

LIFCO

INTERIM REPORT Q1 2015

MAY 6, 2015

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ORGANISED IN THREE BUSINESS AREAS


LIFCO
 Sales 2015 LTM: 7,012 MSEK
 EBITA 2015 LTM: 994 MSEK




Leading distributors of dental products in Nordics and Germany

| | |
|----------------------------|---|
| | % of EBITA¹ |
| Sales 2015 LTM: 3,406 MSEK | 55% |
| EBITA 2015 LTM: 593 MSEK |  |

Leading producers of demolition robots and attachments for excavators and cranes

| | |
|----------------------------|---|
| | % of EBITA¹ |
| Sales 2015 LTM: 1,310 MSEK | 26% |
| EBITA 2015 LTM: 283 MSEK |  |

Wide range of leading systems solutions providers

| | |
|----------------------------|---|
| | % of EBITA¹ |
| Sales 2015 LTM: 2,296 MSEK | 18% |
| EBITA 2015 LTM: 196 MSEK |  |

¹ Excluding HQ costs

LIFCO'S PHILOSOPHY FOR VALUE CREATION

Long-term perspective

- Long-term perspective on corporate development

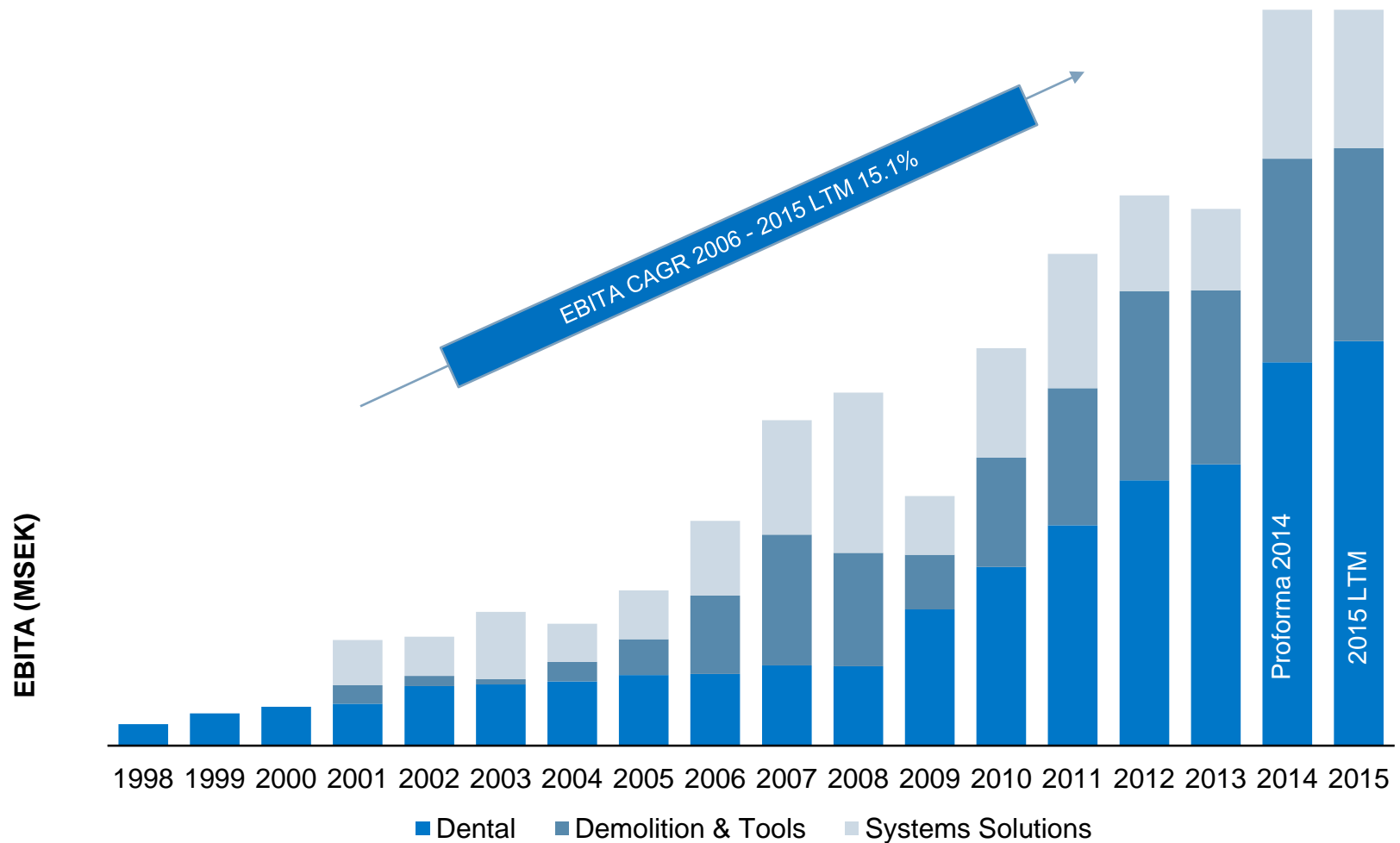
Focus on profitability

- Good profitability is a prerequisite for sustainable growth

Decentralized organization

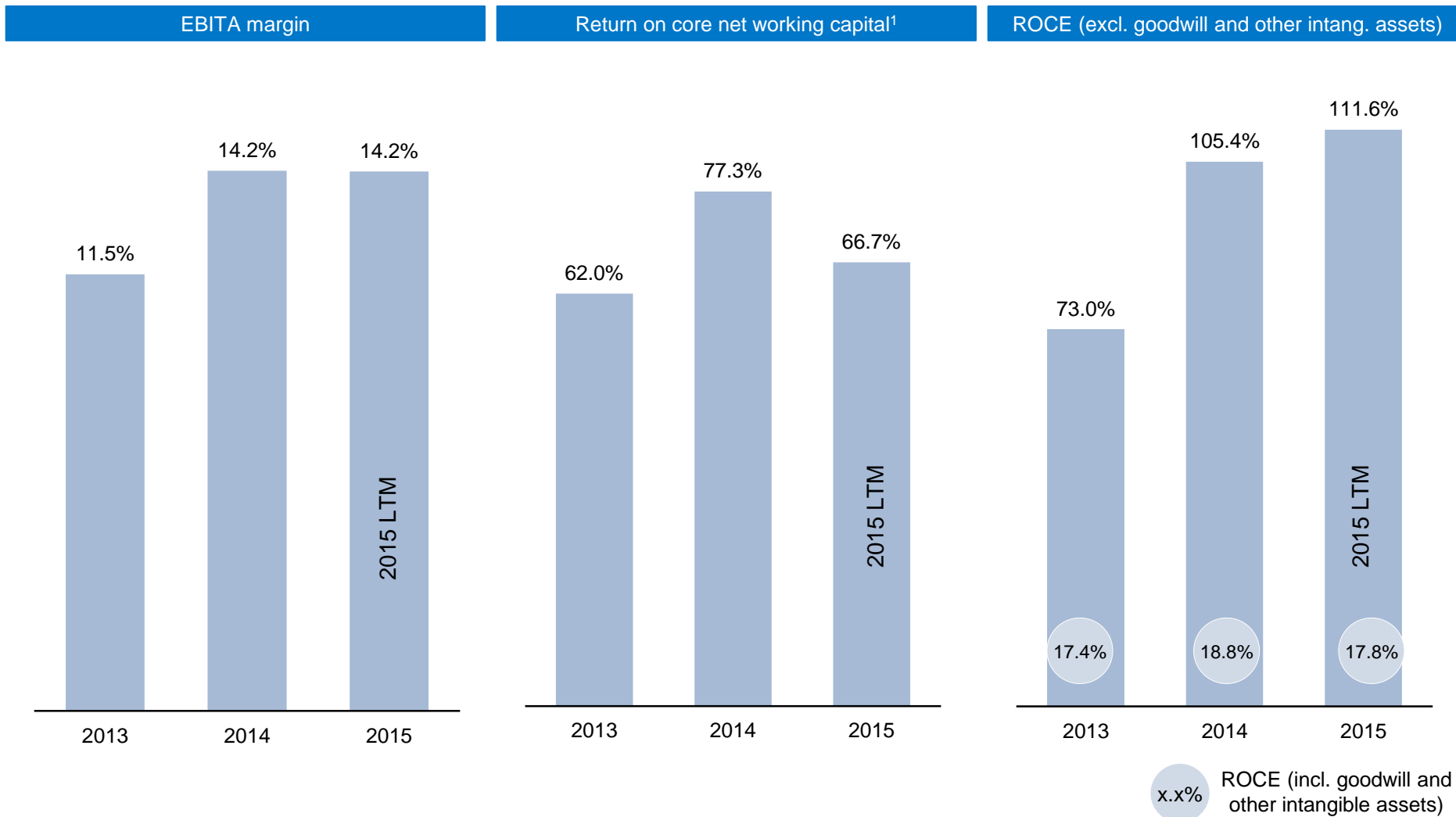
- Our subsidiaries have a high degree of independence. That is the foundation for the creation of an entrepreneurial spirit. We never compromise with profitability and compliance with our code of conduct

ONE TARGET: TO INCREASE PROFITS EVERY YEAR...



Note: IFRS accounting since 2012, prior years Swedish GAAP. Pro forma includes acquired MDH full year 2014. Companies acquired in Q115 are not included.

...WHILE MAINTAINING FOCUS ON CAPITAL EMPLOYED



1) Return on core net working capital defined as EBITA/core net working capital. Core net working capital defined as the sum of inventory and accounts receivable less accounts payable

