Q1 2018 Presentation

8 May 2018

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Highlights Q1 2018

- Organic growth: 2.7%
  - Accessibility +3.3% organically
    - Strong development for Stairlifts: +10% (North America +33%)
    - Foreseen lower sales in Vehicle Accessibility: c -2 MEUR
  - Patient Handling -4.3% organically
    - Europe unchanged
    - Lower sales in NA - actions taken and improved trajectory vs Q4-17
  - Puls +28.8% organically
    - Strong project sales during Q1
- Adjusted EBITA margin: 7.2% (9.3)
  - Lower reported revenue, weaker gross margin, flat operating expenses
- Dealer acquired in North America
  - Limited revenue in Q1 due to conversion to Handicare product portfolio
- Next step “Commercial Excellence strategy”
  - Increased sales focus
    - Investments in sales organisation
    - Reduction of administration costs
    - Changes in Group Management – reduction of one layer

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Commercial excellence strategy - phase II

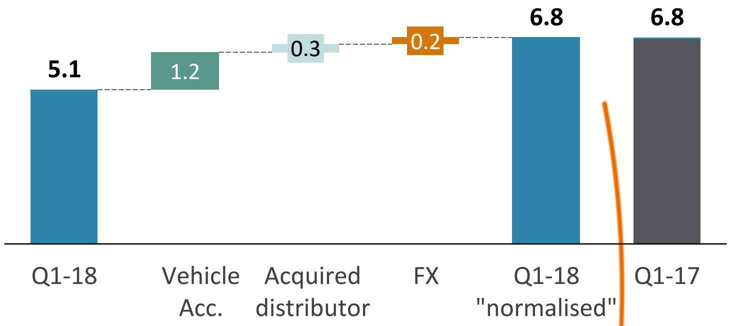
- Initiatives (new sales representatives) in strategic markets such as US, Germany and France
- Reduce one layer between group management and the sales organisation
- Slim line administration to drive operating leverage
- Total annualised net cost savings of c 3.0 MEUR with full effect in Q1-19
- Set-up costs for new organisation (mainly severance) of c 1.5 MEUR, will be expensed in Q2-18

XCEL

Financial highlights - Group

MEUR	January - March 2018	2017	Δ%	LTM 2017/2018	Full year 2017
Revenue	**71.6**	**73.3**	**-2.4 %**	**282.6**	**284.3**
Organic revenue growth	*2.7 %*				
Gross margin	*41.4 %*	*42.7 %*		*42.3 %*	*42.6 %*
Adjusted EBITA	**5.1**	**6.8**	**-24.6 %**	**24.5**	**26.2**
Adjusted EBITA margin	*7.2 %*	*9.3 %*		*8.7 %*	*9.2 %*

Q1-18 bridge – adjusted vs "normalised" EBITA



Revenue Q1: organic +2.7%

- Accessibility +3.3%
- Patient Handling -4.3%
- Puls +28.8%

EBITA Q1: adjusted margin: 7.2% (9.3%)

- Gross margin -1.3 ppts (Vehicle Accessibility impact -0.8 ppts)
- Flat operating expenses
- No Other specified items in the quarter

OCF Q1: 0.3 MEUR (-0.5)

- Other specified items -1.5 MEUR (IPO costs)
- Accounts receivables -2.5 MEUR
- Leverage 3.3x (3.2x excl. acquisition)

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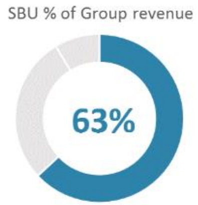
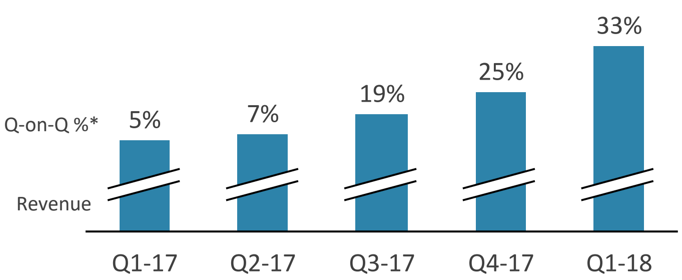
Accessibility



