

Comments from Mattias Perjos, President & CEO

Continued growth and improved margins

“The positive momentum in our organic sales growth is continuing across all business areas and regions. The organic order intake is also satisfactory, despite tough comparative figures following a long period of outperforming market growth. We believe that underlying demand remains high. This also applies to Americas and Surgical Workflows for which I am not satisfied with the third-quarter order intake. Launches in the quarter include the Maquet Lyra operating table that meets the growing demand in the value segment. It has been developed in collaboration with our R&D units in Europe and China, and will be produced in China. Productivity and manufacturing volumes increased, which strengthened our margins. It is also positive that improvements in logistics and inventories are helping to enhance customer service and reduce costs. Our operating expenses were slightly higher compared with Q3 2018, mainly due to remediation measures and EU MDR preparations. However, operating expenses are reduced sequentially compared with the preceding quarter, which is a sign that our restructuring measures are starting to show results. The underlying cash flow remained strong despite seasonally tying up more capital in the third quarter. In the coming quarters, we will continue to work on creating value for our customers and strengthening profitability.”

July – September 2019 in brief

- Net sales increased by 4.8% organically and the order intake rose by 3.5% organically.
- Adjusted gross profit amounted to SEK 3,171 M (2,721) and the margin was 50.8% (47.9). IFRS 16 had a positive effect of SEK 29 M on adjusted gross profit.
- Adjusted EBITA amounted to SEK 677 M (438) and the adjusted EBITA margin was 10.9% (7.7). IFRS 16 had a positive effect of SEK 3 M on adjusted EBITA.
- Adjusted earnings per share amounted to SEK 1.42 (0.78). The effect of IFRS 16 was SEK 0.00 per share.
- Launch of Maquet Lyra, a high-quality operating table that meets growing demand in the value segment.

January – September 2019 in brief

- Net sales increased by 4.8% organically and the order intake rose by 5.3% organically.
- Adjusted gross profit amounted to SEK 9,097 M (8,153) and the margin was 50.4% (50.1). IFRS 16 had a positive effect of SEK 85 M on adjusted gross profit.
- Adjusted EBITA amounted to SEK 1,637 M (1,277) and the adjusted EBITA margin was 9.1% (7.8). IFRS 16 had a positive effect of SEK 9 M on adjusted EBITA.
- Adjusted earnings per share amounted to SEK 3.18 (2.45). The effect of IFRS 16 was SEK -0.02 per share.

Outlook 2019 (if adjusted, the preceding outlook is stated in parentheses)

- Organic sales growth is expected to be 2-4% for the full-year 2019.

Summary of financial performance^{1) 2)}

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Order intake	6,678	6,173	19,638	17,618	24,347
<i>Organic change, %</i>	3.5	0.9	5.3	4.7	2.5
Net sales	6,236	5,683	18,061	16,282	24,172
<i>Organic change, %</i>	4.8	7.2	4.8	6.2	4.9
Adjusted gross profit	3,171	2,721	9,097	8,153	11,943
<i>Margin, %</i>	50.8	47.9	50.4	50.1	49.4
Adjusted EBITDA	1,101	757	2,870	2,181	3,916
<i>Margin, %</i>	17.7	13.3	15.9	13.4	16.2
Adjusted EBITA	677	438	1,637	1,277	2,689
<i>Margin, %</i>	10.9	7.7	9.1	7.8	11.1
Adjusted EBIT	554	323	1,267	931	2,216
<i>Margin, %</i>	8.9	5.7	7.0	5.7	9.2
Operating profit/loss (EBIT)	433	-1,736	895	-1,492	-284
<i>Margin, %</i>	6.9	-30.5	5.0	-9.2	-1.2
Profit/loss before tax	315	-1,777	544	-1,728	-624
Net profit/loss for the period	218	-1,444	346	-1,654	-939
Adjusted net profit for the period	397	221	895	692	1,639
<i>Margin, %</i>	6.4	3.9	5.0	4.3	6.8
Adjusted earnings per share, SEK	1.42	0.78	3.18	2.45	5.91
Earnings per share, SEK	0.76	-5.34	1.16	-6.17	-3.55
Cash flow from operating activities	874	1,120	2,152	1,819	2,503

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

2) See Note 9 for effects of the introduction of IFRS 16 Leases

Group performance

Order intake

July – September 2019

- Continued high organic growth, with Acute Care Therapies accounting for the largest share in absolute figures, mainly due to a strong trend in heart-lung machines and related consumables in all markets.
- Sharp increase in order intake in Life Science, in most product segments.
- Surgical Workflows' order intake declined year-on-year, mainly related to Americas.

Order intake business areas, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Acute Care Therapies	3,690	3,293	6.9	10,782	9,419	7.6	13,069
Life Science	626	548	10.5	1,976	1,679	11.6	2,295
Surgical Workflows	2,362	2,332	-3.0	6,880	6,520	0.4	8,983
Total	6,678	6,173	3.5	19,638	17,618	5.3	24,347

Order intake regions, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Americas	2,514	2,506	-4.6	7,814	6,997	3.1	9,696
APAC	1,605	1,434	5.5	4,346	3,783	8.0	5,362
EMEA	2,559	2,233	11.3	7,478	6,838	6.2	9,289
Total	6,678	6,173	3.5	19,638	17,618	5.3	24,347

Net sales

July – September 2019

- Continued growth across all business areas in all markets.
- Acute Care Therapies performed positively in all regions and accounted for the largest share of growth in absolute figures.
- Robust growth in Life Science in the largest market EMEA, whereas performance in Americas and APAC was slightly weaker.
- Surgical Workflows performed particularly well in APAC due to major deliveries in September. Growth in Americas and EMEA outperformed the market.
- Sales of capital goods are continuing to increase, negatively impacting gross margin.

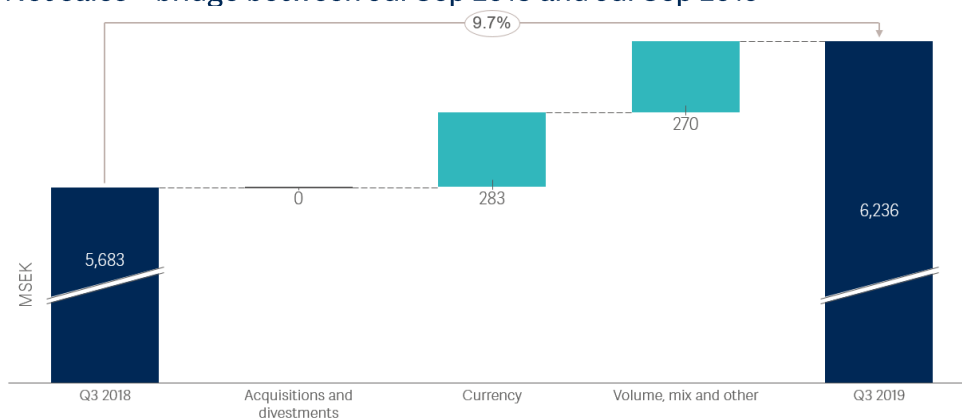
Net sales business areas, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Acute Care Therapies	3,435	3,159	3.6	10,297	9,158	5.7	13,013
Life Science	513	480	2.9	1,622	1,472	4.5	2,194
Surgical Workflows	2,288	2,044	7.0	6,142	5,652	3.5	8,965
Total	6,236	5,683	4.8	18,061	16,282	4.8	24,172

Net sales regions, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Americas	2,491	2,306	2.6	7,491	6,719	2.8	9,530
APAC	1,391	1,231	6.3	3,888	3,291	11.0	5,203
EMEA	2,354	2,146	6.2	6,682	6,272	3.8	9,439
Total	6,236	5,683	4.8	18,061	16,282	4.8	24,172

Net sales specified by capital goods & consumables, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Capital goods	2,600	2,317	6.8	7,191	6,377	7.4	10,552
Consumables	3,636	3,366	3.4	10,870	9,905	3.2	13,620
Total	6,236	5,683	4.8	18,061	16,282	4.8	24,172

Net sales – bridge between Jul-Sep 2018 and Jul-Sep 2019

- Net sales increased by SEK 553 M, corresponding to 9.7% compared with Q3 2018.
- Exchange rates had a positive impact of SEK 283 M on sales, corresponding to +5.0%.
- Volume, mix and other items positively affected sales by +4.7%.



