



2019

INTERIM REPORT  
JANUARY - MARCH

# Interim report January - March 2019

## NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 119 per share, compared with SEK 100 per share at the start of the year. This is an increase of 18.9 per cent. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 13.2 per cent. The net asset value was SEK 124 per share at 26 April.<sup>1</sup>
- The total return on the Latour share was 11.2 per cent during the year measured against the SIXRX, which rose 13.2 per cent.

## INDUSTRIAL OPERATIONS

- The industrial operations' order intake rose 22 per cent to SEK 3,332 m (2,723 m), which represents an 11 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 24 per cent to SEK 3,140 m (2,531 m), which represents a 12 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 48 per cent to SEK 411 m (278 m), which equates to an operating margin of 13.1 per cent (10.9) for continuing operations.
- Latour Industries acquired the Norwegian company TKS Heis AS in January.

## THE GROUP

- Consolidated net sales totalled SEK 3,185 m (2,590 m) and profit after financial items was SEK 1,791 m (656 m). Capital gains and other items impacting comparability amounting to SEK 833 m (0 m) are recognised in the income statement.
- Consolidated profit after tax was SEK 1,701 m (586 m), which is equivalent to SEK 2.66 (0.92) per share.
- Net debt, excluding impacts of IFRS 16, was SEK 3,650 m (4,338 m) and is equivalent to 4.6 per cent of the market value of total assets. Recognised Group net debt, where IFRS 16 had full impact, amounted to SEK 4,344 m.

## INVESTMENT PORTFOLIO

- During the first quarter, the value of the investment portfolio increased by 20.7 per cent adjusted for changes in the portfolio. The benchmark index (SIXRX) rose 13.2 per cent.
- During the quarter, all A Shares in Loomis were sold for a purchase price of approximately SEK 800 m.

## EVENTS AFTER THE REPORTING PERIOD

- Latour's entire shareholding in the part-owned holding Terratech was divested on 25 April. Otherwise, there were no material events subsequent to the end of the reporting period.

<sup>1</sup> The calculation of the net asset value on 26 April was based on the value of the investment portfolio at 1 p.m. on 26 April and the same values as at 31 March were used for the unlisted portfolio.

## LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting primarily of wholly-owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principal owners. The investment portfolio consists of nine substantial holdings whose market value on 31 March 2019 was just over SEK 56 billion. The wholly-owned industrial operations are grouped into four business areas: Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. They generate a turnover of SEK 12 billion.

## Comments from the CEO

“Latour's industrial operations continue to grow at a steady pace and we can report yet another record-breaking quarter. During the first quarter, the order intake grew by 22 per cent and invoiced sales by 24 per cent. Excluding acquisitions and foreign exchange effects, the order intake grew by 11 per cent and invoiced sales by 12 per cent. At the end of the quarter, the order backlog stood at a new record level of SEK 2,186 m (1,338 m) and was thus up an impressive 63 per cent on the previous year's value. This excellent performance and good cost control in our companies have resulted in a profit of SEK 411 m (278 m) in the quarter with an operating margin of 13.1 per cent (11.0). Our best quarter ever, in absolute terms, and a very positive start to 2019.

In line with our long-term strategy, we are continuing to invest broadly in our business areas in product development, sales and marketing. Activity has generally remained high for our business areas in most of the markets in which they operate. This must surely be confirmation that our operations are offering what the market wants. The companies are providing high-quality products and services and delivering good standards of service and support. The fact that we have a global presence with operations in many countries means that we are not as vulnerable to local economic fluctuations.

We made one acquisition for the industrial operations in the first quarter. Aritco Group, within the Latour Industries business area, acquired the Norwegian company TKS Heis AS. Read more about our acquisitions on page 4.

The development of the stock market has again been positive after the downturn at the end of last year. Our investment portfolio increased by as much as 20.7 per cent, adjusted for changes in the portfolio, while the benchmark index SIXRX increased by 13.2 per cent. The net asset value in Latour increased by 18.9 per cent to SEK 119 per share in the same period. In March, we accepted an offer and sold all of the remaining shares in Loomis, which was a natural consequence of our first disposal back in 2016.

Only a few of our listed holdings have yet submitted reports. On the whole these reports are good and stable, which again corroborates the high quality of the companies in our portfolio. The acquisition activities in the investment portfolio have continued. Assa Abloy has announced a number of acquisitions, including the acquisition of the Swiss listed Agta Record. In addition, Fagerhult acquired iGuzzini in March. This acquisition makes Fagerhult one of the largest leading lighting companies in Europe, generating annual sales in excess of SEK 8 billion. Latour is supporting the acquisition financially too as guarantor in the forthcoming new share issue in Fagerhult, which will take place in May.”

*Jan Svensson  
President and Chief Executive Officer*

# Industrial operations

## **Order intake, invoiced sales and earnings**

In the first quarter, the order intake increased by 22 per cent to SEK 3,332 m (2,723 m), with organic growth accounting for 11 per cent of this. Invoiced sales rose 24 per cent to SEK 3,140 m (2,531 m), with organic growth accounting for 12 per cent of this. The operating profit in the wholly-owned industrial operations increased by 48 per cent to SEK 411 m (278 m) in the quarter. The operating margin was 13.1 per cent (10.9).

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

## **Acquisitions/disposals**

In the first quarter, one transaction was made in the wholly-owned industrial operations. Aritco Group, within the Latour Industries business area, acquired the Norwegian company TKS Heis AS. The effective date of the acquisition was 31 January. TKS Heis is a leading Norwegian manufacturer and installer of platform lifts, with development and manufacturing at its head office in NÆRBØ. It has a sales, installation and aftermarket organisation serving most of the Norwegian market. In 2018, the company generated sales of approximately NOK 155 m. It has 74 employees. The acquisition complements Aritco's product portfolio and strengthens its already strong position in the Norwegian market.

The entire shareholding in part-owned holding Diamorph was sold in March for just over SEK 290 m.

