

Comments from Mattias Perjos, President & CEO

“Intense efforts to support health care and pharmaceutical companies”

“In the fourth quarter, we continued to support health care, and the pharmaceutical companies that are rapidly developing and manufacturing COVID-19 vaccines. We also achieved our full-year target of delivering 26,000 advanced ICU ventilators, and demand for our ECMO therapy products remains high. Furthermore, we noted a strong order intake in Sterile Transfer linked to COVID-19 vaccine manufacturing, for delivery in 2021. This is a product segment in which we continue to see growth and we will start to manufacture DPTE® BetaBags in another one of our plants, in Merrimack, USA, with production scheduled to start in the later part of 2021. A large part of our business continues to be negatively affected by COVID-19, but our customers are working tremendously hard to manage the pandemic and parts of elective health care in parallel. This meant, for example, that our products for elective cardiovascular procedures in the fourth quarter remained at almost 90% of last year’s sales. We saw a recovery in the order intake for Surgical Workflows compared to the preceding quarter. In total, our sales for the quarter increased by 11.1% and the order intake by 6.1% organically. Market demand is expected to gradually strengthen during 2021, and we are well prepared to continue to support our customers in the second wave of COVID-19, and in the subsequent efforts to manage the growing backlog of surgeries. A small yet scalable acquisition was carried out in the quarter to complement our Infection Control offering with decontamination products. We also launched NICCI, our latest innovation in Advanced Hemodynamic Monitoring. We are continuing to pursue a long-term approach to create value for our customers and enhance our own productivity, which, combined with higher sales volumes, contributed to a strengthening of the margins and cash flow for both the quarter and the year as a whole. The underlying trend of about a 1 percentage point improvement in the EBITA margin that we have noted in recent years also continued in 2020, excluding COVID-19 effects. There are still many areas where we can improve further, and we look forward to continue working on this in the year ahead. I would again like to thank all hospital staff, our partners and employees for their excellent work during 2020.

October – December 2020 in brief

- Net sales increased by 11.1% and the order intake by 6.1% organically.
- Adjusted gross profit amounted to SEK 4,556 M (4,304) and the margin was 51.5% (50.6).
- Adjusted EBITA amounted to SEK 1,817 M (1,673) and the margin was 20.6% (19.7).
- Adjusted earnings per share amounted to SEK 4.58 (3.84).
- Cash flow after net investments amounted to SEK 2,283 M (1,419).

January – December 2020 in brief

- Net sales increased by 14.3% and the order intake by 15.6% organically.
- Adjusted gross profit amounted to SEK 15,874 M (13,401) and the margin was 53.2% (50.5).
- Adjusted EBITA amounted to SEK 5,724 M (3,310) and the margin was 19.2% (12.5).
- Adjusted earnings per share amounted to SEK 14.43 (7.02).
- Cash flow after net investments amounted to SEK 6,207 M (2,721).
- The Board of Directors proposes a dividend of SEK 3.00 (1.50) per share, a combined total of SEK 817 M (409).

Outlook for 2021: For 2021, we estimate that sales will gradually strengthen from the level in 2019 as health care returns to normal capacity, and will amount to a minimum of SEK 27 billion. Long term we expect 2-4% organic annual growth in net sales.

Summary of financial performance¹⁾

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Order intake	7,137	7,194	30,568	26,832
<i>Organic change, %</i>	6.1	0.9	15.6	4.1
Net sales	8,839	8,498	29,819	26,559
<i>Organic change, %</i>	11.1	1.8	14.3	3.9
Adjusted gross profit	4,556	4,304	15,874	13,401
<i>Margin, %</i>	51.5	50.6	53.2	50.5
Adjusted EBITDA	2,287	2,116	7,487	4,986
<i>Margin, %</i>	25.9	24.9	25.1	18.8
Adjusted EBITA	1,817	1,673	5,724	3,310
<i>Margin, %</i>	20.6	19.7	19.2	12.5
Adjusted EBIT	1,724	1,546	5,261	2,813
<i>Margin, %</i>	19.5	18.2	17.6	10.6
Operating profit (EBIT)	1,610	1,477	4,784	2,372
<i>Margin, %</i>	18.2	17.4	16.0	8.9
Profit before tax	1,541	1,365	4,485	1,909
Net profit for the period	1,104	910	3,273	1,256
Adjusted net profit for the period	1,258	1,052	3,965	1,947
<i>Margin, %</i>	14.2	12.4	13.3	7.3
Adjusted earnings per share, SEK	4.58	3.84	14.43	7.02
Earnings per share, SEK	4.02	3.32	11.89	4.48
Cash flow from operating activities	2,544	1,680	7,199	3,832

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

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

Group performance

Order intake

October – December 2020

Order intake business areas, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Acute Care Therapies	3,704	3,996	3.7	19,208	14,778	34.2
Life Science	1,235	664	70.5	3,413	2,640	14.2
Surgical Workflows	2,198	2,534	-7.1	7,948	9,414	-13.3
Total	7,137	7,194	6.1	30,568	26,832	15.6

Order intake regions, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Americas	2,627	2,909	1.3	11,601	10,723	10.6
APAC	1,529	1,691	-5.8	6,603	6,037	9.0
EMEA	2,981	2,594	19.1	12,364	10,072	24.9
Total	7,137	7,194	6.1	30,568	26,832	15.6

Net sales

October – December 2020

Net sales business areas, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Acute Care Therapies	5,392	4,340	35.5	18,719	14,637	32.1
Life Science	806	865	-12.3	2,854	2,487	3.0
Surgical Workflows	2,641	3,293	-14.9	8,246	9,435	-10.3
Total	8,839	8,498	11.1	29,819	26,559	14.3

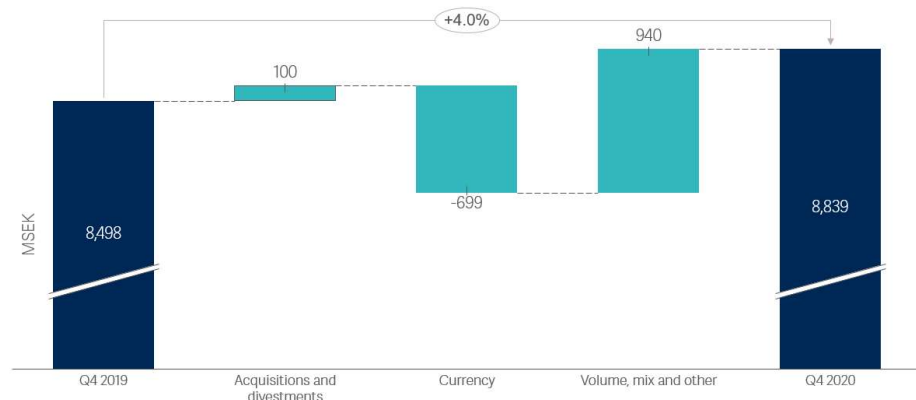
Net sales regions, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Americas	3,238	3,144	13.9	11,394	10,635	10.0
APAC	1,951	1,989	1.6	6,329	5,877	7.5
EMEA	3,651	3,365	14.1	12,096	10,047	23.0
Total	8,839	8,498	11.1	29,819	26,559	14.3

Net sales specified by capital goods & consumables, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Capital goods	5,138	4,438	21.9	15,473	11,781	32.7
Consumables	3,702	4,060	-0.8	14,346	14,778	-0.3
Total	8,839	8,498	11.1	29,819	26,559	14.3

- Acute Care Therapies is continuing to grow due to high demand for ECMO therapy products. The order intake for advanced ICU ventilators increased in the quarter but at a lower rate. The order intake for products for elective cardiovascular procedures remained at almost 90% of last year's level.
- The high organic growth in Life Science was primarily linked to Sterile Transfer products related to vaccine production.
- Surgical Workflows' order intake fell year-on-year but recovered compared with the preceding quarter.
- Life Science grew in all regions, while Acute Care Therapies mainly increased in EMEA. Surgical Workflows' order intake declined in all regions.

