A Work Project, presented as part of the requirements for the Award of a Master Degree in Finance from the NOVA School of Business and Economics

IC PAPER ON ELEKTA AB: MITIGATION OF STRUCTURAL DIFFERENCES IN CANCER TREATMENT

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Abstract

The following Investment Committee paper focuses on a proposal for a leveraged buyout on Elekta AB, a key player in the global radiotherapy market which sells in more than 120 countries. In fact, this paper develops a set of value creation strategies (with an emphasis on the Buy & Build strategy) through a detailed analysis of the radiotherapy market and of the competitive advantages of the company. Subsequently, a capital structure is suggested by assessing past buyout transactions in the healthcare sector and by leveraging the bank case. Finally, the exit returns are estimated complying with industry threshold and a range of exit strategies are analyzed.

Keywords: Cancer Treatment, Radiotherapy, Elekta AB, Private Equity

Disclaimer: This Work Project was prepared by a group of students from Nova School of Business and Economics as the Master's Thesis for the Master in Finance Program. We, hereby, pledge on our honor that the work presented is ours and that none dishonest method was used in its execution. Furthermore, we declare that this Work Project is intended to be used for academic purposes only. Therefore, we restrain ourselves from taking any responsibility from the wrong usage of the content presented, namely any investment or legal action taken grounded on it.

This Work Project was developed using publicly available data and information provided by the company (i.e., annual reports, investor relations, presentations, etc.). The sources of the information are disclosed when appropriated.

This Work Project is divided into three complementary parts. For an integral analysis of the Work Project please see the remaining two parts named "Power of Proton Solutions in Radiotherapy Market" and "APAC's Influence in the Future of Radiotherapy Market".

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GROUP SECTION

Elekta seems to be an exciting investment opportunity yielding an investors' return of 3.14x

COMPANY PROFILE

Elekta AB is a Swedish manufacturer of radiotherapy medical equipment. Its products and aftermarket services are sold to both public and private sector;

Its product portfolio consists of linear accelerators, magnetic resonance imaging linear accelerators (MR-Linacs), brachytherapy, oncology informatic solutions (OIS) and neurosolutions;

Elekta provides a range of quality services that include maintenance, updates, training, among others;

With an emphasis in customization, Elekta has been one of the main leaders in the radiotherapy market.

Financials	2020	2021F	2022F	2023F	2024F	2025F
Organic Sales	14,601	14,722	19,506	22,571	24,214	26,390
% growth	-	1%	32%	16%	7%	9%
Org EBITDA	**2,921**	**3,088**	**4,170**	**4,814**	**5,280**	**5,886**
Inorg Sales	N/A	0	3,134	4,839	5,584	6,018
% growth	-	-	-	54%	15%	8%
HCG	0	0	3,134	3,302	3,887	4,144
IBA	0	0	0	1,537	1,697	1,874
Inorg EBITDA	**N/A**	**0**	**275**	**634**	**784**	**892**
EBITDA	**2,921**	**3,088**	**4,445**	**5,449**	**6,065**	**6,778**
% mg	20%	21%	20%	20%	20%	21%

DEAL RATIONALE

1 Acquisition history

Strategic value-adding acquisitions allowed Elekta to become a key player in radiotherapy market

2 Brand Prestige and Market Leadership

Elekta is distinguished by its efficiency and has reached a leading position in emerging markets

3 Sizeable and Growing Market

Optimistic industry growth prospects, since cancer incidence is increasing globally (underserved)

4 Strong Cash-Flow Generation

Free Cash Flow generated by the company is robust and has been stable over the past few years

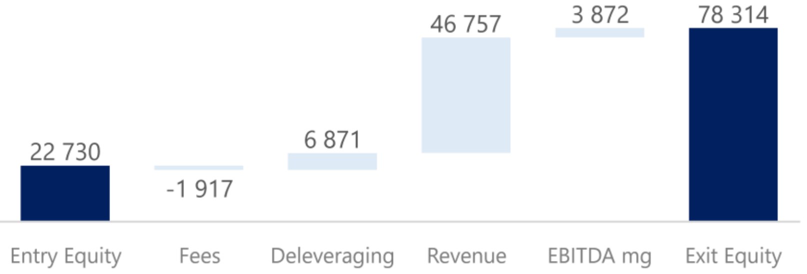
INDUSTRY PROFILE

Radiotherapy is one of the main types of cancer treatment. With cancer incidence expected to increase until 2040, significant investments have been made in the oncology market;

Accordingly, the radiotherapy market is expected to increase at a CAGR of 7.3% until 2029, from a $6.6B value in 2019;

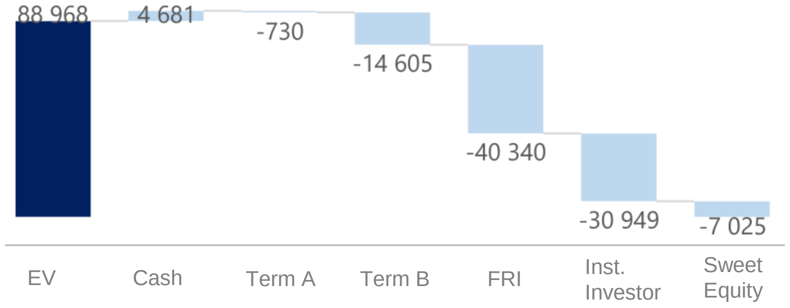
This growth will be mainly driven by innovations in the sector (namely MR-Linacs and OIS), and the increasing demand for radiotherapy, as 60% of cancer patients are expected to need it.

VALUE CREATION & EXIT AND RETURNS



- It is expected that the increase in revenues and the improvement of EBITDA margin, will create SEK 50,629M of value;
- With the deleveraging effect, the investment will generate SEK 57,500M of value.

- The fund will generate a combined return of 3.45x in five years (IRR of 28.07%);
- Institutional investors and managers will have returns of 3.14x and 136.1x respectively.



Elekta is one of the key players in the global radiotherapy market (radiation therapy & radiosurgery)

Elekta

COMPANY PROFILE

○ **Founded in 1972**, its headquarters are located in Stockholm, Sweden. It has been **listed in the OMX Nordic Exchange** since 1994 and currently **employs more than 4,000 people;**

○ ELEKTA is one of the key players in the **global radiotherapy market**, providing radiotherapy equipment in order to treat different types of cancer and brain disorders;

○ The company **sells both to the public and private sector** (hospitals, private clinics) in more than 120 countries;

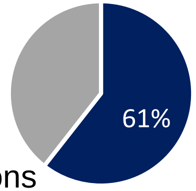
○ Elekta has a **wide range of suppliers** – 80% of sourced products/services come from approximately 450 suppliers. **In some specific products** (MR Linac–Image) **there is only one supplier,** which might increase the shortage risk;

○ Its **position in the value chain** is as a medical **equipment manufacturer and software provider**, that has been distinguished by its innovation and efficiency. It is also known by **customizing their products for each specific client.** The main activities of the production units are **assembly, testing and quality assurance**;

RANGE OF PRODUCTS

Solutions

% of revenues



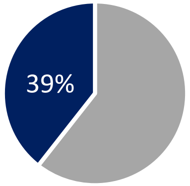
Offers leading solutions in both radiotherapy treatment and oncology informatics systems.

1) Oncology Informatics Solutions
2) Neuro Solutions
3) Brachy Solutions
4) Linac solutions
5) MR-Linac Solutions

Rank
% Margin

Services

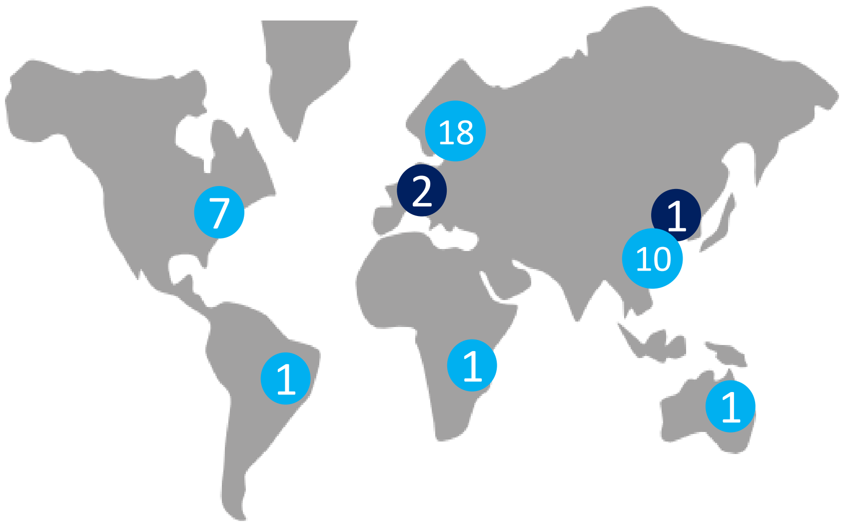
% of revenues



Delivers high quality aftermarket services with a global network, generating recurring revenues.

