



Q2 2016 Report

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Summary Q2 and first half

- 2016 Q2 – Sales growth and profit
 - Sales increased to 151,6 MSEK (139,1), up 10%
 - Organic growth 4%
 - EBITDA was 29,4 MSEK(26,5)
 - EBIT increased to 16,0 MSEK (13,7)
- 2016 first half-
 - Sales increased to 292,0 MSEK(244,6), up 20,2 %
 - Organic growth 1,1%
 - Improved from Q1
 - EBITDA improved to 54,8 MSEK (41,8)
 - EBIT 28,0 MSEK (19,4),
 - Net Earnings per share 2,49 SEK (1,87)
 - Cash flow from operations at 44,6 MSEK (33,1)
- Geographies
 - China and North America strong performance

Elos Medtech – Footprint

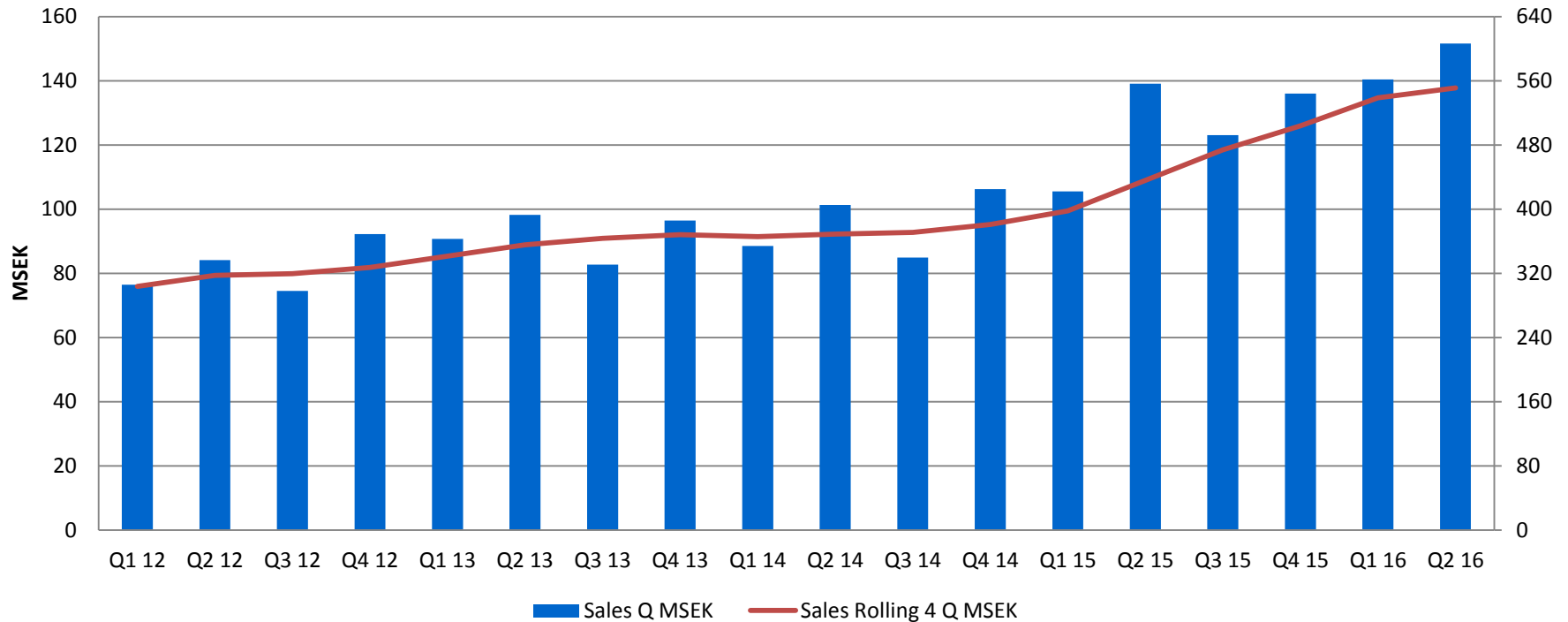


- Head office
- Production units

Sales	~ 550 MSEK
Employees	~ 510
Share holders	~ 1700

Elos Medtech is listed on the NASDAQ-OMX
Stockholm

Quarterly sales development – 9 quarters in a row with growth



Market segments

Good development in Dental implant systems Growth in 3 out of 4 segments

Net sales by market segment	Apr- Jun	Apr- Jun	Jan- Jun	Jan- Jun	Jul- Jun	Jan- Dec
SEK M	2016	2015	2016	2015	2015/16	2015
Dental Implant Systems	50,0	40,6	86,1	78,9	163,1	153,7
Diagnostics	8,8	7,9	17,0	14,2	24,5	23,6
Medical Devices	43,7	43,9	89,0	94,0	168,5	168,7
Trauma & Spine	49,1	46,7	99,9	57,5	160,1	157,7
Total net sales	151,6	139,1	292,0	244,6	516,2	503,7

Improved Sales

Improved margins

	Apr- Jun 2016	Apr- Jun** 2015	Jan- Jun 2016	Jan- Jun** 2015	Jul- Jun 2015/16	Jan- Dec 2015
Net sales, SEK M	151,6	139,1	↑ 292,0	244,6	551,1	503,7
