

Q4

YEAR-END REPORT 2018

Double digit growth and improved profitability

October – December 2018

- Net sales for the quarter increased and amounted to SEK 168.9 million (148.9), corresponding to organic growth of 13.4%. After currency adjustments, growth was 8.4%.
- Operating profit before non-recurring items amounted to SEK 13.9 million (6.6). Operating margin before non-recurring items for the fourth quarter of 2018 was 8.2%, compared to 4.4% during the same period last year.
- Operating profit after non-recurring items amounted to SEK 11.0 million (6.6). Operating margin after non-recurring items for the fourth quarter of 2018 was 6.5%, compared to 4.4% during the same period last year.
- Profit after financial items amounted to SEK 6.0 million (5.7). Net financial items were adversely affected by foreign exchange effects in the amount of SEK -1.8 million (1.2).
- Profit after tax amounted to SEK 4.0 million (7.5), which corresponds to SEK 0.50 (1.24) per share.
- Cash flow from operating activities was SEK 19.4 million (19.2), and amounted to SEK -2.2 million (-0.7) after investments.

January – December 2018

- Net sales for the year increased and amounted to SEK 644.7 million (577.9), corresponding to organic growth of 11.6%. After currency adjustments, growth was 8.0%.
- Operating profit before non-recurring items amounted to SEK 47.6 million (42.7). Operating margin before non-recurring items for 2018 was 7.4%, compared to 7.4% the previous year.
- Operating profit after non-recurring items amounted to SEK 38.9 million (42.7). Operating margin after non-recurring items for 2018 was 6.0%, compared to 7.4% the previous year.
- Profit after financial items amounted to SEK 28.5 million (26.4). Net financial items were positively affected by foreign exchange effects in the amount of SEK 0.5 million (-7.2).
- Profit after tax amounted to SEK 20.9 million (22.6), which corresponds to SEK 2.59 (3.74) per share.
- Cash flow from operating activities was SEK 66.1 million (62.1), and amounted to SEK -13.8 million (24.5) after investments.

Dividend

- The Board of Directors proposes a dividend of SEK 1.00 per share for the financial year 2018.

Key performance indicators	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales, SEK m	168.9	148.9	644.7	577.9
Growth, %	13.4	11.7	11.6	4.7
EBITDA before non-recurring items, SEK m	30.8	18.5	99.7	94.0
EBITDA before non-recurring items, %	18.2	12.4	15.5	16.3
EBITDA, SEK m	28.7	18.5	95.3	94.0
EBITDA, %	17.0	12.4	14.8	16.3
EBIT before non-recurring items, SEK m	13.9	6.6	47.4	42.7
EBIT before non-recurring items, %	8.2	4.4	7.4	7.4
EBIT, SEK m	11.0	6.6	38.9	42.7
EBIT, %	6.5	4.4	6.0	7.4
Profit after financial items, SEK m	6.0	5.7	28.5	26.4
Profit after tax, SEK m	4.0	7.5	20.9	22.6
Earnings per share after tax, SEK	0.50	1.24	2.59	3.74

Annual growth
+11.6%
After currency adjustments,
growth was 8.0%



Comments on Q4 from the CEO, Jan Wahlström

We saw a strong close to 2018. The last quarter of the year was the eighth consecutive quarter of growth and, at 13 per cent, we met our strategic target of double-figure growth this quarter too. I am pleased to say that all our business areas continue to develop positively and that the company has performed in an unprecedented manner.

In order to focus on our core business, we have reviewed our product and development projects and decided to impair them in the amount of SEK 7 million, reported as non-recurring costs. This is in line with our strategy for future growth linked to our Orthopedics and Dental Implant Systems business areas, which drive our business forward.

We saw a great deal of activity within Orthopedics during the last quarter as well. Growth has now reached an annual level of 20 per cent and is expected to increase even more thanks to our ability to meet increased demand following the decision to expand the factory in Memphis. Within Dental Implant Systems, we have fallen behind a little compared to the beginning of the year. This is related to general developments in the dental implant market, although our growth remains positive at 2 per cent for the year. In line with our focus on specialisation, we have reached an agreement with a customer within vibration to transfer some of our production to them, which will free up production capacity. This provides further opportunities to grow within Dental.

