



**“Making a difference
together with our
customers”**

Mattias Perjos, President and CEO
Lars Mattsson, IR

Pareto Securities' 11th Annual Healthcare Conference, September 2020

GETINGE 

Getinge today

Leading positions in well defined segments

170 BSEK

Addressable market

2-4%

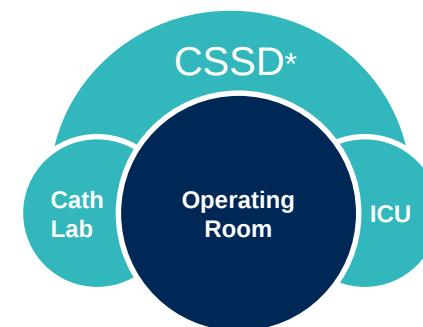
Organic growth in
addressable market



90%

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

Enabling advanced healthcare
where it matters the most



The value we contribute with



135 | 25 000

Sales in 135 countries
to 25 000 customers



26.6 BSEK

Net sales 2019

*Central Sterile Supply Department.

Getinge | Pareto Securities' 11th Annual Healthcare Conference 2020

September, 2020

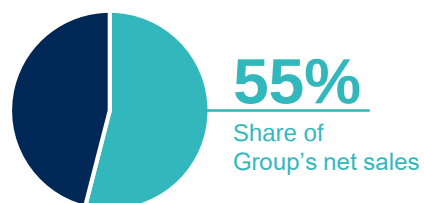
Page 2

Empowering our customers with knowledge, technology and resources

Three business areas

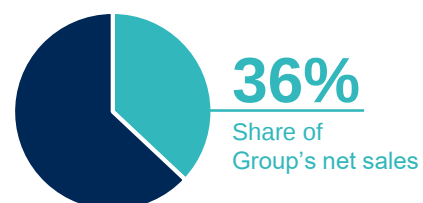
Acute Care Therapies

Advanced life supporting therapies in acute care hospitals



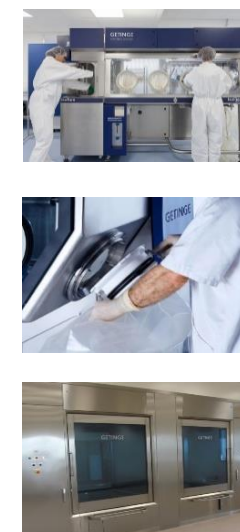
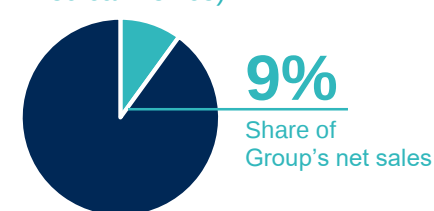
Surgical Workflows

Leading technology for operating rooms and sterile supply



Life Science

Solutions for sterile R&D and production (BioPharma, Labs & Medical Device)



NOVARTIS

Roche

novo nordisk®

Pfizer

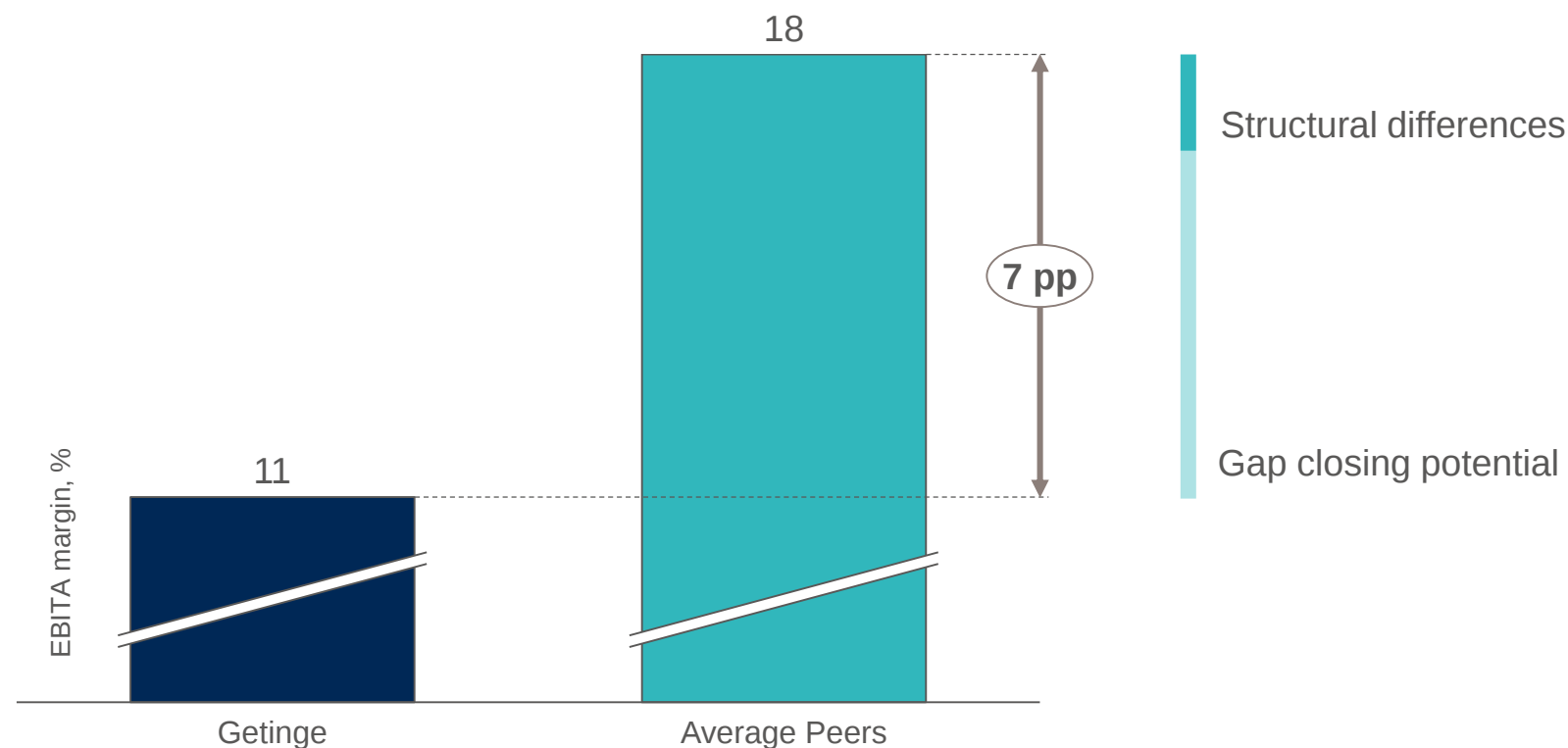
MERCK

AstraZeneca

GETINGE

Background – CMD 2018: Significant EBITA margin improvement potential

The gap should be tightened both through healthy growth and by addressing productivity throughout the value chain



Source: FactSet. Period: LTM Nov 2018. Peer Group: Weighted average of relevant peers.

