

Interim Report 2022/23 Q1

First quarter (1 April – 30 June 2022)

- Net revenue increased by 23% to MSEK 1,597 (1,301).
 - Organically, net revenue increased by 9%.
- Operating profit (EBITA) increased by 25% to MSEK 265 (212), equivalent to an operating margin of 16.6% (16.3).
- Profit after financial items (EBT) increased by 29% to MSEK 232 (180).
- Profit after taxes increased by 29% to MSEK 179 (139). Earnings per share after dilution for the latest 12-month period amounted to SEK 3.00 (SEK 2.80 for the financial year 2021/22).
- Return on equity for the latest 12-month period amounted to 28% (25) and the equity ratio at the end of the period was 34% (36).
- In June, PcP Corporation A/S in Denmark was acquired, which in the past twelve months up to May 2022, generated annual revenue of MDKK 423 with EBITA of approximately MDKK 57.
- The Annual General Meeting will be held on 30 August 2022 at 4.00 p.m. at IVA's Conference Centre in Stockholm. The Board of Directors proposes a dividend of SEK 1.30 (1.00) per share.

Organic
growth
9%

EBT
growth
29%

Group overview Amounts in MSEK	First quarter			Moving 12 months		
	2022/23	2021/22	Δ	2022/23	2021/22	Δ
Net revenue	1,597	1,301	23%	5,778	4,415	31%
EBITA	265	212	25%	948	704	35%
EBITA margin, %	16.6	16.3		16.4	15.9	
Profit after financial items	232	180	29%	793	589	35%
Net profit for the period	179	139	29%	612	457	34%
Earnings per share before dilution, SEK	0.88	0.68	29%	3.01	2.25	34%
Earnings per share after dilution, SEK	0.88	0.68	29%	3.00	2.24	34%
Return on equity, %	28	25		28	25	
Equity ratio, %	34	36		34	36	

CEO COMMENT

“Lagercrantz starts the year strongly”

Lagercrantz’s first quarter (April – June) 2022 was a really good start to the 2022/23 financial year. The market situation remained good for most of our businesses (9% organic growth) and we delivered our highest ever quarterly profit after net financial items of MSEK 232, an increase of 29% from the already strong first quarter of the previous year. Earnings per share increased to SEK 3.00 on a moving 12-month basis and the return on equity amounted to a strong 28%. In addition, in June, we acquired PcP Corporation A/S in Denmark, which is the Group’s largest acquisition to date.

During the first quarter of the financial year, consolidated net revenue increased by 23% to MSEK 1,597 (1,301). Organic growth amounted to 9% and acquired growth was 11%. Operating profit (EBITA) increased by 25% to MSEK 265 (212) and the EBITA margin increased to 16.6% (16.3). All divisions, apart from Electrify, contributed to the improvement in earnings, which was primarily driven by good organic growth on a broad front, high value creation and intensive work in the companies on handling challenges in supply chains and rising raw material costs as well as important contributions to earnings from newly acquired companies. Strategically, we are continuing to increase our share of proprietary products and have now reached 70% (68), which means that we are approaching our goal of at least 75%. Proprietary products provide better opportunities for good margins and organic growth, particularly on the export side.

There has been a high level of acquisition activity early in the financial year and in June the TecSec division acquired PcP Corporation A/S in Denmark. PcP is a leading Northern European producer of bespoke safety solutions within gratings, fire-extinguishing gratings, scaffolding, and handrails for a wide variety of customer segments and applications in about 30 countries. Based on its results in the most recent 12 months before the acquisition, PcP contributes EBITA of approximately MDKK 57 and the acquisition was conducted at an enterprise value/EBITA valuation multiple of about 6.1 times EBITA. The management also have a plan for the company to reach a sustainable EBITA margin of more than 15%, compared with just over 13% today.

All in all, the quarter was thus successful in many ways. Lagercrantz is continuing its journey towards the declared goal of SEK 1 billion in profit after net financial items. We started 15 months ago at MSEK 502 and we now have a level of MSEK 793 on a moving 12-month basis. Our new organisation and clarified focus towards sustainable technology areas and customer segments with underlying structural growth is creating a new dynamic. We are also becoming increasingly capable of managing several acquisition processes at the same time. We are increasing our geographical scope and have clearly increased our ambitions, for instance in the United Kingdom. We see along the way that Lagercrantz’s approach to developing owner-led product companies in particular, is increasingly attracting entrepreneurs as they believe in our ownership concept with clear decentralisation and management by objectives, among other things.

