

Interim Report 2017/18 Q3

Third quarter 1 October – 31 December 2017

- Net revenue increased by 11 percent to MSEK 888 (798).
- Operating profit (EBITA) increased by 7 percent to MSEK 111 (104), equivalent to an operating margin of 12.5 percent (13.0).
- Profit before financial items amounted to MSEK 96 (92), equivalent to an EBIT margin of 10.8 percent (11.5).
- Profit after financial items amounted to MSEK 91 (89) and profit after taxes amounted to MSEK 70 (68).
- Earnings per share after dilution for the latest 12-month period amounted to SEK 4.07 (3.82).
- Return on equity was 23 percent (25). The equity ratio at the end of the period was 36 percent (39).
- During the quarter, NST DK A/S was acquired, with annual revenue of about MDKK 45.

The first nine months (1 April – 31 December 2017)

- Net revenue for the first nine months of the financial year increased by 9 percent to MSEK 2,457 (2,264).
- Operating profit (EBITA) increased by 6 percent to MSEK 309 (292), equivalent to an operating margin of 12.6 percent (12.9).
- Profit before financial items amounted to MSEK 266 (257), equivalent to an EBIT margin of 10.8 percent (11.4).
- Profit after financial items amounted to MSEK 250 (252) and profit after taxes amounted to MSEK 197 (194).

NET REVENUE AND PROFIT

Quarter 3 (October – December 2017)

The business conditions in the Group’s main markets Sweden, Denmark and Finland was stable, while some of the Group’s units in Germany and Norway showed a slightly weaker performance. The export markets outside of northern Europe performed well, especially in Asia and in the USA.

Consolidated net revenue for the third quarter of the financial year increased by 11 percent to MSEK 888 (798). The currency effect on net revenue was MSEK -3. Acquired businesses made a contribution of MSEK 95.

Operating profit before amortisation of intangible assets (EBITA) increased by 7 percent to MSEK 111 (104) during the quarter. Operating margin amounted to 12.5 (13.0) percent. Generally speaking, the profit in the Group’s units was in line with the previous year, however, it was negatively impacted by the fact that a few units in the Electronics and Mechatronics divisions were unable to match last year’s levels. Acquired units, during the financial year, made a positive contribution to the profit, particularly in the Communications and Niche Products divisions.

Consolidated profit before financial items (EBIT) for the third quarter amounted to MSEK 96 (92), equivalent to an EBIT margin of 10.8 percent (11.5). Profit after financial items amounted to MSEK 91 (89). The currency effect on the profit amounted to MSEK 0 (1) during the quarter. Exchange rate adjustments of financial assets impacted net financial items negatively during the period. In the previous year, the equivalent effect was positive.

Profit after taxes for the period amounted to MSEK 70 (68). Earnings per share after dilution for the latest 12-month period amounted to SEK 4.07, compared to SEK 3.82 for the year-earlier period.

The first nine months, April – December 2017

Net revenue for the first nine months of the financial year increased by 9 percent to MSEK 2,457 (2,264). Operating profit before amortisation of intangible assets (EBITA) amounted to MSEK 309 (292), equivalent to an increase of 6 percent and an operating margin of 12.6 percent (12.9). Profit after financial items amounted to MSEK 250 (252). The total currency effect on the profit amounted to MSEK 1 (0).

Profit after taxes during the first nine months of the financial year amounted to MSEK 197 (194), equivalent to earnings per share after dilution of SEK 2.90 (2.85).

PROFITABILITY AND FINANCIAL POSITION

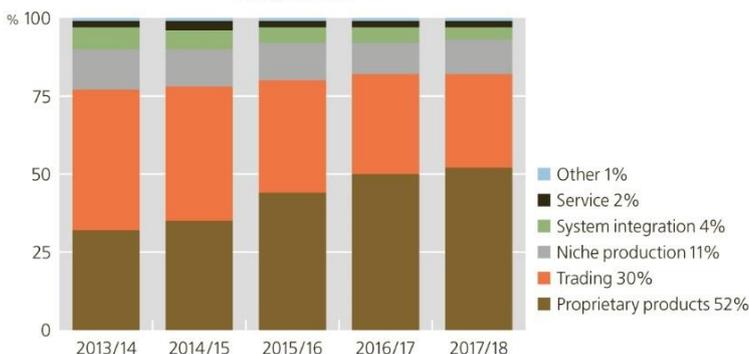
The return on equity for the latest 12-month period amounted to 23 percent (25) and the return on capital employed was 17 percent (19). The Group’s metric for return on working capital (P/WC) was 54 percent (57). The equity ratio was 36 percent (39).

