



Q2 Report 2019

Mattias Perjos, President and CEO
Lars Sandström, CFO

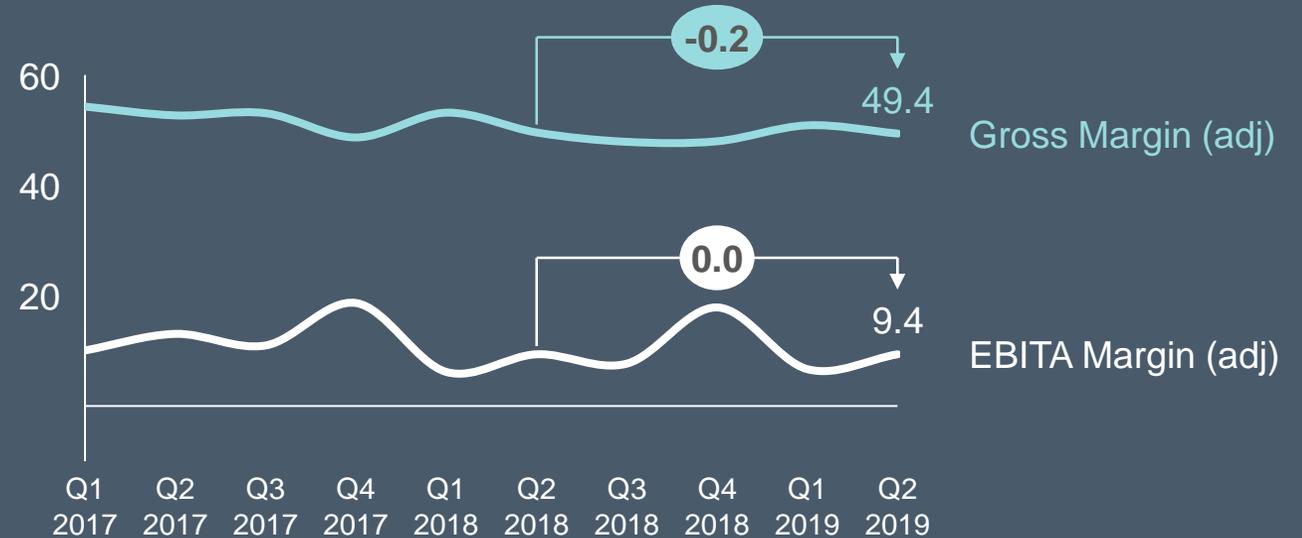
July 17, 2019

GETINGE 

Key takeaways – performance

Q2 2019

- Sales growth continues
- Flat Gross Margin Y-o-Y
- Flat adj EBITA Margin Y-o-Y
- Positive development on Working Capital and strong Cash Flow



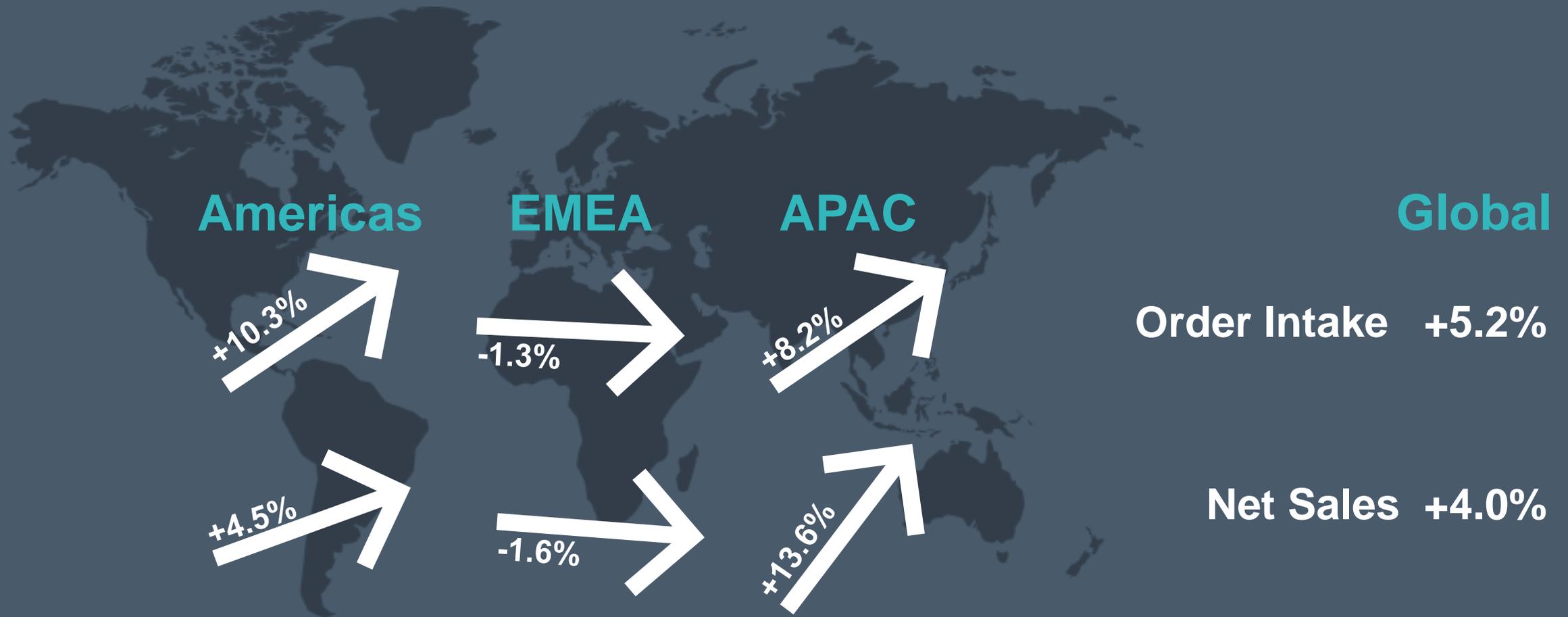
Key takeaways – events

Q2 2019

- Restructuring activities to reduce expenses and improve productivity
 - Restructuring cost of SEK 106 M in the quarter
 - Margin contribution is expected to start to show on P&L from H2 2019
- No new material information on Brazil, Mesh litigations and FDA Warning Letters
- The Servo-u ventilator received commercial approval for the automatic lung recruitment function
- Launch of the GSS610H steam sterilizer
- RedDot Award and customer awards

