



Momentum and growth

Q3 report 2020/21

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Feb 25, 2021

Agenda

- Precision Radiation Medicine in Q3
- Q3 financials
- Outlook
- Q&A



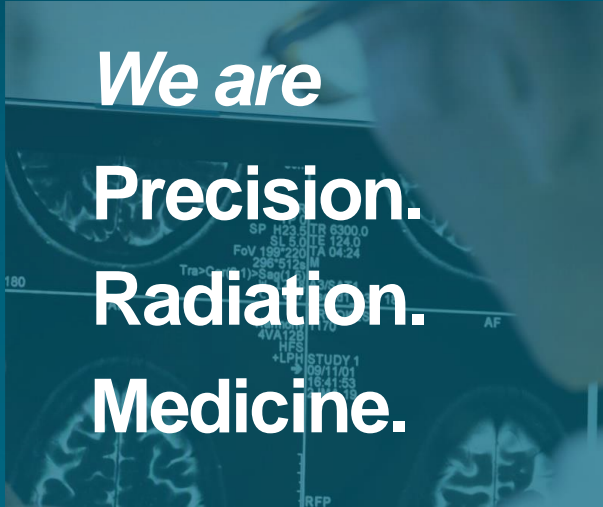
Important information

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.

Precision Radiation Medicine in Q3

Helping clinicians improve patients' lives



Resilience & digitalization



Improve market access



Accelerate innovation



Drive service growth



Build strong partnerships

Highlights since last report

Helping clinicians improve patients' lives

Strong start for Harmony

MOSAIQ 3 launched

Best in KLAS awards for Versa HD and MOSAIQ

One of world's most ethical companies - ETHISPERE

Clinical clearance for Unity in South Korea

Go direct Egypt

Performing in challenging market conditions

Installation volumes back to normal levels

>30% net sales growth in China

Strong cash flow and cash conversion

Orders and revenue recovered, returning to growth

Order development

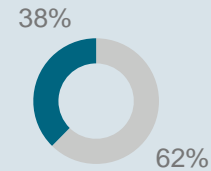
2%

in Q3 20/21

Revenue development

7%

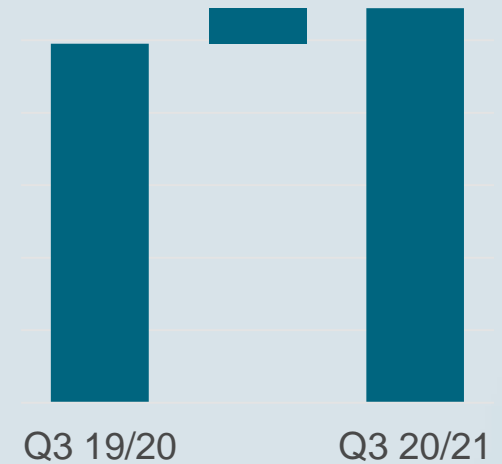
in Q3 20/21



■ Solutions
■ Service

Installed base

5%



Strong order recovery in North America and China

North & South America

41%

9M:29%

- Temple/Fox Chase linacs
- LGK to Temple/Fox Chase
- Versa HD and various software to Oncologica in Baja/Mexico

Europe, Middle East & Africa

-17%

9M:-9%

- Region Lazio/Italy several VersaHD
- Linac and LKG to Cairo Gamma Knife Center
- Unity to Medicana Atasehir Hospital/Turkey

Asia Pacific

8%

9M:-6%

- Linacs and Unity to Beijing CAMS Hospital
- 4th Unity to Japan, Tohoku University Hospital
- CMU Hospital/Taiwan ordered LGK

Accelerating innovation along three main themes

1

Linac family

2

Unity platform

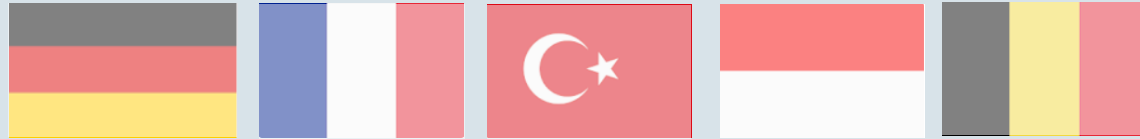
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Software solutions across portfolio



