

Year-end report, 1 January - 31 December 2016



10% growth and improved profit

- **Net sales** increased to SEK 552.0 M (503.7) which, adjusted for exchange-rate fluctuations, corresponds to a rise of 10.1%, of which organic growth was 0.3%.
- **Operating profit** improved to SEK 42.7 M (30.5).
- **Profit after net financial** items totalled SEK 37.9 M (22.5). Net financial items were positively affected by exchange-rate differences of SEK 5.4 M (neg: 0.4).
- **Profit after tax** amounted to SEK 26.4 M (16.1), corresponding to SEK 4.37 (2.66) per share.
- **Cash flow** from operating activities improved to SEK 98.3 M (61.6). Cash flow after investments amounted to SEK 68.9 M (neg: 144.9).
- **The Board of Directors** proposes a dividend of SEK 1.30 per share.

Group

	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net sales, SEK M	133.3	136.0	552.0	503.7
Growth, %*,**	-2.3	24.1	10.1	25.9
EBITDA, SEK M	17.1	18.0	97.3	79.3
EBITDA, %	12.8	13.2	17.6	15.7
Operating profit, SEK M	3.0	5.0	42.7	30.5
Operating margin, %	2.2	3.7	7.7	6.1
Profit after financial items, SEK M	5.8	2.5	37.9	22.5
Profit/loss after tax, SEK M	2.9	3.2	26.4	16.1
Profit after tax per share, continuing operations, SEK	0.49	0.53	4.37	2.66

* Adjusted for exchange-rate fluctuations.

** Onyx Medical is included from 23 April 2015.

CEO, Jan Wahlström, comments

For the 2016 financial year, we are able to report strong performance for Dental Implant Systems and Diagnostics. Medical Devices reached approximately the same level as in 2015 while Trauma & Spine reports higher full-year sales despite a weaker second half of the year.

The Dental Implant Systems market segment reported a full-year sales increase of 11.2% to SEK 170.9 M. After a cautious start, the year ended on a strong note. The improvement was largely attributable to increasingly closer cooperation with key accounts. At the same time, we increased the manufacturing capacity as a result of automation of machinery. However, the growth rate for own products was weaker than expected at 9.2%, due largely to it taking longer than expected to increase volumes at the distributor level.

For full-year 2016, Trauma & Spine reported a 15.4% increase in sales to SEK 182.1 M. The largest share of the sales increase was related to the operations of Onyx Medical, which is included in the Group for the whole of 2016, compared with just over eight months in 2015. During the third quarter, a contract customer moved a product to its own manufacturing, which led to

lower sales in the two final quarters. Intense work was conducted during the second half of the year to fill the freed-up capacity and new assignments were gradually put into production. A distinct trend was noticeable in the latter part of the financial year whereby several customers temporarily cut back on purchasing volumes in order to reduce stock levels prior to year-end. Nevertheless, the market trend in the Trauma & Spine area remains strong and the aim for the second half of 2017 is to again reach maximum capacity utilisation. During the latter part of the year, we started to see positive synergism between Onyx and our other operations in efforts both to attract new contract accounts and to generate more products from existing customers.

The Medical Devices market segment reports essentially unchanged full-year sales, at SEK 169.3 M (168.7). We are now noting increased demand from our customers, which we expect to result in new assignments as of the middle of the year. Accordingly, a process of new recruitment was initiated in the fourth quarter.

Diagnostics' continued successes are gratifying. The investments in expanding Elos Medtech Microplast's capacity have led to favourable results. Diagnostics' sales increased by 25.8% to SEK 29.7 M. In a usually seasonal market, with lower activity in the final quarter of the year, Diagnostics trended in the opposite direction and noted a 59.2% increase in sales in the fourth quarter.

The global market for medical technology products developed well in 2016 and we are noting continued growth in a number of our segments.

Investments during the financial year amounted to SEK 34.6 M, including SEK 10.2 M in the fourth quarter. The investments were clearly targeted at growth, towards an increased production capacity and with a special focus on automating machinery

2016 was a year of many changes for Elos Medtech. We established a sales team in dental operations for Digital Dentistry, we relocated our head office to Gothenburg and the acquisition of Onyx is now integrated into the Group. For me as President and CEO, it has been an exciting first half year for Elos Medtech and I am looking forward to 2017 with confidence.