ELEKTA'S WORLDWIDE PRESENCE

Manufacturing Facilities **Business Offices**



PIONEERS IN PRECISION RADIATION MEDICINE

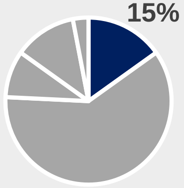
1972	2003	2008	2012	2015	2018
First to deliver radiosurgery with **Leksell Gamma Knife**	First to integrate **CBCT** and introduce **image-guided radiotherapy**	First **Monte Carlo** based treatment **planning system**	Introduction of **Agility**, the next-generation, high resolution beam shaping solution	First online adaptive radiosurgery system: **Leksell Gamma Knife Icon**	First high-field MR-Linac**:** **Elekta Unity**

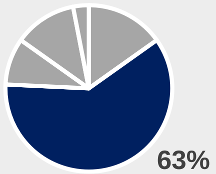
Sources: Elekta's Annual Report and Website

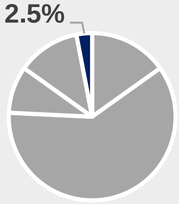
Elekta's diversified product portfolio enables this company to thrive in the radiotherapy market

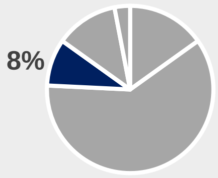
Elekta

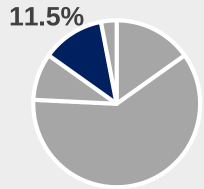
	Oncology Informatics	Linear Accelerators	MR- Linear Accelerators	Brachytherapy	Stereotactic Radiosurgery
% REVENUES	15%	63%	2.5%	8%	11.5%
END MARKET	Private/Public Sector: Hospitals, Clinics	Most Common Cancers: Prostate, Breast, Lung, Liver	Most Common Cancers: Prostate, Breast, Lung, Liver	Most Common Cancers: Prostate, Breast, Cervical, Skin	Most Common Cancers: Neurological disorders
MAIN COMPETITORS	varian, RaySearch Laboratories, McKESSON, Cerner, ACCURAY	varian, VIEWRAY, ACCURAY, SHINVA	VIEWRAY	varian, Eckert & Ziegler, isoray	varian, ACCURAY











ELEKTA'S INNOVATION HISTORY

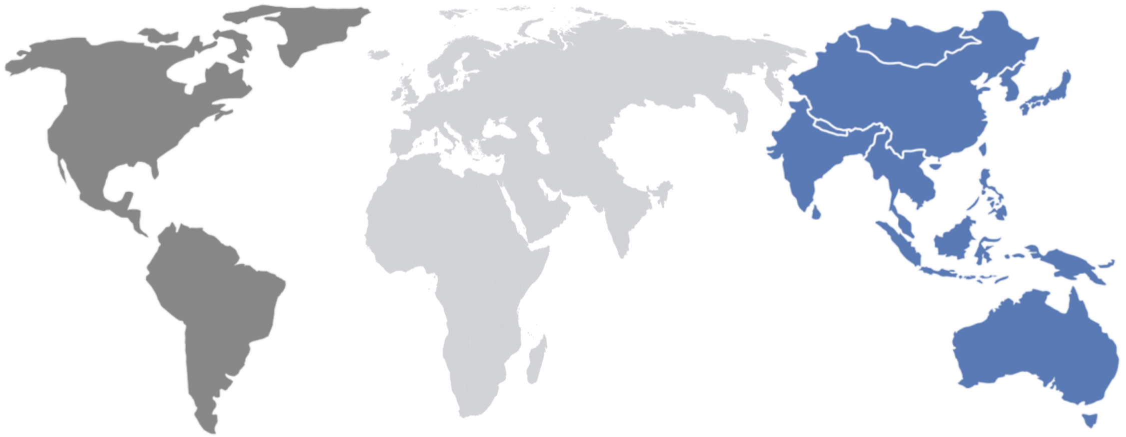
- **1972** Elekta founded
- **1985** First digitally controlled linac
- **2003** Elekta Synergy
- **2005** IOS solutions
- **2006** Leksell Gamma Knife Perfexion
- **2008** VMAT
- **2013** Versa HD & Esteya
- **2017** Elekta Unity
- **2018** SmartClinic

Sources: Elekta's Annual Report and Website; Investor Presentation 2018

Securing improved financial performance as well as operational excellence

PROFITABILITY DRIVERS

- **Expanding Product Portfolio** i.e Brachy Solutions and MRI Linacs gives access to more potential customers;
- **Market need for cost-efficient and digitalized cancer care** can be exploit by Elekta, since it is a key player which provides high-quality solutions and services;
- Its **Precision Radiation Medicine -** easier to use, improve patient experience, increase workflow **-** can lead to strong customer's relationship, increasing clients' long-term brand loyalty;
- **Gross Margin and SG&A margin improvement** by increasing the efficiency in internal processes. Elekta wants to replicate its *Harmony Solution* COGS reduction in the other innovative products already provided, in order to improve its gross margin. By sharing services and digitalization (remote assistance; remote conferences) it aims to reduce its SG&A costs (COVID also helped in reducing travel expenses);



North and South America
- Elekta's market share 21%
- Net Sales 31%
- Solutions 44%
- Services 56%

EMEA
- Elekta's market share 43%
- Net Sales 38%
- Solutions 64%
- Services 36%

APAC
- Elekta's market share 40%
- Net Sales 31%
- Solutions 72%
- Services 28%

ELEKTA'S ACQUISITION HISTORY

1972	Elekta founded	
1997	Philips Radiation Therapy Division	
2003	Neuromag	
2005	IMPAC & Medical Intelligence	
2006	Beijing Medical Equipment Institute	$20M
2008	CMS	$75M
2011	Nucletron	€365M
2014/15	Distributors in Mexico and Poland	
2018/20	PalabraApps; ProKnow; and Kaiku Health	>SEK 178M

Linear Accelerators; Oncology Informatics; Stereotactic Radiosurgery; Brachytherapy; MR–Linear Accelerators

60% of cancer patients need radiotherapy solutions, but only half of them have access to radiotherapy

RADIOTHERAPY MARKET AROUND THE WORLD

EMEA

- The market is steadily growing in Western Europe due to increasing capacity and renovation of equipment. Private Sector’s role plays an important role, but national programs are the main responsible for funding cancer treatments, care and research;
- In Eastern Europe there is still a lack of infrastructure, but national services have been developing;
- In Middle East and Africa there is still a considerable lack of resources. However, increasing awareness of the problems of cancer, the increasing demand in the Middle East and the emergence of Turkey as a fast-growing market, make MEA a long-term attractive region.

AMERICAS

- North America market is characterized by a prominence of private providers that have consolidated their position over the years, creating a competitive environment. 60% of North American patients are treated with radiotherapy and there is increasing demand to renew existent equipment;
- In South America there is a mix of public and private sector, existing inadequate accessibility to public services;
- Nevertheless, the emergence of healthcare groups which are investing in radiotherapy clinics and a need for modernization will drive the market forward in the next years.

APAC

- China is the most important market in the Asia-Pacific region, with the government incentivizing the expansion of radiotherapy, both in capacity and renewing equipment;
- Japan has one of the biggest growth potential, as 70% of cancer patients do not receive radiotherapy. Hong-Kong, Australia, Singapore and South Korea are also mature markets with adequate levels of investment in radiotherapy;
- India also expects a long-term growth in radiotherapy demand. Currently, radiotherapy is more prominent in the private-sector, but it in the long-term the public sector will increase its investment.

GLOBAL

$6.6 Billion
in 2019

CAGR of 7.3%
until 2029

Up to 60% of cancer patients need radiotherapy solutions. However, **around half of them are unable to access it**. The different states of development between regions are key determinants to access rates to radiotherapy solutions.

Market defined by **innovative procedures** that will continue to play a major role in cancer treatment.

Sources: Elekta’s Annual Report and Website; Grandviewresearch

Elekta's main competitor is Varian but emergent markets dominance could offset discrepancies

5 FORCES OF PORTER

Low Moderate High

1 Competition in the industry

- Competition based on R&D investment, cost-efficiency and after-market services;
- Only Varian has an overlap with Elekta's product portfolio but there are significant number of companies which address specific segments;

2 Potential of new entrants

- High capital needs, strong and consolidated companies within the market, existence of patents and regulation complexity could strongly harm the entrance of new competitors;

3 Power of suppliers

- In general, there is a wide range of suppliers which cover raw materials and principal components needs, implying lower bargaining power;
- However, some specific materials only provided by few suppliers (Elekta's MRI) increase their power;

4 Power of customers

- Prevalence of long-term contracts allied with high customization pattern enhances the importance of negotiation. Usually, the manufacturers have to adjust the given solution in order to fulfill the customer needs;

5 Threat of substitute products

- High investment in R&D could imply short product life-cycles, however long-term contracts secure customer loyalty, thus diminishing this threat.

Elekta	✓	✓	✓	✓	✓	
varian	✓		✓	✓	✓	✓
ACCURAY	✓		✓		✓	
Eckert & Ziegler				✓		
VIEWRAY		✓				
RaySearch Laboratories			✓			
PHILIPS			✓			

PEER POSITIONING

MARKET COMPETITIVE DYNAMICS

Supremacy of service revenues as companies try to maximize clients' loyalty and recurrent revenues by ensuring maintenance and support services

Constant search for innovation (e.g., current pandemic enhanced the importance of remote monitoring and maintenance).

Attracting and retaining the most qualified employees

Companies must ensure that their products are reimbursed as much as possible.

Acquisitions and partnerships play a key role on differentiation and market share gains.

Pursuit of the best cost-effective solutions that could offset structural differences between countries and regions.

Papers, peer reviews and clinical data are important to attract customers

Protection of patients to maintain value creation of intellectual properties or technologies.

