Lagercrantz Group

Interim Report 2019/20 Q1

1 April – 30 June 2019

- Net revenue increased by 7 percent to MSEK 1,015 (948). Organically, net revenue increased by 3 percent.
- Operating profit (EBITA) increased by 15 percent to MSEK 130 (113), equivalent to an operating margin of 12.8 percent (11.9).
- Profit after financial items increased by 14 percent to MSEK 105 (92).
- Profit after taxes amounted to MSEK 82 (76). Earnings per share before and after dilution amounted to SEK 5.14 for the moving 12-month period (SEK 5.05 for the 2018/19 financial year).
- Cash flow from operating activities amounted to MSEK 112.
- Return on equity was 22 percent (22). The equity ratio at the end of the period was 40 percent.
- During the period, the acquisition of Dorotea Mekaniska AB (DMAB) was completed. The acquisition is expected to add annual sales of about MSEK 75 with good profitability. After the period, the acquisition of G9 in Denmark was completed. G9 is expected to add annual sales of about MSEK 50 with good profitability.
- The Annual General Meeting will be held on 27 August 2019 at 4.00 p.m. at IVA's Conference Centre in Stockholm.
- The Board of Directors in the notice convening the Annual General Meeting intends to propose a dividend of SEK 2.50 (2.00) per share.

IMPLEMENTATION OF IFRS 16 FROM 1 APRIL 2019:
As of 1 April, 2019, the Group applies IFRS 16 Leases. The transition has been made using the so-called simplified approach method, which means that comparative figures are not recalculated.

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STATEMENT OF THE CHIEF EXECUTIVE

The Group's positive development continued during Q1 2019/20. Net revenue increased by 7 percent to MSEK 1,015 and operating profit (EBITA) increased by 15 percent to MSEK 130, with a positive contribution from all divisions. The operating margin (EBITA) rose to 12.8 percent (11.9). The increased sales volumes, particularly in terms of exports, together with the operational improvements in several businesses contributed to the positive result. The latest new acquisitions, Schmitztechnik in January and Dorotea Mekaniska in April, have also developed according to plan and made a positive contribution to the quarter's results and profitability. After the end of the period, we also completed the acquisition of G9 Denmark, which will add MSEK 50 to annual business volume. These acquisitions are all good examples of niche highly profitable product companies, which is in line with our acquisition strategy. Today, proprietary products account for just over 55 percent of sales, with a target set of 75 percent within a few years.

All in all, I am therefore still positive about the Group's potential. Although organic sales growth was 3 percent in the quarter, which is lower than last year's 7 percent, this is partly explained by Easter with fewer sales days and lower activity in April, but also by fewer project deals and slightly lower growth rates in June. We have a strong business concept and good conditions for growth, not least on exports due to our increasing share of own products, and a limited risk with business units in many different product areas and geographies. It provides good opportunities that we develop decentralized in each of our subsidiaries.

Jörgen Wigh
President and CEO

NET REVENUE AND PROFIT

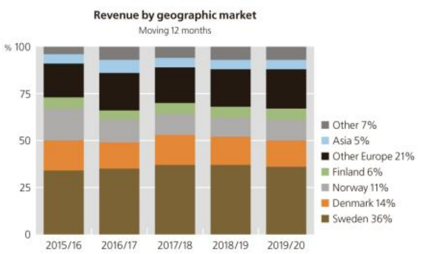
First quarter (April – June 2019)

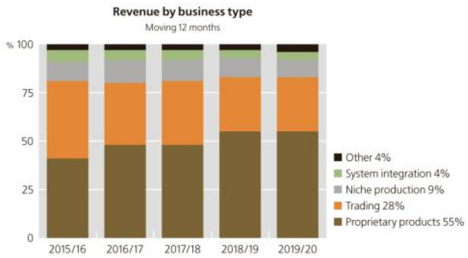
The market situation in the Group's main Nordic markets was mainly stable during the quarter, apart from the Easter effect in April. At the same time, a lower growth rate was noted during the period as some project transactions tended to be deferred to the future and some markets, for example Germany and UK, reported a weaker order intake. Most units, including the Group's largest units Elpress, R-Con, Tormek and Asept, however, continued to report a strong sales trend.

