

Q2

Interim report 2017

ELOS 
MEDTECH

High sales growth within Dental Implant Systems and increased market investments

- **Net sales** for the first half of the year increased and amounted to SEK 296.5 M (292.0), corresponding to organic growth of 1.5%.
- **Operating profit** totalled SEK 26.8 M (28.0).
- **Profit after net financial items** amounted to SEK 15.5 M (21.3). Net financial items were negatively impacted by exchange rate differences of SEK - 6.7 M (-0.2).
- **Profit after tax** amounted to SEK 12.1 M (15.1), corresponding to SEK 2.00 (2.49) per share.
- **Cash flow from operations** was SEK 32.5 M (44.6) and after investments SEK 20.3 M (23.2).

+2.6%

Growth in Q2, value-adjusted -0.1%

+1.5%

Growth during the first half of the year, value-adjusted -0.8%

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/17	Jan-Dec 2016
Net sales, SEK M	155.6	151.6	296.5	292.0	556.5	552.0
Growth, %	2.6	9.0	1.5	19.4	1.0	9.6
EBITDA, SEK M	26.5	29.4	53.4	54.8	95.9	97.3
EBITDA, %	17.0	19.4	18.0	18.8	17.2	17.6
EBIT, SEK M	13.5	16.0	26.8	28.0	41.5	42.7
EBIT, %	8.7	10.6	9.1	9.6	7.5	7.7
Profit after financial items, SEK M	5.9	14.5	15.5	21.3	32.1	37.9
Profit after tax, SEK M	4.9	10.2	12.1	15.1	23.5	26.4
Profit after tax per share, SEK	0:81	1:69	2:00	2:49	3:88	4:37

CEO, Jan Wahlström, comments



During the year we have had a clear strategic focus on sales and growth.

Therefore it is pleasing to see that our strategy is starting to produce results, especially in Dental Implant Systems, but also within Diagnostics and Other Medical Areas. Sales for the first half of the year amount to 296.5 (292.0). This constitutes growth of 2.6 percent in the second quarter. The value adjusted growth was -0,1 percent.

The ambition to build up both the company and the brand is part of our strategy to create more business opportunities for all our market segments. Our internal improvement projects, aimed at strengthening synergies and efficiency, in combination with large market investments, pull down the profits somewhat to SEK 26.8 M compared with SEK 28.0 M previously. However we are convinced that these investments are necessary and that they will be effective in the long term.

As a result of the weakening of the USD during the first half of 2017, profit after financial items was negatively influenced by exchange-rate losses of SEK -6.7 M, of which SEK -5.3 M is unrealised changes in value.

During the second quarter we have continued to see strong development within Dental Implant Systems. Our position as a supplier is strong and we continue to win business while facing tough competition from other players. Sales to both key customers and smaller customers are increasing and amount to SEK 54.0 M (49.9). Our own products are also developing well. They now amount to 9.6 percent (9.2) of our net sales. Our investment within digital dentistry has been well received even although growth in sales is progressing somewhat slower than we expected. However, interest is growing and we are training our customers to facilitate the use of our unique solutions. With two new distributors in the UK, we hope to be able to increase the pace further.

Sales are now recovering in Orthopedics. We consider the orthopedics market to be positive. It is expected to grow faster within outsourcing than the market as a whole. At the same time, we are also experiencing higher demand for new technologies, not least within robotic surgery, which is also benefiting our operations.

We currently have a stronger market position due to our integration of Onyx in Elos Medtech. This is leading to new synergies and joint market activities have resulted in new customer projects. During the first half of the year, in our American operations, we have taken on more new projects than on previous occasions. In the long term, we expect these to replace a previously lost order from a contract customer.

Sales have increased again in Diagnostics. Our assessment is that this market has huge growth potential and consequently we have made ongoing investments in plastic production in Skara in order to create space for future capacity requirements.

After a turbulent year for several of our larger customers in Hearing Device & Vibration, the decline in sales has plateaued and stabilised at a lower level. The focus is now on strengthening our key account work with existing customers.

