

Strong revenue growth and record cash flow

Year-end and Q4 report 2022/23

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Agenda

- Delivering on our strategy
- Q4 and full-year 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.

Delivering on our strategy

Delivering on our strategy ACCESS 2025 in Q4



ACCESS 2025 highlights in FY 22/23



Drive adoption across the globe

Direct presence in Thailand
Giving access to >180 m people in underserved countries



Customer lifetime companion

Increasing value-added services by launch of Elekta Care 360



Accelerating innovation

Elekta Esprit
Unity Comprehensive Motion Management
Elekta One

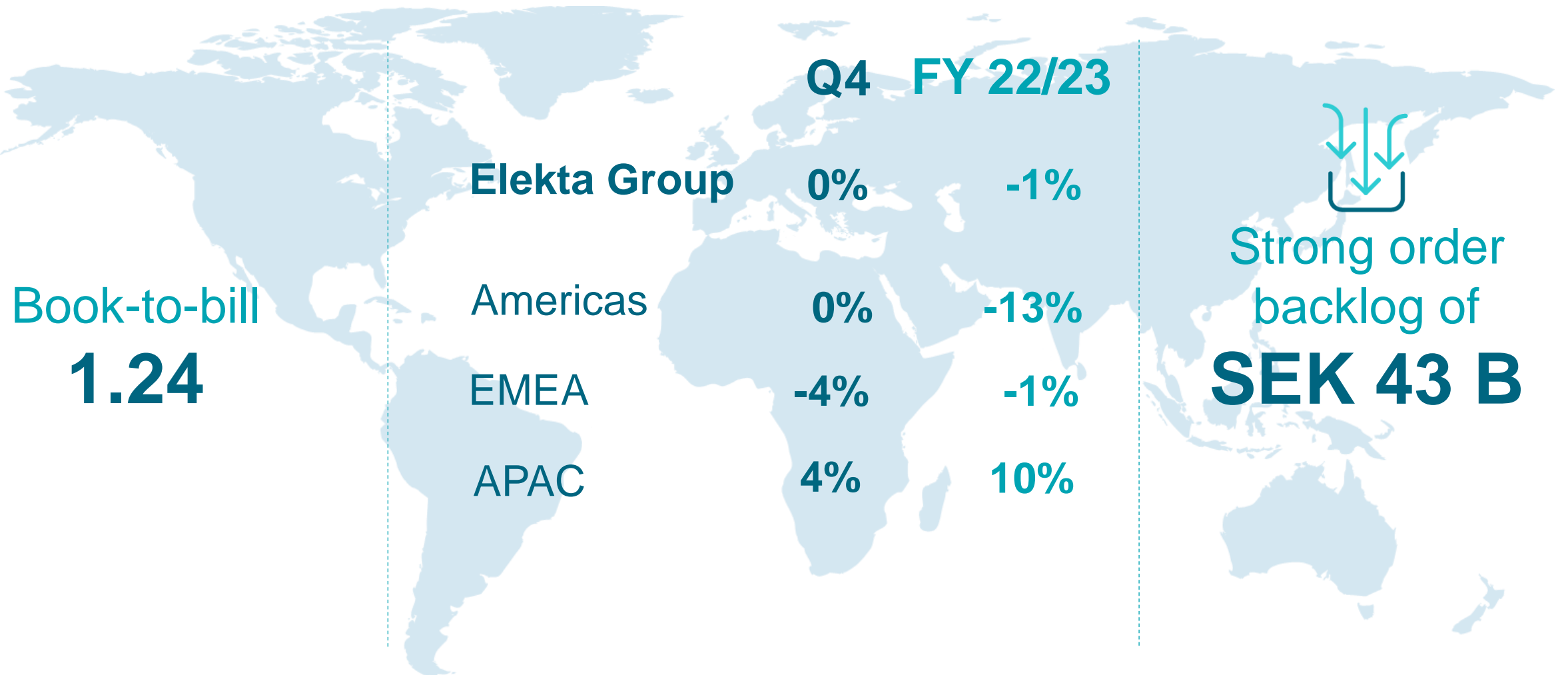


Partner integration across cancer care ecosystem

JV in China with Sinopharm
Next generation RT with Netherland Cancer Institute

A world where
everyone has
access to the
best cancer care

Strong book-to-bill ratio and backlog supporting future growth



Double-digit revenue growth – strong Solutions and Service

10%

in Q4

FY: 4%

Solutions

Service

12%

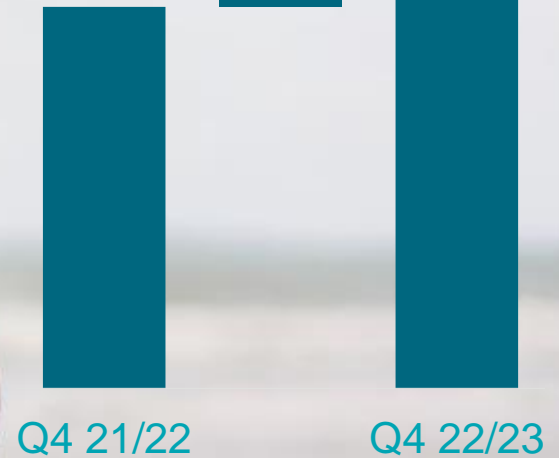
7%

FY: 3%

FY: 6%

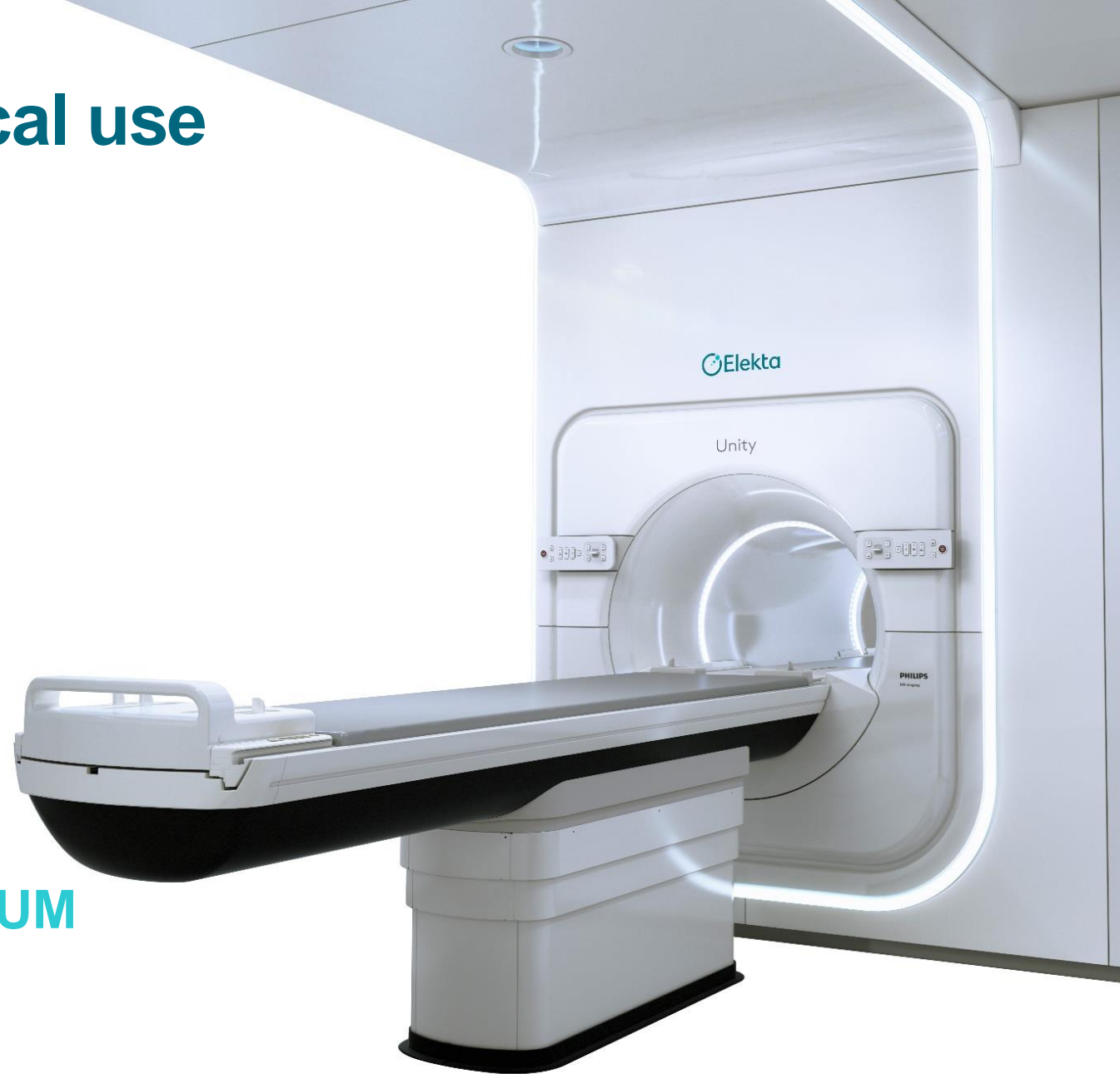
Installed base

5%



Elekta Unity systems in clinical use on four continents

- **75 installed**¹ Elekta Unity systems
- Clinical systems having **99% uptime**
- **100%** treatments adapted
- **>40** indications treated, largest number being prostate treatments
- **>600** peer reviewed publications
- **>4,000 patients** recruited in **MOMENTUM**



