





**Good overall growth with
one-offs affecting profitability**

Q2 report 2019/20

November 28, 2019

Agenda

1. Q2 performance
2. Financials
3. Outlook
4. Q&A



Important information

This presentation includes forward-looking statements including, but not limited to, statements relating to operational and financial performance, market conditions, and other similar matters. These forward-looking statements are based on current expectations about future events. Although the expectations described in these statements are assumed to be reasonable, there is no guarantee that such forward-looking statements will materialize or are accurate. Since these statements involve assumptions and estimates that are subject to risks and uncertainties, results could differ materially from those set out in the statement. Certain of these risks and uncertainties are described further in the Annual Report in section “Risks and uncertainties”. Elekta undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulations.

This presentation is intended for investors and analysts only. Some products are still in research and/or not cleared/approved in all markets. Cancer statistics are given to show the potential market in the respective area and does not mean that Elekta currently has products to treat these indications.

1. Q2 performance

Dr. Richard Hausmann
President and CEO

We are Precision. Radiation. Medicine.

Everyone with cancer should have access to and benefit from precise, personalized radiotherapy



ASTRO 2019: Chicago

Higher 4-year overall survival for cervical cancer patients (58.2% VS. 46.2%, P, 0.001)

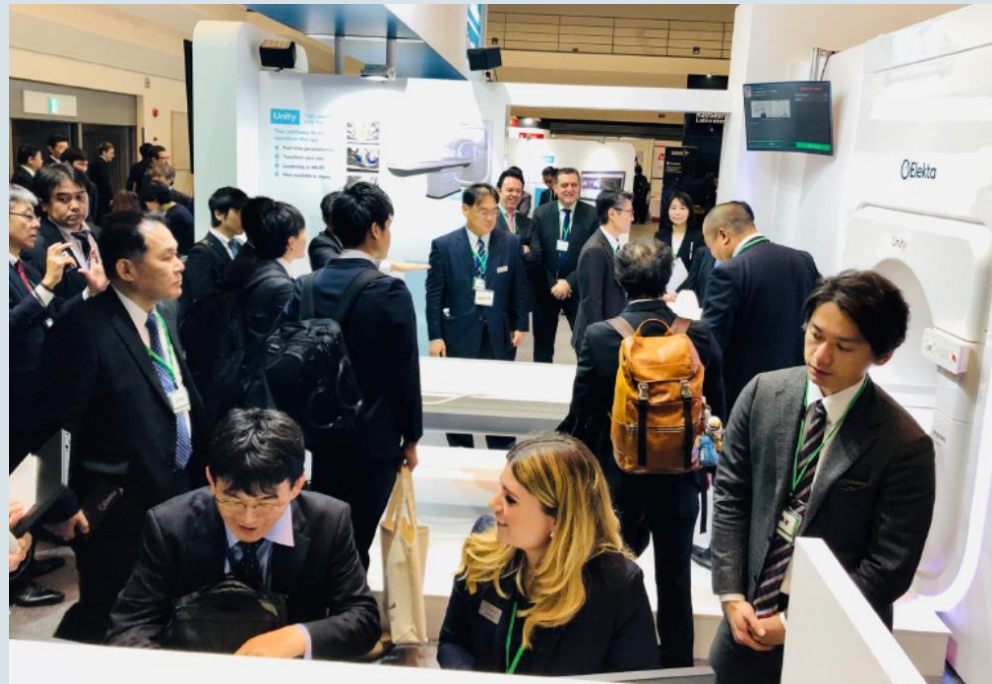
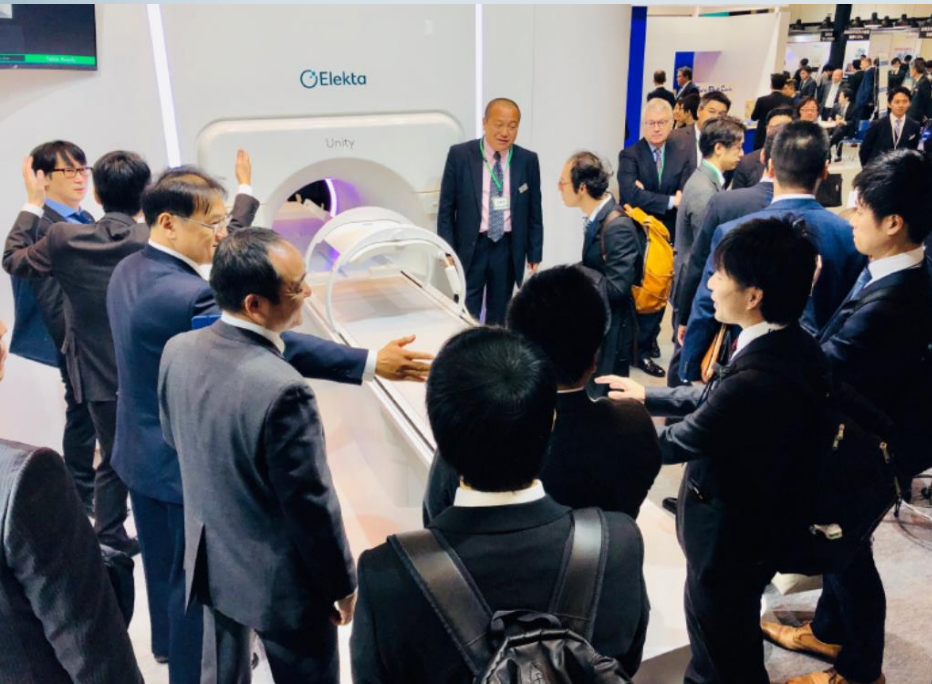
25% HIGHER OS AT 4 YRS

Year	58.2% (58.2%)	46.2% (46.2%)
0	58.2%	46.2%
2	58.2%	46.2%
4	58.2%	46.2%
6	58.2%	46.2%
8	58.2%	46.2%
10	58.2%	46.2%

We are Precision Radiation Medicine.



