

INTERIM REPORT JANUARY – JUNE 2024

Reporting period January – June

- Net sales increased 4.6 per cent to SEK 12,731 (12,165) million. Organically, net sales declined 3.9 per cent.
- EBITA increased 2.5 per cent to SEK 2,886 (2,817) million.
- The EBITA margin amounted to 22.7 (23.2) per cent.
- Profit before tax declined 2.6 per cent to SEK 2,175 (2,233) million.
- Net profit for the period decreased 2.9 per cent to SEK 1,615 (1,663) million.
- Earnings per share declined 2.8 per cent to SEK 3.50 (3.60).
- Cash flow from operating activities increased 12.9 per cent to SEK 1,721 (1,524) million.
- Three new businesses were consolidated during the period with total annual net sales of about SEK 880 million.

Reporting period April – June

- Net sales increased 8.4 per cent to SEK 6,725 (6,206) million. Organically, net sales declined 0.1 per cent.
- EBITA increased 8.1 per cent to SEK 1,608 (1,487) million.
- The EBITA margin amounted to 23.9 (24.0) per cent.
- Profit before tax increased 5.0 per cent to SEK 1,234 (1,176) million.
- Net profit for the period increased 5.0 per cent to SEK 914 (870) million.
- Cash flow from operating activities increased 37.5 per cent to SEK 1,090 (793) million.

Summary of financial performance

SEK million	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR 2023
	2024	2023	change	2024	2023	change	change		
Net sales	12,731	12,165	4.6%	6,725	6,206	8.4%	25,019	2.3%	24,454
EBITA	2,886	2,817	2.5%	1,608	1,487	8.1%	5,733	1.2%	5,664
EBITA margin	22.7%	23.2%	-0.5	23.9%	24.0%	-0.1	22.9%	-0.3	23.2%
Profit before tax	2,175	2,233	-2.6%	1,234	1,176	5.0%	4,316	-1.3%	4,374
Net profit for the period	1,615	1,663	-2.9%	914	870	5.0%	3,275	-1.5%	3,323
Earnings per share	3.50	3.60	-2.8%	1.98	1.88	5.3%	7.10	-1.5%	7.21
Return on capital employed	21.6%	22.6%	-1.0	21.6%	22.6%	-1.0	21.6%	-1.0	22.6%
Return on capital employed excl. goodwill	134%	133%	1.0	134%	133%	1.0	134%	-5.0	139%

COMMENTS FROM THE CEO

Net sales increased 4.6 per cent during the first half of the year to SEK 12,731 (12,165) million as the result of acquisitions. During the six-month period, the organic decrease was 3.9 per cent due to a continued weak market situation in Demolition & Tools and parts of Systems Solutions.

In the second quarter, net sales increased 8.4 per cent to SEK 6,725 (6,206) with an organic decrease of 0.1 per cent. The positive development in the second quarter is due to acquisitions and good organic growth in Dental, which is partly due to Easter occurring in the first quarter, as well as organic growth in parts of Systems Solutions. The continued weak market situation in Demolition & Tools had a negative impact.

EBITA increased 2.5 per cent in the first half of the year to SEK 2,886 (2,817) million as the result of acquisitions. The EBITA margin declined 0.5 percentage points to 22.7 (23.2) per cent, negatively impacted by a decline in organic sales and earnings were therefore weaker in Demolition & Tools.

During the second quarter, EBITA increased by 8.1 per cent to SEK 1,608 (1,487) million as a result of acquisitions and good organic growth in Dental thanks to the positive Easter effect and organic growth in parts of Systems Solutions. Within Dental and Demolition & Tools, we saw a positive mix effect in the second quarter, i.e. better net sales development in companies with higher margins.

Earnings per share decreased 2.8 per cent to SEK 3.50 (3.60) during the first six months of the year, mainly due to higher interest expenses. Cash flow from operating activities increased 12.9 per cent to SEK 1,721 (1,524) million as a result of a decline in tied-up capital.

During the first half of the year, Lifco consolidated both the Italian companies Brevetti Montolit and CFR, as well as the Cardel Group in the UK. Brevetti Montolit has been consolidated into Demolition & Tools, and CFR and Cardel Group into Systems Solutions. The companies are highly specialised and together have sales of about SEK 880 million.

Lifco's financial position remains good and interest-bearing net debt amounted to 1.3 times EBITDA at 30 June 2024, which is well in line with our target of interest-bearing net debt of a maximum of three times EBITDA and means that Lifco possesses the financial scope to make additional acquisitions.



Per Waldemarson
President and CEO

GROUP PERFORMANCE IN JANUARY – JUNE

Net sales increased 4.6 per cent to SEK 12,731 (12,165) million. Acquisitions contributed 8.1 per cent and exchange rate changes had a positive impact on net sales of 0.4 per cent. As a result of the continued weak market situation in Demolition & Tools and part of Systems Solutions, organic net sales declined 3.9 per cent. The Italian companies Brevetti Montolit and CFR, as well as the Cardel Group in the UK, were consolidated during the period.

