



SHB Capital Markets Large Cap Seminar 2021

# “Strong recovery in products for surgery”

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GETINGE 

# Getinge today

Leading positions in well defined segments

**170 BSEK**

Addressable market

**2-4%**

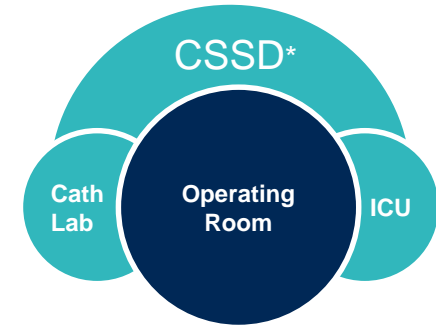
Organic growth in addressable market



**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



**130 | 25 000**

Sales in 130 countries to 25 000 customers



**29.8 BSEK**

Net sales 2020

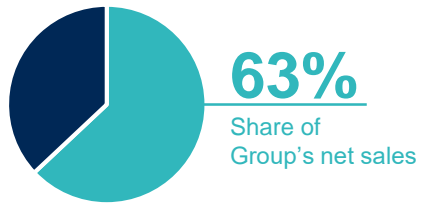
\*Central Sterile Supply Department.

# Empowering our customers with knowledge, technology and resources

Three business areas

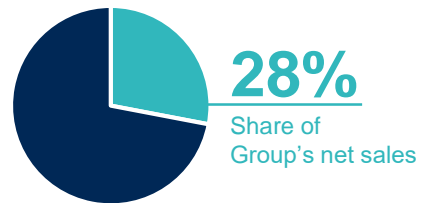
## Acute Care Therapies

Advanced life supporting therapies in acute care hospitals



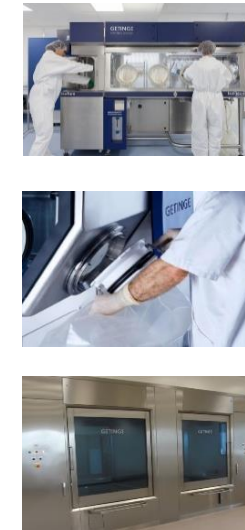
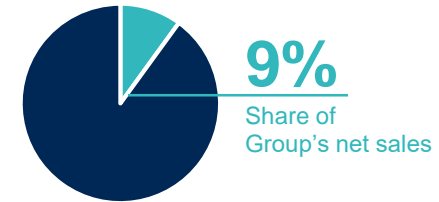
## Surgical Workflows

Leading technology for operating rooms and sterile supply



## Life Science

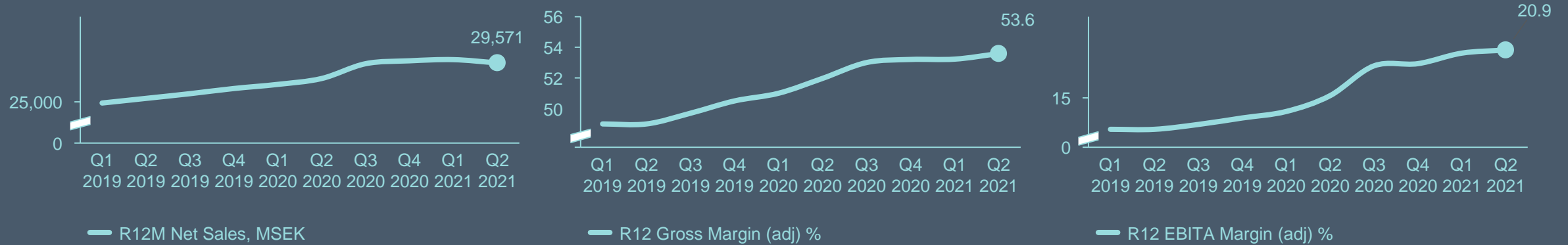
Solutions for sterile R&D and production (BioPharma, Labs & Medical Device)



