

YEAR-END REPORT  
2021

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# Year-end report 2021

## NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 216 per share, compared with SEK 153 per share at the start of the year. This is an increase of 43.4 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 39.3 per cent. The net asset value was SEK 190 per share at 10 February.<sup>1</sup>
- The total return on the Latour share was 86.8 per cent during the period measured against the SIXRX, which rose 39.3 per cent.
- The Board of Directors proposes an increased dividend of SEK 3.30 (3.00) per share.

## INDUSTRIAL OPERATIONS

### Fourth quarter

- The industrial operations' order intake rose 37 per cent to SEK 5,348 m (3,903 m), which represents a 17 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 32 per cent to SEK 5,252 m (3,989 m), which represents a 13 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' operating profit increased by 22 per cent to SEK 723 m (593 m), which equates to an operating margin of 13.8 (14.8) per cent for continuing operations.
- Hultafors Group acquired the Danish company Scangrip A/S. Latour-Gruppen signed an agreement to sell Neuffer Fenster + Türen GmbH, which was concluded in January 2022. Latour Future Solutions invested in Swedish Hydro Solutions through a directed new issue of shares and became a minority shareholder.

### Full year

- The industrial operations' order intake rose 35 per cent to SEK 20,119 m (14,857 m), which represents a 25 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 24 per cent to SEK 18,280 m (14,783 m), which represents a 14 per cent increase for comparable entities adjusted for foreign exchange effects.
- Operating profit increased by 26 per cent to SEK 2,663 m (2,117 m), which equates to an operating margin of 14.6 (14.3) per cent for continuing operations.

## THE GROUP

- Consolidated net sales totalled SEK 18,567 m (15,028 m), and profit after financial items was SEK 4,985 m (5,753 m). A SEK -282 m impairment charge related to Alimak was recognised in this year's income statement. Capital gains and other items that affect the comparability of results had a favourable SEK 1,856 m impact on last year's income statement.
- Consolidated profit after tax was SEK 4,381 m (5,324 m), which is equivalent to SEK 6.85 (8.32) per share.
- The Group reported net debt of SEK 9,513 m (5,273 m). Net debt, excluding lease liabilities recognised under IFRS 16, was SEK 8,443 m (4,613 m) and is equivalent to 6 (4) per cent of the market value of total assets.

## INVESTMENT PORTFOLIO

- The value of the investment portfolio increased by 44.6 per cent during the year when adjusted for portfolio changes. The benchmark index (SIXRX) rose 39.3 per cent.
- In December, Securitas announced that it had entered into an agreement to acquire Stanley Black & Decker Security Solutions. Latour views the acquisition positively and, as the principal owner, has undertaken to participate in the new share issue that is part of Securitas' financing of the acquisition, partly with our pro rata share corresponding to approximately USD 100 m and a further USD 122 m should full subscription to the new share issue not be obtained.

## EVENTS AFTER THE REPORTING PERIOD

- Hultafors Group acquired Telesteps AB on 1 February. Bemsig signed an agreement for the acquisition of Consens GmbH on 7 February. Latour Industries acquired Esse-Ti S.r.l. on 9 February.

<sup>1</sup> The calculation of the net asset value on 10 February was based on the value of the investment portfolio at 1 p.m. on 10 February and the same values as at 31 December were used for the unlisted portfolio.

## LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting primarily of wholly-owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principal owners. The investment portfolio consists of ten substantial holdings that had a market value of SEK 98 billion as at 31 December 2021. The wholly-owned industrial operations are grouped into six business areas: Bemsig, Caljan, Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. They generate annual sales amounting to approximately SEK 18 billion.

## Chief Executive's statement

"The strong underlying demand that we have experienced throughout the year continued into the fourth quarter, and Latour's industrial operations ended the year on a very positive note. The challenges caused by supply chain disruptions continue to put considerable pressure on us. It is important that all our businesses maintain a high level of customer service and we have generally succeeded well with this, albeit at a higher cost than normal, which leads to a short-term negative impact on our gross margins. Adjusted for acquisitions and foreign exchange effects, order intake grew by 17 per cent and sales by 13 per cent during the quarter. Sales are not growing in the same pace as order intake, partly due to disruptions in production and delays in supplies. However, we are also seeing a clear trend of orders being placed increasingly earlier, which results in a difference between order intake and invoicing. Operating profit in the quarter rose 22 per cent to SEK 723 m (592 m) with a strong operating margin of 13.8 (14.8) per cent. Our best fourth quarter to date.

The year as a whole has been marked by the pandemic and its effects, such as the steep rise in raw material prices, component shortages and disruptions to logistics. Our operations have handled the challenges well and developed positively while keeping employee safety a top priority. Net sales rose 24 per cent to SEK 18,280 m (14,783 m) and operating profit rose 26 per cent to SEK 2,663 m (2,117 m), giving an operating margin of 14.6 (14.3) per cent. A record year in several respects and confirmation that we own high-quality companies.

As we reported in the previous interim report, Bemsig is reported as a separate business area as of the fourth quarter. Bemsig has grown strongly in recent years, both organic and through acquisitions, and has now formed our sixth business area, which we are very happy about.

Latour has a strong financial position and we are investing in the future to maintain our competitive edge and increase market share. The pace of investment has been high throughout the year and we have established several new production units and expanded existing ones in our industrial operations. In all areas of the business, we are committed to a constant focus on sustainability and digitalisation, which are key components of future growth and long-term profitability. In the fourth quarter, Latour Future Solutions became a minority shareholder in its third holding, Swedish Hydro Solutions AB, which provides sustainable water treatment solutions. This is another exciting acquisition for a portfolio whose goal is to consist of holdings that play a role in building a more sustainable society.

Hultafors Group acquired the Danish company Scangrip A/S in the fourth quarter. In addition, an agreement was signed to divest all our shares in the part-owned holding Neuffer Fenster + Türen GmbH. The agreement was concluded in January 2022. Read more about our acquisitions on page 4.

The stock market in general has had very strong growth during the year. Since the start of the year, Latour's investment portfolio has increased by 44.6 per cent when adjusted for portfolio changes, while the benchmark index (SIXRX) increased by 39.3 per cent. During the year, we added a tenth holding, CTEK, to our listed investment portfolio. CTEK is a leading global supplier of premium battery chargers and also specialises in chargers and charging accessories for electric vehicles.

