

A background network diagram consisting of numerous interconnected nodes and lines. The nodes are represented by small circles in various shades of blue and green, and the lines are thin, light blue or green. The overall appearance is that of a complex, interconnected web or network.

# Getinge Group Capital Markets Day 2015

GETINGE GROUP

---

# Transformation to One Getinge

---

Alex Myers, President & CEO  
Capital Markets Day 2015, September 2, 2015

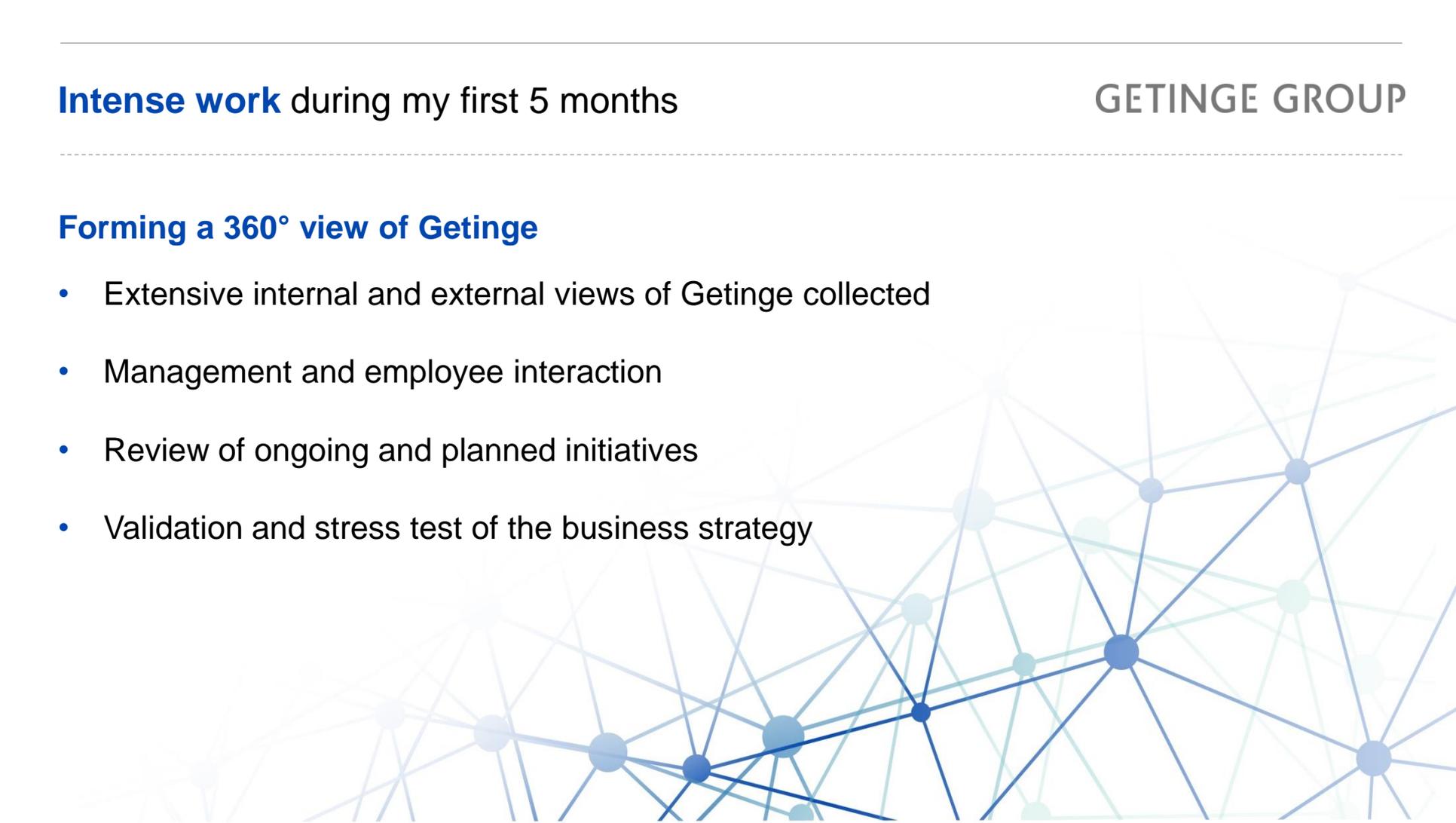
---

**Intense work** during my first 5 months

---

GETINGE GROUP

### **Forming a 360° view of Getinge**

- Extensive internal and external views of Getinge collected
  - Management and employee interaction
  - Review of ongoing and planned initiatives
  - Validation and stress test of the business strategy
- 

## Intense work during my first 5 months

---

GETINGE GROUP

### My conclusions

- ✓ **We have the right strategy** but we have **not** been able to execute it
- ✓ We have **the right people** but a complex organization
- ✓ We have a clear **margin challenge** and need a tangible plan to address it
- ✓ We have significant **opportunities and potential**

**We need a structural step change** to enable profit improvement and continued growth

**Key highlights today:**

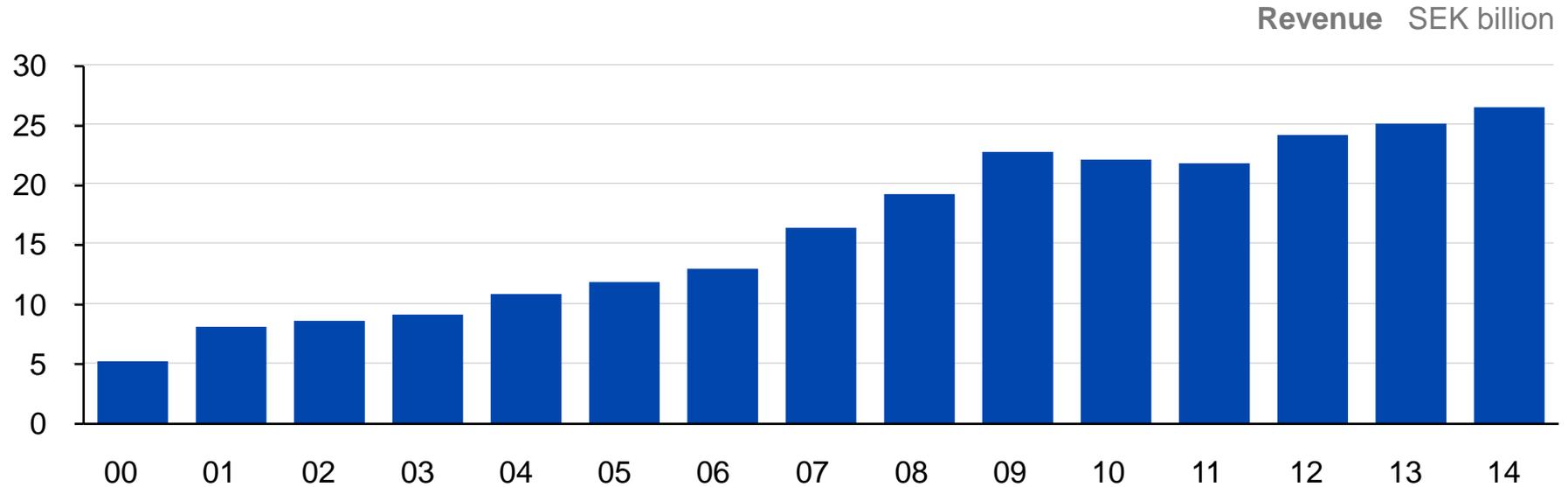
- Announcement of an improvement program of SEK 2.5-3 billion by 2019
- Announcement of a new product structure and go-to-market model that mirrors the healthcare value pathways to reignite organic growth
- Announcement of a major reorganization from a number of companies to One Getinge to leverage scale

These actions will allow us to strengthen our position as one of the leading companies in our industry with respect to our **customers**, our **employees** and our **shareholders**

- 1 **GETINGE TODAY**
- 2 **PERFORMANCE IMPROVEMENT PLAN**
- 3 **TRANSFORMATION ROADMAP**
- 4 **NEW FINANCIAL TARGETS**
- 5 **FINANCIALS**
- 6 **NEXT STEPS**

# A fantastic legacy with extraordinary value creation

GETINGE GROUP



MAQUET

Heraeus

SIEMENS \*

Huntleigh  
HEALTHCARE

Boston  
Scientific \*\*

Datascope®

ATRIUM

Cetrea

PULSION  
Medical Systems

\* Siemens LSS Division

\*\* Cardiac Surgery and Vascular Surgery division of Boston Scientific

---

A truly global company

---

GETINGE GROUP



**16 000** Talented  
Employees  
in over **40** countries

**Global** footprint

Market **Leading** positions

# Trends in the healthcare industry

## A changing customer landscape

GETINGE GROUP

### Increasing demands ...

- Proof of clinical value combined with economic value
- Patient-centric healthcare models
- Continued but volatile growth in emerging markets

### Increasing challenges ...

- Centralization of customer decision-making
- Intensified consolidation among healthcare providers
- Increased competition and price pressure



A strategy designed to position Getinge for **profitable growth** in the new healthcare environment

GETINGE GROUP

## Strategic Cornerstones

- 1 Documented value creation
- 2 Strengthen the sales model
- 3 Expansion in emerging markets
- 4 Supply chain excellence
- 5 Utilize and leverage synergies through increased collaboration
- 6 Growth through acquisitions



A strategy designed to position Getinge for **profitable growth** in the new healthcare environment

---

GETINGE GROUP

## Strategic Cornerstones

- 1 Documented value creation**
- 2 Strengthen the sales model**
- 3 Expansion in emerging markets**
- 4 Supply chain excellence
- 5 Utilize and leverage synergies through increased collaboration
- 6 Growth through acquisitions

## Reposition for higher organic growth:

- Develop a unique offering that demonstrates clinical and economic value
- Adapt our sales to customer call-points and demands
- Increase exposure to growing emerging markets, leveraging the total Getinge portfolio

---

A strategy designed to position Getinge for **profitable growth** in the new healthcare environment

---

GETINGE GROUP

## Strategic Cornerstones

- 1 Documented value creation
- 2 Strengthen the sales model
- 3 Expansion in emerging markets
- 4 Supply chain excellence**
- 5 Utilize and leverage synergies through increased collaboration**
- 6 Growth through acquisitions

## Increase competitiveness and efficiency

- Create a supply chain that reflects future market conditions through footprint optimization and increased operational efficiency
- Scale advantages within operations and administration

---

A strategy designed to position Getinge for **profitable growth** in the new healthcare environment

---

GETINGE GROUP

## Strategic Cornerstones

- 1 Documented value creation
- 2 Strengthen the sales model
- 3 Expansion in emerging markets
- 4 Supply chain excellence
- 5 Utilize and leverage synergies through increased collaboration
- 6 Growth through acquisitions**

## Continued focus on acquisitions:

- Increase exposure to therapeutic and recurring revenue streams
- Strengthen category leadership
- Access new customer segments, e.g. in emerging markets

Past three years' performance shows that we have **not been able to execute** our strategy

---

GETINGE GROUP

### Performance stagnation in the past three years

- Organic growth below expectations (2014: 0.6%)
  - EBITA margin dropped almost 4 percentage points since 2011
  - Regulatory challenges within Medical Systems
- 

---

We have the right strategy, but inherent **complexity has inhibited change and efficiency**