We are experiencing growth in all our segments. We have resolved many of the problems seen in one of our units, resulting in a positive earnings trend. For the year, we reported an EBITDA before non-recurring costs of SEK 99.7 million, and even reported improved profit after these non-recurring costs.

The medical devices market continues to perform strongly with a clear trend towards increased consolidation. We are also seeing greater interest among our customers in increased outsourcing to focus on their core business, which is a favourable development for a contract manufacturer such as ourselves. The most important long-term factors when choosing a partner are delivery reliability and quality. This benefits Elos Medtech, as we represent quality, expertise and innovation. Moreover, since the end of the period we have been awarded DKK 10 million to research

white titanium surfaces, an act of recognition of our high-quality research and also an opportunity to develop more proprietary products in the future.

I am proud of the journey we have made during the year, in particular the introduction of our new Code of Conduct. With care as our watchword, we are taking clear responsibility for developing a sustainable business with concrete sustainability goals. With our transformative high-tech medical devices, we improve quality of life for people throughout the world. Trust is fundamental in our industry, and as such should characterise our entire business – we are what we do.

Gothenburg, February 2019

Jan Wahlström
Chief Executive Officer

Directors' report

Information about the 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 of medical technology products and components such as dental and orthopaedic implants and instruments. Customers consist mainly of internationally active medical technology companies in the market segments Dental Implant Systems, Diagnostics, Hearing Device & Vibration, Orthopedics and Other Medical Areas.

Segment reporting

The Group's operations are undertaken within a single line of business consisting of the development, manufacture and sale of medical devices. Operations are managed, developed and marketed as a single entity, i.e. Elos Medtech. The consolidated income statement and the statement of financial position in their entirety therefore refer to one operating segment.

Segment reporting 2019

In accordance with our strategy to focus on specialisation, the company has decided, as of the first quarter of 2019, to present and report the company in three market segments – Orthopedics, Dental and Life Science.

Events after the end of the quarter

Elos Medtech has in partnership with researchers from the Technical University of Denmark (DTU) and the Interdisciplinary Nanoscience Center (iNANO) at Aarhus University started a new development project to create titanium with a white surface. Innovation Fund Denmark has invested DKK 10 million in the research project, which will run until 2022.

In partnership with Bruel&Kjaer, Elos Medtech has entered into an agreement to transfer our product assembly and calibration operations within the sound and vibration market. Throughout 2018, Elos Medtech has increased its focus on medical technology and this transfer is in line with our strategy. The transfer will not affect the Group's earnings in the current year

Revenue October-December 2018

Consolidated net sales for the quarter increased and amounted to SEK 168.9 million (148.9). The increase of 13.4% over the previous year is primarily attributable to Orthopedics (+35%) and Hearing Device & Vibration (+36%). Diagnostics and Other Medical Areas report continued positive development while growth in Dental Implant Systems slowed during the quarter.

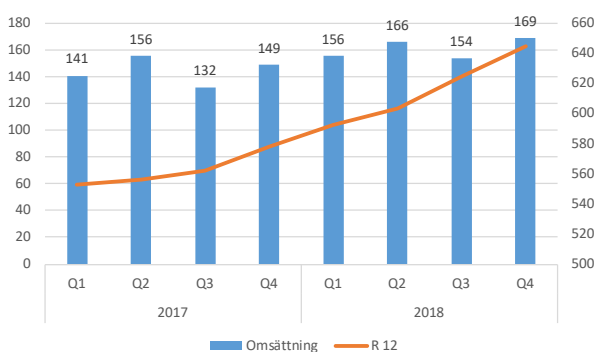
Currency-adjusted growth for the quarter was 8.4%.

Revenue January-December 2018

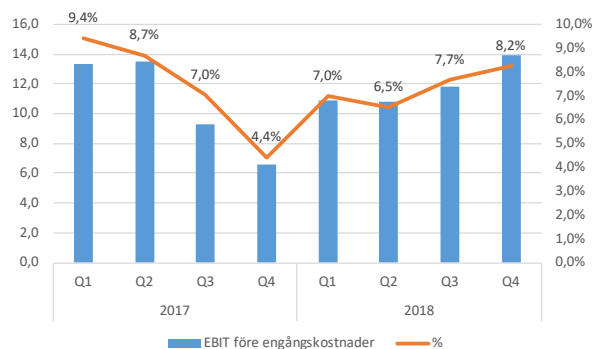
Consolidated net sales for the year increased and amounted to SEK 644.7 million (577.9). The increase of 11.6% over the previous year is attributable to all market segments: Dental Implant Systems (+2%), Diagnostics (+15%), Hearing Device & Vibration (+26%), Orthopedics (+20%) and Other Medical Areas (+2%). Currency-adjusted growth for the year was 8.0%.