Elekta has a variety of compelling value creation strategies that can enhance its key player position

Elekta

DEAL RATIONALE

1 Acquisition history

- Elekta's history is highly influenced by strategic acquisitions that have allowed Elekta to widen its portfolio, differentiate its products from the competition and gain significant market share in emergent markets

2 Brand Prestige and Market Leadership

- Elekta is a key player of cancer treatment equipment distinguished by its efficiency
- The company has reached leading position in China and strong market share positions in **Americas (21%), EMEA (43%) and Asia Pacific (40%)**

3 Sizeable and Growing Market

- Optimistic radiotherapy industry growth prospects over the next 5 years, since cancer incidence is increasing all over the world, with most markets currently underserved
- Governments are willing to allocate more money in cancer care, as well as private sector

4 Strong Cash-Flow Generation

- Free Cash Flow generated by the company has been stable over the past few years
- Moreover, Cash Flow from Operating Activities has ranged in the last three years between **SEK 1000M and SEK 2400M**

VALUE CREATION STRATEGIES

Buy-and-Build

- Leverage competitive position by acquiring consolidated companies that broaden Elekta's product portfolio and are also in line the company's high standard of precision and efficiency. In line with internationalization, the acquisition of strategic distributors will play a key role in Elekta's short-term strategy. The company might also acquire start-ups that focus on software (if it is a quicker way to differentiate)

Software | Distributors | Proton Solutions

Internationalization

- **MEA and APAC** markets are currently underserved, and the trend does not favour them, since both will have the higher growths of cancer incidence (%) until 2040. This creates an **opportunity for ELEKTA to expand** and consolidate its leadership position in these regions: by taking advantage of its current brand reputation and by leveraging its geographic presence through the acquisition of an APAC distributor
- Elekta will try to consolidate its position in the remaining markets. The South American market is currently underserved, but its political and economical unstable climate are barriers to a short-term growth perspective

Accelerating Market Growth

- **MR-Linear Accelerators** are set to continue to revolutionize radiotherapy. Therefore, this market is expected to **grow 20% a year.** Elekta AB, being the major player in this segment is well positioned to capitalize on this growth. Moreover, Elekta's investment in R&D will be key to consolidate its market position, by offering customized products that are a key competitive advantage

Operational improvements

- Enhance transformation program pillars and exploit further improvement opportunities. Continue investment in R&D, reduce COGS and SG&A by leveraging on digitalization initiatives (remote services, cloud computing) and consolidate lower-cost manufacturing solutions (replicate Harmony's cost structure)

Sources: Interview with Investor Relations

Elekta's Buy & Build targets will contribute to strengthen Elekta's position

	Healthcare Global Enterprises	Ion Beam Applications	Micropos[1]
DESCRIPTION	Founded in 1989, Healthcare Global Enterprises is **one of the largest cancer care provider in India**, having a network of over 20 cancer centers spread across India. Currently **employs almost 6,000 people.**	IBA (Ion Beam Applications) was founded in 1986, from the Catholic University of Louvain-la-Neuve's Cyclotron Research Center (Belgium). Although its primary emphasis started to be medical imaging, **the company moved its focus to proton therapy.**	Founded in 2003, Micropos develops medical devices for high precision 4D therapy. The company manufactures an accessory for radiation therapy machines to increase the precision and efficiency of prostate cancer treatment.
ACQUISITION RATIONALE	The acquisition of Healthcare Global Enterprises is a major **opportunity for Elekta's expansion in India and Africa**, as it is a key distributor in the market, since it already operates in both locations, enhancing Elekta's internationalization strategy. Confidence Level: High	By acquiring one of the key players in the proton therapy segment, Elekta will be well positioned to **capitalize on the proton therapy market's growth and consolidate its position** as a global leader in the radiotherapy segment. Confidence Level: High	Elekta would try to expand the 4D functionalities to other types of cancers and leverage hypofractionation (more precision, treatment in less sessions), which is line with APM and Elekta's ambitions. Confidence Level: Medium

FINANCIALS

Healthcare Global Enterprises:

EBITDA 2019	SEK 154M
Entry Multiple	13.14x
Multiple post Synergies	11.64x
Exit Multiple	13.13x

Multiple Uplift: 1.49x

Ion Beam Applications:

EBITDA 2020	SEK 189M
Entry Multiple	13.81x
Multiple post Synergies	11.92x
Exit Multiple	13.13x

Multiple Uplift: 1.21x

Micropos:

Revenues 2019	SEK 3.97M
Operational Expenses	SEK -14.68M
EBITDA 2019	SEK -10.7M

The financials compromise the success of this acquisition thus it was excluded from our forecast.

EXPECTED OUTCOME

Healthcare Global Enterprises: **Sales growth** (across all Elekta's product portfolio); **Strengthen competitive position in APAC and in Africa regions** (more predominance in APAC).

Ion Beam Applications: **Sales growth** (proton solutions contributing with 23%); **Expand Elekta's portfolio** to cover all segments radiotherapy market; **Increase worldwide proton market share.**

Micropos: Implement this feature in Elekta´s different solutions portfolio in a medium/long term perspective – apply to different cancers.

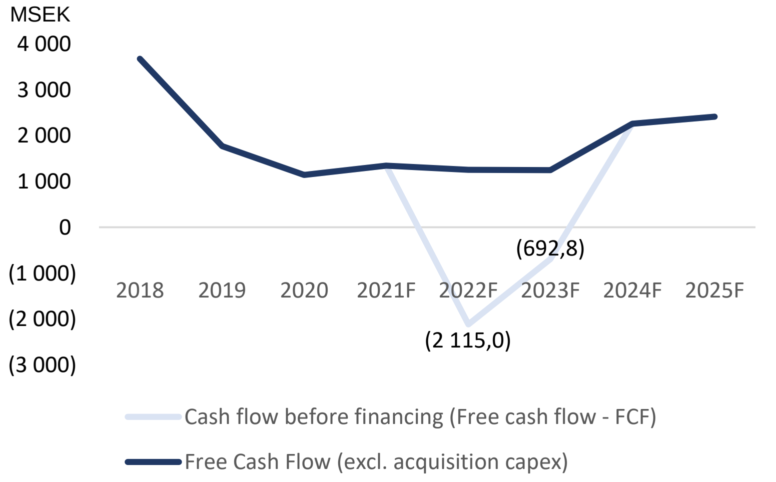
Notes: 1) Not included in Investment Case

Sources: HCG, IBA and Micropos' websites, Reuters

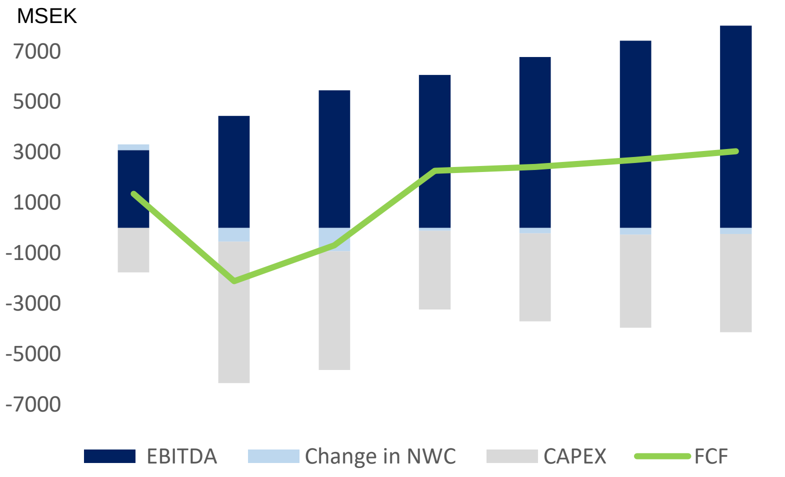
Robust cash flow generation driven by a solid EBITDA growth

Free Cash Flow (M SEK)	2018	2019	2020	2021F	2022F	2023F	2024F	2025F		CAGR 20-25F
EBITDA	**2,520**	**2,616**	**2,921**	**3,088**	**4,445**	**5,449**	**6,065**	**6,778**	1	**18.3%**
Adjustments:										
Change in Net Working Capital	1,665	-265	-1,212	218	-542	-920	-117	-216	2	
Tax	-203	-197	-184	-203	-409	-514	-574	-659	3	
Maintenance Capex	-816	-659	-762	-1,759	-2,238	-2,764	-3,116	-3,488	4	
%revenues	-7.1%	-4.9%	-5.2%	-11.9%	-9.9%	-10.1%	-10.5%	-10.8%		
Acquisition Capex	-	-	-	-	-3371	-1943	-	-	5	
Cash flow before financing (Free cash flow - FCF)	**3,166**	**1,495**	**763**	**1,345**	**(2,115)**	**(693)**	**2,258**	**2,415**		**25.9%**
%Growth		(53%)	(49%)	76%	(257%)	67%	426%	7%		
FCF (excl. acquisition capex)	**3,166**	**1,495**	**763**	**1,3445**	**1,256**	**1,250**	**2,258**	**2,415**	6	

FCF vs FCF excl Acquisition CAPEX



FCF Breakdown



GROWTH DRIVERS

1 Elekta's EBITDA will increase from SEK 2,921M in 2020 to SEK 6,778M in 2025, corresponding to a CAGR of 18.3%. Its main drivers were HCG and IBA acquisitions and organic growth;

2 Change in NWC will be positive in 2021F mainly because of Covid-19 effects (increased average payable/collection period). From this point onwards it will come back to 2019 and 2020 values (being less variable than it used to be);