---

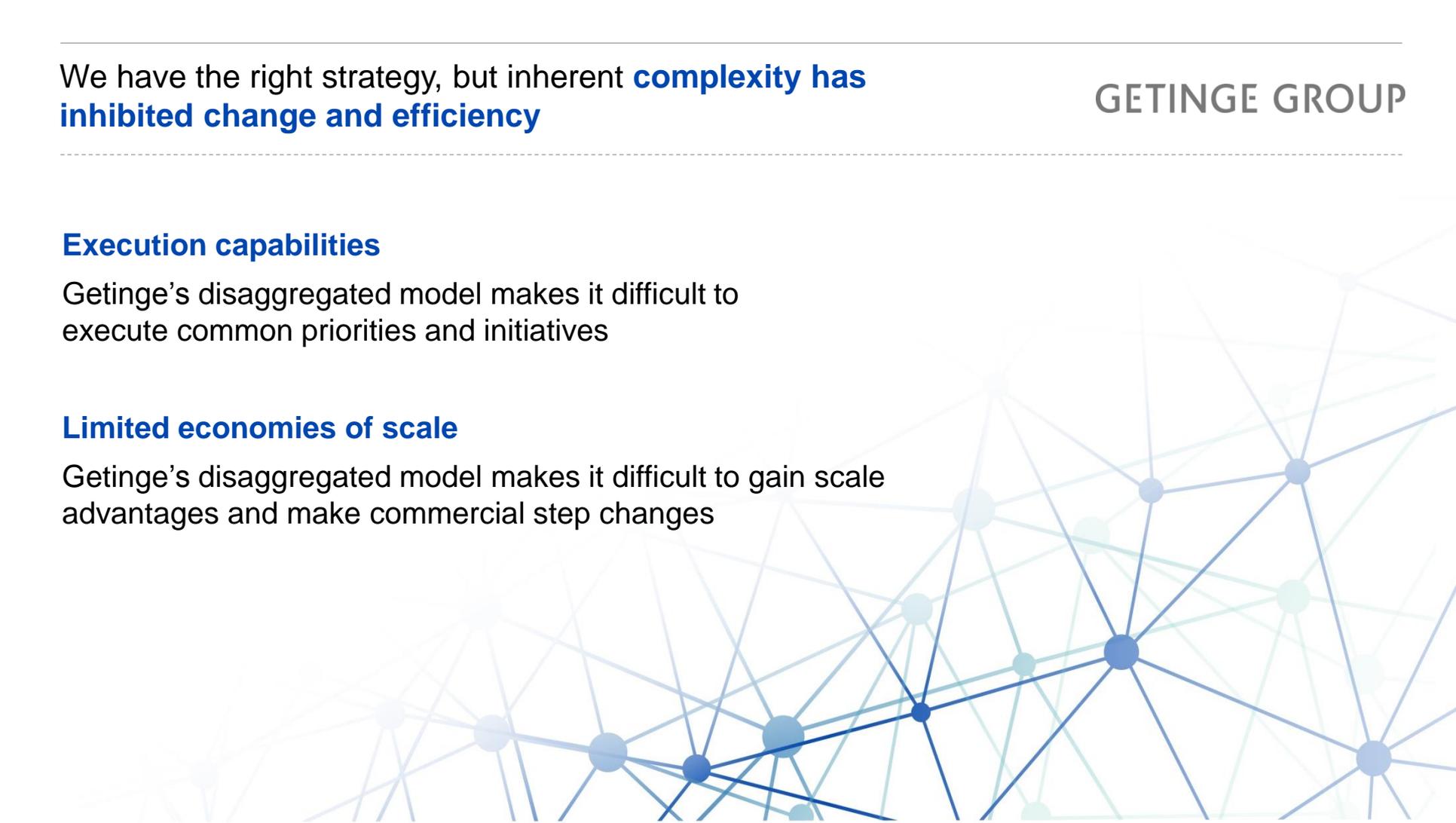
GETINGE GROUP

### **Execution capabilities**

Getinge's disaggregated model makes it difficult to execute common priorities and initiatives

### **Limited economies of scale**

Getinge's disaggregated model makes it difficult to gain scale advantages and make commercial step changes



- 1 GETINGE TODAY
- 2 PERFORMANCE IMPROVEMENT PLAN**
- 3 TRANSFORMATION ROADMAP
- 4 NEW FINANCIAL TARGETS
- 5 FINANCIALS
- 6 NEXT STEPS

Performance Improvement Plan  
Three building blocks to **restore profitable growth**

GETINGE GROUP



---

The Big 5 – our SEK 2.5-3 billion **improvement program**

---

GETINGE GROUP



# THE BIG 5

Restoring profit margins

**LEAN SUPPORT  
& ADMINISTRATION**

**INDIRECT SPEND  
OPTIMIZATION**

**DIRECT SPEND  
REDUCTION**

**PORTFOLIO  
SIMPLIFICATION**

**COMMERCIAL  
EXCELLENCE**

---

---

The Big 5 - Restoring profit margins  
**Lean support and administration**

---

GETINGE GROUP

**To leverage scale - From a group of companies to One Getinge**

- Delaying and simplifying structure
- Backbone consolidation
- Process harmonization
- Shared services



## **Consolidation and implementation of strategic sourcing of indirect spend**

- Consolidate supplier base
- Leverage spend categories as one company
- Negotiate centrally
- Manage demand and behavior



**Reduction of direct spend through  
LCC sourcing, consolidation and complexity  
reduction**

- Consolidate supplier base
- Increase share of LCC sourcing
- Reduce component complexity across products
- Consolidate responsibility and strengthen buying organization



## **Rightsizing of product portfolio**

- Profitability transparency
- Discontinue unprofitable products
- Eliminate unnecessary options/product variations that do not demonstrate customer value

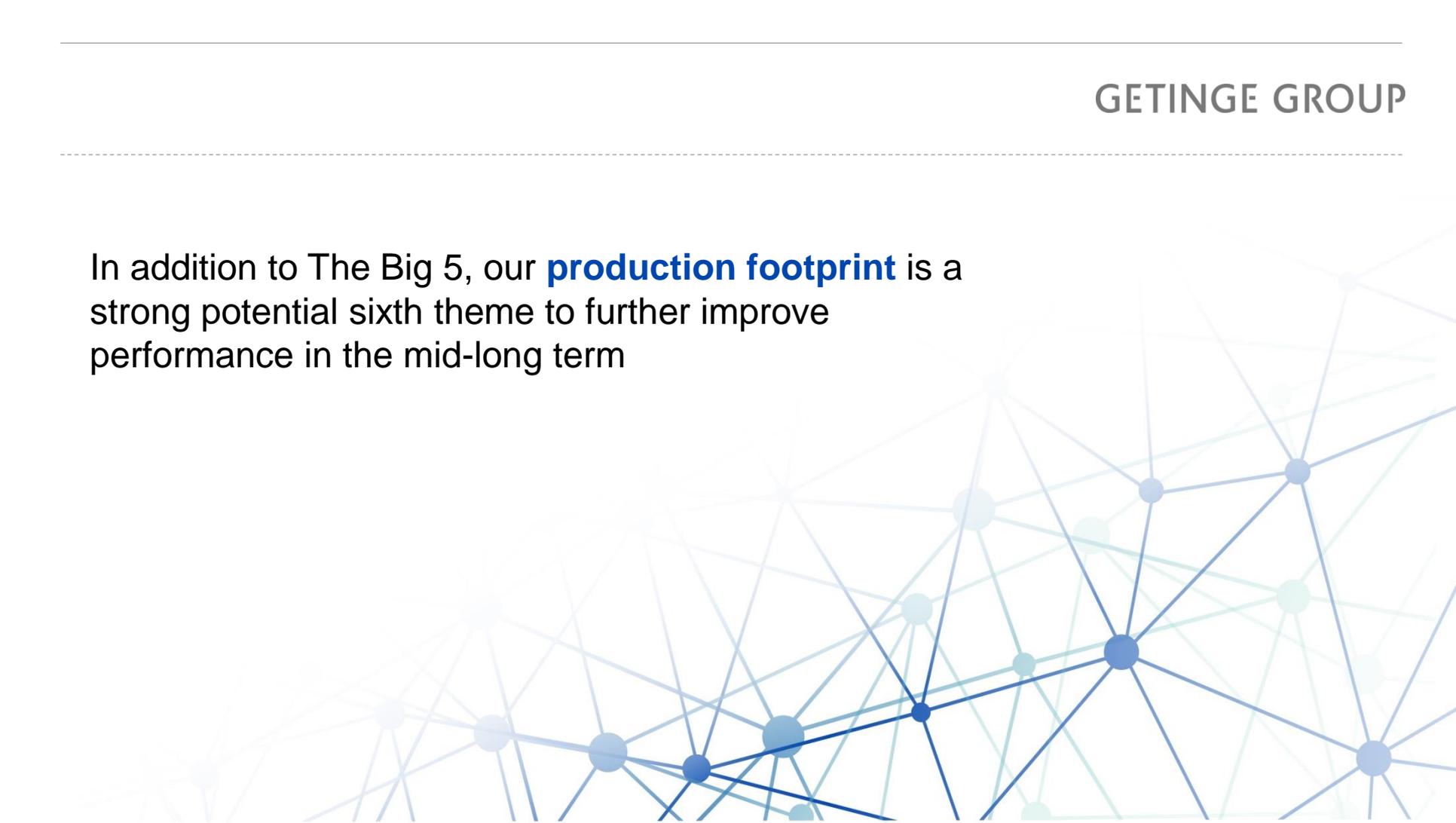


**A comprehensive set of ComEx initiatives globally**

- Improve customer segmentation and prioritization
- Focus on leveraging the total Getinge portfolio
- Optimize sales and service mix
- Improve discount management according to customer classification and performance



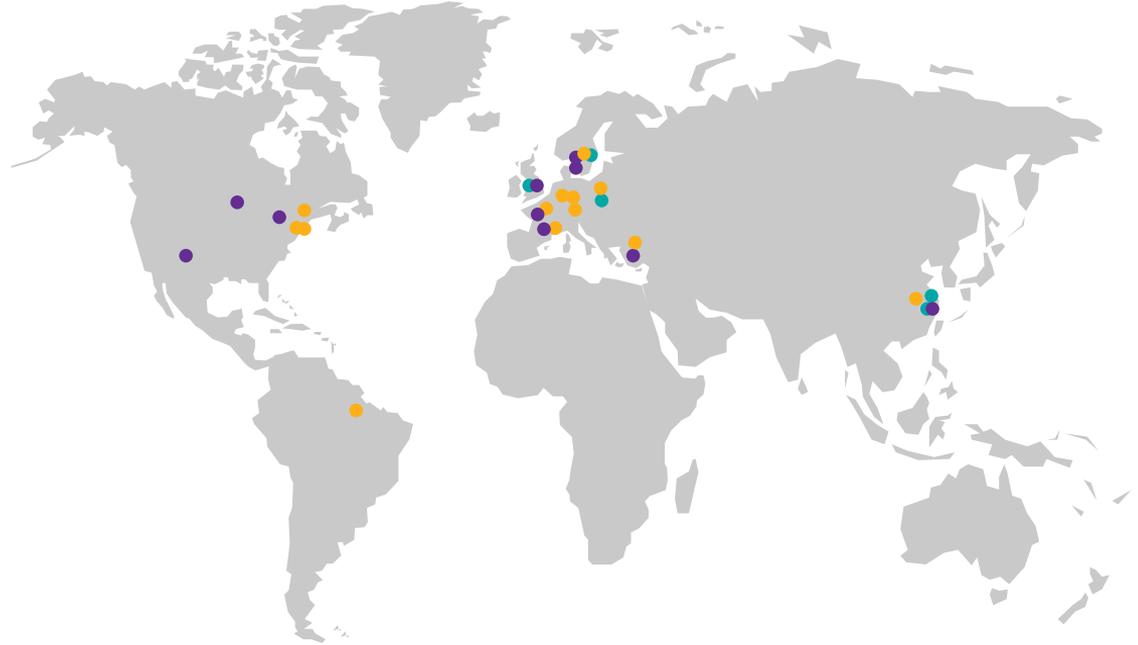
In addition to The Big 5, our **production footprint** is a strong potential sixth theme to further improve performance in the mid-long term



**Production footprint** – an **additional key performance lever**  
in the mid-long term perspective

GETINGE GROUP

- Historically **no common approach** has been taken
- **28 sites** globally
- First steps already in place



- Extended Care – from 15 to 5 factories
- Infection Control – 10 factories, restructuring program ongoing
- Medical Systems – 13 factories, restructuring program to be initiated

A background network diagram consisting of numerous nodes (circles) connected by thin lines. The nodes are colored in shades of blue and green, and the lines are thin and light blue. The overall appearance is that of a complex, interconnected network.