Successful launch of Elekta Unity at Jastro



JASTRO 2019: Nagoya

Great interest in and excitement about Elekta Unity

Strong responses for Elekta's innovative solutions

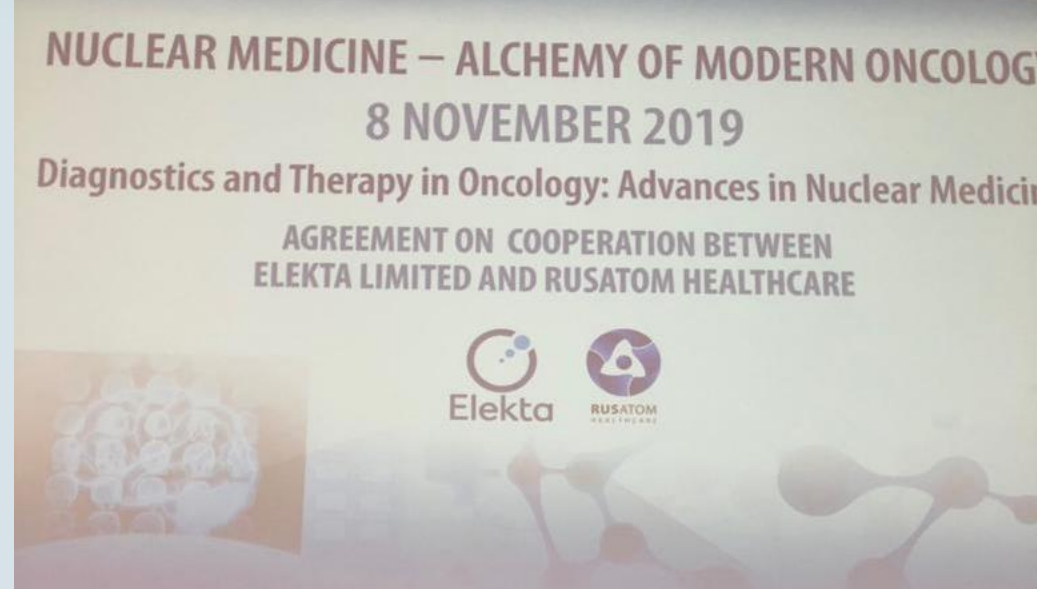
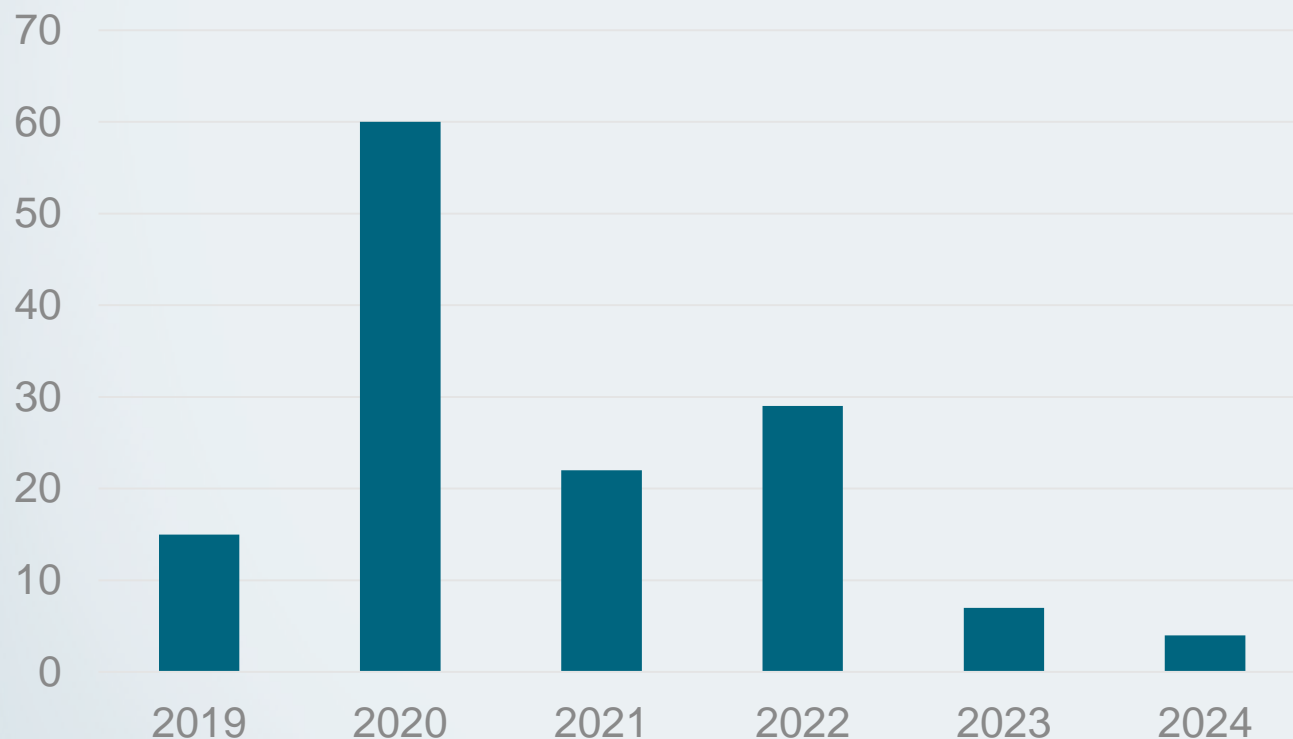
CIIE 2019: Shanghai

- Signed ~30 tentative purchase agreements
- Collaboration agreements between Elekta RT Academy and universities & research institutions



Taking the next step in Russia

Linear accelerator equipment plan until 2024
(137 linacs)