Background – CMD 2018: Focus areas

Step 1 Re-ignite growth



Actions taken in 2017
supporting growth in 2018

- Geographical portfolio mix optimization
- Capture full potential of high growth markets
- Develop service as a growth engine

Step 2 Productivity



Global QMS and ERP
to ensure compliance and drive synergies



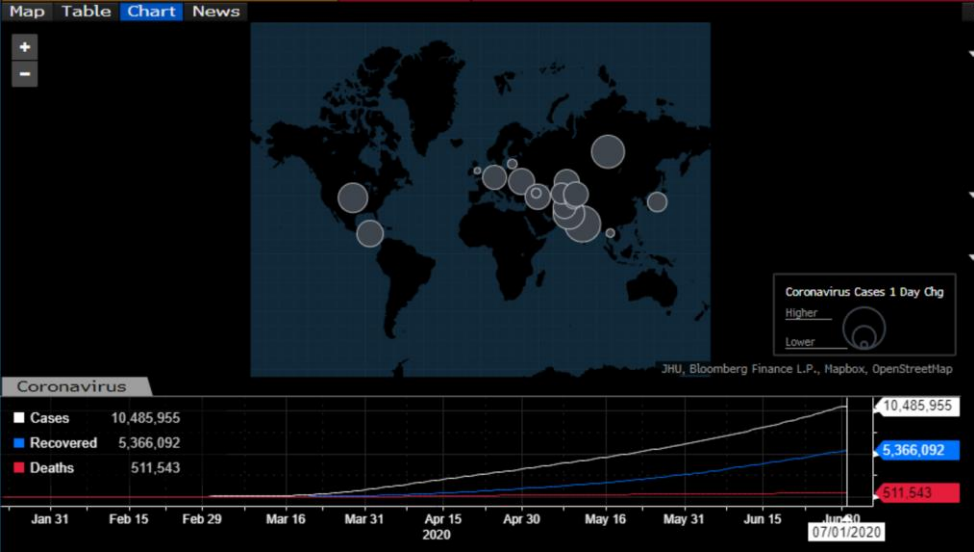
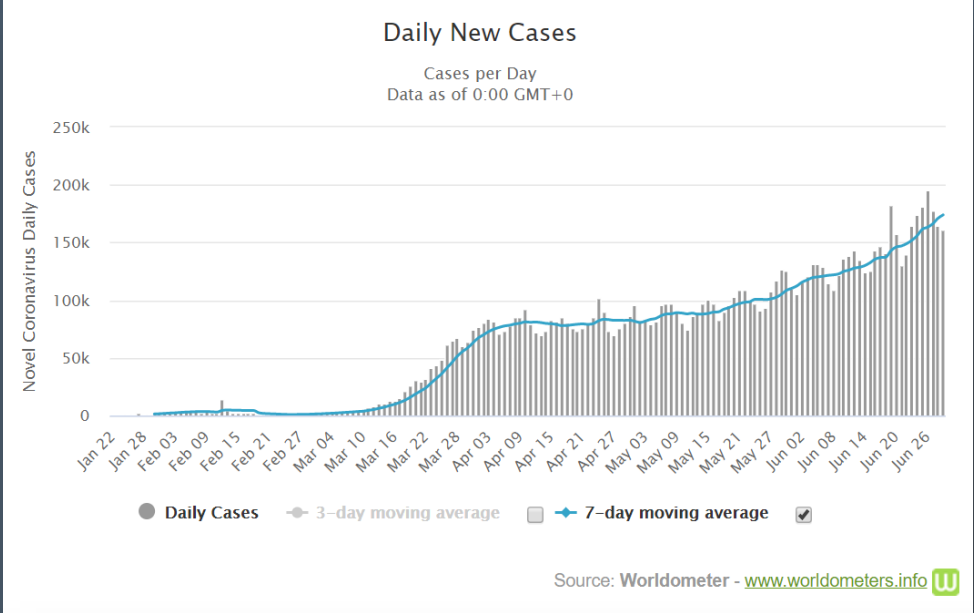
Innovation and portfolio management
to ensure pricing power and productivity in the value chain



Harmonize processes
to capture efficiency in the value chain



Improving footprint and logistic structure
to enhance service level and reduce cost



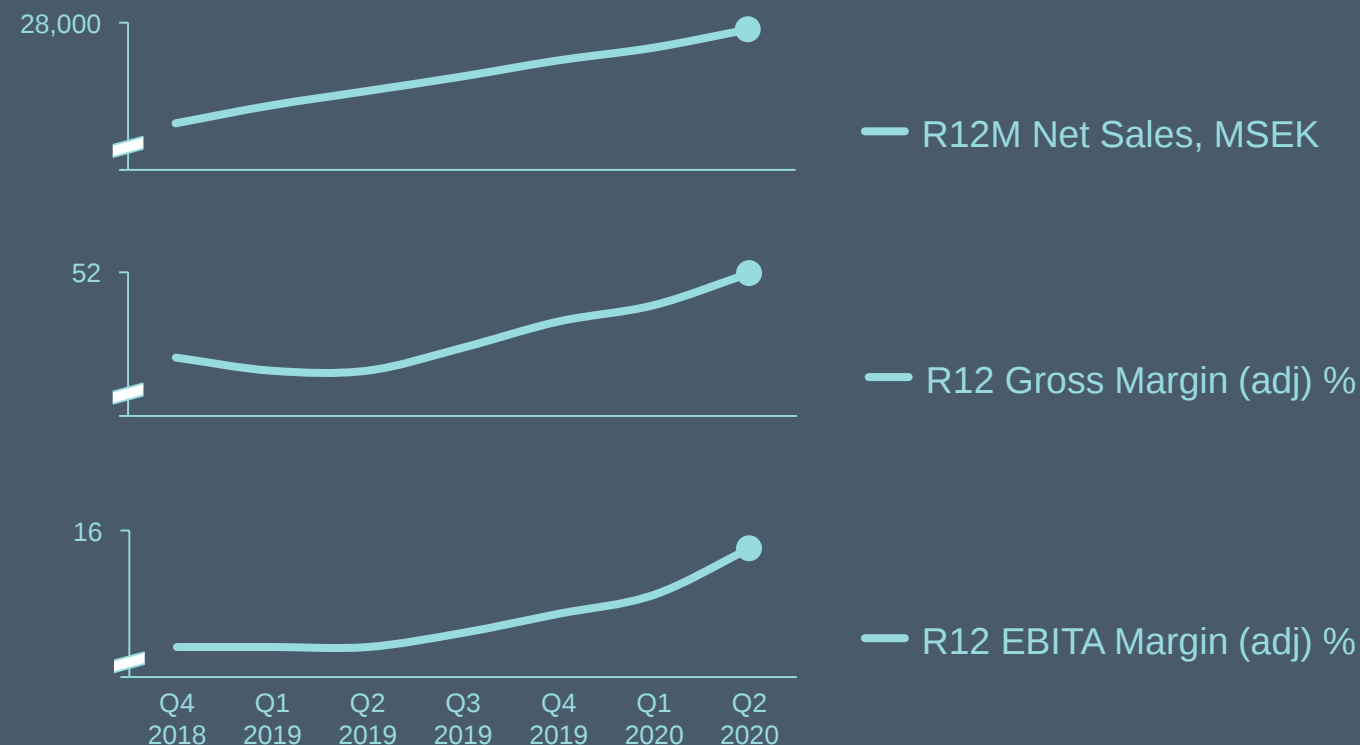
COVID-19 impact on the business - status