# Industrial operations summary

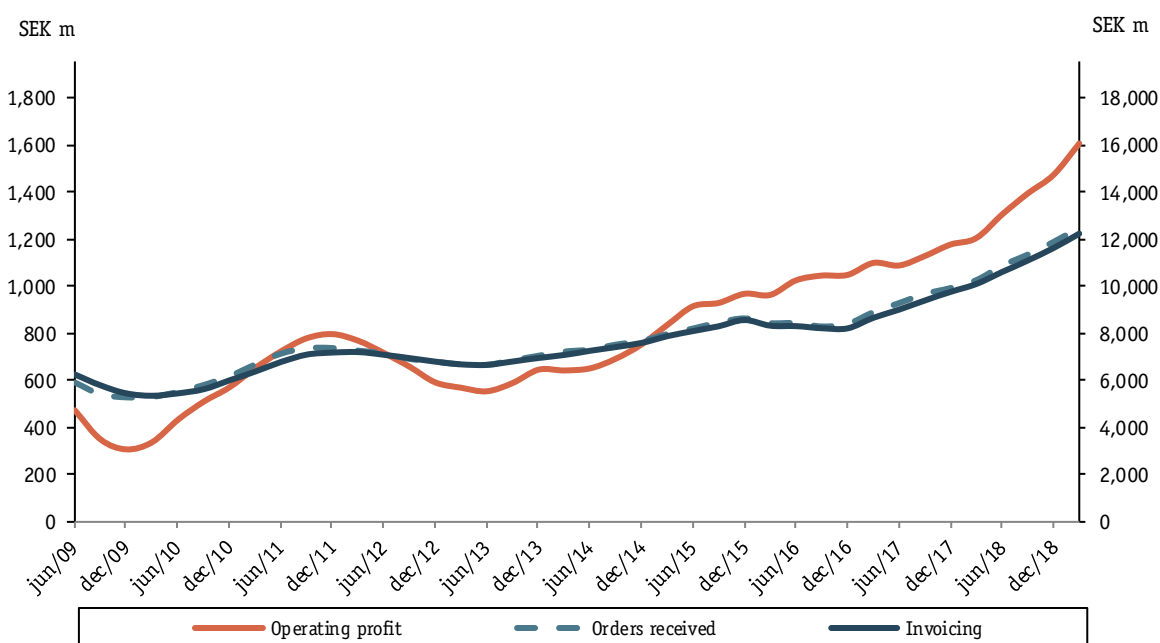
## Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
Hultafors Group	648	477	2,407	2,578	88	65	375	398	13.6	13.6	15.6	15.4
Latour Industries	740	631	2,737	2,846	56	30	190	216	7.6	4.7	6.9	7.6
Nord-Lock Group	384	303	1,309	1,390	121	94	397	424	31.4	30.9	30.3	30.5
Swegon	1,370	1,121	5,137	5,386	147	89	514	572	10.7	8.0	10.0	10.6
Eliminations	-2	-	-3	-5	-1	-	-	-1	-	-	-	-
	3,140	2,532	11,587	12,195	411	278	1,476	1,609	13.1	10.9	12.7	13.2
Part-owned subsidiaries	45	37	177	185	-1	-5	-12	-8	-2.2	-14.5	-6.8	-4.3
	3,185	2,569	11,764	12,380	410	273	1,464	1,601	12.9	10.5	12.3	12.9
Gain/loss from sale/purchase of businesses	-	-	-	-	-1	-1	-38	-38				
Other companies and items	-	21	21	-	3	-5	-29	-21				
	3,185	2,590	11,785	12,380	412	267	1,397	1,542				
Changed accounting policies	-	-	-	-	1	-	-	1				
	3,185	2,590	11,785	12,380	413	267	1,397	1,543				

SEK m	Operating capital <sup>1</sup>		Return on operating capital %		Growth in net sales, 2019 %			
	2019 Trailing 12	2018 Trailing 12	2019 Trailing 12	2018 Trailing 12	Total	Organic	Currency	Acquisitions
Hultafors Group	2,236	1,274	17.8	22.7	35.9	9.9	4.2	18.7
Latour Industries	3,059	2,893	7.0	5.9	17.3	8.8	2.2	5.5
Nord-Lock Group	1,058	956	40.0	36.0	26.4	16.6	7.3	1.1
Swegon	3,163	2,951	18.1	13.6	22.2	12.9	3.5	4.6
Total	9,516	8,074	16.9	14.9	24.1	11.7	3.8	7.0

<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

## HULTAFORS GROUP

(SEK m)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
Net sales	648	477	2,407	2,578
EBITDA	101			
EBITDA <sup>1</sup>	94	68	395	421
EBITA <sup>1</sup>	89	65	378	402
EBIT <sup>1</sup>	88	65	375	398
EBITA % <sup>1</sup>	13.7	13.6	15.7	15.6
EBIT % <sup>1</sup>	13.6	13.6	15.6	15.4
Total growth %	35.9	7.3	26.6	
Organic %	9.9	3.7	9.8	
Exchange effects %	4.2	1.8	3.3	
Acquisitions %	18.7	1.6	12.5	
Average number of employees	840	729	821	

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

### Highlights

- The good organic growth continues during the quarter with increasing demand across all the product areas and in all key markets.
- The strong performance in the quarter can be attributed to robust sales and good cost control.
- Continued focus on organic growth and investing in sales organisations, product development and marketing.

### Breakdown of net sales

(SEK m)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
PPE/Workwear	375	301	1,415	1,490
Tools	273	176	992	1,088
	648	477	2,407	2,578
Pro forma adjustment <sup>1</sup>				67
Trailing 12 month pro forma				2,645

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



(SEK m)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
Net sales	740	631	2,737	2,846
EBITDA	83			
EBITDA <sup>1</sup>	70	44	254	280
EBITA <sup>1</sup>	60	35	216	241
EBIT <sup>1</sup>	56	30	190	216
EBITA % <sup>1</sup>	8.1	5.6	7.9	8.5
EBIT % <sup>1</sup>	7.6	4.7	6.9	7.6
Total growth %	17.3	36.1	18.3	
Organic %	8.8	9.8	7.8	
Exchange effects %	2.2	2.3	3.2	
Acquisitions %	5.5	21.1	6.3	
Average number of employees	1,470	1,389	1,412	

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

### Highlights

- Strong performance during the quarter. Net sales up 17 per cent, of which half is organic.
- The order intake remains stable, although with a slight slowdown in the pace of growth.
- Profitability is increasing gradually, a stable positive trend.
- The investments in market and product development are proceeding according to plan.
- In January, Aritco Group acquired the Norwegian company TKS Heiss AS. More details can be found on page 4.

