

# Lagercrantz Group

## Increasing demand during the quarter

- 14% organic growth vs. ABGSCe at 10%
- Management upbeat on H1'22
- Trading 7% below Addtech, in line historically

### Q3 results: Sales and adj. EBITA 4% above consensus

Lagercrantz delivered another solid report. Sales were SEK 1,405 (+7% vs. ABGSCe at 1,314m and +4% vs. Infront consensus of 1,348m), up 30% y-o-y, of which 14% was organic (ABGSCe at 10%). Notably, this was 1pp higher organic growth q-o-q despite tougher comps (-5% vs. -1%). Management said in October demand was on a par with Q2'21/22 and increased slightly in Nov-Dec. Also, Lagercrantz has continued to increase prices, supporting organic growth. Adj. EBITA was SEK 226m (+7% vs ABGSCe 211m, +4% vs. consensus 218m), on a margin of 16.1% (ABGSCe 16.0%, consensus 16.2%) vs. 15.6% in Q3'21/22. 3 out of 5 segments improved margins y-o-y, whereas Electrify and TecSec's margins decreased slightly y-o-y due to cost inflation (metals mainly), not fully offset by price increases. However, management says prices are being increased to fully offset this. Lastly, OCF was somewhat weak due to inventory build-up.

### Estimates up 4-2%, solid outlook for H1'22

After the estimate beat, we raise '21/22-'23/24e adj. EBITA by 4-2%. Management was clearly upbeat about the near term. Incoming orders remain at a good level and the company has effectively handled rising raw material and freight costs and component shortages through price adjustments and creativity. Management, however, noted increased sick leave in Q4'21/22 due to Omicron, but it highlighted that it had little impact on the operations.

### Multiple contraction continues, now 25x NTM adj. EV/EBITDA

The share is down 23% YTD vs. peers at -20% and is trading at ~25x f12m adj. EV/EBITDA (25% below peak in Dec'21, but 35% above the L5Y avg.), in line with the peer group but 7% below Addtech (L5Y average/median f12m adj. EV/EBITDA in line for the two companies).

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SEKm	2019	2020	2021e	2022e	2023e
Sales	4,180	4,091	5,314	5,677	5,872
EBITDA	717	774	1,053	1,101	1,129
EBITDA margin (%)	17.2	18.9	19.8	19.4	19.2
EBIT adj	489	530	752	797	825
EBIT adj margin (%)	11.7	13.0	14.2	14.0	14.1
Pretax profit	460	502	726	773	801
EPS rep	1.79	1.90	2.72	2.94	3.05
EPS adj	2.21	2.32	3.27	3.49	3.60
Sales growth (%)	6.3	-2.1	29.9	6.8	3.5
EPS growth (%)	7.3	6.3	43.3	8.0	3.7

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

## Company sponsored research

Not rated

Estimate changes (%)

	2021e	2022e	2023e
Sales	2.7%	2.6%	2.6%
EBIT (rep)	4.3%	2.7%	1.9%
EPS (rep)	4.4%	3.0%	2.1%

Source: ABG Sundal Collier

Share price (SEK) 04/02/2022 102.8

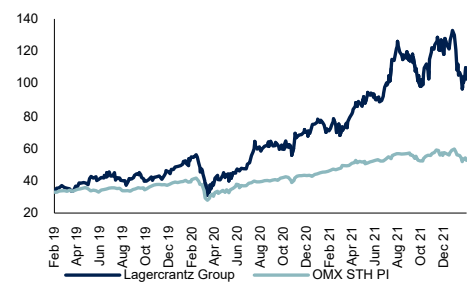
Capital Goods, Sweden  
LAGRb.ST/LAGRB SS

MCap (SEKm) 20,997  
MCap (EURm) 2,003  
Net debt (EURm) 197

No. of shares (m) 204  
Free float (%) 88  
Av. daily volume (k) 219

Next event Q4 report: 17 May

## Performance



Absolute (%) 1m 3m 12m  
-20.2 -15.9 45.2

Source: FactSet

	2021e	2022e	2023e
P/E (x)	37.7	34.9	33.7
P/E adj (x)	31.5	29.5	28.6
P/BVPS (x)	10.80	9.26	8.10
EV/EBITDA (x)	21.9	20.6	19.7
EV/EBIT adj (x)	30.7	28.4	27.0
EV/sales (x)	4.34	3.99	3.79
ROE adj (%)	35.2	33.9	30.3
Dividend yield (%)	1.1	1.2	1.2
FCF yield (%)	-0.6	3.6	3.7
Lease adj. FCF yld (%)	-1.0	3.2	3.3
Net IB debt/EBITDA	1.9	1.5	1.1
Lease adj. ND/EBITDA	1.8	1.3	0.9

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.

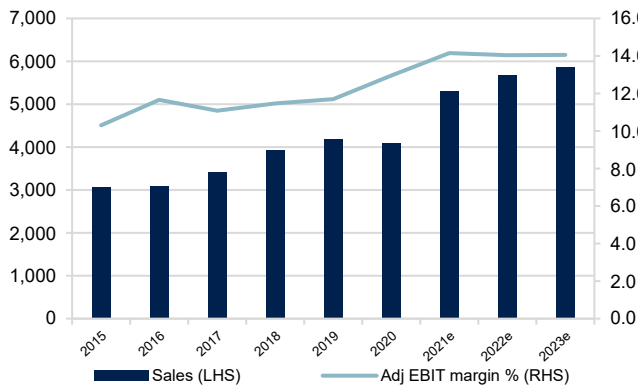
## Company description

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

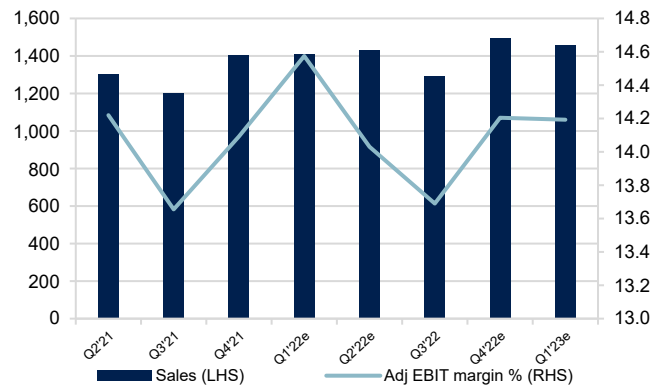
Poor development in individual subsidiaries, overall weaker market conditions, abrupt competition in a specific niche-area. Inflated acquisitions multiple.

