

## YEAR-END REPORT 2015

### Reporting period January – December

- Net sales increased by 16.2% to MSEK 7,901 (6,802). Organically, net sales grew by 5.7%
- EBITA increased by 22.8% to MSEK 1,186 (966)
- EBITA margin increased to 15.0% (14.2%)
- Profit before tax grew by 41.7% to MSEK 1,082 (763)
- Net profit increased by 44.7% to MSEK 825 (570)
- Earnings per share increased by 44.4% to SEK 8.91 (6.17)
- A dividend per share of SEK 3.00 (2.60) is proposed, corresponding to a total of MSEK 272.5 (236.2)

### Reporting period October - December

- Net sales increased by 11.6% to MSEK 2,121 (1,901). Organically, net sales grew by 4.2%
- EBITA increased by 18.0% to MSEK 323 (273)
- EBITA margin increased to 15.2% (14.4%)
- Profit before tax grew by 89.4% to MSEK 288 (152)
- Net profit increased by 113% to MSEK 238 (111)
- Four acquisitions were announced: the dental companies Preventum Partner and Smilodent, endodontic products and Auto-Maskin, which makes marine diesel engine control units
- After the end of the quarter four acquisitions have been announced: the operations of the environmental technology company Redoma Recycling and Dens Esthetix which offers dental prosthetics, a majority interest in the construction materials company Cenika as well as the dental company Praezimed

### Summary of financial performance

MSEK	TWELVE MONTHS			FOURTH QUARTER		
	2015	2014	change	2015	2014	change
Net sales	7,901	6,802	16.2%	2,121	1,901	11.6%
EBITA	1,186	966	22.8%	323	273	18.0%
EBITA margin	15.0%	14.2%	0.8	15.2%	14.4%	0.8
Profit before tax	1,082	763	41.7%	288	152	89.4%
Net profit	825	570	44.7%	238	111	113%
Earnings per share <sup>1</sup>	8.91	6.17	44.4%	2.58	1.20	115%
Return on capital employed <sup>2</sup>	19.9%	18.8%	1.1	19.9%	18.8%	1.1
Return on capital employed, excl. goodwill <sup>3</sup>	123%	105%	18.0	123%	105%	18.0

<sup>1</sup> Attributable to shareholders in the Parent Company

<sup>2</sup> Rolling twelve months

<sup>3</sup> Rolling twelve months

## COMMENTS FROM THE CEO

Sales increased by 16.2% to MSEK 7,901 (6,802) during 2015, driven by sales growth in all three business areas. Sales were positively impacted by organic growth, as well as by acquisitions and changes in exchange rates. Organic growth was particularly strong in the Demolition & Tools and Systems Solutions business areas. The market situation was generally good for all business areas.

EBITA increased by 22.8% to MSEK 1,186 (966) during 2015 and the EBITA margin grew by 0.8 percentage points over the same period to 15.0% (14.2%). Earnings per share increased by 44.4% during the year and amounted to SEK 8.91 (6.17). In 2014, the Group's financial performance was affected by IPO-related costs totalling MSEK 110.

The Dental business area exhibited stable development in terms of both sales and profitability in 2015. Profitability in Demolition & Tools and Systems Solutions increased significantly during the period April-December following a weak first quarter.

Cash flow was strong in 2015. Net interest-bearing liabilities decreased by MSEK 63 to SEK 1,950 (2,013) million, in spite of Lifco's acquisitions of businesses at a cost of MSEK 573 and total dividends of MSEK 252. This meant that Lifco, at year-end, had the capacity to undertake further acquisitions at a cost of MSEK 3 000 without net debt surpassing three times EBITDA.

During 2015, we announced nine acquisitions: five within Dental, one within Demolition & Tools and three within Systems Solutions and we are delivering on our strategy of investing in market-leading niche businesses with the potential to deliver sustainable profit growth and robust cash flows.

Following the closing of the quarter, we have announced four acquisitions. We have bought the operations in the Swedish environmental technology company Redoma Recycling and the German Dens Esthetix which provides dental prosthetics. We also announced the acquisition of the German dental company Praezimed as well as a majority interest in the Norwegian company Cenika, a leading supplier of low voltage electrical equipment. Cenika has been consolidated in the Relining division, which has subsequently changed its name to Construction Materials.



Fredrik Karlsson  
CEO

## DEVELOPMENT OF THE GROUP JANUARY – DECEMBER

Sales increased by 16.2% to MSEK 7,901 (6,802), driven mainly by organic growth and acquisitions. Acquisitions accounted for 7.3%, organic growth 5.7% and changes in exchange rates 3.2%. Organic growth was strong in all three business areas.

The acquisitions refer to the German dental company MDH, which was consolidated on 1 April 2014 and thus affected the comparative figures for the first quarter. In the first quarter of 2015 four acquisitions were made, which had an impact on sales and profit in the period April – December. The acquisitions made during the second half of the year have not had any significant impact on the Group's sales or profit.