### Breakdown of net sales

(SEK m)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
Bemsiq	127	104	442	464
Aritco Group	172	126	527	573
VIMEC	111	111	505	505
REAC	144	117	525	552
LSAB	146	141	570	576
DENSIQ	42	32	168	178
Elimination	-2	-	-1	-3
	740	631	2,737	2,846

Pro forma adjustment <sup>1</sup>				145
Trailing 12 month pro forma				2,991

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

**Hultafors Group** offers products in the Personal Protective Equipment, Tools and Access Solutions segments. The products are marketed under brands with strong positions in their respective markets: Snickers Workwear, Dunderdon, Solid Gear, Toe Guard, Hultafors, Wibe Ladders, Johnson and Hellberg. Hultafors Group is also a distributor for the German manufacturing company Fein in the Swedish market.

**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)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
Net sales	384	303	1,309	1,390
EBITDA	135			
EBITDA <sup>1</sup>	129	102	431	459
EBITA <sup>1</sup>	123	96	406	433
EBIT <sup>1</sup>	121	94	397	424
EBITA % <sup>1</sup>	32.1	31.6	31.0	31.1
EBIT % <sup>1</sup>	31.4	30.9	30.3	30.5
Total growth %	26.4	7.1	17.5	
Organic %	16.6	8.2	13.0	
Exchange effects %	7.3	-1.0	3.7	
Acquisitions %	1.1	-	0.2	
Average number of employees	589	517	542	

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

### Highlights

- Nord-Lock Group reports its best quarter ever in absolute terms for invoiced sales and operating profit.
- The order intake rises 23 per cent, of which 13 per cent is organic growth.
- Asia Pacific and the Americas post very strong organic sales growth of 53 and 31 per cent respectively in the quarter.
- Recent product launches have been well received by the market.

### Breakdown of net sales

(SEK m)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
EMEA	172	167	655	662
Americas	95	67	340	369
Asia Pacific	116	70	314	359
	384	303	1,309	1,390
Pro forma adjustment <sup>1</sup>				4
Trailing 12 month pro forma				1,394

<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)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
Net sales	1,370	1,121	5,137	5,386
EBITDA	186			
EBITDA <sup>1</sup>	169	112	599	656
EBITA <sup>1</sup>	151	93	528	586
EBIT <sup>1</sup>	147	89	514	572
EBITA % <sup>1</sup>	11.0	8.3	10.3	10.9
EBIT % <sup>1</sup>	10.7	8.0	10.0	10.6
Total growth %	22.2	9.0	17.3	
Organic %	12.9	6.4	11.5	
Exchange effects %	3.5	1.6	4.0	
Acquisitions %	4.6	0.8	1.2	
Average number of employees	2,429	2,233	2,293	

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

### Highlights

- The strong organic growth continues in all business units during the quarter.
- Positive sales growth in all markets, especially outside of Sweden.
- The German company Zent-Frenger GmbH, which was acquired in November 2018, has a strong order book.
- North America has recovered during the first quarter.
- Growth remains strong in the UK despite concerns about the effects that Brexit may have.

### Breakdown of net sales

(SEK m)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
Sweden	300	284	1,137	1,153
Rest of Nordic region	257	210	969	1,017
Rest of world	813	627	3,031	3,216
	1,370	1,121	5,137	5,386
Pro forma adjustment <sup>1</sup>				188
Trailing 12 month pro forma				5,574

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

(SEK m)	2019 Q1	2018 Q1	2018 Full Year	Trailing 12 mths
Cooling	349	276	1,502	1,575
Home Solutions	110	94	413	429
Light Commercial	59	54	225	230
Commercial Ventilation	628	564	2,388	2,452
North America	81	66	281	296
UK	156	136	583	603
Eliminations	-13	-69	-255	-199
	1,370	1,121	5,137	5,386

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

## The Latour share's net asset value

In order to facilitate the evaluation of Latour's net asset value, Latour provides an estimated range of the value (Enterprise Value) for each business area based on EBIT multiples. These multiples have been calculated by comparing valuations of listed companies in comparable industries. Since there are variations in the listed companies' valuations these are reflected in the tables by valuing each business area in a range. Deductions are then made for the Group's net debt. The evaluation of comparable companies is based on the share price on the balance sheet date. Any price changes after the balance sheet date have not been taken into consideration.

A more detailed description can be found on page 25 in Latour's Annual Report for 2018.

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 119 per share from SEK 100 at the start of the year. The net asset value consequently increased by 18.9 per cent, adjusted for dividends, measured against SIXRX which increased by 13.2 per cent.

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
Hultafors Group	2,645	404	11 - 15	4,444 - 6,060	5,252	7 - 10
Latour Industries	2,991	223	12 - 16	2,676 - 3,568	3,122	4 - 6
Nord-Lock Group	1,393	424	12 - 16	5,088 - 6,784	5,936	8 - 11
Swegon	5,574	583	13 - 17	7,579 - 9,911	8,745	12 - 16
	12,603	1,634		19,787 - 26,323		31 - 41
Industrial operations valuation, average					23,055	36
Listed shares (see table on page 9 for breakdown)					56,219	88
<i>Unlisted part-owned holdings</i>						
Neuffer <sup>5</sup> , 66.1 %					166	0
Oxeon <sup>4</sup> , 31.6 %					15	0
Terratech <sup>5</sup> , 21.6 %					49	0
<i>Other assets</i>						
Short trading portfolio					21	0
Dilution effect of option programme					-75	0
Nobia shares					254	
Consolidated net debt (excl IFRS 16)					-3,650	-6
Estimated value					76,054	119
					(72 786 - 79 322)	(114 - 124)