We ended the first quarter with a good order book and we are looking forward to a continuation of this. We feel confident in our decentralised organisation and if the feared economic slowdown becomes a reality, we will implement measures that are adapted to the situation in each company. The uncertainty caused by geopolitical developments, higher inflation and the interest rate trend makes the situation difficult to judge. In similar situations in the past, we have worked with a “plan B”, which means a focus on customer proximity, costs and cash flow. We will therefore continue on our chosen path of building a strong technology group with leading positions in different niches, but we are also prepared if a slowdown would affect the Group’s companies.

Jörgen Wigh
President and CEO

NET REVENUE AND PROFIT

Quarter 1 (April – June 2022)

The market situation in the Group’s main markets in the Nordic countries and Northern Europe has remained favourable during the first quarter with strong demand on a broad front and most of the Group’s businesses developed positively. Several businesses were still affected by disruptions in supply chains with increasing raw material prices, component shortages and long delivery times, but the situation was handled effectively in the subsidiaries and the Group has generally had a good delivery capacity.

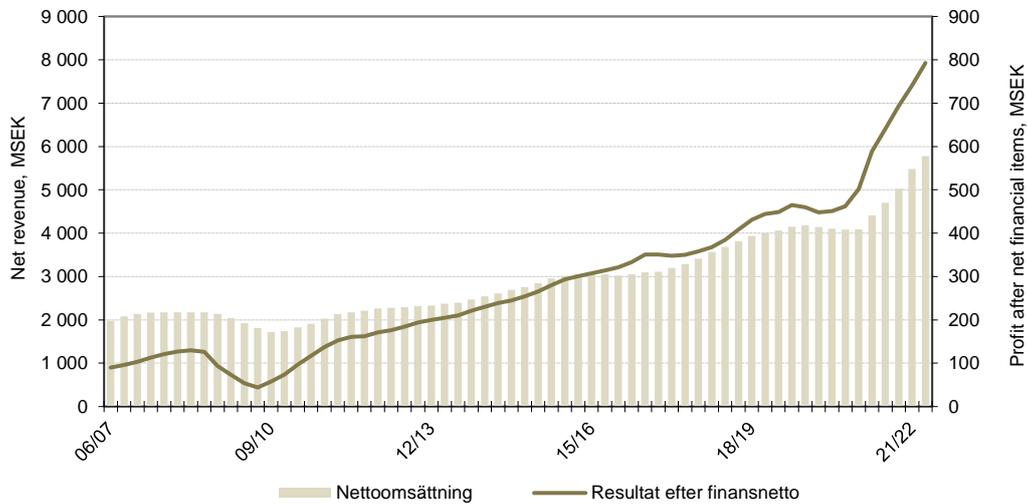
Consolidated net revenue increased during the first quarter by 23% to MSEK 1,597 (1,301). Organic growth amounted to 9% and the acquired growth amounted to 11%. Exchange rate fluctuations impacted net revenue positively by 2%.

Operating profit (EBITA) increased during the quarter by 25% to MSEK 265 (212) and the EBITA margin strengthened slightly to 16.6% (16.3). All divisions, apart from Electrify, contributed to the improvement in earnings, which was primarily driven by good organic growth, high value creation and contributions to earnings from newly acquired companies. The share of proprietary products increased to 70% (68).

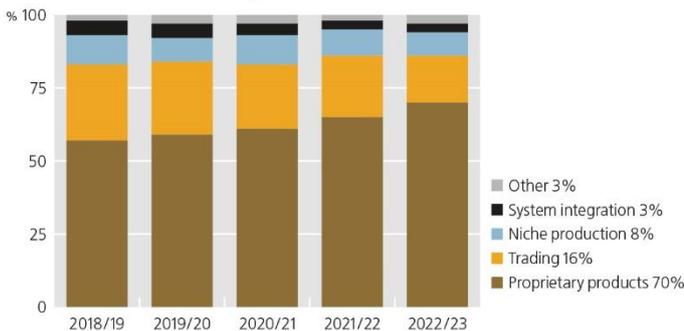
Net financial items during the quarter amounted to MSEK -2 (-5) and profit after financial items increased by 29% to MSEK 232 (180). The effect from currency translation differences on the profit amounted to MSEK 5.

