

## INTERIM REPORT JANUARY – SEPTEMBER 2021

### Reporting period January – September

- Net sales increased 24.9 per cent to SEK 12,528 (10,031) million. Organically, net sales grew by 13.7 per cent.
- EBITA\* increased 40.4 per cent to SEK 2,696 (1,920) million.
- The EBITA margin\* improved 2.4 percentage points to 21.5 (19.1) per cent.
- Profit before tax grew 43.3 per cent to SEK 2,226 (1,553) million.
- Net profit for the period grew 43.0 per cent to SEK 1,669 (1,167) million.
- Earnings per share increased 42.5 per cent till SEK 3.62 (2.54).
- Cash flow from operating activities amounted to SEK 1,915 (1,995) million.
- The pandemic did not negatively affect the market situation during the period.
- 14 new businesses were consolidated during the period with total annual net sales of about SEK 1,700 million.

### Reporting period July – September

- Net sales increased 25.6 per cent to SEK 4,158 (3,311) million. Organically, net sales grew by 7.5 per cent.
- EBITA\* increased 23.3 per cent to SEK 862 (699) million.
- The EBITA margin\* was 20.7 (21.1) per cent.
- Profit before tax grew 20.1 per cent to SEK 692 (576) million.
- Net profit for the period grew 19.1 per cent to SEK 518 (435) million.
- Cash flow from operating activities amounted to SEK 736 (736) million.

### Summary of financial performance

SEK million	NINE MONTHS			THIRD QUARTER			Rolling 12 months		FULL YEAR
	2021	2020 <sup>1</sup>	change	2021	2020 <sup>1</sup>	change	change		2020 <sup>1</sup>
Net sales	12,528	10,031	24.9%	4,158	3,311	25.6%	16,279	18.1%	13,782
EBITA*	2,696	1,920	40.4%	862	699	23.3%	3,478	28.7%	2,702
EBITA margin*	21.5%	19.1%	2.4	20.7%	21.1%	-0.4	21.4%	1.8	19.6%
Profit before tax	2,226	1,553	43.3%	692	576	20.1%	2,880	30.4%	2,207
Net profit for the period	1,669	1,167	43.0%	518	435	19.1%	2,187	29.8%	1,685
Earnings per share <sup>2</sup>	3.62	2.54	42.5%	1.12	0.94	19.1%	4.75	29.4%	3.67
Return on capital employed	22.7%	18.6%	4.1	22.7%	18.6%	4.1	22.7%	3.1	19.6%
Return on capital employed excl. goodwill	161%	125%	36	161%	125%	36	161%	22	139%

\* Before acquisition costs.

<sup>1</sup> In the first quarter 2021, the Group changed its accounting policies concerning call/put options issued in non-controlling interests.

Comparative figures have been recalculated for 2020 without this leading to any material impact on the reporting.

For more information, see the section on accounting policies.

<sup>2</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

Lifco's primary target is to increase its earnings every year through organic growth as well as acquisitions. Net sales increased by 24.9 per cent to SEK 12,528 (10,031) million in the first nine months of the year, driven by organic growth and acquisitions. Exchange rate effects negatively impacted sales. The generally favourable market environment in all three business areas was a strong contributing factor to organic growth of 13.7 per cent.

During the first nine months of the year, EBITA\* increased by 40.4 per cent to SEK 2,696 (1,920) million and the EBITA margin\* improved by 2.4 percentage points to 21.5 (19.1) per cent. Improvements in profitability are a result of organic growth, Lifco's continual focus on profit margins, acquisitions as well as low sales and marketing activities during the first half of the year as a result of the pandemic. Sales and marketing activities have begun to return to more normal levels during the third quarter of 2021.

Earnings per share during the period increased 42.5 per cent till SEK 3.62 (2.54). Cash flow from operating activities amounted to SEK 1,915 (1,995) million during the nine-month period.

During the first nine months of the year, Lifco consolidated 14 acquisitions, of which four in the Dental business area, two in Demolition & Tools and eight in Systems Solutions. The acquisitions comprise four German companies, four Italian, three British, one Swedish, one Czech and one in the US. Many of the companies are market leaders in their respective market niches. The acquisitions will together have a positive impact on Lifco's results and financial position during the year.

On 20 July, Lifco established a new MTN program with a loan framework of SEK 5 billion, making it possible to issue bonds in the Swedish market. On 26 August, Lifco issued an unsecured bond totalling SEK 750 million, and thereby has bonds outstanding totalling SEK 3,550 million. Lifco's financial position remains solid and interest-bearing net debt amounted to 1.2 times EBITDA\* at 30 September 2021, 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 – SEPTEMBER

Sales increased 24.9 per cent to SEK 12,528 (10,031) million. Organic growth was 13.7 per cent, acquisitions attributed 12.4 per cent and exchange rate effects had a negative impact on sales of 1.2 per cent. The companies consolidated in the first nine months of the year were the Swedish Elvärmeprodukter i Skellefteå, the British companies Cleveland Cascades and T. Freemantle as well as the German Bode Components and the Czech Medema. Also during the period, the majority of the German companies Kaniedenta and Kentzler-Kaschner, the Italian companies Cangini Benne, DVG De Vecchi, MultiOne and Next Hydraulics as well as the British company Spinaclean, were consolidated. The assets and liabilities of Rissmann Dental and German ErgoPack's distributor in the US were also consolidated.

