



Capital Markets Day 2023

Elekta Capital Markets Day 2023



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- 3 Financials
- 4 Accelerate innovation
- 5 Driving partner integration
- Break -----
- 6 Driving adoption
- 7 The customer lifetime companion
- 8 Q&A and closing remarks

Speakers



Gustaf Salford
CEO



Tobias Hägglov
CFO



Maurits Wolleswinkel
President, Linac &
Software solutions



Hilma Nordquist
Sustainability Director



Habib Nehme
CCO



Carlos Castilleja
EVP Region Americas



Dr. John
Christodouleas
SVP Medical Affairs
and Clinical Research



Dr. Alison Tree
Clinical Oncologist
at Royal Marsden



Anming Gong
EVP Region China



Anish Patankar
SVP Software
Solutions

ACCESS 2025 Strategy

CMD
2023

Accelerate **innovation** with customer utilization in mind



A world where everyone has **access** to the **best** cancer care

Drive partner **integration** across the cancer care ecosystem



Be the **customer** lifetime companion



Drive **adoption** across the globe



People

Resilience and Process Excellence across the value chain

Delivered in a sustainable way

Strategy execution well under way to drive strong shareholder value second half of ACCESS 2025

FY 21/22 & 22/23
ACHIEVED MILESTONES

First half of ACCESS 2025

- ✓ Esprit, CMM¹, and Elekta ONE launched
- ✓ Unity clinical progress & adoption
- ✓ Services growth higher than installed base growth
- ✓ Partnerships deepened
- ✓ Resilience and Cost-reduction Initiative delivered
- ✓ Science-based sustainability targets established & validated

FY 23/24 & 24/25
KEY TARGETS

Second half of ACCESS 2025

- Back to **strong revenue growth** and **margin expansion**
- **Continued Product launches** to **accelerate order growth**
- Market leading product portfolio with **Unity in the lead**
- **Services growing** faster than installed base growth
- Continued **expansion of partnerships**
- Gradually **increased leverage of Elekta ONE**
– revamped commercialization & efficiencies

Elekta's Model

Focus on
Radiotherapy

Versatile
solutions

Culture of
innovation

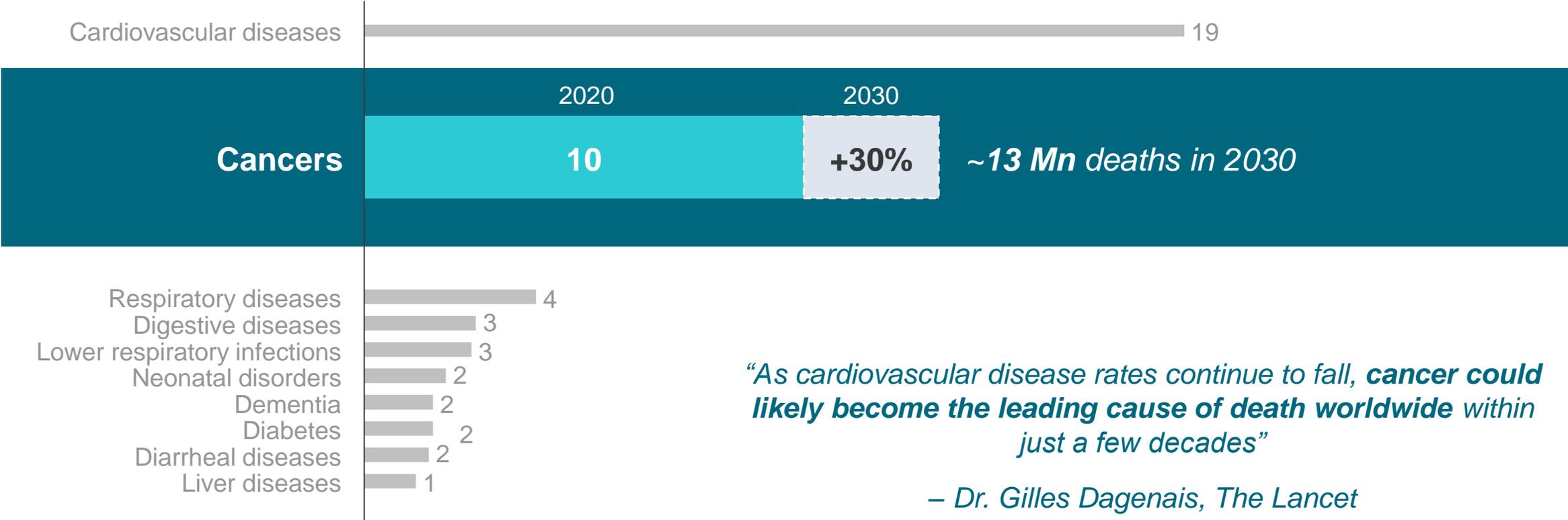
Committed to
partnerships

Market development update



Cancer remains the fastest growing cause of death globally, predicted to increase by nearly 1/3 this decade

Mortality by cause 2020, Mn

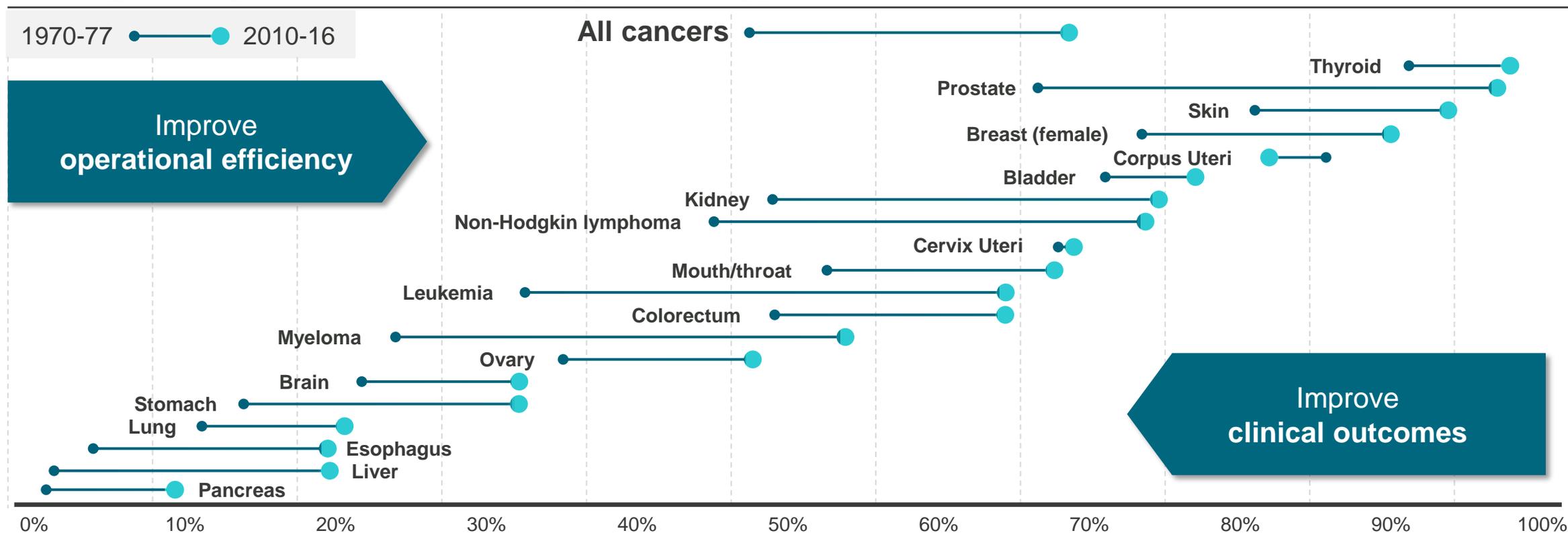


*“As cardiovascular disease rates continue to fall, **cancer could likely become the leading cause of death worldwide** within just a few decades”*

– Dr. Gilles Dagenais, The Lancet

However, improvements in cancer care significantly increase survival rates – we must progress on dual fronts

Average five-year survival rates by cancer type, United States



This five-year interval indicates the percentage of people who live longer than five years following diagnosis.

Elekta drives progress across three key trends to improve cancer care, in collaboration with customers and partners



Oncology trends



Health systems need to keep **demonstrating value of care**



There is **constant evolution** of new oncology treatments & technologies



There is **shortage of skilled professionals** to meet the cancer burden

What care systems need



Intelligent workflows & personalization



Interoperability of technologies & disciplines



Services & upskilling of professionals

Elekta's offering



Leading radiotherapy technology provider, powered by Elekta ONE



Spearheading radiotherapy interoperability, providing access to the best innovations



Elekta products and tools offer professional support and training

Elekta has market leading positions in all our segments, and an installed base of more than 7 000 devices



Radiotherapy treatment solutions and Services

Comprehensive Oncology Care Solutions

Linacs	Neuro	Brachy
~5 300 external beam devices		~1 900 brachy-therapy devices
		

Oncology informatics

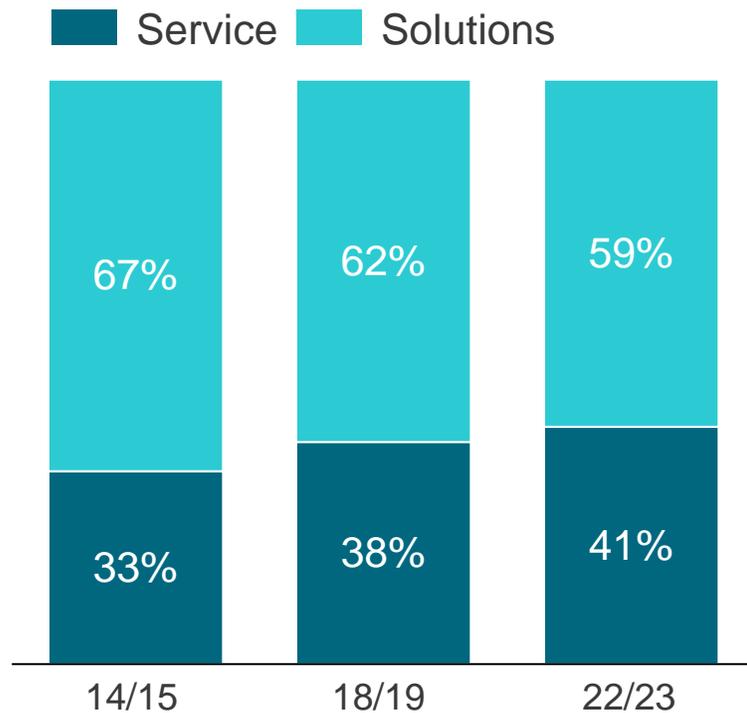
A line-art illustration of two people, one holding a tablet, representing oncology informatics.

Elekta has a strong service business, 40% of total revenue, outgrowing installed based growth



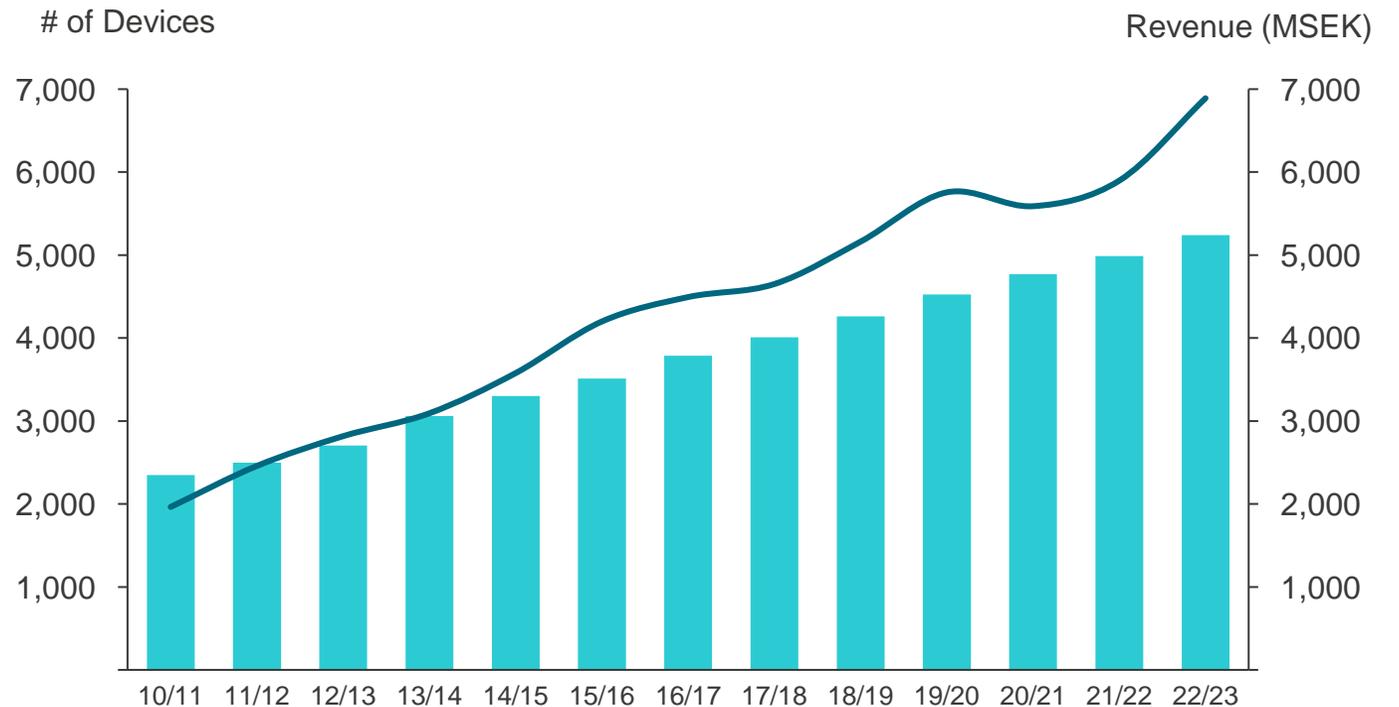
Net sales by product type

% of total Elekta sales



Installed base (external beam) and Service revenue (R12M)

— Service Revenue ■ Installed Base



Elekta has a global presence with a diversified geographic mix and strong growth drivers across regions



Elekta is headquartered in **Stockholm, Sweden**, with offices in **more than 120 countries** and listed on **Nasdaq Stockholm**

● = regional hubs

Americas



- US accounts for 75%
- Gain share with recent product launches and partnerships

EMEA



- Europe 80%, MEA 20%
- Drive growth in both mature and emerging markets

APAC



- China 50%
- Growth area with large greenfield opportunity

Elekta is well positioned in a market coming back to healthy growth



Elekta revenue growth, by quarter R12¹
(USD, revenue growth¹ in %)



Market growth outlook FY23/24-24/25	
Market revenue growth and drivers	
6-8% CAGR globally	
8-10% Emerging Markets	7-9% Software
2-4% Mature Markets	5-7% Solutions

Financials



We are continuing our momentum from H2 22/23

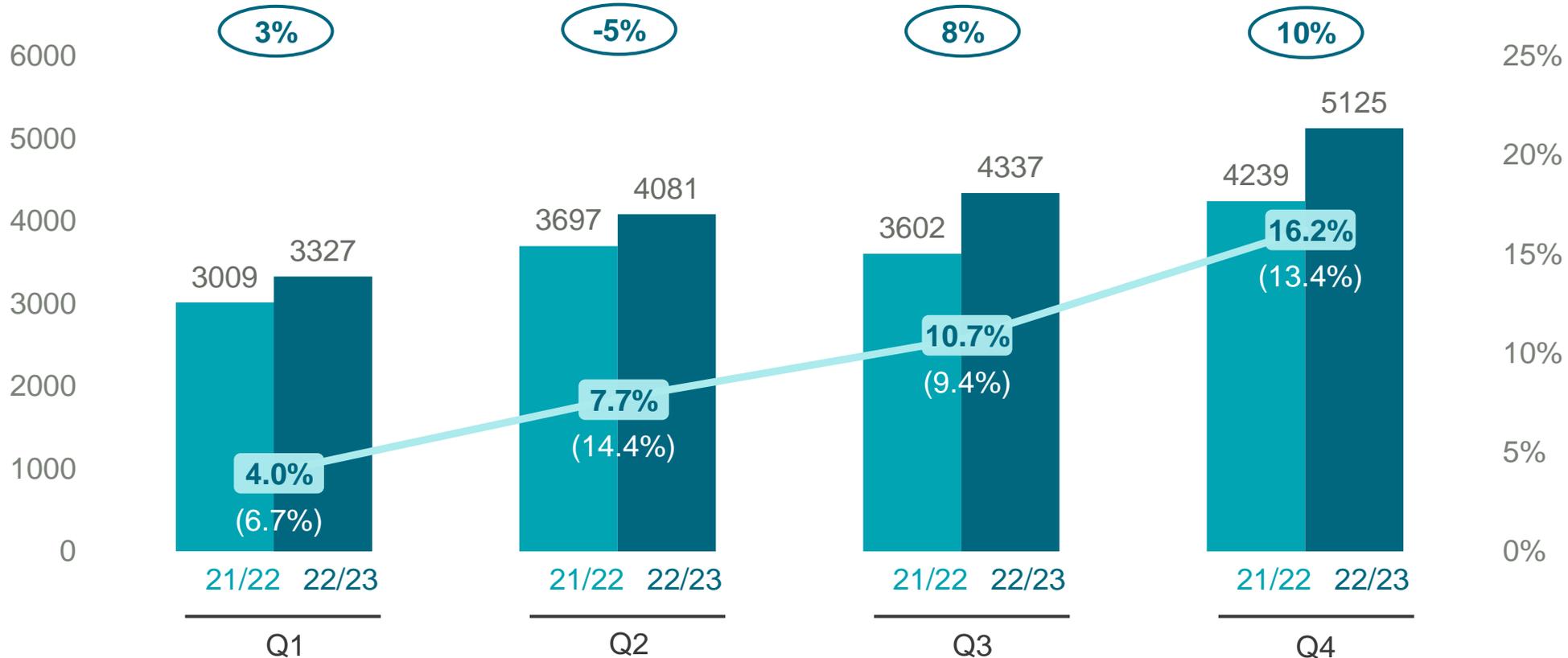


Net sales
(MSEK)

X% Y-o-Y revenue growth

X% 22/23 EBIT margin (21/22 EBIT margin)

