

## INTERIM REPORT JANUARY–MARCH 2022

### Reporting period January – March

- Net sales increased 29.8 per cent to SEK 5,022 (3,869) million. Organically, net sales grew by 13.6 per cent.
- EBITA increased 24.7 per cent to SEK 1,016 (815) million.
- The EBITA margin was 20.2 (21.1) per cent.
- Profit before tax grew 25.4 per cent to SEK 838 (668) million.
- Net profit for the period grew 25.3 per cent to SEK 628 (501) million.
- Earnings per share increased 24.8 per cent till SEK 1.36 (1.09).
- Cash flow from operating activities amounted to SEK 322 (321) million.
- Four new businesses were consolidated during the period with total annual net sales of about SEK 230 million.

### Summary of financial performance

	FIRST QUARTER			Rolling 12 months		FULL YEAR
SEK million	2022	2021	change	change		2021
Net sales	5,022	3,869	29.8%	18,633	6.6%	17,480
EBITA	1,016	815	24.7%	3,910	5.4%	3,709
EBITA margin	20.2%	21.1%	-0.9	21.0%	-0.2	21.2%
Profit before tax	838	668	25.4%	3,240	5.6%	3,070
Net profit for the period	628	501	25.3%	2,556	5.2%	2,429
Earnings per share <sup>1</sup>	1.36	1.09	24.8%	5.53	5.1%	5.26
Return on capital employed	22.5%	20.5%	2.0	22.5%	-	22.5%
Return on capital employed excl. goodwill	160%	151%	9.0	160%	-2.0	162%

<sup>1</sup> Comparative figures have been recalculated after the share split in May 2021, whereby each share was split into five new shares of the same share class (split 5:1).

## COMMENTS FROM THE CEO

Net sales increased 29.8 per cent during the quarter to SEK 5,022 (3,689) million, driven by organic growth, acquisitions and positive exchange rate effects. The generally favourable market environment in Demolition & Tools and Systems Solutions was a strong contributing factor to organic growth of 13.6 per cent.

During the first quarter, EBITA increased 24.7 per cent to SEK 1,016 (815) million and the EBITA margin was 20.2 (21.1) per cent. Profitability was negatively impacted by sales and marketing activities returning to pre-pandemic levels from the third quarter of 2021. Margins were also impacted negatively by certain operations not having received full cross-compensation of elevated raw-material prices.

Earnings per share increased 24.8% till SEK 1.36 (1.09) in the first quarter. Cash flow from operating activities increased to SEK 322 (321) million during the quarter. The relatively low cash flow is mainly due to increased inventory build-up as the result of high demand and disruptions to the global supply chain that led to requirements for greater safety stock.

During the quarter, Lifco consolidated four acquisitions, of which two in the Dental business area and one each in Demolition & Tools and Systems Solutions. The acquisitions in Dental pertain to Zenith Dental, a niche distributor of dental products in Denmark and Specialist Alarm Services in the UK that develops and manufactures staff attack alarms and nurse call systems for the healthcare sector. Operations in Demolition & Tools have expanded with the Italian company Cormidi, which manufactures mini loaders and mini dumpers. Construction Materials in the Systems Solutions business area was strengthened with the Norwegian Cenec Tavlebygg, which manufactures low-voltage electrical supplies. The acquisitions will have a positive impact on Lifco's results and financial position during the year.

Lifco's financial position remains good and interest-bearing net debt amounted to 1.1 times EBITDA at 31 March 2022, which is well in line with our target of interest-bearing net debt of a maximum of three times EBITDA and means that Lifco possesses the financial scope to make additional acquisitions.



Per Waldemarson  
President and CEO

## **GROUP PERFORMANCE IN JANUARY – MARCH**

Net sales increased 29.8 per cent to SEK 5,022 (3,869) million. Organic growth was 13.6 per cent, acquisitions contributed 11.7 per cent while changes in exchange rates had a positive impact of 4.5 per cent. During the quarter, the assets of the Danish company Zenith Dental were consolidated as well as the majority of the Norwegian company Cenec Tavlebygg, the Italian company Cormidi and the British company Specialist Alarm Services.

