

# Lagercrantz Group

## Volumes and margins on a par with last year

- Q3e sales of SEK 1,094 and EBITA of SEK 166m
- FY '21/22e sales 3% higher on M&A
- Report due 28 January

### Q3'20/21 expectations

We estimate sales of SEK 1,094m, down 1% y-o-y (-1% organic, +2% M&A, -2% FX). Overall, we expect sequential improvements q-o-q, but note that macro leading indicators are still in negative territory. Although it is still facing tough comps y-o-y, we estimate that Electronics (17% of group EBITA) will see the largest sequential improvement in the group (-3% organic growth y-o-y vs. -20% in Q2). Additionally, Niche products is facing easy comps (-11% organic growth Q3'19/20) and should see organic growth for the first time in five quarters. Although overall volumes should be slightly lower, we expect the solid cost control over recent quarters will have continued, leading to EBITA margins of 14.1% (14.2%).

### Forecast changes and outlook

We have raised FY 21/22 estimates by 3% as a result of increased acquired growth of c. 4% and FX of -1%. Acquisitions were paused for a large part of FY '21/22 (no acquisitions Mars until October), but since then have resumed at a high pace, with five companies adding c. SEK 178m to next FY sales. Overall, we expect FY '20/21 sales of SEK 4,137m, down 1% y-o-y (-3% organic, 3% M&A, -1% FX) and adj. EBITA of SEK 576m, for a margin of 13.9% (13.5%). The proportion of proprietary products (now 63% of sales) continues to support margin expansion, and we see more upside given the group's target of 75%.

### No longer trading at a discount on 26x NTM EV/EBITDA

The share is up 27% over the last three months, trading at 26x NTM EV/EBITDA, in line with the peer average (-6% vs. Lifco, +5% vs. Indutrade, +3% vs. Addtech). We calculate Lagercrantz has acquired more growth than peers for its next FY, and given its relative smaller size, we think it should be able to maintain high M&A growth. In 2020, Lagercrantz's share has seen a significant re-rating (as have peers) and is trading at a 65% premium relative to its average 5Y NTM EV/EBITDA of 16x.

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SEKm	2018	2019	2020e	2021e	2022e
Sales	3,932	4,180	4,137	4,597	4,833
EBITDA	575	717	731	814	860
EBITDA margin (%)	14.6	17.2	17.7	17.7	17.8
EBIT adj	451	489	492	556	595
EBIT adj margin (%)	11.5	11.7	11.9	12.1	12.3
Pretax profit	432	460	466	540	579
EPS rep	1.67	1.79	1.77	2.11	2.26
EPS adj	2.00	2.21	2.18	2.56	2.74
Sales growth (%)	15.3	6.3	-1.0	11.1	5.1
EPS growth (%)	19.2	7.3	-1.0	19.2	7.2

Source: ABG Sundal Collier, Company data

Reason: Preview of results

## Company sponsored research

Not rated

Estimate changes (%)

	2020e	2021e	2022e
Sales	0.1%	3.0%	3.0%
EBIT (rep)	0.8%	4.4%	4.3%
EPS (rep)	0.9%	4.6%	4.5%

Source: ABG Sundal Collier

Share price (SEK)	15/01/2021	76.2
Fair value range (per share)		na

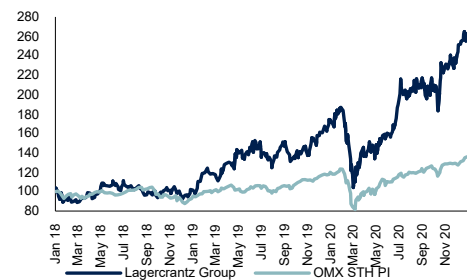
Capital Goods, Sweden  
LAGRb.ST/LAGRB SS

MCap (SEKm)	15,537
MCap (EURm)	1,533
Net debt (EURm)	92

No. of shares (m)	204
Free float (%)	88
Av. daily volume (k)	138

Next event Q3 report: 28 Jan

## Performance



	1m	3m	12m
Absolute (%)	9.2	26.3	47.7
OMX STH PI (%)	3.7	7.5	12.1

Source: FactSet

	2020e	2021e	2022e
P/E (x)	43.0	36.1	33.7
P/E adj (x)	34.9	29.8	27.8
P/BVPS (x)	8.29	8.65	8.87
EV/EBITDA (x)	22.6	20.2	19.0
EV/EBIT adj (x)	33.6	29.6	27.4
EV/sales (x)	4.00	3.58	3.37
ROE adj (%)	25.1	28.5	31.5
Dividend yield (%)	3.3	3.3	3.3
FCF yield (%)	1.2	3.9	4.2
Lease adj. FCF yld (%)	1.2	3.9	4.2
Net IB debt/EBITDA	1.3	1.1	0.8
Lease adj. ND/EBITDA	1.3	1.0	0.7

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

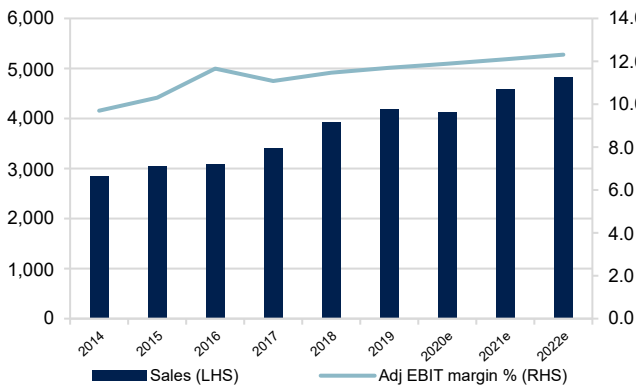
## Company description

Lagercrantz is a technology trading company group in expansive niches offering value creating technology to corporate customers. The operations are conducted according to a decentralized model with 50+ independent companies divided into 4 divisions, Electronics, Mechatronics, Communications and Niche Products. Acquiring new companies is a central part of the business model. Lagercrantz has an increasing proportion of proprietary products, which enables enhanced control of the value chain and supports higher margins. The share is listed on Nasdaq Stockholm, Mid Cap, since 2001.

## Risks

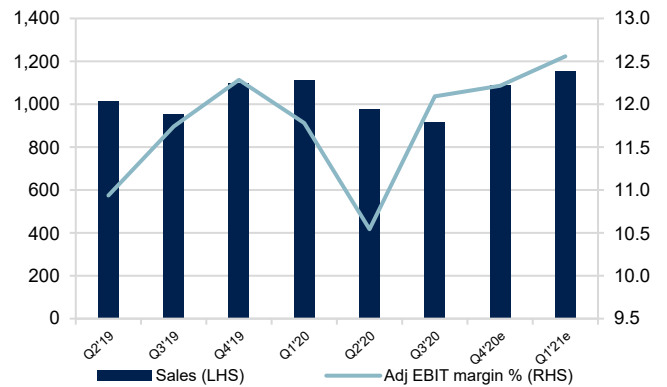
Poor development in individual subsidiaries, overall weaker market conditions, abrupt competition in a specific niche-area. Inflated acquisitions multiple.

