



2017

INTERIM REPORT  
JANUARY - JUNE

# Interim report January – June 2017

## NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 96 per share, compared with SEK 87 per share at the beginning of the year. This is an increase of 13.3 per cent adjusted for dividend. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 10.8 per cent. The net asset value was SEK 92 per share at 21 August.<sup>1</sup>
- The total return on the Latour share was 25.9 per cent in the first six months compared with 10.8 per cent for the SIXRX.
- A 4:1 share split was implemented in June.

## INDUSTRIAL OPERATIONS

### The second quarter

- The industrial operations' order intake rose 18 per cent to SEK 2,606 m (2,216), which represents a 3 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 16 per cent to SEK 2,493 m (2,144), which represents a 1 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit decreased by 3 per cent to SEK 297 m (307), which equates to an operating margin of 11.9 (14.4) per cent for continuing operations.
- Via its subsidiary REAC AB, Latour Industries acquired the German company AAT, which generates annual sales of EUR 18 m. Latour Industries also acquired the Italian company VIMEC, which generates annual sales of EUR 45 m. Since their takeover dates, both acquisitions have had positive impacts on earnings per share.

### January – June

- The industrial operations' order intake rose 21 per cent to SEK 5,047 m (4,167), which represents a 7 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 20 per cent to SEK 4,728 m (3,933), which represents a 6 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 8 per cent to SEK 550 m (509), which equates to an operating margin of 11.6 (12.9) per cent for continuing operations.

## GROUP

- Consolidated net sales totalled SEK 4,807 m (3,997) and profit after financial items was SEK 1,476 m (2,149), of which SEK 0 m (890) are capital gains.
- Consolidated profit after tax was SEK 1,351 m (2,224), which is equivalent to SEK 2.12 (3.49) per share. Excluding capital gains, profit increased to SEK 2.12 (2.09) per share.
- Net debt at the end of June was SEK 2,608 m (1,700) and is equivalent to 4 per cent of the market value of total assets.

## INVESTMENT PORTFOLIO

- During the first six months, the value of the investment portfolio increased by 17.2 per cent adjusted for dividends. The benchmark index (SIXRX) rose 10.8 per cent.
- The ownership in Tomra increased to 26.3 per cent of the equity following the acquisition of 689,000 shares, of which 349,000 shares were acquired in the second quarter.

## EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the reporting period.

<sup>1</sup> The calculation of the net asset value on 21 August 2017 was based on the value of the investment portfolio at 1 p.m. on 21 August and the same values as on 30 June were used for the unlisted portfolio.

## LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting primarily of wholly-owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principal owners. The investment portfolio consists of nine substantial holdings that had a market value of about SEK 47 billion as at 30 June 2017. The wholly-owned industrial operations are grouped into four business areas: Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. In 2016, they generated turnover in excess of SEK 8 billion.

## Comments from the CEO

"After several quarters of good growth and earnings performance, the second quarter of 2017 was somewhat quieter. However, we're continuing to grow more than our target of at least 10 per cent. In total, order intake grew by 18 per cent and invoiced sales by 16 per cent. Both order intake and invoiced sales delivered modest organic growth, however, of 3 per cent and 1 per cent respectively. Effects of calendar variation are thought to adversely impact these figures by 4 to 5 percentage points. Similarly, the calendar-related effects helped us in the first quarter when order intake grew organically by 12 per cent and invoiced sales by 11 per cent. The cumulative 7 per cent organic growth in order intake and 6 per cent in invoiced sales thus provides a good picture of the level of activity in our business areas.

The operating profit in the quarter was SEK 297 m (307), giving an 11.9 (14.4) per cent operating margin. One of the reasons why earnings are slightly down, aside from the effects of calendar variation, is that outgoing deliveries are not keeping pace with the order intake. The order backlog has consequently increased. The SEK 320 m increase makes it the highest order backlog ever of SEK 1,340 (1,040) m. It is primarily our customers in the construction sector that have been affected by delays, partly due to a lack of resources in the construction industry. Swegon, the business area most affected by this, has an order intake this year that is SEK 257 m more than invoiced sales. However, there is nothing to suggest that this will not balance out in the second half of the year, and we are therefore anticipating good levels of invoiced sales in the months to come.

We are continuing to invest resources consistently in product development, sales and marketing. We have also been consciously focusing on improving the digital presence of our business areas, particularly with the aim of making it easier for our customers to do business with us. A quarter like this increases expenditure to a greater extent than income. The industrial operations as a whole are steadily continuing to deliver above our 10 per cent annual growth target and well above our 10 per cent operating margin target.

As far as we can see, the economic climate in the building and construction industry remains strong across much of Europe. However, the lack of resources in several markets is becoming increasingly apparent. This may cause growth to slow for a while but, on the other hand, there are a great many development projects in the pipeline which means the construction industry should be able to sustain this high level of activity. The Nordic countries still have the best business climate. Germany is also showing good growth and the UK appears to have stabilised. Developments in the general manufacturing industry have also been better than they have since the end of 2016. We are viewing developments in South East Asia, including China and India, with some optimism, even though the industrial operations do not yet have a significant stake there. Nord-Lock has continued to report pleasing growth in Asia. Business developments and growth in the USA feel least certain at present. We feel the situation there is somewhat unclear with very mixed signals, depending on the sector, but also with regard to the general willingness to invest.

We acquired two businesses for the industrial operations in the second quarter. Latour Industries' subsidiary REAC acquired the German company AAT, which manufactures equipment for customers in the European Mobility Rehab market. And Latour Industries acquired the Italian company VIMEC, a leading manufacturer of platform lifts and stair lifts. Read more about our acquisitions on page 4 in the report. In total, the acquisitions made in 2017 will add just over 8 per cent growth on an annual basis for the industrial operations.

Thanks to our growth and stable earnings performance, we are well-positioned to think and act ahead, as we have in the past, no matter how the markets change. We see good prospects for continuing an in all conditions short-term relatively high acquisition activity in 2017. Our healthy financial position allows for investments of more than SEK 5 billion.

Our listed holdings have reported generally good and stable performances for the second quarter. HMS Networks and Troax have excelled appreciably.

The value of the investment portfolio increased by 17.2 per cent in the first six months, adjusted for dividends, while the benchmark index (SIXRX) increased by 10.8 per cent. The net asset value in Latour increased in the same period by 13.3 per cent to SEK 96 per share, adjusted for dividends."

*Jan Svensson  
President and Chief Executive Officer*

# Industrial operations

## Order intake, invoiced sales and earnings

The order intake increased in the second quarter by 18 per cent to SEK 2,606 m (2,216), which is equivalent to 3 per cent organic growth. Invoiced sales rose 16 per cent to SEK 2,493 m (2,144), which is equivalent to 1 per cent organic growth. The operating profit in the wholly-owned industrial operations decreased by 3 per cent to SEK 297 m (307) in the quarter. The operating margin was 11.9 (14.4) per cent.

The cumulative amount of the order intake increased by 21 per cent to SEK 5,047 m (4,168), which is equivalent to 7 per cent organic growth. Invoiced sales rose 20 per cent to SEK 4,728 m (3,933), which is equivalent to 6 per cent organic growth. The operating profit in the wholly-owned industrial operations increased by 8 per cent to SEK 550 m (509). The operating margin was 11.6 (12.9) per cent.

The above figures do not include the jointly-owned subsidiary Neuffer Fenster + Türen GmbH. See page 5 for a separate report.