EBITA\* increased 40.4 per cent to SEK 2,696 (1,920) million and the EBITA margin\* improved 2.4 percentage points to 21.5 (19.1) as a result of organic growth, Lifco's ongoing focus on profit margins, acquisitions as well as low sales and marketing activities during the first half of the year as a result of the pandemic. Exchange rate effects had a negative impact on EBITA\* of 1.9 per cent. During the period, 41 (34) per cent of EBITA\* was generated in EUR, 24 (29) per cent in SEK, 12 (14) per cent in NOK, 7 (8) per cent in GBP, 5 (6) per cent in DKK, 5 (3) per cent in USD and 6 (6) per cent in other currencies.

Net financial items were SEK -52 (-44) million.

Profit before tax grew 43.3 per cent to SEK 2,226 (1,553) million and net profit for the period increased 43.0 per cent to SEK 1,669 (1,167) million.

Average capital employed excluding goodwill increased by SEK 227 million during the period, to SEK 2,165 million at 30 September 2021, compared with SEK 1,938 million at 31 December 2020.

EBITA\* in relation to average capital employed excluding goodwill increased during the period to 161 per cent from 139 per cent at year-end.

The Group's net debt increased by SEK 2,137 million from 31 December 2020 to SEK 6,913 million at 30 September 2021, of which liabilities related to put/call options and additional considerations for acquisitions amounted to SEK 1,518 (986) million. Interest-bearing net debt increased by SEK 1,436 million since year-end and amounted to SEK 4,678 (3,862) million at 30 September 2021.

On 20 July 2021, Lifco established a new MTN program with a loan framework of SEK 5 billion, making it possible to issue bonds in the Swedish market. On 26 August 2021, Lifco issued an unsecured bond totalling SEK 750 million, and thereby has bonds outstanding totalling SEK 3,550 million. In addition to bonds outstanding, Lifco has standard short-term credit facilities.

The net debt/equity ratio at 30 September 2021 was 0.7 (0.6) and net debt/EBITDA\* was 1.8 (1.6) times. Interest-bearing net debt/EBITDA\* was 1.2 (1.1) times. At period-end, 50 (41) per cent of the Group's interest-bearing liabilities were denominated in EUR.

Cash flow from operating activities amounted to SEK 1,915 (1,995) million during the first nine months of the year. Cash flow has been impacted by increased inventory and increased accounts receivables. Cash flow from investing activities was SEK -2,392 (-1,099) million, which was mainly attributable to acquisitions.

## GROUP PERFORMANCE IN THE THIRD QUARTER

Sales increased 25.6 per cent to SEK 4,158 (3,311) million in the third quarter. Acquisitions contributed 15.9 per cent and organic growth 7.5 per cent while exchange rate effects had a positive impact of 2.2 per cent.

EBITA\* increased 23.3 per cent to SEK 862 (699) million as the result of acquisitions and exchange rate effects. Foreign exchange gains added 1.9 per cent to EBITA\*. The EBITA margin\* was 20.7 (21.1) per cent. The quarterly comparison is affected by sales and marketing activities being at unusually low levels from the second quarter of 2020 as a result of the pandemic. Sales and marketing activities in the third quarter of 2021 have begun to return to more normal levels. During the third quarter, 46 (35) per cent of EBITA\* was generated in EUR, 22 (30) per cent in SEK, 11 (13) per cent in NOK, 7 (9) per cent in GBP, 4 (4) per cent in USD, 4 (4) per cent in DKK and 6 (5) per cent in other currencies.

Net financial items were SEK -18 (-16) million.

Profit before tax grew by 20.1 per cent to SEK 692 (576) million. Net profit for the period grew 19.1 per cent to SEK 518 (435) million.

Average capital employed excluding goodwill increased by SEK 86 million to SEK 2,165 million at 30 September 2021, compared with SEK 2,079 million at 30 June 2021. EBITA relative to average capital employed excluding goodwill increased from 159 per cent at 30 June 2021 to 161 per cent at 30 September 2021.

From 30 June 2021, the Group's net debt increased by SEK 391 million to SEK 6,913 million.

Cash flow from operating activities amounted to SEK 736 (736) million. Cash flow from investing activities was SEK -721 (-228) million, which was attributable to acquisitions.

## FINANCIAL PERFORMANCE – BUSINESS AREAS

### Dental

SEK million	NINE MONTHS			THIRD QUARTER			Rolling 12 months		FULL YEAR 2020
	2021	2020	change	2021	2020	change	change		
Net sales	3,822	3,077	24.2%	1,166	1,065	9.5%	5,035	17.4%	4,290
EBITA*	839	632	32.8%	239	247	-3.2%	1,105	23.1%	898
EBITA margin*	22.0%	20.5%	1.5	20.5%	23.2%	-2.7	21.9%	1.0	20.9%

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 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.

Net sales in Dental increased by 24.2 per cent to SEK 3,822 (3,077) million during the first nine months of the year, positively impacted by organic growth and acquisitions. The year-on-year comparison is affected by the negative effects of the pandemic in 2020 that primarily occurred during the second quarter of 2020.

EBITA\* increased by 32.8 per cent to SEK 839 (632) million during the nine-month period and the EBITA margin improved by 1.5 percentage points to 22.0 (20.5) per cent. Profitability was impacted positively from organic growth, Lifco's continual focus on profit margins and acquisitions. The quarterly comparison is affected by sales and marketing activities being at unusually low levels from the second quarter of 2020 as a result of the pandemic. Sales and marketing activities have begun to return to more normal levels during the third quarter of 2021.

