

Q2 2023 INTERIM REPORT

SEK 269.8 million

The Group's net sales increased to SEK 269.8 (233.1) million in the second quarter of 2023

SEK 30.1 million

The Group's operating profit decreased to SEK 30.1 (37.8) million in the second quarter of 2023



Q2 2023 INTERIM REPORT

April – June 2023

- Net sales for the second quarter amounted to **SEK 269.8 million**, an increase of 15.8 percent compared to the same quarter last year. Net sales in local currencies increased by **9.5 percent**.
- Operating profit amounted to **SEK 30.1 million**, corresponding to an operating margin of **11.2 percent**.
- Profit after net financial items amounted to **SEK 13.7 million**. Net financial items were negatively affected by exchange rate differences of SEK -8.6 (3.6) million and totaled SEK -16.4 (1.1) million.
- Cash flow from operating activities was **SEK 34.6 million**, and SEK 2.0 (-3.8) million after investments.
- Earnings per share amounted to **SEK 1.16** (3.68).

January – June 2023

- Net sales for the first half of the year amounted to **SEK 537.0 million**, an increase of 25.6 percent compared to the same period last year. Net sales in local currencies increased by **18.6 percent**.
- Operating profit amounted to **SEK 74.5 million**, corresponding to an operating margin of **13.9 percent**.
- Profit after net financial items amounted to **SEK 44.5 million**. Net financial items were negatively affected by exchange rate differences of SEK -13.2 (4.4) million and totaled SEK -30.0 (1.6) million.
- Cash flow from operating activities was **SEK 47.7 million**, and SEK -15.8 (-23.8) million after investments.
- Earnings per share amounted to **SEK 4.07** (6.53).

Key performance indicators	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul-Jun 2022/23	Jan-Dec 2022
Net sales, SEK million	269.8	233.1	537.0	427.6	997.9	888.5
Growth, %	15.8	28.8	25.6	21.4	24.9	22.8
Operating profit before depreciation and amortization (EBITDA), SEK million	47.2	53.7	108.7	98.4	199.4	189.1
Operating profit before depreciation and amortization (EBITDA), %	17.5	23.0	20.2	23.0	20.0	21.3
Operating profit (EBIT), SEK million	30.1	37.8	74.5	67.0	129.9	122.4
Operating profit (EBIT), %	11.2	16.2	13.9	15.7	13.0	13.8
Profit after financial items, SEK million	13.7	38.8	44.5	68.6	75.0	99.1
Profit after tax, SEK million	9.4	29.7	32.9	52.7	55.2	75.1
Undiluted and diluted profit per share, SEK	1.16	3.68	4.07	6.53	6.84	9.30
Cash flow from operating activities, SEK million	34.6	26.4	47.7	34.7	121.3	108.3
Net debt, SEK million			319.2	302.0		277.5

CEO COMMENTS ON Q2

Elos Medtech turned 100 years as a company in June, and we do that with a continued strong growth and an expanded customer base. In the second quarter we have arranged a series of events to celebrate with both customers and employees, and our 100 years celebration will continue throughout the year. I want to thank everyone who have contributed and continue to contribute to Elos Medtech successes. In the last century we have demonstrated the ability to drive innovation, combining state-of-the-art manufacturing facilities, advanced technology, and stringent quality standards to deliver high-quality products for millions of patients. As we now enter our second century, we remain committed to operating sustainably and to expanding our global presence through organic and non-organic growth.

In the second quarter, net sales rose to SEK 270 million, which is a growth of 15.8 percent. The exchange rate has contributed positively to this result. The growth in constant currency in the second quarter amounts to 9.5 percent and derives from all business areas.

The Orthopedics business area shows growth in local currency of 9.9 percent and continued to report a good volume growth. The increase of output is fueled by the machine and personnel investments made during recent years. The business area Dental report the highest growth in 4 quarters. Total growth in local currency for the Dental business area is 8.4 percent. Our own proprietary products, in particular the Elos Accurate® range for digital workflow for prosthetic implantation, are driving the growth, albeit to a somewhat lower extent than during the first quarter. Our own products have grown 14.7 percent in this quarter compared to 18.3 percent in the first quarter of 2023. Unfortunately, higher production-related costs, but also depreciations due to higher investments, continue to put pressure on the business gross margin. For the Life Science business area, we continue to see good growth of 10.3 percent in local currency. This is slightly lower than the growth in the first quarter, which was positively affected by inventory build-up for some of our customers. The total growth of the business area Life Science is powered by both injection molding medical polymer products and manufactured metal components.

