

# Growth overshadowed by challenges in two product categories

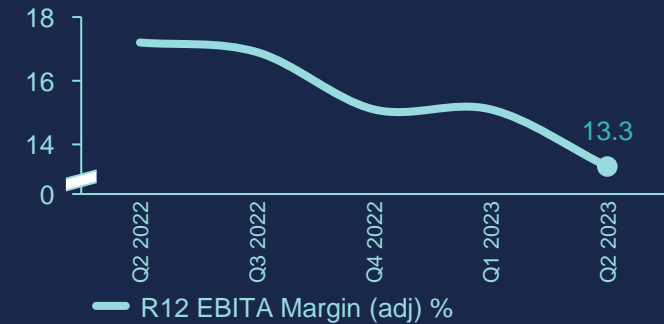
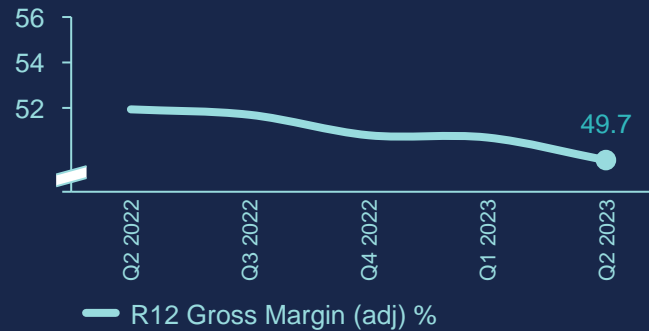
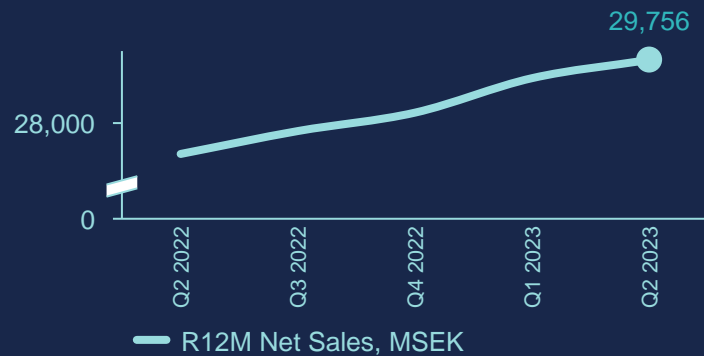
Post Q2 2023

Handelsbanken Capital Markets

# Key takeaways

## Q2 2023

- Net sales increased by 1.3% and order intake decreased by 4.5% organically
- Quality and supply challenges in Cardiac Assist and Cardiopulmonary impacting top line and adj EBITA margin negatively
- Positive Free Cash Flow
- Solid financial position



# Key activities and events

Q2 2023

## Offering and customers

- Agreement to acquire High Purity New England
- Launch of ISOPRIME isolator with comprehensive connectivity and traceability capabilities
- Post Q2: FDA 510(k)-clearance for Servo-air® Lite

## Sustainability and Quality

- Scope 1 & 2 emissions and renewables continue to develop in a positive direction
- Announced additional quality and supply challenges in Cardiopulmonary and Cardiac Assist, Acute Care Therapies



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**Additional quality and supply challenges impacting Getinge's earnings in Q2 and FY 2023**  
Press release forthcoming. Section on June 15, 2023

**Getinge receives US FDA 510(k) clearance for Servo-air® Lite**  
Press release | 7/07/2023

Getinge announces clearance from the US FDA for Servo-air® Lite, a wall-independent non-invasive mechanical ventilator.

