

LIFCO

INTERIM REPORT JANUARY-JUNE 2015

JULY 16, 2015

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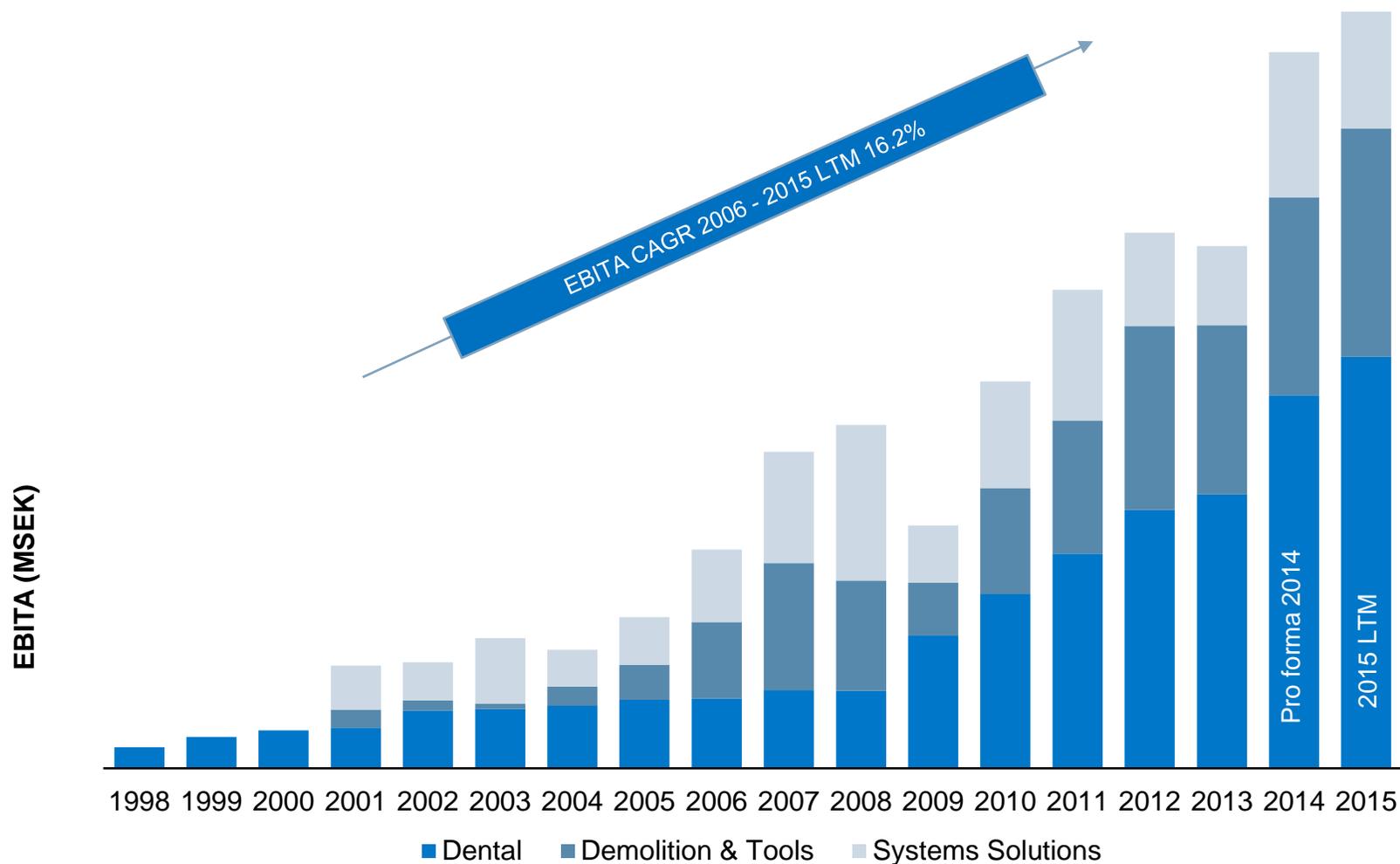
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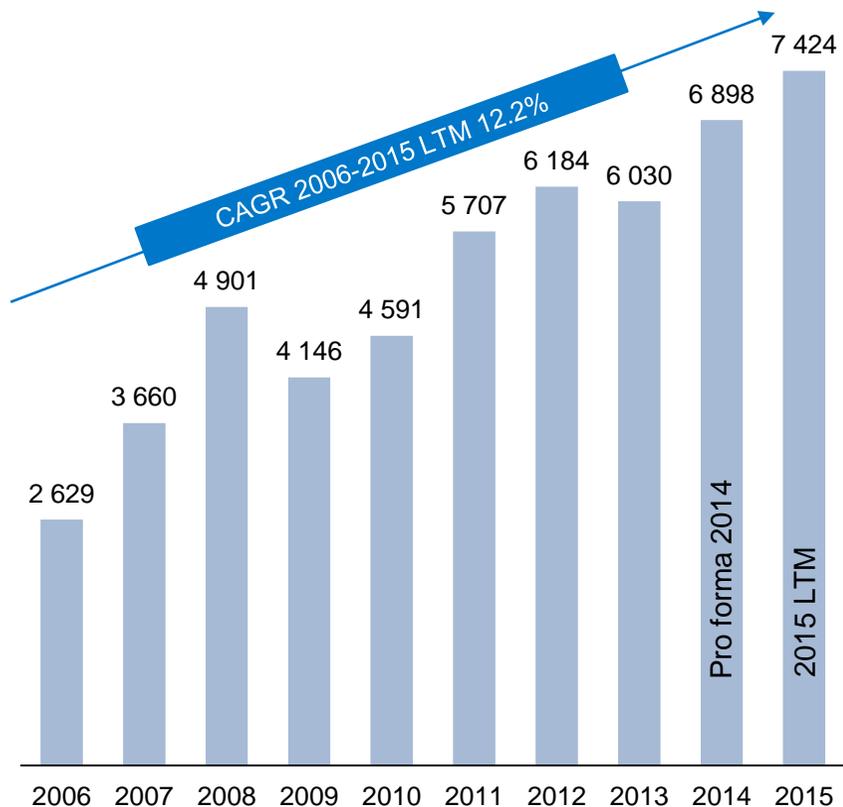
ONE TARGET: TO INCREASE PROFITS EVERY YEAR