### Annual sales and adj. EBIT margin



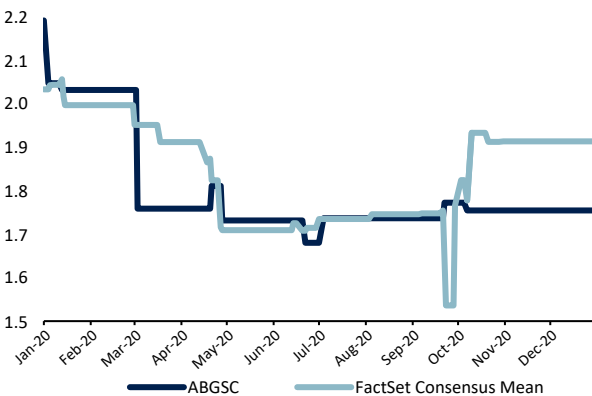
Source: ABG Sundal Collier, Company data

### Quarterly sales and adj. EBIT margin



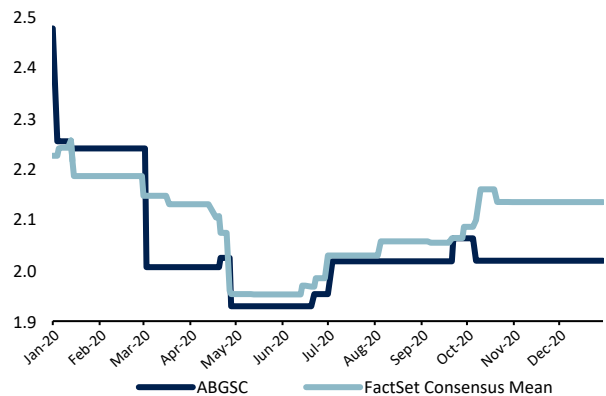
Source: ABG Sundal Collier, Company data

### EPS estimate changes, 2020e, SEK



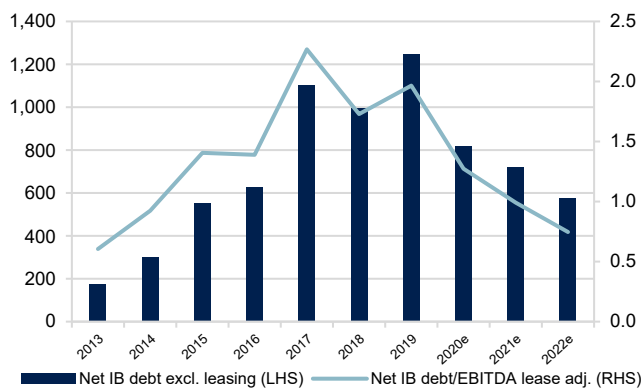
Source: ABG Sundal Collier, FactSet

### EPS estimate changes, 2021e, SEK



Source: ABG Sundal Collier, FactSet

### Net debt and ND/EBITDA adj.



Source: ABG Sundal Collier, Company data

### 12month forward-looking P/E



Source: ABG Sundal Collier, Company data

**ABGSCe vs. Factset cons**

	Factset				ABGSCe				ABGSC vs cons.			
	Q1	Q2	Q3e	Q4e	Q1	Q2	Q3e	Q4e	Q1	Q2	Q3e	Q4e
<b>Sales</b>	977	918	1,083	1,132	<b>977</b>	<b>918</b>	<b>1,090</b>	<b>1,152</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>2%</b>
<b>EBITA</b>	124	132	161	167	<b>124</b>	<b>132</b>	<b>154</b>	<b>166</b>	<b>0%</b>	<b>0%</b>	<b>-4%</b>	<b>-1%</b>
EBIT	103	111	139	149	103	111	133	145	0%	0%	-4%	-3%
<b>EPS (IFRS)</b>	0.34	0.27	0.50	0.57	<b>0.34</b>	<b>0.40</b>	<b>0.50</b>	<b>0.54</b>	<b>0%</b>	<b>49%</b>	<b>0%</b>	<b>-5%</b>
<b>Sales</b>												
Electronics	224	236	271	280	224	236	265	274	0%	0%	-2%	-2%
Mechatronics	313	295	333	359	313	295	332	351	0%	0%	0%	-2%
Communications	199	172	247	248	199	172	241	246	0%	0%	-2%	-1%
Niche products	241	215	244	259	241	215	251	280	0%	0%	3%	8%
<b>EBIT</b>												
Electronics	16	23	25	27	16	23	24	23	0%	0%	-5%	-15%
Mechatronics	46	52	55	60	46	52	53	57	0%	0%	-5%	-4%
Communications	28	21	44	44	28	21	41	42	0%	0%	-7%	-4%
Niche products	51	43	44	47	51	43	45	52	0%	0%	3%	11%
<b>EBIT margin</b>												
Electronics	7.1%	9.7%	9.3%	9.8%	7.1%	9.7%	9.0%	8.5%	0.0%	0.0%	-0.3%	-1.3%
Mechatronics	14.7%	17.6%	16.6%	16.6%	14.7%	17.6%	15.9%	16.2%	0.0%	0.0%	-0.7%	-0.4%
Communications	14.1%	12.2%	17.9%	17.6%	14.1%	12.2%	17.0%	17.0%	0.0%	0.0%	-0.9%	-0.6%
Niche products	21.2%	20.0%	17.9%	18.1%	21.2%	20.0%	17.8%	18.5%	0.0%	0.0%	-0.1%	0.4%
EBITA margin	12.7%	14.4%	14.8%	14.8%	12.7%	14.4%	14.1%	14.4%	0.0%	0.0%	-0.7%	-0.4%
EBIT margin	10.5%	12.1%	12.8%	13.2%	10.5%	12.1%	12.2%	12.6%	0.0%	0.0%	-0.6%	-0.6%
A	21	21	21.5417	17.75	21	21	21	21				
A/sales	2.1%	2.3%	2.0%	1.6%	2.1%	2.3%	1.9%	1.8%	0.0%	0.0%	-0.1%	0.3%
EBITA margin	12.7%	14.4%	14.8%	14.8%	12.7%	14.4%	14.1%	14.4%	0.0%	0.0%	-0.7%	-0.4%
EBIT margin	10.5%	12.1%	12.8%	13.2%	10.5%	12.1%	12.2%	12.6%	0.0%	0.0%	-0.6%	-0.6%

