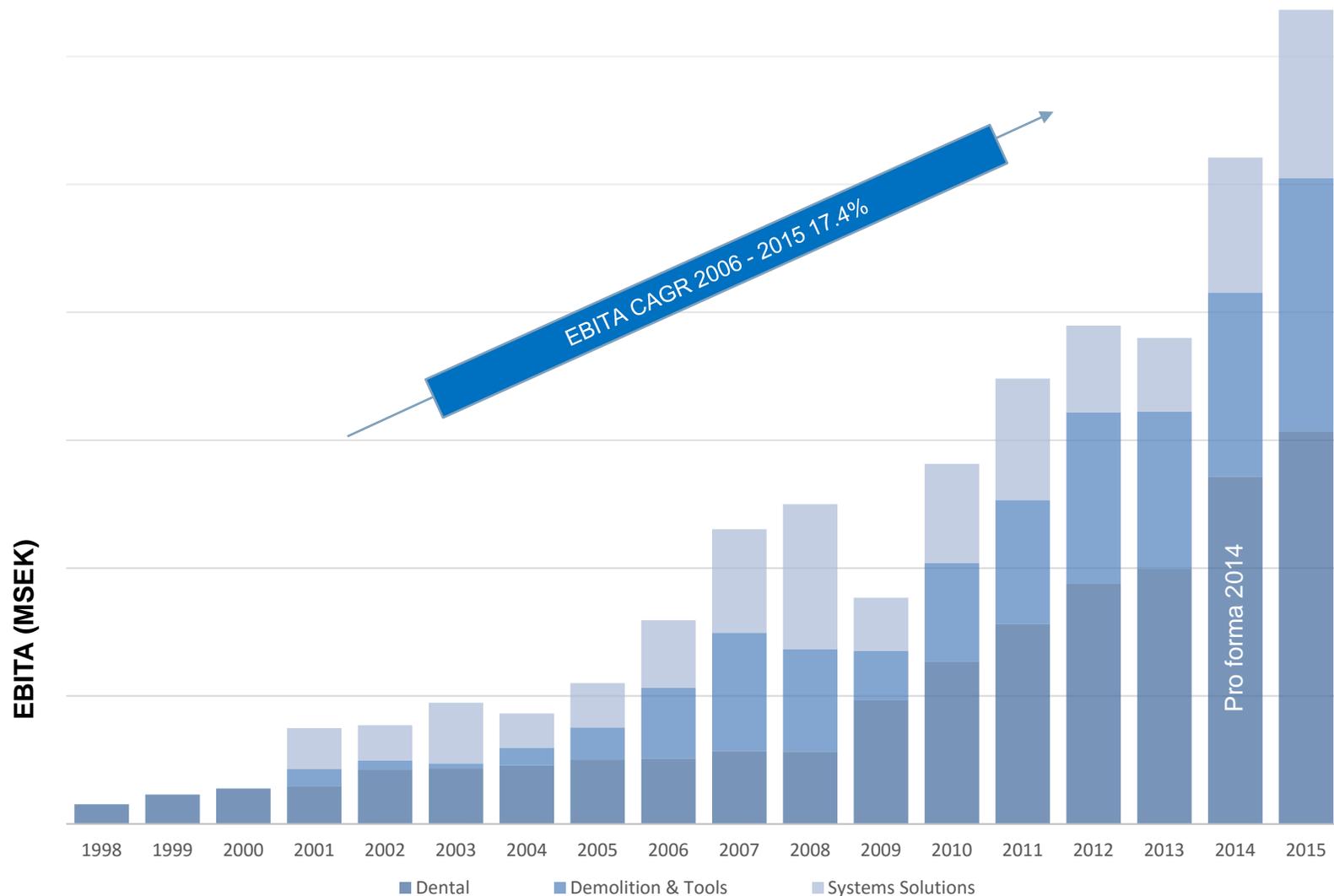


# LIFCO

**YEAR-END REPORT 2015**

FEBRUARY 22, 2016

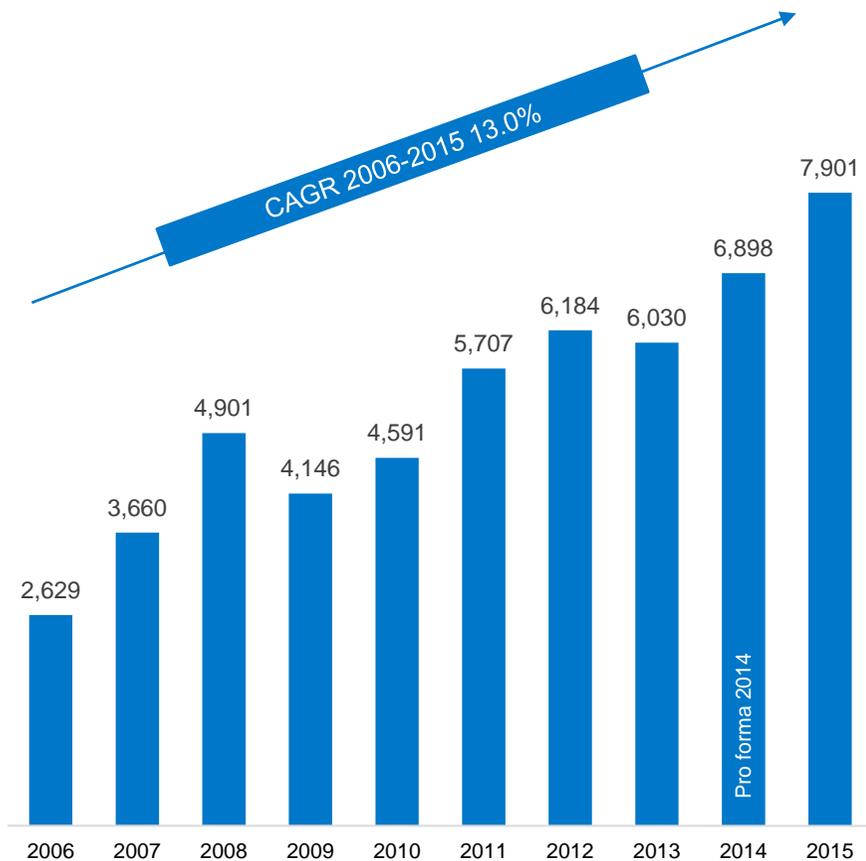
# ONE TARGET: TO INCREASE PROFITS EVERY YEAR



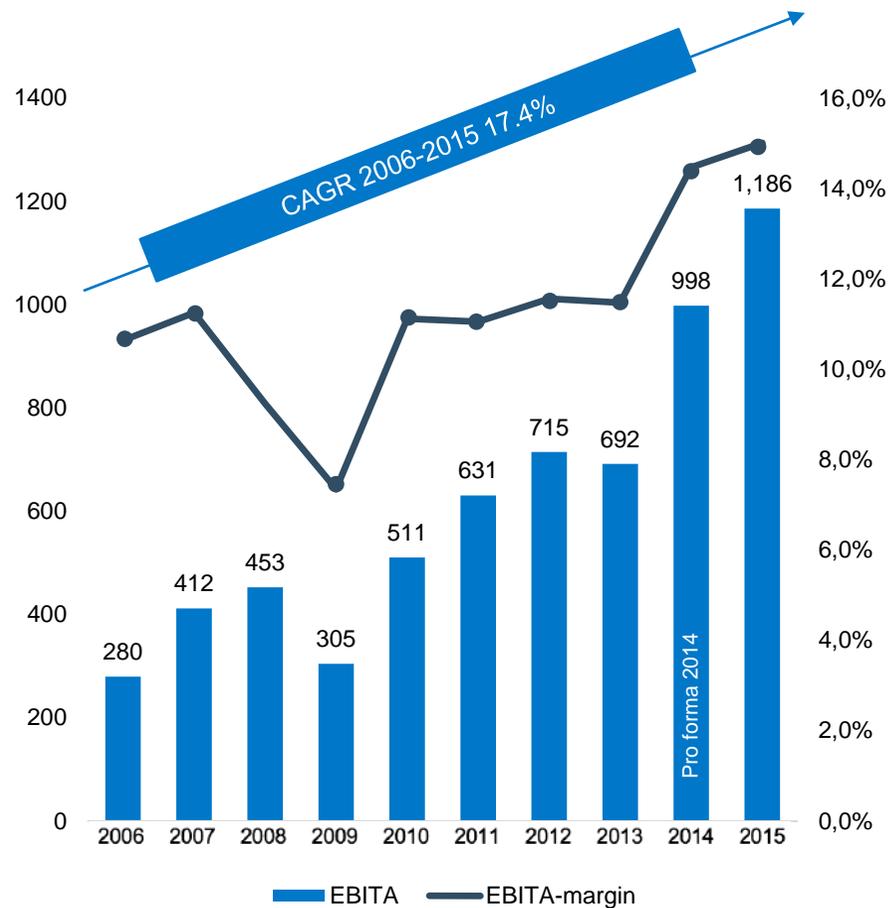
Note: IFRS accounting since 2012, prior years Swedish GAAP. Pro forma includes acquired MDH full year 2014.

