

Q1 2020

INTERIM REPORT

SEK 158.9 million
Consolidated net sales decreased to SEK 158.9 (189.9) million in the first quarter of 2020

SEK 11.9 million
The consolidated operating profit decreased to SEK 11.9 (21.4) million in the first quarter of 2020



Q1 2020 INTERIM REPORT

A STABLE START TO THE YEAR IN AN UNCERTAIN ENVIRONMENT

January–March 2020

- Net sales for the first quarter totalled SEK 158.9 (189.9) million, a decrease of 16.3 percent on the same period the year before. After currency translation, the decrease was -18.4 percent.
- In the first quarter of 2019, inventory of finished products worth SEK 13.3 million was sold to Brüel & Kjær. Excluding this sale, net sales for the period decreased by 10 percent.
- The operating profit was SEK 11.9 (21.4) million, which represents an operating margin of 7.5 (11.3) percent.
- Profit after net financial items amounted to SEK 6.6 (20.6) million. A net exchange rate gain of SEK 2.2 (2.4) million had a positive impact on net financial items, which were SEK -5.3 (-0.8) million.
- The profit after tax was SEK 5.4 (15.3) million.
- Cash flow from operating activities was SEK 9.0 (9.4) million, and amounted to SEK 2.8 (-13.5) million after investments.
- Earnings per share were SEK 0.67 (1.90).

Key performance indicators	Jan–Mar 2020	Jan–Mar 2019	Apr–Mar 2019/20	Jan–Dec 2019
Net sales, SEK million	158.9	189.9	658.4	689.4
Growth, %	-16.3	22.0	-3.0	6.9
Profit before depreciation and amortization (EBITDA), SEK million	28.0	35.3	118.3	125.6
Profit before depreciation and amortization (EBITDA), %	17.6	18.6	18.0	18.2
Operating profit (EBIT), SEK million	11.9	21.4	55.8	65.3
Operating profit (EBIT), %	7.5	11.3	8.5	9.5
Profit after financial items, SEK million	6.6	20.6	36.6	50.6
Profit after tax, SEK million	5.4	15.3	28.6	38.5
Undiluted and diluted earnings per share, SEK	0.67	1.90	3.54	4.77

Quarterly growth
-16.3%
After currency translation,
growth was -18.4 percent.

CEO JAN WAHLSTRÖM COMMENTS ON Q1

Covid-19 is having an ever increasing impact on society and the level of uncertainty is very high. While being mindful and respectful of this, I am immensely grateful that in 2019 we succeeded in building a solid financial and organizational foundation for Elos Medtech. We entered 2020 and the ongoing global crisis having just posted the Group's strongest earnings to date. The pandemic has highlighted the benefits of our persistent efforts working on cost efficiencies and of operating on several continents and across multiple segments. Despite this, we expect a significant decline in sales over the coming six months, particularly in Dental, and that's why we are working to further reduce our costs. As this has been a very different start to the year in which the focus is on the virus outbreak, we have chosen to expand the information provided in this report by adding an additional page where we describe our assessment of the situation and the measures we are taking, see page 4.

Covid-19 will of course have an impact on Elos Medtech but in the first quarter we experienced no major disruptions to sales, and we began the year on a stable footing despite the uncertain global environment. Nevertheless, the downturn for the first half of the year that we forecast in February is expected to have a significant impact on our next quarterly figures.

At SEK 159 million, net sales for the period were in line with the figures for last fall but were significantly lower than in the first quarter of 2019, in which we sold an inventory worth over SEK 13 million to Brüel & Kjær. Our operating profit was SEK 12 million, which is well in line with fall 2019. Earnings are hard to compare with the first quarter of last year due to significant non-recurring items in that period.

We have continued our efforts to streamline production flows and optimize processes in the same spirit as before. At the beginning of the year, our Chinese site was forced to remain closed for 21 days to covid-19, and I am very proud that our employees in China succeeded in handling the long closure without any delivery problems.

My current assessment is that the covid-19 outbreak will have a negative financial impact on the company throughout 2020 and I expect a significant decline in sales in the second and third quarters. We have placed around 200 employees at our production sites on short-term furloughs and are continuously monitoring customer demand to ensure that we are able to return to normal production as soon as the need returns. Based on what we know today, we expect to be able to continue to produce and deliver in line with our customers' requirements.

Certain types of products that we produce are prioritized by local authorities, and we are of course also giving priority to these products. Our Memphis site, for example, has been classified as a priority business by the authorities because of the trauma products that we manufacture. We have also seen a significant increased need for injection-molded components for ventilators from Getinge and have therefore to some extent adapted our production in Life Science to meet this need. Although the products account for a minor part of our overall production, these components play an important role in life-saving treatments and it is therefore crucial to ensure fast and secure delivery.

In other areas we have delayed product launches by our contract-manufacturing customers, and the effects of this will be felt throughout 2020. In view of the uncertain outlook, it is not possible to foresee what long-term impact the pandemic will have on Elos Medtech. We are keeping a close eye on developments to ensure that we are able to make quick and well informed decisions. Our primary focus is on ensuring the health and protecting the jobs of our employees while minimizing the company's financial risk.

Adjusting is about having the right attitude. By taking a flexible approach, we are preparing to meet both reduced and increased demand based on the adjustments that are made in health care as the crisis unfolds.



