

Q1 report

August 30, 2018

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President and CEO

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Important information

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Welcome to Elekta Capital Markets Day 2018

September 27 in Stockholm

Register: www.cvent.com/d/5gq38r

Richard Hausmann

President and CEO

Strong order and sales growth

- **Order intake +12%**
 - Growth in all regions and services
 - Four Elekta Unity orders
- **Net sales +10%**
 - Strong linac and software sales
 - Emerging markets grew +27%
- **Gross margin at 39% (46%)**
 - Higher volumes to emerging markets and an unfavorable project mix in Q1 compared to last year
 - We foresee a higher margin for the remainder of the year
- **Reached our targeted EBITA margin of 20% for the rolling 12 month period**
- **Cash flow was temporarily low in Q1**
 - Lower customer advances
 - We increased our Elekta Unity inventory levels



Q1

Good growth in order intake

NORTH AND SOUTH AMERICA

↑ **+23%** in Q1

- Strengthened market share in North America
- Growth driven by software and services
- Elekta Unity research system order; Allegheny Health Network in Pittsburgh, USA

EUROPE, MIDDLE EAST AND AFRICA

↑ **+15%** in Q1

- Strong start of the year, notably in Italy, Poland, Slovakia and the Middle East
- 2 Elekta Unity orders; Switzerland and Algeria

ASIA PACIFIC

↗ **+2%** in Q1

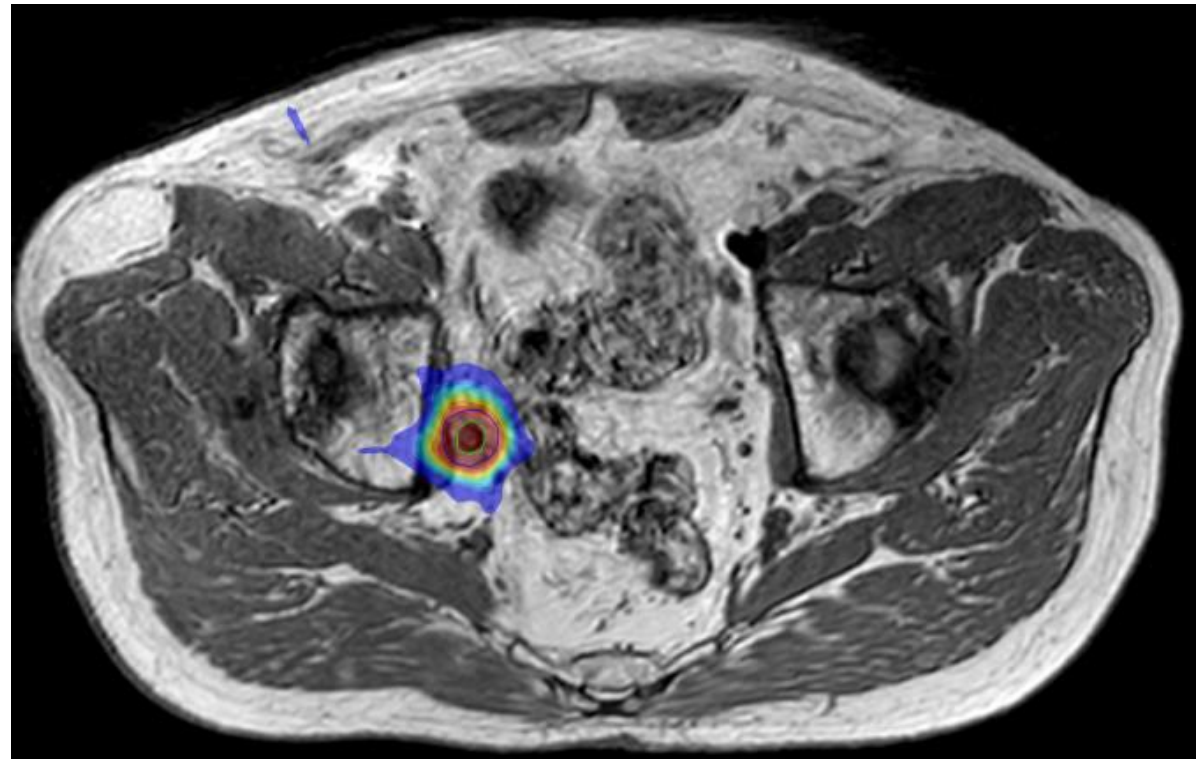
- Strengthened leadership in China: +8% growth
- Returned to growth in Japan
- Elekta Unity system to Genesis Care in Australia

