

Q2 2019

INTERIM REPORT JAN-JUNE

SEK 184.1 million

The Group's sales in the second quarter of 2019 increased to SEK 184.1 (166.0) million

SEK 15.6 million

The Group's operating profit for the second quarter of 2019 increased to SEK 15.6 (5.2) million



Q2 2019

INTERIM REPORT JAN-JUNE

ROBUST GROWTH AND AN IMPROVED OPERATING MARGIN

April - June 2019

- Net sales for the second quarter increased to SEK 184.1 (166.0) million, which corresponds to organic growth of 10.9 percent. After currency conversions, our growth rate was 7.1 percent.
- Operating profit amounted to SEK 15.6 (5.2) million. Operating margin for the second quarter of 2019 was 8.5 percent, up from 3.1 percent in the same period in 2018.
- Profit after net financial items was SEK 8.6 (5.2) million. Net financial items were negatively affected by a net exchange rate loss of SEK -3.9 (2.4) million and totaled SEK -7.0 (0.0) million.
- Profit after tax amounted to SEK 6.6 (3.4) million, which corresponds to SEK 0.82 (0.42) per share.
- Cash flow from operating activities was SEK 47.7 (19.6) million, and amounted to SEK 11.7 (2.2) million after investments.

First half of 2019

- Net sales for the first six months increased to SEK 374.0 (321.7) million, which corresponds to organic growth of 16.3 percent. After currency conversions, our growth rate was 11.1 percent.
- Operating profit for the half of the year was SEK 37.0 (16.1) million, corresponding to an operating margin of 9.9 (5.1) percent.
- Profit after net financial items was SEK 29.2 (14.8) million. Net financial items were negatively affected by exchange rate differences corresponding to SEK -1.5 (3.2) million and amounted to SEK -7.8 (-1.3) million.
- Profit after tax amounted to SEK 21.9 (10.5) million, which corresponds to SEK 2.71 (1.47) per share.
- Cash flow from operating activities was SEK 57.1 (28.3) million, and amounted to SEK -1.8 (-4.0) million after investments.

Key performance indicators	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Net sales, SEK million	184.1	166.0	374.0	321.7	697.0	644.7
Growth,%	10.9	6.7	16.3	8.5	15.6	11.6
EBITDA, SEK million*	31.4	18.2	66.7	41.5	120.5	95.3
EBITDA, %*	17.1	11.0	17.8	12.9	17.3	14.8
EBIT, SEK million*	15.6	5.2	37.0	16.1	59.8	38.9
EBIT, %*	8.5	3.1	9.9	5.1	8.6	6.0
Profit after financial items, SEK million	8.6	5.2	29.2	14.8	42.9	28.5
Profit after tax, SEK million	6.6	3.4	21.9	10.5	32.3	20.9
Earnings (after tax) per share, SEK	0.82	0.42	2.71	1.47	4.03	2.76

* EBITDA for the second quarter of 2019 was affected by the adoption of IFRS 16, as depreciation of right-of-use assets and the finance charge on the lease liability are excluded from the performance measure. For the comparative year the corresponding operating lease payments were included in EBITDA, which means that the two years are not fully comparable. The effect of depreciation of right-of-use assets and finance charges in accordance with IFRS 16 for the second quarter of 2019 is approximately SEK 1.1 million, which increases EBITDA for the period by the same amount. The effect on the operating profit is positive, plus SEK 0.2 million.

Quarterly growth
+10.9%
After currency conversions, our growth rate was 7.1 percent.

COMMENTS ON Q2 FROM JAN WAHLSTRÖM, CEO



Further growth and four quarters in a row with improved profitability. Our margins continued to improve over the period, which is a clear indication that our decision to focus on efficiencies and specialization was the right one. We are now well equipped to start taking on additional customers. Our sales performance in the second quarter lived up to our expectations and we are now targeting continued improvements in profitability.

Orthopedics, which is the biggest driver of growth in the company, has continued to expand rapidly. Several projects are underway and there is considerable potential for further expansion. Our move to the new factory in Memphis has been initiated. Everything is going to plan and we expect production to be up and running before year-end. Our focus remains on being a strong contract manufacturer in our areas of specialization. We are suffering growing pains and, although this is a good thing, we now need to devote our energies to recruitment and on increasing our output and improving our profitability.

We have also seen strong growth in our polymer business, which is a key driver in our Life Science business area. This was a major factor behind our increased profitability for the period.

Our dental strategy, which centers on simplifying the digital workflow for dentists and dental technicians, is very much in tune with the times. We have recently signed several new agreements with leading companies in the industry, which has made Elos Accurate® accessible to more customers. We have also taken the next step toward our long-term goal for proprietary products by signing our first distributor agreement in the US, which is a very encouraging development in this market.

With a growth rate of 11 percent in the second quarter and 16 percent for the six-month period, we have continued our growth trajectory while maintaining a focus on improved profitability.

DENTAL

Our proprietary product portfolio has continued to grow at a satisfactory rate in line with expectations. Elos Accurate® enables an open digital workflow for dentists and dental technicians, which is demanded by a growing number of customers worldwide. The next step in our global expansion strategy has now been taken after we signed an agreement with a distributor for sales of Elos Accurate® in the US market. The three-month period was marked by the phasing-in of new products in contract manufacturing, which had an impact on both growth and profitability.

ORTHOPEDICS

With a growth rate of 33 percent in the second quarter, we are very pleased with the business area's continued performance. In line with our strategic goals, we have continued to outpace the market while placing a stronger emphasis on specialization in order to meet the growing needs of our key customers. By investing in personnel and machinery and by doubling our production space in Memphis, we are laying the foundation for more efficient production and improved margins in due course.