EVENTS RELATED TO COVID-19

Assessment of the impact

The spread of the covid-19 virus has become a global concern that is having a significant impact on the whole of society. Our current assessment is that the covid-19 outbreak will have a negative financial impact on the company throughout 2020.

Overall, we expect a significant decline in sales in the second and third quarters. As the outlook is unpredictable, it is not possible to foresee what longer-term impact the pandemic may have on the company.

Measures taken in the Group

In view of the uncertain outlook, we quickly adopted a number of measures to protect cash flows and maintain profitability that were implemented during the period and in early April.

We placed about 200 employees at our Timmersdala and Görlose sites on short-term furloughs and have received assistance under the support packages offered by the governments in all our countries of operation. We expect the furloughed employees, who mainly work in our Dental business area, to remain on furlough throughout the second quarter. As early as February, we cancelled business trips as well as all internal and external projects that were not considered business-critical in the short term.

We are also taking measures to improve cash flow and are introducing restrictions on investments and running costs in order to protect our short-term cash flow. Further measures aimed at securing the Group's cost structure on a longer-term basis are being evaluated.

Assessment of the impact by business area

It is clear that our customers are being affected by the pandemic in different ways depending on their geographic market and the market segment in which they operate. Based on what we know today, we expect to be able to continue to produce and deliver in line with our customers' changing requirements.

Dental

The business area where we have seen the biggest impact after the end of the period is Dental, where we expect a low level of activity in the short term. In many countries, dental care has been limited to emergency treatments due to the risk of infections and shortages of materials. It is therefore very difficult to assess when the market for dental implants will recover.

Orthopedics

The impact on the business area is mainly due to changing customer needs as a result of changed health care priorities and decisions by customers to postpone product launches by several months and in some cases up to a year. Despite this, we currently only expect to see minor changes in demand in the short term.

Our Memphis site has been classified as a priority business by both local and federal authorities due to the trauma products that we manufacture. This means that we receive support from the authorities to maintain normal production despite the general shelter-at-home recommendations.

Life Science

Life Science was the first business area to be affected by the coronavirus pandemic, as our site in China was closed for 21 days in February by order of the authorities. As our production of medical devices was viewed as a prioritized form of production, we received permission from the Chinese authorities to resume production at an early stage. Production is now in full swing again and the negative economic consequences have been limited. The impact on the business area going forward will be determined primarily by changing health care requirements.

A positive development is that we are seeing a significant increased need from Getinge for injection-molded components for ventilators. These account for a minor share of net sales in Life Science, although these components are an important part of life-saving treatments.

Our financial position

At the end of the first quarter of 2020, we had bank deposits of SEK 48 million and an undrawn credit facility of SEK 70 million, which equates to 18 per cent of net sales (on a rolling 12-month basis). Together with the measures we have taken and will be taking, this will give us a stable financial foundation to stand on.

Our employees

We also want to stress the importance we attach to our employees and their safety and health. We have taken a wide range of measures to ensure that our employees feel safe and to minimize the risk of infection. We have strengthened our already strict hygiene and safety procedures with further recommendations and restrictions and are issuing regular communications on the status in the Group.

THIS IS ELOS MEDTECH

General information about the business

Elos Medtech is specialised in medical technology and has considerable expertise in development and design as well as contract manufacturing of medical devices. The company's customers are mainly medical technology companies with international operations. The company operates from sites in Sweden, Denmark, China and the United States and has strategic marketing and IT, production and quality management, risk management, financing and financial control functions at Group level in Gothenburg, Sweden. The Group operates in three business areas: Dental, Orthopedics and Life Science.

Vision

To transform medical technology and improve quality of life worldwide.

Mission

In partnership with our customers, we provide sustainable and innovative products and supply solutions for the global medical device market. Building profitable, long-term partnerships and striving for excellence in everything we do, our goal is to help people to live rich, active and fulfilling lives.

Targets

Elos Medtech's long-term financial goals are: an average annual growth rate in excess of 10 percent, an average operating margin (EBIT) of over 13 percent and a share of own products of at least 13 percent.

A value-creating business model

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

Strategy

Elos Medtech's strategy is based on an increased focus on selected market segments and in metals and polymers. Another element of the strategy is to increase the degree of specialization and the company's expertise in its core areas of expertise in respect of design, development, manufacturing and logistics, while optimizing quality assurance. Through a stronger offering, we will reach our strategic goals of clearer positioning and continued growth.

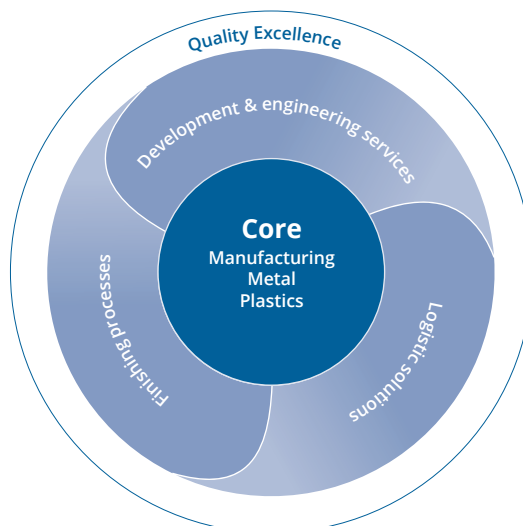
Sustainability focus

Elos Medtech has a sustainability focus and a responsibility that goes beyond simply delivering high-quality products. The company has a long-term economic, social and environmental responsibility for how its activities affect its stakeholders and defines strategic goals to ensure that continuous improvements are made in these areas. For more information, see: elosmedtech.com/whoweare/sustainability.

