



Elekta – Half-year report 2014/15

Niklas Savander

President and CEO

Håkan Bergström

Chief Financial Officer

First half year summary – FY 2014 /15

- Long-term growth strategy unchanged
- First half impacted by delayed orders in EMEA and slower than expected market growth
- Responsive action plan implemented
- Free cash flow (after continuous investments) improved to SEK 173 M (61) in Q2
- Second half year expected to be considerably stronger in net sales, EBITA and cash flow
- Outlook for FY 2014/15:
 - Net sales growth: 4* percent
 - EBITA growth: approximately 6* percent
 - Positive currency effects, ~7** percentage points on net sales and ~2** percentage points on EBITA



*Based on unchanged exchange rates

**Based on current exchange rates

Financial performance in H1

- Order bookings -3%* in H1
 - Growth in North America. Asia grew in Q2
 - Weak performance in Europe, Latin America
- Net sales -3%* in H1
 - Growth in Asia Pacific
 - Recovery of Leksell Gamma Knife®
 - Higher software revenues in US in Q2 vs. Q1
 - Project delays in Europe from Q2 to second half
- EBITA decreased to SEK 359 (555)** M
- Gross margin improved in Q2 vs. Q1
- Free cash flow (cash flow after continuous investments: SEK 173 M (61) in Q2
 - Cash conversion 54%.



*Based on unchanged exchange rates

** Before non-recurring items

Progress in product portfolio



- Atlantic (MRI guided linear accelerator) – installation ongoing in Utrecht
- Information guided cancer care™ launch
- MOSAIQ® rewarded no. 1 ranking in KLAS
- MOSAIQ® 2.6 - Meaningful use 2.0 compliant software installations acceleration
- Good growth of Leksell Gamma Knife®. Increased reimbursement in the USA