- The continued high sales in Acute Care Therapies was attributable to advanced ICU ventilators and ECMO therapy products in all regions, while sales in products for elective cardiovascular procedures were lower year on year.
- Sales in Life Science fell, mainly as a result of lower activity in sterilizers and washer-disinfectors.
- Net sales in Surgical Workflows were negatively affected by lower order intake in prior quarters in all product categories and in all regions.

- Net sales increased by SEK 341 M, corresponding to +4.0%
- Acquired operations represented growth of SEK 100 M, corresponding to +1.2%.
- Exchange rates had a negative impact of SEK 699 M on sales, corresponding to -8.2%.
- Volume, mix and other items positively affected sales by SEK 940 M, corresponding to organic growth of +11.1%.



- Currency effects impacted adjusted gross profit by SEK -471 M and adjusted EBITA by SEK -394 M.
- The gross margin continued to strengthen year-on-year, mainly due to final deliveries of ventilators related to the higher order intake earlier in the year. Margins were reduced by negative currency effects and partly by product mix and under-absorption in parts of Acute Care Therapies and Surgical Workflows.
- New ways of working methods, as a consequence of COVID-19, continued to have a positive effect on adjusted operating expenses. Variable remuneration related to increased sales and improved earnings as well as a currency-related revaluation effects contributed to higher expenses for the quarter.
- Adjusted EBITA rose by SEK 143 M year-on-year and the margin increased by 0.9 of a percentage point. Earnings and the margin were negatively impacted by currency effects of SEK 394 M, of which about SEK 100 M was revaluation effects. In addition, earnings were negatively affected by SEK 100 M primarily attributable to higher variable remuneration related to increased sales and improved earnings.
- Other items affecting comparability amounted to SEK -110 M, which includes a write-down in the value of an older research project in sterilizers.
- Net financial items improved SEK 43 M as a result of lower net debt and lower interest expenses.

- Acute Care Therapies increased its adjusted EBITA by SEK 460 M and the margin improved by 3.2 percentage points, due to higher sales volumes and despite significantly negative currency effects.
- Life Science's adjusted EBITA declined by SEK 48 M and the margin fell by 4.6 percentage points, due to lower invoicing in sterilizers and washer-disinfectors as well as negative currency effects.
- Surgical Workflows' adjusted EBITA fell by SEK 237 M compared with Q4 2019 and the margin declined by 6.0 percentage points as a result of lower sales volumes and currency.

Underlying earnings trend

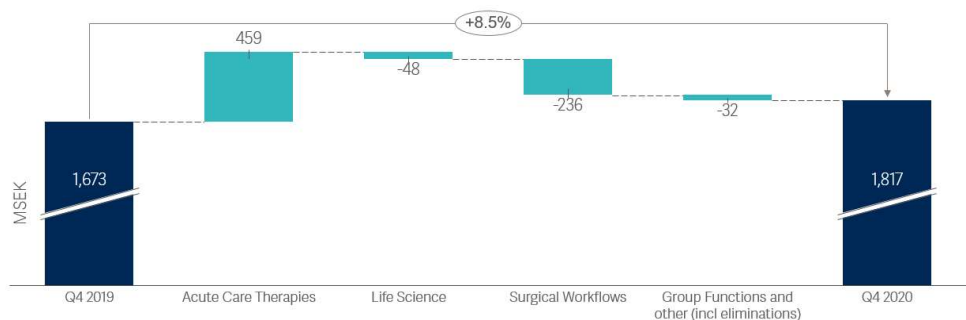
SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	8,839	8,498	29,819	26,559
Adjusted gross profit	4,556	4,304	15,874	13,401
Margin, %	51.5	50.6	53.2	50.5
Adjusted operating expenses	-2,269	-2,188	-8,387	-8,415
Adjusted EBITDA	2,287	2,116	7,487	4,986
Margin, %	25.9	24.9	25.1	18.8
Depreciation, amortization and write-downs of intangible assets and tangible assets ¹⁾	-470	-443	-1,763	-1,676
Adjusted EBITA	1,817	1,673	5,724	3,310
Margin, %	20.6	19.7	19.2	12.5
A Amortization and write-down of acquired intangible assets ¹⁾	-93	-127	-463	-497
Adjusted EBIT	1,724	1,546	5,261	2,813
Margin, %	19.5	18.2	17.6	10.6
B Acquisition and restructuring costs ²⁾	-5	-59	-177	-324
C Other items affecting comparability ²⁾	-110	-10	-300	-117
Operating profit (EBIT)	1,610	1,477	4,784	2,372
Net financial items	-69	-112	-299	-463
Profit before tax	1,541	1,365	4,485	1,909
Adjusted profit before tax (adjusted for A, B and C)	1,748	1,561	5,425	2,847
Margin, %	19.8	18.4	18.2	10.7
Taxes	-437	-455	-1,213	-653
D Adjustment of tax ²⁾	-53	-54	-248	-247
Adjusted net profit for the period (adjusted for A, B, C and D)	1,258	1,052	3,965	1,947
Margin, %	14.2	12.4	13.3	7.3
Of which, attributable to Parent Company shareholders	1,248	1,047	3,931	1,913
Average number of shares, thousands	272,370	272,370	272,370	272,370
Adjusted earnings per share, SEK (adjusted for A, B, C and D)	4.58	3.84	14.43	7.02

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

Adjusted EBITA per business area¹⁾

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Acute Care Therapies	1,653	1,194	5,831	3,110
Margin, %	30.7	27.5	31.1	21.2
Life Science	112	160	393	323
Margin, %	13.9	18.5	13.8	13.0
Surgical Workflows	156	392	-127	222
Margin, %	5.9	11.9	-1.5	2.4
Group functions and other (incl. eliminations)	-105	-73	-374	-345
Total	1,817	1,673	5,724	3,310
Margin, %	20.6	19.7	19.2	12.5

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



Adjusted operating expenses

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

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Selling expenses	-1,222	-1,187	-4,497	-4,666
Administrative expenses	-729	-818	-3,048	-3,015
Research and development costs	-182	-164	-770	-688
Other operating income and expenses	-136	-19	-72	-46
Total	-2,269	-2,188	-8,387	-8,415

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

- New ways of working, as a consequence of COVID-19, continued to have a positive effect on operating expenses. However, variable remuneration related to higher sales and improved earnings as well as currency-related revaluation effects contributed to adjusted operating expenses increasing by 3.7% compared with Q4 2019, and organically by 5.2%.