# Key takeaways – a strong quarter from a financial perspective

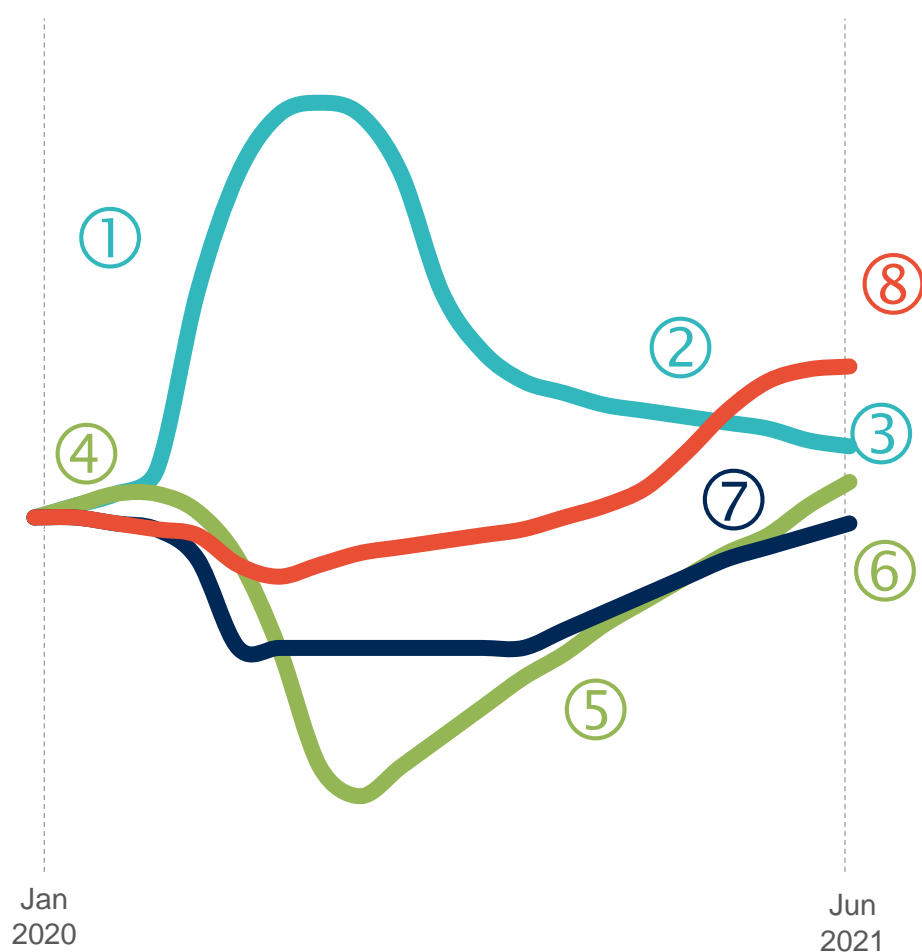
Q2 2021

- Organic growth in sales
- Improved margins
- Strong Free Cash Flow
- Solid financial position



# Order trends continue to converge (except in Life Science)

Q1 2020-Q2 2021



## Critical Care and Cardiopulmonary

(~50% of sales in Acute Care Therapies before COVID-19)

- ① Decisions to ramp up capacity in advance ICU-ventilators and ECMO
- ② Reached the goal to deliver 26,000 advanced ICU ventilators in 2020
- ③ Orders in Q2 2021 substantially higher than Q2 2019 due to COVID-19 still driving demand for ventilators in India (but expected to decline in the coming quarters) and ECMO orders at a new, higher level

## Cardiac & Vascular

(~50% of sales in Acute Care Therapies before COVID-19)

- ④ Steep decline in elective surgeries due to lock down, creating a back-log in hospitals
- ⑤ Sequential growth as elective surgeries recovered
- ⑥ Sequential growth continued with strength in Q2 2021, moving slightly above Q2 2019

## Surgical Workflows

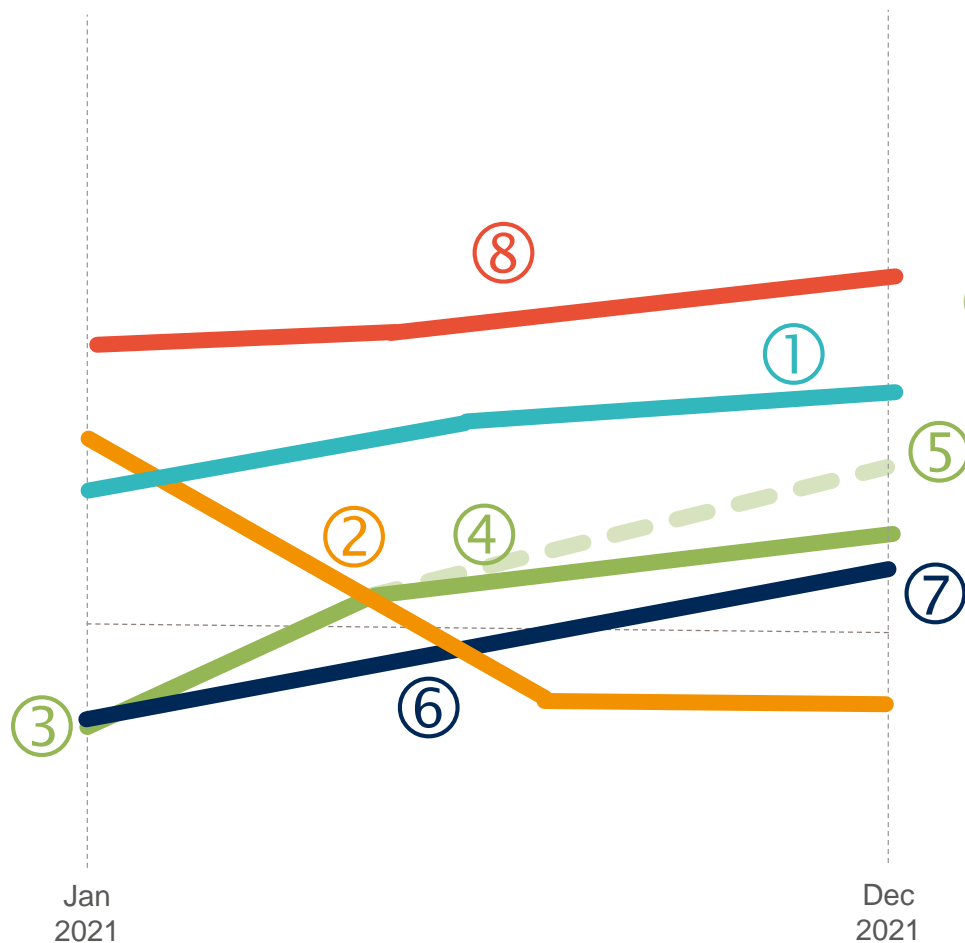
- ⑦ Sequential improvement since Q4 2020 – but still a gap vs 2019 level on order intake