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. In the third quarter of the year, there were no individual events that had a substantial impact on the earnings of the Dental group as a whole.

As of January 2021, the German operations Kaniedenta and Rissmann Dental were consolidated. Kaniedenta produces and sells dental consumables primarily for the German market. The company had a turnover of about EUR 29 million in 2019 and has 35 employees. The acquisition comprised the majority of the shares. Rissmann Dental is a dental laboratory and had sales of approximately EUR 4.1 million in 2019. The company has about 50 employees. The acquisition was an assets and liabilities acquisition. As of February 2021, the majority of the German company Kentzler-Kaschner was consolidated, which sells consumables to the dental market, mainly in Germany. The company had a turnover of about EUR 3.6 million in 2020 and has 20 employees. As of March 2021, the Czech company Medema was consolidated, which sells consumables and smaller sized equipment to dental clinics and dental laboratories in the Czech Republic. The company had a turnover in 2020 of about CZK 26 million, corresponding to about EUR 1 million. The company has four employees and the acquisition comprised all of the shares.

## Demolition & Tools

SEK million	NINE MONTHS			THIRD QUARTER			Rolling 12 months		FULL YEAR 2020
	2021	2020	change	2021	2020	change	change		
Net sales	3,372	2,378	41.8%	1,146	741	54.7%	4,228	30.7%	3,234
EBITA*	900	530	69.8%	299	175	70.9%	1,120	49.3%	750
EBITA margin*	26.7%	22.3%	4.4	26.1%	23.6%	2.5	26.5%	3.3	23.2%

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 by 41.8 per cent to SEK 3,372 (2,378) million in the first nine months of the year, driven by organic growth and acquisitions. The market environment was generally good. EBITA\* increased by 69.8 per cent to SEK 900 (530) million during the same period and the EBITA margin\* improved by 4.4 percentage points to 26.7 (22.3) per cent. The EBITA margin\* was positively impacted by organic growth, profitable special orders and Lifco's continual focus on profit margins and acquisitions. The quarterly comparison is affected by sales and marketing activities being at unusually low levels from the second quarter of 2020 as a result of the pandemic. Sales and marketing activities have begun to return to more normal levels during the third quarter of 2021.

The majority of shares of the Italian company MultiOne were consolidated as of February 2021, a leading manufacturer of mini loaders and attachments. The company had a turnover of around EUR 27 million in 2020 and has 46 employees. The majority of the shares of the Italian company Cangini Benne were consolidated as of April 2021, a leading manufacturer of attachments for excavators and front loaders. Cangini Benne had a turnover of about EUR 35 million in 2020 and has 115 employees.

## Systems Solutions

SEK million	NINE MONTHS			THIRD QUARTER			Rolling 12 months		FULL YEAR 2020
	2021	2020	change	2021	2020	change	change		
Net sales	5,334	4,576	16.6%	1,846	1,505	22.7%	7,016	12.1%	6,258
EBITA*	1,048	840	24.8%	353	304	16.1%	1,374	17.8%	1,166
EBITA margin*	19.6	18.4%	1.2	19.1%	20.2%	-1.1	19.6%	1.0	18.6%

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 by 16.6 per cent to SEK 5,334 (4,576) million during the first nine months of the year, mainly on the back of organic growth in all divisions except Forest as well as acquisitions. The market for Systems Solutions was healthy overall during the period.

During the first nine months of the year, EBITA\* increased by 24.8 per cent to SEK 1,048 (840) million and the EBITA margin\* improved by 1.2 percentage points to 19.6 (18.4) per cent. Improvements in profitability are a result of Lifco's continual focus on profit margins, organic growth and acquisitions. The quarterly comparison is affected by sales and marketing activities being at unusually low levels from the second quarter of 2020 as a result of the pandemic. Sales and marketing activities have begun to return to more normal levels during the third quarter of 2021. Certain operations have not received full cross-compensation of elevated raw-material prices due to them delivering on existing order backlogs.

Construction Materials reported a stable performance in sales and profitability in the nine-month period.

Contract Manufacturing reported a stable increase in sales during the nine-month period with a somewhat weaker profitability trend.

Environmental Technology reported favourable development in sales and profitability during the period due to acquisitions and generally healthy demand in the aftermarket segment and for consumer durables. In the third quarter of 2020, those companies that sell indirect products that are not part of a value chain took a hit from the pandemic.

Service and Distribution reported a favourable sales trend during the first nine months of the year as a result of organic growth and acquisitions, with a somewhat weaker profitability trend due to the product mix and that cross-compensation for elevated raw-material prices has yet to be fully implemented in certain operations. In the third quarter of 2020, sales and profitability were partly boosted by operations that were positively impacted by the pandemic.

Forest had lower sales, but improved earnings and profitability during the first nine months of the year, which was due to the project-related component of the business, in which sales and earnings can fluctuate substantially between the quarters. These variations do not usually correlate with the underlying market situation but instead depend largely on the outcome of specific projects.