Currency impact

SEK M	Oct-Dec 2020	Jan-Dec 2020
Net sales	-699	-893
Adjusted gross profit	-471	-453
Adjusted EBITDA	-418	-318
Adjusted EBITA	-394	-289
Adjusted EBIT	-381	-276

- Adjusted gross profit was negatively impacted by translation effects of SEK 260 M and transaction effects and hedging outcome of SEK 211 M.
- Adjusted EBITA was negatively impacted by translation effects of SEK 71 M and by the net of transaction effects, hedging outcome and revaluation of operating receivables and liabilities of SEK 323 M.

Cash flow and financial position¹⁾

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Cash flow before changes in working capital	1,999	1,904	6,352	3,698
Changes in working capital	545	-224	847	134
Net investments in non-current assets	-261	-261	-993	-1,111
Cash flow after net investments	2,283	1,419	6,207	2,721
Net interest-bearing debt			7,509	12,321
<i>In relation to adjusted EBITDA¹⁾ R12M, multiple</i>			1.0	2.5
Net interest-bearing debt, excl. pension provisions			4,150	8,766
<i>In relation to adjusted EBITDA¹⁾ R12M, multiple</i>			0.6	1.8

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

- Cash flow after net investments continued to trend very positively, mainly due to improved earnings.
- Working capital declined, mainly as a result of inventory reductions
- Net debt in relation to adjusted EBITDA R12M continued to improve.

Research and development

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
R&D costs, gross	-385	-326	-1,462	-1,261
<i>In relation to net sales, %</i>	4.4	3.8	4.9	4.7
Capitalized development costs	111	133	429	499
<i>In relation to net sales, %</i>	1.3	1.6	1.4	1.9
Research and development costs, net	-274	-193	-1,033	-762
Amortization and write-downs of capitalized R&D	-240	-149	-783	-539
<i>Of which write-downs</i>	-83	-19	-206	-31

- Gross expenses for R&D increased by 18% year-on-year, primarily in Acute Care Therapies.
- Capitalized development costs declined by 16.5% compared with the year-earlier period.
- Amortization and write-downs increased by SEK 91 M compared with the preceding year to SEK 240 M, of which SEK 83 M was write-downs of R&D projects attributable to mainly research projects in sterilizers.

Acute Care Therapies

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

- Sustained order growth for Getinge's ECMO products. The order intake also increased in ventilators, but at a lower rate than in prior quarters.
- Products for elective cardiovascular procedures remained at almost 90% of last year's level despite the strong second wave of COVID-19.
- Strong performance in EMEA where hospitals decided early on to make additional investments related to the second wave of COVID-19.

- Intense efforts to deliver ventilators and ECMO products to hospitals contributed to a sharp increase in sales compared with the year-earlier period, in all regions.
- Deliveries of products linked to cardiovascular procedures remained at the same level as last year despite the second wave of COVID-19 that heavily affected the important North American market. Organic sales of consumables fell only marginally, which was mainly due to healthy sales of ECMO therapy products and service.

- The adjusted gross margin fell by 1.5 percentage points in relation to the year-earlier quarter, primarily as a result of negative currency effects, product mix and the lower utilization rate in the production of cardiovascular products.
- Adjusted operating expenses increased by 6.7% and organically by 6.8%. The higher expenses were mainly due to variable expenses resulting from the increase in sales and improved earnings. Costs for R&D and quality rose slightly year on year.
- Acute Care Therapies increased its adjusted EBITA by SEK 460 M and the margin improved by 3.2 percentage points, due to a sharp increase in sales volumes and despite negative currency effects.
- Currency effects impacted net sales by SEK -487 M, adjusted gross profit by SEK -342 M and adjusted EBITA by SEK -326 M.

Order intake and net sales

Order intake regions, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Americas	1,666	2,048	-6.0	8,483	7,404	18.9
APAC	731	873	-8.1	3,912	3,138	27.0
EMEA	1,307	1,075	31.3	6,814	4,236	66.5
Total	3,704	3,996	3.7	19,208	14,778	34.2

Net sales regions, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Americas	2,491	2,098	31.9	8,431	7,288	20.1
APAC	1,110	948	23.2	3,722	3,044	24.0
EMEA	1,791	1,294	50.4	6,566	4,305	58.5
Total	5,392	4,340	35.5	18,719	14,637	32.1

Net sales specified by capital goods & consumables, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Capital goods	2,835	1,519	102.3	8,593	4,207	112.1
Consumables	2,557	2,821	-0.5	10,126	10,430	-0.1
Total	5,392	4,340	35.5	18,719	14,637	32.1

Underlying earnings trend¹⁾

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	5,392	4,340	18,719	14,637
Adjusted gross profit	3,222	2,659	11,536	8,660
Margin, %	59.8	61.3	61.6	59.2
Adjusted EBITDA	1,927	1,445	6,833	4,026
Margin, %	35.7	33.3	36.5	27.5
Depreciation, amortization and write-downs of intangible assets and tangible assets	-274	-251	-1,002	-916
Adjusted EBITA	1,653	1,194	5,831	3,110
Margin, %	30.7	27.5	31.1	21.2

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

Events in the business area

- Launch of NICCI, Getinge's latest innovation in advanced hemodynamic monitoring. Via non-invasive monitoring, NICCI provides continuous and complete hemodynamic information with the aim of detecting variation in the patient's blood circulation, which can lead to serious complications. NICCI received the Red Dot Award 2020.
- Getinge decided to expand its production of grafts and patches in polyester for the treatment of aneurism and occlusion-related conditions. The decision is mainly aimed at increasing the production capacity of Getinge's factory in La Ciotat, France, which produces approximately 230 000 units per year.

Life Science

Life Science offers a comprehensive range of equipment, technical expertise and consultation for pharmaceutical bioprocesses and to prevent contamination in biopharmaceutical production, medical device manufacturing and biomedical research. The addressable market, excluding the effects of COVID-19, amounts to SEK 33 billion with expected organic growth of 4-6% per year.

- Exceptionally strong order growth as a result of high demand for Sterile Transfer products related to the production of the COVID-19 vaccine.
- The order intake for washer-disinfectors and sterilizers also increased.
- All in all, this is expected to have a positive effect on net sales going forward.
- Net sales fell organically, mainly as a result of lower activity in sterilizers and washer-disinfectors. This was particularly clear in Americas and EMEA.
- Continued high deliveries of Sterile Transfer products which, nevertheless, could only partly offset the decline in other product categories.