Profit after taxes for the quarter increased by 29% to MSEK 179 (139). Earnings per share after dilution for the latest 12-month period amounted to SEK 3.00, compared to SEK 2.80 for the 2021/22 financial year.

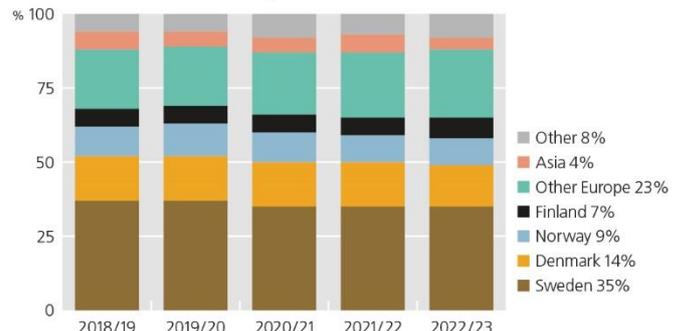
Net revenue and profit after financial items, moving 12 months



Revenue by business type
Moving 12 months



Revenue by geographic market
Moving 12 months



DIVISIONS

	Net revenue			Operating profit (EBITA)		
	3 months	3 months	12 months	3 months	3 months	12 months
	Apr-Jun 2022/23	Apr-Jun 2021/22	Apr-Mar 2021/22	Apr-Jun 2022/23	Apr-Jun 2021/22	Apr-Mar 2021/22
MSEK						
Electrify	396	377	1,466	65	67	246
<i>Operating margin</i>				16.4%	17.8%	16.8%
Control	175	152	660	26	22	118
<i>Operating margin</i>				14.9%	14.5%	17.9%
TecSec	330	217	906	56	42	161
<i>Operating margin</i>				17.0%	19.4%	17.8%
Niche Products	432	331	1,454	89	67	289
<i>Operating margin</i>				20.6%	20.2%	19.9%
<i>International</i>	264	224	996	38	27	134
<i>Operating margin</i>				14.4%	12.1%	13.5%
Parent Company/consolidation items	-	-	-	-9	-13	-53
GROUP TOTAL	1,597	1,301	5,482	265	212	895
<i>Operating margin</i>				16.6%	16.3%	16.3%
Amortisation, intangible assets				-31	-27	-114
Financial items				-2	-5	-40
PROFIT BEFORE TAXES				232	180	741

**NET REVENUE AND PROFIT BY DIVISION
FIRST QUARTER****Electrify**

The Electrify division's net revenue increased by 5% to MSEK 396 (377), of which 4% was organic. EBITA amounted to MSEK 65 (67), equivalent to an operating margin of 16.4% (17.8).

Electrify delivered a stable first quarter. The electrification of society is having a positive effect on the larger units although lead times in permit processes and material price increases have delayed some expansion plans and customer projects. Companies are adjusting their prices frequently, but it has not been possible in some cases to fully offset the rapid changes in raw material prices and currencies in relation to customers.

The cabling businesses are continuing to perform well and within infrastructure, Cue Dee, focused on expansion of 5G telecom networks, delivered a strong quarter with increased profit.

Control

The Control division's net revenue increased by 15% to MSEK 175 (152), of which 6% was organic. EBITA increased by 18% to MSEK 26 (22), equivalent to an operating margin of 14.9% (14.5).

The Control division reported good sales growth in several businesses. Radonova may be singled out, as the company strengthened its profit through increased sales. Direktronik, Precimeter and GasIQ also increased their profits and the newly acquired unit Geonor is delivering as planned.

TecSec

The TecSec division's net revenue increased by 52% to MSEK 330 (217), of which 13% was organic. EBITA increased by 33% to MSEK 56 (42), equivalent to an operating margin of 17.0% (19.4).

The larger businesses in the division, CWL, R-Con, Frictape and ISG Nordic displayed good organic growth. Some units are still working on offsetting material cost increases, which is impacting margins.

During the quarter, the TecSec division carried out the acquisition of 95% of PcP Corporation A/S in Denmark. PcP began its new life in Lagercrantz positively with a contribution to earnings in June that was in line with expectations. PcP is described in more detail under the heading Acquisitions.

Niche Products

The Niche Products division's net revenue increased by 30% to MSEK 432 (331), of which 12% was organic.

