



2020

YEAR-END REPORT



# Year-end report 2020

## NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 153 per share, compared with SEK 136 per share at the start of the year. This is an increase of 13.7 per cent. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 14.8 per cent. The net asset value as of 11 February remained unchanged at SEK 153 per share.<sup>1</sup>
- The total return on the Latour share was 31.8 per cent during the period measured against the SIXRX, which rose 14.8 per cent.
- The Board of Directors proposes an increased dividend of SEK 3.00 (1.25) per share.

## INDUSTRIAL OPERATIONS

### Fourth quarter

- The industrial operations' order intake rose 7 per cent to SEK 3,903 m (3,632 m), which represents a 3 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 11 per cent to SEK 3,989 m (3,591 m), which represents a 6 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' best fourth-quarter operating profit to date. Operating profit increased by 37 per cent to SEK 593 m (434 m), which equates to an operating margin of 14.8 (12.1) per cent for continuing operations.
- On 2 November, Swegon acquired the German company SLT Schanze Lufttechnik. On 18 November, Latour Industries signed an agreement for the acquisition of the Italian company Vega S.R.L. The acquisition was finalised in January 2021. On 11 December, Hultafors Group signed an agreement for the acquisition of Fristads AB, Kansas A/S, Kansas GmbH and Leijona Group Oy. In addition, Latour Industries signed an agreement for the acquisition of the Swedish company Elsys for Bemsig on 18 December. The acquisition was finalised in January 2021.

### Full year

- The industrial operations' order intake rose 9 per cent to SEK 14,857 m (13,660 m), which represents a 3 per cent decrease for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 9 per cent to SEK 14,783 m (13,516 m), which represents a 2 per cent decrease for comparable entities adjusted for foreign exchange effects.
- Operating profit increased by 16 per cent to SEK 2,117 m (1,827 m), which equates to an operating margin of 14.3 (13.5) per cent for continuing operations.

## THE GROUP

- Consolidated net sales totalled SEK 15,028 m (13,738 m), and profit after financial items was SEK 5,753 m (5,725 m). An impairment charge of SEK -108 m in relation to Alimak and a capital gain of SEK 1,964 m from the sale of Tomra shares have been recognised in the income statement this year. Capital gains and other items that affect the comparability of results had a favourable SEK 1,134 m impact on last year's income statement.
- Consolidated profit after tax was SEK 5,324 m (5,310 m), which is equivalent to SEK 8.32 (8.33) per share.
- The Group reported net debt of SEK 5,273 m (8,095 m). Net debt, excluding lease liabilities recognised under IFRS 16, was SEK 4,613 m (7,478 m) and is equivalent to 4 (8) per cent of the market value of total assets.
- In December, Fitch Ratings assigned Latour an "A" rating with a Stable Outlook.

## INVESTMENT PORTFOLIO

- The value of the investment portfolio increased by 9.1 per cent during the year when adjusted for portfolio changes and dividends. The benchmark index (SIXRX) rose 14.8 per cent.
- During the year, 2,590,000 shares in Fagerhult were acquired, giving an ownership stake of 47.8 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 Alimak increased during the year to 29.6 per cent following acquisition of 210,000 shares.

## EVENTS AFTER THE REPORTING PERIOD

- On 8 January, Densiq, within Latour Industries, acquired the entire shareholding of the Danish company VM Kompensator A/S, which in 2020 generated net sales of DKK 23 m.

<sup>1</sup> The calculation of the net asset value on 11 February was based on the value of the investment portfolio at 1 p.m. on 11 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 nine substantial holdings that had a market value of SEK 68 billion as at 31 December 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

“Despite the second wave of the pandemic hitting with full force and impacting Latour's business to varying degrees, the wholly-owned industrial operations grew organically in the fourth quarter. Our fourth-quarter performance was very strong. Although we are coming through the crisis relatively unscathed, we expect the uncertainty created by the pandemic to continue until it is over. Our operations are fully prepared to take additional measures, if and when necessary.

The fourth-quarter order intake was up 3 per cent and invoiced sales 6 per cent when adjusted for acquisitions and exchange rate movements. Operating profit increased by 37 per cent in the quarter to SEK 593 m (434 m) with a strong operating margin of 14.8 (12.1) per cent. When adjusted for acquisitions and exchange rate movements, we outperformed the previous year's operating profit by 28 per cent.

The whole year was marked by the pandemic and its effect on the global economy. Net sales rose 9 per cent to SEK 14,783 m (13,516 m) and the operating profit increased by 16 per cent to SEK 2,117 m (1,827 m) with an operating margin of 14.3 (13.5) per cent. These figures are very pleasing and confirm that we own sustainable and well-managed companies.

Our business areas have been giving the highest priority to the health and safety of employees while at the same time managing their operations to respond to the challenges that have arisen throughout the year in the best way possible. They have taken significant actions to mitigate the impact of the virus, above all by adopting a rigorous approach to cost control. The operations have benefited from government support schemes where appropriate, but only to a relatively small extent and primarily in the regions hit hardest by lockdown measures. Such government funding received in the fourth quarter was much less than in the third quarter and the second quarter in particular, and the impact on earnings in the quarter was marginal. As in the previous quarter, we have observed various trends and impacts depending on which market and segment one looks at. Generally, it can be said that the countries of northern Europe have been less affected than the rest of Europe. The operations in Asia and North America have experienced relatively positive growth. We have a diversified portfolio of holdings that are exposed to different geographic markets, customers and product segments, which has alleviated the negative impact of the crisis. Moreover, the majority of our companies are well-positioned in markets that are showing good growth potential which promotes positive development. One example of this is Caljan, whose customers are benefitting from the increase in online shopping.

The level of acquisition activity during the quarter has been high. Swegon has acquired SLT Schanze Lufttechnik. Furthermore, we have signed agreements for three more acquisitions: Vega for Latour Industries, Fristads AB, Kansas A/S, Kansas GmbH and Leijona Group Oy for Hultafor Group and Elsys for Bemsiq. The acquisitions of Vega and Elsys were finalised in early January 2021 and the acquisition of the Fristads companies is expected to be completed in February. Read more about our acquisitions on page 4.

Pandemic or not, we're looking ahead and investing in the future to maintain our competitive edge and grow our market share. Latour enjoys a strong financial position and is continuously investing in various projects across product development, sales and marketing. We remain committed to our focus on sustainability and digitalisation, which are key to underpinning future growth. In the fourth quarter, we established Latour Future Solutions, an investment area targeting sustainability-focused growth companies. Latour will enter as a minority shareholder in companies, where we can support them with our industrial expertise to accelerate the transition to a more sustainable society. We have begun by investing in Gaia Biomaterials, a company that develops and manufactures biodegradable biomaterials from renewable sources to replace fossil-based plastics.