MEUR	January - March 2018	2017	Δ%	LTM 2017/2018	Full year 2017
Revenue	**45.1**	**45.0**	**0.2 %**	**181.4**	**181.3**
Organic revenue growth	*3.3 %*				
Adjusted EBITA	**5.6**	**5.4**	**4.1 %**	**22.7**	**22.5**
Adjusted EBITA margin	*12.5 %*	*12.0 %*		*12.5 %*	*12.4 %*

Revenue and Q-on-Q organic growth (%)* – Stairlifts US



Revenue Q1: organic growth 3.3%

- Stairlifts +10% (North America +33%)
- Vehicle Accessibility -2 MEUR - delayed deliveries of vans in Norway

EBITA Q1: adjusted margin: 12.5% (12.0)

- Vehicle Accessibility EBITDA impact -1.2 MEUR
- Decreased gross margin - under absorption in Vehicle Accessibility
- Cost control / operating leverage

*e.g. Q1 2018 vs Q1 2017

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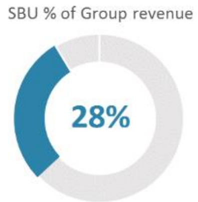
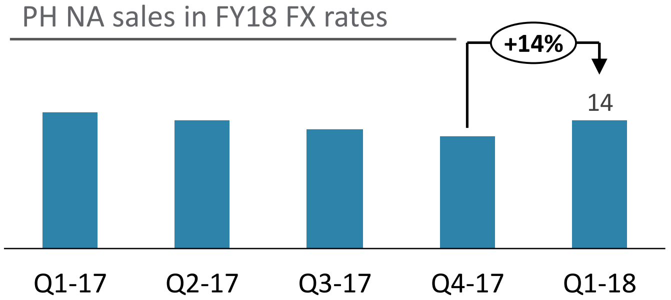
Patient Handling



MEUR	January - March 2018	2017	Δ%	LTM 2017/2018	Full year 2017
Revenue	**20.2**	**23.1**	**-12.6 %**	**80.5**	**83.4**
Organic revenue growth	*-4.3 %*				
Adjusted EBITA	**1.8**	**3.1**	**-43.3 %**	**9.5**	**10.9**
Adjusted EBITA margin	*8.7 %*	*13.5 %*		*11.9 %*	*13.1 %*



Revenue Q1: organic decline -4.3%

- Decreased revenue in North America - institutional sales
- Improved North America trajectory, revenue up 14% on Q4-17
- Flat revenue in Europe
- Acquired revenue 0.2 MEUR - conversion to Handicare's product portfolio

EBITA Q1: adjusted margin 8.7% (13.5)

- Decreased gross margin due to product mix
- Decreased revenue (reduced cost absorption)
- Negative contribution from acquired distributor of 0.3 MEUR, in line with expectations, due to low revenue

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Puls

MEUR	January - March 2018	2017	Δ%	LTM 2017/2018	Full year 2017
Revenue	**6.2**	**5.1**	**20.7 %**	**20.6**	**19.5**
Organic revenue growth	*28.8 %*				
Adjusted EBITA	**0.4**	**0.3**	**47.5 %**	**0.6**	**0.5**
Adjusted EBITA margin	*6.2 %*	*5.1 %*		*3.0 %*	*2.6 %*

Revenue Q1: organic growth 29%

- Increased sales focus
- Strong project sales

EBITA Q1: adjusted margin 6.2% (5.1)

- Stable gross margin
- Increased revenue (improved cost absorption)
- Restructuring program according to plan - cost savings will materialise in H2-18

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Financial targets, medium term

Target:	Average annual revenue growth 10%, of which 4-6% organically	Profitability: adjusted EBITA margin >12%	Capital structure: 2,5x net debt/LTM adj EBITDA, subject to flexibility for strategic activities	Dividend policy: An annual dividend corresponding to 30-50 percent of the net profit for the period*
Status:	• 2018 LTM organic: 5%	• 2018 LTM 8.7%	• 3.3x as at 31 March 2018	• Dividend proposal SEK 0.50/Share