EBITA increased by 33% to MSEK 89 (67), equivalent to an operating margin of 20.6% (20.2).

The business situation in most of the division's units remained positive with organic sales growth and improvements in earnings. Wapro performed especially well, reporting successes in the USA with its check and back flow valves for surface water and wastewater networks. Also Nikodan, Dorotea Mekaniska, Kondator and the newly acquired unit Westmatic and the brush companies Sajas and SIB, delivered good improvements in earnings.

Tormek, which manufactures sharpening machines for edge tool, and which had an upswing during the pandemic, reported a weaker start to the financial year.

International

International's net revenue increased by 18% to MSEK 264 (224), of which 12% was organic. EBITA increased by 41% to MSEK 38 (27), equivalent to an operating margin of 14.4% (12.1).

The International division had a good start to the year with strong demand and continued margin improvements on a broad front. The performance in the marine businesses Libra in Norway and ISIC Group in Denmark was especially positive. Also the ACTE companies in Denmark, Norway, Sweden and Poland, and NST in Denmark all contributed with good improvements in earnings.

PROFITABILITY AND FINANCIAL POSITION

Return on equity for the latest 12-month period amounted to 28% (25) and the return on capital employed was 19% (18). The Group's metric for return on working capital (P/WC) amounted to 68% (72).

The equity ratio at the end of the period was 34% (36%). Earnings per share amounted to SEK 11.80 (9.60).

The Group's operating net indebtedness at the end of the period amounted to MSEK 2,170 (1,621 at the start of the financial year) excluding pension liability of MSEK 63 (63) and the IFRS 16 effect of MSEK 338 (329). The operating net debt equity ratio was 0.9 (0.7 at the start of the financial year).

The Group's net indebtedness at the end of the period amounted to MSEK 2,571 (2,014 at the start of the financial year).

CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities before changes in working capital in the quarter amounted to

MSEK 224 (261), where the decrease, despite an increased result, is mainly due to higher paid tax. Cash flow from operating activities after changes in working capital amounted to MSEK 2 (141) during the period, where the change is mainly attributable to increased inventory due to the organic growth as well as increased lead times and raw material prices from suppliers, reduced accounts payable and increased accounts receivable.

Acquisitions and disposals including settlement of contingent consideration relating to acquisitions carried out in previous years amounted to MSEK 446 (289).

Investments in non-current assets amounted to MSEK 44 (25) and disposals of non-current assets amounted to MSEK 2 (0). Repurchases of call options amounted to MSEK 7 (27) and redemption of call options amounted to MSEK 5 (4).

OTHER FINANCIAL INFORMATION

Parent Company and other consolidation items

The Parent Company's net revenue during the quarter amounted to MSEK 14 (11) and profit after financial items amounted to MSEK 243 (11). Net investments in non-current assets amounted to MSEK 1 (0). The Parent Company's equity ratio was 46% (50).

Employees

At the end of the period, the number of employees in the Group was 2,261, compared to 1,953 at the beginning of the financial year. During the period, 280 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 June 2022:

Classes of shares	Number
A shares	9,791,406
B shares	198,768,375
Repurchased B shares	-4,820,104
Total number of shares after repurchases	203,739,677

At 30 June 2022, Lagercrantz Group held 4,820,104 own Class B shares, equivalent to 2.4% of the total number of shares and 1.7% of the votes in the Lagercrantz Group. Lagercrantz's own holdings of repurchased B shares fully cover the needs in the outstanding call option programmes. No shares were repurchased during the first quarter of the financial year.

At the end of the period, Lagercrantz had three outstanding call option programmes with a total of 2,186,514 shares:

Option programme	Number of outstanding options*	Redemption price
2021/25	790,000	145.50
2020/24	1,200,000	78.50
2019/22	196,514	52.10
Total	2,186,514	

* An option carries the right to purchase one share.

Issued call options on repurchased shares had a dilutive effect of approximately 0.2% during the latest 12-month period.

ACQUISITIONS

In June, 95% of PcP Corporation A/S in Denmark was acquired for the TecSec division. PcP is a leading Northern European producer of safety solutions in steel and sheet metal such as gratings and fire protection gratings, which are supplied based on short delivery times and a high degree of customisation. PcP operates in 30 geographical markets and with its own subsidiary and sales companies in Denmark, Norway, Sweden, Germany, Netherlands, Belgium and the UK.

