exchange rates.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT SEK M	Q4 2017/18	Q4 2016/17	May - Apr 2017/18	May - Apr 2016/17
Net sales	3,614	3,715	11,333	10,704
Cost of products sold	-2,120	-2,139	-6,584	-6,277
Gross income	1,494	1,576	4,748	4,427
Selling expenses	-326	-296	-1,208	-1,165
Administrative expenses	-224	-248	-948	-928
R&D expenses	-234	-285	-1,095	-1,018
Exchange rate differences	60	-147	42	-201
Operating result before items affecting comparability	769	601	1,538	1,115
Items affecting comparability	-	-253	-	-518
Operating result	769	347	1,538	598
Result from participations in associates	-13	7	-7	-17
Interest income	23	14	67	31
Interest expenses and similar items	-69	-75	-225	-271
Exchange rate differences	0	4	1	-1
Profit before tax	710	296	1,374	340
Income taxes	-166	-204	-276	-214
Net income	544	93	1,099	126
<i>Net income attributable to:</i>				
Parent Company shareholders	544	93	1,099	125
Non-controlling interests	0	-	0	1
Earnings per share before dilution, SEK	1.42	0.24	2.88	0.33
Earnings per share after dilution, SEK	1.42	0.24	2.88	0.33
STATEMENT OF COMPREHENSIVE INCOME				
SEK M				
Net income	544	93	1,099	126
Other comprehensive income:				
<i>Items that will not be reclassified to the income statement:</i>				
Remeasurements of defined benefit pension plans	-19	1	-19	1
Tax	5	0	5	0
Total items that will not be reclassified to the income statement	-14	1	-14	1
<i>Items that subsequently may be reclassified to the income statement:</i>				
Revaluation of cash flow hedges	-112	163	-5	34
Translation differences from foreign operations	683	150	499	364
Tax	23	-32	2	-7
Total items that subsequently may be reclassified to the income statement	594	281	496	391
Other comprehensive income for the period	580	282	482	392
Total comprehensive income for the period	1,124	375	1,581	518
<i>Comprehensive income attributable to:</i>				
Parent Company shareholders	1,124	375	1,581	517
Non-controlling interests	0	-	0	1

RESULT OVERVIEW

SEK M	Q4 2017/18	Q4 2016/17	May - Apr 2017/18	May - Apr 2016/17
Operating result/EBIT before items affecting comparability	769	601	1,538	1,115
Bad debt losses	15	16	53	46
<i>Amortization:</i>				
Capitalized development costs	103	131	408	380
Assets relating to business combinations	30	31	116	119
EBITA before items affecting comparability and bad debt losses	918	779	2,116	1,661

CONSOLIDATED BALANCE SHEET

SEK M	Apr 30, 2018	Apr 30, 2017
Non-current assets		
Intangible assets	9,175	8,704
Tangible fixed assets	895	795
Financial assets	261	308
Deferred tax assets	267	375
Total non-current assets	10,598	10,181
Current assets		
Inventories	1,121	936
Accounts receivable	3,402	3,726
Accrued income	1,601	1,640
Current tax assets	177	191
Derivative financial instruments	170	92
Other current receivables	846	802
Short-term investments	83	-
Cash and cash equivalents	4,458	3,383
Total current assets	11,858	10,769
Total assets	22,457	20,950
Elektas owners' equity	7,975	6,774
Non-controlling interests	0	0
Total equity	7,975	6,774
Non-current liabilities		
Long-term interest-bearing liabilities	4,369	5,272
Deferred tax liabilities	693	778
Long-term provisions	158	142
Other long-term liabilities	63	33
Total non-current liabilities	5,283	6,224
Current liabilities		
Short-term interest-bearing liabilities	975	0
Accounts payable	1,132	1,000
Advances from customers	2,575	2,531
Prepaid income	2,053	1,874
Accrued expenses	1,854	1,875
Current tax liabilities	107	111
Short-term provisions	201	231
Derivative financial instruments	46	48
Other current liabilities	257	281
Total current liabilities	9,199	7,952
Total equity and liabilities	22,457	20,950

