



## Third quarter

- Gross order intake amounted to SEK 4,276 M (4,551), corresponding to an 11 percent decrease in order intake in constant currency
- Net sales were SEK 3,656 M (3,320), corresponding to a 5 percent growth in constant currency
- Gross margin amounted to 42.0 (40.7) percent
- EBITA increased by 28 percent to SEK 648 M (505), corresponding to an EBITA margin of 17.7 percent (15.2)
- Earnings per share was SEK 0.81 (0.55) before/after dilution
- Cash flow after continuous investments was SEK -224 M (-222)
- 1 Elekta Unity order booked in the quarter

## First nine months

- Gross order intake amounted to SEK 12,702 M (11,395), corresponding to a 6 percent growth in constant currency
- Net sales were SEK 10,593 M (9,468), corresponding to a 7 percent growth in constant currency
- Gross margin amounted to 41.8 (40.5) percent
- EBITA amounted to SEK 1,635 M (1,492), corresponding to an EBITA margin of 15.4 percent (15.8)
- Earnings per share was SEK 1.77 (1.73) before/after dilution
- Cash flow after continuous investments was SEK -774 M (-397)
- 20 Elekta Unity orders booked in the period

## Significant events after the quarter

- Québec to acquire advanced linear accelerators, at a total order value of approximately SEK 407 million
- Elekta appoints new Head of Region North and Central America

## Group summary

SEK M	Q3			First nine months		
	2019/20	2018/19	Δ	19/20	18/19	Δ
Gross order intake	4,276	4,551	-11%	12,702	11,395	6%
Net sales	3,656	3,320	5%	10,593	9,468	7%
Gross margin	42.0%	40.7%	1.2 ppts	41.8%	40.5%	1.3 ppts
EBITA	648	505	28%	1,635	1,492	10%
EBITA margin	17.7%	15.2%	2.5 ppts	15.4%	15.8%	-0.3 ppts
EBIT	443	311	42%	999	941	6%
Cash flow <sup>1</sup>	-224	-222	-1%	-774	-397	-95%
Earnings per share, SEK <sup>2</sup>	0.81	0.55	47%	1.77	1.73	2%

<sup>1</sup> After continuous investments

<sup>2</sup> Before / after dilution

<sup>3</sup> Compared to last fiscal year based on constant currency

## Outlook for fiscal year 2019/20

- Net sales growth of 8-10 percent based on constant currency
- EBITA margin of around 18 percent

This is information in such that Elekta AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by the below mentioned contact persons at 07:30 CET on February 20, 2020. (REGMAR)

Forward-looking information. This report included forward-looking statements including, but not limited to, statements relation 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. Some of these risks and uncertainties are described further in the section "Risk and uncertainties". Elekta undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulations.

## CEO comment

# Outlook maintained for the full-year – soft quarter

We delivered an improved EBITA margin supported by good sales in Neuro and Oncology Informatics as well as by our cost reduction program. However, the third quarter was disappointing from an order perspective as the US business did not live up to our expectations. Our order pipeline of Elekta Unity is strong, which ensures that the order target will be met – most likely already in the fourth quarter.

## Slow order intake from the US

Poor performance in the US, was the main reason for the negative order development in the quarter. With the reported changes taken place in the regional management I feel confident that we will drive performance in the region going forward. In EMEA we won large orders that increased growth in the region, both in mature and emerging markets. China continued to deliver healthy growth and we confirmed our market leadership. We have a very strong order pipeline for Elekta Unity and are confident in reaching our order target – most likely already in the fourth quarter – even if we only booked one system in the third quarter.

## Strong revenue growth in EMEA and APAC

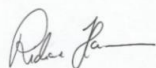
Revenues in EMEA and Asia Pacific came in at good double-digit growth rates with great performance in China. In the quarter we installed five Elekta Unity, and for the full fiscal year the plan is around 10 systems in total. This excludes the systems needed for the approval process in China. The low overall revenue growth was a result of lower installation volumes in the US. The development of the Coronavirus in China requires close monitoring. We are systematically balancing the commitment to our customers with the responsibility for our employees. In the short term we do not see any major production or engineering issues. However, there are challenges in order flow and installations in China and the financial impact of these challenges cannot be quantified until we know how the situation evolves.

## Improved profitability

Gross margin increased due to strong sales in Neuro and Oncology Informatics as well as the initial effects of our COGS reduction program. EBITA margin improved compared to both last year and the previous quarter. Cash flow was negative in the quarter due to high working capital levels. Levels that we will reduce in the fourth quarter.

## Paradigm shift in radiation therapy

Globally, there are now 20 Elekta Unity systems in clinical use treating patients. This provides us with clinical outcome underlining the importance of real-time adaptation and the superior precision of the MR-Linac. Driving this paradigm shift through a vendor-neutral cooperation with ViewRay will facilitate a faster and broader market reach of our unique MR-Linac. However, our strategy Precision Radiation Medicine is more than MR-Linac. We work continuously to develop innovations that drive change e.g. through AI and real-world data in our software solutions. Making our products accessible for everyone around the world is also a firm statement. To mention some examples, we received the first order for a Leksell Gamma Knife in Dubai and the first ever linac in Rwanda, an Elekta Synergy, was inaugurated on World Cancer Day, February 4<sup>th</sup>. Another acknowledgement I am proud of is the award of being category leaders in two 2020 Best in KLAS, both for our Versa HD™ and for MOSAIQ®. I would like to thank the global Elekta team for their continuous engagement in driving innovation and helping clinics fight cancer.



Richard Hausmann  
President and CEO



**17.7%**  
EBITA margin

Confident  
to reach the  
target of 75  
Elekta Unity

## Third quarter

# Order intake and order backlog

Gross order intake decreased by 6 percent to SEK 4,276 M (4,551) and 11 percent based on constant currency.

Order backlog was SEK 33,945 M, compared to SEK 32,003 M on April 30, 2019. Order backlog is converted at closing exchange rates, which resulted in a positive translation difference of SEK 231 M.

## Gross order intake

SEK M	Q3		Δ <sup>1</sup>		First nine months		Δ <sup>1</sup>	
	2019/20	2018/19			2019/20	2018/19		
North and South America	795	1,316	-43%	-40%	3,061	3,181	-10%	-4%
Europe, Middle East and Africa	2,158	1,882	9%	15%	5,123	4,480	11%	14%
Asia Pacific	1,322	1,353	-6%	-2%	4,518	3,735	15%	21%
<b>Group</b>	<b>4,276</b>	<b>4,551</b>	<b>-11%</b>	<b>-6%</b>	<b>12,702</b>	<b>11,395</b>	<b>6%</b>	<b>11%</b>

<sup>1</sup> Compared to last fiscal year based on constant currency

## North and South America

During the third quarter North and South America had a negative development in order intake of -43 percent in constant currency. The decline was driven by the US market and measures are taken to improve the performance. South America reported good order growth with Brazil and Colombia showing strong development in the quarter.

## Europe, Middle East and Africa (EMEA)

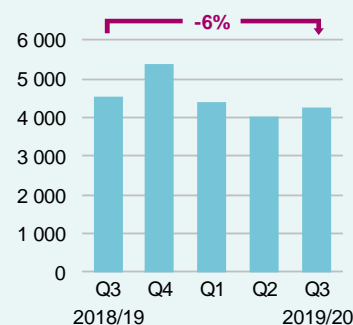
With an order growth of 9 percent constant currency EMEA had a good order growth in the third quarter. Belgium, Germany and Switzerland showed a strong quarter. Among the emerging markets Uganda, Egypt and Nigeria reported high order intake growth.