Adjusted earnings trend¹⁾

- Currency effects had a positive impact of SEK 177 M on adjusted gross profit and SEK 93 M on adjusted EBITA.
- The adjusted gross margin strengthened by 2.9 percentage points in relation to Q3 2018 and by 1.4 percentage points sequentially.
- Higher productivity and few production disruptions contributed positively to the margin.
- Operating expenses fell sequentially by 1.4%, but year-on-year increased by 5.4%, mainly related to quality enhancements and preparations ahead of the EU Medical Device Regulation (MDR).
- Adjusted EBITA rose by SEK 239 M year-on-year and the adjusted EBITA margin by 3.2 percentage points. The margin improved sequentially by 1.5 percentage points.
- Costs for restructuring measures totaled SEK 39 M and other items affecting comparability amounted to SEK 72 M relating to the settlement of a claim for damages from 2013 for a product type that is no longer part of the range. There are no other claims related to this product.

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net sales	6,236	5,683	18,061	16,282	24,172
Adjusted gross profit	3,171	2,721	9,097	8,153	11,943
Margin, %	50.8	47.9	50.4	50.1	49.4
Adjusted operating expenses	-2,070	-1,964	-6,227	-5,972	-8,027
Adjusted EBITDA	1,101	757	2,870	2,181	3,916
Margin, %	17.7	13.3	15.9	13.4	16.2
Depreciation, amortization and write-downs of intangible assets and tangible assets ²⁾	-424	-319	-1,233	-904	-1,227
Adjusted EBITA	677	438	1,637	1,277	2,689
Margin, %	10.9	7.7	9.1	7.8	11.1
A Amortization and write-down of acquired intangible assets ²⁾	-123	-115	-370	-346	-473
Adjusted EBIT	554	323	1,267	931	2,216
Margin, %	8.9	5.7	7.0	5.7	9.2
B Acquisition and restructuring costs	-49	-32	-265	-46	0
C Other items affecting comparability ³⁾	-72	-2,027	-107	-2,377	-2,500
Operating profit/loss (EBIT)	433	-1,736	895	-1,492	-284
Net financial items	-118	-41	-351	-236	-340
Profit/loss before tax	315	-1,777	544	-1,728	-624
Adjusted profit before tax (adjusted for A, B and C)	559	397	1,286	1,041	2,349
Margin, %	9.0	7.0	7.1	6.4	9.7
Taxes	-97	333	-198	74	-315
D Adjustment of tax ³⁾	-65	-509	-193	-423	-395
Adjusted net profit for the period (adjusted for A, B, C and D)	397	221	895	692	1,639
Margin, %	6.4	3.9	5.0	4.3	6.8
Of which, attributable to Parent Company shareholders	387	211	866	666	1,611
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)	1.42	0.78	3.18	2.45	5.91

1) See Note 9 for effects of IFRS 16. 2) Excluding items affecting comparability (see Note 3 for depreciation, amortization and write-downs). 3) See Note 5.

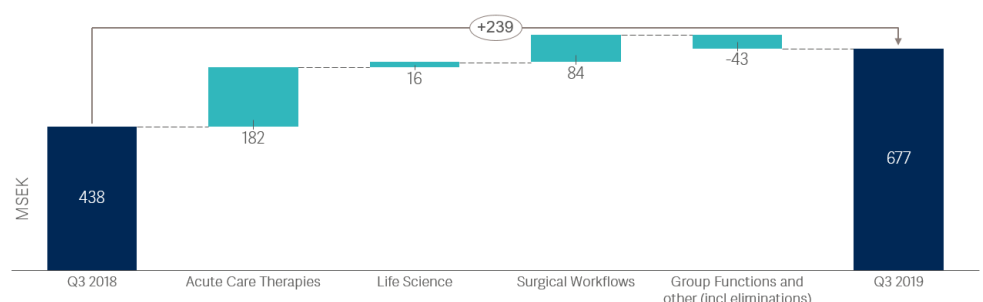
Adjusted EBITA per business area¹⁾

- Acute Care Therapies increased its adjusted EBITA by SEK 182 M and the margin improved by 4.1 percentage points, mainly due to increased sales volumes, higher gross margin and positive currency effects that were partly offset by higher remediation costs.
- Life Science's adjusted EBITA rose by SEK 16 M, resulting in an increase of 2.6 percentage points on the margin, mainly attributable to a higher gross margin compared with the year-earlier period, which was partly offset by a higher cost base.
- Surgical Workflows' adjusted EBITA increased by SEK 84 M, up 3.6 percentage points, due to higher sales and an improved gross margin.
- Costs for Group functions increased by SEK 43 M, mainly attributable to compliance.

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Acute Care Therapies	620	438	1,916	1,504	2,533
Margin, %	18.0	13.9	18.6	16.4	19.5
Life Science	54	38	163	147	277
Margin, %	10.5	7.9	10.0	10.0	12.6
Surgical Workflows	99	15	-170	-189	142
Margin, %	4.3	0.7	-2.8	-3.3	1.6
Group functions and other (incl. eliminations)	-96	-53	-272	-185	-263
Total	677	438	1,637	1,277	2,689
Margin, %	10.9	7.7	9.1	7.8	11.1

1) See Note 3 for depreciation, amortization and write-downs, Note 5 for other items affecting comparability and Note 9 for effects of IFRS 16.

Adjusted EBITA – bridge between Jul-Sep 2018 and Jul-Sep 2019



Adjusted operating expenses

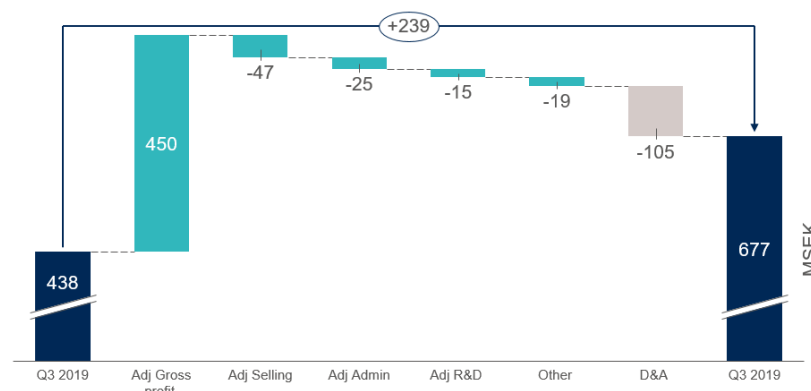
(excluding depreciation, amortization and write-downs and other items affecting comparability)¹⁾

SEK M	Jul-Sep 2019	Of which		Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
		IFRS 16 effect	Jul-Sep 2018			
Selling expenses	-1,148	42	-1,101	-3,479	-3,361	-4,527
Administrative expenses	-732	23	-707	-2,197	-2,053	-2,757
Research and development costs	-162	4	-147	-524	-494	-662
Other operating income and expenses	-28	0	-9	-27	-64	-81
Total	-2,070	69	-1,964	-6,227	-5,972	-8,027

¹⁾ See Note 3 for depreciation, amortization and write-downs, Note 5 for other items affecting comparability and Note 9 for effects of IFRS 16.

- Adjusted operating expenses declined sequentially by SEK 29 M, corresponding to -1.4%, from Q2 2019 to Q3 2019.
- Adjusted operating expenses increased by SEK 106 M, or 5.4%, year-on-year.
- Excluding currency and IFRS 16 effects, adjusted operating expenses rose by 5.1% compared with the preceding year.
- The effect of IFRS 16 on adjusted operating expenses was SEK +69 M for the quarter.
- The increase in administrative expenses was mainly related to compliance and quality and remediation measures.

