

Interim Report 2017/18 Q2

Second quarter 1 July – 30 September 2017

- Net revenue increased by 13 percent to MSEK 775 (684).
- Operating profit (EBITA) increased by 4 percent to MSEK 98 (94), equivalent to an operating margin of 12.6 percent (13.7).
- Profit before financial items amounted to MSEK 83 (82), equivalent to an EBIT margin of 10.7 percent (12.0).
- Profit after financial items amounted to MSEK 78 (81) and profit after taxes amounted to MSEK 62 (63).
- Earnings per share after dilution for the latest 12-month period amounted to SEK 4.04 (3.72).
- Return on equity was 23 percent (26). The equity ratio at the end of the period was 36 percent (38).
- Cash flow from operating activities for the latest 12-month period amounted to MSEK 284 (311).
- During the quarter, Wapro AB was acquired, with annual revenue of about MSEK 40.

The first six months (1 April – 30 September 2017)

- Net revenue for the first six months increased by 7 percent to MSEK 1,569 (1,466).
- Operating profit (EBITA) increased by 5 percent to MSEK 198 (188), equivalent to an operating margin of 12.6 percent (12.8).
- Profit after financial items amounted to MSEK 170 (165), equivalent to an EBIT margin of 10.8 percent (11.3).
- Profit after financial items amounted to MSEK 160 (163) and profit after taxes amounted to MSEK 127 (126).

NET REVENUE AND PROFIT

Quarter 2 (July – September 2017)

The market situation in the Group's main markets was stable overall during the quarter. The Group's units in Sweden, Denmark and Finland developed positively, especially late in the period, while the Group's units in Norway showed a slightly weaker performance.

Consolidated net revenue for the second quarter of the financial year increased by 13 percent to MSEK 775 (684). The currency effect on net revenue was MSEK 1. Acquired businesses made a contribution of MSEK 77. Organic growth in comparable units, i.e. excluding acquisitions, was equivalent to 2 percent, measured in local currency.

Operating profit before amortisation of intangible assets (EBITA) increased by 4 percent to MSEK 98 (94) during the quarter. Operating margin amounted to 12.6 (13.7) percent. Generally speaking, we noted a weaker July and August, while most units ended the quarter stronger than the previous year. Three of the Group's four divisions increased their profits compared to the previous year. However, the Mechatronics division, and the Group as a whole, was negatively impacted by the fact that a few units had lower sales volumes to some major customers compared to the previous year.

Consolidated profit before financial items (EBIT) for the second quarter amounted to MSEK 83 (82), equivalent to an EBIT margin of 10.7 percent (12.0). Profit after financial items amounted to MSEK 78 (81). The currency effect on the profit amounted to MSEK -4 (1) during the quarter. Net financial items were negatively affected during the period by exchange rate adjustments of bank deposits, whereas the impact was positive in the previous year.

Profit after tax for the period amounted to MSEK 62 (63). Earnings per share after dilution for the latest 12-month period

amounted to SEK 4.04, compared to SEK 4.02 for the 2016/17 financial year.

The first six months (April – September 2017)

Net revenue for the first six months of the financial year increased by 7 percent to MSEK 1,569 (1,466). Operating profit (EBIT) for the first six months increased by 5 percent to MSEK 170 (165), equivalent to an operating margin of 10.8 percent (11.3). Profit after financial items for the first six months amounted to MSEK 160 (163). The total currency effect on the profit amounted to MSEK 1 (-2).

Profit after tax for the first six months amounted to MSEK 127 (126).

