

# External challenges remain but are expected to ease in 2023

Getinge Q4 2022

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# State of Healthcare: "Less for more"

Healthcare spend through the roof ... and output going down

## Demand increase

- COVID quarantine → weaker immune system → more patients
- Backlog of elective procedures

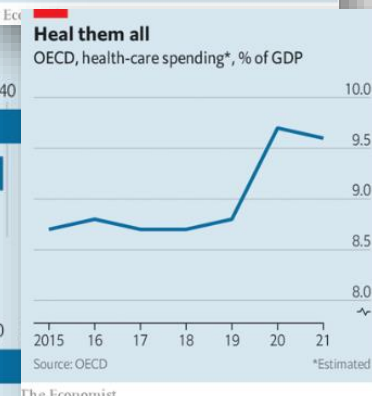
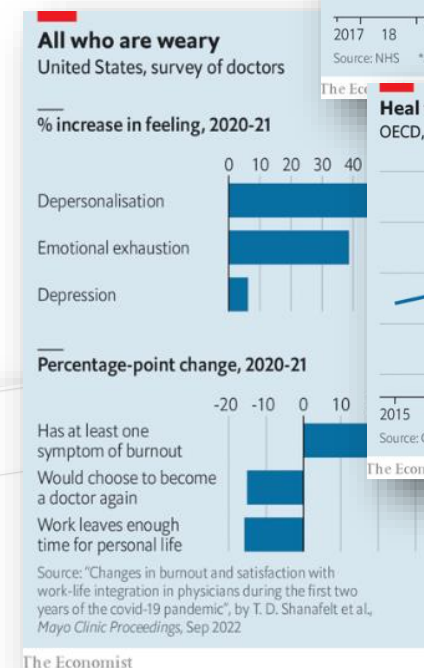
## Tougher cases

- Staying away from hospitals during COVID → diagnosed at a later and more severe stage

## Staff on their knees

- Burn out ratio shooting up among clinicians → loss of competence and capacity

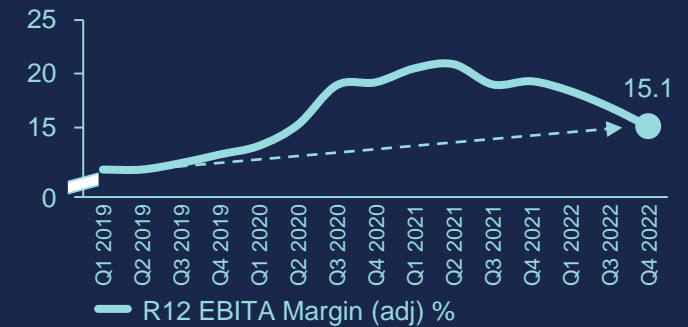
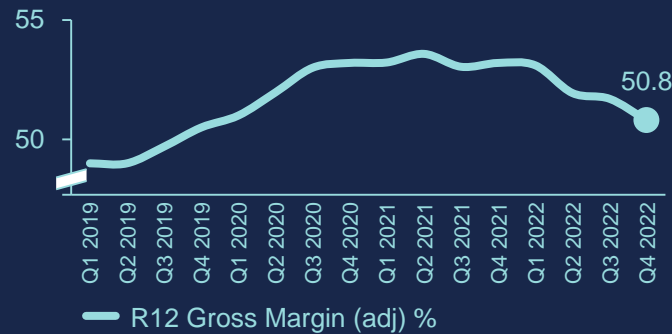
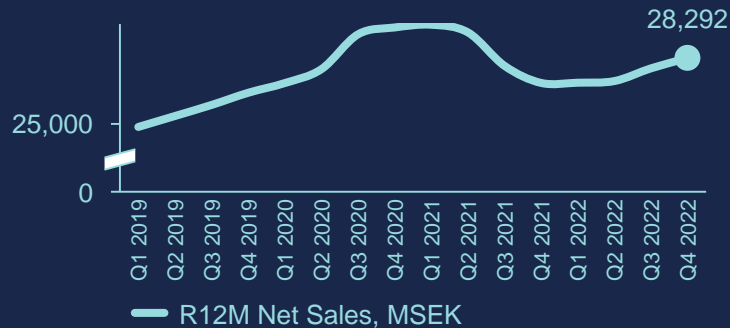
... and more



