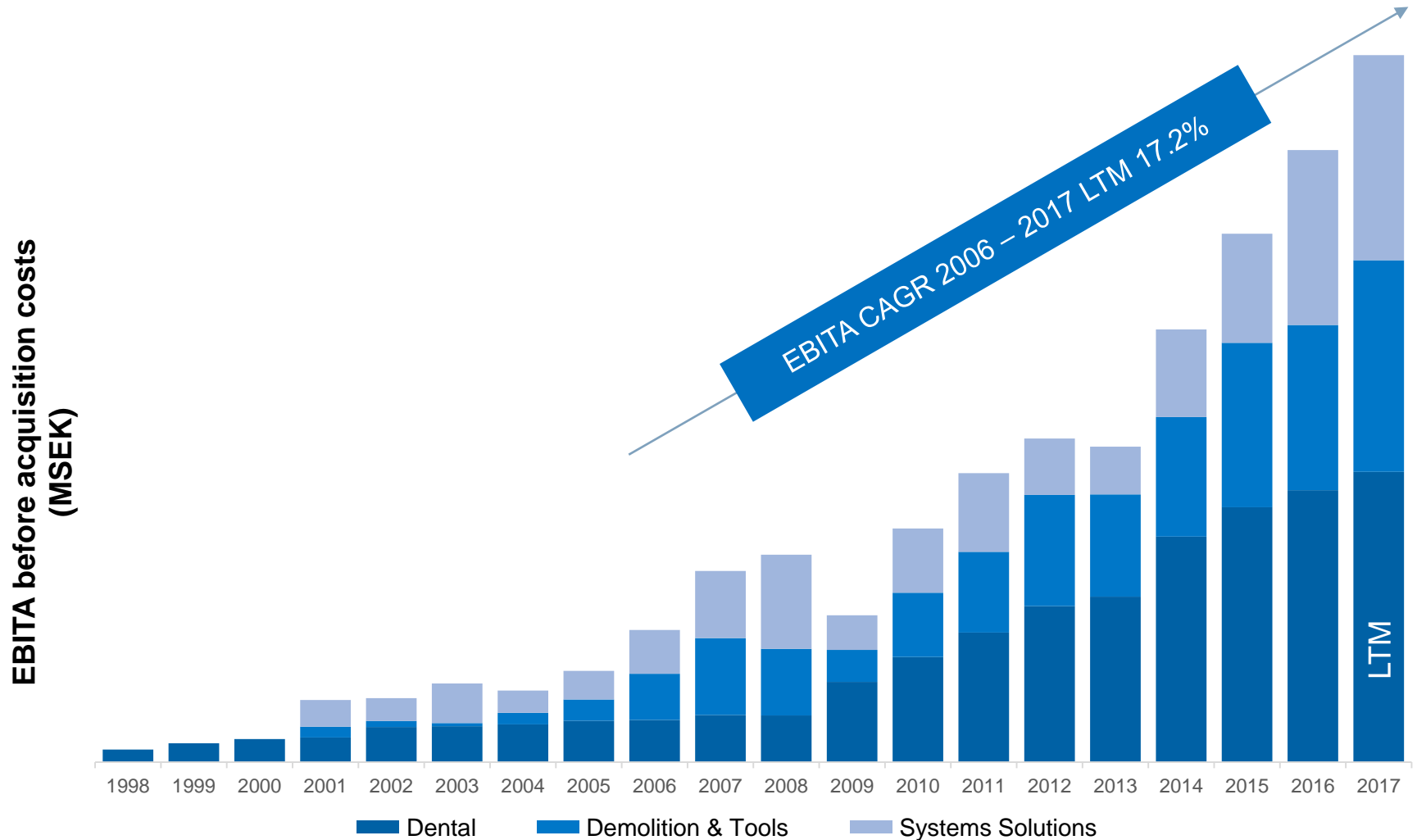


LIFCO

INTERIM REPORT JANUARY—SEPTEMBER 2017

26 OCTOBER 2017

ONE TARGET: TO INCREASE PROFITS EVERY YEAR



Note: IFRS accounting since 2012, prior years Swedish GAAP.