In Other Medical Areas, sales continued to increase, by 19 percent, from SEK 21.5 M to SEK 25.6 M. The increase is a result of our rapid growth with several new customers, but above all that sales in China are growing fast. It is worth noting that our business in China increased by 18 percent and we see that the previous drop in sales is now behind us.

During the first half of the year we continued our strategic and systematic work, focusing on clarifying the message of what the Group has to offer. At the same time, it is important that we are able to meet growing demand and we have therefore initiated a project, Elos Medtech Operational Excellence (EMOPEX). The aim of EMOPEX, which is estimated to be completed during 2018, is to increase efficiency and ensure improved capacity throughout the whole Group, in order to meet demand from the global medical technology industry.

Jan Wahlström
CEO and President

Energizing Sustainability at Elos Medtech



Globally, the debate around the challenges of developing a sustainable world is intensifying. As a company, we are well aware that we operate in a global environment and we are committed to contributing to achieve more sustainable development. For Elos Medtech, sustainability means striving for effective processes which create customer value and, at the same time, help keep waste to a minimum and reduce the environmental impact of our products.

Sustainability is an important and integrated part of Elos Medtech's operations and is crucial to our future development. In the past year we have adopted a new approach to sustainability and, to demonstrate our responsibility in this area and, at the same time, to create greater commitment, we have called our work Energizing Sustainability. With external support, the company is developing internal expertise to enable it to take sustainability further and implement it in a more tangible way, in both strategy and processes, so it is embedded across the whole of our business and becomes an integral part of our day-to-day work.

As a global medical technology company, Elos Medtech has a responsibility which goes beyond simply supplying high-quality products. We take long-term economic, social and environmental responsibility for how our business affects our stakeholders, and we define strategic targets to ensure that we make continuous improvements in these areas.

We believe that customer-focused business development and taking an ethical approach to our business relationships helps create an economically sustainable organisation. Job satisfaction, commitment and motivation increase when our employees work proactively and contribute to improvements. So, for Elos Medtech, there is a strong correlation between sustainability and quality, and continuous improvements.

Operations in general

Operations

The Group's operations are conducted at facilities in Sweden, Denmark, China and the USA. The company is one of Europe's leading development and production partners within medical technology products and components such as dental and orthopedic implants and instruments. Customers consist primarily of internationally active medical technology companies in the market segments of Dental Implant Systems, Diagnostics, Hearing Device & Vibration, Orthopedics and Other Medical Areas.

Segment reporting

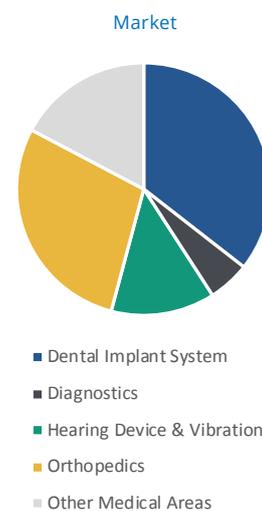
The Group has only one operating segment, which comprises the development, production and sale of medical technology products. Operations are managed, developed and marketed as a single unit, namely Elos Medtech. Accordingly, the consolidated statement of comprehensive income and statement of financial position pertain in all respects to one business segment.

Sales April-June 2017

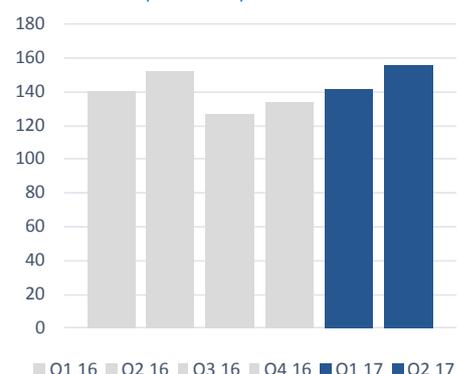
The Group's net sales during the quarter increased and amounted to SEK 155.6 M (151.6). Adjusted for exchange-rate fluctuations, turnover amounted to SEK 151.5 M. This increase is mainly due to good sales by the operations in China and in Sweden. There has also been a positive trend in the American operation.