# Key takeaways

## Q4 2022

- Net sales decreased by 5.3% and order intake decreased by 6.7% organically
- Margins impacted by volume, mix, supply and inflation
- Healthy Free Cash Flow and financial position remains strong
- Proposed dividend 4.25 (4.00) SEK/share



# Key activities and events

Q4 2022

## Offering and customers

- Livit Flex – a new bioprocess control system for increased effectiveness in drug development
- ULTIMA 815 Optional Injection Dryer for a more efficient process from an economic and environmental perspective

## Sustainability and Quality

- Successful efforts to reduce energy consumption in the operations continued
- EU MDR Certificate for Vascular Grafts
- Datascope included in the Consent Decree with FDA

## IAC in the quarter amounting to SEK -437 M

- SEK 195 M acquisition and restructuring costs – will start to bring cost savings gradually in 2023
- Write-downs related capitalized development projects amounted to SEK 242 M

## Other

- Decision to build a new production facility in UK for Infection Control consumables
- Mesh settlement concluded with more than 96% of plaintiffs opting in

# Last year's growth impacting Y-o-Y comparisons

But order intake up in China in December as a consequence of COVID flare ups

## Global

Organic Order Growth  
-6.7%

Organic Net Sales Growth  
-5.3%

## Americas

-5.2%

-0.2%

## EMEA

-14.8%

-3.7%

## APAC

+6.1%

-14.2%

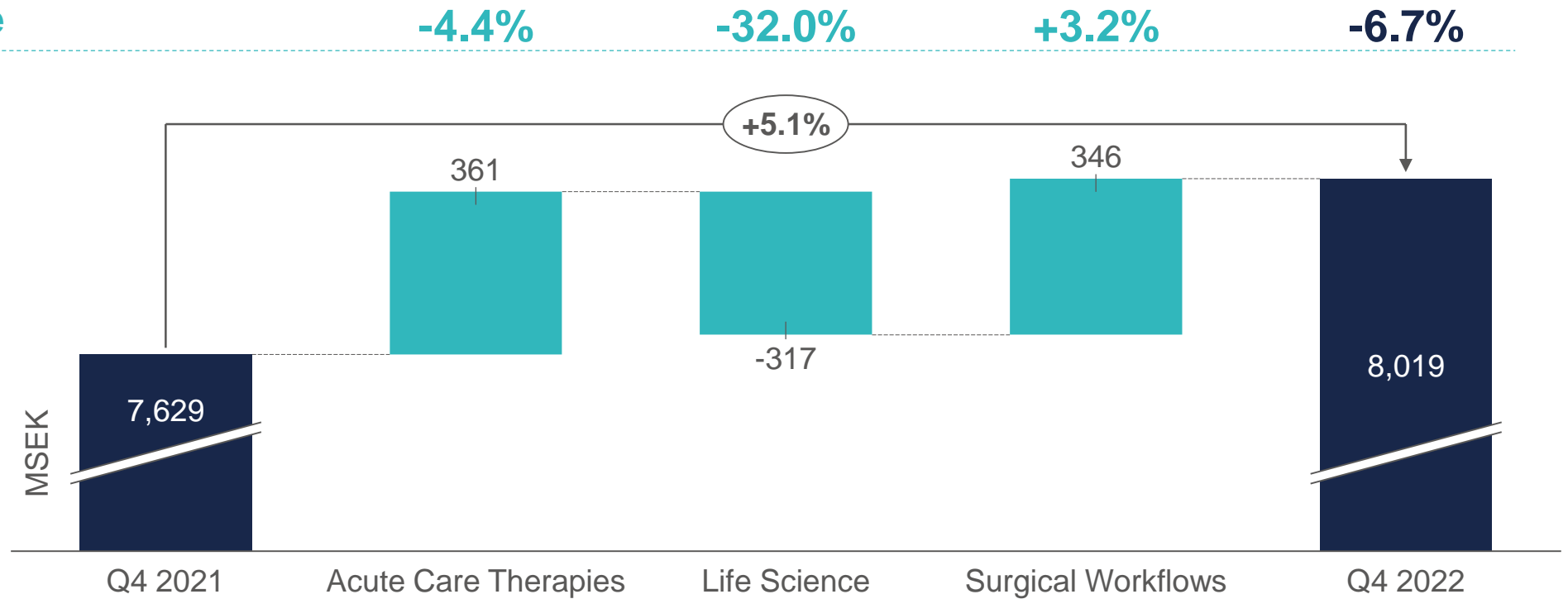
## Outlook 2023

**Net sales expected to grow  
2-5% organically in 2023**

# Tough quarter on organic order growth – but it ended on a positive note

Order Intake Bridge Q4 2021 – Q4 2022

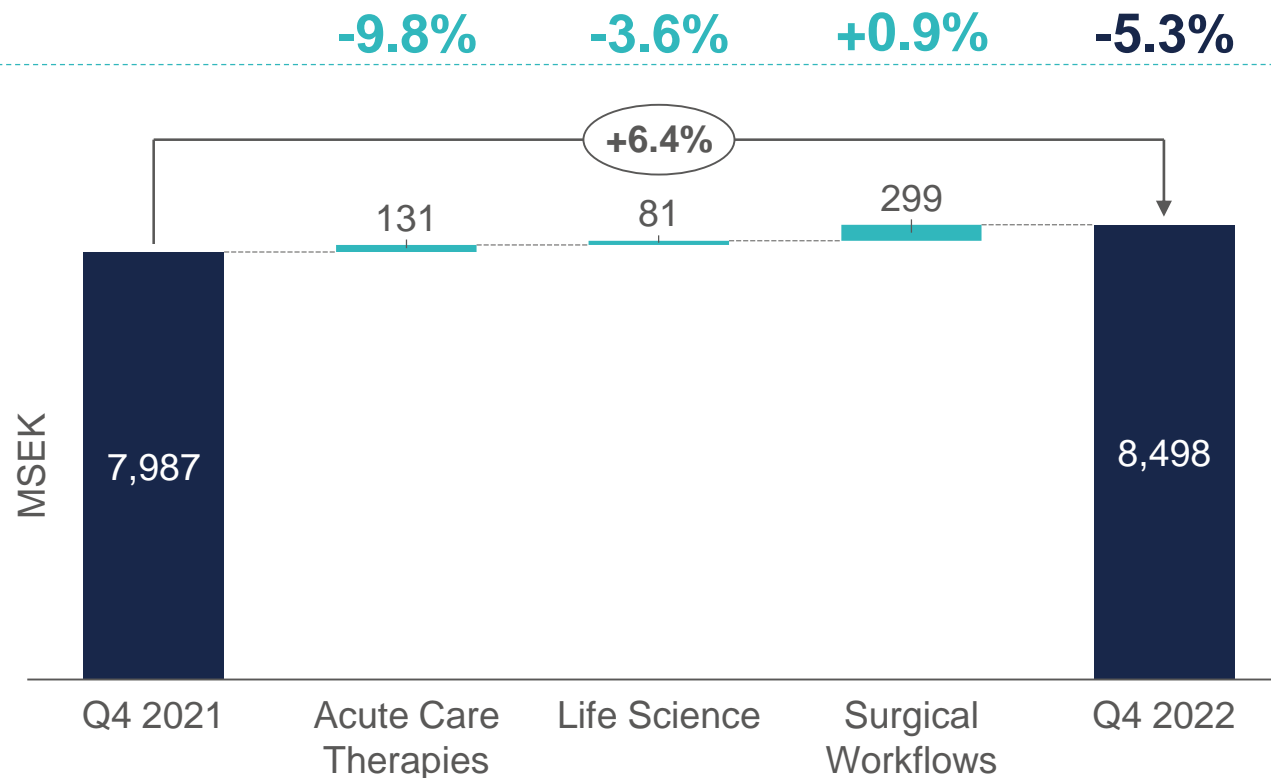
## Organic change



# Net sales negatively impacted by >400 MSEK due to supply issues in Q4

## Net Sales Bridge Q4 2021 – Q4 2022

### Organic change



911

Currency impact, MSEK

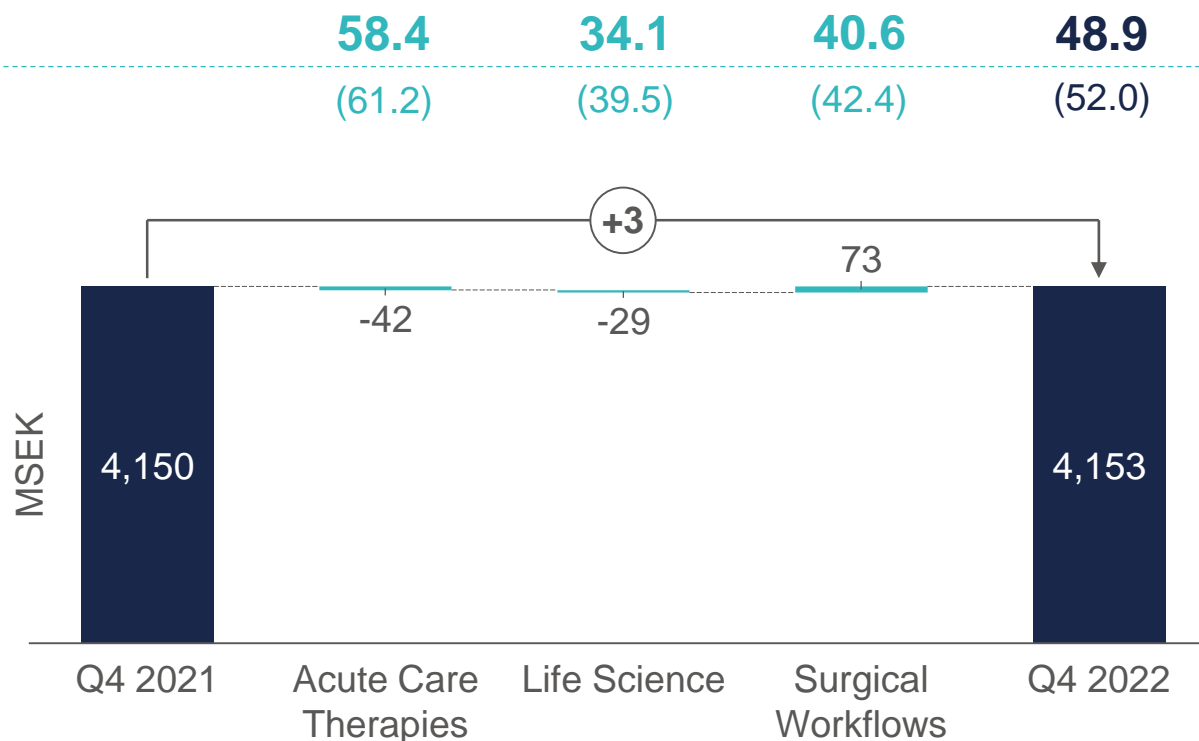




# Gross margin negatively impacted by volume, mix, supply and cost inflation

## Adjusted Gross Profit Bridge Q4 2021 – Q4 2022

Adj GM,%  
Q4 2022  
(Q4 2021)