Strong start for Harmony

Order booked

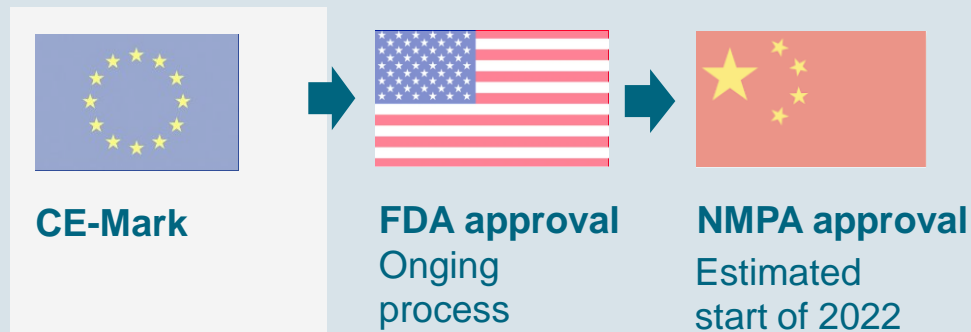


1st installation planned



March 2021

Regulatory clearance



Powerful infrastructure for the evidence development journey of Unity



MR-Linac
CONSORTIUM

>50 consortium sites

>500
clinical abstracts

>600 researchers

>300
peer-reviewed articles

MOMENTUM

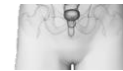


8 consortium sites

~1,400
patients accrued

>150,000
images accrued

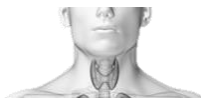
First high-level evidence studies¹ leveraging this infrastructure



Prostate
Royal Marsden/UK
(HERMES)

Is 2 fractions tolerable?

MR-Linac Consortium & MOMENTUM



Oropharynx
MD Anderson/US
(MR-ADAPTOR)

Safe to adapt to a
shrinking tumor?



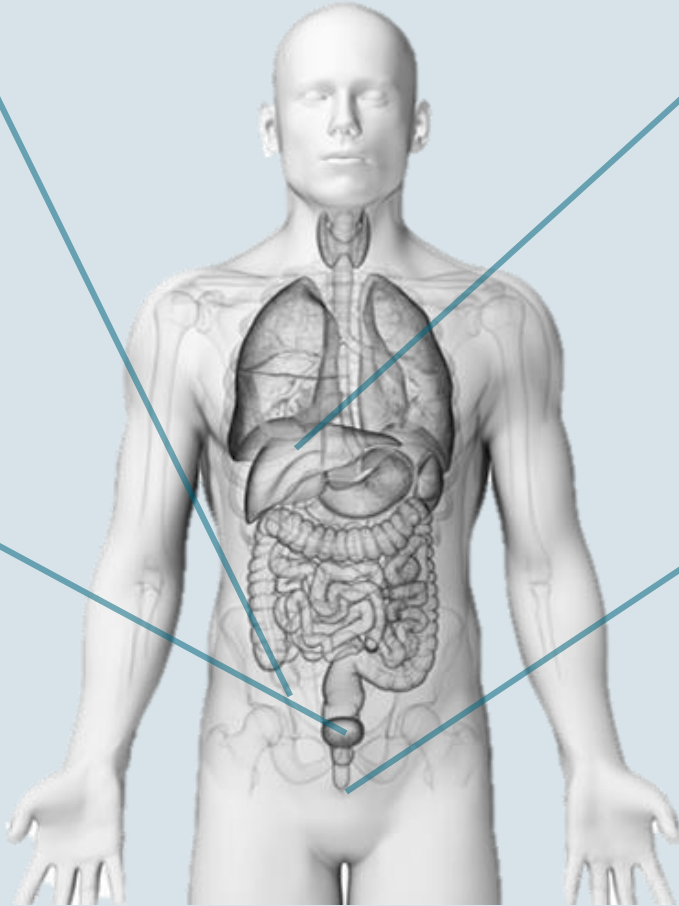
Glioblastoma
Sunnybrook/Canada
(UNITED)

Safe to reduce
margin to 5 mm?

Steady progress in clinical evidence journey

Cancer type:	Oligometastases (Pelvis)¹
Fraction:	1 (dose: 20 Gy)
Outcome:	Superior visualization and online plan adaptation may allow ultra-hypofractionation

Cancer type:	Bladder²
Fraction:	6 (dose: 6 Gy)
Outcome	Full online adaptive RT feasible even with variable bladder filling