CASH FLOW

SEK M	Q4 2017/18	Q4 2016/17	May - Apr 2017/18	May - Apr 2016/17
Profit before tax	710	296	1,374	340
Amortization and depreciation	174	201	675	655
Interest net	28	41	97	178
Other non-cash items	95	65	257	50
Interest received and paid	-11	-38	-98	-189
Income taxes paid	-75	-65	-250	-268
<i>Operating cash flow</i>	<i>920</i>	<i>500</i>	<i>2,054</i>	<i>767</i>
Increase (-)/decrease (+) in inventories	205	339	-136	231
Increase (-)/decrease (+) in operating receivables	223	-245	404 *	158
Increase (+)/decrease (-) in operating liabilities	-113	629	83	662 *
<i>Change in working capital</i>	<i>314</i>	<i>723</i>	<i>351</i>	<i>1 051</i>
<i>Cash flow from operating activities</i>	<i>1,235</i>	<i>1,222</i>	<i>2,404</i>	<i>1,819</i>
Investments intangible assets	-206	-165	-642	-633 *
Investments other assets	-51	-41	-212	-141
Sale of fixed assets	0	-	38 *	0
<i>Continuous investments</i>	<i>- 256</i>	<i>-206</i>	<i>- 816</i>	<i>- 774</i>
<i>Cash flow after continuous investments</i>	<i>979</i>	<i>1,016</i>	<i>1,589</i>	<i>1,045</i>
Increase(-)/decrease(+) in short-term investments	6	-	-83	-
Business combinations and investments in other shares	-16	-5	-58	-18
<i>Cash flow after investments</i>	<i>968</i>	<i>1,011</i>	<i>1,447</i>	<i>1,027</i>
<i>Cash flow from financing activities</i>	<i>-176</i>	<i>75</i>	<i>-367</i>	<i>-55</i>
<i>Cash flow for the period</i>	<i>792</i>	<i>1,086</i>	<i>1,080</i>	<i>972</i>
<i>Change in cash and cash equivalents during the period</i>				
Cash and cash equivalents at the beginning of the period	3,523	2,284	3,383	2,273
Cash flow for the period	792	1,086	1,080	972
Exchange rate differences	143	13	-4	138
<i>Cash and cash equivalents at the end of the period</i>	<i>4,458</i>	<i>3,383</i>	<i>4,458</i>	<i>3,383</i>

* Adjusted for receivables/liabilities relating to investments/sale of fixed assets.

CHANGES IN EQUITY

SEK M	May - Apr 2017/18	May - Apr 2016/17
<i>Attributable to Elekta's owners</i>		
Opening balance	6,774	6,402
Comprehensive income for the period	1,581	517
Incentive programs including deferred tax	2	5
Conversion of convertible loan	-	72
Acquisition of non-controlling interest	-	-31
Dividend	-382	-191
<i>Total</i>	<i>7,975</i>	<i>6,774</i>
<i>Attributable to non-controlling interests</i>		
Opening balance	0	10
Comprehensive income for the period	0	1
Acquisition of non-controlling interest	-	-1
Dividend	-	-10
<i>Total</i>	<i>0</i>	<i>0</i>
<i>Closing balance</i>	<i>7,975</i>	<i>6,774</i>

Financial instruments

The table below shows the fair value of the Group's financial instruments, for which fair value is different than carrying value. The fair value of all other financial instruments is assumed to correspond to the carrying value.

SEK M	Apr 30, 2018		Apr 30, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing liabilities	4,369	4,372	5,272	5,322
Short-term interest-bearing liabilities	975	975	0	0

The Group's financial assets and financial liabilities, which have been measured at fair value, have been categorized in the fair value hierarchy. The different levels are defined as follows:

- Level 1: Quoted prices on an active market for identical assets or liabilities.
- Level 2: Other observable data than quoted prices included in Level 1, either directly (that is, price quotations) or indirectly (that is, obtained from price quotations).
- Level 3: Data not based on observable market data.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

SEK M	Level	Apr 30, 2018	Apr 30, 2017
FINANCIAL ASSETS			
<i>Financial assets measured at fair value through profit or loss:</i>			
Derivative financial instruments – non-hedge accounting	2	111	44
<i>Derivatives used for hedging purposes:</i>			
Derivative financial instruments – hedge accounting	2	59	63
Total financial assets		170	107
FINANCIAL LIABILITIES			
<i>Financial liabilities at fair value through profit or loss:</i>			
Derivative financial instruments – non-hedge accounting	2	27	20
Contingent consideration	3	20	77
<i>Derivatives used for hedging purposes:</i>			
Derivative financial instruments – hedge accounting	2	26	28
Total financial liabilities		73	125

