

Q3

ELOS 
MEDTECH

Interim report for the period 1 January to 30 September, 2017

Growth in several market segments in Q3

January-September

- **Net sales** for the first nine months of the financial year increased and amounted to SEK 429.0 M (418.7), corresponding to growth of 2.5%.
- **Operating profit** totalled SEK 36.1 M (39.7).
- **Profit after net financial items** was SEK 20.7 M (32.1). Net financial items were negatively affected by exchange rate differences of SEK -8.4 M (1.1).
- **Profit after tax** was SEK 15.1 M (23.5), corresponding to SEK 2.50 (3.88) per share.
- **Cash flow from operations** was SEK 42.9 M (73.3), and after investments SEK 25.2 M (53.7).

+4.5%

Growth in Q3, value-adjusted 3.0%

+2.5%

Growth in the first nine months of the year, value-adjusted 1.0%

Key figures	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
	2017	2016	2017	2016	2016/17	2016
Net sales, SEK M	132.5	126.7	429.0	418.7	562.3	552.0
Growth, %	4.5	3,7	2.5	14,7	2.0	10,1
EBITDA, SEK M	22.1	25.4	75.5	80.2	92.7	97.3
EBITDA, %	16.7	20.0	17.6	19.2	16.5	17.6
EBIT, SEK M	9.3	11.7	36.1	39.7	39.1	42.7
EBIT, %	7.0	9.2	8.4	9.5	6.9	7.7
Profit after financial items, SEK M	5.2	10.8	20.7	32.1	26.5	37.9
Profit after tax, SEK M	3.0	8.5	15.1	23.5	18.0	26.4
Profit after tax per share, SEK	0.50	1.39	2.50	3.88	2.99	4.37

CEO, Jan Wahlström, comments



The positive growth that began in Q2 continued. Our strategic focus on sales and growth is beginning to yield results. Dental Implant Systems was a particular growth driver during the quarter. Other segments that were previously weak are now developing better. Sales during the quarter were SEK 132.5 M (126.7). This represents growth of 4.5% over the quarter. Value-adjusted growth was 3.0%. Sales of SEK 562.2 M over a rolling period of twelve months are the highest ever at Elos Medtech.

Operating profit totalled SEK 36.1 M (39.7) for the first nine months of the year. This slightly lower figure is due primarily to the costs involved in increased market efforts designed to generate new business in the long term. Another reason is that production has been less effective during the quarter due to longer downtimes and a higher proportion of scrapped products. We are continuing our internal improvement initiative, EMOPEX (Elos Medtech Operational Excellence), in a targeted manner to strengthen synergies and efficiency. Initially, this will generate higher costs, but we believe such efforts are necessary and we are convinced they will yield positive effects both in terms of profit and capacity in the long term.

Development within Dental Implant Systems continued positively during the third quarter. Sales totalled SEK 42.2 M (38.7). Growth for the first nine months of the year was 18%. This means we are growing more than the market. This can be explained partly by the fact that we are gaining more business and taking market shares, and partly by the fact that we sell a large number of products and have broadened our range for several large key customers. Our long-term work and effort in the market segment has contributed towards us now being regarded as a leading development partner and contract manufacturer within the dental implants sector.

In the previous quarter, we noted that sales in Orthopedics had recovered and were at almost the same level as in 2016. The integration of Onyx has strengthened our offering on the global orthopedics market and our market efforts have yielded results here too. The number of customer enquiries has increased significantly. The surge of new business and customer projects means that we have not only been able to replace a previously lost order, but we are now in a position to speed up the pace.

We have experienced growth again in Diagnostics during the last two quarters and we continue with our investments to build up capacity at the plastic production facility in Skara.

Sales have started to pick up following a long period of turbulence for several key customers in Hearing Device & Vibrations. Sales are at a high level and we are expecting to see growth in this segment in the long term.

In Other Medical Areas, our new customers continued to generate sales. However, the rate of growth has been slightly slower than we had hoped. We are now working with our customers to speed up the pace in order to boost growth going forward. Our large key customers are developing according to plan.

