

## Interim Report 2021/22 Q2

### Second quarter (1 July – 30 September 2021)

- Net revenue increased by 31% to MSEK 1,201 (918).
  - Organically, net revenue increased by 13%.
- Operating profit (EBITA) increased to MSEK 192 (132), equivalent to an operating margin of 16.0% (14.4).
- Profit after financial items increased by 50% to MSEK 156 (104).
- Profit after taxes increased by 43% to MSEK 116 (81).
- Cash flow from operating activities increased to MSEK 113 (80).
- Return on equity was 28% (22). The equity ratio at the end of the period was 34% (40).

### First six months (1 April – 30 September 2021)

- Net revenue increased by 32% to MSEK 2,502 (1,895).
  - Organically, net revenue increased by 16%.
- Operating profit (EBITA) increased by 58% to MSEK 404 (256), equivalent to an operating margin of 16.1% (13.5).
- Profit after financial items increased by 71% and amounted to MSEK 336 (197) and profit after taxes increased by 69% to MSEK 255 (151).
- Earnings per share after dilution for the moving 12-month period amounted to SEK 2.41, compared to SEK 1.91 for the 2020/21 financial year.
- Cash flow from operating activities amounted to MSEK 254 (326).
- During the first six months, three acquisitions were carried out, CW Lundberg, Libra and AC Antennas, with a total annual business volume of approx. MSEK 390.

## STATEMENT OF THE CHIEF EXECUTIVE

“A very strong first six months” – this is how we would like to summarise the beginning of the split financial year 2021/22. The recovery after the pandemic has strengthened and changed over to growth where all divisions are delivering good organic growth and we also see clearly positive effects from the acquired businesses. In numerical terms, the organic sales growth for the Group was a historically high 16% and a further 19% came from acquisitions. Of the increase in the operating profit (EBITA) of MSEK 148 in total, MSEK 88, equivalent to approximately 60% came from organic improvements. While well aware of the fact that the first six months of the previous year were negatively impacted by the effects of the pandemic, this is still very gratifying and stronger than we expected.

The half-year result was thus strong where the profit (after net financial items) reached MSEK 336, an increase of just over 70% compared to the year-earlier period (197). The operating margin reached 16.1% (13.5) and both earnings per share on a moving 12-month basis and the return on equity reached new all-time-highs of SEK 2.41 per share and 28%, respectively.

It was also positive during the first six months that we implemented our starting point for growth – what we are calling “Lagercrantz towards one billion”. As of April 2021 we have established a new organisation with a new divisional structure, clearer growth ambitions, both organically and via acquisitions, and a clear focus with ambitions and goals relating to sustainability. By focusing the divisions on attractive areas with underlying structural growth and declared goals for sustainability, the intention is to create clarity and ambition that attracts the acquisition market, employees, customers, suppliers and the stock market and thereby further improve the potential for growth.

It is also important to highlight the three acquisitions we carried out during the first six months. We see along the way that Lagercrantz’s approach to nurturing, internationalising and further developing owner-led product companies in particular, is perceived as increasingly attractive. We are therefore proud and happy that the owners of CW Lundberg in Sweden, Libra in Norway and now most recently AC Antennas in Denmark, have chosen to let their life’s work become a part of Lagercrantz. These companies generate combined annual revenue of about MSEK 390 with good profitability and the intention in all three cases is to continue developing the export side of the businesses. During the previous year, a further eight owners decided to sell to Lagercrantz in particular as they have confidence in our ownership concept involving great responsibility, clear decentralisation and management by objectives.

Ahead of the coming quarters, I am still optimistic. So far we have handled the component shortage, rising raw material and freight costs confirmed by several of the Group’s companies in an exceptional way through price adjustments and creativity in finding alternative delivery routes and in certain cases alternative suppliers. Incoming orders also remain strong, which taken together, gives me great confidence about Lagercrantz’s prospects both in the short and long term.

*Jörgen Wigh*  
*President and CEO*

## NET REVENUE AND PROFIT

### Quarter 2 (July – September 2021)

The business situation was generally strong in the Group's main markets in the Nordic countries and Northern Europe with good growth and a continued recovery after the pandemic. Strong growth was noted in many of the Group's businesses. Uncertainties in the supply chain with higher freight costs and increasing costs for components and input materials were handled well in the subsidiaries overall with maintained margins and earnings improvements.