Elekta Unity delivering precision radiation medicine

Recent milestones

- CE-marking received
- First patient treated
- 510(k) application submitted in USA

Unmatched online imaging and precision



Unity MRI with high and intermediate dose levels, prescribed dose (5x7Gy)

Elekta Unity – 10 systems installed – 32 systems sold



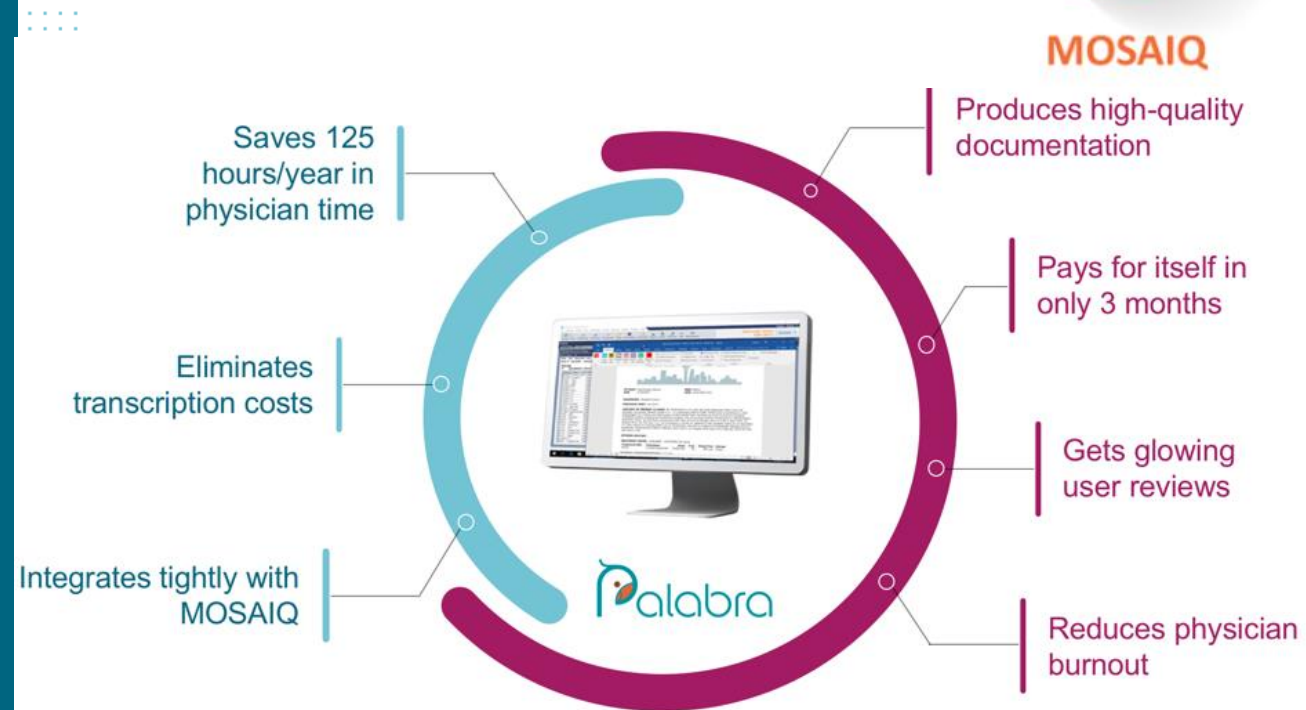
- On track for installing 1 system per month during the year
- Including 5 systems to China with revenue recognized next fiscal year



