

## INTERIM REPORT JANUARY – JUNE 2022

### Reporting period January – June

- Net sales increased 25.8 per cent to SEK 10,530 (8,370) million. Organically, net sales grew by 12.9 per cent.
- EBITA increased 22.0 per cent to SEK 2,237 (1,834) million.
- The EBITA margin was 21.2 (21.9) per cent.
- Profit before tax grew 21.6 per cent to SEK 1,865 (1,534) million.
- Net profit for the period grew 21.5 per cent to SEK 1,399 (1,151) million.
- Earnings per share increased 20.8 per cent till SEK 3.02 (2.50).
- Cash flow from operating activities decreased 19.7 per cent to SEK 947 (1,179) million
- Five new businesses were consolidated during the period with total annual net sales of about SEK 350 million.

### Reporting period April – June

- Net sales increased 22.4 per cent to SEK 5,508 (4,501) million. Organically, net sales grew by 12.3 per cent.
- EBITA increased 19.8 per cent to SEK 1,221 (1,019) million.
- The EBITA margin was 22.2 (22.6) per cent.
- Profit before tax grew 18.6 per cent to SEK 1,027 (866) million.
- Net profit for the period grew 18.6 per cent to SEK 771 (650) million.
- Cash flow from operating activities decreased 27.2 per cent to SEK 625 (858) million.

### Summary of financial performance

	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2022	2021	change	2022	2021	change	change		2021
Net sales	10,530	8,370	25.8%	5,508	4,501	22.4%	19,640	12.4%	17,480
EBITA	2,237	1,834	22.0%	1,221	1,019	19.8%	4,112	10.9%	3,709
EBITA margin	21.2%	21.9%	-0.7	22.2%	22.6%	-0.4	20.9%	-0.3	21.2%
Profit before tax	1,865	1,534	21.6%	1,027	866	18.6%	3,401	10.8%	3,070
Net profit for the period	1,399	1,151	21.5%	771	650	18.6%	2,677	10.2%	2,429
Earnings per share	3.02	2.50	20.8%	1.66	1.41	17.7%	5.78	9.9%	5.26
Return on capital employed	22.3%	22.7%	-0.4	22.3%	22.7%	-0.4	22.3%	-0.2	22.5%
Return on capital employed excl. goodwill	151%	159%	-8	151%	159%	-8	151%	-11	162%

## COMMENTS FROM THE CEO

Net sales increased by 25.8 per cent to SEK 10,530 (8,370) million in the first half of the year, 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 12.9 per cent.

During the first half of the year, EBITA increased by 22.0 per cent to SEK 2,237 (1,834) million. The organic growth and acquisitions contributed to the increased EBITA. The EBITA margin amounted to 21.2 (21.9) per cent and was to some extent negatively affected by the fact that sales and marketing activities returning to pre-pandemic levels as of the third quarter of 2021. The margin was also impacted by certain operations still not having received full cross-compensation for higher costs.

Earnings per share increased by 20.8 per cent to SEK 3.02 (2.50) during the first six months of the year. Cash flow from operating activities amounted to SEK 947 (1,179) million. The lower cash flow is due primarily to increased inventory build-up as the result of high demand for a longer period and disruptions to the global supply chain that led to requirements for greater safety stock.

During the first half of the year, Lifco consolidated five acquisitions – two each in the Dental and Systems Solutions business areas and one in Demolition & Tools. 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. The Construction Materials division in the Systems Solutions business area was strengthened with the Norwegian company Cenec Tavlebygg, which manufactures low-voltage electrical supplies, and the Finnish company BCC Solutions, whose products include optical transceivers and fibre cabling. The acquisitions together will have a positive impact on Lifco's results and financial position during the year.

One of Lifco's fundamental principles is to be an owner with a very long-term perspective and we enter all companies with the intention of permanently remaining a principal owner. However, in May this year we decided to make an exception and sold all of our holdings to the management in the Estonian company Hekotek, which mainly sells sawmill equipment to Russia.

Lifco's financial position remains strong: interest-bearing net debt amounted to 1.3 times EBITDA at 30 June 2022, which is well in line with our target of interest-bearing net debt of a maximum of three times EBITDA. This means that Lifco possesses the financial scope to make additional acquisitions.



