

Comments from Mattias Perjos, President & CEO

Making a real difference together with our customers

“During the second quarter, we continued to work closely with our hospital and pharmaceutical customers to support them in their efforts to combat COVID-19. This resulted in a large number of orders and deliveries of advanced ICU ventilators and ECMO therapy products for hospitals and Sterile Transfer products for the pharmaceutical industry. Our order intake increased organically by 17.5%, and sales rose by 9.1%, due to a very strong development in parts of Acute Care Therapies. The high volumes, combined with the productivity measures in recent years, resulted in increased profitability, strengthened free cash flow and lower net debt. We have received feedback from customers about the positive effect that our advanced ICU ventilators have had for treating COVID-19 patients, which is highly encouraging in our intensive efforts to gradually increase production of ventilators by 160% in 2020. Our greatest challenge remains ensuring access to components from our suppliers. Our cardiac and vascular surgery products were negatively impacted by COVID-19 because planned procedures were postponed, but we could see an improvement in this area in June when a rising number of hospitals started to work through the backlog that had accumulated during the pandemic. We expect a slow recovery of capital goods for hospitals, which has impacted sales and profitability for Surgical Workflows this quarter and will do so for the remainder of 2020. We continued to implement our strategy, with an intense focus on product development, growth and profitability, at a fast tempo despite COVID-19. I am very pleased with how Getinge has created new work methods internally and together with our customers. Finally, I would like to thank all hospital staff, our partners and all my colleagues around the world for the valuable cooperation during this crisis – you are making an incredible difference to overcome this pandemic!”

April – June 2020 in brief

- Net sales increased organically by 9.1% and the order intake rose by 17.5% organically.
- Adjusted gross profit amounted to SEK 3,723 M (3,101) and the margin was 53.4% (49.4).
- Adjusted EBITA amounted to SEK 1,218 M (591) and the margin was 17.5% (9.4).
- Adjusted earnings per share amounted to SEK 3.07 (1.12).
- Cash flow after net investments amounted to SEK 1,368 M (576).
- Decision on restructuring measures that will contribute to annual savings of SEK 130 M, gradually realized from autumn 2020.

January – June 2020 in brief

- Net sales increased organically by 6.6% and the order intake rose by 31.6% organically.
- Adjusted gross profit amounted to SEK 6,940 M (5,926) and the margin was 53.4% (50.1).
- Adjusted EBITA amounted to SEK 1,879 M (960) and the margin was 14.4% (8.1).
- Adjusted earnings per share amounted to SEK 4.48 (1.76).
- Cash flow after net investments amounted to SEK 2,357 M (715).

Outlook for organic growth in net sales 2020

Due to the continuing uncertainty caused by the COVID-19 pandemic, Getinge has decided not to present a forecast for the expected increase in net sales for the full-year 2020.

Summary of financial performance¹⁾

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Order intake	8,081	6,787	17,533	12,960	26,832
<i>Organic change, %</i>	17.5	5.2	31.6	6.3	4.1
Net sales	6,971	6,277	13,004	11,825	26,559
<i>Organic change, %</i>	9.1	4.0	6.6	4.9	3.9
Adjusted gross profit	3,723	3,101	6,940	5,926	13,401
<i>Margin, %</i>	53.4	49.4	53.4	50.1	50.5
Adjusted EBITDA	1,669	1,002	2,745	1,769	4,986
<i>Margin, %</i>	23.9	16.0	21.1	15.0	18.8
Adjusted EBITA	1,218	591	1,879	960	3,310
<i>Margin, %</i>	17.5	9.4	14.4	8.1	12.5
Adjusted EBIT	1,091	466	1,622	713	2,813
<i>Margin, %</i>	15.7	7.4	12.5	6.0	10.6
Operating profit (EBIT)	757	324	1,261	462	2,372
<i>Margin, %</i>	10.9	5.2	9.7	3.9	8.9
Profit before tax	677	205	1,103	229	1,909
Net profit for the period	497	111	774	128	1,256
Adjusted net profit for the period	839	312	1,229	498	1,947
<i>Margin, %</i>	12.0	5.0	9.5	4.2	7.3
Adjusted earnings per share, SEK	3.07	1.12	4.48	1.76	7.02
Earnings per share, SEK	1.81	0.38	2.81	0.40	4.48
Cash flow from operating activities	1,638	891	2,883	1,278	3,832

1) See page 3 for calculations of adjusted performance measures.

Every care has been taken in the translation of this Financial Report. In the event of discrepancies, the Swedish original will supersede the English translation. Figures in tables and diagrams in Getinge’s financial statements are not rounded off, as was done in the past so that the totals in tables and diagrams would tally. This change was made for practical reasons and has no material impact. Historical information has not been restated.

Group performance

Order intake

April – June 2020

- The continued high organic order growth is clearly linked to Acute Care Therapies, in Critical Care, that reported sharp growth in all geographic markets.
- The order intake in Surgical Workflows and Life Science declined organically, related to capital goods
- The strong performance in EMEA was the result of an exceptionally strong order intake in ventilators, while the order intake in Americas and APAC was hampered by lower demand for capital goods in Surgical Workflows and low activity in planned surgery.

Order intake business areas, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Acute Care Therapies	5,285	3,674	44.3	12,219	7,092	69.4	14,778
Life Science	824	705	-1.2	1,477	1,350	-6.8	2,640
Surgical Workflows	1,972	2,408	-18.1	3,837	4,518	-16.2	9,414
Total	8,081	6,787	17.5	17,533	12,960	31.6	26,832

Order intake regions, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Americas	2,970	2,768	5.7	6,714	5,300	22.2	10,723
APAC	1,722	1,512	9.4	3,817	2,741	33.3	6,037
EMEA	3,389	2,507	35.5	7,002	4,919	40.9	10,072
Total	8,081	6,787	17.5	17,533	12,960	31.6	26,832

Net sales

April – June 2020

- Growth in net sales was primarily attributable to deliveries in Acute Care Therapies, in Critical Care and Cardiopulmonary.
- Net sales in Surgical Workflows were negatively affected by lower activity related to capital goods.
- Net sales in Life Science were positively impacted by the very high sales in Sterile Transfer and the slightly positive growth in sterilizers due to larger deliveries toward the end of the quarter.
- The strong performance in EMEA was the result of large deliveries of ventilators, while Americas and APAC were hampered by significantly lower volumes in planned surgery and reduced deliveries in Surgical Workflows.

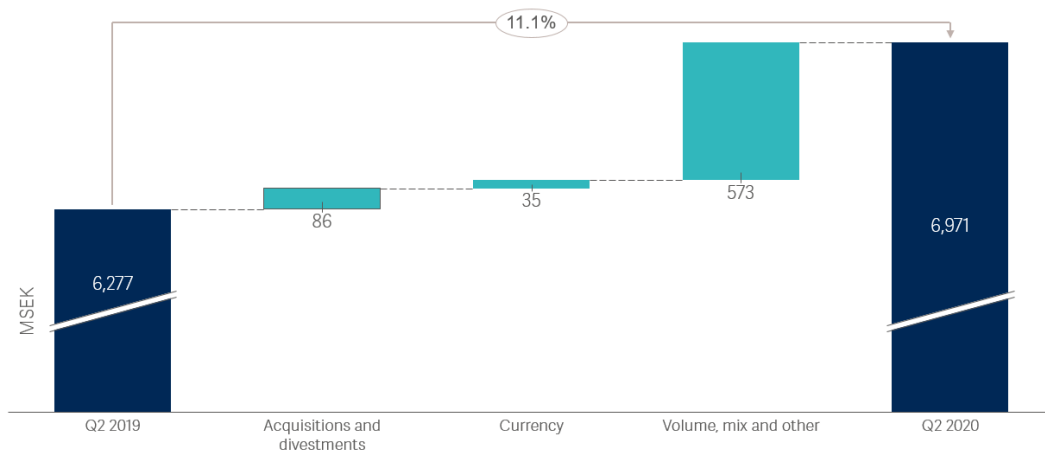
Net sales business areas, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Acute Care Therapies	4,300	3,541	20.8	8,017	6,862	14.5	14,637
Life Science	698	601	0.6	1,302	1,109	0.8	2,487
Surgical Workflows	1,973	2,135	-7.8	3,685	3,854	-5.8	9,435
Total	6,971	6,277	9.1	13,004	11,825	6.6	26,559

