Interim report

January – March 2019

Comments from Mattias Perjos, President & CEO

Strong organic growth and improved operating margin

"Our organic sales increased by 6.0% and the order intake rose by 7.6% organically in the quarter, meaning that we are growing quicker than the market. All major markets performed strongly, particularly in APAC with China growing by more than 20% organically. We received clearance from the FDA for the software version for the Servo-u and Servo-n mechanical ventilator platform in the US market, which will support continued healthy growth in Critical Care. On account of the high order intake and signals from our customers, we are looking forward to continued growth for the full-year. The gross margin is continuing to move in the right direction sequentially and our operating expenses are declining in relation to sales. Combined, this led to a slight improvement in adjusted EBITA margin for the quarter compared with the year-earlier period. However, we are not satisfied with the current level of operating expenses and thus have initiated a number of restructuring activities. Restructuring costs for the quarter totaled SEK 108 M and the measures are expected to start making a positive contribution to profitability in the second half of 2019. Working capital is developing along the right lines despite the robust growth and cash flow remains stable. Overall, I look forward to continuing our work on strengthening our customer relations and our results in the next few quarters."

January – March 2019 in brief

- Net sales increased organically by 6.0% and the order intake rose by 7.6%, meaning that the order bookings are higher year-on-year.
- Adjusted gross profit amounted to SEK 2,825 M (2,588) and the margin was 50.9% (53.2), entailing that the sequential improvement is continuing (48.0% in Q4 2018). IFRS 16 had a positive effect of SEK 27 M on adjusted gross profit.
- Adjusted EBITA amounted to SEK 369 M (301) and the adjusted EBITA margin was 6.7% (6.2). IFRS 16 had a positive effect of SEK 2 M on adjusted EBITA.
- Adjusted earnings per share amounted to SEK 0.64 (0.46). The effect of IFRS 16 was SEK -0.01 per share.
- Clearance received from the US FDA for software upgrade for the Servo-u and Servo-n ventilator platform, which is expected to continue to support a healthy sales trend in Critical Care.

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	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Order intake	**6,173**	**5,328**	**24,347**
Organic change, %	*7.6*	*3.1*	*2.5*
Net sales	**5,548**	**4,868**	**24,172**
Organic change, %	*6.0*	*5.4*	*4.9*
Adjusted gross profit	**2,825**	**2,588**	**11,943**
Margin, %	*50.9*	*53.2*	*49.4*
Adjusted EBITDA	**767**	**591**	**3,916**
Margin, %	*13.8*	*12.1*	*16.2*
Adjusted EBITA	**369**	**301**	**2,689**
Margin, %	*6.7*	*6.2*	*11.1*
Adjusted EBIT	**247**	**190**	**2,216**
Margin, %	*4.5*	*3.9*	*9.2*
Operating profit/loss (EBIT)	**138**	**-161**	**-284**
Margin, %	*2.5*	*-3.3*	*-1.2*
Profit/loss before tax	**24**	**-282**	**-624**
Net profit/loss for the period	**17**	**-301**	**-939**
Adjusted net profit for the period	**186**	**131**	**1,639**
Margin, %	*3.4*	*2.7*	*6.8*
Adjusted earnings per share, SEK	**0.64**	**0.46**	**5.91**
Earnings per share, SEK	**0.02**	**-1.13**	**-3.55**
Cash flow from operating activities	**387**	**298**	**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

January – March 2019

- Organic growth in all business areas.
- Very high order intake in Acute Care Therapies in Americas.
- Particularly high growth in APAC in Acute Care Therapies and Surgical Workflows.
- Strong performance in Life Science and Surgical Workflows in EMEA.

Order intake business areas, SEK M	Jan-Mar 2019	Jan-Mar 2018	Org Δ, %	Jan-Dec 2018
Acute Care Therapies	3,418	2,907	8.2	13,069
Life Science	645	555	8.7	2,295
Surgical Workflows	2,110	1,866	6.4	8,983
Total	**6,173**	**5,328**	**7.6**	**24,347**

Order intake regions, SEK M	Jan-Mar 2019	Jan-Mar 2018	Org Δ, %	Jan-Dec 2018
Americas	2,532	2,172	4.3	9,696
APAC	1,229	1,022	11.0	5,362
EMEA	2,412	2,134	9.3	9,289
Total	**6,173**	**5,328**	**7.6**	**24,347**

Net sales

January – March 2019

- Organic growth in all business areas.
- Acute Care Therapies performed positively in Americas.
- Very strong performance in all business areas in APAC.
- Strong performance in all business areas in EMEA.
- Sales of capital goods are continuing to increase as a percentage of total sales, which in the short term has a negative impact on gross profit but in the long term is expected to boost sales of consumables and thereby also the gross margin.

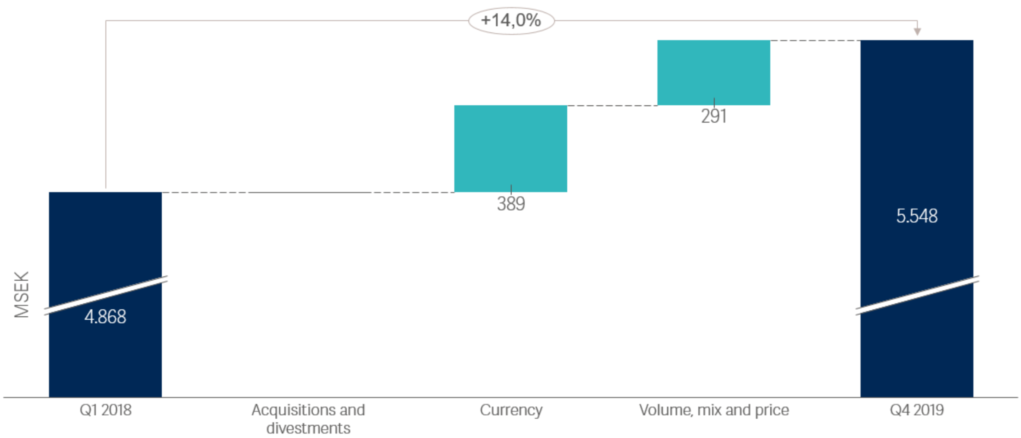
Net sales business areas, SEK M	Jan-Mar 2019	Jan-Mar 2018	Org Δ, %	Jan-Dec 2018
Acute Care Therapies	3,321	2,851	7.7	13,013
Life Science	508	442	7.0	2,194
Surgical Workflows	1,719	1,575	2.4	8,965
Total	**5,548**	**4,868**	**6.0**	**24,172**