## Acquisitions/disposals

The wholly-owned industrial operations were complemented with two acquisitions in the second quarter.

Through its subsidiary REAC, Latour Industries acquired the German company AAT, which is a leading supplier of powered stair climbing solutions and add-on drive products to the European mobility rehab market. The acquisition enhances REAC's product range, which provides a good base for further growth within interesting market segments. AAT generates annual sales of approximately EUR 18 m and has 72 employees.

In May, Latour Industries acquired VIMEC in Italy, a leading manufacturer of platform lifts and stair lifts. The acquisition of VIMEC was a natural next step for Latour Industries after the acquisition of the Swedish lift manufacturer Aritco in the spring of 2016. VIMEC generates annual sales of approximately EUR 45 m and has 166 employees.

Swegon acquired the Irish company Safegard Systems Ltd. in February. Safegard is the leading provider in the UK and Ireland of intelligent control and monitoring systems for smoke and fire dampers. Safegard's systems are used to contain and extract smoke within the ducted ventilation systems of commercial buildings such as hospitals, airports and multi-storey office blocks. The acquisition has a natural link to Swegon's previous acquisition of the smoke and fire damper manufacturer Swegon Air Management in the UK (former Ruskin Air Management). Safegard has an annual turnover of EUR 8 m and 24 employees.

In addition, Hultafors Group acquired the Swedish company Puvab AB in March. Puvab specialises in protective wear for the energy and utility business, and also manufactures flame resistant protective clothing for other industries. It produces high-quality, certified garments with an innovative design for work in demanding conditions. Puvab AB has an annual turnover of SEK 42 m and 49 employees.

In the first quarter, Latour-Gruppen also increased its ownership stake in Diamorph, from 26.4 per cent to 28.2 per cent.

# Industrial operations summary

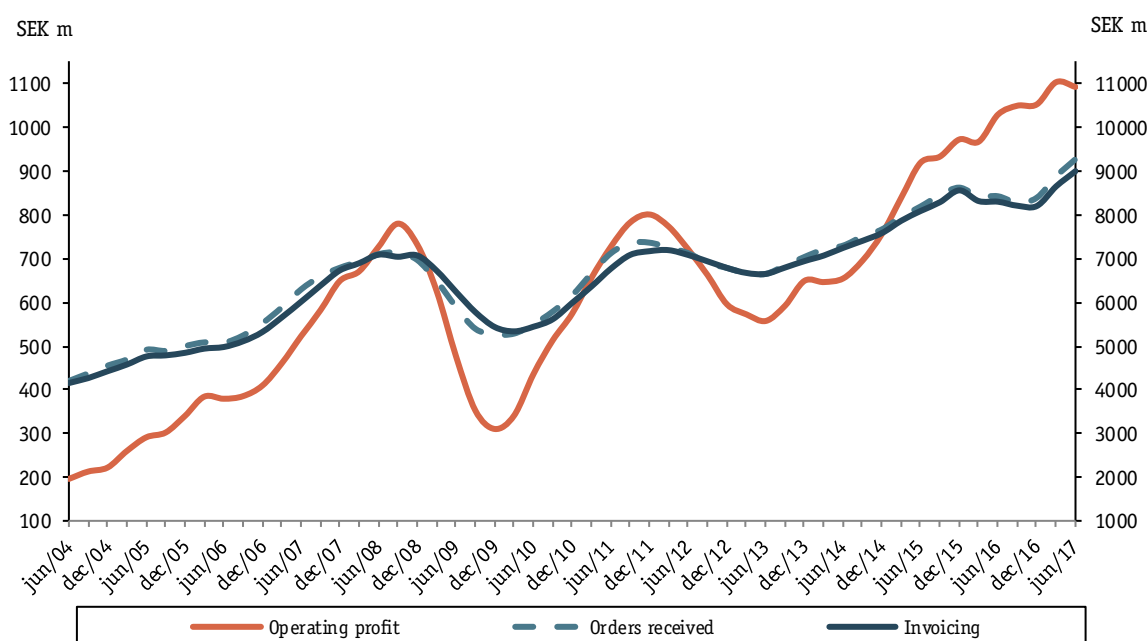
## Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths
Hultafors Group	460	422	905	805	64	60	126	112	14.0	14.2	14.0	14.0
Latour Industries	571	421	1,050	774	36	51	69	88	6.3	12.2	6.6	11.3
Nord-Lock Group	286	234	569	458	86	72	176	140	30.2	30.9	30.9	30.5
Swegon	1,177	1,070	2,205	1,903	110	124	179	169	9.4	11.6	8.1	8.9
Eliminations	-1	-3	-1	-7	1	-	-	-	-	-	-	-
	2,493	2,144	4,728	3,933	297	307	550	509	11.9	14.4	11.6	12.9
Neuffer	45	35	79	64	-7	-	-14	-2	-9.6	-1.3	-9.7	-2.7
	2,538	2,179	4,807	3,997	290	307	536	507	11.4	14.1	11.1	12.7
Gain/loss from sale/purchase of businesses	-	-	-	-	-10	-1	-15	7				
Other companies and items	-	-	-	-	-1	5	-2	4				
	2,538	2,179	4,807	3,997	279	311	519	518				

SEK m	Operating capital <sup>1</sup>		Return on operating capital %		Growth in net sales, 2017 %			
	2017 trailing 12	2016 Trailing 12	2017 Trailing 12	2016 Trailing 12	Total	Organic	Currency	quisitions
Hultafors Group	1 234	1 215	22,5	19,9	12,4	8,9	1,4	1,8
Latour Industries	2 346	1 480	6,3	12,5	35,6	4,8	1,2	27,9
Nord-Lock Group	943	786	32,3	32,3	24,2	10,5	3,1	8,9
Swegon	2 761	2 360	13,0	13,6	15,9	3,0	1,9	10,4
Total	7 284	5 841	15,0	17,1	20,4	6,1	1,7	12,0

<sup>1</sup> Calculated as total assets less cash and other interest-bearing assets and less non-interest-bearing liabilities. Calculated on the average for the past 12 months.

## Group trailing 12 months



# Development by business area

## HULTAFORS GROUP

(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Net sales	460	422	905	805	1,698	1,798
EBITDA	68	64	133	120	279	293
EBITA	64	61	126	114	267	279
EBIT	64	60	126	112	264	278
EBITA %	14.0	14.4	14.0	14.1	15.7	15.5
EBIT %	14.0	14.2	14.0	14.0	15.6	15.5
Total growth %	9.0	16.5	12.4	13.0	9.7	
Organic %	4.2	19.1	8.9	15.3	10.8	
Exchange effects %	1.9	-2.2	1.4	-2.0	-1.0	
Acquisitions %	2.6	-	1.8	-	-	
Average number of employees	690	685	689	681	685	

### Highlights

- Continued good organic growth despite meeting high growth rates from Q2 2016. Increased demand across most of the product areas and markets. After the first six months, all markets have exceeded the previous year.
- Sales of safety footwear under the brand names Solid Gear and Toe Guard are continuing to increase through our European sales companies and growth of 27 per cent was reported for the quarter.
- Strong earnings as a consequence of the robust growth. Earnings are also affected by positive forward exchange contracts that are gradually maturing.

### Breakdown of net sales

(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Workwear	228	206	458	401	855	912
Tools	138	131	268	249	522	540
Ladders	41	42	79	80	158	157
Safety Shoes	54	43	100	75	163	189
	460	422	905	805	1,698	1,798
Pro forma adjustment <sup>1</sup>						21
Trailing 12 month pro forma						1,819

<sup>1</sup> Pro forma for completed acquisitions.