LIFE SCIENCE

Market demand for products from the Life Science business area remains high. Our polymer contract manufacturing business has been particularly strong. An increased order intake from existing and new customers will help to spur growth going forward. Profitability in the business area has remained at a very satisfactory level.

THIS IS ELOS MEDTECH

General information about the business

Elos Medtech specializes in medical technology and it has extensive expertise in development and design, along with contract manufacturing of medical devices. Customers are primarily global medical technology companies. Operations are conducted at facilities in Sweden, Denmark, China and the US with Group-wide functions for strategic marketing and IT support, production and quality management, risk management, financing and financial control in Gothenburg. The Group runs operations in the following three business areas: Dental, Orthopedics and Life Science.

Vision

To transform medical technology and improve quality of life worldwide.

Mission

In collaboration with our customers, we provide sustainable, innovative products and solutions for the global medical technology market. Our aim is to set up profitable, long-term partnerships and we strive for excellence in everything we do, for the purpose of helping people all over the world live healthier, more active lives.

Targets

Elos Medtech's long-term financial targets are: an average annual growth rate of more than 10 percent, average operating margin (EBIT) of over 13 percent and for proprietary products to account for at least 13 percent.

Value-creating business model

Elos Medtech's business model is based on extensive experience and expertise that it has acquired in the development and contract manufacturing of medical devices and components. Customers are offered quality, expertise and innovation in a partner-based overall solution – Complete Performance™. The cornerstones of Elos Medtech's value creation are higher efficiency, improved profitability and high-quality products in partnership with its customers.

Strategy

Elos Medtech's strategy is based on a sharper focus on selected market segments and in both metals and polymer. The strategy also includes a higher level of specialization and expertise in design, development, manufacturing and logistics with the highest quality assurance. With a stronger offering, it will be easier to achieve the strategic targets of more distinct positioning and continued growth.

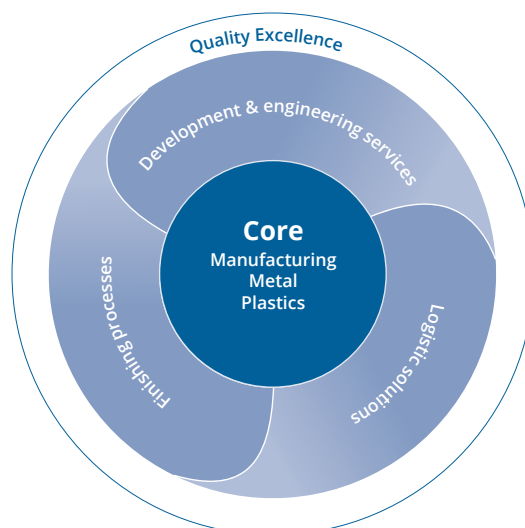
Sustainable focus

Elos Medtech has a sustainable focus and responsibility that extends beyond just delivering high-quality products. The company applies a long-term approach to economic, social and environmental responsibility for how its operations impact its stakeholders. Elos Medtech has specified certain strategic targets to ensure that there is continual improvement in these areas. For more information, please see: elosmedtech.com/whoweare/sustainability.

VISION • MISSION • VALUE-BASED CULTURE • SUSTAINABLE FOCUS

Business areas:

Dental
Orthopedics
Life Science



Life Science comprises:

Diagnostics
Hearing Device & Vibration
Other Medical Areas

VALUE CREATION FOR THE COMPANY AND OUR STAKEHOLDERS

THE GROUP'S PERFORMANCE

Net sales April-June 2019

Consolidated net sales during the quarter increased to SEK 184.1 (166.0) million. The increase of 10.9 percent compared with the second quarter of 2018 is attributable to all of the business areas: Dental (+2%), Orthopedics (+33%) and Life Science (+1%). For development of proprietary products in the second quarter, the growth rate was 18.8 percent. Proprietary products now account for 10.0 (9.4) percent of consolidated net sales.

Net sales January-June 2019

Consolidated net sales in the first half of the year increased to SEK 374.0 (321.7) million. The increase of 16.3 percent compared with the first six months of 2018 is attributable to all of the business areas: Dental (+6%), Orthopedics (+27%) and Life Science (+17%). Sales of proprietary products grew 21.8 percent. Proprietary products now account for 10.6 (10.1) percent of consolidated net sales.

Earnings April-June 2019

Operating profit for the second quarter amounted to SEK 15.6 (5.2) million, corresponding to an operating margin of 8.5 (3.1) percent. The Group's net financial items were negatively affected by exchange rate differences of SEK -3.9 (2.4) million and amounted to SEK -7.0 (-0.0) million. Profit after financial items amounted to SEK 8.6 (5.2) million. Profit after tax amounted to SEK 6.6 (3.4) million, which corresponds to SEK 0.82 (0.42) per share.

Earnings January-June 2019

Operating profit for the half of the year was SEK 37.0 (16.1) million, corresponding to an operating margin of 9.9 (5.1) percent. The Group's net financial items were negatively affected by exchange rate differences of SEK -1.5 (3.2) million and amounted to SEK -7.8 (-1.3) million. Profit after financial items amounted to SEK 29.2 (14.8) million. Profit after tax amounted to SEK 21.9 (10.5) million, which corresponds to SEK 2.71 (1.47) per share.

Investments

The Group's investments in buildings, land, machinery, equipment, capitalized development costs and other property, plant and equipment in the second quarter totaled SEK 36.0 (17.4) million and refer to expanded machine capacity and investments in doubling the production space at our factory in Memphis, USA.

