LIFCO

4 May 2017

INTERIM REPORT JANUARY – MARCH 2017

Reporting period January – March

- Net sales increased by 18.1 per cent to SEK 2,423 (2,051) million. Organically, net sales grew by 7.5 per cent
- EBITA* increased by 40.6 per cent to SEK 385 (274) million
- The EBITA margin* increased to 15.9 (13.4) per cent
- Earnings before tax grew by 36.9 per cent to SEK 333 (243) million
- Net profit for the period grew by 36.9 per cent to SEK 250 (182) million
- Earnings per share increased by 36.7 per cent to SEK 2.72 (1.99)
- Cash flow from operating activities decreased by 5.6 per cent to SEK 136 (144) million
- During the period Lifco acquired two businesses with total annual sales of around SEK 212 million
- After the end of the quarter, the majority of Silvent AB has been acquired, which will be consolidated in business area Systems Solutions

Summary of financial performance

	FIRST QUARTER			Rolling 12 months		FULL YEAR
SEK million	2017	2016	*change*		*change*	2016
Net sales	2,423	2,051	18.1%	9,359	4.1%	8,987
EBITA*	385	274	40.6%	1,488	8.1%	1,377
EBITA margin*	15.9%	13.4%	2.5	15.9%	0.6	15.3%
Profit before tax	333	243	36.9%	1,308	7.4%	1,219
Net profit for the period	250	182	36.9%	994	7.3%	927
Earnings per share	2.72	1.99	36.7%	10.72	7.3%	9.99
Return on capital employed	19.2%	19.6%	-0.4	19.2%	0.5	18.7%
Return on capital employed excl. goodwill	146%	128%	18	146%	5	141%

* Before restructuring, integration and acquisition costs.

Lifco AB (publ)
Verkmästaregatan 1, SE-745 85 Enköping
Org nr 556465-3185 | www.lifco.se

COMMENTS FROM THE CEO

Net sales increased by 18.1 per cent in the first quarter to SEK 2,423 (2,051) million, through organic growth, foreign exchange gains and acquisitions. Organic growth was positively affected by the fact that the first quarter of 2017 had more working days than the same period in 2016. The effect was particularly pronounced in Dental, but the companies in Demolition & Tools and Systems Solutions also benefited from this effect.

All three business areas reported robust sales and earnings growth for the period. All divisions in all business areas apart from Forest have had a good start to the year. The market environment in the three business areas remained generally favourable.

EBITA before restructuring, integration and acquisition costs increased by 40.6 per cent to SEK 385 (274) million during the year while the EBITA margin expanded by 2.5 percentage points to 15.9 (13.4) per cent. The profitability improved on the back of organic growth and acquisitions. Earnings per share increased by 36.7 per cent during the period, to SEK 2.72 (1.99).

Cash flow from operating activities decreased by 5.6 per cent during the period, to SEK 136 (144) million. Accounts receivable increased strongly during the period due to a large volume of deliveries in the last week of March. This was not the case in 2016, when Easter fell in late March.

In the first quarter Lifco consolidated two new businesses with total annual sales of around SEK 212 million. The acquisitions will have a positive impact on Lifco's results and financial position in the current year.

Even after these acquisitions we still have considerable financial scope for further acquisitions, as net debt remains at 2.1 times EBITDA before restructuring, integration and acquisition costs, well below our target of a net debt of less than three times EBITDA.

Fredrik Karlsson
CEO

GROUP PERFORMANCE IN JANUARY – MARCH

Net sales increased by 18.1 per cent to SEK 2,423 (2,051) million, driven by acquisitions and organic growth. Exchange rate changes also added to the increase in net sales. Acquisitions contributed 8.7 per cent and organic growth 7.5 per cent while changes in exchange rates had a positive impact of 1.9 per cent. Two new businesses, Haglöf Sweden and Hultdin System, were consolidated during the three-month period.

EBITA* increased by 40.6 per cent to SEK 385 (274) million and the EBITA margin* improved to 15.9 (13.4) per cent. EBITA* improved on the back of organic growth and acquisitions. Changes in exchange rates had a positive impact on EBITA* of 1.9 percentage points. In the first three months 33 per cent of EBITA* was generated in SEK, 30 per cent in EUR, 15 per cent in NOK, 9 per cent in DKK, 4 per cent in GBP, 4 per cent in USD and 5 per cent in other currencies.

