

## INTERIM REPORT JANUARY – JUNE 2023

### Reporting period January – June

- Net sales increased 15.5 per cent to SEK 12,165 (10,530) million. Organically, net sales grew by 3.1 per cent.
- EBITA increased 25.9 per cent to SEK 2,817 (2,237) million.
- The EBITA margin increased to 23.2 (21.2) per cent.
- Profit before tax grew 19.7 per cent to SEK 2,233 (1,865) million.
- Net profit for the period grew 18.9 per cent to SEK 1,663 (1,399) million.
- Earnings per share increased 19.2 per cent to SEK 3.60 (3.02).
- Cash flow from operating activities increased 60.9 per cent to SEK 1,524 (947) million.
- Ten new businesses were consolidated during the period with total annual net sales of about SEK 1,045 million.

### Reporting period April – June

- Net sales increased by 12.7 per cent to SEK 6,206 (5,508) million. Organically, net sales declined by 0.9 per cent.
- EBITA increased 21.8 per cent to SEK 1,487 (1,221) million.
- The EBITA margin increased to 24.0 (22.2) per cent.
- Profit before tax grew 14.5 per cent to SEK 1,176 (1,027) million.
- Net profit for the period grew 12.8 per cent to SEK 870 (771) million.
- Cash flow from operating activities increased 26.9 per cent to SEK 793 (625) million.

### Summary of financial performance

	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2023	2022	change	2023	2022	change	change		2022
Net sales	12,165	10,530	15.5%	6,206	5,508	12.7%	23,187	7.6%	21,552
EBITA	2,817	2,237	25.9%	1,487	1,221	21.8%	5,242	12.4%	4,662
EBITA margin	23.2%	21.2%	2.0	24.0%	22.2%	1.8	22.6%	1.0	21.6%
Profit before tax	2,233	1,865	19.7%	1,176	1,027	14.5%	4,210	9.6%	3,842
Net profit for the period	1,663	1,399	18.9%	870	771	12.8%	3,092	9.3%	2,828
Earnings per share	3.60	3.02	19.2%	1.88	1.66	13.3%	6.71	9.5%	6.13
Return on capital employed	22.6%	22.3%	0.3	22.6%	22.3%	0.3	22.6%	-8	22.6%
Return on capital employed excl. goodwill	133%	151%	-18	133%	151%	-18	133%	-2	135%

## COMMENTS FROM THE CEO

Net sales increased by 15.5 per cent to SEK 12,165 (10,530) million in the first half of the year, driven by acquisitions, positive exchange rate effects and organic growth. Organic growth was negative 0.9 per cent for the second quarter due to slightly lower volumes in Demolition & Tools. Demand remains at a high level in Demolition & Tools even if the market situation is more uncertain.

EBITA increased by 25.9 per cent in the first half of the year, to SEK 2,817 (2,237) million, and the EBITA margin expanded by 2.0 percentage points to 23.2 (21.2) per cent. Organic growth, acquisitions and exchange rate effects contributed to the increase in EBITA.

Earnings per share increased by 19.2 per cent to SEK 3.60 (3.02) during the first six months of the year. Cash flow from operating activities increased 60.9 per cent to SEK 1,524 (947) million as a result of a decline in tied-up capital.

During the first half of the year, Lifco consolidated ten acquisitions. In Dental, operations were expanded with the Swedish product company Doxa Dental and three German companies: the medical technology company Kohler Medizintechnik, the dental lab Welte Dentallabor and the software company Datamed. In Demolition & Tools, the British company Broughton Plant Hire and Sales was acquired, which is a niche provider of plant hire solutions for the construction industry, and the Italian company Geax, which is a niche manufacturer of compact piling rigs. In Systems Solutions, the British companies Always Engineering and Didsbury Engineering were acquired in the Transportation Products division. Always Engineering is a global supplier of ball transfer units and Didsbury Engineering is a global supplier of equipment for ground service and maintenance of aircraft. The Norwegian company Aura Electric, which manufactures low volt electrical supplies, was acquired in the Infrastructure Products division. The British company The Real Spirit of Coffee was acquired in the Special Products division, which is a supplier of high-end coffee machines and consumables. Taken together, the acquisitions will have a positive impact on Lifco's results and financial position in the current year.

In May, Lifco issued two unsecured bonds totalling SEK 750 million within the framework of its MTN programme, and the Group thereby has bonds outstanding totalling SEK 4,000 million. Lifco's financial position remains strong: interest-bearing net debt amounted to 1.3 times EBITDA at 30 June 2023, 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

Net sales increased 15.5 per cent to SEK 12,164 (10,530) million. Acquisitions contributed 9.6 per cent, foreign exchange gains had a positive impact of 4.8 per cent and organic growth accounted for 3.1 per cent. The divestment in May 2022 of the Estonian company Hekotek had a negative impact on net sales of 1.9 per cent. The British companies Always Engineering, Broughton Plant Hire and Sales, Didsbury Engineering and The Real Spirit of Coffee, as well as the German companies Datamed and Kohler Medizintechnik were consolidated during the period. The Norwegian company Aura Electric, the Swedish company Doxa Dental and the Italian company Geax were also consolidated as well as the assets of Welte Dentallabor.