Per Waldemarson  
President and CEO

## GROUP PERFORMANCE IN JANUARY – JUNE

Sales increased 25.8 per cent to SEK 10,530 (8,370) million. Organic growth was 12.9 per cent, acquisitions contributed 9.3 per cent while changes in exchange rates had a positive impact of 4.2 per cent. During the first half of the year, the assets of the Danish company Zenith Dental were consolidated as well as the majority of the Finnish company BCC Solutions, the Norwegian company Cenec Tavlebygg, the Italian company Cormidi and the British company Specialist Alarm Services. The divestment of the Estonian company Hekotek, which mainly sells sawmill equipment to Russia, impacted net sales negatively by 0.6 per cent.

EBITA increased 22.0 per cent to SEK 2,237 (1,834) million. The organic growth and acquisitions contributed to the EBITA increase. The EBITA margin amounted to 21.2 (21.9) per cent and was to some extent negatively affected by sales and marketing activities returning to pre-pandemic levels as of the third quarter of 2021. The margin was also impacted by certain operations still not having received full cross-compensation for higher costs.

Foreign exchange gains added 3.4 per cent to EBITA. During the period, 40 (39) per cent of EBITA was generated in EUR, 25 (25) per cent in SEK, 12 (12) per cent in NOK, 7 (7) per cent in GBP, 6 (5) per cent in DKK, 5 (5) per cent in USD and 5 (7) per cent in other currencies.

Net financial items were SEK -39 (-34) million.

Profit before tax grew by 21.6 per cent to SEK 1,865 (1,534) million and net profit for the period increased by 21.5 per cent to SEK 1,399 (1,151) million.

Average capital employed excluding goodwill increased by SEK 431 million during the first half of the year, to SEK 2,725 million at 30 June 2022, compared with SEK 2,294 million at 31 December 2021. EBITA in relation to average capital employed excluding goodwill declined during the period to 151 per cent from 162 per cent at year-end.

The Group's net debt increased by SEK 1,316 million from 31 December 2021 to SEK 8,429 million at 30 June 2022, of which liabilities related to put/call options and additional considerations for acquisitions increased SEK 175 million since year-end to SEK 1,832 million. Interest-bearing net debt increased by SEK 1,110 million since year-end and amounted to SEK 5,713 million at 30 June 2022.

The net debt/equity ratio at 30 June 2022 was 0.7 and was unchanged since year-end. Net debt/EBITDA at 31 December 2021 increased to 1.9 times from 1.7 times. Interest-bearing net debt/EBITDA increased to 1.3 times from 1.1 times at year-end. At period-end, 54 (45) per cent of the Group's interest-bearing liabilities were denominated in EUR.

Cash flow from operating activities decreased 19.7 per cent to SEK 947 (1,179) million in the first half of the year, and was impacted by higher inventory build-up and increased accounts receivable as a result of the organic growth. Cash flow from investing activities was SEK -1,072 (-1,671) million, which was mainly attributable to acquisitions.

## GROUP PERFORMANCE IN THE SECOND QUARTER

Sales increased by 22.4 per cent to SEK 5,508 (4,501) million in the second quarter. Organic growth contributed 12.3 per cent and acquisitions 7.2 per cent, while exchange rate effects had a positive impact of 4.0 per cent. The divestment of the Estonian company Hekotek, which mainly sells sawmill equipment to Russia, impacted net sales negatively by 1.1 per cent.

EBITA increased 19.8 per cent to SEK 1,221 (1,019) million. The organic growth and acquisitions contributed to the EBITA increase. The EBITA margin amounted to 22.2 (22.6) per cent and was to some extent negatively affected by sales and marketing activities returning to pre-pandemic levels as of the third quarter of 2021. The margin was also impacted by certain operations still not having received full cross-compensation for higher costs.

Foreign exchange gains added 3.4 per cent to EBITA. During the second quarter, 38 (37) per cent of EBITA was generated in EUR, 25 (26) per cent in SEK and 12 (13) per cent in NOK, 6 (8) per cent in GBP, 5 (5) per cent in USD, 7 (4) per cent in DKK and 7 (7) per cent in other currencies.

Net financial items were SEK -22 (-20) million.

Profit before tax grew by 18.6 per cent to SEK 1,027 (866) million. Net profit for the period grew 18.6 per cent to SEK 771 (650) million.