ACTIONS TO CREATE SUSTAINABLE PROFIT GROWTH

Right person in the right position

- Motivated managers who deliver results

Continuous pricing optimisation

- Focus on customers with potential for sustainable profit growth

Optimized management structure

- Focus on value adding personnel and minimized bureaucracy

Outsourced non-core functions

- Focus on the value creating parts of the business

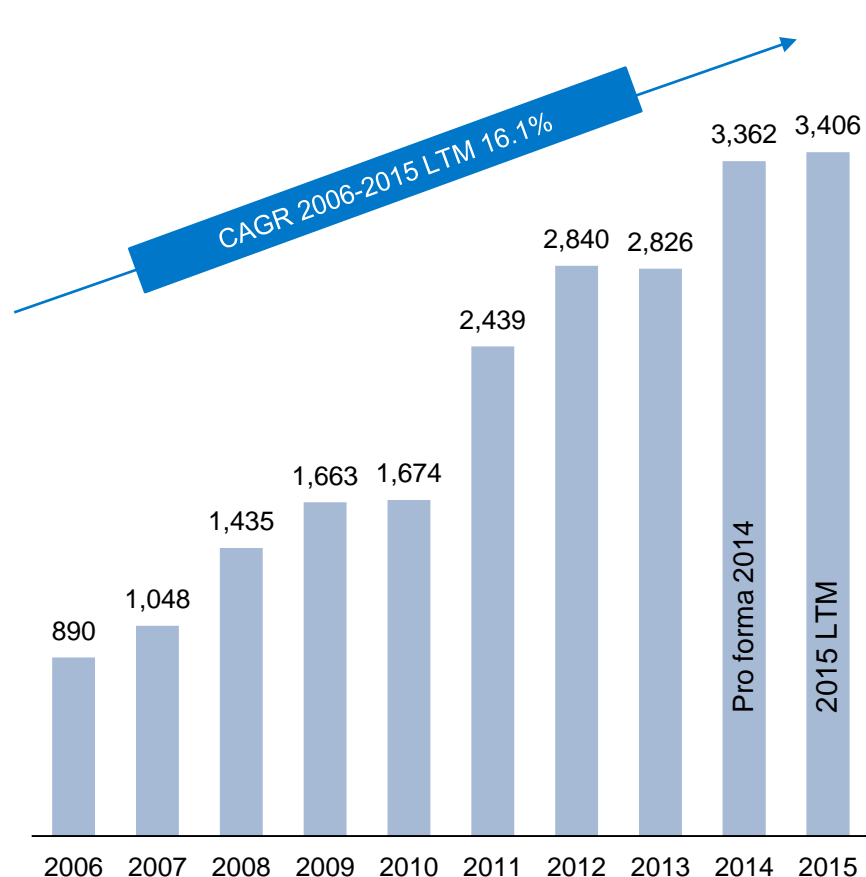
Long-term perspective

- Investments in value creating activities to secure long-term profit growth

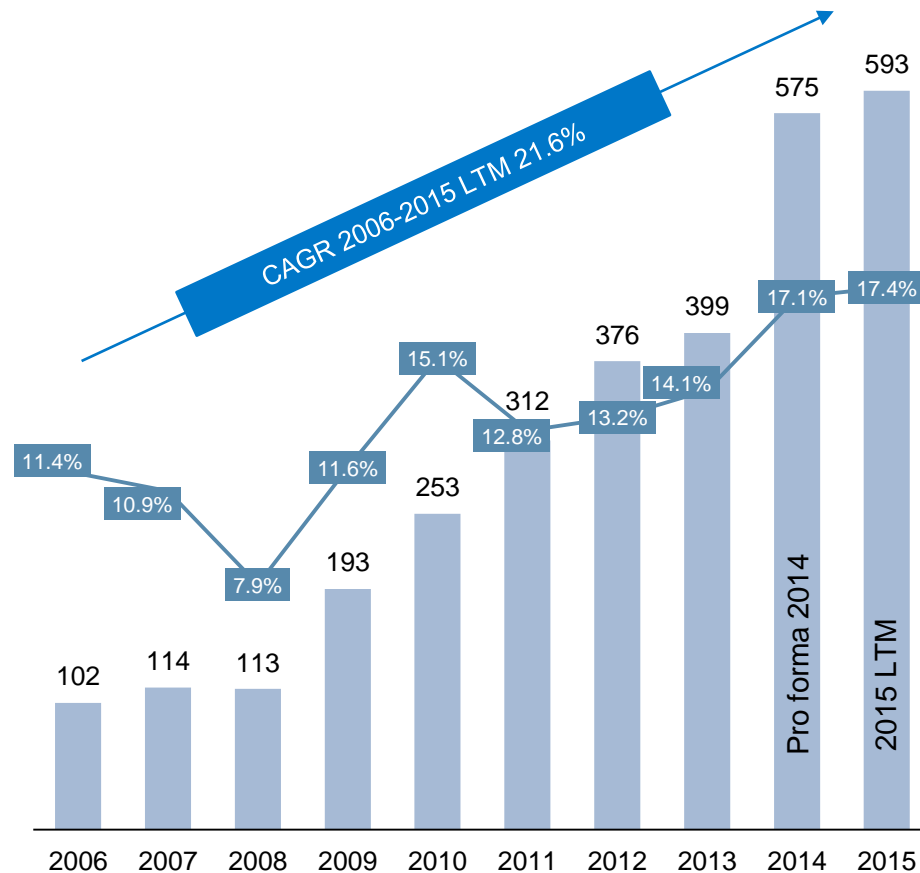
DENTAL FINANCIAL OVERVIEW



Sales (MSEK) development



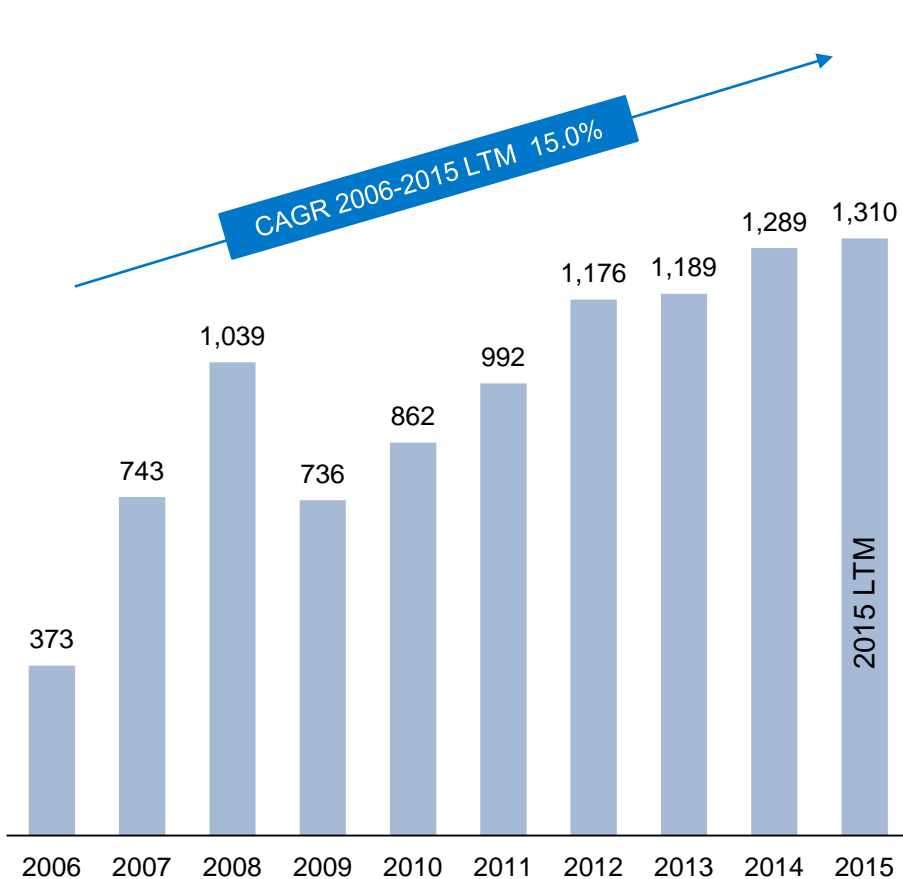
EBITA (MSEK) and EBITA margin (%) development



