

**GETINGE CAPITAL MARKETS DAY**

*Johan Malmquist, CEO*

Boston

31<sup>st</sup> of January 2012

## Welcome to Getinge's Capital Markets Day 31<sup>st</sup> of January 2012

### Agenda

- |             |  |
|-------------|--|
| 8.00-9.00   | Getinge Group<br>Johan Malmquist, CEO<br>Getinge Group Financial Review<br>Ulf Grunander, CFO  |
| 9.00-9.15   | Coffee break   |
| 9.15-11.30  | Business Area Infection Control – Johan Falk, EVP IC<br>Business Area Extended Care – Alex Myers, EVP EC<br>Business Area Medical Systems – Heribert Ballhaus, EVP MeSy<br>Cardiovascular Division – Christian Keller, President |
| 11.30-12.00 | Lunch  |
| 12.00-14.00 | Atrium, presentation and plant tour – Trevor Carlton, President  |
| 14.00       | Wrap-up  |

## Presentation outline

- Overview and strategic direction
- Financial targets and financial result 2011
- Focus areas
- Outlook 2012
- Questions



**Overview and strategic direction**

## Getinge Group 2012

### Medical Systems



**MAQUET**  
GETINGE GROUP

### Extended Care



**ARJOHUNTLEIGH**  
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### Infection Control

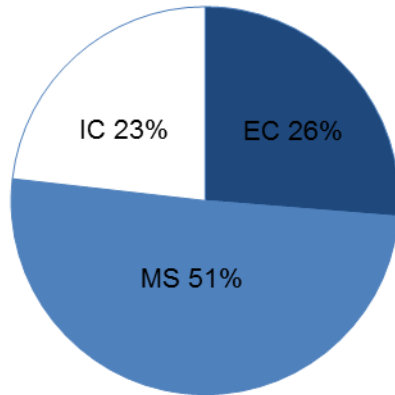


**GETINGE**  
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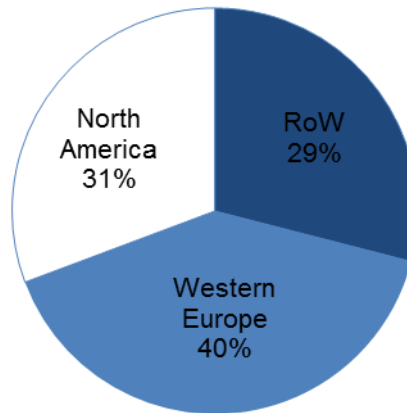
Revenues*:	SEK ~25 billion
Associates*:	13 000
Sales companies*:	109
Manufacturing sites*:	25

\* incl. Atrium Medical

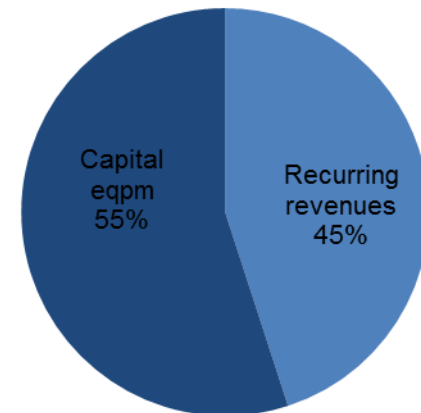
## Getinge Group breakdown of revenues 2011



By business area



By geography



By product category

**Size has become an increasingly important success factor in the healthcare industry.**

Our ambition is to position Getinge as a strong, valuable and preferred partner to the healthcare provider industry.



## Getinge has built a competitive business supported by a robust strategy:

### Global leadership

We strive to be a global no 1 or no 2 in the product areas focused.

- Economies of scale
- Superior profitability
- No 1 in 13 out of 19 product lines
- No 2 in 4 out of 19 product lines

### Solution provider

We strive to combine products and know-how to offer innovative solutions.