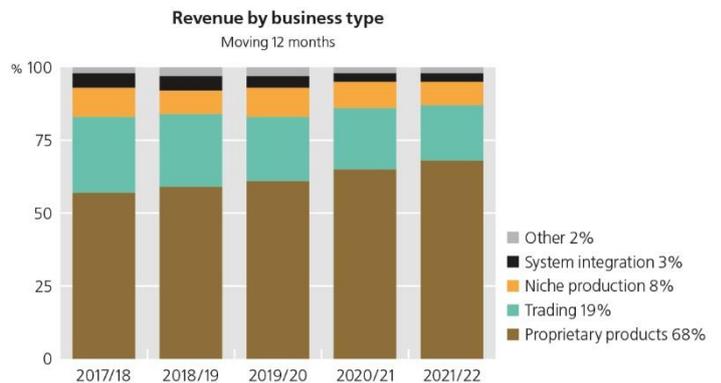
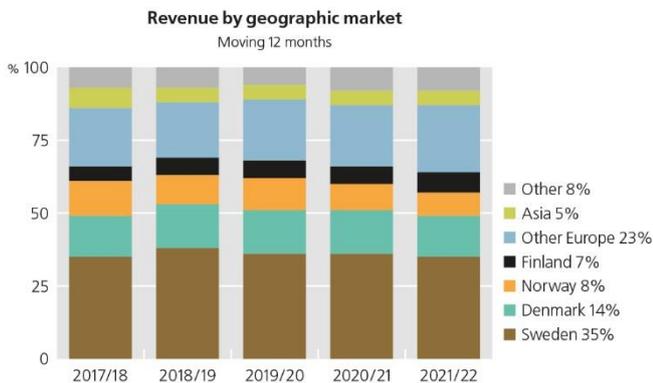
Consolidated net revenue for the second quarter of the financial year increased by 31% and amounted to MSEK 1,201 (918). The currency effect on net revenue was MSEK -17. Acquired businesses made a contribution of MSEK 179. Net revenue in comparable units, measured in local currency, increased by 13% compared to the year-earlier period.

Operating profit (EBITA) for the quarter increased by 45% and amounted to MSEK 192 (132). The operating

margin amounted to 16.0% (14.4). Acquired businesses had, as expected, a positive impact on the profit for the quarter.

Consolidated profit after net financial items increased by 50% and amounted to MSEK 156 (104) in the quarter. The currency effect on the profit amounted to MSEK -2 (-1). Profit after taxes for the period increased to MSEK 116 (81). Earnings per share after dilution for the latest 12-month period amounted to SEK 2.41, compared to SEK 1.91 for the 2020/21 financial year.

Starting from the 2021/22 financial year, the new divisional structure will be implemented with five divisions, which was announced in March 2021. This has meant the move of some companies between the divisions and the businesses which are included in each division are shown in Appendix 1. Figures have been adjusted retroactively in view of these changes.



## DIVISIONS

	Net revenue					Operating profit (EBITA)				
	3 months Jul-Sep 2021/22	3 months* Jul-Sep 2020/21*	6 months Apr-Sep 2021/22	6 months* Apr-Sep 2020/21*	12 months* Apr-Mar 2020/21	3 months Jul-Sep 2021/22	3 months* Jul-Sep 2020/21*	6 months Apr-Sep 2021/22	6 months* Apr-Sep 2020/21*	12 months* Apr-Mar 2020/21
MSEK										
<b>Electrify</b>	340	283	717	585	1,209	56	45	123	87	193
<i>Operating margin</i>						16.5%	15.9%	17.2%	14.9%	16.0%
<b>Control</b>	132	119	284	260	578	17	9	39	24	83
<i>Operating margin</i>						12.9%	7.6%	13.7%	9.2%	14.4%
<b>TecSec</b>	197	133	414	266	561	34	24	76	45	95
<i>Operating margin</i>						17.3%	18.0%	18.4%	16.9%	16.9%
<b>Niche Products</b>	299	212	630	450	1,034	62	44	129	95	209
<i>Operating margin</i>						20.7%	20.8%	20.5%	21.1%	20.2%
<b>International</b>	233	171	457	334	709	31	17	58	29	80
<i>Operating margin</i>						13.3%	9.9%	12.7%	8.7%	11.3%
<b>Parent Company /consolidation items</b>	-	-	-	-	-	-8	-7	-21	-24	-44
<b>GROUP TOTAL</b>	<b>1,201</b>	<b>918</b>	<b>2,502</b>	<b>1,895</b>	<b>4,091</b>	<b>192</b>	<b>132</b>	<b>404</b>	<b>256</b>	<b>616</b>
<i>Operating margin</i>						16.0%	14.4%	16.1%	13.5%	15.1%
Amortisation, intangible assets						-28	-21	-55	-43	-87
Financial items						-8	-7	-13	-16	-27
<b>PROFIT BEFORE TAXES</b>						<b>156</b>	<b>104</b>	<b>336</b>	<b>197</b>	<b>502</b>

\*Five divisions have been established starting from 1 April 2021 (previously four divisions). The new divisional structure has resulted in the move of companies between the divisions (see Appendix 1). Comparable figures have been restated in view of this.

