

Comments from Mattias Perjos, President & CEO

Strong growth and improved cash flows

“Our growth remains higher than the market average, our positive performance in the US is continuing and net sales in China increased by more than 30%. The new GSS610H Sterilizer was launched in the quarter and the most recent version of the Servo-u ventilator is now ready for launch on all markets that require CE marking. I am pleased with the development in Acute Care Therapies and Life Science in the quarter and that our working capital is continuing to decline despite our growth, which has a positive impact on cash flow. However, I am not satisfied with our margins, which were impacted by the negative development in Surgical Workflows. Investments in compliance, quality and remediation measures as well as adjustments to EU’s forthcoming medical device regulation (EU MDR) had a negative effect on our margins and are expected to continue in the coming quarters. We have carried out restructuring measures for a cost of SEK 106 M, primarily related to efficiency enhancements in sales and administrative processes, which can be expected to positively impact earnings in the second half of 2019. One measure is that our two shared service centers are being merged, with all operations in Costa Rica being transferred to the unit in Krakow, Poland. In summary, we will continue to intensify our efforts to strengthen the profitability of the operations in general and in Surgical Workflows in particular, in the coming quarters.”

April – June 2019 in brief

- Net sales increased organically by 4.0% and the order intake rose by 5.2%, despite challenging comparative figures.
- Adjusted gross profit amounted to SEK 3,101 M (2,844) and the margin was 49.4% (49.6). IFRS 16 had a positive effect of SEK 29 M on adjusted gross profit.
- Adjusted EBITA amounted to SEK 591 M (538) and the adjusted EBITA margin was 9.4% (9.4). IFRS 16 had a positive effect of SEK 4 M on adjusted EBITA.
- Adjusted earnings per share amounted to SEK 1.12 (1.21). The effect of IFRS 16 was SEK -0.01 per share.
- Introduction of the GSS610H Sterilizer and the upgraded version of the Servo-u ventilator is ready for launch on all markets that require CE marking.

January – June 2019 in brief

- Net sales increased organically by 4.9% and the order intake rose by 6.3%.
- Adjusted gross profit amounted to SEK 5,926 M (5,432) and the margin was 50.1% (51.3). IFRS 16 had a positive effect of SEK 56 M on adjusted gross profit.
- Adjusted EBITA amounted to SEK 960 M (839) and the adjusted EBITA margin was 8.1% (7.9). IFRS 16 had a positive effect of SEK 6 M on adjusted EBITA.
- Adjusted earnings per share amounted to SEK 1.76 (1.67). The effect of IFRS 16 was SEK -0.02 per share.

Outlook 2019 (if adjusted, the preceding outlook is stated in parentheses)

- Organic sales growth is expected to be 2-4% for the full-year 2019.

Summary of financial performance^{1) 2)}

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Order intake	6,787	6,117	12,960	11,445	24,347
Organic change, %	5.2	10.2	6.3	6.7	2.5
Net sales	6,277	5,731	11,825	10,599	24,172
Organic change, %	4.0	6.0	4.9	5.7	4.9
Adjusted gross profit	3,101	2,844	5,926	5,432	11,943
Margin, %	49.4	49.6	50.1	51.3	49.4
Adjusted EBITDA	1,002	833	1,769	1,424	3,916
Margin, %	16.0	14.5	15.0	13.4	16.2
Adjusted EBITA	591	538	960	839	2,689
Margin, %	9.4	9.4	8.1	7.9	11.1
Adjusted EBIT	466	418	713	608	2,216
Margin, %	7.4	7.3	6.0	5.7	9.2
Operating profit/loss (EBIT)	324	405	462	244	-284
Margin, %	5.2	7.1	3.9	2.3	-1.2
Profit/loss before tax	205	331	229	49	-624
Net profit/loss for the period	111	91	128	-210	-939
Adjusted net profit for the period	312	340	498	471	1,639
Margin, %	5.0	5.9	4.2	4.4	6.8
Adjusted earnings per share, SEK	1.12	1.21	1.76	1.67	5.91
Earnings per share, SEK	0.38	0.30	0.40	-0.83	-3.55
Cash flow from operating activities	891	401	1,278	699	2,503

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

2) See Note 9 for effects of the introduction of IFRS 16 Leases

Group performance

Order intake

April – June 2019

- Continued strong growth, with Acute Care Therapies accounting for the largest share of growth in absolute figures, mainly due to a very strong trend in heart-lung machines.
- Lower order intake in EMEA, attributable to Surgical Workflows in Eastern Europe
- Very strong growth in Life Science in Americas and EMEA and healthy growth in Surgical Workflows in Americas and APAC.

Order intake business areas, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Acute Care Therapies	3,674	3,219	7.7	7,092	6,126	7.9	13,069
Life Science	705	576	15.5	1,350	1,131	12.2	2,295
Surgical Workflows	2,408	2,322	-0.9	4,518	4,188	2.3	8,983
Total	6,787	6,117	5.2	12,960	11,445	6.3	24,347

Order intake regions, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Americas	2,768	2,319	10.3	5,300	4,491	7.4	9,696
APAC	1,512	1,327	8.2	2,741	2,349	9.4	5,362
EMEA	2,507	2,471	-1.3	4,919	4,605	3.6	9,289
Total	6,787	6,117	5.2	12,960	11,445	6.3	24,347

Net sales

April – June 2019

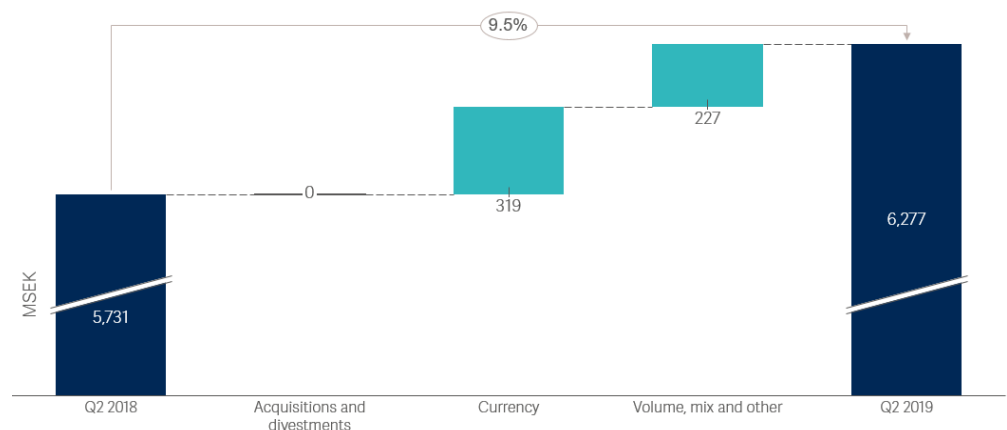
- Continued growth in all business areas.
- Acute Care Therapies performed positively in all regions and accounted for the largest share of growth in absolute figures.
- Robust growth in Life Science in APAC in washer-disinfectors and sterilizers but lower sales in North America.
- Surgical Workflows performed particularly well in APAC, while sales fell organically in EMEA, mainly related to Infection Control.
- Sales of capital goods are continuing to increase (but at a slower rate than in the preceding quarter) as a percentage of total sales, which is negatively impacting the gross margin.

Net sales business areas, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Acute Care Therapies	3,541	3,148	6.0	6,862	5,999	6.9	13,013
Life Science	601	550	3.9	1,109	992	5.3	2,194
Surgical Workflows	2,135	2,033	0.8	3,854	3,608	1.5	8,965
Total	6,277	5,731	4.0	11,825	10,599	4.9	24,172

Net sales regions, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Americas	2,574	2,273	4.5	5,000	4,413	3.0	9,530
APAC	1,428	1,192	13.6	2,497	2,060	13.8	5,203
EMEA	2,275	2,266	-1.6	4,328	4,126	2.5	9,439
Total	6,277	5,731	4.0	11,825	10,599	4.9	24,172

Net sales specified by capital goods & consumables, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Capital goods	2,542	2,333	4.3	4,591	4,060	7.8	10,552
Consumables	3,735	3,398	3.7	7,234	6,539	3.1	13,620
Total	6,277	5,731	4.0	11,825	10,599	4.9	24,172

Net sales – bridge between April-June 2018 and April-June 2019



- Net sales increased by SEK 546 M, corresponding to 9.5% compared with Q2 2018.
- Exchange rates had a positive impact of SEK 319 M on sales, corresponding to +5.5%.
- Volume, mix and other items positively affected sales by +4.0%.

