



2020

INTERIM REPORT
JANUARY – JUNE

Interim report January – June 2020

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value fell to SEK 127 per share, compared with SEK 136 per share at the start of the year. This is a decrease of 5.5 per cent. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) decreased by 4.1 per cent. The net asset value was SEK 140 per share at 19 August.¹
- The total return on the Latour share was 11.5 per cent during the period measured against the SIXRX, which fell 4.1 per cent.

INDUSTRIAL OPERATIONS

The second quarter

- The industrial operations' order intake fell 1 per cent to SEK 3,527 m (3,569 m), which represents a 15 per cent decrease for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 1 per cent to SEK 3,542 m (3,511 m), which represents a 13 per cent decrease for comparable entities adjusted for foreign exchange effects.
- The operating profit decreased by 8 per cent to SEK 474 m (512 m), which equates to an operating margin of 13.4 (14.6) per cent for continuing operations.

January – June

- The industrial operations' order intake rose 9 per cent to SEK 7,523 m (6,894 m), which represents a 6 per cent decrease for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 8 per cent to SEK 7,172 m (6,649 m), which represents an 8 per cent decrease for comparable entities adjusted for foreign exchange effects.
- The operating profit decreased by 0.5 per cent to SEK 922 m (928 m), which equates to an operating margin of 12.9 (13.9) per cent for continuing operations.

THE GROUP

- Consolidated net sales totalled SEK 7,283 m (6,752 m), and profit after financial items was SEK 2,925 m (3,575 m). A revaluation of Alimak has had a SEK -617 m negative impact on this year's income statement, and capital gains from divestment of shares in Tomra have had a positive impact of SEK 1,976 m. Capital gains and other items that affect the comparability of results had a favourable SEK 1,082 m impact on last year's income statement.
- Consolidated profit after tax was SEK 2,746 m (3,372 m), which is equivalent to SEK 4.29 (5.27) per share.
- The Group reported net debt of SEK 6,843 m (5,279 m). Net debt, excluding lease liabilities in accordance with IFRS 16, was SEK 6,267 m (4,613 m) and is equivalent to 7 (5) per cent of the market value of total assets.
- The Board's revised proposal for a dividend of SEK 1.25 per share for the 2019 financial year was approved by the Annual General Meeting.

INVESTMENT PORTFOLIO

- During the first six months, the value of the investment portfolio decreased by 4.7 per cent adjusted for changes in the portfolio and dividends. The benchmark index (SIXRX) decreased by 4.1 per cent.
- In May, 7.8 million shares in Tomra were sold for a consideration of SEK 2.5 billion. After the sale, Latour holds 21.1 per cent of outstanding shares in the company and remains its principal owner.
- The shareholding in Fagerhult increased to 47.2 per cent following acquisition of 1,590,000 shares in the six-month period. The shareholding in Alimak increased to 29.6 per cent following acquisition of 210,000 shares.

EVENTS AFTER THE REPORTING PERIOD

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

¹ The calculation of the net asset value on 19 August was based on the value of the investment portfolio at 1 p.m. on 19 August, and the same values as at 30 June were used for the unlisted portfolio.

LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting primarily of a 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 SEK 59.6 billion as at 30 June 2020. The wholly-owned industrial operations are grouped into five business areas: Caljan, Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. They generate annual sales amounting to approximately SEK 15 billion.

Comments from the CEO

"The second quarter was marked by concern and turbulence caused by the Covid-19 pandemic. We and our companies were quick to adapt our operations to the new conditions. Employee safety has been a top priority and considerable work has gone into understanding how much of an impact the pandemic would have. While the effects of the pandemic are far from over, we are pleased to report that we have come out of this difficult and highly uncertain quarter largely unscathed. We own well-managed companies that can be described as quality assets – this is proved, in particular by the development in the second quarter. The key question now for us and many others is how the market in general will develop as we go forward, in both the short and long term.

Adjusted for acquisitions and foreign exchange effects, the order intake fell by 15 per cent and net sales fell by 13 per cent during the second quarter. The quarter's operating profit was down 8 per cent, as against the very strong year-ago quarter, to SEK 474 m (512 m), with an operating margin of 13.4 (14.6) per cent, which we are very satisfied with considering the current circumstances.

Our operations have had a strong focus on cost awareness across their activities and taken significant measures to mitigate the effects of Covid-19. The business areas have benefited from state support programs where applicable, but only to a relatively small extent. Some operations have implemented short-time working. The restrictions imposed in various parts of the world have obviously impacted our operations to varying degrees, depending on the market and segments. Our portfolio is diversified and comprises holdings that are exposed to a range of geographic markets, customers and product segments, and this has reduced the negative impacts caused by the pandemic. It can be generally stated that the northern European countries have been impacted to a lesser extent, while the UK, France, Belgium, Spain and Italy have been affected far more severely. We have seen signs of recovery in the most affected regions towards the end of the quarter.

We have been cautious about new acquisitions during the quarter but have continued to apply our forward-thinking approach and invest in product development, sales and marketing for future business growth. We are also investing in our factories and currently have a high rate of investment. We are maintaining a strong focus on sustainability which is key to underpinning future growth.

In May, 7.8 million Tomra shares were sold from the investment portfolio, which meant we realised a small portion of the increase in value from our original investment amount in Tomra in 2011. The sale result in a wider scope for new investments while Latour still remains the largest shareholder in Tomra.

Since the start of the year, our investment portfolio has declined by 4.7 per cent, adjusted for changes in the portfolio and dividends, while the benchmark index SIXRX fell by 4.1 per cent. In light of the ongoing pandemic, second-quarter growth has also been good in our listed holdings. Several companies have experienced a considerable decline in the organic growth in sales, but are showing great resilience and are reporting strong operating profit. The net asset value in Latour decreased by 5.5 per cent to SEK 127 per share in the same period.

It is gratifying that we in the last quarter have been able to give two internal candidates the opportunity for a career development within Latour in competition with external candidates. Andreas Örje Wellstam, who has worked in Latour and Swegon since 2010, has been appointed new CEO of Swegon. In addition, Ole Kristian Jødahl, former CEO of Hultafors Group, was during the spring recruited to the position of CEO in our investment portfolio company Alimak Group.

Latour's Board revised the dividend proposal from SEK 2.75 to SEK 1.25 per share. This was approved by the Annual General Meeting on 11 May 2020."

*Johan Hjertensson
President and Chief Executive Officer*

Industrial operations

Order intake, invoiced sales and earnings

In the second quarter, the order intake fell by 1 per cent to SEK 3,996 m (3,325 m), with organic growth accounting for minus 15 per cent of this. Invoicing increased 1 per cent to SEK 3,542 m (3,511 m), which represents a 13 per cent decrease for comparable entities adjusted for foreign exchange effects. The operating profit in the wholly-owned industrial operations decreased by 8 per cent to SEK 474 m (512 m) during the quarter. The operating margin was 13.4 (14.6) per cent.