Average capital employed excluding goodwill increased by SEK 277 million to SEK 2,725 million at 30 June 2022, compared with SEK 2,448 million at 31 March 2022. EBITA relative to average capital employed excluding goodwill decreased from 160 per cent at 31 March 2022 to 151 percent at 30 June 2022.

From 31 March 2022, the Group's net debt increased by SEK 719 million to SEK 8,429 million. At the Annual General Meeting on 29 April 2022, the dividend for the 2021 financial year was set at SEK 1.50 per share. The total dividend to shareholders for the 2021 financial year was SEK 681.3 million, and was paid on 6 May 2022.

Cash flow from operating activities decreased 27.2 per cent to SEK 625 (858) million, mainly on the back of higher inventory build-up and increased accounts receivable as a result of the organic growth. Cash flow from investing activities was SEK -498 (-799) million, which was attributable to acquisitions and investments.

## FINANCIAL PERFORMANCE – BUSINESS AREAS

### Dental

SIX MONTHS				SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2022	2021	change	2022	2021	change	change	2021	
Net sales	2,649	2,656	-0.3%	1,343	1,317	2.0%	5,116	-0.1%	5,123
EBITA	521	600	-13.2%	266	297	-10.4%	1,001	-7.3%	1,080
EBITA margin	19.7%	22.6%	-2.9	19.8%	22.6%	-2.8	19.6%	-1.5	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.

Dental's sales decreased by 0.3 per cent to SEK 2,649 (2,656) million during the first half of the year. Production of dental prosthetics in China was impacted by the pandemic in the first quarter. Due to these production disruptions, sales were slightly lower than normal in the second quarter as well.

EBITA declined by 13.2 per cent during the period to SEK 521 (600) million and the EBITA margin was 19.7 (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. The margin was also impacted by certain operations still not having received full cross-compensation for higher costs.

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

SIX MONTHS				SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2022	2021	change	2022	2021	change	change		2021
Net sales	2,989	2,226	34.3%	1,651	1,311	25.9%	5,464	16.2%	4,701
EBITA	769	601	28.0%	450	369	22.0%	1,429	13.3%	1,261
EBITA margin	25.7%	27.0%	-1.3	27.3%	28.1%	-0.8	26.2%	-0.6	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.

Sales increased by 34.3 per cent to SEK 2,989 (2,226) million in the first half of the year, driven by organic growth and acquisitions. The market situation during the first half of the year was generally very strong.

EBITA increased by 28.0 per cent to SEK 769 (601) million. The organic growth and acquisitions contributed to the EBITA increase. The EBITA margin amounted to 24.7 (27.0) per cent and was to some extent negatively affected by sales and marketing activities returning to pre-pandemic levels as of the third quarter of 2021. The margin was also impacted by certain operations still not having received full cross-compensation for higher costs. The margin in the year-earlier period was positively affected by profitable special orders.

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

SIX MONTHS				SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2022	2021	change	2022	2021	change	change		2021
Net sales	4,892	3,488	40.3%	2,514	1,873	34.2%	9,060	18.3%	7,656
EBITA	1,023	695	47.2%	543	386	40.7%	1,822	22.0%	1,494
EBITA margin	20.9%	19.9%	1.0	21.6%	20.6%	1.0	20.1%	0.6	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.

Sales in Systems Solutions increased by 40.3 per cent to SEK 4,892 (3,488) million during the first half of the year, mainly on the back of organic growth in all divisions and acquisitions. The market for Systems Solutions was healthy overall during the first half of the year.

EBITA increased during the period by 47.2 per cent to SEK 1,023 (695) million and the EBITA margin increased by 1.0 percentage point to 20.9 (19.9) per cent. The organic growth and acquisitions contributed to the EBITA increase and margin improvement.

Construction Materials reported a healthy sales trend for the first six months of the year with improved profitability.

Contract Manufacturing reported a healthy sales trend for the six-month period with a slight decline in profitability.

Environmental Technology reported a healthy performance in sales and profitability in the first half of the year.

Service and Distribution reported a healthy sales trend in the six-month period with improved profitability, positively impacted by acquisitions.

Forest reported a healthy sales trend with somewhat weaker profitability compared with the first half of last year. Sales and earnings may vary substantially between the quarters depending on the outcomes in the project-related component of the business. All of the shares in the Estonian company Hekotek, which sells sawmill equipment primarily in Russia, were divested in May 2022. For more information, see the section “Divestment” below.