- Currency effects had a positive effect of SEK 163 M on adjusted gross profit and SEK 61 M on adjusted EBITA.
- The adjusted gross margin weakened by 0.2 of a percentage point compared with the preceding year due to lower profitability in Surgical Workflows.
- Adjusted operating expenses increased by 4.4%. Adjusted for currency and IFRS 16 effects, operating expenses increased by 3.4% year-on-year – mainly related to quality costs and preparations for EU's forthcoming medical device regulation (EU MDR).
- Adjusted EBITA rose by SEK 53 M year-on-year and the margin was unchanged. Acute Care Therapies and Life Science increased their adjusted EBITA margin, while Surgical Workflows' margin fell, largely as a result of a number of large customer projects in surgical tables and other OR hardware.
- Restructuring costs amounted to SEK 106 M, of which SEK 57 M for Surgical Workflows, mainly related to the rationalization of sales and administrative processes.

Underlying earnings trend¹⁾

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales	6,277	5,731	11,825	10,599	24,172
Adjusted gross profit	3,101	2,844	5,926	5,432	11,943
Margin, %	49.4	49.6	50.1	51.3	49.4
Adjusted operating expenses	-2,099	-2,011	-4,157	-4,008	-8,027
Adjusted EBITDA	1,002	833	1,769	1,424	3,916
Margin, %	16.0	14.5	15.0	13.4	16.2
Depreciation, amortization and write-downs of intangible assets and tangible assets ²⁾	-411	-295	-809	-585	-1,227
Adjusted EBITA	591	538	960	839	2,689
Margin, %	9.4	9.4	8.1	7.9	11.1
A Amortization and write-down of acquired intangible assets ²⁾	-125	-120	-247	-231	-473
Adjusted EBIT	466	418	713	608	2,216
Margin, %	7.4	7.3	6.0	5.7	9.2
B Acquisition and restructuring costs	-107	-13	-216	-14	0
C Other items affecting comparability ³⁾	-35	-	-35	-350	-2,500
Operating profit/loss (EBIT)	324	405	462	244	-284
Net financial items	-119	-74	-233	-195	-340
Profit/loss before tax	205	331	229	49	-624
Adjusted profit before tax (adjusted for A, B and C)	472	464	727	644	2,349
Margin, %	7.5	8.1	6.1	6.1	9.7
Taxes	-94	-240	-101	-259	-315
D Adjustment of tax ³⁾	-66	116	-128	86	-395
Adjusted net profit for the period (adjusted for A, B, C and D)	312	340	498	471	1,639
Margin, %	5.0	5.9	4.2	4.4	6.8
Of which, attributable to Parent Company shareholders	304	330	479	455	1,611
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)	1.12	1.21	1.76	1.67	5.91

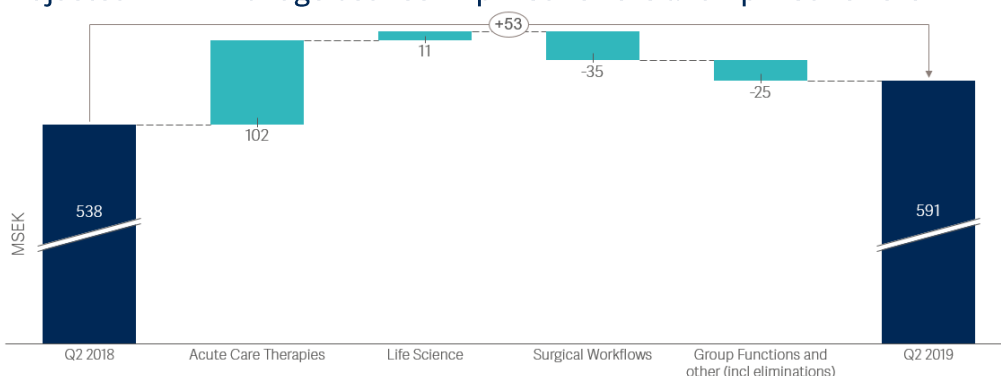
1) See Note 9 for effects of IFRS 16. 2) Excluding items affecting comparability (see Note 3 for D&A and write-downs). 3) See Note 5.

Adjusted EBITA per business area¹⁾

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Acute Care Therapies	698	596	1,296	1,066	2,533
Margin, %	19.7	18.9	18.9	17.8	19.5
Life Science	63	52	109	109	277
Margin, %	10.5	9.5	9.8	11.0	12.6
Surgical Workflows	-74	-39	-269	-204	142
Margin, %	-3.5	-1.9	-7.0	-5.7	1.6
Group functions and other (incl. eliminations)	-96	-71	-176	-132	-263
Total	591	538	960	839	2,689
Margin, %	9.4	9.4	8.1	7.9	11.1

1) See Note 3 for D&A and write-downs and Note 5 for other items affecting comparability and Note 9 for effects of IFRS 16.

Adjusted EBITA – bridge between April-June 2018 and April-June 2019



Adjusted operating expenses

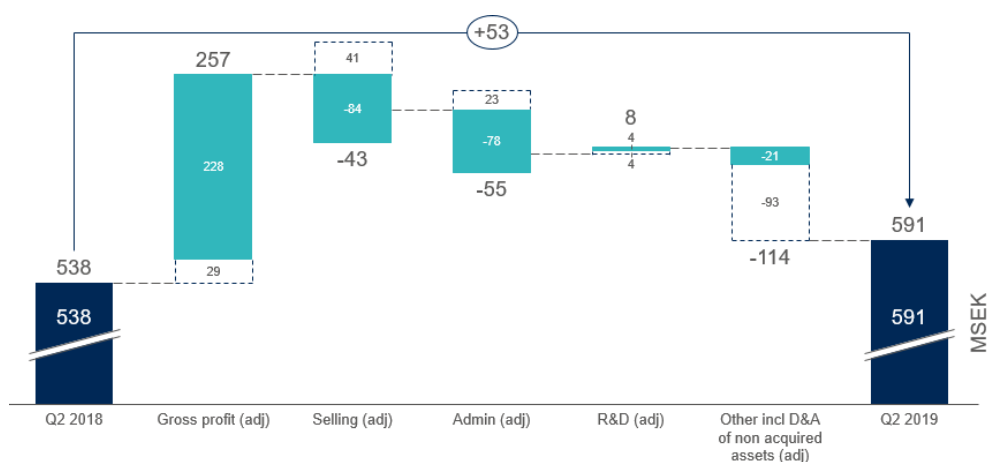
(excluding depreciation, amortization and write-downs and other items affecting comparability)¹⁾

- Adjusted operating expenses increased by 4.4% or SEK 88 M, year-on-year.
- Excluding currency and IFRS 16 effects, adjusted operating expenses increased by 3.4% year-on-year.
- The effect of IFRS 16 on adjusted operating expenses was SEK 68 M for the quarter.
- The increase in administrative expenses was mainly related to compliance and quality & remediation measures.
- Decision to merge the Group's two shared service centers, with all operations in Costa Rica transferred to the unit in Krakow, Poland.

SEK M	Apr-Jun 2019	Of which IFRS 16 effect	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Selling expenses	-1,184	41	-1,141	-2,331	-2,260	-4,527
Administrative expenses	-735	23	-680	-1,465	-1,346	-2,757
Research and development costs	-169	4	-177	-362	-347	-662
Other operating income and expenses	-11	0	-13	1	-55	-81
Total	-2,099	68	-2,011	-4,157	-4,008	-8,027

1) See Note 3 for depreciation, amortization and write-downs and Note 5 for other items affecting comparability and Note 9 for effects of IFRS 16.

Adjusted EBITA – bridge between April-June 2018 and April-June 2019



 The total IFRS 16 effect on adj EBITA was SEK 4 M in Q2 2019

Currency impact

- Net sales were positively impacted by translation effects of SEK 319 M.
- Gross profit was positively impacted by translation effects of SEK 139 M and transaction effects of SEK 15 M.
- EBITA was positively impacted by SEK 39 M in translation effects and SEK 15 M in transaction effects.

