

GETINGE GROUP

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GETINGE GROUP

Year-end report

January – December 2013

January 28, 2014

Johan Malmquist, CEO

Ulf Grunander, CFO

Q4 2013

Trends in organic order intake

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	2013				2013			
	Q4				YTD			
	MS	EC	IC	TOT	MS	EC	IC	TOT
Europe	7.7 %	0.9 %	2.2 %	4.1 %	2.3 %	-0.5%	1.9 %	1.3 %
USA and Canada	1.7 %	-0.8 %	3.7 %	1.4 %	4.1 %	3.0 %	5.7 %	4.2 %
Rest of the world	16.9 %	-7.9 %	14.9 %	12.9 %	9.9 %	-1.2 %	3.0 %	6.9 %
Total	9.4 %	-1.2 %	6.2 %	5.9 %	5.8 %	0.5 %	3.4 %	4.0 %

Q4 2013

Consolidated results

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	2013	2012		2013	2012	
	Q4	Q4	Change %	YTD	YTD	Change %
Net sales, SEK M	7 757	7 816	-0,8%	25 287	24 248	4.3 %
Gross margin	52.9 %	51.5 %	1.4 %	51.9 %	52.4 %	-0.5 %
Operating cost, SEK M	-2 188	-2 241	-2.4 %	-8 962	-8 470	5.8 %
EBITA before restructuring	2 062	1 943	6.1 %	4 766	4 849	-1.7 %
EBITA margin	26.6 %	24.9 %	1.7 %	18.8 %	20.0 %	-1.2 %
Restructuring expenses	- 53	- 156		-401	-184	
Net financial items	-150	-144	4.2%	-595	-570	4.4 %
Profit before tax	1 709	1 447	18.1 %	3 153	3 436	-8.2 %
EBITA Adjusted*	2 213	1 943	+13.9 %	5 252	4 849	+8.3 %
EBITA margin Adjusted*	28.5 %	24.9 %	+3.6 %	20.8 %	20.0 %	+0.8 %

*excluding Med Device Tax and currency adjusted

	2013			2012		
	Q4	Q4	Change %	YTD	YTD	Change %
Net sales, SEK M	4 312	4 295	0.4 %	13 322	13 089	1.8 %
Gross margin %	58.1 %	58.2 %	-0.1 %	58.5 %	58.6 %	-0.1 %
Operating cost, SEK M	-1 266	-1 362	-7.0 %	-5 356	-5 236	2.3 %
EBITA before restructuring	1 353	1 263	7.1 %	2 894	2 945	-1.7 %
EBITA margin	31.4 %	29.4 %	2.0 %	21.7 %	22.5 %	-0.8 %
EBITA Adjusted*	1 436	1 263	+13.7 %	3 141	2 945	6.7 %
EBITA margin Adjusted*	33.3 %	29.4 %	+3.9 %	23.6 %	22.5 %	+1.1 %

*excluding Med Device Tax and currency adjusted

- Public offer to acquire Pulsion Medical Systems - hemodynamic monitoring leader
- Efficiency program within Critical Care division to save SEK 60 M per annum.
- Medical Systems enhancing its quality management systems.
- Integration of Atrium completed.
- Restructuring activities in the Cardiovascular division expected to be completed in Q1 2015.
- Divestment of product lines – SAFEGUARD and AIRBAND.
- Production of Cardiopulmonary products in Suzhou, China, to commence in Q1 2014.
- Product launches – SERVO-U, SERVO-n and OTESUS.



Q4 2013

Extended Care

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	2013	2012		2013	2012	
	Q4	Q4	Change %	YTD	YTD	Change %
Net sales, SEK M	1 840	1 776	3.6 %	6 870	5 990	14.7 %
Gross margin %	51.1 %	48.7 %	2.4 %	49.0 %	51.0 %	-2.0 %
Operating cost, SEK M	-520	-521	-0.2 %	-2 202	-1 871	17.7 %
EBITA before restructuring	452	373	21.2 %	1 296	1 274	1.7 %
EBITA margin	24.6 %	21.0%	3.6 %	18.9 %	21.3 %	-2.4 %
EBITA Adjusted*	482	373	29.2 %	1 404	1 274	10.2 %
EBITA margin Adjusted*	26.2 %	21.0 %	+5.2 %	20.4 %	21.3 %	-0.9 %

*excluding Med Device Tax and currency adjusted

- Harald Stock – new Executive Vice President Extended Care as of January 1, 2014.
- Integration of TSS – greater cost synergies than originally anticipated, slight delay in synergy realization.
- Closing of manufacturing facilities in Sweden and Germany proceeding as planned.
- Maxi Transfer Sheet, a new concept in Safe Patient Handling, launched during the quarter.



	2013			2012		
	Q4	Q4	Change %	YTD	YTD	Change %
Net sales, SEK M	1 606	1 745	-8.0 %	5 095	5 170	-1.5 %
Gross margin %	39.7 %	37.9 %	1.8 %	38.6 %	38.4 %	0.2 %
Operating cost, SEK M	-387	-358	8.1 %	-1 405	-1 363	3.1 %
EBITA before restructuring	254	306	-17.0 %	575	631	-8.9 %
EBITA margin	15.8 %	17.5 %	-1.7 %	11.3 %	12.2 %	-0.9 %
EBITA Adjusted*	295	306	-3.6 %	707	631	+12.0 %
EBITA margin Adjusted*	18.4 %	17.5 %	+0.9 %	13.9 %	12.2 %	+1.7 %

*excluding Med Device Tax and currency adjusted

- The efficiency-enhancement program to improve the business area's profitability proceeding as planned.
- New Generation of platform-based Steam Sterilizers, GSS67, was introduced in the quarter.
- New patented user interface, Centric, was introduced.



	2013	2012	2013	2012
	Q4	Q4	YTD	YTD
Cash flow from operation, SEK million	1 410	1 457	3 544	3 687
Cash conversion, %			63.1 %	64.1 %
Net Debt, SEK million			18 319	18 382
Equity, SEK million			16 610	15 200
Equity / assets ratio, %			37.4 %	35.4 %
Net debt / equity ratio, multiple			1.10	1.21

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OUTLOOK 2014

- Organic revenue growth is expected to be comparable to 2013 levels at approximately 4 %.
- Restructuring costs are estimated to amount to approx. SEK 145 M for 2014.
- The strengthening of the Swedish krona will result in negative currency transaction effects of approx. SEK 250 M
- As a result of a recently concluded strategy review, Getinge intends to leverage scale across its three business areas in the areas of business support and sourcing, addressing costs totaling SEK 10 billion. The cost savings potential is expected to be substantial and will be presented at the Capital Markets Day in Q2 2014.

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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.