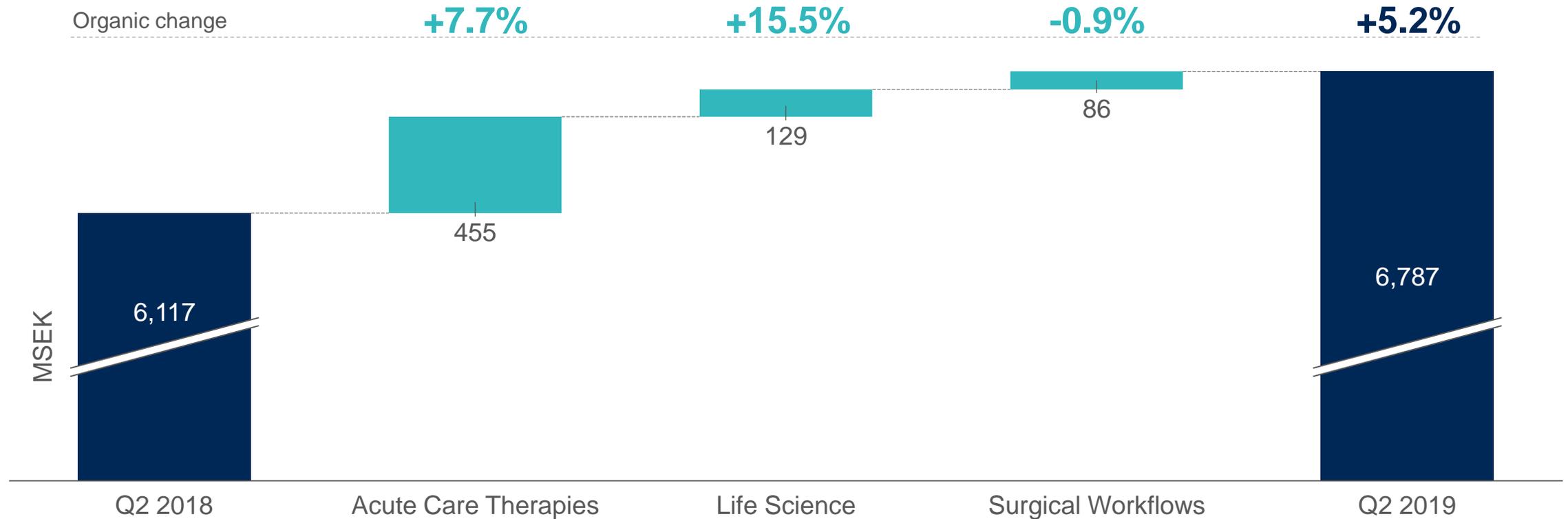
Organic growth continues

Growing faster than the average in addressable market



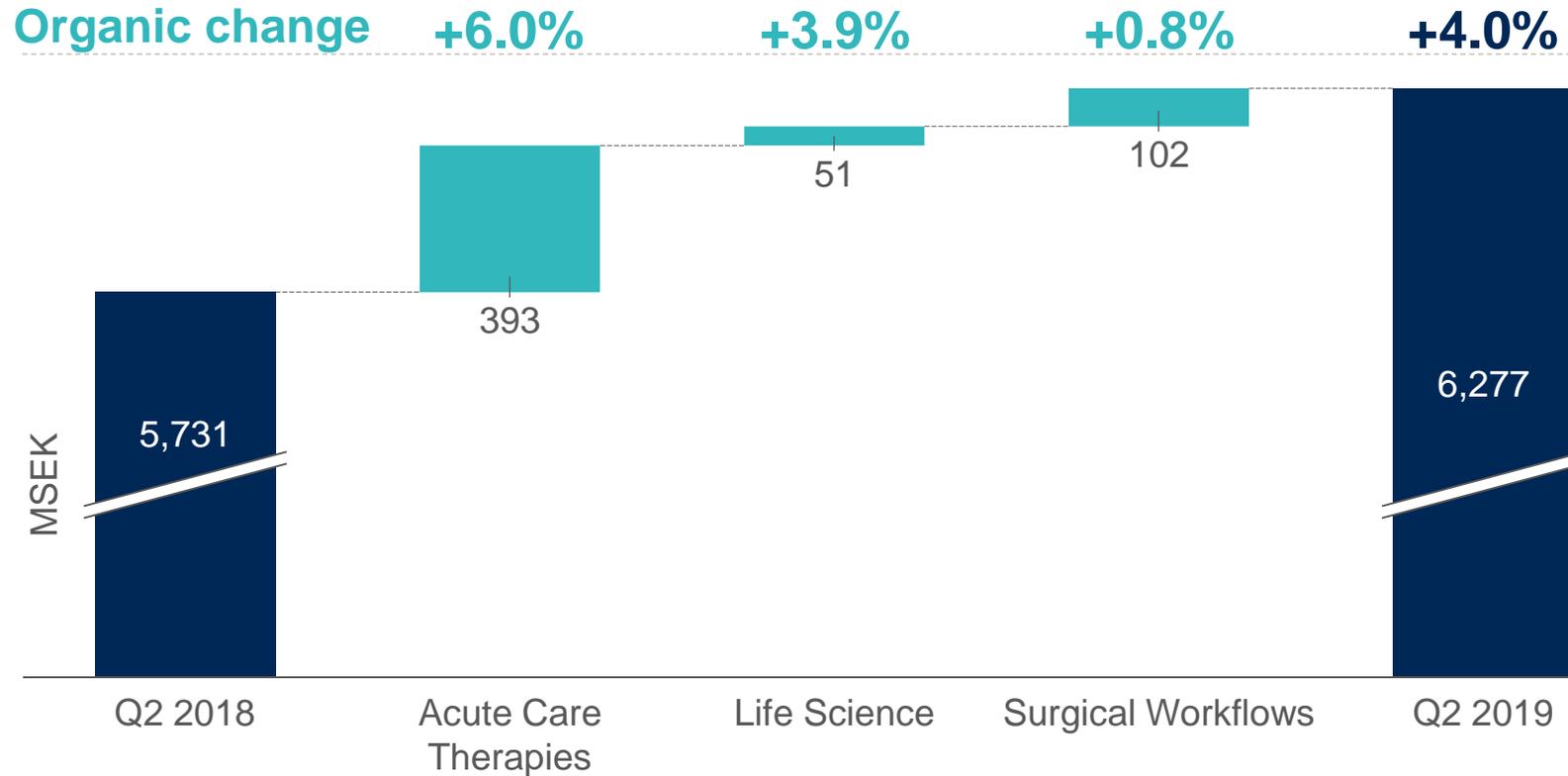
Contribution in Order Intake

Bridge Q2 2018 - Q2 2019

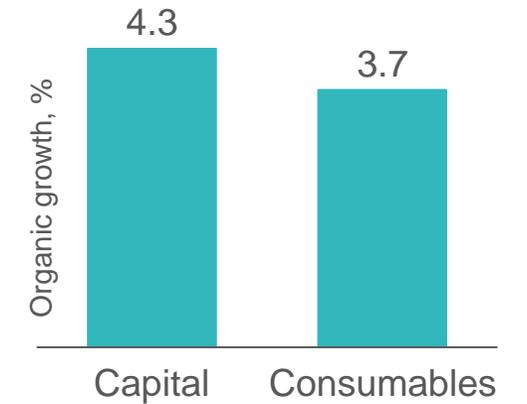


Contribution in Net Sales

Bridge Q2 2018 - Q2 2019

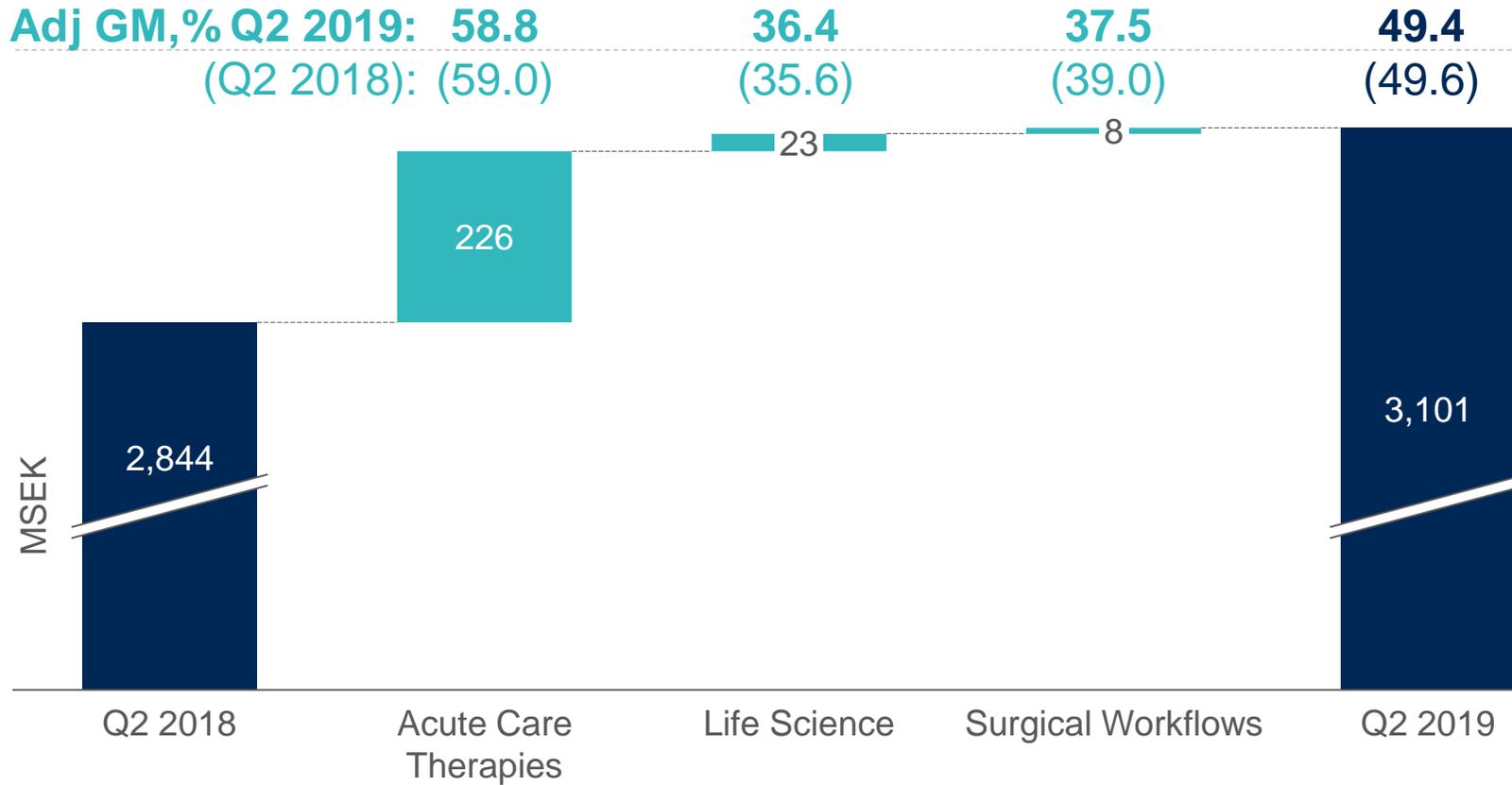


+319
Currency impact, MSEK



Gross Margin development Q2 2019

Bridge Q2 2018 - Q2 2019



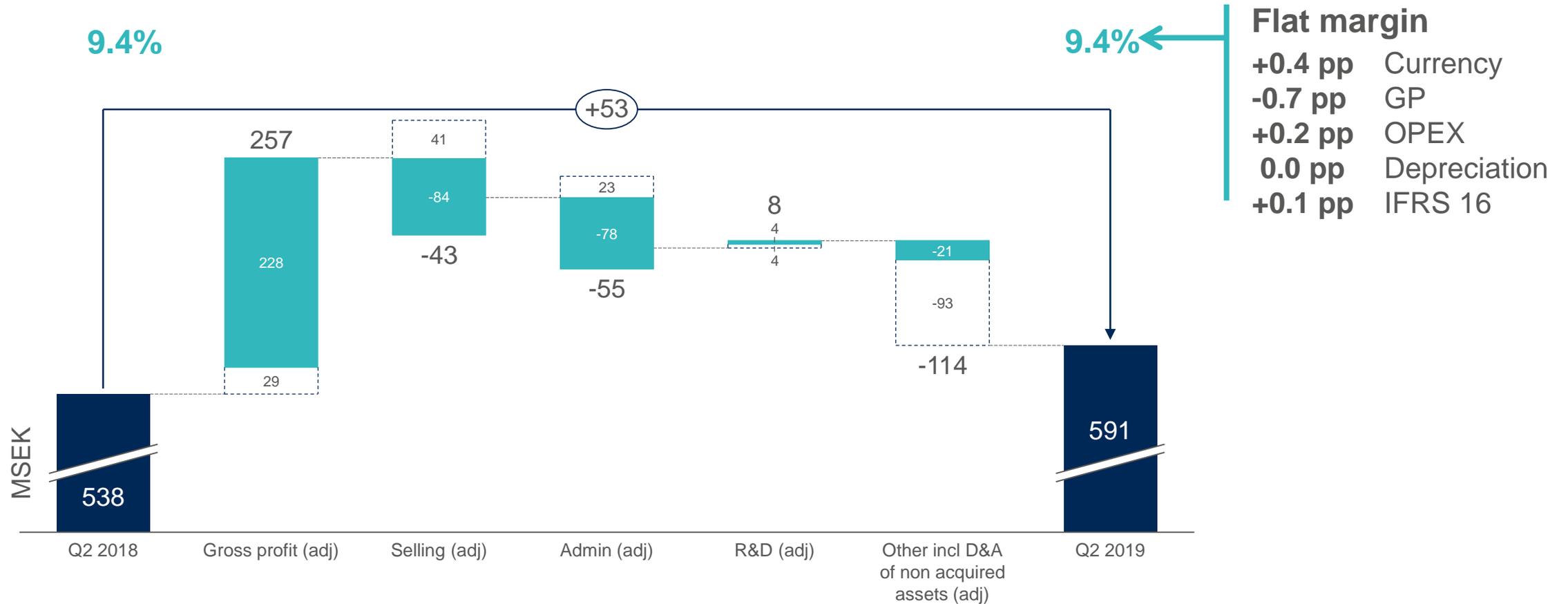
Gross Margin impact

