

## YEAR-END REPORT 2023

### Reporting period January – December

- Net sales increased 13.5 per cent to SEK 24,454 (21,552) million. Organic growth amounted to 0.0 per cent.
- EBITA increased 21.5 per cent to SEK 5,664 (4,662) million.
- The EBITA margin improved 1.6 percentage points to 23.2 (21.6) per cent.
- Profit before tax grew 13.8 per cent to SEK 4,374 (3,842) million.
- Net profit for the period grew 17.5 per cent to SEK 3,323 (2,828) million.
- Earnings per share increased 17.6 per cent till SEK 7.21 (6.13).
- Cash flow from operating activities increased 45.3 per cent to SEK 4,458 (3,069) million.
- 18 new businesses were consolidated during the year with assessed total annual net sales of about SEK 2,260 million at the time they were acquired.
- Dividend per share is proposed at SEK 2.10 (1.80) per share, corresponding to SEK 953.9 (817.6) million.

### Reporting period October – December

- Net sales increased 7.3 per cent to SEK 6,439 (6,002) million. Organically, net sales declined 5.1 per cent.
- EBITA increased 12.9 per cent to SEK 1,492 (1,322) million.
- The EBITA margin improved 1.2 percentage points to 23.2 (22.0) per cent.
- Profit before tax grew 3.5 per cent to SEK 1,120 (1,082) million.
- Net profit for the period grew 19.7 per cent to SEK 907 (758) million.
- Cash flow from operating activities decreased 2.4 per cent to SEK 1,501 (1,538) million.

### Summary of financial performance

SEK million	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Net sales	24,454	21,552	13.5%	6,439	6,002	7.3%
EBITA	5,664	4,662	21.5%	1,492	1,322	12.9%
EBITA margin	23.2%	21.6%	1.6	23.2%	22.0%	1.2
Profit before tax	4,374	3,842	13.8%	1,120	1,082	3.5%
Net profit for the period	3,323	2,828	17.5%	907	758	19.7%
Earnings per share	7.21	6.13	17.6%	1.97	1.65	19.4%
Return on capital employed	22.6%	22.6%	-	22.6%	22.6%	-
Return on capital employed excl. goodwill	139%	135%	3.2	139%	135%	3.2

## COMMENTS FROM THE CEO

Lifco's primary goal is to increase its earnings every year through organic growth as well as acquisitions. Sales in 2023 increased 13.5 per cent to SEK 24,454 (21,552) million as a result of acquisitions and positive exchange rate effects. Due to a weaker market situation in Demolition & Tools the organic growth was 0.0 per cent during the year. In the fourth quarter, organic net sales declined 5.1 per cent due to the weaker market situation in Demolition & Tools and parts of Systems Solutions.

During the year, EBITA increased by 21.5 per cent to SEK 5,664 (4,662) million and the EBITA margin improved 1.6 percentage points to 23.2 (21.6) per cent. Acquisitions, organic earnings growth and exchange rate effects contributed to the increased EBITA.

Earnings per share during the year increased 17.6 per cent till SEK 7.21 (6.13). The effective tax rate was lower than normal due to the revaluation of pension obligations secured by endowment policies, which resulted in a higher deferred tax asset.

Cash flow from operating activities increased 45.3 per cent to SEK 4,458 (3,069) million during the year as a result of a decline in tied-up capital.

During the year, Lifco consolidated 18 acquisitions, of which six in the Dental business area, three in Demolition & Tools and nine in Systems Solutions. The acquisitions comprise five British, five German, three Italian, two Danish, one Swedish, one Dutch and one Norwegian company. The companies are highly specialised and market leaders in their respective niches. The acquisitions had a net positive impact on Lifco's results and financial position during the year.

Lifco has a loan framework of SEK 8 billion in its MTN programme and bonds outstanding totalling SEK 4,000 million. Lifco's financial position remains solid and interest-bearing net debt amounted to 1.1 times EBITDA at 31 December 2023, 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 – DECEMBER

Net sales increased 13.5 per cent to SEK 24,454 (21,552) million. Acquisitions contributed 10.0 per cent and foreign exchange gains had a positive impact of 4.4 per cent. Due to a weaker market situation in Demolition & Tools the organic growth amounted to 0.0 per cent. The divestment in May 2022 of the Estonian company Hekotek had a negative impact on net sales of 0.9 per cent in 2023.

During the year, 18 new businesses were consolidated with assessed total annual net sales of about SEK 2,260 million at the time they were acquired.