Sales January-June 2017

The Group's net sales during the first half of the year increased and amounted to SEK 296.5 M (292.0). Adjusted for exchange-rate fluctuations, turnover amounts to SEK 289.7 M. Our operations in China and Sweden made the largest contribution to the increase in sales. The development of the other units has been mixed, but a positive development was noted for the operation in the USA during the second quarter. Overall, demand has continued to develop positively. Growth within the markets for Dental Implant Systems and Other Medical Areas continued to demonstrate positive progress. Diagnostics reversed the negative trend during the first quarter and demonstrated positive growth in the second quarter. The markets for Orthopedics and Hearing Device & Vibration both recovered during the second quarter. During the first half of the year, the development of own products demonstrated growth of around two percent. Own products now represent 9.6 percent (9.2) of the Group's net sales.



Stable increase in sales over the past four quarters



Net sales by market segment SEK M	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/17	Jan-Dec 2016
Dental Implant Systems	54.0	49.9	105.5	86.1	190.5	171.1
Diagnostics	9.4	8.8	15.8	17.0	28.5	29.7
Hearing Device & Vibration	20.7	22.2	39.2	44.0	75.3	80.1
Orthopedics	45.9	49.2	84.9	99.9	167.2	182.2
Other Medical Areas	25.6	21.5	51.1	45.0	95.0	88.9
Total net sales	155.6	151.6	296.5	292.0	556.5	552.0

Profit	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul-Jun 2016/17	Jan-Dec 2016
EBITDA, SEK M	26.5	29.4	53.4	54.8	95.9	97.3
EBITDA, %	17.0	19.4	18.0	18.8	17.2	17.6
EBIT, SEK M	13.5	16.0	26.8	28.0	41.5	42.7
EBIT, %	8.7	10.6	9.1	9.6	7.5	7.7
Profit after financial items, SEK M	5.9	14.5	15.5	21.3	32.1	37.9
Profit after tax, SEK M	4.9	10.2	12.1	15.1	23.5	26.4

Profit April-June 2017

Operating profit during the second quarter amounted to SEK 13.5 M (16.0), corresponding to an operating margin of 8.7 percent (10.6). The Group's net financial items were negatively impacted by exchange-rate fluctuations of SEK -5.3 M (1.5) and amounted to SEK -7.6 M (-1.6). Profit after financial items amounted to SEK 5.9 M (14.5). Profit after tax amounted to SEK 4.9 M (10.2), corresponding to SEK 0.81 (1.69) per share. The Group's total profit amounted to SEK 0.6 M (15.6).

Profit January-June 2017

Operating profit during the first half of the year amounted to SEK 26.8 M (28.0), corresponding to an operating margin of 9.1 percent (9.6). After a cautious start to the year, operations saw an overall improvement during the second quarter. This improvement is mainly due to good sales development in the Chinese and Swedish operations, which also continue to show positive results. The Group's net financial items were negatively affected by translation differences, corresponding to SEK -6.7 M (-0.2), and amounted to SEK -11.4 M (-6.8). SEK 5.3 M of exchange-rate differences relates to an unrealised revaluation of finance receivables. Profit after financial items amounted to SEK 15.5 million (21.3). Profit after tax amounted to SEK 12.1 M (15.1), corresponding to SEK 2.00 (2.49) per share. The Group's total profit amounted to SEK 5.7 M (18.9).

Investments

Group investment during the first half of the year in buildings, land, machinery, equipment, capitalised development costs and other tangible fixed assets amounted to SEK 12.2 M (21.4) and pertained primarily to increased machine capacity.

Financial position and liquidity

The Group's total consolidated assets fell during the first half of the year and amounted to SEK 859.3 million (878.9). The Group's equity amounted to SEK 364.6 M (343.4). Equity per share was SEK 60.25 (56.76). Risk-bearing equity at the end of the period amounted to SEK 398.3 M (369.5), corresponding to 46.4 percent (42.0) of total capital. The Group's equity/assets ratio amounted to 42.4 percent (39.0).

