

Interim Report 2020/21 Q1

1 April – 30 June 2020

- Net revenue decreased by almost 4 percent to MSEK 977 (1,015). The market situation was dominated by uncertainty, primarily connected to the Covid-19 pandemic.
- Operating profit (EBITA) amounted to MSEK 124 (130), equivalent to an operating margin of 12.7 percent (12.8).
- Profit after financial items amounted to MSEK 93 (105).
- Profit after taxes amounted to MSEK 70 (82). Earnings per share before and after dilution amounted to SEK 5.22 for the moving 12-month period (SEK 5.39 for the 2019/20 financial year).
- Cash flow from operating activities amounted to MSEK 246 (112).
- Return on equity was 21 percent (22). The equity ratio at the end of the period was 41 percent (40).
- The Annual General Meeting will be held on 25 August 2020. Due to the ongoing Covid-19 pandemic, a limited attendance is requested, and an alternative voting procedure will be offered.
- In view of the prevailing uncertainty as a consequence of the pandemic, the Board of Directors proposes, to the Annual General meeting a reduced dividend of SEK 2.00 (2.50) per share.
- The Board of Directors proposes to the Annual General Meeting that the number of shares in the company be increased by dividing each share, regardless of series, into three shares (so-called share split 3:1).



STATEMENT OF THE CHIEF EXECUTIVE

The first quarter of the financial year was dominated by the uncertainty connected to the Covid-19 pandemic. The pandemic affected the Group starting in March/April when the public health authorities raised the alarm and we noticed an increased volatility in incoming orders among the Group's different businesses. Within the Group, we took the situation extremely seriously and urged caution. We introduced increased follow-up relating to incoming orders, earnings and cash flows in every profit centre. In particular, we have prioritised measures to protect the health of our employees and business partners, through remote meetings and much fewer physical contacts, less travel, participation in trade fairs etc. We have gradually seen how different the businesses are affected by the pandemic and continued to invest where we see growth, at the same time as we have made necessary restructuring where needed.

My view is that our focus on the situation in every unit has really delivered results and towards the end of the quarter we noted improved conditions in line with an improving general situation and economies reopening. In overall terms, the order volume during the quarter was only about 5 percent weaker than the same period last year and this, in combination with the implemented precautionary measures generally, and more far-reaching measures in businesses with problems, meant that the fall in profit could be limited. It is also important to point out that we reported a continued positive performance in most of the Group's larger businesses, where many companies have exposure to sectors such as electricity and social infrastructure. Examples here are the businesses Elpress, Elkapsling and Elfac within Mechatronics, R-Con in Communications and Tormek and Wapro within Niche Products. In total, our focus on the right things has generated a strong cash flow with a decrease in operational net debt by MSEK 192 to MSEK 864 during the quarter. I would like to extend a big thank you to all co-workers and subsidiary management teams for extraordinary efforts during this new situation.

Ahead of the coming quarters, the situation remains uncertain and we are preparing our businesses for different scenarios. Independent of the scenario, I feel great confidence regarding the Group's decentralised structure. In times of uncertainty, it really comes into its own, where the Group's more than 50 companies in about 100 operating locations ensure a large diversification of products, end customer markets and geographies. Given a continued extraordinary sense of responsibility, commitment and the decision-making power among our local management teams, I am convinced that the Group will cope with the crisis well. Far-reaching but balanced actions also pave the way for a more offensive approach and further acquisitions as the situation normalises.

Jörgen Wigh
President and CEO

NET REVENUE AND PROFIT

First quarter (April – June 2020)

The quarter was dominated by uncertainty as a consequence of the Covid-19 pandemic. This meant that the market situation was generally more cautious and volatile among the Group's different businesses and due to the impact of the shutdown of the European economy, primarily in Germany. The shutdown of the US economy also impacted some units negatively, particularly where the customers are operating in the restaurant and fast food industry. The reopening of China on the other hand had a positive impact on exporting companies, with strong demand, especially from the wind power sector. In light of this, measures are being implemented in the units that are negatively affected by the pandemic, while increased revenue and earnings improvements were also noted in a number of the Group's larger units.

