



2018

YEAR-END REPORT

Year-end report 2018

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 100 per share, compared with SEK 95 per share at the start of the year. This is an increase of 8.3 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) decreased by 4.4 per cent. The net asset value at year-end was negatively affected by the weak stock market in December. However, it has recovered after the end of the year and increased to SEK 109 per share on 13 February 2019.¹
- The total return on the Latour share was 13.7 per cent during the year measured against the SIXRX, which fell 4.4 per cent.
- The Board of Directors proposes that the dividend be increased to SEK 2.50 (2.25) per share.

INDUSTRIAL OPERATIONS

Fourth quarter

- The industrial operations' order intake rose 23 per cent to SEK 3,116 m (2,528 m), which represents a 13 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 22 per cent to SEK 3,216 m (2,645 m), which represents a 12 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 25 per cent to SEK 401 m (321 m), which equates to an operating margin of 12.5 per cent (12.1) for continuing operations.
- Swegon completed the acquisition of the German company Zent-Frenger GmbH in October.

Full year

- The industrial operations' order intake rose 20 per cent to SEK 11,846 m (9,843 m), which represents an 11 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 20 per cent to SEK 11,608 m (9,705 m), which represents a 10 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 25 per cent to SEK 1,477 m (1,179 m), which equates to an operating margin of 12.7 per cent (12.1) for continuing operations.

THE GROUP

- Consolidated net sales totalled SEK 11,785 m (9,930 m) and profit after financial items was SEK 2,646 m (3,069 m). Assa Abloy's goodwill write-down and reserves during the year negatively impacted the income statement by SEK 685 m. Additionally, a revaluation of the holdings negatively impacted the income statement by SEK 479 m. Excluding these items, profit increased by 24 per cent to SEK 3,810 m (3,069 m).
- Consolidated profit after tax was SEK 2,324 m (2,788 m), which is equivalent to SEK 3.66 (4.37) per share.
- Net debt at the end of December was SEK 4,812 m (4,084 m) and is equivalent to 7 per cent of the market value of total assets.

INVESTMENT PORTFOLIO

- During the year, the value of the investment portfolio increased by 1.9 per cent adjusted for dividends and net investments. The benchmark index (SIXRX) decreased by 4.4 per cent.
- In the first and third quarters, the acquisition of 1,345,000 shares increased the ownership stake in Alimak Group to 29.2 per cent of the capital.

EVENTS AFTER THE REPORTING PERIOD

- An agreement was signed on 11 January for the acquisition of the Norwegian company TKS Heis. Otherwise, there were no material events subsequent to the end of the reporting period.

¹ The calculation of the net asset value on 13 February was based on the value of the investment portfolio at 1 p.m. on 13 February and the same values as at 31 December 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 ten substantial holdings that had a market value of just over SEK 47 billion as at 31 December 2018. The wholly-owned industrial operations are grouped into four business areas: Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. They generate a turnover of almost SEK 12 billion.

Comments from the CEO

"The record year of 2018 closed with yet another record-breaking quarter. During the quarter, order intake grew by 23 per cent and invoiced sales by 22 per cent. Excluding acquisitions and foreign exchange effects, order intake grew by 13 per cent and invoiced sales by 12 per cent. This excellent performance meant that net sales in 2018 reached a new record level of SEK 11.6 billion (9.7 billion). In 2018, the total growth in both order intake and invoiced sales was 20 per cent. At the end of the year, the order backlog stood at a record level of SEK 1,864 m (1,148 m) and was thus up an impressive 62 per cent on the previous year's value. Our long-term strategy and methodical investment in product development, sales and marketing in the companies continue to pay dividends.

Thanks to the industrial operations' strong growth, we are also able to report another quarter of record profit in absolute terms. The operating profit increased by 25 per cent to SEK 401 m (321 m) with an operating margin of 12.5 per cent. The full-year profit was also the best to date at SEK 1,477 m (1,179 m) with a higher operating margin of 12.7 per cent (12.1). We have exceeded all our financial targets in 2018. Growth was 20 per cent, the operating margin was 12.7 per cent and the return on operating capital was 16.1 per cent.

We see the industrial operations' record-high order backlog at the close of the year as confirmation that the business climate has remained favourable. The economic situation in the markets where we mainly operate has been strong in the fourth quarter. However, there are still concerns that an economic downturn could be on the way and, as in previous quarters during the year, economic activity has slowed down in some markets. This applies particularly to the UK, Germany, the Middle East and China. There are signs of reduced activity in North America too. Although this uncertainty has not had any major impact on our operations in 2018, we are continuing to prepare for a possible downturn in the economy.

We made one acquisition for the industrial operations in the fourth quarter. Swegon acquired the German company Zent-Frenger, a leading provider of radiant ceilings in Germany. We are continuing to look for suitable companies to add to the Group, both acquisitions that will complement our existing operations and companies that can form new business entities or business areas. During the year, we have made five acquisitions to the wholly-owned industrial operations. Combined, they add just over SEK 700 m in annual sales. Read more about our acquisitions on page 4.

The growth in value on the stock exchange has generally been weak throughout the fourth quarter. This also impacted the value of our investment portfolio which increased by just 1.9 per cent adjusted for dividends and net investments. By comparison, the benchmark index SIXRX was down 4.4 per cent. In the same period, the net asset value in Latour increased by 8.3 per cent to SEK 100 per share, adjusted for dividends.

Some of our listed holdings have now submitted reports. On the whole these reports are good, which again corroborates the high quality of the companies in our portfolio. The volatile stock market with its short-term upward and downward price movements does not affect our attitude towards the companies nor our long-term approach of helping to build strong, healthy and profitable companies that generate long-term value for shareholders. This approach is underscored by the continuation of acquisition activities in the investment portfolio. Bodil Sonesson was able to announce the acquisition of iGuzzini during her first quarter as the newly appointed CEO of Fagerhult. When the acquisition is completed in 2019, Fagerhult will become one of the largest leading lighting companies in Europe, generating annual sales in excess of SEK 8 billion. Latour is supporting the acquisition financially too as guarantor in the forthcoming new share issue in Fagerhult. In addition, Loomis recently acquired the German company Ziemann. This adds annual sales of approximately SEK 1.8 billion and will give Loomis a very strong position in the important German cash management market. Assa Abloy made a total of nineteen acquisitions which together add SEK 3.8 billion in sales. Nederman also made a significant acquisition in 2018.