Q3 shows a clear trend towards increased sales in several areas of our operations. Profit for the quarter was affected by a number of investments which we believe are necessary in order to further develop what we have to offer. Our ability to offer short lead times in combination with high quality has become one of the most important factors for our continued development and success on the global medical technology markets.

Jan Wahlström
CEO and President

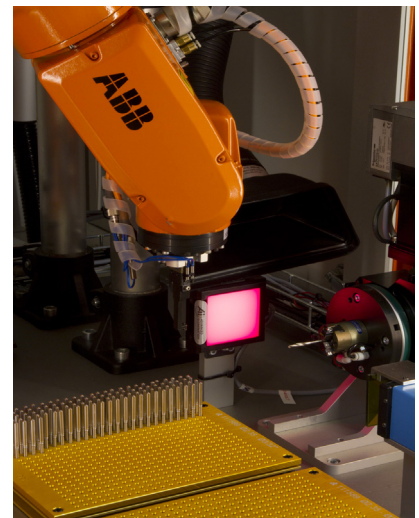
EMOPEX - Measures to improve efficiency at Elos Medtech

At Elos Medtech we constantly strive to make improvements across the Group. One of our strategic areas 'Operational Excellence and Continuous Improvements' focuses on creating the conditions for growth by systematically developing our operations, ensuring improved capacity and increasing the competitiveness of what we have to offer to potential and existing customers.

A project entitled 'Elos Medtech Operational Excellence' (EMOPEX) has been launched. EMOPEX will focus on developing a more effective production system. During the spring we carried out a comprehensive value flow analysis focussing on how we operate and we identified a number of potential areas for improvement. Using this analysis as a basis we conducted a pilot project with Elos Medtech Timmersdala.

The purpose of this pilot project was to build up a more flow-based production channel based on established lean principles in order to then jointly develop and optimise the existing production system and processes. Significant potential for improvement has already been identified in the context of this pilot project and quantitative targets have been defined, for example, establish an APQ (availability, performance, quality) of > 80 percent, increase level of automation and increase skills development.

By performing systematic diagnostics on our production today, creating a production system with defined targets and key indicators and then implementing the relevant improvement measures, we will create the essential conditions for future growth.



Operations in general

Operations

The Group's operations are conducted at facilities in Sweden, Denmark, China and the USA. The company is one of Europe's leading development and production partners within medical technology products and components such as dental and orthopedic implants and instruments. Customers consist primarily of internationally active medical technology companies in the market segments of Dental Implant Systems, Diagnostics, Hearing Device & Vibration, Orthopedics and Other Medical Areas.

In addition to central management issues, the parent company provides Group-wide support activities, such as market support, production and quality management, financing and financial control.

Segment reporting

The Group has only one operating segment, which comprises the development, production and sale of medical technology products. 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.

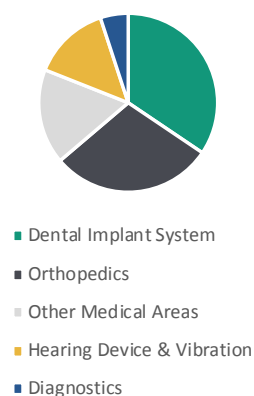
Sales July-September 2017

The Group's net sales during the quarter increased to SEK 132.5 M (126.7). Adjusted for exchange-rate fluctuations, turnover amounted to SEK 130.6 M. This increase is due mainly to good sales in Dental Implant Systems, Diagnostics and Hearing Device & Vibration. Development in Orthopedics is positive and the monthly rate is now back to the same level as in spring 2016.

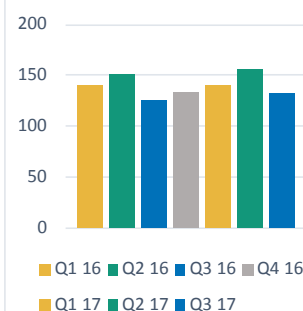
Sales January-September 2017

The Group's net sales during the first nine months of the year increased to SEK 429.0 M (418.7). Adjusted for exchange-rate fluctuations, turnover amounted to SEK 422.8 M. Sales in Dental Implant Systems and Other Medical Areas made the largest contribution to the increase in sales. Orthopedics showed a difference of -3 percent in Q3 compared with the same period in the previous year. This difference should be seen against -12 percent during the first nine months of the year. Diagnostics reversed the negative trend during the first quarter and demonstrated positive growth in the second and third quarters.