SEK M	Apr-Jun 2019	Jan-Jun 2019
Net sales	319	708
Gross profit	154	339
EBITDA	75	128
EBITA	54	94
Operating profit (EBIT)	44	71

Cash flow and financial position¹⁾

- Cash flow was positively affected by a continued healthy trend in working capital, despite solid growth.
- A dividend of SEK 272 M was paid to the Parent Company's shareholders during the second quarter.
- Net debt was adversely impacted by currency effects, IFRS 16 effects and the revaluation of pension liabilities.
- Excluding IFRS 16 effects, net debt in relation to adjusted EBITDA R12M was in line with Q4 2018 and Q1 2019.

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Cash flow before changes in working capital	719	440	1,075	712	2,641
Changes in working capital	172	-39	203	-13	-138
Net investments in non-current assets	-315	-354	-563	-653	-1,335
Free cash flow	576	47	715	46	1,168
Of which IFRS 16 effect			175	-	-
Net interest-bearing debt			13,950	13,845	12,591
In relation to adjusted EBITDA ¹⁾ R12M, multiple			3.3	3.5	3.2
Net interest-bearing debt, excl. IFRS 16 effect			12,969	13,845	12,591
In relation to adjusted EBITDA ¹⁾ R12M, multiple and excl. IFRS effect			3.2	3.5	3.2

1) See Note 5 for items affecting comparability, Note 7 for alternative performance measures and Note 9 for effects of IFRS 16.

- Gross expenses for R&D declined by 6.1%.
- Capitalized development costs fell by 16.7% as a result of timing effects of individual R&D projects and ongoing remediation measures.
- Amortization and write-downs increased 13.3%, of which 8.3 percentage points (SEK 10 M) comprised write-downs of R&D projects.

Research and development

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
R&D costs, gross	-325	-346	-646	-666	-1,262
<i>In relation to net sales, %</i>	5.2	6.0	5.5	6.3	5.2
Capitalized development costs	135	162	252	305	571
<i>In relation to net sales, %</i>	2.2	2.8	2.1	2.9	2.4
Research and development costs, net	-190	-184	-394	-361	-691
Amortization and write-downs of capitalized R&D	-136	-120	-261	-243	-519
<i>Of which write-downs</i>	-10	-	-10	-	-15

- Improvements continue to take place in Hechingen in accordance with the revised plan from 2017.
- The unutilized provision totaled SEK 325 M at the end of the

Update regarding Consent Decree with the FDA

SEK M	Jun 30 2019	Jun 30 2018	Dec 31 2018
Provision at beginning of period	382	556	556
Used amount	-67	-92	-200
Provisions	-	-	-
Translation differences	10	34	26
Provision at close of period	325	498	382

- The Consent Decree with the FDA was signed in February 2015 and originally encompassed a total of four production units in the US and Germany.
- Improvement plans for the identified corrections have been prepared for each unit. Such identified corrections have been completed at the two production units in the US. The work is expected to continue for another two years at Hechingen.
- Getinge committed SEK 995 M in 2014 related to the remediation program for strengthening the former Medical Systems' quality management system, and in 2016 and 2017 SEK 400 M and SEK 488 M, respectively, were committed for the same purpose. The total cost of the remediation program thus amounted to SEK 1,983 M at the end of the first quarter of 2019.

In autumn 2018 and the start of 2019, Getinge's production units in Fairfield and Mahwah received warning letters from the FDA. The reason for the warning letters was routine inspections performed by the FDA at these production units in 2018. The FDA's observations and opinions pertain to procedures and processes linked to demands for supplier checks, processes for the approval of design changes and incident reporting.

The same observations were identified by Getinge during internal inspections in the fourth quarter of 2017. The local organization has since worked to correct the shortcomings in the quality management system.

Getinge has submitted an action plan, including activities and a related schedule, to the FDA and improvements are proceeding according to plan. Net sales and the financial impact related to these observations are not deemed to be material. Nor will production capacity be affected by this work.

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 addressable market amounts to SEK 85 billion with expected organic growth of 2-4% per year.

- Positive trend, order growth in all product categories.
- Highly robust growth in heart-lung machines, including consumables.

- Net sales growing in all regions
- 14% growth in Critical Care, mainly due to strong sales of ventilators.
- Healthy growth in cardiac surgery products on all markets.
- Sales of expandable vascular stents have stabilized.
- Sales of capital goods increased, which negatively affected the gross margin.

- The adjusted gross margin fell by 0.2 of a percentage point in relation to the year-earlier quarter. The underlying trend was positive for most product categories, but was offset mainly by costs related to ongoing remediation measures and an unfavorable product mix, with a higher element of capital goods.
- Adjusted operating expenses increased by 7.0% compared with the year-earlier period and excluding currency and IFRS 16 effects were 4.8% higher, mainly related to remediation measures and preparations for EU's forthcoming medical device regulation (EU MDR).
- Higher sales, a stable gross margin and a positive currency effect contributed to an increase in the adjusted EBITA margin of 0.8 of a percentage point compared with the preceding year.
- Currency effects impacted sales by SEK +203 M, gross profit by SEK +122 M and EBITA by SEK +61 M.

Order intake and net sales

Order intake regions, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Americas	1,841	1,563	8.3	3,590	2,988	9.0	6,415
APAC	767	647	12.8	1,401	1,154	14.0	2,638
EMEA	1,066	1,009	3.5	2,101	1,984	2.9	4,016
Total	3,674	3,219	7.7	7,092	6,126	7.9	13,069

Net sales regions, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Americas	1,792	1,552	6.4	3,506	3,024	5.1	6,404
APAC	735	643	8.3	1,357	1,139	12.0	2,627
EMEA	1,014	953	3.9	1,999	1,836	6.6	3,982
Total	3,541	3,148	6.0	6,862	5,999	6.9	13,013

Net sales specified by capital goods & consumables, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Capital goods	880	770	8.6	1,707	1,400	16.2	3,501
Consumables	2,661	2,378	5.2	5,155	4,599	4.0	9,512
Total	3,541	3,148	6.0	6,862	5,999	6.9	13,013

Underlying earnings trend¹⁾

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales	3,541	3,148	6,862	5,999	13,013
Adjusted gross profit	2,082	1,856	4,028	3,609	7,627
Margin, %	58.8	59.0	58.7	60.2	58.6
Adjusted EBITDA	922	769	1,740	1,411	3,259
Margin, %	26.0	24.4	25.4	23.5	25.0
Depreciation, amortization and write-downs of intangible assets and tangible assets	-224	-173	-444	-345	-726
Adjusted EBITA	698	596	1,296	1,066	2,533
Margin, %	19.7	18.9	18.9	17.8	19.5

¹⁾ See Note 3 for D&A and write-downs and Note 5 for other items affecting comparability and Note 9 for IFRS 16 effects.

Key events in the business area

- Launch and commercial approval of an updated version of the Servo-u ventilators, which includes the added functions of automatic lung recruitment and transpulmonary pressure monitoring. Approval means that sales can take place on all markets that require CE marking.
- Premiere of a new cardiovascular procedures department at Getinge's globally unique Experience Center in Rastatt, Germany. Here customers can learn more about the company's advanced solutions throughout the continuum of care for coronary artery bypass surgery (CABG), an area of treatment where Getinge holds a leading global position. Getinge's Experience Center in Rastatt attracted more than 25,000 visitors in 2018 to attend seminars and receive training on Getinge's technology in realistic clinical environments.
- Getinge received the Partner Award at an "ECMO Survivor" event at Al Adan Hospital in Kuwait. Getinge is a preferred partner of the hospital in extracorporeal membrane oxygenation (ECMO) technology for critical patients.
- Getinge is successfully continuing its work on expanding the use of endoscopic vessel harvesting (EVH). The eighth meeting of the Harvesters Club, where clinical experts meet to expand their know-how and further develop technology, took place during the quarter.

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 addressable market amounts to SEK 23 billion with expected organic growth of 3-5% per year.

- Continued strong growth in order intake.
- Higher growth in sterilizers in Americas and isolators in EMEA.