PROFITABILITY AND FINANCIAL POSITION

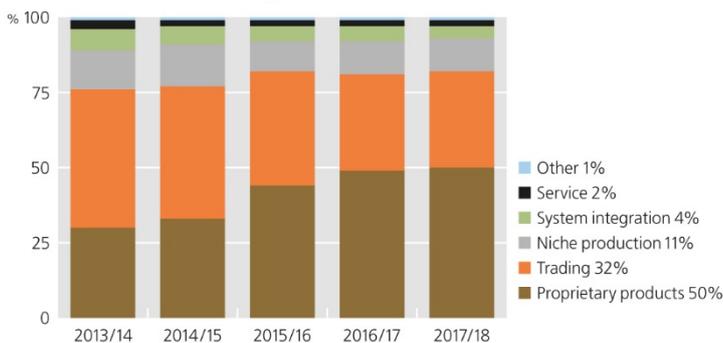
The return on equity for the latest 12-month period amounted to 23 percent (26) and the return on capital employed was 17 percent (20). The Group's metric for return on working capital (P/WC) was 52 percent (53).

Equity per share totalled SEK 17.04 at the end of the period, compared to SEK 17.61 at the beginning of the financial year. Aside from profit, this metric was also affected by dividends paid, currency-related translation effects and redemption of options. The equity ratio was 36 percent (38).

At the end of the period, operational net indebtedness amounted to MSEK 950, excluding pension liability, compared to MSEK 565 at the beginning of the year. The increase was primarily attributable to acquisition of businesses and the dividend. The operational net debt/equity ratio, excluding pension provisions, amounted to 0.8 (0.7). The pension liability amounted to MSEK 62 as of 30 September 2017, compared to MSEK 55 at the end of the year-earlier period.

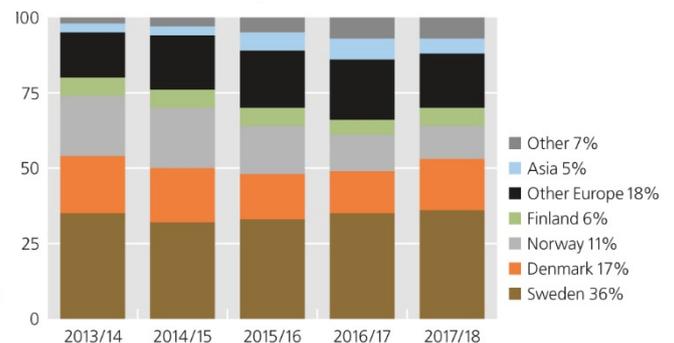
Revenue by business type

Moving 12 months



Revenue by geographic market

Moving 12 months



Divisions

	Net revenue					Operating profit (EBIT)				
	3 months Jul-Sep 2017/18	3 months Jul-Sep 2016/17	6 months Apr-Sep 2017/18	6 months Apr-Sep 2016/17	12 mths Apr-Mar 2016/17	3 months Jul-Sep 2017/18	3 months Jul-Sep 2016/17	6 months Apr-Sep 2017/18	6 months Apr-Sep 2016/17	12 mths Apr-Mar 2016/17
MSEK										
Electronics	214	193	430	395	834	17	13	34	29	66
Operating margin						7.9%	6.7%	7.9%	7.3%	7.9%
Mechatronics	222	223	468	503	1,003	31	43	70	88	163
Operating margin						14.0%	19.3%	15.0%	17.5%	16.3%
Communications	161	135	346	269	630	14	10	29	17	61
Operating margin						8.7%	7.4%	8.4%	6.3%	9.7%
Niche Products	178	133	325	299	629	24	21	45	44	104
Operating margin						13.5%	15.8%	13.8%	14.7%	16.5%
Parent Company/consolidation items	-	-	-	-	-	-3	-5	-8	-13	-33
GROUP TOTAL	775	684	1,569	1,466	3,096	83	82	170	165	361
Operating margin						10.7%	12.0%	10.8%	11.3%	11.7%
Financial items						-5	-1	-10	-2	-10
PROFIT BEFORE TAXES						78	81	160	163	351

NET REVENUE AND PROFIT BY DIVISION, SECOND QUARTER

Electronics

Net revenue for the second quarter increased by 11 percent to MSEK 214 (193). Operating profit increased by just over 30 percent to MSEK 17 (13), equivalent to an EBIT margin of 7.9 percent (6.7). The business situation in the division developed positively compared to the previous year. In particular, the Danish operation in marine electronics strengthened its sales. The division's Danish and Norwegian units in electronic distribution also reported an improvement compared to the previous year, mainly due to internal restructuring measures, which have now delivered results.

