

Thought Leader in Precision Radiation Medicine

Elekta Capital Markets Day

September 27, 2018

Dr. Richard Hausmann

President and CEO

After 2 years and 4 month as CEO...

**I am very happy
to have you all
here at our CMD!**

Message 1:

**Elekta is a better
company now**



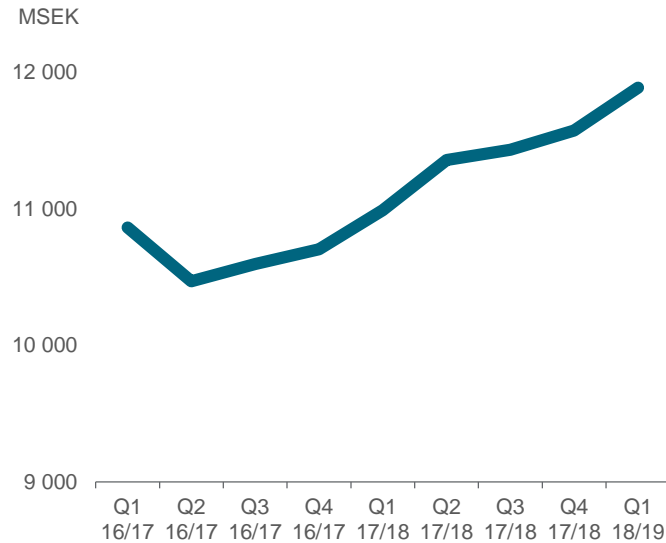
- Completed transformation
- Delivered process improvements
- Solved working capital issue
- Launched Elekta Unity
- Returned to growth

**We have built a
solid foundation
for further growth**

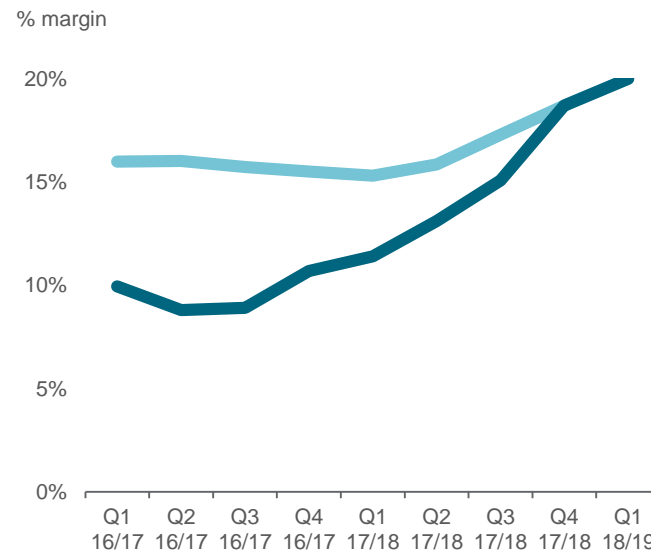
Clear turn around

Underlying strong products – better positioning and competitiveness

Net sales rolling 12 months

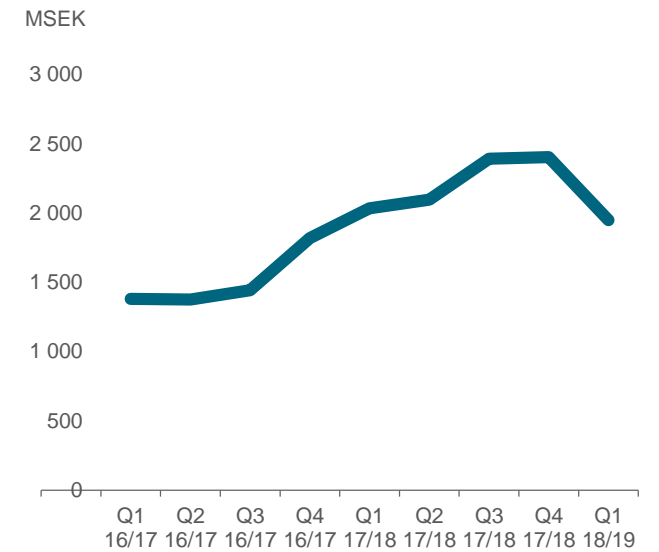


EBITA-margin rolling 12 months



■ = Excluding one-off items

Cash flow rolling 12 months



Strong market positions across our regions

24%

market share
(order intake)

Growing faster
than overall
market

49%

market share
(order intake)

No.1
Home base

44%

market share
(order intake)

No.1
Strong footprint

**I see opportunity
to improve Elekta
even further**



Message 2:

**Our market is
there and strong**

An attractive growing global market



\$ ~7bn

Global radiotherapy
market

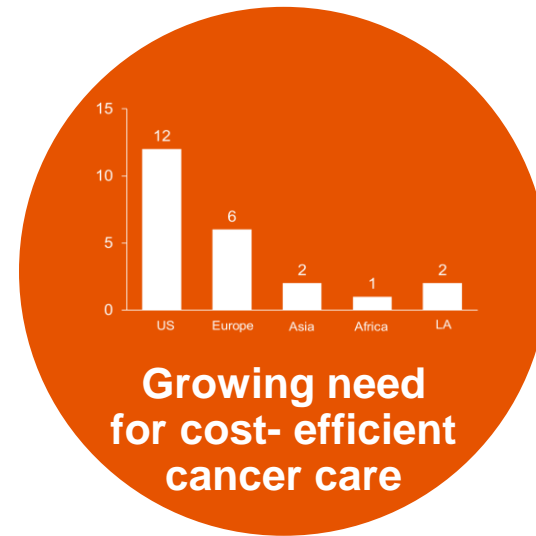
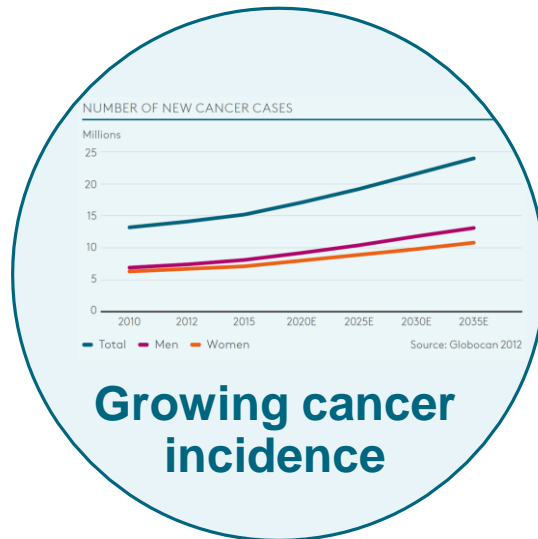
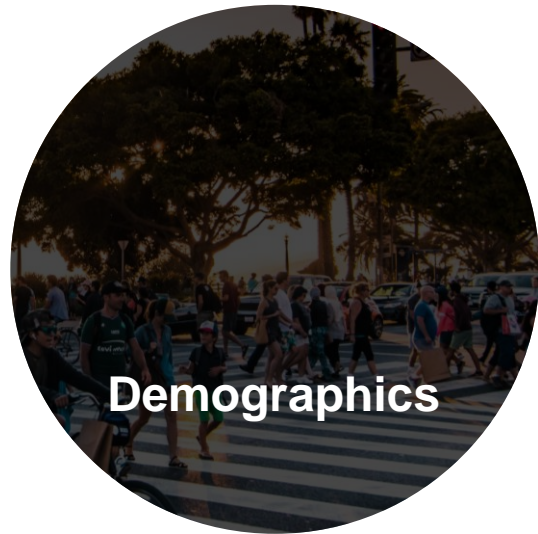


~7%

Current market
growth rate

Underlying fundamentals supporting growth

Driving investments in new capacity



Message 3:

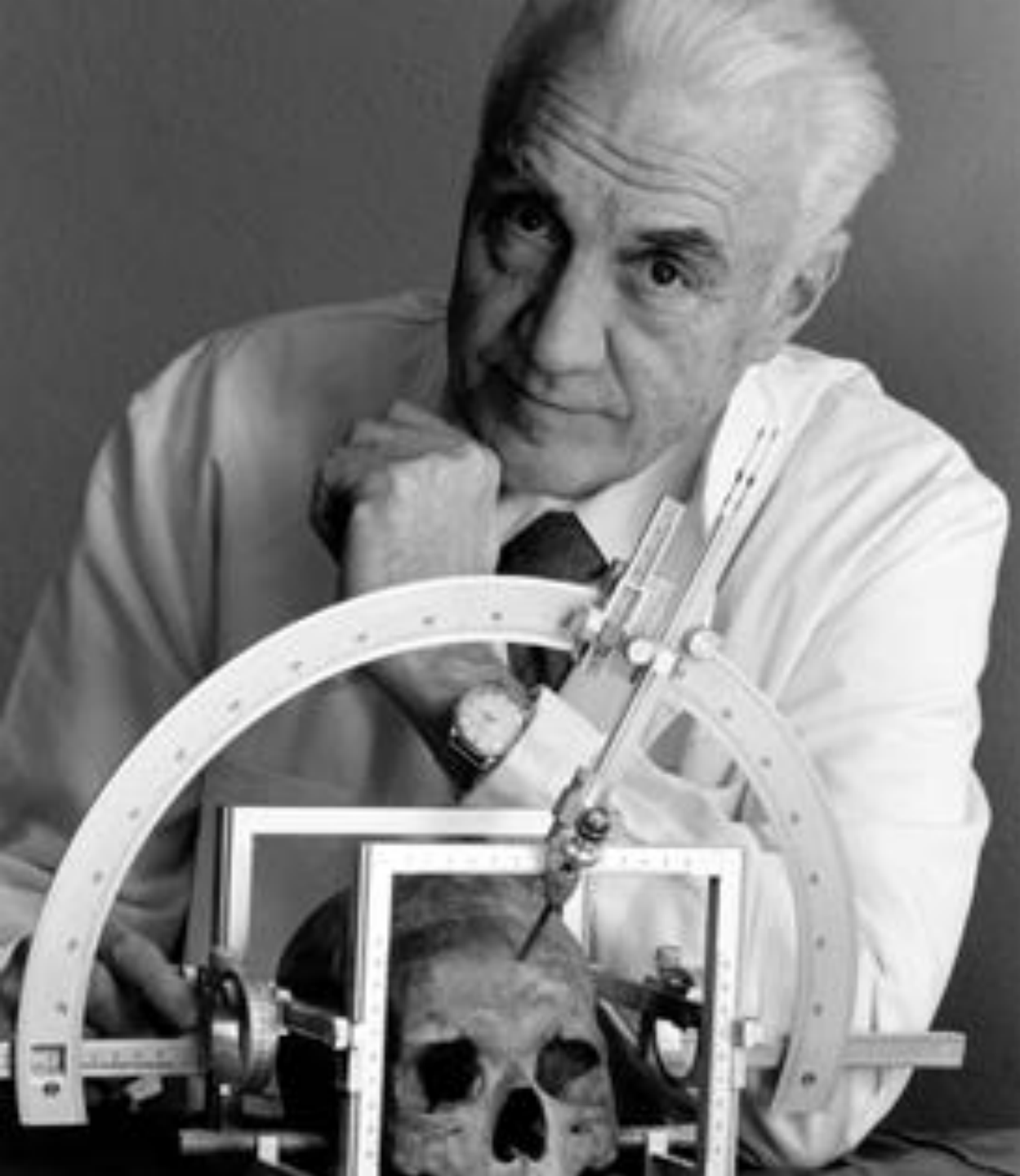
**We have a clear
strategy forward**

We focus on...

Precision

Radiation

Medicine



Our history is what drives us forward

Elekta was founded by Lars Leksell more than 46 years ago. We have dedicated ourselves to pioneering precision radiation medicine.

Dr. Lars Leksell (1907 – 1986)
Professor of Neurosurgery

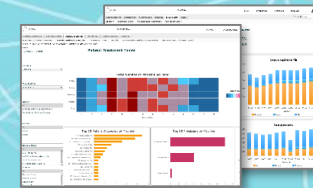


SOFTWARE SOLUTIONS

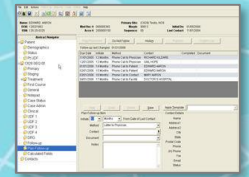
MOSAIQ
Oncology
Information System



MOSAIQ
Oncology
Analytics



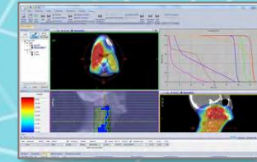
METRIQ/LGK
Cancer Registries



Oncology Informatics



Plan of care



Monaco
Adaptive
planning

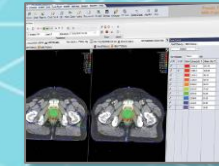


Image & Plan
Review

Treatment pathway Management

TREATMENT SOLUTIONS



Versa HD

Linac



Unity

MR Linac



Flexitron

Brachy



Icon

Neuro



Proton

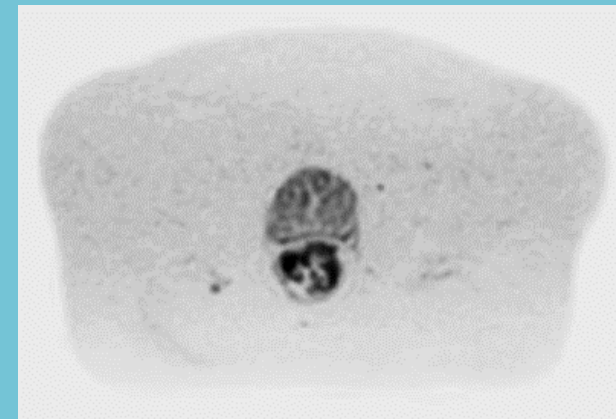
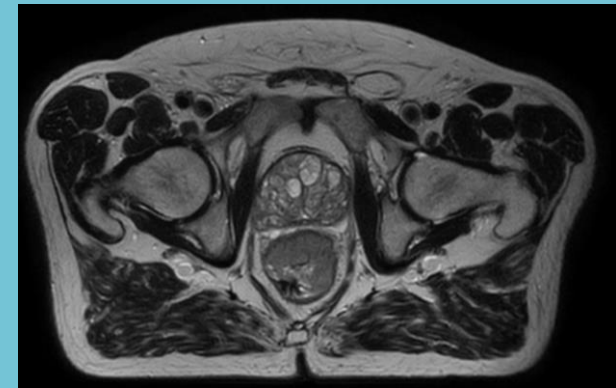
SERVICE & SUPPORT

What if?





What if this is the first contact of the patient to therapy?



NEWS



Health

'More cures, fewer side-effects' with pioneering radiotherapy machine



Fergus Walsh
Medical correspondent
@BBCFergusWalsh

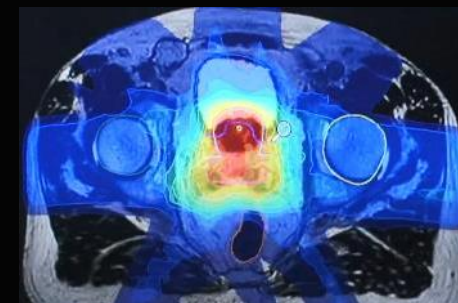
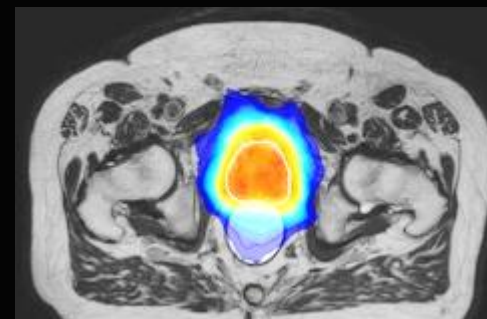
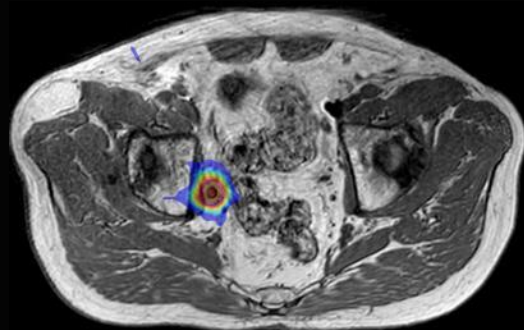
🕒 24 September 2018



First patient treatment at Royal Marsden Hospital, London!