- Particularly high sales growth in washer-disinfectors and sterilizers in APAC.
- High growth in isolators and sterilizers in EMEA.
- The decline in sales in Americas was primarily attributable to North America.
- Sales of capital goods increased in relation to consumables, which negatively affected the margin.

- The adjusted gross margin rose 0.8 of a percentage point in relation to the year-earlier quarter, primarily as a result of higher sales volumes.
- Adjusted operating expenses increased by 3.2% compared with the year-earlier period and excluding currency and IFRS 16 effects were 1.2% higher.
- Higher sales, a strengthened gross margin and stable operating expenses contributed to an increase in the adjusted EBITA margin of 1.0 percentage point compared with the preceding year.
- Currency effects impacted sales by SEK +28 M, gross profit by SEK +7 M and EBITA by SEK +2 M.

Order intake and net sales

Order intake regions, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Americas	303	193	44.4	540	407	21.0	802
APAC	91	120	-28.5	168	206	-23.8	434
EMEA	311	263	14.6	642	518	19.6	1,059
Total	705	576	15.5	1,350	1,131	12.2	2,295

Net sales regions, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Americas	201	203	-8.2	393	375	-4.4	815
APAC	98	64	45.9	167	112	40.9	375
EMEA	302	283	3.0	549	505	4.6	1,004
Total	601	550	3.9	1,109	992	5.3	2,194

Net sales specified by capital goods & consumables, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Capital goods	389	349	6.5	691	607	7.9	1,403
Consumables	212	201	-0.6	418	385	1.3	791
Total	601	550	3.9	1,109	992	5.3	2,194

Underlying earnings trend¹⁾

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales	601	550	1,109	992	2,194
Adjusted gross profit	219	196	422	382	815
Margin, %	36.4	35.6	38.1	38.5	37.1
Adjusted EBITDA	89	70	159	145	348
Margin, %	14.8	12.7	14.3	14.6	15.9
Depreciation, amortization and write-downs of intangible assets and tangible assets	-26	-18	-50	-36	-71
Adjusted EBITA	63	52	109	109	277
Margin, %	10.5	9.5	9.8	11.0	12.6

1) See Note 3 for D&A and write-downs and Note 5 for other items affecting comparability and Note 9 for IFRS 16 effects.

Key events in the business area

- A new area for sterilizer assembly was opened at the plant in Getinge to meet higher demand. The project, which was started in 2018, entails that the Getinge plant will gain access to an additional 500 square meters of effective workspace for a limited investment cost. The order intake for sterilizers has been strong in the past 12 months and a SEK 96 M agreement was signed in June for delivery of a modern ethylene oxide plant for a customer in the US.
- Getinge's DPTE-BetaBag® for sterile transfer received the Supplier Excellence Award from MilliporeSigma, part of the multinational Merck Group. MilliporeSigma and Getinge have worked together for more than ten years on the development and manufacture of a customized DPTE-BetaBag® for the sterile transfer of liquid products. Sales growth in DPTE-BetaBag® is high and a decision was made in the quarter to invest in greater capacity and increased fire safety at the plant in Vendôme, France.

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 addressable market amounts to SEK 62 billion with expected organic growth of 2-4% per year.

- Order intake fell organically, attributable to Eastern Europe in EMEA.
- Healthy performance in both Americas and APAC, mainly in Surgical Workplaces.

- High growth in APAC and Americas, while EMEA did not meet last year's strong results.
- Positive performance for Surgical Workplaces and Integrated Workflow Solutions.
- Negative sales trend in Infection Control, attributable to EMEA.
- Sales of capital goods increasing at a marginally higher tempo than consumables.

- The adjusted gross margin fell by 1.5 percentage points in relation to the year-earlier quarter, primarily as a result of low profitability in surgical tables and other OR hardware in Surgical Workplaces.
- Adjusted operating expenses declined by 1.8% compared with the year-earlier period. Excluding currency and IFRS 16 effects the adjusted operating expenses were 1.3% lower compared with Q2 2018.
- A weak sales increase, a lower gross margin and negative currency effects contributed to a SEK 35 M decline in adjusted EBITA to SEK -74 M.
- Currency effects on sales amounted to SEK +87 M, gross profit by SEK +25 M and EBITA by SEK -8 M.

Order intake and net sales

Order intake regions, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Americas	624	563	4.0	1,170	1,096	-1.9	2,479
APAC	654	560	10.9	1,172	989	11.0	2,290
EMEA	1,130	1,199	-8.8	2,176	2,103	0.5	4,214
Total	2,408	2,322	-0.9	4,518	4,188	2.3	8,983

Net sales regions, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Americas	581	518	3.6	1,101	1,014	-0.6	2,311
APAC	595	485	16.2	973	809	12.7	2,201
EMEA	959	1,030	-7.9	1,780	1,785	-2.3	4,453
Total	2,135	2,033	0.8	3,854	3,608	1.5	8,965

Net sales specified by capital goods & consumables, SEK M	Apr-Jun 2019	Apr-Jun 2018	Org Δ, %	Jan-Jun 2019	Jan-Jun 2018	Org Δ, %	Jan-Dec 2018
Capital goods	1,273	1,214	0.9	2,193	2,053	2.0	5,648
Consumables	862	819	0.5	1,661	1,555	0.9	3,317
Total	2,135	2,033	0.8	3,854	3,608	1.5	8,965

Underlying earnings trend¹⁾

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales	2,135	2,033	3,854	3,608	8,965
Adjusted gross profit	800	792	1,476	1,441	3,501
Margin, %	37.5	39.0	38.3	39.9	39.1
Adjusted EBITDA	84	63	41	-3	567
Margin, %	3.9	3.1	1.1	-0.1	6.3
Depreciation, amortization and write-downs of intangible assets and tangible assets	-158	-102	-310	-201	-425
Adjusted EBITA	-74	-39	-269	-204	142
Margin, %	-3.5	-1.9	-7.0	-5.7	1.6

1) See Note 3 D&A and write-downs and Note 5 for other items affecting comparability and Note 9 for effects of IFRS 16.

Key events in the business area

- Initiatives to improve earnings are continuing at all levels in the operations. Restructuring activities of SEK 57 M regarding rationalization of sales and administrative processes were carried out during the quarter.
- Getinge introduced GSS610H, a steam sterilizer built on a platform that is engineered in cooperation with Central Sterile Supply Department (CSSD) staff. Getinge wants to contribute to efficient and sustainable health care, and with nearly 90 years' experience in steam sterilization, Getinge GSS610H Steam Sterilizer is built on a broad foundation of trust. Like the other steam sterilizers in the portfolio, GSS610H integrates with existing sterilization departments to optimize throughput.
- Getinge received a product design award for its Maquet PowerLED II surgical light from the renowned RedDot Award organization. According to the RedDot Award jury, the award was given in recognition of Maquet PowerLED II's high-quality design, for example related to user-friendliness.
- A project, the first of its kind in Sweden, is currently underway in Region Värmland to connect Getinge's digital patient flow system INSIGHT to Torsby Hospital, two clinics and two municipal businesses. The system will provide an easy overview of real-time patient information which will increase productivity due to better use of resources.

Other information

Risk management

Health care reimbursement system

Political decisions represent the single greatest market risk to Getinge. Changes to the health care reimbursement system can have a major impact on individual markets by reducing or deferring grants. This risk is limited by Getinge being active in a large number of geographical markets.

Customers

Activities conducted by Getinge's customers are generally financed directly or indirectly by public funds and ability to pay is usually very solid, although payment behavior can vary between different countries. All transactions outside the OECD area are covered by payment guarantees, unless the customer's ability to pay is well documented.

Authorities and control bodies

Parts of Getinge's product range are covered by legislation stipulating rigorous 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 and the Group-wide quality and regulatory compliance function has a representative on the management teams of each business area. The function is also represented in all R&D and production units. 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. Getinge is also, and may become in the future, involved in government investigations, disputes and similar proceedings within the framework of its other business operations concerning such issues as the environment, tax and competition. Since Getinge operates in a global environment, the company is also exposed to local business risks, such as corruption and restrictions on trade. To minimize the risk of being subject to such investigations, disputes and proceedings, Getinge works actively on developing, implementing and maintaining policies and systems for ensuring compliance with applicable rules and regulations.

