



Q4 Report 2017

Mattias Perjos, President and CEO

Lars Sandström, CFO

January 29, 2018

GETINGE 

Agenda

Business overview

Financial performance

Outlook

Summary

Q&A

Business overview

Mattias Perjos, President and CEO

Takeaway from the quarter

Customer focus support top-line growth and underlying Gross Margin in line with LY

EBITA

Impacted by one-offs,
stranded common cost &
Quality cost

Gross Margin

Underlying performance in
line with LY

Growth

organic order intake
+ 6.6%

Growth
organic net sales
+2.5%

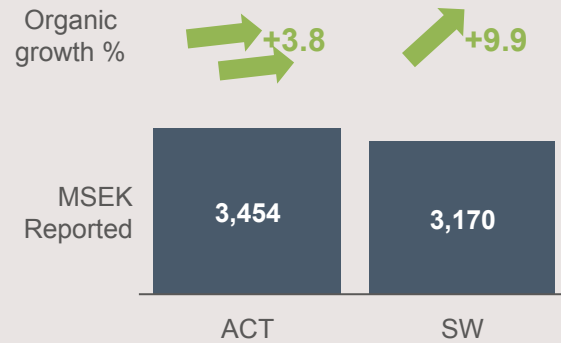
Proposed dividend
SEK 1.50 (1.75)*

*Adjusted for newly issued shares

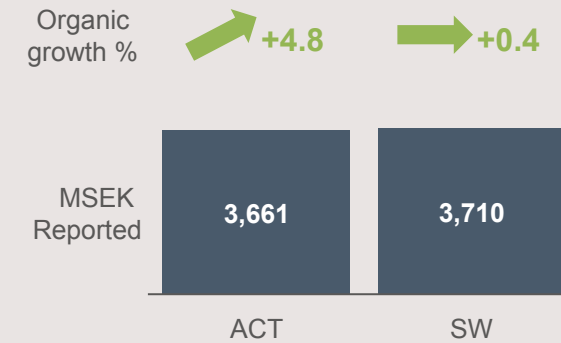
Organic topline development in Q4

Business areas

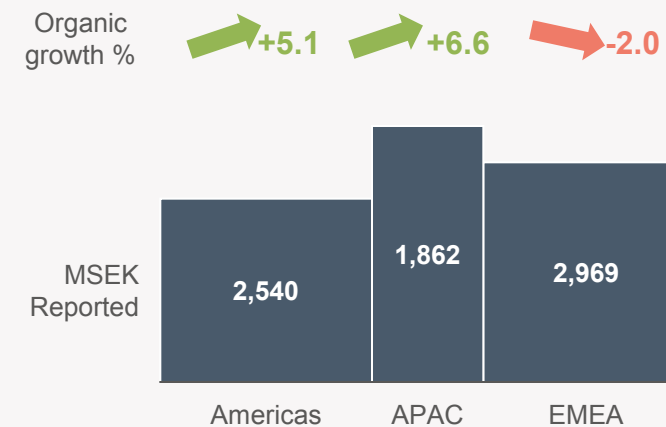
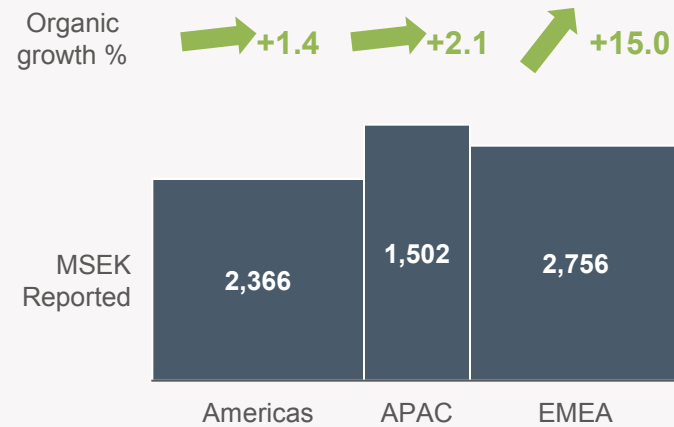
Organic order intake: +6.6%



