



# Q3 2015 Report

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# Summary Jan – Sept 2015

- General positive development of operations
  - Sales increased with 26,6% (adj. for currency) to 367,7 MSEK (274,7)
  - Sales of own products increased with 56% and represent 10% of sales in Q3 (8)
  - One-off items of 5,5 MSEK (0) has impacted the result
  - EBITDA margin, excluding one-off items, improved to 19,0% (18,2)
  - EBIT excluding one-off items improved by 42% to 34,8 MSEK (24,5)
  - Order bookings increased by 2,3% (adj. for currency) to 325.4 MSEK (301,4)
  - Earnings per share 2,76 SEK (3,11)
- Overall, sales and result negatively effected by lower volumes in our Tianjin site

# Strong sales growth

## One-off items of 5,5 MSEK (0)

### Consolidated income statement and statement of comprehensive income

SEK M	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Income statement	2015	2014	2015	2014	2014/15	2014
Net sales	123,1	84,9	367,7	274,7	473,9	380,9
Cost of goods sold	-90,5	-60,6	-260,2	-197,4	-336,0	-273,2
<b>Gross profit</b>	<b>32,6</b>	<b>24,3</b>	<b>107,5</b>	<b>77,3</b>	<b>137,9</b>	<b>107,7</b>
Selling expenses	-6,0	-4,6	-19,5	-15,0	-25,6	-21,1
Administration expenses	-15,3	-10,9	-49,7	-31,6	-62,2	-44,1
Development expenses	-3,3	-1,9	-9,6	-6,8	-12,7	-9,9
Other operating income/expenses	0,0	0,2	0,6	0,6	0,5	0,5
<b>Operating profit</b>	<b>8,0</b>	<b>7,1</b>	<b>29,3</b>	<b>24,5</b>	<b>37,9</b>	<b>33,1</b>
Financial income	0,2	0,4	0,4	0,8	0,7	1,1
Financial expenses	-2,8	-1,5	-6,0	-4,4	-7,3	-5,7
Exchange-rate differences	-0,2	1,8	0,1	1,9	1,5	3,3
<b>Profit after net financial items</b>	<b>5,2</b>	<b>7,8</b>	<b>23,8</b>	<b>22,8</b>	<b>32,8</b>	<b>31,8</b>
Income taxes	-1,7	-0,2	-7,1	-4,0	-11,5	-8,4
<b>Net profit for the year from continuing operations</b>	<b>3,5</b>	<b>7,6</b>	<b>16,7</b>	<b>18,8</b>	<b>21,3</b>	<b>23,4</b>