Markets



Quarterly sales compared with previous year



Net sales by market segment SEK M	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Oct-Sept 2016/17	Jan-Dec 2016
Dental Implant Systems	42.2	38.7	147.7	124.8	194.0	171.1
Diagnostics	5.8	4.9	21.6	21.9	29.4	29.7
Hearing Device & Vibration	20.7	17.2	59.9	61.2	78.8	80.1
Orthopedics	41.0	42.4	125.9	142.3	165.8	182.2
Other Medical Areas	22.8	23.5	73.9	68.5	94.3	88.9
Total net sales	132.5	126.7	429.0	418.7	562.3	552.0

Profit	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Oct-Sept 2016/17	Jan-Dec 2016
EBITDA, SEK M	22.1	25.4	75.5	80.2	92.7	97.3
EBITDA, %	16.7	20.0	17.6	19.2	16.5	17.6
EBIT, SEK M	9.3	11.7	36.1	39.7	39.1	42.7
EBIT, %	7.0	9.2	8.4	9.5	6.9	7.7
Profit after financial items, SEK M	5.2	10.8	20.7	32.1	26.5	37.9
Profit after tax, SEK M	3.0	8.5	15.1	23.5	18.0	26.4

Hearing Device & Vibration recovered during Q3 recording growth of 20 percent compared with Q3 in the previous year. Overall, demand has continued to develop positively in all market segments.

During the first half of the year, the development of own products demonstrated growth of around one percent. Own products now represent 9.6 percent (9.7) of the Group's net sales.

Profit July-September 2017

Operating profit during Q3 amounted to SEK 9.3 M (11.7), corresponding to an operating margin of 7.0 percent (9.2). The Group's net financial items were negatively impacted by exchange-rate fluctuations of SEK -1.7 M (1.3) and amounted to SEK -4.1 M (-0.9). Profit after financial items amounted to SEK 5.2 M (10.8). Profit after tax amounted to SEK 3.0 M (8.5), corresponding to SEK 0.50 (1.39) per share. The Group's comprehensive income amounted to SEK -7.9 M (11.7).

Profit January-September 2017

Operating profit during the first nine months of the year amounted to SEK 36.1 M (39.7), corresponding to an operating margin of 8.4 percent (9.5). The Group's net financial items were negatively affected by translation differences, corresponding to SEK -8.4 M (1.1), and amounted to SEK -15.5 M (-7.6). The translation differences include unrealised exchange rate differences of SEK -7.3 M. Profit after financial items amounted to SEK 20.7 M (32.1). Profit after tax amounted to SEK 15.1 M (23.5), corresponding to SEK 2.50 (3.88) per share. The Group's comprehensive income amounted to SEK -2.2 M (30.6).

Investments

Group investment during the period in buildings, land, machinery, equipment, capitalised development costs and other tangible fixed assets amounted to SEK 17.7 M (24.2) and pertained primarily to increased machine capacity.

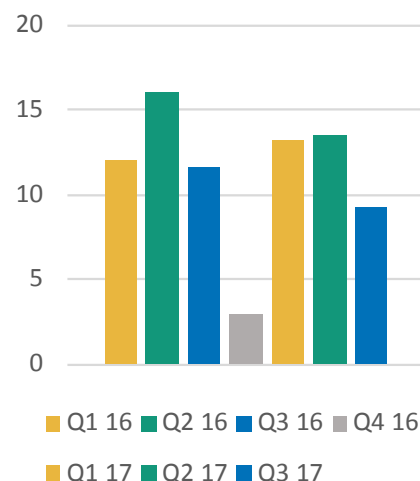
Financial position and liquidity

The Group's total consolidated assets fell during the period and amounted to SEK 839.8 M (877.2). The Group's equity amounted to SEK 356.7 M (355.1). Equity per share was SEK 58.95 (58.69). Risk-bearing equity at the end of the period amounted to SEK 390.9 M (381.7), corresponding to 46.5 percent (43.5) of total capital. The Group's equity/assets ratio amounted to 42.5 percent (40.5).

