

Growth overshadowed by challenges in two product categories

Getinge Q2 2023

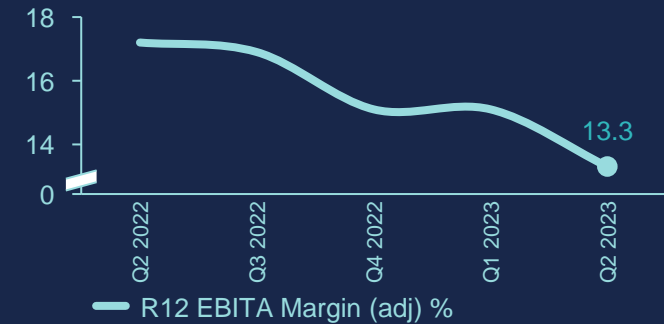
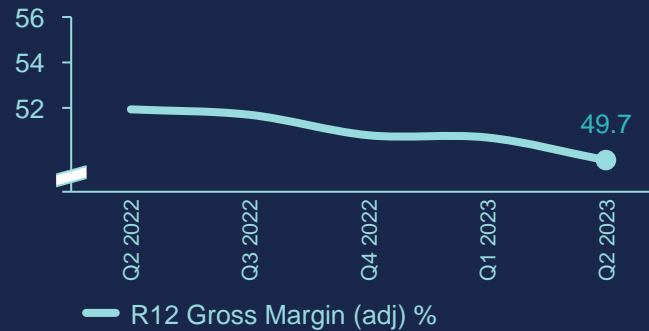
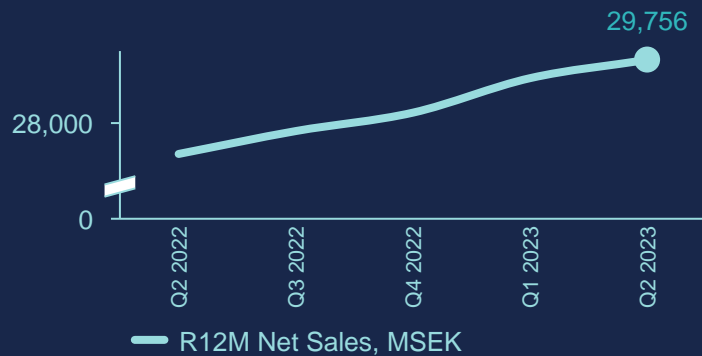
Mattias Perjos, CEO
Lars Sandström, CFO

GETINGE 

Key takeaways

Q2 2023

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



Key activities and events

Q2 2023

Offering and customers

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

Sustainability and Quality

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



Featured Products & Services
Solutions for bioprocessing challenges

Media & Buffer Storage Solutions
Streamline your media and buffer storage with products, including our Harvest Carts, Custom Tubing Trolley, and more.
[Learn More >](#)

Meet OptiMaxx:
Our New TFF System
Designed your application flow filters for you

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

June 28, 2023
Getinge launches new isolator optimized for common aseptic applications
Today, Getinge launches ISOPRIME, an isolator with comprehensive connectivity and traceability features. It is the ideal solution for customers looking for a rigid wall isolator that combines high quality, versatility and continuous operations at a competitive price.
[Press release](#)

Getinge receives US FDA 510(k) clearance for Servo-air® Lite
Press release | 7/07/2023
Getinge announces clearance from the US FDA for Servo-air® Lite, a wall-independent non-invasive mechanical ventilator.

"We are happy to broaden our ventilator product offering for the US market", says Elin Fr... President Acute Care Therapies at Getinge. "This significantly increases our addressable ventilation market in the US, by now being able to target the non-invasive hospital segment with our ventilation offering."