## Life Science

- ⑧ Exceptional order growth in Q4 in Sterile Transfer towards biopharma customers was followed up by a strong Q1 and Q2 with order growth in all product categories creating a material improvement when comparing to 2019 Q1-Q2 order levels.

# Expected net sales trends 2021 in relation to 2019

A strong H1 due to a tail of COVID demand for ventilators, Cardiovascular comeback and growth in ECMO & Life Science



## Cardiopulmonary

- ① Production capacity increase in ECMO therapy products in H1, demand expected to stay at the new, higher level for the remainder of the year

## Critical Care

- ② Net sales in Critical Care is expected to be slightly above FY 2019 due to tail of COVID-19 demand for ventilators in Q2

## Cardiac & Vascular

- ③ Starting materially below 2019 level ...
- ④ ... but gradual improvement as more patients get vaccinated
- ⑤ The underlying patient need (dotted line) is high, but uncertainty on how fast and to what extent hospitals can increase capacity

## Surgical Workflows

- ⑥ Order growth has improved in Q1 and Q2. But the order book is smaller compared to June 30 2019.
- ⑦ We expect to continue to grow orders and net sales sequentially from here.

## Life Science

- ⑧ Strong demand for Life Science products points in the direction of a significant increase in net sales 2021 vs 2019

**Net sales**  
is expected to be at least 27 BSEK

# Q&A



# Appendix

# Key activities and events

Q2 2021

## Launches and other activities

- 510(k) clearance by FDA for three products strengthening the offering of advanced ICU Servo Ventilators in the US
- Commercial launch of the heart lung machine HL 40
- Launch of Torin AI helping hospitals to bring down the surgery backlog in an effective way
- Launched a new framework for social financing and a new social bond of SEK 570 M
- Decision to establish a Customer Experience Center in Frankfurt

## The improvement journey continues

- Consolidation of operations in New Jersey, US
  - Moving ahead according to plan
  - Expected to be finalized by end of 2021
  - Will drive higher productivity
  - SEK 34 M capital gain from sale of Mahwah real estate in the Q2 result (reported as an Item Affecting Comparability)