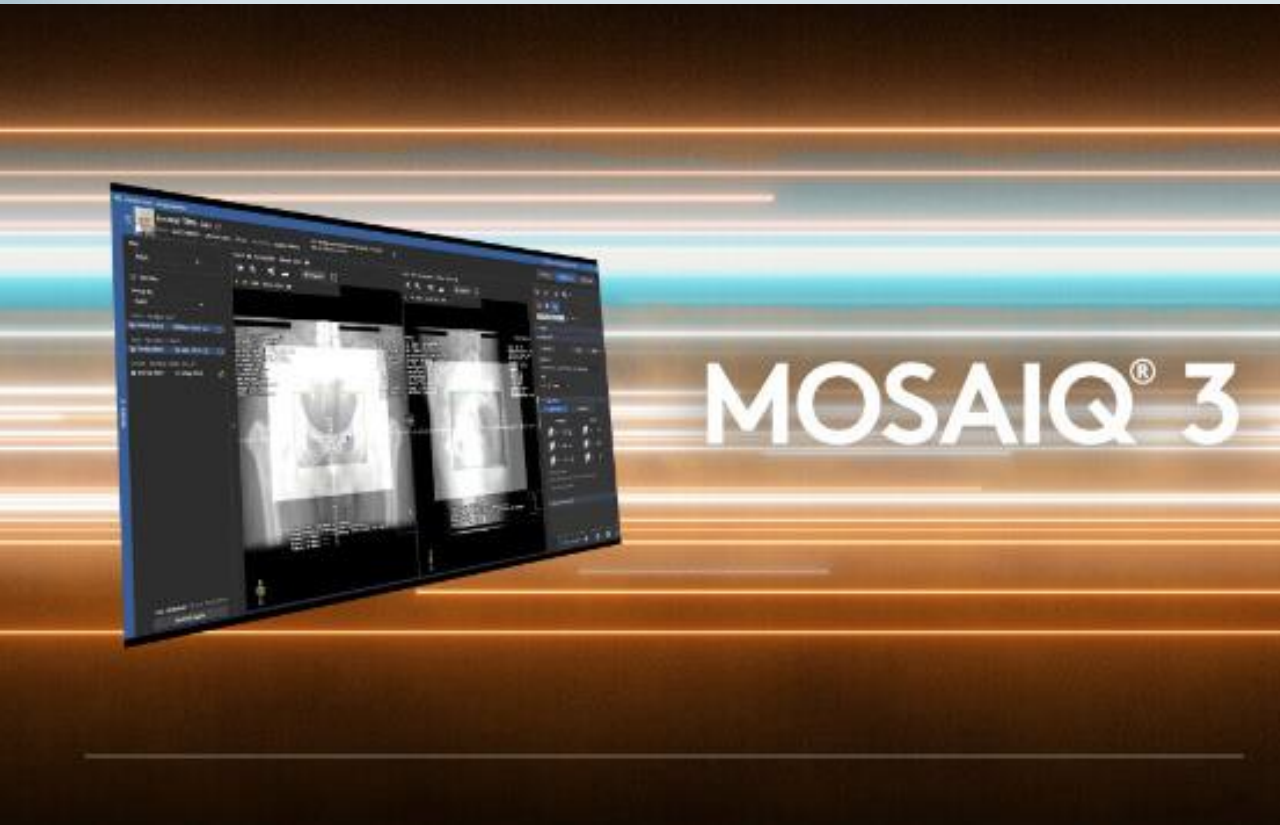


Cancer type:	Liver metastases³
Fraction:	3-5 (dose: 6 Gy)
Outcome	Markerless visualization of liver metastasis

Cancer type:	Rectum⁴
Fraction:	5 (dose: 5 Gy)
Outcome	Feasible and enables margin reduction of planning target volume -> better for OAR

¹) Dosimetric feasibility of hypofractionation for SBRT treatment of lymph node oligometastases on the 1.5T MR-linac; September 16, 2020; Utrecht; <https://doi.org/10.1016/j.radonc.2020.09.020>
²) Feasibility of magnetic resonance guided radiotherapy for the treatment of bladder cancer; September 10, 2020; London; <https://doi.org/10.1016/j.ctro.2020.09.002>
³) Marker-less online MR-guided stereotactic body radiotherapy of liver metastases at a 1.5 T MR-Linac – Feasibility, workflow data and patient acceptance; November 29, 2020; Tübingen; <https://doi.org/10.1016/j.j.ctro.2020.11.014>,
⁴) Online adaptive MR-guided radiotherapy for rectal cancer; feasibility of the workflow on a 1.5T MR-linac: clinical implementation and initial experience; September 22, 2020; Tübingen; <https://doi.org/10.1016/j.radonc.2020.09.024>,