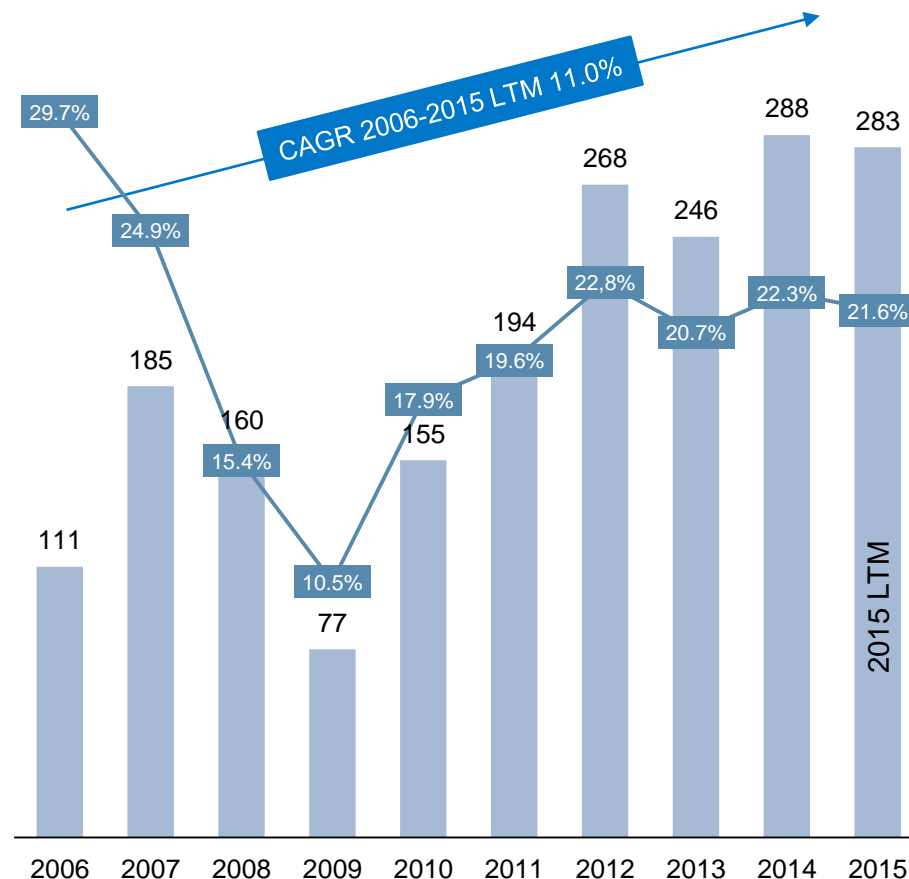
DEMOLITION & TOOLS FINANCIAL OVERVIEW



Sales (MSEK) development



EBITA (MSEK) and EBITA margin (%) development



Note: IFRS accounting since 2012, prior years Swedish GAAP. Companies acquired in Q115 are not included.

SYSTEMS SOLUTIONS FINANCIAL OVERVIEW

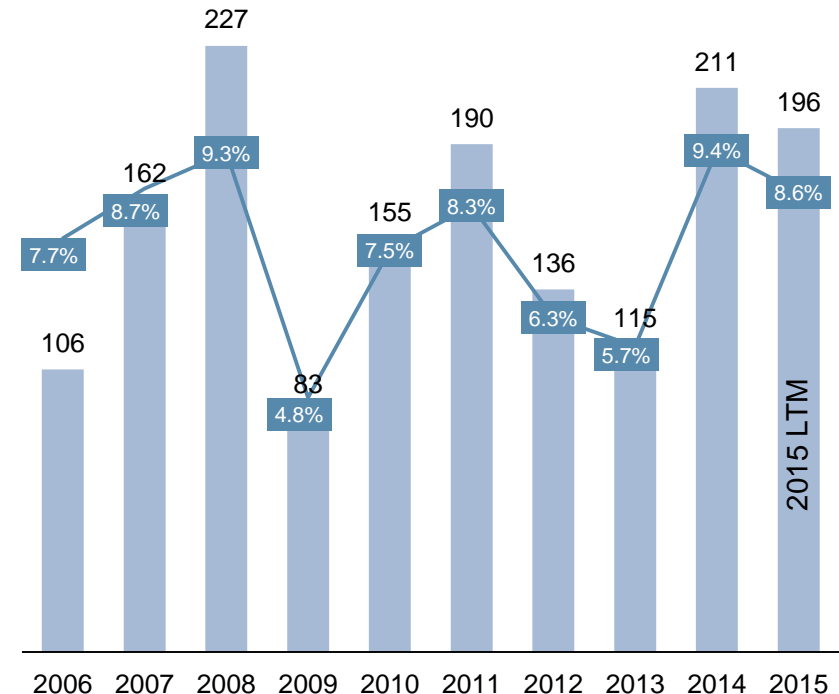
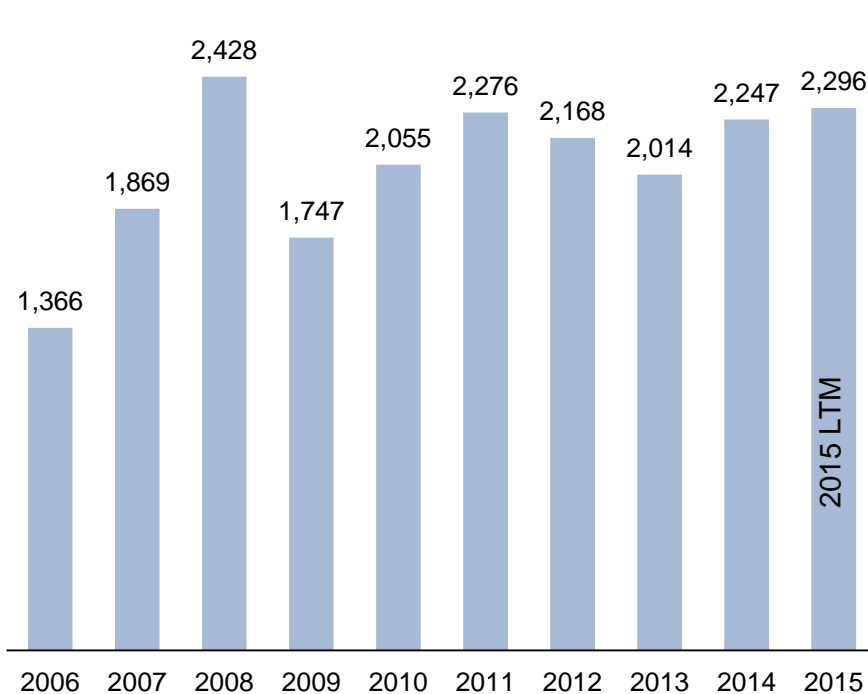