Recent acquisitions strengthen our portfolio

Acumyn - integrated quality management system, AQUA

PalabraApps - improves the clinical workflow using Elekta's MOSAIQ[®] oncology information system



Financial update

Gustaf Salford, CFO

Q1 2018/19 – Strong growth in net sales

(SEK M)	Q1 2018/19	Q1 2017/18	Rolling 12 months
Net sales	2,819	2,504	11,887
COGS	-1,716	-1,343	-6,890
<i>Gross margin (%)</i>	<i>39.1%</i>	<i>46.4%</i>	<i>42,0%</i>
Expenses	-806	-724	-2,810
Exchange diff and other	89	-17	148
EBITA	386	420	2,335
EBITA margin (%)	13.7%	16.8%	19.6%
Amortization	-148	-139	-533
EBIT	238	281	1,802
Net financial items	-25	-38	-151
Income taxes	-47	-44	-336
Net profit	166	199	1,315
EPS	0.43	0.52	3.44

- Net sales in Q1 up +13% in SEK or +10% in constant currencies. Emerging markets grew +27%
- Low gross margin in Q1. High share of emerging markets and project mix. Will improve going forward.
- Increased expenses primarily in R&D and costs for Unity commercialization
- Result from MEG divestiture: SEK 76 M
- Amortization increased post CE-mark
- Lower net financial items - repayment of debt

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*Before items affecting comparability and bad debt losses; **In local currency

