

Provision related to surgical mesh litigations

Mattias Perjos, President and CEO
Lars Sandström, CFO

October 15, 2018

Background

Atrium Medical Corporation's surgical mesh products

- Atrium Medical was acquired in 2011
- Atrium Medical's surgical mesh implant products
 - Polypropylene mesh is the established standard of care since the 60's for hernia repair
 - Product names: ProLite, C-Qure
- The Atrium Medical's surgical mesh implant business in brief
 - Revenue in 2017, USD 15 M
 - Major markets: US 70%, Australia 15%, Spain 5%

900 pending lawsuits

Started to pick up late 2017

- The mesh product liability claims currently involves approximately 900 pending lawsuits in the U.S. and in Canada
- Patients are claiming damages for complications and injuries allegedly suffered after receiving surgical mesh implants
- The trials are expected to start late 2019 – early 2020
- The suits consist both of individual lawsuits, consolidated state cases and consolidated multi-district federal litigation
- No adverse verdicts against Atrium Medical

Provision of SEK 1.8 billion

To cover future expenses related to the mesh claims

- Provision of SEK 1.8 billion to cover expenses related to the claims
- The provision will impact the operating result in the third quarter 2018 and will be reported as Items Affecting Comparability
- Getinge will make a write-down mainly of its intangible assets, bringing a negative impact of SEK 90 M to the result of the third quarter
- Pay-outs related to legal cost are expected to be impacting the cash flow from Q3 2018
- Pay-outs related to trials, if any, expected to be impacting cash flows from late 2019, early 2020
- Legal defense cost is significant and covered by the provision
- Atrium Medical is evaluating the future of the surgical mesh business

Product liability insurance coverage

- The group holds related product liability insurance
- The insurance company has reserved their right to deny coverage, which is not uncommon
- If those discussions are not productive, the Group may commence litigation against its carriers

Q&A

Forward looking information

This document contains forward-looking information based on the current expectations of the Getinge Group's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding business cycles, market and competition, changes in legal requirements and other political measures, and fluctuations in exchange rates.



GETINGE

PASSION FOR LIFE