EBITA increased by 25.9 per cent to SEK 2,817 (2,237) million and the EBITA margin expanded by 2.0 percentage points to 23.2 (21.2) per cent. Organic growth, acquisitions and positive exchange rate effects contributed to the increase in EBITA. Foreign exchange gains had a positive impact on EBITA of 4.4 per cent. During the period, 44 (40) per cent of EBITA was generated in EUR, 21 (25) per cent in SEK, 11 (12) per cent in NOK, 10 (7) per cent in GBP, 5 (6) per cent in DKK, 4 (5) per cent in USD and 5 (5) per cent in other currencies.

Net financial items were SEK -151 (-39) million, negatively impacted primarily by higher interest expenses.

Profit before tax grew by 19.7 per cent to SEK 2,233 (1,865) million and net profit for the period increased by 18.9 per cent to SEK 1,663 (1,399) million.

Average capital employed excluding goodwill increased by SEK 508 million during the period, to SEK 3,952 million at 30 June 2023, compared with SEK 3,444 million at 31 December 2022. EBITA in relation to average capital employed excluding goodwill decreased during the period to 133 per cent from 135 per cent at year-end.

The Group's net debt increased by SEK 2,384 million from 31 December 2022 to SEK 10,960 million at 30 June 2023, of which liabilities related to put/call options for acquisitions increased SEK 313 million since year-end to SEK 2,259 million. Interest-bearing net debt increased by SEK 1,942 million since year-end and amounted to SEK 7,532 million at 30 June 2023.

On 16 May 2023, Lifco issued two unsecured bonds totalling SEK 750 million within the framework of its MTN programme, and the Group thereby has bonds outstanding totalling SEK 4,000 million. In addition to bonds, Lifco has standard short-term credit facilities.

The net debt/equity ratio at 30 June 2023 was 0.7, an increase from 0.6 at 31 December 2022. Net debt/EBITDA at 30 June 2023 increased to 1.9 times from 1.7 times on 31 December 2022. Interest-bearing net debt/EBITDA decreased to 1.3 times from 1.1 times at year-end. At period-end, 39 (54) per cent of the Group's interest-bearing liabilities were denominated in EUR.

Cash flow from operating activities increased 60.9 per cent to SEK 1,524 (947) million during the first half of the year. The low cash flow in the preceding year was due primarily to increased inventory build-up as the result of high demand and disruptions to the global supply chain that led to requirements for greater safety stock. Cash flow from investing activities was SEK -2,142 (-1,072) million, which was mainly attributable to acquisitions.

## GROUP PERFORMANCE IN THE SECOND QUARTER

Sales increased by 12.7 per cent to SEK 6,206 (5,508) million in the second quarter. Acquisitions contributed 9.7 per cent and foreign exchange gains had a positive impact of 5.0 per cent. Organic growth amounted to -0.9 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 by 21.8 per cent to SEK 1,487 (1,221) million and the EBITA margin expanded by 1.8 percentage points to 24.0 (22.2) per cent. Acquisitions, organic growth and positive exchange rate effects contributed to the increased EBITA. Foreign exchange gains had a positive impact on EBITA of 4.6 per cent. During the second quarter, 44 (38) per cent of EBITA was generated in EUR, 19 (25) per cent in SEK and 11 (12) per cent in NOK, 11 (6) per cent in GBP, 4 (5) per cent in USD, 4 (7) per cent in DKK and 6 (7) per cent in other currencies.

Net financial items were SEK -86 (-22) million, negatively impacted primarily by higher interest expenses.

Profit before tax grew by 14.5 per cent to SEK 1,176 (1,027) million. Net profit for the period grew 12.8 per cent to SEK 870 (771) million.

Average capital employed excluding goodwill increased by SEK 229 million to SEK 3,952 million at 30 June 2023, compared with SEK 3,723 million at 31 March 2023. EBITA relative to average capital employed excluding goodwill decreased from 134 per cent at 31 March 2023 to 133 per cent at 30 June 2023.

From 31 March 2023, the Group's net debt increased by SEK 1,491 million to SEK 10,960 million. At the Annual General Meeting on 28 April 2023, the dividend for the 2022 financial year was set at SEK 1.80 per share. The total dividend to shareholders for the 2022 financial year was SEK 817.6 million, and was paid on 8 May 2023.

Cash flow from operating activities increased 26.9 per cent to SEK 793 (625) million. Cash flow from investing activities was SEK -763 (-498) million, which was attributable to acquisitions.