Organic net sales: +2.5%



Regional



Key activities

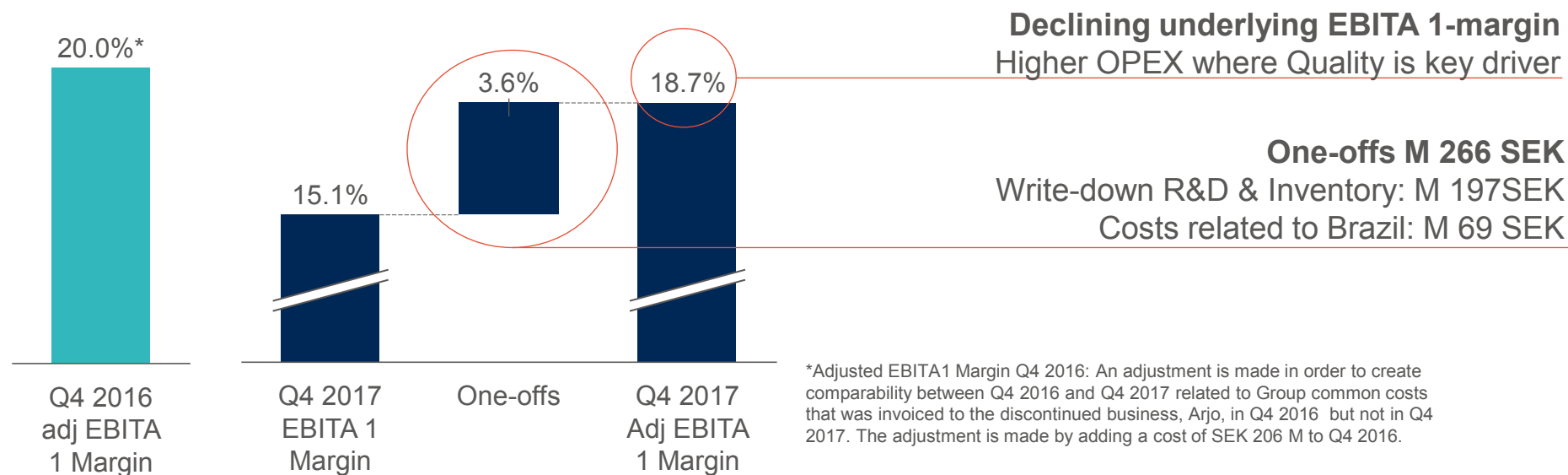
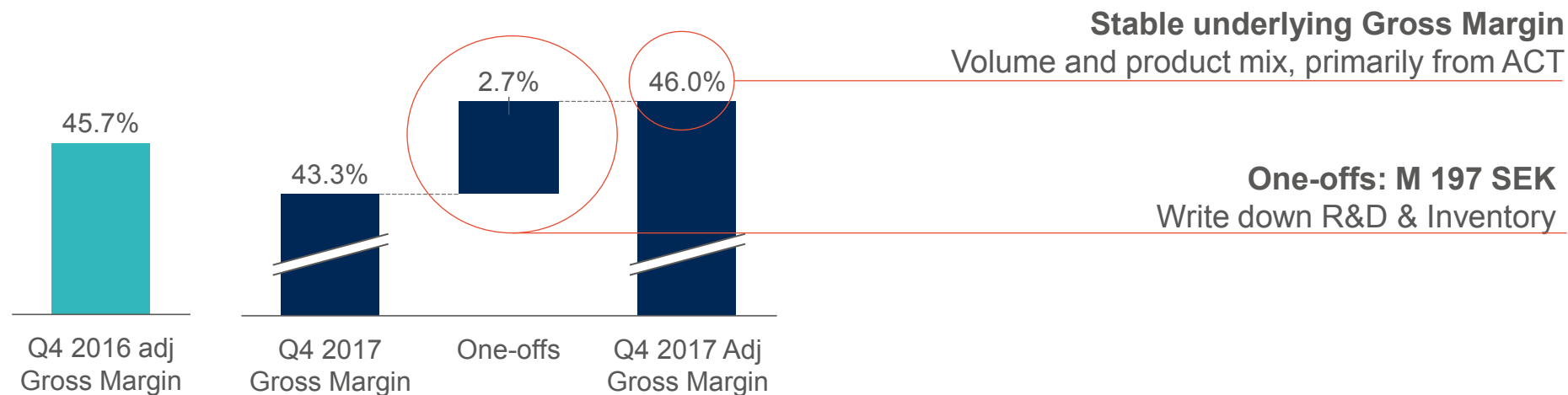
In the fourth quarter