KEY FIGURES

	May - Apr 2012/13	May - Apr 2013/14	May - Apr 2014/15	May - Apr 2015/16	May - Apr 2016/17	May - Apr 2017/18
Gross order intake, SEK M	n/a	n/a	12,825	13,821	14,064	14,493
Net sales, SEK M	10,339	10,694	10,839	11,221	10,704	11,333
Order backlog, SEK M	11,942	13,609	17,087	18,239	22,459	24,675
Operating result, SEK M	2,012	1,727	937	423	598	1,538
Operating margin before items affecting comparability, %	20	18	9	9	10	14
Operating margin, %	19	16	9	4	6	14
Profit margin, %	17	14	7	2	3	12
Shareholders' equity, SEK M	5,560	6,257	6,646	6,412	6,774	7,975
Capital employed, SEK M	10,112	10,743	12,678	11,360	12,046	13,319
Net debt, SEK M	1,985	2,239	2,768	2,677	1,889	803
Net debt/equity ratio, multiple	0.36	0.36	0.42	0.42	0.28	0.10
Return on shareholders' equity, %	27	21	9	2	2	16
Return on capital employed, %	21	17	9	4	5	13
Operational cash conversion, %	79	60	126	111	145	109
Average number of employees	3,336	3,631	3,679	3,677	3,581	3,702

DATA PER SHARE

	May - Apr 2012/13	May - Apr 2013/14	May - Apr 2014/15	May - Apr 2015/16	May - Apr 2016/17	May - Apr 2017/18
Earnings per share						
before dilution, SEK	3.52	3.01	1.45	0.36	0.33	2.88
after dilution, SEK	3.52	3.00	1.45	0.36	0.33	2.88
Cash flow per share						
before dilution, SEK	3.17	1.31	1.78	1.00	2.69	3.79
after dilution, SEK	3.17	1.24	1.78	1.00	2.69	3.79
Shareholders' equity per share						
before dilution, SEK	14.55	16.39	17.41	16.79	17.73	20.87
after dilution, SEK	14.55	20.32	17.41	16.79	17.73	20.87
Average number of shares						
before dilution, 000s	380,672	381,277	381,287	381,288	381,306	382,027
after dilution, 000s	380,672	400,686	381,287	381,288	381,306	382,027
Number of shares at closing						
before dilution, 000s *	381,270	381,287	381,287	381,288	382,027	382,027
after dilution, 000s	381,270	400,696	381,287	381,288	382,027	382,027

In September 2012 a 4:1 share split was conducted. The data per share and number of shares has been restated pro forma.

* Number of registered shares at closing excluding treasury shares (1,541,368 per April 30, 2018).

DATA PER QUARTER

SEK M	2015/16				2016/17				2017/18				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross order intake	5,238	2,662	3,383	3,653	4,366	2,738	3,267	3,833	4,656				
Net sales	3,607	1,882	2,434	2,673	3,715	2,169	2,802	2,747	3,614				
EBITA before items affecting comparability and bad debt losses	785	166	391	325	779	187	509	502	918				
Operating result	155	-34	140	144	347	38	365	366	769				
Cash flow from operating activities	846	-139	342	394	1,222	76	403	691	1,235				

ORDER INTAKE GROWTH BASED ON CONSTANT EXCHANGE RATES *

	2015/16				2016/17				2017/18				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
North and South America, %	15	-16	4	-6	-19	-6	14	15	10				
Europe, Middle East and Africa, %	38	14	-17	116	-32	-4	-5	-5	28				
Asia Pacific, %	-5	20	10	2	-5	7	-11	33	-9				
Group, %	16	4	-2	34	-20	0	0	9	10				

* From Q1 2016/17 the numbers are based on gross order intake.

Segment reporting

Elekta applies geographical segmentation. Order intake, net sales and contribution margin for respective regions are reported to Elekta's CFO and CEO (chief operating decision makers). The regions' expenses are directly attributable to the respective region reported including cost of products sold. Global costs for R&D, marketing, management of product supply centers and Parent Company are not allocated per region. Currency exposure is concentrated to product supply centers. The majority of exchange differences in operations are reported in global costs.