The Group's cash flow from operating activities during the first half of the year amounted to SEK 32.5 M (44.6). Cash flow after investments and sales of fixed assets amounted to SEK 20.3 M (23.2). Cash flow in this half year period has been impacted by additional purchase prices paid of SEK 21.0 M.

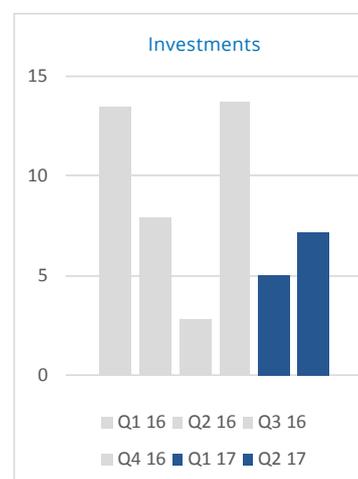
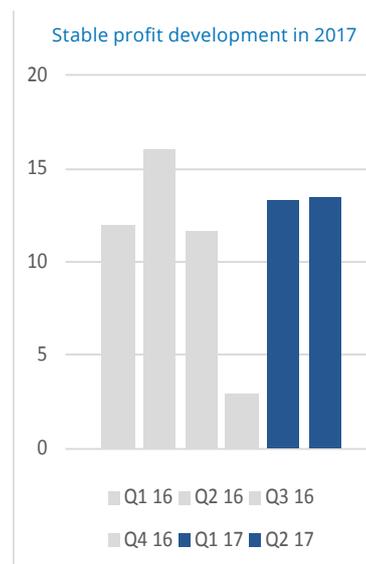
The Group's net borrowing decreased during the first half of the year and amounted to SEK 362.4 M (417.6). The Group's cash and cash equivalents amounted to SEK 58.4 M (74.4).

Personnel

During the first half of 2017, the average number of employees in the Group was 522, compared with 511 for the same period in the previous year.

Forecast for 2017

The global market for medical technology is growing within several of our business areas and we consider there to be good growth potential.





Parent company

In addition to central management issues, the parent company provides Group-wide support activities, such as market support, quality management, financing and financial control. The parent company's net sales amounted to SEK 11.6 M (9.7). Loss after financial items was SEK -8.0 M (8.7). Loss includes an intra-Group dividend of SEK 0.0 M (12.5). The parent company's total loss amounted to SEK -8.2 M (8.6). The share of risk-bearing equity amounted to 64.9 percent (67.8). The equity/assets ratio was 64.5 percent (67.9). The parent company's cash and cash equivalents amounted to SEK 6.5 M (3.8).

Significant risks and uncertainties

The Group's significant risks and uncertainties include business risks associated with customers and suppliers, and other external factors, such as risks related to the prices of input goods. Financial risks also arise in conjunction with changes in exchange and interest rates. A detailed description of the Group's risks and uncertainties, and how they are managed, is presented in the Board of Directors' Report in the 2016 Annual Report.

Related-party transactions

The company engaged in transactions with senior executives during the reporting period. These transactions comprise partial payment of the additional purchase price of SEK 21.0 M for the acquisition of Onyx Medical LLC.

Accounting policies

The consolidated financial statements for 2017 have, similarly to the year-end accounts for 2016, been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The parent company's accounts were prepared in accordance with the Annual Accounts Act and Swedish Financial Accounting Standards Council recommendation RFR 2, Reporting for legal entities.

This interim report was prepared in accordance with IAS 34. The interim information on pages 1-12 forms an integral part of this financial report. The term IFRS in this document includes application of both IAS and IFRS standards, as well as interpretation of these standards, as published by the IASB's Standards Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting policies as those described in the 2016 annual report. New or revised recommendations applicable from 2017 are not considered to have any significant impact on the financial statements.

The European Securities and Market Authority's (ESMA) Guidelines on Alternative Performance Measures have been applied from 3 July 2016 and entail disclosure requirements for financial measures that are not defined in accordance with IFRS.



Audit report

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

The board and CEO declare that the interim report provides a fair overview of the company's and the Group's operations, position and profit/loss and describes the significant risks and uncertainties that the company and the companies that constitute the Group face.