For proprietary products, growth is on a par with that of consolidated sales. Proprietary products now account for 10.2 per cent (9.6) of consolidated net sales.

Revenue



Operating profit before non-recurring costs



Performance October-December 2018

For the fourth quarter, operating profit before non-recurring items amounted to SEK 13.9 (6.6) million, which corresponds to an operating margin of 8.2 per cent (4.4). Operating profit after non-recurring items amounted to SEK 11.0 million (6.6). The non-recurring costs can be attributed to the write-down of capitalized product development projects. Consolidated net financial items were adversely affected by SEK -1.8 million (1.2) in foreign exchange effects and amounted to SEK -5.0 (1.1) million. Profit after financial items amounted to SEK 6.0 million (5.7). Profit after tax amounted to SEK 4.0 million (7.5), which corresponds to SEK 0.50 (1.24) per share. Consolidated comprehensive income was SEK 4.5 million (12.3).

Performance January-December 2018

Operating profit before non-recurring items for the year amounted to SEK 47.4 (42.7) million, which corresponds to an operating margin of 7.4 per cent (7.4). Operating profit was burdened by non-recurring costs amounting to SEK 8.5 million. These non-recurring costs are primarily attributable to the write-down of capitalized product development projects which mainly relate to restructuring in the Group's production unit in Timmersdala and legal costs for legal disputes in the USA. Operating profit after non-recurring costs amounted to SEK 38.9 million (42.7). Consolidated net financial items were positively affected by SEK 0.5 million (-7.2) in foreign exchange effects and amounted to SEK -10.4 million (-16.3). Profit after financial items amounted to SEK 28.5 million (26.4). Profit after tax amounted to SEK 20.9 million (22.6), which corresponds to SEK 2.59 (3.74) per share. Consolidated comprehensive income was SEK 38.0 million (10.1).

Investments

The Group's investments in buildings, land, machinery, inventories, capitalised development costs and other property, plant and equipment amounted to SEK 79.9 million (37.6) for the year and primarily concern increased production capacity.

Financial position and liquidity

The Group's balance sheet total increased during the year and amounted to SEK 957.3 million (847.5). Consolidated equity amounted to SEK 508.5 million (369.0). Equity per share, calculated on 8,068,000 shares, amounted to SEK 63.02 (60.98). At the end of the quarter, risk-bearing capital amounted to SEK 535.7 million (399.8), corresponding to 56.0 per cent (47.2) of total capital. The Group's equity/assets ratio amounted to 53.1 per cent (43.5).

The Group's cash flow from operating activities during the financial year amounted to SEK 66.1 million (62.1). Cash flow after investments and sales of fixed assets amounted to SEK -13.8 million (24.5).

The Group's net debt decreased during the period and amounted to SEK 287.4 million (358.6). The Group's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 107.1 million (32.9).

Personnel

The average number of employees in the Group during the year was 572, compared to 527 the previous year.

Prospects

The global market for medical technology is growing in all of our business areas and we see good growth opportunities.

Net sales by market segment

SEK m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Dental Implant Systems	50.9	54.3	206.7	202.0
Diagnostics	9.5	8.6	34.8	30.2
Hearing Device & Vibration	29.2	21.5	102.9	81.4
Orthopedics	54.3	40.1	200.0	166.0
Other Medical Areas	25.0	24.4	100.3	98.3
Total net sales	168.9	148.9	644.7	577.9

Performance	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
EBITDA, SEK m	28.7	18.5	95.3	94.0
EBITDA, %	17.0	12.4	14.8	16.3
EBIT, SEK m	11.0	6.6	38.9	42.7
EBIT, %	6.5	4.4	6.0	7.4
Profit after financial items, SEK m	6.0	5.7	28.5	26.4
Profit after tax, SEK m	4.0	7.5	20.9	22.6

Parent Company

In addition to the administration of central management issues, the Parent Company also engages in Group support operations such as market support, production and quality management, risk management, financing and financial control.