Strategic partnership in China to increase adoption of RT

- Joint venture with Sinopharm, with the largest sales and distribution network in China
- Rational for JV:
 - Increase the adoption of radiotherapy across the country in underserved areas
 - Expand Elekta services offering
 - Improve clinical operations at RT centers
- Combining the high quality offering of Elekta with the network of Sinopharm



Launching Elekta ONE at ESTRO

Designed to do more

A **unified** software experience designed to increase clinic's **productivity** while facing constant need for more complex workflows and **personalized care**.



Faster innovation



Smoother UX with unified UI



Streamlined workflows



Q4 and full-year financials

Strong revenue and margins improved

Net sales increased by 10% with strong growth in APAC

Adj. EBIT margin improved substantially driven by revenue growth, improved gross margin and positive FX impact

Higher **Financial net** impacted by higher interest expenses and revaluations due to hyperinflation in Turkey

Q4 vs Q3: Sequential improvements on revenue growth, EBIT margin and EPS

(SEK M)	Q4 22/23	Q4 21/22	Q3 22/23
Net sales	5,125	4,239	4,337
Solutions	3,325	2,658	2,628
Service	1,800	1,581	1,709
COGS ²	-3,187	-2,669	-2,674
Adj. gross margin	37.8%	37.0%	38.4%
Expenses ²	-987	-1,020	-1,052
Exchange rate diff and other	-119	20	-148
Adj. EBIT	832	570	463
Adj. EBIT margin	16.2%	13.4%	10.7%
Financial items, net	-95	-36	-58
Income tax	-142	-113	-57
EPS³, SEK	1.43	1.09	0.57
Adj. EPS³, SEK	1.53	1.09	0.84