EBITA increased by 22.8% to MSEK 1,186 (966) and the EBITA margin was 15.0% (14.2%). EBITA was positively impacted by organic growth, as well as by acquisitions and changes in exchange rates. Changes in exchange rates accounted for 3.0% of the improvement in EBITA. 47% of EBITA for the year was generated in EUR, 29% in SEK, 6% in DKK, 5% in NOK, 4% in GBP, 3% in USD and 6% in other currencies.

Net financial items were MSEK -25 (-43), with the main positive impact coming from lower interest expenses.

Profit before tax increased by 41.7% to MSEK 1,082 (763). Profit for the year was negatively impacted by items related to acquisition costs amounting to MSEK 13. In 2014, the Group's financial performance was affected by IPO-related costs totalling MSEK 110. Net profit increased by 44.7% to MSEK 825 (570).

Average capital employed excluding goodwill increased by just over MSEK 50 from 31 December 2014 to MSEK 966 (916). EBITA in relation to average capital employed excluding goodwill was 123% (105%) at year-end. The improvement was due chiefly to a higher profit and good control of capital employed.

The Group's net interest-bearing debt decreased by MSEK 63 during the year to MSEK 1,950. The net debt/equity ratio was 0.5 (0.6) at year-end. On 1 April, Lifco issued two bond loans totalling MSEK 1,050, each with a tenor of three years. The loans are listed on Nasdaq Stockholm.

Cash flow from operating activities improved to MSEK 948 (586) compared with 2014. The higher cash flow was primarily due to improved profit. Cash flow from investing activities was MSEK -664 (-1,361), which is mainly attributable to acquisitions. Cash flow was also affected by the dividends in the amount of MSEK 252 (109).

## DEVELOPMENT OF THE GROUP IN THE FOURTH QUARTER

Net sales for the quarter increased by 11.6% to SEK 2,121 (1,901), driven mainly by acquisitions, which contributed 6.1%, and organic growth, which added 4.2%. Changes in exchange rates added 1.3% to sales. The acquisitions undertaken in the first quarter and organic growth both contributed to the strong performance of the Demolition & Tools and Systems Solutions business areas.

EBITA increased by 18.0% to MSEK 323 (273) and the EBITA margin rose by 0.8 percentage points to 15.2% (14.4%). All three business areas exhibited two-figure EBITA growth. Exchange rate changes also contributed to the improvement in EBITA for the period, adding 2.8%. Of the quarter's EBITA of MSEK 323, 49% was generated in EUR and DKK.

Net financial items were MSEK -11 (-12).

Profit before tax increased by 89.4% to MSEK 288 (152). The comparison is compromised somewhat by the fact that the Group's financial performance in the fourth quarter of 2014 was affected by IPO-related costs totalling MSEK 96. Net profit increased by 113% to MSEK 238 (111).

Average capital employed excluding goodwill at year-end saw, essentially, no change compared with 30 September 2015, amounting to MSEK 966 (964). EBITA in relation to average capital employed excluding goodwill was 123% at year-end, compared with 118% on 30 September 2015. The improvement was due chiefly to a higher profit and good control of capital employed.

The Group's net interest-bearing debt decreased by MSEK 288 between 30 September 2015 and year-end, to MSEK 1,950. The net debt/equity ratio was 0.5 at the end of the quarter, which was an improvement of 0.1 percentage point from 30 September. At the end of the period, 75% of the Group's interest-bearing liabilities were denominated in EUR.

Cash flow from operating activities during the quarter increased tremendously compared with the same period during the previous year to MSEK 338 (116). Cash flow from investing activities totalled MSEK -94 (-28). The change is mainly attributable to the acquisitions undertaken in the fourth quarter.

## FINANCIAL PERFORMANCE – BUSINESS AREAS

### Dental

MSEK	TWELVE MONTHS			FOURTH QUARTER		
	2015	2014	change	2015	2014	change
Net sales	3,435	3,266	5.2%	922	918	0.4%
EBITA	614	543	13.0%	165	149	10.3%
EBITA margin	17.9%	16.6%	1.3	17.9%	16.3%	1.6

The companies in the Dental business area are leading suppliers of consumables, equipment and technical services for dentists across Europe. Lifco sells dental technology to dentists in the Nordic countries and Germany, and develops and sells medical record systems in Denmark and Sweden. A number of small manufacturing companies are also included in the business area, which produce such items as disinfectant fluids and saliva ejectors.

Dental's sales increased by 5.2% to MSEK 3,435 (3,266) in 2015, boosted by the acquisition of MDH of Germany, which was consolidated as of 1 April 2014, and the acquisitions of Top Dental, J.H. Orsing, Smilodent and Preventum Partner in 2015. As of the second quarter of this year, the MDH acquisition thus no longer affects comparisons. Sales growth remained stable in all regions during the year. In the fourth quarter, sales increased by 0.4% compared with the corresponding period in the previous year, to MSEK 922. Sales were negatively impacted by the sale of NETdental in June 2015.