Key takeaways – performance

Q2 2020

- Strong order and sales growth
- Improved margins
- Strengthened Free Cash Flow
- Leverage improved to 1.8x (3.3x)



Leverage defined as net interest-bearing debt in relation to adjusted EBITDA R12M, multiple

Key activities and events

Q2 2020

Improvement journey continues

- Enabling productivity gains in production, logistics and OPEX

Restructuring activities

- Expected to generate annual savings of SEK 130 M with gradual realization from autumn 2020
- **ACT:** Consolidation of factories in New Jersey, expected to be finalized in 2021. Annual savings: SEK 40 M
- **SW:** Further rationalization efforts. Annual savings: SEK 90 M
- Total charge in Q2: SEK -168 M

Write downs linked to predominantly old R&D projects

- SEK -167 M, whereof SEK -136 M EBITA* impact and SEK -31 M EBIT impact (PPA)

Product launches and updates, for example

- Getinge Online
- Advanta V12
- DPTE Transfer Trolley
- ECO-program for laboratory washers
- Maquet Moduevo Bridge, ceiling unit
- Getinge Assured Superfast 20 Biological Indicator

*See note 5 in the quarterly report for split between business areas.

Q&A

Thank you

Appendix

Close up: Our Global Commercial Strategy

Two-Pillar Ambition

Drive adoption of innovative therapies for cardiovascular diseases and respiratory support

Establish Getinge as the partner of choice for infrastructural projects and solutions for Life Sciences, ICU, OR and CSSD

Strategic Growth Initiatives

Differentiation through Value Creation

Service as a Growth Engine

High Ambition Sales & Service Culture

Leverage Full Potential of High Growth Markets

Geographical Portfolio Mix Optimization

Operational Excellence

Organic growth in Q2 – high levels of Critical Care orders and deliveries in EMEA

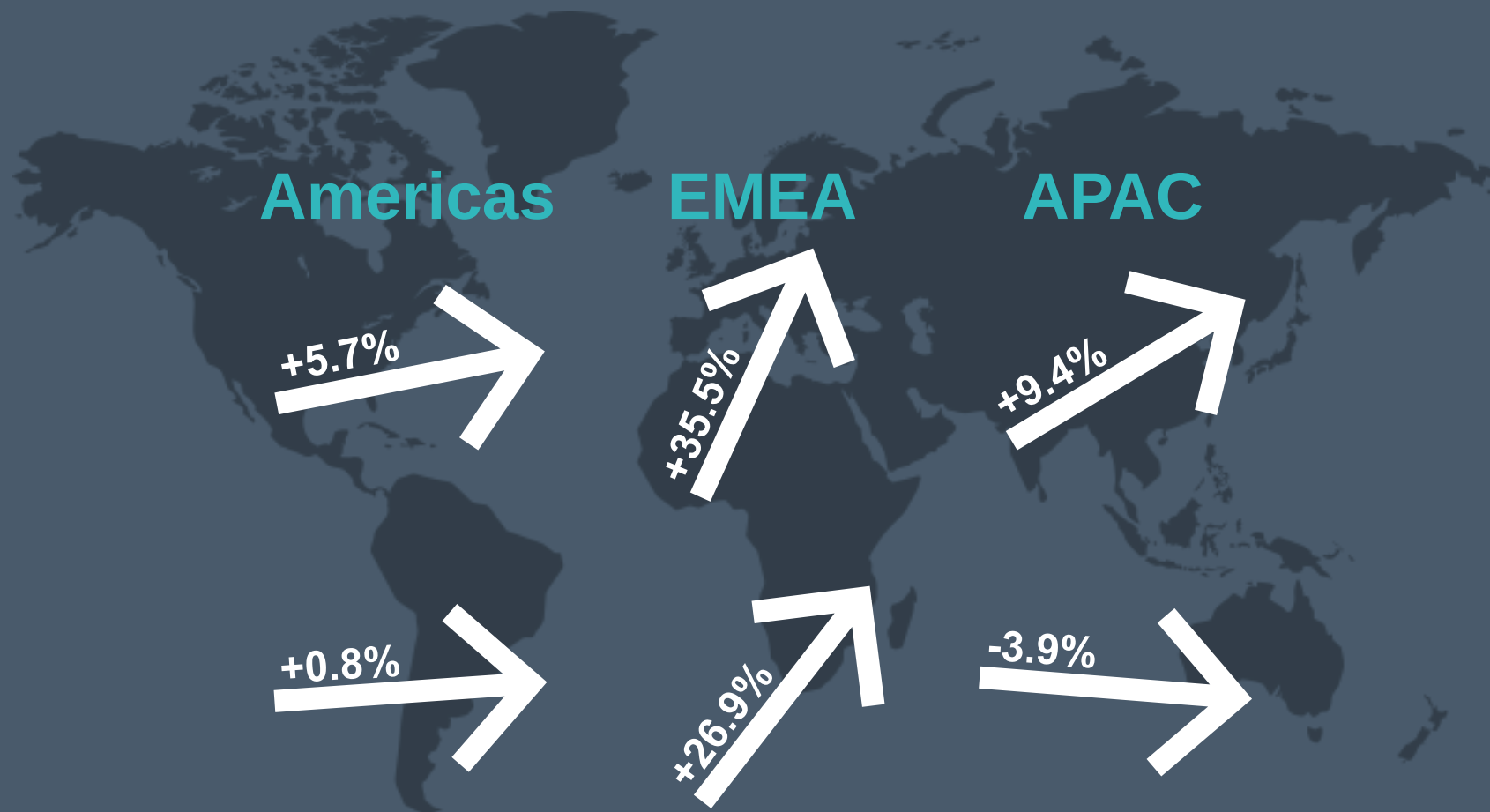
But reduced volumes in elective cardiac & vascular surgery and in Surgical Workflows impacting Americas and APAC

Global

Order Growth
+17.5%

Net Sales Growth
+9.1%

(Organic)