Mechatronics

Net revenue for the quarter amounted to MSEK 222 (223). Operating profit was MSEK 31 (43), corresponding to an EBIT margin of 14.0 percent (19.3). The division's largest unit, in electrical connection systems, continued to perform well. However, the units in masts and aerial brackets for mobile telephony as well as enclosures, displayed weaker sales. The weaker performance was related to a few large customers, which had a negative impact on the division. The division's customised cabling units reported continued stable demand compared to the previous year.

Communications

Net revenue for the second quarter increased by 19 percent to MSEK 161 (135).

Operating profit for the quarter increased by 40 percent to MSEK 14 (10), equivalent to an EBIT margin of 8.7 percent (7.4). The improvement was due to acquisitions and a good performance by several units in control technology/network access, especially in measurement equipment for metal foundries and in control equipment for maintenance vehicles. However, some of the digital imaging/technical security units displayed a slightly weaker performance compared to the previous year.

Niche Products

Net revenue for the second quarter increased by 34 percent to MSEK 178 (133). Operating profit for the quarter increased by 14 percent to MSEK 24 (21), equivalent to an EBIT margin of 13.5 percent (15.8). The division's Danish unit in conveyor belt solutions reported stronger sales, while the division's unit in aseptic packaging solutions for the food processing industry had weaker sales to major customers, primarily in the USA, than the previous year.

Wapro AB was acquired early in the quarter and is described below under the item Acquisitions .



CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities for the latest 12-month period amounted to MSEK 284 (311). Cash flow was impacted by a build-up of working capital towards the end of the period, partly due to increased sales. Gross investments in non-current assets amounted to MSEK 1 (15) during the second quarter.

During the second quarter, 121,600 own Class B shares were repurchased for a total of MSEK 10.

OTHER FINANCIAL INFORMATION

Parent Company and other consolidation items

The Parent Company's internal net revenue for the first six months of the financial year amounted to MSEK 17 (18) and profit after net financial items was MSEK 331 (258). The result includes exchange rate adjustments on intra-Group lending of MSEK 0 (3) and dividends from subsidiaries of MSEK 329 (272).

Net investments in non-current assets amounted to MSEK 0 (0). The Parent Company's equity ratio was 51 percent (51).

Employees

At the end of the period, the number of employees in the Group was 1,354, compared to 1,247 at the beginning of the financial year. During the first six months of the financial year, 66 employees were added via acquisitions.

Share capital

The share capital amounted to MSEK 48.9 at the end of the period. The quota value per share amounted to SEK 0.70. Classes of shares were distributed as follows on 30 September 2017:

Classes of shares	
A shares	3,263,802
B shares	66,256,125
Repurchased B shares	-1,606,000
Total	67,913,927

At 30 September 2017, Lagercrantz Group held 1,606,000 own Class B shares, equivalent to 2.3 percent of the total number of shares and 1.6 percent of the votes in the Lagercrantz Group. Repurchased shares cover, inter alia, the company's obligations under outstanding call option programmes for repurchased shares, in which a total of 1,286,875 options have been acquired by senior executives. This refers to allocations in 2014, 2015 and 2016 of options still outstanding. The redemption price for each respective programme is SEK 53.90, SEK 78.80, and SEK 100.10 per share.

During the first six months, parts of the incentive programme based on options on repurchased Class B shares acquired by senior executives in the Group during 2014 were redeemed. In conjunction with redemption of options, 50,300 repurchased own Class B shares were sold for a total of MSEK 3. In addition, 159,300 outstanding options were repurchased for a total of MSEK 6.

After the end of the period, 675,000 options for B shares with a redemption price of SEK 95.30 were issued in accordance with the resolution of the 2017 AGM. These options were acquired by about 50 managers and senior executives in the Group. The total number of outstanding options after this and after final redemption of the 2014 programme of 27,000 options in early October 2017, amounts to 1,934,875.