## FINANCIAL PERFORMANCE – BUSINESS AREAS

### Dental

SIX MONTHS				SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2023	2022	change	2023	2022	change	change		2022
Net sales	3,029	2,649	14.3%	1,504	1,343	12.1%	5,675	7.2%	5,295
EBITA	630	521	20.9%	302	266	13.5%	1,126	10.7%	1,017
EBITA margin	20.8%	19.7%	1.1	20.1%	19.8%	0.3	19.8%	0.6	19.2%

The companies in Lifco's Dental business area are leading suppliers of consumables, equipment and technical service to dentists across Europe, and the business area also 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, inter alia, 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.

Net sales in Dental increased by 14.3 per cent to SEK 3,029 (2,649) million during the first half of the year, primarily as the result of positive exchange rate effects, organic growth and acquisitions.

EBITA increased by 20.9 per cent to SEK 630 (521) million during the period and the EBITA margin improved by 1.1 percentage points to 20.8 (19.7) per cent. In the preceding year, profitability was negatively impacted by disruptions in production of dental prosthetics in China due to the pandemic.

From January 2023, Doxa Dental of Sweden, which develops, manufactures and commercialises bioceramic dental products, was consolidated. The company had sales of approximately SEK 12 million in 2021. Assets of the German company Welte Dentallabor were consolidated from January 2023. In 2021, the company had a turnover of about EUR 1.3 million and has 12 employees. The German company Kohler Medizintechnik, which manufactures dental instruments, was consolidated from March 2023. The company had a turnover of around EUR 7 million in 2022 and has 36 employees. The German company Datamed, which develops, sells and supports a software program used by German dental clinics, was consolidated from April 2023. The company had a turnover of around EUR 2 million in 2022 and has ten employees.

## Demolition & Tools

SIX MONTHS				SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2023	2022	change	2023	2022	change	change		2022
Net sales	3,699	2,989	23.8%	1,889	1,651	14.4%	6,995	11.3%	6,285
EBITA	979	769	27.3%	533	450	18.4%	1,817	13.1%	1,607
EBITA margin	26.5%	25.7%	0.8	28.2%	27.3%	0.9	26.0%	0.4	25.6%

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 23.8 per cent to SEK 3,699 (2,989) million in the first half of the year, driven by acquisitions, positive exchange rate effects and organic growth. Organic growth was negative for the second quarter due to somewhat lower volumes. Demand remains at high levels even if the market situation is more uncertain. Net sales were positively affected by price increases to compensate for higher costs in the business.

EBITA increased 27.3 per cent to SEK 979 (769) million during the first half of the year, positively affected primarily by acquisitions and exchange rate effects. The EBITA margin improved 0.8 of a percentage point to 26.5 (25.7) per cent. The EBITA margin was positively impacted during the quarter by the product mix.

The British company Broughton Plant Hire and Sales was consolidated from March 2023, which is a niche provider of plant hire solutions for the construction industry. The company had a turnover of around GBP 22 million in 2022 and has 100 employees. The Italian company Geax was consolidated from May 2023, which is a niche manufacturer of compact piling rigs. The company had a turnover of around EUR 15 million in 2022 and has 26 employees.

## Systems Solutions

SIX MONTHS				SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2023	2022	change	2023	2022	change	change		2022
Net sales	5,437	4,892	11.1%	2,813	2,514	11.9%	10,517	5.5%	9,972
EBITA	1,285	1,023	25.6%	691	543	27.3%	2,446	12.0%	2,184
EBITA margin	23.6%	20.9%	2.7	24.6%	21.6%	3.0	23.3%	1.4	21.9%

Through its operating units, the Systems Solutions business area operates in industries offering systems solutions. Systems Solutions is divided into five divisions: Contract Manufacturing, Environmental Technology, Infrastructure Products, Special Products and Transportation Products.

The distribution of the division changed as of the first quarter of 2023. More information about the divisions can be found on pages 13-14.

Net sales in Systems Solutions increased by 11.1 per cent to SEK 5,437 (4,892) million in the first half of the year, mainly due to acquisitions, positive exchange rate effects and organic growth. Organic growth was impacted by the negative performance of one company that sells sawmill projects where turnover can vary greatly between quarters and years. Net sales were generally positively affected by price increases to compensate for higher costs.

EBITA increased by 25.6 per cent in the first half of the year to SEK 1,285 (1,023) million and the EBITA margin expanded by 2.7 percentage points to 23.6 (20.9) per cent. Organic growth, acquisitions and exchange rate effects contributed to the margin improvement.

Contract Manufacturing reported a healthy sales trend and improved profitability during the six month period as a result of organic growth and acquisitions.

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

Infrastructure Products reported a healthy sales trend in the six-month period as the result of acquisitions with slightly lower profitability.

Special Products reported a decline in sales in the first six months of the year due to the divestment of the Estonian company Hekotek in May 2022 as well as a decline in sales in a company that sells sawmill projects. Profitability improved during the period.

Transportation Products grew somewhat during the six month period as a result of organic growth and acquisitions. Profitability improved during the period.