Order Intake per business area

Bridge Q2 2019 - Q2 2020

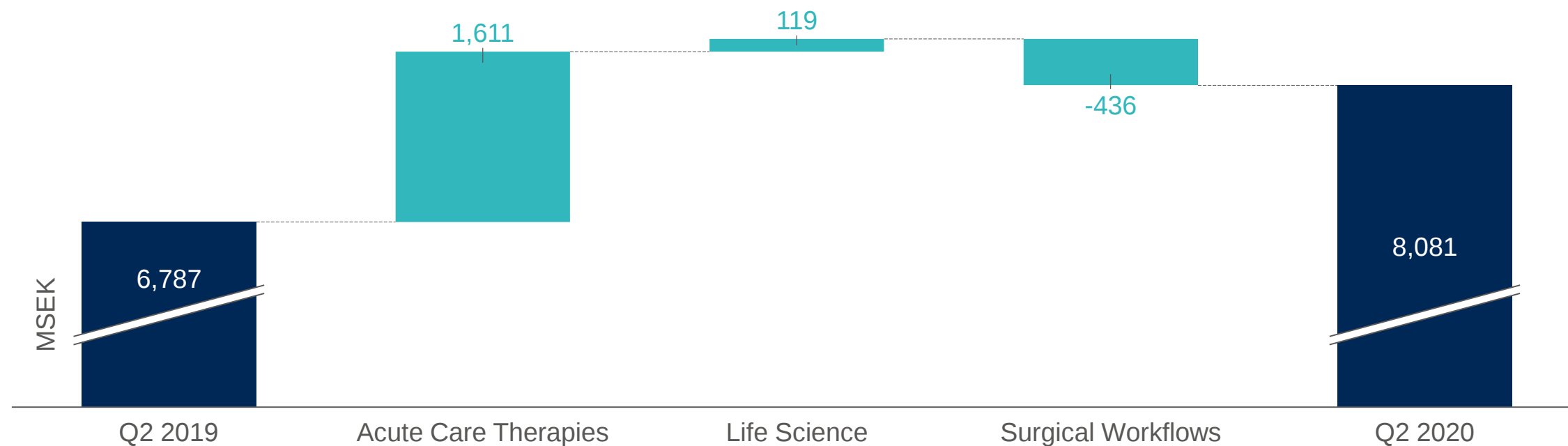
Organic change

+44.3%

-1.2%

-18.1%

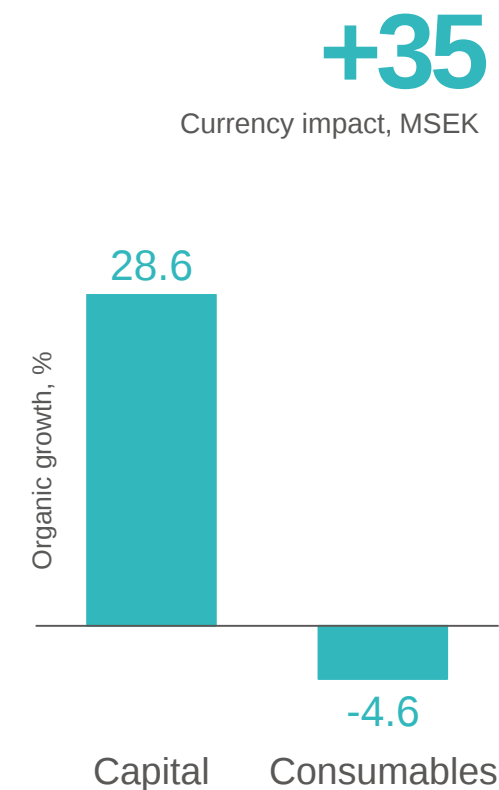
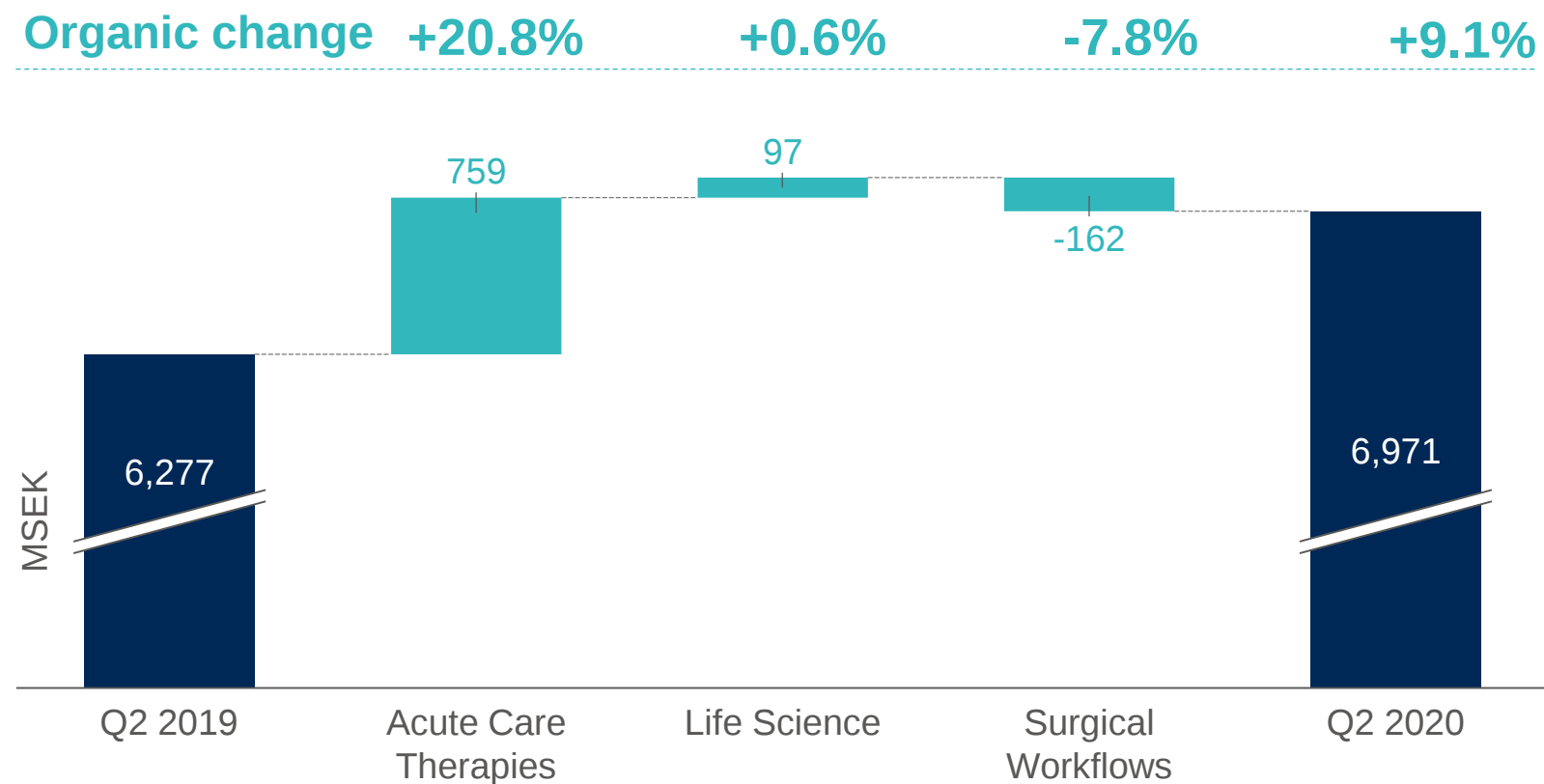
+17.5%



The figures in tables and charts in Getinge's financial statements are no longer rounded (as was done in the past for tables and charts to sum up correctly). The change is made for practical reasons and has no material impact.