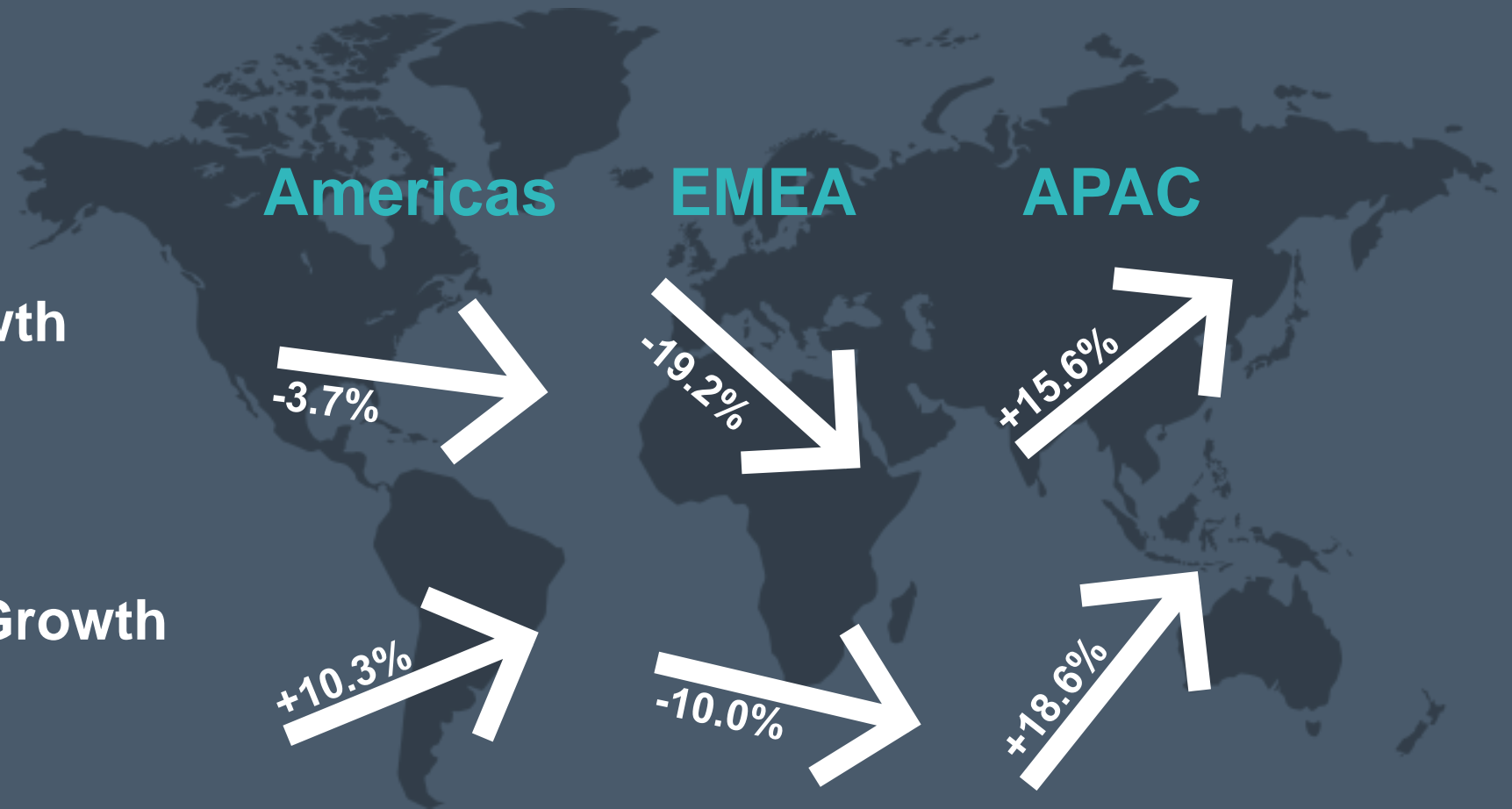
# Organic net sales growth in Q2

Life Science, ECMO, Cardiovascular products and tail of COVID demand on ventilators explaining Y-o-Y growth