Growth, %*	10,1	29,9	20,2	21,4	25,2	26,4
EBITDA, SEK M	29,4	26,5	54,8	41,8	92,3	79,3
EBITDA, %	19,4	19,1	↑ 18,8	17,1	16,7	15,7
Operating profit, SEK M	16,0	13,7	28,0	19,4	39,1	30,5
Operating margin, %	10,6	9,8	↑ 9,6	7,9	7,1	6,1
Profit after financial items, SEK M	14,5	9,1	21,3	16,7	27,1	22,5
Profit after tax, SEK M	10,2	5,7	15,1	11,3	19,9	16,1
Profit after tax per share, SEK	1:69	0:94	2:49	1:87	3:29	2:66

* Adjusted for exchange-rate fluctuations.

**Due to the effects of the final acquisition analysis, Q2 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 19 M.

Profit and Loss

Consolidated income statement and statement of comprehensive income

SEK M	Apr-J un	Apr-J un **	J an-J un	J an-J un **	J ul-J un	J an-Dec
Income statement	2016	2015	2016	2015	2015/16	2015
Net sales	151,6	139,1	292,0	244,6	551,1	503,7
Cost of goods sold	-106,2	-97,0	-206,9	-171,2	-403,3	-367,6
Gross profit	45,4	42,1	85,1	73,4	147,8	136,1
Selling expenses	-9,3	-7,9	-17,3	-13,9	-33,4	-30,0
Administration expenses	-16,6	-17,2	-32,4	-34,4	-61,2	-63,2
Development expenses	-3,7	-3,5	-7,4	-6,3	-15,0	-13,9
Other operating income/expenses	0,2	0,2	0,0	0,6	0,9	1,5
Operating profit	16,0	13,7	28,0	19,4	39,1	30,5
Financial income	0,1	0,1	0,1	0,2	0,3	0,4
Financial expenses	-3,1	-2,0	-6,6	-3,2	-11,4	-8,0
Exchange-rate differences	1,5	-2,7	-0,2	0,3	-0,9	-0,4
Profit after net financial items	14,5	9,1	21,3	16,7	27,1	22,5
Income taxes	-4,3	-3,4	-6,2	-5,4	-7,2	-6,4
Net profit after taxes	10,2	5,7	15,1	11,3	19,9	16,1