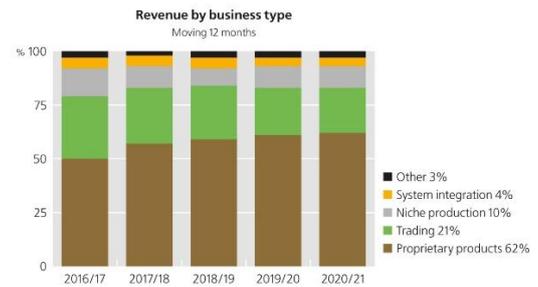
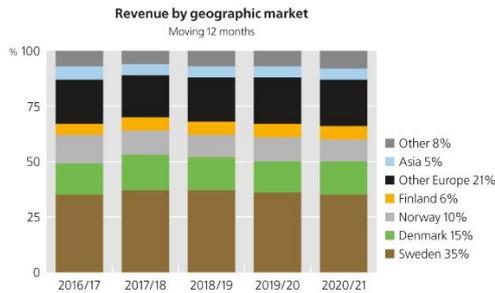
Consolidated net revenue for the first quarter of the financial year decreased by almost 4 percent and amounted to MSEK 977 (1,015). The currency effect on net revenue was MSEK 5. Acquired businesses made a contribution of MSEK 32.

Operating profit (EBITA) for the quarter amounted to MSEK 124 (130). Operating margin amounted to 12.7 (12.8) percent. Acquired businesses had a small, but positive impact on profit for the quarter. Several of the Group's companies, mainly within the Niche Products and Communications divisions, have improved their profits. The public support packages affected the profit positively by about MSEK 10 during the quarter. A provision of MSEK 5 for future cost-adjusting measures has been set aside in the results, and the comparative figure for the previous year included a dissolution of a reserve for contingent

consideration payments of MSEK 3, compared to MSEK -1 in the present year.

The consolidated profit after net financial items amounted to MSEK 93 (105) during the quarter. The currency effect on the profit amounted to MSEK 1 (0). Profit after taxes during the period decreased to MSEK 70 (82), equivalent to earnings per share after dilution of SEK 1.03 (1.21).

Earnings per share after dilution for the latest 12-month period amounted to SEK 5.22, compared to SEK 5.39 for the 2019/20 financial year.



DIVISIONS

	Net revenue			Operating profit (EBITA)		
	3 months Apr-Jun 2020/21	3 months* Apr-Jun 2019/20*	12 months* Apr-Mar 2019/20	3 months Apr-Jun 2020/21	3 months* Apr-Jun 2019/20	12 months* Apr-Mar 2019/20
MSEK						
Electronics	224	279	1,117	16	31	113
Operating margin				7.1%	11.1%	10.1%
Mechatronics	313	297	1,261	46	43	193
Operating margin				14.7%	14.5%	15.3%
Communications	199	209	897	28	24	140
Operating margin				14.1%	11.5%	15.6%
Niche Products	241	230	905	51	41	153
Operating margin				21.2%	17.8%	16.9%
Parent Company/consolidation items	-	-	-	-17	-9	-34
GROUP TOTAL	977	1,015	4,180	124	130	565
Operating margin				12.7%	12.8%	13.5%
Amortisation, intangible assets				-21	-19	-82
Financial items				-10	-6	-23
PROFIT BEFORE TAXES				93	105	460

*Companies were moved between the divisions (see below), the comparative figures have been restated.



NET REVENUE AND PROFIT BY DIVISION, FIRST QUARTER

Electronics

Net revenue for the quarter amounted to MSEK 224 (279) and operating profit EBITA amounted to MSEK 16 (31), which corresponds to an operating margin of 7.1 percent (11.1). The shutdown of the economy and the market situation within certain sectors in Germany has had a negative impact on both Schmitztechnik and Unitronic. ACTE DK, with products including electronic components for hearing aids has also been negatively impacted by the Covid-19 pandemic. The new acquisition G9 in Denmark developed well and contributed to the profit during the quarter. As a consequence of the weaker profit, far-reaching cost adjustments and restructurings were implemented, for instance in Germany, Poland and Norway.