Our pioneers



**This is reality
today...**

...but there is more

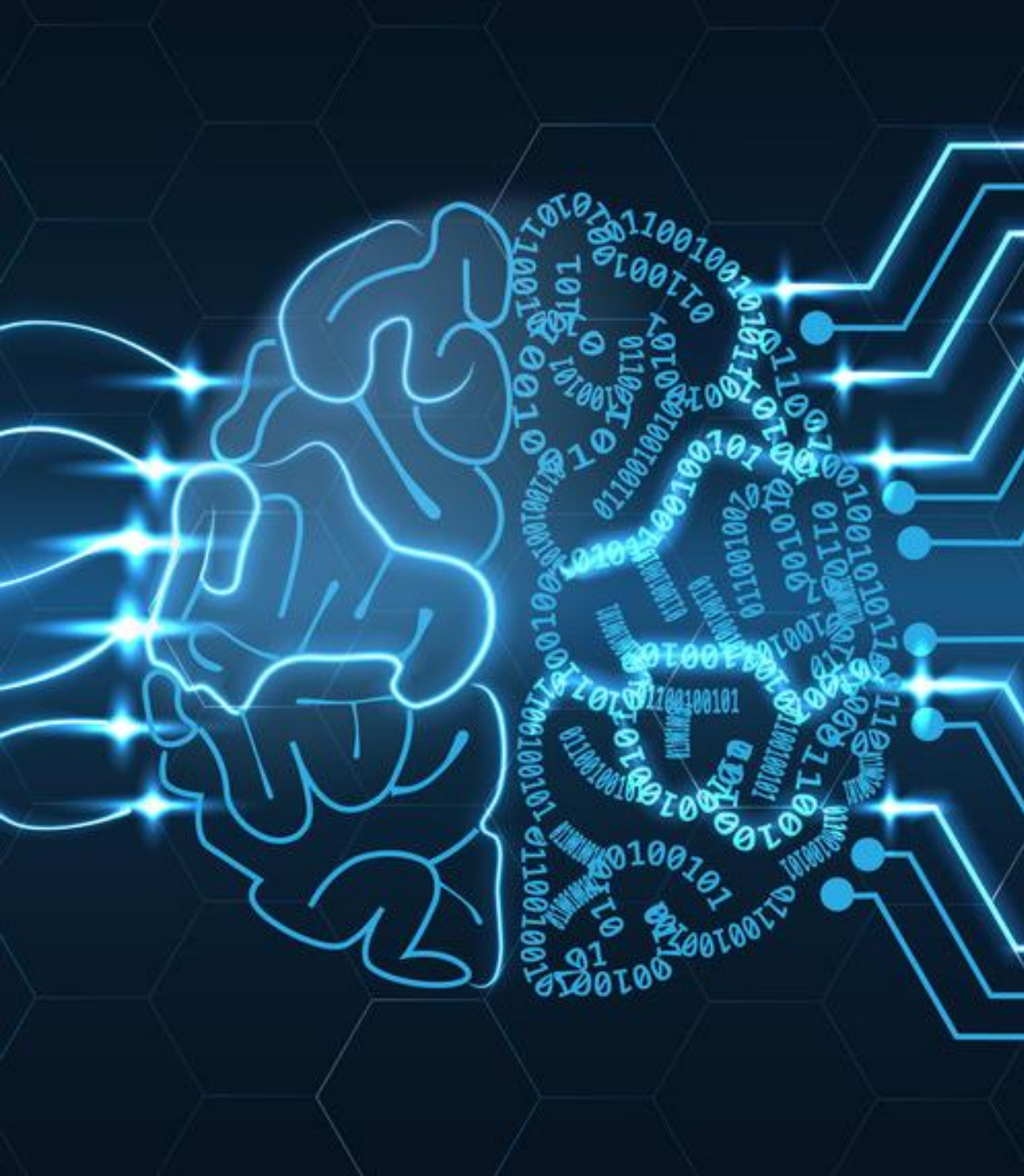


10 years
from now...

No

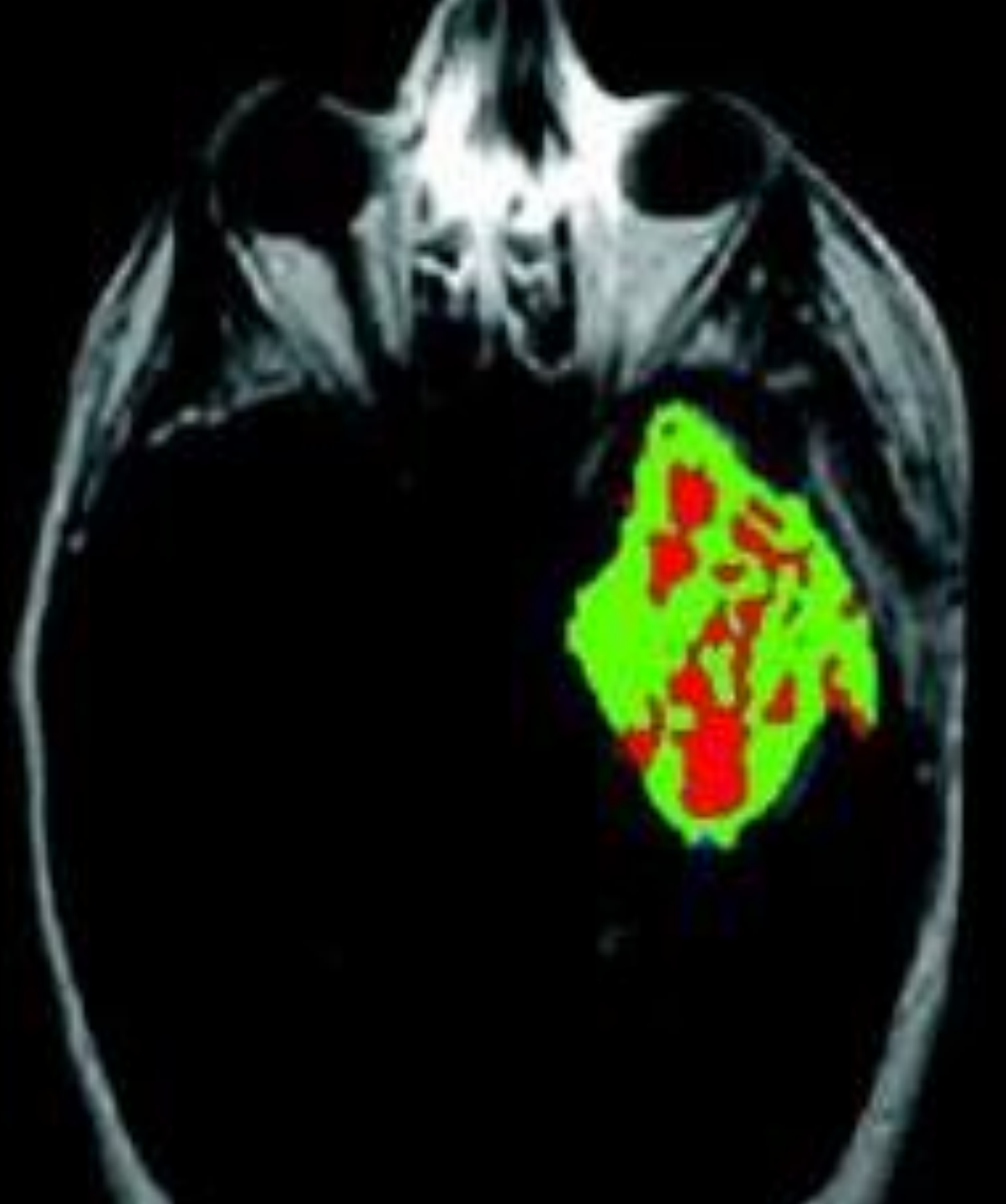
separate planning CT

First plan done at Unity!



**Instead,
10 years
from now...**

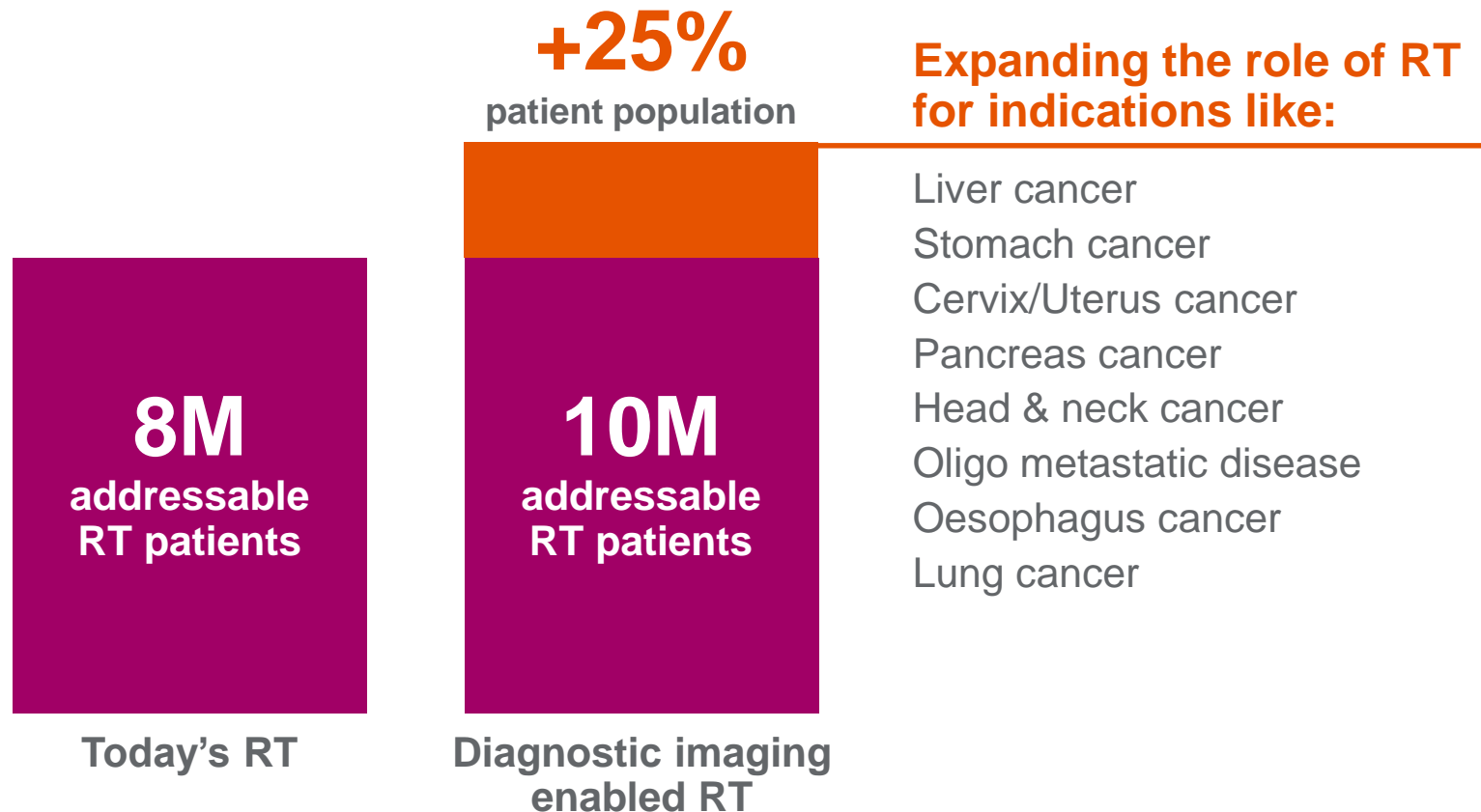
**Ultrafast computing of adaptive
real-time plans and dosimetry
AI supported and totally
interactive**



**Instead,
10 years
from now...**

**Based on diagnostic quality MRI,
real-time, monitoring response**

With our focus on Precision Radiation Medicine we are increasing the addressable market



**Let us listen to
what our
customers say**

What if?



**Repetitive tasks
were automated
and decision
support was
available anywhere
and anytime –
at your fingertip**

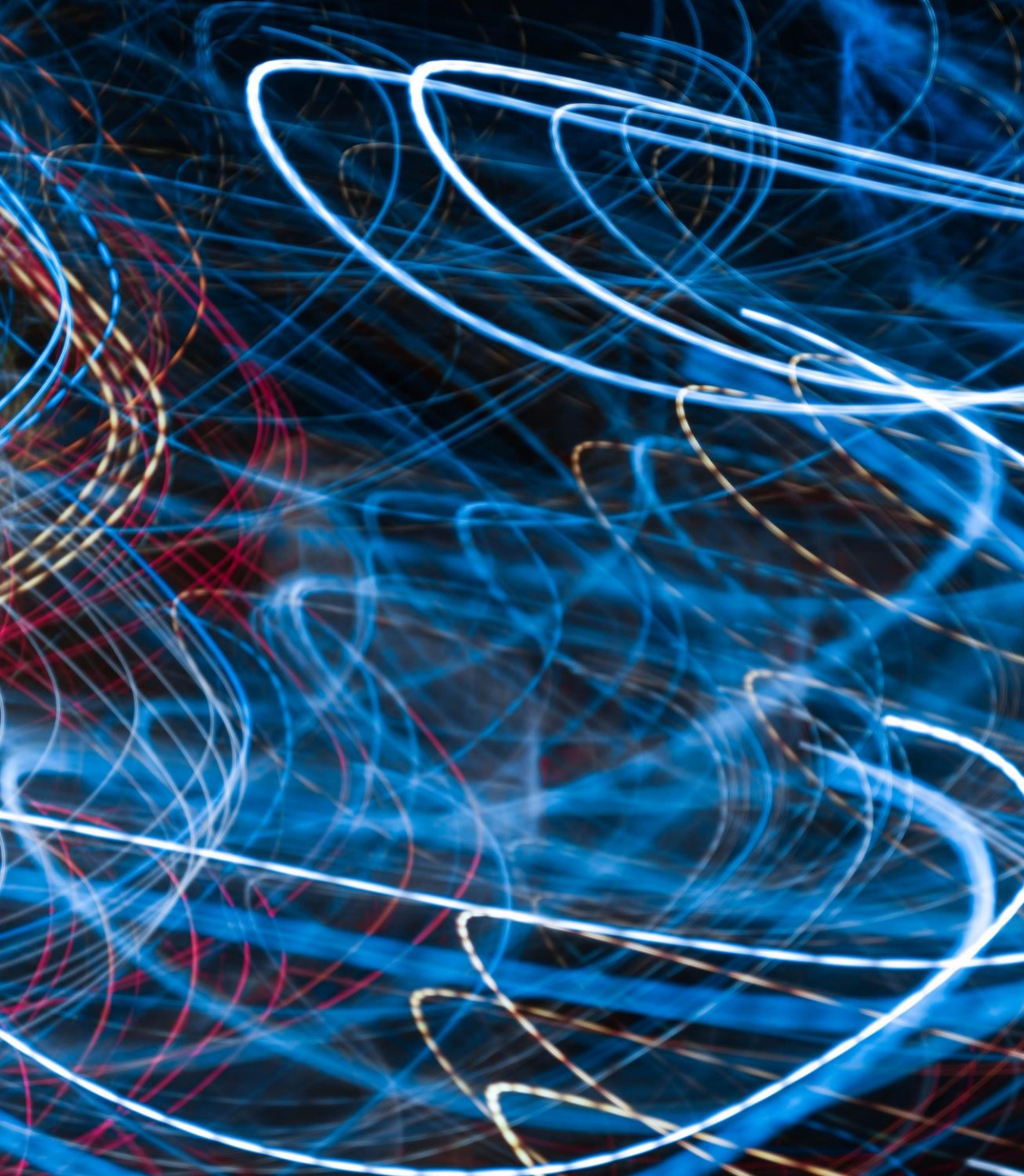


**Each treatment is
personalized based on
insights from a global,
self-learning ecosystem**



Treatment solutions uptime is 100% because they were serviced remotely and proactively





Elekta Digital – guiding tomorrow's solutions

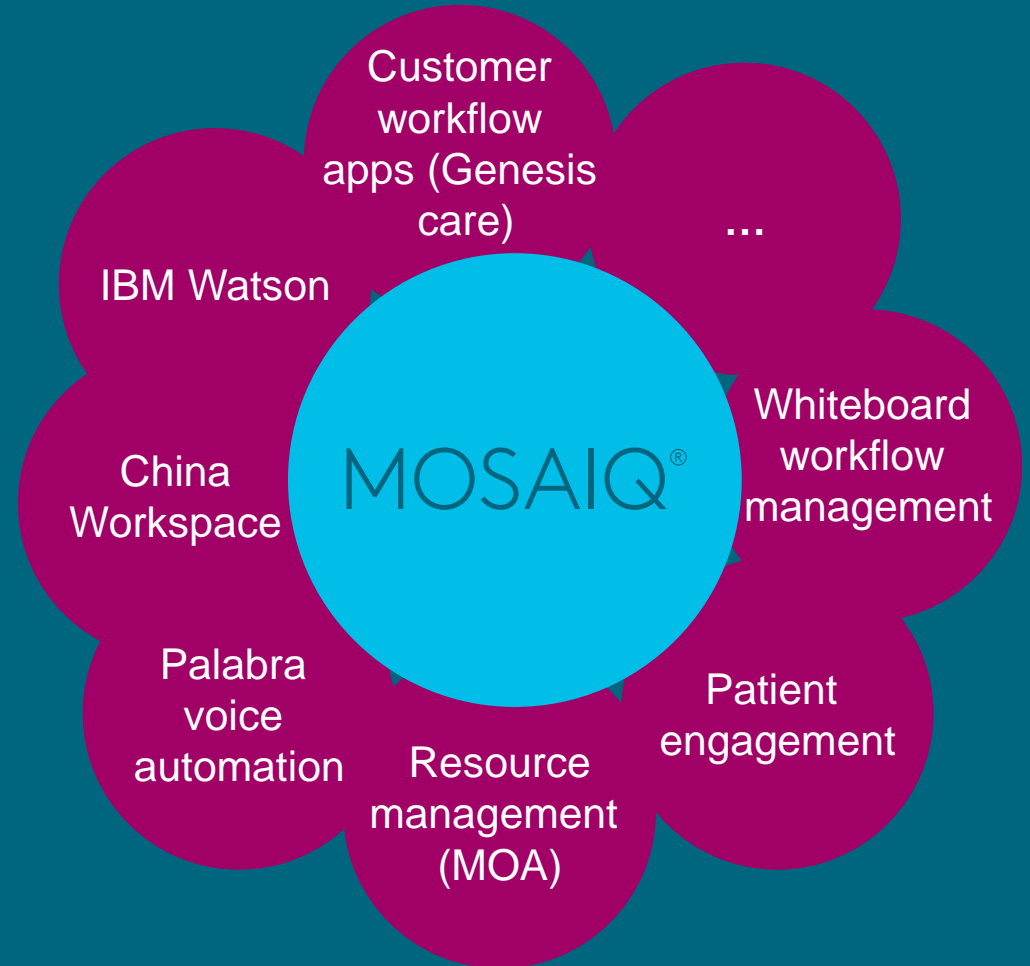
Super accurate AI based contouring will enhance confidence

Complete virtual assistant joining patients and family support systems from home to hospital and beyond

Genetic profiling means we already know how we will treat the patient... even before they are diagnosed



MOSAIQ – a strong foundation to expand our future offering



Do you know?