# LIFCO GROUP FINANCIAL OVERVIEW

Sales (MSEK) development



EBITA (MSEK) and EBITA margin (%) development

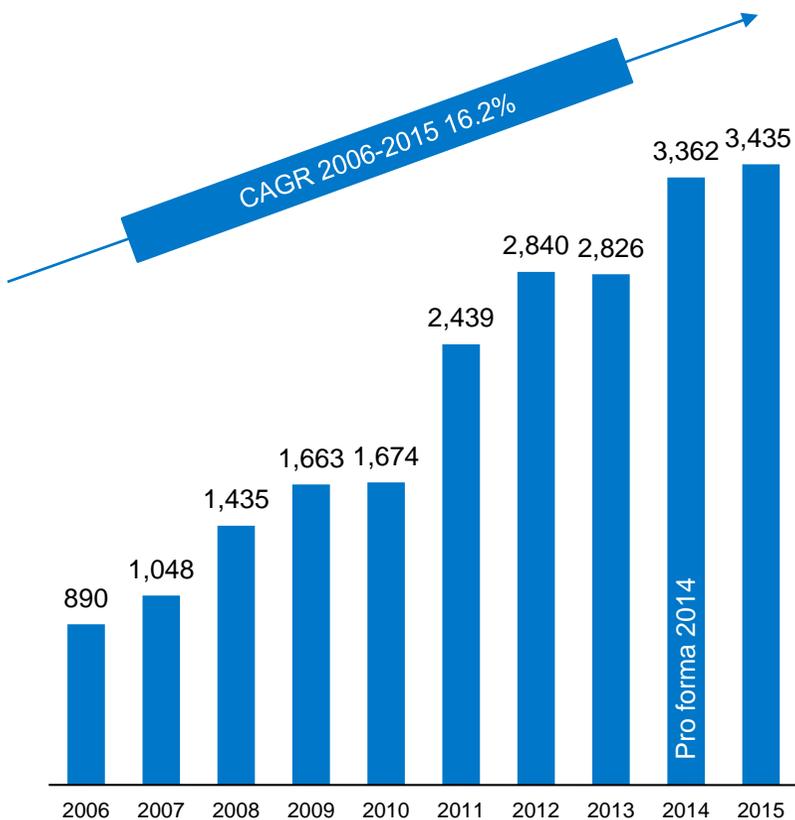


Note: IFRS accounting since 2012, prior years Swedish GAAP. Pro forma 2014 includes acquired MDH full year 2014..