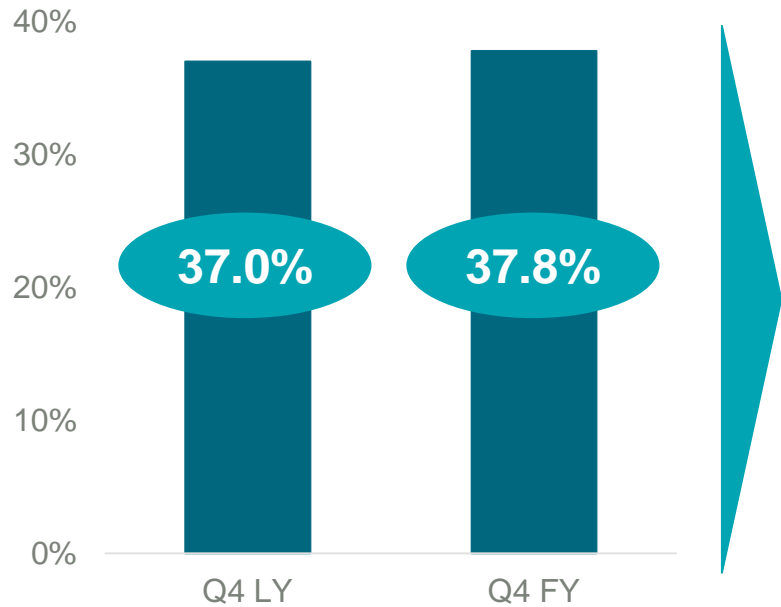
¹ Based on constant exchange rates.

² Excluding items affecting comparability (IAC) in Q4 2022/23 of SEK 49 M, of which SEK 7 M is related to COGS.

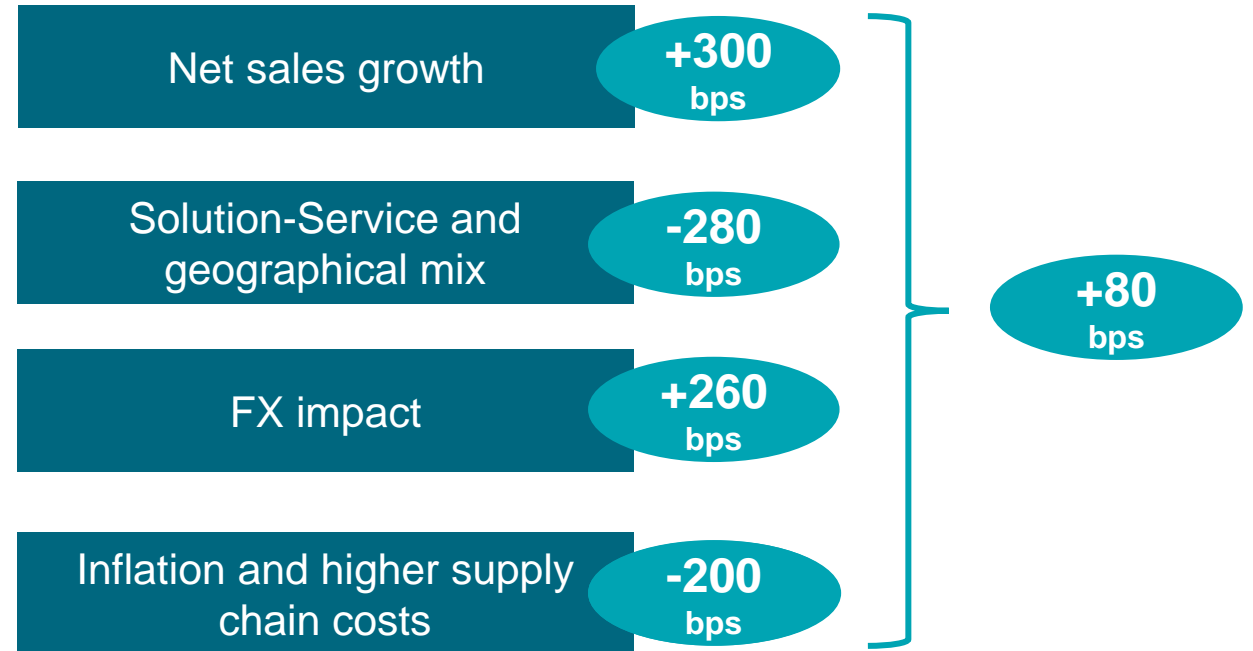
³ Before dilution

Improved adjusted gross margin driven by net sales growth and FX effect

Adj. gross margin development



Impact vs. Q4 LY



Decreased expenses as a result of a successful Cost-reduction Initiative

Selling expenses² decreased y-o-y, but increased sequentially due to a high level of in-person activities and inflationary pressure

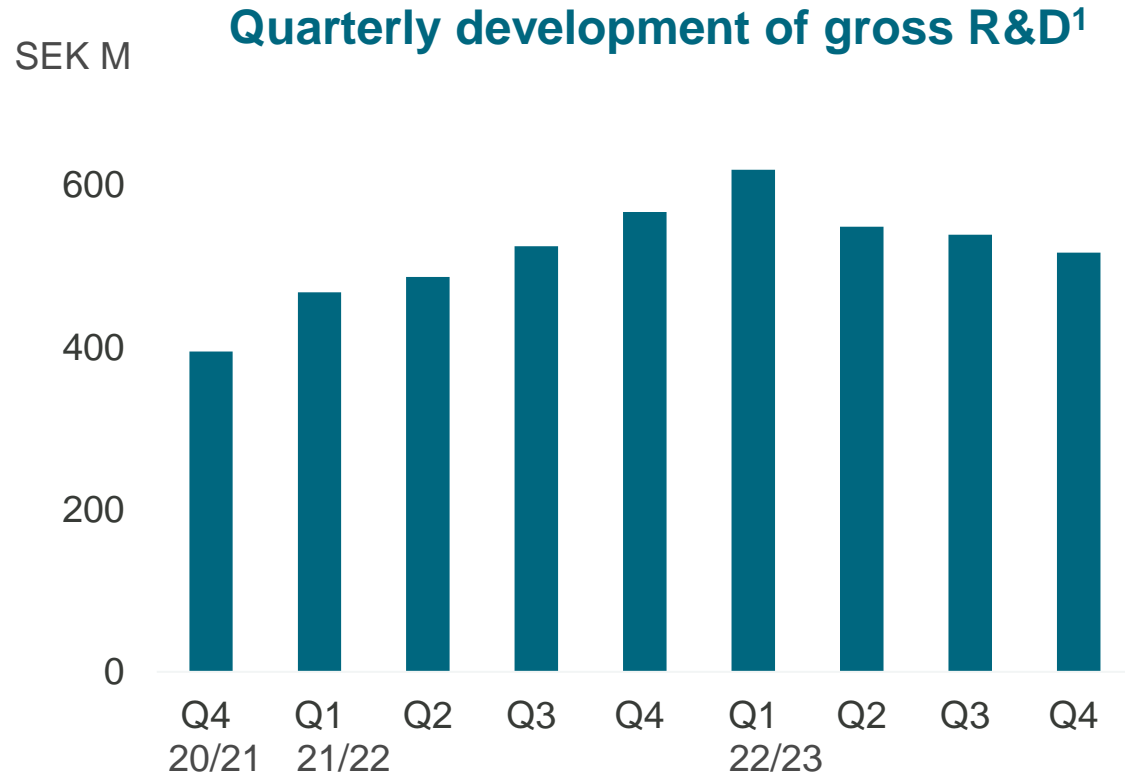
Administrative expenses² decreased both y-o-y and sequentially