GETINGE

Cardiopulmonary – addressing packaging challenges

Allowed to sell HLS/PLS while working on solutions



Quadrox

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

HLS/PLS

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

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

Cardiac Assist – addressing a component issue and field actions

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



Intra-Aortic Balloons

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

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

Intra-Aortic Balloon Pumps

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

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

Solid growth in North America

China is the main reason behind the steep decline in APAC

Global

-4.5%

Organic Order Growth

1.3%

Organic Net Sales Growth

Americas

+4.7%

+6.7%

EMEA

-6.5%

+4.6%

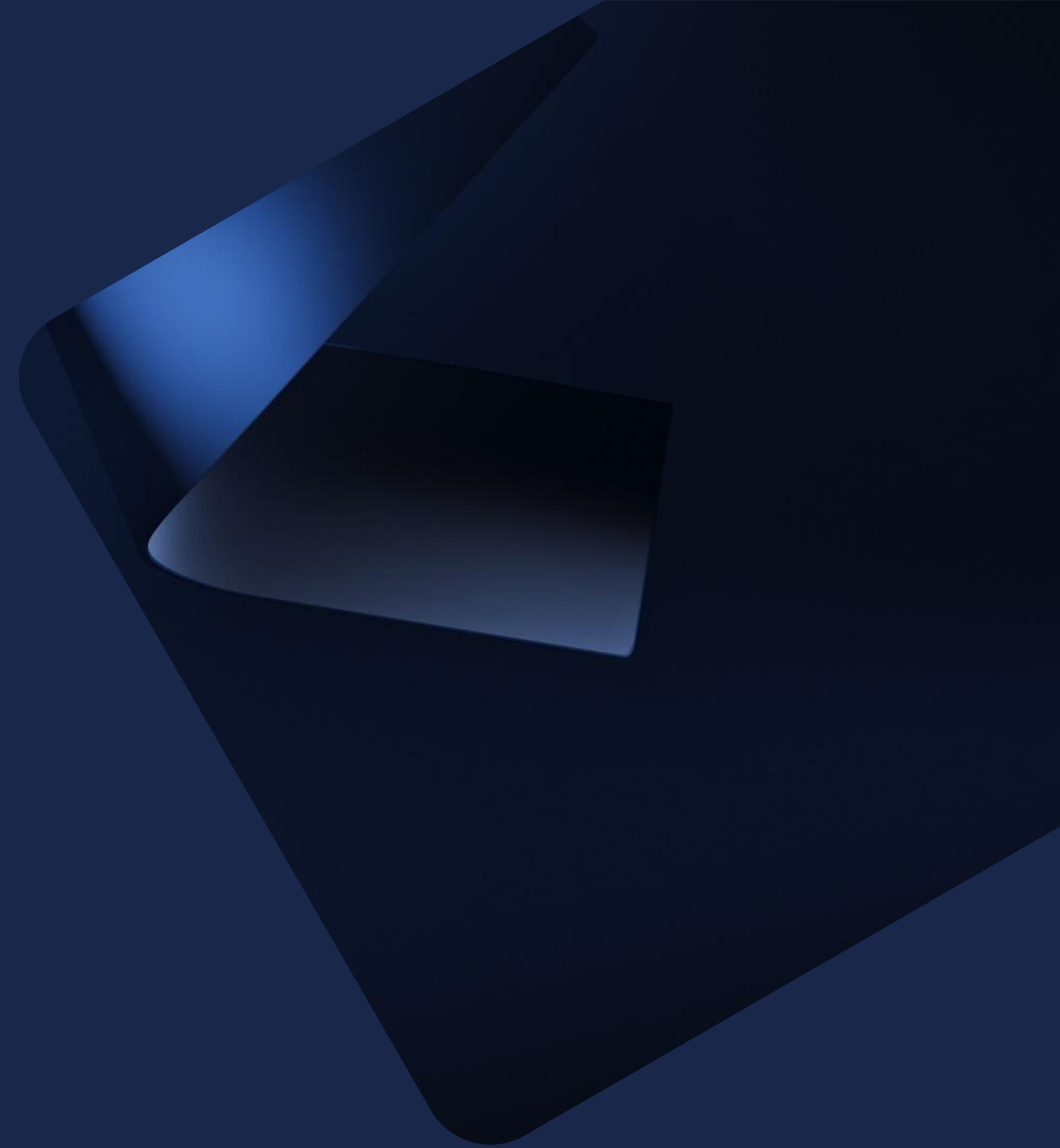
APAC

-17.5%

-11.9%

Outlook 2023

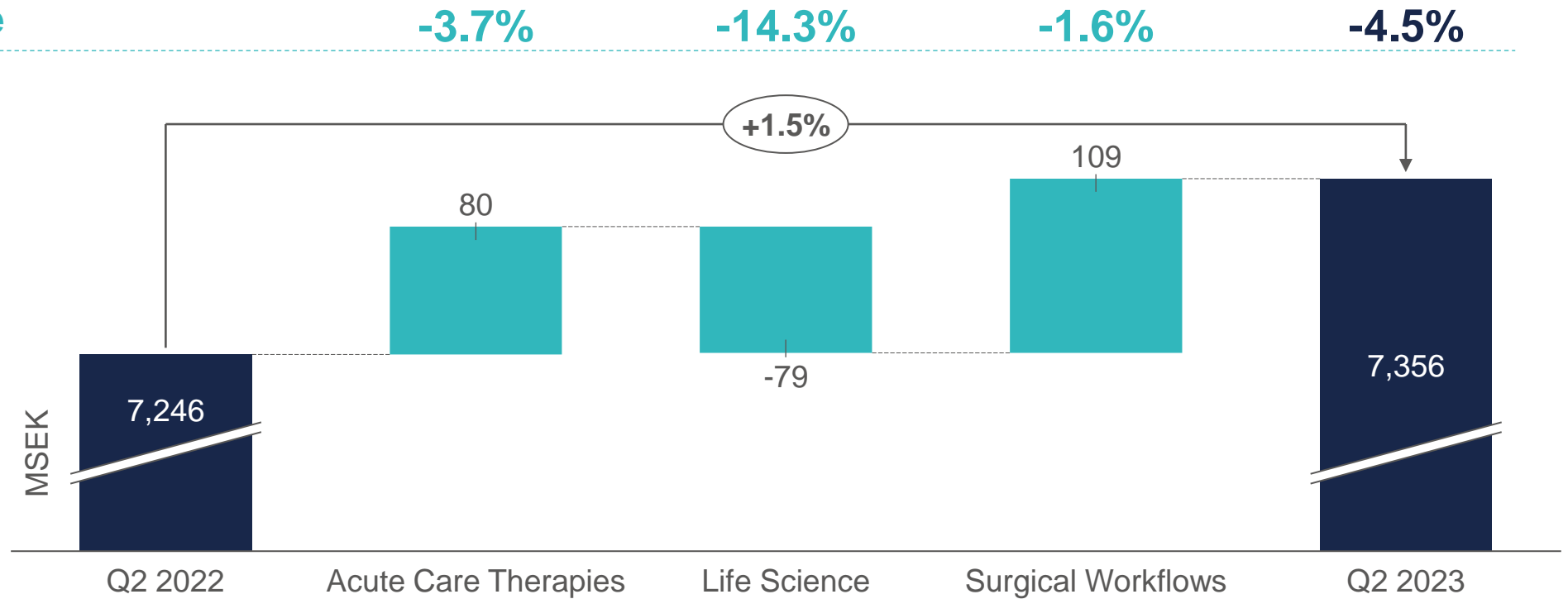
Net sales for 2023 are expected to increase by 2-5% organically