- The adjusted gross margin increased by 1.2 percentage points mainly as a result of an advantageous product mix, which was only slightly reduced by lower sales volumes and negative currency effects.
- Adjusted operating expenses increased by 23.8%, mainly due to the acquisition of Applikon, but organically operating expenses were in line with the year-earlier period.
- Life Science's adjusted EBITA declined by SEK 48 M and the margin fell by 4.6 percentage points, mainly due to lower volumes and currency effects.
- Currency effects impacted sales by SEK -45 M, adjusted gross profit by SEK -24 M and adjusted EBITA by SEK -20 M.

Order intake and net sales

Order intake regions, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Americas	418	234	78.3	1,336	988	21.8
APAC	239	150	32.8	558	408	3.7
EMEA	578	280	84.3	1,518	1,244	11.5
Total	1,235	664	70.5	3,413	2,640	14.2

Net sales regions, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Americas	272	303	-7.9	1,103	887	13.7
APAC	132	113	7.5	473	367	2.4
EMEA	402	449	-20.3	1,278	1,233	-4.6
Total	806	865	-12.3	2,854	2,487	3.0

Net sales specified by capital goods & consumables, SEK M	Oct-Dec 2020	Oct-Dec 2019	Org Δ, %	Jan-Dec 2020	Jan-Dec 2019	Org Δ, %
Capital goods	595	633	-16.2	2,029	1,635	5.1
Consumables	211	232	-1.9	825	852	-1.2
Total	806	865	-12.3	2,854	2,487	3.0

Underlying earnings trend¹⁾

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	806	865	2,854	2,487
Adjusted gross profit	320	333	1,176	962
Margin, %	39.7	38.5	41.2	38.7
Adjusted EBITDA	142	189	522	432
Margin, %	17.6	21.8	18.3	17.4
Depreciation, amortization and write-downs of intangible assets and tangible assets	-30	-29	-128	-109
Adjusted EBITA	112	160	393	323
Margin, %	13.9	18.5	13.8	13.0

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

Events in the business area

- The need for DPTE® BetaBags has increased significantly due to COVID-19 and subsequent efforts to develop and manufacture vaccines. The increased demand is expected to persist for the foreseeable future and Getinge has gradually increased capacity in the existing production unit in France in 2020. In addition, a decision was made in the quarter to establish production in the United States, at Getinge's factory in Merrimack, New Hampshire, where production is expected to start at the end of 2021.
- Getinge introduced a new range of racks to fit inside the stainless steel DPTE® Beta containers. The racks are designed to simplify the loading of components into or from a sterile zone, usually an isolator or a cleanroom. The racks keep the goods securely in place and facilitate sterilization in an effective manner.

Surgical Workflows

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

- The order intake declined organically compared with the same period in 2019. But the sequential performance trended in the right direction in both Surgical Workplaces and Infection Control, which represent about 95% of sales.

- The significantly lower order intake earlier in 2020 had a negative effect on the organic trend in net sales in all product segments in the quarter.
- Sales fell in all regions, but relatively extensive investments by hospitals in infrastructure in individual countries in EMEA meant that the decline in this region was limited.
- Sales of services, spare parts and consumables remained at a relatively favorable level.

- The adjusted gross margin fell by 1.4 percentage points mainly as a result of lower sales, under absorption in production and negative currency effects. Enhanced productivity helped to slightly soften the negative effect.
- Adjusted operating expenses declined by 8.6% and fell organically by 2.7%, due to rationalizations combined with new ways of working as a result of COVID-19.
- Surgical Workflows' adjusted EBITA fell by SEK 237 M compared with Q4 2019 and the margin declined by 6.0 percentage points as a result of lower sales volumes and negative currency effects.
- Currency effects impacted sales by SEK -168 M, adjusted gross profit by SEK -105 M and adjusted EBITA by SEK -48 M.

Order intake and net sales

Order intake regions, SEK M	Oct-Dec	Oct-Dec	Org Δ, %	Jan-Dec	Jan-Dec	Org Δ, %
	2020	2019		2020	2019	
Americas	543	627	-3.7	1,782	2,331	-20.6
APAC	559	668	-11.4	2,134	2,491	-12.9
EMEA	1,096	1,239	-6.4	4,032	4,592	-9.8
Total	2,198	2,534	-7.1	7,948	9,414	-13.3

Net sales regions, SEK M	Oct-Dec	Oct-Dec	Org Δ, %	Jan-Dec	Jan-Dec	Org Δ, %
	2020	2019		2020	2019	
Americas	474	743	-28.2	1,860	2,460	-21.1
APAC	709	928	-20.9	2,133	2,466	-12.2
EMEA	1,458	1,622	-5.3	4,253	4,509	-3.3
Total	2,641	3,293	-14.9	8,246	9,435	-10.3

Net sales specified by capital goods & consumables, SEK M	Oct-Dec	Oct-Dec	Org Δ, %	Jan-Dec	Jan-Dec	Org Δ, %
	2020	2019		2020	2019	
Capital goods	1,707	2,286	-21.0	4,851	5,939	-16.0
Consumables	934	1,007	-1.2	3,394	3,496	-0.6
Total	2,641	3,293	-14.9	8,246	9,435	-10.3

Underlying earnings trend¹⁾

SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2020	2019	2020	2019
Net sales	2,641	3,293	8,246	9,435
Adjusted gross profit	1,014	1,312	3,163	3,779
Margin, %	38.4	39.8	38.4	40.1
Adjusted EBITDA	320	552	495	863
Margin, %	12.1	16.8	6.0	9.1
Depreciation, amortization and write-downs of intangible assets and tangible assets	-163	-160	-622	-641
Adjusted EBITA	156	392	-127	222
Margin, %	5.9	11.9	-1.5	2.4

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

Events in the business area

- During the quarter, Getinge's new steam sterilizer Solsus 66 was launched. It is a sustainable and energy efficient steam sterilizer that meets the needs of hospitals seeking a balance between capacity and cost efficiency in the Central Sterile Supply Department (CSSD). The launch comes at a time when hospitals face both operational and financial challenges as a result of the COVID-19 pandemic.
- For more than 15 years, Getinge has been a global provider of software solutions for a fully integrated, cable-free operating room. At the end of October, a completely new platform, Tegriss OR, was introduced. The product offers several options for managing data, integrating video and various devices into the operating room safely and efficiently.
- In the quarter, Getinge acquired 100% of Quadralene, a global expert and manufacturer of consumables like disinfectants for sterilization. The acquisition of Quadralene enables Getinge to more effectively add value to customers in their important efforts to reduce hospital-related infections.
- In December, the transfer of production from Ankara (Turkey) to Poznan (Poland) was completed in accordance with previously communicated plan.

Other information

Financial impact of COVID-19

The outbreak of COVID-19 was characterized by the WHO as a pandemic on March 11, 2020. In this situation, Getinge is prioritizing the health and safety of its employees and is taking measures to limit the spread of the virus by following the instructions of the relevant authorities. In addition, Getinge has made considerable efforts to enhance production capacity for ventilators and safeguard production of critical and life support products. Getinge has also worked intensively together with hospitals and pharmaceutical companies around the world to combat COVID-19 and assist in manufacturing a vaccine.

