

April – June 2023

Comments from Mattias Perjos, CEO

Growth overshadowed by challenges in two product categories

“Getinge’s sales increased organically by 1.3% during the quarter, due to the positive performance of Surgical Workflows, while the order intake fell by 4.5%. Most of the operations in Acute Care Therapies performed positively, but quality and supply challenges in the product categories of Cardiac Assist and Cardiopulmonary impacted adjusted EBITA by approximately SEK -400 M, which we announced in June. This is a top priority, and we are starting to see positive effects from the hard work. The CE certificate for our aortic balloon pump was reinstated in mid-July. In addition, we have received an extended exemption in Germany that allows us to continue to deliver our unique HLS/PLS sets for ECMO treatment without CE marking, and from the middle of the third quarter, we will start to scale up deliveries of our intra-aortic balloon catheter – one of the products that has had noticeably negative impact on sales and earnings in the quarter.

Sales for Surgical Workflows remained positive, while order intake was slightly lower following a period of robust performance. Life Science grew in its offering to traditional pharma but persisting soft demand in the biopharma segment impacted sales and the adjusted EBITA margin negatively for the business area.

The Group’s sales, margins and cash flow were negatively impacted by challenges in Acute Care Therapies, an unfavorable product mix and inflation that particularly affected Surgical Workflows and large parts of Life Science. We intensify our efforts to make operations more cost-effective, not least in purchasing where we see good opportunities for improvement.

Our efforts to create increased value for our customers continue. As an example, a study of the implementation of Getinge’s planning tool, Torin OR Management, at Klinikum Stuttgart shows that the utilization ratio in the operating rooms increased by 6%. Such an increase is significant since the operating room is the economic engine of the hospital. In the quarter we signed an agreement to acquire High Purity New England, Inc. which has a strong position in single-use solutions for bioprocessing applications. After the end of the quarter, we received FDA 510(k) approval for the ICU ventilator Servo-air® Lite.

I look forward to the quarters ahead, focusing on acting on the challenges in Acute Care Therapies, improving productivity and creating more value for our customers in their work to deliver more and better care to more patients.”

April – June 2023 in brief

- Net sales increased organically by 1.3% and the order intake declined by 4.5% organically.
- Adjusted gross profit amounted to SEK 3,314 M (3,355) and the margin was 46.2% (50.3).
- Adjusted EBITA amounted to SEK 495 M (956) and the margin was 6.9% (14.3).
- Adjusted earnings per share amounted to SEK 1.09 (2.33).
- Free cash flow amounted to SEK 276 M (129).
- After the end of the quarter:
 - The FDA granted 510(k) clearance for the ICU ventilator Servo-air® Lite.
 - The competent authority in Germany decided to extend the national exemption allowing the supply of HLS/PLS sets for ECMO treatment without CE marking from September 2023 to July 2024.
 - The notified body for certification services, TÜV SÜD, has decided to reinstate the CE-certificate for Getinge’s Intra-Aortic Balloon pump Cardiosave.

January – June 2023 in brief

- Net sales increased organically by 4.3% and the order intake declined by 0.9% organically.
- Adjusted gross profit amounted to SEK 7,047 M (6,616) and the margin was 49.2% (51.5).
- Adjusted EBITA amounted to SEK 1,467 M (1,794) and the margin was 10.2% (14.0).
- Adjusted earnings per share amounted to SEK 3.43 (4.45).
- Free cash flow amounted to SEK -424 M (549).

Outlook 2023: Net sales for 2023 are expected to increase by 2-5% organically. (Unchanged outlook)

Summary of financial performance¹⁾

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Order intake | 7,356 | 7,246 | 14,831 | 14,018 | 29,621 |
| <i>Organic change, %</i> | <i>-4.5</i> | <i>-5.0</i> | <i>-0.9</i> | <i>-4.7</i> | <i>-5.3</i> |
| Net sales | 7,176 | 6,670 | 14,317 | 12,853 | 28,292 |
| <i>Organic change, %</i> | <i>1.3</i> | <i>-7.5</i> | <i>4.3</i> | <i>-6.9</i> | <i>-5.4</i> |
| Adjusted gross profit | 3,314 | 3,355 | 7,047 | 6,616 | 14,361 |
| <i>Margin, %</i> | <i>46.2</i> | <i>50.3</i> | <i>49.2</i> | <i>51.5</i> | <i>50.8</i> |
| Adjusted EBITDA | 902 | 1,350 | 2,283 | 2,585 | 5,891 |
| <i>Margin, %</i> | <i>12.6</i> | <i>20.2</i> | <i>15.9</i> | <i>20.1</i> | <i>20.8</i> |
| Adjusted EBITA | 495 | 956 | 1,467 | 1,794 | 4,281 |
| <i>Margin, %</i> | <i>6.9</i> | <i>14.3</i> | <i>10.2</i> | <i>14.0</i> | <i>15.1</i> |
| Adjusted EBIT | 442 | 913 | 1,363 | 1,710 | 4,096 |
| <i>Margin, %</i> | <i>6.2</i> | <i>13.7</i> | <i>9.5</i> | <i>13.3</i> | <i>14.5</i> |
| Operating profit (EBIT) | 383 | 911 | 1,284 | 1,691 | 3,626 |
| <i>Margin, %</i> | <i>5.3</i> | <i>13.7</i> | <i>9.0</i> | <i>13.2</i> | <i>12.8</i> |
| Profit before tax | 305 | 867 | 1,130 | 1,615 | 3,472 |
| Net profit for the period | 216 | 611 | 809 | 1,149 | 2,516 |
| Adjusted net profit for the period | 299 | 644 | 942 | 1,224 | 2,994 |
| <i>Margin, %</i> | <i>4.2</i> | <i>9.7</i> | <i>6.6</i> | <i>9.5</i> | <i>10.6</i> |
| Adjusted earnings per share, SEK | 1.09 | 2.33 | 3.43 | 4.45 | 10.90 |
| Earnings per share, SEK | 0.79 | 2.21 | 2.94 | 4.17 | 9.15 |
| Cash flow from operating activities | 649 | 424 | 222 | 1,070 | 3,367 |
| Free cash flow | 276 | 129 | -424 | 549 | 2,261 |

¹⁾ See page 3 for calculations of adjusted performance measures.

Every care has been taken in the translation of this Financial Report. In the event of discrepancies, the Swedish original will supersede the English translation.

- The lower organic order intake in Acute Care Therapies was mainly due to temporary quality and supply challenges in Cardiac Assist and a lower order intake in Critical Care. Cardiopulmonary order intake was unchanged despite challenges related to packaging. China declined significantly in the quarter in Cardiac Assist and Cardiopulmonary.
- The lower organic order intake in Life Science was mainly the result of a weaker trend in washer-disinfectors and continuing soft demand in the biopharma segment. The performance in China was particularly weak in the quarter.
- The order intake for Surgical Workflows declined organically in steam sterilizers and washer-disinfectors, but increased slightly for other products.

- Organic net sales for Acute Care Therapies increased in all key product categories except for Cardiac Assist and Cardiopulmonary, which were impacted by the previously announced quality and supply challenges. The decline in China was significant. Net sales for all other product categories increased.
- A slight organic increase was noted in net sales for Life Science as a result of the strong performance in systems for steam sterilizers and washer-disinfectors. Net sales in products for customers in the biopharma segment continued to decline, with palpable decline in China.
- Surgical Workflows increased its net sales organically in all product categories and grew substantially in North America. The improved situation regarding the supply of components also contributed positively to sales and the backlog reduced considerably.
- The strong trend in Surgical Workflows contributed to the year-on-year organic increase in net sales in capital goods.

- Net sales increased by SEK 506 M, corresponding to 7.6%.
- Net sales from acquisitions accounted for SEK 9 M or 0.1%.
- Exchange rates had an impact of SEK 411 M on sales, corresponding to 6.2%.
- Volume, mix and price affected sales by a net SEK 85 M, corresponding to 1.3%.

Group performance

Order intake

| Order intake business areas, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|------------------------------------|--------------|--------------|-------------|---------------|---------------|-------------|---------------|
| Acute Care Therapies | 3,998 | 3,918 | -3.7 | 8,258 | 7,683 | 0.6 | 16,108 |
| Life Science | 930 | 1,009 | -14.3 | 1,852 | 1,994 | -13.5 | 3,932 |
| Surgical Workflows | 2,428 | 2,319 | -1.6 | 4,722 | 4,341 | 2.2 | 9,581 |
| Total | 7,356 | 7,246 | -4.5 | 14,831 | 14,018 | -0.9 | 29,621 |

| Order intake regions, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|-----------------------------|--------------|--------------|-------------|---------------|---------------|-------------|---------------|
| Americas | 3,341 | 2,978 | 4.7 | 6,272 | 5,632 | 2.3 | 11,826 |
| APAC | 1,439 | 1,713 | -17.5 | 3,195 | 3,471 | -10.6 | 7,248 |
| EMEA | 2,576 | 2,554 | -6.5 | 5,364 | 4,914 | 2.3 | 10,548 |
| Total | 7,356 | 7,246 | -4.5 | 14,831 | 14,018 | -0.9 | 29,621 |

Net sales

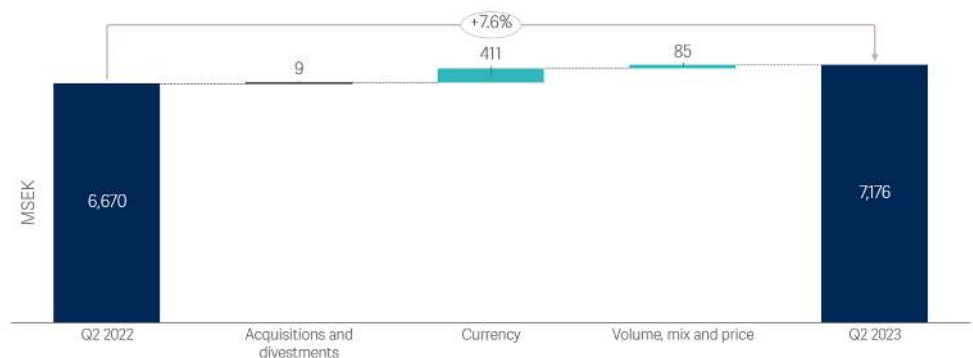
| Net sales business areas, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|---------------------------------|--------------|--------------|------------|---------------|---------------|------------|---------------|
| Acute Care Therapies | 3,602 | 3,598 | -5.4 | 7,598 | 7,082 | 0.4 | 15,285 |
| Life Science | 1,111 | 1,026 | 0.7 | 2,046 | 1,996 | -4.6 | 4,026 |
| Surgical Workflows | 2,463 | 2,047 | 13.4 | 4,673 | 3,775 | 16.2 | 8,981 |
| Total | 7,176 | 6,670 | 1.3 | 14,317 | 12,853 | 4.3 | 28,292 |

| Net sales regions, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|--------------------------|--------------|--------------|------------|---------------|---------------|------------|---------------|
| Americas | 3,024 | 2,650 | 6.7 | 5,965 | 5,187 | 5.6 | 11,467 |
| APAC | 1,514 | 1,676 | -11.9 | 3,134 | 3,129 | -3.0 | 6,695 |
| EMEA | 2,638 | 2,344 | 4.6 | 5,217 | 4,537 | 7.8 | 10,130 |
| Total | 7,176 | 6,670 | 1.3 | 14,317 | 12,853 | 4.3 | 28,292 |

| Net sales specified by capital goods and recurring revenue, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|---|--------------|--------------|------------|---------------|---------------|------------|---------------|
| Capital goods | 2,774 | 2,450 | 6.8 | 5,324 | 4,632 | 8.0 | 11,101 |
| Recurring revenue ¹⁾ | 4,401 | 4,221 | -1.9 | 8,993 | 8,221 | 2.2 | 17,191 |
| Total | 7,176 | 6,670 | 1.3 | 14,317 | 12,853 | 4.3 | 28,292 |