Adj. EBIT
margin



Outlook from 2022/23 until 2024/25 – focus on driving shareholder value



Growth

Margin

Capital allocation

**FY 24/25
guidance**

>7%
net sales
CAGR

Expansion
of EBIT %
over period

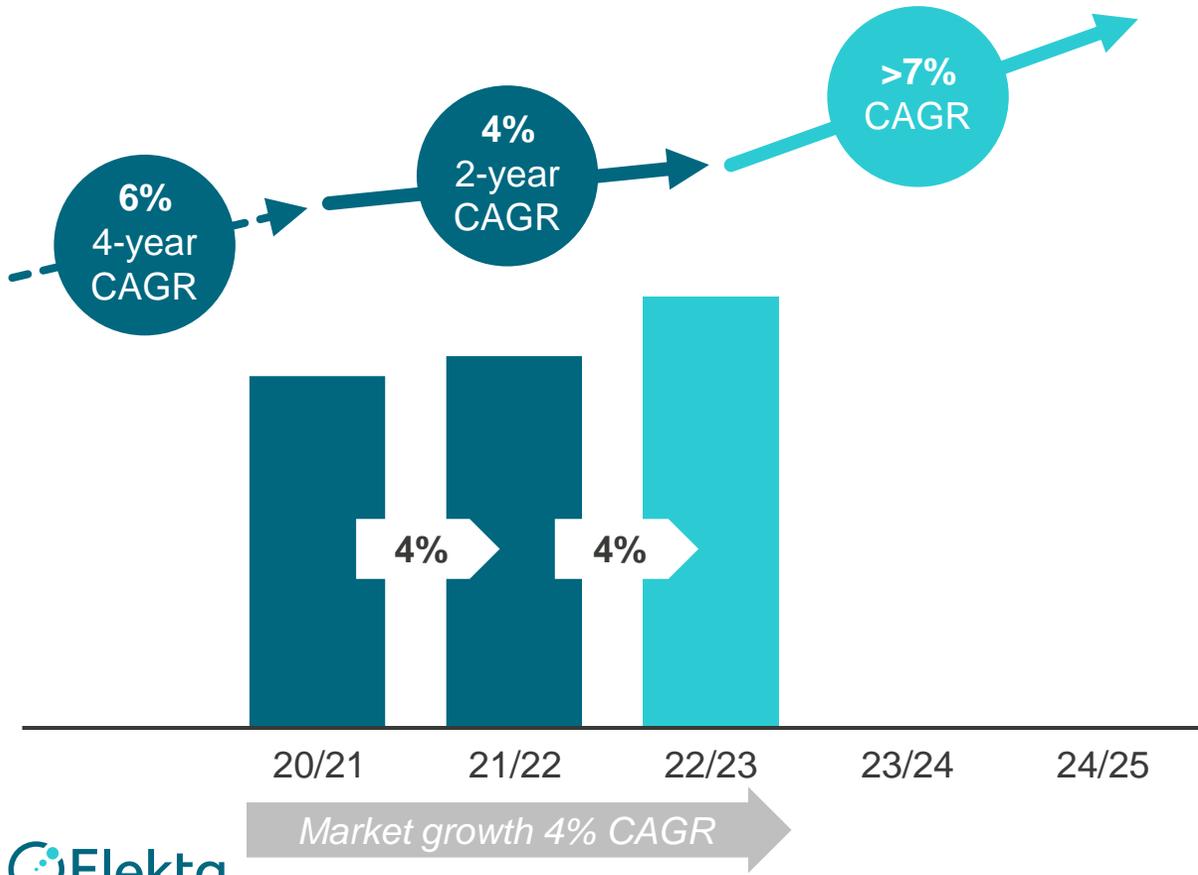
>50%
of annual net profit
in dividend

Focus on driving shareholder value

Net sales growth in line with market last two years, expected to reach >7% CAGR by 24/25

Net sales

(MSEK, YoY-% in constant exchange rates)



Growth drivers



Accelerate backlog conversion



Service



Price increases

Est. realization time

22/23 — 23/24 — 24/25

- Utilization of strong backlog
- Market recovery
- Gradual increase of Unity and Software

- Solid to strong growth of service sales

- Gradual increase until FY 2024/25

Strong backlog enables healthy revenue growth onwards

FY 24/25 guidance:
Growth Margin Capital



Total backlog (BSEK)



We will expand EBIT margin until 24/25

FY 24/25 guidance:

Growth Margin Capital



FY 22/23

Net sales (MSEK) 16,869

COGS - 62%

Gross margin (%) 38%

SG&A expenses - 17%

Net R&D expenses - 8%

Other (FX, Other) - 3%

EBIT margin (%) 10%

Key components until FY 24/25

Revenue

- Volume growth & gradual price increase realization

Gross margin

- Improved gross margin from revenue growth, COGS reduction & full effect from Cost-reduction Initiative

SG&A

- Further SG&A margin improvement driven by revenue growth, productivity improvement & full effect from Cost-reduction Initiative

R&D

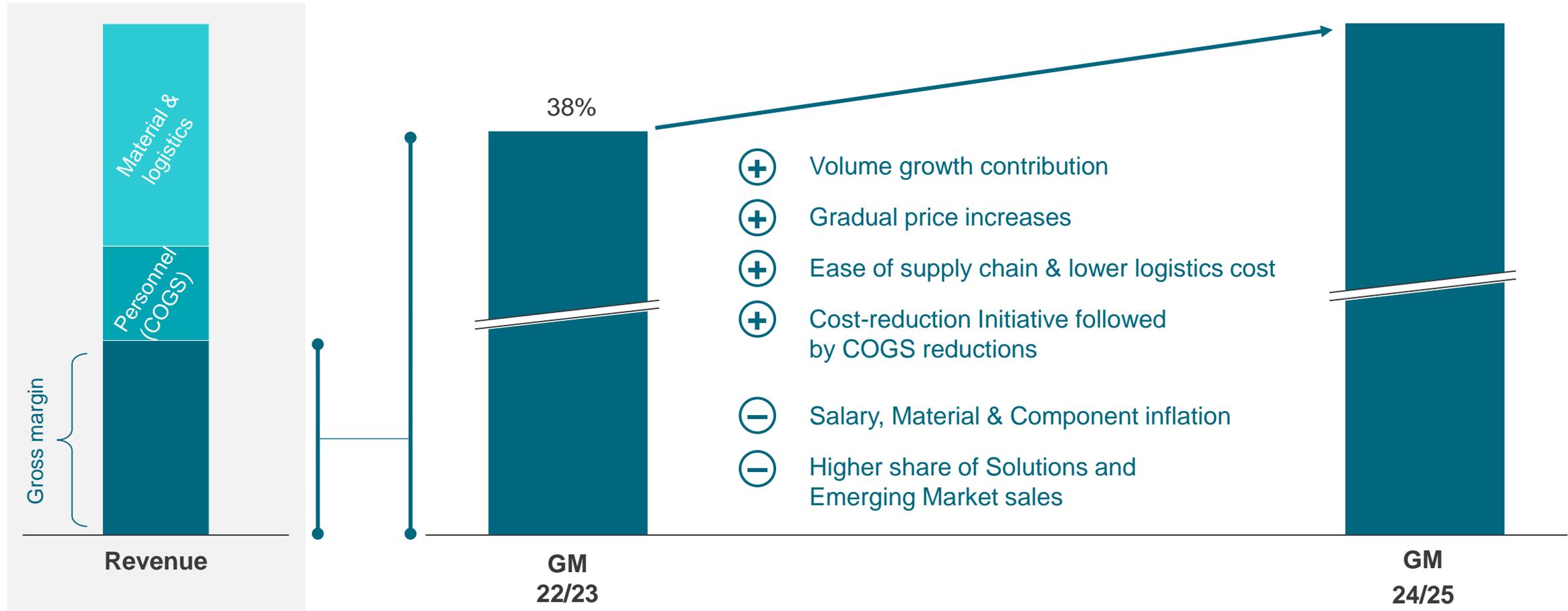
- Continued investments and gradual increase of amortization

Other

- Less negative impact from currency levels expected

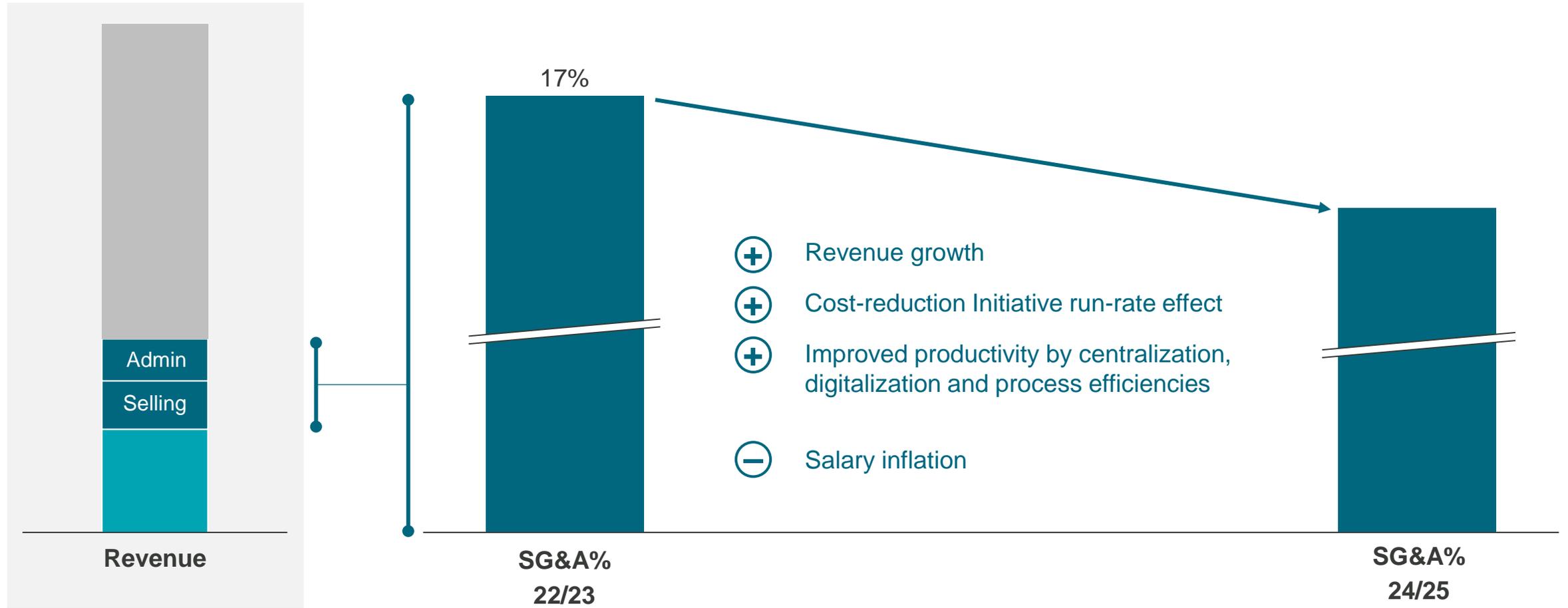
Improved gross margin from revenue growth and cost efficiencies

FY 24/25 guidance:
Growth Margin Capital



Continued SG&A productivity improvement

FY 24/25 guidance:
Growth Margin Capital



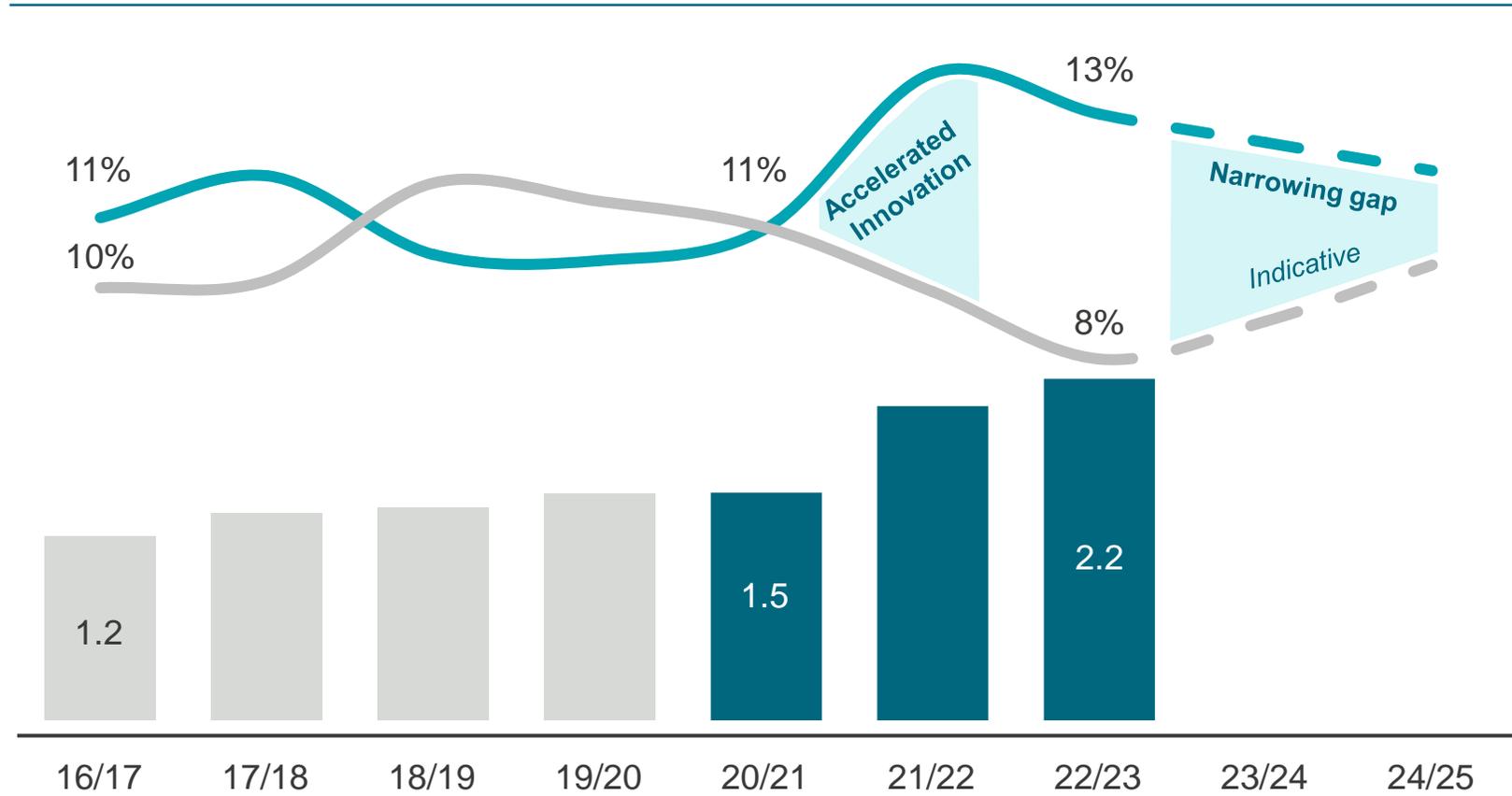
Continued selected investments in innovations to secure future offering while maintaining cost control

FY 24/25 guidance:

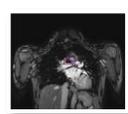
Growth ● Margin ● Capital ●

CMD 2023

R&D expenses — Net R&D as % of sales — Gross R&D as % of sales — Gross R&D expenses (BSEK)



Innovations since CMD 20/21

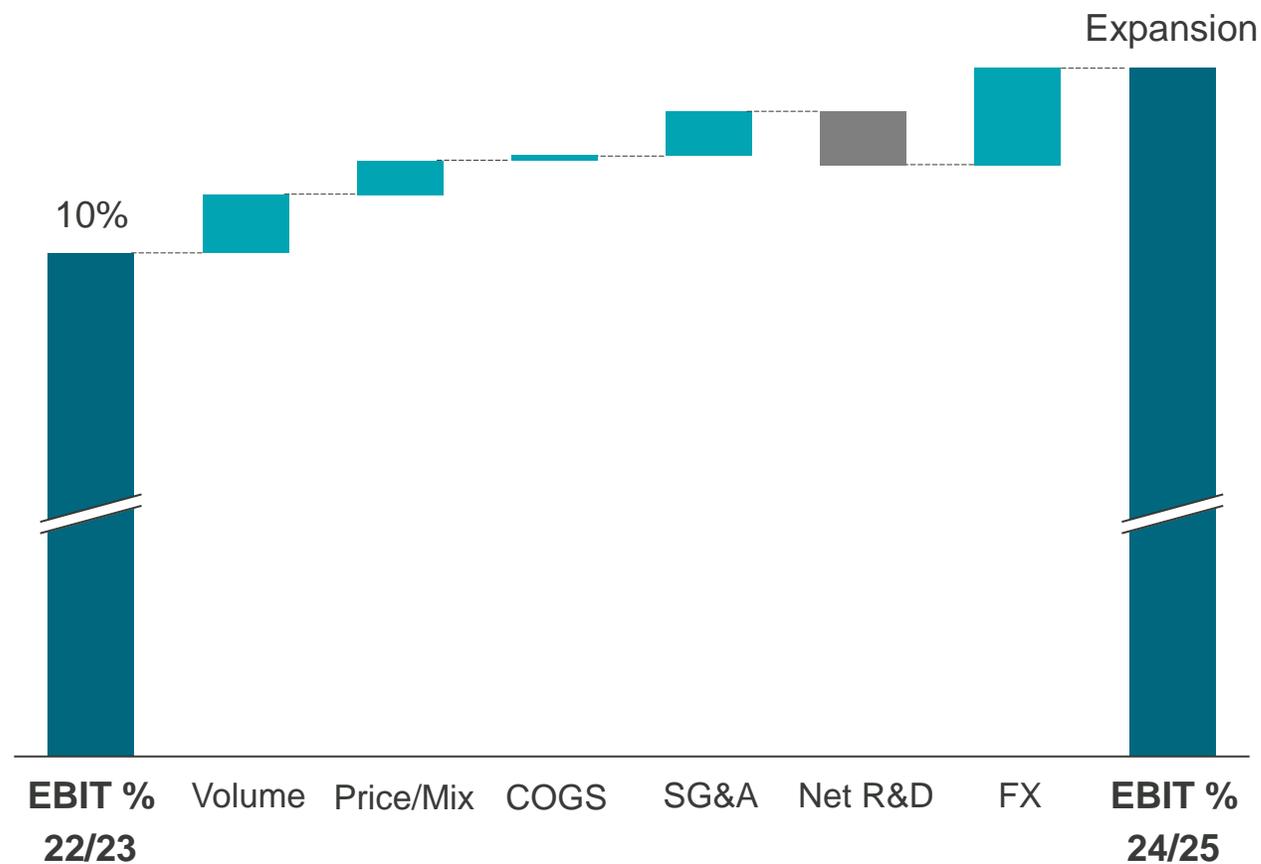
-  ➤ Elekta Esprit
-  ➤ CMM
-  ➤ Elekta One

New innovation will enhance customer & patient value and is vital for long-term margin improvement

EBIT margin expansion driven by higher sales, improved productivity and FX

FY 24/25 guidance:

Growth Margin Capital



Illustrative scenario of Elekta's margin expansion over the next two years

EBIT% drivers

Est. realization time

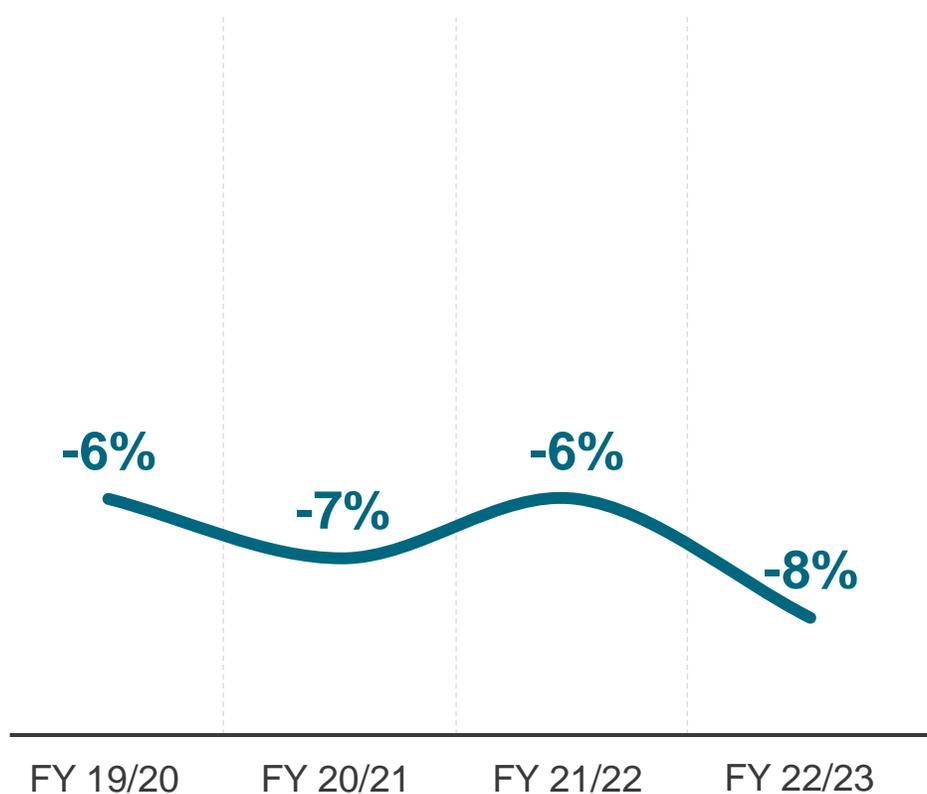
	22/23	23/24	24/25
Volume	→		
	+ Strong growth driven by backlog conversion and market recovery		
Price / Mix	→		
	+ Gradual price increases - Relatively higher sales of Solutions and in Emerging Markets		
COGS	→		
	+ COGS reduction initiatives - Component and salary inflation		
SG&A	→		
	+ Further productivity improvement - Salary inflation		
Net R&D	→		
	- Gradual increase of amortizations		
FX	→		
	+ Lower hedging losses than in 22/23 (with current FX levels)		

