



## Fourth quarter

- Covid-19 had a large effect on the fourth quarter
- Gross order intake amounted to SEK 5,032 M (5,401), corresponding to a 10 percent decrease in order intake in constant currency
- Net sales were SEK 4,008 M (4,086), corresponding to a 6 percent decrease in constant currency
- Gross margin amounted to 42.6 (45.2) percent
- EBITA decreased by 10 percent to SEK 886 M (985), corresponding to an EBITA margin of 22.1 percent (24.1)
- Earnings per share was SEK 1.07 (1.40) before/after dilution
- Cash flow after continuous investments was SEK 1,026 M (1,359)
- 4 Elekta Unity orders booked in the quarter

## Full year

- Gross order intake amounted to SEK 17,735 M (16,796), corresponding to a 1 percent growth in constant currency
- Net sales were SEK 14,601 M (13,555), corresponding to a 3 percent growth in constant currency
- Gross margin amounted to 42.0 (41.9) percent
- EBITA amounted to SEK 2,521 M (2,477), corresponding to an EBITA margin of 17.3 percent (18.3)
- Earnings per share was SEK 2.84 (3.14) before/after dilution
- Cash flow after continuous investments was SEK 252 M (962)
- 24 Elekta Unity orders booked in the period

## Significant events after the quarter

- GenesisCare ordered several Elekta linear accelerators at a value of around USD 200 million (approx. SEK 2 bn) over the next five years, of which 11 are Elekta Unity MR-Linac systems, as GenesisCare enters the U.S. market.
- Acquisition of Kaiku Health strengthens Elekta Digital offering with personalized remote digital health interventions.

## Group summary

SEK M	Q4			Full-year		
	2019/20	2018/19	Δ	2019/20	2018/19	Δ
Gross order intake	5,032	5,401	-10% <sup>3</sup>	17,735	16,796	1% <sup>3</sup>
Net sales	4,008	4,086	-6% <sup>3</sup>	14,601	13,555	3% <sup>3</sup>
Gross margin	42.6%	45.2%	-2.6 ppts	42.0%	41.9%	0.1 ppts
EBITA	886	985	-10%	2,521	2,477	2%
EBITA margin	22.1%	24.1%	-2 ppts	17.3%	18.3%	-1 ppts
EBIT	658	755	-13%	1,657	1,696	-2%
Cash flow <sup>1</sup>	1,026	1,359	-24%	252	962	-74%
Earnings per share, SEK <sup>2</sup>	1.07	1.40	-24%	2.84	3.14	-10%

<sup>1</sup> After continuous investments

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

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

## Dividend for fiscal year 2019/20

- The Board of Directors will make the decision of the proposed dividend on July 10, 2020.

This information is 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 May 29, 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

# Performing in a difficult time

In summarizing the full year we had a modest growth due to challenges linked to Covid-19 in our most important fourth quarter. I am very proud of how Elekta has handled the pandemic effects, in particular supporting our customers, strengthening our solution portfolio and delivering profit. We are in a good position for the future based on our innovative solutions and a strong backlog enhanced by a record order after the year closed. With this order we exceeded our Unity order target while increasing our U.S. market position.

### Q4 – increasingly impacted by Covid-19

Covid-19 hit Elekta during the complete fourth quarter. First impacting China, the pandemic swept like a wave over the world increasingly limiting our possibilities to install and generate new business due to lock downs. It has been an unprecedented challenge. However, we have managed to keep our commitments to our customers, maintaining normal uptimes through our service operations, and continued with installations despite difficulties in logistics. It shows our strength of having local presence with great colleagues around the globe and our possibilities to leverage on existing digital capabilities.

As the quarter progressed, we were more and more challenged in Europe. We outperformed in some South American and Asian markets. Our largest drop – both in order and revenue – was China, which was directly related to Covid-19. We now see a recovery in China and follow closely the development in other markets. I am very pleased to see that revenue from the U.S. picked up in the fourth quarter and contributed positively to the development in the region. We also successfully signed four Elekta Unity orders out of our strong sales funnel.

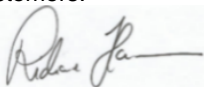
### Full year – strengthened solution portfolio

After a great start of the year our order intake finished rather flat. We secured a modest revenue growth for the year since we were able to start installations of more systems than we had expected during the last week in April. Service had a good development and all business lines, except Neuro, exceeded last year's revenues. The Neuro business struggled due to travel restrictions for its global team during the fourth quarter. It is great to see that our offerings in Informatics and Brachy are well received in the market. With the launch of our new early-stage cancer brachy applicator and the next-generation treatment optimizer for Leksell Gamma Knife we further strengthened our portfolio. Revenue growth higher than the revised guidance had a positive impact on our profitability. As a result, we reached an EBITA of above 17 percent.

### Well positioned for further growth

Elekta's financial position is strong and we are accelerating productivity improvements and cost efficiency measures to be able to meet the uncertainties that lie ahead of us. We also continue to invest in innovative solutions. Elekta has just acquired Kaiku Health to improve patient outcome by AI-driven real-world data support and our new high-productivity Linac will be released online in September.

It is still difficult to predict the consequences of Covid-19 going forward and thus we will not provide new guidance at this point in time. On a global level we see delays and missing revenue in the private sector leading to challenging purchase decisions for our customers. At the same time the situation creates opportunities for our innovative digital solutions and advanced ways of treatments. Based on some truly heroic efforts from colleagues and customers all over the world to provide services during this challenging time and the constant underlying demand for cancer treatments, I am confident about our performance going forward. It is shown in our partnership with GenesisCare, which in May resulted in a record order of around USD 200 million for their entry into the US market. Through this order we exceeded our mid-2020 order target of Elekta Unity systems. Based on the experience of the Covid-19 situation and the innovation power of Elekta, we will keep up the fight against cancer together with our customers.



Richard Hausmann  
President and CEO



**17.3%**  
EBITA margin

**80**  
Elekta Unity  
orders exceeding  
the order target  
of 75 systems

## Fourth quarter

# Order intake and order backlog

The pandemic and locked down countries impacted order intake in the fourth quarter. Gross order intake decreased by 7 percent to SEK 5,032 M (5,401) and 10 percent based on constant currency.