Five minute **break**

Reigniting organic growth by **mirroring our customers'**  
continuum of care

GETINGE GROUP



# CUSTOMER-CENTRIC VALUE

Reignite organic growth

**CUSTOMER-CENTRIC  
BUSINESS  
CATEGORIES**

**TOTAL PORTFOLIO  
APPROACH**

**INNOVATION BASED  
ON CUSTOMER  
VALUE**

**INCREASE  
EXPOSURE IN US  
AND EM**

**CONTINUED FOCUS  
ON ACQUISITIONS**

**Customer-centric:** Getinge has a unique value proposition that mirrors the continuum of care

GETINGE GROUP



# Customer-centric: A sales structure that mirrors the healthcare value pathways

GETINGE GROUP

## CUSTOMER NEEDS

**ENABLE**  
surgeries



## GETINGE SALES FORCE

**Surgical Workflows**



## CUSTOMER CALL-POINT

Chief surgeon  
Hospital Purchasing Organization  
CSSD manager

**TREAT**  
acute health conditions



**Acute Care Therapies**



Chief physician  
Clinical experts  
Tech. experts

**CARE**  
during recovery



**Patient & Post-Acute Care**



Clinical experts  
Staff instructor  
Ward manager

A structure that follows the **customers' value pathways** allows the sales force to become true specialists in:

- Identifying customer issues
- Promoting clinical and economic benefits
- Following and supporting the customers decision process



**Customer-centric:** Product portfolio that mirrors the healthcare value pathways

GETINGE GROUP

**Surgical Workflows**  
**Unique offering**

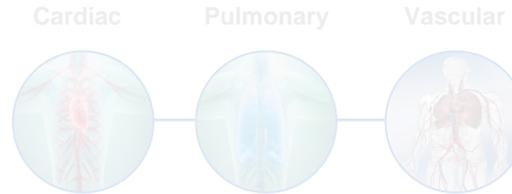


> The combination of infection control, surgical workplaces and advanced IT tracking systems gives us a **unique position** to optimize flow of sterile equipment and surgical instruments

> **Approx. 35 % of Group revenue (2014)**

**GETINGE** **MAQUET**  
GETINGE GROUP GETINGE GROUP

**Acute Care Therapies**  
**Broader offering**



> Combines cardiac, pulmonary and vascular therapies to create a **broader selection of solutions** for life or limb-threatening health conditions. Along with ICU-related equipment, Getinge can offer a thorough range of products for **life support in acute health conditions**

> **Approx. 40 % of Group revenue (2014)**

**MAQUET**  
GETINGE GROUP

**Patient & Post-Acute Care**  
**Complete offering**



> Combines rest and mobility-related products to offer a **complete solution within patient care**

> **Approx. 25 % of Group revenue (2014)**

**ARJOHUNTLEIGH**  
GETINGE GROUP

**Customer-centric:** Product portfolio that mirrors the healthcare value pathways

GETINGE GROUP

**Surgical Workflows**  
Unique offering

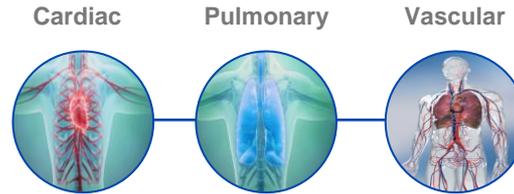


> The combination of infection control, surgical workplaces and advanced IT tracking systems gives us a **unique position** to optimize flow of sterile equipment and surgical instruments

> **Approx. 35 % of Group revenue (2014)**

**GETINGE** **MAQUET**  
GETINGE GROUP GETINGE GROUP

**Acute Care Therapies**  
Broader offering



> Combines cardiac, pulmonary and vascular therapies to create a **broader selection of solutions** for life or limb-threatening health conditions. Along with ICU-related equipment, Getinge can offer a thorough range of products for **life support in acute health conditions**

> **Approx. 40 % of Group revenue (2014)**

**MAQUET**  
GETINGE GROUP

**Patient & Post-Acute Care**  
Complete offering



> Combines rest and mobility-related products to offer a **complete solution within patient care**

> **Approx. 25 % of Group revenue (2014)**

**ARJOHUNTLEIGH**  
GETINGE GROUP

**Customer-centric:** Product portfolio that mirrors the healthcare value pathways

GETINGE GROUP

## Surgical Workflows Unique offering

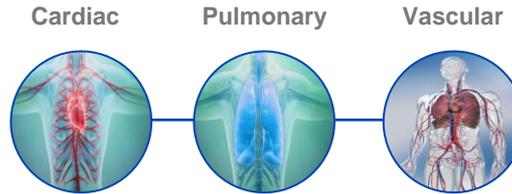


> The combination of infection control, surgical workplaces and advanced IT tracking systems gives us a **unique position** to optimize flow of sterile equipment and surgical instruments

> Approx. 35 % of Group revenue (2014)

**GETINGE** **MAQUET**  
GETINGE GROUP GETINGE GROUP

## Acute Care Therapies Broader offering



> Combines cardiac, pulmonary and vascular therapies to create a **broader selection of solutions** for life or limb-threatening health conditions. Along with ICU-related equipment, Getinge can offer a thorough range of products for **life support in acute health conditions**

> Approx. 40 % of Group revenue (2014)

**MAQUET**  
GETINGE GROUP

## Patient & Post-Acute Care Complete offering



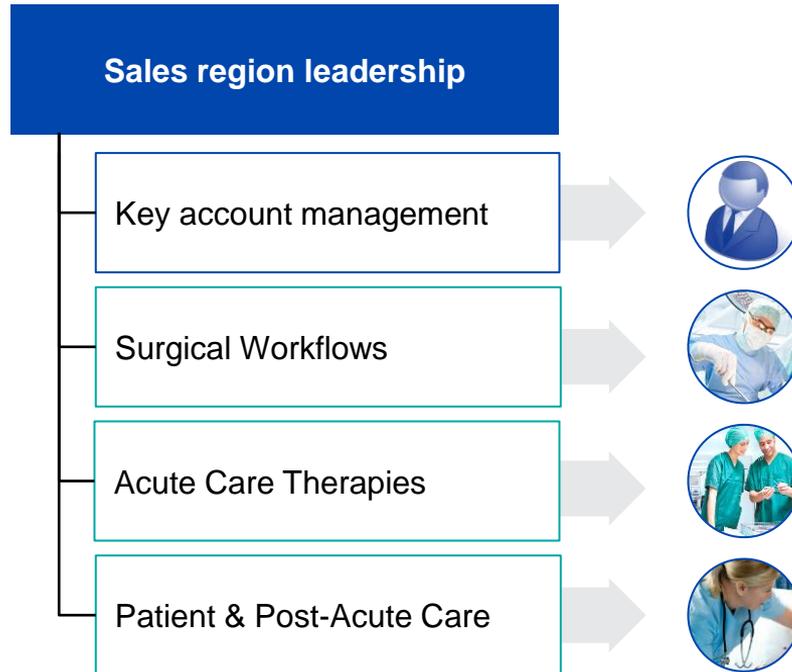
> Combines rest and mobility-related products to offer a **complete solution within patient care**

> Approx. 25 % of Group revenue (2014)

**ARJOHUNTLEIGH**  
GETINGE GROUP

**Total portfolio approach:** Sales region leadership and key account teams will focus on bringing the total portfolio to our customers

GETINGE GROUP



- 1. Sales region leadership to improve coordination**  
Sales divisions will be responsible for bringing the total portfolio to customers in the market. Regional leadership will promote coordination between category units to identify opportunities for increased share-of-wallet
- 2. Key account management for strategic selling**  
Introduction of key account teams for strategic selling based on economic and clinical advantages of the total portfolio for customer executives and professional purchasers
- 3. Regional clusters to support knowledge sharing**  
Creating regional clusters will further allow for knowledge sharing across the sales force, support training and enhance cooperation

Reigniting organic growth by **mirroring our customers'**  
continuum of care

GETINGE GROUP



# CUSTOMER-CENTRIC VALUE

Reignite organic growth

INNOVATION BASED  
ON CUSTOMER  
VALUE

INCREASE  
EXPOSURE IN US  
AND EM

CONTINUED FOCUS  
ON ACQUISITIONS

# Customer-centric value

Focus going forward

GETINGE GROUP

## INNOVATION BASED ON CUSTOMER VALUE

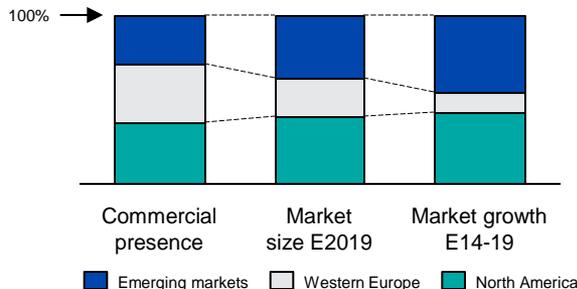
- > Assess innovation pipeline to ensure focus on customer-driven innovation and to pursue opportunities with both clinical and economical benefits

## INCREASE EXPOSURE IN US AND EM

- > Investigate how to rebalance regional exposure to match growth and size opportunity in emerging markets and the US

## CONTINUED FOCUS ON ACQUISITIONS

- > Investigate acquisition to:
  - Increase exposure to therapeutic and recurring revenue streams
  - Access new customer segments, e.g. in emerging markets
  - Strengthen category leadership



## ACQUISITION SEARCH CRITERIA



**One Getinge** – remove structural boundaries  
for performance improvement

GETINGE GROUP



# ORGANIZE TO WIN

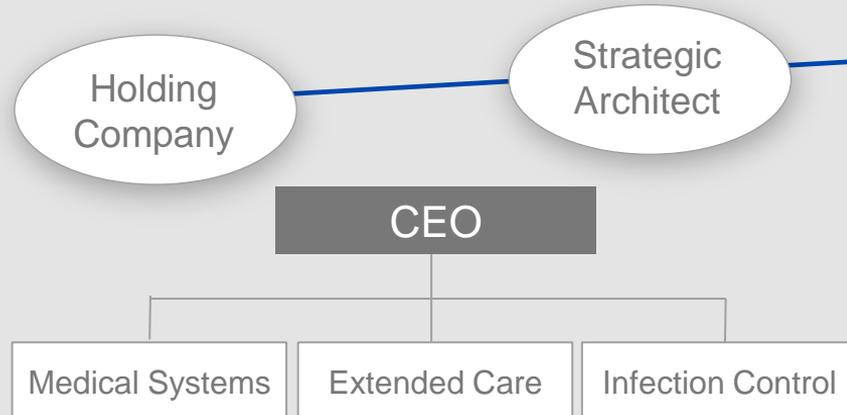
Enabling execution and results



# From a holding-like structure to a less complex active management model

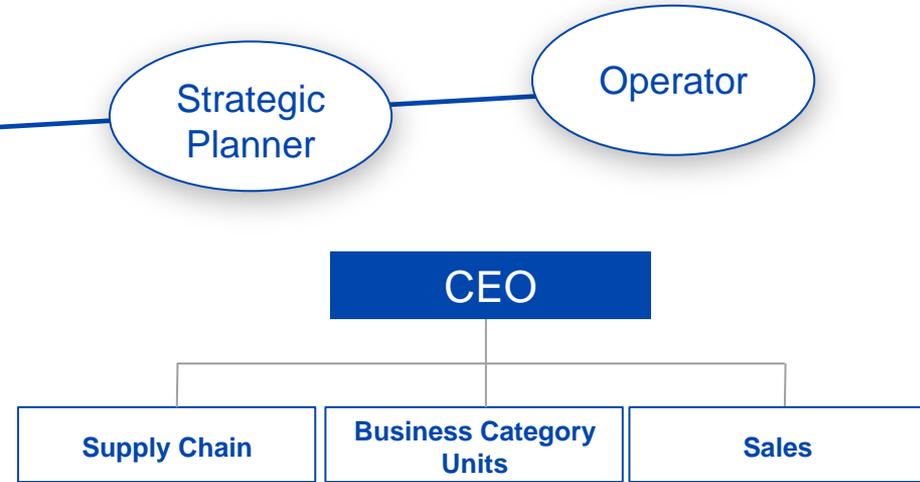
FROM...