EBITA increased by 21.5 per cent to SEK 5,664 (4,662) million and the EBITA margin expanded by 1.6 percentage points to 23.2 (21.6) per cent. Acquisitions and organic earnings growth contributed to the increased EBITA. Foreign exchange gains had a positive impact on EBITA of 4.2 per cent. During the period, 43 (41) per cent of EBITA was generated in EUR, 21 (24) per cent in SEK, 11 (8) per cent in GBP, 10 (12) per cent in NOK, 5 (6) per cent in DKK, 4 (4) per cent in USD and 5 (5) per cent in other currencies.

Net financial items were SEK -379 (-111) million, negatively impacted primarily by higher interest expenses.

Profit before tax grew 13.8 per cent to SEK 4,374 (3,842) million. Net profit for the period grew 17.5 per cent to SEK 3,323 (2,828) million.

Average capital employed excluding goodwill increased by SEK 644 million during the year, to SEK 4,088 million at 31 December 2023, compared with SEK 3,444 million at 31 December 2022. EBITA relative to average capital employed excluding goodwill was at 139 per cent at year-end and increased by 3.2 percentage points during the year.

The Group's net debt increased by SEK 2,057 million from 31 December 2022 to SEK 10,633 million at 31 December 2023, of which liabilities related to put/call options for acquisitions increased SEK 659 million to SEK 2,605 million. Interest-bearing net debt increased during the year by SEK 1,259 million to SEK 6,849 million at 31 December 2023.

On 27 July 2023, Lifco updated its MTN programme, increasing the framework amount from SEK 6 billion to SEK 8 billion. The MTN programme allows Lifco to issue bonds in the Swedish market. On 28 August 2023, Lifco issued two unsecured bonds totalling SEK 750 million, 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 December 2023 was 0.7, an increase from 0.6 at 31 December 2022. Net debt/EBITDA was 1.7 (1.7) and interest-bearing net debt/EBITDA was 1.1 (1.1) times at 31 December 2023. At the end of 2023, 41 (62) per cent of the Group's interest-bearing liabilities were denominated in EUR.

Cash flow from operating activities increased 45.3 per cent to SEK 4,458 (3,069) million during the year. The lower cash flow in the preceding year was due primarily to increased inventory build-up as the result of high demand and disruptions to the global supply chain that led to requirements for

greater safety stock. Cash flow from investing activities was SEK -4,158 (-2,717) million, which was mainly attributable to acquisitions.

## GROUP PERFORMANCE IN THE FOURTH QUARTER

Sales increased by 7.3 per cent to SEK 6,439 (6,002) million in the fourth quarter. Acquisitions contributed 9.9 per cent and foreign exchange gains had a positive impact of 2.5 per cent. Due to a weaker market situation in Demolition & Tools and parts of Systems Solutions the organic growth decreased 5.1 per cent.

EBITA increased by 12.9 per cent to SEK 1,492 (1,322) million, driven by acquisitions and exchange rate effects. Foreign exchange gains had a positive impact on EBITA of 2.2 per cent. The EBITA margin improved 1.2 percentage points to 23.2 (22.0) per cent. During the fourth quarter, 42 (38) per cent of EBITA was generated in EUR, 24 (28) per cent in SEK, 11 (8) per cent in GBP, 11 (11) per cent in NOK, 5 (7) per cent in DKK, 3 (2) per cent in USD and 4 (6) per cent in other currencies.

Net financial items were SEK -121 (-48) million, negatively impacted primarily by higher interest expenses.

Profit before tax grew by 3.5 per cent to SEK 1,120 (1,082) million. Net profit for the period grew 19.7 per cent to SEK 907 (758) million. The effective tax rate was lower than normal due to the revaluation of pension obligations secured by endowment policies, which resulted in a higher deferred tax asset. This revaluation impacted the tax for the year by SEK -46 (47) million.

Average capital employed excluding goodwill increased by SEK 95 million, to SEK 4,088 million at 31 December 2023, compared with SEK 3,993 million at 30 September 2023. EBITA relative to average capital employed excluding goodwill increased by 1 percentage point to 139 per cent compared with 30 September 2023.

From 30 September 2023, the Group's net debt increased by SEK 627 million to SEK 10,633 million at the end of the quarter.

Cash flow from operating activities decreased 2.4 per cent to SEK 1,501 (1,538) million, primarily due to a decline in working capital. Cash flow from investing activities was SEK -1,658 (-645) million, which was mainly attributable to acquisitions.

## FINANCIAL PERFORMANCE – BUSINESS AREAS

### Dental

SEK million	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Net sales	6,030	5,295	13.9%	1,592	1,433	11.1%
EBITA	1,248	1,017	22.7%	325	271	19.9%
EBITA margin	20.7%	19.2%	1.5	20.4%	18.9%	1.5

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 13.9 per cent to SEK 6,030 (5,295) million during the year as the result of positive exchange rate effects, organic growth and acquisitions.