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

Acquisitions/disposals

There were no business acquisitions or sales in the wholly-owned industrial operations in the second quarter.

Four transactions took place earlier on in the year. The acquisition of S+S Regeltechnik in Germany for Bemsig AB within Latour Industries was finalised on 22 January.

On 28 January, MS Group, within Latour Industries, acquired the Spanish company Batec Mobility which generates annual sales of EUR 4.8 m and has 41 employees. The company's products offer manual wheelchair users greater freedom of movement. An electric-powered add-on motor allows users to travel more quickly over longer distances, even where there are steep slopes and rough ground.

On 30 January, Hultafors Group AB acquired 80 per cent of the shares in Daan Holding B.V., which in turn owns EMMA Safety Footwear B.V. ("EMMA") based in Kerkrade, the Netherlands. Leading up to the first quarter of 2023, Hultafors Group will successively acquire 100 per cent of the shares in Daan Holding B.V. EMMA has a strong presence in central Europe with a focus on the Benelux countries. In 2019, net sales totalled EUR 23 m, with a level of profitability in line with Hultafors Group's strategic goal. The company has some 140 employees and recently set up a new, state-of-the-art facility in Kerkrade, the Netherlands, for the production of safety footwear. This acquisition is part of Hultafors Group's strategy to strengthen its position in personal protective equipment in Europe and North America. It is expected that the acquisition will further expand the company's sales and marketing capabilities in Europe and will also strengthen the supply chain with a footwear production facility and other resources.

On 11 March, Swegon acquired the UK company Waterloo Air Products, a leading manufacturer of air terminal devices. This acquisition enhances Swegon's offering, which now comprises a full range of high-quality indoor climate products. The company employs 140 people and its head office and production site is in Aylesford. In 2019, the acquired operation reported net sales of GBP 12 m.

Industrial operations summary

Business area results

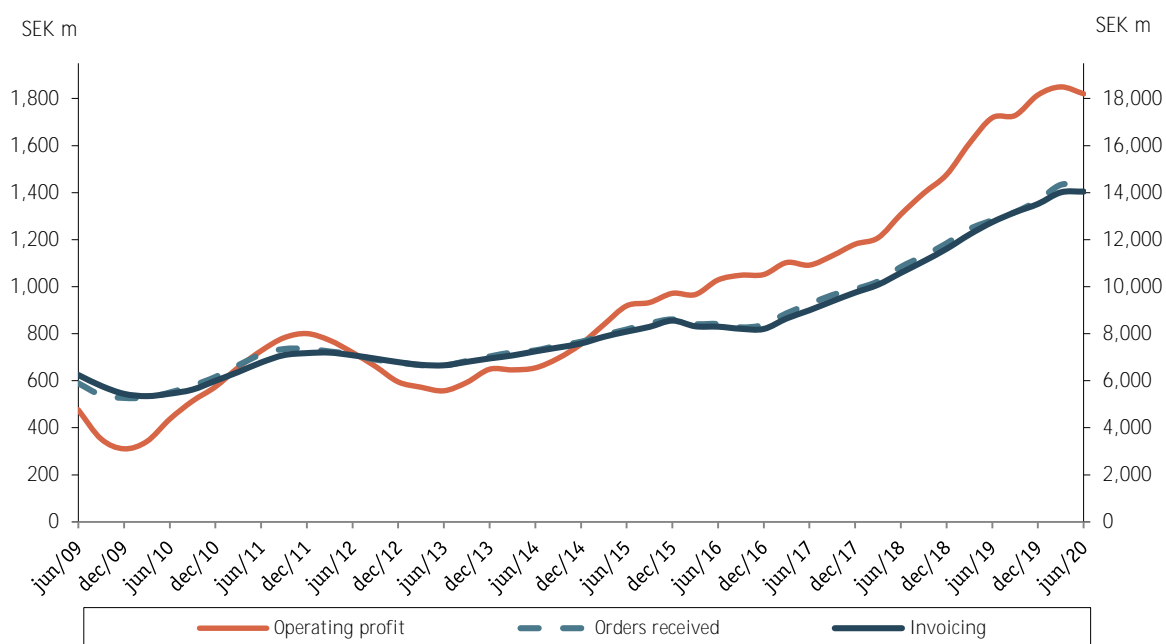
SEK m	Net sales				Operating profit				Operating margin %			
	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths
Caljan ¹	219	-	441	-	27	-	56	-	12,2	-	12,8	-
Hultafors Group	839	689	1 684	1 337	114	90	222	178	13,6	13,1	13,2	13,3
Latour Industries	689	789	1 501	1 527	48	72	119	132	7,0	9,1	7,9	8,6
Nord-Lock Group	324	395	681	778	84	124	181	245	25,8	31,6	26,6	31,5
Swegon	1 472	1 639	2 866	3 009	201	226	344	373	13,7	13,8	12,0	12,4
Eliminations	-1	-1	-1	-2	-	-	-	-	-	-	-	-
	3 542	3 511	7 172	6 649	474	512	922	928	13,4	14,6	12,9	13,9
Part-owned subsidiaries	63	55	111	100	2	3	2	1	3,5	4,9	1,7	1,7
	3 605	3 566	7 283	6 749	476	515	924	929	13,2	14,4	12,7	13,6
Gain/loss from sale/purchase of businesses	-	-	-	-	-10	108	-27	107				
Other companies and items	-	1	-	3	-9	-25	-17	-26				
	3 605	3 567	7 283	6 752	457	598	880	1 010				
IFRS 16	-	-	-	-	4	1	6	2				
	3 605	3 567	7 283	6 752	461	599	886	1 012				

SEK m	Operating capital ²		Return on operating capital %		Growth in net sales, 2020 %			
	2020 Trailing 12	2019 Trailing 12	2020 Trailing 12	2019 Trailing 12	Total	Organic	Currency	Acquisitions
Caljan ¹	1 611	-	4,7	-	-	-	-	-
Hultafors Group	3 532	2 331	12,9	16,8	26,0	-1,1	1,1	26,0
Latour Industries	3 311	3 046	7,7	8,0	-1,7	-11,5	-0,1	11,2
Nord-Lock Group	1 167	1 077	29,7	40,8	-12,5	-14,1	1,9	-
Swegon	3 301	3 215	20,8	20,3	-4,7	-7,2	-0,1	2,7
Total	12 922	9 669	14,1	17,9	7,9	-7,6	0,5	16,2

¹ The figures for the previous year and trailing 12 months refer to the time from the acquisition date on 1 December 2019.

² 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.