Net sales regions, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Americas	2,654	2,574	0.8	5,216	5,000	0.2	10,635
APAC	1,422	1,428	-3.9	2,710	2,497	3.4	5,877
EMEA	2,895	2,275	26.9	5,078	4,328	15.9	10,047
Total	6,971	6,277	9.1	13,004	11,825	6.6	26,559

Net sales specified by capital goods & consumables, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Capital goods	3,425	2,592	28.6	5,793	4,688	18.6	11,781
Consumables	3,546	3,685	-4.6	7,211	7,137	-1.3	14,778
Total	6,971	6,277	9.1	13,004	11,825	6.6	26,559

Net sales – bridge between April-June 2019 and April-June 2020

- Net sales increased by SEK 694 M, corresponding to 11.1%.
- Acquired operations represented growth of SEK 86 M, corresponding to 1.4%.
- Exchange rates had a positive impact of SEK 35 M on sales, corresponding to almost 0.6%.
- Volume, mix and other items positively affected sales by SEK 573 M, corresponding to growth of 9.1%.



- Currency effects impacted adjusted gross profit by SEK +46 M and adjusted EBITA by SEK -4 M.
- The gross margin continued to strengthen, mainly due to a sharp increase in sales of ventilators and ECMO products combined with the productivity measures carried out in recent years.
- Adjusted operating expenses declined 2.2% compared with Q2 2019, as a result of productivity improvements and adjusting work methods to COVID-19.
- Adjusted EBITA rose by SEK 626 M year-on-year and the margin increased by 8.1 percentage points to 17.5%.
- Acquisition and restructuring costs amounted to SEK -168 M, attributable to rationalization measures in Acute Care Therapies and Surgical Workflows, which are expected to contribute SEK 130 M in annual savings, gradually realized from the autumn of 2020. Other items affecting comparability amounted to SEK -167 M, comprising impairment related to primarily older R&D projects.
- Net financial items improved SEK 39 M as a result of lower net debt and interest expenses.
- The effective tax rate declined compared with the preceding quarter, mainly due to considerably higher earnings in Sweden.

Underlying earnings trend

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net sales	6,971	6,277	13,004	11,825	26,559
Adjusted gross profit	3,723	3,101	6,940	5,926	13,401
Margin, %	53.4	49.4	53.4	50.1	50.5
Adjusted operating expenses	-2,054	-2,099	-4,195	-4,157	-8,415
Adjusted EBITDA	1,669	1,002	2,745	1,769	4,986
Margin, %	23.9	16.0	21.1	15.0	18.8
Depreciation, amortization and write-downs of intangible assets and tangible assets ¹⁾	-451	-411	-866	-809	-1,676
Adjusted EBITA	1,218	591	1,879	960	3,310
Margin, %	17.5	9.4	14.4	8.1	12.5
A Amortization and write-down of acquired intangible assets ¹⁾	-126	-125	-257	-247	-497
Adjusted EBIT	1,091	466	1,622	713	2,813
Margin, %	15.7	7.4	12.5	6.0	10.6
B Acquisition and restructuring costs	-168	-107	-170	-216	-324
C Other items affecting comparability ²⁾	-167	-35	-190	-35	-117
Operating profit (EBIT)	757	324	1,261	462	2,372
Net financial items	-80	-119	-158	-233	-463
Profit before tax	677	205	1,103	229	1,909
Adjusted profit before tax (adjusted for A, B and C)	1,138	472	1,721	727	2,847
Margin, %	16.3	7.5	13.2	6.1	10.7
Taxes	-179	-94	-329	-101	-653
D Adjustment of tax ²⁾	-119	-66	-162	-128	-247
Adjusted net profit for the period (adjusted for A, B, C and D)	839	312	1,229	498	1,947
Margin, %	12.0	5.0	9.5	4.2	7.3
Of which, attributable to Parent Company shareholders	836	304	1,220	479	1,913
Average number of shares, thousands	272,370	272,370	272,370	272,370	272,370
Adjusted earnings per share, SEK (adjusted for A, B, C and D)	3.07	1.12	4.48	1.76	7.02

1) Excluding items affecting comparability (see Note 3 for depreciation, amortization and write-downs).

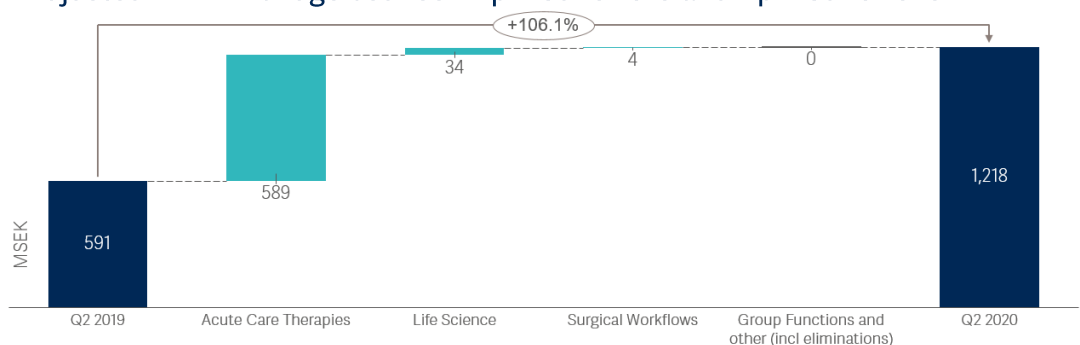
2) See Note 5.

Adjusted EBITA per business area¹⁾

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Acute Care Therapies	1,287	698	2,187	1,296	3,110
Margin, %	29.9	19.7	27.3	18.9	21.2
Life Science	97	63	145	109	323
Margin, %	13.9	10.5	11.1	9.8	13.0
Surgical Workflows	-70	-74	-273	-269	222
Margin, %	-3.5	-3.5	-7.4	-7.0	2.4
Group functions and other (incl. eliminations)	-96	-96	-181	-176	-345
Total	1,218	591	1,879	960	3,310
Margin, %	17.5	9.4	14.4	8.1	12.5

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Adjusted EBITA – bridge between April-June 2019 and April-June 2020



- Acute Care Therapies increased its adjusted EBITA by SEK 589 M and the margin improved by 10.2 percentage points, due to a sharp increase in sales volumes.
- Life Science's adjusted EBITA rose by SEK 34 M and the margin increased by 3.4 percentage points, mainly due to a positive product mix.
- Surgical Workflows' adjusted EBITA improved by SEK 4 M compared with Q2 2019 and the margin was unchanged despite a significant decline in sales.

- Adjusted operating expenses declined by 2.2%, compared with Q2 2019, and operating expenses fell organically by 5.8%.
- The lower expenses are a result of previously implemented measures to enhance productivity. In addition, the organization introduced new work methods as a consequence of COVID-19, one of the results of which was lower travel costs.

- Adjusted gross profit was positively impacted by translation effects of SEK 14 M, and by SEK 32 M from transaction effects and the hedging outcome
- Adjusted EBITA was positively impacted by translation effects of SEK 8 M and negatively impacted with SEK 12 M from the net of transaction effects, the hedging outcome and revaluation of operating receivables and liabilities

- Cash flow after net investments trended very positively, mainly due to improved earnings and continued efforts related to working capital.
- Liquidity increased and cash funds amounted to almost SEK 5.9 billion at the end of the quarter.
- Net debt in relation to adjusted EBITDA R12M continued to improve

- Gross expenses for R&D increased by SEK 149 M, of which SEK 117 M refers to write-downs.
- Capitalized development costs declined by 9.6% compared with the year-earlier period.
- Amortization and write-downs increased by SEK 134 M compared with the preceding year, due to write-downs related to older R&D projects.