We are delighted to say that 2018 was another record year and our operations are going from strength to strength. The operating profit continues to grow despite, and perhaps thanks to, the heavy investments being made in product development and sales that are recognised in the income statement. The Board of Directors proposes that the dividend **be increased by 11 per cent to SEK 2.50 (2.25) per share."**

*Jan Svensson
President and Chief Executive Officer*

Industrial operations

Order intake, invoiced sales and earnings

In the fourth quarter, the order intake increased by 23 per cent to SEK 3,116 m (2,528 m), with organic growth accounting for 13 per cent of this. Invoiced sales rose 22 per cent to SEK 3,216 m (2,645 m), with organic growth accounting for 12 per cent of this. The operating profit in the wholly-owned industrial operations increased by 25 per cent to SEK 401 m (321 m) in the quarter. The operating margin was 12.5 per cent (12.1). The order intake for 2018 as a whole increased by 20 per cent to SEK 11,846 m (9,843 m), with organic growth accounting for 11 per cent of this. Invoiced sales rose 20 per cent to SEK 11,608 m (9,705 m), with organic growth accounting for 10 per cent of this. The operating profit in the wholly-owned industrial operations increased by 25 per cent to SEK 1,477 m (1,179 m) during the year. The operating margin was 12.7 per cent (12.1).

The above figures only include subsidiaries of the wholly-owned business areas. See the separate report on page 5.

Acquisitions/disposals

In the fourth quarter, Swegon acquired the German company Zent-Frenger GmbH. Zent-Frenger is a leading provider of radiant ceilings in Germany. It also develops and sells customised commercial heat pumps and thermally active building system (TABS) products. Zent-Frenger's products are used to create a comfortable indoor climate in commercial buildings such as offices and hotels, as well as apartment buildings. The company develops and assembles its products in Heppenheim, Germany. The company has about 100 employees and generated sales of EUR 29 m in 2017.

An agreement was signed in November to divest the entire shareholding in Diamorph, a total of 14,923,571 shares which corresponds to 28.2 per cent of the capital. The transaction is expected in the first quarter, 2019.

Four acquisitions and one disposal have taken place earlier in the year. In March, the subsidiary Kabona AB in Latour Industries was sold to Nordomatic AB, the largest independent system integrator within building automation in the Nordic region. The transfer is in line with Latour's long-standing policy of streamlining its operations to include investments in companies with clear product ownership and opportunities for internationalisation. Kabona AB was divided into two separate companies in 2017, with Ecopilot AB taking over the product ownership of the Ecopilot product concept. Kabona AB has subsequently had a more streamlined focus on energy efficiency projects in building automation.

In March, the subsidiary Bemsig AB, in Latour Industries, acquired Sensortec Holding AG, a leading Swiss company active in sensors for building automation. Sensortec is based in Ins in the canton of Bern in Switzerland. The product range includes a full line of field units for building automation, as well as touchless sensors for automatic door systems marketed under the brand name of SENSIR. Most of its products are based on proprietary design and technology but the portfolio also includes selected third-party products from leading suppliers, such as Produal which is also part of

Bemsig, in order to be able to offer a full range. The company has 10 employees and generated sales of CHF 5.3 m in 2017.

In April, Hultafors Group acquired Johnson Level & Tool Mfg. Co., Inc., ("Johnson"). The company's head office is located in Wisconsin, USA. Johnson is a widely-recognised provider of measuring tools and a market leader in several channels of distribution in the USA. Net sales amounted to approximately USD 36 million in 2017 with a profitability well in line with Latour's financial targets. The company employs around 70 people. The acquisition is part of Hultafors Group's strategy to strengthen its presence in North America. This acquisition gives Hultafors Group access to a wide network of distribution points in relevant sales channels in the USA, as well as a complete product portfolio of levels, lasers and other measurement, marking and layout tools.

In addition, Hultafors Group acquired the Swedish company Hellberg Safety AB in July. Hellberg develops and supplies communication solutions, hearing protection and face protection for the personal protective equipment (PPE) market. Founded in 1962, the company has expanded over the years and currently has a presence in 50 markets with its own R&D, production, assembly and warehouse operations at its head office in Stenkullen, just outside of Gothenburg. Net sales amounted to SEK 66 m in 2017 with a profitability well in line with Latour's financial targets. The company employs around 20 people. The acquisition is part of Hultafors Group's strategy to expand its presence in the PPE market. This acquisition gives Hultafors Group access to a complete portfolio of state-of-the-art hearing protection products as well as customer relationships with a number of well-reputed companies.

Nord-Lock Group signed an agreement to acquire all shares in the distributor IDQ Investigación Diseño y Calidad, S.A.U. (IDQ) in June. The acquisition was finalised in September. The acquisition is a natural step in the growth strategy of Nord-Lock Group and will strengthen its local presence in Spain, ensuring that Nord-Lock Group customers continue to receive the level of service and support that they expect. Spain is a significant market for bolt securing and tensioning and the aim is to guarantee that Nord-Lock Group continues on its trajectory of strong growth. IDQ reported a turnover of SEK 17 m and had 7 employees in 2017.

Industrial operations summary

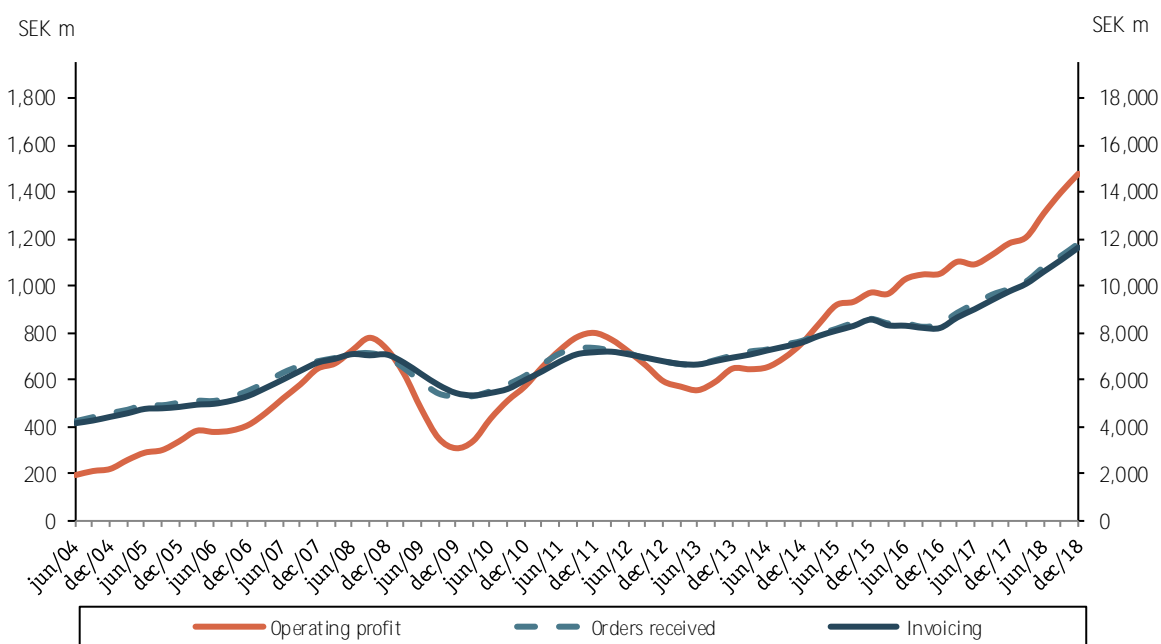
Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Hultafors Group	716	542	2,407	1,901	119	92	375	287	16.6	17.0	15.6	15.1
Latour Industries	747	706	2,758	2,314	55	55	191	171	7.3	7.7	6.9	7.4
Nord-Lock Group	333	268	1,309	1,114	89	76	397	340	26.8	28.4	30.3	30.5
Swegon	1,421	1,130	5,137	4,378	138	98	514	381	9.7	8.7	10.0	8.7
Eliminations	-1	-1	-3	-2	-	-	-	-	-	-	-	-
	3,216	2,645	11,608	9,705	401	321	1,477	1,179	12.5	12.1	12.7	12.1
Part-owned subsidiaries	52	54	177	182	4	8	-12	-	7.9	15.5	-6.8	0.1
	3,268	2,699	11,785	9,887	405	329	1,465	1,179	12.2	12.1	12.3	11.7
Gain/loss from sale/purchase of businesses	-	-	-	-	-17	-10	-38	-30				
Other companies and items	-	-	-	43	-3	-22	-30	-24				
	3,268	2,699	11,785	9,930	385	297	1,397	1,125				