- Return on investment
- Differentiation
- Outcomes focus
- Process optimization
- Knowledge partner

### Customer relationships

Getinge will strive to establish proprietary distribution channels whenever justifiable.

- Entry barriers
- Revenue synergies
- Life cycle income



## Future ambition

### Getinge today

Revenues	SEK 25 Billion
Ebita margin	~21 %
Organic growth	~5 %
Recurring revenue as % of total revenue	45 %
Revenue OUS and OWE as % of total revenue	29 %



### Getinge tomorrow

Revenues	SEK 50 Billion
Ebita margin	>22 %
Organic growth	6 - 7 %
Recurring revenue as % of total revenue	75 %
Revenue OUS and OWE as % of total revenue	35 - 40 %

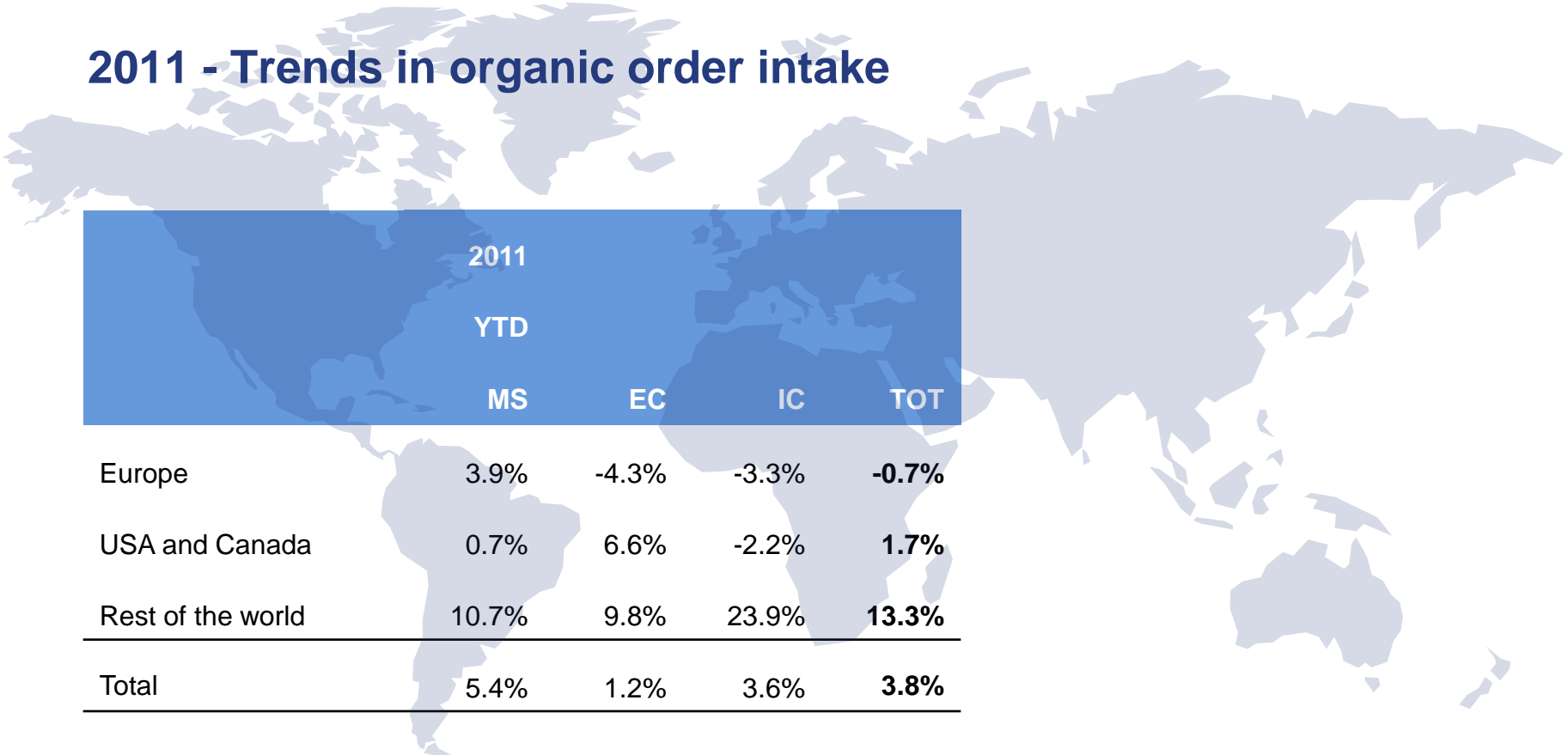
**FINANCIAL TARGETS AND FINANCIAL RESULT 2011**

## Getinge Group financial targets

- Pre-tax earnings: Average growth of 15% per year
- Long-term organic revenue growth: 5% (market growth)
