

Year-end report 2020/21

April 2020 – March 2021 (12 months)

May 11, 2021

Jörgen Wigh, CEO

Kristina Elfström Mackintosh, CFO



Introduction to Lagercrantz Group

Tech Group with leading positions in niches

Lagercrantz Group				
Electrify 14 companies 9 countries	Control 10 companies 7 countries	TecSec 7 companies 5 countries	Niche Products 15 companies 7 countries	International 12 companies 7 countries

- B2B Tech Group offering value-creating technology in expansive niches.
- Revenues exceeding MSEK 4,000 and about 1,600 employees.
- Decentralised organisation with almost 60 profit centres in 5 divisions.
- Acquisitions a central part of the business model.
- Listed since 2001 (Nasdaq Stockholm, Mid Cap).





Introduction to Lagercrantz Group

Divisions

Electrify

- Electrical and infrastructure products



Control

- Measure & Control



TecSec

- Technical security



Niche Products

- Niche proprieties



International

- Niche companies internationally (DK, NO, DE, UK, PL)

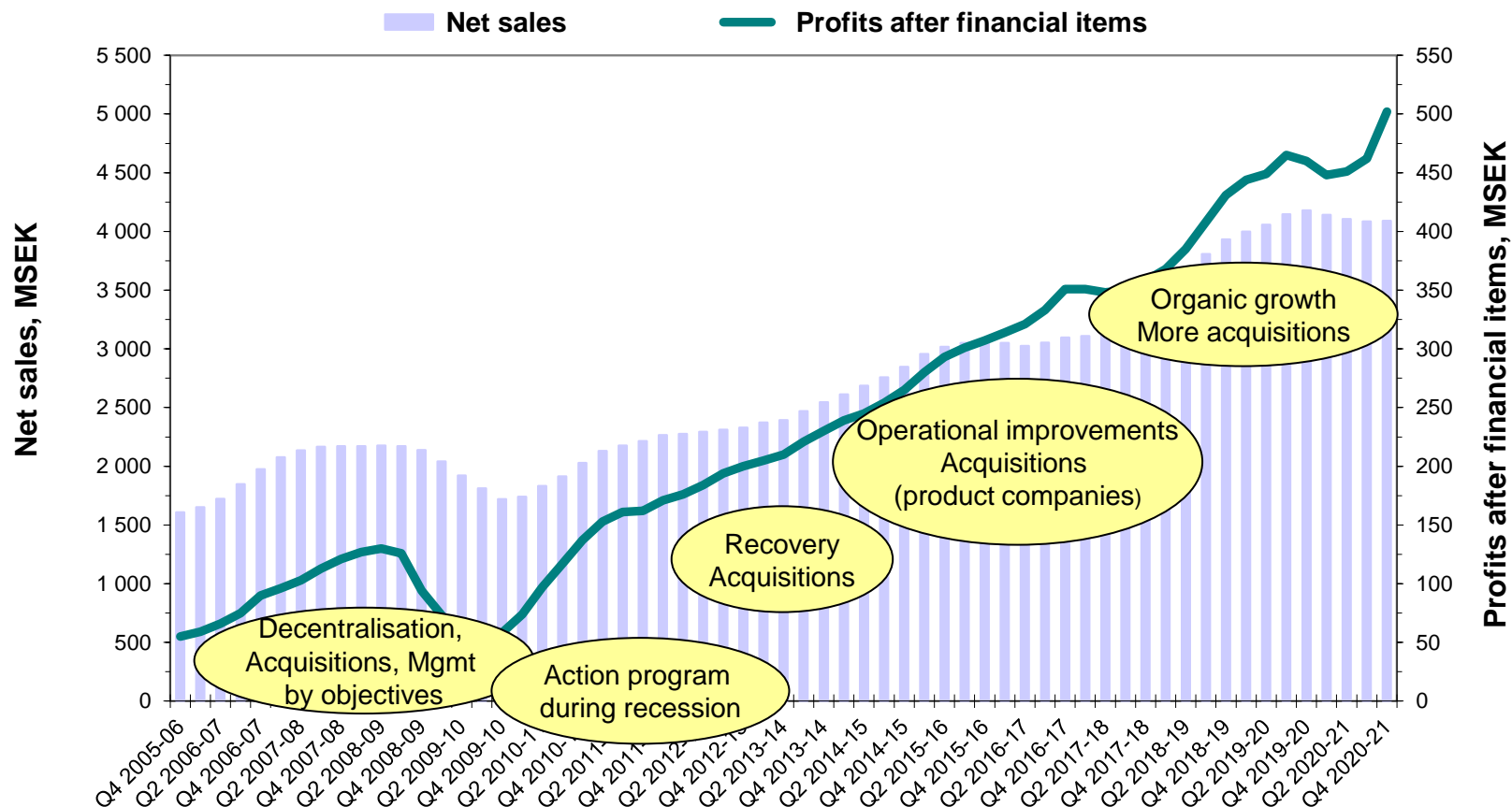




Year-end report 2020/21

Revenues and profits

Rolling 12 months, quarterly data

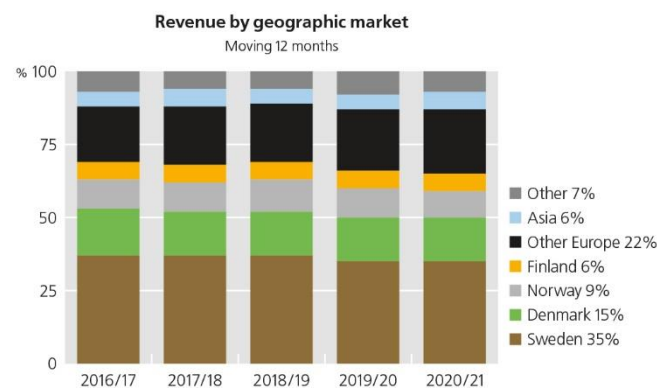
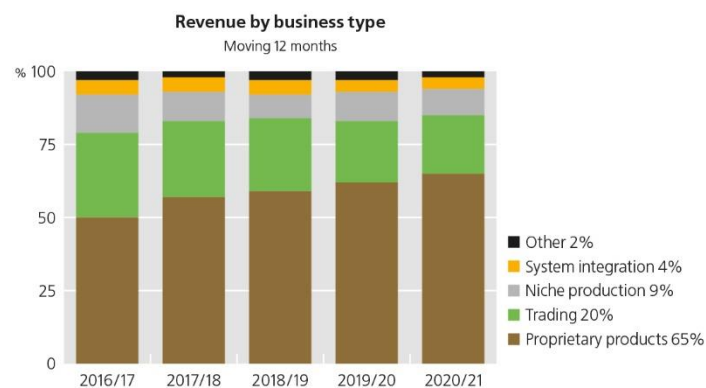




Year-end report 2020/21

Business conditions

- General improvement and recovery during the quarter. Order intake was up about 5% compared to Q4 last year for comparable units. A handful of the Group's 55 businesses still affected by the pandemic.