EBITA increased 24.7 per cent to SEK 1,016 (815) million and the EBITA margin was 20.2 (21.1) per cent. Profitability was negatively impacted by sales and marketing activities returning to pre-pandemic levels from the third quarter of 2021. Margins were also impacted negatively by certain operations not having received full cross-compensation of elevated raw-material prices.

Foreign exchange gains added 3.4 per cent to EBITA. During the period, 42 (40) per cent of EBITA was generated in EUR, 25 (24) per cent in SEK, 11 (12) per cent in NOK, 9 (7) per cent in GBP, 6 (7) per cent in DKK, 4 (5) per cent in USD and 3 (5) per cent in other currencies.

Net financial items were SEK -17 (-14) million.

Profit before tax grew by 25.4 per cent to SEK 838 (668) million and net profit for the period increased by 25.3 per cent to SEK 628 (501) million.

Average capital employed excluding goodwill increased by SEK 154 million during the quarter, to SEK 2,448 million at 31 March 2022, compared with SEK 2,294 million at 31 December 2021. EBITA in relation to average capital employed excluding goodwill declined during the quarter to 160 per cent from 162 per cent at year-end.

The Group's net debt increased by SEK 597 million from 31 December 2021 to SEK 7,710 million at 31 March 2022, of which liabilities related to put/call options and additional considerations for acquisitions amounted to SEK 1,903 (1,299) million. Interest-bearing net debt increased by SEK 335 million since year-end and amounted to SEK 4,938 (3,895) million at 31 March 2022.

The net debt/equity ratio at 31 March 2022 was 0.7 (0.6) and net debt/EBITDA was 1.8 (1.8) times. Interest-bearing net debt/EBITDA was 1.1 (1.2) times. At period-end, 58 (43) per cent of the Group's interest-bearing liabilities were denominated in EUR.

Cash flow from operating activities amounted to SEK 322 (321) million and was impacted by increased inventory build-up and increased accounts receivable. Cash flow from investing activities was SEK -574 (-872) million, which was mainly attributable to acquisitions.

## FINANCIAL PERFORMANCE – BUSINESS AREAS

### Dental

SEK million	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2022	2021	change	change		2021
Net sales	1,306	1,339	-2.5%	5,090	-0.6%	5,123
EBITA	255	303	-15.8%	1,032	-4.4%	1,080
EBITA margin	19.5%	22.6%	-3.1	20.3%	-0.8	21.1%

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 has operations in the US. Lifco sells dental technology to dentists in the Nordic countries and Germany, and develops and sells medical record systems in Denmark, Sweden and Germany. The business area also includes a number of manufacturers which produce fitting products for dentures, disinfectants, saliva ejectors, bite registration and dental impression materials, bonding agents and other consumables that are sold to dentists through distributors around the world. In recent years, Dental has through acquisitions and organic growth increased its earnings in manufacturing, dental technology and software faster than in distribution, which has had a positive impact on margin growth in the business area.

Dental's sales decreased by 2.5 per cent to SEK 1,306 (1,339) million during the first quarter. Sales were impacted in the quarter by disruptions in production of dental prosthetics in China due to the pandemic.

EBITA declined by 15.8 per cent during the period to SEK 255 (303) million and the EBITA margin was 19.5 (22.6) per cent. Profitability was negatively impacted by the production disruptions in China and sales and marketing activities returning to pre-pandemic levels from the third quarter of 2021.

In January 2022, the assets of the Danish company Zenith Dental were consolidated. The company is a niche distributor of dental products in Denmark and generated net sales of around DKK 21 million in 2020. In March 2022, the majority of the shares of the British company Specialist Alarm Services Ltd were consolidated. The company develops and manufactures staff attack alarms and nurse call systems for the healthcare sector. Specialist Alarm Services had a turnover of around GBP 3.9 million in 2021 and has 27 employees.

## Demolition & Tools

SEK million	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2022	2021	change	change		2021
Net sales	1,338	915	46.2%	5,124	9.0%	4,701
EBITA	319	232	37.5%	1,348	6.9%	1,261
EBITA margin	23.8%	25.4%	-1.6	26.3%	-0.5	26.8%

The Demolition & Tools business area 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 business area's EBITA margin may fluctuate between quarters due to single, major special orders and changes to the product mix.