3 Tax includes tax shields from D&A and deductible interest expenses assuming a 24% income tax.

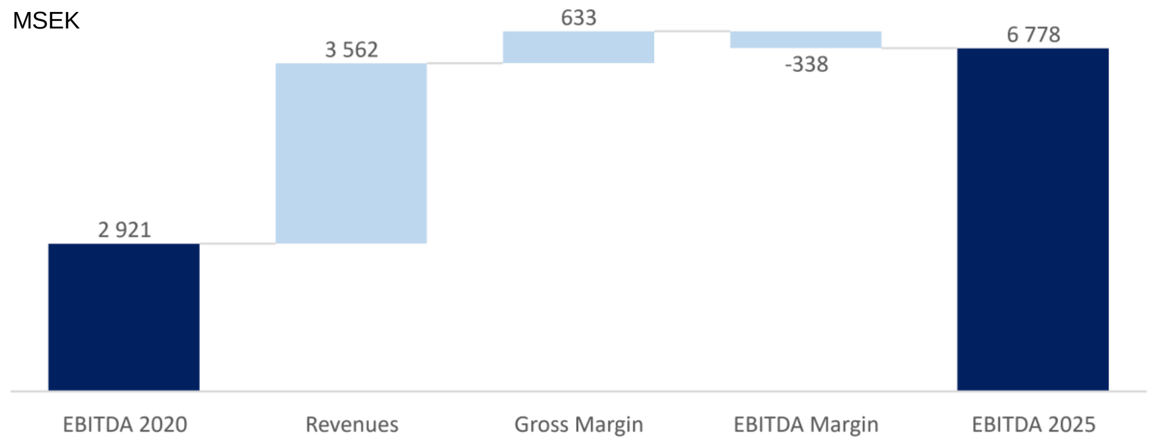
4 Maintenance Capex will range between 10-12% of revenues based on forecasted Total Fixed Assets and acquisitions of IBA and HCG.

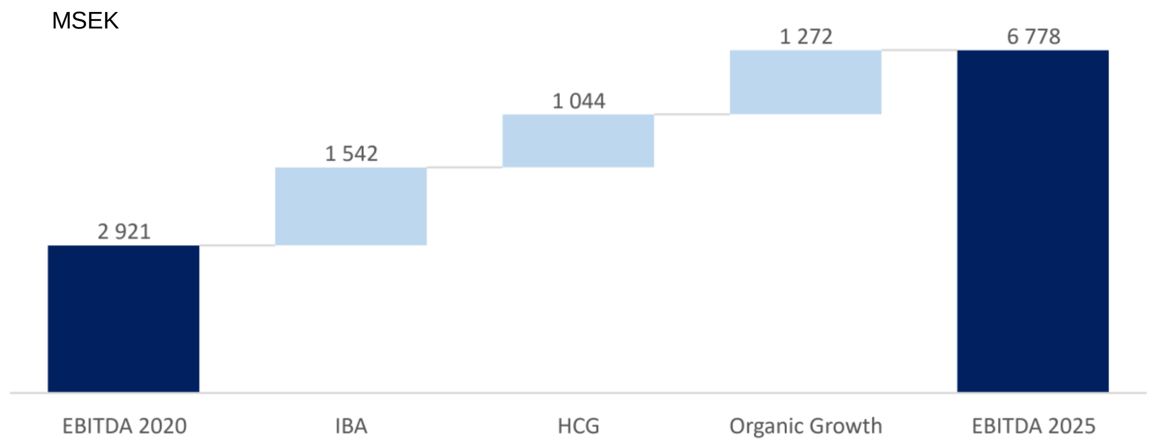
5 The acquisition of IBA and HCG in 2022F and 2023F respectively, represents a considerable cash outflow of SEK 5,314M;

6 FCF excluding acquisition capex strengthens from 2020 to 2025 – growing at a CAGR of 25.9% and reaching SEK 2,415M at exit. In 2022F and 2023F it decreased, mainly attributable to the acquisitions of IBA and HCG and variations of change in NWC;

EBITDA will double until 2025 due to an increase of revenues and improvement of margins

EBITDA GROWTH BRIDGE





EBITDA GROWTH DRIVERS

Gross Profit

- The **Gross Profit can be divided into revenues growth and gross margin improvement;**
- **Revenues will increase over the investment period** from 14,601M to 32,408M due to the implementation of the value creation strategies**, leading to an impact of 3,562 in EBITDA;**
- **Gross margin will improve** from 42.6% (2020) to 44.6% (2025) due to economies of scale and the acquisition of HCG, **leading to an impact of 633M in EBITDA.**

EBITDA Margin

- The Covid-19 pandemic enhanced a **continuation of operational improvements** (digitalization, reduction of travelling) that **will drive the reduction of these costs' weights on revenues;**
- **The integration of HCG and IBA will somewhat offset these improvements**, as both companies have lower margins, compared to ELEKTA, **leading to a negative impact of EBITDA margin of 338M.**

IBA & HCG

- As the market leader of proton therapy, **IBA is expected to contribute with an additional SEK 1,542M to Elekta's EBITDA over four years,** helping Elekta consolidate its position as a leader in radiotherapy.
- The **acquisition of HCG** will help Elekta boost its revenues in all its radiotherapy solutions in APAC and some African regions. Consequently, it is projected that **Elekta's EBITDA is increased by SEK 1,044M.**

Organic Growth

- **Elekta will continue to develop and enhance all its radiotherapy solutions**, however, **MR-Linacs and OIS will have the most significant growths**, as their respective markets will increase significantly over the next years;
- As a result, **organic growth will add SEK 1,272M to Elekta's EBITDA.**

Management incentive package contains sweet equity, a bonus payment and a PSU'S plan

Elekta

MANAGEMENT PACKAGE

PARTICIPATION IN SWEET EQUITY 1

Managers will be required to invest twice its total annual salary in exchange for a **15% equity stake which will be vested** accordingly with the table.
The four members of the management team will have different equity stakes (accordingly with their salaries and positions):

- Gustaf Salford will invest **SEK 30.05M** and receive **58%** of sweet equity;
- Johan Adebäck will invest **SEK 9.80M** and receive **19%** of sweet equity;
- Paul Bergström and Jonas Bolander will invest **SEK 5.88M** each and receive **11%** of sweet equity.

BONUS PAYMENT 2

In 2021, an **immediate bonus payment** will be paid to management, equal to **25% of their fixed annual salary** amount. This payment will leverage management's motivation in the current pandemic context.

	Total Remuneration		Bonus Payment
Gustaf Salford	15027		2216
Johan Adebäck	4901	25%	875
Paul Bergström	2940		525
Jonas Bolander	2940		525
TOTAL	**25809**		**4141**

PSU'S PLAN 3

A **long-term incentive based on performance-vested shares** contingent upon achieving EBITDA and Gross Profit annual levels. The promised number of shares are **in line with the additional % of sweet equity** defined on the table to the right and will be split across management considering their entry equity - **if MM is lower than 2.50x they will not be rewarded.**

1 VESTING RULES	2021E	2022E	2023E	2024E	2025E
Final Sweet Equity Stake	**15.0%**				
% Sweet Equity Vested per year	**10%**	**25%**	**40%**	**80%**	**100%**
Vested Equity Stake	**1.50%**	**3.75%**	**6.00%**	**12.00%**	**15.00%**
Management proceeds	**74**	**658**	**1,638**	**4,175**	**6,681**
Gustaf Salford	43	383	954	2431	3890
Johan Adebäck	14	125	311	793	1269
Paul Bergström	8	75	187	476	761
Jonas Bolander	8	75	187	476	761

3 PSU'S PLAN	2021E	2022E	2023E	2024E	2025E
% of sweet equity	**0.50%**	**0.50%**	**0.75%**	**0.75%**	**1%**
If Gross Profit and EBITDA are met at 100%					
Gustaf Salford	0.27%	0.27%	0.40%	0.40%	0.54%
Johan Adebäck	0.11%	0.11%	0.16%	0.16%	0.21%
Paul Bergström	0.06%	0.06%	0.10%	0.10%	0.13%
Jonas Bolander	0.06%	0.06%	0.10%	0.10%	0.13%
If Gross Profit and EBITDA are met at 85%					
Gustaf Salford	0.16%	0.16%	0.24%	0.24%	0.32%
Johan Adebäck	0.06%	0.06%	0.10%	0.10%	0.13%
Paul Bergström	0.04%	0.04%	0.06%	0.06%	0.08%
Jonas Bolander	0.04%	0.04%	0.06%	0.06%	0.08%

Considering different methodologies, an EV/EBITDA of 13.13x and an EV of SEK 38,339M was arrived

ENTERPRISE VALUE (M SEK)

DCF – EXIT MULTIPLE METHOD (1)

- This DCF is based on a EV/EBITDA multiple of 13.13x used to compute the terminal value.
- To discount the FCF, it was used a WACC of 6.64%, which is decomposed on Appendix X
- This valuation **was not included in the final EV since it is a clear outlier.**

20.30x

THROUGH THE CYCLE (3)

- A **10-year cycle adjustment** was made for both multiples used in the comparables analysis **to eliminate one-time events**.
- In general, there has been a multiples' increase across the last 10 years.

