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## Closing of Nucletron acquisition

Building a stronger position in the  
cancer care market

September 15, 2011



# Important step in Elekta's growth strategy

- Nucletron is the world leader in Brachytherapy and an important step in Elekta's growth strategy:
  - Strengthened market positions and more comprehensive customer offering
  - Combined customer base of 6,000 customers serving close to one million patients every year
- Nucletron has a strong financial track record with good growth, high profitability and a large share of recurring revenues.
- Estimated yearly cost synergies of approx. SEK 75 M. In addition, potential for substantial revenue synergies.
- Elekta already has a longstanding partnership with Nucletron since 1998



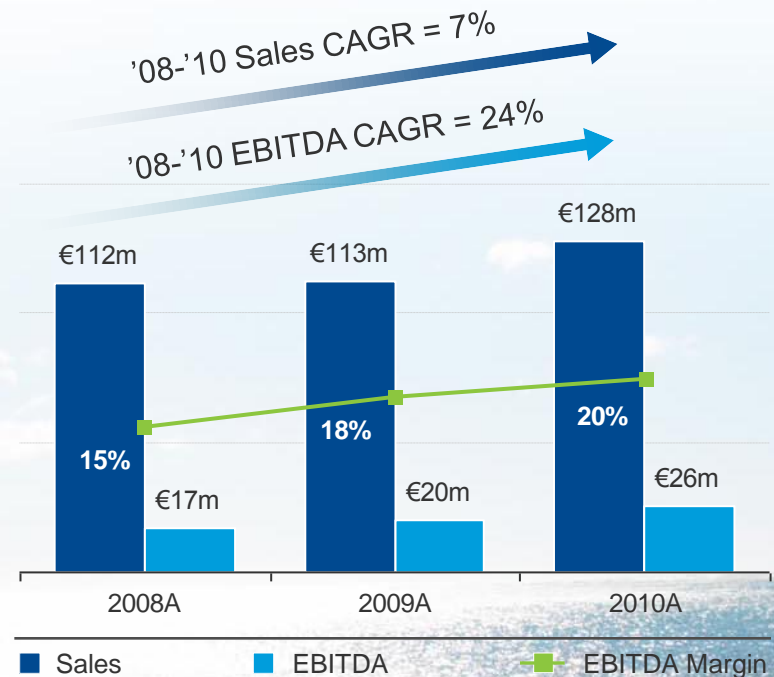
# Company snapshot

## Company overview

- Headquartered in Veenendaal, Netherlands; Founded in 1975; ~500 employees
- Highly successful radiotherapy company specialised in Brachytherapy treatment solutions, treatment planning and related products
- #1 in Brachytherapy globally
- Global presence
  - Direct sales in 27 countries
  - Offers services and solutions to more than 3,000 institutions worldwide with high recurring revenue from the installed base
- Experienced management team with medical / radiation therapy background

## Financial profile

- Solid financial performance
  - 2010 sales growth of 14%
  - 2010 EBITDA growth of 29%



Source: Company website

# State of the art product portfolio

## Brachytherapy

- Brachytherapy involves precisely placing a radiation source internally, either into or immediately next to the cancerous tumour
- Able to reach sites not typically accessible via external beam
- Prevalent in gynaecological, prostate and breast cancers
- Key brachytherapy products include Flexitron, MicroSelectron and Oncentra Brachy

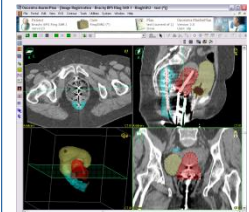
### Afterloaders



### Applicators

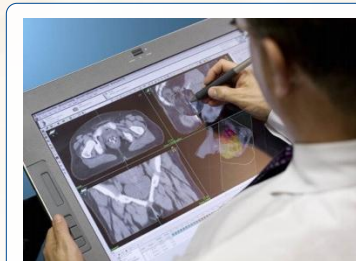


### Software



## Treatment planning

- Offers a full spectrum of treatment planning software, including those for the key modalities within external beam



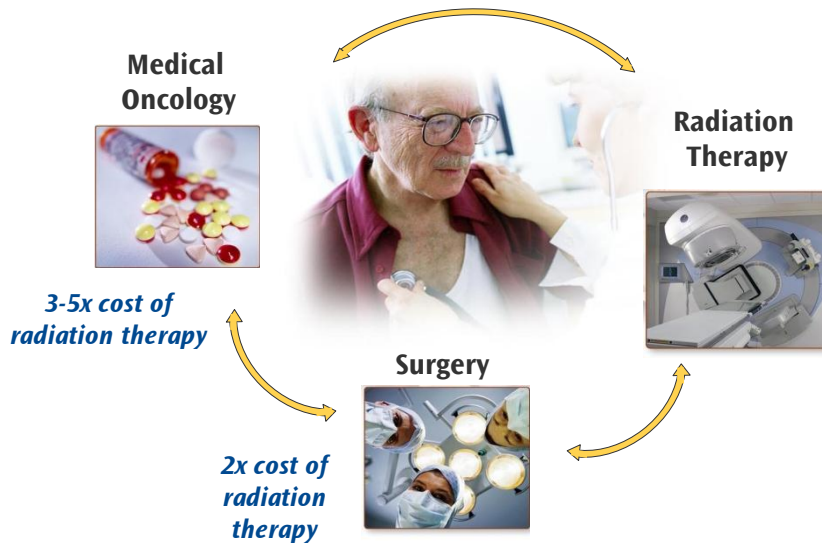
## Treatment simulation and imaging

- Radiation therapy simulator solutions - complementary to brachytherapy and external beam offering
- Key products include: IBU-Digital and Simulix Evolution