- Volume
- IFRS 16
- Currency
- Product mix
- Regional mix

Financial development

Adjusted EBITA

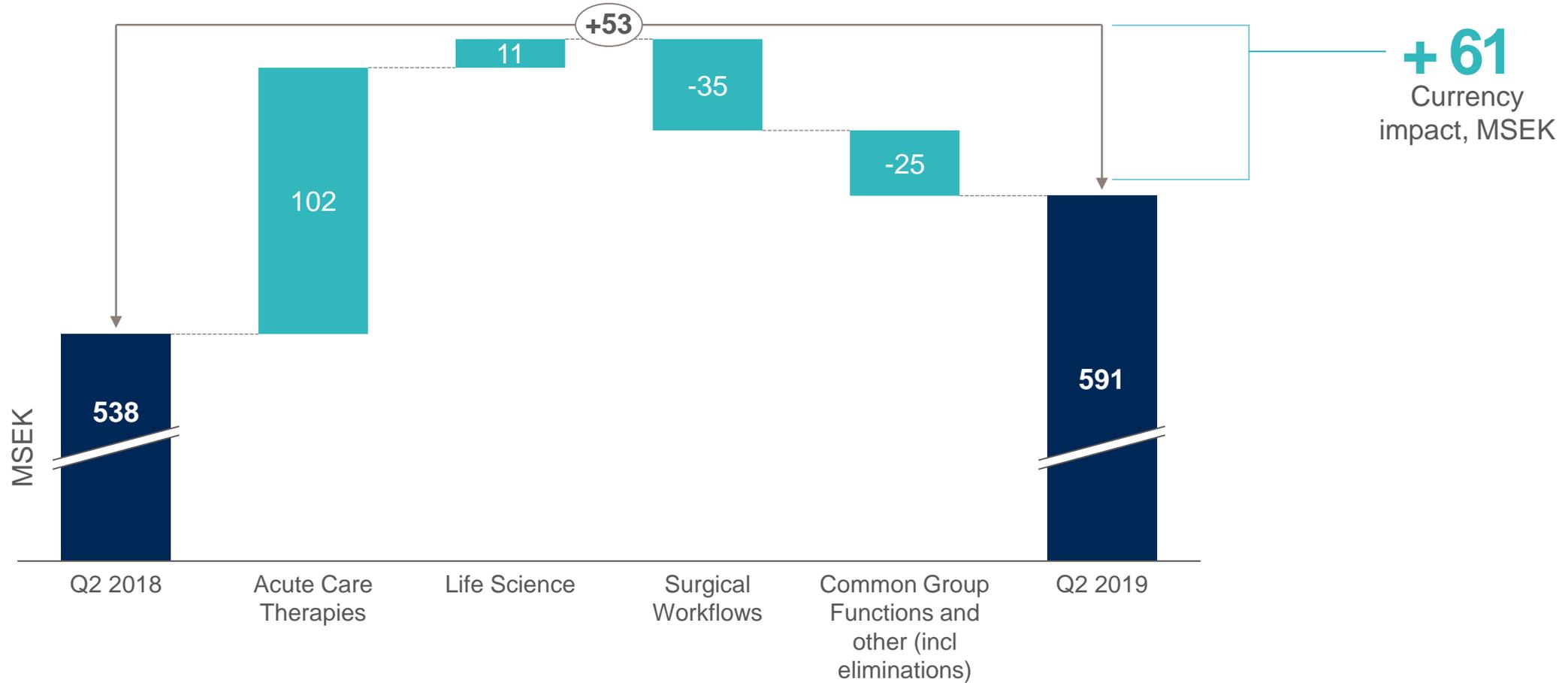
Bridge Q2 2018 – Q2 2019



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

Adjusted EBITA

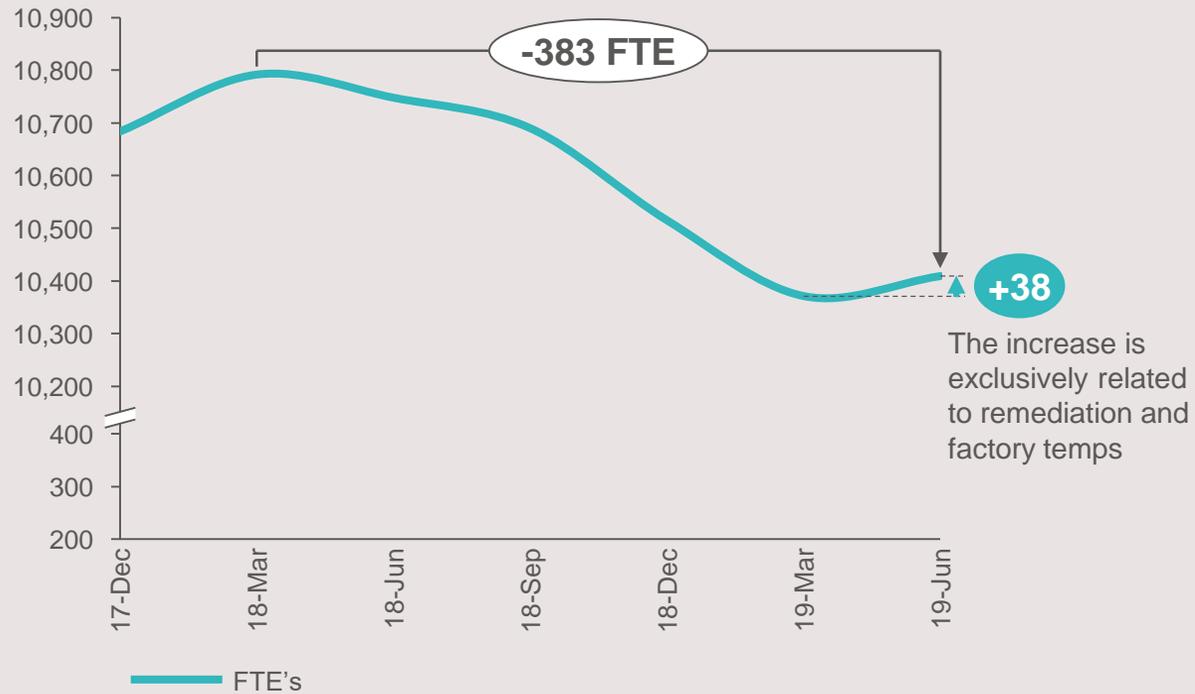
Bridge Q2 2018 – Q2 2019



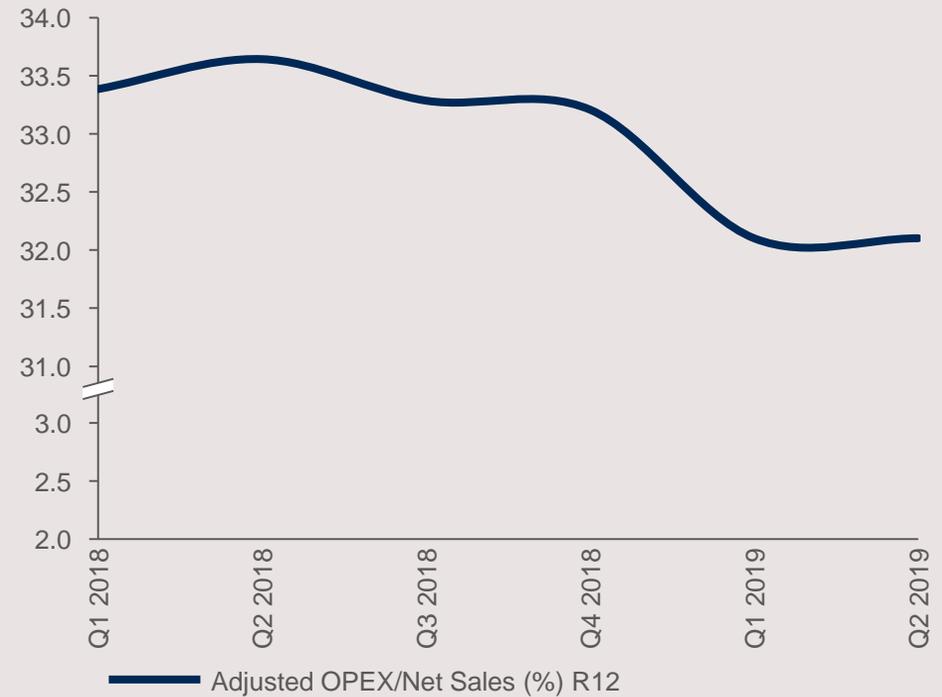
Control on OPEX

Number of FTE's continue to decrease in the underlying business

-383 FTE's since the peak



OPEX in relation to Net Sales since peak