Net sales regions, SEK M	Jan-Mar 2019	Jan-Mar 2018	Org Δ, %	Jan-Dec 2018
Americas	2,426	2,140	1.3	9,530
APAC	1,069	868	14.1	5,203
EMEA	2,053	1,860	7.5	9,439
Total	**5,548**	**4,868**	**6.0**	**24,172**

Net sales specified by capital goods & consumables, SEK M	Jan-Mar 2019	Jan-Mar 2018	Org Δ, %	Jan-Dec 2018
Capital goods	2,049	1,727	12.4	10,552
Consumables	3,499	3,141	2.4	13,620
Total	**5,548**	**4,868**	**6.0**	**24,172**

Net sales – bridge between Jan-Mar 2018 and Jan-Mar 2019

- Net sales increased by SEK 680 M, corresponding to 14.0% compared with Q1 2018.
- Exchange rates had a positive impact of SEK 389 M on sales, corresponding to +8.0%.
- Volume, mix and other items positively affected sales by +6.0%.



- Currency effects had a positive effect of SEK 185 M on gross profit and SEK 40 M on adjusted EBITA.
- The gross margin continued to strengthen sequentially, in line with expectations. Compared with the preceding year, the gross margin was mainly affected by a lower margin in Acute Care Therapies and Surgical Workflows.
- Adjusted operating expenses increased by 3.1%. Adjusted for currency and IFRS 16 effects, operating expenses declined by 0.3% year-on-year.
- Adjusted EBITA rose by SEK 68 M year-on-year and the margin increased by 0.5 of a percentage point to 6.7%.
- Restructuring costs amounted to SEK 108 M and mainly comprise expenses for well-defined rationalization activities, which are expected to positively contribute to profitability in autumn 2019.

Underlying earnings trend[1)]

	SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
	Net sales	5,548	4,868	24,172
	Adjusted gross profit	**2,825**	**2,588**	**11,943**
	Margin, %	*50.9*	*53.2*	*49.4*
	Adjusted operating expenses	-2,058	-1,997	-8,027
	Adjusted EBITDA	**767**	**591**	**3,916**
	Margin, %	*13.8*	*12.1*	*16.2*
	Depreciation, amortization and write-downs of intangible assets and tangible assets [2)]	-398	-290	-1,227
	Adjusted EBITA	**369**	**301**	**2,689**
	Margin, %	*6.7*	*6.2*	*11.1*
A	Amortization and write-down of acquired intangible assets[2)]	-122	-111	-473
	Adjusted EBIT	**247**	**190**	**2,216**
	Margin, %	*4.5*	*3.9*	*9.2*
B	Acquisition and restructuring costs	-109	-1	0
C	Other items affecting comparability[3)]	-	-350	-2,500
	Operating profit/loss (EBIT)	**138**	**-161**	**-284**
	Net financial items	-114	-121	-340
	Profit/loss before tax	**24**	**-282**	**-624**
	Adjusted profit before tax (adjusted for A, B and C)	**255**	**180**	**2,349**
	Margin, %	*4.6*	*3.7*	*9.7*
	Taxes	-7	-19	-315
D	Adjustment of tax [3)]	-62	-30	-395
	Adjusted net profit for the period (adjusted for A, B, C and D)	**186**	**131**	**1,639**
	Margin, %	*3.4*	*2.7*	*6.8*
	Of which, attributable to Parent Company shareholders	175	125	1,611
	Average number of shares, thousands	**272,370**	**272,370**	**272,370**
	Adjusted earnings per share, SEK (adjusted for A, B, C and D)	**0.64**	**0.46**	**5.91**

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

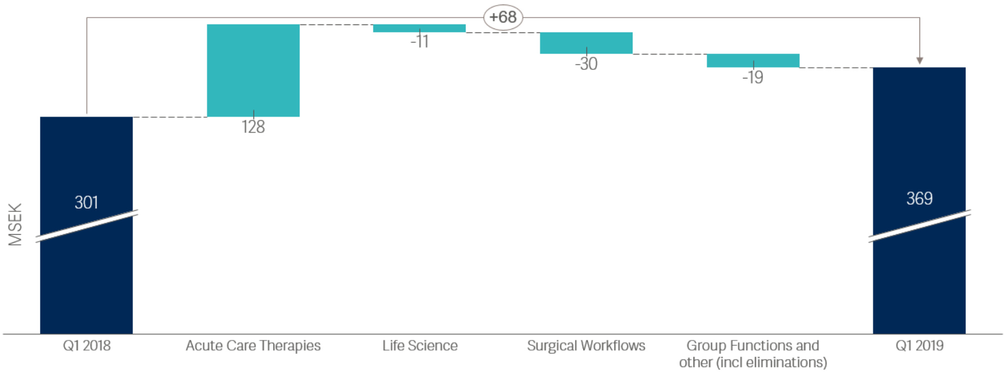
- Acute Care Therapies increased its adjusted EBITA by SEK 128 M and the margin improved by 1.5 percentage points, mainly due to higher sales volumes and stabilized operating expenses.
- Life Science's adjusted EBITA declined by SEK 11 M, resulting in a margin decrease of 3.8 percentage points mainly attributable to a lower gross margin and higher operating expenses compared with the year-earlier period.
- Surgical Workflows' adjusted EBITA fell by SEK 30 M to SEK -195 M, primarily due to a lower gross margin and negative currency effects.

Adjusted EBITA per business area[1)]

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Acute Care Therapies	**598**	**470**	**2,533**
Margin, %	*18.0*	*16.5*	*19.5*
Life Science	**46**	**57**	**277**
Margin, %	*9.1*	*12.9*	*12.6*
Surgical Workflows	**-195**	**-165**	**142**
Margin, %	*-11.3*	*-10.5*	*1.6*
Group functions and other (incl. eliminations)	-80	-61	-263
Total	**369**	**301**	**2,689**
Margin, %	*6.7*	*6.2*	*11.1*

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 Jan-Mar 2018 and Jan-Mar 2019



- Adjusted operating expenses increased 3.1% or SEK 61 M year-on-year, primarily as a result of currency effects and higher costs in R&D and administration (where quality initiatives accounted for a significant share).
- Excluding currency and IFRS 16 effects, adjusted operating expenses declined by 0.3 of a percentage point year-on-year.
- The effect of IFRS 16 for the quarter was SEK 65 M.

