

INTERIM REPORT JANUARY–MARCH 2024

Reporting period January – March

- Net sales increased 0.8 per cent to SEK 6,006 (5,959) million. Organically, net sales declined 7.8 per cent.
- EBITA decreased 3.9 per cent to SEK 1,278 (1,330) million.
- The EBITA margin declined 1.0 percentage point to 21.3 (22.3) per cent.
- Profit before tax declined 11.0 per cent to SEK 941 (1,057) million.
- Net profit for the period decreased 11.6 per cent to SEK 701 (793) million.
- Earnings per share declined 11.6 per cent to SEK 1.52 (1.72).
- Cash flow from operating activities decreased 13.6 per cent to SEK 631 (731) million.

Summary of financial performance

SEK million	FIRST QUARTER			Rolling 12 months		FULL YEAR 2023
	2024	2023	change	change		
Net sales	6,006	5,959	0.8%	24,500	0.2%	24,454
EBITA	1,278	1,330	-3.9%	5,613	-0.9%	5,664
EBITA margin	21.3%	22.3%	-1.0	22.9%	-0.3	23.2%
Profit before tax	941	1,057	-11.0%	4,257	-2.7%	4,374
Net profit for the period	701	793	-11.6%	3,231	-2.8%	3,323
Earnings per share	1.52	1.72	-11.6%	7.00	-2.9%	7.21
Return on capital employed	21.7%	22.8%	-1.1	21.7%	-0.9	22.6%
Return on capital employed excl. goodwill	134%	134%	0.1	134%	-4.8	139%

COMMENTS FROM THE CEO

Net sales increased 0.8 per cent during the quarter to SEK 6,006 (5,959) million, primarily as the result of acquisitions. In the quarter, organic net sales declined 7.8 per cent due to a weak market situation in Demolition & Tools and parts of Systems Solutions.

EBITA declined 3.9 per cent in the first quarter, to SEK 1,278 (1,330) million, and the EBITA margin declined 1.0 percentage point to 21.3 (22.3) per cent. EBITA was negatively impacted by a decline in organic sales and earnings were therefore weaker, primarily in Demolition & Tools, while acquisitions in all business areas had a positive impact. Dental was somewhat negatively impacted by the early Easter occurring in the first quarter of 2024 compared with 2023 when Easter fell in the second quarter.

Earnings per share declined 11.6% till SEK 1.52 (1.72) in the first quarter. Cash flow from operating activities decreased 13.6 per cent in the quarter to SEK 631 (731) million.

In March, we announced the acquisition of two Italian companies, Brevetti Montolit and CFR, which are expected to be consolidated in Demolition & Tools and Systems Solutions, respectively, in the second quarter of 2024. The companies are highly specialised and together have sales of about SEK 660 million.

In February, Lifco issued two unsecured bonds totalling SEK 1,000 million, and thereby has bonds outstanding totalling SEK 4,000 million. Lifco's financial position remains good and interest-bearing net debt amounted to 1.0 time EBITDA at 31 March 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 – MARCH

Net sales increased 0.8 per cent to SEK 6,006 (5,959) million. Acquisitions contributed 8.4 per cent and exchange rate changes had a positive impact on net sales of 0.2 per cent. As a result of the weak market situation in Demolition & Tools and part of Systems Solutions, organic growth amounted to -7.8 per cent.

EBITA declined 3.9 per cent to SEK 1,278 (1,330) million and the EBITA margin declined 1.0 percentage point to 21.3 (22.3) per cent. EBITA was negatively impacted by a decline in organic sales and earnings were therefore weaker, primarily in Demolition & Tools, while acquisitions in all business areas had a positive impact. Foreign exchange gains had a positive impact on EBITA of 0.2 per cent. During the period, 45 (44) per cent of EBITA was generated in EUR, 18 (23) per cent in SEK, 14 (8) per cent in GBP, 12 (10) per cent in NOK, 4 (6) per cent in DKK, 3 (4) per cent in USD and 3 (5) per cent in other currencies.

Net financial items were SEK -104 (-65) million, negatively impacted primarily by higher interest expenses.

Profit before tax declined 11.0 per cent to SEK 941 (1,057) million. Net profit for the period decreased 11.6 per cent to SEK 701 (793) million.

