



*Human Care Makes  
the Future Possible*

## Elekta

### Q2 report 2013/14

Tomas Puusepp, President and CEO  
Håkan Bergström, CFO



# Growth strategy continues to be successful

- Order bookings up 10\*% in Q2
  - Strong growth in Europe and North America
- Net sales up 10\*% in H1
- Investment program to support long-term growth
  - MR Linac
  - Atlanta and Beijing LINC opened
- EBITA of SEK 555\*\* (599) M
  - Up 8% Y/Y excluding negative currency effects
- Significantly stronger cash flow anticipated for H2
- Outlook reiterated



*\*Based on unchanged exchange rates*

*\*\*Before non-recurring items*

# Technology leader



Versa HD™

Esteya®

MR Linac



# Market leading treatment planning solution

Monaco®

Focal 4D

FocalPRO

FocalSIM

ERGO++

XIO

Oncentra®

ABAS

Monaco®  
5.0

- Single versatile platform
- 510(k) approved in November
- Unified, consolidated, powerful





# North and South America



- North America - order bookings up 21%\* in Q2
  - Growing faster than market
  - Good momentum on Versa HD™
  - Atlanta LINC opened
  - Increased reimbursement decided
- South America
  - Fully committed to supply modern cancer care in the region
  - Brazil procurement affected market during the period
  - Market activity back

*\*Based on unchanged exchange rates*

# Europe, Middle East and Africa



- Strong order bookings, up by 32%\* in Q2
- Established markets
  - Good growth in all territories
  - Especially strong in:
    - Scandinavia
    - France
  - Versa HD™ has good momentum
  - First patients treated with Esteya®
- Emerging markets
  - Strong growth

*\*Based on unchanged exchange rates*

# Regional overview

## Asia Pacific



- Order bookings decreased 7%\* in Q2
  - Confident of the performance for the full year
- Strong trend in Japan
  - Good development with the Toshiba collaboration
- Good development in China
  - Initiative in place for RT expansion
  - Beijing LINC opened
- Change of import regulations in India and weak currency
  - Orders and deliveries delayed

*\*Based on unchanged exchange rates*

# Strong order bookings and good deliveries

- Order growth 10%\* in Q2
- Net sales increased by 10%\* in H1
  - Strong deliveries in all regions
- Gross margin at 43% (45)
  - Currency impact, US medical device tax and lower share of Leksell Gamma Knife
- EBITA\*\* of SEK 555 M (599)
  - Currency effect SEK -90M.
  - R&D expenditures, before capitalization, increased to SEK 591 M (438)
- Taxes expected to trend down to 23% during coming years



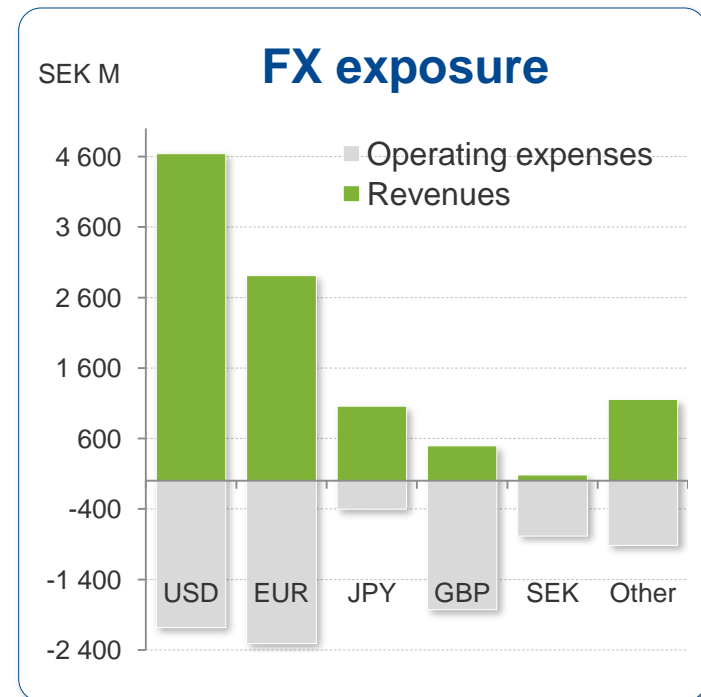
\*Based on constant exchange rates

\*\* Excluding non-recurring items



# Volatility on currency markets

- Estimated currency effect for 2013/14
  - Net sales: -3 percentage points
  - EBITA: -5 percentage points
- Volatility on currency markets. End of October changes (Y/Y)
  - **USD: -4%**      - **GBP: -6%**
  - **JPY: -24%**     - **EUR: 0%**
- Negative currency effect in H1  
SEK -90 M



# Strong cash flow for the remainder of the year

- Cash flow from operating activities  
SEK 282 M in Q2
- Cash flow after continuous investments  
SEK 61 M in Q2
- Investments increased by SEK 200 M in  
H1 to support future growth
  - R&D, MR Linac project
  - Training and education centers
- Seasonality in working capital
  - Inventory build up for planned deliveries in H2
  - For full year net working capital ratio to be in line with  
previous year
- 60% cash conversion expected for FY



# Elekta's strategy for sustainable profitable growth

- Technology leadership – increased activity within product development
  - Versa HD™
  - MR linac
- Emerging markets
  - Availability, training and education
- Cancer incidence is growing



# Outlook reiterated

- For the fiscal year 2013/14, net sales is expected to grow by more than 10%\*
- EBITA is expected to grow by approximately 10%\*
- Currency is estimated to have a negative impact of about 5 percentage points on EBITA growth compared to FY 2012/13





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