Sales (MSEK) development

EBITA (MSEK) and EBITA margin (%) development

CAGR 2006-2015 LTM 5.9%

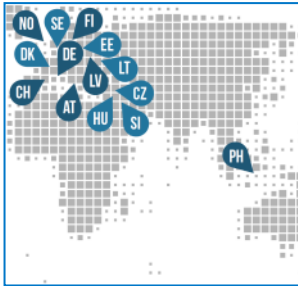
CAGR 2006-2015 LTM 7.1%



Note: IFRS accounting since 2012, prior years Swedish GAAP. Companies acquired in Q115 are not included.

GLOBAL FOOTPRINT

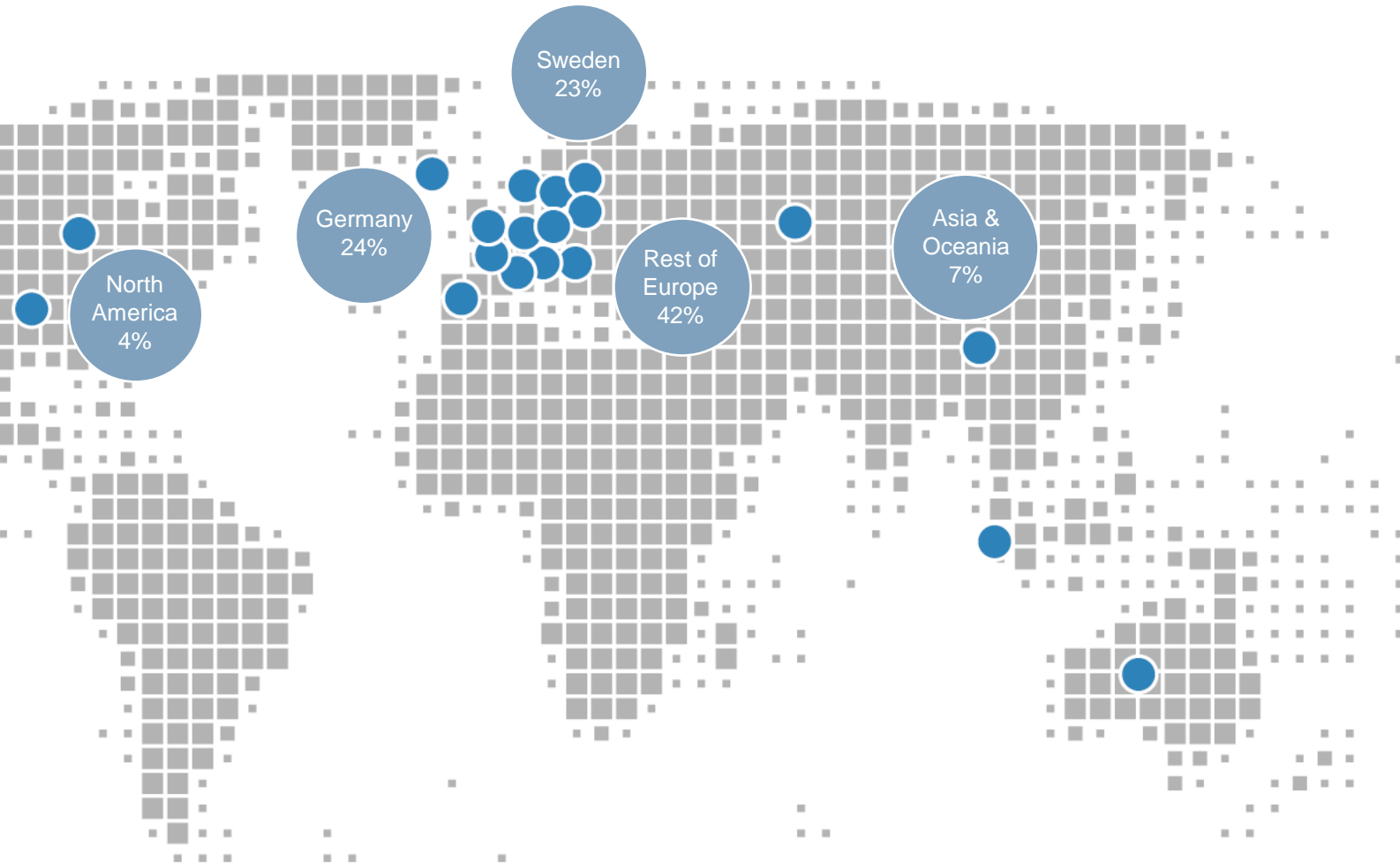
Dental



Demolition & Tools



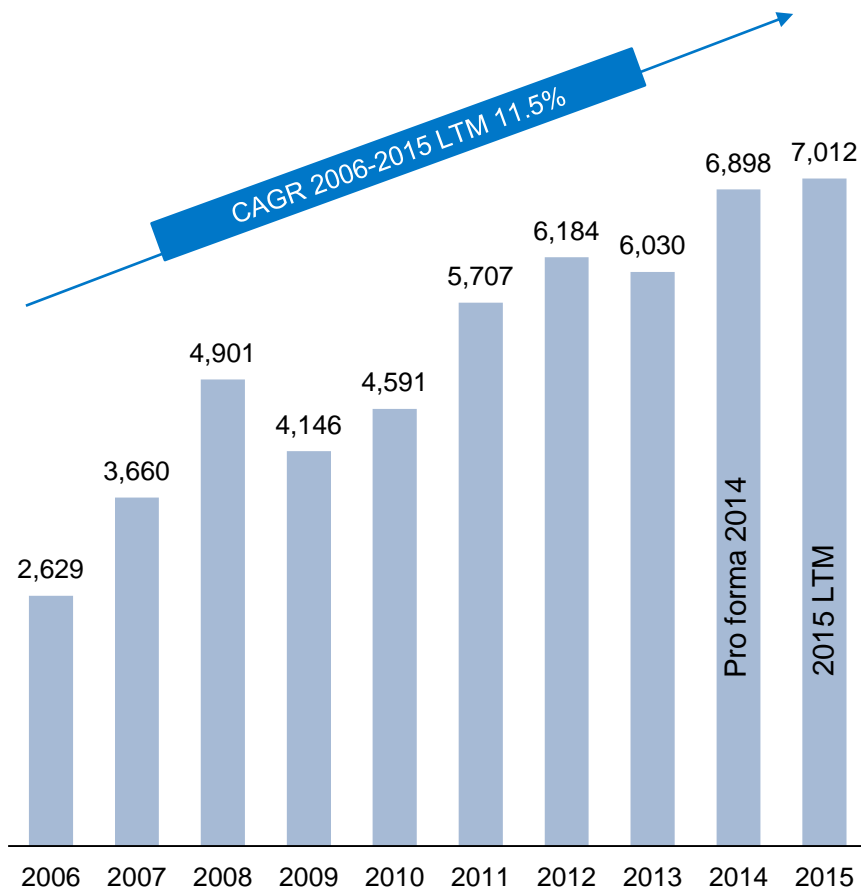
Systems Solutions



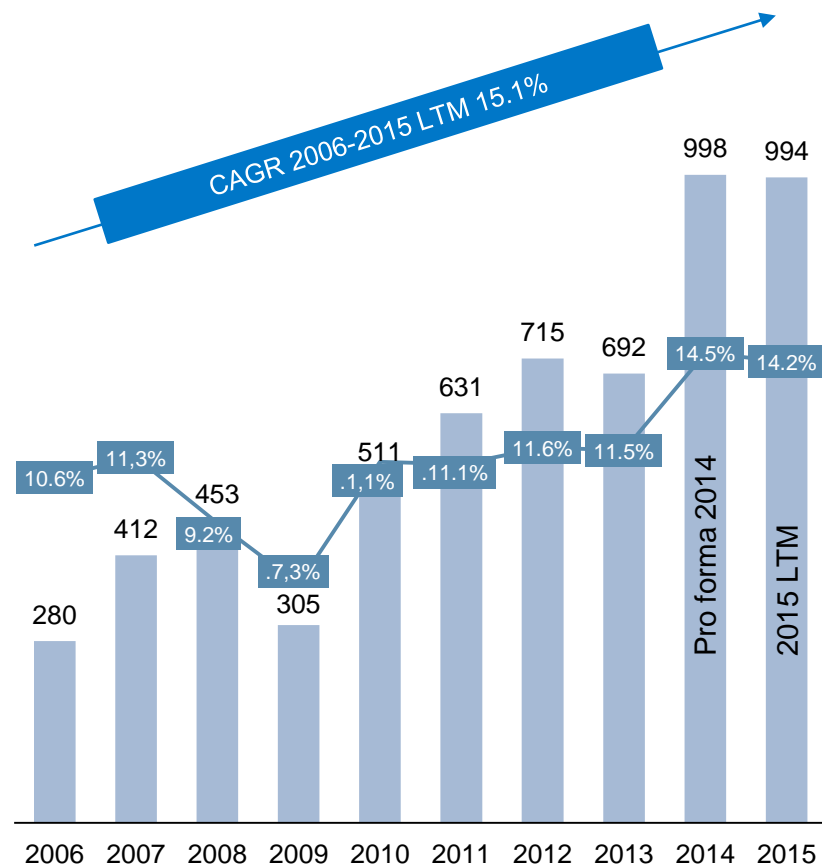
Of the quarter's EBITA a total of 61% was generated in EUR and DKK

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. Companies acquired in Q115 are not included.

FINANCIALS 2014 AND Q115

| GROUP | 2014 | 2013 | Change | Q115 | Q114 | Change |
|--------------------|-------|-------|--------|-------|-------|---------|
| Net sales, MSEK | 6,802 | 6,030 | 12.8% | 1,748 | 1,539 | 13.6% |