Adjusted operating expenses

(excluding depreciation, amortization and write-downs and other items affecting comparability)¹⁾

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Selling expenses	-1,037	-1,184	-2,245	-2,331	-4,666
Administrative expenses	-784	-735	-1,580	-1,465	-3,015
Research and development costs	-206	-169	-394	-362	-688
Other operating income and expenses	-28	-11	24	1	-46
Total	-2,054	-2,099	-4,195	-4,157	-8,415

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Currency impact

SEK M	Apr-Jun 2020	Jan-Jun 2020
Net sales	35	239
Adjusted gross profit	46	235
Adjusted EBITDA	0	148
Adjusted EBITA	-4	135
Adjusted EBIT	-8	125

Cash flow and financial position¹⁾

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Cash flow before changes in working capital	1,453	719	2,157	1,075	3,698
Changes in working capital	185	172	726	203	134
Net investments in non-current assets	-270	-315	-526	-563	-1,111
Cash flow after net investments	1,368	576	2,357	715	2,721
Net interest-bearing debt			10,925	13,950	12,321
<i>In relation to adjusted EBITDA¹⁾ R12M, multiple</i>			1.8	3.3	2.5
Net interest-bearing debt, excl. pension provisions			7,432	10,537	8,766
<i>In relation to adjusted EBITDA¹⁾ R12M, multiple</i>			1.2	2.5	1.8

1) See Note 5 for items affecting comparability and Note 7 for alternative performance measures.

Research and development

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
R&D costs, gross	-474	-325	-780	-646	-1,261
<i>In relation to net sales, %</i>	6.8	5.2	6.0	5.5	4.7
Capitalized development costs	122	135	228	252	499
<i>In relation to net sales, %</i>	1.7	2.2	1.8	2.1	1.9
Research and development costs, net	-353	-190	-552	-394	-762
Amortization and write-downs of capitalized R&D	-270	-136	-398	-261	-539
<i>Of which write-downs</i>	-117	-10	-117	-10	-31

Acute Care Therapies

Acute Care Therapies offers world-leading solutions for life support in acute health conditions. The offering includes solutions for cardiovascular procedures and a broad selection of products and therapies for intensive care. The addressable market, excluding the effects of the COVID-19 pandemic, amounts to SEK 85 billion with expected long-term organic growth of 2-4% per year.

- Very strong growth in ventilator orders for the quarter.
- Lower activity in scheduled cardiac and vascular surgery had a negative effect on the order intake, mainly in Americas. However, the trend bottomed out in May, followed by recovery in June.

- Intense efforts to deliver ventilators and ECMO products to hospitals contributed to an increase in sales, despite a decline in other categories.
- Disruptions to production and logistics had a limited impact on deliveries in the quarter.
- Lower activity in scheduled cardiac and vascular surgery had a negative effect predominantly in Americas and APAC.
- Sales of capital goods increased significantly as a result of large deliveries of ventilators.

- The adjusted gross margin rose 4.3 percentage points in relation to the year-earlier quarter, primarily as a result of volumes effects from the sharp increase in sales of ventilators and ECMO products, geographic mix and increased productivity due to previously implemented rationalizations.
- Adjusted operating expenses increased by 0.5%, due to negative currency effects. Operating expenses fell organically by 2.5%.
- Higher sales and operational leverage contributed to an increase in the adjusted EBITA margin of 10.2 percentage points compared with the preceding year.
- Currency effects impacted sales by SEK +24 M, adjusted gross profit by SEK +36 M and adjusted EBITA by SEK -3 M.

Order intake and net sales

Order intake regions, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Americas	2,196	1,841	19.5	5,223	3,590	41.9	7,404
APAC	1,039	767	34.4	2,538	1,401	76.7	3,138
EMEA	2,051	1,066	94.6	4,458	2,101	112.0	4,236
Total	5,285	3,674	44.3	12,219	7,092	69.4	14,778

Net sales regions, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Americas	1,916	1,792	5.6	3,712	3,506	2.9	7,288
APAC	791	735	6.0	1,618	1,357	15.4	3,044
EMEA	1,594	1,014	58.9	2,686	1,999	34.5	4,305
Total	4,300	3,541	20.8	8,017	6,862	14.5	14,637

Net sales specified by capital goods & consumables, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Capital goods	1,755	913	92.3	2,843	1,772	58.6	4,207
Consumables	2,546	2,628	-4.1	5,174	5,090	-0.9	10,430
Total	4,300	3,541	20.8	8,017	6,862	14.5	14,637

Underlying earnings trend¹⁾

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net sales	4,300	3,541	8,017	6,862	14,637
Adjusted gross profit	2,715	2,082	5,001	4,028	8,660
Margin, %	63.1	58.8	62.4	58.7	59.2
Adjusted EBITDA	1,550	922	2,679	1,740	4,026
Margin, %	36.0	26.0	33.4	25.4	27.5
Depreciation, amortization and write-downs of intangible assets and tangible assets	-263	-224	-492	-444	-916
Adjusted EBITA	1,287	698	2,187	1,296	3,110
Margin, %	29.9	19.7	27.3	18.9	21.2

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Events in the business area

- In May, Getinge introduced Advanta V12 balloon expandable covered stent, a larger diameter size to offer customers increased treatment options within vascular procedures. The larger diameter Advanta V12 balloon expandable covered stent is CE marked and TGA approved for restoring and improving the patency of iliac arteries.
- The newly updated and expanded digital platform Getinge Online can enable hospitals to improve efficiency by using product data to gain insights, enable rapid remote error detection and maximize uptime. Of the acute care products, the first ones to be connected to the new portal are the Getinge Flow Family anesthesia machines and the Servo-u, Servo-n and Servo-air ventilators. The enhanced platform is designed in close collaboration with customers and the feedback has been very positive.
- Acute Care Therapies initiated the planned consolidation of the operations in Mahwah and Fairfield to the closely located plant in Wayne, USA, which is expected to be completed in 2021. In total, the relocation is expected to generate annual savings of SEK 40 M, with gradually increasing realization from Q4 2020. This measure gave rise to restructuring costs of SEK 54 M in the second quarter. In addition to these savings, the consolidation will increase the concentration of skills and result in a higher degree of control in, for example, quality management and production.

Life Science

Life Science offers a comprehensive range of equipment, technical expertise and consultation to prevent contamination in pharmaceutical and medical device production and with the aim to strengthen integrity of results in biomedical research. The addressable market, excluding the effects of the COVID-19 pandemic, amounts to SEK 23 billion with expected long-term organic growth of 3–5% per year.

- The slight organic decline in order intake for the quarter was mainly attributable to delays to new projects as a result of the COVID-19 pandemic.
- Healthy growth in Americas in Sterile Transfer (BetaBags) – Getinge is world leader in this product area.

- Strong organic sales growth in Sterile Transfer products and slightly positive growth in sterilizers due to larger deliveries toward the end of the quarter.
- Fewer deliveries in washer-disinfectors and service due to precautionary measures related to COVID-19.

- The adjusted gross margin strengthened by 4.5 percentage points, primarily as a result of a favorable product mix and increased productivity.
- Adjusted operating expenses increased by 20.0% due to currency effects and acquisitions. Organically the adjusted operating expenses declined by 9.1%.
- Adjusted EBITA rose by SEK 34 M year-on-year and the margin improved to 13.9%.
- Currency effects impacted sales by SEK +7 M, adjusted gross profit by SEK +7 M and adjusted EBITA by SEK 0 M.