- Most of the Group's largest profit centers continue to develop well with growth and increased profits. E.g. Tormek, Wapro and Nikodan within Niche Products together with Elpress within Mechatronics delivered another strong quarter.
- Restructuring measures within Electronics division had positive effects during the quarter.
- Five new acquisitions are included in the numbers in the quarter (VP Metall, Hovicon, Esari, Proagria and Vihab), all of which complement our existing operations.
- CW Lundberg, leader within roof security products, acquired in April 2021. (FY 2020 - Net Sales 185/EBITA 33 MSEK.).





Year-end report 2020/21

Q4 2020/21

January – March 2021

- Net revenues amounted to MSEK 1 118 (1 112).
- EBITA increased to MSEK 192 MSEK (152).
 - All-time-high EBITA-margin of 17.2% (13.7).
- Profits after financial items increased by 32% to MSEK 166 (126).
- Profits after tax increased to MSEK 126 (101).
- Cashflow from operations amounted to MSEK 173 (177).
- 5 acquisitions during Q4.
 - VP Metall AS, Hovicon International B.V., Oy Esari Ab, ProAgria Miljø A/S and Vihab AB)
 - Annual sales volume of approx. MSEK 200.
- After Year-End, CW Lundberg, leading in roof safety products, was acquired. CWL Group, with subsidiaries in Sweden, Norway and Poland has an annual business volume of approx. MSEK 185.