Consolidated net revenue for the first quarter of the financial year increased by 7 percent to MSEK 1,015 (948). The currency effect on net revenue was MSEK +3. Acquired businesses made a contribution of MSEK 37. Net revenue in comparable units, i.e. excluding acquisitions, increased by +3 percent measured in local currency.

Operating profit before amortisation of intangible assets (EBITA) increased by 15 percent to MSEK 130 (113) during the first quarter. Operating margin amounted to 12.8 (11.9) percent. Profit was impacted positively by acquired units and a strong performance within several units, primarily in the Electronics and Niche Products divisions.

Consolidated profit before financial items (EBIT) for the first quarter increased by 16 percent to MSEK 111 (96), equivalent to an EBIT margin of 10.9 percent (10.1). Profit after net financial items increased by 14 percent and amounted to MSEK 105 (92). The currency effect on the profit amounted to MSEK 0 (2) during the quarter. Profit after taxes during the period increased to MSEK 82 (76), equivalent to earnings per share after dilution of SEK 1.21 (1.12). Earnings per share after dilution for the latest 12-month period amounted to SEK 5.14, compared to SEK 5.05 for the 2018/19 financial year.





DIVISIONS

MSEK	Net revenue 3 months Apr-Jun 2019/20	Net revenue 3 months Apr-Jun 2018/19	Net revenue 12 months Apr-Mar 2018/19	Operating profit (EBITA) 3 months Apr-Jun 2019/20	Operating profit (EBITA) 3 months Apr-Jun 2018/19	Operating profit (EBITA) 12 months Apr-Mar 2018/19
Electronics	261	231	998	28	20	101
Operating margin				*10.7%*	*8.7%*	*10.1%*
Mechatronics	288	289	1,122	44	44	172
Operating margin				*15.3%*	*15.2%*	*15.3%*
Communications	226	223	918	27	26	137
Operating margin				*11.9%*	*11.7%*	*14.9%*
Niche Products	240	205	894	40	31	149
Operating margin				*16.7%*	*15.1%*	*16.7%*
Parent Company/consolidation items	-	-	-	-9	-8	-40
GROUP TOTAL	**1,015**	**948**	**3,932**	**130**	**113**	**519**
Operating margin				*12.8%*	*11.9%*	*13.2%*
Amortisation, intangible assets				*-19*	*-17*	-68
Financial items				-6	-4	-20
PROFIT BEFORE TAXES				**105**	**92**	**431**

NET REVENUE AND PROFIT BY DIVISION, FIRST QUARTER

Electronics

Net revenue for the first quarter increased by 13 percent to MSEK 261 (231) and operating profit (EBITA) for the quarter increased by 40 percent to MSEK 28 (20), equivalent to an operating margin of 10.7 percent (8.7). Schmitztechnik GmbH, which was acquired in January, accounted for about half of the increase in earnings. Otherwise, the largest increases in sales and profits came from the Norwegian Vanpee unit in lighting control and from ACTE Solutions, active within IoT. Idesco with proprietary RFID solutions in Finland also increased both its sales and profit.

Mechatronics

Net revenue for the quarter amounted to MSEK 288 (289). Operating profit (EBITA) was also in line with the previous year at MSEK 44 (44), equivalent to an operating margin of 15.3 percent (15.2). Last year's profit was impacted positively by MSEK 8 from project transactions. A similar transaction was also completed this quarter, but where delivery will occur at the end of the financial year. The Group's largest unit, Elpress, continued to perform well, and Swedwire and the cabling operations reported sales and earnings improvements compared to the previous year.

Communications

Net revenue for the first quarter amounted to MSEK 226 (223). Operating profit (EBITA) increased by 4 percent to MSEK 27 (26), equivalent to an operating margin of 11.9 percent (11.7). The earnings improvements came mainly from R-Con, in infrastructure for sprinkler pump systems and Radonova in radon measurement.

However, the units in torque sensors and measurement equipment for casting shops were unable to match last year's strong results.

Niche Products

Net revenue for the quarter increased by 17 percent to MSEK 240 (205), where about MSEK 19 came from the newly acquired company Dorotea Mekaniska AB (DMAB). Operating profit (EBITA) amounted to MSEK 40 (31), equivalent to an operating margin of 16.7 percent (15.1). Good sales and earnings growth came from Asept, which is active in dispensing of liquid foodstuffs, and Tormek within sharpening tools. Also Kondator with ergonomic office interior accessories showed good growth. The units PST, active within conveyor belt solutions and Steelo in storage solutions, reported lower profits.