To date, half of our ten listed holdings have published full-year results. We are therefore unable to draw any general conclusions about the underlying earnings performance. Earlier in the year, however, the performance was generally similar to our wholly-owned operations, with increasing order intake, slightly weaker sales and order books at a record high. Acquisition activities are high in the listed holdings. In the fourth quarter, Securitas signed an agreement to acquire Stanley Black and Decker Security, which entails a new share issue where we have committed our pro rata share of almost USD 100 m, and a further USD 122 m should full subscription to the new share issue not be obtained.

During the year, the net asset value in Latour has increased to SEK 216 per share. Supported by the strong performance of our investment portfolio and industrial operations, we can once again propose an increased dividend. The Board of Directors proposes an increased dividend of SEK 3.30 (3.00) per share."

*Johan Hjertonsson  
President and Chief Executive Officer*

# Industrial operations

## Order intake, invoiced sales and earnings

In the fourth quarter, order intake grew by 37 per cent to SEK 5,348 m (3,903 m), with organic growth accounting for 17 per cent of this. Invoiced sales rose 32 per cent to SEK 5,252 m (3,989 m), which represents a 13 per cent increase for comparable entities and when adjusted for foreign exchange effects. Operating profit in the wholly-owned industrial operations increased by 22 per cent during the quarter to SEK 723 m (593 m). The operating margin was 13.8 (14.8) per cent.

The above figures only include subsidiaries of the wholly-owned business areas. See the separate report on page 6.

## Acquisitions/disposals

On 19 October, Hultafors Group signed an agreement to acquire the entire shareholding of the Danish company Scangrip A/S. The agreement was concluded 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.

On 9 December, Latour-Gruppen AB signed an agreement to sell its shares in Neuffer Fenster + Türen GmbH. The sale was concluded in January 2022. Latour acquired 66 per cent of the shares in Neuffer in 2015 in order to expand its expertise and knowledge in the area of e-commerce. Now that this initiative had been completed, Latour conducted a strategic review and decided to divest its ownership in Neuffer in order for Neuffer to continue its development with IFN-Holding AG as the new majority owner.

Earlier in the year, nine acquisitions were concluded in the wholly-owned industrial operations. On 1 March, Hultafors Group finalised the acquisition of Fristads AB, Kansas A/S, Kansas GmbH and Leijona Group Oy. The companies are leading brands in professional workwear for several end-user sectors and have strong footholds in their respective key markets of 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 personal protective equipment markets in Europe and North America.

Within Latour Industries, four acquisitions were made during the year. On 12 January, Latour Industries completed its acquisition of the entire shareholding of the Italian company VEGA S.R.L. 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 8 January, Densiq

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 30 September, Densiq 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. On 9 July, Aritco 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.

Swegon made one acquisition during the year. On 5 July, an agreement was signed 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.

Three acquisitions were made within Bemsig during the year. On 18 December 2020, an agreement was signed to acquire 70 per cent of the shares of Elsys. This transaction was concluded 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 manufacturing unit are in Umeå, Sweden. In 2020, it generated net sales of approximately SEK 50 m. On 29 September, the entire shareholding of the Canadian company Greystone Energy System Inc. was acquired. 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 CAD 22 m 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 27 May, Produal, within Bemsig, 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 is a supplier of 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.

#### *Latour Future Solutions*

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.

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.

#### *Events after the reporting period*

Hultafors Group acquired 100 per cent of the shares of Telesteps AB on 1 February. Telesteps is a leading manufacturer of telescopic ladders for professional end users. The company is located in Tranås, Sweden and has worldwide sales. Telesteps' net sales amounted to approximately SEK 87 m in 2021, with profitability in line with Hultafors Group's other operations.

Bemsiq signed an agreement for the acquisition of Consens GmbH on 7 February. Consens is a developer of devices, sensors, components, testing technology and systems for humidity, temperature, and air quality. The company was founded in 1998 and has 13 employees with head office and manufacturing in Thüringen, Germany. Net sales are estimated at 2.9 MEUR in 2021 with a profit level well above Latour's financial target.

Latour Industries acquired Esse-Ti S.r.l. on 9 February. Esse-Ti is an Italian leading manufacturer of alarm systems for elevators. The company develops, manufactures and sells wired and wireless auto-dialers, gateways, and fire-fighting systems to elevator operators, specialized resellers and OEMs. Esse-Ti has 33 employees and net sales amount to about 10 MEUR.

# Industrial operations summary

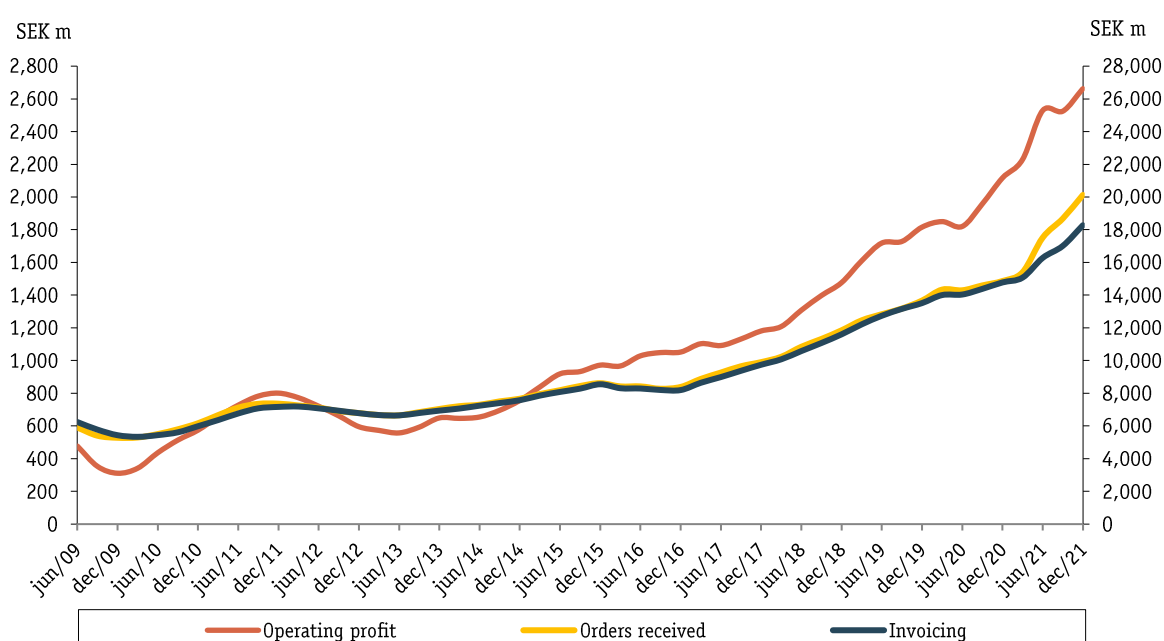
## Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Bemsiq	291	188	927	725	45	47	198	165	15.5	24.9	21.4	22.7
Caljan	554	424	1,527	1,176	118	93	276	207	21.4	21.8	18.1	17.6
Hultafor Group	1,648	1,041	5,544	3,641	241	182	860	561	14.6	17.5	15.5	15.4
Latour Industries	884	667	3,022	2,356	68	58	244	147	7.7	8.8	8.1	6.3
Nord-Lock Group	353	294	1,439	1,275	74	52	367	316	20.8	17.7	25.5	24.8
Swegon	1,523	1,376	5,824	5,614	177	160	718	721	11.6	11.6	12.3	12.8
Eliminations	-1	-1	-3	-4	-	1	-	-	-	-	-	-
	5,252	3,989	18,280	14,783	723	593	2,663	2,117	13.8	14.8	14.6	14.3
Part-owned subsidiaries	71	64	287	245	-6	7	3	11	-8.9	11.5	1.0	4.5
	5,323	4,053	18,567	15,028	717	600	2,666	2,128	13.5	14.8	14.4	14.2
Gain/loss from sale/purchase of businesses	-	-	-	-	-8	-12	-51	-38				
Other companies and items	-	-	-	-	-18	-15	-53	-38				
	5,323	4,053	18,567	15,028	691	573	2,562	2,052				
Effect IFRS 16	-	-	-	-	-8	2	-6	5				
	5,323	4,053	18,567	15,028	683	575	2,556	2,057				

