

INTERIM REPORT
JANUARY- SEPTEMBER

20
21

Interim report January – September 2021

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 188 per share, compared with SEK 153 per share at the start of the year. This is an increase of 24.9 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 24.0 per cent. The net asset value was SEK 200 per share at 8 November.¹
- The total return on the Latour share was 38.0 per cent during the period measured against the SIXRX, which rose 24.0 per cent.

INDUSTRIAL OPERATIONS

Third quarter

- The industrial operations' order intake rose 34 per cent to SEK 4,593 m (3,431 m), which represents a 20 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 20 per cent to SEK 4,356 m (3,622 m), which represents a 9 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' operating profit increased by 3 per cent to SEK 618 m (602 m), which equates to an operating margin of 14.2 (16.6) per cent for continuing operations.
- Swegon invested in the Finnish software company 720° (Seven Twenty degrees). Within the Latour Industries business area, Aritco acquired the Swedish company Motala Hissar, Densiq acquired DEPAC Anstalt based in Liechtenstein and Bemsig acquired the Canadian company Greystone Energy System Inc.

January – September

- The industrial operations' order intake rose 35 per cent to SEK 14,772 m (10,954 m), which represents a 27 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 21 per cent to SEK 13,028 m (10,794 m), which represents a 14 per cent increase for comparable entities adjusted for foreign exchange effects.
- Operating profit increased by 27 per cent to SEK 1,940 m (1,524 m), which equates to an operating margin of 14.9 (14.1) per cent for continuing operations.

THE GROUP

- Consolidated net sales totalled SEK 13,243 m (10,975 m), and profit after financial items was SEK 3,881 m (4,307 m). Items impacting comparability had a favourable SEK 1,733 m impact on last year's income statement.
- Consolidated profit after tax was SEK 3,448 m (4,035 m), which is equivalent to SEK 5.39 (6.31) per share.
- The Group reported net debt of SEK 9,106 m (6,461 m). Net debt, excluding lease liabilities recognised under IFRS 16, was SEK 8,477 m (5,999 m) and is equivalent to 7 (6) per cent of the market value of total assets.

INVESTMENT PORTFOLIO

- During the 9-month period, the value of the investment portfolio increased by 21.5 per cent adjusted for changes in the portfolio. The benchmark index (SIXRX) rose 24.0 per cent.
- 31.0 per cent of the shares in CTEK AB were acquired in the third quarter when the company was listed on the Nasdaq Stockholm market. CTEK is a leading global supplier of premium battery chargers.

EVENTS AFTER THE REPORTING PERIOD

- The agreement for the acquisition of Scangrip A/S by Hultafors Group was signed and closed on 29 October. Latour Future Solutions invested in Swedish Hydro Solutions through a directed new issue of shares and became a minority shareholder.
- As of the fourth quarter, Bemsig will be reported as a separate business area. Further details on page 6.

¹ The calculation of the net asset value on 8 November was based on the value of the investment portfolio at 1 p.m. on 8 November, and the same values as at 30 September were used for the unlisted portfolio.

LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting primarily of wholly-owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principal owners. The investment portfolio consists of ten substantial holdings that had a market value of SEK 83 billion as at 30 September 2021. 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 17 billion.

Comments from the CEO

"Latour's industrial operations remain on a positive growth trajectory. The supply chain challenges have continued to escalate in the third quarter. Component shortages, supply chain disruptions and increased raw material prices are affecting all our companies but to varying extents. Our operations have handled these challenges in a very satisfactory way and have managed to maintain a high level of customer service, albeit at an increased cost which is having a short-term negative impact on the gross margins. Price increases have been implemented to compensate for rising raw material prices, but have not yet fully fed through. We continue to see a recovery from the pandemic in most of the markets that were previously heavily impacted by restrictions. The numbers of new coronavirus cases are now rising in some parts of the world and we continue to follow developments very closely. However, we feel confident that we are well equipped to adjust and respond quickly to changing circumstances if required.

The strong underlying demand is reflected in the 34 per cent growth in order intake during the quarter, of which 20 per cent is organic growth. Although growth in net sales was positive during the quarter, it did not match the order intake growth rate. This can largely be attributed to production disruptions and delayed deliveries. Net sales saw total growth of 20 per cent, of which 9 per cent is organic. We are very pleased with this. The operating profit for the quarter rose 3 per cent to SEK 618 m (602 m) with an operating margin of 14.2 (16.6) per cent.

We are delighted to announce that Bemsig, a business unit within Latour Industries, will be reported as a separate business area as of the next quarter. Bemsig is now ready to form the industrial operation's sixth business area after its impressive growth trajectory, both organically and through acquisitions, over the past few years. Read more about Bemsig on page 6.

Our investment rate remains high and existing production units have been expanded and new ones established during the year. The most recent is a new factory in Germany that Caljan will be building. We are also making forward-looking investments in product development, sales and marketing in the firm belief that this is the best way to maintain our competitive edge and continue to gain market share.

We are maintaining our strong momentum in acquisition activity and made some interesting acquisitions in the third quarter as well as a couple that were announced after the end of the reporting period. Swegon has acquired a majority shareholding in the Finnish software company 720° (Seven Twenty degrees). Within Latour Industries, Aritco acquired the Swedish company Motala Hissar, Densiq acquired DEPAC Anstalt based in Liechtenstein and Bemsig acquired the Canadian company Greystone Energy System Inc. In October, Hultafors Group acquired the Danish company Scangrip A/S and Latour Future Solutions became a minority shareholder in Swedish Hydro Solutions. Read more about our acquisitions on page 4.

Since the beginning of the year, the investment portfolio has increased by 21.5 per cent when adjusted for portfolio changes, while the benchmark index (SIXRX) increased by 24.0 per cent. We took principal ownership of CTEK in September, with 31.0 per cent of the shares, when the company was listed on the stock exchange. CTEK is a leading global supplier of premium battery chargers and also specialises in chargers and charging accessories for electric vehicles. This is a very exciting addition to our portfolio of listed holdings, which now total ten.

We are generally seeing the same development in our listed holdings as in our wholly-owned operations, with a rise in order intake, slightly weaker net sales and record high order books. China's slowdown has led to weaker growth and is adversely affecting our holdings that have exposure to APAC. Acquisition activity is high also in the listed holdings. ASSA ABLOY has announced four acquisitions, including the North American company HHI, which is their largest acquisition to date in terms of purchase price.

In summary, the third quarter's strong results once again states that we own high-quality companies that manage the challenges we face in an excellent way, and protect profits, maintain market share and, above all, safeguard our employees while the operations grow and evolve."

*Johan Hjertonsson
President and Chief Executive Officer*

Industrial operations

Order intake, invoiced sales and earnings

In the third quarter, order intake grew by 34 per cent to SEK 4,593 m (3,431 m), with organic growth accounting for 20 per cent of this. Invoiced sales rose 20 per cent to SEK 4,356 m (3,622 m), which represents a 9 per cent increase for comparable entities and when adjusted for foreign exchange effects. Operating profit in the wholly-owned industrial operations increased by 3 per cent during the quarter to SEK 618 m (602 m). The operating margin was 14.2 (16.6) per cent.

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

Acquisitions/disposals

On 5 July, Swegon signed an agreement to acquire a majority shareholding of the Finnish software company 720° (Seven Twenty degrees). The agreement was concluded in August. The company offers software that can analyse, measure and visualise the indoor environments of buildings. 720° has eight employees and generated sales of EUR 0.5 m in 2020. This investment will speed Swegon's expansion within digital indoor environment services and strengthen its position as a leading supplier of products and services for indoor environments. The services offered by 720° are currently used in more than 200 buildings, primarily in Finland.