The Parent Company's net sales for the year amounted to SEK 24.6 million (25.0). Profit after financial items amounted to SEK 4.5 million (6.7). The Parent Company's comprehensive income was SEK 3.5 million (3.4). The share of risk-bearing capital was 81.2 per cent (66.6). The equity/assets ratio amounted to 80.9 per cent (66.2).

Significant risks and factors of uncertainty

The Group's significant risks and factors of uncertainty include the business risks associated with customers and suppliers and other external factors, such as price risks for input goods. In addition, the Group manages the financial risks associated with fluctuations in exchange rates and interest rates. A detailed description of the Group's risks, factors of uncertainty and their management can be found in the administration report as well as notes 1 and 42 of the annual report for 2017.

Onyx Medical LLC ("Onyx"), Elos Medtech's American subsidiary, has been faced with legal action. The filed complaint does not specify the amount of damages sought. Elos Medtech is of the opinion that the complaint is unfounded and will contest the action in its entirety.

Related party transactions

During the reporting period, the company executed a transaction with senior executives. The transaction during the second quarter comprised the final payment of a contingent consideration of SEK 10.0 million for the acquisition of Onyx Medical LLC. No transactions with senior executives took place during the fourth quarter.

Accounting policies

The consolidated financial statements for 2018, similarly to the annual financial statements for 2017, have 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 financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities".

This interim report has been prepared in accordance with IAS 34. The information on pages 1-14 constitutes an integral part of this financial report. The term "IFRS" in this document includes the application of both IAS and IFRS, as well as interpretations of these standards published by IASB's Standards Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting policies as described in the annual report for 2017 except as shown below. New or amended recommendations applying from 2018 have not had any material impact on the financial statements. As of 1 January 2018, IFRS "9 Financial instruments" and IFRS 15 "Revenue from Contracts with Customers" are applied. IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities.

The Group's analysis has shown that the implementation of IFRS 9 and IFRS 15 will not have any material impact on the Group's financial statements. No transitional effects have therefore arisen as a result of the introduction of these accounting standards.

IFRS 16 for leases came into force on 1 January 2019.

The standard does away with the division of leases into operational and finance leases for the lessee, as required by IAS 17, and instead introduces a single accounting model for all leases. With this model, the lessee shall report (a) the assets and liabilities of all leases with a term in excess of 12 months, with the exception of low-value assets, and (b) the depreciation of leased assets separately from the interest expense on leases in the income statement.

Elos Medtech will not apply the standard retroactively, and so the financial year 2018 will not be restated. In the case of rental agreement, the company has applied the marginal borrowing rate as the discount rate while taking into account the term of the lease. The simplified approach wherein the right-of-use asset shall correspond to the lease liability will be applied during the transition. The reporting exceptions for short-term leases and low-value assets have also been applied.

When IFRS 16 is applied, leasing fees, which are currently reported under operating expenses in the consolidated income statement, will be moved to depreciation and the interest to financial expenses. The standard will primarily affect the reporting of the Group's operating leases, increase the balance sheet total and result in some changes in key performance indicators. The company's preliminary estimates indicate that when the standard comes into force, additional right-of-use assets and the related additional finance lease liabilities will amount to approximately SEK 20 million.

The guidelines issued by the European Securities and Markets Authority (ESMA) on "Alternate performance measures" apply from 3 July 2016 and entail disclosure requirements for financial measures that are not defined according to IFRS.

Auditor's review

This interim report has not been subject to review by the company's auditors.

The Board of Directors and CEO certify that this interim 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.

Elos Medtech AB (publ)
Gothenburg, 18 February 2019

Yvonne Mårtensson Chairman of the Board	Agneta Bengtsson Runmarker Board Director
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Anders Birgersson Board Director	Jeppe Magnusson Board Director
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Mats Nilsson Board Director	Jon Risfelt Board Director
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Jan Wahlström President and CEO	Christian Bergaust Group CFO
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Condensed consolidated income statement and statement of comprehensive income