Jan Wahlström
President and CEO

This feature about the automation of Elos Medtech in Denmark is separate information and is not part of the official year-end report for January-December 2016.

Elos Medtech Pinol pioneers the use of Industri 4.0 in the Group

In recent years, the automation team at Elos Medtech Pinol in Denmark has worked on a number of projects under the designation The Automated Factory.

We have created a dedicated team for advancing the level of automation in production. Although most of the employees are active in production, the entire workforce was encouraged to contribute new ideas for optimisation. LEAN is used systematically for all optimisation processes at Elos Medtech.



Investments in state-of-the-art automation technology

We have invested in a uniform system for goods reception and delivering finished products. The aim is to create great flexibility with a number of standard work benches, where moulds, robots and machinery can be easily configured to perform different duties from one day to the next. We have invested in useful robots from Universal Robots. The result is more efficient production through more repetitive processes and equivalent products.

Automation enables us to effectively satisfy the market's requirements for detailed documentation of production processes and to optimise product quality. We are currently focusing on using robots and sensors that automatically check each component after processing to replace manual random checks and measurements of components. We estimate that 50-80% of the manual random checks can be automated.

Dedicated to optimisation and automation

We work continuously to satisfy our customers' rigorous requirements by means of highly dedicated commitment to optimisation, automation and robotics. To date, we have significantly strengthened our competitiveness and increased sales, while creating a number of new jobs at Elos Medtech.

It is essential that our customers can trust that we manufacture high-quality medical technology products on the basis of quality-assured processes.

Operations in general

Operations in general

The Group's operations are conducted at facilities in Sweden, Denmark, China and the US. The company is one of Europe's leading partners in the development and production of medical technology products and components, such as dental and orthopaedic implants and instruments. Customers consist primarily of internationally active medical technology companies in the market segments of Dental Implant Systems, Diagnostics, Medical Devices and Trauma & Spine.

Continued growth and expansion is the focus for the Group going forward. The aim is to continue to implement global processes, Group-wide quality systems and certifications. The Group is working systematically to implement a higher degree of automated flow and measurement, and to utilise shifts better in an attempt to use the machines more effectively. The Group's strategy is to develop its own products which complement our customers' product ranges, such as various types of instruments. The range of these products is developing continuously and new products are introduced progressively. The organisation devoted to the sale of our own products was reinforced at the beginning of the year through the recruitment of five new employees. The investment is expected to gradually have effect, through closer collaboration with strategic accounts that contribute to continued high sales growth.

In addition to investments in own products, the Group continues to strengthen relationships with the company's key accounts within the four market segments. One step of this expansion is growth through acquisitions that complement the existing structure, which has been initially realised through the acquisition of the North American company Onyx Medical LLC, which was finalised in the second quarter of 2015. Expansion through acquisitions will continue to be part of the strategy when opportunity permits.

From 1 July, the Group has a new President and CEO, Jan Wahlström.

Sales

October-December 2016

Consolidated net sales during the fourth quarter amounted to SEK 133.3 M (136.0). Adjusted for changes in exchange rates, sales declined 2.3%. The weak end to the year was mainly due to inventory reductions by a number of key accounts.

January-December 2016

Consolidated net sales for the year rose to SEK 552.0 M (503.7). Adjusted for changes in exchange rates, the rise was 10.1%, of which the organic increase was 0.3%. North America and the Nordic region continued to account for the greater part of the sales growth. In the fourth quarter, sales showed a positive trend in Sweden and Asia.

The demand trend remained generally positive. The Dental Implant Systems market segment, which reported a weak start to the year, subsequently displayed favourable performance as of the second quarter. The trend for own products during the year showed growth of about 11%. Own products now account for some 9.2% (9.7) of consolidated net sales. In the Diagnostics market segment, purchases by the company's key accounts continued to perform according to plan and new business is being implemented progressively. In the Trauma & Spine market segment, the acquisition of Onyx Medical was the main contributing factor underlying the strong performance. During the second half of the year, accumulated sales in the Medical Devices market segment showed a turnaround from negative to positive growth.