Industrial operations trailing 12 months



Development by business area



(MEUR)	2020 Q2	2019* Q2	2020 6 mths	2019 6 mths	2019* Full Year	Trailing* 12 mths
Net sales	21	27	41	45	92	88
EBITDA	3	4	6	7	14	14
EBITDA ¹	3	4	6	7	14	13
EBITA ¹	3	4	6	6	13	13
EBIT ¹	3	4	5	6	13	12
EBITA % ¹	13.0	15.9	13.6	13.5	14.2	14.3
EBIT % ¹	12.5	15.9	13.1	13.5	14.2	14.0
Total growth %	-23.3		-8.8			
Organic %	-23.3		-9.1			
Exchange effects %	0.1		0.3			
Acquisitions %	-		-			
Average number of employees	487		484		465	

¹ Excl. IFRS 16.

* Pro forma

Highlights

- There has been a slight fall in demand from a previously high level. The order intake is generally good and the order book was at an all-time high at the close of the quarter.
- Sales have been impacted negatively by Covid-19 during the quarter, with some projects and deliveries rescheduled for the third quarter.
- Good cost control contributes to a good performance in the quarter.
- Caljan's expansion projects continue to make progress. Both the construction of a new factory in Latvia, which will come into operation in September 2020, and the establishment of a factory in the USA, which is due to begin production in the fourth quarter.

Breakdown of net sales

(MEUR)	2020 Q2	2019* Q2	2020 6 mths	2019 6 mths	2019* Full Year	Trailing* 12 mths
Telescopes	13	20	28	31	56	53
Document Handling & Labelling	1	1	2	2	9	9
Depot Automation Solutions	1	0	2	2	5	5
Aftermarket	5	6	10	10	22	21
	21	27	41	45	92	88

*Pro forma

Caljan is a global supplier of automation technology for parcel handling in the logistics and e-commerce sectors. Caljan's products help packing companies, distributors and manufacturers around the world to optimise their supply chains. Flows are increased, costs are reduced and working environments are made safer and more ergonomic. Caljan has its head office in Aarhus, Denmark, and subsidiaries in the USA and several European countries.

HULTAFORS GROUP

(SEK m)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
Net sales	839	689	1,684	1,337	2,896	3,243
EBITDA	130	102	254	203	462	513
EBITDA ¹	123	95	241	189	435	487
EBITA ¹	116	91	227	180	416	463
EBIT ¹	114	90	222	178	412	456
EBITA % ¹	13.9	13.2	13.5	13.4	14.4	14.3
EBIT % ¹	13.6	13.1	13.2	13.3	14.2	14.1
Total growth %	21.7	15.6	26.0	24.6	20.3	
Organic %	-3.1	1.6	-1.1	5.5	3.2	
Exchange effects %	-0.1	2.8	1.1	3.5	3.2	
Acquisitions %	25.8	10.6	26.0	14.2	13.1	
Average number of employees	978	855	980	852	885	

¹ Excl. IFRS 16.

Highlights

- The quarter got off to a weak start because of the Covid-19 crisis, but sales gradually improved from the end of April. Both product areas report good sales for the period as a result of a strong end of the quarter.
- A combination of continued good cost control and a strong end of the quarter resulted in strong earnings for the quarter.
- In order to maintain and further improve the competitive edge, investments in sales, marketing and digitalisation will be gradually increased.
- **Hultafors Group's CEO Ole Kristian Jødahl** completed his post on May 31 and started as CEO of listed Alimak Group on June 1. His successor has been recruited, but has not yet started the employment.

Breakdown of net sales

(SEK m)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
PPE/Workwear	462	395	938	770	1,660	1,828
Hardware	376	294	746	567	1,236	1,415
	839	689	1,684	1,337	2,896	3,243
Pro forma adjustment ¹						212
Trailing 12 month pro forma						3,455

¹ Pro forma for completed acquisitions.

Hultafors Group offers products in the Personal Protective Equipment/Workwear and Hardware segments. The products are marketed under brands with strong positions in their respective markets: Snickers Workwear, Dunderdon, CLC, Kuny's Leather, Solid Gear, Toe Guard, Hultafors, Wibe Ladders, Johnson Level, Hellberg Safety and EMMA. Hultafors Group is also a distributor for the German manufacturing company Fein in the Swedish market.

(SEK m)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
Net sales	689	789	1,501	1,527	3,075	3,050
EBITDA	76	99	175	186	379	368
EBITDA ¹	63	86	150	160	327	317
EBITA ¹	52	76	127	140	285	272
EBIT ¹	48	72	119	132	267	255
EBITA % ¹	7.6	9.6	8.5	9.2	9.3	8.9
EBIT % ¹	7.0	9.1	7.9	8.6	8.7	8.4
Total growth %	-12.6	12.7	-1.7	14.8	12.4	
Organic %	-19.8	4.6	-11.5	6.5	3.8	
Exchange effects %	-1.4	1.5	-0.1	1.9	1.7	
Acquisitions %	10.5	6.2	11.2	5.8	6.5	
Average number of employees	1,545	1,477	1,539	1,465	1,465	

¹ Excl. IFRS 16.

Highlights

- Second-quarter sales growth was impacted negatively by the pandemic, especially in southern Europe and the UK. The downturn was cushioned, however, thanks to exposure to a number of different product segments and markets.
- Implementation of fast and effective measures made it possible to maintain the profitability despite the lower volumes.
- The companies in Building Automation have been impacted to a limited extent by the Covid-19 pandemic and continued to deliver a positive performance during the quarter.
- There were signs of some recovery at the end of the second quarter and the operations stand ready to adapt to future market changes.

Breakdown of net sales

(SEK m)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
Bemsiq	173	122	370	247	497	620
Aritco Group	183	195	405	367	792	830
Vimec	84	135	185	246	541	480
MS Group	109	139	237	283	529	483
LSAB	105	145	236	291	533	478
Densiq	37	55	72	97	193	168
Elimination	-2	-3	-3	-4	-10	-9
	689	789	1,501	1,527	3,075	3,050
Pro forma adjustment ¹						158
Trailing 12 month pro forma						3,208

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)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
Net sales	324	395	681	778	1,448	1,351
EBITDA	98	140	211	275	471	408
EBITDA ¹	92	134	199	263	446	382
EBITA ¹	86	127	186	250	420	357
EBIT ¹	84	124	181	245	411	347
EBITA % ¹	26.5	32.2	27.3	32.1	29.0	26.4
EBIT % ¹	25.8	31.6	26.6	31.5	28.4	25.7
Total growth %	-17.8	15.7	-12.5	20.7	10.7	
Organic %	-18.2	9.3	-14.1	12.7	4.4	
Exchange effects %	0.4	4.9	1.9	6.1	5.4	
Acquisitions %	-	0.8	-	0.9	0.5	
Average number of employees	562	607	576	598	594	

¹ Excl. IFRS 16.