The order intake for the Acute Care Therapies business area increased organically by 3.7% in the fourth quarter. The order intake for ventilators increased overall during the quarter, but at a lower level than earlier during the year and with a declining trend noted in the quarter. The order intake for ECMO products was high and the order intake for products in the cardiovascular procedures area remained at almost 90% of last year's level, despite a higher rate of inflection associated with the second wave of COVID-19. In other parts of the operations, mainly Surgical Workflows was negatively impacted by the pandemic, but recovered in the fourth quarter compared with the preceding quarter, which is why the decline in the organic order intake remained at -7.1%. The order intake for the Life Science business area increased 70.5% organically as a result of high demand for Sterile Transfer products used to manufacture a vaccine against COVID-19.

The Group's sales and earnings improved as a result of the outbreak of the virus and the increase in the order intake for ventilators and cardiopulmonary products earlier in the year resulted in an increase in net sales again in the fourth quarter, although at a lower rate than in the third quarter.

It has been possible to continue work on the installation and servicing of products without any major disruptions, and this was not negatively affected by restrictions in key markets. Minor disruptions occurred in the production operations in the form of sick leave among employees and problems with deliveries of components, which were possible to resolve without any significantly negative consequences arising. The sharp increase in activity in the areas of Acute Care Therapies that are directly linked to treating patients with COVID-19 contributed to the improvement in sales and earnings for the business area despite a decline in other product segments. Sales and earnings fell in Surgical Workflows due to a lower level of activity in the areas of health care that are not related to the outbreak of the virus. Sales and earnings for Life Science were negatively affected by low activity in the business for sterilizers and washer-disinfectors.

Although few signs currently suggest this, it cannot be ruled out that the situation regarding the pandemic could result in negative financial effects in the future due to lower demand, a shortage of components and disruptions to production. Installation and service of products at hospitals and care facilities could also be limited by restrictions to reduce the spread of the virus. Combined with a potential inventory build-up and impaired payment discipline among the Group's customers, this could negatively impact cash flow. Getinge is closely monitoring developments and is continuously evaluating the operational and financial effects. Some measures to adjust costs were carried out earlier in the year and plans have been made to further reduce costs if necessary. In addition, it was necessary to adjust the sharp increase in ventilator production capacity in line with demand normalizing at the end of the fourth quarter.

Getinge provides the following forecast for 2021: For 2021, we estimate that sales will gradually strengthen from the level in 2019 as health care returns to normal capacity, and will amount to a minimum of SEK 27 billion. Long term we expect 2-4% organic annual growth in net sales.

Getinge filed lawsuit against insurer Moderna Försäkringar, Swedish branch of Tryg Forsikring A/S

Getinge AB and its subsidiaries Atrium Medical Corporation and Maquet Cardiovascular US Sales, LLC filed a lawsuit against the insurer Moderna Försäkringar, Swedish branch of Tryg Forsikring A/S Denmark, to secure insurance compensation for expected costs associated with the ongoing product liability claims filed in the US and Canada regarding two different types of surgical mesh products. The lawsuit involves disputed insurance coverage of up to approximately SEK 500 M. The lawsuit will not cause any adjustment to Getinge's previously made provision of SEK 1.8 billion related to the same claims, communicated in October 2018. Getinge has previously communicated that the Group holds related product liability insurance and is in continuing discussions with insurance carriers regarding the scope of its insurance coverage. If those discussions are not productive, legal proceedings may be initiated against additional insurance carriers.

Update regarding Consent Decree with the FDA

SEK M	Dec 31 2020	Dec 31 2019
Provision at beginning of period	234	382
Used amount	-136	-154
Provisions	-	-
Translation differences	-9	6
Provision at close of period	89	234

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

Risk management¹⁾

Health care reimbursement system

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

Customers

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

Authorities and control bodies

Parts of Getinge's product range are covered by legislation stipulating rigorous assessments, quality control and documentation. It cannot be ruled out that Getinge's operations, financial position and earnings may be negatively impacted in the future by difficulties in complying with current regulations and requirements of authorities and control bodies or changes to such regulations and requirements. To limit these risks to the greatest possible extent, Getinge conducts extensive work focused on quality and regulatory issues. The Group-wide quality and regulatory compliance function has, besides

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

a representative in the executive management team, a representative on the management teams of each business area, and the function is represented in all R&D and production units. The majority of the Group's production facilities are certified according to the medical device quality standard ISO 13485 and/or the general quality standard ISO 9001. Getinge is also, and may become in the future, involved in government investigations, disputes and similar proceedings within the framework of its other business operations concerning such issues as the environment, tax and competition. Since Getinge operates in a global environment, the company is also exposed to local business risks, such as corruption and restrictions on trade. To minimize the risk of being subject to such investigations, disputes and proceedings, Getinge works actively on developing, implementing and maintaining policies and systems for ensuring compliance with applicable rules and regulations. The overall responsibility for identifying and addressing potential risk areas lies with the Getinge Executive Team and the business operations. The Compliance and the Internal Audit functions assist with support and ongoing monitoring as well as investigations and internal auditing.

Research and development

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

Product liability and damage claims

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

Protection of intellectual property rights

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

Financial risk management

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

Seasonal variations

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

Transactions with related parties

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

Forward-looking information

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

Getinge's financial targets

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

Dividend

The Board of Directors and CEO propose a dividend for 2020 of SEK 3.00 (1.50) per share, a combined total of SEK 817 M (409). The final date for trading including the right to receive dividends is April 20, 2021 and the proposed record date is April 22, 2021. Euroclear expects to distribute the dividend to shareholders on April 27, 2021.

2021 Annual General Meeting

Getinge AB's Annual General Meeting (AGM) will be held on April 20, 2021. Due to the ongoing COVID-19 pandemic, the Board of Getinge has decided to hold the AGM virtually through electric connection with shareholders and provide the opportunity for shareholders to also vote by post. This will protect the health of shareholders and best help reduce the rate of inflection of COVID-19. Practical information about registration and participation will be provided when the notice is published.

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 2, 2021.

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, January 28, 2021

Johan Malmquist
Chairman

Carl Bennet
Vice Chairman

Johan Bygge
AGM-elected Board member

Barbro Fridén
AGM-elected Board member

Dan Frohm
AGM-elected Board member

Sofia Hasselberg
AGM-elected Board member

Rickard Karlsson
Board member
Representative of the Swedish
Metalworkers' Union

Åke Larsson
Board member
Representative of the Swedish
Association of Graduate
Engineers

Mattias Perjos
President & CEO

Malin Persson
AGM-elected Board member

Johan Stern
AGM-elected Board member

Cecilia Daun Wennborg
AGM-elected Board member

This interim report is unaudited.