In the Transportation Products division, the British company Alwayse Engineering was consolidated from March 2023, which is a global supplier of ball transfer units. The company had a turnover of around GBP 5.6 million in 2022 and has 41 employees. In the Transportation Products division, the British company Didsbury Engineering was also consolidated from March 2023, which is a global supplier of equipment for ground service and maintenance of aircraft. The company had a turnover of around GBP 6.5 million in 2022 and has 33 employees. In the Infrastructure Products division, the Norwegian company Aura Electric was consolidated from April 2023, which manufactures low-voltage electrical supplies. The company reported net sales of about NOK 38 million in 2022 and has ten employees. The British company The Real Spirit of Coffee was consolidated from April 2023, which is a supplier of high-end coffee machines and consumables. The company had a turnover of around GBP 24 million in 2022 and has 66 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	Doxa Dental	Dental	SEK 12m <sup>1</sup>	–
January	Welte Dentallabor	Dental	EUR 1.3m <sup>1</sup>	12
March	Always Engineering	Systems Solutions	GBP 5.6m	41
March	Broughton Plant Hire and Sales	Demolition & Tools	GBP 22m	100
March	Didsbury Engineering	Systems Solutions	GBP 6.5m	33
March	Kohler Medizintechnik	Dental	EUR 7m	36
April	Aura Electric	Systems Solutions	NOK 38m	10
April	Datamed	Dental	EUR 2m	10
April	Geax	Demolition & Tools	EUR 15m	26
May	The Real Spirit of Coffee	Systems Solutions	GBP 24m	66
<sup>1</sup> Refers to assessed annual net sales in 2021.				

Further information on the acquisitions is provided on page 17. The figures for net sales and number of employees refer to estimated annual net sales and the number of employees at the acquisition date.

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

## OTHER INFORMATION

### Employees

The average number of employees was 6,710 (6,154) in the first half of the year. At the end of the period, the number of employees was 6,788 (6,216). About 330 employees joined the company through acquisitions in the six-month period.

### Events after the end of the reporting period

Consolidation of the Danish company Amayse is expected to take place in the third quarter of 2023 in the Systems Solutions business area, division Special Products. The company is a leading global supplier of 3D advertisements for televised sporting events and stadium branding solutions. Amayse had net sales of around DKK 51 million in 2022. The company is based in Vejle, Denmark and 21 employees. The acquisition, which comprised the majority of the shares, was announced on 29 June 2023.

Consolidation of the Italian company Emilplastica is expected to take place in the third quarter of 2023 in the Dental business area. The company is a subcontractor within the molding of plastic products for the dental and electronics industries. In 2022, Emilplastica reported net sales of approximately EUR 1.7 million of which about EUR 0.6 million was generated by the Lifco company



Rhein83. The company is based in Bologna, Italy and has nine employees. The acquisition, which comprised the majority of the shares, was announced on 4 July 2023.

Consolidation of the Italian company Astro is expected to take place in the third quarter of 2023 in the Systems Solutions business area, division Special Products. The company is a niche manufacturer of professional, high-quality and recyclable polyethylene tanks. In 2022, Astro reported net sales of approximately EUR 9.1 million. The company is based in Bergamo, Italy and has 47 employees. The acquisition, which will comprise the majority of the shares, was announced on 11 July 2023.

### Related party transactions

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

### 2023 Annual General Meeting

The 2023 Annual General Meeting was held on 28 April in Stockholm. The main resolutions of the Meeting were as follows: • The dividend for the 2022 financial year was set at SEK 1.80 per share. The record date for the rights to dividends was set at 3 May 2023, with a payment date of 8 May 2023. • Carl Bennet, Ulrika Dellby, Erik Gabrielson, Ulf Grunander, Annika Espander, Dan Frohm, Erik Gabrielson, Ulf Grunander, 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 AGM re-elected the accounting firm PricewaterhouseCoopers AB as auditor for the period until the end of the 2024 AGM. 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. • The Board's proposal to introduce a new provision in the Articles of Association entailing that shareholders can exercise their voting rights by post ahead of a shareholders' meeting was 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 working actively to monitor and continually evaluate sustainability-related risks and their impact on the Group's operations and earnings. The Group has established a governance structure that involves Group management and the Board and works to continually improve the company's sustainability-related activities and minimise related risks. As part of this governance, Group management evaluates the compliance of, for example, the Code of Conduct, occupational injuries, IT security and legal disputes, for every subsidiary on a quarterly basis.

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 2022 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 2022 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, 14 July 2023**

*Carl Bennet*  
Chairman of the Board

*Ulrika Dellby*  
Director

*Dan Frohm*  
Vice Chairman

*Erik Gabrielson*  
Director

*Ulf Grunander*  
Director

*Annika Espander*  
Director

*Anders Lindström*  
Director, employee  
representative

*Tobias Nordin*  
Director, employee  
representative

*Caroline af Ugglas*  
Director

*Axel Wachtmeister*  
Director

*Per Waldemarson*  
President and CEO, Director

## FINANCIAL CALENDAR

The report for the third quarter will be published on 20 October.