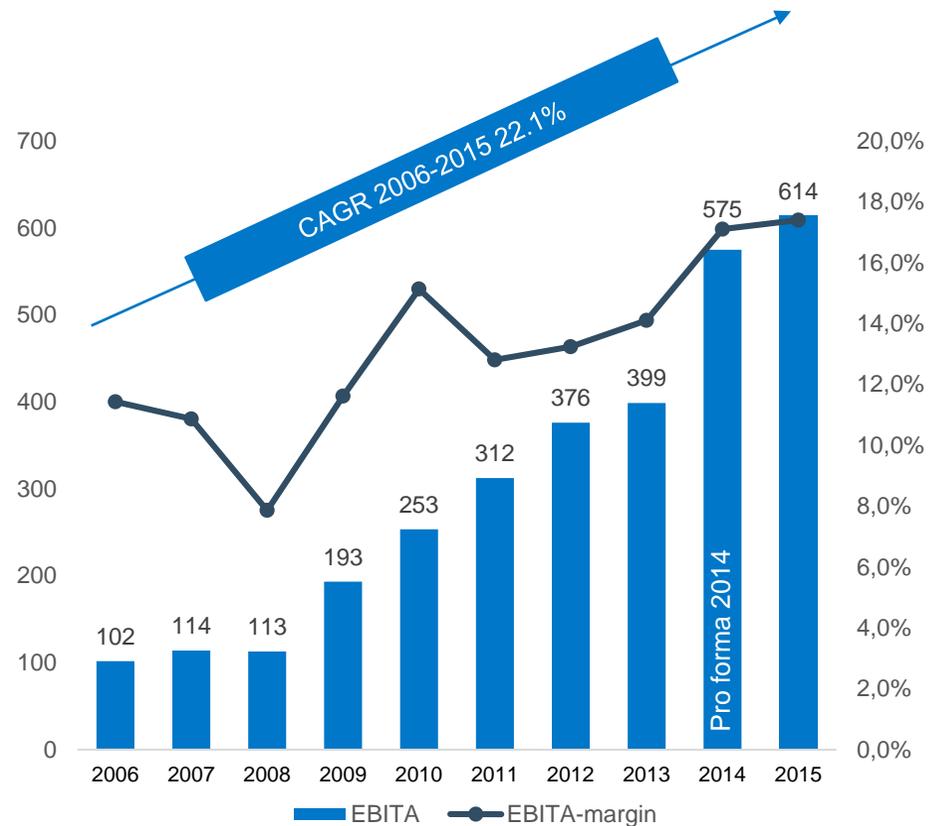
# DENTAL FINANCIAL OVERVIEW



Sales (MSEK) development



EBITA (MSEK) and EBITA margin (%) development

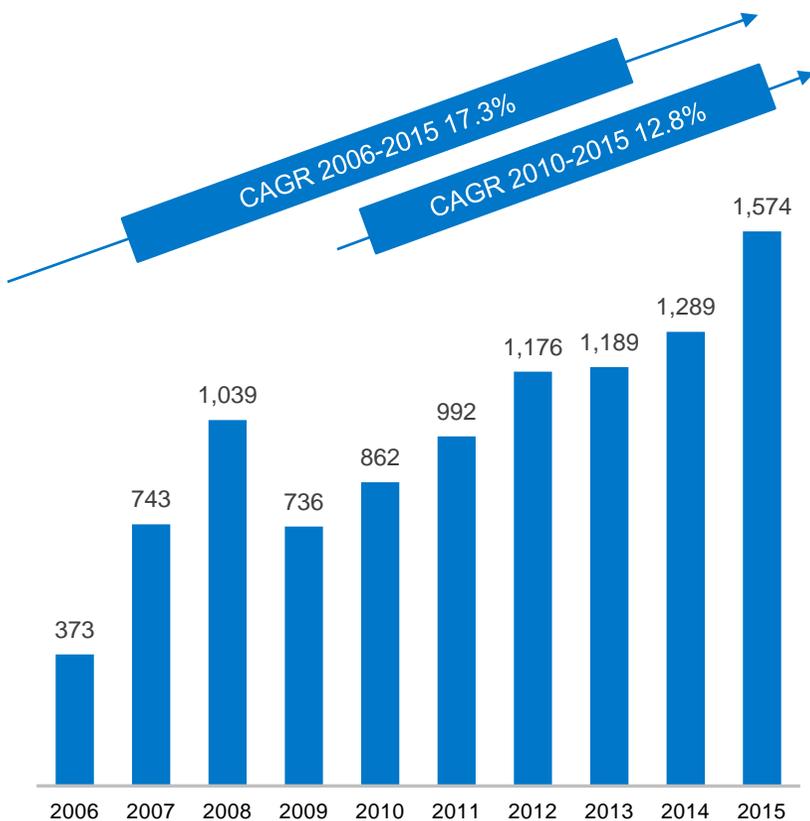


Note: IFRS accounting since 2012, prior years Swedish GAAP. Pro forma 2014 includes acquired MDH full year 2014.