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FY 2020/21

April 2020 – March 2021

- Net revenues amounted to MSEK 4 091 (4 180).
- EBITA increased by 9% to MSEK 616 (565).
 - EBITA-margin at 15.1% (13.5).
- Profits after financial items increased by 9% and amounted to MSEK 502 (460).
- Profits after tax amounted to MSEK 388 (366).
 - EPS after dilution at SEK 1.91 SEK (1.80).
- Return on equity was 22% (23).
 - Equity ratio at 40% (39).
- Cashflow from operations increased to MSEK 782 (507).
- Programme for future growth – “Lagercrantz towards one billion” – launched.
- The Board of Directors propose a dividend of 1.00 SEK (0.67) per share.



Outcome by division

NET SALES		2020/21				2019/20			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
MSEK									
Electronics		258	255	236	224	278	279	281	279
Mechatronics		330	311	295	313	356	335	273	297
Communications		214	237	172	199	239	251	198	209
Niche Products		316	275	215	241	239	234	202	230
Parent Company/consolidation items		-	-	-	-	-	-	-	-
GROUP TOTAL		1 118	1 078	918	977	1 112	1 099	954	1 015
EBITA		2020/21				2019/20			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
MSEK									
Electronics		37	32	23	16	20	29	33	31
Mechatronics		63	51	52	46	58	52	39	43
Communications		39	46	21	28	40	48	28	24
Niche Products		61	51	43	51	41	35	36	41
Parent Company/consolidation items		-8	-12	-7	-17	-7	-8	-10	-9
GROUP TOTAL		192	168	132	124	152	156	126	130
EBITA %		2020/21				2019/20			
%		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Electronics		14.3	12.5	9.7	7.1	7.2	10.4	11.7	11.1
Mechatronics		19.1	16.4	17.6	14.7	16.3	15.5	14.3	14.5
Communications		18.2	19.4	12.2	14.1	16.7	19.1	14.1	11.5
Niche Products		19.3	18.5	20.0	21.2	17.2	15.2	17.8	17.8
Parent Company/consolidation items		-	-	-	-	-	-	-	-
GROUP TOTAL		17.2	15.6	14.4	12.7	13.7	14.2	13.2	12.8



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Comments by division

Electronics

EBITA increased by 85% to MSEK 37 (20), an EBITA-margin of 14.3% (7.2). The division's measures during the year, with successful restructurings in Germany, Poland and Norway, as well as the improved market situation in Germany, have contributed to the improvement in earnings.

Mechatronics

EBITA increased by 9% to MSEK 63 (58) i.e an increase in EBITA-margin to 19.1% (16.3). Positive development in the wind turbine industry and expansion of electrical infrastructure contribute to good development for several of the division's companies, including the Group's largest units Elpress as well as for Kpro and Norwesco. Negative impact of the pandemic for Frictape where Frictape is prevented from performing installations at customers. Delays in international telecom projects have had a negative impact on CueDee. The acquisitions of Esari and VP Metall contributed to the improvement in earnings.

Communications

EBITA amounted to MSEK 39 (40), a margin of 18.2% (16.7). Positive development for several businesses, including Precimeter, ISG Nordic and Leteng, which showed volume growth and earnings improvements. Radonova continued to be affected by the pandemic, where the opportunities to measure radon, especially in apartment buildings, were lower than last year. R-Con noted good order intake, but invoicing was affected by the move to new premises.

Niche Products

EBITA increased by 49% to MSEK 61 (41), a margin of 19.3% (17.2). Strong volume growth and earnings improvements for several businesses, including Tormek, Nikodan and Wapro, who all report good growth. Continued challenges for Asept and SIB, which were both negatively affected by the pandemic with reduced sales to fast food chains, restaurants and airports.



Of importance ahead

Lagercrantz toward one billion

“ Our business concept has been successful for many years. Through this strategic program, we will continue the journey and within 5 years build an even stronger B2B Tech Group with one billion in profits.

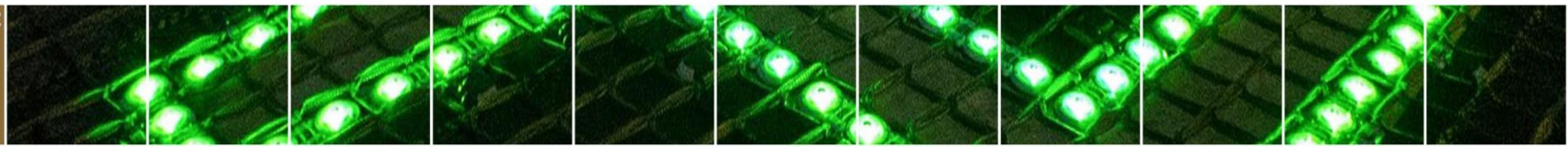
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Key themes;

- Clarifying strategies and financial goals
- Reorganizing into 5 divisions for clear growth ambitions
- Increase capacity within M&A
- Focus on sustainability





Lagercrantz towards one billion

Vision and financial goals

Sustainable supplier of value-adding technologies with market-leading positions in several expansive niches.