SEK m	Operating capital ¹		Return on operating capital %		Growth in net sales, 2018 %			
	2018 Trailing 12	2017 Trailing 12	2018 Trailing 12	2017 Trailing 12	Total	Organic	Currency	Acquisitions
Hultafors Group	1,982	1,256	18.9	22.8	26.6	8.9	12.5	3.3
Latour Industries	3,068	2,682	6.2	6.4	19.2	7.7	7.2	3.2
Nord-Lock Group	1,033	950	38.4	35.8	17.5	13.0	0.2	3.7
Swegon	3,094	2,903	16.6	13.1	17.3	11.5	1.2	4.0
Total	9,177	7,791	16.1	15.1	19.6	10.2	4.7	3.7

¹ 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)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Net sales	716	542	2,407	1,901
EBITDA	126	96	395	300
EBITA	121	92	378	287
EBIT	119	92	375	287
EBITA %	16.9	17.0	15.7	15.1
EBIT %	16.6	17.0	15.6	15.1
Total growth %	32.0	8.8	26.6	11.9
Organic %	11.6	6.5	9.8	9.3
Exchange effects %	3.8	-0.6	3.3	0.3
Acquisitions %	16.6	2.8	12.5	2.1
Average number of employees	828	700	821	696

Highlights

- Strong organic growth during the quarter with increasing demand across all the product areas and in all key markets.
- Continued organic growth contributed to the quarter's solid performance and record results have been reported for the year as a whole.
- Investment in product development, sales and marketing organisation has continued to maintain the growth rate.
- The Swedish company Hellberg Safety AB and Johnson Level Inc. in North America were acquired in 2018.

Breakdown of net sales

(SEK m)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Personal Protective Equipment	444	357	1,415	1,195
Tools	228	144	819	548
Access Solutions	44	41	173	158
	716	542	2,407	1,901
Pro forma adjustment ¹			156	
Trailing 12 month pro forma			2,563	

¹ Pro forma for completed acquisitions.

Hultafors Group offers products in the Personal Protective Equipment, Tools and Access Solutions segments. The products are marketed under brands with strong positions in their respective markets: Snickers Workwear, Dunderdon, Solid Gear, Toe Guard, Hultafors, Wibe Ladders, Johnson and Hellberg. Hultafors Group is also a distributor for the German manufacturing company Fein in the Swedish market.



(SEK m)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Net sales	747	706	2,758	2,314
EBITDA	74	70	255	221
EBITA	65	61	217	189
EBIT	55	55	191	171
EBITA %	8.6	8.6	7.9	8.2
EBIT %	7.3	7.7	6.9	7.4
Total growth %	5.8	52.8	19.2	43.0
Organic %	5.3	10.7	7.7	6.3
Exchange effects %	3.0	0.2	3.2	0.7
Acquisitions %	-2.5	37.7	7.2	33.4
Average number of employees	1,387	1,830	1,412	1,422

Highlights

- Net sales rose 6 per cent in the quarter, of which 5 per cent was organic growth.
- The operating profit remained on a par with the previous year.
- Extensive investments in marketing and product development.
- During the year, Sensortec Holding AG was acquired and Kabona AB was sold.

Breakdown of net sales

(SEK m)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Produal	54	48	210	188
Sensortec	13	-	40	-
Ecopilot	1	1	3	6
Elvaco	30	38	126	110
Bastec	15	15	61	53
NODA	1	2	6	2
Elimination	-1	-1	-3	-1
<i>Sum Bemsiq</i>	<i>114</i>	<i>104</i>	<i>442</i>	<i>356</i>
Aritco Group	152	139	527	458
VIMEC	148	126	505	276
REAC	140	121	525	445
LSAB	146	138	570	502
DENSIQ	48	41	168	143
Kabona	-	38	22	145
Elimination	-1	-2	-2	-11
	747	706	2,758	2,314
Pro forma adjustment ¹			-11	
Trailing 12 month pro forma			2,747	

¹ 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, so that they are eventually able to become established as separate business areas within Latour.



(SEK m)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Net sales	333	268	1,309	1,114
EBITDA	98	84	431	368
EBITA	91	77	406	345
EBIT	89	76	397	340
EBITA %	27.5	28.8	31.0	31.0
EBIT %	26.8	28.3	30.3	30.5
Total growth %	24.1	12.0	17.5	20.2
Organic %	16.8	16.5	13.0	15.4
Exchange effects %	5.6	-4.0	3.7	-0.3
Acquisitions %	0.6	-	0.2	4.4
Average number of employees	575	505	542	488

Highlights

- Sales growth remained strong in the quarter, net sales increased organically by 17 per cent. Record net sales and operating profit for the year as a whole.
- Positive growth across all markets. Asia Pacific continued on its strong growth path with 32 per cent organic sales growth during the quarter.
- Proactive development of new customer solutions, a broader portfolio of wheel nuts was launched for agricultural/forestry, construction and mining applications.
- Positive response from the market to digital initiatives to simplify customer collaboration. For example, through webshops and tools such as augmented reality.
- The Spanish distributor IDQ was acquired during the year.

Breakdown of net sales

(SEK m)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
EMEA	161	136	661	559
Americas	92	74	334	322
Asia Pacific	80	58	314	233
	333	268	1,309	1,114
Pro forma adjustment ¹			7	
Trailing 12 month pro forma			1,316	

¹ Pro forma for completed acquisitions.

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.