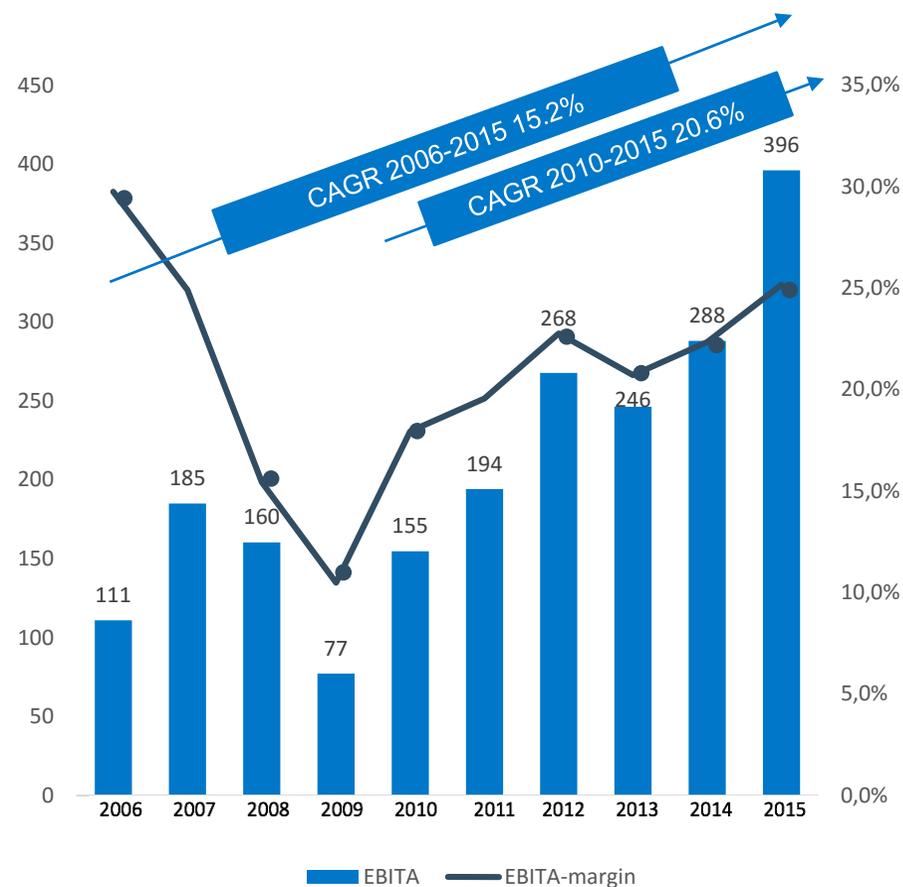
# DEMOLITION & TOOLS FINANCIAL OVERVIEW



Sales (MSEK) development



EBITA (MSEK) and EBITA margin (%) development

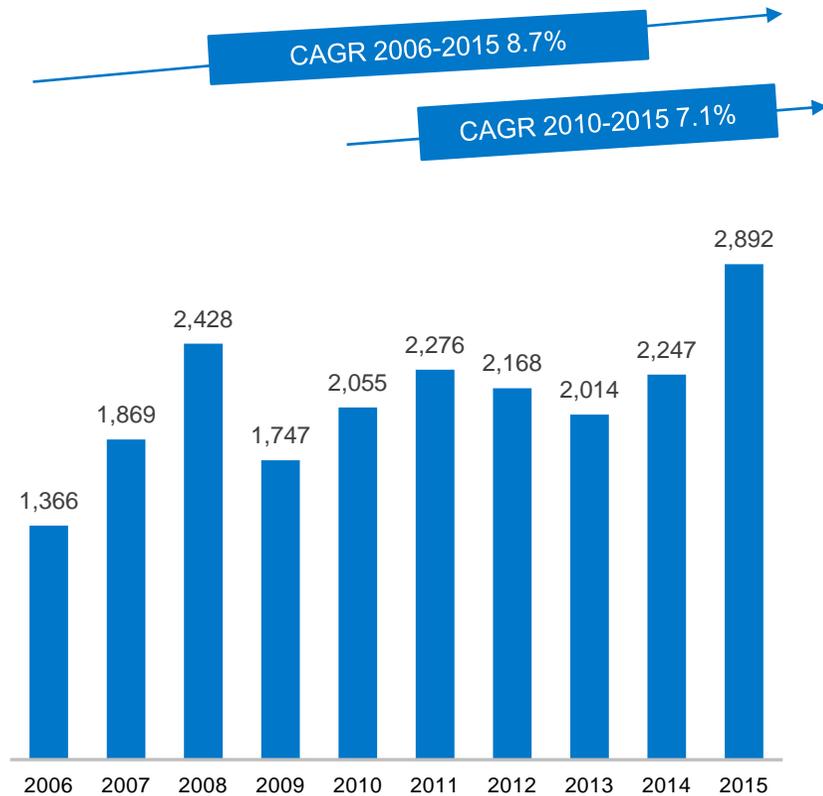


Note: IFRS accounting since 2012, prior years Swedish GAAP.

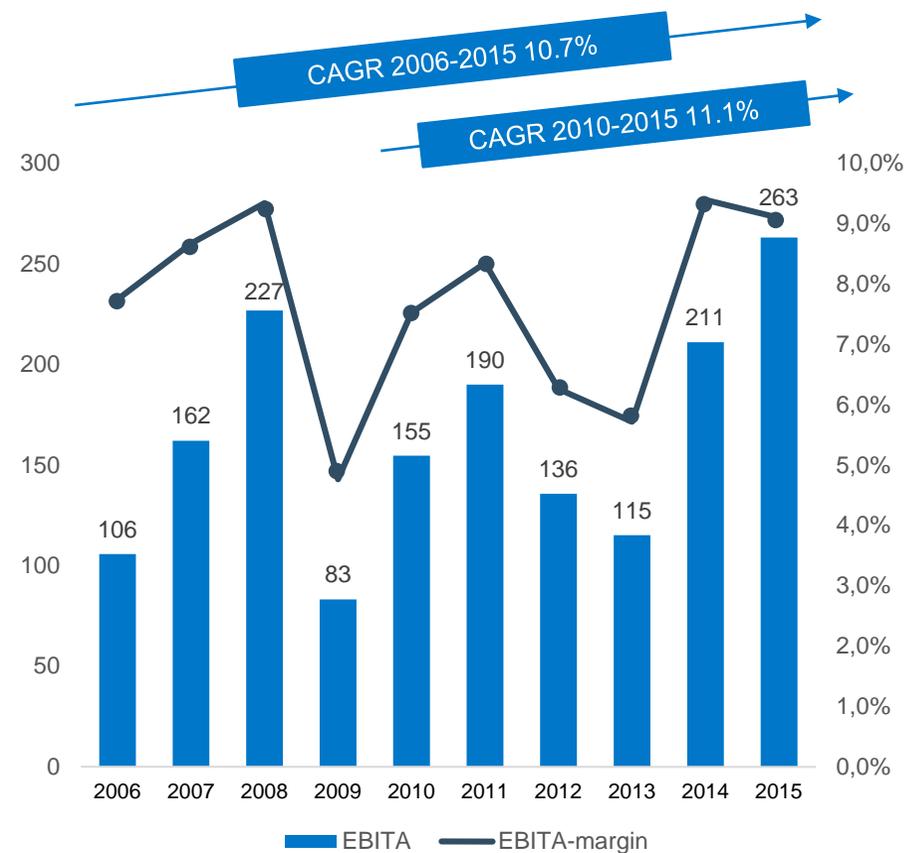
# SYSTEMS SOLUTIONS FINANCIAL OVERVIEW



Sales (MSEK) development



EBITA (MSEK) and EBITA margin (%) development



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

# FINANCIALS FY AND Q4

GROUP	FY 2014	FY 2015	Change	Q4 2014	Q4 2015	Change
Net sales, MSEK	6,802	7,901	16.2%	1,901	2,121	11.6%
EBITA, MSEK	966	1,186	22.8%	273	323	18.0%
EBITA margin	14.2%	15.0%	0.8	14.4%	15.2%	0.8

DENTAL	FY 2014	FY 2015	Change	Q4 2014	Q4 2015	Change
Net sales, MSEK	3,266	3,435	5.2%	918	922	0.4%
EBITA, MSEK	543	614	13.0%	149	164	10.3%
EBITA margin	16.6%	17.9%	1.3	16.3%	17.9%	1.6

DEMOLITION & TOOLS	FY 2014	FY 2015	Change	Q4 2014	Q4 2015	Change
Net sales, MSEK	1,289	1,574	22.1%	354	436	22.8%
EBITA, MSEK	288	396	37.5%	92	123	33.6%
EBITA margin	22.3%	25.1%	2.8	25.9%	28.2%	2.3

SYSTEMS SOLUTIONS	FY 2014	FY 2013	Change	Q4 2014	Q4 2015	Change
Net sales, MSEK	2,247	2,892	28.7%	628	763	21.6%
EBITA, MSEK	211	263	25.0%	54	59	10.2%
EBITA margin	9.4%	9.1%	-0.3	8.5%	7.7%	-0.8