Average capital employed excluding goodwill increased by SEK 109 million during the quarter, to SEK 4,197 million at 31 March 2024, compared with SEK 4,088 million at 31 December 2023. EBITA in relation to average capital employed excluding goodwill declined during the quarter to 134 per cent from 139 per cent at year-end.

The Group's net debt declined by SEK 410 million from 31 December 2023 to SEK 10,222 million at 31 March 2024, of which liabilities related to put/call options for acquisitions declined by SEK 114 million to SEK 2,490 million from SEK 2,605 million at the end of the year. Interest-bearing net debt declined by SEK 312 million during the quarter to SEK 6,537 million at 31 March 2024, compared with SEK 6,849 million at 31 December 2023.

On 21 February 2024, Lifco issued two unsecured bonds totalling SEK 1,000 million under its MTN programme, and thereby has bonds outstanding totalling SEK 4,000 million. In addition to bonds outstanding, Lifco has standard short-term credit facilities.

The net debt/equity ratio at 31 March 2023 was 0.6 compared with 0.7 at the end of the year, and net debt/EBITDA was 1.6 times compared with 1.7 at the end of the year. Interest-bearing net debt in relation to EBITDA was 1.0 time compared to 1.1 times at the end of the year. At period-end, 40 per cent of the Group's interest-bearing liabilities were denominated in EUR, compared with 41 per cent at the end of the year.

Cash flow from operating activities amounted to SEK 631 (731) million. Cash flow from investing activities was SEK -186 (-1,379) million, which was mainly attributable to investments in tangible assets.

FINANCIAL PERFORMANCE – BUSINESS AREAS

Dental

SEK million	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	change		2023
Net sales	1,568	1,525	2.8%	6,073	0.7%	6,030
EBITA	327	328	-0.3%	1,247	-0.1%	1,248
EBITA margin	20.9%	21.5%	-0.6	20.5%	-0.2	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 2.8 per cent to SEK 1,568 million (1,525) during the first quarter as the result of acquisitions. Net sales was somewhat negatively impacted by the early Easter occurring in the first quarter of 2024 compared with 2023 when Easter fell in the second quarter.

EBITA decreased 0.3 per cent to SEK 327 (328) million during the period and the EBITA margin decreased 0.6 of a percentage point to 20.9 (21.5) per cent.

Demolition & Tools

SEK million	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	change		2023
Net sales	1,491	1,810	-17.6%	6,778	-4.5%	7,097
EBITA	305	446	-31.6%	1,718	-7.6%	1,859
EBITA margin	20.5%	24.6%	-4.1	25.3%	-0.9	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 of 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 may fluctuate between quarters due to single, major special orders and changes to the product mix.

Net sales declined 17.6 per cent during the quarter to SEK 1,491 (1,810) million as the result of a weak market situation and a decline in organic sales as a result.

EBITA decreased 31.6 per cent to SEK 305 (446) million and the EBITA margin decreased 4.1 percentage points to 20.5 (24.6) per cent, negatively impacted by lower organic sales, while acquisitions had a positive impact.

Systems Solutions

SEK million	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	change		2023
Net sales	2,946	2,624	12.3%	11,650	2.8%	11,328
EBITA	689	594	16.0%	2,799	3.5%	2,704
EBITA margin	23.4%	22.6%	0.8	24.0%	0.1	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 12.3 per cent to SEK 2,946 (2,624) million during the quarter on the back of acquisitions.

EBITA increased during the period by 16.0 per cent to SEK 689 (594) million and the EBITA margin increased 0.8 of a percentage point to 23.4 (22.6) per cent. Acquisitions and organic earnings growth contributed to the increased EBITA.

Contract Manufacturing reported lower sales in the quarter with unchanged profitability.

Environmental Technology reported a healthy sales and profitability trend in the quarter as a result of acquisitions.

Infrastructure Products reported lower sales in the quarter with a decline in profitability.

Special Products reported a strong sales trend in the quarter with improved profitability as a result of acquisitions.

Transportation Products reported a favourable sales trend in the quarter with improved profitability as a result of acquisitions and organic growth.

ACQUISITIONS

Lifco did not consolidate any acquisitions in the first quarter of 2024.

OTHER INFORMATION

Employees

The average number of employees was 6,879 (6,583) in the first quarter. At the end of the period, the number of employees was 6,887 (6,694).