- **FDA-remediation progress on all sites**
 - Entering Q1 2018 with SEK 556 M of provision for remediation still unutilized
- **Product, Services and Solutions**
 - Strategic partnership with Verb Surgical Inc
 - Launch of updated version of the Heater Unit, HU-35, to the EEA-market (requiring CE-marking)
 - Release of upgraded version of the connected solution Getinge Online
 - Release of upgraded version of the Cart Washer Disinfector Getinge 9100E
 - Installation of our 1000th Hybrid Operating Room
- **Updated strategy and financial targets**
- **Distribution and listing of Arjo**



Underlying performance – Gross Margin and EBITA 1 margin

Volume and product mix supporting Gross Margin – higher quality cost impacting EBITA

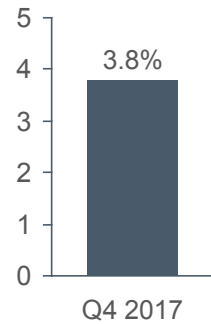


*Adjusted EBITA1 Margin Q4 2016: An adjustment is made in order to create comparability between Q4 2016 and Q4 2017 related to Group common costs that was invoiced to the discontinued business, Arjo, in Q4 2016 but not in Q4 2017. The adjustment is made by adding a cost of SEK 206 M to Q4 2016.

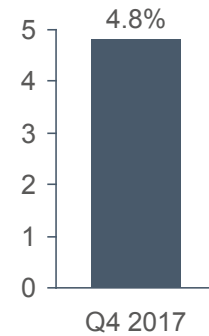
Acute Care Therapies Q4 – growth in both order intake and net sales

Underlying performance on Gross Margin in line with LY but Quality and Selling cost is impacting EBITA

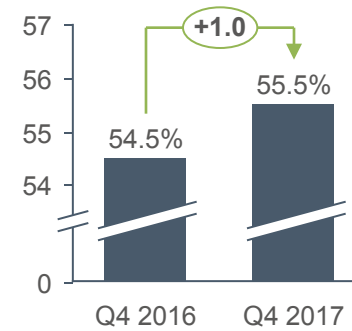
Growth in order intake ...
(organic, %)



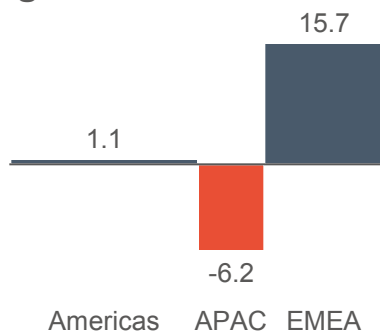
Growth in net sales ...
(organic, %)



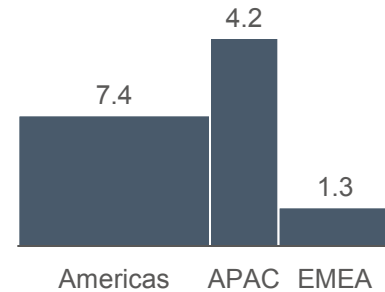
Improved Gross Margin (adj*)
(%)



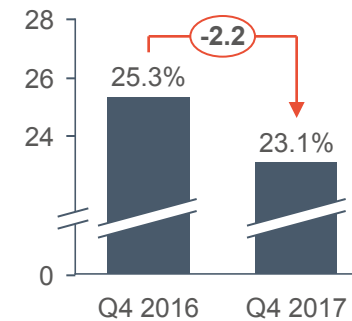
... with double digit growth in EMEA (%)



... In all regions (%)



Lower EBITA1 margin (adj)**
(%)



- Positive momentum
- Critical Care
- Quality and Selling cost

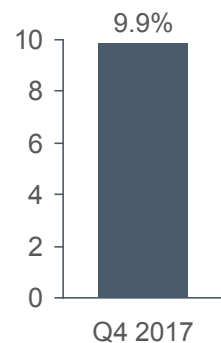
*Q4 2017 is adjusted for one-offs amounting to SEK 139 M, related to write-down off capitalized R&D projects and inventory.