Since the beginning of the year, the investment portfolio has increased by 9.1 per cent when adjusted for portfolio changes and dividends, while the benchmark index (SIXRX) increased by 14.8 per cent. The underlying growth in earnings of the companies has, with a few exceptions, also been good considering the pandemic. Most of the companies have been hit by a fall in organic sales, but have demonstrated considerable resilience and are posting good operating profits. The net asset value in Latour increased by 13.7 per cent to SEK 153 per share for the full year.

The Board of Directors proposes that the dividend be increased to SEK 3.00 per share, which is 9 per cent above the original dividend proposal in 2020. Last year's dividend was later reduced to SEK 1.25 per share for precautionary reasons.”

*Johan Hjertzonsson  
President and Chief Executive Officer*

# Industrial operations

## Order intake, invoiced sales and earnings

In the fourth quarter, order intake grew by 7 per cent to SEK 3,903 m (3,632 m), with organic growth accounting for 3 per cent of this. Invoiced sales rose 11 per cent to SEK 3,989 m (3,591 m), which represents a 6 per cent increase for comparable entities and when adjusted for foreign exchange effects. Operating profit in the wholly-owned industrial operations increased by 37 per cent in the quarter to SEK 593 m (434 m). The operating margin was 14.8 (12.1) per cent.

Full-year order intake increased by 9 per cent to SEK 14,857 m (13,660 m), of which minus 3 per cent was organic. Invoiced sales rose 9 per cent to SEK 14,783 m (13,516 m), of which minus 2 per cent was organic. In the wholly-owned industrial operations, full-year operating profit increased by 16 per cent to SEK 2,117 m (1,827 m). The operating margin was 14.3 (13.5) per cent.

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

## Acquisitions/disposals

On 2 November, Swegon acquired the entire shareholding of SLT Schanze Lufttechnik (SLT), a supplier of diffusers in Germany with the engineering capability to provide complex and customised solutions for its customers. The acquisition strengthens Swegon's portfolio within Room Unit products and increases Swegon's position as one of the leading companies for indoor environment solutions. The company employs 70 people and its head office and production site are in Lingen, Germany. In 2019, the acquired operation reported net sales of EUR 10 m.

On 18 November, Latour Industries signed an agreement to acquire the entire shareholding of VEGA S.R.L. (VEGA), a company based in the Marche region in Italy. The transaction was completed on 12 January 2021. Vega is a leading designer and manufacturer of passenger interface systems and electronic systems for elevators and platform lifts. The company has 200 employees and is headquartered in Italy, with subsidiaries in the USA, Brazil, Albania and China. It generates net sales of over EUR 20 m with a strong operating margin.

On 11 December, Hultafors Group signed an agreement to acquire the entire shareholdings of Fristads AB, Kansas A/S, Kansas GmbH and Leijona Group Oy from Fristads Kansas AB. The companies are leading brands in professional workwear for a variety of end-use segments and have strong footholds in their respective key markets Sweden, Denmark, Germany and Finland. Net sales totalled approximately EUR 120 m in 2020 and the companies employ more than 600 people altogether. The acquisition is part of Hultafors Group's strategy to grow and develop leading brands in the Personal Protective Equipment segment in Europe and North America.

On 18 December, Latour Industries, through its subsidiary Bemsig, signed an agreement to acquire 70 per cent of the shares of Elektroniksystem i Umeå AB ("Elsys"). The transaction was completed on 5 January 2021. Elsys is an internationally leading manufacturer and seller of LoRaWAN® sensors for applications for smart buildings and cities. The company has 7 employees and its head office and production

site are in Umeå, Sweden. In 2020, it generated net sales of approximately SEK 50 m.

Four transactions took place earlier on in the year. The acquisition of the entire shareholding of S+S Regeltechnik in Germany for Bemsig AB within Latour Industries was finalised on 22 January. The company is a pan-European leader in advanced sensor technology for measurement and control within building automation and mechanical engineering. The acquisition further strengthens Bemsig's offering to the building automation segment and broadens the Group's geographical reach with a strong base in Germany. The company has 65 employees and generates sales of approximately EUR 16 m with good profitability.

On 28 January, MS Group, within Latour Industries, acquired the entire shareholding of 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. The company has some 140 employees and recently set up a 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 entire shareholding of 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 are in Aylesford. In 2019, the acquired operation reported net sales of GBP 12 m.

In addition to the industrial operations' acquisitions, Latour has established a new investment area in the fourth quarter – Latour Future Solutions. The investment area targets sustainability-focused growth companies that Latour can support with industrial expertise to accelerate the development of solutions to build a long-term sustainable society. In connection with the establishment, Latour has made its first investment in Gaia BioMaterials AB. Latour has come in as a minority shareholder. Gaia BioMaterials develops and manufactures biodegradable biomaterials from renewable sources to replace fossil-based plastics.

# Industrial operations summary

## Business area results

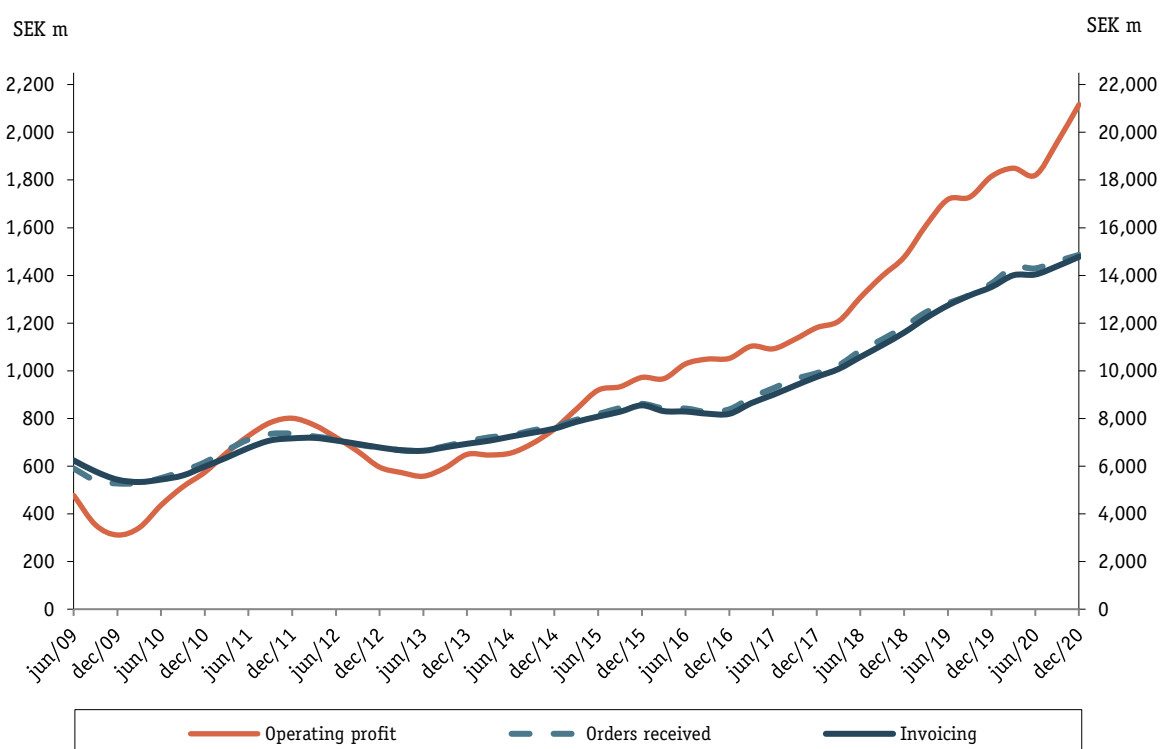
SEK m	Net sales				Operating profit				Operating margin %			
	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Caljan <sup>1</sup>	424	113	1,176	113	93	20	207	20	21.8	17.4	17.6	17.2
Hultafors Group	1,041	866	3,641	2,896	182	138	561	412	17.5	15.9	15.4	14.2
Latour Industries	855	810	3,081	3,076	105	60	312	267	12.3	7.4	10.1	8.7
Nord-Lock Group	294	330	1,275	1,448	52	71	316	411	17.7	21.6	24.8	28.4
Swegon	1,376	1,473	5,614	5,986	160	145	721	717	11.6	9.9	12.8	12.0
Eliminations	-1	-1	-4	-3	1	-	-	-	-	-	-	-
	3,989	3,591	14,783	13,516	593	434	2,117	1,827	14.8	12.1	14.3	13.5
Part-owned subsidiaries	64	56	245	219	7	2	11	5	11.5	3.5	4.5	2.6
	4,053	3,647	15,028	13,735	600	436	2,128	1,832	14.8	11.9	14.2	13.3
Gain/loss from sale/purchase of businesses	-	-	-	-	-12	-63	-38	29				
Other companies and items	-	-	-	3	-15	-8	-38	-43				
	4,053	3,647	15,028	13,738	573	365	2,052	1,818				
Effect IFRS 16	-	-	-	-	2	-1	5	1				
	4,053	3,647	15,028	13,738	575	364	2,057	1,819				