**Hultafors Group** offers products in the categories of clothing for professionals, safety footwear, hand tools, ladders and scaffolding. The products are marketed through the brands that have strong positions in their respective markets: Snickers Workwear, Dunderdon, Solid Gear, Toe Guard, Hultafors and Wibe Ladders. Hultafors Group is also a distributor for the German manufacturing company Fein in the Swedish market.



(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Net sales	571	421	1,050	774	1,671	1,947
EBITDA	48	59	90	102	200	188
EBITA	40	52	75	90	173	158
EBIT	36	51	69	88	167	148
EBITA %	7.0	12.5	7.1	11.6	10.4	8.1
EBIT %	6.3	12.2	6.6	11.3	10.0	7.6
Total growth %	35.7	35.4	35.6	28.9	29.6	
Organic %	2.5	6.8	4.8	4.9	2.4	
Exchange effects %	1.7	-1.8	1.2	-1.6	-0.9	
Acquisitions %	30.3	29.1	27.9	24.9	27.6	
Average number of employees	1,397	1,107	1,280	1,046	1,143	

### Highlights

- During the quarter, net sales rose 36 per cent to SEK 571 m (421), which equates to organic growth of 2 per cent.
- The operating profit, weakened in part by the somewhat disappointing performance of newly-acquired Aritco, fell to SEK 36 m (51). Investments in sales and product development are also having a short-term negative impact on the operating margin.
- Two acquisitions have been made; AAT in Germany for REAC, and VIMEC in Italy. Please turn to page 4 for more information about the acquisitions.

### Breakdown of net sales

(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Kabona	41	40	81	74	154	161
Elvaco	24	22	50	42	84	93
Bastec	14	11	28	21	48	54
Produal	48	46	95	92	182	185
Elimination	-5	-1	-8	-2	-5	-11
Sum Bemsig	122	118	245	227	464	482
LSAB Group	127	126	256	243	457	470
Aritco Group	111	30	212	30	222	404
VIMEC	41	-	41	-	-	41
REAC	119	91	199	178	341	361
DENSIQ	36	40	68	71	135	132
AVT	15	15	31	27	52	56
	571	421	1,050	774	1,671	1,947
Pro forma adjustment <sup>1</sup>						526
Trailing 12 month pro forma						2,473

<sup>1</sup> Pro forma for completed acquisitions.

**Latour Industries** consists of a number of operating areas, each with its own business concept and business model. Our ambition is to develop independent entities within the business area which can eventually become new business areas within Latour.

(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Net sales	286	234	569	458	927	1,038
EBITDA	93	77	189	151	295	334
EBITA	88	74	178	143	275	311
EBIT	86	72	176	140	270	306
EBITA %	30.7	31.5	31.3	31.1	29.7	30.0
EBIT %	30.2	30.9	30.9	30.5	29.2	29.5
Total growth %	22.1	18.8	24.2	13.1	16.3	
Organic %	8.0	11.1	10.5	5.6	4.8	
Exchange effects %	4.0	-2.5	3.1	-1.6	-0.1	
Acquisitions %	8.6	9.6	8.9	8.9	11.1	
Average number of employees	492	408	480	404	426	

### Highlights

- During the quarter, net sales rose 22 per cent to SEK 286 m (234), with 8 per cent organic growth.
- The order intake rose by a total of 28 per cent, of which 14 per cent was organic growth.
- Sales growth was strong in Asia Pacific with 48 per cent growth in the quarter.
- Strong operating profit with stable margin.

### Breakdown of net sales

(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Europe	136	116	273	230	452	497
Americas	78	64	157	125	253	285
Asia Pacific	65	44	121	88	190	222
Emerging markets	8	9	18	15	32	34
	286	234	569	458	927	1,038
Pro forma adjustment <sup>1</sup>						-
Trailing 12 month pro forma						1,038

<sup>1</sup> Pro forma for completed acquisitions.

(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Net sales	1,177	1,070	2,205	1,903	3,913	4,215
EBITDA	132	144	221	207	427	440
EBITA	114	126	183	173	358	369
EBIT	110	124	179	169	351	360
EBITA %	9.7	11.8	8.3	9.1	9.2	8.7
EBIT %	9.4	11.6	8.1	8.9	9.0	8.5
Total growth %	10.0	15.2	15.9	7.5	9.9	
Organic %	-2.3	17.5	3.0	9.9	8.4	
Exchange effects %	2.3	-2.5	1.9	-2.5	-0.8	
Acquisitions %	10.1	0.5	10.4	0.3	2.2	
Average number of employees	2,215	1,920	2,190	1,906	1,958	

### Highlights

- Most of the west European markets continued to experience positive growth. Vibro-Acoustics, our operations in North America, also had a strong upward trajectory.
- Net sales increased to SEK 1,177 m (1,070). Due to calendar-related effects and lack of resources in the construction industry, deliveries were lower than the order intake, causing organic growth in invoiced sales to fall 2 per cent.
- The operating profit declined somewhat against a strong comparison quarter 2016 to SEK 110 m (124) with a 9.4 (11.6) per cent operating margin.
- The third quarter opens with the highest-ever order backlog and total order intake is SEK 257 m more than net sales.

### Breakdown of net sales

(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Sweden	273	281	539	507	971	1,003
Rest of Nordic region	204	200	415	364	776	827
Rest of world	700	588	1,251	1,032	2,166	2,385
	1,177	1,070	2,205	1,903	3,913	4,215
Pro forma adjustment <sup>1</sup>						111
Trailing 12 month pro forma						4,326

<sup>1</sup> Pro forma for completed acquisitions.

(SEK m)	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	2016 Full Year	Trailing 12 mths
Cooling	364	353	621	593	1,185	1,213
Home Solutions	98	70	188	125	276	339
Light Commercial	57	61	108	112	222	219
Commercial Ventilation	618	550	1,208	994	2,032	2,245
North America	65	59	125	116	247	256
Eliminations	-25	-24	-45	-37	-49	-57
	1,177	1,070	2,205	1,903	3,913	4,214

**Nord-Lock Group** is a world leader in secure bolting solutions. The Group offers a wide range of innovative technologies including Nord-Lock wedge-locking, Superbolt multi-jackbolt tensioning, Boltight hydraulic tensioning and Expander System pivot technology. With a global sales organization and international partners the customers benefit from bolting expertise and the optimum solution for any bolting challenge.

**Swegon** provides components and innovative system solutions that create a good indoor climate and contribute to significant energy savings in all types of buildings. Swegon's products constitute a turnkey solution for the perfect indoor climate.

## The Latour share's net asset value

In order to facilitate the evaluation of Latour's net asset value, Latour provides an estimated range of the value (Enterprise Value) for each business area based on EBIT multiples. These multiples have been calculated by comparing valuations of listed companies in comparable industries. Since there are variations in the listed companies' valuations these are reflected in the tables by valuing each business area in a range. Deductions are then made for the Group's net debt. The evaluation of comparable companies is based on the share price on the balance sheet date. Any price changes after the balance sheet date have not been taken into consideration.

A more detailed description can be found on page 17 in Latour's Annual Report for 2016.

In some cases, the valuation multiples for comparable companies span over a very big range. For this reason the multiples may be adjusted in order to avoid unreasonable values. The indicative value stated below is not a complete market valuation of Latour's holdings.