Research and development

Getinge's future growth also depends on the company's ability to develop new and successful products. Research and development efforts are costly and it is impossible to guarantee that developed products will be commercially successful. As a means of maximizing the return on investments in research and development efforts, 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 control points.

Product liability and damage claims

Health care suppliers run a risk, like other players in the health care industry, of being subject to product liability and other legal claims. Such claims can involve large amounts and significant legal expenses. Getinge cannot provide any guarantees that its operations will not be subject to compensation claims. Getinge carries the customary indemnity and product liability insurance, but there is a risk that Getinge's insurance coverage may not fully cover product liability and other claims.

Protection of intellectual property rights

Getinge is a market leader in the areas in which it operates and invests significant amounts in product development. To secure returns on these investments, Getinge actively upholds its rights and monitors competitors' activities closely. There is the risk when new products are developed that other companies may claim a patent infringement, which could result in disputes. If required, Getinge will protect its intellectual property rights through legal processes.

Financial risk management

Getinge is exposed to a number of financial risks in its operations. Financial risks principally pertain to risks related to currency risks, interest-rate risks and credit and counterparty risks. 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 the Group's Annual Report. The Group has a number of participations in foreign operations whose net assets are exposed to currency risks. Currency exposure that arises from net assets in the Group's foreign operations is primarily managed by borrowing in said foreign currency.

Seasonal variations

Getinge's sales and earnings are affected by seasonal variations. Higher net sales are normally generated in the fourth quarter, followed by the second, third and first quarters. The shares of sales derived from capital goods and consumables 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

- Average annual organic growth in net sales: 2-4 %
- Average earnings per share growth: >10%
- Getinge's dividend policy is to pay dividends of 30-50% of net profit to shareholders.

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 17, 2019

Carl Bennet
Vice Chairman

Johan Bygge

Cecilia Daun Wennborg

Barbro Fridén

Dan Frohm

Sofia Hasselberg

Peter Jörmalm

Rickard Karlsson

Johan Malmquist
Chairman

Mattias Perjos
President and CEO

Malin Persson

Johan Stern

This interim report is unaudited.

Consolidated financial statements

Consolidated income statement

SEK M	Note	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales	2	6,277	5,731	11,825	10,599	24,172
Cost of goods sold		-3,408	-3,077	-6,359	-5,541	-13,119
Gross profit	2, 3, 9	2,869	2,654	5,466	5,058	11,053
Selling expenses		-1,373	-1,279	-2,700	-2,527	-5,202
Administrative expenses		-839	-760	-1,670	-1,507	-3,090
Research and development costs		-190	-184	-394	-361	-691
Acquisition expenses		-1	-1	-2	-2	-4
Restructuring costs		-106	-12	-214	-12	4
Other operating income and expenses ¹⁾		-36	-13	-24	-405	-2,354
Operating profit/loss (EBIT)	2, 3, 9	324	405	462	244	-284
Net financial items	2, 9	-119	-74	-233	-195	-340
Profit/loss after financial items	2, 9	205	331	229	49	-624
Taxes		-94	-240	-101	-259	-315
Net profit/loss for the period		111	91	128	-210	-939
Attributable to:						
Parent Company shareholders		103	81	109	-226	-967
Non-controlling interests		8	10	19	16	28
Net profit/loss for the period		111	91	128	-210	-939
Earnings per share, SEK ²⁾		0.38	0.30	0.40	-0.83	-3.55
Weighted average number of shares for calculation of earnings per share (000s)		272,370	272,370	272,370	272,370	272,370

1) Of which SEK -350 M is related to ongoing investigations in Brazil (Jan-Mar 2018) and SEK -1,800 M to surgical mesh-related claims (Jul-Sep 2018).

2) Before and after dilution

Consolidated statement of comprehensive income

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net profit/loss for the period	111	91	128	-210	-939
Other comprehensive income					
Items that cannot be restated in profit for the period					
Actuarial gains/losses pertaining to defined benefit pension plans	-133	0	-318	0	143
Tax attributable to items that cannot be restated in profit	38	0	92	0	-15
Items that can later be restated in profit for the period					
Translation differences and hedging of net investments	26	964	676	1,431	844
Cash flow hedges	38	-192	79	-156	-60
Tax attributable to items that can be restated in profit	-4	153	-17	207	304
Other comprehensive income for the period, net after tax	-35	925	512	1,482	1,216
Total comprehensive income for the period	76	1,016	640	1,272	277
Comprehensive income attributable to:					
Parent Company shareholders	61	1,001	604	1,231	230
Non-controlling interests	15	15	36	41	47
Total comprehensive income for the period	76	1,016	640	1,272	277

Consolidated balance sheet

SEK M	Note	June 30 2019	June 30 2018	December 31 2018
Assets				
Intangible assets		24,539	24,522	24,098
Tangible assets		3,195	3,102	3,160
Right-of-use assets	9	1,017	-	-
Financial assets		2,093	1,847	1,946
Inventories		5,261	5,689	4,544
Accounts receivable		5,259	5,100	6,108
Other current receivables		2,552	2,265	2,223
Cash and cash equivalents	6	1,158	939	1,273
Total assets		45,074	43,464	43,352
Equity and liabilities				
Equity		20,014	20,668	19,655
Provisions for pensions, interest-bearing	6	3,413	3,222	3,035
Lease liabilities	6, 9	981	-	-
Other interest-bearing liabilities	6	10,714	11,562	10,829
Other provisions		3,772	2,344	3,771
Accounts payable		1,939	1,581	1,868
Other non-interest-bearing liabilities		4,241	4,087	4,194
Total equity and liabilities		45,074	43,464	43,352

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, 2018	136	6,789	168	12,291	19,384	422	19,806
Total comprehensive income for the period	-	-	1,067	-837	230	47	277
Share-based remuneration	-	-	-	-4	-4	-	-4
Dividend	-	-	-	-409	-409	-15	-424
Closing balance at December 31, 2018	136	6,789	1,235	11,041	19,201	454	19,655
Opening balance at January 1, 2019	136	6,789	1,235	11,041	19,201	454	19,655
Total comprehensive income for the period	-	-	721	-117	604	36	640
Dividend	-	-	-	-272	-272	-9	-281
Closing balance at June 30, 2019	136	6,789	1,956	10,652	19,533	481	20,014

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

Consolidated cash flow statement

SEK M	Note	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019 ³⁾	Jan-Jun 2018	Jan-Dec 2018
Operating activities						
Operating profit/loss (EBIT)	9	324	405	462	244	-284
Add-back of depreciation, amortization and write-downs	4, 9	556	415	1,092	816	1,808
Other non-cash items ¹⁾		3	7	6	362	2,073
Add-back of restructuring costs ²⁾		96	12	188	12	-4
Paid restructuring costs		-104	-64	-171	-109	-261
Financial items		-113	-58	-226	-168	-325
Taxes paid		-43	-277	-276	-445	-366
Cash flow before changes in working capital		719	440	1,075	712	2,641
Changes in working capital						
Inventories		-142	-60	-595	-604	-36
Operating receivables		4	138	878	1,293	-30
Operating liabilities		310	-117	-80	-702	-72
Cash flow from operating activities		891	401	1,278	699	2,503
Investing activities						
Acquisition of operations		-6	-4	-6	-4	-4
Investments in intangible assets and tangible assets		-315	-377	-568	-677	-1,380
Divestment of non-current assets		0	23	5	24	45
Cash flow from investing activities		-321	-358	-569	-657	-1,339
Financing activities						
Change in interest-bearing liabilities	9	-130	253	-587	-275	-1,005
Change in long-term receivables		1	-1	6	9	-11
Dividend paid		-281	-409	-281	-409	-424
Cash flow from financing activities		-410	-157	-862	-675	-1,440
Cash flow for the period		160	-114	-153	-633	-276
Cash and cash equivalents at the beginning of the period		993	1,037	1,273	1,526	1,526
Translation differences		5	16	38	46	23
Cash and cash equivalents at the end of the period		1,158	939	1,158	939	1,273

1) Refers mainly to the provision for surgical mesh-related claims (Jul-Sep 2018)

2) Excluding write-downs on non-current assets

3) Getinge applies IFRS 16 Leases from January 1, 2019 and comparative figures have not been restated since the Group has chosen to apply the modified retrospective approach. See Note 9 for more information on the effects of the introduction of IFRS 16 on cash flow.