>60 % of all cancer mortality occurs in emerging markets

What if?



Everybody
around the
world has
access to
precision
radiation
treatment



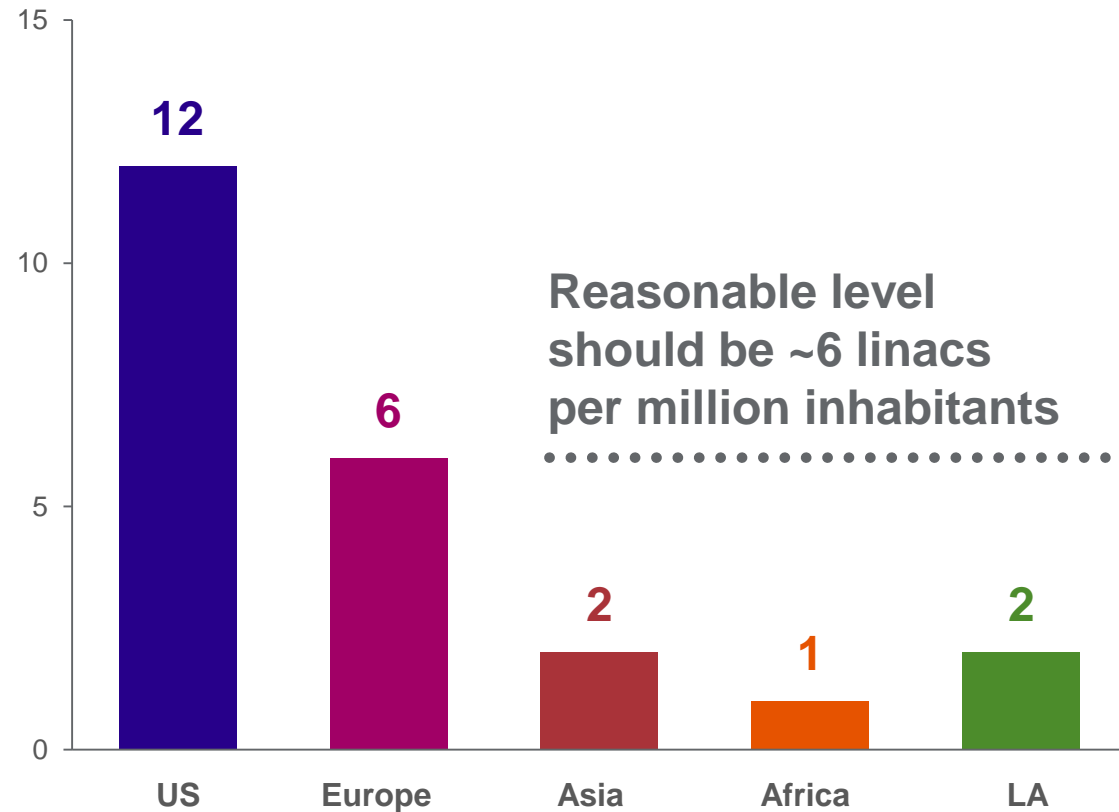
**Solutions are designed
for the needs of growth
markets**

**‘Scan-plan-treat’ with
remote services and
no physicists on site**



Emerging markets are significantly underserved

RT units / million population



A shortage of >10,000 Linacs



Precision radiation medicine made easy to use and more accessible

- Turnkey solutions
- Ease of installation
- Intelligent automation
- Affordability
- Supported by solid training & education

**We are working on
a new solution
catering exactly to
those needs**

Precision

Radiation

Medicine

Supported by an integrated sustainability agenda



Fight Cancer

through an ecosystem of strategic partners

Business Ethics

and prevent corruption

People in Focus

based on diversity and inclusion

Sustainable Sourcing

human rights and environmental focus

The future is
**Precision
Radiation
Medicine**

...and it will drive our

Growth

**Expand addressable
patient population**

**Drive access to
quality treatment**

**Unity spearheading
into new customers**

The future is
**Precision
Radiation
Medicine**

...and it will drive our
Growth

Addressable market

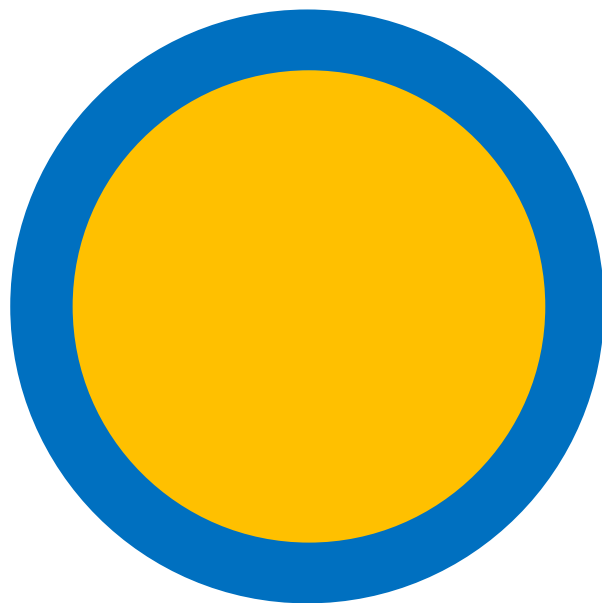
**~7
BUSD**

**>10
BUSD**

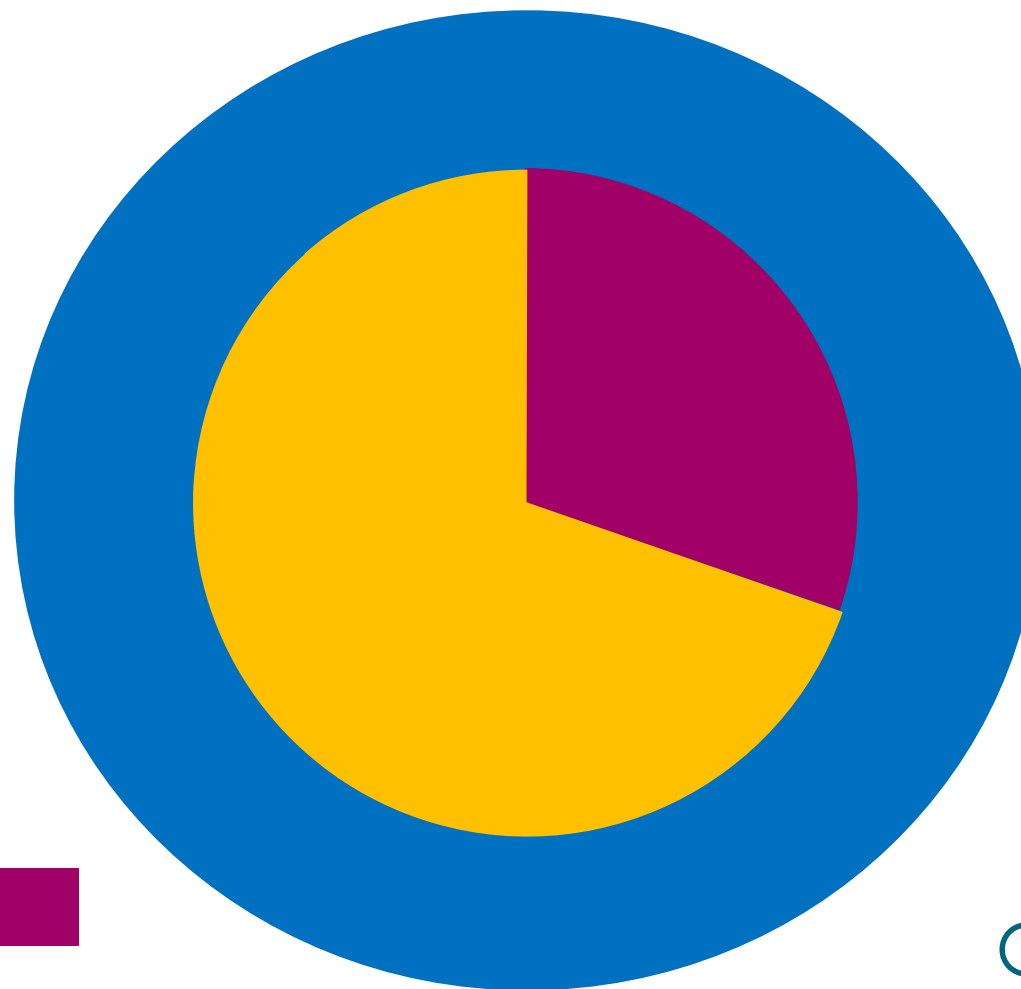
Today

We will capture a larger share of total cancer care market

Today



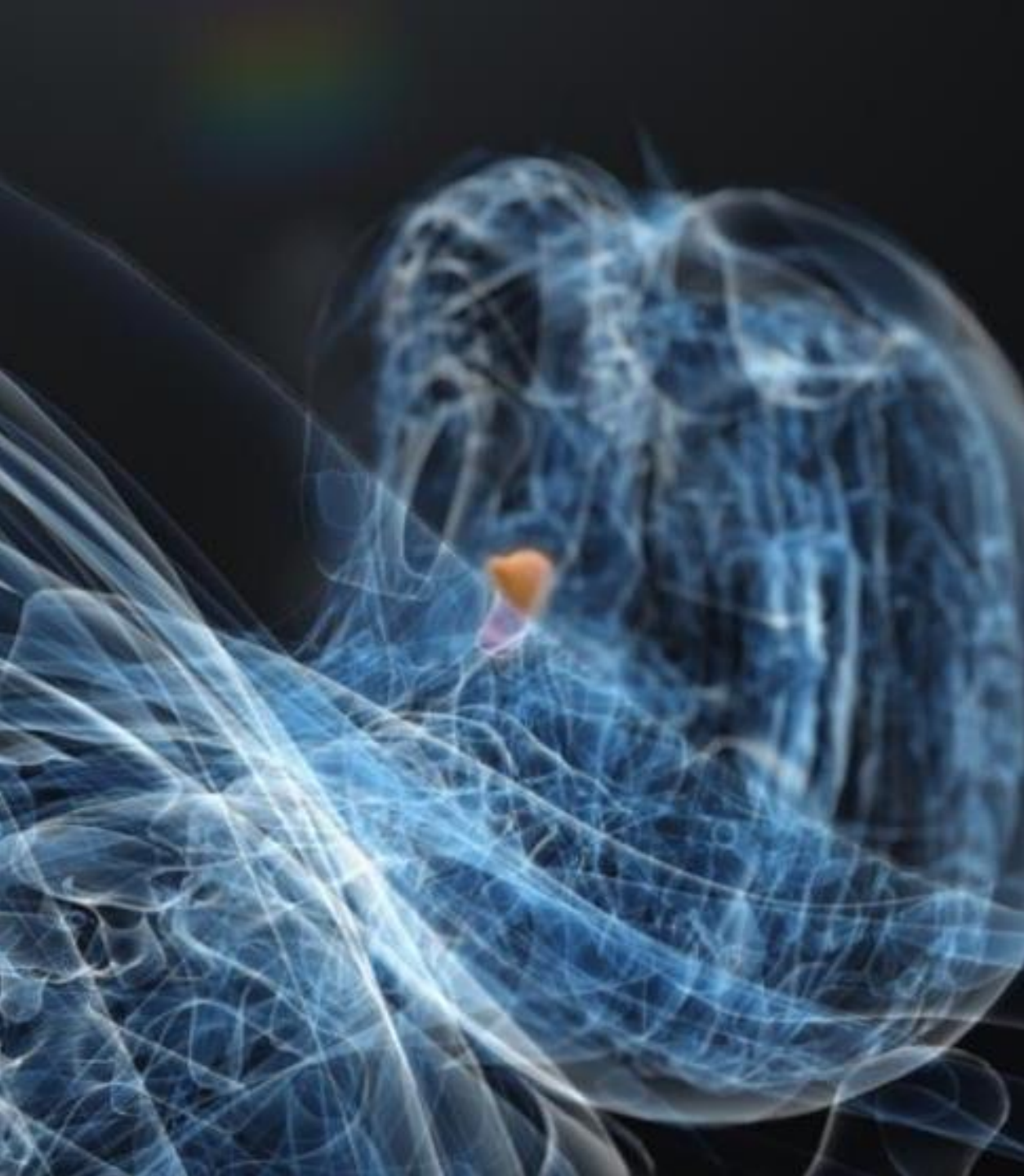
Scenario 2022/23 (illustrative)



Base business

Informatics

MR-linac



We will continue to invest 10-11% of sales in innovation for our strategy in precision radiation

Innovative digital solutions

Precision treatment devices

Improved capabilities

In summary - a strategy to capture market potential

Focused on precision and growth



Grow our business with
Unity in the lead



Elekta digital – improve
workflows and
outcomes



Delivering quality
treatment for all



Grow service and
aftermarket

Supported by strong innovation and R&D

My Promise:

Drive Elekta
into the future
as we drove it
the last two
years!



This is what we go for!