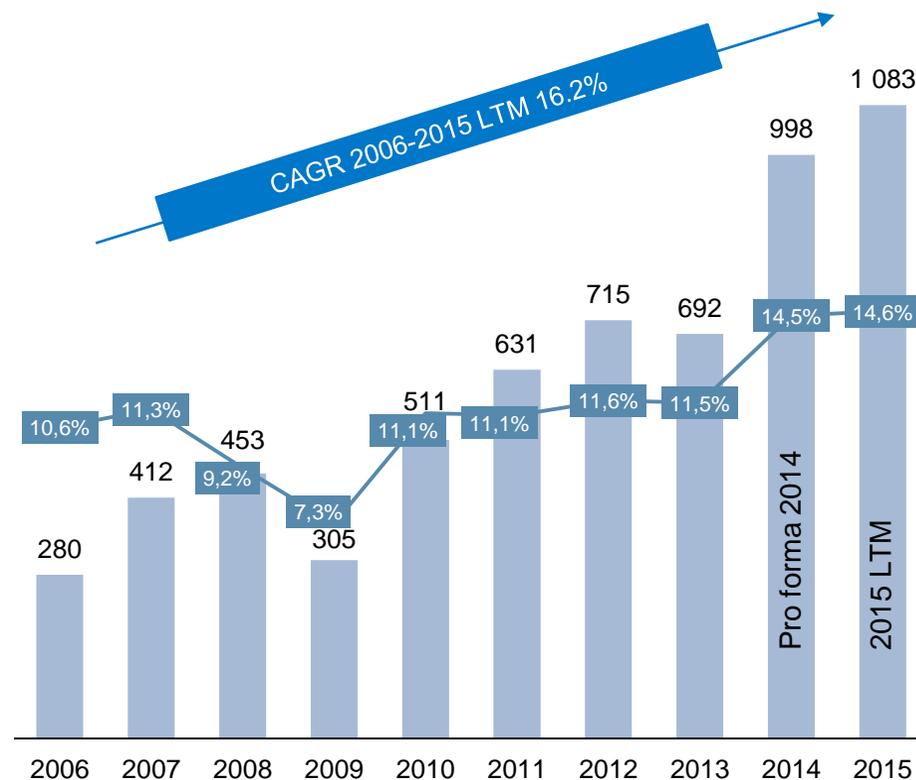
Note: IFRS accounting since 2012, prior years Swedish GAAP. Pro forma includes acquired MDH full year 2014. .