SEK m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Income statement				
Net sales	168.9	148.9	644.7	577.9
Cost of goods sold	-120.9	-112.4	-466.3	-415.4
Gross profit	48.0	36.5	178.4	162.5
Selling expenses	-10.0	-9.2	-40.2	-37.9
Administrative expenses	-19.3	-17.0	-80.6	-68.1
Development costs	-8.1	-2.9	-19.3	-13.8
Other operating income/expenses	0.4	-0.8	0.6	-
Operating profit	11.0	6.6	38.9	42.7
Financial income	0.0	0.1	0.1	0.2
Financial expenses	-3.2	-2.2	-11.0	-9.3
Foreign exchange effects	-1.8	1.2	0.5	-7.2
Profit after financial items	6.0	5.7	28.5	26.4
Taxes	-2.0	1.8	-7.6	-3.8
Profit after tax	4.0	7.5	20.9	22.6
Profit attributable to:				
Shareholders in the Parent Company	4.0	7.5	20.9	22.6
Statement of comprehensive income				
Profit after tax	4.0	7.5	20.9	22.6
Other comprehensive income				
Items that will not be reclassified to the income statement				
Actuarial gains and losses	-2.3	-3.6	-5.1	-6.6
Tax	0.5	0.7	1.1	1.4
	-1.8	-2.9	-4.0	-5.2
Items that may be reclassified to the income statement				
Translation differences for the period	2.6	7.9	22.9	-7.7
Tax	-0.3	-0.2	-1.8	0.4
	2.3	7.7	21.1	-7.3
Other comprehensive income, net	0.5	4.8	17.1	-12.5
Comprehensive income	4.5	12.3	38.0	10.1
Comprehensive income attributable to:				
Shareholders in the Parent Company	4.5	12.3	38.0	10.1
Operating margin before depreciation and amortisation (EBITDA)				
	17.0%	12.4%	14.8%	16.3%
Operating margin after depreciation and amortisation (EBIT)				
	6.5%	4.4%	6.0%	7.4%
Depreciation, amortisation and impairment charged to the income statement				
	17.7	11.9	56.4	51.3
Earnings per share after tax (SEK) *				
	0.50	1.24	2.59	3.74
Average number of shares (thousand)				
	8,068	6,051	7,598	6,051
Number of shares (thousand) at the end of the period				
	8,068	6,051	8,068	6,051

* Attributable to Parent Company shareholders' share of profit after tax.

Condensed consolidated statement of financial position

SEK m

Balance sheet	2018-12-31	2017-12-31
Assets		
Intangible fixed assets	278.5	267.0
Property, plant and equipment	374.0	334.6
Financial assets	2.4	7.7
Other current assets	253.4	228.6
Cash and bank balances	49.0	9.6
Total assets	957.3	847.5
Equity and liabilities		
Equity	508.5	369.0
Non-current liabilities	294.0	273.4
Current liabilities	154.8	205.1
Total equity and liabilities	957.3	847.5

Key performance indicators

		Jan-Dec 2018	Jan-Dec 2017
Return on operating capital	%	5.1	5.8
Return on equity	%	4.8	6.1
Share of risk-bearing capital	%	56.0	47.2
Equity/assets ratio	%	53.1	43.5
Net debt *	SEK m	287.4	358.6
Investments excl. acquisitions	SEK m	79.9	37.6
Average number of employees		572	527
Equity per share	SEK	63.02	60.98
Dividend	SEK	1.00	0.00

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

Condensed statement of changes in equity

SEK m	2018-12-31	2017-12-31
Opening balance	369.0	366.8
New share issue	101.7	-
Redemption of warrants	-0.2	-0.1
Dividend	-	-7.9
Total comprehensive income	38.0	10.1
Closing equity	508.5	369.0

Quarterly values, Group

SEK m	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Quarterly values	2018	2018	2018	2018	2017	2017	2017	2017
Net sales	168.9	154.1	166.0	155.7	148.9	132.5	155.6	140.9
Cost of goods sold	-120.9	-110.3	-123.3	-111.8	-112.4	-97.1	-108.3	-97.6
Gross profit	48.0	43.8	42.7	43.9	36.5	35.4	47.3	43.3
Sales, admin and dev. expenses	-37.4	-32.7	-36.8	-33.2	-29.1	-26.9	-33.6	-30.2
Other operating items	0.4	0.7	-0.7	0.2	-0.8	0.8	-0.2	0.2
Operating profit	11.0	11.8	5.2	10.9	6.6	9.3	13.5	13.3
Net financial items	-3.2	-3.2	-2.4	-2.1	-2.1	-2.4	-1.9	-2.3
Foreign exchange effects	-1.8	-0.9	2.4	0.8	1.2	-1.7	-5.7	-1.4
Profit after financial items	6.0	7.7	5.2	9.6	5.7	5.2	5.9	9.6
Taxes	-2.0	-1.3	-1.8	-2.5	1.8	-2.2	-1.0	-2.4
Profit after tax	4.0	6.4	3.4	7.1	7.5	3.0	4.9	7.2