Net sales increased 46.2 per cent during the quarter to SEK 1,338 (915) million, driven by organic growth and acquisitions. The market situation during the quarter was generally very strong.

EBITA increased by 37.5 per cent to SEK 319 (232) million and the EBITA margin was 23.8 (25.4) per cent. EBITA was positively impacted by organic growth and acquisitions. Profitability was negatively impacted by sales and marketing activities returning to pre-pandemic levels from the third quarter of 2021. Margins were also impacted negatively by certain operations not having received full cross-compensation of elevated raw-material prices.

The majority of shares of the Italian company Cormidi were consolidated as of March 2022, a leading manufacturer of mini dumpers and mini loaders. The company had a turnover of around EUR 13 million in 2020 and has 45 employees.

## Systems Solutions

SEK million	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2022	2021	change	change		2021
Net sales	2,378	1,615	47.2%	8,419	10.0%	7,656
EBITA	480	309	55.3%	1,665	11.4%	1,494
EBITA margin	20.2%	19.1%	1.1	19.8%	0.3	19.5%

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

Net sales in Systems Solutions increased 47.2 per cent to SEK 2,378 (1,615) million during the quarter, mainly on the back of organic growth in all divisions as well as acquisitions. The market for Systems Solutions was healthy overall during the quarter.

EBITA increased during the period 55.3 per cent to SEK 480 (309) million and the EBITA margin increased 1.1 percentage points to 20.2 (19.1) per cent, positively impacted by acquisitions and organic growth. Profitability was negatively impacted by sales and marketing activities returning to pre-pandemic levels from the third quarter of 2021. Margins were also impacted negatively by certain operations not having received full cross-compensation of elevated raw-material prices.

Construction Materials reported a healthy sales trend in the quarter with strong improvements in profitability.

Contract Manufacturing reported a healthy sales trend in the quarter with a slight decline in profitability.

Environmental Technology reported a healthy sales and profitability trend in the quarter.

Service and Distribution reported a healthy sales trend in the quarter with stable profitability, positively impacted by acquisitions.

Forest reported a healthy sales trend with somewhat weaker profitability compared with the same quarter last year. Sales and earnings may vary substantially between the quarters depending on the outcomes in the project-related component of the business.

In the Construction Materials division, the majority of shares of the Norwegian company Cenec Tavlebygg AS, which manufactures low-voltage electrical supplies, were consolidated as of January 2022. The company had net sales of about NOK 17 million in 2020 and has eight employees.

## ACQUISITIONS

Lifco consolidated the following acquisitions in the period:

Consolidated from month	Acquisitions	Business area	Net sales	Employees
January	Zenith Dental	Dental	DKK 21m <sup>1</sup>	-
January	Cenec Tavlebygg	Systems Solutions	NOK 17m <sup>1</sup>	8
March	Cormidi	Demolition & Tools	EUR 13m <sup>1</sup>	45
March	Specialist Alarm Services	Dental	GBP 3.9m	27

<sup>1</sup> Refers to net sales in 2020.

Further information on the acquisitions is provided on page 15. The figures for net sales and number of employees refer to estimated annual net sales and the number of employees at the acquisition date.

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 was 6,258 (5,862) in the first quarter. At the end of the period, the number of employees was 6,311 (5,745). Acquisitions added 80 employees.

### Events after the end of the reporting period

On 26 April 2022 Lifco signed an agreement to sell all the shares in the Estonian company Hekotek. The company develops and delivers sawmill equipment mainly to the Russian market. Hekotek has 130 employees and reported net sales of MEUR 40 in 2021. The company is based in Tallin, Estonia and has been consolidated in Business Area Systems Solutions, division Forest. The buyers are management of the company, who owned 17.5% of the shares before the transaction. The divestment is expected to be completed in May, 2022. The divestment will not have any significant effect on Lifco's earnings or financial position in the financial year 2022.

### 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 global macroeconomic factors, 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.