### Annual sales and adj. EBIT margin



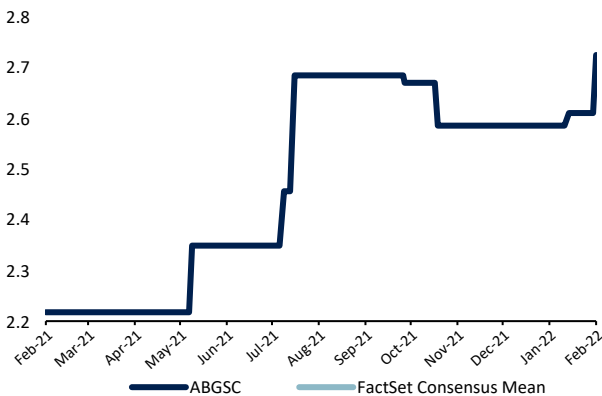
Source: ABG Sundal Collier, Company data

### Quarterly sales and adj. EBIT margin



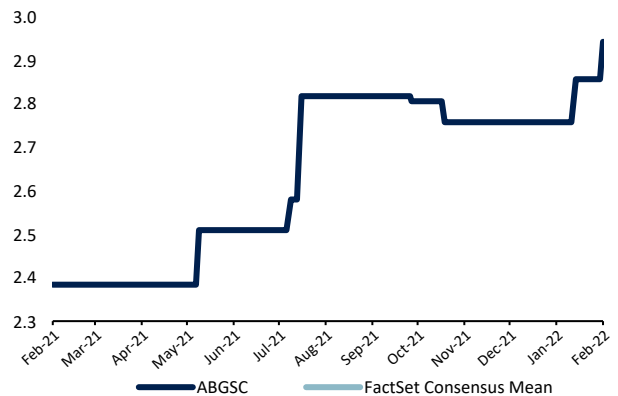
Source: ABG Sundal Collier, Company data

### EPS estimate changes, 2021e, SEK



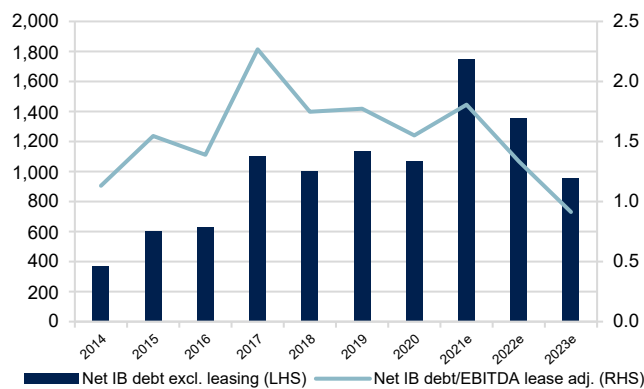
Source: ABG Sundal Collier, FactSet

### EPS estimate changes, 2022e, SEK



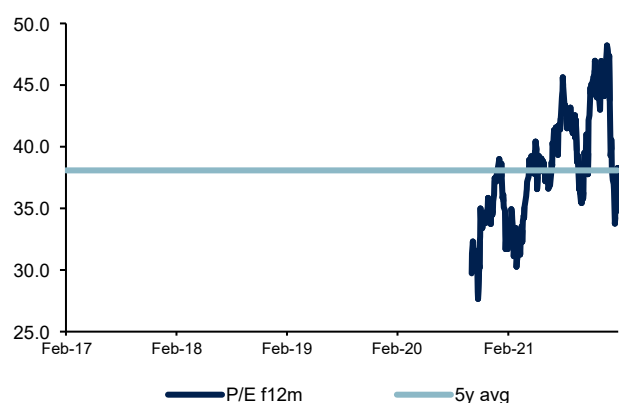
Source: ABG Sundal Collier, FactSet

### Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

### 12month forward-looking P/E



Source: ABG Sundal Collier, Company data

Q3'21/22 deviations

(SEKm)	Last year	Actual	ABGSCe	ABGSCe	ABGSCe	Cons	Cons	ABGSCe
(FY: Apr-March)	Q3 20/21	Q3 21/22	Q3 21/22	Dev, %	Dev, SEKm	Q3 21/22	Dev (%)	vs. cons
<b>Net sales</b>	<b>1,078</b>	<b>1405</b>	<b>1,314</b>	<b>7%</b>	<b>91</b>	<b>1,348</b>	<b>4%</b>	<b>-2%</b>
Gross profit	425	539	524	3%	15	532		-1%
EBITA	168	226	211	7%	15	218	4%	-4%
<b>Adj EBITA</b>	<b>168</b>	<b>226</b>	<b>211</b>	<b>7%</b>	<b>15</b>	<b>218</b>	<b>4%</b>	<b>-4%</b>
EBIT	147	198	183	8%	15	191	4%	-4%
<b>Adj EBIT</b>	<b>147</b>	<b>198</b>	<b>183</b>	<b>8%</b>	<b>15</b>	<b>191</b>	<b>4%</b>	<b>-4%</b>
PTP	139	191	177	8%	14	183	5%	-3%
Net profit, reported	111	148	138	7%	10	141	5%	-3%
Gross margin	39.4%	38.4%	39.9%	-1.5%		39.4%		0.4%
EBITA margin	15.6%	16.1%	16.0%	0.1%		16.2%	-0.1%	-0.2%
<b>Adj EBITA margin</b>	<b>15.6%</b>	<b>16.1%</b>	<b>16.0%</b>	<b>0.1%</b>		<b>16.2%</b>	<b>-0.1%</b>	<b>-0.2%</b>
EBIT margin	13.6%	14.1%	13.9%	0.2%		14.2%	-0.1%	-0.3%
Adj EBIT margin	13.6%	14.1%	13.9%	0.2%		14.2%	-0.1%	-0.3%
Pure EO	0	0	0			0		
<b>Sales breakdown:</b>								
Organic	-1%	14%	10%					
M&A	2%	16%	12%					
FX	-2%	0%	-1%					
<b>Total Y/Y</b>	<b>-2%</b>	<b>30%</b>	<b>22%</b>			<b>25%</b>		
<b>Per segment</b>		<b>Actual</b>						
<b>Sales</b>		<b>Q4 20/21</b>		<b>Dev, %</b>	<b>Dev, SEKm</b>			
Electrify	304	345	347	0%	-2			
Control	162	187	173	8%	14			
TecSec	159	241	189	27%	52			
Niche Products	271	371	398	-7%	-27			
International	182	261	208	26%	53			
<b>EBITA</b>								
Electrify	49	54	59	-8%	-5			
Control	29	38	26	47%	12			
TecSec	28	37	33	14%	4			
Niche Products	53	77	78	-1%	-1			
International	21	39	26	52%	13			
<i>Eliminations</i>	-12	-19	-10	90%	-9			
<b>EBITA margin</b>								
Electrify	16.1%	15.7%	17.0%	-1.3%				
Control	17.9%	20.3%	14.9%	5.4%				
TecSec	17.6%	15.4%	17.2%	-1.8%				
Niche Products	19.6%	20.8%	19.5%	1.3%				
International	11.5%	14.9%	12.4%	2.5%				