PROFITABILITY AND FINANCIAL POSITION

Return on equity for the latest 12-month period amounted to 22 percent (22) and the return on capital employed was 17 percent (17). The Group's metric for return on working capital (P/WC) increased to 55 percent (51).

Equity per share totalled SEK 23.69 at the end of the period, compared to SEK 22.28 at the beginning of the financial year. Aside from profit, this metric was also affected by currency-related translation effects and redemption of options. The equity ratio was 40 percent compared to 39 percent at the start of the financial year, where the implementations of IFRS 16 from this quarter affected the equity ratio negatively by 2 percent, i.e. if the implementation had not taken place, the equity ratio had been 42 percent.

At the end of the period, operational net indebtedness amounted to MSEK 940 compared to MSEK 928 at the beginning of the year. Net indebtedness including pension liability and the IFRS 16 effect amounted to MSEK 1,158. The pension liability amounted to MSEK 76 (67) and the IFRS effect amounted to MSEK 142.

CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities during the first quarter amounted to MSEK 112 (89). Gross investments in non-current assets amounted to MSEK 23 (13) during the first quarter, of which the largest items related to production equipment and facilities.

The effect of the implementation of IFRS 16 gave an offset between cash flow from operating activities which increased by MSEK 22 and cash flow from financing activities which decreased by MSEK 22.

OTHER FINANCIAL INFORMATION

Parent Company and other consolidation items

The Parent Company's net revenue for the quarter amounted to MSEK 9 (9) and profit after net financial items was MSEK 353 (328). The result includes exchange rate adjustments on intra-Group lending of MSEK -2 (1) and dividends from subsidiaries of MSEK 364 (337). Net investments in non-current assets amounted to MSEK 0 (0). The Parent Company's equity ratio was 57 percent (56).

Employees

At the end of the period, the number of employees in the Group was 1,501, compared to 1,450 at the beginning of the financial year. During the period, 28 employees were added through acquisitions.

Share capital

The share capital amounted to MSEK 49 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 June 2019:

Classes of shares	
A shares	3,263,802
B shares	66,256,125
Repurchased B shares	-1,802,679
Total	**67,717,248**

At 30 June 2019, Lagercrantz Group held 1,802,679 own Class B shares, equivalent to 2.6 percent of the total number of shares and 1.8 percent of the votes in the Lagercrantz Group. Repurchased shares cover, inter alia, the company's obligations under outstanding call option programmes on repurchased shares. No shares were repurchased during the first quarter of the financial year.

During the first quarter, parts of the incentive programme based on options on repurchased Class B shares acquired by senior executives in the Group during 2016 were redeemed. In conjunction with redemption of options, 30,321 repurchased own Class B shares were sold for a total of MSEK 3.1. In addition, 477,929 outstanding options were repurchased for a total of MSEK 11.7.

At the end of the period, Lagercrantz had three outstanding call option programmes for a total of 1,201,625 shares.

Option programme	Total number of outstanding options	Corresponds to number of shares	Redemption price
2018/21	500,000	500,000	105.20
2017/20	675,000	675,000	95.90
2016/19	26,625	26,625	100.70
Total	**1,201,625**	**1,201,625**	

ACQUISITIONS

During the first quarter of the year, Dorotea Mekaniska AB (DMAB) was acquired. DMAB is a product company, which is active in the market under the Truxor brand and offers amphibian machines for lake clearance and wetland and water conservation. Transaction costs for the acquisition amounted to about MSEK 0.5 and are included in administrative expenses in the income statement. The effect of the completed acquisition on consolidated revenue during the first quarter was MSEK 19 and the effect on profit before taxes was MSEK 3 after acquisition costs.

The difference between paid and remeasured contingent consideration of MSEK 3 (2) was taken up as revenue as other operating income during the first quarter.

During the quarter, MSEK 0 (17) was paid in contingent consideration for previous acquisitions.In early July 2019, Lagercrantz acquired G9, consisting of the two companies G9 Landskab, Park & Byrum A/S and Came Denmark A/S. G9 develops, designs and supplies products for park and city environments including security products such as automatic height-adjustable bollards and barriers and products for water and wetlands. G9 has strong market positions within its product areas and works directly with customers in direct channels, architects' offices, park management and municipalities. G9 generates annual revenue of approximately MDKK 42, with good profitability. G9 will be part of the Electronics division as from July 2019.