**Getinge announces clearance from the US FDA for Servo-air® Lite, a wall-independent non-invasive mechanical ventilator.**  
Press release

**Getinge launches new isolator optimized for common aseptic applications**  
Today, Getinge launches ISOPRIME, an isolator with comprehensive connectivity and traceability features. It is the ideal solution for customers looking for a rigid wall isolator that combines high quality, versatility and continuous operations at a competitive price.  
Press release

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# Cardiopulmonary – addressing packaging challenges

Allowed to sell HLS/PLS while working on solutions



## Quadrox

- Consumables (Surgical Perfusion and ECMO) with high gross margin
- No incidents reported, issue with the packaging NOT the products
- New packaging solution expected to be finalized late 2023-H1 2024 followed by applying for regulatory approval.
- Not classified as medical necessity in the US (by the FDA)

## HLS/PLS

- Consumables (ECMO) with high gross margin
- No incidents reported, issue with the packaging NOT the products
- Dual-track, redesigning the existing packaging solution and designing a new packaging solution
- Medical necessity; allowed to ship globally – but need to apply for prolonged use of Article 59 in CE-markets

Post Q2:  
German competent authority  
BfArM granted extension to July  
'24 for national exemption on CE  
mark for HLS/PLS

# Cardiac Assist – addressing a component issue and field actions

Resulting in a significant drop in volumes in Q2, but expecting to improve in H2 2023



## Intra-Aortic Balloons

- High gross margin
- Not an issue with the balloon catheters – but with a 3rd-party component in the insertion kit

Post Q2:  
**Root cause identified; global deliveries resumed in July as part of the Field Action, with corrected dilators expected to resume shipping mid-Q3**

## Intra-Aortic Balloon Pumps

- Medium gross margin
- Supply and quality constraints with components such as batteries until recently
- Ongoing field corrections
- Allowed to deliver during field corrections and regulatory approval process in most important markets. Currently prioritizing field service backlogs.
- Expected to ramp up volume gradually H2 2023