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 2018 Annual Report and should be read in conjunction with that Annual Report, with one exception. The Group applies IFRS 16 Leases, which replaces IAS 17 Leases, from January 1, 2019 and the new accounting policies are described in the section "New accounting policies" below.

The interim report provides alternative performance measures for monitoring the Group's operations. Percentual changes and key figures in the report have been calculated based on the rounded amounts as presented in the report. Unless otherwise specified, all figures pertain to SEK M and figures in parentheses pertain to the year-earlier period.

New accounting policies

Getinge applies IFRS 16 Leases from January 1, 2019. The Group has decided to apply the modified retrospective approach and accordingly has not restated comparative figures. Instead, right-of-use assets for leases assets have been measured at an amount corresponding to the outstanding lease obligations on January 1, 2019¹⁾. In connection with the transition to IFRS 16, Getinge decided to use the same discount rate for lease assets of similar characteristics. Getinge's decision to apply the modified retrospective approach has also meant that direct costs for the measurement of the right-of-use assets were excluded and assessment was used in determining the remaining lease terms in connection with initial application of the standard.

Under IFRS 16, an asset (the right to use the leased asset) and a financial liability (the obligation to pay to make lease payments) are recognized in the balance sheet. Since no difference is made between operating and finance leases, the implementation of the standard entailed that all material leases in which Getinge is the lessee were recognized in the consolidated balance sheet. Only short-term leases and low-value leases are exempted.

When the standard was introduced on January 1, 2019, right-of-use assets of SEK 1,056 M and lease liabilities of SEK 1,017 M were recognized on new rows in the consolidated balance sheet²⁾. Right-of-use assets are primarily attributable to leased premises and vehicles. In the income statement, operating leasing costs have been replaced by costs for depreciation of right-of-use assets and interest expenses attributable to lease liabilities. For this reason, operating profit will increase compared with previously since some of the lease payments will be recognized as interest expenses in net financial items. As a result, the standard impacts several of the Group's key figures. See Note 9 for more information on the effects of IFRS 16.

The effects of the transition to IFRS 16 are presented in the table below with the discount effect calculated using the Group's weighted average borrowing rate of 2.5%.

Effects of introduction of IFRS 16

SEK M	
Obligation for operating leases under IAS 17 at December 31, 2018	996
Discount effect	-55
Short-term leases and low-value leases	-11
Extension/termination options that it is reasonably certain will be exercised	87
Lease liability under IFRS 16 at January 1, 2019	1,017
Prepaid lease payments	39
Right-of-use assets under IFRS 16 at January 1, 2019	1,056

- 1) Upon the introduction of IFRS 16, Getinge has applied the modified retrospective method, which means that opening retained earnings are not affected by the transition.
- 2) Under IFRS 16, right-of-use assets are recognized at an amount corresponding to the present value of the lease liability, plus lease payments paid at or prior to the start of the lease term. For this reason, an amount of SEK 39 M was reclassified from the item other current receivables to right-of-use assets in connection with the introduction of IFRS 16.

New accounting policies for leases

The following accounting policies are applied now that Getinge recognizes leases in accordance with IFRS 16 from January 1, 2019.

Getinge as a lessee

The Group's leases mainly comprise right-of-use assets for premises and vehicles. The leases are recognized as a right-of-use asset with a corresponding lease liability when the leased asset is available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are exempted. Each lease payment should be divided between amortization of the lease liability and a financial cost. The financial cost should be allocated over the lease term, so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognized under each period.

The Groups lease liabilities are recognized at the present value of the Group's fixed lease payments. Purchase options are included if it is reasonably certain that Getinge will exercise the option to acquire the underlying asset. Penalties for terminating the lease are included if the lease term reflects that the lessee will exercise an option to cancel the lease. Lease payments are discounted with the interest rate implicit in the lease, if this rate can easily be determined. Otherwise, the Group's incremental borrowing rate is applied.

The Group's right-of-use assets are recognized at cost, and include initial present value of the lease liability, adjusted for lease payment made at or before the commencement date and any initial direct expenses. Restoration costs are included in the asset if a corresponding provision for restoration costs exists. The right-to-use asset is depreciated on a straight-line basis over the assets useful life and the lease term, whichever is the shortest.

Getinge as lessor

Leasing agreements are defined in two categories, operational and financial, depending on the financial significance of the agreement. Operating leases are recognized as non-current assets. Revenue from operating leases is recognized evenly over the lease term. Straight-line depreciation is applied to these assets in accordance with the undertakings and the depreciation amount is adjusted to correspond with the estimated realizable value when the undertaking expires. The estimated impairment requirement is immediately charged to profit or loss. The products' estimated realizable value at the expiration of the undertaking is continuously followed up on an individual basis. Financial leases are recognized as long-term and current receivables. Payments received from financial leases are divided between interest income and depreciation of receivables.

Note 2 Segment overview

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales, SEK M					
Acute Care Therapies	3,541	3,148	6,862	5,999	13,013
Life Science	601	550	1,109	992	2,194
Surgical Workflows	2,135	2,033	3,854	3,608	8,965
Total	6,277	5,731	11,825	10,599	24,172
Gross profit, SEK M					
Acute Care Therapies	1,942	1,732	3,749	3,365	7,111
Life Science	205	186	395	362	776
Surgical Workflows	722	736	1,322	1,331	3,166
Total	2,869	2,654	5,466	5,058	11,053
Operating profit (EBIT), SEK M					
Acute Care Therapies	515	477	934	632	-100
Life Science	58	51	97	107	271
Surgical Workflows	-153	-52	-393	-363	-191
Group functions and other (incl. eliminations) ¹⁾	-96	-71	-176	-132	-264
Operating profit/loss (EBIT)	324	405	462	244	-284
Net financial items	-119	-74	-233	-195	-340
Profit/loss after financial items	205	331	229	49	-624

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 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Acquired intangible assets	-125	-120	-247	-231	-570
Intangible assets	-209	-180	-416	-361	-775
Right-of-use assets ¹⁾	-93	-	-183	-	-
Tangible assets	-129	-115	-246	-224	-463
Total	-556	-415	-1,092	-816	-1,808
<i>of which write-downs</i>	<i>-20</i>	<i>-</i>	<i>-36</i>	<i>-</i>	<i>-117</i>

1) Related to leases recognized according to IFRS 16

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Of which IFRS 16 effect	Jan-Jun 2018	Jan-Dec 2018
Cost of goods sold	-232	-190	-460	-54	-374	-799
Selling expenses	-189	-138	-369	-78	-267	-647
Administrative expenses	-104	-80	-205	-43	-161	-333
Research and development costs	-21	-7	-32	-8	-14	-29
Restructuring costs	-10	-	-26	-	-	-
Total	-556	-415	-1,092	-183	-816	-1,808
<i>of which write-downs</i>	<i>-20</i>	<i>-</i>	<i>-36</i>	<i>-</i>	<i>-</i>	<i>-117</i>

Note 4 Quarterly results

SEK M	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017
Net sales	6,277	5,548	7,890	5,683	5,731	4,868	7,371	4,944
Cost of goods sold	-3,408	-2,951	-4,315	-3,263	-3,077	-2,464	-4,179	-2,496
Gross profit	2,869	2,597	3,575	2,420	2,654	2,404	3,192	2,448
Operating expenses	-2,545	-2,459	-2,367	-4,156	-2,249	-2,565	-2,347	-2,144
Operating profit/loss (EBIT)	324	138	1,208	-1,736	405	-161	845	304
Net financial items	-119	-114	-104	-41	-74	-121	-127	-132
Profit/loss after financial items	205	24	1,104	-1,777	331	-282	718	172
Taxes	-94	-7	-389	333	-240	-19	242	-47
Net profit/loss for the period	111	17	715	-1,444	91	-301	960	125

Note 5 Adjustment items

Adjusted EBITA, SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Acute Care Therapies	698	596	1,296	1,066	2,533
Life Science	63	52	109	109	277
Surgical Workflows	-74	-39	-269	-204	142
Group functions and other (incl. eliminations)	-96	-71	-176	-132	-263
Total, Group	591	538	960	839	2,689