Condensed consolidated statement of cash flows

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Cash flow	2018	2017	2018	2017
Profit after net financial items	6.0	5.7	28.5	26.4
Reversed depreciation, amortisation and impairment	17.7	11.9	56.4	51.3
Adjustment entries	3.7	-0.5	2.9	7.0
Tax paid	-10.8	0.0	-11.8	-2.2
Change in working capital	2.8	2.1	-9.9	-20.4
Cash flow from operating activities	19.4	19.2	66.1	62.1
Investments in fixed assets	-21.6	-19.9	-79.9	-37.6
Remaining after construction investments	-2.2	-0.7	-13.8	24.5
New share issue	-	-	101.5	-
Issue/redemption of warrants	-	-0.1	-0.2	-0.1
Change in bank overdraft facility	1.5	-18.7	-40.4	9.6
Borrowings	9.2	15.4	54.3	18.9
Repayment of loans	-1.8	-8.3	-62.2	-73.8
Dividend	-	-	-	-7.9
Cash flow for the period	6.8	-12.4	39.3	-28.8
Cash flow for the period, total	6.8	-12.4	39.3	-28.8
Cash and cash equivalents at the beginning of the period	41.9	21.7	9.6	38.5
Exchange rate differences in cash and cash equivalents	0.3	0.3	0.1	-0.1
Cash and cash equivalents at the end of the period	49.0	9.6	49.0	9.6

Condensed income statement and statement of comprehensive income for the Parent Company

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Income statement	2018	2017	2018	2017
Net sales	6.2	7.7	24.6	25.0
Cost of goods sold	-	-	-	-
Gross profit	6.2	7.7	24.6	25.0
Selling expenses	-3.0	-0.8	-11.1	-10.4
Administrative expenses	-6.1	-8.1	-26.3	-24.0
Other operating income/expenses	0.1	0.1	0.1	0.1
Operating profit	-2.8	-1.1	-12.7	-9.3
Profit from participations in Group companies	-	16.9	-	16.9
Financial income	3.2	2.9	11.7	9.7
Financial expenses	-1.3	-0.8	-4.1	-3.9
Foreign exchange effects	1.5	1.3	9.6	-6.7
Profit after financial items	0.6	19.2	4.5	6.7
Appropriations	0.4	-1.8	0.4	-1.8
Taxes	-0.4	-3.9	-1.4	-1.5
Profit after tax*	0.6	13.5	3.5	3.4

* Profit after tax corresponds to comprehensive income for the year

Condensed balance sheet for the Parent Company

SEK m

Balance sheet	2018-12-31	2017-12-31
Assets		
Intangible fixed assets	3.8	3.7
Property, plant and equipment	0.7	0.8
Financial assets	417.3	385.4
Other current assets	13.5	24.8
Cash and bank balances	34.3	0.8
Total assets	469.6	415.5
Equity and liabilities		
Equity	374.3	269.2
Untaxed reserves	7.2	7.5
Provisions	5.5	4.9
Non-current liabilities	51.4	52.4
Current liabilities	31.2	81.5
Total equity and liabilities	469.6	415.5