Starting from the 2020/21 financial year, the division includes the Danish units CAD Kompagniet and Skomø, which were moved to Electronics from the Communications division for organisational reasons. Adjustments have been made in the comparative figures for the previous year.

Mechatronics

The division's net revenue for the quarter increased by 5 percent and amounted to MSEK 313 (297). Operating profit (EBITA) improved by 7 percent and amounted to MSEK 46 (43), which gave an operating margin of 14.7 percent (14.5).

The Group's largest unit, Elpress (electrical connection systems), continues to display strong revenue and profit growth. The same applies to two other larger units in the division Elkapsling (IP-classed enclosures for electrical, telecom and broadband networks) and Elfac (special cables, for instance for the wind power industry). The division's new acquisition Frictape, with security solutions for helidecks, also contributed with a strong profit.

Starting from the 2020/21 financial year, Steelo is part of Mechatronics after being moved from the Niche Products division. This has occurred to facilitate cooperation with Elkapsling, which has a similar business and the comparative figures from prior periods have therefore also been adjusted.

Communications

Net revenue for the quarter amounted to MSEK 199 (209). Operating profit (EBITA) increased by 17 percent to MSEK 28 (24), which increased the operating margin to 14.1 percent (11.5). The improvements in earnings came from units including Radonova (radon measurement), ISG Nordic (alarm and camera surveillance) and STV (video conferencing). Precimeter (measurement equipment for foundries) delivered in relation to a few larger projects and reported strong revenue and profit growth. Some of the division's smaller units were negatively impacted by the pandemic and were unable to match the previous year's profit level.

As stated under the Electronics division, the companies CAD Kompagniet and Skomø have been moved from Communications to the Electronics division starting from 1 April 2020. Adjustments have been made in the comparative figures for the previous year.

Niche Products

The Niche Products division increased its net revenue during the quarter by 5 percent to MSEK 241 (230). Operating profit (EBITA) increased by 24 percent to MSEK 51 (41), equivalent to an operating margin of 21.2 percent (17.8).

Strong sales and profit growth in several units in the division explained the improvement in earnings. In particular, Tormek (sharpening machines for edge tools) and Wapro (check valves and flow regulators for storm and wastewater systems) displayed strong profit improvements. Nikodan (conveyor belt solutions) and Thermod (special doors and freezing rooms), which both implemented restructuring programmes, also showed good improvements in earnings during the quarter.

As stated under the Mechatronics division, the company Steelo has been moved from Niche Products to Mechatronics starting from 1 April 2020. Adjustments in the historical comparative figures have been made.

PROFITABILITY AND FINANCIAL POSITION

Return on equity for the latest 12-month period amounted to 21 percent (22) and the return on capital employed was 17 percent (17). The Group's metric for return on working capital (P/WC) was 66 percent (64).

Equity per share totalled SEK 25.48 at the end of the period, compared to SEK 24.86 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 41 percent compared to 39 percent at the start of the financial year.

During the quarter, operational net debt decreased by MSEK 192 to MSEK 864 (1,056 on 31 March 2020) as a result of strong cash flow. The pension liability and IFRS 16 effect in the total net indebtedness amounted to MSEK 76 and MSEK 166, respectively, compared to MSEK 76 and MSEK 180, respectively, at the start of the financial year.

CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities during the first quarter amounted to MSEK 246 (112). Gross investments in non-current assets amounted to MSEK 12 (23) during the first quarter, of which the largest items related to production equipment and facilities.

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 -13 (353). The result includes exchange rate adjustments on intra-Group lending of MSEK -6 (2) and dividends from subsidiaries of MSEK 5 (364). Net investments in non-current assets amounted to MSEK 0 (0). The Parent Company's equity ratio was 55 percent (57).