## NET REVENUE AND PROFIT BY DIVISION

## SECOND QUARTER

**Electrify**

The Electrify division's net revenue for the quarter increased by 20% and amounted to MSEK 340 (283). Operating profit (EBITA) improved by 24% and amounted to MSEK 56 (45), which gave an operating margin of 16.5% (15.9).

The division has had a stable quarter with a positive development in the traditional home markets. The exporting companies are continuing to display strong profits and the business volume is increasing both organically and through acquisitions. Electrification of society is having a positive effect on the units in the division where for instance Norwesco, Esari and Elpress have performed well. Project transactions for the telecom industry were delivered by Cue Dee in the quarter.

Higher material prices and delivery challenges were handled well by the business during the quarter and operating profit improved.

**Control**

The Control division's net revenue increased by 11% and amounted to MSEK 132 (119). Operating profit (EBITA) increased by 89% to MSEK 17 (9), which increased the operating margin to 12.9% (7.6).

The business situation has been positive during the quarter with a strong improvement in earnings reported in most of the profit centres. Precimeter can be singled out in particular, which benefited from the willingness to invest among aluminium smelters and Excidor which supplies the construction and forestry industry in Sweden.

**TecSec**

The TecSec division's net revenue for the second quarter of the financial year increased by 48% and amounted to MSEK 197 (133). Operating profit (EBITA) increased by 42% to MSEK 34 (24) with an operating margin that amounted to 17.3% (18.0). The division's volume and earnings improvements came from existing businesses, mainly from ISG Nordic and R-Con and also from acquisitions. The acquisition CWL, in the roof safety segment, has made a successful entry to the division and

is performing above expectations. The businesses have proactively implemented price adjustments where possible and balanced the increased material and purchasing costs and have managed the supply chain in a business-like manner.

#### **Niche Products**

The Niche Products division increased its net revenue during the quarter by 41% to MSEK 299 (212). Operating profit (EBITA) increased by 41% to MSEK 62 (44), equivalent to an operating margin of 20.7% (20.8).

Increased demand and earnings improvements were noted among most businesses in the division. Even companies facing challenges with their supply chains and component shortages have performed well during the quarter. Dorotea Mekaniska can be singled out, reporting strong growth and improved earnings. Wapro's successes in the USA are continuing and the market situation has improved for Asept as restaurants are opening after the pandemic. Denmark-based Nikodan also delivered another strong quarter with good volume and profit growth.

#### **International**

The International division's net revenue increased by 36% and amounted to MSEK 233 (171) and the operating profit (EBITA) increased by 82% and amounted to MSEK 31 (17), which corresponds to an operating margin of 13.3% (9.9).

The businesses have handled disruptions in the supply and delivery chain well which together with strong demand explained the good earnings improvement during the quarter. The acquisition Libra had a positive impact on profit and the German and Danish businesses Schmitztechnik, ISIC and ACTE DK, as well as ACTE Solutions in Sweden performed well during the quarter. Unitronic in Germany turned last year's quarterly loss into a profit.

#### **PROFITABILITY AND FINANCIAL POSITION**

Return on equity for the latest 12-month period amounted to 28% (22) and the return on capital employed was 19% (16). The Group's metric for return on working capital (P/WC) was 74% (63).

Equity per share totalled SEK 9.15 at the end of the period, compared to SEK 9.12 at the beginning of the financial year. Aside from profit, this metric was also affected by dividends paid. The equity ratio was 34% compared to 40% at the start of the financial year.

During the quarter, the operating net indebtedness increased to MSEK 1,527 (992 at the start of the financial year) due to the completed acquisitions. The operating net debt equity ratio was 0.8 (0.5 at the start of the financial year). Net indebtedness including pension liability and the IFRS 16 effect amounted to MSEK 1,912 (1,314 at the start of the financial year). The pension liability amounted to MSEK 75 (76) and the IFRS 16 effect amounted to MSEK 310 (MSEK 246 at the start of the financial year).

#### **CASH FLOW AND CAPITAL EXPENDITURES**

Cash flow from operating activities during the quarter amounted to MSEK 113 (80). Gross investments in property, plant and equipment amounted to MSEK 20 (11) during the second quarter, of which the largest items related to production facilities and equipment.