Weak order intake in Life Science in the quarter

Order Intake Bridge Q2 2022 – Q2 2023

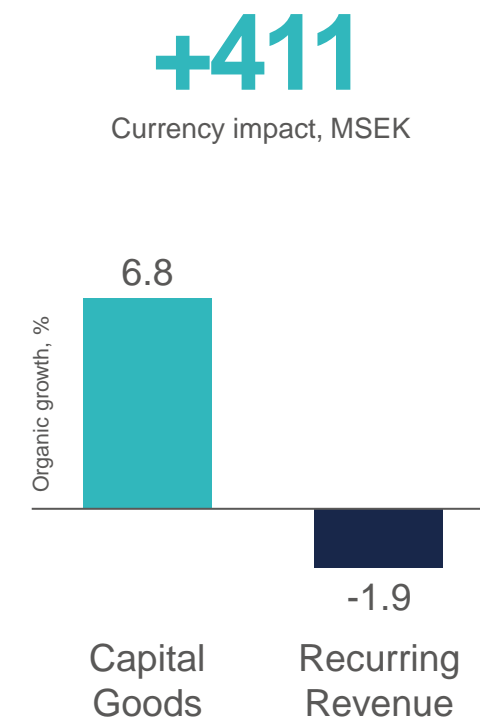
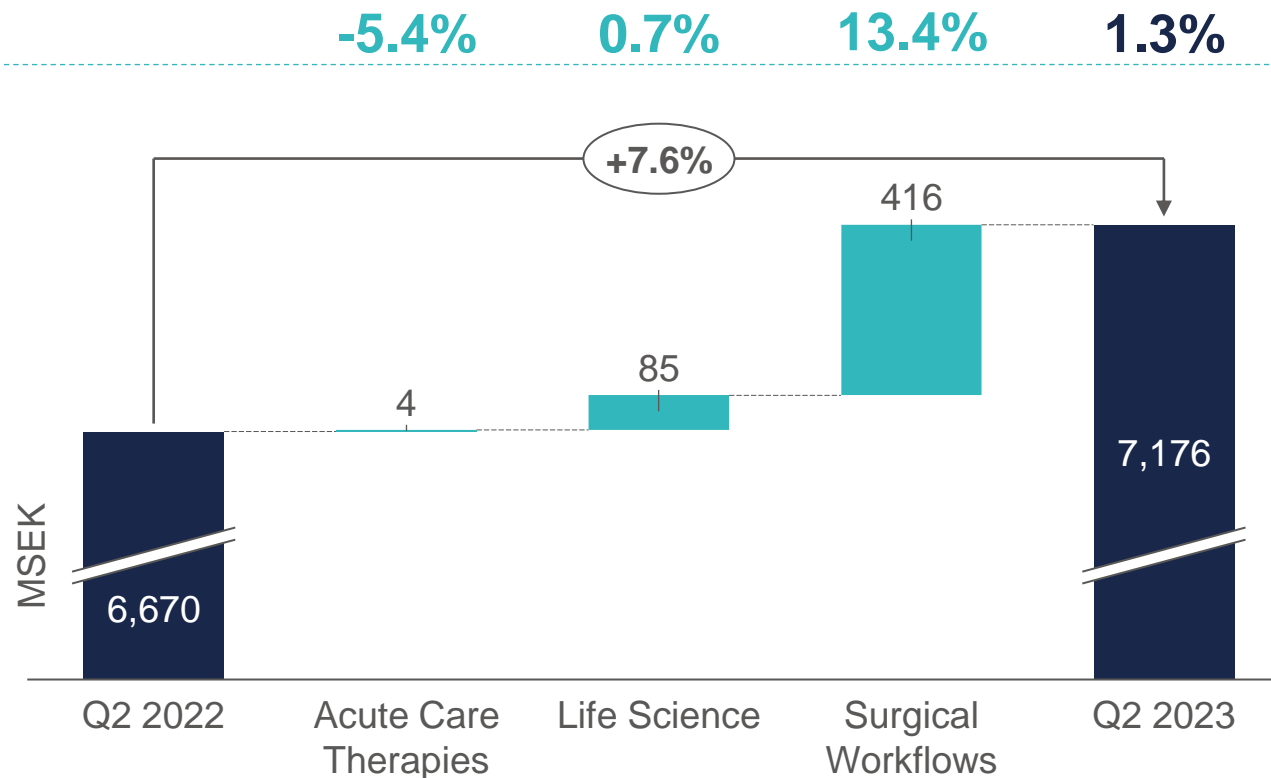
Organic change