# Continued good cash flow from operations

## Consolidated cash flow statement

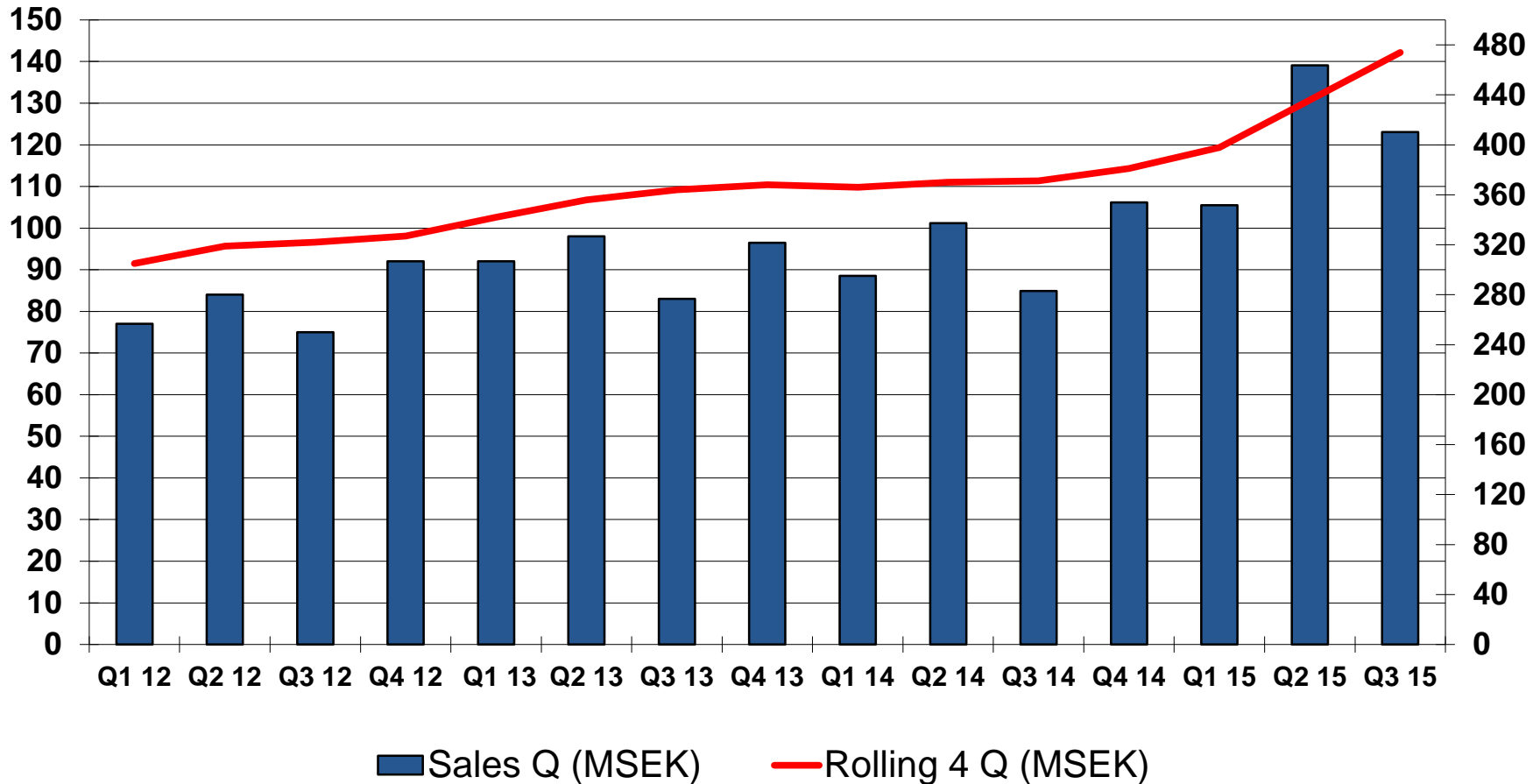
SEK M	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Okt-Sep	Jan-Dec
Cash flow	2015	2014	2015	2014	2014/15	2014
Profit after net financial items	5,2	7,8	23,8	22,8	32,8	31,8
Reversal of depreciation	13,0	8,4	35,0	25,6	44,1	34,7
Adjustment items	-2,9	-0,6	3,0	6,1	2,7	5,8
Income tax paid	-1,1	1,9	-11,1	-2,5	-19,4	-10,8
Change in working capital	-5,7	-7,1	-9,0	-7,1	-8,1	-6,2
<b>Cash flow from operations</b>	<b>8,5</b>	<b>10,4</b>	<b>41,7</b>	<b>44,9</b>	<b>52,1</b>	<b>55,3</b>
Investments in fixed assets	-11,7	-5,6	-30,3	-12,0	-42,2	-23,9
Acquisition of company	-	-	-160,4	-	-160,4	-
Sales of fixed assets	0,0	0,2	0,1	0,2	0,1	0,2
<b>Balance after investments in fixed assets</b>	<b>-3,2</b>	<b>5,0</b>	<b>-148,9</b>	<b>33,1</b>	<b>-150,4</b>	<b>31,6</b>
Change of bank overdraft facility	-3,4	-2,4	3,5	-12,5	4,6	-11,4
New long-term loans	8,8	3,3	94,4	15,9	99,0	20,5
Amortization of long-term loans	-13,0	-7,8	-30,1	-32,0	-39,4	-41,3
Realized financial exchange-rate differences	-	-	-2,8	-1,3	-10,3	-8,8
Dividends	-	-	-18,2	-12,1	-18,2	-12,1
<b>Cash flow for the period from continuing operations</b>	<b>-10,8</b>	<b>-1,9</b>	<b>-102,1</b>	<b>-8,9</b>	<b>-114,7</b>	<b>-21,5</b>
Cash flow from discontinued operations	-	59,3	-	119,6	0,5	120,1