Elos Medtech AB (publ)
Gothenburg, 25 August 2017

Yvonne Mårtensson
Chair of the board

Agneta Bengtsson Runmarker
Board member

Anders Birgersson
Board member

Jeppe Magnusson
Board member

Mats Nilsson
Board member

Jon Risfelt
Board member

Thomas Öster
Board member

Jan Wahlström
CEO and President

Christian Bergaust
Group CFO

Condensed consolidated profit and loss account and statement of comprehensive income

SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Profit and loss account	2017	2016	2017	2016	2016/17	2016
Net sales	155.6	151.6	296.5	292.0	556.5	552.0
Cost of goods sold	-108.3	-106.2	-205.9	-206.9	-393.9	-394.9
Gross profit	47.3	45.4	90.6	85.1	162.6	157.1
Selling expenses	-10.7	-9.3	-20.8	-17.3	-39.7	-36.2
Administration expenses	-18.6	-16.6	-35.0	-32.4	-67.6	-65.0
Development expenditure	-4.3	-3.7	-8.0	-7.4	-15.9	-15.3
Other operating income/expenses	-0.2	0.2	0.0	0.0	2.1	2.1
Operating profit	13.5	16.0	26.8	28.0	41.5	42.7
Financial income	0.0	0.1	0.1	0.1	0.2	0.2
Financial expenses	-2.3	-3.1	-4.7	-6.6	-8.5	-10.4
Exchange-rate differences	-5.3	1.5	-6.7	-0.2	-1.1	5.4
Profit after net financial items	5.9	14.5	15.5	21.3	32.1	37.9
Taxes	-1.0	-4.3	-3.4	-6.2	-8.7	-11.5
Profit after tax	4.9	10.2	12.1	15.1	23.5	26.4
Profit attributable to:						
Parent company shareholders	4.9	10.2	12.1	15.1	23.5	26.4
Statement of comprehensive income						
Profit after tax	4.9	10.2	12.1	15.1	23.5	26.4
Other comprehensive income						
Items that will not be reclassified to the profit and loss account						
Actuarial gains and losses	0.2	0.0	0.4	0.0	0.9	0.9
Tax	-0.1	0.0	-0.1	0.0	-0.2	-0.2
	0.1	0.0	0.3	0.0	0.7	0.7
Items that may be reclassified to the profit and loss account						
Translation differences for the period	-4.5	6.4	-6.8	4.7	2.3	13.8
Translation of currency hedging of net investments during the period	0.0	-1.2	0.0	-1.2	1.2	0.0
Tax	0.1	0.2	0.1	0.3	-0.2	0.0
	-4.4	5.4	-6.7	3.8	3.3	13.8
Other comprehensive income, net	-4.3	5.4	-6.4	3.8	3.9	14.5
Comprehensive income	0.6	15.6	5.7	18.9	27.4	40.9
Comprehensive income attributable to:						
Parent company shareholders	0.6	15.6	5.7	18.9	27.4	40.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	17.0%	19.4%	18.0%	18.8%	17.2%	17.6%
Earnings before interest and taxes (EBIT)	8.7%	10.6%	9.1%	9.6%	7.5%	7.7%
Depreciation charged against earnings	13.0	13.4	26.6	26.8	54.5	54.6
Profit after tax per share (SEK) *	0:81	1:69	2:00	2:49	3:88	4:37
Average number of shares (thousands)	6,051	6,051	6,051	6,051	6,051	6,051
Number of shares (thousands) at the end of the period	6,051	6,051	6,051	6,051	6,051	6,051

* Attributable to the parent company's shareholders' share of profit after tax.