Acquisitions

The operations in Wapro AB were acquired early in the second quarter. The company's innovative products prevent and regulate water flows in order to protect properties and infrastructure from flooding during storms and rising water levels. Wapro's head office is located in Karlshamn and the company has a subsidiary in Chicago, USA. Wapro generates annual revenue of approximately MSEK 40 with good profitability and it has sales in Europe, North America and Australia. Wapro has formed part of the Lagercrantz Niche Products division since July 2017.

Transactions costs for the acquisition during the second quarter amounted to about MSEK 0.5 and are included in Administrative expenses in the income statement, to the extent they arose during the period.

Estimated consideration for the businesses acquired during the first six months of the financial year amounted to MSEK 277. This amount includes estimated contingent consideration of MSEK 46, which represents 77 percent of the maximum outcome. The outcome depends on the profit achieved by the companies.

As a result of the acquisitions during the first six months, goodwill in the Group increased by MSEK 149 on the balance sheet date and other intangible non-current assets, mostly related to proprietary products and customer relationships, increased by MSEK 104. Other non-current assets increased by MSEK 5. The deferred tax liability related to the acquisitions amounted to MSEK 23.

The effect of the completed acquisition during the second quarter of the financial year, on consolidated revenue during the second quarter was MSEK 12 and the effect on profit before taxes was MSEK 1 after acquisition costs.

If the operations acquired during the first six months of the financial year had been consolidated as of 1 April 2017, the effect on revenue and profit before taxes would have been MSEK 125 and MSEK 13, respectively, after acquisition costs.

During the first six months of the financial year, MSEK 34 (33) was paid in contingent consideration for previous acquisitions. The difference between reserved/paid and remeasured contingent consideration, and remeasurements of other receivables, was taken up as revenue as other operating income in the parent company of MSEK 5 net, during the second quarter of the financial year.

The acquisition analysis below is preliminary in terms of allocation of the surplus value for Profsafe AB, R-Contracting AB and Wapro AB:

Acquired net assets at time of acquisition	Book value in companies	Fair value adjustment	Fair value consolidated
Intangible non-current assets	0	104	104
Other non-current assets	3	2	5
Inventories and work in progress	26	0	26
Other short-term receivables *)	52	0	52
Interest-bearing liabilities	-2	0	-2
Other liabilities	-34	-23	-57
Net of identified assets/liabilities	46	83	128
Goodwill	-	-	149
Estimated Purchase price	-	-	277

*) of which, cash and cash equivalents MSEK 16

ACCOUNTING POLICIES

The Interim Report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting. The Interim Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Securities Markets Act and the provisions of RFR 2, Accounting for Legal Entities.

Apart from in the financial statements and accompanying notes, disclosures according to IAS 34.16A are also presented in other parts of the interim report.

In other respects, the same accounting policies have been used as in the 2016/17 Annual Report, including in relation to new IFRS standards and interpretations that only become effective during future periods. Reclassification of current liabilities has been made to non-current liabilities. Comparative figures have been restated and the effect amounted to MSEK 400 for the Group and MSEK 400 for the Parent Company as of 30 September 2016.

ALTERNATIVE KEY RATIOS

The company presents certain financial metrics in the interim report that are not defined according to IFRS. The company considers that these metrics provide more valuable

supplementary information to investors and shareholders as they enable evaluation of trends and the company's performance. Since not all companies calculate financial metrics in the same way, these are not always comparable with metrics used by other companies. These financial metrics should therefore not be regarded as a substitute for metrics defined according to IFRS. Expanded information has been provided in this report with regard to definitions of certain financial metrics.

OTHER INFORMATION

Related-party transactions

Transactions between Lagercrantz and related parties with a significant impact on the company's financial position and results have not occurred, aside from redemption and repurchase of options as described under Share capital above.