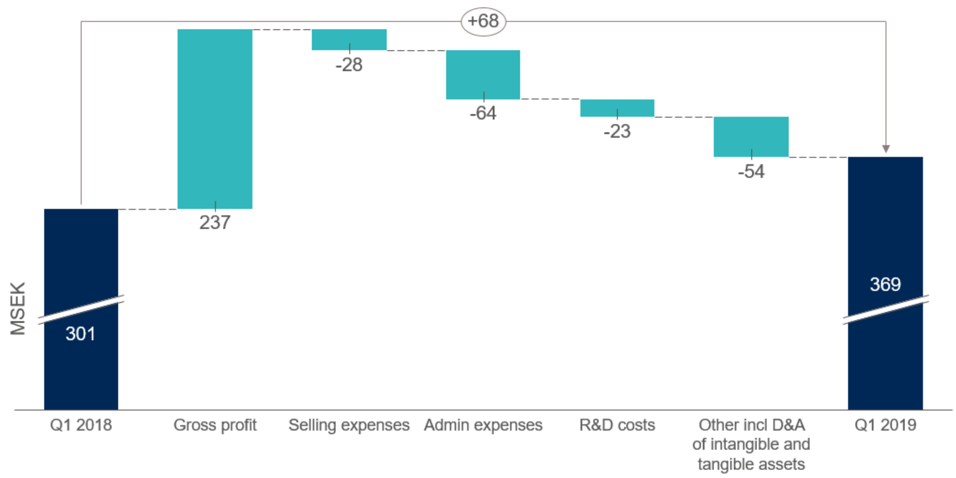
Adjusted operating expenses

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

SEK M	Jan-Mar 2019	*Of which IFRS 16 effect*	Jan-Mar 2018	Jan-Dec 2018
Selling expenses	-1,147	*39*	-1,119	-4,527
Administrative expenses	-730	*22*	-666	-2,757
Research and development costs	-193	*4*	-170	-662
Other operating income and expenses	12	*0*	-42	-81
Total	**-2,058**	***65***	**-1,997**	**-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 Jan-Mar 2018 and Jan-Mar 2019



- Net sales were positively impacted by translation effects of SEK 389 M.
- Gross profit was positively impacted by translation effects of SEK 173 M and transaction effects of SEK 12 M.
- EBITA was positively impacted by SEK 28 M in translation effects and SEK 12 M in transaction effects.

Currency impact

SEK M	Jan-Mar 2019
Net sales	389
Gross profit	185
EBITDA	53
EBITA	40
Operating profit/loss (EBIT)	27

- Cash flow was positively impacted by increased profitability.
- Working capital remained stable despite healthy growth.
- Net debt was negatively affected by mainly currency and IFRS 16 effects.
- Excluding IFRS 16 effects, net debt in relation to adjusted EBITDA R12M was in line with Q4 2018.

Cash flow and financial position[1)]

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Cash flow before changes in working capital	356	272	2,641
Changes in working capital	31	26	-138
Net investments in non-current assets	-248	-299	-1,335
Cash flow after net investments	**139**	**-1**	**1,168**
Of which IFRS 16 effect	*86*	*-*	*-*
Net interest-bearing debt	**13,953**	**13,079**	**12,591**
In relation to adjusted EBITDA[1)] R12M, multiple	*3.4*	*3.2*	*3.2*
Net interest-bearing debt, excl. IFRS 16 effect	**12,947**		
In relation to adjusted EBITDA[1)] R12M, multiple and excl. IFRS 16 effect	*3.2*		

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

Research and development

- Gross expenses for R&D were in line with the year-earlier period despite negative currency effects.
- Capitalized development costs declined by SEK 26 M as a result of timing effects of individual projects and ongoing remediation measures.
- Amortization and write-downs were in line with the preceding year.

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
R&D costs, gross	-321	-320	-1,262
In relation to net sales, %	*5.8*	*6.6*	*5.2*
Capitalized development costs	117	143	571
In relation to net sales, %	*2.1*	*2.9*	*2.4*
Research and development costs, net	**-204**	**-177**	**-691**
Amortization and write-downs of capitalized R&D	**-125**	**-123**	**-519**
Of which write-downs	-	-	*-15*

Update regarding Consent Decree with the FDA

- Improvements continue to take place in Hechingen in accordance with the revised plan from 2017.
- The unutilized provision totaled SEK 359 M at the end of the quarter.

SEK M	March 31 2019	March 31 2018	Dec 31 2018
Provision at beginning of period	**382**	**556**	**556**
Used amount	-28	-44	-200
Provisions	-	-	-
Translation differences	5	24	26
Provision at close of period	**359**	**536**	**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. This 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 the first quarter of 2019.

In autumn 2018 and the start of 2019, Getinge's production units in Fairfield and Mahwah each received a warning letter 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.

Key events after the quarter

Atrium Medical Corporation's divestment of its surgical mesh business will not be completed – no material financial effect

On October 18, 2018, Atrium Medical Corporation, a subsidiary of Getinge, signed an agreement to divest its biosurgical operations to Chinese HJ Capital 1, the parent company of SeCQure Surgical Corporation, a global medical device company. After the end of the first quarter of 2019, Atrium Medical Corporation was informed that the buyer will not proceed with the acquisition as necessary regulatory approvals have not been received. The work is now proceeding to review the next step for the mesh business.

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.

- Particularly high growth in ventilators in all regions.
- Strong growth for heart-lung machines including consumables in Americas and APAC.

- Growth of more than 20% in Critical Care, mainly driven by ventilators
- Sales of expandable vascular stents continued to decline year-on-year.
- Sales of capital goods, such as ventilators, increased markedly, which positively impacted gross profit but adversely affected the gross margin.