Adjustments of EBITA, SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Specification of items affecting comparability that impact EBITA					
Acquisition and restructuring costs, Acute Care Therapies	-46	-8	-108	-9	-5
Acquisition and restructuring costs, Life Science	-4	-	-10	-	-
Acquisition and restructuring costs, Surgical Workflows	-57	-5	-98	-5	5
Write-down of inventories, Surgical Workflows ¹⁾	-	-	-	-	-91
Write-down of R&D, Acute Care Therapies ²⁾	-10	-	-10	-	-
Write-down of R&D, Surgical Workflows ¹⁾	-	-	-	-	-11
Impairment av receivables, Acute Care Therapies ³⁾	-7	-	-7	-	-83
Impairment av receivables, Life Science ³⁾	-	-	-	-	-3
Impairment av receivables, Surgical Workflows ³⁾	-18	-	-18	-	-37
Provision related to Mesh, Acute Care Therapies ³⁾	-	-	-	-	-1,800
Provision for ongoing investigation in Brazil, Acute Care Therapies ³⁾	-	-	-	-210	-210
Provision for ongoing investigation in Brazil, Surgical Workflows ³⁾	-	-	-	-140	-140
Other, Acute Care Therapies ²⁾	-	-	-	-	-24
Other, Surgical Workflows ²⁾	-	-	-	-	-4
Group functions and other (incl. eliminations)	-	-	-	-	-
Total, Group	-142	-13	-251	-364	-2,403
Items affecting comparability per segment					
Acute Care Therapies	-63	-8	-125	-219	-2,122
Life Science	-4	-	-10	-	-3
Surgical Workflows	-75	-5	-116	-145	-278
Group functions and other (incl. eliminations)	-	-	-	-	-
Total, Group	-142	-13	-251	-364	-2,403

1) Reported in Cost of goods sold

2) Reported in Operating expenses

3) Reported in Other operating income and operating expenses

EBITA, SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Acute Care Therapies	635	588	1,171	847	411
Life Science	59	52	99	109	274
Surgical Workflows	-149	-44	-385	-349	-136
Group functions and other (incl. eliminations)	-96	-71	-176	-132	-263
Total, Group	449	525	709	475	286

Adjustments of EBIT (in addition to the above adjustments of EBITA), SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Specification of items affecting comparability that impact EBIT but not EBITA					
Write-down of acquired intangible assets, Acute Care Therapies ²⁾	-	-	-	-	-66
Write-down of acquired intangible assets, Surgical Workflows ²⁾	-	-	-	-	-31
Total, Group¹⁾	-	-	-	-	-97

1) Items affecting comparability that impact EBIT but not EBITA refer to write-downs of acquired intangible assets.

2) Reported in Operating expenses

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Adjustments of EBIT, SEK M					
Items affecting comparability that impact EBITA (according to above)	-142	-13	-251	-364	-2,403
Items affecting comparability that impact EBIT but not EBITA (according to above)	-	-	-	-	-97
Total, Group	-142	-13	-251	-364	-2,500

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Adjustment of tax, SEK M					
Amortization and write-down of acquired intangible assets ¹⁾	125	120	247	231	473
Items affecting comparability	142	13	251	364	2,500
Adjustment items, total	267	133	498	595	2,973
Tax effect on adjustment items ²⁾	-66	-36	-128	-66	-622
Adjustment for tax items affecting comparability ³⁾	-	152	-	152	227
Total, Group	-66	116	-128	86	-395

1) Excluding write-downs classified as items affecting comparability

2) Tax effect on tax deductible adjustment items

3) January-December 2018: Tax item affecting comparability primarily refers to the provision of SEK 114 M for self correction of tax and other tax risks related to ongoing investigations into competition-law breaches in Brazil and SEK 88 M in tax effect due to the tax rate change in Sweden.

Note 6 Consolidated net interest-bearing debt

SEK M	June 30 2019	June 30 2018	December 31 2018
Other interest-bearing liabilities	10,714	11,562	10,829
Provisions for pensions, interest-bearing	3,413	3,222	3,035
Lease liabilities	981	-	-
Interest-bearing liabilities	15,108	14,784	13,864
Less cash and cash equivalents	-1,158	-939	-1,273
Net interest-bearing debt	13,950	13,845	12,591

Note 7 Key figures for the Group

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Financial and operative key figures					
Key figures based on Getinge's financial targets					
Organic growth in net sales, %	4.0	6.0	4.9	5.7	4.9
Earnings per share ¹⁾ , SEK	0.38	0.30	0.40	-0.83	-3.55
Other operative and financial key figures					
Organic growth in order intake, %	5.2	10.2	6.3	6.7	2.5
Gross margin, %	45.7	46.3	46.2	47.7	45.7
Selling expenses, % of net sales	21.9	22.3	22.8	23.8	21.5
Administrative expenses, % of net sales	13.4	13.3	14.1	14.2	12.8
Research and development costs, % of net sales	5.2	6.0	5.5	6.3	5.2
Operating margin, %	5.2	7.1	3.9	2.3	-1.2
EBITDA, SEK M	880	820	1,554	1,060	1,524
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			10.8	8.9	9.8
Net debt/equity ratio, multiple			0.70	0.67	0.64
Net debt/Rolling 12m adjusted EBITDA, multiple			3.3	3.5	3.2
Operating capital, SEK M			33,347	N/A ²⁾	32,868
Return on operating capital, %			7.0	N/A ²⁾	6.7
Return on equity, %			-3.0	4.3	-4.7
Equity/assets ratio, %			44.4	47.6	45.3
Equity per share, SEK			73.48	75.88	72.16
Number of employees			10,409	10,748	10,515

1) Before and after dilution

2) Not applicable due to the distribution of Arjo in December 2017

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 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Adjusted gross profit, SEK M					
Gross profit	2,869	2,654	5,466	5,058	11,053
<i>Add-back of:</i>					
Depreciation, amortization and write-downs of intangible assets and tangible assets	232	190	460	374	799
Other items affecting comparability	-	-	-	-	102
Adjustment for write-downs included in other items affecting comparability	-	-	-	-	-11
Adjusted gross profit	3,101	2,844	5,926	5,432	11,943

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Adjusted EBITDA, SEK M					
Operating profit/loss (EBIT)	324	405	462	244	-284
<i>Add-back of:</i>					
Depreciation, amortization and write-downs of intangible assets and tangible assets	431	295	845	585	1,238
Amortization and write-down of acquired intangible assets	125	120	247	231	570
Other items affecting comparability	35	-	35	350	2,500
Acquisition and restructuring costs	107	13	216	14	0
Adjustment for write-downs included in other items affecting comparability and restructuring costs	-20	-	-36	-	-108
Adjusted EBITDA	1,002	833	1,769	1,424	3,916

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Adjusted EBITA, SEK M					
Operating profit/loss (EBIT)	324	405	462	244	-284
<i>Add-back of:</i>					
Amortization and write-down of acquired intangible assets	125	120	247	231	570
Other items affecting comparability	35	-	35	350	2,500
Acquisition and restructuring costs	107	13	216	14	0
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-	-	-	-97
Adjusted EBITA	591	538	960	839	2,689

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Adjusted EBIT, SEK M					
Operating profit/loss (EBIT)	324	405	462	244	-284
<i>Add-back of:</i>					
Other items affecting comparability	35	-	35	350	2,500
Acquisition and restructuring costs	107	13	216	14	0
Adjusted EBIT	466	418	713	608	2,216

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Adjusted net profit for the period, SEK M					
Net profit/loss for the period	111	91	128	-210	-939
<i>Add-back of:</i>					
Amortization and write-down of acquired intangible assets	125	120	247	231	570
Other items affecting comparability	35	-	35	350	2,500
Acquisition and restructuring costs	107	13	216	14	0
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-	-	-	-97
Tax items affecting comparability	-	152	-	152	227
Tax on add-back items	-66	-36	-128	-66	-622
Adjusted net profit for the period	312	340	498	471	1,639

Note 8 Acquisitions

No acquisitions took place the second quarter of 2019.