Source: ABG Sundal Collier estimates, Infront cons., company data

Estimate changes, '21/22e-'24/25e

	Old				New				Change (%)				Change (SEKm)				Infront consensus				ABGSC vs. cons									
	21/22e	22/23e	23/24e	24/25e	21/22e	22/23e	23/24e	24/25e	21/22e	22/23e	23/24e	24/25e	21/22e	22/23e	23/24e	24/25e	21/22e	22/23e	23/24e	24/25e	21/22e	22/23e	23/24e	24/25e	21/22e	22/23e	23/24e	24/25e		
<b>Net sales</b>	<b>5,174</b>	<b>5,532</b>	<b>5,723</b>	n.a.	<b>5,314</b>	<b>5,677</b>	<b>5,872</b>	<b>6,075</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	n.a.	<b>140</b>	<b>145</b>	<b>150</b>	n.a.	<b>5,226</b>	<b>5,674</b>	<b>5,994</b>	n.a.	<b>2%</b>	<b>0%</b>	<b>-2%</b>	n.a.						
COGS	-3,152	-3,318	-3,425	n.a.	-3,248	-3,404	-3,520	-3,636	3%	3%	3%	n.a.	-97	-86	-96	n.a.														
SG&A	-1,000	-1,134	-1,184	n.a.	-1,013	-1,172	-1,223	-1,276	1%	3%	3%	n.a.	-13	-38	-39	n.a.														
Other income/expenses	0	0	0	n.a.	0	0	0	0	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>	n.a.	0	0	0	n.a.														
<b>EBITDA</b>	<b>1,023</b>	<b>1,080</b>	<b>1,114</b>	n.a.	<b>1,053</b>	<b>1,101</b>	<b>1,129</b>	<b>1,164</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>	n.a.	<b>30</b>	<b>21</b>	<b>15</b>	n.a.	<b>1,038</b>	<b>1,120</b>	<b>1,175</b>	n.a.	<b>1%</b>	<b>-2%</b>	<b>-4%</b>	n.a.						
D&A	-302	-304	-304	n.a.	-301	-304	-304	-304	0%	0%	0%	n.a.	1	0	0	n.a.														
whichof amortization	-111	-112	-112	n.a.	-111	-112	-112	-112	0%	0%	0%	n.a.	0	0	0	n.a.														
<b>EBITA</b>	<b>832</b>	<b>888</b>	<b>922</b>	n.a.	<b>863</b>	<b>909</b>	<b>937</b>	<b>972</b>	<b>4%</b>	<b>2%</b>	<b>2%</b>	n.a.	<b>31</b>	<b>21</b>	<b>15</b>	n.a.	<b>850</b>	<b>928</b>	<b>975</b>	n.a.	<b>1%</b>	<b>-2%</b>	<b>-4%</b>	n.a.						
<b>Adj EBITA</b>	<b>832</b>	<b>888</b>	<b>922</b>	n.a.	<b>863</b>	<b>909</b>	<b>937</b>	<b>972</b>	<b>4%</b>	<b>2%</b>	<b>2%</b>	n.a.	<b>31</b>	<b>21</b>	<b>15</b>	n.a.														
<b>EBIT</b>	<b>721</b>	<b>776</b>	<b>810</b>	n.a.	<b>752</b>	<b>797</b>	<b>825</b>	<b>860</b>	<b>4%</b>	<b>3%</b>	<b>2%</b>	n.a.	<b>31</b>	<b>21</b>	<b>15</b>	n.a.	<b>748</b>	<b>822</b>	<b>883</b>	n.a.	<b>1%</b>	<b>-3%</b>	<b>-7%</b>	n.a.						
<b>Adj EBIT</b>	<b>721</b>	<b>776</b>	<b>810</b>	n.a.	<b>752</b>	<b>797</b>	<b>825</b>	<b>860</b>	<b>4%</b>	<b>3%</b>	<b>2%</b>	n.a.	<b>31</b>	<b>21</b>	<b>15</b>	n.a.	<b>748</b>	<b>822</b>	<b>883</b>	n.a.	<b>1%</b>	<b>-3%</b>	<b>-7%</b>	n.a.						
Net financials	-25	-24	-24	n.a.	-26	-24	-24	-24	4%	0%	0%	n.a.	-1	0	0	n.a.														
Tax	-160	-165	-173	n.a.	-168	-170	-176	-184	5%	3%	2%	n.a.	-8	-5	-3	n.a.														
EO items	0	0	0	n.a.	0	0	0	0	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>	n.a.				n.a.														
Net profit	536	586	613	n.a.	558	603	625	652	4%	3%	2%	n.a.	23	17	12	n.a.	553	609	652	n.a.	1%	-1%	-4%	n.a.						
<b>EPS diluted (SEK)</b>	<b>2.62</b>	<b>2.87</b>	<b>3.00</b>	n.a.	<b>2.73</b>	<b>2.95</b>	<b>3.06</b>	<b>3.19</b>	<b>4%</b>	<b>3%</b>	<b>2%</b>	n.a.	<b>0.11</b>	<b>0.09</b>	<b>0.06</b>	n.a.	<b>1.15</b>	<b>1.33</b>	<b>3.20</b>	n.a.	<b>138%</b>	<b>123%</b>	<b>-4%</b>	n.a.						
EBITA margin	16.1%	16.0%	16.1%	n.a.	16.2%	16.0%	16.0%	16.0%	<b>0.2%</b>	<b>0.0%</b>	<b>-0.2%</b>	n.a.				n.a.	16.3%	16.3%	16.3%	n.a.	0.0p.p	-0.3p.p	-0.3p.p	n.a.						