- The adjusted gross margin fell by 2.9 percentage points in relation to the year-earlier quarter, primarily as a result of lower sales of expandable vascular stents and higher sales of capital goods.
- Adjusted operating expenses were in line with the year-earlier period and excluding currency and IFRS 16 effects were 3.3% lower, despite higher costs for quality enhancements.
- Higher sales and stable operating expenses contributed to an increase in the adjusted EBITA margin of 1.5 percentage points compared with the preceding year.
- Currency effects impacted sales by SEK +248 M, gross profit by SEK +139 M and EBITA by SEK +48 M.

Order intake and net sales

Order intake regions, SEK M	**Jan-Mar 2019**	**Jan-Mar 2018**	***Org Δ, %***	**Jan-Dec 2018**
Americas	1,749	1,425	*9.6*	6,415
APAC	634	507	*15.6*	2,638
EMEA	1,035	975	*2.2*	4,016
Total	**3,418**	**2,907**	***8.2***	**13,069**

Net sales regions, SEK M	**Jan-Mar 2019**	**Jan-Mar 2018**	***Org Δ, %***	**Jan-Dec 2018**
Americas	1,714	1,472	*3.7*	6,404
APAC	622	496	*16.7*	2,627
EMEA	985	883	*9.6*	3,982
Total	**3,321**	**2,851**	***7.7***	**13,013**

Net sales specified by capital goods & consumables, SEK M	**Jan-Mar 2019**	**Jan-Mar 2018**	***Org Δ, %***	**Jan-Dec 2018**
Capital goods	827	630	*25.4*	3,501
Consumables	2,494	2,221	*2.7*	9,512
Total	**3,321**	**2,851**	***7.7***	**13,013**

Underlying earnings trend[1)]

SEK M	**Jan-Mar 2019**	**Jan-Mar 2018**	**Jan-Dec 2018**
Net sales	**3,321**	**2,851**	**13,013**
Adjusted gross profit	**1,946**	**1,753**	**7,627**
Margin, %	*58.6*	*61.5*	*58.6*
Adjusted EBITDA	**818**	**642**	**3,259**
Margin, %	*24.6*	*22.5*	*25.0*
Depreciation, amortization and write-downs of intangible assets and tangible assets	-220	-172	-726
Adjusted EBITA	**598**	**470**	**2,533**
Margin, %	*18.0*	*16.5*	*19.5*

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

Key events in the business area

- In March, the US FDA provided clearance for a software upgrade of the Servo-u and Servo-n ventilator platform. The upgrade will meet the demand in the US market to support the ARDSnet protocol (Acute Respiratory Distress Syndrome) as well as integrated high-flow oxygen therapy. The global burden of ARDS has been estimated to be in excess of 3 million patients per year. Virtually all patients with ARDS require mechanical ventilation to assist the lungs with oxygenation and provide time to heal. The incidence of ARDS in the US alone has been estimated at about 80 per 100,000 population. The approval brings new possibilities to grow Getinge's business within the US ventilation market.
- During the quarter, we carried out a number of well-defined restructuring measures at a cost of SEK 61 M to reduce expenses for the business area. These activities are expected to start making a positive contribution to profitability in the second half of 2019.

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.

- Very high organic growth in orders in EMEA in both consumables and capital goods.
- Weaker start to the year for APAC, mainly in capital goods.

Order intake and net sales

Order intake regions, SEK M	Jan-Mar 2019	Jan-Mar 2018	*Org Δ, %*	Jan-Dec 2018
Americas	237	214	*0.0*	802
APAC	77	86	*-17.2*	434
EMEA	331	255	*24.8*	1,059
Total	**645**	**555**	***8.7***	**2,295**

- Almost 10% of organic growth in sales of capital goods, contributing to healthy growth in all regions.
- Major deliveries took place in APAC compared with Q1 2018.
- Capital goods are increasing at a faster rate than consumables and service.

Net sales regions, SEK M	Jan-Mar 2019	Jan-Mar 2018	*Org Δ, %*	Jan-Dec 2018
Americas	192	172	*0.1*	815
APAC	69	48	*34.0*	375
EMEA	247	222	*6.6*	1,004
Total	**508**	**442**	***7.0***	**2,194**

Net sales specified by capital goods & consumables, SEK M	Jan-Mar 2019	Jan-Mar 2018	*Org Δ, %*	Jan-Dec 2018
Capital goods	302	258	*9.7*	1,403
Consumables	206	184	*3.3*	791
Total	**508**	**442**	***7.0***	**2,194**

Underlying earnings trend[1)]

- The adjusted gross margin is continuing to improve sequentially, but the margin was negatively impacted by product and market mix compared with Q1 2018.
- Adjusted operating expenses increased by SEK 22 M compared with the year earlier period, of which SEK 5 M was related to R&D and SEK 15 M was attributable to intensified sales initiatives to capitalize on the healthy growth potential in the market. Excluding currency and IFRS 16 effects, operating expenses rose by 16.2%.
- The lower gross margin and higher adjusted operating expenses contributed to a SEK 11 M decline in adjusted EBITA year-on-year, which meant that the margin was 3.8 percentage points lower.
- Currency effects impacted sales by SEK +36 M, gross profit by SEK +11 M and EBITA by SEK +3 M.

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Net sales	**508**	**442**	**2,194**
Adjusted gross profit	**203**	**186**	**815**
Margin, %	*40.0*	*42.1*	*37.1*
Adjusted EBITDA	**70**	**75**	**348**
Margin, %	*13.8*	*17.0*	*15.9*
Depreciation, amortization and write-downs of intangible assets and tangible assets	-24	-18	-71
Adjusted EBITA	**46**	**57**	**277**
Margin, %	*9.1*	*12.9*	*12.6*

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

Key events in the business area

- Launch of Ultima 1800, a washer for laboratories. The introduction of the Ultima series is now completed and the previous generation (the Labexa series) has been phased out.
- Strengthening of the BetaBag portfolio with the launch of Chute-less Bag that provides greater user-friendliness and enables higher sterilization productivity for customers.

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.

- Very strong growth for Surgical Workplaces in APAC and EMEA.
- The decline in Americas was largely due to the temporarily lower order intake in Integrated Workflow Solutions in Latin America.