The year-end report and the report for the fourth quarter will be published on 2 February 2024.

The Annual Report and Sustainability Report 2023 will be published in March 2024.

## 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, 14 July at 9.00 a.m. CEST. The presentation can be listened to online or by calling in to the telephone conference. Questions can be asked at the telephone conference.

Link to the presentation: <https://ir.financialhearings.com/lifco-q2-2023>

If you wish to participate at the telephone conference, you can register using the link below. Following registration, you will receive a telephone number and a conference ID to log in to the conference.

Link to register for the telephone conference:

<https://conference.financialhearings.com/teleconference/?id=200822>

## 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 211 operating companies in 30 countries. In 2022, Lifco reported EBITA of SEK 4.7 billion on net sales of SEK 21.6 billion. The EBITA margin was 21.6 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 and the Swedish Securities Market Act. The information was submitted for publication through the aforementioned contact person on 14 July 2023, at 7.30 a.m. CEST.

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	SIX MONTHS			SECOND QUARTER			FULL YEAR 2022
	2023	2022	change	2022	2022	change	
Net sales	12,165	10,530	15.5%	6,206	5,508	12.7%	21,552
Cost of goods sold	-6,832	-6,206	10.1%	-3,482	-3,223	8.0%	-12,544
<b>Gross profit</b>	<b>5,333</b>	<b>4,324</b>	<b>23.3%</b>	<b>2,724</b>	<b>2,285</b>	<b>19.2%</b>	<b>9,008</b>
Selling expenses	-1,287	-1,085	18.6%	-623	-565	10.3%	-2,256
Administrative expenses	-1,594	-1,254	27.1%	-812	-635	27.9%	-2,651
Development costs	-91	-80	13.8%	-45	-41	9.8%	-163
Other income and expenses	23	-1	-%	18	5	260%	15
<b>Operating profit</b>	<b>2,384</b>	<b>1,904</b>	<b>25.2%</b>	<b>1,262</b>	<b>1,049</b>	<b>20.3%</b>	<b>3,953</b>
Net financial items	-151	-39	287%	-86	-22	291%	-111
<b>Profit before tax</b>	<b>2,233</b>	<b>1,865</b>	<b>19.7%</b>	<b>1,176</b>	<b>1,027</b>	<b>14.5%</b>	<b>3,842</b>
Tax	-570	-466	22.3%	-306	-256	19.5%	-1,014
<b>Net profit for the period</b>	<b>1,663</b>	<b>1,399</b>	<b>18.9%</b>	<b>870</b>	<b>771</b>	<b>12.8%</b>	<b>2,828</b>
<b>Profit attributable to:</b>							
Parent Company shareholders	1,637	1,376	19.0%	855	757	12.9%	2,784
Non-controlling interests	26	23	13.0%	15	14	7.1%	44
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders	3.60	3.02	19.2%	1.88	1.66	13.3%	6.13
<b>EBITA</b>	<b>2,817</b>	<b>2,237</b>	<b>25.9%</b>	<b>1,487</b>	<b>1,221</b>	<b>21.8%</b>	<b>4,662</b>
Depreciation of tangible assets	276	211	30.8%	147	107	37.4%	454
Amortisation of intangible assets	12	10	10.0%	6	5	20.0%	24
Amortisation of intangible assets arising from acquisitions	398	321	24.0%	207	164	26.2%	673

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	SIX MONTHS			SECOND QUARTER			FULL YEAR 2022
	2023	2022	change	2023	2022	change	
Net profit for the period	1,663	1,399	18.9%	870	771	12.8%	2,828
<b>Other comprehensive income</b>							
<i>Items which can later be reclassified to profit or loss:</i>							
Hedge of net investment	-74	-29	155%	-106	6	-	-79
Translation differences	776	441	76.0%	735	265	177%	856
Tax related to other comprehensive income	17	6	183%	24	-1	-	16
<b>Total comprehensive income for the period</b>	<b>2,382</b>	<b>1,817</b>	<b>31.1%</b>	<b>1,523</b>	<b>1,041</b>	<b>46.3%</b>	<b>3,621</b>
<b>Comprehensive income attributable to:</b>							
Parent Company shareholders	2,355	1,789	31.6%	1,505	1,025	46.8%	3,569
Non-controlling interests	27	28	-3.6%	18	16	12.5%	52
	<b>2,382</b>	<b>1,817</b>	<b>31.1%</b>	<b>1,523</b>	<b>1,041</b>	<b>46.3%</b>	<b>3,621</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. Until 31 December 2022, these divisions were Construction Materials, Contract Manufacturing, Environmental Technology, Service and Distribution and Forest. From the first quarter of 2023, a partially new distribution of the divisions was reported. The change means that the Service and Distribution division is divided into the Transportation Products and Special Products divisions. Operations in the Forest division have been relocated to the Special Products division. The Construction Materials division has changed name to Infrastructure Products to clearly clarify the company's direction. Net sales for the Systems Solutions business area by type of income quarters 2–4 2022 and total 2022 can be found in the interim report for the first quarter of 2023.