## Global

Organic Order Growth  
-6.1%

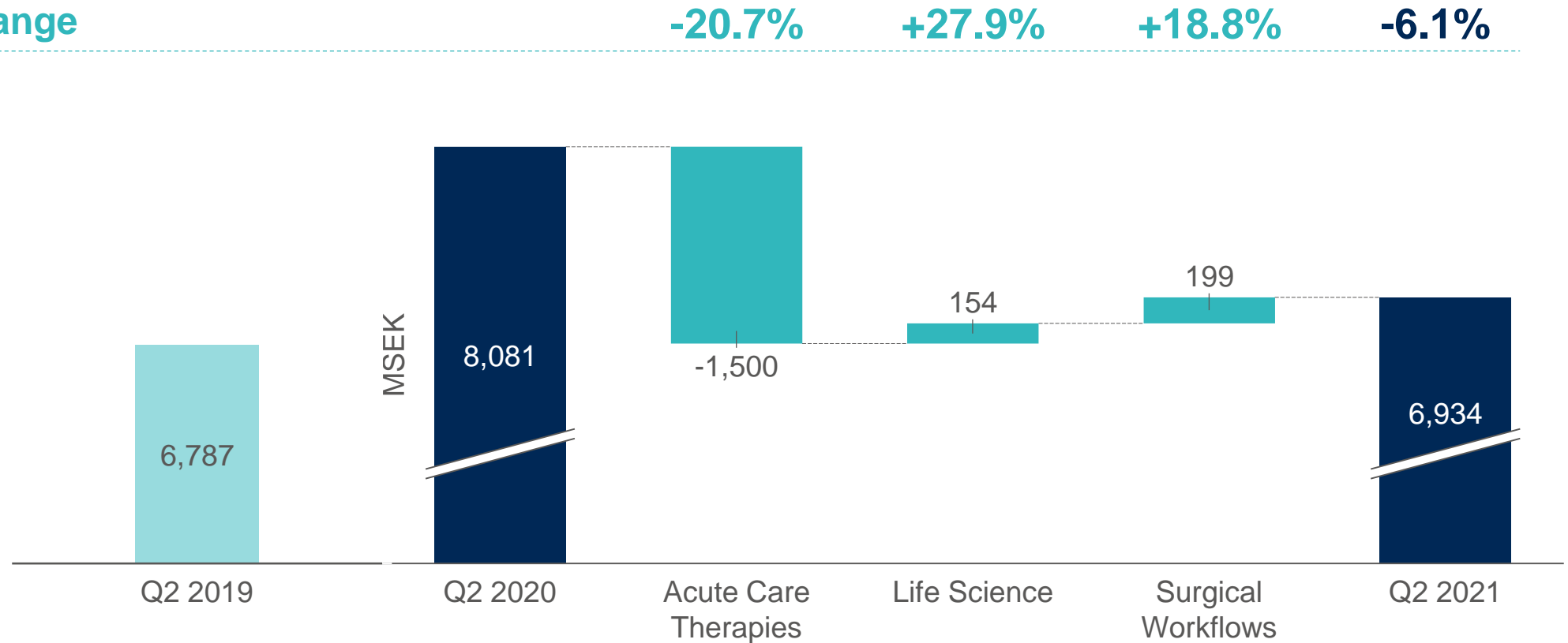
Organic Net Sales Growth  
+3.6%



# Strong organic order growth in Life Science and Surgical Workflows

Order Intake – Bridge Q2 2020 – Q2 2021

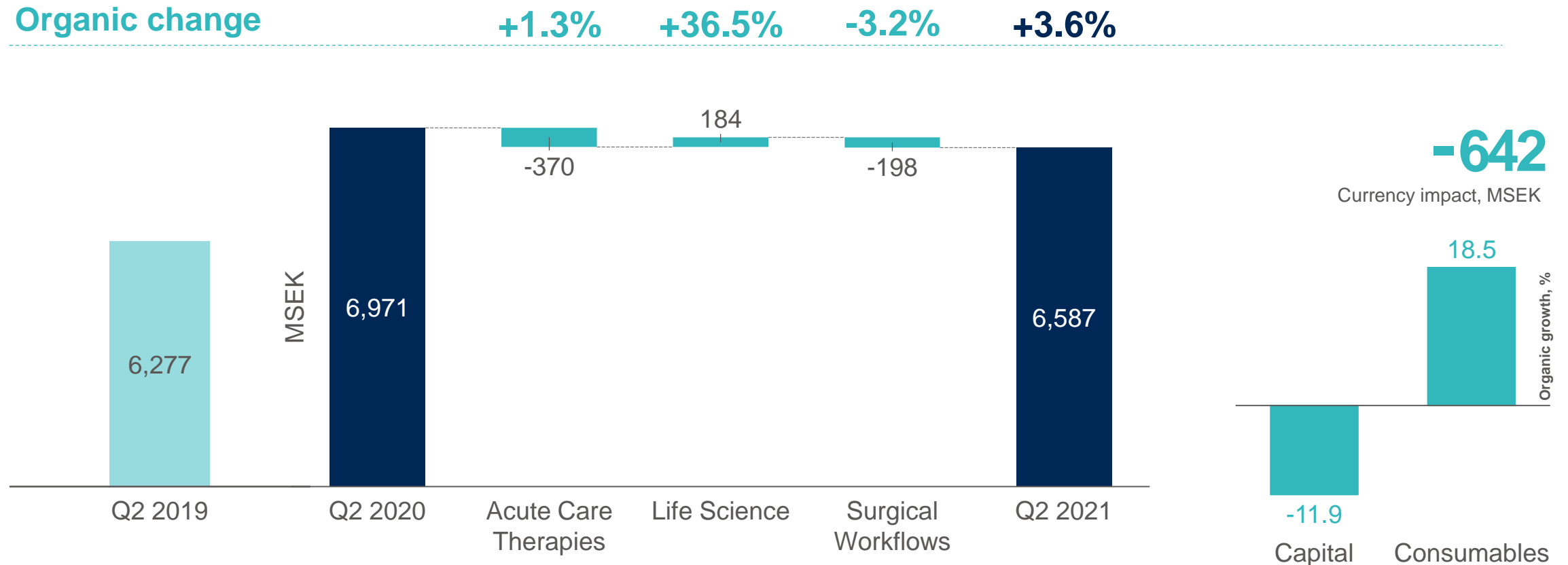
## Organic change



# Acute Care Therapies still growing despite lower sales of ventilators

Net Sales – Bridge Q2 2020 – Q2 2021

## Organic change



# Margin improvement in all business areas

Adjusted Gross Profit – Bridge Q2 2020 – Q2 2021

Adj GM, %

Q2 2021

(Q2 2020)

(Q2 2019)

64.1

(63.1)

(58.8)

41.6

(40.9)

(36.4)