SEK m	Operating capital <sup>2</sup>		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 <sup>1</sup>	2,706	441	7.6	4.4	-	22.5	-1.5	-
Hultafors Group	3,853	2,746	14.6	15.0	25.7	7.3	-1.8	19.3
Latour Industries	3,540	3,043	8.8	8.8	0.2	-7.9	-1.6	10.6
Nord-Lock Group	1,207	1,106	26.2	37.1	-12.0	-10.1	-2.1	-
Swegon	3,239	3,284	22.3	21.8	-6.2	-7.0	-2.1	3.0
Total	14,545	10,620	14.6	17.2	9.4	-2.4	-1.9	14.2

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

<sup>2</sup> Calculated as total assets less cash and other interest-bearing assets and less non-interest-bearing liabilities. Calculated on the average for the past 12 months.

## Industrial operations trailing 12 months



## Development by business area



(MEUR)	2020 Q4	2019* Q4	2020 Full Year	2019* Full Year
Net sales	40.9	23.8	112.1	92.2
EBITDA	9.2	3.7	21.3	14.1
EBITDA <sup>1</sup>	9.1	3.6	21.0	14.0
EBITA <sup>1</sup>	8.9	3.4	20.3	13.1
EBIT <sup>1</sup>	8.8	3.3	19.7	13.1
EBITA % <sup>1</sup>	22.0	14.2	18.1	14.2
EBIT % <sup>1</sup>	21.8	14.0	17.6	14.2
Total growth %	69.4		21.6	
Organic %	74.4		22.3	
Exchange effects %	-2.8		-0.6	
Acquisitions %	-		-	
Average number of employees	502	465	493	465

<sup>1</sup> Excl. IFRS 16.

\* Pro forma

### Highlights

- Strong net sales during the quarter, driven by delivery of major projects and high levels of service activity.
- High volumes and good cost control contribute to a very good performance in the quarter.
- Significant increase in demand after a slower third quarter and the order book is looking healthy for 2021.
- Caljan's expansion continues at an undiminished pace. October saw the opening of the new 13,000 m<sup>2</sup> factory in Latvia and progress is being made on the construction of a 10,000 m<sup>2</sup> factory in the USA.

### Breakdown of net sales

(MEUR)	2020 Q4	2019* Q4	2020 Full Year	2019* Full Year
Telescopes	15.3	12.7	59.5	56.2
Document Handling & Labelling	5.5	1.8	10.0	8.8
Depot Automation Solutions	10.6	3.3	18.2	5.5
Aftermarket	9.5	6.0	24.4	21.8
	40.9	23.8	112.1	92.2

\*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 Q4	2019 Q4	2020 Full Year	2019 Full Year
Net sales	1,041	866	3,641	2,896
EBITDA	202	150	628	462
EBITDA <sup>1</sup>	194	144	602	435
EBITA <sup>1</sup>	187	139	573	416
EBIT <sup>1</sup>	182	138	561	412
EBITA % <sup>1</sup>	17.9	16.0	15.7	14.4
EBIT % <sup>1</sup>	17.5	15.9	15.4	14.2
Total growth %	20.2	20.9	25.7	20.3
Organic %	16.2	-0.3	7.3	3.2
Exchange effects %	-4.6	3.2	-1.8	3.2
Acquisitions %	8.4	17.5	19.3	13.1
Average number of employees	981	929	977	885

<sup>1</sup> Excl. IFRS 16.

### Highlights

- Continued strong sales performance with growth across all main markets and product areas. Organic growth in the quarter is 16 per cent.
- A combination of continued good cost control and high net sales results in a very strong performance for the quarter.
- Investments in sales, marketing and digitalisation is gradually increased to maintain and enhance the competitive edge.
- An agreement was signed in December for the acquisition of the entire shareholdings of Fristads AB, Kansas A/S, Kansas GmbH and Leijona Group OY. More details can be found on page 4.
- Martin Knobloch assumed as CEO on 1 January 2021.

### Breakdown of net sales

(SEK m)	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
PPE/Workwear	625	529	2,066	1,757
Hardware	416	337	1,575	1,139
	1,041	866	3,641	2,896
Pro forma adjustment <sup>1</sup>			-	
Trailing 12 month pro forma			3,641	

<sup>1</sup> 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 Q4	2019 Q4	2020 Full Year	2019 Full Year
Net sales	855	810	3,081	3,076
EBITDA	135	90	425	379
EBITDA <sup>1</sup>	122	77	379	327
EBITA <sup>1</sup>	110	65	333	285
EBIT <sup>1</sup>	105	60	312	267
EBITA % <sup>1</sup>	12.8	8.0	10.8	9.3
EBIT % <sup>1</sup>	12.3	7.4	10.1	8.7
Total growth %	5.6	8.5	0.2	12.4
Organic %	0.0	-1.0	-7.9	3.8
Exchange effects %	-3.1	1.7	-1.6	1.7
Acquisitions %	8.9	7.8	10.6	6.5

Average number of employees	1,442	1,482	1,532	1,465
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<sup>1</sup> Excl. IFRS 16.