Full autonomy in the business areas and no coordination to leverage positions / capture synergies



TO...

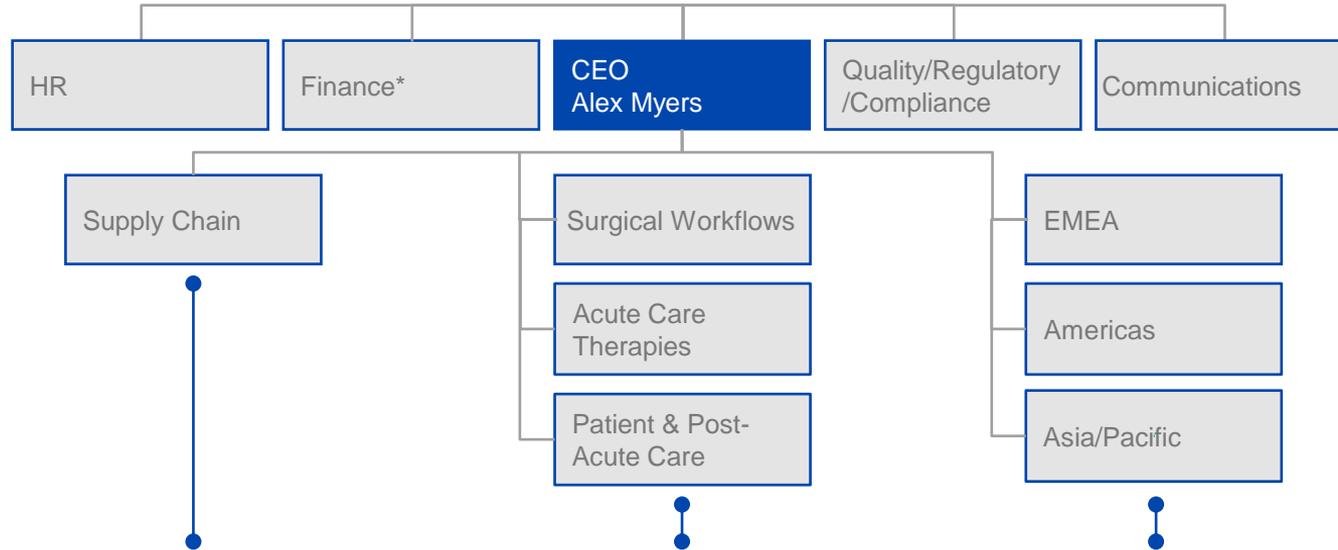
Full focus on key levers to prepare for a new commercial reality and to restore growth and profitability



- Entrepreneurship through strong local presence
- Agility through reduced complexity and mgmt. layers
- Execution power through straight lines of command

Organized to **follow the functional logic**  
of key value levers...

GETINGE GROUP



**> Supply Chain**  
Designed to drive cost synergies through the full scope of Getinge Group

**> Business Category Units**  
Designed to enhance global category leadership through cutting-edge therapies, equipment and customer solutions

**> Sales Regions**  
Designed to match new call-point demands while optimizing support functions through the full scope of a region

\*Finance is responsible for shared services, indirect sourcing and IT

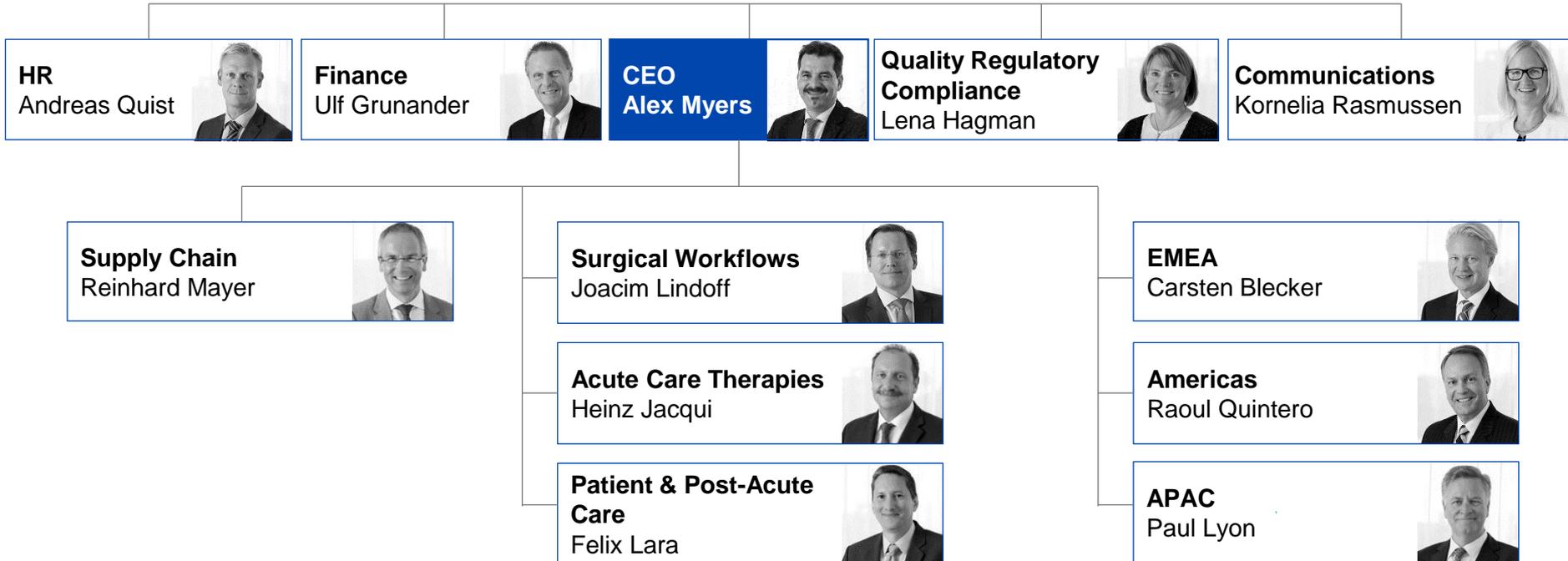
... And thereby **effectively enable execution** of **The Big 5** and the **Customer Centricity**

GETINGE GROUP

		LEVERS	
		 <b>THE BIG 5</b> MARGIN RESTORATION	 <b>CUSTOMER CENTRICITY</b> GROWTH
<b>ENABLERS</b>	> <b>Supply Chain</b>	One Supply Chain → Synergies → Cost Leadership	Competitiveness in terms of cost, quality and delivery times
	> <b>Business Category Units</b>	Market and product portfolio profitability through life cycle management	Customer driven innovation → outcome-based value propositions → category leadership
	> <b>Sales</b>	Strengthen market position while streamlining local set-ups	Aligning sales force with new call-point demand - customer ownership