- Positive trend for Surgical Workplaces, particularly in operating tables, in all regions. Net sales increased by slightly more than 25% in APAC and 12% in Americas.
- Lower net sales in Infection Control in APAC and Americas.
- Sales of capital goods are continuing to grow faster than consumables and service.

- The adjusted gross margin was adversely impacted by the geographic mix and was 1.9 percentage points lower year-on-year. However, the margin improved sequentially compared with Q4 2018.
- Adjusted operating expenses declined sequentially and are now in line with Q1 2018. Excluding currency and IFRS 16 effects, adjusted operating expenses were slightly more than 1% lower than in the preceding year.
- The lower gross margin and negative currency effect contributed to a SEK 30 M decline in adjusted EBITA compared with 2018.
- Currency effects impacted sales by SEK +105 M, gross profit by SEK +35 M and EBITA by SEK -11 M.

Order intake and net sales

Order intake regions, SEK M	**Jan-Mar 2019**	**Jan-Mar 2018**	***Org Δ, %***	**Jan-Dec 2018**
Americas	546	533	*-8.1*	2,479
APAC	518	429	*11.2*	2,290
EMEA	1,046	904	*12.7*	4,214
Total	**2,110**	**1,866**	***6.4***	**8,983**

Net sales regions, SEK M	**Jan-Mar 2019**	**Jan-Mar 2018**	***Org Δ, %***	**Jan-Dec 2018**
Americas	520	496	*-5.1*	2,311
APAC	378	324	*7.4*	2,201
EMEA	821	755	*5.3*	4,453
Total	**1,719**	**1,575**	***2.4***	**8,965**

Net sales specified by capital goods & consumables, SEK M	**Jan-Mar 2019**	**Jan-Mar 2018**	***Org Δ, %***	**Jan-Dec 2018**
Capital goods	920	839	*3.5*	5,648
Consumables	799	736	*1.3*	3,317
Total	**1,719**	**1,575**	***2.4***	**8,965**

Underlying earnings trend[1]

SEK M	**Jan-Mar 2019**	**Jan-Mar 2018**	**Jan-Dec 2018**
Net sales	**1,719**	**1,575**	**8,965**
Adjusted gross profit	**676**	**649**	**3,501**
Margin, %	*39.3*	*41.2*	*39.1*
Adjusted EBITDA	**-43**	**-66**	**567**
Margin, %	*-2.5*	*-4.2*	*6.3*
Depreciation, amortization and write-downs of intangible assets and tangible assets	-152	-99	-425
Adjusted EBITA	**-195**	**-165**	**142**
Margin, %	*-11.3*	*-10.5*	*1.6*

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

Key events in the business area

- A number of restructuring measures were carried out during the quarter at a cost of SEK 41 M to improve profitability. These rationalization activities are linked to specific and well-defined expense areas and the activities are expected to start making a positive contribution to profitability in the second half of 2019.
- The first deliveries of the GSS67 sterilizer in the US took place, with a positive response from customers.

Other information

Risk management

Healthcare reimbursement system

Political decisions represent the single greatest market risk to Getinge Group. Changes to the healthcare 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 analysis 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

Healthcare suppliers run a risk, like other players in the healthcare 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 overall 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.

Getinge, April 23, 2019

Carl Bennet Chairman	**Johan Bygge**	**Cecilia Daun Wennborg**
Barbro Fridén	**Dan Frohm**	**Sofia Hasselberg**
Peter Jörmalm	**Rickard Karlsson**	**Johan Malmquist**
Mattias Perjos President and CEO	**Malin Persson**	**Johan Stern** Vice Chairman

This interim report is unaudited.

Consolidated financial statements

Consolidated income statement

SEK M	Note	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Net sales	2	5,548	4,868	24,172
Cost of goods sold	3	-2,951	-2,464	-13,119
Gross profit	2, 9	**2,597**	**2,404**	**11,053**
Selling expenses	3	-1,327	-1,248	-5,202
Administrative expenses	3	-831	-747	-3,090
Research and development costs		-204	-177	-691
Acquisition expenses		-1	-1	-4
Restructuring costs		-108	-	4
Other operating income and expenses[1)]		12	-392	-2,354
Operating profit/loss (EBIT)	2, 3, 9	**138**	**-161**	**-284**
Net financial items	2, 9	-114	-121	-340
Profit/loss after financial items	2, 9	**24**	**-282**	**-624**
Taxes		-7	-19	-315
Net profit/loss for the period		**17**	**-301**	**-939**
Attributable to:				
Parent Company shareholders		6	-307	-967
Non-controlling interests		11	6	28
Net profit/loss for the period		**17**	**-301**	**-939**
Earnings per share, SEK[2)]		0.02	-1.13	-3.55
Weighted average number of shares for calculation of earnings per share (000s)		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 pertains to surgical Mesh-related claims (Jul-Sep 2018).
2) Before and after dilution

Consolidated statement of comprehensive income

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Net profit/loss for the period	**17**	**-301**	**-939**
Other comprehensive income			
Items that cannot be restated in profit for the period			
Actuarial gains/losses pertaining to defined-benefit pension plans	-185	0	143
Tax attributable to items that cannot be restated in profit	54	0	-15
Items that can later be restated in profit for the period			
Translation differences and hedging of net investments	650	467	844
Cash flow hedges	41	36	-60
Tax attributable to items that can be restated in profit	-13	54	304
Other comprehensive income for the period, net after tax	**547**	**557**	**1,216**
Total comprehensive income for the period	**564**	**256**	**277**
Comprehensive income attributable to:			
Parent Company shareholders	543	230	230
Non-controlling interests	21	26	47
Total comprehensive income for the period	**564**	**256**	**277**

Consolidated balance sheet

SEK M	Note	March 31 2019	March 31 2018	Dec 31 2018
Assets				
Intangible assets		24,601	23,430	24,098
Tangible assets		3,193	2,989	3,160
Right-of-use assets	9	1,044	-	-
Financial assets		2,066	1,820	1,946
Inventories		5,103	5,590	4,544
Accounts receivable		5,276	5,034	6,108
Other current receivables		2,534	2,153	2,223
Cash and cash equivalents	6	993	1,037	1,273
Total assets		**44,810**	**42,053**	**43,352**
Equity and liabilities				
Equity		20,219	20,062	19,655
Provisions for pensions, interest-bearing	6	3,255	3,170	3,035
Lease liabilities	6, 9	1,006	-	-
Other interest-bearing liabilities	6	10,685	10,946	10,829
Other provisions		3,866	2,568	3,771
Accounts payable		1,757	1,724	1,868
Other non-interest-bearing liabilities		4,022	3,583	4,194
Total equity and liabilities		**44,810**	**42,053**	**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	-	-	668	-125	**543**	21	**564**
Closing balance at March 31, 2019	**136**	**6,789**	**1,903**	**10,916**	**19,744**	**475**	**20,219**