EBITA increased by 22.7 per cent to SEK 1,248 (1,017) million during the year and the EBITA margin expanded by 1.5 percentage points to 20.7 (19.2) per cent. In 2022, profitability in the first nine months was negatively affected following disruptions in the first quarter in the production of dental prosthetics in China due to the pandemic.

From January 2023, Doxa Dental of Sweden, which develops, manufactures and commercialises bioceramic dental products, was consolidated. The company had a turnover of approximately SEK 12 million in 2021. Assets of the German company Welte Dentallabor were consolidated from January 2023. In 2021, the company had a turnover of about EUR 1.3 million and has twelve employees. The German company Kohler Medizintechnik, which manufactures dental instruments, was consolidated from March 2023. The company had a turnover of around EUR 7 million in 2022 and has 36 employees. The German company Datamed, which develops, sells and supports a software program used by German dental clinics, was consolidated from April 2023. The company had a turnover of around EUR 2 million in 2022 and has ten employees. The Italian company Emilplastica, which is a subcontractor within the molding of plastic products for the dental and electronics industries, was consolidated from August 2023. In 2022, the company reported net sales of approximately EUR 1.7 million of which about EUR 0.6 million was generated by the Lifco company Rhein83. Emilplastica has nine employees. The British company Ortho-Care was consolidated from October 2023. Ortho-Care supplies orthodontic products to dentists in the UK and had sales of about GBP 10 million in 2022. The company has 40 employees.

## Demolition & Tools

SEK million	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Net sales	7,097	6,285	12.9%	1,729	1,767	-2.2%
EBITA	1,859	1,607	15.7%	441	445	-0.9%
EBITA margin	26.2%	25.6%	0.6	25.5%	25.2%	0.3

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 increased by 12.9 per cent during the year to SEK 7,097 (6,285) million due to acquisitions and positive exchange rate effects. Organic growth was negative for the three last quarters of the year due to a weaker market situation and lower volumes as a result.

During the year, EBITA increased by 15.7 per cent to SEK 1,859 (1,607) million, positively impacted by acquisitions and exchange rate effects. The EBITA margin improved 0.6 percentage points to 26.2 (25.6) per cent, positively impacted by the product mix and acquisitions. In the fourth quarter, net sales, EBITA and the EBITA margin were positively impacted by deliveries of special orders with high profitability.

The British company Broughton Plant Hire and Sales was consolidated from March 2023, which is a niche provider of plant hire solutions for the construction industry. The company had a turnover of around GBP 22 million in 2022 and has 100 employees. The Italian company Geax was consolidated from April 2023, which is a niche manufacturer of compact piling rigs. The company had a turnover of around EUR 15 million in 2022 and has 26 employees. The German company HGT is a niche manufacturer of attachments for material handling machines and was consolidated from October 2023. HGT had a turnover of around EUR 19 million in 2022 and has 35 employees.

## Systems Solutions

SEK million	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Net sales	11,328	9,972	13.6%	3,119	2,802	11.3%
EBITA	2,704	2,184	23.8%	760	641	18.6%
EBITA margin	23.9%	21.9%	2.0	24.4%	22.9%	1.5

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 13.6 per cent to SEK 11,328 (9,972) million during the year, primarily due to acquisitions and positive exchange rate effects. Organic growth was negative for the fourth quarter due to a weaker market situation in parts of Systems Solutions.

In 2023, EBITA increased by 23.8 per cent to SEK 2,704 (2,184) million and the EBITA margin improved by 2.0 percentage points to 23.9 (21.9) per cent. Acquisitions, organic earnings growth and exchange rate effects contributed to the increased EBITA for the full year and in the fourth quarter.

Contract Manufacturing reported a healthy sales trend and improved profitability during the year, primarily as a result of organic growth.

Environmental Technology saw good sales growth during the year with improved profitability.

Infrastructure Products reported a healthy sales trend as the result of acquisitions, but profitability declined during the year.

Sales in Special Products increased during the year, primarily due to acquisitions. Profitability improved during the year.

Sales in Transportation Products grew steadily throughout the year on the back of organic growth and acquisitions. Profitability improved during the year.