Net R&D expenses² decreased both y-o-y and sequentially

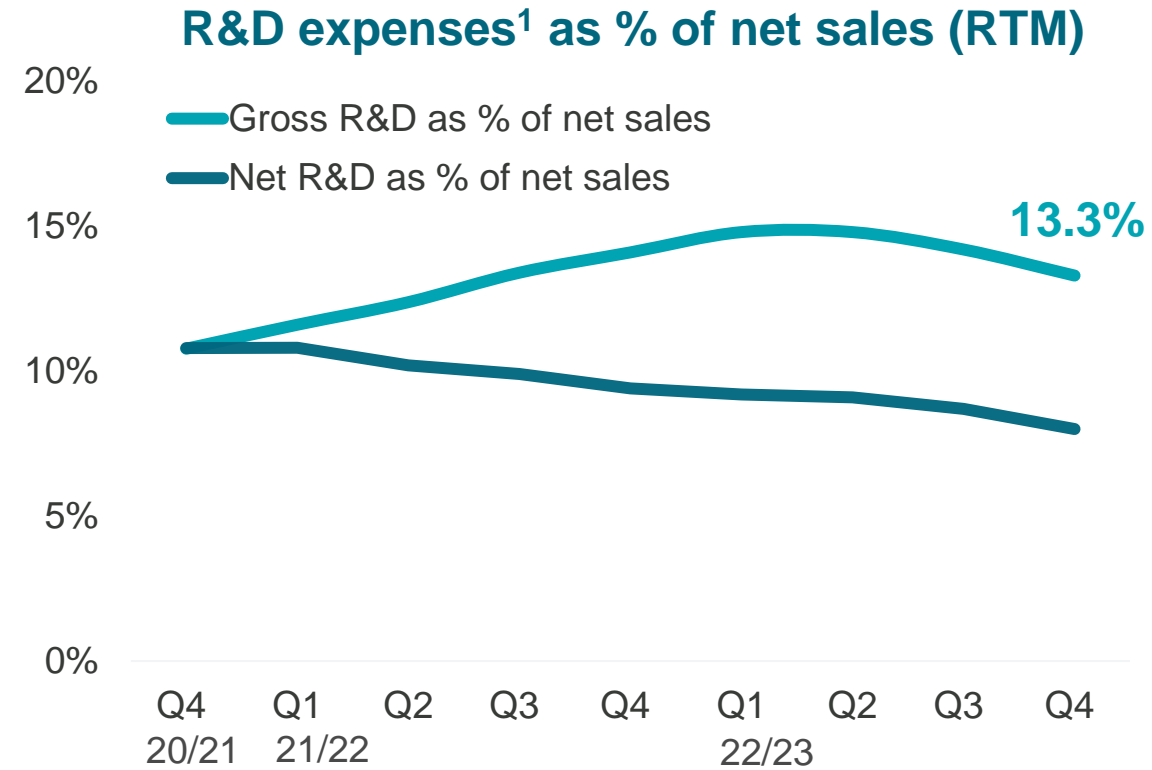
Quarterly expenses

Expenses (SEK M)	Q4 ¹ 22/23	Q4 21/22	Growth ² Y/Y	Q3 ¹ 22/23	Growth ² Q/Q
Selling	389	380	➡ -2%	374	➡ 3%
Administrative	307	309	➡ -2%	330	➡ -8%
Net R&D	291	331	➡ -16%	348	➡ -17%
Total	987	1,020	➡ -7%	1,052	➡ -7%

Continued strong investments in innovation



Somewhat lower gross R&D in Q4



Amortizations expected to increase in next year due to product launches

Gradually improved margins during the year as revenue came back and Cost-reduction Initiative progressed

Net sales increased by 4%¹

- Americas 5%, EMEA 3%, APAC 5%
- Solutions 3%, Service 6%

Adj. gross margin of 38.1% (0.7 ppts)

- Continued pressure from inflation and supply chain challenges despite ease in supply chain disruptions towards year-end
- Positive impact from revenue growth and FX

Adj. EBIT margin of 10.3% (-1 ppt)

- Expenses decreased by 1%^{1,2} due to lower net R&D. Selling expenses increased due to more activities

Adj. EPS impacted by higher financial costs and lower taxes

(SEK M)	FY 22/23	FY 21/22
Net sales	16,869	14,548
Solutions	9,981	8,652
Service	6,889	5,896
COGS ²	-10,450	-9,111
Adj gross margin (%)	38.1%	37.4%
Expenses ²	-4,177	-3,900
Exchange rate diff and other	-499	107
EBIT	1,743	1,643
Adj EBIT margin (%)	10.3%	11.3%
Financial items, net	-233	-142
Income tax	-254	-345
EPS³, SEK	2.47	3.02
Adj. EPS³, SEK	3.11	3.02

¹ Based on constant exchange rates.