Lifco is monitoring developments in the conflict in Ukraine and currently finds it difficult to assess the effect of sanctions against Russia and the implications that the conflict could have on the economic situation in Europe. Sales to Russia in 2021 amounted to SEK 387 million or 2.2 per cent of the Group's sales and mainly refer to sales in the Forest division in the Systems Solutions business area. The Group's sales to Ukraine in 2021 amounted to SEK 0.3 million.

The pandemic did not negatively affect the market situation in 2021 or the first quarter of 2022. Lifco continues to monitor the effects of the pandemic.

The Parent Company is affected by the above risks and uncertainties in its capacity as owner of the subsidiary companies. For further information on Lifco's risks and risk management, see the 2021 Annual Report.

### Accounting policies

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 policies have been applied in accordance with those which are presented in the 2021 Annual Report and should be read in conjunction with these.

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

## 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, 29 April 2022**

*Carl Bennet*  
Chairman of the Board

*Ulrika Dellby*  
Director

*Annika Espander*  
Director

*Dan Frohm*  
Director

*Erik Gabrielson*  
Director

*Ulf Grunander*  
Director

*Anders Lorentzson*  
Director, employee  
representative

*Johan Stern*  
Vice Chairman

*Caroline af Ugglas*  
Director

*Axel Wachtmeister*  
Director

*Per Waldemarson*  
President and CEO, Director

*Peter Wiberg*  
Director,  
employee representative

## FINANCIAL CALENDAR

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

The report for the third quarter will be published on 21 October.

The 2022 year-end report and the report for the fourth quarter will be published on 3 February 2023.

## FURTHER INFORMATION

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

## ONLINE PRESENTATION

An online presentation with Per Waldemarson, CEO, and Therése Hoffman, CFO, will take place on Friday, 29 April at 8.30 a.m. CEST. The presentation can be listened to online or by calling one of the telephone numbers below. The presentation will be followed by a question-and-answer session.

Link to the presentation: <https://tv.streamfabriken.com/lifco-q1-2022>

Telephone numbers:

Sweden +46 8 505 583 75

UK +44 3333 00 90 31

US +1 631 913 14 22, the PIN code for the US number: 32216869#



## LIFCO IN BRIEF

*Lifco offers a safe haven for small and medium-sized businesses. Lifco's business concept is to acquire and develop market-leading niche businesses with the potential to deliver sustainable earnings growth and robust cash flows. Lifco is guided by a clear philosophy centred on long-term growth, a focus on profitability and a strongly decentralised organisation. The Group has three business areas: Dental, Demolition & Tools and Systems Solutions. At year-end, the Lifco Group consisted of 198 operating companies in 31 countries. In 2021, Lifco reported EBITA of SEK 3.7 billion on net sales of SEK 17.5 billion. The EBITA margin was 21.2 per cent. Read more at [www.lifco.se](http://www.lifco.se).*

This information constitutes information that Lifco AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the aforementioned contact person on 29 April 2022, at 7.30 a.m. CEST.

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	FIRST QUARTER			FULL YEAR 2021
	2022	2021	change	
Net sales	5,022	3,869	29.8%	17,480
Cost of goods sold	-2,983	-2,227	33.9%	-10,150
<b>Gross profit</b>	<b>2,039</b>	<b>1,642</b>	<b>24.2%</b>	<b>7,330</b>
Selling expenses	-520	-400	30.0%	-1,788
Administrative expenses	-619	-522	18.6%	-2,249
Development costs	-39	-34	14.7%	-140
Other income and expenses	-6	-4	50.0%	-12
<b>Operating profit</b>	<b>855</b>	<b>682</b>	<b>25.4%</b>	<b>3,141</b>
Net financial items	-17	-14	21.4%	-71
<b>Profit before tax</b>	<b>838</b>	<b>668</b>	<b>25.4%</b>	<b>3,070</b>
Tax	-210	-167	25.7%	-641
<b>Net profit for the period</b>	<b>628</b>	<b>501</b>	<b>25.3%</b>	<b>2,429</b>
<b>Profit attributable to:</b>				
Parent Company shareholders	619	493	25.6%	2,390
Non-controlling interests	9	8	12.5%	39
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders	1.36	1.09	24.8%	5.26
<b>EBITA</b>	<b>1,016</b>	<b>815</b>	<b>24.7%</b>	<b>3,709</b>
Depreciation of tangible assets	104	93	11.8%	393
Amortisation of intangible assets	5	3	66.7%	20
Amortisation of intangible assets arising from acquisitions	157	120	30.8%	526