Earnings before tax increased by 36.9 per cent to SEK 333 (243) million. Net profit grew by 36.9 per cent to SEK 250 (182) million.

Average capital employed excluding goodwill increased by SEK 43 million over the three-month period, to SEK 1,017 million at 31 March 2017, compared with SEK 974 million at 31 December 2016. EBITA* in relation to average capital employed excluding goodwill increased to 146 (128) per cent at 31 March 2017, up from 141 per cent 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 increased by SEK 411 million from 31 December 2016 to SEK 3,429 million at 31 March 2017. The net debt/equity ratio was 0.7 (0.7) at 31 March 2017 and net debt to EBITDA* was 2.1 (2.1) times. At the end of the period 36 per cent of the Group's interest-bearing liabilities were denominated in EUR.

Cash flow from operating activities decreased by 5.6 per cent to SEK 136 (144) million in the first three months. The decrease was due to a sharp increase in accounts receivable following a large volume of deliveries in the final week of the three-month period, in contrast to the previous year, when Easter fell at the end of March. Cash flow from investing activities was SEK -562 (-971) million, which was mainly attributable to acquisitions.

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FINANCIAL PERFORMANCE – BUSINESS AREAS

Dental

SEK million	FIRST QUARTER 2017	2016	change	Rolling 12 months	change	FULL YEAR 2016
Net sales	1,000	868	15.1%	3,722	3.7%	3,590
EBITA*	185	155	19.0%	684	4.5%	655
EBITA margin*	18.5%	17.9%	0.6	18.4%	0.2	18.2%

The companies in Lifco's Dental business area are leading suppliers of consumables, equipment and technical service to dentists across Europe and the business area also operates in the US. Lifco sells dental technology to dentists in the Nordic countries and Germany, and develops and sells medical record systems in Denmark and Sweden. The business area also includes a number of manufacturers which produce disinfectants, saliva ejectors, bite registration and dental impression materials, bonding agents and other consumables that are sold to dentists through distributors around the world.

Net sales in Dental increased by 15.1 per cent to SEK 1,000 (868) million in the first three months of the year. The comparison with the year-before period is affected by the fact that Easter fell in April this year, which resulted in a larger number of working days in the month of March compared with 2016. Consequently, Dental will see a corresponding negative seasonal effect in the second quarter of 2017.

EBITA* improved by 19.0 per cent to SEK 185 (155) million in the first three months and the EBITA margin* increased to 18.5 (17.9) per cent, partly due to the positive effect of Easter falling in April.

The dental market remains generally stable. The results of 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, gained or lost contracts in procurements of consumables by public-sector or major private-sector customers and fluctuations in the delivery of equipment. Sales and earnings were affected by Easter falling in April this year.

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Demolition & Tools

SEK million	FIRST QUARTER 2017	2016	change	Rolling 12 months	change	FULL YEAR 2016
Net sales	479	384	24.6%	1,820	5.5%	1,726
EBITA*	111	79	40.9%	430	8.1%	398
EBITA margin*	23.2%	20.6%	2.6	23.6%	0.6	23.0%

Demolition & Tools develops, manufactures and sells equipment for the construction and demolition industries. The Group is the world's leading supplier of demolition robots and crane attachments. The Group 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 roughly equal in terms of sales. As of March 2017 the business area includes Hultdins, a leading manufacturer of tools and attachments for forestry and construction machinery. The acquisition of Hultdins was announced in February this year.

Net sales increased by 24.6 per cent over the period to SEK 479 (384) million. The market situation was generally good. Among the larger markets, the US, Australia, UK and Germany saw the fastest growth.

EBITA* increased by 40.9 per cent over the period to SEK 111 (79) million and the EBITA margin* expanded by 2.6 percentage points to 23.2 (20.6) per cent.

Systems Solutions

SEK million	FIRST QUARTER 2017	2016	change	Rolling 12 months	change	FULL YEAR 2016
Net sales	944	799	18.3%	3,817	4.0%	3,671
EBITA*	116	64	82.9%	474	12.5%	421
EBITA margin*	12.3%	8.0%	4.3	12.4%	0.9	11.5%

Through its operating units, Systems Solutions operates in industries offering systems solutions. Systems Solutions is divided into five divisions: Construction Materials, Interiors for Service Vehicles, Contract Manufacturing, Environmental Technology and Forest.