Highlights

- Negative organic growth in the quarter as a result of the pandemic.
- Covid-19 has had a material negative effect on demand in EMEA and the Americas. However, this has been offset by a strong recovery in Asia Pacific, especially in China.
- With good cost control and operational flexibility, it was possible to sustain a high level of profitability despite a significant drop in sales.
- The long-term growth plan, which includes three factory upgrades and increased digitalisation, has progressed at the same pace as before.
- A general improvement in order intake was reported at the end of the quarter.

Breakdown of net sales

(SEK m)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
EMEA	123	172	302	344	652	610
Americas	79	108	179	204	394	370
Asia Pacific	122	114	200	230	402	372
	324	395	681	778	1,448	1,351
Pro forma adjustment ¹						-
Trailing 12 month pro forma						1,351

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)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
Net sales	1,472	1,639	2,866	3,009	5,986	5,844
EBITDA	241	265	420	451	873	842
EBITDA ¹	223	248	387	417	804	774
EBITA ¹	205	230	352	381	733	704
EBIT ¹	201	226	344	373	717	688
EBITA % ¹	13.9	14.0	12.3	12.7	12.2	12.0
EBIT % ¹	13.7	13.8	12.0	12.4	12.0	11.8
Total growth %	-10.2	21.7	-4.7	21.9	16.5	
Organic %	-11.9	12.4	-7.2	12.6	8.0	
Exchange effects %	-1.4	2.3	-0.1	2.8	2.5	
Acquisitions %	3.4	5.8	2.7	5.3	5.3	
Average number of employees	2,634	2,514	2,614	2,471	2,454	

¹ Excl. IFRS 16.

Highlights

- Covid-19 has generally had an adverse effect on the growth rate, although this varies considerably across markets and geographic regions.
- The Nordic region maintained a positive performance in the second quarter, primarily driven by BU Residential, which continues to show steady growth in the Nordics.
- Southern Europe and the UK have been severely affected by the closure of construction sites, while North America had a positive development during the quarter.
- Programmes of measures that have been implemented have helped to protect profitability, and long-term investment for future growth is going ahead as planned.
- Integration of the British company Waterloo, which was acquired in March, is progressing well, in spite of current uncertainties in the market.
- CEO Hannu Saastamoinen has decided to leave Swegon after eight successful years, and will be succeeded by internally recruited Andreas Örje Wellstam on 1 September.

Breakdown of net sales

(SEK m)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
Sweden	328	332	634	632	1,188	1,190
Rest of Nordic region	292	278	566	535	1,046	1,077
Rest of world	852	1,029	1,666	1,842	3,752	3,577
	1,472	1,639	2,866	3,009	5,986	5,844
Pro forma adjustment ¹						105
Trailing 12 month pro forma						5,949

¹ Pro forma for completed acquisitions.

(SEK m)	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	2019 Full Year	Trailing 12 mths
Commercial Ventilation	1,147	1,320	2,221	2,405	4,778	4,595
Residential	141	132	276	243	476	509
North America	82	88	158	169	342	331
UK	153	180	328	335	662	655
Eliminations	-51	-81	-117	-143	-272	-246
	1,472	1,639	2,866	3,009	5,986	5,844

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 25 of Latour's Annual Report for 2019.

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 declined from SEK 136 per share at the start of the year to SEK 127. The net asset value thus decreased by 5.5 per cent, while the SIXRX benchmark index decreased by 4.1 per cent. The valuation multiples for Hultafors Group and Swegon, which were adjusted downward after the first quarter 2020, have been adjusted back to their previous range due to the recovery in market value for companies in related industries for these business areas during the second quarter.

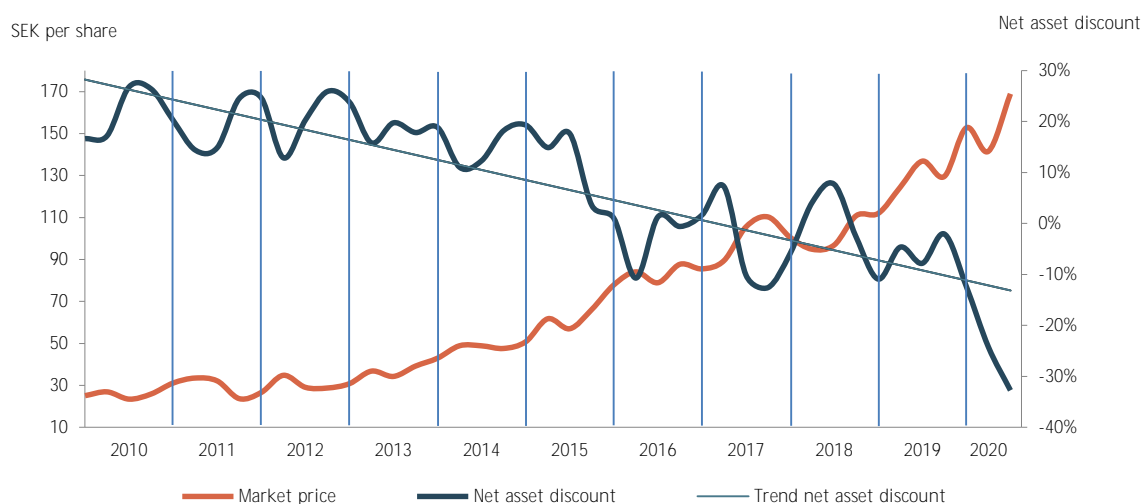
SEK m	Net sales ¹	EBIT ¹	EBIT multiple	Valuation ² Range	Valuation ² Average	Valuation ² SEK/share ³ Range
Caljan	941	130	15 – 19	1,952 – 2,472	2,212	3 – 4
Hultafors Group	3,455	486	11 – 15	5,351 – 7,297	6,324	8 – 11
Latour Industries	3,208	297	12 – 16	3,569 – 4,758	4,163	6 – 7
Nord-Lock Group	1,351	347	12 – 16	4,161 – 5,548	4,855	7 – 9
Swegon	5,949	695	13 – 17	9,034 – 11,814	10,424	14 – 19
	14,904	1,956		24,067 – 31,890		38 – 50
Industrial operations valuation, average					27,978	44
Listed shares (see table on page 10 for breakdown)					59,624	93
<i>Unlisted part-owned holdings</i>						
Neuffer ⁴ , 66.1 %					149	0
Oxeon ⁴ , 31.6 %					18	0
<i>Other assets</i>						
Short trading portfolio					0	0
Dilution effect of option programme					-84	0
Consolidated net debt (excl IFRS 16)					-6,267	-10
Estimated value					81,418	127
					(77 507 – 85 330)	(121 – 134)

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 30 of June 2020 for comparable companies in each business area.

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

⁴ Valued according to the book value.