Adjusted EBITA – bridge between Jul-Sep 2018 and Jul-Sep 2019



Currency impact

SEK M	Jul-Sep 2019	Jan-Sep 2019
Net sales	283	991
Gross profit	171	510
EBITDA	106	234
EBITA	92	186
Operating profit (EBIT)	86	157

- Net sales were positively impacted by translation effects of SEK 283 M.
- Adjusted gross profit was positively impacted by translation effects of SEK 116 M and transaction effects of SEK 61 M.
- Adjusted EBITA was positively impacted by translation effects of SEK 32 M and transaction effects of SEK 61 M.

- Improved operating profit contributed positively to cash flow from operating activities at the same time as tax effects negatively impacted comparability by SEK 291 M (SEK -147 M in tax payments in Q3 2019 and SEK +144 M in tax rebates compared with Q3 2018).
- Continued positive trend in working capital, despite growth in net sales.
- Compared with the preceding year, net debt was adversely impacted by currency effects, IFRS 16 effects and the revaluation of pension liabilities.
- Excluding IFRS 16 effects, net debt in relation to adjusted EBITDA R12M was a multiple of 3.0.

Cash flow and financial position¹⁾

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Cash flow before changes in working capital	719	748	1,794	1,460	2,641
Changes in working capital	155	372	358	359	-138
Net investments in non-current assets	-287	-319	-850	-972	-1,335
Cash flow after net investments	587	801	1,302	847	1,168
<i>Of which IFRS 16 effect</i>			266	-	-
Net interest-bearing debt			14,123	12,936	12,591
<i>In relation to adjusted EBITDA¹⁾ R12M, multiple</i>			3.1	3.3	3.2
Net interest-bearing debt, excl. IFRS 16 effect			13,122	12,936	12,591
<i>In relation to adjusted EBITDA¹⁾ R12M, multiple and excl. IFRS 16 effect</i>			3.0	3.3	3.2

¹⁾ See Note 5 for items affecting comparability, Note 7 for alternative performance measures and Note 9 for effects of IFRS 16.

Research and development

- Gross expenses for R&D were unchanged, while capitalized development costs fell by 14.9%, which was the reason for the net increase of 12.9% for R&D (in profit or loss).
- Amortization and write-downs declined by 5.1%.

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
R&D costs, gross	-289	-289	-935	-955	-1,262
<i>In relation to net sales, %</i>	4.6	5.1	5.2	5.9	5.2
Capitalized development costs	114	134	366	439	571
<i>In relation to net sales, %</i>	1.8	2.4	2.0	2.7	2.4
Research and development costs, net	-175	-155	-569	-516	-691
Amortization and write-downs of capitalized R&D	-129	-136	-390	-379	-519
<i>Of which write-downs</i>	-2	-4	-12	-4	-15

Update regarding Consent Decree with the FDA

- Improvements continue to take place in Hechingen in accordance with the revised plan from 2017.
- The unutilized provision totaled SEK 291 M at the end of the quarter.

SEK M	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Provision at beginning of period	382	556	556
Used amount	-108	-148	-200
Provisions	-	-	-
Translation differences	17	30	26
Provision at close of period	291	438	382

- 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.
- Getinge committed SEK 995 M in 2014 related to the remediation program for strengthening the former Medical Systems' quality management system, and in 2016 and 2017 SEK 400 M and SEK 488 M, respectively, were committed for the same purpose. The total cost of the remediation program thus amounted to SEK 1,983 M at the end the third quarter of 2019.

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. Net sales and the financial impact related to these observations are not deemed to be material. Nor will production capacity be affected by this work.

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 amounts to SEK 85 billion with expected organic growth of 2-4% per year.

Order intake and net sales

- Organic order growth in all regions and most product categories.
- Strong growth in heart-lung-related consumables and machines.

Order intake regions, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Americas	1,766	1,650	1.7	5,356	4,638	6.4	6,415
APAC	864	716	13.9	2,265	1,870	14.0	2,638
EMEA	1,060	927	10.9	3,161	2,911	5.4	4,016
Total	3,690	3,293	6.9	10,782	9,419	7.6	13,069

- Net sales growing organically in all regions and most product categories.
- Continued robust performance in Critical Care with growth in all regions.
- Strong trend in Cardiac Assist and Cardiac Surgery.
- Sales of vascular implants did not reach last year's level when a major delivery was made in Japan.
- Sales of consumables is increasing, which positively affects the gross margin.

Net sales regions, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Americas	1,684	1,551	3.1	5,190	4,575	4.4	6,404
APAC	739	663	5.0	2,096	1,802	9.4	2,627
EMEA	1,012	945	3.4	3,011	2,781	5.5	3,982
Total	3,435	3,159	3.6	10,297	9,158	5.7	13,013

Net sales specified by capital goods & consumables, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Capital goods	875	811	2.2	2,582	2,211	11.1	3,501
Consumables	2,560	2,348	4.0	7,715	6,947	4.0	9,512
Total	3,435	3,159	3.6	10,297	9,158	5.7	13,013

Adjusted earnings trend¹⁾

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net sales	3,435	3,159	10,297	9,158	13,013
Adjusted gross profit	1,973	1,710	6,001	5,319	7,627
Margin, %	57.4	54.1	58.3	58.1	58.6
Adjusted EBITDA	841	637	2,581	2,048	3,259
Margin, %	24.5	20.2	25.1	22.4	25.0
Depreciation, amortization and write-downs of intangible assets and tangible assets	-221	-199	-665	-544	-726
Adjusted EBITA	620	438	1,916	1,504	2,533
Margin, %	18.0	13.9	18.6	16.4	19.5

1) See Note 3 for depreciation, amortization and write-downs, Note 5 for other items affecting comparability and Note 9 for effects of IFRS 16.

- The adjusted gross margin rose 3.3 percentage points in relation to the year-earlier quarter as a result of higher sales volumes and currency effects. This was partly offset by higher costs for remediation measures.
- Adjusted operating expenses increased by 5.5% compared with the year-earlier period and excluding currency and IFRS 16 effects were 4.1% higher, mainly due to remediation measures and preparations for the EU's forthcoming Medical Device Regulation (EU MDR).
- Higher sales, increased gross margin and a positive currency effect contributed to an increase in the adjusted EBITA margin of 4.1 of a percentage point compared with the preceding year.
- Currency effects impacted sales by SEK +163 M, adjusted gross profit by SEK +117 M and adjusted EBITA by SEK +66 M.

Events during the quarter

- Getinge received approval for a patent in the US that protects the unique Automatic Gas Control function in anesthesia machines. The invention markedly reduces the number of manual adjustments and the consumption of anesthetic agents, which is positive for patients, the environment and costs.
- Getinge hosted the European EVH Summit 2019 in Düsseldorf, Germany on September 19-20, attended by almost 120 participants from 13 countries. The objective of the summit was to share best practice in Endoscopic Vessel Harvesting (EVH), a minimally invasive technique that enhances clinical efficiency in and speeds recovery from coronary artery bypass grafting (CABG).

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 amounts to SEK 23 billion with expected organic growth of 3-5% per year.

- Very strong organic order intake in Americas and EMEA, but SEK 28 M decline in order intake in APAC.
- High growth in sterilizers, isolators and consumables.

- Very strong organic sales growth in the largest market, EMEA.
- High growth in disinfectors and isolators.
- The decline in sales in Americas was primarily attributable to North America where a number of projects were delivered in Q3 2018.
- Sales of capital goods increased in relation to consumables.

- The adjusted gross margin rose 4.1 percentage points in relation to the year-earlier quarter, primarily as a result of higher sales volumes.
- Adjusted operating expenses increased by 5.1% compared with the year-earlier period and excluding currency and IFRS 16 effects were 5.4% higher.
- Higher sales and strengthened gross margin contributed to an increase in the adjusted EBITA margin of 2.6 percentage points compared with the preceding year.
- Currency effects impacted sales by SEK +19 M, adjusted gross profit by SEK +12 M and adjusted EBITA by SEK +8 M.