Events after the end of the reporting period

Consolidation of the Italian company CFR is expected to take place in the second quarter of 2024 in the Systems Solutions business area, division Transportation Products. CFR is a niche manufacturer of electric drive systems for industrial applications. CFR had a turnover of about EUR 38.5 million in 2023 and has 100 employees. The acquisition, which comprised the majority of the shares, was announced on 26 March 2024.

Consolidation of the Italian company Brevetti Montolit is expected to take place in the second quarter of 2024 in the Demolition & Tools business area. Brevetti Montolit is a niche manufacturer of high-end professional tile cutting tools and accessories. Brevetti Montolit had a turnover of about EUR 18.5 million in 2023 and has 36 employees. The acquisition, which comprised the majority of the shares, was announced on 28 March 2024.

Related party transactions

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

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 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 report for the first quarter 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, 24 April 2024

Carl Bennet
Chairman of the Board

Ulrika Dellby
Director

Annika Espander
Director

Dan Frohm
Vice Chairman

Erik Gabrielson
Director

Ulf Grunander
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 second quarter of 2024 will be published on 12 July.

The report for the third quarter of 2024 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 Wednesday, 24 April 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-q1-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=50048554>

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 www.lifco.se.

This information constitutes information that Lifco AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the aforementioned contact person on 24 April 2024, at 7.30 a.m. CEST.

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	FIRST QUARTER			FULL YEAR 2023
	2024	2023	change	
Net sales	6,006	5,959	0.8%	24,454
Cost of goods sold	-3,344	-3,350	-0.2%	-13,637
Gross profit	2,661	2,609	2.0%	10,817
Selling expenses	-702	-664	5.7%	-2,645
Administrative expenses	-880	-782	12.5%	-3,252
Development costs	-56	-46	21.7%	-196
Other income and expenses	21	5	320%	28
Operating profit	1,044	1,122	-7.0%	4,753
Net financial items	-104	-65	60.0%	-379
Profit before tax	941	1,057	-11.0%	4,374
Tax	-240	-264	-9.1%	-1,051
Net profit for the period	701	793	-11.6%	3,323
Profit attributable to:				
Parent Company shareholders	689	782	-11.9%	3,274
Non-controlling interests	11	11	0.0%	49
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders	1.52	1.72	-11.6%	7.21
EBITA	1,278	1,330	-3.9%	5,664
Depreciation of tangible assets	158	129	22.5%	600
Amortisation of intangible assets	6	5	20.0%	24
Amortisation of intangible assets arising from acquisitions	233	191	22.0%	859

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	FIRST QUARTER			FULL YEAR 2023
	2024	2023	change	
Net profit for the period	701	793	-11.6%	3,323
Other comprehensive income				
<i>Items which can later be reclassified to profit or loss:</i>				
Hedge of net investment	-51	32	-259%	-2
Translation differences	657	41	1,502%	-254
Tax related to other comprehensive income	11	-7	-257%	1
Total comprehensive income for the period	1,319	859	53.6%	3,069
<i>Comprehensive income attributable to:</i>				
Parent Company shareholders	1,305	850	53.5%	3,024
Non-controlling interests	14	9	55.6%	44
	1,319	859	53.6%	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	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	change		2023
Dental	1,568	1,525	2.8%	6,073	0.7%	6,030
Demolition & Tools	1,491	1,810	-17.6%	6,778	-4.5%	7,097
Systems Solutions	2,946	2,624	12.3%	11,650	2.8%	11,328
Group	6,006	5,959	0.8%	24,501	0.2%	24,454

Net sales by significant type of income:

SEK million	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	change		2023
Dental products	1,568	1,525	2.8%	6,073	0.7%	6,030
Machinery and tools	1,491	1,810	-17.6%	6,778	-4.5%	7,097
Infrastructure Products	432	479	-9.8%	1,860	-2.5%	1,907
Contract Manufacturing	487	554	-12.1%	2,146	-3.0%	2,213
Environmental Technology	802	748	7.2%	3,206	1.7%	3,152
Transportation Products	783	609	28.6%	2,914	6.4%	2,740
Special Products	442	234	88.9%	1,524	15.8%	1,316
Group	6,006	5,959	0.8%	24,501	0.2%	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	FIRST QUARTER			Rolling 12 months		FULL YEAR
	2024	2023	change	change		2023
Dental	327	328	-0.3%	1,247	-0.1%	1,248
Demolition & Tools	305	446	-31.6%	1,718	-7.6%	1,859
Systems Solutions	689	594	16.0%	2,799	3.5%	2,704
Central Group functions	-42	-38	10.5%	-152	2.7%	-148
EBITA before acquisition costs	1,278	1,330	-3.9%	5,612	-0.9%	5,664
Acquisition costs	-1	-17	-94.1%	-36	-30.8%	-52
EBITA	1,278	1,313	-2.7%	5,576	-0.6%	5,612
Amortisation of intangible assets arising from acquisitions	-233	-191	22.0%	-901	4.9%	-859
Net financial items	-104	-65	60.0%	-418	10.3%	-379
Profit before tax	941	1,057	-11.0%	4,257	-2.7%	4,374

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Intangible assets	22,383	19,553	21,927
Tangible assets	2,825	2,547	2,723
Financial assets	389	364	380
Inventories	4,217	3,965	3,906
Accounts receivable - trade	3,260	3,209	2,940
Current receivables	887	729	824
Cash and cash equivalents	1,560	1,754	1,591
TOTAL ASSETS	35,521	32,121	34,291
EQUITY AND LIABILITIES			
Equity	16,705	14,180	15,332
Non-current interest-bearing liabilities incl. pension provisions	3,628	2,564	3,337
Other non-current liabilities and provisions	4,991	4,269	5,101
Current interest-bearing liabilities	5,665	6,647	6,282
Accounts payable - trade	1,742	1,773	1,396
Other current liabilities	2,790	2,688	2,844
TOTAL EQUITY AND LIABILITIES	35,521	32,121	34,291

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to Parent Company shareholders

SEK million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Opening equity	15,212	13,238	13,238
Comprehensive income for the period	1,305	850	3,024
Change in value, owner transactions	55	-18	-233
Dividend	-	-	-818
Closing equity	16,572	14,070	15,212
<i>Equity attributable to:</i>			
Parent Company shareholders	16,572	14,070	15,212
Non-controlling interests	133	110	119
	16,705	14,180	15,332

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	FIRST QUARTER		FULL YEAR
	2024	2023	2023
Operating activities			
Operating profit	1,044	1,122	4,753
Depreciation of right-of-use assets	73	62	276
Other non-cash items	248	258	1,212
Interest and financial items, net	-104	-65	-379
Tax paid	-426	-296	-1,343
Cash flow before changes in working capital	836	1,081	4,519
<i>Changes in working capital</i>			
Inventories	-231	-238	146
Current receivables	-76	-374	-25
Current liabilities	103	262	-182
Cash flow from operating activities	631	731	4,458
Business acquisitions and sales, net	-68	-1,273	-3,718
Net investment in tangible assets	-112	-80	-387
Net investment in intangible assets	-6	-26	-52
Cash flow from investing activities	-186	-1,379	-4,158
Borrowings/repayment of borrowings, net	-621	708	627
Dividends paid	-	-	-818
Dividends paid to non-controlling interests	-20	-	-155
Cash flow from financing activities	-641	708	-346
Cash flow for the period	-195	60	-46
Cash and cash equivalents at beginning of period	1,591	1,703	1,703
Translation differences	165	-9	-67
Cash and cash equivalents at end of period	1,560	1,754	1,591

