



## First quarter

- Gross order intake amounted to SEK 4,390 M (3,174), corresponding to a 32 percent organic growth
- Net sales were SEK 3,228 M (2,819), corresponding to a 9 percent organic growth.
- Gross margin amounted to 42.6 (39.1) percent
- EBITA increased by 16 percent to SEK 448 M (386), corresponding to an EBITA margin of 13.9 percent (13.7).
- Earnings per share was SEK 0.38 (0.43) before/after dilution.
- Cash flow after continuous investments was SEK -784 M (-542).
- 13 Elekta Unity orders booked in the quarter.
- At today's AGM the Board of Directors proposes a dividend of SEK 1.80 (1.40) per share for the fiscal year 2018/19 to be divided into two payments.

## Significant events after the quarter

- Lionel Hadjadjeba has been hired and appointed as President MR-Linac Solutions to drive the commercialization of Elekta Unity.
- Verena Schiller has been appointed President Neuro Solutions to further develop our neuro business.

## Group summary

SEK M	Q1			12 months		
	2019/20	2018/19	Δ	RTM	FY 2018/19	Δ
Gross order intake	4,390	3,174	32%	18,012	16,796	13%
Net sales	3,228	2,819	9%	13,964	13,555	9%
Gross margin	42.6%	39.1%	3,5 ppts	42.6%	41.9%	0,7 ppts
EBITA	448	386	16%	2,538	2,477	2%
EBITA margin	13.9%	13.7%	0,2 ppts	18.2%	18.3%	-0,1 ppts
Cash flow <sup>1</sup>	-784	-542	-45%	720	962	-25%
Earnings per share, SEK <sup>2</sup>	0.38	0.43	-11%	3.09	3.14	-1%

<sup>1</sup> After continuous investments

<sup>2</sup> Before / after dilution

<sup>3</sup> Compared to last fiscal year based on constant exchange rates

## Reiterated outlook for fiscal year 2019/20

- Net sales growth of 8-10 percent, based on constant exchange rates.
- EBITA margin of around 19 percent

This information is such that Elekta AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by the below mentioned contact persons at 07:30 CET on August 22, 2019. (REGMAR)

Forward-looking information. This report included forward-looking statements including, but not limited to, statements relation to operational and financial performance, market conditions, and other similar matters. These forward-looking statements are based on current expectations about future events. Although the expectations described in these statements are assumed to be reasonable, there is no guarantee that such forward-looking statements will materialize or are accurate. Since these statements involve assumptions and estimates that are subject to risks and uncertainties, results could differ materially from those set out in the statement. Some of these risks and uncertainties are described further in the section "Risk and uncertainties". Elekta undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulations.

## CEO comment

# Very strong order intake kick-starts the year

The year got off to a great start, demonstrating that innovation enables growth, with an increase in order intake by 32 percent. Underlying profitability increased, benefitting from higher net sales and improved gross margin. With this very encouraging quarter, we're in a strong position to continue creating value and strengthening our leadership in precision radiation medicine.

### Elekta Unity leading the way

Demand for our products remained high in the first quarter and order intake grew by 32 percent. Even without the GenesisCare deal of nine Unity systems, one of the company's largest ever, we had double-digit order intake. This demonstrates how our innovation leadership is changing the market and how MR-guided radiation therapy is driving market growth. In addition to the GenesisCare deal we booked four Unity orders, of which two were in North America.

Overall order intake was especially strong in EMEA and APAC, with a healthy increase in China, where we continue to strengthen our market leadership. Growth was also supported by an increase in software orders and our brachy therapy business. We continue to focus on Elekta Digital to improve the workflow for clinicians. We have also strengthened our organization and extended the management team to become even more efficient in driving our strategic agenda.

### Improved underlying profitability

We continue to improve our profitability. Gross margin increased for both solutions and services, mainly driven by a favorable project mix. Good sales growth and cost control contributed to the increase in EBITA, corresponding to a small improvement in the margin compared to last year. However, adjusting for the divestment of our MEG business and the capitalization of Unity in the first quarter last year, the EBITA margin increase was more than 4 percentage points. Cash flow in the quarter was weaker than in the prior year period mostly because of lower collection, however we have measures in place to drive improvement during the coming quarters.

Based on the quarterly sales and EBITA performance, we reiterate our guidance for the full year.

### Strong position for value creation and growth

Our investment in MR-guided radiation therapy is showing great results, with additional regulatory approvals in the quarter. We are also extending our strategic partnership with GenesisCare to leverage on real-world evidence and the clinical value of our MR linac. The clinical outcomes from Unity continue to be satisfying. In addition, interest in other portfolio products remains high.

All in all, we're in a strong position for further value creation.



Richard Hausmann  
President and CEO



**32%**  
growth in  
order intake

Innovation  
leadership changes  
the market and our  
focus on Precision  
Radiation Medicine  
is driving market  
growth

## First quarter

# Order intake and order backlog

Gross order intake increased by 38 percent to SEK 4,390 M (3,174) and 32 percent based on constant exchange rates.

Order backlog was SEK 33,199 M, compared to SEK 32,003 M on April 30, 2019. Order backlog is converted at closing exchange rates, which resulted in a positive translation difference of SEK 111 M.

## Gross order intake

SEK M	Q1		Δ <sup>1</sup>	Δ	12 months	
	2019/20	2018/19			RTM	FY 2018/19
North and South America	1,064	990	0%	7%	5,123	5,049
Europe, Middle East and Africa	1,709	1,004	64%	70%	7,444	6,739
Asia Pacific	1,617	1,180	31%	37%	5,445	5,008
<b>Group</b>	<b>4,390</b>	<b>3,174</b>	<b>32%</b>	<b>38%</b>	<b>18,012</b>	<b>16,796</b>

<sup>1</sup> Compared to last fiscal year based on constant exchange rates

### North and South America

In the first quarter Elekta had a stable order intake in North and South America based on constant exchange rates. However, Solutions had a good development in North America.

Following the regulatory approval for Elekta Unity in Canada in the previous quarter we received the clearance for clinical usage in the first quarter and recently the first patient was treated. During the quarter two new orders were booked for Elekta Unity.

### Europe, Middle East and Africa (EMEA)

With an organic growth rate of 64 percent in the first quarter, order intake in EMEA reached a good new level at the end of July. Western Europe showed strong increase with large orders from Germany and Italy. Order intake in Africa also developed well, particularly in Egypt and South Africa.

During the quarter five new orders were booked for Elekta Unity, of which three from the GenesisCare deal.

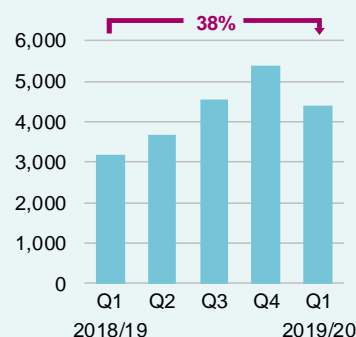
### Asia Pacific

Asia Pacific order intake was strong with 31 percent organic growth in the first quarter. India and Indonesia had a strong development, driven by linac orders, and Australia was boosted by GenesisCare's Elekta Unity order.