THE GROUP'S FINANCIAL PERFORMANCE

MSEK	Q317	Q316	Change	9M17	9M16	Change
Net sales	2,365	2,128	11.1%*	7,241	6,552	10.5%**
EBITA***	404	316	28.0%	1,222	997	22.6%
EBITA margin***	17.1%	14.8%	2.3	16.9%	15.2%	1.7
Profit before tax	332	277	19.9%	1,031	889	16.0%
Net profit for the period	254	208	22.4%	778	667	16.8%
Earnings per share	2.73	2.22	23.0%	8.40	7.18	17.0%
Return on capital employed	18.9%	19.1%	-0.2	18.9%	19.1%	-0.2
Return on capital employed, excl. goodwill	157%	136%	21.0	157%	136%	21.0

* Organic impact of 1.2% in Q317.

** Organic impact of 0.7% in 9M17.

*** Before acquisition costs.

THE BUSINESS AREAS' FINANCIAL PERFORMANCE

DENTAL

MSEK	Q317	Q316	Change	9M17	9M16	Change
Net sales	848	804	5.5%	2,809	2,576	9.0%
EBITA*	155	144	7.1%	517	472	9.5%
EBITA margin*	18.2%	17.9%	0.3	18.4%	18.3%	0.1

DEMOLITION & TOOLS

MSEK	Q317	Q316	Change	9M17	9M16	Change
Net sales	569	431	32.2%	1,627	1,284	26.7%
EBITA*	148	104	42.4%	409	297	37.8%
EBITA margin*	26.0%	24.1%	1.9	25.1%	23.1%	2.0

SYSTEMS SOLUTIONS

MSEK	Q317	Q316	Change	9M17	9M16	Change
Net sales	948	893	6.0%	2,805	2,692	4.2%
EBITA*	123	88	40.9%	369	296	24.7%
EBITA margin*	13.1%	9.8%	3.3	13.2%	11.0%	2.2

* Before acquisition costs.

FINANCIAL PERFORMANCE LAST TWELVE MONTHS

GROUP			
MSEK	2017 LTM	2016	Change
Net sales	9,676	8,987	7.7%**
EBITA*	1,602	1,377	16.4%
EBITA margin*	16.6%	15.3%	1.3
Profit before tax	1,361	1,219	11.7%
Net profit for the period	1,039	927	12.1%
Earnings per share	11.20	9.99	12.1%
Return on capital employed	18.9%	18.7%	0.2
Return on capital employed, excl. goodwill	157%	141%	16.0

DENTAL			
MSEK	2017 LTM	2016	Change
Net sales	3,823	3,590	6.5%
EBITA*	700	655	6.8%
EBITA margin*	18.3%	18.2%	0.1

DEMOLITION & TOOLS			
MSEK	2017 LTM	2016	Change
Net sales	2,069	1,726	19.9%
EBITA*	510	398	28.2%
EBITA margin*	24.6%	23.0%	1.6

SYSTEMS SOLUTIONS			
MSEK	2017 LTM	2016	Change
Net sales	3,784	3,671	3.1%
EBITA*	494	421	17.4%
EBITA margin*	13.1%	11.5%	1.6

* Before acquisition costs.

** Organic growth of +2.5% in 2016.

LIFCO GROUP BALANCE SHEET

Comments

- Interest-bearing net debt increased 870 MSEK from year-end to 3,888 MSEK due to acquisitions of 1,221 MSEK and dividend to shareholders of 318 MSEK
- At the end of the period, Lifco had significant financial scope for new acquisitions and still keep Net debt/EBITDA below 3x
- ROCE excluding goodwill and other intangible assets 157% (146% June 30, 2017) – target >50%
- Net debt/EBITDA 2.3x (target 2-3x)

Balance sheet

	30 Sep 2017	31 Dec 2016	30 Jun 2017
Intangible fixed assets	8,017	6,824	7,656
Tangible fixed assets	530	464	528
Financial assets	113	109	112
Inventory	1,353	1,155	1,291
Accounts receivable	1,276	1,046	1,192
Other receivables	317	236	302
Cash and cash equivalents	237	293	227
Total assets	11,843	10,127	11,308
Shareholders' equity	5,150	4,758	4,923
Interest-bearing liabilities	4,125	3,311	4,056
Other liabilities and provisions	917	597	802
Accounts payable	539	507	540
Other short-term liabilities	1,112	954	987
Total equity and liabilities	11,843	10,127	11,308
Net debt	3,888	3,018	3,829
Net debt/EBITDA	2.3x	2.0x	2.4x
Capital employed excl. goodwill and other intang. assets	1,020	974	1,033
ROCE excl. goodwill and other intangible assets	157%	141%	146%
Capital employed incl. goodwill and other intang. assets	8,460	7,381	8,159
ROCE incl. goodwill and other intangible assets	18.9%	18.7%	18.6%