Equity per share totalled SEK 17.86 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.

At the end of the period, operational net indebtedness amounted to MSEK 962, 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 amounted to 0.8 (0.6). The pension liability amounted to MSEK 62 as of 31 December 2017, compared to MSEK 56 at the end of the year-earlier period.

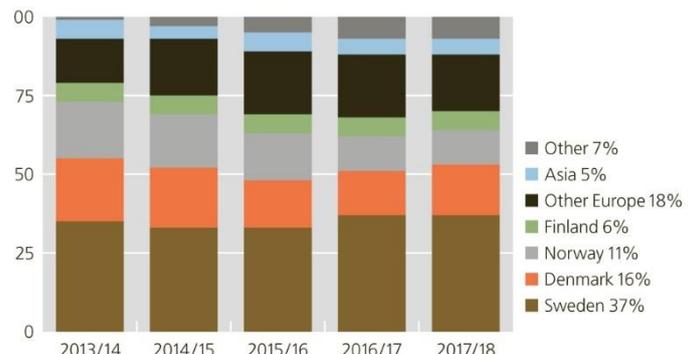
Revenue by business type

Moving 12 months



Revenue by geographic market

Moving 12 months



Divisions

	Net revenue					Operating profit (EBIT)				
	3 months Oct-Dec 2017/18	3 months Oct-Dec 2016/17	9 months Apr-Dec 2017/18	9 months Apr-Dec 2016/17	12 months Apr-Mar 2016/17	3 months Oct-Dec 2017/18	3 months Oct-Dec 2016/17	9 months Apr-Dec 2017/18	9 months Apr-Dec 2016/17	12 months Apr-Mar 2016/17
MSEK										
Electronics	215	216	645	611	834	17	20	51	48	66
<i>Operating margin</i>						7.9%	9.3%	7.9%	7.9%	7.9%
Mechatronics	247	241	715	744	1,003	31	37	101	125	163
<i>Operating margin</i>						12.6%	15.4%	14.1%	16.8%	16.3%
Communications	218	184	564	454	630	26	19	55	37	61
<i>Operating margin</i>						11.9%	10.3%	9.8%	8.1%	9.7%
Niche Products	208	157	533	455	629	26	24	71	68	104
<i>Operating margin</i>						12.5%	15.3%	13.3%	14.9%	16.5%
Parent Company/consolid- ation items	-	-	-	-	-	-4	-8	-12	-21	-33
GROUP TOTAL	888	798	2,457	2,264	3,096	96	92	266	257	361
<i>Operating margin</i>						10.8%	11.5%	10.8%	11.4%	11.7%
Financial items						-5	-3	-16	-5	-10
PROFIT BEFORE TAXES						91	89	250	252	351

NET REVENUE AND PROFIT BY DIVISION THE THIRD QUARTER

Electronics

Net revenue for the third quarter amounted to MSEK 215 (216). Profit before net financial items for the quarter amounted to MSEK 17 (20), equivalent to an EBIT margin of 7.9 percent (9.3). The division's Danish operations in marine electronics and electronics distribution strengthened their sales and profits, while some of the division's units in lighting and lighting control were unable to match last year's profit level.

During the quarter, NST DK A/S was acquired, which is described below under the item Acquisitions .

Mechatronics

Net revenue for the third quarter amounted to MSEK 247 (241). Profit before net financial items for the quarter amounted to MSEK 31 (37), equivalent to an EBIT margin of 12.6 percent (15.4). The division's largest unit, in electrical connection systems, continued to perform well. For example, its recently established sales company in the USA has had a good start. The unit in masts and aerial brackets for mobile telephony strengthened its sales, but was unable to reach last year's strong profit level, however. The division's Danish unit in customised cabling showed a positive development and the units in safety switches, emergency lighting systems and enclosures reported continued stable demand compared to the previous year.