| EBITA, MSEK | 966 | 692 | 39.6% | 242 | 214 | 13.2% |
| EBITA margin | 14.2% | 11.5% | 2.7 | 13.8% | 13.9% | -0,1 |
| DENTAL | 2014 | 2013 | Change | Q115 | Q114 | Change |
| Net sales, MSEK | 3,266 | 2,826 | 15.6% | 894 | 755 | 18.5% |
| EBITA, MSEK | 543 | 399 | 36.3% | 170 | 120 | 41.5% |
| EBITA margin | 16.6% | 14.1% | 2.5 | 19.0% | 15.9% | 3.1 |
| DEMOLITION & TOOLS | 2014 | 2013 | Change | Q115 | Q114 | Change |
| Net sales, MSEK | 1,289 | 1,189 | 8.4% | 329 | 309 | 6.7% |
| EBITA, MSEK | 288 | 246 | 16.9% | 66 | 71 | -6.7% |
| EBITA margin | 22.3% | 20.7% | 1.6 | 20.2% | 23.1% | -2.9 |
| SYSTEMS SOLUTIONS | 2014 | 2013 | Change | Q115 | Q114 | Change |
| Net sales, MSEK | 2,247 | 2,014 | 11.5% | 525 | 475 | 10.4% |
| EBITA, MSEK | 211 | 115 | 82.9% | 27 | 41 | - 34.3% |
| EBITA margin | 9.4% | 5.7% | 3.7 | 5.2% | 8.7% | -3.5 |