EBITA increased 2.5 per cent to SEK 2,886 (2,817) million, and the EBITA margin declined 0.5 percentage points to 22.7 (23.2) per cent. EBITA was negatively impacted by a decline in organic sales and earnings were therefore weaker in Demolition & Tools, while acquisitions in all business areas had a positive impact. Foreign exchange gains had a positive impact on EBITA of 0.4 per cent. During the period, 45 (44) per cent of EBITA was generated in EUR, 18 (21) per cent in SEK, 14 (10) per cent in GBP, 12 (11) per cent in NOK, 4 (5) per cent in DKK, 4 (4) per cent in USD and 4 (5) per cent in other currencies.

Net financial items were SEK -230 (-151) million, negatively impacted primarily by higher interest expenses.

Profit before tax decreased 2.6 per cent to SEK 2,175 (2,233) million and net profit for the period declined 2.9 per cent to SEK 1,615 (1,663) million.

Average capital employed excluding goodwill increased SEK 230 million during the period to SEK 4,291 million at 30 June 2024, compared with SEK 4,088 million at 31 December 2023. EBITA in relation to average capital employed excluding goodwill declined during the period to 134 per cent, from 139 per cent at year-end.

The Group's net debt increased SEK 1,282 million from 31 December 2023 to SEK 11,915 million at 30 June 2024, of which liabilities related to put/call options for acquisitions increased SEK 27 million since year-end to SEK 2,632 million. Interest-bearing net debt increased by SEK 1,248 million since year-end and amounted to SEK 8,097 million at 30 June 2024.

The Group has bonds outstanding totalling SEK 4,000 million. In addition to bonds, Lifco has standard short-term credit facilities.

The net debt/equity ratio at 30 June 2024 was 0.7 and was unchanged compared to 31 December 2023. Net debt in relation to EBITDA increased to 1.9 times from 1.7 times at 31 December 2023. Interest-bearing net debt in relation to EBITDA increased to 1.3 times from 1.1 times at the end of the year. At period-end, 37 (39) per cent of the Group's interest-bearing liabilities were denominated in EUR.

Cash flow from operating activities during the period increased 12.9 per cent to SEK 1,721 (1,524) million in the first half of the year. Cash flow from investing activities was SEK -1,231 (-2,142) million, which was mainly attributable to acquisitions.

GROUP PERFORMANCE IN THE SECOND QUARTER

Net sales increased 8.4 per cent to SEK 6,725 (6,206) million in the second quarter. Acquisitions contributed 7.9 per cent, exchange rate changes had a positive impact on net sales of 0.6 per cent and the organic decline amounted to 0.1. The positive development in the second quarter is due to acquisitions and good organic growth in Dental, which is partly due to Easter occurring in the first quarter, as well as organic growth in parts of Systems Solutions. The continued weak market situation in Demolition & Tools had a negative impact.

EBITA increased 8.1 per cent to SEK 1,608 (1,487) million, and the EBITA margin decreased 0.1 percentage points to 23.9 (24.0) per cent. EBITA was positively impacted by acquisitions and good organic growth in Dental thanks to the positive Easter effect as well as organic growth in parts of Systems Solutions. Within Dental and Demolition & Tools, a positive mix effect also contributed, i.e. better net sales development in companies with higher margins. Foreign exchange gains had a positive impact on EBITA of 0.6 per cent. During the second quarter, 44 (44) per cent of EBITA was generated in EUR, 18 (19) per cent in SEK, 14 (11) per cent in GBP, 12 (11) per cent in NOK, 4 (4) per cent in USD, 4 (4) per cent in DKK and 4 (6) per cent in other currencies.

Net financial items were SEK -127 (-86) million, negatively impacted primarily by higher interest expenses.

Profit before tax increased 5.0 per cent, totalling SEK 1,234 (1,176) million. Net profit for the period increased 5.0 per cent to SEK 914 (870) million.

Average capital employed excluding goodwill increased by SEK 94 million to SEK 4,291 million at 30 June 2024, compared with SEK 4,197 million at 31 March 2024. EBITA relative to average capital employed excluding goodwill amounted to 134 per cent at 30 June 2024 and was unchanged compared to 31 March 2024.

From 31 March 2024, the Group's net debt increased SEK 1,692 million to SEK 11,915 million. At the Annual General Meeting on 24 April 2024, the dividend for the 2023 financial year was set at SEK 2.10 (1.80) per share. The total dividend to shareholders for the 2023 financial year was SEK 953.9 (817.6) million, and was paid out on 2 May 2024.

Cash flow from operating activities increased 37.5 per cent to SEK 1,090 (793) million. Cash flow from investing activities was SEK -1,045 (-763) million, which was mainly attributable to acquisitions.