During the third quarter Institut Jules Bordet in Belgium ordered one Elekta Unity in a large bundled deal also covering a large spectrum of products in other business lines.

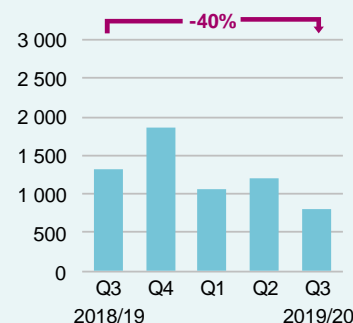
## Asia Pacific

For the Asia Pacific region order intake declined during the third quarter. Measured in constant currency the order growth rate was -6 percent. China showed good order growth and received among others a large order from private HEDY Group of Guangzhou. Good growth was also reported from e.g. Vietnam and India. The Japanese market continued to be soft and due to strong comparable order intake in last year's third quarter countries such as Australia, Indonesia and Taiwan showed slower development.

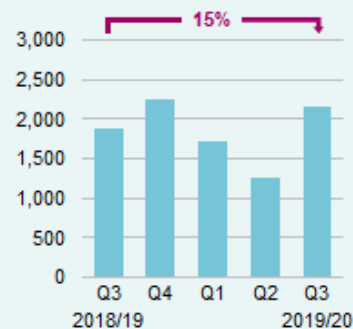
### Gross order intake



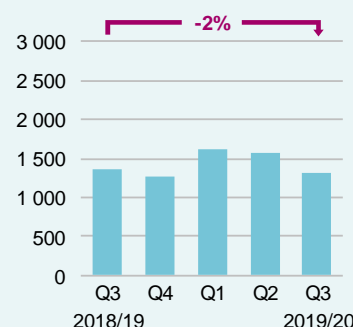
### Gross order intake North and South America



### Gross order intake Europe, Middle East and Africa



### Gross order intake Asia Pacific



## Third quarter

# Net sales

Net sales increased to SEK 3,656 M (3,320) in the third quarter, representing a growth of 10 percent or 5 percent based on constant currency. Europe, Middle East and Africa as well as Asia Pacific showed very good growth rates, whereas North and South America had a negative development.

### Net sales per region

SEK M	Q3				First nine months			
	2019/20	2018/19	Δ <sup>1</sup>	Δ	2019/20	2018/19	Δ <sup>1</sup>	Δ
North and South America	1,009	1,245	-23%	-19%	3,227	3,297	-8%	-2%
Europe, Middle East and Africa	1,428	1,103	25%	29%	3,975	3,395	15%	17%
Asia Pacific	1,219	972	19%	25%	3,391	2,777	16%	22%
<b>Group</b>	<b>3,656</b>	<b>3,320</b>	<b>5%</b>	<b>10%</b>	<b>10,593</b>	<b>9,468</b>	<b>7%</b>	<b>12%</b>

<sup>1</sup> Compared to last fiscal year based on constant currency

### North and South America

In the third quarter net sales in constant currency declined in North and South America by -23 percent. Net sales in both the North and the South American market decreased. Software and services reported healthy revenue but installations of mainly linacs were delayed. In South America countries such as Bolivia and Argentina showed good growth.

### Europe, Middle East and Africa (EMEA)

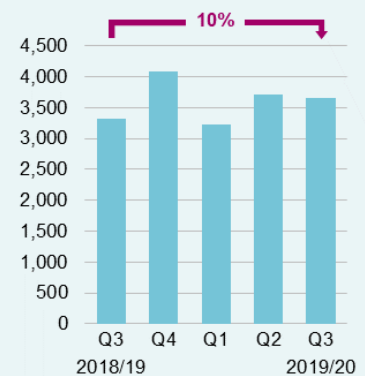
EMEA had a strong development in the third quarter with 25 percent growth rate based on constant currency. The regional sales growth was driven by good pace of installations both in the mature European market and the emerging markets. Countries with strong growth were e.g. Germany, UK, South Africa and Spain.

### Asia Pacific

In Asia Pacific sales growth at constant currency reached 19 percent in the third quarter. Strong double-digit sales growth came from among others China, Vietnam, Thailand and Australia. The Chinese growth rate reached 40 percent.

**5%**  
net  
sales growth

### Net sales



**Net sales  
in China  
increased  
by 40%**

## First nine months

# Net sales

## Solutions and service sales

In the first nine months net sales grew by 7 percent in constant currency. Solutions had a good development with a growth rate of 7 percent in constant currency, driven by the linac and oncology informatics business. Services grew by 7 percent in constant currency resulting from ongoing focus on customer relations and service excellence as well as growth in installed base.

## Net sales per product

SEK M	Q3				First nine months			
	2019/20	2018/19	Δ <sup>1</sup>	Δ	2019/20	2018/19	Δ <sup>1</sup>	Δ
Solutions	2,216	2,049	3%	8%	6,322	5,685	7%	11%
Service	1,440	1,270	8%	13%	4,271	3,783	7%	13%
<b>Total</b>	<b>3,656</b>	<b>3,320</b>	<b>5%</b>	<b>10%</b>	<b>10,593</b>	<b>9,468</b>	<b>7%</b>	<b>12%</b>

<sup>1</sup> Compared to last fiscal year based on constant currency

# Earnings

Gross margin was 41.8 percent (40.5) in the period. The increase compared to last year was due to strong software sales and improved project mix in North and South America. In the third quarter the initial effects of the COGS reduction program improved gross margin.

Operating expenses increased by 6 percent in constant currency, related to investments in the sales organization to capture market growth and investments in new IT platforms and operational excellence. R&D expenditure, adjusted for the net of capitalization and amortization of R&D costs described below, amounted to SEK 1,087 M (1,042), equal to 10 percent (11) of net sales. On a rolling twelve months basis the R&D expenditure to net sales were 10 percent (11).

EBITA was SEK 1,635 M (1,492) representing a margin of 15.4 percent (15.8). The decrease in EBITA margin was explained by a negative impact from foreign exchange of approximately SEK -40 M and by a one-off gain in the comparing period due to the divestment of the MEG business of SEK 70 M. Operating result (EBIT) was SEK 999 M (941).

Net financial items amounted to SEK -126 M (-92). Interest on lease liabilities under IFRS 16 amounted to SEK -38 M and was the key driver of the change. Profit before tax amounted to SEK 873 M (849) and tax amounted to SEK -196 M (-187), representing a tax rate of 22.5 percent (22.0).

Net income amounted to SEK 677 M (662) and earnings per share amounted to SEK 1.77 (1.73) before/after dilution. Return on shareholders' equity amounted to 16 percent (17) and return on capital employed was 14 percent (15).

7%  
net sales growth,  
in total as well as in  
Solutions and  
Service

Improved  
gross margin  
to 41.8%

Increased EBITA  
by 10%

## First nine months

# Investments and amortization/depreciation

The net of capitalized development costs in the R&D function decreased to SEK -175 M (-133). This was explained by higher amortization of Elekta Unity post the CE mark. In the third quarter the capitalization increased due to progress in R&D projects.

SEK M	Q3		First nine months	
	2019/20	2018/19	2019/20	2018/19
<b>R&amp;D, net</b>	<b>-43</b>	<b>-69</b>	<b>-175</b>	<b>-133</b>
Capitalization	132	97	368	329
Amortization	-175	-166	-543	-462
<b>Other, net</b>	<b>-1</b>	<b>0</b>	<b>-3</b>	<b>0</b>
Capitalization	0	0	0	2
Amortization	-1	0	-3	-1
<b>Total, net</b>	<b>-44</b>	<b>-70</b>	<b>-178</b>	<b>-133</b>
Capitalization	132	97	368	331
Amortization	-176	-167	-546	-464

Investments in intangible assets were SEK 371 M (335) and investments in tangible assets were SEK 173 M (136). Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 925 M (670). The increase was mainly due to the implementation of IFRS 16, SEK 159 M, and higher amortization of R&D.

