

Interim Report 2018/19 Q2

Second quarter (July – September 2018)

- Net revenue increased by 15 percent to MSEK 895 (775). Organically, net revenue increased by 6 percent.
- Operating profit (EBITA) increased by 19 percent to MSEK 117 (98), equivalent to an operating margin of 13.1 percent (12.6).
- Profit after financial items increased by 23 percent to MSEK 96 (78).
- Profit after taxes increased to MSEK 73 (62). Earnings per share before and after dilution for the latest 12-month period amounted to SEK 4.56, compared to SEK 4.21 for the 2017/18 financial year.
- Return on equity was 22 percent (23). The equity ratio at the end of the period was 40 percent (36).
- Cash flow from operating activities for the latest 12-month period amounted to MSEK 362, compared to MSEK 282 for the 2017/18 financial year.

The first six months (April – September 2018)

- Net revenue for the first six months increased by 17 percent to MSEK 1,843 (1,569).
- Operating profit (EBITA) increased by 16 percent to MSEK 229 (198), equivalent to an operating margin of 12.4 percent (12.6).
- Profit after financial items amounted to MSEK 187 (160) and profit after taxes amounted to MSEK 150 (127).



STATEMENT OF THE CHIEF EXECUTIVE

The second quarter of the financial year was a good continuation of the first quarter, with a strong result development. Demand was strong in the Group's main markets of the Nordic region and Northern Europe. Among the Group's main customers, the large industrial and infrastructure customers did not report any slowdown in business activity. Revenue during the quarter increased by 15 percent in total, of which 6 percent was organic, which represented a clear improvement from before. This also meant that earnings growth was strong at 23 percent during the quarter, and that we reached a new all-time-high of MSEK 385 in the moving 12-month profit after financial items since the listing in 2001. This can be converted into earnings per share of SEK 4.56.

It is also extra satisfying to state that a number of activities we initiated during the previous year have borne fruit. Several companies have implemented measures to improve earnings and our new investments, including an increased market presence in the USA, have started to deliver results. The proportion of proprietary products is also continuing to increase and amounted to 55 percent of consolidated sales during the past 12 months. We are continuing on our chosen path and we will further increase the proportion of proprietary products combined with clear growth ambitions, particularly when it comes to exports. The acquisitions carried out during the past year of niche technology companies with market-leading positions have contributed positively to the performance and show that our acquisition model is still successful.

Jörgen Wigh
President and CEO

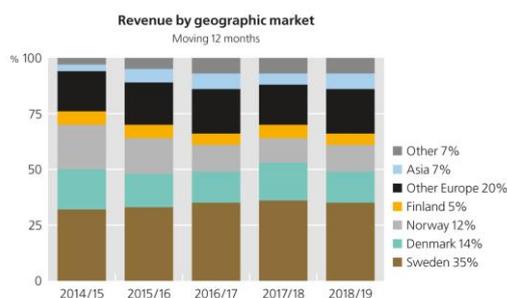
NET REVENUE AND PROFIT

Second quarter (July – September 2018)

The market situation in the Group's main markets was positive during the quarter. A continued stable and favourable situation was noted in Sweden, Denmark and Finland while the position in the Norwegian market strengthened further. The export markets in Europe and the USA saw strong demand while some of the Group's segments in China experienced a slighter weaker development than before.

Net revenue for the quarter increased by 15 percent to MSEK 895 (775). Acquired businesses made a contribution of MSEK 42 and the currency effect was MSEK 29. Organic growth in comparable units amounted to 6 percent, measured in local currency.

Operating profit before amortisation of intangible assets (EBITA) for the quarter increased by 19 percent to MSEK 117 (98), where all of the Group's divisions increased their profits. Operating margin amounted to 13.1 (12.6) percent. The improvements were due to a good performance in most units, especially in the Mechatronics and Communications divisions. Acquisitions also contributed positively.