New management from January 1, 2016  
**Built from the inside**

GETINGE GROUP



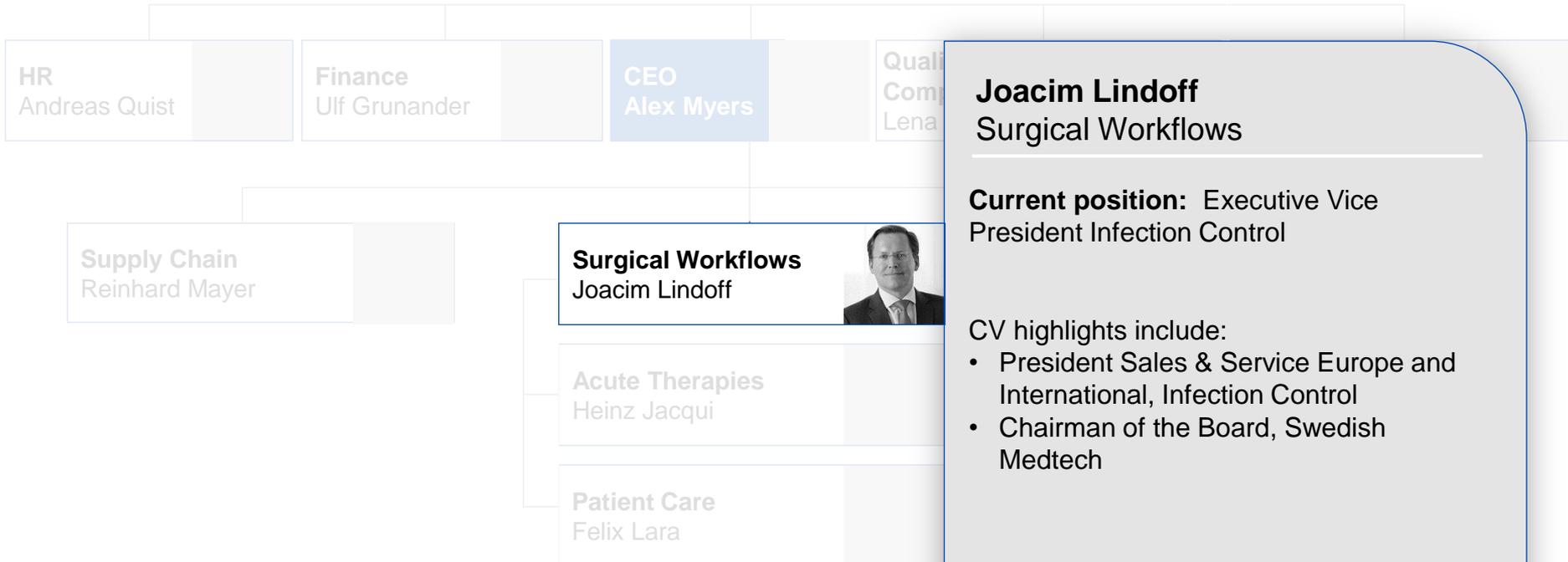
New management  
from January 1, 2016

GETINGE GROUP



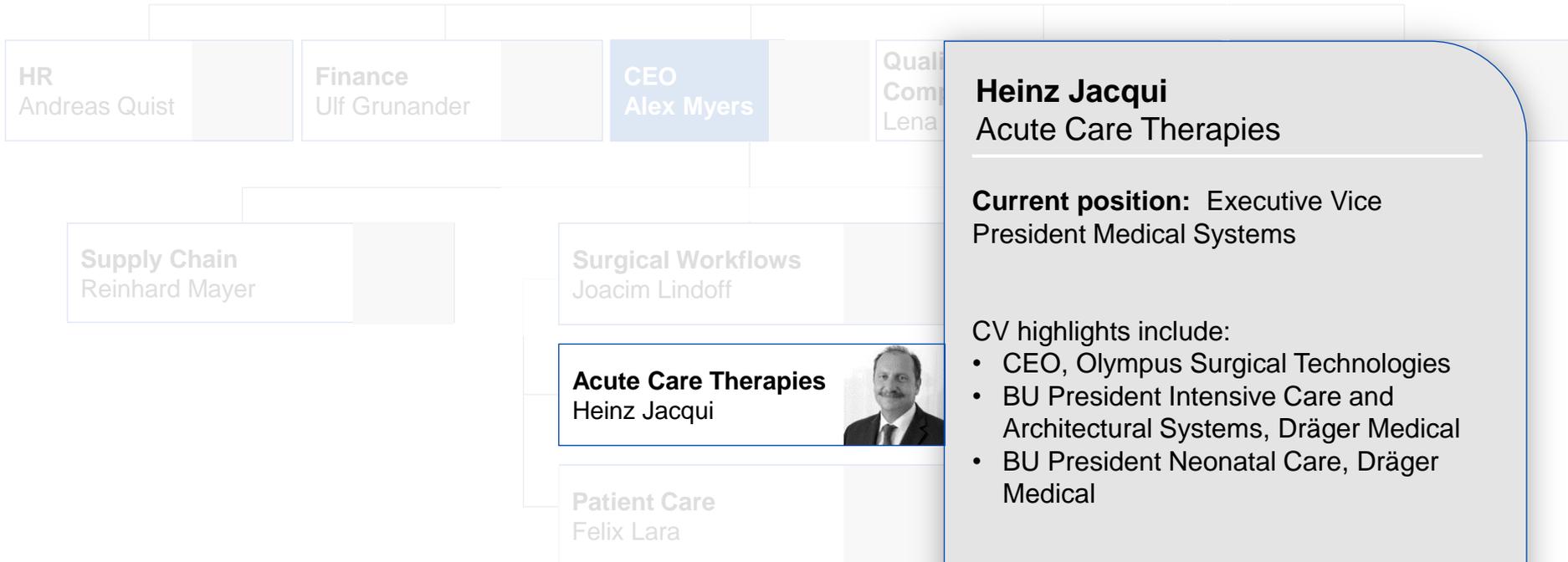
New management  
from January 1, 2016

GETINGE GROUP



New management  
from January 1, 2016

GETINGE GROUP



**Heinz Jacqui**  
Acute Care Therapies

**Current position:** Executive Vice President Medical Systems

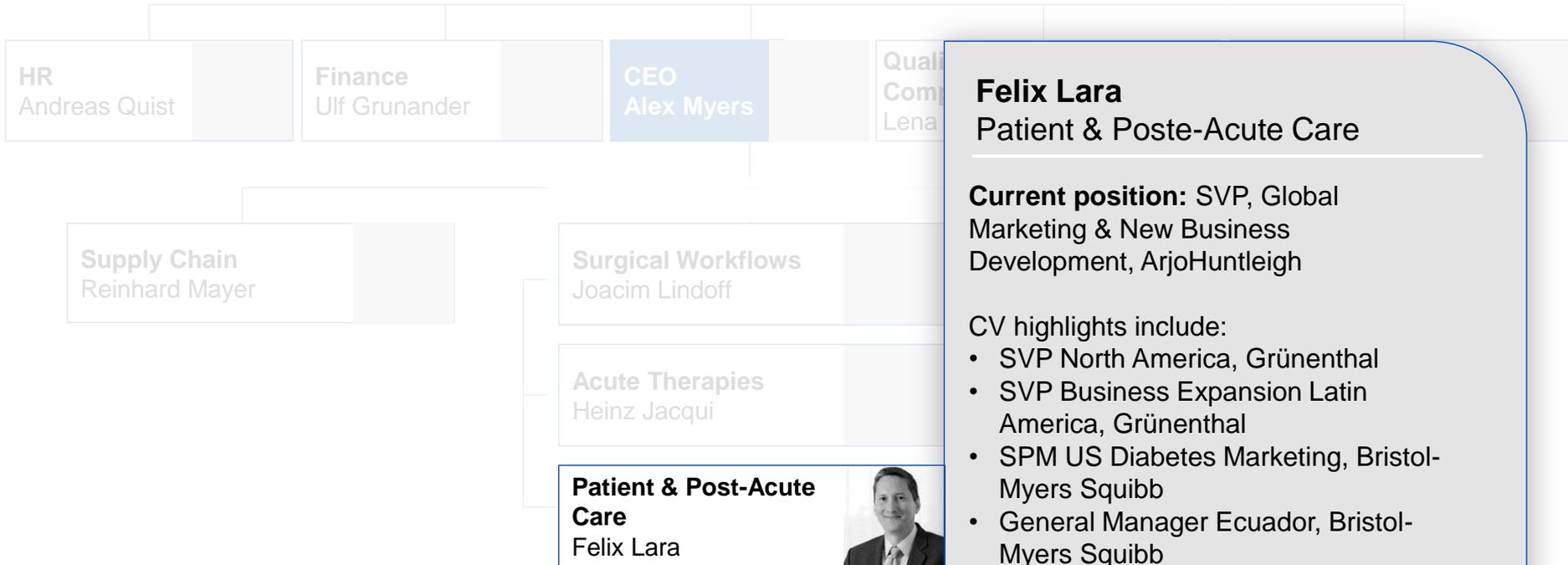
CV highlights include:

- CEO, Olympus Surgical Technologies
- BU President Intensive Care and Architectural Systems, Dräger Medical
- BU President Neonatal Care, Dräger Medical



New management  
from January 1, 2016

GETINGE GROUP



**Felix Lara**  
Patient & Post-Acute Care

**Current position:** SVP, Global Marketing & New Business Development, ArjoHuntleigh

CV highlights include:

- SVP North America, Grünenthal
- SVP Business Expansion Latin America, Grünenthal
- SPM US Diabetes Marketing, Bristol-Myers Squibb
- General Manager Ecuador, Bristol-Myers Squibb



New management  
from January 1, 2016

GETINGE GROUP

HR  
Andreas Quist

Finance  
Ulf Grunander

**Carsten Blecker**  
Europe, Middle East and Africa

Communications  
Kornelia Rasmussen

Supply Chain  
Reinhard Mayer

**Current position:** President WEMEA  
Medical Systems & President Middle  
East & Africa Getinge Group

CV highlights include:

- VP & Managing Director of Biomet's Dental Business for Europe, Middle East & Africa
- Business Unit Director of large medical device distribution group
- Previous tenure with McKinsey & Company, Kimberly-Clark Healthcare and Medtronic

**EMEA**  
Carsten Blecker



**Americas**  
Raoul Quintero

**APAC**  
Paul Lyon

New management  
from January 1, 2016

GETINGE GROUP

HR  
Andreas Quist

Finance  
Ulf Grunander

**Raoul Quintero**  
Americas

Communications  
Kornelia Rasmussen

Supply Chain  
Reinhard Mayer

**Current position:** President and CEO  
MAQUET North America & Interim  
President and CEO MAQUET  
Cardiothoracic

CV highlights include:

- VP Sales, Boston Scientific
- Director of Leadership Development,  
Guidant Corporation

EMEA  
Carsten Blecker

**Americas**  
Raoul Quintero



APAC  
Paul Lyon

New management  
from January 1, 2016

GETINGE GROUP

HR  
Andreas Quist

Finance  
Ulf Grunander

**Paul Lyon**  
Asia Pacific

Communications  
Kornelia Rasmussen

Supply Chain  
Reinhard Mayer

**Current position:** President  
International Emerging Markets,  
ArjoHuntleigh and Member of Extended  
Care management team

CV highlights include:

- Regional Managing Director, ArjoHuntleigh UK, Ireland & Diagnostics
- Regional Director, ArjoHuntleigh Asia Pacific, Middle East & Africa

EMEA  
Carsten Blecker

Americas  
Raoul Quintero

**APAC**  
Paul Lyon



# New management from January 1, 2016

# GETINGE GROUP

**HR**  
Andreas Quist



**Andreas Quist**  
Human Resources

**Current position:** Executive Vice President Human Resources & Sustainability Getinge Group

CV highlights include:

- Vice President Human Resources ArjoHuntleigh Malmö
- HR Director Europe Nokia Corporation HQ Finland
- HR Director Intentia Consulting Stockholm

Quality Regulatory  
Compliance  
Lena Hagman

Communications  
Kornelia Rasmussen

Supply Chain  
Reinhard Mayer

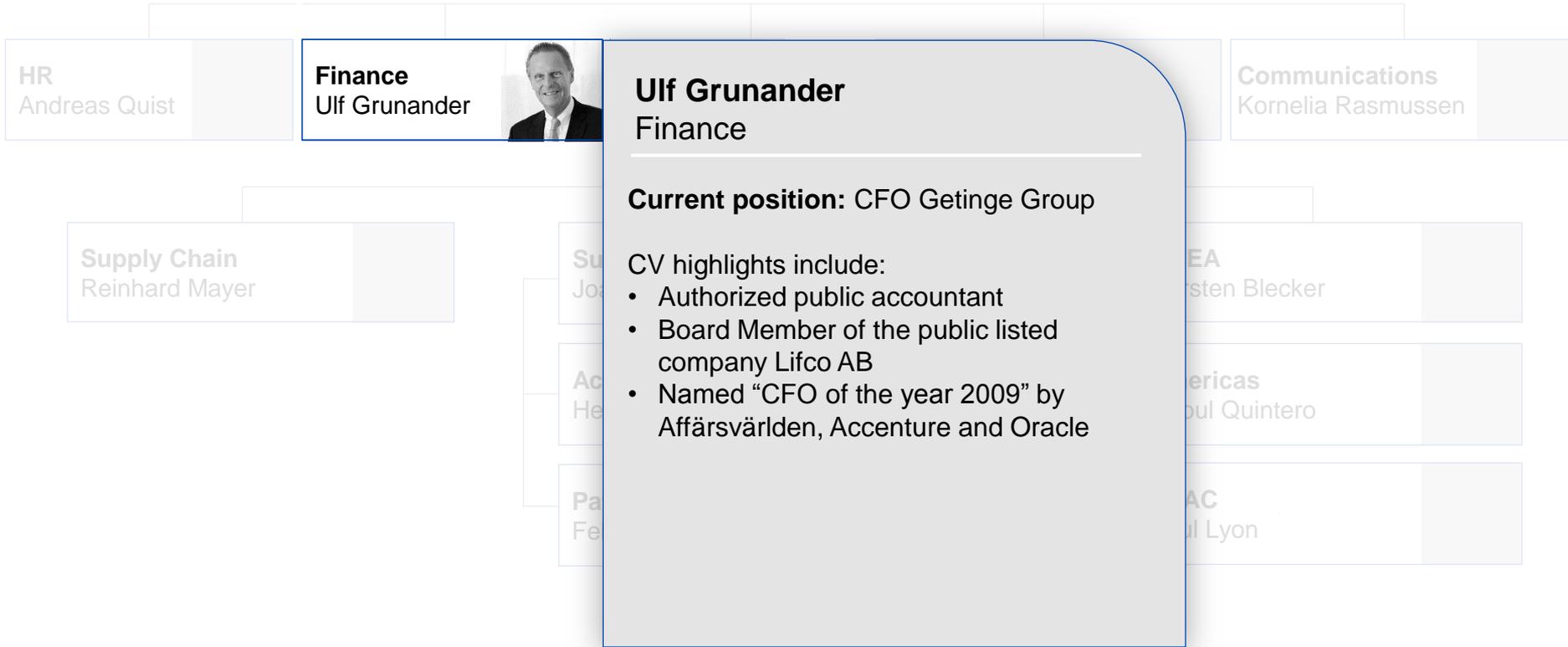
EMEA  
Carsten Blecker

Americas  
Raoul Quintero

APAC  
Paul Lyon

New management  
from January 1, 2016

GETINGE GROUP



New management  
from January 1, 2016

GETINGE GROUP

HR  
Andreas Quist

**Lena Hagman**  
Quality Regulatory Compliance

**Current position:** SVP Quality & Regulatory Compliance, Getinge Group

CV highlights include:

- SVP Quality & Regulatory Compliance, ArjoHuntleigh and Infection Control
- SVP Innovation/R&D and SVP Quality & Regulatory Management, ArjoHuntleigh
- Quality and Process Director, Capio
- Operation Director /Business development Neoventa Medical AB
- Group Quality Director Mölnlycke Health Care