Net sales in Systems Solutions increased by 18.3 per cent to SEK 944 (799) million and all divisions except Forest increased their sales during the period.

EBITA* increased by 82.9 per cent to SEK 116 (64) million in 2017. All divisions, with the exception of Forest, improved their results and the EBITA margin* increased by 4.3 percentage points to 12.3 (8.0) per cent.

Construction Materials reported good sales and earnings growth during the period thanks to robust organic growth and improved profitability in all areas of operation.

Interiors for Service Vehicles reported stronger sales as well as earnings for the period.

Contract Manufacturing improved its sales as well as profitability during the period. 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 well as delivery flexibility and documentation.

Environmental Technology performed well over the period as sales and profitability both improved.

In Forest, sales and earnings fell over the period, despite the consolidation from February 2017 of Haglöf Sweden, a world-leading supplier of instruments for professional forestry surveyors, which added to both sales and earnings. The acquisition of Haglöf Sweden was announced in December 2016. The decline in the division is due to continued problems in individual projects.

ACQUISITIONS

In the first three months of 2017 Lifco consolidated the following acquisitions:

Consolidated from month	Acquisition	Business area	Net sales	Employees
February	Haglöf Sweden	Systems Solutions	SEK 60m	43
March	Hultdin System	Demolition & Tools	SEK 152m	66

Further information on acquisitions is provided on page 14 of the interim report. The figures for net sales and number of employees refer to the estimated annual net sales and the number of employees at the acquisition date.

On 28 April, Lifco announced the acquisition of the majority of Silvent AB, a leading company within energy optimization and work environment. Silvent, with head office in Borås, Sweden, reported in 2016 net sales of approximately 120 MSEK and has about 70 employees. The company will be consolidated in business area Systems Solutions.

Taken together, the acquisitions will have a positive impact on Lifco's results and financial position in the current year.

OTHER FINANCIAL INFORMATION

Employees

The average number of employees in the first quarter was 3,669 (3,561) and the number of employees at the end of the period was 3,740 (3,571). Acquisitions added 109 employees.

Events after the end of the reporting period

After the end of the reporting period the acquisition of the majority of Silvent AB has been announced.

Related party transactions

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

Risks and uncertainties

The risk factors which have the biggest impact for Lifco are the competitive situation, structural changes in the market and general level of economic activity. Lifco is also exposed to financial risks, including currency risks, interest rate risks, credit and counterparty risks.

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

For further information on Lifco's risks and risk management, see the annual report for 2016.

Accounting principles

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. In respect of the Parent Company, the report has been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. The accounting principles have been applied in accordance with those which are presented in the annual report for 2016 and should be read in conjunction with these.

The Group is currently evaluating the effects of those new accounting standards which become effective on 1 January 2018 (IFRS 9 and IFRS 15). Senior management's current assessment is that the standards will not result in any significant differences for the Group.

This report has not been examined by the Company's auditors.

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DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors and Chief Executive Officer warrant and declare that this three-month report gives a true and fair view of the Parent Company's and Group's operations, financial positions and results, and that it describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Enköping, 4 May 2017

Carl Bennet Chairman of the Board	*Gabriel Danielsson* Director	*Ulrika Dellby* Director
Erik Gabrielson Director	*Ulf Grunander* Director	*Annika Espander Jansson* Director
Fredrik Karlsson President and CEO, Director	*Annika Norlund* Director, employee representative	*Johan Stern* Vice Chairman
Axel Wachtmeister Director		*Hans-Eric Wallin* Director, employee representative

FINANCIAL CALENDAR

The report for the second quarter will be published on 17 July
The report for the third quarter will be published on 26 October
The year-end report for 2017 will be published on 15 February 2018

ANNUAL GENERAL MEETING

The Annual General Meeting of Lifco AB will be held on Thursday 4 May 2017, at 3 p.m., at Bonnierhuset, Torsgatan 21, Stockholm.

FURTHER INFORMATION

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

TELECONFERENCE

Media and analysts are welcome to call in to a teleconference, where CEO Fredrik Karlsson, CFO Therése Hoffman and Head of Business Area Dental Per Waldemarson will present the interim report. The presentation is expected to take around 20 minutes, after which participants will be invited to ask questions.