EBITA improved by 13.0 % to MSEK 614 (543) in 2015 and the EBITA margin increased to 17.9% (16.6%) in the same period, with the acquisition of MDH positively impacting these figures. EBITA increased by 10.3% compared with the same quarter during the previous year, while the EBITA margin increased from 16.3% to 17.9%.

The dental market is generally stable. The results for individual companies in Lifco's Dental business may, in any individual quarter, be influenced by significant fluctuations in exchange rates, calendar effects (such as Easter), won or lost consumables contracts in procurements for the public sector or major private sector customers, as well as fluctuations in the delivery of equipment. No individual events took place during the year that had any substantial impact on the financial performance of the Dental group as a whole.

Lifco announced three acquisitions within Dental during the fourth quarter. Smilodent was acquired which imports dental technology work which is sold to dentists in Germany. The company had sales of approximately MEUR 4.8 in 2014 and has around 20 employees. Preventum Partner was also bought and provides accountancy services and quality assurance systems to dentists in Sweden. Preventum had sales of approximately MSEK 10 in 2014 and has around 10 employees. Nordiska Dental's endodontic products, accounting for sales of around MSEK 10, were also acquired. The most significant trademark, Calasept, is a product used by dentists in the cleaning of root canals. The

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products are offered for sale primarily in Europe, Russia and the USA. The endodontic products were consolidated as of January 2016. Both Smilodent and Preventum Partner were consolidated as of November 2015.

After the end of the quarter, the acquisitions of the operation of Dens Esthetix which provides dental prosthetics and the dental company Praezimed have been announced. Both operations are based in Germany. Dens Esthetix had net sales of approximately 1.4 MEUR in 2015. Praezimed is servicing and repairing dental instruments used by dentists and dental laboratories. Praezimed had net sales of approximately 2.5 MEUR in 2015 and has around 15 employees.

## Demolition & Tools

MSEK	TWELVE MONTHS			FOURTH QUARTER		
	2015	2014	change	2015	2014	change
Net sales	1,574	1,289	22.1%	436	354	22.8%
EBITA	396	288	37.5%	123	92	33.6%
EBITA margin	25.1%	22.3%	2.8	28.2%	25.9%	2.3

Demolition & Tools develops, manufactures and sells equipment for the construction and demolition industry. Lifco is the world's leading supplier of demolition robots and crane attachments. The Company is also one of the leading global suppliers of excavator attachments. The operations are divided into two divisions – Demolition Robots and Crane & Excavator Attachments – which are of roughly equal size in terms of sales.

Sales increased by 22.1% to MSEK 1,574 (1,289). The market situation was generally good and sales increased in the majority of markets. The UK experienced the most substantial growth among the major markets.

EBITA increased by 37.5% compared with the previous year, to MSEK 396 (288). The EBITA margin improved by 2.8 percentage points, to 25.1% (22.3%). EBITA in the fourth quarter was MSEK 123 (92) and the EBITA margin was 28.2% (25.9%). Lifco works continuously to improve its product portfolios, strengthen its distribution systems and improve productivity in the Group's companies. The impact of such measures on profit will fluctuate from one quarter to the next, however.

The British company Auger Torque, whose products include earth drills, was acquired during the first quarter of 2015 and was consolidated as of March. Auger Torque introduced a new product segment to the Crane & Excavator Attachments division, as well as access to additional distribution channels, most significantly in the UK, Australia, the USA and China.

MSEK	TWELVE MONTHS			FOURTH QUARTER		
	2015	2014	change	2015	2014	change
Net sales	2,892	2,247	28.7%	763	628	21.6%
EBITA	263	211	25.0%	59	54	10.2%
EBITA margin	9.1%	9.4%	-0.3	7.7%	8.5%	-0.8

Through its operating entities, Systems Solutions is active in industries offering systems solutions. Systems Solutions is divided into five divisions: Interiors for Service Vehicles, Contract Manufacturing, Environmental Technology, Sawmill Equipment, and Relining (renovation of sewage pipes). The divisions are leading players in their geographic markets. Following the acquisition of Cenika in January 2016, Relining has changed its name to Construction Materials.

Sales in Systems Solutions increased by 28.7% to MSEK 2,892 (2,247) during the year. All divisions, with the exception of Construction Materials, saw increased sales in 2015. In the fourth quarter, sales increased by 21.6% compared with the corresponding period in the previous year.

EBITA increased by 25.0% during 2015 compared with the previous year, to MSEK 263 (211). Profit within all divisions, with the exceptions of Contract Manufacturing and Construction Materials, was either improved or unchanged during the period. EBITA increased by 10.2% during the quarter compared with the corresponding period in the previous year. The EBITA margin for the year was 9.1% (9.4%). Lifco works continuously to improve its product portfolios, strengthen its distribution systems and improve productivity in the Group's companies. The impact of such measures on profit will fluctuate from one quarter to the next, however.