Mid term scenario
2022/2023

8-10%

Net sales CAGR over the period
(based on constant exchange rates)

Mid term margin view:

EBITA >20%

with expansion of up to **200 BPS**
by the end of the period



We do it as thought leader in:

Precision

Radiation

Medicine

Financial impact of mid-term scenario

Elekta Capital Markets Day

September 27, 2018

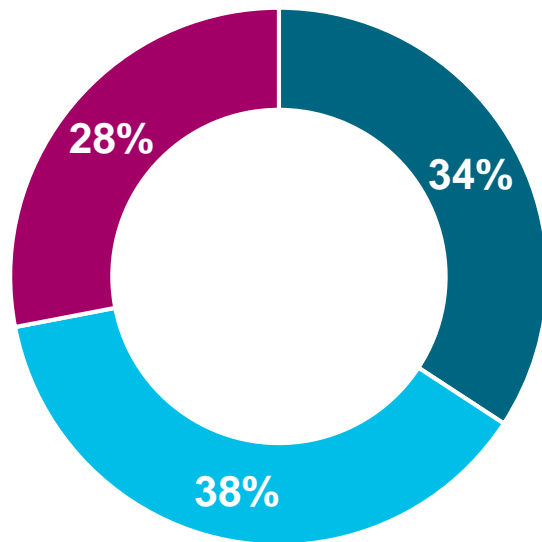
Gustaf Salford
CFO

Elekta – an attractive value creation model



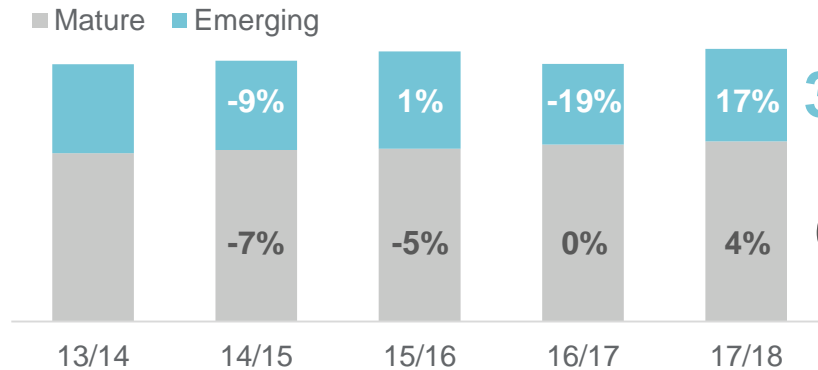
Reduction of risk from geographic diversification and high share of recurring revenue

Geographic diversification



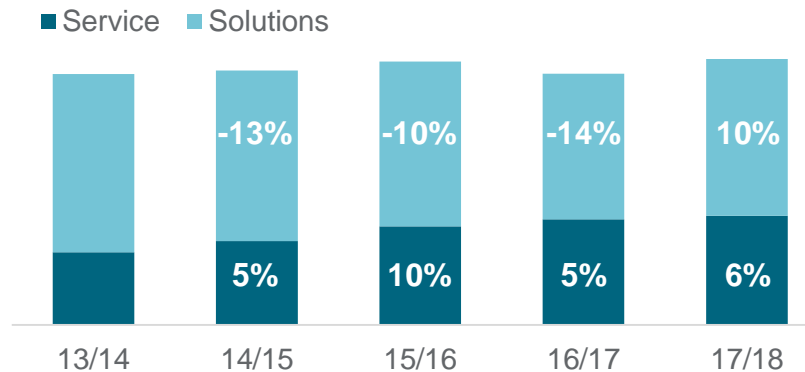
- North and South America
- Europe, Middle East and Africa
- Asia Pacific

Emerging and mature market mix



- 34%** • Back to growth in FY17/18
- 64%** • Emerging markets high potential but volatile

Good mix of solutions and service business



- 60%** • Solutions growing and positive outlook
- 40%** • Strong service business

X% = Growth in constant currency

Current focus: growth and innovation

Last years' focus - Transformation

Cost saving of
SEK 700 M



EBITA margin target of
20%



Net working capital
<5% of net sales



Get back to growth



Current Focus: Growth and Innovation

Drive growth and market share gain

**Continue to invest in innovation
and market expansion**

**Growth focus
going forward**

Precision Radiation Medicine

Delivering on our strategy will result in Elekta driving strong growth in the mid-term scenario



Grow our business with Unity in the lead



Elekta digital – improve workflows and outcomes

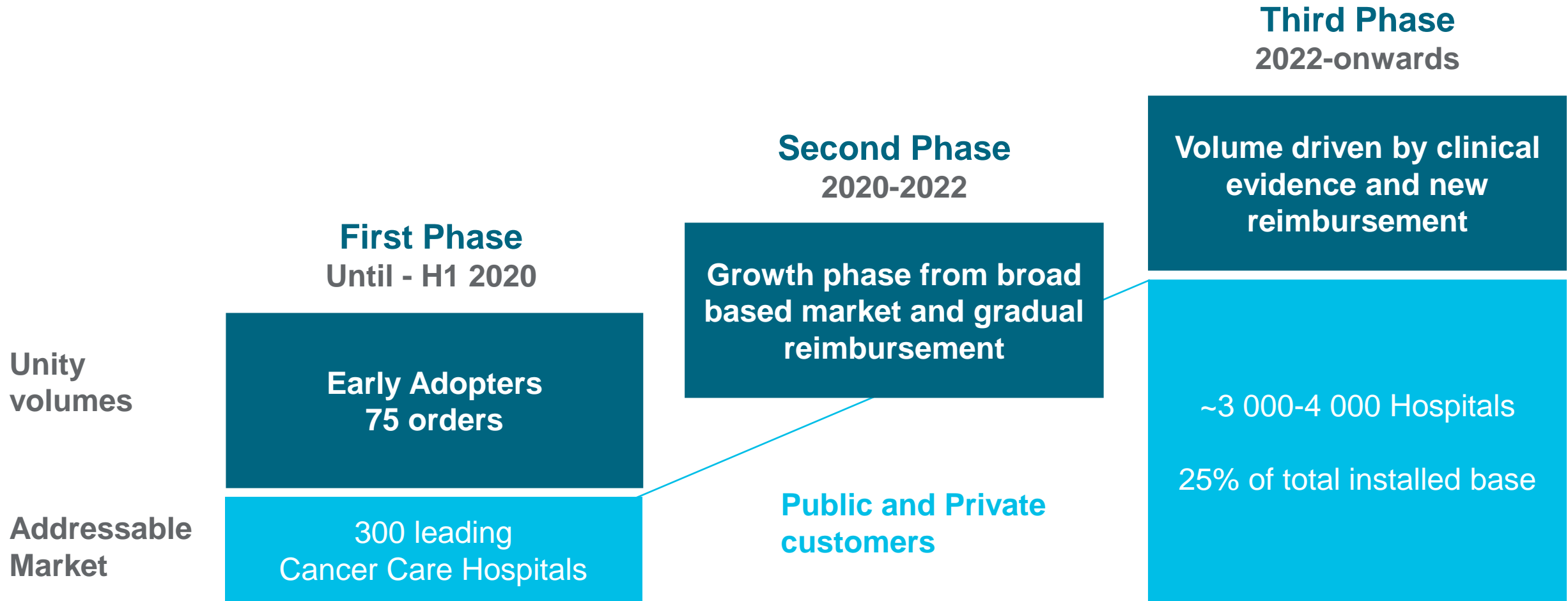


Delivering quality treatment for all



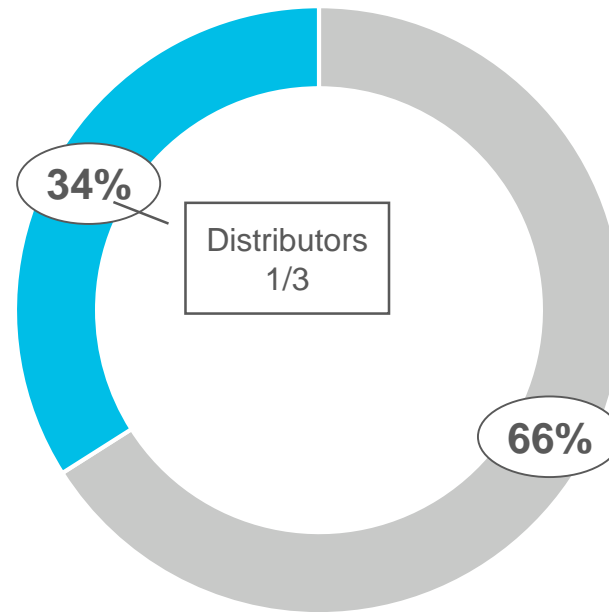
Grow service and aftermarket

Unity commercialization will happen in three main phases and allow for faster growth and margin expansion



Market expansion in emerging markets provides high growth opportunities

Delivering quality treatment for all



■ Mature ■ Emerging

Key focus areas

New products customized to emerging market need

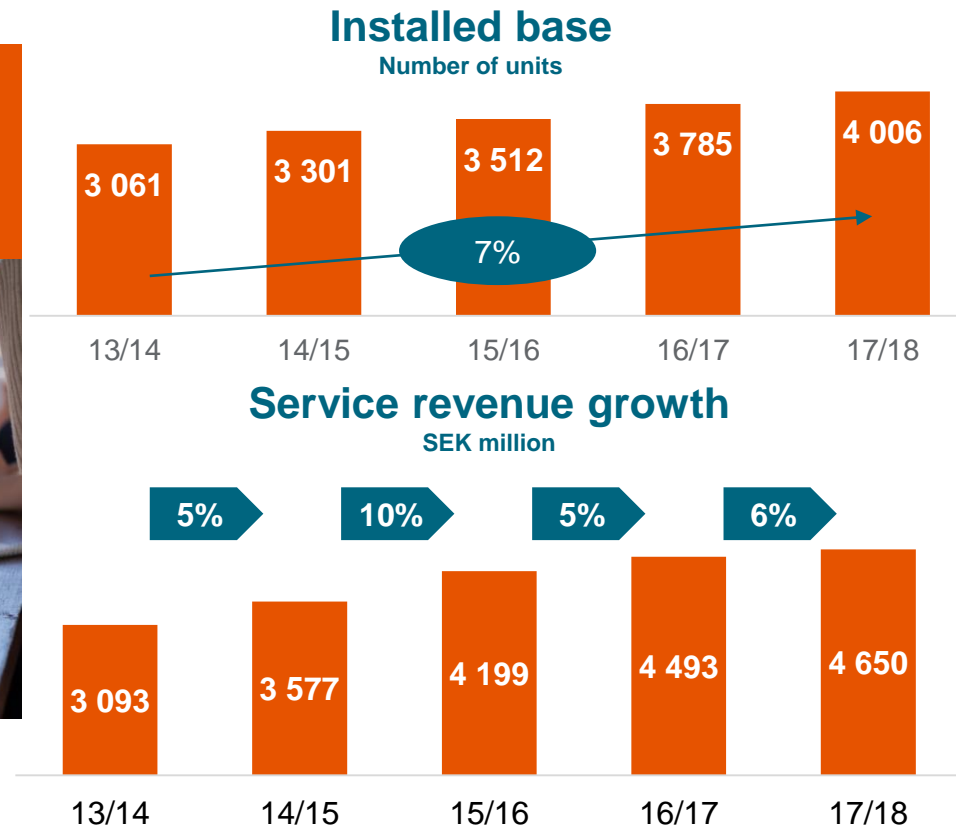
Go direct in high growth markets

Continue to invest in Education and Training

Financial solutions

Growing service and aftermarket increases the share of stable revenue streams

Grow service and aftermarket



Key focus areas

Growth in emerging markets – greenfield sites drive the installed base

Focus on driving contract penetration and address aftermarket needs

Unity driving additional service growth towards the end of the mid-term period

Our revenue scenario supports a strong mid-term growth

Strategic agenda

Grow our business with
Unity in the lead

Elekta digital – improve
workflows and
outcomes

Delivering quality
treatment for all

Grow service and
aftermarket

Revenue scenario until 2022/23

8-10%

Net Sales CAGR over period
(based on constant exchange rates)

**Continued margin
improvement and
continued investment
in innovation**

Continued margin improvement

Current Q1 R12

(SEK M)

Net sales	11,887
COGS	-58%
Gross margin (%)	42%
Selling Expenses	-10,3%
Administrative Expenses	-8,2%
Net R&D	-9,6%
Other (FX, Other)	+1,2%
Amortization	4,5%
EBITA margin (%)	20%

Drivers until 2022/23

Gross Margin drivers

- Top-line growth from base business, Unity and Elekta Digital
- Price pressure on existing platforms
- Reduced material cost – Total cost and value sourcing focus
- Efficiency in Service and Order Fulfillment – e.g. digitalization, remote servicing

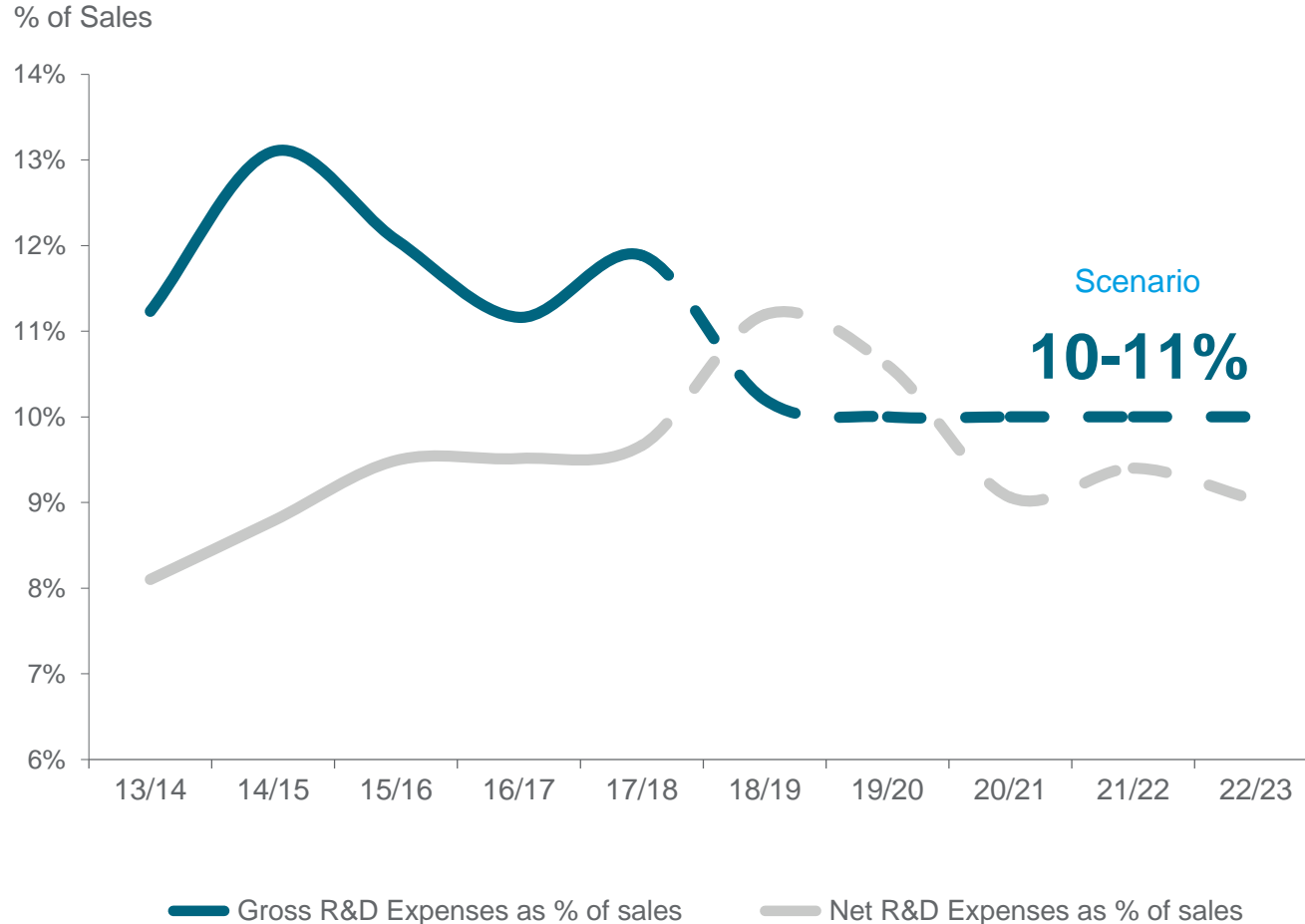
SG&A drivers

- Scale and digitalization enabling leverage
- Continued Shared Service Deployment
- Additional investments to comply with regulations – e.g. MDR

R&D drivers

- Continued investment in Elekta Digital and Precision Radiation Medicine

Elekta will increase its spend on R&D – continuing at 10-11% of net sales



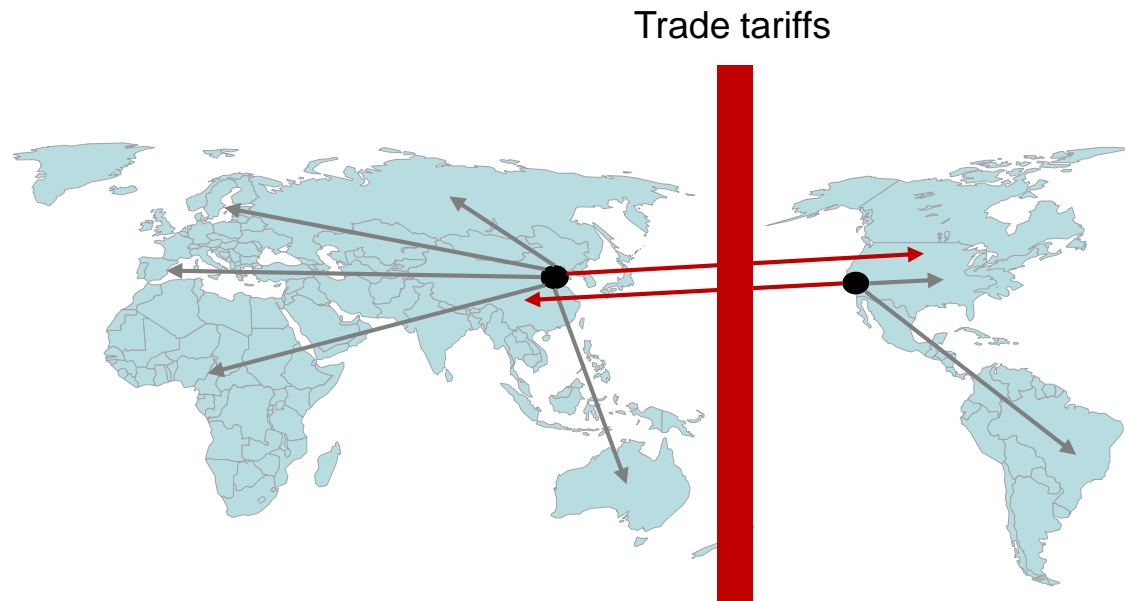
Investing in innovation to drive future growth e.g. Elekta Digital