In the Transportation Products division, the British company Always Engineering was consolidated from March 2023, which is a global supplier of ball transfer units. The company had a turnover of around GBP 5.6 million in 2022 and has 41 employees. In the Transportation Products division, the British company Didsbury Engineering was also consolidated from March 2023, which is a global supplier of equipment for ground service and maintenance of aircraft. The company had a turnover of around GBP 6.5 million in 2022 and has 33 employees. In the Infrastructure Products division, the Norwegian company Aura Electric was consolidated from April 2023, which manufactures low-voltage electrical supplies. The company reported net sales of about NOK 38 million in 2022 and has ten employees. The British company The Real Spirit of Coffee, which is a supplier of high-end coffee machines and consumables, was consolidated from May 2023 in the Special Products division. The company had a turnover of around GBP 24 million in 2022 and has 66 employees. The Danish company Amayse, which is a leading global supplier of 3D advertisements for televised sporting events and stadium branding solutions, was consolidated from July 2023 in the Special Products division. The company had a turnover of around DKK 51 million in 2022 and has 21 employees. The Italian company Astro, which is a niche manufacturer of professional, high-quality and recyclable polyethylene tanks, was consolidated from September 2023 in the Special Products division. The company had a turnover of about EUR 9.1 million in 2022 and has 47 employees. The German company Kefla, which develops and distributes specialised premium glass bottles sold to various industries such as food and beverage, pharmaceuticals and cosmetics, was consolidated from October 2023 in the Special Products division. Kefla had a turnover of around EUR 33 million in the 2022/23 financial year and has 38 employees. The Dutch company Sailmakers Group, which manufactures tarpaulins, mainly for the transport sector, was consolidated from October 2023 in the Transportation Products division. The company had a turnover of about EUR 7.2 million in 2022 and has 53 employees. The Danish company Green Instruments, which is specialised in the design, development and manufacturing of systems for measuring and monitoring emissions from vessels,

was consolidated from November 2023 in the Environmental Technology division. Green Instruments had a turnover of around DKK 194 million in 2022 and has about 75 employees.

## ACQUISITIONS

Lifco made the following consolidations during the year:

Consolidated from month	Acquisitions	Business area	Net sales	Employees
January	Doxa Dental	Dental	SEK 12m <sup>1</sup>	–
January	Welte Dentallabor	Dental	SEK 1.3m <sup>1</sup>	12
March	Always Engineering	Systems Solutions	GBP 5.6m	41
March	Broughton Plant Hire and Sales	Demolition & Tools	GBP 22m	100
March	Didsbury Engineering	Systems Solutions	GBP 6.5m	33
March	Kohler Medizintechnik	Dental	EUR 7m	36
April	Aura Electric	Systems Solutions	NOK 38m	10
April	Datamed	Dental	EUR 2m	10
April	Geax	Demolition & Tools	EUR 15m	26
May	The Real Spirit of Coffee	Systems Solutions	GBP 24m	66
July	Amayse	Systems Solutions	DKK 51m	21
August	Emilplastica	Dental	EUR 1.7m <sup>2</sup>	9
September	Astro	Systems Solutions	EUR 9.1m	47
October	Kefla	Systems Solutions	EUR 33m <sup>3</sup>	38
October	Ortho-Care	Dental	GBP 10m	40
October	HGT	Demolition & Tools	EUR 19m	35
October	Sailmakers Group	Systems Solutions	EUR 7.2m	53
November	Green Instruments	Systems Solutions	DKK 194m	75

<sup>1</sup> Refers to assessed annual net sales in 2021.

<sup>2</sup> About SEK 0.6 million was generated by the Lifco company Rhein83.

<sup>3</sup> Refer to the 2022/23 financial year

Further information on the acquisitions is provided on page 17. 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 had a positive impact on Lifco's results and financial position in 2023.

## OTHER INFORMATION

### Employees

The average number of employees was 6,753 (6,495) during the year. At the end of the year, the number of employees was 6,899 (6,512). Acquisitions added about 650 employees.

### Events after the end of the reporting period

No significant events occurred after the end of the reporting period.



## Proposed dividend

The Board of Directors and Chief Executive Officer propose that the Annual General Meeting authorise the payment of a dividend of SEK 2.10 (1.80) per share for 2023, representing a total distribution of SEK 953.9 million (817.6). This is equal to 29.1 (29.4) per cent of the net profit for the year attributable to shareholders of Lifco AB. The proposed record date is 26 April 2024. Euroclear Sweden expects to be able to send the dividend to the shareholders on 2 May 2024, subject to the resolution of the Annual General Meeting.

## 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 2022 Annual Report.

## Accounting policies

The Group's year-end 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 2022 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 year-end report and report for the fourth 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, 2 February 2024**

*Carl Bennet*  
Chairman of the Board

*Ulrika Dellby*  
Director

*Dan Frohm*  
Vice Chairman

*Erik Gabrielson*  
Director

*Ulf Grunander*  
Director

*Annika Espander*  
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 Annual Report and Sustainability Report for 2023 will be published in the week beginning 18 March 2024.

The report for the first quarter of 2024 will be published on 24 April.

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.