Time: Thursday 4 May, at 1 p.m.

Link to the presentation:

https://tv.streamfabriken.com/lifco-q1-2017

Telephone numbers:
Sweden: +46 8 566 426 93
UK: +44 203 008 98 01
US: +1 855 831 59 45

LIFCO IN BRIEF

Lifco acquires and develops market-leading niche businesses with the potential to deliver sustainable earnings 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. At year-end the Lifco Group consisted of 132 companies in 26 countries. In 2016 Lifco reported EBITA of SEK 1,377 million on net sales of SEK 9.0 billion. The EBITA margin was 15.3 per cent. Read more at www.lifco.se

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CONDENSED CONSOLIDATED INCOME STATEMENT

	FIRST QUARTER			FULL YEAR
SEK million	2017	2016	*change*	2016
Net sales	2,423	2,051	18.1%	8,987
Cost of goods sold	-1,418	-1,262	12.4%	-5,405
Gross profit	**1,005**	**789**	**27.3%**	**3,582**
Selling expenses	-258	-183	41.1%	-831
Administrative expenses	-374	-342	9.4%	-1,412
Development costs	-24	-21	12.5%	-88
Other income and expenses	-7	8	-191%	1
Operating profit	**342**	**251**	**36.2%**	**1,252**
Net financial items	-9	-8	14.1%	-33
Profit before tax	**333**	**243**	**36.9%**	**1,219**
Tax	-83	-61	36.9%	-292
Net profit for the period	**250**	**182**	**36.9%**	**927**
Profit attributable to:				
Parent Company shareholders	248	180	37.1%	908
Non-controlling interests	2	2	-	19
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders	2.72	1.99	36.7%	9.99
EBITA*	385	274	40.6%	1,377
Depreciation of tangible assets	26	22	17.7%	94
Amortisation of intangible assets	2	3	-3.3%	10
Amortisation of intangible assets arising from acquisitions	41	23	77.8%	121

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	FIRST QUARTER			FULL YEAR
SEK million	2017	2016	*change*	2016
Net profit for the period	250	182	36.9%	927
Other comprehensive income				
Items which can later be reclassified to profit or loss:				
Hedge of net investment	10	18	-44.4%	-23
Translation differences	-23	14	-262%	159
Tax related to other comprehensive income	-2	-4	-49.1%	4
Total comprehensive income for the period	**235**	**210**	**11.6%**	**1,067**
Comprehensive income attributable to:				
Parent Company shareholders	233	208	11.8%	1,046
Non-controlling interests	2	2	-	21
	235	**210**	**11.6%**	**1,067**

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 have been exceeded only by Dental and Demolition & Tools. One further operating segment, 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 Construction Materials, Interiors for Service Vehicles, Contract Manufacturing, Environmental Technology and Forest.

NET SALES TO EXTERNAL CUSTOMERS

No sales are made between the segments.

	FIRST QUARTER			Rolling 12 months		FULL YEAR
SEK million	2017	2016	*change*		*change*	2016
Dental	1,000	868	15.1%	3,722	3.7%	3,590
Demolition & Tools	479	384	24.6%	1,820	5.5%	1,726
Systems Solutions	944	799	18.3%	3,817	4.0%	,3,671
Group	**2,423**	**2,051**	**18.1%**	**9,359**	**4.1%**	**8,987**

EBITA

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

	FIRST QUARTER			Rolling 12 months		FULL YEAR
SEK million	2017	2016	*change*		*change*	2016
Dental	185	155	19.0%	684	4.5%	655
Demolition & Tools	111	79	40.9%	430	8.1%	398
Systems Solutions	116	64	82.9%	474	12.5%	421
Central Group functions	-27	-24	13.2%	-100	3.2%	-97
EBITA before restructuring, integration and acquisition costs	**385**	**274**	**40.6%**	**1,488**	**8.1%**	**1,377**
Restructuring, integration and acquisition costs	-2	-	-	-6	67.8%	-4
EBITA	**383**	**274**	**39.7%**	**1,482**	**7.9%**	**1,373**
Amortisation of intangible assets arising on acquisition	-41	-23	77.8%	-139	14.8%	-121
Net financial items	-9	-8	14.1%	-34	3.6%	-33
Profit before tax	**333**	**243**	**36.9%**	**1,309**	**7.4%**	**1,219**