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

Consolidated cash flow statement

SEK M	Note	Jan-Mar 2019[3]	Jan-Mar 2018	Jan-Dec 2018
Operating activities				
Operating profit/loss (EBIT)	9	138	-161	-284
Add-back of depreciation, amortization and write-downs	4, 9	536	401	1,808
Other non-cash items[1]		3	355	2,073
Add-back of restructuring costs[2]		92	-	-4
Paid restructuring costs		-67	-45	-261
Financial items		-113	-110	-325
Taxes paid		-233	-168	-366
Cash flow before changes in working capital		**356**	**272**	**2,641**
Changes in working capital				
Inventories		-453	-544	-36
Operating receivables		874	1,155	-30
Operating liabilities		-390	-585	-72
Cash flow from operating activities		**387**	**298**	**2,503**
Investing activities				
Acquisition of operations		-	-	-4
Investments in intangible assets and tangible assets		-253	-300	-1,380
Divestment of non-current assets		5	1	45
Cash flow from investing activities		**-248**	**-299**	**-1,339**
Financing activities				
Change in interest-bearing liabilities	9	-457	-528	-1,005
Change in long-term receivables		5	10	-11
Dividend paid		-	-	-424
Cash flow from financing activities		**-452**	**-518**	**-1,440**
Cash flow for the period		**-313**	**-519**	**-276**
Cash and cash equivalents at the beginning of the period		1,273	1,526	1,526
Translation differences		33	30	23
Cash and cash equivalents at the end of the period		**993**	**1,037**	**1,273**

1) Refers mainly to the provision for 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, 2019[1]. 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 lines in the consolidated balance sheet[2]. 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.

New accounting principle for leasing agreements

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 the right-of-use regarding premises and vehicles. The leases are recognised 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 amortisation 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 recognised under each period.

The Group's lease liabilities are recognised 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 recognised 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 asset's useful life and the lease term, whichever is the shortest.

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.

Getinge as a 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. Revenues from operating leases are recognized evenly over the lease period. 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 and 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

Net sales, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Acute Care Therapies	3,321	2,851	13,013
Life Science	508	442	2,194
Surgical Workflows	1,719	1,575	8,965
Total	**5,548**	**4,868**	**24,172**

Gross profit, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Acute Care Therapies	1,807	1,633	7,111
Life Science	190	176	776
Surgical Workflows	600	595	3,166
Total	**2,597**	**2,404**	**11,053**

Operating profit (EBIT), SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Acute Care Therapies	419	155	-100
Life Science	39	56	271
Surgical Workflows	-240	-311	-191
Group functions and other (incl. eliminations)[1)]	-80	-61	-264
Operating profit/loss (EBIT)	**138**	**-161**	**-284**
Net financial items	-114	-121	-340
Profit/loss after financial items	**24**	**-282**	**-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	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Acquired intangible assets	-122	-111	-570
Intangible assets	-207	-181	-775
Right-of-use assets[1)]	-90	-	-
Tangible assets	-117	-109	-463
Total	**-536**	**-401**	**-1,808**
of which write-downs	*-16*	-	*-117*

1) Related to leases recognized according to IFRS 16

SEK M	Jan-Mar 2019	*Of which IFRS 16 effect*	Jan-Mar 2018	Jan-Dec 2018
Cost of goods sold	-228	*-27*	-184	-799
Selling expenses	-180	*-38*	-129	-647
Administrative expenses	-101	*-21*	-81	-333
Research and development costs	-11	*-4*	-7	-29
Restructuring costs	-16	-	-	-
Total	**-536**	***-90***	**-401**	**-1,808**
of which write-downs	*-16*	-	-	*-117*

Note 4 Quarterly results

SEK M	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017
Net sales	5,548	7,890	5,683	5,731	4,868	7,371	4,944	5,369
Cost of goods sold	-2,951	-4,315	-3,263	-3,077	-2,464	-4,179	-2,496	-2,725
Gross profit	**2,597**	**3,575**	**2,420**	**2,654**	**2,404**	**3,192**	**2,448**	**2,644**
Operating expenses	-2,459	-2,367	-4,156	-2,249	-2,565	-2,347	-2,144	-2,602
Operating profit/loss (EBIT)	**138**	**1,208**	**-1,736**	**405**	**-161**	**845**	**304**	**42**
Net financial items	-114	-104	-41	-74	-121	-127	-132	-158
Profit/loss after financial items	**24**	**1,104**	**-1,777**	**331**	**-282**	**718**	**172**	**-116**
Taxes	-7	-389	333	-240	-19	242	-47	31
Net profit/loss for the period	**17**	**715**	**-1,444**	**91**	**-301**	**960**	**125**	**-85**

Note 5 Adjustment items

Adjusted EBITA, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Acute Care Therapies	598	470	2,533
Life Science	46	57	277
Surgical Workflows	-195	-165	142
Group functions and other (incl. eliminations)	-80	-61	-263
Total, Group	**369**	**301**	**2,689**

Adjustments of EBITA, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Specification of items affecting comparability that impact EBITA			
Acquisition and restructuring costs, Acute Care Therapies	-62	-1	-5
Acquisition and restructuring costs, Life Science	-6	-	-
Acquisition and restructuring costs, Surgical Workflows	-41	-	5
Write-down of inventories, Surgical Workflows[1]	-	-	-91
Write-down of R&D, Surgical Workflows[1]	-	-	-11
Impairment of receivables, Acute Care Therapies[3]	-	-	-83
Impairment of receivables, Life Science[3]	-	-	-3
Impairment of receivables, Surgical Workflows[3]	-	-	-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[1]	-	-	-
Other, Surgical Workflows[2]	-	-	-4
Group functions and other (incl. eliminations)	-	-	-
Total, Group	**-109**	**-351**	**-2,403**
Items affecting comparability per segment			
Acute Care Therapies	-62	-211	-2,122
Life Science	-6	-	-3
Surgical Workflows	-41	-140	-278
Group functions and other (incl. eliminations)	-	-	-
Total, Group	**-109**	**-351**	**-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	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Acute Care Therapies	536	259	411
Life Science	40	57	274
Surgical Workflows	-236	-305	-136
Group functions and other (incl. eliminations)	-80	-61	-263
Total, Group	**260**	**-50**	**286**