Order backlog was SEK 34,689 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 461 M.

## Gross order intake

SEK M	Q4				Full-year			
	2019/20	2018/19	Δ <sup>1</sup>	Δ	2019/20	2018/19	Δ <sup>1</sup>	Δ
North and South America	1,963	1,869	0%	5%	5,024	5,049	-6%	-1%
Europe, Middle East and Africa	1,906	2,259	-17%	-16%	7,029	6,739	1%	4%
Asia Pacific	1,163	1,273	-13%	-9%	5,682	5,008	8%	13%
<b>Group</b>	<b>5,032</b>	<b>5,401</b>	<b>-10%</b>	<b>-7%</b>	<b>17,735</b>	<b>16,796</b>	<b>1%</b>	<b>6%</b>

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

## North and South America

During the fourth quarter North and South America had a flat order intake in constant currency. South America reported very good order growth with Mexico and Colombia showing strong development in the quarter. Within North America, Canada had good growth.

During the fourth quarter the first Elekta Unity in Latin America was ordered, by San José Moscati Hospital in Mexico and in the U.S. American Shared Hospital Services ordered one Elekta Unity.

## Europe, Middle East and Africa (EMEA)

With an order drop of 17 percent in constant currency EMEA had a large negative effect from the pandemic and the lack of physical sales meetings during the fourth quarter. There was good order growth in some European countries such as the UK and Poland. In Italy and Spain, which were heavily hit early and locked down due to the pandemic, order intake declined. The Middle East and Africa had good order flow during the first two months of the quarter, but order intake halted in April.

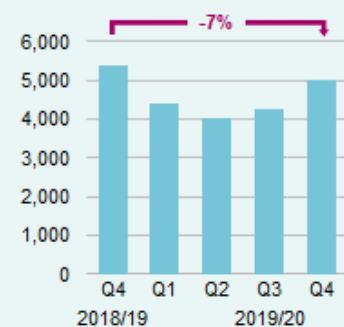
Radiotherapeutisch Instituut Friesland in the Netherlands ordered one Elekta Unity in a large bundled deal also covering a large spectrum of products from other business lines.

## Asia Pacific

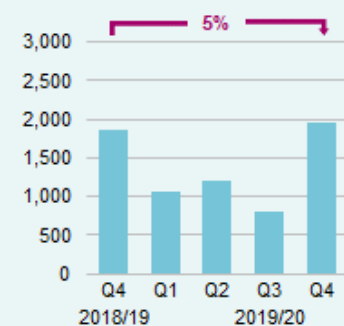
For the Asia Pacific region order intake declined during the fourth quarter. Measured in constant currency the decline was 13 percent. The hardest hit were in China and India. Good order development was reported from South Korea, Malaysia, Taiwan and New Zealand.

The Japanese market also had good order growth for Elekta. Following the regulatory approval of our MR-Linac in Japan earlier this fiscal year Edogawa Hospital was the first Japanese hospital to order an Elekta Unity.

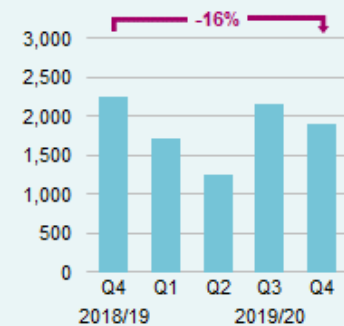
### Gross order intake



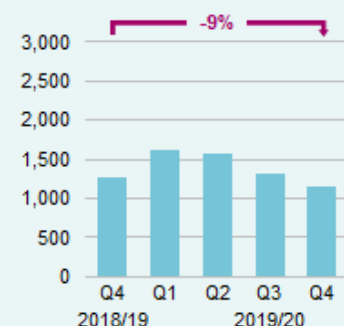
### Gross order intake North and South America



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



### Gross order intake Asia Pacific



## Fourth quarter

# Net sales

Covid-19 affected net sales in the fourth quarter, with an increasing effect at the end of the quarter, as lock down of countries and limited access to hospitals led to delayed installations. In the fourth quarter net sales decreased to SEK 4,008 M (4,086), representing 2 percent or 6 percent based on constant currency. All three geographic areas had a negative development. From a product perspective both MR-Linac and Brachy showed good development with double-digit growth rates. The service business was also resilient and reported a positive development during the fourth quarter.

## Net sales per region

SEK M	Q4				Full-year			
	2019/20	2018/19	Δ <sup>1</sup>	Δ	2019/20	2018/19	Δ <sup>1</sup>	Δ
North and South America	1,255	1,204	-1%	4%	4,482	4,501	-6%	0%
Europe, Middle East and Africa	1,571	1,561	-2%	1%	5,547	4,956	9%	12%
Asia Pacific	1,182	1,322	-14%	-11%	4,572	4,098	6%	12%
<b>Group</b>	<b>4,008</b>	<b>4,086</b>	<b>-6%</b>	<b>-2%</b>	<b>14,601</b>	<b>13,555</b>	<b>3%</b>	<b>8%</b>

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

## North and South America

In the fourth quarter net sales in constant currency declined in North and South America by 1 percent. North America contributed with positive growth through improved development in the U.S. Overall net sales in the South American market decreased. However, Mexico and Colombia showed good growth.

## Europe, Middle East and Africa (EMEA)

EMEA had negative development in the fourth quarter of 2 percent based on constant currency. Italy and France were countries in which it was most difficult to get the planned projects installed. Markets with good sales growth were in mature European countries e.g. the Netherlands, the UK and Belgium and in emerging countries such as Turkey, Saudi Arabia and South Africa.

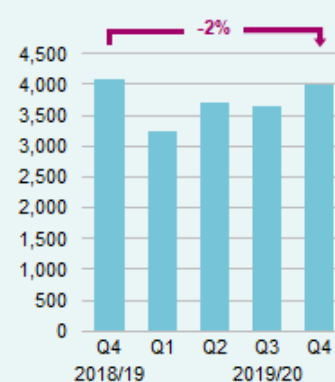
## Asia Pacific

In the fourth quarter, Asia Pacific sales declined by 14 percent in constant currency. The largest impact came from the drop in China. Asian countries which reported increased sales were Vietnam, Malaysia, Thailand and Singapore.