Interiors for Service Vehicles grew both in terms of sales and profitability during 2015 thanks to increased sales activities and an improved product range. The EBITA margin is not yet completely satisfactory, however. In the first quarter of 2015, Lifco acquired Sanistål's Danish car interior business, making Lifco the leading supplier of interiors for service vehicles in the Danish market. Sanistål was consolidated as of February 2015.

Contract Manufacturing had a weak start and end to the year, which resulted in a somewhat lower profit level, but the market situation remained stable. The division's customers include world-leading manufacturers of equipment for the pharmaceutical industry as well as manufacturers of railway equipment, which require a high standard of quality as regards delivery flexibility and documentation. The acquisition of Norwegian Auto-Maskin, a supplier of marine diesel engine control units, was announced at the end of December. Auto-Maskin was consolidated as of January 2016.

Environmental Technology had a good 2015, driven mainly by the acquisition of Rapid Granulator, a leading global supplier of granulators for plastic production waste. Rapid Granulator was consolidated as of March 2015. Following the closing of the quarter, Lifco has announced the acquisition of the operations in Redoma Recycling. Redoma Recycling is a Swedish company

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specialising in the development and manufacture of recycling machinery for small and medium-sized cables. Redoma Recycling's sales amounted to approximately MSEK 25 in 2015. The operations were consolidated as of January 2016.

Sawmill Equipment achieved good sales growth in 2015. However, one of the division's ongoing projects was hit by cost increases, which had a negative impact on profit. Despite this, the division achieved strong profit growth during the year. Sales of pellet systems were particularly strong and the division has attained a leading position in the Nordic, Baltic and Russian markets.

Construction Materials' (formerly Relining) development remained unsatisfactory in 2015 due to lower margins and weak productivity in certain projects. Sales remained stable, however. Following the closing of the quarter, Lifco has signed an agreement to acquire the majority of the Norwegian company Cenika, a leading supplier of low voltage electrical equipment. Cenika's sales amounted to approximately MNOK 160 in 2015. Cenika will be consolidated as of February 2016.

## ACQUISITIONS AND SALES 2015

Lifco has announced the following acquisitions and sales during the year:

Consolidated as of	Acquisitions	Business area	Sales	Employees
February 2015	Sanistål's Danish car interior business	Systems Solutions	MDKK 25	11
March 2015	Auger Torque	Demolition & Tools	MGBP 10	114
	Rapid Granulator	Systems Solutions	MSEK 300	139
April 2015	Top Dental	Dental	MGBP 3.4	25
August 2015	J.H. Orsing	Dental	MSEK 20	9
November 2015	Preventum Partner	Dental	MSEK 10	10
	Smilodent	Dental	MEUR 4.8	20
January 2016	Auto-Maskin	Systems Solutions	MNOK 130	65
January 2016	Endodontic products	Dental	MSEK 10	-
Consolidated until	Sales	Previous business area	Sales	Employees
June 2015	All shares in NETdental. Lifco owned 65% of the shares.	Dental	MSEK 140	13

Further information on the acquisitions is provided on page 17 of the interim report. The figures presented for sales and number of employees refer to the estimated annual sales and the number of employees at the acquisition date.

## OTHER FINANCIAL INFORMATION

### Employees

The average number of employees in 2015 was 3,369 (3,013). At the end of the period, there were 3,386 (3,009) employees. During the year, around 330 employees were gained through acquisitions.

### Events after the end of the reporting period

Date of announcement	Acquisitions	Business area	Sales	Employees
7 January	Redoma Recycling	Systems Solutions	MSEK 25	8
22 January	Cenika	Systems Solutions	MNOK 160	30
1 February	Dens Esthetix	Dental	MEUR 1.4	14
10 February	Praezimed	Dental	MEUR 2.5	15

None of the aforementioned acquisitions are expected to have any material impact on Lifco's profit or financial position during the current year.

### Proposed dividend

The Board of Directors and CEO propose that the annual general meeting approve a dividend of SEK 3.00 per share for 2016, amounting to a total of MSEK 272.5. This represents 34% of net profit which is in line with Lifco's dividend policy. The proposed record day is Monday, 16 May 2016. Euroclear expects to distribute the dividend to the shareholders on Thursday, 19 May 2016, pending the annual general meeting's approval.

### Related-party transactions

No significant transactions with related parties took place during the period.

### Risks and uncertainties

The risk factors of the greatest significance to Lifco are the competitive landscape, structural changes in the market and the general economic development. Lifco is also exposed to financial risks such as currency risk, interest rate risk, credit risk and counterparty risk.

The Parent Company is affected by the aforementioned risks and uncertainties through its function as owner of the subsidiaries.