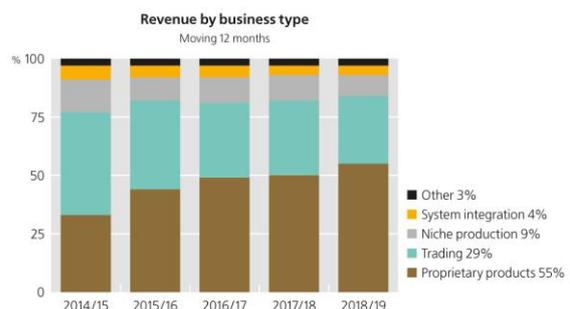
Consolidated profit before financial items (EBIT) for the second quarter amounted to MSEK 101 (83). Profit after net financial items increased by 23 percent to MSEK 96 (78). The currency effect on the profit amounted to MSEK +3 during the quarter. Profit after taxes for the period amounted to MSEK 73 (62). Earnings per share after dilution for the latest 12-month period amounted to SEK 4.56, compared to SEK 4.21 for the 2017/18 financial year.

The first six months (April – September 2018)

Net revenue for the first six months of the financial year increased by 17 percent to MSEK 1,843 (1,569). Organic growth in comparable units amounted to 6 percent, measured in local currency.

Operating profit before amortisation of intangible assets (EBITA) increased by 16 percent to MSEK 229 (198), representing an operating margin of 12.4 percent (12.6). Profit before financial items amounted to MSEK 196 (170). Profit after financial items for the first six months increased by 17 percent to MSEK 187 (160). The currency effect on the profit amounted to MSEK 5.

Profit after taxes for the first six months amounted to MSEK 150 (127).





DIVISIONS										
	Net revenue					Operating profit (EBIT)				
	3 months Jul-Sep 2018/19	3 months Jul-Sep 2017/18	6 months Apr-Sep 2018/19	6 months Apr-Sep 2017/18	12 months Apr-Mar 2017/18	3 months Jul-Sep 2018/19	3 months Jul-Sep 2017/18	6 months Apr-Sep 2018/19	6 months Apr-Sep 2017/18	12 months Apr-Mar 2017/18
MSEK										
Electronics	234	214	465	430	890	21	17	39	34	70
<i>EBIT margin</i>						9.0%	7.9%	8.4%	7.9%	7.9%
Mechatronics	267	236	556	493	1,033	40	31	80	69	131
<i>EBIT margin</i>						15.0%	13.1%	14.4%	14.0%	12.7%
Communications	196	161	419	346	786	20	14	41	29	85
<i>EBIT margin</i>						10.2%	8.7%	9.8%	8.4%	10.8%
Niche Products	198	164	403	300	701	28	24	53	46	108
<i>EBIT margin</i>						14.1%	14.6%	13.2%	15.3%	15.4%
Parent Company/consolidati on items	-	-	-	-	-	-8	-3	-17	-8	-16
GROUP TOTAL	895	775	1,843	1,569	3,410	101	83	196	170	378
<i>EBIT margin</i>						11.3%	10.7%	10.6%	10.8%	11.1%
Financial items						-5	-5	-9	-10	-20
PROFIT BEFORE TAXES						96	78	187	160	358

NET REVENUE AND PROFIT BY DIVISION SECOND QUARTER

Electronics

Net revenue for the second quarter increased by 9 percent to MSEK 234 (214). The business situation in the division continued to develop positively, but some units are experiencing a shortage of certain input goods from suppliers, which is sometimes delaying customer deliveries.

Operating profit (EBIT) increased by 24 percent to MSEK 21 (17), equivalent to an EBIT margin of 9.0 percent (7.9). The Vanpée units within lighting control in Norway, Denmark and Sweden and the unit in Germany, all strengthened their profits and the Danish acquisition within electromechanics and temporary power, NST, had a positive effect.

Mechatronics

Net revenue for the quarter amounted to MSEK 267 (236), an increase of 13 percent. Operating profit (EBIT) increased by 24 percent to MSEK 40 (31), representing an EBIT margin of 15.0 percent (13.1). The division's largest unit, Elpress, which is active within electrical connection systems, continued to perform well. The unit in masts and aerial brackets for mobile telephony, Cue Dee as well as Elkapsling and Swedwire, all showed good improvements. For organisational reasons, the company Swedwire moved to Mechatronics from the Niche Products division as from 1 April 2018. An adjustment of the comparative figures for the previous year was made.

Communications

Net revenue for the second quarter increased by 22 percent to MSEK 196 (161). Growth was good in several areas of the division, not least within several of the control technology/network access companies and within R-Con, with its fire sprinkler system in technical security.