# 3

## Elekta Unity installations

Net sales



## Positive revenue growth in the US market

## Full year

# Net sales

## Solutions and service sales

For the full year net sales grew by 3 percent in constant currency. Solutions had a small positive development with a growth rate of 1 percent in constant currency. All business lines contributing except Neuro, which had difficulties to install in the fourth quarter due to the challenges of being a global installation team that needed to handle country lock downs and quarantine restrictions. Largest revenue increase was seen in the MR-Linac business. Service grew by 6 percent in constant currency resulting from resilient revenues during the months of the pandemic and a growing installed base. At year end, the installed base was more than 4,500 systems.

## Net sales per product

SEK M	Q4				Full-year			
	2019/20	2018/19	Δ <sup>1</sup>	Δ	2019/20	2018/19	Δ <sup>1</sup>	Δ
Solutions	2,524	2,708	-11%	-7%	8,846	8,394	1%	5%
Service	1,485	1,378	4%	8%	5,755	5,161	6%	12%
<b>Total</b>	<b>4,008</b>	<b>4,086</b>	<b>-6%</b>	<b>-2%</b>	<b>14,601</b>	<b>13,555</b>	<b>3%</b>	<b>8%</b>

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

# Earnings

Gross margin was 42.0 percent (41.9) in the period. The increase compared to last year was due to more software and service revenues.

Operating expenses increased by 3 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 1,473 M (1,386), equal to 10 percent (10) of net sales.

EBITA was SEK 2,521 M (2,477), representing a margin of 17.3 percent (18.3). The decrease in EBITA margin was explained by lower revenues due to Covid-19 and continued investments in the business. In the fourth quarter Elekta acquired the remaining stake in Palabra and the revaluation of the prior interest had a non-cash positive effect on operating earnings of SEK 66 M. Operating result (EBIT) was SEK 1,657 M (1,696).

Net financial items amounted to SEK -203 M (-116). Interest on lease liabilities under IFRS 16 amounted to SEK -51 M and was the key driver of the change, together with increased interest expense from new funding and negative results on short-term investments in the fourth quarter. Profit before tax amounted to SEK 1,454 M (1,580) and tax amounted to SEK -370 M (-382), representing a tax rate of 25.4 percent (24.2). The higher tax rate was mainly driven by a geographic mix effect.

Net income amounted to SEK 1,084 M (1,198) and earnings per share amounted to SEK 2.84 (3.14) before/after dilution. Return on shareholders' equity amounted to 14 percent (17), mainly negatively impacted by the lower net income in the wake of Covid-19 including higher financial expenses. Return on capital employed was 12 percent (15), mainly explained by higher liquidity and net working capital as well as lower profit.

6%  
net sales growth  
in service

Installed base  
of >4,500  
systems

Improved  
gross margin  
to 42.0%

## Full year

# Investments and amortization/depreciation

The net of capitalized development costs in the R&D function decreased to SEK -176 M (-206). In the fourth quarter the capitalization increased due to progress in R&D projects. The higher amortization compared to last year was explained by higher amortization of Elekta Unity post the CE mark.

SEK M	Q4		Full-year	
	2019/20	2018/19	2019/20	2018/19
<b>R&amp;D, net</b>	<b>-1</b>	<b>-73</b>	<b>-176</b>	<b>-206</b>
Capitalization	188	124	555	453
Amortization	-188	-197	-731	-660
<b>Other, net</b>	<b>-4</b>	<b>-2</b>	<b>-7</b>	<b>-2</b>
Capitalization	7	1	8	3
Amortization	-11	-3	-14	-5
<b>Total, net</b>	<b>-4</b>	<b>-75</b>	<b>-183</b>	<b>-208</b>
Capitalization	195	125	563	456
Amortization	-199	-200	-746	-664

Investments in intangible assets were SEK 566 M (458) and investments in tangible assets were SEK 196 M (202). Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 1,275 M (943). The increase was mainly due to the implementation of IFRS 16, SEK 232 M, and higher amortization of R&D.

## Cash flow

Cash flow from operating activities was SEK 1,014 M (1,621). Continuous investments increased mainly due to the progress in R&D projects. Cash flow after continuous investments was SEK 252 M (962). The lower amount was mainly due to increased working capital levels, see working capital section below.

### Cash flow (extract)

SEK M	Q4		Full-year	
	2019/20	2018/19	2019/20	2018/19
<b>Operating cash flow</b>	<b>973</b>	<b>937</b>	<b>2,526</b>	<b>2,256</b>
Change in working capital	272	610	-1,512	-636
<b>Cash flow from operating activities</b>	<b>1,244</b>	<b>1,547</b>	<b>1,014</b>	<b>1,621</b>
Continuous investments	-218	-188	-761	-658
<b>Cashflow after continuous investments</b>	<b>1,026</b>	<b>1,359</b>	<b>252</b>	<b>962</b>
Operational cash conversion	123%	151%	35%	61%

## Full year

# Working capital

Net working capital was SEK -879 M (-2,089), corresponding to -6 (-15) percent of net sales. The increase came mostly from lower levels of accounts payable and customer advances as well as higher inventory due to Brexit mitigation measures during the year. For more information, see page 27.

## Days Sales Outstanding (DSO)

SEK M	Apr 30 2020	Apr 30 2019	Jan 31 2020
North and South America	-75	-74	-74
Europe, Middle East and Africa	37	2	37
Asia Pacific	-82	-113	-87
<b>Group</b>	<b>-36</b>	<b>-59</b>	<b>-37</b>

Days Sales Outstanding (DSO) was negative 36 days. The longer time in Europe, Middle East and Africa, was due to increase in accounts receivable at the same time as customer advances decreased. The increase in Asia Pacific came from a higher level of accounts receivables.

# Financial position

Cash, cash equivalents and short-term investments amounted to SEK 6,470 M (4,119). Interest-bearing liabilities amounted to SEK 8,102 M (4,558). Both key figures increased significantly as debt was raised to increase the available cash position in light of the higher market and business uncertainties due to the pandemic. Net debt amounted to SEK 1,632 M (439) and net debt in relation to EBITDA was 0.56 (0.17). The average maturity of interest-bearing liabilities was 3.4 years.