On 9 July, Aritco, within Latour Industries, signed an agreement to acquire the entire shareholding of the Swedish company Motala Hissar. The agreement was concluded in August. Motala Hissar is a well-established and leading manufacturer of platform lifts. The company has its head office, development operations and production facilities in Motala while sales are handled primarily by distributors spread across much of Europe. Net sales for 2020 totalled some SEK 200 m, with the majority being export sales. The company has about 50 employees.

On 29 September, Bemsig, within Latour Industries, acquired the entire shareholding of the Canadian company Greystone Energy System Inc. The company has over 30 years of experience in designing, manufacturing, and supplying HVAC sensors and transmitters for the building automation industry. The company's head office and manufacturing facilities are in Moncton, Canada, and it has over 120 employees globally, with sales offices in Canada, USA, Dubai, India, Singapore and Malaysia. In 2020, the company reported total sales of MCAD 22 and a profit level well above Latour's financial targets. Bemsig has a strong position within the building automation field device market in Europe, and the acquisition of Greystone further strengthens Bemsig's geographical reach with a strong base in North America.

On 30 September, Densiq, within Latour Industries, acquired DEPAC Anstalt based in Liechtenstein, a leading designer and manufacturer of mechanical seals used in industrial applications. The company is headquartered in Liechtenstein and has a subsidiary in Austria. It reported sales of EUR 8 m in 2020, with a strong operating margin and robust growth.

Earlier in the year, six acquisitions were concluded within the wholly-owned industrial operations. In January, Latour

Industries finalised the acquisition of the Italian company VEGA S.R.L. (VEGA) while Bemsig, within Latour Industries, finalised the acquisition of the Swedish company Elsys. On 1 March, Hultafors Group finalised the acquisitions of Fristads AB, Kansas A/S, Kansas GmbH and Leijona Group Oy.

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. The company is a leading Danish designer and manufacturer of compensators for use in industrial applications.

On 27 May, Produal, within Latour Industries, acquired the entire shareholding of the Finnish company HK Instruments Oy, which generates net sales of EUR 8 m and has 50 employees. HK Instruments has its head office and manufacturing operations in Muurame, Finland, and offers advanced measuring devices for building automation. The company specialises in technologically advanced measuring instruments for applications within heating, ventilation and air conditioning, encompassing various pressure transmitters, switches, liquid meters and gas detectors.

On 11 June, Latour Future Solutions made an investment in Aqua Robur Technologies AB by means of a directed new issue of shares, making Latour Future Solutions a minority shareholder. Aqua Robur designs and manufactures IoT devices, sensors, energy-harvesting products and software for the water industry. The company offers water utilities complete solutions for digitalising their water networks by collecting data from all types of water pipes to enable them to secure safe and efficient water supply systems for the future.

Events after the reporting period

On 18 October, Latour Future Solutions invested in Swedish Hydro Solutions AB by means of a directed new share issue, making Latour Future Solutions a minority shareholder. Swedish Hydro Solutions offers sustainable solutions for water treatment via mobile and stationary treatment systems for bilge and stormwater, process water and remediation of polluted areas. The company's offering includes analysis support, patented bio-based products and adapted equipment for efficient purification of very large volumes of water. The increased efficiency enables decision-makers and regulatory authorities to set higher requirements for water treatment.

On 19 October, Hultafors Group signed an agreement to acquire the entire shareholding of the Danish company Scangrip A/S. The agreement was closed on 29 October. Scangrip is a leading manufacturer of innovative LED work lights (e.g. floodlights, hand-held lamps, headlamps and torches) for professionals. The company is based in Svendborg, Denmark, with the majority of sales in Europe and North America. The company's net sales for 2021 are expected to be in the region of DKK 220 m with a profitability well in line with Hultafors Group's other operations. The company has about 50 employees.

Industrial operations summary

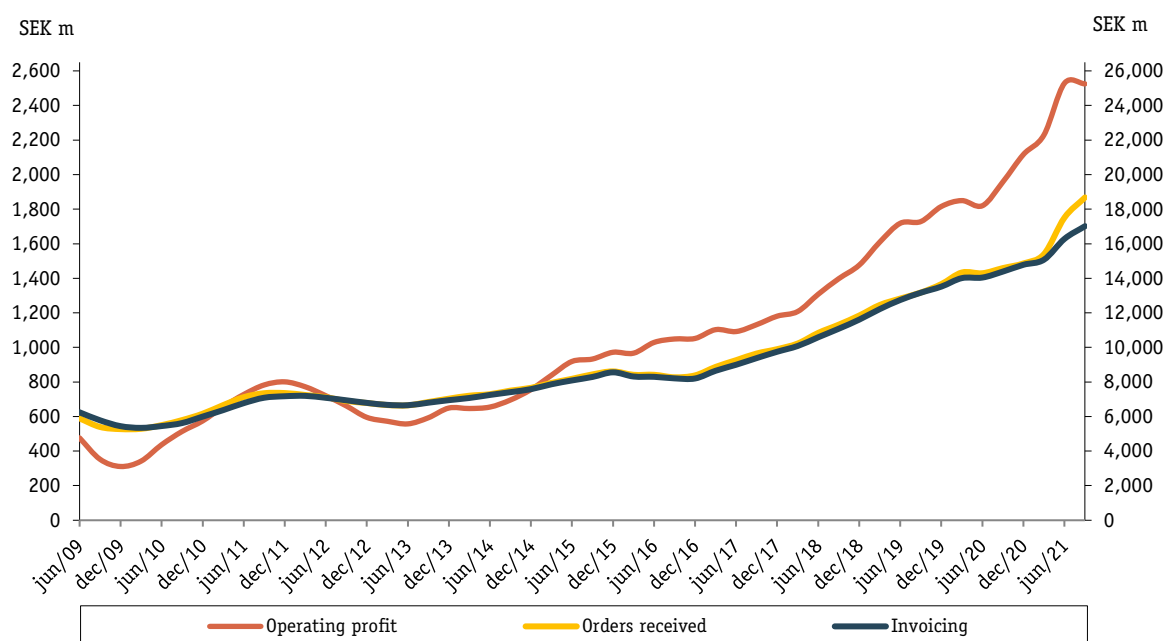
Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths
Caljan	403	311	973	752	77	58	158	114	19.2	18.7	16.2	15.2
Hultafors Group	1,310	915	3,896	2,600	170	157	619	379	13.0	17.1	15.9	14.6
Latour Industries	913	725	2,774	2,226	115	87	329	206	12.6	12.0	11.8	9.3
Nord-Lock Group	357	300	1,086	981	98	83	294	264	27.3	27.6	27.0	26.9
Swegon	1,374	1,372	4,301	4,238	158	217	541	561	11.5	15.8	12.6	13.2
Eliminations	-1	-1	-3	-3	-	-	-1	-	-	-	-	-
	4,356	3,622	13,027	10,794	618	602	1,940	1,524	14.2	16.6	14.9	14.1
Part-owned subsidiaries	77	70	216	181	4	2	9	4	5.7	2.4	4.3	2.0
	4,433	3,692	13,243	10,975	622	604	1,949	1,528	14.0	16.3	14.7	13.9
Gain/loss from sale/purchase of businesses	-	-	-	-	-25	1	-43	-26				
Other companies and items	-	-	-	-	-13	-6	-35	-23				
	4,433	3,692	13,243	10,975	584	599	1,871	1,479				
Effect IFRS 16	-	-	-	-	1	-3	2	3				
	4,433	3,692	13,243	10,975	585	596	1,873	1,482				

SEK m	Operating capital ¹		Return on operating capital %		Growth in net sales, 2021 %			
	2021 Trailing 12	2020 Trailing 12	2021 Trailing 12	2020 Trailing 12	Total	Organic	Currency	Acquisitions
Caljan	2,542	2,491	9.9	5.4	29.4	35.3	-4.3	-
Hultafors Group	4,319	3,784	18.6	13.7	49.9	23.7	-3.7	25.8
Latour Industries	4,077	3,469	10.6	7.7	24.6	15.1	-2.3	10.8
Nord-Lock Group	1,191	1,193	29.0	28.1	10.7	16.7	-5.1	-
Swegon	3,216	3,271	21.8	21.6	1.5	1.6	-2.4	2.3
Total	15,345	14,208	16.5	13.8	20.7	13.9	-3.1	9.3

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

Industrial operations trailing 12 months



Latour's sixth business area - Bemsig



Created within Latour Industries

Latour Industries' business concept is to develop independent entities that are eventually able to establish themselves as separate business areas within Latour. It is a mission that requires a long-term outlook and in this Latour Industries has succeeded well. The last business area to grow out of Latour Industries was Nord-Lock Group, which was ready to be reported as an independent business area in 2014. Now it is the turn of Bemsig to become independent and to start operating as Latour's sixth business area in the fourth quarter of 2021.