Order intake and net sales

Order intake regions, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Americas	214	167	22.3	754	574	21.3	802
APAC	90	118	-27.4	258	324	-25.1	434
EMEA	322	263	20.0	964	781	19.7	1,059
Total	626	548	10.5	1,976	1,679	11.6	2,295

Net sales regions, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Americas	191	194	-6.3	584	569	-5.1	815
APAC	87	89	-8.5	254	201	19.0	375
EMEA	235	197	17.2	784	702	8.1	1,004
Total	513	480	2.9	1,622	1,472	4.5	2,194

Net sales specified by capital goods & consumables, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Capital goods	311	280	7.1	1,002	887	7.6	1,403
Consumables	202	200	-2.8	620	585	-0.1	791
Total	513	480	2.9	1,622	1,472	4.5	2,194

Adjusted earnings trend¹⁾

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net sales	513	480	1,622	1,472	2,194
Adjusted gross profit	207	174	629	556	815
Margin, %	40.4	36.3	38.8	37.8	37.1
Adjusted EBITDA	84	57	243	202	348
Margin, %	16.4	11.9	15.0	13.7	15.9
Depreciation, amortization and write-downs of intangible assets and tangible assets	-30	-19	-80	-55	-71
Adjusted EBITA	54	38	163	147	277
Margin, %	10.5	7.9	10.0	10.0	12.6

1) See Note 3 for depreciation, amortization and write-downs, Note 5 for other items affecting comparability and Note 9 for effects of IFRS 16.

Events during the quarter

- Capacity utilization in the manufacturing units improved during the quarter as a result of increased demand. A new assembly area was opened at the existing plant in Getinge in June 2019 and is now being fully utilized to assemble the Getinge Life Science sterilizer GSS. As a result of higher demand for DPTE Beta Bags[®] for sterile transfers, a third shift was added to the Vendôme plant in France during the quarter. The introduction of LEAN for manufacturing disinfectors for the pharmaceutical industry at the plant in Toulouse, France, has started to generate positive effects.
- Efficiency enhancements to the product portfolio are continuing. For example, a decision was made earlier this year to consolidate the range of isolators and tests used to ensure that critical parts of the pharmaceutical manufacturing process are kept sterile. In the long term, this consolidation is expected to improve productivity and profitability.

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 amounts to SEK 62 billion with expected organic growth of 2-4% per year.

- Lower organic order intake, mainly attributable to Americas, where major orders were won in both Q3 2017 and Q3 2018.
- Positive performance in Infection Control, mainly in EMEA.

- Organic growth in all regions and product categories.
- Very high growth in Surgical Workplaces, with operating-room products.
- The high growth in Integrated Workflow Solutions from the preceding quarter is continuing.
- Sales of capital goods increased at a higher tempo than consumables, which negatively affected the margin.

- The adjusted gross margin rose by 2.4 percentage points in relation to the year-earlier quarter, primarily as a result of higher sales, an advantageous market mix and higher productivity in the manufacturing process.
- Adjusted operating expenses were unchanged compared with the year-earlier period. Excluding currency and IFRS 16 effects, adjusted operating expenses were 1.3% higher than in Q3 2018.
- Increased sales, a higher gross margin and control of operating expenses contributed to the SEK 84 M improvement in adjusted EBITA to SEK 99 M, and the margin increasing by 3.6 percentage points to 4.3%.
- Currency effects impacted sales by SEK +101 M, adjusted gross profit by SEK +48 M and adjusted EBITA by SEK +19 M.

Order intake and net sales

Order intake regions, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Americas	534	689	-26.2	1,704	1,785	-11.3	2,479
APAC	651	600	2.0	1,823	1,589	7.6	2,290
EMEA	1,177	1,043	9.5	3,353	3,146	3.5	4,214
Total	2,362	2,332	-3.0	6,880	6,520	0.4	8,983

Net sales regions, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Americas	616	561	4.4	1,717	1,575	1.1	2,311
APAC	565	479	10.8	1,538	1,288	12.0	2,201
EMEA	1,107	1,004	6.6	2,887	2,789	0.9	4,453
Total	2,288	2,044	7.0	6,142	5,652	3.5	8,965

Net sales specified by capital goods & consumables, SEK M	Jul-Sep 2019	Jul-Sep 2018	Org Δ, %	Jan-Sep 2019	Jan-Sep 2018	Org Δ, %	Jan-Dec 2018
Capital goods	1,414	1,226	9.8	3,607	3,279	4.9	5,648
Consumables	874	818	2.9	2,535	2,373	1.6	3,317
Total	2,288	2,044	7.0	6,142	5,652	3.5	8,965

Adjusted earnings trend¹⁾

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net sales	2,288	2,044	6,142	5,652	8,965
Adjusted gross profit	991	837	2,467	2,278	3,501
Margin, %	43.3	40.9	40.2	40.3	39.1
Adjusted EBITDA	270	116	311	113	567
Margin, %	11.8	5.7	5.1	2.0	6.3
Depreciation, amortization and write-downs of intangible assets and tangible assets	-171	-101	-481	-302	-425
Adjusted EBITA	99	15	-170	-189	142
Margin, %	4.3	0.7	-2.8	-3.3	1.6

¹⁾ See Note 3 for depreciation, amortization and write-downs, Note 5 for other items affecting comparability and Note 9 for effects of IFRS 16.

Events during the quarter

- Activities to improve productivity continued at a high pace and contributed to a sequential increase in gross margin and lower operating expenses.
- Launch of Maquet Lyra – a flexible and mobile OR table targeted at the value segment and meeting the needs of almost all surgical disciplines. Maquet Lyra was developed in collaboration between the R&D units in Germany and China and is produced at Getinge's factory in Suzhou, China. Maquet Meera CL was also launched, targeted at customers in the value segment and based on the technology used in other tables in the Meera family and Lyra.
- Getinge received its first major order for the recently launched GSS610H steam sterilizer that offers advantages in sterilizer efficiency, economies of scale and sustainability (for example, by reducing consumption of cooling water).
- Getinge delivered 12 operating rooms, of which four hybrid operating rooms to the recently opened National Cerebral and Cardiovascular Center in Osaka, Japan. The opening ceremony was attended by the Japanese Minister of Health and several medical exports. Getinge's contribution to this flagship of Japanese health care is expected to generate yet more positive attention in the Japanese market and thus support continued healthy growth.

Other information

Risk management

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 and the Group-wide quality and regulatory compliance function has a representative on the management teams of each business area. The function is also 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.

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. Higher net sales are normally 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.

Nomination Committee ahead of 2020 Annual General Meeting

Pursuant to a resolution by Getinge AB's 2005 General Meeting, the Nomination Committee comprises Getinge's Chairman and representatives for the five largest shareholders at August 31, 2019, as well as a representative for minority shareholders. Ahead of the 2020 Annual General Meeting, this means that Getinge's Nomination Committee comprises: a representative from Carl Bennet AB (Carl Bennet), the Fourth Swedish National Pension Fund (Per Colleen), Incentive (Mikael Berglund), Swedbank Robur Fonder (Marianne Nilsson) and a representative for minority shareholders (Viveka Ekberg). Shareholders who would like to submit proposals to Getinge's 2020 Nomination Committee can contact the Nomination Committee by e-mail at valberedningen@getinge.com or by mail: Getinge AB, Att: Nomination Committee, Box 8861, SE-402 72 Gothenburg, Sweden.

2020 Annual General Meeting

Getinge AB's Annual General Meeting will be held on April 22, 2020 at 2:00 p.m. in Kongresshallen at Hotel Tylösand in Halmstad, Sweden. Shareholders wishing to have a matter addressed at the Annual General Meeting can submit their proposal to Getinge's Board Chairman by e-mail: arenden.bolagsstamma@getinge.com, or by mail: Getinge AB, Att: Bolagsstämмоärenden, Box 8861, SE-402 72 Gothenburg, Sweden. To ensure inclusion in the notice and the agenda, proposals must be received by the company not later than March 4, 2020.