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016
ASSETS			
Intangible assets	7,265	5,983	6,824
Tangible fixed assets	511	437	464
Financial assets	112	88	109
Inventories	1,214	1,135	1,155
Accounts receivable - trade	1,222	1,026	1,046
Current receivables	293	266	236
Cash and cash equivalents	255	438	293
TOTAL ASSETS	**10,872**	**9,373**	**10,127**
EQUITY AND LIABILITIES			
Equity	4,988	4,174	4,758
Non-current interest-bearing liabilities incl. pension provisions	1,116	1,084	1,120
Other non-current liabilities and provisions	661	489	597
Current interest-bearing liabilities	2,568	2,150	2,191
Accounts payable - trade	595	549	507
Other current liabilities	944	927	954
TOTAL EQUITY AND LIABILITIES	**10,872**	**9,373**	**10,127**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to Parent Company shareholders

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016
Opening equity	4,712	3,939	3,939
Comprehensive income for the period	233	208	1,046
Dividend	-	-	-273
Closing equity	**4,945**	**4,147**	**4,712**
Equity attributable to:			
Parent Company shareholders	4,945	4,147	4,712
Non-controlling interests	43	27	46
	4,988	**4,174**	**4,758**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	FIRST QUARTER 2017	FIRST QUARTER 2016	FULL YEAR 2016
Operating activities			
Operating profit	342	251	1,252
Non-cash items	69	35	211
Interest and financial items, net	-9	-8	-33
Tax paid	-110	-88	-295
Cash flow before changes in working capital	292	190	1,135
Changes in working capital			
Inventories	-23	-62	-57
Current receivables	-188	18	11
Current liabilities	55	-2	-5
Cash flow from operating activities	**136**	**144**	**1,084**
Business acquisitions and sales, net	-515	-948	-1,608
Net investment in tangible fixed assets	-45	-22	-104
Net investment in intangible assets	-2	-1	-9
Cash flow from investing activities	**-562**	**-971**	**-1,721**
Borrowings/repayment of borrowings, net	394	797	710
Dividends paid	-5	-3	-285
Cash flow from financing activities	**389**	**794**	**425**
Cash flow for the period	**-37**	**-33**	**-212**
Cash and cash equivalents at beginning of period	293	464	464
Translation differences	-1	7	41
Cash and cash equivalents at end of period	**255**	**438**	**293**

ACQUISITIONS IN 2017

Two new businesses were consolidated during the three-month period. The acquisitions refer to all shares of Haglöf Sweden and Hultdin System.

The purchase price allocation includes all acquisitions that were made in the first three months of the year. Purchase price allocations are preliminary until one year after the acquisition date.

Acquisition-related expenses of SEK 2 million are included in administrative expenses in the consolidated income statement for the first three months of 2017. If the businesses had been consolidated from 1 January 2017 consolidated net sales would have increased by around SEK 32 million. The acquisitions would have had a positive impact on earnings if the companies had been consolidated from 1 January 2017.

Acquired net assets

Net assets, SEK million	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	-	292	292
Tangible assets	29	-	29
Inventory, trade and other receivables	99	-14	85
Trade and other payables	-48	-64	-112
Cash and cash equivalents	77	-	77
Net assets	**157**	**214**	**371**
Goodwill	-	221	221
Total net assets	**157**	**435**	**592**

Effect on cash flow, SEK million	
Consideration	592
Cash and cash equivalents in acquired companies	-77
Total cash flow effect	**515**

FINANCIAL INSTRUMENTS

SEK million	CARRYING AMOUNT 31 Mar 2017	CARRYING AMOUNT 31 Mar 2016	FAIR VALUE 31 Mar 2017	FAIR VALUE 31 Mar 2016
Loans and receivables				
Accounts receivable - trade	1,222	1,026	1,222	,1,026
Other non-current financial receivables	4	3	4	3
Cash and cash equivalents	255	438	255	438
Total	**1,481**	**1,467**	**1,481**	**1,467**
Liabilities at fair value through profit or loss				
Other liabilities	57	16	57	16
Other financial liabilities				
Interest-bearing borrowings	3,651	3,178	3,651	3,178
Accounts payable - trade	595	549	595	549
Total	**4,303**	**3,743**	**4,303**	**3,743**

Financial instruments at fair value are classified into different levels depending on how fair value is determined. All financial instruments at fair value in the Lifco Group have been classified as level 3, i.e. non-observable inputs. 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 put/call options related to non-controlling interests.