Order intake and net sales

Order intake regions, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Americas	361	303	3.3	629	540	-0.2	988
APAC	138	91	-3.6	234	168	-5.9	408
EMEA	324	311	-4.8	613	642	-12.7	1,244
Total	824	705	-1.2	1,477	1,350	-6.8	2,640

Net sales regions, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Americas	267	201	15.4	566	393	23.2	887
APAC	112	98	-24.1	182	167	-27.3	367
EMEA	319	302	-1.2	555	549	-6.7	1,233
Total	698	601	0.6	1,302	1,109	0.8	2,487

Net sales specified by capital goods & consumables, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Capital goods	490	389	2.8	900	691	5.1	1,635
Consumables	207	212	-3.5	402	418	-6.3	852
Total	698	601	0.6	1,302	1,109	0.8	2,487

Underlying earnings trend¹⁾

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net sales	698	601	1,302	1,109	2,487
Adjusted gross profit	285	219	538	422	962
Margin, %	40.9	36.4	41.3	38.1	38.7
Adjusted EBITDA	130	89	210	159	432
Margin, %	18.6	14.8	16.1	14.3	17.4
Depreciation, amortization and write-downs of intangible assets and tangible assets	-33	-26	-65	-50	-109
Adjusted EBITA	97	63	145	109	323
Margin, %	13.9	10.5	11.1	9.8	13.0

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Events in the business area

- The development of a new vaccine and drug against COVID-19 is driving needs for Getinge's DPTE BetaBag that is used for aseptic filling of ampoules. To meet the requirements of larger scale production, the DPTE Transfer Trolley was launched in April – a smart and ergonomic transfer platform for easy handling of DPTE BetaBags.
- Getinge launched two new products in the quarter as another step in assisting laboratory customers to meet their sustainability targets. The first is an ECO program together with our updated Ultima laboratory washers product line. The second is a water-saving system for Getinge's LSS laboratory steam sterilizers. Water consumption can be reduced by up to 95% depending on the load and type of cycle used. The system can also be applied to previously installed machines.

Surgical Workflows

Surgical Workflows offers products and solutions to serve as an end-to-end partner for optimizing the quality, safety and capacity usage of the sterile supply departments and operating rooms. The addressable market, excluding the effects of the COVID-19 pandemic, amounts to SEK 62 billion with expected long-term organic growth of 2–4% per year.

- The order intake declined significantly in all product categories as a result of COVID-19.
- The decline was particularly noticeable in Americas since hospitals prioritized investments in intensive care.

- Net sales were not impacted to the same extent as the order intake since many deliveries were made on orders placed in previous quarters. Infection Control products in EMEA withstood the decline the best, mainly due to high sales in the Middle East.
- Sales in Surgical Workplaces were tangibly impacted by fewer deliveries in Americas as a result of lower activity in the relevant areas of health care in both North and South America.

- The adjusted gross margin fell by 0.9 of a percentage point mainly as a result of lower sales. Enhanced productivity contributed to offsetting the negative effect.
- Adjusted operating expenses declined by 10.7% and fell organically by 10.8% compared with Q2 2019. This was attributable to previously implemented rationalizations combined with lower selling expenses (travel and participation at trade fairs) as a result of COVID-19.
- Adjusted EBITA improved by SEK 4 M and the margin was unchanged compared with Q2 2019 despite lower sales.
- Currency effects impacted sales by SEK +5 M, adjusted gross profit by SEK +3 M and adjusted EBITA by SEK +2 M

Order intake and net sales

Order intake regions, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Americas	412	624	-34.0	861	1,170	-27.8	2,331
APAC	546	654	-18.0	1,045	1,172	-13.1	2,491
EMEA	1,014	1,130	-9.3	1,932	2,176	-11.6	4,592
Total	1,972	2,408	-18.1	3,837	4,518	-16.2	9,414

Net sales regions, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Americas	472	581	-19.2	938	1,101	-16.7	2,460
APAC	519	595	-12.9	909	973	-8.2	2,466
EMEA	982	959	2.2	1,837	1,780	2.3	4,509
Total	1,973	2,135	-7.8	3,685	3,854	-5.8	9,435

Net sales specified by capital goods & consumables, SEK M	Apr-Jun 2020	Apr-Jun 2019	Org Δ, %	Jan-Jun 2020	Jan-Jun 2019	Org Δ, %	Jan-Dec 2019
Capital goods	1,180	1,290	-8.8	2,050	2,225	-9.1	5,939
Consumables	793	845	-6.4	1,635	1,629	-1.3	3,496
Total	1,973	2,135	-7.8	3,685	3,854	-5.8	9,435

Underlying earnings trend¹⁾

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net sales	1,973	2,135	3,685	3,854	9,435
Adjusted gross profit	722	800	1,400	1,476	3,779
Margin, %	36.6	37.5	38.0	38.3	40.1
Adjusted EBITDA	83	84	31	41	863
Margin, %	4.2	3.9	0.8	1.1	9.1
Depreciation, amortization and write-downs of intangible assets and tangible assets	-152	-158	-304	-310	-641
Adjusted EBITA	-70	-74	-273	-269	222
Margin, %	-3.5	-3.5	-7.4	-7.0	2.4

1) See Note 3 for depreciation and write-downs and Note 5 for other items affecting comparability.

Events in the business area

- Maquet Moduevo Bridge, launched in June, is Getinge's latest space-saving and cost-effective ceiling supply unit. The horizontal solution is designed to accommodate architectural constraints, enhance interactions between patient and medical staff and foster a healing environment in intensive care units, recovery and emergency departments.
- In May, Getinge introduced a new range of consumables for sterile reprocessing. Getinge Assured Superfast 20 Biological Indicator speeds up the ability of the Central Sterile Supply Department (CSSD) to release loads safely, ensuring that the sterile instruments can be in the right place, at the right time.
- During the quarter, continued productivity improvements were implemented in accordance with plan, including in Rastatt (Germany) and Växjö (Sweden). In addition, discussions were initiated with employee representatives to move the turnkey Operations Room project management division (Getinge Hospital Solutions) to newly established hubs in South Asia and the Middle East, with the aim of getting closer to end customers and establishing a more competitive supplier platform. The measures are expected to result in annual savings of SEK 90 M, with gradually increasing realization from autumn 2020. Restructuring costs amount to SEK 114 M.

Other information

Financial impact of COVID-19

The outbreak of COVID-19 was characterized by the WHO as a pandemic on March 11, 2020. In this situation, Getinge is prioritizing the health and safety of its employees and is taking measures to limit the spread of the virus by following the instructions of the relevant authorities. In addition, Getinge has taken measures and made preparations to safeguard production of critical and life support products.

Getinge has worked intensively together with hospitals around the world to help as many patients as possible since the outbreak of COVID-19. This contributed to a 44.3% organic increase in the order intake for the Acute Care Therapies business area for the quarter as a result of the sharp increase in demand for ventilators and cardiopulmonary products. Demand declined for the other product segments in the business area since non-urgent operations were postponed. Clear signs of a recovery in these product segments could be seen toward the end of the quarter and the decline in the order intake slowed down. Demand in other areas of the operations declined due to the economic downturn resulting from the pandemic. Primarily the Surgical Workflows business area was negatively impacted, with its order intake falling organically by 18.1% in the second quarter. The order intake for the Life Science business area declined organically by 1.2%.

The Group's sales and earnings improved as a result of the outbreak of the virus and the increase in the order intake for ventilators and cardiopulmonary products in the first quarter could be increasingly converted to net sales. It has been possible to continue work on the installation and servicing of products, and this was not negatively affected by restrictions in key markets. Minor disruptions occurred in the production operations in the form of sick leave among employees and problems with deliveries of components, which were possible to resolve without any significantly negative consequences arising. Major efforts were made to enhance production capacity for ventilators. This took place in close cooperation with subcontractors and both authorities and companies in several countries have assisted Getinge in this important task.

The sharp increase in activity in the areas of Acute Care Therapies that are directly linked to treating patients with COVID-19 contributed to the improvement in sales and earnings for the business area despite a decline in other product segments. Both sales and earnings fell in Surgical Workflows due to a lower level of activity in the areas of health care that are not related to the outbreak of the virus. Sales and earnings for Life Science were not generally impacted by the outbreak of the virus to any significant extent.

As time passes, the situation regarding the pandemic could result in negative financial effects due to lower demand, a shortage of components and disruptions to production. It also cannot be ruled out that installation and service of products at hospitals and care facilities could be limited by restrictions to reduce the spread of the virus. The Group's cash flow could decline as a result of investments in higher production capacity, inventory build-up and impaired payment discipline among the Group's customers. Getinge is closely following developments regarding the pandemic and is continuously evaluating the operational and financial effects. Some minor measures to adjust costs were carried out and plans have been made to further adjust costs if necessary.