In the Construction Materials division, Elvärmeprodukter i Skellefteå was consolidated as of July 2021, which sells heating products for floor, roof, ground and frost protection, mainly in Sweden. The company had a turnover of around SEK 38 million in 2020 and has eleven employees. The acquisition comprised all of the shares. The German company Bode Components was consolidated as of August 2021, a leading manufacturer of safety products for elevators. Bode Components generated sales of about EUR 5 million in 2020 and has nine employees. The acquisition comprised all of the shares.

In the Environmental Technology division, the British company Cleveland Cascades was consolidated as of February 2021, a global leader in the design and manufacture of bespoke dry bulk loading chutes. The company had a turnover of around GBP 5.1 million in 2020 and has some 30 employees. The acquisition comprised all of the shares. The British company Spinaclean was consolidated as of April 2021, which develops and sells vacuum cleaners and pressure washers for indoor and outdoor high-level cleaning. The company had a turnover of about GBP 5.8 million in 2020 and has some 20 employees. The acquisition comprised the majority of the shares. ErgoPack's distributor in the US was consolidated as of May 2021. The company had a turnover of about USD 4.2 million in 2020, all of which was generated by the German company ErgoPack GmbH, which Lifco acquired in 2019. The acquisition of the distributor in the US was an assets and liabilities acquisition.

In the Service and Distribution division, the British company T. Freemantle was consolidated as of January 2021, a niche manufacturer of cartoning and sleeving machinery. The company had a turnover of around GBP 5.0 million in 2019 and has some 40 employees. The acquisition comprised all of the shares. The Italian company DVG De Vecchi was consolidated as of July 2021, a leading manufacturer and distributor of coffee machines. DVG De Vecchi had a turnover of about EUR 16 million in 2020 and has 39 employees. The acquisition comprised the majority of the shares. The Italian company Next Hydraulics was also consolidated as of July 2021, a leading manufacturer of telescopic cranes mainly used on light vehicles. The company also produces stabilisers for vehicles. Next Hydraulics had a turnover of about EUR 21 million in 2020 and has 43 employees. The acquisition comprised the majority of the shares.



## ACQUISITIONS

Lifco made the following consolidations in the nine-month period:

Consolidated from month	Acquisitions	Business area	Net sales	Employees
January	Kaniedenta	Dental	EUR 29m <sup>1</sup>	35
January	Rissmann Dental	Dental	EUR 4.1m <sup>1</sup>	50
January	T. Freemantle	Systems Solutions	GBP 5.0m <sup>1</sup>	40
February	MultiOne	Demolition & Tools	EUR 27m	46
February	Cleveland Cascades	Systems Solutions	GBP 5.1m	30
March	Kentzler-Kaschner	Dental	EUR 3.6m	20
March	Medema	Dental	EUR 1m	4
April	Spinaclean	Systems Solutions	GBP 5.8m	20
April	Cangini Benne	Demolition & Tools	EUR 35m	115
May	ErgoPack's distributor in the US	Systems Solutions	USD 4.2m <sup>2</sup>	-
July	Elvärmeprodukter i Skellefteå	Systems Solutions	SEK 38m	11
July	DVG De Vecchi	Systems Solutions	EUR 16m	39
July	Next Hydraulics	Systems Solutions	EUR 21m	43
August	Bode Components	Systems Solutions	EUR 5m	9

<sup>1</sup> Refers to net sales in 2019.

<sup>2</sup> All of the turnover was generated by the German company ErgoPack GmbH, which was acquired by Lifco in 2019.

Further information on the acquisitions is provided on page 18. The figures for net sales and number of employees refer to estimated annual net sales and the number of employees at the acquisition date. As of the third quarter of 2021, Lifco does not announce acquisitions with annual net sales of less than SEK 10 million in press releases.

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 5,912 (5,461) during the nine-month period. At the end of the period, the number of employees was 6,171 (5,423). Acquisitions added about 460 employees.

### Events after the end of the reporting period

On 1 October 2021, Lifco reported the assets and liabilities acquisition of Zenith Dental Aps. The company is a niche distributor of dental products in Denmark that reported sales of about DKK 21 million in 2020. The business will be consolidated in the Dental business area and the consolidation is expected to take place in January 2022.

The Swedish IT services company Anidem Computers was consolidated in October 2021, and reported sales of about SEK 4 million in 2020 and has four employees. The company's customers are dentist clinics and the acquisition comprised the majority of the shares.



The acquisitions will not have a significant impact on Lifco's results and financial position in the current year.

## **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 pandemic did not negatively affect the market situation during the first nine months of the year. 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 2020 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 2020 Annual Report and should be read in conjunction with these.

In the first quarter of 2021, the Group changed its accounting policies concerning call/put options issued in non-controlling interests. Changes in value of these options were previously recognised in profit or loss. The changed accounting policy means that these changes in value are instead recognised in equity as shareholder transactions. The Group is of the opinion that this reporting is justified since it better reflects the significance of the transaction and thus provides a more true and fair view. Comparative figures have been recalculated for 2020 without this leading to any material impact on the reporting.

## DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors and Chief Executive Officer warrant and declare that this nine-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, 22 October 2021**

*Carl Bennet*  
Chairman of the Board

*Ulrika Dellby*  
Director

*Dan Frohm*  
Director

*Erik Gabrielson*  
Director

*Ulf Grunander*  
Director

*Annika Espander*  
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

## AUDITOR'S REPORT

Lifco AB (publ) Corp. Reg. No. 556465-3185

### Introduction

We have reviewed the condensed interim financial information (interim report) of Lifco AB as of 30 September 2021 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Enköping, 22 October 2021  
PricewaterhouseCoopers AB

Eric Salander  
Authorised Public Accountant  
Auditor in Charge

Tomas Hilmansson  
Authorised Public Accountant

## FINANCIAL CALENDAR

The 2021 year-end report and the report for the fourth quarter will be published on 2 February 2022. The annual report for 2021 will be published in the week starting 14 March 2021. The report for the first quarter 2022 will be published on 29 April. The report for the second quarter 2022 will be published on 15 July. The report for the third quarter 2022 will be published on 21 October.

## ANNUAL GENERAL MEETING 2022

The Annual General Meeting of Lifco AB will be held on Friday, 29 April 2022, at 11 a.m., at Bonnierhuset, Torsgatan 21, Stockholm. Shareholders wishing to raise an issue for discussion at the AGM may do so by submitting their proposal to the Chairman of Lifco by e-mail: [ir@lifco.se](mailto:ir@lifco.se) or by post to: Lifco AB, Attn: Bolagsstämмоärenden, Verkmästaregatan 1, SE-745 85 Enköping, Sweden. To ensure their inclusion in the notice and thus on the agenda for the AGM, proposals must be received by the Company no later than 11 March 2022.

## THE NOMINATION COMMITTEE

Prior to the Annual General Meeting 2022, the Nomination Committee consists of Carl Bennet, Carl Bennet AB, Per Colleen, the Fourth Swedish National Pension Fund (AP4), Hans Hedström, Carnegie Fonder, Javiera Ragnartz, SEB Fonder & Liv and Frank Larsson, SHB Fonder & Liv. Carl Bennet is Chairman of the Nomination Committee.

Shareholders wishing to submit proposals to the Nomination Committee for the 2022 AGM may do so by sending an e-mail to [ir@lifco.se](mailto:ir@lifco.se) or writing to: Lifco, Attn: Valberedningen, Verkmästaregatan 1, SE-745 85 Enköping, Sweden.

## FURTHER INFORMATION

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

## TELECONFERENCE

Media and analysts are welcome to call in to a teleconference, where CEO Per Waldemarson and CFO Therése Hoffman will present the interim report. After the presentation, there will be an opportunity to ask questions.

Time: Friday, 22 October at 9:00 a.m. CEST

Link to the presentation: <https://tv.streamfabriken.com/lifco-q3-2021>

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## 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 175 operating companies in 31 countries. In 2020, Lifco reported EBITA of SEK 2,702 million on net sales of SEK 13.8 billion. The EBITA margin was 19.6 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 22 October 2021, at 7.30 a.m. CEST.

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	NINE MONTHS			THIRD QUARTER			FULL YEAR 2020
	2021	2020	change	2021	2020	change	
Net sales	12,528	10,031	24.9%	4,158	3,311	25.6%	13,782
Cost of goods sold	-7,245	-5,829	24.3%	-2,431	-1,889	28.7%	-7,968
<b>Gross profit</b>	<b>5,283</b>	<b>4,202</b>	<b>25.7%</b>	<b>1,727</b>	<b>1,422</b>	<b>21.4%</b>	<b>5,814</b>
Selling expenses	-1,289	-1,121	15.0%	-444	-346	28.3%	-1,491
Administrative expenses	-1,583	-1,402	12.9%	-525	-449	16.9%	-1,921
Development costs	-102	-87	17.2%	-31	-32	-3.1%	-121
Other income and expenses	-31	5	-720%	-17	-3	467%	-12
<b>Operating profit</b>	<b>2,278</b>	<b>1,597</b>	<b>42.6%</b>	<b>710</b>	<b>592</b>	<b>19.9%</b>	<b>2,269</b>
Net financial items	-52	-44	18.2%	-18	-16	12.5%	-62
<b>Profit before tax</b>	<b>2,226</b>	<b>1,553</b>	<b>43.3%</b>	<b>692</b>	<b>576</b>	<b>20.1%</b>	<b>2,207</b>
Tax	-557	-386	44.3%	-174	-141	23.4%	-522
<b>Net profit for the period</b>	<b>1,669</b>	<b>1,167</b>	<b>43.0%</b>	<b>518</b>	<b>435</b>	<b>19.1%</b>	<b>1,685</b>
<b>Profit attributable to:</b>							
Parent Company shareholders	1,644	1,151	42.8%	507	428	18.5%	1,665
Non-controlling interests	25	16	56.3%	11	7	57.1%	20
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders	3.62	2.54	42.5%	1.12	0.94	19.1%	3.67
<b>EBITA*</b>	<b>2,696</b>	<b>1,920</b>	<b>40.4%</b>	<b>862</b>	<b>699</b>	<b>23.3%</b>	<b>2,702</b>
Depreciation of tangible assets	292	270	8.1%	102	92	10.9%	344
Amortisation of intangible assets	12	8	50.0%	4	3	33.3%	16
Amortisation of intangible assets arising from acquisitions	384	307	25.1%	141	103	36.9%	412

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	NINE MONTHS			THIRD QUARTER			FULL YEAR 2020
	2021	2020	change	2021	2020	change	
Net profit for the period	1,669	1,167	43.0%	518	435	19.1%	1,685
<b>Other comprehensive income</b>							
<i>Items which can later be reclassified to profit or loss:</i>							
Hedge of net investment	-35	90	-139%	-2	8	-125%	57
Translation differences	289	-233	-224%	80	-11	-827%	-530
Tax related to other comprehensive income	8	-20	-140%	1	-2	-150%	-13
<b>Total comprehensive income for the period</b>	<b>1,931</b>	<b>1,004</b>	<b>92.3%</b>	<b>597</b>	<b>430</b>	<b>38.8%</b>	<b>1,199</b>
<b>Comprehensive income attributable to:</b>							
Parent Company shareholders	1,903	991	92.0%	585	424	38.0%	1,184
Non-controlling interests	28	13	115%	12	6	100%	15
	<b>1,931</b>	<b>1,004</b>	<b>92.3%</b>	<b>597</b>	<b>430</b>	<b>38.8%</b>	<b>1,199</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.

