

Year-end report 2022

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value decreased to SEK 159 per share, compared with SEK 216 per share at the start of the year. This is a decrease of 25.0 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) decreased by 22.8 per cent. The net asset value was SEK 176 per share at 9 February.¹
- The total return on the Latour share was -45.7 per cent during the period measured against the SIXRX, which fell 22.8 per cent.
- The Board of Directors proposes an increased dividend of SEK 3.70 (3.30) per share.

INDUSTRIAL OPERATIONS

Fourth quarter

- The industrial operations' order intake rose 7 per cent to SEK 5,730 m (5,348 m). Adjusted for foreign exchange effects, this represents a decrease of -4 per cent for comparable entities.
- The industrial operations' net sales rose 22 per cent to SEK 6,402 m (5,252 m). Adjusted for foreign exchange effects, this equates to growth of 8 per cent for comparable entities.
- The industrial operations' operating profit increased by 29 per cent to SEK 929 m (723 m), which equates to an operating margin of 14.5 (13.8) per cent.
- Hultafors Group acquired the American company Martinez Tool Company on 3 October. LSAB Group (which is a part of Latour Industries) acquired the Finnish company Lahden Teräteos Oy on 1 November. On 11 November, Swegon acquired the Italian company Samp S.p.A, and on 14 December it signed an agreement to acquire the British company Dalair. The acquisition was completed in early January. Bemsig acquired the American company Dent Instruments Inc on 27 December.
- Latour Future Solutions made minority investments in the Swedish companies Anolytech Holding AB, SenseNode AB and Qoitech AB.

Full year

- The industrial operations' order intake rose 15 per cent to SEK 23,148 m (20,119 m). Adjusted for foreign exchange effects, this equates to growth of 2 per cent for comparable entities.
- The industrial operations' net sales rose 24 per cent to SEK 22,611 m (18,280 m). Adjusted for foreign exchange effects, this equates to growth of 9 per cent for comparable entities.
- The operating profit rose 20 per cent to SEK 3,194 m (2,663 m), which is equivalent to an operating margin of 14.1 (14.6) per cent.
- In the first quarter, Latour Industries acquired the Italian company Esse-Ti S.R.L, Bemsig acquired the German company Consens GmbH, Hultafors acquired the Swedish company Telesteps and Caljan acquired the Austrian company PHS Logistiktechnik. The sale of Neuffer Fenster + Türen GmbH was completed in January. Swegon acquired the Swiss company Barcol-Air in the second quarter. In the third quarter, Swegon acquired the Swedish company ABC Ventilationsprodukter, and Latour Industries acquired the Swedish company MAXAGV.

THE GROUP

- Consolidated net sales totalled SEK 22,611 m (18,567 m), and profit after financial items was SEK 4,833 m (4,985 m). Losses of SEK -1,557 m (-282 m) resulting from a write-down of holdings were recognised in the income statement for the period.
- Consolidated profit after tax was SEK 4,168 m (4,381 m), corresponding to a price of SEK 6.51 (6.85) per share.
- The Group reported net debt of SEK 12,532 m (9,513 m). Net debt, excluding lease liabilities recognised under IFRS 16, was SEK 11,067 m (8,443 m) and is equivalent to 10 (6) per cent of the market value of total assets.

INVESTMENT PORTFOLIO

- During the year, the value of the investment portfolio decreased by 34.6 per cent, adjusted for portfolio changes and dividends. The benchmark index (SIXRX) decreased by 22.8 per cent.
- In October, Latour participated in Securitas' new issue of shares with its pro-rata allocation at just over SEK 1 billion and acquired 22,704,341 shares in the company.

EVENTS AFTER THE REPORTING PERIOD

- The Board of Directors decided to revise the financial targets on 6 February. The operating margin target has been changed to 15 per cent over a business cycle from earlier 10 per cent and the return target has been clarified to minimum 15 per cent.

¹ The calculation of the net asset value on 9 February was based on the value of the investment portfolio at 1 p.m. on 9 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 64 billion as at 31 December 2022. 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 23 billion.

Chief Executive's statement

"Latour's industrial operations ended the year on a high note. Underlying demand remains constant in most markets. Component shortages and supply chain disruptions are still an issue. The situation has improved however, and our businesses continue to make every effort to provide their customers with top-class service. This is particularly apparent in invoiced sales where growth reached 22 per cent in the quarter.

Soaring energy prices, general inflation in the economy and heavy exchange rate fluctuations are placing considerable demands on the ability of our organisations to adapt quickly. Price increases have been introduced throughout the year in order to meet the rising costs, and the high level of cost awareness across the organisations is helping to maintain the profitability of operations. The fourth quarter operating profit rose 29 per cent to SEK 929 m (723 m). In absolute terms, this is our highest ever for a single quarter, with an operating margin of 14.5 (13.8) per cent. In a geopolitically unstable world we have consolidated our positions and continued to deliver profit growth, which is very pleasing to report.

The year as a whole has been dominated by the fact that there is an ongoing war in Europe. Uncertainty exists over a potential economic downturn and markets are concerned about the rising inflation. In all of this turmoil, our employees are our highest priority. The operations have coped well with the challenges posed during the year and the industrial operations have shown solid growth performance. Net sales rose 24 per cent to SEK 22,611 m (18,280 m) and the operating profit rose 20 per cent to SEK 3,194 m (2,663 m), giving an operating margin of 14.1 (14.6) per cent.

We are continuing to invest in our operations to support long-term business growth. Latour is in a financially strong position and is not cutting back on investments in progress because of short-term concerns about the economy. Moreover, we are continuing to invest in cross-company networking and collaboration in the Group. As part of Latour, the companies should be able to derive benefit from our wide geographic reach and the wealth of expertise that exists in both the wholly-owned industrial operations and our listed portfolio.

Acquisition activity played out at a high rate in the last quarter, with eight acquisitions in the industrial operations, of which three to Latour Future Solutions' portfolio. Swegon has acquired two businesses in the UK and Italy. Hultafors Group and Bemsig have each made an acquisition in North America, and LSAB, part of Latour Industries, has acquired a company in Finland. More details can be found on page 4.

The weak performance of stock markets during the year is a reaction to uncertainty about, among other things, the war in Ukraine, inflation, the current energy crisis. This has caused Latour's net asset value to fall 25.0 per cent to SEK 159 per share and our listed investment portfolio has decreased by 34.6 per cent. By comparison, the benchmark index SIXRX has fallen by 22.8 per cent. To date, half of our listed holdings have published their full-year results, most of them reporting good growth, with some performing exceptionally well.

The listed companies have pursued acquisitions during the period. Alimak Group, for example, has considerably strengthened its presence in the global market through its acquisition of the French company Tractel. During the quarter, Latour participated pro rata in Securitas' new issue of shares, which was part of the financing of the acquisition of Stanley Security that was finalised in the summer.

We have undertaken a strategic review to further strengthen the long-term profitability and returns of the industrial operations. The financial targets have been revised as a result of this. The growth target remains unchanged, but the profitability target over a business cycle has changed from an operating margin of at least 10 per cent in each holding, to an operating margin of at least 15 per cent as an average for all holdings. The return target have been clarified from 15–20 per cent return on operating capital in each holding, to at least 15 per cent return on operating capital in each holding. As a long-term and responsible owner, we fully support our existing holdings and will continue to make assessments based on all three targets combined.

As a result of the strong performance of both the industrial operations and the listed holdings, the Board of Directors proposes an increased dividend of SEK 3.70 (3.30) per share."