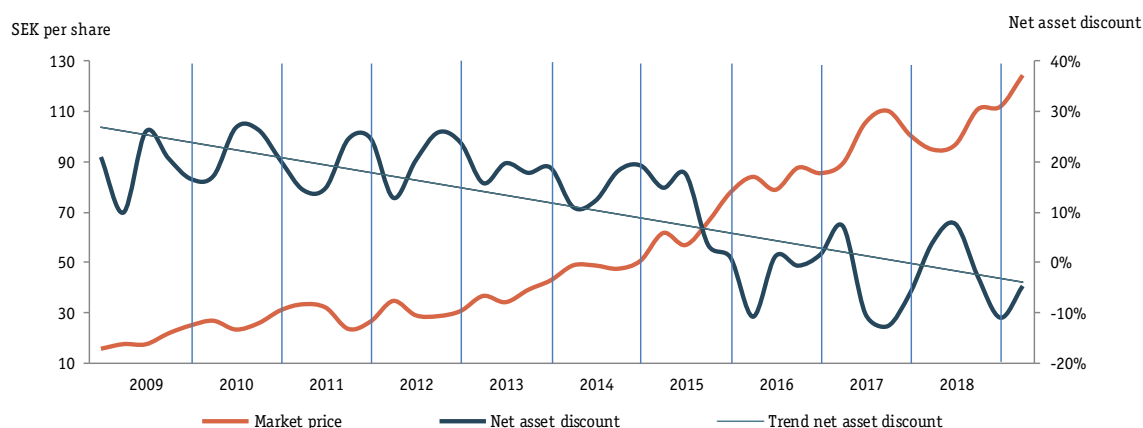
<sup>1</sup> Trailing 12 months for current company structure (proforma). EBIT is, as appropriate, reported before restructuring costs.

<sup>2</sup> EBIT and EV/sales recalculated taking into consideration the listed share price on 31 of March 2019 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 latest transaction.

<sup>5</sup> Valued according to Latour's latest acquisition price.





## The investment portfolio at 31 March 2019

In the first quarter, the value of the investment portfolio increased by 20.7 per cent, adjusted for changes in the portfolio, while the benchmark index (SIXRX) increased by 13.2 per cent.

In March, all 2,528,520 A Shares in Loomis were sold. This represents 3.4 per cent of the capital and 23.8 per cent of the voting rights.

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	15,806,809	2,113	132	2,093	29.2	29.2
Assa Abloy <sup>3</sup>	105,495,729	1,697	201	21,173	29.5	9.5
Fagerhult	55,861,200	571	71	3,988	44.4	44.0
HMS Networks	12,109,288	250	161	1,954	26.0	25.9
Nederman	10,538,487	306	111	1,169	30.0	30.0
Securitas <sup>3</sup>	39,732,600	1,081	150	5,972	29.6	10.9
Sweco <sup>3 4</sup>	32,622,480	479	224	7,307	21.3	26.9
Tomra <sup>5</sup>	39,000,000	2,000	257 NOK	10,775	26.4	26.3
Troax	6,020,000	397	297	1,788	30.1	30.1
<b>Total</b>		<b>8,894</b>		<b>56,219</b>		

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

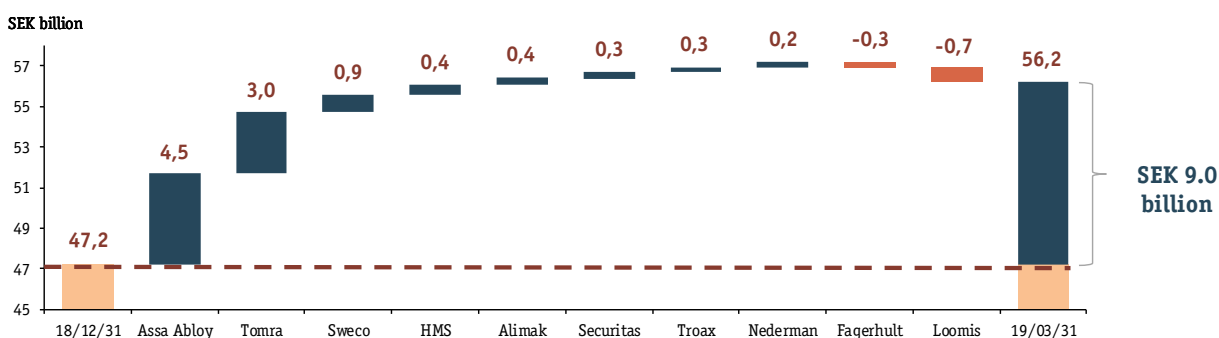
<sup>2</sup> The last price paid is used as the listed share price.

<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.

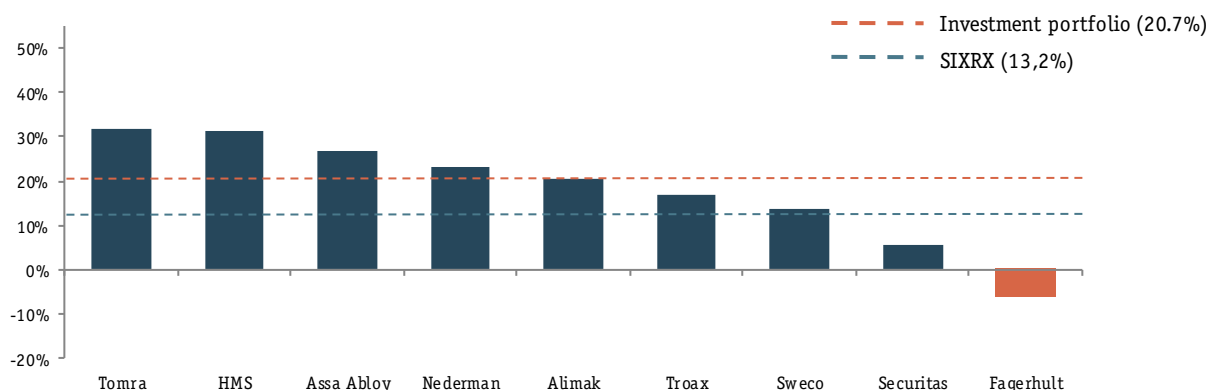
<sup>5</sup> At the end of the report period, the listed share price was NOK 257 which has been translated to SEK at the exchange rate on the balance sheet date.

### Investment portfolio during 2019



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

### Total return 2019 for the portfolio companies



# Results and financial position

## The Group

The Group's profit after financial items was SEK 1,791 m (656 m). Profit after tax was SEK 1,701 m (586 m), which is equivalent to SEK 2.66 (0.92) per share. The reversal of previous impairment of the holding in Alimak of SEK 314 m has affected the income statement positively.