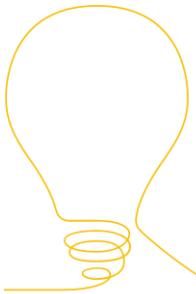
External recognition for our innovations and customer services



reddot award 2019
winner



product
design award



Business
Innovation
Award
2019

IOP Institute of Physics



tsia
STAR Award
2019



AuntMinnie.com
THE BEST OF RADIOLOGY
FINALIST

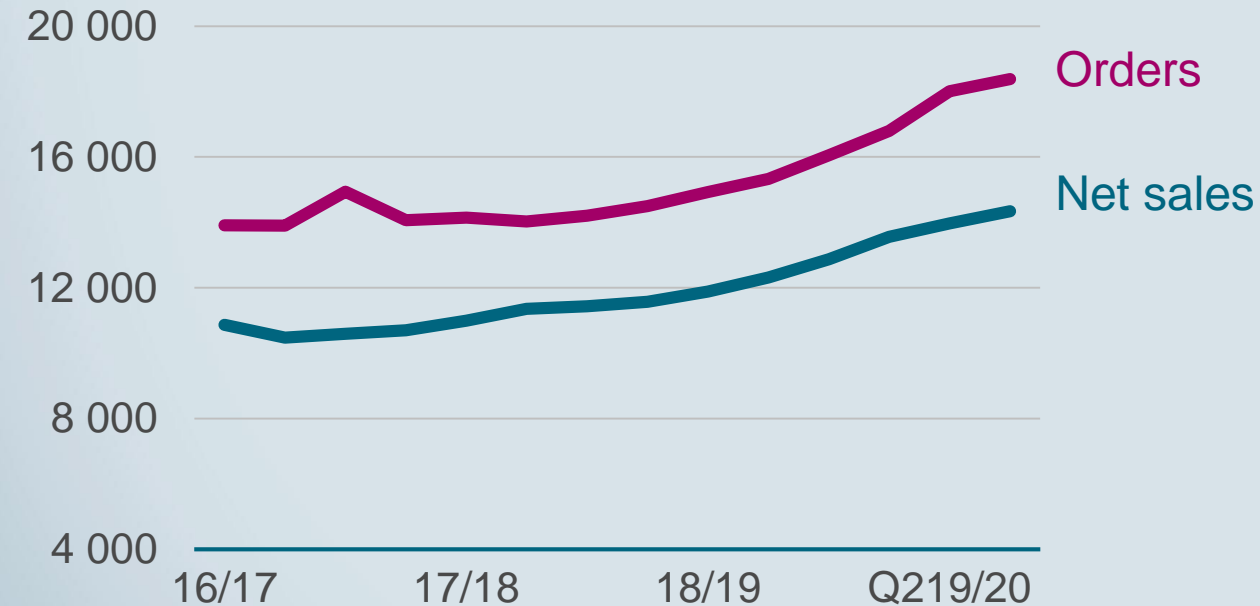


Creating value by innovation and thought leadership

Net sales

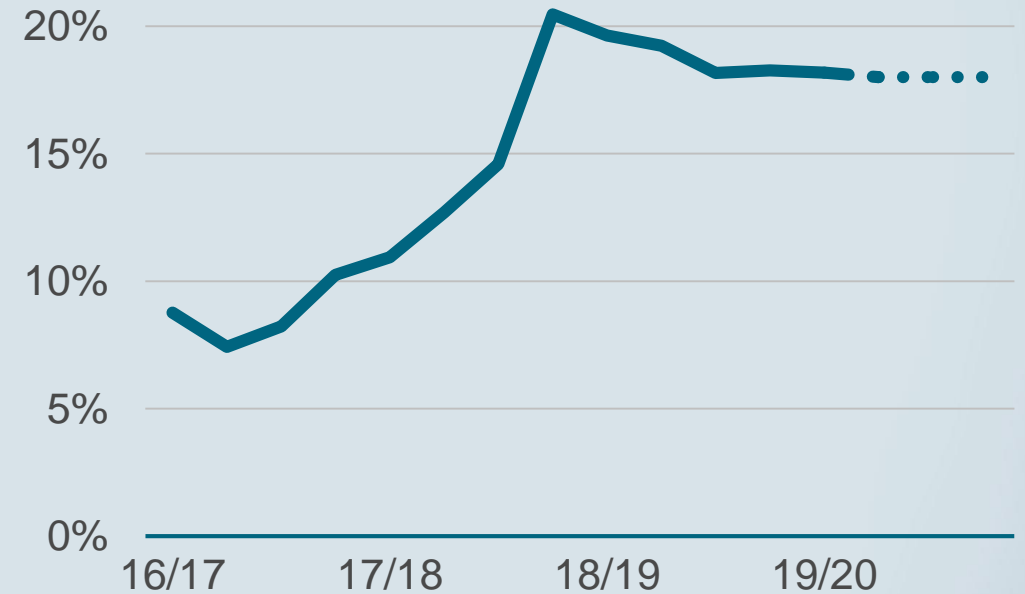
rolling 12 months

MSEK



EBITA margin

rolling 12 months



Q2 – fx and delayed installations affecting profitability

Key Q2 financials

- Organic order intake +5%
- Organic net sales +7%
- Gross margin 41.0% (41.4)
- EBITA margin 14.5% (18.0)



Q2 – fx and delayed installations affecting profitability

Key Q2 financials

- Organic order intake +5%
- Organic net sales +7%
- Gross margin 41.0% (41.4)
- EBITA margin 14.5% (18.0)

H1 – good overall business

First six months

- Organic order intake +17%
- Organic net sales +8%
- Gross margin 41.7% (40.3)
- EBITA margin 14.2% (16.0)

Q2: Very strong order growth except in Europe

North & South America

+29%

- Very strong development
- Good contribution from Canada and Mexico and Colombia on the South American market
- Agreement with Premier in Q2
- 2 new Elekta Unity orders

Europe, Middle East & Africa (EMEA)

-21%

- Weak quarter in Europe
- Good growth in emerging markets', e.g. Saudi Arabia, Morocco, South Africa and Bulgaria
- 1 new Elekta Unity order

