



Q3 2016 Report

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Summary

- 2016 Q3 – Improved profitability and cash flow
 - Sales increased to 126,7 MSEK (123,1), up 3,7%
 - EBITDA increased to 25,4 MSEK (19,5)
 - EBIT increased to 11,7 MSEK (6,1)
- 2016 first nine months- improved earnings and strong cash flow
 - Sales increased to 418,7 MSEK (367,7), up 14,7 %
 - Organic growth 2,1%
 - Improved from Q1 and Q2
 - EBITDA improved to 80,2 MSEK (61,3)
 - EBIT 39,7 MSEK (25,5)
 - Net Earnings per share 3:88 SEK (2:13)
 - Cash flow from operations at 73,3 MSEK (41,7)
- Geographies
 - Asia and the Nordic countries had a strong performance

Elos Medtech – Footprint

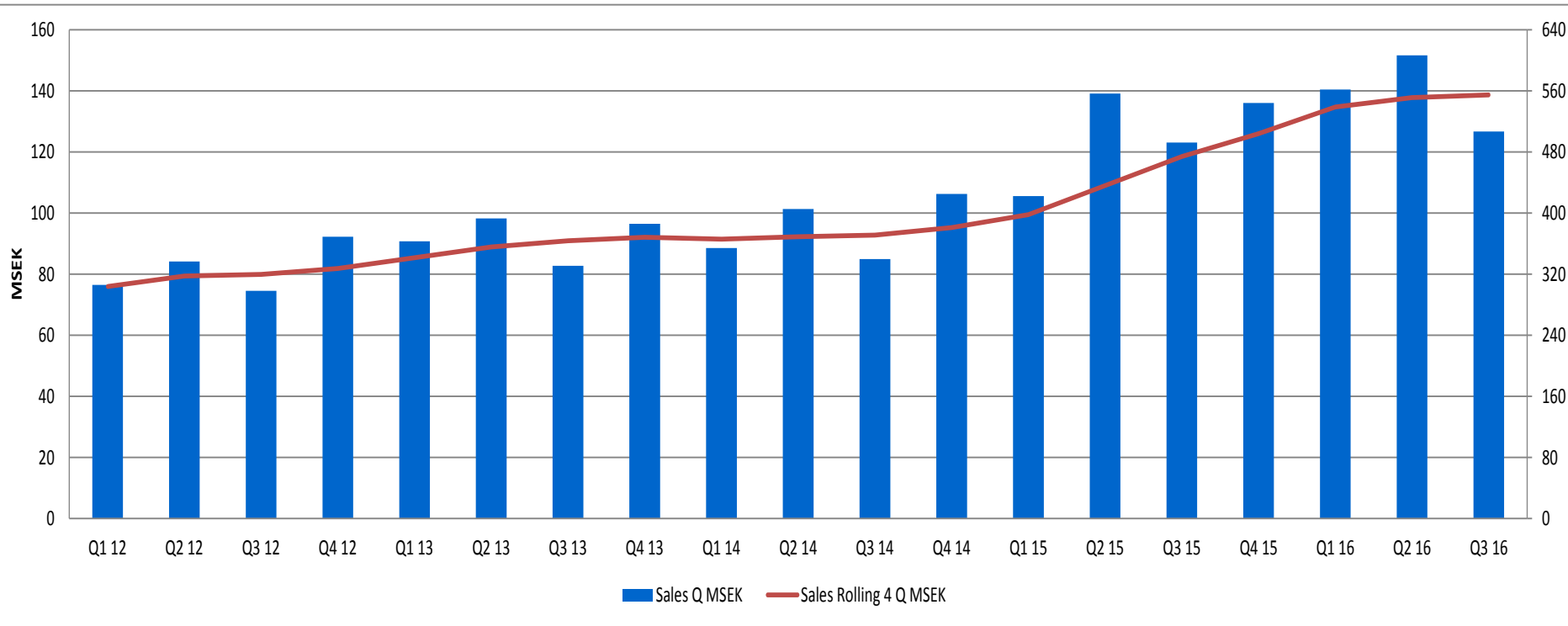


- Head office
- Production units

Sales	~ 550 MSEK
Employees	~ 510
Share holders	~ 1700

Elos Medtech is listed on the NASDAQ-OMX
Stockholm

Quarterly sales development – 10 quarters in a row with growth



Market segments

- **Good development in Dental Implant Systems continous**
- **Growth in all 4 segments**