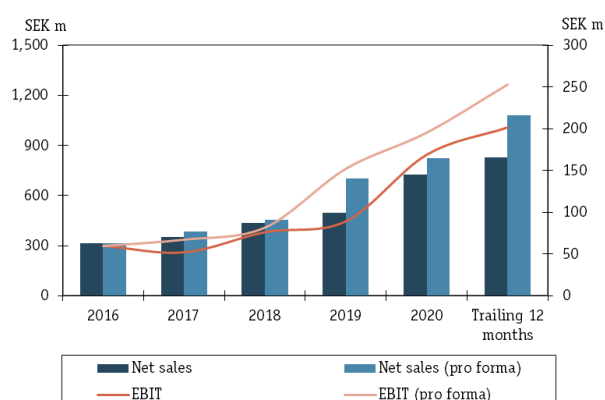
The history of Bemsig

Bemsig was created by Latour Industries in 2016 with the ambition to capitalize on identified macro trends and associated investment opportunities within the smart buildings market. The group then comprised four companies with an aggregate turnover of SEK 314 m. In the following years, the group grown to consist of seven companies that approach the market independently. Bemsig serves as the common platform for growth and realises synergies between the companies where possible and logical. Based on an aggressive organic and acquisition-driven growth agenda, Bemsig has achieved pro forma sales of approximately SEK 1.1 billion with a global footprint and profitability well above Latour's financial targets.

Financial development since 2016

(SEK m)	Trailing 12 mths	2020 Full year	2019 Full year	2018 Full year	2017 Full year	2016 Full year
Net sales	827	727	499	436	350	314
EBIT	202	169	89	76	52	60
EBIT %	24.4	23.2	17.8	17.4	14.8	19.0
Net sales ¹	1,081	826	701	454	384	314
EBIT ¹	250	195	152	82	67	60
EBIT % ¹	23.1	23.6	21.7	18.0	17.5	19.0

¹ Pro forma for completed acquisitions



Bemsig's business concept

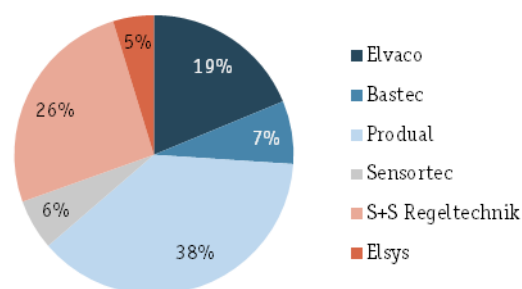
Buildings account for about 40 per cent of energy consumption and carbon dioxide emissions in our society. Bemsig's mission is to accelerate the journey towards SMART and GREEN buildings by being a leading global provider of technology and products for sensing, controlling, and connecting in commercial buildings. Bemsig is a group of international companies delivering innovative products for building automation and metering. The products developed and sold by the companies in the Bemsig group are used in a wide range of building applications enabling increased smartness and increased environmental performance.

Bemsig's market

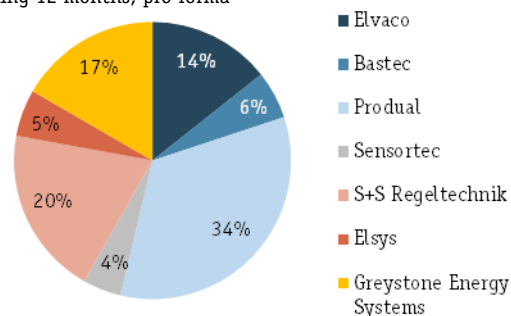
Several macro trends are influencing and driving Bemsig's markets. A greater focus on sustainability and indoor air quality is forcing property owners to increase investments in technology to reduce energy consumption and enable instant and accurate energy reporting. The general trend towards digitalized processes together with increased availability of wireless products that easily can be installed in existing buildings, further increase growth in Bemsig's market. It is expected that these trends will continue for decades due to the low penetration of essential technology in buildings globally. Property owners are getting used to receiving instant and quality assured indoor air quality and energy consumption data from modern buildings, they gradually implement similar capabilities cross their older properties too.

Breakdown of net sales

Trailing 12 months



Trailing 12 months, pro forma



Development by business area



(MEUR)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Net sales	39.7	29.8	95.9	71.2	112.1	136.8
EBITDA	8.2	5.8	17.3	12.0	21.3	26.5
EBITDA ¹	8.2	5.8	17.0	11.8	21.0	26.3
EBITA ¹	7.8	5.7	16.0	11.3	20.3	24.9
EBIT ¹	7.6	5.5	15.6	10.8	19.7	24.5
EBITA % ¹	19.6	19.2	16.6	15.9	18.1	18.2
EBIT % ¹	19.2	18.7	16.2	15.2	17.6	17.9
Total growth %	32.9	-	34.7	-	21.6	
Organic %	31.8	29.5	35.3	3.9	22.3	
Exchange effects %	0.9	-0.3	-0.5	-	-0.6	
Acquisitions %	-	-	-	-	-	
Average number of employees	603	496	566	488	493	

¹ Excl. IFRS 16.

Highlights

- Strong underlying demand results in an order intake of EUR 50 m during the quarter and a new order backlog record at the end of the period. Order intake totals almost EUR 190 m.
- The positive net sales performance during the quarter surpasses the previous year by a clear margin.
- To support the strong growth many recruitments are being made, which is expected to continue into the fourth quarter.
- Increased raw material prices, component shortages and logistics challenges require a strong focus on securing supply chains and access to essential components to avoid delays in customer deliveries.
- Caljan's expansion continues with the establishment of a new factory in Germany for Document Handling & Labelling. The work is due to be completed in the third quarter of 2022.

Breakdown of net sales

(MEUR)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Telescopes	20.3	16.7	52.2	44.9	59.5	67.5
Document Handling & Labelling	6.8	2.1	9.0	4.5	10.0	14.5
Depot Automation Solutions	4.3	6.1	12.2	7.6	18.2	22.8
Aftermarket	8.3	4.9	22.5	14.2	24.4	31.9
	39.7	29.8	95.9	71.2	112.1	136.8

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)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Net sales	1,310	915	3,896	2,600	3,641	4,937
EBITDA	201	172	701	426	628	903
EBITDA ¹	188	166	670	408	602	864
EBITA ¹	175	159	634	386	573	820
EBIT ¹	170	157	619	379	561	801
EBITA % ¹	13.4	17.4	16.3	14.9	15.7	16.6
EBIT % ¹	13.0	17.1	15.9	14.6	15.4	16.2
Total growth %	43.1	32.2	49.9	28.1	25.7	
Organic %	12.5	14.4	23.7	4.0	7.3	
Exchange effects %	-0.6	-3.7	-3.7	-0.7	-1.8	
Acquisitions %	28.0	20.1	25.8	24.0	19.3	
Average number of employees	1,641	964	1,658	975	977	

¹ Excl. IFRS 16.