Asia Pacific

+23%

- Good order intake
- Good development in India, Singapore, Malaysia and Taiwan
- Continuing gaining market shares in China
- 3 new Elekta Unity orders

H1: Double-digit order growth in all regions – especially strong growth in Asia Pacific

North &
South America

+13%

Europe, Middle
East & Africa (EMEA)

+12%

Asia
Pacific

+26%

Elekta Unity – 64 systems ordered as of today

Reiterating 75 orders by mid-2020

North &
South America

Europe, Middle
East & Africa (EMEA)

Asia
Pacific

Q2

+2

+1

+3

Total

14

29

21

First Elekta Unity in Sweden – at Uppsala University Hospital



”It is really a step into the future”

Zahra Taheri-Kadkhoda,
Chief Physician and Section
Manager for Radiotherapy

svt NYHETER Nyheter Lokalt Sport SVT Play Barn

/ UPPSALA

Unik metod för strålterapi

00:01 / 01:35

Den unika metoden MR Linac ger ökad precision vid strålterapi av tumörer. Zahra Taheri-Kadkhoda är överläkare och sektionschef för strålbehandling vid Akademiska sjukhuset i Uppsala. Foto: SVT

svt NYHETER Nyheter Lokalt Sport SVT Play Barn

/ UPPSALA

Till exempel cancer i livmoder och tjocktarm.

Den unika metoden MR Linac ger ökad precision vid strålterapi av tumörer. Zahra Taheri-Kadkhoda är överläkare och sektionschef för strålbehandling vid Akademiska sjukhuset i Uppsala. Foto: SVT

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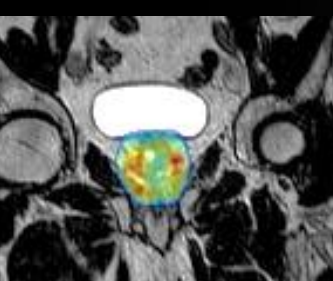
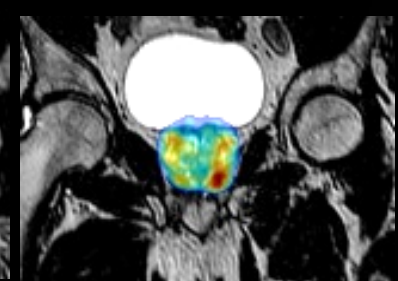
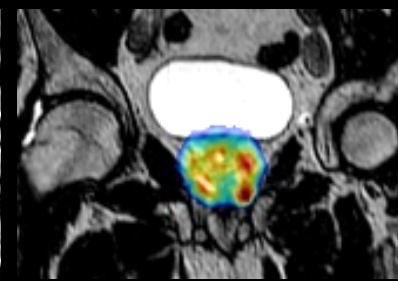
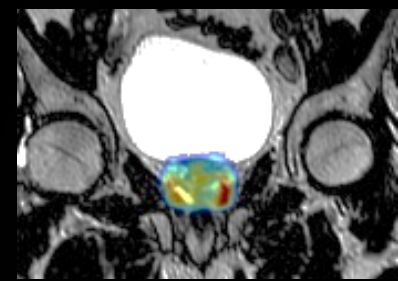
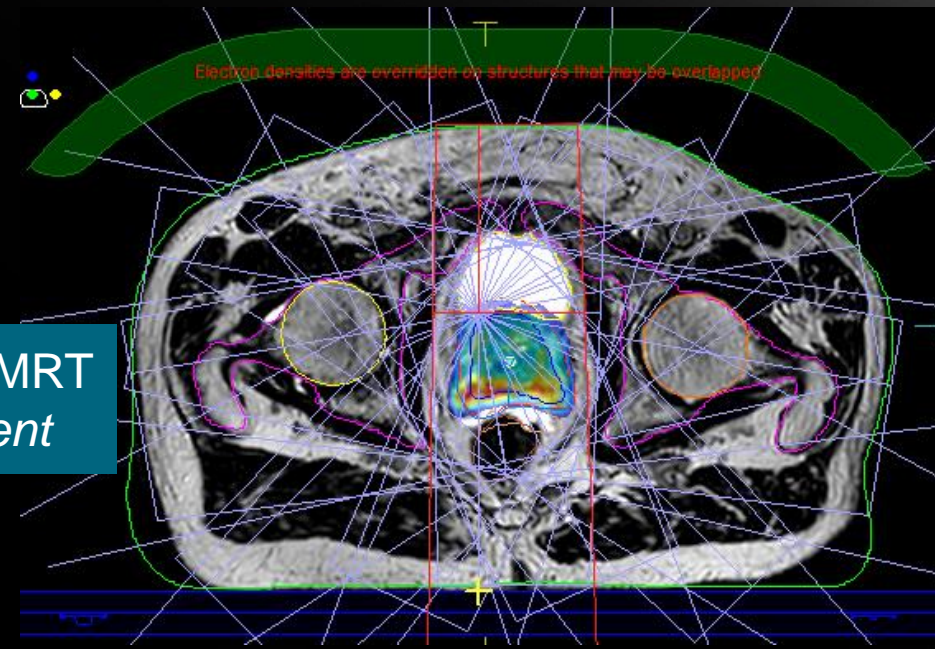
Unique method for
radiation therapy

Adapt to the anatomy of the day

SBRT 35 Gy / 5 Fx / 1 week

Adapt to shape

16 Field mBEAM IMRT
= VMAT equivalent



Structure	Dosimetric Criterion	Actual Value
PRV uretra	V35Gy < 1 cm³	0.133 cm³
	V33.2Gy > 95 %	100.00 %
PTV_OVL_recto	V35Gy < 1 cm³	0.001 cm³
PTV_OVL_vesicla	V35Gy < 1 cm³	0.009 cm³
PTV	V37.5Gy < 2 % (+1 %)	0.20 %
	V33.2Gy > 95 % (-1 %)	95.24 %
recto	V35Gy < 1 cm³	0.000 cm³
	V32Gy < 5 % (+1 %)	1.97 %
	V28Gy < 10 % (+1 %)	6.03 %
	V18Gy < 35 % (+1 %)	20.18 %
vesicla	V35Gy < 1 cm³	0.034 cm³
femore dx	Dmax < 20 Gy (+1 Gy)	17.836 Gy
femore sn	Dmax < 20 Gy (+1 Gy)	17.608 Gy
PTV_r8v&PRV	V37.5Gy < 2 %	0.21 %
	V33.2Gy > 95 %	96.29 %
bulbo penieno	V35Gy < 1 cm³	0.000 cm³