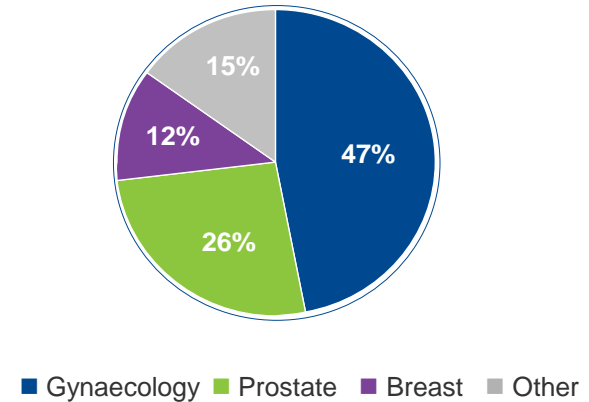
# Brachytherapy's important role in cancer care

Radiation therapy (RT) is an integral part of cancer care



Brachytherapy accounts for ~5-10% <sup>(1)</sup> of the RT market

Applications of Brachytherapy<sup>(2)</sup>

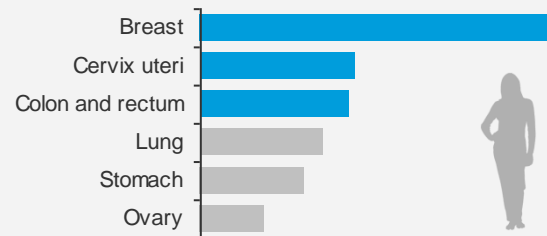


## Brachytherapy treats most major cancer types

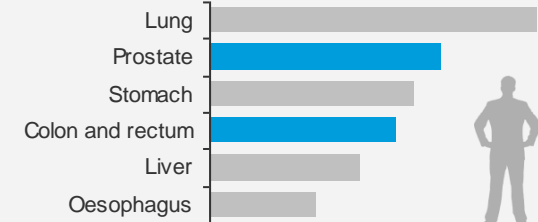
- Breast cancer incidence is the fastest growing in females<sup>(3)</sup>
- Prostate cancer incidence is the fastest growing in males<sup>(3)</sup>

■ Cancer types treated with brachytherapy

Most common cancers in women



Most common cancers in men



Source: WHO, Cancer Atlas 2002, Global data

(1) Elekta and Nucletron estimates

(2) GEC ESTRO Patterns of Care Study

(3) CA Cancer J Clin 2006; 56:106-130

# Elekta will have better access to oncology care in fast-growing emerging markets



Source: Company information and estimates

(1) Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Venezuela, Bahamas, Barbados, Cuba, Puerto Rico and Trinidad and Tobago.

(2) Market position based on afterloader installed base; source: Nucletron



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## Financial considerations



# Financial considerations

- Purchase price of EUR 365 M on a cash and debt free basis
- Nucletron reported net sales in 2010 of EUR 128 M and EBITDA of EUR 26 M, representing a margin of 20%
- Nucletron is expected to add approx. SEK 850 M to Elekta's net sales and SEK 170 M to Elekta's EBIT in fiscal year 2011/12 (excluding non-recurring costs)
- Annual cost synergies estimated to SEK 75 M:
  - SEK 75 M expected to be realized in 2012/13, limited synergies expected in 2011/12
  - Increased efficiency in combined entity
- In addition, potential for substantial revenue synergies



# Financial considerations

- Transaction and restructuring costs of approx. SEK 170 M
  - Transaction costs of approx. SEK 40 M; of which SEK 30 M to be charged in Q2 2011/12, SEK 10 M already charged in Q1
  - SEK 130 M in restructuring costs, incurred during second half of fiscal year 2011/12 and during 12/13
- Annual amortization of intangibles (non cash) of approx. SEK 75 M
- The acquisition is funded by Elekta's existing cash and credit facilities
  - Will increase Elekta's annual net interest expense to SEK 140 m
  - Strong pro forma cash flow generation
- Conservative leverage ratios post transaction
- The acquisition is expected to be mildly dilutive to Elekta's earnings per share in fiscal year 2011/12

# Important step in Elekta's growth strategy

- Nucletron is the world leader in Brachytherapy and an important step in Elekta's growth strategy
- Combined customer base of 6,000 customers serving close to one million patients with our cancer care solutions every year
- Nucletron has a strong financial track record and Elekta is committed to further increase the growth to be in line with Elekta's long term growth targets
- Estimated yearly cost synergies of SEK 75 M. In addition, potential for substantial revenue synergies
- Expected to be mildly dilutive to Elekta's earnings per share in fiscal year 2011/12





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## Q&A