LIFCO GROUP BALANCE SHEET

Comments

- Two non-secured MTN loans totalling MSEK 1,050
- Transaction April 1
- MSEK 700 carries an annual floating interest rate of 3 months STIBOR + 1.05%, and MSEK 350 carries an annual fixed interest of 1.11%
- Existing bank loans refinanced
- Bonds listed on Nasdaq Stockholm

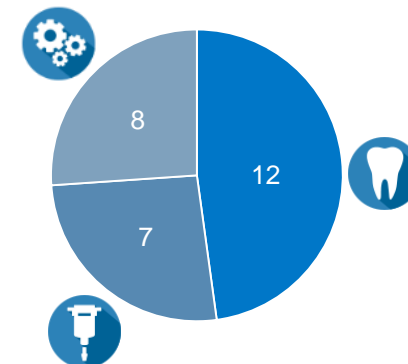
Balance sheet

| MSEK | 2013 | 2014 | March 31,15 |
|--|--------------|--------------|--------------|
| Intangible fixed assets | 3,047 | 4,677 | 4,972 |
| Tangible fixed assets | 342 | 386 | 414 |
| Financial assets | 46 | 54 | 55 |
| Inventory | 758 | 823 | 1,026 |
| Accounts receivable | 671 | 770 | 900 |
| Other receivable | 163 | 188 | 246 |
| Cash and cash equivalents | 442 | 536 | 624 |
| Total assets | 5,468 | 7,435 | 8,237 |
| Shareholders' equity | 2,382 | 3,473 | 3,602 |
| Interest-bearing liabilities | 1,939 | 2,628 | 3,038 |
| Other liabilities and provisions | 54 | 284 | 316 |
| Accounts payable | 313 | 344 | 436 |
| Other short-term liabilities | 779 | 707 | 846 |
| Total equity and liabilities | 5,468 | 7,435 | 8,237 |
| Net debt | 1,420 | 2,013 | 2,366 |
| Net debt/EBITDA | 1,9x | 1,9x | 2,2x |
| Capital employed excl. goodwill and other intang. assets | 833 | 887 | 1,004 |
| ROCE excl. goodwill and other intangible assets | 73,0% | 105,4% | 111,6% |
| Capital employed incl. goodwill and other intang. assets | 3,880 | 5,564 | 5,976 |
| ROCE incl. goodwill and other intangible assets | 17,4% | 18,8% | 17,8% |

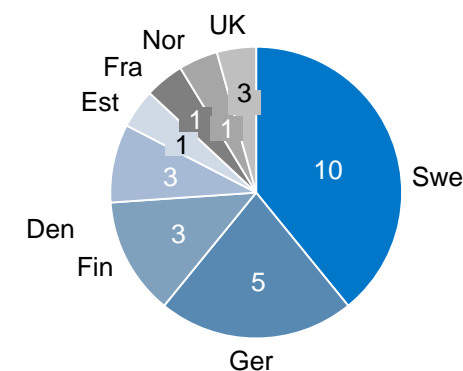
OVERVIEW OF ACQUISITIONS

| Year | Company | Description | Type | Country | Sales at acquisition |
|------|--------------------------------|---|--------------------|---------|----------------------|
| 2006 | Darda | Producer of attachments for demolition robots | Demolition & Tools | Germany | EUR 8m |
| | Dental Prime | Distributor of dental equipment and services | Dental | Finland | EUR 3m |
| | Elektronikprodukter i Järlåsa | Producer of high quality electronics | Systems Solutions | Sweden | SEK 30m |
| 2007 | Hekotek | Producer of sawmill equipment | Systems Solutions | Estonia | EUR 13m |
| | Kinshofer | Producer of tools for excavators and cranes | Demolition & Tools | Germany | EUR 66m |
| | Oriola Dental | Distributor of consumables and equipment | Dental | Finland | EUR 45m |
| | Plass Data Dental | Producer of IT-systems for dental clinics | Dental | Denmark | DKK 7m |
| | Proline | Relining of plumbing systems | Systems Solutions | Sweden | SEK 120m |
| | Safe Dental | IT services to dental clinics | Dental | Sweden | SEK 2m |
| | Zetterströms Rostfria | Producer of quality products in stainless steel | Systems Solutions | Sweden | SEK 50m |
| 2008 | Endomark | Distributor of consumables and equipment | Dental | Sweden | SEK 9m |
| | Tevo | Producer of interiors for vehicles | Systems Solutions | UK | GBP 8m |
| | XO Care Denmark A/S | Distributor of dental equipment and services | Dental | Denmark | DKK 77m |
| 2009 | Aponox | Producer of tools for excavators and cranes | Demolition & Tools | Finland | - |
| | Ellman Produkter | Distributor of consumables | Dental | Sweden | SEK 43m |
| | Interdental | Distributor of prosthetics | Dental | Norway | SEK 10m |
| 2010 | ATC | Distributor of Brokk machines | Demolition & Tools | France | EUR 5m |
| 2011 | EDP | Distributor of consumables and equipment | Dental | Germany | EUR 119m |
| | NETdental | Distributor of consumables | Dental | Germany | EUR 20m |
| | RF-System | Producer of tools for excavators and cranes | Demolition & Tools | Sweden | SEK 80m |
| | Wintech | Producer of high quality electronics | Systems Solutions | Sweden | SEK 125m |
| 2012 | Ahlberg Cameras | Producer of camera systems for the nuclear industry | Demolition & Tools | Sweden | SEK 73m |
| 2014 | MDH | Producer of dental prosthetics | Dental | Germany | EUR 44m |
| 2015 | Sanistål interior for vehicles | Producer of interiors for vehicles | Systems Solutions | Denmark | DKK 25m |
| | Auger Torque | Producer of earth drills | Demolition & Tools | UK | GBP 10 m |
| | Rapid Granulator | Manufacturer of granulators | Systems Solutions | Sweden | MSEK 300 |
| | Top Dental | Manufacturer of disinfection fluids | Dental | UK | GBP 3.4m |