VISION • MISSION • VALUES-BASED CULTURE • SUSTAINABILITY FOCUS

Business areas:

Dental
Orthopedics
Life Science



Life Science comprises:

Diagnostics
Hearing Device & Vibration
Other Medical Areas

CREATING VALUE FOR THE COMPANY AND OUR STAKEHOLDERS

THE GROUP'S PERFORMANCE

Quarterly performance

Total net sales for the first quarter were largely in line with the final quarter of 2019. The Dental business area began the year on a strong note both in contract manufacturing and own products while Orthopedics is still in between two launches, which had a negative impact on net sales. The year-on-year comparison is affected by a SEK 13.3 million sale of inventories to the customer, Brüel & Kjær, in the Life Science business area in the first quarter of 2019.

The quarterly operating profit decreased to SEK 11.9 (21.4) million, mainly due to significantly lower volumes compared with the year-before period. Covid-19 had some impact on the Group already in the first quarter, as our Chinese business was forced to shut down for 21 days, although it was up and running again before the end of the period. The sites have taken various measures to adapt their operations to the new market environment. Towards the end of the period, short-term furloughs were initiated in varying degrees at some of Elos Medtech's Nordic sites and cost-cutting measures were implemented to secure cash flows. A minor restructuring at our Danish site has negatively affected the period, with SEK 3 million. Depreciation charges were also up compared to the previous year, mainly within the business area Orthopedics.

Although our focus is on measures to improve cash flow, we have continued to expand our Skara site as planned. This investment accounted for one third of total investments for the period.

Net sales January–March 2020

Consolidated net sales for the quarter decreased and amounted to SEK 158.9 (189.9) million. The decrease compared with the first quarter of 2019, -16.3 percent, is attributable to Life Science, -37 percent, and Orthopedics, -16 percent, while net sales for Dental increased by 8 percent. Net sales of own products in Dental grew 4.7 percent year on year and accounted for 14.0 (11.2) percent of consolidated net sales. After currency translation, growth in consolidated net sales was negative, -18.4 percent.

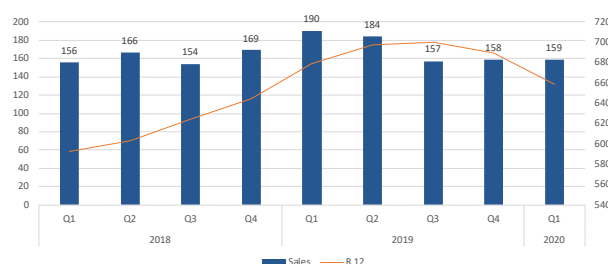
Earnings for January–March 2020

For the first quarter, operating profit amounted to SEK 11.9 (21.4) million, which corresponds to an operating margin of 7.5 (11.3) percent. The year-on-year change was chiefly due to lower volumes and higher depreciation charges. Exchange rate differences had a positive impact of SEK 2.2 (2.4) million on net financial items for the Group while revaluation of interest rate swaps had a negative impact of SEK -4.3 million. Net financial items were SEK -5.3 (-0.8) million. The profit after financial items was SEK 6.6 (20.6) million and earnings after tax were SEK 5.4 (15.3) million.

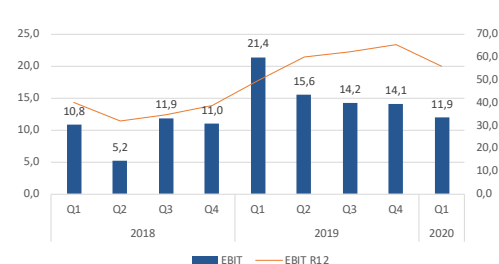
Earnings per share for the period

Undiluted and diluted earnings per share for the period were both SEK 0.67 (1.90).

Net sales (SEK million)



Operating profit (SEK million)



Investments

The Group made investments of SEK 6.3 (22.9) million in the first quarter, which refer mainly to the expansion of the Skara property and development project costs in our dental business.

Financial position and liquidity

Consolidated total assets increased during the period, to SEK 1,100.5 (1,023.6) million. Equity increased by SEK 37 million over the period, of which SEK 34 million refers to translation of foreign subsidiaries. Total equity was at SEK 576.9 (534.4) million. Equity per share, calculated on 8,068,000 shares, amounted to SEK 71.50 (66.24). At the end of the quarter, risk-bearing capital amounted to SEK 599.6 (567.1) million, corresponding to 54.5 (55.4) percent of total capital. The Group's equity ratio amounted to 52.4 (52.2) percent.

The Group's cash flow from operating activities during the period amounted to SEK 9.0 (9.4) million. Cash flow after investments totalled SEK 2.8 (-13.5) million.

The Group's net debt increased during the period and amounted to SEK 346 (327.4) million. The Group's cash and cash equivalents, including unutilized overdraft facilities, amounted to SEK 118.1 (92.8) million.