Strategic agenda for growth





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Håkan Bergström
CFO

Financial performance

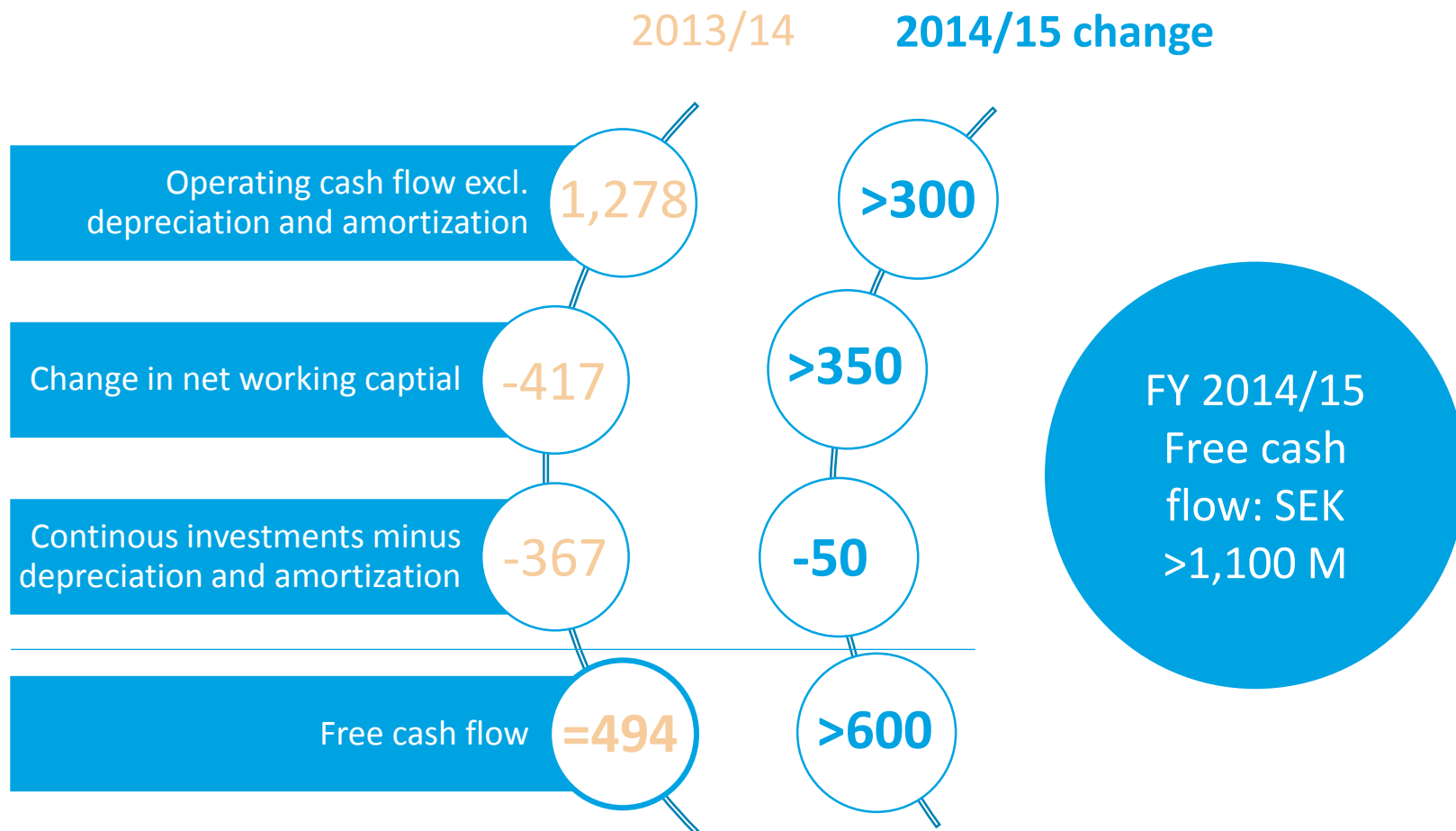
- Order bookings and net sales
-3%* in H1
- Gross margin was 42% in Q2,
significant improvement vs. Q1
(34%)
 - Higher software revenues
 - Growth of Leksell Gamma Knife®
- EBITA of SEK 359 (555)** M
- Free cash flow (cash flow after
continuous investments: SEK 173 M
(61) in Q2
 - Cash conversion 54%.
- Tax rate: 22% (24%)