FINANCIAL PERFORMANCE – BUSINESS AREAS

Dental

SEK million	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	2024	2023	change	change		2023
Net sales	3,208	3,029	5.9%	1,639	1,504	9.0%	6,209	3.0%	6,030
EBITA	691	630	9.7%	364	302	20.4%	1,309	4.9%	1,248
EBITA margin	21.5%	20.8%	0.7	22.2%	20.1%	2.1	21.1%	0.4	20.7%

The companies in Lifco's Dental business area are leading suppliers of consumables, equipment and technical service to dentists across Europe, and the business area also has operations in the US. Lifco sells dental technology to dentists in the Nordic countries and Germany, and develops and sells medical record systems in Denmark, Sweden and Germany. The business area also includes a number of manufacturers which produce, inter alia, fitting products for dentures, disinfectants, saliva ejectors, bite registration and dental impression materials, bonding agents and other consumables that are sold to dentists through distributors around the world.

Net sales in Dental increased by 5.9 per cent to SEK 3,208 (3,029) million during the first half of the year, primarily as the result of acquisitions and organic growth. Net sales in the second quarters were somewhat positively impacted by the early Easter occurring in the first quarter of 2024, compared with 2023 when Easter fell in the second quarter.

EBITA increased 9.7 per cent to SEK 691 (630) million in the six-month period, and the EBITA margin increased 0.7 percentage points to 21.5 (20.8) per cent. EBITA was positively impacted by acquisitions and the organic growth. Profitability was also positively affected by a mix effect, i.e. companies with higher margins showed better net sales development.

Demolition & Tools

SEK million	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	2024	2023	change	change		2023
Net sales	3,235	3,699	-12.5%	1,744	1,889	-7.7%	6,632	-6.5%	7,097
EBITA	757	979	-22.6%	453	533	-15.0%	1,638	-11.9%	1,859
EBITA margin	23.4%	26.5%	-3.1	26.0%	28.2%	-2.2	24.7%	-1.5	26.2%

The Demolition & Tools business area develops, manufactures and sells equipment for the infrastructure, demolition and construction industries. The Group is the world's leading supplier in the markets for demolition robots and crane attachments. The Group is also one of the leading global suppliers of forest machinery and excavator attachments. The business area's EBITA margin might fluctuate between quarters due to single, major special orders and changes to the product mix.

Net sales decreased 12.5 per cent during the first half of the year to SEK 3,235 (3,699) million as the result of a continued weak market situation and thus reduced organic sales.

EBITA declined 22.6 per cent in the first half of the year to SEK 757 (979) million, and the EBITA margin decreased 3.1 percentage points to 23.4 (26.5) per cent, impacted negatively by lower organic sales while acquisitions made a positive contribution. During the second quarter, profitability was impacted by a positive mix effect, i.e. companies with higher margins showed better net sales development.

As of April 2024, the Italian company Brevetti Montolit – a niche manufacturer of high-end professional tile cutting tools and accessories – has been consolidated. The company had net sales of about EUR 18.5 million in 2023 and has 36 employees.

Systems Solutions

SEK million	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR 2023
	2024	2023	change	2024	2023	change	change		
Net sales	6,288	5,437	15.6%	3,342	2,813	18.8%	12,178	7.5%	11,328
EBITA	1,526	1,285	18.7%	838	691	21.1%	2,945	8.9%	2,704
EBITA margin	24.3%	23.6%	0.7	25.1%	24.6%	0.5	24.2%	0.3	23.9%

Through its operating units, the Systems Solutions business area operates in industries offering systems solutions. Systems Solutions is divided into five divisions: Contract Manufacturing, Environmental Technology, Infrastructure Products, Special Products and Transportation Products.

Net sales in Systems Solutions increased by 15.6 per cent to SEK 6,288 (5,437) million in the first half of the year, mainly due to acquisitions and organic growth in parts of the business area.

EBITA increased 18.7 per cent to SEK 1,526 (1,285) million in the first half of the year, and the EBITA margin improved 0.7 percentage points to 24.3 (23.6) per cent. Acquisitions and organic growth in parts of the business area contributed to the increased EBITA.

Contract Manufacturing reported higher net sales over the six-month period, with improved profitability.

Environmental Technology reported a healthy performance in net sales and somewhat improved profitability in the first six months of the year as a result of acquisitions.

Infrastructure Products reported lower net sales over the six-month period, with lower profitability, mainly as a result of weaker market conditions in the construction segment.

Special Products reported a strong net sales trend in the first six months of the year with improved profitability as a result of acquisitions.

Transportation Products reported a favourable net sales trend during the six-month period, with stable profitability as a result of organic growth and acquisitions.

The Italian company CFR – a niche manufacturer of electric drive systems for industrial applications – has been consolidated into the Transportation Products division as of April 2024. The company had a turnover of around EUR 38.5 million in 2023 and has 100 employees. UK Cardel Group – a global niche provider of lamination plates for products with high quality requirements such as ID, bank and SIM cards – has been consolidated into the Contract Manufacturing division as of June 2024. The company had a turnover of around GBP 16.5 million in 2023 and has 74 employees.

ACQUISITIONS

Lifco made the following consolidations in the first six months of the year:

Consolidated from month	Acquisitions	Business area	Net sales	Employees
April	Brevetti Montolit	Demolition & Tools	EUR 18.5 m	36
April	CFR	Systems Solutions	EUR 38.5 m	100
June	Cardel Group	Systems Solutions	GBP 16.5 m	74

Further information on the acquisitions is provided on page 16. The figures for net sales and number of employees refer to estimated annual net sales and the number of employees at the acquisition date.