- ❖ Annual profit growth $> 15\%$ (EBT)
 - At least 1/3 organically and the rest through 5-8 acquisitions per year.
- ❖ Return on equity $> 25\%$.

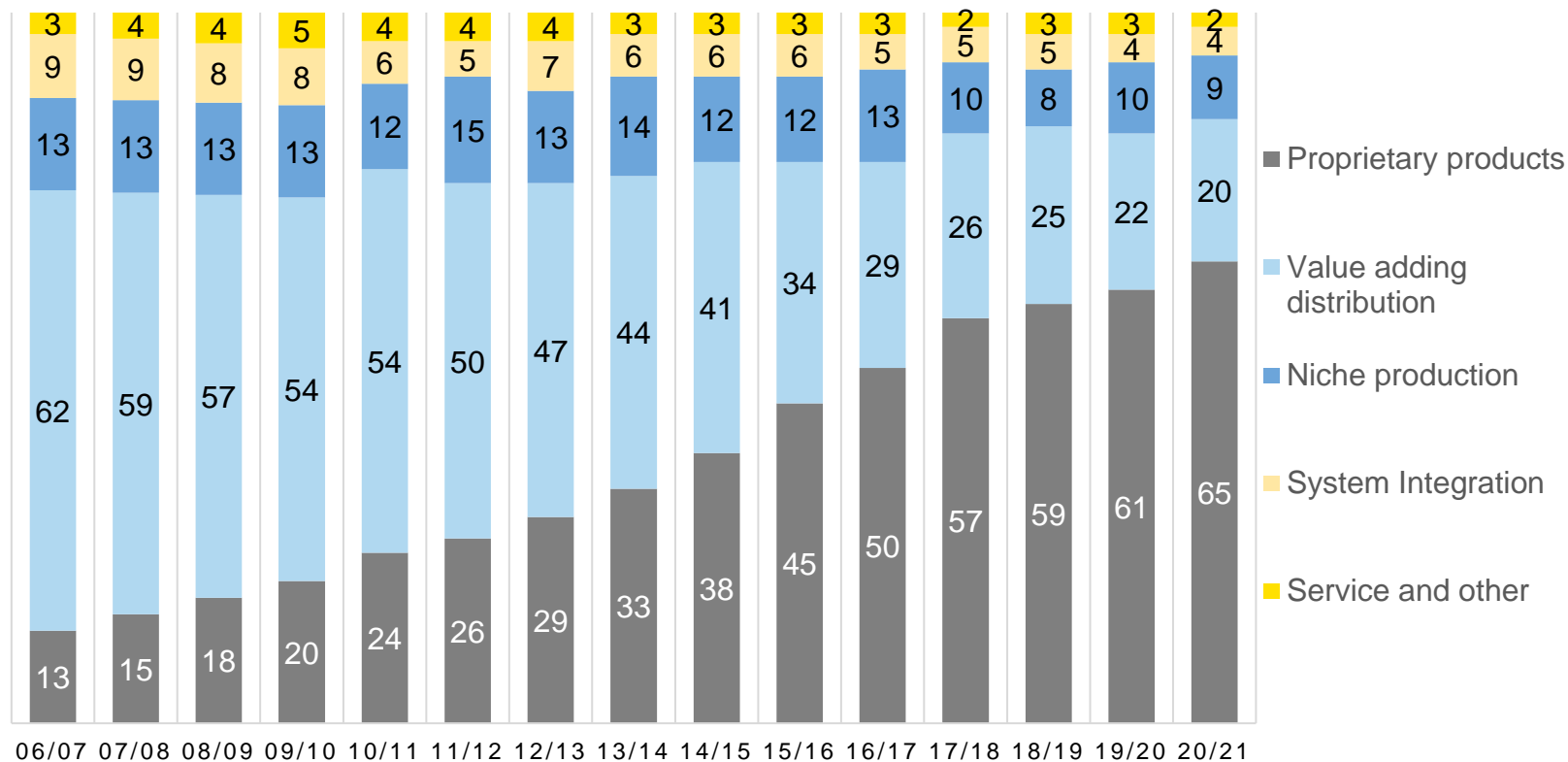




Lagercrantz towards one billion

Aim of 75% proprietaries

Percentage share of Group sales, Moving 12-months based on quarterly data

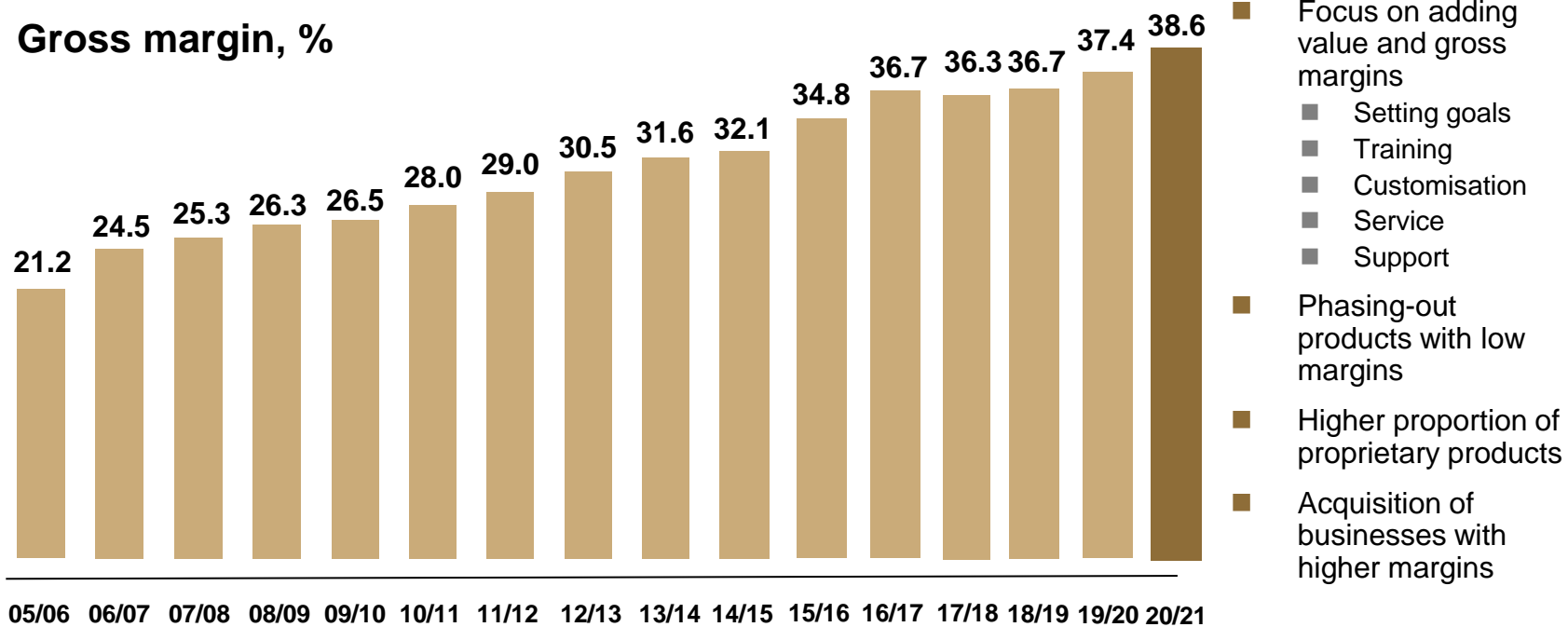




Lagercrantz towards one billion

Remaining focus on value-add

Gross margin, %





Lagercrantz towards one billion

Reorganizing into 5 divisions

	Electrify 14 companies 9 countries	Control 10 companies 7 countries	TecSec 7 companies 5 countries	Niche Products 15 companies 7 countries	International 12 companies 7 countries
<i>Focus</i>	Products for electrification of society, e.g. development of electricity infrastructure.	Measure and control technology including sensors, communication solutions and lighting control.	Solutions for increased security in society such as passage control, surveillance, fire security etc.	Niched product companies with large export potential or strong position on the home market.	Niched companies with focus on Denmark, Norway, Germany, Poland, Benelux and the UK.
<i>Units</i>	Elpress, Elcapsling, Esari, Steelo, Norwesco, Exilight, KPRO, Elfac, EFC, Enkom, Cue Dee, Swedwire, VP Metall, Dooman	Excidor, Precimeter, Radonova, Direktronik, Leteng, GasiQ, Load Indicator, the Vanpee companies	R-Con, ISG Nordic, COBS, STV, Frictape, Idesco, CW Lundberg	Tormek, Asept, Hovicon, SIB, Sajas, Kondator, Nikodan, Dorotea, Mekaniska, PST, Profsafe, Thermod, Vendig, Wapro, Proagria	Skomø, G9, NST, ISIC, Schmitztechnik, CAD Kompagniet, the ACTE companies, Unitronic, E-tech