Despite higher sales volume and positive currency effects we see a decline in the gross profit margin compared to last year. The decline mainly relates to negative product mix in the quarter as well as increased cost levels driven by general inflation and wage increases. Also, our overhead costs are higher driven by currency effects, strategical initiative with higher consulting costs and costs in connection to our 100 year's celebration to engage employees and customers. The operating profit in the quarter amounts to SEK 30.1 million with an operating margin of 11.2 percent.

On April 14, Elos Medtech signed a supplemental agreement with a global medical technology customer to provide an additional CNY 90 million in annual production output. These increased production volumes will however not be reached until the end of 2025. The additional volume will be manufactured at our Tianjin site and is intended for the Chinese market. To meet the increased volumes, we have committed to invest approximately CNY 50 million in production equipment over a two-year period. Since the contract was signed, we have forged ahead and already started investing in, among other things, new machines. These investments account for most of the quarter's total investments of SEK 33 million. We are setting up a project organization in Tianjin with new recruitments during the quarter as well as during the remainder of the year. In this quarter we also signed a lease for premises in the neighboring building to secure our future expansion.

Even though growth and investments weigh on our cash flow, the cash flow development from operating activities in the quarter has been positive. Our cash flow has been affected by a dividend of SEK 8 million, which was decided at the Annual General Meeting in May. We are seeing increased interest rates from central banks, which affects our interest costs negatively compared to the same quarter last year. Despite this toughening investment environment, we continue our aggressive investments as planned to make future growth possible.

Stefano Alfonsi
President and Chief Executive Officer



THIS IS ELOS MEDTECH

General information about the business

Elos Medtech specializes in medical technology and has extensive expertise in development and design, along with contract manufacturing of medical devices. Customers are primarily global medical technology companies. Operations are conducted at facilities in Sweden, Denmark, China and the US with Group-wide functions for strategic marketing and IT support, HR, quality management, risk management, financing and financial control. The Group runs operations in the following three business areas: Dental, Orthopedics and Life Science. In 2023 Elos Medtech celebrates its 100th anniversary, a testament of commitment and customers focus.

Mission

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



Financial Targets

Elos Medtech's long-term financial targets are: an average annual growth rate of more than 10 percent, average operating margin (EBIT) of over 13 percent and for proprietary products to account for at least 13 percent.

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

Strategy

Elos Medtech's strategy is based on a sharper focus on selected market segments and in both metals and polymer. The strategy also includes a higher level of specialization and expertise in design, development, manufacturing and logistics with the highest quality assurance. Through a stronger offering, we will reach our strategic goals of clearer positioning and continued growth.

Sustainable focus

Elos Medtech has a sustainable focus and responsibility that extends beyond just delivering high-quality products. The company applies a long-term approach to economic, social and environmental responsibility for how its operations impact its stakeholders. Elos Medtech has specified certain strategic targets to ensure that there is continual improvement in these areas. For more information, please see: elosmedtech.com/whoweare/sustainability.

OUR THREE BUSINESS AREAS



DENTAL

Elos Medtech is a qualified partner to globally leading dental companies. Our offer covers design, development, serial production and global distribution. We are specialized in dental implants. The offer also includes proprietary products in digital dental care and instruments, either on an OEM basis or under our own brand, Elos Accurate®.



ORTHOPEDICS

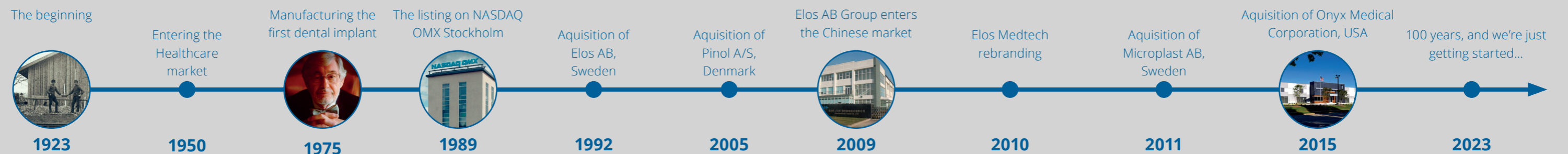
Elos Medtech is a focused partner for everything from design and prototypes to serial production and global distribution. We have opted to specialize in the following markets: spine, trauma and reconstruction. We collaborate with the world's leading orthopedic companies.