Post Q2:  
**The CE certificate was reinstated in mid-July**

## Outlook 2023

**Net sales for 2023 are expected to increase by 2-5% organically**

# Thank you

# Q&A



# Appendix

# Solid growth in North America

China is the main reason behind the steep decline in APAC

## Global

**-4.5%**

Organic Order Growth

**1.3%**

Organic Net Sales Growth

## Americas

**+4.7%**

**+6.7%**

## EMEA

**-6.5%**

**+4.6%**

## APAC

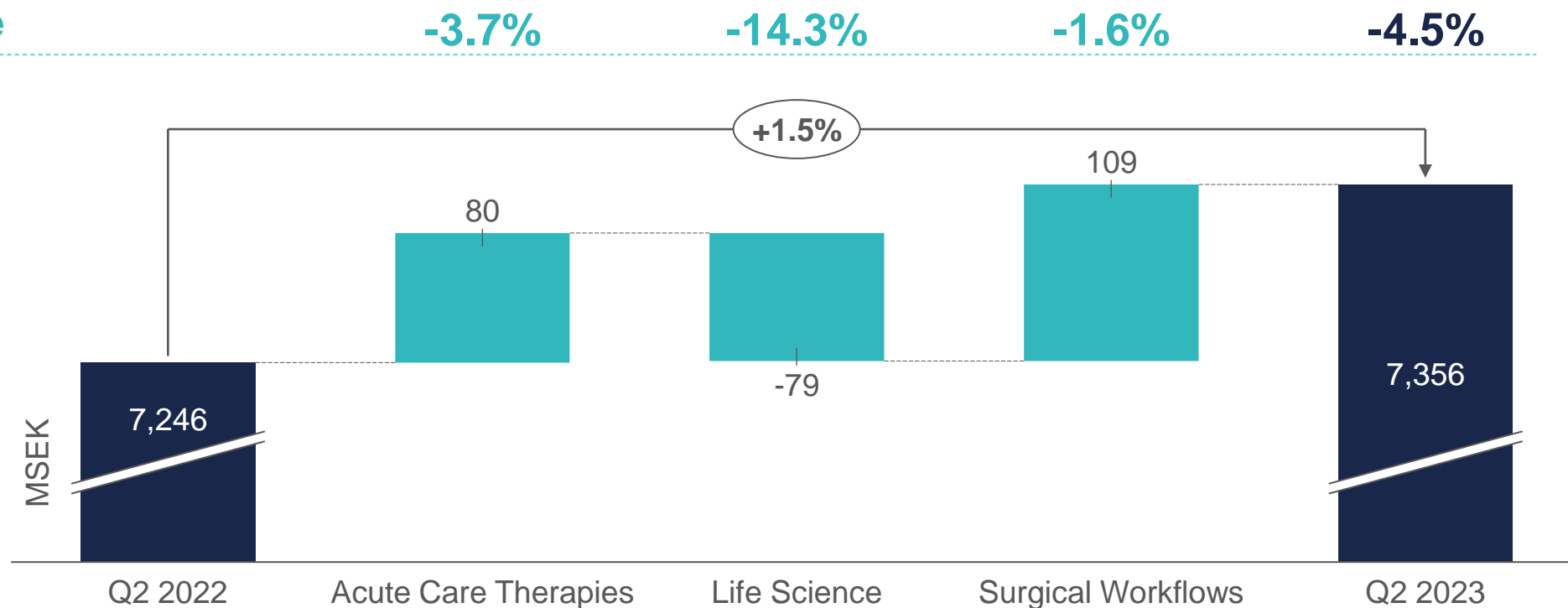
**-17.5%**

**-11.9%**

# Weak order intake in Life Science in the quarter

## Order Intake Bridge Q2 2022 – Q2 2023

### Organic change

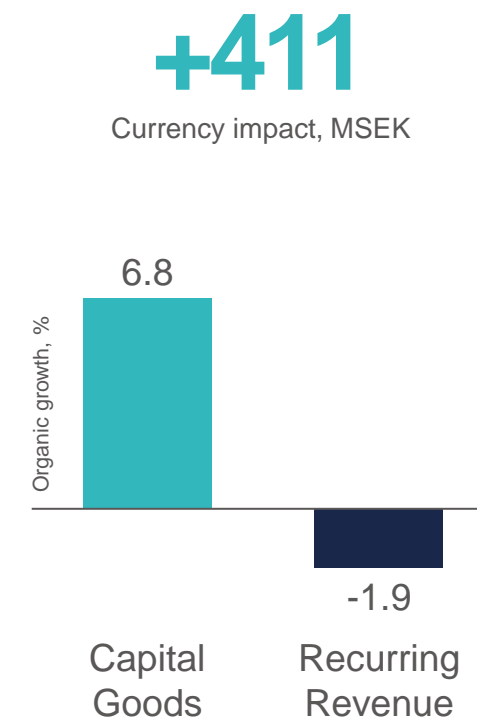
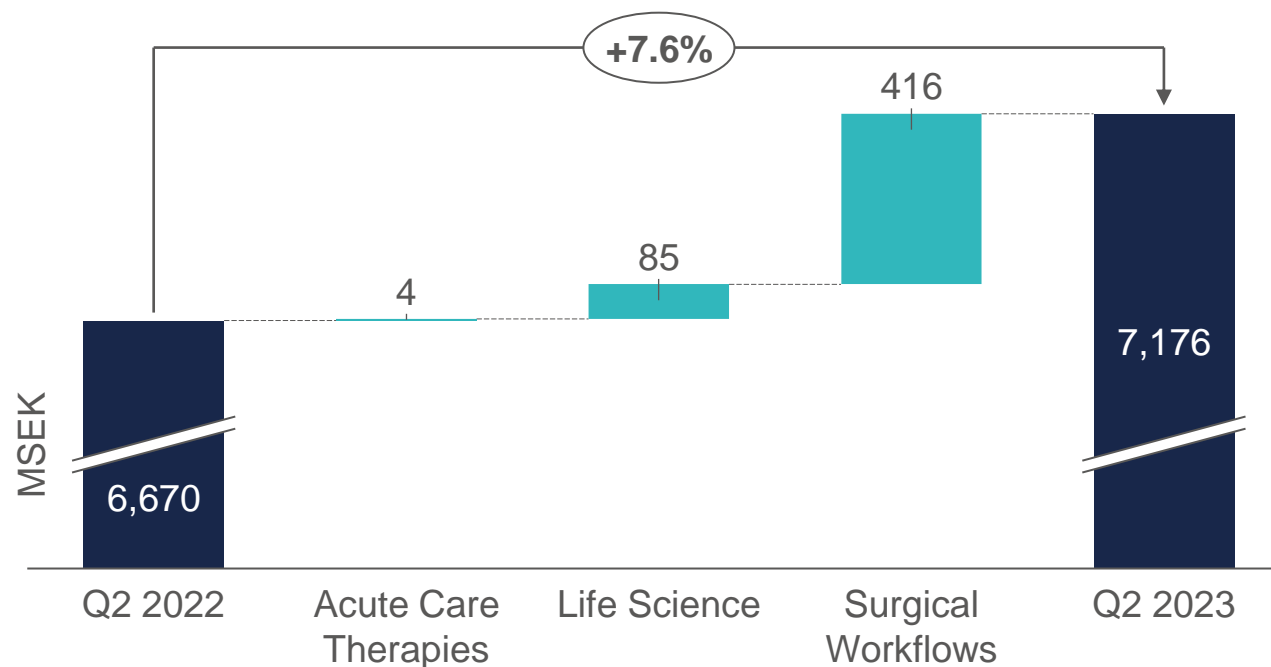