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## Accounting principles

The Lifco Group applies International Financial Reporting Standards (IFRS), as adopted by the EU. The applied accounting principles are consistent with those described in Lifco's annual report for 2014, which is available at [www.lifco.se](http://www.lifco.se). This Year-End Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Annual Accounts Act and RFR 2, Accounting for legal entities. The application of RFR 2 implies that the Parent Company, in the Year-End Report for the legal entity, applies all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation. No new IFRS standards or IFRIC statements have been adopted by the EU which are applicable to Lifco or which have a material impact on the Group's performance or financial position for 2015.

The report has not been reviewed by the Company's auditors.

## BOARD OF DIRECTORS AFFIRMATION

The Board of Directors and Chief Executive Officer certify that the Year-End Report provides a true and fair view of the Parent Company's and Group's operations, financial positions and results and that it describes the significant risks and uncertainties to which the Parent Company and companies included in the Group are exposed.

Enköping, 22 February 2016

*Carl Bennet*  
Chairman of the Board

*Gabriel Danielsson*  
Board Member

*Ulrika Dellby*  
Board Member

*Erik Gabrielson*  
Board Member

*Ulf Grunander*  
Board Member

*Fredrik Karlsson*  
President and CEO, Board  
Member

*Annika Norlund*  
Director, Employee  
Representative

*Johan Stern*  
Deputy Chairman

*Axel Wachtmeister*  
Board Member

*Peter Wiberg*  
Deputy Director,  
Employee Representative

## FINANCIAL CALENDAR

The annual report for 2015 will be published on 8 April 2016.

The report for the first quarter of 2016 will be published on 12 May 2016 at 11:00am.

The Annual General Meeting will be held at 3pm. on 12 May at Bonnierhuset, Torsgatan 21, Stockholm.

The report for the second quarter of 2016 will be published on 15 July 2016.

The report for the third quarter of 2016 will be published on 25 October 2016.

## ANNUAL GENERAL MEETING

The Annual General Meeting of Lifco AB will be held at 3pm. on Thursday 12 May 2016 in Bonnierhuset, Torsgatan 21, Stockholm. Shareholders wishing to add an item to the agenda at the AGM on 12 May 2016 may do so by submitting their proposal to the Chairman of Lifco by email: [ir@lifco.se](mailto:ir@lifco.se) or by post to: Lifco AB, F.A.O: Bolagsstämmeärenden, Verkmästaregatan 1, SE-745 85 Enköping, Sweden. To ensure their inclusion in the notice and thus on the agenda for the AGM, proposals must be received by the Company no later than 11 March 2016.

## NOMINATION COMMITTEE

The Nomination Committee for the annual general meeting 2016 consists of Carl Bennet, Carl Bennet AB, Anna-Karin Celsing, representative for minority shareholders, Per Colleen, AP4, Hans Hedström, Carnegie Fonder, Marianne Nilsson, Robur Swedbank Fonder AB and Adam Nyström, Didner & Gerge fonder. Carl Bennet is Chairman of the Nomination Committee.

Shareholders wishing to present a proposal to the Nomination Committee prior to the annual general meeting 2016 may do so by sending an email to [ir@lifco.se](mailto:ir@lifco.se) or by post to: Lifco, F.A.O: Valberedningen, Verkmästaregatan 1, SE-745 85 Enköping, Sweden.

## FURTHER INFORMATION

Media and investor relations: Åse Lindskog, [ir@lifco.se](mailto:ir@lifco.se), tel: +46 (0) 730 24 48 72

## TELECONFERENCE

Media representatives and analysts are welcome to join a teleconference in which CEO Fredrik Karlsson CFO Therése Hoffman and Head of Business Area Dental Per Waldemarson will present the Year-End Report. The presentation is expected to last approximately 20 minutes, after which there will be the opportunity to ask questions.

Time and date: 3pm. on Monday, 22 February

Link to the presentation:

[http://cloud.magneetto.com/wonderland/2016\\_0222\\_Lifco/view](http://cloud.magneetto.com/wonderland/2016_0222_Lifco/view)

# LIFCO

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## LIFCO IN BRIEF

*Lifco acquires and develops market-leading niche businesses with the potential to deliver sustainable profit growth and robust cash flows. The Group has three business areas: Dental, Demolition & Tools and Systems Solutions. Lifco is guided by a clear philosophy centred on long-term growth, a focus on profitability and a strongly decentralised organisation. The Lifco Group comprises 133 companies in 28 countries. In 2015 the Group reported EBITA of MSEK 1,186 on sales of around BSEK 7.9, with an EBITA margin of 15.0%. Read more at [www.lifco.se](http://www.lifco.se)*

This information has been released at 11:30am. on Monday, 22 February in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act and/or the regulations of Nasdaq Stockholm.

## CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	TWELVE MONTHS			FOURTH QUARTER		
	2015	2014	change	2015	2014	change
Net sales	7,901	6,802	16.2%	2,121	1,901	11.6%
Cost of goods sold	-4,865	-4,249	14.5%	-1,273	-1,177	8.1%
<b>Gross profit</b>	<b>3,036</b>	<b>2,553</b>	<b>18.9%</b>	<b>848</b>	<b>724</b>	<b>17.3%</b>
Selling expenses	-625	-467	33.9%	-176	-138	27.8%
Administrative expenses	-1,205	-1,097	9.9%	-337	-305	10.5%
Development costs	-73	-55	33.8%	-21	-14	54.7%
Non-recurring items	-	-110	-	-	-96	-
Other income and expenses	-26	-18	43.0%	-15	-7	102%
<b>Operating profit/loss</b>	<b>1,107</b>	<b>806</b>	<b>37.3%</b>	<b>299</b>	<b>164</b>	<b>82.4%</b>
Net financial items	-25	-43	-41.2%	-11	-12	-4.9%
<b>Profit before tax</b>	<b>1,082</b>	<b>763</b>	<b>41.7%</b>	<b>288</b>	<b>152</b>	<b>89.4%</b>
Tax	-257	-193	32.8%	-50	-41	24.3%
<b>Net profit</b>	<b>825</b>	<b>570</b>	<b>44.7%</b>	<b>238</b>	<b>111</b>	<b>113%</b>
<b>Profit attributable to:</b>						
Shareholders in the Parent Company	810	560	44.6%	235	109	115%
Non-controlling interests	15	10	54.7%	3	2	22.5%
Earnings per share for the period, attributable to shareholders in the Parent Company	8.91	6.17	44.4%	2.58	1.20	115%
<b>EBITA</b>	<b>1,186</b>	<b>966</b>	<b>22.8%</b>	<b>323</b>	<b>273</b>	<b>18.0%</b>
Depreciation of tangible assets	81	67	22.2%	21	17	29.1%
Amortisation of intangible assets	76	46	63.3%	23	15	50.5%

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	TWELVE MONTHS			FOURTH QUARTER		
	2015	2014	change	2015	2014	change
Net profit	825	570	44.7%	238	111	113%
<b>Other comprehensive income</b>						
<i>Items that can later be reversed in profit or loss:</i>						
Translation differences	-92	131	-170%	-63	69	-191%
<b>Total comprehensive income for the period</b>	<b>733</b>	<b>701</b>	<b>4.6%</b>	<b>175</b>	<b>180</b>	<b>-2.9%</b>
<i>Comprehensive income attributable to:</i>						
Shareholders in the Parent Company	720	689	4.4%	174	177	-2.1%
Non-controlling interests	13	11	18.7%	1	3	-48.3%
	<b>733</b>	<b>701</b>	<b>4.6%</b>	<b>175</b>	<b>180</b>	<b>-2.9%</b>

## SEGMENT OVERVIEW

Lifco's operations are monitored and evaluated by the CEO and resources are allocated based on information from the three operating segments: Dental, Demolition & Tools and Systems Solutions. The defined quantitative limits are exceeded only by Dental and Demolition & Tools. One further operating segment, designated Systems Solutions, is presented. This operating segment consists of a merger of those divisions which have similar economic characteristics and which do not individually meet the defined quantitative limits. These divisions are Interiors for Service Vehicles, Contract Manufacturing, Environmental Technology, Sawmill Equipment and Construction Materials (formerly Relining).

### NET SALES TO EXTERNAL CUSTOMERS

No sales are made between the segments.

MSEK	TWELVE MONTHS			FOURTH QUARTER		
	2015	2014	change	2015	2014	change
Dental	3,435	3,266	5.2%	922	918	0.4%
Demolition & Tools	1,574	1,289	22.1%	436	354	22.8%
Systems Solutions	2,892	2,247	28.7%	763	628	21.6%
<b>Group</b>	<b>7,901</b>	<b>6,802</b>	<b>16.2%</b>	<b>2,121</b>	<b>1,901</b>	<b>11.6%</b>

### EBITA

A breakdown of results by segment is made up to and including EBITA. EBITA is reconciled against profit before tax in accordance with the following table:

MSEK	TWELVE MONTHS			FOURTH QUARTER		
	2015	2014	change	2015	2014	change
Dental	614	543	13.0%	164	149	10.3%
Demolition & Tools	396	288	37.5%	123	92	33.6%
Systems Solutions	263	211	25.0%	59	54	10.2%
Central Group functions	-87	-76	15.3%	-23	-22	12.1%
<b>EBITA</b>	<b>1,186</b>	<b>966</b>	<b>22.8%</b>	<b>323</b>	<b>273</b>	<b>18.0%</b>
Amortisation of intangible assets arising in conjunction with acquisitions	-66	-38	74.1%	-20	-12	54.8%
Restructuring, integration and acquisition costs	-13	-122	-89.1%	-4	-97	-96.2%
Net financial items	-25	-43	-41.2%	-11	-12	-4.9%
<b>Profit before tax</b>	<b>1,082</b>	<b>763</b>	<b>41.7%</b>	<b>288</b>	<b>152</b>	<b>89.4%</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	31 Dec 2015	31 Dec 2014
<b>ASSETS</b>		
Intangible assets	5,010	4,677
Property, plant and equipment	417	386
Financial assets	87	54
Inventories	960	823
Accounts receivable – trade	863	770
Current receivables	257	188
Cash and cash equivalents	464	536
<b>TOTAL ASSETS</b>	<b>8,058</b>	<b>7,435</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	3,964	3,473
Non-current interest-bearing liabilities incl. pension provisions	1,103	2,351
Other non-current liabilities and provisions	371	284
Current interest-bearing liabilities	1,341	276
Accounts payable - trade	370	344
Other current liabilities	909	707
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,058</b>	<b>7,435</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attributable to shareholders in the Parent Company

MSEK	31 Dec 2015	31 Dec 2014
<b>Opening equity</b>		
Comprehensive income for the period	720	689
Transactions with owners	-	500
Dividend	-236	-100
<b>Closing equity</b>	<b>3,939</b>	<b>3,455</b>
<i>Equity attributable to:</i>		
Shareholders in the Parent Company	3,939	3,455
Non-controlling interests	25	18
	<b>3,964</b>	<b>3,473</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	TWELVE MONTHS		FOURTH QUARTER	
	2015	2014	2015	2014
<b>Operating activities</b>				
Operating profit/loss	1,107	806	299	164
Non-cash items	157	113	44	31
Interest and financial items, net	-25	-43	-11	-12
Tax paid	-239	-181	-56	-22
<b>Cash flow before changes in working capital</b>	<b>1,000</b>	<b>695</b>	<b>276</b>	<b>161</b>
<b>Changes in working capital</b>				
Inventories	-59	-40	16	4
Current receivables	-113	-84	110	25
Current liabilities	120	15	-64	-74
<b>Cash flow from operating activities</b>	<b>948</b>	<b>586</b>	<b>338</b>	<b>116</b>
Business combinations and sales, net	-573	-1,264	-75	-
Net investment in property, plant and equipment	-82	-86	-18	-24
Net investment in intangible assets	-9	-11	-1	-4
<b>Cash flow from investing activities</b>	<b>-664</b>	<b>-1,361</b>	<b>-94</b>	<b>-28</b>
Borrowings/repayment of borrowings, net	-88	535	-407	-555
Shareholders' contribution	-	500	-	-
Dividend paid	-252	-109	-7	0
Group contribution paid	-	-100	-	-
<b>Cash flow from financing activities</b>	<b>-340</b>	<b>826</b>	<b>-414</b>	<b>-556</b>
<b>Cash flow for the period</b>	<b>-56</b>	<b>50</b>	<b>-170</b>	<b>-468</b>
Cash and cash equivalents at the beginning of the period	536	442	645	991
Translation differences	-16	44	-11	14
<b>Cash and cash equivalents at the end of the period</b>	<b>464</b>	<b>536</b>	<b>464</b>	<b>536</b>

## ACQUISITIONS IN 2015

During the year, the Group has acquired all of the shares in Auger Torque, J.H. Orsing, Preventum Partner, Rapid Granulator, Smilodent and Top Dental. The acquisition of Sanistål's Danish car interior business referred to the assets and liabilities of the company.

NETdental was sold during the second quarter pursuant to the resolution of the AGM 2015. The sale had no material impact on the Group's profit and financial position.

The purchase price allocation covers all acquisitions made during the year.

### Acquired net assets

Net assets, MSEK	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	1	305	306
Tangible assets	40		40
Accounts receivable and other receivables	162	-12	150
Accounts payable and other payables	-147	-70	-217
Cash and cash equivalents	57		57
<b>Net assets</b>	<b>113</b>	<b>223</b>	<b>336</b>
Goodwill		248	248
<b>Total net assets</b>	<b>113</b>	<b>471</b>	<b>584</b>

### Effect on cash flow, MSEK

Purchase consideration	584
Cash and cash equivalents in the acquired companies	-57
Consideration paid relating to acquisitions from previous years	46
<b>Total effect on cash flow</b>	<b>573</b>

## FINANCIAL INSTRUMENTS

MSEK	CARRYING AMOUNT		FAIR VALUE	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
<b>Loans and receivables</b>				
Accounts receivable – trade	863	770	863	770
Other non-current financial receivables	3	2	3	2
Cash and cash equivalents	464	536	464	536
<b>Total</b>	<b>1,330</b>	<b>1,309</b>	<b>1,330</b>	<b>1,309</b>
<b>Liabilities at fair value through profit or loss</b>				
Other liabilities	-	30	-	30
<b>Other financial liabilities</b>				
Interest-bearing borrowings	2,375	2,510	2,375	2,510
Accounts payable - trade	370	344	370	344
Other liabilities	30	48	30	48
<b>Total</b>	<b>2,775</b>	<b>2,932</b>	<b>2,775</b>	<b>2,932</b>

Financial instruments at fair value are classified into different levels depending on how fair value has been determined. All financial instruments at fair value in the Lifco Group have been classified as level 3, i.e. non-observable input data. The fair value of short-term borrowings is equal to the carrying amount, as the discount effect is insignificant. Other liabilities classified as financial instruments refer to mandatory call/put options relating to non-controlling interests. Changes in financial liabilities attributable to mandatory call/put options are recognised in equity.