Stable cash flow development

Q2 2019

- Free Cash Flow positively impacted by improvements in working capital
- Dividend to shareholders in parent company amounting to SEK 272 M
- Net debt is negatively impacted mainly by currency effects, revaluation of pension liabilities and IFRS 16-effects
- Leverage (Net debt/adj EBITDA R12M) is in line with Q4 2018 and Q1 2019 when adjusted for IFRS 16-effects

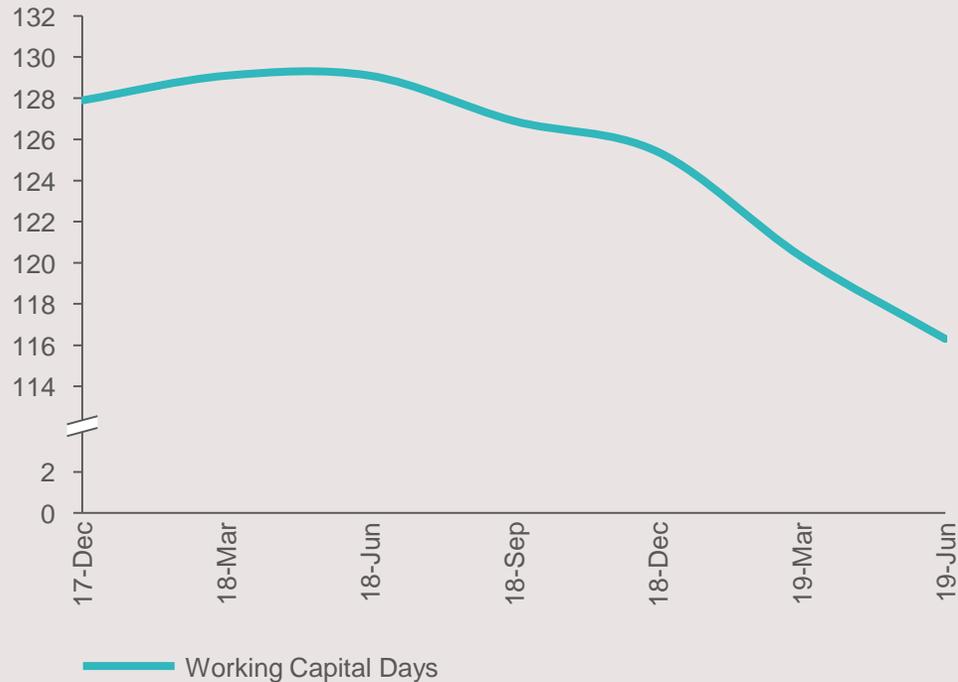
SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Cash flow before changes in working capital	719	440	1 075	712	2 641
Changes in working capital	172	-39	203	-13	-138
Net investments in non-current assets	-315	-354	-563	-653	-1 335
Free Cash Flow	576	47	715	46	1 168
<i>Of which IFRS 16 effect</i>	89		175	-	-
Net interest-bearing debt			13 950	13 845	12 591
<i>In relation to adjusted EBITDA¹⁾ R12M, multiple</i>			3.3	3.5	3.2
Net interest-bearing debt, excl. IFRS 16 effect			12 969	13 845	12 591
<i>In relation to adjusted EBITDA¹⁾ R12M, multiple and excl. IFRS 16 effect</i>			3.2	3.5	3.2