Employees

At the end of the period, the number of employees in the Group was 1,510, compared to 1,532 at the beginning of the financial year. During the period, no 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 2020:

Classes of shares	Number of shares
A shares	3,263,802
B shares	66,256,125
Repurchased B shares	-1,771,637
Total	67,748,290

At 30 June 2020, Lagercrantz Group held 1,771,637 own Class B shares, equivalent to 2.5 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. 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 2017 were redeemed.

At the end of the period, Lagercrantz had three outstanding call option programmes as follows:

Option programme	Total number of outstanding options	Corresponds to number of shares	Redemption price
2019/22	417,900	417,900	154.40
2018/21	500,000	500,000	104.80
2017/20	33,500	33,500	95.90
Total	951,400	951,400	



ACQUISITIONS

No acquisitions were carried out during the quarter.

The difference between reserved, paid and remeasured contingent considerations of MSEK 1 was expensed as other operating expenses during the quarter. During the

same quarter of the previous year, MSEK 3 was taken up as revenue as other operating income. During the quarter, MSEK 13.5 (0) was paid in contingent consideration for previous acquisitions.

Preliminary purchase price allocation last 12 months July 2019-June 2020

	Book value in companies	Fair value adjustment	Fair value consolidated
Intangible non-current assets	1	88	89
Other non-current assets	2	0	2
Inventories and work in progress	19	0	19
Other short-term receivables *)	51	0	51
Other liabilities	-37	-19	-56
Net of identified assets/liabilities	35	70	105
Goodwill	-	-	124
Estimated Purchase price	-	-	229

* of which cash and cash equivalent 29 MSEK

** Includes conditional additional consideration of MSEK 12,8, which represents 66% of the maximum outcome.

The above analysis is preliminary considering allocation of excess value.

ACCOUNTING PRINCIPLES

The Interim Report for the Group has been prepared in accordance with IFRS standards 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 2019/20. In addition, new IFRS standards and IFRIC interpretations, were applied.

See the company's Annual Report for the financial year 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. Therefore, they 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, see page 13.



OTHER INFORMATION

Transactions with related parties

Transactions between Lagercrantz and related parties with a significant impact on the company's financial position and results have not occurred.

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, IT risks/cyber-attacks, pandemics 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 2019/20 Annual Report.

Covid-19 effects

The Group's different businesses during the quarter were impacted to a varying degree by the Covid-19 pandemic, but all in all, the Group's operations could be conducted without larger disruptions. Uncertainty ahead of the coming quarters remains high and situation-adapted measures will be implemented in the subsidiaries where required to meet the challenges as a result of the pandemic but also to take advantage of future growth opportunities.

Post-balance sheet events

The Annual Report for the 2019/20 financial year will be published in connection with the interim report for the first quarter. No other significant events for the company have occurred after the balance sheet date on 30 June 2020.

Annual General Meeting 2020

The Annual General Meeting 2020 will be held on 25 August 2020, at 4.00 p.m. at IVA's Conference Centre, Grev Turegatan 16 in Stockholm. In view of the ongoing Covid-19 pandemic, a limited attendance is requested, and an alternative voting procedure will be offered.

The Board of Directors in the convening notice intends to propose a dividend of SEK 2.00 (2.50) 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 in connection with acquisitions. The Board of Directors further propose that the number of shares are increased by 3:1 share split.

Notice of participation in the Annual General Meeting is provided in the convening notice.

Stockholm, 17 July 2020

Jörgen Wigh
President and CEO

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



Segment information by quarter *

Net revenue	2020/21		2019/20		
MSEK	Q1	Q4	Q3	Q2	Q1
Electronics	224	278	279	281	279
Mechatronics	313	356	335	273	297
Communications	199	239	251	198	209
Niche Products	241	239	234	202	230
Parent Company/consolidation items	-	-	-	-	-
GROUP TOTAL	977	1,112	1,099	954	1,015

EBITA	2020/21		2019/20		
MSEK	Q1	Q4	Q3	Q2	Q1
Electronics	16	20	29	33	31
Mechatronics	46	58	52	40	43
Communications	28	40	48	28	24
Niche Products	51	41	35	36	41
Parent Company/consolidation items	-17	-7	-8	-10	-9
GROUP TOTAL	124	152	156	127	130