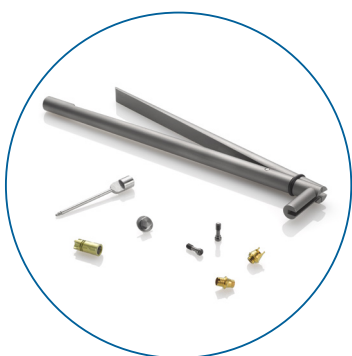
Personnel

The average number of employees in the Group during the first quarter was 555, compared to 578 in the previous year.

Events after the end of the period

Events after the end of the period refer to covid-19-related events and are described in the section "Events related to covid-19".

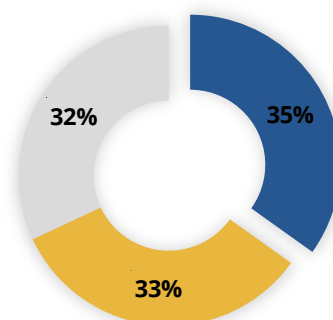
OUR THREE BUSINESS AREAS



DENTAL

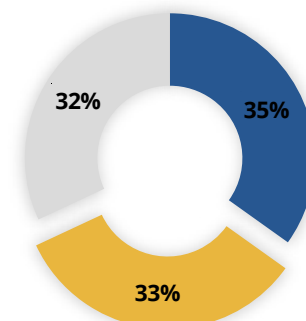
Elos Medtech is a qualified partner to global leaders in the dental industry. Our offer covers design, development, series production and global distribution. We are specialised in dental implants.

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



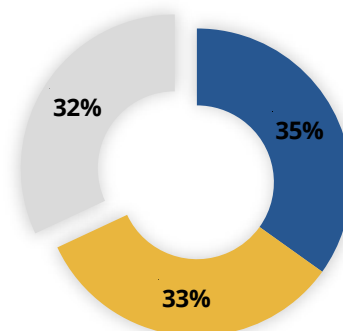
ORTHOPEDICS

Elos Medtech is a focused partner covering all stages from design and prototypes to series production and global distribution. We have specialised in the spine, trauma and reconstruction markets. We work with the world's leading orthopedic companies.



LIFE SCIENCE

Elos Medtech is a specialised global partner in injection molding of high-tech polymers and machining, mainly of steel and brass. Our offer also includes tool design as well as combination products consisting of polymers and aluminum or other metals. The markets we focus on are diagnostics, hearing aids, diabetes, and cardiovascular and neurological surgery.



KEY PERFORMANCE INDICATORS BY BUSINESS AREA

SEK million Net sales by business area	Growth				
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Apr-Mar 2020	Jan-Dec 2019
Dental	66.0	61.2	7.8%	228.7	223.9
Orthopedics	46.8	55.8	-16.1%	220.4	229.6
Life Science	46.1	72.9	-36.8%	209.3	235.9
Total net sales	158.9	189.9	-16.3%	658.4	689.4

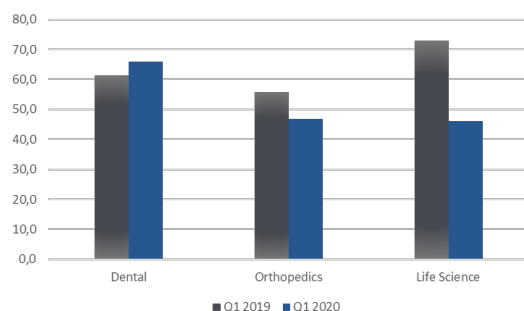
There are no sales between the business areas.

SEK million Operating profit by business area	Operating profit, %		Operating profit, %		Apr-Mar 2020	Jan-Dec 2019
	Jan-Mar 2020	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2019		
Dental	4.4	6.6%	8.8	14.3%	17.8	22.2
Orthopedics	0.2	0.3%	6.5	11.6%	11.1	17.4
Life Science	8.2	17.7%	7.9	10.9%	31.9	31.6
Unallocated Group income and expenses	-0.8		-1.7		-4.9	-5.9
Total net sales	11.9	7.5%	21.4	11.3%	55.8	65.3

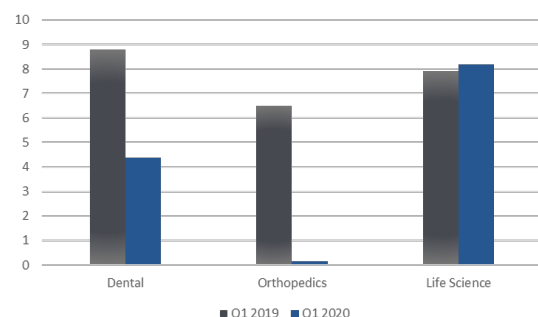
There are no sales between the business areas.