LIFE SCIENCE

Elos Medtech is a specialized global partner for injection molding of high-tech polymer and cutting techniques for primarily steel and brass. We also offer tool design and combination products made from polymer and aluminum, for example. The markets we focus on are diagnostics, hearing aids, diabetes, cardiovascular and neurosurgery.

A Century of Partnership and Innovation



THE GROUP'S PERFORMANCE

Net sales April - June 2023

The Group's net sales for the quarter increased to SEK 269.8 (233.1) million. The increase of 15.8 percent compared with the second quarter of last year is attributable to all business areas, Dental 17.0 percent, Orthopedics 16.7 percent, and Life Science 13.1 percent. Net sales in local currencies increased by 9.5 percent.

All business areas have also this quarter been positively affected by currency translation. For Business area Dental the organic growth in local currency amounted to 8.4 percent where proprietary products continues to develop strongly and growth in local currency amounted to 14.7 percent. Sales of proprietary products in Dental business represent most of the increase in Dental and accounted for 16.9 (15.6) percent of totaled consolidated net sales. The business area Orthopedics delivered another quarter with strong growth, in local currency 9.9 percent, mainly through the Group's site in Memphis. The Life Science business area showed growth of 10.3 percent in local currency. The increased growth rate in business area Life Science was driven by both injection molding of medical polymer products and manufactured metal components.

Net sales January - June 2023

The Group's net sales for the first half of the year increased to SEK 537.0 (427.6) million. The increase of 25.6 percent compared with the same period last year is attributable to all business areas, Dental 12.1 percent, Orthopedics 33.5 percent, and Life Science 33.6 percent. Sales of proprietary products in Dental business increased by 25.8 percent and accounted for 17.2 (17.2) percent of totaled consolidated net sales. Net sales in local currencies increased by 18.6 percent.

Earnings April - June 2023

The operating profit for the second quarter amounted to SEK 30.1 (37.8) million, corresponding to an operating margin of 11.2 (16.2) percent. We see a decline in profit margin, partly due to product mix, but mainly due to increased personnel cost in the quarter. The Group show increased costs in administration relating to consultancy cost for strategic initiatives of SEK 7.1 million, and cost relating to our 100-year anniversary of approx.. SEK 1 million. Interest costs for the quarter amounted to SEK 7.9 (4.1) million, which is significantly higher than for the same period last year, mainly due to a higher variable interest rate. The Group's net financial items were negatively affected by exchange rate differences of SEK -8.6 (3.6) million and a revaluation of interest rate swap, which had a positive impact of SEK 0.9 (1.5) million. Net financial items amounted to SEK -16.4 (1.1) million. Earnings after financial items amounted to SEK 13.7 (38.8) million and earnings after tax amounted to SEK 9.4 (29.7) million.

Earnings January-June 2023

The operating profit for the first half of the year amounted to SEK 74.5 (67.0) million, corresponding to an operating margin of 13.9 (15.7) percent. The Group show increased costs in administration relating to consultancy cost for strategic initiatives of SEK 7.1 million, and cost relating to our 100-year anniversary of approx.. SEK 1 million. Interest costs for the period amounted to SEK 15.5 (6.9) million. The Group's net financial items were negatively affected by exchange rate differences of SEK -13.2 (4.4) million and a revaluation of interest rate swap, which had a positive impact of SEK 0.1 (4.0) million. Net financial items amounted to SEK -30.0 (1.6) million. Earnings after financial items amounted to SEK 44.5 (68.6) million and earnings after tax amounted to SEK 32.9 (52.7) million.

Investments

The Group's investments in the second quarter amounted to SEK 32.6 (30.2) million and mainly relate to investments in machinery for the sites in Tianjin and Timmersdala.

In total for the first half of the year investments amounted to SEK 64.0 (58.5) million.

Financial position and liquidity

Consolidated total assets increased during the period to SEK 1,510.5 (1,371.8) million. Equity increased by SEK 56.8 million over the period with translation of foreign subsidiaries accounting for SEK 20.5 million of the increase. Total equity amounted to SEK 855.3 (738.8) million. Equity per share, calculated on 8,068,000 shares, amounted to SEK 106.01 (91.57). At the end of the year, risk-bearing capital was SEK 907.9 (775.3) million, which corresponds to 60.1 (56.5) percent of total capital. The Group's equity ratio was 56.6 (53.9) percent.