Financial position and liquidity

The Group's balance sheet total increased during the period to SEK 1,036.8 (950.7) million. The Group's equity amounted to SEK 534.6 (507.2) million. Equity per share, calculated on 8,068,000 shares, amounted to SEK 66.27 (62.85). At the end of the year, own risk capital amounted to SEK 567.6 (539.4) million, which corresponds to 54.8 (56.8) percent of total capital. The Group's equity ratio was 51.6 (53.3) percent.

The Group's cash flow from operating activities during the quarter amounted to SEK 47.7 (19.6) million. Cash flow after investments and divestiture of fixed assets amounted to SEK 11.7 (2.2) million.

The Group's net debt increased during the period and amounted to SEK 321.6 (270.7) million. Cash and cash equivalents including unutilized bank overdraft facility amounted to SEK 120.1 (134.2) million.

Net sales, SEK million



Operating profit, SEK million



Segment reporting

The Board of Directors and management have decided to organize the business into three business areas: Dental, Orthopedics and Life Science. It has also been decided to introduce segment reporting based on this business area structure.

Historical comparative figures for net sales are presented. Quality-assured historical earnings data is not available, and no presentation of comparable data at earnings level is therefore made.

Personnel

The Group's average number of employees during the second quarter was 579 compared to 550 in the previous year.

Events during the quarter

During the period, Elos Medtech signed the Group's first distributor agreement for sales of dental products in the US market. Vulcan Custom Dental in the US offers US customers selected Elos Accurate® products. Elos Accurate® enables an open digital workflow for dentists and dental technicians.

Net sales by segment

SEK million	Apr-Jun 2019	Apr-Jun 2018	Growth Apr-Jun 2019	Jan-Jun 2019	Jan-Jun 2018	Growth Apr-Jun 2019	Jul-Jun 2018/19	Jan-Dec 2018
Dental	54.7	53.5	2.2%	115.9	109.7	5.7%	212.9	206.7
Orthopedics	64.5	48.4	33.3%	120.3	94.4	27.4%	225.9	200.0
Life Science	64.9	64.1	1.2%	137.8	117.6	17.2%	258.2	238.0
Total net sales	184.1	166.0	10.9%	374.0	321.7	16.3%	697.0	644.7

There are no sales between the business areas

Key performance indicators	EBITDA SEK million Apr-Jun 2019	EBITDA % Apr-Jun 2019	EBITDA SEK million Jan-Jun 2019	EBITDA % Jan-Jun 2019	EBIT SEK million Apr-Jun 2019	EBIT % Apr-Jun 2019	EBIT SEK million Jan-Jun 2019	EBIT % Jan-Jun 2019
Dental	8.0	14.6%	21.6	18.6%	3.0	5.4%	11.7	10.1%
Orthopedics	10.3	15.9%	21.1	17.6%	4.2	6.4%	10.6	8.8%
Life Science	14.7	22.7%	27.3	19.8%	10.0	15.4%	17.9	13.0%
Unallocated Group income and expenses	-1.5		-3.2		-1.5		-3.2	
Total	31.4	17.1%	66.7	17.8%	15.6	8.5%	37.0	9.9%

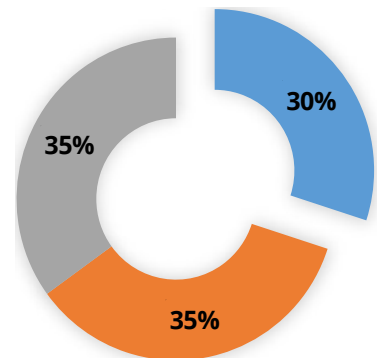
OUR THREE BUSINESS AREAS



DENTAL

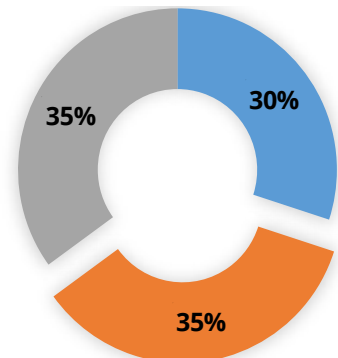
Elos Medtech is a qualified partner to globally leading dental companies. Our offer covers design, development, serial production and global distribution. We are specialized in dental implants.

The offer also includes proprietary products in digital dental care and instruments, either on an OEM basis or under our own brand, Elos Accurate®.



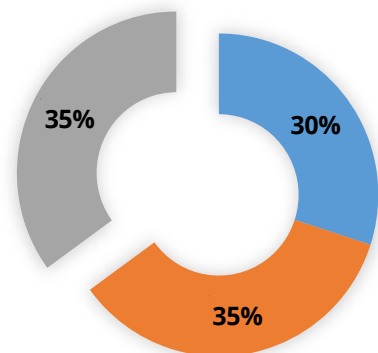
ORTHOPEDICS

Elos Medtech is a focused partner for everything from design and prototypes to serial production and global distribution. We have opted to specialize in the following markets: spine, trauma and reconstruction. We collaborate with the world's leading orthopedic companies.