May - Apr 2017/18						
SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other/ Group-wide	Group total	% of net sales
Net sales	3,878	4,280	3,175	-	11,333	
Regional expenses	-2,476	-2,807	-2,184	-	-7,467	66%
Contribution margin	1,401	1,473	992	-	3,865	34%
Contribution margin, %	36%	34%	31%			
Global costs				-2,327	-2,327	21%
Operating result before items affecting comparability	1,401	1,473	992	-2,327	1,538	14%
Items affecting comparability				-	-	
Operating result	1,401	1,473	992	-2,327	1,538	14%
Net financial items				-164	-164	
Profit before tax	1,401	1,473	992	-2,491	1,374	

May - Apr 2016/17						
SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other/ Group-wide	Group total	% of net sales
Net sales	4,147	3,444	3,114	-	10,704	
Regional expenses	-2,600	-2,365	-2,174	-	-7,139	67%
Contribution margin	1,547	1,079	940	-	3,565	33%
Contribution margin, %	37%	31%	30%			
Global costs				-2,450	-2,450	23%
Operating result before items affecting comparability	1,547	1,079	940	-2,450	1,115	10%
Items affecting comparability				-518	-518	
Operating result	1,547	1,079	940	-2,968	598	6%
Net financial items				-258	-258	
Profit before tax	1,547	1,079	940	-3,226	340	

Elekta's operations are characterized by significant quarterly variations in delivery volumes and product mix, which have a direct impact on net sales and profits. This is accentuated when the operation is split into segments, as is the impact of currency fluctuations between the years.

PARENT COMPANY

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK M	May - Apr 2017/18	May - Apr 2016/17
Operating expenses	-86	-118
Financial net	746	176
Income after financial items	661	58
Tax	- 63	33
Net income	598	91
Statement of comprehensive income		
Net income	598	91
Other comprehensive income	-	-
Total comprehensive income	598	91

BALANCE SHEET

SEK M	Apr 30, 2018	Apr 30, 2017
Non-current assets		
Intangible assets	68	75
Shares in subsidiaries	2,239	2,222
Receivables from subsidiaries	2,411	2,679
Other financial assets	14	26
Deferred tax assets	0	63
Total non-current assets	4,731	5,065
Current assets		
Receivables from subsidiaries	3,468	3,870
Other current receivables	137	31
Other short-term investments	83	-
Cash and cash equivalents	3,625	2,479
Total current assets	7,312	6,380
Total assets	12,044	11,445
Shareholders' equity	2,823	2,606
Non-current liabilities		
Long-term interest-bearing liabilities	4,366	5,268
Long-term liabilities to Group companies	39	39
Long-term provisions	9	36
Total non-current liabilities	4,414	5,343
Current liabilities		
Short-term interest-bearing liabilities	959	-
Short-term liabilities to Group companies	3,754	3,342
Short-term provisions	0	30
Other current liabilities	94	123
Total current liabilities	4,807	3,495
Total shareholders' equity and liabilities	12,044	11,445

Alternative performance measures

Alternative Performance Measures (APMs) are measures and key figures that Elekta's management and other stakeholders use when managing and analyzing Elekta's business performance. These measures are not substitutes, but rather supplements to financial reporting measures prepared in accordance with IFRS. Key figures and other APMs used by Elekta are defined on www.elekta.com/investors/financials/definitions.php. Definitions and additional information on APMs can also be found on pages 111-114 in the Annual Report 2016/17.

Order and sales growth based on constant exchange rates

Elekta's order intake and sales are, to a large extent, reported in subsidiaries with other functional currencies than SEK, which is the group reporting currency. In order to present order and sales growth on a more comparable basis and to show the impact of currency fluctuations, order and sales growth based on constant exchange rates are presented. The schedules below present growth based on constant exchange rates reconciled to the total growth reported in accordance with IFRS.

Change gross order intake	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
Q4 2017/18 vs. Q4, 2016/17								
Change based on constant exchange rates	10	158	28	394	-9	-129	10	423
Currency effects	-7	-111	4	54	-5	-76	-3	-133
Reported change	3	47	32	448	-14	-205	7	290
Q4 2016/17 vs. Q4 2015/16								
Change based on constant exchange rates	-19	-340	-32	-640	-5	-72	-20	-1,052
Currency effects	3	60	1	22	7	98	3	180
Reported change	-16	-280	-31	-618	2	26	-17	-872
May - Apr 2017/18 vs. May - Apr 2016/17								
Change based on constant exchange rates	9	422	4	210	2	105	5	737
Currency effects	-5	-218	2	101	-4	-191	-2	-308
Reported change	5	204	6	311	-2	-86	3	429
May - Apr 2016/17 vs. May - Apr 2015/16								
Change based on constant exchange rates	-11	-545	4	193	5	202	-1	-150
Currency effects	2	107	1	61	6	225	3	393
Reported change	-9	-438	5	254	11	427	2	243
Change net sales								
Change net sales	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
Q4 2017/18 vs. Q4, 2016/17								
Change based on constant exchange rates	-10	-140	9	120	0	0	0	-20
Currency effects	-6	-81	4	51	-5	-52	-3	-82
Reported change	-16	-221	14	171	-5	-52	-3	-101
Q4 2016/17 vs. Q4 2015/16								
Change based on constant exchange rates	17	195	7	83	-23	-294	0	-16
Currency effects	5	61	-1	-7	5	70	3	124
Reported change	22	257	6	76	-18	-224	3	108
May - Apr 2017/18 vs. May - Apr 2016/17								
Change based on constant exchange rates	-2	-95	22	763	7	203	8	871
Currency effects	-4	-174	2	73	-5	-142	-2	-243
Reported change	-6	-269	24	836	2	61	6	629
May - Apr 2016/17 vs. May - Apr 2015/16								
Change based on constant exchange rates	1	40	-5	-183	-17	-606	-7	-749
Currency effects	3	102	-1	-24	4	155	2	233
Reported change	4	142	-6	-207	-13	-451	-5	-516