## ANNUAL GENERAL MEETING 2024

The Annual General Meeting of Lifco AB (publ) will be held on Wednesday, 24 April 2024, at 11 a.m. CEST, at Bonnierhuset, Torsgatan 21, Stockholm. Shareholders wishing to raise an issue for discussion at the AGM may do so by submitting their proposal to the Chairman of Lifco by e-mail: [ir@lifco.se](mailto:ir@lifco.se) or by post to: Lifco AB, Attn: Bolagsstämмоärenden, Verkmästaregatan 1, SE-745 85 Enköping, Sweden. To ensure their inclusion in the notice and thus on the agenda for the AGM, proposals must be received by the Company no later than Wednesday, 6 March 2024.

## FURTHER INFORMATION

Media and investor relations: Åse Lindskog, [ir@lifco.se](mailto: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, 2 February 2024 at 9.00 a.m. CET. The presentation can be listened to online or by calling in. The presentation will be followed by a question-and-answer session.

Time: Friday, 2 February at 9:00 a.m. CET

Link to the presentation: <https://ir.financialhearings.com/lifco-q4-2023>

If you wish to ask questions verbally 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=5009153>

## 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](http://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 2 February 2024, at 7:30 a.m. CET.

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Net sales	24,454	21,552	13.5%	6,439	6,002	7.3%
Cost of goods sold	-13,637	-12,544	8.7%	-3,569	-3,440	3.8%
<b>Gross profit</b>	<b>10,817</b>	<b>9,008</b>	<b>20.1%</b>	<b>2,870</b>	<b>2,562</b>	<b>12.0%</b>
Selling expenses	-2,645	-2,256	17.2%	-696	-624	11.5%
Administrative expenses	-3,252	-2,651	22.7%	-871	-775	12.4%
Development costs	-196	-163	20.2%	-61	-47	29.8%
Other income and expenses	28	15	86.7%	-1	14	-107%
<b>Operating profit</b>	<b>4,753</b>	<b>3,953</b>	<b>20.2%</b>	<b>1,240</b>	<b>1,130</b>	<b>9.7%</b>
Net financial items	-379	-111	241%	-121	-48	152%
<b>Profit before tax</b>	<b>4,374</b>	<b>3,842</b>	<b>13.8%</b>	<b>1,120</b>	<b>1,082</b>	<b>3.5%</b>
Tax	-1,051	-1,014	3.6%	-212	-324	-34.6%
<b>Net profit for the period</b>	<b>3,323</b>	<b>2,828</b>	<b>17.5%</b>	<b>907</b>	<b>758</b>	<b>19.7%</b>
<b>Profit attributable to:</b>						
Parent Company shareholders	3,274	2,784	17.6%	894	751	19.0%
Non-controlling interests	49	44	11.4%	13	7	85.7%
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders	7.21	6.13	17.6%	1.97	1.65	19.4%
<b>EBITA</b>	<b>5,664</b>	<b>4,662</b>	<b>21.5%</b>	<b>1,492</b>	<b>1,322</b>	<b>12.9%</b>
Depreciation of tangible assets	600	454	32.2%	169	130	30.0%
Amortisation of intangible assets	24	24	-	7	9	-22.2%
Amortisation of intangible assets arising from acquisitions	859	673	27.6%	237	179	32.4%

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Net profit for the period	3,323	2,828	17.5%	907	758	19.7%
<b>Other comprehensive income</b>						
<i>Items which can later be reclassified to profit or loss:</i>						
Hedge of net investment	-2	-79	-97.5%	71	-20	-455%
Translation differences	-254	856	-130%	-663	134	-595%
Tax related to other comprehensive income	1	16	-93.8%	-15	4	-475%
<b>Total comprehensive income for the period</b>	<b>3,069</b>	<b>3,621</b>	<b>-15.2%</b>	<b>300</b>	<b>876</b>	<b>-65.8%</b>
<i>Comprehensive income attributable to:</i>						
Parent Company shareholders	3,024	3,569	-15.3%	292	868	-66.4%
Non-controlling interests	44	52	-15.4%	8	8	-
	<b>3,069</b>	<b>3,621</b>	<b>-15.2%</b>	<b>300</b>	<b>876</b>	<b>-65.8%</b>

## 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. Until 31 December 2022, these divisions were Construction Materials, Contract Manufacturing, Environmental Technology, Service and Distribution and Forest. From the first quarter of 2023, a partially new distribution of the divisions was reported. The change means that the Service and Distribution division is divided into the Transportation Products and Special Products divisions. Operations in the Forest division have been relocated to the Special Products division. The Construction Materials division has changed name to Infrastructure Products to clearly clarify the companies' direction. Net sales for the Systems Solutions business area by type of income per quarter and total 2022 can be found in the interim report for the first quarter of 2023.