41.6

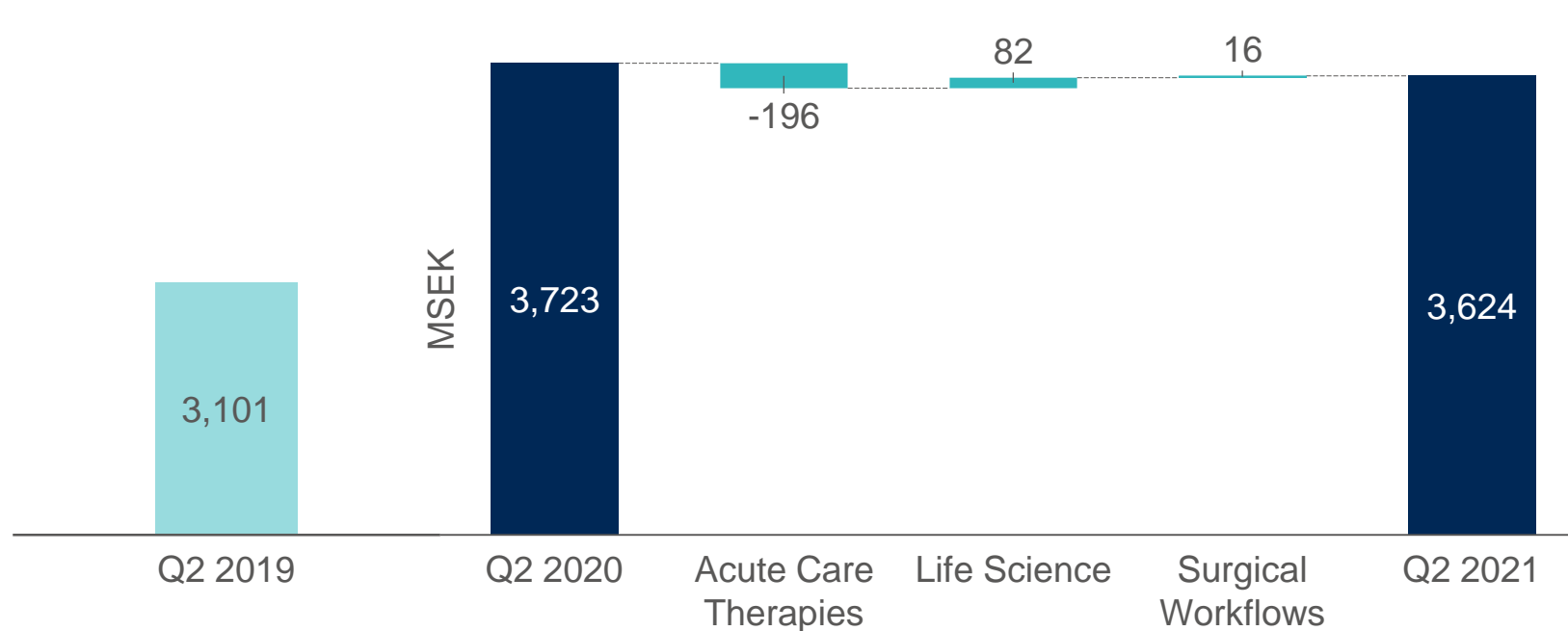
(36.6)

(37.5)

55.0

(53.4)

(49.4)