Net Sales per business area

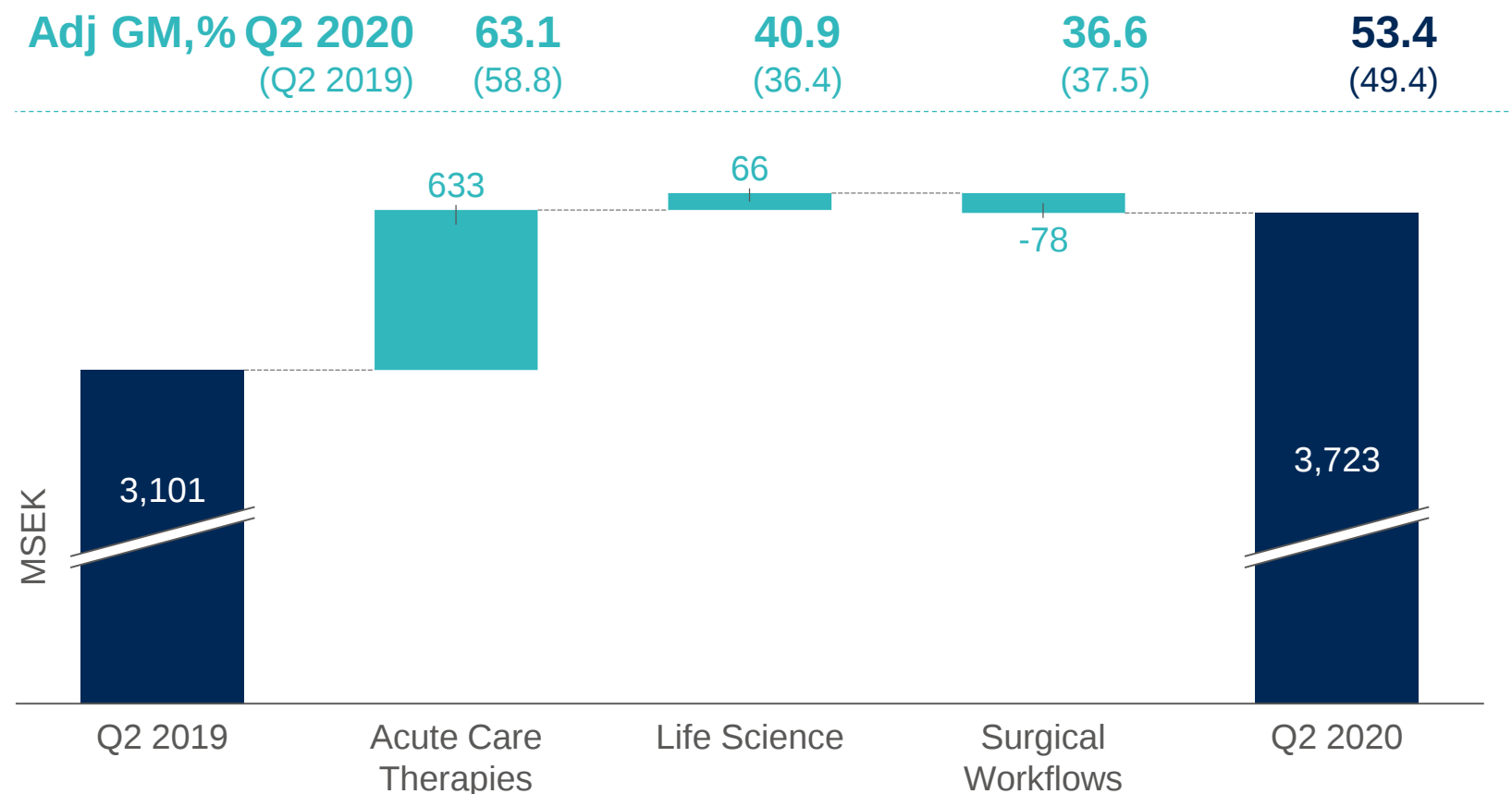
Bridge Q2 2019 - Q2 2020



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Adjusted Gross Margin development Q2 2020