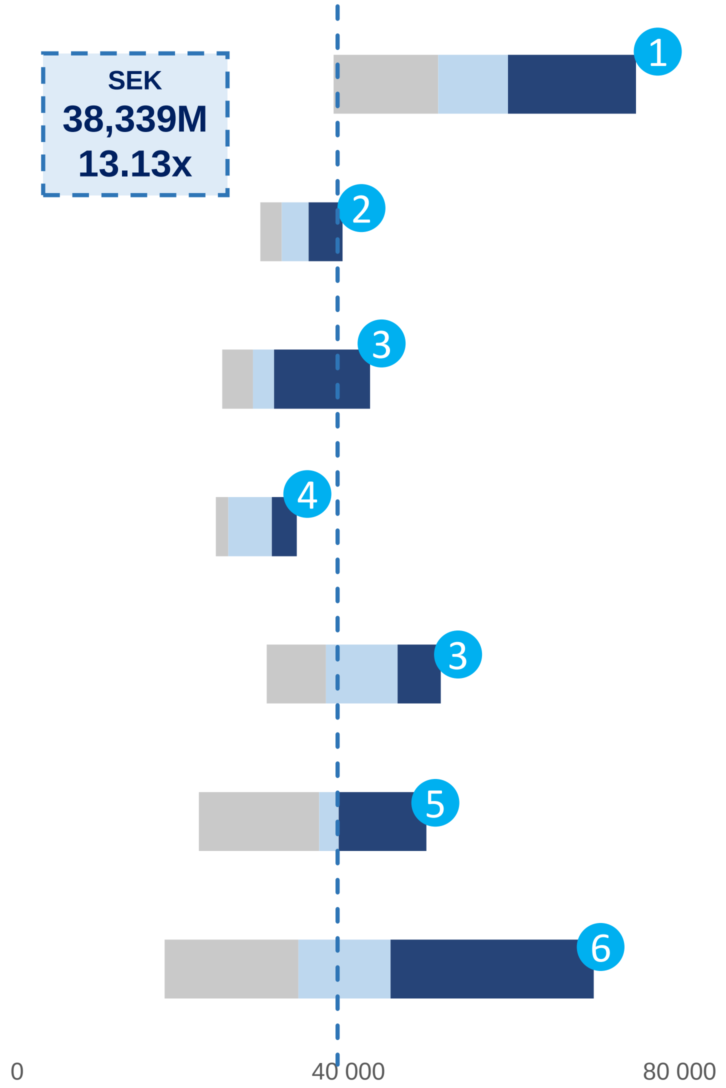
EV/EBITDA **15.73x**

P/E **29.35x**

EV/EBITDA (5)

- Considering the same list of 6 comparables, a valuation through one-year forward EV/EBITDA multiples was computed, arriving at a **minimum value of 7.51x and a maximum of 21.27x.**

13.30x



DCF – GORDON'S GROWTH (2)

- The DCF using Gordon's growth model was performed with a terminal growth rate (TGR) of 2.5% (in line with market prospects – e.g. increase of cancer incidence).
- It was **not included in the final EV as it is mainly explained by the terminal value** computed through the assumed TGR.

12.05x

PRICE/EARNINGS (4)

- Considering a qualitative and quantitative analysis (i.e. similar EBITDA margin and capital structure) it was possible to list 6 comparables.
- Using one-year forward P/E multiples, the **minimum value was 22.71x while the maximum was 36.01x.**

29.11x

PAST TRANSACTIONS (6)

- This valuation methodology was computed **based on past transactions in the cancer care industry.**
- It was possible to verify that there is recurring discrepancies in the multiples' value, ranging from 6.10x and 52.23x.

15.44x

Sources of funds will be composed of 63.7% equity and 36.3% debt

SCENARIOS – CAPITAL STRUCTURE

SCENARIOS	1	2	3	9
Leverage	5.0x	6.0x	5.5x	4.5x
IRR	24.00%	25.74%	24.83%	23.23%
MM	2.93x	3.14x	3.03x	2.84x

SCENARIOS	Term A	Term B	Term C	Cash Cover 2021	Cash Cover 2022	Cash Cover 2023	Cash Cover 2024	Cash Cover 2025
1	1.0x	4.0x	0.0x	1.4x	1.5x	1.5x	2.1x	2.3x
2	1.0x	5.0x	0.0x	1.2x	1.4x	1.4x	1.9x	2.1x
3	1.0x	4.5x	0.0x	1.3x	1.4x	1.5x	2.0x	2.2x
9	1.0x	3.5x	0.0x	1.4x	1.6x	1.6x	2.2x	2.4x

FINAL RATIONALE

Sources and Uses of Funds:

Sources of Funds

- They are distributed between Debt (5x EBITDA – 14,605M) and Equity (8.8x EBITDA – 25,651 M);
- Total Debt is allocated among two tranches (A and B) - Term A amortized senior Debt of 2,921M – 1x EBITDA and Term B bullet payment senior Debt of 11,684M – 4x EBITDA.
- Equity is divided in FRI (25,307M – 8.7x EBITDA) and Ordinary Equity (344M – 0.1x EBITDA).

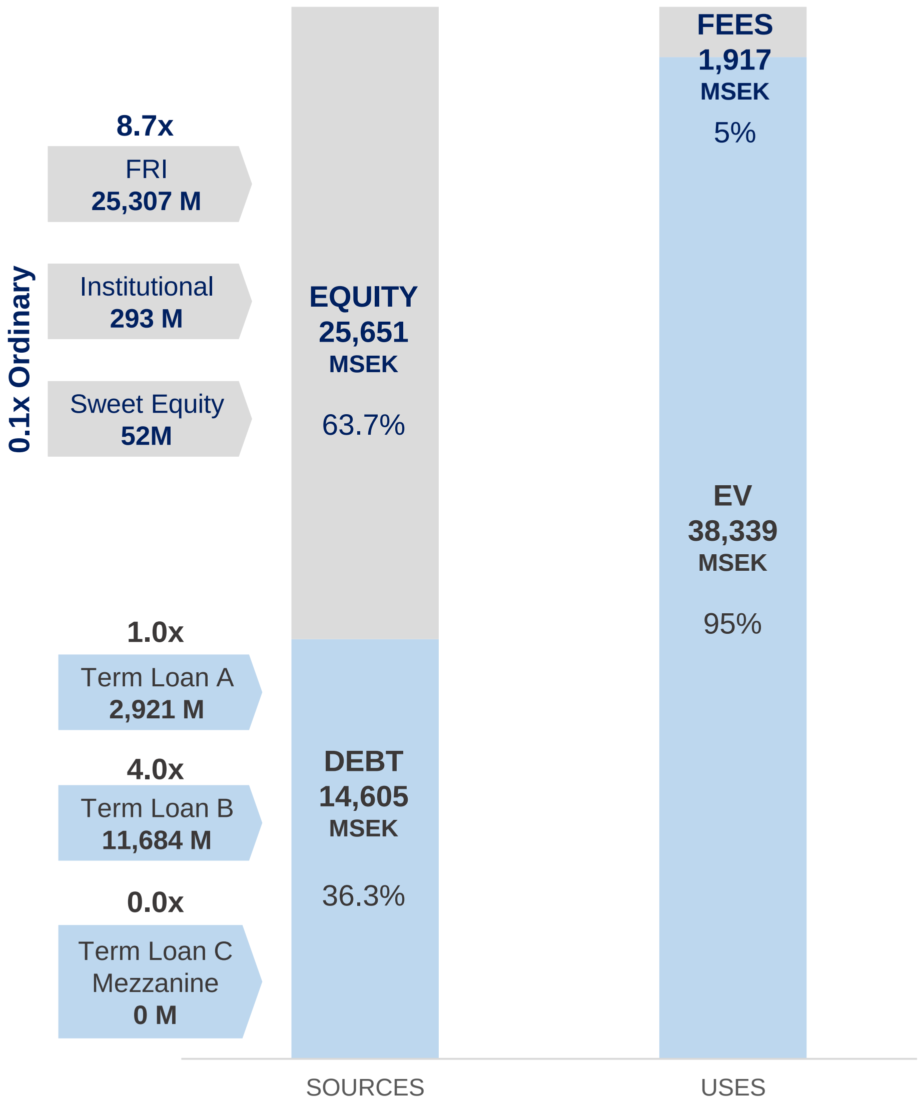
Uses of Funds

- Total Uses of funds corresponds to SEK 40,256M, distributed into EV (38,339M – 95%) and Fees (1,917M – 5%);

Scenarios – Capital Structure:

- Scenario 1 was chosen in favor of number 2 and 3, as it constitutes a more conservative approach (better Cash Cover, Interest Coverage and Debt/EBITDA), without compromising the minimum threshold of the investor's returns. In comparison with scenario 9, scenario 1 was chosen because it presents better returns for investors.