## NET SALES TO EXTERNAL CUSTOMERS

No sales are made between the segments.

SIX MONTHS				SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2023	2022	change	2023	2022	change	change		2022
Dental	3,029	2,649	14.3%	1,504	1,343	12.0%	5,675	7.2%	5,295
Demolition & Tools	3,699	2,989	23.8%	1,889	1,651	14.4%	6,995	11.3%	6,285
Systems Solutions	5,437	4,892	11.1%	2,813	2,514	11.9%	10,517	5.5%	9,972
Group	12,165	10,530	15.5%	6,206	5,508	12.7%	23,187	7.6%	21,552

Net sales by type of income:

SIX MONTHS				SECOND QUARTER			Rolling 12 months		FULL YEAR
SEK million	2023	2022	change	2023	2022	change	change		2022
Dental products	3,029	2,649	14.3%	1,504	1,343	12.0%	5,675	7.2%	5,295
Machinery and tools	3,699	2,989	23.8%	1,889	1,651	14.4%	6,995	11.3%	6,285
Infrastructure Products	965	757	27.5%	486	389	24.9%	1,812	13.0%	1,604
Contract Manufacturing	1,146	953	20.1%	592	525	12.8%	2,227	9.5%	2,034
Environmental Technology	1,492	1,355	10.1%	744	714	4.2%	3,040	4.7%	2,903
Transportation Products	1,318	1,190	10.8%	709	598	18.6%	2,464	5.5%	2,336
Special Products	516	637	-19.0%	282	288	-2.1%	974	-11.1%	1,095
Group	12,165	10,530	15.5%	6,206	5,508	12.7%	23,187	7.6%	21,552

## 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	2023	2022	change	2023	2022	change	change		2022
Dental	630	521	20.9%	302	266	13.5%	1,126	10.7%	1,017
Demolition & Tools	979	769	27.3%	533	450	18.4%	1,817	13.1%	1,607
Systems Solutions	1,285	1,023	25.6%	691	543	27.3%	2,446	12.0%	2,184
Central Group functions	-77	-76	1.3%	-39	-38	2.6%	-147	0.7%	-146
EBITA before acquisition costs	2,817	2,237	25.9%	1,487	1,221	21.8%	5,242	12.4%	4,662
Acquisition costs	-35	-12	192%	-18	-8	125%	-59	63.9%	-36
EBITA	2,782	2,225	25.1%	1,469	1,213	21.1%	5,183	12.0%	4,626
Amortisation of intangible assets arising from acquisitions	-398	-321	24.0%	-207	-164	26.2%	-750	11.4%	-673
Net financial items	-151	-39	287%	-86	-22	291%	-223	101%	-111
Profit before tax	2,233	1,865	19.7%	1,176	1,027	14.5%	4,210	9.6%	3,842

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
Intangible assets	21,247	16,624	18,286
Tangible assets	2,698	2,101	2,364
Financial assets	393	357	365
Inventories	4,248	3,542	3,682
Accounts receivable - trade	3,297	2,791	2,853
Current receivables	859	626	518
Cash and cash equivalents	1,587	1,255	1,703
<b>TOTAL ASSETS</b>	<b>34,329</b>	<b>27,296</b>	<b>29,771</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	14,718	11,678	13,339
Non-current interest-bearing liabilities incl. pension provisions	3,364	3,974	1,725
Other non-current liabilities and provisions	4,732	3,556	4,053
Current interest-bearing liabilities	6,924	3,878	6,608
Accounts payable - trade	1,755	1,658	1,449
Other current liabilities	2,826	2,552	2,597
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,329</b>	<b>27,296</b>	<b>29,771</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attributable to Parent Company shareholders