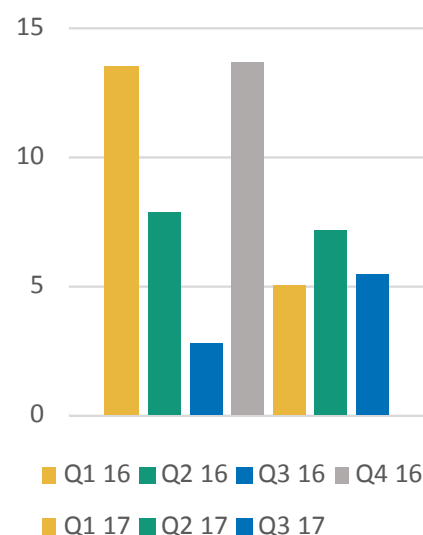
The Group's cash flow from operating activities during the first nine months of the year amounted to SEK 42.9 M (73.3). Cash flow after investments and sales of fixed assets amounted to SEK 25.2 M (53.7). Cash flow in the first nine months of the year has been impacted by additional purchase prices paid of SEK 21.0 M and an accumulation of stocks worth SEK 22.5 M.

The Group's net borrowing decreased during the period and amounted to SEK 352.6 M (394.0). The Group's cash and cash equivalents including unutilised overdraft facilities amounted to SEK 44.6 M (93.5).

Financial performance EBIT 2017



Investments





Personnel

During the first nine months of 2017, the average number of employees in the Group was 519, compared with 505 for the same period in the previous year.

Forecast for 2017

The global market for medical technology is growing within several of our business areas and we consider there to be good growth potential.

Parent company

The parent company's net sales amounted to SEK 17.3 M (14.8). Loss after financial items amounted to SEK -12.5 M (10.6). Loss includes an intra-Group dividend of SEK 0.0 M (12.5). The parent company's total loss amounted to SEK -10.1 M (10.8). The share of risk-bearing equity amounted to 64.7 percent (67.5). The equity/assets ratio was 64.4 percent (67.5). The parent company's cash and cash equivalents including unutilised overdraft facilities amounted to SEK 6.0 M (9.2).

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.

Related-party transactions

The company engaged in transactions with senior executives during the reporting period. These transactions comprise partial payment of the additional purchase price of SEK 21.0 M for the acquisition of Onyx Medical LLC.

Accounting policies

The consolidated financial statements for 2017 have, similarly to the year-end accounts for 2016, been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The parent company's accounts were prepared in accordance with the Annual Accounts Act and Swedish Financial Accounting Standards Council recommendation RFR 2, Reporting for legal entities.

This interim report was prepared in accordance with IAS 34. The interim information on pages 1-13 forms an integral part of this financial report. The term IFRS in this document includes application of both IAS and IFRS standards, as well as interpretation of these standards, as published by the IASB's Standards Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The parent company's promissory note receivable due from subsidiary Elos Medtech Holdings Inc has been classified as an increased investment in the subsidiary from Q3. Translation differences in relation to this receivable are reported under other comprehensive income from Q3.

The Group applies the same accounting policies as those described in the 2016 annual report. New or revised recommendations applicable from 2017 are not considered to have any significant impact on the financial statements.

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



Audit report

This interim report has been reviewed by the company's auditors.

The board and CEO declare that the interim report provides a fair overview of the company's and the Group's operations, position and profit/loss and describes the significant risks and uncertainties that the company and the companies that constitute the Group face.