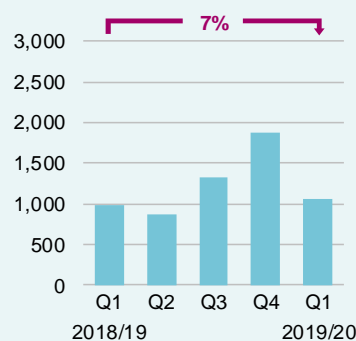
There were no significant changes in demand in China due to the radiation therapy quotas and licenses schedule. Nevertheless, the Chinese order intake showed good growth in the first quarter.

Six Elekta Unitys were ordered in the first quarter, all of which included in the large order from Australian GenesisCare.

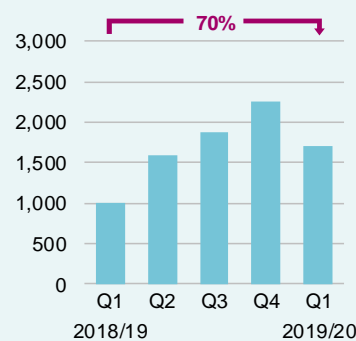
### Gross order intake



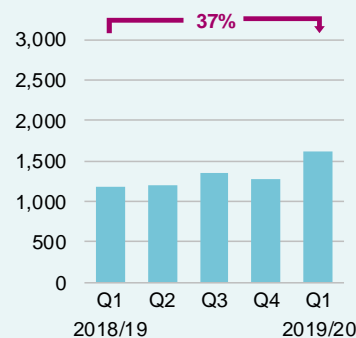
### Gross order intake North and South America



### Gross order intake Europe, Middle East and Africa



### Gross order intake Asia Pacific



## First quarter

# Net sales

Net sales increased to SEK 3,228 M (2,819) in the first quarter, representing a growth of 15 percent or 9 percent based on constant exchange rates. The organic net sales showed good growth in EMEA and Asia Pacific, whereas the organic development in North and South America was stable. On a rolling twelve months basis (RTM) net sales grew by 9 percent in constant currencies.

## Net sales per region

SEK M	Q1				12 months	
	2019/20	2018/19	Δ <sup>1</sup>	Δ	RTM	FY 2018/19
North and South America	1,010	937	0%	8%	4,574	4,501
Europe, Middle East and Africa	1,158	1,003	13%	15%	5,111	4,956
Asia Pacific	1,060	879	14%	21%	4,280	4,098
<b>Group</b>	<b>3,228</b>	<b>2,819</b>	<b>9%</b>	<b>15%</b>	<b>13,964</b>	<b>13,555</b>

<sup>1</sup> Compared to last fiscal year based on constant exchange rates

## North and South America

In the first quarter net sales had a stable development in North and South America in local currencies. Increases were reported in e.g. Canada and Brazil.

## Europe, Middle East and Africa (EMEA)

In EMEA sales growth at constant exchange rates reached 13 percent in the first quarter. A good pace of installations in the UK, Spain and Austria led to a strong sales development in Western Europe.

## Asia Pacific

The development in Asia Pacific in the first quarter was good at 14 percent based on constant currencies. Strong sales growth came from China with a growth rate of 29 percent. Japan also showed a good increase in sales.

## Solutions and service sales

Solutions had a good development in the first quarter with an organic growth rate of 12 percent, mainly driven by the linac business. Services grew by 5 percent based on constant currencies from an installed base of 4,400 units.

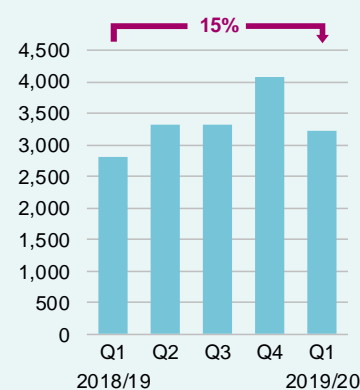
## Net sales per product

SEK M	Q1				12 months	
	2019/20	2018/19	Δ <sup>1</sup>	Δ	RTM	FY 2018/19
Solutions	1,858	1,582	12%	17%	8,669	8,394
Service	1,371	1,237	5%	11%	5,295	5,161
<b>Total</b>	<b>3,228</b>	<b>2,819</b>	<b>9%</b>	<b>15%</b>	<b>13,964</b>	<b>13,555</b>

<sup>1</sup> Compared to last fiscal year based on constant exchange rates

9%  
organic net  
sales growth

## Net sales



2018/19 2019/20

Net sales  
in China  
increased by  
almost 30%

## First quarter

# Earnings

Gross margin was 42.6 percent (39.1) in the first quarter. The increase compared to Q1 last year was due to strong software sales and improved project mix in North and South America.

Operating expenses increased by 7 percent in constant currencies, related to investments in the sales organization to capture market growth and R&D investments. R&D expenditure, adjusted for the net of capitalization and amortization of R&D costs described below, amounted to SEK 350 M (373), equal to 11 percent (13) of net sales. On a rolling twelve months basis the R&D expenditure to net sales were 10 percent (12).

EBITA was SEK 448 M (386) representing a margin of 13.9 percent (13.7). The weak improvement in EBITA margin is explained by one-off gains in the comparing quarter due to the divestment of the MEG business and the relatively high R&D capitalization of Elekta Unity project. The effect from changes in exchange rates compared to last year was approximately SEK -50 M including hedges. Operating result (EBIT) was SEK 236 M (238).

Net financial items amounted to SEK -46 M (-25). Interest on lease liabilities under IFRS 16 amounted to SEK -12 M and was the key driver of the change. Profit before tax amounted to SEK 190 M (213) and tax amounted to SEK -43 M (-47), representing a tax rate of 22.5 percent (22).

Net income amounted to SEK 147 M (166) and earnings per share amounted to SEK 0.38 (0.43) before/after dilution. Return on shareholders' equity amounted to 16 percent (21) and return on capital employed was 14 percent (17).

## Investments and amortization/depreciation

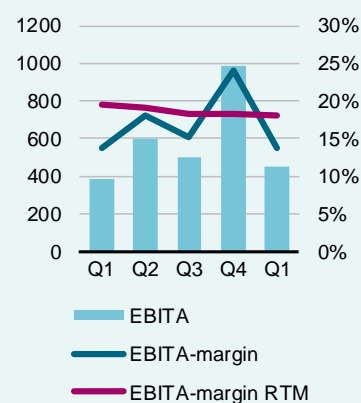
The net of capitalized development costs in the R&D function decreased to SEK -82 M (8). This was explained by higher amortization of Elekta Unity post the CE mark and lower capitalization levels due to earlier development phases on current R&D projects compared to last year.