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	FIRST QUARTER			FULL YEAR 2021
	2022	2021	change	
Net profit for the period	628	501	25.3%	2,429
<b>Other comprehensive income</b>				
<i>Items which can later be reclassified to profit or loss:</i>				
Hedge of net investment	-35	-53	-34.0%	-53
Translation differences	176	352	-50.0%	426
Tax related to other comprehensive income	7	12	-41.7%	12
<b>Total comprehensive income for the period</b>	<b>776</b>	<b>812</b>	<b>-4.4%</b>	<b>2,814</b>
<i>Comprehensive income attributable to:</i>				
Parent Company shareholders	764	800	-4.5%	2,770
Non-controlling interests	12	12	-	44
	<b>776</b>	<b>812</b>	<b>-4.4%</b>	<b>2,814</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 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, Contract Manufacturing, Environmental Technology, Service and Distribution and Forest.

### NET SALES TO EXTERNAL CUSTOMERS

No sales are made between the segments.

	FIRST QUARTER			Rolling 12 months		FULL YEAR
SEK million	2022	2021	change	change		2021
Dental	1,306	1,339	-2.5%	5,090	-0.6%	5,123
Demolition & Tools	1,338	915	46.2%	5,124	9.0%	4,701
Systems Solutions	2,378	1,615	47.2%	8,419	10.0%	7,656
<b>Group</b>	<b>5,022</b>	<b>3,869</b>	<b>29.8%</b>	<b>18,633</b>	<b>6.6%</b>	<b>17,480</b>

Net sales by type of income:

	FIRST QUARTER			Rolling 12 months		FULL YEAR
SEK million	2022	2021	change	change		2021
Dental products	1,306	1,339	-2.5%	5,090	-0.6%	5,123
Machinery and tools	1,338	915	46.2%	5,124	9.0%	4,701
Construction Materials	368	280	31.4%	1,355	6.9%	1,267
Contract Manufacturing	428	318	34.6%	1,636	7.2%	1,526
Environmental Technology	641	454	41.2%	2,262	9.0%	2,075
Service and Distribution	707	434	62.9%	2,296	13.5%	2,023
Forest	234	129	81.4%	870	13.7%	765
<b>Group</b>	<b>5,022</b>	<b>3,869</b>	<b>29.8%</b>	<b>18,633</b>	<b>6.6%</b>	<b>17,480</b>

## 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	2022	2021	change	change		2021
Dental	255	303	-15.8%	1,032	-4.4%	1,080
Demolition & Tools	319	232	37.5%	1,348	6.9%	1,261
Systems Solutions	480	309	55.3%	1,665	11.4%	1,494
Central Group functions	-38	-29	31.0%	-135	7.1%	-126
EBITA before acquisition costs	1,016	815	24.7%	3,910	5.4%	3,709
Acquisition costs	-4	-13	-69.2%	-33	-21.4%	-42
EBITA	1,012	802	26.2%	3,877	5.7%	3,667
Amortisation of intangible assets arising from acquisitions	-157	-120	30.8%	-563	7.0%	-526
Net financial items	-17	-14	21.4%	-74	4.2%	-71
Profit before tax	838	668	25.4%	3,240	5.5%	3,070