Elos Medtech AB (publ)

Gothenburg, 24 October 2017

Yvonne Mårtensson
Chair of the board

Agneta Bengtsson Runmarker
Board member

Anders Birgersson
Board member

Jeppe Magnusson
Board member

Mats Nilsson
Board member

Jon Risfelt
Board member

Thomas Öster
Board member

Jan Wahlström
CEO and President

Christian Bergaust
Group CFO



Auditor's report of review of condensed interim financial information

Introduction

We have reviewed the condensed interim financial information (interim report) for Elos Medtech AB (publ) as at 30 September 2017 and the nine month period ending on this date. The Board of Directors and the Managing Director are responsible for preparing and presenting this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. It is our responsibility to form an opinion on this interim report based on our review.

Approach and scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review consists of asking questions, primarily to persons responsible for financial and accounting matters, performing an analytical review and carrying out other auditing procedures. A review has a different approach and a significantly smaller scope compared with the approach and scope of an audit in accordance with ISA and good auditing practice in general. The procedures followed during a review do not allow us to obtain assurance that we are aware of all the important circumstances that would have been identified if a full audit had been carried out. The opinion given based on a review therefore does not have the certainty that an opinion based on an audit has.

Opinion

Based on our review, we have not identified any circumstances that give us reason to believe that the interim report was not in all material respects prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB

Gothenburg, 24 October 2017

Bror Frid

Authorised auditor

Condensed consolidated profit and loss account and statement of comprehensive income

SEK M	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Oct-Sept 2016/17	Jan-Dec 2016
Profit and loss account						
Net sales	132.5	126.7	429.0	418.7	562.3	552.0
Cost of goods sold	-97.1	-90.1	-303.0	-297.0	-400.9	-394.9
Gross profit	35.4	36.6	126.0	121.7	161.4	157.1
Selling expenses	-8.0	-9.0	-28.7	-26.3	-38.7	-36.2
Administration expenses	-16.0	-14.5	-51.0	-46.9	-69.1	-65.0
Development expenditure	-2.9	-3.5	-10.9	-10.9	-15.3	-15.3
Other operating income/expenses	0.8	2.1	0.8	2.1	0.8	2.1
Operating profit	9.3	11.7	36.1	39.7	39.1	42.7
Financial income	0.0	0.0	0.1	0.1	0.2	0.2
Financial expenses	-2.4	-2.2	-7.1	-8.8	-8.7	-10.4
Exchange-rate differences	-1.7	1.3	-8.4	1.1	-4.1	5.4
Profit after net financial items	5.2	10.8	20.7	32.1	26.5	37.9
Taxes	-2.2	-2.3	-5.6	-8.6	-8.5	-11.5
Profit after tax	3.0	8.5	15.1	23.5	18.0	26.4
Profit attributable to:						
Parent company shareholders	3.0	8.5	15.1	23.5	18.0	26.4
Statement of comprehensive income						
Profit after tax	3.0	8.5	15.1	23.5	18.0	26.4
Other comprehensive income						
Items that will not be reclassified to the profit and loss account						
Actuarial gains and losses	-3.4	-3.0	-3.0	-3.0	0.9	0.9
Tax	0.8	0.7	0.7	0.7	-0.2	-0.2
	-2.6	-2.3	-2.3	-2.3	0.7	0.7
Items that may be reclassified to the profit and loss account						
Translation differences for the period	-8.8	5.9	-15.6	9.4	-11.2	13.8
Translation of currency hedging of net investments during the period	0.0	0.0	0.0	0.0	0.0	0.0
Tax	0.5	-0.4	0.6	0.0	0.6	0.0
	-8.3	5.5	-15.0	9.4	-10.6	13.8
Other comprehensive income, net	-10.9	3.2	-17.3	7.1	-10.0	14.5
Comprehensive income	-7.9	11.7	-2.2	30.6	8.1	40.9
Comprehensive income attributable to:						
Parent company shareholders	-7.9	11.7	-2.2	30.6	8.1	40.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	16.7%	20.0%	17.6%	19.2%	16.5%	17.6%
Earnings before interest and taxes (EBIT)	7.0%	9.2%	8.4%	9.5%	6.9%	7.7%
Depreciation charged against earnings	12.8	13.7	39.5	40.5	53.6	54.6
Profit after tax per share (SEK) *	0.50	1.39	2.50	3.88	2.99	4.37
Average number of shares (thousands)	6,051	6,051	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	6,051	6,051

* Attributable to the parent company's shareholders' share of profit after tax.