### Gross Margin impact

Product and Geo mix

Supply, Absorption & Cost inflation

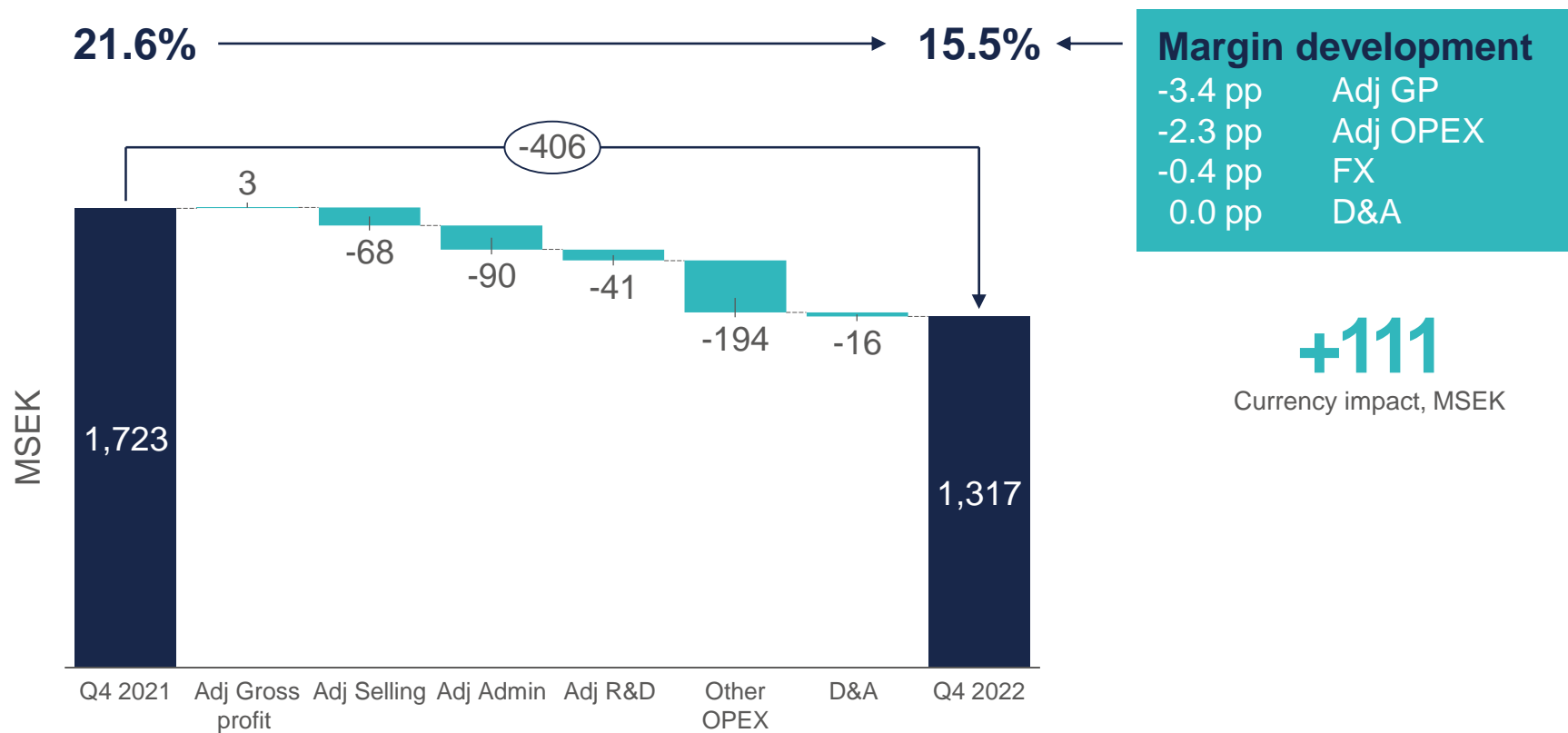
Price

Currency

# Financial development

# EBITA-margin negatively impacted by GP, OPEX and FX

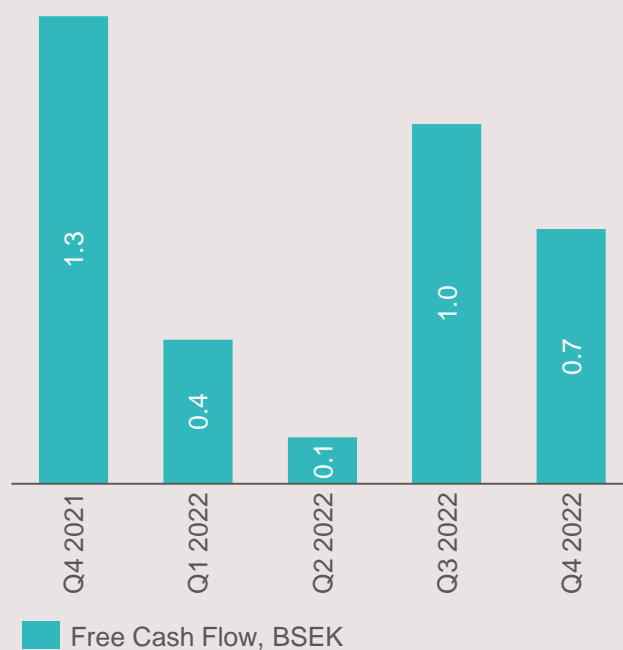
## Adjusted EBITA Bridge Q4 2021 – Q4 2022