1) Consumables, service and spare parts

Net sales – bridge between Q2 2022 and Q2 2023



- Currency effects impacted adjusted gross profit by SEK 182 M and adjusted EBITA by SEK 2 M during the quarter.
- The gross margin fell as a result of lower volumes related to Cardiac Assist and Cardiopulmonary in Acute Care Therapies, and in products for customers in the biopharma segment in Life Science. This contributed to negative mix effects and low capacity utilization. The margin was also impacted negatively by inflation and currency effects. This was offset by price increases and activities to enhance productivity.
- Adjusted operating expenses increased by 20.3%. The organic increase was 11.8%. (For more information, see page 4).
- Adjusted EBITA declined by SEK 461 M compared with the year-earlier period and the margin fell by 7.4 percentage points.
- Net financial items amounted to SEK -78 M mainly as a result of higher net debt and higher average interest rates.

Earnings trend

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|----------------|----------------|----------------|----------------|----------------|
| Net sales | 7,176 | 6,670 | 14,317 | 12,853 | 28,292 |
| Adjusted gross profit | 3,314 | 3,355 | 7,047 | 6,616 | 14,361 |
| Margin, % | 46.2 | 50.3 | 49.2 | 51.5 | 50.8 |
| Adjusted operating expenses | -2,412 | -2,005 | -4,765 | -4,031 | -8,470 |
| Adjusted EBITDA | 902 | 1,350 | 2,283 | 2,585 | 5,891 |
| Margin, % | 12.6 | 20.2 | 15.9 | 20.1 | 20.8 |
| Depreciation, amortization and write-downs of intangible assets and tangible assets ¹⁾ | -407 | -395 | -816 | -791 | -1,610 |
| Adjusted EBITA | 495 | 956 | 1,467 | 1,794 | 4,281 |
| Margin, % | 6.9 | 14.3 | 10.2 | 14.0 | 15.1 |
| A Amortization and write-down of acquired intangible assets ¹⁾ | -53 | -43 | -104 | -84 | -185 |
| Adjusted EBIT | 442 | 913 | 1,363 | 1,710 | 4,096 |
| Margin, % | 6.2 | 13.7 | 9.5 | 13.3 | 14.5 |
| B Acquisition and restructuring costs | -60 | -2 | -79 | -19 | -228 |
| C Other items affecting comparability ²⁾ | - | - | - | - | -242 |
| Operating profit (EBIT) | 383 | 911 | 1,284 | 1,691 | 3,626 |
| Net financial items | -78 | -44 | -153 | -76 | -154 |
| Profit before tax | 305 | 867 | 1,130 | 1,615 | 3,472 |
| Adjusted profit before tax (adjusted for A, B and C) | 417 | 911 | 1,314 | 1,718 | 4,127 |
| Margin, % | 5.8 | 13.7 | 9.2 | 13.4 | 14.6 |
| Taxes | -88 | -255 | -321 | -466 | -956 |
| D Adjustment of tax ²⁾ | -30 | -12 | -50 | -28 | -177 |
| Adjusted net profit for the period (adjusted for A, B, C and D) | 299 | 644 | 942 | 1,224 | 2,994 |
| Margin, % | 4.2 | 9.7 | 6.6 | 9.5 | 10.6 |
| Of which, attributable to Parent Company shareholders | 296 | 636 | 934 | 1,212 | 2,969 |
| Average number of shares, thousands | 272,370 | 272,370 | 272,370 | 272,370 | 272,370 |
| Adjusted earnings per share, SEK (adjusted for A, B, C and D) | 1.09 | 2.33 | 3.43 | 4.45 | 10.90 |

1) Excluding items affecting comparability (see Note 3 for depreciation, amortization and write-downs).
2) See Note 5.

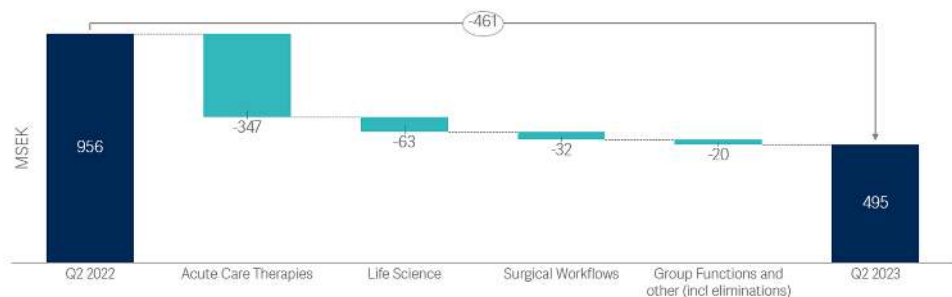
- Acute Care Therapies' adjusted EBITA declined by SEK 347 M mainly due to lower sales volumes in Cardiac Assist and Cardiopulmonary as well as inflation. Currency effects had a positive impact. The margin fell by 9.7 percentage points.
- Life Science's adjusted EBITA declined by SEK 63 M mainly due to lower sales in products for the biopharma segment and negative currency effects, and the margin fell by 7.0 percentage points.
- Surgical Workflows' adjusted EBITA fell by SEK 32 M due to product mix, higher inflation and negative currency effects. The margin fell by 2.2 percentage points.

Adjusted EBITA per business area¹⁾

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|--------------|--------------|--------------|--------------|--------------|
| Acute Care Therapies | 400 | 747 | 1,297 | 1,543 | 3,402 |
| Margin, % | 11.1 | 20.8 | 17.1 | 21.8 | 22.3 |
| Life Science | 114 | 177 | 247 | 380 | 650 |
| Margin, % | 10.2 | 17.2 | 12.1 | 19.0 | 16.1 |
| Surgical Workflows | 77 | 109 | 108 | 32 | 549 |
| Margin, % | 3.1 | 5.3 | 2.3 | 0.9 | 6.1 |
| Group functions and other (incl. eliminations) | -96 | -76 | -185 | -160 | -320 |
| Total | 495 | 956 | 1,467 | 1,794 | 4,281 |
| Margin, % | 6.9 | 14.3 | 10.2 | 14.0 | 15.1 |

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Adjusted EBITA – bridge between Q2 2022 and Q2 2023



- Adjusted operating expenses increased by 20.3%, mainly due to negative currency effects and higher costs for purchases of services, salaries and variable remuneration, and higher costs for managing challenges in Cardiac Assist and Cardiopulmonary in Acute Care Therapies.

- Operating expenses increased organically by 11.8%.
- The negative effect of other operating income and expenses was mainly attributable to currency effects related to operating receivables and liabilities in foreign currency.

- Exchange-rate fluctuations (translation and transaction effects) impacted adjusted gross profit by SEK 182 M compared with last year, of which SEK 197 M in translation effects and SEK -15 M in transaction effects and hedging outcome.

- The change in adjusted EBITA related to currency effects is explained by translation effects of SEK 32 M and the net of transaction effects, hedging outcome and revaluation of operating receivables and liabilities in foreign currency of SEK -29 M.

- Free cash flow was impacted by a lower operating profit for the quarter.
- The change in working capital was mainly the result of lower accounts receivable and a slightly higher level of liabilities.
- The financial position remains solid, with a low share of net interest-bearing debt in relation to EBITDA.

- R&D expenditure was slightly higher than in the corresponding period last year as a result of increased activity, inflation and currency effects.
- Capitalized development costs increased by approximately 40% compared to the same period last year.

Adjusted operating expenses

(excluding depreciation, amortization and write-downs and other items affecting comparability)¹⁾

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Selling expenses | -1,187 | -1,078 | -2,369 | -2,130 | -4,424 |
| Administrative expenses | -953 | -742 | -1,832 | -1,478 | -3,060 |
| Research and development costs | -256 | -254 | -538 | -496 | -1,001 |
| Other operating income and expenses | -17 | 68 | -26 | 72 | 15 |
| Total | -2,412 | -2,005 | -4,765 | -4,031 | -8,470 |

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Currency impact

| SEK M | Apr-Jun 2023 | Jan-Jun 2023 |
|-----------------------|--------------|--------------|
| Net sales | 411 | 892 |
| Adjusted gross profit | 182 | 469 |
| Adjusted EBITDA | 27 | 196 |
| Adjusted EBITA | 2 | 148 |
| Adjusted EBIT | -1 | 141 |

Cash flow and financial position¹⁾

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|--------------|--------------|--------------|--------------|--------------|
| Cash flow before changes in working capital | 474 | 991 | 1,540 | 1,884 | 4,610 |
| Changes in working capital | 175 | -568 | -1,318 | -813 | -1,243 |
| Net investments in non-current assets | -373 | -295 | -646 | -522 | -1,106 |
| Free cash flow | 276 | 129 | -424 | 549 | 2,261 |
| Net interest-bearing cash/debt | | | 5,003 | 3,861 | 2,602 |
| <i>In relation to adjusted EBITDA¹⁾ R12M, multiple</i> | | | <i>0.9</i> | <i>0.6</i> | <i>0.4</i> |
| Net interest-bearing cash/debt, excl. pension provisions | | | 2,460 | 1,242 | 148 |
| <i>In relation to adjusted EBITDA¹⁾ R12M, multiple</i> | | | <i>0.4</i> | <i>0.2</i> | <i>0.0</i> |

1) See Note 5 for items affecting comparability and Note 7 for alternative performance measures.