Protecting/improving price levels on existing portfolio through new functionality

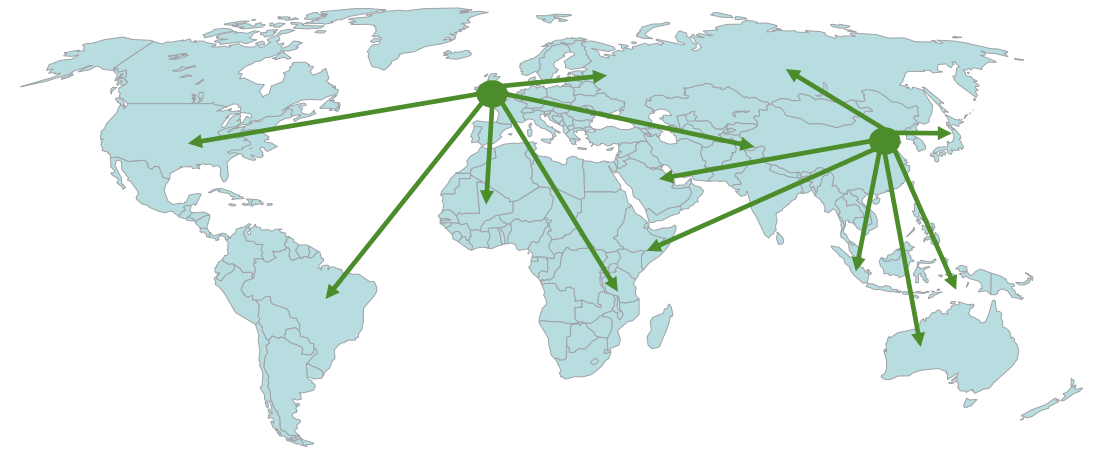
* Net R&D% will decrease when Unity is amortized and new projects reach capitalization phase

Elekta's supply chain well positioned to mitigate ongoing trade wars and tariffs

Main competitors

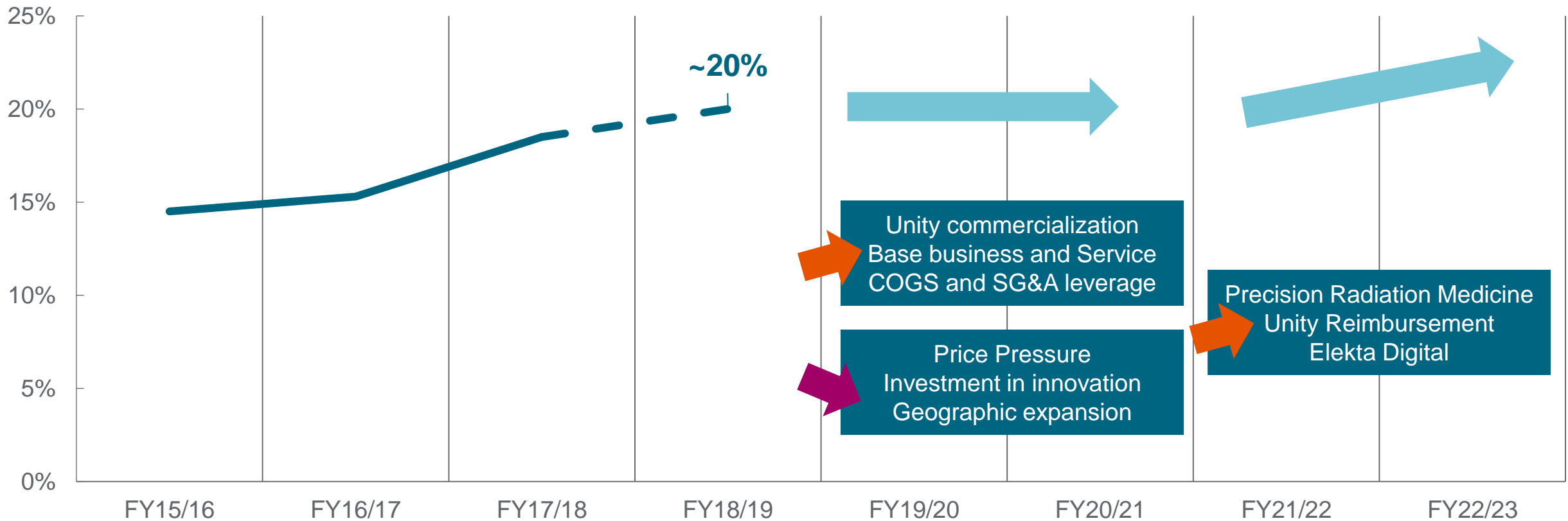


Elekta



Two main hubs Crawley (UK) and Beijing (China) to serve global markets








EBITA margin expansion is expected in the mid-term scenario



Mid Term Margin scenario: **EBITA >20%** with expansion of up to **200 BPS** in the end of the period

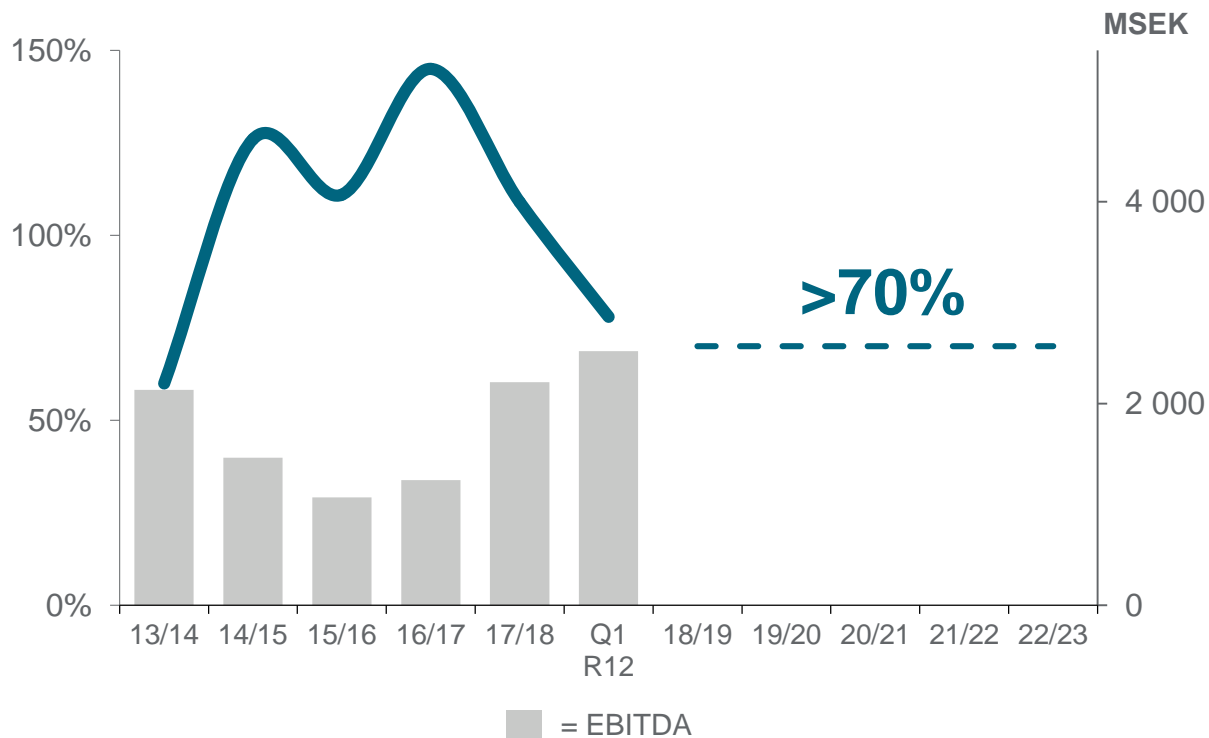
Cash flow and capital allocation

Cash flow will continue to improve mid term primarily from higher EBITDA

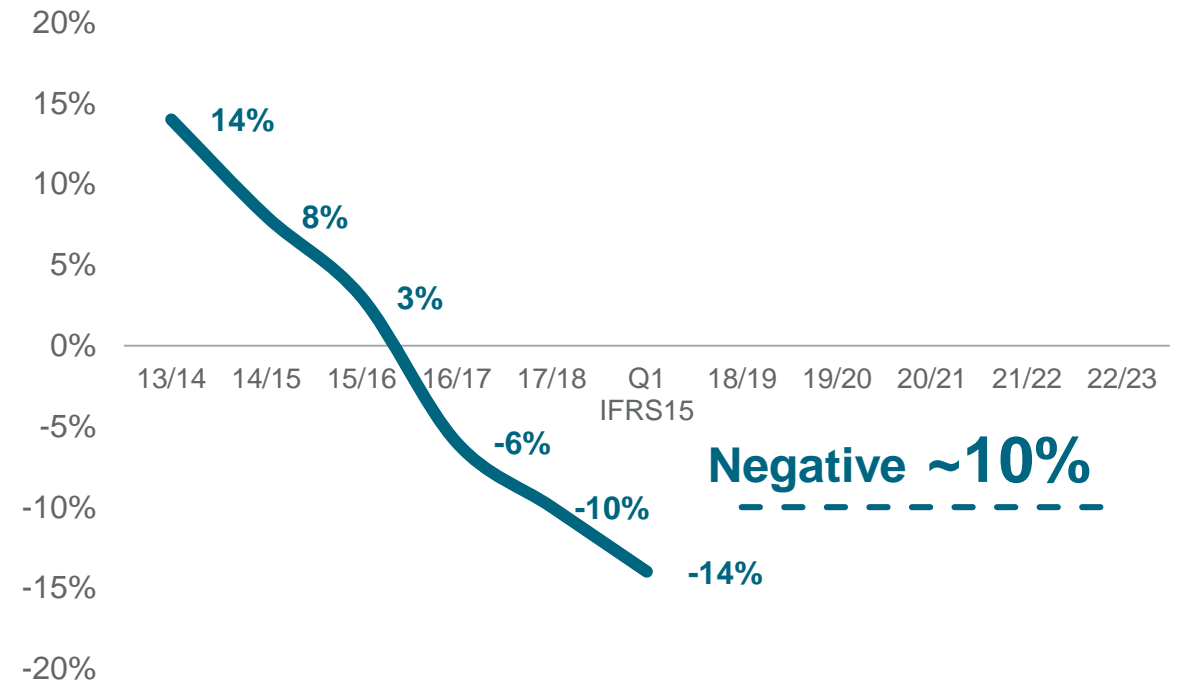
	FY18/19	Mid Term	Main driver for mid-term scenario
EBITDA (mSEK)			Improvement from topline growth and margin expansion
Working Capital Change	Build-up from last year's low levels e.g. inventory (Unity, Brexit)		Continued negative Working Capital as % of sales
Financial Net	~ -25 mSEK per Quarter		Reduced debt related to maturity schedule
Paid Tax	21-22%		Expected to be at historic levels
Cash Flow from operating activities			

Cash conversion >70% and continued negative working capital levels in the mid term scenario