The net asset value increased to SEK 96 per share during the period from SEK 87 at the beginning of the year. The net asset value consequently increased by 13.3 per cent, adjusted for dividends, which can be compared to SIXRX which rose 10.8 per cent.

SEK m	Net sales <sup>1</sup>	EBIT <sup>1</sup>	EBIT multiple	Valuation <sup>2</sup> Range	Valuation <sup>2</sup> Average	Valuation <sup>2</sup> SEK/share <sup>3</sup> Range
Hultafors Group	1,819	279	11 – 15	3,069 – 4,185	3,627	5 – 7
Latour Industries	2,473	197	12 – 16	2,364 – 3,152	2,758	4 – 5
Nord-Lock Group	1,038	306	12 – 16	3,672 – 4,896	4,284	6 – 8
Swegon	4,326	369	13 – 17	4,797 – 6,273	5,535	8 – 10
	9,656	1,151		13,902 – 18,506		22 – 29
Industrial operations valuation, Average					16,204	25
Listed shares (see table on page 9 for breakdown)					47,387	74
Unlisted part-owned companies						
Diamorph <sup>5</sup> , 28,24%					246	1
Neuffer <sup>5</sup> , 66.1 %					197	0
Oxeon <sup>4</sup> , 31.3 %					15	0
Terratech <sup>5</sup> , 21,6 %					45	0
Other assets						
Short trading portfolio					30	0
Dilution effect of option programme					-66	0
Consolidated net debt					-2,608	-4
Estimated value					61,450	96
					(59 148 – 63 752)	(93 – 100)

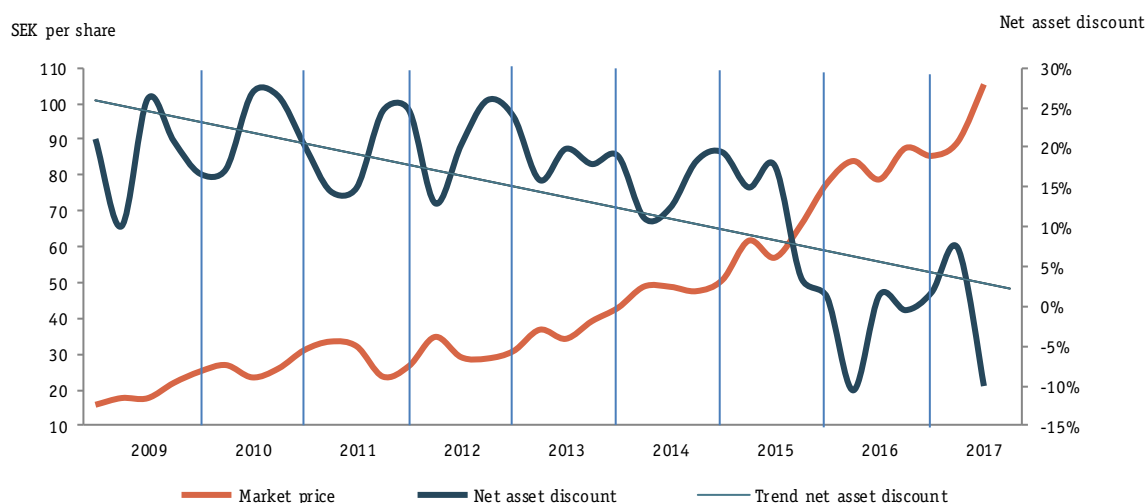
<sup>1</sup> Trailing 12 months for current company structure. EBIT is reported before restructuring costs.

<sup>2</sup> EBIT and EV/sales recalculated taking into consideration the listed share price on 30 June 2017 for comparable companies in each business area.

<sup>3</sup> Calculated on the basis of the number of outstanding shares.

<sup>4</sup> Valued according to the latest transaction.

<sup>5</sup> Valued according to Latour's latest acquisition price.





## Investment portfolio 30 June 2017

In the first six-month period, the value of the investment portfolio increased by 17.2 per cent, adjusted for dividends, while the benchmark index (SIXRX) increased by 10.8 per cent.

In the first six months, 689,000 Tomra shares were acquired, 349,000 of them in the second quarter, which increased equity to 26.3 per cent.

Share <sup>1</sup>	Number	Cost SEK m	Listed share price <sup>2</sup> SEK	Market value SEK m	Share of votes <sup>3</sup> %	Share of equity <sup>4</sup> %
Assa Abloy <sup>5</sup>	105,495,729	1,697	185	19,548	29.5	9.5
Fagerhult	55,861,200	571	122	6,787	48.9	48.3
HMS Networks	12,109,288	250	105	1,275	25.9	25.9
Loomis <sup>5</sup>	2,528,520	44	302	764	23.8	3.4
Nederman	3,512,829	306	235	826	30.1	30.0
Nobia <sup>6</sup>	4,649,894	94	85	396	2.8	2.7
Securitas <sup>5</sup>	39,732,600	1,081	142	5,658	29.6	10.9
Sweco <sup>5</sup>	32,622,480	445	208	6,776	21.0	26.8
Tomra <sup>7</sup>	39,000,000	2,000	102 NOK	4,018	26.4	26.3
Troax	6,020,000	397	223	1,339	30.1	30.1
Total		6,885		47,387		

<sup>1</sup> All holdings except Nobia are reported as associated companies in the balance sheet.

<sup>2</sup> The last price paid is used as the listed share price.

<sup>3</sup> Share of votes calculated after deduction of treasury shares.

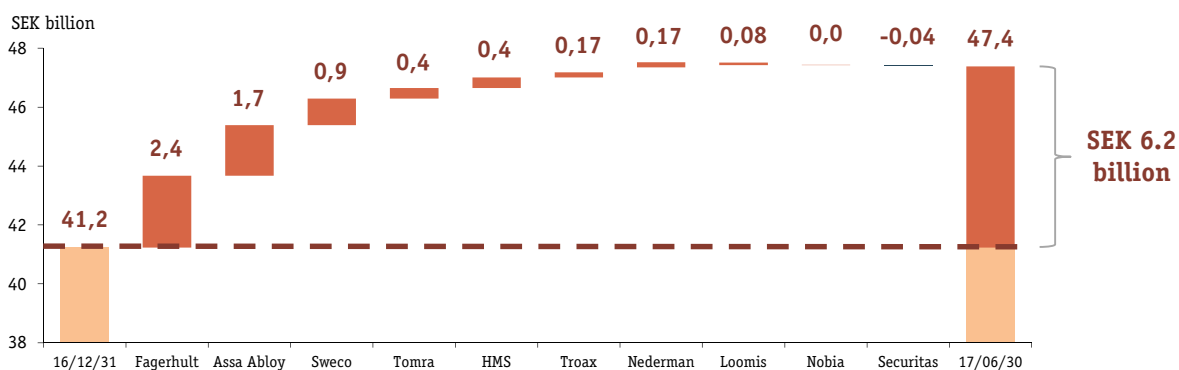
<sup>4</sup> Share of equity calculated based on total number of shares issued.

<sup>5</sup> Due to the limited trading in class A shares in Sweco, and the fact that the class A shares in Assa Abloy, Loomis and Securitas are unlisted, they have been given the same listed share price as the companies' class B shares. Holdings consisting of both class A and B shares are reported in the table as unit.

<sup>6</sup> The majority of the shareholding in Nobia was sold in December 2015, and Latour is therewith no longer a principal owner.