## Cash flow

Cash flow from operating activities was SEK -230 M (73). Continuous investments increased mainly due to the progress in R&D projects in the third quarter. Cash flow after continuous investments was SEK -774 M (-397). The decline in cash flow was mainly due to increased levels of net working capital, see working capital section below.

### Cash flow (extract)

SEK M	Q3		First nine months	
	2019/20	2018/19	2019/20	2018/19
<b>Operating cash flow</b>	<b>545</b>	<b>409</b>	<b>1,553</b>	<b>1,320</b>
Change in working capital	-566	-466	-1,783	-1,246
<b>Cash flow from operating activities</b>	<b>-21</b>	<b>-57</b>	<b>-230</b>	<b>73</b>
Continuous investments	-203	-165	-544	-470
<b>Cashflow after continuous investments</b>	<b>-224</b>	<b>-222</b>	<b>-774</b>	<b>-397</b>
Operational cash conversion	-3%	-10%	-12%	5%



## First nine months

# Working capital

Net working capital was SEK -363 M (-1,206) corresponding to -2 (-9) per cent of net sales. Inventory increased mainly due to the commercialization of Elekta Unity and Brexit mitigation measures during the first two quarters.

During the third quarter inventory started to reduce and accounts payable came in at a low level due to less purchasing activities. Accounts receivables and prepaid income increased due to revenue growth and seasonality in service invoicing during the third quarter. Customer advances decreased as order intake was lower in the third quarter and time from shipment to revenue for projects shortened. For more information, see page 27.

### Days Sales Outstanding (DSO)

SEK M	Jan 31 2020	Jan 31 2019	Apr 30 2019
North and South America	-74	-80	-74
Europe, Middle East and Africa	37	24	2
Asia Pacific	-87	-112	-113
<b>Group</b>	<b>-37</b>	<b>-51</b>	<b>-59</b>

Days Sales Outstanding (DSO) was negative -37 days. The increase in Europe, Middle East and Africa, was due to increase in accounts receivable and decrease in customer advances. The increase in Asia Pacific came from increased accounts receivables.

# Financial position

Cash and cash equivalents and short-term investments amounted to SEK 2,507 M (2,980). The decrease was mainly due to the investment of SEK 343 million in ViewRay in the third quarter. Interest-bearing liabilities amounted to SEK 4,603 M (4,501). Net debt amounted to SEK 2,096 M (1,521). Net debt in relation to EBITDA was 0.71 (0.17 per April 30, 2019).

### Net debt

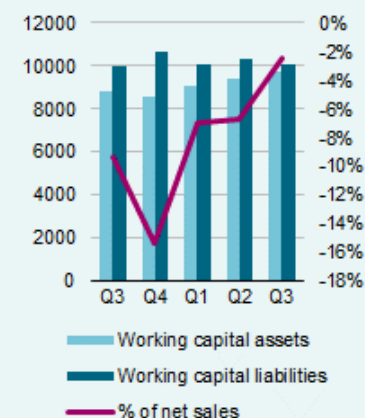
SEK M	Jan 31 2020	Jan 31 2019	Apr 30 2019
Long-term interest-bearing liabilities	2,649	4,463	3,558
Short-term interest-bearing liabilities	1,955	38	1,000
Cash and cash equivalents and short-term investments	-2,507	-2,980	-4,119
<b>Net debt</b>	<b>2,096</b>	<b>1,521</b>	<b>439</b>
Long-term leasing liabilities <sup>1</sup>	1,012	-	-
Short-term leasing liabilities <sup>1</sup>	225	-	-
Net debt including leasing liabilities	3,333	n/a	n/a

<sup>1</sup> For more information regarding leasing effects, see balance sheet on page 13 and accounting principles on page 17

The exchange rate effect from the translation of cash and cash equivalents amounted to SEK 63 M (35). The translation difference in interest-bearing liabilities amounted to SEK 43 M (37). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK 32 M (-41).

The change in unrealized exchange rate effects from effective cash flow hedges reported in other comprehensive income amounted to SEK 72 M (-67). The closing balance of unrealized exchange rate effects from effective cash flow hedges amounted to SEK 3 M (-35) exclusive of tax.

### Working capital



**0.71**  
Net debt / EBITDA  
ratio

## First nine months

# Risk 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. For more details, please see Annual Report 2018/19, page 55.

Due to the Coronavirus, 2019-nCoV, Elekta's production facility in Beijing opened later than anticipated (February 10) after the Chinese New Year. In the short term we do not see any major production or engineering issues in our production facilities in Beijing and Crawley. However, there are challenges in order flow and installations at clinics and public tenders are temporarily on hold.

## Significant events

### Third quarter

#### Collaboration with ViewRay

In December Elekta announced a collaboration with ViewRay for the advancement of MR-guided radiation therapy. The key objective of the collaboration is to advance MR-Linac technology and its application as the radiation therapy with superior precision, medical outcomes, and operational cost efficiency. In connection with the collaboration, Elekta made an investment in ViewRay of USD 36 M for 11,501,597 shares corresponding to approximately 7.6 percent of the outstanding common stock on a fully diluted basis in ViewRay's underwritten public offering.

#### Renown Belgian hospital to acquire Elekta Unity and Versa

In January Elekta won a public tender with Institut Jules Bordet, Brussels, for Elekta Unity, linacs, upgrades and expansion of treatment planning software and oncology information systems and services. The total contract is valued at approximately EUR 22 million, of which EUR 18 million are booked in the third quarter of Elekta's fiscal year 2019/20. The remainder will be booked successively over the next ten years.

#### FDA clearance of diffusion-weighted images

In December Elekta received 510(k) premarket notification from the U.S. Food and Drug Administration for the use of diffusion-weighted MR images (DWI) obtained with Elekta Unity. This expands the clinical utility of Elekta Unity to include biologic assessment of tumor response during therapy, allowing treatment adaptation based not just on gross anatomic changes but also on early biologic changes at the cellular level.

#### Changes in executive management

During the third quarter Sukhveer Singh, President for Business Lines Oncology Informatics Solutions, has left Elekta and the executive management team for personal reasons. Andrew Wilson, who has been with Elekta for 14 years and has a great knowledge of the industry and Elekta's products, will be interim President for Business Lines Oncology Informatics Solutions.

Find more detailed information about our policies in the Annual Report 2018/19

Awards in the third quarter:



MOSAIQ® (category leader in oncology therapy)

Versa HD™ (category leader in radiation therapy)



## First nine months

### Second quarter<sup>1</sup>

- Extended executive management (Verena Schiller, Lionel Hadjadjeba)
- Exclusive distribution agreement with DOSisoft
- Sole source agreement with Premier

### First quarter<sup>1</sup>

- Extended executive management (Sukhveer Sing, Habib Nehme)
- Sales and distribution agreement with C-RAD
- Elekta Unity received approval in Brazil.

# Acquisitions

## No acquisitions in the third quarter

### Second quarter

#### Acquisition of ProKnow to fortify treatment planning

During the second quarter Elekta acquired ProKnow Systems, LLC, to expand the offering of cloud-based solutions for advanced radiation therapy. ProKnow's product portfolio enable clinics to standardize their treatment planning analytics by supporting oncology teams with analysis of collective, big data from patient groups. This solution can also streamline workflow challenges and improve contouring accuracy and treatment plan quality.