Continued focus on cash flow and working capital

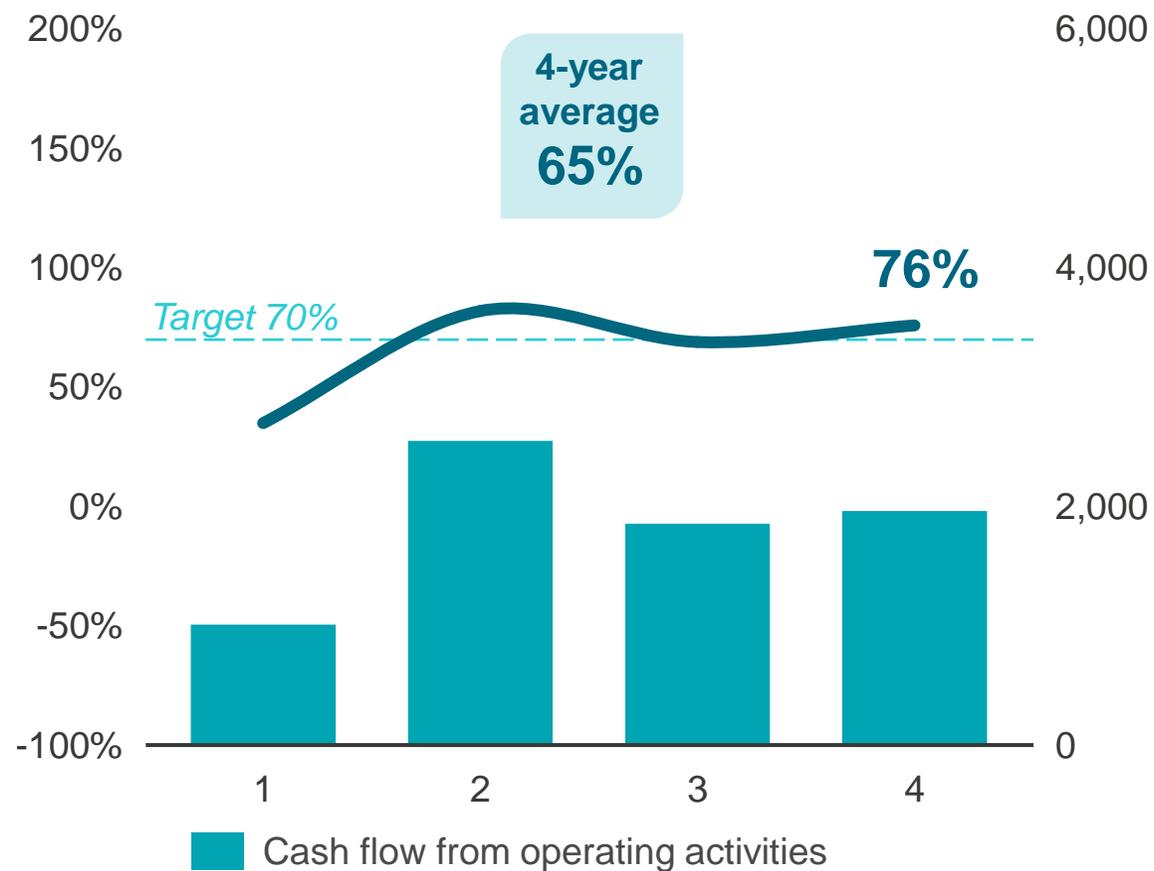
FY 24/25 guidance:
Growth Margin Capital



Net working capital as % of net sales



Operational cash conversion % (Cash flow in MSEK)



Capital allocation going forward

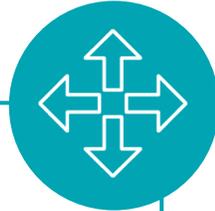
FY 24/25 guidance:

Growth	Margin	Capital
		



Dividends

At least 50%
of net income



Selective acquisitions/ investments

Expanding our portfolio
and offering



Geographic expansion

Increased footprint in
emerging markets

We are utilizing current momentum to drive shareholder value

CMD
2023



Product launches to accelerate order growth



Utilize **demand increase** and accelerate **backlog conversion** to drive revenue growth



Margin expansion driven by volume contribution, price increases and cost productivity



Continued focus on **cash conversion** and **working capital**



Capital allocation to include **dividends** and **investments in portfolio & geographic expansion**

**Focus on
driving
shareholder
value**

ACCESS 2025 Strategy

CMD
2023

Accelerate **innovation** with
customer utilization in mind



A world
where everyone
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cancer care



Drive partner **integration**
across the cancer care eco-
system

Be the **customer** lifetime
companion



Drive **adoption** across the
globe

People

Resilience and Process Excellence across the value chain

Delivered in a
sustainable way

Several new innovations launched since last CMD across our whole product portfolio



Linacs	Neuro	Brachy	Software
--------	-------	--------	----------

- **Comprehensive Motion Management (CMM)** introduced to the Unity



- **Esprit** launched, offering market leading SRS delivery and workflows



- **Elekta studio** bringing optimized imaging and adaptive workflows to brachytherapy



- **Elekta ONE** revamping our software eco-system to drive more personalization with less effort

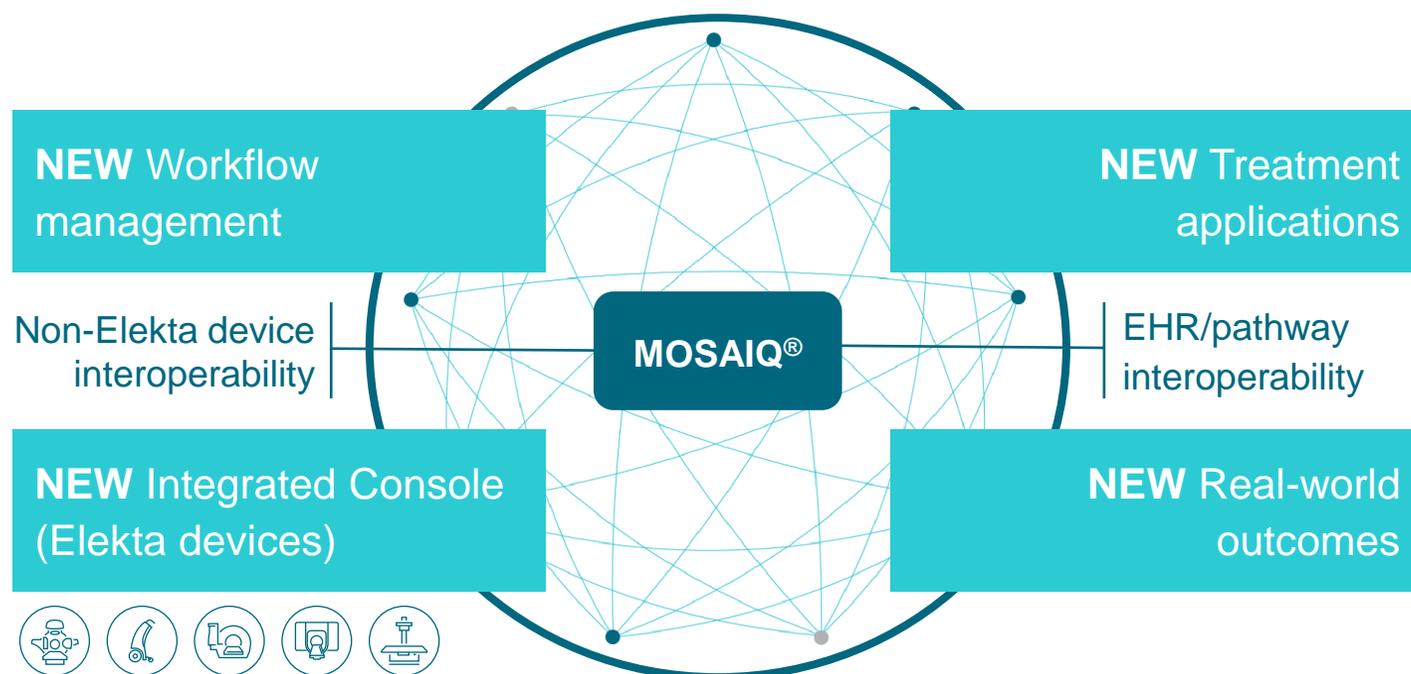


Joint software foundation for streamlined workflows, automation and personalized treatments

Elekta ONE launched at ESTRO



Elekta ONE

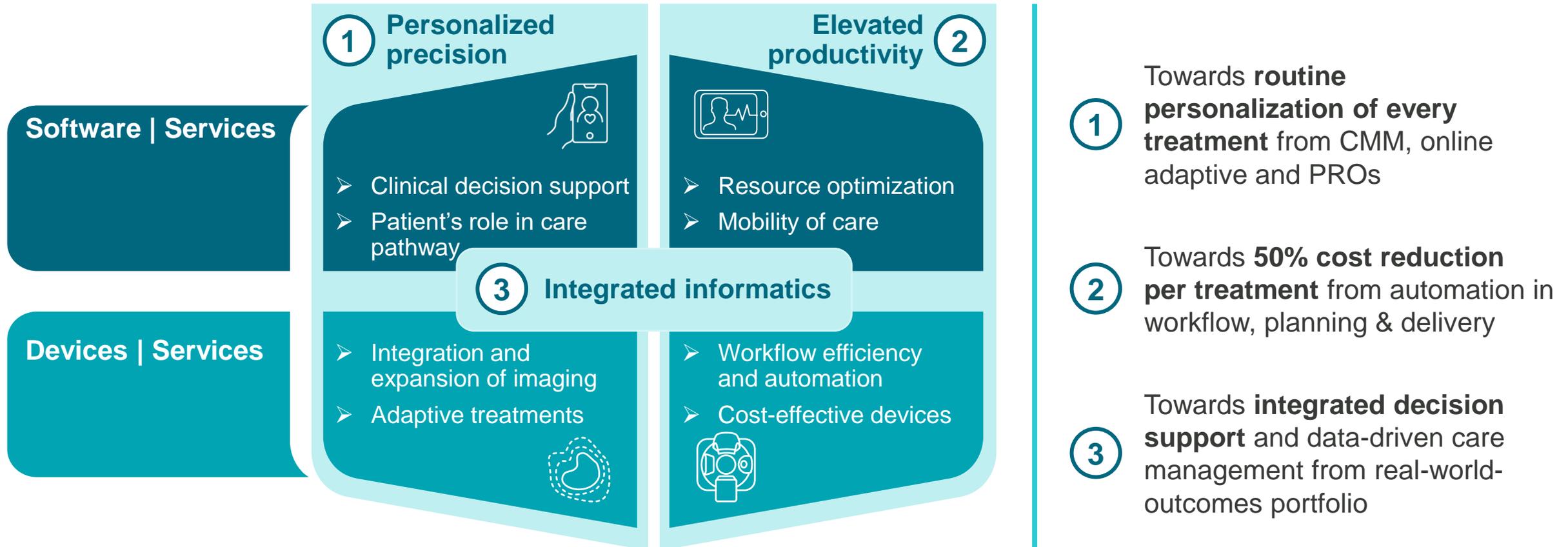


- **Unified software environment**
- **Evolving ecosystem, no loss of functionality**
- **Strengthened commitment to open interoperability**

Our innovation agenda reiterated: Driving more personalization, with less effort, enabled by software and informatics

CMD
2023

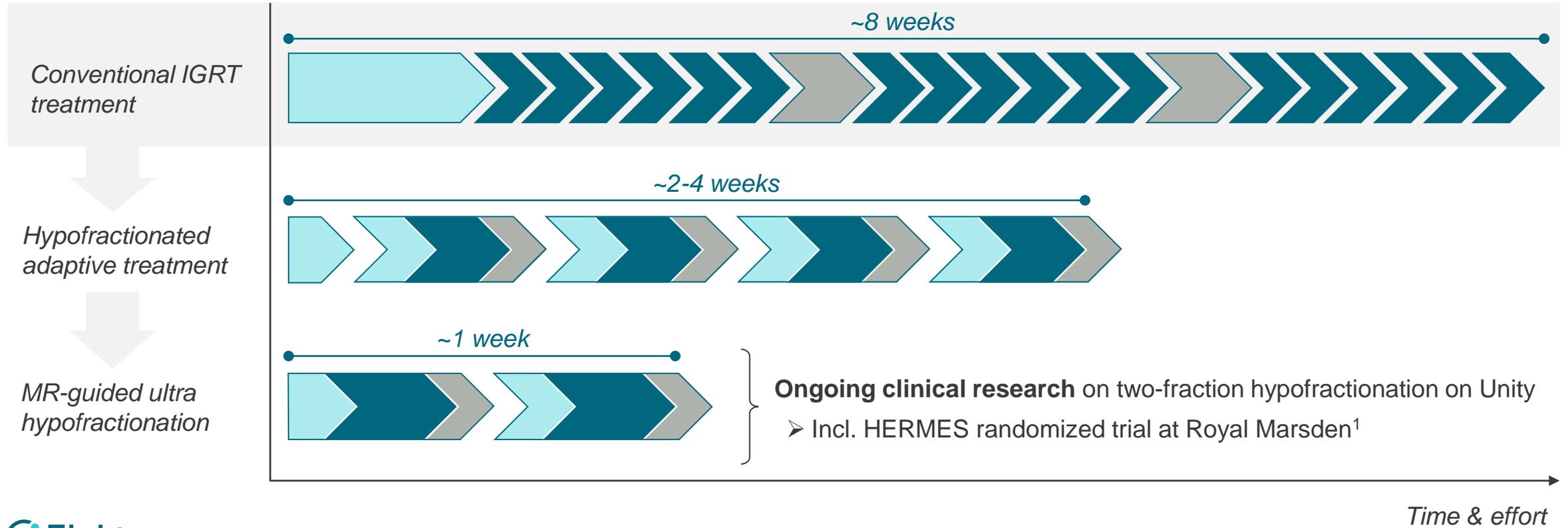
Across Elekta's portfolio, three focus areas steer our innovation agenda



Towards more personalized treatment at lower cost



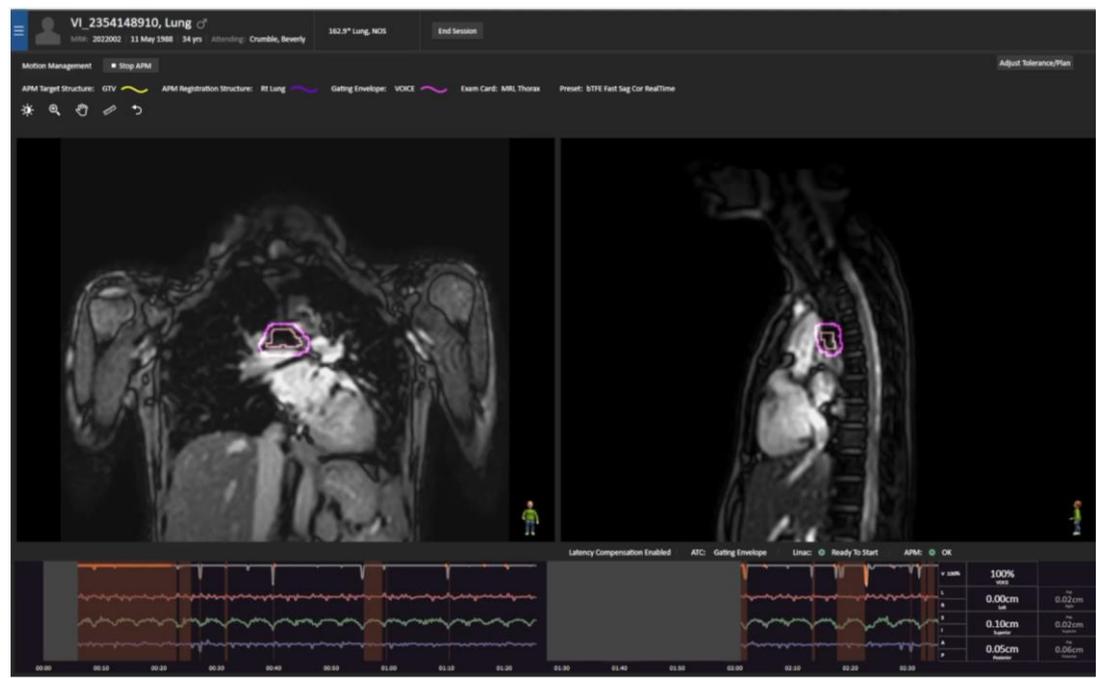
From 8 weeks to 1 week treatment – benefits patient and clinicians



1. "HERMES: Delivery of a Speedy Prostate Cancer Treatment" (Clinical Oncology)

① Towards routine personalization of every treatment with CMM, online adaptive and patient reported outcomes