Consolidated financial statements

Consolidated income statement

SEK M	Note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	2	8,839	8,498	29,819	26,559
Cost of goods sold		-4,681	-4,442	-15,097	-14,104
Gross profit	2, 3	4,158	4,056	14,722	12,455
Selling expenses		-1,402	-1,379	-5,285	-5,411
Administrative expenses		-859	-929	-3,498	-3,443
Research and development costs		-274	-193	-1,033	-762
Acquisition expenses		-4	-33	-8	-45
Restructuring costs		-1	-26	-169	-279
Other operating income and expenses		-8	-19	55	-143
Operating profit (EBIT)	2, 3	1,610	1,477	4,784	2,372
Net financial items	2	-69	-112	-299	-463
Profit after financial items	2	1,541	1,365	4,485	1,909
Taxes		-437	-455	-1,213	-653
Net profit for the period		1,104	910	3,273	1,256
<i>Attributable to:</i>					
Parent Company shareholders		1,094	905	3,239	1,222
Non-controlling interests		10	5	34	34
Net profit for the period		1,104	910	3,273	1,256
Earnings per share, SEK ¹⁾		4.02	3.32	11.89	4.48
Weighted average number of shares for calculation of earnings per share (000s)		272,370	272,370	272,370	272,370

1) Before and after dilution

Consolidated statement of comprehensive income

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net profit for the period	1,104	910	3,273	1,256
Other comprehensive income				
Items that cannot be restated in profit for the period				
Actuarial gains/losses pertaining to defined-benefit pension plans	95	69	-13	-526
Tax attributable to items that cannot be restated in profit	-25	-20	-1	142
Items that can later be restated in profit for the period				
Translation differences and hedging of net investments	-1,704	-940	-2,319	600
Cash flow hedges	19	88	-16	168
Tax attributable to items that can be restated in profit	-2	-11	21	-24
Other comprehensive income for the period, net after tax	-1,616	-814	-2,327	360
Total comprehensive income for the period	-513	96	946	1,616
<i>Comprehensive income attributable to:</i>				
Parent Company shareholders	-500	104	936	1,567
Non-controlling interests	-12	-8	9	49
Total comprehensive income for the period	-513	96	946	1,616

Consolidated balance sheet

SEK M	Note	Dec 31 2020	Dec 31 2019
Assets			
Intangible assets		22,085	24,283
Tangible assets		2,956	3,146
Right-of-use assets		1,017	941
Financial assets		1,526	1,849
Inventories		4,513	4,691
Accounts receivable		5,338	6,344
Other current receivables		1,524	2,205
Cash and cash equivalents	6	6,056	1,254
Total assets		45,014	44,713
Equity and liabilities			
Equity		21,486	20,973
Provisions for pensions, interest-bearing	6	3,359	3,555
Lease liabilities	6	990	908
Other interest-bearing liabilities	6	9,216	9,112
Other provisions		3,115	3,588
Accounts payable		1,446	1,995
Other non-interest-bearing liabilities		5,402	4,582
Total equity and liabilities		45,014	44,713

Changes in equity for the Group

SEK M	Share capital	Other capital provided	Reserves ¹⁾	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance at January 1, 2019	136	6,789	1,235	11,041	19,201	454	19,655
Total comprehensive income for the period	-	-	730	837	1,567	49	1,616
Dividend	-	-	-	-272	-272	-26	-298
Closing balance at December 31, 2019	136	6,789	1,965	11,606	20,496	477	20,973
Opening balance at January 1, 2020	136	6,789	1,965	11,606	20,496	477	20,973
Total comprehensive income for the period	-	-	-2,288	3,225	936	9	946
Dividend	-	-	-	-409	-409	-24	-433
Closing balance at December 31, 2020	136	6,789	-323	14,422	21,024	462	21,486

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

Consolidated cash flow statement

SEK M	Note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating activities					
Operating profit (EBIT)		1,610	1,477	4,784	2,372
Add-back of depreciation, amortization and write-downs	3	637	583	2,467	2,223
Other non-cash items		44	-18	60	54
Add-back of restructuring costs ¹⁾		1	23	169	249
Paid restructuring costs		-63	-100	-262	-369
Financial items		-80	-127	-313	-474
Taxes paid		-150	66	-553	-357
Cash flow before changes in working capital		1,999	1,904	6,352	3,698
Changes in working capital					
Inventories		631	558	-544	-107
Operating receivables		86	-1,068	1,121	-109
Operating liabilities		-172	286	270	350
Cash flow from operating activities		2,544	1,680	7,199	3,832
Investing activities					
Acquisition of operations	8	-169	-	-999	-6
Investments in intangible assets and tangible assets		-284	-357	-1,045	-1,220
Divestment of non-current assets		24	96	53	109
Cash flow from investing activities		-430	-261	-1,991	-1,117
Financing activities					
Change in interest-bearing liabilities		-1,742	-1,396	153	-2,477
Change in long-term receivables		-9	0	-17	3
Dividend paid		-3	-	-433	-298
Cash flow from financing activities		-1,753	-1,396	-297	-2,772
Cash flow for the period		360	23	4,911	-57
Cash and cash equivalents at the beginning of the period		5,716	1,254	1,254	1,273
Translation differences		-20	-23	-110	38
Cash and cash equivalents at the end of the period		6,056	1,254	6,056	1,254

1) Excluding write-downs on non-current assets

Note 1 Accounting policies

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

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

Note 2 Segment overview

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales, SEK M				
Acute Care Therapies	5,392	4,340	18,719	14,637
Life Science	806	865	2,854	2,487
Surgical Workflows	2,641	3,293	8,246	9,435
Total	8,839	8,498	29,819	26,559

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Gross profit, SEK M				
Acute Care Therapies	3,012	2,498	10,861	8,085
Life Science	303	316	1,102	900
Surgical Workflows	843	1,242	2,759	3,470
Total	4,158	4,056	14,722	12,455

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating profit (EBIT), SEK M				
Acute Care Therapies	1,640	1,067	5,312	2,402
Life Science	76	159	337	309
Surgical Workflows	-3	356	-489	49
Group functions and other (incl. eliminations) ¹⁾	-103	-105	-375	-388
Operating profit (EBIT)	1,610	1,477	4,784	2,372
Net financial items	-69	-112	-299	-463
Profit after financial items	1,541	1,365	4,485	1,909

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

Note 3 Depreciation, amortization and write-downs

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Acquired intangible assets	-93	-127	-494	-497
Intangible assets	-309	-226	-1,069	-846
Right-of-use assets	-118	-99	-405	-377
Tangible assets	-117	-131	-500	-503
Total	-637	-583	-2,467	-2,223
<i>of which write-downs</i>	-83	-28	-257	-70

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Cost of goods sold	-268	-248	-1,017	-946
Selling expenses	-164	-192	-754	-745
Administrative expenses	-113	-111	-433	-428
Research and development costs	-93	-29	-263	-74
Restructuring costs	-	-3	-	-30
Total	-637	-583	-2,467	-2,223
<i>of which write-downs</i>	-83	-28	-257	-70