*Johan Hjertzonsson
President and Chief Executive Officer*

Industrial operations

Order intake, invoiced sales and earnings

In the fourth quarter, the order intake increased by 7 per cent to SEK 5,730 m (5,348 m), of which -4 per cent was organic growth. Invoiced sales rose 22 per cent to SEK 6,402 m (5,252 m). Adjusted for foreign exchange effects, this equates to growth of 8 per cent for comparable entities. The operating profit in the wholly-owned industrial operations rose 29 per cent to SEK 929 m (723 m) during the quarter. The operating margin was 14.5 (13.8) per cent.

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

Acquisitions/disposals

Fourth quarter

During the fourth quarter, four acquisitions were completed and an acquisition agreement was signed within the wholly-owned industrial operations. Latour Future Solutions has also made three minority investments.

Bemsiq

On 27 December, Bemsiq acquired the entire shareholding of DENT Instruments Inc. The company was established in 1988 and has over 30 years of experience in designing, manufacturing, supplying and selling products and accessories for the metering industry. Its energy-saving and data-collection products are used by industries in the energy and solar energy sectors, offices and buildings, telecommunications and rechargeable vehicles. Dent has its head office and manufacturing facilities in Bend, Oregon (USA) and has an international customer base. Total revenues in 2022 are estimated at USD 15 million, with a profit level well above Latour's financial target.

Hultafors Group

On 4 October, Hultafors Group acquired the entire shareholding of Martinez Tool Company, based in California, USA. Martinez Tool Co manufactures "Made in the USA" premium tools for professional tradespeople. The company's high-quality titanium hammers are its flagship product, which it markets on its website and through selected national and international distributors. In 2021, Martinez Tool Co reported sales of USD 6 m with double-digit growth and profitability that exceeded Hultafors Group's other operations.

Latour Industries

On 1 November, LSAB Group (which is a part of Latour Industries) acquired the entire shareholding of the Finnish company Lahden Teräteos Oy (LTT). LTT is based in Lahti, Finland, has 23 employees and a turnover of EUR 2.4 m (2021). LTT is a manufacturer of customised tools for planing and profiling, and is also a supplier of saw blades for the cutting industry. The company was established in 1962 and will give LSAB a stronger presence in the Finnish market and widen its offering to customers.

Swegon

On 11 November, Swegon acquired the entire shareholding of the Italian company Samp S.p.A. The company is a manufacturer of modular air handling units and one of the leading AHU brands in Italy. The acquisition further enhances Swegon's presence in southern Europe. Samp produces AHUs for use in offices and hotels, and segments such as the food, shipping, automotive and pharmaceutical industries. Samp was established in 1969 and has 90 employees. Its head office and production facilities are located in Concorezzo near Milan, Italy. In 2021, it reported net sales of EUR 26 m.

On 12 December, Swegon signed an agreement for the acquisition of the entire shareholding of Dalair Ltd. The acquisition was completed in January 2023. Dalair is a manufacturer of modular air handling units and is a family-owned company based in Wednesbury near Birmingham. The company is a leading manufacturer of AHUs in the UK with a highly regarded brand. Its units are used in offices and commercial buildings as well as several sectors, including the retail, healthcare and pharmaceutical industries. The company has 150 employees and its head office is located in Wednesbury. It also has two sales offices in London and Manchester. In 2021, it reported net sales of GBP 17 m.

Latour Future Solutions

On 24 October, Latour Future Solutions signed an agreement to invest in the Swedish company SenseNode. SenseNode has developed a complete IoT solution with associated SaaS platform for energy efficiency in all types of industries. The company offers energy monitoring, energy mapping, power optimisation and energy efficiency, with associated automatic reports and alarm functions. The business was established in 2013. It has 8 employees and its head office is in Lund, Sweden.

On 7 November, Latour Future Solutions signed an agreement to invest in the Swedish company Anolytech Holding AB. Anolytech has developed a circular system for the production of effective disinfection, AnoDes, based on nature's own disinfectant hypochlorous acid, which is a natural part of the immune system of humans and animals. The company sells its system as a packaged service to industrial and food production companies, and to customers in the agriculture and animal husbandry sectors, and in the healthcare, hotel and real estate industries. It has customers throughout the Nordic region, and in Germany and Spain. The business was established in 2005. It has 17 employees and its head office is in Ystad, Sweden.

On 19 December, Latour Future Solutions signed an agreement to invest in the Swedish company Qoitech AB. The company produces energy optimisation solutions for battery-powered products and various energy harvesting technologies. Its products are sold through digital channels to customers in sixty or so countries. The business was started within Sony Mobile Communications and the company was spun off in 2019. Qoitech has 9 employees and its head office is in Lund, Sweden.

Full year

Earlier in the year, eight transactions took place within the scope of our wholly-owned industrial operations. The transactions undertaken during the year comprised eleven completed acquisitions, one divestment and three minority investments.

Bemsiq

On 7 February, S+S Regeltechnik GmbH, in the Bemsiq business area, signed an agreement to acquire the German company Consens GmbH. The acquisition was completed in the same month. The company has 13 employees and manufactures devices, sensors, components and testing technology for humidity, temperature and air quality. Sales amounted to EUR 2.9 m in 2021, with a level of profitability well above Latour's financial targets.

Caljan

On 18 March, Caljan acquired the entire shareholding of the Austrian company PHS Logistiktechnik GmbH. PHS has developed Rapid Unloader, a system for automatically unloading packages for logistics companies. The company was established in 2017. It has three employees and is based in Graz, Austria.

Hultafors Group

On 1 February, Hultafors Group acquired the entire shareholding of the Swedish company Telesteps AB. The company is a leading manufacturer of telescopic ladders for professional end users. Telesteps' net sales amounted to approximately SEK 87 m in 2021, with profitability in line with Hultafors Group's other operations.

Latour Industries

On 9 February, Latour Industries acquired the Italian company Esse-Ti S.r.l. The company is a leading manufacturer of alarm systems for lifts. Esse-Ti has 33 employees and generates sales of approximately EUR 10 m.

On 1 September, Latour Industries acquired the entire shareholding of the Swedish company MAXAGV, a leading provider of mobile robots and software systems for goods handling. The company has 67 employees and generates sales of approximately SEK 160 million, with exports accounting for the bulk of sales.

Swegon

On 3 June, Swegon acquired the entire shareholding of the Swiss company Barcol-Air, a leading supplier of radiant ceiling systems. The company was founded in 1979 and currently has 90 employees. In 2021, it reported net sales of EUR 37.2 m.

On 22 August, Swegon acquired the entire shareholding of the Swedish company ABC Ventilationsprodukter. The company complements Swegon's existing portfolio by broadening the product range to include roof hoods, louvres, dampers and fire safety products. ABC Ventilationsprodukter has 90 employees and reports net sales of approximately SEK 140 m.

Other holdings

In January 2022, Latour-Gruppen AB finalised the sale of its shares in Neuffer Fenster + Türen GmbH.

In connection with the listing of part-owned Lumen Radio in December, all shares were sold for a total purchase price of SEK 129 m, which means a fivefold increase in invested capital.