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, October 18, 2019

Carl Bennet
Vice Chairman

Johan Bygge

Cecilia Daun Wennborg

Barbro Fridén

Dan Frohm

Sofia Hasselberg

Peter Jörmalm

Rickard Karlsson

Johan Malmquist
Chairman

Mattias Perjos
President & CEO

Malin Persson

Johan Stern

AUDITOR'S REPORT

INTERIM REPORT PREPARED IN ACCORDANCE WITH IAS 34 AND CHAPTER 9 OF THE SWEDISH ANNUAL ACCOUNTS ACT

Introduction

We have reviewed the condensed interim financial information (interim report) of Getinge AB (publ) as of 30 September 2019 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, October 18, 2019
Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorized Public Accountant
Auditor in Charge

Eric Salander
Authorized Public Accountant

Consolidated financial statements

Consolidated income statement

SEK M	Note	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net sales	2	6,236	5,683	18,061	16,282	24,172
Cost of goods sold		-3,303	-3,263	-9,662	-8,804	-13,119
Gross profit	2, 3, 9	2,933	2,420	8,399	7,478	11,053
Selling expenses		-1,332	-1,368	-4,032	-3,895	-5,202
Administrative expenses		-844	-792	-2,514	-2,299	-3,090
Research and development costs		-175	-155	-569	-516	-691
Acquisition expenses		-10	-2	-12	-4	-4
Restructuring costs		-39	-30	-253	-42	4
Other operating income and expenses ¹⁾		-100	-1,809	-124	-2,214	-2,354
Operating profit/loss (EBIT)	2, 3, 9	433	-1,736	895	-1,492	-284
Net financial items	2, 9	-118	-41	-351	-236	-340
Profit/loss after financial items	2, 9	315	-1,777	544	-1,728	-624
Taxes		-97	333	-198	74	-315
Net profit/loss for the period		218	-1,444	346	-1,654	-939
Attributable to:						
Parent Company shareholders		208	-1,454	317	-1,680	-967
Non-controlling interests		10	10	29	26	28
Net profit/loss for the period		218	-1,444	346	-1,654	-939
Earnings per share, SEK ²⁾		0.76	-5.34	1.16	-6.17	-3.55
Weighted average number of shares for calculation of earnings per share (000s)		272,370	272,370	272,370	272,370	272,370

1) Of which SEK -350 M is related to ongoing investigations in Brazil (Jan-Mar 2018) and SEK -1,800 M to surgical mesh-related claims (Jul-Sep 2018).

2) Before and after dilution

Consolidated statement of comprehensive income

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net profit/loss for the period	218	-1,444	346	-1,654	-939
Other comprehensive income					
Items that cannot be restated in profit for the period					
Actuarial gains/losses pertaining to defined benefit pension plans	-277	36	-595	36	143
Tax attributable to items that cannot be restated in profit	70	-8	162	-8	-15
Items that can later be restated in profit for the period					
Translation differences and hedging of net investments	864	-436	1,540	995	844
Cash flow hedges	1	75	80	-81	-60
Tax attributable to items that can be restated in profit	4	32	-13	239	304
Other comprehensive income for the period, net after tax	662	-301	1,174	1,181	1,216
Total comprehensive income for the period	880	-1,745	1,520	-473	277
Comprehensive income attributable to:					
Parent Company shareholders	859	-1,751	1,463	-520	230
Non-controlling interests	21	6	57	47	47
Total comprehensive income for the period	880	-1,745	1,520	-473	277

Consolidated balance sheet

SEK M	Note	September 30 2019	September 30 2018	December 31 2018
Assets				
Intangible assets		25,440	24,034	24,098
Tangible assets		3,270	3,081	3,160
Right-of-use assets	9	1,035	-	-
Financial assets		2,120	2,344	1,946
Inventories		5,473	5,392	4,544
Accounts receivable		5,393	4,749	6,108
Other current receivables		2,593	2,083	2,223
Cash and cash equivalents	6	1,254	940	1,273
Total assets		46,578	42,623	43,352
Equity and liabilities				
Equity		20,877	18,905	19,655
Provisions for pensions, interest-bearing	6	3,745	3,144	3,035
Lease liabilities	6, 9	1,001	-	-
Other interest-bearing liabilities	6	10,631	10,732	10,829
Other provisions		3,842	3,984	3,771
Accounts payable		1,815	1,606	1,868
Other non-interest-bearing liabilities		4,667	4,252	4,194
Total equity and liabilities		46,578	42,623	43,352

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, 2018	136	6,789	168	12,291	19,384	422	19,806
Total comprehensive income for the period	-	-	1,067	-837	230	47	277
Share-based remuneration	-	-	-	-4	-4	-	-4
Dividend	-	-	-	-409	-409	-15	-424
Closing balance at December 31, 2018	136	6,789	1,235	11,041	19,201	454	19,655
Opening balance at January 1, 2019	136	6,789	1,235	11,041	19,201	454	19,655
Total comprehensive income for the period	-	-	1,579	-116	1,463	57	1,520
Dividend	-	-	-	-272	-272	-26	-298
Closing balance at September 30, 2019	136	6,789	2,814	10,653	20,392	485	20,877

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

Consolidated cash flow statement

SEK M	Note	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019 ³⁾	Jan-Sep 2018	Jan-Dec 2018
Operating activities						
Operating profit (EBIT)	9	433	-1,736	895	-1,492	-284
Add-back of depreciation, amortization and write-downs	4, 9	548	535	1,640	1,351	1,808
Other non-cash items ¹⁾		66	1,915	72	2,277	2,073
Add-back of restructuring costs ²⁾		38	30	226	42	-4
Paid restructuring costs		-98	-82	-269	-191	-261
Financial items		-121	-58	-347	-226	-325
Taxes paid		-147	144	-423	-301	-366
Cash flow before changes in working capital		719	748	1,794	1,460	2,641
Changes in working capital						
Inventories		-70	53	-665	-551	-36
Operating receivables		81	136	959	1,429	-30
Operating liabilities		144	183	64	-519	-72
Cash flow from operating activities		874	1,120	2,152	1,819	2,503
Investing activities						
Acquisition of operations		-	-	-6	-4	-4
Investments in intangible assets and tangible assets		-295	-325	-863	-1,002	-1,380
Divestment of non-current assets		8	6	13	30	45
Cash flow from investing activities		-287	-319	-856	-976	-1,339
Financing activities						
Change in interest-bearing liabilities	9	-494	-754	-1,081	-1,029	-1,005
Change in long-term receivables		-3	-3	3	6	-11
Dividend paid		-17	-15	-298	-424	-424
Cash flow from financing activities		-514	-772	-1,376	-1,447	-1,440
Cash flow for the period		73	29	-80	-604	-276
Cash and cash equivalents at the beginning of the period		1,158	939	1,273	1,526	1,526
Translation differences		23	-28	61	18	23
Cash and cash equivalents at the end of the period		1,254	940	1,254	940	1,273

1) Refers mainly to the provision for surgical mesh-related claims (Jul-Sep 2018)

2) Excluding write-downs on non-current assets

3) Getinge applies IFRS 16 Leases from January 1, 2019 and comparative figures have not been restated since the Group has chosen to apply the modified retrospective approach. See Note 9 for more information on the effects of the introduction of IFRS 16 on cash flow.

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 2018 Annual Report and should be read in conjunction with that Annual Report, with one exception. The Group applies IFRS 16 Leases, which replaces IAS 17 Leases, from January 1, 2019 and the new accounting policies are described in the section "New accounting policies" below.

The interim report provides alternative performance measures for monitoring the Group's operations. Percentual changes and key figures in the report have been calculated based on the rounded amounts as presented in the report. Unless otherwise specified, all figures pertain to SEK M and figures in parentheses pertain to the year-earlier period.