Research and development

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|--------------|--------------|--------------|--------------|---------------|
| Research and development costs | -424 | -373 | -845 | -726 | -1,486 |
| Amortization, depreciation and write-downs | -14 | -11 | -29 | -23 | -172 |
| Research and development costs, gross | -439 | -385 | -874 | -749 | -1,658 |
| <i>In relation to net sales, %</i> | <i>6.1</i> | <i>5.8</i> | <i>6.1</i> | <i>5.8</i> | <i>5.9</i> |
| Capitalized development costs | 169 | 120 | 307 | 231 | 473 |
| <i>In relation to net sales, %</i> | <i>2.4</i> | <i>1.8</i> | <i>2.1</i> | <i>1.8</i> | <i>1.7</i> |
| Research and development costs, net | -270 | -265 | -566 | -519 | -1,185 |
| Amortization and write-down of capitalized development costs¹⁾ | -87 | -89 | -174 | -181 | -593 |

1) Capitalized development projects

Sustainability developments

Getinge's sustainability framework covers the focus areas of Quality Culture, Passionate Employees, Environmental & Social Engagement and Business Ethics & Responsible Leadership. The aim is to generate sustainable value for customers, employees and other stakeholders. At the Capital Markets Day in November 2021, targets were set for the four focus areas and Getinge reports on its quarterly performance in the relevant indicators presented below.

- The trend in the improved customer quality index was mainly due to the higher number of open complaints, and an increase in corrective measures compared with prior quarters.
- Carbon emissions, energy consumption and share of renewable energy are continuing to perform in a positive direction due to ongoing improvements in the operations. Also in the quarter, one of the larger production units reported the purchase of international renewable energy certificate (iREC) for all of 2023. Under the GHG Protocol and SBTi, iRECs can be used to reduce the amount of carbon emissions, which means that this can also be included in reporting. As a result, the reported Scope 1 and 2 GHG emissions and the share of renewable energy have changed significantly in the first half of 2023 compared with the same period last year.

| Key areas | R12 Jun 2023 | Jan-Dec 2022 |
|--|--------------|--------------|
| Quality Culture | | |
| Improved customer quality index (%) ¹⁾ | 61 | 64 |
| Online customer training (training courses) | 52,511 | 52,328 |
| Passionate Employees | | |
| Sick leave (%) ³⁾ | 3.2 | 3.2 |
| Percentage of female employees (%) ³⁾ | 37 | 37 |
| Percentage of female managers (%) ³⁾ | 34 | 33 |
| Environmental & Social Engagement | | |
| Scope 1 & 2 GHG emissions (ton CO ₂ equivalents) ²⁾ | 5,720 | 7,667 |
| Total energy consumption in production (MWh) | 76,263 | 78,540 |
| Percentage of renewable energy of total energy (%) | 68 | 60 |
| Percentage of recycled waste (%) | 45 | 48 |
| Business Ethics & Responsible Leadership | | |
| Percentage of employees who completed online training in business ethics (%) ³⁾ | 89 | 88 |

1) Based on regular internal surveys for which respondents rate their level of awareness about the quality strategy and commitment in relevant initiatives and changes to quality-related KPIs.

2) Carbon emissions from production. Scope 1, including emissions from oil and gas consumption, and Scope 2, including emissions from electricity, heating and cooling (in ton CO₂ equivalents)

3) Average for the period

Acute Care Therapies

Acute Care Therapies offers world-leading solutions for life support in acute health conditions. The offering includes solutions for cardiovascular procedures and a broad selection of products and therapies for intensive care.

- The lower organic order intake in Acute Care Therapies was mainly due to temporary quality and supply challenges in Cardiac Assist and a lower order intake in Critical Care.
- The performance was particularly weak in China, while order intake in North America was strong in all product categories except Cardiac Assist.

- Organic net sales for Acute Care Therapies increased in all key product categories except for Cardiac Assist and Cardiopulmonary, which were impacted by the previously announced quality and supply challenges. The development was markedly negative in China.

- Net sales for all other product categories increased during the quarter.
- Order bookings for deliveries in the current year are more than 20% higher than at the same time last year.

- The adjusted gross margin declined by 3.8 percentage points mainly due to lower sales volumes related to Cardiac Assist and Cardiopulmonary. The margin was also impacted by costs for an increased level of scrapping of HLS/PLS-sets being damaged during transport, as well as higher costs for input materials and personnel. This was offset by positive currency effects, price increases, a strong development in for example Critical Care, and continuing productivity enhancements.

- Adjusted operating expenses increased by 18.3% as a result of negative currency effects and increased operating expenses to manage the challenges in Cardiopulmonary and Cardiac Assist as well as higher costs for purchases of services, salaries and variable remuneration. Adjusted operating expenses increased organically by 10.8%.

- Lower adjusted gross profit and increased operating expenses contributed to a decline of SEK 347 M in adjusted EBITA compared with last year. The margin declined by 9.7 percentage points.

- Currency effects impacted sales by SEK 199, adjusted gross profit by SEK 125 M and adjusted EBITA by SEK 26 M.

Order intake and net sales

| Order intake regions, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|-----------------------------|--------------|--------------|-------------|--------------|--------------|------------|---------------|
| | Americas | 2,186 | 1,911 | 6.9 | 4,234 | 3,641 | 6.8 |
| APAC | 797 | 956 | -17.9 | 1,875 | 1,955 | -6.8 | 3,995 |
| EMEA | 1,016 | 1,051 | -10.1 | 2,149 | 2,088 | -3.4 | 4,391 |
| Total | 3,998 | 3,918 | -3.7 | 8,258 | 7,683 | 0.6 | 16,108 |

| Net sales regions, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|--------------------------|--------------|--------------|-------------|--------------|--------------|------------|---------------|
| | Americas | 1,832 | 1,755 | -2.2 | 3,738 | 3,475 | -1.2 |
| APAC | 764 | 905 | -17.0 | 1,737 | 1,679 | 0.4 | 3,510 |
| EMEA | 1,006 | 938 | -0.3 | 2,122 | 1,928 | 3.3 | 4,151 |
| Total | 3,602 | 3,598 | -5.4 | 7,598 | 7,082 | 0.4 | 15,285 |

| Net sales specified by capital goods and recurring revenue, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|---|---------------|--------------|-------------|--------------|--------------|------------|---------------|
| | Capital goods | 790 | 898 | -16.0 | 1,692 | 1,780 | -9.8 |
| Recurring revenue ¹⁾ | 2,812 | 2,699 | -1.9 | 5,905 | 5,303 | 3.9 | 11,186 |
| Total | 3,602 | 3,598 | -5.4 | 7,598 | 7,082 | 0.4 | 15,285 |

¹⁾ Consumables, service and spare parts

Earnings trend¹⁾

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|--------------|--------------|--------------|--------------|---------------|
| Net sales | 3,602 | 3,598 | 7,598 | 7,082 | 15,285 |
| Adjusted gross profit | 1,986 | 2,118 | 4,448 | 4,285 | 9,174 |
| Margin, % | 55.1 | 58.9 | 58.5 | 60.5 | 60.0 |
| Adjusted EBITDA | 617 | 960 | 1,733 | 1,972 | 4,274 |
| Margin, % | 17.1 | 26.7 | 22.8 | 27.8 | 28.0 |
| Depreciation, amortization and write-downs of intangible assets and tangible assets | -217 | -214 | -436 | -429 | -872 |
| Adjusted EBITA | 400 | 747 | 1,297 | 1,543 | 3,402 |
| Margin, % | 11.1 | 20.8 | 17.1 | 21.8 | 22.3 |

¹⁾ See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Events in the business area in the quarter

- A new Vice President was announced for the Cardiac Assist product category.
- Transition to new EU MDR proceeding according to plan. During the quarter, MDR approval was granted for ProAQT in hemodynamic monitoring and for the Intergard Silver graft.
- In June, Getinge informed about additional quality and supply challenges in Q2, specifically relating to products in Cardiac Assist and Cardiopulmonary. Getinge is actively working to resolve these challenges and estimates that they will be resolved toward the end of 2023/H1 2024, followed by an application for regulatory approval where necessary.

Life Science

Life Science offers a comprehensive range of equipment, technical expertise and consultation to prevent contamination in pharmaceutical and medical device production and with the aim to strengthen integrity of results in biomedical research.

- The lower organic order intake in Life Science was mainly the result of a weaker trend in washer-disinfectors and continuing soft demand in bioreactors. The performance in China was particularly weak in the quarter.
- The order intake increased in all product categories in Americas.

- A slight organic increase was noted in net sales for Life Science, mainly as a result of higher deliveries of steam sterilizers and washer-disinfectors in Americas and EMEA.
- Net sales in products for customers in the biopharma segment continued to decline year-on-year, particularly in China.
- The positive trend in the service business continued. However, total recurring revenue declined as a result of lower volumes of consumables targeted to the biopharma segment.

- The adjusted gross margin fell by 2.3 percentage points as a result of a negative product mix and higher costs for input goods, personnel and currency effects. Price increases contributed positively to the margin.
- Adjusted operating expenses increased by 36.0% as a result of negative currency effects and higher costs for purchases of services, salaries and variable remuneration. The organic increase was 22.5%.
- Adjusted EBITA declined by SEK 63 M and the margin fell by 7.0 percentage points as a result of a lower adjusted gross profit, higher adjusted operating expenses and negative currency effects.
- Currency effects impacted sales by SEK 78, adjusted gross profit by SEK 15 M and adjusted EBITA by SEK -11 M.

Order intake and net sales

| Order intake regions, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Americas | 451 | 379 | 11.3 | 738 | 752 | -9.4 | 1,367 |
| APAC | 93 | 231 | -61.0 | 195 | 478 | -60.9 | 860 |
| EMEA | 386 | 399 | -11.5 | 919 | 764 | 12.2 | 1,706 |
| Total | 930 | 1,009 | -14.3 | 1,852 | 1,994 | -13.5 | 3,932 |

| Net sales regions, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|--------------------------|--------------|--------------|------------|--------------|--------------|-------------|--------------|
| Americas | 386 | 354 | 1.6 | 726 | 671 | -0.7 | 1,447 |
| APAC | 207 | 228 | -13.7 | 373 | 452 | -21.0 | 858 |
| EMEA | 518 | 444 | 7.4 | 946 | 873 | 0.8 | 1,721 |
| Total | 1,111 | 1,026 | 0.7 | 2,046 | 1,996 | -4.6 | 4,026 |

| Net sales specified by capital goods and recurring revenue, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|---|--------------|--------------|------------|--------------|--------------|-------------|--------------|
| Capital goods | 589 | 470 | 16.8 | 1,037 | 893 | 8.1 | 1,940 |
| Recurring revenue ¹⁾ | 522 | 556 | -12.9 | 1,009 | 1,103 | -15.0 | 2,086 |
| Total | 1,111 | 1,026 | 0.7 | 2,046 | 1,996 | -4.6 | 4,026 |

1) Consumables, service and spare parts

Earnings trend¹⁾

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|--------------|--------------|--------------|--------------|--------------|
| Net sales | 1,111 | 1,026 | 2,046 | 1,996 | 4,026 |
| Adjusted gross profit | 390 | 384 | 788 | 802 | 1,548 |
| Margin, % | 35.1 | 37.4 | 38.5 | 40.2 | 38.5 |
| Adjusted EBITDA | 161 | 216 | 341 | 457 | 801 |
| Margin, % | 14.5 | 21.0 | 16.7 | 22.9 | 19.9 |
| Depreciation, amortization and write-downs of intangible assets and tangible assets | -47 | -39 | -94 | -78 | -151 |
| Adjusted EBITA | 114 | 177 | 247 | 380 | 650 |
| Margin, % | 10.2 | 17.2 | 12.1 | 19.0 | 16.1 |

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Events in the business area in the quarter

- Getinge signed an agreement to acquire 100% of the shares in High Purity New England, Inc. a leading US-based company in the areas of custom single-use solutions for bioprocessing applications.
- Getinge launched ISOPRIME, an isolator with comprehensive connectivity and traceability features, optimized for commonly occurring Sterile Transfer applications.