#### **OTHER FINANCIAL INFORMATION**

##### **Parent Company and other consolidation items**

The Parent Company's net revenue for the quarter amounted to MSEK 11 (9) and profit after net financial items and taxes was MSEK 227 (-7). The result includes exchange rate adjustments on intra-group lending of MSEK 0 (0) and dividends from subsidiaries of MSEK 239 (3).

The Parent Company's equity ratio was 49% (51).

##### **Employees**

At the end of the period, the number of employees in the Group was 1,802, compared to 1,626 at the beginning of the financial year. During the period, 134 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 0.23.

Classes of shares were distributed as follows on 30 September 2021:

Classes of shares	Number
A shares	9,791,406
B shares	198,768,375
Repurchased B shares	-5,024,226
<b>Total</b>	<b>203,535,555</b>

At 30 September 2021, Lagercrantz Group held 5,024,226 own Class B shares, equivalent to 2.4% of the total number of shares and 1.7% of the votes. Repurchased shares cover, inter alia, the company's obligations under outstanding call option programmes. No shares were repurchased during the second 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 2018 were redeemed.

At the end of the period, there were three outstanding call option programmes as follows:

Option programme	Number of outstanding options*	Redemption price
2020/24	1,200,000	78.50
2019/22	1,253,700	52.10
2018/21	60,000	35.30
<b>Total</b>	<b>2,513,700</b>	

\*An option carries the right to purchase one share.

After the end of the period, 800,000 options for B shares with a redemption price of SEK 145.50 were issued in accordance with the resolution of the 2021 AGM. These options were acquired by about 80 managers and senior executives in the Group for a total of MSEK 9.

**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 2020/21. In addition, new IFRS standards and IFRIC interpretations, were applied.

See the company's Annual Report for the 2020/21 financial year for further accounting policies.

**ALTERNATIVE PERFORMANCE MEASURES**

Lagercrantz 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 16.

## ACQUISITIONS

During the first six months, 100% of the shares in CW Lundberg AB with subsidiaries were acquired as well as 75% of the shares in Libra-Plast AS with subsidiaries (Libra) and 100% of the shares were acquired in the companies AC Antennas A/S and Stratman ApS (AC Antennas).

CW Lundberg is a leader in safety products for roofs and facades. In the 2020 calendar year, the group generated annual sales of about MSEK 185 with a pro forma operating profit (EBITA) of approx. MSEK 33. The acquisition is part of division TecSec as of April 2021.

Libra is a market leader in premium quality doors, hatches and storage units to the marine industry. The products are sold internationally and the customer base consists of shipyards. The group generated annual sales of about MNOK 175 with a pro forma operating profit (EBITA) of approx. MNOK 28. The acquisition was executed in May.

AC Antennas is leading within antennas for use in primarily the maritime market. The company started in 1970 and has had a good development for many years. As a subsidiary of ISIC, AC Antennas is part of Lagercrantz International. AC Antennas generates annual revenue of approx. MDKK 16 with good profitability. The acquisition is part of the division as of August 2021.

During the quarter, the difference between reserved, paid and remeasured contingent consideration amounted to MSEK 6 (0), which was taken up as income as other operating income.

During the quarter, MSEK 29 (32) was paid in contingent consideration for previous acquisitions.

## Preliminary purchase price allocation last 12 months Oct 2020-Sep 2021

*The purchase price allocation includes acquisitions during the quarter. The analysis is preliminary and includes Sajas Group, Nexlan, VP metall, Esari, Hovicon, Vihab, Proagria/Riawatech, CWL Group, Libra and AC Antennas.*

### Preliminary purchase price allocation

*(RTM Oct-Sept 2021)*

<i>Acquired companies' net assets at the time of acquisition.</i>	Book value in companies	Fair value adjustment	Fair value consolidated
Intangible non-current assts	99	257	356
Other non-current assets	85		85
Inventories and work in progress	149		149
Other short-term receivables *)	254		254
Interest-bearing liabilities	-88		-88
Other liabilities	-229	-55	-284
<b>Net of identified assets/liabilities</b>	<b>270</b>	<b>202</b>	<b>472</b>
Goodwill	-	-	264
<b>Estimated Purchase price</b>	<b>-</b>	<b>-</b>	<b>736</b>

\* of which cash and cash equivalents MSEK 82.

\*\* the acquisitions include contingent consideration of MSEK 53, which represents 58% of the maximum outcome.

## 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 2020/21 Annual Report.

### Covid-19 effects

The Group's operations have been able to be conducted without larger disruptions from the pandemic. A handful of the Group's approx. 60 businesses are still affected but sales have been characterised by a recovery in line with markets and customers reopening.