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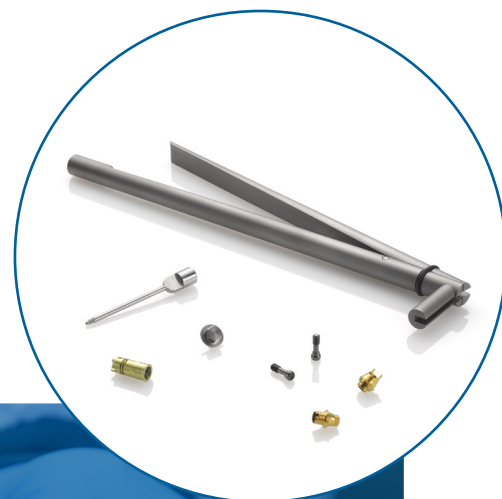
Net sales by business area (SEK million)



Operating profit by business area (SEK million)



BUSINESS AREA DENTAL



NET SALES **SEK 66.0 million**

EBITDA **SEK 8.8 million (13.4%)**

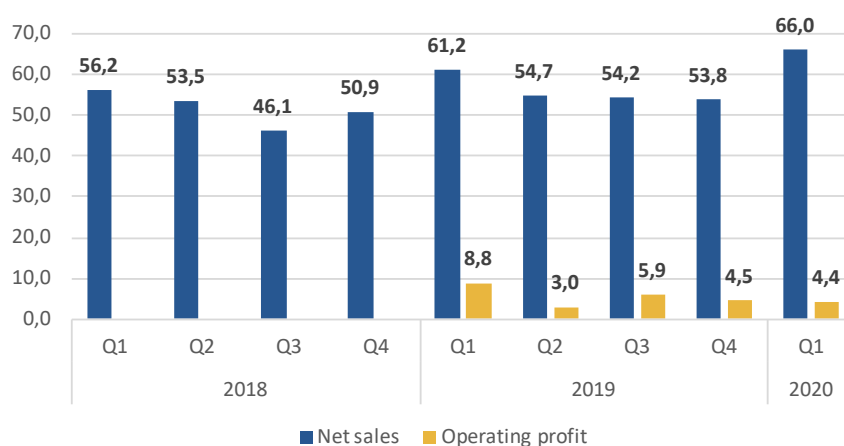
EBIT **SEK 4.4 million (6.6%)**

Growth
+8%

Key events in the business area during the quarter

- Net sales for the period totalled SEK 66 million, which is the business area's strongest sales figure to date.
- The 8 percent increase in net sales compared with the same period in 2019 was driven by contract manufacturing customers and their coming product launches.
- Net sales of own products totalled SEK 22.3 (21.3) million, which is 14 percent of the Group's total net sales. Compared with the fourth quarter of 2019, sales increased by over 50 percent.
- During the period a minor restructuring was initiated and it had negative impact on the operating profit.
- With clearance from the FDA for market placement of Elos Accurate® Hybrid Base in the US market, we now have a complete offering of digital products. A launch in partnership with Vulcan Custom Dental has been planned for before the summer.

Net sales and operating profit (SEK million)



BUSINESS AREA ORTHOPEDICS



NET SALES **SEK 46.8 million**

EBITDA **SEK 6.4 million (13.7%)**

EBIT **SEK 0.2 million (0.3%)**

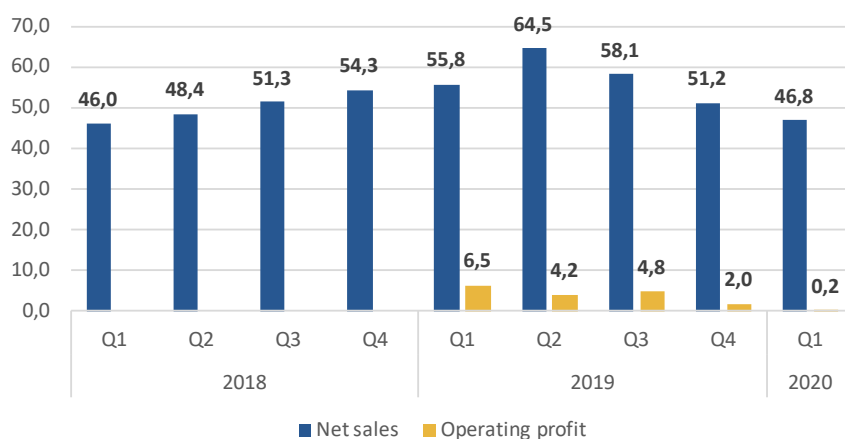
Growth

-16%

Key events in the business area during the quarter

- Net sales and earnings for the period were materially affected by decisions by customers to postpone product launches until 2021. The delays are primarily due to the current global situation and the effects of the virus outbreak.
- Depreciation charges on previous investments related to these product launches have a direct impact on earnings.
- We have continued to receive new enquiries in orthopedics for the global and Chinese markets, which will create sales opportunities in the longer term.
- Elos Medtech's Memphis site has been classified as a priority business by both local and federal authorities due to the effects of covid-19 in the US and the trauma products that we manufacture.

Net sales and operating profit (SEK million)



BUSINESS AREA LIFE SCIENCE



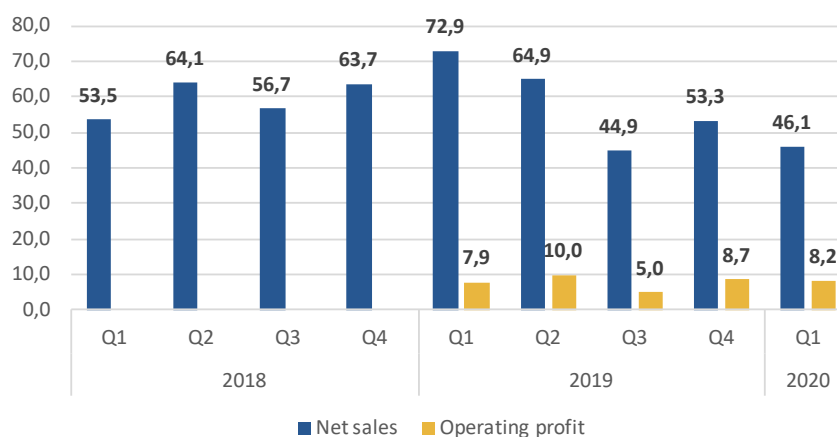
NET SALES	SEK 46.1 million
EBITDA	SEK 13.6 million (29.4%)
EBIT	SEK 8.2 million (17.7%)