Reconciliation basis for alternative performance measures

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2018	2017	2018	2017
Organic growth				
Recognised net sales	168.9	148.9	644.7	577.9
Net sales compared to the same period last year	148.9	133.3	577.9	552.0
Change in net sales	20.0	15.6	66.8	25.9
Growth, %	13.4	11.7	11.6	4.7
Net sales from acquired operations	-	-	-	-
Adjusted net sales from acquisition effects	168.9	148.9	644.7	577.9
Organic growth, %	13.4	11.7	11.6	4.7
Sales adjusted for fluctuations in exchange rates				
Fluctuations in exchange rates	6.9	0.5	19.0	1.9
Net sales adjusted for foreign exchange effects compared to the same period last year	155.8	133.8	596.9	553.9
Change, %	8.4	11.3	8.0	4.3
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2018	2017	2018	2017
Operating profit before non-recurring items				
Recognised operating profit	11.0	6.6	38.9	42.7
Non-recurring items	2.9	-	8.5	-
Operating profit before non-recurring items	13.9	6.6	47.4	42.7
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2018	2017	2018	2017
EBITDA before non-recurring items				
Recognised operating profit	11.0	6.6	38.9	42.7
Depreciation, amortisation and impairment	17.7	11.9	56.4	51.3
EBITDA	28.7	18.5	95.3	94.0
Non-recurring items	2.1	-	4.4	-
EBITDA before non-recurring items	30.8	18.5	99.7	94.0
Risk-bearing capital			2018-12-31	2017-12-31
Equity			508.5	369.0
Deferred tax liability			27.3	30.8
Risk-bearing capital			535.8	399.8
Net debt			2018-12-31	2017-12-31
Long-term interest-bearing provisions for pensions			44.7	36.9
Non-current interest-bearing liabilities			222.1	205.8
Current interest-bearing liabilities			69.6	125.5
Total liabilities			336.4	368.2
Cash and cash equivalents			-49.0	-9.6
Net debt			287.4	358.6
Cash and cash equivalents, including unutilised overdraft facilities			2018-12-31	2017-12-31
Cash and cash equivalents			49.0	9.6
Utilised bank overdraft facilities			-9.4	-48.9
Overdraft facility granted and framework agreement			67.5	72.2
Cash and cash equivalents, including unutilised overdraft facilities and framework agreement			107.1	32.9

Definitions of alternative performance measures

Alternative performance measures are financial measures for assessing the earnings trend, financial position and cash flow which are not defined in the applicable accounting rules, IFRS. These performance measures are considered to be important supplementary performance measures for the Group's financial performance and position, with the aim of creating an enhanced understanding of the operations. Alternative performance measures presented in the interim report should not be considered substitutes for terms and concepts as defined in IFRS, but instead as a supplement. These performance measures need not be comparable with similar performance indicators used by other companies. The reconciliation basis for the calculation of some of these performance measures is shown on page 13 of this report.

Sales adjusted for fluctuations in exchange rates

Sales adjusted for fluctuations in exchange rates 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.

Non-recurring items

Items that are not included in ordinary business transactions and when amounts are of a substantial size and thus have an impact on profit and performance indicators.

Operating profit (EBIT) before non-recurring items

Profit before financial income and expenses and taxes adjusted for non-recurring items.

Operating profit (EBIT)

Profit before financial income and expenses and taxes.

Operating margin, %

Operating profit in relation to operating net sales.

EBITDA before non-recurring items

Operating profit before depreciation, amortisation and impairment, adjusted for non-recurring items.

EBITDA, %

Operating profit before depreciation, amortisation and impairment in relation to operating net sales.

Risk-bearing capital

The total of reported equity, any minority interest and deferred tax liabilities.

Net debt

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/bank balances and bank overdraft facility granted, less overdraft facility utilised.

Financial information

Year-end Report 2018 will be published on 18 February 2019.

Annual Report for 2018 will be published in April 2019.

The AGM for 2019 will be held on 23 April 2019.

Interim Report for the first quarter of 2019 will be published on 23 April 2019.

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Publication

The information presented in this report is such information that Elos Medtech AB (publ) is obliged to publish under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, on the initiative of the above contact person, on 18 February 2019 at 14:00 (CET).

Elos Medtech AB (publ) is a Swedish limited liability company, whose Class B shares are listed on the Small Cap, NASDAQ Stockholm AB. Elos Medtech's corporate governance is based on Swedish legislation and the listing agreement with NASDAQ Stockholm AB.

Future-oriented information

The future-oriented information in this report is based on management's expectations at the time of preparing the report. Although the Board of Directors and the management deem that the expectations are reasonable, there is no guarantee that the expectations are or will prove to be correct. Consequently, future outcomes may differ significantly from those postulated on the basis of the future-oriented information due to, for example, changing market conditions for the Group's services or more generally changed conditions as regards the economy, market and competition, changes in legal requirements and other policy measures, and 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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