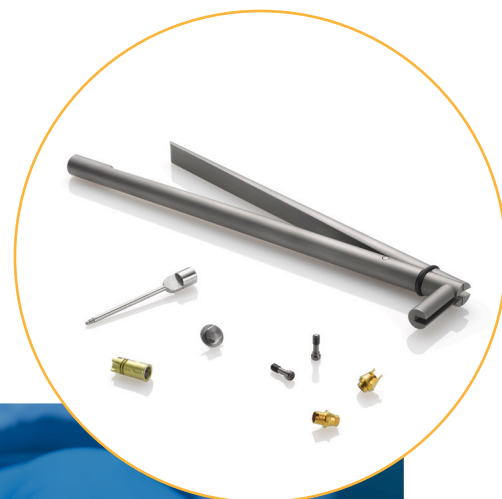


LIFE SCIENCE

Elos Medtech is a specialized global partner for injection molding of high-tech polymer and cutting techniques for primarily steel and brass. We also offer tool design and combination products made from polymer and aluminum, for example. The markets we focus on our diagnostics, hearing aids, diabetes, cardiovascular and neurosurgery.



BUSINESS AREA DENTAL



NET SALES **SEK 54.7 million**

EBITDA **SEK 8.0 million (14.6%)**

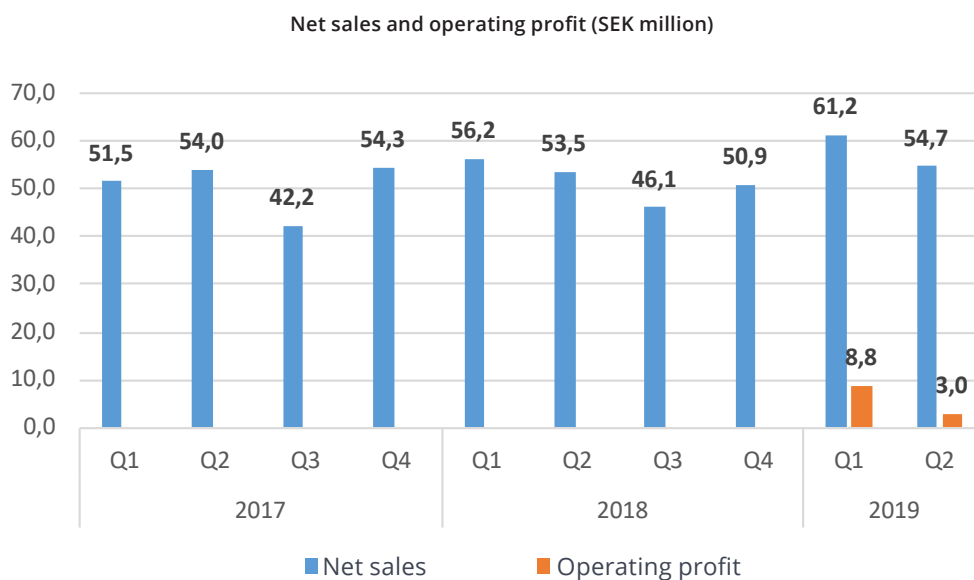
EBIT **SEK 3.0 million (5.4%)**

Organic growth

+2%

Important events in the business area during the quarter

- Sales of proprietary products increased to SEK 18.4 (15.5) million, which equates to organic growth of 18.8 percent.
- New contracts have been signed with global implant companies for products in the Elos Accurate® family. Work on implementing the new contracts has been initiated and is expected to conclude in early 2020.
- New contracts have been signed with distributors for selected Elos Accurate® products in the Japanese and US markets. Products were launched and sales initiated during the period.



BUSINESS AREA ORTHOPEDICS



NET SALES **SEK 64.5 million**

EBITDA **SEK 10.3 million (15.9%)**

EBIT **SEK 4.2 million (6.4%)**

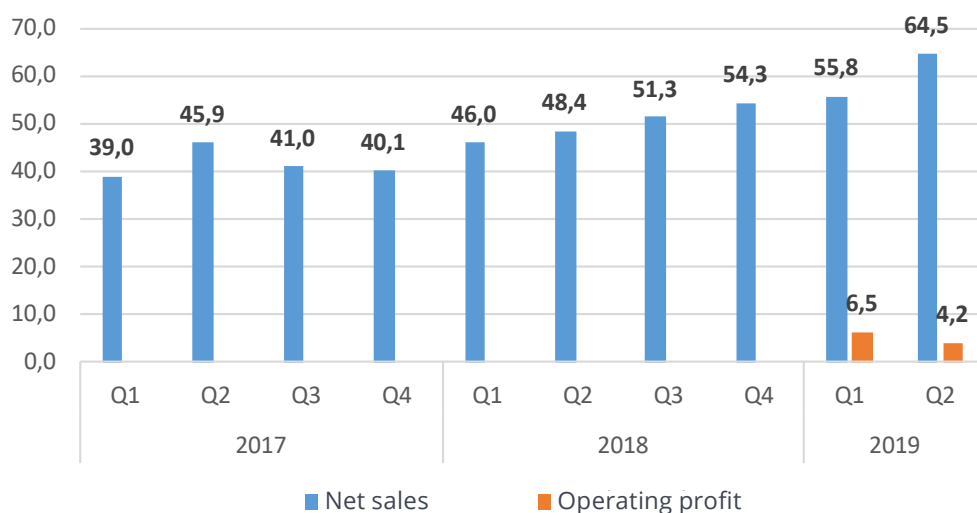
Organic growth

+33%

Important events in the business area during the quarter

- The business area has grown significantly faster than the market at large.
- The strong growth is driven by existing customers in trauma, extremities and robotic surgery.
- The phasing-in of new products for production and delivery in the fall has been initiated.