Bridge Q2 2019 - Q2 2020



Gross Margin impact

Volume

Product mix

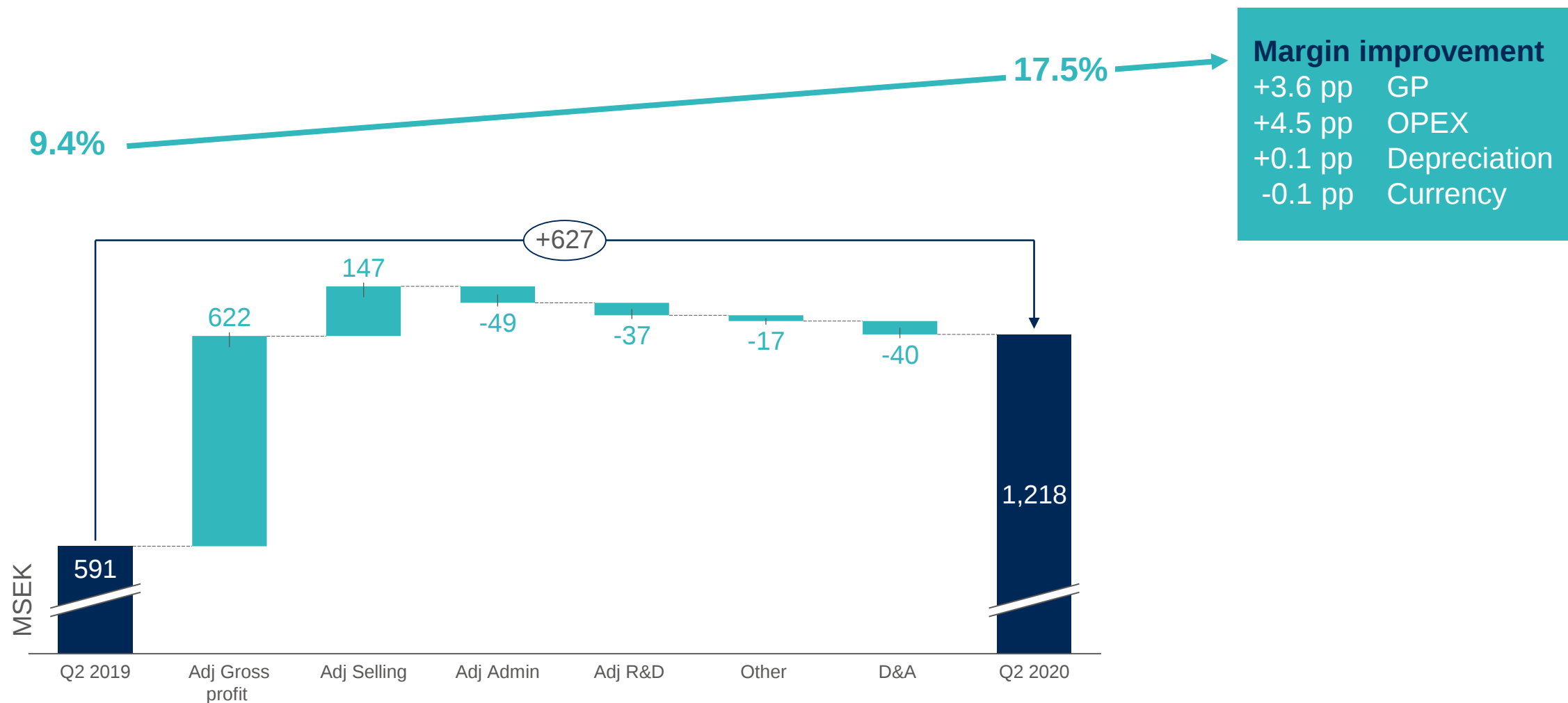
Regional mix

Currency

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Adjusted EBITA

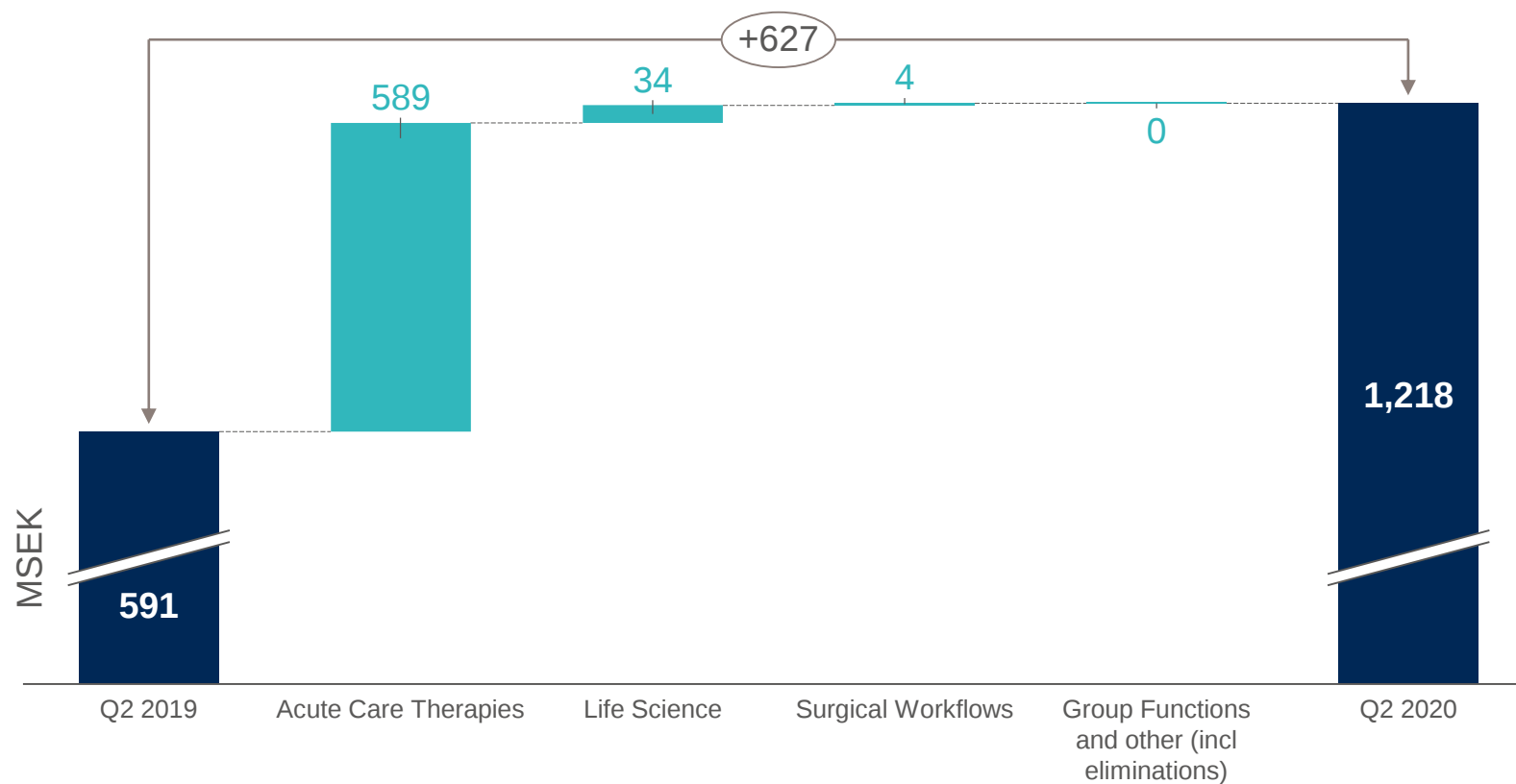
Bridge Q2 2019 – Q2 2020



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Adjusted EBITA

Bridge Q2 2019 – Q2 2020



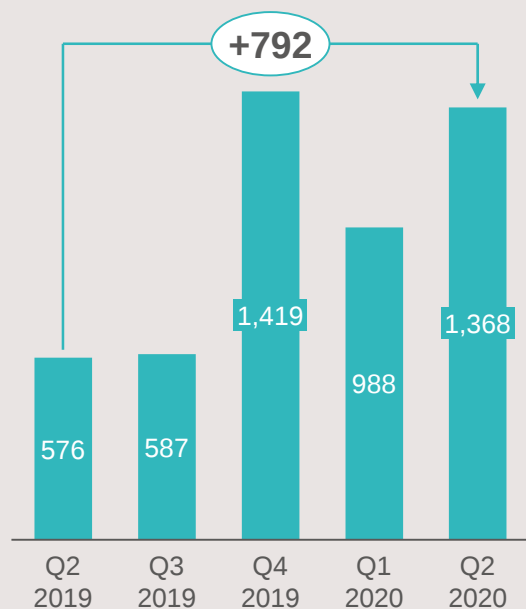
-4.1 MSEK
Currency effect

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Improved free cash flow, working capital and reduced leverage