### Highlights

- Sales growth in the fourth quarter shows that most of the business units continue to recover.
- Good cost control drives profitability.
- An agreement to acquire the entire shareholding of the Italian company Vega was signed in December and finalised in January 2021. An agreement to acquire 70 per cent of the shares of the Swedish company Elsys for Bemsig was signed in December and finalised in January 2021. Acquisition of the entire shareholding of the Danish company VM Kompensator for Densiq after the balance sheet date. More details can be found on page 4.

### Breakdown of net sales

(SEK m)	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Bemsig	188	136	725	497
Aritco Group	244	224	843	792
Vimec	147	159	450	541
MS Group	115	118	470	529
LSAB	119	128	445	534
Densiq	44	48	159	193
Elimination	-3	-3	-11	-10
	855	810	3,081	3,076
Pro forma adjustment <sup>1</sup>			2	
Trailing 12 month pro forma			3,083	

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

**Latour Industries** consists of a number of operating areas, each with its own business concept and business model. Our ambition is to develop independent entities within the business area, so that they are eventually able to become established as separate business areas within Latour.

(SEK m)	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Net sales	294	330	1,275	1,448
EBITDA	70	87	380	471
EBITDA <sup>1</sup>	63	80	353	446
EBITA <sup>1</sup>	54	74	326	420
EBIT <sup>1</sup>	52	71	316	411
EBITA % <sup>1</sup>	18.5	22.3	25.5	29.0
EBIT % <sup>1</sup>	17.7	21.6	24.8	28.4
Total growth %	-11.1	-0.8	-12.0	10.7
Organic %	-4.8	-5.9	-10.1	4.4
Exchange effects %	-6.6	5.4	-2.1	5.4
Acquisitions %	-	-	-	0.5
Average number of employees	563	612	566	594

<sup>1</sup> Excl. IFRS 16.

### Highlights

- The impact of both the pandemic and exchange rates has resulted in negative growth in the quarter, although Asia Pacific has continued to see organic growth.
- The operating profit was negatively affected by significant currency effects and is also charged in the quarter with non-recurring costs, including those associated with the relocation of production to the business area's new factory in Pittsburgh, USA. When adjusted for this, fourth-quarter profitability is in line with the previous year, despite the drop in volume.
- Towards the end of the quarter, the order intake showed organic growth, with a particularly solid recovery in EMEA.

### Breakdown of net sales

(SEK m)	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
EMEA	132	141	564	652
Americas	72	101	331	394
Asia Pacific	90	88	379	402
	294	330	1,275	1,448
Pro forma adjustment <sup>1</sup>			-	
Trailing 12 month pro forma			1,275	

<sup>1</sup> 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 Q4	2019 Q4	2020 Full Year	2019 Full Year
Net sales	1,376	1,473	5,614	5,986
EBITDA	195	183	864	875
EBITDA <sup>1</sup>	181	164	806	804
EBITA <sup>1</sup>	164	149	736	733
EBIT <sup>1</sup>	160	145	721	717
EBITA % <sup>1</sup>	11.9	10.1	13.1	12.2
EBIT % <sup>1</sup>	11.6	9.9	12.8	12.0
Total growth %	-6.6	3.7	-6.2	16.5
Organic %	-5.5	-2.0	-7.0	8.0
Exchange effects %	-4.4	2.4	-2.1	2.5
Acquisitions %	3.5	3.3	3.0	5.3
Average number of employees	2,803	2,401	2,625	2,454

<sup>1</sup> Excl. IFRS 16.

### Highlights

- The second wave of the pandemic is having an impact on most markets and activities, but to varying extents. Yet in spite of restrictions, the companies are managing to continue operating.
- Sweden continues to perform well, particularly within Residential.
- The effects of various internal efficiency programs and a generally high level of cost awareness allow strong profitability to be maintained during the quarter.
- The investment rate is being increased to promote long-term growth.
- In November, the entire shareholding of SLT Schanze Luttechnik was acquired and the integration is progressing well. More details can be found on page 4.

### Breakdown of net sales

(SEK m)	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Sweden	291	290	1,178	1,188
Rest of Nordic region	248	257	1,085	1,046
Rest of world	837	926	3,351	3,752
	1,376	1,473	5,614	5,986
Pro forma adjustment <sup>1</sup>			108	
Trailing 12 month pro forma			5,722	

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

(SEK m)	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Commercial Ventilation	1,046	1,177	4,319	4,778
Residential	140	115	544	476
North America	76	89	322	342
UK	166	152	664	662
Eliminations	-52	-60	-235	-272
	1,376	1,473	5,614	5,986

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

## The Latour share's net asset value

In order to facilitate the evaluation of Latour's net asset value, Latour provides an estimated range of the value (Enterprise Value) for each business area based on EBIT multiples. These multiples have been calculated by comparing valuations of listed companies in comparable industries. Since there are variations in the listed companies' valuations these are reflected in the tables by valuing each business area in a range. Deductions are then made for the Group's net debt. The evaluation of comparable companies is based on the share price on the balance sheet date. Any price changes after the balance sheet date have not been taken into consideration. A more detailed description can be found on page 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 increased to SEK 153 per share from SEK 136 at the start of the year. The net asset value thus increased by 13.7 per cent, compared against SIXRX which rose 14.8 per cent.

Developments in the stock market during the year have meant that most of the companies in the industrial operations' listed peer group have increased considerably in value, with the business areas' valuation multiples following suit. Latour values the holdings with a cautious approach and the increases in value of comparable companies are therefore not fully reflected in the industrial operations' valuation range.