OVERVIEW OF ACQUISITIONS 2017

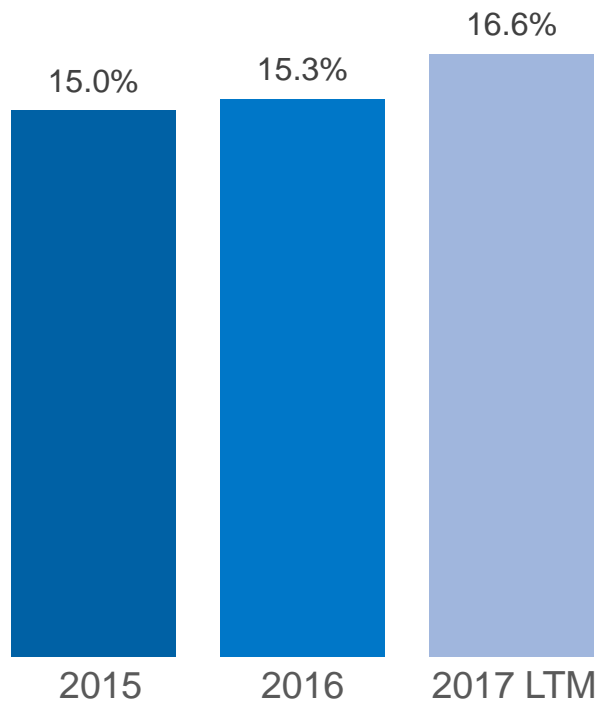
Year	Company	Description	Type	Country	Sales at acquisition	Total sales MSEK
2017	Haglöf Sweden	Professional forest inventory instruments	Systems Solution	Sweden	MSEK 60	~699
	Hultdins	Manufactures tools for forest machines	Demolition & Tools	Sweden	MSEK 152	
	Silvent	Energy optimization and work environment	Systems Solutions	Sweden	MSEK 120	
	Solebee's	Attachments to excavators and skidsteer loaders	Demolition&Tools	USA	MUSD 11	
	Pro Optix	Equipment for the European fiber optic market	Systems Solutions	Sweden	MSEK 62	
	Perfect Ceramic Dental	Dental laboratory	Dental	China	MHKD 118*	
	Hydal	Supplier of aluminium cabinets	Systems Solutions	Norway	MNOK 50	
	Fiberworks	Equipment for the European fiber optic market	Systems Solutions	Norway	MNOK 93	
	Elit	Wholesaler of electric installations and power generation	Systems Solution	Norway	MNOK 38	
	CDL and Hohenstücken**	Dental laboratories	Dental	Germany	MEUR 1.3	