## No acquisitions in the first quarter

# Legal disputes<sup>2</sup>

### humediQ

As previously reported humediQ GmbH (now Livian GmbH) has initiated an arbitration against Elekta group companies. The oral hearing in the arbitration was held in October 2019. The arbitration is now in the final submission stage. Elekta is of the opinion that all claims raised in the arbitration are unjustified and baseless. Elekta expects the arbitral award in the first quarter of Elekta's 2020/21 fiscal year.

### Italian case to court

As communicated in November 2015 Elekta's subsidiary in Italy and some former employees are suspected of interfering with public procurement processes. The case has been referred to trial, which started in February 2020.

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<sup>1</sup> For more details about the previous significant events please see respective quarterly report.

<sup>2</sup> The material legal disputes reported here are either new cases or previous cases with changes in the interim period. For previous reported cases please see Elekta's Annual reports.

## Employees

The average number of employees during the period was 4,095 (3,757).  
The average number of employees in the Parent Company was 41 (38).

## Shares

Total number of registered shares on January 31, 2020 was 383,568,409 of which 14,980,769 were A-shares and 368,587,640 B-shares. On January 31, 2020 1,485,289 shares were treasury shares held by Elekta.

Stockholm, February 20, 2020

Richard Hausmann  
CEO and President

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

## Third quarter and first nine months

# Consolidated income statement

SEK M	Q3		First nine months		12 months	May - Apr
	2019/20	2018/19	2019/20	2018/19	rolling	2018/19
Net sales	3,656	3,320	10,593	9,468	14,680	13,555
Cost of products sold	-2,121	-1,967	-6,163	-5,635	-8,402	-7,875
<b>Gross income</b>	<b>1,535</b>	<b>1,353</b>	<b>4,430</b>	<b>3,833</b>	<b>6,277</b>	<b>5,680</b>
Selling expenses	-339	-310	-1,064	-954	-1,407	-1,296
Administrative expenses	-282	-247	-843	-748	-1,134	-1,039
R&D expenses	-415	-400	-1,263	-1,176	-1,679	-1,592
Other operating income and expenses	-19	-19	-46	38	-61	23
Exchange rate differences	-36	-66	-215	-52	-243	-80
<b>Operating result</b>	<b>443</b>	<b>311</b>	<b>999</b>	<b>941</b>	<b>1,753</b>	<b>1,696</b>
Result from participations in associates	-2	0	2	6	-1	3
Interest income	15	10	56	42	79	66
Interest expenses and similar items	-40	-50	-148	-142	-192	-186
Interest expenses leasing liabilities	-13	-	-38	-	-38	-
Exchange rate differences	-5	1	2	1	2	2
<b>Profit before tax</b>	<b>398</b>	<b>272</b>	<b>873</b>	<b>849</b>	<b>1,604</b>	<b>1,580</b>
Income taxes	-89	-60	-196	-187	-392	-382
<b>Net income</b>	<b>308</b>	<b>212</b>	<b>677</b>	<b>662</b>	<b>1,213</b>	<b>1,198</b>
<i>Net income attributable to</i>						
Parent Company shareholders	308	211	676	662	1,212	1,198
Non-controlling interests	0	0	0	0	1	0
<i>Average number of shares</i>						
Before dilution, millions	382	382	382	382	382	382
After dilution, millions	382	382	382	382	382	382
<i>Earnings per share</i>						
Before dilution, SEK	0.81	0.55	1.77	1.73	3.17	3.14
After dilution, SEK	0.81	0.55	1.77	1.73	3.17	3.14

## Third quarter and first nine months

# Consolidated statement of comprehensive income

SEK M	Q3		First nine months		12 months	May - Apr
	2019/20	2018/19	2019/20	2018/19	rolling	2018/19
Net income	308	212	677	662	1,213	1,198
Other comprehensive income:						
Items that will not be reclassified to the income statement:						
Remeasurements of defined benefit pension plans	-	-	-	-	-1	-1
Net gain/(loss) on equity instruments designated at fair value	3	-	3	-	3	-
Tax	-1	-	-1	-	0	1
<b>Total items that will not be reclassified to the income statement</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>2</b>	<b>-1</b>
Items that subsequently may be reclassified to the income statement:						
Revaluation of cash flow hedges	58	120	72	-67	38	-101
Translation differences from foreign operations	-50	-15	32	-41	316	243
Tax	-12	-24	-14	12	-7	19
<b>Total items that subsequently may be reclassified to the income statement</b>	<b>-3</b>	<b>81</b>	<b>90</b>	<b>-95</b>	<b>346</b>	<b>161</b>
Other comprehensive income for the period	-1	81	93	-95	348	160
<b>Total comprehensive income for the period</b>	<b>308</b>	<b>293</b>	<b>769</b>	<b>567</b>	<b>1,560</b>	<b>1,358</b>
Comprehensive income attributable to:						
Parent Company shareholders	308	293	769	567	1,560	1,358
Non-controlling interests	0	0	0	0	1	0

## Result overview

SEK M	Q3		First nine months		12 months	May - Apr
	2019/20	2018/19	2019/20	2018/19	rolling	2018/19
<b>Operating result/EBIT</b>	<b>443</b>	<b>311</b>	<b>999</b>	<b>941</b>	<b>1,753</b>	<b>1,696</b>
Amortization:						
Capitalized development costs	176	167	546	464	747	664
Assets relating to business combinations	30	27	90	86	120	117
<b>EBITA</b>	<b>648</b>	<b>505</b>	<b>1,635</b>	<b>1,492</b>	<b>2,620</b>	<b>2,477</b>

## Third quarter and first nine months

# Consolidated balance sheet - condensed

SEK M	Jan 31 2020	Jan 31 2019	Apr 30 2019
<b>Non-current assets</b>			
Intangible assets	9,225	9,076	9,301
Right-of-use assets	1,171	-	-
Other tangible fixed assets	1,010	907	957
Financial assets	892	298	508
Deferred tax assets	435	368	402
<b>Total non-current assets</b>	<b>12,733</b>	<b>10,648</b>	<b>11,167</b>
<b>Current assets</b>			
Inventories	2,959	2,508	2,634
Accounts receivable	3,927	3,774	3,455
Accrued income	1,480	1,281	1,401
Current tax assets	172	169	158
Derivative financial instruments	75	72	72
Other current receivables	1,379	1,252	1,059
Short-term investments	115	45	45
Cash and cash equivalents	2,392	2,936	4,073
<b>Total current assets</b>	<b>12,501</b>	<b>12,036</b>	<b>12,897</b>
<b>Total assets</b>	<b>25,234</b>	<b>22,685</b>	<b>24,064</b>
Elekta's owners' equity	8,202	7,254	7,778
Non-controlling interests	1	0	1
<b>Total equity</b>	<b>8,203</b>	<b>7,254</b>	<b>7,779</b>
<b>Non-current liabilities</b>			
Long-term interest-bearing liabilities	2,649	4,463	3,558
Long-term leasing liabilities	1,012	-	-
Deferred tax liabilities	596	537	587
Long-term provisions	195	165	188
Other long-term liabilities	55	57	55
<b>Total non-current liabilities</b>	<b>4,506</b>	<b>5,222</b>	<b>4,388</b>
<b>Current liabilities</b>			
Short-term interest-bearing liabilities	1,955	38	1,000
Short-term leasing liabilities	225	-	-
Accounts payable	961	1,082	1,427
Advances from customers	4,601	4,850	4,883
Prepaid income	2,288	2,010	2,170
Accrued expenses	1,695	1,596	1,661
Current tax liabilities	183	93	166
Short-term provisions	182	148	188
Derivative financial instruments	58	57	94
Other current liabilities	377	333	308
<b>Total current liabilities</b>	<b>12,525</b>	<b>10,208</b>	<b>11,897</b>
<b>Total equity and liabilities</b>	<b>25,234</b>	<b>22,685</b>	<b>24,064</b>