Net sales negatively impacted by quality and supply challenges

Net Sales Bridge Q2 2022 – Q2 2023

Organic change

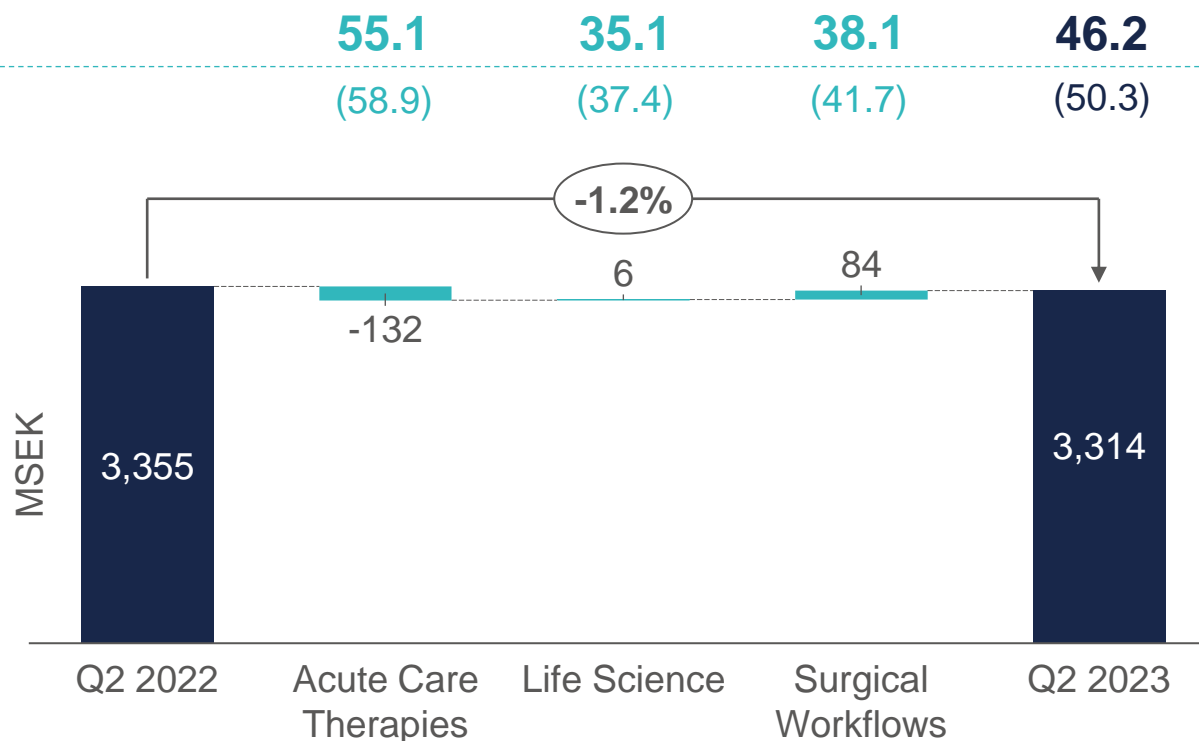


+411
Currency impact, MSEK

Adj Gross Margin negatively impacted by mix effects and inflation

Adjusted Gross Profit Bridge Q2 2022 – Q2 2023

Adj GM,%
Q2 2023
(Q2 2022)