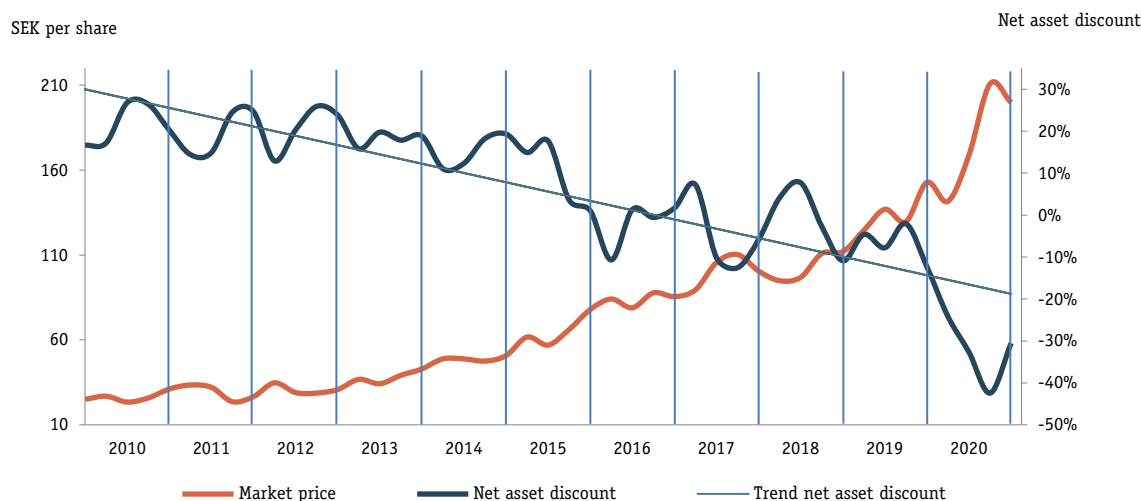
SEK m	Net sales <sup>1</sup>	EBIT <sup>1</sup>	EBIT multiple	Valuation <sup>2</sup> Range	Valuation <sup>2</sup> Average	Valuation <sup>2</sup> SEK/share <sup>3</sup> Range
Caljan	1,176	207	17 – 21	3,519 – 4,347	3,933	6 – 7
Hultafors Group	3,641	561	12 – 16	6,732 – 8,976	7,854	11 – 14
Latour Industries	3,083	311	14 – 18	4,353 – 5,597	4,975	7 – 9
Nord-Lock Group	1,275	316	15 – 19	4,739 – 6,002	5,371	7 – 9
Swegon	5,722	727	15 – 19	10,906 – 13,815	12,360	17 – 22
	14,897	2,122		30,249 – 38,737		47 – 61
Industrial operations valuation, average					34,493	54
Listed shares (see table on page 10 for breakdown)					68,065	106
Latour Future Solutions					40	0
<i>Unlisted part-owned holdings</i>						
Neuffer <sup>4</sup> , 66.1 %					149	0
Oxeon <sup>4</sup> , 31.3 %					18	0
<i>Other assets</i>						
Short trading portfolio					0	0
Dilution effect of option programme					-128	0
Consolidated net debt (excl IFRS 16)					-4,613	-7
Estimated value					98,024	153
					(93 781 – 102 268)	(147 – 160)

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

<sup>2</sup> EBIT and EV/sales recalculated taking into consideration the listed share price on 31 of December 2020 for comparable companies in each business area.

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

<sup>4</sup> Valued according to the book value.



## The investment portfolio at 31 December 2020

During the year, the value of the investment portfolio increased by 9.1 per cent when adjusted for portfolio changes and dividends, while the benchmark index (SIXRX) increased by 14.8 per cent. During the year, 2,590,000 shares in Fagerhult were acquired, giving Latour a 47.8 per cent stake in the share capital.

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 Alimak has increased during the year to 29.6 per cent following acquisition of 210,000 shares.

Share <sup>1</sup>	Number	Cost SEK m	Listed share price <sup>2</sup> SEK	Market value SEK m	Share of votes %	Share of equity %
Alimak Group	16,016,809	2,134	131	2,098	29.7	29.6
Assa Abloy <sup>3</sup>	105,495,729	1,697	203	21,363	29.5	9.5
Fagerhult	84,708,480	1,899	46	3,854	48.1	47.8
HMS Networks	12,109,288	250	260	3,148	25.9	25.9
Nederman	10,538,487	306	141	1,486	30.0	30.0
Securitas <sup>3</sup>	39,732,600	1,081	133	5,275	29.6	10.9
Sweco <sup>3 4</sup>	97,867,440	479	151	14,778	21.0	26.9
Tomra <sup>5</sup>	31,200,000	1,600	423 NOK	12,592	21.1	21.1
Troax	18,060,000	397	192	3,471	30.2	30.1
<b>Total</b>		<b>9,843</b>		<b>68,065</b>		

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

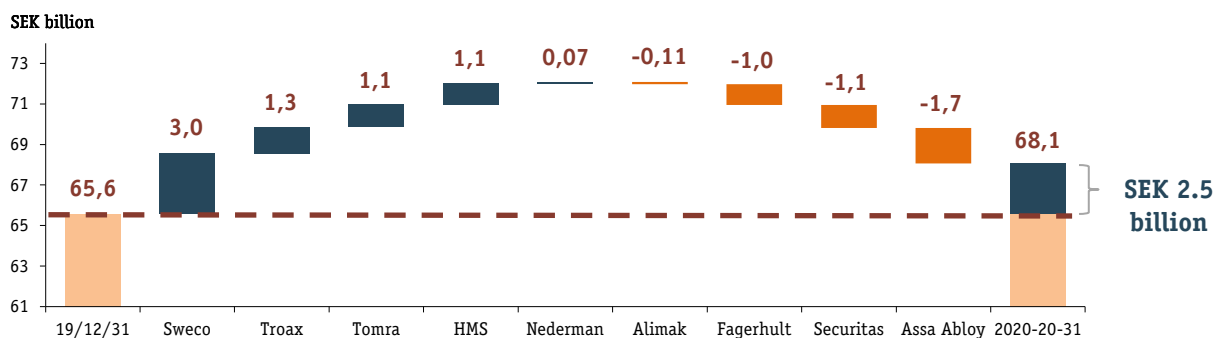
<sup>2</sup> The last price paid is used as the listed share price.

<sup>3</sup> 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.

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

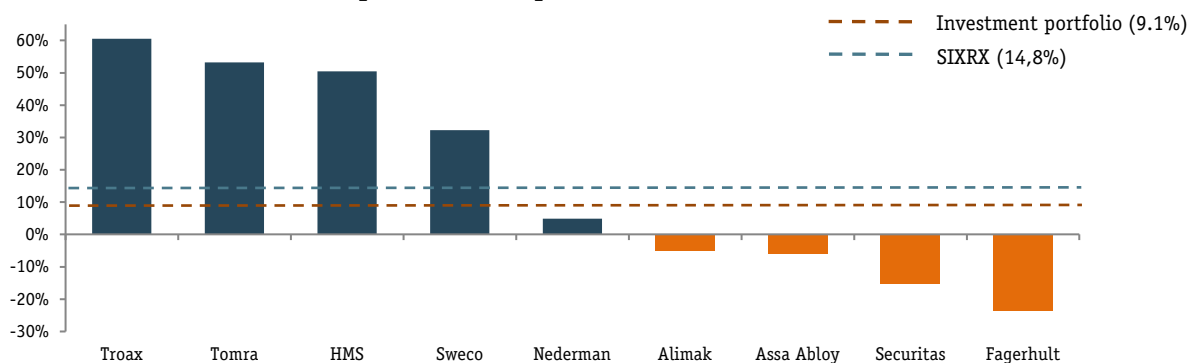
<sup>5</sup> At the end of the report period, the listed share price was NOK 422,60 which has been translated to SEK at the exchange rate on the balance sheet date.