### Third quarter and first nine months

# Changes in equity – condensed statement

SEK M	First nine months		May - Apr
	2019/20	2018/19	2018/19
<b>Attributable to Elekta's owners</b>			
Opening balance	7,778	6,987	6,987
Opening balance adjustment due to IFRS 15 and IFRS 9	-	-39	-39
Comprehensive income for the period	769	567	1,358
Incentive programs	-1	6	6
Dividend	-344	-267	-535
<b>Total</b>	<b>8,202</b>	<b>7,254</b>	<b>7,778</b>
<b>Attributable to non-controlling interests</b>			
Opening balance	1	0	0
Comprehensive income for the period	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Closing balance</b>	<b>8,203</b>	<b>7,254</b>	<b>7,779</b>



## Third quarter and first nine months

# Cash flow – condensed

SEK M	Q3		First nine months		12 months	May - Apr
	2019/20	2018/19	2019/20	2018/19	rolling	2018/19
Profit before tax	398	272	873	849	1,604	1,580
Amortization and depreciation	304	235	925	670	1,198	943
Interest net	32	45	88	84	95	91
Other non-cash items	-37	19	-13	-9	18	21
Interest received and paid	-39	-62	-91	-106	-94	-110
Income taxes paid	-113	-98	-228	-167	-330	-269
<b>Operating cash flow</b>	<b>545</b>	<b>409</b>	<b>1,553</b>	<b>1,320</b>	<b>2,490</b>	<b>2,256</b>
Changes in inventories	104	-20	-279	10	-309	-20
Changes in operating receivables	-347	-785	-847	-787	-426	-367
Changes in operating liabilities	-323	339	-657	-469	-438	-249
<b>Change in working capital</b>	<b>-566</b>	<b>-466</b>	<b>-1,783</b>	<b>-1,246</b>	<b>-1,173</b>	<b>-636</b>
<b>Cash flow from operating activities</b>	<b>-21</b>	<b>-57</b>	<b>-230</b>	<b>73</b>	<b>1,317</b>	<b>1,621</b>
Investments intangible assets	-133	-99	-371	-335	-494	-458
Investments other assets	-70	-66	-173	-136	-238	-201
Sale of fixed assets	0	0	0	0	0	0
<b>Continuous investments</b>	<b>-203</b>	<b>-165</b>	<b>-544</b>	<b>-470</b>	<b>-732</b>	<b>-658</b>
<b>Cash flow after continuous investments</b>	<b>-224</b>	<b>-222</b>	<b>-774</b>	<b>-397</b>	<b>585</b>	<b>962</b>
Changes in short-term investments	-71	2	-72	39	-73	38
Business combinations, divestments and investments in other shares	-340	0	-419	-48	-426	-54
<b>Cash flow after investments</b>	<b>-635</b>	<b>-220</b>	<b>-1,265</b>	<b>-406</b>	<b>87</b>	<b>946</b>
Dividends	0	0	-344	-267	-611	-535
Cash flow from other financing activities	-64	-448	-136	-883	-191	-938
<b>Cash flow for the period</b>	<b>-698</b>	<b>-668</b>	<b>-1,745</b>	<b>-1,557</b>	<b>-715</b>	<b>-527</b>
<b>Change in cash and cash equivalents during the period</b>						
Cash and cash equivalents at the beginning of the period	3,044	3,622	4,073	4,458	2,936	4,458
Cash flow for the period	-698	-668	-1,745	-1,557	-715	-527
Exchange rate differences	47	-18	63	35	171	142
<b>Cash and cash equivalents at the end of the period</b>	<b>2,392</b>	<b>2,936</b>	<b>2,392</b>	<b>2,936</b>	<b>2,392</b>	<b>4,073</b>

## Third quarter and first nine months

# Parent company

### Income statement and statement of comprehensive income - condensed

SEK M	First nine months	
	2019/20	2018/19
Operating expenses	-182	-150
Financial net	388	511
<b>Income after financial items</b>	<b>205</b>	<b>361</b>
Tax	19	29
<b>Net income</b>	<b>224</b>	<b>390</b>
<b>Statement of comprehensive income</b>		
Net income	224	390
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>224</b>	<b>390</b>

### Balance sheet - condensed

SEK M	Jan 31	Apr 30
	2020	2019
<b>Non-current assets</b>		
Intangible assets	55	60
Tangible assets	0	-
Shares in subsidiaries	2,478	2,439
Receivables from subsidiaries	2,397	2,393
Other financial assets	433	87
Deferred tax assets	21	3
<b>Total non-current assets</b>	<b>5,384</b>	<b>4,983</b>
<b>Current assets</b>		
Receivables from subsidiaries	4,011	3,436
Other current receivables	60	102
Other short-term investments	46	45
Cash and cash equivalents	1,216	2,941
<b>Total current assets</b>	<b>5,334</b>	<b>6,524</b>
<b>Total assets</b>	<b>10,718</b>	<b>11,507</b>
Shareholders' equity	2,778	2,898
Untaxed reserves	14	14
<b>Non-current liabilities</b>		
Long-term interest-bearing liabilities	2,643	3,553
Long-term liabilities to Group companies	-	0
Long-term provisions	13	12
<b>Total non-current liabilities</b>	<b>2,655</b>	<b>3,565</b>
<b>Current liabilities</b>		
Short-term interest-bearing liabilities	1,955	1,000
Short-term liabilities to Group companies	3,248	3,934
Short-term provisions	0	0
Other current liabilities	67	95
<b>Total current liabilities</b>	<b>5,270</b>	<b>5,029</b>
<b>Total shareholders' equity and liabilities</b>	<b>10,718</b>	<b>11,507</b>

# Accounting principles

This interim report is prepared, with regards to the Group, according to IAS 34 and the Swedish Annual Accounts Act and, with regards to the Parent Company, according to the Swedish Annual Accounts Act and RFR 2. The accounting principles applied are consistent with those presented in Note 1 of the Annual Report 2018/19, with exception for the accounting policies described below.

## Acquisition of other shares in ViewRay

Elekta will treat the acquisition of other shares in ViewRay as equity investment designated as measured at fair value through other comprehensive income with gains and losses remaining in other comprehensive income, without recycling to profit or loss upon derecognition.

## New accounting principles

IFRS 16 is a new standard on accounting for leases which replaces IAS 17 and the associated interpretation statements IFRIC 4, SIC-15 and SIC-27. The new standard has affected the accounting for leases in the books of a lessee, whereas the accounting in all material aspects remains unchanged for lessors. For Elekta, the major effect from implementing the new standard relates to leases for premises. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019 and Elekta has applied the new standard from 1 May 2019.

The standard requires all lease arrangement to be recognized in the balance sheet with a few exceptions for short-time leases and low-value leases.

Elekta has decided to apply IFRS 16 with the modified retrospective approach and as permitted by the standard the comparative period has not been restated. Instead an adjustment on the opening balance has shown the cumulative effect. The lease liabilities are measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at transition date. The weighted average incremental borrowing rate used at transition date was 3.85 percent. Right-of-use assets are recognized based on the amount equal to the related lease liability.

IFRS 16 permits to use some practical expedients. Elekta has applied the following practical expedients when applying IFRS 16 at transition date:

- Operating leases with a remaining lease term of less than 12 months as at May 1, 2019, have been accounted for as short-term leases. Short-term leases and operating leases of low-value have not been recognized on the balance sheet at transition date.
- Initial direct costs have been excluded from the measurement of the right-to-use asset at the date of initial recognition.
- Hindsight has been used in determining the lease term for contracts containing options to extend or terminate the lease.