Adjustments of EBIT (in addition to the above adjustments of EBITA), SEK M	Jan-Mar 2019	Jan-Mar 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, Group[1]	**-**	**-**	**-97**

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

Adjustments of EBIT, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Items affecting comparability that impact EBITA (according to above)	-109	-351	-2,403
Items affecting comparability that impact EBIT but not EBITA (according to above)	-	-	-97
Total, Group	**-109**	**-351**	**-2,500**

Adjustment of tax, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Amortization and write-down of acquired intangible assets[1]	122	111	473
Items affecting comparability	109	351	2,500
Adjustment items, total	**231**	**462**	**2,973**
Tax effect on adjustment items[2]	-62	-30	-622
Adjustment for tax items affecting comparability[3]	-	-	227
Total, Group	**-62**	**-30**	**-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	March 31 2019	March 31 2018	Dec 31 2018
Other interest-bearing liabilities	10,685	10,946	10,829
Provisions for pensions, interest-bearing	3,255	3,170	3,035
Lease liabilities	1,006	-	-
Interest-bearing liabilities	**14,946**	**14,116**	**13,864**
Less cash and cash equivalents	-993	-1,037	-1,273
Net interest-bearing debt	**13,953**	**13,079**	**12,591**

Note 7 Key figures for the Group

Financial and operative key figures	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Key figures based on Getinge's financial targets			
Organic growth in net sales, %	6.0	5.4	4.9
Earnings per share [1], SEK	0.02	-1.13	-3.55
Other operative and financial key figures			
Organic growth in order intake, %	7.6	3.1	2.5
Gross margin, %	46.8	49.4	45.7
Selling expenses, % of net sales	23.9	25.6	21.5
Administrative expenses, % of net sales	15.0	15.3	12.8
Research and development costs, % of net sales	5.8	6.6	5.2
Operating margin, %	2.5	-3.3	-1.2
EBITDA, SEK M	674	240	1,524
Average number of shares, thousands	272,370	272,370	272,370
Number of shares at the end of the period, thousands	272,370	272,370	272,370
Interest-coverage ratio, multiple	10.4	8.7	9.8
Net debt/equity ratio, multiple	0.69	0.65	0.64
Net debt/Rolling 12m adjusted EBITDA, multiple	3.4	3.2	3.2
Operating capital, SEK M	33,182	N/A[2]	32,868
Return on operating capital, %	6.9	N/A[2]	6.7
Return on equity, %	-3.1	3.9	-4.7
Equity/assets ratio, %	45.1	47.7	45.3
Equity per share, SEK	74.23	73.66	72.16
Number of employees	10,371	10,792	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.

Adjusted gross profit, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Gross profit	**2,597**	**2,404**	**11,053**
Add-back of:			
Depreciation, amortization and write-downs of intangible assets and tangible assets	228	184	799
Other items affecting comparability	-	-	102
Adjustment for write-downs included in other items affecting comparability	-	-	-11
Adjusted gross profit	**2,825**	**2,588**	**11,943**

Adjusted EBITDA, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Operating profit/loss (EBIT)	**138**	**-161**	**-284**
Add-back of:			
Depreciation, amortization and write-downs of intangible assets and tangible assets	414	290	1,238
Amortization and write-down of acquired intangible assets	122	111	570
Other items affecting comparability	-	350	2,500
Acquisition and restructuring costs	109	1	0
Adjustment for write-downs included in other items affecting comparability and restructuring costs	-16	-	-108
Adjusted EBITDA	**767**	**591**	**3,916**

Adjusted EBITA, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Operating profit/loss (EBIT)	**138**	**-161**	**-284**
Add-back of:			
Amortization and write-down of acquired intangible assets	122	111	570
Other items affecting comparability	-	350	2,500
Acquisition and restructuring costs	109	1	0
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-	-97
Adjusted EBITA	**369**	**301**	**2,689**

Adjusted EBIT, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Operating profit/loss (EBIT)	**138**	**-161**	**-284**
Add-back of:			
Other items affecting comparability	-	350	2,500
Acquisition and restructuring costs	109	1	0
Adjusted EBIT	**247**	**190**	**2,216**

Adjusted net profit for the period, SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Net profit/loss for the period	**17**	**-301**	**-939**
Add-back of:			
Amortization and write-down of acquired intangible assets	122	111	570
Other items affecting comparability	-	350	2,500
Acquisition and restructuring costs	109	1	0
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-	-97
Tax items affecting comparability	-	-	227
Tax on add-back items	-62	-30	-622
Adjusted net profit for the period	**186**	**131**	**1,639**

Note 8 Acquisitions

No acquisitions took place the first quarter of 2019.

Note 9 Effects of IFRS 16 Leases

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 for 2018. Under the new standard, lease payments are to be distributed between interest expenses and amortization of the lease liability. The Group's weighted average incremental borrowing rate used to calculate the discount effect is 2.5% and was applied to the transition to IFRS 16.

The table below presents the effects of the introduction of IFRS 16 Leases on the Group's recognized and adjusted financial performance measures for the January-March 2019 period.