In the impacted businesses, situated-adapted measures are being implemented. No material impairment losses or bad debt losses have occurred during the quarter.

### Post-balance sheet events

The incentive programme that was approved by the Annual General Meeting 2021, relating to call options on repurchased Class B shares, was fully subscribed for after the end of the period, see information under Share capital.

No other significant events for the company have occurred after the balance sheet date on 30 September 2021.

### Annual General Meeting 2021

The 2021 Annual General Meeting (AGM) was held on 24 August 2021 in Stockholm. Minutes from the AGM are published on the company's website.

### Certification

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

Stockholm, 22 October 2021

Fredrik Börjesson  
Chairman of the Board

Anna Almlöf  
Board member

Anders Claeson  
Board member

Anna Marsell  
Board member

Jörgen Wigh  
President and Board member

Ulf Södergren  
Board member

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

## Quarterly data by division \*

Net revenue		2021/22			2020/21	
MSEK	Q2	Q1	Q4	Q3	Q2	
Electrify	340	377	320	304	283	
Control	132	152	156	162	119	
TecSec	197	217	136	159	133	
Niche Products	299	331	313	271	212	
International	233	224	193	182	171	
Parent Company /consolidation items	-	-	-	-	-	
<b>GROUP TOTAL</b>	<b>1,201</b>	<b>1,301</b>	<b>1,118</b>	<b>1,078</b>	<b>918</b>	

EBITA		2021/22			2020/21	
MSEK	Q2	Q1	Q4	Q3	Q2	
Electrify	56	67	57	49	45	
Control	17	22	30	29	9	
TecSec	34	42	22	28	24	
Niche Products	62	67	61	53	44	
International	31	27	30	21	17	
Parent Company /consolidation items	-8	-13	-8	-12	-7	
<b>GROUP TOTAL</b>	<b>192</b>	<b>212</b>	<b>192</b>	<b>168</b>	<b>132</b>	

EBITA margin		2021/22			2020/21	
%	Q2	Q1	Q4	Q3	Q2	
Electrify	16.5	17.8	17.8	16.1	15.9	
Control	12.9	14.5	19.2	17.9	7.6	
TecSec	17.3	19.4	16.2	17.6	18.0	
Niche Products	20.7	20.2	19.5	19.6	20.8	
International	13.3	12.1	15.5	11.5	9.9	
Parent Company /consolidation items	-	-	-	-	-	
<b>GROUP TOTAL</b>	<b>16.0</b>	<b>16.3</b>	<b>17.2</b>	<b>15.6</b>	<b>14.4</b>	

\*The new divisional structure has resulted in the move of companies between the divisions (see Appendix 1). Comparable figures have been restated in view of this.

## Consolidated Income Statement – condensed

MSEK	3 months Jul-Sep 2021/22	3 months Jul-Sep 2020/21	6 months Apr-Sep 2021/22	6 months Apr-Sep 2020/21	Moving 12 months Oct-Sep 2021/22	Financial year 2020/21
Net revenue	1,201	918	2,502	1,895	4,698	4,091
Cost of goods sold	-750	-574	-1,546	-1,173	-2,886	-2,513
<b>GROSS PROFIT</b>	<b>451</b>	<b>344</b>	<b>956</b>	<b>722</b>	<b>1,812</b>	<b>1,578</b>
Selling expenses	-201	-166	-412	-347	-787	-722
Administrative expenses	-94	-79	-202	-173	-378	-349
Other operating income and operating expenses	8	12	7	11	18	22
<b>PROFIT BEFORE NET FINANCIAL ITEMS *)</b>	<b>164</b>	<b>111</b>	<b>349</b>	<b>213</b>	<b>665</b>	<b>529</b>
Net financial items	-8	-7	-13	-16	-24	-27
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>156</b>	<b>104</b>	<b>336</b>	<b>197</b>	<b>641</b>	<b>502</b>
Taxes	-40	-23	-81	-46	-149	-114
<b>NET PROFIT FOR THE PERIOD</b>	<b>116</b>	<b>81</b>	<b>255</b>	<b>151</b>	<b>492</b>	<b>388</b>
*) Of which:						
- amortisation of intangible non-current assets arising in connection with acquisitions:	(-28)	(-21)	(-55)	(-43)	(-99)	(-87)
- depreciation of other non-current assets:	(-47)	(-38)	(-95)	(-74)	(-179)	(-158)
Operating profit (EBITA)	192	132	404	256	764	616
Earnings per share, SEK	0.57	0.40	1.25	0.74	2.42	1.91
Earnings per share after dilution, SEK	0.57	0.40	1.25	0.74	2.41	1.91
Weighted number of shares after repurchases, ('000)	203,533	203,244	203,486	203,220	203,441	203,307
Weighted number of shares after repurchases adjusted after dilution ('000)	204,608	203,901	204,404	203,739	204,069	203,673
Number of shares at end of period after repurchases ('000)	203,536	203,244	203,536	203,244	203,536	203,421