SOURCES & USES OF FUNDS[1]

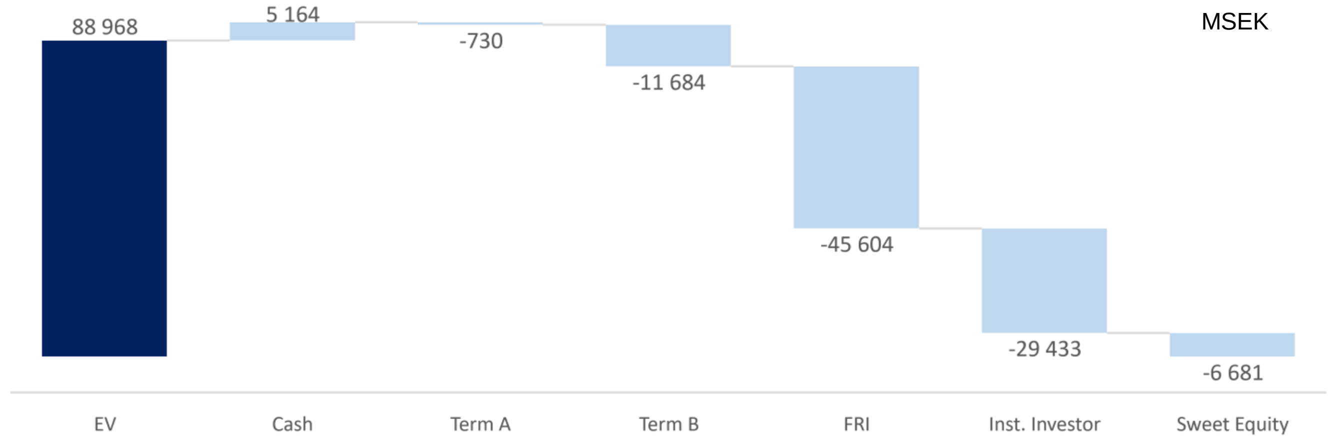


Notes: 1) Including cash overfunding – used on acquisitions

The fund's investors will have a return of 3.14x, corresponding to an IRR of 25.7%

Elekta

EXIT WATERFALL BRIDGE



Returns	2021F	2022F	2023F	2024F	2025F
Management Exit Proceeds	74	658	1,638	4,175	6,681
Management Entry Equity	52	52	52	52	52
Management Returns	**1.4x**	**12.7x**	**31.7x**	**80.9x**	**129.4x**
IRR	**164.5%**				
Returns Institutional Investor	32,491	45,842	56,384	65,139	75,037
Institutional Investor Equity	25,599	25,599	25,599	25,599	25,599
Institutional Returns	**1.27x**	**1.79x**	**2.20x**	**2.54x**	**2.93x**
IRR	**24.0%**				

In 2025, a **combined value** (EV + Cash) of **SEK 94,132M** will be **distributed** into **debt repayments, investors and managers.** At exit**, debt value** will be **SEK 12,414M,** since it is still left to **repay SEK 730M of Term Loan A** (amortized over 6 years) **and the total of Term Loan B** (because it is amortized only at year seven).

In 2025, **management** receives **proceeds** of **SEK 6,681M**, corresponding to a **MM of 129.4x** and an **IRR of 164.5%** (PSU Plan included); **Institutional investors** receive, in the exit year (2025), **SEK 75,037M**, which translates in a return of **2.93x (MM) and an IRR of 24.0%**

CREDIT STATISTICS

Summary Credit Stats	2021F	2022F	2023F	2024F	2025F
Cash Cover	**1.4x**	**1.5x**	**1.5x**	**2.1x**	**2.3x**
Cash Covenant	1.0x	1.0x	1.0x	1.0x	1.0x
Interest Cover	**7.2x**	**10.3x**	**11.9x**	**13.5x**	**16.5x**
Interest Covenant	6.4x	7.5x	8.7x	9.4x	10.8x
Debt / EBITDA	**4.6x**	**3.1x**	**2.5x**	**2.1x**	**1.8x**
Leverage Covenant	5.1x	4.5x	3.8x	3.4x	3.0x

The presented credit statistics imply that **all covenants will be respected (computed via conservative bank case)** under the predicted investment case scenario. Specifically, **Cash Cover (excluding acquisitions) and Interest Cover** will start with 1.4x and 7.2x multiple, respectively, and will increase over the investment period as the firm is more capable of paying debt obligations. **Debt/EBITDA will start at 4.6x in 2021** and will decrease to 1.8x at the year of exit due to Term Loan A amortization and EBITDA increase. The cash amount was excluded from this analysis since its value is abnormal due to overfunding.

A secondary sale is the privileged exit solution following market tendency

SECONDARY SALE

It has become more frequent following the PE sector increasing trend. The **Exit Value of Healthcare PE industry increased** in 2019 to $40.8B, compared with $31.6B in 2018, moreover, **secondary sale** transactions represented **53% in 2019**;

↑ **ELEKTA** is an **attractive buyout target** – healthy CF and room to become the market leader of radiotherapy industry (high growth potential);

↑ **Industry's strong returns** allied and **resilience** at any stage of the economic cycle. In addition, this strategy **is faster than the alternatives;**

↓ **Increasing interest from strategic buyers** lead to **higher entry valuations** which are **unattractive** to potential PE buyouts;

STRATEGIC SALE

A strategic sale implies that **another major player buys Elekta, gaining a competitive advantage;**

↑ Because **such acquisition would bring benefits for the acquirer** (i.e., synergies), it is likely that the **transaction value would include a premium**, increasing the returns for the fund;

↓ The feasibility of this option is highly dependent on finding a suitable target acquirer. In this particular case, because Elekta AB is one of the biggest players in radiotherapy, a **target buyer would probably have to come from another sector closely related to radiotherapy;**

↓ Moreover, a strategic sale is **usually slower** than a secondary sale. Furthermore, strategic sales are **losing popularity in this sector**, having decreased from 40% to 33% in 2018.

IPO

In the last years, PE exit through IPO's in healthcare industry were mainly linked to biopharma smaller-stage companies.

↑ **Access to capital markets**, increasing significantly the number of potential buyers comparing with the other exit solutions.

↓ **More expensive process** – High transaction costs (e.g. underwriter fees are the largest)

↓ **Dependent on market conditions and specific timings** that could harm fund's exit and returns.

↓ Typically, the **fund is not able to sell all its equity position**, thus increasing the overall risk of the exit (i.e. subject to post-IPO market reaction and loss of control)

BUYERS

EQT, BainCapital Private Equity, Cinven, Permira, Goldman Sachs, KKR, General Atlantic

Hitachi, IBM, Philips, BD, Mitsubishi

NYSE, Nasdaq

Sources: Bain & Company Report "Healthcare Exits"

INDIVIDUAL SECTION

Data based allied with AI enable proactive contact and maintenance in the service and support offering

SERVICES

- Elekta has a portfolio of services that support customers from installation throughout the lifetime of their Elekta product (**ELEKTA CARE**). The services range from **installation**, **maintenance, training and technology update options.**
- Elekta's services organization consists of **more than 650 field engineers** and **165 support specialists**, backing up field engineers, who **provide remote assistance** to Elekta's global network support centers in different time zones and in local languages;
- Through **Elekta Care Community portal**, customers can access personalized content and share knowledge through a global peer-to-peer network;
- Elekta **IntelliMax connects more than 18,000 Elekta products.** It continuously monitors incoming data and diagnose patterns that predict failure of components before they occur, leading to **considerable time savings** (average 8 hours of clinical downtime per detected system issue; more than 60% issues are supported remotely);

PLATINUM
- Maximize uptime;
- Optimize staff clinical abilities;
- Provide full control - lifecycle costs.

GOLD
- Maximize operational excellence;
- Safeguard clinical availability;
- Minimize unexpected lifecycle costs.

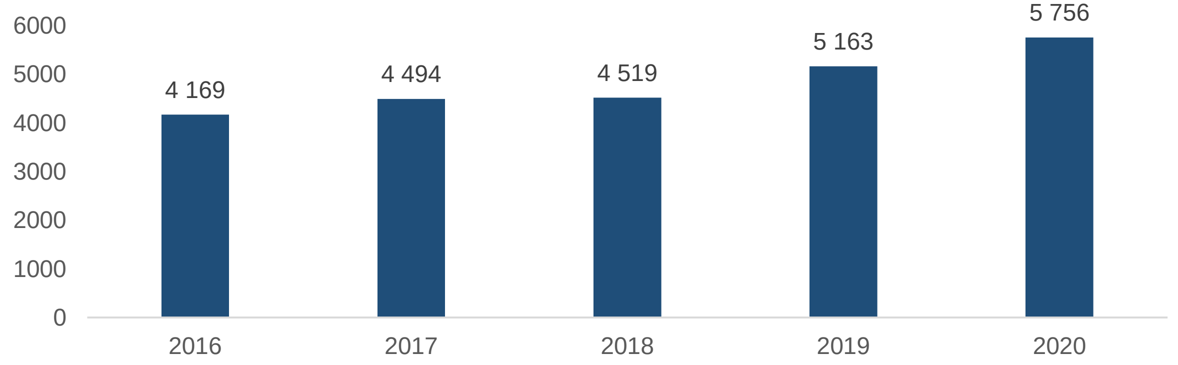
SILVER
- Ensure efficiency - customer's clinical operation.

TRANSFORMATION PROGRAM

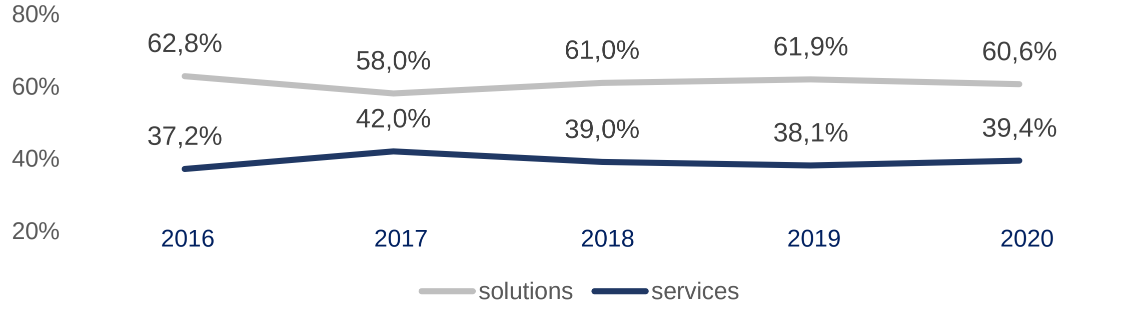
- In 2016, Elekta's changed its strategic direction towards **long-term profitable growth**. The company **focused on high growth areas,** such as **services and software** and shortened its lead times from production to installation (Produce-to-Order process - is aligned with the high-level of customization products provided by Elekta) enhancing improvements in inventory management;

Main Outputs	Main Goals
Optimize its internal processes	**NWC :** <5% of Net Sales
Change its support remote services	Implement **produce-to-order**
Improve profitability and cashflow	**EBITDA mg:** 20% 2018
Benefit from acquisitions' synergies	**Cost Savings:** SEK 700M 2018
Increase efficiency in marketing & sales	
Reduce administrative spending.	