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. In the Construction Materials division, the majority of shares of the Finnish company BCC Solutions, a supplier of optical transceivers, fibre cabling, multiplexers, media converters, test and measurement instruments, for the Finnish fibre installation market, were consolidated as of May 2022. The company had net sales of about EUR 11 million in 2021 and has nine employees.

## ACQUISITIONS

Lifco made the following consolidations in the first six months of the year:

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
May	BCC Solutions	Systems Solutions	EUR 11m	9

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

Further information on the acquisitions is provided on page 16. 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.

## DIVESTMENT

All of the shares in the Estonian company Hekotek, which sells sawmill equipment primarily in Russia, were divested in May 2022. Hekotek has 130 employees and sales in 2021 were approximately EUR 40 million. The company was consolidated in the Systems Solutions business area, Forest division.

The buyers are management of the company, who owned 17.5 per cent of the shares before the transaction. The divestment was not significant for the Group's or the Forest division's financial position and did not have a significant impact on Lifco's earnings or financial position during the year.

## OTHER INFORMATION

### Employees

The average number of employees was 6,154 (5,784) in the first half of the year. At the end of the period, the number of employees was 6,216 (6,014). About 90 employees joined the company through acquisitions in the six-month period.

Ingvar Ljungqvist, Head of Acquisitions, left Lifco on 7 July 2022 at his own request. There are several other employees in the Lifco Group who work full-time on acquisitions and these individuals will continue to report directly to the CEO.

### Events after the end of the reporting period

Lifco announced on 5 May 2022 that the company had signed an agreement to acquire a majority of the shares in the Italian company Trevi Benne S.p.A. The company is a manufacturer of excavator tools and attachments used in demolition, scrap handling, earthmoving and forestry. Trevi Benne reported net sales of about EUR 37 million in 2021 and has 105 employees. The company will be consolidated in the Demolition & Tools business area. Consolidation is expected to take place in the third quarter 2022.

Lifco announced on 13 June 2022 that the company had signed an agreement to acquire a majority of the shares in the Norwegian company Oslo Dental AS. The company sells equipment and services to dentists in Norway. Oslo Dental reported net sales of about NOK 27 million in 2021 and has five employees. The company will be consolidated in the Dental business area in July 2022.

### Related party transactions

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

### Annual General Meeting 2022

The 2022 Annual General Meeting was held on 29 April in Stockholm. With the support of the temporary law on exemptions to facilitate the conduct of general meetings, shareholders had also been offered the opportunity to exercise their voting rights by post. The main resolutions of the Meeting were as follows: • The dividend for the 2021 financial year was set at SEK 1.50 per share. The record date for the rights to dividends was set at 3 Mat 2022, with a payment date of 6 May 2022. • Carl Bennet, Ulrika Dellby, Annika Espander, Dan Frohm, Erik Gabrielson, Ulf Grunander, Johan Stern, Caroline af Ugglas, Axel Wachtmeister and Per Waldemarson were re-elected members of the Board. Carl Bennet was re-elected Chairman of the Board. • The registered public accounting firm PricewaterhouseCoopers AB was re-elected as the company's auditors for a one-year term. The new auditor-in-charge is Cecilia Andrén Dorselius. • Fees for the Board and auditors were adopted, as were principles for the work of the Nomination Committee. • The Board's remuneration report and proposed guidelines on remuneration of senior executives were approved.



## 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. Following the divestment of Hekotek in May 2022, sales to Russia in 2021 amounted to SEK 131 million or 0.7 per cent of the Group's sales; these 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 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 six-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, 15 July 2022**

*Carl Bennet*  
Chairman of the Board

*Ulrika Dellby*  
Director

*Dan Frohm*  
Director

*Erik Gabrielson*  
Director

*Ulf Grunander*  
Director

*Annika Espander*  
Director

*Tobias Nordin*  
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 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, 15 July at 9.00 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-q2-2022>

Telephone numbers:

Sweden +46 8 505 163 86

UK +44 2031 98 48 84

US +1 412 317 63 00

The PIN code for all numbers is 6562186#

## 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 and the Swedish Securities Market Act. The information was submitted for publication through the aforementioned contact person on 15 July 2022, at 7.30 a.m. CEST.