**Quality Regulatory Compliance**  
Lena Hagman



**Communications**  
Kornelia Rasmussen

Supply Chain  
Reinhard Mayer

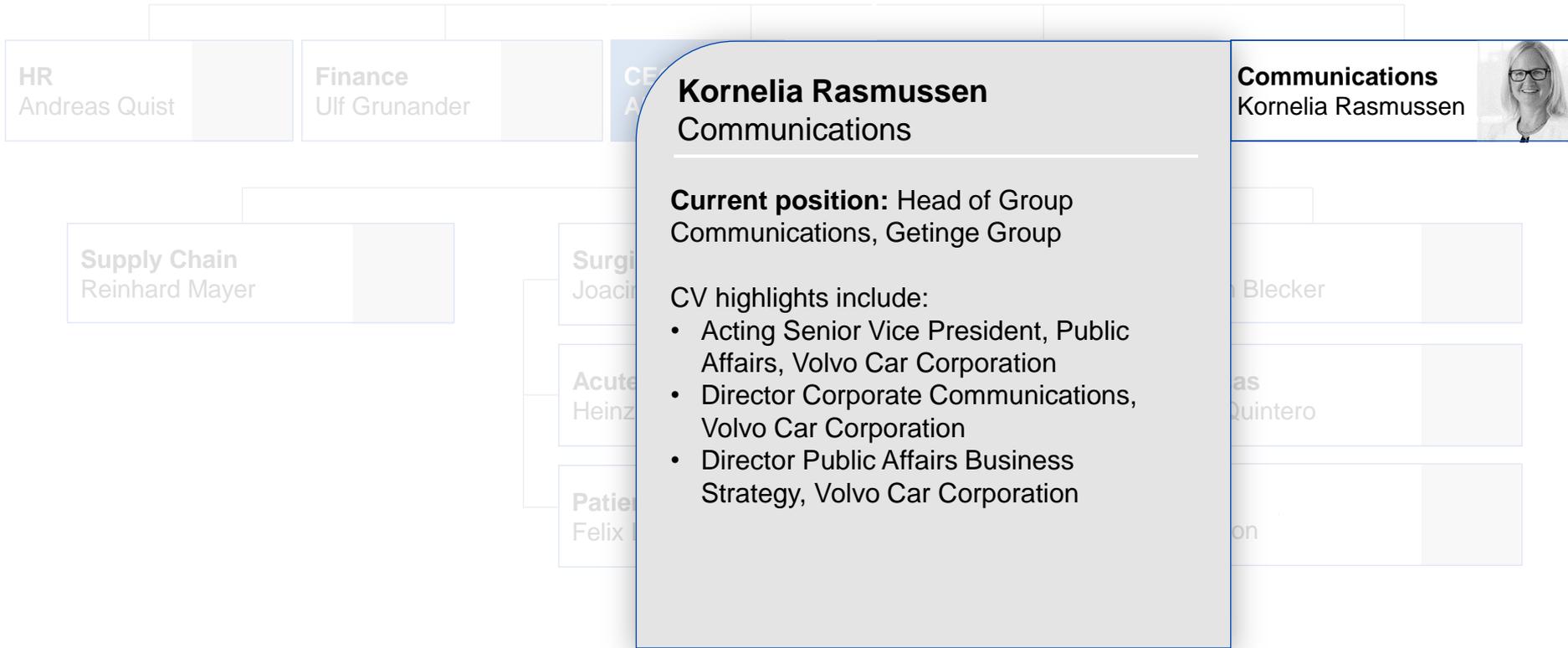
**EMEA**  
Carsten Blecker

**Americas**  
Raoul Quintero

**APAC**  
Paul Lyon

New management  
from January 1, 2016

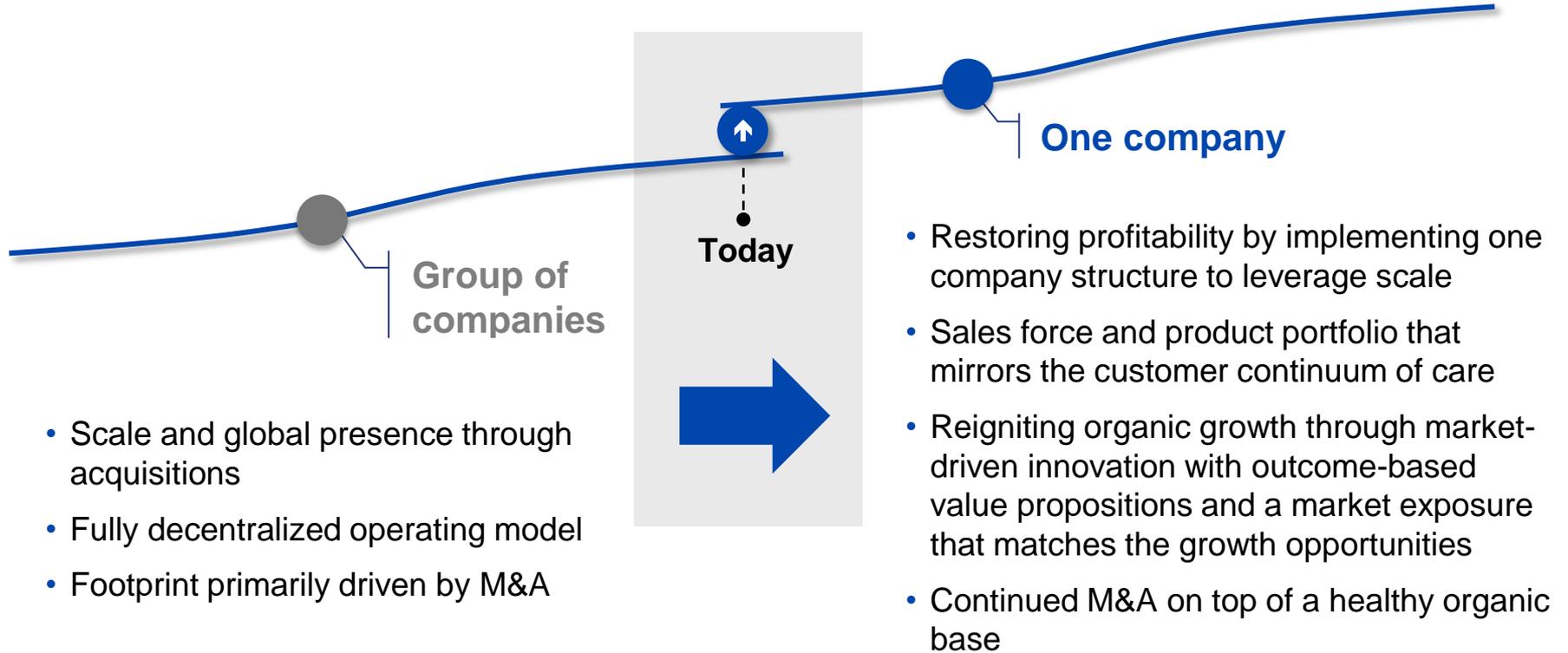
GETINGE GROUP



## Summary

### True step-change to restore performance

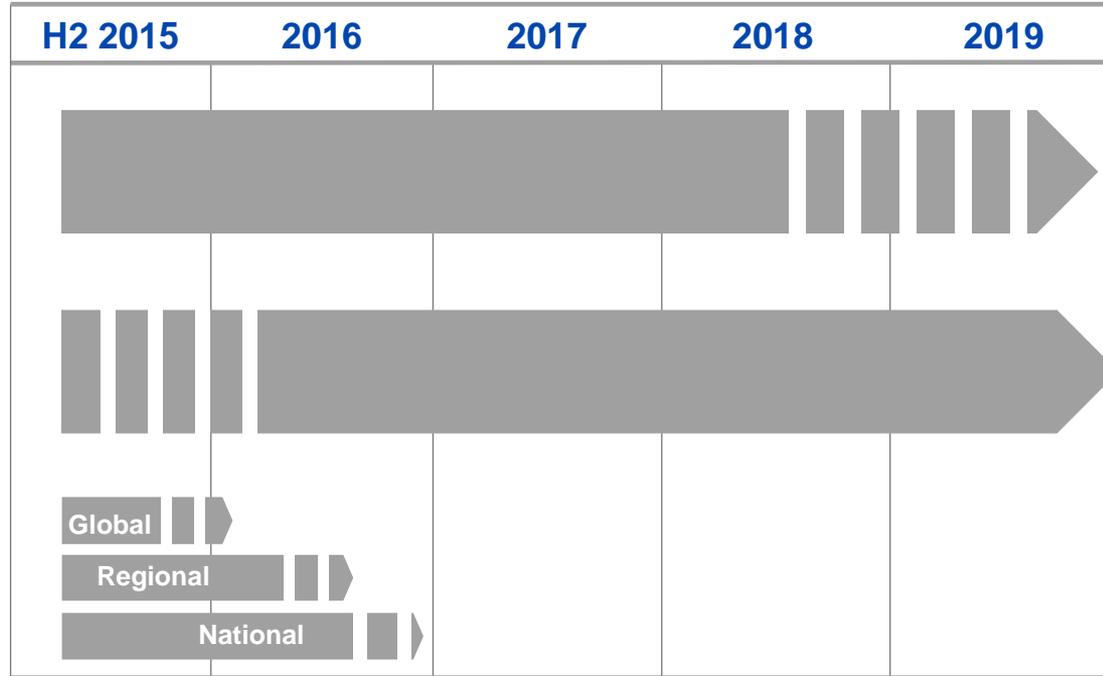
GETINGE GROUP



- 1 GETINGE TODAY
- 2 PERFORMANCE IMPROVEMENT PLAN
- 3 TRANSFORMATION ROADMAP**
- 4 NEW FINANCIAL TARGETS
- 5 FINANCIALS
- 6 NEXT STEPS

The transformation is a **three to four-year turnaround** program

GETINGE GROUP



Transformation program already initiated and early achievements are visible

GETINGE GROUP

RESTORE MARGINS



- ✓ Indirect sourcing ongoing with first impact visible
- ✓ Commercial excellence initiatives ongoing
- ✓ Shared services

REIGNITE GROWTH



- ✓ Emerging markets Group approach launched

EXECUTION ENABLER



- ✓ First level of organizational design in place
- ✓ New Executive Management Team appointed
- ✓ Implementation plan for launch in January 2016

- 1 GETINGE TODAY
- 2 PERFORMANCE IMPROVEMENT PLAN
- 3 TRANSFORMATION ROADMAP
- 4 NEW FINANCIAL TARGETS**
- 5 FINANCIALS
- 6 NEXT STEPS

