

INTERIM REPORT 1 APRIL – 31 DECEMBER 2023

THIRD QUARTER (1 OCTOBER – 31 DECEMBER 2023)

- Net revenue increased by 6% to MSEK 2,054 (1,941), where the acquired growth was 7% and the organic growth was minus 2%.
- Operating profit (EBITA) increased by 9% to MSEK 353 (323), equivalent to an EBITA margin of 17.2% (16.6).
- Profit after financial items (EBT) increased by 13% to MSEK 284 (251).
- Profit after taxes increased by 13% to MSEK 225 (199).

17.2%
EBITA
marginal
Q3

Four
acquisitions
Q3

NINE MONTHS (1 APRIL – 31 DECEMBER 2023)

- Net revenue increased by 15% to MSEK 5,970 (5,206), where the acquired growth was 11% and the organic growth was 0.5%.
- Operating profit (EBITA) increased by 21% to MSEK 1,042 (863), equivalent to an EBITA margin of 17.5% (16.6).
- Profit after financial items (EBT) increased by 17% to MSEK 818 (697).
- Profit after taxes increased by 17% to MSEK 673 (546).
For the latest 12-month period, earnings per share after dilution amounted to SEK 4.13 (3.70 for the financial year 2022/23).
- Cash flow from operating activities increased by 46% to amounted to MSEK 949 (652).
- Return on equity for the latest 12-month period amounted to 28% and the equity ratio at the end of the period was 38%.
- During the financial year, seven acquisitions were completed with total annual revenue of approximately MSEK 555. In addition, an agreement has been signed for the acquisition of Nordic Road Safety AB with expected takeover in March 2024, which adds further annual revenue of approximately MSEK 350.

17%
EBT growth
9M

MSEK 949
cash flow
9M

GROUP OVERVIEW	3 months			9 months			Moving 12 months	
	31 Dec 2023	31 Dec 2022	Δ	31 Dec 2023	31 Dec 2022	Δ	31 Dec 2023	31 Mar 2023
Amounts in MSEK								
Net revenue	2,054	1,941	6%	5,970	5,206	15%	8,010	7,246
EBITA	353	323	9%	1,042	863	21%	1,385	1,205
EBITA margin, %	17.2	16.6		17.5	16.6		17.3	16.6
Profit after financial items	284	251	13%	818	697	17%	1,090	968
Profit after taxes	225	199	13%	637	546	17%	851	758
Earnings per share after dilution, SEK	1.09	0.97	12%	3.09	2.67	16%	4.13	3.70
Return on equity, %	-	-		-	-		28	29
Equity ratio, %	38	35		38	35		38	37

CEO COMMENT

“Lagercrantz continues to advance its positions”

Lagercrantz’s quarter from October – December 2023, meant increased profit and margins, a strong cash flow and several exciting acquisitions. The market situation continued to be stable for most of our businesses, even though several of the units noted a slowing growth rate in 2023. Positive contributions from acquisitions and stronger margins helped to ensure that profit after net financial items (EBT) increased by 13% to MSEK 284 (251), which is a new record for a single quarter. In addition, cash flow from operating activities was strong and amounted to MSEK 367 (439) in the quarter.

The fact that we are continuing to increase our profit, at a time of weaker economic conditions, demonstrates the strength of our business concept, our business culture and the adaptability of our decentralised organisation. As a serial acquirer without an exit horizon, our business concept is to acquire profitable and well-run technology companies in sustainable and expansive niches, which we nurture with long-term ambitions in terms of growth and improvements and short-term adaptation to market fluctuations. So far during the financial year, this has been shown in stronger margins, increased profits, strong cash flows and continued acquisitions.

The acquisition activity remained high during the quarter and in December we have welcomed three new niche-focused businesses to the Group. The International division acquired DP Seals in the UK, a leading supplier of rubber sealings and other moulded products for high specification applications. The Niche Products division acquired MH Modules, a leading Nordic supplier of modular conveyor and material handling systems to integrators in the automotive industry. The TecSec division acquired Suomen Diesel Voima, a leading manufacturer of generator sets for backup power solutions and fire sprinkler pumps in Finland. Combined, the seven acquisitions that were completed during the financial year add annual business volume of about MSEK 555, with good profitability. In December, the Electrify division also signed an agreement for the acquisition of Nordic Road Safety, a leading provider of certified safety barrier systems and noise barriers. The acquisition is subject to approval by the authorities with anticipated takeover in March 2024, which will add a further approximately MSEK 350 in annual business volume.

Lagercrantz has a good financial position and the Group’s balance sheet was further strengthened by a strong cash flow of MSEK 951 (652) during the financial year. Thus, Lagercrantz has the financial scope for more value-creating acquisitions. The acquisition situation is still considered interesting and we have several attractive transactions under evaluation.

Against this backdrop, I am optimistic despite the current global and economic situation. The business situation for most of the Group’s businesses is still considered stable, and if inflation and interest rates now stabilise and fall, the willingness to invest will return. The situation remains hard to judge, but we have strong confidence in the ability of our decentralised organisation to rapidly adapt its offerings and costs if necessary. The Group’s broad exposure with niched B2B technology companies in attractive sectors such as electrification, infrastructure and security solutions provides stability and good long-term growth opportunities.

To sum up, we will therefore continue on our chosen path of building a strong technology group with leading positions in sustainable and expansive niches.

6 February 2024

*Jörgen Wigh
President and CEO*

THE GROUP'S PERFORMANCE

NET REVENUE AND PROFIT

Third quarter (October – December 2023)

The market situation remained stable in most of the Group's businesses during the third quarter of the financial year. In comparable units, incoming orders were in line overall with net revenue in the quarter. It was positive that some of the Group's largest segments involving security products and investments in infrastructure and electrification, continued to perform well, while others, primarily focused on the construction and wind power industries were affected by the economic slowdown to a greater extent.