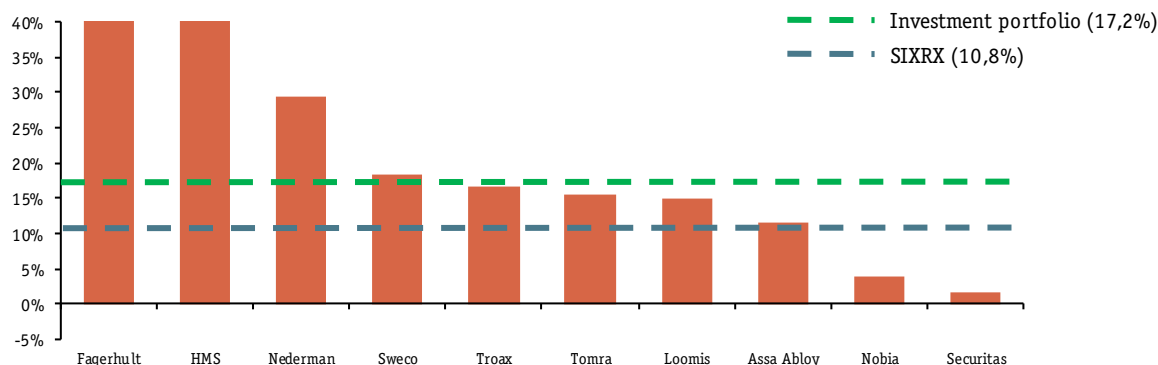
<sup>7</sup> At the end of the report period, the listed share price was NOK 102.00 which has been translated to SEK at the exchange rate on the balance sheet date.

### Movements in investment portfolio values



Movements in investment portfolio values (SEK billion). These figures include acquired and divested shares but not dividends.

### Total return for the portfolio companies



The total return, including share price development and dividends, for each portfolio company.

# Results and financial position

## Group

The Group's profit after financial items was SEK 1,476 m (2,149). Of this figure, SEK 0 m (890) are capital gains. Profit after tax was SEK 1,351 m (2,224), which is equivalent to SEK 2.12 (3.49) per share. Of this figure, SEK 0.0 (1.39) per share are capital gains.

The Group's cash in hand and liquid investments reached SEK 806 m (886). Interest-bearing debt, excluding pension liabilities, totalled SEK 3,374 m (2,576). The Group's net debt, including pension liabilities, was SEK 2,608 m (1,700). The equity ratio was 90 (90) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

There have been no transactions with related parties that have had a material effect on the results or financial position of the Group.

## Investments

During the period, SEK 175 m (129) was invested in property, plant and equipment, of which SEK 67 m (53) was machinery and equipment, SEK 21 m (8) vehicles and 87 m (68) buildings. Out of total investments for the year, SEK 102 m (78) refers to fixed assets in new acquisitions.

## Parent company

The parent company's profit after financial items was SEK 1,085 m (1,991). The parent company's equity ratio was 100 (100) per cent.

A 4:1 share split was implemented on 21 June. Thereafter, the number of outstanding shares, not including repurchased shares, on 30 June 2017 amounted to 638,836,000. At the end of the period, Latour held 1,004,000 repurchased class B shares. The total number of issued call options is 462,000, which give the right to purchase 1,848,000 shares.

The number of class A shares issued is 47,669,032 and the number of class B shares is 592,170,968.

## Events after the reporting period

There were no material events subsequent to the end of the reporting period.

## Risks and uncertainties

The main risk to which the Group and the parent company are exposed is the risk attributable to adverse changes in the values of financial instruments, including a general decline in the stock market or in the value of an individual holding. This includes uncertainties relating to changes in exchange rates and interest rates. Latour has a well-diversified holding of shares, spread across nine listed holdings and four wholly-owned business areas. This means that the development and performance of an individual holding will not have a drastic impact on the portfolio as a whole. As the wholly-owned industrial operations have increased in size, Latour as a whole is influenced to a higher degree by changes attributable to these operations. Latour is deemed to have a good risk diversification in its portfolio, which covers several industries, with a slight emphasis on industries exposed to the construction industry. Construction, too, can be divided into several dimensions, such as new builds or government-subsidised repair, conversion or extension work, locally or globally, and housing, office and industrial premises or infrastructure projects. No other material risks in addition to those described in Note 35 of Latour's Annual Report 2016 are deemed to have arisen.

## Audit and accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Reporting in respect of the Group and in accordance with the Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board in respect of the parent company.

New accounting standard requirements that came into effect on 1 January 2017 have not had any impact on the Group's or parent company's accounting as of 30 June 2017.

In other respects, the accounting policies adopted by the Group and parent company are consistent with those used in the preparation of the latest Annual Report.

The Latour Group uses a number of economic indicators that are not defined in the set of accounting rules used by the Group, so-called alternative performance measures. Definitions of the economic indicators can be found on page 19 of this report and in Latour's latest Annual Report. For an explanation of how the financial performance measures have been calculated for the current and prior periods, please see the table in this report and Latour's latest Annual Report. The Annual Reports for 1986 to 2016 are available for viewing on Latour's website [www.latour.se](http://www.latour.se).

This report has not been audited by the company's auditors.

Gothenburg, 22 August 2017  
Jan Svensson  
President and CEO

The Board of Directors and the Chief Executive Officer declare that the statements for the six month period give a true and fair view of the company's and the Group's operations, financial positions and performance and describe significant risks and uncertainties faced by the company and the Group's companies.

Gothenburg, 22 August 2017  
Investment AB Latour

Olle Nordström  
*Chairman*

Mariana Burenstam Linder  
*Board member*

Anders Böös  
*Board member*

Anders G. Carlberg  
*Board member*

Carl Douglas  
*Board member*

Eric Douglas  
*Board member*

Lena Olving  
*Board member*

Jan Svensson  
*Board member/CEO*

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Anders Mörck, Chief Financial Officer, tel. +46 (0)706-46 52 11 or +46 (0)31-89 17 90.

**Conference call**

Investment AB Latour invites you to listen to a conference call with Jan Svensson and Anders Mörck commencing at 11 a.m. today.

The number to call is +46 (0)8 566 426 91. The conference will be broadcast on the Internet.

To follow the presentation, please visit our website, [www.latour.se](http://www.latour.se).

*The interim report for the period January – September 2017 will be published on 7 November 2017*

*The 2017 Year-End Report will be published on 15 February 2018*

*The information contained in this report constitutes information which Investment AB Latour (publ) is required to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was provided by the above contact persons for publication on 22 August 2017 at 08.30 CET.*