Taken together, the acquisitions will have a positive impact on Lifco's results and financial position in the current year.

OTHER INFORMATION

Employees

The average number of employees was 6,851 (6,710) in the first half of the year. At the end of the period, the number of employees was 7,079 (6,788). About 210 employees joined the company through acquisitions in the first six months of the year.

Events after the end of the reporting period

Consolidation of the Dutch company Eurosteel into Business Area Demolition & Tools is expected to take place in the third quarter of 2024. Eurosteel is a niche manufacturer of attachments and tools for excavators and wheel loaders as well as other construction machinery. The company reported net sales of about EUR 16.8 million in 2023 and has 49 employees. The acquisition, which comprised a majority of the shares, was announced on 27 June 2024.

Consolidation of the Danish company Pro-Dental into Business Area Dental is expected to take place in the third quarter of 2024. Pro-Dental is a dental laboratory that manufactures prosthetics for Danish dentists. The company reported net sales of about DKK 17 million in 2023 and has twelve employees. The acquisition, which comprised all of the shares, was announced on 24 June 2024.

Related party transactions

No significant transactions with related parties took place during the period.

2024 Annual General Meeting

The 2024 Annual General Meeting was held on 24 April in Stockholm. The main resolutions of the Meeting were as follows:

- The dividend for the 2023 financial year was set at SEK 2.10 per share. The record date for the right to a dividend was set at 26 April, with the payment date at 2 May 2024.
- Carl Bennet, Ulrika Dellby, Dan Frohm, Erik Gabrielson, Ulf Grunander, Caroline af Ugglas, Axel Wachtmeister and Per Waldemarson were re-elected members of the Board. Anna Hallberg was elected as a new member of the Board. Carl Bennet was re-elected Chairman of the Board.
- The AGM re-elected the accounting firm Öhrlings PricewaterhouseCoopers AB as auditor for the period until the end of the 2025 AGM. The auditor-in-charge is Cecilia Andrén Dorselius.
- Fees for the Board and auditors were adopted.
- The Board of Directors' remuneration report was approved.

Risks and uncertainties

The risk factors which have the biggest impact for Lifco are global macroeconomic factors, the competitive situation, structural changes in the market and general level of economic activity. Lifco is also exposed to financial risks, including currency risks, interest rate risks, credit and counterparty risks.

Lifco is working actively to monitor and continually evaluate sustainability-related risks and their impact on the Group's operations and earnings. The Group has established a governance structure that involves both Group management and the Board and works to continually improve the company's sustainability-related activities and minimise related risks. As part of this governance, Group management evaluates the compliance of, for example, the Code of Conduct, occupational injuries, IT security and legal disputes, for every subsidiary on a quarterly basis.

The Parent Company is affected by the above risks and uncertainties in its capacity as owner of the subsidiary companies. For further information on Lifco's risks and risk management, see the 2023 Annual Report.

Accounting policies

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. In respect of the Parent Company, the report has been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. The accounting policies have been applied in accordance with those which are presented in the 2023 Annual Report and should be read in conjunction with these. The total figures in the tables and calculations do not always add up due to rounding differences. The aim is for each row to correspond to its original source and as such, rounding differences can affect the total figures.

This report has not been examined by the company's auditors.

DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors and Chief Executive Officer warrant and declare that this six-month report gives a true and fair view of the Parent Company's and Group's operations, financial positions and results, and that it describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Enköping, 12 July 2024

Carl Bennet
Chairman of the Board

Ulrika Dellby
Director

Dan Frohm
Vice Chairman

Erik Gabrielson
Director

Ulf Grunander
Director

Anna Hallberg
Director

Anders Lindström
Director, employee
representative

Tobias Nordin
Director, employee
representative

Caroline af Ugglas
Director

Axel Wachtmeister
Director

Per Waldemarson
President and CEO, Director

FINANCIAL CALENDAR

The report for the third quarter will be published on 22 October.

The year-end report and the report for the fourth quarter will be published on 31 January 2025.

The Annual Report and Sustainability Report 2024 will be published in March 2025.

FURTHER INFORMATION

Media and investor relations: Åse Lindskog, ir@lifco.se, telephone: +46 730 24 48 72.

ONLINE PRESENTATION

An online presentation with Per Waldemarson, CEO, and Therése Hoffman, CFO, will take place on Friday, 12 July at 9:00 a.m. CEST. The presentation can be listened to online or by calling in to the telephone conference. Questions can be asked at the telephone conference.

Link to the presentation: <https://ir.financialhearings.com/lifco-q2-report-2024>

If you wish to participate at the telephone conference, you can register using the link below. Following registration, you will receive a telephone number and a conference ID to log in to the conference.