SEK m	Operating capital <sup>1</sup>		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
Bemsiq	1,711	1,346	11.6	12.2	27.9	8.7	-1.9	19.8
Caljan	2,551	2,706	10.8	7.6	29.9	33.9	-3.0	-
Hultafor Group	4,763	3,853	18.1	14.6	52.3	20.7	-2.6	29.5
Latour Industries	2,765	2,233	8.8	6.6	28.3	14.0	-1.7	14.5
Nord-Lock Group	1,199	1,207	30.6	26.2	12.9	17.2	-3.6	-
Swegon	3,265	3,239	22.0	22.3	3.7	3.4	-1.6	2.0
Total	16,254	14,584	15.2	13.4	23.7	13.6	-2.2	11.3

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

## Industrial operations trailing 12 months



## Development by business area



(SEK m)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Net sales	291	188	927	725
EBITDA	55	51	217	178
EBITDA <sup>1</sup>	48	49	207	171
EBITA <sup>1</sup>	45	47	199	166
EBIT <sup>1</sup>	45	47	198	165
EBITA % <sup>1</sup>	15.6	25.0	21.5	22.9
EBIT % <sup>1</sup>	15.5	24.9	21.4	22.7
Total growth %	54.3	38.4	27.9	46.0
Organic %	6.9	8.3	8.7	4.2
Exchange effects %	-0.7	-2.1	-1.9	-0.3
Acquisitions %	45.4	30.6	19.8	40.6
Average number of employees	482	246	475	266

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

### Highlights

- Order intake remains strong in both Building Automation and Metering with an organic growth of 13 per cent. Order intake for the year amounts to SEK 976 m.
- Positive development of sales despite some delivery delays due to component shortages.
- The gross margin has been impacted during the quarter by increased component costs and non-recurring material costs. Further price adjustments are being made in several of the companies at the beginning of 2022.
- The fourth quarter was impacted negatively by non-recurring costs of about SEK 10 m.
- Newly acquired Greystone became part of the Group at the beginning of October.

### Breakdown of net sales

(SEK m)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Elvaco	49	38	166	148
Bastec	16	16	61	65
Producal	94	71	335	267
Sensortec	11	11	48	55
S+S Regeltechnik	57	53	217	193
Elsys	16	-	55	-
Greystone Energy Systems	50	-	50	-
Elimination	-2	-1	-4	-2
	291	188	927	725
Pro forma adjustment <sup>1</sup>			168	
Trailing 12 month pro forma			1,095	

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

**Bemsiq** is a group of innovative and fast-growing companies providing products in building automation and energy metering. Bemsiq's mission is to accelerate the journey towards SMART and GREEN commercial buildings by being a leading global supplier of sensor, control and connectivity technologies and products.



(MEUR)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Net sales	54.6	40.9	150.6	112.1
EBITDA	12.3	9.2	29.6	21.3
EBITDA <sup>1</sup>	12.2	9.1	29.3	21.0
EBITA <sup>1</sup>	11.8	8.9	27.8	20.3
EBIT <sup>1</sup>	11.7	8.8	27.2	19.7
EBITA % <sup>1</sup>	21.6	22.0	18.4	18.1
EBIT % <sup>1</sup>	21.4	21.8	18.1	17.6
Total growth %	30.7	69.4	29.9	21.6
Organic %	31.3	74.4	33.9	22.3
Exchange effects %	-0.5	-2.8	-3.0	-0.6
Acquisitions %	-	-	-	-
Average number of employees	623	502	580	493

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

### Highlights

- Continued strong underlying demand results in an order intake of EUR 60 m during the quarter and a new order book record at the end of the period. Order intake totals almost EUR 250 m.
- Sales in the quarter well above the previous year.
- Many employees have been hired during the year in response to the strong growth.
- 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 to customers.
- 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 Q4	2020 Q4	2021 Full Year	2020 Full Year
Telescopes	23.4	15.3	75.6	60.3
Document Handling & Labelling	8.7	5.5	17.7	10.0
Automated Solutions	9.6	10.6	21.9	18.2
Aftermarket	12.9	9.5	35.4	23.7
	54.6	40.9	150.6	112.1

**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 Q4	2020 Q4	2021 Full Year	2020 Full Year
Net sales	1,648	1,041	5,544	3,641
EBITDA	280	202	981	628
EBITDA <sup>1</sup>	265	194	935	602
EBITA <sup>1</sup>	248	187	881	573
EBIT <sup>1</sup>	241	182	860	561
EBITA % <sup>1</sup>	15.0	17.9	15.9	15.7
EBIT % <sup>1</sup>	14.6	17.5	15.5	15.4
Total growth %	58.3	20.2	52.3	25.7
Organic %	13.8	16.2	20.7	7.3
Exchange effects %	0.1	-4.6	-2.6	-1.8
Acquisitions %	38.9	8.4	29.5	19.3
Average number of employees	1,768	981	1,686	977

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

### Highlights

- Positive sales growth in Hultafors Group's main markets.
- Increasing raw material prices and the surge in shipping costs impacted earnings adversely. Price increases implemented during the quarter are expected to gain full effect in the first quarter of 2022.
- Continued investment in marketing and digitalisation to reinforce our competitive advantage moving forward.
- Acquisition of the Danish company Scangrip in the product category of work lighting. More details can be found on page 4.