FINANCIAL INSTRUMENTS

SEK million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Financial assets at amortised cost			
Accounts receivable - trade	3,260	3,209	2,940
Other non-current financial receivables	23	17	25
Cash and cash equivalents	1,560	1,754	1,591
Total	4,843	4,980	4,556
Liabilities at fair value			
Other liabilities ¹	2,490	2,013	2,605
Financial liabilities at amortised cost			
Interest-bearing borrowings	9,189	9,121	9,520
Accounts payable - trade	1,742	1,773	1,396
Total	13,422	12,907	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 31 MAR	2023 31 DEC	2023 31 MAR
Net sales, SEK million	24,500	24,454	22,489
Change in net sales, %	0.2	13.5	4.3
EBITA, SEK million	5,613	5,664	4,976
EBITA margin, %	22.9	23.2	22.1
EBITDA, SEK million	6,265	6,287	5,479
EBITDA margin, %	25.6	25.7	24.4
Capital employed, SEK million	25,823	25,007	21,778
Capital employed excl. goodwill and other intangible assets, SEK million	4,197	4,088	3,724
Return on capital employed, %	21.7	22.6	22.8
Return on capital employed excl. goodwill, %	134	139	134
Return on equity, %	20.9	22.4	23.1
Net debt, SEK million	10,222	10,633	9,469
Net debt/equity ratio	0.6	0.7	0.7
Net debt/EBITDA	1.6	1.7	1.7
Interest-bearing net debt, SEK million	6,537	6,849	6,347
Interest-bearing net debt/EBITDA	1.0	1.1	1.2
Equity/assets ratio, %	47.0	44.7	44.1
Number of shares, thousands	454,216	454,216	454,216
Average number of employees	6,879	6,753	6,583

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	FIRST QUARTER		FULL YEAR
	2024	2023	2023
Administrative expenses	-37	-33	-113
Other operating income ¹	0	0	67
Operating loss	-37	-33	-46
Net financial items	-11	48	1,626
Profit/loss after financial items	-47	15	1,580
Appropriations	-	-	389
Tax	45	-3	-42
Net profit/loss for the period	-2	12	1,927

¹ Invoicing of Group-wide services.

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Financial assets	8,578	7,792	8,318
Current receivables	9,883	9,029	10,415
Cash and cash equivalents	416	578	469
TOTAL ASSETS	18,878	17,399	19,203
EQUITY AND LIABILITIES			
Equity	4,757	3,661	4,759
Untaxed reserves	-	114	-
Provisions	4	0	12
Non-current interest-bearing liabilities	2,492	1,500	2,203
Current interest-bearing liabilities	5,358	6,361	5,985
Current non-interest-bearing liabilities	6,267	5,763	6,244
TOTAL EQUITY AND LIABILITIES	18,878	17,399	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 16–17.

EBITA compared with financial statements in accordance with IFRS

SEK million	THREE MONTHS 2024	THREE MONTHS 2023	FULL YEAR 2023
Operating profit	1,044	1,122	4,753
Amortisation of intangible assets arising from acquisitions	233	191	859
EBITA	1,278	1,313	5,612
Acquisition costs	1	17	52
EBITA before acquisition costs	1,278	1,330	5,664

EBITDA compared with financial statements in accordance with IFRS

SEK million	THREE MONTHS 2024	THREE MONTHS 2023	FULL YEAR 2023
Operating profit	1,044	1,122	4,753
Depreciation of tangible assets	158	129	600
Amortisation of intangible assets	6	5	24
Amortisation of intangible assets arising from acquisitions	233	191	859
EBITDA	1,442	1,447	6,235
Acquisition costs	1	17	52
EBITDA before acquisition costs	1,442	1,464	6,287

Net debt compared with financial statements in accordance with IFRS

SEK million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Non-current interest-bearing liabilities including pension provisions	2,719	1,711	2,432
Current interest-bearing liabilities	5,379	6,390	6,008
Cash and cash equivalents	-1,560	-1,754	-1,591
Interest-bearing net debt	6,537	6,347	6,849
Put/call options, additional considerations	2,490	2,013	2,605
Lease liability	1,195	1,109	1,179
Net debt	10,222	9,469	10,633

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

SEK million	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Total assets	35,521	34,291	33,711	34,329
Cash and cash equivalents	-1,560	-1,591	-1,560	-1,587
Interest-bearing pension provisions	-103	-98	-102	-95
Non-interest-bearing liabilities	-7,033	-6,736	-7,029	-7,064
Capital employed	26,825	25,866	25,020	25,583
Goodwill and other intangible assets	-22,383	-21,927	-20,948	-21,247
Capital employed excluding goodwill and other intangible assets	4,441	3,939	4,072	4,336

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	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Capital employed	25,823	26,825	25,866	25,020	25,583
Capital employed excluding goodwill and other intangible assets	4,197	4,441	3,939	4,072	4,336
EBITA	Total 5,613	1,278	1,492	1,355	1,487
Return on capital employed	21.7%				
Return on capital employed excluding goodwill and other intangible assets	134%				