# Balance sheet remains in good shape after acquisition

## Condensed consolidated balance sheet

SEK M		30 Sep	30 Sep	31 Dec
Balance sheet		2015	2014	2014
<b>Assets</b>				
Intangible fixed assets		234,5	65,0	68,5
Tangible fixed assets		359,0	214,7	230,1
Financial fixed assets		5,2	4,6	5,9
Other current assets		228,9	174,1	177,7
Cash and bank balances		24,5	136,6	125,5
<b>Total assets</b>		<b>852,1</b>	<b>595,0</b>	<b>607,7</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity		333,7	334,3	338,6
Long-term liabilities		340,0	156,6	162,7
Current liabilities		178,4	104,1	106,4
<b>Total shareholders' equity and liabilities</b>		<b>852,1</b>	<b>595,0</b>	<b>607,7</b>
Equity/assets ratio	%	39,2	56,2	55,7
Net debt	SEK M	324,7	37,0	58,0

# Strong sales growth +38,6% in Q3



# Continued improvement of margins





## Positive market development

One-off items of 5,5 MSEK (0)

	Jul- Sep 2015	Jul- Sep 2014	Jan- Sep 2015	Jan- Sep 2014	Oct- Sep 2014/15	Jan- Dec 2014
Order bookings, SEK M	102,5	95,9	325,4	301,4	442,1	418,1
Net sales, SEK M	123,1	84,9	367,7	274,7	473,9	380,9
Growth, %*	38,6	-0,2	26,6	-1,3	21,2	0,7
EBITDA, SEK M	21,0	15,5	64,3	50,1	82,0	67,8
EBITDA, %	17,1	18,3	17,5	18,2	17,3	17,8
Operating profit, SEK M	8,0	7,1	29,3	24,5	37,9	33,1
Operating margin, %	6,5	8,4	8,0	8,9	8,0	8,7

Operating profit Jan-Sept excl one-off items at 34,8 MSEK, 9,5%

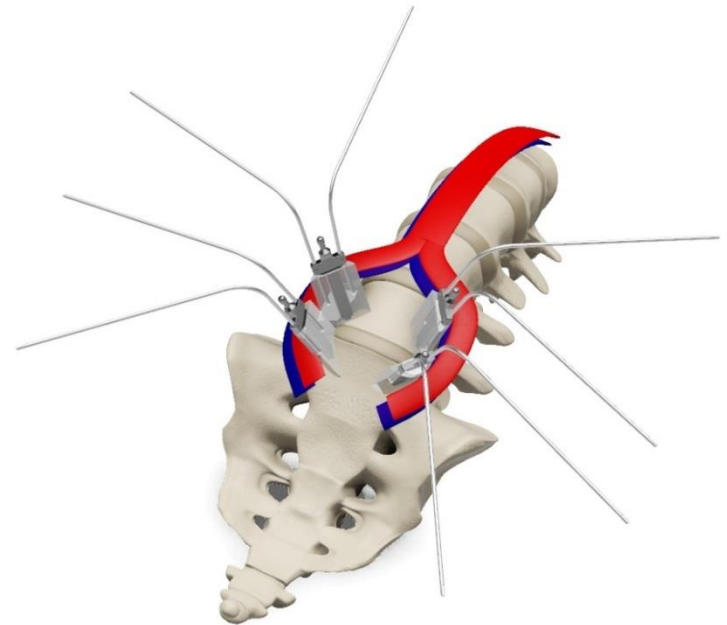
# Major shift in market split – Trauma & Spine growth both organic and via Onyx acquisition.