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	SIX MONTHS			SECOND QUARTER			FULL YEAR 2021
	2022	2021	change	2022	2021	change	
Net sales	10,530	8,370	25.8%	5,508	4,501	22.4%	17,480
Cost of goods sold	-6,206	-4,814	28.9%	-3,223	-2,587	24.6%	-10,150
<b>Gross profit</b>	<b>4,324</b>	<b>3,556</b>	<b>21.6%</b>	<b>2,285</b>	<b>1,914</b>	<b>19.4%</b>	<b>7,330</b>
Selling expenses	-1,085	-845	28.4%	-565	-445	27.0%	-1,788
Administrative expenses	-1,254	-1,058	18.5%	-635	-536	18.5%	-2,249
Development costs	-80	-71	12.7%	-41	-37	10.8%	-140
Other income and expenses	-1	-14	-92.9%	5	-10	-150%	-12
<b>Operating profit</b>	<b>1,904</b>	<b>1,568</b>	<b>21.4%</b>	<b>1,049</b>	<b>886</b>	<b>18.4%</b>	<b>3,141</b>
Net financial items	-39	-34	14.7%	-22	-20	10.0%	-71
<b>Profit before tax</b>	<b>1,865</b>	<b>1,534</b>	<b>21.6%</b>	<b>1,027</b>	<b>866</b>	<b>18.6%</b>	<b>3,070</b>
Tax	-466	-383	21.7%	-256	-216	18.5%	-641
<b>Net profit for the period</b>	<b>1,399</b>	<b>1,151</b>	<b>21.5%</b>	<b>771</b>	<b>650</b>	<b>18.6%</b>	<b>2,429</b>
<b>Profit attributable to:</b>							
Parent Company shareholders	1,376	1,137	21.0%	757	644	17.5%	2,390
Non-controlling interests	23	14	64.3%	14	6	133%	39
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders	3.02	2.50	20.8%	1.66	1.41	17.7%	5.26
<b>EBITA</b>	<b>2,237</b>	<b>1,834</b>	<b>22.0%</b>	<b>1,221</b>	<b>1,019</b>	<b>19.8%</b>	<b>3,709</b>
Depreciation of tangible assets	211	190	11.1%	107	97	10.3%	393
Amortisation of intangible assets	10	8	25.0%	5	5	-	20
Amortisation of intangible assets arising from acquisitions	321	243	32.1%	164	123	33.3%	526

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	SIX MONTHS			SECOND QUARTER			FULL YEAR 2021
	2022	2021	change	2022	2021	change	
Net profit for the period	1,399	1,151	21.5%	771	650	18.6%	2,429
<b>Other comprehensive income</b>							
<i>Items which can later be reclassified to profit or loss:</i>							
Hedge of net investment	-29	-33	-12.1%	6	20	-70.0%	-53
Translation differences	441	209	111%	265	-143	-285%	426
Tax related to other comprehensive income	6	7	-14.3%	-1	-5	-80.0%	12
<b>Total comprehensive income for the period</b>	<b>1,817</b>	<b>1,334</b>	<b>36.2%</b>	<b>1,041</b>	<b>522</b>	<b>99.4%</b>	<b>2,814</b>
<b>Comprehensive income attributable to:</b>							
Parent Company shareholders	1,789	1,318	35.7%	1,025	518	97.9%	2,770
Non-controlling interests	28	16	75.0%	16	4	300%	44
	<b>1,817</b>	<b>1,334</b>	<b>36.2%</b>	<b>1,041</b>	<b>522</b>	<b>99.4%</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.

	SIX MONTHS			SECOND QUARTER			Rolling 12 months	FULL YEAR
SEK million	2022	2021	change	2022	2021	change	change	2021
Dental	2,649	2,656	-0.3%	1,343	1,317	2.0%	5,116	-0.1%
Demolition & Tools	2,989	2,226	34.3%	1,651	1,311	25.9%	5,464	16.2%
Systems Solutions	4,892	3,488	40.3%	2,514	1,873	34.2%	9,060	18.3%
Group	<b>10,530</b>	<b>8,370</b>	<b>25.8%</b>	<b>5,508</b>	<b>4,501</b>	<b>22.4%</b>	<b>19,640</b>	<b>12.4%</b>
								<b>17,480</b>

Net sales by type of income:

	SIX MONTHS			SECOND QUARTER			Rolling 12 months	FULL YEAR
SEK million	2022	2021	change	2022	2021	change	change	2021
Dental products	2,649	2,656	-0.3%	1,343	1,317	2.0%	5,116	-0.1%
Machinery and tools	2,989	2,226	34.3%	1,651	1,311	25.9%	5,464	16.2%
Construction Materials	757	603	25.5%	389	323	20.4%	1,421	12.2%
Contract Manufacturing	953	687	38.7%	525	369	42.3%	1,792	17.4%
Environmental Technology	1,355	1,000	35.5%	714	546	30.8%	2,430	17.1%
Service and Distribution	1,427	888	60.7%	720	454	58.6%	2,562	26.6%
Forest	400	310	29.0%	166	181	-8.3%	855	11.8%
Group	<b>10,530</b>	<b>8,370</b>	<b>25.8%</b>	<b>5,508</b>	<b>4,501</b>	<b>22.4%</b>	<b>19,640</b>	<b>12.4%</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:

	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2022	2021	change	2022	2021	change	change		2021
Dental	521	600	-13.2%	266	297	-10.4%	1,001	-7.3%	1,080
Demolition & Tools	769	601	28.0%	450	369	22.0%	1,429	13.3%	1,261
Systems Solutions	1,023	695	47.2%	543	386	40.7%	1,822	22.0%	1,494
Central Group functions	-76	-62	22.6%	-38	-33	15.2%	-140	11.1%	-126
EBITA before acquisition costs	2,237	1,834	22.0%	1,221	1,019	19.8%	4,112	10.9%	3,709
Acquisition costs	-12	-23	-47.8%	-8	-10	-20.0%	-31	-26.2%	-42
EBITA	2,225	1,811	22.9%	1,213	1,009	20.2%	4,081	11.3%	3,667
Amortisation of intangible assets arising from acquisitions	-321	-243	32.1%	-164	-123	33.3%	-604	14.8%	-526
Net financial items	-39	-34	14.7%	-22	-20	10.0%	-76	7.0%	-71
Profit before tax	1,865	1,534	21.6%	1,027	866	18.6%	3,401	10.8%	3,070

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>			
Intangible assets	16,624	13,513	15,497
Tangible assets	2,101	1,774	2,052
Financial assets	357	246	320
Inventories	3,542	2,424	2,821
Accounts receivable - trade	2,791	2,160	2,257
Current receivables	626	486	420
Cash and cash equivalents	1,255	1,178	1,509
<b>TOTAL ASSETS</b>	<b>27,296</b>	<b>21,781</b>	<b>24,876</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	11,678	9,350	10,756
Non-current interest-bearing liabilities incl. pension provisions	3,974	2,450	3,228
Other non-current liabilities and provisions	3,556	2,533	3,144
Current interest-bearing liabilities	3,878	3,903	3,737
Accounts payable - trade	1,658	1,183	1,294
Other current liabilities	2,552	2,362	2,717
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,296</b>	<b>21,781</b>	<b>24,876</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attributable to Parent Company shareholders

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Opening equity</b>	10,645	8,614	8,614
Comprehensive income for the period	1,789	1,318	2,770
Change in value, owner transactions	-159	-123	-194
Dividend	-681	-545	-545
<b>Closing equity</b>	<b>11,594</b>	<b>9,264</b>	<b>10,645</b>
<i>Equity attributable to:</i>			
Parent Company shareholders	11,594	9,264	10,645
Non-controlling interests	84	86	111
	<b>11,678</b>	<b>9,350</b>	<b>10,756</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	SIX MONTHS		SECOND QUARTER		FULL YEAR
SEK million	2022	2021	2022	2021	2021
<b>Operating activities</b>					
Operating profit	1,904	1,568	1,049	886	3,141
Depreciation of right-of-use assets	98	83	51	43	173
Other non-cash items	444	358	225	182	766
Interest and financial items, net	-39	-34	-22	-20	-71
Tax paid	-477	-362	-235	-188	-684
<b>Cash flow before changes in working capital</b>	<b>1,930</b>	<b>1,613</b>	<b>1,068</b>	<b>903</b>	<b>3,325</b>
<b>Changes in working capital</b>					
Inventories	-801	-343	-321	-68	-627
Current receivables	-601	-436	-217	-98	-463
Current liabilities	419	345	95	121	703
<b>Cash flow from operating activities</b>	<b>947</b>	<b>1,179</b>	<b>625</b>	<b>858</b>	<b>2,938</b>
Business acquisitions and sales, net	-948	-1,543	-443	-724	-2,990
Net investment in tangible assets	-112	-115	-51	-67	-266
Net investment in intangible assets	-12	-13	-4	-8	-31
<b>Cash flow from investing activities</b>	<b>-1,072</b>	<b>-1,671</b>	<b>-498</b>	<b>-799</b>	<b>-3,287</b>
Borrowings/repayment of borrowings, net	576	1,082	390	498	1,216
Dividends paid	-681	-545	-681	-545	-545
Dividends paid to non-controlling interests	-113	-80	-104	-75	-98
<b>Cash flow from financing activities</b>	<b>-218</b>	<b>457</b>	<b>-395</b>	<b>-122</b>	<b>573</b>
<b>Cash flow for the period</b>	<b>-343</b>	<b>-35</b>	<b>-268</b>	<b>-63</b>	<b>224</b>
Cash and cash equivalents at beginning of period	1,509	1,170	1,474	1,266	1,170
Translation differences	89	43	49	-25	115
<b>Cash and cash equivalents at end of period</b>	<b>1,255</b>	<b>1,178</b>	<b>1,255</b>	<b>1,178</b>	<b>1,509</b>