SEK million	NINE MONTHS			THIRD QUARTER			Rolling 12 months		FULL YEAR
	2021	2020	change	2021	2020	change	change		2020
Dental	3,822	3,077	24.2%	1,166	1,065	9.5%	5,035	17.4%	4,290
Demolition & Tools	3,372	2,378	41.8%	1,146	741	54.7%	4,228	30.7%	3,234
Systems Solutions	5,334	4,576	16.6%	1,846	1,505	22.7%	7,016	12.1%	6,258
<b>Group</b>	<b>12,528</b>	<b>10,031</b>	<b>24.9%</b>	<b>4,158</b>	<b>3,311</b>	<b>25.6%</b>	<b>16,279</b>	<b>18.1%</b>	<b>13,782</b>

Net sales by type of income:

SEK million	NINE MONTHS			THIRD QUARTER			Rolling 12 months		FULL YEAR
	2021	2020	change	2021	2020	change	change		2020
Dental products	3,822	3,077	24.2%	1,166	1,065	9.5%	5,035	17.4%	4,290
Machinery and tools	3,372	2,378	41.8%	1,146	741	54.7%	4,228	30.7%	3,234
Construction Materials	894	852	4.9%	291	261	11.5%	1,200	3.6%	1,158
Contract Manufacturing	1,024	866	18.2%	337	276	22.1%	1,363	13.1%	1,205
Environmental Technology	1,481	1,243	19.1%	481	367	31.1%	1,927	14.1%	1,689
Service and Distribution	1,429	1,051	36.0%	541	400	35.3%	1,839	25.9%	1,461
Forest	506	564	-10.3%	196	201	-2.5%	687	-7.8%	745
<b>Group</b>	<b>12,528</b>	<b>10,031</b>	<b>24.9%</b>	<b>4,158</b>	<b>3,311</b>	<b>25.6%</b>	<b>16,279</b>	<b>18.1%</b>	<b>13,782</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:

SEK million	NINE MONTHS			THIRD QUARTER			Rolling 12 months		FULL YEAR
	2021	2020	change	2021	2020	change	change		2020
Dental	839	632	32.8%	239	247	-3.2%	1,105	23.1%	898
Demolition & Tools	900	530	69.8%	299	175	70.9%	1,120	49.3%	750
Systems Solutions	1,048	840	24.8%	353	304	16.1%	1,374	17.8%	1,166
Central Group functions	-91	-82	11.0%	-29	-27	7.4%	-121	8.0%	-112
<b>EBITA before acquisition costs</b>	<b>2,696</b>	<b>1,920</b>	<b>40.4%</b>	<b>862</b>	<b>699</b>	<b>23.3%</b>	<b>3,478</b>	<b>28.7%</b>	<b>2,702</b>
Acquisition costs	-34	-16	112%	-11	-4	175%	-39	85.7%	-21
<b>EBITA</b>	<b>2,662</b>	<b>1,904</b>	<b>39.8%</b>	<b>851</b>	<b>695</b>	<b>22.4%</b>	<b>3,439</b>	<b>28.3%</b>	<b>2,681</b>
Amortisation of intangible assets arising from acquisitions	-384	-307	25.1%	-141	-103	36.9%	-489	18.7%	-412
Net financial items	-52	-44	18.2%	-18	-16	12.5%	-70	12.9%	-62
<b>Profit before tax</b>	<b>2,226</b>	<b>1,553</b>	<b>43.3%</b>	<b>692</b>	<b>576</b>	<b>20.1%</b>	<b>2,880</b>	<b>30.5%</b>	<b>2,207</b>



## CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
Intangible assets	14,513	11,933	11,610
Tangible assets	1,878	1,514	1,504
Financial assets	245	183	199
Inventories	2,700	1,920	1,864
Accounts receivable	2,238	1,733	1,533
Current receivables	519	476	382
Cash and cash equivalents	1,450	865	1,170
<b>TOTAL ASSETS</b>	<b>23,543</b>	<b>18,624</b>	<b>18,262</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	9,932	8,482	8,676
Non-current interest-bearing liabilities incl. pension provisions	2,080	2,689	2,311
Other non-current liabilities and provisions	2,828	2,185	2,164
Current interest-bearing liabilities	4,765	2,583	2,649
Accounts payable - trade	1,236	825	796
Other current liabilities	2,702	1,860	1,666
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,543</b>	<b>18,624</b>	<b>18,262</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attributable to Parent Company shareholders