Source: ABG Sundal Collier, Factset

**Estimate changes**

	Old			New			Change (%)			Change (SEKm)		
	20/21e	21/22e	22/23e	20/21e	21/22e	22/23e	20/21e	21/22e	22/23e	20/21e	21/22e	22/23e
<b>Net sales</b>	<b>4,132</b>	<b>4,464</b>	<b>4,693</b>	<b>4,137</b>	<b>4,597</b>	<b>4,833</b>	<b>0%</b>	<b>3%</b>	<b>3%</b>	<b>5</b>	<b>133</b>	<b>140</b>
COGS	-2,573	-2,759	-2,891	-2,573	-2,841	-2,977	0%	3%	3%	0	-82	-86
SG&A	-832	-915	-967	-833	-942	-996	0%	3%	3%	-1	-27	-29
Other income/expenses	11	0	0	11	0	0	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>	0	0	0
EBITDA	727	790	835	731	814	860	1%	3%	3%	4	24	25
<b>Adj EBITDA</b>	<b>727</b>	<b>790</b>	<b>835</b>	<b>731</b>	<b>814</b>	<b>860</b>	<b>1%</b>	<b>3%</b>	<b>3%</b>	<b>4</b>	<b>24</b>	<b>25</b>
D&A	-239	-258	-265	-239	-258	-265	0%	0%	0%	0	0	0
w hichof amortization	-80	-89	-94	-84	-92	-97	5%	3%	3%	-4	-2	-3
EBITA	568	622	664	576	648	692	1%	4%	4%	8	26	28
<b>Adj EBITA</b>	<b>568</b>	<b>622</b>	<b>664</b>	<b>576</b>	<b>648</b>	<b>692</b>	<b>1%</b>	<b>4%</b>	<b>4%</b>	<b>8</b>	<b>26</b>	<b>28</b>
EBIT	488	532	570	492	556	595	1%	5%	4%	4	24	25
<b>Adj EBIT</b>	<b>488</b>	<b>532</b>	<b>570</b>	<b>492</b>	<b>556</b>	<b>595</b>	<b>1%</b>	<b>5%</b>	<b>4%</b>	<b>4</b>	<b>24</b>	<b>25</b>
Net financials	-26	-16	-16	-26	-16	-16	-1%	1%	1%	0	0	0
Tax	-103	-103	-111	-104	-108	-116	1%	5%	4%	-1	-5	-5
EO items	0	0	0	0	0	0	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>			
Net profit	359	413	443	362	432	463	1%	5%	5%	3	19	20
<b>EPS diluted (SEK)</b>	<b>2.45</b>	<b>2.03</b>	<b>2.17</b>	<b>2.47</b>	<b>2.12</b>	<b>2.27</b>	<b>1%</b>	<b>4%</b>	<b>5%</b>	<b>0</b>	<b>0</b>	<b>0</b>
Adj EBITA margin	13.7%	13.9%	14.2%	13.9%	14.1%	14.3%	0.2%	0.2%	0.1%			
EBITA grow th	1%	10%	7%	2%	13%	7%	1%	3%	0%			
Organic sales grow th	-1.9%	7.9%	5.1%	-3.5%	7.9%	5.1%	-2%	0%	0%			

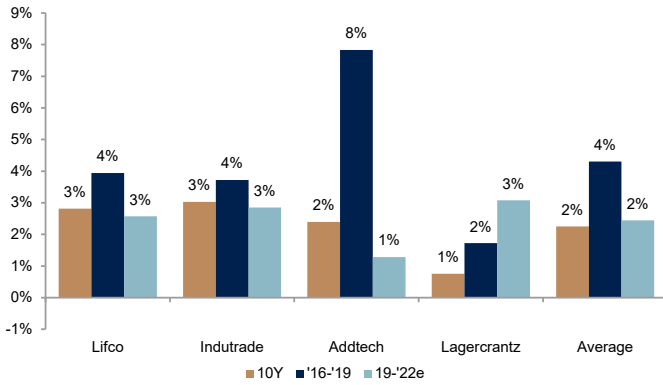
Source: ABG Sundal Collier, company data