MOSAIQ 3 – launched Feb 24



Streamlining the day

Smarter & faster decisions

Enhanced medical oncology workflow

Elevate patient care

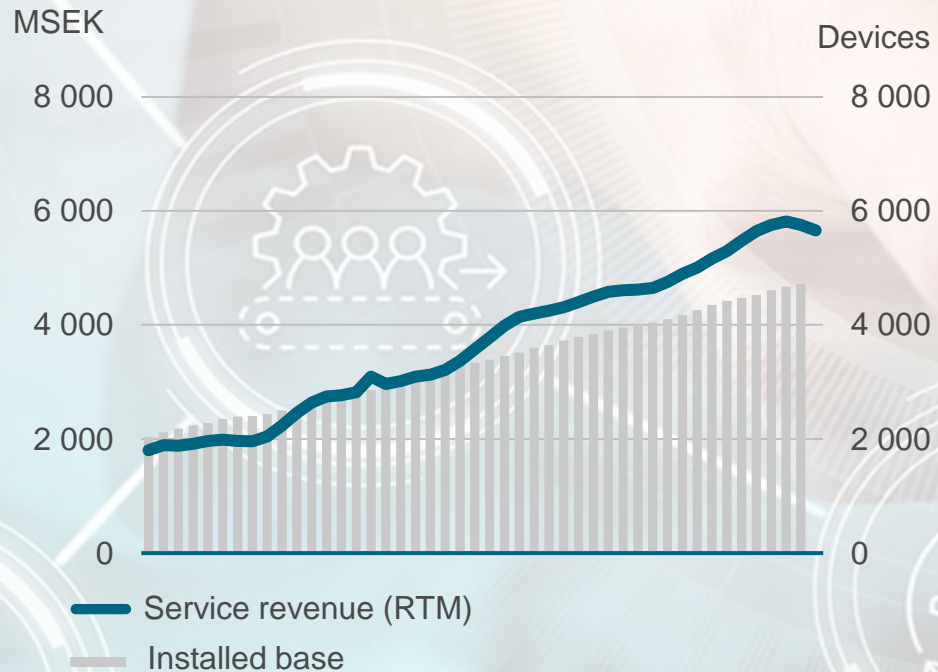
Protocol-driven automation

Increase organizational impact

Enhanced efficiency, accuracy, consistency and performance

Solid service platform through digitilisation and innovation

Service revenue and the installed base



Excelled service digitalization

- Customer satisfaction all time high
- Logistic platform taking predictive measures based on real-time data
- IntelliMax (IoT platform) monitoring global usage, and supporting remote support
- Several AI modules implemented

Future expectations

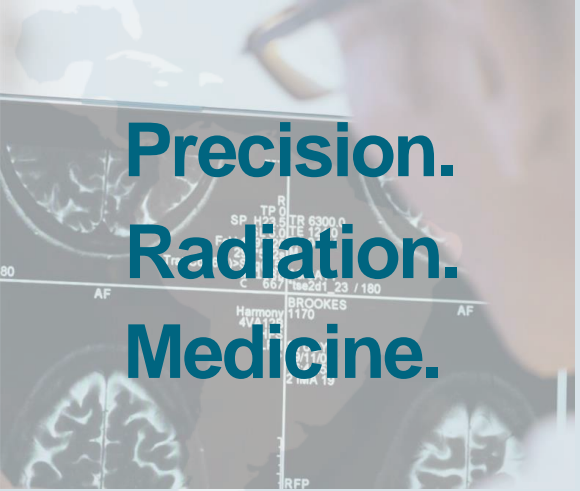
More **automation** and **digitalization** focusing on quality

Keep high and stable

64%
remote fix rate

Improve access to radiotherapy and Precision Radiation Medicine – our key strategic and sustainability priority

3 GOOD HEALTH AND WELL-BEING



1

Expand the role of Precision Radiation Medicine by market adoption of new innovations

2

Strengthening our geographic presence in markets with large unmet need

3

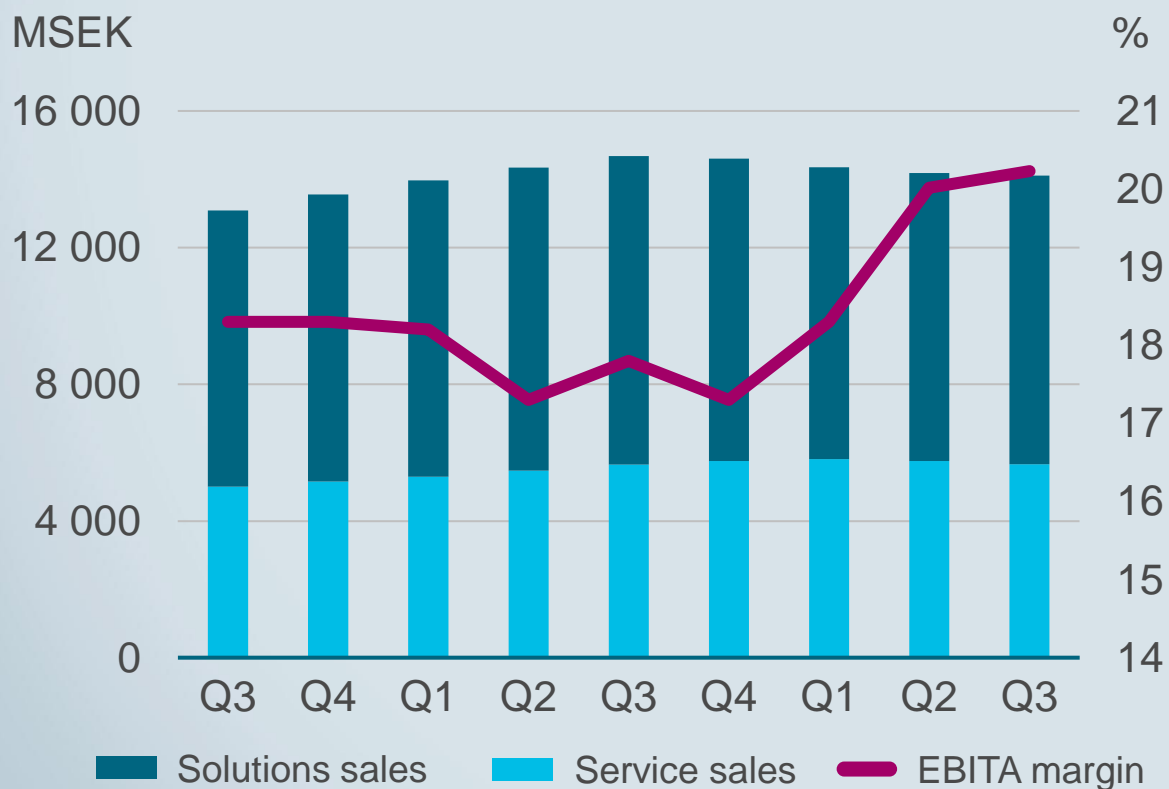
Drive education and digitalization efforts