Segment split - # of acquisitions



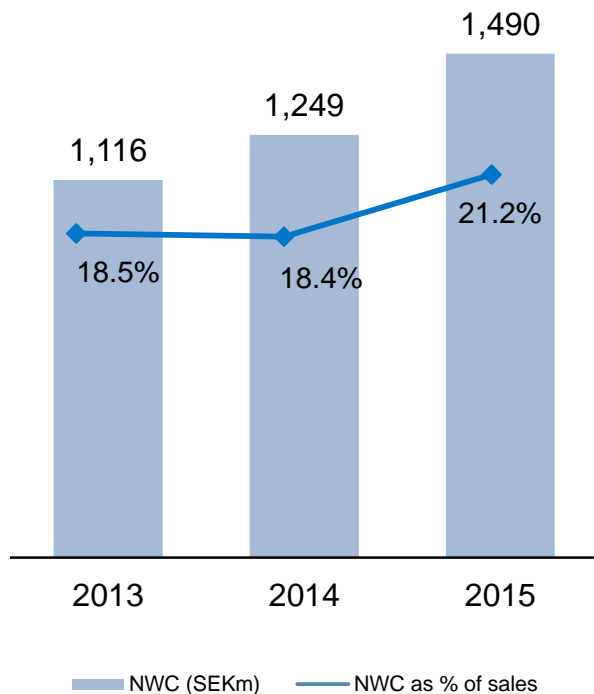
Country split - # of acquisitions



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

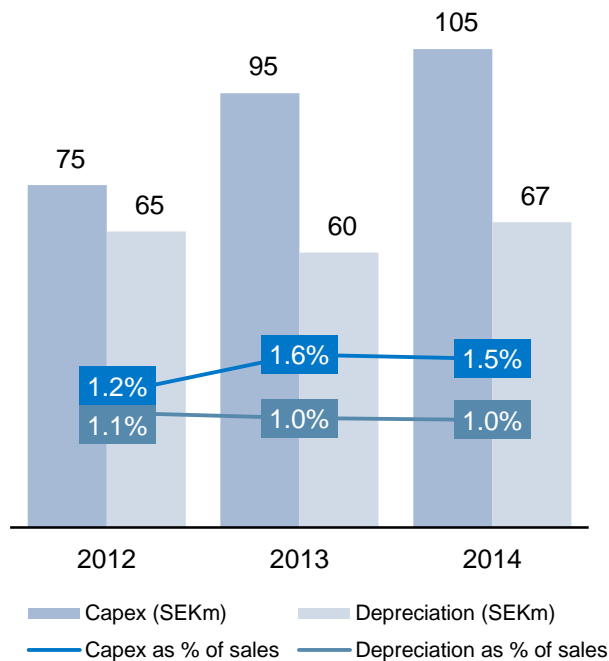
STRONG CASH FLOW GENERATION

Core net working capital¹



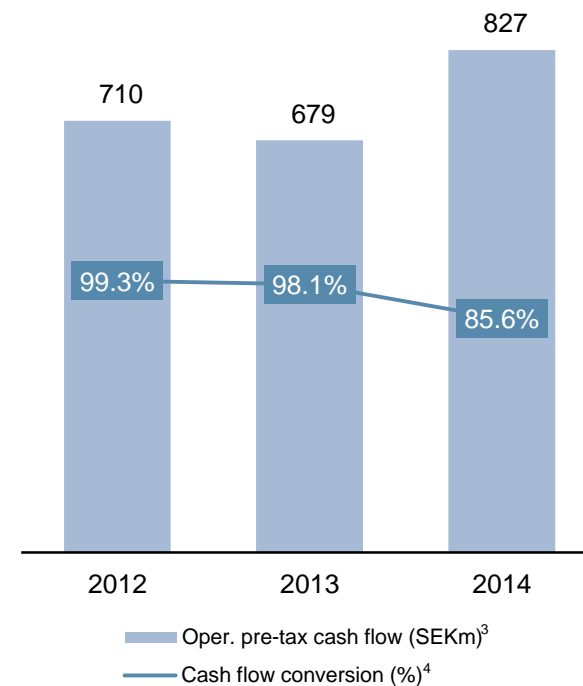
- Focus on working capital through mathematical depreciation of inventory and receivables

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

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) Core net working capital defined as the sum of inventory and accounts receivable less accounts payable
 2) Refers to investments in and depreciation of tangible fixed assets
 3) Operating pre-tax cash flow defined as EBITDA – change in NWC (according to cash flow statement) – investments in tangible fixed assets
 4) 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 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

MANAGEMENT AND CHAIRMAN



Fredrik Karlsson

CEO

Born: 1962

Education

- MSc in Engineering Physics (KTH Teknisk Fysik)
- MSc in Business Administration (HHS i Stockholm)

Experience

- Management Consultant at BCG 1988-1992
- President of Mercatura GmbH 1993-1998
- CEO of Lifco since 1998



Per Waldemarson

President Dental

Born: 1977

Education

- MSc in Business Administration (HHS i Stockholm)

Experience

- Management Consultant at Bain & Co 2002-2006
- MD of Brokk 2006-2009
- President of the Dental business area since 2009



Therése Hoffman

CFO

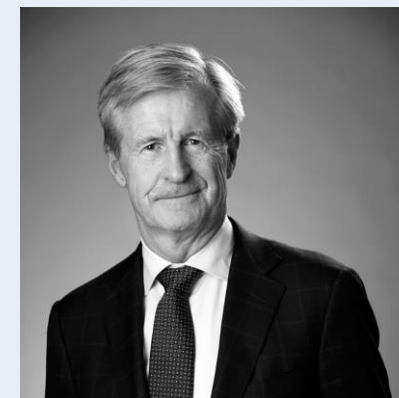
Born: 1971

Education

- International Marketing (Mälardalens Högskola)

Experience

- CFO Nordenta 2007-2011
- CFO of Lifco since 2011



Carl Bennet

Chairman

Born: 1951

Other assignments

- Chairman and main owner of Getinge
- Chairman and main owner of Elanders
- Member of the Board of Holmen
- Member of the Board of LE Lundbergföretagen

GROWTH OR PROFIT?

PROFIT GROWTH!

LIFCO