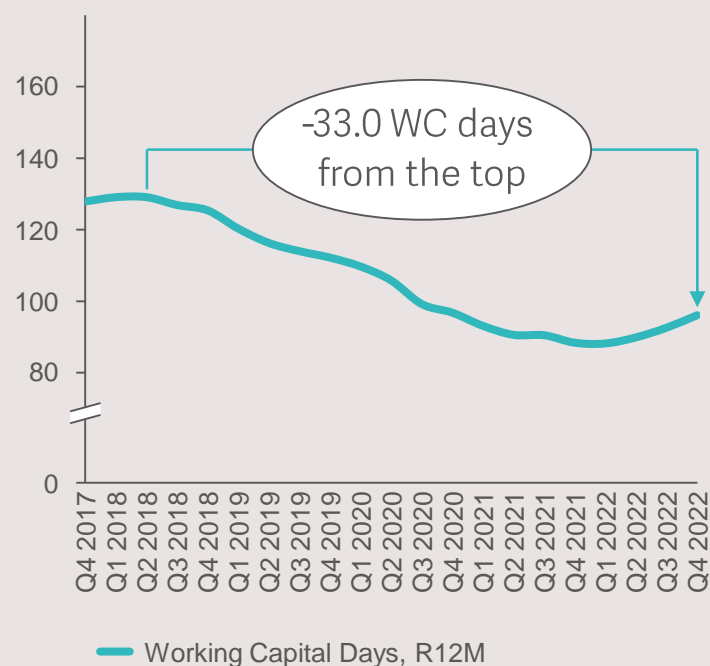
# Generating healthy FCF, WC days below 100 and ROIC back on trend