Earnings

October-December 2016

Operating profit in the fourth quarter was SEK 3.0 M (5.0), corresponding to an operating margin of 2.2% (3.7). Operating profit was negatively impacted by a number of customers reducing their stock levels in the fourth quarter. Consolidated net financial items were positively affected by translation differences corresponding to SEK 4.3 M (neg: 0.5) and amounted to income of SEK 2.8 M (expense: 2.5). Profit after financial items totalled SEK 5.8 M (2.5). Profit after tax amounted to SEK 2.9 M (3.2), corresponding to SEK 0.49 (0.53) per share. The Group's comprehensive income amounted to SEK 10.3 M (0.6). Comprehensive earnings per share were SEK 1.70 (0.10).

Net sales by market segment	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
SEK M	2016	2015	2016	2015
Dental Implant Systems	46.1	40.2	170.9	153.7
Diagnostics	7.8	4.9	29.7	23.6
Medical Devices	39.6	41.1	169.3	168.7
Trauma & Spine	39.8	49.8	182.1	157.7
Total net sales	133.3	136.0	552.0	503.7

January-December 2016

Operating profit during the year was SEK 42.7 M (30.5), corresponding to an operating margin of 7.7% (6.1). Following the cautious start to the year, the operations reported an overall improvement in the period. The operations in Elos Medtech Tianjin and Elos Medtech Microplast had a particularly positive impact on operating profit, as a result of both increased sales and more efficient cost streamlining. Despite a contract customer cutting back volume, the US operation continues to show a stable earnings trend. The year-earlier profit was charged with non-recurring expenses of SEK 4.4 M resulting from acquisitions, non-recurring expenses of SEK 3.0 M for changes in inventory connected to acquisitions and twofold CEO expenses of SEK 1.1 M. Consolidated net financial items were positively affected by translation differences corresponding to SEK 5.4 M (neg: 0.4) and amounted to an expense of SEK 4.8 M (expense: 8.0). Profit after financial items totalled SEK 37.9 M (22.5). Profit after tax amounted to SEK 26.4 M (16.1), corresponding to SEK 4.37 (2.66) per share. The Group's comprehensive income amounted to SEK 40.9 M (10.1).

Investments

Investments during the financial year amounted to SEK 34.6 M, including SEK 10.2 M in the fourth quarter. The investments were clearly targeted at growth, towards an increased production capacity and with a special focus on automating machinery.

Investments in capitalised development costs amounted to SEK 2.5 M (2.0) and investments in other intangible fixed assets to SEK 1.8 M (2.0).

Financial position and liquidity

Total consolidated assets were stable during the period and amounted to SEK 887.7 M (881.6). The Group's shareholders' equity amounted to SEK 366.8 M (330.5). Shareholders' equity per share was SEK 60.63 (54.63). Risk-bearing equity at year-end amounted to SEK 396.9 M (353.4), corresponding to 44.7% (40.0) of total capital. The Group's equity/assets ratio was 41.3% (37.5).

The Group's cash flow from operating activities was SEK 98.3 M (61.6). Cash flow after investments and sales of non-cur-

rent assets amounted to SEK 68.9 M (neg: 144.9). In 2015, cash flow after investments was strongly impacted by acquisitions of companies. The reporting period's cash flow was impacted by payment of SEK 77.6 M in additional purchase consideration.

The Group's net borrowing decreased during the year to SEK 384.8 M (427.3). The Group's cash and cash equivalents, including unutilised overdraft facilities, totalled SEK 112.1 M (111.6).

Personnel

At year-end, the Group had 511 full-time employees, compared with 505 full-time employees a year earlier.

Forecast 2017

The Group's position in its selected market segments constitutes a foundation for continued growth.

Parent Company

In addition to central management issues, the Parent Company provides Group-wide support activities, such as market support, quality management, finance and financial control.