Growth
-37%

Key events in the business area during the quarter

- Continued high level of activity in the polymer business. Elos Medtech Skara – the new official name since February – has received several new enquiries as well as orders for tools and series production.
- Increased demand from Getinge, for injection-molded components for ventilators. These account for a minor share of the business area's net sales but are an important part of life-saving treatments.
- Due to the virus outbreak, Elos Medtech's site in China was closed for a few weeks in February, which had an impact on net sales and earnings for the period.
- The high level of activity and the transfer of operations to Brüel & Kjær in the first quarter of last year had a significant impact on net sales and earnings for the period.

Net sales and operating profit (SEK million)



OTHER INFORMATION

Accounting policies

The consolidated financial statements for 2020, similarly to the annual 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 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 1-19 constitutes an integral part of this financial report.

Elos Medtech has applied the new guidelines of ESMA (European Securities and Markets Authority) on alternative performance measures (APMs). Although these measures are not defined or specified in accordance with IFRS, they provide valuable supplementary information about the company's performance to investors and management. Definitions of the performance measures are provided at the end of the interim report. A reconciliation of each performance measure with the most directly reconcilable item in the financial statements can be found on page 19.

New accounting policies for 2020

A number of new or amended standards have been adopted that apply to the reporting period. These amendments have not had a notable impact on the consolidated financial statements and it has not been necessary to make any retrospective adjustments as a result of the adoption of the new standards.

Significant risks and uncertainties

The Group's significant risks and uncertainties include operational and financial risks. Operational risks affecting Elos Medtech are primarily risks associated with customers and markets as well as other global factors such as the price risks for input goods. In addition, the Group manages the financial risks associated with changes in exchange rates and credit risks. A detailed description of the Group's risks, factors of uncertainty and their management can be found in the management report as well as notes 41 and 43 of the annual report for 2019.

Covid-19 is a unique and unpredictable risk for the Group which may have significant, and currently undefined, consequences both on short and long term. For further information on the measures taken by the Group to manage the effects of covid-19, see page 4.

No further risks have been identified that could affect the Group's financial results and position at March 31 2020.

Related party transactions

During the reporting period, the company has not executed any transactions with related parties.

Segment reporting

The internal financial monitoring by business area is adapted to the Group's customer segments and is based on operating profit as a measure for assessing the segments' earnings. The operating profit of each segment includes directly attributable items as well as items that can in a reasonable way be allocated to the segments. Unallocated Group items refer mainly to costs related to listing-activities.

Parent Company

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

The Parent Company's net sales during the first quarter amounted to SEK 6.3 (4.6) million. The profit after financial items was SEK 11.9 (1.8) million, of which SEK 11.6 million mainly relates to exchange rate differences from revaluation of loans to subsidiaries. The Parent Company's profit after tax was SEK 9.3 (1.3) million. The share of risk-bearing capital was 78.4 (81.6) percent. The equity ratio amounted to 78.1 (81.3) percent.

Future-oriented information

The company does not make forecasts.

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.

Auditor's review

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

Gothenburg, May 5 2020

Elos Medtech AB (publ)

The Board of Directors

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
Income statement				
Net sales	158.9	189.9	658.4	689.4
Cost of goods sold	-110.8	-129.9	-456.9	-476.0
Gross profit	48.1	60.0	201.5	213.4
Selling expenses	-9.9	-10.6	-39.3	-40.0
Administrative expenses	-22.1	-23.7	-91.7	-93.3
Development costs	-5.2	-5.3	-17.1	-17.2
Other operating income/expenses	1.0	1.0	2.4	2.4
Operating profit	11.9	21.4	55.8	65.3
Financial income	-	-	0.1	0.1
Financial expenses	-7.5	-3.2	-19.8	-15.5
Exchange rate differences	2.2	2.4	0.5	0.7
Profit after financial items	6.6	20.6	36.6	50.6
Taxes	-1.2	-5.3	-8.0	-12.1
Profit after tax	5.4	15.3	28.6	38.5
Profit attributable to:				
Shareholders in the Parent Company	5.4	15.3	28.6	38.5
Statement of comprehensive income				
Profit after tax	5.4	15.3	28.6	38.5
Items that will not be reclassified to the income statement				
Actuarial gains and losses	-	-	-11.2	-11.2
Tax	-	-	2.3	2.3
	-	-	-8.9	-8.9
Items that may be reclassified to the income statement				
Translation differences for the period	33.8	11.2	33.4	10.8
Tax	-2.2	-0.6	-2.5	-0.9
	31.6	10.6	30.9	9.9
Other comprehensive income, net	31.6	10.6	22.0	1.0
Comprehensive income	37.0	25.9	50.6	39.5
Comprehensive income attributable to:				
Shareholders in the Parent Company	37.0	25.9	50.6	39.5
Operating profit before depreciation and amortization (EBITDA), %				
	17.6	18.6	18.0	18.2
Operating profit (EBIT), %				
	7.5	11.3	8.5	9.5
Depreciation and amortization charged to the income statement				
	16.1	13.9	62.5	60.3
Undiluted and diluted earnings per share, SEK*				
	0.67	1.90	3.54	4.77
Average number of shares (thousand)				
	8,068	8,068	8,068	8,068
Number of shares (thousand) at the end of the period				
	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	Dec 31 2020	Mar 31 2019	Dec 31 2019
Assets			
Intangible assets	303.7	285.3	283.4
Property, plant and equipment	457.7	407.4	444.1
Financial fixed assets	0.3	8.0	1.9
Other current assets	290.4	296.9	250.2
Cash and bank balances	48.4	26.0	55.2
Total assets	1,100.5	1,023,6	1,034,8
Equity and liabilities			
Equity	576.9	534.4	539.9
Non-current liabilities	363.3	321.3	356.7
Current liabilities	160.3	167.9	138.2
Total equity and liabilities	1,100.5	1,023,6	1,034,8