EBITA before items affecting comparability and bad debt losses (Adjusted EBITA)

EBITA adjusted for items affecting comparability and bad debt losses is used by management to evaluate the business and is considered to assist management and investors in comparing the performance across reporting periods on a consistent basis. Bad debt losses have been excluded as these relate to turbulence in the market that is not expected to occur on a regular basis. For a reconciliation of EBITA adjusted for items affecting comparability and bad debt losses, to operating result (EBIT) as presented in the IFRS income statement, see page 13.

EBITDA

EBITDA is used for the calculation of operational cash conversion.

SEK M	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
Operating result/EBIT	347	38	365	366	769
<i>Amortization:</i>					
Capitalized development costs	131	110	96	98	103
Assets relating business combinations	31	29	30	27	30
Depreciation	39	38	36	37	40
EBITDA	548	215	527	528	942

Items affecting comparability

Items affecting comparability are events or transactions with significant financial effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods, including restructuring programs, expenses relating to major legal disputes, impairments and gains and losses from acquisitions or disposals of subsidiaries. The classification of revenue or expenses as items affecting comparability is based on management's assessment of the characteristics and also the materiality of the item.

SEK M	Q4 2017/18				Q4 2016/17			
	Before items affecting comparability	Restructuring costs	Legal fees	Including items affecting comparability	Before items affecting comparability	Restructuring costs	Legal fees	Including items affecting comparability
Net sales	3,614	-	-	3,614	3,715	-	-	3,715
Cost of products and services sold	-2,120	-	-	-2,120	-2,139	-1	-	-2,140
Gross profit	1,494	-	-	1,494	1,576	-1	-	1,575
Selling expenses	-326	-	-	-326	-296	0	-	-296
Administrative expenses	-224	-	-	-224	-248	-147	-105	-500
R&D expenses	-234	-	-	-234	-285	-1	-	-286
Exchange rate differences	60	-	-	60	-147	-	-	-147
Operating result	769	-	-	769	601	-149	-105	347

SEK M	May - Apr 2017/18				May - Apr 2016/17			
	Before items affecting comparability	Restructuring costs	Legal fees	Including items affecting comparability	Before items affecting comparability	Restructuring costs	Legal fees	Including items affecting comparability
Net sales	11,333	-	-	11,333	10,704	-	-	10,704
Cost of products and services sold	-6,584	-	-	-6,584	-6,277	-23	-	-6,300
Gross profit	4,748	-	-	4,748	4,427	-23	-	4,404
Selling expenses	-1,208	-	-	-1,208	-1,165	-5	-	-1,170
Administrative expenses	-948	-	-	-948	-928	-231	-235	-1,394
R&D expenses	-1,095	-	-	-1,095	-1,018	-24	-	-1,042
Exchange rate differences	42	-	-	42	-201	-	-	-201
Operating result	1,538	-	-	1,538	1,115	-283	-235	598

Return on capital employed

Return on capital employed is a measure of the profitability after taking into account the amount of total capital used unrelated to type of financing. A higher return on capital employed indicates a more efficient use of capital. Capital employed represents the value of the balance sheet net assets that is the key driver of cash flow and capital required to run the business. It is also used in the calculation of return on capital employed.