The Parent Company's net sales amounted to SEK 20.1 M (15.7). Profit after financial items totalled SEK 19.9 M (13.4).

Profit includes intra-Group dividends and Group contributions of SEK 21.3 M (20.4). The Parent Company's comprehensive income amounted to SEK 17.6 M (11.7). The percentage of risk-bearing capital was 65.0% (73.5). The equity/assets ratio was 65.0% (73.4). The Parent Company's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 44.6 M (34.2).

Significant risks and uncertainties

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

Earnings	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2016	2015	2016	2015
EBITDA, SEK M	17.1	18.0	97.3	79.3
EBITDA, %	12.8	13.2	17.6	15.7
EBIT, SEK M	3.0	5.0	42.7	30.5
EBIT, %	2.2	3.7	7.7	6.1
Profit after financial items, SEK M	5.8	2.5	37.9	22.5
Profit after tax, SEK M	2.9	3.2	26.4	16.1

Related-party transactions

The company engaged in transactions with senior executives during the reporting period. These transactions comprise the paid portion of the additional purchase consideration of SEK 77.6 M for the acquisition of Onyx Medical LLC.

Segment reporting

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

Accounting policies

The consolidated financial statements for 2016, in common with the year-end accounts for 2015, were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with the Swedish Annual Accounts Act. The Parent Company's financial statements were prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Reporting for Legal Entities, issued by the Swedish Financial Reporting Board.

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

The Group applies the same accounting policies as those described in the 2015 Annual Report. New or revised recommendations with application from 2016 are not considered to have any significant impact on the financial statements.

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

Changes in estimates and assessments

Changed levels of interest rates have resulted in the use of a new assumption in the calculation of pension liabilities in accordance with DUS14. The new interest-rate assumption of 3.0% (3.0) and a new inflation assumption of 1.70% (1.50) resulted in an actuarial gain of SEK 0.9 M, including tax, which affected profit for the year and was recognised in other comprehensive income.

Audit review

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

Gothenburg, 23 February 2017

Elos Medtech AB (publ)

Jan Wahlström
President and CEO

Condensed consolidated profit and loss account and statement of comprehensive income

SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Profit and loss account	2016	2015	2016	2015
Net sales	133.3	136.0	552.0	503.7
Cost of goods sold	-97.9	-104.4	-394.9	-367.6
Gross profit	35.4	31.6	157.1	136.1
Selling costs	-9.9	-9.7	-36.2	-30.0
Administrative costs	-18.1	-13.5	-65.0	-63.2
Development costs	-4.4	-4.3	-15.3	-13.9
Other operating income/expenses	0.0	0.9	2.1	1.5
Operating profit	3.0	5.0	42.7	30.5
Financial income	0.1	0.0	0.2	0.4
Financial expenses	-1.6	-2.0	-10.4	-8.0
Exchange-rate differences	4.3	-0.5	5.4	-0.4
Profit after financial items	5.8	2.5	37.9	22.5
Taxes	-2.9	0.7	-11.5	-6.4
Profit after tax, SEK M	2.9	3.2	26.4	16.1
Profit attributable to				
Parent Company shareholders	2.9	3.2	26.4	16.1
Statement of comprehensive income				
Profit after tax, SEK M	2.9	3.2	26.4	16.1
Other comprehensive income				
Items that will not be reclassified to profit and loss account				
Actuarial gains and losses	3.9	3.8	0.9	0.4
Tax	-0.9	-0.9	-0.2	-0.1
	3.0	2.9	0.7	0.3
Items that will be reclassified to profit or loss				
Translation differences for the period	4.4	-5.6	13.8	-5.6
Translation of currency hedging of net investments during the period	0.0	0.0	0.0	-0.7
Tax	0.0	0.1	0.0	0.0
	4.4	-5.5	13.8	-6.3
Other comprehensive income, net	7.3	-2.6	14.5	-6.0
Comprehensive income	10.3	0.6	40.9	10.1
Comprehensive income attributable to:				
Parent Company shareholders	10.3	0.6	40.9	10.1
EBITDA	12.8%	13.2%	17.6%	15.7%
EBIT	2.2%	3.7%	7.7%	6.1%
Depreciation/impairment charged against profit	14.1	13.0	54.6	48.8
Profit after tax per share (SEK), total *	0.49	0.53	4.37	2.66
Average number of shares (thousands) *	6,051	6,051	6,051	6,051
Number of shares (thousands) at the end of the period	6,051	6,051	6,051	6,051

* Attributable to Parent Company shareholders' share of profit after tax.