## NET SALES TO EXTERNAL CUSTOMERS

No sales are made between the segments.

SEK million	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Dental	6,030	5,295	13.9%	1,592	1,433	11.1%
Demolition & Tools	7,097	6,285	12.9%	1,729	1,767	-2.2%
Systems Solutions	11,328	9,972	13.6%	3,119	2,802	11.3%
<b>Group</b>	<b>24,454</b>	<b>21,552</b>	<b>13.5%</b>	<b>6,439</b>	<b>6,002</b>	<b>7.3%</b>

Net sales by type of income:

SEK million	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Dental products	6,030	5,295	13.9%	1,592	1,433	11.1%
Machinery and tools	7,097	6,285	12.9%	1,729	1,767	-2.2%
Infrastructure Products	1,907	1,604	18.9%	494	483	2.3%
Contract Manufacturing	2,213	2,034	8.8%	562	614	-8.5%
Environmental Technology	3,152	2,903	8.6%	875	865	1.2%
Transportation Products	2,740	2,336	17.3%	737	594	24.1%
Special Products	1,316	1,095	20.2%	450	246	82.9%
<b>Group</b>	<b>24,454</b>	<b>21,552</b>	<b>13.5%</b>	<b>6,439</b>	<b>6,002</b>	<b>7.3%</b>

## 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	TWELVE MONTHS			FOURTH QUARTER		
	2023	2022	change	2023	2022	change
Dental	1,248	1,017	22.7%	325	271	19.9%
Demolition & Tools	1,859	1,607	15.7%	441	445	-0.9%
Systems Solutions	2,704	2,184	23.8%	760	641	18.6%
Central Group functions	-148	-146	1.4%	-34	-35	-2.9%
<b>EBITA before acquisition costs</b>	<b>5,664</b>	<b>4,662</b>	<b>21.5%</b>	<b>1,492</b>	<b>1,322</b>	<b>12.9%</b>
Acquisition costs	-52	-36	44.4%	-14	-13	7.7%
<b>EBITA</b>	<b>5,612</b>	<b>4,626</b>	<b>21.3%</b>	<b>1,478</b>	<b>1,309</b>	<b>12.9%</b>
Amortisation of intangible assets arising from acquisitions	-859	-673	27.6%	-237	-179	32.4%
Net financial items	-379	-111	241%	-121	-48	152%
<b>Profit before tax</b>	<b>4,374</b>	<b>3,842</b>	<b>13.8%</b>	<b>1,120</b>	<b>1,082</b>	<b>3.5%</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>		
Intangible assets	21,927	18,286
Tangible assets	2,723	2,364
Financial assets	380	365
Inventories	3,906	3,682
Accounts receivable - trade	2,940	2,853
Current receivables	824	518
Cash and cash equivalents	1,591	1,703
<b>TOTAL ASSETS</b>	<b>34,291</b>	<b>29,771</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	15,332	13,339
Non-current interest-bearing liabilities incl. pension provisions	3,337	1,725
Other non-current liabilities and provisions	5,101	4,053
Current interest-bearing liabilities	6,282	6,608
Accounts payable - trade	1,396	1,449
Other current liabilities	2,844	2,597
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,291</b>	<b>29,771</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attributable to Parent Company shareholders

SEK million	31 Dec 2023	31 Dec 2022
<b>Opening equity</b>	13,238	10,645
Comprehensive income for the period	3,024	3,569
Change in value, owner transactions	-233	-295
Dividend	-818	-681
<b>Closing equity</b>	<b>15,212</b>	<b>13,238</b>
<i>Equity attributable to:</i>		
Parent Company shareholders	15,212	13,238
Non-controlling interests	119	101
	<b>15,332</b>	<b>13,339</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	TWELVE MONTHS		FOURTH QUARTER	
	2023	2022	2023	2022
<b>Operating activities</b>				
Operating profit	4,753	3,953	1,240	1,130
Depreciation of right-of-use assets	276	211	76	59
Other non-cash items	1,212	940	373	259
Interest and financial items, net	-379	-111	-121	-48
Tax paid	-1,343	-911	-452	-265
<b>Cash flow before changes in working capital</b>	<b>4,519</b>	<b>4,082</b>	<b>1,117</b>	<b>1,135</b>
<i>Changes in working capital</i>				
Inventories	146	-737	424	290
Current receivables	-25	-429	154	135
Current liabilities	-182	153	-193	-22
<b>Cash flow from operating activities</b>	<b>4,458</b>	<b>3,069</b>	<b>1,501</b>	<b>1,538</b>
Business acquisitions and sales, net	-3,718	-2,399	-1,524	-524
Net investment in tangible assets	-387	-249	-115	-73
Net investment in intangible assets	-52	-69	-19	-48
<b>Cash flow from investing activities</b>	<b>-4,158</b>	<b>-2,717</b>	<b>-1,658</b>	<b>-645</b>
Borrowings/repayment of borrowings, net	627	540	340	-481
Dividends paid	-818	-681	–	–
Dividends paid to non-controlling interests	-155	-167	-36	-54
<b>Cash flow from financing activities</b>	<b>-346</b>	<b>-308</b>	<b>304</b>	<b>-535</b>
<b>Cash flow for the period</b>	<b>-46</b>	<b>44</b>	<b>147</b>	<b>358</b>
Cash and cash equivalents at beginning of period	1,703	1,509	1,560	1,368
Translation differences	-67	150	-117	-23
<b>Cash and cash equivalents at end of period</b>	<b>1,591</b>	<b>1,703</b>	<b>1,591</b>	<b>1,703</b>