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Opening equity</b>	8,614	7,915	7,915
Comprehensive income for the period	1,903	991	1,184
Change in value, owner transactions	-137	-8	-8
Dividend	-545	-477	-477
<b>Closing equity</b>	<b>9,835</b>	<b>8,421</b>	<b>8,614</b>
<i>Equity attributable to:</i>			
Parent Company shareholders	9,835	8,421	8,614
Non-controlling interests	97	61	62
	<b>9,932</b>	<b>8,482</b>	<b>8,676</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	NINE MONTHS		THIRD QUARTER		FULL YEAR
	2021	2020	2021	2020	2020
<b>Operating activities</b>					
Operating profit	2,278	1,597	710	592	2,269
Non-cash items	688	585	247	198	772
Interest and financial items, net	-52	-44	-18	-16	-62
Tax paid	-538	-429	-176	-92	-593
<b>Cash flow before changes in working capital</b>	<b>2,376</b>	<b>1,709</b>	<b>763</b>	<b>682</b>	<b>2,386</b>
<i>Changes in working capital</i>					
Inventories	-538	142	-195	105	208
Current receivables	-402	-46	34	-58	145
Current liabilities	479	190	134	7	73
<b>Cash flow from operating activities</b>	<b>1,915</b>	<b>1,995</b>	<b>736</b>	<b>736</b>	<b>2,812</b>
Business acquisitions and sales, net	-2,191	-918	-648	-140	-1,056
Net investment in tangible assets	-184	-165	-69	-84	-223
Net investment in intangible assets	-17	-16	-4	-4	-25
<b>Cash flow from investing activities</b>	<b>-2,392</b>	<b>-1,099</b>	<b>-721</b>	<b>-228</b>	<b>-1,304</b>
Borrowings/repayment of borrowings, net	1,320	-203	238	61	-472
Dividends paid	-545	-477	-	-477	-477
Dividends paid to non-controlling interests	-84	-37	-4	-	-49
<b>Cash flow from financing activities</b>	<b>691</b>	<b>-717</b>	<b>234</b>	<b>-416</b>	<b>-998</b>
<b>Cash flow for the period</b>	<b>214</b>	<b>179</b>	<b>249</b>	<b>92</b>	<b>510</b>
Cash and cash equivalents at beginning of period	1,170	729	1,178	781	729
Translation differences	66	-43	23	-8	-69
<b>Cash and cash equivalents at end of period</b>	<b>1,450</b>	<b>865</b>	<b>1,450</b>	<b>865</b>	<b>1,170</b>

## ACQUISITIONS IN 2021

14 businesses were consolidated in the first nine months of the year. The acquisitions pertain to the assets in the German company Rissmann Dental and ErgoPack's distributor in the US, and to all of the shares in the German company Bode Components, the Czech company Medema, the Swedish company Elvärmeprodukter i Skellefteå and the British companies T. Freemantle and Cleveland Cascades. The consolidated acquisitions also include the majority of the British company Spinaclean, the German companies Kaniedenta and Kentzler-Kaschner as well as the Italian companies Cangini Benne, DVG De Vecchi, MultiOne and Next Hydraulics.

The purchase price allocation includes all acquisitions made during the first nine months of the year.

Acquisition-related expenses of SEK 34 million are included in administrative expenses in the consolidated income statement for the nine-month period. Since the respective consolidation dates, the acquired companies have added SEK 1,081 million to consolidated net sales and SEK 298 million to EBITA. If the businesses had been consolidated as of 1 January 2021, net sales for the year would have increased by a further SEK 415 million and EBITA would have increased by a further SEK 101 million.

### Acquired net assets

Net assets, SEK million	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	182	1,529	1,711
Tangible assets	172	-	172
Inventories, accounts receivable and other receivables	708	-57	651
Accounts payable and other liabilities	-746	-440	-1,186
Cash and cash equivalents	414	-	414
<b>Net assets</b>	<b>730</b>	<b>1,032</b>	<b>1,762</b>
Goodwill	-	1,260	1,260
<b>Total net assets</b>	<b>730</b>	<b>2,292</b>	<b>3,022</b>

### Effect on cash flow, SEK million

Consideration	3,022
<i>Consideration not paid</i>	-444
Cash and cash equivalents in acquired companies	-414
Consideration paid relating to acquisitions from previous years	27
<b>Total cash flow effect</b>	<b>2,191</b>

## FINANCIAL INSTRUMENTS

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Financial assets at amortised cost</b>			
Accounts receivable	2,238	1,733	1,533
Other non-current financial receivables	12	12	11
Cash and cash equivalents	1,450	865	1,170
<b>Total</b>	<b>3,700</b>	<b>2,610</b>	<b>2,714</b>
<b>Liabilities at fair value through profit or loss</b>			
Other liabilities <sup>1</sup>	1,518	1,018	986
<b>Financial liabilities at amortised cost</b>			
Interest-bearing borrowings	6,788	5,227	4,916
Accounts payable - trade	1,236	825	796
<b>Total</b>	<b>9,542</b>	<b>7,070</b>	<b>6,698</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	2021 30 SEP	2020 31 DEC	2020 30 SEP
Net sales, SEK million	16,279	13,782	13,772
Change in net sales, %	18.1	-0.5	-0.5
EBITA*, SEK million	3,478	2,702	2,571
EBITA margin*, %	21.4	19.6	18.7
EBITDA*, SEK million	3,864	3,062	2,932
EBITDA margin*, %	23.7	22.2	21.3
Capital employed, SEK million	15,346	13,812	13,831
Capital employed excl. goodwill and other intangible assets, SEK million	2,165	1,938	2,057
Return on capital employed, %	22.7	19.6	18.6
Return on capital employed excl. goodwill, %	161	139	125
Return on equity, %	23.4	19.9	19.3
Net debt, SEK million	6,913	4,776	5,425
Net debt/equity ratio, times	0.7	0.6	0.6
Net debt/EBITDA*	1.8	1.6	1.9
Interest-bearing net debt, SEK million	4,678	3,242	3,862
Interest-bearing net debt/EBITDA*, times	1.2	1.1	1.3
Equity/assets ratio, %	42.2	47.5	45.5
Number of shares, thousand <sup>1</sup>	454,216	90,843	90,843
Average number of employees	5,912	5,491	5,461