<i>Revenue</i>	MSEK 1,300	MSEK 600	MSEK 800	MSEK 1,000	MSEK 700
<i>EBITA %</i>	~ 15%	~ 15%	~ 17%	~ 20%	~ 12%



Pro forma new division structure as of April 1, 2021

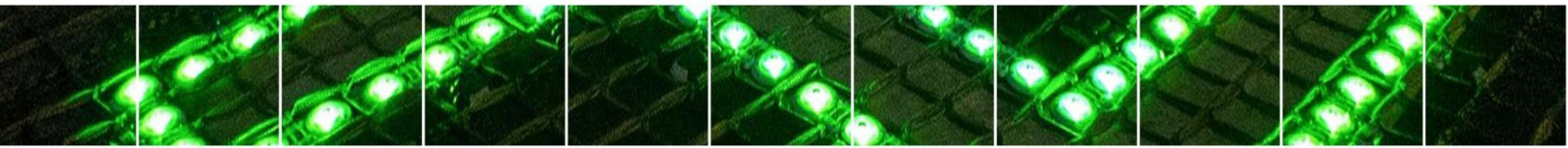
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Outcome by division

Net revenue		2020/21				2019/20			
MSEK		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Electrify		320	304	283	302	338	312	276	301
Control		156	162	119	141	161	175	142	156
TecSec		136	159	133	133	171	180	126	129
Niche Products		313	271	212	238	236	231	199	227
International		193	182	171	163	206	201	211	202
Parent Company/ consolidation items		-	-	-	-	-	-	-	-
GROUP TOTAL		1,118	1,078	918	977	1,112	1,099	954	1,015

Operating profit (EBITA)		2020/21				2019/20			
MSEK		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Electrify		57	49	45	42	53	45	39	43
Control		30	29	9	15	23	35	19	17
TecSec		22	28	24	21	26	31	16	16
Niche Products		61	53	44	51	42	32	36	42
International		30	21	17	12	15	21	26	21
Parent Company/ consolidation items		-8	-12	-7	-17	-7	-8	-10	-9
GROUP TOTAL		192	168	132	124	152	156	126	130

Operating margin		2020/21				2019/20			
%		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Electrify		17.8	16.1	15.9	13.9	15.7	14.4	14.1	14.3
Control		19.2	17.9	7.6	10.6	14.3	20.0	13.4	10.9