Cash flow

The Group's cash flow from operating activities for the quarter amounted to SEK 34.6 (26.4) million. A lower operating profit and higher interest rates was offset by a positive development of working capital. Operating cash flow amounted to SEK 2.0 (-3.8) million.

The Group's cash flow from operating activities was strengthened in the first half of the year and amounted to SEK 47.7 (34.7) million. Operating cash flow amounted to SEK -15.8 (-23.8) million.

The Group's net debt increased during the period, to SEK 319.2 (302.0) million. The Group's cash and cash equivalents amounted to SEK 141.5 (160.2) million.

Personnel

The average number of employees in the Group during the second quarter was 660 compared to 613 in the previous year, which is an increase of 7.6 percent. The average number of employees in the Group during the first half of the year was 658 compared to 597 in the previous year, which is an increase of 10.2 percent. At the end of the period, the number of employees in the Group was 663 (624).

Per share data

Undiluted and diluted earnings per share in the quarter amounted to SEK 1.16 (3.68). Undiluted and diluted earnings per share for the first half of the year amounted to SEK 4.07 (6.53). At the end of the quarter, the share price was SEK 222, which corresponds to a market capitalization of SEK 1,547 million, compared with a share price of SEK 246 and market capitalization of SEK 1,714 million on December 31, 2022. The market capitalization is calculated based on the B-shares listed on Nasdaq Stockholm.

Events during the first quarter

No events to report during the first quarter.

Events during the second quarter

Business Area Life Science: On April 14 Elos Medtech signed an amendment to an existing agreement with a global healthcare customer active in the fields of diabetes and other chronic diseases, to provide an additional CNY 90 million in annual production output by the end of 2025. The additional volume will be made by the production site in Tianjin for the Chinese market. Elos Medtech has committed to invest approximately CNY 50 million in production equipment during a two-year period to increase the output capacity to meet future demand for the Chinese market.

At the Annual General Meeting on May 3, it was resolved on a minority dividend of SEK 1 per share, totalling SEK 8,068,000. Furthermore, it was resolved that a special examiner would be appointed by the Swedish Companies Registration Office to review reporting and communication with minority shareholders, corporate governance and how the rights of minority shareholders are treated by the company, as well as review of the accounts from a minority shareholder's perspective. The Swedish Companies Registration Office appointed a special examiner on May 29 and the examination will take place after the summer.

The AGM resolved to re-elect current five board members and new-elect Winfried Schaller. Winfried Schaller is independent in relation to the company and the company's major shareholders.

Discharge from liability for board members and CEO was tabled at the AGM and was resumed during the continued general meeting on June 28. The continued general meeting resolved to discharge Stefano Alfonsi, Magnus René, Jan Wahlström and Jodie Gilmore from liability for the financial year 2022. A majority of the votes cast voted for discharge from liability, while shareholders representing 13.17 percent of all shares in the company voted against discharge from liability for Lovisa Lander, Birker B. Bahnsen and Alexander Cicetti for financial year 2022

Events after the end of the quarter

No events after the balance sheet date have occurred that materially affect the assessment of the financial information contained in this report.

OTHER INFORMATION

Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Reporting and the relevant provisions of the Annual Accounts Act. The interim report of the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim Report. For the Group and the Parent Company, the same accounting principles and calculation bases have been applied as in the most recent annual report for the year ended December 31, 2022, and should be read in conjunction with that annual report. There are no amendments of IFRS during 2023 that are estimated to have a material impact on the result and financial position of the Company.

In addition to the financial statements, disclosures in accordance with IAS 34.16A are also presented in parts of the interim report.

Segment reporting

The internal financial follow-up per business area is adapted to the Group's various customer segments and uses operating profit as a measure to assess segment performance. Directly attributable items and items that can reasonably be allocated by segment have been included in the segment's operating profit.

Unallocated Group expenses refer mainly to note-related costs.

Financial instruments at fair value

For the property loans in the US, the Group swaps its variable interest rate for a fixed rate through interest rate swaps. These interest rate swaps are recognized at fair value via the income statement. Unrealized gains and losses arising from fluctuations in the fair values of the financial instruments are recognized in net financial items in the consolidated income statement. For interest rate swaps, fair value is determined based on market prices. If such prices are not available, fair value is determined by discounting the difference between the contractual interest rate and the interest rate that can be obtained at the balance sheet date for the remaining contract term. Any premiums paid for the swap contract are recognized as interest over the term of the contract. As Elos Medtech intends to hold these derivatives to maturity, mark-to-market accounting of the derivatives over time will not affect earnings or cash flow.