Structure	Dosimetric Criterion	Actual Value
PRV uretra	V35Gy < 1 cm³	0.170 cm³
	V33.2Gy > 95 %	100.00 %
PTV_OVL_recto	V35Gy < 1 cm³	0.009 cm³
PTV_OVL_vesicla	V35Gy < 1 cm³	0.048 cm³
PTV	V37.5Gy < 2 % (+1 %)	1.08 %
	V33.2Gy > 95 % (-1 %)	98.21 %
recto	V35Gy < 1 cm³	0.004 cm³
	V32Gy < 5 % (+1 %)	2.01 %
	V28Gy < 10 % (+1 %)	5.43 %
	V18Gy < 35 % (+1 %)	17.98 %
vesicla	V35Gy < 1 cm³	0.030 cm³
femore dx	Dmax < 20 Gy (+1 Gy)	17.277 Gy
femore sn	Dmax < 20 Gy (+1 Gy)	17.032 Gy
PTV_r8v&PRV	V37.5Gy < 2 %	1.12 %
	V33.2Gy > 95 %	98.17 %
bulbo penieno	V35Gy < 1 cm³	0.000 cm³

Structure	Dosimetric Criterion	Actual Value
PRV uretra	V35Gy < 1 cm³	0.109 cm³
	V33.2Gy > 95 %	100.00 %
PTV_OVL_recto	V35Gy < 1 cm³	0.000 cm³
PTV_OVL_vesicla	V35Gy < 1 cm³	0.030 cm³
PTV	V37.5Gy < 2 % (+1 %)	0.67 %
	V33.2Gy > 95 % (-1 %)	98.41 %
recto	V35Gy < 1 cm³	0.002 cm³
	V32Gy < 5 % (+1 %)	2.49 %
	V28Gy < 10 % (+1 %)	6.01 %
	V18Gy < 35 % (+1 %)	18.24 %
vesicla	V35Gy < 1 cm³	0.017 cm³
femore dx	Dmax < 20 Gy (+1 Gy)	15.308 Gy
femore sn	Dmax < 20 Gy (+1 Gy)	16.107 Gy
PTV_r8v&PRV	V37.5Gy < 2 %	0.71 %
	V33.2Gy > 95 %	97.97 %
bulbo penieno	V35Gy < 1 cm³	0.000 cm³

Structure	Dosimetric Criterion	Actual Value
PRV uretra	V35Gy < 1 cm³	0.454 cm³
	V33.2Gy > 95 %	100.00 %
PTV_OVL_recto	V35Gy < 1 cm³	0.000 cm³
PTV_OVL_vesicla	V35Gy < 1 cm³	0.000 cm³
PTV	V37.5Gy < 2 % (+1 %)	1.40 %
	V33.2Gy > 95 % (-1 %)	96.98 %
recto	V35Gy < 1 cm³	0.000 cm³
	V32Gy < 5 % (+1 %)	1.35 %
	V28Gy < 10 % (+1 %)	4.88 %
	V18Gy < 35 % (+1 %)	17.59 %
vesicla	V35Gy < 1 cm³	0.000 cm³
femore dx	Dmax < 20 Gy (+1 Gy)	17.421 Gy
femore sn	Dmax < 20 Gy (+1 Gy)	18.305 Gy
PTV_r8v&PRV	V37.5Gy < 2 %	1.47 %
	V33.2Gy > 95 %	98.96 %
bulbo penieno	V35Gy < 1 cm³	0.000 cm³

Structure	Dosimetric Criterion	Actual Value
PRV uretra	V35Gy < 1 cm³	0.193 cm³
	V33.2Gy > 95 %	100.00 %
PTV_OVL_recto	V35Gy < 1 cm³	0.001 cm³
PTV_OVL_vesicla	V35Gy < 1 cm³	0.000 cm³
PTV	V37.5Gy < 2 % (+1 %)	0.45 %
	V33.2Gy > 95 % (-1 %)	97.75 %
recto	V35Gy < 1 cm³	0.000 cm³
	V32Gy < 5 % (+1 %)	1.24 %
	V28Gy < 10 % (+1 %)	4.39 %
	V18Gy < 35 % (+1 %)	17.16 %
vesicla	V35Gy < 1 cm³	0.000 cm³
femore dx	Dmax < 20 Gy (+1 Gy)	16.658 Gy
femore sn	Dmax < 20 Gy (+1 Gy)	18.170 Gy
PTV_r8v&PRV	V37.5Gy < 2 %	0.46 %
	V33.2Gy > 95 %	99.48 %
bulbo penieno	V35Gy < 1 cm³	0.000 cm³



Courtesy of Advanced Radiation Oncology Department, Negrar-Verona

Our Elekta Unity pioneers treating patients routinely

18 installed Elekta Unities in clinical use with great feedback on performance



2. Financials

Gustaf Salford
CFO

Good revenue growth but weak EBITA development

(SEK M)	Q2 2019/20	Q2 2018/19
Net sales	3,709	3,330
Solutions	2,249	2,054
Service	1,460	1,276
COGS	-2,188	-1,953
Gross margin (%)	41.0%	41.4%
Expenses*	-848	-760
Exchange diff and other	-133	-17
EBITA	539	601
EBITA margin (%)	14.5%	18.0%
Amortization	-219	-208
EBIT	321	393
Net financial items	-36	-28
Income taxes	-64	-80
Net profit	221	284
EPS	0.58	0.75