Operational cash conversion %



Net working capital as % of net sales



Note: *Cash flow from operating activities / EBITDA

Balanced view on capital allocation

- Technology
- Innovation

**Selective
acquisitions**

**Geographic
Expansion**

- New markets
- Service

- According to maturity schedule

**Maturing
debt**

Dividend

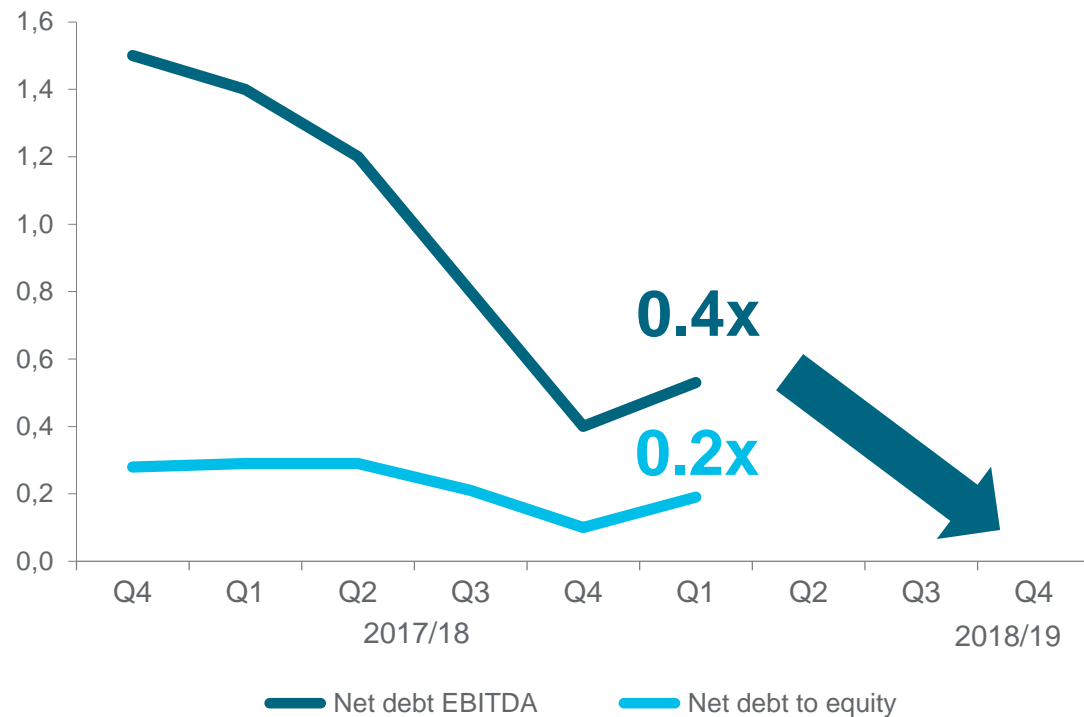
- Dividend policy >30% of net profit*

* Dividend - BoD decision

Net Debt/EBITDA will continue to decrease

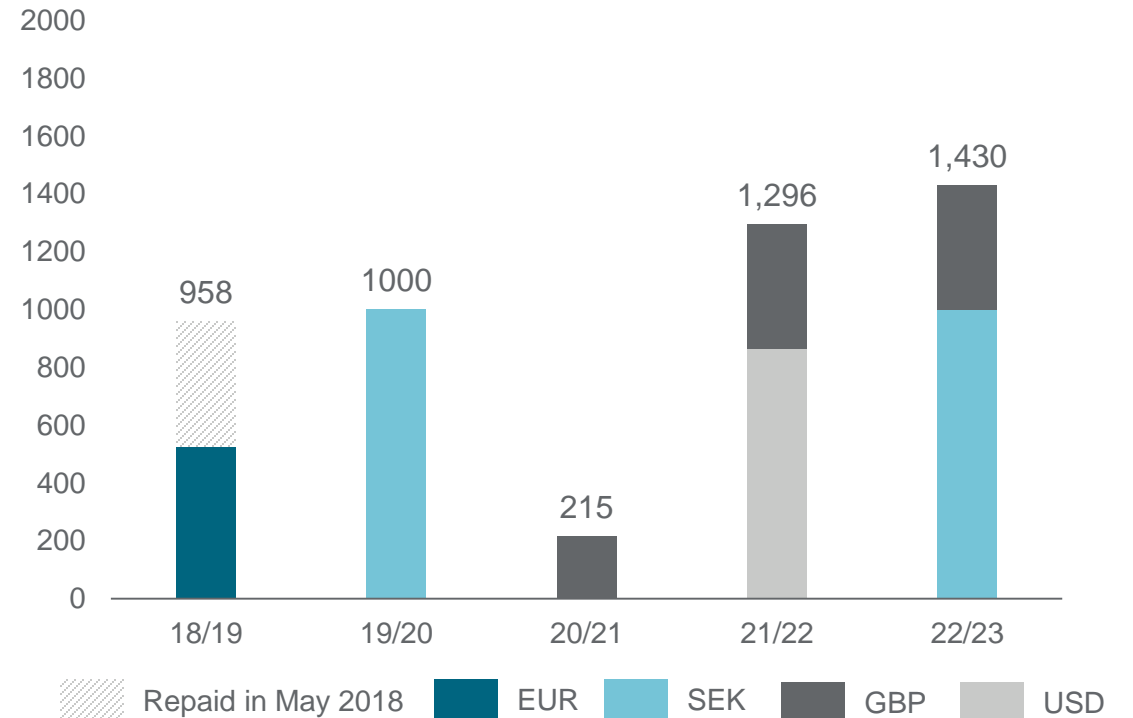
Leverage profile

Net debt / EBITDA and equity

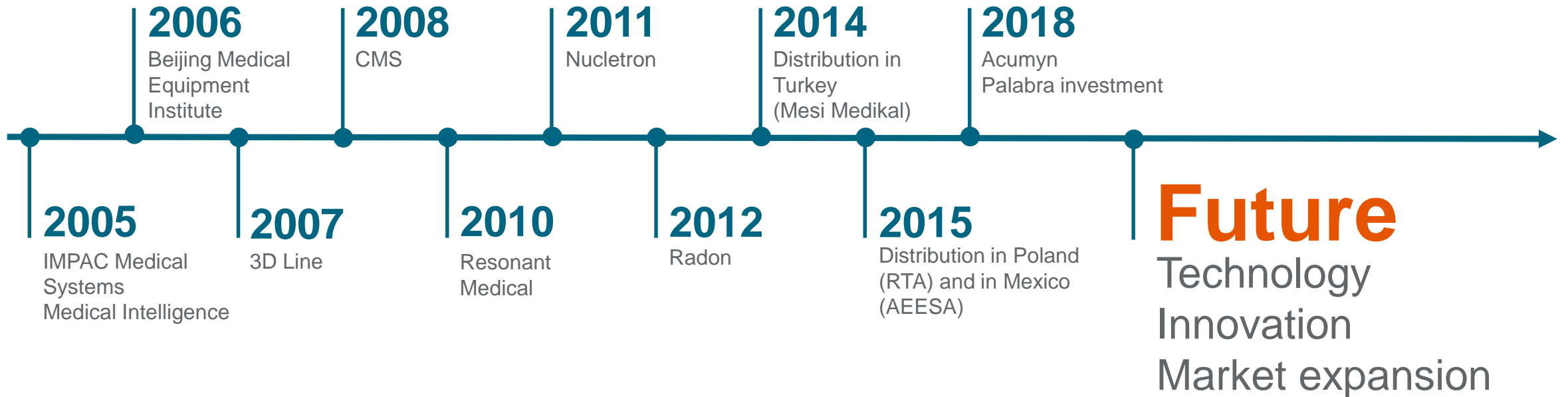


Maturity profile

MSEK



Elekta has a history of acquisitions in innovation and market expansion



Summary

FY18/19 Guidance

Net Sales ~7%

EBITA ~20%

Mid Term Scenario* Until FY22/23

8-10%

Net Sales CAGR over period
(based on constant exchange rates)

EBITA >20%

with expansion of up to
200 BPS
in the end of the period

* Replaces Elekta's current long-term financial ambitions

Thought Leader in Precision Radiation Medicine

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September 27, 2018

Dr. Ioannis Panagiotelis

Chief Marketing & Sales Officer

**A strong market
position and the
right team**

Strong market positions across regions

24%

market share of linear
accelerator orders

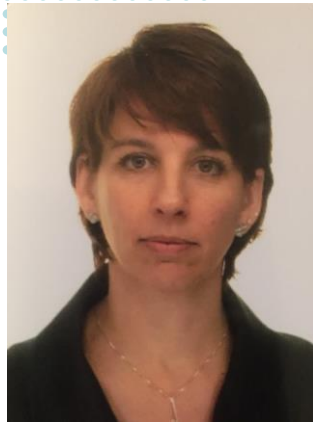
49%

market share of linear
accelerator orders

44%

market share of linear
accelerator orders

Strengthened competence and management team



Growing our market share in North America

24%

market share of linear
accelerator orders



Market leader in Europe

49%

market share of linear
accelerator orders

- Largest installed base and leader in new orders
- Predominately public markets, with a steadily growing private sector

- Need for replacement investments and modernization of the installed base
- Increasing demand for service and support

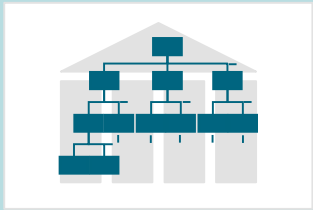
China leading the way in Asia



44%
market share of linear
accelerator orders

Driving operational excellence

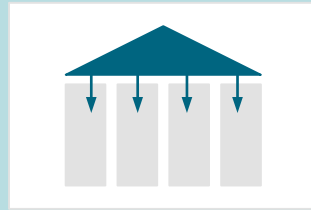
Organizational structure



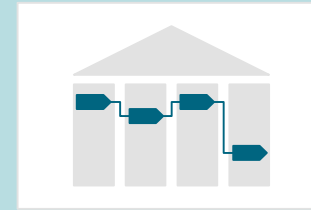
Efficiency & costs



Leadership and governance



Process improvement



People

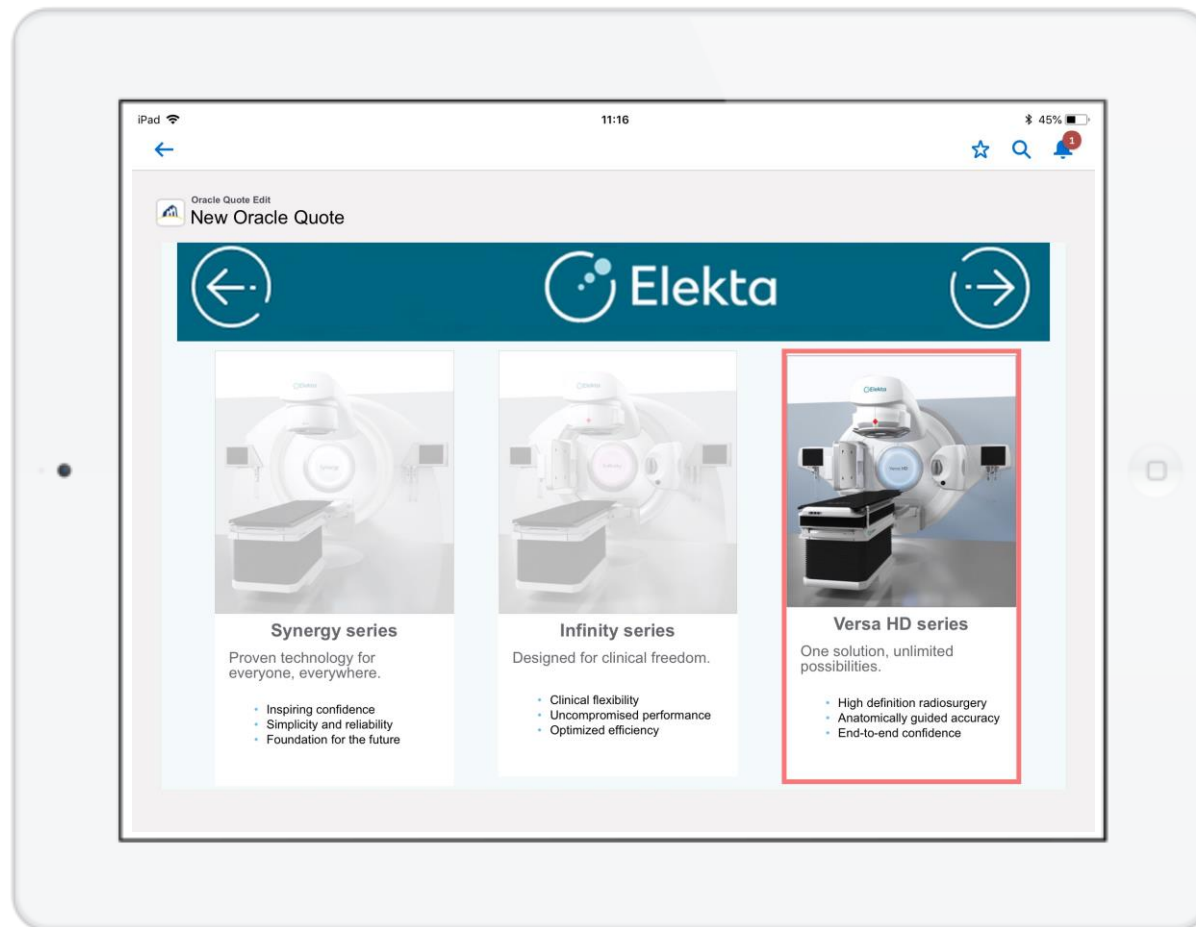


Digitizing & technology for efficiency



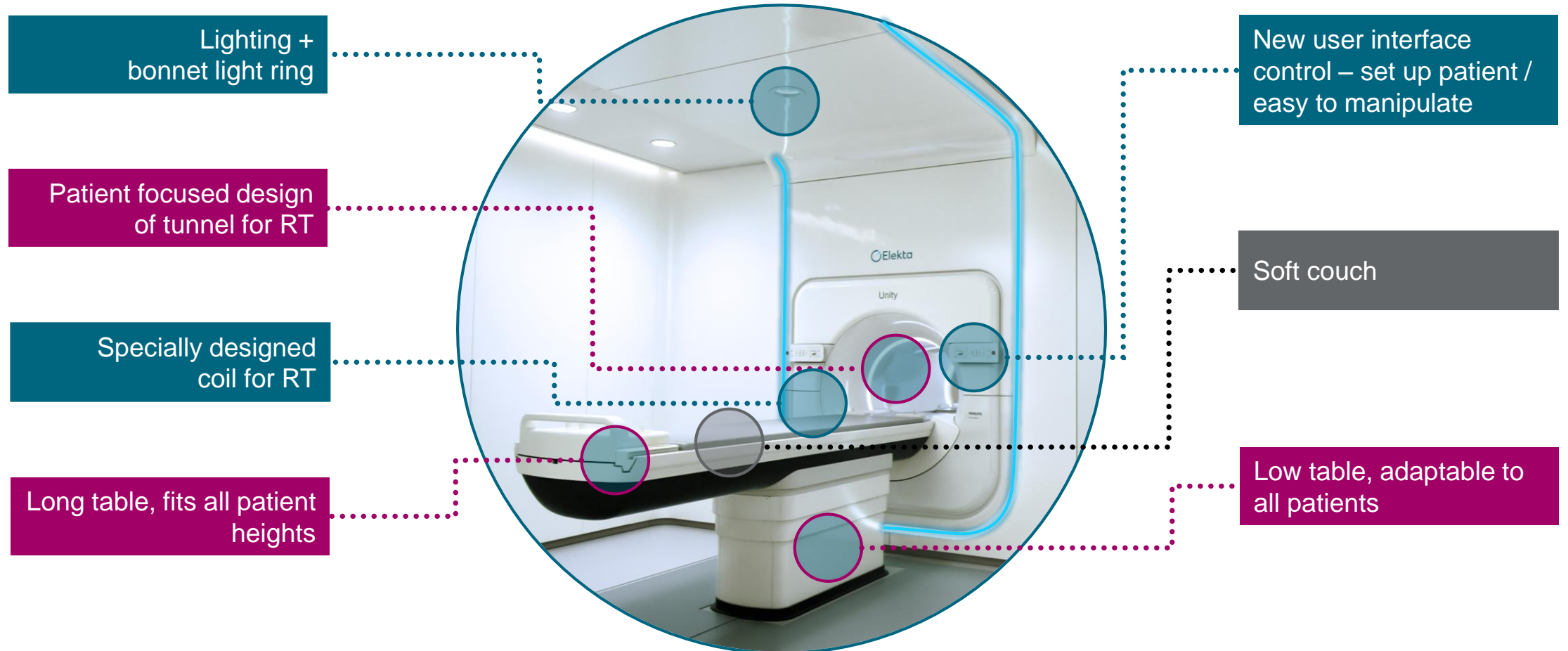
Introducing guided selling tools

Quote in 4 easy steps



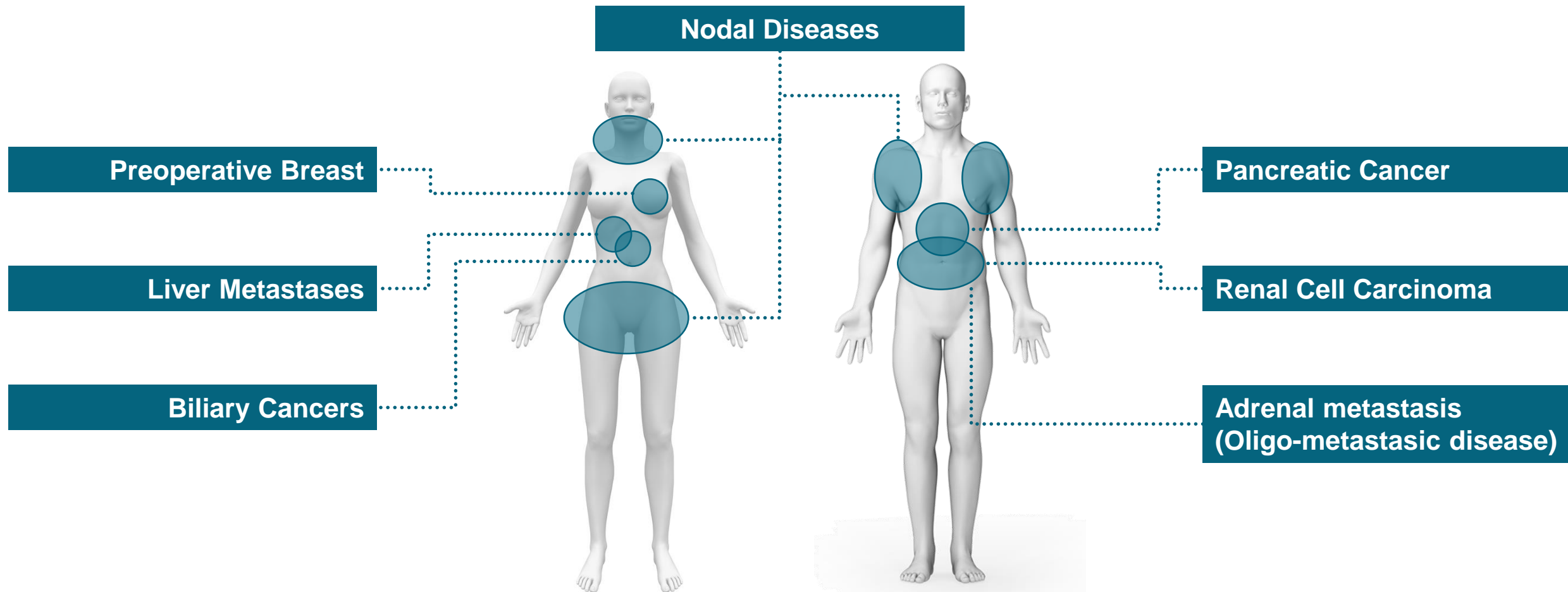
Commercializing Unity

Patient-centric



Elekta Unity has a CE Mark but is not available for commercial distribution or sale in the U.S.