Fair value measurement of interest rate derivatives had a positive impact on quarterly earnings of SEK 0.9 (1.5) million, and a positive impact on the first half of the year of SEK 0.1 (4.0) million.

Significant risks and uncertainties

The Group's principal risks and uncertainties include operational and financial risks. Among operational risks, Elos Medtech is primarily affected by risks associated with customers and markets, but also other external factors such as price risks for materials and supplies. The Group also faces financial risks associated with changes in exchange rates and credit risks. A detailed description of the Group's risks and uncertainties, as well as how these are being managed, is provided in the Directors' Report and in Notes 41 and 43 in the 2022 Annual Report.

Related party transactions

There have been no related party transactions during the first half of the year which have significantly affected the company's financial position and results. Compensation for consultancy services have been given to a member of the Board of SEK 229 thousand.

Parent Company

Elos Medtech AB's operations are focused on managing, developing and coordinating the Group. The assets in the Parent Company consist primarily of shares in subsidiaries.

In addition to the administration of central management issues, the parent company also provide Group-wide support in IT and marketing, HR, quality management, risk management, financing, and financial control.

The Parent Company's net sales in the second quarter amounted to SEK 8.5 (7.3) million. Profit after financial items amounted to SEK 12.1 (32.1) million, of which SEK 8.1 (20.2) million refers to exchange rate differences mainly related to the translation effect of USD loans to subsidiaries and net translation effect of internal and external loans in EUR. The Parent Company reported a profit after tax of SEK 13.0 (29.2) million.

The percentage of risk-bearing capital was 52.6 (55.7) percent. The equity ratio was 52.4 (55.5) percent.

Future-oriented information

The company does not make forecasts.

Future-oriented information in this report is based on management's expectations at the time of the report. Although the Board of Directors and management feel that these expectations are reasonable, it is no guarantee that the expectations are, or will prove to be, correct. Consequently, future outcomes may vary significantly compared to the future-oriented information due to such things as changes in the market conditions for the Group's services or changes in the overall situation concerning the economy, market and competition, changes in legal requirements and other policy measures as well as fluctuations in exchange rates. The company does not undertake to update or correct any future-oriented information except as stipulated by law.

Examination by the auditors

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

The Board of Directors and CEO certify that this half-yearly report provides a true and fair view of the company's and the Group's operations, financial position and performance and describes the significant risks and uncertainties faced by the company and companies belonging to the Group.

Gothenburg, July 14, 2023

Elos Medtech AB (publ)