TecSec		16.2	17.6	18.0	15.8	15.2	17.2	12.7	12.4
Niche Products		19.5	19.6	20.8	21.4	17.8	13.9	18.1	18.5
International		15.5	11.5	9.9	7.4	7.3	10.4	12.3	10.4
Parent Company/ consolidation items		-	-	-	-	-	-	-	-
GROUP TOTAL		17.2	15.6	14.4	12.7	13.7	14.2	13.2	12.8



Lagercrantz towards one billion

Increased focus on sustainability

50+ local initiatives

Different local initiatives which focuses on development and delivery on sustainable products and solutions to our customers, both for business and societal benefits.



Group initiatives in three areas:

Reduce the carbon footprint by striving to become neutral by 2030 at the latest.

Stimulating and secure workplaces with increased gender equality and diversity.

Compliance with the UN Global Goals and zero tolerance for deviation from our Code of Conduct.



Lagercrantz towards one billion

Increased capacity within M&A

- At least 1/3 of the growth will be organically ➡ the remaining will be from acquiring 5 – 8 companies per year.
- Central M&A resources but increased capacity and responsibility in the divisions.
- Continued development of international resources and networks, mainly in Germany, Poland, Benelux and the UK.





Acquisitions

- Focus on acquiring leading companies in expansive niches.
- Long-term acquisition process from gross list to integration.
- Decentralization, responsible ownership and references are important parameters.
- Acquisitions are mainly financed with own funds and bank financing.