Acquisition analysis last 12 months July 2018 - June 2019

The following analysis is preliminary and includes Schmitztechnik GmbH and Dorotea Mekaniska AB.

Net assets of acquired companies at time of acquisition	Book value in companies	Fair value adjustment	Condsolidated fair value
Intangible non-current assets	0	108	108
Other non-current assets	4	0	4
Inventories	35	0	35
Other current assets *	29	0	29
Other liabilities	-39	-29	-69
Net identifiable assets/liabilities	**29**	**79**	**107**
Consolidated goodwill	-	-	108
Estimated purchase price **	**-**	**-**	**216**

**) of which, cash and cash equivalents MSEK 0*

*** Includes conditional additional consideration of SEK 10 million, which represents 41% of the maximum outcome.*

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 2018/19. In addition, new IFRS standards and IFRIC interpretations, primarily IFRS 16 (Leases) have been applied. For the Lagercrantz Group, this means that IFRS 16, is applied for the financial year beginning on 1 April 1, 2019 and means that assets and liabilities attributable to leases are recognised in the balance sheet equivalent to the discounted value of the remaining payments for all leases. In the income statement, interest and depreciation are recognised instead of lease expenses.

In the transition to the new standard, the Group has opted to apply the modified retrospective method, simplified approach, without the requirement of restating comparative periods. The leases mainly include rental of premises but also vehicles and production equipment. Leases shorter than 12 months and for minor values are not included in the calculation. The incoming lease liability consists of the remaining leasing fees, discounted by the Group's marginal borrowing rate on 1 April 2019. The right-of-use asset is measured at an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease fees. In connection with the introduction of IFRS 16, lease liabilities increased by about MSEK 142, of which MSEK 64 are non-current and MSEK 78 are current. Right-of-use assets increased by about MSEK 142 and are included in the item property, plant and equipment. There is no effect on equity since the increase of right-of-use assets is equivalent to the increase in lease liabilities.

Previously operating leases were recognised as operating expenses within EBITA but after the introduction of IFRS 16, operating lease costs decreased by MSEK 22, depreciation increased by MSEK 21 and financial expenses increased by MSEK 1. There is no effect on total cash flow, but cash flow from operating activities will increase as most of the lease payments are classified as amortisation of lease liabilities, i.e. within financing activities. The lease payments for right-of-use assets have no effect on cash flow from investing activities as they are not classified as investing activities (but as payment of interest and lease liabilities).

See the company's Annual Report 2018/19 for further accounting policies.

ALTERNATIVE PERFORMANCE MEASURES

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. During the previous financial year, the financial metric EBITA began to be applied and therefore the previous period has been adjusted for comparability. Expanded information has been provided in this report with regard to definitions of certain financial metrics, see page 13.

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, customer and supplier 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 2018/19 Annual Report.

Post-balance sheet events

After the end of the period, Lagercrantz acquired G9, see information under Acquisitions.

The Annual Report was published on 1 July 2019. No other significant events for the company have occurred after the balance sheet date on 30 June 2019.

Annual General Meeting 2019

The Annual General Meeting 2019 will be held on 27 August 2019, at 4.00 p.m. at IVA's Conference Centre, Grev Turegatan 16 in Stockholm. The Board of Directors in the convening notice intends to propose a dividend of SEK 2.50 (2.00) per share, and an extended incentive programme in the form of call options on repurchased shares to senior executives and a renewed mandate for the Board to carry out a new issue of a maximum of 10 percent to be used during acquisitions.

All shareholders whose names are recorded in the share register five days before the AGM can participate in person, or by proxy. Notice of participation must be given to the company in accordance with the convening notice.