Financial targets 2016-2019  
**Excluding acquisitions**

GETINGE GROUP

**TOP-LINE  
GROWTH\***

**2-4%**

Annually

**EBITA  
GROWTH\*\***

**> 10%**

Annually

**RETURN ON  
EQUITY**

**> 15%**

Within the  
period

**CASH  
CONVERSION**

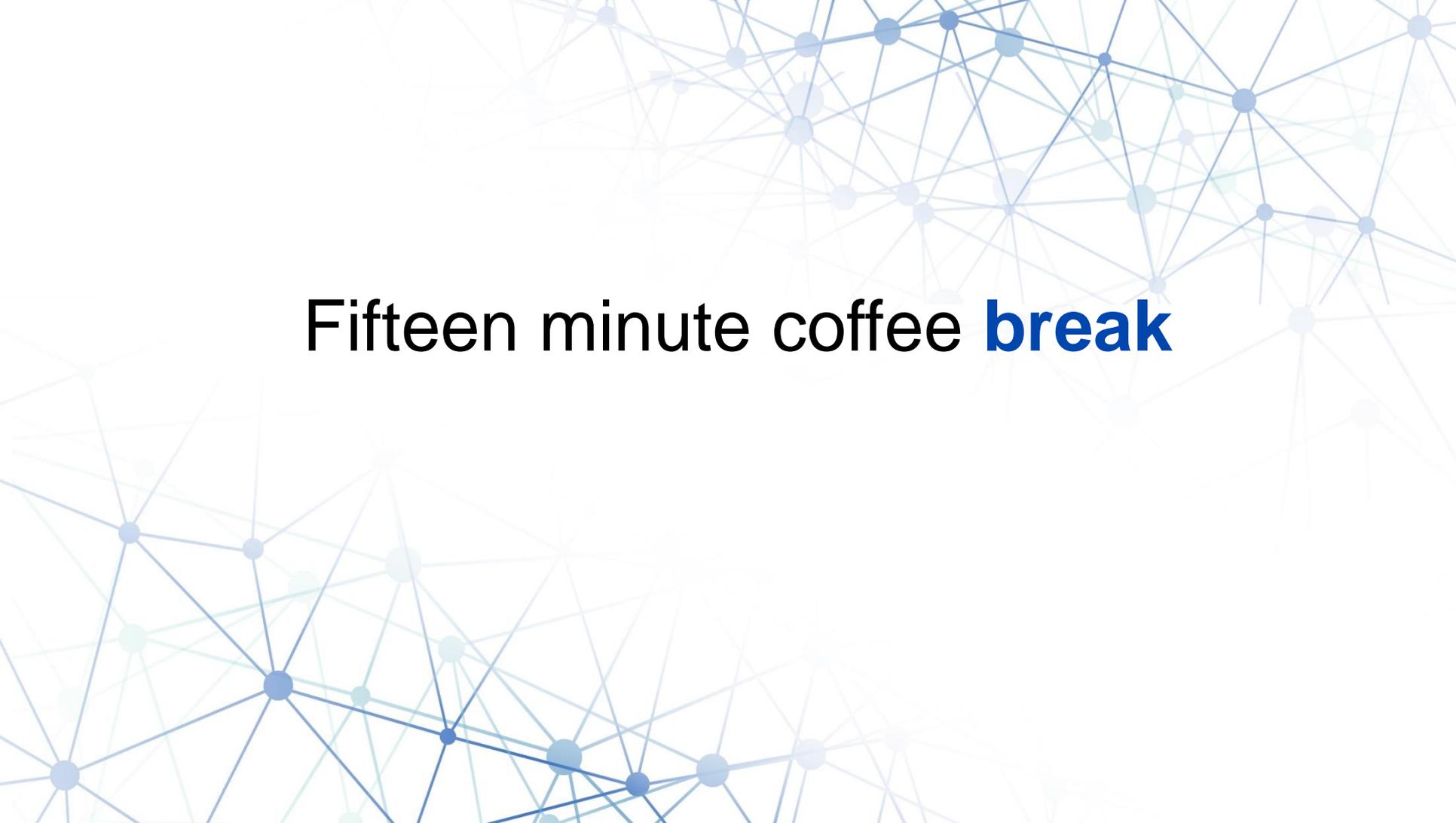
**> 70%**

Within the  
period

\* Organic

\*\* EBITA result before restructuring and acquisitions

Getinge's Board of Directors has adopted a dividend policy based on the principle that future dividends will be adjusted in line with Getinge's profit level, financial position and future development opportunities. The aim is for the dividend to correspond to **30-50% of net income**.

A background network diagram consisting of numerous nodes (circles) connected by thin lines. The nodes are colored in shades of blue and green, and the lines are thin and light blue. The overall appearance is that of a complex, interconnected network.

Fifteen minute coffee **break**

- 1 GETINGE TODAY
- 2 PERFORMANCE IMPROVEMENT PLAN
- 3 TRANSFORMATION ROADMAP
- 4 NEW FINANCIAL TARGETS
- 5 FINANCIALS**
- 6 NEXT STEPS

---

# Financials 2016-2019

## **Healthy financial recovery**

---

Ulf Grunander, CFO

Financial targets 2016-2019  
**Excluding acquisitions**

GETINGE GROUP

TOP-LINE  
GROWTH\*

2-4%

Annually

EBITA  
GROWTH\*\*

> 10%

Annually

RETURN ON  
EQUITY

> 15%

Within the  
period

CASH  
CONVERSION

> 70%

Within the  
period

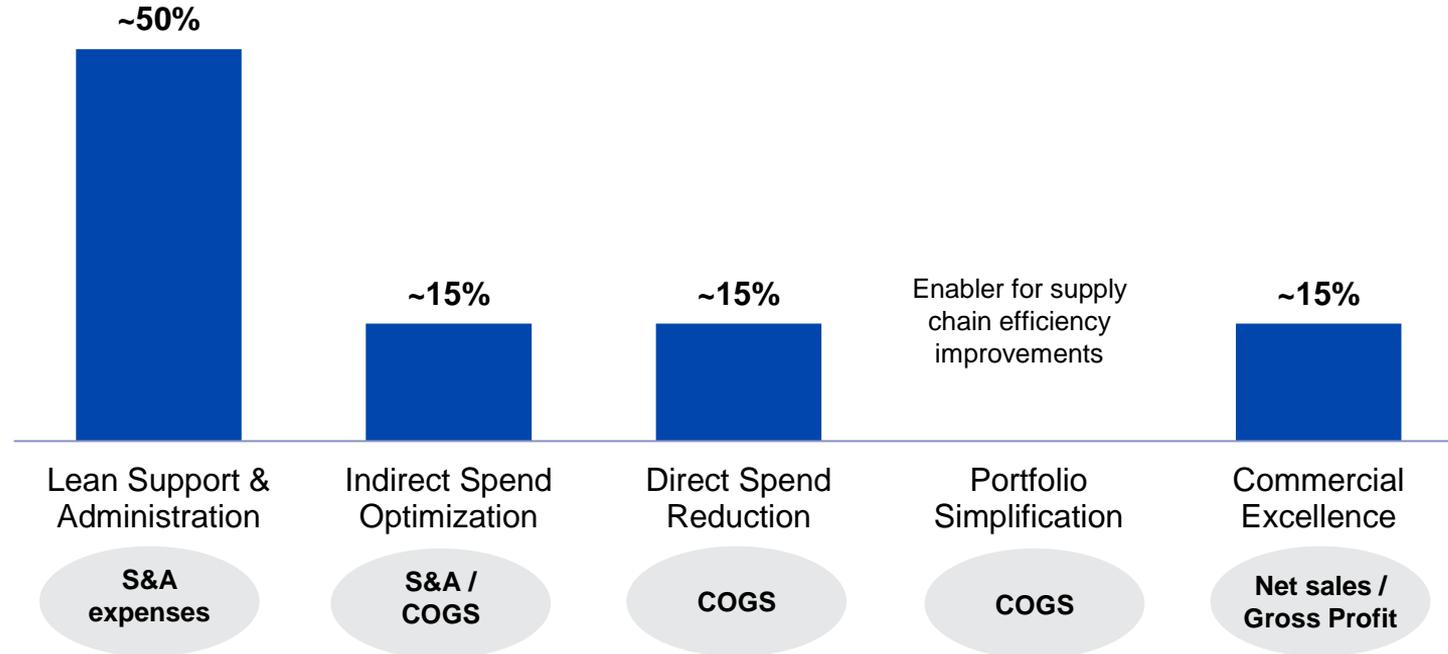
\* Organic

\*\* EBITA result before restructuring and acquisitions

# The Big 5 Performance Improvement Plan

## EBITA improvement of SEK 2.5-3 billion by 2019

GETINGE GROUP

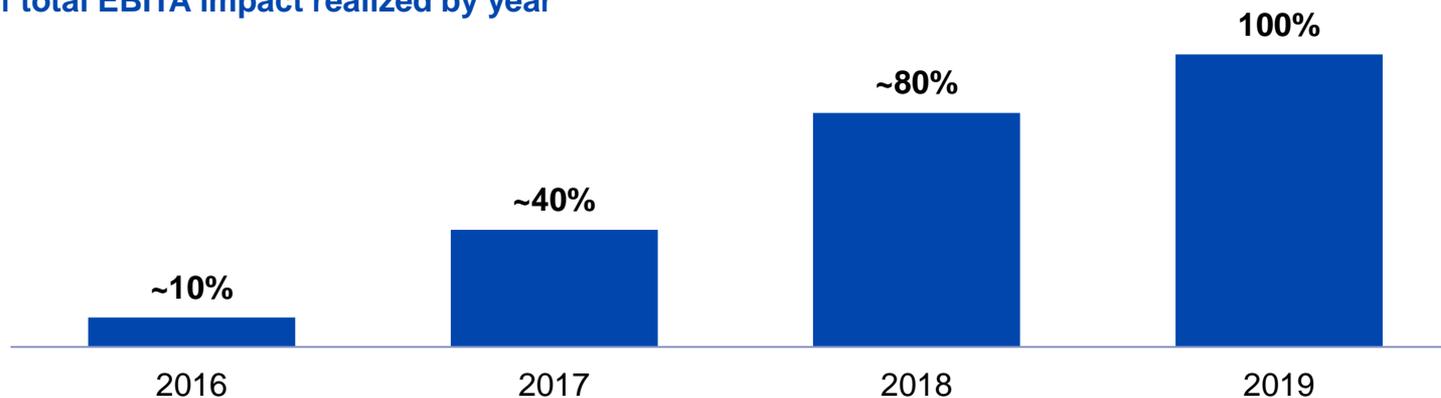


- The financial case and profit guidance also include an assumption on market price erosion of ~1% annually
- The 2.5-3 billion EBITA improvement from The Big 5 program does not include currency hedge effects of SEK +200 M in 2016

## Timeline for realization of The Big 5 improvements

GETINGE GROUP

### % of total EBITA impact realized by year



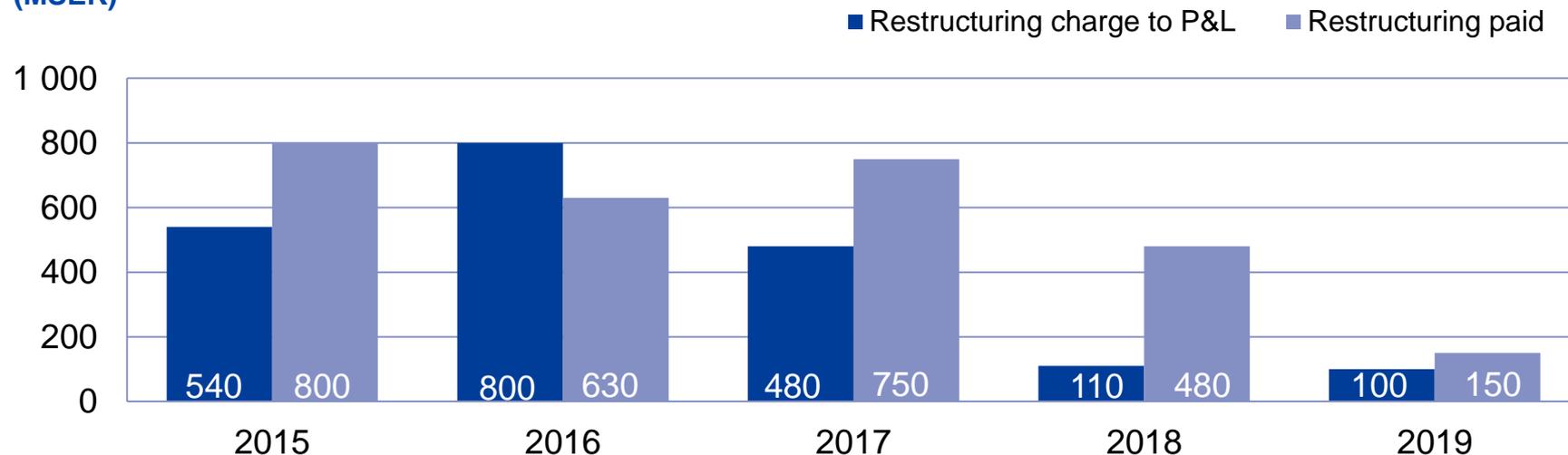
### Comments

- Quick wins from indirect sourcing and commercial excellence already in 2016
- Majority of expected impact in 2017 and 2018
- Full realization of The Big 5 in 2019