SEK M	Apr 30, 2017	Jul 31, 2017	Okt 31, 2017	Jan 31, 2018	Apr 30, 2018
Profit before tax (12 months rolling)	340	424	683	960	1,374
Financial expenses (12 months rolling)	271	253	232	231	225
Profit before tax plus financial expenses	611	677	915	1,191	1,599
Total assets	20,950	19,659	20,152	20,617	22,457
Deferred tax liabilities	-778	-668	-669	-593	-693
Long-term provisions	-142	-159	-165	-159	-158
Other long-term liabilities	-33	-15	-5	-57	-63
Accounts payable	-1,000	-806	-970	-962	-1,132
Advances from customers	-2,531	-2,537	-2,440	-2,643	-2,575
Prepaid income	-1,874	-1,704	-1,764	-1,830	-2,053
Accrued expenses	-1,875	-1,611	-1,742	-1,688	-1,854
Current tax liabilities	-111	-96	-89	-93	-107
Short-term provisions	-231	-196	-172	-140	-201
Derivative financial instruments	-48	-74	-21	-49	-46
Other current liabilities	-281	-212	-230	-300	-257
Capital employed	12,046	11,582	11,884	12,103	13,318
Average capital employed (last five quarters)	11,668	11,712	11,765	11,833	12,187
Return on capital employed	5%	6%	8%	10%	13%

Return on shareholders' equity

Return on shareholders' equity measures the return generated on shareholders' capital invested in the company.

SEK M	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
Net income (12 months rolling)	126	189	382	648	1,099
Average shareholders' equity excluding non-controlling interests (last five quarters)	6,541	6,563	6,604	6,696	7,007
Return on shareholders' equity	2%	3%	6%	10%	16%

Operational cash conversion

Cash flow is a focus area for management. The operational cash conversion shows the relation between cash flow from operating activities and EBITDA.

SEK M	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
Cash flow from operating activities	1,222	76	403	691	1,235
EBITDA	548	215	527	528	942
Operational cash conversion	223%	35%	76%	131%	131%

Working capital

In order to optimize cash generation, management focuses on working capital and reducing lead times between orders booked and cash received. A reconciliation of working capital to items in the balance sheet is presented on page 5.

Days sales outstanding (DSO)

DSO is used by management to follow the development of overall payment terms to customers, which have significant impact on working capital and cash flow.

SEK M	Apr 30, 2017	Jul 31, 2017	Okt 31, 2017	Jan 31, 2018	Apr 30, 2018
Accounts receivable	3,726	3,032	3,120	3,505	3,402
Accrued income	1,640	1,467	1,545	1,177	1,601
Advances from customers	-2,531	-2,537	-2,440	-2,643	-2,575
Prepaid income	-1,874	-1,704	-1,764	-1,830	-2,053
Net receivable from customers	961	258	461	209	375
Net sales (12 months rolling)	10,704	10,991	11,359	11,434	11,333
Number of days	365	365	365	365	365
Net sales per day	29	30	31	31	31
Days sales outstanding (DSO)	33	9	15	7	12

Net debt and net debt/equity ratio

Net debt is important to understand the financial stability of the company. Net debt is used by management to track the debt evolution and to analyze the leverage and refinancing need of the Group. Net debt/equity ratio is one of Elekta's financial targets.

SEK M	Apr 30, 2017	Jul 31, 2017	Okt 31, 2017	Jan 31, 2018	Apr 30, 2018
Long-term interest-bearing liabilities	5,272	4,650	4,726	4,180	4,369
Short-term interest-bearing liabilities	0	421	423	883	975
Cash and cash equivalents and short-term investments	-3,383	-3,158	-3,214	-3,612	-4,541
Net debt	1,889	1,912	1,936	1,450	803
Shareholders' equity	6,774	6,511	6,734	7,040	7,975
Net debt/equity ratio, multiple	0.28	0.29	0.29	0.21	0.10

Shareholder information

Conference call

Elekta will host a telephone conference at 10:00-11:00 CET on June 1, 2018, with President and CEO Richard Hausmann, and CFO Gustaf Salford.

To take part in the conference call, please dial in about five minutes in advance.

Swedish dial-in number: +46 (0) 8 566 426 91
UK dial-in number: +44 (0) 203 008 9808
US dial-in number: +1 855 753 2237

The webcast will be through the following link:

<http://event.on24.com/wcc/r/1675245-1/B71E80003AFADF4428F8EED766E0AF51>

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Financial calendar

Annual report 2017/18	August 9, 2018
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Interim report May-July 2018/19	August 30, 2018
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Annual General Meeting 2018	August 30, 2018
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Interim report May-October 2018/19	November 29, 2018
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