Condensed consolidated statement of financial position

SEK M	2016-12-31	2015-12-31
Balance sheet		
Assets		
Intangible fixed assets	289.9	275.7
Tangible fixed assets	354.3	356.7
Financial fixed assets	5.1	4.5
Other current assets	199.8	204.2
Cash and bank	38.5	40.5
Total assets	887.7	881.6
Shareholders' equity and liabilities		
Shareholders' equity	366.8	330.5
Non-current liabilities	282.2	331.2
Current liabilities	238.6	219.9
Total shareholders' equity and liabilities	887.7	881.6

KPIs

		Jan-Dec 2016	Jan-Dec 2015 *
Return on operating capital	%	5.7	5.3
Return on equity	%	7.6	4.8
Share of risk-bearing capital	%	44.7	40.0
Equity/assets ratio	%	41.3	37.5
Net borrowing **	SEK M	384.8	427.3
Investments including financial leasing	SEK M	34.6	75.8
Average number of employees		509	471
Shareholders' equity per share	SEK	60.63	54.63
Dividend (proposal for 2016, SEK 1.30)	SEK	1.30	1.00

* Comparative figures are unchanged compared with previous reports, unless otherwise specified.

** Net borrowing includes non-interest-bearing financial liabilities

Condensed statement of changes in equity

SEK M	31 Dec 2016	31 Dec 2015
Opening balance	330.5	338.6
New share issue	1.4	-
Dividend	-6.1	-18.2
Total comprehensive income	40.9	10.1
Closing shareholders' equity	366.8	330.5

Condensed consolidated statement of cash flow

SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Cash flow	2016	2015	2016	2015
Profit after financial items	5.8	2.5	37.9	22.5
Reversed depreciation/amortisation	14.1	13.0	54.6	48.8
Adjustment items	4.3	1.1	-0.1	4.1
Paid tax	-2.8	-1.9	-1.4	-13.0
Change in working capital	3.5	6.5	7.2	-0.8
Cash flow from operating activities	25.0	21.2	98.3	61.6
Investments in fixed assets	-10.4	-15.9	-34.6	-46.2
Business combinations	-	-	-	-160.4
Sale of fixed assets	0.6	-	5.2	0.1
Balance after investments in fixed assets	15.2	5.3	68.9	-144.9
Issuance of warrants	1.4	-	1.4	-
Change in overdraft facilities	0.6	0.5	18.9	4.0
Loans raised	2.9	25.4	116.0	119.8
Repayment of loans	-14.1	-14.9	-202.1	-45.0
Realised financial exchange differences	-	-	-	-2.8
Dividend	-0.1	-	-6.1	-18.2
Cash flow during the period	6.1	16.3	-2.9	-87.1
Cash flow during the period	6.1	16.3	-2.9	-85.8
Cash and cash equivalents on the opening date	32.1	24.5	40.5	125.5
Cash and cash equivalents in discontinued operations	-	-	-	-
Exchange-rate differences in cash and cash equivalents	0.4	-0.3	0.9	0.8
Cash and cash equivalents on the closing date	38.5	40.5	38.5	40.5