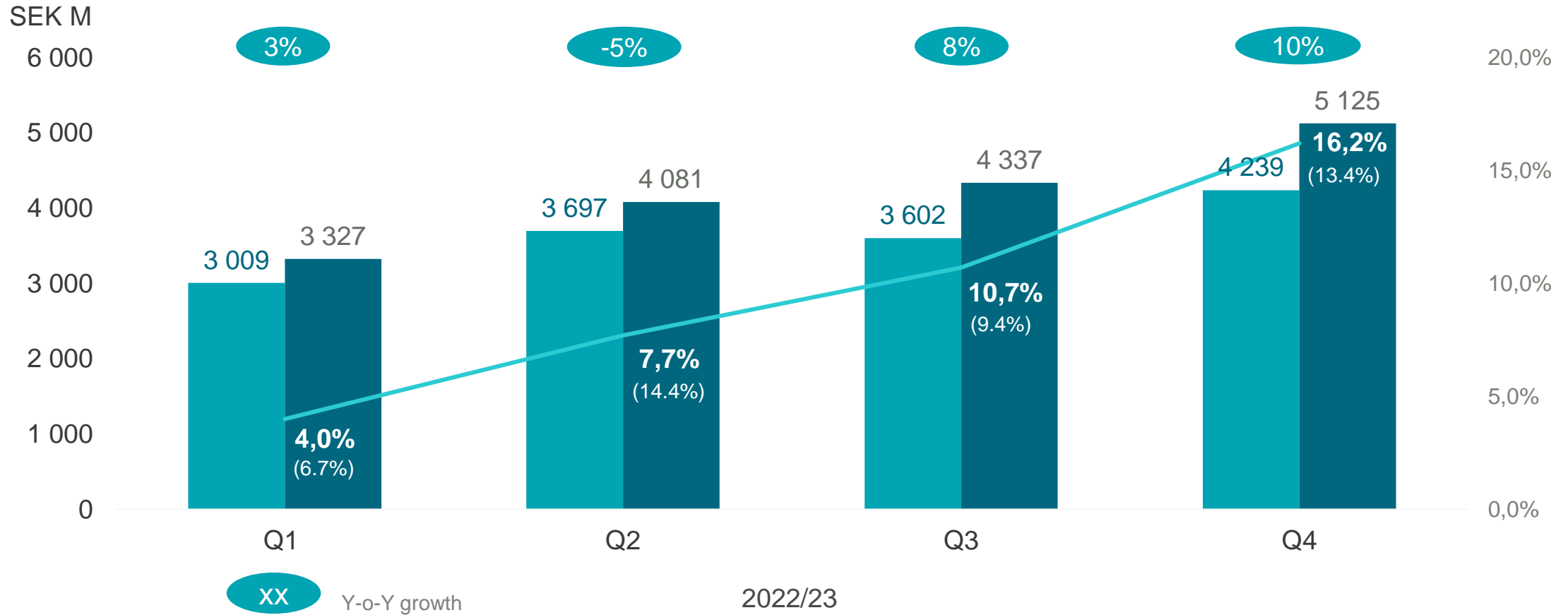
² Excluding items affecting comparability (IAC) in 2022/23 of SEK 312 M, of which SEK 71 M is related to COGS.

³ Before dilution

Strong performance in H2 after weak start of the year

Net sales

Adj.EBIT margin



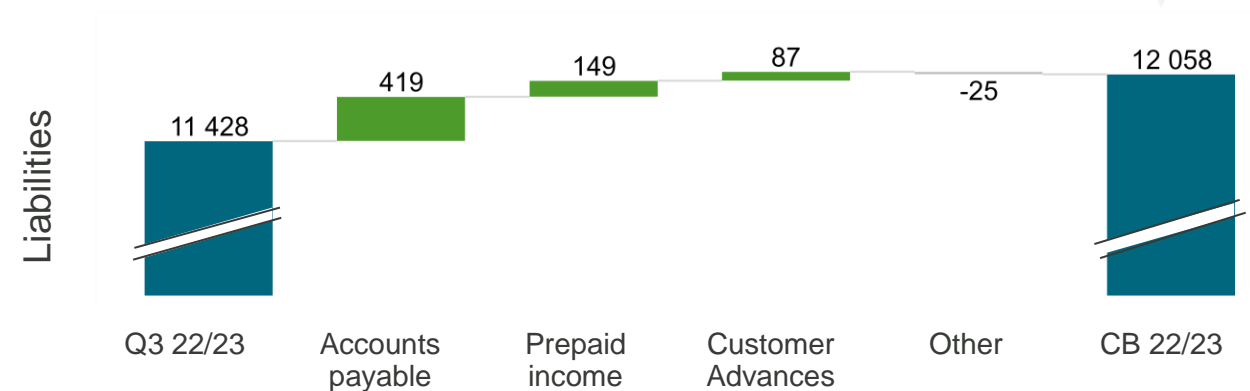
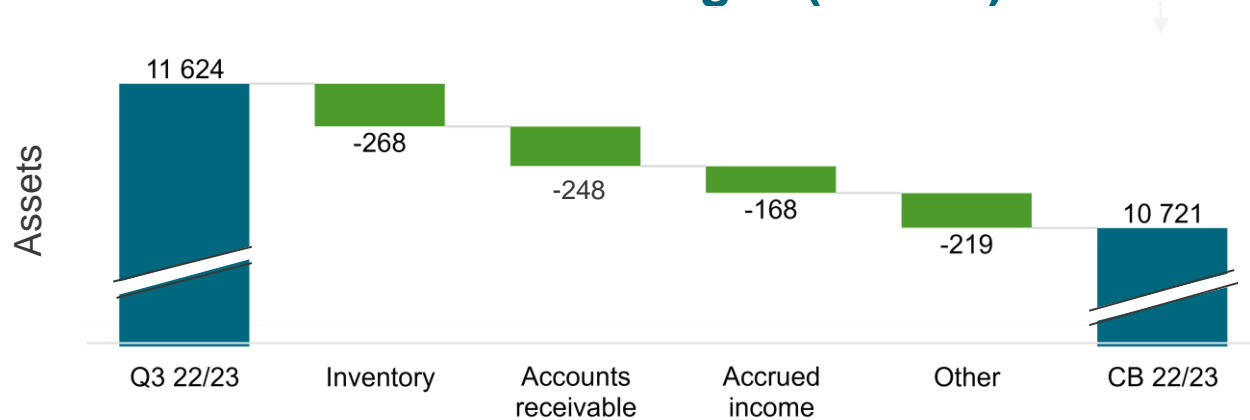
Cost-reduction Initiative has successfully lowered our spend