Communications

Net revenue for the third quarter increased by 18 percent to MSEK 218 (184).

Profit before net financial items for the quarter increased by 37 percent to MSEK 26 (19), equivalent to an EBIT margin of 11.9 percent (10.3). The improvement was partly due to acquisitions, where the division's sprinkler installations unit displayed a strong performance. In addition, some of the units in control technology/network access performed well, especially in measurement equipment for metal foundries. However, some of the digital imaging/technical security units showed a weaker development compared to the previous year.

Niche Products

Net revenue for the third quarter increased by 32 percent to MSEK 208 (157). Operating profit for the quarter increased by 8 percent to MSEK 26 (24), equivalent to an EBIT margin of 12.5 percent (15.3). Most of the division's units showed a positive development compared to the previous year. In particular, the units in conveyor belt solutions and conveyors reported stronger sales. The units acquired by the division during the year, Wapro and Profsafe, posted strong profits.



CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities during the third quarter amounted to MSEK 113 (144). During the first nine months of the financial year, the equivalent figure was MSEK 158 (282). Gross investments in non-current assets amounted to MSEK 8 (7) during the third quarter.

During the third quarter of the financial year, 275,000 own Class B shares were repurchased for MSEK 22 in total, and 2,500 repurchased own Class B shares were sold in connection with redemption of options under outstanding incentive programmes. In addition, 69,000 outstanding options were repurchased for a total of MSEK 1 and MSEK 5 was received in connection with subscription for new call options.

OTHER FINANCIAL INFORMATION

Parent Company and other consolidation items

The Parent Company's internal net revenue for the first nine months of the financial year amounted to MSEK 26 (28) and profit after net financial items was MSEK 321 (251). 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 50 percent (52).

Employees

At the end of the period, the number of employees in the Group was 1,350, compared to 1,247 at the beginning of the financial year. During the first nine months of the financial year, 77 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 31 December 2017:

Classes of shares	
A shares	3,263,802
B shares	66,256,125
Repurchased B shares	-1,865,000
Total	67,654,927

At 31 December 2017, Lagercrantz Group held 1,865,000 own Class B shares, equivalent to 2.7 percent of the total number of shares and 1.9 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. On 31 December 2017, 1,863,375 options

were outstanding and were acquired by senior executives in connection with allocations in 2015, 2016 and 2017. The redemption price for each respective programme is SEK 78.80, SEK 100.10, and SEK 95.30 per share.

In conjunction with redemption of options during the first nine months of the financial year, 67,800 repurchased own Class B shares were sold for a total of MSEK 4. In addition, 240,300 outstanding options were repurchased for a total of MSEK 8.

During the third quarter, 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 for a total of MSEK 5.

Acquisitions

During the third quarter, the operations in NST DK A/S were acquired. The company is a niche player in the Danish market for electrical components and electromechanics. NST mainly sells to installation companies, but also to wholesalers and industrial customers. The company's operations are based in Odense and it generates annual revenue of about MDKK 45 with good profitability. NST has formed part of the Lagercrantz Electronics division since November 2017.

Transactions costs for the acquisition during the third quarter amounted to about MSEK 0.3 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 nine months of the financial year amounted to MSEK 385. This amount includes estimated contingent consideration of MSEK 55, which represents 75 percent of the maximum outcome. The outcome depends on the profit achieved by the companies.

As a result of the acquisitions during the first nine months of the financial year, goodwill in the Group increased by MSEK 221 on the balance sheet date and other intangible non-current assets, mostly related to proprietary products and customer relationships, increased by MSEK 128. Other non-current assets increased by MSEK 5. The deferred tax liability related to the acquisitions amounted to MSEK 28.

The effect of the completed acquisition during the third quarter of the financial year, on consolidated revenue during the third quarter was MSEK 10 and the effect on profit before taxes was MSEK 2 after acquisition costs.