<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	NINE MONTHS		THIRD QUARTER		FULL YEAR
	2021	2020	2021	2020	2020
Administrative expenses	-86	-78	-27	-27	-106
Other operating income <sup>1</sup>	-	-	-	-	147
<b>Operating profit</b>	<b>-86</b>	<b>-78</b>	<b>-27</b>	<b>-27</b>	<b>41</b>
Financial net items <sup>2</sup>	689	930	31	43	954
<b>Profit after financial items</b>	<b>603</b>	<b>852</b>	<b>4</b>	<b>16</b>	<b>995</b>
Appropriations	-	7	-	-	-31
Tax	4	-13	-1	-4	-27
<b>Net profit for the period</b>	<b>607</b>	<b>846</b>	<b>3</b>	<b>12</b>	<b>937</b>

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

<sup>2</sup> Net financial items include SEK 623 (771) million in dividends received during the nine-month period.

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
Financial assets	5,973	4,994	4,777
Current receivables	7,668	6,165	6,204
Cash and cash equivalents	394	332	625
<b>TOTAL ASSETS</b>	<b>14,035</b>	<b>11,491</b>	<b>11,606</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	3,793	3,640	3,731
Untaxed reserves	75	65	75
Provisions	11	14	23
Non-current interest-bearing liabilities	1,343	2,136	1,779
Current interest-bearing liabilities	4,561	2,381	2,463
Current non-interest-bearing liabilities	4,252	3,255	3,535
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,035</b>	<b>11,491</b>	<b>11,606</b>
Pledged assets		-	-
Contingent liabilities	241	201	199

## 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. In its financial reports, Lifco excludes acquisition costs, which is indicated by an asterisk.
<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. In its financial reports, Lifco excludes acquisition costs, which is indicated by an asterisk.
<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.

**Earnings per share**

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 21–22.

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

SEK million	NINE MONTHS 2021	NINE MONTHS 2020	FULL YEAR 2020
<b>Operating profit</b>	2,278	1,597	2,269
Amortisation of intangible assets arising from acquisitions	384	307	412
<b>EBITA</b>	<b>2,662</b>	<b>1,904</b>	<b>2,681</b>
Acquisition costs	34	16	21
<b>EBITA before acquisition costs</b>	<b>2,696</b>	<b>1,920</b>	<b>2,702</b>

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

SEK million	NINE MONTHS 2021	NINE MONTHS 2020	FULL YEAR 2020
<b>Operating profit</b>	2,278	1,597	2,269
Depreciation of tangible assets	292	270	344
Amortisation of intangible assets	12	8	16
Amortisation of intangible assets arising from acquisitions	384	307	412
<b>EBITDA</b>	<b>2,966</b>	<b>2,182</b>	<b>3,041</b>
Acquisition costs	34	16	21
<b>EBITDA before acquisition costs</b>	<b>3,000</b>	<b>2,198</b>	<b>3,062</b>

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

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current interest-bearing liabilities including pension provisions	1,522	2,287	1,909
Current interest-bearing liabilities	4,606	2,440	2,503
Cash and cash equivalents	-1,450	-865	-1,170
<b>Interest-bearing net debt</b>	<b>4,678</b>	<b>3,862</b>	<b>3,242</b>
Put/call options, additional considerations	1,518	1,018	986
Lease liability	717	545	548
<b>Net debt</b>	<b>6,913</b>	<b>5,425</b>	<b>4,776</b>

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

SEK million	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020
<b>Total assets</b>	<b>23,543</b>	<b>21,781</b>	<b>20,979</b>	<b>18,262</b>
Cash and cash equivalents	-1,450	-1,178	-1,266	-1,170
Interest-bearing pension provisions	-57	-45	-43	-44
Non-interest-bearing liabilities	-5,248	-4,732	-4,311	-3,639
<b>Capital employed</b>	<b>16,788</b>	<b>15,826</b>	<b>15,359</b>	<b>13,409</b>
Goodwill and other intangible assets	-14,513	-13,513	-13,085	-11,610
<b>Capital employed excluding goodwill and other intangible assets</b>	<b>2,275</b>	<b>2,313</b>	<b>2,274</b>	<b>1,799</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	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Capital employed	<b>15,346</b>	16,788	15,826	15,359	13,409
Capital employed excluding goodwill and other intangible assets	<b>2,165</b>	2,275	2,313	2,274	1,799
<b>EBITA*</b>	<b>3,478</b>	862	1,019	815	782
<b>Return on capital employed</b>	<b>22.7%</b>				
<b>Return on capital employed excluding goodwill and other intangible assets</b>	<b>161%</b>				