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>			
Intangible assets	16,234	13,085	15,497
Tangible assets	2,091	1,732	2,052
Financial assets	340	223	320
Inventories	3,362	2,306	2,821
Accounts receivable - trade	2,664	1,914	2,257
Current receivables	547	453	420
Cash and cash equivalents	1,474	1,266	1,509
<b>TOTAL ASSETS</b>	<b>26,712</b>	<b>20,979</b>	<b>24,876</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	11,470	9,499	10,756
Non-current interest-bearing liabilities incl. pension provisions	2,700	2,454	3,228
Other non-current liabilities and provisions	3,458	2,659	3,144
Current interest-bearing liabilities	4,581	3,417	3,737
Accounts payable - trade	1,596	1,052	1,294
Other current liabilities	2,907	1,898	2,717
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,712</b>	<b>20,979</b>	<b>24,876</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attributable to Parent Company shareholders

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Opening equity</b>	<b>10,645</b>	<b>8,614</b>	<b>8,614</b>
Comprehensive income for the period	764	800	2,770
Change in value, owner transactions	-57	-6	-194
Dividend	-	-	-545
<b>Closing equity</b>	<b>11,352</b>	<b>9,408</b>	<b>10,645</b>
<i>Equity attributable to:</i>			
Parent Company shareholders	11,352	9,408	10,645
Non-controlling interests	118	91	111
	<b>11,470</b>	<b>9,499</b>	<b>10,756</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	FIRST QUARTER		FULL YEAR
SEK million	2022	2021	2021
<b>Operating activities</b>			
Operating profit	855	682	3,141
Depreciation of right-of-use assets	47	41	173
Other non-cash items	219	175	766
Interest and financial items, net	-17	-14	-71
Tax paid	-242	-174	-684
<b>Cash flow before changes in working capital</b>	<b>862</b>	<b>710</b>	<b>3,325</b>
<b>Changes in working capital</b>			
Inventories	-480	-275	-627
Current receivables	-384	-338	-463
Current liabilities	324	224	703
<b>Cash flow from operating activities</b>	<b>322</b>	<b>321</b>	<b>2,938</b>
Business acquisitions and sales, net	-505	-819	-2,990
Net investment in tangible assets	-61	-48	-266
Net investment in intangible assets	-8	-5	-31
<b>Cash flow from investing activities</b>	<b>-574</b>	<b>-872</b>	<b>-3,287</b>
Borrowings/repayment of borrowings, net	186	584	1,216
Dividends paid	-	-	-545
Dividends paid to non-controlling interests	-9	-5	-98
<b>Cash flow from financing activities</b>	<b>177</b>	<b>579</b>	<b>573</b>
<b>Cash flow for the period</b>	<b>-75</b>	<b>28</b>	<b>224</b>
Cash and cash equivalents at beginning of period	1,509	1,170	1,170
Translation differences	40	68	115
<b>Cash and cash equivalents at end of period</b>	<b>1,474</b>	<b>1,266</b>	<b>1,509</b>

## ACQUISITIONS IN 2022

Four businesses were consolidated in the first three months of the year. The acquisition pertains to the assets of the Danish company Zenith Dental as well as the majority of the Norwegian company Cenec Tavlebygg, the Italian company Cormidi and the British company Specialist Alarm Services.

The purchase price allocation includes all acquisitions consolidated during the first three months of the year.

Acquisition-related expenses of SEK 4 million are included in administrative expenses in the consolidated income statement for the first three months of the year. Since the respective consolidation dates, the acquired companies have added SEK 27 million to consolidated net sales and SEK 6 million to EBITA. If the businesses had been consolidated as of 1 January 2022, net sales for the year would have increased by a further SEK 37 million and EBITA would have increased by a further SEK 4 million.

### Acquired net assets

Net assets, SEK million	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	-	404	404
Tangible assets	10	-	10
Inventories, accounts receivable and other receivables	101	-1	100
Accounts payable and other liabilities	-63	-99	-162
Cash and cash equivalents	41	-	41
<b>Total net assets</b>	<b>89</b>	<b>304</b>	<b>393</b>
Goodwill	-	312	312
<b>Total net assets</b>	<b>89</b>	<b>616</b>	<b>705</b>

### Effect on cash flow, SEK million

Consideration	705
Considerations not paid	-166
Cash and cash equivalents in acquired companies	-41
Consideration paid relating to acquisitions from previous years	7
<b>Total cash flow effect</b>	<b>505</b>