Consolidated quarterly data

SEK M	Q4	Q3	Q2	Q1	Q4	Q3*	Q2*	Q1
Quarterly data	2016	2016	2016	2016	2015	2015	2015	2015
Net sales	133.3	126.7	151.6	140.4	136.0	123.1	139.1	105.5
Cost of goods sold	-97.9	-90.1	-106.2	-100.8	-104.4	-92.0	-97.0	-74.2
Gross profit	35.4	36.6	45.4	39.6	31.6	31.1	42.1	31.3
Research, admin. and develop. costs	-32.4	-27.0	-29.6	-27.4	-27.5	-25.0	-28.6	-26.0
Other operating income/expenses	0.0	2.1	0.2	-0.2	0.9	0.0	0.2	0.4
Operating profit	3.0	11.7	16.0	12.0	5.0	6.1	13.7	5.7
Net financial items	-1.5	-2.2	-3.0	-3.5	-2.0	-2.7	-1.9	-1.0
Exchange-rate differences	4.3	1.3	1.5	-1.7	-0.5	-0.1	-2.7	2.9
Profit after financial items	5.8	10.8	14.5	6.8	2.5	3.3	9.1	7.6
Taxes	-2.9	-2.3	-4.3	-1.9	0.7	-1.7	-3.4	-2.0
Profit after tax, SEK M	2.9	8.5	10.2	4.9	3.2	1.6	5.7	5.6

* Due to effects of the final acquisition analysis, the accumulated outcome for each of the second and third quarters has been adjusted with a cost increase of SEK 1.9 M.

Parent Company consolidated profit and loss account and statement of comprehensive income

SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Profit and loss account	2016	2015	2016	2015
Net sales	5.3	3.6	20.1	15.7
Cost of goods sold	-	-	-	-
Gross profit	5.3	3.6	20.1	15.7
Selling costs	-3.3	-1.9	-10.9	-7.1
Administrative costs	-6.6	-4.0	-20.3	-17.4
Other operating income/expenses	0.0	-0.1	0.1	-0.2
Operating profit	-4.5	-2.4	-10.9	-9.0
Profit from shares in Group companies	8.8	10.5	21.3	20.4
Financial income	2.2	1.7	8.0	4.8
Financial expenses	-1.0	-0.6	-3.9	-1.7
Exchange-rate differences	3.8	0.0	5.4	-1.1
Profit after financial items	9.3	9.2	19.9	13.4
Appropriations	-0.5	-0.1	-0.5	-0.1
Taxes	-2.0	-2.4	-1.8	-1.1
Profit after tax, SEK M	6.8	6.7	17.6	12.2
Statement of comprehensive income				
Profit after tax, SEK M	6.8	6.7	17.6	12.2
Other comprehensive income				
Items that will be reclassified to profit or loss				
Translation of currency hedging of net investments during the period	-	-	-	-0.7
Tax	-	-	-	0.2
Other comprehensive income, net	0.0	0.0	0.0	-0.5
Comprehensive income	6.8	6.7	17.6	11.7

Condensed Parent Company balance sheet

SEK M	2016-12-31	2015-12-31
Balance sheet		
Assets		
Intangible fixed assets	3.3	3.8
Tangible fixed assets	0.5	0.1
Financial fixed assets	382.0	342.2
Other current assets	25.0	13.8
Cash and bank	17.1	1.1
Total assets	428.0	361.0
Shareholders' equity and liabilities		
Shareholders' equity	273.8	260.8
Untaxed reserves	5.8	5.3
Provisions	4.3	4.5
Non-current liabilities	79.6	58.5
Current liabilities	64.4	31.9
Total shareholders' equity and liabilities	428.0	361.0