Since there is currently significant uncertainty regarding the future course of events, Getinge does not provide a forecast for organic sales growth for the full-year 2020. The year-end report for 2019 stated that organic sales growth for 2020 was expected to amount to 2-4%.

Update regarding Consent Decree with the FDA

SEK M	June 30 2020	June 30 2019	December 31 2019
Provision at beginning of period	234	382	382
Used amount	-61	-67	-154
Provisions	-	-	-
Translation differences	1	10	6
Provision at close of period	174	325	234

- The Consent Decree with the FDA was signed in February 2015 and originally encompassed a total of four production units in the US and Germany.
- Improvement plans for the identified corrections have been prepared for each unit. Such identified corrections have been completed at the two production units in the US. This work is expected to continue until 2021 at Hechingen.
- In autumn 2018 and the start of 2019, Getinge's production units in Fairfield and Mahwah received warning letters from the FDA. The reason for the warning letters was routine inspections performed by the FDA at these production units in 2018. The FDA's observations and opinions pertain to procedures and processes linked to demands for supplier checks, processes for the approval of design changes and incident reporting. The same observations were identified by Getinge during internal inspections in the fourth quarter of 2017. The local organization has since worked to correct the shortcomings in the quality management system. Getinge has submitted an action plan, including activities and a related schedule, to the FDA and improvements are proceeding according to plan.

Risk management¹⁾

Health care reimbursement system

Political decisions represent the single greatest market risk to Getinge Group. Changes to the health care reimbursement system can have a major impact on individual markets by reducing or deferring grants. This risk is limited by Getinge being active in a large number of geographical markets.

Customers

Activities conducted by Getinge's customers are generally financed directly or indirectly by public funds. The ability to pay is usually very solid, although payment behavior can vary between different countries. All transactions outside the OECD area are covered by payment guarantees, unless the customer's ability to pay is well documented.

Authorities and control bodies

Parts of Getinge's product range are covered by legislation stipulating rigorous assessments, quality control and documentation. It cannot be ruled out that Getinge's operations, financial position and earnings may be negatively impacted in the future by difficulties in complying with current regulations and requirements of authorities and control bodies or changes to such regulations and requirements. To limit these risks to the greatest possible extent, Getinge conducts extensive work focused on quality and regulatory issues. The Group-wide quality and regulatory compliance function has, besides a representative in the executive management team, a representative on the management teams of each business area, and the function is represented in all R&D and production units. The majority of the Group's production facilities are certified according to the medical device quality standard ISO 13485 and/or the general quality standard ISO 9001. Getinge is also, and may become in the future, involved in government investigations, disputes and similar proceedings within the framework of its other business operations concerning such issues as the environment, tax and competition. Since Getinge operates in a global environment, the company is also exposed to local business risks, such as corruption and restrictions on trade. To minimize the risk of being subject to such investigations, disputes and proceedings, Getinge works actively on developing, implementing and maintaining policies and systems for ensuring compliance with applicable rules and regulations. The overall responsibility for identifying and addressing potential risk areas lies with the Getinge Executive Team

1) For information regarding risks related to COVID-19 and the ongoing pandemic, refer to the section on "Financial impact of COVID-19" on page 8.

and the business operations. The Compliance and the Internal Audit functions assist with support and ongoing monitoring as well as investigations and internal auditing.

Research and development

Getinge's future growth also depends on the company's ability to develop new and successful products. Research and development efforts are costly and it is impossible to guarantee that developed products will be commercially successful. As a means of maximizing the return on investments in research and development efforts, the Group applies a structured selection and planning process that includes careful analyses of the market, technological progress, choice of production method and selection of subcontractors. The actual development work is also conducted in a structured manner and each project undergoes a number of fixed control points.

Product liability and damage claims

Health care suppliers run a risk, like other players in the health care industry, of being subject to product liability and other legal claims. Such claims can involve large amounts and significant legal expenses. Getinge cannot provide any guarantees that its operations will not be subject to compensation claims. Getinge carries the customary indemnity and product liability insurance, but there is a risk that Getinge's insurance coverage may not fully cover product liability and other claims.

Protection of intellectual property rights

Getinge is a market leader in the areas in which it operates and invests significant amounts in product development. To secure returns on these investments, Getinge actively upholds its rights and monitors competitors' activities closely. There is the risk when new products are developed that other companies may claim a patent infringement, which could result in disputes. If required, Getinge will protect its intellectual property rights through legal processes.

Financial risk management

Getinge is exposed to a number of financial risks in its operations. Financial risks principally pertain to risks related to currency risks, interest-rate risks, and credit and counterparty risks. Risk management is regulated by the finance policy adopted by the Board and a Treasury directive decided by the Getinge Executive Team based on the finance policy. The ultimate responsibility for managing the Group's financial risks and developing methods and principles of financial risk management lies with the Getinge Executive Team and the treasury function. For more detailed information concerning these risks, refer to the Group's Annual Report. The Group has a number of participations in foreign operations whose net assets are exposed to currency risks. Currency exposure that arises from net assets in the Group's foreign operations is primarily managed by borrowing in said foreign currency.

Seasonal variations

Getinge's sales and earnings are affected by seasonal variations. The highest net sales are usually generated in the fourth quarter, followed by the second, third and first quarters. The shares of sales derived from capital goods and consumables also normally changes during the year, with a higher share of sales of capital goods toward the end of the year.

Transactions with related parties

Getinge carried out normal commercial transactions with Arjo, which was distributed to shareholders in December 2017, for the sale and purchase of goods and services. In addition, no other significant transactions with related parties occurred during the period other than transactions with subsidiaries.

Forward-looking information

This report contains forward-looking information based on the current expectations of company 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 finances, market and competition, changes in legal and regulatory requirements and other political measures, and fluctuations in exchange rates.

Getinge's financial targets

- Average annual organic growth in net sales: 2-4%
- Average earnings per share growth: >10%
- Getinge's dividend policy is to pay dividends of 30-50% of net profit to shareholders.

Assurance

The Board of Directors and CEO assure that the interim report provides a true and fair review of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the Group.

Gothenburg, July 16, 2020

Johan Malmquist
Chairman

Carl Bennet
Vice Chairman

Johan Bygge
AGM-elected Board member

Barbro Fridén
AGM-elected Board member

Dan Frohm
AGM-elected Board member

Sofia Hasselberg
AGM-elected Board member

Rickard Karlsson
Board member
Representative of the Swedish
Metalworkers' Union

Åke Larsson
Board member
Deputy representative of the
Swedish Association of
Graduate Engineers

Mattias Perjos
President & CEO

Malin Persson
AGM-elected Board member

Johan Stern
AGM-elected Board member

Cecilia Daun Wennborg
AGM-elected Board member

This interim report is unaudited.

Consolidated financial statements

Consolidated income statement

SEK M	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net sales	2	6,971	6,277	13,004	11,825	26,559
Cost of goods sold		-3,513	-3,408	-6,570	-6,359	-14,104
Gross profit	2, 3	3,458	2,869	6,434	5,466	12,455
Selling expenses		-1,259	-1,373	-2,680	-2,700	-5,411
Administrative expenses		-893	-839	-1,794	-1,670	-3,443
Research and development costs		-353	-190	-552	-394	-762
Acquisition expenses		0	-1	-2	-2	-45
Restructuring costs		-168	-106	-168	-214	-279
Other operating income and expenses		-28	-36	24	-24	-143
Operating profit (EBIT)	2, 3	757	324	1,261	462	2,372
Net financial items	2	-80	-119	-158	-233	-463
Profit after financial items	2	677	205	1,103	229	1,909
Taxes		-179	-94	-329	-101	-653
Net profit for the period		497	111	774	128	1,256
Attributable to:						
Parent Company shareholders		494	103	765	109	1,222
Non-controlling interests		3	8	9	19	34
Net profit for the period		497	111	774	128	1,256
Earnings per share, SEK ¹⁾		1.81	0.38	2.81	0.40	4.48
Weighted average number of shares for calculation of earnings per share (000s)		272,370	272,370	272,370	272,370	272,370