(SEK m)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Net sales	1,421	1,130	5,137	4,378
EBITDA	157	117	599	462
EBITA	141	100	528	391
EBIT	138	98	514	381
EBITA %	9.9	8.9	10.3	8.9
EBIT %	9.7	8.7	10.0	8.7
Total growth %	25.8	6.3	17.3	11.9
Organic %	16.3	5.2	11.5	3.1
Exchange effects %	4.2	-0.9	4.0	0.6
Acquisitions %	3.8	2.0	1.2	7.9
Average number of employees	2,188	2,289	2,293	2,228

Highlights

- Net sales and order intake maintained strong organic growth during the quarter.
- A positive sales trend in all markets has given Swegon a record year in net sales and earnings.
- The new product launches have been well received by the market.
- The acquisition of Zent-Frenger GmbH was concluded on 1 November. Both the integration and the business development process are going according to plan.

Breakdown of net sales

(SEK m)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Sweden	294	256	1,137	1,022
Rest of Nordic region	275	211	969	817
Rest of world	852	663	3,031	2,539
	1,421	1,130	5,137	4,378
Pro forma adjustment ¹			239	
Trailing 12 month pro forma			5,376	

¹ Pro forma for completed acquisitions.

(SEK m)	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Cooling	416	316	1,502	1,241
Home Solutions	113	92	413	358
Light Commercial	55	55	225	220
Commercial Ventilation	630	546	2,388	2,068
North America	84	67	281	248
UK	150	127	583	502
Eliminations	-27	-73	-255	-259
	1,421	1,130	5,137	4,378

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, this is reflected in the table 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 therefore not been taken into consideration.

A more detailed description can be found on page 21 in Latour's Annual Report for 2017.

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.

During the period, the net asset value increased to SEK 100 per share from SEK 95 at the start of the year. The net asset value consequently increased by 8.3 per cent, adjusted for dividends. By comparison, the SIXRX fell 4.4 per cent.

SEK m	Net sales ¹	EBIT ¹	EBIT multiple	Valuation ² Range	Valuation ² Average	Valuation ² SEK/share ³ Range
Hultafors Group	2,563	393	10 – 14	3,930 – 5,502	4,716	6 – 9
Latour Industries	2,747	195	12 – 16	2,340 – 3,120	2,730	4 – 5
Nord-Lock Group	1,316	399	12 – 16	4,788 – 6,384	5,586	8 – 10
Swegon	5,376	522	13 – 17	6,786 – 8,874	7,830	11 – 14
	12,002	1,509		17,844 – 23,880		28 – 37
Industrial operations valuation, average					20,862	33
Listed shares (see table on page 9 for breakdown)					47,458	74
Unlisted part-owned companies						
Diamorph ⁵ , 28.2%					246	1
Neuffer ⁵ , 66.1 %					166	0
Oxeon ⁴ , 31.6 %					15	0
Terratech ⁵ , 21.6 %					49	0
Other assets						0
Short trading portfolio					41	0
Dilution effect of option programme					-45	0
Consolidated net debt					-4,812	-8
Estimated value					63,980	100
					(60 962 – 66 998)	(95 – 105)

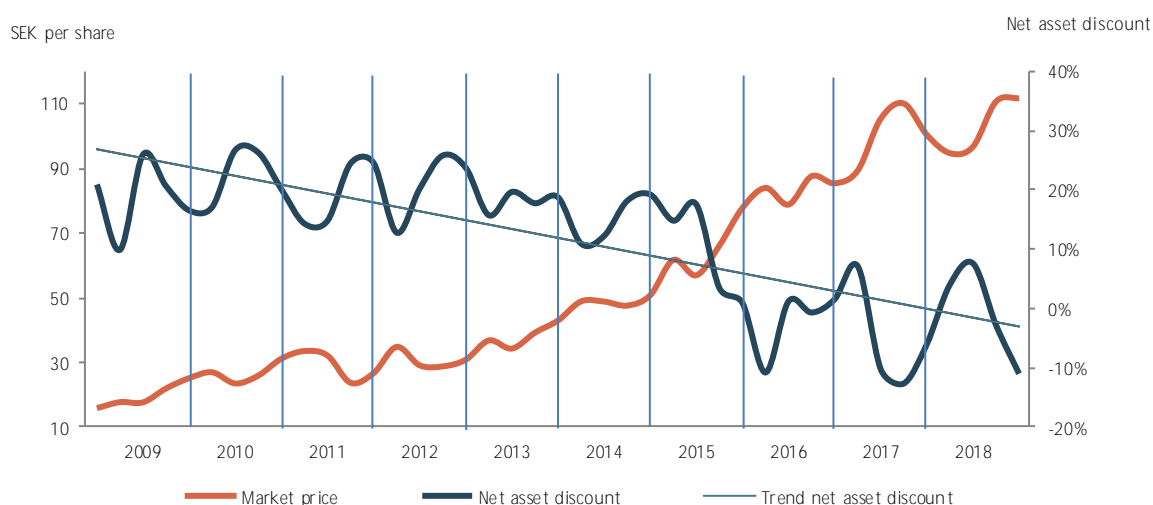
¹ Trailing 12 months for current company structure (proforma). EBIT is, as appropriate, reported before restructuring costs.

² EBIT and EV/sales recalculated taking into consideration the listed share price on 31 of December 2018 for comparable companies in each business area.

³ Calculated on the basis of the number of outstanding shares.

⁴ Valued according to the latest transaction.

⁵ Valued according to Latour's latest acquisition price.



The investment portfolio at 31 December 2018

During the year, the value of the investment portfolio increased by 1.9 per cent, adjusted for dividends and net investments, while the benchmark index (SIXRX) was down 4.4 per cent.

The ownership stake in Alimak Group increased to 29.2 per cent of the capital following the acquisition of a total of 1,345,000 shares.

Share ¹	Number	Cost SEK m	Listed share price ² SEK	Market value SEK m	Share of votes %	Share of equity %
Alimak Group	15,806,809	2,113	110	1,739	29.2	29.2
Assa Abloy ³	105,495,729	1,697	158	16,689	29.5	9.5
Fagerhult	55,861,200	571	76	4,251	48.8	48.3
HMS Networks	12,109,288	250	123	1,489	26.0	25.9
Loomis ³	2,528,520	44	286	723	23.8	3.4
Nederman	10,538,487	306	90	948	30.1	30.0
Nobia ⁵	4,649,894	94	49	229	2.8	2.7
Securitas ³	39,732,600	1,081	142	5,654	29.6	10.9
Sweco ^{3 4}	32,622,480	479	197	6,423	21.3	26.9
Tomra ⁶	39,000,000	2,000	195 NOK	7,780	26.4	26.3
Troax	6,020,000	397	255	1,532	30.1	30.1
Total		9,033		47,458		

¹ All holdings except Nobia are reported as associated companies in the balance sheet.

² The last price paid is used as the listed share price.