** Q4 2017 is adjusted for one-offs amounting to SEK 139 M, related to write-down off capitalized R&D projects and inventory and SEK 69 M related to Brazil investigation, informed about earlier in 2017.

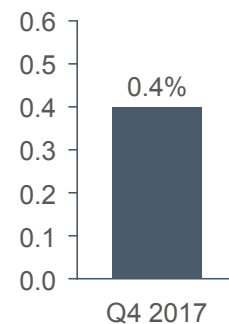
Surgical Workflows Q4 – growth in both order intake and net sales

Underlying performance on Gross Margin in line with LY

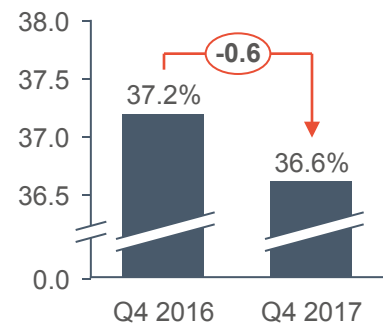
Growth in order intake ...
(organic, %)



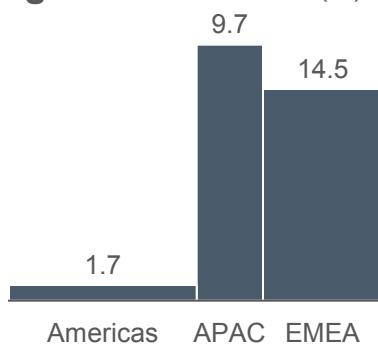
Growth in net sales ...
(organic, %)



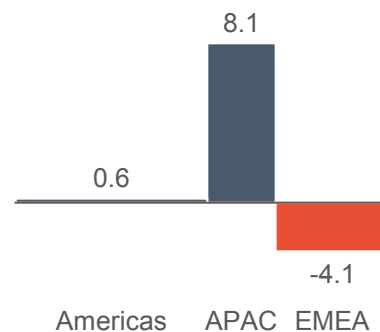
Declining Gross Margin (adj*)
(%)



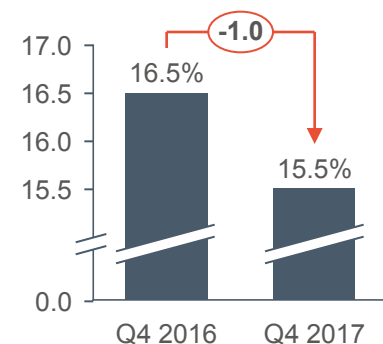
... with double digit growth in EMEA (%)



... APAC showing good progress (%)



Lower EBITA1 margin (adj)**
(%)



- Strong order intake
- Infection Control & Life Science
- Weak profitability

*Q4 2017 is adjusted for one-offs amounting to SEK 58 M, related to write-down off capitalized R&D projects and inventory.

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Life Science – a new business area

Reported as a separate Business Area from Q1 Report 2018

Market size: SEK 23 Billion

Market growth: 3-5%

Share of Getinge's net sales in total: ~10%

Customers' needs

Highly specialized process needs for contamination prevention.

Getinge's offering

Equipment, technical expertise, and consultative services.