- **Net sales up 7% for the quarter**
 - Solutions +6% and Service +8%
 - North and South America: +1%
 - Europe Middle East and Africa: +8%
 - Asia Pacific: +13%
- **EBITA at 14.5%**
 - 200 bps negative impact from FX
 - 150 bps from delayed installations

Large GBP/SEK change and negative FX balance sheet effect impacting EBITA

Main currency movements in Q2

Exchange rate	Change Q2	Share of revenue	Share of costs
EUR/SEK	+0,8%	~25%	~22%
USD/SEK	+0,7%	~50%	~20%
GBP/SEK	+7,0%	~5%	~25%



EBITA Impact

FX impact	Change Q2	Comment
Fx effect on Revenue		Weak SEK vs. USD and EUR
FX effect on COGS & Expenses		Strengthened GBP
FX difference in P&L		CF/BS hedges and unhedged smaller FX (TRY, ZAR, INR)
Reverse of LY FX difference in P&L		

SEK
-50 M

- Large share of Elekta's expenses in GBP
- GBP strengthened due to delay of Brexit in Q2

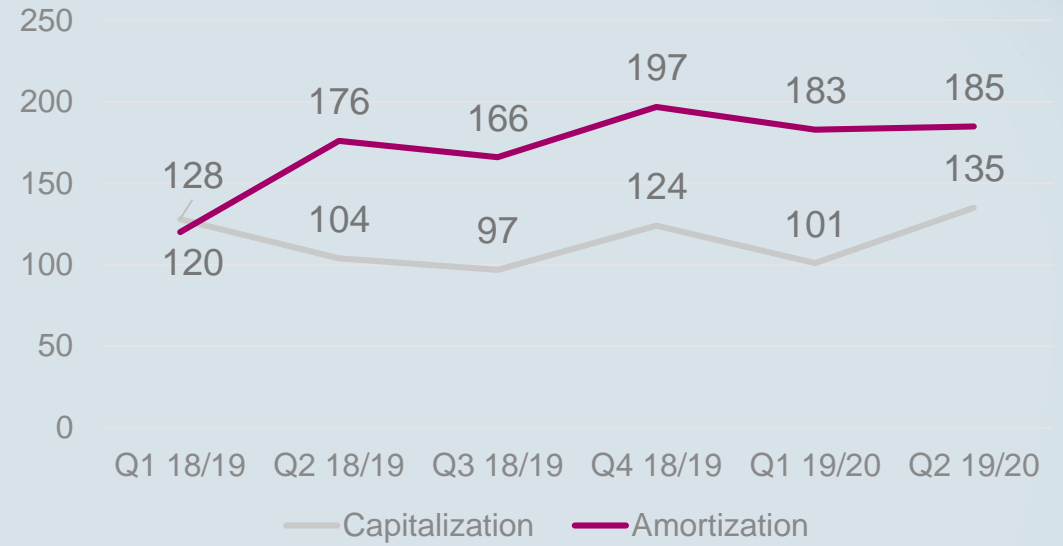
Sales resources and IT projects driving expenses in Q2

Expenses

Expenses (SEK M)	Q2 2019/20	vs. LY	vs. Q1
Selling	-360	← 7%	← -2%
Administrative	-291	← 18%	← 7%
R&D (Net)	-416	← -3%	← -4%
Total	-1,067	6%	0%

- Increased selling expenses to capture market growth and Unity opportunities as well as Elekta Digital
- Administrative expense increase driven by investments in IT solutions and litigation costs