LIFCO GROUP FINANCIAL OVERVIEW

Sales (MSEK) development



EBITA (MSEK) and EBITA margin (%) development



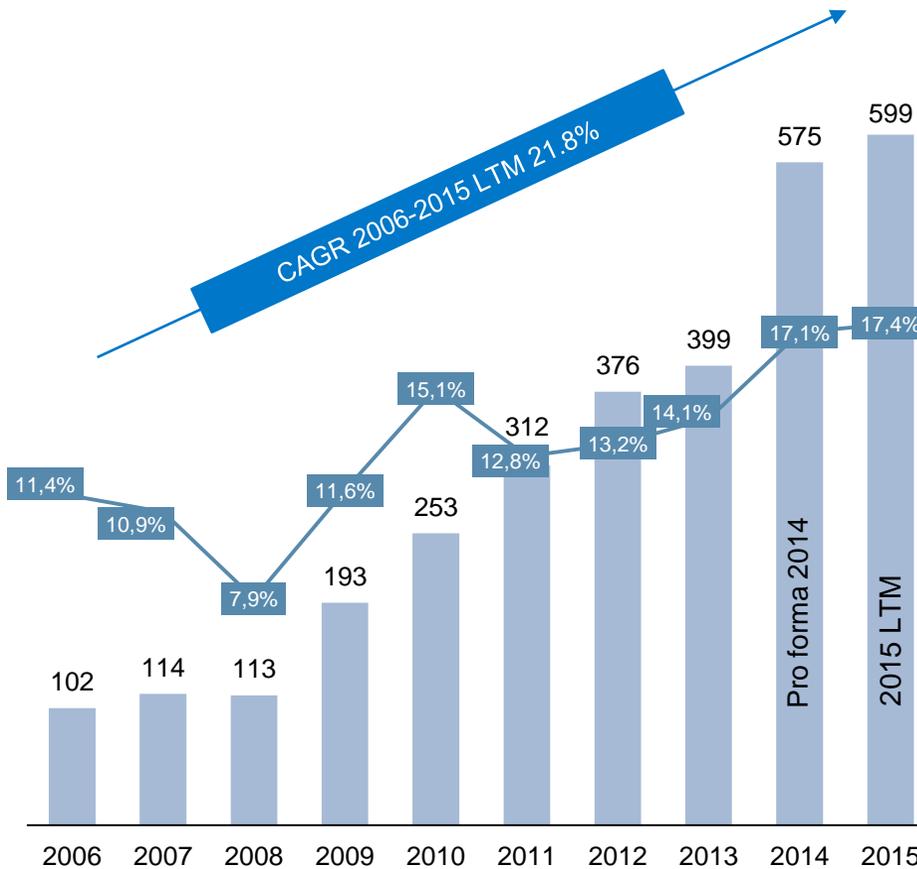
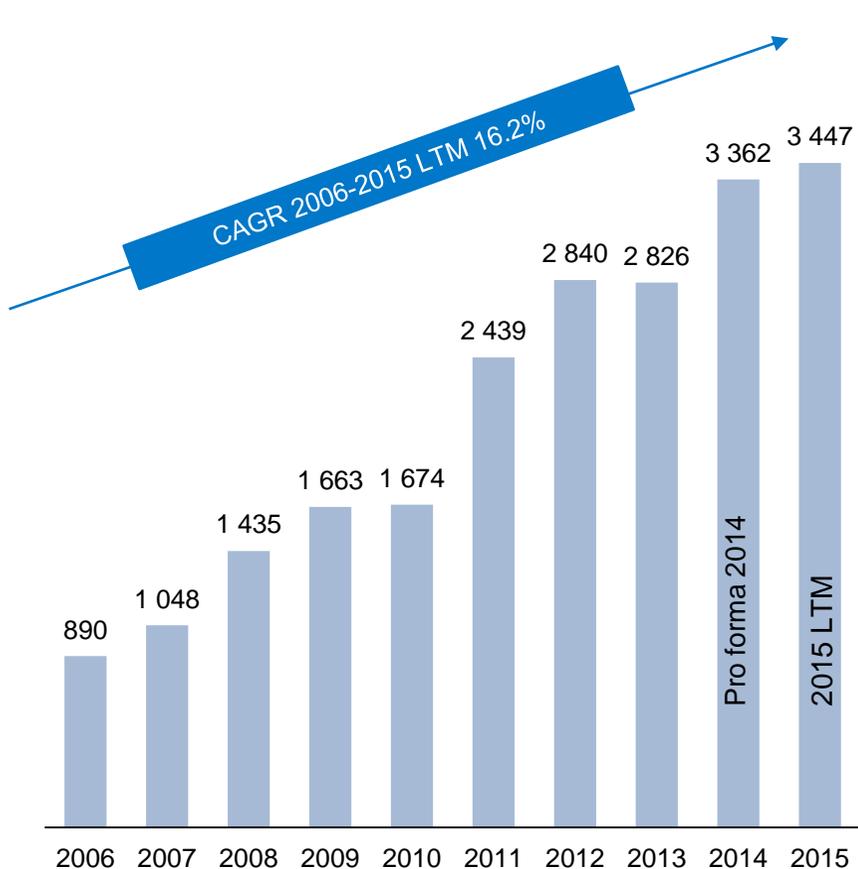
Note: IFRS accounting since 2012, prior years Swedish GAAP. Pro forma 2014 includes acquired MDH full year 2014..