The Group's broad focus with many different end-customer markets and geographies with an emphasis on electrification and infrastructure, safety products and specialised products in niches constitutes a strong long-term base with good growth opportunities.

Net revenue in the third quarter increased by 6% to MSEK 2,054 (1,941). Organic growth amounted to -2% and the acquired growth contributed 7%. Exchange rate fluctuations impacted net revenue positively by 1%.

Operating profit (EBITA) increased by 9% to MSEK 353 (323) and the EBITA margin increased to 17.2% (16.6). Three of the Group's five divisions strengthened their operating profit and EBITA margins. An EBITA margin of over 17% was reported in all divisions.

Profit after financial items increased by 13% to MSEK 284 (251), which is a new record for a single quarter. Net financial items amounted to MSEK -26 (-34), of which net interest items amounted to MSEK -33 (-19) and currency translation effects, primarily on foreign currency loans, amounted to MSEK +6 (-14).

Profit after taxes increased by 13% to MSEK 225 (199) and the effective tax rate amounted to 21% (21).

Nine months (April – December 2023)

In the first nine months of the financial year, consolidated net revenue increased by 15% to MSEK 5,970 (5,206). Organic growth amounted to 0.5% and the acquired growth was 11%. Exchange rate fluctuations impacted net revenue positively by 3%.

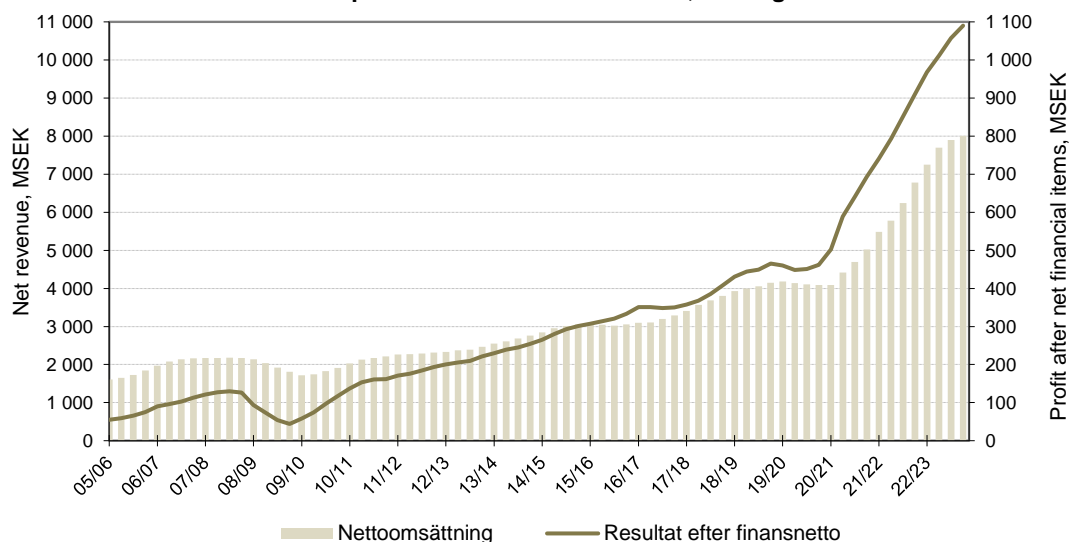
Operating profit (EBITA) increased by 21% to MSEK 1,042 (863) and the EBITA margin strengthened to 17.5% (16.6). The share of proprietary products on a moving 12-month basis increased to 76% (73%).

Profit after financial items increased by 17% to MSEK 818 (697). Net financial items in the nine-month period amounted to MSEK -96 (-62), of which net interest items amounted to MSEK -97 (-46) and currency translation effects amounted to MSEK +2 (-13).

Profit after taxes for the nine-month period increased by 17% to MSEK 637 (546) and the effective tax rate amounted to 22% (22).

Earnings per share after dilution for the latest 12-month period reached a new record level of SEK 4.13, compared to SEK 3.70 for the 2022/23 financial year.

Net revenue and profit after net financial items, moving 12 months



PERFORMANCE BY DIVISION

	Net revenue					Operating profit (EBITA) and operating margin				
	3 months Oct-Dec 2023/24	3 months Oct-Dec 2022/23	9 months Apr-Dec 2023/24	9 months Apr-Dec 2022/23	12 months Apr-Mar 2022/23	3 months Oct-Dec 2023/24	3 months Oct-Dec 2022/23	9 months Apr-Dec 2023/24	9 months Apr-Dec 2022/23	12 months Apr-Mar 2022/23
MSEK										
Electrify	450	433	1,352	1,214	1,677	80	71	247	205	283
<i>Operating margin</i>						17.8%	16.4%	18.3%	16.9%	16.9%
Control	204	204	551	542	746	35	36	77	79	119
<i>Operating margin</i>						17.2%	17.6%	14.0%	14.6%	16.0%
TecSec	540	475	1,548	1,233	1,748	99	78	283	208	303
<i>Operating margin</i>						18.3%	16.4%	18.3%	16.9%	17.3%
Niche Products	486	494	1,417	1,347	1,871	93	94	292	267	375
<i>Operating margin</i>						19.1%	19.0%	20.6%	19.8%	20.0%
International	374	335	1,102	870	1,204	65	54	182	137	185
<i>Operating margin</i>						17.4%	16.1%	16.5%	15.7%	15.4%
Parent Company/consolidation items	-	-	-	-	-	-19	-10	-39	-33	-60
GROUP TOTAL	2,054	1,941	5,970	5,206	7,246	353	323	1,042	863	1,205
<i>Operating margin</i>						17.2%	16.6%	17.5%	16.6%	16.6%
Amortisation, intangible assets						-43	-38	-128	-104	-143
Financial items						-26	-34	-96	-62	-94
PROFIT BEFORE TAXES						284	251	818	697	968

NET REVENUE AND PROFIT BY DIVISION THIRD QUARTER

Electrify

The Electrify division's net revenue increased by 4% to MSEK 450 (433), of which 9% was added through acquisitions and -6% organically. Operating profit (EBITA) increased by 13% to MSEK 80 (71), equivalent to an operating margin of 17.8% (16.4%).