New accounting policies

Getinge applies IFRS 16 Leases from January 1, 2019. The Group has decided to apply the modified retrospective approach and accordingly has not restated comparative figures. Instead, right-of-use assets for leases assets have been measured at an amount corresponding to the outstanding lease obligations on January 1, 2019¹⁾. In connection with the transition to IFRS 16, Getinge decided to use the same discount rate for lease assets of similar characteristics. Getinge's decision to apply the modified retrospective approach has also meant that direct costs for the measurement of the right-of-use assets were excluded and assessment was used in determining the remaining lease terms in connection with initial application of the standard.

Under IFRS 16, an asset (the right to use the leased asset) and a financial liability (the obligation to pay to make lease payments) are recognized in the balance sheet. Since no difference is made between operating and finance leases, the implementation of the standard entailed that all material leases in which Getinge is the lessee were recognized in the consolidated balance sheet. Only short-term leases and low-value leases are exempted.

When the standard was introduced on January 1, 2019, right-of-use assets of SEK 1,056 M and lease liabilities of SEK 1,017 M were recognized on new rows in the consolidated balance sheet²⁾. Right-of-use assets are primarily attributable to leased premises and vehicles. In the income statement, operating leasing costs have been replaced by costs for depreciation of right-of-use assets and interest expenses attributable to lease liabilities. For this reason, operating profit will increase compared with previously since some of the lease payments will be recognized as interest expenses in net financial items. As a result, the standard impacts several of the Group's key figures. See Note 9 for more information on the effects of IFRS 16.

The effects of the transition to IFRS 16 are presented in the table below with the discount effect calculated using the Group's weighted average borrowing rate of 2.5%.

Effects of introduction of IFRS 16

SEK M	
Obligation for operating leases under IAS 17 at December 31, 2018	996
Discount effect	-55
Short-term leases and low-value leases	-11
Extension/termination options that it is reasonably certain will be exercised	87
Lease liability under IFRS 16 at January 1, 2019	1,017
Prepaid lease payments	39
Right-of-use assets under IFRS 16 at January 1, 2019	1,056

- 1) Upon the introduction of IFRS 16, Getinge has applied the modified retrospective method, which means that opening retained earnings are not affected by the transition.
- 2) Under IFRS 16, right-of-use assets are recognized at an amount corresponding to the present value of the lease liability, plus lease payments paid at or prior to the start of the lease term. For this reason, an amount of SEK 39 M was reclassified from the item other current receivables to right-of-use assets in connection with the introduction of IFRS 16.

New accounting policies for leases

The following accounting policies are applied now that Getinge recognizes leases in accordance with IFRS 16 from January 1, 2019.

Getinge as a lessee

The Group's leases mainly comprise right-of-use assets for premises and vehicles. The leases are recognized as a right-of-use asset with a corresponding lease liability when the leased asset is available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are exempted. Each lease payment should be divided between amortization of the lease liability and a financial cost. The financial cost should be allocated over the lease term, so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognized under each period.

The Group's lease liabilities are recognized at the present value of the Group's fixed lease payments. Purchase options are included if it is reasonably certain that Getinge will exercise the option to acquire the underlying asset. Penalties for terminating the lease are included if the lease term reflects that the lessee will exercise an option to cancel the lease. Lease payments are discounted with the interest rate implicit in the lease, if this rate can easily be determined. Otherwise, the Group's incremental borrowing rate is applied.

The Group's right-of-use assets are recognized at cost, and include initial present value of the lease liability, adjusted for lease payment made at or before the commencement date and any initial direct expenses. Restoration costs are included in the asset if a corresponding provision for restoration costs exists. The right-to-use asset is depreciated on a straight-line basis over the assets useful life and the lease term, whichever is the shortest.

Getinge as lessor

Leasing agreements are defined in two categories, operational and financial, depending on the financial significance of the agreement. Operating leases are recognized as non-current assets. Revenue from operating leases is recognized evenly over the lease term. Straight-line depreciation is applied to these assets in accordance with the undertakings and the depreciation amount is adjusted to correspond with the estimated realizable value when the undertaking expires. The estimated impairment requirement is immediately charged to profit or loss. The products' estimated realizable value at the expiration of the undertaking is continuously followed up on an individual basis. Financial leases are recognized as long-term and current receivables. Payments received from financial leases are divided between interest income and reduction of receivable.

Note 2 Segment overview

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net sales, SEK M					
Acute Care Therapies	3,435	3,159	10,297	9,158	13,013
Life Science	513	480	1,622	1,472	2,194
Surgical Workflows	2,288	2,044	6,142	5,652	8,965
Total	6,236	5,683	18,061	16,282	24,172
Gross profit, SEK M					
Acute Care Therapies	1,838	1,573	5,587	4,938	7,111
Life Science	189	164	584	526	776
Surgical Workflows	906	683	2,228	2,014	3,166
Total	2,933	2,420	8,399	7,478	11,053
Operating profit (EBIT), SEK M					
Acute Care Therapies	401	-1,590	1,335	-958	-100
Life Science	53	37	150	144	271
Surgical Workflows	86	-130	-307	-493	-191
Group functions and other (incl. eliminations) ¹⁾	-107	-53	-283	-185	-264
Operating profit/loss (EBIT)	433	-1,736	895	-1,492	-284
Net financial items	-118	-41	-351	-236	-340
Profit/loss after financial items	315	-1,777	544	-1,728	-624

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	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Acquired intangible assets	-123	-212	-370	-443	-570
Intangible assets	-204	-207	-620	-568	-775
Right-of-use assets ¹⁾	-95	-	-278	-	-
Tangible assets	-126	-116	-372	-340	-463
Total	-548	-535	-1,640	-1,351	-1,808
<i>of which write-downs</i>	<i>-6</i>	<i>-101</i>	<i>-42</i>	<i>-101</i>	<i>-117</i>

1) Related to leases recognized according to IFRS 16

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Of which IFRS 16 effect	Jan-Sep 2018	Jan-Dec 2018
Cost of goods sold	-238	-203	-698	-83	-577	-799
Selling expenses	-184	-239	-553	-118	-506	-647
Administrative expenses	-112	-85	-317	-65	-246	-333
Research and development costs	-13	-8	-45	-12	-22	-29
Restructuring costs	-1	-	-27	-	-	-
Total	-548	-535	-1,640	-278	-1,351	-1,808
<i>of which write-downs</i>	<i>-6</i>	<i>-101</i>	<i>-42</i>	<i>-</i>	<i>-101</i>	<i>-117</i>

Note 4 Quarterly results

SEK M	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017
Net sales	6,236	6,277	5,548	7,890	5,683	5,731	4,868	7,371
Cost of goods sold	-3,303	-3,408	-2,951	-4,315	-3,263	-3,077	-2,464	-4,179
Gross profit	2,933	2,869	2,597	3,575	2,420	2,654	2,404	3,192
Operating expenses	-2,500	-2,545	-2,459	-2,367	-4,156	-2,249	-2,565	-2,347
Operating profit/loss (EBIT)	433	324	138	1,208	-1,736	405	-161	845
Net financial items	-118	-119	-114	-104	-41	-74	-121	-127
Profit/loss after financial items	315	205	24	1,104	-1,777	331	-282	718
Taxes	-97	-94	-7	-389	333	-240	-19	242
Net profit/loss for the period	218	111	17	715	-1,444	91	-301	960

Note 5 Adjustment items

Adjusted EBITA, SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Acute Care Therapies	620	438	1,916	1,504	2,533
Life Science	54	38	163	147	277
Surgical Workflows	99	15	-170	-189	142
Group functions and other (incl. eliminations)	-96	-53	-272	-185	-263
Total, Group	677	438	1,637	1,277	2,689