If the operations acquired during the first nine 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 240 and MSEK 29, respectively, after acquisition costs.

During the first nine months of the financial year, MSEK 34 (33) was paid in contingent consideration for previous acquisitions.

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

	Book value in companies	Fair value adjustment	Fair value consolidated
Acquired net assets at time of acquisition			
Intangible non-current assets	0	127	128
Other non-current assets	3	2	5
Inventories and work in progress	40	0	40
Other short-term receivables *)	69	0	69
Interest-bearing liabilities	-2	0	-2
Other liabilities	-47	-28	-76
Net of identified assets/liabilities	63	101	164
Goodwill	-	-	221
Estimated Purchase price	-	-	385

*) of which, cash and cash equivalents MSEK 20

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 31 December 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. Therefore, these financial metrics should 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 31 December 2017.

Election Committee for appointment of directors

The Chairman of the Board was entrusted by the Annual General Meeting 2017 with the task of contacting the largest shareholders in terms of votes as of 31 December 2017, and requesting them to appoint members, in order to form an Election Committee together with the Chairman of the Board. The Election Committee shall be composed of five members.



In accordance with this, the following persons were appointed as members of the Election Committee ahead of the Annual General Meeting 2018: Anders Börjesson, (Chairman of the Board), Tom Hedelius, Johan Strandberg (representing SEB Investment Management), Adam Gerge (representing Didner & Gerge Fonder) and Marianne Nilsson (representing Swedbank Robur Fonder).

Proposals to the Election Committee from shareholders may be sent to the company for forwarding or may be sent by e-mail to valberedningen@lagercrantz.com. More information is available on www.lagercrantz.com.

Stockholm, 25 January 2018

Jörgen Wigh
President and CEO

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

Segment information by quarter

Net revenue		2017/18				2016/17		
MSEK	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Electronics	215	214	216	223	216	193	202	
Mechatronics	247	222	246	259	241	223	280	
Communications	218	161	185	177	184	135	134	
Niche Products	208	178	147	174	157	133	165	
Parent Company/consolidation items	-	-	-	-	-	-	-	
GROUP TOTAL	888	775	794	833	798	684	781	

Operating profit		2017/18				2016/17		
MSEK	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Electronics	17	17	17	17	20	13	16	
Mechatronics	31	31	39	38	37	43	45	
Communications	26	14	15	24	19	10	7	
Niche Products	26	24	21	37	24	21	23	
Parent Company/consolidation items	-4	-3	-5	-12	-8	-5	-8	
GROUP TOTAL	96	83	87	104	92	82	83	

Consolidated Income Statement – condensed

MSEK	3 months Oct-Dec 2017/18	months Oct-Dec 2016/17	9 months Apr-Dec 2017/18	9 months Apr-Dec 2016/17	Moving 12 months, Jan-Dec 2017	Financial year 2016/17
Net revenue	888	798	2,457	2,264	3,289	3,096
Cost of goods sold	-559	-508	-1,564	-1,440	-2,083	-1,959
GROSS PROFIT	329	290	893	824	1,206	1,137
Selling expenses	-164	-143	-458	-407	-606	-555
Administrative expenses	-71	-57	-195	-166	-266	-237
Other operating income and operating expenses	2	2	26	6	36	16
OPERATING PROFIT *)	96	92	266	257	370	361
Net financial items	-5	-3	-16	-5	-20	-10
PROFIT AFTER FINANCIAL ITEMS	91	89	250	252	350	351
Taxes	-21	-21	-53	-58	-73	-77
NET PROFIT FOR THE PERIOD	70	68	197	194	277	274
*) Of which:						
- amortisation of intangible assets that arose in connection with acquisitions:	(-15)	(-12)	(-43)	(-35)	(-56)	(-48)
- depreciation of other non-current assets:	(-13)	(-11)	(-36)	(-32)	(-47)	(-43)
EBITA	111	104	309	292	426	409
Earnings per share, SEK	1.03	1.00	2.90	2.86	4.08	4.02
Earnings per share after dilution, SEK	1.03	1.00	2.90	2.85	4.07	4.03
Weighted number of shares after repurchases, ('000)	67,800	67,962	67,938	67,926	67,949	67,941
Weighted number of shares after repurchases adjusted after dilution ('000)	67,838	68,220	68,000	68,154	68,007	68,097
Number of shares after repurchases during the period ('000)	67,655	67,985	67,655	67,985	67,655	67,985

In view of the redemption price on outstanding call options during the period (SEK 78.80, SEK 100.10 and SEK 95.30) and the average share price (SEK 87.01) 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 84.02) was higher than the average redemption price for outstanding programmes.