### Breakdown of net sales

(SEK m)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
PPE/Workwear	1,139	625	3,701	2,066
Hardware	509	416	1,843	1,575
	1,648	1,041	5,544	3,641
Pro forma adjustment <sup>1</sup>			449	
Trailing 12 month pro forma			5,993	

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

**Hultafors Group** offers products in the Personal Protective Equipment/Workwear and Hardware sectors. 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 Q4	2020 Q4	2021 Full Year	2020 Full Year
Net sales	884	667	3,022	2,356
EBITDA	147	85	397	254
EBITDA <sup>1</sup>	83	73	299	207
EBITA <sup>1</sup>	71	63	257	167
EBIT <sup>1</sup>	68	58	244	147
EBITA % <sup>1</sup>	8.0	9.4	8.5	6.9
EBIT % <sup>1</sup>	7.7	8.8	8.1	6.3
Total growth %	32.6	-1.1	28.3	-8.6
Organic %	7.4	-2.1	14.0	-11.1
Exchange effects %	-0.4	-3.4	-1.7	-1.9
Acquisitions %	23.9	4.5	14.5	4.8
Average number of employees	1,817	1,257	1,606	1,281

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

### Highlights

- As of the fourth quarter, Bemsig is reported as a separate business area and has been removed from Latour Industries' reporting, for both the current and comparison quarters.
- Order intake and invoiced sales growth remains strong.
- The operating profit increases to SEK 68 m with an operating margin of 7.7 per cent.
- Profitability has been impacted by disruptions in supply chains and the increase in costs of both raw materials and energy. Price increases have been introduced in response to the rising costs.

### Breakdown of net sales

(SEK m)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Aritco Group	326	244	1,068	843
Vimec	143	147	490	450
VEGA	70	-	245	-
MS Group	136	115	511	470
LSAB	138	119	524	445
Densiq	75	44	206	159
Elimination	-4	-3	-22	-11
	884	667	3,022	2,356
Pro forma adjustment <sup>1</sup>			207	
Trailing 12 month pro forma			3,229	

<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)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Net sales	353	294	1,439	1,275
EBITDA	93	70	443	380
EBITDA <sup>1</sup>	85	63	412	353
EBITA <sup>1</sup>	76	54	375	326
EBIT <sup>1</sup>	74	52	367	316
EBITA % <sup>1</sup>	21.4	18.5	26.1	25.5
EBIT % <sup>1</sup>	20.8	17.7	25.5	24.8
Total growth %	20.3	-11.1	12.9	-12.0
Organic %	18.9	-4.8	17.2	-10.1
Exchange effects %	1.2	-6.6	-3.6	-2.1
Acquisitions %	-	-	-	-
Average number of employees	638	575	617	566

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

### Highlights

- Continued strong organic growth in both order intake and sales, increasing during the quarter, and mainly driven by EMEA and the Americas.
- Moving into 2022, the open order book is at a record high and the project business are on an upward trajectory.
- The demand on the important Chinese market remains weak, which has had a negative impact on profitability. We expect to see recovery from the third quarter of 2022 onwards.
- Additional investments were made in strategically important sectors and markets by hiring new dedicated sales resources.

### Breakdown of net sales

(SEK m)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
EMEA	153	132	649	564
Americas	110	72	396	331
Asia Pacific	90	90	394	379
	353	294	1,439	1,275
Pro forma adjustment <sup>1</sup>			-	
Trailing 12 month pro forma			1,439	

<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)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Net sales	1,523	1,376	5,824	5,614
EBITDA	221	195	871	867
EBITDA <sup>1</sup>	199	181	807	806
EBITA <sup>1</sup>	181	164	733	736
EBIT <sup>1</sup>	177	160	718	721
EBITA % <sup>1</sup>	11.9	11.9	12.6	13.1
EBIT % <sup>1</sup>	11.6	11.6	12.3	12.8
Total growth %	10.7	-6.6	3.7	-6.2
Organic %	9.1	-5.5	3.4	-7.0
Exchange effects %	0.7	-4.4	-1.6	-2.1
Acquisitions %	0.8	3.5	2.0	3.0
Average number of employees	2,673	2,803	2,655	2,625

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

### Highlights

- Continuing recovery in several markets and order intake achieves 17 per cent organic growth.
- Although supply chain disruptions still present a challenge, the situation improves during the quarter.
- Sales increases across all markets, especially in the Air Handling Unit segment.
- Despite higher raw material prices, profitability is well secured, mainly due to good volumes and the implementation of price increases.
- A number of growth initiatives are launched during the quarter.

### Breakdown of net sales

(SEK m)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Sweden	338	291	1,268	1,178
Rest of Nordic region	255	248	1,073	1,085
Rest of world	930	837	3,483	3,351
	1,523	1,376	5,824	5,614
Pro forma adjustment <sup>1</sup>			4	
Trailing 12 month pro forma			5,828	

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

(SEK m)	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Air Handling Unit	452	377	1,638	1,548
Cooling Heating	278	277	1,158	1,194
Room Unit	353	311	1,270	1,269
Services	116	111	439	410
Residential	145	140	575	544
North America	84	76	329	322
UK	185	166	756	664
Eliminations	-90	-82	-341	-335
	1,523	1,376	5,824	5,614

**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 216 per share from SEK 153 at the start of the year. The net asset value consequently increased by 43.4 per cent, adjusted for dividends, measured against SIXRX which increased by 39.3 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 369 at 31 December 2021, compared with the indicated net asset value of SEK 216. As stated above, Latour does not claim that the valuation of the wholly-owned industrial operations is anything other than a cautious indication. A net asset value can be calculated on a number of different bases. For example, the industrial operations as a whole 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.