- Mid-term organic revenue growth 2% above market growth
- EBITA-margin ~22%
- Cash conversion: 60-70% of EBITDA



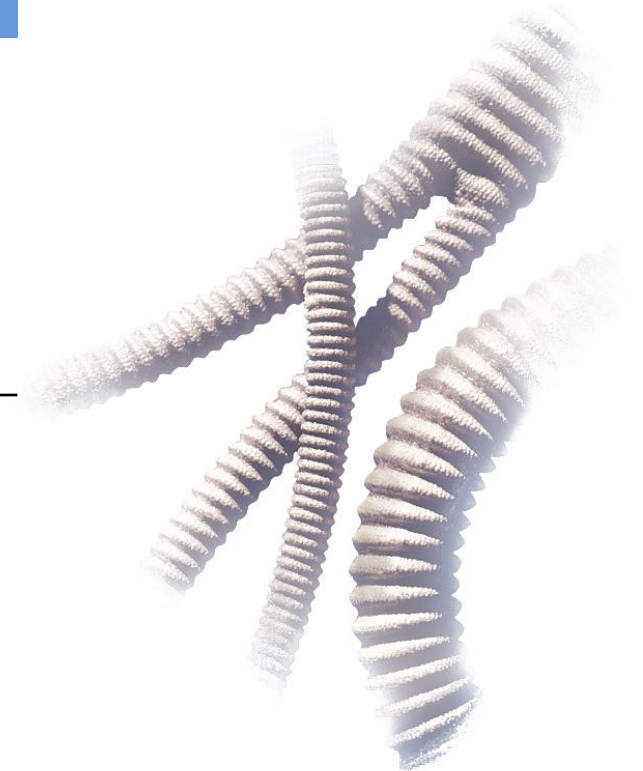
## 2011 - Trends in organic order intake



	2011			
	YTD			
	MS	EC	IC	TOT
Europe	3.9%	-4.3%	-3.3%	<b>-0.7%</b>
USA and Canada	0.7%	6.6%	-2.2%	<b>1.7%</b>
Rest of the world	10.7%	9.8%	23.9%	<b>13.3%</b>
<b>Total</b>	<b>5.4%</b>	<b>1.2%</b>	<b>3.6%</b>	<b>3.8%</b>

## Financials Getinge Group

MSEK	2011 YTD	2010 YTD
Organic order growth	3,8%	2,3%
Organic revenue growth	4,2%	2,4%
Ebita %	20,9%	19,7%
Pre Tax Profit	3 444	3 116



## Getinge Group Results

### Key Financials

MSEK	2011 YTD	2010 YTD
Working Capital days	116	120
Cash Conversion, %	65,1%	80,7%
Net debt/equity ratio, multiple	1,17	1,01



**Focus areas**



## Focus Area: External growth

Size is an increasingly important success factor.  
External growth will help us to attain both financial and strategic targets.