Comprehensive Motion Management



Adaptive MR-Linac



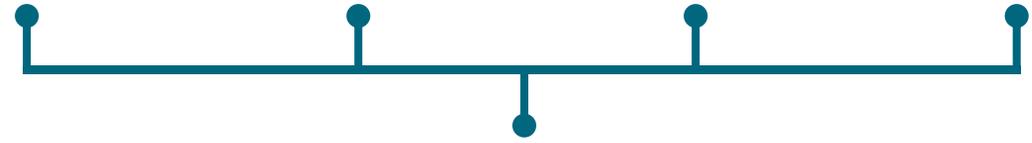
Adaptive CT-Linac



Adaptive Gamma Knife



Adaptive Brachy

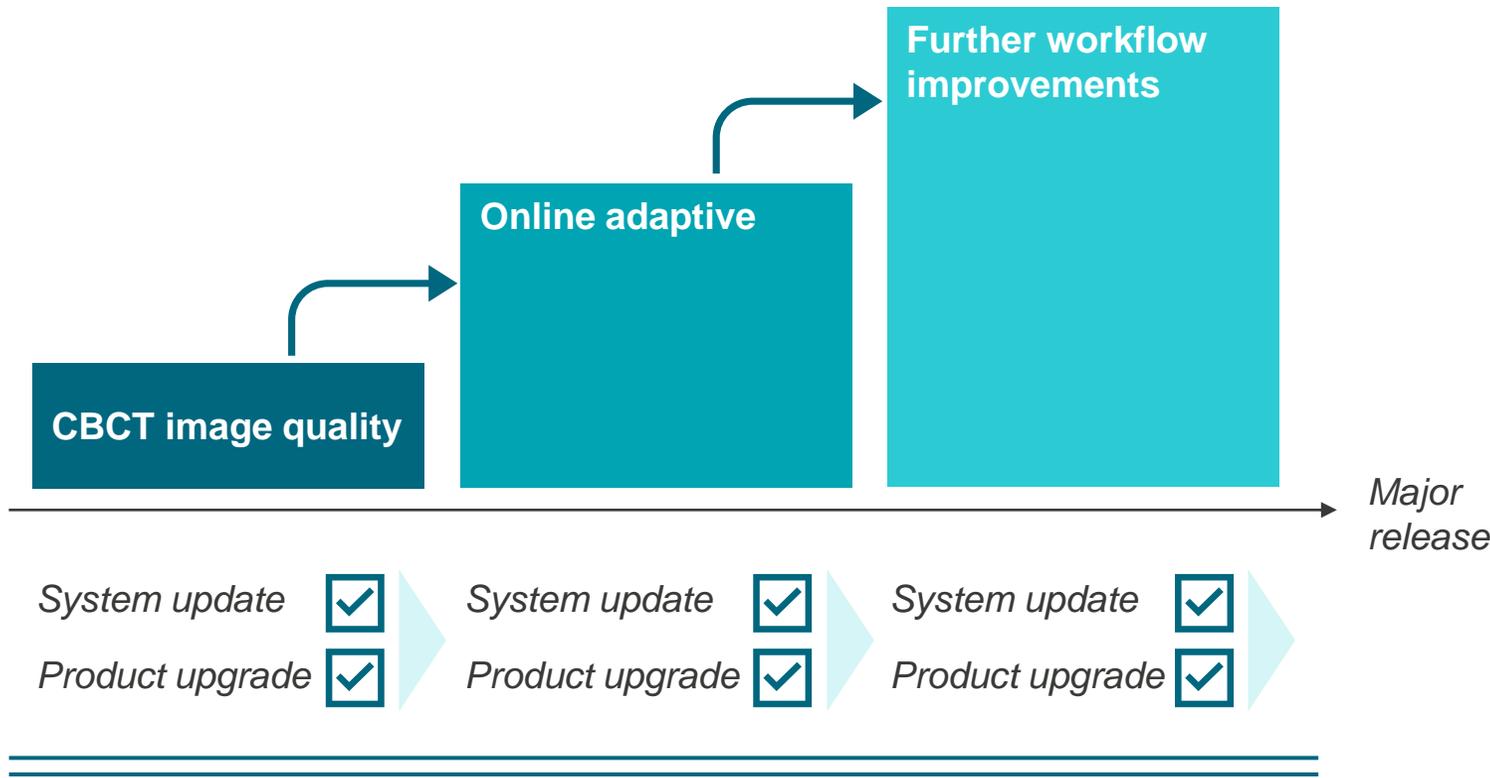


Elekta ONE

World leading portfolio of personalized treatment solutions

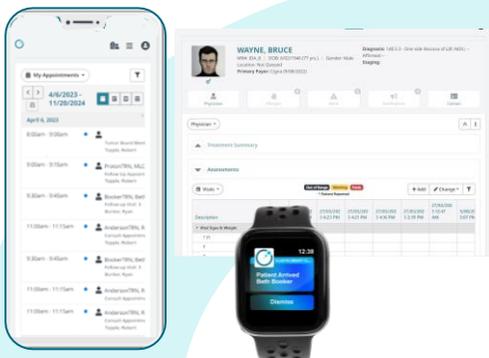
Adapt to shape  *Adapt to motion*

① We are bringing 'Adaptive' to the CT-Linac to improve outcomes



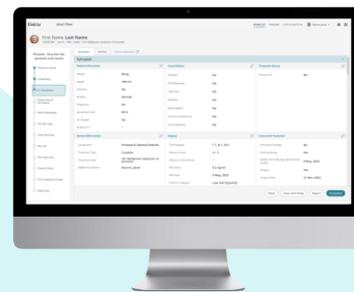
Step-wise implementation and upgrade

② Towards 50% cost reduction per treatment from automation in workflow, planning and delivery



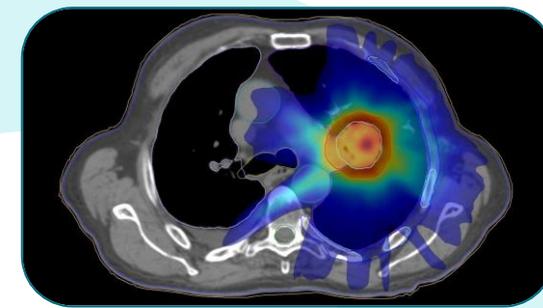
ONE | smart view

- **Mobile and modern interface** to oncology information system
- **Notifications, visualisation and approvals** – wherever you go



ONE | smart flow

- **Protocol based workflow** with integrated user experience
- **Supports Elekta 3rd party applications**

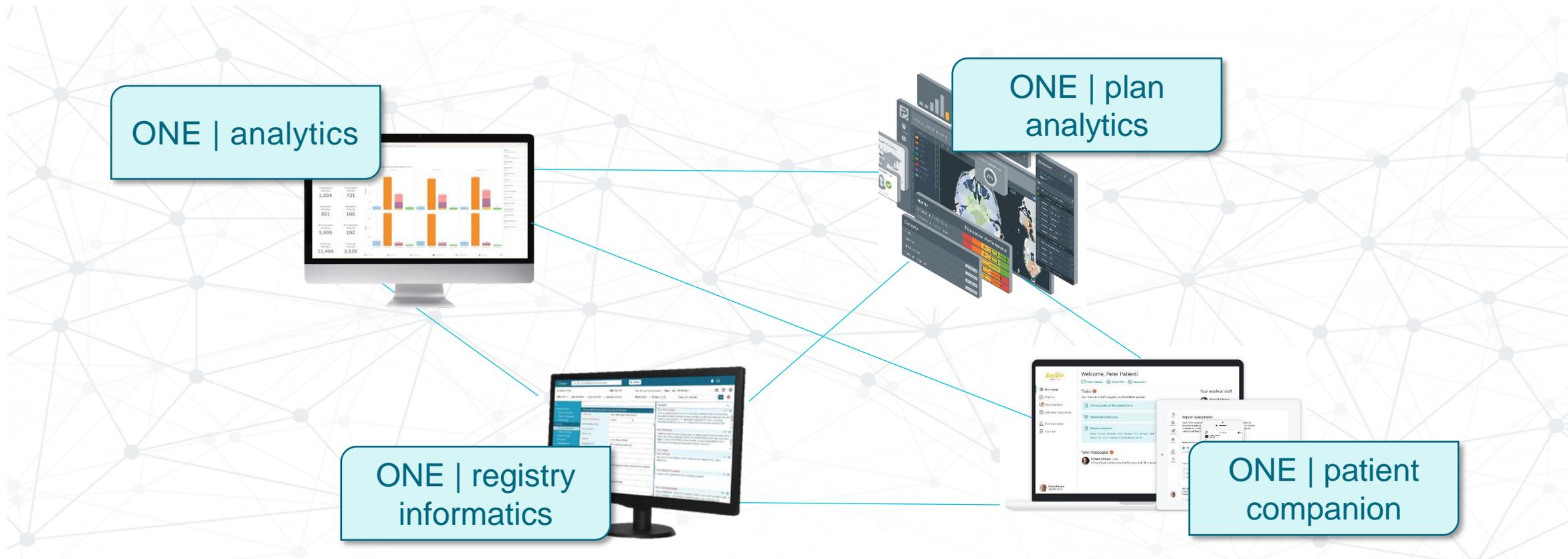


ONE | auto planning

- **Intuitive, robust and automated decision making process**
- **From 1.5 hour to as low as 1.5 minute**

③ Towards integrated decision support and data driven care management from real-world outcomes portfolio

Better care decisions from data insights generated across portfolio of real-world outcomes

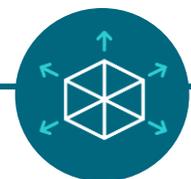
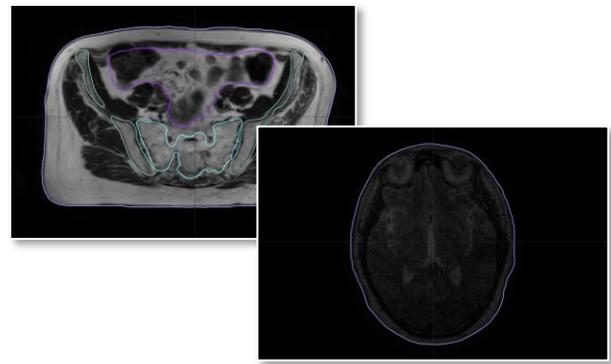


3 AI is expected to transform radiotherapy in the coming years – Elekta examples



From Structures to Target contouring

- Enabled by AI driven image quality improvements



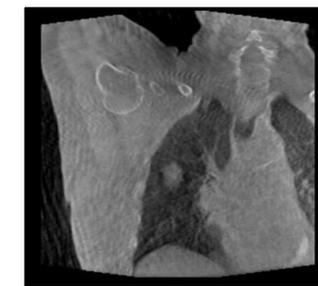
Real-time Motion Management on CT-linac

- Breakthrough AI technology for **CMM on conventional linacs** from exclusive partnership with University of Sydney & SeeTreat™

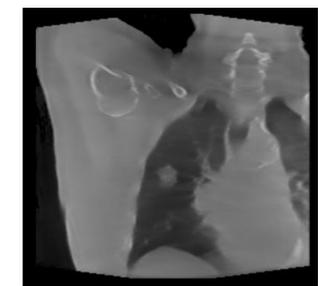


Apply Generative AI on most complex challenges

- Correcting for **breathing motion** for 4D lung within seconds



4D CBCT today minutes



AI-driven 4D CBCT seconds



Compelling business case leads our innovation focus



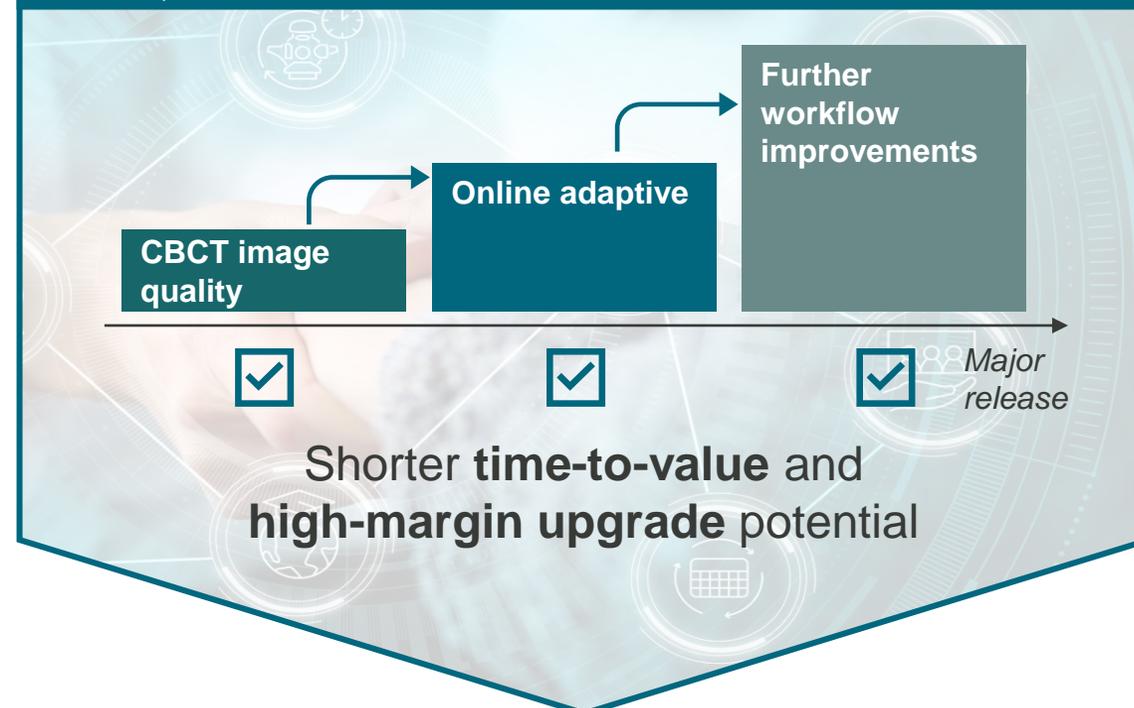
Software: Revamped commercial engine

A composite image showing two healthcare professionals, a woman and a man, looking at a laptop displaying the Elekta ONE software interface. The interface includes various charts, graphs, and data points.

Elekta ONE

Upselling higher recurring value per customer
– increasing software share of business

Delivery Solutions: Life-cycle mgmt.



‘More personalization with less effort’ driving customer value and profitable growth

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Drive **adoption** across the
globe

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Resilience and Process Excellence across the value chain

Delivered in a
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Sustainability at Elekta: What we do matters, but how we do it matters more than ever



Environment

- Emission reduction targets validated by Science Based Targets Initiative (SBTi)
- Using innovation to minimize environmental footprint
- 2023: Sustainability-linked RCF



Social

- Access to healthcare through infrastructure, innovation, training
- Supporting people across our value chain
- Elekta Foundation
- 2021: Sustainability-linked bond

Governance

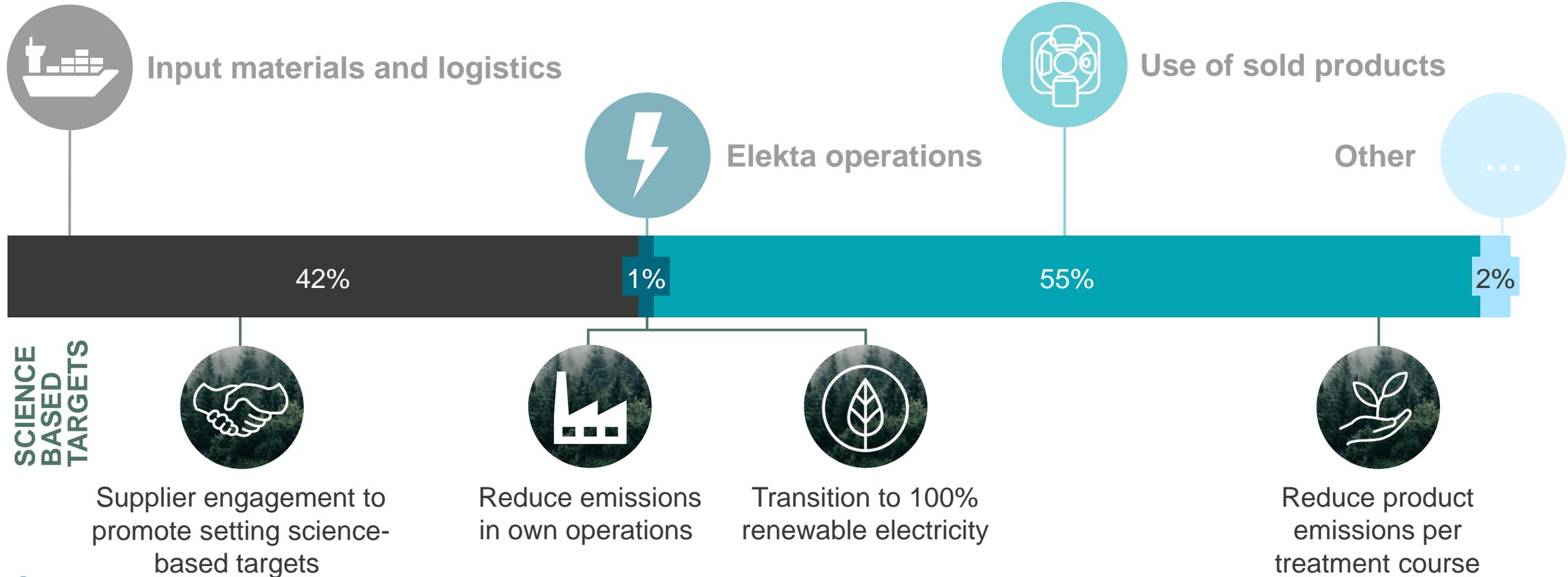
- Robust compliance program in place
- Compliance controls included in processes
- Company-wide trainings



The majority of Elekta's value chain emissions come from the use of our products and from our supply chain



Taking action: Elekta's emissions targets have been validated by the Science Based Targets initiative (SBTi)



Elekta value chain emissions FY21/22: Total baseline 738k tons CO₂e. During SBTi validation, the 21 22 baseline was reduced compared to publicly reported information.

Through innovation, Elekta creates more environmentally efficient ways to treat cancer



Product emissions per treatment course:

Emissions from the use of our products

Treatment courses delivered



Example levers to drive down product emissions



Reduce electricity consumption



Renewable electricity at customer sites



Reduce SF6 use



Reduce packaging and EoL waste

Example levers to drive up number of treatments by shortening each treatment course



Hypofractionation



Improved workflow

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2023

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Drive **adoption** across the globe



People

Resilience and Process Excellence across the value chain

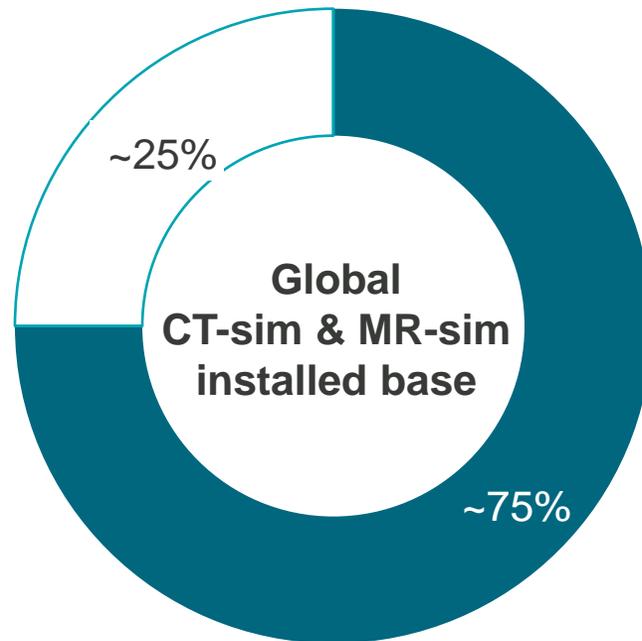
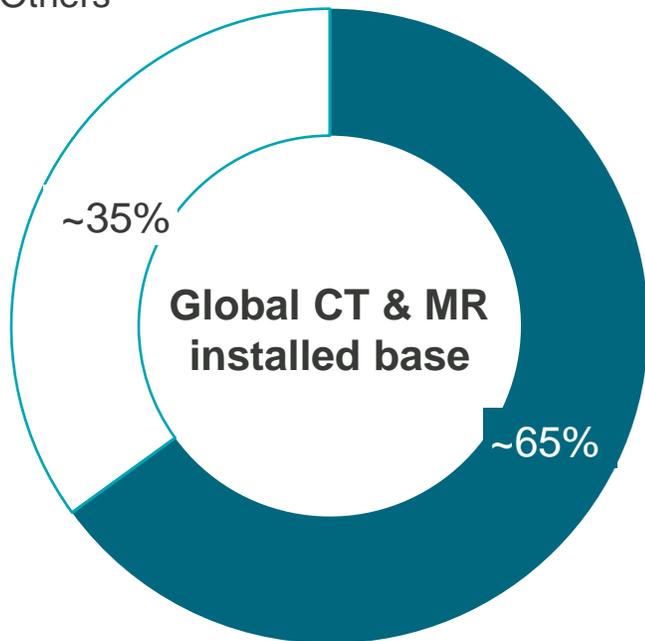
Delivered in a sustainable way

Elekta's partnerships create opportunities for our customers and increase market reach