Surgical Workflows

Surgical Workflows offers products and solutions to serve as an end-to-end partner for optimizing the quality, safety and capacity usage of the sterile supply departments and operating rooms.

- The order intake for Surgical Workflows declined organically in steam sterilizers and washer-disinfectors but increased slightly for other products.
- The order intake was unchanged in the important North American market, despite highly challenging comparative figures.
- Surgical Workflows increased its net sales organically in all product categories and grew substantially in North America, which is in line with the business area's long-term ambition.
- The improved situation regarding the supply of components also contributed positively to sales of capital goods for the quarter and the backlog reduced considerably. Recurring revenue also increased organically, although not to the same extent.

- The adjusted gross margin fell by 3.6 percentage points primarily as a result of higher costs for input goods and personnel, and negative currency effects. This was offset by higher sales volumes, price increases and productivity improvements.
- Adjusted operating expenses increased by 19.0%, mainly due to acquisitions and currency effects as well as a higher level of activity in sales and higher costs for purchases of services, salaries and variable remuneration. Organically these expenses increased by 9.7%.
- Adjusted EBITA declined by SEK 32 M and the margin declined by 2.2 percentage points.
- Currency effects impacted sales by SEK 134 M, adjusted gross profit by SEK 43 M and adjusted EBITA by SEK -7 M.

Order intake and net sales

| Order intake regions, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|-----------------------------|--------------|--------------|-------------|--------------|--------------|------------|--------------|
| Americas | 703 | 688 | -5.2 | 1,300 | 1,240 | -3.9 | 2,737 |
| APAC | 550 | 526 | 2.4 | 1,125 | 1,038 | 5.4 | 2,392 |
| EMEA | 1,174 | 1,104 | -1.3 | 2,296 | 2,063 | 4.3 | 4,451 |
| Total | 2,428 | 2,319 | -1.6 | 4,722 | 4,341 | 2.2 | 9,581 |

| Net sales regions, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|--------------------------|--------------|--------------|-------------|--------------|--------------|-------------|--------------|
| Americas | 805 | 541 | 38.8 | 1,501 | 1,040 | 32.4 | 2,395 |
| APAC | 544 | 543 | -2.6 | 1,024 | 999 | -0.8 | 2,327 |
| EMEA | 1,114 | 963 | 8.1 | 2,149 | 1,736 | 16.3 | 4,259 |
| Total | 2,463 | 2,047 | 13.4 | 4,673 | 3,775 | 16.2 | 8,981 |

| Net sales specified by capital goods and recurring revenue, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Org Δ, % | Jan-Jun 2023 | Jan-Jun 2022 | Org Δ, % | Jan-Dec 2022 |
|---|--------------|--------------|-------------|--------------|--------------|-------------|--------------|
| Capital goods | 1,395 | 1,082 | 21.3 | 2,595 | 1,960 | 24.1 | 5,062 |
| Recurring revenue ¹⁾ | 1,068 | 965 | 4.4 | 2,078 | 1,815 | 7.7 | 3,919 |
| Total | 2,463 | 2,047 | 13.4 | 4,673 | 3,775 | 16.2 | 8,981 |

1) Consumables, service and spare parts

Earnings trend¹⁾

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|--------------|--------------|--------------|--------------|--------------|
| Net sales | 2,463 | 2,047 | 4,673 | 3,775 | 8,981 |
| Adjusted gross profit | 938 | 854 | 1,812 | 1,529 | 3,639 |
| <i>Margin, %</i> | <i>38.1</i> | <i>41.7</i> | <i>38.8</i> | <i>40.5</i> | <i>40.5</i> |
| Adjusted EBITDA | 218 | 248 | 389 | 311 | 1,127 |
| <i>Margin, %</i> | <i>8.8</i> | <i>12.1</i> | <i>8.3</i> | <i>8.2</i> | <i>12.5</i> |
| Depreciation, amortization and write-downs of intangible assets and tangible assets | -141 | -139 | -281 | -279 | -577 |
| Adjusted EBITA | 77 | 109 | 108 | 32 | 549 |
| <i>Margin, %</i> | <i>3.1</i> | <i>5.3</i> | <i>2.3</i> | <i>0.9</i> | <i>6.1</i> |

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Events in the business area in the quarter

- The implementation of Getinge's planning tool solution, Torin OR Management, at Klinikum Stuttgart, Germany, confirms that Getinge's products help boost productivity. The study showed that the percentage of correctly planned operations increased by 39% and OR utilization was 6% more effective during the hours they were primarily in use.

Other information

Russian invasion of Ukraine

Getinge conducts operations in Russia in accordance with international sanctions and regulations via a small sales company. The activities in the country are currently limited to fulfilling existing customer commitments and selectively participating in tender processes. Since Getinge's mission is to save lives irrespective of nationality and background, Getinge has decided not to fully withdraw from the Russian market. However, the circumstances for conducting operations in the country have gradually deteriorated. Getinge does not conduct any manufacturing operations in either Russia or Ukraine and has no major suppliers in these countries. The Group's sales in Russia and Ukraine in 2022 represented less than 1% of the Group's total net sales and equity. Despite the limited direct impact that the invasion has had on Getinge's operations in Russia and Ukraine, the Russian invasion of Ukraine may nevertheless have a negative impact on the development of the Group's earnings and position. However, it is difficult at the current time to assess the future consequences of the conflict and its impact on the Group.

Events after the end of the reporting period

[US FDA 510\(k\) clearance for Servo-air® Lite](#)

After the end of the period, Getinge was granted 510(k) clearance from the US Food & Drug Administration (FDA) for Servo-air® Lite. Like all Servo ventilators, it offers ICU-quality ventilation but is more geared towards spontaneously breathing patients in need of extra breathing support. With its powerful turbine and long-lasting battery backup power, it can also be operated independent of wall gas and is suitable for intrahospital transports. Servo-air Lite is expected to be available for customers in the US from September 2023.

[CE-certificate reinstated for Cardiosave](#)

The notified body for certification services, TÜV SÜD, has decided to reinstate the CE-certificate for Getinge's Intra-Aortic Balloon pump Cardiosave. On March 27, 2023, Getinge announced that the notified body, TÜV SÜD, had issued an immediate suspension of the CE certificate for intra-aortic balloon pumps for up to three months. The suspension was based on concerns related to risk management, post market surveillance and vigilance, as well as information pertaining to timeliness of field safety corrective actions.

[Extended use of Article 59 to deliver HLS/PLS](#)

On March 31, 2023, the European Commission granted an exemption to supply the HLS/PLS ECMO products without a valid CE marking to the European market based on Art. 59 Point 3 (EU) 2017/745. This exemption will expire on 30 September 2023. To continue supporting customers with life-saving products, Getinge has applied for an extension of this exemption. On 11 July 2023, the German competent authority granted BfArM an extension of the national exemption until 31 July 2024. Following the extension of the BfArM, the European Commission may decide to extend this derogation to all European Member States. The Commission's decision has not yet been taken.

Seasonal variations

Getinge's sales and earnings are affected by seasonal variations. The highest net sales are usually generated in the fourth quarter, followed by the second, third and first quarters. The shares of sales derived from capital goods and recurring revenue also normally changes during the year, with a higher share of sales of capital goods toward the end of the year.

Transactions with related parties

Getinge carried out normal commercial transactions with Arjo (which was distributed to shareholders in December 2017) for the sale and purchase of goods and services. In addition, no other significant transactions with related parties occurred during the period other than transactions with subsidiaries.

Forward-looking information

This report contains forward-looking information based on the current expectations of company management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding finances, market and competition, changes in legal and regulatory requirements and other political measures, and fluctuations in exchange rates.

Getinge's financial targets 2022-2025 and dividend policy

- Average annual organic growth in net sales: 4-6%
- Average adjusted earnings per share growth: >10%
- Getinge's dividend policy is to pay dividends of 30-50% of net profit to shareholders.

Getinge's sustainability targets 2022–2025

- Improved customer quality index >70%
- Employee commitment >70%
- CO₂ neutral in own operations by 2025
- All employees trained in business ethics and responsible leadership.