## ACQUISITIONS IN 2023

During 2023, 18 new businesses were consolidated. The five British companies Always Engineering, Broughton Plant Hire and Sales, Didsbury Engineering, Ortho-Care and The Real Spirit of Coffee, the four German companies Datamed, HGT, Kefla and Kohler Medizintechnik, the three Italian companies Astro, Emilplastica and Geax, the two Danish companies Amayse and Green Instruments, the Norwegian company Aura Electric, the Swedish company Doxa Dental and the Dutch company Sailmakers Group were consolidated. Assets of the German company Welte Dentallabor were also consolidated.

The purchase price allocation includes all acquisitions consolidated in 2023.

Acquisition-related expenses of SEK 52 million are included in administrative expenses in the consolidated income statement for 2023. Since the respective consolidation dates, the acquired companies have added SEK 1,203 million to consolidated net sales and SEK 362 million to EBITA. If the businesses had been consolidated as of 1 January 2023, consolidated net sales for the year would have increased by a further SEK 1,145 million and EBITA would have increased by a further SEK 297 million.

### Acquired net assets

Net assets, SEK million	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	35	2,581	2,616
Tangible assets	174	–	174
Inventories, accounts receivable and other receivables	803	-18	784
Accounts payable and other liabilities	-630	-689	-1,319
Cash and cash equivalents	264	–	264
<b>Net assets</b>	<b>646</b>	<b>1,873</b>	<b>2,520</b>
Goodwill	–	2,080	2,080
<b>Total net assets</b>	<b>646</b>	<b>3,953</b>	<b>4,599</b>

### Effect on cash flow, SEK million

Consideration	4,599
Considerations not paid	-644
Cash and cash equivalents in acquired companies	-264
Consideration paid relating to acquisitions from previous years	27
<b>Total cash flow effect</b>	<b>3,718</b>

## FINANCIAL INSTRUMENTS

SEK million	31 Dec 2023	31 Dec 2022
<b>Financial assets at amortised cost</b>		
Accounts receivable - trade	2,940	2,853
Other non-current financial receivables	25	15
Cash and cash equivalents	1,591	1,703
<b>Total</b>	<b>4,556</b>	<b>4,571</b>
<b>Liabilities at fair value</b>		
Other liabilities <sup>1</sup>	2,605	1,946
<b>Financial liabilities at amortised cost</b>		
Interest-bearing borrowings	9,520	8,263
Accounts payable - trade	1,396	1,449
<b>Total</b>	<b>13,521</b>	<b>11,658</b>

<sup>1</sup> 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

	2023 31 DEC	2022 31 DEC
Net sales, SEK million	24,454	21,552
Change in net sales, %	13.5	23.3
EBITA, SEK million	5,664	4,662
EBITA margin, %	23.2	21.6
EBITDA, SEK million	6,287	5,140
EBITDA margin, %	25.7	23.8
Capital employed, SEK million	25,007	20,668
Capital employed excl. goodwill and other intangible assets, SEK million	4,088	3,444
Return on capital employed, %	22.6	22.6
Return on capital employed excl. goodwill, %	139	135
Return on equity, %	22.4	23.1
Net debt, SEK million	10,633	8,576
Net debt/equity ratio	0.7	0.6
Net debt/EBITDA	1.7	1.7
Interest-bearing net debt, SEK million	6,849	5,590
Interest-bearing net debt/EBITDA, times	1.1	1.1
Equity/assets ratio, %	44.7	44.8
Number of shares, thousands	454,216	454,216
Average number of employees	6,753	6,495

## CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	TWELVE MONTHS		FOURTH QUARTER	
	2023	2022	2023	2022
Administrative expenses	-113	-120	-20	-29
Other operating income <sup>1</sup>	67	63	68	63
<b>Operating profit</b>	<b>-46</b>	<b>-57</b>	<b>48</b>	<b>34</b>
Net financial items <sup>2</sup>	1,626	501	132	3
<b>Profit after financial items</b>	<b>1,580</b>	<b>444</b>	<b>180</b>	<b>37</b>
Appropriations	389	-8	389	-8
Tax	-42	8	-78	-6
<b>Net profit for the period</b>	<b>1,927</b>	<b>444</b>	<b>490</b>	<b>23</b>

<sup>1</sup> Invoicing of Group-wide services.