# Net sales negatively impacted by quality and supply challenges

Net Sales Bridge Q2 2022 – Q2 2023

Organic change

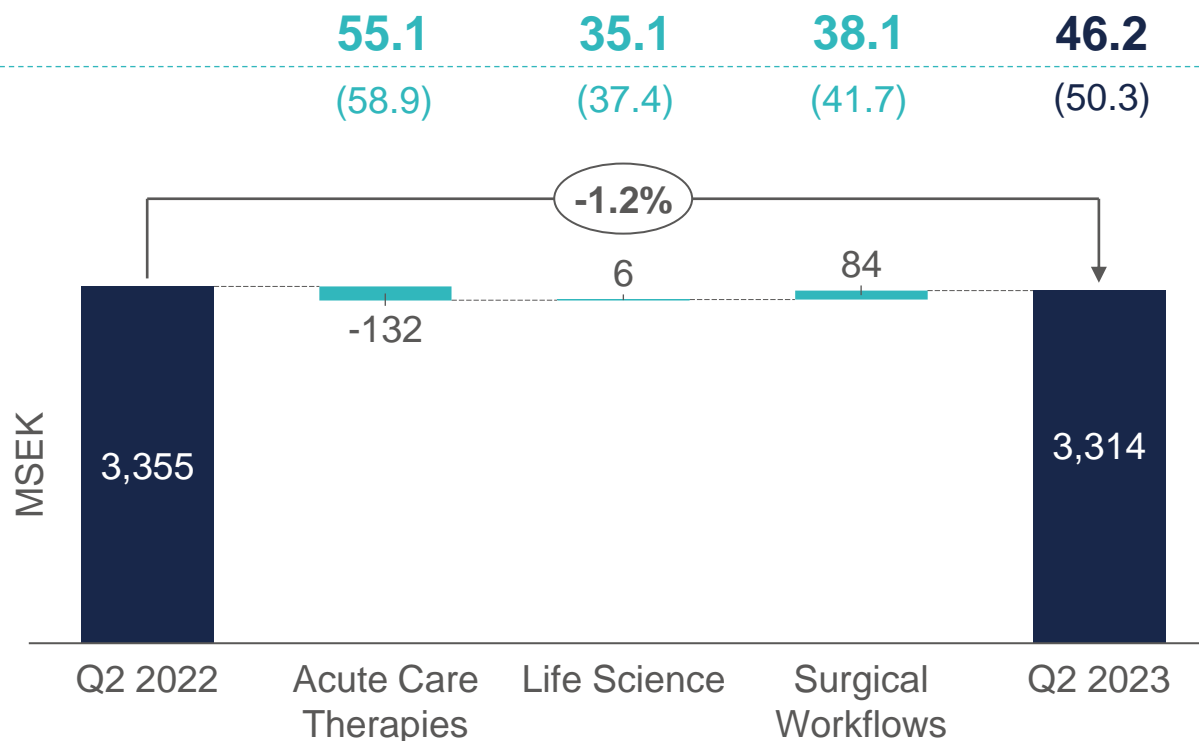
-5.4%      0.7%      13.4%      1.3%



# Adj Gross Margin negatively impacted by mix effects and inflation

## Adjusted Gross Profit Bridge Q2 2022 – Q2 2023

Adj GM,%  
Q2 2023  
(Q2 2022)