The 8 most recent acquisitions add approx. MSEK 500 in sales volume

57 acquisitions since 2006, including :

- 2016. Kondator AB (Niche Products)
GasIQ AB (Communications)
Skomø A/S (Communications)
Exilight Oy (Mechatronics)
- 2017. E-Tech Components Ltd (Electronics)
Bereila B.V. (add-on to Asept, Niche Products)
Profsafe AB (Niche Products)
R-Contracting AB (Communications)
Wapro AB (Niche Products)
NST DK A/S (Electronics)
- 2018. Tormek AB (Niche Products)
Alf Bjurenwall AB (add-on to R-Con, Communications)
Gammadata (add-on to Radonova, Communications)
Schmitztechnik GmbH (Electronics)
- 2019. Dorotea Mekaniska AB (Niche Products)
OJ:s Vågssystem AB (add-on to Vendig, Niche Products)
G9, Denmark (Electronics)
Dynamo Free (add-on to Load Indicator, Communications)
Frictape, Finland (Mechatronics)
- 2020. UNRO/SDP (add-on to Asept International, Niche Products)
Nexlan AS (add-on to Direktronik, Communications)
Sajas Group (Niche Products)
- 2021. VP Metall AS (Mechtronics)
Oy Esari Ab (Mechatronics)
Hovicon International B.V (add-on to Asept, Niche Products)
Vihab AB (add-on to PST, Niche Products)
Proagria Miljø A/S (add-on to Wapro, Niche Products)
CWL Group (TecSec)



VP Metall AS

- VP Metall is market leader in electrical connectors based on so-called implosive connectors primarily for high voltage applications.
- Annual revenue of approx. MNOK 40.
- Located in Raufoss (NO).
- Sales is mainly in the Nordics but also export to other parts of the world.
- Part of the Mechatronics division as from January 2021.



MNOK	2018	2019	FC 2020
Sales	43.7	35.8	36.0
EBITA	10.3	6.3	8.3
EBITA, %	24%	18%	23%

Source: Pro forma.



Oy Esari Ab

- Esari is one of Finland's leading providers of equipment shelters and technical buildings.
- Annual revenues of approx. MEUR 5.
- Located in Kaustinen (FI). With sales mainly in Finland but also with some exports to Sweden.
- Part of the Mechatronics division from January 2021.



MEUR	2018	2019	FC 2020
Sales	5.1	4.8	5.2
EBITA	0.8	0.6	0.9
EBITA, %	16%	13%	17%

Source: Pro forma.



Hovicon International B.V.

- A Dutch company with dispensers for personal hygiene products such as soap and hand disinfection, and for sauces such as ketchup and mayonnaise for fast-food restaurants and kitchens.
- Annual revenues of approx. MEUR 6 with significant growth in the personal hygiene segment.
- Located outside Amsterdam (NL) with sales mainly in the Benelux and neighboring countries.
- Integrated into Asept Group within division Niche Products from January 2021.



MEUR	2018	2019	FC 2020
Sales	4.8	5.1	6.0
EBITA	0.9	1.1	1.7
EBITA, %	18%	21%	28%

Source: Pro forma.



Sajas Group

- Sajas Group is a leading supplier of brushes for road sweeping, airfield and railway cleaning etc.
- Annual revenues of approx. MEUR 10.
- Located in Tampere (FI), Tallin (EE) and Hagen (Osnabrück) (DE).
- Sales mainly in the Nordics, the Baltics and Germany but also some exports.
- Part of the Niche Products division from November 2020.



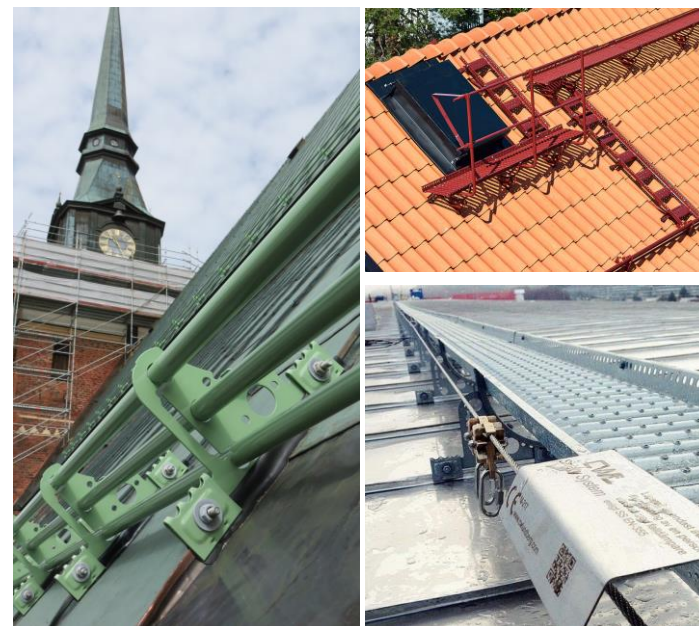
MEUR	2018	2019	FC 2020
Sales	9.9	9.7	9.4
EBITA	1.0	0.8	0.9
EBITA, %	10%	8%	10%