Risks and uncertainty factors

The most important risk factors for the Group are the state of the economy, structural changes in the market, supplier and customer dependence, the competitive situation and foreign exchange trends. The Parent Company is impacted by the above-mentioned risks and uncertainty factors through its



capacity as owner of subsidiaries. For additional information, please refer to the 2016/17 Annual Report.

Post-balance sheet events

No significant events for the company have occurred after the balance sheet date on 30 September 2017.

Annual General Meeting 2017

The 2017 AGM was held on 29 August 2017 in Stockholm. The Meeting discharged the Board of Directors and the President & CEO from liability for their administration during 2016/17. The notice convening the AGM was published on 21 July 2017.

Minutes from the AGM are published on the company's website.

Certification

The Board of Directors and the CEO believe that the undersigned interim report provides a true and fair overview of the Company's and the Group's operations, their financial position and performance and describes the material risks and uncertainty factors facing the Company and the Group.

Stockholm, 25 October 2017

Anders Börjesson
Chairman of the Board

Roger Bergqvist
Board member

Marika Rindborg Holmgren
Board member

Anna Almlöf
Board member

Lennart Sjölund
Board member

Fredrik Börjesson
Board member

Peter Hedelius
Board member

Jörgen Wigh
President and Board member

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

Segment information by quarter

Net revenue	2017/18			2016/17		
	Q2	Q1	Q4	Q3	Q2	Q1
MSEK						
Electronics	214	216	223	216	193	202
Mechatronics	222	246	259	241	223	280
Communications	161	185	177	184	135	134
Niche Products	178	147	174	157	133	165
Parent Company/consolidation items	-	-	-	-	-	-
GROUP TOTAL	775	794	833	798	684	781

Operating profit	2017/18			2016/17		
	Q2	Q1	Q4	Q3	Q2	Q1
MSEK						
Electronics	17	17	17	20	13	16
Mechatronics	31	39	38	37	43	45
Communications	14	15	24	19	10	7
Niche Products	24	21	37	24	21	23
Parent Company/consolidation items	-3	-5	-12	-8	-5	-8
GROUP TOTAL	83	87	104	92	82	83

Consolidated Income Statement – condensed

MSEK	3 months Jul-Sep 2017/18	3 months Jul-Sep 2016/17	6 months Apr-Sep 2017/18	6 months Apr-Sep 2016/17	Moving 12 mths, Oct- Sep 2016/17	Financial year 2016/17
Net sales	775	684	1,569	1,466	3,199	3,096
Cost of goods sold	-493	-438	-1,005	-932	-2,032	-1,959
GROSS PROFIT	282	247	564	534	1,167	1,137
Selling expenses	-147	-125	-294	-264	-585	-555
Administrative expenses	-61	-42	-124	-109	-252	-237
Other operating income and operating expenses	9	2	24	4	36	16
OPERATING PROFIT *)	83	82	170	165	366	361
Net financial items	-5	-1	-10	-2	-18	-10
PROFIT AFTER FINANCIAL ITEMS	78	81	160	163	348	351
Taxes	-16	-18	-33	-37	-73	-77
NET PROFIT FOR THE PERIOD	62	63	127	126	275	274
*) Of which:						
- amortisation of intangible assets that arose in connection with acquisitions:	(-15)	(-12)	(-28)	(-23)	(-53)	(-48)
- depreciation of other non-current assets:	(-12)	(-11)	(-23)	(-21)	(-45)	(-43)
EBITA	98	94	198	188	419	409
Earnings per share, SEK	0.91	0.93	1.87	1.86	4.04	4.02
Earnings per share after dilution, SEK	0.91	0.92	1.87	1.85	4.04	4.03
Weighted number of shares after repurchases, ('000)	68,013	67,938	68,007	67,908	67,990	67,941
Weighted number of shares after repurchases adjusted after dilution ('000)	68,071	68,187	68,096	68,133	68,057	68,097
Number of shares after repurchases during the period ('000)	67,914	67,938	67,914	67,938	67,914	67,985

In view of the redemption price on outstanding call options during the period (SEK 53.90, SEK 78.80 and SEK 100.10) and the average share price (SEK 86.57) during the latest 12-month period when the option programmes were outstanding, there was a dilutive effect of 0.1 percent for the latest 12-month period. For the past quarter, there was a dilutive effect of 0.1 percent as the average share price (SEK 85.53) was higher than the average redemption price for outstanding programmes.