Customers

Biopharma industry, medical device manufacturing



Overview financials

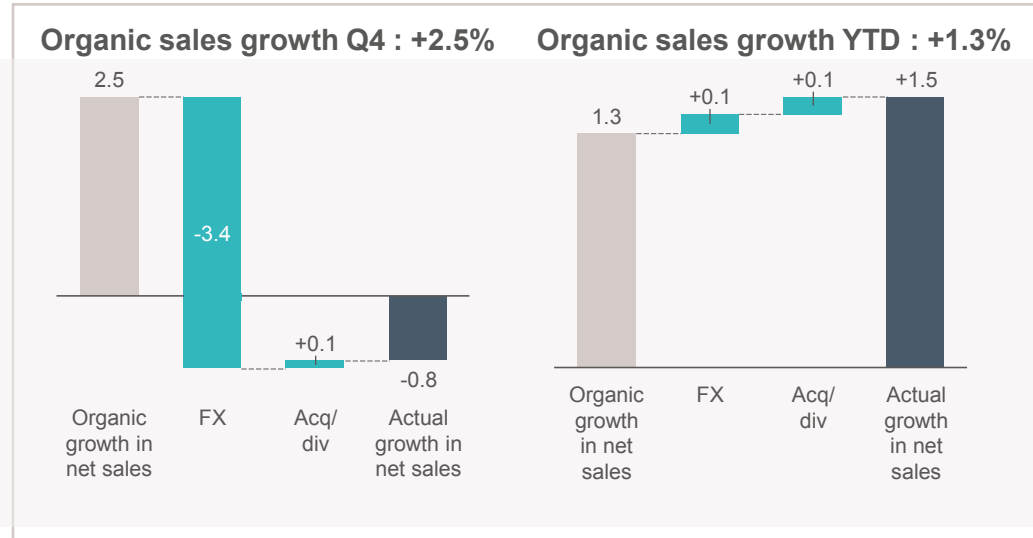
Lars Sandström, CFO

Results

Performance summary

Organic growth net sales – but increasing OPEX impacting EBITA1

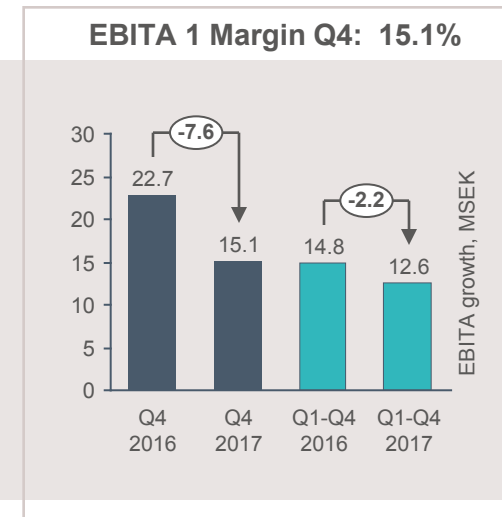
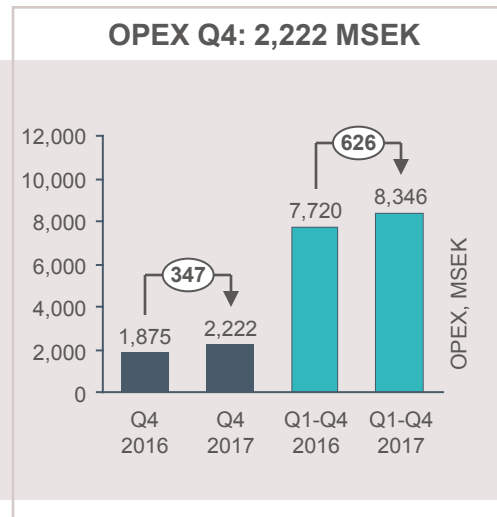
Topline development