EBITA margin	2020/21		2019/20		
%	Q1	Q4	Q3	Q2	Q1
Electronics	7.1	7.2	10.4	11.7	11.1
Mechatronics	14.7	16.3	15.5	14.7	14.5
Communications	14.1	16.7	19.1	14.1	11.5
Niche Products	21.2	17.2	15.0	17.8	17.8
Parent Company/consolidation items	-	-	-	-	-
GROUP TOTAL	12.7	13.7	14.2	13.3	12.8

*Companies were moved between the divisions (see above), comparable figures have been restated.



Consolidated Income Statement – condensed

MSEK	3 months Apr-Jun 2020/21	3 months Apr-Jun 2019/20	Moving 12 months, Jul- Jun 2020/21	Financial year 2019/20
Net revenue	977	1,015	4,142	4,180
Cost of goods sold	-599	-641	-2,576	-2,618
GROSS PROFIT	378	374	1,566	1,562
Selling expenses	-180	-187	-762	-769
Administrative expenses	-94	-81	-354	-341
Other operating income and operating expenses	-1	5	25	31
PROFIT BEFORE NET FINANCIAL ITEMS *)	103	111	475	483
Net financial items	-10	-6	-27	-23
PROFIT AFTER FINANCIAL ITEMS	93	105	448	460
Taxes	-23	-23	-94	-94
NET PROFIT FOR THE PERIOD	70	82	354	366
*) Of which:				
- amortisation of intangible non-current assets arising in connection with acquisitions:	(-21)	(-19)	(-84)	(-82)
- depreciation of other non-current assets:	(-37)	(-36)	(-153)	(-152)
Operating profit (EBITA)	124	130	559	565
Earnings per share, SEK	1.03	1.21	5.23	5.40
Earnings per share after dilution, SEK	1.03	1.21	5.22	5.39
Weighted number of shares after repurchases, ('000)	67,731	67,703	67,724	67,717
Weighted number of shares after repurchases adjusted after dilution ('000)	67,842	67,903	67,836	67,872
Number of shares at end of period after repurchases ('000)	67,748	67,717	67,748	67,726

In view of the redemption price on outstanding call options during the period (SEK 95.90, SEK 104.80 and SEK 154.40) and the average share price (SEK 132.04) during the latest 12-month period when the option programmes were outstanding, there was a dilutive effect of 0.2 percent. For the latest quarter, there was a dilutive effect of 0.2 percent (average share price SEK 131.67).

Consolidated Statement of Comprehensive Income and Other Comprehensive Income

MSEK	3 months Apr-Jun 2020/21	3 months Apr-Jun 2019/20	Moving 12 months, Jul- Jun 2020/21	Financial year 2019/20
Net profit for the period	70	82	354	366
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	-24	10	-38	-4
Translation differences transferred to net profit for the period	-	-	-	-
<u>Items that cannot be reposted to net profit for the period</u>				
Actuarial effects on pensions	-	-	-2	-2
Taxes attributable to actuarial effects	-	-	-	0
COMPREHENSIVE INCOME FOR THE PERIOD	46	92	314	360



Consolidated Statement of Financial Position – condensed

MSEK	30 Jun 2020	30 Jun 2019	31 Mar 2020
ASSETS			
Goodwill	1,488	1,363	1,518
Other intangible non-current assets	749	749	758
Property, plant and equipment	462	423	480
Financial assets	17	13	18
Inventories	577	555	562
Trade receivables and contract assets	605	647	716
Other current receivables	148	142	180
Cash and bank balances	145	108	117
TOTAL ASSETS	4,191	4,000	4,349
EQUITY AND LIABILITIES			
Equity	1,726	1,604	1,684
Non-current liabilities*	1,087	1,259	1,102
Trade payables and contract liabilities	343	366	367
Other current liabilities*	1,035	771	1,196
TOTAL EQUITY AND LIABILITIES	4,191	4,000	4,349
Interest-bearing assets	145	108	117
Interest-bearing liabilities, excluding pension liabilities	1,176	1,190	1,353

*Reclassification, prior periods, has occurred between non-current and current liabilities for comparability.