## Consolidated income statement

SEK m	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	12 mths Jul-Jun 2016/2017	Full Year 2016
Net sales	2,538	2,179	4,807	3,997	9,154	8,344
Cost of goods sold	-1,512	-1,262	-2,839	-2,317	-5,381	-4,859
Gross profit	1,026	917	1,968	1,680	3,773	3,485
Sales costs	-466	-405	-909	-770	-1,754	-1,615
Administrative costs	-218	-169	-426	-326	-763	-663
Research and development costs	-72	-56	-133	-112	-250	-229
Other operating income	24	24	39	52	93	106
Other operating expenses	-15	-	-20	-6	-77	-63
Operating profit	279	311	519	518	1,022	1,021
Income from interests in associates	588	371	971	1,647	2,000	2,676
Income from portfolio management	12	19	14	17	98	101
Management costs	-3	-5	-7	-8	-15	-16
Profit before financial items	876	696	1,497	2,174	3,105	3,782
Finance income	31	15	63	32	114	83
Finance expense	-42	-28	-84	-57	-138	-111
Profit after financial items	865	683	1,476	2,149	3,081	3,754
Taxes	-68	-61	-125	-108	-284	-267
Net income of disposal group classified as held for sale and discontinued operations	-	-	-	183	-	183
Profit for the period	797	622	1,351	2,224	2,797	3,670
Attributable to:						
Parent company shareholders	799	622	1,355	2,225	2,797	3,673
Non-controlling interests	-2	-	-4	-1	-6	-3
Earnings per share regarding profit attributable to parent company shareholders <sup>1</sup>						
Basic share, SEK	1.25	0.97	2.12	3.49	4.38	5.75
Diluted share, SEK	1.25	0.97	2.11	3.47	4.37	5.73
Average number of basic shares outstanding <sup>1</sup>	638,632,044	638,503,892	638,589,260	638,366,944	638,251,080	638,414,600
Average number of diluted shares outstanding <sup>1</sup>	640,944,220	640,712,396	640,979,580	640,796,196	640,719,056	640,793,016
Number of outstanding shares <sup>1</sup>	638,836,000	639,840,000	638,836,000	639,840,000	639,840,000	638,546,000

<sup>1</sup> Comparative years recalculated with regard to the 4:1 share split carried out in June 2017.

## Consolidated statement of comprehensive income

SEK m	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	12 mths Jul-Jun 2016/2017	Full Year 2016
Profit for the period	797	622	1,351	2,224	2,797	3,670
Other comprehensive income:						
Items that will not be recycled to the income statement						
Restatement of net pension obligations	-	-	-	-	2	2
	0	0	0	0	2	2
Items that may subsequently be recycled to the income statement						
Change in translation reserve for the period	1	60	5	76	63	134
Change in fair value reserve for the period	-31	-56	2	-154	58	-98
Change in hedging reserve for the period	-4	-7	-8	-38	-29	-59
Change in associated companies' equity	-92	-123	112	318	359	565
	-126	-126	111	202	451	547
Other comprehensive income, net after tax	-126	-126	111	202	453	549
Comprehensive income for the period	671	496	1,462	2,426	3,250	4,219
Attributable to:						
Parent company shareholders	673	496	1,466	2,427	3,261	4,222
Non-controlling interests	-2	-	-4	-1	-6	-3

## Consolidated cash flow statement

SEK m	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	12 mths Jul-Jun 2016/2017	Full Year 2016
Operating cash flows before movements in working capital	248	288	448	439	952	943
Movements in working capital	-94	-114	-153	-212	-69	-128
Operating cash flows	154	174	295	227	883	815
Acquisitions of subsidiaries	-462	-748	-596	-704	-990	-1,098
Other investments	-6	-51	-77	-87	-191	-201
Portfolio management	-44	605	-82	1,652	55	1,789
Cash flow after investments	-358	-20	-460	1,088	-243	1,305
Financial payments	117	-875	-42	-1,763	178	-1,543
Cash flow from disposal group classified as held for sale	-	-	-	685	-27	658
Cash flow for the period	-241	-895	-502	10	-92	420

## Consolidated balance sheet

SEK m	2017/06/30	2016/06/30	2016/12/31
<b>ASSETS</b>			
Goodwill	5,740	4,745	5,070
Other intangible assets	201	168	172
Property, plant and equipment	892	782	811
Financial assets	14,117	12,375	13,783
Inventories etc.	1,431	1,394	1,165
Current receivables	2,138	1,776	1,740
Cash and bank	806	886	1,307
<b>Total assets</b>	<b>25,325</b>	<b>22,126</b>	<b>24,048</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to parent company shareholders	19,392	17,412	19,212
Non-controlling interests	105	107	107
<i>Total equity</i>	<i>19,497</i>	<i>17,519</i>	<i>19,319</i>
Interest-bearing long-term liabilities	612	835	735
Non-interest-bearing long-term liabilities	368	312	347
Interest-bearing current liabilities	2,812	1,777	2,042
Non-interest-bearing current liabilities	2,037	1,683	1,605
<b>Equity and liabilities</b>	<b>25,326</b>	<b>22,126</b>	<b>24,048</b>

## Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 2016	133	-58	417	15,588	0	16,080
Total comprehensive income for the period			-23	4,245	-3	4,219
Non-controlling interests on acquisitions					110	110
Issued call options		29		-4		25
Exercise of call options				5		5
Own shares repurchase		-43				-43
Dividends				-1,077		-1,077
Closing balance 31 Dec 2016	133	-72	394	18,757	107	19,319
Opening balance 1 Jan 2017	133	-72	394	18,757	107	19,319
Total comprehensive income for the period			-1	1,467	-4	1,462
Non-controlling interests on acquisitions					2	2
Issued call options						-
Exercise of call options		36		-8		28
Own shares repurchase		-37				-37
Dividends				-1,277		-1,277
Closing balance 30 June 2017	133	-73	393	18,939	105	19,497

## Key ratios, Group\*

	2017/06/30	2016/06/30	2016/12/31
Return on equity (%)	14	26	21
Return on total capital (%)	13	20	17
Equity ratio (%)	77	79	80
Adjusted equity ratio <sup>1</sup> (%)	90	90	91
Adjusted equity <sup>1</sup> (SEK m)	53,222	43,272	47,208
Surplus value in associated companies <sup>2</sup> (SEK m)	33,725	25,753	27,889
Net debt/equity ratio (%)	5	4	3
Net debt/EBITDA	2.8	2.4	1.2
Listed share price (SEK)	105	79	86
Repurchased shares <sup>3</sup>	1,004,000	1,298,000	1,294,000
Average number of repurchased shares <sup>3</sup>	1,250,740	1,556,826	1,451,824
Average number of employees	4,706	4,061	4,244
Outstanding convertible bonds	-	-	-
Issued warrants	-	-	-
Issued call options on repurchased shares	462,000	462,500	612,500

\* The key ratios include the disposal group classified as held for sale.

<sup>1</sup> Incl. fair value gain in associated companies.

<sup>2</sup> The difference between the carrying amount and market value.

<sup>3</sup> Comparative years recalculated with regard to the 4:1 share split carried out in June 2017.