The business situation remained favourable where the market is being driven by investments within electrification and infrastructure. Several units delivered good improvements in earnings during the third quarter, for example, Elpress and Norwesco, while a few businesses continued to be impacted by lower delivery volumes related to the wind power industry, among other sectors. In infrastructure, both Swedwire and Cue Dee delivered strong profits, without any major project deliveries during the quarter.

The division's new acquisitions, Tykoflex and Letti both reported good results, in line with or slightly above expectations.

In December, an agreement was signed for the acquisition of Nordic Road Safety, a leading provider of certified road safety barrier systems and noise barriers. Takeover is expected in March 2024.

Control

The Control division's net revenue for the quarter amounted to MSEK 204 (204), of which 0% was organic growth. Operating profit (EBITA) amounted to MSEK 35 (36), equivalent to an operating margin of 17.2% (17.6%).

The market situation was stable overall, but some businesses are being affected by weaker market conditions. One example is Precimeter, which was impacted by the fact that the European aluminium industry has cut production due to increased energy prices. In addition, the Vanpee companies were affected by a weaker construction market.

Meanwhile, several businesses reported a continued positive development, e.g. Radonova, Load Indicator, Direktronik, Stegborgs and Leteng.

TecSec

The TecSec division's net revenue increased by 14% to MSEK 540 (475), of which 8% was added through acquisitions and 3% organically. Operating profit (EBITA) increased by 27% to MSEK 99 (78), equivalent to an operating margin of 18.3% (16.4).

The business situation remained favourable in most companies, where for instance PcP, ISG Nordic, ARAS, Idesco and Door & Joinery reported good improvements in earnings, while CWL was impacted by negative seasonal variations and a weak construction market.

The new acquisition Fireco in the UK also delivered a good profit according to plan.

In December, Suomen Diesel Voima was acquired, a leading manufacturer of generator sets for backup power solutions and fire sprinkler pumps in Finland.

Niche Products

The Niche Products division's net revenue decreased by 2% to MSEK 486 (494), of which 2% was added through acquisitions and -4% organically. Operating profit (EBITA) decreased by 1% to MSEK 93 (94), equivalent to an operating margin of 19.1% (19.0).

The business situation was stable for most of the division's units. Good improvements in earnings were noted in Tormek, Asept and SIB, where Tormek looks to be heading for another record year. Generally speaking, the companies' operations in North America performed well, while in their home markets they were affected by lower deliveries and slightly weaker market conditions.

In December, MH Modules was acquired, a leading Nordic supplier of modular conveyor and material handling systems to system integrators in the manufacturing and logistics automation industry.

International

The International division's net revenue increased by 12% to MSEK 374 (335), where 14% was added through acquisitions and -5% organically. Operating profit (EBITA) increased by 20% to MSEK 65 (54), equivalent to an operating margin of 17.4% (16.1).

International reported another quarter of good growth and improved margins. The business situation was favourable for the marine units Libra in Norway and ISIC Group in Denmark. Schmitztechnik in Germany and E-tech in the UK also delivered good profits, while NST and several of the ACTE companies were unable to match last year's very strong performance.

In December, DP Seals was acquired, a leading supplier of rubber sealings and other moulded products for high specification applications.

PROFITABILITY AND FINANCIAL POSITION

Return on equity for the latest 12-month period amounted to 28% (30) and the return on capital employed was 21% (21).

The Group's metric for return on working capital (P/WC) amounted to 77% (73).

The equity ratio at the end of the period was 38% (35). Equity per share amounted to SEK 15.68 (13.53).

The Group's operating net debt at the end of the period amounted to MSEK 1,995 (2,194) and operating net debt/EBITDA amounted to 1.2 (1.6).

The Group's net indebtedness including pension liability of MSEK 56 (63) and lease liability of MSEK 367 (378), amounted to MSEK 2,417 (2,634) at the end of the period.

CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities amounted to MSEK 367 (439) for the third quarter and to MSEK 949 (652) for the nine-month period, where the change was mainly explained by a higher profit and a reduced working capital.

Acquisitions and disposals, including settlement of contingent consideration relating to acquisitions carried out in previous years, amounted to MSEK 180 (80) in the third quarter and to MSEK 492 (802) for the nine-month period.

Net investments in non-current assets amounted to MSEK 26 (43) for the third quarter and to MSEK 84 (118) for the nine-month period.

OTHER FINANCIAL INFORMATION**Parent Company and other consolidation items**

The Parent Company's net revenue amounted to MSEK 51 (46) during the nine-month period. Profit after financial items amounted to MSEK 384 (251) in the nine-month period. The Parent Company's equity ratio was 43% (42).

Employees

At the end of the period, the number of employees in the Group was 2,691 (2,425 at the end of the 2022/23 financial year), where 277 employees were added through acquisitions during the financial year.

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 31 December 2023:

Classes of shares	Number
A shares	9,791,406
B shares	199,426,827
Repurchased B shares	-3,263,204
Total number of shares after repurchases	205,955,029

At 31 December 2023, Lagercrantz Group held 3,263,204 own Class B shares, equivalent to 1.6% of the total number of shares and 1.1% of the votes in the Lagercrantz Group.

Lagercrantz's own holdings of repurchased B shares are security for the company's obligations in outstanding call option programmes for senior executives.

During the third quarter, 800,000 call options with a redemption price of SEK 143.10 were issued in

accordance with the resolution of the 2023 AGM. These options were acquired by about 85 senior executives for a total of MSEK 10.6.