Consolidated Statement of Comprehensive Income and Other Comprehensive Income

MSEK	3 months Jul-Sep 2017/18	3 months Jul-Sep 2016/17	6 months Apr-Sep 2017/18	6 months Apr-Sep 2016/17	Moving 12 mths, Oct- Sep 2016/17	Financial year 2016/17
Net profit for the period	62	63	127	126	275	274
Other comprehensive income						
<u>Items that have been reposted or that may be reposted to net profit for the period</u>						
Change in translation reserve	-20	32	-15	23	-18	20
Translation differences transferred to net profit for the period	0	0	0	0	0	0
<u>Items that cannot be reposted to net profit for the period</u>						
Actuarial effects on pensions	0	0	0	0	-6	-6
Taxes attributable to actuarial effects	0	0	0	0	2	2
COMPREHENSIVE INCOME FOR THE PERIOD	42	95	112	149	253	290

Consolidated Statement of Financial Position – condensed

MSEK	30 Sep 2017	30 Sep 2016	31 Mar 2017
ASSETS			
Goodwill	1,073	896	912
Other intangible non-current assets	643	575	567
Property, plant and equipment	233	227	224
Financial assets	9	10	10
Inventories	446	405	401
Trade receivables and earned but not yet invoiced income	574	490	519
Other current receivables	138	112	136
Cash and bank balances	124	96	122
TOTAL ASSETS	3,240	2,811	2,891
EQUITY AND LIABILITIES			
Equity	1,157	1,062	1,197
Non-current liabilities	980	664	658
Trade payables and advance payment from customers	270	230	261
Other current liabilities	833	855	775
TOTAL EQUITY AND LIABILITIES	3,240	2,811	2,891
Interest-bearing assets	124	96	122
Interest-bearing liabilities, excluding pension liabilities	1,074	816	687

Consolidated Statement of Changes in Equity

MSEK	6 months Apr-Sep 2017/18	6 months Apr-Sep 2016/17	Moving 12- mths, Oct- Sep 2016/17	Financial year 2016/17
Opening balance	1,197	1,032	1,062	1,032
Comprehensive income for the period	112	149	253	290
Transactions with owners				
Dividend	-139	-119	-139	-119
Redemption and acquisition of options on repurchased shares, net	-3	0	-9	-6
Repurchase of own shares	-10	0	-10	0
CLOSING BALANCE	1,157	1,062	1,157	1,197

Consolidated Statement of Cash Flows

MSEK	3 months Jul-Sep 2017/18	3 months Jul-Sep 2016/17	6 months Apr-Sep 2017/18	6 months Apr-Sep 2016/17	Moving 12 mths, Oct Sep 2016/17	Financial year 2016/17
Operating activities						
Profit after financial items	78	81	160	163	348	351
Adjustments for taxes paid, items not included in cash flow, etc.	-6	11	-8	17	-7	18
Cash flow from operating activities before changes in working capital	72	92	152	180	341	369
Cash flow from changes in working capital						
Increase (-)/Decrease (+) in inventories	4	7	-15	4	-4	15
Increase (-)/Decrease (+) in operating receivables	-35	50	-16	19	-28	7
Increase (+)/Decrease (-) in operating liabilities	-65	-69	-74	-65	-25	-16
Cash flow from operating activities	-24	80	47	138	284	375
Investing activities						
Investment in businesses	-44	-70	-242	-158	-292	-208
Investments in/disposals of other non-current assets, net	0	-14	-25	-22	-50	-47
Cash flow from investing activities	-44	-84	-267	-180	-342	-255
Financing activities						
Dividends, redemption of options & repurchase of own shares/options	-148	-117	-152	-119	-158	-125
Financing activities	195	120	374	190	244	60
Cash flow from financing activities	47	3	222	71	86	-65
CASH FLOW FOR THE PERIOD	-21	-1	2	29	28	55
Cash and cash equivalents at the beginning of the period	145	97	122	67	96	67
Cash and cash equivalents at the end of the period	124	96	124	96	124	122