## Parent company income statement

SEK m	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	12 mths Jul-Jun 2016/2017	Full Year 2016
Income from interest in associates companies	-340	565	1,091	1,996	1,091	1,996
Income from portfolio management	-	1	-	1	-	1
Management costs	-4	-3	-6	-5	-11	-10
Profit before financial items	-344	563	1,085	1,992	1,080	1,987
Interest income and similar items	-	-	-	-	-	-
Interest expense and similar items	-	-1	-	-1	-	-1
Profit after financial items	-344	562	1,085	1,991	1,080	1,986
Taxes	-	-	-	-	-	-
Profit for the period	-344	562	1,085	1,991	1,080	1,986

## Parent company statement of comprehensive income

SEK m	2017 Q2	2016 Q2	2017 6 mths	2016 6 mths	12 mths Jul-Jun 2016/2017	Full Year 2016
Profit for the period	-344	562	1,085	1,991	1,080	1,986
Change in fair value reserve for the period	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-344	562	1,085	1,991	1,080	1,986

## Parent company balance sheet

SEK m	2017/06/30	2016/06/30	2016/12/31
<b>ASSETS</b>			
Financial assets	7,718	10,302	9,510
Current receivables from Group companies	2,392	-	-
Other current liabilities	2	2	2
Cash and bank	-	5	5
Total assets	10,112	10,309	9,517
<b>EQUITY AND LIABILITIES</b>			
Equity	10,107	10,303	9,407
Interese-bearing long-term lilabilities	-	-	101
Non-interest-bearing long-term liabilities	4	5	5
Interese-bearing current liabilities	-	-	-
Non-interest-bearing current liabilities	1	1	4
Equity and liabilities	10,112	10,309	9,517

## Parent company statement of changes in equity

SEK m	2017/06/30	2016/06/30	2016/12/31
Amount at beginning of year	10,308	9,407	9,407
Total comprehensive income for the period	1,085	1,991	1,986
Dissolution of reserve for fund and coupon shares	-	-	5
Issued call options	-	-	5
Exercise of call options	28	25	25
Repurchased treasury shares	-37	-43	-43
Dividends	-1,277	-1,077	-1,077
Amount at end of year	10,107	10,303	10,308

## Segment reporting:

### Development by business area 1 Jan 2017 - 30 June 2017

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
INCOME							
External sales	905	1,049	569	2,205	79		4,807
Internal sales		1					1
RESULT							
Operating profit	126	69	176	179	-31		519
Income from portfolio management						978	978
Finance income							63
Finance expense							-84
Taxes							-125
Profit for the period							1,351
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	6	112	11	25	21		175
intangible assets	32	516		163	2		713
Depreciation/amortisation	7	21	14	42	10		94

## Segment reporting:

### Development by business area 1 Jan 2016 - 30 June 2016

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
INCOME							
External sales	805	767	458	1,902	65		3,997
Internal sales		7		1			8
RESULTS							
Operating result	112	88	140	169	9		518
Income from portfolio management						1,656	1,656
Finance income							32
Finance expense							-57
Taxes							-108
Profit for the disposal group classified as held for sale							183
Profit for the period							2,224
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	13	12	5	12	9		51
intangible assets		716		28	285		1,029
Depreciation/amortisation	7	14	11	39	9		80

## Change in consolidated interest-bearing net debt

SEK m	2016/12/31	Change in cash	Change in loans	Other changes	2017/06/30
Interest-bearing receivables	24			-14	10
Cash	1,307	-501			806
Pensions provisions	-39			-11	-50
Long-term liabilities	-696			134	-562
Utilised bank overdraft facilities	-52			-58	-110
Interest-bearing current liabilities	-1,990			-712	-2,702
Interest-bearing net debt	-1,446	-501	-636	-25	-2,608

## Five-year overview\*

SEK m	Jul-Jun 2016/2017	2016	2015	2014	2013
Net sales, SEK m	9,154	8,344	8,555	7,581	6,944
Operating profit, SEK m	1,022	1,021	975	746	621
Income from interest in associated companies, SEK m	2,000	2,676	1,952	1,347	1,060
Income from portfolio management, SEK m	83	101	1,493	36	43
Profit after finance items, SEK m	3,081	3,754	4,405	2,064	1,710
Earnings per share, SEK <sup>1</sup>	4	6	6	3	2
Return on equity, %	14	21	28	15	13
Return on total capital, %	14	17	22	13	12
Adjusted equity ratio, %	90	91	89	86	88
Net debt/equity ratio, %	5	3	5	10	7
Listed share price, SEK <sup>1</sup>	105	86	78	51	43

\* Reported key ratios include the disposal group classified as held for sale

<sup>1</sup> Comparative years recalculated with regard to the 4:1 share split carried out in June 2017.

## Note 1 Business combinations

### Specification of acquisitions

Transfer date		Country	Business area	Number of employees
13 February 2017	Safegard System Ltd.	Ireland	Swegon	76
8 Mars 2017	Puvab AB	Sweden	Hultafors Group	42
3 april 2017	AAT GmbH	Germany	Latour Industries	72
18 may 2017	VIMEC S.R.L	Italy	Latour Industries	166

### Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	230
Property, plant and equipment	109
Financial assets	10
Inventories	117
Account receivable	108
Other receivable	31
Cash	34
Long-term liabilities	-188
Current liabilities	-188
Net identifiable assets and liabilities	263
Group goodwill	468
Total purchase price	731
Additional purchase price	-100
Cash settlement purchase price	631
Acquisition of non-cash items	-1
Acquired cash	-34
Effect of Group cash	596

During the first six-months of 2017, Latour has acquired the entire shareholdings of Safegard Systems Ltd., Puvab AB, AAT GmbH and VIMEC SRL.

Safegard contributed SEK 18 m in income and SEK 8 m in operating profit. Puvab contributed SEK 17 m in income and SEK 1 m in operating profit. AAT contributed SEK 30 m in income and SEK 2 m in operating profit. VIMEC contributed SEK 41 m in income and SEK 3 m in operating profit. All acquisitions have been made with the aim of strengthening and developing the Latour Group's existing operations.

Transaction costs for acquisitions made during the period amount to SEK 17 m. Estimated additional purchase prices amounting to SEK 37 m for the acquisition of Safegard, SEK 15 m for the acquisition of Puvab, and SEK 48 m for the acquisition of AAT have been booked.



## Note 2 Information regarding financial assets and liabilities

The table below discloses how fair value is determined for the financial instruments valued at fair value in the statement on financial position. Fair value is determined according to three different levels. There were no transfers between the different levels of the fair value hierarchy and there were no changes in the methods and/or principles used in 2017 compared with the 2016 annual accounts.

### Financial instruments – Fair value

THE GROUP 30 June 2017

	Available-for-sales financial assets	Financial assets values at fair value via profit and loss	Derivatives used for hedging purposes	Loans and accounts receivable, cash	Other liabilities	Total carrying amount
<b>FINANCIAL ASSETS</b>						
Listed shares, management	396 <sup>1</sup>					396
Other long-term securities holdings	0 <sup>2</sup>					0
Other long-term receivables				10 <sup>3</sup>		10
Listed shares, trading		30 <sup>1</sup>				30
Unrealised gains, currency derivatives			16 <sup>2</sup>			16
Other current receivables				1 842 <sup>3</sup>		1,842
Cash				806 <sup>3</sup>		806
Total	396	30	16	2,658	0	3,100
<b>FINANCIAL LIABILITIES</b>						
Long-term loans					562 <sup>3</sup>	562
Bank overdraft facilities					110 <sup>3</sup>	110
Current loans					2 702 <sup>3</sup>	2,702
Other liabilities					1 113 <sup>3</sup>	1,113
Unrealised gains, currency derivatives			15 <sup>2</sup>			15
Total	0	0	15	0	4,487	4,502

<sup>1</sup> Level 1 – valued at fair value based on quoted prices on an active market for identical assets.

<sup>2</sup> Level 2 – valued at fair value based on other observable inputs for assets and liabilities than quoted price included in level 1.

<sup>3</sup> Level 3 – valued at fair value based on inputs for assets and liabilities unobservable to the market.

The basis of fair value for listed financial assets is the quoted market price on the balance sheet date. The basis of fair value for unlisted financial assets is determined using valuation techniques, such as recent transactions, the price of comparable instruments or discounted cash flows.

Hedging instruments consist of forward exchange contracts and interest rate swaps and are included in level 2. Valuation at fair value of the forward exchange contracts is based on levels established by the bank on an active market.