Risk management

Getinge's primary risks

| | Description | Potential consequences | Management |
|---|---|---|---|
| External shocks, such as geopolitical risks, natural disasters, terrorism, pandemics, etc. | These are often quickly escalating situations that affect large parts of the world, a country, a region or a specific site. | The primary consequence of this type of risk is that employees could be injured. There is also the risk of business interruptions that could have a negative impact on sales and earnings. | Active business intelligence can detect some of these risks at an early stage and the Group will then have the opportunity to adapt to the new situation. The process of further enhancing the Group's work on continuity risks continue in 2022. As part of this process, scenarios based on external shocks will also be included in the risks that Getinge proactively works on. On February 24, 2022, Russia invaded Ukraine. The circumstances for conducting operations in the country have gradually deteriorated and, in financial terms, the continuing war may have a negative impact on the development of the Group's earnings and position. However, it is not possible at the current time to assess the direct long-term consequences. |
| Quality risks from a regulatory perspective | Significant parts of Getinge's product range are covered by legislation stipulating extensive assessments, quality control and documentation. | It cannot be ruled out that Getinge's operations, financial position and earnings may be negatively impacted in the future by difficulties in complying with current regulations and requirements of authorities and control bodies or changes to such regulations and requirements. | To limit these risks to the greatest possible extent, Getinge conducts extensive work focused on quality and regulatory issues. The Group-wide Quality Compliance, Regulatory & Medical Affairs function has a representative in the Getinge Executive Team and also a representative on the management teams of each business area, and the function is represented in all R&D and production units. In addition, Getinge's sales force and service technicians receive relevant quality and regulatory training every other year to renew their certification. This is a requirement for representing Getinge. The majority of the Group's production facilities are certified according to the medical device quality standard ISO 13485 and/or the general quality standard ISO 9001. In total, the Group allocates significant resources to quality and regulatory matters in order to best manage this risk exposure, and quality is the overall priority in the Group's strategy. During the second quarter of 2022, an internal investigation was completed related to potential violations of German medical device laws associated with sterile packaging of HLS Sets, for which a total of five current and former Getinge employees are being investigated by the prosecution authority in Baden-Baden, Germany. As a consequence, structural changes are being made to strengthen the culture of quality in the organization. Comprehensive remediation measures regarding packaging have already been initiated and Getinge is fully cooperating with the prosecution authority. At this stage, it is not possible to estimate whether the final outcome of the public investigation will have any impact on Getinge. As previously reported in the first quarter of 2023, the notifying body decided to suspend the CE certificate for Getinge's HLS and PLS set for ECMO therapy and for Getinge's intra-aortic balloon pumps. As a result, the company initiated corrective actions to regain the CE certificate for these products. On June 19, 2023, Getinge announced additional quality challenges related to both of these products, which had a negative impact on sales and earnings for the quarter. These challenges are expected to be handled by the end of 2023-H1 2024, followed by an application for regulatory approval where necessary. However, unforeseen events may impact the above-mentioned timelines. |
| Product quality from a customer perspective | In certain cases, Getinge's products do not meet customer expectations. | Customers experiencing shortcomings in Getinge's product quality could choose other suppliers. This could entail a risk of lower sales and lower profitability over time. | Getinge applies a far-reaching quality process that aims to ensure a high and even level of quality to meet customers' legitimately high requirements. This is an ongoing process that results in continuous improvements. When quality fails, it is important to rapidly bring the right equipment on site to rectify the fault during the first service visit. Getinge closely monitors the "first time fix" factor of its services operations and works extensively to make improvements related to such faults or shortcomings. |
| Interruptions in supply chains / dependence on external suppliers | External suppliers that deliver critical components to the Group are a highly important part of Getinge's manufacturing process. Production disruptions may arise if these components are not supplied on schedule. | One of the potential consequences of this is that life saving equipment may not be delivered to customers as required for maintaining critical healthcare. | Getinge works actively to monitor critical deliveries. This process is initiated when the partnership is established and is then continuously monitored. The purchasing organization has tools for evaluating risk and for training in this area. The Group also works on ensuring that it has adequate levels of critical components in stock, either in its own operations or with the relevant supplier. Interruptions of critical deliveries are also an important part of activities related to business continuity risks. See "Business interruptions" below. |
| Digitization and innovation | Getinge's future growth depends on the company's ability to develop new and successful products, particularly in the area of digitization. Getinge's ability to innovate is a very important factor in retaining and establishing leading positions for the Group's product segments. | Innovation efforts are costly and it is not possible to guarantee that developed products will be commercially successful, which could result in impairment. In the long term, the Group's position in the market could be negatively affected if Getinge is unsuccessful in this area. | As means of maximizing the return on investments in research and development, the Group applies a structured selection and planning process that includes careful analyses of the market, technological progress, choice of production method and selection of subcontractors. The actual development work is also conducted in a structured manner and each project undergoes a number of fixed controls. The Group is particularly concerned with ensuring access to the right skills, retaining key individuals, being an attractive employer to recruit talent externally, and identifying and developing talent within the organization. |
| Fragmented product portfolio | Getinge's product portfolio consists, to a certain extent, of a large number of acquisitions that were made throughout the years within a variety of product categories. | An offering to our customers that, in certain parts, is too diverse could lead to Getinge lacking the critical mass needed to conduct fully efficiency operations in all product categories. | Efforts are being made to enhance the efficiency of the customer offering under the framework of the ongoing strategic activities in each business area. The introduction of the new EU Medical Device Regulation means priorities need to be made regarding the certification of products under the new regulatory framework. Products have been selected that, over the long term, will be a part of the customer offering, which will lead to increased concentration as well as streamlining. |

Other risks of major importance

| | Description | Potential consequences | Management |
|--|---|--|--|
| Risks related to healthcare reimbursement systems | Political decisions can change the conditions for healthcare through changed reimbursement models for healthcare providers. | Changes to the healthcare reimbursement system can have a major impact on individual markets by reducing or deferring grants. | It is difficult to influence this risk since these decisions are outside the Group's control but the risk is limited by Getinge being active in a large number of markets. |
| Product liability risks | Healthcare suppliers run a risk, like other players in the healthcare industry, of being subject to product liability and other legal claims. | Such claims can involve large amounts and significant legal expenses. Getinge carries the customary indemnity and product liability insurances, but there is a risk that this insurance coverage may not fully cover product liability and other claims. | The best way of managing these risks is the extensive quality-related and regulatory activities performed by the Group. Sources of potential future claims for damages are monitored through active incident reporting. Corrective and protective action (CAPA) is initiated when necessary to investigate the underlying cause, after which the product design may be corrected to remedy the fault. The settlement for surgical mesh implants, which Getinge announced previously, has been completed and the majority of the settlement amount was paid in the first quarter of 2023. |
| Risks related to intellectual property rights | Getinge's leading positions in many of the Group's product segments are based on patent and trademark rights. These rights could lead to disputes with competitors. | Getinge invests significant resources in product development that results in patent rights. There is a risk that the Group will be involved in costly disputes concerning such rights and thus a risk that invested resources will not generate the expected return if such a dispute is lost. | To secure returns on these investments, Getinge actively upholds its rights and monitors competitors' activities closely. If required, Getinge will protect its intellectual property rights through legal processes. |
| Financial risks | Getinge is exposed to a number of financial risks in its operations. Financial risks principally pertain to currency risks, interest-rate risks, and credit and counterparty risks. | Fluctuations in exchange rates and interest rates and changes in counterparties' credit profiles could adversely affect the Group's income statement and balance sheet. | Risk management is regulated by the finance policy adopted by the Board and a Treasury directive decided by the Getinge Executive Team based on the finance policy. The ultimate responsibility for managing the Group's financial risks and developing methods and principles of financial risk management lies with the Getinge Executive Team and the treasury function. For more detailed information concerning these risks, refer to Note 28 of the Annual Report. |
| Information and data security | Leaks of confidential information or hacking into the Group's IT system resulting in restricted availability or interruptions of business-critical systems. | Leaks of personal data could lead to high fines. Hacking into IT systems could lead to business interruptions. A loss of sensitive information may adversely affect confidence in the company. | The Group's IT structure is to be considered to be decentralized, which reduces the consequence of any unauthorized access. The Group has improved user authentication during the year to prevent hacking. This work will continue in the year ahead. The Group also closely monitors critical systems to prevent hacking. |
| Deficiencies in cyber security | Security deficiencies in the Group's digital offering, such as connected machines at customer sites and stricter legal requirements for processing personal data. | Restricted availability of equipment delivered by Getinge to its customers, which could result in interruptions to the hospital operations and it not being possible to offer patients sufficient care in critical situations. | Getinge works diligently to ensure the integrity of its equipment that is connected to the Internet. Comprehensive access testing and other measures are carried out before these solutions are offered to the Group's customers. |
| Business interruptions | Unforeseen and sudden events, such as natural disasters, fires, etc. that result in disruptions to production or the supply chain. | Potential interruptions and higher costs in the supply chain and production could lead to more costly or delayed deliveries or, in a worst case scenario, non-delivery to Getinge's customers. Such a situation risks negative consequences for the Group's earnings. | There is a risk of temporary business interruptions linked to a further deterioration in access to key components such as semiconductors as a result of the pandemic and uncertain global security situation. The Group continuously works on claims prevention to ensure a high level of availability and delivery reliability. External experts inspect the Group's production units on a regular basis to identify and take action on potential interruption risks, following a Group-wide standard. The process of further improving the Group's business continuity will continue in 2023. |
| Profitability dependent on certain products and markets | In certain cases, a relatively large share of the total profitability of a product is linked to shares in a certain market. | The consequence of such a situation is that profitability can be adversely affected if sales volumes were to decline due to a changed competitive situation in the market. | Getinge works actively to monitor profitability per product and market in order to ensure profitability over time. To reduce the sensitivity of profitability, the Group actively works on ensuring that it has the right cost level in relation to the current price levels in the market. Getinge also works actively to establish itself in new markets. |
| New competitors and new technology | Certain markets and product segments have niche players who offer solutions outside customary market behavior. | These competitors could capture market shares from more established companies such as Getinge, resulting in a negative effect on Getinge's sales and earnings. | Getinge's long-term strategy includes active business intelligence of the competitive landscape to react to this type of competitors. The industry is also considered to have high barriers to entry since medical devices are subject to extensive regulatory requirements. |
| Laws and regulations mainly on business ethics | Breaches of competition law, anti-corruption, data privacy (such as GDPR) or trade restrictions. | Could lead to fines or penalties in one or more markets and have a negative impact on the Getinge brand. | Getinge has previously provided information about ongoing investigations and agreements with the authorities regarding anti-competitive procedures in the sale of medical devices in Brazil. This process continued in 2023 and is ongoing. It cannot be ruled out that any further agreements with authorities may have a material impact on the company's financial earnings and position, but it is not currently possible to estimate the amount or date. Getinge has a zero tolerance policy when it comes to contraventions of these regulations. The Group's Code of Conduct is very clear in this respect. The Ethics & Compliance corporate function was expanded in recent years and the head of the department has been a member of the Getinge Executive Team since 2020 to further demonstrate how highly the organization prioritizes these issues. A comprehensive training program in business ethics is provided on an ongoing basis and the aim is for all employees to undergo such training at least once a year. Getinge's business ethics regulations also apply to external distributors who sell Getinge's products in a large number of countries in which the Group does not have its own presence. |

Assurance

The Board of Directors and CEO assure that the interim report provides a true and fair review of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the Group.

Gothenburg, July 18, 2023

Johan Malmquist
Chairman,
AGM-elected Board member

Carl Bennet
Vice Chairman,
AGM-elected Board member

Johan Bygge
AGM-elected Board member

Cecilia Daun Wennborg
AGM-elected Board member

Barbro Fridén
AGM-elected Board member

Dan Frohm
AGM-elected Board member

Mattias Perjos
President & CEO,
AGM-elected Board member

Malin Persson
AGM-elected Board member

Kristian Samuelsson
AGM-elected Board member

Fredrik Brattborn
Board member
Representative of the Swedish
Metalworkers' Union

Åke Larsson
Board member
Representative of the Swedish
Association of Graduate
Engineers

This interim report is unaudited.