Note 4 Quarterly results

SEK M	Oct-Dec 2020	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
Net sales	8,839	7,976	6,971	6,033	8,498	6,236	6,277	5,548
Cost of goods sold	-4,681	-3,846	-3,513	-3,057	-4,442	-3,303	-3,408	-2,951
Gross profit	4,158	4,130	3,458	2,976	4,056	2,933	2,869	2,597
Operating expenses	-2,548	-2,217	-2,701	-2,470	-2,579	-2,500	-2,545	-2,459
Operating profit (EBIT)	1,610	1,913	757	505	1,477	433	324	138
Net financial items	-69	-72	-80	-78	-112	-118	-119	-114
Profit after financial items	1,541	1,841	677	427	1,365	315	205	24
Taxes	-437	-446	-179	-150	-455	-97	-94	-7
Net profit for the period	1,104	1,395	497	277	910	218	111	17

Note 5 Adjustment items

Adjusted EBITA, SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Acute Care Therapies	1,653	1,194	5,831	3,110
Life Science	112	160	393	323
Surgical Workflows	156	392	-127	222
Group functions and other (incl. eliminations)	-105	-73	-374	-345
Total	1,817	1,673	5,724	3,310

Adjustments of EBITA, SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Specification of items affecting comparability that impact EBITA				
Acquisition and restructuring costs, Acute Care Therapies	-8	6	-62	-132
Acquisition and restructuring costs, Life Science	0	1	0	-9
Acquisition and restructuring costs, Surgical Workflows	2	-33	-113	-140
Write-down of R&D, Acute Care Therapies ²⁾	-	-10	-73	-20
Write-down of R&D, Life Science ²⁾	-29	-	-29	-
Write-down of R&D, Surgical Workflows ²⁾	-45	-	-108	-
Impairment of receivables, Acute Care Therapies ³⁾	-47	-	-47	-79
Impairment of receivables, Surgical Workflows ³⁾	-	-	-	-18
Impairment of receivables, Acute Care Therapies ²⁾	-8	-	-8	-
Impairment of receivables, Surgical Workflows ²⁾	-7	-	-7	-
Write-down of inventories, Acute Care Therapies ¹⁾	-38	-	-38	-
Write-down of inventories, Life Science ¹⁾	-1	-	-1	-
Write-down of inventories, Surgical Workflows ¹⁾	-92	-	-92	-
Reversed unutilized provision, Acute Care Therapies ³⁾	183	-	183	-
Other, Acute Care Therapies ¹⁾	-	-	-2	-
Other, Surgical Workflows ¹⁾	-	-	-3	-
Other, Acute Care Therapies ²⁾	-11	-	-17	-
Other, Surgical Workflows ²⁾	-7	-	-18	-
Other, Surgical Workflows ³⁾	-8	-	-8	-
Group functions and other (incl. eliminations)	2	-33	-2	-43
Total	-115	-69	-446	-441
Items affecting comparability per segment				
Acute Care Therapies	70	-4	-65	-231
Life Science	-30	1	-30	-9
Surgical Workflows	-157	-33	-349	-158
Group functions and other (incl. eliminations)	2	-33	-2	-43
Total	-115	-69	-446	-441

1) Reported in Cost of goods sold

2) Reported in Operating expenses

3) Reported in Other operating income and expenses

EBITA, SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Acute Care Therapies	1,724	1,190	5,766	2,879
Life Science	82	161	363	314
Surgical Workflows	-1	359	-476	64
Group functions and other (incl. eliminations)	-103	-106	-375	-388
Total	1,702	1,604	5,278	2,869

Adjustments of EBIT (in addition to the above adjustments of EBITA), SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Specification of items affecting comparability that impact EBIT but not EBITA				
Write-down of acquired intangible assets, Acute Care Therapies ¹⁾	-	-	-31	-
Total, Group	-	-	-31	-

1) Reported in Operating expenses

Adjustments of EBIT, SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Items affecting comparability that impact EBITA (according to above)	-115	-69	-446	-441
Items affecting comparability that impact EBIT but not EBITA (according to above)	-	-	-31	-
Total	-115	-69	-477	-441

Adjustment of tax, SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Amortization and write-down of acquired intangible assets ¹⁾	93	127	463	497
Items affecting comparability	115	69	477	441
Adjustment items, total	207	196	940	938
Tax effect on adjustment items ²⁾	-53	-54	-248	-247
Adjustment for tax items affecting comparability	-	-	-	-
Total	-53	-54	-248	-247

1) Excluding write-downs classified as items affecting comparability

2) Tax effect on tax deductible adjustment items

Note 6 Consolidated net interest-bearing debt

SEK M	Dec 31 2020	Dec 31 2019
Other interest-bearing liabilities	9,216	9,112
Provisions for pensions, interest-bearing	3,359	3,555
Lease liabilities	990	908
Interest-bearing liabilities	13,565	13,575
Less cash and cash equivalents	-6,056	-1,254
Net interest-bearing debt	7,509	12,321

Note 7 Key figures for the Group

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Financial and operative key figures				
Key figures based on Getinge's financial targets				
Organic growth in net sales, %	11.1	1.8	14.3	3.9
Earnings per share ¹⁾ , SEK	4.02	3.32	11.89	4.48
Other operative and financial key figures				
Organic growth in order intake, %	6.1	0.9	15.6	4.1
Gross margin, %	47.0	47.7	49.4	46.9
Selling expenses, % of net sales	15.9	16.2	17.7	20.4
Administrative expenses, % of net sales	9.7	10.9	11.7	13.0
Research and development costs, % of net sales	4.4	3.8	4.9	4.7
Operating margin, %	18.2	17.4	16.0	8.9
EBITDA, SEK M	2,247	2,060	7,251	4,595
Average number of shares, thousands	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
Interest-coverage ratio, multiple			30.5	12.3
Net debt/equity ratio, multiple			0.35	0.59
Net debt/Rolling 12m adjusted EBITDA, multiple			1.0	2.5
Operating capital, SEK M			32,374	33,735
Return on operating capital, %			16.3	8.3
Return on equity, %			15.1	6.2
Equity/assets ratio, %			47.7	46.9
Equity per share, SEK			78.88	77.00
Number of employees			10,818	10,538

1) Before and after dilution

Alternative performance measures

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

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Adjusted gross profit, SEK M				
Gross profit	4,158	4,056	14,722	12,455
<i>Add-back of:</i>				
Depreciation, amortization and write-downs of intangible assets and tangible assets	268	248	1,017	946
Other items affecting comparability	130	-	135	-
Adjustment for write-downs included in other items affecting comparability	-	-	-	-
Adjusted gross profit	4,556	4,304	15,874	13,401

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Adjusted EBITDA, SEK M				
Operating profit (EBIT)	1,610	1,477	4,784	2,372
<i>Add-back of:</i>				
Depreciation, amortization and write-downs of intangible assets and tangible assets	544	456	1,973	1,726
Amortization and write-down of acquired intangible assets	93	127	494	497
Other items affecting comparability	36	10	59	117
Acquisition and restructuring costs	5	59	177	324
Adjustment for write-downs included in other items affecting comparability and restructuring costs	-	-13	-	-50
Adjusted EBITDA	2,287	2,116	7,487	4,986

