



Elekta – Nine month report 2014/15

Niklas Savander

President and CEO

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Chief Financial Officer



Introduction

- Third quarter affected by
 - Timing of large orders
 - Product mix
 - Temporary slower growth in certain markets
- Outlook full-year reiterated
 - Strong large order pipeline
 - Sales momentum of Leksell Gamma Knife
- Strategic Agenda: long term upside



Market development

- Elekta viable player for large health systems
- Service business is growth opportunity
- EMEA improving
- APAC declined
- RNA low growth, but positive for Leksell Gamma Knife



Performance YTD

- Order bookings -10%*
 - EMEA returned as anticipated
 - Asia Pacific declined due to weaker market conditions in China and Japan
 - North America affected by volatility
- Net sales -3%*
 - Lower shipment volumes
 - Product mix
 - Slower growth in China, Japan, Russia and USA
- EBITA decreased to SEK 705 (895)** M
- Cash flow from operating activities improved to SEK 158 M (44)



*Based on unchanged exchange rates

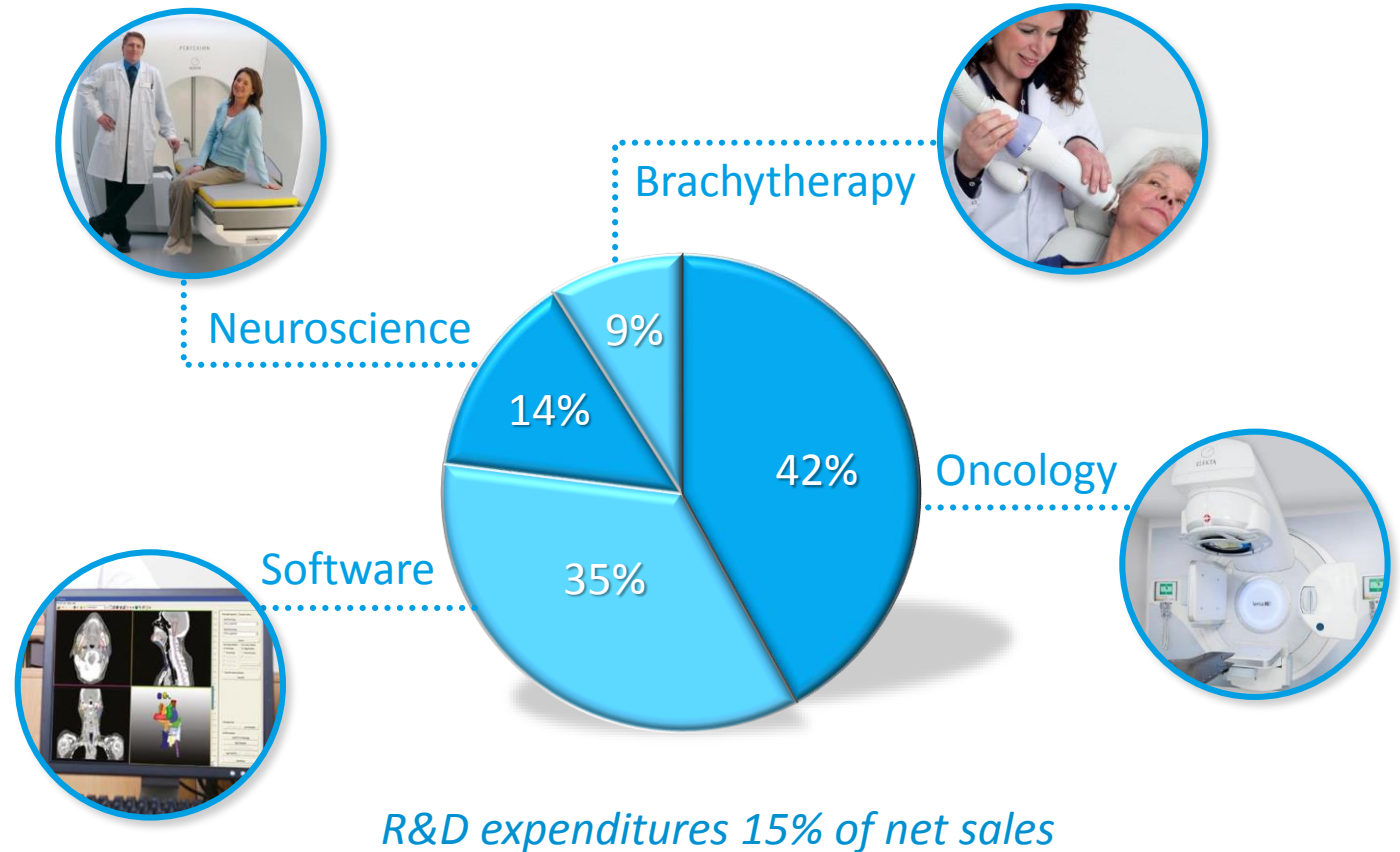
** Before non-recurring items

Portfolio progress

Fiscal year 2014/15

Main Elekta R&D programs:

- Atlantic
- Information Guided Cancer Care™
- Next generation Gamma Knife
- Vision 2020 for Brachytherapy



Strategic agenda for growth





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Håkan Bergström

CFO



Financial performance

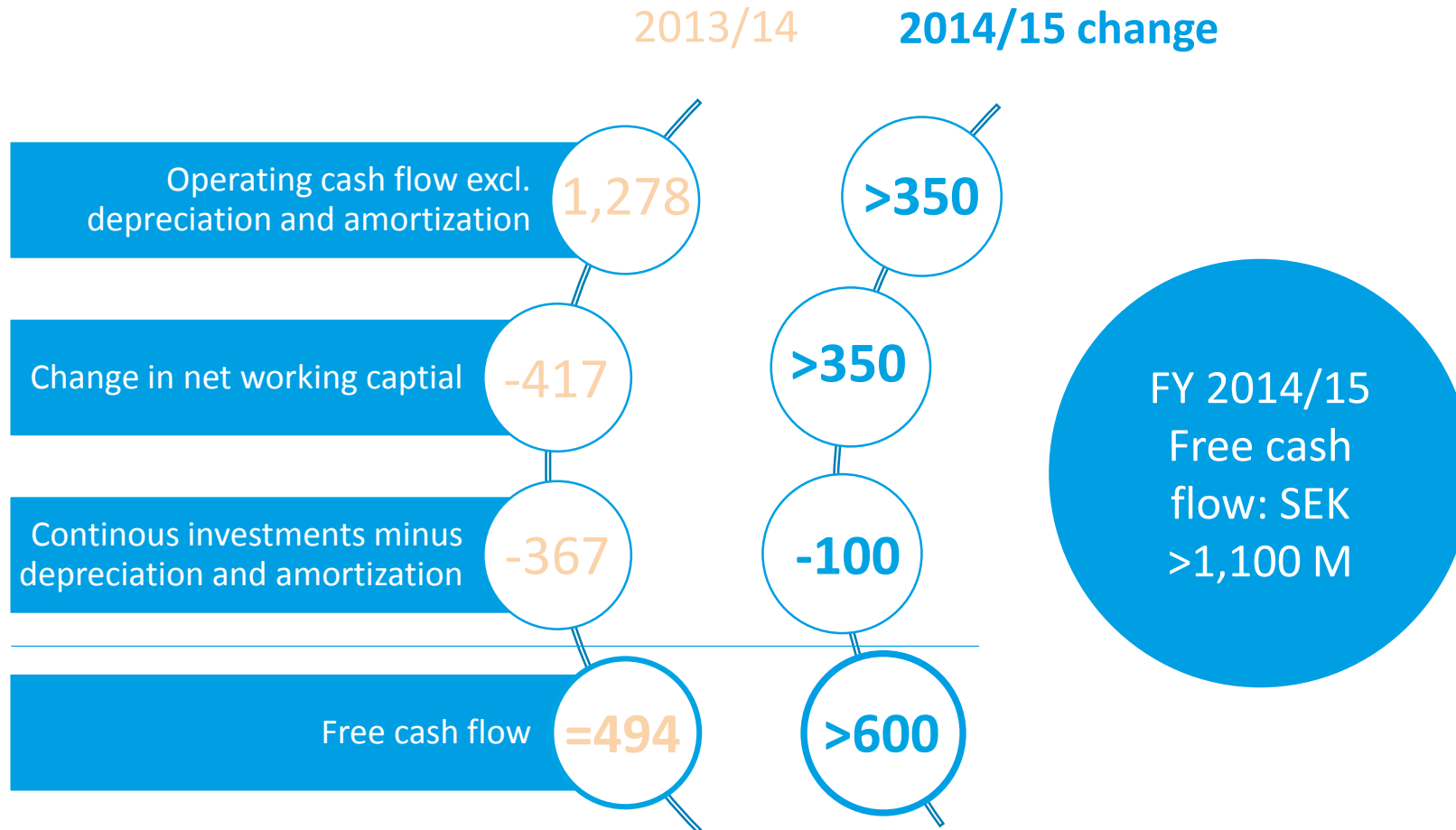
- Order bookings -10%*
- Net sales -3%*
- Gross margin of 39%
- EBITA of SEK 705 (895)** M
- Cash flow from operating activities improved to SEK 158 M (44)
- Continuous investments increased 18 % to SEK 700 M. The main driver is the ongoing R&D program.
 - Cash conversion 33% (12 months rolling)
- Tax rate: 22% (24%)