Link to register for the telephone conference:

<https://conference.financialhearings.com/teleconference/?id=50048555>

LIFCO IN BRIEF

Lifco offers a safe haven for small and medium-sized businesses. Lifco's business concept is to acquire and develop market-leading niche businesses with the potential to deliver sustainable earnings growth and robust cash flows. Lifco is guided by a clear philosophy centred on long-term growth, a focus on profitability and a strongly decentralised organisation. The Group has three business areas: Dental, Demolition & Tools and Systems Solutions. At year-end, the Lifco Group consisted of 233 operating companies in 31 countries. In 2023, Lifco reported EBITA of SEK 5.7 billion on net sales of SEK 24.5 billion. The EBITA margin was 23.2 per cent. Read more at lifco.se.

This information constitutes information that Lifco AB is required to publish under the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication through the aforementioned contact person on 12 July 2024, at 7:30 a.m. CEST.

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	SIX MONTHS			SECOND QUARTER			FULL YEAR 2023
	2024	2023	change	2024	2023	change	
Net sales	12,731	12,165	4.6%	6,725	6,206	8.4%	24,454
Cost of goods sold	-7,065	-6,832	3.4%	-3,721	-3,482	6.8%	-13,637
Gross profit	5,665	5,333	6.2%	3,004	2,724	10.3%	10,817
Selling expenses	-1,403	-1,287	9.0%	-701	-623	12.5%	-2,645
Administrative expenses	-1,770	-1,594	11.1%	-891	-812	9.7%	-3,252
Development costs	-121	-91	33.2%	-66	-45	44.2%	-196
Other income and expenses	34	23	51.0%	14	18	-24.3%	28
Operating profit	2,405	2,384	0.9%	1,361	1,262	7.9%	4,753
Net financial items	-230	-151	52.8%	-127	-86	48.1%	-379
Profit before tax	2,175	2,233	-2.6%	1,234	1,176	5.0%	4,374
Tax	-560	-570	-1.6%	-320	-306	4.9%	-1,051
Net profit for the period	1,615	1,663	-2.9%	914	870	5.0%	3,323
Profit attributable to:							
Parent Company shareholders	1,589	1,637	-3.0%	900	855	5.1%	3,274
Non-controlling interests	26	26	-1.3%	14	15	-1.7%	49
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders	3.50	3.60	-2.8%	1.98	1.88	5.3%	7.21
EBITA	2,886	2,817	2.5%	1,608	1,487	8.1%	5,664
Depreciation of tangible assets	326	276	18.4%	168	147	14.4%	600
Amortisation of intangible assets	12	11	1.4%	6	6	3.0%	24
Amortisation of intangible assets arising from acquisitions	470	398	18.1%	237	207	14.2%	859

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	SIX MONTHS			SECOND QUARTER			FULL YEAR 2023
	2024	2023	change	2024	2023	change	
Net profit for the period	1,615	1,663	-2.9%	914	870	5.0%	3,323
Other comprehensive income							
<i>Items which can later be reclassified to profit or loss:</i>							
Hedge of net investment	-75	-74	1.7%	-24	-106	-77.1%	-2
Translation differences	522	776	-32.7%	-135	735	118%	-254
Tax related to other comprehensive income	17	17	1.8%	6	24	-76.0%	1
Total comprehensive income for the period	2,079	2,382	-12.7%	761	1,523	-50.1%	3,069
Comprehensive income attributable to:							
Parent Company shareholders	2,051	2,355	-12.9%	747	1,505	-50.4%	3,024
Non-controlling interests	28	27	4.9%	14	18	-21.2%	44
	2,079	2,382	-12.7%	761	1,523	-50.1%	3,069

SEGMENT OVERVIEW

Lifco's operations are monitored and evaluated by the CEO and resources are allocated based on information from the three operating segments Dental, Demolition & Tools and Systems Solutions. The defined quantitative limits have been exceeded only by Dental and Demolition & Tools. One further operating segment, Systems Solutions, is presented. This operating segment consists of a merger of those divisions which have similar economic characteristics and which do not individually meet the defined quantitative limits. These divisions are Infrastructure Products, Contract Manufacturing, Environmental Technology, Transportation Products and Special Products.

NET SALES TO EXTERNAL CUSTOMERS

No sales are made between the segments.

SEK million	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	2024	2023	change	change	2023	
Dental	3,208	3,029	5.9%	1,639	1,504	9.0%	6,209	3.0%	6,030
Demolition & Tools	3,235	3,699	-12.5%	1,744	1,889	-7.7%	6,632	-6.5%	7,097
Systems Solutions	6,288	5,437	15.6%	3,342	2,813	18.8%	12,178	7.5%	11,328
Group	12,731	12,165	4.6%	6,725	6,206	8.4%	25,019	2.3%	24,454

Net sales by significant type of income:

SEK million	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	2024	2023	change	change	2023	
Dental products	3,208	3,029	5.9%	1,639	1,504	9.0%	6,209	3.0%	6,030
Machinery and tools	3,235	3,699	-12.5%	1,744	1,889	-7.7%	6,632	-6.5%	7,097
Infrastructure Products	904	965	-6.3%	472	486	-2.9%	1,846	-3.2%	1,907
Contract Manufacturing	1,174	1,146	2.4%	687	592	15.9%	2,240	1.3%	2,213
Environmental									
Technology	1,653	1,492	10.8%	851	744	14.3%	3,313	5.1%	3,152
Transportation Products	1,652	1,318	25.4%	870	709	22.8%	3,074	12.2%	2,740
Special Products	904	516	75.3%	462	282	64.3%	1,705	29.5%	1,316
Group	12 731	12,165	4.6%	6,725	6,206	8.4%	25,019	2.3%	24,454