Adj EBITA margin	<b>16.1%</b>	<b>16.0%</b>	<b>16.1%</b>	n.a.	<b>16.2%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>16.0%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>-0.2%</b>	n.a.				n.a.														
EBITA growth	35%	7%	4%	n.a.	40%	5%	3%	4%	5%	-1%	-1%	n.a.				n.a.	38%	9.1%	5.1%	n.a.	2.1p.p	-3.8p.p	-1.9p.p	n.a.						
<b>Growth, y-o-y</b>	<b>26%</b>	<b>7%</b>	<b>3%</b>	n.a.	<b>30%</b>	<b>7%</b>	<b>3%</b>	<b>3%</b>	<b>3.4%</b>	<b>-0.1%</b>	<b>0.0%</b>	n.a.				n.a.	28%	8.6%	5.6%	n.a.	2.2p.p	-1.7p.p	-2.2p.p	n.a.						
Organic	12.1%	3.4%	3.5%	n.a.	14.2%	3.4%	3.5%	3.5%	2.1%	0.0%	0.0%	n.a.				n.a.														
FX	-1.3%	0.1%	0.0%	n.a.	-1.0%	0.1%	0.0%	0.0%	0.3%	0.0%	0.0%	n.a.				n.a.														
Structure	15.7%	3.5%	0.0%	n.a.	16.7%	3.4%	0.0%	0.0%	1.0%	-0.1%	0.0%	n.a.				n.a.														
<b>Segment level</b>																														
<b>Sales</b>																														
Electrify	1,416	1,453	1,504	n.a.	1,425	1,462	1,513	1,566	1%	1%	1%	n.a.	8	9	9	n.a.														
Control	626	644	664	n.a.	643	662	682	702	3%	3%	3%	n.a.	17	18	18	n.a.														
TecSec	780	815	840	n.a.	859	897	924	951	10%	10%	10%	n.a.	79	82	84	n.a.														
Niche Products	1,473	1,695	1,754	n.a.	1,432	1,652	1,710	1,770	-3%	-3%	-3%	n.a.	-42	-43	-45	n.a.														
International	879	924	961	n.a.	956	1,004	1,044	1,086	9%	9%	9%	n.a.	77	80	83	n.a.														
<b>EBITA</b>																														
Electrify	243	250	259	n.a.	239	252	261	270	-1%	1%	1%	n.a.	-3	2	2	n.a.														
Control	90	97	101	n.a.	105	100	104	107	17%	3%	3%	n.a.	15	3	3	n.a.														
TecSec	139	143	148	n.a.	148	157	163	167	7%	10%	10%	n.a.	9	14	15	n.a.														
Niche Products	291	322	335	n.a.	290	314	327	338	0%	-3%	-3%	n.a.	-1	-8	-9	n.a.														
International	110	116	119	n.a.	135	147	144	149	23%	27%	21%	n.a.	25	31	25	n.a.														
Eliminations	-41	-40	-40	n.a.	-55	-60	-60	-60	34%	50%	50%	n.a.	-14	-20	-20	n.a.														
<b>EBITA margin</b>																														
Electrify	17.1%	17.2%	17.3%	n.a.	16.8%	17.2%	17.3%	17.3%	-0.3%	0.0%	0.0%	n.a.				n.a.														
Control	14.4%	15.1%	15.2%	n.a.	16.4%	15.1%	15.2%	15.2%	2.0%	0.0%	0.0%	n.a.				n.a.														
TecSec	17.8%	17.5%	17.6%	n.a.	17.3%	17.5%	17.6%	17.6%	-0.6%	0.0%	0.0%	n.a.				n.a.														
Niche Products	19.8%	19.0%	19.1%	n.a.	20.3%	19.0%	19.1%	19.1%	0.5%	0.0%	0.0%	n.a.				n.a.														
International	12.5%	12.5%	12.4%	n.a.	14.1%	14.6%	13.8%	13.8%	1.6%	2.1%	1.4%	n.a.				n.a.														

Source: ABG Sundal Collier estimates, Infront cons., 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>	40%
Carbon emissions	
Pollution and waste	
Raw material sourcing	
<b>Social</b>	30%
Health and safety	
Labour management	
Product safety and quality	
<b>Governance</b>	30%
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	2018	2019	2020
Women in workforce %	29	28	27
Women in management %	15	23	25
Women in board %	25	25	29
CEO total compensation, SEKm p.a.	7.509	7.108	7.897
Employee turnover %	12	13.7	14.2
Employee absence %	4.3	5.5	4.6
Person responsible for sustainability:	Jörgen Wigh		
Senior management:	Yes		

ESG Data	2018	2019	2020
Energy usage, MWh/sales	6.72	6.52	6.2
Tonnes CO2 emissions/sales	0.79	0.72	0.85