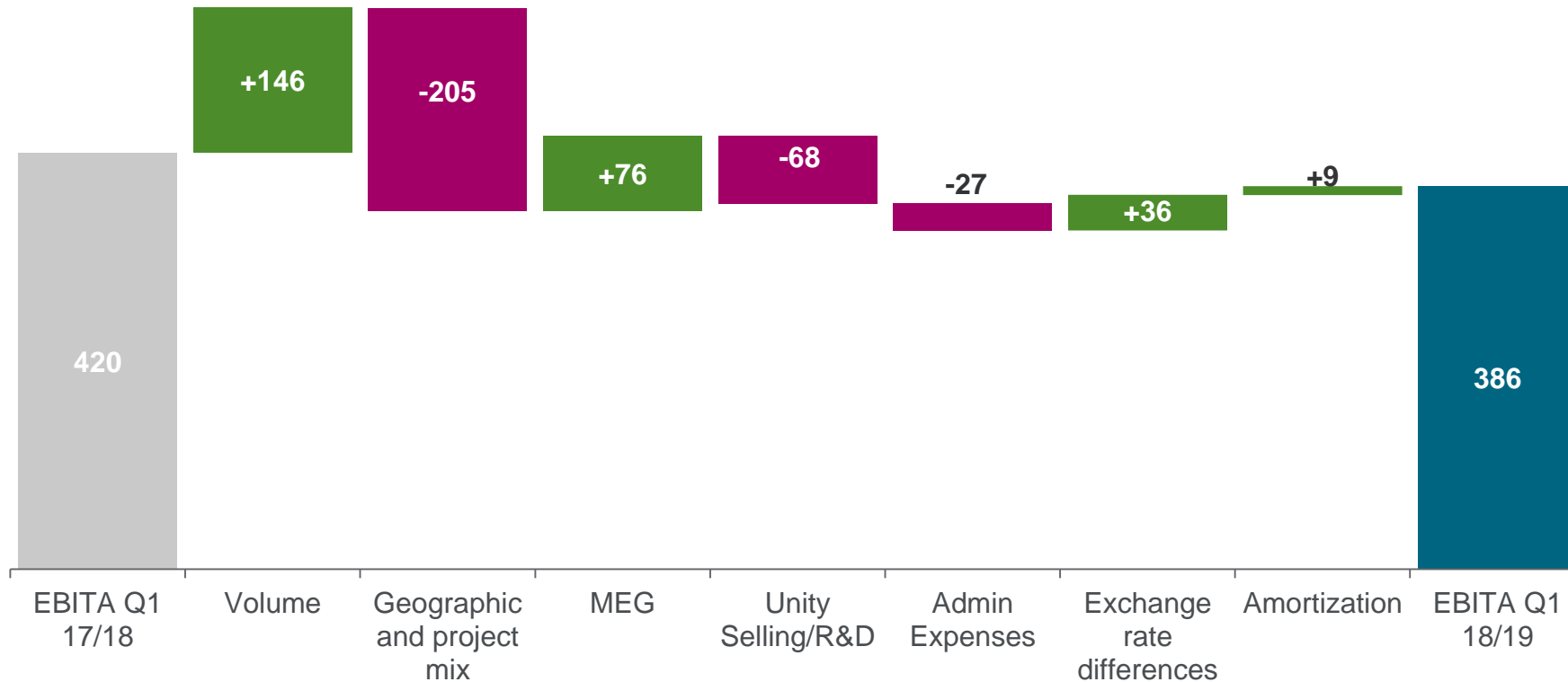
Operating Expenses

SEK M	Q1 2018/19	Q4 2017/18	Growth* Q/Q	Rolling 12 months	Q1 2017/18	Growth* Y/Y
Selling expenses	-324	-326	-5%	-1,228	-305	+3%
Administrative expenses	-265	-249	+2%	-970	-243	+5%
R&D expenses	-365	-234	+49%	-1,145	-316	+11%
TOTAL	-954	-809		-3,343	-864	

**Changes are based on unchanged exchange rates*

Geographic and project mix effect in Q1

EBITA bridge (SEK M)



Currency effect Q1 2018/19 (SEK M, Y/Y)

• Effect on net sales:	+95
• Effect on expenses	-106
• Exchange rate differences:	+36
Effect on EBITA	+25

Estimated currency effect 2018/19 (SEK M, Y/Y)

Effect on EBITA	+200
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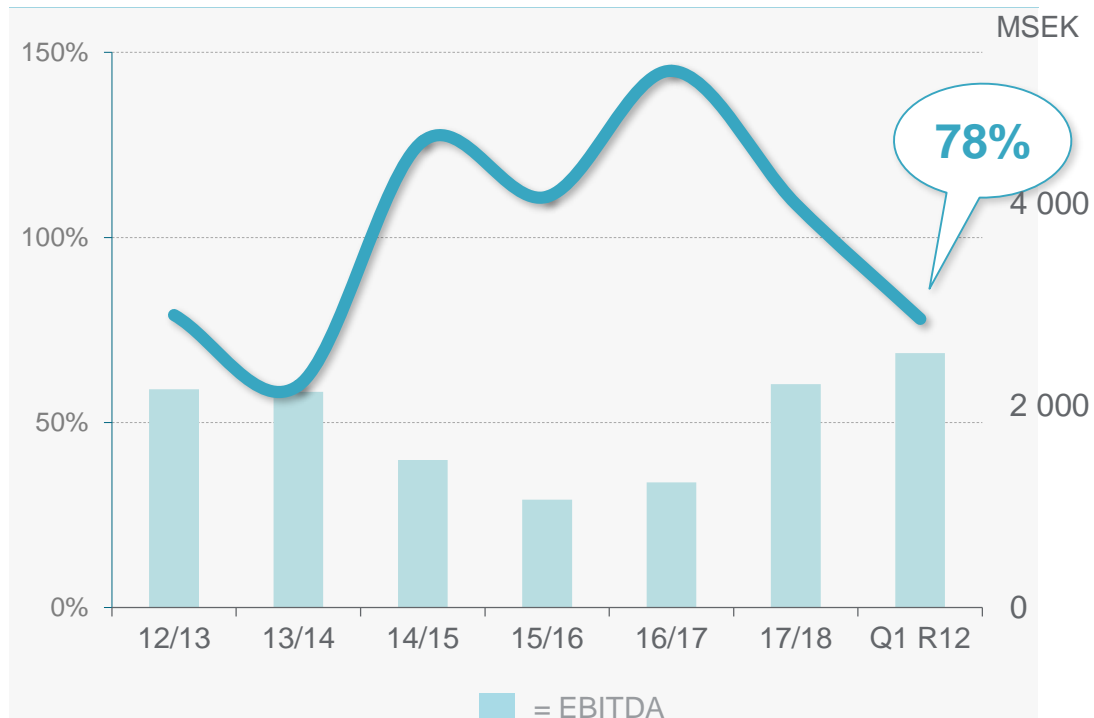
Cash flow driven by operating result and working capital changes