EBITA

A breakdown of results by segment is made up to and including EBITA. EBITA is reconciled to profit before tax in accordance with the following table:

SEK million	SIX MONTHS			SECOND QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	2024	2023	change	change		2023
Dental	691	630	9.7%	364	302	20.4%	1,309	4.9%	1,248
Demolition & Tools	757	979	-22.6%	453	533	-15.0%	1,638	-11.9%	1,859
Systems Solutions	1,526	1,285	18.7%	838	691	21.1%	2,945	8.9%	2,704
Central Group functions	-88	-77	14.5%	-46	-39	18.5%	-159	7.6%	-148
EBITA before acquisition costs	2,886	2,817	2.5%	1,608	1,487	8.1%	5,733	1.2%	5,664
Acquisition costs	-11	-35	-69.2%	-10	-18	-45.8%	-28	-47.0%	-52
EBITA	2,875	2,782	3.4%	1,598	1,469	8.8%	5,705	1.7%	5,612
Amortisation of intangible assets arising from acquisitions	-470	-398	18.1%	-237	-207	14.2%	-931	8.4%	-859
Net financial items	-230	-151	52.8%	-127	-86	48.1%	-459	21.0%	-379
Profit before tax	2,175	2,233	-2.6%	1,234	1,176	5.0%	4,316	-1.3%	4,374

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Intangible assets	23,524	21,247	21,927
Tangible assets	2,931	2,698	2,723
Financial assets	411	393	380
Inventories	4,298	4,248	3,906
Accounts receivable - trade	3,514	3,297	2,940
Current receivables	1,078	859	824
Cash and cash equivalents	1,707	1,587	1,591
TOTAL ASSETS	37,462	34,329	34,291
EQUITY AND LIABILITIES			
Equity	16,431	14,718	15,332
Non-current interest-bearing liabilities incl. pension provisions	2,859	3,364	3,337
Other non-current liabilities and provisions	5,157	4,732	5,101
Current interest-bearing liabilities	8,131	6,924	6,282
Accounts payable - trade	1,773	1,755	1,396
Other current liabilities	3,112	2,836	2,844
TOTAL EQUITY AND LIABILITIES	37,462	34,329	34,291

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to Parent Company shareholders

SEK million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Opening equity	15,212	13,238	13,238
Comprehensive income for the period	2,051	2,355	3,024
Change in value, owner transactions	-6	-177	-233
Dividend	-954	-818	-818
Closing equity	16,304	14,598	15,212
<i>Equity attributable to:</i>			
Parent Company shareholders	16,304	14,598	15,212
Non-controlling interests	127	120	119
	16,431	14,718	15,332

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	SIX MONTHS		SECOND QUARTER		FULL YEAR
	2024	2023	2024	2023	2023
Operating activities					
Operating profit	2,405	2,384	1,361	1,262	4,753
Depreciation of right-of-use assets	149	129	76	67	276
Other non-cash items	643	520	396	262	1,212
Interest and financial items, net	-230	-151	-127	-86	-379
Tax paid	-792	-704	-367	-408	-1,343
Cash flow before changes in working capital	2,175	2,178	1,339	1,097	4,519
<i>Changes in working capital</i>					
Inventories	-235	-287	-4	-49	146
Current receivables	-278	-340	-202	34	-25
Current liabilities	60	-27	-43	-289	-182
Cash flow from operating activities	1,721	1,524	1,090	793	4,458
Business acquisitions and sales, net	-975	-1,928	-907	-655	-3,718
Net investment in tangible assets	-233	-184	-120	-104	-387
Net investment in intangible assets	-23	-30	-18	-4	-52
Cash flow from investing activities	-1,231	-2,142	-1,045	-763	-4,158
Borrowings/repayment of borrowings, net	603	1,358	1,224	650	627
Dividends paid	-954	-818	-954	-818	-818
Dividends paid to non-controlling interests	-147	-110	-127	-110	-155
Cash flow from financing activities	-498	430	143	-278	-346
Cash flow for the period	-7	-188	188	-248	-46
Cash and cash equivalents at beginning of period	1,591	1,703	1,560	1,754	1,703
Translation differences	123	72	-42	81	-67
Cash and cash equivalents at end of period	1,707	1,587	1,707	1,587	1,591

ACQUISITIONS IN 2024

Three new businesses were consolidated in the first six months of the year. The operations that were consolidated comprise the Italian companies CFR and Brevetti Montolit, as well as the Cardel Group in the UK.

The purchase price allocation includes all acquisitions consolidated during the first six months of the year.

Acquisition-related expenses of SEK 11 million are included in administrative expenses in the consolidated income statement for the first half of the year. Since the respective consolidation dates, the acquired companies have added SEK 116 million to consolidated net sales and SEK 34 million to EBITA. If the businesses had been consolidated as of 1 January 2024, consolidated net sales for the year would have increased by a further SEK 253 million and EBITA would have increased by a further SEK 76 million.