# LIFCO

## KEY PERFORMANCE INDICATORS

ROLLING TWELVE MONTHS TO	2015 31 DEC	2014 31 DEC
Net sales, MSEK	7,901	6,802
Change in sales, %	16.2	12.8
EBITA, MSEK	1,186	966
EBITA margin, %	15.0	14.2
EBITDA, MSEK	1,277	1,041
EBITDA margin, %	16.2	15.3
Capital employed, MSEK	5,965	5,137
Capital employed excl. goodwill and other intangible assets, MSEK	966	916
Return on capital employed, %	19.9	18.8
Return on capital employed excl. goodwill and other intangible assets, %	123	105
Return on equity, %	22.1	19.2
Net interest-bearing debt, MSEK	1,950	2,013
Net debt/equity ratio	0.5	0.6
Net debt/EBITDA	1.5	1.9
Equity/assets ratio, %	49.2	46.7
Average number of employees	3,369	3,013

## CONDENSED PARENT COMPANY INCOME STATEMENT

MSEK	TWELVE MONTHS		FOURTH QUARTER	
	2015	2014	2015	2014
Administrative expenses	-104	-87	-30	-24
Non-recurring items <sup>4</sup>	-	-110	-	-96
Other operating income	84	80	84	25
<b>Operating profit/loss</b>	<b>-20</b>	<b>-117</b>	<b>54</b>	<b>-94</b>
Net financial items	307	211	30	-20
<b>Profit/loss after financial items</b>	<b>287</b>	<b>94</b>	<b>84</b>	<b>-115</b>
Appropriations	-12	104	-12	104
Tax	-8	3	-13	1
<b>Net profit for the period</b>	<b>267</b>	<b>201</b>	<b>59</b>	<b>-10</b>

## CONDENSED PARENT COMPANY BALANCE SHEET

MSEK	31 Dec 2015	31 Dec 2014
<b>ASSETS</b>		
Property, plant and equipment	0	0
Financial assets	3,369	3,456
Current receivables	2,223	1,881
Cash and cash equivalents	307	417
<b>TOTAL ASSETS</b>	<b>5,899</b>	<b>5,755</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	2,186	2,155
Untaxed reserves	32	20
Provisions	4	-
Non-current interest-bearing liabilities	1,031	2,263
Current interest-bearing liabilities	1,330	232
Current non-interest-bearing liabilities	1,316	1,085
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,899</b>	<b>5,755</b>
Pledged assets	-	-
Contingent liabilities	92	39

<sup>4</sup> Related to IPO-costs in 2014.

## DEFINITIONS

<b>Return on equity</b>	Net profit attributable to shareholders in the Parent Company and non-controlling interests divided by average equity
<b>Return on capital employed</b>	EBITA divided by average capital employed
<b>Return on capital employed excl. goodwill and other intangible assets</b>	EBITA divided by average capital employed excluding goodwill and other intangible assets
<b>EBIT</b>	Operating profit/Profit before financial items and taxes
<b>EBITA</b>	Operating profit before amortisation of intangible assets arising in conjunction with acquisitions, and restructuring, integration and acquisition costs
<b>EBITA margin</b>	EBITA divided by net sales
<b>EBITDA</b>	Operating profit before depreciation, amortisation and restructuring, integration and acquisition costs
<b>EBITDA margin</b>	EBITDA divided by net sales
<b>Net debt/equity ratio</b>	Net interest-bearing debt divided by equity
<b>Earnings per share</b>	Net profit attributable to shareholders in the Parent Company divided by the average number of outstanding shares
<b>Net interest-bearing debt</b>	Liabilities to credit institutions including interest-bearing pension provisions less cash and cash equivalents
<b>Equity/assets ratio</b>	Equity divided by total assets (balance sheet total)
<b>Capital employed</b>	Total assets less cash and cash equivalents, interest-bearing pension provisions and non-interest-bearing liabilities, calculated on a rolling twelve-month basis
<b>Capital employed excl. goodwill and other intangible assets</b>	Total assets less cash and cash equivalents, interest-bearing pension provisions, non-interest-bearing liabilities, goodwill and other intangible assets, calculated on a rolling twelve-month basis