PcP's products are used in a number of different customer segments and applications, for example in the energy sector for power generation and transformer stations, in Infrastructure in the food, pharmaceutical, petrochemical and manufacturing industries and in construction of e.g. railway installations, road/bridges and water treatment plants.

PcP generated annual revenue of MDKK 423 with an EBITA profit of MDKK 57 in the latest 12-month period (until May 2022) and the company has 280 employees.

Preliminary purchase price allocation

The preliminary purchase price allocation for the latest 12-month period includes AC Antennas A/S (incl. Stramatt ApS), Geonor AS, GM Scientific Ltd, ARAS Security Group, Westmatic Group and PcP Corporation Group.

Acquired companies' net assets at the time of acquisition.	Book value in companies	Fair value adjustment	Fair value consolidated
Intangible non-current assets	103	355	458
Other non-current assets	107		107
Inventories	128		128
Other short-term receivables	299		299
Interest-bearing liabilities	-55		-55
Other liabilities	-193	-77	-270
Net of identified assets/liabilities	389	278	667
Goodwill			392
Estimated Purchase price			1059
Less: cash and cash equivalents in acquired businesses			-109
Less: consideration not yet paid			-92
Effect on the Group's cash and cash equivalents			858

The acquisition was conducted at a total enterprise value of MDKK 350.

PcP's management has an action plan to reach a sustainable 15% EBITA margin in two years.

In July 2022, Lagercrantz acquired all shares in Stegborgs EL-evator AB in Sweden. Stegborgs offers products and solutions for renovation and rebuilding of elevators. The company generates annual revenue of just over MNOK 60 with good profitability and is part of the Control division since July 2022.

From and including the 2021/2022 financial year, the following acquisitions have been carried out:

Acquisition	Takeover	Equity interest, %	Division
CW Lundberg, SE	Apr 2021	100	TecSec
Libra, NO	May 2021	75	International
AC Antennas, DK	Aug 2021	100	International
Geonor AS, NO	Nov 2021	100	Control
GM Scientific Ltd., UK	Nov 2021	100	Control
Westmatic, SE	Jan 2022	82	Niche Products
ARAS Security, DK	Jan 2022	100	TecSec
PcP Corp., DK	Jun 2022	95	TecSec
Stegborgs, SE	Jul 2022	100	Control

Lagercrantz normally uses an acquisition structure with a basic purchase price and contingent consideration. The outcome of contingent considerations depends on the results achieved in the companies and has a set maximum level. The contingent considerations fall due for payment within three years and the outcome can be a maximum of MSEK 90.

Remeasurement of contingent considerations had a net effect in the period of MSEK 3 (0). The effect on earnings is recognised in other operating income and in other operating expenses. During the quarter, MSEK 0 (0) was paid in earnouts for previous acquisitions.

OTHER INFORMATION

Accounting principles

The Interim Report for the Group has been prepared in accordance with IFRS standards as adopted by the EU with application of IAS 34, Interim Financial Reporting. 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 calculation methods as in the latest annual report have been applied in the interim report. There are no new IFRS standards or IFRIC interpretations approved by the EU, which are applicable for Lagercrantz, or with significant effect on the Group's results or financial position 2022/2023.

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 14.

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

Lagercrantz's results and financial position are affected by a number of internal factors, which Lagercrantz controls and a number of external factors where the possibility to influence the course of events is limited. The risk factors of greatest importance for the Group are the

state of the economy combined with structural changes in the market, customer and supplier dependence, the competitive situation, pandemics as well as geopolitical uncertainty close to the main markets.

It has been possible to conduct Lagercrantz's operations without larger disruptions during the pandemic and the Group has no exposure to the countries involved in the conflict in Ukraine. For more information, please see the section "Risks and uncertainties" on pages 40-42 in the 2021/22 Annual Report.

The Parent Company is impacted by the above-mentioned risks and uncertainty factors through its capacity as owner of subsidiaries.

Significant events after the period

No significant events have occurred after the end of the period.

Annual General Meeting 2022 and dividend

The 2022 Annual General Meeting (AGM) will be held on 30 August 2022, at 4.00 p.m. at IVA's Conference Centre, Grev Turegatan 16 in Stockholm. Notice convening the AGM will be published in July 2022 and will be available on the company's website www.lagercrantz.com.