Operating profit (EBIT) for the quarter increased by 43 percent to MSEK 20 (14), which is equivalent to an EBIT margin of 10.2 percent (8.7). The increase in business volume was the main reason for the improvement in earnings where the operations in Direktronik and Radonova performed particularly well.

Niche Products

Net revenue during the quarter increased by 21 percent to MSEK 198 (164). Operating profit (EBIT) in the same period increased by 17 percent to MSEK 28 (24), equivalent to an EBIT margin of 14.1 percent (14.6). Recently acquired Tormek displayed a good performance and several units reported a good development, for example the units within ergonomic office interior accessories and snow clearance of airport runways. However, the division's Danish unit in conveyor belt solutions, Nikodan, reported weaker sales. The company Swedwire, moved from the Niche Products to the Mechatronics division as from 1 April 2018, which also resulted in an adjustment of the previous year's figures.



PROFITABILITY AND FINANCIAL POSITION

The return on equity for the latest 12-month period amounted to 22 percent (23) and the return on capital employed was 16 percent (17). The Group's metric for return on working capital (P/WC) was 50 percent (52).

Equity per share totaled SEK 21.39 at the end of the period, compared to SEK 19.26 at the beginning of the financial year. Aside from profit, this metric was also affected by redemption of options. The equity ratio was 40 percent (36).

At the end of the period, operational net indebtedness amounted to MSEK 961 compared to MSEK 1,035 at the beginning of the year. The operational net debt equity ratio was 0.7 (0.8). The pension liability amounted to MSEK 67 as of 30 September 2018, compared to MSEK 62 one year before.

A reduction in corporate taxation for Swedish companies, from the current rate of 22.0 percent, will be introduced in two stages: 21.4 percent from and including 2019 and 20.6 percent from and including 2021. The decision means that deferred tax has been re-measured depending on the expected realization rate, which resulted in a positive effect of MSEK 4 on the recognised tax and net profit for first six months.

CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities for the latest 12-month period amounted to MSEK 362 (284). Gross investments in non-current assets amounted to MSEK 13 (1) during the second quarter and to MSEK 25 (25) during the first six months of the financial year.

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 18 (17) and profit after net financial items was MSEK 316 (331). The result includes exchange rate adjustments on intra-Group lending of MSEK 0 (0) and dividends from subsidiaries of MSEK 337 (329).

Net investments in non-current assets amounted to MSEK 0 (0). The Parent Company's equity ratio was 56 percent (51).

Employees

At the end of the period, the number of employees in the Group was 1,391, compared to 1,387 at the beginning of the financial year.

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 2018:

Classes of shares	
A shares	3,263,802
B shares	66,256,125
Repurchased B shares	-1,833,000
Total	67,686,927

At 30 September 2018, Lagercrantz Group held 1,833,000 own Class B shares, equivalent to 2.6 percent of the total number of shares and 1.9 percent of the votes in the Lagercrantz Group. These own shares cover, inter alia, the company's obligations under outstanding call option programmes for repurchased shares. On 30 September 2018, 1,447,075 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.

After the end of the period, the remaining outstanding options, that were acquired in 2015, were repurchased (237,200 options) for a total of MSEK 2. The total number of outstanding options amounts after this to 1,209,875.

ACQUISITIONS

No acquisitions were made during the second quarter of the financial year. The difference between paid and remeasured contingent consideration of MSEK 2 (5) was taken up as revenue as other operating income during the period. During the quarter, MSEK 0 (7) was paid in contingent consideration for previous acquisitions.

ACCOUNTING POLICIES

The Interim Report for the Group has been prepared in accordance with IFRS with application of IAS 34, *Interim Financial Reporting*, the Swedish Annual Accounts Act and the Swedish Securities Markets Act.

Apart from in the financial statements and accompanying notes, disclosures according to IAS 34.16A are also presented in other parts of the report. The Interim Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Markets Act, which is in accordance with the provisions of RFR 2, *Accounting for Legal Entities*.

The same accounting policies and judgement criteria have been applied as in the Lagercrantz Group's Annual Report 2017/18.

In addition, new IFRS standards and IFRIC interpretations, primarily IFRS 15 (*Revenue from Contracts with Customers*) and IFRS 9 (*Financial Instruments*) have been adopted. IFRS 9 has not had any material impact on the Group's results and financial position. As for handling the transition to the new IFRS 15 standard, the so-called cumulative effect method has been applied, without transfer of revenue or costs between financial years and without adjustments of equity or other balance sheet items. Due to new rules (IFRS 15) for allocation of service contracts to later periods, the profit after financial items for the first six months was reduced by MSEK 2. The Group is currently working with analysis and implementation of the new standard IFRS 16, Leases. See the company's Annual Report 2017/18 for more information.