Reconciliation data for alternative performance measures

SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Sales adjusted for changes in exchange rates	2016	2015	2016	2015
Recognised net sales	133.3	136.0	552.0	503.7
Year-on-year net sales	136.0	106.2	503.7	380.9
Change in net sales	-2.7	29.8	48.3	122.8
Exchange-rate fluctuations	-0.4	-2.1	2.2	-22.1
Currency-adjusted net sales	132.9	133.9	554.2	481.6
Change, %	-2.3	26.1	10.0	26.4
Organic growth				
Net sales from acquired operations	-	37.0	46.0	109.4
Adjusted net sales from acquisition effects	132.9	96.9	505.2	372.2
Organic growth, %	-2.3	-8.8	0.3	-2.3
SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating profit before non-recurring items	2016	2015	2016	2015
Recognised operating profit	3.0	5.0	42.7	30.5
Acquisition costs	-	-	-	4.4
Costs for inventory changes in connection with acquisitions	-	-0.3	-	2.7
Twofold CEO expenses	-	-	-	1.1
Operating profit before non-recurring items	3.0	4.7	42.7	38.7
SEK M	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBITDA	2016	2015	2016	2015
Recognised operating profit	3.0	5.0	42.7	30.5
Depreciation/amortisation and impairment	14.1	13.0	54.6	48.8
EBITDA	17.1	18.0	97.3	79.3
SEK M			2016-12-31	2015-12-31
Risk-bearing capital				
Shareholders' equity			366.8	330.5
Deferred tax liabilities			30.1	22.9
Risk-bearing capital			396.9	353.4
SEK M			2016-12-31	2015-12-31
Net borrowing				
Non-current interest-bearing provisions for pensions			28.8	28.0
Non-current interest-bearing liabilities			223.3	241.2
Current interest-bearing liabilities			128.4	82.8
Non-interest-bearing financial liability			42.8	115.8
Total liabilities			423.3	467.8
Cash and cash equivalents			-38.5	-40.5
Net borrowing			384.8	427.3
SEK M			2016-12-31	2015-12-31
Cash and cash equivalents including unutilised overdraft facilities				
Cash and cash equivalents			38.5	40.5
Utilised overdraft facilities			-40.3	-21.4
Overdraft facilities granted			101.4	92.5
Cash and cash equivalents including unutilised overdraft facilities			99.6	111.6

Definitions of alternative performance measures

Alternative performance measures are financial measures of historical or future financial performance, financial position or cash flows that are not defined in the applicable financial reporting framework, IFRS. These performance measures are considered to comprise important supplementary performance measures for the Group's earnings and financial position and the aim is to create enhanced understanding of the operations. The alternative performance measures presented in this year-end report should not be regarded as replacements for terms and concepts under IFRS, but instead be seen as a supplement. These performance measures need not be comparable with similar performance measures of other companies. The consolidation basis for calculating certain of these performance measures is presented on page 11 of this report.

Sales adjusted for changes in exchange rates

Change in net sales adjusted for changes in exchange rates compared with the year-earlier period.

Organic growth

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

Non-recurring items

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

Operating profit before non-recurring items

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

Operating profit (EBIT)

Profit before financial income and expenses and taxes.

Operating margin, %

Operating profit in relation to the operations' net sales.

EBITDA

Operating profit before depreciation/amortisation and impairment

EBITDA, %

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

Risk-bearing capital

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

Net borrowing

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

Cash and cash equivalents including unutilised overdraft facilities

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

Financial information

- The Annual Report for 2016 will be published in April 2017.
- The interim report for Jan-Mar 2017 will be published on 26 April 2017.
- The interim report for Jan-June 2017 will be published on 25 August 2017.
- The interim report for Jan-Sep 2017 will be published on 27 October 2017.

- The Annual General Meeting for 2016 will be held on 26 April 2017 in Gothenburg.

Press and analyst conference

Due to the publication of the year-end report, a press and analyst conference will be held on Friday, 24 February at 12.00 noon (CET) at Remium's premises on Kungsgatan 12-14 in Stockholm, Sweden. The report will be presented and commented on in Swedish by President and CEO Jan Wahlström. Information in English will be available on Elos Medtech's website shortly after the presentation via the link <http://elosmedtech.com/investorrelations/presentations-and-images/>. A brief interview in Swedish with Jan Wahlström will be available later during the day via the link <http://www.introduce.se/foretag/elos-medtech/> on Remium's website.

For further information, contact:

Jan Wahlström, President and CEO, +46 70 212 18 89
jan.wahlstrom@elosmedtech.com

Christian Bergaust, CFO, +46 70 293 50 40
christian.bergaust@elosmedtech.com

Disclosure

This is the type of information that Elos Medtech AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was issued for publication by the contact persons stated above on 24 February 2017, at 8:00 a.m. (CET).

Elos Medtech AB is a Swedish limited liability company whose Series B share is listed on Nasdaq Stockholm Small Cap. Corporate governance of Elos Medtech is based on Swedish legislation and the listing agreement with Nasdaq Stockholm AB.