1) Before and after dilution

Consolidated statement of comprehensive income

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net profit for the period	497	111	774	128	1,256
Other comprehensive income					
Items that cannot be restated in profit for the period					
Actuarial gains/losses pertaining to defined-benefit pension plans	-136	-133	50	-318	-526
Tax attributable to items that cannot be restated in profit	39	38	-18	92	142
Items that can later be restated in profit for the period					
Translation differences and hedging of net investments	-1,433	26	-31	676	600
Cash flow hedges	-27	38	-81	79	168
Tax attributable to items that can be restated in profit	-22	-4	19	-17	-24
Other comprehensive income for the period, net after tax	-1,579	-35	-60	512	360
Total comprehensive income for the period	-1,081	76	714	640	1,616
Comprehensive income attributable to:					
Parent Company shareholders	-1,060	61	705	604	1,567
Non-controlling interests	-21	15	9	36	49
Total comprehensive income for the period	-1,081	76	714	640	1,616

Consolidated balance sheet

SEK M	Note	June 30 2020	June 30 2019	December 31 2019
Assets				
Intangible assets		24,672	24,539	24,283
Tangible assets		3,131	3,195	3,146
Right-of-use assets		940	1,017	941
Financial assets		1,660	2,093	1,849
Inventories		5,628	5,261	4,691
Accounts receivable		5,098	5,259	6,344
Other current receivables		2,357	2,552	2,205
Cash and cash equivalents	6	5,850	1,158	1,254
Total assets		49,337	45,074	44,713
Equity and liabilities				
Equity		21,272	20,014	20,973
Provisions for pensions, interest-bearing	6	3,493	3,413	3,555
Lease liabilities	6	912	981	908
Other interest-bearing liabilities	6	12,370	10,714	9,112
Other provisions		3,599	3,772	3,588
Accounts payable		2,038	1,939	1,995
Other non-interest-bearing liabilities		5,653	4,241	4,582
Total equity and liabilities		49,337	45,074	44,713

Changes in equity for the Group

SEK M	Share capital	Other capital provided	Reserves ¹⁾	Retained earnings	Total	Non- controlling interests	Total equity
Opening balance at January 1, 2019	136	6,789	1,235	11,041	19,201	454	19,655
Total comprehensive income for the period	-	-	730	837	1,567	49	1,616
Dividend	-	-	-	-272	-272	-26	-298
Closing balance at December 31, 2019	136	6,789	1,965	11,606	20,496	477	20,973
Opening balance at January 1, 2020	136	6,789	1,965	11,606	20,496	477	20,973
Total comprehensive income for the period	-	-	-92	797	705	9	714
Dividend	-	-	-	-409	-409	-6	-414
Closing balance at June 30, 2020	136	6,789	1,873	11,995	20,793	480	21,272

1) Reserves pertain to cash flow hedges, hedges of net investments and translation differences.

Consolidated cash flow statement

SEK M	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Operating activities						
Operating profit (EBIT)		757	324	1,261	462	2,372
Add-back of depreciation, amortization and write-downs	3	744	556	1,290	1,092	2,223
Other non-cash items		3	3	7	6	54
Add-back of restructuring costs ¹⁾		168	96	168	188	249
Paid restructuring costs		-57	-104	-131	-171	-369
Financial items		-69	-113	-161	-226	-474
Taxes paid		-93	-43	-277	-276	-357
Cash flow before changes in working capital		1,453	719	2,157	1,075	3,698
Changes in working capital						
Inventories		-546	-142	-964	-595	-107
Operating receivables		237	4	1,232	878	-109
Operating liabilities		494	310	458	-80	350
Cash flow from operating activities		1,638	891	2,883	1,278	3,832
Investing activities						
Acquisition of operations	8	-6	-6	-829	-6	-6
Investments in intangible assets and tangible assets		-284	-315	-546	-568	-1,220
Divestment of non-current assets		14	0	20	5	109
Cash flow from investing activities		-276	-321	-1,355	-569	-1,117
Financing activities						
Change in interest-bearing liabilities		2,550	-130	3,126	-587	-2,477
Change in long-term receivables		-10	1	-13	6	3
Dividend paid		-6	-281	-6	-281	-298
Cash flow from financing activities		2,534	-410	3,107	-862	-2,772
Cash flow for the period		3,896	160	4,634	-153	-57
Cash and cash equivalents at the beginning of the period		1,989	993	1,254	1,273	1,273
Translation differences		-36	5	-39	38	38
Cash and cash equivalents at the end of the period		5,850	1,158	5,850	1,158	1,254

1) Excluding write-downs on non-current assets

Note 1 Accounting policies

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2. The accounting policies adopted are consistent with those applied for the 2019 Annual Report and should be read in conjunction with that Annual Report.

For practical reasons, the figures in this interim report have not been rounded off, which is why notes and tables may not total correct amounts. Unless otherwise specified, all figures pertain to SEK M and figures in parentheses pertain to the year-earlier period. The interim report provides alternative performance measures for monitoring the Group's operations.

Note 2 Segment overview

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net sales, SEK M					
Acute Care Therapies	4,300	3,541	8,017	6,862	14,637
Life Science	698	601	1,302	1,109	2,487
Surgical Workflows	1,973	2,135	3,685	3,854	9,435
Total	6,971	6,277	13,004	11,825	26,559
Gross profit, SEK M					
Acute Care Therapies	2,543	1,942	4,687	3,749	8,085
Life Science	267	205	501	395	900
Surgical Workflows	648	722	1,246	1,322	3,470
Total	3,458	2,869	6,434	5,466	12,455
Operating profit (EBIT), SEK M					
Acute Care Therapies	1,013	515	1,783	934	2,402
Life Science	90	58	132	97	309
Surgical Workflows	-250	-153	-471	-393	49
Group functions and other (incl. eliminations) ¹⁾	-96	-96	-182	-176	-388
Operating profit (EBIT)	757	324	1,261	462	2,372
Net financial items	-80	-119	-158	-233	-463
Profit after financial items	677	205	1,103	229	1,909

1) Group functions and other refer mainly to central functions such as finance, communication, HR and other items, such as eliminations.

Note 3 Depreciation, amortization and write-downs

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Acquired intangible assets	-157	-125	-288	-247	-497
Intangible assets	-343	-209	-544	-416	-846
Right-of-use assets	-99	-93	-192	-183	-377
Tangible assets	-145	-129	-266	-246	-503
Total	-744	-556	-1,290	-1,092	-2,223
<i>of which write-downs</i>	-167	-20	-167	-36	-70

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Cost of goods sold	-265	-232	-501	-460	-946
Selling expenses	-223	-189	-416	-369	-745
Administrative expenses	-110	-104	-214	-205	-428
Research and development costs	-147	-21	-158	-32	-74
Restructuring costs	-	-10	-	-26	-30
Total	-744	-556	-1,290	-1,092	-2,223
<i>of which write-downs</i>	-167	-20	-167	-36	-70

Note 4 Quarterly results

SEK M	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018
Net sales	6,971	6,033	8,498	6,236	6,277	5,548	7,890	5,683
Cost of goods sold	-3,513	-3,057	-4,442	-3,303	-3,408	-2,951	-4,315	-3,263
Gross profit	3,458	2,976	4,056	2,933	2,869	2,597	3,575	2,420
Operating expenses	-2,701	-2,470	-2,579	-2,500	-2,545	-2,459	-2,367	-4,156
Operating profit (EBIT)	757	505	1,477	433	324	138	1,208	-1,736
Net financial items	-80	-78	-112	-118	-119	-114	-104	-41
Profit after financial items	677	427	1,365	315	205	24	1,104	-1,777
Taxes	-179	-150	-455	-97	-94	-7	-389	333
Net profit for the period	497	277	910	218	111	17	715	-1,444

Note 5 Adjustment items

Adjusted EBITA, SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Acute Care Therapies	1,287	698	2,187	1,296	3,110
Life Science	97	63	145	109	323
Surgical Workflows	-70	-74	-273	-269	222
Group functions and other (incl. eliminations)	-96	-96	-181	-176	-345
Total	1,218	591	1,879	960	3,310