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
Cash flow				
Profit after net financial items	6.6	20.6	36.6	50.6
Reversed depreciation, amortization and impairment	16.1	13.9	62.5	60.3
Non-cash items	1.9	5.2	0.5	3.8
Tax paid	-2.4	-3.0	-10.4	-11.0
Change in working capital	-13.2	-27.3	13.0	-1.1
Cash flow from operating activities	9.0	9.4	102.2	102.6
Investments in fixed assets	-6.3	-22.9	-82.8	-98.8
Sale of fixed assets	0.1	-	1.6	1.5
Cash flow from investing activities	-6.2	-22.9	-80.6	-97.3
Cash flow from operating activities	2.8	-13.5	21.6	5.3
Change in bank overdraft facility	-0.9	-8.4	-1.4	-8.9
Borrowings	5.3	10.4	90.2	95.3
Repayment of loans and finance leases	-15.8	-12.2	-80.9	-77.3
Issue/redemption of warrants	-	-	-0.3	-0.3
Dividend	-	-	-8.1	-8.1
Cash flow from financing activities	-11.4	-10.2	-0.5	0.7
Cash flow for the period	-8.6	-23.7	21.1	6.0
Cash and cash equivalents at the beginning of the period	55.2	49.0	26.0	49.0
Exchange rate differences in cash and cash equivalents	1.8	0.7	1.3	0.2
Cash and cash equivalents at the end of the period	48.4	26.0	48.4	55.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Mar 31 2020	Dec 31 2019
Opening balance	539.9	508.5
Redemption of warrants	-	-0.2
Effect of change in tax rate	-	0.2
Dividend	-	-8.1
Total comprehensive income	37.0	39.5
Closing equity	576.9	539.9

KEY PERFORMANCE INDICATORS, GROUP

		Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Return on operating capital	%	5.3	10.6	7.8
Return on equity	%	3.9	16.1	7.3
Share of risk-bearing capital	%	54.5	55.4	54.6
Equity/assets ratio	%	52.4	52.2	52.2
Net debt	SEK million	346.0	327.4	331.5
Investments excl. acquisitions and leased assets	SEK million	6.3	22.9	98.8
Average number of employees		555	578	566
Equity per share	SEK	71.50	66.24	66.92
Dividend	SEK			0.00

SEGMENT INFORMATION

SEK million	Growth				
Net sales by business area	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Apr-Mar 2020	Jan-Dec 2019
Dental	66.0	61.2	7.8%	228.7	223.9
Orthopedics	46.8	55.8	-16.1%	220.4	229.6
Life Science	46.1	72.9	-36.8%	209.3	235.9
Total net sales	158.9	189.9	-16.3%	658.4	689.4

There are no sales between the business areas.

SEK million				
Key performance indicators	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
Profit before depreciation and amortization by business area	2020	2019	2019/20	2019
Dental	8.8	13.6	36.8	41.6
Orthopedics	6.4	10.9	34.8	39.3
Life Science	13.6	12.5	51.7	50.6
Unallocated Group income and expenses	-0.8	-1.7	-4.9	-5.9
Total profit before depreciation and amortization	28.0	35.3	118.4	125.6
Depreciation and amortization by business area				
Dental	-4.4	-4.8	-19.0	-19.4
Orthopedics	-6.2	-4.4	-23.7	-21.9
Life Science	-5.4	-4.6	-19.8	-19.0
Total depreciation and amortization	-16.1	-13.8	-62.6	-60.3
Operating profit by business area				
Dental	4.4	8.8	17.8	22.2
Orthopedics	0.2	6.5	11.1	17.4
Life Science	8.2	7.9	31.9	31.6
Unallocated Group income and expenses	-0.8	-1.7	-4.9	-5.9
Total operating profit	11.9	21.4	55.8	65.3