Note 9 Effects of IFRS 16 Leases

Getinge applies IFRS 16 Leases from January 1, 2019. The modified retrospective approach was applied to the transition to the new standard entailing the comparative figures for 2018 were not restated. The effects of the introduction of IFRS 16 on income statement measures, cash flow and selected key figures are presented in the table below.

IFRS 16 effect on income statement measures

	Jan-Jun 2019	IFRS 16 effect Jan-Jun 2019	Excl. IFRS 16 Jan-Jun 2019	Jan-Jun 2018
Gross profit, SEK M				
Acute Care Therapies	3,749	0	3,749	3,365
Life Science	395	0	395	362
Surgical Workflows	1,322	1	1,321	1,331
Total	5,466	1	5,465	5,058
EBITA, SEK M				
Acute Care Therapies	1,171	3	1,168	847
Life Science	99	0	99	109
Surgical Workflows	-385	3	-388	-349
Group functions and other (incl. eliminations)	-176	0	-176	-132
Total	709	6	703	475
Operating profit (EBIT), SEK M				
Acute Care Therapies	934	3	931	632
Life Science	97	0	97	107
Surgical Workflows	-393	3	-396	-363
Group functions and other (incl. eliminations)	-176	0	-176	-132
Operating profit (EBIT)	462	6	456	244
Net financial items	-233	-12	-221	-195
Profit/loss after financial items	229	-6	235	49
Taxes	-101	1	-102	-259
Profit/loss before tax	128	-5	133	-210

IFRS 16 effect on adjusted income statement measures

	Jan-Jun 2019	IFRS 16 effect Jan-Jun 2019	Excl. IFRS 16 Jan-Jun 2019	Jan-Jun 2018
Adjusted gross profit, SEK M				
Acute Care Therapies	4,028	18	4,010	3,609
Life Science	422	4	418	382
Surgical Workflows	1,476	34	1,442	1,441
Total	5,926	56	5,870	5,432
Adjusted EBITDA, SEK M				
Acute Care Therapies	1,740	81	1,659	1,411
Life Science	159	10	149	145
Surgical Workflows	41	96	-55	-3
Group functions and other (incl. eliminations)	-171	2	-173	-129
Total	1,769	189	1,580	1,424
Adjusted EBITA, SEK M				
Acute Care Therapies	1,296	3	1,293	1,066
Life Science	109	0	109	109
Surgical Workflows	-269	3	-272	-204
Group functions and other (incl. eliminations)	-176	0	-176	-132
Total	960	6	954	839

IFRS 16 effect on cash flow

SEK M	Jan-Jun 2019	IFRS 16 effect Jan-Jun 2019 ¹⁾	Excl. IFRS 16 Jan-Jun 2019	Jan-Jun 2018
Operating activities				
Operating profit/loss (EBIT)	462	6	456	244
Add-back of depreciation, amortization and write-downs	1,092	183	909	816
Other non-cash items	6	0	6	362
Add-back of restructuring costs	188	-	188	12
Paid restructuring costs	-171	-	-171	-109
Financial items	-226	-12	-214	-168
Taxes paid	-276	-	-276	-445
Changes in working capital	203	-2	205	-13
Cash flow from operating activities	1,278	175	1,103	699
Financing activities				
Change in interest-bearing liabilities	-587	-175	-412	-275
Change in long-term receivables	6	-	6	9
Dividend paid	-281	-	-281	-409
Cash flow from financing activities	-862	-175	-687	-675

- 1) According to IFR 16, lease payments are to be distributed between amortization of the lease liability and interest expenses. Compared with 2018, this means that cash flow from operating activities is positively impacted by the add-back of depreciation of right-of-use assets as non-cash items, while most of the lease payments are recognized as amortization of interest-bearing liabilities in cash flow from financing activities.

IFRS 16 effect on selected key figures

Financial and operative key figures	Jan-Jun 2019	IFRS 16 effect Jan-Jun 2019	Excl. IFRS 16 Jan-Jun 2019	Jan-Jun 2018
Earnings per share ¹⁾ , SEK	0.40	-0.02	0.42	-0.83
Adjusted earnings per share ¹⁾ , SEK	1.76	-0.02	1.78	1.67
EBITDA, SEK M	1,554	189	1,365	1,060
Adjusted EBIT, SEK M	713	6	707	608
Interest-coverage ratio, multiple	10.8	0.2	10.6	8.9
Net debt/equity ratio, multiple	0.70	0.05	0.65	0.67
Net debt/Rolling 12m adjusted EBITDA, multiple	3.3	0.1	3.2	3.5

- 1) Before and after dilution

Parent Company financial statements

Parent Company's income statement

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Administrative expenses	-66	-117	-182	-236	-288
Other operating expenses	-	-301	-	-301	-311
Operating result	-66	-418	-182	-537	-599
Result from participations in Group companies ¹⁾	405	8,217	888	8,217	8,951
Interest income and other similar income	0	205	0	205	206
Interest expenses and other similar expenses	-98	-865	-441	-1,361	-1,642
Profit after financial items²⁾	241	7,139	265	6,524	6,916
Appropriations	-	-	-	-	2,188
Taxes	28	140	124	276	-119
Net profit for the period³⁾	269	7,279	389	6,800	8,985

1) Internal restructuring took place in 2018 which resulted in a liquidation gain of SEK 8,329 M.

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 receivables and liabilities in foreign currencies measured

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

Parent Company's balance sheet

SEK M	June 30 2019	June 30 2018	December 31 2018
Assets			
Intangible assets	41	85	58
Tangible assets	9	10	9
Participations in Group companies	28,190	33,692	28,062
Deferred tax assets	209	462	80
Long-term receivables	30	57	29
Receivables from Group companies	925	30	2,718
Current receivables	151	239	174
Total assets	29,555	34,575	31,130
Equity and liabilities			
Equity	21,273	18,975	21,156
Long-term liabilities	1,578	5,693	4,206
Long-term liabilities to Group companies	742	717	718
Other provisions	20	-	10
Current liabilities to Group companies	605	4,551	1,493
Current liabilities	5,337	4,639	3,547
Total equity and liabilities	29,555	34,575	31,130

Definitions

Financial terms

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

Return on operating capital.

Rolling 12 months' adjusted EBIT in relation to operating capital.

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

Gross margin. Gross profit in relation to net sales.

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

EBIT. Operating profit.

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

EBITA. Operating profit before depreciation and write-down of acquired intangible assets.

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

EBITA margin. EBITA in relation to net sales.

EBITDA. Operating profit before depreciation, amortization and write-downs.

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

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.

Cash flow after net investments. Cash flow from operating activities and investing activities, excluding acquisitions and divestment of operations.

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

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

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

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.

Earnings per share. Net profit for the period, attributable to Parent Company shareholders, in relation to average number of shares.

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

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

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

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.

Medical terms

Sterilizer. A device to destroy microorganisms on surgical instruments, usually by bringing to a high temperature with steam.

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

Endovascular. Vascular treatment using catheter technologies.

Cardiopulmonary. Pertaining or belonging to both heart and lung.

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

Artificial grafts. Artificial vascular implants.

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.

Stent. A tube for endovascular widening of blood vessels.

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

Geographical areas

Americas. North, South and Central America.

APAC. Asia and Pacific.

EMEA. Europe, Middle East and Africa.

Teleconference

Teleconference with President & CEO Mattias Perjos and CFO Lars Sandström on July 17, 2019 at 10:00-11:00 a.m. (Swedish time). Please see dial in details below to join the conference:

SE: +46851999383
UK: +443333009035
US: +18446251570

A presentation will be held during the telephone conference. To access the presentation, please use this link:
<https://tv.streamfabriken.com/getinge-q2-2019>.

Alternatively, use the following link to download the presentation: <https://www.getinge.com/int/about-us/investors/reports-presentations/>

A recording of the teleconference will be available for three years via the following link: <https://tv.streamfabriken.com/getinge-q2-2019>

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 following dates have been set for the publication of financial communication:

October 17, 2019	Interim report January–September 2019
January 29, 2020	Year-end report 2019
March 2020	2019 Annual Report

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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 person set out above, at 8:00 a.m. CEST on July 17, 2019.

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 over 10,000 people worldwide and the products are sold in more than 135 countries.

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