Reaching the hard to treat cancers



Potential for multiple additional cases to be treated

Improving patient throughput with hypofractionation



Reducing total treatment time per patient

450 min
Standard fractionation on linac



225 min
SBRT on MR-linac



Increasing number of patients treated per year

266 patients
Estimated number of patients per linac

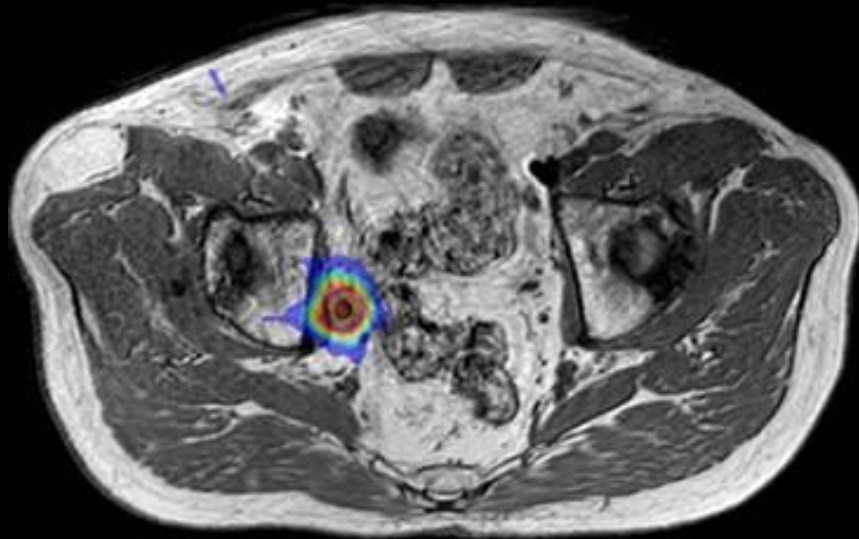


533 patients
Estimated number of patients per MR-linac



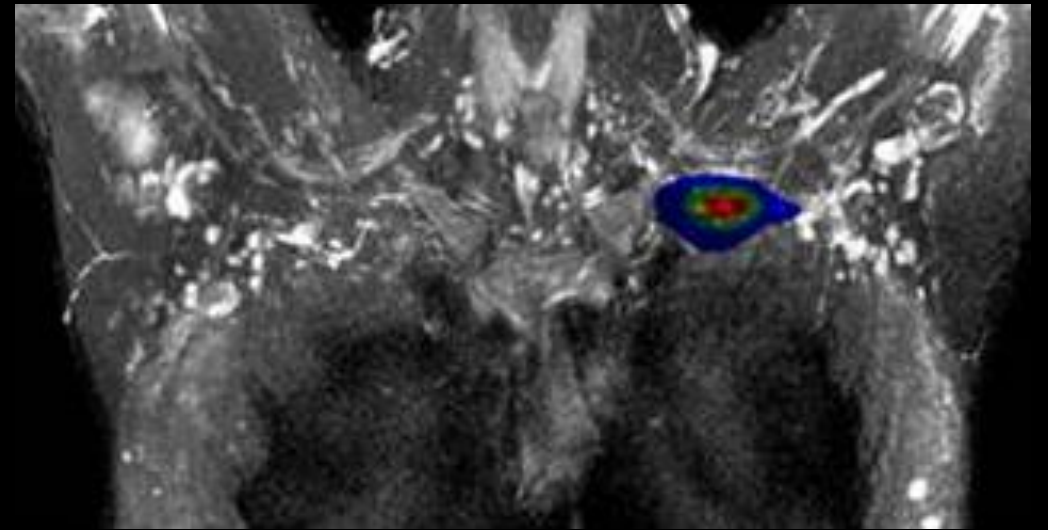
Happening as we speak

Courtesy UMC, Utrecht



Metastatic pelvic lymph node

T2w, TE 140ms, 3.5 mm sl., 1.1 x 1.1 mm res.



Metastatic axilla lymph node

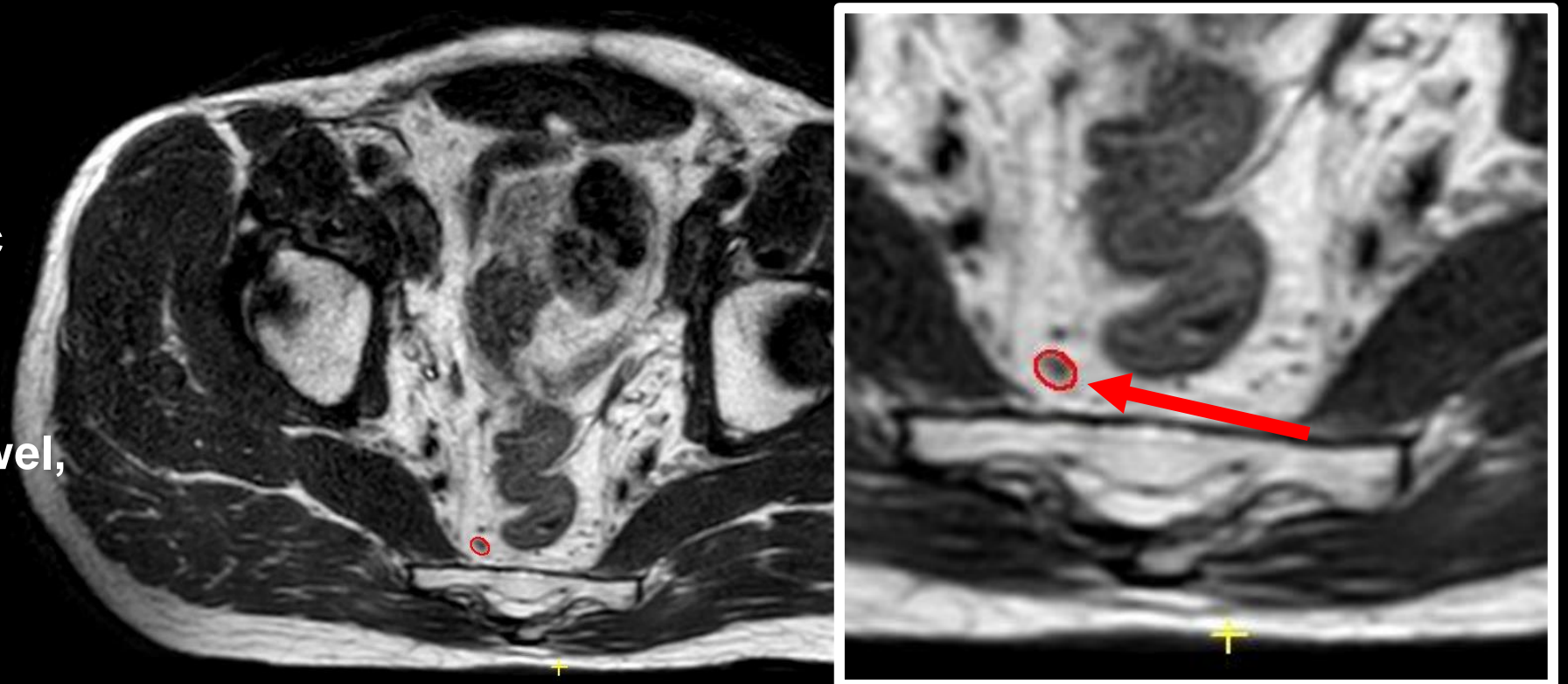
3D T2w STIR, 1.5 mm sl., 1.5 x 1.5 mm res.

Happening as we speak

Courtesy University of Tübingen

Treatment of metastatic pelvic lymph node

Pre-irradiated area (bowel, bone) with the need for maximum precision



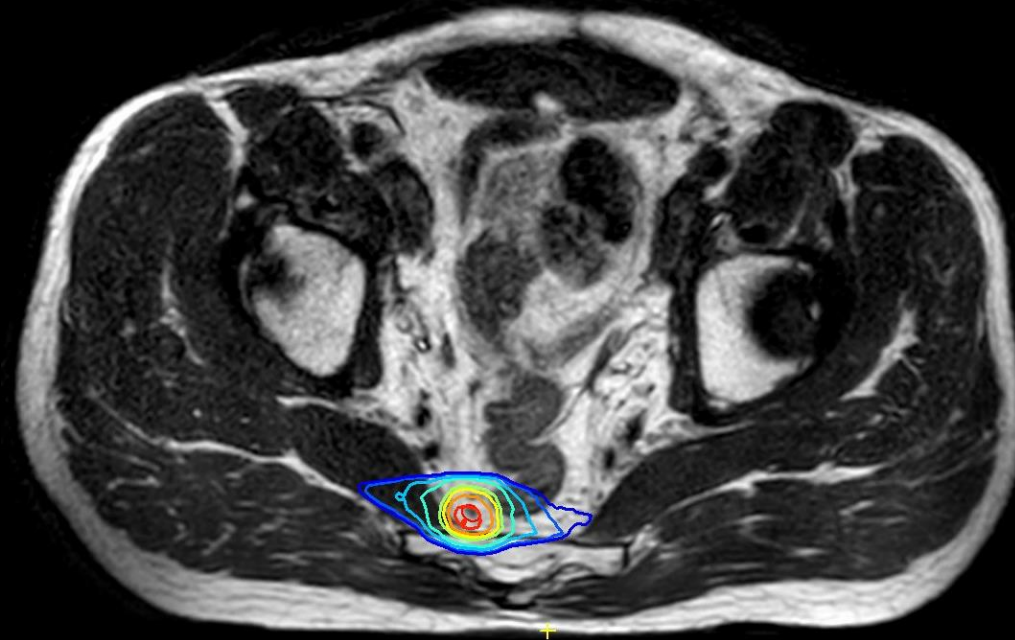
T2w, TE 140ms, 3.5 mm sl., 1.1 x 1.1 mm res.

Happening as we speak

Courtesy University of Tübingen

Treatment plan for 35 Gy in 5 fractions (Left)

Live MRI - 5 frames/s (right)



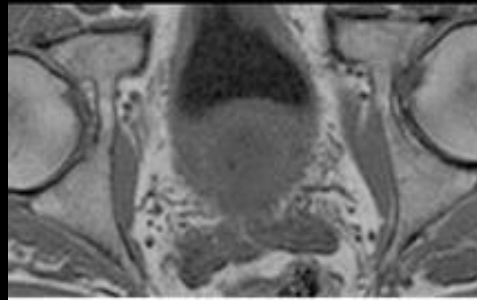
Compelling value proposition

From CBCT to quantitative MR



CBCT¹

Morphology:
Anatomy location



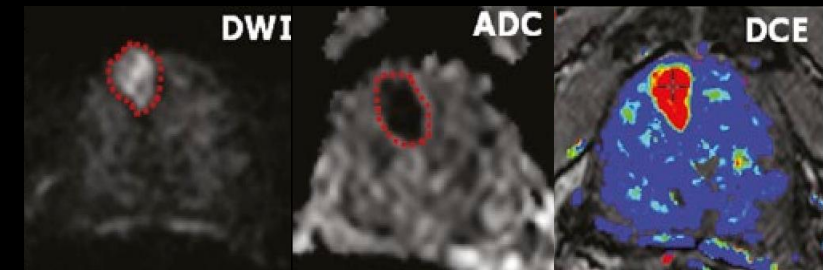
0.35T MR¹

Pathology:
Tumor location



1.5T MR²

Sub-structure:
Tumor segmentation



***Quantitative MR³**

Functionality:
Tumor characterization

**Quantitative MR is WIP and not available with Elekta Unity*

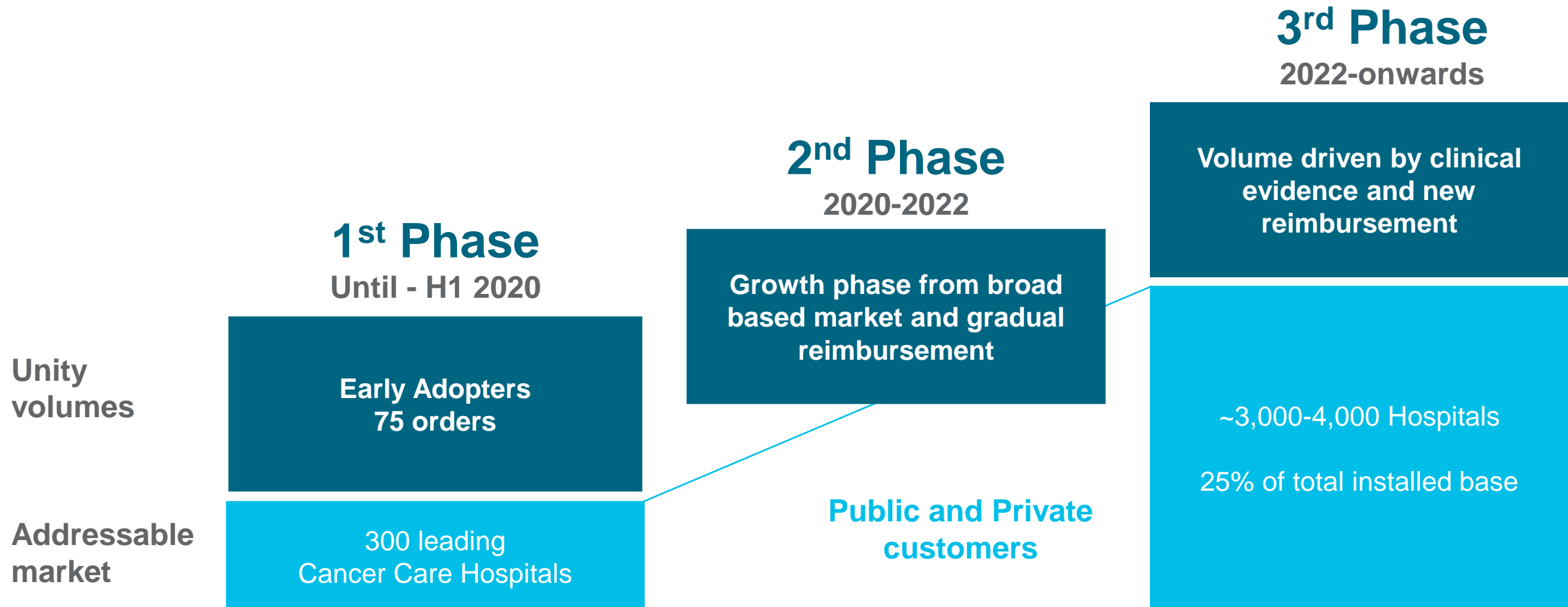
¹Doemer et. al., Radiation Oncology (2015) 10:37

²Courtesy of AvL-NKI

³Bjurlin et. al., Cent European J Urol. 2016; 69: 9-18

MR-linac on BBC news

Unity commercialization in three main phases



1st phase – academic institutions

Akademiska Sjukhuset in Uppsala



~300-400 academic institutions

Rationale:

- Conduct research publish papers
- Institution will be part of new paradigm in radiation therapy
- Improved patient outcomes and higher efficiency

1st phase – high-end cancer centers

High end cancer centers

Rationale:

- Leading clinical center with best in the world treatment solutions
- Reputation, improved outcomes and higher efficiency
- Return on investment

Hong Kong Sanatorium & Hospital



1st phase – global networks

High end Global Cancer Care Network

Rationale:

- Largest private cancer care in Australia, UK and Spain
- Reputation, improved outcomes and higher efficiency
- Eager to redesign care experience

Genesis Care



2nd phase – clinical evidence through **MOMENTUM**

5 Sub-programs and deliverables

Technical/imaging data repository for **Machine Learning Program**

Disease-specific best-practice patient management manuals for **Training and Education**

Early clinical outcomes for **Market Access**

Mid-term clinical outcomes for **Clinical Marketing**

Infrastructure for future-oriented **Research and Development**

Best-practice patient management manuals

For Training and Education of Physicians and Physicists

MOMENTUM Partners will develop, test and iterate step by step instructions for managing patients Unity for ≥ 9 diseases

- Clinical Technical Profiles (CTPs)
- Contouring atlases in DICOM
- MR exam cards

Disease-specific manuals will comprehensively address:

- Simulation and delineation
- Initial planning
- On-line adaptation & QA
- Monitoring
- Off-line adaption

Materials made available to all Elekta customers on Elekta's Training and Education website



Reimbursement strategy – Engaging with key markets

USA

- Medicare reimbursement through collaboration with customers and industry organizations. ~3 years timeline.
- In parallel private insurance companies and hospitals can work out separate reimbursement policies

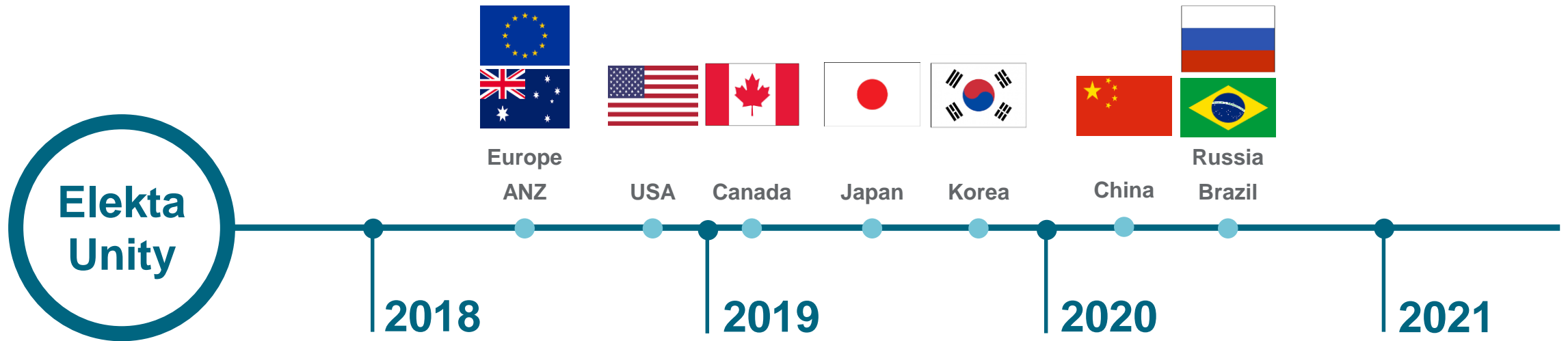
Europe

- Combination of private and public reimbursement systems
- Private insurance schemes can support early adoption