Q3 financials

Strong Q3 solution business turned 9M revenue to growth

Net sales & EBITA margin

rolling 12 months



9M		Q3	
Total net sales 2%		Total net sales 7%	
Solution 0%	Service 5%	Solution 9%	Service 3%
EBITA margin 19.5%		EBITA margin 18.5%	

Strong revenue growth, margins impacted by higher supply chain costs, solution/service mix and FX

(SEK M)	Q3 20/21	Q3 19/20	Δ
Net sales	3,581	3,656	7%
Solutions	2,234	2,216	9%
Service	1,347	1,440	3%
COGS	-2,194	-2,121	3%
Gross margin (%)	38.7	42.0	-3.3 pts
Expenses ¹⁾	-716	-832	-14%
Exchange diff and other	-7	-55	-87%
EBITA	664	648	2%
EBITA margin (%)	18.5	17.7	0.8 pts
Amortization	-196	-206	-5%
EBIT	468	443	6%
Net financial items	-48	-45	7%
Income taxes	-99	-89	11%
Net profit	321	308	4%
EPS	0.84	0.81	5%

Net sales up 7%

- North and South America: 7%
- Europe, Middle East and Africa: -7%
- Asia Pacific: 22%

Lower gross margin

- Higher supply-chain and service costs
- Solution/service mix
- FX effect (weakening of USD)

Improved EBITA margin at 18.5%

- Continued resilience initiative and higher capitalization

The resilience activities is a three-phased response to a permanently changing world

Focus on new normal

Immediate crisis response

Q4-Q2

Build for the new normal

Q3-Q4

Work in the new normal

Digitalization and long term efficiency improvements

Free up resources for...

Long-term efficiency

Speed-up of digitalization

Prerequisite for...

Examples of activities

- **Redefine ways of working to allow for less travel needs going forward**
- **Virtualize sales, marketing and education & training activities**
- **Structurally continue to improve our ability to service remotely**

Cost reduction

Travel costs

>60%
savings YTD
(vs 19/20)

Marketing costs

>50%
savings YTD
(vs 19/20)

Expenses reduced with -5% year over year

Expenses Q3

Expenses (SEK M)	Q3 2020/21	Q3 2019/20	Growth ¹⁾ Y/Y
Selling	-279	-339	↙ -10%
Administrative	-255	-282	↙ -4%
R&D (Net)	-378	-415	↙ -1%
Total	-912	1,036	-5%