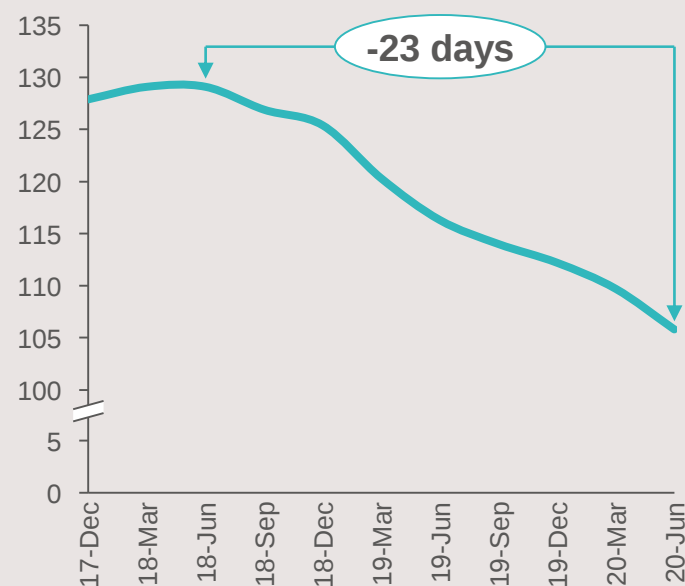
Continued efficiency enhancements

Improvement of free cash flow



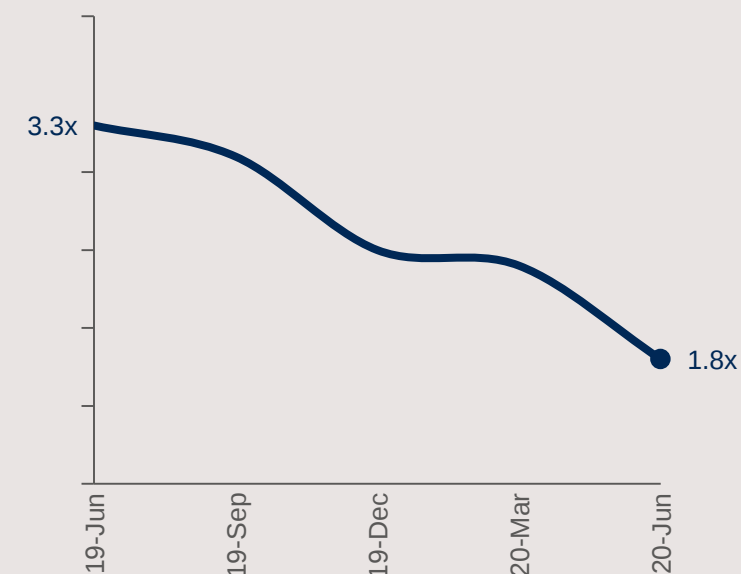
Free Cash Flow, MSEK

Improvement of WC days



Working Capital Days

Improvement on leverage



Net debt/Adj EBITDA R12

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

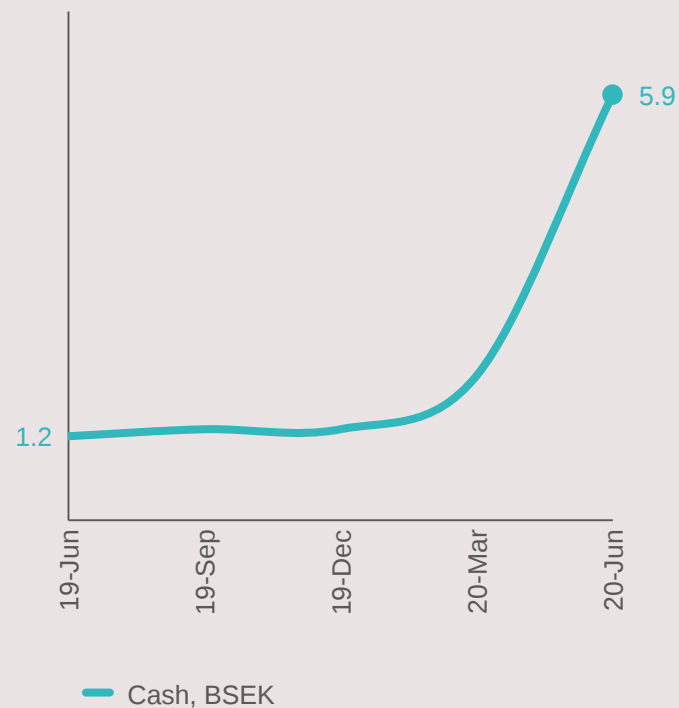
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Strong funding and cash position

Improved net debt ...

Strengthened cash position ...

... and unutilized credit facilities amounting to:

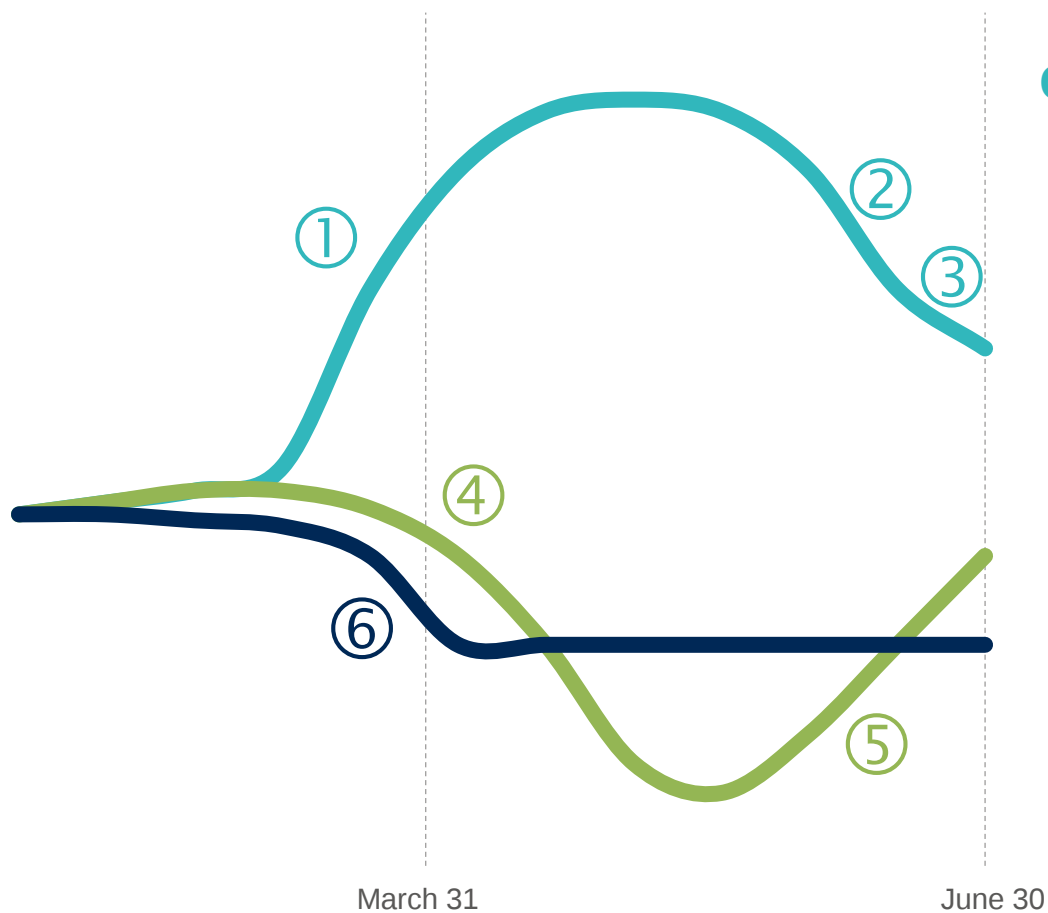


SEK 7.1 B

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COVID-19 impact on order intake Q1-Q2 2020

– two divergent trends



Critical Care and Cardiopulmonary

- ① Decisions to ramp up capacity in ventilators and ECMO
- ② The 26,000 advanced ICU-ventilator capacity for 2020 almost fully booked
- ③ Hospitals starting to plan for the flu season, local COVID-19 flare-up's and general build up of ICU capacity