The Group's cash in hand and liquid investments reached SEK 1,904 m (595 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 5,499 m (4,888 m). The Group's net debt, including pension liabilities, was SEK 4,344 m. Net debt, excluding lease liabilities, was SEK 3,650 m (4,338 m). The equity ratio was 87 per cent (88) calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

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 20 m (33 m) was invested in property, plant and equipment, of which SEK 13 m (22 m) was machinery and equipment, SEK 5 m (11 m) vehicles, and SEK 2 m (0 m) buildings. Fixed assets in newly acquired companies account for SEK 4 m (0 m) of investments for the year.

## Parent company

The parent company's profit/loss after financial items was SEK -4 m (-3 m). The parent company's equity ratio was 76 per cent (80).

The number of class A shares issued is 47,642,248 and the number of class B shares is 592,197,752. Not including repurchased shares, the number of outstanding shares on 31 March 2019 amounted to 639,117,500. At the end of the period, Latour holds 722,500 repurchased class B shares.

The total number of issued call options is 1,401,000, which give the right to purchase 2,346,000 shares.

## Events after the reporting period

Latour's entire shareholding in the part-owned holding Terratech was divested on 25 April. Otherwise, there were no material events subsequent to the end of the reporting period.

## Risks and uncertainties

The main risk to which the Group and the parent company are exposed is the risk attributable to adverse changes in the values of financial instruments, including a general decline in the stock market or in the value of an individual holding. This includes uncertainties relating to changes in exchange rates and interest rates. Latour has a well-diversified holding of shares, spread across eleven listed holdings and four

wholly-owned business areas. This means that the development and performance of an individual holding will not have a drastic impact on the portfolio as a whole. As the wholly-owned industrial operations have increased in size, Latour as a whole is influenced to a higher degree by changes attributable to these operations. On the whole, Latour is deemed to have a good risk diversification in its portfolio, which covers several industries, with a certain emphasis on sectors linked to the construction industry. Construction can also be divided into several dimensions, such as new builds or government-subsidised repair, conversion or extension work, locally or globally, and housing, office and industrial premises or infrastructure projects. No material risks are deemed to have arisen other than those described in Note 35 of Latour's 2018 Annual Report.

## Accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Reporting in respect of the Group, and in accordance with the Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board in respect of the parent company.

The Latour Group uses a number of economic indicators that are not defined in the set of accounting rules used by the Group, so-called alternative performance measures. Definitions of the economic indicators can be found on page 19 of this report and in Latour's latest Annual Report. For an explanation of how the financial performance indicators have been calculated for the current and prior periods, please see the table in this report and Latour's latest Annual Report.

The Annual Reports for 1986 to 2018 are available for viewing on Latour's website [www.latour.se](http://www.latour.se).

## New accounting policies

IFRS 16 Leases applies for accounting periods starting on or after 1 January 2019 and replaces IAS 17 Leases.

Reconciliation from IAS 17 to IFRS 16	SEK m
Operating lease commitment under IAS 17 at 31 December 2018	852
Impact of discounting	-36
Finance leases reported 31 December, 2018	62
Short-term leases and leases of low-value assets	-87
Lease liability under IFRS 16 at 1 January 2019	791

Latour has elected to transition to the new standard using the simplified approach which does not require a restatement of comparatives. The main impact for Latour relates to recognition of leases for premises. The opening effect on the consolidated balance sheet is shown in the table below.

Analysis OB/CB			
SEK m	CB 31 Dec 2018	IFRS 16 effect	OB 1 Jan 2019
<b>Assets</b>			
Tangible fixed assets	959	729	1,688
<b>Total assets</b>	<b>30,167</b>	<b>729</b>	<b>30,896</b>
<b>Liabilities and equity</b>			
Equity	21,863	-	21,863
Liabilities	8,304	729	8,304
<b>Total liabilities and equity</b>	<b>30,167</b>	<b>729</b>	<b>30,896</b>

In the income statement, the straight-line expense for operating leases is replaced by a depreciation charge for the right-of-use asset and interest on the lease liability. For the first quarter of 2019, the operating profit was impacted positively by SEK 1 m and net profit was impacted adversely by SEK -1 m. The equity ratio fell 2 percentage points due to an increase in total assets.

A discount rate has been set for each country and is adjusted annually based on the Group's borrowing rate. Leases of right-of-use assets with a term of less than 12 months and leases for assets with a value of less than SEK 200,000 are not included in the recognised liabilities or the right-of-use assets.

The following accounting policies are applied now that Latour recognizes leases in accordance with IFRS 16 from January 1, 2019:

The Group's leases mainly comprise the right-of-use regarding premises and equipment. The leases are recognised as a right-of-use asset with a corresponding lease liability when the leased asset is available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are exempted.

Each lease payment should be divided between amortisation of the lease liability and a financial cost. The

financial cost should be allocated over the lease term, so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognised under each period.

The lease term is determined as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Group's lease liabilities are recognised at the present value of the Group's fixed lease payments (including in-substance fixed lease payments). Purchase options are included if it is reasonably certain that the Group will exercise the option to acquire the underlying asset. Penalties for terminating the lease are included if the lease term reflects that the lessee will exercise an option to cancel the lease. Lease payments are discounted with the interest rate implicit in the lease, if this rate can easily be determined. Otherwise, the Group's incremental borrowing rate is applied.

The Group's right-of-use assets are recognised at cost, and include initial present value of the lease liability, adjusted for lease payment made at or before the commencement date and any initial direct expenses. Restoration costs are included in the asset if a corresponding provision for restoration costs exists. The right-of-use asset is depreciated on a straight-line basis over the asset's useful life and the lease term, whichever is the shortest.

Gothenburg 29 April 2019  
Jan Svensson  
President and CEO

#### For further information please contact:

Jan Svensson, President and CEO, tel. +46 (0)705 77 16 40.

Anders Mörck, Chief Financial Officer, tel. +46 (0)706 46 52 11 or +46 (0)31 89 17 90.

#### Conference call

Investment AB Latour invites you to listen to a conference call with Jan Svensson and Anders Mörck commencing at 10.00 a.m. today.

The number to call is +46 (0)8 505 583 64. The conference will be broadcast on the Internet.