Industrial operations summary

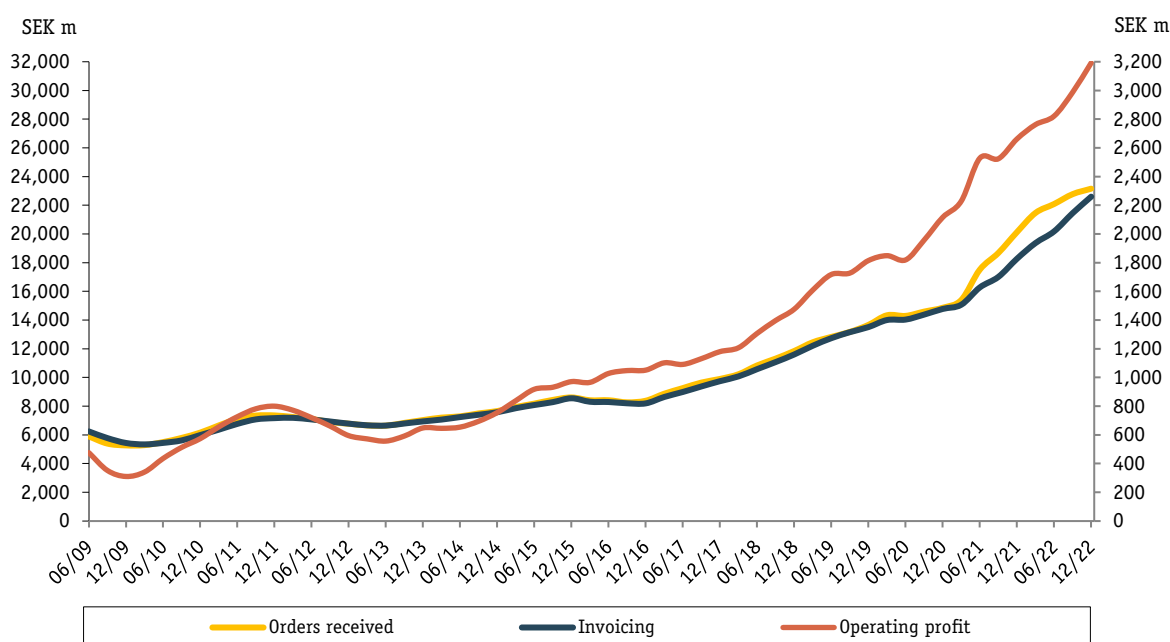
Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Bemsiq	349	291	1,334	927	64	45	304	198	18.5	15.5	22.8	21.4
Caljan	562	554	2,140	1,527	105	118	452	276	18.6	21.4	21.1	18.1
Hultafors Group	1,876	1,648	6,649	5,544	316	241	977	860	16.8	14.6	14.7	15.5
Latour Industries	1,089	884	3,820	3,022	71	68	290	244	6.5	7.7	7.6	8.1
Nord-Lock Group	413	353	1,660	1,439	74	74	393	367	17.9	20.8	23.7	25.5
Swegon	2,117	1,523	7,015	5,824	299	177	778	718	14.1	11.6	11.1	12.3
Eliminations	-4	-1	-7	-3	-	-	-	-	-	-	-	-
	6,402	5,252	22,611	18,280	929	723	3,194	2,663	14.5	13.8	14.1	14.6
Gain/loss from sale/purchase of businesses	-	-	-	-	76	-8	110	-51				
Other companies and items	-	71	-	287	-23	-24	-75	-50				
	6,402	5,323	22,611	18,567	982	691	3,229	2,562				
Effect IFRS 16	-	-	-	-	13	-8	17	-6				
	6,402	5,323	22,611	18,567	995	683	3,246	2,556				

SEK m	Operating capital ¹		Return on operating capital %		Growth in net sales, 2022 %			
	2022 Trailing 12	2021 Trailing 12	2022 Trailing 12	2021 Trailing 12	Total	Organic	Currency	Acquisitions
Bemsiq	2,340	1,734	13.0	11.4	43.9	13.1	4.9	21.3
Caljan	3,078	2,551	14.7	10.8	40.1	29.0	8.4	0.2
Hultafors Group	6,459	4,763	15.1	18.1	19.9	3.1	5.9	9.8
Latour Industries	3,370	2,742	8.6	8.9	26.4	9.9	3.0	11.7
Nord-Lock Group	1,380	1,199	28.5	30.6	15.3	5.6	9.2	-
Swegon	3,931	3,265	19.8	22.0	20.5	9.6	4.6	5.0
Total	20,558	16,254	15.5	16.4	23.7	9.1	5.4	7.6

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



Development by business area



(SEK m)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Net sales	349	291	1,334	927
EBITDA	71	55	329	217
EBITDA ¹	68	48	316	207
EBITA ¹	65	45	306	199
EBIT ¹	64	45	304	198
EBITA % ¹	18.6	15.6	22.9	21.5
EBIT % ¹	18.5	15.5	22.8	21.4
Total growth %	20.1	54.3	43.9	27.9
Organic %	10.4	6.9	13.1	8.7
Exchange effects %	5.8	-0.7	4.9	-1.9
Acquisitions %	2.8	45.4	21.3	19.8
Average number of employees	516	474	511	475

¹ Excl. IFRS 16.

Highlights

- A strong fourth quarter with total growth of 20 per cent, 10 per cent of which is organic. Both Building Automation and Metering report double-digit growth.
- Price adjustments and active efforts to secure supplies of components have helped retain margins and maintain good delivery capacity.
- Many positions in product development and sales have been filled during the quarter, and the companies are planning further recruitment in early 2023.
- Acquisition of the North American company DENT Instruments Inc. More details can be found on page 4.

Breakdown of net sales

(SEK m)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Building Automation	267	228	1,040	710
Metering	87	65	306	221
Elimination	-5	-2	-11	-4
	349	291	1,335	927

Pro forma adjustment¹ 150

Trailing 12 month pro forma 1,485

¹ 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)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Net sales	52.9	54.6	201.3	150.6
EBITDA	10.9	12.3	46.0	29.6
EBITDA ¹	10.7	12.2	45.5	29.3
EBITA ¹	10.1	11.8	43.4	27.8
EBIT ¹	9.9	11.7	42.5	27.2
EBITA % ¹	19.2	21.6	21.6	18.4
EBIT % ¹	18.6	21.4	21.1	18.1
Total growth %	-3.1	35.2	33.7	34.6
Organic %	-8.6	32.9	29.0	33.9
Exchange effects %	5.8	1.7	3.4	0.5
Acquisitions %	0.1	-	0.2	-
Average number of employees	615	623	652	580

¹ Excl. IFRS 16.

Highlights

- A positive quarter with high volumes and a strong performance, producing yet another record year for Caljan with 34 per cent growth.
- The order intake fell to a lower level during the quarter after a very strong start to the year. The order book remains on high level, which is positive for continued good invoicing in coming quarters.
- After significantly expanding staff numbers over the last two years, the company is now slowing the pace of recruitment.
- The supply chain situation has stabilized and the company has managed customer expectations well.

Breakdown of net sales

(MEUR)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Loading & Unloading	25.4	23.4	106.3	75.6
Document Handling & Labelling	11.3	8.7	28.7	17.7
Automated Solutions	3.5	9.6	19.2	21.9
Aftermarket	12.6	12.9	47.1	35.4
	52.9	54.6	201.3	150.6

Pro forma adjustment¹ -

Trailing 12 month pro forma 201.3

¹ Pro forma for completed acquisitions.

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)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Net sales	1,876	1,648	6,649	5,544
EBITDA	350	280	1,131	981
EBITDA ¹	338	265	1,067	935
EBITA ¹	322	248	1,002	881
EBIT ¹	316	241	977	860
EBITA % ¹	17.1	15.0	15.1	15.9
EBIT % ¹	16.8	14.6	14.7	15.5
Total growth %	13.8	58.3	19.9	52.3
Organic %	2.1	13.8	3.1	20.7
Exchange effects %	7.2	0.1	5.9	-2.6
Acquisitions %	3.9	38.8	9.7	29.5
Average number of employees	1,817	1,768	1,826	1,686

¹ Excl. IFRS 16.