## Detailed group and divisional P/L

P/L	2019/2020e				2020/2021e				15/16	16/17	17/18	18/19	19/20	20/21e	21/22e	22/23e
	Q1	Q2	Q3	Q4	Q1	Q2	Q3e	Q4e								
Net sales	1,015	954	1,099	1,112	977	918	1,090	1,152	3,057	3,096	3,411	3,932	4,180	4,137	4,597	4,833
COGS	-641	-605	-672	-700	-599	-574	-682	-718	-1,993	-1,960	-2,171	-2,488	-2,618	-2,573	-2,841	-2,977
OPEX	-208	-186	-233	-218	-217	-174	-214	-228	-672	-684	-754	-869	-845	-833	-942	-996
Items affecting comparability	0	-6	0	0	0	0	0	0	0	0	0	0	-6	0	0	0
EBITDA	166	163	194	194	161	170	193	207	392	452	486	575	711	731	814	860
D&A	-55	-57	-59	-63	-58	-59	-60	-62	-77	-91	-108	-124	-234	-239	-258	-265
of which depreciation	-36	-37	-38	-42	-37	-38	-39	-41	-29	-33	-49	-55	-153	-155	-166	-168
of which amortization	-19	-20	-21	-21	-21	-21	-21	-21	-48	-58	-59	-69	-81	-84	-92	-97
EBITA	130	126	156	152	124	132	154	166	363	419	437	520	564	576	648	692
<b>Adj EBITA</b>	<b>130</b>	<b>132</b>	<b>156</b>	<b>152</b>	<b>124</b>	<b>132</b>	<b>154</b>	<b>166</b>	<b>363</b>	<b>419</b>	<b>437</b>	<b>520</b>	<b>570</b>	<b>576</b>	<b>648</b>	<b>692</b>
EBIT	111	106	135	131	103	111	133	145	315	361	378	451	483	492	556	595
<b>Adj EBIT</b>	<b>111</b>	<b>112</b>	<b>135</b>	<b>131</b>	<b>103</b>	<b>111</b>	<b>133</b>	<b>145</b>	<b>315</b>	<b>361</b>	<b>378</b>	<b>451</b>	<b>489</b>	<b>492</b>	<b>556</b>	<b>595</b>
Financial net	-6	-6	-6	-5	-10	-7	-4	-4	-8	-9	-20	-20	-23	-26	-16	-16
EBT	105	100	129	126	93	104	129	140	307	352	358	432	460	466	540	579
Tax	-23	-22	-24	-25	-23	-23	-28	-30	-66	-78	-72	-91	-94	-104	-108	-116
Net profit	82	78	105	101	70	81	101	110	241	274	286	341	366	362	432	463
EPS f. utsp. (SEK)	0.40	0.38	0.52	0.50	0.34	0.40	0.50	0.54	1.19	1.35	1.41	1.68	1.80	1.78	2.12	2.28
EPS e. utsp. (SEK)	1.21	1.15	1.55	1.49	1.03	1.11	1.33	1.45	1.18	1.35	1.41	1.68	1.80	1.78	2.12	2.27
Sales growth q-o-q	-5.8%	-6.0%	15.2%	1.2%	-12.1%	-6.0%	18.7%	5.7%								
<b>Sales breakdown Y/Y</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3e</b>	<b>Q4e</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21e</b>	<b>21/22e</b>	<b>22/23e</b>
Organic	3%	0%	0%	-2%	-7%	-5%	-1%	-1%	1%	-2%	-2%	7%	0%	-3%	8%	5%
Structure	4%	6%	7%	4%	3%	2%	2%	6%	11%	3%	11%	6%	5%	3%	4%	0%
FX	0%	1%	1%	1%	0%	-1%	-2%	-1%	0%	1%	1%	3%	1%	-1%	-1%	0%
Group y-o-y	7%	7%	9%	3%	-4%	-4%	-1%	4%	7%	1%	10%	15%	6%	-1%	11%	5%
<b>Margins</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3e</b>	<b>Q4e</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21e</b>	<b>21/22e</b>	<b>22/23e</b>
Gross margin	36.8%	36.6%	38.9%	37.1%	38.7%	37.5%	37.4%	37.7%	34.8%	36.7%	36.4%	36.7%	37.4%	37.8%	38.2%	38.4%
Adj. EBITDA margin	16.4%	17.7%	17.7%	17.4%	16.5%	18.5%	17.7%	17.9%	12.8%	14.6%	14.2%	14.6%	17.2%	17.7%	17.7%	17.8%
<b>Adj. EBITA margin</b>	<b>12.8%</b>	<b>13.8%</b>	<b>14.2%</b>	<b>13.7%</b>	<b>12.7%</b>	<b>14.4%</b>	<b>14.1%</b>	<b>14.4%</b>	<b>11.9%</b>	<b>13.5%</b>	<b>12.8%</b>	<b>13.2%</b>	<b>13.6%</b>	<b>13.9%</b>	<b>14.1%</b>	<b>14.3%</b>
<b>Adj. EBIT margin</b>	<b>10.9%</b>	<b>11.7%</b>	<b>12.3%</b>	<b>11.8%</b>	<b>10.5%</b>	<b>12.1%</b>	<b>12.2%</b>	<b>12.6%</b>	<b>10.3%</b>	<b>11.7%</b>	<b>11.1%</b>	<b>11.5%</b>	<b>11.7%</b>	<b>11.9%</b>	<b>12.1%</b>	<b>12.3%</b>
Adj. EBT margin	10.3%	11.1%	11.7%	11.3%	9.5%	11.3%	11.8%	12.2%	10.0%	11.4%	10.5%	11.0%	11.1%	11.3%	11.7%	12.0%
<b>(FY April-March)</b>	<b>2019/2020e</b>				<b>2020/2021e</b>				<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21e</b>	<b>21/22e</b>	<b>22/23e</b>
<b>Sales by segment (SEKm)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3e</b>	<b>Q4e</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21e</b>	<b>21/22e</b>	<b>22/23e</b>
Electronics	279	281	279	278	224	236	265	274	838	834	891	998	1,117	1,000	1,069	1,122
Mechatronics	297	273	335	356	313	295	332	351	1,007	1,003	1,033	1,122	1,261	1,291	1,435	1,493
Communications	209	198	251	239	199	172	241	246	719	630	786	918	897	858	931	987
Niche Products	230	202	234	239	241	215	251	280	493	629	701	894	905	988	1,161	1,231
<b>Group sales</b>	<b>1,015</b>	<b>954</b>	<b>1,099</b>	<b>1,112</b>	<b>977</b>	<b>918</b>	<b>1,090</b>	<b>1,152</b>	<b>3,057</b>	<b>3,096</b>	<b>3,411</b>	<b>3,932</b>	<b>4,180</b>	<b>4,137</b>	<b>4,597</b>	<b>4,833</b>
<b>EBITA by segment ABGSCe (SEKkr)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3e</b>	<b>Q4e</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21e</b>	<b>21/22e</b>	<b>22/23e</b>
Electronics	31	30	27	16	16	23	24	23			75	101	104	86	95	102
Mechatronics	43	42	52	59	46	52	53	57			147	172	196	208	231	242
Communications	24	30	51	43	28	21	41	42			103	137	148	132	146	158
Niche Products	41	34	34	41	51	43	45	52			128	149	150	191	208	228
Eliminations	-9	-4	-8	-7	-17	-7	-8	-8			-16	-39	-28	-41	-32	-38
<b>Adj. Group EBIT</b>	<b>130</b>	<b>132</b>	<b>156</b>	<b>152</b>	<b>124</b>	<b>132</b>	<b>154</b>	<b>166</b>			<b>437</b>	<b>520</b>	<b>570</b>	<b>576</b>	<b>648</b>	<b>692</b>
<b>Sales growth by segment (%)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3e</b>	<b>Q4e</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21e</b>	<b>21/22e</b>	<b>22/23e</b>
Electronics	21%	20%	14%	-3%	-20%	-16%	-5%	-1%	4%	0%	7%	12%	12%	-10%	7%	5%
Mechatronics	3%	2%	21%	24%	5%	8%	-1%	-1%	24%	0%	3%	9%	12%	2%	11%	4%
Communications	-6%	1%	2%	-5%	-5%	-13%	-4%	3%	-14%	-12%	25%	17%	-2%	-4%	8%	6%
Niche Products	12%	2%	-3%	-4%	5%	6%	7%	17%	27%	28%	11%	28%	1%	9%	18%	6%
<b>Group sales growth</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>	<b>3%</b>	<b>-4%</b>	<b>-4%</b>	<b>-1%</b>	<b>4%</b>	<b>7%</b>	<b>1%</b>	<b>10%</b>	<b>15%</b>	<b>6%</b>	<b>-1%</b>	<b>11%</b>	<b>5%</b>
<b>EBITA margins (%)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3e</b>	<b>Q4e</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21e</b>	<b>21/22e</b>	<b>22/23e</b>
Electronics	11.1%	10.7%	9.7%	5.8%	7.1%	9.7%	9.0%	8.5%			8.4%	10.1%	9.3%	8.6%	8.9%	9.1%
Mechatronics	14.5%	15.4%	15.5%	16.6%	14.7%	17.6%	15.9%	16.2%			14.2%	15.3%	15.5%	16.1%	16.1%	16.2%
Communications	11.5%	15.2%	20.3%	18.0%	14.1%	12.2%	17.0%	17.0%			13.1%	14.9%	16.5%	15.4%	15.7%	16.0%
Niche Products	17.8%	16.8%	14.5%	17.2%	21.2%	20.0%	17.8%	18.5%			18.3%	16.7%	16.6%	19.3%	17.9%	18.5%
<b>Adj. Group margin</b>	<b>12.8%</b>	<b>13.8%</b>	<b>14.2%</b>	<b>13.7%</b>	<b>12.7%</b>	<b>14.4%</b>	<b>14.1%</b>	<b>14.4%</b>	<b>11.9%</b>	<b>13.5%</b>	<b>12.8%</b>	<b>13.2%</b>	<b>13.6%</b>	<b>13.9%</b>	<b>14.1%</b>	<b>14.3%</b>

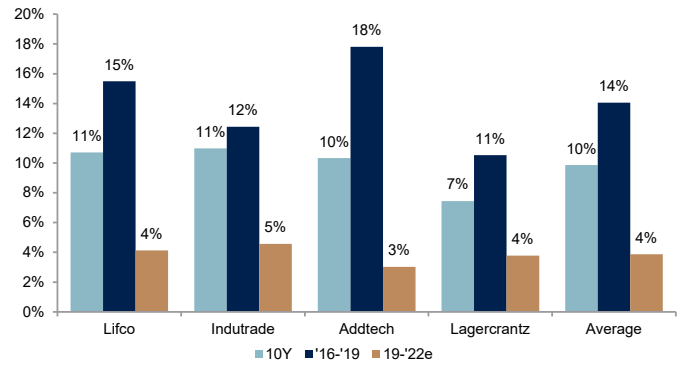
Source: ABG Sundal Collier, company data