Net sales and operating profit (SEK million)



BUSINESS AREA LIFE SCIENCE



NET SALES **SEK 64.9 MILLION**

EBITDA **SEK 14.7 million (22.7%)**

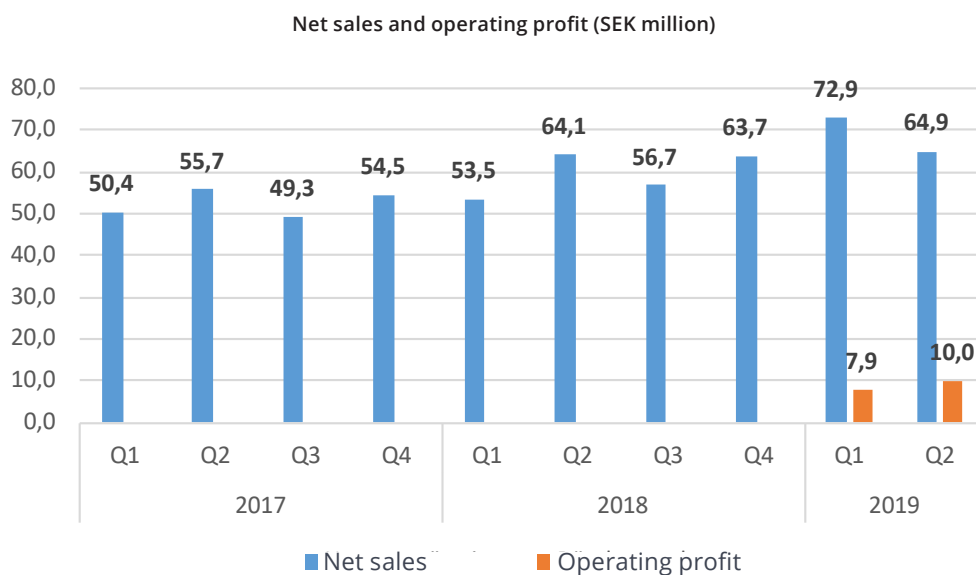
EBIT **SEK 10.0 million (15.4%)**

Organic growth

+1%

Important events in the business area during the quarter

- In the second quarter, Elos Medtech's polymer business received a further order from a new customer.
- Two new investments to increase capacity for existing polymer customers were completed.
- Following the high level of activity in the first quarter, including the transfer of business activities to Bruel & Kjaer, the second quarter saw a low level of activity.



OTHER INFORMATION

Parent company

The parent company is focused on key management issues and it also provide Group-wide support in IT and marketing, manufacturing, quality management, risk management, financing and financial control.

The parent company's net sales in the second quarter amounted to SEK 4.5 (6.1) million. The loss after financial items was SEK -5.9 (5.2) million. The parent company's loss after tax was SEK -4.6 (3.9) million. The share of own risk capital amounted to 79.6 (79.9) percent. The equity ratio was 79.3 (79.6) percent.

Significant risks and uncertainties

The Group's significant risks and uncertainties include the business risks associated with customers and suppliers and other external factors, such as the price risks for input goods. The Group also faces financial risks associated with changes in exchange rates and interest rates. A detailed description of the Group's risks and uncertainties, along with how it manages them, is provided in the Directors' Report and in Note 1 and Note 42 in the 2018 Annual Report.

Onyx Medical LLC ("Onyx"), which is a US subsidiary of Elos Medtech has become the subject of a lawsuit. The lawsuit does not specify the amount of claimed damages. Elos Medtech considers the lawsuit to be unfounded and will contest the lawsuit in its entirety.

Future prospects

The company does not make forecasts.

Financial information

The Interim Report for Q3 2019 will be published on 24 October 2019.

The Year-End Report for 2019 will be published on 18 February 2020.

Related party transactions

During the reporting period, the company has not had any transactions with senior executives.

Accounting policies

The consolidated financial statements for 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The same applied to the company's preparation of its annual financial statements for 2018. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. This interim report has been prepared in accordance

with IAS 34. The information on pages 1-20 is an integral part of this financial report. The term "IFRS" used in this document refers to the application of both IAS and IFRS as well as interpretations of these standards published by the IASB Standards Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

IFRS 16 transition disclosures

The Group uses the same accounting policies, just as they have been described in the 2018 Annual Report, except for what is stated below.

IFRS 16 Leases entered into force on 1 January 2019. The new standard abolishes the categorization of leases as either operating or financing for the lessee (as was the case in IAS 17). Instead, it introduces a single model for reporting all leases. In this model the lessee shall report (a) assets and liabilities for all leasing agreements where the leasing period exceeds 12 months, with the exception of assets of low value, and (b) depreciation of the leased assets separate from the leasing interest expense in the income statement.

Elos Medtech does not apply the standard retroactively, which means that the 2018 financial statements have not been restated. For rental agreements, the company has applied the marginal lending rate as the discount rate, taking into consideration the duration of the lease agreement. For the transition, the simplified approach has been applied, which means that the value of right-of-use asset equals the lease liability. The exception, whereby short-term leases and assets with a low value are not reported, has also been applied.

When applying IFRS16, the component of lease payments, which were previously included in operating expenses in the consolidated income statement, has been transferred to depreciation and the interest component is included in financial expenses. Initially, the standard has had an effect on how the Group reports its operating leases, increasing the balance sheet total and resulting in certain changes to KPIs. As a result of the adoption of IFRS 16, additional right-of-use assets and related additional finance lease liabilities of approximately SEK 20 million have been included in the opening balance as at 1 January 2019.