Adjustments of EBITA, SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Specification of items affecting comparability that impact EBITA					
Acquisition and restructuring costs, Acute Care Therapies	-30	-30	-138	-39	-5
Acquisition and restructuring costs, Life Science	0	-	-10	-	-
Acquisition and restructuring costs, Surgical Workflows	-9	-2	-107	-7	5
Write-down of inventories, Surgical Workflows ¹⁾	-	-91	-	-91	-91
Write-down of R&D, Acute Care Therapies ²⁾	-	-	-10	-	-
Write-down of R&D, Surgical Workflows ¹⁾	-	-4	-	-4	-11
Impairment of receivables, Acute Care Therapies ³⁾	-72	-	-79	-	-83
Impairment of receivables, Life Science ³⁾	-	-	-	-	-3
Impairment of receivables, Surgical Workflows ³⁾	-	-	-18	-	-37
Provision related to Mesh, Acute Care Therapies ³⁾	-	-1,800	-	-1,800	-1,800
Provision for ongoing investigation in Brazil, Acute Care Therapies ³⁾	-	-	-	-210	-210
Provision for ongoing investigation in Brazil, Surgical Workflows ³⁾	-	-	-	-140	-140
Other, Acute Care Therapies ²⁾	-	-24	-	-24	-24
Other, Surgical Workflows ¹⁾	-	-7	-	-7	0
Other, Surgical Workflows ²⁾	-	-4	-	-4	-4
Group functions and other (incl. eliminations)	-10	-	-10	-	-
Total, Group	-121	-1,962	-372	-2,326	-2,403

Items affecting comparability per segment	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Acute Care Therapies	-102	-1,854	-227	-2,073	-2,122
Life Science	-	-	-10	-	-3
Surgical Workflows	-9	-108	-125	-253	-278
Group functions and other (incl. eliminations)	-10	-	-10	-	-
Total, Group	-121	-1,962	-372	-2,326	-2,403

- 1) Reported in Cost of goods sold
2) Reported in Operating expenses
3) Reported in Other operating income and operating expenses

EBITA, SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Acute Care Therapies	518	-1,416	1,689	-569	411
Life Science	54	38	153	147	274
Surgical Workflows	90	-93	-295	-442	-136
Group functions and other (incl. eliminations)	-106	-53	-282	-185	-263
Total, Group	556	-1,524	1,265	-1,049	286

Adjustments of EBIT (in addition to the above adjustments of EBITA), SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Specification of items affecting comparability that impact EBIT but not EBITA					
Write-down of acquired intangible assets, Acute Care Therapies ²⁾	-	-66	-	-66	-66
Write-down of acquired intangible assets, Surgical Workflows ²⁾	-	-31	-	-31	-31
Total, Group¹⁾	-	-97	-	-97	-97

- 1) Items affecting comparability that impact EBIT but not EBITA refer to write-downs of acquired intangible assets.
2) Reported in Operating expenses

Adjustments of EBIT, SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Items affecting comparability that impact EBITA (according to above)	-121	-1,962	-372	-2,326	-2,403
Items affecting comparability that impact EBIT but not EBITA (according to above)	-	-97	-	-97	-97
Total, Group	-121	-2,059	-372	-2,423	-2,500

Adjustment of tax, SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Amortization and write-down of acquired intangible assets ¹⁾	123	115	370	346	473
Items affecting comparability	121	2,059	372	2,423	2,500
Adjustment items, total	244	2,174	742	2,769	2,973
Tax effect on adjustment items ²⁾	-65	-534	-193	-600	-622
Adjustment for tax items affecting comparability ³⁾	-	25	-	177	227
Total, Group	-65	-509	-193	-423	-395

1) Excluding write-downs classified as items affecting comparability

2) Tax effect on tax deductible adjustment items

3) January-December 2018: Tax item affecting comparability primarily refers to the provision of SEK 114 M for self correction of tax and other tax risks related to ongoing investigations into competition-law breaches in Brazil and SEK 88 M in tax effect due to the tax rate change in Sweden.

Note 6 Consolidated net interest-bearing debt

SEK M	September 30 2019	September 30 2018	December 31 2018
Other interest-bearing liabilities	10,631	10,732	10,829
Provisions for pensions, interest-bearing	3,745	3,144	3,035
Lease liabilities	1,001	-	-
Interest-bearing liabilities	15,377	13,876	13,864
Less cash and cash equivalents	-1,254	-940	-1,273
Net interest-bearing debt	14,123	12,936	12,591

Note 7 Key figures for the Group

Financial and operative key figures	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Key figures based on Getinge's financial targets					
Organic growth in net sales, %	4.8	7.2	4.8	6.2	4.9
Earnings per share ¹⁾ , SEK	0.76	-5.34	1.16	-6.17	-3.55
Other operative and financial key figures					
Organic growth in order intake, %	3.5	0.9	5.3	4.7	2.5
Gross margin, %	47.0	42.6	46.5	45.9	45.7
Selling expenses, % of net sales	21.4	24.1	22.3	23.9	21.5
Administrative expenses, % of net sales	13.5	13.9	13.9	14.1	12.8
Research and development costs, % of net sales	4.6	5.1	5.2	5.9	5.2
Operating margin, %	6.9	-30.5	5.0	-9.2	-1.2
EBITDA, SEK M	981	-1,201	2,535	-141	1,524
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			11.5	9.7	9.8
Net debt/equity ratio, multiple			0.68	0.68	0.64
Net debt/Rolling 12m adjusted EBITDA, multiple			3.1	3.3	3.2
Operating capital, SEK M			33,444	N/A ²⁾	32,868
Return on operating capital, %			7.6	N/A ²⁾	6.7
Return on equity, %			5.3	-2.9	-4.7
Equity/assets ratio, %			44.8	44.4	45.3
Equity per share, SEK			76.65	69.41	72.16
Number of employees			10,457	10,690	10,515

1) Before and after dilution

2) Not applicable due to the distribution of Arjo in December 2017

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.

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Adjusted gross profit, SEK M					
Gross profit	2,933	2,420	8,399	7,478	11,053
<i>Add-back of:</i>					
Depreciation, amortization and write-downs of intangible assets and tangible assets	238	203	698	577	799
Other items affecting comparability	-	102	-	102	102
Adjustment for write-downs included in other items affecting comparability	-	-4	-	-4	-11
Adjusted gross profit	3,171	2,721	9,097	8,153	11,943

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Adjusted EBITDA, SEK M					
Operating profit/loss (EBIT)	433	-1,736	895	-1,492	-284
<i>Add-back of:</i>					
Depreciation, amortization and write-downs of intangible assets and tangible assets	425	323	1,270	908	1,238
Amortization and write-down of acquired intangible assets	123	212	370	443	570
Other items affecting comparability	72	2,027	107	2,377	2,500
Acquisition and restructuring costs	49	32	265	46	0
Adjustment for write-downs included in other items affecting comparability and restructuring costs	-1	-101	-37	-101	-108
Adjusted EBITDA	1,101	757	2,870	2,181	3,916

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Adjusted EBITA, SEK M					
Operating profit/loss (EBIT)	433	-1,736	895	-1,492	-284
<i>Add-back of:</i>					
Amortization and write-down of acquired intangible assets	123	212	370	443	570
Other items affecting comparability	72	2,027	107	2,377	2,500
Acquisition and restructuring costs	49	32	265	46	0
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-97	-	-97	-97
Adjusted EBITA	677	438	1,637	1,277	2,689

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Adjusted EBIT, SEK M					
Operating profit/loss (EBIT)	433	-1,736	895	-1,492	-284
<i>Add-back of:</i>					
Other items affecting comparability	72	2,027	107	2,377	2,500
Acquisition and restructuring costs	49	32	265	46	0
Adjusted EBIT	554	323	1,267	931	2,216

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Adjusted net profit for the period, SEK M					
Net profit/loss for the period	218	-1,444	346	-1,654	-939
<i>Add-back of:</i>					
Amortization and write-down of acquired intangible assets	123	212	370	443	570
Other items affecting comparability	72	2,027	107	2,377	2,500
Acquisition and restructuring costs	49	32	265	46	0
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-97	-	-97	-97
Tax items affecting comparability	-	25	-	177	227
Tax on add-back items	-65	-534	-193	-600	-622
Adjusted net profit for the period	397	221	895	692	1,639

Note 8 Acquisitions

No acquisitions took place in January - September 2019.