Consolidated Statement of Changes in Equity

MSEK	3 months Apr-Jun 2020/21	3 months Apr-Jun 2019/20	Moving 12 months, Jul- Jun 2020/21	Financial year 2019/20
Opening balance	1,684	1,508	1,604	1,508
Comprehensive income for the period	46	92	314	360
Shareholders' contributions from minority owners in subsidiaries	-	12	-	12
Dividend to minority owners in subsidiaries	-	-	-10	-10
Transactions with owners				
Dividend	-	-	-169	-169
Redemption and acquisition of options on repurchased shares, net	-4	-8	-13	-17
Repurchase of own shares	-	-	-	-
CLOSING BALANCE	1,726	1,604	1,726	1,684



Consolidated Statement of Cash Flows

MSEK	3 months Apr-Jun 2020/21	3 months Apr-Jun 2019/20	Moving 12 months, Jul- Jun 2020/21	Financial year 2019/20
Operating activities				
Profit after financial items	93	105	448	460
Adjustments for taxes paid, items not included in cash flow, etc.	64	35	172	143
Cash flow from operating activities before changes in working capital	157	140	620	603
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventories	-15	-3	-9	3
Increase (-)/Decrease (+) in operating receivables	105	58	58	11
Increase (+)/Decrease (-) in operating liabilities	-1	-83	-28	-110
Cash flow from operating activities	246	112	641	507
Investing activities				
Investment in businesses	-13	-69	-204	-260
Investments in/disposals of other non-current assets, net	-14	-23	-82	-91
Cash flow from investing activities	-27	-92	-286	-351
Financing activities				
Dividends, redemption of options & repurchase of own shares/options	-4	-8	-192	-196
Financing activities	-187	-43	-126	18
Cash flow from financing activities	-191	-51	-318	-178
CASH FLOW FOR THE PERIOD	28	-31	37	-22
Cash and cash equivalents at the beginning of the period	117	139	108	139
Cash and cash equivalents at the end of the period	145	108	145	117

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 2020	31 Mar 2020
Assets measured at fair value	-	-
Assets measured at amortised cost	720	803
TOTAL ASSETS, FINANCIAL INSTRUMENTS	720	803
Liabilities measured at fair value	186	199
Liabilities measured at amortised cost	1,316	1,503
TOTAL LIABILITIES, FINANCIAL INSTRUMENTS	1,502	1,702
	3 months Apr – Jun 2020/21	Financial year 2019/20
Change in contingent considerations		
Opening balance	199	185
Liabilities settled during the year	-14	-47
Remeasurement of liabilities during the year	1	-14
Year's liabilities from acquisitions during the year	-	76
Exchange difference	-	-1
Carrying amount at end of the period	186	199



Parent Company Balance Sheet – condensed

MSEK	30 Jun 2020	30 Jun 2019	31 Mar 2020
ASSETS			
Property, plant and equipment	1	8	1
Financial assets	2,732	2,660	2,734
Current receivables	505	666	684
Cash and bank balances	-	-	-
TOTAL ASSETS	3,238	3,334	3,419
EQUITY AND LIABILITIES			
Equity	1,770	1,912	1,784
Untaxed reserves	14	-	14
Non-current liabilities	720	323	720
Current liabilities	734	1,099	901
TOTAL EQUITY AND LIABILITIES	3,238	3,334	3,419

Parent Company Income Statement – condensed

MSEK	3 months Apr-Jun 2020/21	3 months Apr-Jun 2019/20	Moving 12 months, Jul- Jun 2020/21	Financial year 2019/20
Net revenue	9	9	37	37
Administrative expenses	-18	-17	-71	-70
Other operating income and operating expenses	-	-	-	-
OPERATING PROFIT/LOSS	-9	-8	-34	-33
Financial income	8	366	121	479
Financial expenses	-12	-5	-24	-17
PROFIT/LOSS AFTER FINANCIAL ITEMS	-13	353	63	429
Change in untaxed reserves	-	-	-14	-14
Taxes	4	2	-6	-8
NET PROFIT/LOSS FOR THE PERIOD	-9	355	43	407

The 2019/20 financial year has been adjusted for conformity with the annual report. Group contributions received of MSEK 168 were adjusted and appropriations of MSEK 42 were dissolved after the publication of the year-end report.