Highlights

- Positive sales growth during the quarter with gross growth of 14 per cent, 2 per cent of which was organic.
- Foreign exchange effects pushed invoiced sales up 7 per cent during the quarter, and a corresponding increase had an impact on the cost structure.
- Healthy volumes, price increases and cost controls combined have had a positive effect on the operating profit, which was up 31 per cent on the previous year.
- Implementation of investments in digitalisation, marketing and sales initiatives continued, with the aim of strengthening the long-term stability and capabilities of the company.
- Acquisition of the North American company Martinez Tool Company. More details can be found on page 4.

Breakdown of net sales

(SEK m)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
PPE Europe	1,188	1,066	4,051	3,442
Hardware Europe	345	273	1,328	934
Hardware North America	343	307	1,270	1,172
Elimination	-	1	-	-5
	1,876	1,648	6,649	5,544
Pro forma adjustment ¹			50	
Trailing 12 month pro forma			6,699	

¹ Pro forma for completed acquisitions.

Hultafors Group offers products in the PPE Europe, Hardware Europe and Hardware North America segments. The products are marketed under brands with strong positions in their respective markets: Snickers Workwear, Solid Gear, EMMA Safety Footwear, Toe Guard, Hellberg Safety, Fristads, Kansas, Leijona, EripioWear, Hultafors, Wibe Ladders, Scangrip, Telesteps, CLC Work Gear, Johnson Level & Tool, Martinez Tool Company and Kuny's. The Group is also a distributor for Fein in the Swedish market.



(SEK m)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Net sales	1,089	884	3,820	3,022
EBITDA	101	147	406	397
EBITDA ¹	89	83	352	299
EBITA ¹	75	71	304	257
EBIT ¹	71	68	290	244
EBITA % ¹	6.9	8.0	8.0	8.5
EBIT % ¹	6.5	7.7	7.6	8.1
Total growth %	23.2	32.6	26.4	28.3
Organic %	9.1	7.4	9.9	14.0
Exchange effects %	4.2	-0.4	3.0	-1.7
Acquisitions %	8.3	23.9	11.7	14.5
Average number of employees	1,789	1,817	1,760	1,606

¹ Excl. IFRS 16.

Highlights

- Good growth in order intake and sales during the quarter.
- Continued high cost of raw materials and transport affects the margins negatively where price increases have not yet had effect. This gave a weaker result than expected.
- Component supplies returned to more normal levels, which means that stock levels began to stabilise during the quarter.
- Investment in product development resulted in the launch of several new products in 2022. These include a new platform lift from Vimec and a more efficient and durable LX bandsaw blade from LSAB.
- Acquisition of Lahden Teräteos OY for LSAB. More details can be found on page 4.

Breakdown of net sales

(SEK m)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Aritco Group	336	326	1,246	1,068
Vimec	217	143	667	490
VEGA	75	70	259	245
Esse-Ti	31	-	108	-
MS Group	150	136	607	511
LSAB	151	138	578	524
Densiq	89	75	322	206
MAXAGV	46	-	55	-
Elimination	-5	-4	-23	-22
	1,089	884	3,820	3,022
Pro forma adjustment ¹			158	
Trailing 12 month pro forma			3,978	

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)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Net sales	413	353	1,660	1,439
EBITDA	96	93	473	443
EBITDA ¹	87	85	443	412
EBITA ¹	76	76	402	375
EBIT ¹	74	74	393	367
EBITA % ¹	18.5	21.4	24.2	26.1
EBIT % ¹	17.9	20.8	23.7	25.5
Total growth %	17.0	20.3	15.3	12.9
Organic %	5.6	18.9	5.6	17.2
Exchange effects %	10.8	1.2	9.2	-3.6
Acquisitions %	-	-	-	-
Average number of employees	671	638	656	617

¹ Excl. IFRS 16.

Highlights

- Order intake gradually increases during the quarter across all regions and exceeds invoiced sales.
- Strong growth in invoiced sales, with substantial tailwind from foreign exchange effects. Growth remained below the expectations for the Chinese market, although an improvement is noted towards the end of the quarter and at the beginning of 2023.
- Operating profit is in line with the previous year, negatively affected by foreign exchange effects on the cost structure and a weak Chinese market.
- Superbolt NXT, the next generation of bolt tensioners from Superbolt, was successfully launched during the quarter.

Breakdown of net sales

(SEK m)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
EMEA	180	153	743	649
Americas	136	110	530	396
Asia Pacific	97	90	388	394
	413	353	1,660	1,439
Pro forma adjustment ¹			-	
Trailing 12 month pro forma			1,660	

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)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Net sales	2,117	1,523	7,015	5,824
EBITDA	352	221	958	871
EBITDA ¹	323	199	875	807
EBITA ¹	303	181	794	733
EBIT ¹	299	177	778	718
EBITA % ¹	14.3	11.9	11.3	12.6
EBIT % ¹	14.1	11.6	11.1	12.3
Total growth %	39.0	10.7	20.5	3.7
Organic %	19.7	9.1	9.6	3.4
Exchange effects %	5.6	0.7	4.6	-1.6
Acquisitions %	10.0	0.8	5.0	2.0
Average number of employees	3,116	2,673	2,954	2,655

¹ Excl. IFRS 16.

Highlights

- A strong performance in all regions and segments, driven by both acquisitions and organic growth.
- The supply chain situation improved during the last quarter of the year, enabling Air Handling Units and Cooling & Heating to rebound strongly.
- High volumes and the impact of price increases helped deliver strong profit growth in the fourth quarter.
- Acquisition of the Italian company Samp S.p.A. and the British company Dalair Ltd. More details can be found on page 4.

Breakdown of net sales

(SEK m)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Sweden	449	338	1,362	1,268
Rest of Nordic region	342	255	1,254	1,073
Rest of world	1,326	930	4,399	3,483
	2,117	1,523	7,015	5,824
Pro forma adjustment ¹			465	
Trailing 12 month pro forma			7,480	

¹ Pro forma for completed acquisitions.

(SEK m)	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Air Handling Units	641	452	1,857	1,638
Cooling & Heating	377	278	1,349	1,158
Room Units	571	353	1,725	1,270
Services	139	116	496	439
Residential	172	145	683	575
North America	115	84	417	329
UK & Ireland	223	185	872	756
Eliminations	-121	-90	-384	-341
	2,117	1,523	7,015	5,824

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. The method used to calculate the value of the wholly-owned industrial operations is described in greater detail on the company's website, latour.se.

In some cases, the valuation multiples for comparable companies span a very large 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 year, the net asset value decreased from SEK 216 per share at the beginning of the year to SEK 159 per share. The net asset value thereby decreased by 25.0 per cent. By comparison, the SIXRX benchmark index decreased by 22.8 per cent. Movements in the stock market in 2022 have led to a write-down of the EBIT multiples of comparable companies, which is also reflected in

adjusted valuation multiples for the majority of our unlisted holdings. All other things remaining the same, this adjustment of valuation multiples has adversely impacted Latour's net asset value by 7 percentage points since the start of the year.

For some length of 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 197 at 31 December 2022, compared with the indicated net asset value of SEK 159. 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. The EV/EBIT multiple for these companies is significantly higher.