Condensed consolidated statement of financial position

SEK M	30/06/2017	30/06/2016	31/12/2016
Balance Sheet			
Assets			
Intangible fixed assets	273.0	278.8	289.9
Tangible fixed assets	334.0	356.4	354.3
Financial fixed assets	7.5	5.2	5.1
Other current assets	228.4	220.5	199.8
Cash and bank balances	16.4	18.0	38.5
Total assets	859.3	878.9	887.7
Equity and liabilities			
Equity	364.6	343.4	366.8
Long-term liabilities	307.2	291.5	282.2
Current liabilities	187.5	244.0	238.6
Total equity and liabilities	859.3	878.9	887.7

Key figures

		Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Return on operating capital	%	7.3	7.5	5.7
Return on equity	%	13.7	8.9	7.6
Share of risk-bearing capital	%	46.4	42.0	44.7
Equity/assets ratio	%	42.4	39.0	41.3
Net borrowing *	SEK M	362.4	417.6	384.8
Investments excluding acquisitions	SEK M	12.2	21.4	34.6
Average number of employees		522	511	509
Equity per share	SEK	60.25	56.76	60.63
Dividend	SEK	0.0	0.0	1.30

* Net borrowing includes non interest-bearing financial liabilities.

Condensed statement of changes in equity

SEK M	30/06/2017	30/06/2016	31/12/2016
Opening balance	366.8	330.5	330.5
New share issue	0.0	0.0	1.4
Dividend	-7.9	-6.1	-6.1
Total comprehensive income	5.7	18.9	40.9
Closing shareholder's equity	364.6	343.4	366.8

Consolidated quarterly figures

SEK M	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly figures	2017	2017	2016	2016	2016	2016
Net sales	155.6	140.9	133.3	126.7	151.6	140.4
Cost of goods sold	-108.3	-97.6	-97.9	-90.1	-106.2	-100.8
Gross profit	47.3	43.3	35.4	36.6	45.4	39.6
Sales, admin and dev. exp.	-33.6	-30.2	-32.4	-27.0	-29.6	-27.4
Other operating items	-0.2	0.2	0.0	2.1	0.2	-0.2
Operating profit	13.5	13.3	3.0	11.7	16.0	12.0
Net financial items	-1.9	-2.3	-1.5	-2.2	-3.0	-3.5
Exchange-rate differences	-5.7	-1.4	4.3	1.3	1.5	-1.7
Profit after net financial items	5.9	9.6	5.8	10.8	14.5	6.8
Taxes	-1.0	-2.4	-2.9	-2.3	-4.3	-1.9
Profit after tax	4.9	7.2	2.9	8.5	10.2	4.9

Condensed consolidated statement of cash flow

SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Cash flow	2017	2016	2017	2016	2016/17	2016
Profit after net financial items	5.9	14.5	15.5	21.3	32.1	37.9
Reversed depreciation/amortisation	13.0	13.4	26.6	26.8	54.4	54.6
Adjustment items	2.9	-3.6	4.8	-2.6	7.3	-0.1
Tax paid	-1.2	1.6	-2.4	1.5	-5.3	-1.4
Change in working capital	0.0	-1.8	-12.0	-2.4	-2.3	7.3
Cash flow from operating activities	20.6	24.1	32.5	44.6	86.2	98.3
Investments in fixed assets	-6.9	-7.9	-12.2	-21.4	-25.4	-34.6
Sales of fixed assets	0.0	0.0	0.0	0.0	5.2	5.2
Balance after investments in fixed assets	13.7	16.2	20.3	23.2	66.0	68.9
Issue of warrants	0.0	0.0	0.0	0.0	1.4	1.4
Change in overdraft facilities	0.2	-33.1	17.6	21.7	14.8	18.9
Loans raised	0.0	39.8	0.8	48.4	68.4	116.0
Repayment of loans	-25.3	-51.6	-52.7	-109.8	-144.9	-202.0
Dividend	-7.9	-6.0	-7.9	-6.0	-8.0	-6.1
Cash flow for the period	-19.3	-34.7	-21.9	-22.5	-2.3	-2.9
Cash flow during the period, total	-19.3	-34.7	-21.9	-22.5	-2.3	-2.9
Cash and cash equivalents at the start of the period	35.9	51.4	38.5	40.5	18.0	40.5
Exchange-rate differences in cash and cash equivalents	-0.2	1.3	-0.2	0.0	0.7	0.9
Cash and cash equivalents at the end of the period	16.4	18.0	16.4	18.0	16.4	38.5