Capital efficiency a priority

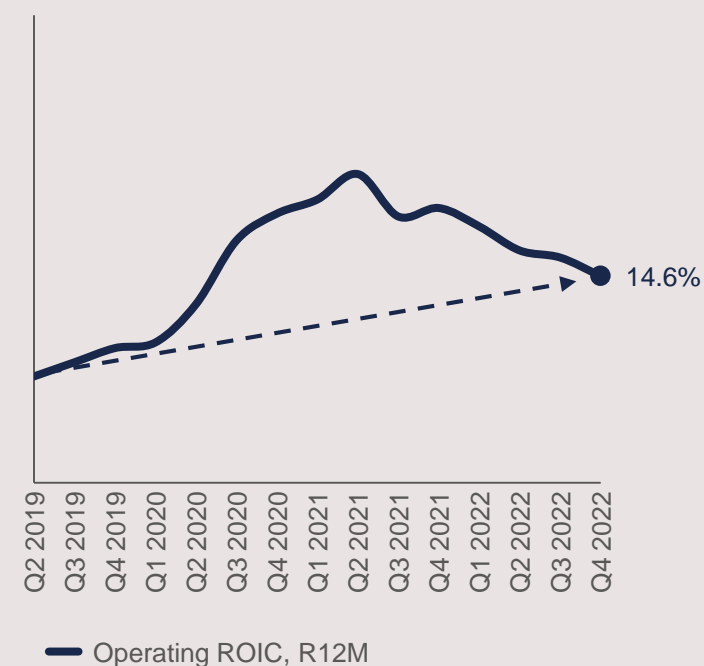
### Positive CF in Q4



### WC days below 100



### Return on Invested Capital back on trend



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

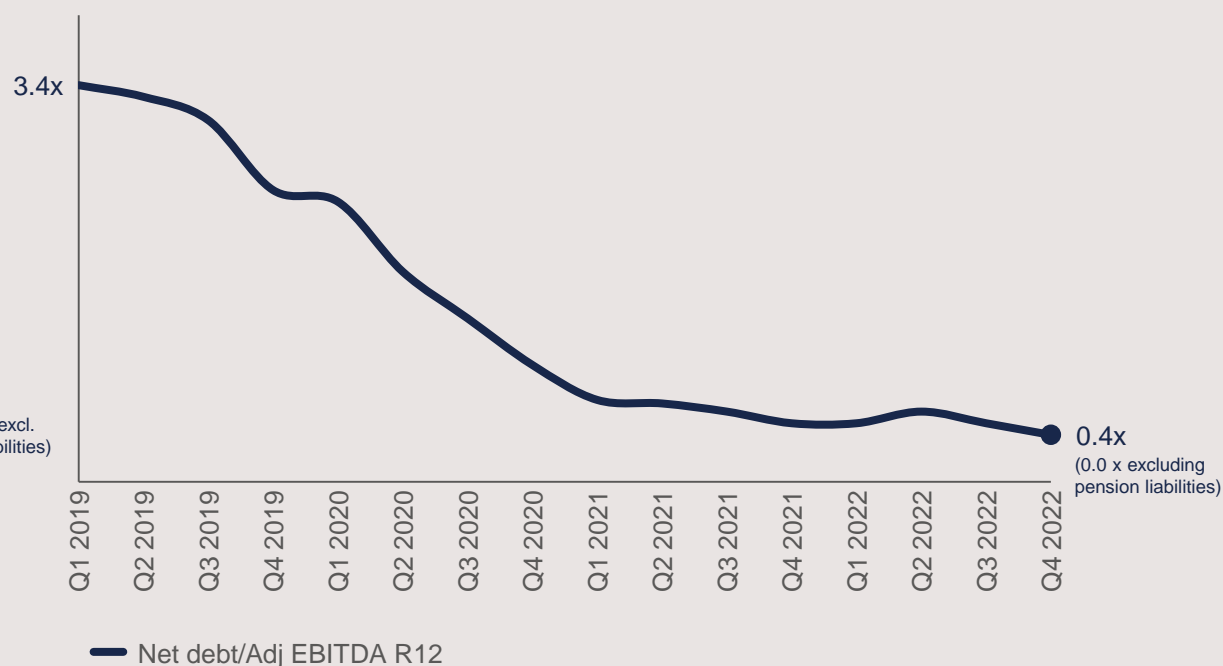
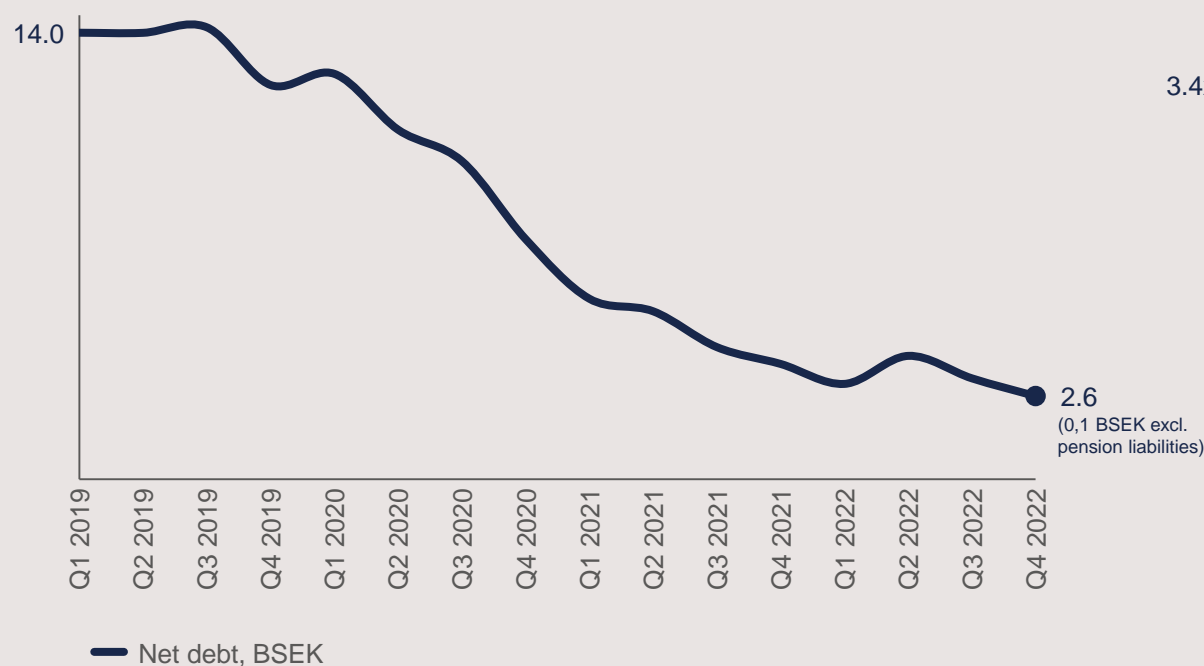
ROIC: Trailing 12 month adjusted EBIT/Invested Capital. Invested Capital is equal to (Invested capital is defined as Equity + Net debt (excl. pension liabilities) and calculated as (Opening balance + Closing balance of Invested Capital)/2.

# Solid financial position

Low net debt and high margin of safety when it comes to leverage

Net debt is down significantly in recent years ...

... and leverage is signaling financial strength



# Summary

# Key takeaways

## Summary Q4 2022

- Organic development on net sales and orders negatively impacted by external challenges
- Margins impacted by volume, mix, supply and inflation
- Healthy Free Cash Flow and financial position remains strong
- External challenges remain but are expected to ease in 2023
- Outlook for 2023: Net sales are expected to grow 2-5% organically

# Q&A



# Thank you

# 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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