Priorities:	• Organic growth:
	  • Sales excellence program (XCEL)
	  • Dealer focus
	  • Winning concept
	  • New products => product development
	  • NA platform => cross selling – HUB strategy
	  • Investments in sales force
	• Targets M&A
	  1. Geography
	  2. Adjacent
	  3. Strategic
		• Operating leverage
		• Cost control
		• Capacity utilization – operations
		• Restructuring programme
			• Control working capital
			• Improve cash conversion	

*The pay-out decision will be based on Handicare's financial position, investment needs, acquisition opportunities and liquidity position.

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Summary

- Satisfying development in Stairlifts with double digit growth
- C. 2 MEUR of delayed sales in Vehicle Accessibility in Q1-18
- Lower sales in PH North America – actions taken and improved trajectory vs Q4-17
- Next step “Commercial Excellence Strategy”
  - Set-up costs for new organisation (mainly severance) of c. 1.5 MEUR, expensed in Q2-18
  - Annualised net savings of estimated at c. 3.0 MEUR, full effect as of Q1 2019
- Macro trends remain favourable

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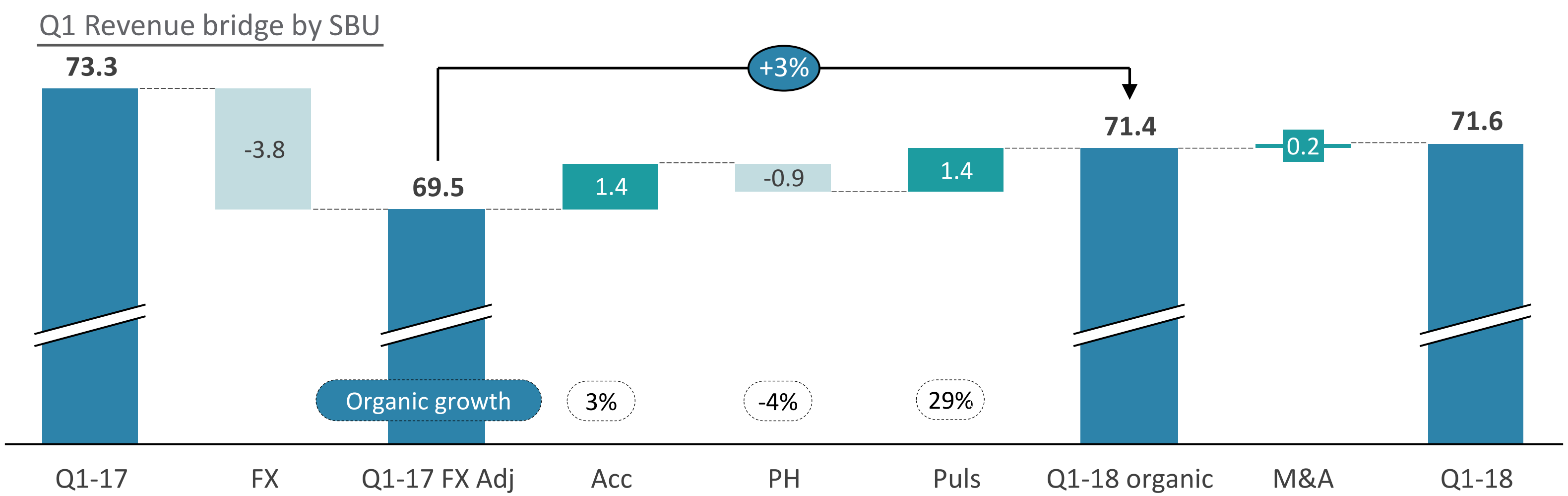
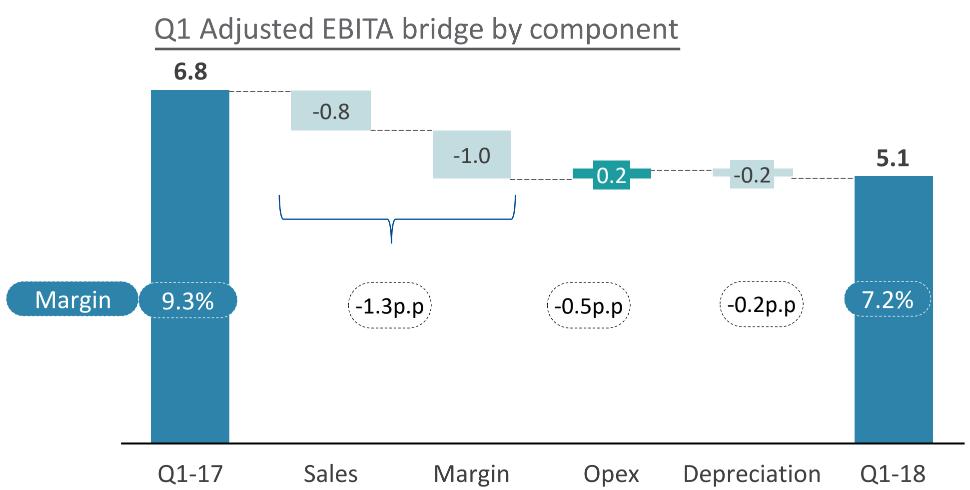
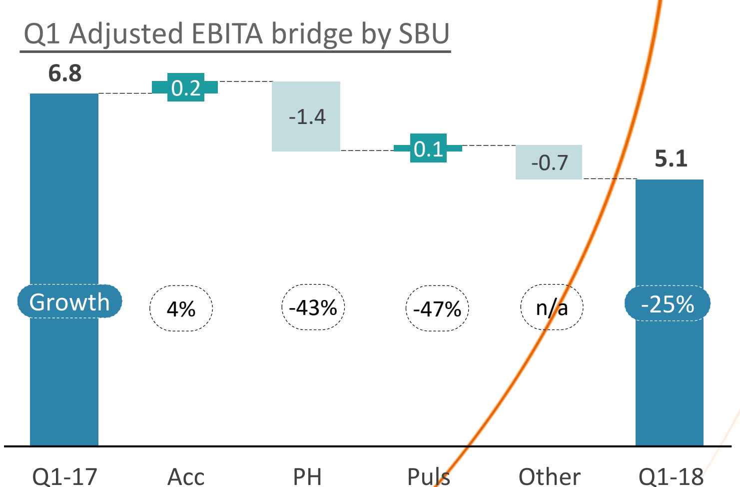
Appendices