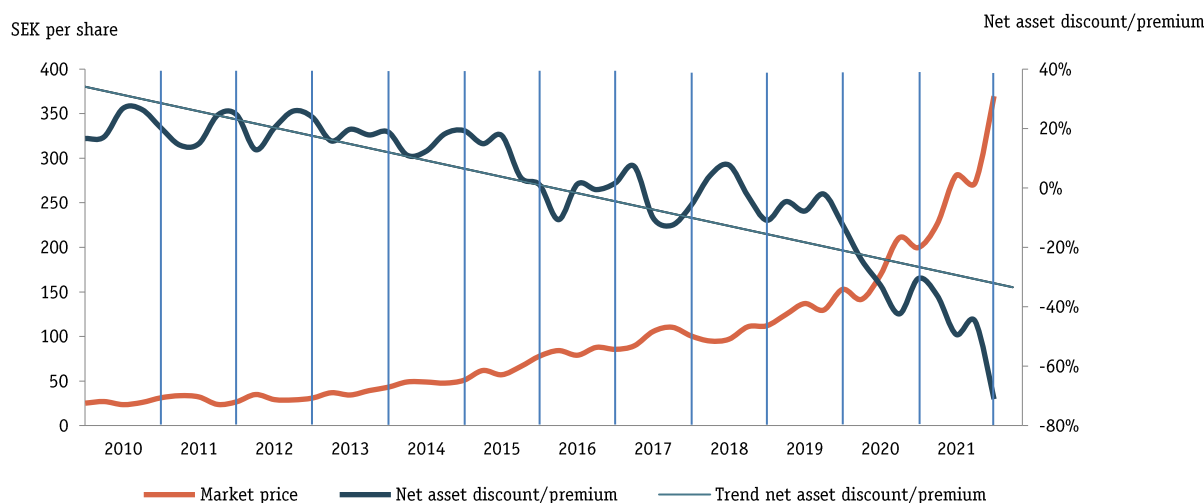
SEK m	Net sales <sup>1</sup>	EBIT <sup>2</sup>	EBIT multiple	Valuation <sup>2</sup> Range	Valuation <sup>2</sup> Average	Valuation <sup>2</sup> SEK/share <sup>3</sup> Range
Bemsiq	1,095	221	18 – 22	3,981 – 4,865	4,423	6 – 8
Caljan	1,527	276	20 – 24	5,520 – 6,624	6,072	9 – 10
Hultafors Group	5,993	906	13 – 17	11,778 – 15,402	13,590	18 – 24
Latour Industries	3,229	263	16 – 20	4,208 – 5,260	4,734	6 – 8
Nord-Lock Group	1,439	367	15 – 19	5,505 – 6,973	6,239	9 – 11
Swegon	5,828	717	16 – 20	11,472 – 14,340	12,906	18 – 22
	19,111	2,750		42,464 – 53,464		66 – 84
Industrial operations valuation, average					47,964	75
Listed shares (see table on page 11 for breakdown)					98,438	154
Latour Future Solutions					68	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					-4	0
Dilution effect of option programme					-345	0
Consolidated net debt (excl IFRS 16)					-8,443	-13
Estimated value					137,845	216
					(132 345 – 143 346)	(207 – 224)

<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 2021 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 2021

During the year, the value of the investment portfolio increased by 44.6 per cent when adjusted for portfolio changes and dividends, while the benchmark index (SIXRX) increased by 39.3 per cent.

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

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	114	1,832	29.7	29.6
Assa Abloy <sup>3</sup>	105,495,729	1,697	276	29,138	29.5	9.5
CTEK	15,280,810	1,054	202	3,088	31.0	31.0
Fagerhult	84,708,480	1,899	61	5,159	48.1	47.8
HMS Networks	12,109,288	250	558	6,757	26.0	25.9
Nederman	10,538,487	306	218	2,297	30.0	30.0
Securitas <sup>3</sup>	39,732,600	1,081	125	4,953	29.6	10.9
Sweco <sup>3 4</sup>	97,867,440	479	170	16,657	21.2	26.9
Tomra <sup>5</sup>	31,210,000	1,605	631 NOK	20,186	21.1	21.1
Troax	18,060,000	397	464	8,371	30.2	30.1
<b>Total</b>		<b>10,903</b>		<b>98,438</b>		

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

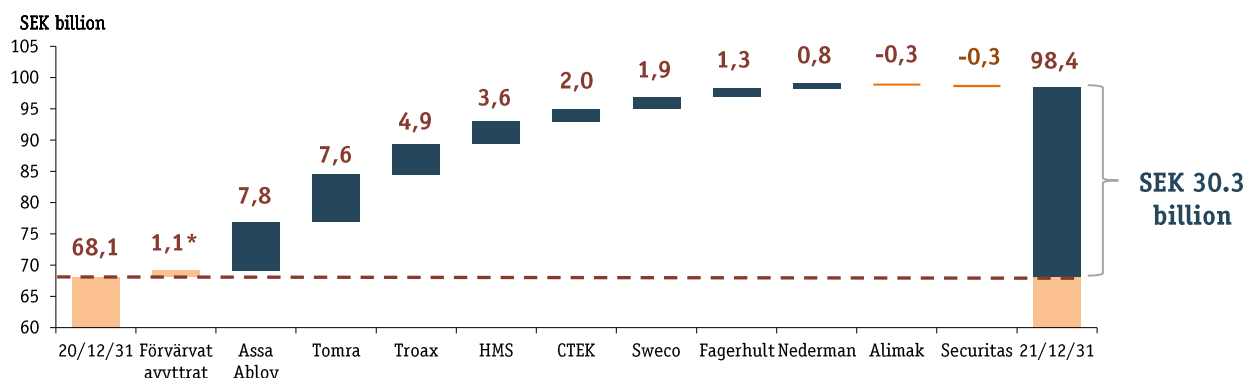
<sup>2</sup> The last price paid is used as the listed share price.

<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 631 which has been translated to SEK at the exchange rate on the balance sheet date.

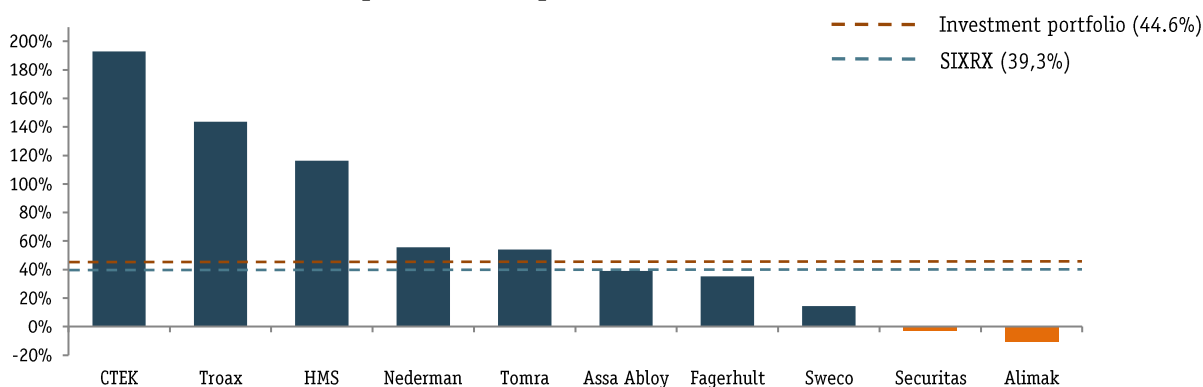
### Investment portfolio during 2021



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

\* Refers to acquisition in CTEK.