## ACQUISITIONS IN 2022

Five new businesses were consolidated in the first six months of the year. The acquisition pertains to the assets of the Danish company Zenith Dental as well as the majority of the Finnish company BCC Solutions, 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 six months of the year.

Acquisition-related expenses of SEK 12 million are included in administrative expenses in the consolidated income statement for the first half of the year. Since the respective consolidation dates, the acquired companies have added SEK 111 million to consolidated net sales and SEK 26 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 74 million and EBITA would have increased by a further SEK 22 million.

### Acquired net assets

Net assets, SEK million	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	-	529	529
Tangible assets	27	-	27
Inventories, accounts receivable and other receivables	122	-3	119
Accounts payable and other liabilities	-101	-125	-226
Cash and cash equivalents	62	-	62
<b>Total net assets</b>	<b>110</b>	<b>401</b>	<b>511</b>
Goodwill	-	404	404
<b>Total net assets</b>	<b>110</b>	<b>805</b>	<b>915</b>

### Effect on cash flow, SEK million

Consideration	915
Considerations not paid	-240
Cash and cash equivalents in acquired companies	-62
Consideration paid relating to acquisitions from previous years	231
<b>Total cash flow effect</b>	<b>844</b>



## FINANCIAL INSTRUMENTS

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Financial assets at amortised cost</b>			
Accounts receivable - trade	2,791	2,160	2,257
Other non-current financial receivables	12	27	13
Cash and cash equivalents	1,255	1,178	1,509
<b>Total</b>	<b>4,058</b>	<b>3,365</b>	<b>3,779</b>
<b>Liabilities at fair value</b>			
Other liabilities <sup>1</sup>	1,832	1,348	1,657
<b>Financial liabilities at amortised cost</b>			
Interest-bearing borrowings	7,791	6,308	6,908
Accounts payable - trade	1,658	1,183	1,294
<b>Total</b>	<b>11,281</b>	<b>8,839</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 30 JUNE	2021 31 DEC	2021 30 JUNE
Net sales, SEK million	19,640	17,480	15,432
Change in net sales, %	12.4	26.8	12.0
EBITA, SEK million	4,112	3,709	3,315
EBITA margin, %	20.9	21.2	21.5
EBITDA, SEK million	4,548	4,122	3,689
EBITDA margin, %	23.2	23.6	23.9
Capital employed, SEK million	18,442	16,447	14,614
Capital employed excl. goodwill and other intangible assets, SEK million	2,725	2,294	2,079
Return on capital employed, %	22.3	22.5	22.7
Return on capital employed excl. goodwill, %	151	162	159
Return on equity, %	24.4	24.6	23.4
Net debt, SEK million	8,429	7,113	6,522
Net debt/equity ratio, times	0.7	0.7	0.7
Net debt/EBITDA, times	1.9	1.7	1.8
Interest-bearing net debt, SEK million	5,713	4,603	4,486
Interest-bearing net debt/EBITDA, times	1.3	1.1	1.2
Equity/assets ratio, %	42.8	43.2	42.9
Number of shares, thousand	454,216	454,216	454,216
Average number of employees	6,154	5,995	5,784

## CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	SIX MONTHS		SECOND QUARTER		FULL YEAR
	2022	2021	2022	2021	2021
Administrative expenses	-59	-59	-24	-31	-119
Other operating income <sup>1</sup>	-	-	-	-	170
<b>Operating profit/loss</b>	<b>-59</b>	<b>-59</b>	<b>-24</b>	<b>-31</b>	<b>51</b>
Net financial items <sup>2</sup>	501	658	506	680	711
<b>Profit after financial items</b>	<b>442</b>	<b>599</b>	<b>482</b>	<b>649</b>	<b>762</b>
Appropriations	-	-	-	-	-54
Tax	7	5	-1	-5	-8
<b>Net profit for the period</b>	<b>449</b>	<b>604</b>	<b>481</b>	<b>644</b>	<b>700</b>

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

<sup>2</sup> Net financial items include SEK 476 (623) million in dividends received during the six-month period.

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>			
Financial assets	6,338	5,842	5,946
Current receivables	7,942	6,940	8,333
Cash and cash equivalents	481	345	584
<b>TOTAL ASSETS</b>	<b>14,761</b>	<b>13,127</b>	<b>14,863</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	3,654	3,790	3,886
Untaxed reserves	122	75	122
Provisions	-	15	2
Non-current interest-bearing liabilities	3,111	1,785	2,363
Current interest-bearing liabilities	3,642	3,689	3,522
Current non-interest-bearing liabilities	4,232	3,773	4,968
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,761</b>	<b>13,127</b>	<b>14,863</b>
Pledged assets	-	-	-
Contingent liabilities	202	207	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 19–20.

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

SEK million	SIX MONTHS 2022	SIX MONTHS 2021	FULL YEAR 2021
Operating profit/loss	1,904	1,568	3,141
Amortisation of intangible assets arising from acquisitions	321	243	526
<b>EBITA</b>	<b>2,225</b>	<b>1,811</b>	<b>3,667</b>
Acquisition costs	12	23	42
<b>EBITA before acquisition costs</b>	<b>2,237</b>	<b>1,834</b>	<b>3,709</b>

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

SEK million	SIX MONTHS 2022	SIX MONTHS 2021	FULL YEAR 2021
Operating profit/loss	1,904	1,568	3,141
Depreciation of tangible assets	211	190	393
Amortisation of intangible assets	10	8	20
Amortisation of intangible assets arising from acquisitions	321	243	526
<b>EBITDA</b>	<b>2,446</b>	<b>2,009</b>	<b>4,080</b>
Acquisition costs	12	23	42
<b>EBITDA before acquisition costs</b>	<b>2,458</b>	<b>2,032</b>	<b>4,122</b>

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

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Non-current interest-bearing liabilities including pension provisions	3,284	1,916	2,554
Current interest-bearing liabilities	3,684	3,748	3,558
Cash and cash equivalents	-1,255	-1,178	-1,509
<b>Interest-bearing net debt</b>	<b>5,713</b>	<b>4,486</b>	<b>4,603</b>
Put/call options, additional considerations	1,832	1,348	1,657
Lease liability	884	688	853
<b>Net debt</b>	<b>8,429</b>	<b>6,522</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	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
<b>Total assets</b>	<b>27,296</b>	<b>26,712</b>	<b>24,876</b>	<b>23,543</b>
Cash and cash equivalents	-1,255	-1,474	-1,509	-1,450
Interest-bearing pension provisions	-61	-57	-57	-57
Non-interest-bearing liabilities	-5,934	-6,059	-5,497	-5,248
<b>Capital employed</b>	<b>20,046</b>	<b>19,122</b>	<b>17,813</b>	<b>16,788</b>
Goodwill and other intangible assets	-16,624	-16,234	-15,497	-14,513
<b>Capital employed excluding goodwill and other intangible assets</b>	<b>3,422</b>	<b>2,888</b>	<b>2,316</b>	<b>2,275</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	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Capital employed	<b>18,442</b>	20,046	19,122	17,813	16,788
Capital employed excluding goodwill and other intangible assets	<b>2,725</b>	3,422	2,888	2,316	2,275
<b>Total</b>	<b>4,112</b>	1,221	1,016	1,013	862
<b>Return on capital employed</b>	<b>22.3%</b>				
<b>Return on capital employed excluding goodwill and other intangible assets</b>	<b>151%</b>				