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

# Lagercrantz Group

Income Statement (SEKm)	Q1 2021	Q2 2021	Q3 2021	Q4 2021e	Q1 2022e	Q2 2022	Q3 2022e	Q4 2022e
Sales	1,301	1,201	1,405	1,407	1,432	1,292	1,497	1,456
COGS	-796	-750	-866	-836	-859	-779	-895	-871
Gross profit	505	451	539	571	573	513	602	585
Other operating items	-250	-216	-270	-295	-301	-265	-318	-308
<b>EBITDA</b>	<b>255</b>	<b>235</b>	<b>269</b>	<b>276</b>	<b>272</b>	<b>248</b>	<b>284</b>	<b>278</b>
Depreciation and amortisation	-43	-43	-43	-43	-43	-43	-43	-43
<b>EBITA</b>	<b>212</b>	<b>192</b>	<b>226</b>	<b>233</b>	<b>229</b>	<b>205</b>	<b>241</b>	<b>235</b>
EO items	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	-27	-28	-28	-28	-28	-28	-28	-28
<b>EBIT</b>	<b>185</b>	<b>164</b>	<b>198</b>	<b>205</b>	<b>201</b>	<b>177</b>	<b>213</b>	<b>207</b>
Net financial items	-5	-8	-7	-6	-6	-6	-6	-6
<b>Pretax profit</b>	<b>180</b>	<b>156</b>	<b>191</b>	<b>199</b>	<b>195</b>	<b>171</b>	<b>207</b>	<b>201</b>
Tax	-41	-40	-43	-44	-43	-38	-45	-44
<b>Net profit</b>	<b>139</b>	<b>116</b>	<b>148</b>	<b>155</b>	<b>152</b>	<b>133</b>	<b>161</b>	<b>156</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>139</b>	<b>116</b>	<b>148</b>	<b>155</b>	<b>152</b>	<b>133</b>	<b>161</b>	<b>156</b>
EPS	0.68	0.57	0.72	0.76	0.74	0.65	0.79	0.77
EPS Adj	0.82	0.70	0.86	0.90	0.88	0.79	0.93	0.90
Total extraordinary items after tax	0	0	0	0	0	0	0	0
Tax rate (%)	22.8	25.6	22.5	22.0	22.0	22.0	22.0	22.0
Gross margin (%)	38.8	37.6	38.4	40.6	40.0	39.7	40.2	40.2
EBITDA margin (%)	19.6	19.6	19.1	19.6	19.0	19.2	18.9	19.1
EBITA margin (%)	16.3	16.0	16.1	16.6	16.0	15.9	16.1	16.1
EBIT margin (%)	14.2	13.7	14.1	14.6	14.0	13.7	14.2	14.2
Pretax margin (%)	13.8	13.0	13.6	14.1	13.6	13.2	13.8	13.8
Net margin (%)	10.7	9.7	10.5	11.0	10.6	10.3	10.8	10.7
<b>Growth rates Y/Y</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021e</b>	<b>Q1 2022e</b>	<b>Q2 2022</b>	<b>Q3 2022e</b>	<b>Q4 2022e</b>
Sales growth (%)	33.2	30.8	30.3	25.9	10.1	7.5	6.6	3.5
EBITDA growth (%)	58.4	38.2	29.3	17.5	6.6	5.5	5.4	0.6
EBIT growth (%)	79.6	47.7	34.7	21.4	8.6	7.8	7.4	0.7
Net profit growth (%)	98.6	43.2	33.3	23.3	9.4	14.9	8.9	0.8
EPS growth (%)	98.6	43.2	33.3	23.3	9.4	14.9	8.9	0.8
<b>Adj earnings numbers</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021e</b>	<b>Q1 2022e</b>	<b>Q2 2022</b>	<b>Q3 2022e</b>	<b>Q4 2022e</b>
EBITDA Adj	255	235	269	276	272	248	284	278
EBITDA Adj margin (%)	19.6	19.6	19.1	19.6	19.0	19.2	18.9	19.1
EBITA Adj	212	192	226	233	229	205	241	235
EBITA Adj margin (%)	16.3	16.0	16.1	16.6	16.0	15.9	16.1	16.1
EBIT Adj	185	164	198	205	201	177	213	207
EBIT Adj margin (%)	14.2	13.7	14.1	14.6	14.0	13.7	14.2	14.2
Pretax profit Adj	207	184	219	227	223	199	235	229
Net profit Adj	166	144	176	183	180	161	189	184
Net profit to shareholders Adj	166	144	176	183	180	161	189	184
Net Adj margin (%)	12.8	12.0	12.5	13.0	12.6	12.5	12.6	12.7