DENTAL FINANCIAL OVERVIEW



Sales (MSEK) development

EBITA (MSEK) and EBITA margin (%) development

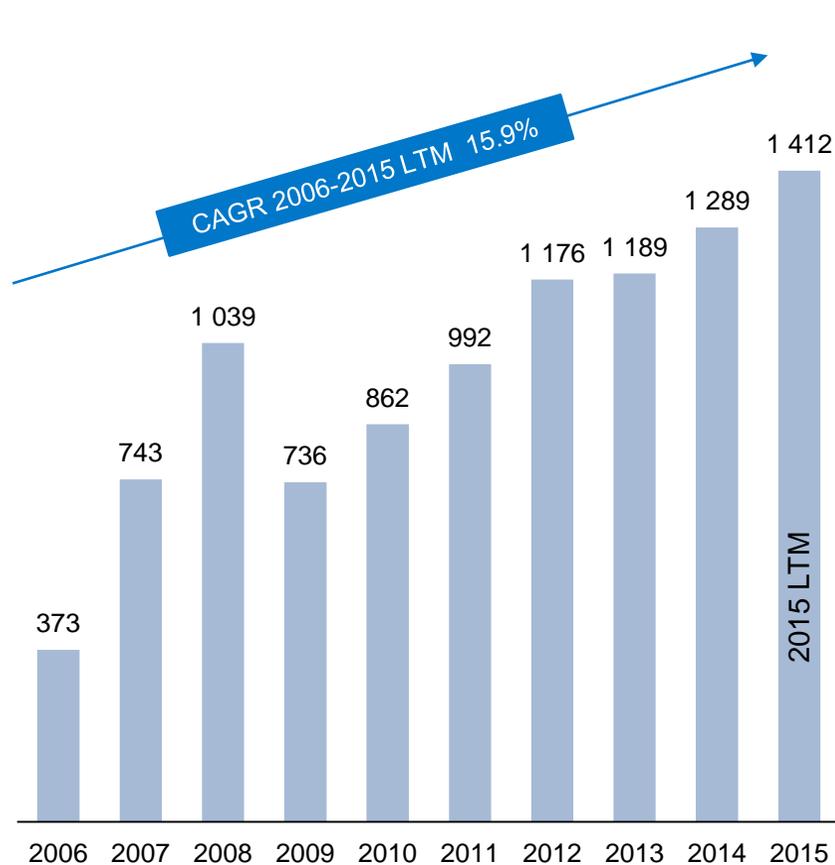


Note: IFRS accounting since 2012, prior years Swedish GAAP. Pro forma 2014 includes acquired MDH full year 2014.