The Board of Directors proposes a dividend of SEK 1.30 (1.00) per share, which is in line with Lagercrantz's dividend policy. Notice of participation must be given to the company in accordance with the convening notice.

Stockholm, 19 July 2022

Jörgen Wigh
President and CEO

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

Quarterly data by division

Net revenue	2022/23		2021/22				2020/21			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
MSEK										
Electrify	396	404	345	340	377	320	304	283	302	
Control	175	189	187	132	152	156	162	119	141	
TecSec	330	251	241	197	217	136	159	133	133	
Niche Products	432	453	371	299	331	313	271	212	238	
International	264	278	261	233	224	193	182	171	163	
Parent Company/consolidation items	-	-	-	-	-	-	-	-	-	
GROUP TOTAL	1,597	1,575	1,405	1,201	1,301	1,118	1,078	918	977	

EBITA	2022/23		2021/22				2020/21			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
MSEK										
Electrify	65	69	54	56	67	57	49	45	42	
Control	26	41	38	17	22	30	29	9	15	
TecSec	56	48	37	34	42	22	28	24	21	
Niche Products	89	83	77	62	67	61	53	44	51	
International	38	37	39	31	27	30	21	17	12	
Parent Company/consolidation items	-9	-13	-19	-8	-13	-8	-12	-7	-17	
GROUP TOTAL	265	265	226	192	212	192	168	132	124	

EBITA margin	2022/23		2021/22				2020/21			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
%										
Electrify	16.4	17.1	15.8	16.5	17.8	17.8	16.1	15.9	13.9	
Control	14.9	21.7	20.3	12.9	14.5	19.2	17.9	7.6	10.6	
TecSec	17.0	19.1	15.4	17.3	19.4	16.2	17.6	18.0	15.8	
Niche Products	20.6	18.3	20.8	20.7	20.2	19.5	19.6	20.8	21.4	
International	14.4	13.3	14.9	13.3	12.1	15.5	11.5	9.9	7.4	
Parent Company/consolidation items	-	-	-	-	-	-	-	-	-	
GROUP TOTAL	16.6	16.8	16.1	16.0	16.3	17.2	15.6	14.4	12.7	

Consolidated Income Statement – condensed

MSEK	3 months Apr-Jun 2022/23	3 months Apr-Jun 2021/22	Moving 12 months, Jul- Jun 2022/23	Financial year 2021/22
Net revenue	1,597	1,301	5,778	5,482
Cost of goods sold	-995	-796	-3,588	-3,389
GROSS PROFIT	602	505	2,190	2,093
Selling expenses	-252	-211	-917	-876
Administrative expenses	-125	-108	-471	-454
Other operating income and operating expenses	9	-1	28	18
PROFIT BEFORE NET FINANCIAL ITEMS *)	234	185	830	781
Net financial items	-2	-5	-37	-40
PROFIT AFTER FINANCIAL ITEMS	232	180	793	741
Taxes	-53	-41	-181	-169
NET PROFIT FOR THE PERIOD	179	139	612	572
*) Of which:				
- amortisation of intangible non-current assets arising in connection with acquisitions:	(-31)	(-27)	(-118)	(-114)
- depreciation of other non-current assets:	(-55)	(-48)	(-206)	(-199)
Operating profit (EBITA)	265	212	948	895
Earnings per share, SEK	0.88	0.68	3.01	2.81
Earnings per share after dilution, SEK	0.88	0.68	3.00	2.80
Weighted number of shares after repurchases, ('000)	203,673	203,501	203,605	203,547
Weighted number of shares after repurchases adjusted after dilution ('000)	203,963	204,207	204,025	204,102
Number of shares at end of period after repurchases ('000)	203,637	203,520	203,637	203,637

In view of the redemption price on outstanding call options during the period (SEK 52.10, SEK 78.50 and SEK 145.50) and the average share price (SEK 106.96) during the latest 12-month period when the option programmes were outstanding, there was a dilutive effect of 0.2%. For the latest quarter, there was a dilutive effect of 0.1% (average share price SEK 94.40).