SEK M	Q1		12 months	
	2019/20	2018/19	RTM	FY 2018/19
<b>R&amp;D, net</b>	<b>-82</b>	<b>8</b>	<b>-296</b>	<b>-206</b>
Capitalization	101	128	427	453
Amortization	-183	-120	-722	-660
<b>Other, net</b>	<b>-1</b>	<b>1</b>	<b>-4</b>	<b>-2</b>
Capitalization	0	2	2	3
Amortization	-1	0	-5	-5
<b>Total, net</b>	<b>-82</b>	<b>9</b>	<b>-299</b>	<b>-208</b>
Capitalization	102	129	428	456
Amortization	-184	-120	-728	-664

Investments in intangible assets were SEK 102 M (129) and investments in tangible assets were SEK 53 M (31). Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 306 M (189). The increase was mainly due to the implementation of IFRS 16, SEK 52 M, and higher amortization of R&D, SEK 63 M.

Improved  
gross margin to  
42.6%

Earnings



10%  
R&D expenditure  
of net sales, RTM

## First quarter

# Cash flow

Cash flow from operating activities was SEK -629 M (-381). Cash flow after continuous investments was SEK -784 M (-542). The decline in cash flow was due to increased levels of net working capital, see Working capital section below.

## Cash flow (extract)

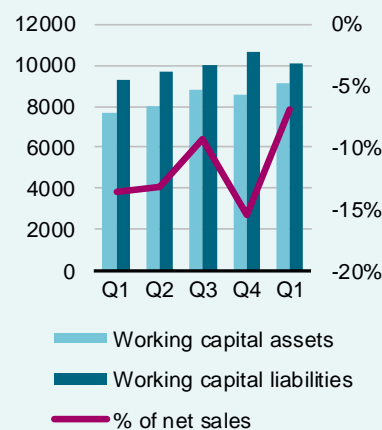
SEK M	Q1		12 months	
	2019/20	2018/19	rullande	FY 2018/19
<b>Operating cash flow</b>	<b>394</b>	<b>318</b>	<b>2,333</b>	<b>2,256</b>
Change in working capital	-1,023	-699	-960	-636
<b>Cash flow from operating activities</b>	<b>-629</b>	<b>-381</b>	<b>1,373</b>	<b>1,621</b>
Continuous investments	-155	-160	-653	-658
<b>Cashflow after continuous investments</b>	<b>-784</b>	<b>-542</b>	<b>720</b>	<b>962</b>
Operational cash conversion	-116%	-89%	50%	61%

Measures  
in place to improve  
cash flow

# Working capital

Net working capital was SEK -972 M (-1,622) corresponding to -7 (-14) percent of net sales. The increase in working capital came from higher account receivables and accrued income levels. Inventory also increased due to the Unity launch, increased production in China and Brexit mitigation measures. This was partly offset by increased accounts payable levels. For more information, see page 24.

## Working capital



# Financial position

Cash and cash equivalents and short-term investments amounted to SEK 3,349 M (3,547) and interest-bearing liabilities amounted to SEK 4,519 M (4,854). Net debt amounted to SEK 1,170 M (1,307). Net debt in relation to EBITDA was 0.42 (0.17 per April 30, 2019).

## Net debt

SEK M	Jul 31 2019	Jul 31 2018	Apr 30 2019
Long-term interest-bearing liabilities	3,504	4,341	3,558
Short-term interest-bearing liabilities	1,015	513	1,000
Cash and cash equivalents and short-term investments	-3,349	-3,547	-4,119
<b>Net debt</b>	<b>1,170</b>	<b>1,307</b>	<b>439</b>
Long-term leasing liabilities <sup>1</sup>	1,047	-	-
Short-term leasing liabilities <sup>1</sup>	214	-	-
Net debt including leasing liabilities	2,430	n/a	n/a

<sup>1</sup> For more information regarding leasing effects, see balance sheet on page 11 and accounting principles on page 15

**0.42**  
Net debt / EBITDA  
ratio

## First quarter

The exchange rate effect from the translation of cash and cash equivalents amounted to SEK 45 M (-13). The translation difference in interest-bearing liabilities amounted to SEK -55 M (-41). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK 4 M (-214).

The change in unrealized exchange rate effects from effective cash flow hedges reported in other comprehensive income amounted to SEK -101 M (-77). The closing balance of unrealized exchange rate effects from effective cash flow hedges amounted to SEK -166 M (-44) exclusive of tax.

## Days Sales Outstanding (DSO)

SEK M	Jul 31 2019	Jul 31 2018	Apr 30 2019
North and South America	-64	-120	-74
Europe, Middle East and Africa	15	-9	2
Asia Pacific	-98	-108	-113
<b>Group</b>	<b>-46</b>	<b>-74</b>	<b>-59</b>

Days Sales Outstanding (DSO) was negative 46 days (negative 59 days per April 30). The change in DSO reflected somewhat longer customer payment cycles in all regions.

## Risk and uncertainties

Elekta's presence in a large number of geographical markets exposes the Group to political and economic risks on a global scale and/or in individual countries. For more details, please see Annual Report 2018/19, page 55.

## Significant events during the quarter

### Extended executive management

Elekta has hired and appointed Sukhveer Singh as President of Oncology Informatics solutions, who also will be part of the executive team. The management team has also been extended by Habib Nehme, President of India, Middle East and Africa. For other changes in the executive management team please see page 60 in the Annual Report 2018/19 and Significant events after the quarter, page 25.

### Sales and distribution agreement with C-RAD

On July 12, 2019, Elekta signed a sales and distribution agreement with C-RAD, a Swedish company specializing in positioning and surface scanning products. C-RAD's catalyst system supports Elekta's products, in particular Versa HD™, to meet the growing demand for surface image guided radiation therapy.

Find more detailed information about our policies in the Annual Report 2018/19

## First quarter

### Elekta Unity receives approval in Brazil

On July 9, 2019, Elekta Unity MR-Linac received regulatory approval from the Brazilian National Health Surveillance Agency ANVISA (Agência Nacional de Vigilância Sanitária).

## Legal disputes<sup>1</sup>

### Italian case to court

As communicated in November 2015 Elekta's subsidiary in Italy and some former employees are suspected of interfering with public procurement processes. The case has been referred to trial, which is expected to start in November this year.

## Employees

The average number of employees during the period was 3,942 (3,694). The average number of employees in the Parent Company was 39 (33).

## Shares

Total number of registered shares on July 31, 2019 was 383,568,409 of which 14,980,769 were A-shares and 368,587,640 B-shares. On July 31, 2019 1,541,368 shares were treasury shares held by Elekta.

Stockholm, August 22, 2019

**Richard Hausmann**  
CEO and President

*This report has not been reviewed by the Company's auditors.*

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<sup>1</sup> The material legal disputes reported here are either new cases or previous cases with changes in the interim period. For previous reported cases please see Elekta's Annual reports.