Net sales by market segment	Jul- Sep	Jul- Sep	Jan- Sep	Jan- Sep	Oct- Sep	Jan- Dec
SEK M	2016	2015	2016	2015	2015/16	2015
Dental Implant Systems	38,7	34,6	124,8	113,5	165,0	153,7
Diagnostics	4,9	4,5	21,9	18,7	26,8	23,6
Medical Devices	40,7	33,6	129,7	127,6	170,8	168,7
Trauma & Spine	42,4	50,4	142,3	107,9	192,1	157,7
Total net sales	126,7	123,1	418,7	367,7	554,7	503,7

Improved profitability

Improved margins

	Jul-Sep	Jul-Sep**	Jan-Sep	Jan-Sep**	Oct-Sep	Jan-Dec
	2016	2015	2016	2015	2015/16	2015
Net sales, SEK M	126,7	123,1	418,7	367,7	554,7	503,7
Growth, %*	3,7	38,6	14,7	26,6	16,9	26,4
EBITDA, SEK M	25,4	19,5	80,2	61,3	98,2	79,3
EBITDA, %	20,0	15,8	19,2	16,7	17,7	15,7
Operating profit, SEK M	11,7	6,1	39,7	25,5	44,7	30,5
Operating margin, %	9,2	5,0	9,5	6,9	8,1	6,1
Profit after financial items, SEK M	10,8	3,3	32,1	20,0	34,6	22,5
Profit after tax, SEK M	8,5	1,6	23,5	12,9	26,7	16,1
Profit after tax per share, SEK	1:39	0:26	3:88	2:13	4:41	2:66

* Adjusted for exchange-rate fluctuations.

**Due to effects of the final acquisition analysis, Q3 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 resp.

Profit and Loss

Consolidated income statement and statement of comprehensive income

SEK M	Jul-Sep	Jul-Sep **	Jan-Sep	Jan-Sep **	Oct-Sep	Jan-Dec
Income statement	2016	2015	2016	2015	2015/16	2015
Net sales	126,7	123,1	418,7	367,7	554,7	503,7
Cost of goods sold	-90,1	-92,0	-297,0	-263,2	-401,4	-367,6
Gross profit	36,6	31,1	121,7	104,5	153,3	136,1
Selling expenses	-9,0	-6,4	-26,3	-20,3	-36,0	-30,0
Administration expenses	-14,5	-15,3	-46,9	-49,7	-60,4	-63,2
Development expenses	-3,5	-3,3	-10,9	-9,6	-15,2	-13,9
Other operating income/expenses	2,1	0,0	2,1	0,6	3,0	1,5
Operating profit	11,7	6,1	39,7	25,5	44,7	30,5
Financial income	0,0	0,2	0,1	0,4	0,1	0,4
Financial expenses	-2,2	-2,8	-8,8	-6,0	-10,8	-8,0
Exchange- rate differences	1,3	-0,2	1,1	0,1	0,6	-0,4
Profit after net financial items	10,8	3,3	32,1	20,0	34,6	22,5
Income taxes	-2,3	-1,7	-8,6	-7,1	-7,9	-6,4
Net profit after taxes	8,5	1,6	23,5	12,9	26,7	16,1