## Organic sales CAGR



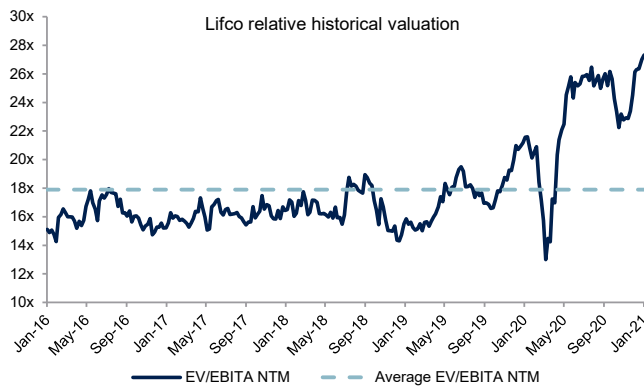
Source: ABG Sundal Collier, company data

## Sales CAGR

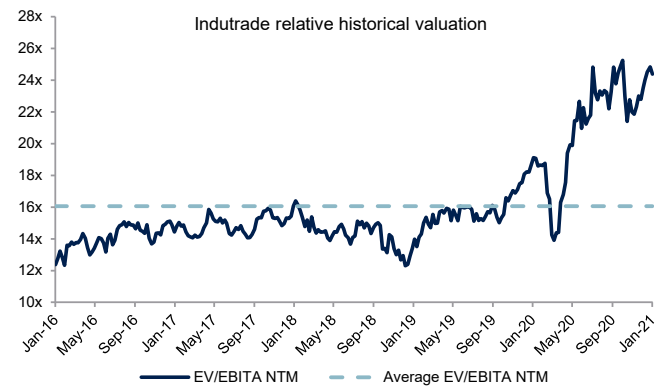


Source: ABG Sundal Collier, company data

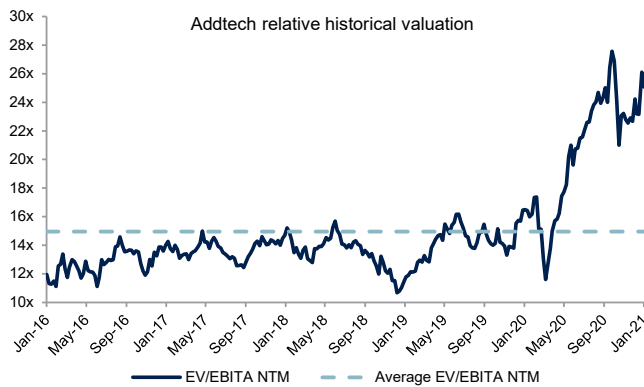
## Lifco trading at 59% premium to 5Y average



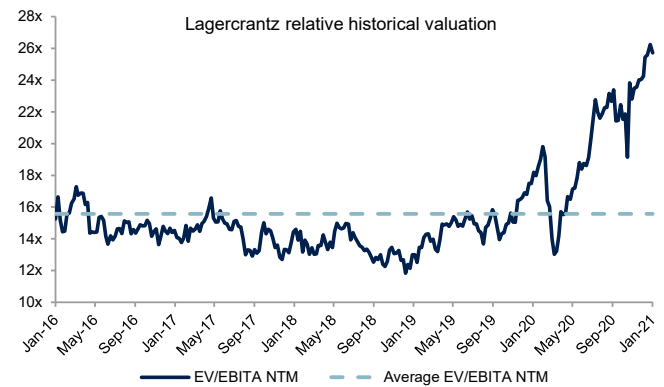
## Indutrade trading at 52% premium to 5Y average



## Addtech trading at 68% premium to 5Y average



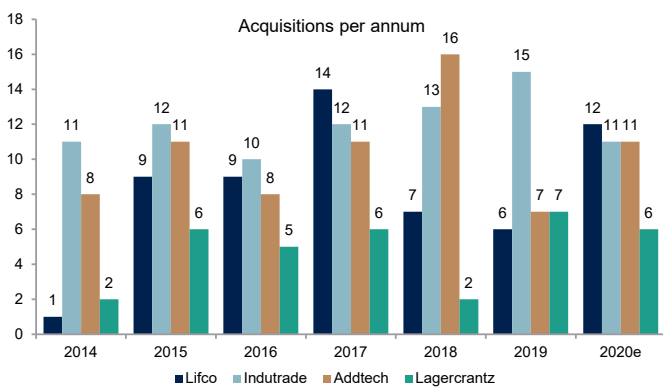
## Lagercrantz trading at 65% premium to 5Y avg.



Source: ABG Sundal Collier, company data

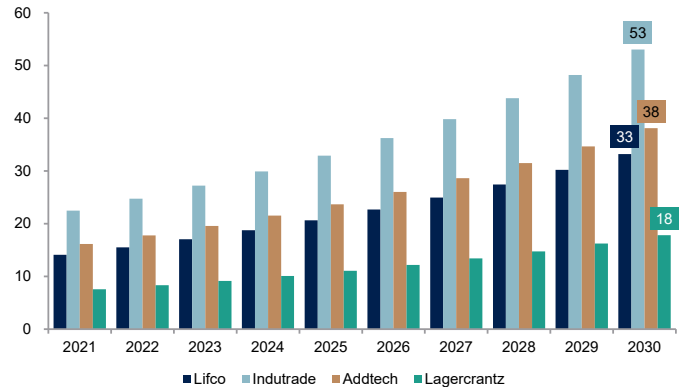
Source: ABG Sundal Collier, company data

## Annual acquisitions



Source: ABG Sundal Collier, company data

## Acquisitions required for 10% annual growth



Source: ABG Sundal Collier, company data

## ESG profile

### Risks and opportunities

At the core of Lagercrantz's business model lies decentralisation of its c.50 subsidiaries. While ESG goals and initiatives are taken at group level, the direct exposure and implementation lies with each individual subsidiary. This leaves the majority of the work in the hands of the managing directors. One of the main challenges facing Lagercrantz is to ensure that corporate guidelines are met across the value chain. With an increasing portion of product companies, a more and more relevant environmental issue is related to transports, waste and product safety. A large part of Lagercrantz's focus lies in labour management, where health and safety are of significant importance along with having a committed and competent workforce.

### ESG initiatives

Lagercrantz' Code Of Conduct was developed in line with the UN Global Compact, the ILO's core conventions and the OECD Guideline for Multinational Enterprises. Lagercrantz invests in its employees to ensure both personal development and to maintain competitive competence within its businesses. Examples include Business Improvement Modules (BIM) and E-learning. As part of minimising its environmental impact, efforts are made to combine freights among subsidiaries when feasible. Many of the companies within the group work with quantitative environmental goals, and 52% of the companies are ISO-certified. Four of the companies work with the handling of drain water. Lagercrantz does not recognise any environmental threats that could harm the drain water businesses.