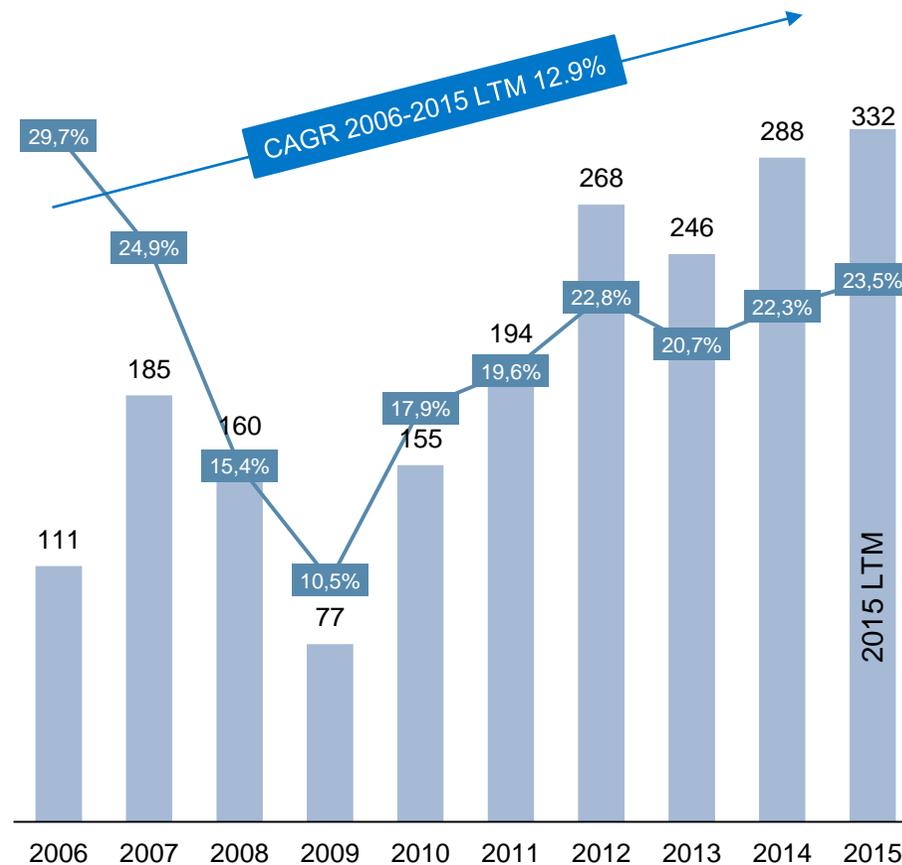
DEMOLITION & TOOLS FINANCIAL OVERVIEW



Sales (MSEK) development



EBITA (MSEK) and EBITA margin (%) development

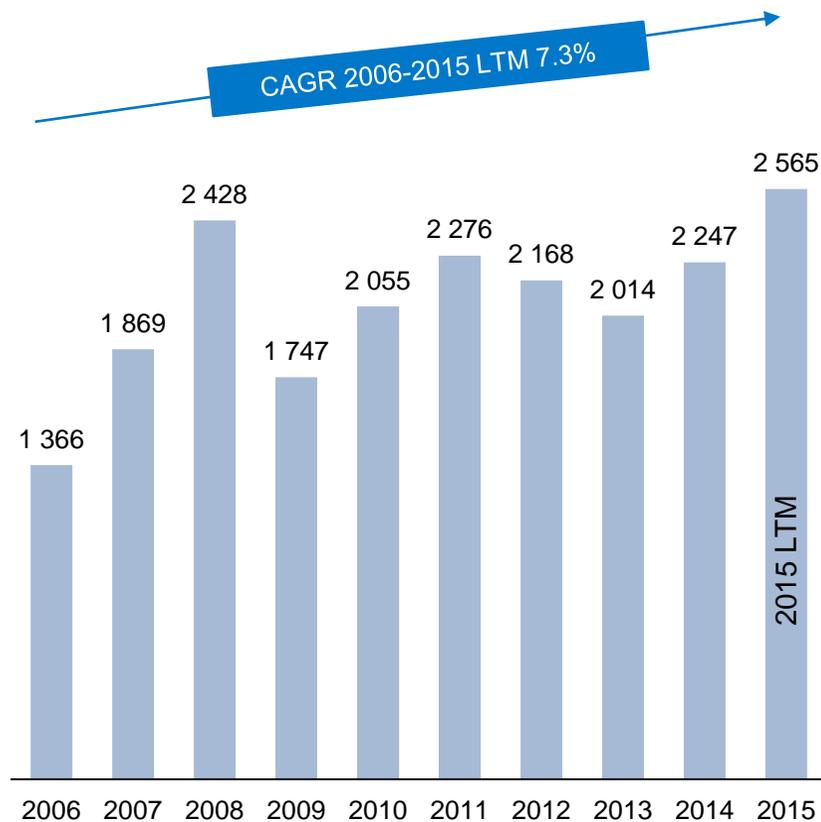


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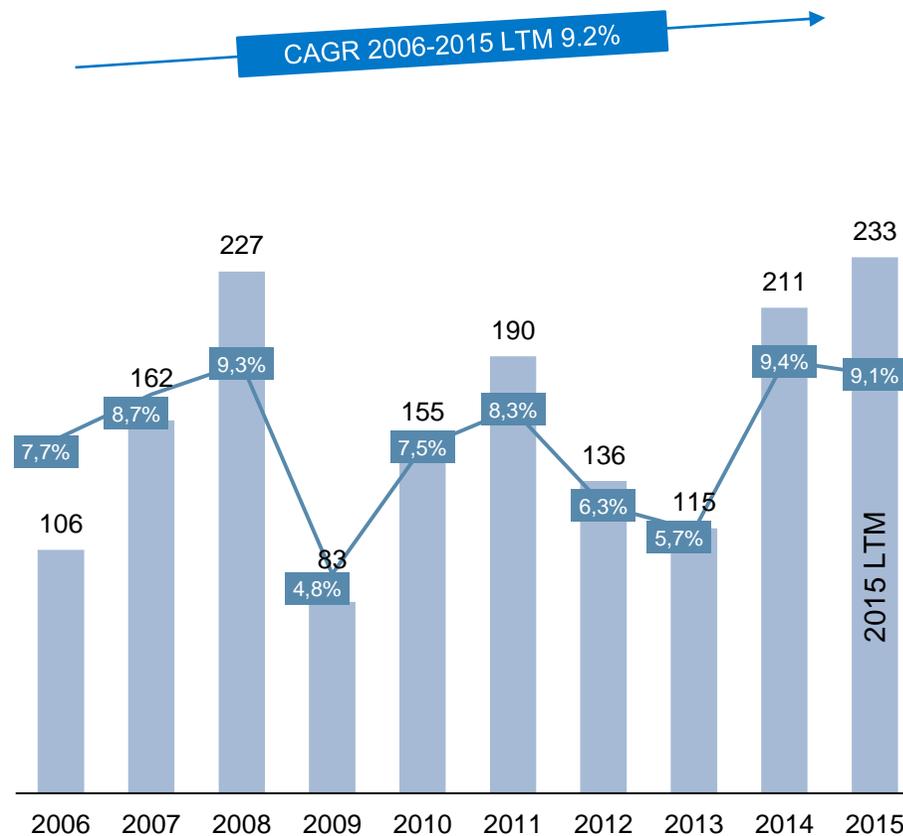
SYSTEMS SOLUTIONS FINANCIAL OVERVIEW