## Net debt

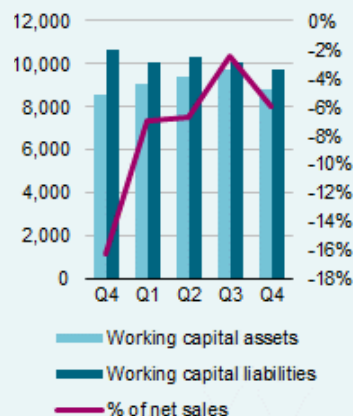
SEK M	Apr 30 2020	Apr 30 2019	Jan 31 2020
Long-term interest-bearing liabilities	7,101	3,558	2,649
Short-term interest-bearing liabilities	1,001	1,000	1,955
Cash and cash equivalents and short-term investments	-6,470	-4,119	-2,507
<b>Net debt</b>	<b>1,632</b>	<b>439</b>	<b>2,096</b>
Long-term lease liabilities <sup>1</sup>	1,043	-	1,012
Short-term lease liabilities <sup>1</sup>	213	-	225
Net debt including lease liabilities	2,888	n/a	3,333

<sup>1</sup> For more information regarding effects from IFRS 16, 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 -5 M (142). The translation difference in interest-bearing liabilities amounted to SEK 25 M (129). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK 30 M (243).

The change in unrealized exchange rate effects from effective cash flow hedges reported in other comprehensive income amounted to SEK 37 M (-101). The closing balance of unrealized exchange rate effects from effective cash flow hedges amounted to SEK -33 M (-70) exclusive of tax.

## Working capital



**0.56**  
Net debt / EBITDA  
ratio

## Full year

# 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.

## Impact from Covid-19

Due to ongoing uncertainties related to the development of the Covid-19 pandemic, Elekta withdrew the mid-term guidance in April 2020. An updated outlook will be published when it is possible to further quantify the impact of Covid-19 on the radiation therapy market and the effect on Elekta's business. So far Elekta has managed relatively well through the crisis, balancing the commitments to customers with the safety of employees. The treatment utilization rate in Elekta's installed base has been maintained at nearly normal levels. The production sites of linacs in Crawley, UK and Beijing, China are fully operational. The production facilities of Brachy in the Netherlands and Neuro in Sweden are also up and running. The continuity of Elekta supply chain has benefitted from a dual source strategy and the fact that Elekta and its suppliers being labelled essential business by relevant government authorities. There are no major short-term supply issues.

# Significant events

## Fourth quarter

### Changed outlook and challenges related to Covid-19

In April Elekta changed the outlook for the fiscal year 2019/20 as a result of the impact of the pandemic. The new outlook stated a net sales growth of around 1 percent compared to last year based on constant currency, and an EBITA margin between 16 and 17 percent. Due to ongoing uncertainties related to the development of the pandemic Elekta also withdrew the scenario for 2020/21 to 2022/23.

### Québec to acquire advanced linear accelerators

In February Québec announced a notice of intent to award Elekta a sole source contract for an order of 18 advanced linear accelerators, at a total order value of approximately SEK 407 million.

### New Head of Region North and Central America

In February Elekta appointed Larry Biscotti as new head of North and Central America. Larry, who replaced Peter Gaccione, has been with Elekta since 2018 and has long experience within the diagnostic imaging and therapy business, with extensive knowledge as a product specialist, direct sales, strategic account management and sales management in various leadership positions.

## Third quarter<sup>1</sup>

- Collaboration with ViewRay
- Renown Belgian hospital to acquire Elekta Unity and Versa
- FDA clearance of diffusion-weighted images
- Changes in executive management (Andrew Wilson)

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

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

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

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

Awards in the fourth quarter:



one of the world's most ethical companies for the second time



SILVER

Elekta Unity for RT advancements in the medical/dental category



## Full year

### First quarter<sup>2</sup>

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

# Acquisitions

### Fourth quarter

#### Remaining shares of Palabra

Elekta acquired the remaining shares (67%) of PalabraApps, LLC in February 2020 after the strategic investment in April 2018. In accordance with IFRS guidelines Elekta have valued its interest in Palabra prior to obtaining the control and recorded the revaluation through the income statement.

### 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>3</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 and final submissions have been made. 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>2</sup> For more details about the previous significant events please see respective quarterly report.

<sup>3</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.

Full year

# Employees

The average number of employees during the period was 4,117 (3,798).  
The average number of employees in the Parent Company was 41 (37).

# Shares

Total number of registered shares on April 30, 2020 was 383,568,409 of which 14,980,769 were A-shares and 368,587,640 B-shares. On April 30, 2020 1,485,289 shares were treasury shares held by Elekta.

Stockholm, May 29, 2020

Richard Hausmann  
CEO and President

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

## Fourth quarter and full year

# Consolidated income statement

SEK M	Q4		Full-year	
	2019/20	2018/19	2019/20	2018/19
Net sales	4,008	4,086	14,601	13,555
Cost of products sold	-2,301	-2,240	-8,464	-7,875
<b>Gross income</b>	<b>1,708</b>	<b>1,847</b>	<b>6,138</b>	<b>5,680</b>
Selling expenses	-380	-342	-1,444	-1,296
Administrative expenses	-250	-291	-1,093	-1,039
R&D expenses	-395	-417	-1,657	-1,592
Other operating income and expenses	58	-15	11	23
Exchange rate differences	-82	-28	-298	-80
<b>Operating result</b>	<b>658</b>	<b>755</b>	<b>1,657</b>	<b>1,696</b>
Result from participations in associates and other shares	-6	-3	-4	3
Interest income	7	23	63	66
Interest expenses and similar items	-67	-44	-215	-186
Interest expenses lease liabilities	-13	-	-51	-
Exchange rate differences	2	0	4	2
<b>Profit before tax</b>	<b>581</b>	<b>731</b>	<b>1,454</b>	<b>1,580</b>
Income taxes	-173	-195	-370	-382
<b>Net income</b>	<b>407</b>	<b>536</b>	<b>1,084</b>	<b>1,198</b>
<i>Net income attributable to</i>				
Parent Company shareholders	408	536	1,084	1,198
Non-controlling interests	0	0	0	0
<i>Average number of shares</i>				
Before dilution, millions	382	382	382	382
After dilution, millions	382	382	382	382
<i>Earnings per share</i>				
Before dilution, SEK	1.07	1.40	2.84	3.14
After dilution, SEK	1.07	1.40	2.84	3.14