Reconciliation from IAS 17 to IFRS 16

SEK M	Jan-Mar 2019
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**

IFRS 16 effects on income statement measures

Gross profit, SEK M	Jan-Mar 2019	IFRS 16 effect Jan-Mar 2019	Excl. IFRS 16 Jan-Mar 2019	Jan-Mar 2018
Acute Care Therapies	1,807	0	1,807	1,633
Life Science	190	0	190	176
Surgical Workflows	600	0	600	595
Total	**2,597**	**0**	**2,597**	**2,404**

EBITA, SEK M	Jan-Mar 2019	IFRS 16 effect Jan-Mar 2019	Excl. IFRS 16 Jan-Mar 2019	Jan-Mar 2018
Acute Care Therapies	536	1	535	259
Life Science	40	0	40	57
Surgical Workflows	-236	1	-237	-305
Group functions and other (incl. eliminations)	-80	0	-80	-61
Total	**260**	**2**	**258**	**-50**

Operating profit (EBIT), SEK M	Jan-Mar 2019	IFRS 16 effect Jan-Mar 2019	Excl. IFRS 16 Jan-Mar 2019	Jan-Mar 2018
Acute Care Therapies	419	1	418	155
Life Science	39	0	39	56
Surgical Workflows	-240	1	-241	-311
Group functions and other (incl. eliminations)	-80	0	-80	-61
Total	**138**	**2**	**136**	**-161**
Net financial items	-114	-6	-108	-121
Profit/loss after financial items	**24**	**-4**	**28**	**-282**
Taxes	-7	1	-8	-19
Profit/loss before tax	**17**	**-3**	**20**	**-301**

IFRS 16 effect on adjusted income statement measures

Adjusted gross profit, SEK M	Jan-Mar 2019	IFRS 16 effect Jan-Mar 2019	Excl. IFRS 16 Jan-Mar 2019	Jan-Mar 2018
Acute Care Therapies	1,946	9	1,937	1,753
Life Science	203	2	201	186
Surgical Workflows	676	16	660	649
Total	**2,825**	**27**	**2,798**	**2,588**

Adjusted EBITDA, SEK M	Jan-Mar 2019	IFRS 16 effect Jan-Mar 2019	Excl.IFRS 16 Jan-Mar 2019	Jan-Mar 2018
Acute Care Therapies	818	39	779	642
Life Science	70	5	65	75
Surgical Workflows	-43	47	-90	-66
Group functions and other (incl. eliminations)	-78	1	-79	-60
Total	**767**	**92**	**675**	**591**

Adjusted EBITA, SEK M	Jan-Mar 2019	IFRS 16 effect Jan-Mar 2019	Excl.IFRS 16 Jan-Mar 2019	Jan-Mar 2018
Acute Care Therapies	598	1	597	470
Life Science	46	0	46	57
Surgical Workflows	-195	1	-196	-165
Group functions and other (incl. eliminations)	-80	0	-80	-61
Total	**369**	**2**	**367**	**301**

IFRS 16 effects on cash flow

SEK M	Jan-Mar 2019	IFRS 16 effect Jan-Mar 2019	Excl.IFRS 16 Jan-Mar 2019	Jan-Mar 2018
Operating activities				
Operating profit/loss (EBIT)	138	2	136	-161
Add-back of depreciation, amortization and write-downs	536	90	446	401
Other non-cash items	3	-	3	355
Add-back of restructuring costs	92	-	92	-
Paid restructuring costs	-67	-	-67	-45
Financial items	-113	-6	-107	-110
Taxes paid	-233	-	-233	-168
Cash flow before changes in working capital	**356**	**86**	**270**	**272**
Financing activities				
Change in interest-bearing liabilities	-457	-86	-371	-528
Change in long-term receivables	5	-	5	10
Cash flow from financing activities	**-452**	**-86**	**-366**	**-518**

1) According to IFRS 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-Mar 2019	IFRS 16 effect Jan-Mar 2019	Excl.IFRS 16 Jan-Mar 2019	Jan-Mar 2018
Earnings per share [1], SEK	0.02	-0.01	0.03	-1.13
Adjusted earnings per share [1], SEK	0.64	-0.01	0.65	0.46
EBITDA, SEK M	674	92	582	240
Adjusted EBIT, SEK M	247	2	245	190
Interest-coverage ratio, multiple	10.4	0.1	10.3	8.7
Net debt/equity ratio, multiple	0.69	0.05	0.64	0.65
Net debt/Rolling 12m adjusted EBITDA, multiple	3.4	0.2	3.2	3.2

1) Before and after dilution

Parent Company financial statements

Parent Company's income statement

SEK M	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Administrative expenses	-116	-119	-288
Other operating expenses	-	-	-311
Operating result	**-116**	**-119**	**-599**
Result from participations in Group companies [1)]	483	-	8,951
Interest income and other similar income	0	0	206
Interest expenses and other similar expenses	-343	-496	-1,642
Profit/loss after financial items[2)]	**24**	**-615**	**6,916**
Appropriations	-	-	2,188
Taxes	96	136	-119
Net profit/loss for the period[3)]	**120**	**-479**	**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	March 31 2019	March 31 2018	Dec 31 2018
Assets			
Intangible assets	44	83	58
Tangible assets	9	8	9
Participations in Group companies	28,062	25,455	28,062
Deferred tax assets	174	323	80
Long-term receivables	30	56	29
Receivables from Group companies	1,092	143	2,718
Current receivables	149	223	174
Total assets	**29,560**	**26,291**	**31,130**
Equity and liabilities			
Equity	21,276	12,105	21,156
Long-term liabilities	4,147	4,280	4,206
Long-term liabilities to Group companies	743	669	718
Other provisions	15	-	10
Current liabilities to Group companies	156	3,466	1,493
Current liabilities	3,223	5,771	3,547
Total equity and liabilities	**29,560**	**26,291**	**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-down.

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 change in percentage adjusted for currency, acquisitions and divestments in the past period compared with the year-earlier period.

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 April 23, 2019 at 12:30–1:30 p.m. (Swedish time). Please see dial in details below to join the conference:

SE: +46856642707
UK: +443333009269
US: +18446251570

A presentation will be held during the telephone conference. To access the presentation, please use this link: https://tv.streamfabriken.com/getinge-q1-2019.

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 3 days via the following link: https://tv.streamfabriken.com/getinge-q1-2019

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:

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

Contact

Lars Mattsson, Head of Investor Relations
+46 (0)10 335 0043
lars.mattsson@getinge.com

Jeanette Hedén Carlsson, Executive Vice President, Communications & Brand Management
+46 (0) 10 335 1003
jeanette.hedencarlsson@getinge.com

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.

Getinge AB (publ) | Lindholmspiren 7, 417 56 Gothenburg, Sweden | Tel: +46 (0)10 335 0000 | E-mail: info@getinge.com | Corporate registration number: 556408-5032 | www.getinge.com