## First quarter

# Consolidated income statement

SEK M	Q1		12 months	May - Apr
	2019/20	2018/19	rolling	2018/19
Net sales	3,228	2,819	13,964	13,555
Cost of products sold	-1,853	-1,716	-8,012	-7,875
<b>Gross income</b>	<b>1,375</b>	<b>1,103</b>	<b>5,952</b>	<b>5,680</b>
Selling expenses	-365	-324	-1,338	-1,296
Administrative expenses	-270	-265	-1,044	-1,039
R&D expenses	-431	-365	-1,659	-1,592
Other operating income and expenses	-11	65	-53	23
Exchange rate differences	-61	24	-165	-80
<b>Operating result</b>	<b>236</b>	<b>238</b>	<b>1,694</b>	<b>1,696</b>
Result from participations in associates	1	2	1	3
Interest income	24	18	71	66
Interest expenses and similar items	-59	-45	-199	-186
Interest expenses leasing liabilities	-12	-	-12	-
Exchange rate differences	0	0	2	2
<b>Profit before tax</b>	<b>190</b>	<b>213</b>	<b>1,558</b>	<b>1,580</b>
Income taxes	-43	-47	-378	-382
<b>Net income</b>	<b>147</b>	<b>166</b>	<b>1,180</b>	<b>1,198</b>
<i>Net income attributable to:</i>				
Parent Company shareholders	147	166	1,179	1,198
Non-controlling interests	0	0	1	0
Earnings per share before dilution, SEK	0.38	0.43	3.09	3.14
Earnings per share after dilution, SEK	0.38	0.43	3.09	3.14

## First quarter

# Consolidated statement of comprehensive income

SEK M	Q1		12 months	May - Apr
	2019/20	2018/19	rolling	2018/19
Net income	147	166	1,180	1,198
Other comprehensive income:				
Items that will not be reclassified to the income statement:				
Remeasurements of defined benefit pension plans	-	-	-1	-1
Tax	-	-	0	1
<b>Total items that will not be reclassified to the income statement</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-1</b>
Items that subsequently may be reclassified to the income statement:				
Revaluation of cash flow hedges	-101	-77	-125	-101
Translation differences from foreign operations	4	-214	461	243
Tax	19	15	23	19
<b>Total items that subsequently may be reclassified to the income statement</b>	<b>-78</b>	<b>-277</b>	<b>359</b>	<b>161</b>
<b>Other comprehensive income for the period</b>	<b>-78</b>	<b>-277</b>	<b>358</b>	<b>160</b>
<b>Total comprehensive income for the period</b>	<b>69</b>	<b>-110</b>	<b>1,537</b>	<b>1,358</b>
<i>Comprehensive income attributable to:</i>				
Parent Company shareholders	69	-110	1,537	1,358
Non-controlling interests	0	0	1	0

## Result overview

SEK M	Q1		12 months	May - Apr
	2019/20	2018/19	rolling	2018/19
<b>Operating result/EBIT</b>	<b>236</b>	<b>238</b>	<b>1,694</b>	<b>1,696</b>
<i>Amortization:</i>				
Capitalized development costs	184	120	728	664
Assets relating to business combinations	28	27	117	117
<b>EBITA</b>	<b>448</b>	<b>386</b>	<b>2,538</b>	<b>2,477</b>

## Consolidated balance sheet

SEK M	Jul 31 2019	Jul 31 2018	Apr 30 2019
<b>Non-current assets</b>			
Intangible assets	9,183	9,078	9,301
Right-of-use assets	1,216	-	-
Other tangible fixed assets	941	856	957
Financial assets	517	250	508
Deferred tax assets	421	356	402
<b>Total non-current assets</b>	<b>12,278</b>	<b>10,541</b>	<b>11,167</b>
<b>Current assets</b>			
Inventories	2,780	2,485	2,634
Accounts receivable	3,576	3,061	3,455
Accrued income	1,440	1,004	1,401
Current tax assets	111	160	158
Derivative financial instruments	25	20	72
Other current receivables	1,295	1,103	1,059
Short-term investments	47	84	45
Cash and cash equivalents	3,302	3,463	4,073
<b>Total current assets</b>	<b>12,577</b>	<b>11,381</b>	<b>12,897</b>
<b>Total assets</b>	<b>24,855</b>	<b>21,921</b>	<b>24,064</b>
Elektas owners' equity	7,848	6,843	7,778
Non-controlling interests	1	0	1
<b>Total equity</b>	<b>7,849</b>	<b>6,843</b>	<b>7,779</b>
<b>Non-current liabilities</b>			
Long-term interest-bearing liabilities	3,504	4,341	3,558
Long-term leasing liabilities	1,047	-	-
Deferred tax liabilities	574	504	587
Long-term provisions	194	169	188
Other long-term liabilities	10	59	55
<b>Total non-current liabilities</b>	<b>5,329</b>	<b>5,073</b>	<b>4,388</b>
<b>Current liabilities</b>			
Short-term interest-bearing liabilities	1,015	513	1,000
Short-term leasing liabilities	214	-	-
Accounts payable	1,226	841	1,427
Advances from customers	4,652	4,608	4,883
Prepaid income	2,108	1,899	2,170
Accrued expenses	1,539	1,508	1,661
Current tax liabilities	143	111	166
Short-term provisions	184	165	188
Derivative financial instruments	243	105	94
Other current liabilities	354	255	308
<b>Total current liabilities</b>	<b>11,676</b>	<b>10,005</b>	<b>11,897</b>
<b>Total equity and liabilities</b>	<b>24,855</b>	<b>21,921</b>	<b>24,064</b>

First quarter

# Changes in equity – condensed statement

SEK M	May - Jul		May - Apr
	2019/20	2018/19	2018/19
<b>Attributable to Elekta's owners</b>			
Opening balance	7,778	6,987	6,987
Opening balance adjustment due to IFRS 15 and IFRS 9	-	-39	-39
Comprehensive income for the period	69	-110	1,358
Incentive programs	1	5	6
Dividend	-	-	-535
<b>Total</b>	<b>7,848</b>	<b>6,843</b>	<b>7,778</b>
<b>Attributable to non-controlling interests</b>			
Opening balance	1	0	0
Comprehensive income for the period	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Closing balance</b>	<b>7,849</b>	<b>6,843</b>	<b>7,779</b>