Cash flow	Q1 2018/18	Q1 2017/18	Rolling 12 months
EBITDA	427	458	2,489
Working capital	-699	-232	-421
Financial net	-25	-38	-150
Paid tax	-21	-77	-195
Other	-63	-35	224
Cash flow from operating activities	-381	76	1,947
Cash conversion	-89%	16%	78%

- Temporary working capital effect in Q1:
 - Lower customer advances
 - Increased inventory levels for upcoming Unity installations
- DSO at negative 75 days (negative 87)
- Expect to continue operate with negative net working capital

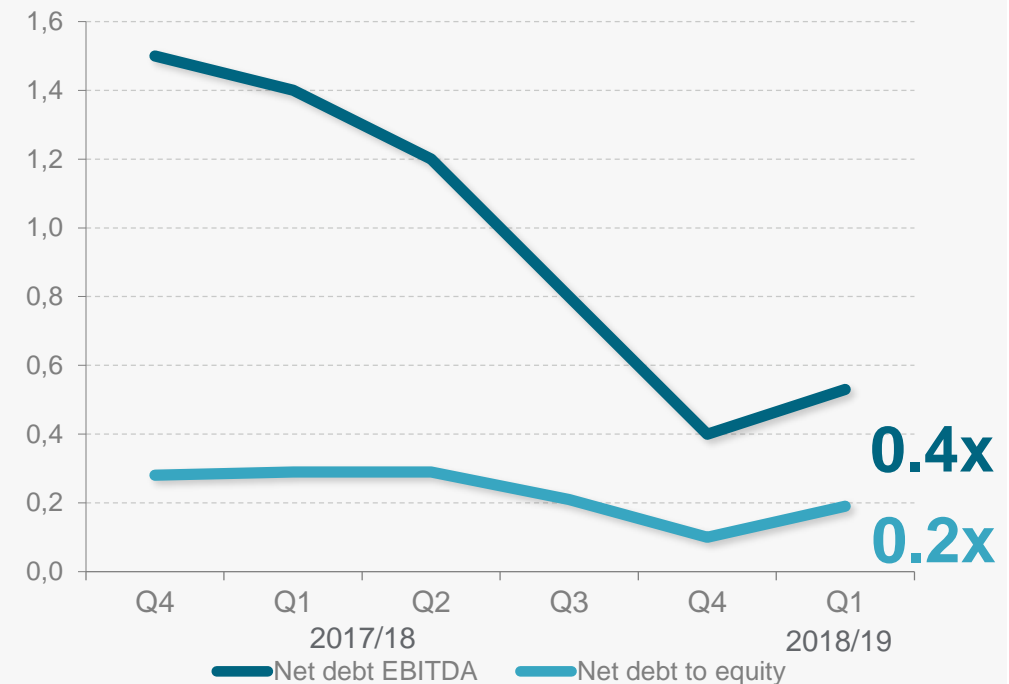
Strong financial position and repaid debt in Q1

Operational cash conversion and EBITDA



Note: *Cash flow from operating activities / EBITDA

Net debt / EBITDA and equity



Richard Hausmann

President and CEO

Strong growth in orders and sales in Q1

- Elekta Unity – major milestones passed
 - First patients treated with excellent workflow and results
 - Unity CE-marked and filed for FDA 510k clearance in the US
- Strong growth in our business in orders and sales
- Positive market view in all regions going forward



We continue to do what we say

We reiterate our guidance for 2018/19



Net sales growth

~7%

EBITA margin

~20%



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