Adjustments of EBITA, SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Specification of items affecting comparability that impact EBITA					
Acquisition and restructuring costs, Acute Care Therapies	-54	-46	-55	-108	-132
Acquisition and restructuring costs, Life Science	0	-4	0	-10	-9
Acquisition and restructuring costs, Surgical Workflows	-114	-57	-114	-98	-140
Write-down of R&D, Acute Care Therapies ²⁾	-73	-10	-73	-10	-20
Write-down of R&D, Surgical Workflows ²⁾	-63	-	-63	-	-
Impairment av receivables, Acute Care Therapies ³⁾	-	-7	-	-7	-79
Impairment av receivables, Surgical Workflows ³⁾	-	-18	-	-18	-18
Other, Acute Care Therapies ¹⁾	-	-	-2	-	-
Other, Surgical Workflows ¹⁾	-	-	-3	-	-
Other, Acute Care Therapies ²⁾	-	-	-7	-	-
Other, Surgical Workflows ²⁾	-	-	-11	-	-
Group functions and other (incl. eliminations)	0	-	-2	-	-43
Total	-303	-142	-329	-251	-441
Items affecting comparability per segment					
Acute Care Therapies	-127	-63	-136	-125	-231
Life Science	0	-4	0	-10	-9
Surgical Workflows	-176	-75	-191	-116	-158
Group functions and other (incl. eliminations)	0	-	-2	-	-43
Total	-303	-142	-329	-251	-441

1) Reported in Cost of goods sold

2) Reported in Operating expenses

3) Reported in Other operating income and operating expenses

EBITA, SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Acute Care Therapies	1,160	635	2,051	1,171	2,879
Life Science	97	59	145	99	314
Surgical Workflows	-246	-149	-463	-385	64
Group functions and other (incl. eliminations)	-96	-96	-182	-176	-388
Total	914	449	1,550	709	2,869

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Adjustments of EBIT, SEK M					
Items affecting comparability that impact EBITA (according to above)	-303	-142	-329	-251	-441
Items affecting comparability that impact EBIT but not EBITA (according to above)	-31	-	-31	-	-
Total	-334	-142	-360	-251	-441

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Adjustment of tax, SEK M					
Amortization and write-down of acquired intangible assets ¹⁾	126	125	257	247	497
Items affecting comparability	334	142	360	251	441
Adjustment items, total	461	267	617	498	938
Tax effect on adjustment items ²⁾	119	-66	162	-128	-247
Adjustment for tax items affecting comparability	-	-	-	-	-
Total	119	-66	162	-128	-247

1) Excluding write-downs classified as items affecting comparability

2) Tax effect on tax deductible adjustment items

Note 6 Consolidated net interest-bearing debt

SEK M	June 30 2020	June 30 2019	December 31 2019
Other interest-bearing liabilities	12,370	10,714	9,112
Provisions for pensions, interest-bearing	3,493	3,413	3,555
Lease liabilities	912	981	908
Interest-bearing liabilities	16,775	15,108	13,575
Less cash and cash equivalents	-5,850	-1,158	-1,254
Net interest-bearing debt	10,925	13,950	12,321

Note 7 Key figures for the Group

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Financial and operative key figures					
Key figures based on Getinge's financial targets					
Organic growth in net sales, %	9.1	4.0	6.6	4.9	3.9
Earnings per share ¹⁾ , SEK	1.81	0.38	2.81	0.40	4.48
Other operative and financial key figures					
Organic growth in order intake, %	17.5	5.2	31.6	6.3	4.1
Gross margin, %	49.6	45.7	49.5	46.2	46.9
Selling expenses, % of net sales	18.1	21.9	20.6	22.8	20.4
Administrative expenses, % of net sales	12.8	13.4	13.8	14.1	13.0
Research and development costs, % of net sales	6.8	5.2	6.0	5.5	4.7
Operating margin, %	10.9	5.2	9.7	3.9	8.9
EBITDA, SEK M	1,501	880	2,552	1,554	4,595
Average number of shares, thousands	272,370	272,370	272,370	272,370	272,370
Number of shares at the end of the period, thousands	272,370	272,370	272,370	272,370	272,370
Interest-coverage ratio, multiple			18.9	10.8	12.3
Net debt/equity ratio, multiple			0.51	0.70	0.59
Net debt/Rolling 12m adjusted EBITDA, multiple			1.8	3.3	2.5
Operating capital, SEK M			33,979	33,347	33,735
Return on operating capital, %			11.0	7.0	8.3
Return on equity, %			9.0	-3.0	6.2
Equity/assets ratio, %			43.1	44.4	46.9
Equity per share, SEK			78.10	73.48	77.00
Number of employees			10,788	10,409	10,538

1) Before and after dilution

Alternative performance measures

Alternative performance measures refer to financial measures used by the company's management and investors to evaluate the Group's earnings and financial position and that cannot be directly read or derived from the financial statements. These financial measures are intended to facilitate analysis of the Group's performance. Accordingly, the alternative performance measures should be considered a supplement to the financial statements prepared in accordance with IFRS. The financial measures recognized in this report may differ from similar measures used by other companies.

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Adjusted gross profit, SEK M					
Gross profit	3,458	2,869	6,434	5,466	12,455
<i>Add-back of:</i>					
Depreciation, amortization and write-downs of intangible assets and tangible assets	265	232	501	460	946
Other items affecting comparability	-	-	5	-	-
Adjustment for write-downs included in other items affecting comparability	-	-	-	-	-
Adjusted gross profit	3,723	3,101	6,940	5,926	13,401

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Adjusted EBITDA, SEK M					
Operating profit (EBIT)	757	324	1,261	462	2,372
<i>Add-back of:</i>					
Depreciation, amortization and write-downs of intangible assets and tangible assets	587	431	1,002	845	1,726
Amortization and write-down of acquired intangible assets	157	125	288	247	497
Other items affecting comparability	-	35	23	35	117
Acquisition and restructuring costs	168	107	170	216	324
Adjustment for write-downs included in other items affecting comparability and restructuring costs	-	-20	-	-36	-50
Adjusted EBITDA	1,669	1,002	2,745	1,769	4,986

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Adjusted EBITA, SEK M					
Operating profit (EBIT)	757	324	1,261	462	2,372
<i>Add-back of:</i>					
Amortization and write-down of acquired intangible assets	157	125	288	247	497
Other items affecting comparability	136	35	159	35	117
Acquisition and restructuring costs	168	107	170	216	324
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-	-	-	-
Adjusted EBITA	1,218	591	1,879	960	3,310

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Adjusted EBIT, SEK M					
Operating profit (EBIT)	757	324	1,261	462	2,372
<i>Add-back of:</i>					
Other items affecting comparability	167	35	190	35	117
Acquisition and restructuring costs	168	107	170	216	324
Adjusted EBIT	1,091	466	1,622	713	2,813

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Adjusted net profit for the period, SEK M					
Net profit for the period	497	111	774	128	1,256
<i>Add-back of:</i>					
Amortization and write-down of acquired intangible assets	157	125	288	247	497
Other items affecting comparability	167	35	190	35	117
Acquisition and restructuring costs	168	107	170	216	324
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-31	-	-31	-	-
Tax items affecting comparability	-	-	-	-	-
Tax on add-back items	-119	-66	-162	-128	-247
Adjusted net profit for the period	839	312	1,229	498	1,947

Note 8 Acquisitions

Acquisition of Applikon Biotechnology B.V.

Net assets acquired, SEK M	Jan 3, 2020
Intangible assets	370
Tangible assets	11
Inventories	78
Other current receivables	134
Cash and cash equivalents	16
Other provisions	-5
Other interest-bearing liabilities	-11
Accounts payable	-34
Other non-interest-bearing liabilities	-177
Identifiable net assets	382
Goodwill	457
Total purchase price	839
Less:	
Unpaid purchase prices	-
Cash and cash equivalents in the acquired company	-16
Impact on the Group's cash and cash equivalents	823

On January 3, 2020, the acquisition of 100 percent of Applikon Biotechnology B.V. was completed. The acquired company has annual sales of approximately SEK 400 M and 180 employees. The purchase price paid amounted to SEK 839 M. In addition, a maximum of EUR 60 M may be paid in so-called additional purchase prices in 2021-2022 if certain financial targets are met. Acquisition expenses charged to 2019's profit amounted to SEK 23 M. The goodwill that arose in connection with the acquisition has not been finally determined since the acquisition analysis is still preliminary but is expected to amount to SEK 457 M, and is primarily attributable to strategic advantages in the form of growth opportunities and a broader product range. After the acquisition, the company generated sales of SEK 159 M and EBITA of SEK 10 M.