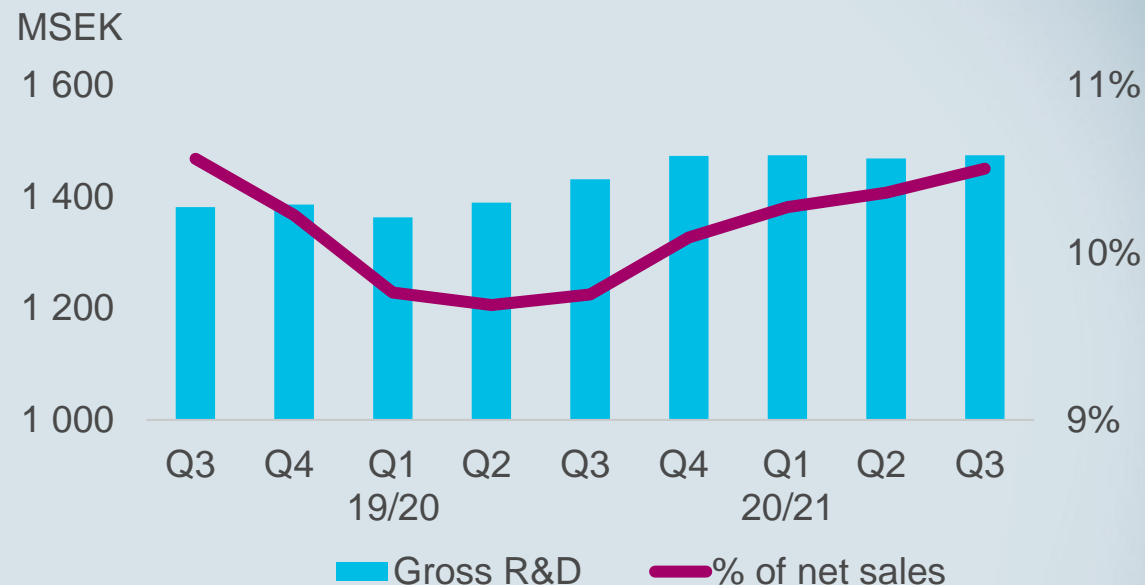
Selling expenses

- Significant lower selling expenses due to lower travel and marketing spend

Administrative expense

- Lower administrative expenses due to resilience initiatives

Gross R&D expenses, RTM

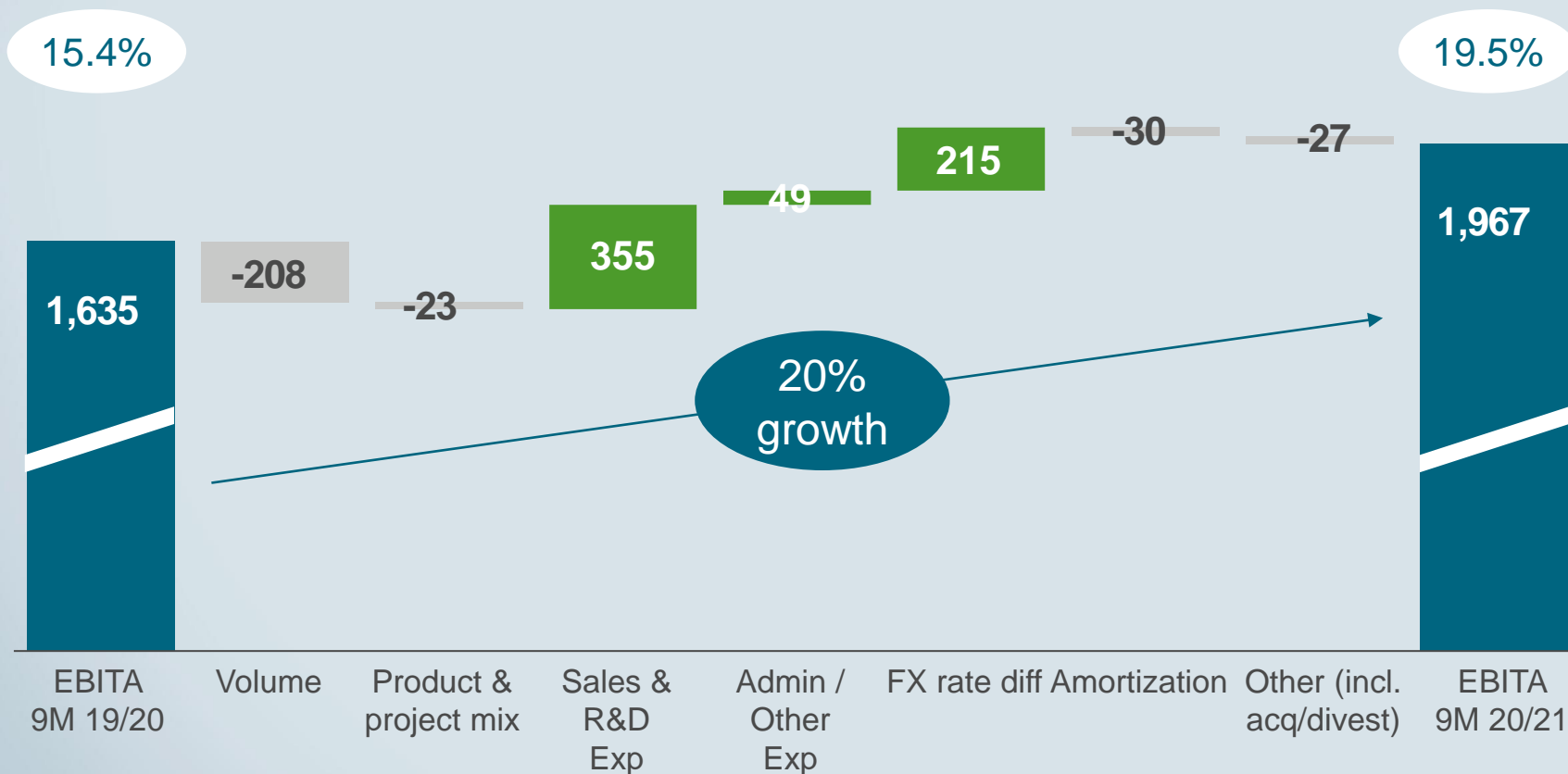


R&D expenses

- Net R&D expenses decreased, due to higher capitalization
- RTM gross R&D expenses increased and corresponded to 10.5% of net sales