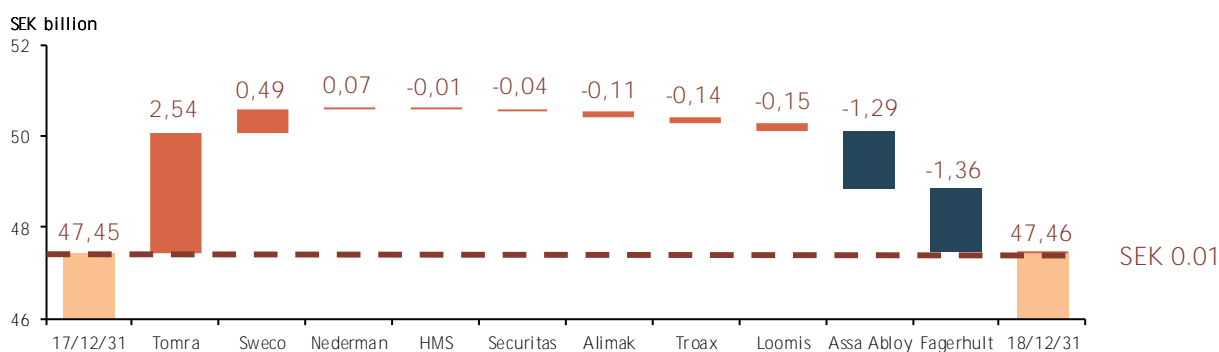
³ Due to the limited trading in class A shares in Sweco, and the fact that the class A shares in Assa Abloy, Loomis and Securitas are unlisted, they have been given the same listed share price as the companies' class B shares. Holdings consisting of both class A and B shares are reported in the table as unit.

⁴ The cost of the class B shares are SEK 34 m higher than in the parent company through the exercise of call options.

⁵ The majority of the shareholding in Nobia was sold in December 2015, and Latour is therewith no longer a principal owner.

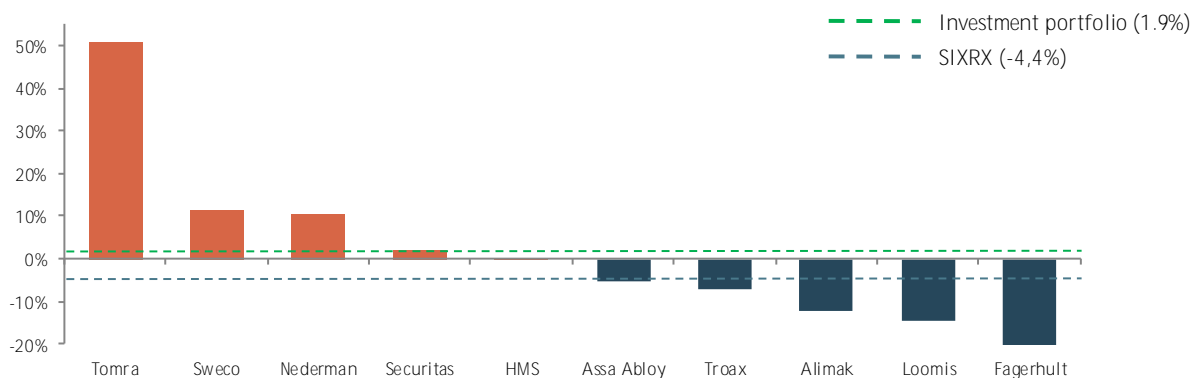
⁶ At the end of the report period, the listed share price was NOK 194,80 which has been translated to SEK at the exchange rate on the balance sheet date.

Investment portfolio during 2018



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

Total return 2018 for the portfolio companies



Results and financial position

The Group

The Group's profit after financial items was SEK 2,646 m (3,069 m). Profit after tax was SEK 2,324 m (2,788 m), which is equivalent to SEK 3.66 (4.37) per share. During 2018, our largest holding, Assa Abloy, reported a significant goodwill write-down and reserves, which negatively impacted this year's income statement by SEK 685 m. Additionally, a write-down of the holding in Alimak negatively impacted the income statement by SEK 479 m.

The Group's cash in hand and liquid investments reached SEK 744 m (626 m). Interest-bearing debt, excluding pension liabilities, totalled SEK 5,870 m (4,667 m). The Group's net debt, including pension liabilities, was SEK 4,812 m (4,084 m). The equity ratio was 86 per cent (88) calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

During the first quarter, Latour registered a SEK 4 billion Medium Term Note (MTN) programme with the Swedish Financial Supervisory Authority (Finansinspektionen), which gives yet another source of finance. This was followed up in March with a successful issue of Latour's first three bonds with a total value of SEK 2.5 billion, and another bond issue totalling SEK 600 m was carried out in May.

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 232 m (268 m) was invested in property, plant and equipment, of which SEK 150 m (145 m) was machinery and equipment, SEK 38 m (29 m) vehicles and SEK 44 m (94 m) buildings. Out of total investments for the year, SEK 62 m (103 m) refers to fixed assets in new acquisitions.

Parent company

The parent company's profit after financial items was SEK 1,408 m (1,078 m). The parent company's equity ratio was 76 per cent (100).

The number of class A shares issued is 47,642,248, and the number of class B shares is 592,197,752. Not including repurchased shares, the number of outstanding shares at 31 December 2018 amounted to 639,117,500. At the end of the period, Latour holds 722,500 repurchased class B shares.

The total number of issued call options is 1,401,000, which give the right to purchase 2,346,000 shares.

Events after the reporting period

On 11 January, the Norwegian company TKS Heis was acquired. Otherwise, there were no material events subsequent to the end of the reporting period.

Dividends

The Board of Directors proposes an increase of the regular dividend to SEK 2.50 (2.25) per share. In absolute terms, this corresponds to a dividend payout of SEK 1,598 m.

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 eleven 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 is generally influenced to a higher degree by changes attributable to these operations. On the whole, Latour is deemed to have a good risk diversification in its portfolio, which covers several industries, with a certain emphasis on sectors linked to the construction industry. Construction can also 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 material risks are deemed to have arisen other than those described in Note 34 of Latour's 2017 Annual Report.

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.

The Group has started to apply IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers with effect as of 1 January 2018.

IFRS 9 comprises three parts: Classification and measurement; Impairment; and Hedge accounting. Latour's reporting of financial instruments is only marginally affected by this new accounting standard. No impact has been identified relating to the classification and measurement requirements. With regard to impairment, the impact of the impairment model for expected credit losses is likely to be immaterial. No impact on opening balances can be identified relating to the hedge accounting requirements. Since the effects are immaterial, the opening balance for 2018 is not affected.

IFRS 15 provides a single model to determine how and when an entity should recognise revenue. Latour has opted to use the prospective approach, which means that prior-year comparatives will not be restated. The transition to IFRS 15 did not result in any material changes regarding the identification of the performance obligations or allocation of the transaction price to the performance obligations, or regarding the timing of revenue recognition when the performance obligations have been met. This means that the IFRS 15 standard has not had a significant impact on revenue recognition compared with the former revenue recognition standard. On the other hand, participating interests in associates and participating equity have

increased by SEK 29 m as a consequence of an increase in Securitas' equity with the introduction of IFRS 15.

The parent company's financial statements are not affected by the transition to IFRS 9 and IFRS 15.