Consolidated Statement of Comprehensive Income and Other Comprehensive Income

MSEK	3 months Apr-Jun 2021/22	3 months Apr-Jun 2020/21	Moving 12 months, Jul-Jun 2022/23	Financial year 2021/22
Net profit for the period	179	139	612	572
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	12	-14	66	40
Debt instruments measured at fair value	-	-	12	12
<u>Items that cannot be reposted to net profit for the period</u>				
Actuarial effects on pensions	-	-	19	19
Taxes attributable to actuarial effects	-	-	-4	-4
COMPREHENSIVE INCOME FOR THE PERIOD	191	125	705	639

Consolidated Statement of Financial Position – condensed

MSEK	30 Jun 2022	30 Jun 2021	31 Mar 2022
ASSETS			
Goodwill	2,241	1,871	2,006
Other intangible non-current assets	1,214	856	1,085
Property, plant and equipment	873	703	741
Financial assets	20	27	19
Inventories	1,143	759	949
Trade receivables and contract assets	1,133	822	972
Other current receivables	255	139	225
Cash and bank balances	260	212	210
TOTAL ASSETS	7,139	5,389	6,207
EQUITY AND LIABILITIES			
Equity	2,403	1,953	2,228
Non-current liabilities*	2,970	1,431	2,199
Trade payables and contract liabilities	591	463	569
Other current liabilities*	1,175	1,542	1,211
TOTAL EQUITY AND LIABILITIES	7,139	5,389	6,207
Interest-bearing assets	260	212	210
Interest-bearing liabilities, excluding pension liabilities*	2,769	1,825	2,161

*Including IFRS 16 effect in the form of future lease and rental obligations.

Consolidated Statement of Changes in Equity

MSEK	3 months Apr-Jun 2022/23	3 months Apr-Jun 2021/22	Moving 12 months, Jul-Jun 2022/23	Financial year 2021/22
Opening balance	2,228	1,855	1,953	1,855
Comprehensive income for the period	191	125	705	639
Shareholders' contributions from minority owners in subsidiaries	-	-	-	-
Dividend to minority owners in subsidiaries	-14	-4	-20	-10
Transactions with owners				
Dividend	-	-	-204	-204
Redemption and acquisition of options on repurchased shares, net	-2	-23	-31	-52
Repurchase of own shares	-	-	-	-
CLOSING BALANCE	2,403	1,953	2,403	2,228

Consolidated Statement of Cash Flows

MSEK	3 months Apr-Jun 2022/23	3 months Apr-Jun 2021/22	Moving 12 months, Jul-Jun 2022/23	Financial year 2021/22
Operating activities				
Profit after financial items	232	180	793	741
Adjustments for taxes paid, items not included in cash flow, etc.	-8	81	57	146
Cash flow from operating activities before changes in working capital	224	261	850	887
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventories	-104	-46	-235	-177
Increase (-)/Decrease (+) in operating receivables	-69	-90	-165	-186
Increase (+)/Decrease (-) in operating liabilities	-49	16	5	70
Cash flow from operating activities	2	141	455	594
Investing activities				
Investments in businesses	-446	-289	-810	-653
Investments in/disposals of other non-current assets, net	-42	-25	-129	-112
Cash flow from investing activities	-488	-314	-939	-765
Financing activities				
Dividends, redemption of options & repurchase of own shares/options	-16	-27	-255	-266
Financing activities	550	262	778	490
Cash flow from financing activities	534	235	523	224
CASH FLOW FOR THE PERIOD	48	62	39	53
Cash and cash equivalents at the beginning of the period	210	151	212	151
Exchange difference in cash and cash equivalents	2	-1	9	6
Cash and cash equivalents at the end of the period	260	212	260	210

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 Jun 2022	31 Mar 2022
Assets measured at fair value	-	-
Assets measured at amortised cost	1,291	1,097
TOTAL ASSETS, FINANCIAL INSTRUMENTS	1,291	1,097
Liabilities measured at fair value	289	269
Liabilities measured at amortised cost	2,973	2,328
TOTAL LIABILITIES, FINANCIAL INSTRUMENTS	3,262	2,597
	3 months Apr – Jun 2022/23	Financial year 2021/22
Change in contingent considerations		
Opening balance	269	175
Settled liabilities during the year	0	-29
Remeasurement of liabilities during the year	-3	-25
Year's liabilities from acquisitions during the year	23	146
Exchange difference	0	2
Carrying amount at end of the period	289	269