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

*The Annual General Meeting will be held on 7 May 2019 at Radisson Blu Scandinavia in Gothenburg.*

*The interim report for the period January – June 2019 will be published on 20 August 2019*

*The interim report for the period January – September 2019 will be published on 5 November 2019*

*The interim report for the period January – December 2019 will be published on 14 February 2020*

*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 29 April 2019 at 08.30 CEST.*

## Consolidated income statement

SEK m	2019 Q1	2018 Q1	12 mths Apr-Mar 2018/2019	Full Year 2018
Net sales	3,185	2,590	12,380	11,785
Cost of goods sold	-1,904	-1,544	-7,433	-7,073
Gross profit	1,281	1,046	4,947	4,712
Sales costs	-547	-487	-2,123	-2,063
Administrative costs	-257	-226	-984	-953
Research and development costs	-84	-83	-329	-328
Other operating income	26	32	137	143
Other operating expenses	-6	-15	-105	-114
Operating profit	413	267	1,543	1,397
Income from interests in associates	1,372	394	2,256	1,278
Income from portfolio management	-6	-9	26	23
Management costs	11	-5	-5	-21
Profit before financial items	1,790	647	3,820	2,677
Finance income	68	58	54	44
Finance expense	-67	-49	-93	-75
Profit after financial items	1,791	656	3,781	2,646
Taxes	-90	-70	-342	-322
Profit for the period <sup>1</sup>	1,701	586	3,439	2,324
Attributable to:				
Parent company shareholders	1,701	588	3,449	2,336
Non-controlling interests	-	-2	-10	-12
Earnings per share regarding profit attributable to parent company shareholders				
Basic share, SEK	2.66	0.92	5.40	3.66
Diluted share, SEK	2.65	0.92	5.38	3.64
Average number of basic shares outstanding	639,117,500	638,848,000	638,794,060	639,005,270
Average number of diluted shares outstanding	641,463,500	641,287,000	641,049,551	641,229,881
Number of outstanding shares	639,117,500	638,848,000	638,848,000	639,117,500

<sup>1</sup> Profit for the period 2019 has been negatively affected by SEK -1 m through the introduction of IFRS 16.

## Consolidated statement of comprehensive income

SEK m	2019 Q1	2018 Q1	12 mths Apr-Mar 2018/2019	Full Year 2018
Profit for the period	1,701	586	3,439	2,324
Other comprehensive income:				
Items that will not be recycled to the income statement				
Restatement of net pension obligations	-	-	-7	-7
	0	0	-7	-7
Items that may subsequently be recycled to the income statement				
Change in translation reserve for the period	109	192	113	196
Change in fair value reserve for the period	25	27	-96	-94
Change in hedging reserve for the period	-3	-41	15	-23
Change in associated companies' equity	96	371	250	525
	227	549	282	604
Other comprehensive income, net after tax	227	549	275	597
Comprehensive income for the period	1,928	1,135	3,714	2,921
Attributable to:				
Parent company shareholders	1,928	1,137	3,724	2,933
Non-controlling interests	-	-2	-10	-12

## Consolidated cash flow

SEK m	2019 Q1	2018 Q1	12 mths Apr-Mar 2018/2019	Full Year 2018
Operating cash flows before movements in working capital	422	201	1,547	1,326
Movements in working capital	-223	-220	-215	-212
Operating cash flows	199	-19	1,332	1,114
Acquisitions of subsidiaries	-62	-88	-1,031	-1,057
Other investments	-30	-43	-201	-214
Portfolio management	1,102	-127	2,078	849
Cash flow after investments	1,209	-239	2,212	764
Financial payments	-80	186	-963	-697
Cash flow for the period	1,129	-53	1,249	67

## Consolidated balance sheet

SEK m	2019/03/31	2018/03/31	2018/12/31
<b>ASSETS</b>			
Goodwill	6,716	5,978	6,565
Other intangible assets	220	204	216
Property, plant and equipment <sup>1</sup>	1,644	904	959
Financial assets	17,881	17,417	17,448
Inventories etc.	1,897	1,599	1,770
Current receivables	2,633	2,217	2,465
Cash and bank	1,904	595	744
<b>Total assets<sup>1</sup></b>	<b>32,895</b>	<b>28,914</b>	<b>30,167</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to parent company shareholders	23,695	21,377	21,768
Non-controlling interests	96	105	95
<b>Total equity</b>	<b>23,791</b>	<b>21,482</b>	<b>21,863</b>
Interest-bearing long-term liabilities <sup>1</sup>	3,550	3,057	3,563
Non-interest-bearing long-term liabilities	963	396	424
Interest-bearing current liabilities <sup>1</sup>	2,038	1,908	2,029
Non-interest-bearing current liabilities	2,553	2,071	2,288
<b>Equity and liabilities<sup>1</sup></b>	<b>32,895</b>	<b>28,914</b>	<b>30,167</b>

<sup>1</sup> Through the introduction of IFRS 16, fixed assets and interest-bearing liabilities have increased by SEK 694 m on 31 March.

## Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Closing balance 31 Dec 2017	133	-72	357	19,827	102	20,347
Adjustment for changed accounting policies				29		29
Opening balance 1 Jan 2018	133	-72	357	19,856	102	20,376
Total comprehensive income for the period			75	2,853	-7	2,921
Issued call options				5		5
Exercise of call options		42		-14		28
Own shares repurchase		-30				-30
Dividends				-1,437		-1,437
Closing balance 31 December 2018	133	-60	432	21,263	95	21,863
Adjustment for changed accounting policies				0		0
Opening balance 1 Jan 2019	133	-60	432	21,263	95	21,863
Total comprehensive income for the period			130	1,797	1	1,928
Dividends						0
Closing balance 31 Mars 2019	133	-60	562	23,060	96	23,791

## Key ratios, Group

	2019/03/31	2018/03/31	2018/12/31
Return on equity (%)	30	11	11
Return on total capital (%)	24	10	9
Equity ratio, incl IFRS 16 (%)	72		
Equity ratio, excl IFRS 16 (%)	74	74	72
Adjusted equity ratio, incl IFRS 16 <sup>1</sup> (%)	87		
Adjusted equity ratio, excl IFRS 16 <sup>1</sup> (%)	88	88	86
Adjusted equity <sup>1</sup> (SEK m)	62,720	54,105	52,395
Surplus value in associated companies <sup>2</sup> (SEK m)	38,929	32,623	30,532
Net debt/equity ratio 1 (%) <sup>3</sup>	5.8	8.0	9.2
Net debt/equity ratio 2 (%) <sup>4</sup>	5.6	6.7	7.0
Listed share price (SEK)	125	95	112
Repurchased shares	722,500	992,000	722,500
Average number of repurchased shares	722,500	992,000	834,730
Average number of employees	5,376	4,928	5,128
Issued call options corresponds to number of shares	2,346,000	1,062,000	2,346,000