## Gross Margin impact

Volume



Product mix



Service and factory absorption



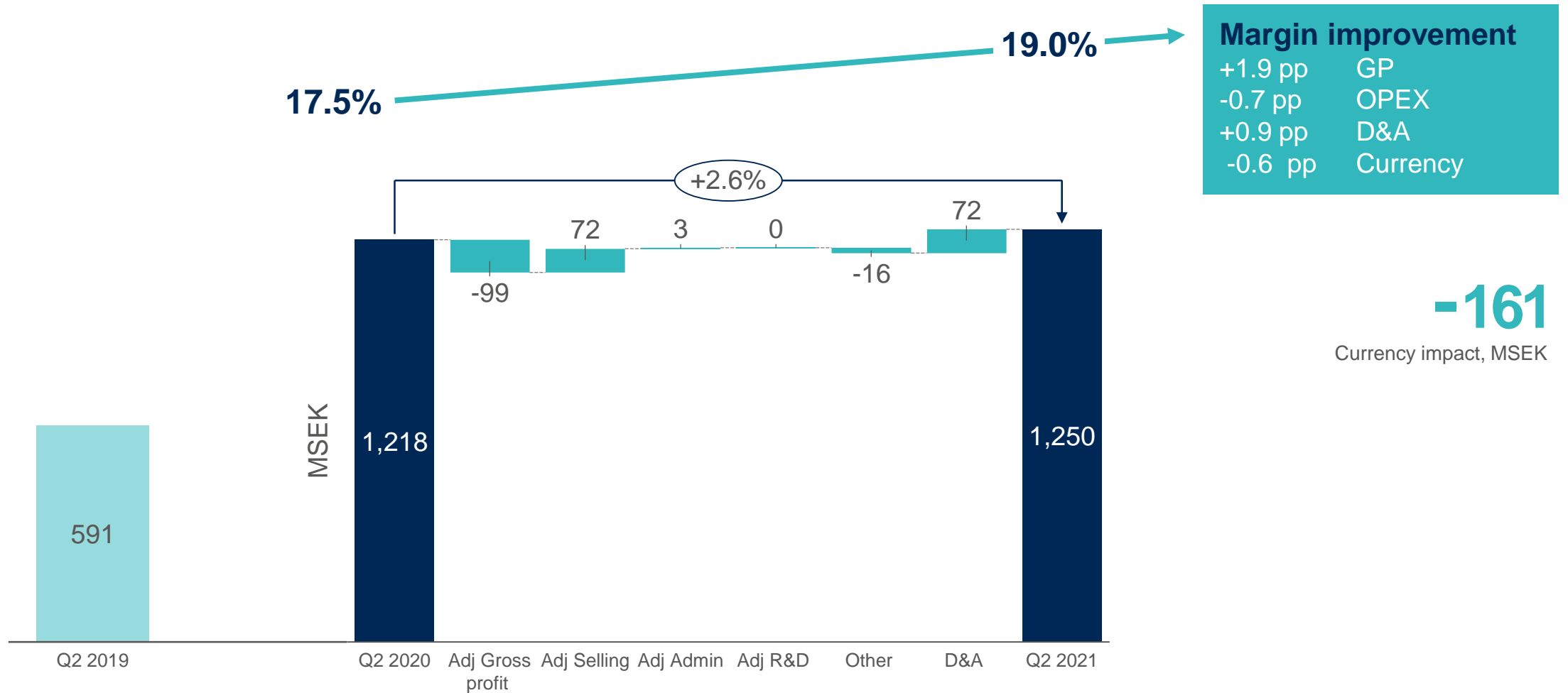
Currency



# Financial development

# Gross Profit effect taking adj EBITA margin to 19.0 %

Adjusted EBITA – Bridge Q2 2020 – Q2 2021



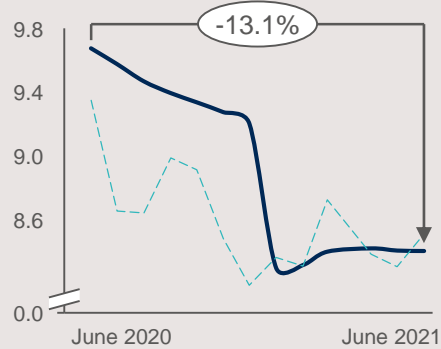


# The strong SEK Y-o-Y is having material impact in Q2

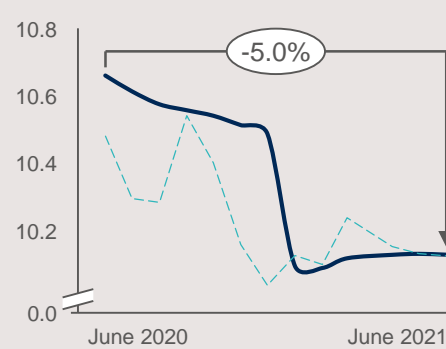
But the Y-o-Y gap is expected to shrink in the second half of 2021

## Examples on currency pairs having a negative impact

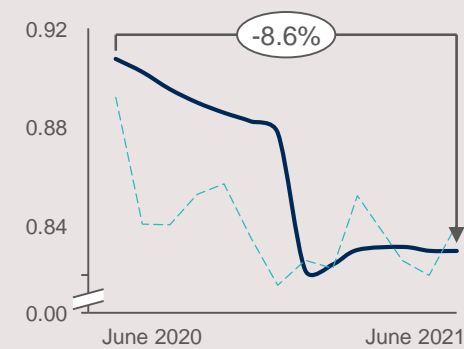
USD/SEK



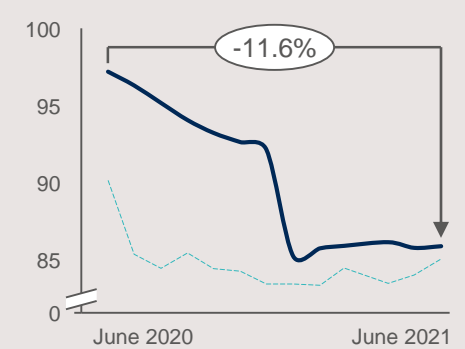
EUR/SEK



USD/EUR



Portfolio volatile currencies/SEK\*



— Average  
- - - Closing rate

\*Indexed portfolio of RUR, INR, TRY, ZAR, BRL, COP, KRW, TWD, PLN, CZK representing approx. 10 % of net sales.

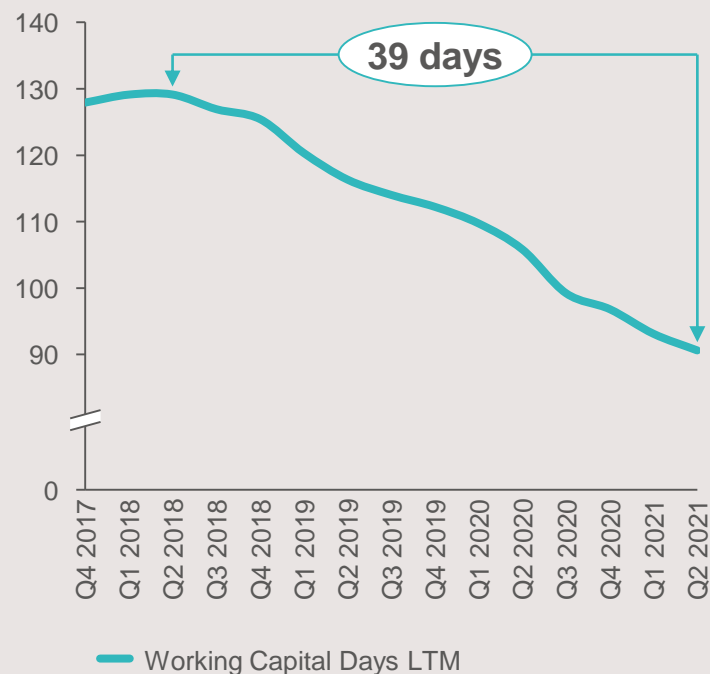
# Strong free cash flow, improved working capital and increasing ROIC