Our imaging partners lead the imaging market

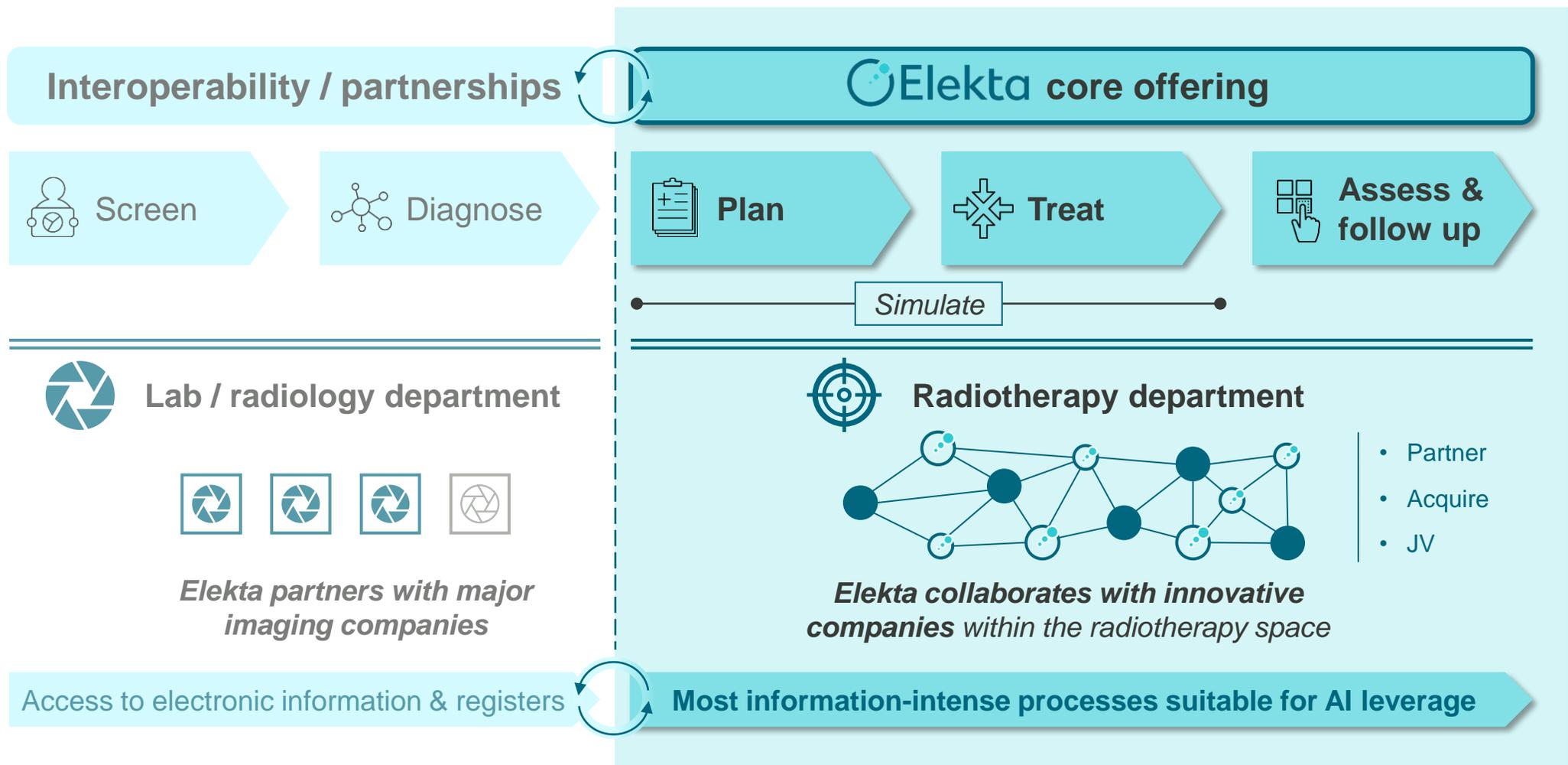
- Elekta strategic partners
- Others



Our partners enable us to:

- Allow for **personalized** choice through **seamless interoperability**
- **Accelerate our market approach** by engaging oncology networks
- **Drive sales of bundled deals**, from 5-8% today

Elekta is the largest stand-alone radiotherapy company, with strong partnerships across the patient care journey



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Drive **adoption** across the globe

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Resilience and Process Excellence across the value chain

Delivered in a sustainable way

Unity MR-Linac



The 18th MR-Linac Consortium Meeting highlights the power of Elekta Unity



Consortium details

- **600+** physicians, physicists and radiographers (>300 in person)
- **65** cancer centers from 26 different countries
- **100+** scientific abstracts



Three “winning” abstracts showcase the progress towards Unity as a new standard of care



1 Sim-less Prostate SBRT for faster throughput in the clinic

2 Visualizing radiation sensitivity of tumor sub-volumes for personalized RT

3



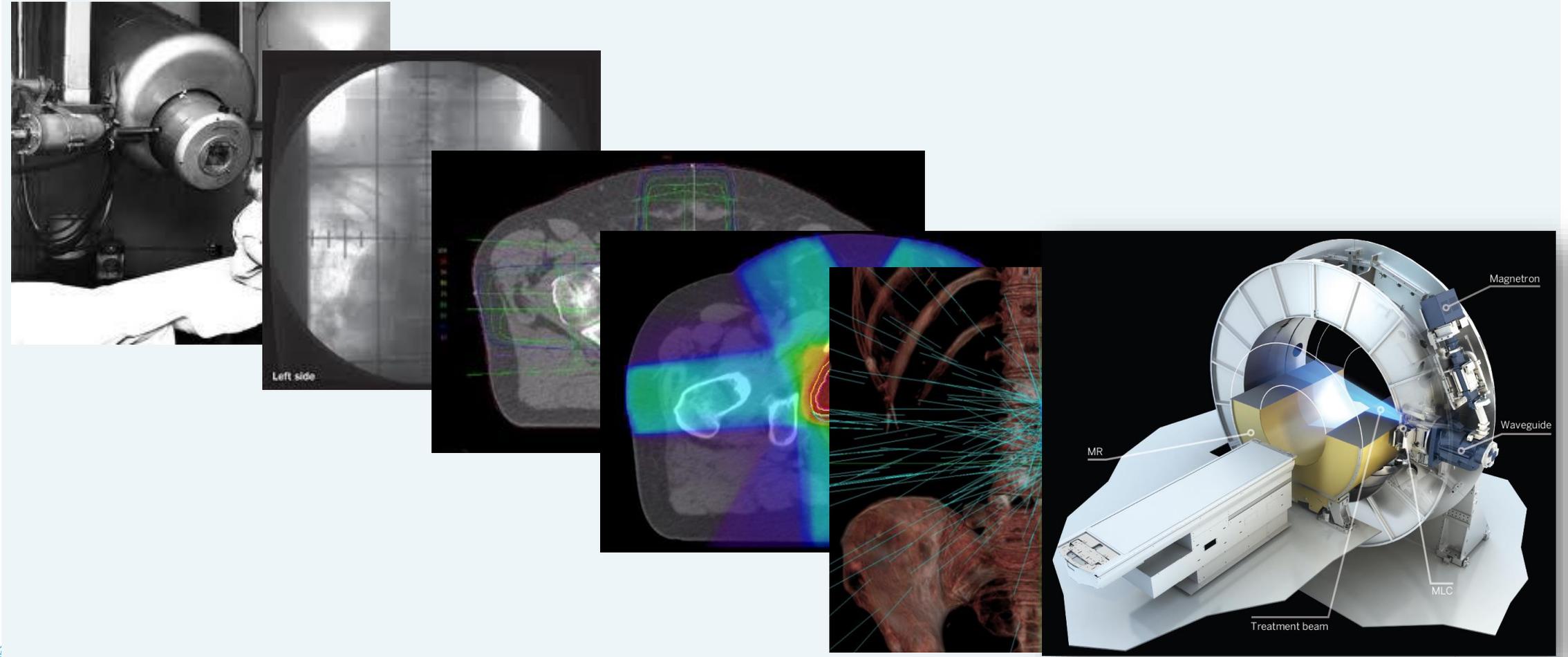
Next-generation radiotherapy

Dr Alison Tree

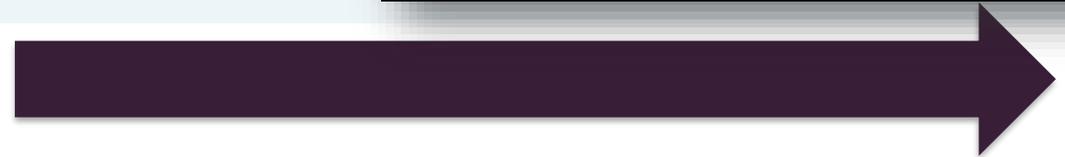
Consultant Clinical Oncologist,
Royal Marsden Hospital and the
Institute of Cancer Research



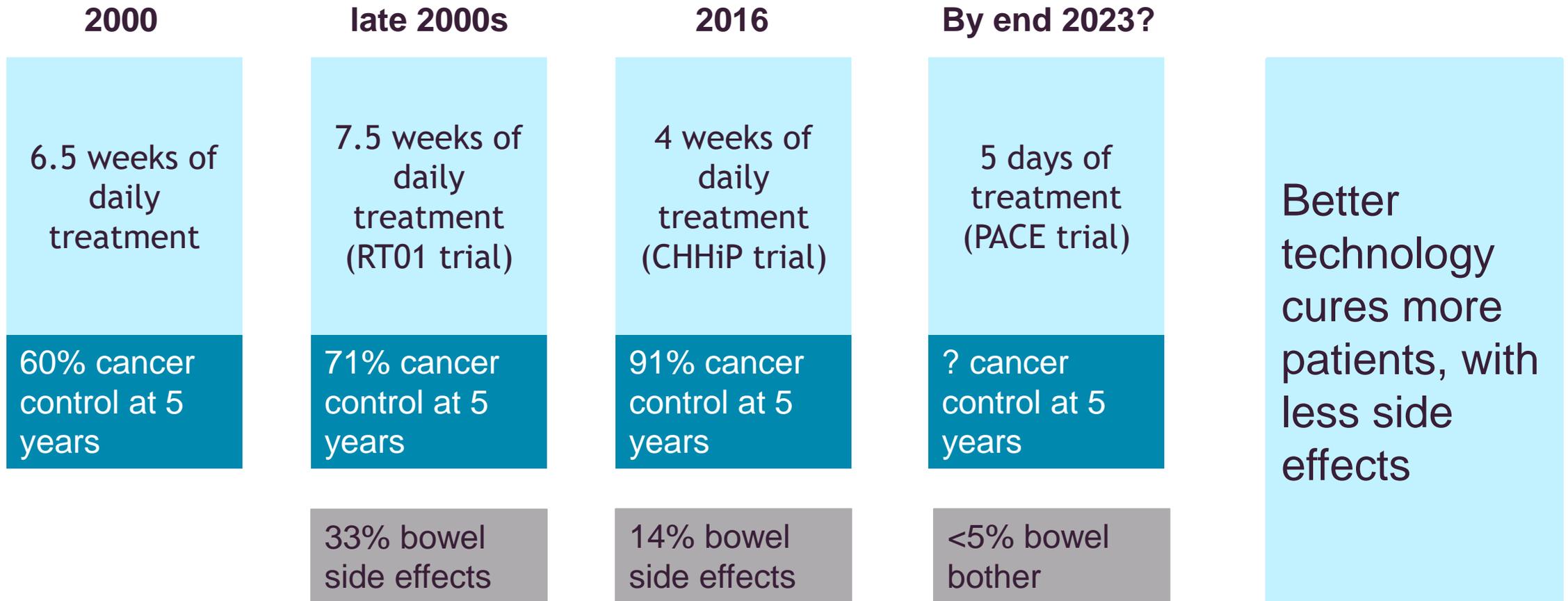
How has radiotherapy changed over the last decade?



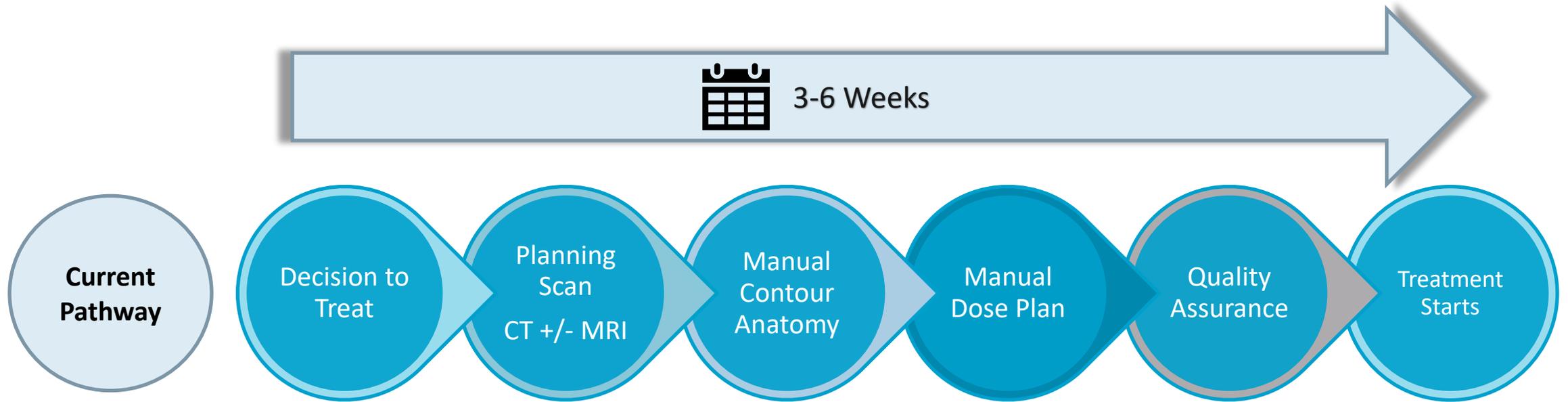
Improving the lives of our patients

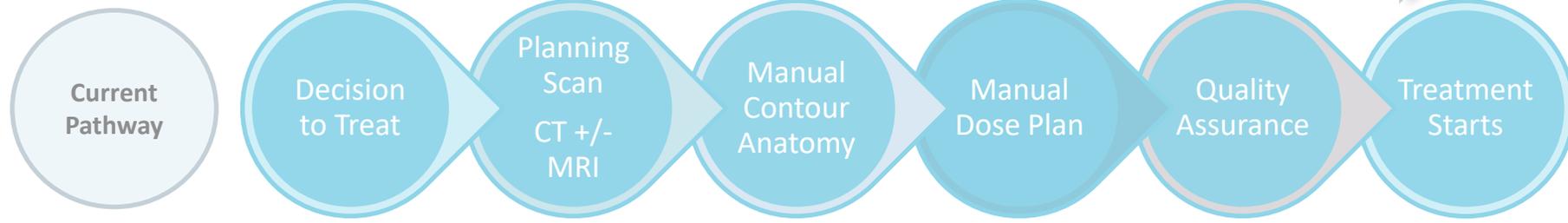
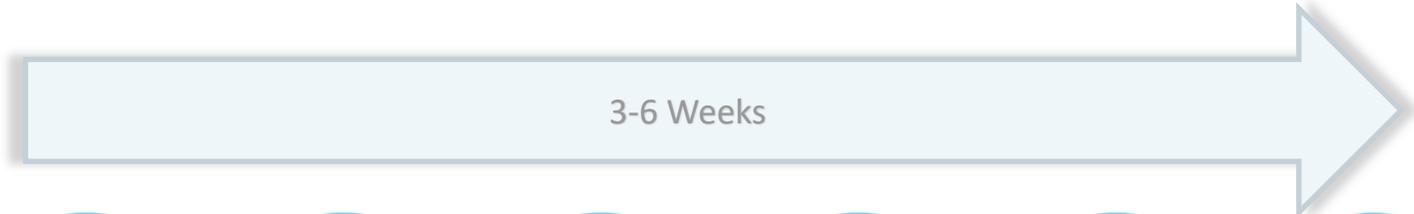


Research in prostate cancer over the last 15 years

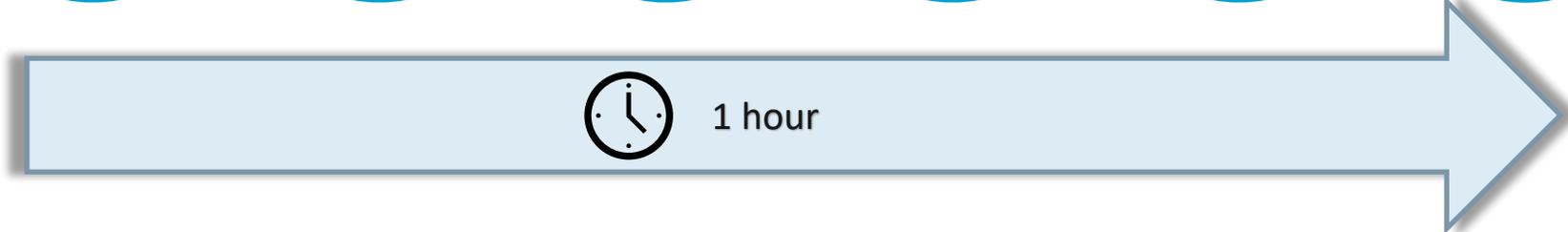
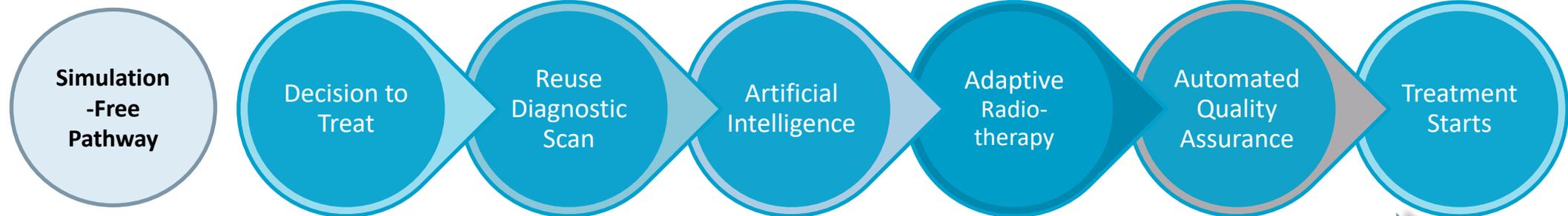