Under the new standard the present value of lease obligations has been measured and reported as a non-current asset and interest-bearing liability in the Balance Sheet. The asset has been adjusted with prepaid rents and received incentives. In the Income Statement, lease payments previously reported as an operating expense within operating result have been replaced with depreciation and interest expenses. This change means that total assets and operating profit have increased, which has affected various key indicators. The cash flow from operations has increased related to the amortization of the lease liability, the amortization has instead been shown in the cash flow from financing activities.

According to the previous standard, IAS 17, there was a distinction between operating and finance lease arrangement, where operating leases were not recognized in the Balance Sheet. The value of undiscounted future lease fees is disclosed in note 9 in the Annual Report 2018/19, amounted to SEK 1459 M. The lease liability recognized in the Balance Sheet 1 May 2019 amounts to SEK 1220 M. The difference is mainly related to the discounting effect of the liability as the liability is calculated as the net present value for future payments, while the amount disclosed in note 9 is not discounted in accordance to IAS 17. Increases of the payments due to index and extension- and terminate options included in the lease liability does also explain the difference, together with the exclusion of lease payments related to low-value assets and short-term leases from the Balance Sheet. Those payments are expensed on a straight-line basis in the income statement.

## Third quarter and first nine months

### Effects from IFRS 16 on consolidated balance sheet

SEK M	Reported Apr 30, 2019	Adjustment IFRS 16	Adjusted May 1, 2019
Right-of-use asset	0	1,180	1,180
Other assets	24,064	-20	24,044
<b>Total assets</b>	<b>24,064</b>	<b>1,160</b>	<b>25,224</b>
Total equity	7,779	0	7,779
Long term lease liability	0	1,020	1,020
Short term lease liability	0	200	200
Other liabilities	16,285	-60	16,225
<b>Total equity and liabilities</b>	<b>24,064</b>	<b>1,160</b>	<b>25,224</b>

Other new or revised standards and interpretations, not yet applied, are not considered to have a material impact on the Elekta Group's financial statements.

## Related-party transactions

Significant related-party transactions are described in note 35 in the Annual Report for 2018/19. No material changes have taken place in relations or transactions with related parties companies compared with the description in the Annual report 2018/19.

## Exchange rates

Country	Currency	Average rate			Closing rate				
		May - Jan			Jan 31,		Apr 30,		
		2019/20	2018/19	Δ <sup>1</sup>	2020	2019	2019	Δ <sup>1</sup>	Δ <sup>2</sup>
Euroland	1 EUR	10.648	10.343	3%	10.629	10.373	10.640	2%	0%
Great Britain	1 GBP	12.143	11.663	4%	12.630	11.837	12.306	7%	3%
Japan	1 JPY	0.088	0.080	10%	0.088	0.083	0.085	7%	4%
United States	1 USD	9.569	8.946	7%	9.644	9.017	9.510	7%	1%

<sup>1</sup> January 31, 2020 vs January 31, 2019

<sup>2</sup> January 31, 2020 vs Apr 30, 2019

For Group companies with a functional currency other than Swedish kronor, 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.

## Segment reporting

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

Elekta's operations are characterized by significant quarterly variations in 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. Revenues from solutions are recognized at a point in time and revenues from services are recognized over time.

## Third quarter and first nine months

### Segment reporting

#### First nine months 2019/20

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total	% of net sales
Net sales	3,227	3,975	3,391	-	10,593	
Regional expenses	-1,969	-2,698	-2,365	-	-7,032	66%
<b>Contribution margin</b>	<b>1,258</b>	<b>1,278</b>	<b>1,025</b>	-	<b>3,561</b>	<b>34%</b>
Contribution margin, %	39%	32%	30%			
Global costs				-2,562	-2,562	24%
<b>Operating result</b>	<b>1,258</b>	<b>1,278</b>	<b>1,025</b>	<b>-2,562</b>	<b>999</b>	<b>9%</b>
Net financial items				-126	-126	
<b>Profit before tax</b>	<b>1,258</b>	<b>1,278</b>	<b>1,025</b>	<b>-2,688</b>	<b>873</b>	

#### First nine months 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total	% of net sales
Net sales	3,297	3,395	2,777	-	9,468	
Regional expenses	-2,126	-2,204	-1,948	-	-6,278	66%
<b>Contribution margin</b>	<b>1,171</b>	<b>1,191</b>	<b>828</b>	-	<b>3,190</b>	<b>34%</b>
Contribution margin, %	36%	35%	30%			
Global costs				-2,249	-2,249	24%
<b>Operating result</b>	<b>1,171</b>	<b>1,191</b>	<b>828</b>	<b>-2,249</b>	<b>941</b>	<b>10%</b>
Net financial items				-92	-92	
<b>Profit before tax</b>	<b>1,171</b>	<b>1,191</b>	<b>828</b>	<b>-2,341</b>	<b>849</b>	

#### May - Apr 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total	% of net sales
Net sales	4,501	4,956	4,098	-	13,555	
Regional expenses	-2,793	-3,207	-2,807	-	-8,807	65%
<b>Contribution margin</b>	<b>1,707</b>	<b>1,749</b>	<b>1,291</b>	-	<b>4,748</b>	<b>35%</b>
Contribution margin, %	38%	35%	32%			
Global costs				-3,052	-3,052	23%
<b>Operating result</b>	<b>1,707</b>	<b>1,749</b>	<b>1,291</b>	<b>-3,052</b>	<b>1,696</b>	<b>13%</b>
Net financial items				-116	-116	
<b>Profit before tax</b>	<b>1,707</b>	<b>1,749</b>	<b>1,291</b>	<b>-3,167</b>	<b>1,580</b>	

#### 12 months rolling

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total	% of net sales
Net sales	4,431	5,536	4,712	-	14,680	
Regional expenses	-2,636	-3,701	-3,224	-	-9,561	65%
<b>Contribution margin</b>	<b>1,795</b>	<b>1,835</b>	<b>1,488</b>	-	<b>5,119</b>	<b>35%</b>
Contribution margin, %	41%	33%	32%			
Global costs				-3,365	-3,365	23%
<b>Operating result</b>	<b>1,795</b>	<b>1,835</b>	<b>1,488</b>	<b>-3,365</b>	<b>1,753</b>	<b>12%</b>
Net financial items				-149	-149	
<b>Profit before tax</b>	<b>1,795</b>	<b>1,835</b>	<b>1,488</b>	<b>-3,515</b>	<b>1,604</b>	

## Third quarter and first nine months

# Net sales by product type

### First nine months 2019/20

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	1,325	2,533	2,464	-	6,322
Service	1,902	1,442	927	-	4,271
<b>Total</b>	<b>3,227</b>	<b>3,975</b>	<b>3,391</b>	-	<b>10,593</b>

### First nine months 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	1,586	2,141	1,958	-	5,685
Service	1,711	1,254	819	-	3,783
<b>Total</b>	<b>3,297</b>	<b>3,395</b>	<b>2,777</b>	-	<b>9,468</b>

### May-Apr 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	2,192	3,224	2,977	-	8,394
Service	2,308	1,731	1,122	-	5,161
<b>Total</b>	<b>4,501</b>	<b>4,956</b>	<b>4,098</b>	-	<b>13,555</b>

### 12 months rolling

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	1,932	3,616	3,483	-	9,031
Service	2,499	1,920	1,230	-	5,649
<b>Total</b>	<b>4,431</b>	<b>5,536</b>	<b>4,712</b>	-	<b>14,680</b>