*80% of the total sales are generated by Lifco's dental company MDH in Germany

**Will be consolidated in Q417 and therefore not included in the total sales figure of MSEK 699

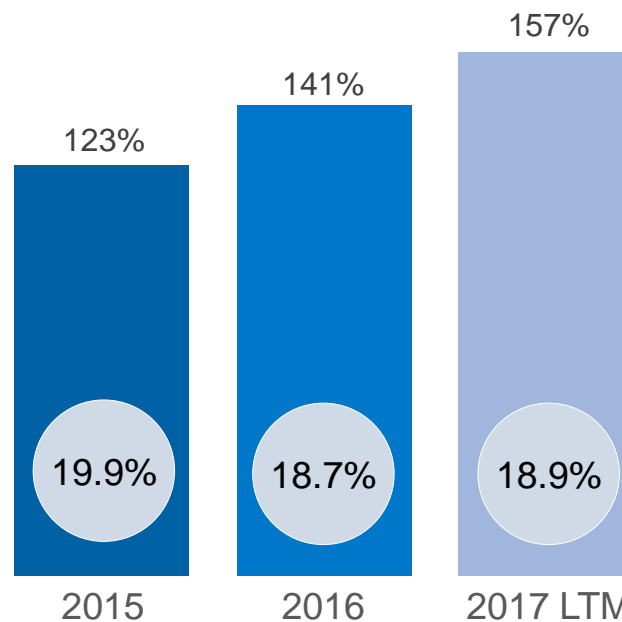
MAINTAINING FOCUS ON CAPITAL EMPLOYED

EBITA margin



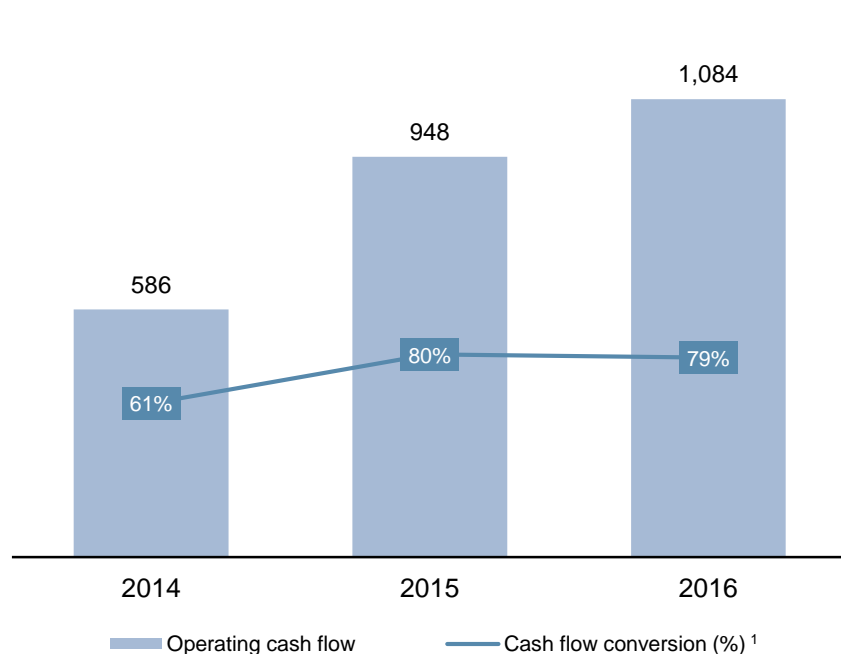
ROCE excl. goodwill and other intang. assets

x.x% ROCE incl. goodwill and other intangible assets



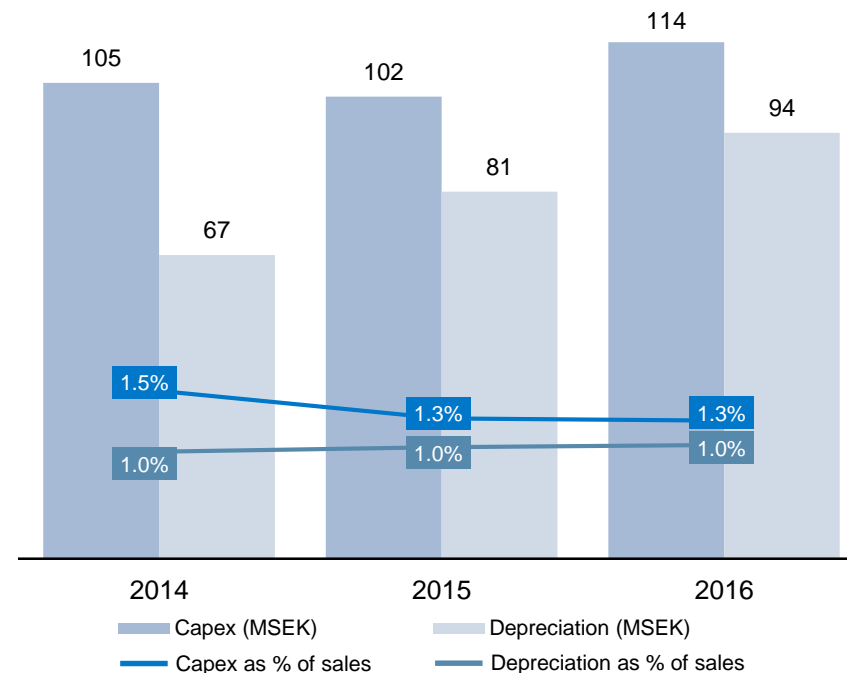
STRONG CASH FLOW GENERATION

Operating cash flow after tax, before investments



- High cash conversion as a result of focus on asset light operations combined with tight control of working capital

Capex and depreciation²



- Low required maintenance capex within the group
- Due to outsourcing of a large share of basic manufacturing, investments in subsidiaries with own production can be minimised

1) Cash flow conversion defined as operating after tax cash flow divided by EBITA
 2) Refers to investments in and depreciation of tangible fixed assets

FINANCIAL TARGETS

Growth in EBITA

- Organic growth in EBITA in excess of GDP growth in relevant geographies
- Acquisitions to add additional growth

EBITA/Capital employed¹

- More than 50%

Net debt/EBITDA

- Normally in the range 2-3x

Dividend policy as % of net profit

- Distribute 30-50% of net profit

1) Excluding goodwill and other intangible assets

GROWTH OR PROFIT?

PROFIT GROWTH!

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