## Restructuring costs 2015-2019

GETINGE GROUP

(MSEK)



### Comments

- No additional restructuring costs relating to FDA consent decree charged after 2015
- The Big 5 initiatives adding SEK ~750 M to restructuring cost, charged mainly in 2016 and 2017
- IT/IS consolidation program requiring SEK ~460 M in restructuring costs during 2015-2019

Key ratios  
2016 - 2019

GETINGE GROUP

MSEK	2014/2015E Avg.	2016/2017E Avg.	2018/2019E Avg.
<b>Cash conversion</b>	69%	74%	73%
<b>Net debt/EBITDA</b>	~4.3x	~3.0x	~1.5x
<b>Return on equity</b>	8.5%	12.0%	15.0%
<b>Earnings per share (SEK)</b>	~6.5	~10.0	~18.0

Comment

- Tax rate estimated at 27.0 %

Estimated annual currency effects

MSEK	2014	2015	2016
<b>Translation</b>	+150	+230	
<b>Hedging</b>	-200	-240	+200

Comment

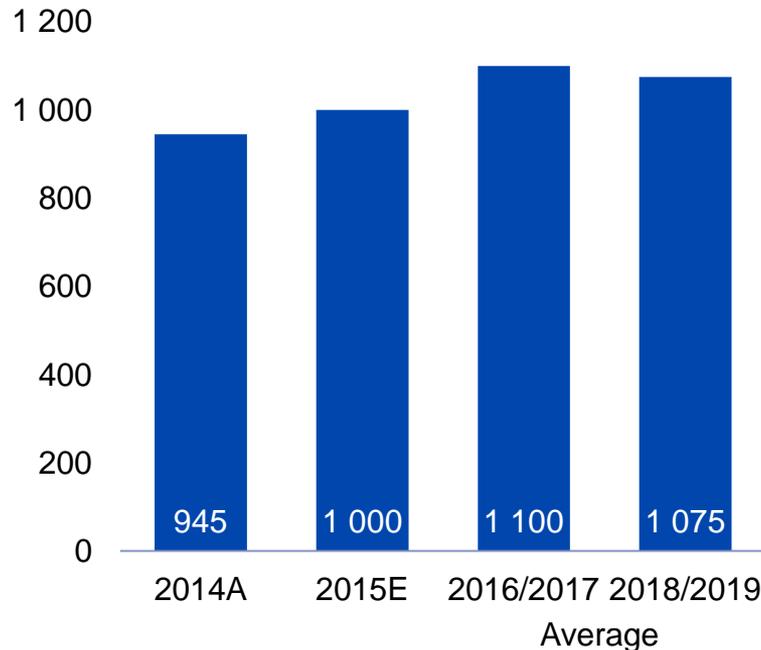
- Currency rates from 2016 and onward assumed to be on par with 2015 rates

## Capital expenditures

**Capital expenditures stable at approx. 3% of revenues**

GETINGE GROUP

### Capital expenditures (MSEK)



### Comments

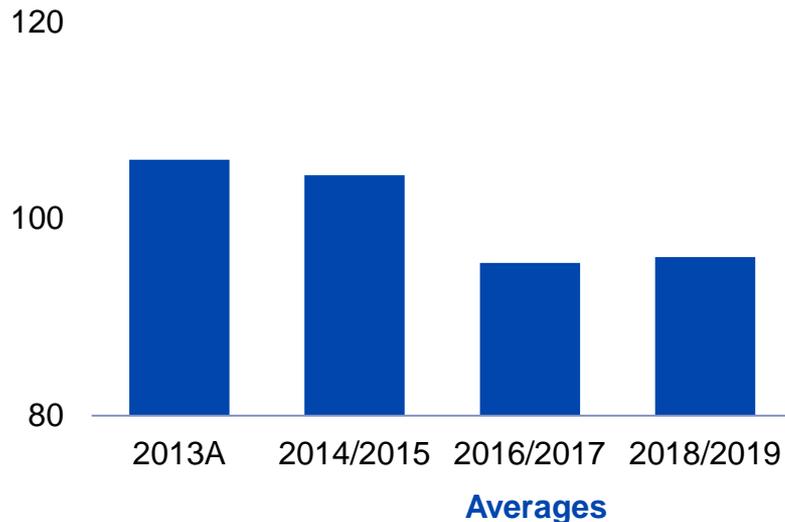
- Stable capital expenditures investments expected going forward
- Value expected to approach ~3% of revenues in the long term
- Planned IT/IS investments of SEK ~1,040 M during 2015-2020, corresponding to ~0.5% of revenues annually

## External working capital & cash conversion

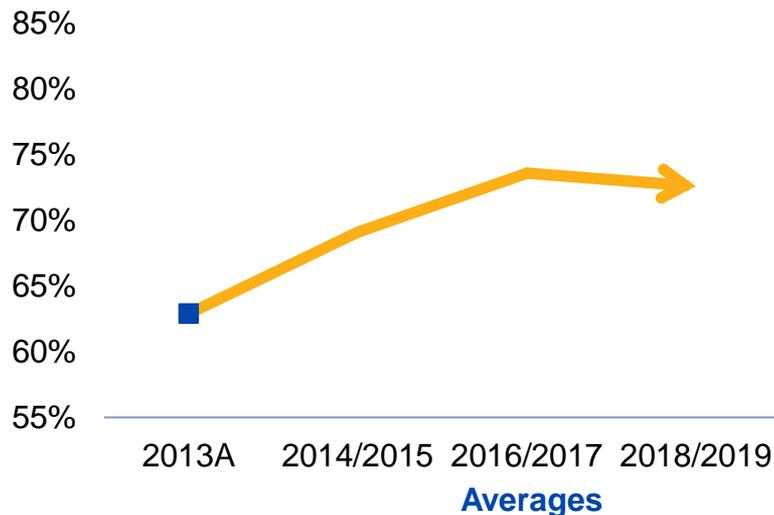
**Capital efficiency expected to continue to improve year-on-year**

GETINGE GROUP

Working capital days



Cash conversion



### Comments

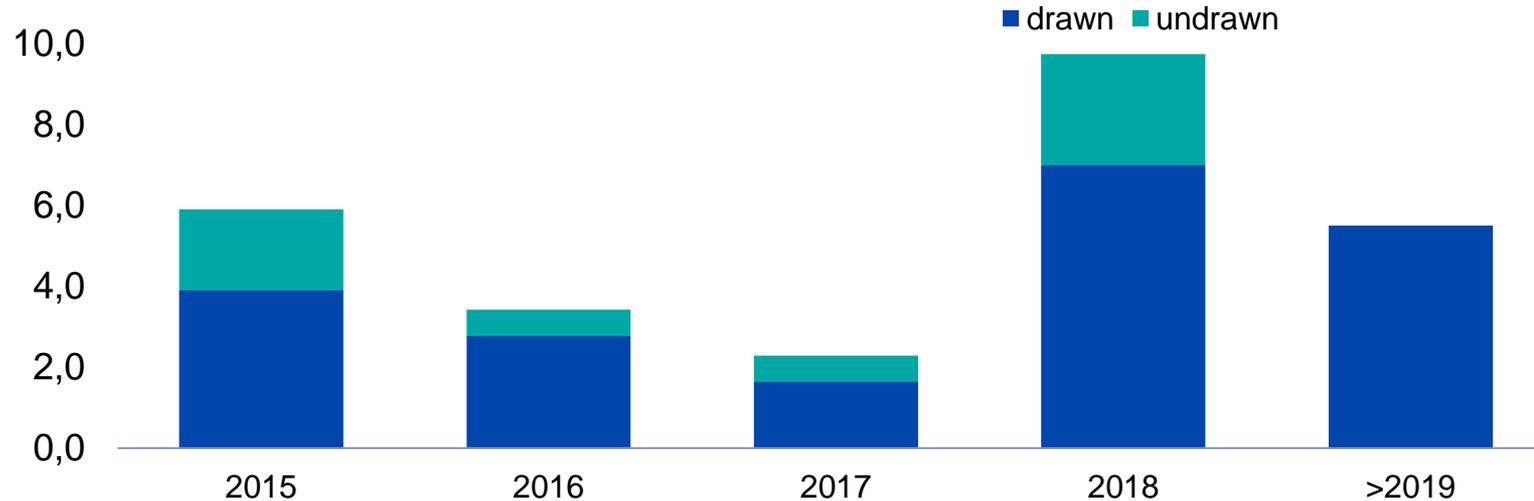
- 112 days in 2013 - favorable trend expected to continue in the long term (closing balance)
- Continued improvement in cash conversion

## Funding maturity profile 2015-2019

### Healthy funding portfolio from a wide variety of sources

GETINGE GROUP

#### Financial liabilities maturity 2015-2019 (SEK billion)



#### Comment

- 2018: Syndicated bank loan and Swedish bond loan are maturing, refinancing will be completed well in advance

---

**GETINGE GROUP**

---

Net debt

## Improving net debt position and favorable funding conditions

GETINGE GROUP

### Net debt and funding cost data

	2014/2015E Avg.	2016/2017E Avg.	2018/2019E Avg.
Net debt YE (b)	~22.0	~19.0	~15.0
Net debt/EBITDA	~4.3x	~3.0x	~1.5x
Avg. interest rates	3.1%	2.8%	2.5%
Hedge ratio	~70%	~70%	~45%
Financial net (M)	-700	-580	-430

### Comments

- Positive earnings development contributes to decreased leverage
- Moderate decrease in interest rates expected going forward due to decreased leverage

- Improved profitability
- Stronger cash flow
- Deleverage balance sheet

---

Financial communication  
**Reporting structure**

---

---

**A pragmatic solution with a customer-need segment approach**

- **The three Business Category Units as reporting segments + Corporate functions**
    - Surgical Workflows
    - Acute Care Therapies
    - Patient & Post-Acute Care
    - Corporate functions
  - **Order intake per sales region**
    - EMEA
    - Americas
    - Asia/Pacific
- We aim at providing two years' restatement to the stock market in the first quarter of 2016

# Reporting structure

## Functional organization and segment reporting

GETINGE GROUP

	Surgical Workflows	Acute Care Therapies	Patient & Post-Acute Care	Corporate functions	Total Getinge Group
Net sales, SEK M					
<i>Adj. for x-rates, acquisitions and divestments</i>					
Gross Profit					
<i>Gross margin, %</i>					
Operating costs, SEK M					
EBITA before restructuring and integration costs					
<i>EBITA margin, %</i>					
Acquisition expenses					
Restructuring and integration costs, SEK M					
EBIT					
<i>EBIT margin, %</i>					
<b>Order intake, SEK M</b>	<b>Surgical Workflows</b>	<b>Acute Care Therapies</b>	<b>Patient &amp; Post-Acute Care</b>		<b>Total Getinge Group</b>
EMEA					
Americas					
Asia/Pacific					
<b>Business Category Unit total</b>					

- 1 GETINGE TODAY
- 2 PERFORMANCE IMPROVEMENT PLAN
- 3 TRANSFORMATION ROADMAP
- 4 NEW FINANCIAL TARGETS
- 5 FINANCIALS
- 6 **NEXT STEPS & OUTLOOK 2015**



---

## The next steps

---

GETINGE GROUP

- Focus on organizational design
- Securing implementation
- Continued customer focus



---

Outlook 2015

**Remains unchanged**

---

GETINGE GROUP

- Organic revenue growth is expected to improve in 2015
- The outcome of the ongoing discussions with the US FDA is expected to have a negative financial impact of approx. SEK 500 M on operating profit for 2015.
- FX effects are expected to negatively impact 2015 pre-tax earnings in the amount of SEK 10 M (transaction effects minus SEK 240 M and translations effects approx. SEK 230 M based on current exchange rates)
- Restructuring charges for 2015 are expected to amount to SEK 540 M



---

## Summary

---

GETINGE GROUP

- The strategy is right
- One Getinge
- Mirror the customer continuum of care
- Transformation journey

---

Q&A

---