Additional purchase price for the acquisition of Simm Company and Surgeon Aids

In the second quarter of 2020, an additional purchase price of SEK 6 M was paid for the acquisition of the Thai company Simm Company and Surgeon Aids, which was completed in 2017.

Parent Company financial statements

Parent Company's income statement

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Administrative expenses	54	-66	-47	-182	-234
Other operating income and expenses	38	-	38	-	-43
Operating result	92	-66	-9	-182	-277
Result from participations in Group companies	34	405	34	888	979
Interest income and other similar income	0	0	0	0	1
Interest expenses and other similar expenses	122	-98	-310	-441	-783
Profit/loss after financial items¹⁾	248	241	-285	265	-80
Appropriations	-	-	-	-	493
Taxes	-51	28	51	124	15
Net profit/loss for the period²⁾	197	269	-234	389	428

1) Interest income and other similar income and interest expenses and other similar expenses include exchange-rate gains and losses attributable to the translation of financial receivables and liabilities measured in foreign currencies

2) Comprehensive income for the period corresponds to net profit for the period

Parent Company's balance sheet

SEK M	June 30 2020	June 30 2019	December 31 2019
Assets			
Intangible assets	29	41	34
Tangible assets	7	9	7
Participations in Group companies	28,429	28,190	28,431
Deferred tax assets	170	209	112
Long-term receivables	-	30	-
Receivables from Group companies	1,120	925	587
Current receivables	70	151	64
Cash and cash equivalents	1,494	0	0
Total assets	31,319	29,555	29,235
Equity and liabilities			
Equity	20,669	21,273	21,312
Long-term liabilities	-	1,578	1,456
Long-term liabilities to Group companies	-	742	745
Other provisions	48	20	29
Current liabilities to Group companies	7,202	605	3,197
Current liabilities	3,400	5,337	2,496
Total equity and liabilities	31,319	29,555	29,235

Definitions

Financial terms

Operating capital. Average total assets with add-back of cash and cash equivalents, other provisions, accounts payable and other non-interest-bearing liabilities.

Return on operating capital. Rolling 12 months' adjusted EBIT in relation to operating capital.

Return on equity. Rolling 12 months' profit after tax in relation to average equity.

Gross margin. Gross profit in relation to net sales.

Adjusted gross profit. Gross profit with add-back of depreciation, amortization and write-downs and other items affecting comparability.

EBIT. Operating profit.

Adjusted EBIT. Operating profit with add-back of acquisition and restructuring costs and other items affecting comparability.

EBITA. Operating profit before depreciation and write-down of acquired intangible assets.

Adjusted EBITA. EBITA with add-back of acquisition and restructuring costs and other items affecting comparability.

EBITA margin. EBITA in relation to net sales.

EBITDA. Operating profit before depreciation, amortization and write-downs.

Adjusted EBITDA. EBITDA with add-back of acquisition and restructuring costs and other items affecting comparability.

EBITDA margin. EBITDA in relation to net sales.

Equity per share. Equity in relation to the number of shares at the end of the period.

Cash flow after net investments. Cash flow from operating activities and investing activities, excluding acquisitions and divestment of operations.

Adjusted earnings per share. Adjusted net profit for the period attributable to Parent Company shareholders in relation to average number of shares.

Net debt/equity ratio. Net interest-bearing debt in relation to equity.

Organic change. A financial change adjusted for currency, acquisitions and divestments.

Adjusted net profit for the period. Net profit for the period with add-back of amortization and write-down of acquired intangible assets, acquisition and restructuring costs, other items affecting comparability and tax effect of add-back of income-statement items.

Adjusted profit before tax. Profit before tax for the period with add-back of amortization and write-down of acquired intangible assets, acquisition and restructuring costs and other items affecting comparability.

Earnings per share. Net profit attributable to Parent Company shareholders in relation to average number of shares.

Interest-coverage ratio. Rolling 12 months' adjusted EBITDA in relation to rolling 12 months' net interest.

Operating margin. Operating profit (EBIT) in relation to net sales.

Equity/assets ratio. Equity in relation to total assets.

Currency transaction effect. Exchange of current year's volumes of foreign currency at this year's exchange rates, compared with the exchange rates in the preceding year.

Medical terms

Sterilizer. A device to eliminate microorganisms on surgical instruments, usually by high temperature with steam.

ECMO Extracorporeal membrane oxygenation, meaning oxygenation outside the body through a membrane. Put simply, a modified cardiac and respiratory machine that exchanges oxygen and carbon dioxide, like an artificial lung.

Endoscope. Equipment for visual examination of the body's cavities, such as the stomach.

Endovascular. Vascular treatment using catheter technologies.

EU MDR. A new regulatory framework for medical devices which ensures a high level of safety and health whilst supporting innovation.

Cardiopulmonary. Pertaining or belonging to both heart and lung.

Cardiovascular. Pertaining or belonging to both heart and blood vessels.

Artificial grafts. Artificial vascular implants.

Low temperature sterilization. A device used to sterilize surgical instruments which cannot be sterilized with high temperature steam. It is mainly used for instruments used in the minimal invasive and robotic surgery.

Stent. A tube for endovascular widening of blood vessels.

Vascular intervention. A medical procedure conducted through vascular puncturing instead of using an open surgery method.

Ventilator. Medical device to help patients breathe.

Geographic areas

Americas. North, South and Central America.

APAC. Asia and Pacific.

EMEA. Europe, Middle East and Africa.

Teleconference

Teleconference with President & CEO Mattias Perjos and CFO Lars Sandström on July 16, 2020 at 10:00-11:00 a.m. CEST. Please see dial in details below to join the conference:

SE: +46 8 505 583 59

UK: +44 33 33 009 273

US: +1 833 526 8347

A presentation will be held during the telephone conference. To access the presentation, please use this link:

<https://tv.streamfabriken.com/getinge-q2-2020>

Alternatively, use the following link to download the presentation: <https://www.getinge.com/int/about-us/investors/reports-presentations/>

A recording will be available for three years via the following link: <https://tv.streamfabriken.com/getinge-q2-2020>

Financial information

Updated information on, for example, the Getinge share and corporate governance is available on Getinge's website www.getinge.com. The Annual Report, year-end report and interim reports are published in Swedish and English and are available for download at www.getinge.com. The preliminary dates for future financial communication are provided below:

October 16, 2020	Q3 Report 2020
January 28, 2021	Q4 Report 2020
March 2021	2020 Annual Report

Contact

Lars Mattsson, Head of Investor Relations
+46 (0)10 335 0043
lars.mattsson@getinge.com

Jeanette Hedén Carlsson, Executive Vice President, Communications & Brand Management
+46 (0)10 335 1003
jeanette.hedencarlsson@getinge.com

This information is such that Getinge AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, on July 16, 2020 at 8:00 a.m. CEST.

With a firm belief that every person and community should have access to the best possible care, Getinge provides hospitals and life science institutions with products and solutions that aim to improve clinical results and optimize workflows. The offering includes products and solutions for intensive care, cardiovascular procedures, operating rooms, sterile reprocessing and life science. Getinge employs over 10,000 people worldwide and the products are sold in more than 135 countries. Getinge has been listed on Nasdaq OMX Stockholm, Nordic Large Cap since 1993 and is included in the OMXS30 index of the 30 most actively traded shares.

Getinge AB (publ) | Lindholmspiren 7, 417 56 Gothenburg, Sweden | Tel: +46 (0)10 335 0000 | E-mail: info@getinge.com |
Corp. Reg. No.: 556408-5032 | www.getinge.com