The investment portfolio at 30 June 2020

In the first six months, the value of the investment portfolio decreased by 4.7 per cent, adjusted for changes in the portfolio and dividends, while the benchmark index (SIXRX) decreased by 4.1 per cent.

In May, 7.8 million shares in Tomra were sold. Latour remains as principal owner with 21.1 per cent of the shares. During the six-month period, the shareholding in Fagerhult increased to 47.2 per cent following the acquisition of 1,590,000 shares. The shareholding in Alimak increased to 29.6 per cent following the acquisition of 210,000 shares.

Share ¹	Number	Cost SEK m	Listed share price ² SEK	Market value SEK m	Share of votes %	Share of equity %
Alimak Group	16,016,809	2,134	101	1,614	29.7	29.6
Assa Abloy ³	105,495,729	1,697	190	19,991	29.5	9.5
Fagerhult	83,708,480	1,854	35	2,888	47.5	47.2
HMS Networks	12,109,288	250	174	2,105	25.9	25.9
Nederman	10,538,487	306	111	1,170	30.0	30.0
Securitas ³	39,732,600	1,081	126	4,990	29.6	10.9
Sweco ^{3 4}	32,622,480	445	418	13,649	21.3	26.9
Tomra ⁵	31,200,000	1,600	353 NOK	10,576	21.1	21.1
Troax	18,060,000	397	146	2,640	30.1	30.1
Total		9,764		59,624		

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

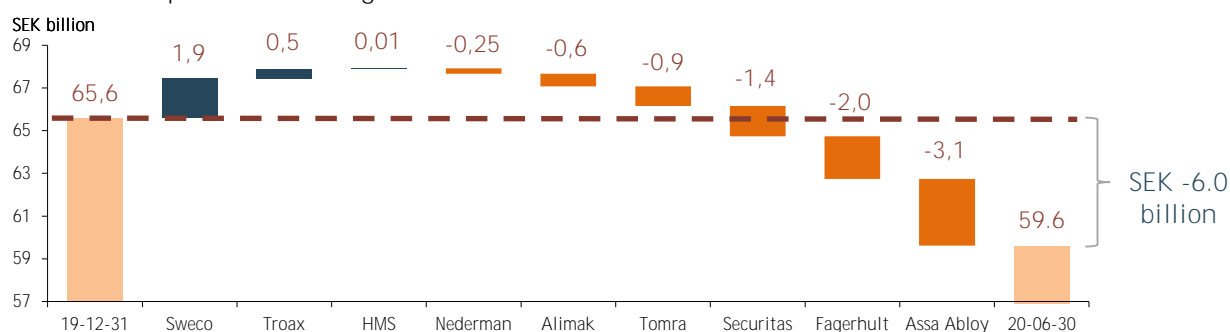
² The last price paid is used as the listed share price.

³ Due to the limited trading in class A shares in Sweco, and the fact that the class A shares in Assa Abloy 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.

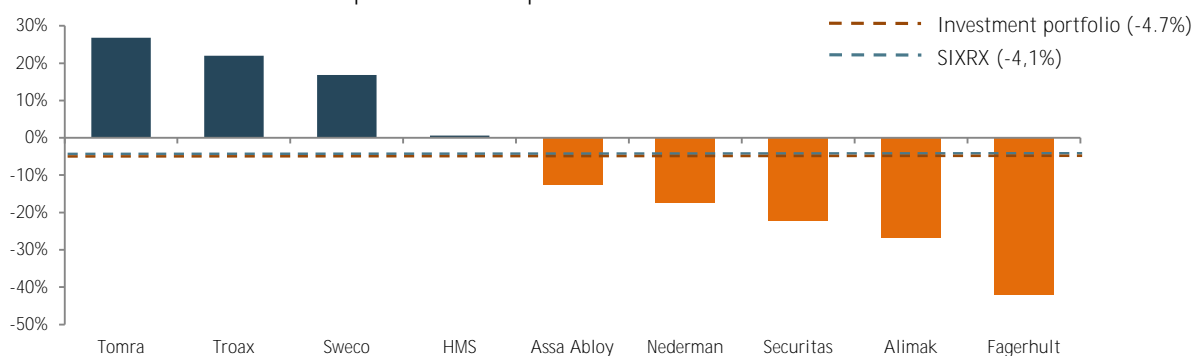
⁵ At the end of the report period, the listed share price was NOK 353,10 which has been translated to SEK at the exchange rate on the balance sheet date.

Investment portfolio during 2020



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

Total return 2020 for the portfolio companies



Results and financial position

The Group

The Group's profit after financial items was SEK 2,925 m (3,575 m). Profit after tax was SEK 2,746 m (3,372 m), which is equivalent to SEK 4.29 (5.27) per share. A write-down of the holding in Alimak negatively impacted the income statement by SEK -617 m, and capital gains had a positive impact of SEK 1,976 m. The business areas have received offered state support in those cases where it is justified, but to a relatively small extent. In total, we have received SEK 50 m, of which SEK 10 m in Sweden.

The Group's cash in hand and liquid investments reached SEK 4,673 m (734 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 10,862 m (4,522 m). The Group's net debt was SEK 6,843 m (5,279 m). Net debt, excluding lease liabilities, was SEK 6,267 m (4,613 m). The equity ratio was 82 (88) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

In the first quarter, Latour updated the base prospectus for its existing MTN programme and, at the same time, increased the framework amount to SEK 10 billion at the Swedish Financial Supervisory Authority. In March, Latour issued two new bonds with a total value of SEK 2.5 billion. All in all, Latour has seven outstanding bonds with a total value of SEK 7 billion.

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 282 m (55 m) was invested in property, plant and equipment, of which SEK 128 m (42 m) was machinery and equipment, SEK 12 m (10 m) was vehicles, and SEK 142 m (3 m) was buildings. Fixed assets in newly acquired companies account for SEK 129 m (4 m) of investments for the year.

Parent company

The parent company's profit after financial items was SEK 2,875 m (1,385 m). The parent company's equity ratio was 63 (70) per cent.

The number of class A shares issued is 47,641,048 and the number of class B shares is 592,198,952. Not including repurchased shares, the number of outstanding shares on 30 June 2020 amounted to 639,379,500. At the end of the period, Latour holds 460,500 repurchased class B shares.

The total number of issued call options is 1,668,500, which give the right to purchase the same amount of shares.

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 five 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 35 of Latour's 2019 Annual Report, except any possible effects of the Corona pandemic that are commented on in other parts of this 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.

New accounting standard requirements that came into effect on 1 January 2020 have not had any impact on the Group's or parent company's accounting as of 30 June 2020.

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 20 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 2019 are available for viewing on Latour's website www.latour.se.

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

Gothenburg, 20 August 2020
Johan Hjertonsen
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 the principal risks and uncertainties faced by the company and the Group's companies.