Simulation (preparation) for radiotherapy

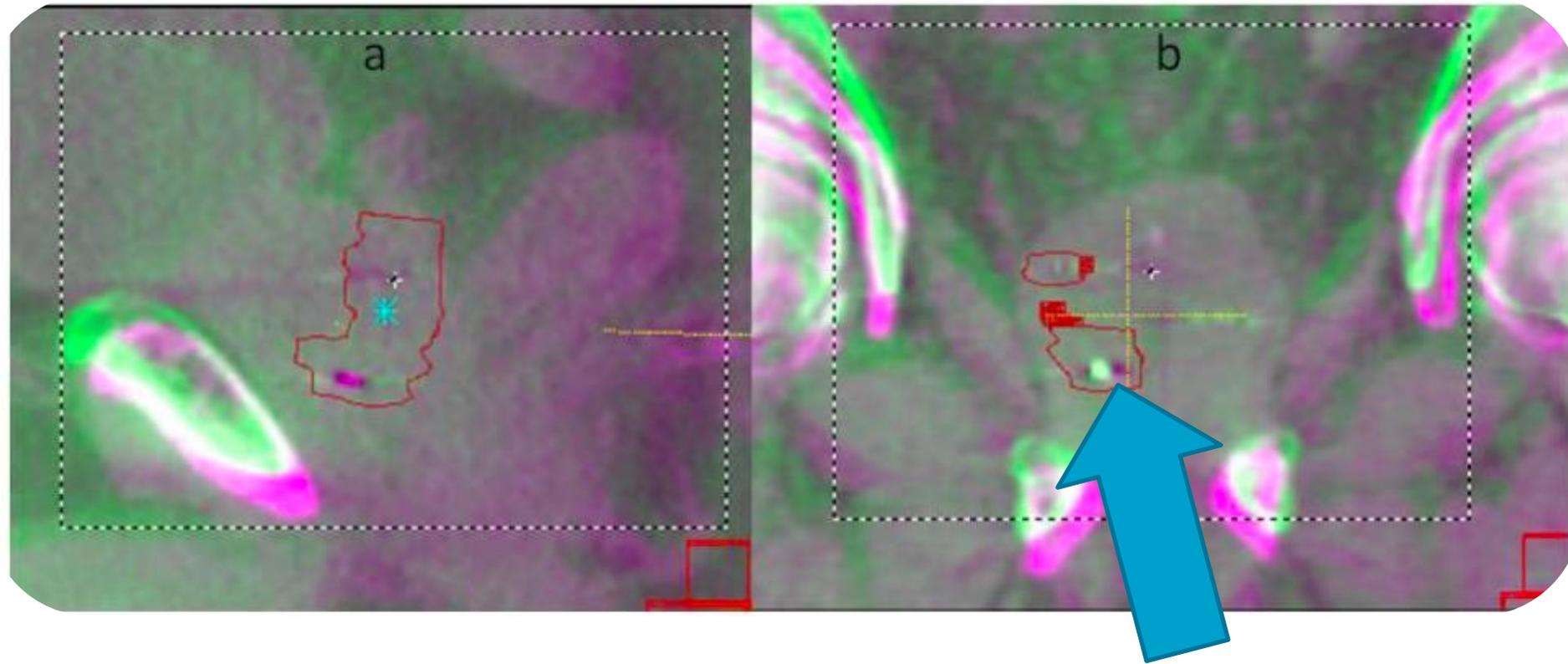




	Current	Potential
Radiographer	40 minutes	4 minutes
Medic	30-60 minutes	15 minutes
Physicist/ Dosimetrist	240 minutes	10 minutes

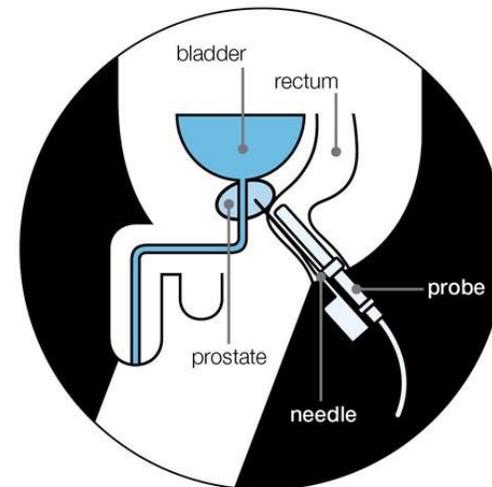


Without a Unity, what is the best we can do?



Four key advantages to Elekta Unity:

1. No gold seeds



Four key advantages to Elekta Unity: 2. Image guidance accuracy

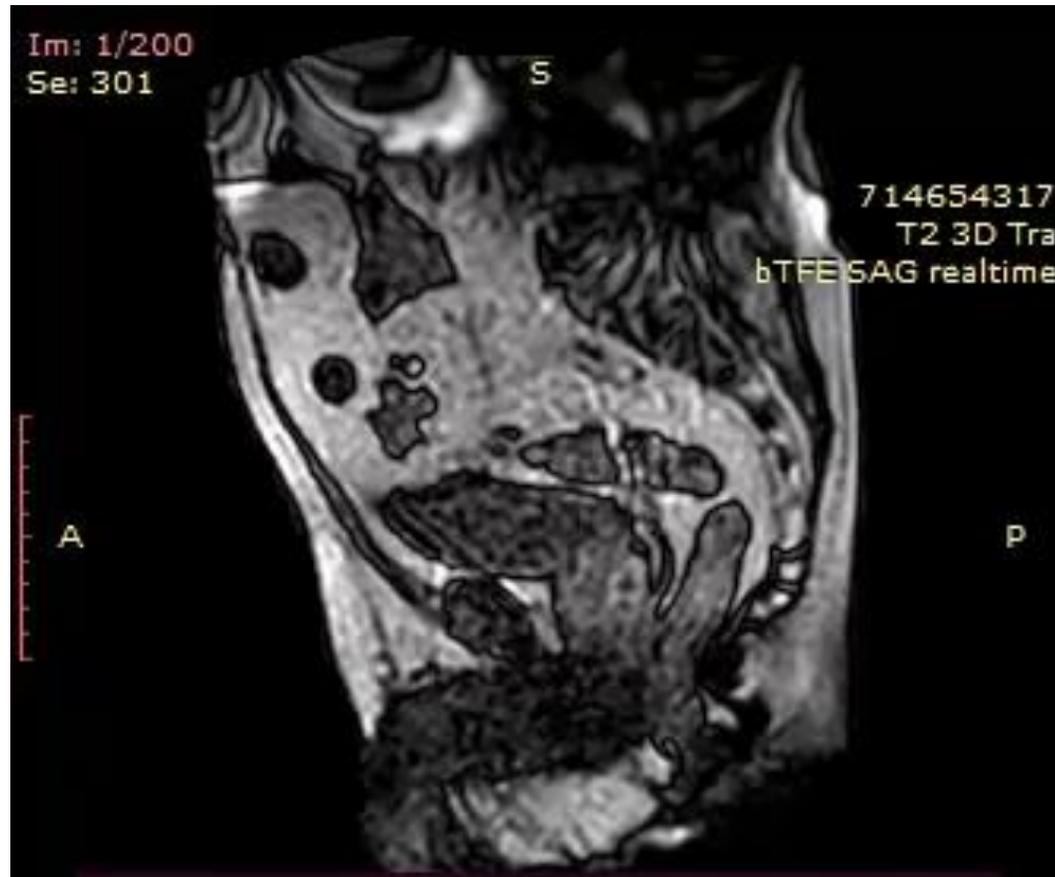
- Better soft tissue resolution
- CT of patient 2 and Unity image of patient 2



Four key advantages to Elekta Unity:

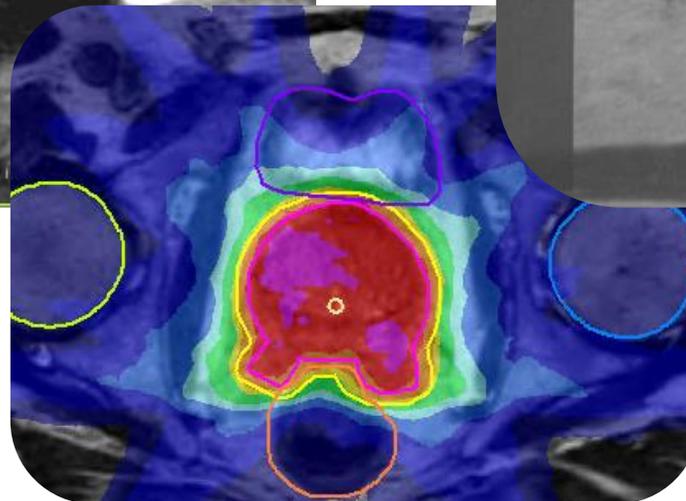
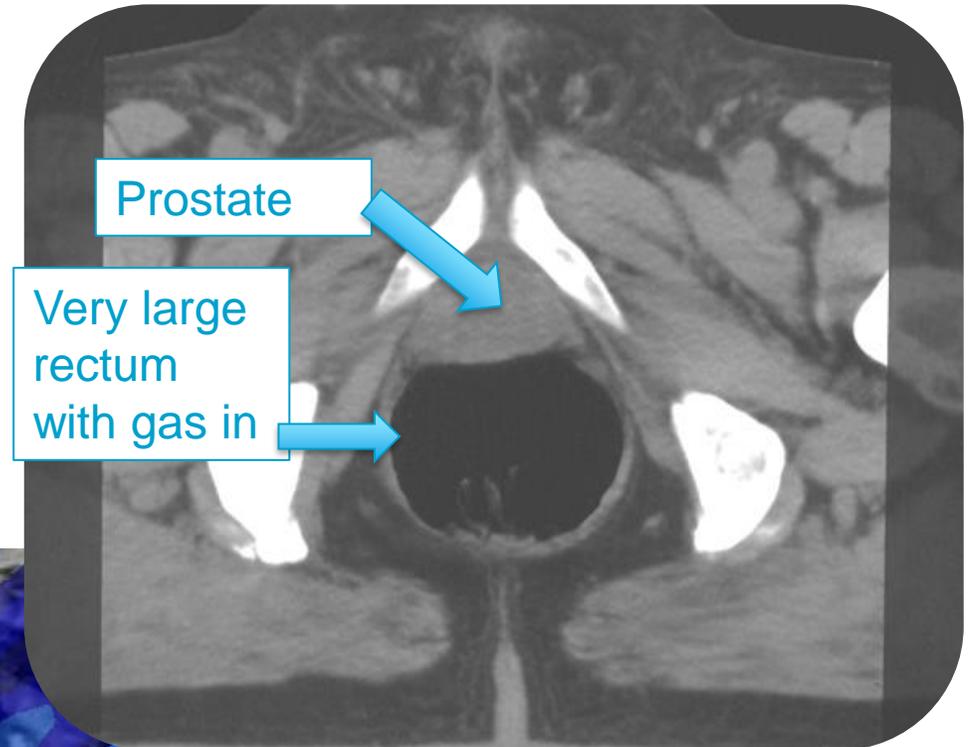
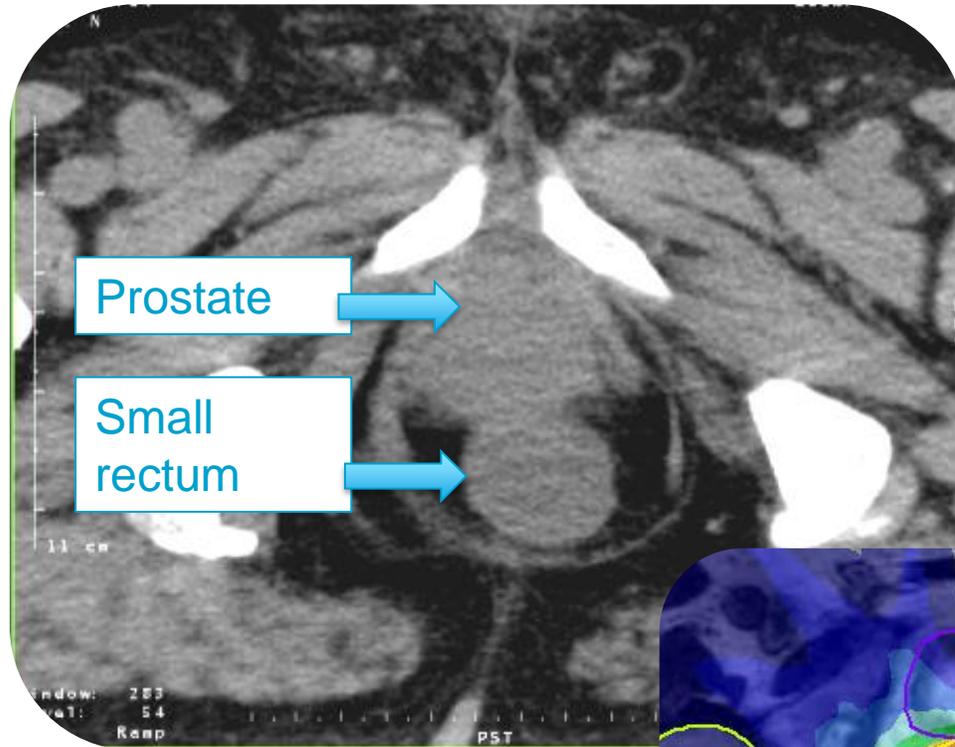
3. Monitor while you treat

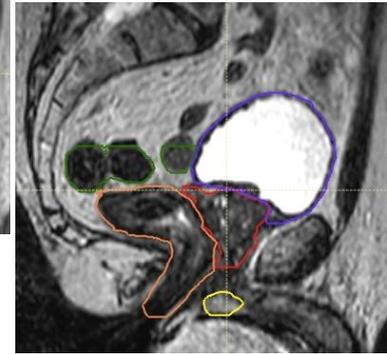
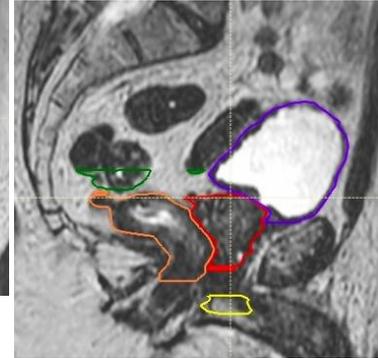
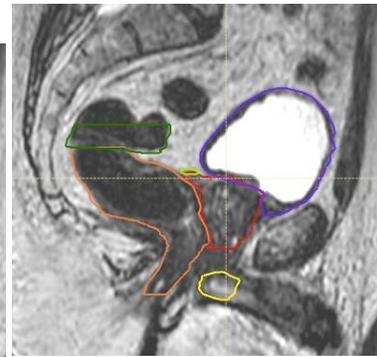
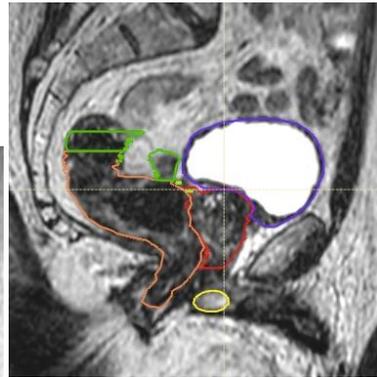
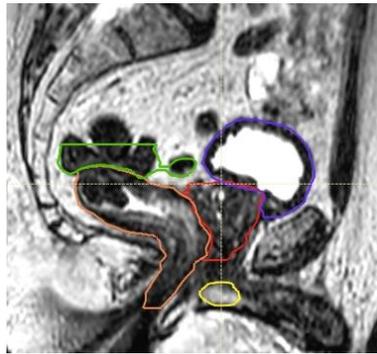
- What we can currently see when we turn the beam on



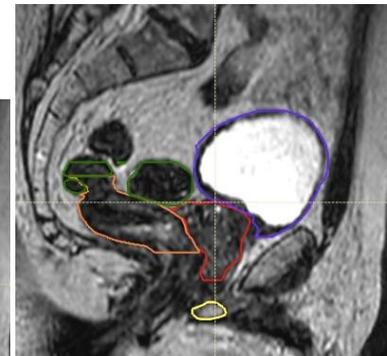
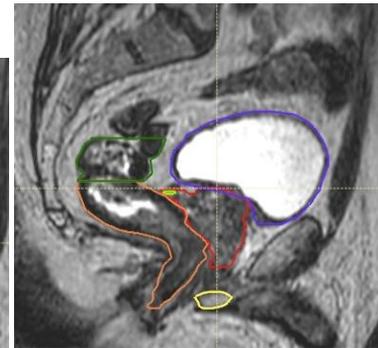
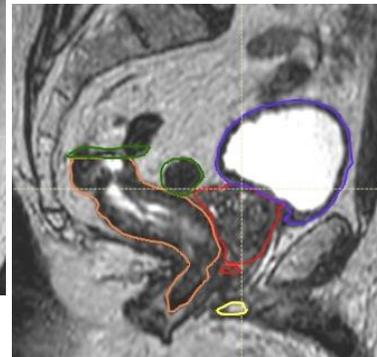
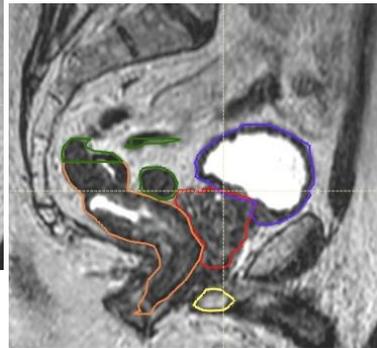
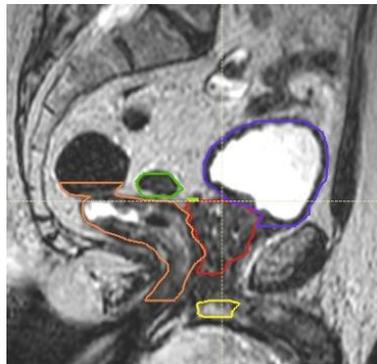
Four key advantages to Elekta Unity:

4. Change the dose whenever the anatomy changes





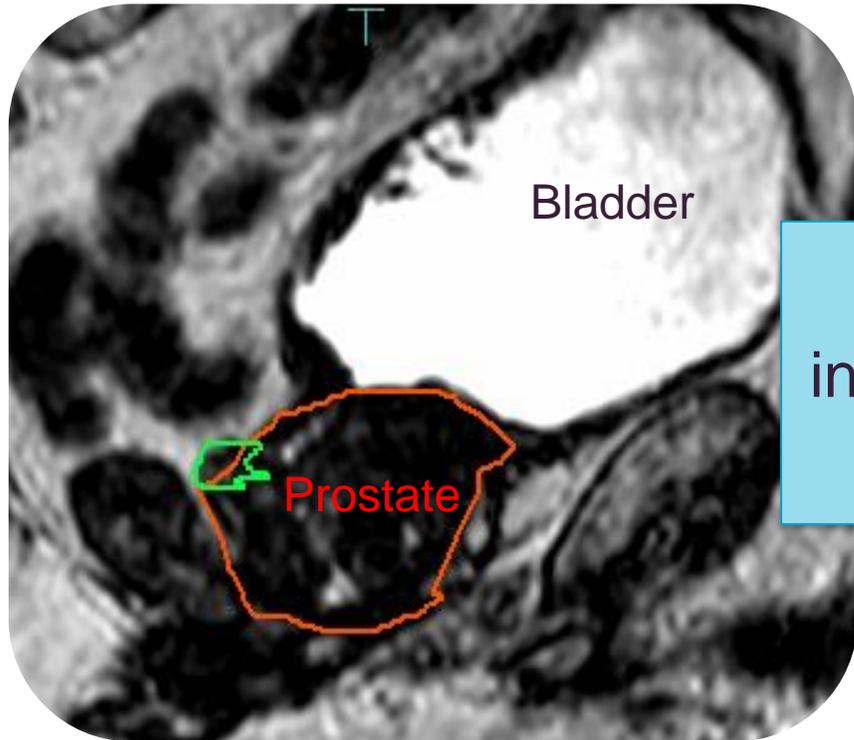
Variable anatomy
*Verification MRI shown here
from first 10 fractions*



MR-Linac therapy increased dose to tumour by 6-10%, with no change in healthy tissue doses.