Sales (MSEK) development



EBITA (MSEK) and EBITA margin (%) development



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

FINANCIALS 2014, Q2 AND JAN-JUN 2015

GROUP	FY 2014	FY 2013	Change	Q2 2015	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change
Net sales, MSEK	6,802	6,030	12.8%	2,122	1,710	24.1%	3,870	3,248	19.1%
EBITA, MSEK	966	692	39.6%	341	252	35.4%	583	465	25.2%
EBITA margin	14.2%	11.5%	2.7	16.1%	14.7%	1.4	15.1%	14.3%	0.8

DENTAL	FY 2014	FY 2013	Change	Q2 2015	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change
Net sales, MSEK	3,266	2,826	15.6%	869	828	5.0%	1,763	1,582	11.4%
EBITA, MSEK	543	399	36.3%	153	147	3.9%	322	267	20.8%
EBITA margin	16.6%	14.1%	2.5	17.6%	17.8%	-0.2	18.3%	16.9%	1.4

DEMOLITION & TOOLS	FY 2014	FY 2013	Change	Q2 2015	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change
Net sales, MSEK	1,289	1,189	8.4%	430	328	31.1%	760	637	19.3%
EBITA, MSEK	288	246	16.9%	117	68	72.9%	184	139	32.1%
EBITA margin	22.3%	20.7%	1.6	27.3%	20.7%	6.6	24.2%	21.8%	2.4

SYSTEMS SOLUTIONS	FY 2014	FY 2013	Change	Q2 2015	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change
Net sales, MSEK	2,247	2,014	11.5%	823	554	48.5%	1,348	1,029	30.9%
EBITA, MSEK	211	115	82.9%	92	55	66.7%	119	96	23.4%
EBITA margin	9.4%	5.7%	3.7	11.2%	9.9%	1.3	8.8%	9.4%	-0.6

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
- ROCE excluding goodwill and other intangible assets 116.2% (105.4% Dec 31, 2014) – target >50%
- Net debt/EBITDA 2.0x (target 2-3x)

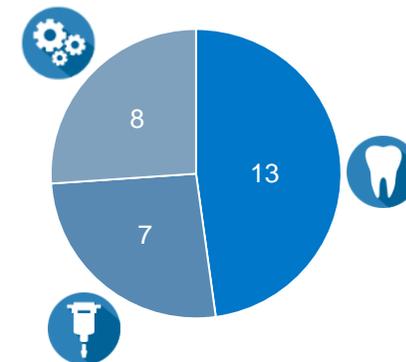
Balance sheet

MSEK	2013	2014	June 30, 2015
Intangible fixed assets	3 047	4 677	4 961
Tangible fixed assets	342	386	418
Financial assets	46	54	59
Inventory	758	823	999
Accounts receivable	671	770	930
Other receivable	163	188	310
Cash and cash equivalents	442	536	537
Total assets	5 468	7 434	8 214
Shareholders' equity	2 382	3 473	3 576
Interest-bearing liabilities	1 939	2 627	2 956
Other liabilities and provisions	54	284	313
Accounts payable	313	344	422
Other short-term liabilities	779	706	947
Total equity and liabilities	5 468	7 434	8 214
Net debt	1 420	2 013	2 389
Net debt/EBITDA	1,9x	1,9x	2,0x
Capital employed excl. goodwill and other intang. assets	833	887	995
ROCE excl. goodwill and other intangible assets	73,0%	105,4%	116,2%
Capital employed incl. goodwill and other intang. assets	3 880	5 564	5 955
ROCE incl. goodwill and other intangible assets	17,4%	18,8%	18,9%