Condensed parent company profit and loss account and statement of comprehensive income

SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Profit and loss account	2017	2016	2017	2016	2016/17	2016
Net sales	5.8	5.2	11.6	9.7	22.0	20.1
Cost of goods sold	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	5.8	5.2	11.6	9.7	22.0	20.1
Selling expenses	-2.7	-2.9	-5.5	-4.8	-11.6	-10.9
Administration expenses	-7.4	-5.1	-12.0	-9.4	-22.8	-20.2
Other operating income/expenses	-0.5	0.0	0.1	0.0	0.2	0.1
Operating profit	-4.8	-2.8	-5.8	-4.5	-12.2	-10.9
Profit from shares in Group companies	0.0	0.0	0.0	12.5	8.8	21.3
Financial income	2.1	2.1	4.3	3.7	8.6	8.0
Financial expenses	-1.0	-1.0	-2.1	-2.0	-4.0	-3.9
Exchangerate differences	-3.5	0.5	-4.4	-1.0	2.0	5.4
Profit after net financial items	-7.2	-1.2	-8.0	8.7	3.2	19.9
Appropriations	0.0	0.0	0.0	0.0	-0.5	-0.5
Taxes	-0.2	0.1	-0.2	-0.1	-1.9	-1.8
Profit after tax	-7.4	-1.1	-8.2	8.6	0.8	17.6
Statement of comprehensive income						
Profit after tax	-7.4	-1.1	-8.2	8.6	0.8	17.6
Other comprehensive income						
Items that may be reclassified to the profit and loss account						
Translation of currency hedging of net investments during the period	0.0	0.0	0.0	0.0	0.0	0.0
Tax	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income, net	0.0	0.0	0.0	0.0	0.0	0.0
Comprehensive income	-7.4	-1.1	-8.2	8.6	0.8	17.6

Condensed parent company balance sheet

SEK M	30/06/2017	30/06/2016	31/12/2016
Balance Sheet			
Assets			
Intangible assets	3.0	3.6	3.3
Tangible assets	0.8	0.5	0.5
Financial assets	383.4	373.0	382.0
Other current assets	12.5	14.0	25.0
Cash and bank balances	6.5	3.8	17.1
Total assets	406.2	394.9	427.9
Equity and liabilities			
Equity	257.7	264.1	273.8
Untaxed reserves	5.8	5.3	5.8
Provisions	4.6	4.5	4.3
Long-term liabilities	111.0	84.8	79.6
Current liabilities	27.1	36.2	64.4
Total equity and liabilities	406.2	394.9	427.9