Continued efficiency enhancements

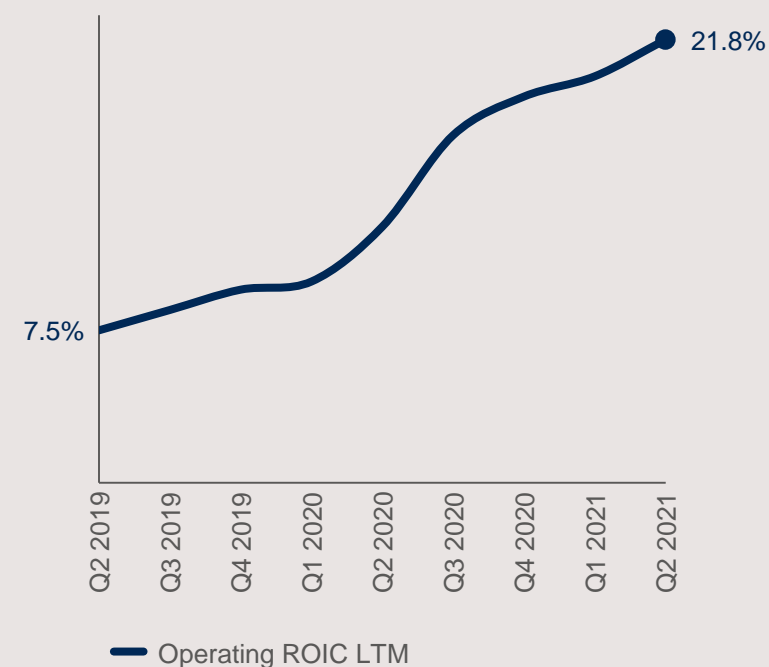
## Strong Free Cash Flow



## Improvement of WC days



## Improved Return on Invested Capital



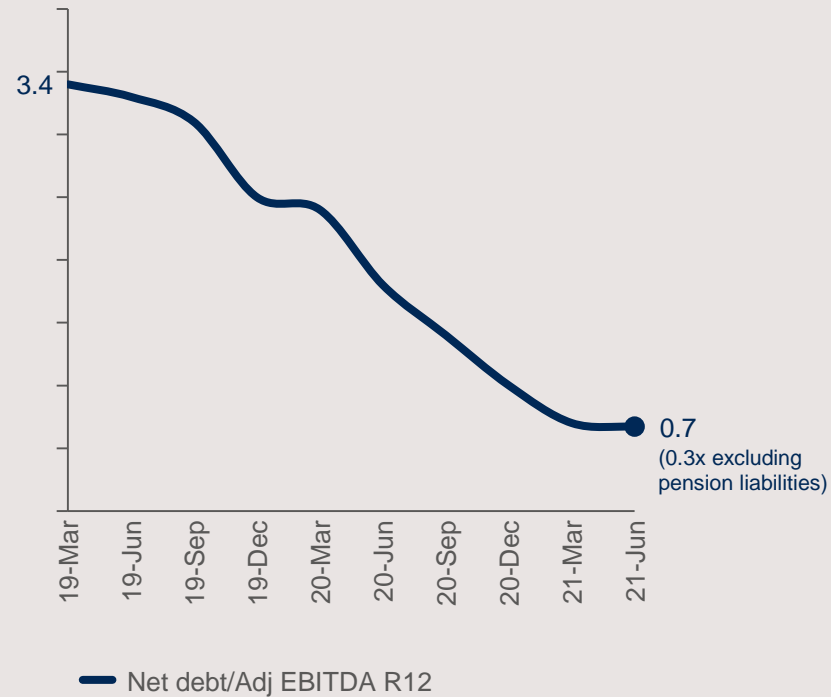
Working Capital, as defined on this page, is including accounts receivables, accounts payables and inventory - adjusted for currency

ROIC: Trailing 12 month adjusted EBIT/Invested Capital. Invested Capital is equal to (Invested capital is defined as Equity + Net debt (excl. pension liabilities) and calculated as (Opening balance + Closing balance of Invested Capital)/2.

# Strong funding and cash position

Improved net debt ...

... and leverage



**3.5 BSEK**  
in cash (Jun 30)

# 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.



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PASSION FOR LIFE