The fair value of accounts receivable and other receivables, current receivables, cash and other liquid funds, accounts payable and other liabilities as well as long-term liabilities are estimated to have the same value as their carrying amount. Market interest is not believed to materially deviate from the discount rate for interest-bearing long-term liabilities and therefore the carrying amount is considered in essence equal to the fair value.

The Group's valuation process is carried out by the Group finance and treasury department where a team works with valuation of the financial assets and liabilities held by the Group.

# Information by quarter

SEK m	2017		2016					2015				
	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT *</b>												
Net sales	2,538	2,269	8,344	2,315	2,033	2,179	1,818	8,555	2,284	2,079	2,161	2,030
Cost of goods sold	-1,512	-1,327	-4,859	-1,361	-1,182	-1,262	-1,055	-5,295	-1,417	-1,276	-1,339	-1,260
Gross profit	1,026	942	3,485	954	851	917	763	3,260	865	803	822	770
Costs etc. for the operation	-747	-702	-2,464	-723	-579	-606	-373	-2,285	-596	-544	-580	-565
Operating profit	279	240	1,021	231	272	311	390	975	269	259	242	205
Total portfolio management	597	381	2,761	526	579	385	1,271	3,430	1,543	463	759	665
Profit before financial items	876	621	3,782	757	851	696	1,661	4,405	1,812	722	1,001	870
Net financial items	-11	-10	-28	-18	15	-13	-12	-43	-11	-33	-18	19
Profit after financial items	865	611	3,754	739	866	683	1,649	4,362	1,081	689	983	889
Taxes	-68	-57	-267	-87	-72	-61	-47	-245	-56	-52	-81	-56
Profit for the period	797	554	3,670	652	794	622	1,602	4,117	1,745	637	902	833
<b>KEY RATIOS</b>												
Earnings per share, SEK <sup>1</sup>	1.25	3.48	5.75	1.03	1.24	0.98	2.51	6.45	2.74	1.00	1.41	1.31
Cash flow for the period	-241	-261	420	206	203	-895	905	527	476	45	29	-23
Adjusted equity ratio, %	90	92	91	91	90	90	91	89	89	86	86	87
Adjusted equity	53,222	51,995	47,208	47,208	47,319	43,272	41,546	43,161	43,161	36,936	37,171	39,271
Net asset value	61,450	60,742	55,500	55,500	55,673	51,083	48,665	50,572	50,572	43,833	44,150	46,379
Net asset value per share, SEK <sup>1</sup>	96	95	87	87	87	80	76	79	79	69	69	73
Listed share price, SEK <sup>1</sup>	105	90	86	86	88	79	84	78	78	66	57	62
<b>NET SALES</b>												
Hultafors Group	460	444	1,698	498	395	422	383	1,549	446	390	362	350
Latour Industries	571	479	1,671	477	419	421	354	1,289	377	311	311	290
Nord-Lock Group	286	283	927	240	229	234	224	797	193	198	197	208
Swegon	1,177	1,029	3,913	1,063	947	1,070	833	3,559	927	861	928	842
	2,494	2,235	8,209	2,278	1,990	2,147	1,794	7,194	1,943	1,760	1,798	1,690
Other companies and eliminations *	44	34	135	37	43	32	24	1,361	341	319	363	340
	2,538	2,269	8,344	2,315	2,033	2,179	1,818	8,555	2,284	2,079	2,161	2,030
<b>OPERATING PROFIT</b>												
Hultafors Group	64	62	264	95	56	60	52	218	75	54	48	42
Latour Industries	36	33	167	35	45	51	36	176	53	44	41	37
Nord-Lock Group	86	89	270	61	69	72	68	236	54	59	57	66
Swegon	110	68	351	81	101	124	45	270	78	74	80	39
	297	252	1,052	272	271	307	201	900	260	231	226	184
Gain/loss from sale/purchase of	-10	-5	-21	-24	-4	-1	191	-2	-3	6	-3	-2
Other companies and items *	-8	-7	-10	-17	5	5	-2	77	12	22	19	23
	279	240	1,021	231	272	311	390	975	269	259	242	205
<b>OPERATING MARGIN (%)</b>												
Hultafors Group	14.0	14.0	15.6	19.1	14.3	14.2	13.7	14.1	16.8	13.8	13.2	11.9
Latour Industries	6.3	6.9	10.0	7.2	10.7	12.2	10.3	13.6	14.1	14.1	13.3	12.7
Nord-Lock Group	30.2	31.5	29.2	25.6	30.1	30.9	30.1	29.7	27.9	30.0	28.9	31.6
Swegon	9.4	6.6	9.0	7.6	10.6	11.6	5.4	7.6	8.4	8.7	8.6	4.6
	11.9	11.3	12.8	11.9	13.6	14.4	11.3	12.5	13.4	13.1	12.6	10.9

\* Specma Group included until 2015.

<sup>1</sup> Comparative years recalculated with regard to the 4:1 share split carried out in June 2017.

# Definitions of key data

## Organic growth

Change in sales in comparable entities after adjustment for acquisitions and foreign exchange effects.

## Operating profit (EBITDA)

Earnings before interest, tax, depreciation of property, plant and equipment and amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability.

## Operating profit (EBITA)

Earnings before interest, tax, amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability.

## Operating margin (EBITA) %

Earnings before interest, tax, amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability, as a percentage of net sales.

## Operating profit (EBIT)

Earnings before interest and tax.

## Operating margin (EBIT) %

Operating profit divided by net sales.

## Operating capital

Total assets less cash and cash equivalents, other interest-bearing assets and non-interest-bearing liabilities. Calculated on the average for the past 12 months.

## Total growth

Increase in revenue for the period as a percentage of the previous year's revenue.

## Currency-driven growth

Increase in revenue due to currency changes for the period as a percentage of the previous year's revenue.

## Organic growth

Increase in revenue for the period, adjusted for acquisitions/divestments and exchange rate changes, as a percentage of the previous year's revenue adjusted for acquisitions and divestments.

## Basic earnings per share

Profit for the period divided by the number of outstanding shares in the period.

Calculations:

Jan-June 2017:  $1,351/638,589,260 \times 1,000=2.12$

Jan-June 2016:  $2,224/638,366,944 \times 1,000=3.49$

## Diluted earnings per share

Calculations:

Jan-June 2017:  $1,351/640,979,580 \times 1,000=2.11$

Jan-June 2016:  $2,224/640,796,196 \times 1,000=3.47$

## Equity ratio

The ratio of shareholder equity to total assets.

## Adjusted equity ratio

The ratio of shareholder equity plus gains in associated companies to total assets including gains in associated companies.

## Net borrowings

Interest-bearing liabilities less cash and cash equivalents and interest-bearing receivables.

## Return on equity

The ratio of net income booked in the income statement to average equity.

## Return on total capital

The ratio of profit/loss after financial items plus finance expense to average total assets.

## Return on operating capital

The ratio of operating profit to average operating capital.

## Direct return

Dividends as a percentage of the share purchase price.

## EBIT multiple

The ratio of operating profit to market value adjusted for net debt.

## Net asset value

The difference between the company's assets and liabilities, when the investment portfolio (incl. associated companies) is recognised at market value and operative subsidiaries that are owned at the end of the period are recognised in an interval based on EBIT multiples for comparable listed companies in each business area.

## Other

The amounts in tables and other charts have each been rounded off. There may therefore be minor differences in the totals due to rounding-off.

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