## FINANCIAL INSTRUMENTS

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Financial assets at amortised cost</b>			
Accounts receivable - trade	2,664	1,914	2,257
Other non-current financial receivables	12	13	13
Cash and cash equivalents	1,474	1,266	1,509
<b>Total</b>	<b>4,150</b>	<b>3,193</b>	<b>3,779</b>
<b>Liabilities at fair value</b>			
Other liabilities <sup>1</sup>	1,903	1,299	1,657
<b>Financial liabilities at amortised cost</b>			
Interest-bearing borrowings	7,224	5,827	6,908
Accounts payable - trade	1,596	1,052	1,294
<b>Total</b>	<b>10,723</b>	<b>8,178</b>	<b>9,859</b>

<sup>1</sup> Other liabilities classified as financial instruments refer to mandatory put/call options related to non-controlling interests and additional considerations.

The carrying amount is the same as the fair value. 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.

## KEY PERFORMANCE INDICATORS

ROLLING TWELVE MONTHS TO	2022 31 MAR	2021 31 DEC	2021 31 MAR
Net sales, SEK million	18,633	17,480	14,010
Change in net sales, %	6.6	26.8	1.6
EBITA, SEK million	3,910	3,709	2,865
EBITA margin, %	21.0	21.2	20.5
EBITDA, SEK million	4,336	4,122	3,229
EBITDA margin, %	23.3	23.6	23.0
Capital employed, SEK million	17,387	16,447	13,981
Capital employed excl. goodwill and other intangible assets, SEK million	2,448	2,294	1,899
Return on capital employed, %	22.5	22.5	20.5
Return on capital employed excl. goodwill, %	160	162	151
Return on equity, %	24.6	24.6	20.6
Net debt, SEK million	7,710	7,113	5,903
Net debt/equity ratio, times	0.7	0.7	0.6
Net debt/EBITDA, times	1.8	1.7	1.8
Interest-bearing net debt, SEK million	4,938	4,603	3,895
Interest-bearing net debt/EBITDA, times	1.1	1.1	1.2
Equity/assets ratio, %	42.9	43.2	45.3
Number of shares, thousand <sup>1</sup>	454,216	454,216	90,843
Average number of employees	6,258	5,995	5,862

<sup>1</sup> In May 2021, Lifco carried out a share split whereby each share was split into five new shares of the same share class (split 5:1).



## CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	FIRST QUARTER		FULL YEAR
	2022	2021	2021
Administrative expenses	-35	-28	-119
Other operating income <sup>1</sup>	0	0	170
<b>Operating profit/loss</b>	<b>-35</b>	<b>-28</b>	<b>51</b>
Net financial items	-5	-22	711
<b>Profit/loss after financial items</b>	<b>-40</b>	<b>-50</b>	<b>762</b>
Appropriations	-	-	-54
Tax	8	10	-8
<b>Net profit/loss for the period</b>	<b>-32</b>	<b>-40</b>	<b>700</b>

<sup>1</sup> Invoicing of Group-wide services.

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>			
Financial assets	6,404	5,420	5,946
Current receivables	8,128	6,358	8,333
Cash and cash equivalents	634	590	584
<b>TOTAL ASSETS</b>	<b>15,166</b>	<b>12,368</b>	<b>14,863</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	3,854	3,691	3,886
Untaxed reserves	122	75	122
Provisions	0	8	2
Non-current interest-bearing liabilities	1,820	1,793	2,363
Current interest-bearing liabilities	4,354	3,192	3,522
Current non-interest-bearing liabilities	5,016	3,609	4,968
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,166</b>	<b>12,368</b>	<b>14,863</b>
Pledged assets	-	-	-
Contingent liabilities	237	202	241