Dental Implant Systems	28%		+
Diagnostics	4%		++
Medical Devices	27%		-
Trauma & Spine	41%		++



# Several new introductions of own products

- Elos Retractor™
- Growth rate 56 % YTD - now represents 10% (8) of sales
- Several introductions of Dental Products at EAO Dental Show



# Elos Medtech Microplast – expansion

- Order backlog increase in line with growth ambitions
- Factory expansion planned to be finalized at year-end 2015 – Project on time!
- Several new accounts under validation – production start in 2015/16



# Onyx Medical – Continued strong performance

- Sales after acquisition at 72,5 msek (120,4 YTD)
- Growth YoY exceeding 10%
- Performance exceeding our expectations YTD



Going forward  
**We are well positioned**

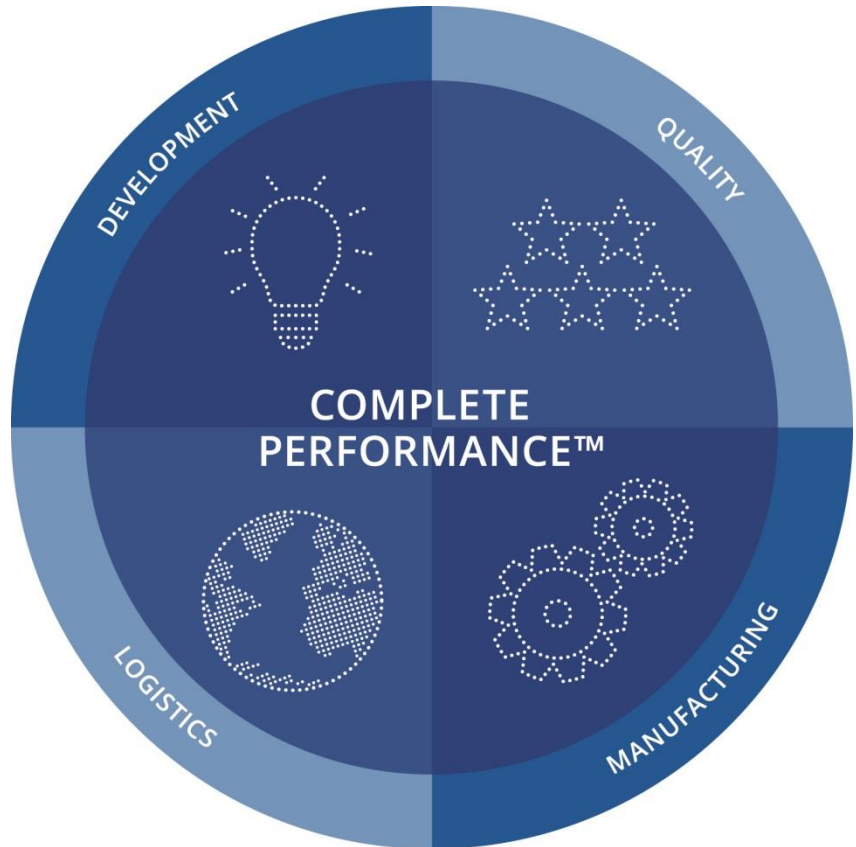
Market consolidation

We are equipped for further growth

- “World class” quality
- Strong productivity development