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 2020/21	Financial year			
		2019/20	2018/19	2017/18	2016/17
Revenue	4,142	4,180	3,932	3,410	3,096
Change in revenue, %	-0.9	6.3	15.3	10.1	1.3
Operating profit (EBITA)	559	565	519	436	409
Operating margin (EBITA), %	13.5	13.5	13.2	12.8	13.2
EBIT	475	483	451	378	361
EBIT margin, %	11.5	11.6	11.5	11.1	11.7
Profit after financial items	448	460	431	358	351
Profit margin, %	10.8	11.0	10.7	10.5	11.3
Profit after taxes	354	366	342	286	274
Equity ratio, % *	41	39	39	36	41
Return on working capital (P/WC), %	66	64	63	60	66
Return on capital employed, %	17	17	18	17	20
Return on equity, %	21	23	24	23	25
Net debt (+)/receivables (-), MSEK **	1,106	1,312	1,004	1,102	628
Net debt/equity ratio, times**	0.6	0.8	0.7	0.9	0.6
Operational net debt (+)/receivables (-), MSEK	864	1,056	928	1,035	565
Operational net debt/equity ratio, times	0.5	0.6	0.6	0.8	0.5
Interest coverage ratio, times	12	13	15	14	22
Number of employees at end of period	1,510	1,532	1,450	1,387	1,247
Revenue outside Sweden, MSEK	2,680	2,706	2,491	2,151	1,940

* The equity ratio includes the IFRS 16 effect from 1 April 2019.

** 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 2020/21	Financial year			
		2019/20	2018/19	2017/18	2016/17
Number of shares at end of period after repurchases ('000)	67,748	67,726	67,687	67,656	67,985
Weighted number of shares after repurchases, ('000)	67,724	67,717	67,682	67,868	67,941
Weighted number of shares after repurchases & dilution ('000)	67,836	67,872	67,682	67,924	68,097
Earnings per share, SEK	5.23	5.40	5.05	4.21	4.03
Earnings per share after dilution, SEK	5.22	5.39	5.05	4.21	4.02
Cash flow from operating activities per share after dilution, SEK*	9.45	7.47	6.83	4.14	5.51
Equity per share, SEK	25.48	24.86	22.28	19.26	17.61
Latest price paid per share, SEK	144.40	115.80	100.00	83.50	87.00

*Includes IFRS 16 from 1 April 2019.

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)

Operating profit (EBITA) 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).

EBIT margin

Profit before net financial items 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 average number of shares outstanding after repurchases and adjusted for 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 adjusted for 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.

Earnings per share

Profit for the year attributable to the Parent Company's shareholders in relation to the weighted number of shares outstanding after repurchases.

Earnings per share after dilution

Profit for the year attributable to the Parent Company's shareholders in relation to the weighted number of shares outstanding after repurchases and dilution.

Interest coverage ratio

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

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.

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 such 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 17 July 2020.

Reporting dates:

25 August 2020	Annual General Meeting for the 2019/20 financial year
23 October 2020	Quarterly Report Q2 for the period 1 July 2020–30 September 2020
28 January 2021	Quarterly Report Q3 for the period 1 October 2020–31 December 2020
11 May 2021	Year-end Report for the period 1 April 2020–31 March 2021

The Annual Report for the 2019/20 financial year will be published during July 2020 on www.lagercrantz.com.

For further information, please contact:

Jörgen Wigh, President, phone +46 8 700 66 70
Kristina Elfström Mackintosh, CFO, phone +46 8 700 66 70

Lagercrantz Group AB (publ)
Box 3508, 103 69 Stockholm
Phone +46 8 700 66 70
Corporate identity number 556282-4556
www.lagercrantz.com