## First quarter

# Cash flow

SEK M	Q1		12 months	May - Apr
	2019/20	2018/19	rolling	2018/19
Profit before tax	190	213	1,558	1,580
Amortization and depreciation	306	189	1,061	943
Interest net	25	18	98	91
Other non-cash items	-57	-43	7	21
Interest received and paid	-29	-37	-101	-110
Income taxes paid	-41	-21	-289	-269
<b>Operating cash flow</b>	<b>394</b>	<b>318</b>	<b>2,333</b>	<b>2,256</b>
Changes in inventories	-233	-42	-211	-20
Changes in operating receivables	-399	268	-1,034	-367
Changes in operating liabilities	-391	-925	285	-249
<b>Change in working capital</b>	<b>-1,023</b>	<b>-699</b>	<b>-960</b>	<b>-636</b>
<b>Cash flow from operating activities</b>	<b>-629</b>	<b>-381</b>	<b>1,373</b>	<b>1,621</b>
Investments intangible assets	-102	-129	-430	-458
Investments other assets	-53	-31	-223	-201
Sale of fixed assets	0	0	0	0
<b>Continuous investments</b>	<b>-155</b>	<b>-160</b>	<b>-653</b>	<b>-658</b>
<b>Cash flow after continuous investments</b>	<b>-784</b>	<b>-542</b>	<b>720</b>	<b>962</b>
Changes in short-term investments	-2	-1	37	38
Business combinations, divestments and investments in other shares	-	9	-64	-54
<b>Cash flow after investments</b>	<b>-786</b>	<b>-533</b>	<b>693</b>	<b>946</b>
Cash flow from financing activities	-30	-449	-1,054	-1,473
<b>Cash flow for the period</b>	<b>-816</b>	<b>-982</b>	<b>-361</b>	<b>-527</b>
<b>Change in cash and cash equivalents during the period</b>				
Cash and cash equivalents at the beginning of the period	4,073	4,458	3,463	4,458
Cash flow for the period	-816	-982	-361	-527
Exchange rate differences	45	-13	200	142
<b>Cash and cash equivalents at the end of the period</b>	<b>3,302</b>	<b>3,463</b>	<b>3,302</b>	<b>4,073</b>

# Parent company

## Condensed income statement and statement of comprehensive income

SEK M	Q1	
	2019/20	2018/19
Operating expenses	-51	-48
Financial net	13	89
<b>Income after financial items</b>	<b>-38</b>	<b>41</b>
Tax	-2	8
<b>Net income</b>	<b>-40</b>	<b>49</b>
<b>Statement of comprehensive income</b>		
Net income	-40	49
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>-40</b>	<b>49</b>

## Balance sheet

SEK M	31 jul	30 apr
	2019	2019
<b>Non-current assets</b>		
Intangible assets	60	60
Shares in subsidiaries	2,471	2,439
Receivables from subsidiaries	2,397	2,393
Other financial assets	89	87
Deferred tax assets	1	3
<b>Total non-current assets</b>	<b>5,019</b>	<b>4,983</b>
<b>Current assets</b>		
Receivables from subsidiaries	3,787	3,436
Other current receivables	87	102
Other short-term investments	47	45
Cash and cash equivalents	2,139	2,941
<b>Total current assets</b>	<b>6,060</b>	<b>6,524</b>
<b>Total assets</b>	<b>11,079</b>	<b>11,507</b>
Shareholders' equity	2,859	2,898
Untaxed reserves	14	14
<b>Non-current liabilities</b>		
Long-term interest-bearing liabilities	3,498	3,553
Long-term liabilities to Group companies	-	0
Long-term provisions	12	12
<b>Total non-current liabilities</b>	<b>3,510</b>	<b>3,565</b>
<b>Current liabilities</b>		
Short-term interest-bearing liabilities	1,000	1,000
Short-term liabilities to Group companies	3,613	3,934
Accounts payable	0	0
Short-term provisions	0	0
Other current liabilities	82	95
<b>Total current liabilities</b>	<b>4,696</b>	<b>5,029</b>
<b>Total shareholders' equity and liabilities</b>	<b>11,079</b>	<b>11,507</b>

# Accounting principles

This interim report is prepared, with regard to the Group, according to IAS 34 and the Swedish Annual Accounts Act and, with regard to the Parent Company, according to the Swedish Annual Accounts Act and RFR 2. The accounting principles applied are consistent with those presented in Note 1 of the Annual Report 2018/19, with exception for the accounting policies described below.

## New accounting principles

IFRS 16 is a new standard on accounting for leases which replaces IAS 17 and the associated interpretation statements IFRIC 4, SIC-15 and SIC-27. The new standard has affected the accounting for leases in the books of a lessee, whereas the accounting in all material aspects remain unchanged for lessors. For Elekta, the major effect from implementing the new standard relates to leases for premises. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019 and Elekta has applied the new standard from 1 May 2019.

The standard requires all lease arrangement to be recognized in the balance sheet with a few exceptions for short-time leases and low-value leases. This recognition is based on the view that the lessee has a right to use an asset for a specific period of time and a simultaneous obligation to pay for that right.

Elekta has decided to apply IFRS 16 with the modified retrospective approach and as permitted by the standard the comparative period has not been restated. Instead an adjustment on the opening balance has shown the cumulative effect. The lease liabilities are measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at transition date. The weighted average incremental borrowing rate used at transition date was 3.85 %. Right-of-use assets are recognized based on the amount equal to the related lease liability.

IFRS 16 permits to use some practical expedients. Elekta has applied the following practical expedients when applying IFRS 16 at transition date:

- Operating leases with a remaining lease term of less than 12 months as at May 1, 2019, have been accounted for as short-term leases. Short-term leases and operating leases of low-value have not been recognized on the balance sheet at transition date.
- Initial direct costs have been excluded from the measurement of the right-to-use asset at the date of initial recognition.
- Hindsight has been used in determining the lease term for contracts containing options to extend or terminate the lease.

Under the new standard the present value of lease obligations has been measured and reported as a non-current asset and interest-bearing liability in the Balance Sheet. The asset has been adjusted with prepaid rents and received incentives. In the Income Statement, lease payments previously reported as an operating expense within operating result have been replaced with depreciation and interest expenses. This change means that total assets and operating profit have increased, which has affected various key indicators. The cash flow from operations has increased related to the amortization of the lease liability, the amortization has instead been shown in the cash flow from financing activities.

According to the previous standard, IAS 17, there was a distinction between operating and finance lease arrangement, where operating leases were not recognized in the Balance Sheet. The value of undiscounted future lease fees is disclosed in note 9 in the Annual Report 2018/19, amounted to SEK 1459 M. The lease liability recognized in the Balance Sheet 1 May 2019 amounts to SEK 1220 M. The difference is mainly related to the discounting effect of the liability as the liability is calculated as the net present value for future payments, while the amount disclosed in note 9 is not discounted in accordance to IAS 17. Increases of the payments due to index and extension- and terminate options included in the lease liability does also explain the difference, together with the exclusion of lease payments related to low-value assets and short-term leases from the Balance Sheet. Those payments are expensed on a straight-line basis in the income statement.

## First quarter

### Effects from IFRS 16 on consolidated balance sheet

SEK M	Reported Apr 30, 2019	Adjustment IFRS 16	Adjusted May 1, 2019
Right-of-use asset	0	1,180	1,180
Other assets	24,064	-20	24,044
<b>Total assets</b>	<b>24,064</b>	<b>1,160</b>	<b>25,224</b>
Total equity	7,779	0	7,779
Long term lease liability	0	1,020	1,020
Short term lease liability	0	200	200
Other liabilities	16,285	-60	16,225
<b>Total equity and liabilities</b>	<b>24,064</b>	<b>1,160</b>	<b>25,224</b>

Other new or revised standards and interpretations, not yet applied, are not considered to have a material impact on the Elekta Group's financial statements.