Source: ABG Sundal Collier, Company data

# Lagercrantz Group

Income Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales	2,846	3,057	3,096	3,411	3,932	4,180	4,091	5,314	5,677	5,872
COGS	-1,932	-1,993	-1,960	-2,171	-2,488	-2,618	-2,513	-3,248	-3,404	-3,520
Gross profit	914	1,064	1,136	1,240	1,444	1,562	1,578	2,066	2,273	2,352
Other operating items	-587	-672	-684	-754	-869	-845	-804	-1,013	-1,172	-1,223
<b>EBITDA</b>	<b>327</b>	<b>392</b>	<b>452</b>	<b>486</b>	<b>575</b>	<b>717</b>	<b>774</b>	<b>1,053</b>	<b>1,101</b>	<b>1,129</b>
Depreciation and amortisation	-24	-29	-33	-49	-55	-153	-158	-190	-192	-192
Of which leasing depreciation	0	0	0	0	0	-84	-84	-84	-84	-84
<b>EBITA</b>	<b>303</b>	<b>363</b>	<b>419</b>	<b>437</b>	<b>520</b>	<b>564</b>	<b>616</b>	<b>863</b>	<b>909</b>	<b>937</b>
EO items	0	0	0	0	0	-6	0	0	0	0
Impairment and PPA amortisation	-27	-48	-58	-59	-69	-81	-86	-111	-112	-112
<b>EBIT</b>	<b>276</b>	<b>315</b>	<b>361</b>	<b>378</b>	<b>451</b>	<b>483</b>	<b>530</b>	<b>752</b>	<b>797</b>	<b>825</b>
Net financial items	-11	-8	-9	-20	-20	-23	-28	-26	-24	-24
<b>Pretax profit</b>	<b>265</b>	<b>307</b>	<b>352</b>	<b>358</b>	<b>432</b>	<b>460</b>	<b>502</b>	<b>726</b>	<b>773</b>	<b>801</b>
Tax	-62	-66	-78	-72	-91	-94	-114	-168	-170	-176
<b>Net profit</b>	<b>203</b>	<b>241</b>	<b>274</b>	<b>286</b>	<b>341</b>	<b>366</b>	<b>388</b>	<b>558</b>	<b>603</b>	<b>625</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>203</b>	<b>241</b>	<b>274</b>	<b>286</b>	<b>341</b>	<b>366</b>	<b>388</b>	<b>558</b>	<b>603</b>	<b>625</b>
EPS	0.60	1.18	1.34	1.40	1.67	1.79	1.90	2.72	2.94	3.05
<i>EPS Adj</i>	<i>0.68</i>	<i>1.41</i>	<i>1.62</i>	<i>1.69</i>	<i>2.00</i>	<i>2.21</i>	<i>2.32</i>	<i>3.27</i>	<i>3.49</i>	<i>3.60</i>
Total extraordinary items after tax	0	0	0	0	0	-6	0	0	0	0
Leasing payments	0	0	0	0	0	-84	-84	-84	-84	-84
<i>Tax rate (%)</i>	<i>23.4</i>	<i>21.5</i>	<i>22.2</i>	<i>20.1</i>	<i>21.0</i>	<i>20.4</i>	<i>22.7</i>	<i>23.1</i>	<i>22.0</i>	<i>22.0</i>
<i>Gross margin (%)</i>	<i>32.1</i>	<i>34.8</i>	<i>36.7</i>	<i>36.4</i>	<i>36.7</i>	<i>37.4</i>	<i>38.6</i>	<i>38.9</i>	<i>40.0</i>	<i>40.1</i>
<i>EBITDA margin (%)</i>	<i>11.5</i>	<i>12.8</i>	<i>14.6</i>	<i>14.2</i>	<i>14.6</i>	<i>17.2</i>	<i>18.9</i>	<i>19.8</i>	<i>19.4</i>	<i>19.2</i>
<i>EBITA margin (%)</i>	<i>10.6</i>	<i>11.9</i>	<i>13.5</i>	<i>12.8</i>	<i>13.2</i>	<i>13.5</i>	<i>15.1</i>	<i>16.2</i>	<i>16.0</i>	<i>16.0</i>
<i>EBIT margin (%)</i>	<i>9.7</i>	<i>10.3</i>	<i>11.7</i>	<i>11.1</i>	<i>11.5</i>	<i>11.6</i>	<i>13.0</i>	<i>14.2</i>	<i>14.0</i>	<i>14.1</i>
<i>Pretax margin (%)</i>	<i>9.3</i>	<i>10.0</i>	<i>11.4</i>	<i>10.5</i>	<i>11.0</i>	<i>11.0</i>	<i>12.3</i>	<i>13.7</i>	<i>13.6</i>	<i>13.6</i>
<i>Net margin (%)</i>	<i>7.1</i>	<i>7.9</i>	<i>8.9</i>	<i>8.4</i>	<i>8.7</i>	<i>8.8</i>	<i>9.5</i>	<i>10.5</i>	<i>10.6</i>	<i>10.6</i>
<b>Growth rates Y/Y</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<i>Sales growth (%)</i>	<i>11.8</i>	<i>7.4</i>	<i>1.3</i>	<i>10.2</i>	<i>15.3</i>	<i>6.3</i>	<i>-2.1</i>	<i>29.9</i>	<i>6.8</i>	<i>3.5</i>
<i>EBITDA growth (%)</i>	<i>14.3</i>	<i>19.9</i>	<i>15.3</i>	<i>7.5</i>	<i>18.3</i>	<i>24.7</i>	<i>7.9</i>	<i>36.1</i>	<i>4.5</i>	<i>2.6</i>
<i>EBIT growth (%)</i>	<i>14.0</i>	<i>14.1</i>	<i>14.6</i>	<i>4.7</i>	<i>19.3</i>	<i>7.1</i>	<i>9.7</i>	<i>41.9</i>	<i>6.0</i>	<i>3.6</i>
<i>Net profit growth (%)</i>	<i>14.7</i>	<i>18.7</i>	<i>13.7</i>	<i>4.4</i>	<i>19.2</i>	<i>7.3</i>	<i>6.0</i>	<i>43.9</i>	<i>8.0</i>	<i>3.7</i>
<i>EPS growth (%)</i>	<i>13.8</i>	<i>97.4</i>	<i>13.7</i>	<i>4.4</i>	<i>19.2</i>	<i>7.3</i>	<i>6.3</i>	<i>43.3</i>	<i>8.0</i>	<i>3.7</i>
<b>Profitability</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<i>ROE (%)</i>	<i>23.6</i>	<i>24.7</i>	<i>24.6</i>	<i>22.9</i>	<i>24.3</i>	<i>22.9</i>	<i>21.9</i>	<i>29.4</i>	<i>28.6</i>	<i>25.7</i>
<i>ROE Adj (%)</i>	<i>26.7</i>	<i>29.7</i>	<i>29.8</i>	<i>27.6</i>	<i>29.2</i>	<i>28.4</i>	<i>26.8</i>	<i>35.2</i>	<i>33.9</i>	<i>30.3</i>
<i>ROCE (%)</i>	<i>21.6</i>	<i>20.5</i>	<i>19.8</i>	<i>16.9</i>	<i>17.4</i>	<i>16.8</i>	<i>16.5</i>	<i>20.4</i>	<i>18.9</i>	<i>18.2</i>
<i>ROCE Adj (%)</i>	<i>23.8</i>	<i>23.6</i>	<i>22.9</i>	<i>19.5</i>	<i>20.0</i>	<i>19.8</i>	<i>19.1</i>	<i>23.4</i>	<i>21.6</i>	<i>20.7</i>
<i>ROIC (%)</i>	<i>15.9</i>	<i>15.4</i>	<i>14.8</i>	<i>13.1</i>	<i>13.3</i>	<i>12.9</i>	<i>12.3</i>	<i>15.2</i>	<i>15.0</i>	<i>15.8</i>
<i>ROIC Adj (%)</i>	<i>15.9</i>	<i>15.4</i>	<i>14.8</i>	<i>13.1</i>	<i>13.3</i>	<i>13.1</i>	<i>12.3</i>	<i>15.2</i>	<i>15.0</i>	<i>15.8</i>
<b>Adj earnings numbers</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
EBITDA Adj	327	392	452	486	575	723	774	1,053	1,101	1,129
<i>EBITDA Adj margin (%)</i>	<i>11.5</i>	<i>12.8</i>	<i>14.6</i>	<i>14.2</i>	<i>14.6</i>	<i>17.3</i>	<i>18.9</i>	<i>19.8</i>	<i>19.4</i>	<i>19.2</i>
EBITDA lease Adj	327	392	452	486	575	639	690	969	1,017	1,045
<i>EBITDA lease Adj margin (%)</i>	<i>11.5</i>	<i>12.8</i>	<i>14.6</i>	<i>14.2</i>	<i>14.6</i>	<i>15.3</i>	<i>16.9</i>	<i>18.2</i>	<i>17.9</i>	<i>17.8</i>
EBITA Adj	303	363	419	437	520	570	616	863	909	937
<i>EBITA Adj margin (%)</i>	<i>10.6</i>	<i>11.9</i>	<i>13.5</i>	<i>12.8</i>	<i>13.2</i>	<i>13.6</i>	<i>15.1</i>	<i>16.2</i>	<i>16.0</i>	<i>16.0</i>
EBIT Adj	276	315	361	378	451	489	530	752	797	825
<i>EBIT Adj margin (%)</i>	<i>9.7</i>	<i>10.3</i>	<i>11.7</i>	<i>11.1</i>	<i>11.5</i>	<i>11.7</i>	<i>13.0</i>	<i>14.2</i>	<i>14.0</i>	<i>14.1</i>
Pretax profit Adj	292	355	410	417	501	547	588	837	885	913
Net profit Adj	230	289	332	345	410	453	474	669	715	737
Net profit to shareholders Adj	230	289	332	345	410	453	474	669	715	737
Net Adj margin (%)	8.1	9.5	10.7	10.1	10.4	10.8	11.6	12.6	12.6	12.6