Gross Margin impact

Product and Geo mix

Supply, Absorption &
Cost inflation

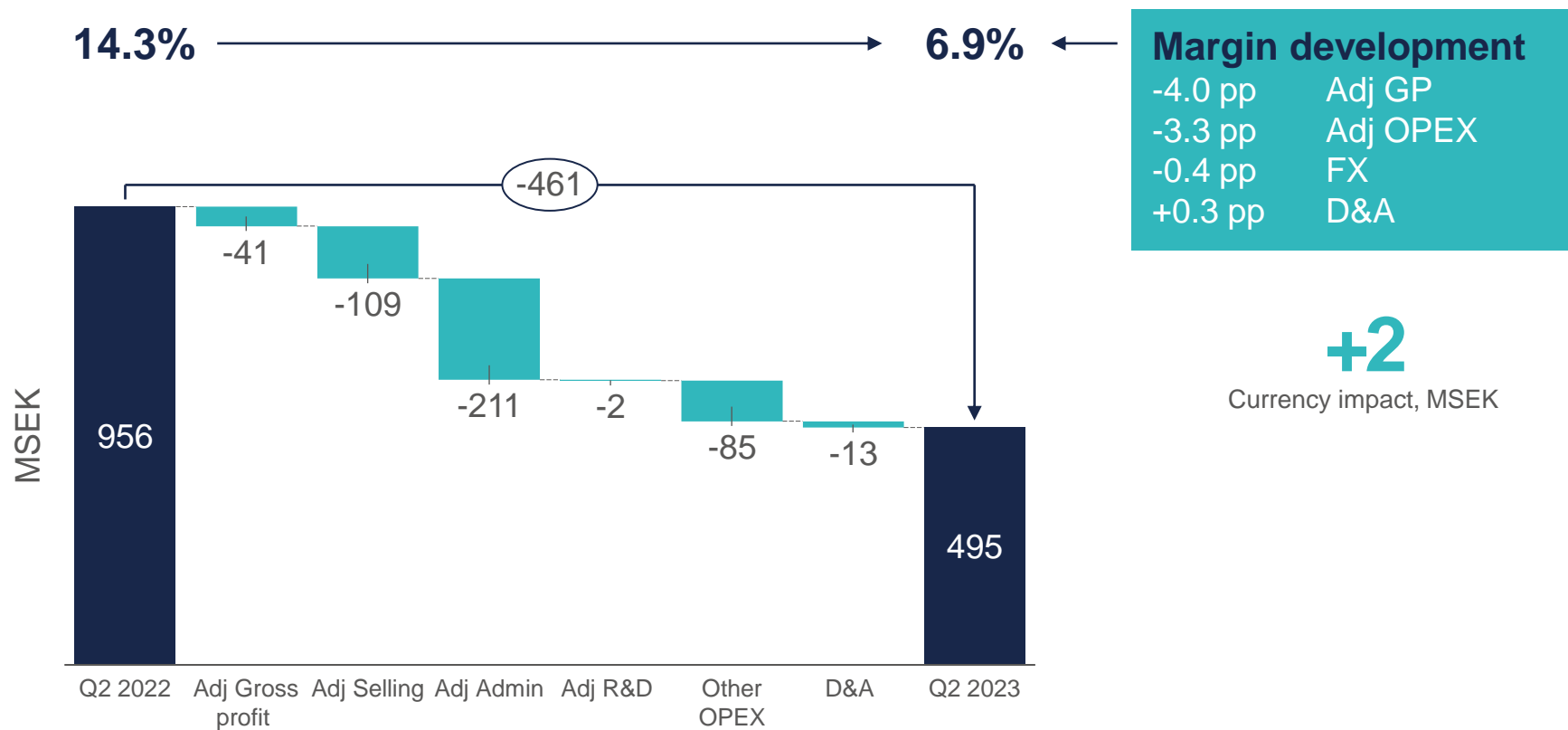
Price

Currency

Financial development

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

Adjusted EBITA Bridge Q2 2022 – Q2 2023



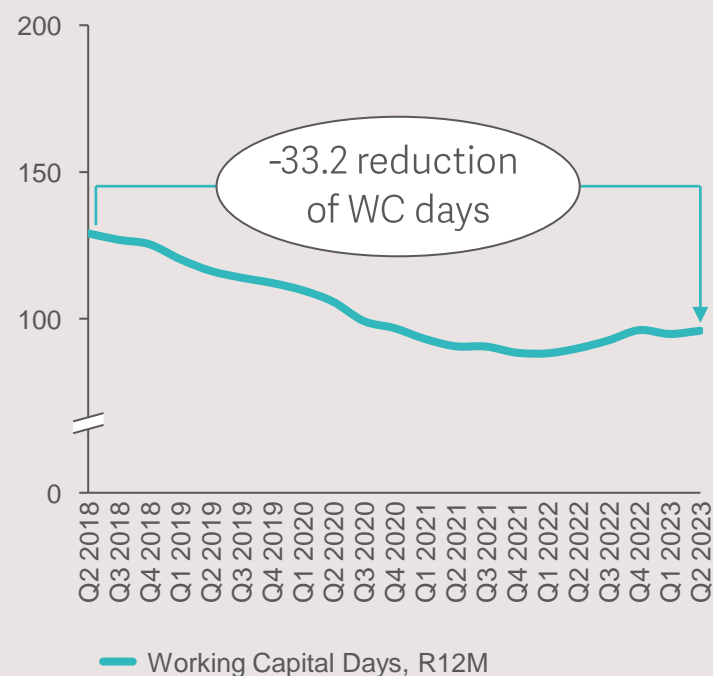
Positive Free Cash Flow and Working Capital days below 100