In view of the redemption price on outstanding call options during the period (SEK 35.30, SEK 52.10 and SEK 78.50) and the average share price (SEK 85.74) during the latest 12-month period, there was a dilutive effect of 0.3%. For the latest quarter, there was a dilutive effect of 0.5% (average share price SEK 112.34).

## Consolidated Statement of Comprehensive Income and Other Comprehensive Income

MSEK	3 months Jul-Sep 2021/22	3 months Jul-Sep 2020/21	6 months Apr-Sep 2021/22	6 months Apr-Sep 2020/21	Moving 12 months Oct-Sep 2021/22	Financial year 2020/21
Net profit for the period	116	81	255	151	492	388
<b>Other comprehensive income</b>						
<u>Items that have been reposted or that may be reposted to net profit for the period</u>						
Change in translation reserve	9	-3	-5	-27	-29	-51
Debt instruments measured at fair value	-3	-7	-3	-7	-14	-18
<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	0
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>122</b>	<b>71</b>	<b>247</b>	<b>117</b>	<b>447</b>	<b>317</b>

## Consolidated Balance Sheet – condensed

MSEK	30 Sep 2021	30 Sep 2020	31 Mar 2021
<b>ASSETS</b>			
Goodwill	1,814	1,491	1,609
Other intangible non-current assets	959	729	785
Property, plant and equipment	695	447	586
Financial assets	27	18	21
Inventories	812	570	655
Trade receivables and contract assets	823	625	672
Other current receivables	145	129	131
Cash and bank balances	189	148	151
<b>TOTAL ASSETS</b>	<b>5,464</b>	<b>4,157</b>	<b>4,610</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1,863	1,662	1,855
Non-current liabilities*	1,942	1,076	1,172
Trade payables and contract liabilities	460	312	402
Other current liabilities*	1,199	1,107	1,181
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,464</b>	<b>4,157</b>	<b>4,610</b>
Interest-bearing assets	189	148	151
Interest-bearing liabilities, excluding pension liabilities*	2,025	1,321	1,389

\*Including IFRS16 effect in the form of future lease and rental obligations.

## Consolidated Statement of Changes in Equity

MSEK	6 months Apr-Sep 2021/22	6 months Apr-Sep 2020/21	Moving 12 months Oct-Sep 2021/22	Financial year 2020/21
Opening balance	1,855	1,684	1,662	1,684
Comprehensive income for the period	247	117	447	317
Shareholders' contributions from minority owners in subsidiaries	-	3	-	3
Dividend to minority owners in subsidiaries	-12	-3	-14	-5
<b>Transactions with owners</b>				
Dividend	-204	-135	-204	-135
Redemption and acquisition of options on repurchased shares, net	-23	-4	-28	-9
Repurchase of own shares	-	-	-	-
<b>CLOSING BALANCE</b>	<b>1,863</b>	<b>1,662</b>	<b>1,863</b>	<b>1,855</b>

## Consolidated Statement of Cash Flows

MSEK	3 months Jul-Sep 2021/22	3 months Jul-Sep 2020/21	6 months Apr-Sep 2021/22	6 months Apr-Sep 2020/21	Moving 12 months Oct-Sep 2021/22	Financial year 2020/21
<b>Operating activities</b>						
Profit after financial items	156	104	336	197	641	502
Adjustments for taxes paid, items not included in cash flow, etc.	29	10	110	74	180	144
<b>Cash flow from operating activities before changes in working capital</b>	<b>185</b>	<b>114</b>	<b>446</b>	<b>271</b>	<b>821</b>	<b>646</b>
<b>Cash flow from changes in working capital</b>						
Increase (-)/Decrease (+) in inventories	-40	7	-86	-8	-80	-2
Increase (-)/Decrease (+) in operating receivables	6	-8	-84	97	-55	126
Increase (+)/Decrease (-) in operating liabilities	-38	-33	-22	-34	24	12
<b>Cash flow from operating activities</b>	<b>113</b>	<b>80</b>	<b>254</b>	<b>326</b>	<b>710</b>	<b>782</b>
<b>Investing activities</b>						
Investment in businesses	-80	-57	-369	-70	-624	-325
Investments in/disposals of other non-current assets, net	-27	-13	-52	-27	-115	-90
<b>Cash flow from investing activities</b>	<b>-107</b>	<b>-70</b>	<b>-421</b>	<b>-97</b>	<b>-739</b>	<b>-415</b>
<b>Financing activities</b>						
Dividends, redemption of options & repurchase of own shares/options	-212	-138	-239	-142	-244	-147
Financing activities	182	131	444	-56	314	-186
<b>Cash flow from financing activities</b>	<b>-30</b>	<b>-7</b>	<b>205</b>	<b>-198</b>	<b>70</b>	<b>-333</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-24</b>	<b>3</b>	<b>38</b>	<b>31</b>	<b>41</b>	<b>34</b>
Cash and cash equivalents at the beginning of the period	212	145	151	117	148	117
Exchange difference in cash and cash equivalents	1	-	-	-	-	-
Cash and cash equivalents at the end of the period	189	148	189	148	189	151