Magnus René
Chairman of the Board

Birker Bahnsen
Board Member

Lovisa Lander
Board Member

Alexander Cicetti
Board Member

Winfried Schaller
Board Member

Stefano Alfonsi
Board Member and CEO

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul-Jun 2022/23	Jan-Dec 2022
Income statement						
Net sales	269.8	233.1	537.0	427.6	997.9	888.5
Cost of goods sold	-178.8	-147.2	-352.0	-268.1	-662.0	-578.1
Gross profit	91.0	85.9	185.0	159.5	335.9	310.4
Selling expenses	-15.2	-12.5	-28.5	-23.7	-52.4	-47.6
Administrative expenses	-40.6	-30.6	-71.2	-57.9	-131.6	-118.3
Development costs	-5.5	-6.5	-11.4	-12.5	-23.3	-24.4
Other operating income/expenses	0.4	1.5	0.6	1.7	1.3	2.4
Operating profit	30.1	37.8	74.5	67.0	129.9	122.4
Financial income	1.2	5.3	1.9	8.9	4.9	11.9
Financial expenses	-17.6	-4.2	-31.9	-7.3	-59.8	-35.2
Profit after financial items	13.7	38.8	44.5	68.6	75.0	99.1
Tax expense	-4.3	-9.1	-11.6	-15.9	-19.8	-24.1
Profit after tax	9.4	29.7	32.9	52.7	55.2	75.1
Attributable to Parent Company shareholders	9.4	29.7	32.9	52.7	55.2	75.1
Undiluted and diluted earnings per share, SEK*	1.16	3.68	4.07	6.53	6.84	9.30
* Attributable to Parent Company shareholders' share of profit after tax.						
Statement of comprehensive income						
Profit after tax	9.4	29.7	32.9	52.7	55.2	75.1
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains and losses	-	2.8	-	6.4	20.4	26.8
Tax	-	-0.6	-	-1.3	-4.2	-5.5
	-	2.3	-	5.1	16.2	21.3
Items that may be reclassified to profit or loss						
Translation differences for the period	35.1	40.0	35.0	50.7	58.7	74.4
Tax	-3.5	-3.4	-3.0	-4.2	-5.5	-6.7
	31.6	36.6	32.0	46.5	53.2	67.7
Other comprehensive income, net	31.6	38.8	32.0	51.6	69.4	89.0
Comprehensive income for the year	41.0	68.5	64.9	104.3	124.6	164.1
Attributable to Parent Company shareholders	41.0	68.5	64.9	104.3	124.6	164.1
Operating profit before depreciation and amortization (EBITDA)	% 17.5	23.0	20.2	23.0	20.0	21.3
Operating profit (EBIT)	% 11.2	16.2	13.9	15.7	13.0	13.8
Depreciation and amortization charged to earnings	SEK million 17.1	16.0	34.2	31.4	69.5	66.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	30 June 2023	30 June 2022	31 Dec 2022
Balance sheet			
Assets			
Intangible assets	324.8	302.1	309.6
Property, plant and equipment	606.8	529.5	562.4
Financial fixed assets	0.1	0.5	0.1
Current assets	437.3	379.6	382.1
Cash and cash equivalents	141.5	160.2	168.7
Total assets	1 510.5	1 371.8	1 422.9
Equity and liabilities			
Equity	855.3	738.8	798.5
Non-current liabilities	488.3	474.4	469.0
Current liabilities	166.9	158.6	155.4
Total equity and liabilities	1 510.5	1 371.8	1 422.9

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul-Jun 2022/23	Jan-Dec 2022
Cash flow						
Profit after net financial items	13.7	38.8	44.5	68.6	75.0	99.1
Reversal of depreciation and amortization	17.1	16.0	34.2	31.4	69.5	66.7
Adjustment for non-cash items	8.9	-3.7	14.7	-7.5	30.8	8.6
Tax paid	-7.4	-3.4	-13.9	-6.4	-19.0	-11.5
Changes in working capital	2.3	-21.2	-31.8	-51.3	-35.1	-54.6
Cash flow from operating activities	34.6	26.4	47.7	34.7	121.3	108.3
Investments in fixed assets	-32.6	-30.2	-64.0	-58.5	-122.7	-117.2
Sale of fixed assets	-	-	0.5	-	0.5	-
Cash flow from investing activities	-32.6	-30.2	-63.5	-58.5	-122.2	-117.2
Operating cash flow	2.0	-3.8	-15.8	-23.8	-1.0	-9.0
Borrowings	1.2	302.3	5.2	339.8	9.0	343.6
Repayment of borrowings	-5.4	-230.9	-12.3	-258.7	-23.2	-269.6
Dividend to shareholders	-8.1	-	-8.1	-	-8.1	-
Cash flow from financing activities	-12.3	71.5	-15.2	81.2	-22.4	74.0
Cash flow for the period	-10.3	67.6	-31.0	57.4	-23.4	65.0
Cash and cash equivalents at the beginning of the period	148.4	86.8	168.7	95.1	160.2	95.1
Exchange rate difference in cash and cash equivalents	3.4	5.6	3.8	7.6	4.8	8.5
Cash and cash equivalents at the end of the period	141.5	160.2	141.5	160.2	141.5	168.7

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	30 June 2023	30 June 2022	31 Dec 2022
Opening balance	798.5	634.4	634.4
Total comprehensive income	64.9	104.3	164.1
Dividend	-8.1	-	-
Closing equity	855.3	738.8	798.5

KEY PERFORMANCE INDICATORS, GROUP

		Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Return on operating capital	%	11.6	13.1	12.4
Return on equity*	%	6.9	13.6	10.5
Share of risk-bearing capital	%	60.1	56.5	59.4
Equity ratio	%	56.6	53.9	56.1
Net debt/EBITDA*	times	1.6	1.7	1.5
Investments, not including acquisitions	SEK million	64.0	58.5	117.2
Average number of employees	number	658	597	626