During the first nine months, repurchases of call options amounted to MSEK 12 (17) and redemption of call options amounted to MSEK 2 (7).

At the end of the period, Lagercrantz had four outstanding call option programmes for a total of 3,058,750 shares.

Option programme	Number of outstanding options*	Redemption price
2023/27	800,000	143.10
2022/26	798,000	127.70
2021/25	714,000	146.50
2020/24	746,750	78.50
Total	3,058,750	

* An option carries the right to purchase one share.

Issued call options on repurchased shares had a dilutive effect of approximately 0.1% of the total number of shares in the company.

ACQUISITIONS

From and including the 2022/23 financial year, the following acquisitions have been carried out (including subsidiaries);

Acquisition	Takeover	Equity interest, %	Annual revenue at acquisition date, MSEK	Number employees	Division
PcP Corporation A/S, Denmark	June 2022	95	595	284	TecSec
Stegborgs EL-evator AB, Sweden	July 2022	100	60	14	Control
Door and Joinery Solutions Ltd., UK	July 2022	100	56	26	TecSec
Water Proof Diving International AB, Sweden	September 2022	93	90	22	Niche Products
Tebul Oy, Finland	September 2022	80	54	21	International
Agentuuri Neumann (asset acquisition), Finland	December 2022	100	11	-	Electrify
Tykoflex AB, Sweden	December 2022	100	140	63	Electrify
Sassenus Packaging (asset acquisition), Netherlands	March 2023	100	14	-	Niche Products
Glova Rail A/S, Denmark	April 2023	100	90	18	International
Fireco Ltd, UK	April 2023	95	90	64	TecSec
Supply Plus Ltd, UK	June 2023	80	100	67	International
Letti AS, Norway	September 2023	100	30	13	Electrify
DP Seals Ltd, UK	December 2023	100	65	51	International
MH Modules Europe AB, Sweden	December 2023	97	90	33	Niche Products
Suomen Diesel Voima Oy, Finland	December 2023	86	90	31	TecSec

During the 2023/24 financial year, seven companies have been acquired. In early April 2023, Glova Rail A/S in Denmark was acquired for the International division. Glova Rail is a leading supplier of vacuum toilets for railway vehicles which generates annual revenue of about MDKK 58.

In late April, an agreement was signed to acquire 80% of the shares of Supply Plus Limited in the UK for the International Division. Supply Plus is a market leading manufacturer of fire rescue equipment, mainly ladders and hose reels, to the fire and rescue services, which generates annual revenue of about MGBP 7. After

approval by the UK public authorities, the acquisition was completed in June 2023.

At the end of April/start of May, 95% of the shares of Fireco Ltd in the UK were acquired for the TecSec division. Fireco is a leading manufacturer of components for fire doors and generates annual revenue of about MGBP 7.

In September, Letti AS in Norway was acquired for the Electrify Division. Letti is a leading manufacturer of installation materials and brackets for cables and cable ducts which generates annual revenue of about MNOK 30.

In December, DP Seals Ltd in the UK was acquired for the International division. DP Seals is a leading supplier of rubber sealings and mouldings for high specification applications and generates annual revenue of about MGPB 5.

In December, 97% of the shares in MH Modules Europe AB in Sweden were acquired for the Niche Products division. MH Modules is a leading Nordic supplier of modular conveyor and material handling systems to integrators in the automotive industry and generates annual revenue of about MSEK 90.

In December, 86% of the shares in Suomen Diesel Voima Oy (SDV) in Finland were acquired for the TecSec division. SDV is a leading manufacturer of generator sets for backup power solutions and fire sprinkler pumps in Finland and generates annual revenue of about MEUR 8.

An agreement was also signed in December for the acquisition of 85% of the shares in Nordic Road Safety AB (NRS) in Sweden for the Electrify division. NRS is a leading supplier of certified safety barrier systems and noise barriers and in 2023 is estimated to have annual revenue of around MSEK 350 and an operating profit (EBITA) of about MSEK 50. The acquisition is

completed at a so-called EV/EBITA multiple of 6.5, excluding a potential earn-out. The acquisition is subject to approval by the authorities with anticipated takeover in March 2024.

Lagercrantz normally uses an acquisition structure with a fixed purchase price and contingent consideration as well as call options on any minority shares. The outcome of contingent considerations depends on the future results achieved in the companies and has a set maximum level. Not yet paid contingent considerations for acquisitions have a book value of MSEK 267. These fall due for payment within three years and the maximum outcome can be MSEK 402.

Remeasurement of contingent considerations had a net effect in the nine-month period of MSEK 20 (3), of which MSEK 6 (0) was recognised in the third quarter. The effect on earnings is recognised in other operating income and in other operating expenses. During the nine-month period, MSEK 24 (0) was paid in contingent consideration for previous acquisitions, and MSEK 46 (0) in exercise of call options for acquisition of outstanding minority shares in Frictape, which was carried out in the first quarter.

Preliminary purchase price allocation

The preliminary purchase price allocations since 1 January 2023 in the table below include Glova Rail A/S, Fireco Ltd, Supply Plus Ltd, Letti AS, DP Seals Ltd, MH Modules Europe AB and Suomen Diesel Voima Oy.

Acquired net assets at time of acquisition (MSEK)	Book value in companies	Fair value adjustment	Fair value consolidated
Intangible non-current assets	0	323	323
Other non-current assets	44	-	44
Inventories	75	-	75
Other current assets	176	-	176
Interest-bearing liabilities	-10	-	-10
Other liabilities	-114	-73	-187
Acquired net assets	171	250	421
Goodwill ¹⁾			259
Estimated Purchase price			680
Less: cash and cash equivalents in acquired businesses			-76
Less: consideration not yet paid			-189
Effect on the Group's cash and cash equivalents			415

¹⁾ Goodwill is motivated by expected future sales development and profitability and also by the staff included in the acquired companies.