Gothenburg, 20 August 2020
Investment AB Latour

Mariana Burenstam Linder
Board member

Olle Nordström
Chairman

Anders Böös
Board member

Carl Douglas
Board member

Johan Hjertonsson
*Board member and
Chief Executive Officer*

Eric Douglas
Board member

Lena Olving
Board member

Joakim Rosengren
Board member

Consolidated income statement

SEK m	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	12 mths Jul-Jun 2019/2020	Full Year 2019
Net sales	3,605	3,567	7,283	6,752	14,269	13,738
Cost of goods sold	-2,209	-2,137	-4,443	-4,041	-8,703	-8,301
Gross profit	1,396	1,430	2,840	2,711	5,566	5,437
Sales costs	-545	-575	-1,152	-1,122	-2,299	-2,269
Administrative costs	-305	-277	-615	-534	-1,159	-1,078
Research and development costs	-102	-87	-205	-171	-363	-329
Other operating income	45	115	70	141	113	184
Other operating expenses	-28	-7	-52	-13	-165	-126
Operating profit	461	599	886	1,012	1,693	1,819
Income from interests in associates	2,475	1,196	2,134	2,568	3,337	3,771
Income from portfolio management	-	-23	-7	-12	223	218
Management costs	-6	36	-13	30	-67	-24
Profit before financial items	2,930	1,808	3,000	3,598	5,186	5,784
Finance income	-95	30	14	98	-46	38
Finance expense	-26	-54	-89	-121	-65	-97
Profit after financial items	2,809	1,784	2,925	3,575	5,075	5,725
Taxes	-67	-113	-179	-203	-391	-415
Profit for the period	2,742	1,671	2,746	3,372	4,684	5,310
Attributable to:						
Parent company shareholders	2,741	1,670	2,745	3,371	4,701	5,327
Non-controlling interests	1	1	1	1	-17	-17
Earnings per share regarding profit attributable to parent company shareholders						
Basic share, SEK	4.29	2.61	4.29	5.27	7.35	8.33
Diluted share, SEK	4.27	2.60	4.28	5.26	7.33	8.31
Average number of basic shares outstanding	639,313,412	639,170,082	639,297,956	639,143,936	639,290,186	639,213,788
Average number of diluted shares outstanding	641,432,945	641,325,511	641,522,973	641,394,124	641,421,811	641,357,640
Number of outstanding shares	639,379,500	639,282,500	639,379,500	639,282,500	639,379,500	639,282,500

Consolidated statement of comprehensive income

SEK m	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	12 mths Jul-Jun 2019/2020	Full Year 2019
Profit for the period	2,742	1,671	2,746	3,372	4,684	5,310
Other comprehensive income:						
Items that will not be recycled to the income statement						
Restatement of net pension obligations	-	-	-	-	-15	-15
	0	0	0	0	-15	-15
Items that may subsequently be recycled to the income statement						
Change in translation reserve for the period	-580	54	-32	163	-118	77
Change in fair value reserve for the period	-	-2	-	23	-157	-134
Change in hedging reserve for the period	161	2	-10	-1	60	69
Change in associated companies' equity	586	176	6	272	262	528
	167		-36	457	47	540
Other comprehensive income, net after tax	167	230	-36	457	32	525
Comprehensive income for the period	2,909	1,901	2,710	3,829	4,716	5,835
Attributable to:						
Parent company shareholders	2,908	1,900	2,709	3,828	4,731	5,850
Non-controlling interests	1	1	1	1	-15	-15

Consolidated cash flow

SEK m	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	12 mths Jul-Jun 2019/2020	Full Year 2019
Operating cash flows before movements in working capital	529	518	904	940	1,828	1,864
Movements in working capital	190	-70	-92	-293	144	-57
Operating cash flows	719	448	812	647	1,972	1,807
Acquisitions of subsidiaries	-41	-	-797	-62	-4,587	-3,852
Other investments	-94	-59	-182	-89	-321	-228
Portfolio management	2,798	328	2,734	1,430	2,676	1,372
Cash flow after investments	3,382	717	2,567	1,926	-260	-901
Financial payments	-1,329	-1,888	1,092	-1,968	4,210	1,150
Cash flow for the period	2,053	-1,171	3,659	-42	3,950	249

Consolidated balance sheet

SEK m	2020/06/30	2019/06/30	2019/12/31
ASSETS			
Goodwill	10,704	6,757	9,913
Other intangible assets	260	214	272
Property, plant and equipment ¹	1,903	1,628	1,669
Financial assets	19,879	19,027	20,466
Inventories etc.	2,378	1,940	2,111
Current receivables	3,439	2,952	3,142
Cash and bank	4,673	734	1,029
Total assets	43,236	33,252	38,602
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	27,886	23,977	26,010
Non-controlling interests	80	98	80
<i>Total equity</i>	<i>27,966</i>	<i>24,075</i>	<i>26,090</i>
Interest-bearing long-term liabilities	9,100	5,157	7,977
Non-interest-bearing long-term liabilities	526	432	517
Interest-bearing current liabilities	2,435	889	1,195
Non-interest-bearing current liabilities	3,209	2,699	2,823
Equity and liabilities	43,236	33,252	38,602

Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 2019	133	-60	432	21,263	95	21,863
Total comprehensive income for the period			10	5,840	-15	5,835
Issued call options				8		8
Exercise of call options		49		-11		38
Own shares repurchase		-56				-56
Dividends				-1,598		-1,598
Closing balance 31 December 2019	133	-67	442	25,502	80	26,090
Opening balance 1 Jan 2020	133	-67	442	25,502	80	26,090
Total comprehensive income for the period			-43	2,752	-	2,709
Exercise of call options		79		-18		61
Own shares repurchase		-95				-95
Dividends				-799		-799
Closing balance 30 June 2020	133	-83	399	27,437	80	27,966

Key ratios, Group

	2020/06/30	2019/06/30	2019/12/31
Return on equity (%)	20	29	22
Return on total capital (%)	15	23	15
Equity ratio, incl IFRS 16 (%)	65	72	68
Equity ratio, excl IFRS 16 (%)	66	74	69
Adjusted equity ratio, incl IFRS 16 ¹ (%)	82	88	85
Adjusted equity ratio, excl IFRS 16 ¹ (%)	82	89	86
Adjusted equity ¹ (SEK m)	67,933	66,481	71,398
Surplus value in associated companies ² (SEK m)	39,967	42,406	45,308
Net debt/equity ratio 1 (%) ³	10.1	7.9	11.3
Net debt/equity ratio 2 (%) ⁴	7.8	6.1	9.4
Listed share price (SEK)	169	137	153
Repurchased shares	460,500	557,500	557,500
Average number of repurchased shares	542,044	696,064	626,212
Average number of employees	6,253	5,376	5,882
Issued call options corresponds to number of shares	1,668,500	1,748,000	2,330,500

¹ Incl. fair value gain in associated companies.