### Gross Margin impact

Product and Geo mix

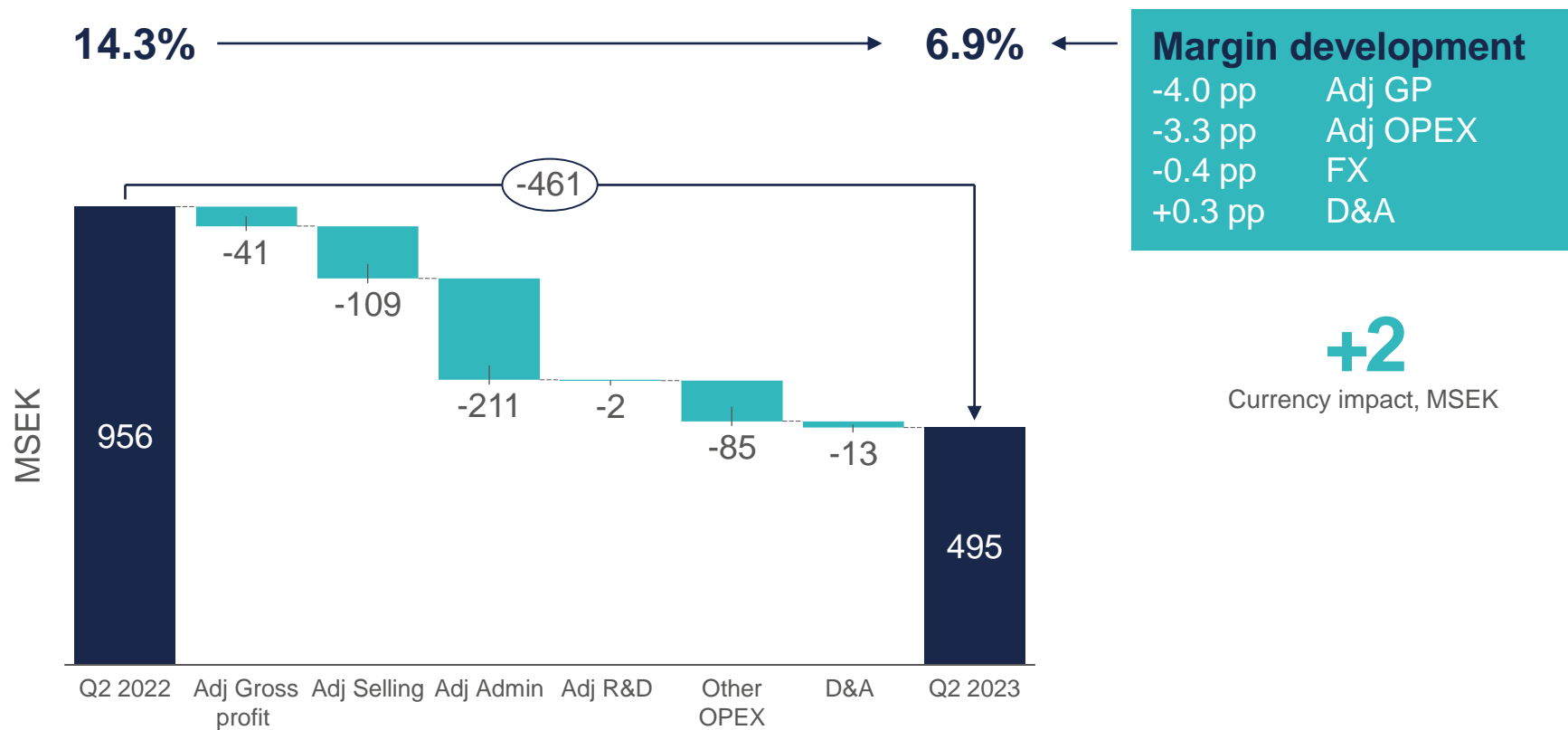
Supply, Absorption &  
Cost inflation

Price

Currency

# Adj EBITA margin impacted by lower GP, higher OPEX and negative FX

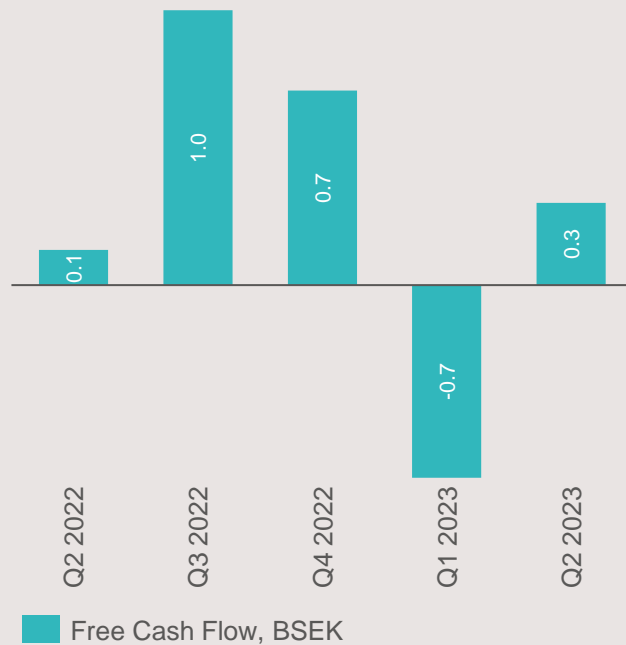
## Adjusted EBITA Bridge Q2 2022 – Q2 2023



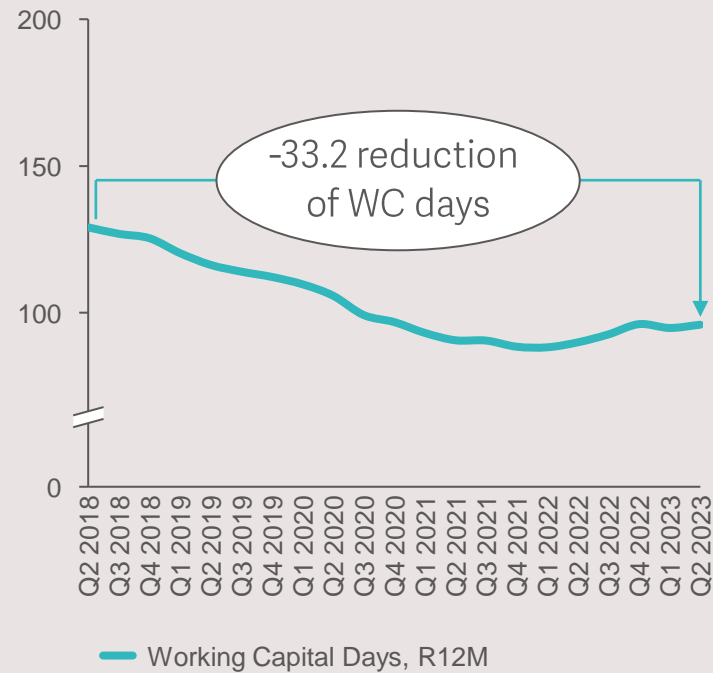
# Positive Free Cash Flow and Working Capital days below 100