Estimated spend reduction, SEK M	2022/23	Yearly run-rate reduction end of 2022/23E
Increase productivity in operations and service (COGS)	50	~150
Optimize innovation pipeline and leverage global product organization (Gross R&D)	110	~200
Drive efficiencies in selling and administration functions	40	~100
Total	200	~450

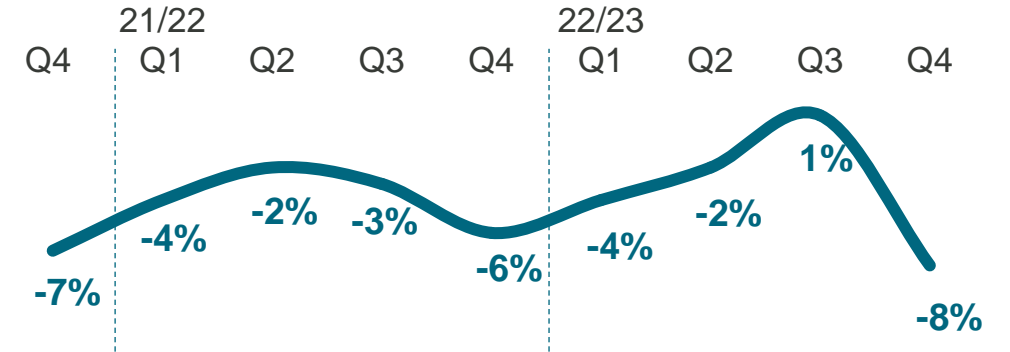
Total implementation costs amounted to SEK 312 M, of which SEK 71 M on COGS.

Strong improvement in net working capital

Q4 NWC changes (SEK M)



NWC as % of net sales (RTM)