<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	2019 Q1	2018 Q1	12 mths Apr-Mar 2018/2019	Full Year 2018
Income from interests i Group companies	-	-	625	625
Income from interest in associates companies	-	-	798	798
Income from portfolio management	-	-	-	-
Management costs	-4	-3	-16	-15
Profit before financial items	-4	-3	1,407	1,408
Interest income and similar items	3	-	9	6
Interest expense and similar items	-3	-	-9	-6
Profit after financial items	-4	-3	1,407	1,408
Taxes	-	-	-	-
Profit for the period	-4	-3	1,407	1,408

## Parent company statement of comprehensive income

SEK m	2019 Q1	2018 Q1	12 mths Apr-Mar 2018/2019	Full Year 2018
Profit for the period	-4	-3	1,407	1,408
Change in fair value reserve for the period	-	-	-	-
Total other comprehensive income	0	0	0	0
Comprehensive income for the period	-4	-3	1,407	1,408

## Parent company balance sheet

SEK m	2019/03/31	2018/03/31	2018/12/31
<b>ASSETS</b>			
Financial assets	9,831	9,763	9,831
Current receivables from Group companies	243	2,841	252
Other current liabilities	7	6	6
Cash and bank	-	-	-
Total assets	13,181	12,610	13,189
<b>EQUITY AND LIABILITIES</b>			
Equity	10,077	10,104	10,081
Interese-bearing long-term lilabilities	3,100	2,500	3,100
Non-interest-bearing long-term liabilities	-	-	-
Interese-bearing current liabilities	-	-	-
Non-interest-bearing current liabilities	4	6	8
Equity and liabilities	13,181	12,610	13,189

## Parent company statement of changes in equity

SEK m	2019/03/31	2018/03/31	2018/12/31
Amount at beginning of year	10,081	10,107	10,107
Total comprehensive income for the period	-4	-3	1,408
Issued call options	-	-	5
Exercise of call options	-	-	28
Repurchased treasury shares	-	-	-30
Dividends	-	-	-1,437
Amount at end of year	10,077	10,104	10,081

## Segment reporting:

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

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
<b>INCOME</b>							
External sales	648	739	383	1,370	45		3,185
Internal sales	-	1	1	-	-		2
<b>RESULT</b>							
Operating profit	88	56	121	147	1		413
Income from portfolio management						1,377	1,377
Finance income							68
Finance expense							-67
Taxes							-90
Profit for the period							1,701
<b>OTHER DISCLOSURES</b>							
Investments in:							
property, plant and equipment	2	8	2	3	5		20
intangible assets	-	48	-	13	-		61
Depreciation/amortisation	5	14	8	23	49		99

### Development by business area 1 Jan 2018 – 31 March 2018

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
<b>INCOME</b>							
External sales	477	631	303	1,121	58		2,590
Internal sales	-	-	-	-	-		-
<b>RESULTS</b>							
Operating result	65	30	94	89	-11		267
Income from portfolio management						380	380
Finance income							58
Finance expense							-49
Taxes							-70
Profit for the period							586
<b>OTHER DISCLOSURES</b>							
Investments in:							
property, plant and equipment	2	9	3	7	12		33
intangible assets	-	86	1	1	-		88
Depreciation/amortisation	3	14	8	22	6		53

## Change in consolidated interest-bearing net debt

SEK m	2018/12/31	Change in cash	Change in loans	IFRS 16	Other changes	2019/03/31
Interest-bearing receivables	36				-1	35
Cash	744	1,160				1,904
Pensions provisions	-89				-1	-90
Long-term liabilities	-3,474		14	-532		-3,992
Utilised bank overdraft facilities	-72		17			-55
Interest-bearing current liabilities	-1,957		-26	-163		-2,146
Interest-bearing net debt	-4,812	1,160	5	-695	-2	-4,344

## Five-year overview

SEK m	Apr-Mar 2018/2019	2018	2017	2016	2015
Net sales, SEK m	12,380	11,785	9,930	8,344	8,555
Operating profit, SEK m	1,543	1,397	1,125	1,021	975
Income from interest in associated companies, SEK m	2,256	1,278	2,006	2,676	1,952
Income from portfolio management, SEK m	21	2	-8	101	1,493
Profit after finance items, SEK m	3,781	2,646	3,069	3,754	4,405
Earnings per share, SEK <sup>1</sup>	5	4	4	6	6
Return on equity, %	15	11	14	21	28
Return on total capital, %	3,781	9	13	17	22
Adjusted equity ratio, %	87	86	88	91	89
Net debt/equity ratio, %	6	9	8	3	5
Listed share price, SEK <sup>1</sup>	125	112	101	86	78

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

## Note 1 Business combinations

### Specification of acquisitions

Transfer date	Country	Business area	Number of employees
31 January 2019	TKS Heis AS Norway	Latour Industries	74

### Assets and liabilities in acquisitions

	Consolidated carrying amount
Property, plant and equipment	6
Inventories	22
Account receivable	19
Other receivable	15
Cash	2
Long-term liabilities	-
Current liabilities	-48
Net identifiable assets and liabilities	16
Group goodwill	48
Total purchase price	64
Acquisition of non-cash items	-
Acquired cash	-2
Effect of Group cash	62

During 2019, Latour has acquired the entire shareholding of TKS Heis AS. TKS has contributed SEK 29 m in income and SEK 1 m in operating profit during the period. The acquisition has been made with the aim of strengthening and developing the Latour Group's existing operations. Transaction costs for acquisitions made during the period amount to SEK 1 m.