EBITA driven by reduced spend and positive FX impact

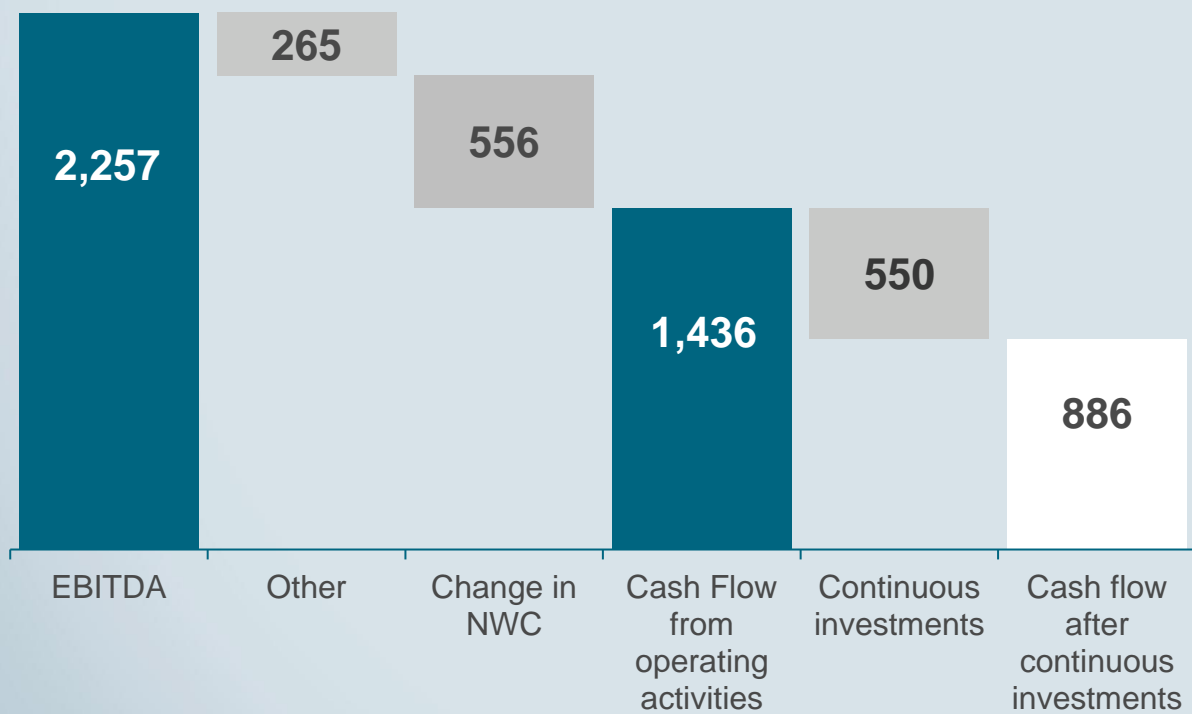
9M EBITA bridge (MSEK)



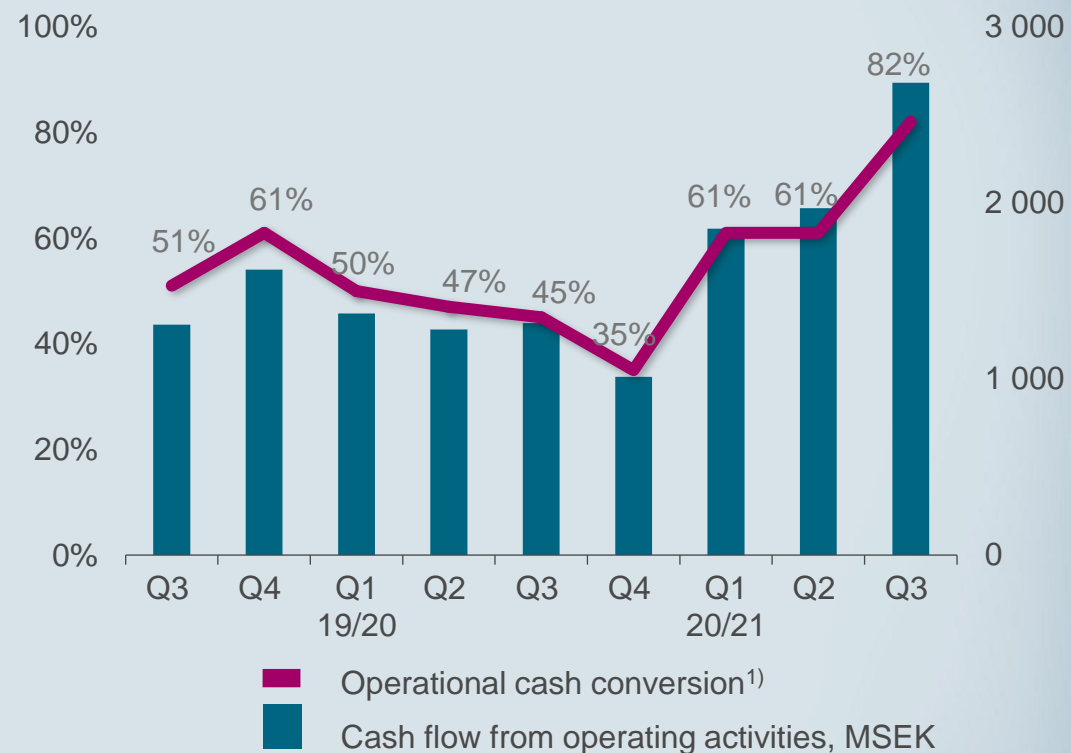
- Negative volume effect due to Covid and currency impact
- Positive effect from lower sales and admin expenses
- FX rate differences had a positive EBITA impact of around 60 MSEK