### 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 5,753 m (5,725 m). Profit after tax was SEK 5,324 m (5,310 m), which is equivalent to SEK 8.32 (8.33) per share. A write-down of the holding in Alimak negatively impacted the income statement by SEK -108 m, and capital gains from the sale of shares in Tomra had a positive impact of SEK 1,964 m. The business areas have availed themselves of different government COVID-19 support schemes, where this is applicable, but only to a relatively small extent. Latour has received a total of SEK 64 m, of which SEK 11 m in Sweden.

The Group's cash in hand and liquid investments reached SEK 4,033 m (1,029 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 8,778 m (8,433 m). The Group's net debt was SEK 5,273 m (8,095 m). Net debt, excluding lease liabilities, was SEK 4,613 m (7,478 m). The equity ratio was 86 (85) 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 six outstanding bonds with a total value of SEK 6.4 billion.

In December, Fitch Ratings assigned Latour an "A" rating with a Stable Outlook.

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 604 m (251 m) was invested in property, plant and equipment, of which SEK 310 m (174 m) was machinery and equipment, SEK 13 m (17 m) was vehicles, and SEK 281 m (60 m) was buildings. Fixed assets in newly acquired companies account for SEK 127 m (77 m) of investments for the year.

## Parent company

The parent company's profit after financial items was SEK 3,328 m (1,376 m). The parent company's equity ratio was 66 (57) per cent.

The number of class A shares issued is 47,635,048 and the number of class B shares is 592,204,952. Not including repurchased shares, the number of outstanding shares at 31 December 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 2,122,900, which give the right to purchase the same amount of shares.

## Events after the reporting period

On 8 January, Densiq, within Latour Industries, acquired the entire shareholding of the Danish company VM Kompensator A/S, which in 2020 generated net sales of DKK 23 m. In addition, the acquisitions of Vega S.R.L. for Latour Industries and Elsys for Bemsig were completed in 2021.

## Dividends

The Board of Directors proposes an increased regular dividend of SEK 3.00 (1.25) per share. In absolute terms, this corresponds to a dividend payout of SEK 1,918 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 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 as a whole is 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 for the possible consequences of the coronavirus pandemic which have been commented on in other sections 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 Swedish 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 31 December 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 19 of this report and in Latour's latest Annual Report. For an explanation of how the financial performance measures have been calculated for the current and prior periods, please see the table in this report and Latour's latest Annual Report.

The Annual Reports for 1986 to 2019 are available for viewing on Latour's website [www.latour.se](http://www.latour.se).

## Nomination Committee

The Nomination Committee for the Annual General Meeting on 10 May 2021 comprises the following members:

Jan Svensson, Chairman (Förvaltnings AB Wasatornet including related entities), Eric Douglas (Wasatornet Holding AB including related entities), Fredrik Palmstierna (own holding including related entities) and Johan Nordström (Skirner AB).

The Nomination Committee can be contacted through Latour's website [www.latour.se](http://www.latour.se) under Corporate Governance, Nomination Committee.

Gothenburg, 12 February 2021

Johan Hjertansson

*President and CEO*

## Consolidated income statement

SEK m	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Net sales	4,053	3,647	15,028	13,738
Cost of goods sold	-2,472	-2,219	-9,151	-8,301
Gross profit	1,581	1,428	5,877	5,437
Sales costs	-567	-612	-2,254	-2,269
Administrative costs	-314	-297	-1,189	-1,078
Research and development costs	-112	-88	-406	-329
Other operating income	39	26	134	184
Other operating expenses	-52	-93	-105	-126
Operating profit	575	364	2,057	1,819
Income from interests in associates	999	872	3,977	3,771
Income from portfolio management	-	164	-8	218
Management costs	-8	-7	-28	-24
Profit before financial items	1,566	1,393	5,998	5,784
Finance income	22	-33	31	38
Finance expense	-142	-34	-276	-97
Profit after financial items	1,446	1,326	5,753	5,725
Taxes	-157	-79	-429	-415
Profit for the period	1,289	1,247	5,324	5,310
Attributable to:				
Parent company shareholders	1,286	1,265	5,320	5,327
Non-controlling interests	3	-18	4	-17
Earnings per share regarding profit attributable to parent company shareholders				
Basic share, SEK	2.01	1.98	8.32	8.33
Diluted share, SEK	2.00	1.97	8.29	8.31
Average number of basic shares outstanding	639,379,500	639,282,500	639,338,951	639,213,788
Average number of diluted shares outstanding	641,502,400	641,613,000	641,434,414	641,357,640
Number of outstanding shares	639,379,500	639,282,500	639,379,500	639,282,500

## Consolidated statement of comprehensive income

SEK m	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Profit for the period	1,289	1,247	5,324	5,310
Other comprehensive income:				
Items that will not be recycled to the income statement				
Restatement of net pension obligations	3	-15	3	-15
	3	-15	3	-15
Items that may subsequently be recycled to the income statement				
Change in translation reserve for the period	-531	-203	-571	77
Change in fair value reserve for the period	-	-145	-	-134
Change in hedging reserve for the period	167	68	125	69
Change in associated companies' equity	-234	257	-994	528
	-598	-23	-1,440	540
Other comprehensive income, net after tax	-595	-38	-1,437	525
Comprehensive income for the period	694	1,209	3,887	5,835
Attributable to:				
Parent company shareholders	694	1,225	3,886	5,850
Non-controlling interests	-	-16	1	-15

## Consolidated cash flow

SEK m	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Operating cash flows before movements in working capital	591	494	2,120	1,864
Movements in working capital	379	201	215	-57
Operating cash flows	970	695	2,335	1,807
Acquisitions of subsidiaries	-20	-2,684	-692	-3,852
Sale of subsidiaries	-	-	-	-
Other investments	-146	-95	-530	-228
Portfolio management	528	-96	3,224	1,372
Cash flow after investments	1,332	-2,180	4,337	-901
Financial payments	-795	2,349	-1,235	1,150
Cash flow for the period	537	169	3,102	249

## Consolidated balance sheet

SEK m	2020/12/31	2019/12/31
<b>ASSETS</b>		
Goodwill	10,063	9,913
Other intangible assets	241	272
Property, plant and equipment	2,072	1,669
Financial assets	20,440	20,466
Inventories etc.	2,127	2,111
Current receivables	3,110	3,142
Cash and bank	4,033	1,029
<b>Total assets</b>	<b>42,086</b>	<b>38,602</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves attributable to parent company shareholders	29,067	26,010
Non-controlling interests	81	80
<i>Total equity</i>	<i>29,148</i>	<i>26,090</i>
Interest-bearing long-term liabilities	7,509	7,977
Non-interest-bearing long-term liabilities	587	517
Interest-bearing current liabilities	2,016	1,195
Non-interest-bearing current liabilities	2,826	2,823
<b>Equity and liabilities</b>	<b>42,086</b>	<b>38,602</b>

## Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 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			-443	4,329	1	3,887
Issued call options				11		11
Exercise of call options		79		-25		54
Own shares repurchase		-95				-95
Dividends				-799		-799
Closing balance 31 December 2020	133	-83	-1	29,018	81	29,148