Continued good cash flow from operations

Consolidated cash flow statement

SEK M	Apr-J un	Apr-J un *	J an-J un	J an-J un *	J ul-J un	J an-Dec
Cash flow	2016	2015	2016	2015	2015/16	2015
Profit after net financial items	14,5	9,1	21,3	16,7	27,1	22,5
Reversal of depreciation	13,4	12,7	26,8	22,4	53,2	48,8
Adjustment items	-3,6	4,7	-2,6	5,8	-4,3	4,1
Income tax paid/repaid	1,6	-5,7	1,5	-10,0	-1,5	-13,0
Change in working capital	-1,8	0,2	-2,4	-1,8	-1,4	-0,8
Cash flow from operations	24,1	21,0	44,6	33,1	73,1	61,6
Investments in fixed assets	-7,9	-16,4	-21,4	-41,9	-55,3	-75,8
Acquisition of company	-	-160,4	-	-160,4	0,0	-160,4
Sales of fixed assets	-	0,0	-	0,1	0,0	0,1
Balance after investments in fixed assets	16,2	-155,8	23,2	-169,1	17,8	-174,5
Change of bank overdraft facility	-33,1	0,5	21,7	6,9	18,8	4,0
New loans	39,8	87,2	48,4	108,9	88,9	149,4
Amortization of loans	-12,2	-5,6	-32,2	-17,0	-60,2	-45,0
Amortization of additional purchase consideration	-39,4	-	-77,6	-	-77,6	-
Realized financial exchange- rate differences	-	-2,8	-	-2,8	0,0	-2,8
Dividends	-6,0	-18,2	-6,0	-18,2	-6,0	-18,2
Cash flow for the period	-34,7	-94,7	-22,5	-91,3	-18,3	-87,1
Cash flow from discontinued operations	-	-	-	-	1,3	1,3
Cash flow for the period, total	-34,7	-94,7	-22,5	-91,3	-17,0	-85,8
Liquid funds at beginning of the year	51,4	130,8	40,5	125,5	35,2	125,5
Exchanges- rate differences in liquid funds	1,3	-0,9	0,0	1,0	-0,2	0,8
Liquid funds at end of the period	18,0	35,2	18,0	35,2	18,0	40,5

*Due to the effects of the final acquisition analysis, Q2 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 1,9 M.

Balance sheet remains healthy

Net debt still high after the acquisition

Condensed consolidated balance sheet

SEK M	30 Jun 2016	30 Jun * 2015	31 Dec 2015
Balance sheet			
Assets			
Intangible fixed assets	278,8	231,1	275,7
Tangible fixed assets	356,4	348,7	356,7
Financial fixed assets	5,2	4,4	4,5
Other current assets	220,5	225,2	204,2
Cash and bank balances	18,0	35,2	40,5
Total assets	878,9	844,6	881,6
Shareholders' equity and liabilities			
Shareholders' equity	343,4	324,9	330,5
Long-term liabilities	291,5	363,2	331,2
Current liabilities	244,0	156,5	219,9
Total shareholders' equity and liabilities	878,9	844,6	881,6

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Key figures

		J an-J un 2016	J an-J un ** 2015	J an-Dec 2015
Return on operating capital	%	7,5	7,0	5,3
Return on shareholders' equity	%	8,9	6,8	4,8
Share of risk-bearing capital	%	42,0	40,8	40,0
Equity/assets ratio	%	39,0	38,5	37,5
Net debt *	SEK M	417,6	387,6	427,3
Investments excluding acquisition	SEK M	21,4	41,9	75,8
Number of employees		511	455	471
Shareholders' equity per share	SEK	56:76	53:70	54:63
Dividends	SEK	-	-	1:00

* Net debt includes non interest-bearing financial liabilities.

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Strategic objectives

Strategic Objective	Target	Result YTD (FY 2015)
Growth	10% YoY	20,2% (26,4%)*
EBIT Margin	13%	9,6% (6,1%)
Return on Equity	15%	8,9%(4,8%)
Return on operating Capital	15%	7,5%(5,3%)
Share risk-bearing capital	>30%	42,0%(40,0%)
Liquidity	6-12%	13%(22,2)



* incl. acquisition

Own products – Continuous investments in sales

- Good growth in the segment in second quarter
- 5 new HC in sales recruited YTD
- Distribution contracts signed
 - More contracts in second half



Forecast 2016

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

We will focus on:

Product development

Streamlining our production

Sales and marketing



Questions ?