Reconciliation data for alternative performance measures

SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Organic growth	2017	2016	2017	2016	2016/17	2016
Reported net sales	155.6	151.6	296.5	292.0	556.5	552.0
Net sales compared with the same period in the previous year	151.6	139.1	292.0	244.6	551.1	503.7
Changes in net sales	4.0	12.5	4.5	47.4	5.4	48.3
Growth, %	2.6	9.0	1.5	19.4	1.0	9.6
Net sales from acquired operations	0.0	8.5	0.0	46.8	0.0	46.8
Net sales adjusted for acquisition effects	155.6	143.1	296.5	245.2	556.5	505.2
Organic growth, %	2.6	2.9	1.5	0.2	1.0	0.3
Sales adjusted for exchange-rate fluctuations						
Exchange-rate fluctuations	-4.1	1.5	-6.8	1.9	-6.5	2.2
Exchange-rate adjusted net sales	151.5	153.1	289.7	293.9	550.0	554.2
Changes, %	-0.1	10.1	-0.8	20.2	-0.2	10.0
SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Operating profit before non-recurring items	2017	2016	2017	2016	2016/17	2016
Recognised operating profit	13.5	16.0	26.8	28.0	41.5	42.7
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit before non-recurring items	13.5	16.0	26.8	28.0	41.5	42.7
SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
EBITDA	2017	2016	2017	2016	2016/17	2016
Recognised operating profit	13.5	16.0	26.8	28.0	41.5	42.7
Depreciation/amortisation and impairment	13.0	13.4	26.6	26.8	54.4	54.6
EBITDA	26.5	29.4	53.4	54.8	95.9	97.3
SEK M				30/06/2017	30/06/2016	31/12/2016
Risk-bearing capital						
Equity				364.6	343.4	366.8
Deferred tax liabilities				33.7	26.1	30.1
Risk-bearing capital				398.3	369.5	396.9
SEK M				30/06/2017	30/06/2016	31/12/2016
Net borrowing						
Non-current interest-bearing provisions for pensions				29.0	29.1	28.8
Non-current interest-bearing liabilities				244.5	236.4	223.3
Current interest-bearing liabilities				85.3	130.2	128.4
Non-interest-bearing financial liabilities				20.0	39.9	42.8
Total liabilities				378.8	435.6	423.3
Cash and cash equivalents				-16.4	-18.0	-38.5
Net borrowing				362.4	417.6	384.8
SEK M				30/06/2017	30/06/2016	31/12/2016
Cash and cash equivalents including unutilised overdraft facilities						
Cash and cash equivalents				16.4	18.0	38.5
Used overdraft facilities				-57.9	-42.5	-40.3
Overdraft facilities granted				99.9	98.9	101.4
Cash and cash equivalents including unutilised overdraft facilities				58.4	74.4	99.6

Definitions of alternative performance measures

Alternative performance measures are financial measures of historical or future financial performance, financial position or cash flows that are not defined in the applicable financial reporting framework, IFRS. These performance measures are considered to comprise important supplementary performance measures for the Group's earnings and financial position and the aim is to create enhanced understanding of the operations. The alternative performance measures presented in this interim report should not be regarded as replacements for terms and concepts under IFRS, but instead be seen as a supplement. These performance measures need not be comparable with similar performance measures of other companies. Reconciliation data for calculating certain of these performance measures is provided on page 12 of this report.

Sales adjusted for exchange-rate fluctuations

Change in net sales adjusted for changes in exchange rates compared with the same period in the previous year.

Organic growth

Change in net sales adjusted for sales from acquired and divested operations compared with the same period in the previous year.

Non-recurring items

Items that are not included in the normal business transactions and when amounts are significant and thus have an impact on earnings and performance measures.

Operating profit before non-recurring items

Profit before financial income and expenses and taxes adjusted for non-recurring items.

Operating profit (EBIT)

Profit before financial income, expenses and taxes.

Operating margin, %

Operating profit in relation to the operation's net sales.

EBITDA

Operating profit before depreciation/amortisation and impairment.

EBITDA, %

Operating profit before depreciation/amortisation and impairment in relation to the operation's net sales.

Risk-bearing capital

Total recognised equity, any minority interests and deferred tax liability.

Net borrowing

Interest-bearing financial liabilities, non-interest-bearing financial liabilities and provisions for pensions less cash and cash equivalents.

Cash and cash equivalents including unutilised overdraft facilities

Cash and bank balances less utilised overdraft facilities plus granted overdraft facilities.

Financial information

Interim report Jan-Sep 2017 submitted on 24 October 2017.

Year-end report for 2017 submitted on 22 February 2018.

Annual report for 2017 submitted in April 2018.

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Disclosure

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Elos Medtech AB (publ) is a Swedish limited liability company, whose Series B share is listed on Small Cap, NASDAQ Stockholm AB. Corporate governance at Elos Medtech is based on Swedish legislation and the listing agreement with NASDAQ Stockholm AB.

Forward-looking statements

Forward-looking statements in this report are based on the management's expectations on the reporting date. Although the Board and management consider these expectations as reasonable, there is no guarantee that these expectations are or will prove to be correct. Consequently, future outcomes may vary considerably from forward-looking statements due, among other things, to altered market conditions for the Group's services or, more generally, changes in the economy, market and competition, changes in legal requirements and other policy measures and fluctuations in exchange rates. The company does not undertake to update or correct such forward-looking statements other than as required to do so by law.

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