Continued good cash flow from operations

Consolidated cash flow statement

SEK M	Jul-Sep	Jul-Sep *	Jan-Sep	Jan-Sep *	Oct-Sep	Jan-Dec
Cash flow	2016	2015	2016	2015	2015/16	2015
Profit after net financial items	10,8	3,3	32,1	20,0	34,6	22,5
Reversal of depreciation	13,7	13,4	40,5	35,8	53,5	48,8
Adjustment items	-1,8	-2,9	-4,4	3,0	-3,3	4,1
Income tax paid/repaid	-0,1	-1,1	1,4	-11,1	-0,5	-13,0
Change in working capital	6,2	-4,2	3,7	-6,0	8,9	-0,8
Cash flow from operations	28,8	8,5	73,3	41,7	93,2	61,6
Investments in fixed assets	-2,8	-11,7	-24,2	-30,3	-69,7	-75,8
Acquisition of company	-	-	-	-160,4	0,0	-160,4
Sales of fixed assets	4,6	0,0	4,6	0,1	4,6	0,1
Balance after investments in fixed assets	30,6	-3,2	53,7	-148,9	28,1	-174,5
Change of bank overdraft facility	-3,4	-3,4	18,3	3,5	18,8	4,0
New loans	0,8	8,8	49,3	94,4	104,3	149,4
Amortization of loans	-14,4	-13,0	-46,6	-30,1	-61,5	-45,0
Amortization of additional purchase consideration	-	-	-77,6	-	-77,6	-
Realized financial exchange- rate differences	-	-	-	-2,8	-	-2,8
Dividends	-	-	-6,0	-18,2	-6,0	-18,2
Cash flow for the period	13,6	-10,8	-8,9	-102,1	6,1	-87,1
Cash flow from discontinued operations	-	-	-	-	1,3	1,3
Cash flow for the period, total	13,6	-10,8	-8,9	-102,1	7,4	-85,8
Liquid funds at beginning of the year	18,0	35,2	40,5	125,5	24,5	125,5
Exchanges- rate differences in liquid funds	0,5	0,1	0,5	1,1	0,2	0,8
Liquid funds at end of the period	32,1	24,5	32,1	24,5	32,1	40,5

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Net debt decreases

Investments on a low level

Condensed consolidated balance sheet

SEK M	30 Sep 2016	30 Sep * 2015	31 Dec 2015
Balance sheet			
Assets			
Intangible fixed assets	279,5	233,7	275,7
Tangible fixed assets	351,0	359,0	356,7
Financial fixed assets	5,7	5,2	4,5
Other current assets	208,9	225,9	204,2
Cash and bank balances	32,1	24,5	40,5
Total assets	877,2	848,3	881,6
Shareholders' equity and liabilities			
Shareholders' equity	355,1	329,9	330,5
Long-term liabilities	291,4	340,0	331,2
Current liabilities	230,7	178,4	219,9
Total shareholders' equity and liabilities	877,2	848,3	881,6

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Key figures

		Jan-Sep 2016	Jan-Sep ** 2015	Jan-Dec 2015
Return on operating capital	%	7,1	8,7	5,3
Return on shareholders' equity	%	9,2	5,2	4,8
Share of risk-bearing capital	%	43,5	41,5	40,0
Equity/assets ratio	%	40,5	38,9	37,5
Net debt *	SEK M	394,0	400,2	427,3
Investments excluding acquisition	SEK M	24,2	61,2	75,8
Number of employees		505	447	471
Shareholders' equity per share	SEK	58:69	54:54	54:63
Dividends	SEK	-	-	1:00

* Net debt includes non interest-bearing financial liabilities.

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Strategic objectives

Strategic Objective	Target	YTD(2015 YTD)
Growth	10% YoY	14,7% (26,6)
EBIT Margin	13%	9,5% (6,9%)
Return on Equity	15%	9,2% (5,2%)
Return on operating Capital	15%	7,1% (8,7%)
Share risk-bearing capital	>30%	43,5%(41,5%)
Liquidity	6-12%	17% (22%)



Own products – New product launch

- Good growth in the third quarter
- Launched new products in the Elos Accurate family
- 5 new HC in sales recruited YTD
- Sales through distributors



Forecast 2016

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

We will focus on:

Streamlining our production

Sales and marketing

Product development



Questions ?