Financial instruments

For all of the Group's financial assets, fair value is estimated to equal the carrying amount. Liabilities measured at fair value consist of contingent consideration payments, which are measured using discounted estimated cash flows and are therefore included in level 3 under IFRS 13.

Carrying amount, MSEK	30 Sep 2017	31 Mar 2017
Assets measured at fair value	-	-
Assets measured at amortised cost	673	630
TOTAL ASSETS, FINANCIAL INSTRUMENTS	673	630
Liabilities measured at fair value	153	165
Liabilities measured at amortised cost	1,341	939
TOTAL LIABILITIES, FINANCIAL INSTRUMENTS	1,494	1,104

	6 months Apr – Sep 2017/18	Financial year 2016/17
Change in contingent consideration		
Opening balance	165	184
Liabilities settled during the year	-34	-64
Remeasurement of liabilities during the year	-23	-5
Year's liabilities from acquisitions during the year	46	51
Exchange difference	-1	-1
Carrying amount at end of the period	153	165

Parent Company Balance Sheet – condensed

MSEK	30 Sep 2017	30 Sep 2016	31 Mar 2017
ASSETS			
Property, plant and equipment	1	1	1
Financial assets	2,188	1,944	1,903
Current receivables	527	370	365
Cash and bank balances	0	-	-
TOTAL ASSETS	2,715	2,315	2,269
EQUITY AND LIABILITIES			
Equity	1,386	1,189	1,200
Untaxed reserves	0	4	-
Non-current liabilities	734	420	421
Current liabilities	595	702	648
TOTAL EQUITY AND LIABILITIES	2,715	2,315	2,269

Parent Company Income Statement – condensed

MSEK	3 months Jul-Sep 2017/18	3 months Jul-Sep 2016/17	6 months Apr-Sep 2017/18	6 months Apr-Sep 2016/17	Moving 12 mths, Oct- Sep 2016/17	Financial year 2016/17
Net sales	8	10	17	18	36	37
Administrative expenses	-13	-13	-30	-30	-70	-70
Other operating income and operating expenses	6	0	18	0	18	0
OPERATING PROFIT	1	-3	5	-12	-16	-33
Financial income	2	14	332	275	377	316
Financial expenses	-3	-3	-6	-5	-10	-9
PROFIT AFTER FINANCIAL ITEMS	0	8	331	258	351	274
Change in untaxed reserves	0	0	0	0	0	4
Taxes	1	1	3	3	-2	-2
NET PROFIT FOR THE PERIOD	1	9	334	261	349	276

Key ratios

In the table below, key ratios are partly presented that are not defined according to IFRS. For definition of these, see below.

	Moving 12 months, Oct- Sep 2016/17	Financial year			
		2016/17	2015/16	2014/15	2013/14
Revenue	3,199	3,096	3,057	2,846	2,546
Change in revenue, %	3.3	1.3	7	12	9
Operating profit (EBITA)	419	409	355	295	256
Profit after taxes	275	274	241	203	177
Operating margin (EBITA), %	13.1	13.2	11.6	10.4	10.1
EBIT margin, %	11.4	11.7	10.3	9.7	9.5
Profit margin, %	10.9	11.3	10.0	9.3	9.0
Equity/assets ratio	36	41	40	44	43
Return on working capital (P/WC), %	52	58	58	58	55
Return on capital employed, %	17	20	21	22	22
Return on equity, %	23	25	25	24	24
Debt/equity ratio, times	0.9	0.6	0.6	0.4	0.4
Operational net debt/equity ratio, times	0.8	0.5	0.5	0.3	0.4
Interest coverage ratio, times	17	22	20	18	16
Operational net debt (+)/receivables (-), MSEK	950	565	551	302	285
Number of employees at end of period	1,354	1,247	1,230	1,139	1,010
Revenue outside Sweden, MSEK	2,036	1,940	1,991	1,931	1,676

Per-share data

In the table below, key ratios are partly presented that are not defined according to IFRS. For definition of these, see below.