Source: ABG Sundal Collier, Company data

<b>Cash Flow Statement (SEKm)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
EBITDA	327	392	452	486	575	717	774	1,053	1,101	1,129
Net financial items	-11	-8	-9	-20	-20	-23	-28	-26	-24	-24
Paid tax	-62	-66	-78	-72	-91	-94	-114	-168	-170	-176
Non-cash items	44	59	0	0	0	0	0	0	0	0
Cash flow before change in WC	298	377	365	394	465	600	632	859	907	929
Change in WC	-30	-120	10	-85	-3	-53	150	-259	-37	-23
<b>Operating cash flow</b>	<b>268</b>	<b>257</b>	<b>375</b>	<b>309</b>	<b>462</b>	<b>547</b>	<b>782</b>	<b>600</b>	<b>870</b>	<b>906</b>
CAPEX tangible fixed assets	-29	-50	-35	-35	-59	-76	-71	-129	-114	-117
CAPEX intangible fixed assets	-9	-20	-12	-11	-14	-15	-19	0	0	0
Acquisitions and disposals	-128	-288	-208	-519	-142	-260	-325	-599	0	0
<b>Free cash flow</b>	<b>102</b>	<b>-101</b>	<b>120</b>	<b>-256</b>	<b>247</b>	<b>196</b>	<b>367</b>	<b>-128</b>	<b>756</b>	<b>789</b>
Dividend paid	-90	-102	-119	-136	-137	-179	-140	-203	-279	-301
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	-89	-88	-84	-84	-84
Other non cash items	-73	-137	-54	-106	-78	-233	-141	0	0	0
<b>Balance Sheet (SEKm)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Goodwill	628	802	912	1,248	1,327	1,518	1,609	2,028	2,028	2,028
Other intangible assets	355	505	567	710	721	758	785	674	562	450
Tangible fixed assets	167	206	224	251	266	301	340	543	548	558
Right-of-use asset	0	0	0	0	0	179	246	246	246	246
Total other fixed assets	11	10	10	11	14	18	21	21	21	21
Fixed assets	1,161	1,523	1,713	2,220	2,328	2,774	3,001	3,512	3,406	3,303
Inventories	313	379	401	492	528	562	655	850	897	910
Receivables	437	468	506	614	640	682	635	824	851	881
Other current assets	115	145	149	172	219	214	168	168	168	168
Cash and liquid assets	80	67	122	134	139	117	151	108	501	904
<b>Total assets</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>4,610</b>	<b>5,462</b>	<b>5,823</b>	<b>6,167</b>
Shareholders equity	917	1,032	1,197	1,303	1,508	1,684	1,855	1,944	2,268	2,592
Minority	0	0	0	0	0	0	0	0	0	0
<b>Total equity</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>1,855</b>	<b>1,944</b>	<b>2,268</b>	<b>2,592</b>
Long-term debt	4	311	415	311	302	701	708	1,346	1,346	1,346
Pension debt	68	55	62	67	76	76	76	76	76	76
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	180	246	246	246	246
Total other long-term liabilities	123	164	180	213	212	228	238	238	238	238
Short-term debt	378	307	273	858	766	473	437	437	437	437
Accounts payable	270	247	263	323	369	380	418	543	580	600
Other current liabilities	346	466	501	557	621	627	632	632	632	632
<b>Total liabilities and equity</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>4,610</b>	<b>5,462</b>	<b>5,823</b>	<b>6,167</b>
Net IB debt	370	606	628	1,102	1,005	1,313	1,316	1,997	1,604	1,201
Net IB debt excl. pension debt	302	551	566	1,035	929	1,237	1,240	1,921	1,528	1,125
Net IB debt excl. leasing	370	606	628	1,102	1,005	1,133	1,070	1,751	1,358	955
Capital invested	1,410	1,802	2,005	2,618	2,725	3,225	3,409	4,179	4,110	4,030
Working capital	249	279	292	398	397	451	408	667	704	727
<b>EV breakdown</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Market cap. diluted (m)	5,271	5,420	5,693	5,523	5,870	9,982	15,509	21,063	21,063	21,063
Net IB debt Adj	370	606	628	1,102	1,005	1,313	1,316	1,997	1,604	1,201
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>5,641</b>	<b>6,026</b>	<b>6,321</b>	<b>6,625</b>	<b>6,875</b>	<b>11,295</b>	<b>16,825</b>	<b>23,060</b>	<b>22,667</b>	<b>22,263</b>
<b>Capital efficiency</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Total assets turnover (%)	142.9	130.4	113.1	104.6	105.0	101.9	91.3	105.5	100.6	98.0
Working capital/sales (%)	8.2	8.6	9.2	10.1	10.1	10.1	10.5	10.1	12.1	12.2
<b>Financial risk and debt service</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Net debt/equity	0.40	0.59	0.52	0.85	0.67	0.78	0.71	1.03	0.71	0.46
Net debt/market cap	0.12	0.14	0.12	0.19	0.17	0.16	0.12	0.10	0.08	0.06
Equity ratio (%)	43.5	40.0	41.4	35.9	39.1	38.7	40.2	35.6	38.9	42.0
Net IB debt adj./equity	0.40	0.59	0.52	0.85	0.67	0.78	0.71	1.03	0.71	0.46
Current ratio	0.95	1.04	1.14	0.81	0.87	1.01	1.02	1.14	1.39	1.62
EBITDA/net interest	29.73	49.00	50.22	24.30	29.49	31.17	27.64	40.50	45.88	47.06
Net IB debt/EBITDA	1.13	1.55	1.39	2.27	1.75	1.83	1.70	1.90	1.46	1.06
Net IB debt/EBITDA lease Adj	1.13	1.55	1.39	2.27	1.75	1.77	1.55	1.81	1.34	0.91
Interest cover	27.55	45.38	46.56	21.85	26.67	24.52	22.00	33.20	37.88	39.06