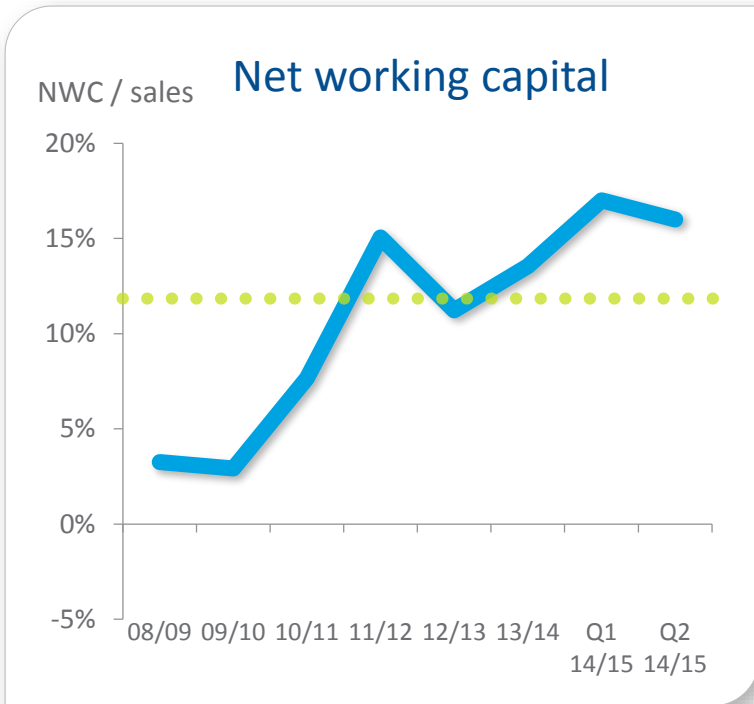
*Based on constant exchange rates

** Before non-recurring items

Drivers for improvement in free cash flow FY 14/15 - Mkr



Net working capital to sales - full-year target: 12%



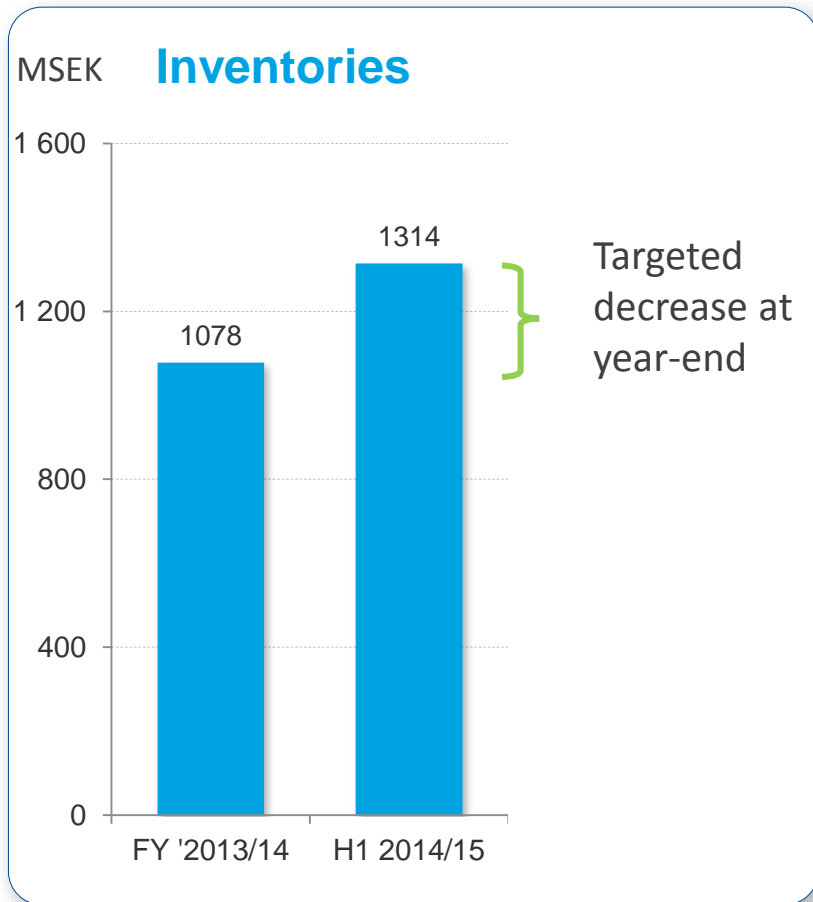
Target 12%

Drivers in second half

- Lower inventories
- DSO – slight increase
- Seasonal - higher net sales



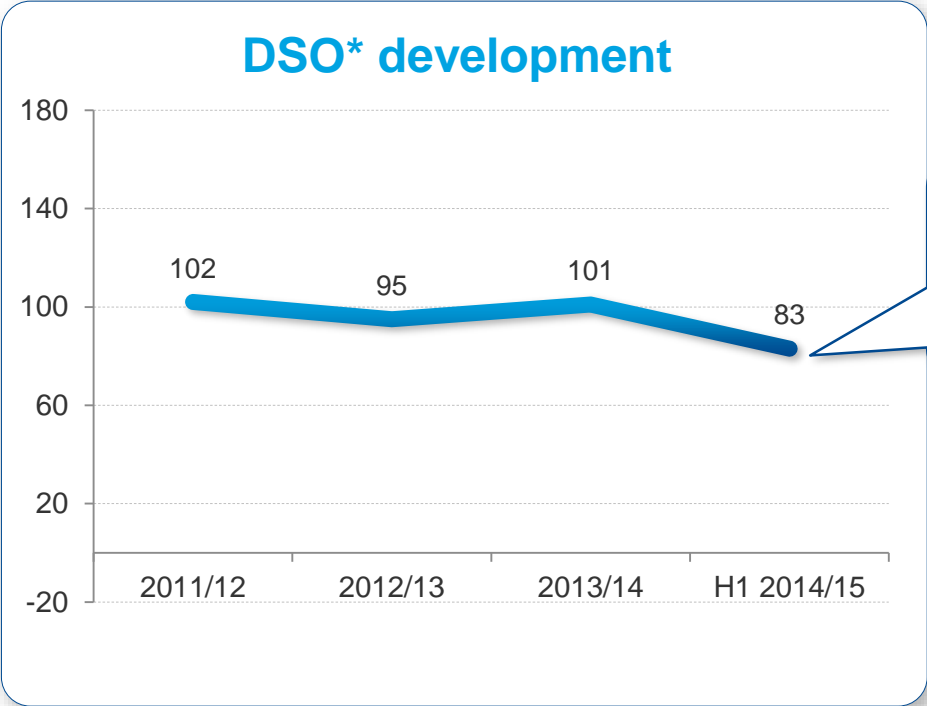
Activities to lower inventories



Activities:

- Shipment of finished goods
- Stricter control of spare parts levels
- Centralizing purchasing

DSO improving in H1



Regional split:

North America:	-39 days
Europe & AFLAME:	168 days
Asia Pacific:	84 days

- Public deals in Europe with extended payment terms