Stockholm, 18 July 2019
Jörgen Wigh
President and CEO

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

Segment information by quarter

Net revenue	2019/20			2018/19	
MSEK	Q1	Q4	Q3	Q2	Q1
Electronics	261	288	245	234	231
Mechatronics	288	288	278	267	289
Communications	226	252	247	196	223
Niche Products	240	250	241	198	205
Parent Company/consolidation items	-	-	-	-	-
GROUP TOTAL	**1,015**	**1,078**	**1,011**	**895**	**948**

EBITA	2019/20			2018/19	
MSEK	Q1	Q4	Q3	Q2	Q1
Electronics	28	32	27	22	20
Mechatronics	44	43	41	44	44
Communications	27	47	39	25	26
Niche Products	40	44	40	34	31
Parent Company/consolidation items	-9	-13	-10	-8	-8
GROUP TOTAL	**130**	**153**	**137**	**117**	**113**

EBITA margin	2019/20			2018/19	
%	Q1	Q4	Q3	Q2	Q1
Electronics	10.7	11.1	11.0	9.4	8.7
Mechatronics	15.3	14.9	14.7	16.5	15.2
Communications	11.9	18.7	15.8	12.8	11.7
Niche Products	16.7	17.6	16.6	17.2	15.1
Parent Company/consolidation items	-	-	-	-	-
GROUP TOTAL	**12.8**	**14.2**	**13.6**	**13.1**	**11.9**

Consolidated Income Statement – condensed

MSEK	3 months Apr-Jun 2019/20	3 months Apr-Jun 2018/19	Moving 12 months, Jul-Jun 2019/20	Financial year 2018/19
Net revenue	1,015	948	3,999	3,932
Cost of goods sold	-641	-605	-2,524	-2,488
GROSS PROFIT	**374**	**343**	**1,475**	**1,444**
Selling expenses	-187	-178	-712	-703
Administrative expenses	-81	-75	-315	-309
Other operating income and operating expenses	5	6	18	19
PROFIT BEFORE NET FINANCIAL ITEMS *)	**111**	**96**	**466**	**451**
Net financial items	-6	-4	-22	-20
PROFIT AFTER FINANCIAL ITEMS	**105**	**92**	**444**	**431**
Taxes	-23	-16	-96	-89
NET PROFIT FOR THE PERIOD	**82**	**76**	**348**	**342**
**) Of which:*				
- amortisation of intangible assets that arose in connection with acquisitions:	(-19)	(-17)	(-70)	(-68)
- depreciation of other non-current assets:	(-36)	(-13)	(-79)	(-56)
Operating profit (EBITA)	130	113	536	519
Earnings per share, SEK	1.21	1.12	5.14	5.05
Earnings per share after dilution, SEK	1.21	1.12	5.14	5.05
Weighted number of shares after repurchases, ('000)	67,703	67,669	67,691	67,682
Weighted number of shares after repurchases adjusted after dilution ('000)	67,903	67,700	67,714	67,682
Number of shares at end of period after repurchases ('000)	67,717	67,687	67,717	67,687

In view of the redemption price on outstanding call options during the period (SEK 100.70, SEK 95.90 and SEK 105.20) and the average share price (SEK 99.29) during the latest 12-month period when the option programmes were outstanding, there was a dilutive effect of 0.3 percent. For the past quarter, there was a dilutive effect of 0.3 percent (average share price SEK 119.91)

Consolidated Statement of Comprehensive Income and Other Comprehensive Income

MSEK	3 months Apr-Jun 2019/20	3 months Apr-Jun 2018/19	Moving 12 months, Jul-Jun 2019/20	Financial year 2018/19
Net profit for the period	82	76	348	342
Other comprehensive income				
Items that have been reposted or that may be reposted to net profit for the period				
Change in translation reserve	10	7	10	7
Translation differences transferred to net profit for the period	-	-	-	-
Items that cannot be reposted to net profit for the period				
Actuarial effects on pensions	-	-	-10	-10
Taxes attributable to actuarial effects	-	-	2	2
COMPREHENSIVE INCOME FOR THE PERIOD	**92**	**83**	**350**	**341**

Consolidated Statement of Financial Position – condensed

MSEK	30 Jun 2019	30 Jun 2018	31 Mar 2019
ASSETS			
Goodwill	1,363	1,254	1,327
Other intangible non-current assets	749	697	721
Property, plant and equipment	423	250	266
Financial assets	13	11	14
Inventories	555	540	528
Trade receivables and contract assets	647	649	688
Other current receivables	142	133	171
Cash and bank balances	108	105	139
TOTAL ASSETS	**4,000**	**3,639**	**3,854**
EQUITY AND LIABILITIES			
Equity	1,604	1,383	1,508
Non-current liabilities*	658	583	590
Trade payables and contract liabilities	337	366	373
Other current liabilities*	1,401	1,307	1,383
TOTAL EQUITY AND LIABILITIES	**4,000**	**3,639**	**3,854**
Interest-bearing assets	108	105	139
Interest-bearing liabilities, excluding pension liabilities**	1,190	1,088	1,066