* R12

DATA PER SHARE

		Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Undiluted and diluted earnings per share, SEK*		4.07	6.53	9.30
Average number of shares	thousands	8,068.0	8,068.0	8,068.0
Number of shares at the end of the period	thousands	8,068.0	8,068.0	8,068.0
Of which listed on Nasdaq Stockholm	thousands	6,968.3	6,968.3	6,968.3
Equity per share	SEK	106.0	91.6	99.0
Share price at the end of the period	SEK	222.0	250.0	246.0
Dividend	SEK	8,068,000	-	-

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

BUSINESS AREA INFORMATION

SEK million	Apr-Jun 2023	Apr-Jun 2022	Growth Apr-Jun 2023	Jan-Jun 2023	Jan-Jun 2022	Growth Jan-Jun 2023	Jul-Jun 2022/23	Jan-Dec 2022
Net sales by business area								
Dental	94.1	80.4	17.0%	176.6	157.6	12.1%	321.1	302.1
Orthopedics	102.1	87.5	16.7%	200.5	150.2	33.5%	389.0	338.7
Life Science	73.6	65.1	13.1%	159.9	119.7	33.6%	288.0	247.8
Total net sales	269.8	233.1	15.8%	537.0	427.6	25.6%	998.0	888.5

The value of sales between business areas is minor.

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul-Jun 2022/23	Jan-Dec 2022
EBITDA by business area						
Dental	16.8	20.4	41.8	43.7	71.7	73.6
Orthopedics	17.7	16.0	30.4	22.9	60.7	53.2
Life Science	14.1	18.3	39.4	34.0	73.3	67.9
Unallocated Group expenses	-1.4	-1.1	-2.9	-2.4	-6.3	-5.8
Total profit before depreciation and amortization	47.2	53.7	108.7	98.4	199.4	188.9
Depreciation and amortization by business area						
Dental	-5.4	-4.8	-10.3	-9.7	-20.3	-19.7
Orthopedics	-7.5	-6.4	-15.1	-12.2	-30.3	-27.4
Life Science	-4.2	-4.6	-8.8	-9.4	-18.9	-19.5
Total depreciation and amortization	-17.1	-16.0	-34.2	-31.4	-69.5	-66.7
Operating profit by business area						
Dental	11.4	15.6	31.5	34.0	51.4	54.0
Orthopedics	10.2	9.6	15.3	10.7	30.4	25.8
Life Science	9.9	13.7	30.6	24.6	54.4	48.4
Unallocated Group expenses	-1.4	-1.1	-2.9	-2.4	-6.3	-5.8
Total operating profit	30.1	37.8	74.5	67.0	129.9	122.4

QUARTERLY RESULTS FOR THE GROUP

SEK million	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Quarterly results								
Net sales	269.8	267.2	229.5	231.5	233.1	194.5	184.2	187.2
Cost of goods sold	-178.8	-173.2	-163.0	-147.0	-147.2	-120.9	-121.4	-119.1
Gross profit	91.0	94.0	66.5	84.5	85.9	73.5	62.8	68.1
Sales, admin and development costs	-61.3	-49.8	-48.5	-47.8	-49.6	-44.4	-39.9	-43.6
Other operating income and expenses	0.4	0.2	-0.4	1.1	1.5	0.2	2.4	-0.3
Operating profit	30.1	44.4	17.6	37.7	37.8	29.2	25.3	24.2
Financial income	1.2	0.7	0.7	2.3	5.3	3.6	2.2	1.8
Financial expenses	-17.6	-14.3	-17.0	-11.0	-4.2	-3.0	-2.7	-2.7
Profit after financial items	13.7	30.8	1.4	29.0	38.8	29.8	24.8	23.3
Tax expense	-4.3	-7.3	-1.0	-7.2	-9.1	-6.8	-5.2	-5.7
Profit after tax	9.4	23.5	0.4	21.9	29.7	23.0	19.6	17.6

PARENT COMPANY INCOME STATEMENT

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul-Jun 2022/23	Jan-Dec 2022
Income statement						
Net sales	8.5	7.3	17.0	14.5	32.1	29.6
Selling expenses	-2.4	-2.6	-3.7	-4.2	-7.2	-7.7
Administrative expenses	-19.7	-12.8	-32.5	-21.1	-55.0	-43.6
Other operating income/expenses	-	0.1	-0.1	0.1	-0.2	0.0
Operating profit	-13.6	-8.0	-19.3	-10.7	-30.3	-21.7
Income from investments in Group companies	16.4	19.4	16.4	19.4	16.4	19.4
Interest income, Group companies	8.7	2.9	16.7	4.1	26.7	14.1
Other interest income and similar income	26.0	20.7	35.1	24.7	66.3	55.9
Other interest expense and similar charges	-25.4	-2.9	-48.5	-4.7	-92.0	-48.2
Profit after financial items	12.1	32.1	0.4	32.8	-12.9	19.5
Appropriations	-	-	-	-	-0.3	-0.3
Tax on profit for the year	0.9	-2.9	3.2	-3.1	5.9	-0.4
Profit after tax	13.0	29.2	3.6	29.7	-7.3	18.8

* Profit after tax is the same as comprehensive income for the year.