## DEFINITIONS AND OBJECTIVES

<b>Return on equity</b>	Net profit for the period divided by average equity.
<b>Return on capital employed</b>	EBITA before acquisition costs divided by capital employed.
<b>Return on capital employed excluding goodwill and other intangible assets</b>	EBITA before acquisition costs divided by capital employed excluding goodwill and other intangible assets.
<b>EBITA</b>	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 excluding acquisition costs.
<b>EBITA margin</b>	EBITA divided by net sales.
<b>EBITDA</b>	EBITDA is a measure which Lifco considers relevant for investors who wish to understand the earnings generated before investments in non-current assets. Lifco defines earnings before interest, tax, depreciation and amortisation (EBITDA) as operating profit before depreciation, amortisation and impairment of tangible and intangible assets excluding acquisition costs.
<b>EBITDA margin</b>	EBITDA divided by net sales.
<b>Net debt/equity ratio</b>	Net debt divided by equity.
<b>Net debt</b>	Lifco uses the alternative KPI net 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, bonds, interest-bearing pension provisions, liabilities related to put/call options and additional considerations relating to acquisitions as well as lease liabilities less cash and cash equivalents.
<b>Earnings per share</b>	Profit after tax attributable to Parent Company shareholders, divided by the average number of shares outstanding.

**Interest-bearing net debt**

Lifco uses the alternative KPI interest-bearing net 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, bonds as well as interest-bearing pension provisions less 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 with the exception of liabilities related to put/call options and additional considerations relating to acquisitions, 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 with the exception of liabilities related to put/call options and additional considerations relating to acquisitions, 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 18–19.

### *EBITA compared with financial statements in accordance with IFRS*

SEK million	THREE MONTHS 2022	THREE MONTHS 2021	FULL YEAR 2021
Operating profit	855	682	3,141
Amortisation of intangible assets arising from acquisitions	157	120	526
<b>EBITA</b>	<b>1,012</b>	<b>802</b>	<b>3,667</b>
Acquisition costs	4	13	42
<b>EBITA before acquisition costs</b>	<b>1,016</b>	<b>815</b>	<b>3,709</b>

### *EBITDA compared with financial statements in accordance with IFRS*

SEK million	THREE MONTHS 2022	THREE MONTHS 2021	FULL YEAR 2021
Operating profit	855	682	3,141
Depreciation of tangible assets	104	93	393
Amortisation of intangible assets	5	3	20
Amortisation of intangible assets arising from acquisitions	157	120	526
<b>EBITDA</b>	<b>1,121</b>	<b>898</b>	<b>4,080</b>
Acquisition costs	4	13	42
<b>EBITDA before acquisition costs</b>	<b>1,125</b>	<b>911</b>	<b>4,122</b>

### *Net debt compared with financial statements in accordance with IFRS*

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Non-current interest-bearing liabilities including pension provisions	2,014	1,904	2,554
Current interest-bearing liabilities	4,398	3,257	3,558
Cash and cash equivalents	- 1,474	-1,266	-1,509
<b>Interest-bearing net debt</b>	<b>4,938</b>	<b>3,895</b>	<b>4,603</b>
Put/call options, additional considerations	1,903	1,299	1,657
Lease liability	869	709	853
<b>Net debt</b>	<b>7,710</b>	<b>5,903</b>	<b>7,113</b>

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

SEK million	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021
<b>Total assets</b>	<b>26,712</b>	<b>24,876</b>	<b>23,543</b>	<b>21,781</b>
Cash and cash equivalents	-1,474	-1,509	-1,450	-1,178
Interest-bearing pension provisions	-57	-57	-57	-45
Non-interest-bearing liabilities	-6,059	-5,497	-5,248	-4,732
<b>Capital employed</b>	<b>19,122</b>	<b>17,813</b>	<b>16,788</b>	<b>15,826</b>
Goodwill and other intangible assets	-16,234	-15,497	-14,513	-13,513
<b>Capital employed excluding goodwill and other intangible assets</b>	<b>2,888</b>	<b>2,316</b>	<b>2,275</b>	<b>2,313</b>

**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 2022	Q4 2021	Q3 2021	Q2 2021
Capital employed	<b>17,387</b>	19,122	17,813	16,788	15,826
Capital employed excluding goodwill and other intangible assets	<b>2,448</b>	2,888	2,316	2,275	2,313
EBITA	<b>Total 3,910</b>	1,016	1,013	862	1,019
<b>Return on capital employed</b>	<b>22.5%</b>				
<b>Return on capital employed excluding goodwill and other intangible assets</b>	<b>160%</b>				