Source: Pro forma



CW Lundberg

- CW Lundberg is a leader in safety products for roofs and facades.
- Annual revenues of approx. MSEK 185.
- Most sales are generated in Sweden but the company is also pursuing international expansion in Europe and is established in Norway and Poland.
- Development, marketing and production are situated in Mora, Sweden.
- Part of division TecSec starting from April 2021.



MSEK	2018	2019	2020
Sales	165	178	183
EBITA	12,6	21,1	32,5
EBITA, %	7,6%	11,8%	17,8%

Source: Pro forma.



Financial overview

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Net Sales	2 328	2 546	2 846	3 057	3 096	3 410	3 932	4 180	4 091
EBITA	223	256	295	355	409	436	519	565	616
EBITA,%	9.6%	10.1%	10.4%	11.6%	13.2%	12.8%	13.2%	13.5%	15.1%
EBT	200	230	265	307	351	358	431	460	502
EBT growth	17%	15%	15%	16%	14%	2%	20%	7%	9%
Return on Equity	24%	24%	24%	25%	25%	23%	24%	23%	22%
Earnings per share*	0.79	0.87	1.00	1.18	1.34	1.40	1.68	1.80	1.91
EPS tillväxt	26%	10%	15%	18%	14%	5%	20%	7%	6%

* After share split 3:1



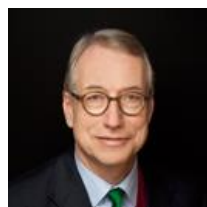
Thank you!



Appendix

Board and Management

Board of Directors



Anders Börjesson
Chairman of the Board



Anna Almlöf



Anders Claeson



Ulf Södergren



Anna Marsell



Fredrik Börjesson



Jörgen Wigh
CEO

Management



Jörgen Wigh
President & CEO



Kristina Mackintosh
CFO



Per Ikov
VP Bus Development (DK)



Peter Baaske
Head of Electrify



Urban Lindskog
Head of Control



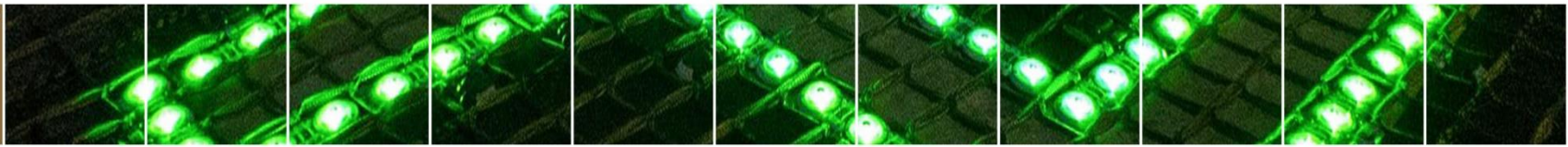
Martin Sirvell
Head of TecSec



Jonas Ahlberg
*Executive VP
Head of Niche Products*



Lars-Ola Lundkvist
Head of International



The share & owners

Owners 2021-03-31	Shares	Votes
Anders Börjesson & Tisenhult-gruppen	5.7%	29.3%
SEB Investment Management	15.0%	10.5%
Swedbank Robur Funds	12.7%	8.9%
Fidelity Investments (FMR)	6.1%	4.2%
Lannebo Funds	4.9%	3.4%
ODIN Funds	4.7%	3.3%
Didner & Gerge Funds	4.6%	3.2%
Jörgen Wigh	1.2%	2.9%
Handelsbanken Funds	3.9%	2.7%
Per Säve	2.0%	2.0%
Other Mgmt and Board	1.1%	1.6%

- B share listed on Nasdaq Stockholm, Mid Cap
- Ticker: LAGR B