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	30 June 2023	30 June 2022	31 Dec 2022
Balance sheet			
Assets			
Intangible assets	2.6	2.9	2.5
Property, plant and equipment	0.2	0.2	0.2
Financial fixed assets	676.8	668.3	677.1
Current assets	55.1	46.6	50.3
Cash and cash equivalents	66.9	67.7	63.2
Total assets	801.6	785.7	793.3
Equity and liabilities			
Equity	414.5	430.2	419.3
Untaxed reserves	7.2	7.0	7.2
Provisions for pensions	13.1	10.2	11.1
Non-current liabilities	332.4	306.9	313.7
Current liabilities	34.4	31.4	42.0
Total equity and liabilities	801.6	785.7	793.3

RECONCILIATION BASIS FOR ALTERNATIVE PERFORMANCE MEASURE

The interim report presents certain financial performance measures of earnings trend, financial position and cash flow that are not defined in accordance with IFRS. These performance measures are intended to serve as important supplementary performance indicators of the Group's performance and financial position and the purpose is to provide a better understanding of the business. Elos Medtech's definitions of these measures may differ from other companies' definitions of the same concepts. The alternative performance measures presented in the interim reports should not be regarded as a replacement to terms and concepts in accordance with IFRS. They are instead intended as a supplement.

Calculations of non-IFRS performance measures that are not mentioned elsewhere in the interim report are presented below.

For complete information regarding the calculation and reasons for using alternative performance measures, please see: www.elosmedtech.com.

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul-Jun 2022/23	Jan-Dec 2022
Growth						
Reported net sales	269.8	233.1	537.0	427.6	997.9	888.5
Net sales for the same period last year	233.1	181.0	427.6	352.2	799.0	723.6
Change in net sales	36.7	52.1	109.4	75.4	198.9	164.9
Growth, %	15.8	28.8	25.6	21.4	24.9	22.8
Net sales adjusted for exchange rate changes						
Exchange rate changes	13.3	13.7	25.1	23.2	61.4	59.5
Net sales for the corresponding period last year adjusted for exchange rate changes	246.4	194.7	452.7	375.4	860.4	783.1
Growth adjusted for exchange rate changes, %	9.5	19.7	18.6	13.9	16.0	13.5

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul-Jun 2022/23	Jan-Dec 2022
EBITDA						
Reported operating profit	30.1	37.8	74.5	67.0	129.9	122.4
Depreciation/amortization	17.1	16.0	34.2	31.4	69.5	66.7
EBITDA	47.2	53.7	108.7	98.4	199.4	189.1

SEK million	30 June 2023	30 June 2022	31 Dec 2022
Risk-bearing capital			
Equity	855.3	738.8	798.5
Deferred tax liability	52.6	36.5	46.3
Risk-bearing capital	907.9	775.3	844.8

SEK million	30 June 2023	30 June 2022	31 Dec 2022
Net debt			
Non-current interest-bearing provisions for pensions	46.5	64.1	45.8
Non-current interest-bearing liabilities	389.1	373.9	376.9
Current interest-bearing liabilities	25.2	24.3	23.5
Total liabilities	460.7	462.2	446.2
Cash and cash equivalents	-141.5	-160.2	-168.7
Net debt	319.2	302.0	277.5

SEK million	30 June 2023	30 June 2022	31 Dec 2022
Liquidity reserve			
Cash and cash equivalents	141.5	160.2	168.7
Revolving Credit facility	117.9	-	111.3
Liquidity reserve	259.4	160.2	280.0

Financial calendar

Activity	Date
Interim Report January-September 2023	October 19, 2023
Year-End Report 2023	February 22, 2024

Publication

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

This is a translation of the Swedish version of the Q2 Interim report 2023. When in doubt, the Swedish wording prevails.

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