Source: ABG Sundal Collier, Company data

# Lagercrantz Group

Valuation and Ratios (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Shares outstanding adj.	204	204	204	204	204	204	203	204	204	204
Fully diluted shares Adj	340	205	205	205	205	205	204	205	205	205
EPS	0.60	1.18	1.34	1.40	1.67	1.79	1.90	2.72	2.94	3.05
Dividend per share Adj	1.5	1.8	2.0	2.0	3.0	2.5	1.0	1.1	1.2	1.3
EPS Adj	0.68	1.41	1.62	1.69	2.00	2.21	2.32	3.27	3.49	3.60
BVPS	4.50	5.06	5.87	6.39	7.40	8.26	9.12	9.52	11.10	12.69
BVPS Adj	-0.32	-1.35	-1.38	-3.21	-2.65	-2.90	-2.65	-3.71	-1.58	0.55
Net IB debt / share	1.8	3.0	3.1	5.4	4.9	6.4	6.5	9.8	7.9	5.9
Share price	15.50	26.50	27.83	27.00	28.70	48.80	76.00	102.80	102.80	102.80
Market cap. (m)	3,160	5,403	5,675	5,505	5,852	9,950	15,460	20,997	20,997	20,997
<b>Valuation</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
P/E	26.0	22.5	20.8	19.3	17.2	27.3	40.0	37.7	34.9	33.7
EV/sales	1.98	1.97	2.04	1.94	1.75	2.70	4.11	4.34	3.99	3.79
EV/EBITDA	17.3	15.4	14.0	13.6	12.0	15.8	21.7	21.9	20.6	19.7
EV/EBITA	18.6	16.6	15.1	15.2	13.2	20.0	27.3	26.7	24.9	23.7
EV/EBIT	20.4	19.1	17.5	17.5	15.2	23.4	31.7	30.7	28.4	27.0
Dividend yield (%)	9.7	6.6	7.2	7.4	10.5	5.1	1.3	1.1	1.2	1.2
FCF yield (%)	1.9	-1.9	2.1	-4.6	4.2	2.0	2.4	-0.6	3.6	3.7
Lease adj. FCF yield (%)	1.9	-1.9	2.1	-4.6	4.2	1.1	1.8	-1.0	3.2	3.3
P/BVPS	3.45	5.24	4.74	4.22	3.88	5.91	8.33	10.80	9.26	8.10
P/BVPS Adj	-47.88	-19.65	-20.12	-8.40	-10.84	-16.81	-28.68	-27.70	-65.14	185.28
P/E Adj	22.9	18.8	17.1	16.0	14.3	22.0	32.7	31.5	29.5	28.6
EV/EBITDA Adj	17.3	15.4	14.0	13.6	12.0	15.6	21.7	21.9	20.6	19.7
EV/EBITA Adj	18.6	16.6	15.1	15.2	13.2	19.8	27.3	26.7	24.9	23.7
EV/EBIT Adj	20.4	19.1	17.5	17.5	15.2	23.1	31.7	30.7	28.4	27.0
EV/cap. employed	4.1	3.5	3.2	2.6	2.6	3.6	5.1	5.7	5.2	4.7
<b>Investment ratios</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Capex/sales	1.3	2.3	1.5	1.3	1.9	2.2	2.2	2.4	2.0	2.0
Capex/depreciation	158.3	241.4	142.4	93.9	132.7	131.9	121.6	121.9	105.1	108.7
Capex tangibles/tangible fixed assets	17.4	24.3	15.6	13.9	22.2	25.2	20.9	23.8	20.7	21.1
Capex intangibles/definite intangibles	2.5	4.0	2.1	1.5	1.9	2.0	2.4	0	0	0
Depreciation on intangibles/definite intai	0	0	0	0	0	0	0	0	0	0
Depreciation on tangibles/tangibles	14.4	14.1	14.7	19.5	20.7	22.9	21.8	19.5	19.7	19.4

Source: ABG Sundal Collier, Company data

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Production of report: 06/02/2022 20:54 CET.

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