ALTERNATIVE KEY RATIOS

The company applies some financial metrics in the interim report that are not defined according to IFRS. The intention is to provide valuable supplementary information for evaluation of trends and the company's performance. However, the metrics are not always comparable with metrics used by other companies and are therefore not a substitute for metrics defined according to IFRS. Expanded information has been provided in this report with regards to definitions of certain financial metrics.

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, 23 October 2018

Anders Börjesson
Chairman of the Board

Roger Bergqvist
Board member

Anna Almlöf
Board member

Anna Marsell
Board member

Lennart Sjölund
Board member

Fredrik Börjesson
Board member

Jörgen Wigh
President and Board member

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 2017/18 Annual Report.

Post-balance sheet events

No significant events for the company have occurred after the balance sheet date on 30 September 2018.

Annual General Meeting 2018

The 2018 AGM was held on 28 September 2018 in Stockholm. The Meeting discharged the Board of Directors and the President & CEO from liability for their administration during 2017/18. The notice convening the AGM was published on 28 August 2018.

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

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

Segment information by quarter

Net revenue	2018/19			2017/18		
	Q2	Q1	Q4	Q3	Q2	Q1
MSEK						
Electronics	234	231	246	215	214	216
Mechatronics	267	289	272	268	236	257
Communications	196	223	222	218	161	185
Niche Products	198	205	214	187	164	136
Parent Company/consolidation items	-	-	-	-	-	-
GROUP TOTAL	895	948	954	888	775	794

Operating profit	2018/19			2017/18		
	Q2	Q1	Q4	Q3	Q2	Q1
MSEK						
Electronics	21	18	19	17	17	17
Mechatronics	40	40	30	32	31	38
Communications	20	21	31	25	14	15
Niche Products	28	25	36	26	24	22
Parent Company/consolidation items	-8	-8	-4	-4	-3	-5
GROUP TOTAL	101	96	112	96	83	87

Consolidated Income Statement – condensed

MSEK	3 months Jul-Sep 2018/19	3 months Jul-Sep 2017/18	6 months Apr-Sep 2018/19	6 months Apr-Sep 2017/18	Moving 12-months, Oct-Sep 2017/18	Financial year 2017/18
Net revenue	895	775	1,843	1,569	3,684	3,410
Cost of goods sold	-567	-493	-1,172	-1,005	-2,338	-2,171
GROSS PROFIT	328	282	671	564	1,346	1,239
Selling expenses	-161	-147	-339	-294	-674	-629
Administrative expenses	-71	-61	-146	-124	-296	-274
Other operating income and operating expenses	5	9	10	24	28	42
OPERATING PROFIT *)	101	83	196	170	404	378
Net financial items	-5	-5	-9	-10	-19	-20
PROFIT AFTER FINANCIAL ITEMS	96	78	187	160	385	358
Taxes	-23	-16	-37	-33	-76	-72
NET PROFIT FOR THE PERIOD	73	62	150	127	309	286
*) Of which:						
- amortisation of intangible assets that arose in connection with acquisitions:	(-16)	(-15)	(-33)	(-28)	(-63)	(-58)
- depreciation of other non-current assets:	(-15)	(-12)	(-28)	(-23)	(-55)	(-50)
EBITA	117	98	229	198	467	436
Earnings per share, SEK	1.08	0.91	2.22	1.87	4.56	4.21
Earnings per share after dilution, SEK	1.08	0.91	2.22	1.87	4.56	4.21
Weighted number of shares after repurchases, ('000)	67,687	68,013	67,678	68,007	67,703	67,868
Weighted number of shares after repurchases adjusted after dilution ('000)	67,721	68,071	67,720	68,096	67,727	67,924
Number of shares after repurchases during the period ('000)	67,687	67,914	67,687	67,914	67,687	67,656

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 87.55) during the latest 12-month period when the option programmes were outstanding, there was a dilutive effect of 0.04 percent for the latest 12-month period. For the past quarter, there was a dilutive effect of 0.05 percent as the average share price (SEK 91.57) was lower than the average redemption price for outstanding programmes.