Key issues*	ABGSC weight
<b>Environment</b>	0.4
Carbon emissions	
Pollution and waste	
Raw material sourcing	
<b>Social</b>	0.3
Health and safety	
Labour management	
Product safety and quality	
<b>Governance</b>	0.3
Business ethics	
Corruption and instability	
Corporate governance	
<b>Previous ESG incidents</b>	
None	
<b>Exposure to ESG Trends</b>	
Building energy efficiency, Renewable energy, Plastic waste	

Social and governance data	2016	2017	2018
Women in workforce %	23	27	29
Women in management %	10	15	15
Women in board %	29	25	25
CEO salary, SEKm p.a.	8.1	7.9	9.2
Employee turnover %	na	13.6	12
Employee absence %	na	4.6	4.3

Person responsible for sustainability: Kristina Mackintosh  
 Senior management: Yes

ESG Data	2016	2017	2018
Energy usage, MWh/sales	na	6.17	5.26
CO2 emissions/sales	na	2.22	2.3

\*based on the MSCI framework but not using all the parameters.

# Lagercrantz Group

Income Statement (SEKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020e	Q4 2020e
Sales	1,015	954	1,099	1,112	977	918	1,090	1,152
COGS	-641	-605	-672	-700	-599	-574	-682	-718
Gross profit	374	349	427	412	378	344	408	434
Other operating items	-208	-186	-233	-218	-217	-174	-214	-228
<b>EBITDA</b>	<b>166</b>	<b>163</b>	<b>194</b>	<b>194</b>	<b>161</b>	<b>170</b>	<b>193</b>	<b>207</b>
Depreciation and amortisation	-36	-37	-38	-42	-37	-38	-39	-41
<b>EBITA</b>	<b>130</b>	<b>126</b>	<b>156</b>	<b>152</b>	<b>124</b>	<b>132</b>	<b>154</b>	<b>166</b>
EO items	0	-6	0	0	0	0	0	0
Impairment and PPA amortisation	-19	-20	-21	-21	-21	-21	-21	-21
<b>EBIT</b>	<b>111</b>	<b>106</b>	<b>135</b>	<b>131</b>	<b>103</b>	<b>111</b>	<b>133</b>	<b>145</b>
Net financial items	-6	-6	-6	-5	-10	-7	-4	-4
<b>Pretax profit</b>	<b>105</b>	<b>100</b>	<b>129</b>	<b>126</b>	<b>93</b>	<b>104</b>	<b>129</b>	<b>140</b>
Tax	-23	-22	-24	-25	-23	-23	-28	-30
<b>Net profit</b>	<b>82</b>	<b>78</b>	<b>105</b>	<b>101</b>	<b>70</b>	<b>81</b>	<b>101</b>	<b>110</b>
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>82</b>	<b>78</b>	<b>105</b>	<b>101</b>	<b>70</b>	<b>81</b>	<b>101</b>	<b>110</b>
EPS	1.21	1.15	1.55	1.49	1.03	0.40	0.50	0.54
EPS Adj	1.49	1.45	1.86	1.80	1.34	0.50	0.60	0.64
Total extraordinary items after tax	0	-6	0	0	0	0	0	0
Tax rate (%)	21.9	22.0	18.6	19.8	24.7	22.1	21.5	21.5
Gross margin (%)	36.8	36.6	38.9	37.1	38.7	37.5	37.4	37.7
EBITDA margin (%)	16.4	17.1	17.7	17.4	16.5	18.5	17.7	17.9
EBITA margin (%)	12.8	13.2	14.2	13.7	12.7	14.4	14.1	14.4
EBIT margin (%)	10.9	11.1	12.3	11.8	10.5	12.1	12.2	12.6
Pretax margin (%)	10.3	10.5	11.7	11.3	9.5	11.3	11.8	12.2
Net margin (%)	8.1	8.2	9.6	9.1	7.2	8.8	9.3	9.6
<b>Growth rates Y/Y</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020e</b>	<b>Q4 2020e</b>
Sales growth (%)	7.1	6.6	8.7	3.2	-3.7	-3.8	-0.8	3.6
EBITDA growth (%)	31.7	23.5	29.3	16.2	-3.0	4.3	-0.4	6.5
EBIT growth (%)	15.6	5.0	13.4	-3.0	-7.2	4.7	-1.4	10.4
Net profit growth (%)	7.9	6.8	19.3	-2.9	-14.6	3.8	-3.8	9.0
EPS growth (%)	7.9	6.8	19.3	-2.9	-14.6	3.8	-3.8	9.0
<b>Adj earnings numbers</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020e</b>	<b>Q4 2020e</b>
EBITDA Adj	166	169	194	194	161	170	193	207
EBITDA Adj margin (%)	16.4	17.7	17.7	17.4	16.5	18.5	17.7	17.9
EBITA Adj	130	132	156	152	124	132	154	166
EBITA Adj margin (%)	12.8	13.8	14.2	13.7	12.7	14.4	14.1	14.4
EBIT Adj	111	112	135	131	103	111	133	145
EBIT Adj margin (%)	10.9	11.7	12.3	11.8	10.5	12.1	12.2	12.6
Pretax profit Adj	124	126	150	147	114	125	150	161
Net profit Adj	101	104	126	122	91	102	122	131
Net profit to shareholders Adj	101	104	126	122	91	102	122	131
Net Adj margin (%)	10.0	10.9	11.5	11.0	9.3	11.1	11.2	11.4