QUARTERLY RESULTS FOR THE GROUP

SEK million	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2
Quarterly results	2020	2019	2019	2019	2019	2018	2018	2018
Net sales	158.9	158.3	157.1	184.1	189.9	168.9	154.1	166.0
Cost of goods sold	-110.8	-108.8	-109.3	-128.0	-129.9	-120.9	-110.3	-123.3
Gross profit	48.1	49.5	47.8	56.1	60.0	48.0	43.8	42.7
Sales, admin and dev. expenses	-37.2	-35.5	-34.3	-41.1	-39.6	-37.4	-32.7	-36.8
Other operating items	1.0	0.1	0.7	0.6	1.0	0.4	0.7	-0.7
Operating profit	11.9	14.1	14.2	15.6	21.4	11.0	11.8	5.2
Financial income/expense	-7.5	-6.3	-2.8	-3.1	-3.2	-3.2	-3.2	-2.4
Foreign exchange effects	2.2	2.2	-	-3.9	2.4	-1.8	-0.9	2.4
Profit after financial items	6.6	10.0	11.4	8.6	20.6	6.0	7.7	5.2
Taxes	-1.2	-2.4	-2.4	-2.0	-5.3	-2.0	-1.3	-1.8
Profit after tax	5.4	7.6	9.0	6.6	15.3	4.0	6.4	3.4

PARENT COMPANY INCOME STATEMENT

SEK million	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
Income statement	2020	2019	2019/20	2019
Net sales	6.3	4.6	22.5	20.8
Gross profit	6.3	4.6	22.5	20.8
Selling expenses	-1.9	-2.1	-6.8	-7.0
Administrative expenses	-5.7	-7.3	-28.1	-29.7
Other operating income/expenses	0.2	0.1	0.2	0.1
Operating profit	-1.1	-4.7	-12.2	-15.8
Profit from participations in Group companies	-	-	11.0	11.0
Financial income	2.1	3.2	8.8	9.9
Financial expenses	-0.7	-1.2	-3.3	-3.8
Foreign exchange effects	11.6	4.5	11.6	4.5
Profit after financial items	11.9	1.8	15.9	5.8
Appropriations	-	-	1.4	1.4
Taxes	-2.6	-0.5	-3.9	-1.8
Profit after tax	9.3	1.3	13.4	5.4

* Profit after tax corresponds to comprehensive income for the year.

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	Mar 31 2020	Mar 31 2019	Dec 31 2019
Balance sheet			
Assets			
Intangible fixed assets	3.7	3.9	3.7
Property, plant and equipment	0.4	0.6	0.5
Financial assets	413.1	426.3	403.8
Other current assets	36.2	22.6	41.2
Cash and bank balances	32.1	15.6	33.5
Total assets	485.5	469.0	482.7
Equity and liabilities			
Equity	380.7	375.6	371.5
Untaxed reserves	5.8	7.2	5.8
Provisions	6.7	5.7	6.4
Non-current liabilities	42.4	49.5	42.1
Current liabilities	49.9	31.0	56.9
Total equity and liabilities	485.5	469.0	482.7

RECONCILIATION BASIS FOR ALTERNATIVE PERFORMANCE MEASURES

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
Growth				
Recognized net sales	158.9	189.9	658.4	689.4
Net sales compared to the same period last year	189.9	155.7	678.9	644.7
Change in net sales	-31.0	34.2	-20.5	44.7
Growth, %	-16.3	22.0	-3.0	6.9
Net sales adjusted for currency translation				
Changes in exchange rates	4.8	9.1	21.6	25.9
Net sales from previous year adjusted for currency translation	194.7	164.8	700.5	670.6
Growth adjusted for currency translation, %	-18.4	15.2	-6.0	2.8

	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
EBITDA				
Recognized operating profit	11.9	21.4	55.8	65.3
Depreciation, amortization and impairment	16.1	13.9	62.5	60.3
EBITDA	28.0	35.3	118.3	125.6

Risk-bearing capital	Mar 31 2020	Dec 31 2019
Equity	576.9	539.9
Deferred tax liability	22.7	25.5
Risk-bearing capital	599.6	565.4
Net debt	Mar 31 2020	Dec 31 2019
Long-term interest-bearing provisions for pensions	59.8	59.0
Non-current interest-bearing liabilities	280.8	272.2
Current interest-bearing liabilities	53.8	55.5
Total liabilities	394.4	386.7
Cash and cash equivalents	-48.4	-55.2
Net debt	346.0	331.5
Cash and cash equivalents, including unutilized overdraft facilities	Mar 31 2020	Dec 31 2019
Cash and cash equivalents	48.4	55.2
Utilized bank overdraft facilities	-	-0.8
Overdraft facility granted	69.7	67.9
Cash and cash equivalents, including unutilised overdraft facilities	118.1	122.3

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 do not need to be comparable with similar performance measures used by other companies. The reconciliation basis for calculating some of these performance measures is provided on page 19 of this report.

Net Sales adjusted for currency translation

Change in net sales adjusted for exchange rate changes related to the translation of subsidiaries compared with same period in the previous year.

EBITDA

Operating profit before depreciation, amortization and impairment.

EBITDA, %

Operating profit before depreciation, amortization 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 and provisions for pensions less cash and cash equivalents.

Cash and cash equivalents, including unutilized overdraft facilities

Cash/bank balances and bank overdraft facility granted, less overdraft facility utilized.

Financial information

The interim report for January–June 2020 will be published on July 16 2020.

The interim report for January–September 2020 will be published on October 20 2020.

The year-end report for 2020 will be published on February 24 2021.

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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.

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