Q1 revenue and adjusted EBITA bridges







Cash flow

MEUR	January - March 2018	January - March 2017	Full year 2017
EBITDA	**6,2**	**6,9**	**22,6**
Inventory	-0,6	-0,6	-2,5
Accounts receivable	-2,5	-3,1	0,3
Accounts payable	0,2	-2,1	-3,6
Other receivables/liabilities	-1,6	0,1	-6,6
Change in NWC	-4,5	-5,7	-12,4
Tangible assets	-0,4	-0,6	-2,3
Intangible assets	-1,0	-1,1	-3,3
Total capex	-1,4	-1,7	-5,6
Operating cash flow	**0,3**	**-0,5**	**4,5**
KPI:s			
Paid tax	-0,8	-0,1	-0,4
OCF / EBITDA	4%	n/a	20%
Net debt	94,2	195,4	89,0
Net debt / Adjusted LTM EBITDA	3,3	8,2	3,0

OCF 0.3 MEUR:

- Other specified items paid in Q1-18: 1.5 MEUR (mainly IPO related costs)
- Accounts receivable driven by high sales in March and timing of Easter
- Q1 capex of 1.4 MEUR (2.0% of revenue)
- Tax payments related to North America

Net debt / adjusted EBITDA 3.3x

- Leverage excluding impact from acquisition of distributor 3.2x
- Initial purchase price for the new distributor in US settled in Q1-18 1.1 MEUR
- RCF of 40 MEUR undrawn at quarter end

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