² The difference between the carrying amount and market value.

³ The ratio of net debt to adjusted equity.

⁴ The ratio of net debt to the market value of total assets.

Parent company income statement

SEK m	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	12 mths Jul-Jun 2019/2020	Full Year 2019
Income from interests i Group companies	440	440	440	440	440	440
Income from interest in associates companies	2,440	953	2,440	953	2,440	953
Income from portfolio management	-	-	-	-	-	-
Management costs	-5	-4	-10	-8	-21	-19
Profit before financial items	2,875	1,389	2,870	1,385	2,859	1,374
Interest income and similar items	20	4	36	7	50	21
Interest expense and similar items	69	-4	-31	-7	-43	-19
Profit after financial items	2,964	1,389	2,875	1,385	2,866	1,376
Taxes	-	-	-	-	-	-
Profit for the period	2,964	1,389	2,875	1,385	2,866	1,376

Parent company statement of comprehensive income

SEK m	2020 Q2	2019 Q2	2020 6 mths	2019 6 mths	12 mths Jul-Jun 2019/2020	Full Year 2019
Profit for the period	2,964	1,389	2,875	1,385	2,866	1,376
Change in fair value reserve for the period	-	-	-	-	-	-
Total other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	2,964	1,389	2,875	1,385	2,866	1,376

Parent company balance sheet

SEK m	2020/06/30	2019/06/30	2019/12/31
ASSETS			
Financial assets	10,840	10,936	11,157
Long-term receivables from Group companies	6,250	3,100	6,000
Current receivables from Group companies	1,781	-	-
Other current liabilities	24	9	13
Cash and bank	12	-	-
Total assets	18,907	14,045	17,170
EQUITY AND LIABILITIES			
Equity	11,891	9,850	9,849
Interese-bearing long-term lilabilities	7,000	3,100	6,000
Non-interest-bearing long-term liabilities	-	-	-
Interese-bearing current liabilities	-	1,089	1,307
Non-interest-bearing current liabilities	16	6	14
Equity and liabilities	18,907	14,045	17,170

Parent company statement of changes in equity

SEK m	2020/06/30	2019/06/30	2019/12/31
Amount at beginning of year	9,849	10,081	10,081
Total comprehensive income for the period	2,875	1,385	1,376
Issued call options	-	-	8
Exercise of call options	-18	39	39
Repurchased treasury shares	-16	-57	-57
Dividends	-799	-1,598	-1,598
Amount at end of year	11,891	9,850	9,849

Segment reporting:

Development by business area 1 Jan 2020 – 30 June 2020

SEK m	Industrial operations						Portfolio management	Total
	Caljan	Hultafor Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME								
External sales	441	1,684	1,500	681	2,866	111		7,283
Internal sales			1					1
RESULT								
Operating profit	56	222	119	181	344	-36		886
Income from portfolio management							2,114	2,114
Finance income								14
Finance expense								-89
Taxes								-179
Profit for the period								2,746
OTHER DISCLOSURES								
Investments in:								
property, plant and equipment	98	108	33	4	27	12		282
intangible assets	-	304	502	1	67	-		874
Depreciation/amortisation	7	19	30	17	43	94		210

Development by business area 1 Jan 2019 – 30 June 2019

SEK m	Industrial operations						Portfolio management	Total
	Caljan	Hultafor Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME								
External sales	-	1,337	1,526	778	3,009	102		6,752
Internal sales			1					1
RESULTS								
Operating result	-	178	132	245	373	84		1,012
Income from portfolio management							2,586	2,586
Finance income								98
Finance expense								-121
Taxes								-203
Profit for the period								3,372
OTHER DISCLOSURES								
Investments in:								
property, plant and equipment	-	7	16	11	11	10		55
intangible assets	-	-	53	1	14			68
Depreciation/amortisation	-	11	28	17	45	11		112

Change in consolidated interest-bearing net debt

SEK m	2019/12/31	Change in cash	Change in loans	Other changes	2020/06/30
Interest-bearing receivables	48			-29	19
Cash	1,029	3,601		43	4,673
Pensions provisions	-122			25	-97
Long-term liabilities	-7,855		-980	-168	-9,003
Utilised bank overdraft facilities	-160		39		-121
Interest-bearing current liabilities	-1,035		-1,279		-2,314
Interest-bearing net debt	-8,095	3,601	-2,220	-129	-6,843

Five-year overview

SEK m	Jul-Jun 2019/2020	2019	2018	2017	2016
Net sales, SEK m	14,269	13,738	11,785	9,930	8,344
Operating profit, SEK m	1,693	1,819	1,397	1,125	1,021
Income from interest in associated companies, SEK m	3,337	3,955	1,278	2,006	2,676
Income from portfolio management, SEK m	156	194	2	-8	101
Profit after finance items, SEK m	5,075	5,725	2,646	3,069	3,754
Earnings per share, SEK ¹	7	8	4	4	6
Return on equity, %	18	22	11	14	21
Return on total capital, %	13	17	9	13	17
Adjusted equity ratio, %	82	86	86	88	91
Net debt/equity ratio, %	10	11	9	8	3
Listed share price, SEK ¹	169	153	112	101	86

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
22 January 2020	S+S Regeltechnik GmbH	Germany	Latour Industries	65
28 January 2020	Batec Mobility, S.L.	Spain	Swegon	41
30 January 2020	Emma Safety Footwear B.V.	Netherlands	Latour Industries	140
11 March 2020	Waterloo Air Products	UK	Hultafors Group	140

Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	36
Property, plant and equipment	122
Inventories	107
Account receivable	97
Other receivable	24
Cash	43
Long-term liabilities	-168
Current liabilities	-136
Net identifiable assets and liabilities	170
Group goodwill	879
Total purchase price	1,049
Additional purchase price	-166
Cash settlement purchase price	883
Acquisition of non-cash items	-43
Acquired cash	-43
Effect of Group cash	797

During the first quarter of 2020, Latour acquired the entire shareholdings in S+S Regeltechnik GmbH, Batec Mobility SL, Emma Safety Footwear BV and Waterloo Air Products. The acquisition calculations are preliminary and may change if new information emerges.

S+S has contributed SEK 94 m in income and SEK 25 m in operating profit during the period. Batec has contributed SEK 16 m in income and SEK -1 m in operating profit during the period. Emma has contributed SEK 81 m in income and SEK 2 m in operating profit during the period. Waterloo has contributed SEK 38 m in income and SEK 2 m in operating profit during the period. The acquisition has 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 20 m.