Services (M SEK)



Solutions vs Services



Sources: Elekta's Annual Report and Website

Elekta's management team is divided into products and geographical areas

CEO & CFO

Gustaf Salford

- Elekta's CEO since **June 2020**, after the departure of Dr. Richard Hausmann. Previously held the position of CFO and executive vice-president.
- He has worked for Elekta **since 2009** and has a Master's in Business Administration (BA).

Strategic Fit:

Johan Adebäck

- Elekta's CFO since **June 2020**, after the appointment of Gustaf Salford as CEO. previously held the position of Group Treasurer.
- He has worked for Elekta **since 2004**, having held various senior finance management roles, and has a Bachelor in BA.

Strategic Fit:

Global Executive Vice-Presidents (EVP)

Paul Bergström

- Paul Bergström joined Elekta as an Executive Vice President and Head of Global Services at Elekta in **November of 2017**.
- He has a Master in Electrical Engineering from Royal Institute of Technology, Stockholm.

Strategic Fit:

Jonas Bolander

- Jonas Bolander currently holds the position of General Counsel and EVP. He is responsible for many governance aspects of the company such as audits and internal controls.
- He has joined Elekta in **2001** and has a Master of Laws.

Strategic Fit:

BOARD OF DIRECTORS

8 **Board Members**

Compensation&Sustainability Committee

Audit Committee

ANALYSIS

The members of the management team have been employed by Elekta for an average of **12.25 years.**

All of them, with the exception of Paul Bergstrom, have held positions in Elekta, highly related with their current ones.

Their education is in accordance with their current position. Only Paul Bergström's master might not be fully aligned with his position.

Verdict: Having all these in account, we consider the **management team to be the right one to take Elekta forward**. Even though, both CEO and CFO have only been in their current offices for a few months, their knowledge of the company are an assurance that they are fit.

Other considerations: The rest of Elekta's management is divided into products and geographical areas, which allows for a more efficient management and better decision-making

Overall Management Team Strategic Fit:

Low Moderate High

Sources: Elekta's Annual Report

Transformation program have improved gross and operating margins in subsequent years

MSEK	2016	2017	2018	2019	2020
Solutions	7,052	6,210	7,054	8,392	8,845
Services	4,169	4,494	4,519	5,163	5,756
Net sales	**11,221**	**10,704**	**11,573**	**13,555**	**14,601**
Growth net sales (%)	-	-4.61%	8.12%	17.13%	7.72%
Cost of products sold	-6,540	-6,227	-6,465	-7,829	-8,379
Gross income	**4,681**	**4,477**	**5,108**	**5,726**	**6,222**
Gross margin	41.7%	41.8%	44.1%	42.2%	42.6%
Selling expenses	-1,211	-1,026	-1,071	-1,164	-1,290
Administrative expenses	-943	-856	-887	-974	-843
R&D expenses	-707	-624	-671	-892	-871
Exchange rate differences	-165	-201	41	-80	-297
Adjusted EBITDA	**1,655**	**1,770**	**2,520**	**2,662**	**2,943**
EBITDA margin	14.7%	16.5%	21.8%	19.5%	20.1%
Other operating income and expenses[1]	-	-	-	23	11

5 In **2018** there was a **significant increase** in the **EBITDA** margin. There was a **strong order growth and net sales development** during this year, while **the operating expenses** remained almost the **same (**Transformation Program started to have effect – improving internal processes**),** which led to a significant increase of EBITDA margin;

Notes: 1) Not included in Adjusted EBITDA

COMMENTS

SEK M	2016	2017	2018	2019	2020
Region	**North and South America**				
% Solutions	51%	50%	48%	49%	44%
% Services	49%	50%	52%	51%	56%
	Europe, Middle East and Africa				
% Solutions	63%	58%	65%	65%	64%
% Services	37%	42%	35%	35%	36%
	Asia Pacific				
% Solutions	76%	68%	70%	73%	72%
% Services	24%	32%	30%	27%	28%

1 Despite solutions being 60% (net sales) and services 40%, sales behave differently regionally: **Services'** are **higher** in developed economies **- Americas**, while **Solutions'** prevail in least developed economies, like **EMEA** and **APAC** markets;

2 The net sales were quite volatile. In 2017, **the transformation program had a negative impact**, (e.g. new produce-to-order process). In the following years, it had a steep increase in revenues mainly through a growing market share in APAC, EMEA. In 2020, Covid-19 deaccelerated the company revenues;

3 **In 2018/19, the gross margin decreased** due to a change of product mix (Elekta Unity was introduced) and because of price pressure in consolidated markets for LINAC products;

4 **Selling expenses remained the same** over the last 5 years (while **Administrative** decreased (Transformation Program - digitalization) – SG&A decreased from 21% to 17% of revenues **R&D expenses increased** (9-11% of revenues) since the company continues to innovate and digitalize its portfolio

Sources: Elekta's Annual Report

The 2015 transformation program has been shaping the company's balance sheet

MSEK	2016	2017	2018	2019	2020
Accounts receivable	3,301	3,726	3,402	3,455	3,379
Average Collection Period	107	127	107	93	84
Inventories	1,135	936	2,560[1]	2,634	2,748
Average Holding Period	63	55	145	123	120
Accrued income	2,126	1,640	1,160	1,401	1,526
Other current receivables	741	802	1,068	1,059	1,208
Working Capital Assets	7,303	7,104	8,190	8,549	8,861
Accounts payable	1,122	1,000	1,132	1,427	1,025
Average Payable Period	63	59	64	67	45
Other	**5,912**	**6,792**	**9,411**	**9,210**	**8,712**
Working Capital Liabilities	7,034	7,792	10,543[1]	10,637	9,737
Net Working Capital	**269**	**-688**	**-2,353**	**-2,088**	**-876**
%net sales	2.4%	-6.4%	-20.3%	-15.4%	-6.0%
Cash and cash equivalents	2,273	3,383	4,458	4,073	6,407
Long-term interest-bearing liabilities	3,065	5,272	4,369	3,558	7,101
Short-term interest-bearing liabilities	1,885	-	975	1,000	1,000
Total Debt	4,950	5,272	5,344	4,558	8,101
Net Debt	**2,677**	**1,889**	**886**	**485**	**1,694**
Tangible fixed assets	803	795	895	957	968
Intangible assets	8,210	8,704	9,175	9,301	9,469
Other	2,349	2,547	2,261	2,079	7,033
Capital Employed	**11,362**	**12,046**	**12,331**	**12,337**	**17,470**
ROCE	3.72%	4.96%	14.96%	13.75%	9.48%
Net debt/EBITDA	1.62	1.07	0.35	0.18	0.58

COMMENTS

1 According to 2015 transformation program, **Net Working Capital** is set to be **less than 5% of net sales** - this value has been negative since 2016/17.

2 From 2018/19 to 2019/20, **total debt increased due to a rise in long-term interest-bearing liabilities.** This is mainly due to two bank loans finalized in April 2020 – one of SEK 300 million (two years) and one of GBP 90 million (seven years) and an increase of SEK 1,250 million in lease liabilities because of the adoption of IFRS 16.

3 **Capital Employed has historically been around SEK 12,000 million. However, in 2019/2020 it increased to SEK 17,470 million.** This is explained by the recognition of right-of-use assets since May 2019 and the increase in cash and cash equivalents which both led to a rise in total assets value.

4 **Net debt/EBITDA ratio has been decreasing, from 1.62 in 2015/16 to 0.18 in 2018/19,** having increased again in 2019/20. This is mainly explained by a decrease in Net Debt In 2019/20, as the company incurred in more debt, this ratio increased.

Notes: 1) Elekta started to adopt IFRS 15, which caused a significant positive adjustment of Inventories and WC Liabilities

Sources: Elekta's Annual Report

Efficiency, R&D capitalization and borrowings lead the cash flow changes

MSEK	2016	2017	2018	2019	2020
EBITDA	1,655	1,770	2,520	2,616	2,921
Income taxes paid	-268	-268	-250	-269	-261
Operating cash flow	**709**	**766**	**2,358**	**2,256**	**2,527**
Change in working capital	461	1,051	46	-636	-1,512
Cash flow from operating activities	**1,170**	**1,817**	**2,404**	**1,620**	**1,015**
Continuous investments	-774	-774	-816	-659	-762
Investments intangible assets	-596	-633	-642	-458	-566
Investments other assets	-192	-141	-212	-201	-196
Sale of fixed assets	14	0	38	0	0
Cash flow after investments	**384**	**1,025**	**1,447**	**945**	**-284**
Δ Borrowings	-1,107	169	15	-938	3,516
Cash flow from financing activities	**-1,303**	**-55**	**-367**	**-1,473**	**2,623**
Cash flow for the year	**-919**	**970**	**1,080**	**-528**	**2,339**
Cash and cash equivalents at the end	**2,273**	**3,383**	**4,458**	**4,073**	**6,407**

COMMENTS

1 **Net working capital has been increasing** in the last years, which is mainly explained by the decrease on operating liabilities (mainly on Accounts payables and advances from customers). It is important to notice that **fluctuations in working capital are common**, since it depends on the progress of projects and the timing of certain events in relation to terms in the contract (i.e. payments from customers might not coincide with the recognition of revenue resulting in either assets (accrued income) or liabilities (advances from customers)).