Consolidated Statement of Comprehensive Income and Other Comprehensive Income

MSEK	3 months Oct-Dec 2017/18	3 months Oct-Dec 2016/17	9 months Apr-Dec 2017/18	9 months Apr-Dec 2016/17	Moving 12 months, Jan-Dec 2017	Financial year 2016/17
Net profit for the period	70	68	197	194	277	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	-4	-5	-19	18	-17	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	66	63	178	212	256	290

Consolidated Statement of Financial Position – condensed

MSEK	31 Dec 2017	31 Dec 2016	31 Mar 2017
ASSETS			
Goodwill	1,139	909	912
Other intangible non-current assets	654	572	567
Property, plant and equipment	232	223	224
Financial assets	12	10	10
Inventories	483	416	401
Trade receivables and earned but not yet invoiced income	561	459	519
Other current receivables	152	136	136
Cash and bank balances	119	117	122
TOTAL ASSETS	3,352	2,842	2,891
EQUITY AND LIABILITIES			
Equity	1,208	1,119	1,197
Non-current liabilities	576	662	658
Trade payables and advance payment from customers	270	254	261
Other current liabilities	1,298	807	775
TOTAL EQUITY AND LIABILITIES	3,352	2,842	2,891
Interest-bearing assets	119	117	122
Interest-bearing liabilities, excluding pension liabilities	1,081	751	687

Consolidated Statement of Changes in Equity

MSEK	9 months Apr-Dec 2017/18	9 months Apr-Dec 2016/17	Moving 12 months, Jan-Dec 2017	Financial year 2016/17
Opening balance	1,197	1,032	1,119	1,032
Comprehensive income for the period	178	212	256	290
Transactions with owners				
Dividend	-136	-119	-136	-119
Redemption and acquisition of options on repurchased shares, net	1	-6	1	-6
Repurchase of own shares	-32	0	-32	0
CLOSING BALANCE	1,208	1,119	1,208	1,197

Consolidated Statement of Cash Flows

MSEK	3 months Oct-Dec 2017/18	3 months Oct-Dec 2016/17	9 months Apr-Dec 2017/18	9 months Apr-Dec 2016/17	Moving 12 months, Jan-Dec 2017	Financial year 2016/17
Operating activities						
Profit after financial items	91	89	250	252	350	351
Adjustments for taxes paid, items not included in cash flow, etc.	-21	10	-29	27	-38	18
Cash flow from operating activities before changes in working capital	70	99	221	279	312	369
Cash flow from changes in working capital						
Increase (-)/Decrease (+) in inventories	-24	-7	-39	-3	-21	15
Increase (-)/Decrease (+) in operating receivables	35	11	19	30	-4	7
Increase (+)/Decrease (-) in operating liabilities	32	41	-43	-24	-35	-16
Cash flow from operating activities	113	144	158	282	252	375
Investing activities						
Investment in businesses	-79	-45	-321	-203	-326	-208
Investments in/disposals of other non-current assets, net	-7	-7	-32	-29	-50	-47
Cash flow from investing activities	-86	-52	-353	-232	-376	-255
Financing activities						
Dividends, redemption of options & repurchase of own shares/options	-15	-6	-167	-125	-167	-125
Financing activities	-17	-65	359	125	294	60
Cash flow from financing activities	-32	-71	192	0	127	-65
CASH FLOW FOR THE PERIOD	-5	21	-3	50	2	55
Cash and cash equivalents at the beginning of the period	124	96	122	67	117	67
Cash and cash equivalents at the end of the period	119	117	119	117	119	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	31 Dec 2017	31 Mar 2017
Assets measured at fair value	-	-
Assets measured at amortised cost	650	630
TOTAL ASSETS, FINANCIAL INSTRUMENTS	650	630
Liabilities measured at fair value	156	165
Liabilities measured at amortised cost	1,369	939
TOTAL LIABILITIES, FINANCIAL INSTRUMENTS	1,526	1,104
	9 months Apr – Dec 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	-28	-5
Year's liabilities from acquisitions during the year	55	51
Exchange difference	-2	-1
Carrying amount at end of the period	156	165