New accounting policies for leases from 2019

The Group as lessee

The Group's leases mainly comprise right-of-use assets relating to premises and equipment. The leases are recognized as right-of-use assets with corresponding lease liabilities on the day when the leased asset is available for use by the Group. Exceptions are made for short-term leases and leases for which the underlying asset has a low value.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease term is the non-cancellable period together with any further terms for which the lessee has the option to extend the lease, when it is reasonably certain that the lessee will exercise the option, and terms for which the lessee has the option of cancelling the lease, when it is reasonably certain that the lessee will not exercise the option.

The Group's lease liabilities are recognized at the present value of the Group's fixed payments (including in-substance fixed payments). Purchase options are included in the fees when it is reasonably certain that these will be exercised to acquire the underlying asset. Payments of penalties for terminating the lease are included if the lease term reflects the lessee exercising an option to terminate the lease. Lease payments are discounted using the interest rate implicit in the lease if this rate can be readily determined; if not, the Group's incremental borrowing rate is used.

The Group's right-of-use assets are recognized at cost and initially include the present value of the lease liability, adjusted for lease payments paid at or before the commencement date as well as initial direct costs. Restoration costs are included in the asset if a corresponding provision for restoration costs is identified. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Auditor's review

This half-year report has not been reviewed by the company's auditors.

The Board of Directors and CEO certify that this half-year report provides a true and fair view of the company's and the Group's operations, financial position and performance and describes the material risks and uncertainties faced by the company and the companies in the Group.

Gothenburg, 18 July 2019

Elos Medtech AB (publ)

Yvonne Mårtensson
Chairman of the Board

Anders Birgersson
Board Director

Jon Risfelt
Board Director

Jan Wahlström
President and CEO

Claes Hansson
Board Director

Hanna Ernestam Wilkman
Board Director

Jeppe Magnusson
Board Director

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Income statement						
Net sales	184.1	166.0	374.0	321.7	697.0	644.7
Cost of goods sold	-128.0	-123.3	-257.9	-235.1	-489.1	-466.3
Gross profit	56.1	42.7	116.1	86.6	207.9	178.4
Selling expenses	-10.3	-11.1	-20.9	-20.7	-40.4	-40.2
Administrative expenses	-26.4	-22.0	-50.1	-41.9	-88.8	-80.6
Development costs	-4.4	-3.7	-9.7	-7.4	-21.6	-19.3
Other operating income/expenses	0.6	-0.7	1.6	-0.5	2.7	0.6
Operating profit	15.6	5.2	37.0	16.1	59.8	38.9
Financial income	-	-	-	-	0.1	0.1
Financial expenses	-3.1	-2.4	-6.3	-4.5	-12.8	-11.0
Exchange differences	-3.9	2.4	-1.5	3.2	-4.2	0.5
Profit after financial items	8.6	5.2	29.2	14.8	42.9	28.5
Taxes	-2.0	-1.8	-7.3	-4.3	-10.6	-7.6
Profit after tax	6.6	3.4	21.9	10.5	32.3	20.9
Profit attributable to:						
Parent company shareholders	6.6	3.4	21.9	10.5	32.3	20.9
Statement of comprehensive income						
Profit after tax	6.6	3.4	21.9	10.5	32.3	20.9
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains and losses	-	-	-	-	-5.1	-5.1
Tax	-	-	-	-	1.1	1.1
	-	-	-	-	-4.0	-4.0
Items that may be reclassified to profit or loss						
Translation differences for the period	2.1	15.7	13.3	27.4	8.8	22.9
Tax	-0.2	-1.5	-0.8	-1.8	-0.8	-1.8
	1.9	14.2	12.5	25.6	8.0	21.1
Other comprehensive income, net	1.9	14.2	12.5	25.6	4.0	17.1
Comprehensive income	8.5	17.6	34.4	36.1	36.3	38.0
Comprehensive income attributable to:						
Parent company shareholders	8.5	17.6	34.4	36.1	36.3	38.0
EBITDA	17.1%	11.0%	17.8%	12.9%	17.3%	14.8%
EBIT	8.5%	3.1%	9.9%	5.1%	8.6%	6.0%
Depreciation/amortization charged to earnings	15.8	13.0	29.7	25.4	60.7	56.4
Earnings (after tax) per share, SEK *	0.82	0.42	2.71	1.47	4.03	2.76
Average number of shares (thousands)	8,068	8,068	8,068	7,121	8,068	7,598
Number of shares (thousands) at the end of the period	8,068	8,068	8,068	8,068	8,068	8,068

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million

Balance sheet	30 Jun 2019	30 Jun 2018	31 Dec 2018
Assets			
Intangible assets	283.7	285.4	278.5
Property, plant and equipment	429.3	359.8	374.0
Financial fixed assets	8.1	7.9	2.4
Other current assets	263.9	250.6	253.4
Cash and bank balances	51.8	47.0	49.0
Total assets	1,036.8	950.7	957.3
Equity and liabilities			
Equity	534.6	507.2	508.5
Non-current liabilities	339.8	280.9	294.0
Current liabilities	162.4	162.6	154.8
Total equity and liabilities	1,036.8	950.7	957.3

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEK million	30 Jun 2019	30 Jun 2018	31 Dec 2018
Opening balance	508.5	369.0	369.0
New issue	-	102.1	101.7
Redemption of warrants	-0.2	-	-0.2
Dividend	-8.1	-	-
Total comprehensive income	34.4	36.1	38.0
Closing equity	534.6	507.2	508.5

KEY PERFORMANCE INDICATORS GROUP

		Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Return on operating capital	%	4.5	4.3	5.1
Return on equity	%	8.4	4.8	4.8
Share of own risk capital	%	54.8	56.8	56.0
Solvency	%	51.6	53.3	53.1
Net debt	SEK million	321.6	270.7	287.4
Investments excl. acquisitions and lease assets	SEK million	75.1	32.3	79.9
Average number of employees		579	550	572
Equity per share	SEK	66.27	62.85	63.02
Dividend	SEK	0:00	0.00	1:00