Note 9 Effects of IFRS 16 Leases

Getinge applies IFRS 16 Leases from January 1, 2019. The modified retrospective approach was applied to the transition to the new standard entailing the comparative figures for 2018 were not restated. The effects of the introduction of IFRS 16 on income statement measures, cash flow and selected key figures are presented in the table below.

IFRS 16 effects on income statement measures

	Jan-Sep 2019	IFRS 16 effect Jan-Sep 2019	Excl. IFRS 16 Jan-Sep 2019	Jan-Sep 2018
Gross profit, SEK M				
Acute Care Therapies	5,587	1	5,586	4,938
Life Science	584	0	584	526
Surgical Workflows	2,228	1	2,227	2,014
Total	8,399	2	8,397	7,478

	Jan-Sep 2019	IFRS 16 effect Jan-Sep 2019	Excl. IFRS 16 Jan-Sep 2019	Jan-Sep 2018
EBITA, SEK M				
Acute Care Therapies	1,689	4	1,685	-569
Life Science	153	0	153	147
Surgical Workflows	-295	5	-300	-442
Group functions and other (incl. eliminations)	-282	0	-282	-185
Total	1,265	9	1,256	-1,049

	Jan-Sep 2019	IFRS 16 effect Jan-Sep 2019	Excl. IFRS 16 Jan-Sep 2019	Jan-Sep 2018
Operating profit (EBIT), SEK M				
Acute Care Therapies	1,335	4	1,331	-958
Life Science	150	0	150	144
Surgical Workflows	-307	5	-312	-493
Group functions and other (incl. eliminations)	-283	0	-283	-185
Operating profit/loss (EBIT)	895	9	886	-1,492
Net financial items	-351	-17	-334	-236
Profit/loss after financial items	544	-8	552	-1,728
Taxes	-198	2	-200	74
Profit/loss before tax	346	-6	352	-1,654

IFRS 16 effect on adjusted income statement measures

	Jan-Sep 2019	IFRS 16 effect Jan-Sep 2019	Excl. IFRS 16 Jan-Sep 2019	Jan-Sep 2018
Adjusted gross profit, SEK M				
Acute Care Therapies	6,001	28	5,973	5,319
Life Science	629	6	623	556
Surgical Workflows	2,467	51	2,416	2,278
Total	9,097	85	9,012	8,153

	Jan-Sep 2019	IFRS 16 effect Jan-Sep 2019	Excl. IFRS 16 Jan-Sep 2019	Jan-Sep 2018
Adjusted EBITDA, SEK M				
Acute Care Therapies	2,581	122	2,459	2,048
Life Science	243	16	227	202
Surgical Workflows	311	146	165	113
Group functions and other (incl. eliminations)	-265	3	-268	-182
Total	2,870	287	2,583	2,181

	Jan-Sep 2019	IFRS 16 effect Jan-Sep 2019	Excl. IFRS 16 Jan-Sep 2019	Jan-Sep 2018
Adjusted EBITA, SEK M				
Acute Care Therapies	1,916	4	1,912	1,504
Life Science	163	0	163	147
Surgical Workflows	-170	5	-175	-189
Group functions and other (incl. eliminations)	-272	0	-272	-185
Total	1,637	9	1,628	1,277

IFRS 16 effects on cash flow

SEK M	Jan-Sep 2019	IFRS 16 effect Jan-Sep 2019 ¹⁾	Excl. IFRS 16 Jan-Sep 2019	Jan-Sep 2018
Operating activities				
Operating profit (EBIT)	895	9	886	-1,492
Add-back of depreciation, amortization and write-downs	1,640	278	1,362	1,351
Other non-cash items	72	-	72	2,277
Add-back of restructuring costs	226	-	226	42
Paid restructuring costs	-269	-	-269	-191
Financial items	-347	-17	-330	-226
Taxes paid	-423	-	-423	-301
Changes in working capital	358	-4	362	359
Cash flow from operating activities	2,152	266	1,886	1,819
Financing activities				
Change in interest-bearing liabilities	-1,081	-266	-815	-1,029
Change in long-term receivables	3	-	3	6
Dividend paid	-298	-	-298	-424
Cash flow from financing activities	-1,376	-266	-1,110	-1,447

- 1) According to IFRS 16, lease payments are to be distributed between amortization of the lease liability and interest expenses. Compared with 2018, this means that cash flow from operating activities is positively impacted by the add-back of depreciation of right-of-use assets as non-cash items, while most of the lease payments are recognized as amortization of interest-bearing liabilities in cash flow from financing activities.

IFRS 16 effects on selected key figures

Financial and operative key figures	Jan-Sep 2019	IFRS 16 effect Jan-Sep 2019	Excl. IFRS 16 Jan-Sep 2019	Jan-Sep 2018
Earnings per share ¹⁾ , SEK	1.16	-0.02	1.18	-6.17
Adjusted earnings per share ¹⁾ , SEK	3.18	-0.02	3.20	2.45
EBITDA, SEK M	2,535	287	2,248	-141
Adjusted EBIT, SEK M	1,267	9	1,258	931
Interest-coverage ratio, multiple	11.5	0.2	11.3	9.7
Net debt/equity ratio, multiple	0.68	0.05	0.63	0.68
Net debt/Rolling 12m adjusted EBITDA, multiple	3.1	0.1	3.0	3.3

- 1) Before and after dilution

Parent Company financial statements

Parent Company's income statement

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Administrative expenses	-122	-107	-304	-343	-288
Other operating expenses	-	-	-	-301	-311
Operating result	-122	-107	-304	-644	-599
Result from participations in Group companies ¹⁾	74	126	962	8,343	8,951
Interest income and other similar income	1	0	1	205	206
Interest expenses and other similar expenses	-477	-110	-918	-1,471	-1,642
Profit/loss after financial items²⁾	-524	-91	-259	6,433	6,916
Appropriations	-	-	-	-	2,188
Taxes	122	45	246	321	-119
Net profit/loss for the period³⁾	-402	-46	-13	6,754	8,985

1) Internal restructuring took place in 2018 which resulted in a liquidation gain of SEK 8,329 M.

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

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

Parent Company's balance sheet

SEK M	September 30 2019	September 30 2018	December 31 2018
Assets			
Intangible assets	37	86	58
Tangible assets	9	10	9
Participations in Group companies	28,189	28,062	28,062
Deferred tax assets	332	507	80
Long-term receivables	-	54	29
Receivables from Group companies	32	14	2,718
Current receivables	175	247	174
Total assets	28,774	28,980	31,130
Equity and liabilities			
Equity	20,871	18,926	21,156
Long-term liabilities	1,462	5,527	4,206
Long-term liabilities to Group companies	784	709	718
Other provisions	25	-	10
Current liabilities to Group companies	1,747	158	1,493
Current liabilities	3,885	3,660	3,547
Total equity and liabilities	28,774	28,980	31,130

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 for the period, 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 destroy microorganisms on surgical instruments, usually by bringing to a high temperature with steam.

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. It was adopted by the European Parliament and the Council of the European Union on June 2016 and came into effect on May 26, 2017. The implementation date is May 26, 2020.

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.

Geographical 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 October 18, 2019 at 10:00–11:00 a.m. (Swedish time). Please see dial in details below to join the conference:

SE: +46851999383
 UK: +443333009261
 US: +18338230589

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

<https://tv.streamfabriken.com/getinge-q3-2019>

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

A recording of the teleconference will be available for three years via the following link: <https://tv.streamfabriken.com/getinge-q3-2019>

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 following dates have been set for the publication of financial communication:

January 30, 2020	Year-end report 2019
March 2020	2019 Annual Report
April 22, 2020	Q1 Report 2020
April 22, 2020	2020 Annual General Meeting
July 16, 2020	Q2 Report 2020
October 16, 2020	Q3 Report 2020

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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 October 18, 2019 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.

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