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 most recent 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 that have a significant effect on the Group's results and financial position for 2023/2024.

Significant estimates and judgments

The company's significant estimates and judgments, as stated in the annual report for 2022/23, have not changed during the reporting period.

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 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. For definitions and reconciliation tables for the key ratios that Lagercrantz uses, see page 15.

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 that have the 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, cyber security risks as well as geopolitical uncertainty close to the main markets.

For more information, please see the Risks and uncertainty factors section on pages 50-52 in the 2022/23 Annual Report.

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

Post-balance sheet events

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

Annual General Meeting 2023

The 2023 AGM was held on 29 August 2023 in Stockholm. Minutes from the AGM are published on the company's website.

Election Committee for appointment of directors

At the Annual General meeting on 29 August 2023, the Chairman of the Board was entrusted with the task of contacting the four largest shareholders in terms of votes as of 31 December 2023, and requesting them to appoint members, in order to form an Election Committee together with the Chairman of the Board.

In accordance with this, the following persons were appointed as members of the Election Committee ahead of the Annual General Meeting 2024: Fredrik Börjesson (Chairman of the Board), Anders Börjesson (Tisenhultgruppen), Leif Alhorn (SEB Fonder), Marianne Nilsson (Swedbank Robur Fonder) and Per Trygg (Lannebo Fonder).

Proposals to the Election Committee from shareholders may be sent by e-mail to valberedningen@lagercrantz.com. More information is available on www.lagercrantz.com.

Stockholm, 6 February 2024.

Jörgen Wigh,
President and CEO

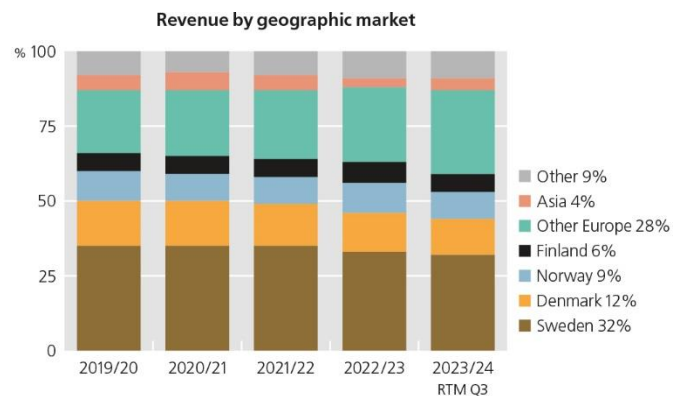
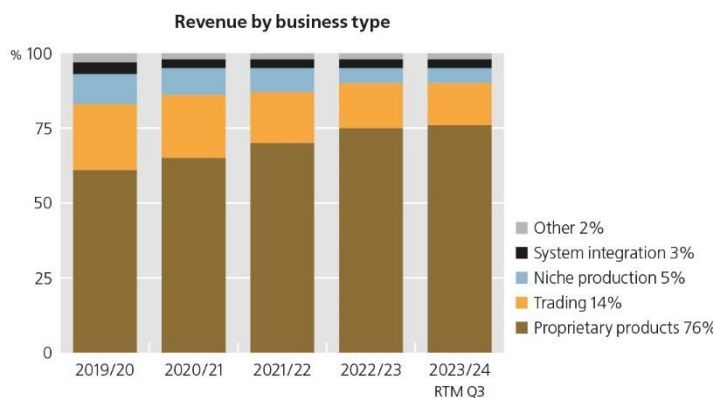
This report has not been subject to review by the company's auditors.

Quarterly data by division

Net revenue	2023/24				2022/23			2021/22	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
MSEK									
Electrify	450	421	481	463	433	385	396	404	345
Control	204	163	184	203	204	163	175	189	187
TecSec	540	480	528	516	475	428	330	251	241
Niche Products	486	446	485	524	494	421	432	453	371
International	374	361	368	334	335	271	264	278	261
Parent Company/consolidation items	-	-	-	-	-	-	-	-	-
GROUP TOTAL	2,054	1,871	2,046	2,040	1,941	1,668	1,597	1,575	1,405

Operating profit (EBITA)	2023/24				2022/23			2021/22	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
MSEK									
Electrify	80	80	87	78	71	69	65	69	54
Control	35	21	21	39	36	17	26	41	38
TecSec	99	89	95	95	78	74	56	48	37
Niche Products	93	95	104	107	94	84	89	83	77
International	65	60	57	49	54	45	38	37	39
Parent Company/consolidation items	-19	-12	-7	-25	-10	-14	-9	-13	-19
GROUP TOTAL	353	333	357	343	323	275	265	265	226

Operating margin (EBITA)	2023/24				2022/23			2021/22	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
%									
Electrify	17.8	19.0	18.1	16.8	16.4	17.9	16.4	17.1	15.8
Control	17.2	12.9	11.4	19.2	17.6	10.4	14.9	21.7	20.3
TecSec	18.3	18.5	18.0	18.4	16.4	17.3	17.0	19.1	15.4
Niche Products	19.1	21.3	21.4	20.4	19.0	20.0	20.6	18.3	20.8
International	17.4	16.6	15.5	14.7	16.1	16.6	14.4	13.3	14.9
GROUP TOTAL	17.2	17.8	17.5	16.8	16.6	16.5	16.6	16.8	16.1