Highlights

- Positive sales growth continues during the quarter with strong demand in all product areas.
- Disruptions in the supply chains from Asia lead to higher shipping- and product costs compared to earlier in the year, which has a negative effect on gross profit in the quarter.
- Price increases have been implemented in several product areas during the quarter in response to growing cost pressures.
- Continued strict cost control.
- The integration of Fristads, Kansas and Leijona is progressing well and the acquired companies have continued to show positive development during the quarter.
- The Danish company Scangrip was acquired after the end of the reporting period. More details can be found on page 4.

Breakdown of net sales

(SEK m)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
PPE/Workwear	871	503	2,562	1,441	2,066	3,187
Hardware	439	413	1,334	1,159	1,575	1,750
	1,310	915	3,896	2,600	3,641	4,937
Pro forma adjustment ¹						551
Trailing 12 month pro forma						5,488

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, Hultafors, Solid Gear, EMMA Safety Footwear, Toe Guard, Hellberg Safety, Wibe Ladders, CLC Work Gear, Johnson Level & Tool, EripioWear, Kuny's, Fristads, Kansas and Leijona. Hultafors Group is also a distributor for the German manufacturing company Fein in the Swedish market.

(SEK m)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Net sales	913	725	2,774	2,226	3,081	3,629
EBITDA	143	115	412	291	427	548
EBITDA ¹	131	102	375	252	374	497
EBITA ¹	118	91	339	219	328	449
EBIT ¹	115	87	329	206	312	421
EBITA % ¹	13.0	12.6	12.2	9.8	10.7	12.4
EBIT % ¹	12.6	12.0	11.8	9.3	10.1	11.6
Total growth %	25.9	-1.8	24.6	-1.7	0.2	
Organic %	9.1	-9.3	15.1	-10.7	-8.0	
Exchange effects %	-0.7	-2.7	-2.3	-1.0	-1.6	
Acquisitions %	16.2	11.2	10.8	11.2	10.6	
Average number of employees	2,101	1,607	1,879	1,562	1,547	

¹ Excl. IFRS 16.

Highlights

- Order intake and net sales growth remains strong.
- Operating profit developed positively with an operating margin of 12.6 percent.
- Supply chain disruptions and increased raw material prices are having an adverse effect on profitability. Price increases have been introduced in response to the rising costs.
- During the quarter, Aritco acquired the Swedish company Motala Hissar and Bemsig acquired the Canadian company Greystone Energy Systems. In addition, Densiq has acquired DEPAC Anstalt which is based in Liechtenstein. More details can be found on page 4.

Breakdown of net sales

(SEK m)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Bemsig	220	166	636	537	725	825
Aritco Group	237	193	742	599	843	986
Vimec	121	118	347	303	450	495
VEGA	53	-	174	-	-	174
MS Group	124	118	375	355	470	490
LSAB	118	90	386	326	445	505
Densiq	46	43	132	115	159	176
Elimination	-6	-5	-18	-8	-11	-21
	913	725	2,774	2,226	3,081	3,629
Pro forma adjustment ¹						623
Trailing 12 month pro forma						4,252

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, that are eventually able to establish themselves as separate business areas within Latour.

(SEK m)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Net sales	357	300	1,086	981	1,275	1,380
EBITDA	116	98	350	310	380	420
EBITDA ¹	109	92	327	290	353	390
EBITA ¹	100	85	300	271	326	354
EBIT ¹	98	83	294	264	316	346
EBITA % ¹	27.9	28.4	27.6	27.6	25.5	25.7
EBIT % ¹	27.3	27.6	27.0	26.9	24.8	25.0
Total growth %	19.0	-11.8	10.7	-12.3	-12.0	
Organic %	19.7	-6.3	16.7	-11.7	-10.1	
Exchange effects %	-0.6	-5.9	-5.1	-0.6	-2.1	
Acquisitions %	-	-	-	-	-	
Average number of employees	632	537	610	563	566	

¹ Excl. IFRS 16.

Highlights

- Order intake and net sales both show strong organic growth, mainly driven by EMEA and the Americas.
- A gradual improvement in demand over the quarter, particularly in Energy.
- The situation in APAC and China is challenging due to Covid shutdowns, which has a negative effect on profitability.
- Product availability is successfully prioritised, leading to enhanced customer value and gains in market share.
- The operations in Pittsburgh, PA., USA, has received an award as one of the city's best employers among 1,500 companies.

Breakdown of net sales

(SEK m)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
EMEA	157	130	496	432	564	628
Americas	106	80	286	259	331	358
Asia Pacific	94	90	304	290	379	394
	357	300	1,086	981	1,275	1,380
Pro forma adjustment ¹						-
Trailing 12 month pro forma						1,380

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)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Net sales	1,374	1,372	4,301	4,238	5,614	5,677
EBITDA	194	253	650	671	867	847
EBITDA ¹	180	238	608	625	806	789
EBITA ¹	162	221	552	572	736	715
EBIT ¹	158	217	541	561	721	701
EBITA % ¹	11.8	16.1	12.8	13.5	13.1	12.6
EBIT % ¹	11.5	15.8	12.6	13.2	12.8	12.3
Total growth %	0.2	-8.8	1.5	-6.1	-6.2	
Organic %	-1.7	-8.0	1.6	-7.4	-7.0	
Exchange effects %	-	-3.8	-2.4	-1.3	-2.1	
Acquisitions %	1.9	2.9	2.3	2.8	3.0	
Average number of employees	2,673	2,467	2,649	2,565	2,625	

¹ Excl. IFRS 16.

Highlights

- Market recovery continues in several markets and order intake achieves 16 per cent organic growth.
- As a result of increasing disruptions in the supply chains and building sites delays, net sales are not experiencing the same growth rate as order intake.
- Profitability is negatively affected in the short term by investments to stimulate long-term growth, and by the fact that the price increases that are being implemented in response to rising raw material prices have not yet fully taken effect.
- Acquisition of the majority of the shares in the Finnish company 720° (Seven Twenty degrees). More details can be found on page 4.

Breakdown of net sales

(SEK m)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Sweden	273	253	931	887	1,178	1,222
Rest of Nordic region	265	272	818	837	1,085	1,065
Rest of world	836	847	2,552	2,514	3,351	3,390
	1,374	1,372	4,301	4,238	5,614	5,677
Pro forma adjustment ¹						15
Trailing 12 month pro forma						5,692

¹ Pro forma for completed acquisitions.

(SEK m)	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	2020 Full Year	Trailing 12 mths
Air Handling Unit	352	360	1,186	1,173	1,548	1,562
Cooling Heating	285	309	881	917	1,194	1,158
Room Unit	300	300	918	959	1,269	1,228
Services	106	107	323	299	410	434
Residential	129	127	430	404	544	570
North America	88	88	246	245	322	322
UK	200	171	571	498	664	737
Eliminations	-86	-90	-254	-257	-337	-334
	1,374	1,372	4,301	4,238	5,614	5,677

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. A detailed description can be found on page 31 of Latour's Annual Report for 2020.

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 188 per share from SEK 153 at the start of the year. The net asset value consequently increased by 24.9 per cent, adjusted for dividends, measured against SIXRX which increased by 24.0 per cent.