Consolidated Statement of Comprehensive and Other Comprehensive Income

MSEK	3 months Jul-Sep 2018/19	3 months Jul-Sep 2017/18	6 months Apr-Sep 2018/19	6 months Apr-Sep 2017/18	Moving 12-months, Oct-Sep 2017/18	Financial year 2016/17
Net profit for the period	73	62	150	127	309	286
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	-8	32	-2	23	-5	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	65	94	148	150	300	302

Consolidated Statement of Financial Position – condensed

MSEK	30 Sep 2018	30 Sep 2017	31 Mar 2018
ASSETS			
Goodwill	1,250	1,073	1,248
Other intangible non-current assets	677	643	710
Property, plant and equipment	248	233	251
Financial assets	11	9	11
Inventories	537	446	492
Trade receivables and earned but not yet invoiced income	666	574	647
Other current receivables	138	138	139
Cash and bank balances	116	124	134
TOTAL ASSETS	3,643	3,240	3,632
EQUITY AND LIABILITIES			
Equity	1,448	1,157	1,303
Non-current liabilities	578	980	591
Trade payables and advance payment from customers	304	270	308
Other current liabilities	1,313	833	1,430
TOTAL EQUITY AND LIABILITIES	3,643	3,240	3,632
Interest-bearing assets	116	124	134
Interest-bearing liabilities, excluding pension liabilities	1,077	1,074	1,169

Consolidated Statement of Changes in Equity

MSEK	6 months Apr-Sep 2018/19	6 months Apr-Sep 2017/18	Moving 12-months, Oct-Sep 2017/18	Financial year 2017/18
Opening balance	1,303	1,197	1,157	1,197
Comprehensive income for the period	148	112	309	273
Transactions with owners				
Dividend	0	-139	3	-136
Redemption and acquisition of options on repurchased shares, net	-3	-3	1	1
Repurchase of own shares	0	-10	-22	-32
CLOSING BALANCE	1,448	1,157	1,448	1,303

Consolidated Statement of Cash Flows

MSEK	3 months Jul-Sep 2018/19	3 months Jul-Sep 2017/18	6 months Apr-Sep 2018/19	6 months Apr-Sep 2017/18	Moving 12-months, Oct-Sep 2017/18	Financial year 2017/18
Operating activities						
Profit after financial items	95	78	187	160	385	358
Adjustments for taxes paid, items not included in cash flow, etc.	1	-6	17	-8	-10	-35
Cash flow from operating activities before changes in working capital	96	72	204	152	375	323
Cash flow from changes in working capital						
Increase (-)/Decrease (+) in inventories	3	4	-45	-15	-62	-32
Increase (-)/Decrease (+) in operating receivables	-10	-35	-13	-16	-54	-57
Increase (+)/Decrease (-) in operating liabilities	-51	-65	-19	-74	103	48
Cash flow from operating activities	38	-24	127	47	362	282
Investing activities						
Investment in businesses	-2	-44	-25	-242	-302	-519
Investments in/disposals of other non-current assets, net	-13	0	-25	-25	-46	-46
Cash flow from investing activities	-15	-44	-50	-267	-348	-565
Financing activities						
Dividends, redemption of options and repurchase of own shares/options	0	-148	-3	-152	-18	-167
Financing activities	-12	195	-92	374	-4	462
Cash flow from financing activities	-12	47	-95	222	-22	295
CASH FLOW FOR THE PERIOD	11	-21	-18	2	-8	12
Cash and cash equivalents at the beginning of the period	105	145	134	122	124	122
Cash and cash equivalents at the end of the period	116	124	116	124	116	134

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 2018	31 Mar 2018
Assets measured at fair value	-	-
Assets measured at amortised cost	724	751
TOTAL ASSETS, FINANCIAL INSTRUMENTS	724	751
Liabilities measured at fair value	132	153
Liabilities measured at amortised cost	1,378	1,474
TOTAL LIABILITIES, FINANCIAL INSTRUMENTS	1,510	1,627
	6 months Apr – Sep 2018/19	Financial year 2017/18
Change in contingent consideration		
Opening balance	153	165
Liabilities settled during the year	-17	-34
Remeasurement of liabilities during the year	-5	-49
Year's liabilities from acquisitions during the year	0	76
Exchange difference	1	-5
Carrying amount at end of the period	132	153