Consolidated Income Statement - condensed

MSEK	3 months Oct-Dec 2023/24	3 months Oct-Dec 2022/23	9 months Apr-Dec 2023/24	9 months Apr-Dec 2022/23	Moving 12 months Jan-Dec 2023/24	Financial year 2022/23
Net revenue	2,054	1,941	5,970	5,206	8,010	7,246
Cost of goods sold	-1,249	-1,216	-3,621	-3,252	-4,875	-4,506
GROSS PROFIT	805	725	2,349	1,954	3,135	2,740
Selling expenses	-331	-284	-944	-791	-1,248	-1,095
Administrative expenses	-165	-151	-507	-409	-687	-590
Other operating income and operating expenses	1	-5	16	5	18	7
PROFIT BEFORE NET FINANCIAL ITEMS*	310	285	914	759	1,218	1,062
Net financial items	-26	-34	-96	-62	-128	-94
PROFIT AFTER FINANCIAL ITEMS	284	251	818	697	1,090	968
Taxes	-59	-52	-181	-151	-239	-210
NET PROFIT FOR THE PERIOD	225	199	637	546	851	758
<i>* Of which:</i>						
- amortisation of intangible non-current assets arising in connection with acquisitions:	-43	-38	-128	-104	-167	-143
- depreciation of other non-current assets:	-68	-64	-200	-179	-267	-246
OPERATING PROFIT (EBITA)	353	323	1,042	863	1,385	1,205
Earnings per share before dilution, SEK	1.09	0.97	3.09	2.68	4.13	3.71
Earnings per share after dilution, SEK	1.09	0.97	3.09	2.67	4.13	3.70
Weighted number of shares after repurchases, ('000)	205,943	204,438	205,934	203,951	205,933	204,439
Weighted number of shares after repurchases adjusted after dilution ('000)**	206,178	204,660	206,201	204,187	206,194	204,718
Number of shares at end of period after repurchases ('000)	205,955	205,930	205,955	205,930	205,955	205,930

In view of the redemption price on outstanding call options during the period (SEK 78.50, SEK 146.50, SEK 127.70 and SEK 143.10) and the average share price (SEK 120.49) during the latest 12-month period when the option programmes were outstanding, there was a dilutive effect of 0.13%. For the latest quarter, there was a dilutive effect of 0.11% (average share price SEK 114.51).

Consolidated Statement of Comprehensive Income - condensed

MSEK	3 months Oct-Dec 2023/24	3 months Oct-Dec 2022/23	9 months Apr-Dec 2023/24	9 months Apr-Dec 2022/23	Moving 12 months, Jan-Dec 2023/24	Financial year 2022/23
Net profit for the period	225	199	637	546	851	758
<u>Items that have been reposted or that may be reposted to net profit for the period</u>						
Change in translation reserve	-64	29	-33	48	-14	69
Debt instruments measured at fair value	-21	10	-12	24	-30	6
<u>Items that cannot be reposted to net profit for the period</u>						
Actuarial effects on pensions	-	-	-	-	13	13
Taxes attributable to actuarial effects	-	-	-	-	-2	-2
Other comprehensive income	-85	39	-43	72	-31	86
COMPREHENSIVE INCOME FOR THE PERIOD	140	238	592	618	818	844

Consolidated Balance Sheet - condensed

MSEK	31 Dec 2023	31 Dec 2022	31 Mar 2023
ASSETS			
Goodwill	2,687	2,433	2,446
Other intangible non-current assets	1,709	1,545	1,519
Property, plant and equipment	995	975	973
Financial assets	23	21	22
Inventories	1,234	1,190	1,166
Trade receivables and contract assets	1,214	1,161	1,237
Other current receivables	351	318	310
Cash and bank balances	373	374	360
TOTAL ASSETS	8,586	8,017	8,033
EQUITY AND LIABILITIES			
Equity	3,230	2,786	3,009
Non-current interest-bearing liabilities*	2,219	2,540	2,529
Non-interest-bearing liabilities, non-current	492	443	451
Current interest-bearing liabilities*	571	469	158
Trade payables and contract liabilities	648	575	673
Other current liabilities	1,426	1,204	1,213
TOTAL EQUITY AND LIABILITIES	8,586	8,017	8,033
Interest-bearing assets	373	374	360
Interest-bearing liabilities, excluding pension liabilities*	2,735	2,946	2,632

Changes in Consolidated Equity - condensed

MSEK	9 months Apr-Dec 2023/24	9 months Apr-Dec 2022/23	Moving 12 months Jan-Dec 2023/24	Financial year 2022/23
Opening balance	3,009	2,228	2,786	2,228
Comprehensive income for the period	592	617	818	844
Transactions with owners				
New issue	-	70	-	70
Dividend	-329	-265	-329	-265
Dividend to minority shareholders in subsidiaries	-40	-20	-43	-23
Redemption and acquisition of options on repurchased shares, net	-2	155	-2	155
Closing balance	3,230	2,785	3,230	3,009

Consolidated Statement of Cash Flows - condensed

MSEK	3 months Oct-Dec 2023/24	3 months Oct-Dec 2022/23	9 months Apr-Dec 2023/24	9 months Apr-Dec 2022/23	Moving 12 months Jan-Dec 2023/24	Financial year 2022/23
Operating activities						
Profit after financial items	283	251	818	697	1,089	968
Adjustment for items not included in the cash flow *	62	124	279	308	385	414
Income tax paid	-137	-99	-207	-186	-276	-255
Cash flow from operating activities before changes in working capital	208	276	890	819	1,198	1,127
Cash flow from changes in working capital						
Increase (-)/Decrease (+) in inventories	33	45	9	-32	33	-8
Increase (-)/Decrease (+) in operating receivables	74	45	56	-9	11	-54
Increase (+)/Decrease (-) in operating liabilities	52	73	-6	-126	125	5
Cash flow from operating activities	367	439	949	652	1,367	1,070
Investing activities						
Investments in businesses	-180	-80	-492	-802	-536	-846
Net investments in other non-current assets	-26	-43	-84	-118	-137	-171
Cash flow from investing activities	-206	-123	-576	-920	-673	-1,017
Financing activities						
Dividend, sale/repurchase of own shares/options	1	151	-369	-130	-372	-133
Change in loan liability	-278	-458	-311	629	-351	589
Other financing activities*	52	32	325	-77	33	-369
Cash flow from financing activities	-225	-275	-355	422	-690	86
CASH FLOW FOR THE PERIOD	-64	41	18	154	4	140
Cash and cash equivalents at the beginning of the period	447	330	360	210	374	210
Exchange difference in cash and cash equivalents	-10	3	-5	10	-5	10
Cash and cash equivalents at the end of the period	373	374	373	374	373	360

* The nine-month period has been adjusted for Q2 where a reclassification has been made between the items Adjustment for items not included in the cash flow and Other financing activities.