** IFRS 16 Leases affects the Group's financial position as of 30 June 2019 as follows: right-of-use assets of MSEK 142 million have arisen and are included in property, plant and equipment. Lease liabilities increased by MSEK 63 in the item non-current liabilities and MSEK 78 in current liabilities. No restatement of previous periods has occurred.*

*** including IFRS 16*

Consolidated Statement of Changes in Equity

MSEK	3 months Apr-Jun 2019/20	3 months Apr-Jun 2018/19	Moving 12 months, Jul-Jun 2019/20	Financial year 2018/19
Opening balance	1,508	1,303	1,383	1,303
Comprehensive income for the period	92	83	350	341
Shareholders' contribution	12	-	12	-
Transactions with owners				
Dividend	-	-	-135	-135
Redemption and acquisition of options on repurchased shares, net	-8	-3	-6	-1
Repurchase of own shares	-	-	-	-
CLOSING BALANCE	**1,604**	**1,383**	**1,604**	**1,508**

Consolidated Statement of Cash Flows

MSEK	3 months Apr-Jun 2019/20	3 months Apr-Jun 2018/19	Moving 12 months, Jul-Jun 2019/20	Financial year 2018/19
Operating activities				
Profit after financial items	105	92	444	431
Adjustments for taxes paid, items not included in cash flow, etc.	35	16	30	11
Cash flow from operating activities before changes in working capital	**140**	**108**	**474**	**442**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventories	-3	-48	20	-25
Increase (-)/Decrease (+) in operating receivables	58	-3	25	-36
Increase (+)/Decrease (-) in operating liabilities	-83	32	-36	81
Cash flow from operating activities	**112**	**89**	**483**	**462**
Investing activities				
Investment in businesses	-67	-23	-185	-141
Investments in/disposals of other non-current assets, net	-23	-12	-84	-73
Cash flow from investing activities	**-92**	**-35**	**-269**	**-214**
Financing activities				
Dividends, redemption of options & repurchase of own shares/options	-8	-3	-143	-138
Financing activities	-43	-80	-68	-105
Cash flow from financing activities	**-51**	**-83**	**-211**	**-243**
CASH FLOW FOR THE PERIOD	**-31**	**-29**	**3**	**5**
Cash and cash equivalents at the beginning of the period	139	134	105	134
Cash and cash equivalents at the end of the period	108	105	108	139

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 Jun 2019**	**31 Mar 2019**
Assets measured at fair value	-	-
Assets measured at amortised cost	23	782
TOTAL ASSETS, FINANCIAL INSTRUMENTS	**23**	**782**
Liabilities measured at fair value	138	129
Liabilities measured at amortised cost	977	1,399
TOTAL LIABILITIES, FINANCIAL INSTRUMENTS	**1,115**	**1,527**

Change in contingent consideration	3 months Apr – Jun 2019/20	Financial year 2018/19
Opening balance	129	153
Liabilities settled during the year	-	-19
Remeasurement of liabilities during the year	-3	-4
Year's liabilities from acquisitions during the year	12	-
Exchange difference	-2	-1
Carrying amount at end of the period	**136**	**129**

Parent Company Balance Sheet – condensed

MSEK	30 Jun 2019	30 Jun 2018	31 Mar 2019
ASSETS			
Property, plant and equipment	8	1	1
Financial assets	2,660	2,422	2,573
Current receivables	666	614	553
Cash and bank balances	-	-	-
TOTAL ASSETS	**3,334**	**3,037**	**3,127**
EQUITY AND LIABILITIES			
Equity	1,912	1,694	1,564
Untaxed reserves	-	-	-
Non-current liabilities	323	320	320
Current liabilities	1,099	1,023	1,243
TOTAL EQUITY AND LIABILITIES	**3,334**	**3,037**	**3,127**