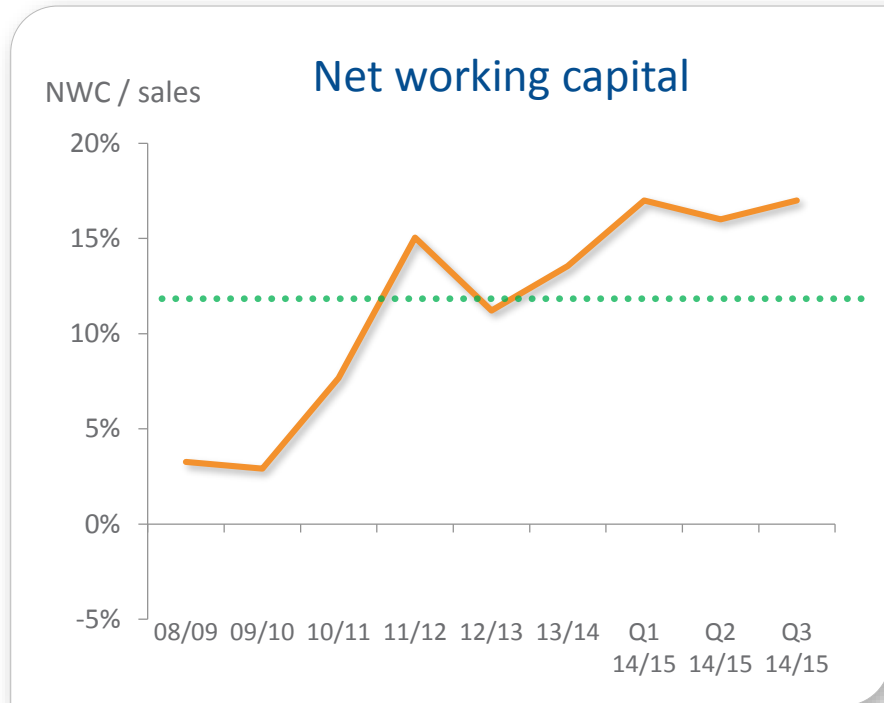
*Based on constant exchange rates

** Before non-recurring items

Drivers for improvement in free cash flow



Net working capital to sales



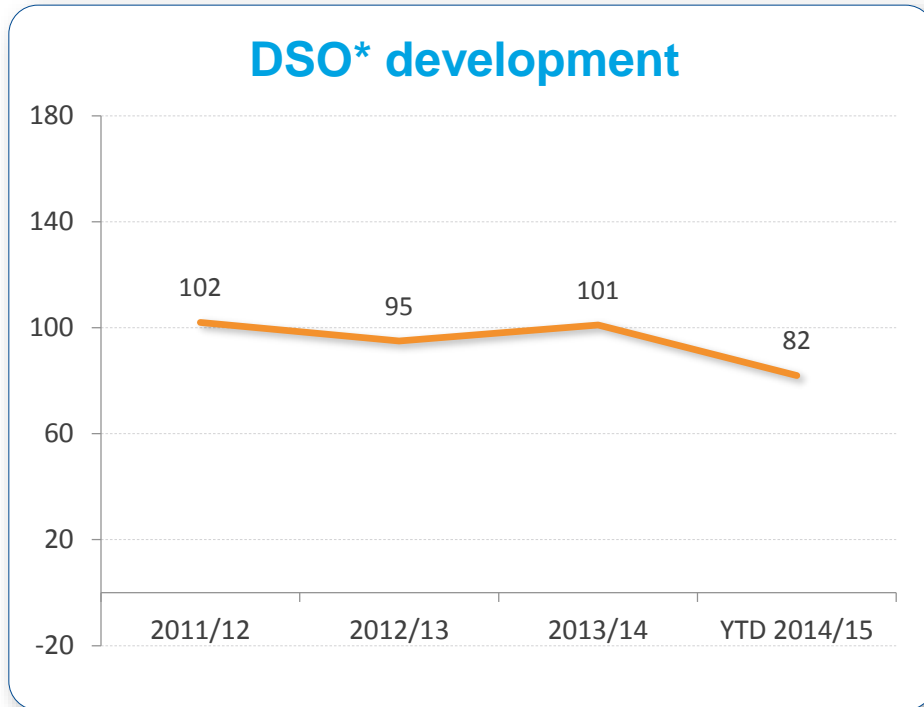
Target 12%



Year-end drivers

- Lower inventories
 - Shipment of finished goods
 - Stricter control of spare parts levels
 - Centralizing purchasing
- DSO – slightly improved
- Seasonal - higher net sales

DSO improving



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

Regional split:

North America:	-43 days
Europe & AFLAME:	171 days
Asia Pacific:	85 days