### Total return 2021 for the portfolio companies



# Results and financial position

## The Group

The Group's profit after financial items was SEK 4,985 m (5,753 m). Profit after tax was SEK 4,381 m (5,324 m), which is equivalent to SEK 6.85 (8.32) per share. A revaluation of the holding in Alimak has adversely impacted the income statement by SEK -282 m.

The Group's cash in hand and liquid investments reached SEK 1,516 m (4,033 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 9,866 m (8,778 m). The Group's net debt was SEK 9,513 m (5,273 m). Net debt, excluding lease liabilities, was SEK 8,443 m (4,613 m). The equity ratio was 88 (86) 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 bond loan of SEK 1,000 m was issued in September and in November two bond loans were issued totalling SEK 1,200 m. As at 31 December 2021, the MTN programme had an outstanding balance of SEK 9,050 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 835 m (604 m) was invested in property, plant and equipment, of which SEK 417 m (310 m) was machinery and equipment, SEK 0 m (13 m) was vehicles, and SEK 418 m (281 m) was buildings. Fixed assets in newly acquired companies account for SEK 467 m (127 m) of investments for the year.

## Parent company

The parent company's profit after financial items was SEK 1,823 m (3,328 m). The parent company's equity ratio was 57 (66) per cent.

The number of class A shares issued is 47,629,848 and the number of class B shares is 592,210,152. Not including repurchased shares, the number of outstanding shares at 31 December 2021 amounted to 639,322,800. At the end of the period, Latour holds 517,200 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 Telesteps AB on 1 February. Bemsig signed an agreement for the acquisition of Consens GmbH on 7 February. Latour Industries acquired Esse-Ti S.r.l. on 9 February.

## Dividends

The Board of Directors proposes an increased regular dividend of SEK 3.30 (3.00) per share. In absolute terms, this corresponds to a dividend payout of SEK 2,110 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 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.

Changes to accounting standard requirements that came into effect on 1 January 2021 have not had any impact on the Group's or the parent company's accounting as at 30 December 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](http://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](http://www.latour.se) under Corporate Governance, Nomination Committee.

Gothenburg, 11 February 2022  
Johan Hjertansson  
President and CEO

## Consolidated income statement

SEK m	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Net sales	5,324	4,053	18,567	15,028
Cost of goods sold	-3,344	-2,472	-11,479	-9,151
Gross profit	1,980	1,581	7,088	5,877
Sales costs	-818	-567	-2,807	-2,254
Administrative costs	-380	-314	-1,327	-1,189
Research and development costs	-143	-112	-476	-406
Other operating income	68	39	190	134
Other operating expenses	-24	-52	-112	-105
Operating profit	683	575	2,556	2,057
Income from interests in associates	409	999	2,379	3,977
Income from portfolio management	11	-	12	-8
Management costs	-8	-8	-28	-28
Profit before financial items	1,095	1,566	4,919	5,998
Finance income	48	22	186	31
Finance expense	-39	-142	-120	-276
Profit after financial items	1,104	1,446	4,985	5,753
Taxes	-171	-157	-604	-429
Profit for the period	933	1,289	4,381	5,324
Attributable to:				
Parent company shareholders	932	1,286	4,377	5,320
Non-controlling interests	1	3	4	4
Earnings per share regarding profit attributable to parent company shareholders				
Basic share, SEK	1.46	2.01	6.85	8.32
Diluted share, SEK	1.45	2.00	6.82	8.29
Average number of basic shares outstanding	639,374,974	639,379,500	639,409,289	639,338,951
Average number of diluted shares outstanding	641,644,174	641,502,400	641,454,398	641,434,414
Number of outstanding shares	639,322,800	639,379,500	639,322,800	639,379,500

## Consolidated statement of comprehensive income

SEK m	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Profit for the period	933	1,289	4,381	5,324
Other comprehensive income:				
Items that will not be recycled to the income statement				
Restatement of net pension obligations	8	3	8	3
	8	3	8	3
Items that may subsequently be recycled to the income statement				
Change in translation reserve for the period	140	-531	418	-571
Change in hedging reserve for the period	-12	167	-58	125
Change in associated companies' equity	102	-234	-239	-994
	230	-598	121	-1,440
Other comprehensive income, net after tax	238	-595	129	-1,437
Comprehensive income for the period	1,171	694	4,510	3,887
Attributable to:				
Parent company shareholders	1,167	691	4,506	3,883
Non-controlling interests	4	3	4	4

## Consolidated cash flow

SEK m	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Operating cash flows before movements in working capital	759	591	2,681	2,120
Movements in working capital	-74	379	-909	215
Operating cash flows	685	970	1,772	2,335
Acquisitions of subsidiaries	-785	-20	-2,289	-692
Sale of subsidiaries	-	-	-	-
Other investments	-66	-146	-282	-530
Portfolio management	198	528	-86	3,224
Cash flow after investments	32	1,332	-885	4,337
Financial payments	534	-795	-1,701	-1,235
Cash flow for the period	566	537	-2,586	3,102

## Consolidated balance sheet

SEK m	2021/12/31	2020/12/31
<b>ASSETS</b>		
Goodwill	12,266	10,063
Other intangible assets	329	241
Property, plant and equipment	3,020	2,072
Financial assets	22,723	20,440
Inventories etc.	3,796	2,127
Current receivables	4,287	3,110
Cash and bank	1,516	4,033
<b>Total assets</b>	<b>47,937</b>	<b>42,086</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves attributable to parent company shareholders	31,553	29,067
Non-controlling interests	133	81
<i>Total equity</i>	<i>31,686</i>	<i>29,148</i>
Interest-bearing long-term liabilities	10,502	7,509
Non-interest-bearing long-term liabilities	725	587
Interest-bearing current liabilities	661	2,016
Non-interest-bearing current liabilities	4,363	2,826
<b>Equity and liabilities</b>	<b>47,937</b>	<b>42,086</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 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
Opening balance 1 Jan 2021	133	-83	-1	29,018	81	29,148
Total comprehensive income for the period			358	4,147	5	4,510
Issued call options				22		22
Exercise of call options		102		-42		60
Own shares repurchase		-183				-183
Dividends				-1,918		-1,918
Closing balance 31 December 2021	133	-164	357	31,227	133	31,686