Condensed consolidated statement of financial position

SEK M			
Balance Sheet	30 September 2017	30 September 2016	31 December 2016
Assets			
Intangible fixed assets	262.3	279.5	289.9
Tangible fixed assets	321.7	351.0	354.3
Financial fixed assets	8.0	5.7	5.1
Other current assets	226.1	208.9	199.8
Cash and bank balances	21.7	32.1	38.5
Total assets	839.8	877.2	887.7
Equity and liabilities			
Equity	356.7	355.1	366.8
Non-current liabilities	258.3	291.4	282.2
Current liabilities	224.8	230.7	238.6
Total equity and liabilities	839.8	877.2	887.7

Key figures

		Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Return on operating capital	%	6.7	7.1	5.7
Return on equity	%	5.7	9.2	7.6
Share of risk-bearing capital	%	46.5	43.5	44.7
Equity/assets ratio	%	42.5	40.5	41.3
Net borrowing *	SEK M	352.6	394.0	384.8
Investments excluding acquisitions	SEK M	17.7	24.2	34.6
Average number of employees		519	505	509
Equity per share	SEK	58.95	58.69	60.63
Dividend	SEK	0.0	0.0	1.30

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

Condensed statement of changes in equity

SEK M	30 September 2017	30 September 2016	31 December 2016
Opening balance	366.8	330.5	330.5
New share issue	0.0	0.0	1.4
Dividend	-7.9	-6.0	-6.1
Total comprehensive income	-2.2	30.6	40.9
Closing shareholder's equity	356.7	355.1	366.8

Consolidated quarterly figures

SEK M	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly figures	2017	2017	2017	2016	2016	2016	2016
Net sales	132.5	155.6	140.9	133.3	126.7	151.6	140.4
Cost of goods sold	-97.1	-108.3	-97.6	-97.9	-90.1	-106.2	-100.8
Gross profit	35.4	47.3	43.3	35.4	36.6	45.4	39.6
Sales, admin and dev. exp.	-26.9	-33.6	-30.2	-32.4	-27.0	-29.6	-27.4
Other operating items	0.8	-0.2	0.2	0.0	2.1	0.2	-0.2
Operating profit	9.3	13.5	13.3	3.0	11.7	16.0	12.0
Net financial items	-2.4	-1.9	-2.3	-1.5	-2.2	-3.0	-3.5
Exchange-rate differences	-1.7	-5.7	-1.4	4.3	1.3	1.5	-1.7
Profit after net financial items	5.2	5.9	9.6	5.8	10.8	14.5	6.8
Taxes	-2.2	-1.0	-2.4	-2.9	-2.3	-4.3	-1.9
Profit after tax	3.0	4.9	7.2	2.9	8.5	10.2	4.9

Condensed consolidated statement of cash flow

SEK M	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
Cash flow	2017	2016	2017	2016	2016/17	2016
Profit after net financial items	5.2	10.8	20.7	32.1	26.5	37.9
Reversed depreciation/amortisation	12.9	13.7	39.5	40.5	53.6	54.6
Adjustment items	3.1	-1.8	7.9	-4.4	12.2	-0.1
Tax paid	-0.3	-0.1	-2.7	1.4	-5.5	-1.4
Change in working capital	-10.5	6.2	-22.5	3.7	-18.9	7.3
Cash flow from operating activities	10.4	28.8	42.9	73.3	67.9	98.3
Investments in fixed assets	-5.5	-2.8	-17.7	-24.2	-28.1	-34.6
Sales of fixed assets	0.0	4.6	0.0	4.6	0.6	5.2
Balance after investments in fixed assets	4.9	30.6	25.2	53.7	40.4	68.9
Issue of warrants	0.0	0.0	0.0	0.0	1.4	1.4
Change in overdraft facilities	10.7	-3.4	28.3	18.3	28.9	18.9
Loans raised	2.7	0.8	3.5	49.3	70.2	116.0
Repayment of loans	-12.8	-14.4	-65.5	-124.2	-143.3	-202.0
Dividend	0.0	0.0	-7.9	-6.0	-8.0	-6.1
Cash flow for the period	5.5	13.6	-16.4	-8.9	-10.4	-2.9
Cash flow during the period, total	5.5	13.6	-16.4	-8.9	-10.4	-2.9
Cash and cash equivalents at the start of the period	16.4	18.0	38.5	40.5	32.1	40.5
Exchange-rate differences in cash and cash equivalents	-0.2	0.5	-0.4	0.5	0.0	0.9
Cash and cash equivalents at the end of the period	21.7	32.1	21.7	32.1	21.7	38.5