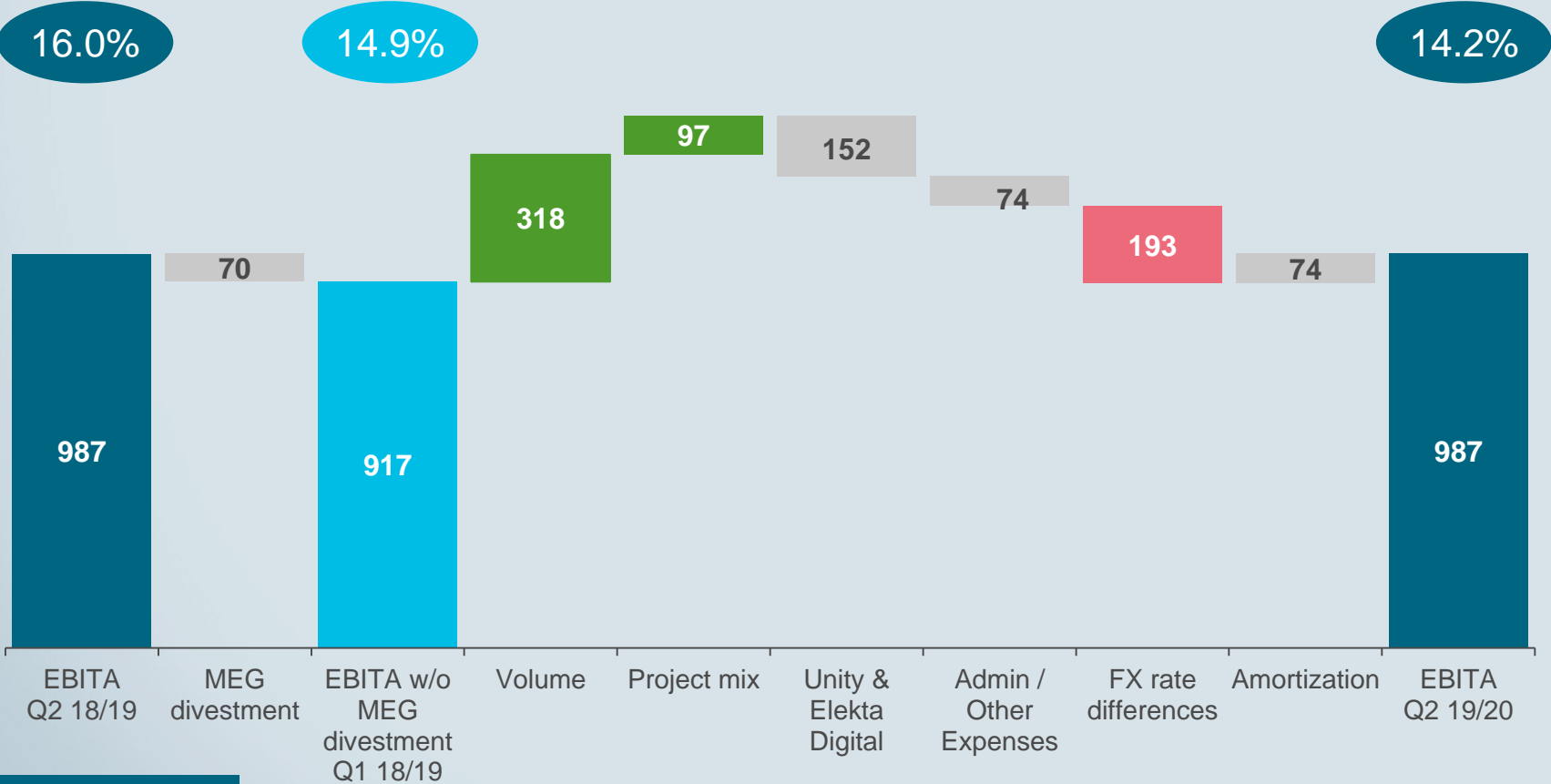
Capitalization and amortization



- Net R&D decreased as capitalization increased more than amortization vs LY
- Capitalization in the quarter driven by Elekta Digital and Value Linac
- Gross R&D in relation to net sales at 10%

Strong contribution from volume and project mix on YTD EBITA but negative FX impact

Q2 YTD - EBITA bridge (SEK M)

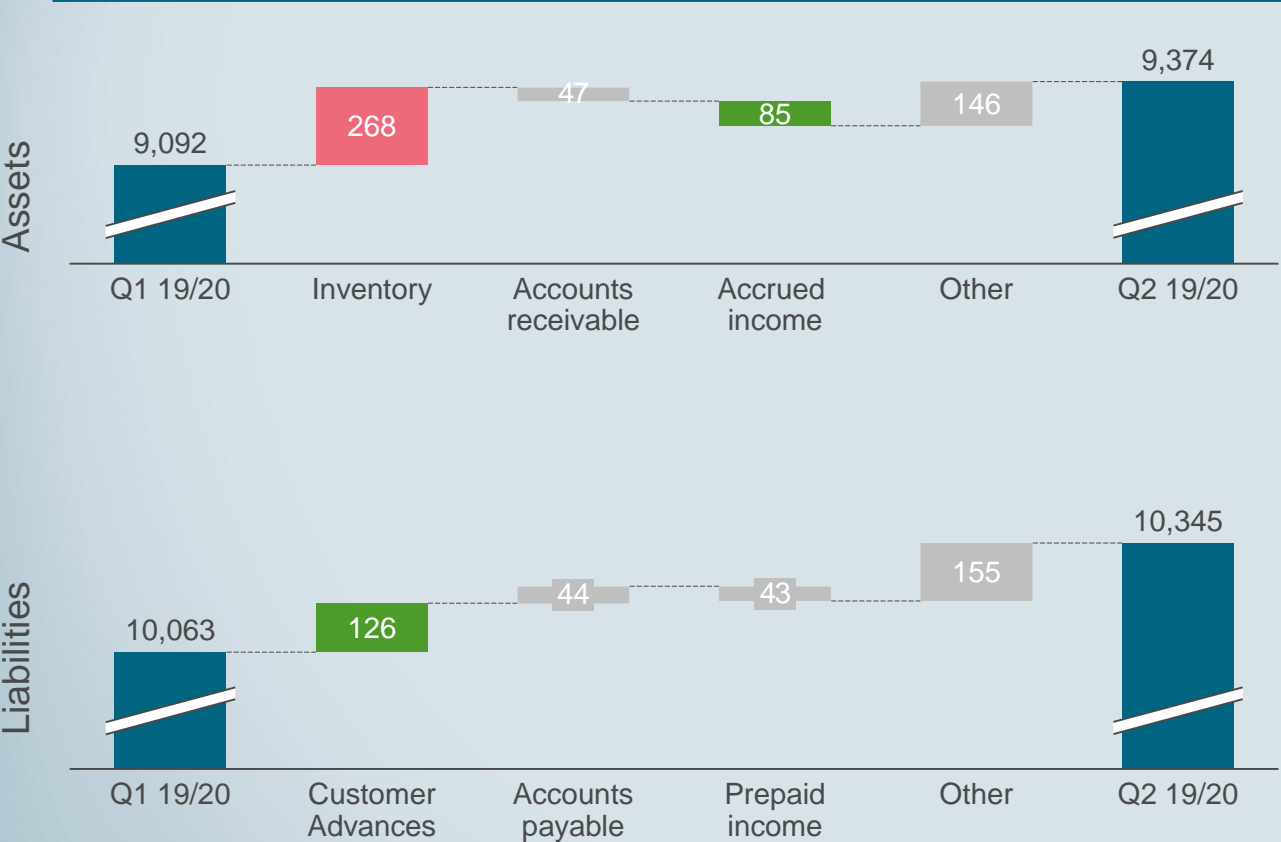


- Strong contribution from volume and project mix
- In YTD FY18/19 the MEG divestment contributed 1.1 pts to EBITA