## Exchange rates

Country	Currency	Average rate			Closing rate				
		May - Jul			Jul 31,		Apr 30,		
		2019/20	2018/19	$\Delta^1$	2019	2018	2019	$\Delta^1$	$\Delta^2$
Euroland	1 EUR	10.640	10.319	3%	10.670	10.250	10.640	4%	0%
Great Britain	1 GBP	12.006	11.711	3%	11.630	11.489	12.306	1%	-5%
Japan	1 JPY	0.087	0.080	9%	0.088	0.079	0.085	12%	3%
United States	1 USD	9.474	8.794	8%	9.565	8.749	9.510	9%	1%

<sup>1</sup> July 31, 2019 vs July 31, 2018

<sup>2</sup> July 31, 2019 vs Apr 30, 2018

For Group companies with a functional currency other than Swedish kronor, order intake and income statements are translated at average exchange rates for the reporting period, while order backlog and balance sheets are translated at closing exchange rates.

## Segment reporting

Elekta applies geographical segmentation. Order intake, net sales and contribution margin for the respective regions are reported to Elekta's CFO and CEO (chief operating decision makers). The regions' expenses are directly attributable to the respective regions' reported figures including cost of products sold. Global costs for R&D, marketing, management of product supply centres and Parent Company are not allocated per region. Currency exposure is concentrated to product supply centres. The majority of exchange differences in operations are reported in global costs.

Elekta's operations are characterized by significant quarterly variations in volumes and product mix, which have a direct impact on net sales and profits. This is accentuated when the operation is split into segments, as is the impact of currency fluctuations between the years.



## First quarter

### May - Jul 2019/20

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total	% of net sales
Net sales	1,010	1,158	1,060	-	3,228	
Regional expenses	-643	-799	-714	-	-2,156	67%
<b>Contribution margin</b>	<b>367</b>	<b>359</b>	<b>347</b>	<b>-</b>	<b>1,073</b>	<b>33%</b>
Contribution margin, %	36%	31%	33%			
Global costs				-837	-837	26%
<b>Operating result</b>	<b>367</b>	<b>359</b>	<b>347</b>	<b>-837</b>	<b>236</b>	<b>7%</b>
Net financial items				-46	-46	
<b>Profit before tax</b>	<b>367</b>	<b>359</b>	<b>347</b>	<b>-883</b>	<b>190</b>	

### May - Jul 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total	% of net sales
Net sales	937	1,003	879	-	2,819	
Regional expenses	-631	-680	-616	-	-1,926	68%
<b>Contribution margin</b>	<b>306</b>	<b>323</b>	<b>263</b>	<b>-</b>	<b>892</b>	<b>32%</b>
Contribution margin, %	33%	32%	30%			
Global costs				-654	-654	23%
<b>Operating result</b>	<b>306</b>	<b>323</b>	<b>263</b>	<b>-654</b>	<b>238</b>	<b>8%</b>
Net financial items				-25	-25	
<b>Profit before tax</b>	<b>306</b>	<b>323</b>	<b>263</b>	<b>-680</b>	<b>213</b>	

### May - Apr 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total	% of net sales
Net sales	4,501	4,956	4,098	-	13,555	
Regional expenses	-2,793	-3,207	-2,807	-	-8,807	65%
<b>Contribution margin</b>	<b>1,707</b>	<b>1,749</b>	<b>1,291</b>	<b>-</b>	<b>4,748</b>	<b>35%</b>
Contribution margin, %	38%	35%	32%			
Global costs				-3,052	-3,052	23%
<b>Operating result</b>	<b>1,707</b>	<b>1,749</b>	<b>1,291</b>	<b>-3,052</b>	<b>1,696</b>	<b>13%</b>
Net financial items				-116	-116	
<b>Profit before tax</b>	<b>1,707</b>	<b>1,749</b>	<b>1,291</b>	<b>-3,167</b>	<b>1,580</b>	

### 12 months rolling

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total	% of net sales
Net sales	4,574	5,111	4,280	-	13,964	
Regional expenses	-2,805	-3,326	-2,905	-	-9,036	65%
<b>Contribution margin</b>	<b>1,769</b>	<b>1,784</b>	<b>1,375</b>	<b>-</b>	<b>4,928</b>	<b>35%</b>
Contribution margin, %	39%	35%	32%			
Global costs				-3,234	-3,234	23%
<b>Operating result</b>	<b>1,769</b>	<b>1,784</b>	<b>1,375</b>	<b>-3,234</b>	<b>1,694</b>	<b>12%</b>
Net financial items				-136	-136	
<b>Profit before tax</b>	<b>1,769</b>	<b>1,784</b>	<b>1,375</b>	<b>-3,370</b>	<b>1,558</b>	

## First quarter

# Net sales by product type

May-Jul 2019/20

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	387	699	772	-	1,858
Service	623	459	289	-	1,371
<b>Total</b>	<b>1,010</b>	<b>1,158</b>	<b>1,060</b>	-	<b>3,228</b>

May-Jul 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	377	594	611	-	1,582
Service	559	409	269	-	1,237
<b>Total</b>	<b>937</b>	<b>1,003</b>	<b>879</b>	-	<b>2,819</b>

May-Apr 2018/19

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	2,192	3,224	2,977	-	8,394
Service	2,308	1,731	1,122	-	5,161
<b>Total</b>	<b>4,501</b>	<b>4,956</b>	<b>4,098</b>	-	<b>13,555</b>

12 months rolling

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Other / Group-wide	Group total
Solutions	2,202	3,330	3,138	-	8,669
Service	2,372	1,781	1,142	-	5,295
<b>Total</b>	<b>4,574</b>	<b>5,111</b>	<b>4,280</b>	-	<b>13,964</b>

## First quarter

# Financial instruments

The table below shows the fair value of the Group's financial instruments, for which fair value is different than carrying value. The fair value of all other financial instruments is assumed to correspond to the carrying value.