## 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 and call options on minority interests, which are measured using discounted estimated cash flows and are therefore included in level 3 under IFRS 13.

Carrying amount, MSEK	30 Sep 2021	31 Mar 2021
Assets measured at fair value	-	-
Assets measured at amortised cost	974	792
<b>TOTAL ASSETS, FINANCIAL INSTRUMENTS</b>	<b>974</b>	<b>792</b>
Liabilities measured at fair value	221	175
Liabilities measured at amortised cost	2,120	1,509
<b>TOTAL LIABILITIES, FINANCIAL INSTRUMENTS</b>	<b>2,341</b>	<b>1,684</b>
	6 months Apr – Sep 2021/22	Financial year 2020/21
Change in contingent considerations		
Opening balance	175	199
Liabilities settled during the year	-29	-70
Remeasurement of liabilities during the year	-3	10
Year's liabilities from acquisitions during the year	82	41
Exchange difference	-4	-5
Carrying amount at end of the period	<b>221</b>	<b>175</b>

## Parent Company Income Statement – condensed

MSEK	3 months Jul-Sep 2021/22	3 months Jul-Sep 2020/21	6 months Apr-Sep 2021/22	6 months Apr-Sep 2020/21	Moving 12 months Oct-Sep 2021/22	Financial year 2020/21
Net revenue	11	9	22	18	40	36
Administrative expenses	-21	-17	-42	-35	-83	-76
Other operating income and operating expenses	-	1	-	1	1	2
<b>OPERATING PROFIT</b>	<b>-10</b>	<b>-7</b>	<b>-20</b>	<b>-16</b>	<b>-42</b>	<b>-38</b>
Financial income	241	4	267	12	683	428
Financial expenses	-4	-4	-9	-16	-19	-26
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>227</b>	<b>-7</b>	<b>238</b>	<b>-20</b>	<b>622</b>	<b>364</b>
Change in untaxed reserves	-	-	-	-	-36	-36
Taxes	2	2	5	6	-24	-23
<b>NET PROFIT FOR THE PERIOD</b>	<b>229</b>	<b>-5</b>	<b>243</b>	<b>-14</b>	<b>562</b>	<b>305</b>

## Parent Company Balance Sheet – condensed

MSEK	30 Sep 2021	30 Sep 2020	31 Mar 2021
<b>ASSETS</b>			
Property, plant and equipment	-	1	-
Financial assets	3,223	2,749	2,828
Current receivables	884	473	876
Cash and bank balances	-	-	-
<b>TOTAL ASSETS</b>	<b>4,107</b>	<b>3,223</b>	<b>3,704</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1,960	1,630	1,944
Untaxed reserves	49	14	49
Non-current liabilities	1,395	720	719
Current liabilities	703	859	992
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,107</b>	<b>3,223</b>	<b>3,704</b>

## 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 2021/22	Financial year			
		2020/21	2019/20	2018/19	2017/18
Revenue	4,698	4,091	4,180	3,932	3,410
Change in revenue, %	14.4	-2.1	6.3	15.3	10.1
Operating profit (EBITA)	764	616	565	519	436
Operating margin (EBITA), %	16.3	15.1	13.5	13.2	12.8
EBIT	665	529	483	451	378
EBIT margin, %	14.2	12.9	11.6	11.5	11.1
Profit after financial items	641	502	460	431	358
Profit margin, %	13.6	12.3	11.0	10.7	10.5
Profit after taxes	492	388	366	342	286
Equity ratio, %*	34	40	39	39	36
Return on working capital (P/WC), %	74	67	64	63	60
Return on capital employed, %	19	17	17	18	17
Return on equity, %	28	22	23	24	23
Net debt (+)/receivables (-), MSEK **	1,912	1,314	1,312	1,004	1,102
Net debt/equity ratio, times**	1.0	0.7	0.8	0.7	0.9
Operating net debt (+)/receivables (-), MSEK	1,527	992	1,056	928	1,035
Operating net debt/equity ratio, times	0.8	0.5	0.6	0.6	0.8
Interest coverage ratio, times	17.5	12	13	15	14
Number of employees at end of period	1,802	1,626	1,532	1,450	1,387
Revenue outside Sweden, MSEK	3,076	2,650	2,706	2,491	2,151