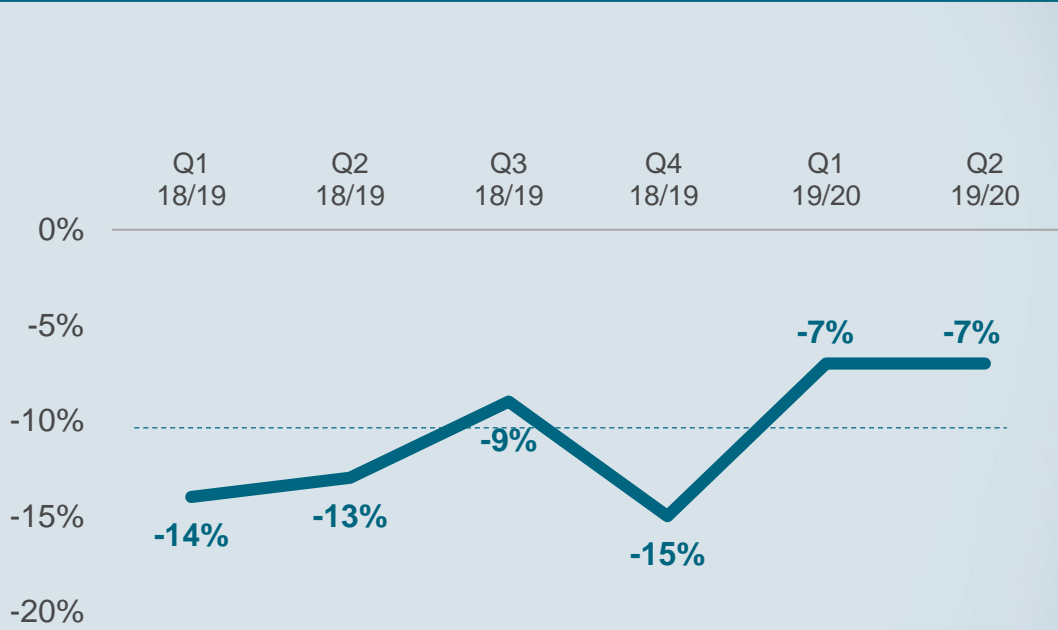


Increased inventory off-set by accrued income and customer advances

Net working capital change in the quarter



Net Working Capital as % of net sales



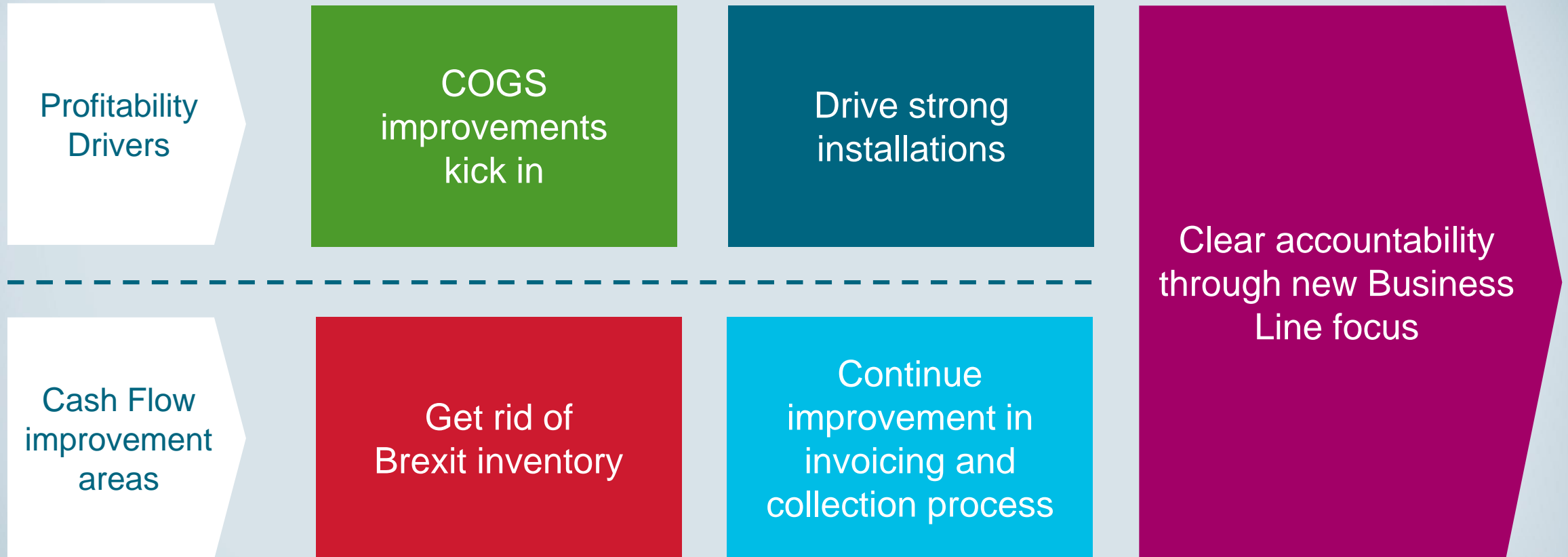
Key focus areas coming quarters

- Get rid of Brexit inventory
- Continue to improve invoicing and collection processes

3. Outlook

Dr. Richard Hausmann
President and CEO

Measures to improve profitability and cash flow in H2



Accountability through business line organization

- Empower ownership
- Clear identification
- Increased customer focus
- More agile

Business lines

Oncology informatics



Oncology
Informatics
Solutions

Treatment Solutions



MR-Linac
Solutions



Linac
Solutions



Neuro
Solutions



Brachy
Solutions

Guidance and priorities going forward

	Guidance FY 19/20	Scenario FY 20/21-22/23	Focus in FY 19/20
Net sales	8-10%	8-10%	<ul style="list-style-type: none">• Continue the success of Elekta Unity• Harvesting MOSAIQ Plaza platform• Execution of COGS reduction program• Secure installation pipeline• Continued cost control
EBITA margin	~18% <i>Updated Nov 15</i>	>20% with expansion of up to 200 BPS in the end of the period	



In summary

- Accelerating the MR-Linac paradigm shift with Elekta Unity
- Very good order growth in emerging markets
- Profitability impacted by one-offs
- Good underlying business, with strong outlook for total product portfolio

Attending a live Elekta Unity treatment



November
29

2019



Overview



University Hospital Tübingen
&
Hotel Krone





Q&A