2 **Continuous investments have been quite stable**, since investments in intangibles are related with ongoing R&D programs and R&D expenses don't vary much over time (10% of revenues as benchmark). Also, **investments in other assets** (e.g. equipment and machinery) **have been consistently around SEK 200M per year**.

3 Cash flow from financing activities are mainly **explained by the YoY changes on borrowings** (i.e. difference between new borrowings and debt payments). In fact, during 2019, there was a significant rise in long-term interest-bearing liabilities linked with two bank loans that were contracted, which explains the sharp increase on cash flow in this year.

Sources: Elekta's Annual Report

Cancer is one of the biggest challenges of the 21st century, affecting millions of people every year

CANCER AND ITS EFFECT

Considered by many one of the most prominent diseases of the 21st century, cancer relates to a type of disease that causes some body's cells to start dividing without any control, eventually causing the invasion of nearby tissues.

Cancer can happen in almost any tissue of the human body and can affect anyone due to a variety of reasons that include environmental factors, genetics, human behavior (i.e. smoking, diet, etc.), viruses, etc.

In fact, according to the World Health Organization (WHO), in **2018, 9.6 millions of deaths were caused by cancer** (approximately one in six deaths), making **cancer the second biggest cause of death.** Furthermore, the same organization estimated that there were around 18 million cancer cases diagnosed in 2018 alone. It is expected that this number **reaches 29 million in 2040.**

However, as new trends emerge in our society, it is believed that the **real figures can go up to 37 million**. There is no doubt that cancer is and will continue to be a main challenge for society to face in the upcoming years.

ECONOMICS BEHIND CANCER

When one looks at the effort that has been put into fighting cancer, there are no doubts about the seriousness of this disease. **Over the past years, there has been a great investment in early diagnosis, treatments and innovative therapies, palliative cares and medical follow-up.**

Despite a great advance in understanding and fighting cancer, there is still a long road ahead in all this variants. According to WHO report "Cancer Control: A Global Snapshot in 2015", most European countries reported a participation rate for cervical cancer screening inferior to 70% in the target of group, with many of them having a rate inferior to 50%. This figures are even more dramatic in under-developed countries, where are very few efforts put into early diagnosis.

Given this facts, there is little to no surprise that the markets for these variants will continue to increase significantly. For example**, the cancer therapeutics market was valued at $133 million in 2017 and is expected to reach $200 million in 2022.** It is unquestionable that the players in these markets will fight to keep revolutionizing the market. Nevertheless, it is up to each country to set policies that ensure that the fight against cancer will have a positive outcome.

50,000 people are diagnosed with cancer every day

26,300 people die of cancer every day

Sources: Cancer.gov; WHO; PwC

Government's policies and actions are key determinants to successfully treat cancer

The healthcare market **is heavily regulated**. Such regulation is easily understood, as **there must exist mechanisms to ensure that citizens have access to only appropriate healthcare services and products**. Therefore, it is up to governments to create such regulators in the way they operate to both patients and healthcare providers' benefit. Moreover, **countries' governments must also invest on healthcare infrastructure** (i.e. hospitals, research centers) **and services** (i.e. reimbursements, insurances, etc.). If countries do not have a valuable investment policy on healthcare, it is almost impossible for healthcare providers to operate.

8.8%
of GDP

- According to the Organization for Economic Co-Operation and Development (OECD), **healthcare spending in percentage of GDP has been growing**, and it is estimated that this will remain the case in the future. In 2018, OECD countries spent on average 8.8% of their GDP in healthcare.
- But as healthcare systems around the world are becoming more and more under pressure, a global trend to align market incentives with efficient and quality therapies has emerged, even if individual healthcare systems among countries is fundamentally different.

DEVELOPED COUNTRIES

Developed countries are **characterized by high investments** in cancer diagnosis and treatments. For instance, according to "Cancer Control: A Global Snapshot in 2015", almost 80% of high-income countries have specific programs to early diagnose breast cancer (70% in colon cancer).

Moreover, **these countries have been spending significantly in hospitals, education and research,** meaning that there is a **considerable symbiose between governments and companies in the healthcare sector that can use existent resources to operate.** This symbiose translates to higher cancer diagnosis and survival rates.

UNDERDEVELOPED COUNTRIES

Underdeveloped countries **lack infrastructure** to support healthcare investment. Consequently, there is **few investment** in these markets by **healthcare private providers**. This means that most of the population in low-income countries have inadequate access to these services. According to the same report, less than 30% low-income countries report to have cancer treatment services generally available.

Although it is highly expected that the investment in health will increase, **it is not likely that some low-income countries will constitute a good investment opportunity for private companies in the upcoming years.**

Sources: WHO; OECD

There are a few different radiotherapy solutions, with each one having their own advantages

LINEAR ACCELERATORS

Linear Accelerators the **are most common used solution in radiotherapy.**

As demand for radiotherapy is increasing, linear accelerators role will remain crucial as they are used to treat a wide range of cancers.

Linear Accelerators are the most valuable solution in the radiotherapy market. It is estimated to **grow at a CAGR of over 7% until 2025.**

7%
CAGR
2020 - 2025

MR LINEAR ACCELERATORS

As progress is made to increase survival rates in cancer, **innovative features such as real time monitoring during treatment will play a major role** in the future of radiotherapy and other oncology treatment therapies.

MRI oriented radiotherapy solutions is expected to play a major role in radiotherapy in the future. **In 2018 it was valued at $220 million, but it can grow at CAGR of 20% until 2028.**

20%
CAGR
2020 - 2028

ONCOLOGY INFORMATICS

Every cancer case is unique. Therefore, to successfully cure cancers is mandatory that health-care professionals have access to the necessary data to make the best decisions. **The digital innovation that make not only all this possible, but also remote consultations will drive the market forward.**

In 2017, it was valued **at $2,622 million, and it will reach $4,569 million by 2025.**

7.1%
CAGR
2020 - 2025

BRACHYTHERAPY

The strive for precision to reduce the damage of healthy tissue and to allow giving doses in smaller fractions has been playing a major role in radiotherapy and will continue to do so. **This trend aligned with the trend of reducing invasiveness will drive the market forward.**

The brachytherapy market was valued at **$348.8 million in 2017 and is projected to grow at a CAGR of 4.6% until 2025.**

4.6%
CAGR
2020 - 2025

STEREOTACTIC RADIOSURGERY

The increasing understanding of the brain, the strive for higher precision and the search for cost-efficient solutions (that allow more patients to be treated) are key market trends that **explain the popularity of this solution.**

The market for stereotactic radiosurgery **is projected to grow at a CAGR of 6.1% until 2025, with Asia-Pacific expecting the highest growth.**

6.1%
CAGR
2020 - 2025

PROTON SOLUTIONS[1]

As new therapies have been developed to increase success in cancer treatments, protons solutions are set to play a major role due to an **increase of cancer cases near sensitive organs (i.e. nerves, skull, etc.), and the strive for reducing invasiveness.**

The market for proton solutions was valued at **$825 million in 2020 is projected to grow at a CAGR of 14.9% until 2030.**

14.9%
CAGR
2020 - 2030

Sources: Fact.MR; Grandviewresearch; Mordorintelligence; Alliedmarketresearch; Venturekick

This work project was, undoubtfully, an amazing and challenging experience

MASTER THESIS

The Master's Thesis was an interesting and challenging project, specially because of the difficult times (i.e., Covid-19) we live in. During this Work Project, I was able to develop my knowledge in many core finance areas related with Private Equity, such as Financial Reporting (by analyzing annual reports and other financial statements); Corporate Valuation (by performing different methods of valuation of a few companies); and Financial Modeling (by developing Excel models). Not only this, but I was also able to strengthen my Private Equity knowledge, as we had to make value creation strategies (for our investment thesis), an LBO model and a management investment package.

Furthermore, during this Master's Thesis I had the opportunity to strengthen my soft skills, such as time management (as we had strict deadlines); communication skills (by talking with workers of Elekta AB and industry experts); and problem-solving (through all the thesis).
Last, but not the least, this experience was enriched by the opportunity of doing it with two supportive and hard-working friends.

PRIVATE EQUITY – PERSONAL PERCEPTION

Private Equity is a core and essential part of the financial world, moving many companies forward by creating value through the application of many strategies that are inherent to Private Equity firms. As a Master in Finance student who had taken the Private Equity trimestral course, I was eager to learn more about this important segment.

It is with great pride that I can say that I am now more aware of the profound research that Private Equity firms must do to in order to identify potential targets to acquire, both in terms of market research (such as growth drivers of the market, market trends, historic and projected growth, size, value chain, etc.) and company (competitive advantages, profitability drivers, historic M&A strategies, management profile and suitability, etc.) and to identify opportunities to grow and add value, increasing the returns of the fund.

Moreover, and specifically about the healthcare sector, I learned that Private Equity firms are investing more and more in this sector, as there is a global trend to strength healthcare services and it is a sector heavily influenced by mergers and acquisitions, with many opportunities to consolidation (by acquiring smaller players) and expansion (to emergent markets). Additionally, this also means that there are a lot of possible and adequate exit strategies, such as selling to a big company or to sell to another Private Equity firm.

It was also interesting to understand how the pandemic of Covid-19 is and will (continue to) influence Private Equity, not only in terms of new investments and possible exits in the short-term, but also in the long-term in the sense that Private Equity firms will move even more towards investing in non-cyclical business segments that are not largely dependent on the overall growth of the global economy.

Websites lead the path on finding information about ELEKTA / Radiotherapy Market

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