<sup>2</sup> Net financial items include SEK 1,461 (476) million in dividends received during the twelve-month period.

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>		
Financial assets	8,318	6,892
Current receivables	10,415	8,618
Cash and cash equivalents	469	587
<b>TOTAL ASSETS</b>	<b>19,203</b>	<b>16,097</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	4,759	3,649
Untaxed reserves	-	114
Provisions	12	-
Non-current interest-bearing liabilities	2,203	750
Current interest-bearing liabilities	5,985	6,302
Current non-interest-bearing liabilities	6,244	5,282
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,203</b>	<b>16,097</b>

## DEFINITIONS AND OBJECTIVES

<b>Return on equity</b>	Net profit for the period divided by average equity.
<b>Return on capital employed</b>	EBITA before acquisition costs divided by capital employed.
<b>Return on capital employed excluding goodwill and other intangible assets</b>	EBITA before acquisition costs divided by capital employed excluding goodwill and other intangible assets.
<b>EBITA</b>	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.
<b>EBITA margin</b>	EBITA divided by net sales.
<b>EBITDA</b>	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.
<b>EBITDA margin</b>	EBITDA divided by net sales.
<b>Net debt/equity ratio</b>	Net debt divided by equity.
<b>Net debt</b>	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.
<b>Earnings per share</b>	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 20–21.

### *EBITA compared with financial statements in accordance with IFRS*

SEK million	TWELVE MONTHS 2023	TWELVE MONTHS 2022
<b>Operating profit</b>	4,753	3,953
Amortisation of intangible assets arising from acquisitions	859	673
<b>EBITA</b>	<b>5,612</b>	<b>4,626</b>
Acquisition costs	52	36
<b>EBITA before acquisition costs</b>	<b>5,664</b>	<b>4,662</b>

### *EBITDA compared with financial statements in accordance with IFRS*

SEK million	TWELVE MONTHS 2023	TWELVE MONTHS 2022
<b>Operating profit</b>	4,753	3,953
Depreciation of tangible assets	600	454
Amortisation of intangible assets	24	24
Amortisation of intangible assets arising from acquisitions	859	673
<b>EBITDA</b>	<b>6,235</b>	<b>5,104</b>
Acquisition costs	52	36
<b>EBITDA before acquisition costs</b>	<b>6,287</b>	<b>5,140</b>

### *Net debt compared with financial statements in accordance with IFRS*

SEK million	31 Dec 2023	31 Dec 2022
Non-current interest-bearing liabilities including pension provisions	2,432	920
Current interest-bearing liabilities	6,008	6,373
Cash and cash equivalents	-1,591	-1,703
<b>Interest-bearing net debt</b>	<b>6,849</b>	<b>5,590</b>
Put/call options	2,605	1,946
Lease liability	1,179	1,040
<b>Net debt</b>	<b>10,633</b>	<b>8,576</b>

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

SEK million	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Total assets</b>	<b>34,291</b>	<b>33,711</b>	<b>34,329</b>	<b>32,121</b>
Cash and cash equivalents	-1,591	-1,560	-1,587	-1,754
Interest-bearing pension provisions	-98	-102	-95	-90
Non-interest-bearing liabilities	-6,736	-7,029	-7,064	-6,717
<b>Capital employed</b>	<b>25,866</b>	<b>25,020</b>	<b>25,583</b>	<b>23,560</b>
Goodwill and other intangible assets	-21,927	-20,948	-21,247	-19,553
<b>Capital employed excluding goodwill and other intangible assets</b>	<b>3,939</b>	<b>4,072</b>	<b>4,336</b>	<b>4,007</b>

**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	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Capital employed	<b>25,007</b>	25,866	25,020	25,583	23,560
Capital employed excluding goodwill and other intangible assets	<b>4,089</b>	3,939	4,072	4,336	4,007
<b>Total</b>	<b>5,664</b>	1,492	1,355	1,487	1,330
<b>EBITA</b>	<b>5,664</b>	1,492	1,355	1,487	1,330
<b>Return on capital employed</b>	<b>22.6%</b>				
<b>Return on capital employed excluding goodwill and other intangible assets</b>	<b>139%</b>				