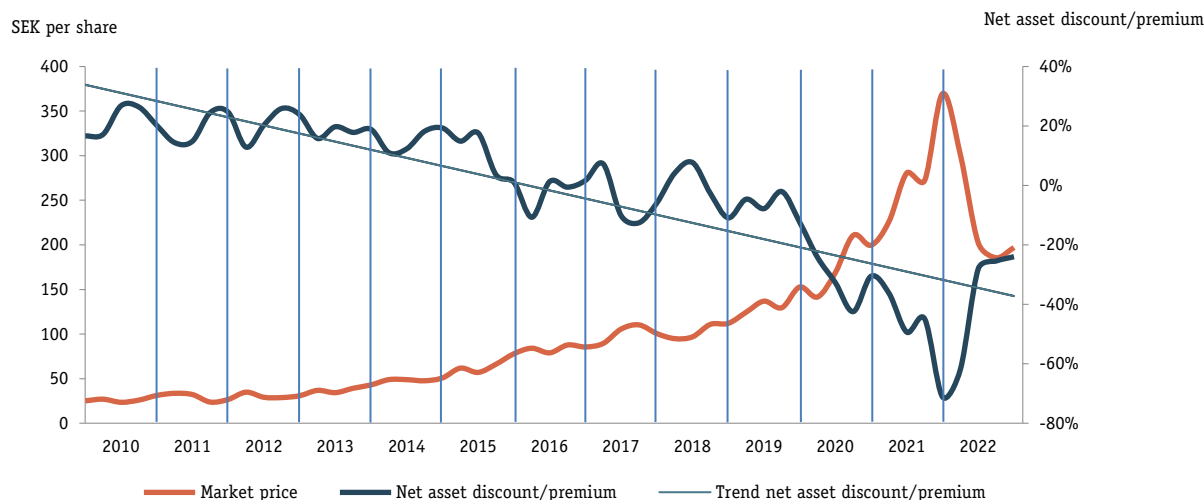
SEK m	Net sales ¹	EBIT ¹	EBIT multiple	Valuation ² Range	Valuation ² Average	Valuation ² SEK/share ³ Range
Bemsiq	1,485	352	17 – 21	5,984 – 7,392	6,688	9 – 11
Caljan	2,140	452	17 – 21	7,684 – 9,492	8,588	12 – 15
Hultafors Group	6,699	1,000	8 – 12	8,000 – 12,000	10,000	13 – 19
Latour Industries	3,978	309	14 – 18	4,326 – 5,562	4,944	7 – 9
Nord-Lock Group	1,660	393	14 – 18	5,502 – 7,074	6,288	9 – 11
Swegon	7,480	796	13 – 17	10,348 – 13,532	11,940	16 – 21
	23,442	3,302		41,844 – 55,052		66 – 86
Industrial operations valuation, average					48,448	76
Listed shares (see table on page 11 for breakdown)					64,202	100
Latour Future Solutions					132	0
Unlisted part-owned holdings						
Composite Sound ⁴ , 7.2 %					8	0
Oxeon ⁴ , 31.3 %					18	0
Other assets					-	0
Short trading portfolio					-	0
Dilution effect of option programme					-34	-0
Consolidated net debt (excl IFRS 16)					-11,067	-17
Estimated value					101,707	159
					(95 103 – 108 311)	(149 – 169)

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

² EBIT and EV/sales recalculated taking into consideration the listed share price on 31 of December 2022 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 31 December 2022

During the year, the value of the investment portfolio decreased by 34.6 per cent, adjusted for portfolio changes and dividends, while the benchmark index (SIXRX) decreased by 22.8 per cent. In October, Latour participated in Securitas' new issue of shares with its pro-rata allocation at just over SEK 1 billion and acquired 22,704,341 shares in the company.

CTEK announced on February 8, 2023 that they will carry out a rights issue of approximately SEK 350 m. As the main owner, Latour has undertaken to participate with his pro rata share of approximately SEK 108 m and also entered into a guarantee commitment regarding the remaining part of the rights issue should it not be fully subscribed.

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	75	1,195	30.0	29.6
Assa Abloy ³	105,495,729	1,697	224	23,599	29.5	9.5
CTEK	15,280,810	1,054	41	627	30.6	30.6
Fagerhult	84,708,480	1,899	40	3,426	48.1	47.8
HMS Networks	12,109,288	250	340	4,112	26.0	25.9
Nederman	10,538,487	306	172	1,817	30.0	30.0
Securitas ³	62,436,942	2,507	87	5,430	29.6	10.9
Sweco ^{3 4}	97,867,440	479	100	9,772	21.2	26.9
Tomra ⁵	62,420,000	1,605	166 NOK	10,926	21.1	21.1
Troax	18,060,000	397	183	3,298	30.2	30.1
Total		12,328		64,202		

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

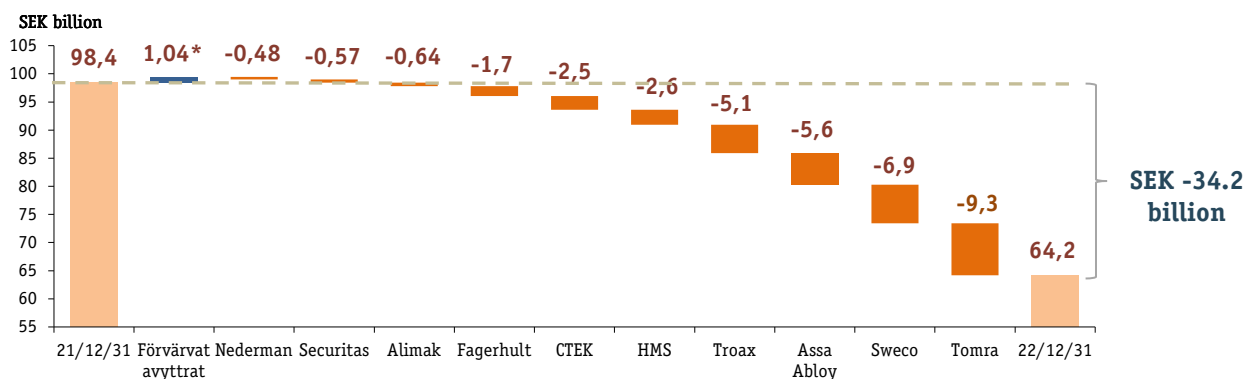
² The last price paid is used as the listed share price.

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

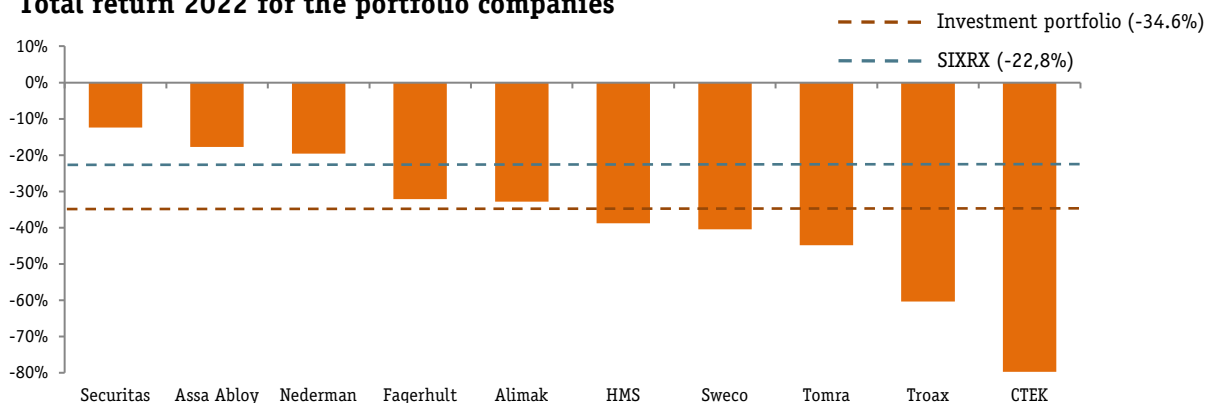
Investment portfolio during 2022



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

* Acquisition of 22,704,342 Securitas-shares in connection with a rights issue.