Consolidated financial statements

Consolidated income statement

| SEK M | Note | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 2 | 7,176 | 6,670 | 14,317 | 12,853 | 28,292 |
| Cost of goods sold | | -4,077 | -3,521 | -7,699 | -6,650 | -14,882 |
| Gross profit | 2, 3 | 3,099 | 3,150 | 6,618 | 6,203 | 13,410 |
| Selling expenses | | -1,307 | -1,185 | -2,608 | -2,343 | -4,870 |
| Administrative expenses | | -1,064 | -855 | -2,055 | -1,702 | -3,516 |
| Research and development costs | | -270 | -265 | -566 | -519 | -1,185 |
| Acquisition costs | | -29 | -2 | -44 | -6 | -22 |
| Restructuring costs | | -31 | 0 | -35 | -13 | -206 |
| Other operating income and expenses | | -17 | 68 | -26 | 72 | 15 |
| Operating profit (EBIT) | 2, 3 | 383 | 911 | 1,284 | 1,691 | 3,626 |
| Net financial items | 2 | -78 | -44 | -153 | -76 | -154 |
| Profit after financial items | 2 | 305 | 867 | 1,130 | 1,615 | 3,472 |
| Taxes | | -88 | -255 | -321 | -466 | -956 |
| Net profit for the period | | 216 | 611 | 809 | 1,149 | 2,516 |
| Attributable to: | | | | | | |
| Parent Company shareholders | | 214 | 603 | 800 | 1,137 | 2,491 |
| Non-controlling interests | | 2 | 8 | 9 | 13 | 25 |
| Net profit for the period | | 216 | 611 | 809 | 1,149 | 2,516 |
| Earnings per share, SEK ¹⁾ | | 0.79 | 2.21 | 2.94 | 4.17 | 9.15 |
| Weighted average number of shares for calculation of earnings per share (000s) | | 272,370 | 272,370 | 272,370 | 272,370 | 272,370 |

1) Before and after dilution

Consolidated statement of comprehensive income

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net profit for the period | 216 | 611 | 809 | 1,149 | 2,516 |
| Other comprehensive income | | | | | |
| Items that cannot be restated in profit for the period | | | | | |
| Actuarial gains/losses pertaining to defined-benefit pension plans | - | 487 | - | 887 | 1,126 |
| Tax attributable to items that cannot be restated in profit | - | -133 | - | -240 | -310 |
| Items that can later be restated in profit for the period | | | | | |
| Translation differences and hedging of net investments | 1,343 | 1,926 | 1,348 | 2,428 | 3,143 |
| Cash flow hedges | 8 | -47 | 23 | -26 | -15 |
| Tax attributable to items that can be restated in profit | -21 | 2 | -28 | -5 | -19 |
| Other comprehensive income for the period, net after tax | 1,330 | 2,235 | 1,343 | 3,044 | 3,924 |
| Total comprehensive income for the period | 1,547 | 2,846 | 2,152 | 4,193 | 6,440 |
| Comprehensive income attributable to: | | | | | |
| Parent Company shareholders | 1,533 | 2,823 | 2,127 | 4,160 | 6,378 |
| Non-controlling interests | 13 | 23 | 25 | 33 | 62 |
| Total comprehensive income for the period | 1,547 | 2,846 | 2,152 | 4,193 | 6,440 |

Consolidated balance sheet

| SEK M | Note | June 30 2023 | June 30 2022 | December 31 2022 |
|---|------|-----------------|-----------------|---------------------|
| Assets | | | | |
| Intangible assets | | 28,259 | 26,389 | 27,010 |
| Tangible assets | | 3,736 | 3,306 | 3,532 |
| Right-of-use assets | | 1,440 | 1,307 | 1,336 |
| Financial assets | | 75 | 48 | 50 |
| Deferred tax assets | | 943 | 1,073 | 998 |
| Inventories | | 7,225 | 5,907 | 6,232 |
| Accounts receivable | | 4,537 | 4,276 | 5,275 |
| Other current receivables | | 2,194 | 2,026 | 1,923 |
| Cash and cash equivalents | 6 | 4,434 | 4,147 | 5,676 |
| Total assets | | 52,841 | 48,480 | 52,032 |
| Equity and liabilities | | | | |
| Equity | | 31,304 | 28,274 | 30,453 |
| Provisions for pensions, interest-bearing | 6 | 2,543 | 2,619 | 2,454 |
| Lease liabilities | 6 | 1,430 | 1,286 | 1,314 |
| Other interest-bearing liabilities | 6 | 5,463 | 4,103 | 4,510 |
| Deferred tax liabilities | | 1,186 | 1,101 | 1,150 |
| Other provisions, long-term | | 783 | 1,128 | 818 |
| Other non-interest-bearing liabilities, long-term | | 141 | 131 | 132 |
| Other provisions, current | | 1,621 | 2,482 | 3,142 |
| Accounts payable | | 2,139 | 1,964 | 2,252 |
| Other non-interest-bearing liabilities, current | | 6,229 | 5,392 | 5,806 |
| Total equity and liabilities | | 52,841 | 48,480 | 52,032 |

Changes in equity for the Group

| SEK M | Share capital | Other capital provided | Reserves ¹⁾ | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---------------|------------------------|------------------------|-------------------|--------|---------------------------|--------------|
| Opening balance at January 1, 2022 | 136 | 6,789 | 1,245 | 16,579 | 24,750 | 427 | 25,176 |
| Total comprehensive income for the period | - | - | 3,072 | 3,307 | 6,378 | 62 | 6,440 |
| Dividend | - | - | - | -1,089 | -1,089 | -21 | -1,111 |
| Transactions with non-controlling interests | - | - | - | - | - | -53 | -53 |
| Closing balance at December 31, 2022 | 136 | 6,789 | 4,317 | 18,796 | 30,038 | 415 | 30,453 |
| Opening balance at January 1, 2023 | 136 | 6,789 | 4,317 | 18,796 | 30,038 | 415 | 30,453 |
| Total comprehensive income for the period | - | - | 1,327 | 800 | 2,127 | 25 | 2,152 |
| Dividend | - | - | - | -1,158 | -1,158 | -16 | -1,173 |
| Transactions with non-controlling interests | - | - | - | - | - | -128 | -128 |
| Closing balance at June 30, 2023 | 136 | 6,789 | 5,644 | 18,439 | 31,008 | 296 | 31,304 |

1) Reserves pertain to cash flow hedges, hedges of net investments and translation differences.

Consolidated cash flow statement

| SEK M | Note | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating activities | | | | | | |
| Operating profit (EBIT) | | 383 | 911 | 1,284 | 1,691 | 3,626 |
| Add-back of depreciation, amortization and write-downs | 3 | 465 | 437 | 925 | 875 | 2,027 |
| Other non-cash items | | -2 | 2 | -4 | 0 | 11 |
| Add-back of restructuring costs ¹⁾ | | 26 | 0 | 30 | 13 | 205 |
| Paid restructuring costs | | -39 | -7 | -91 | -36 | -91 |
| Financial items | | -66 | -42 | -132 | -82 | -156 |
| Taxes paid | | -293 | -310 | -472 | -578 | -1,012 |
| Cash flow before changes in working capital | | 474 | 991 | 1,540 | 1,884 | 4,610 |
| Changes in working capital | | | | | | |
| Inventories | | -125 | -235 | -654 | -710 | -998 |
| Operating receivables | | 54 | -139 | 740 | 360 | -351 |
| Operating liabilities ²⁾ | | 246 | -193 | -1,404 | -464 | 107 |
| Cash flow from operating activities | | 649 | 424 | 222 | 1,070 | 3,367 |
| Investing activities | | | | | | |
| Acquisition of operations | 8 | -128 | 6 | -296 | -29 | -365 |
| Investments in intangible assets and tangible assets | | -380 | -300 | -670 | -539 | -1,136 |
| Divestment of non-current assets | | 6 | 5 | 24 | 18 | 31 |
| Cash flow from investing activities | | -502 | -289 | -943 | -551 | -1,470 |
| Financing activities | | | | | | |
| Change in interest-bearing liabilities | | 974 | 808 | 865 | 686 | 1,021 |
| Depreciation of lease liabilities | | -110 | -104 | -219 | -200 | -415 |
| Change in long-term receivables | | -14 | 6 | -23 | 5 | 5 |
| Dividend paid | | -1,173 | -1,095 | -1,173 | -1,095 | -1,111 |
| Cash flow from financing activities | | -324 | -385 | -550 | -604 | -500 |
| Cash flow for the period | | -177 | -250 | -1,271 | -84 | 1,397 |
| Cash and cash equivalents at the beginning of the period | | 4,625 | 4,319 | 5,676 | 4,076 | 4,076 |
| Translation differences | | -15 | 78 | 28 | 156 | 203 |
| Cash and cash equivalents at the end of the period | | 4,434 | 4,147 | 4,434 | 4,147 | 5,676 |

1) Excluding write-downs on non-current assets

2) 2023 full-year figures have been affected by payments related to the settlement regarding surgical mesh products

Note 1 Accounting policies

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2. The accounting policies adopted are consistent with those applied for the 2022 Annual Report and should be read in conjunction with that Annual Report.

For practical reasons, the figures in this interim report have not been rounded off, which is why notes and tables may not total correct amounts. Unless otherwise specified, all figures pertain to SEK M and figures in parentheses pertain to the year-earlier period. The interim report provides alternative performance measures for monitoring the Group's operations.

Note 2 Segment overview

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales, SEK M | | | | | |
| Acute Care Therapies | 3,602 | 3,598 | 7,598 | 7,082 | 15,285 |
| Life Science | 1,111 | 1,026 | 2,046 | 1,996 | 4,026 |
| Surgical Workflows | 2,463 | 2,047 | 4,673 | 3,775 | 8,981 |
| Total | 7,176 | 6,670 | 14,317 | 12,853 | 28,292 |

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Gross profit, SEK M | | | | | |
| Acute Care Therapies | 1,872 | 2,004 | 4,219 | 4,054 | 8,600 |
| Life Science | 365 | 364 | 738 | 764 | 1,471 |
| Surgical Workflows | 862 | 781 | 1,661 | 1,385 | 3,339 |
| Total | 3,099 | 3,150 | 6,618 | 6,203 | 13,410 |

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating profit (EBIT), SEK M | | | | | |
| Acute Care Therapies | 344 | 715 | 1,203 | 1,482 | 2,889 |
| Life Science | 107 | 170 | 232 | 360 | 600 |
| Surgical Workflows | 57 | 104 | 79 | 16 | 480 |
| Group functions and other (incl. eliminations) ¹⁾ | -125 | -78 | -229 | -166 | -343 |
| Operating profit (EBIT) | 383 | 911 | 1,284 | 1,691 | 3,626 |
| Net financial items | -78 | -44 | -153 | -76 | -154 |
| Profit after financial items | 305 | 867 | 1,130 | 1,615 | 3,472 |

1) Group functions and other refer mainly to central functions such as finance, communication, HR and other items, such as eliminations.