Strong cash flow and cash conversion

9M Cash flow, SEK M



Cash conversion, RTM



¹⁾ Cash conversion = Cash flow from operating activities/EBITDA

Outlook

Outlook in Q4

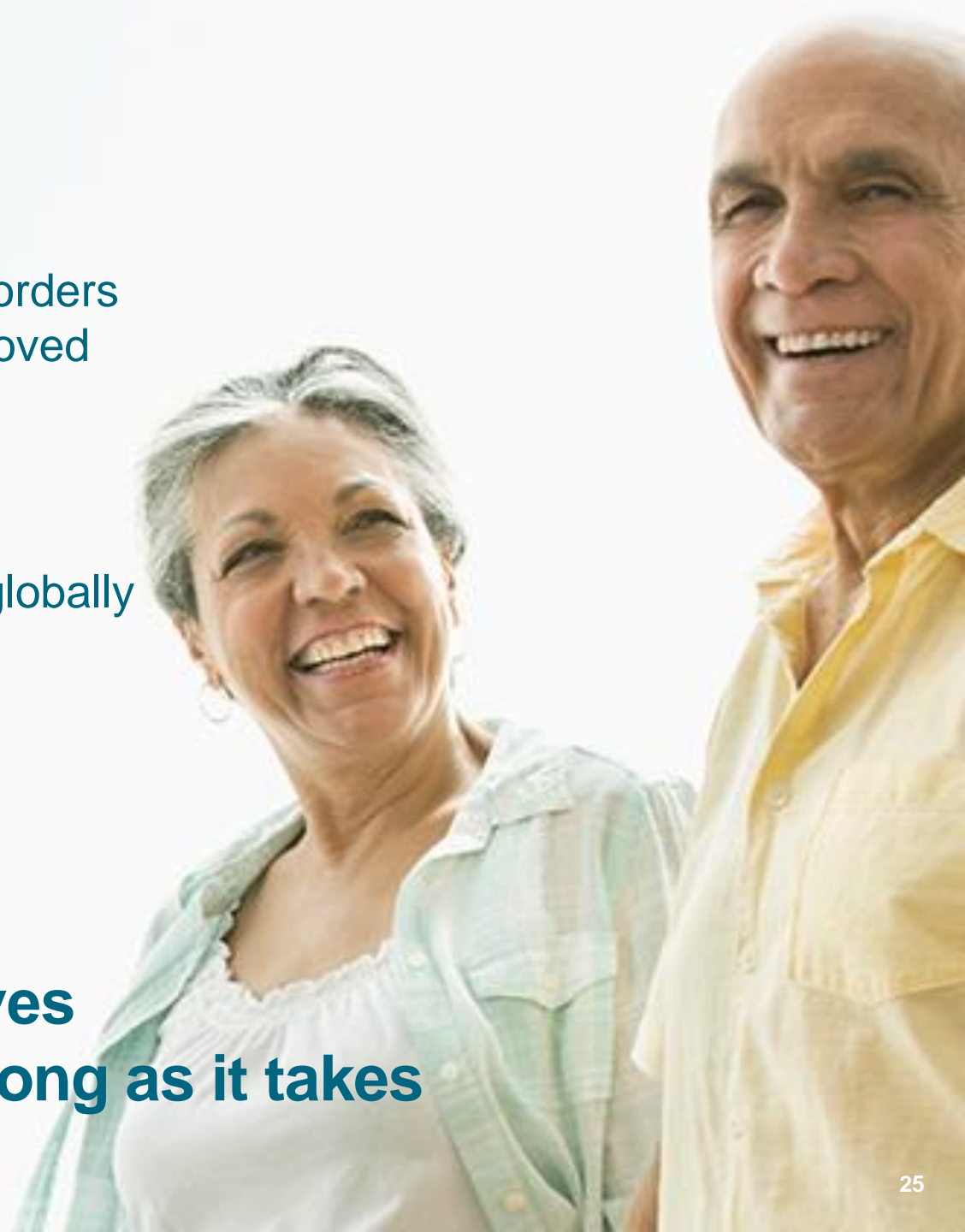
- Pandemic to continue to impact and disrupt cancer care globally - uncertainty for orders and risk of delayed installations
- Continue accelerate investments in innovation
- Long-term trends support growth and investment in high-end radiotherapy equipment



Summary

- Performing in challenging market conditions - both orders and revenue returned to growth and cash flow improved
- Margins impacted by higher supply chain costs, solutions/service mix and FX
- Strong start for Harmony - great customer interest globally
- Successfully driving the second phase of Unity
- Launch of MOSAIQ 3 on Feb 24th

... help clinicians saving patients' lives throughout the pandemic – and as long as it takes



Welcome to

Elekta's Capital Markets Day

7 June, 2021



Q&A