# LIFCO GROUP BALANCE SHEET

## Comments

- Interest bearing net debt decreased 63 MSEK to 1,950 MSEK despite acquisitions of 573 MSEK and total dividends of 252 MSEK
- At year-end, Lifco had the capacity to make further acquisitions of a total amount of 3 BSEK and keep EBITDA below 3x
- ROCE excluding goodwill and other intangible assets 123% (105% Dec 31, 2014) – target >50%
- Net debt/EBITDA 1,5x (target 2-3x)

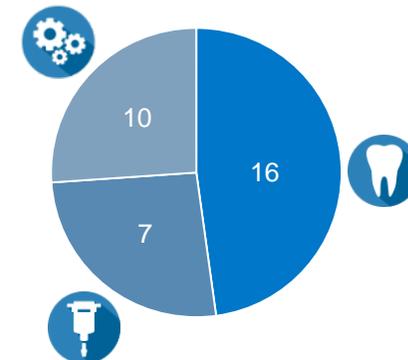
## Balance sheet

MSEK	2013	2014	2015
Intangible fixed assets	3,047	4,677	5,010
Tangible fixed assets	342	386	417
Financial assets	46	54	87
Inventory	758	823	960
Accounts receivable	671	770	863
Other receivables	163	188	257
Cash and cash equivalents	442	536	464
<b>Total assets</b>	<b>5,468</b>	<b>7,435</b>	<b>8,058</b>
Shareholders' equity	2,382	3,473	3,964
Interest-bearing liabilities	1,939	2,627	2,444
Other liabilities and provisions	54	284	371
Accounts payable	313	344	370
Other short-term liabilities	779	707	909
<b>Total equity and liabilities</b>	<b>5,468</b>	<b>7,435</b>	<b>8,058</b>
Net debt	1,420	2,013	1,950
Net debt/EBITDA	1,9x	1,9x	1,5x
Capital employed excl. goodwill and other intang. assets	948	916	966
ROCE excl. goodwill and other intangible assets	73.0%	105%	123%
Capital employed incl. goodwill and other intang. assets	3,984	5,137	5,965
ROCE incl. goodwill and other intangible assets	17.4%	18.8%	19.9%

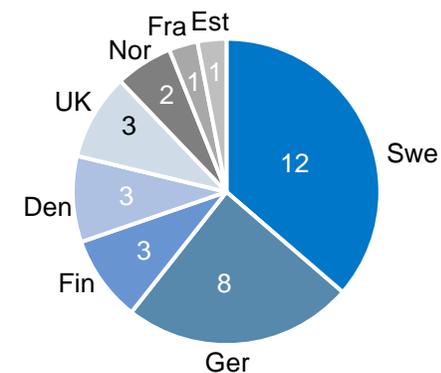
# OVERVIEW OF ACQUISITIONS 2006-2014

Year	Company	Description	Type	Country	Sales at acquisition
2006	Darda	Producer of attachments for demolition robots	Demolition & Tools	Germany	MEUR 8
	Dental Prime	Distributor of dental equipment and services	Dental	Finland	MEUR 3
	Elektronikprodukter i Järlåsa	Producer of high quality electronics	Systems Solutions	Sweden	MSEK 30
2007	Hekotek	Producer of sawmill equipment	Systems Solutions	Estonia	MEUR 13
	Kinshofer	Producer of tools for excavators and cranes	Demolition & Tools	Germany	MEUR 66
	Oriola Dental	Distributor of consumables and equipment	Dental	Finland	MEUR 45
	Plass Data Dental	Producer of IT-systems for dental clinics	Dental	Denmark	MDKK 7
	Proline	Relining of plumbing systems	Systems Solutions	Sweden	MSEK 120
	Safe Dental	IT services to dental clinics	Dental	Sweden	MSEK 2
	Zetterströms Rostfria	Producer of quality products in stainless steel	Systems Solutions	Sweden	MSEK 50
2008	Endomark	Distributor of consumables and equipment	Dental	Sweden	MSEK 9
	Tevo	Producer of interiors for vehicles	Systems Solutions	UK	MGBP 8
	XO Care Denmark A/S	Distributor of dental equipment and services	Dental	Denmark	MDKK 77
2009	Aponox	Producer of tools for excavators and cranes	Demolition & Tools	Finland	-
	Ellman Produkter	Distributor of consumables	Dental	Sweden	MSEK 43
	Interdental	Distributor of prosthetics	Dental	Norway	MSEK 10
2010	ATC	Distributor of Brokk machines	Demolition & Tools	France	MEUR 5
2011	EDP	Distributor of consumables and equipment	Dental	Germany	MEUR 119
	NETdental	Distributor of consumables	Dental	Germany	MEUR 20
	RF-System	Producer of tools for excavators and cranes	Demolition & Tools	Sweden	MSEK 80
	Wintech	Producer of high quality electronics	Systems Solutions	Sweden	MSEK 125
2012	Ahlberg Cameras	Producer of camera systems for the nuclear industry	Demolition & Tools	Sweden	MSEK 73
2014	MDH	Producer of dental prosthetics	Dental	Germany	MEUR 44