Cardiac & Vascular

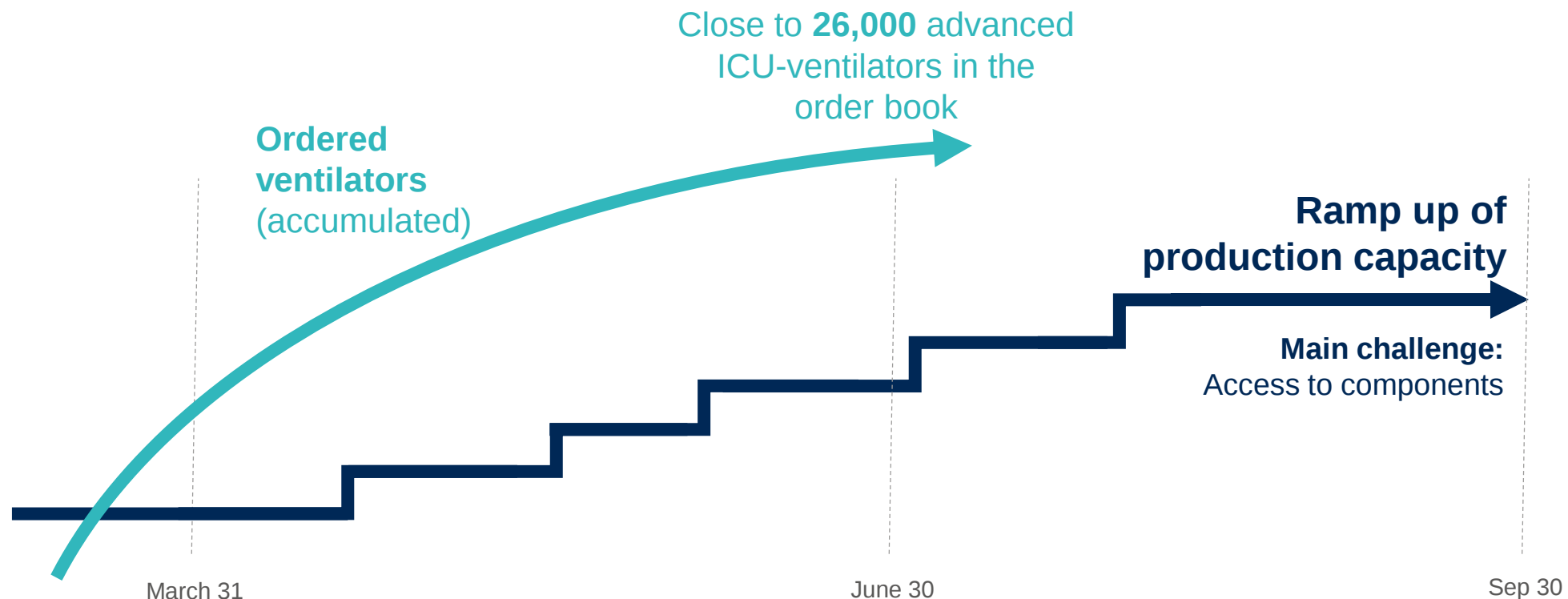
- ④ Steep decline in elective surgeries due to lock down, creating a back-log in hospitals
- ⑤ Bottomed out in May. Sequential growth in June as elective surgeries regained. The comeback may be threatened by local/regional flare-up's of COVID-19

Surgical Workflows

- ⑥ Decline due to low activity in elective surgery. Lead times (3-6 months) from order to delivery.

Order trend and capacity ramp up in ventilators

Expecting to be at full speed in production capacity by mid Q3



World leading in advanced ICU-ventilators

A primary Option for treatment of COVID-19 patients in the ICU

Ventilation management functions for COVID-19	Intensive care ventilators	Emergency and transport ventilators	Solutions included in Servo-u ventilator system
Complete set of invasive ventilation modes	✓	✗	PC, PRVC, VC, PS, VS and Bi-Vent/APRV with automatic patient circuit compensation.
Complete set of non-invasive ventilation modes	✓	✗	NIV PC, NIV PS and NIV NAVA with automatic leakage compensation.
High flow oxygen therapy	✓	✗	HFT with optional patient respiratory drive monitoring.
Basic monitoring	✓	✗	Pressure, flow and volume waveforms. Tidal volume/PBW, Driving pressure, Cdyn, etCO ₂ and 72 hour multi-parameter trending.
Advanced monitoring	✓	✗	Monitoring of patient respiratory drive (Edi, P0.1), patient effort (ΔPes), over-distension (Stress index), Transpulmonary pressure (PL _{ee} , PL _{ei} and PL drive) and Carbon-dioxide production (VtCO ₂).
Visual decision support	✓	✗	Servo Compass including VT/PBW, Plateau and Driving pressure for assessment of lung-protective ventilation at a glance.
Lung recruitment and PEEP titration tools	✓	✗	Auto SRM, Auto RM and Open Lung Tool (with breath-by-breath trending, recruitability assessment and record keeping).
Weaning and ventilator liberation tools	✓	✗	Automode and NAVA to assure both lung and diaphragm protective ventilation.

- When recently mass-produced ventilators were reviewed, it was found that most of them had a functionality comparable to today's transport or emergency ventilators
- These ventilators do not fulfill the technical specifications published by WHO – which describe the minimum requirements to ensure quality, safety and effectiveness
- It is also well-known that these simpler ventilators cannot generate the precise air delivery needed to treat patients with acute respiratory distress syndrome (ARDS) and they are lacking decision support tools for lung protective ventilation.
- In a crisis situation, these ventilators are a better alternative compared to manual ventilation ("bagging"), however they do not take the place of the intensive care ventilators.
- The most common diagnosis in severe COVID-19 patients is severe pneumonia associated with sepsis and ARDS. The latest studies about mechanically-ventilated patients with COVID-19 show that non-invasive ventilators alone will not be sufficient for COVID-19 patients, since these type of ventilation devices are not designed for invasive ventilation of a critically ill, complex patient and most of the COVID-19 patients require invasive ventilation during their ICU stay.

From Getinge's White Paper "Intensive Care Ventilators – A primary Option for treatment of COVID-19 Patients" (only for distribution outside US).

<https://www.getinge.com/dam/hospital/documents/technical-sales/white-papers/english/white-paper-high-acuity-ventilators-treatment-of-covid-19-patients-in-icu-en-non-us.pdf>

What's to expect going forward – ICU capacity?

Q: Don't we have enough ICU-ventilators out there soon?

A: No. There are still regions where there is a significant need for advanced ICU ventilators.

An overwhelming majority of the new devices recently being produced are not ICU ventilators.



What's to expect going forward – elective cardiac and vascular surgery?

Q: How can Getinge help hospitals work down their rapidly growing backlog in elective surgery?

A: We have invested in inventory build up to help hospitals take on a rapid, safe and efficient increase of cardiac and vascular interventions ...

... By doing so we help them to improve their financial situation and reduce the risk of accumulated negative effects for patients and society



What's to expect going forward – hospital capex?

Q: What about capital budgets in hospitals, for how long do you expect those to be reduced?

A: This is really hard to predict. The underlying need has increased, if anything.

... But the urgent need for prioritizations at hospitals, related to COVID-19, might have a negative impact on actual spend on capital goods during the coming quarters. To some extent it depends on how quick hospitals get back to higher levels of elective procedures, which is driving their profit and cash flow generation.



Due to the continued uncertainty resulting from the COVID-19 pandemic, Getinge chooses not to provide a forecast of how much net sales are expected to increase for FY 2020

Forward looking information

This document contains forward-looking information based on the current expectations of the Getinge's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding business cycles, market and competition, changes in legal requirements and other political measures, and fluctuations in exchange rates.



GETINGE

PASSION FOR LIFE