## Note 2 Information regarding financial assets and liabilities

### Classification of financial instruments

THE GROUP 31 March 2019

	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	253 <sup>1</sup>			253
Other long-term securities holdings	3 <sup>2</sup>			3
Other long-term receivables			38 <sup>3</sup>	38
Listed shares, trading		21 <sup>1</sup>		21
Unrealised gains, currency derivatives				0
Other current receivables			2 333 <sup>3</sup>	2,333
Cash			1 904 <sup>3</sup>	1,904
<b>Total</b>	<b>256</b>	<b>21</b>	<b>4,275</b>	<b>4,552</b>
<b>FINANCIAL LIABILITIES</b>				
Long-term loans			3 460 <sup>3</sup>	3,460
Bank overdraft facilities			55 <sup>3</sup>	55
Current loans			1 984 <sup>3</sup>	1,984
Other liabilities			1 402 <sup>3</sup>	1,402
Unrealised gains, currency derivatives	5 <sup>2</sup>			5
<b>Total</b>	<b>5</b>	<b>0</b>	<b>6,901</b>	<b>6,906</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 swaps and are included in level 2. Valuation at fair value of the 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 March 2019

SEK m	2019 Q1	2018 Q1	2018 Full Year
Revenue from goods	2,871	2,439	10,528
Revenue from services	314	151	1,247
	<b>3,185</b>	<b>2,590</b>	<b>11,785</b>
Fix-price contract	2,428	2,055	9,107
Time-and-materials contracts	757	535	2,678
	<b>3,185</b>	<b>2,590</b>	<b>11,785</b>
Sold directly to consumers	1,693	1,325	6,135
Sold through intermediaries	1,492	1,265	5,650
	<b>3,185</b>	<b>2,590</b>	<b>11,785</b>

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

## Information by quarter

SEK m	2019		2018				2017				
	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>											
Net sales	3,185	11,785	3,268	2,903	3,024	2,590	9,930	2,699	2,423	2,538	2,269
Cost of goods sold	-1,904	-7,073	-1,984	-1,743	-1,802	-1,544	-5,885	-1,600	-1,445	-1,512	-1,327
Gross profit	1,281	4,712	1,284	1,160	1,222	1,046	4,045	1,099	978	1,026	942
Costs etc. for the operation	-868	-3,315	-899	-786	-851	-779	-2,920	-802	-669	-747	-702
Operating profit	413	1,397	385	374	371	267	1,125	297	309	279	240
Total portfolio management	1,377	1,280	321	473	106	380	1,998	506	514	597	381
Profit before financial items	1,790	2,677	706	847	477	647	3,123	803	823	876	621
Net financial items	1	-31	-12	-14	-14	9	-54	-22	-11	-11	-10
Profit after financial items	1,791	2,646	694	833	463	656	3,069	781	812	865	611
Taxes	-90	-322	-67	-90	-95	-70	-281	-83	-73	-68	-57
Profit for the period	1,701	2,324	627	743	368	586	2,788	698	739	797	554
<b>KEY RATIOS</b>											
Earnings per share, SEK <sup>1</sup>	2.66	3.66	1.00	1.16	0.58	0.92	4.37	1.09	1.16	1.25	3.48
Cash flow for the period	1129	67	73	22	25	-53	-697	-60	-135	-241	-261
Adjusted equity ratio, %	87	86	86	87	87	88	88	88	88	90	92
Adjusted equity	62,720	52,395	52,395	58,490	56,880	54,105	51,758	51,758	54,343	53,222	51,995
Net asset value	76,054	63,980	63,980	69,105	66,841	63,016	60,521	60,521	62,625	61,450	60,742
Net asset value per share, SEK <sup>1</sup>	119	100	100	108	105	99	95	95	98	96	95
Listed share price, SEK <sup>1</sup>	125	112	112	111	97	95	101	101	110	105	90
<b>NET SALES</b>											
Hultafors Group	648	2,407	716	618	596	477	1,901	542	454	460	444
Latour Industries	740	2,758	747	660	700	652	2,314	706	601	571	479
Nord-Lock Group	384	1,309	333	332	341	303	1,114	268	277	286	283
Swegon	1,370	5,137	1,421	1,248	1,347	1,121	4,378	1,130	1,043	1,177	1,029
	3,142	11,611	3,217	2,858	2,984	2,553	9,707	2,646	2,375	2,494	2,235
Other companies and eliminations	43	174	51	45	40	37	223	53	49	44	34
	3,185	11,785	3,268	2,903	3,024	2,590	9,930	2,699	2,424	2,538	2,269
<b>OPERATING PROFIT</b>											
Hultafors Group	88	375	119	93	98	65	287	92	68	64	62
Latour Industries	56	191	55	57	48	31	171	55	49	36	33
Nord-Lock Group	121	397	89	106	108	94	340	76	88	86	89
Swegon	147	514	138	144	143	89	381	98	104	110	68
	412	1,477	401	399	397	279	1,179	321	309	297	252
business	-1	-38	-17	-10	-10	-1	-30	-10	-5	-10	-5
Other companies and items	2	-42	1	-15	-16	-11	-24	-14	5	-8	-7
	413	1,397	385	374	371	267	1,125	297	309	279	240
<b>OPERATING MARGIN (%)</b>											
Hultafors Group	13.6	15.6	16.6	15.1	13.6	13.6	15.1	17.0	15.0	14.0	14.0
Latour Industries	7.6	6.9	7.3	8.6	4.7	4.7	7.4	7.7	8.2	6.3	6.9
Nord-Lock Group	31.4	30.3	26.8	31.9	30.9	30.9	30.5	28.3	31.8	30.2	31.5
Swegon	10.7	10.0	9.7	11.5	8.0	8.0	8.7	8.7	10.0	9.4	6.6
	13.1	12.7	12.5	14.0	10.9	10.9	12.1	12.1	13.1	11.9	11.3

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

### **Basic earnings per share**

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

Calculations:

Jan-Mar 2019:  $1,701/639,117,500 \times 1,000=2.66$

Jan-Mar 2018:  $588/638,848,000 \times 1,000=0.92$

### **Diluted earnings per share**

Calculations:

Jan-Mar 2019:  $1,701/641,463,500 \times 1,000=2.65$

Jan-Mar 2018:  $588/641,287,00 \times 1,000=0.92$

### **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.

### **Voting rights**

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

### **Equity**

Percentage 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.

Investment AB Latour (publ)  
Corporate ID no. 556026-3237  
J A Wettergrens gata 7, Box 336, SE-401 25 Gothenburg, Sweden  
Tel + (0)46 31 89 17 90  
info@latour.se, www.latour.se