Impact Q4

- USD

Margin development

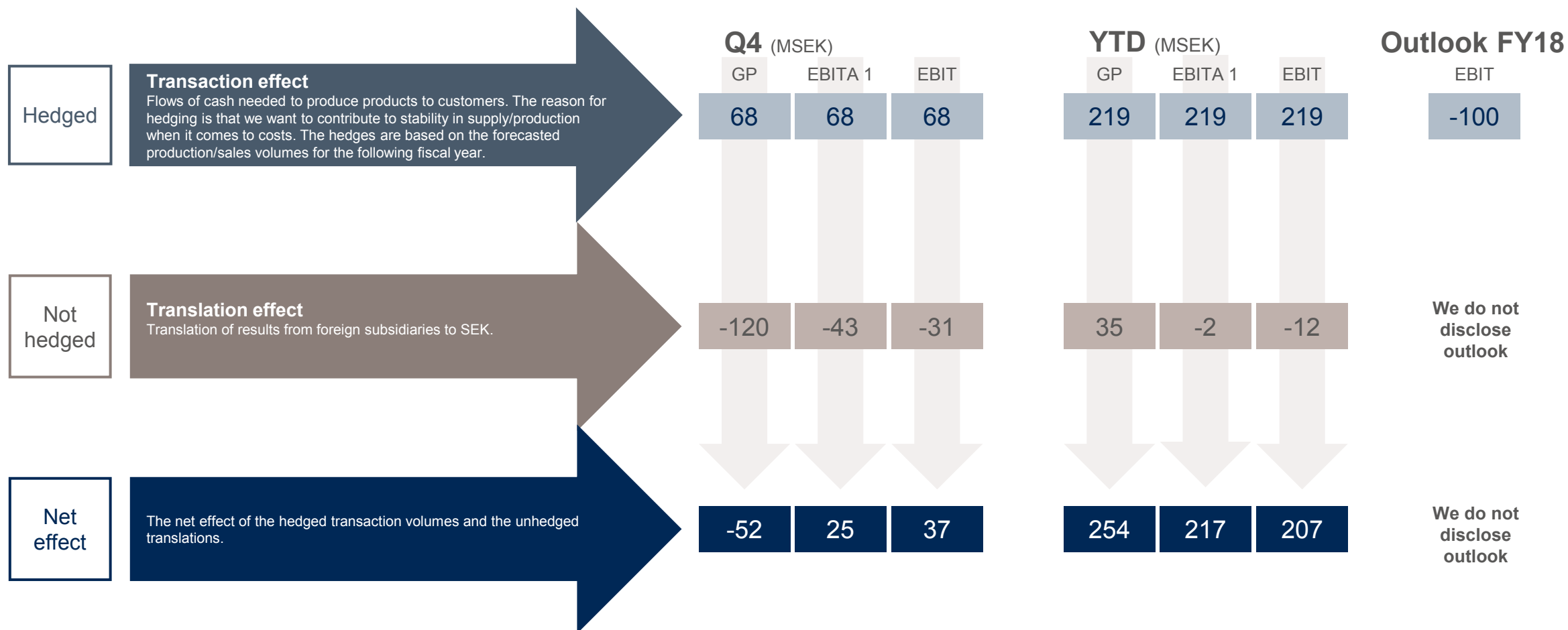


Adjusted Q4 2017

- Gross Margin adj 46,0 (45,7)
- EBITA1 Margin adj 18,7 (20,0)

FX effects

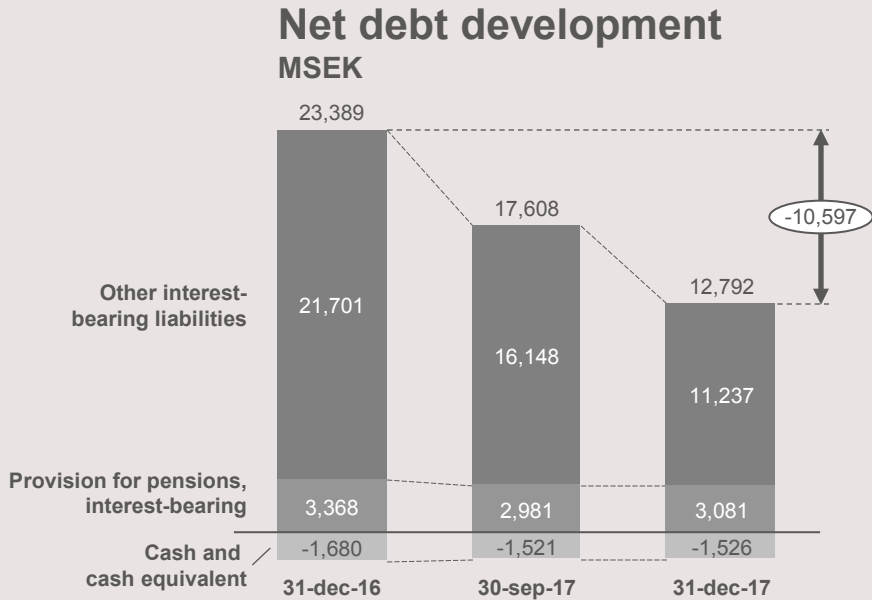
Outlook on transaction effect on Getinge's EBIT FY2018: SEK -100 M



Balance sheet

Balance sheet

A significant decrease in net debt



Change in net debt

MSEK

Major items

Rights Issue: 4.3 MSEK
Arjo distribution: 4.5 MSEK

Key ratios

Net debt to equity ratio

Decreased to 0.65 (1.12)

Net debt to EBITDA*

Decreased to 3.1 (3.9)