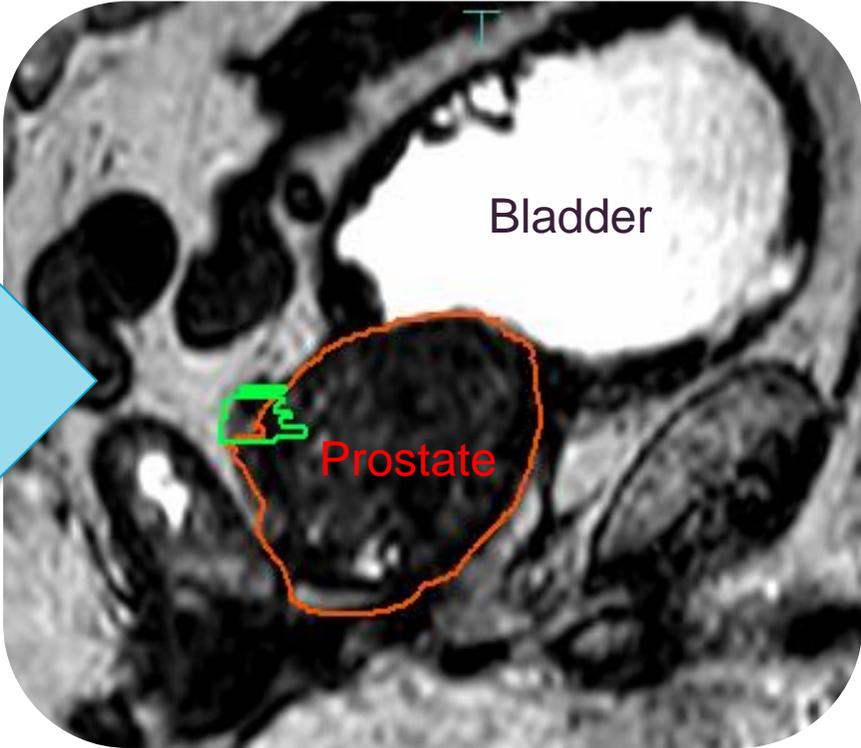


Unity has helped us understand radiotherapy better



1st day of treatment
82 cm³

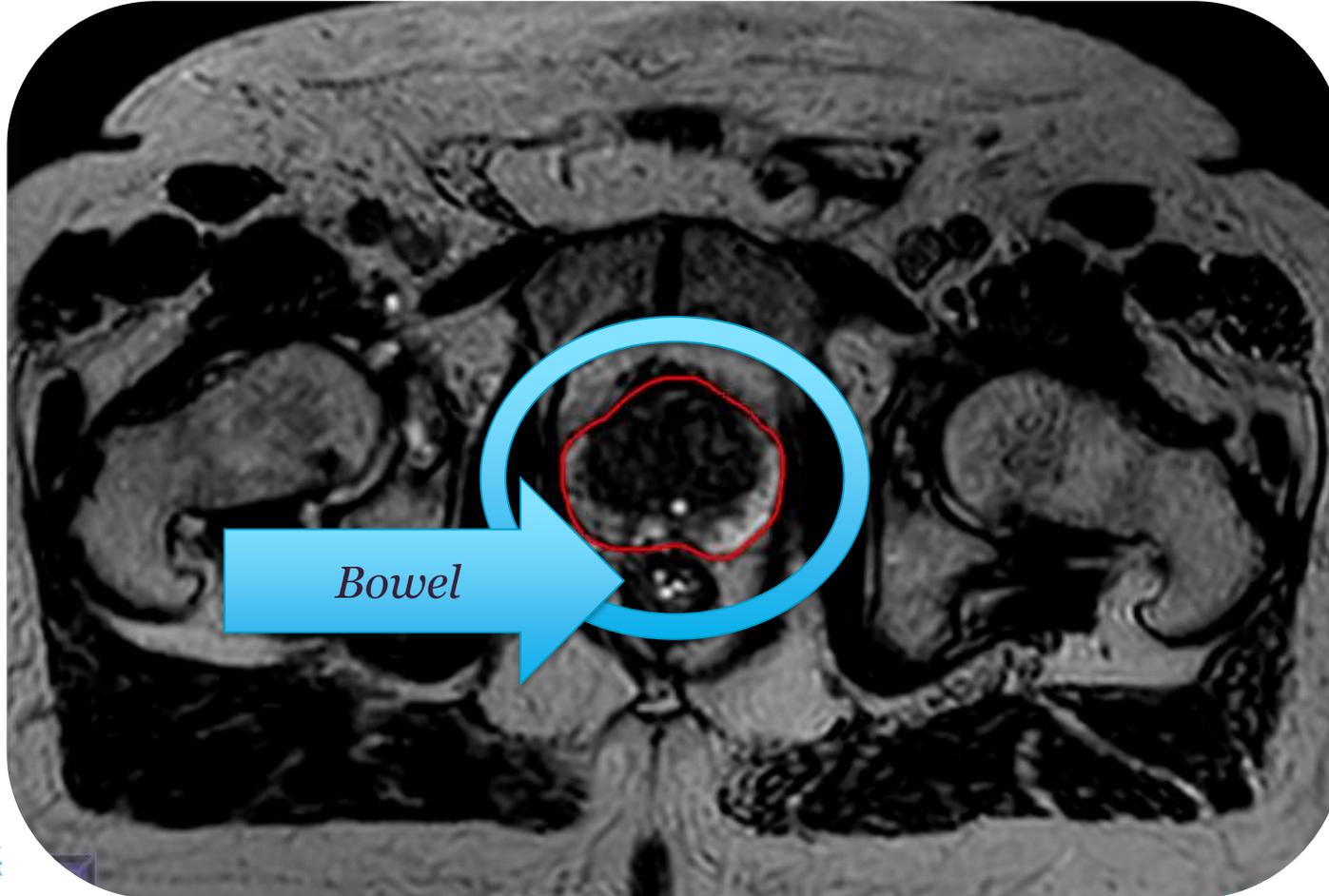
21%
increase in
volume



5th day of treatment
111 cm³



Allow FUNDAMENTAL change in how we deliver radiotherapy - no margins



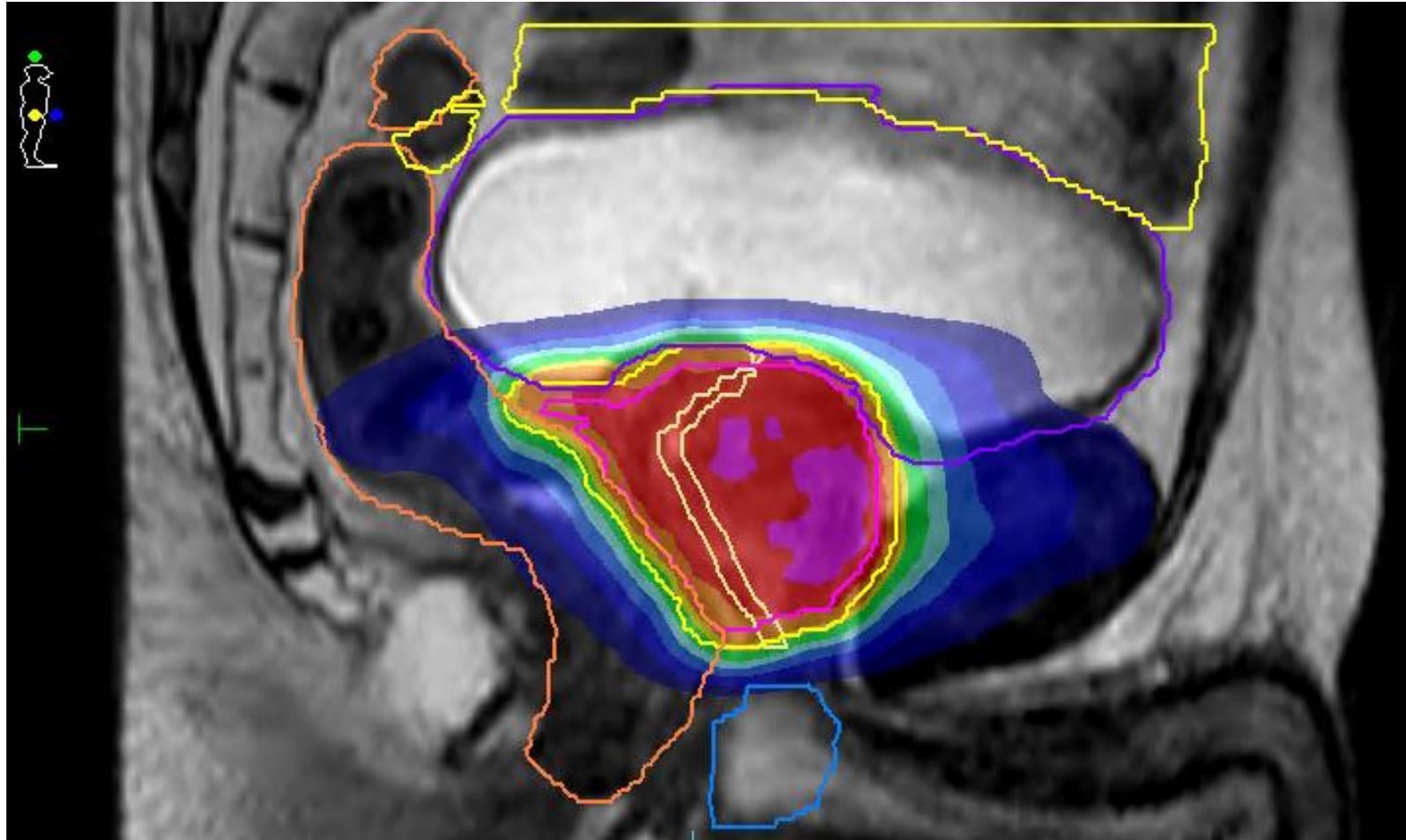
We need “margins” because:

- The prostate can swell
- The prostate can move
- The patient could wriggle
- The cancer can change



Where does the Unity enable us to go in prostate cancer?



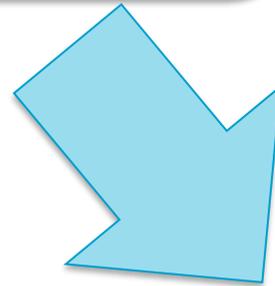
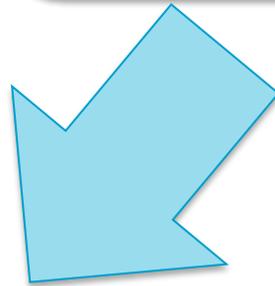


4600.0
4300.0
4000.0
3625.0
3440.0
3000.0
2600.0
2000.0
1400.0
800.0





HERMES clinical
study
Royal Marsden

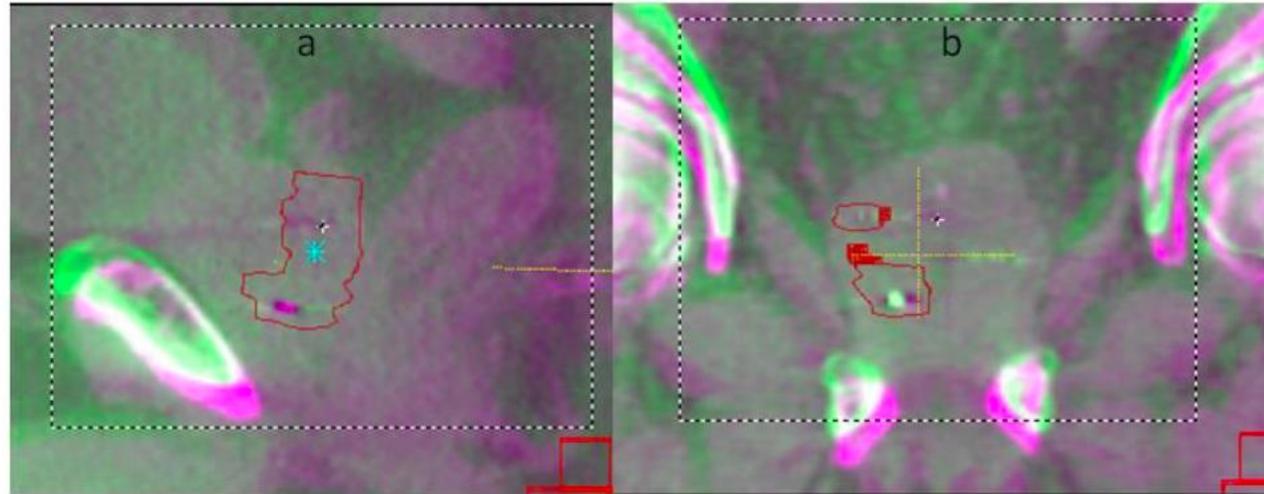


5 Unity treatments

2 Unity treatments



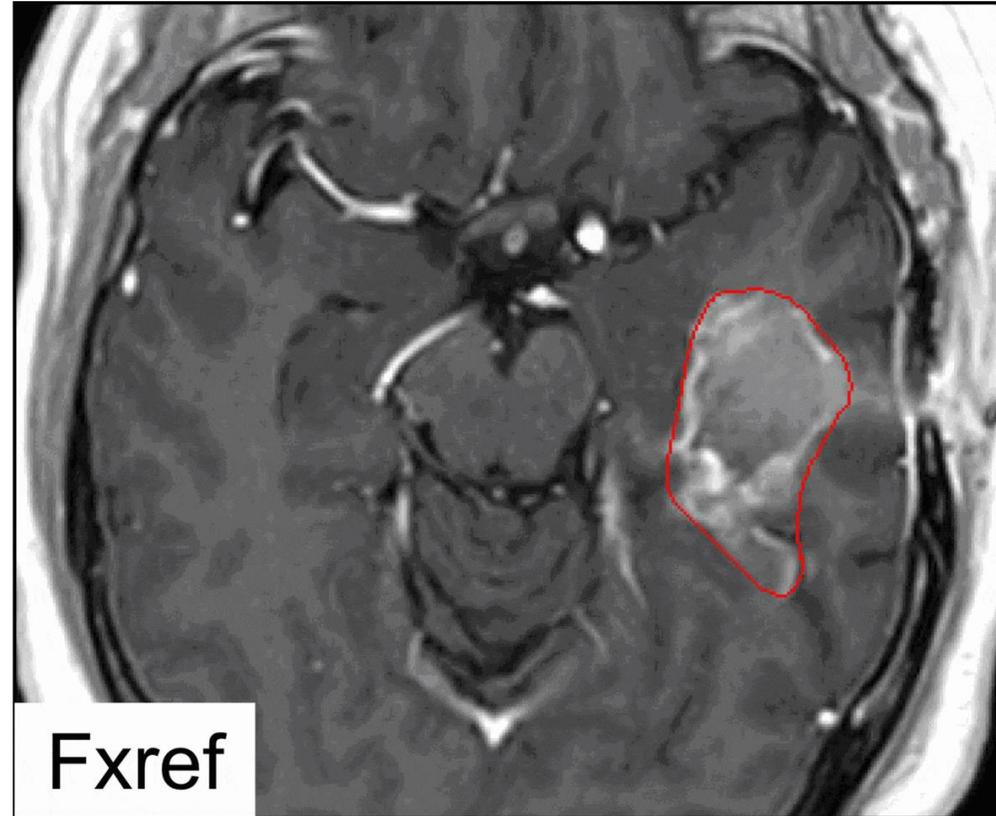
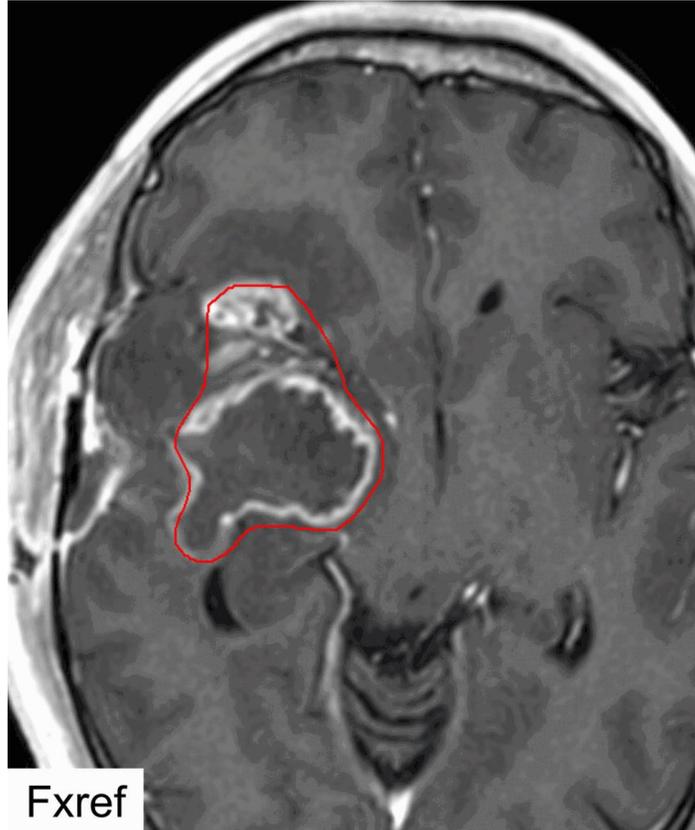
If you only get two chances to get it right, which machine do you want your treatment on?



- Sub-optimal targeting on a CT-based radiotherapy machine
- Needs gold seeds inserted
- Needs bigger margins for error so more healthy tissue irradiated
- No way of accounting for swelling