Acquired net assets

Net assets, SEK million	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	27	891	917
Tangible assets	104	-	104
Inventories, accounts receivable and other receivables	320	-11	310
Accounts payable and other liabilities ¹	-649	-238	-887
Cash and cash equivalents	322	-	322
Net assets	123	642	765
Goodwill	-	719	719
Total net assets	123	1,360	1,484

Effect on cash flow, SEK million

Consideration	1,484
Considerations not paid	-286
Cash and cash equivalents in acquired companies	-322
Consideration paid relating to acquisitions from previous years	98
Total cash flow effect	975

¹ Of which SEK 471 million refers to external interest-bearing liabilities.

FINANCIAL INSTRUMENTS

SEK million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Financial assets at amortised cost			
Accounts receivable - trade	3,514	3,297	2,940
Other non-current financial receivables	23	21	25
Cash and cash equivalents	1,707	1,587	1,591
Total	5,243	4,905	4,556
Liabilities at fair value			
Other liabilities ¹	2,632	2,259	2,605
Financial liabilities at amortised cost			
Interest-bearing borrowings	10,879	10,193	9,520
Accounts payable - trade	1,773	1,755	1,396
Total	15,284	14,207	13,521

¹ Other liabilities classified as financial instruments refer to mandatory put/call options related to non-controlling interests.

The carrying amount is the same as the fair value. Financial instruments at fair value are classified into different levels depending on how fair value is determined. All financial instruments at fair value in the Lifco Group have been classified as level 3, i.e. non-observable inputs. The fair value of short-term borrowings is equal to the carrying amount, as the discount effect is insignificant.

KEY PERFORMANCE INDICATORS

ROLLING TWELVE MONTHS TO	2024 30 JUNE	2023 31 DEC	2023 30 JUNE
Net sales, SEK million	25,019	24,454	23,187
Change in net sales, %	2.3	13.5	7.6
EBITA, SEK million	5,733	5,664	5,242
EBITA margin, %	22.9	23.2	22.6
EBITDA, SEK million	6,407	6,287	5,786
EBITDA margin, %	25.6	25.7	25.0
Capital employed, SEK million	26,486	25,007	23,162
Capital employed excl. goodwill and other intangible assets, SEK million	4,291	4,088	3,952
Return on capital employed, %	21.6	22.6	22.6
Return on capital employed excl. goodwill, %	134	139	133
Return on equity, %	20.6	22.4	22.6
Net debt, SEK million	11,915	10,633	10,960
Net debt/equity ratio	0.7	0.7	0.7
Net debt/EBITDA	1.9	1.7	1.9
Interest-bearing net debt, SEK million	8,097	6,849	7,532
Interest-bearing net debt/EBITDA	1.3	1.1	1.3
Equity/assets ratio, %	43.9	44.7	42.9
Number of shares, thousands	454,216	454,216	454,216
Average number of employees	6,851	6,753	6,710

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	SIX MONTHS		SECOND QUARTER		FULL YEAR
	2024	2023	2024	2023	2023
Administrative expenses	-70	-64	-34	-31	-113
Other operating income ¹	-	—	-	—	67
Operating profit	-70	-64	-34	-31	-46
Net financial items ²	1,907	1,444	1,918	1,396	1,626
Profit/loss after financial items	1,837	1,380	1,884	1,365	1,580
Appropriations	-	—	-	—	389
Tax	46	16	1	19	-42
Net profit for the period	1,883	1,396	1,885	1,384	1,927

¹ Invoicing of Group-wide services.

² Net financial items include SEK 1,891 (1,461) million in dividends received during the six-month period.

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Financial assets	9,517	8,192	8,318
Current receivables	11,402	9,695	10,415
Cash and cash equivalents	375	271	469
TOTAL ASSETS	21,294	18,158	19,203
EQUITY AND LIABILITIES			
Equity	5,688	4,228	4,759
Untaxed reserves	-	114	—
Provisions	6	—	12
Non-current interest-bearing liabilities	1,738	2,250	2,203
Current interest-bearing liabilities	7,828	6,624	5,985
Current non-interest-bearing liabilities	6,034	4,942	6,244
TOTAL EQUITY AND LIABILITIES	21,294	18,158	19,203