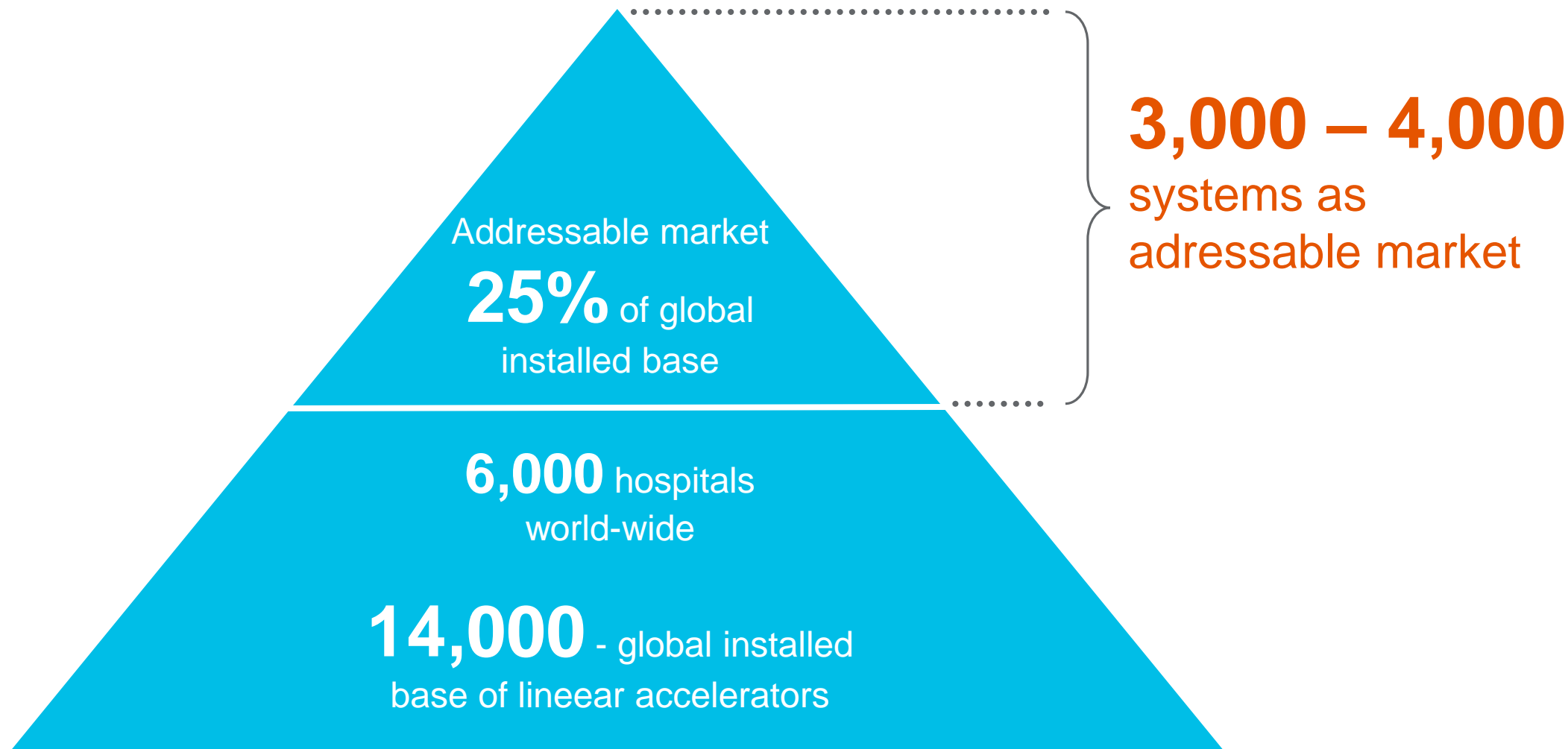
China

- Combination of private and public reimbursement systems

Indicative timeline for Elekta Unity registration

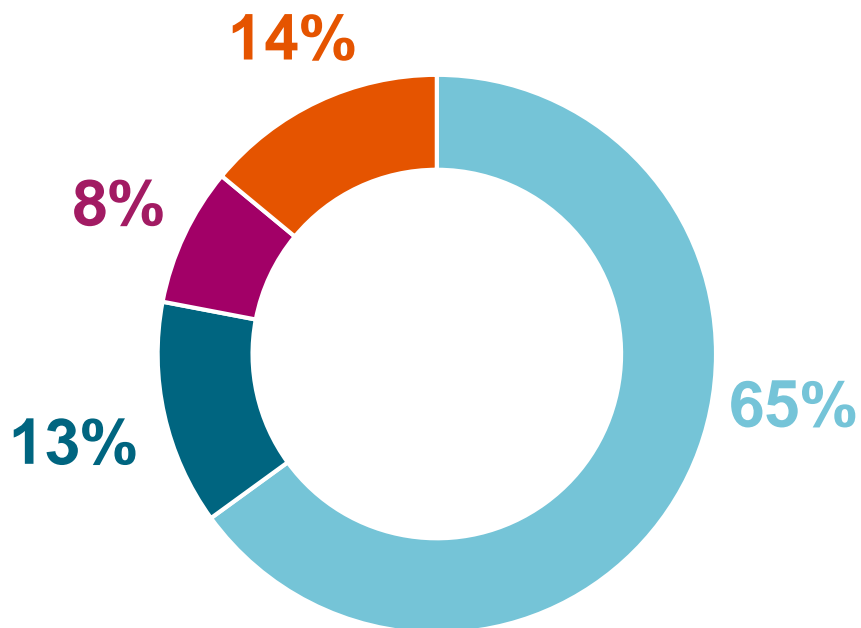


3rd phase – exploiting the full potential



**Driving precision
radiation medicine
across our portfolio**

Driving portfolio growth



Linacs

- Unity and “halo effect”
- Introduce HD Edition
- Capture upgrade cycles

Informatics

- Drive software penetration through bundling
- New functionality and add-ons

Neurosurgery

- Capture SRS growth with LGK
- Dual focus; Neurological clinics and Oncology centers

Brachytherapy

- Re-establish specialist sales channels within Brachytherapy
- Realize emerging market potential

Meet Elekta's new family of HD* Linacs



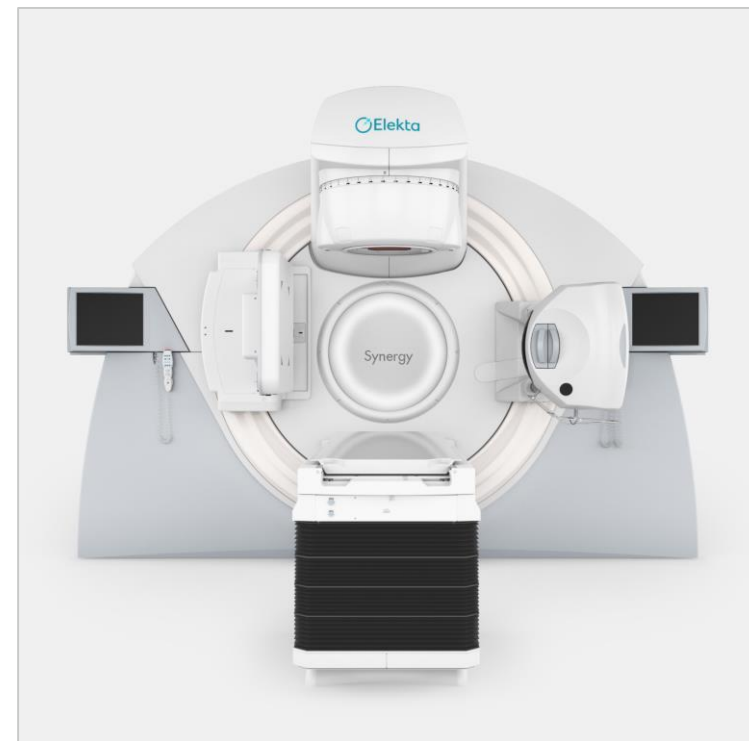
Versa HD

Push the boundaries of your stereotactic capabilities



Infinity HD

Flexibility redefined, truly multifunctional



Synergy HD

Proven technology for everyone, everywhere

*Note: *Works in progress and not available for distribution*

Elekta Family of HD Linacs

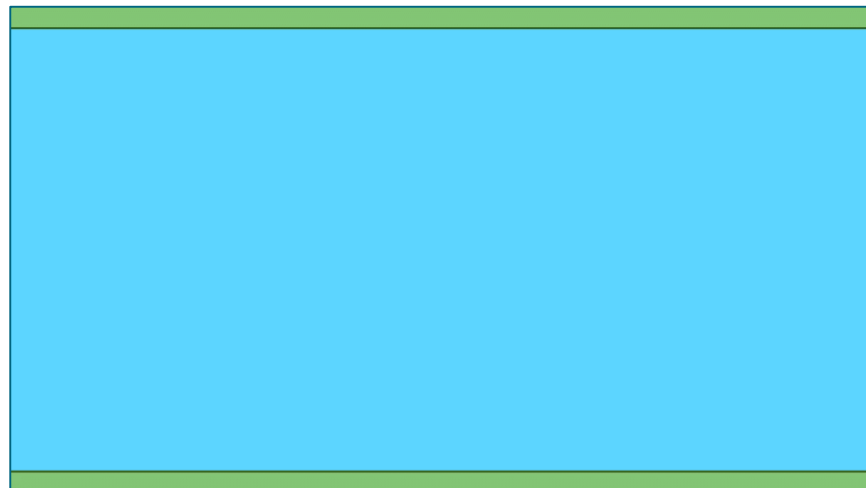
Delivering precision radiation medicine to every clinic & every patient...

Higher Modulation

Combining power
& control

Tighter Conformity
Higher Dose
Shorter Delivery

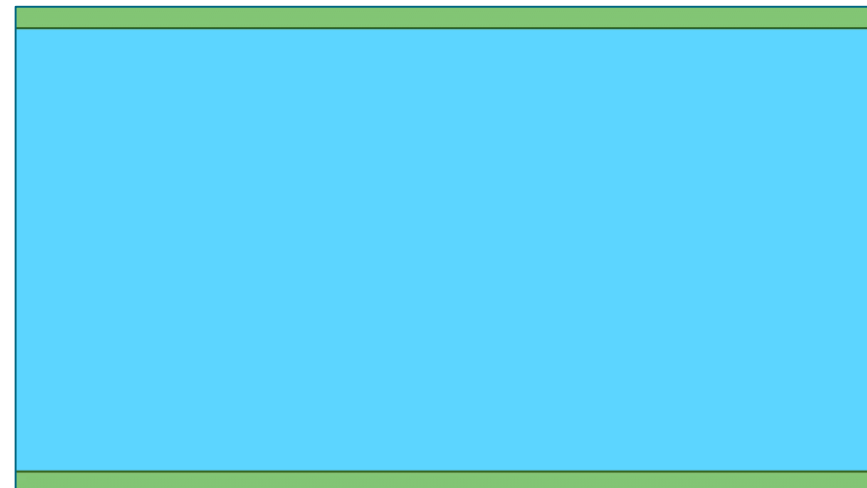
Competitor



Does not support jaw tracking of the Agility Dynamic Y-Jaw.

Only operates accurately with leaf speeds of **up to 2.5cm/s**

Elekta



Supports Jaw tracking

Up to 3.5cm/s leaf speed

Sustain high modulation while delivering high dose rate FFF

Elekta Family of HD Linacs

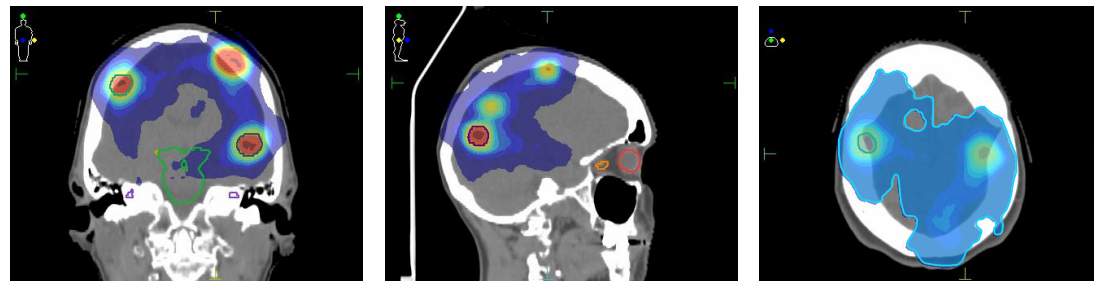
Delivering precision radiation medicine to every clinic & every patient...

Higher Modulation

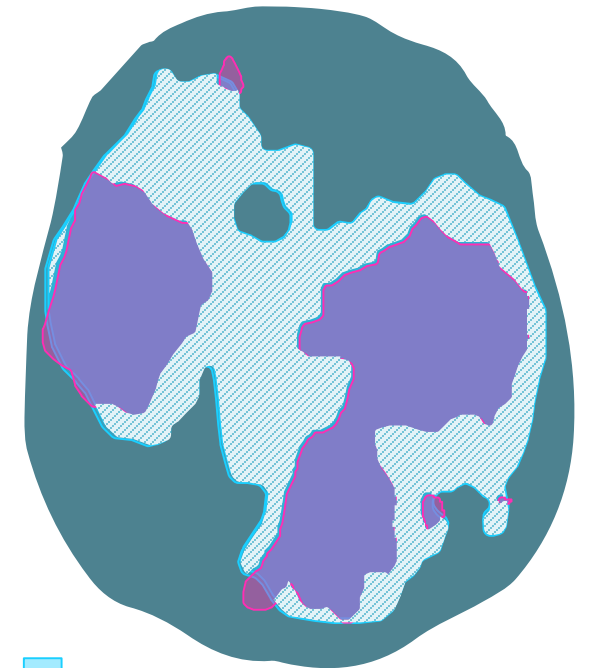
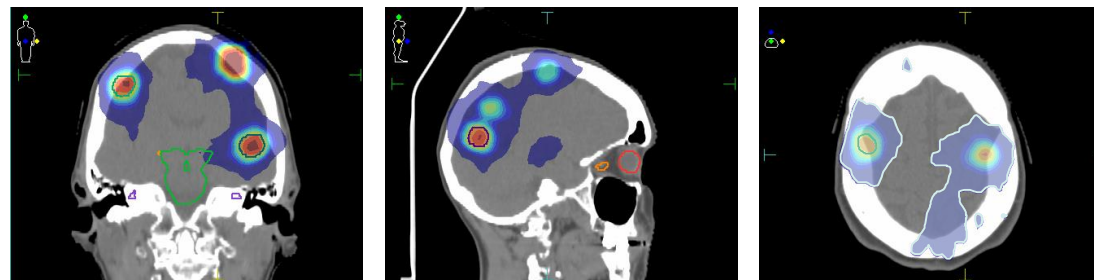
Combining power & control

Tighter Conformity
Higher Dose
Shorter Delivery

Competition



Elekta



- Competition
- Elekta
- Normal tissue spared with Elekta

Disclaimer:

This case study is based on the experience and application of a medical expert, and is intended as an illustration of an innovative use of Elekta solutions. It is not intended to promote or exclude any particular treatment approach to the management of a condition. Any such approach should be determined by a qualified medical practitioner.

It is important to note that radiation treatments, while usually beneficial, may cause side effects that vary depending on the clinical site being treated along with other medical circumstances. The most frequent side effects are typically temporary and may include, but are not limited to, skin redness and irritation, hair loss, respiratory, digestive, urinary or reproductive system irritation, rib, bone, joint or soft tissue (muscle) pain, fatigue, nausea and vomiting. In some patients, these side effects may be severe. Treatment sessions may also vary in frequency, complexity and duration. Finally, radiation treatments are not appropriate for all cancers, and their use along with the potential benefits and risks should be discussed before treatment.

In summary

A strong market position and the right team in place

Commercializing Elekta Unity

Driving precision radiation medicine across our portfolio

Thought Leader in Precision Radiation Medicine

Elekta Capital Markets Day

September 27, 2018

Dr. Richard Hausmann

President and CEO

**We
will
be #1**



**Elekta is a better
company now**

**Our market is
there and strong**

**We have a clear
strategy forward**

We have unique products

Elekta

Unity

PHILIPS



It is all about
Precision
Radiation
Medicine

...and it is driving our

Growth

8-10%

Net sales CAGR

EBITA >20%

plus upside of **200 BPS**

A teal rectangular area with a pattern of fine, parallel white diagonal lines. The text "Thank you" is centered within this area in a white, sans-serif font.

Thank you