- Longer lead times in emerging markets

DSO calculation based on: Accounts receivables, Accrued income, advances from customers, prepaid income

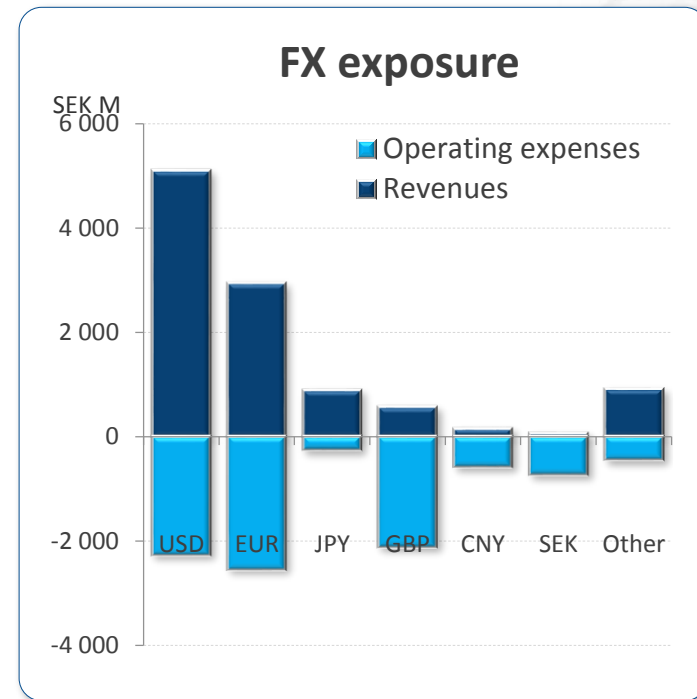
Favorable currency development

Reported currency effect for H1:

- Net sales +5%
- Neutral effect on EBITA

Estimated positive currency effect* for FY 2014/15:

- Net sales ~7 percentage points
- EBITA ~2 percentage points



Outlook for 2014/15:

	Outlook 2014/15
Net sales growth	4%*
EBITA growth	~6%*
Free cash flow	>SEK 1.1bn

Growth drivers in H2:

- Asia Pacific – Versa HD™ approved in China and Japan
- North America - Leksell Gamma Knife®, software
- Europe, MEA – recovery from delayed deals