## Fourth quarter and full year

# Consolidated statement of comprehensive income

SEK M	Q4		Full-year	
	2019/20	2018/19	2019/20	2018/19
Net income	407	536	1,084	1,198
Other comprehensive income:				
Items that will not be reclassified to the income statement:				
Remeasurements of defined benefit pension plans	-8	-1	-8	-1
Net gain/(loss) on equity instruments designated at fair value	-107	-	-104	-
Tax	25	1	24	1
<b>Total items that will not be reclassified to the income statement</b>	<b>-90</b>	<b>-1</b>	<b>-88</b>	<b>-1</b>
Items that subsequently may be reclassified to the income statement:				
Revaluation of cash flow hedges	-36	-35	37	-101
Translation differences from foreign operations	-1	284	30	243
Tax	8	7	-7	19
<b>Total items that subsequently may be reclassified to the income statement</b>	<b>-30</b>	<b>256</b>	<b>60</b>	<b>161</b>
<b>Other comprehensive income for the period</b>	<b>-120</b>	<b>256</b>	<b>-27</b>	<b>160</b>
<b>Total comprehensive income for the period</b>	<b>287</b>	<b>791</b>	<b>1,057</b>	<b>1,358</b>
<i>Comprehensive income attributable to:</i>				
Parent Company shareholders	287	791	1,057	1,358
Non-controlling interests	0	0	0	0

## Result overview

SEK M	Q4		Full-year	
	2019/20	2018/19	2019/20	2018/19
<b>Operating result/EBIT</b>	<b>658</b>	<b>755</b>	<b>1,657</b>	<b>1,696</b>
<i>Amortization:</i>				
Capitalized development costs	199	200	746	664
Assets relating to business combinations	29	30	119	117
<b>EBITA</b>	<b>886</b>	<b>985</b>	<b>2,521</b>	<b>2,477</b>

## Fourth quarter and full year

# Consolidated balance sheet - condensed

SEK M	Apr 30 2020	Apr 30 2019
<b>Non-current assets</b>		
Intangible assets	9,469	9,301
Right-of-use assets	1,156	-
Other tangible fixed assets	968	957
Financial assets	748	508
Deferred tax assets	504	402
<b>Total non-current assets</b>	<b>12,845</b>	<b>11,167</b>
<b>Current assets</b>		
Inventories	2,748	2,634
Accounts receivable	3,379	3,455
Accrued income	1,526	1,401
Current tax assets	138	158
Derivative financial instruments	97	72
Other current receivables	1,208	1,059
Short-term investments	62	45
Cash and cash equivalents	6,407	4,073
<b>Total current assets</b>	<b>15,566</b>	<b>12,897</b>
<b>Total assets</b>	<b>28,411</b>	<b>24,064</b>
Equity attributable to Parent Company shareholders	8,113	7,778
Non-controlling interests	1	1
<b>Total equity</b>	<b>8,113</b>	<b>7,779</b>
<b>Non-current liabilities</b>		
Long-term interest-bearing liabilities	7,101	3,558
Long-term lease liabilities	1,043	-
Deferred tax liabilities	545	587
Long-term provisions	235	188
Other long-term liabilities	73	55
<b>Total non-current liabilities</b>	<b>8,997</b>	<b>4,388</b>
<b>Current liabilities</b>		
Short-term interest-bearing liabilities	1,001	1,000
Short-term lease liabilities	213	-
Accounts payable	1,025	1,427
Advances from customers	4,103	4,883
Prepaid income	2,226	2,170
Accrued expenses	1,703	1,661
Current tax liabilities	246	166
Short-term provisions	179	188
Derivative financial instruments	105	94
Other current liabilities	501	308
<b>Total current liabilities</b>	<b>11,300</b>	<b>11,897</b>
<b>Total equity and liabilities</b>	<b>28,411</b>	<b>24,064</b>

## Fourth quarter and full year

# Changes in equity – condensed statement

SEK M	Full-year	
	2019/20	2018/19
<b>Attributable to Parent Company shareholders</b>		
Opening balance	7,778	6,987
Opening balance adjustment due to IFRS 15 and IFRS 9	-	-39
Opening balance adjustment due to IFRS 16	-31	-
Comprehensive income for the period	1,057	1,358
Incentive programs	-3	6
Dividend	-688	-535
<b>Total</b>	<b>8,113</b>	<b>7,778</b>
<b>Attributable to non-controlling interests</b>		
Opening balance	1	0
Comprehensive income for the period	0	0
<b>Total</b>	<b>1</b>	<b>1</b>
<b>Closing balance</b>	<b>8,113</b>	<b>7,779</b>

## Fourth quarter and full year

# Cash flow – condensed

SEK M	Q4		Full-year	
	2019/20	2018/19	2019/20	2018/19
Profit before tax	581	731	1,454	1,580
Amortization and depreciation	350	273	1,275	943
Interest net	62	7	150	91
Other non-cash items	67	31	54	21
Interest received and paid	-54	-3	-145	-110
Income taxes paid	-33	-102	-261	-269
<b>Operating cash flow</b>	<b>973</b>	<b>937</b>	<b>2,526</b>	<b>2,256</b>
Changes in inventories	163	-29	-116	-20
Changes in operating receivables	413	421	-434	-367
Changes in operating liabilities	-305	219	-962	-249
<b>Change in working capital</b>	<b>272</b>	<b>610</b>	<b>-1,512</b>	<b>-636</b>
<b>Cash flow from operating activities</b>	<b>1,244</b>	<b>1,547</b>	<b>1,014</b>	<b>1,621</b>
Investments intangible assets	-195	-123	-566	-458
Investments other assets	-23	-65	-196	-201
Sale of fixed assets	-	0	-	0
<b>Continuous investments</b>	<b>-218</b>	<b>-188</b>	<b>-761</b>	<b>-658</b>
<b>Cash flow after continuous investments</b>	<b>1,026</b>	<b>1,359</b>	<b>252</b>	<b>962</b>
Changes in short-term investments	46	-1	-26	38
Business combinations, divestments and investments in other shares	-91	-6	-511	-54
<b>Cash flow after investments</b>	<b>981</b>	<b>1,352</b>	<b>-284</b>	<b>946</b>
Dividends	-344	-267	-688	-535
Cash flow from other financing activities	3,447	-55	3,311	-938
<b>Cash flow for the period</b>	<b>4,084</b>	<b>1,030</b>	<b>2,339</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	2,392	2,936	4,073	4,458
Cash flow for the period	4,084	1,030	2,339	-527
Exchange rate differences	-69	107	-5	142
<b>Cash and cash equivalents at the end of the period</b>	<b>6,407</b>	<b>4,073</b>	<b>6,407</b>	<b>4,073</b>