The effective date for IFRS 16 is for periods beginning on or after 1 January 2019. Although early adoption is permitted, the Group has elected not to early adopt the standard. IFRS 16 sets out the principles for the recognition of leases in the Group's financial statements. Latour will apply the new standard going forward and thus use the retrospective approach with restatement with the cumulative effect of initial application on 1 January 2019. Comparative information will thus not be restated.

As a result of the application of the new standard, Latour will recognise all significant leases on the balance sheet. The impact on property, plant and equipment is expected to be just over SEK 700 m and mainly pertains to buildings and land. Interest-bearing debt is expected to increase by just over SEK 700 m.

This will have no significant impact on the consolidated income statement. However, since the lease costs are to be reversed and recognised instead as depreciation and interest expense, the annual pre-tax profit for the coming period will decrease by about SEK -3 m.

Other known changes in IFRS and IFRIC with future application are not expected to have any significant impact on the consolidated financial statements.

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 indicators 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 2017 are available for viewing on Latour's website www.latour.se.

Nomination Committee

The Nomination Committee for the Annual General Meeting on 7 May 2019 comprises the following members.

Gustaf Douglas (chair, principal owner)

Fredrik Palmstierna (the Palmstierna family, including companies)

Olle Nordström (Skirner AB)

Göran Espelund (Lannebo Fonder)

The Nomination Committee can be contacted through Latour's website www.latour.se under Corporate Governance, Nomination Committee.

Gothenburg, 14 February 2019

Jan Svensson

President and CEO

For further information please contact:

Jan Svensson, President and CEO, tel. +46 (0)705 77 16 40.

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 10.00 a.m. today.

The number to call is +46 (0)8 505 583 55. The conference will be broadcast on the Internet.

To follow the presentation, please visit our website, www.latour.se.

The interim report for the period January – March 2019 will be published on 29 April 2019

The Annual General Meeting will be held on 7 May 2019 at Radisson Blu Scandinavia in Gothenburg.

The interim report for the period January – June 2019 will be published on 20 August 2019

The interim report for the period January – September 2019 will be published on 5 November 2019

The information contained in this report constitutes information which Investment AB Latour (publ) is required to disclose under the EU Market Abuse Regulation. The information was provided by the above contact persons for publication on 14 February 2019 at 08.30 CET.

Consolidated income statement

SEK m	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Net sales	3,268	2,699	11,785	9,930
Cost of goods sold	-1,984	-1,600	-7,073	-5,885
Gross profit	1,284	1,099	4,712	4,045
Sales costs	-555	-511	-2,063	-1,856
Administrative costs	-265	-221	-953	-837
Research and development costs	-88	-93	-328	-286
Other operating income	74	78	143	141
Other operating expenses	-65	-55	-114	-82
Operating profit	385	297	1,397	1,125
Income from interests in associates	334	515	1,278	2,006
Income from portfolio management	-8	-5	23	10
Management costs	-5	-4	-21	-18
Profit before financial items	706	803	2,677	3,123
Finance income	11	24	44	137
Finance expense	-23	-46	-75	-191
Profit after financial items	694	781	2,646	3,069
Taxes	-67	-83	-322	-281
Profit for the period	627	698	2,324	2,788
Attributable to:				
Parent company shareholders	636	698	2,336	2,793
Non-controlling interests	-9	-	-12	-5
Earnings per share regarding profit attributable to parent company shareholders ¹				
Basic share, SEK	1.00	1.09	3.66	4.37
Diluted share, SEK	0.99	1.09	3.64	4.36
Average number of basic shares outstanding ¹	639,117,500	638,456,500	639,005,270	638,719,595
Average number of diluted shares outstanding ¹	641,463,500	640,698,500	641,229,881	640,982,564
Number of outstanding shares ¹	639,117,500	638,848,000	639,117,500	638,848,000

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

Consolidated statement of comprehensive income

SEK m	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Profit for the period	627	698	2,324	2,788
Other comprehensive income:				
Items that will not be recycled to the income statement				
Restatement of net pension obligations	-7	-7	-7	-7
	-7	-7	-7	-7
Items that may subsequently be recycled to the income statement				
Change in translation reserve for the period	-29	117	196	72
Change in fair value reserve for the period	-64	-55	-94	-72
Change in hedging reserve for the period	1	-21	-23	-34
Change in associated companies' equity	-348	-313	525	-436
	-440	-272	604	-470
Other comprehensive income, net after tax	-447	-279	597	-477
Comprehensive income for the period	180	419	2,921	2,311
Attributable to:				
Parent company shareholders	189	419	2,933	2,316
Non-controlling interests	-9	-	-12	-5

Consolidated cash flow

SEK m	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Operating cash flows before movements in working capital	391	284	1,326	1,031
Movements in working capital	168	164	-212	-104
Operating cash flows	559	448	1,114	927
Acquisitions of subsidiaries	-153	-66	-1,057	-662
Sale of subsidiaries	34	7	72	7
Other investments	-66	-78	-214	-191
Portfolio management	-19	-16	849	-2,036
Cash flow after investments	355	295	764	-1,955
Financial payments	-282	-355	-697	1,258
Cash flow for the period	73	-60	67	-697

Consolidated balance sheet

SEK m	2018/12/31	2017/12/31
ASSETS		
Goodwill	6,565	5,796
Other intangible assets	216	210
Property, plant and equipment	959	885
Financial assets	17,448	16,508
Inventories etc.	1,770	1,455
Current receivables	2,465	1,977
Cash and bank	744	626
Total assets	30,167	27,457
EQUITY AND LIABILITIES		
Capital and reserves attributable to parent company shareholders	21,768	20,245
Non-controlling interests	95	102
<i>Total equity</i>	<i>21,863</i>	<i>20,347</i>
Interest-bearing long-term liabilities	3,563	596
Non-interest-bearing long-term liabilities	424	391
Interest-bearing current liabilities	2,029	4,146
Non-interest-bearing current liabilities	2,288	1,977
Equity and liabilities	30,167	27,457

Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 2017	133	-72	394	18,757	107	19,319
Total comprehensive income for the period			-37	2,350	-2	2,311
Non-controlling interests on acquisitions				-1	-3	-4
Issued call options				7		7
Exercise of call options		37		-9		28
Own shares repurchase		-37				-37
Dividends				-1,277		-1,277
Closing balance 31 Dec 2017	133	-72	357	19,827	102	20,347
Adjustment for changed accounting policies				29		29
Opening balance 1 Jan 2018	133	-72	357	19,856	102	20,376
Total comprehensive income for the period			75	2,853	-7	2,921
Issued call options				5		5
Exercise of call options		42		-14		28
Own shares repurchase		-30				-30
Dividends				-1,437		-1,437
Closing balance 31 December 2018	133	-60	432	21,263	95	21,863

Key ratios, Group

	2018/12/31	2017/12/31
Return on equity (%)	11	14
Return on total capital (%)	9	13
Equity ratio (%)	72	74
Adjusted equity ratio ¹ (%)	86	88
Adjusted equity ¹ (SEK m)	52,395	51,758
Surplus value in associated companies ² (SEK m)	30,532	31,411
Net debt/equity ratio 1 (%) ⁴	9.2	7.9
Net debt/equity ratio 2 (%) ⁵	7.0	6.3
Listed share price (SEK)	112	101
Repurchased shares ³	722,500	992,000
Average number of repurchased shares ³	834,730	1,141,858
Average number of employees	5,128	4,902
Issued call options corresponds to number of shares	2,346,000	1,062,000

¹ Incl. fair value gain in associated companies.