1) In the Q2 2019 Report, see Note 5 for items affecting comparability, Note 7 for alternative performance measures and Note 9 for effects of IFRS 16.

Stable cash flow development

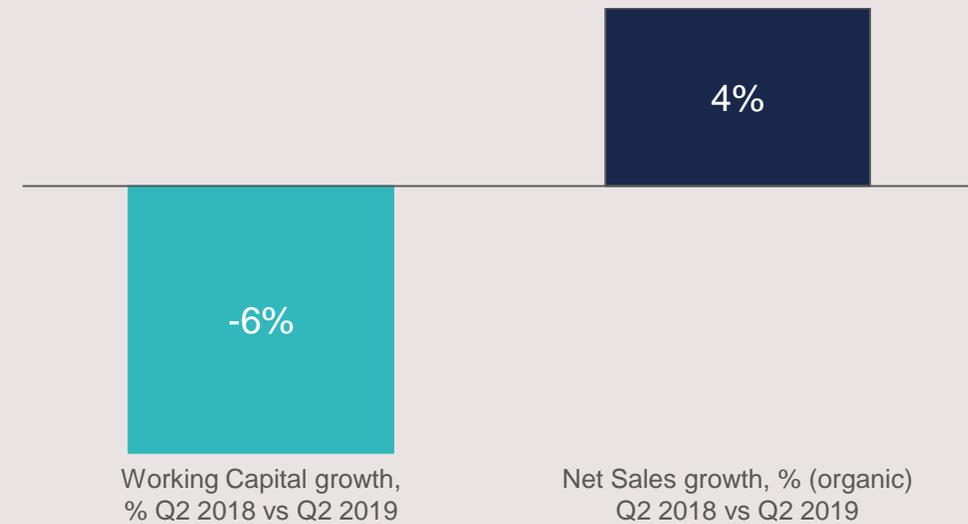
Working Capital is declining in days and in absolute terms

Working Capital Days continue to improve



Working Capital, as defined on this page, is including accounts receivables, accounts payables and inventory - adjusted for currency

Working Capital is decreasing despite strong sales growth



Outlook

Outlook 2019

2-4%

Organic Net Sales Growth

Summary

Key takeaways

Summary Q2 2019

- Sales growth continues above average in addressable market
- Positive development in Actue Care Therapies and Life Science
- Negative development in Surgical Workflows – significant room for improvement
- Restructuring activities of SEK 106 M starting to have positive impact on EBITA H2 2019
- Positive development on Working Capital and strong Cash Flow