## Fourth quarter and full year

# Parent company

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

SEK M	Full-year	
	2019/20	2018/19
Operating expenses	-131	-145
Financial net	325	781
<b>Income after financial items</b>	<b>194</b>	<b>636</b>
Appropriations	14	-14
Tax	13	3
<b>Net income</b>	<b>221</b>	<b>624</b>
<b>Statement of comprehensive income</b>		
Net income	221	624
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>221</b>	<b>624</b>

### Balance sheet - condensed

SEK M	Apr 30	Apr 30
	2020	2019
<b>Non-current assets</b>		
Intangible assets	53	60
Shares in subsidiaries	2,251	2,439
Receivables from subsidiaries	2,391	2,393
Other financial assets	433	87
Deferred tax assets	18	3
<b>Total non-current assets</b>	<b>5,146</b>	<b>4,983</b>
<b>Current assets</b>		
Receivables from subsidiaries	4,248	3,436
Other current receivables	81	102
Other short-term investments	0	45
Cash and cash equivalents	5,387	2,941
<b>Total current assets</b>	<b>9,716</b>	<b>6,524</b>
<b>Total assets</b>	<b>14,863</b>	<b>11,507</b>
Shareholders' equity	2,431	2,898
Untaxed reserves	0	14
<b>Non-current liabilities</b>		
Long-term interest-bearing liabilities	7,101	3,553
Long-term provisions	10	12
<b>Total non-current liabilities</b>	<b>7,111</b>	<b>3,565</b>
<b>Current liabilities</b>		
Short-term interest-bearing liabilities	942	1,000
Short-term liabilities to Group companies	4,283	3,934
Short-term provisions	1	0
Other current liabilities	95	95
<b>Total current liabilities</b>	<b>5,321</b>	<b>5,029</b>
<b>Total shareholders' equity and liabilities</b>	<b>14,863</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.

All figures are stated in SEK M and, accordingly, rounding differences can occur.

## 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 1,459 M. The lease liability recognized in the Balance Sheet 1 May 2019 amounts to SEK 1,319 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.

## Fourth quarter and full year

### Effects from IFRS 16 on consolidated balance sheet

SEK M	Reported Apr 30, 2019	Adjustment IFRS 16 <sup>1</sup>	Adjusted May 1, 2019
Right-of-use asset	0	1,242	1,242
Other assets	24,064	-16	24,048
Deferred tax assets	0	7	7
<b>Total assets</b>	<b>24,064</b>	<b>1,234</b>	<b>25,298</b>
Total equity	7,779	-31	7,748
Long term lease liability	0	1,118	1,118
Short term lease liability	0	201	201
Other liabilities	16,285	-54	16,231
<b>Total equity and liabilities</b>	<b>24,064</b>	<b>1,234</b>	<b>25,298</b>

<sup>1</sup> The effects from the initial application of IFRS 16 has been adjusted compared to previously disclosed numbers

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 - Apr			Apr 30		
		2019/20	2018/19	Δ <sup>1</sup>	2020	2019	Δ <sup>1</sup>
Euroland	1 EUR	10.681	10.378	3%	10.694	10.640	1%
Great Britain	1 GBP	12.200	11.778	4%	12.278	12.306	0%
Japan	1 JPY	0.089	0.081	9%	0.092	0.085	8%
United States	1 USD	9.637	9.028	7%	9.847	9.510	4%

<sup>1</sup> April 30, 2020 vs April 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.

## Fourth quarter and full year

### Full-year 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	4,482	5,547	4,572	-	14,601	
Regional expenses	-2,704	-3,786	-3,142	-	-9,633	66%
<b>Contribution margin</b>	<b>1,778</b>	<b>1,760</b>	<b>1,430</b>	-	<b>4,968</b>	<b>34%</b>
Contribution margin, %	40%	32%	31%			
Global costs				-3,312	-3,312	23%
<b>Operating result</b>	<b>1,778</b>	<b>1,760</b>	<b>1,430</b>	<b>-3,312</b>	<b>1,657</b>	<b>11%</b>
Net financial items				-203	-203	
<b>Profit before tax</b>	<b>1,778</b>	<b>1,760</b>	<b>1,430</b>	<b>-3,515</b>	<b>1,454</b>	

### Full-year 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>	

## Fourth quarter and full year

# Net sales by product type

### Full-year 2019/20

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	1,965	3,577	3,305	-	8,846
Service	2,518	1,970	1,268	-	5,755
<b>Total</b>	<b>4,482</b>	<b>5,547</b>	<b>4,572</b>	<b>-</b>	<b>14,601</b>

### Full-year 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>-</b>	<b>13,555</b>

## Fourth quarter and full year

# 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, 2020		Apr 30, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing liabilities	7,101	7,503	3,558	3,573
Long-term lease liabilities	1,043	1,043	-	-
Short-term interest-bearing liabilities	1,001	1,002	1,000	1,000
Short-term lease liabilities	213	213	-	-