For some time, Latour's guideline for the net asset value has been considerably lower than the value that the stock market assigns to Latour's listed share. The share price was SEK 272 at 30 September 2021, to be compared with the indicated net asset value of SEK 188. As stated above, Latour does not claim that the valuation of the wholly-owned industrial operation is anything other than a cautious indication. A net asset value can be calculated on a number of different bases. For example, the whole industrial operation could be measured against other established listed industrial groups with mixed industrial holdings and a clear growth agenda where the EV/EBIT multiple for these companies is significantly higher.

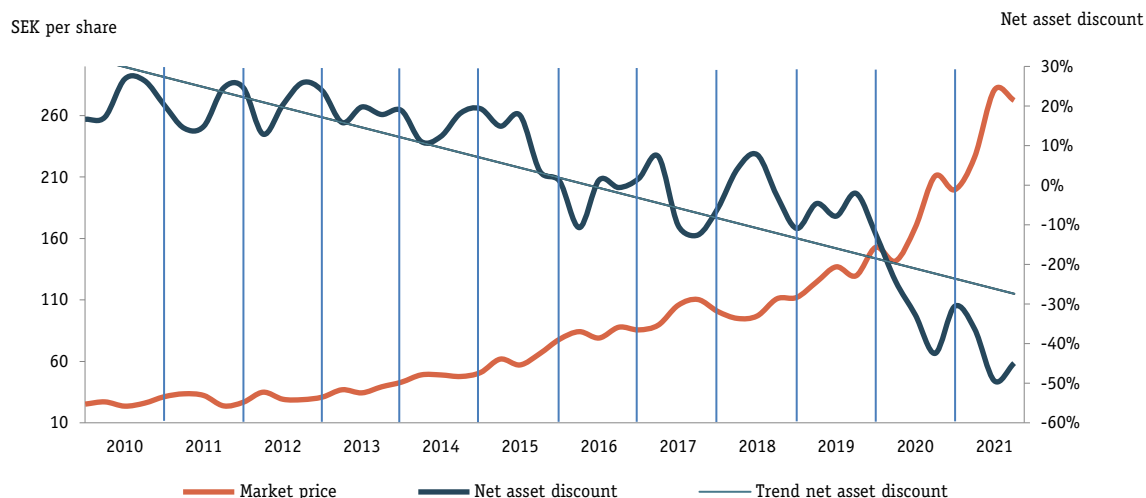
SEK m	Net sales ¹	EBIT ¹	EBIT multiple	Valuation ² Range	Valuation ² Average	Valuation ² SEK/share ³ Range
Caljan	1,397	250	20 – 24	5,000 – 6,000	5,500	8 – 9
Hultafors Group	5,488	818	13 – 17	10,634 – 13,906	12,270	17 – 22
Latour Industries	4,252	515	16 – 20	8,236 – 10,295	9,265	13 – 16
Nord-Lock Group	1,380	346	15 – 19	5,190 – 6,574	5,882	8 – 10
Swegon	5,692	700	16 – 20	11,200 – 14,000	12,600	18 – 22
	18,209	2,629		40,260 – 50,775		64 – 79
Industrial operations valuation, average					45,517	71
Listed shares (see table on page 11 for breakdown)					82,970	130
Latour Future Solutions					46	0
<i>Unlisted part-owned holdings</i>						
Neuffer ⁴ , 66.1 %					149	0
Oxeon ⁴ , 31.3 %					18	0
<i>Other assets</i>						
Short trading portfolio					3	0
Dilution effect of option programme					-180	0
Consolidated net debt (excl IFRS 16)					-8,477	-13
Estimated value					120,046	188
					(114 790 – 125 305)	(180 – 196)

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 September 2021 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 September 2021

The value of the investment portfolio increased by 21.5 per cent in the 9-month period when adjusted for portfolio changes and dividends, while the benchmark index (SIXRX) increased by 24.0 per cent.

31.0 per cent of the shares in CTEK AB were acquired in the third quarter when the company was listed on the Nasdaq Stockholm market. CTEK is a leading global supplier of premium battery chargers.

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	132	2,108	29.7	29.6
Assa Abloy ³	105,495,729	1,697	256	26,975	29.5	9.5
CTEK	15,280,810	1,054	129	1,964	31.0	31.0
Fagerhult	84,708,480	1,899	67	5,667	48.1	47.8
HMS Networks	12,109,288	250	422	5,104	26.0	25.9
Nederman	10,538,487	306	165	1,739	30.0	30.0
Securitas ³	39,732,600	1,081	139	5,525	29.6	10.9
Sweco ^{3 4}	97,867,440	479	138	13,525	21.0	26.9
Tomra ⁵	31,210,000	1,605	457 NOK	14,287	21.1	21.1
Troax	18,060,000	397	337	6,077	30.2	30.1
Total		10,902		82,971		

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

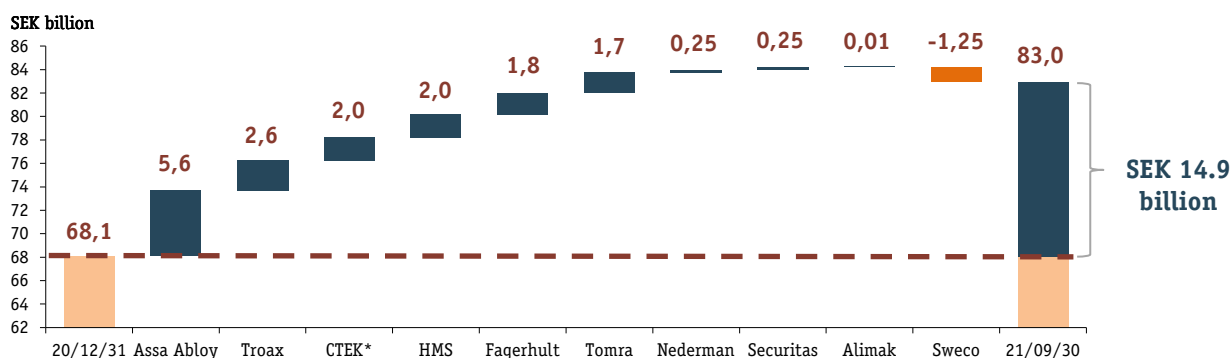
² The last price paid is used as the listed share price.

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 457 which has been translated to SEK at the exchange rate on the balance sheet date.

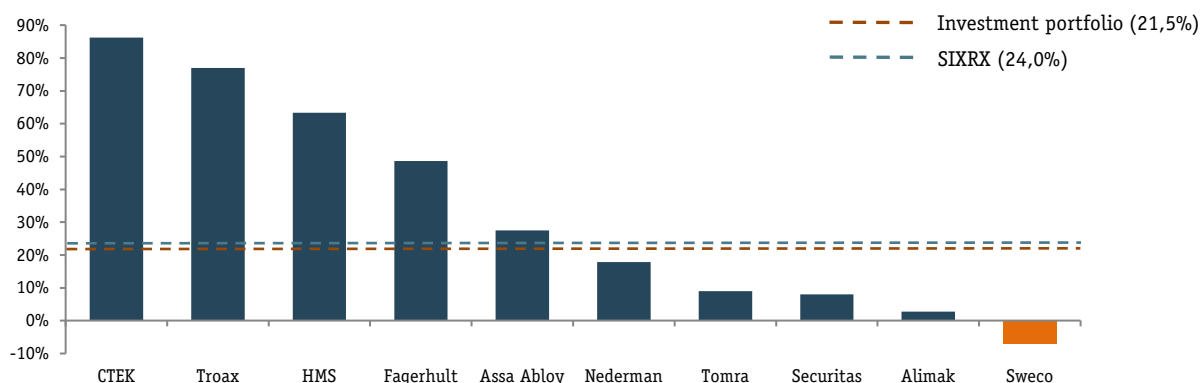
Investment portfolio during 2021



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

*CTEK was acquired in September 2021. Change in value during the period correspond to SEK 0.9 billion.