Segment split - # of acquisitions



Country split - # of acquisitions



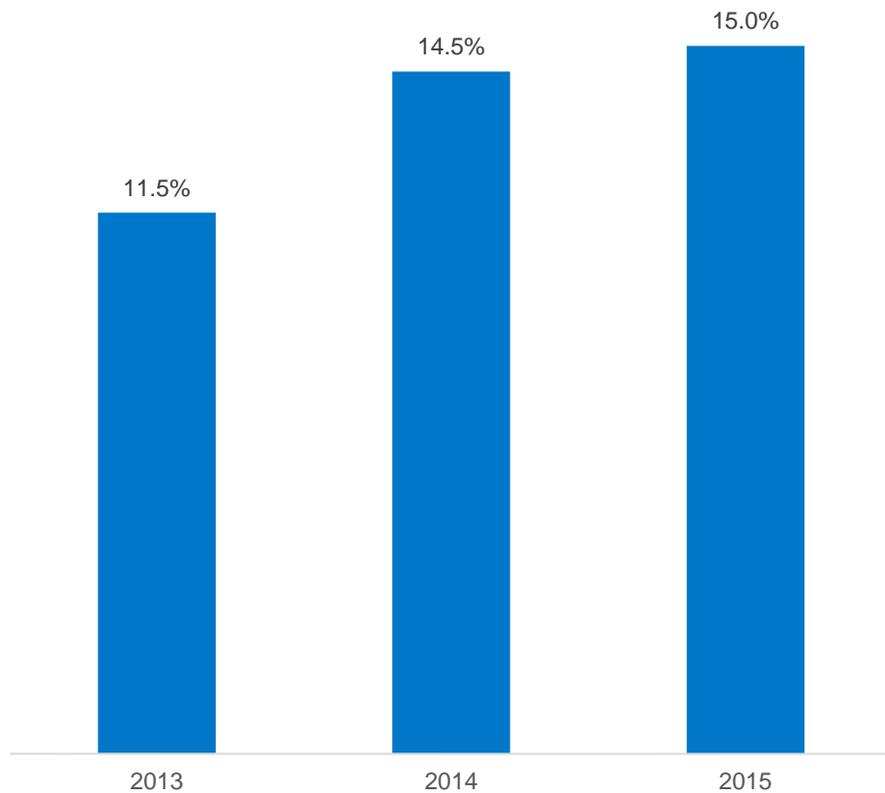
- Majority of acquisitions have been add-ons to existing companies – but most continue to be operated autonomously

# OVERVIEW OF ACQUISITIONS 2015-

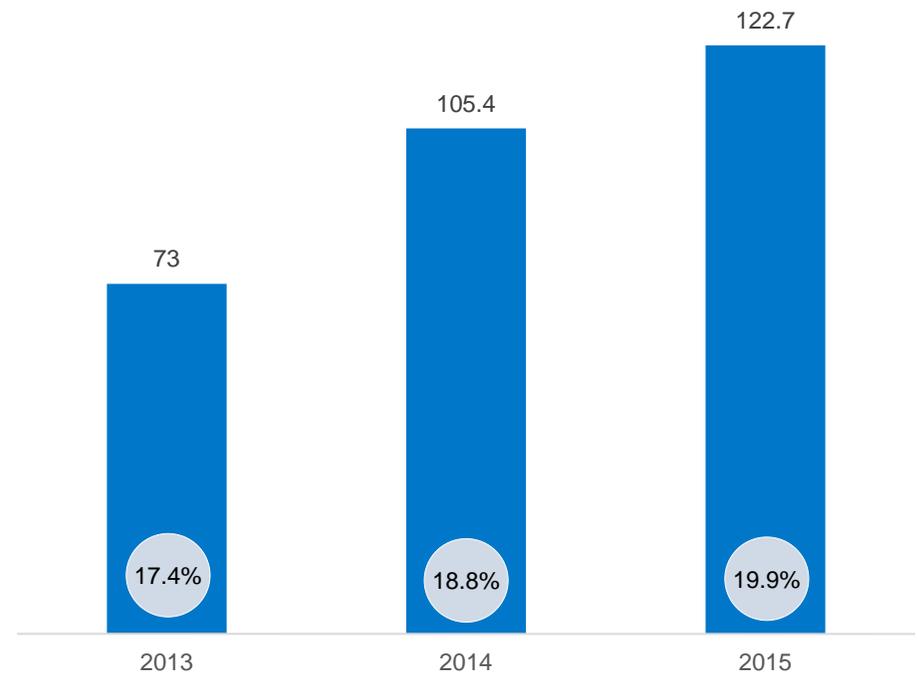
Year	Company	Description	Type	Country	Sales at acquisition
2015	Auger Torque	Producer of earth drills	Demolition & Tools	UK	MGBP 10
	Auto-Maskin	Diesel control units for marine use	Systems Solutions	Norway	MNOK 130
	Endodonti products	Dental products	Dental	Sweden	MSEK 10
	J.H. Orsing	Dental products	Dental	Sweden	MSEK 20
	Preventum Partner	Accounting services & quality systems	Dental	Sweden	MSEK 10
	Rapid Granulator	Manufacturer of granulators	Systems Solutions	Sweden	MSEK 300
	Sanistål interior for vehicles	Producer of interiors for vehicles	Systems Solutions	Denmark	MDKK 25
	Smilodent	Dental products	Dental	Germany	MEUR 4.8
	Top Dental	Manufacturer of disinfectants	Dental	UK	MGBP 3.4
2016	Cenika AS	Electrical equipment for low voltage	Systems Solutions	Norway	MNOK 160
	Dens Esthetix	Prosthetics	Dental	Germany	MEUR 1.4
	Praezimed	Service of dental instruments	Dental	Germany	MEUR 2.5
	Redoma Recycling	Producer of recycling machines for cables	Systems Solutions	Sweden	MSEK 25