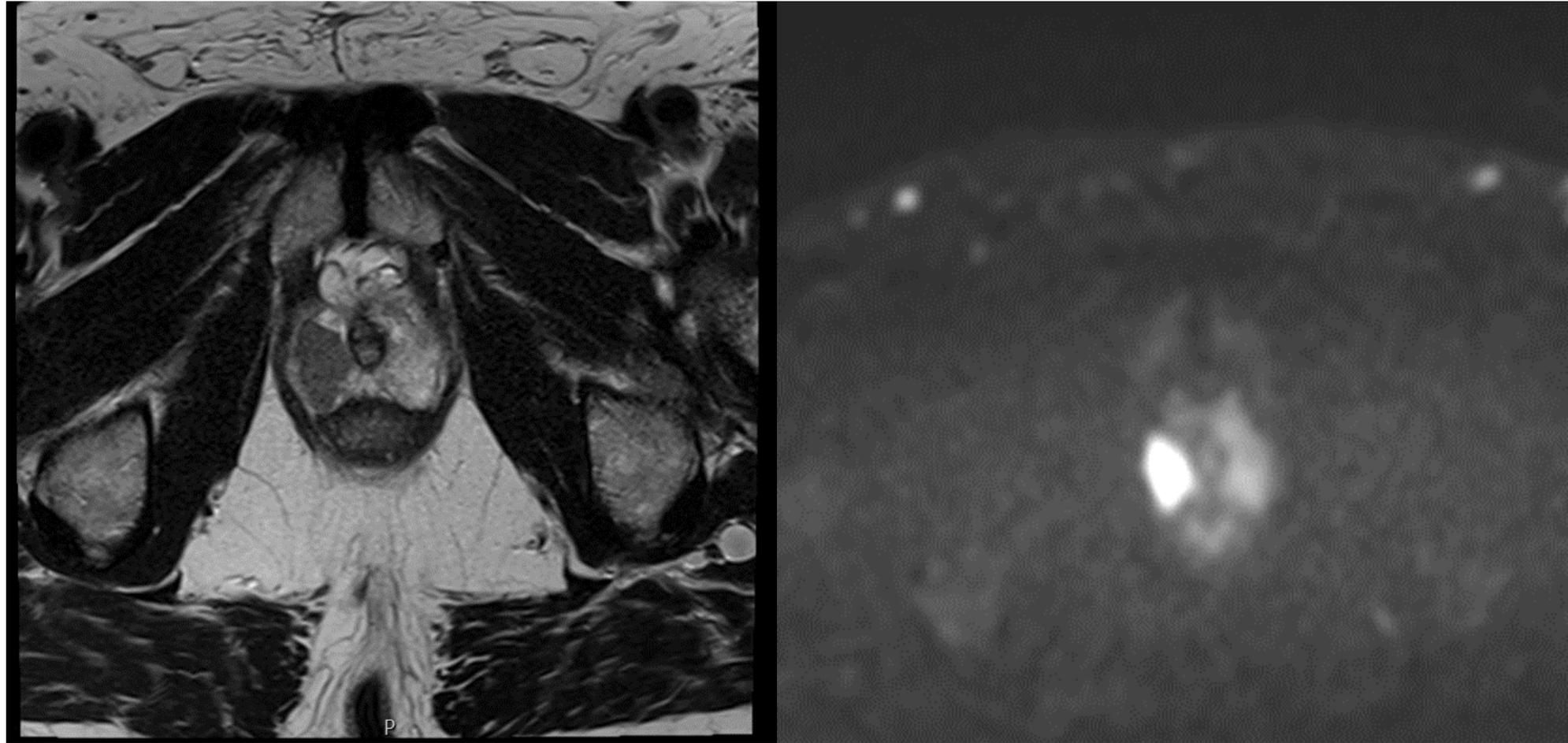
It's not just about prostate cancer



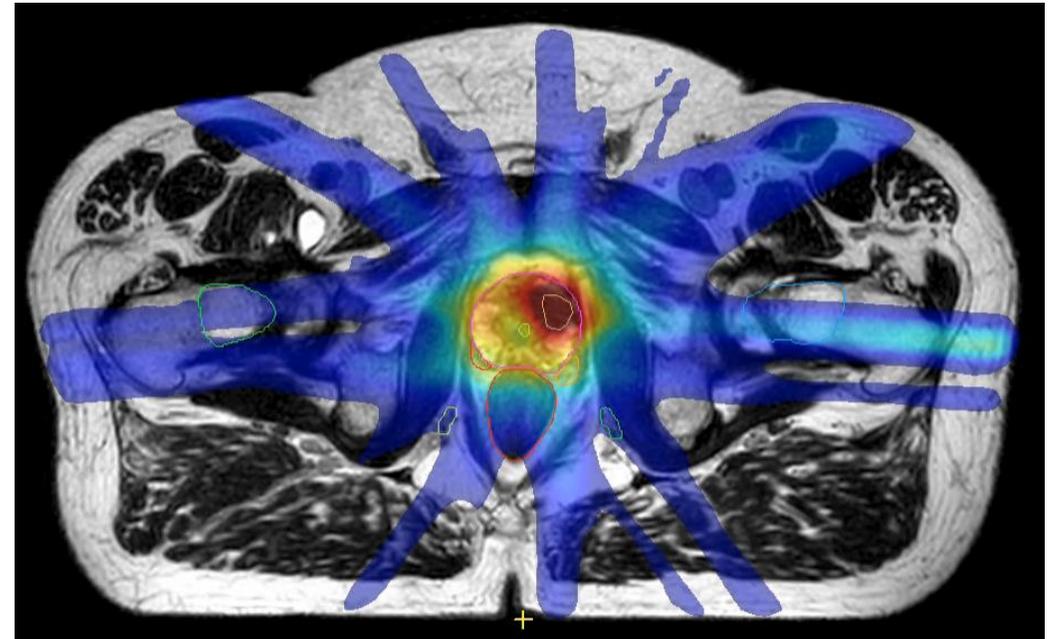
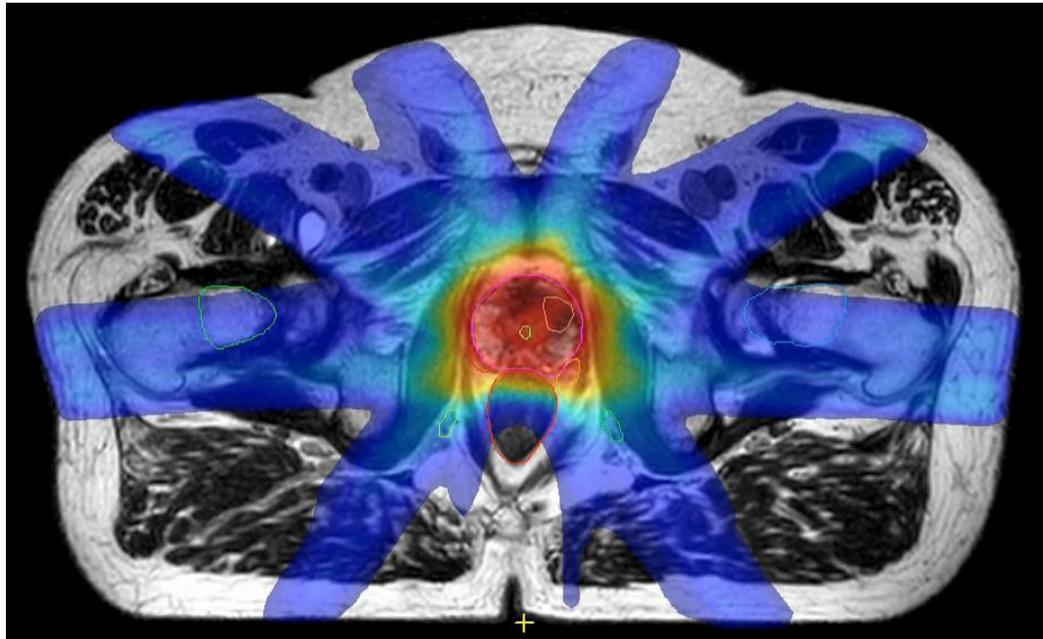
*Images courtesy of Dr Jay Detsky
Toronto, Canada*



Opens up new possibilities - biological imaging



Next paradigm shift... putting the dose where it really matters



Images courtesy of Thijs Dassen, NKI



Imagine the perfect system for curing cancer with radiotherapy

- Start radiotherapy immediately – **no waiting**
- See cancer **clearly** before and during treatment
- **Change plan** as often as the internal anatomy moves
- **Few** fractions
- **No** side effects

Unity simulation-free radiotherapy

Unity diagnostic quality MRI images

Adaptive radiotherapy

Facilitated by superior treatment accuracy

Working on it!



Thank you

**CHANGE WILL NOT COME IF WE
WAIT FOR SOME OTHER PERSON
OR SOME OTHER TIME
WE ARE THE ONES
WE'VE BEEN WAITING FOR
WE ARE THE CHANGE
THAT WE SEEK**

BARACK OBAMA



Availability of Care



Elekta has delivered on our promise to develop patient access in underserved markets

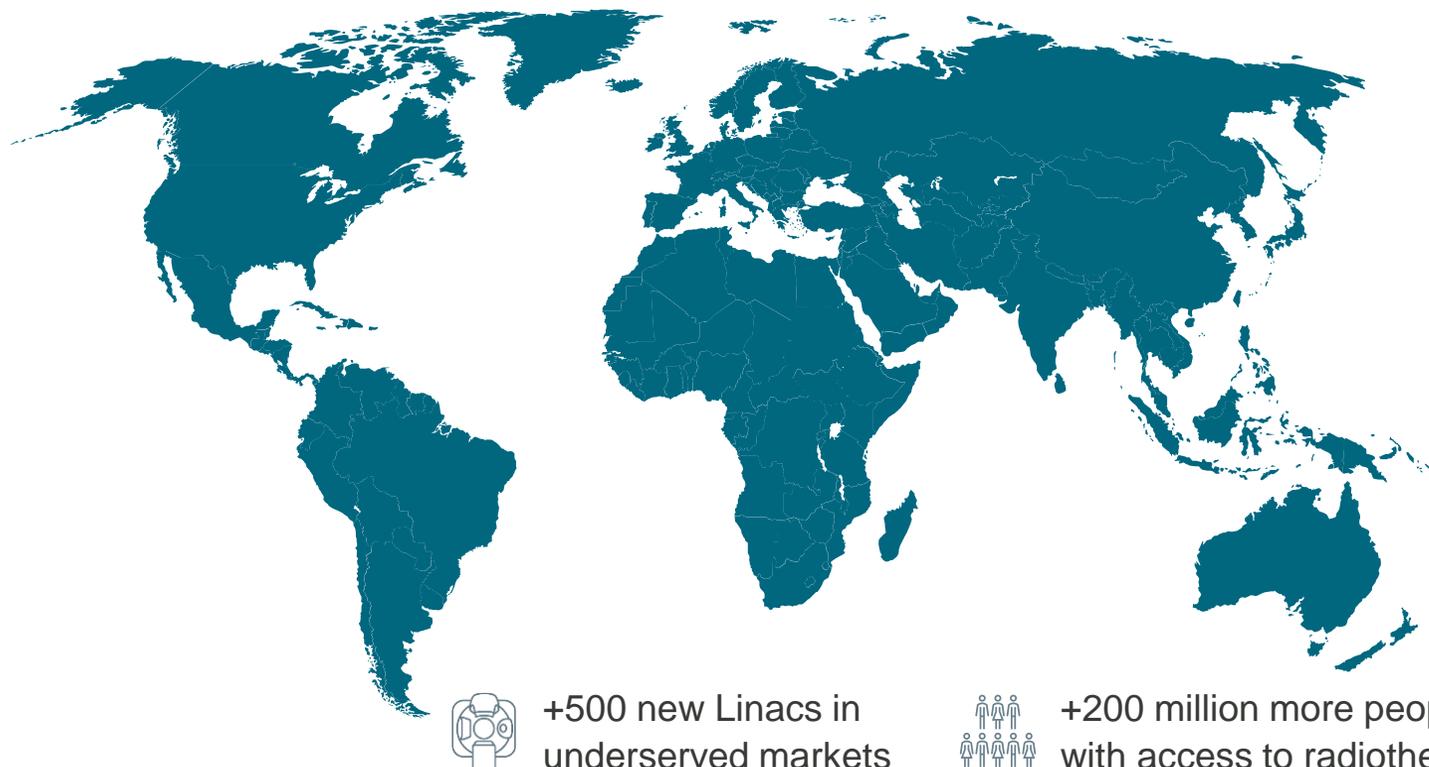
CMD
2023

Our promise from last CMD ...

Improving patient access through:

- ✓ Smart market coverage and local presence
- ✓ Develop human capital
- ✓ Partnering with Ministries of Health
- ✓ Partnering with private actors and investors
- ✓ Right products for market

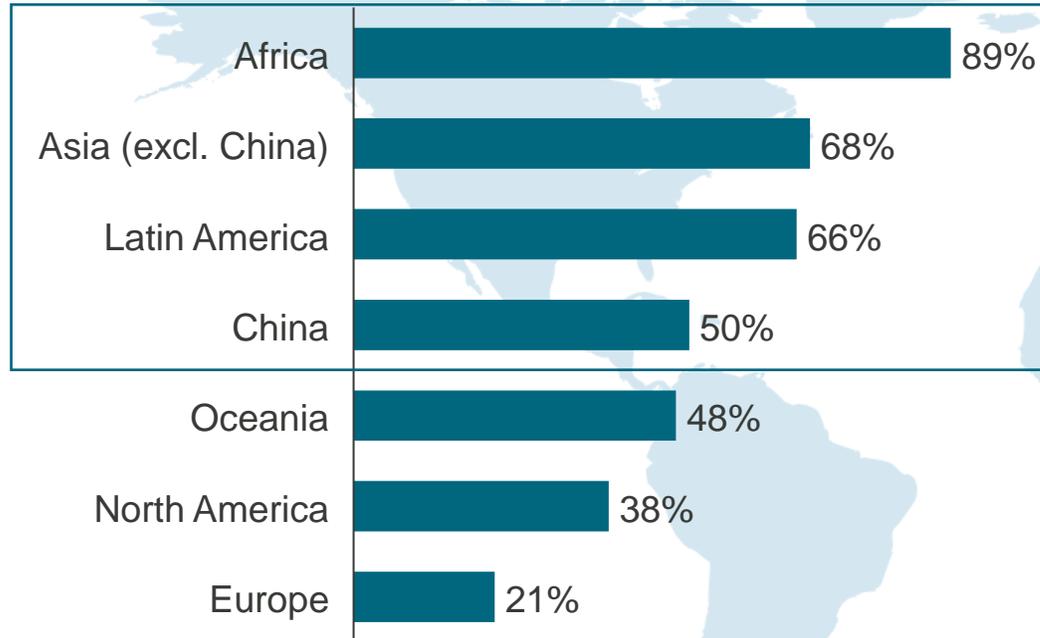
... realized around the globe



Markets with highest cancer incidence growth also have largest demand for radiotherapy

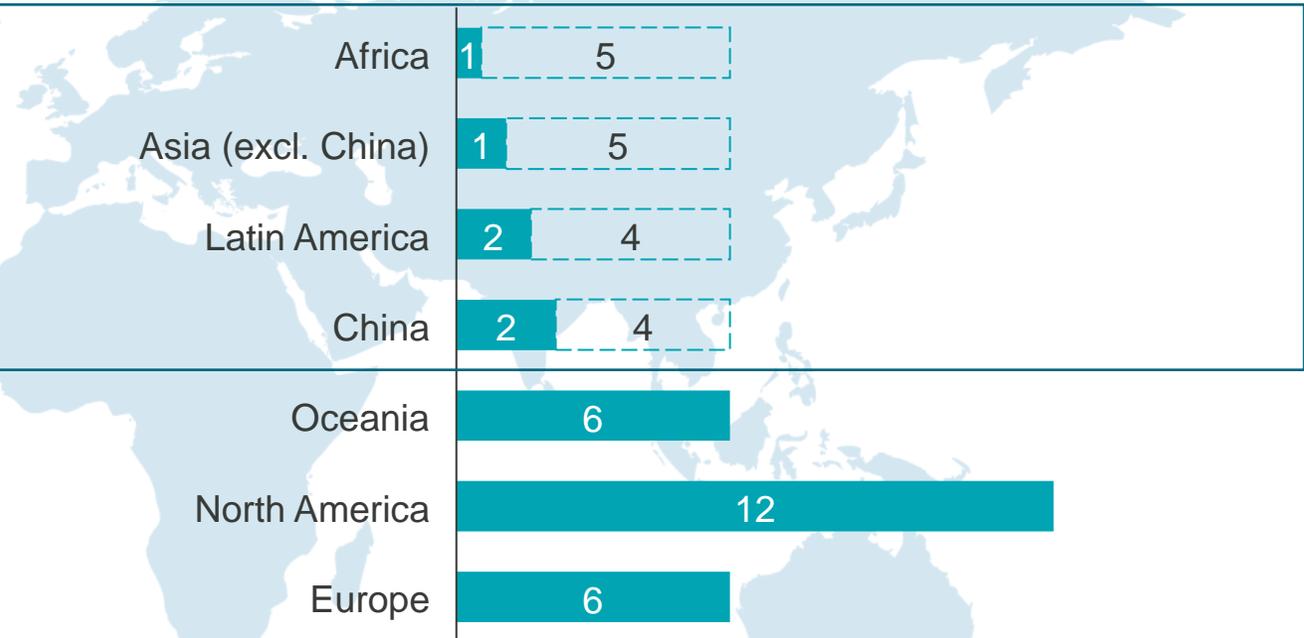
Large opportunity to close the availability gap with greenfield installations in emerging markets

Cancer incidence growth (2020-2040)



■ Incidence growth

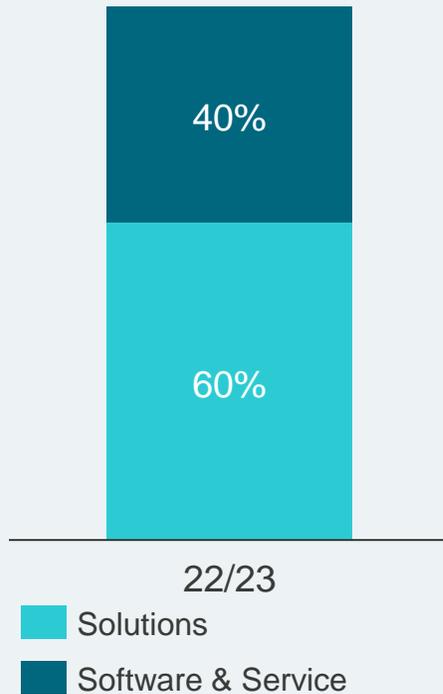
RT systems per million population



■ Access □ Growth potential (reaching Europe's access level)

The potential of the underserved markets will allow for growth in our most profitable areas

Software and Service make up ~40 % of revenue...



... and will continue to grow because of the following drivers

Accelerate our local market presence

- Driving Elekta's full offering (incl. Service and Software) to new and existing customers

Capture large service potential

- Leveraging new greenfield installed base

Focus on SaaS

- Driving margins from increased SaaS business

Strengthen our partnerships

- Enabling larger reach

Drive adoption of advanced technologies

- Elevating care in mature pockets

SW & SERVICE

SOLUTIONS

ACCESS 2025 Strategy

CMD
2023

Accelerate **innovation** with customer utilization in mind



A world where everyone has **access** to the **best** cancer care

Drive partner **integration** across the cancer care ecosystem



Be the **customer** lifetime companion



Drive **adoption** across the globe



People

Resilience and Process Excellence across the value chain

Delivered in a sustainable way

SaaS and Elekta ONE



From first SaaS order to 15% of OIS software orders in two years laid foundation for launch of...



Elekta ONE



Elekta ONE primarily to be offered in the software subscription model

Elekta ONE offers a strong SaaS commercial model

CMD
2023

Elekta ONE: Customer benefits



ONE platform with all the solutions

- Software packages with tiered functionality
- Support the open software ecosystem
- Streamlined workflow



Allows clinicians to focus on treating patients

- Clear pricing
- Single Service Agreement
- Lower investment risk for customers



Customers always up to date

- Unlimited user licenses
- Updates to latest versions, no upgrade fees
- Easier IT lift



*Up to 50% cost reduction
per treatment*

Elekta's increased SaaS focus brings commercial benefits, increased efficiencies, and cost savings



Elekta ONE: Business implications



Long-term stable revenue and margin expansion

- Increased value and revenue per customer – 80% revenue increase per customer converting to SaaS
- Increased customer retention – Zero attrition to date



Operational efficiencies

- Low effort to add new solutions on Elekta ONE platform
- Contract renewal is a commercial event to drive SaaS



Cost savings

- Focusing on core competences while partnering with industry leaders
- Predictive and proactive support increases predictability

Increased market share, improved operations, strong revenue growth and margin contribution going forward



Customer traction in both mature and growth markets is validating the vision behind Elekta ONE



Dr. Shantanu Dhar
HealthCare Global Enterprises
Bengaluru, Karnataka, India



200,000+ patients treated per year



270+ oncologists working in their hospitals



24 locations across India

“Elekta’s software solution is a one stop shop for our clinicians that helps standardize workflow across all our hospitals, so that they can spend more time with our patients”

US Market



Elekta solves US customers' productivity challenges and creates a competitive edge in the market



Current market dynamics in the US

 >50% health systems reporting decreased financial performance¹

 5x spend on contract labor due to workforce shortages²

 3% decrease in cancer mortality due to advancements in novel therapies³



Investments in productivity

<p>Elekta Care 360</p>   	<p>SaaS</p>    
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Differentiated advanced therapies

<p>Gamma Knife</p> 	<p>Brachy</p> 	<p>Unity</p> 
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1. Kaufman Hall the Current State of Hospital Finances 2. "A Special Workforce Edition of the National Hospital Flash Report," Kaufman Hall, May 2022; "Nursing in 2021: Retaining the healthcare workforce when we need it most," McKinsey, 2021 3. NIH Annual Report to the Nation: Cancer deaths continue downward trend

Going forward, we see three keys areas to drive market share growth



Improved customer productivity

Delivering productivity improvements via software, new-standard-of-care RT technologies, service, and education

Differentiated advanced therapies

Market adoption MR Linac, Adaptive CT-Linac, Brachy program opportunities, and provide the latest Gamma Knife

Accelerated market approach

Leveraging our partnerships with large imaging partners enterprise accounts and focusing on competitive market share growth



CMD 2023