## Key ratios, Group

	2021/12/31	2020/12/31
Return on equity (%)	14	19
Return on total capital (%)	11	15
Equity ratio, incl IFRS 16 (%)	66	69
Equity ratio, excl IFRS 16 (%)	68	70
Adjusted equity ratio, incl IFRS 16 <sup>1</sup> (%)	87	86
Adjusted equity ratio, excl IFRS 16 <sup>1</sup> (%)	88	86
Adjusted equity <sup>1</sup> (SEK m)	108,004	77,245
Surplus value in associated companies <sup>2</sup> (SEK m)	76,318	48,097
Net debt/equity ratio 1 (%) <sup>3</sup>	8.9	7.1
Net debt/equity ratio 2 (%) <sup>4</sup>	6.8	5.3
Listed share price (SEK)	369	200
Repurchased shares	517,200	460,500
Average number of repurchased shares	430,711	501,049
Average number of employees	7,684	6,251
Issued call options corresponds to number of shares	2,269,200	2,122,900

<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	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Income from interests i Group companies	-	-	970	499
Income from interest in associates companies	151	449	871	2,842
Income from portfolio management	-	-	-	-
Management costs	-6	-6	-22	-22
Profit before financial items	145	443	1,819	3,319
Interest income and similar items	10	10	41	44
Interest expense and similar items	-10	-16	-37	-35
Profit after financial items	145	437	1,823	3,328
Taxes	-	-	-	-
Profit for the period	145	437	1,823	3,328

## Parent company statement of comprehensive income

SEK m	2021 Q4	2020 Q4	2021 Full Year	2020 Full Year
Profit for the period	145	437	1,823	3,328
Change in fair value reserve for the period	-	-	-	-
Total other comprehensive income	0	0	0	0
Comprehensive income for the period	145	437	1,823	3,328

## Parent company balance sheet

SEK m	2021/12/31	2020/12/31
<b>ASSETS</b>		
Financial assets	13,440	12,385
Long-term receivables from Group companies	7,300	5,650
Current receivables from Group companies	75	16
Other current liabilities	21	12
Cash and bank	390	706
Total assets	21,226	18,769
<b>EQUITY AND LIABILITIES</b>		
Equity	12,152	12,348
Interese-bearing long-term lilabilities	9,050	6,400
Non-interest-bearing long-term liabilities	-	-
Interese-bearing current liabilities	-	-
Non-interest-bearing current liabilities	24	21
Equity and liabilities	21,226	18,769

## Parent company statement of changes in equity

SEK m	2021/12/31	2020/12/31
Amount at beginning of year	12,348	9,849
Total comprehensive income for the period	1,823	3,328
Issued call options	22	11
Exercise of call options	-42	54
Repurchased treasury shares	-81	-95
Dividends	-1,918	-799
Amount at end of year	12,152	12,348

## Segment reporting:

### Development by business area 1 Jan 2021 – 31 Dec 2021

SEK m	Industrial operations							Portfolio management	Total
	Bemsiq	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME									
External sales	925	1,527	5,543	3,022	1,439	5,824	287		18,567
Internal sales	2		1						3
RESULT									
Operating profit	198	276	860	244	367	718	-107		2,556
Income from portfolio management								2,363	2,363
Finance income									186
Finance expense									-120
Taxes									-604
Profit for the period									4,381
OTHER DISCLOSURES									
Investments in:									
property, plant and equipment	46	63	486	59	55	124	2	-	835
intangible assets	538	2	908	611	-	39	-	-	2,098
Depreciation/amortisation	9	21	75	55	45	89	279	-	573

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

SEK m	Industrial operations							Portfolio management	Total
	Bemsiq	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME									
External sales	723	1,176	3,641	2,356	1,274	5,613	245		15,028
Internal sales	2				1	1			4
RESULTS									
Operating result	165	207	561	147	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	18	177	139	33	151	73	13	-	604
intangible assets	474	6	313	28	1	81	5	-	908
Depreciation/amortisation	7	13	41	55	37	86	185	-	424

## Change in consolidated interest-bearing net debt

SEK m	2020/12/31	Change in cash	Change in loans	Other changes	2021/12/31
Interest-bearing receivables	22			1	23
Swap	200			-89	111
Cash	4,033	-2,643		126	1,516
Pensions provisions	-91			-137	-228
Long-term liabilities	-7,420		-1,865	-989	-10,274
Utilised bank overdraft facilities	-85		-29		-114
Interest-bearing current liabilities	-1,932		1,385		-547
Interest-bearing net debt	-5,273	-2,643	-509	-1,088	-9,513



## Five-year overview

SEK m	2021	2020	2019	2018	2017
Net sales, SEK m	18,567	15,028	13,738	11,785	9,930
Operating profit, SEK m	2,556	2,057	1,819	1,397	1,125
Income from interest in associated companies, SEK m	2,379	3,977	3,955	1,278	2,006
Income from portfolio management, SEK m	-16	-36	194	2	-8
Profit after finance items, SEK m	4,985	5,753	5,725	2,646	3,069
Earnings per share, SEK	6.85	8.32	8.33	3.66	4.37
Return on equity, %	14	19	22	11	14
Return on total capital, %	11	15	17	9	13
Adjusted equity ratio, %	88	86	86	86	88
Net debt/equity ratio, %	8.9	7.1	11.3	9.2	7.9

## Note 1 Business combinations

### Specification of acquisitions

Transfer date		Country	Business area	Share	Contributed		
					Revenues	EBIT	Number of employees
11 January 2021	Vega Srl	Italy	Latour Industries	100%	245	44	200
8 January 2021	VM Kompensator A/S	Denmark	Latour Industries	100%	24	1	17
20 January 2021	Elsys AB	Sweden	Bemsiq	70%	55	20	8
28 February 2021	Fristads AB, Kansas AS Kansas GmbH, Leijona Group OY	Sweden	Hultafor Group	100%	1,154	105	640
1 June 2021	HK Instruments Oy	Finland	Bemsiq	100%	54	12	53
31 August 2021	720 Oy	Finland	Swegon	100%	1	-2	8
31 August 2021	Motala Hissar AB	Sweden	Latour Industries	100%	18	2	71
30 September 2021	Greystone Energy System Inc.	Canada	Bemsiq	100%	50	10	120
29 September 2021	Depac Anstalt	Lichtenstein	Latour Industries	100%	23	1	30
30 October 2021	Scangrip A/S	Denmark	Hultafor Group	100%	52	8	50

### Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	441
Property, plant and equipment	472
Inventories	548
Account receivable	399
Other receivable	55
Cash	126
Long-term liabilities	-963
Current liabilities	-490
Net identifiable assets and liabilities	1,139
Group goodwill	1,536
Total purchase price	2,675
Additional purchase price	-180
Cash settlement purchase price	2,495
Acquisition of non-cash items	-80
Acquired cash	-126
Effect of Group cash	2,289

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 47 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 31 DEC 2021

	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	54 <sup>2</sup>			54
Other long-term receivables			31 <sup>3</sup>	31
Listed shares, trading		0 <sup>1</sup>		0
Unrealised gains, currency derivatives	130 <sup>2</sup>			130
Other current receivables			4 042 <sup>3</sup>	4,042
Cash			1 516 <sup>3</sup>	1,516
<b>Total</b>	<b>184</b>	<b>0</b>	<b>5,589</b>	<b>5,773</b>
<b>FINANCIAL LIABILITIES</b>				
Long-term loans			9 429 <sup>3</sup>	9,429
Bank overdraft facilities			114 <sup>3</sup>	114
Current loans			323 <sup>3</sup>	323
Other liabilities			2 748 <sup>3</sup>	2,748
Unrealised gains, currency derivatives	2 <sup>2</sup>			2
<b>Total</b>	<b>2</b>	<b>0</b>	<b>12,614</b>	<b>12,616</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 2021

SEK m	2021 Full Year	2020 Full Year
Revenue from goods	17,551	14,161
Revenue from services	1,016	867
	<b>18,567</b>	<b>15,028</b>
Fix-price contract	14,598	11,672
Time-and-materials contracts	3,969	3,356
	<b>18,567</b>	<b>15,028</b>
Sweden	3,331	2,552
Nordics, excl. Sweden	2,733	2,343
Europe, excl. Nordics	8,707	7,215
Other markets	3,796	2,918
	<b>18,567</b>	<b>15,028</b>

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				
	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>															
Net sales	18,567	5,324	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	11,479	-3,344	-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	7,088	1,980	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	-4,532	-1,297	-1,060	-1,158	-1,017	-3,820	-1,006	-860	-935	-1,019	-3,618	-1,064	-855	-831	-868
Operating profit	2,556	683	585	741	547	2,057	575	596	461	425	1,819	364	443	599	413
Total portfolio management	2,363	412	620	616	715	3,941	991	836	2,469	-355	3,965	1,029	350	1,209	1,377
Profit before financial items	4,919	1,095	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	66	9	17	-42	82	-245	-120	-40	-121	46	-59	-67	31	-24	1
Profit after financial items	4,985	1,104	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	-604	-171	-164	-136	-133	-429	-157	93	-67	-112	-415	-79	-133	-113	-90
Profit for the period	4,381	933	1,058	1,179	1,211	5,324	1,289	1,289	2,742	4	5,310	1,247	691	1,671	1,701
<b>KEY RATIOS</b>															
Earnings per share, SEK	6.85	1.46	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	-2,586	566	-851	125	-2,426	3,102	537	483	2,053	1,606	249	169	122	-1,171	1,129
Adjusted equity ratio, %	88	88	86	87	88	86	86	85	82	80	86	86	87	88	87
Adjusted equity	108,004	108,004	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	137,845	137,845	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	216	216	188	188	166	153	153	148	127	114	136	136	127	127	119
Listed share price, SEK	369	369	272	281	226	200	200	211	169	142	153	153	130	137	125
<b>NET SALES</b>															
Bemsiq	927	291	220	210	206	725	188	166	173	197	497	136	114	122	125
Caljan	1,527	554	403	859	209	1,176	424	311	219	222	113	113	0	0	0
Hultafors Group	5,546	1,648	1,310	1,353	1,113	3,641	1,041	915	839	846	2,896	866	693	689	648
Latour Industries	3,022	884	693	873	681	2,356	667	559	516	615	2,582	674	625	668	615
Nord-Lock Group	1,439	353	357	402	354	1,274	294	300	324	357	1,448	330	340	395	384
Swegon	5,824	1,523	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
	18,280	5,252	4,356	5,675	3,924	14,783	3,990	3,622	3,542	3,631	13,519	3,591	3,276	3,512	3,142
Other companies and eliminations	287	71	77	87	63	245	64	70	63	47	219	56	63	55	43
	18,567	5,323	4,433	5,762	3,987	15,028	4,054	3,692	3,605	3,678	13,738	3,647	3,339	3,567	3,185
<b>OPERATING PROFIT</b>															
Bemsiq	198	45	58	45	50	165	47	41	35	42	84	21	21	21	20
Caljan	276	118	77	61	19	207	93	58	27	30	20	20	0	0	0
Hultafors Group	860	241	170	266	183	561	182	157	114	108	412	138	97	90	88
Latour Industries	244	68	57	57	62	147	58	46	13	29	173	39	53	46	36
Nord-Lock Group	367	74	98	97	99	316	52	83	84	97	411	71	94	124	121
Swegon	718	177	158	227	156	721	160	217	201	143	717	145	199	226	147
	2,663	723	618	753	569	2,117	593	602	474	449	1,817	434	464	507	412
Gain/loss from sale/purchase of busi	-51	-8	-25	-4	-14	-38	-12	1	-10	-17	29	-63	-15	108	-1
Other companies and items	-56	-32	-9	-8	-9	-22	-6	-4	-7	-8	-27	-7	-6	-17	2
	2,556	683	584	741	546	2,057	575	599	457	424	1,819	364	443	598	413
<b>OPERATING MARGIN (%)</b>															
Bemsiq	21.4	15.5	26.2	21.4	24.4	22.7	24.9	25.0	20.0	21.1	16.9	15.7	18.5	17.4	16.1
Caljan	18.1	21.4	19.2	17.0	9.1	17.6	17.6	18.7	12.2	13.3	17.4	17.4	0.0	0.0	0.0
Hultafors Group	15.5	14.6	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	8.1	7.7	8.3	7.4	9.1	6.3	8.8	8.2	2.6	4.8	7.1	5.7	8.8	7.6	6.5
Nord-Lock Group	25.5	20.8	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	12.3	11.6	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
	14.6	13.8	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-Dec 2021:  $4,381/639,409,289 \times 1000 = 6.85$

Jan-Dec 2020:  $5,324/639,338,951 \times 1000 = 8.32$

## Diluted earnings per share

Calculations:

Jan-Dec 2021:  $4,381/641,454,398 \times 1000 = 6.82$

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

## 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)8 566 427 04. 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 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 11 February 2022, at 08.30 CET.*