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, 2020	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	81	70
Short-term investments	1	62	45
Current investments classified as cash equivalents	1	1,241	1,716
Equity instruments	1	297	58
Equity instruments	3	0	2
<i>Derivatives used for hedging purposes:</i>			
Derivative financial instruments – hedge accounting	2	25	2
<b>Total financial assets</b>		<b>1,707</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	55	25
Contingent consideration	3	105	2
<i>Derivatives used for hedging purposes:</i>			
Derivative financial instruments – hedge accounting	2	58	72
<b>Total financial liabilities</b>		<b>217</b>	<b>99</b>

## Fourth quarter and full year

# Key figures and data

## Key figures

	May - Apr <sup>1</sup>			May - Apr		May - Apr
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Gross order intake, SEK M	12,825	13,821	14,064	14,493	16,796	17,735
Net sales, SEK M	10,839	11,221	10,704	11,573	13,555	14,601
Order backlog, SEK M	17,087	18,239	22,459	27,974	32,003	34,689
Operating result, SEK M	937	423	598	1,845	1,696	1,657
Operating margin, %	8.6	3.8	5.6	15.9	12.5	11.3
Profit margin, %	6.6	1.7	3.2	14.5	11.7	10.0
Shareholders' equity, SEK M	6,646	6,412	6,774	6,987	7,779	8,113
Return on shareholders' equity, %	9	2	2	22	17	14
Net debt, SEK M	2,768	2,677	1,889	803	439	1,632
Operational cash conversion, %	126	111	145	95	61	35
Average number of employees	3,679	3,677	3,581	3,702	3,798	4,117

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

## Data per share

	May - Apr <sup>1</sup>			May - Apr		May - Apr
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Earnings per share</b>						
before dilution, SEK	1.45	0.36	0.33	3.53	3.14	2.84
after dilution, SEK	1.45	0.36	0.33	3.53	3.14	2.84
<b>Cash flow per share</b>						
before dilution, SEK	1.78	1.00	2.69	3.79	2.48	-0.74
after dilution, SEK	1.78	1.00	2.69	3.79	2.48	-0.74
<b>Shareholders' equity per share</b>						
before dilution, SEK	17.41	16.79	17.73	18.29	20.36	21.23
after dilution, SEK	17.41	16.79	17.73	18.29	20.36	21.23
<b>Average number of shares</b>						
before dilution, 000s	381,287	381,288	381,306	382,027	382,027	382,062
after dilution, 000s	381,287	381,288	381,306	382,027	382,027	382,062
<b>Number of shares at closing</b>						
before dilution, 000s <sup>2</sup>	381,287	381,288	382,027	382,027	382,027	382,083
after dilution, 000s	381,287	381,288	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 April 30, 2020).

## Fourth quarter and full year

### Data per quarter

SEK M	2017/18	2018/19				2019/20			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross order intake	4,656	3,174	3,670	4,551	5,401	4,390	4,036	4,276	5,032
Net sales	3,409	2,819	3,330	3,320	4,086	3,228	3,709	3,656	4,008
EBITA	848	386	601	505	985	448	539	648	886
Operating result	714	238	393	311	755	236	321	443	658
Cash flow from operating activities	1,235	-381	512	-57	1,547	-629	419	-21	1,244

### Order intake growth based on constant exchange rates

	2017/18	2018/19				2019/20			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
North and South America, %	10	23	-41	16	9	0	29	-43	0
Europe, Middle East and Africa, %	28	15	43	5	18	64	-21	9	-17
Asia Pacific, %	-9	2	18	20	-8	31	23	-6	-13
<b>Group, %</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>	<b>-10</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](http://www.elekta.com/investors/financials/definitions). 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>Q4 2019/20 vs. Q4 2018/19</b>								
Change based on constant exchange rates	0	-5	-17	-394	-13	-160	-10	-559
Currency effects	5	100	2	40	4	50	4	190
<b>Reported change</b>	<b>5</b>	<b>95</b>	<b>-16</b>	<b>-353</b>	<b>-9</b>	<b>-110</b>	<b>-7</b>	<b>-369</b>
<b>Q4 2018/19 vs. Q4 2017/18</b>								
Change based on constant exchange rates	9	141	18	335	-8	-108	8	368
Currency effects	11	174	5	93	9	110	8	377
<b>Reported change</b>	<b>20</b>	<b>315</b>	<b>23</b>	<b>428</b>	<b>0</b>	<b>2</b>	<b>16</b>	<b>745</b>
<b>May - Apr 2019/20 vs. May - Apr 2018/19</b>								
Change based on constant exchange rates	-6	-321	1	81	8	385	1	146
Currency effects	6	295	3	209	6	289	5	793
<b>Reported change</b>	<b>-1</b>	<b>-26</b>	<b>4</b>	<b>290</b>	<b>13</b>	<b>674</b>	<b>6</b>	<b>938</b>
<b>May - Apr 2018/19 vs. May - Apr 2017/18</b>								
Change based on constant exchange rates	-1	-40	18	977	6	282	8	1,219
Currency effects	8	369	7	373	8	342	7	1,084
<b>Reported change</b>	<b>7</b>	<b>329</b>	<b>25</b>	<b>1,350</b>	<b>14</b>	<b>624</b>	<b>16</b>	<b>2,303</b>



## Fourth quarter and full year

### 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>Q4 2019/20 vs. Q4 2018/19</b>								
Change based on constant exchange rates	-1	-8	-2	-39	-14	-183	-6	-230
Currency effects	5	59	3	49	3	43	4	152
<b>Reported change</b>	<b>4</b>	<b>51</b>	<b>1</b>	<b>11</b>	<b>-11</b>	<b>-140</b>	<b>-2</b>	<b>-78</b>
<b>Q4 2018/19 vs. Q4 2017/18</b>								
Change based on constant exchange rates	9	90	3	40	29	278	12	407
Currency effects	12	117	4	56	10	98	8	271
<b>Reported change</b>	<b>21</b>	<b>206</b>	<b>7</b>	<b>96</b>	<b>40</b>	<b>376</b>	<b>20</b>	<b>677</b>
<b>May - Apr 2019/20 vs. May - Apr 2018/19</b>								
Change based on constant exchange rates	-6	-285	9	468	6	248	3	431
Currency effects	6	267	2	123	6	226	5	616
<b>Reported change</b>	<b>0</b>	<b>-18</b>	<b>12</b>	<b>591</b>	<b>12</b>	<b>474</b>	<b>8</b>	<b>1,047</b>
<b>May - Apr 2018/19 vs. May - Apr 2017/18</b>								
Change based on constant exchange rates	8	295	9	375	16	524	10	1,194
Currency effects	8	318	5	236	7	235	7	788
<b>Reported change</b>	<b>16</b>	<b>613</b>	<b>14</b>	<b>611</b>	<b>23</b>	<b>758</b>	<b>17</b>	<b>1,982</b>