² The difference between the carrying amount and market value.

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

⁴ The ratio of net debt to adjusted equity.

⁵ The ratio of net debt to the market value of total assets.

Parent company income statement

SEK m	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Income from interests i Group companies	-	-	625	425
Income from interest in associates companies	-2	-	798	666
Income from portfolio management	-	-	-	-
Management costs	-3	-4	-15	-13
Profit before financial items	-5	-4	1,408	1,078
Interest income and similar items	6	-	6	-
Interest expense and similar items	-4	-	-6	-
Profit after financial items	-3	-4	1,408	1,078
Taxes	-	-	-	-
Profit for the period	-3	-4	1,408	1,078

Parent company statement of comprehensive income

SEK m	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year
Profit for the period	-3	-4	1,408	1,078
Change in fair value reserve for the period	-	-	-	-
Total other comprehensive income	0	0	0	0
Comprehensive income for the period	-3	-4	1,408	1,078

Parent company balance sheet

SEK m	2018/12/31	2017/12/31
ASSETS		
Financial assets	9,831	9,661
Long-term receivables from Group companies	3,100	-
Current receivables from Group companies	252	447
Other current liabilities	6	2
Cash and bank	-	-
Total assets	13,189	10,110
EQUITY AND LIABILITIES		
Equity	10,081	10,107
Interest-bearing long-term liabilities	3,100	-
Non-interest-bearing long-term liabilities	-	-
Interest-bearing current liabilities	-	-
Non-interest-bearing current liabilities	8	3
Equity and liabilities	13,189	10,110

Parent company statement of changes in equity

SEK m	2018/12/31	2017/12/31
Amount at beginning of year	10,107	10,308
Total comprehensive income for the period	1,408	1,078
Issued call options	5	7
Exercise of call options	28	28
Repurchased treasury shares	-30	-37
Dividends	-1,437	-1,277
Amount at end of year	10,081	10,107

Segment reporting:

Development by business area 1 Jan 2018 – 31 Dec 2018

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME							
External sales	2,407	2,756	1,309	5,136	177		11,785
Internal sales		2		1			3
RESULT							
Operating profit	375	191	397	514	-80		1,397
Income from portfolio management						1,280	1,280
Finance income							44
Finance expense							-75
Taxes							-322
Profit for the period							2,324
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	46	49	29	69	39		232
intangible assets	719	86	14	84	2		905
Depreciation/amortisation	20	65	34	85	22		226

Development by business area 1 Jan 2017 – 31 Dec 2017

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME							
External sales	1,901	2,312	1,114	4,378	225		9,930
Internal sales		2					2
RESULTS							
Operating result	287	171	340	381	-54		1,125
Income from portfolio management						1,998	1,998
Finance income							137
Finance expense							-191
Taxes							-281
Profit for the period							2,788
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	9	136	27	65	31		268
intangible assets	20	646	6	175			847
Depreciation/amortisation	14	51	29	81	19		194

Change in consolidated interest-bearing net debt

SEK m	2017/12/31	Change in cash	Change in loans	Other changes	2018/12/31
Interest-bearing receivables	32			4	36
Cash	626	118			744
Pensions provisions	-75			-14	-89
Long-term liabilities	-521		-2,953		-3,474
Utilised bank overdraft facilities	-151		79		-72
Interest-bearing current liabilities	-3,995		2,038		-1,957
Interest-bearing net debt	-4,084	118	-836	-10	-4,812

Five-year overview

SEK m	2018	2017	2016	2015	2014
Net sales, SEK m	11,785	9,930	8,344	8,555	7,581
Operating profit, SEK m	1,397	1,125	1,021	975	746
Income from interest in associated companies, SEK m	1,278	2,006	2,676	1,952	1,347
Income from portfolio management, SEK m	2	-8	101	1,493	36
Profit after finance items, SEK m	2,646	3,069	3,754	4,405	2,064
Earnings per share, SEK ¹	3.66	4.37	5.75	6.45	2.94
Return on equity, %	11	14	21	28	15
Return on total capital, %	9	13	17	22	13
Adjusted equity ratio, %	86	88	91	89	86
Net debt/equity ratio, %	9.2	7.9	3.0	5.0	10.0

¹ 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
23 March 2018	Sensortec Holding AG	Switzerland	Latour Industries	10
30 april - 18	Johnson Level & Tool Mfg. Co., Inc.	USA	Hultafors Group	70
6 july - 18	Hellberg Safety AB	Sweden	Hultafors Group	20
1 september - 18	IDQ Investigación Diseño y Calidad, S.A.U.	Spain	Nord-Lock Group	7
31 october - 18	Zent-Frenger GmbH	Germany	Swegon	100

Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	26
Property, plant and equipment	62
Financial assets	5
Inventories	85
Account receivable	164
Other receivable	53
Cash	36
Long-term liabilities	-21
Current liabilities	-104
Net identifiable assets and liabilities	306
Group goodwill	852
Total purchase price	1,158
Additional purchase price	-60
Cash settlement purchase price	1,098
Acquisition of non-cash items	-5
Acquired cash	-36
Effect of Group cash	1,057

During 2018, Latour has acquired the entire shareholdings of Sensortec Holding AG., Johnson Level & Tool Mfg. Co., Inc, Hellberg Safety AB, IDQ Investigación Diseño y Calidad, S.A.U. and Zent-Frenger GmbH.

Sensortec has contributed SEK 40 m in income and SEK 19 m in operating profit during the period. Johnson has contributed SEK 226 m in income and SEK 12 m in operating profit during the period. Hellberg has contributed SEK 61 m in income and SEK 7 m in operating profit during the period. IDQ has contributed SEK 7 m in income and SEK 1 m in operating profit during the period. Zent-Frenger has contributed SEK 56 m in income and SEK 0 m in operating profit during the period. The 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 15 m.