Parent Company Balance Sheet – condensed

MSEK	31 Dec 2017	31 Dec 2016	31 Mar 2017
ASSETS			
Property, plant and equipment	1	1	1
Financial assets	2,256	1,967	1,903
Current receivables	485	312	365
Cash and bank balances	1	-	-
TOTAL ASSETS	2,742	2,280	2,269
EQUITY AND LIABILITIES			
Equity	1,358	1,179	1,200
Untaxed reserves	0	4	-
Non-current liabilities	320	420	421
Current liabilities	1,063	677	648
TOTAL EQUITY AND LIABILITIES	2,742	2,280	2,269

Parent Company Income Statement – condensed

MSEK	3 months Oct-Dec 2017/18	3 months Oct-Dec 2016/17	9 months Apr-Dec 2017/18	9 months Apr-Dec 2016/17	Moving 12 months, Jan-Dec 2017	Financial year 2016/17
Net revenue	9	10	26	28	35	37
Administrative expenses	-15	-17	-45	-47	-68	-70
Other operating income and operating expenses	-1	0	17	0	17	0
OPERATING PROFIT	-7	-7	-2	-19	-16	-33
Financial income	2	2	334	277	377	316
Financial expenses	-5	-2	-11	-7	-13	-9
PROFIT AFTER FINANCIAL ITEMS	-10	-7	321	251	348	274
Change in untaxed reserves	0	0	0	0	0	4
Taxes	2	1	5	4	-1	-2
NET PROFIT FOR THE PERIOD	-8	-6	326	255	347	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 month, Jan – Dec 2017	Financial year			
		2016/17	2015/16	2014/15	2013/14
Revenue	3,289	3,096	3,057	2,846	2,546
Change in revenue, %	6.2	1.3	7	12	9
Operating profit (EBITA)	426	409	355	295	256
Profit after taxes	277	274	241	203	177
Operating margin (EBITA), %	13.0	13.2	11.6	10.4	10.1
EBIT margin, %	11.2	11.7	10.3	9.7	9.5
Profit margin, %	10.6	11.3	10.0	9.3	9.0
Equity ratio, %	36	41	40	44	43
Return on working capital (P/WC), %	54	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	16	22	20	18	16
Operational net debt (+)/receivables (-), MSEK	962	565	551	302	285
Number of employees at end of period	1,350	1,247	1,230	1,139	1,010
Revenue outside Sweden, MSEK	2,063	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 month, Jan – Dec 2017	Financial year			
		2016/17	2015/16	2014/15	2013/14
Number of shares at end of period after repurchases ('000)	67,655	67,985	67,844	67,773	67,572
Weighted number of shares after repurchases, ('000)	67,949	67,941	67,889	67,719	67,632
Weighted number of shares after repurchases & dilution ('000)	68,007	68,097	68,121	67,965	67,995
EBIT- earnings per share after dilution, SEK	5.44	5.30	4.63	4.06	3.56
Earnings per share, SEK	4.08	4.03	3.55	3.00	2.62
Earnings per share after dilution, SEK	4.07	4.02	3.54	2.99	2.60
Cash flow from operations per share after dilution, SEK	3.71	5.51	3.77	3.94	3.40
Cash flow per share after dilution, SEK	0.04	0.81	-0.19	0.62	0.03
Equity per share, SEK	17.86	17.61	15.22	13.53	11.90
Latest price paid per share, SEK	81.00	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).

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.

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.

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

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 8.00 CET on 25 January 2018.

Reporting dates

8 May 2018 Year-end Report for the period 1 April 2017–31 March 2018
19 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.

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