Capital efficiency a priority

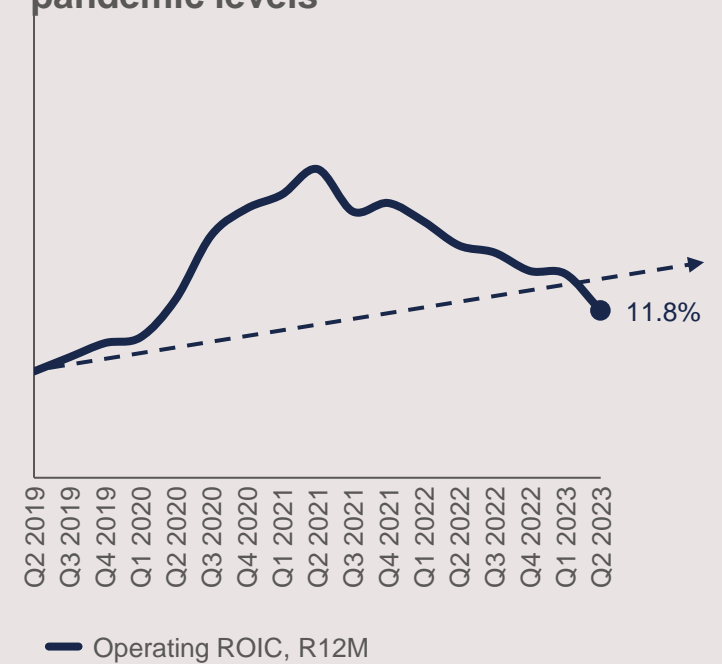
### Healthy underlying Free Cash Flow



### WC days below 100



### ROIC below trend, but still well above pre pandemic levels



Free Cash Flow: Cash flow from operating activities and investing activities, excluding acquisitions and divestment of operations.

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 defined as Equity + Net debt (excl. pension liabilities) and calculated as (Opening balance + Closing balance of Invested Capital)/2.

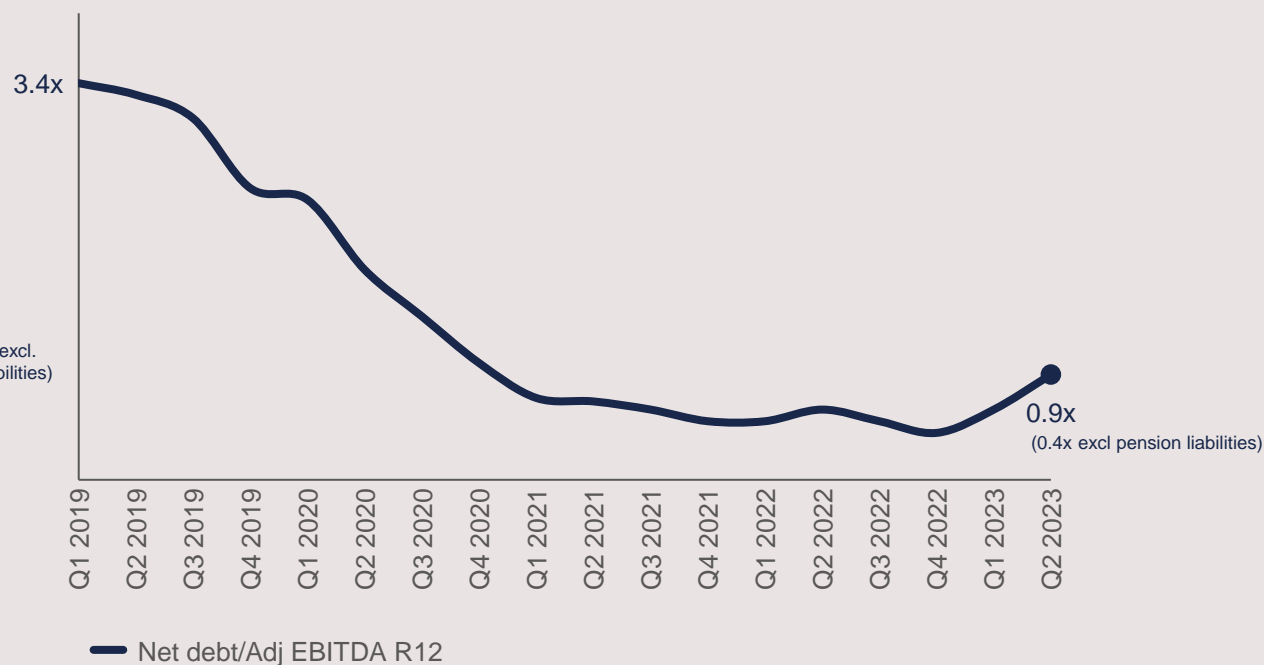
# Solid financial position

Margin of safety when it comes to net debt and leverage

Net debt is down significantly in recent years ...



... and leverage is signalling financial strength





# 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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