Note 2 Disclosures about financial assets and liabilities

Classification of financial instruments

THE GROUP 31 December 2018

	Available-for-sales financial assets	Financial assets values at fair value via profit and loss	Derivatives used for hedging purposes	Total carrying amount
FINANCIAL ASSETS				
Listed shares, management	229 ¹			229
Other long-term securities holdings	3 ²			3
Other long-term receivables			38 ³	38
Listed shares, trading		41 ¹		41
Unrealised gains, currency derivatives	4 ²			4
Other current receivables			2 207 ³	2,207
Cash			744 ³	744
Total	236	41	2,989	3,266
FINANCIAL LIABILITIES				
Long-term loans			3 474 ³	3,474
Bank overdraft facilities			72 ³	72
Current loans			1 957 ³	1,957
Other liabilities			1 329 ³	1,329
Unrealised gains, currency derivatives	7 ²			7
Total	7	0	6,832	6,839

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

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

³ 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 at 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.

Note 3 Breakdown of revenues

Revenue by category

THE GROUP 31 December 2018

SEK m	2018 Full Year	2017 Full Year
Revenue from goods	10,538	8,610
Revenue from services	1,247	1,320
	11,785	9,930
Fix-price contract	9,107	7,830
Time-and-materials contracts	2,678	2,100
	11,785	9,930
Sold directly to consumers	6,135	5,096
Sold through intermediaries	5,650	4,834
	11,785	9,930

Latour's revenues are derived from a variety of operations that are conducted in hundreds of subsidiaries.

Information by quarter

SEK m	2018					2017					2016				
	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT															
Net sales	11,785	3,268	2,903	3,024	2,590	9,930	2,699	2,423	2,538	2,269	8,344	2,315	2,033	2,179	1,818
Cost of goods sold	-7,073	-1,984	-1,743	-1,802	-1,544	-5,885	-1,600	-1,445	-1,512	-1,327	-4,859	-1,361	-1,182	-1,262	-1,055
Gross profit	4,712	1,284	1,160	1,222	1,046	4,045	1,099	978	1,026	942	3,485	954	851	917	763
Costs etc. for the operation	-3,315	-899	-786	-851	-779	-2,920	-802	-669	-747	-702	-2,464	-723	-579	-606	-373
Operating profit	1,397	385	374	371	267	1,125	297	309	279	240	1,021	231	272	311	390
Total portfolio management	1,280	321	473	106	380	1,998	506	514	597	381	2,761	526	579	385	1,271
Profit before financial items	2,677	706	847	477	647	3,123	803	823	876	621	3,782	757	851	696	1,661
Net financial items	-31	-12	-14	-14	9	-54	-22	-11	-11	-10	-28	-18	15	-13	-12
Profit after financial items	2,646	694	833	463	656	3,069	781	812	865	611	3,754	739	866	683	1,649
Taxes	-322	-67	-90	-95	-70	-281	-83	-73	-68	-57	-267	-87	-72	-61	-47
Profit for the period	2,324	627	743	368	586	2,788	698	739	797	554	3,670	652	794	622	1,602
KEY RATIOS															
Earnings per share, SEK ¹	3.66	1.00	1.16	0.58	0.92	4.37	1.09	1.16	1.25	3.48	5.75	1.03	1.24	0.98	2.51
Cash flow for the period	67	73	22	25	-53	-697	-60	-135	-241	-261	420	206	203	-895	905
Adjusted equity ratio, %	86	86	87	87	88	88	88	88	90	92	91	91	90	90	91
Adjusted equity	52,395	52,395	58,490	56,880	54,105	51,758	51,758	54,343	53,222	51,995	47,208	47,208	47,319	43,272	41,546
Net asset value	63,980	63,980	69,105	66,841	63,016	60,521	60,521	62,625	61,450	60,742	55,500	55,500	55,673	51,083	48,665
Net asset value per share, SEK ¹	100	100	108	105	99	95	95	98	96	95	87	87	87	80	76
Listed share price, SEK ¹	112	112	111	97	95	101	101	110	105	90	85.5	85.5	88	79	84
NET SALES															
Hultafors Group	2,407	716	618	596	477	1,901	542	454	460	444	1,698	498	395	422	383
Latour Industries	2,758	747	660	700	652	2,314	706	601	571	479	1,671	477	419	421	354
Nord-Lock Group	1,309	333	332	341	303	1,114	268	277	286	283	927	240	229	234	224
Swegon	5,137	1,421	1,248	1,347	1,121	4,378	1,130	1,043	1,177	1,029	3,913	1,063	947	1,070	833
	11,611	3,217	2,858	2,984	2,553	9,707	2,646	2,375	2,494	2,235	8,209	2,278	1,990	2,147	1,794
Other companies and eliminations	174	51	45	40	37	223	53	49	44	34	135	37	43	32	24
	11,785	3,268	2,903	3,024	2,590	9,930	2,699	2,424	2,538	2,269	8,344	2,315	2,033	2,179	1,818
OPERATING PROFIT															
Hultafors Group	375	119	93	98	65	287	92	68	64	62	264	95	56	60	52
Latour Industries	191	55	57	48	31	171	55	49	36	33	167	35	45	51	36
Nord-Lock Group	397	89	106	108	94	340	76	88	86	89	270	61	69	72	68
Swegon	514	138	144	143	89	381	98	104	110	68	351	81	101	124	45
	1,477	401	399	397	279	1,179	321	309	297	252	1,052	272	271	307	201
Gain/loss from sale/purchase of busi	-38	-17	-10	-10	-1	-30	-10	-5	-10	-5	-21	-24	-4	-1	191
Other companies and items	-42	1	-15	-16	-11	-24	-14	5	-8	-7	-10	-17	5	5	-2
	1,397	385	374	371	267	1,125	297	309	279	240	1,021	231	272	311	390
OPERATING MARGIN (%)															
Hultafors Group	15.6	16.6	15.1	13.6	13.6	15.1	17.0	15.0	14.0	14.0	15.6	19.1	14.3	14.2	13.7
Latour Industries	6.9	7.3	8.6	4.7	4.7	7.4	7.7	8.2	6.3	6.9	10.0	7.2	10.7	12.2	10.3
Nord-Lock Group	30.3	26.8	31.9	30.9	30.9	30.5	28.3	31.8	30.2	31.5	29.2	25.6	30.1	30.9	30.1
Swegon	10.0	9.7	11.5	8.0	8.0	8.7	8.7	10.0	9.4	6.6	9.0	7.6	10.6	11.6	5.4
	12.7	12.5	14.0	10.9	10.9	12.1	12.1	13.1	11.9	11.3	12.8	11.9	13.6	14.4	11.3

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

Definitions of key ratios

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-Dec 2018: $2,336/639,005,270 \times 1,000=3.66$

Jan-Dec 2017: $2,793/638,719,595 \times 1,000=4.37$

Diluted earnings per share

Calculations:

Jan-Dec 2018: $2,336/641,229,881 \times 1,000=3.64$

Jan-Dec 2017: $2,793/640,982,564 \times 1,000=4.36$

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.

Net debt/equity ratio

The ratio of net borrowings to either adjusted equity or the market value of total assets.

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.

Share of voting rights

Percentage of voting rights is calculated after deduction for repurchased shares.

Share of equity

Percentage of equity is calculated on total number of issued shares.

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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