Note 2 Disclosures about financial assets and liabilities

Classification of financial instruments

THE GROUP 30 June 2020

	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	0 ¹			0
Other long-term securities holdings	3 ²			3
Other long-term receivables			23 ³	23
Listed shares, trading		0 ¹		0
Unrealised gains, currency derivatives	62 ²			62
Other current receivables			2 977 ³	2,977
Cash			4 673 ³	4,673
Total	65	0	7,673	7,738
FINANCIAL LIABILITIES				
Long-term loans			8 585 ³	8,585
Bank overdraft facilities			121 ³	121
Current loans			2 157 ³	2,157
Other liabilities			1 911 ³	1,911
Unrealised gains, currency derivatives	0 ²			0
Total	0	0	12,774	12,774

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 and currency swaps and are included in level 2. Valuation at fair value of 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 30 June 2020

SEK m	2020 Q2	2019 Q2	2019 Full Year
Revenue from goods	6,895	6,017	12,287
Revenue from services	388	735	1,451
	7,283	6,752	13,738
Fix-price contract	5,590	4,902	10,286
Time-and-materials contracts	1,693	1,850	3,452
	7,283	6,752	13,738
Sold directly to consumers	3,763	3,880	7,248
Sold through intermediaries	3,520	2,872	6,490
	7,283	6,752	13,738

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

Information by quarter

SEK m	2020		2019					2018				
	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT												
Net sales	3,605	3,678	13,738	3,647	3,339	3,567	3,185	11,785	3,268	2,903	3,024	2,590
Cost of goods sold	-2,209	-2,234	-8,301	-2,219	-2,041	-2,137	-1,904	-7,073	-1,984	-1,743	-1,802	-1,544
Gross profit	1,396	1,444	5,437	1,428	1,298	1,430	1,281	4,712	1,284	1,160	1,222	1,046
Costs etc. for the operation	-935	-1,019	-3,618	-1,064	-855	-831	-868	-3,315	-899	-786	-851	-779
Operating profit	461	425	1,819	364	443	599	413	1,397	385	374	371	267
Total portfolio management	2,469	-355	3,965	1,029	350	1,209	1,377	1,280	321	473	106	380
Profit before financial items	2,930	70	5,784	1,393	793	1,808	1,790	2,677	706	847	477	647
Net financial items	-121	46	-59	-67	31	-24	1	-31	-12	-14	-14	9
Profit after financial items	2,809	116	5,725	1,326	824	1,784	1,791	2,646	694	833	463	656
Taxes	-67	-112	-415	-79	-133	-113	-90	-322	-67	-90	-95	-70
Profit for the period	2,742	4	5,310	1,247	691	1,671	1,701	2,324	627	743	368	586
KEY RATIOS												
Earnings per share, SEK	4.29	0.01	8.33	1.98	1.08	2.61	2.66	3.66	1.00	1.16	0.58	0.92
Cash flow for the period	2053	1606	249	169	122	-1171	1129	67	73	22	25	-53
Adjusted equity ratio, %	82	80	86	86	87	88	87	86	86	87	87	88
Adjusted equity	67,933	59,626	71,398	71,398	65,229	66,481	62,720	52,395	52,395	58,490	56,880	54,105
Net asset value	81,418	72,863	86,974	86,974	81,027	81,276	76,054	63,980	63,980	69,105	66,841	63,016
Net asset value per share, SEK	127	114	136	136	127	127	119	100	100	108	105	99
Listed share price, SEK	169	142	153	153	130	137	125	112	112	111	97	95
NET SALES												
Caljan	219	222	113	113	0	0	0	0	0	0	0	0
Hultafors Group	839	846	2,896	866	693	689	648	2,407	716	618	596	477
Latour Industries	689	812	3,079	810	739	790	740	2,758	747	660	700	652
Nord-Lock Group	324	357	1,448	330	340	395	384	1,309	333	332	341	303
Swegon	1,472	1,394	5,986	1,473	1,505	1,639	1,370	5,137	1,421	1,248	1,347	1,121
	3,542	3,631	13,519	3,591	3,276	3,512	3,142	11,611	3,217	2,858	2,984	2,553
Other companies and eliminations	63	47	219	56	63	55	43	174	51	45	40	37
	3,605	3,678	13,738	3,647	3,339	3,567	3,185	11,785	3,268	2,903	3,024	2,590
OPERATING PROFIT												
Caljan	27	30	20	20	0	0	0	0	0	0	0	0
Hultafors Group	114	108	412	138	97	90	88	375	119	93	98	65
Latour Industries	48	71	257	60	74	67	56	191	55	57	48	31
Nord-Lock Group	84	97	411	71	94	124	121	397	89	106	108	94
Swegon	201	143	717	145	199	226	147	514	138	144	143	89
	474	449	1,817	434	464	507	412	1,477	401	399	397	279
Gain/loss from sale/purchase of business	-10	-17	29	-63	-15	108	-1	-38	-17	-10	-10	-1
Other companies and items	-7	-8	-27	-7	-6	-17	2	-42	1	-15	-16	-11
	457	424	1,819	364	443	598	413	1,397	385	374	371	267
OPERATING MARGIN (%)												
Caljan	12.2	13.3	17.4	17.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hultafors Group	13.6	12.8	14.2	15.9	13.9	13.3	13.6	15.6	16.6	15.1	13.6	13.6
Latour Industries	7.0	8.8	8.3	7.4	10.0	7.7	7.6	6.9	7.3	8.6	4.7	4.7
Nord-Lock Group	25.8	27.3	28.4	21.6	27.8	40.8	31.4	30.3	26.8	31.9	30.9	30.9
Swegon	13.7	10.2	12.0	9.9	13.2	10.7	10.7	10.0	9.7	11.5	8.0	8.0
	13.4	12.4	13.4	12.1	14.2	13.1	13.1	12.7	12.5	14.0	10.9	10.9

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

Basic earnings per share

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

Calculations:

Jan-June 2020: $2,746/639,297,956 \times 1000=4.29$

Jan-June 2019: $3,372/639,143,936 \times 1000=5.27$

Diluted earnings per share

Calculations:

Jan-June 2020: $2,746/641,522,973 \times 1000=4.28$

Jan-June 2019: $3,372/641,394,124 \times 1000=5.26$

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

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

Share of equity

Share 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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Presentation of performance for the quarter:

Investment AB Latour invites you to participate in a conference call with Johan Hjertonsson and Anders Mörck commencing today at 10.00.

The number to call is +46 (0)8 505 583 58. The conference will be broadcast on the Internet.

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

Financial dates:

The interim report for the period January – September 2020 will be published on 5 November 2020

The 2020 Year-End Report will be published on 12 February 2021

The interim report for the period January – March 2021 will be published on 29 April 2021

The interim report for the period January – June 2021 will be published on 23 August 2021

The interim report for the period January – September 2021 will be published on 9 November 2021

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 20 August 2020, at 08.30 CEST.

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