Condensed parent company profit and loss account and statement of comprehensive income

SEK M	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
Profit and loss account	2017	2016	2017	2016	2016/17	2016
Net sales	5.7	5.2	17.3	14.8	22.6	20.1
Cost of goods sold	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	5.7	5.2	17.3	14.8	22.6	20.1
Selling expenses	-4.1	-2.8	-9.6	-7.6	-12.9	-10.9
Administration expenses	-3.9	-4.4	-15.9	-13.7	-22.4	-20.2
Other operating income/expenses	-0.1	0.0	0.0	0.1	0.0	0.1
Operating profit	-2.4	-2.0	-8.2	-6.4	-12.7	-10.9
Profit from shares in Group companies	0.0	0.0	0.0	12.5	8.8	21.3
Financial income	2.5	2.1	6.8	5.8	9.0	8.0
Financial expenses	-1.0	-0.8	-3.2	-2.9	-4.2	-3.9
Exchange-rate differences	-3.6	2.6	-7.9	1.6	-4.1	5.4
Profit after net financial items	-4.5	1.9	-12.5	10.6	-3.2	19.9
Appropriations	0.0	0.0	0.0	0.0	-0.5	-0.5
Taxes	1.0	-0.5	2.4	0.2	0.4	-1.8
Profit after tax	-3.5	1.4	-10.1	10.8	-3.3	17.6
Statement of comprehensive income						
Profit after tax	-3.5	1.4	-10.1	10.8	-3.3	17.6
Other comprehensive income						
Items that may be reclassified to the profit and loss account						
Translation of currency hedging of net investments during the period	0.0	0.0	0.0	0.0	0.0	0.0
Tax	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income, net	0.0	0.0	0.0	0.0	0.0	0.0
Comprehensive income	-3.5	1.4	-10.1	10.8	-3.3	17.6

Condensed parent company balance sheet

SEK M	30 September	30 September	31 December
Balance Sheet	2017	2016	2016
Assets			
Intangible fixed assets	2.8	3.3	3.3
Tangible fixed assets	0.8	0.5	0.5
Financial fixed assets	383.0	374.7	382.0
Other current assets	11.6	11.9	25.0
Cash and bank balances	6.0	9.2	17.1
Total assets	404.2	399.6	427.9
Equity and liabilities			
Equity	255.7	265.5	273.8
Untaxed reserves	5.8	5.3	5.8
Provisions	4.8	4.5	4.3
Non-current liabilities	75.7	86.2	79.6
Current liabilities	62.2	38.1	64.4
Total equity and liabilities	404.2	399.6	427.9