Parent Company Balance Sheet – condensed

MSEK	30 Sep 2018	30 Sep 2017	31 Mar 2018
ASSETS			
Property, plant and equipment	-	1	1
Financial assets	2,423	2,188	2,418
Current receivables	607	527	514
Cash and bank balances	-	-	-
TOTAL ASSETS	3,030	2,715	2,933
EQUITY AND LIABILITIES			
Equity	1,683	1,386	1,366
Untaxed reserves	-	-	-
Non-current liabilities	320	734	320
Current liabilities	1,027	595	1,247
TOTAL EQUITY AND LIABILITIES	3,030	2,715	2,933

Parent Company Income Statement – condensed

MSEK	3 months Jul-Sep 2018/19	3 months Jul-Sep 2017/18	6 months Apr-Sep 2018/19	6 months Apr-Sep 2017/18	Moving 12-months, Oct-Sep 2017/18	Financial year 2017/18
Net revenue	9	8	18	17	37	36
Administrative expenses	-20	-13	-36	-30	-70	-64
Other operating income and operating expenses	0	6	0	18	-21	-3
OPERATING PROFIT	-11	1	-18	5	-54	-31
Financial income	2	2	341	332	383	374
Financial expenses	-3	-3	-7	-6	-17	-16
PROFIT AFTER FINANCIAL ITEMS	-12	0	316	331	312	327
Appropriations	0	0	0	0	0	0
Taxes	2	1	4	3	3	2
NET PROFIT FOR THE PERIOD	-10	1	320	334	315	329



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 2017/18	Financial year			
		2017/18	2016/17	2015/16	2014/15
Revenue	3,684	3,410	3,096	3,057	2,846
Change in revenue, %	15.2	10.1	1.3	7.0	12.0
Operating profit (EBITA)	467	436	409	355	295
Profit after taxes	309	286	274	241	203
Operating margin (EBITA), %	12.7	12.8	13.2	11.6	10.4
EBIT margin, %	11.0	11.1	11.7	10.3	9.7
Profit margin, %	10.5	10.5	11.3	10.0	9.3
Equity ratio, %	40	36	41	40	44
Return on working capital (P/WC), %	50	52	58	58	58
Return on capital employed, %	16	17	20	21	22
Return on equity, %	22	23	25	25	24
Debt/equity ratio, times	0.7	0.9	0.6	0.6	0.4
Operational net debt/equity ratio, times	0.7	0.8	0.5	0.5	0.3
Interest coverage ratio, times	13	14	22	20	18
Operational net debt (+)/receivables (-), MSEK	961	1,035	565	551	302
Number of employees at end of period	1,391	1,387	1,247	1,230	1,139
Revenue outside Sweden, MSEK	2,304	2,151	1,940	1,991	1,931

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 2017/18	Financial year			
		2017/18	2016/17	2015/16	2014/15
Number of shares at end of period after repurchases ('000)	67,687	67,656	67,985	67,844	67 773
Weighted number of shares after repurchases, ('000)	67,703	67,868	67,941	67,889	67 719
Weighted number of shares after repurchases & dilution ('000)	67,727	67,924	68,097	68,121	67 965
EBIT- earnings per share after dilution, SEK	5.97	5.57	5.30	4.63	4.06
Earnings per share, SEK	4.56	4.21	4.03	3.55	3.00
Earnings per share after dilution, SEK	4.56	4.21	4.02	3.54	2.99
Cash flow from operations per share after dilution, SEK	5.34	4.14	5.51	3.77	3.94
Cash flow per share after dilution, SEK	-0.12	0.16	0.81	-0.19	0.62
Equity per share, SEK	21.39	19.26	17.61	15.22	13.53
Latest price paid per share, SEK	88.00	83.50	87.00	77.50	52.67

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 23 October 2018.

Reporting dates

29 January 2019 Quarterly Report Q3 for the period 1 October 2018–31 December 2018
9 May 2019 Year-end Report for the period 1 April 2018–31 March 2019
19 July 2019 Quarterly Report Q1 for the period 1 April 2019–30 June 2019
27 August 2019 Annual General Meeting for the 2018/19 financial year.

The Annual Report for the 2017/18 financial year was published on 2 July 2018 on www.lagercrantz.com.

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