Total return 2021 for the portfolio companies



Results and financial position

The Group

The Group's profit after financial items was SEK 3,881 m (4,307 m). Profit after tax was SEK 3,448 m (4,035 m), which is equivalent to SEK 5.39 (6.31) per share. A revaluation of the holding in Alimak has had a positive impact on the income statement in the amount of SEK 37 m.

The Group's cash in hand and liquid investments reached SEK 927 m (3,575 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 9,357 m (9,959 m). The Group's net debt was SEK 9,106 m (6,461 m). Net debt, excluding lease liabilities, was SEK 8,477 m (5,999 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 12 billion at the Swedish Financial Supervisory Authority. Four new bond loans totalling SEK 2,200 m were issued in June. Another issue loan of SEK 1,000 m was issued in September. As at 30 September 2021, the MTN programme had an outstanding balance of SEK 7,850 m.

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 571 m (385 m) was invested in property, plant and equipment, of which SEK 312 m (189 m) was machinery and equipment, SEK 0 m (13 m) was vehicles, and SEK 259 m (183 m) was buildings. Fixed assets in newly acquired companies account for SEK 339 m (129 m) of investments for the year.

Parent company

The parent company's profit/loss after financial items was SEK 1,678 m (2,891 m). The parent company's equity ratio was 61 (63) 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 30 September 2021 amounted to 639,472,800. At the end of the period, Latour holds 367,200 repurchased class B shares.

The total number of issued call options is 2 269,200, which give the right to purchase the same number of shares.

Events after the reporting period

Hultafors Group acquired 100 per cent of the shares in Scangrip A/S. Latour Future Solutions invested in Swedish Hydro Solutions through a directed new issue of shares and became a minority shareholder.

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 ten 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 34 of Latour's 2020 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.

Amendments to accounting standards that came into effect on 1 January 2021 have not had any impact on the Group's or parent company's accounting as at 30 September 2021.

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 1984 to 2020 are available for viewing on Latour's website www.latour.se.

Nomination Committee

The Nomination Committee for the Annual General Meeting on 10 May 2022 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 under Corporate Governance, Nomination Committee.

Gothenburg, 9 November 2021
Johan Hjertonsson
President and CEO

Auditor's review report

Investmentaktiebolaget Latour, Corporate ID no. 556026-3237

Introduction

We have conducted a review of the condensed financial statements for the interim period (interim report) for Investmentaktiebolaget Latour as at 30 September 2021 and the nine-month period ending on that date. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the *International Standard on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practice.

The review procedures that are undertaken do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act.

Gothenburg, 9 November 2021

Ernst & Young AB

Staffan Landén
Authorised Public Accountant

Consolidated income statement

SEK m	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	12 mths Oct-Sep 2020/2021	Full Year 2020
Net sales	4,433	3,692	13,243	10,975	17,296	15,028
Cost of goods sold	-2,788	-2,236	-8,135	-6,679	-10,607	-9,151
Gross profit	1,645	1,456	5,108	4,296	6,689	5,877
Sales costs	-668	-535	-1,989	-1,687	-2,556	-2,254
Administrative costs	-309	-260	-947	-875	-1,261	-1,189
Research and development costs	-103	-89	-333	-294	-445	-406
Other operating income	58	25	122	95	161	134
Other operating expenses	-38	-1	-88	-53	-140	-105
Operating profit	585	596	1,873	1,482	2,448	2,057
Income from interests in associates	627	844	1,970	2,978	2,969	3,977
Income from portfolio management	-	-1	1	-8	1	-8
Management costs	-7	-7	-20	-20	-28	-28
Profit before financial items	1,205	1,432	3,824	4,432	5,390	5,998
Finance income	52	-5	138	9	160	31
Finance expense	-35	-45	-81	-134	-223	-276
Profit after financial items	1,222	1,382	3,881	4,307	5,327	5,753
Taxes	-164	-93	-433	-272	-590	-429
Profit for the period	1,058	1,289	3,448	4,035	4,737	5,324
Attributable to:						
Parent company shareholders	1,056	1,289	3,445	4,034	4,731	5,320
Non-controlling interests	2	-	3	1	6	4
Earnings per share regarding profit attributable to parent company shareholders						
Basic share, SEK	1.65	2.02	5.39	6.31	7.40	8.32
Diluted share, SEK	1.65	2.01	5.37	6.29	7.38	8.29
Average number of basic shares outstanding	639,420,800	639,379,500	639,420,853	639,325,336	639,410,430	639,338,951
Average number of diluted shares outstanding	641,280,251	641,462,215	641,390,444	641,411,586	641,418,663	641,434,414
Number of outstanding shares	639,472,800	639,379,500	639,472,800	639,379,500	639,472,800	639,379,500

Consolidated statement of comprehensive income

SEK m	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	12 mths Oct-Sep 2020/2021	Full Year 2020
Profit for the period	1,058	1,289	3,448	4,035	4,737	5,324
Other comprehensive income:						
Items that will not be recycled to the income statement						
Restatement of net pension obligations	-	-	-	-	3	3
	0	0	0	0	3	3
Items that may subsequently be recycled to the income statement						
Change in translation reserve for the period	113	-8	278	-40	-253	-571
Change in fair value reserve for the period	-	-	-	-	-	-
Change in hedging reserve for the period	-1	-32	-46	-42	121	125
Change in associated companies' equity	-262	-766	-341	-760	-575	-994
	-150	-806	-109	-842	-707	-1,440
Other comprehensive income, net after tax	-150	-806	-109	-842	-704	-1,437
Comprehensive income for the period	908	483	3,339	3,193	4,033	3,887
Attributable to:						
Parent company shareholders	908	483	3,339	3,192	4,033	3,886
Non-controlling interests	-	-	-	1	-	1

Consolidated cash flow

SEK m	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	12 mths Oct-Sep 2020/2021	Full Year 2020
Operating cash flows before movements in working capital	608	625	1,922	1,529	2,513	2,120
Movements in working capital	-282	-72	-835	-164	-456	215
Operating cash flows	326	553	1,087	1,365	2,057	2,335
Acquisitions of subsidiaries	-427	125	-1,504	-672	-1,524	-692
Other investments	-46	-202	-216	-384	-362	-530
Portfolio management	-1,091	-38	-284	2,696	244	3,224
Cash flow after investments	-1,238	438	-917	3,005	415	4,337
Financial payments	387	-1,532	-2,235	-440	-3,030	-1,235
Cash flow for the period	-851	-1,094	-3,152	2,565	-2,615	3,102

Consolidated balance sheet

SEK m	2021/09/30	2020/09/30	2020/12/31
ASSETS			
Goodwill	11,747	10,726	10,063
Other intangible assets	333	247	241
Property, plant and equipment	2,424	1,845	2,072
Financial assets	22,351	20,021	20,440
Inventories etc.	3,450	2,347	2,127
Current receivables	4,569	3,503	3,110
Cash and bank	927	3,575	4,033
Total assets	45,801	42,264	42,086
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	30,433	28,372	29,067
Non-controlling interests	85	82	81
Total equity	30,518	28,454	29,148
Interest-bearing long-term liabilities	9,141	7,987	7,509
Non-interest-bearing long-term liabilities	632	524	587
Interest-bearing current liabilities	1,058	2,069	2,016
Non-interest-bearing current liabilities	4,452	3,230	2,826
Equity and liabilities	45,801	42,264	42,086

Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 2020	133	-67	442	25,502	80	26,090
Total comprehensive income for the period			-83	3,274	2	3,193
Exercise of call options		79		-25		54
Own shares repurchase		-95				-95
Dividends				-799		-799
Closing balance 30 September 2020	133	-83	359	27,963	82	28,454
Opening balance 1 October 2020	133	-83	359	27,963	82	28,454
Total comprehensive income for the period			-360	1,055	-1	694
Issued call options						-
Exercise of call options				-		-
Closing balance 31 December 2020	133	-83	-1	29,018	81	29,148
Opening balance 1 Jan 2021	133	-83	-1	29,018	81	29,148
Total comprehensive income for the period			231	3,104	4	3,339
Issued call options			22			22
Exercise of call options			102	-42		60
Own shares repurchase			-133			-133
Dividends				-1,918		-1,918
Closing balance 30 September 2021	133	-83	221	30,162	85	30,518

Key ratios, Group

	2021/09/30	2020/09/30	2020/12/31
Return on equity (%)	15	20	19
Return on total capital (%)	12	15	15
Equity ratio, incl IFRS 16 (%)	67	67	69
Equity ratio, excl IFRS 16 (%)	68	68	70
Adjusted equity ratio, incl IFRS 16 ¹ (%)	86	85	86
Adjusted equity ratio, excl IFRS 16 ¹ (%)	86	85	86
Adjusted equity ¹ (SEK m)	91,673	77,112	77,245
Surplus value in associated companies ² (SEK m)	61,155	48,658	48,097
Net debt/equity ratio 1 (%) ³	10.1	8.4	7.1
Net debt/equity ratio 2 (%) ⁴	7.2	6.4	5.3
Listed share price (SEK)	272	211	200
Repurchased shares	367,200	460,500	460,500
Average number of repurchased shares	419,147	514,664	501,049
Average number of employees	7,424	6,209	6,251
Issued call options corresponds to number of shares	2,269,200	2,122,900	2,122,900

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	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	12 mths Oct-Sep 2020/2021	Full Year 2020
Income from interests i Group companies	-	-	970	499	970	499
Income from interest in associates companies	11	12	720	2,393	1,169	2,842
Income from portfolio management	-	-	-	-	-	-
Management costs	-6	-6	-16	-16	-22	-22
Profit before financial items	5	6	1,674	2,876	2,117	3,319
Interest income and similar items	12	11	31	34	41	44
Interest expense and similar items	-11	-1	-27	-19	-43	-35
Profit after financial items	6	16	1,678	2,891	2,115	3,328
Taxes	-	-	-	-	-	-
Profit for the period	6	16	1,678	2,891	2,115	3,328

Parent company statement of comprehensive income

SEK m	2021 Q3	2020 Q3	2021 9 mths	2020 9 mths	12 mths Oct-Sep 2020/2021	Full Year 2020
Profit for the period	6	16	1,678	2,891	2,115	3,328
Change in fair value reserve for the period	-	-	-	-	-	-
Total other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	6	16	1,678	2,891	2,115	3,328

Parent company balance sheet

SEK m	2021/09/30	2020/09/30	2020/12/31
ASSETS			
Financial assets	13,440	10,886	12,385
Long-term receivables from Group companies	6,100	6,250	5,650
Current receivables from Group companies	369	1,760	16
Other current liabilities	14	19	12
Cash and bank	-	6	706
Total assets	19,923	18,921	18,769
EQUITY AND LIABILITIES			
Equity	12,057	11,911	12,348
Interese-bearing long-term lilabilities	7,850	7,000	6,400
Non-interest-bearing long-term liabilities	-	-	-
Interese-bearing current liabilities	-	-	-
Non-interest-bearing current liabilities	16	10	21
Equity and liabilities	19,923	18,921	18,769

Parent company statement of changes in equity

SEK m	2021/09/30	2020/09/30	2020/12/31
Amount at beginning of year	12,348	9,849	9,849
Total comprehensive income for the period	1,678	2,891	3,328
Issued call options	22	11	11
Exercise of call options	-42	54	54
Repurchased treasury shares	-31	-95	-95
Dividends	-1,918	-799	-799
Amount at end of year	12,057	11,911	12,348

Segment reporting:

Development by business area 1 Jan 2021 – 30 Sept 2021

SEK m	Industrial operations						Portfolio management	Total
	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME								
External sales	973	3,896	2,772	1,086	4,301	215		13,243
Internal sales			2					2
RESULT								
Operating profit	158	619	329	294	541	-68		1,873
Income from portfolio management							1,951	1,951
Finance income								138
Finance expense								-81
Taxes								-433
Profit for the period								3,448
OTHER DISCLOSURES								
Investments in:								
property, plant and equipment	31	348	91	20	81			571
intangible assets	2	387	1,135	-	38			1,562
Depreciation/amortisation	15	50	46	34	67	149		361

Development by business area 1 Jan 2020 – 30 Sept 2020

SEK m	Industrial operations						Portfolio management	Total
	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME								
External sales	752	2,600	2,224	981	4,237	181		10,975
Internal sales			2		1			3
RESULTS								
Operating result	114	379	206	264	561	-42		1,482
Income from portfolio management							2,950	2,950
Finance income								9
Finance expense								-134
Taxes								-272
Profit for the period								4,035
OTHER DISCLOSURES								
Investments in:								
property, plant and equipment	144	114	36	35	42	14		385
intangible assets	8	303	508	1	69			889
Depreciation/amortisation	10	29	45	26	64	135		309

Change in consolidated interest-bearing net debt

SEK m	2020/12/31	Change in cash	Change in loans	Other changes	2021/09/30
Interest-bearing receivables	22				22
Swap	200			-55	145
Cash	4,033	-3,221		115	927
Pensions provisions	-91			-123	-214
Long-term liabilities	-7,420		-678	-829	-8,927
Utilised bank overdraft facilities	-85		-6		-91
Interest-bearing current liabilities	-1,932		964		-968
Interest-bearing net debt	-5,273	-3,221	280	-892	-9,106

Five-year overview

SEK m	Oct-Sep 2020/2021	2020	2019	2018	2017
Net sales, SEK m	17,296	15,028	13,738	11,785	9,930
Operating profit, SEK m	2,448	2,057	1,819	1,397	1,125
Income from interest in associated companies, SEK m	2,969	3,977	3,955	1,278	2,006
Income from portfolio management, SEK m	-27	-36	194	2	-8
Profit after finance items, SEK m	5,327	5,753	5,725	2,646	3,069
Earnings per share, SEK	7.40	8.32	8.33	3.66	4.37
Return on equity, %	16.1	19.0	22.0	11.0	14.2
Return on total capital, %	12.3	15.0	17.0	9.0	12.6
Adjusted equity ratio, %	86	86	86	86	88
Net debt/equity ratio, %	10.1	7.1	11.3	9.2	7.9

Note 1 Business combinations

Specification of acquisitions

Transfer date		Country	Business area	Share	Contributed		
					Revenues	EBIT	nber of employees
11 January 2021	Vega Srl	Italy	Latour Industries	100%	174	35	200
8 January 2021	VM Kompensator A/S	Denmark	Latour Industries	100%	18	1	17
20 January 2021	Elsys AB	Sweden	Latour Industries	70%	39	15	8
28 February 2021	Fristads AB, Kansas AS	Sweden	Hultafors Group	100%	764	56	640
	Kansas GmbH, Leijona Group OY						
1 June 2021	HK Instruments Oy	Finland	Latour Industries	100%	32	9	53
31 August 2021	720 Oy	Finland	Swegon	100%	0	0	8
31 August 2021	Motala Hissar AB	Sweden	Latour Industries	100%	18	2	71
29 September 2021	Depac Anstalt	Lichtenstein	Latour Industries	100%	0	0	30
30 September 2021	Greystone Energy System Inc.	Canada	Latour Industries	100%	0	0	120

Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	476
Property, plant and equipment	344
Inventories	488
Account receivable	334
Other receivable	51
Cash	115
Long-term liabilities	-983
Current liabilities	-419
Net identifiable assets and liabilities	919
Group goodwill	1,061
Total purchase price	1,980
Additional purchase price	-321
Cash settlement purchase price	1,659
Acquisition of non-cash items	-40
Acquired cash	-115
Effect of Group cash	1,504

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 41 m. Estimated additional purchase prices amounting to SEK 27 m for the acquisition of VM Kompensator, SEK 65 m for the acquisition of Vega, SEK 12 m for the acquisition of HK Instruments and SEK 76 m for the acquisition of Depac have been booked.