Reconciliation data for alternative performance measures

SEK M	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
Organic growth	2017	2016	2017	2016	2016/17	2016
Reported net sales	132.5	126.7	429.0	418.7	562.3	552.0
Net sales compared with the same period in the previous year	126.7	123.1	418.7	367.7	554.7	503.7
Changes in net sales	5.8	3.6	10.3	51.0	7.6	48.3
Growth, %	4.5	2.9	2.5	13.9	1.4	9.6
Net sales from acquired operations	0.0	0.0	0.0	46.8	0.0	46.8
Net sales adjusted for acquisition effects	132.5	126.7	429.0	371.9	562.3	505.2
Organic growth, %	4.5	2.9	2.5	1.1	1.4	0.3
Sales adjusted for exchange-rate fluctuations						
Exchange-rate fluctuations	-1.9	0.9	-6.2	2.9	-9.6	2.2
Exchange-rate adjusted net sales	130.6	127.6	422.8	421.6	552.7	554.2
Changes, %	3.0	3.7	1.0	14.7	-0.4	10.0
SEK M	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
Operating profit before non-recurring items	2017	2016	2017	2016	2016/17	2016
Recognised operating profit	9.3	11.7	36.1	39.7	39.1	42.7
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit before non-recurring items	9.3	11.7	36.1	39.7	39.1	42.7
SEK M	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
EBITDA	2017	2016	2017	2016	2016/17	2016
Recognised operating profit	9.3	11.7	36.1	39.7	39.1	42.7
Depreciation/amortisation and impairment	12.8	13.7	39.5	40.5	53.6	54.6
EBITDA	22.1	25.4	75.6	80.2	92.7	97.3
SEK M				30 September	30 September	31 December
Risk-bearing capital				2017	2016	2016
Equity				356.7	355.1	366.8
Deferred tax liabilities				34.2	26.1	30.1
Risk-bearing capital				390.9	381.2	396.9
SEK M				30 September	30 September	31 December
Net borrowing				2017	2016	2016
Non-current interest-bearing provisions for pensions				32.9	32.2	28.8
Non-current interest-bearing liabilities				191.3	232.5	223.3
Current interest-bearing liabilities				131.0	120.8	128.4
Non-interest-bearing financial liabilities				19.2	40.6	42.8
Total liabilities				374.3	426.1	423.3
Cash and cash equivalents				-21.7	-32.1	-38.5
Net borrowing				352.6	394.0	384.8
SEK M				30 September	30 September	31 December
Cash and cash equivalents including unutilised overdraft facilities				2017	2016	2016
Cash and cash equivalents				21.7	32.1	38.5
Used overdraft facilities				-67.2	-38.7	-40.3
Overdraft facilities granted				90.0	100.1	101.4
Cash and cash equivalents including unutilised overdraft facilities				44.6	93.5	99.6

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 interim 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. Reconciliation data for calculating certain of these performance measures is provided on page 13 of this report.

Sales adjusted for exchange-rate fluctuations

Change in net sales adjusted for changes in exchange rates compared with the same period in the previous year.

Organic growth

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

Non-recurring items

Items that are not included in the normal business transactions and when amounts are significant 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, expenses and taxes.

Operating margin, %

Operating profit in relation to the operation's 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.

Operating capital

Total of intangible and tangible fixed assets and current assets excluding tax assets, less non-interest-bearing liabilities excluding tax liabilities and deferred tax.

Return on operating capital

Operating profit as a percentage of average operating capital.

Return on equity Net profit for the year as a percentage of average equity.

Risk-bearing capital

Total recognised 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

Year-end report for 2017 submitted on 22 February 2018.

Annual report for 2017 submitted in April 2018.

Interim report Jan-March 2018 submitted on 24 April 2018.

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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 person stated above on 25 October 2017, 9:00 am (CET).

Elos Medtech AB (publ) is a Swedish limited liability company, whose Series B share is listed on Small Cap, NASDAQ Stockholm AB. Corporate governance at Elos Medtech is based on Swedish legislation and the listing agreement with NASDAQ Stockholm AB.

Forward-looking statements

Forward-looking statements in this report are based on the management's expectations on the reporting date. Although the Board and the management consider the expectations to be reasonable, there is no guarantee that the expectations are or will prove to be correct. Consequently, future outcomes may vary considerably compared to what is indicated in the forward-looking statements, due among other things to changes in the market conditions for the Group's services or, more generally, changes in terms of economy, market and competition, changes in legal requirements and other political measures and fluctuations in exchange rates. The company does not undertake to update or correct these forward-looking statements other than as stipulated under law.

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