Fair value of 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	31 Dec 2023	31 Mar 2023
Assets measured at fair value	-	-
Assets measured at amortised cost	1,485	1,513
TOTAL ASSETS, FINANCIAL INSTRUMENTS	1,485	1,513
Liabilities measured at fair value	506	400
Liabilities measured at amortised cost	3,250	3,218
TOTAL LIABILITIES, FINANCIAL INSTRUMENTS	3,756	3,618

Change in liability for contingent considerations MSEK	9 months Apr-Dec 2023/24	Financial year 2022/23	Change in liability for call options MSEK	9 months Apr-Dec 2023/24	Financial year 2022/23
Opening balance	165	94	Opening balance	235	175
The period's acquisitions	138	88	The period's acquisitions	51	56
Settled liabilities during the period	-24	-37	Settled liabilities during the period	-46	-
Remeasurement preliminary purchase price allocation	11	10			
Reversed via the income statement	-20	-6	Remeasurement via other comprehensive income	2	-
Exchange difference	-3	16	Exchange difference	-3	4
Closing balance	267	165	Closing balance	239	235

Parent Company Income Statement - condensed

MSEK	3 months Oct-Dec 2023/24	3 months Oct-Dec 2022/23	9 months Apr-Dec 2023/24	9 months Apr-Dec 2022/23	Moving 12 months Jan-Dec 2023/24	Financial year 2022/23
Net revenue	17	16	51	46	68	63
Administrative expenses	-35	-26	-91	-74	-135	-118
Other operating income and operating expenses	-	-	-	-	-	-
OPERATING PROFIT	-18	-10	-40	-28	-67	-55
Financial income	37	81	517	350	941	774
Financial expenses	-16	-74	-93	-71	-127	-105
PROFIT AFTER FINANCIAL ITEMS	3	-3	384	251	747	614
Change in untaxed reserves	-	-	-	-4	-80	-84
Taxes	8	4	14	7	-45	-52
NET PROFIT FOR THE PERIOD	11	1	398	254	622	478

Parent Company Balance Sheet - condensed

MSEK	31 Dec 2023	31 Dec 2022	31 Mar 2023
ASSETS			
Property, plant and equipment	2	2	2
Financial assets	4,924	4,589	4,598
Current receivables	1,123	1,039	1,365
Cash and bank balances	-	-	-
TOTAL ASSETS	6,049	5,630	5,965
EQUITY AND LIABILITIES			
Equity	2,618	2,338	2,561
Untaxed reserves	198	114	198
Non-current liabilities	1,923	2,235	2,244
Current liabilities	1,310	943	962
TOTAL EQUITY AND LIABILITIES	6,049	5,630	5,965

Key ratios

In the table below, certain key ratios are presented that are not defined according to IFRS, for definition see Key ratio definitions.

	Moving 12 months Jan-Dec 2023/24	Financial year			
		2022/23	2021/22	2020/21	2019/20
Revenue	8,010	7,246	5,482	4,091	4,180
Change in revenue, %	18.1	32.2	34.0	-2.1	6.3
EBITDA	1,652	1,451	1,094	774	717
Operating profit (EBITA)	1,385	1,205	895	616	565
Operating margin (EBITA), %	17.3	16.6	16.3	15.1	13.5
EBIT	1,218	1,062	781	529	483
EBIT margin, %	15.2	14.7	14.2	12.9	11.6
Profit after financial items	1,090	968	741	502	460
Profit margin, %	13.6	13.4	13.5	12.3	11.0
Profit after taxes	851	758	572	388	366
Equity ratio, %	38	37	36	40	39
Return on working capital (P/WC), %	77	78	79	67	64
Return on capital employed, %	21	22	20	17	17
Return on equity, %	28	29	28	22	23
Net debt (+)/receivables (-), MSEK	2,417	2,327	2,014	1,314	1,312
Net debt/equity ratio, times	0.7	0.8	0.9	0.7	0.8
Operating net debt (+)/receivables (-), MSEK	1,995	1,902	1,621	992	1,056
Operating net debt/equity ratio, times	0.6	0.6	0.7	0.5	0.6
Operating net debt / EBITDA, times	1.2	1.3	1.5	1.7	1.8
Interest coverage ratio, times	9	8	15	12	13
Number of employees at end of period	2,691	2,425	1,953	1,654	1,532
Revenue outside Sweden, MSEK	5,428	4,830	3,559	2,650	2,706

Key ratios per share

In the table below, certain key ratios are presented that are not defined according to IFRS, for definition see Key ratio definitions.

	Moving 12 months Oct-Sep 2023/24	Financial year			
		2022/23	2021/22	2020/21	2019/20
Number of shares at end of period after repurchases ('000)	205,955	205,930	203,637	203,421	203,178
Weighted number of shares after repurchases, ('000)	205,933	204,439	203,547	203,307	203,151
Weighted number of shares after repurchases & dilution ('000)	206,194	204,718	204,102	203,673	203,616
Earnings per share before dilution, SEK	4.13	3.71	2.81	1.91	1.80
Earnings per share after dilution, SEK	4.13	3.70	2.80	1.91	1.80
Cash flow from operating activities per share after dilution, SEK	6.64	5.23	2.91	3.84	2.49
Equity per share, SEK	15.68	14.61	10.94	9.12	8.29
Latest price paid per share, SEK	135.1	129.7	106.80	79.10	38.60

Key ratio definitions

Return on equity¹

Net profit for the year after tax as a percentage of average equity (opening plus closing balance for the latest 12-month period), divided by two).