Total return 2022 for the portfolio companies



Results and financial position

The Group

The Group's profit after financial items was SEK 4,833 m (4,985 m). Profit after tax was SEK 4,168 m (4,381 m), corresponding to a price of SEK 6.51 (6.85) per share. A SEK -1,557 m (-282 m) impairment charge related to holdings in associates was recognised in the income statement.

Consolidated cash flow was SEK 51 m (-2,586 m). The cash flow has been impacted negatively by a conscious inventory build-up to secure future deliveries. The Group's cash in hand and liquid investments reached SEK 1,710 m (1,516 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 12,244 m (9,866 m). The Group's net debt was SEK 12,532 m (9,513 m). Net debt, excluding lease liabilities, was SEK 11,067 m (8,443 m). The equity ratio was 80 (88) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

In the first quarter, Latour updated the base prospectus for its existing MTN programme and, at the same time, increased the framework amount to SEK 15 billion at the Swedish Financial Supervisory Authority. In May, a green financing framework was published in accordance with the requirements of the EU Taxonomy Regulation and the proposed European Green Bond Standard. This was followed in June by the issue of two green bonds totalling SEK 700 m. As at 31 December 2022, the MTN programme had an outstanding balance of SEK 8,750 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 377 m (835 m) was invested in property, plant and equipment, of which SEK 312 m (417 m) was machinery and equipment and SEK 65 m (418 m) was buildings. Fixed assets in newly acquired companies account for SEK 69 m (467 m) of investments for the year.

Parent company

The parent company's profit after financial items was SEK 2,146 m (1,823 m). The parent company's equity ratio was 57 (57) per cent.

The number of class A shares issued is 47,600,448 and the number of class B shares is 592,239,552. Not including repurchased shares, the number of outstanding shares at 31 December 2022 amounted to 639,325,100. At the end of the period, Latour holds 514,900 repurchased class B shares.

The total number of issued call options is 2,489,700, which give the right to purchase the same number of shares.

Events after the reporting period

The Board of Directors decided to revise the financial targets on 6 February. The operating margin target has been changed to 15 per cent over a business cycle from earlier 10 per cent and the return target has been clarified to minimum 15 per cent.

Dividends

The Board of Directors proposes an increased regular dividend of SEK 3.70 (3.30) per share. In absolute terms, this corresponds to a dividend payout of SEK 2,366 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 inflation, changes in exchange rates and interest rates. Just as we have managed these risks well in 2022, we assess that we continue to have good preparedness. Latour has a well-diversified holding of shares, spread across ten listed holdings and six 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 2021 Annual Report, except for the possible consequences of Russia's invasion of Ukraine.

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 2022 have not had any impact on the Group's or the parent company's accounting as at 30 December 2022.

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 2021 are available for viewing on Latour's website www.latour.se.

Nomination Committee

The Nomination Committee for the Annual General Meeting on 10 May 2023 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 Anders Oscarsson (AMF).

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

Gothenburg, 10 February 2023

Johan Hjertönsson

President and CEO

Consolidated income statement

SEK m	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Net sales	6,402	5,324	22,611	18,567
Cost of goods sold	-4,021	-3,344	-14,137	-11,479
Gross profit	2,381	1,980	8,474	7,088
Sales costs	-871	-818	-3,229	-2,807
Administrative costs	-441	-380	-1,653	-1,327
Research and development costs	-155	-143	-563	-476
Other operating income	155	68	338	190
Other operating expenses	-74	-24	-121	-112
Operating profit	995	683	3,246	2,556
Income from interests in associates	754	409	1,551	2,379
Income from portfolio management	-	11	-	12
Management costs	-7	-8	-30	-28
Profit before financial items	1,742	1,095	4,767	4,919
Finance income	-122	48	223	186
Finance expense	-57	-39	-157	-120
Profit after financial items	1,563	1,104	4,833	4,985
Taxes	-148	-171	-665	-604
Profit for the period	1,415	933	4,168	4,381
Attributable to:				
Parent company shareholders	1,415	932	4,162	4,377
Non-controlling interests	-	1	6	4
Earnings per share regarding profit attributable to parent company shareholders				
Basic share, SEK	2.21	1.46	6.51	6.85
Diluted share, SEK	2.21	1.45	6.49	6.82
Average number of basic shares outstanding	639,362,057	639,374,974	639,350,718	639,409,289
Average number of diluted shares outstanding	641,620,471	641,644,174	641,578,330	641,454,398
Number of outstanding shares	639,325,100	639,322,800	639,325,100	639,322,800

Consolidated statement of comprehensive income

SEK m	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Profit for the period	1,415	933	4,168	4,381
Other comprehensive income:				
Items that will not be recycled to the income statement				
Restatement of net pension obligations	44	8	44	8
	44	8	44	8
Items that may subsequently be recycled to the income statement				
Change in translation reserve for the period	96	140	1,208	418
Change in hedging reserve for the period	-140	-12	-188	-58
Change in associated companies' equity	1,815	102	3,334	-239
	1,771	230	4,354	121
Other comprehensive income, net after tax	1,815	238	4,398	129
Comprehensive income for the period	3,230	1,171	8,566	4,510
Attributable to:				
Parent company shareholders	3,230	1,170	8,560	4,506
Non-controlling interests	-	1	6	4

Consolidated cash flow

SEK m	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Operating cash flows before movements in working capital	947	759	3,231	2,681
Movements in working capital	175	-74	-1,648	-909
Operating cash flows	1,122	685	1,583	1,772
Acquisitions of subsidiaries	-874	-785	-1,357	-2,289
Sale of subsidiaries	-	-	100	-
Other investments	-134	-66	-148	-282
Portfolio management	-769	198	326	-86
Cash flow after investments	-655	32	504	-885
Financial payments	850	534	-453	-1,701
Cash flow for the period	195	566	51	-2,586

Consolidated balance sheet

SEK m	2022/12/31	2021/12/31
ASSETS		
Goodwill	14,425	12,266
Other intangible assets	399	329
Property, plant and equipment	3,374	3,020
Financial assets	27,433	22,723
Inventories etc.	5,282	3,796
Current receivables	5,533	4,287
Cash and bank	1,710	1,516
Total assets	58,156	47,937
EQUITY AND LIABILITIES		
Capital and reserves attributable to parent company shareholders	37,969	31,553
Non-controlling interests	55	133
<i>Total equity</i>	<i>38,024</i>	<i>31,686</i>
Interest-bearing long-term liabilities	10,632	10,502
Non-interest-bearing long-term liabilities	844	725
Interest-bearing current liabilities	3,588	661
Non-interest-bearing current liabilities	5,068	4,363
Equity and liabilities	58,156	47,937

Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Closing balance 31 Dec 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 Dec 2021	133	-164	357	31,227	133	31,686
Opening balance 1 Jan 2022	133	-164	357	31,227	133	31,686
Total comprehensive income for the period			3,144	5,418	4	8,566
Non-controlling interests on acquisitions					-82	-82
Issued call options				15		15
Exercise of call options		144		-94		50
Own shares repurchase		-101				-101
Closing balance 31 December 2022	133	-121	3,501	34,456	55	38,024