Source: ABG Sundal Collier, Company data

# Lagercrantz Group

Income Statement (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales	2,546	2,846	3,057	3,096	3,411	3,932	4,180	4,137	4,597	4,833
COGS	-1,741	-1,932	-1,993	-1,960	-2,171	-2,488	-2,618	-2,573	-2,841	-2,977
Gross profit	805	914	1,064	1,136	1,240	1,444	1,562	1,564	1,756	1,856
Other operating items	-519	-587	-672	-684	-754	-869	-845	-833	-942	-996
<b>EBITDA</b>	<b>286</b>	<b>327</b>	<b>392</b>	<b>452</b>	<b>486</b>	<b>575</b>	<b>717</b>	<b>731</b>	<b>814</b>	<b>860</b>
Depreciation and amortisation	-23	-24	-29	-33	-49	-55	-153	-155	-166	-168
Of which leasing depreciation	0	0	0	0	0	0	-84	-84	-84	-84
<b>EBITA</b>	<b>263</b>	<b>303</b>	<b>363</b>	<b>419</b>	<b>437</b>	<b>520</b>	<b>564</b>	<b>576</b>	<b>648</b>	<b>692</b>
EO items	0	0	0	0	0	0	-6	0	0	0
Impairment and PPA amortisation	-21	-27	-48	-58	-59	-69	-81	-84	-92	-97
<b>EBIT</b>	<b>242</b>	<b>276</b>	<b>315</b>	<b>361</b>	<b>378</b>	<b>451</b>	<b>483</b>	<b>492</b>	<b>556</b>	<b>595</b>
Net financial items	-12	-11	-8	-9	-20	-20	-23	-26	-16	-16
<b>Pretax profit</b>	<b>230</b>	<b>265</b>	<b>307</b>	<b>352</b>	<b>358</b>	<b>432</b>	<b>460</b>	<b>466</b>	<b>540</b>	<b>579</b>
Tax	-53	-62	-66	-78	-72	-91	-94	-104	-108	-116
<b>Net profit</b>	<b>177</b>	<b>203</b>	<b>241</b>	<b>274</b>	<b>286</b>	<b>341</b>	<b>366</b>	<b>362</b>	<b>432</b>	<b>463</b>
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>177</b>	<b>203</b>	<b>241</b>	<b>274</b>	<b>286</b>	<b>341</b>	<b>366</b>	<b>362</b>	<b>432</b>	<b>463</b>
EPS	2.59	2.98	1.18	1.34	1.40	1.67	1.79	1.77	2.11	2.26
EPS Adj	2.90	3.37	1.41	1.62	1.69	2.00	2.21	2.18	2.56	2.74
Total extraordinary items after tax	0	0	0	0	0	0	-6	0	0	0
Leasing payments	0	0	0	0	0	0	-88	-88	-88	-88
Tax rate (%)	23.0	23.4	21.5	22.2	20.1	21.0	20.4	22.3	20.0	20.0
Gross margin (%)	31.6	32.1	34.8	36.7	36.4	36.7	37.4	37.8	38.2	38.4
EBITDA margin (%)	11.2	11.5	12.8	14.6	14.2	14.6	17.2	17.7	17.7	17.8
EBITA margin (%)	10.3	10.6	11.9	13.5	12.8	13.2	13.5	13.9	14.1	14.3
EBIT margin (%)	9.5	9.7	10.3	11.7	11.1	11.5	11.6	11.9	12.1	12.3
Pretax margin (%)	9.0	9.3	10.0	11.4	10.5	11.0	11.0	11.3	11.7	12.0
Net margin (%)	7.0	7.1	7.9	8.9	8.4	8.7	8.8	8.8	9.4	9.6
<b>Growth rates Y/Y</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Sales growth (%)	9.4	11.8	7.4	1.3	10.2	15.3	6.3	-1.0	11.1	5.1
EBITDA growth (%)	13.5	14.3	19.9	15.3	7.5	18.3	24.7	1.9	11.3	5.7
EBIT growth (%)	13.6	14.0	14.1	14.6	4.7	19.3	7.1	1.8	13.0	7.0
Net profit growth (%)	11.3	14.7	18.7	13.7	4.4	19.2	7.3	-1.0	19.2	7.2
EPS growth (%)	10.3	14.9	-60.4	13.7	4.4	19.2	7.3	-1.0	19.2	7.2
<b>Profitability</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
ROE (%)	23.4	23.6	24.7	24.6	22.9	24.3	22.9	20.4	23.5	26.1
ROE Adj (%)	26.2	26.7	29.7	29.8	27.6	29.2	28.4	25.1	28.5	31.5
ROCE (%)	23.5	23.8	21.4	20.1	16.9	17.4	16.6	15.8	18.6	20.3
ROCE Adj(%)	25.6	26.2	24.6	23.3	19.5	20.1	19.5	18.5	21.7	23.6
ROIC (%)	18.8	19.2	17.7	16.5	14.3	14.5	13.8	12.9	16.2	18.6
ROIC Adj (%)	18.8	19.2	17.7	16.5	14.3	14.5	14.0	12.9	16.2	18.6
<b>Adj earnings numbers</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
EBITDA Adj	286	327	392	452	486	575	723	731	814	860
EBITDA Adj margin (%)	11.2	11.5	12.8	14.6	14.2	14.6	17.3	17.7	17.7	17.8
EBITDA lease Adj	286	327	392	452	486	575	635	643	726	772
EBITDA lease Adj margin (%)	11.2	11.5	12.8	14.6	14.2	14.6	15.2	15.5	15.8	16.0
EBITA Adj	263	303	363	419	437	520	570	576	648	692
EBITA Adj margin (%)	10.3	10.6	11.9	13.5	12.8	13.2	13.6	13.9	14.1	14.3
EBIT Adj	242	276	315	361	378	451	489	492	556	595
EBIT Adj margin (%)	9.5	9.7	10.3	11.7	11.1	11.5	11.7	11.9	12.1	12.3
Pretax profit Adj	251	292	355	410	417	501	547	550	632	676
Net profit Adj	198	230	289	332	345	410	453	446	524	560
Net profit to shareholders Adj	198	230	289	332	345	410	453	446	524	560
Net Adj margin (%)	7.8	8.1	9.5	10.7	10.1	10.4	10.8	10.8	11.4	11.6