## Third quarter and first nine months

# 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	Jan 31, 2020		Jan 31, 2019		Apr 30, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing liabilities	2,649	2,821	4,463	4,471	3,558	3,573
Long-term leasing liabilities	1,012	1,012	-	-	-	-
Short-term interest-bearing liabilities	1,955	1,964	38	38	1,000	1,000
Short-term leasing liabilities	225	225	-	-	-	-

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	Jan 31, 2020	Jan 31, 2019	Apr 30, 2019
<b>Financial assets</b>				
<i>Financial assets measured at fair value through profit or loss:</i>				
Derivative financial instruments – non-hedge accounting	2	41	61	70
Short-term investments	1	115	45	45
Current investments classified as cash equivalents	1	1,108	-	1,716
Equity instruments	1	404	-	58
Equity instruments	3	0	-	2
<i>Derivatives used for hedging purposes:</i>				
Derivative financial instruments – hedge accounting	2	35	16	2
<b>Total financial assets</b>		<b>1,703</b>	<b>122</b>	<b>1,893</b>
<b>Financial liabilities</b>				
<i>Financial liabilities at fair value through profit or loss:</i>				
Derivative financial instruments – non-hedge accounting	2	26	11	25
Contingent consideration	3	53	3	2
<i>Derivatives used for hedging purposes:</i>				
Derivative financial instruments – hedge accounting	2	32	51	72
<b>Total financial liabilities</b>		<b>111</b>	<b>65</b>	<b>99</b>

## Third quarter and first nine months

# Key figures and data

### Key figures

	May - Apr <sup>1</sup>			May - Apr		May - Jan	May - Jan
	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
Gross order intake, SEK M	12,825	13,821	14,064	14,493	16,796	11,395	12,702
Net sales, SEK M	10,839	11,221	10,704	11,573	13,555	9,468	10,593
Order backlog, SEK M	17,087	18,239	22,459	27,974	32,003	29,601	33,945
Operating result, SEK M	937	423	598	1,845	1,696	941	999
Operating margin, %	8.6	3.8	5.6	15.9	12.5	9.9	9.4
Profit margin, %	6.6	1.7	3.2	14.5	11.7	9.0	8.2
Shareholders' equity, SEK M	6,646	6,412	6,774	6,987	7,779	7,254	8,203
Return on shareholders' equity, %	9	2	2	22	17	17	16
Net debt, SEK M	2,768	2,677	1,889	803	439	1,521	2,096
Operational cash conversion, %	126	111	145	95	61	5	-12
Average number of employees	3,679	3,677	3,581	3,702	3,798	3,757	4,095

<sup>1</sup> Calculation based on IAS18

### Data per share

	May - Apr <sup>1</sup>			May - Apr		May - Jan	May - Jan
	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
<b>Earnings per share</b>							
before dilution, SEK	1.45	0.36	0.33	3.53	3.14	1.73	1.77
after dilution, SEK	1.45	0.36	0.33	3.53	3.14	1.73	1.77
<b>Cash flow per share</b>							
before dilution, SEK	1.78	1.00	2.69	3.79	2.48	-1.06	-3.31
after dilution, SEK	1.78	1.00	2.69	3.79	2.48	-1.06	-3.31
<b>Shareholders' equity per share</b>							
before dilution, SEK	17.41	16.79	17.73	18.29	20.36	18.99	21.47
after dilution, SEK	17.41	16.79	17.73	18.29	20.36	18.99	21.47
<b>Average number of shares</b>							
before dilution, 000s	381,287	381,288	381,306	382,027	382,027	382,027	382,055
after dilution, 000s	381,287	381,288	381,306	382,027	382,027	382,027	382,055
<b>Number of shares at closing</b>							
before dilution, 000s <sup>2</sup>	381,287	381,288	382,027	382,027	382,027	382,027	382,083
after dilution, 000s	381,287	381,288	382,027	382,027	382,027	382,027	382,083

<sup>1</sup> Calculation based on IAS18

<sup>2</sup> Number of registered shares at closing excluding treasury shares (1,485,289 per January 31, 2020).

## Third quarter and first nine months

### Data per quarter

SEK M	2017/18		2018/19				2019/20		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Gross order intake	3,833	4,656	3,174	3,670	4,551	5,401	4,390	4,036	4,276
Net sales	2,756	3,409	2,819	3,330	3,320	4,086	3,228	3,709	3,656
EBITA	534	848	386	601	505	985	448	539	648
Operating result	409	714	238	393	311	755	236	321	443
Cash flow from operating activities	691	1,235	-381	512	-57	1,547	-629	419	-21

### Order intake growth based on constant exchange rates

	2017/18		2018/19				2019/20		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
North and South America, %	15	10	23	-41	16	9	0	29	-43
Europe, Middle East and Africa, %	-5	28	15	43	5	18	64	-21	9
Asia Pacific, %	33	-9	2	18	20	-8	31	23	-6
<b>Group, %</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>2</b>	<b>12</b>	<b>8</b>	<b>32</b>	<b>5</b>	<b>-11</b>

# Alternative performance measures

Alternative Performance Measures (APMs) are measures and key figures that Elekta's management and other stakeholders use when managing and analysing 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](http://www.elekta.com/investors/financials/definitions.php). Definitions and additional information on APMs can also be found on pages 122-124 in the Annual Report 2018/19.

## Order and sales growth based on constant currency

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 currency are presented. The schedules below present growth based on constant currency 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
<b>Q3 2019/20 vs. Q3 2018/19</b>								
Change based on constant exchange rates	-43	-563	9	166	-6	-86	-11	-484
Currency effects	3	43	6	111	4	55	5	209
<b>Reported change</b>	<b>-40</b>	<b>-521</b>	<b>15</b>	<b>276</b>	<b>-2</b>	<b>-31</b>	<b>-6</b>	<b>-275</b>
<b>Q3 2018/19 vs. Q3 2017/18</b>								
Change based on constant exchange rates	16	172	5	82	20	207	12	461
Currency effects	8	88	4	76	9	94	7	258
<b>Reported change</b>	<b>25</b>	<b>260</b>	<b>9</b>	<b>157</b>	<b>29</b>	<b>301</b>	<b>19</b>	<b>718</b>
<b>May - Jan 2019/20 vs. May - Jan 2018/19</b>								
Change based on constant exchange rates	-10	-316	11	475	15	545	6	704
Currency effects	6	195	4	169	6	239	5	603
<b>Reported change</b>	<b>-4</b>	<b>-120</b>	<b>14</b>	<b>643</b>	<b>21</b>	<b>784</b>	<b>11</b>	<b>1,307</b>
<b>May - Jan 2018/19 vs. May - Jan 2017/18</b>								
Change based on constant exchange rates	-6	-181	18	642	13	390	9	850
Currency effects	6	195	8	280	7	232	7	707
<b>Reported change</b>	<b>0</b>	<b>15</b>	<b>26</b>	<b>922</b>	<b>20</b>	<b>622</b>	<b>16</b>	<b>1,558</b>

## Third quarter and first nine months

### Change net sales

	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
<b>Q3 2019/20 vs. Q3 2018/19</b>								
Change based on constant exchange rates	-23	-287	25	274	19	184	5	171
Currency effects	4	51	5	51	6	63	5	165
<b>Reported change</b>	<b>-19</b>	<b>-236</b>	<b>29</b>	<b>325</b>	<b>25</b>	<b>247</b>	<b>10</b>	<b>336</b>
<b>Q3 2018/19 vs. Q3 2017/18</b>								
Change based on constant exchange rates	18	177	19	167	4	39	14	383
Currency effects	9	86	4	37	6	56	6	179
<b>Reported change</b>	<b>27</b>	<b>264</b>	<b>23</b>	<b>205</b>	<b>11</b>	<b>95</b>	<b>20</b>	<b>564</b>
<b>May - Jan 2019/20 vs. May - Jan 2018/19</b>								
Change based on constant exchange rates	-8	-277	15	507	16	431	7	661
Currency effects	6	207	2	74	7	183	5	464
<b>Reported change</b>	<b>-2</b>	<b>-70</b>	<b>17</b>	<b>580</b>	<b>22</b>	<b>614</b>	<b>12</b>	<b>1,125</b>
<b>May - Jan 2018/19 vs. May - Jan 2017/18</b>								
Change based on constant exchange rates	7	205	12	336	10	246	10	787
Currency effects	7	201	6	179	6	137	6	517
<b>Reported change</b>	<b>14</b>	<b>407</b>	<b>18</b>	<b>515</b>	<b>16</b>	<b>383</b>	<b>16</b>	<b>1,304</b>

### EBITDA

EBITDA is used for the calculation of operational cash conversion and the net debt/EBITDA ratio.