Key ratios, Group

	2022/12/31	2021/12/31
Return on equity (%)	12	14
Return on total capital (%)	9	11
Equity ratio, incl IFRS 16 (%)	65	66
Equity ratio, excl IFRS 16 (%)	67	68
Adjusted equity ratio, incl IFRS 16 ¹ (%)	79	87
Adjusted equity ratio, excl IFRS 16 ¹ (%)	80	88
Adjusted equity ¹ (SEK m)	75,522	108,004
Surplus value in associated companies ² (SEK m)	37,498	76,318
Net debt/equity ratio 1 (%) ³	16.5	8.9
Net debt/equity ratio 2 (%) ⁴	11.1	7.5
Listed share price (SEK)	197	369
Repurchased shares	514,900	517,200
Average number of repurchased shares	489,282	430,711
Average number of employees	8,375	7,684
Issued call options corresponds to number of shares	2,489,700	2,269,200

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	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Income from interests i Group companies	-	-	1,057	970
Income from interest in associates companies	162	151	1,145	871
Income from portfolio management	-	-	-	-
Management costs	-5	-6	-24	-22
Profit before financial items	157	145	2,178	1,819
Interest income and similar items	36	10	82	41
Interest expense and similar items	-79	-10	-114	-37
Profit after financial items	114	145	2,146	1,823
Taxes	-	-	-	-
Profit for the period	114	145	2,146	1,823

Parent company statement of comprehensive income

SEK m	2022 Q4	2021 Q4	2022 Full Year	2021 Full Year
Profit for the period	114	145	2,146	1,823
Change in fair value reserve for the period	-	-	-	-
Total other comprehensive income	0	0	0	0
Comprehensive income for the period	114	145	2,146	1,823

Parent company balance sheet

SEK m	2022/12/31	2021/12/31
ASSETS		
Financial assets	14,152	13,440
Long-term receivables from Group companies	7,000	7,300
Current receivables from Group companies	-	75
Other current liabilities	38	21
Cash and bank	-	390
Total assets	21,190	21,226
EQUITY AND LIABILITIES		
Equity	12,152	12,152
Interese-bearing long-term lilabilities	8,750	9,050
Non-interest-bearing long-term liabilities	-	-
Interese-bearing current liabilities	196	-
Non-interest-bearing current liabilities	92	24
Equity and liabilities	21,190	21,226

Parent company statement of changes in equity

SEK m	2022/12/31	2021/12/31
Amount at beginning of year	12,152	12,348
Total comprehensive income for the period	2,146	1,823
Issued call options	15	22
Exercise of call options	50	-42
Repurchased treasury shares	-101	-81
Dividends	-2,110	-1,918
Amount at end of year	12,152	12,152

Segment reporting:

Development by business area 1 Jan 2022 – 31 Dec 2022

SEK m	Industrial operations							Portfolio management	Total
	Bemsiq	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME									
External sales	1 327	2 140	6 649	3 820	1 660	7 015			22 611
Internal sales	7								7
RESULT									
Operating profit	304	452	977	290	393	778	52		3 246
Income from portfolio management								1 521	1 521
Finance income									223
Finance expense									-157
Taxes									-665
Profit for the period									4 168
OTHER DISCLOSURES									
Investments in:									
property, plant and equipment	15	58	47	78	41	137	1		377
intangible assets	561	61	292	284	1	326			1 525
Depreciation/amortisation	12	32	90	62	49	97	241		583

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
RESULTS									
Operating result	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

Change in consolidated interest-bearing net debt

SEK m	2021/12/31	Change in cash	Change in loans	Other changes	2022/12/31
Interest-bearing receivables	23			14	37
Swap	111			-170	-59
Cash	1,516	-7		201	1,710
Pensions provisions	-228			32	-196
Leas liabilities long-term	-846			-362	-1,208
Long-term liabilities	-9,428			-389	-9,228
Utilised bank overdraft facilities	-114			-37	-151
Leas liabilities short-term	-224			-34	-258
Interest-bearing current liabilities	-323		-2,856		-3,179
Interest-bearing net debt	-9,513	-7	-2,304	-708	-12,532

Credit maturity structure

SEK m	MTN	Bank/RCF	Other debts	Additional purchase price	Total	%	Undrawn bank facilities
Overdraft facilities		0	-163		-163	-1%	320
0-1 year	1,700	1,505	48	34	3,287	27%	1,060
1-2 year	1,750	500	15	96	2,361	19%	2,035
2-3 year	2,850		56		2,906	24%	
3-4 year	700		73	122	895	7%	
4-5 year	1,750		13	21	1,784	15%	
>5 years		1,113	61		1,174	10%	
	8,750	3,118	103	273	12,244	100%	3,415
Undrawn MTN	6,250						
Frame MTN	15,000						

Five-year overview

SEK m	2022	2021	2020	2019	2018
Net sales, SEK m	22,611	18,567	15,028	13,738	11,785
Operating profit, SEK m	3,246	2,556	2,057	1,819	1,397
Income from interest in associated companies, SEK m	1,551	2,379	3,977	3,955	1,278
Income from portfolio management, SEK m	-30	-16	-36	194	2
Profit after finance items, SEK m	4,833	4,985	5,753	5,725	2,646
Earnings per share, SEK	6.51	6.87	8.32	8.33	3.66
Return on equity, %	12	14	19	22	11
Return on total capital, %	9	11	15	17	9
Adjusted equity ratio, %	80	88	86	86	86
Net debt/equity ratio, %	16.4	8.9	7.1	11.3	9.2

Note 1 Business combinations

Specification of acquisitions

Transfer date		Country	Business area	Share	Contributed		
					Revenues	EBIT	No. of employees
1 February 2022	Telesteps AB	Sweden	Hultafors Group	100%	44	3	6
7 February 2022	Consens GmbH	Germany	Bemsiq	100%	15	4	13
9 February 2022	Esse-Ti S.r.l.	Italy	Latour Industries	100%	77	16	33
18 Mars 2022	PHS Logistiktechnik GmbH	Austria	Caljan	100%	3	-2	3
3 June 2022	Barcol-Air	Switzerland	Swegon	100%	156	5	90
22 August 2022	ABC Ventilationsprodukter	Sweden	Swegon	100%	17	3	90
1 September 2022	MAXAGV	Sweden	Latour Industries	100%	9	-2	67
3 October 2022	Martinez Tool Company	USA	Hultafors Group	100%	20	4	6
11 November 2022	Lahden Teräteos Oy	Finland	Latour Industries	100%	6	0	23
11 November 2022	Samp S.p.A	Italy	Swegon	100%	24	1	90
27 December 2022	DENT Instruments Inc	USA	Bemsiq	100%	0	0	18

Assets and liabilities in acquisitions

SEK m	Consolidated carrying amount
Intangible assets	761
Property, plant and equipment	73
Inventories	240
Account receivable	274
Other receivable	174
Cash	201
Long-term liabilities	-448
Current liabilities	-434
Net indentifiable assets and liabilities	880
Group goodwill	701
Total purchase price	1,581
Additional purchase price	-20
Cash settlement purchase price	1,561
Acquisition of non-cash items	-3
Acquired cash	-201
Effect of Group cash	1,357

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 27 m. Estimated additional purchase prices amounting to SEK 20 m have been booked for the acquisition of Telesteps AB.