Note 3 Depreciation, amortization and write-downs

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Acquired intangible assets | -53 | -43 | -104 | -84 | -185 |
| Intangible assets | -150 | -159 | -303 | -320 | -875 |
| Right-of-use assets | -120 | -107 | -236 | -213 | -433 |
| Tangible assets | -142 | -128 | -282 | -257 | -534 |
| Total | -465 | -437 | -925 | -875 | -2,027 |
| <i>of which write-downs</i> | <i>-5</i> | <i>-</i> | <i>-8</i> | <i>-7</i> | <i>-234</i> |

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cost of goods sold | -214 | -206 | -430 | -414 | -951 |
| Selling expenses | -120 | -107 | -239 | -214 | -446 |
| Administrative expenses | -111 | -113 | -223 | -224 | -456 |
| Research and development costs | -14 | -11 | -29 | -23 | -172 |
| Restructuring costs | -5 | - | -5 | - | -1 |
| Total | -465 | -437 | -925 | -875 | -2,027 |
| <i>of which write-downs</i> | <i>-5</i> | <i>-</i> | <i>-8</i> | <i>-7</i> | <i>-234</i> |

Note 4 Quarterly results

| SEK M | Apr-Jun 2023 | Jan-Mar 2023 | Oct-Dec 2022 | Jul-Sep 2022 | Apr-Jun 2022 | Jan-Mar 2022 | Oct-Dec 2021 | Jul-Sep 2021 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 7,176 | 7,141 | 8,498 | 6,941 | 6,670 | 6,182 | 7,987 | 6,306 |
| Cost of goods sold | -4,077 | -3,622 | -4,671 | -3,561 | -3,521 | -3,129 | -4,048 | -3,173 |
| Gross profit | 3,099 | 3,519 | 3,828 | 3,380 | 3,150 | 3,053 | 3,939 | 3,133 |
| Operating expenses | -2,717 | -2,617 | -2,999 | -2,273 | -2,239 | -2,273 | -2,828 | -2,038 |
| Operating profit (EBIT) | 383 | 901 | 828 | 1,107 | 911 | 780 | 1,112 | 1,094 |
| Net financial items | -78 | -75 | -47 | -31 | -44 | -32 | -36 | -43 |
| Profit after financial items | 305 | 826 | 781 | 1,075 | 867 | 749 | 1,075 | 1,052 |
| Taxes | -88 | -233 | -220 | -270 | -255 | -210 | -300 | -285 |
| Net profit for the period | 216 | 593 | 561 | 805 | 611 | 538 | 775 | 767 |

Note 5 Adjustment items

| Adjusted EBITA, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Acute Care Therapies | 400 | 747 | 1,297 | 1,543 | 3,402 |
| Life Science | 114 | 177 | 247 | 380 | 650 |
| Surgical Workflows | 77 | 109 | 108 | 32 | 549 |
| Group functions and other (incl. eliminations) | -96 | -76 | -185 | -160 | -320 |
| Total | 495 | 956 | 1,467 | 1,794 | 4,281 |

| Adjustments of EBITA, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Specification of items affecting comparability that impact EBITA | | | | | |
| Restructuring costs, Acute Care Therapies | -20 | - | -23 | - | -142 |
| Restructuring costs, Life Science | 0 | 0 | -2 | -7 | -24 |
| Restructuring costs, Surgical Workflows | -10 | 0 | -9 | -6 | -39 |
| Write-down of R&D, Acute Care Therapies | - | - | - | - | -231 |
| Other, Acute Care Therapies ¹⁾ | - | - | - | - | -11 |
| Group functions and other (incl. eliminations) | -29 | -2 | -44 | -6 | -22 |
| Total | -60 | -2 | -79 | -19 | -470 |

| Items affecting comparability per segment | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Acute Care Therapies | -20 | - | -23 | - | -384 |
| Life Science | 0 | 0 | -2 | -7 | -24 |
| Surgical Workflows | -10 | 0 | -9 | -6 | -39 |
| Group functions and other (incl. eliminations) | -29 | -2 | -44 | -6 | -22 |
| Total | -60 | -2 | -79 | -19 | -470 |

1) Reported in Research and development costs

| EBITA, SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Acute Care Therapies | 380 | 747 | 1,274 | 1,543 | 3,018 |
| Life Science | 114 | 177 | 244 | 373 | 626 |
| Surgical Workflows | 67 | 109 | 99 | 26 | 510 |
| Group functions and other (incl. eliminations) | -125 | -78 | -229 | -166 | -343 |
| Total | 435 | 954 | 1,388 | 1,776 | 3,811 |

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Adjustment of tax, SEK M | | | | | |
| Amortization and write-down of acquired intangible assets ¹⁾ | 53 | 43 | 104 | 84 | 185 |
| Items affecting comparability | 60 | 2 | 79 | 19 | 470 |
| Adjustment items, total | 112 | 45 | 183 | 103 | 655 |
| Tax effect on adjustment items ²⁾ | -30 | -12 | -50 | -28 | -177 |
| Adjustment for tax items affecting comparability | - | - | - | - | - |
| Total | -30 | -12 | -50 | -28 | -177 |

1) Excluding write-downs classified as items affecting comparability

2) Tax effect on tax deductible adjustment items

Note 6 Consolidated net interest-bearing debt

| SEK M | June 30 2023 | June 30 2022 | December 31 2022 |
|---|-----------------|-----------------|---------------------|
| Other interest-bearing liabilities, current | 1,073 | 387 | 410 |
| Other interest-bearing liabilities, long-term | 4,390 | 3,716 | 4,100 |
| Provisions for pensions, interest-bearing | 2,543 | 2,619 | 2,454 |
| Lease liabilities, current | 395 | 365 | 383 |
| Lease liabilities, long-term | 1,036 | 921 | 931 |
| Interest-bearing liabilities | 9,437 | 8,008 | 8,278 |
| Less cash and cash equivalents | -4,434 | -4,147 | -5,676 |
| Net interest-bearing cash/debt | 5,003 | 3,861 | 2,602 |

Note 7 Key figures for the Group

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Financial and operative key figures | | | | | |
| Key figures based on Getinge's financial targets | | | | | |
| Organic growth in net sales, % | 1.3 | -7.5 | 4.3 | -6.9 | -5.4 |
| Adjusted earnings per share ¹⁾ , SEK | 1.09 | 2.33 | 3.43 | 4.45 | 10.90 |
| Other operative and financial key figures | | | | | |
| Organic growth in order intake, % | -4.5 | -5.0 | -0.9 | -4.7 | -5.3 |
| Gross margin, % | 43.2 | 47.2 | 46.2 | 48.3 | 47.4 |
| Selling expenses, % of net sales | 18.2 | 17.8 | 18.2 | 18.2 | 17.2 |
| Administrative expenses, % of net sales | 14.8 | 12.8 | 14.4 | 13.2 | 12.4 |
| Research and development costs, gross as a % of net sales | 6.1 | 5.8 | 6.1 | 5.8 | 5.9 |
| Operating margin, % | 5.3 | 13.7 | 9.0 | 13.2 | 12.8 |
| EBITDA, SEK M | 848 | 1,348 | 2,209 | 2,566 | 5,653 |
| Average number of shares, thousands | 272,370 | 272,370 | 272,370 | 272,370 | 272,370 |
| Number of shares at the end of the period, thousands | 272,370 | 272,370 | 272,370 | 272,370 | 272,370 |
| Interest-coverage ratio, multiple | | | 26.6 | 45.4 | 39.0 |
| Net debt/equity ratio, multiple | | | 0.16 | 0.14 | 0.09 |
| Net debt/Rolling 12m adjusted EBITDA, multiple | | | 0.9 | 0.6 | 0.4 |
| Capital employed, SEK M | | | 34,055 | 29,324 | 31,510 |
| Return on capital employed, % | | | 11.0 | 15.2 | 13.0 |
| Return on equity, % | | | 7.2 | 10.6 | 8.9 |
| Equity/assets ratio, % | | | 59.2 | 58.3 | 58.5 |
| Equity per share, SEK | | | 114.93 | 103.81 | 111.81 |
| Number of employees | | | 11,098 | 10,986 | 11,082 |

1) Before and after dilution

Alternative performance measures

Alternative performance measures refer to financial measures used by the company's management and investors to evaluate the Group's earnings and financial position and that cannot be directly read or derived from the financial statements. These financial measures are intended to facilitate analysis of the Group's performance. Accordingly, the alternative performance measures should be considered a supplement to the financial statements prepared in accordance with IFRS. The financial measures recognized in this report may differ from similar measures used by other companies.

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Adjusted gross profit, SEK M | | | | | |
| Gross profit | 3,099 | 3,150 | 6,618 | 6,203 | 13,410 |
| <i>Add-back of:</i> | | | | | |
| Depreciation, amortization and write-downs of intangible assets and tangible assets | 214 | 206 | 430 | 414 | 951 |
| Other items affecting comparability | - | - | - | - | 109 |
| Adjustment for write-downs included in other items affecting comparability | - | - | - | - | -109 |
| Adjusted gross profit | 3,314 | 3,355 | 7,047 | 6,616 | 14,361 |

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Adjusted EBITDA, SEK M | | | | | |
| Operating profit (EBIT) | 383 | 911 | 1,284 | 1,691 | 3,626 |
| <i>Add-back of:</i> | | | | | |
| Depreciation, amortization and write-downs of intangible assets and tangible assets | 412 | 395 | 821 | 791 | 1,842 |
| Amortization and write-down of acquired intangible assets | 53 | 43 | 104 | 84 | 185 |
| Other items affecting comparability | - | - | - | - | 242 |
| Acquisition and restructuring costs | 60 | 2 | 79 | 19 | 228 |
| Adjustment for write-downs included in other items affecting comparability and restructuring costs | -5 | - | -5 | - | -232 |
| Adjusted EBITDA | 902 | 1,350 | 2,283 | 2,585 | 5,891 |

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Adjusted EBITA, SEK M | | | | | |
| Operating profit (EBIT) | 383 | 911 | 1,284 | 1,691 | 3,626 |
| <i>Add-back of:</i> | | | | | |
| Amortization and write-down of acquired intangible assets | 53 | 43 | 104 | 84 | 185 |
| Other items affecting comparability | - | - | - | - | 242 |
| Acquisition and restructuring costs | 60 | 2 | 79 | 19 | 228 |
| Adjusted EBITA | 495 | 956 | 1,467 | 1,794 | 4,281 |

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Adjusted EBIT, SEK M | | | | | |
| Operating profit (EBIT) | 383 | 911 | 1,284 | 1,691 | 3,626 |
| <i>Add-back of:</i> | | | | | |
| Other items affecting comparability | - | - | - | - | 242 |
| Acquisition and restructuring costs | 60 | 2 | 79 | 19 | 228 |
| Adjusted EBIT | 442 | 913 | 1,363 | 1,710 | 4,096 |

| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Adjusted net profit for the period, SEK M | | | | | |
| Net profit for the period | 216 | 611 | 809 | 1,149 | 2,516 |
| <i>Add-back of:</i> | | | | | |
| Amortization and write-down of acquired intangible assets | 53 | 43 | 104 | 84 | 185 |
| Other items affecting comparability | - | - | - | - | 242 |
| Acquisition and restructuring costs | 60 | 2 | 79 | 19 | 228 |
| Tax items affecting comparability | - | - | - | - | - |
| Tax on add-back items | -30 | -12 | -50 | -28 | -177 |
| Adjusted net profit for the period | 299 | 644 | 942 | 1,224 | 2,994 |

| The calculation of adjusted earnings per share, before and after dilution, attributable to the Parent Company's shareholders, is based on the following information: | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
| Earnings (numerator), SEK M | | | | | |
| Adjusted net profit for the period | 299 | 644 | 942 | 1,224 | 2,994 |
| Adjusted net profit for the period attributable to non-controlling interest | -2 | -8 | -9 | -13 | -25 |
| Adjusted net profit for the period attributable to the Parent Company shareholders, which form the basis for calculation of adjusted earnings per share | 296 | 636 | 934 | 1,212 | 2,969 |
| | | | | | |
| Number of shares (denominator) | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
| Weighted average number of ordinary shares for calculation of adjusted earnings per share (thousands) | 272,370 | 272,370 | 272,370 | 272,370 | 272,370 |
| Adjusted earnings per share, SEK | 1.09 | 2.33 | 3.43 | 4.45 | 10.90 |

Note 8 Acquisitions

Acquisitions in 2023

During the period, shares in the subsidiary Pulsion Medical Systems SE were acquired for SEK 128 M.