KEY PERFORMANCE INDICATORS BY SEGMENT

Net sales by segment

SEK million			Growth			Growth		
	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2019	Jan-Jun 2019	Jan-Jun 2018	Apr-Jun 2019	Jul-Jun 2018/19	Jan-Dec 2018
Dental	54.7	53.5	2.2%	115.9	109.7	5.7%	212.9	206.7
Orthopedics	64.5	48.4	33.3%	120.3	94.4	27.4%	225.9	200.0
Life Science	64.9	64.1	1.2%	137.8	117.6	17.2%	258.2	238.0
Total net sales	184.1	166.0	10.9%	374.0	321.7	16.3%	697.0	644.7

There are no sales between the business areas

Key performance indicators	EBITDA SEK million	EBITDA %	EBITDA SEK million	EBITDA %	EBIT SEK million	EBIT %	EBIT SEK million	EBIT %
	Apr-Jun 2019	Apr-Jun 2019	Jan-Jun 2019	Jan-Jun 2019	Apr-Jun 2019	Apr-Jun 2019	Jan-Jun 2019	Jan-Jun 2019
Dental	8.0	14.6%	21.6	18.6%	3.0	5.4%	11.7	10.1%
Orthopedics	10.3	15.9%	21.1	17.6%	4.2	6.4%	10.6	8.8%
Life Science	14.7	22.7%	27.3	19.8%	10.0	15.4%	17.9	13.0%
Unallocated Group income and expenses	-1.5		-3.2		-1.5		-3.2	
Total	31.4	17.1%	66.7	17.8%	15.6	8.5%	37.0	9.9%

QUARTERLY RESULTS FOR THE GROUP

SEK million	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly results	2019	2019	2018	2018	2018	2018
Net sales	184.1	189.9	168.9	154.1	166.0	155.7
Cost of goods sold	-128.0	-129.9	-120.9	-110.3	-123.3	-111.8
Gross profit	56.1	60.0	48.0	43.8	42.7	43.9
Sales, admin and development costs	-41.1	-39.6	-37.4	-32.7	-36.8	-33.2
Other operating items	0.6	1.0	0.4	0.7	-0.7	0.2
Operating profit	15.6	21.4	11.0	11.8	5.2	10.9
Net financial items	-3.1	-3.2	-3.2	-3.2	-2.4	-2.1
Exchange differences	-3.9	2.4	-1.8	-0.9	2.4	0.8
Profit after financial items	8.6	20.6	6.0	7.7	5.2	9.6
Taxes	-2.0	-5.3	-2.0	-1.3	-1.8	-2.5
Profit after tax	6.6	15.3	4.0	6.4	3.4	7.1

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Cash flow	2019	2018	2019	2018	2018/19	2018
Profit after net financial items	8,6	5,2	29,2	14,8	42,9	28,5
Reversal of depreciation and impairments	15,8	13,0	29,7	25,4	60,7	56,4
Adjustment entries	-2,0	-2,3	3,2	-2,7	8,8	2,9
Tax paid	-1,7	0,1	-4,7	-3,1	-13,4	-11,8
Change in working capital	27,0	3,6	-0,3	-6,1	-4,1	-9,9
Cash flow from operating activities	47,7	19,6	57,1	28,3	94,9	66,1
Investments in fixed assets	-36,0	-17,4	-58,9	-32,3	-106,5	-79,9
Remaining after investments in fixed assets	11,7	2,2	-1,8	-4,0	-11,6	-13,8
New share issue/redemption of warrants	-0,2	-	-0,2	101,4	-0,2	101,4
Change in bank overdraft facility	-1,2	-15,1	-9,6	-46,8	-3,2	-40,4
Loans raised	37,3	3,3	47,7	13,2	88,8	54,3
Repayment of loans	-13,5	-19,8	-25,7	-26,8	-61,1	-62,2
Dividend	-8,1	-	-8,1	-	-8,1	-
Cash flow for the period	26,0	-29,4	2,3	37,0	4,6	39,3
Cash flow for the period, in total	26,0	-29,4	2,3	37,0	4,6	39,3
Cash and cash equivalents at the beginning of the period	26,0	76,1	49,0	9,6	47,0	9,6
Exchange difference in cash and cash equivalents	-0,2	0,3	0,5	0,4	0,2	0,1
Cash and cash equivalents at the end of the period	51,8	47,0	51,8	47,0	51,8	49,0

CONDENSED PARENT COMPANY INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Income statement	2019	2018	2019	2018	2018/19	2018
Net sales	4.5	6.1	9.1	12.2	21.5	24.6
Cost of goods sold	-0.1	-	-0.3	-	-0.3	-
Gross profit	4.4	6.1	8.8	12.2	21.2	24.6
Selling expenses	-1.7	-3.1	-3.7	-5.6	-9.2	-11.1
Administrative expenses	-9.0	-8.1	-16.1	-14.1	-28.3	-26.3
Other operating income/expenses	-	0.1	-	0.1	-	0.1
Operating profit	-6.3	-5.0	-11.0	-7.4	-16.3	-12.7
Financial income	1.7	2.9	4.9	5.3	11.3	11.7
Financial expenses	-1.0	-0.7	-2.2	-1.6	-4.7	-4.1
Exchange differences	-0.3	8.0	4.2	9.3	4.5	9.6
Profit after financial items	-5.9	5.2	-4.1	5.6	-5.2	4.5
Appropriations	-	-	-	-	0.4	0.4
Taxes	1.3	-1.3	0.8	-1.3	0.7	-1.4
Profit after tax	-4.6	3.9	-3.3	4.3	-4.1	3.5
Statement of comprehensive income						
Profit after tax	-4.6	3.9	-3.3	4.3	-4.1	3.5
Other comprehensive income	-	-	-	-	-	-
Comprehensive income	-4.6	3.9	-3.3	4.3	-4.1	3.5