Note 2 Disclosures about financial assets and liabilities

Classification of financial instruments

THE GROUP 31 DEC 2022

SEK m	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	68 ²			68
Other long-term receivables			46 ³	46
Listed shares, trading		0 ¹		0
Unrealised gains, currency derivatives	7 ²			7
Other current receivables			4 940 ³	4,940
Cash			1 708 ³	1,710
Total	75	0	6,696	6,771
FINANCIAL LIABILITIES				
Long-term loans			9 228 ³	9,228
Bank overdraft facilities			151 ³	151
Current loans			3 179 ³	3,179
Other liabilities			2 153 ³	2,153
Unrealised gains, currency derivatives	79 ²			79
Total	79	0	14,711	14,790

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 is estimated to be the same 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 2022

SEK m	2022 Full Year	2021 Full Year
Revenue from goods	21,377	17,551
Revenue from services	1,234	1,016
	22,611	18,567
Revenue reported at one in time	21,896	18,128
Revenue reported over time	715	439
	22,611	18,567
Sweden	3,736	3,331
Nordics, excl. Sweden	3,355	2,733
Europe, excl. Nordics	10,770	8,707
Other markets	4,750	3,796
	22,611	18,567

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

Information by quarter

SEK m	2022					2021					2020				
	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT															
Net sales	22,611	6,402	5,629	5,561	5,019	18,567	5,324	4,433	4,823	3,987	15,028	4,053	3,692	3,605	3,678
Cost of goods sold	-14,137	-4,021	-3,573	-3,439	-3,104	11,479	-3,344	-2,788	-2,924	-2,423	-9,151	-2,472	-2,236	-2,209	-2,234
Gross profit	8,474	2,381	2,056	2,122	1,915	7,088	1,980	1,645	1,899	1,564	5,877	1,581	1,456	1,396	1,444
Costs etc. for the operation	-5,228	-1,386	-1,292	-1,320	-1,230	-4,532	-1,297	-1,060	-1,158	-1,017	-3,820	-1,006	-860	-935	-1,019
Operating profit	3,246	995	764	802	685	2,556	683	585	741	547	2,057	575	596	461	425
Total portfolio management	1,521	747	8	204	562	2,363	412	620	616	715	3,941	991	836	2,469	-355
Profit before financial items	4,767	1,742	772	1,006	1,247	4,919	1,095	1,205	1,357	1,262	5,998	1,566	1,432	2,930	70
Net financial items	66	-179	92	136	17	66	9	17	-42	82	-245	-120	-40	-121	46
Profit after financial items	4,833	1,563	864	1,142	1,264	4,985	1,104	1,222	1,315	1,344	5,753	1,446	1,382	2,809	116
Taxes	-665	-148	-182	-202	-133	-604	-171	-164	-136	-133	-429	-157	93	-67	-112
Profit for the period	4,168	1,415	682	940	1,131	4,381	933	1,058	1,179	1,211	5,324	1,289	1,289	2,742	4
KEY RATIOS															
Earnings per share, SEK	6.51	2.21	1.06	1.47	1.77	6.85	1.46	1.65	1.84	1.89	8.32	2.01	2.02	4.29	0.01
Cash flow for the period	51	195	360	154	-658	-2,586	566	-851	125	-2,426	3,102	537	483	2,053	1,606
Adjusted equity ratio, %	80	80	80	82	86	88	88	86	87	88	86	86	85	82	80
Adjusted equity	75,522	75,522	69,206	75,323	89,576	108,004	108,004	91,673	91,363	83,820	77,245	77,245	77,112	67,933	59,626
Net asset value	101,707	101,707	94,396	101,150	119,142	137,845	137,845	120,046	120,505	106,003	98,024	98,024	94,584	81,418	72,863
Net asset value per share, SEK	159	159	148	158	186	216	216	188	188	166	153	153	148	127	114
Listed share price, SEK	197	197	186	202	301	369	369	272	281	226	199.7	199.7	211	169	142
NET SALES															
Bemsiq	1,334	349	326	338	321	927	291	220	210	206	725	188	166	173	197
Caljan	2,140	562	669	556	352	1,527	554	403	859	209	1,176	424	311	219	222
Hultafors Group	6,649	1,876	1,563	1,614	1,596	5,546	1,648	1,310	1,353	1,113	3,641	1,041	915	839	846
Latour Industries	3,820	1,089	933	977	821	3,022	884	693	873	681	2,356	667	559	516	615
Nord-Lock Group	1,660	413	425	416	406	1,439	353	357	402	354	1,274	294	300	324	357
Swegon	7,015	2,117	1,714	1,661	1,524	5,824	1,523	1,374	1,796	1,361	5,614	1,376	1,372	1,472	1,394
	22,611	6,402	5,629	5,561	5,019	18,280	5,252	4,356	5,675	3,924	14,783	3,990	3,622	3,542	3,631
Other companies and eliminations	0	0	0	0	0	287	71	77	87	63	245	64	70	63	47
	22,611	6,402	5,629	5,561	5,019	18,567	5,323	4,433	5,762	3,987	15,028	4,054	3,692	3,605	3,678
OPERATING PROFIT															
Bemsiq	304	64	82	77	81	198	45	58	45	50	165	47	41	35	42
Caljan	452	105	156	143	48	276	118	77	61	19	207	93	58	27	30
Hultafors Group	977	316	176	236	250	860	241	170	266	183	561	182	157	114	108
Latour Industries	290	71	82	90	47	244	68	57	57	62	147	58	46	13	29
Nord-Lock Group	393	74	104	112	103	367	74	98	97	99	316	52	83	84	97
Swegon	778	299	184	154	140	718	177	158	227	156	721	160	217	201	143
	3,194	929	784	812	669	2,663	723	618	753	569	2,117	593	602	474	449
Gain/loss from sale/purchase of busi	110	76	-6	11	29	-51	-8	-25	-4	-14	-38	-12	1	-10	-17
Other companies and items	-75	-23	-18	-21	-14	-56	-32	-9	-8	-9	-22	-6	-4	-7	-8
	3,229	982	760	802	684	2,556	683	584	741	546	2,057	575	599	457	424
OPERATING MARGIN (%)															
Bemsiq	22.8	18.5	25.1	22.8	25.1	21.4	15.5	26.2	21.4	24.4	22.7	24.9	25.0	20.0	21.1
Caljan	21.1	18.6	23.3	25.7	13.7	18.1	21.4	19.2	17.0	9.1	17.6	17.6	18.7	12.2	13.3
Hultafors Group	14.7	16.8	11.2	14.6	15.6	15.5	14.6	13.0	18.0	16.5	15.4	17.5	17.1	13.6	12.8
Latour Industries	7.6	6.5	8.8	9.2	5.7	8.1	7.7	8.3	7.4	9.1	6.3	8.8	8.2	2.6	4.8
Nord-Lock Group	23.7	17.9	24.6	26.8	25.3	25.5	20.8	27.3	26.0	27.8	24.8	17.7	27.6	25.8	27.3
Swegon	11.1	14.1	10.7	9.3	9.2	12.3	11.6	11.5	14.5	11.5	12.8	11.6	15.8	13.7	10.2
	14.1	14.5	13.9	14.6	13.3	14.6	13.8	14.2	15.9	14.5	14.3	14.8	16.6	13.4	12.4

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 2022: $4,162/639,350,718 \times 1000' = 6.51$

Jan-Dec 2021: $4,377/639,409,289 \times 1000' = 6.85$

Diluted earnings per share

Calculations:

Jan-Dec 2022: $4,162/641,578,330 \times 1000' = 6.49$

Jan-Dec 2021: $4,377/641,454,398 \times 1000' = 6.82$

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:

President and CEO Johan Hjertonsson will present the report together with CFO Anders Mörck today at 10 a.m.

The presentation will be webcasted.

To follow the presentation and have the opportunity to ask questions, please visit our website, www.latour.se.

Financial dates:

The interim report for the period January – March 2023 will be published on 28 April 2023

The Annual General Meeting will be held on 10 May 2023 at Radisson Blu Scandinavia Hotel in Gothenburg

The interim report for the period January – June 2023 will be published on 21 August 2023

The interim report for the period January – September 2023 will be published on 7 November 2023

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 10 February 2023, at 08.30 CET.

Investment AB Latour (publ)

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