DEFINITIONS AND OBJECTIVES

Return on equity	Net profit for the period divided by average equity.
Return on capital employed	EBITA before acquisition costs divided by capital employed.
Return on capital employed excluding goodwill and other intangible assets	EBITA before acquisition costs divided by capital employed excluding goodwill and other intangible assets.
EBITA	EBITA is a measure which Lifco considers relevant for investors who wish to understand the earnings generated after investments in tangible and intangible assets requiring reinvestment but before investments in intangible assets attributable to acquisitions. Lifco defines earnings before interest, tax and amortisation (EBITA) as operating profit before amortisation and impairment of intangible assets arising from acquisitions excluding acquisition costs.
EBITA margin	EBITA divided by net sales.
EBITDA	EBITDA is a measure which Lifco considers relevant for investors who wish to understand the earnings generated before investments in non-current assets. Lifco defines earnings before interest, tax, depreciation and amortisation (EBITDA) as operating profit before depreciation, amortisation and impairment of tangible and intangible assets excluding acquisition costs.
EBITDA margin	EBITDA divided by net sales.
Net debt/equity ratio	Net debt divided by equity.
Net debt	Lifco uses the alternative KPI net debt. Lifco considers that this is a useful additional KPI which allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. Lifco defines the KPI as follows: current and non-current liabilities to credit institutions, bonds, interest-bearing pension provisions, liabilities related to put/call options relating to acquisitions as well as lease liabilities less cash and cash equivalents.
Earnings per share	Profit after tax attributable to Parent Company shareholders, divided by the average number of shares outstanding.

Interest-bearing net debt

Lifco uses the alternative KPI interest-bearing net debt. Lifco considers that this is a useful additional KPI which allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. Lifco defines the KPI as follows: current and non-current liabilities to credit institutions, bonds as well as interest-bearing pension provisions less cash and cash equivalents.

Equity/assets ratio

Equity divided by total assets (balance sheet total).

Capital employed

Capital employed is a measure which Lifco uses for calculating the return on capital employed and for measuring how efficient the Group is. Lifco considers that capital employed is useful in helping users of the financial reports to understand how the Group finances itself. Lifco defines capital employed as total assets less cash and cash equivalents, interest-bearing pension provisions and non-interest-bearing liabilities with the exception of liabilities related to put/call options relating to acquisitions, calculated as the average of the last four quarters.

Capital employed excluding goodwill and other intangible assets

Capital employed excluding goodwill and other intangible assets is a measure which Lifco uses for calculating the return on capital employed and for measuring how efficient the Group is. Lifco considers that capital employed excluding goodwill and other intangible assets is useful in helping users of the financial reports to understand the impact of goodwill and other intangible assets on that capital which requires a return. Lifco defines capital employed excluding goodwill and other intangible assets as total assets less cash and cash equivalents, interest-bearing pension provisions, non-interest-bearing liabilities with the exception of liabilities related to put/call options relating to acquisitions, goodwill and other intangible assets, calculated as the average of the last four quarters.

RECONCILIATION OF ALTERNATIVE KEY PERFORMANCE INDICATORS

The interim report presents alternative key performance indicators for assessing the Group's performance. The primary alternative KPIs presented in this interim report are EBITA, EBITDA, net debt and capital employed. Definitions of the alternative KPIs are presented on pages 19–20.

EBITA compared with financial statements in accordance with IFRS

SEK million	SIX MONTHS 2024	SIX MONTHS 2023	FULL YEAR 2023
Operating profit	2,405	2,384	4,753
Amortisation of intangible assets arising from acquisitions	470	398	859
EBITA	2,875	2,782	5,612
Acquisition costs	11	35	52
EBITA before acquisition costs	2,886	2,817	5,664

EBITDA compared with financial statements in accordance with IFRS

SEK million	SIX MONTHS 2024	SIX MONTHS 2023	FULL YEAR 2023
Operating profit	2,405	2,384	4,753
Depreciation of tangible assets	326	276	600
Amortisation of intangible assets	12	11	24
Amortisation of intangible assets arising from acquisitions	470	398	859
EBITDA	3,213	3,069	6,235
Acquisition costs	11	35	52
EBITDA before acquisition costs	3,224	3,104	6,287

Net debt compared with financial statements in accordance with IFRS

SEK million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current interest-bearing liabilities including pension provisions	1,960	2,465	2,432
Current interest-bearing liabilities	7,844	6,654	6,008
Cash and cash equivalents	-1,707	-1,587	-1,591
Interest-bearing net debt	8,097	7,532	6,849
Put/call options	2,632	2,259	2,605
Lease liability	1,186	1,169	1,179
Net debt	11,915	10,960	10,633

Capital employed and capital employed excluding goodwill and other intangible assets compared with financial statements in accordance with IFRS

SEK million	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
Total assets	37,462	35,521	34,291	33,711
Cash and cash equivalents	-1,707	-1,560	-1,591	-1,560
Interest-bearing pension provisions	-110	-103	-98	-102
Non-interest-bearing liabilities	-7,410	-7,033	-6,736	-7,029
Capital employed	28,235	26,825	25,866	25,020
Goodwill and other intangible assets	-23,524	-22,383	-21,927	-20,948
Capital employed excluding goodwill and other intangible assets	4,711	4,441	3,939	4,072

Capital employed and capital employed excluding goodwill and other intangible assets calculated as the average of the last four quarters compared with financial statements in accordance with IFRS

SEK million	Average	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Capital employed	26,486	28,235	26,825	25,866	25,020
Capital employed excluding goodwill and other intangible assets	4,291	4,711	4,441	3,939	4,072
EBITA	Summa 5,733	1,608	1,278	1,492	1,355
Return on capital employed	21.6%				
Return on capital employed excluding goodwill and other intangible assets	134%				