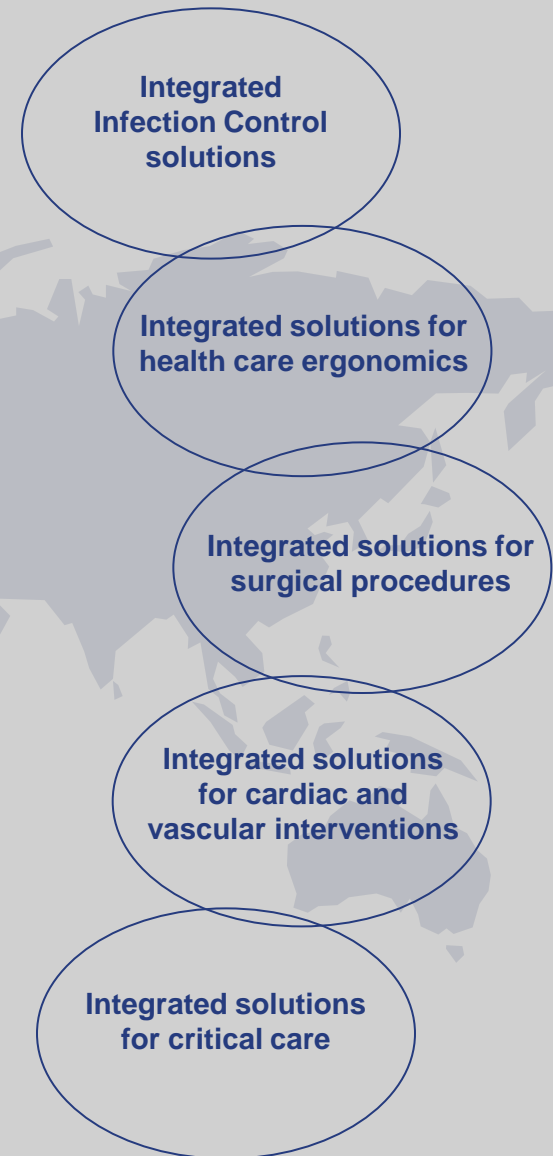
# External growth

## Bolt-on acquisitions in existing product categories

Sterilization	no 1	}	➔
Disinfection	no 1		
Patient Handling	no 1	}	➔
Hygiene Systems	no 1		
Wound Care/TS	no 2		
IPC/DVT	no 1		
Surgical Tables	no 1	}	➔
Surgical Lights	no 1		
Ceiling Pendants	no 2		
EVH	no 1	}	➔
Beating heart surgery	no 2		
Anastomosis CABG	no 1		
Vascular Grafts AAA, TAA	no 1		
Cardiac Assist IABP	no 1		
Perfusion products	no 3		
Covered Stents	no 2		
Cardio-thoracic Drainage	no 1		
Ventilation	no 1	}	➔
Anesthesia	-		

# GETINGE GROUP

## Acquisitions of new leading product lines



## Focus Area: External growth

- Bolt-on acquisitions will add approximately 2% growth per annum and will be focused on new *technologies* and *geographical expansion* within existing product categories.
- Acquisitions of new and leading product lines that reinforces our capacities as a solution provider is expected to add 6-8% growth per annum:
  - Vascular interventions
  - Surgical tools to strengthen surgical workplaces franchise.
- Acquisitions will support our ambition of increasing our exposure to *therapeutic areas*, *recurring revenue* streams and new and *faster growing economies*.

## Internationalisation

Increased exposure to faster growing developing economies will raise Getinge's overall organic growth rate – from an export led organization to a multi-domestic group

	2006	2008	2010	2011	Target
% of Group revenues	19%	22%	26%	29%	35-40%
% of Groups organic growth	46%	52%	152%	81%	

- Continued investment in own sales infrastructure in developing economies.
- Develop new product platform in existing product categories to address price sensitive market segments in developing economies. New product platforms to be designed and manufactured locally.
- Building critical mass through acquisitions in relevant developing economies.