Parent Company Income Statement – condensed

MSEK	3 months Apr-Jun 2022/23	3 months Apr-Jun 2021/22	Moving 12 months, Jul-Jun 2022/23	Financial year 2021/22
Net revenue	14	11	48	45
Administrative expenses	-23	-21	-106	-104
Other operating income and operating expenses	-	-	2	1
OPERATING PROFIT	-9	-10	-56	-58
Financial income	261	26	869	634
Financial expenses	-9	-5	-41	-37
PROFIT AFTER FINANCIAL ITEMS	243	11	772	539
Change in untaxed reserves	-4	-	-69	-65
Taxes	2	3	-40	-39
NET PROFIT FOR THE PERIOD	241	14	663	435

Parent Company Balance Sheet – condensed

MSEK	30 Jun 2022	30 Jun 2021	31 Mar 2022
ASSETS			
Property, plant and equipment	-	-	-
Financial assets	4,045	3,228	3,509
Current receivables	1,278	755	1,276
Cash and bank balances	-	-	-
TOTAL ASSETS	5,323	3,983	4,785
EQUITY AND LIABILITIES			
Equity	2,362	1,935	2,123
Untaxed reserves	114	49	114
Non-current liabilities	2,328	875	1,608
Current liabilities	519	1,124	940
TOTAL EQUITY AND LIABILITIES	5,323	3,983	4,785

Key ratios

In the table below, key ratios are partly presented that are not defined according to IFRS. For definition of these, see Definitions.

	Moving 12 months, Jul-Jun 2022/23	Financial year			
		2021/22	2020/21	2019/20	2018/19
Revenue	5,778	5,482	4,091	4,180	3,932
Change in revenue, %	30.9	34.0	-2.1	6.3	15.3
Operating profit (EBITA)	948	895	616	565	519
Operating margin (EBITA), %	16.4	16.3	15.1	13.5	13.2
EBIT	830	781	529	483	451
EBIT margin, %	14.4	14.2	12.9	11.6	11.5
Profit after financial items	793	741	502	460	431
Profit margin, %	13.7	13.5	12.3	11.0	10.7
Profit after taxes	612	572	388	366	342
Equity ratio,% *	34	36	40	39	39
Return on working capital (P/WC), %	68	79	67	64	63
Return on capital employed, %	19	20	17	17	18
Return on equity, %	28	28	22	23	24
Net debt (+)/receivables (-), MSEK **	2,571	2,014	1,314	1,312	1,004
Net debt/equity ratio, times**	1.1	0.9	0.7	0.8	0.7
Operating net debt (+)/receivables (-), MSEK	2,170	1,621	992	1,056	928
Operating net debt/equity ratio, times	0.9	0.7	0.5	0.6	0.6
Interest coverage ratio, times	14	15	12	13	15
Number of employees at end of period	2,261	1,953	1,654	1,532	1,450
Revenue outside Sweden, MSEK	3,783	3,559	2,650	2,706	2,491

* The equity ratio includes the IFRS 16 effect from the 2019/20 financial year.

** Net debt and net debt/equity ratio includes pensions. The effect of IFRS 16 is included from the 2019/20 financial year.

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 2022/23	Financial year			
		2021/22	2020/21	2019/20	2018/19
Number of shares at end of period after repurchases ('000)	203,637	203,637	203,421	203,178	203,061
Weighted number of shares after repurchases, ('000)	203,605	203,547	203,307	203,151	203,046
Weighted number of shares after repurchases & dilution ('000)	204,025	204,102	203,673	203,616	203,046
Earnings per share, SEK	3.01	2.81	1.91	1.80	1.68
Earnings per share after dilution, SEK	3.00	2.80	1.91	1.80	1.68
Cash flow from operating activities per share after dilution, SEK*	2.23	2.91	3.84	2.49	2.28
Equity per share, SEK	11.80	10.94	9.12	8.29	7.43
Latest price paid per share, SEK	82.85	106.80	79.10	38.60	33.33

*Includes the effect of IFRS 16 from the 2019/20 financial year.

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

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 07.45 CET on 17 July 2022

Reporting dates:

30 August 2022	Annual General Meeting for the 2021/22 financial year
25 October 2022	Interim Report Q2 for the period 1 July 2022–30 September 2022
1 February 2023	Interim Report Q3 for the period 1 October 2022–31 December 2022
16 May 2023	Year-end Report for the period 1 April 2022–31 March 2023

The Annual Report for the 2021/22 financial year was published on 11 July 2022 on www.lagercrantz.com.

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