## EBITDA

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

SEK M	Q4 2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20
Operating result/EBIT	755	236	321	443	658
<i>Amortization:</i>					
Capitalized development costs	200	184	187	176	199
Assets relating business combinations	30	28	32	30	29
Depreciation	42	95	95	99	121
<b>EBITDA</b>	<b>1,028</b>	<b>542</b>	<b>634</b>	<b>747</b>	<b>1,008</b>

## Fourth quarter and full year

### 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.

SEK M	Apr 30, 2019	Jul 31, 2019	Oct 31, 2019	Jan 31, 2020	Apr 30, 2020
Profit before tax (12 months rolling)	1,580	1,558	1,478	1,604	1,454
Financial expenses (12 months rolling)	186	211	227	230	266
<b>Profit before tax plus financial expenses</b>	<b>1,766</b>	<b>1,769</b>	<b>1,705</b>	<b>1,834</b>	<b>1,720</b>
<b>Total assets</b>	<b>24,064</b>	<b>24,855</b>	<b>25,239</b>	<b>25,234</b>	<b>28,411</b>
Deferred tax liabilities	-587	-574	-584	-596	-545
Long-term provisions	-188	-194	-211	-195	-235
Other long-term liabilities	-55	-10	-55	-55	-73
Accounts payable	-1,427	-1,226	-1,270	-961	-1,025
Advances from customers	-4,883	-4,652	-4,777	-4,601	-4,103
Prepaid income	-2,170	-2,108	-2,065	-2,288	-2,226
Accrued expenses	-1,661	-1,539	-1,732	-1,695	-1,703
Current tax liabilities	-166	-143	-184	-183	-246
Short-term provisions	-188	-184	-185	-182	-179
Derivative financial instruments	-94	-243	-108	-58	-105
Other current liabilities	-308	-354	-316	-377	-501
<b>Capital employed</b>	<b>12,337</b>	<b>13,629</b>	<b>13,752</b>	<b>14,044</b>	<b>17,472</b>
Average capital employed (last five quarters)	12,010	12,269	12,680	13,103	14,247
<b>Return on capital employed</b>	<b>15%</b>	<b>14%</b>	<b>13%</b>	<b>14%</b>	<b>12%</b>

### Return on shareholders' equity

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

SEK M	Q4 2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20
Net income (12 months rolling)	1,198	1,180	1,116	1,213	1,084
Average shareholders' equity excluding non-controlling interests (last five quarters)	7,167	7,339	7,549	7,796	7,967
<b>Return on shareholders' equity</b>	<b>17%</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>	<b>14%</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.

SEK M	Q4 2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20
Cash flow from operating activities	1,547	-629	419	-21	1,244
EBITDA	1,028	542	634	747	1,008
<b>Operational cash conversion</b>	<b>151%</b>	<b>-116%</b>	<b>66%</b>	<b>-3%</b>	<b>123%</b>

## Fourth quarter and full year

### Working capital

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

SEK M	Apr 30 2020	Apr 30 2019	Jan 31 2020
<b>Working capital assets</b>			
Inventories	2,748	2,634	2,959
Accounts receivable	3,379	3,455	3,927
Accrued income	1,526	1,401	1,480
Other operating receivables	1,202	1,059	1,374
<b>Sum working capital assets</b>	<b>8,856</b>	<b>8,548</b>	<b>9,741</b>
<b>Working capital liabilities</b>			
Accounts payable	1,025	1,427	961
Advances from customers	4,103	4,883	4,601
Prepaid income	2,226	2,170	2,288
Accrued expenses	1,703	1,661	1,695
Short-term provisions	179	188	182
Other current liabilities	501	308	377
<b>Sum working capital liabilities</b>	<b>9,735</b>	<b>10,638</b>	<b>10,104</b>
<b>Net working capital</b>	<b>-879</b>	<b>-2,089</b>	<b>-363</b>
% of 12 months net sales	-6%	-15%	-2%

### 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	Apr 30, 2019	Jul 31, 2019	Oct 31, 2019	Jan 31, 2020	Apr 30, 2020
Long-term interest-bearing liabilities	3,558	3,504	3,137	2,649	7,101
Short-term interest-bearing liabilities	1,000	1,015	1,462	1,955	1,001
Cash and cash equivalents and short-term investments	-4,119	-3,349	-3,090	-2,507	-6,470
<b>Net debt</b>	<b>439</b>	<b>1,170</b>	<b>1,510</b>	<b>2,096</b>	<b>1,632</b>
EBITDA (12 months rolling)	2,639	2,754	2,750	2,951	2,931
<b>Net debt/EBITDA ratio</b>	<b>0.17</b>	<b>0.42</b>	<b>0.55</b>	<b>0.71</b>	<b>0.56</b>

## Significant events after the quarter

- GenesisCare ordered several Elekta linear accelerators at a value of around USD 200 million (approx. SEK 2 bn) over the next five years, of which 11 Elekta Unity MR-Linac systems, as GenesisCare enters the U.S. market.
- Acquisition of Kaiku Health strengthens Elekta Digital offering with personalized remote digital health interventions.

# Shareholder information

## Conference call

Elekta will host a live presentation and a web/telephone conference at 10:00-11:00 CET on May 29 with president and CEO Dr Richard Hausmann, and CFO Gustaf Salford. To take part of the presentation please dial the numbers or watch via the web link below.

Swedish dial-in-no.: +46 8 505 583 52

UK dial-in no.: +44 333 300 9260

US dial-in no.: +1 833 249 8403

<https://elekta-qreports.creo.se/200529>

## Financial calendar

Annual Report 2019/20	July 10, 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 more than 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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