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

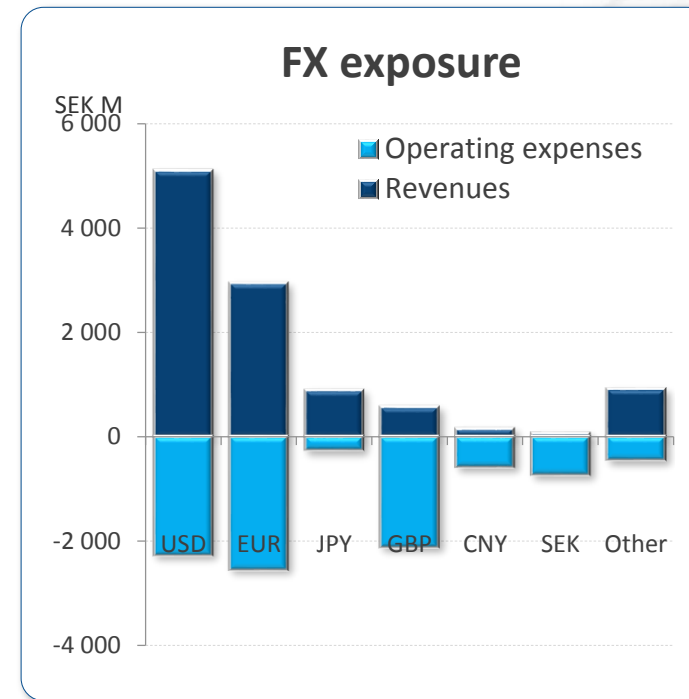
Favorable currency development

Reported currency effect for YTD:

- Net sales +7%
- Positive effect on EBITA by SEK 40 M including hedges

Estimated positive currency effect* for FY 2014/15:

- Net sales ~9 percentage points
- EBITA ~2 percentage points



Outlook for 2014/15:

	Outlook 2014/15
Net sales growth	4%*
EBITA growth	~6%*
Cash flow after continuous investments	>SEK 1.1bn

Growth drivers in Q4:

- Strong pipeline of large orders
- Strong deliveries of Leksell Gamma Knife
- Strong year-end execution
- Favorable FX





Q&A