- Capacity for growth

Our service offering and customer base will be developed

The share of own products will continue to grow

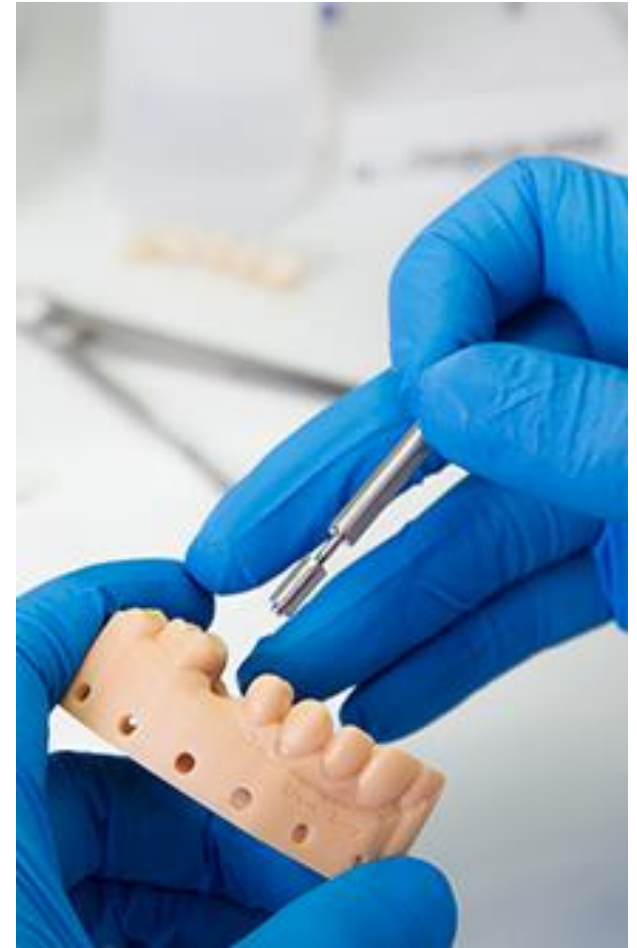


Going forward

## How we will create growth

Organic growth through:

- Increased marketing and sales efforts
- Introduction of new own products
- New sales organization for own products



# Forecast

- The conditions for stable growth during 2015 are deemed satisfactory, with the exception of the Medical Devices market segment.

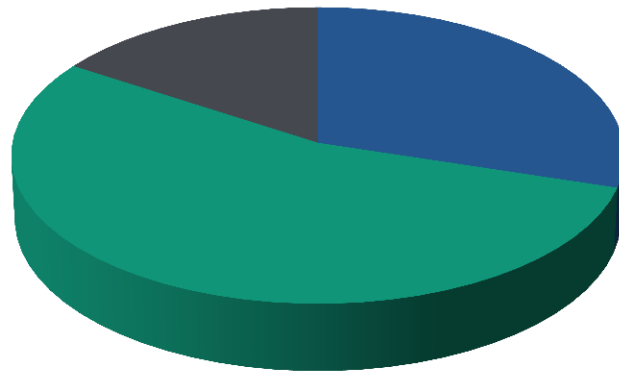
## *Previous forecast*

The conditions for stable growth during 2015 are deemed satisfactory.



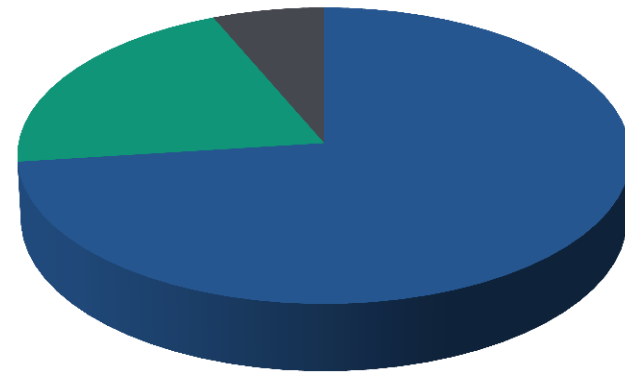
# Elos has approx. 1 500 shareholders

## % of share capital



- Holders of A-shares
- Others
- Institutions

## % of votes



- Holders of A-shares
- Others
- Institutions

# Questions ?