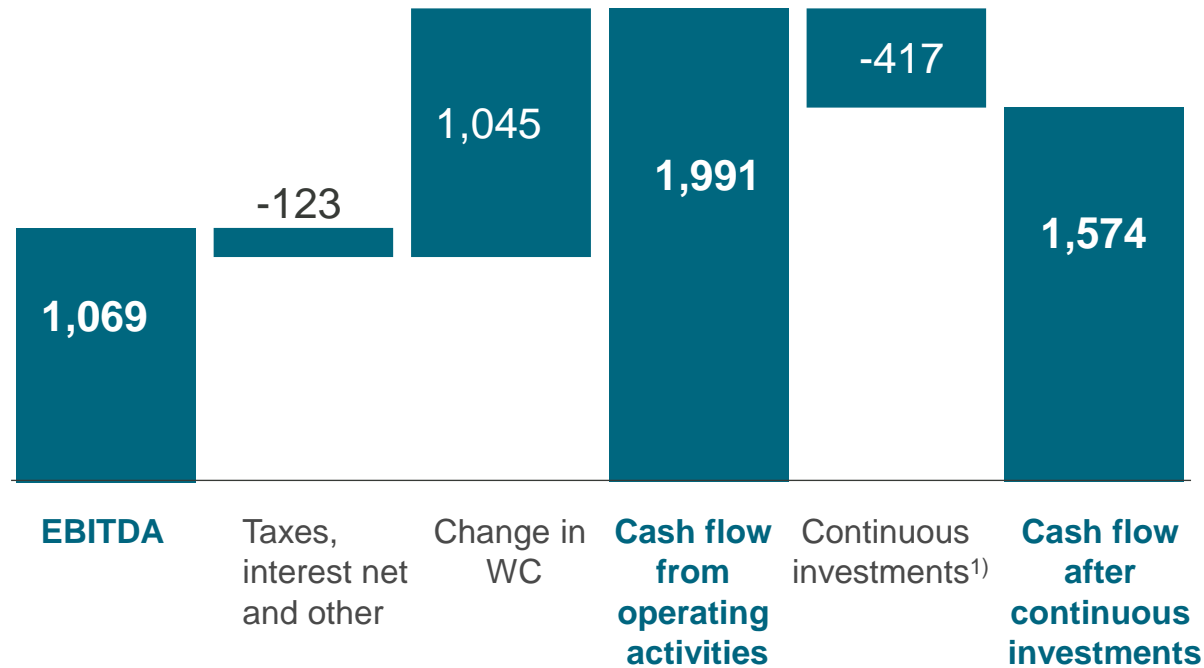


Decreased **inventory** following the high sales at the end of Q3 and Q4

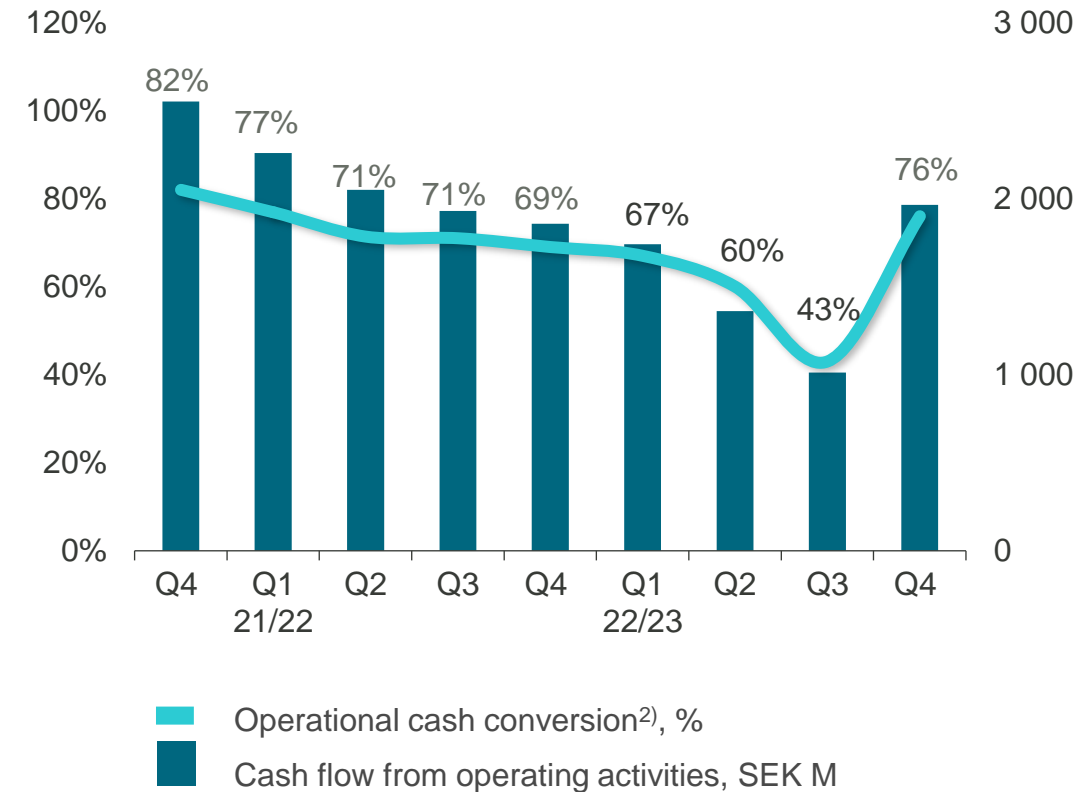
Accounts receivable and accrued income decreased following healthy cash collection in the quarter

Record strong cash flow driven by high earnings and lower net working capital

Q4 Cash flow (SEK M)



Operational cash conversion, RTM



Strong available funds with low refinancing risk

Net debt¹⁾/EBITDA ratio 0.94

Sustainability RCF of EUR 250 M after Q4 (May)

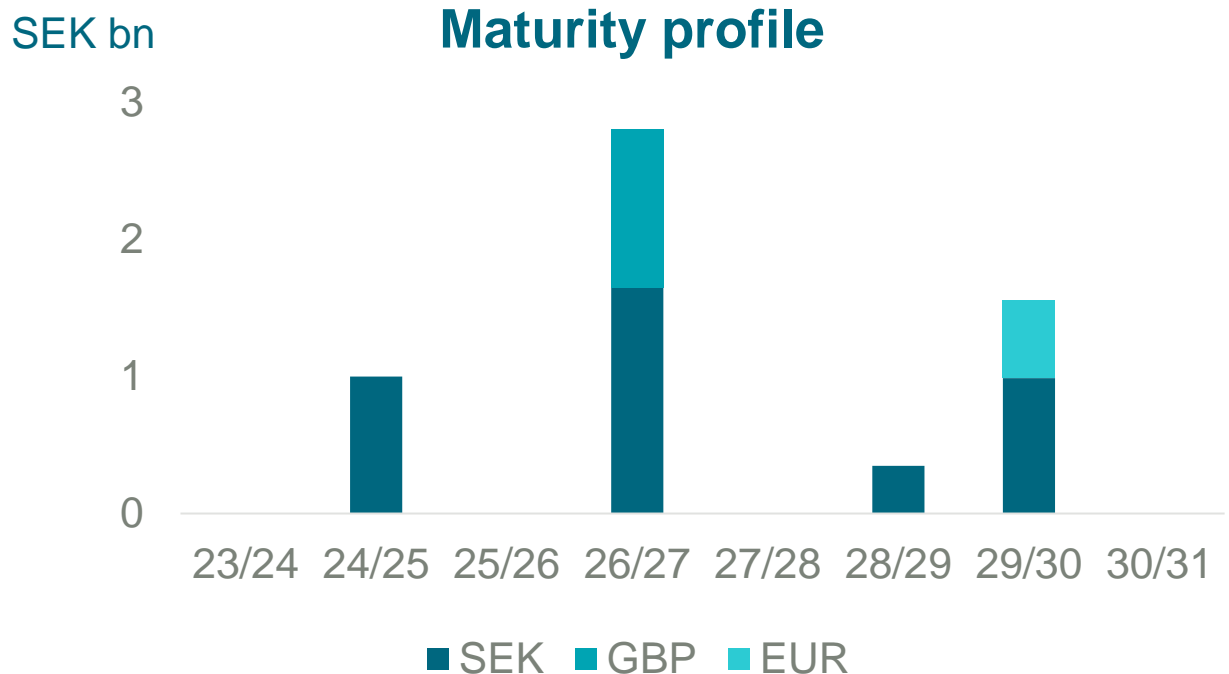
Social KPI

- Linear accelerators in underserved markets

Environmental KPI

- Scope 1 & 2 greenhouse gas emissions
- Suppliers setting science-based emissions reduction targets (Scope 3)