Return on working capital (P/WC)¹

Operating profit (EBITA) as a percentage of average working capital, (opening balance plus closing balance for the latest 12-month period, divided by two), where working capital consists of inventories, trade receivables and contract assets less trade payables and contract liabilities.

Return on capital employed¹

Profit after financial items, plus financial expenses as a percentage of average capital employed (opening balance plus closing balance for the latest 12-month period, divided by two).

EBITDA¹

Operating profit before depreciation and impairment.

EBIT margin

Profit before net financial items as a percentage of net revenue.

Equity per share¹

Equity divided by the number of outstanding shares on the balance sheet date.

Cash flow per share after dilution¹

Cash flow in relation to the weighted number of shares outstanding after repurchases and adjusted for dilution.

Cash flow from operating activities per share¹

Cash flow from operating activities in relation to the weighted number of shares outstanding after repurchases and adjusted for dilution.

Net debt/receivables¹

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 ratio¹

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/receivables¹

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 ratio¹

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.

Operating net debt/EBITDA¹

The operating net debt divided by EBITDA for the latest 12-month period.

Change in revenue¹

Change in net revenue as a percentage of the preceding year's net revenue.

Organic growth¹

Changes in net revenue excluding currency effects, acquisitions and disposals compared to the same period of the previous year.

Earnings per share before dilution

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

Net 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 ratio¹

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

Operating profit (EBITA)¹

Operating profit before amortisation of intangible non-current assets arising in connection with acquisitions.

Operating margin¹

Operating profit (EBITA) as a percentage of net revenue.

Debt equity ratio¹

Interest-bearing liabilities divided by equity, plus non-controlling interests.

Equity ratio¹

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 employed¹

Total assets, less non-interest-bearing provisions and liabilities.

Profit margin¹

Profit after financial items, less participations in associated companies as a percentage of net revenue.

¹ The key ratio is an alternative performance measure according to ESMA's guidelines.

Reconciliation tables for alternative performance measures

EBITA and EBITDA Group, MSEK	12 months through				
	31 Dec 2023	31 Mar 2023	31 Dec 2022	31 Mar 2022	31 Mar 2021
Profit before net financial items according to the quarterly report	1,218	1,062	993	781	529
Amortisation, intangible non-current assets relating to acquisitions (+)	167	143	135	114	87
EBITA	1,385	1,205	1,128	895	616
Depreciation of property, plant and equipment	267	246	236	199	158
EBITDA	1,652	1,451	1,324	1,094	774

Working capital and return on working capital (P/WC) Group, MSEK	31 Dec 2023	31 Mar 2023	31 Dec 2022	31 Mar 2022	31 Mar 2021
EBITA (moving 12 months)	1,385	1,205	1,128	895	616
Inventories, annual average (+)	1,212	1,058	1,037	802	608
Trade receivables and contract assets, annual average (+)	1,188	1,105	985	822	694
Trade payables and contract liabilities, annual average (-)	612	621	479	486	384
Working capital (annual average)	1,788	1,542	1,543	1,138	918
Return on working capital (P/WC), (%)	77%	78%	73%	79%	67%

Acquired and organic net revenue growth Group, MSEK, %	3 months Oct-Dec 2023/24		3 months Jul-Sep 2023/24		3 months Apr-Jun 2023/24		3 months Jan-Mar 2022/23		3 months Oct-Dec 2022/23	
Acquired net revenue growth	130	7%	145	9%	296	19%	271	18%	331	24%
Organic net revenue growth	-45	-2%	-19	-1%	88	6%	148	9%	135	10%
Exchange rate effects	27	1%	77	4%	65	4%	46	3%	70	5%
Total net revenue growth	113	6%	203	12%	449	28%	465	30%	537	38%

Revenue distribution

Net revenue by product type	Electrify		Control		TecSec		Niche Products		International		Group total	
	3 months Oct-Dec 2023/24	Financial year 2022/23	3 months Oct-Dec 2023/24	Financial year 2022/23	3 months Oct-Dec 2023/24	Financial year 2022/23	3 months Oct-Dec 2023/24	Financial year 2022/23	3 months Oct-Dec 2023/24	Financial year 2022/23	3 months Oct-Dec 2023/24	Financial year 2022/23
Total net revenue	450	1,677	204	746	540	1,748	486	1,871	374	1,204	2,054	7,246
Of which, share												
Proprietary products	73%	71%	49%	46%	76%	78%	98%	98%	63%	57%	76%	75%
Trading	5%	6%	44%	49%	4%	4%	2%	2%	36%	42%	14%	15%
Niche production	19%	22%	6%	4%	-	-	-	-	-	-	5%	5%
System integration	-	-	-	-	13%	12%	-	-	-	-	3%	3%
Other net revenue	1%	1%	1%	1%	7%	6%	-	-	1%	1%	2%	2%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Net revenue by market segment	9 months Apr-Dec 2023/24	9 months Apr-Dec 2022/23	Financial year 2022/23
Total net revenue	5,970	5,206	7,246
Whereof			
Power & electric distribution	1,166	1,149	1,488
Infrastructure	999	842	1,156
Transportation	884	698	993
Building & Construction – Industry	409	313	453
Building & Construction – Commercial	301	271	386
Building & Construction – Residential	102	69	102
Electronics industry	397	367	532
Service	369	361	499
Security	313	288	417
Telecom	287	232	320
IT	120	103	136
Pulp & paper industry	88	108	139
Medical	118	97	134
Other	417	308	491

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17 May 2024 Year-end Report 1 April – 31 March 2024
18 July 2024 Interim Report 1 April – 31 July 2024
26 August 2024 Annual General Meeting for the 2023/24 financial year

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