

Press Release

Gothenburg, Sweden on May 14, 2024

Getinge's financial target 2024-2028: Adjusted EPS growth of above 12% on average

Getinge updates its financial target for adjusted EPS growth 2024-2028 to be above 12% on average. The target takes into account today's decisions (see below) that follow from the letter that the U.S. Food and Drug Administration (FDA) sent to healthcare providers in the US on May 8th.

In the letter from the U.S. FDA, there are no new field actions referred to, but healthcare providers are advised to transition from Getinge's Cardiosave Intra-Aortic Balloon Pump (IABP), Cardiohelp System, and HLS Sets Advanced to alternative products, and to continue using Getinge's products only if no other alternatives are available. Getinge is estimated to have a market share in the U.S. of over 60% for the mentioned products, which includes both hardware and consumables.

"We take this very seriously and as a result of the U.S. FDA's letter, we have decided to immediately pause promotional activities of the Cardiohelp System and Cardiosave IABP in the U.S. until outstanding actions related to quality improvements have been addressed and approved. The sale of these hardware products will be limited to customers who have no available alternatives. We will also inform all customers about the regulatory requirements for the use of the Cardiohelp System. Regarding Intra-Aortic Balloon catheters and HLS sets, we will continue to supply and service the installed base", says Mattias Perjos, President & CEO of Getinge.

For markets outside the U.S., Getinge has implemented product improvements, and will continue to sell Cardiosave IABP and the Cardiohelp System as well as continue to provide intra-aortic balloon catheters and HLS sets in markets where they are permitted and approved for use.

In recent years, Getinge has taken important steps to correct quality-related deficiencies, focusing on product upgrades. For example, Getinge has developed a new packaging for HLS sets, which was recently submitted for approval in CE markets.

At the same time, Getinge has accelerated the development of the next generation of the Cardiohelp System and Cardiosave IABP hardware, where the company expects to submit applications for clearance in the U.S. end of H1 to end of H2 2025 followed by an update and submission for clearance of the HLS set.

The mentioned decisions are likely to have a negative financial impact until the new products are approved and launched. However, it is too early to have a firm opinion on the exact extent, which is why Getinge does not have stated targets for organic net sales growth and adjusted EBITA margin for the period. Structurally, however, Getinge assesses the justified organic net sales CAGR during the period to be in the area of 3-6% and the EBITA margin in the area of 16-19% at the end of the period, after taking today's decision into account. All in all, this contributes to the following financial target for 2024-2028: Adjusted EPS growth above 12% on average.

Getinge's dividend policy remains unchanged and amounts to 30-50% of the company's net profit.

For 2024, Getinge repeats its guidance of 2-5% organic growth in net sales and 3-5% growth from acquired units. Getinge does not provide any annual guidance for adjusted EBITA margin.

Getinge also updates its sustainability targets as follows. These are not tied to the period 2024-2028.

Socially

- Employee engagement: >70%
- Compliance in quality, audit results/inspection: <1.5 deviation

Environment

- Reduce Scope 1 and 2 emissions by 90% by 2030²⁾
- Reduce Scope 3 emissions by 25% by 2030 and by 90% by 2050²⁾

Governance

- Percentage of employees who have completed training in business ethics: >90%

1) Base year: 2023. 2) Base year: 2021.

Contact information

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About Getinge

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 approximately 12,000 people worldwide and the products are sold in 135 countries.