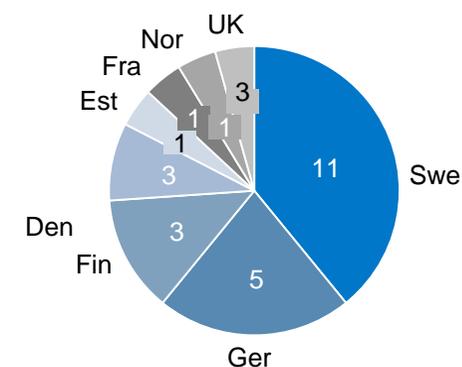
OVERVIEW OF ACQUISITIONS

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
	J.H. Orsing AB	Dental products	Dental	Sweden	MSEK 20

Segment split - # of acquisitions

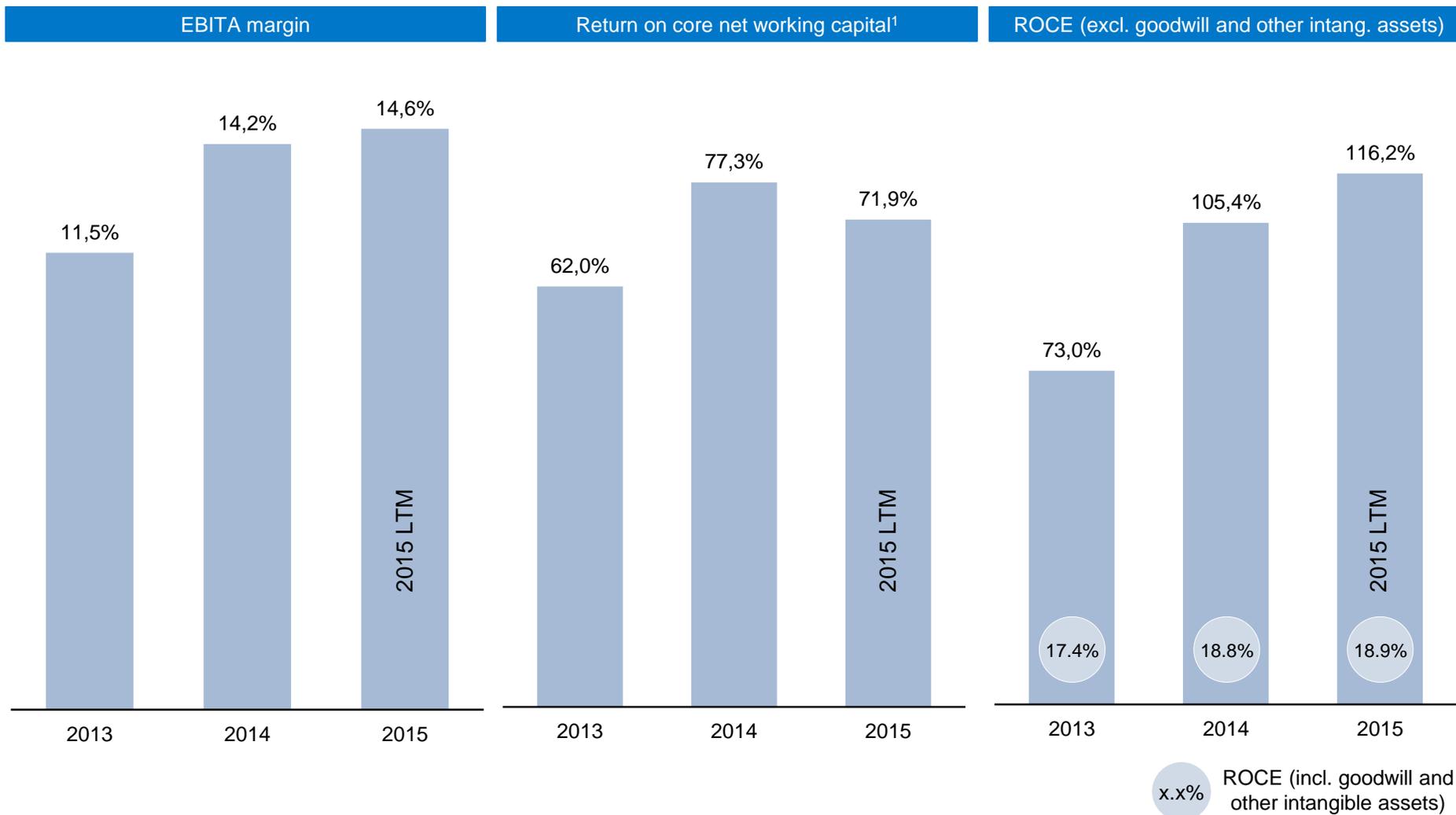


Country split - # of acquisitions



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

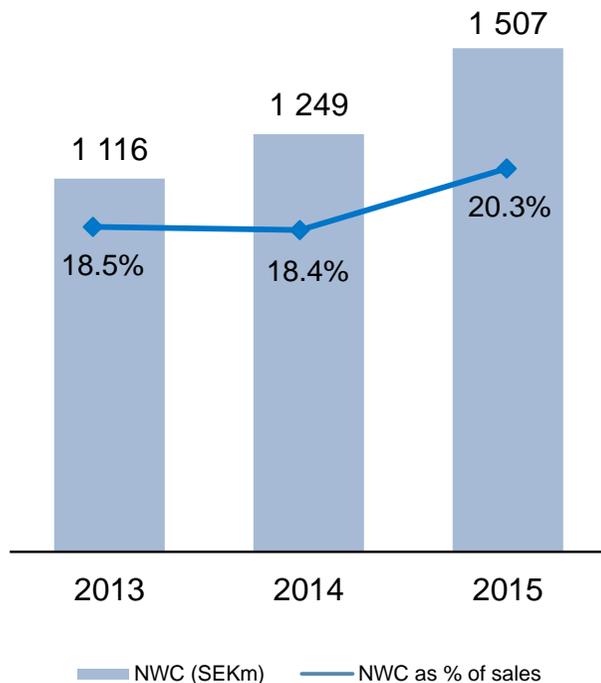