Capital efficiency a priority

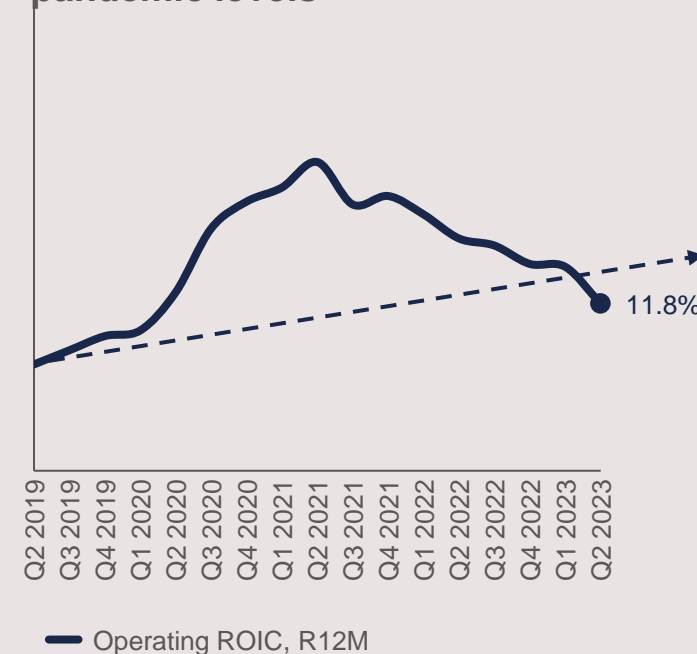
Healthy underlying Free Cash Flow



WC days below 100



ROIC below trend, but still well above pre pandemic levels



Free Cash Flow: Cash flow from operating activities and investing activities, excluding acquisitions and divestment of operations.
 Working Capital, as defined on this page, is including accounts receivables, accounts payables and inventory - adjusted for currency
 ROIC: Trailing 12 month adjusted EBIT/Invested Capital. Invested capital is defined as Equity + Net debt (excl. pension liabilities) and calculated as (Opening balance + Closing balance of Invested Capital)/2.

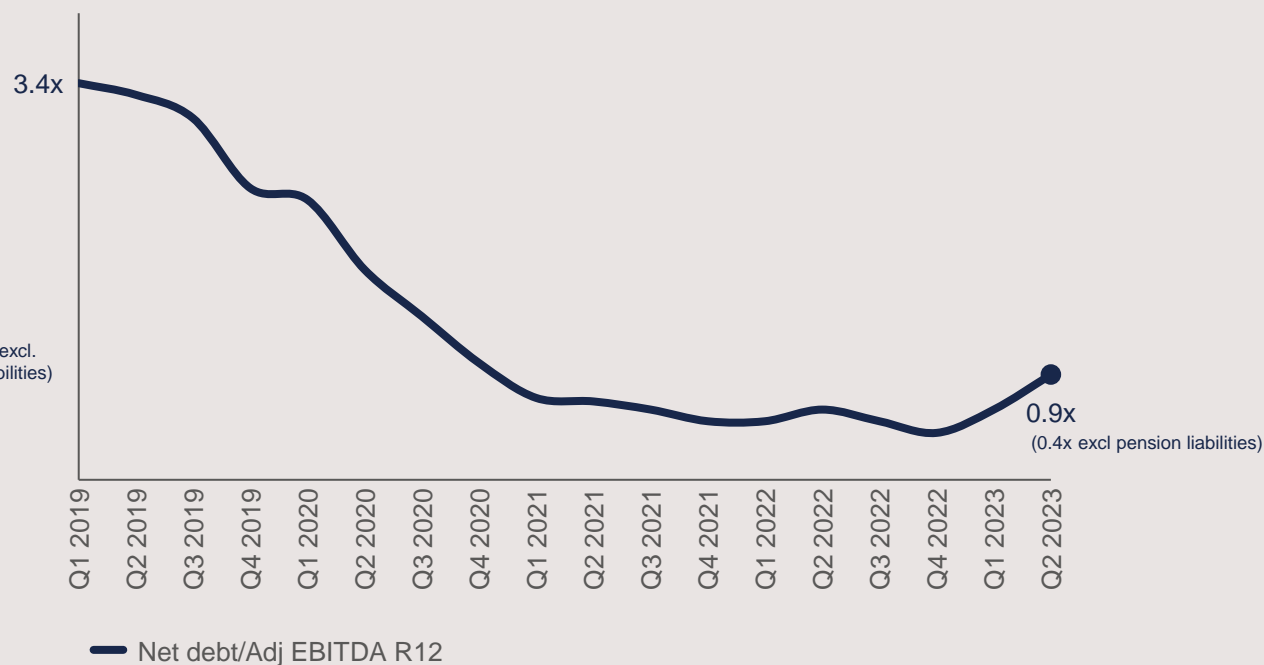
Solid financial position

Margin of safety when it comes to net debt and leverage

Net debt is down significantly in recent years ...



... and leverage is signalling financial strength



Summary

Key takeaways

Summary Q2 2023

- Quality and supply challenges in Cardiac Assist and Cardiopulmonary impacting top line and adjusted EBITA margin negatively
- Positive Free Cash Flow
- Solid financial position
- Focus on
 - addressing the quality challenges
 - productivity improvements
 - creating additional value for customers

Q&A

Thank you

Forward looking information

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



GETINGE

PASSION FOR LIFE