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Opening equity</b>	13,238	10,645	10,645
Comprehensive income for the period	2,355	1,789	3,569
Change in value, owner transactions	-177	-159	-295
Dividend	-818	-681	-681
<b>Closing equity</b>	<b>14,598</b>	<b>11,594</b>	<b>13,238</b>
<i>Equity attributable to:</i>			
Parent Company shareholders	14,598	11,594	13,238
Non-controlling interests	120	84	101
	<b>14,718</b>	<b>11,678</b>	<b>13,339</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	SIX MONTHS		SECOND QUARTER		FULL YEAR
SEK million	2023	2022	2023	2022	2022
<b>Operating activities</b>					
Operating profit	2,384	1,904	1,262	1,049	3,953
Depreciation of right-of-use assets	129	98	67	51	211
Other non-cash items	520	444	262	225	940
Interest and financial items, net	-151	-39	-86	-22	-111
Tax paid	-704	-477	-408	-235	-911
<b>Cash flow before changes in working capital</b>	<b>2,178</b>	<b>1,930</b>	<b>1,097</b>	<b>1,068</b>	<b>4,082</b>
<b>Changes in working capital</b>					
Inventories	-287	-801	-49	-321	-737
Current receivables	-340	-601	34	-217	-429
Current liabilities	-27	419	-289	95	153
<b>Cash flow from operating activities</b>	<b>1,524</b>	<b>947</b>	<b>793</b>	<b>625</b>	<b>3,069</b>
Business acquisitions and sales, net	-1,928	-948	-655	-443	-2,399
Net investment in tangible assets	-184	-112	-104	-51	-249
Net investment in intangible assets	-30	-12	-4	-4	-69
<b>Cash flow from investing activities</b>	<b>-2,142</b>	<b>-1,072</b>	<b>-763</b>	<b>-498</b>	<b>-2,717</b>
Borrowings/repayment of borrowings, net	1,358	576	650	390	540
Dividends paid	-818	-681	-818	-681	-681
Dividends paid to non-controlling interests	-110	-113	-110	-104	-167
<b>Cash flow from financing activities</b>	<b>430</b>	<b>-218</b>	<b>-278</b>	<b>-395</b>	<b>-308</b>
<b>Cash flow for the period</b>	<b>-188</b>	<b>-343</b>	<b>-248</b>	<b>-268</b>	<b>44</b>
Cash and cash equivalents at beginning of period	1,703	1,509	1,754	1,474	1,509
Translation differences	72	89	81	49	150
<b>Cash and cash equivalents at end of period</b>	<b>1,587</b>	<b>1,255</b>	<b>1,587</b>	<b>1,255</b>	<b>1,703</b>



## ACQUISITIONS IN 2023

Ten new businesses were consolidated in the first six months of the year. The consolidated companies are the British companies Alwayse Engineering, Broughton Plant Hire and Sales, Didsbury Engineering and The Real Spirit of Coffee, as well as the Norwegian company Aura Electric, Swedish company Doxa Dental, Italian company Geax and German companies Datamed and Kohler Medizintechnik. Assets of the German company Welte Dentallabor were also consolidated.

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

Acquisition-related expenses of SEK 35 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 277 million to consolidated net sales and SEK 88 million to EBITA. If the businesses had been consolidated as of 1 January 2023, consolidated net sales for the year would have increased by a further SEK 288 million and EBITA would have increased by a further SEK 90 million.

### Acquired net assets

Net assets, SEK million	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	3	1,313	1,316
Tangible assets	94	-	94
Inventories, accounts receivable and other receivables	324	-11	313
Accounts payable and other liabilities	-353	-351	-704
Cash and cash equivalents	180	-	180
<b>Net assets</b>	<b>248</b>	<b>951</b>	<b>1,199</b>
Goodwill	-	1,058	1,058
<b>Total net assets</b>	<b>248</b>	<b>2,009</b>	<b>2,257</b>

### Effect on cash flow, SEK million

Consideration	2,257
Considerations not paid	-164
Cash and cash equivalents in acquired companies	-180
Consideration paid relating to acquisitions from previous years	15
<b>Total cash flow effect</b>	<b>1,928</b>

## FINANCIAL INSTRUMENTS

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Financial assets at amortised cost</b>			
Accounts receivable - trade	3,297	2,791	2,853
Other non-current financial receivables	21	12	15
Cash and cash equivalents	1,587	1,255	1,703
<b>Total</b>	<b>4,905</b>	<b>4,058</b>	<b>4,571</b>
<b>Liabilities at fair value</b>			
Other liabilities <sup>1</sup>	2,259	1,832	1,946
<b>Financial liabilities at amortised cost</b>			
Interest-bearing borrowings	10,193	7,791	8,263
Accounts payable - trade	1,755	1,658	1,449
<b>Total</b>	<b>14,207</b>	<b>11,281</b>	<b>11,658</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	2023 30 JUNE	2022 31 DEC	2022 30 JUNE
Net sales, SEK million	23,187	21,552	19,640
Change in net sales, %	7.6	23.3	12.4
EBITA, SEK million	5,242	4,662	4,112
EBITA margin, %	22.6	21.6	20.9
EBITDA, SEK million	5,786	5,140	4,548
EBITDA margin, %	25.0	23.8	23.2
Capital employed, SEK million	23,162	20,668	18,442
Capital employed excl. goodwill and other intangible assets, SEK million	3,952	3,444	2,725
Return on capital employed, %	22.6	22.6	22.3
Return on capital employed excl. goodwill, %	133	135	151
Return on equity, %	22.6	23.1	24.4
Net debt, SEK million	10,960	8,576	8,429
Net debt/equity ratio	0.7	0.6	0.7
Net debt/EBITDA	1.9	1.7	1.9
Interest-bearing net debt, SEK million	7,532	5,590	5,713
Interest-bearing net debt/EBITDA, times	1.3	1.1	1.3
Equity/assets ratio, %	42.9	44.8	42.8
Number of shares, thousands	454,216	454,216	454,216
Average number of employees	6,710	6,495	6,154

## CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	SIX MONTHS		SECOND QUARTER		FULL YEAR
	2023	2022	2023	2022	2022
Administrative expenses	-64	-59	-31	-24	-120
Other operating income <sup>1</sup>	-	-	-	-	63
<b>Operating profit</b>	<b>-64</b>	<b>-59</b>	<b>-31</b>	<b>-24</b>	<b>-57</b>
Net financial items <sup>2</sup>	1,444	501	1,396	506	501
<b>Profit after financial items</b>	<b>1,380</b>	<b>442</b>	<b>1,365</b>	<b>482</b>	<b>444</b>
Appropriations	-	-	-	-	-8
Tax	16	7	19	-1	8
<b>Net profit for the period</b>	<b>1,396</b>	<b>449</b>	<b>1,384</b>	<b>481</b>	<b>444</b>

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

<sup>2</sup> The financial net includes received dividends of SEK 1,461 (476) million during the six-month period.

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
Financial assets	8,192	6,338	6,892
Current receivables	9,695	7,942	8,618
Cash and cash equivalents	271	481	587
<b>TOTAL ASSETS</b>	<b>18,158</b>	<b>14,761</b>	<b>16,097</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	4,228	3,654	3,649
Untaxed reserves	114	122	114
Non-current interest-bearing liabilities	2,250	3,111	750
Current interest-bearing liabilities	6,624	3,642	6,302
Current non-interest-bearing liabilities	4,942	4,232	5,282
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,158</b>	<b>14,761</b>	<b>16,097</b>

## 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 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 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 relating to acquisitions, goodwill and other intangible assets, calculated as the average of the last four quarters.

## RECONCILIATION OF ALTERNATIVE KEY PERFORMANCE INDICATORS

The interim report presents alternative key performance indicators for assessing the Group's performance. The primary alternative KPIs presented in this interim report are EBITA, EBITDA, net debt and capital employed. Definitions of the alternative KPIs are presented on pages 18–19.

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

SEK million	SIX MONTHS 2023	SIX MONTHS 2022	FULL YEAR 2022
Operating profit	2,384	1,904	3,953
Amortisation of intangible assets arising from acquisitions	398	321	673
<b>EBITA</b>	<b>2,782</b>	<b>2,225</b>	<b>4,626</b>
Acquisition costs	35	12	36
<b>EBITA before acquisition costs</b>	<b>2,817</b>	<b>2,237</b>	<b>4,662</b>

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

SEK million	SIX MONTHS 2023	SIX MONTHS 2022	FULL YEAR 2022
Operating profit	2,384	1,904	3,953
Depreciation of tangible assets	276	211	454
Amortisation of intangible assets	12	10	24
Amortisation of intangible assets arising from acquisitions	398	321	673
<b>EBITDA</b>	<b>3,069</b>	<b>2,446</b>	<b>5,104</b>
Acquisition costs	35	12	36
<b>EBITDA before acquisition costs</b>	<b>3,104</b>	<b>2,458</b>	<b>5,140</b>

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

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current interest-bearing liabilities including pension provisions	2,465	3,284	920
Current interest-bearing liabilities	6,654	3,684	6,373
Cash and cash equivalents	-1,587	-1,255	-1,703
<b>Interest-bearing net debt</b>	<b>7,532</b>	<b>5,713</b>	<b>5,590</b>
Put/call options, additional considerations	2,259	1,832	1,946
Lease liability	1,169	884	1,040
<b>Net debt</b>	<b>10,960</b>	<b>8,429</b>	<b>8,576</b>

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

SEK million	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
<b>Total assets</b>	<b>34,329</b>	<b>27,296</b>	<b>26,712</b>	<b>24,876</b>
Cash and cash equivalents	-1,587	-1,255	-1,474	-1,509
Interest-bearing pension provisions	-95	-61	-57	-57
Non-interest-bearing liabilities	-7,064	-5,934	-6,059	-5,497
<b>Capital employed</b>	<b>25,583</b>	<b>20,046</b>	<b>19,122</b>	<b>17,813</b>
Goodwill and other intangible assets	-21,247	-16,624	-16,234	-15,497
<b>Capital employed excluding goodwill and other intangible assets</b>	<b>4,336</b>	<b>3,422</b>	<b>2,888</b>	<b>2,316</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 2023	Q1 2023	Q4 2022	Q3 2022
Capital employed	<b>23,162</b>	25,583	23,560	21,845	21,659
Capital employed excluding goodwill and other intangible assets	<b>3,952</b>	4,336	4,007	3,559	3,906
EBITA	<b>Total 5,242</b>	1,487	1,330	1,322	1,013
<b>Return on capital employed</b>	<b>22.6%</b>				
<b>Return on capital employed excluding goodwill and other intangible assets</b>	<b>133%</b>				