# MAINTAINED FOCUS ON CAPITAL EMPLOYED

EBITA-margin



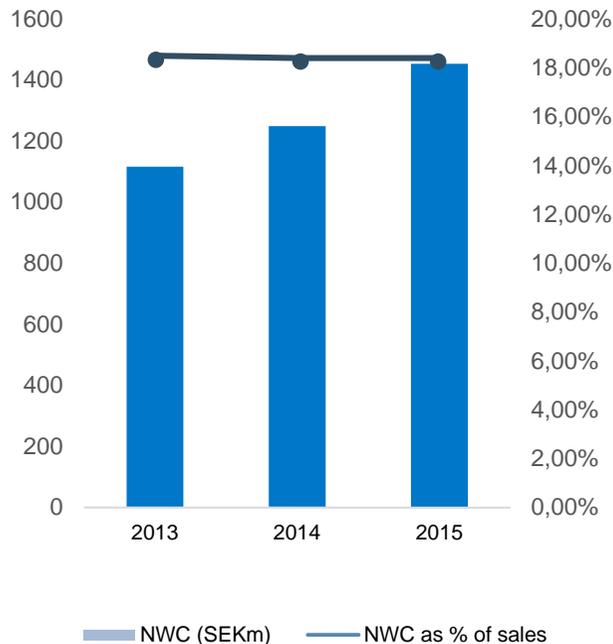
ROCE (excl. goodwill and other intang. assets)



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

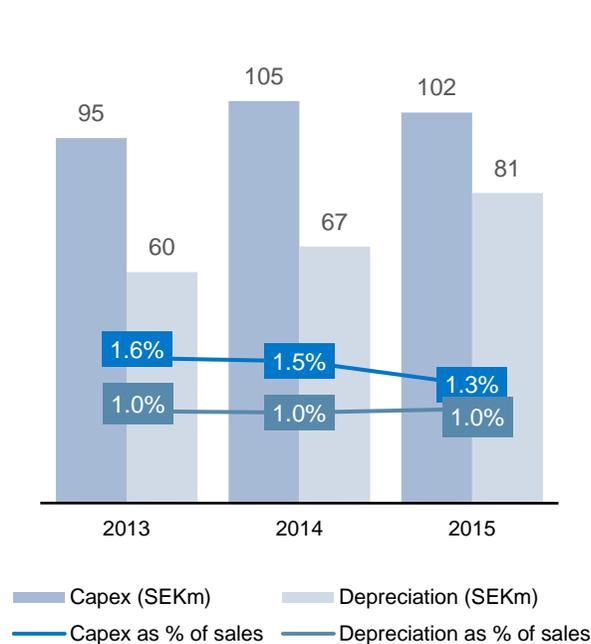
# STRONG CASH FLOW GENERATION

Core net working capital<sup>1</sup>



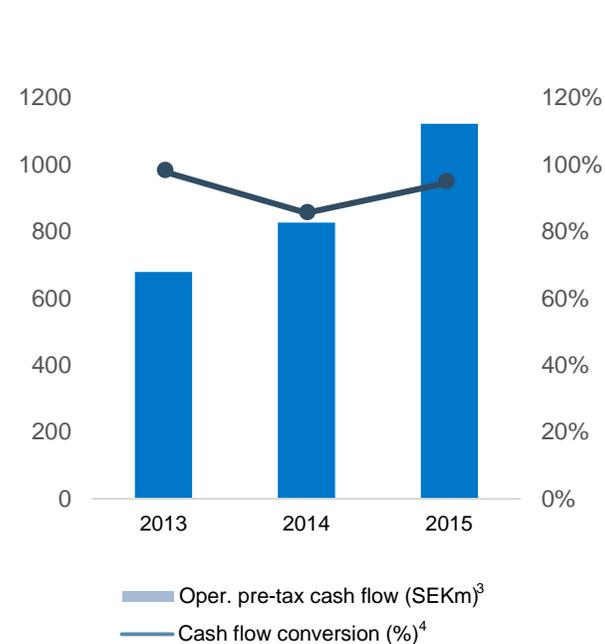
- Focus on working capital through mathematical depreciation of inventory and receivables

Capex and depreciation<sup>2</sup>



- 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

Operating pre-tax cash flow



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

1) Refers to investments in and depreciation of tangible fixed assets  
 2) Operating pre-tax cash flow defined as EBITDA – change in NWC (according to cash flow statement) – investments in tangible fixed assets  
 3) Cash flow conversion defined as operating pre-tax cash flow divided by EBITA

# FINANCIAL TARGETS

## Growth in EBITA

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

## EBITA/Capital employed<sup>1</sup>

- 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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