Note 2 Disclosures about financial assets and liabilities

Classification of financial instruments

THE GROUP 30 SEPT 2021

	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	55 ²			55
Other long-term receivables			30 ³	30
Listed shares, trading		6 ¹		6
Unrealised gains, currency derivatives	153 ²			153
Other current receivables			3 838 ³	3,838
Cash			927 ³	927
Total	208	6	4,795	5,009
FINANCIAL LIABILITIES				
Long-term loans			8 445 ³	8,445
Bank overdraft facilities			91 ³	91
Current loans			812 ³	812
Other liabilities			2 630 ³	2,630
Unrealised gains, currency derivatives	0 ²			0
Total	0	0	11,978	11,978

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 SEPT 2021

SEK m	2021 9 mths	2020 9 mths
Revenue from goods	12,538	10,294
Revenue from services	705	681
	13,243	10,975
Fix-price contract	10,701	8,687
Time-and-materials contracts	2,542	2,288
	13,243	10,975
Sweden	2,414	1,974
Nordics, excl. Sweden	1,983	1,694
Europe, excl. Nordics	6,183	5,133
Other markets	2,663	2,174
	13,243	10,975

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

Information by quarter

SEK m	2021			2020					2019				
	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT													
Net sales	4,433	4,823	3,987	15,028	4,053	3,692	3,605	3,678	13,738	3,647	3,339	3,567	3,185
Cost of goods sold	-2,788	-2,924	-2,423	-9,151	-2,472	-2,236	-2,209	-2,234	-8,301	-2,219	-2,041	-2,137	-1,904
Gross profit	1,645	1,899	1,564	5,877	1,581	1,456	1,396	1,444	5,437	1,428	1,298	1,430	1,281
Costs etc. for the operation	-1,060	-1,158	-1,017	-3,820	-1,006	-860	-935	-1,019	-3,618	-1,064	-855	-831	-868
Operating profit	585	741	547	2,057	575	596	461	425	1,819	364	443	599	413
Total portfolio management	620	616	715	3,941	991	836	2,469	-355	3,965	1,029	350	1,209	1,377
Profit before financial items	1,205	1,357	1,262	5,998	1,566	1,432	2,930	70	5,784	1,393	793	1,808	1,790
Net financial items	17	-42	82	-245	-120	-40	-121	46	-59	-67	31	-24	1
Profit after financial items	1,222	1,315	1,344	5,753	1,446	1,382	2,809	116	5,725	1,326	824	1,784	1,791
Taxes	-164	-136	-133	-429	-157	93	-67	-112	-415	-79	-133	-113	-90
Profit for the period	1,058	1,179	1,211	5,324	1,289	1,289	2,742	4	5,310	1,247	691	1,671	1,701
KEY RATIOS													
Earnings per share, SEK	1.65	1.84	1.89	8.32	2.01	2.02	4.29	0.01	8.33	1.98	1.08	2.61	2.66
Cash flow for the period	-851	125	-2426	3102	537	483	2053	1606	249	169	122	-1171	1129
Adjusted equity ratio, %	86	87	88	86	86	85	82	80	86	86	87	88	87
Adjusted equity	91,673	91,363	83,820	77,245	77,245	77,112	67,933	59,626	71,398	71,398	65,229	66,481	62,720
Net asset value	120,046	120,505	106,003	98,024	98,024	94,584	81,418	72,863	86,974	86,974	81,027	81,276	76,054
Net asset value per share, SEK	188	188	166	153	153	148	127	114	136	136	127	127	119
Listed share price, SEK	272	281	226	200	200	211	169	142	153	153	130	137	125
NET SALES													
Caljan	403	859	209	1,176	424	311	219	222	113	113	0	0	0
Hultafors Group	1,310	1,353	1,113	3,641	1,041	915	839	846	2,896	866	693	689	648
Latour Industries	913	1,083	887	3,081	855	725	689	812	3,079	810	739	790	740
Nord-Lock Group	357	402	354	1,275	294	300	324	357	1,448	330	340	395	384
Swegon	1,374	1,796	1,361	5,614	1,376	1,372	1,472	1,394	5,986	1,473	1,505	1,639	1,370
	4,356	5,675	3,924	14,783	3,989	3,622	3,542	3,631	13,519	3,591	3,276	3,512	3,142
Other companies and eliminations	77	87	63	245	64	70	63	47	219	56	63	55	43
	4,433	5,762	3,987	15,028	4,053	3,692	3,605	3,678	13,738	3,647	3,339	3,567	3,185
OPERATING PROFIT													
Caljan	77	61	19	207	93	58	27	30	20	20	0	0	0
Hultafors Group	170	266	183	561	182	157	114	108	412	138	97	90	88
Latour Industries	115	102	112	312	105	87	48	71	257	60	74	67	56
Nord-Lock Group	98	97	99	316	52	83	84	97	411	71	94	124	121
Swegon	158	227	156	721	160	217	201	143	717	145	199	226	147
	618	753	569	2,117	593	602	474	449	1,817	434	464	507	412
Gain/loss from sale/purchase of	-25	-4	-14	-38	-12	1	-10	-17	29	-63	-15	108	-1
Other companies and items	-9	-8	-9	-22	-6	-4	-7	-8	-27	-7	-6	-17	2
	584	741	546	2,057	575	599	457	424	1,819	364	443	598	413
OPERATING MARGIN (%)													
Caljan	19.2	17.0	9.1	17.6	21.8	18.7	12.2	13.3	17.4	17.4	0.0	0.0	0.0
Hultafors Group	13.0	18.0	16.5	15.4	17.5	17.1	13.6	12.8	14.2	15.9	13.9	13.3	13.6
Latour Industries	12.6	10.4	12.6	10.1	12.3	12.0	7.0	8.8	8.3	7.4	10.0	7.7	7.6
Nord-Lock Group	27.3	26.0	27.8	24.8	17.7	27.6	25.8	27.3	28.4	21.6	27.8	40.8	31.4
Swegon	11.5	14.5	11.5	12.8	11.6	15.8	13.7	10.2	12.0	9.9	13.2	10.7	10.7
	14.2	15.9	14.5	14.3	14.8	16.6	13.4	12.4	13.4	12.1	14.2	13.1	13.1

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-Sept 2021: $3,448/639,420,853 \times 1000 = 5.39$

Jan-Sept 2020: $4,035/639,325,336 \times 1000 = 6.29$

Diluted earnings per share

Calculations:

Jan-Sept 2021: $3,448/641,390,444 \times 1000 = 5.37$

Jan-Sept 2020: $4,035/641,411,586 \times 1000 = 6.29$

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 at 10 a.m. today.

The number to call is +46 (0)8 505 583 75. The conference will be broadcast on the Internet.

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

Financial dates:

The 2021 Year-End Report will be published on 11 February 2022

The interim report for the period January – March 2022 will be published on 29 April 2022

The Annual General Meeting will be held on 10 May 2022 at Radisson Blu Scandinavia in Gothenburg

The interim report for the period January – June 2022 will be published on 23 August 2022

The interim report for the period January – September 2022 will be published on 8 November 2022

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 9 November 2021 at 08.30 CET.

Investment AB Latour (publ)

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