## Key ratios, Group

	2020/12/31	2019/12/31
Return on equity (%)	19	22
Return on total capital (%)	15	17
Equity ratio, incl IFRS 16 (%)	69	68
Equity ratio, excl IFRS 16 (%)	70	69
Adjusted equity ratio, incl IFRS 16 <sup>1</sup> (%)	86	85
Adjusted equity ratio, excl IFRS 16 <sup>1</sup> (%)	86	86
Adjusted equity <sup>1</sup> (SEK m)	77,245	71,398
Surplus value in associated companies <sup>2</sup> (SEK m)	48,097	45,308
Net debt/equity ratio 1 (%) <sup>3</sup>	7.1	11.3
Net debt/equity ratio 2 (%) <sup>4</sup>	5.3	9.4
Listed share price (SEK)	200	153
Repurchased shares	460,500	557,500
Average number of repurchased shares	501,049	626,212
Average number of employees	6,251	5,882
Issued call options corresponds to number of shares	2,122,900	2,330,500

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

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

<sup>3</sup> The ratio of net debt to adjusted equity.

<sup>4</sup> The ratio of net debt to the market value of total assets.

## Parent company income statement

SEK m	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Income from interests i Group companies	-	-	499	440
Income from interest in associates companies	449	-	2,842	953
Income from portfolio management	-	-	-	-
Management costs	-6	-6	-22	-19
Profit before financial items	443	-6	3,319	1,374
Interest income and similar items	10	10	44	21
Interest expense and similar items	-16	-6	-35	-19
Profit after financial items	437	-2	3,328	1,376
Taxes	-	-	-	-
Profit for the period	437	-2	3,328	1,376

## Parent company statement of comprehensive income

SEK m	2020 Q4	2019 Q4	2020 Full Year	2019 Full Year
Profit for the period	437	-2	3,328	1,376
Change in fair value reserve for the period	-	-	-	-
Total other comprehensive income	0	0	0	0
Comprehensive income for the period	437	-2	3,328	1,376

## Parent company balance sheet

SEK m	2020/12/31	2019/12/31
<b>ASSETS</b>		
Financial assets	12,385	11,157
Long-term receivables from Group companies	5,650	6,000
Current receivables from Group companies	16	-
Other current liabilities	12	13
Cash and bank	706	-
Total assets	18,769	17,170
<b>EQUITY AND LIABILITIES</b>		
Equity	12,348	9,849
Interese-bearing long-term lilabilities	6,400	6,000
Non-interest-bearing long-term liabilities	-	-
Interese-bearing current liabilities	-	1,307
Non-interest-bearing current liabilities	21	14
Equity and liabilities	18,769	17,170

## Parent company statement of changes in equity

SEK m	2020/12/31	2019/12/31
Amount at beginning of year	9,849	10,081
Total comprehensive income for the period	3,328	1,376
Issued call options	11	8
Exercise of call options	54	39
Repurchased treasury shares	-95	-57
Dividends	-799	-1,598
Amount at end of year	12,348	9,849

## Segment reporting:

### Development by business area 1 Jan 2020 – 31 Dec 2020

SEK m	Industrial operations						Portfolio management	Total
	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME								
External sales	1,176	3,641	3,078	1,275	5,613	245		15,028
Internal sales			2		1			3
RESULT								
Operating profit	207	561	312	316	721	-60		2,057
Income from portfolio management							3,941	3,941
Finance income								31
Finance expense								-276
Taxes								-429
Profit for the period								5,324
OTHER DISCLOSURES								
Investments in:								
property, plant and equipment	177	139	51	151	73	13		604
intangible assets	6	313	502	1	81	5		908
Depreciation/amortisation	13	41	62	37	86	185		424

### Development by business area 1 Jan 2019 – 31 Dec 2019

SEK m	Industrial operations						Portfolio management	Total
	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME								
External sales	113	2,895	3,074	1,448	5,986	222		13,738
Internal sales		1	2					3
RESULTS								
Operating result	20	412	267	411	717	-8		1,819
Income from portfolio management							3,957	3,957
Finance income								38
Finance expense								-89
Taxes								-415
Profit for the period								5,310
OTHER DISCLOSURES								
Investments in:								
property, plant and equipment	71	27	40	21	75	17		251
intangible assets	2,369	879	143	2	57			3,450
Depreciation/amortisation	1	22	60	36	87	202		408

## Change in consolidated interest-bearing net debt

SEK m	2019/12/31	Change in cash	Change in loans	Other changes	2020/12/31
Interest-bearing receivables	48			-26	22
Swap	0			200	200
Cash	1,029	2,952		52	4,033
Pensions provisions	-122			31	-91
Long-term liabilities	-7,855		744	-309	-7,420
Utilised bank overdraft facilities	-160		75		-85
Interest-bearing current liabilities	-1,035		-911	14	-1,932
Interest-bearing net debt	-8,095	2,952	-92	-38	-5,273

## Five-year overview

SEK m	2020	2019	2018	2017	2016
Net sales, SEK m	15,028	13,738	11,785	9,930	8,344
Operating profit, SEK m	2,057	1,819	1,397	1,125	1,021
Income from interest in associated companies, SEK m	3,977	3,955	1,278	2,006	2,676
Income from portfolio management, SEK m	-36	194	2	-8	101
Profit after finance items, SEK m	5,753	5,725	2,646	3,069	3,754
Earnings per share, SEK <sup>1</sup>	8.32	8.33	3.66	4.37	5.75
Return on equity, %	19	22	11	14	21
Return on total capital, %	15	17	9	13	17
Adjusted equity ratio, %	86	86	86	88	91
Net debt/equity ratio, %	7.1	11.3	9.2	7.9	3.0

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

## Note 1 Business combinations

### Specification of acquisitions

Transfer date	Country	Business area	Share	Contributed		
				Revenues	EBIT	Number of employees
22 January 2020	S+S Regeltechnik GmbH Germany	Latour Industries	100%	141	43	65
28 January 2020	Batec Mobility, S.L. Spain	Latour Industries	100%	31	-1	41
30 January 2020	Emma Safety Footwear B.V. Netherlands	Hultafors Group	80%	126	8	140
11 March 2020	Waterloo Air Products UK	Swegon	100%	70	4	140
2 November 2020	SLT Schanze Lufttechnik GmbH Germany	Swegon	100%	14	-1	70

### Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	36
Property, plant and equipment	124
Inventories	117
Account receivable	108
Other receivable	25
Cash	52
Long-term liabilities	-252
Current liabilities	-154
Net identifiable assets and liabilities	59
Group goodwill	845
Total purchase price	904
Additional purchase price	-159
Cash settlement purchase price	745
Acquisition of non-cash items	-1
Acquired cash	-52
Effect of Group cash	692

Emma Safety Footwear BV will be fully consolidated into the Group when an agreement on the acquisition of outstanding shares is in place.