SEK M	Jul 31, 2019		Jul 31, 2018		Apr 30, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing liabilities	3,504	3,529	4,341	4,346	3,558	3,573
Long-term leasing liabilities	1,047	1,047	-	-	-	-
Short-term interest-bearing liabilities	1,015	1,015	513	513	1,000	1,000
Short-term leasing liabilities	214	214	-	-	-	-

The Group's financial assets and financial liabilities, which have been measured at fair value, have been categorized in the fair value hierarchy. The different levels are defined as follows:

**Level 1:** Quoted prices on an active market for identical assets or liabilities

**Level 2:** Other observable data than quoted prices included in Level 1, either directly (that is, price quotations) or indirectly (that is, obtained from price quotations)

**Level 3:** Data not based on observable market data

## Financial instruments measured at fair value

SEK M	Level	Jul 31, 2019	Jul 31, 2018	Apr 30, 2019
<b>Financial assets</b>				
<i>Financial assets measured at fair value through profit or loss:</i>				
Derivative financial instruments – non-hedge accounting	2	24	10	70
Short-term investments	1	47	84	45
Current investments classified as cash equivalents	1	1,721	-	1,716
Equity instruments	1	58	-	58
Equity instruments	3	2	-	2
<i>Derivatives used for hedging purposes:</i>				
Derivative financial instruments – hedge accounting	2	1	12	2
<b>Total financial assets</b>		<b>1,853</b>	<b>106</b>	<b>1,893</b>
<b>Financial liabilities</b>				
<i>Financial liabilities at fair value through profit or loss:</i>				
Derivative financial instruments – non-hedge accounting	2	84	54	25
Contingent consideration	3	2	6	2
<i>Derivatives used for hedging purposes:</i>				
Derivative financial instruments – hedge accounting	2	167	56	72
<b>Total financial liabilities</b>		<b>253</b>	<b>116</b>	<b>99</b>

# Key figures and data

## Key figures

	May - Apr <sup>1</sup>			May - Apr		May - Jul	May - Jul
	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
Gross order intake, SEK M	12,825	13,821	14,064	14,493	16,796	3,174	4,390
Net sales, SEK M	10,839	11,221	10,704	11,573	13,555	2,819	3,228
Order backlog, SEK M	17,087	18,239	22,459	27,974	32,003	28,092	33,199
Operating result, SEK M	937	423	598	1,845	1,696	238	236
Operating margin, %	8.6	3.8	5.6	15.9	12.5	8.4	7.3
Profit margin, %	6.6	1.7	3.2	14.5	11.7	7.5	5.9
Shareholders' equity, SEK M	6,646	6,412	6,774	6,987	7,779	6,843	7,849
Return on shareholders' equity, %	9	2	2	22	17	21	16
Net debt, SEK M	2,768	2,677	1,889	803	439	1,307	1,170
Operational cash conversion, %	126	111	145	95	61	-89	-116
Average number of employees	3,679	3,677	3,581	3,702	3,798	3,694	3,942

<sup>1</sup> Calculation based on IAS18

## Data per share

	May - Apr <sup>1</sup>			May - Apr		May - Jul	May - Jul
	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
<b>Earnings per share</b>							
before dilution, SEK	1.45	0.36	0.33	3.53	3.14	0.43	0.38
after dilution, SEK	1.45	0.36	0.33	3.53	3.14	0.43	0.38
<b>Cash flow per share</b>							
before dilution, SEK	1.78	1.00	2.69	3.79	2.48	0.00	0.00
after dilution, SEK	1.78	1.00	2.69	3.79	2.48	0.00	0.00
<b>Shareholders' equity per share</b>							
before dilution, SEK	17.41	16.79	17.73	18.29	20.36	17.91	20.54
after dilution, SEK	17.41	16.79	17.73	18.29	20.36	17.91	20.54
<b>Average number of shares</b>							
before dilution, 000s	381,287	381,288	381,306	382,027	382,027	382,027	382,027
after dilution, 000s	381,287	381,288	381,306	382,027	382,027	382,027	382,027
<b>Number of shares at closing</b>							
before dilution, 000s <sup>2</sup>	381,287	381,288	382,027	382,027	382,027	382,027	382,027
after dilution, 000s	381,287	381,288	382,027	382,027	382,027	382,027	382,027

<sup>1</sup> Calculation based on IAS18

<sup>2</sup> Number of registered shares at closing excluding treasury shares (1,541,368 per July 31, 2019).

## First quarter

### Data per quarter

SEK M	2017/18				2018/19				2019/20
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Gross order intake	2,738	3,267	3,833	4,656	3,174	3,670	4,551	5,401	4,390
Net sales	2,504	2,903	2,756	3,409	2,819	3,330	3,320	4,086	3,228
EBITA	420	566	534	848	386	601	505	985	448
Operating result	281	440	409	714	238	393	311	755	236
Cash flow from operating activities	76	403	691	1,235	-381	512	-57	1,547	-629

### Order intake growth based on constant exchange rates

	2017/18				2018/19				2019/20
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
North and South America, %	-6	14	15	10	23	-41	16	9	0
Europe, Middle East and Africa, %	-4	-5	-5	28	15	43	5	18	64
Asia Pacific, %	7	-11	33	-9	2	18	20	-8	31
<b>Group, %</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>2</b>	<b>12</b>	<b>8</b>	<b>32</b>

# Alternative performance measures

Alternative Performance Measures (APMs) are measures and key figures that Elekta's management and other stakeholders use when managing and analysing Elekta's business performance. These measures are not substitutes, but rather supplements to financial reporting measures prepared in accordance with IFRS. Key figures and other APMs used by Elekta are defined on [www.elekta.com/investors/financials/definitions.php](http://www.elekta.com/investors/financials/definitions.php). Definitions and additional information on APMs can also be found on pages 122-124 in the Annual Report 2018/19.

## Order and sales growth based on constant exchange rates

Elekta's order intake and sales are, to a large extent, reported in subsidiaries with other functional currencies than SEK, which is the group reporting currency. In order to present order and sales growth on a more comparable basis and to show the impact of currency fluctuations, order and sales growth based on constant exchange rates are presented. The schedules below present growth based on constant exchange rates reconciled to the total growth reported in accordance with IFRS.

### Change gross order intake

	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
<b>Q1 2019/20 vs. Q1 2018/19</b>								
Change based on constant exchange rates	0	-2	64	646	31	360	32	1,004
Currency effects	8	75	6	59	7	77	7	211
<b>Reported change</b>	<b>7</b>	<b>74</b>	<b>70</b>	<b>705</b>	<b>37</b>	<b>437</b>	<b>38</b>	<b>1,216</b>
<b>Q1 2018/19 vs. Q1 2017/18</b>								
Change based on constant exchange rates	23	183	15	126	2	17	12	326
Currency effects	2	16	6	52	4	42	4	110
<b>Reported change</b>	<b>25</b>	<b>199</b>	<b>22</b>	<b>178</b>	<b>5</b>	<b>59</b>	<b>16</b>	<b>436</b>

### Change net sales

	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
<b>Q1 2019/20 vs. Q1 2018/19</b>								
Change based on constant exchange rates	0	-3	13	131	14	126	9	254
Currency effects	8	76	2	24	6	55	6	156
<b>Reported change</b>	<b>8</b>	<b>73</b>	<b>15</b>	<b>155</b>	<b>21</b>	<b>181</b>	<b>15</b>	<b>409</b>
<b>Q1 2018/19 vs. Q1 2017/18</b>								
Change based on constant exchange rates	-2	-18	11	95	23	162	10	239
Currency effects	2	15	5	46	2	15	3	76
<b>Reported change</b>	<b>0</b>	<b>-3</b>	<b>16</b>	<b>141</b>	<b>25</b>	<b>177</b>	<b>13</b>	<b>315</b>

## First quarter

### EBITDA

EBITDA is used for the calculation of operational cash conversion and the net debt/EBITDA ratio.