SEK M	Q3 2018/19	Q4 2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20
Operating result/EBIT	311	755	236	321	443
<i>Amortization:</i>					
Capitalized development costs	167	200	184	187	176
Assets relating business combinations	27	30	28	32	30
Depreciation	40	42	95	95	99
<b>EBITDA</b>	<b>545</b>	<b>1,028</b>	<b>542</b>	<b>634</b>	<b>747</b>

## Third quarter and first nine months

### Return of 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.

#### Return on capital employed

SEK M	Jan 31, 2019	Apr 30, 2019	Jul 31, 2019	Oct 31, 2019	Jan 31, 2020
Profit before tax (12 months rolling)	1,504	1,580	1,558	1,478	1,604
Financial expenses (12 months rolling)	211	186	211	227	230
<b>Profit before tax plus financial expenses</b>	<b>1,715</b>	<b>1,766</b>	<b>1,769</b>	<b>1,705</b>	<b>1,834</b>
<b>Total assets</b>	<b>22,685</b>	<b>24,064</b>	<b>24,855</b>	<b>25,239</b>	<b>25,234</b>
Deferred tax liabilities	-537	-587	-574	-584	-596
Long-term provisions	-165	-188	-194	-211	-195
Other long-term liabilities	-57	-55	-10	-55	-55
Accounts payable	-1,082	-1,427	-1,226	-1,270	-961
Advances from customers	-4,850	-4,883	-4,652	-4,777	-4,601
Prepaid income	-2,010	-2,170	-2,108	-2,065	-2,288
Accrued expenses	-1,596	-1,661	-1,539	-1,732	-1,695
Current tax liabilities	-93	-166	-143	-184	-183
Short-term provisions	-148	-188	-184	-185	-182
Derivative financial instruments	-57	-94	-243	-108	-58
Other current liabilities	-333	-308	-354	-316	-377
<b>Capital employed</b>	<b>11,756</b>	<b>12,337</b>	<b>13,629</b>	<b>13,752</b>	<b>14,044</b>
Average capital employed (last five quarter)	11,786	12,010	12,269	12,680	13,103
<b>Return on capital employed</b>	<b>15%</b>	<b>15%</b>	<b>14%</b>	<b>13%</b>	<b>14%</b>

### Return on shareholder equity

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

#### Return on shareholders' equity

SEK M	Q3 2018/19	Q4 2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20
Net income (12 months rolling)	1,164	1,198	1,180	1,116	1,213
Average shareholders' equity excluding non-controlling interests (last five quarters)	6,842	7,167	7,339	7,549	7,796
<b>Return on shareholders' equity</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>

### 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.

#### Operational cash conversion

SEK M	Q3 2018/19	Q4 2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20
Cash flow from operating activities	-57	1,547	-629	419	-21
EBITDA	545	1,028	542	634	747
<b>Operational cash conversion</b>	<b>-10%</b>	<b>151%</b>	<b>-116%</b>	<b>66%</b>	<b>-3%</b>



## Third quarter and first nine months

### Working capital

In Order to optimize cash generation, management focuses on working capital and reducing lead times between orders booked and cash received.

#### Working capital

SEK M	Jan 31 2020	Jan 31 2019	Apr 30 2019
<b>Working capital assets</b>			
Inventories	2,959	2,508	2,634
Accounts receivable	3,927	3,774	3,455
Accrued income	1,480	1,281	1,401
Other operating receivables	1,374	1,252	1,059
<b>Sum working capital assets</b>	<b>9,741</b>	<b>8,815</b>	<b>8,548</b>
<b>Working capital liabilities</b>			
Accounts payable	961	1,082	1,427
Advances from customers	4,601	4,850	4,883
Prepaid income	2,288	2,010	2,170
Accrued expenses	1,695	1,596	1,661
Short-term provisions	182	148	188
Other current liabilities	377	333	308
<b>Sum working capital liabilities</b>	<b>10,104</b>	<b>10,020</b>	<b>10,638</b>
<b>Net working capital</b>	<b>-363</b>	<b>-1,206</b>	<b>-2,089</b>
% of 12 months net sales	-2%	-9%	-15%

### Net debt and net debt/EBITDA ratio

Net debt is important for understanding the financial stability of the company. Net debt and net debt/EBITDA ratio are used by management to track the debt evolution, the refinancing need and the leverage for the Group.

SEK M	Jan 31, 2019	Apr 30, 2019	Jul 31, 2019	Oct 31, 2019	Jan 31, 2020
Long-term interest-bearing liabilities	4,463	3,558	3,504	3,137	2,649
Short-term interest-bearing liabilities	38	1,000	1,015	1,462	1,955
investments	-2,980	-4,119	-3,349	-3,090	-2,507
<b>Net debt</b>	<b>1,521</b>	<b>439</b>	<b>1,170</b>	<b>1,510</b>	<b>2,096</b>
EBITDA (12 months rolling)	2,499	2,639	2,754	2,750	2,951
<b>Net debt/EBITDA ratio</b>	<b>0.61</b>	<b>0.17</b>	<b>0.42</b>	<b>0.55</b>	<b>0.71</b>

## Significant events after the quarter

- Québec to acquire advanced linear accelerators, at a total order value of approximately SEK 407 million
- Elekta appoints new Head of Region North and Central America

# Shareholder information

## Conference call

Elekta will host a live presentation and a web/telephone conference at 10:00-11:00 CET on February 20 with president and CEO Dr Richard Hausmann, and CFO Gustaf Salford. To take part of the presentation please welcome to the HQ, dial the numbers below or watch via the web link below.

Swedish dial-in-no.: +46 8 566 426 93

UK dial-in no.: +44 33 330 092 69

US dial-in no.: +1 833 526 8397

<https://elekta-qreports.creo.se/200220>

## Financial calendar

Year-end report, Q4 2019/20	May 29, 2020
Interim report, Q1, May-July 2020/21	Aug 26, 2020
Annual General Meeting	Aug 26, 2020
Interim report, Q2, May-Oct 2020/21	Nov 26, 2020
Interim report, Q3, May-Jan 2020/21	Feb 25, 2021

## About Elekta

For almost five decades, Elekta has been a leader in precision radiation medicine. Our nearly 4,000 employees worldwide are committed to ensuring everyone in the world with cancer has access to – and benefits from – more precise, personalized radiotherapy treatments. Headquartered in Stockholm, Sweden, Elekta is listed on NASDAQ Stockholm Exchange. Visit [elekta.com](http://elekta.com) or follow @Elekta on Twitter.

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