KEY PERFORMANCE INDICATORS

ROLLING TWELVE MONTHS TO	2017 31 MAR	2016 31 DEC	2016 31 MAR
Net sales, SEKm	9,359	8,987	8,204
Change in net sales, %	4.1	13.7	3.8
EBITA*, SEKm	1,488	1,377	1,218
EBITA margin*, %	15.9	15.3	14.8
EBITDA*, SEK million	1,596	1,481	1,313
EBITDA margin, %	17.1	16.5	16.0
Capital employed, SEKm	7,744	7,381	6,203
Capital employed excl. goodwill and other intangible assets, SEK million	1,017	974	952
Return on capital employed, %	19.2	18.7	19.6
Return on capital employed excl. goodwill, %	146	141	128
Return on equity, %	21.5	21.0	21.7
Net interest-bearing debt, SEK million	3,429	3,018	2,779
Net debt/equity ratio	0.7	0.6	0.7
Net debt/EBITDA*	2.1	2.0	2.1
Equity/assets ratio, %	45.9	47.0	44.5
Number of shares, thousand	90,843	90,843	90,843
Average number of employees	3,669	3,524	3,561

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CONDENSED PARENT COMPANY INCOME STATEMENT

	FIRST QUARTER		FULL YEAR
SEK million	2017	2016	2016
Administrative expenses	-34	-27	-113
Other operating income*	-	-	90
Operating profit	**-34**	**-27**	**-23**
Net financial items**	329	12	544
Profit after financial items	**295**	**-15**	**521**
Appropriations	-	-	-10
Tax	1	5	9
Net profit for the period	**296**	**-10**	**520**

* Preliminary invoicing of Group-wide services.
** Net financial items include SEK 302 (-) million in dividends received during the three-month period.

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	31 Mar 2017	31 Mar 2016
ASSETS		
Tangible fixed assets	0	0
Financial assets	3,988	3,385
Current receivables	3,701	2,946
Cash and cash equivalents	27	186
TOTAL ASSETS	**7,716**	**6517**
EQUITY AND LIABILITIES		
Equity	2,729	2,176
Untaxed reserves	41	32
Provisions	-	2
Non-current interest-bearing liabilities	1,078	1,042
Current interest-bearing liabilities	2,556	2,124
Current non-interest-bearing liabilities	1,312	1,141
TOTAL EQUITY AND LIABILITIES	**7,716**	**6,517**
Pledged assets	-	-
Contingent liabilities	3	131

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OBJECTIVE AND DEFINITIONS

Return on equity	Net profit for the period divided by average equity.
Return on capital employed	EBITA before restructuring, integration and acquisition costs divided by capital employed.
Return on capital employed excluding goodwill and other intangible assets	EBITA before restructuring, integration and acquisition costs divided by capital employed excluding goodwill and other intangible assets.
EBITA	EBITA is a measure which Lifco considers relevant for investors who wish to understand the earnings generated after investments in tangible and intangible assets requiring reinvestment but before investments in intangible assets attributable to acquisitions. Lifco defines earnings before interest, tax and amortisation (EBITA) as operating profit before amortisation and impairment of intangible assets arising from acquisitions. In its financial reports Lifco excludes restructuring, integration and acquisition costs. This is indicated by an asterisk.
EBITA margin	EBITA divided by net sales.
EBITDA	EBITDA is a measure which Lifco considers relevant for investors who wish to understand the earnings generated before investments in fixed assets. Lifco defines earnings before interest, tax, depreciation and amortisation (EBITDA) as operating profit before depreciation, amortisation and impairment of tangible and intangible assets. In its financial reports Lifco excludes restructuring, integration and acquisition costs. This is indicated by an asterisk.
EBITDA margin	EBITDA divided by net sales.
Net debt/equity ratio	Net interest-bearing debt divided by equity.
Earnings per share	Profit after tax attributable to Parent Company shareholders divided by average number of outstanding shares.
Net interest-bearing debt	Lifco uses the alternative KPI net interest-bearing debt. Lifco considers that this is a useful additional KPI which allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. Lifco defines the KPI as follows: current and non-current liabilities to credit institutions, bond loans and interest-bearing pension