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

\*\* Net debt and net debt/equity ratio includes pensions. The effect of IFRS 16 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 Oct-Sep 2021/22	Financial year			
		2020/21	2019/20	2018/19	2017/18
Number of shares at end of period after repurchases ('000)	203,536	203,421	203,178	203,061	202,968
Weighted number of shares after repurchases, ('000)	203,441	203,307	203,151	203,046	203,604
Weighted number of shares after repurchases & dilution ('000)	204,069	203,673	203,616	203,046	203,772
Earnings per share, SEK	2.42	1.91	1.80	1.68	1.40
Earnings per share after dilution, SEK	2.41	1.91	1.80	1.68	1.40
Cash flow from operating activities per share after dilution, SEK*	3.48	3.84	2.49	2.28	1.38
Equity per share, SEK	9.15	9.12	8.29	7.43	6.42
Latest price paid per share, SEK	104.90	79.10	38.60	33.33	27.83

\*Includes the IFRS 16 effect 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 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 number of shares outstanding after repurchases and adjusted for dilution.

### Net debt/receivables

Interest-bearing provisions and liabilities, including pension liabilities and including liabilities related to financial leases according to 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.

### Operating net debt/receivables

Interest-bearing provisions and liabilities, excluding pensions and excluding liabilities related to financial leases according to IFRS 16, less cash and cash equivalents and investments in securities.

### Operating net debt/equity ratio

Interest-bearing provisions and liabilities, excluding pensions and excluding effects of 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

Net 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. The equity portion of untaxed reserves is included in the parent company's calculation of the equity ratio.

### 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.

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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 8.00 CET on 22 October 2021.

### Reporting dates:

4 February 2022 Quarterly Report Q3 for the period 1 October 2021–31 December 2021  
17 May 2022 Year-end Report for the period 1 April 2021–31 March 2022  
19 July 2022 Quarterly Report Q1 for the period 1 April–30 June 2022

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This Interim Report is a translation from the Swedish version. Should there be any discrepancies, the Swedish version shall prevail.



## Corporate structure

The new divisional structure applies starting from 1 April 2021 and the following businesses are part of each division.

### **ELECTRIFY**

Cue Dee AB  
Dooman AB  
EFC Finland Oy  
Elfac A/S  
Elkapsling AB  
Elpress AB  
Enkom Active Oy  
Esari Oy (Oy Esari Ab)  
Exilight Oy  
KPRO AB  
Norwesco AB  
Steelo AB  
Swedwire AB  
VP metall AS

### **CONTROL**

Direktronik AB  
Excidor AB  
Gasiq AB  
Leteng AS  
Load Indicator AB  
Precimeter AB  
Radonova Laboratories AB  
Vanpee A/S (DK)  
Vanpee AB (part of Direktronik AB as of 1 July 2021)  
Vanpee AS (NO)

### **TECSEC**

COBS AB  
CW Lundberg AB  
Frictape Net Oy  
Idesco Oy  
ISG Nordic AB (ISG and Nordic Alarm)  
R-Contracting AB  
STV AB

### **NICHE PRODUCTS**

Asept International AB  
Dorotea Mekaniska AB  
Hovicon International B.V.  
Kondator AB  
Nikodan A/S  
Riawatech A/S (formerly Proagria Miljø A/S)  
Prosafe AB  
Plåt & Spiral Teknik AB  
Sajas Group  
Svenska Industrierstar AB  
Thermod AB  
Tormek AB  
Wapro AB  
Vendig AB

### **INTERNATIONAL**

AC Antennas A/S & Strattman ApS  
ACTE A/S (DK)  
ACTE AS (NO)  
ACTE Sp.o o. z. (PL)  
ACTE Solutions AB  
CAD Kompagniet A/S  
E-Tech Components Ltd  
G9 A/S  
ISIC A/S  
Libra-Plast AS  
NST DK A/S  
Schmitztechnik GmbH  
Skomø A/S  
Unitronic