Source: ABG Sundal Collier, Company data

# Lagercrantz Group

Cash Flow Statement (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA	286	327	392	452	486	575	717	731	814	860
Net financial items	-12	-11	-8	-9	-20	-20	-23	-26	-16	-16
Paid tax	-53	-62	-66	-78	-72	-91	-94	-104	-108	-116
Non-cash items	-169	123	-59	0	0	0	0	0	0	0
Cash flow before change in WC	52	377	259	365	394	465	600	601	689	728
Change in WC	179	-109	-2	10	-85	-3	-53	-198	-17	-9
<b>Operating cash flow</b>	<b>231</b>	<b>268</b>	<b>257</b>	<b>375</b>	<b>309</b>	<b>462</b>	<b>547</b>	<b>403</b>	<b>672</b>	<b>719</b>
CAPEX tangible fixed assets	-45	-38	-70	-47	-37	-73	-92	-77	-64	-68
CAPEX intangible fixed assets	0	0	0	0	0	0	0	0	0	0
Acquisitions and disposals	-130	-128	-288	-208	-542	-141	-268	-134	0	0
<b>Free cash flow</b>	<b>56</b>	<b>102</b>	<b>-101</b>	<b>120</b>	<b>-270</b>	<b>248</b>	<b>187</b>	<b>191</b>	<b>608</b>	<b>651</b>
Dividend paid	-90	-102	-119	-136	-135	-203	-169	-508	-508	-508
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	0	0	0	0	0
Other non cash items	160	-129	-29	-61	-69	63	-414	746	0	0
Balance Sheet (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Goodwill	584	628	802	912	1,248	1,373	1,510	1,661	1,827	2,010
Other intangible assets	296	355	505	567	710	675	766	449	161	-147
Tangible fixed assets	140	167	206	224	251	266	338	408	421	433
Right-of-use asset	0	0	0	0	0	0	142	58	-26	-110
Total other fixed assets	9	11	10	10	11	14	23	18	18	18
Fixed assets	1,029	1,161	1,523	1,713	2,220	2,328	2,779	2,594	2,401	2,204
Inventories	279	313	379	401	492	528	562	576	638	671
Receivables	531	552	613	655	786	859	891	922	1,011	1,063
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	38	80	67	122	134	139	117	193	293	436
<b>Total assets</b>	<b>1,877</b>	<b>2,106</b>	<b>2,582</b>	<b>2,891</b>	<b>3,632</b>	<b>3,854</b>	<b>4,349</b>	<b>4,286</b>	<b>4,344</b>	<b>4,374</b>
Shareholders equity	805	917	1,032	1,197	1,303	1,508	1,684	1,873	1,797	1,752
Minority	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>805</b>	<b>917</b>	<b>1,032</b>	<b>1,197</b>	<b>1,303</b>	<b>1,508</b>	<b>1,684</b>	<b>1,873</b>	<b>1,797</b>	<b>1,752</b>
Long-term debt	155	314	563	687	1,169	1,066	1,298	945	945	945
Pension debt	56	68	55	63	67	67	67	67	67	67
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	0	142	142	142	142
Total other long-term liabilities	0	0	0	0	0	0	0	0	0	0
Short-term debt	0	0	0	0	0	0	0	0	0	0
Accounts payable	861	807	932	944	1,093	1,213	1,158	1,258	1,393	1,469
Other current liabilities	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>1,877</b>	<b>2,106</b>	<b>2,582</b>	<b>2,891</b>	<b>3,632</b>	<b>3,854</b>	<b>4,349</b>	<b>4,286</b>	<b>4,344</b>	<b>4,374</b>
Net IB debt	173	302	551	628	1,102	994	1,390	961	861	718
Net IB debt excl. pension debt	117	234	496	565	1,035	927	1,323	894	794	651
Net IB debt excl. leasing	173	302	551	628	1,102	994	1,248	819	719	576
Capital invested	978	1,219	1,583	1,825	2,405	2,502	3,074	2,834	2,658	2,470
Working capital	-51	58	60	112	185	174	295	239	257	266
EV breakdown	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Market cap. diluted (m)	889	1,057	5,421	5,694	5,523	5,871	9,982	15,587	15,587	15,587
Net IB debt Adj	173	302	551	628	1,102	994	1,390	961	861	718
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
<b>EV</b>	<b>1,062</b>	<b>1,359</b>	<b>5,972</b>	<b>6,322</b>	<b>6,625</b>	<b>6,865</b>	<b>11,372</b>	<b>16,548</b>	<b>16,448</b>	<b>16,305</b>
Capital efficiency	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Total assets turnover (%)	146.3	142.9	130.4	113.1	104.6	105.0	101.9	95.8	106.5	110.9
Working capital/sales (%)	1.5	0.1	1.9	2.8	4.4	4.6	5.6	6.5	5.4	5.4
Financial risk and debt service	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net debt/equity	0.21	0.33	0.53	0.52	0.85	0.66	0.83	0.51	0.48	0.41
Net debt/market cap	0.24	0.30	0.13	0.12	0.19	0.16	0.17	0.09	0.06	0.05
Equity ratio (%)	42.9	43.5	40.0	41.4	35.9	39.1	38.7	43.7	41.4	40.0
Net IB debt adj./equity	0.21	0.33	0.53	0.52	0.85	0.66	0.83	0.51	0.48	0.41
Current ratio	0.98	1.17	1.14	1.25	1.29	1.26	1.27	1.27	1.32	1.40
EBITDA/net interest	23.83	29.73	49.00	50.22	24.30	29.49	31.17	28.30	50.41	53.27
Net IB debt/EBITDA	0.60	0.92	1.41	1.39	2.27	1.73	1.94	1.31	1.06	0.84
Net IB debt/EBITDA lease Adj	0.60	0.92	1.41	1.39	2.27	1.73	1.97	1.27	0.99	0.75
Interest cover	21.92	27.55	45.38	46.56	21.85	26.67	24.52	22.30	40.14	42.85

Source: ABG Sundal Collier, Company data

# Lagercrantz Group

Valuation and Ratios (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Shares outstanding adj.	68	68	204	204	204	204	204	204	204	204
Fully diluted shares Adj	68	68	205	205	205	205	205	205	205	205
EPS	2.59	2.98	1.18	1.34	1.40	1.67	1.79	1.77	2.11	2.26
Dividend per share Adj	1.3	1.5	1.8	2.0	2.0	3.0	2.5	2.5	2.5	2.5
EPS Adj	2.90	3.37	1.41	1.62	1.69	2.00	2.21	2.18	2.56	2.74
BVPS	11.84	13.49	5.06	5.87	6.39	7.40	8.26	9.19	8.81	8.59
BVPS Adj	-1.10	-0.97	-1.35	-1.38	-3.21	-2.65	-2.90	-1.16	-0.94	-0.54
Net IB debt / share	2.5	4.4	2.7	3.1	5.4	4.9	6.8	4.7	4.2	3.5
Share price	13.00	15.50	26.50	27.83	27.00	28.70	48.80	76.20	76.20	76.20
Market cap. (m)	884	1,053	5,403	5,675	5,505	5,852	9,950	15,537	15,537	15,537
<b>Valuation</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
P/E	5.0	5.2	22.5	20.8	19.3	17.2	27.3	43.0	36.1	33.7
EV/sales	0.42	0.48	1.95	2.04	1.94	1.75	2.72	4.00	3.58	3.37
EV/EBITDA	3.7	4.2	15.2	14.0	13.6	11.9	15.9	22.6	20.2	19.0
EV/EBITA	4.0	4.5	16.5	15.1	15.2	13.2	20.2	28.7	25.4	23.6
EV/EBIT	4.4	4.9	19.0	17.5	17.5	15.2	23.5	33.6	29.6	27.4
Dividend yield (%)	10.3	9.7	6.6	7.2	7.4	10.5	5.1	3.3	3.3	3.3
FCF yield (%)	6.3	9.6	-1.9	2.1	-4.9	4.2	1.9	1.2	3.9	4.2
Lease adj. FCF yield (%)	6.3	9.6	-1.9	2.1	-4.9	4.2	1.9	1.2	3.9	4.2
P/BVPS	1.10	1.15	5.24	4.74	4.23	3.88	5.91	8.29	8.65	8.87
P/BVPS Adj	-11.79	-15.96	-19.65	-20.12	-8.41	-10.84	-16.81	-65.55	-81.39	-140.13
P/E Adj	4.5	4.6	18.8	17.1	16.0	14.3	22.0	34.9	29.8	27.8
EV/EBITDA Adj	3.7	4.2	15.2	14.0	13.6	11.9	15.7	22.6	20.2	19.0
EV/EBITA Adj	4.0	4.5	16.5	15.1	15.2	13.2	20.0	28.7	25.4	23.6
EV/EBIT Adj	4.4	4.9	19.0	17.5	17.5	15.2	23.3	33.6	29.6	27.4
EV/cap. employed	1.0	1.0	3.6	3.2	2.6	2.6	3.6	5.5	5.6	5.6
<b>Investment ratios</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Capex/sales	1.8	1.3	2.3	1.5	1.1	1.9	2.2	1.9	1.4	1.4
Capex/depreciation	195.7	158.3	241.4	142.4	75.5	132.7	133.3	109.0	78.8	80.4
Capex tangibles/tangible fixed assets	32.1	22.8	34.0	21.0	14.7	27.4	27.2	19.0	15.3	15.6
Capex intangibles/definite intangibles	0	0	0	0	0	0	0	0	0	0
Depreciation on intangibles/definite intai	0	0	0	0	0	0	0	0	0	0
Depreciation on tangibles/tangibles	16.4	14.4	14.1	14.7	19.5	20.7	20.4	17.4	19.4	19.4

Source: ABG Sundal Collier, Company data

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