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	provisions less estimated contingent consideration for acquisitions, and cash and cash equivalents.
Equity/assets ratio	Equity divided by total assets (balance sheet total).
Capital employed	Capital employed is a measure which Lifco uses for calculating the return on capital employed and for measuring how efficient the Group is. Lifco considers that capital employed is useful in helping users of the financial reports to understand how the Group finances itself. Lifco defines capital employed as total assets less cash and cash equivalents, interest-bearing pension provisions and non-interest-bearing liabilities, calculated as the average of the last four quarters.
Capital employed excluding goodwill and other intangible assets	Capital employed excluding goodwill and other intangible assets is a measure which Lifco uses for calculating the return on capital employed and for measuring how efficient the Group is. Lifco considers that capital employed excluding goodwill and other intangible assets is useful in helping users of the financial reports to understand the impact of goodwill and other intangible assets on that capital which requires a return. Lifco defines capital employed excluding goodwill and other intangible assets as total assets less cash and cash equivalents, interest-bearing pension provisions, non-interest-bearing liabilities, goodwill and other intangible assets, calculated as the average of the last four quarters.

RECONCILIATION OF ALTERNATIVE KEY PERFORMANCE INDICATORS

The interim report presents alternative key performance indicators for assessing the Group's performance. The primary alternative KPIs presented in this interim report are EBITA, EBITDA, net debt and capital employed. Definitions of the alternative KPIs are presented on pages 17–18.

EBITA compared with financial statements in accordance with IFRS

SEK million	3 MONTHS 2017	3 MONTHS 2016	FULL YEAR 2016
Operating profit	342	251	1,252
Amortisation of intangible assets arising from acquisitions	41	23	121
EBITA	**383**	**274**	**1,373**
Restructuring, integration and acquisition costs	2	-	4
EBITA* before restructuring, integration and acquisition costs	**385**	**274**	**1,377**

EBITDA compared with financial statements in accordance with IFRS

SEK million	3 MONTHS 2017	3 MONTHS 2016	FULL YEAR 2016
Operating profit	342	251	1,252
Depreciation of tangible assets	26	22	94
Amortisation of intangible assets	2	3	10
Amortisation of intangible assets arising from acquisitions	41	23	121
EBITDA	**411**	**299**	**1,477**
Restructuring, integration and acquisition costs	2	-	4
EBITDA* before restructuring, integration and acquisition costs	**413**	**299**	**1,481**

Net interest-bearing debt compared with financial statements in accordance with IFRS

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016
Non-current interest-bearing liabilities incl. pension provisions	1,116	1,084	1,120
Current interest-bearing liabilities	2,568	2,150	2,191
Calculated contingent consideration for acquisitions	-	-17	-
Cash and cash equivalents	-255	-438	-293
Net interest-bearing debt	**3,429**	**2,779**	**3,018**

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Capital employed and capital employed excluding goodwill and other intangible assets compared with financial statements in accordance with IFRS

SEK million	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016
Total assets	**10,872**	**10,127**	**10,392**	**9,597**
Cash and cash equivalents	-255	-293	-410	-428
Interest-bearing pension provisions	-34	-37	-33	-41
Non-interest-bearing liabilities	-2,200	-2,057	-2,154	-2,069
Capital employed	**8,383**	**7,740**	**7,795**	**7,059**
Goodwill and other intangible assets	-7,265	-6,824	-6,756	-6,063
Capital employed excluding goodwill and other intangible assets	**1,118**	**916**	**1,039**	**996**

Capital employed and capital employed excluding goodwill and other intangible assets calculated as the average of the last four quarters compared with financial statements in accordance with IFRS

SEK million	Average	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Capital employed	**7,744**	8,383	7,740	7,795	7,059
Capital employed excluding goodwill and other intangible assets	**1,017**	1,118	916	1,039	996
	Total				
EBITA*	**1,488**	385	380	316	407
Return on capital employed	**19.2%**				
Return on capital employed excl. goodwill and other intangible assets	**146%**				