MAINTAINED FOCUS ON CAPITAL EMPLOYED



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

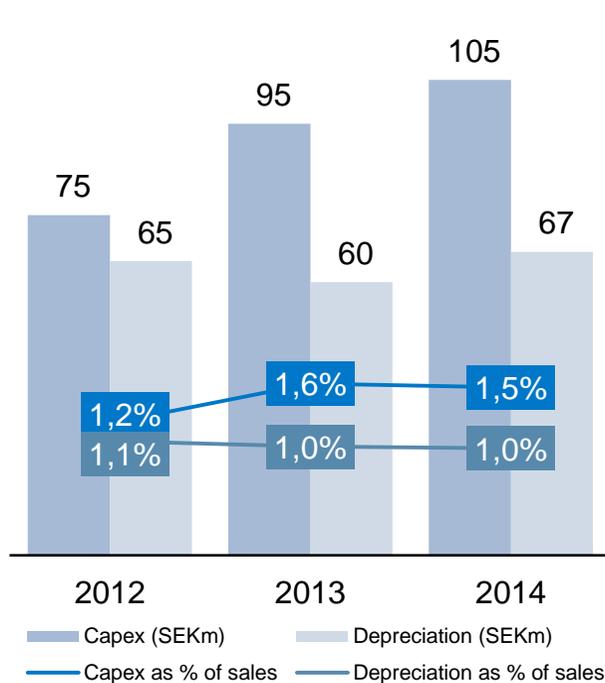
STRONG CASH FLOW GENERATION

Core net working capital¹



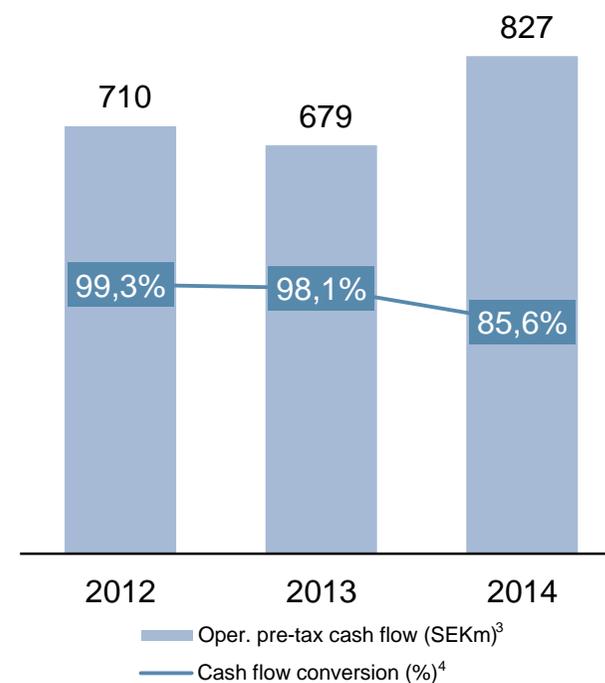
- Focus on working capital through mathematical depreciation of inventory and receivables

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

GROWTH OR PROFIT?

PROFIT GROWTH!

LIFCO