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	30 Jun 2019	30 Jun 2018	31 Dec 2018
Balance sheet			
Assets			
Intangible assets	2.9	4.4	3.8
Property, plant and equipment	0.6	0.8	0.7
Financial fixed assets	405.4	415.1	417.3
Other current assets	37.6	22.6	13.5
Cash and bank balances	18.2	36.6	34.3
Total assets	464.7	479.5	469.6
Equity and liabilities			
Equity	362.7	375.7	374.3
Untaxed reserves	7.2	7.5	7.2
Provisions	6.0	5.2	5.5
Non-current liabilities	46.5	45.8	51.4
Current liabilities	42.3	45.3	31.2
Total equity and liabilities	464.7	479.5	469.6

RECONCILIATION BASIS FOR ALTERNATIVE PERFORMANCE MEASURES

SEK million	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Organic growth						
Reported net sales	184.1	166.0	374.0	321.7	697.0	644.7
Net sales compared to the same period last year	166.0	155.6	321.7	296.5	603.1	577.9
Change in net sales	18.1	10.4	52.3	25.2	93.9	66.8
Growth,%	10.9	6.7	16.3	8.5	15.6	11.6
Net sales from acquired operations	-	-	-	-	-	-
Adjusted net sales from acquisition effects	184.1	166.0	374.0	321.7	697.0	644.7
Organic growth,%	10.9	6.7	16.3	8.5	15.6	11.6
Net sales adjusted for currency fluctuations						
Currency fluctuations	5.9	1.3	14.9	2.9	31.0	19.0
Currency-adjusted net sales of the same period last year	171.9	156.9	336.6	299.4	634.1	596.9
Change,%	7.1	5.8	11.1	7.4	9.9	8.0
EBITDA	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Reported operating profit	15.6	5.2	37.0	16.1	59.8	38.9
Depreciation/amortization and impairment	15.8	13.0	29.7	25.4	60.7	56.4
EBITDA	31.4	18.2	66.7	41.5	120.5	95.3

The Board of Directors and management have decided to remove comparative figures for non-recurring items in the Reconciliation Basis for Alternative Performance Measures report.

Own risk capital	30 Jun 2019	30 Jun 2018	31 Dec 2018
Equity	534.6	507.2	508.5
Deferred tax liability	33.0	32.5	27.3
Own risk capital	567.6	539.7	535.8
Net debt	30 Jun 2019	30 Jun 2018	31 Dec 2018
Non-current interest-bearing provisions for pensions	46.1	37.6	44.7
Non-current interest-bearing liabilities	260.1	210.8	222.1
Current interest-bearing liabilities	67.2	69.3	69.6
Total liabilities	373.4	317.7	336.4
Cash and cash equivalents	-51.8	-47.0	-49.0
Net debt	321.6	270.7	287.4
Cash and cash equivalents including unutilized bank overdraft facility	30 Jun 2019	30 Jun 2018	31 Dec 2018
Cash and cash equivalents	51.8	47.0	49.0
Utilized bank overdraft facility	-	-2.8	-9.4
Bank overdraft facilities granted and framework agreements	68.3	90.0	67.5
Cash and cash equivalents including unutilized bank overdraft facility and framework agreements	120.1	134.2	107.1

Definitions of Alternative Performance Measures

Alternative Performance Measures are financial measures of the company's earnings trend, financial position and cash flow that are not defined in IFRS. These key performance indicators are intended to serve as important supplementary performance indicators of the Group's earnings and position and the purpose is to provide a better understanding of the business. Alternative Performance Measures that are presented in the interim reports should not be regarded as a replacement to terms and concepts in accordance with IFRS. They are instead intended as a supplement. These key performance indicators do not need to be comparable with similar performance indicators used by other companies. The reconciliation basis for calculating some of these performance indicators is provided on page 18 of this report.

Net sales adjusted for currency fluctuations

Change in net sales adjusted for exchange differences compared to the same period last year.

Organic growth

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

Operating profit (EBIT)

Profit before financial income and expenses and taxes.

Operating margin, %

Operating profit as a percentage of the net sales from operations.

EBITDA

Operating profit before depreciation/amortization and impairment.

EBITDA, %

Operating profit before depreciation/amortization and impairment as a percentage of the net sales from operations.

Own risk capital

The total of the reported amount of equity, any minority interests and deferred tax liability.

Net debt

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

Cash and cash equivalents including unutilized bank overdraft facility

Cash and bank balances plus the amount of granted overdraft facility less the amount of utilized bank overdraft facility.

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Future-oriented information

Future-oriented information in this report is based on management's expectations at the time of the report. Although the Board of Directors and management feel that these expectations are reasonable, it is no guarantee that the expectations are, or will prove to be, correct. Consequently, future outcomes may vary significantly compared to the future-oriented information due to such things as changes in the market conditions for the Group's services or changes in the overall situation concerning the economy, market and competition, changes in legal requirements and other policy measures as well as fluctuations in exchange rates. The company does not undertake to update or correct any future-oriented information except as stipulated by law.

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