## Innovation & Product development

Innovation and new product development will make up a larger part of Getinges future organic growth

	2005	2007	2009	2011	BU2012
R/D % of revenues	3.5%	3.9%	4.9%	5.1%	5.6%

- More customer centric innovation process
- Enter / create new markets
- Emphasize development of products with unique and proprietary recurring revenue streams
- Active product portfolio management to increase rate of innovation and at the same time drive down product cost through modularization and platforms
- Proven outcomes

## Operational excellence

Good potential for further EBITA-margin expansion

### Supply Chain improvement

- Continued plant consolidation: We expect to reduce the number of plants by 4-6 from today's level of 25.
- Reduced depth of manufacturing. Ongoing outsourcing of non core manufacturing activities. Focus on design, Assembly and Quality Assurance.
- Manufacturing and sourcing from low cost countries. We expect 30-40% of our sourcing needs to originate from low-cost countries by 2013 (2011: 21%).
- Improved logistics.



## Operational excellence contd.

### Commercial operations

- Sales and marketing expenses represent 24% of product revenues. Roll out of commercial excellence program in progress to ensure focus on the most profitable customer segment
- Alignment and productivity of sales force

### Streamlined administrative processes

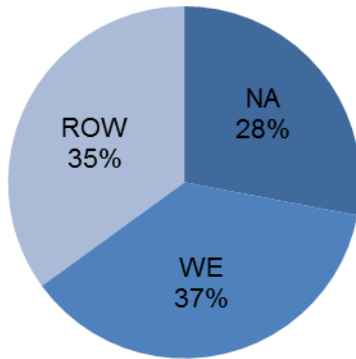
- Elimination of non-value adding activities
- Shared services



**OUTLOOK 2012**

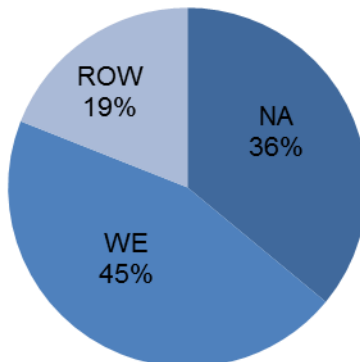
## Outlook 2012

- We expect organic revenue growth to improve compared with 2011
- Capital equipment (55% of rev.)

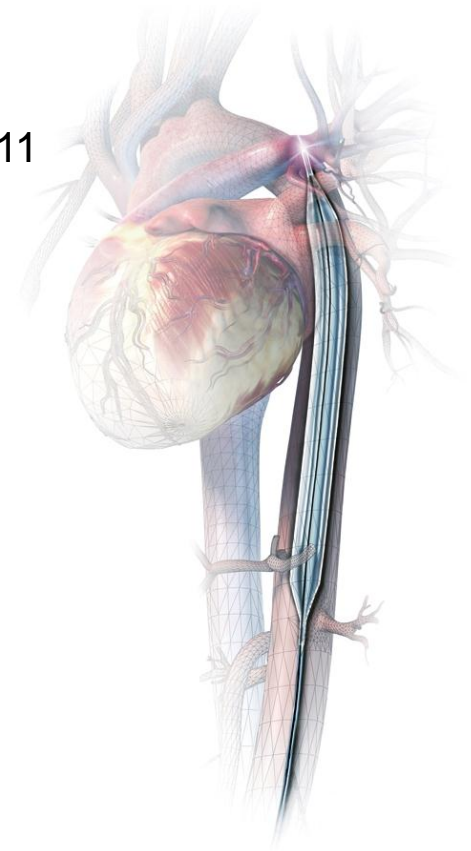


WE: Moderate decline  
NA: Moderate growth  
ROW: Good growth

- Recurring revenues (45% of rev.)



WE: Good growth  
NA: Moderate growth  
ROW: Good growth





## Outlook 2012

- We expect earnings growth to remain solid
- Organic revenue growth to exceed 2011 levels
- Efficiency gains from supply chain improvements
- Declining restructuring costs
- Earnings contribution from Atrium