	Moving 12 months, Oct- Sep 2016/17	Financial year			
		2016/17	2015/16	2014/15	2013/14
Number of shares at end of period after repurchases ('000)	67,914	67,985	67,844	67,773	67,572
Weighted number of shares after repurchases, ('000)	67,990	67,941	67,889	67,719	67,632
Weighted number of shares after repurchases & dilution ('000)	68,057	68,097	68,121	67,965	67,995
EBIT- earnings per share after dilution, SEK	5.38	5.30	4.63	4.06	3.56
Earnings per share, SEK	4.04	4.03	3.55	3.00	2.62
Earnings per share after dilution, SEK	4.04	4.02	3.54	2.99	2.60
Cash flow from operations per share after dilution, SEK	4.17	5.51	3.77	3.94	3.40
Cash flow per share after dilution, SEK	0.41	0.81	-0.19	0.62	0.03
Equity per share, SEK	17.04	17.61	15.22	13.53	11.90
Latest price paid per share, SEK	80.75	87.00	77.50	52.67	42.33

Definitions

Return on equity

Net profit after tax as a percentage of average equity (opening plus closing balance for the period, divided by two).

Return on working capital (P/WC)

Profit before net financial items (EBIT) as a percentage of average working capital, (opening balance plus closing balance for the period, divided by two), where working capital consists of inventories, trade receivables and claims on customers less trade payables and advance payment from customers.

Return on capital employed

Profit after financial items, plus financial expenses as a percentage of average capital employed (opening balance plus closing balance for the period, divided by two).

Operating profit (EBITA)

Operating profit before amortisation of intangible non-current assets arising in connection with acquisitions.

Operating margin

Operating profit (EBITA) as a percentage of net revenue.

Equity per share

Equity divided by the number of outstanding shares on the balance sheet date.

Cash flow per share after dilution

Cash flow in relation to the weighted number of shares outstanding after repurchases and dilution.

Cash flow from operating activities per share

Cash flow from operating activities in relation to the weighted number of shares outstanding after repurchases and dilution.

Operational net debt/receivables

Interest-bearing provisions and liabilities, excluding pensions, less cash and cash equivalents and investments in securities.

Operational net debt/equity ratio

Interest-bearing provisions and liabilities, excluding pensions, less cash and cash equivalents and investments in securities, divided by equity plus non-controlling interests.

Change in revenue

Change in net revenue as a percentage of the preceding year's net revenue.

Interest coverage ratio

Profit after financial items plus financial expenses divided by financial expenses.

EBIT margin

Profit before net financial items as a percentage of net revenue.

Debt/equity ratio

Interest-bearing liabilities divided by equity, plus non-controlling interests.

Equity ratio

Equity, plus non-controlling interests as a percentage of total assets.

Capital employed

Total assets, less non-interest-bearing provisions and liabilities.

Profit margin

Profit after financial items, less participations in associated companies as a percentage of net revenue.

This information is information that Lagercrantz Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 08.00 CET on 25 October 2017.

Reporting dates

25 January 2018 Quarterly Report Q3 for the period 1 October 2017–31 December 2017
8 May 2018 Year-end Report for the period 1 April 2017–31 March 2018
18 July 2018 Quarterly Report Q1 for the period 1 April 2018–30 June 2018
29 August 2018 Annual General Meeting for the 2017/18 financial year.

The Annual Report for the 2016/17 financial year was published on 7 July 2017 on www.lagercrantz.com.

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