In March 2023, 100% of the shares in Ultra Clean Systems Inc. were acquired, a US manufacturer of ultrasonic cleaning technologies used in hospitals and surgery centers to decontaminate surgical instruments. Ultra Clean Systems Inc. is located near Tampa, Florida in the US, has 39 employees and generated sales of SEK 90 M in 2022. The purchase price amounted to SEK 169 M, of which SEK 107 M pertained to goodwill that is attributable to strategic advantages in the form of growth opportunities and sales-related synergies. The costs of the acquisition amounted to SEK 7 M and were charged to earnings. The acquisition did not have any material impact on Getinge's sales or earnings in the quarter. At the time of publication of this report, the acquisition analysis was preliminary.

Parent Company financial statements

Parent Company's income statement

| SEK M | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Jan-Dec 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 47 | 47 | 116 | 94 | 187 |
| Administrative expenses | -101 | -86 | -172 | -144 | -336 |
| Operating loss | -54 | -39 | -56 | -50 | -149 |
| Result from participations in Group companies ¹⁾ | 2,032 | 3,501 | 2,032 | 3,501 | 3,512 |
| Interest income and other similar income ²⁾ | 13 | 7 | 22 | 7 | 13 |
| Interest expenses and other similar expenses ²⁾ | -73 | -20 | -131 | -61 | -130 |
| Profit after financial items | 1,918 | 3,449 | 1,867 | 3,397 | 3,246 |
| Appropriations | - | - | - | - | 135 |
| Taxes | 3 | -3 | 3 | -2 | -17 |
| Net profit for the period³⁾ | 1,921 | 3,446 | 1,870 | 3,395 | 3,364 |

1) Primarily refers to dividends from Group companies that take place on an ongoing basis throughout the year.

2) Interest income and other similar income and interest expenses and other similar expenses include exchange-rate gains and losses attributable to the translation of financial receivables and liabilities measured in foreign currencies

3) Comprehensive income for the period corresponds to net profit for the period

Parent Company's balance sheet

| SEK M | June 30 2023 | June 30 2022 | December 31 2022 |
|--|-----------------|-----------------|---------------------|
| Assets | | | |
| Intangible assets | 2 | 5 | 3 |
| Tangible assets | 3 | 4 | 3 |
| Participations in Group companies | 28,413 | 28,333 | 28,413 |
| Deferred tax assets | 109 | 103 | 97 |
| Long-term receivables from Group companies | - | 134 | 191 |
| Current receivables from Group companies | 826 | 560 | 357 |
| Current receivables | 50 | 49 | 28 |
| Cash and cash equivalents | 1,363 | 1,101 | 1,671 |
| Total assets | 30,766 | 30,289 | 30,763 |
| Equity and liabilities | | | |
| Equity | 24,790 | 24,108 | 24,077 |
| Long-term liabilities | 2,970 | 2,044 | 2,544 |
| Other provisions | 21 | 18 | 16 |
| Current liabilities to Group companies | 2,160 | 3,915 | 3,908 |
| Current liabilities | 825 | 204 | 218 |
| Total equity and liabilities | 30,766 | 30,289 | 30,763 |

Definitions

Financial terms

Adjusted earnings per share: Adjusted net profit for the period attributable to Parent Company shareholders in relation to average number of shares.

Adjusted EBIT: Operating profit (EBIT) with add-back of acquisition and restructuring costs and other items affecting comparability.

Adjusted EBITA: EBITA with add-back of acquisition and restructuring costs and other items affecting comparability.

Adjusted EBITDA: EBITDA with add-back of acquisition and restructuring costs and other items affecting comparability.

Adjusted gross profit: Gross profit with add-back of depreciation, amortization and write-downs and other items affecting comparability.

Adjusted net profit for the period: Net profit for the period with add-back of amortization and write-down of acquired intangible assets, acquisition and restructuring costs, other items affecting comparability and tax effect of add-back of income-statement items.

Adjusted profit before tax: Profit before tax for the period with add-back of amortization and write-down of acquired intangible assets, acquisition and restructuring costs and other items affecting comparability.

Capital employed: Average total assets with add-back of cash and cash equivalents, other provisions, accounts payable and other non-interest-bearing liabilities.

Capital goods: Durable products that are not consumed when used.

Currency transaction effect: Exchange of current year's volumes of foreign currency at this year's exchange rates, compared with the exchange rates in the preceding year.

Earnings per share: Net profit attributable to Parent Company shareholders in relation to average number of shares.

EBIT: Operating profit.

EBITA: Operating profit (EBIT) before add-back of amortization and write-down of acquired intangible assets.

EBITA margin: EBITA in relation to net sales.

EBITDA: Operating profit (EBIT) with add-back of amortization, depreciation and write-downs.

EBITDA margin: EBITDA in relation to net sales.

Equity per share: Equity in relation to the number of shares at the end of the period.

Equity/assets ratio: Equity in relation to total assets.

Free cash flow: Cash flow from operating activities and investing activities, excluding acquisitions and divestment of operations.

Gross margin: Gross profit in relation to net sales.

Interest-coverage ratio: Rolling 12 months' adjusted EBITDA in relation to rolling 12 months' net interest.

Items affecting comparability: Acquisition and restructuring costs and other items affecting comparability. Other items affecting comparability are significant revenue/expenses that impact comparability between accounting periods. These items include, but are not limited to, write-downs, disputes and major gains and losses attributable to divestments of assets or businesses.

Net debt/equity ratio: Net interest-bearing debt in relation to equity.

Operating liabilities: Accounts payable, other provisions and other non-interest-bearing liabilities (contract liabilities, non-interest-bearing provisions for pensions, accrued expenses and deferred income as well as other liabilities).

Operating margin: Operating profit (EBIT) in relation to net sales.

Operating receivables: Accounts receivable and other current receivables (contract assets, prepaid expenses, accrued income and other receivables).

Organic change: A financial change adjusted for currency, acquisitions and divestments of businesses.

Recurring revenue: Products that are continuously consumed as well as service, spare parts and similar items.

Return on capital employed: Rolling 12 months' adjusted EBIT in relation to capital employed.

Return on equity: Rolling 12 months' profit after tax in relation to average equity.

Medical terms

Cardiopulmonary: Pertaining or belonging to both heart and lung.

Cardiovascular: Pertaining or belonging to both heart and blood vessels.

DPTE®-BetaBags: Bag that ensures contamination-free transfer of components.

ECMO: Extracorporeal membrane oxygenation, meaning oxygenation outside the body through a membrane. Put simply, a modified cardiac and respiratory machine that exchanges oxygen and carbon dioxide, like an artificial lung.

Endoscope: Equipment for visual examination of the body's cavities, such as the stomach.

Endovascular: Vascular treatment using catheter technologies.

Extracorporeal life support: Oxygenation of the patient's blood outside the body (extracorporeal) using advanced medical technology.

Grafts: Artificial vascular implants.

Hemodynamic monitoring: Monitoring the balance between blood pressure and blood flow.

Low temperature sterilization: A device used to sterilize surgical instruments which cannot be sterilized with high temperature steam. It is mainly used for instruments used in the minimal invasive and robotic surgery.

NAVA: Neurally Adjusted Ventilatory Assist (NAVA) identifies the electric activity that activates the diaphragm and using these signals adapts the ventilation to the patient's respiratory rhythm.

Perfusionist: A healthcare professional who operates the heart-lung machine during surgery.

Stent: A tube for endovascular widening of blood vessels.

Sterilizer: A device to eliminate microorganisms on surgical instruments, usually by high temperature with steam.

Vascular intervention: A medical procedure conducted through vascular puncturing instead of using an open surgery method.

Ventilator: Medical device to help patients' breath.

Geographic areas

Americas: North, South and Central America.

APAC: Asia and Pacific (excluding Middle East).

EMEA: Europe, Middle East and Africa.

Teleconference

Teleconference with President & CEO Mattias Perjos and CFO Lars Sandström on July 18, 2023 at 10:00-11:00 a.m. CEST.

Fund managers, analysts and the media are invited to the teleconference.

Register via [this link](#) to participate in the teleconference. After registering, you will receive a telephone number and a conference ID to log in to the teleconference. You can ask questions verbally at the teleconference.

A presentation will be held during the telephone conference. To access the presentation, click on [the following link](#). A recording will be available [here](#) for three years.

Financial information

Updated information on, for example, the Getinge share and corporate governance is available on Getinge's website www.getinge.com. The Annual Report, year-end report and interim reports are published in Swedish and English and are available for download at www.getinge.com. The preliminary dates for financial communication are provided below:

October 23, 2023 Q3 Report 2023
February 1, 2024 Q4 Report 2023

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This information is such that Getinge AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on July 18, 2023 at 8:00 a.m. CEST.

With a firm belief that every person and community should have access to the best possible care, Getinge provides hospitals and life science institutions with products and solutions that aim to improve clinical results and optimize workflows. The offering includes products and solutions for intensive care, cardiovascular procedures, operating rooms, sterile reprocessing and life science. Getinge employs 11,000 people worldwide and the products are sold in more than 130 countries. Getinge has been listed on Nasdaq OMX Stockholm, Nordic Large Cap since 1993 and is included in the OMXS30 index of the 30 most actively traded shares.

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