All acquisitions have been made with the aim of strengthening and developing the Latour Group's existing operations. The acquisition cost calculations are preliminary and may change if new information becomes available.

Transaction costs for acquisitions made during the period amount to SEK 22 m. Estimated additional purchase prices amounting to SEK 27 m for the acquisition of S+S, SEK 126 m for the acquisition of Emma, and SEK 13 m for the acquisition of Batec have been booked.

## Note 2 Disclosures about financial assets and liabilities

### Classification of financial instruments

THE GROUP 31 Dec 2020

	Available-for-sales financial assets	Financial assets values at fair value via profit and loss	Derivatives used for hedging purposes	Total carrying amount
<b>FINANCIAL ASSETS</b>				
Listed shares, management	0 <sup>1</sup>			0
Other long-term securities holdings	43 <sup>2</sup>			43
Other long-term receivables			27 <sup>3</sup>	27
Listed shares, trading		0 <sup>1</sup>		0
Unrealised gains, currency derivatives	201 <sup>2</sup>			201
Other current receivables			2 618 <sup>3</sup>	2,618
Cash			4 033 <sup>3</sup>	4,033
<b>Total</b>	<b>244</b>	<b>0</b>	<b>6,678</b>	<b>6,922</b>
<b>FINANCIAL LIABILITIES</b>				
Long-term loans			6 905 <sup>3</sup>	6,905
Bank overdraft facilities			86 <sup>3</sup>	86
Current loans			1 787 <sup>3</sup>	1,787
Other liabilities			1 650 <sup>3</sup>	1,650
Unrealised gains, currency derivatives	1 <sup>2</sup>			1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>10,428</b>	<b>10,429</b>

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

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

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

The basis of fair value for listed financial assets is the quoted market price 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 31 Dec 2020

SEK m	2020 Full Year	2019 Full Year
Revenue from goods	14,161	12,287
Revenue from services	867	1,451
	15,028	13,738
Fix-price contract	11,672	10,286
Time-and-materials contracts	3,356	3,452
	15,028	13,738
Sweden	2,552	2,613
Nordics, excl. Sweden	2,343	2,249
Europe, excl. Nordics	7,215	6,281
Other markets	2,918	2,595
	15,028	13,738

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

# Information by quarter

SEK m	2020					2019					2018				
	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>															
Net sales	15,028	4,053	3,692	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	-9,151	-2,472	-2,236	-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	5,877	1,581	1,456	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	-3,820	-1,006	-860	-935	-1,019	-3,618	-1,064	-855	-831	-868	-3,315	-899	-786	-851	-779
Operating profit	2,057	575	596	461	425	1,819	364	443	599	413	1,397	385	374	371	267
Total portfolio management	3,941	991	836	2,469	-355	3,965	1,029	350	1,209	1,377	1,280	321	473	106	380
Profit before financial items	5,998	1,566	1,432	2,930	70	5,784	1,393	793	1,808	1,790	2,677	706	847	477	647
Net financial items	-245	-120	-40	-121	46	-59	-67	31	-24	1	-31	-12	-14	-14	9
Profit after financial items	5,753	1,446	1,382	2,809	116	5,725	1,326	824	1,784	1,791	2,646	694	833	463	656
Taxes	-429	-157	93	-67	-112	-415	-79	-133	-113	-90	-322	-67	-90	-95	-70
Profit for the period	5,324	1,289	1,289	2,742	4	5,310	1,247	691	1,671	1,701	2,324	627	743	368	586
<b>KEY RATIOS</b>															
Earnings per share, SEK	8.32	2.01	2.02	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	3,102	537	483	2,053	1,606	249	169	122	-1,171	1,129	67	73	22	25	-53
Adjusted equity ratio, %	86	86	85	82	80	86	86	87	88	87	86	86	87	87	88
Adjusted equity	77,245	77,245	77,112	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	98,024	98,024	94,584	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	153	153	148	127	114	136	136	127	127	119	100	100	108	105	99
Listed share price, SEK	200	200	211	169	142	153	153	130	137	125	112	112	111	97	95
<b>NET SALES</b>															
Caljan	1,176	424	311	219	222	113	113	-	-	-	-	-	-	-	-
Hultafors Group	3,641	1,041	915	839	846	2,896	866	693	689	648	2,407	716	618	596	477
Latour Industries	3,081	855	725	689	812	3,079	810	739	790	740	2,758	747	660	700	652
Nord-Lock Group	1,275	294	300	324	357	1,448	330	340	395	384	1,309	333	332	341	303
Swegon	5,614	1,376	1,372	1,472	1,394	5,986	1,473	1,505	1,639	1,370	5,137	1,421	1,248	1,347	1,121
	14,783	3,989	3,622	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	245	64	70	63	47	219	56	63	55	43	174	51	45	40	37
	15,028	4,053	3,692	3,605	3,678	13,738	3,647	3,339	3,567	3,185	11,785	3,268	2,903	3,024	2,590
<b>OPERATING PROFIT</b>															
Caljan	207	93	58	27	30	20	20	-	-	-	-	-	-	-	-
Hultafors Group	561	182	157	114	108	412	138	97	90	88	375	119	93	98	65
Latour Industries	312	105	87	48	71	257	60	74	67	56	191	55	57	48	31
Nord-Lock Group	316	52	83	84	97	411	71	94	124	121	397	89	106	108	94
Swegon	721	160	217	201	143	717	145	199	226	147	514	138	144	143	89
	2,117	593	602	474	449	1,817	434	464	507	412	1,477	401	399	397	279
Gain/loss from sale/purchase of busi	-38	-12	1	-10	-17	29	-63	-15	108	-1	-38	-17	-10	-10	-1
Other companies and items	-22	-6	-4	-7	-8	-27	-7	-6	-17	2	-42	1	-15	-16	-11
	2,057	575	599	457	424	1,819	364	443	598	413	1,397	385	374	371	267
<b>OPERATING MARGIN (%)</b>															
Caljan	17.6	21.8	18.7	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	15.4	17.5	17.1	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	10.1	12.3	12.0	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	24.8	17.7	27.6	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	12.8	11.6	15.8	13.7	10.2	12.0	9.9	13.2	10.7	10.7	10.0	9.7	11.5	8.0	8.0
	14.3	14.8	16.6	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-Dec 2020:  $5,324/639,338,951 \times 1000' = 8.32$

Jan-Dec 2019:  $5,310/639,213,788 \times 1000' = 8.33$

### Diluted earnings per share

Calculations:

Jan-Dec 2020:  $5,324/641,434,414 \times 1000' = 8.29$

Jan-Dec 2019:  $5,310/641,357,640 \times 1000' = 8.31$

### 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.

**For further information, please contact:**

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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 68. The conference will be broadcast on the Internet.

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

**Financial dates:**

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

*The Annual General Meeting will be held on 10 May 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 12 February 2021 at 08.30 CET.*