Parent Company Income Statement – condensed

MSEK	3 months Apr-Jun 2019/20	3 months Apr-Jun 2018/19	Moving 12 months, Jul-Jun 2019/20	Financial year 2018/19
Net revenue	9	9	36	36
Administrative expenses	-17	-16	-73	-72
Other operating income and operating expenses	-	-	-	-
OPERATING PROFIT	**-8**	**-7**	**-37**	**-36**
Financial income	366	339	411	384
Financial expenses	-5	-4	-17	-16
PROFIT AFTER FINANCIAL ITEMS	**353**	**328**	**357**	**332**
Change in untaxed reserves	-	-	-	-
Taxes	2	2	1	1
NET PROFIT FOR THE PERIOD	**355**	**330**	**358**	**333**

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, Jul-Jun 2019/20	Financial year			
		2018/19	2017/18	2016/17	2015/16
Revenue	3,999	3,932	3,410	3,096	3,057
Change in revenue, %	12	15	10	1	7
Operating profit (EBITA)	536	519	436	409	355
Operating margin (EBITA), %	13.4	13.2	12.8	13.2	11.6
EBIT	466	451	378	361	315
EBIT margin, %	11.7	11.5	11.1	11.7	10.3
Profit after financial items	444	431	358	351	307
Profit margin, %	11.1	10.7	10.5	11.3	10.0
Profit after taxes	348	342	286	274	241
Equity ratio, % *	40	39	36	41	40
Return on working capital (P/WC), %	55	54	52	58	58
Return on capital employed, %	18	18	17	20	21
Return on equity, %	23	24	23	25	25
Net debt (+)/receivables (-), MSEK **	1,158	1,004	1,102	628	606
Net debt/equity ratio, times**	0.7	0.7	0.8	0.5	0.6
Operational net debt (+)/receivables (-), MSEK	940	928	1,035	565	551
Operational net debt/equity ratio, times	0.6	0.6	0.9	0.4	0.5
Interest coverage ratio, times	15	16	14	22	20
Number of employees at end of period	1,501	1,450	1,387	1,247	1,230
Revenue outside Sweden, MSEK	2,545	2,491	2,151	1,940	1,991

Performance-based key ratios exclude IFRS 16 for comparability.

** The equity ratio includes the IFRS 16 effect from 1 April 2019, which has a negative effect on the equity ratio of 2 percent.*

*** Net debt and net debt/equity ratio includes pensions. The IFRS effect is included from 1 April 2019.*

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, Jul-Jun 2019/20	Financial year			
		2018/19	2017/18	2016/17	2015/16
Number of shares at end of period after repurchases ('000)	67,717	67,687	67,656	67,985	67,844
Weighted number of shares after repurchases, ('000)	67,691	67,682	67,868	67,941	67,889
Weighted number of shares after repurchases & dilution ('000)	67,714	67,682	67,924	68,097	68,121
Earnings per share, SEK	5.14	5.05	4.21	4.03	3.55
Earnings per share after dilution, SEK	5.14	5.05	4.21	4.02	3.54
Cash flow from operating activities per share after dilution, SEK *	7.16	6.83	4.14	5.51	3.77
Equity per share, SEK	23.69	22.28	19.26	17.61	15.22
Latest price paid per share, SEK	132.60	100.00	83.50	87.00	77.50

** Key ratios include IFRS 16 from 1 April 2019. The effect of IFRS 16 2019/20 was positive by 0.32 SEK/share.*

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 average number of shares outstanding after repurchases and dilution.

Net debt/receivables
Interest-bearing provisions and liabilities including pension liabilities and including IFRS 16, less cash and cash equivalents and investments in securities.

Net debt/equity ratio
Interest-bearing provisions and liabilities including pension liabilities and including IFRS 16, less cash and cash equivalents and investments in securities, divided by equity plus non-controlling interests.

Operational net debt/receivables
Interest-bearing provisions and liabilities, excluding pensions and excluding IFRS 16, less cash and cash equivalents and investments in securities.

Operational net debt/equity ratio
Interest-bearing provisions and liabilities, excluding pensions and excluding IFRS 16, 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 a.m. CET on 18 July 2019.

Reporting dates:
27 August 2019 Annual General Meeting for the 2018/19 financial year.
23 October 2019 Quarterly Report Q2 for the period 1 July 2019–30 September 2019
29 January 2020 Quarterly Report Q3 for the period 1 October 2019–31 December 2019
13 May 2020 Year-end Report for the period 1 April 2019–31 March 2020

The Annual Report for the 2018/19 financial year was published on 1 July 2019 on www.lagercrantz.com.

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