* EBITDA before acquisition, restructuring and integration costs (rolling 12M)

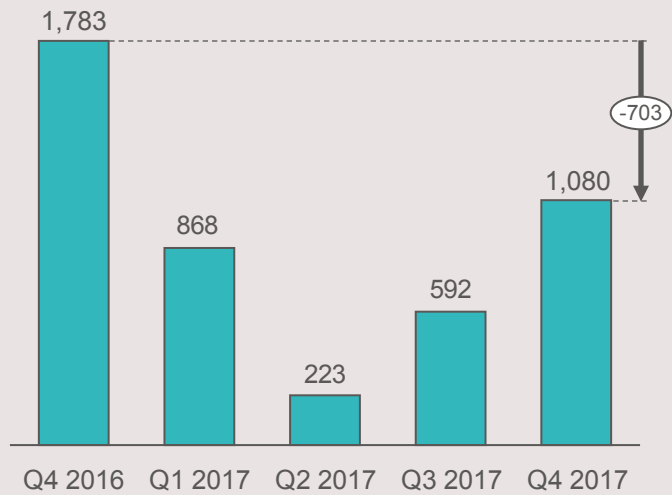
Cash Flow

Cash flow

Negatively impacted by increasing working capital

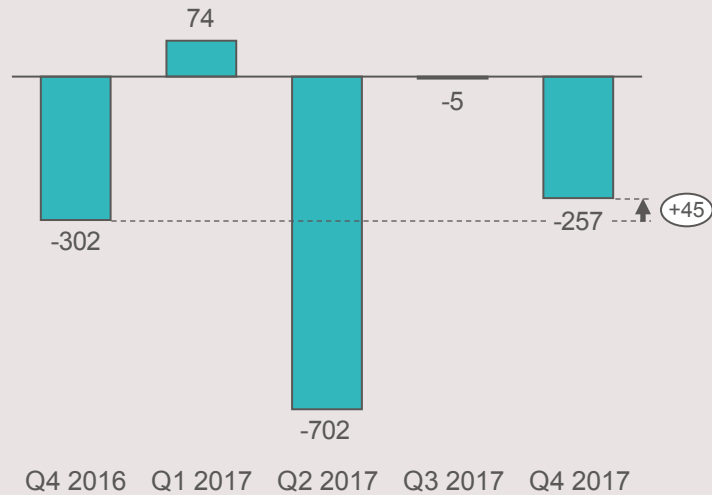
Cash flow from operations

MSEK



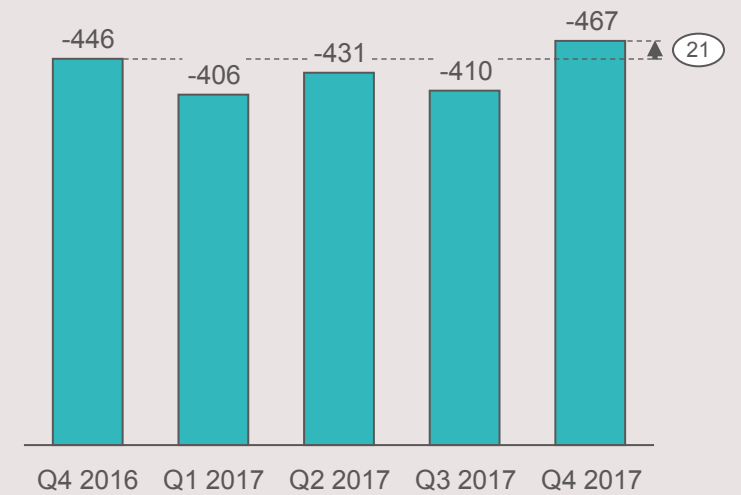
Working capital

MSEK



Net investment

MSEK



Outlook

Mattias Perjos, President and CEO

Outlook 2018

Organic sales growth and transaction effect

- Organic sales growth is expected to be slightly positive in 2018
- Currency transaction effects FY 2018 are expected to have a negative impact of approximately SEK -100 M on Getinge's EBIT

Summary

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Q&A

Thank you

Forward looking information

This document contains forward-looking information based on the current expectations of the Getinge Group's 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 business cycles, market and competition, changes in legal requirements and other political measures, and fluctuations in exchange rates.



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