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Adjusted EBITA, SEK M				
Operating profit (EBIT)	1,610	1,477	4,784	2,372
<i>Add-back of:</i>				
Amortization and write-down of acquired intangible assets	93	127	494	497
Other items affecting comparability	110	10	269	117
Acquisition and restructuring costs	5	59	177	324
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-	-	-
Adjusted EBITA	1,817	1,673	5,724	3,310

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Adjusted EBIT, SEK M				
Operating profit (EBIT)	1,610	1,477	4,784	2,372
<i>Add-back of:</i>				
Other items affecting comparability	110	10	300	117
Acquisition and restructuring costs	5	59	177	324
Adjusted EBIT	1,724	1,546	5,261	2,813

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Adjusted net profit for the period, SEK M				
Net profit for the period	1,104	910	3,273	1,256
<i>Add-back of:</i>				
Amortization and write-down of acquired intangible assets	93	127	494	497
Other items affecting comparability	110	10	300	117
Acquisition and restructuring costs	5	59	177	324
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	-	-	-31	-
Tax items affecting comparability	-	-	-	-
Tax on add-back items	-53	-54	-248	-247
Adjusted net profit for the period	1,258	1,052	3,965	1,947

Note 8 Acquisitions

Net assets acquired, SEK M	2020	2019
Intangible assets	418	-
Tangible assets	13	-
Inventories	84	-
Accounts receivable	99	-
Other current receivables	49	-
Cash and cash equivalents	30	-
Other provisions	-5	-
Other interest-bearing liabilities	-11	-
Accounts payable	-39	-
Other non-interest-bearing liabilities	-187	-
Identifiable net assets	451	-
Goodwill	610	-
Total purchase prices	1,061	-
<i>Deductible and additional items</i>		
Additional purchase prices	6	6
Unpaid purchase prices	-38	-
Cash and cash equivalents in the acquired companies	-30	-
Impact on the Group's cash and cash equivalents	999	6

Acquisitions in 2020

Applikon and Quadralene were acquired in 2020 and an additional purchase price was paid for the Thai company Simm Company and Surgeon Aids. The table above presents the fair value of acquired identifiable net assets, recognized goodwill and the impact on the Group's cash and cash equivalents.

Applikon

On January 3, 2020, the acquisition of 100 percent of Applikon Biotechnology BV was completed and the acquisition analysis was confirmed in the fourth quarter of the same year. Applikon has its registered office in Delft, the Netherlands and has about 180 employees. The purchase price paid amounted to SEK 826 M. In addition, a maximum of EUR 60 M may be paid in so-called additional purchase prices in 2021-2022 if certain financial targets are met. Acquisition expenses charged to 2019's profit amounted to SEK 23 M. The goodwill that arose in connection with the acquisition amounted to SEK 444 M, and is primarily attributable to strategic advantages in the form of growth opportunities and a broader product range. After the acquisition, the company generated sales of SEK 341 M with an EBITA of SEK 17 M.

Quadralene

All of the shares in Quadralene Holdings Ltd, a manufacturer and supplier of decontamination products with its registered office in Derby, UK, were acquired in November 2020. Quadralene generates annual sales of about SEK 75 M and has 30 employees. The purchase price amounted to SEK 235 M, of which SEK 38 M comprised contingent purchase prices that may be paid in 2021-2023 if certain financial targets are met. The costs of the acquisition amounted to SEK 6 M and were charged to earnings for 2020. The goodwill arising in connection with the acquisition amounted to SEK 166 M and was attributable to such items as revenue from future customers and strategic advantages regarding opportunities for package offerings that combine services and products. The acquisition did not have any material impact on Getinge's sales or earnings in 2020. The acquisition analysis was still preliminary when this report was published.

Simm Company and Surgeon Aids

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

Parent Company financial statements

Parent Company's income statement

SEK M	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Administrative expenses	24	70	-58	-234
Other operating income and expenses	-	-43	38	-43
Operating result	24	27	-20	-277
Result from participations in Group companies	255	17	308	979
Interest income and other similar income	1	0	1	1
Interest expenses and other similar expenses	-43	135	-394	-783
Profit/loss after financial items¹⁾	237	179	-105	-80
Appropriations	243	493	243	493
Taxes	-78	-231	-22	15
Net profit for the period²⁾	402	441	116	428

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

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

Parent Company's balance sheet

SEK M	Dec 31 2020	Dec 31 2019
Assets		
Intangible assets	24	34
Tangible assets	6	7
Participations in Group companies	28,090	28,431
Deferred tax assets	106	112
Receivables from Group companies	295	587
Current receivables	28	64
Cash and cash equivalents	950	0
Total assets	29,499	29,235
Equity and liabilities		
Equity	21,019	21,312
Long-term liabilities	-	1,456
Long-term liabilities to Group companies	-	745
Other provisions	32	29
Current liabilities to Group companies	6,932	3,197
Current liabilities	1,516	2,496
Total equity and liabilities	29,499	29,235

Definitions

Financial terms

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

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

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

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

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

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.

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

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.

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

EBIT. Operating profit.

EBITA margin. EBITA in relation to net sales.

EBITA. Operating profit (EBIT) before add-back of amortization and write-down of acquired intangible assets.

EBITDA margin. EBITDA in relation to net sales.

EBITDA. Operating profit (EBIT) with add-back of amortization, depreciation and write-downs.

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

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

Gross margin. Gross profit in relation to net sales.

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

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

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

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

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

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

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

Medical terms

Artificial grafts. Artificial vascular implants

Cardiopulmonary. Pertaining or belonging to both heart and lung.

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

DPTE BetaBag®. A bag that ensures contamination-free transfer of components.

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

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

Endovascular. Vascular treatment using catheter technologies.

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

Hemodynamic monitoring. Monitoring the balance between blood pressure and blood flow.

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.

NAVA. Neurally Adjusted Ventilatory Assist (NAVA) identifies the electric activity that activates the human diaphragm and using these signals adapts the ventilation to the patient's respiratory rhythm.

Stent. A tube for endovascular widening of blood vessels.

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

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

Ventilator. Medical device to help patients breath.

Geographic areas

Americas. North, South and Central America.

APAC. Asia and Pacific.

EMEA. Europe, Middle East and Africa.

Teleconference

Getinge will hold a teleconference on January 28, 2021 at 10:00-11:00 a.m. (CET) with Mattias Perjos, President & CEO, and Lars Sandström, CFO. Please see dial in details below to join the conference:

SE: +46850558351
 UK: +443333009269
 US: +18332498405

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

<https://tv.streamfabriken.com/getinge-q4-2020>

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

Financial information

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

March 30, 2021	2020 Annual Report
April 20, 2021	January-March 2021 Interim Report
April 20, 2021	2021 Annual General Meeting
July 16, 2021	January-June 2021 Interim Report
October 20, 2021	January-September 2021 Interim Report
January 28, 2022	January-December 2021 Interim Report

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This information is such that Getinge AB must disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on January 28, 2021 at 8:00 a.m. CET.

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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