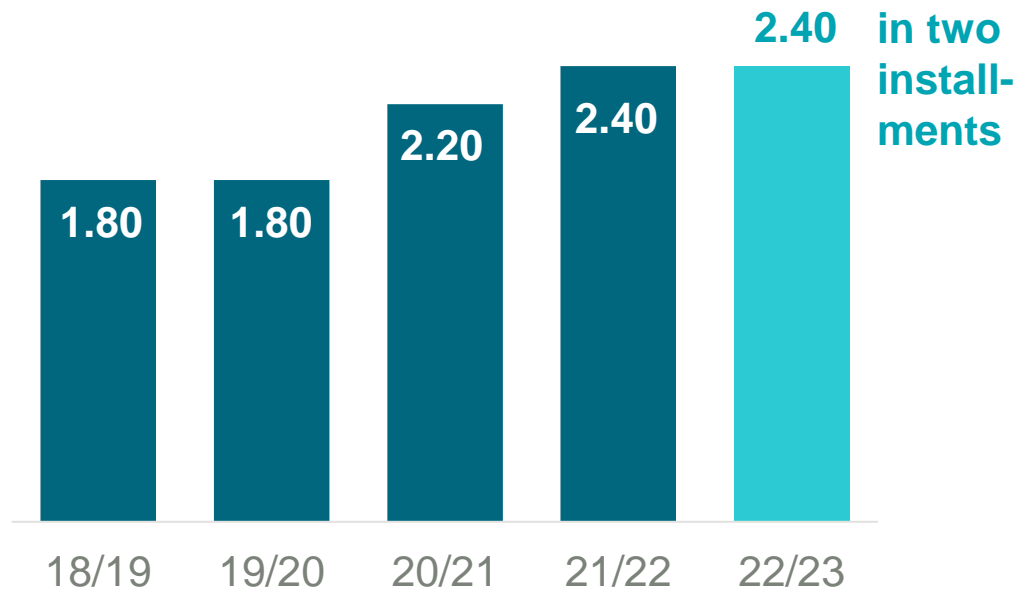
Available funds²⁾ of more than SEK 6 bn



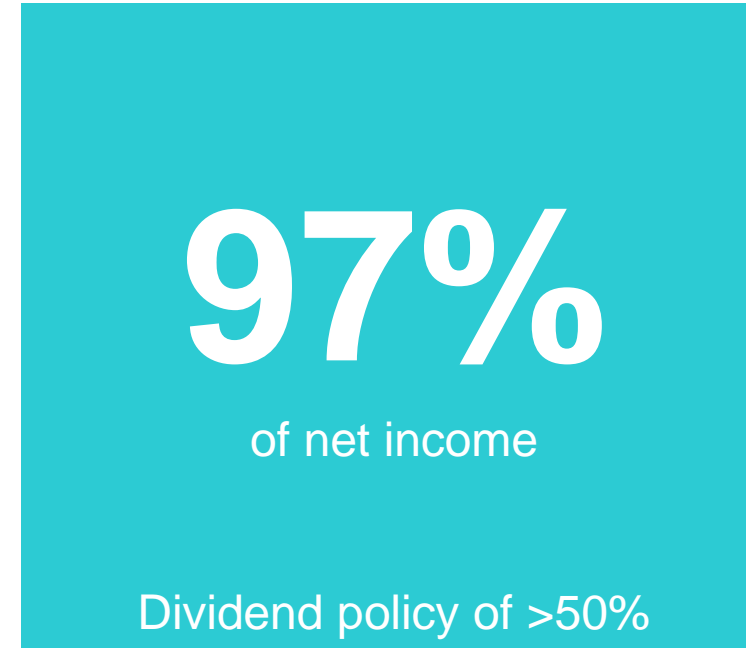
Average maturity
4.3 years

Proposed dividend for 2022/23

Dividend, SEK per share



Pay-out ratio

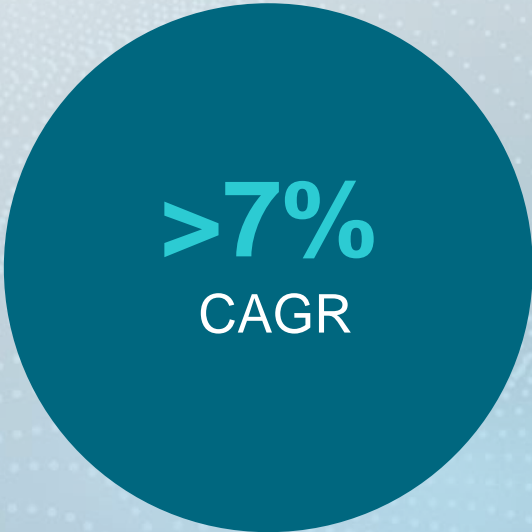


High level of dividend maintained

Outlook

New outlook from 2022/23 until 2024/25

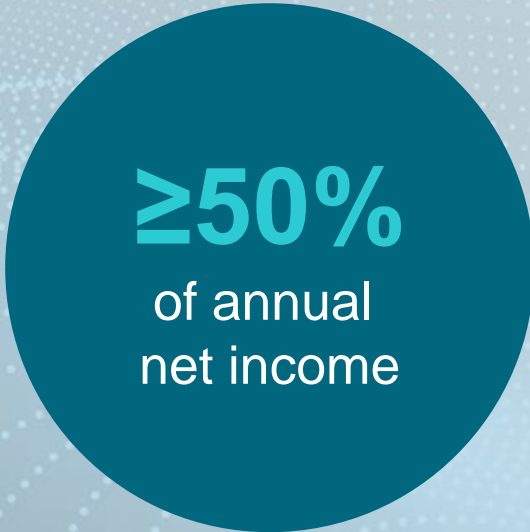
Net sales



EBIT margin



Dividend policy



Outlook

- Uncertain macroeconomic environment remains, but expecting our improvement trend to continue in Q1
- Long-term market trends to support growth and investment in high-end radiotherapy equipment and margin expansion



Summary Q4

- Delivering double-digit revenue growth
- Record cash flow driven by low net working capital and high earnings
- Successfully implemented Cost-reduction Initiative driving margins
- Launch of Elekta One software suite at ESTRO strengthening comprehensive product portfolio



We don't just build
technology,
We build **hope.**





**Welcome to
our CMD, June 20
in Crawley, UK**

Q&A