SEK M	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Q1 2019/20
Operating result/EBIT	238	393	311	755	236
<i>Amortization:</i>					
Capitalized development costs	120	176	167	200	184
Assets relating business combinations	27	32	27	30	28
Depreciation	41	38	40	42	95
<b>EBITDA</b>	<b>427</b>	<b>639</b>	<b>545</b>	<b>1,028</b>	<b>542</b>

### Return on capital employed

Return on capital employed is a measure of the profitability after taking into account the amount of total capital used unrelated to type of financing. A higher return on capital employed indicates a more efficient use of capital. Capital employed represents the value of the balance sheet net assets that is the key driver of cash flow and capital required to run the business. It is also used in the calculation of return on capital employed.

SEK M	Jul 31, 2018	Oct 31, 2018	Jan 31, 2019	Apr 30, 2019	Jul 31, 2019
Profit before tax (12 months rolling)	1,651	1,609	1,504	1,580	1,558
Financial expenses (12 months rolling)	225	220	211	186	211
<b>Profit before tax plus financial expenses</b>	<b>1,877</b>	<b>1,829</b>	<b>1,715</b>	<b>1,766</b>	<b>1,769</b>
<b>Total assets</b>	<b>21,921</b>	<b>22,645</b>	<b>22,685</b>	<b>24,064</b>	<b>24,855</b>
Deferred tax liabilities	-504	-537	-537	-587	-574
Long-term provisions	-169	-172	-165	-188	-194
Other long-term liabilities	-59	-84	-57	-55	-10
Accounts payable	-841	-1,111	-1,082	-1,427	-1,226
Advances from customers	-4,608	-4,652	-4,850	-4,883	-4,652
Prepaid income	-1,899	-1,910	-2,010	-2,170	-2,108
Accrued expenses	-1,508	-1,570	-1,596	-1,661	-1,539
Current tax liabilities	-111	-112	-93	-166	-143
Short-term provisions	-165	-157	-148	-188	-184
Derivative financial instruments	-105	-153	-57	-94	-243
Other current liabilities	-255	-258	-333	-308	-354
<b>Capital employed</b>	<b>11,697</b>	<b>11,928</b>	<b>11,756</b>	<b>12,337</b>	<b>13,629</b>
Average capital employed (last five quarters)	11,367	11,628	11,786	12,010	12,269
<b>Return on capital employed</b>	<b>17%</b>	<b>16%</b>	<b>15%</b>	<b>15%</b>	<b>14%</b>

## First quarter

### Return on shareholders' equity

Return on shareholders' equity measures the return generated on shareholders' capital invested in the company.

SEK M	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Q1 2019/20
Net income (12 months rolling)	1,315	1,294	1,164	1,198	1,180
Average shareholders' equity excluding non-controlling interests (last five quarters)	6,271	6,554	6,842	7,167	7,339
<b>Return on shareholders' equity</b>	<b>21%</b>	<b>20%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>

### Operational cash conversion

Cash flow is a focus area for management. The operational cash conversion shows the relation between cash flow from operating activities and EBITDA.

SEK M	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Q1 2019/20
Cash flow from operating activities	-381	512	-57	1,547	-629
EBITDA	427	639	545	1,028	542
<b>Operational cash conversion</b>	<b>-89%</b>	<b>80%</b>	<b>-10%</b>	<b>151%</b>	<b>-116%</b>

### Working capital

In order to optimize cash generation, management focuses on working capital and reducing lead times between orders booked and cash received.

SEK M	Jul 31 2019	Jul 31 2018	Apr 30 2019
<b>Working capital assets</b>			
Inventories	2,780	2,485	2,634
Accounts receivable	3,576	3,061	3,455
Accrued income	1,440	1,004	1,401
Other operating receivables	1,295	1,103	1,059
<b>Sum working capital assets</b>	<b>9,092</b>	<b>7,654</b>	<b>8,548</b>
<b>Working capital liabilities</b>			
Accounts payable	1,226	841	1,427
Advances from customers	4,652	4,608	4,883
Prepaid income	2,108	1,899	2,170
Accrued expenses	1,539	1,508	1,661
Short-term provisions	184	165	188
Other current liabilities	354	255	308
<b>Sum working capital liabilities</b>	<b>10,063</b>	<b>9,276</b>	<b>10,638</b>
<b>Net working capital</b>	<b>-972</b>	<b>-1,622</b>	<b>-2,089</b>
% of 12 months net sales	-7%	-14%	-15%



## First quarter

### Net debt and net debt/EBITDA ratio

Net debt is important for understanding the financial stability of the company. Net debt and net debt/EBITDA ratio are used by management to track the debt evolution, the refinancing need and the leverage for the Group.

SEK M	Jul 31, 2018	Oct 31, 2018	Jan 31, 2019	Apr 30, 2019	Jul 31, 2019
Long-term interest-bearing liabilities	4,341	4,422	4,463	3,558	3,504
Short-term interest-bearing liabilities	513	536	38	1,000	1,015
Cash and cash equivalents and short-term investments	-3,547	-3,669	-2,980	-4,119	-3,349
<b>Net debt</b>	<b>1,307</b>	<b>1,290</b>	<b>1,521</b>	<b>439</b>	<b>1,170</b>
EBITDA (12 months rolling)	2,489	2,522	2,499	2,639	2,754
<b>Net debt/EBITDA ratio</b>	<b>0.53</b>	<b>0.51</b>	<b>0.61</b>	<b>0.17</b>	<b>0.42</b>

## Significant events after the quarter

- Lionel Hadjadjeba has been hired and appointed as President MR-Linac Solutions to drive the commercialization of Elekta Unity.
- Verena Schiller has been appointed President Neuro Solutions to further develop our neuro business.

First quarter

# Shareholder information

## Conference call

Elekta will host a live presentation and a web/telephone conference at 10:00-11:00 CET on August 22 with president and CEO Dr Richard Hausmann, and CFO Gustaf Salford. To take part of the presentation please welcome to the HQ, dial the numbers below or watch via the web link below.

Swedish dial-in no.: +46 8 505 583 65

UK dial-in no.: +44 33 330 092 73

US dial-in no.: +1 833 5268 347

[https://elekta-qreports.creo.se/190822/elekta\\_q1\\_presentation\\_and\\_conference\\_call](https://elekta-qreports.creo.se/190822/elekta_q1_presentation_and_conference_call)

## Financial calendar

Annual General Meeting	August 22, 2019
Interim report, Q2, May-Oct 2019/20	November 28, 2019
Interim report, Q3, May-Jan 2019/20	February 20, 2020
Year-end report 2019/20	May 29, 2020

## About Elekta

For almost five decades, Elekta has been a leader in precision radiation medicine. Our nearly 4,000 employees worldwide are committed to ensuring everyone in the world with cancer has access to – and benefits from – more precise, personalized radiotherapy treatments. Headquartered in Stockholm, Sweden, Elekta is listed on NASDAQ Stockholm Exchange. Visit [elekta.com](http://elekta.com) or follow @Elekta on Twitter.

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