Q&A

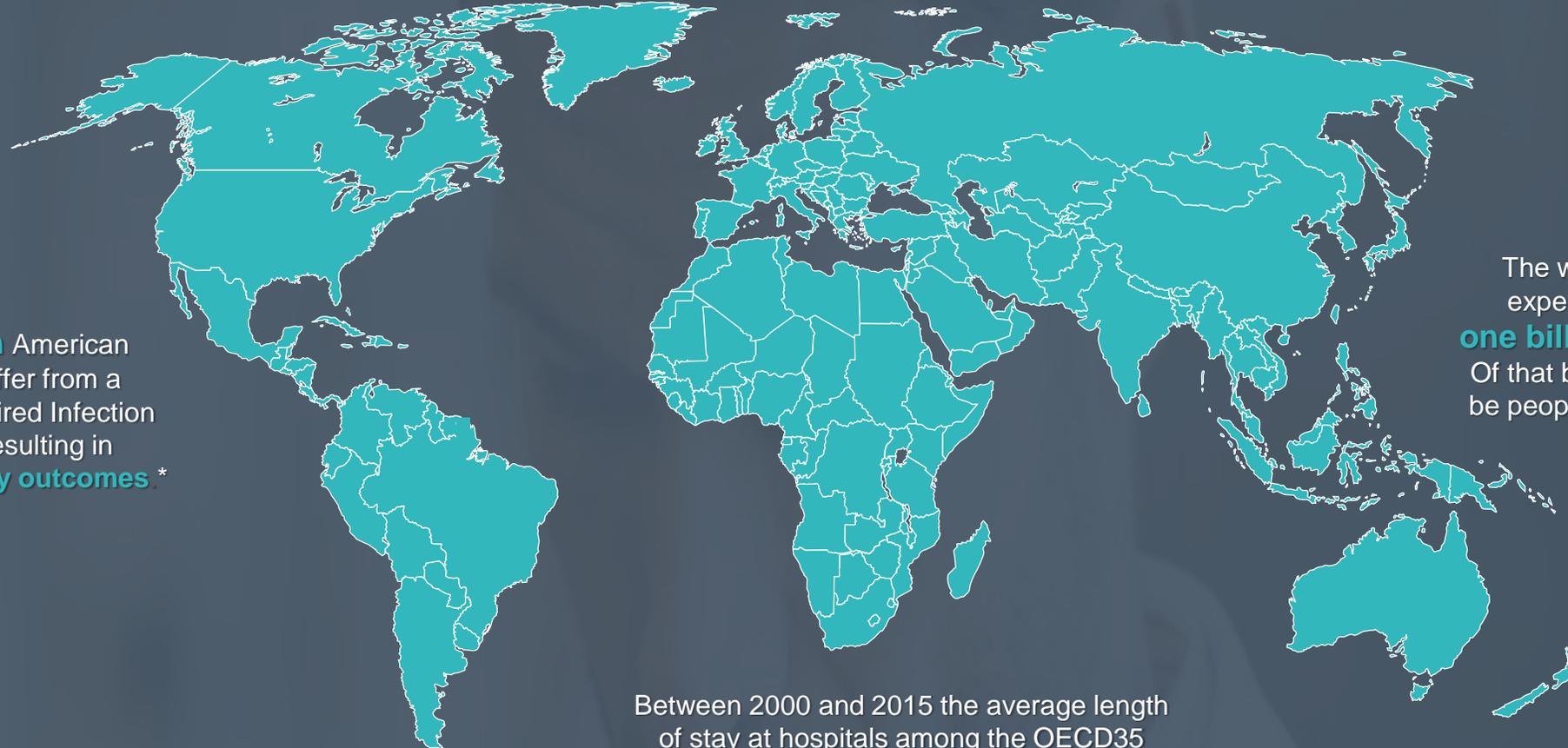
Thank you

Appendix: General info

Healthcare challenges

~17.9 million people die each year from cardiovascular diseases, making it the number 1 cause of death globally.**

~2 million American patients suffer from a Hospital Acquired Infection annually resulting in ~90,000 deadly outcomes.*



The world's population is expected to increase by one billion people by 2025. Of that billion, 300 million will be people aged 65 or older.***

Between 2000 and 2015 the average length of stay at hospitals among the OECD35 went from 9.5 to 7.8 days.****

Getinge today

Leading positions in well defined segments

170 BSEK

Addressable market

2-4%

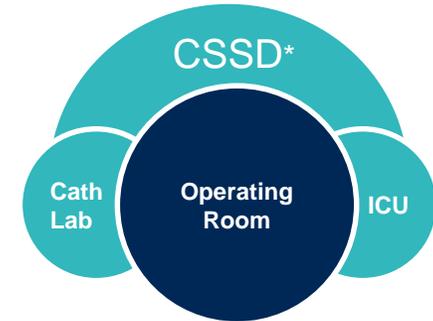
Organic growth in addressable market



90%

Hospitals represent 90 % of sales, 10% goes to Pharma, Lab & Medtech

Enabling advanced healthcare where it matters the most



The value we contribute with



140

Sales in 140 countries



24.2 BSEK

Net sales 2018

*Central Sterile Supply Department.

Empowering our customers with knowledge, technology and resources

Intensive Care



Cardiovascular Procedure



Operating Rooms



Sterile Reprocessing



Life Science



Advanced solutions for intensive care and cardiovascular surgery

Share of Group sales 2018



● Acute Care Therapies, 54%

Sales per region 2018



● Americas, 49% (6,404 Mkr)
● EMEA, 31% (3,982 Mkr)
● APAC, 20% (2,627 Mkr)

Solutions for life support and therapy in acute health conditions for

- Intensive care
- Cardiovascular surgery
- Cardiovascular interventions

Addressable market

- Amount to SEK 85 billion with expected organic growth of 2-4% per year

Products manufactured in

USA, Germany, Sweden and Turkey

Main competitors

- Dräger, Hamilton, Medtronic, LivaNova, Terumo, GE Healthcare, WL Gore, Cook, BD, Vyair

Optimizing the capacity of the sterile supply departments and operating rooms

Share of Group sales 2018



● Surgical Workflows, 37%

Sales per region 2018



● Americas, 26% (2,311 Mkr)
● EMEA, 50% (4,453 Mkr)
● APAC, 25% (2,201 Mkr)

Solutions for optimizing the capacity of the CSSD and operating rooms

- Sterilization
- Operating rooms
- Patient flow management systems

Addressable market:

- Amount to SEK 62 billion with expected organic growth of 2-4% per year

Products manufactured in:

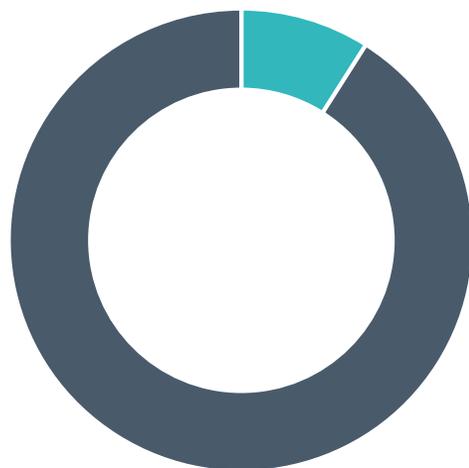
Germany, France, Poland, Turkey, Sweden and China

Main competitors

- Steris, Steelco/Miele, Shinva, Belimed, 3M, HillRom/Trumpf, Stryker, Mindray, Dräger, Karl Storz, Olympus, Censis, Teletracking

Solutions to prevent contamination in research and production

Share of Group sales 2018



● Life Science, 9%

Sales per region 2018



● Americas, 37% (815 Mkr)
● EMEA, 46% (1,004 Mkr)
● APAC, 17% (375 Mkr)

Equipment, technical expertise and consultation to prevent contamination in:

- Pharma and Medical device production
- Lab
- Medical Research

Addressable market:

- Amount to SEK 23 billion with expected organic growth of 3-5% per year

Products manufactured in:

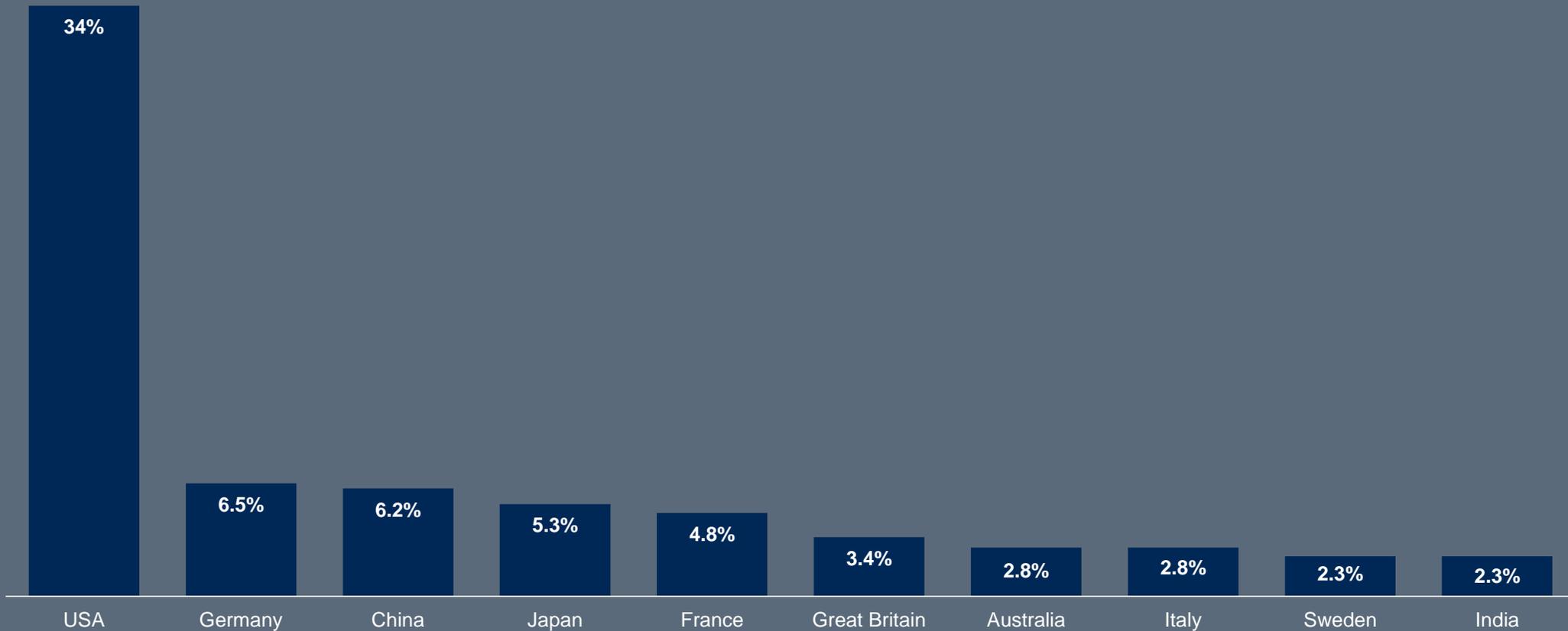
France and Sweden

Main competitors

- Steris, Telstar, Fedegari, Belimed, Miele/Steelco, Sartorius, Astell, Tuttenuer, 3M, IWT

US represents the largest market and the largest growth opportunity for Getinge

Our top 10 markets, representing 70% of total sales in 2018



19 production sites in 7 countries

USA

Fairfield	Cardiac assist
Mahwah	Cardiac assist
Wayne	Instruments for vascular surgery, vascular implants
Denver	Chemical indicators
Merrimack	Products for the cardiovascular market

SWEDEN

Solna	Ventilators and anesthesia machines
Växjö	Disinfection equipment
Getinge	Sterilization equipment

FRANCE

Ardon	Surgical lamps
La Ciotat	Vascular implants
Toulouse	Disinfection equipment
Vendome	Isolators, sterile transfer and sterile packaging

POLAND

Poznan	Sterilization equipment
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TURKEY

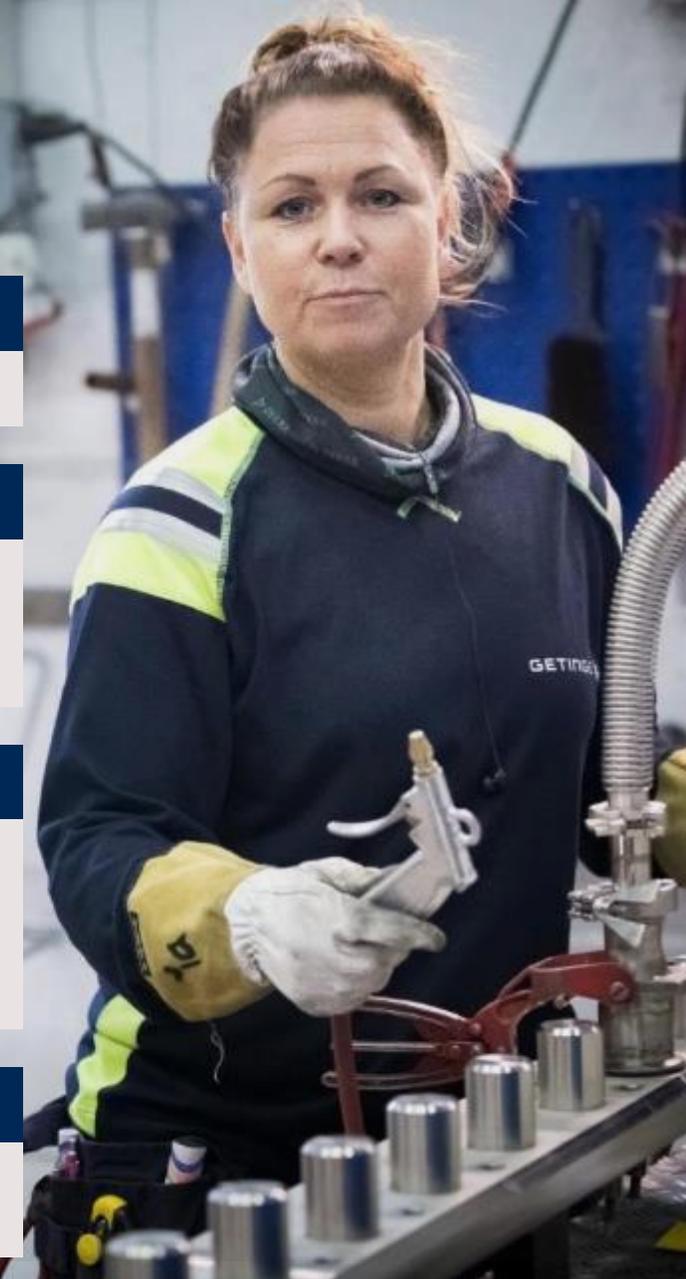
Antalya	Consumables for perfusion products
Ankara	Low temperature sterilization technology, and sterilization equipment

GERMANY

Hechingen	Consumables for perfusion products
Rastatt	Surgical tables, cardiopulmonary machines and other surgical equipment
Feldkirchen	Systems for hemodynamic monitoring

CHINA

Suzhou	Surgical tables, cardiovascular products, and disinfection and sterilization equipment
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Getinge's financial targets

Organic
net sales

2-4%
average growth

Earnings
Per Share

>10%
average growth

Dividend
policy

30-50%
of net income

Forward looking information

This document contains forward-looking information based on the current expectations of the Getinge'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.



GETINGE

PASSION FOR LIFE