



Lundbergs

Interim Report January – September 2019

- On September 30, 2019, net asset value after deferred tax amounted to SEK 88.0 billion (SEK 355 per share), compared with SEK 71.4 billion (SEK 288 per share) on December 31, 2018. The corresponding values on November 19, 2019 were SEK 93.7 billion (SEK 378 per share).
- Consolidated net sales amounted to SEK 16,531 m. (15,420).
- Profit after financial items amounted to SEK 9,885 m. (8,822). Profit after financial items excluding unrealized changes in value amounted to SEK 6,903 m. (5,486).
- Profit after taxes amounted to SEK 8,437 m. (8,360) of which non-controlling interests accounted for SEK 2,038 m. (2,879).
- Earnings per share attributable to the Parent Company's shareholders totaled SEK 25.80 (22.10).

Lundbergs' net asset value and cash flow are reported in the form of a supplement to the consolidated financial statements prepared in accordance with IFRS (pages 4-9).

The net asset value is calculated on the basis of the assets and liabilities included in the Parent Company and in the wholly owned subsidiaries.

Cash flow pertains to the Parent Company and the wholly owned subsidiaries.

NET ASSET VALUE

On September 30, 2019, net asset value after deferred tax amounted to SEK 88,043 m. (SEK 355 per share), compared with SEK 71,373 m. (SEK 288 per share) at December 31, 2018; see table below.

On November 19, 2019, estimated net asset value per share after deferred tax amounted to SEK 93.7 billion. (SEK 378 per share).

The proportion of share capital and voting rights and the market value and acquisition value of the shareholdings are presented in the tables on page 3.

CASH FLOW

During the period, dividends totaling SEK 1,824 m. (1,840) were received. Proceeds from the sale of securities, after corporate overheads in L E Lundberg Kapitalförvaltning AB, amounted to SEK 354 m. (5).

Proceeds from the real estate operation amounted to SEK 638 m. (616).

During the period, the Parent Company invested a total of SEK 483 m. (861) in listed shares. The investment comprised 192,012 series B shares in Husqvarna for SEK 15 m., 3,000,000 series A shares in Handelsbanken for SEK 268 m., 1,000,000 series C shares in Industrivärden for SEK 200 m. In November 2019 1,000,000 series A shares in Handelsbanken were acquired for SEK 96 m. and 2,000,000 series C shares in Industrivärden for SEK 448 m.

A total of SEK 801 m. (677) was invested in the real estate operation.

Cash and interest-bearing assets amounted to SEK 272 m. (Dec 31, 2018: 121). Interest-bearing liabilities amounted to SEK 5,231 m. (Dec 31, 2018: 5,682). Interest-bearing net debt decreased by SEK 602 m. to SEK 4,959 m. (Dec 31, 2018: 5,562). Indebtedness in relation to gross assets (properties and shares) measured at market value amounted to approximately 5%. In the following calculation of net asset value, the net debt of the Parent Company and the wholly owned subsidiaries (SEK 4,959 m.) has been attributed to Fastighets AB L E Lundberg.

The cash flow report is presented on page 3.

Management costs for equity management (in the Parent Company and L E Lundberg Kapitalförvaltning AB) amounted to SEK 47 m. (43), which on an annual basis corresponded to 0.08% (0.07) of the market value of the assets.

COMPOSITION OF NET ASSET VALUE

	September 30, 2019						December 31, 2018			
	Shareholding, %			Net asset value			Net Asset Value			
	Number of shares	Share capital	Voting rights	SEK m.	SEK/share	Share of value, %	SEK m.	SEK/share	Share of value, %	
Handelsbanken A	49,000,000	2.5	2.5	4,517	18	5	4,522	18		6
Holmen A	33,244,000			8,045	32		5,917	24		
Holmen B	22,000,000	34.1	62.3	5,126	21	15	3,849	16		14
Hufvudstaden A	85,200,000			15,183	61		11,664	47		
Hufvudstaden C	8,177,680	45.3	88.1	1,603	6	19	1,231	5		18
Husqvarna A	39,400,000			2,955	12		2,585	10		
Husqvarna B	4,142,012	7.6	25.2	310	1	4	260	1		4
Industrivärden A	67,100,000			14,856	60		12,293	50		
Industrivärden C	5,500,000	16.7	23.7	1,185	5	18	806	3		18
Indutrade	32,280,000	26.7	26.7	8,909	36	10	6,637	27		9
Sandvik	30,000,000	2.4	2.4	4,601	19	5	3,791	15		5
Skanska A	6,032,000			1,323	5		936	4		
Skanska B	14,050,000	4.9	12.6	2,802	11	5	1,981	8		4
Other securities				293	1	0	543	2		1
Stock portfolio				71,707	289	81	57,013	230		79
Fastighets AB L E Lundberg										
Value of properties				23,452			21,809			
Interest-bearing net indebtiness ¹⁾				-4,959			-5,562			
Other net items, including deferred tax ²⁾				-1,410			-1,326			
Fastighets AB L E Lundberg				17,083	69	19	14,921	60		21
Total market-value holdings				88,789	358	100	71,934	290		100
Other net items, including deferred tax ²⁾				-747	-3		-561	-2		
Net asset value after deferred tax				88,043	355		71,373	288		
Market value				91,859	370		64,778	261		
Price/NAV, %					104			91		

Publicly traded assets have been entered at the current market price. The market value of Series C Hufvudstaden shares has been calculated based on a 10% premium on the price of publicly traded Series A shares and the market value of Series A Skanska shares has been calculated based on a 10% premium on the price of publicly traded Series B shares. The percentage of share capital and voting rights is calculated less treasury shares.

1) The interest-bearing net indebtedness of the Parent Company and the wholly owned subsidiaries has been attributed in its entirety to Fastighets AB L E Lundberg, which thereby has net indebtedness of 21% (Dec 31, 2018: 26) of the properties' market value.

2) Other assets, provisions and liabilities are entered at carrying amounts. Deferred tax on the difference between estimated market value and the tax-assessment value of the properties has been estimated at a standard rate of 5%. Deferred tax of 21,4% (22) has been computed on the basis of the provision to the tax deferral reserve and Other securities, while 20,6% has been computed on the difference between the market value and tax-assessment value. In accordance with current legislation, no tax is paid on business-related participations.

SHAREHOLDINGS

Percent ¹⁾	November 19, 2019		September 30, 2019		December 31, 2018	
	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
Handelsbanken	2.5	2.6	2.5	2.5	2.4	2.4
Holmen	34.1	62.3	34.1	62.3	32.9	61.6
Hufvudstaden	45.3	88.1	45.3	88.1	45.3	88.1
Husqvarna	7.6	25.2	7.6	25.2	7.6	25.1
Industrivärden	17.0	23.8	16.7	23.7	16.5	23.7
Indutrade	26.7	26.7	26.7	26.7	26.7	26.7
Sandvik	2.4	2.4	2.4	2.4	2.4	2.4
Skanska	4.9	12.6	4.9	12.6	4.9	12.7

SEK m.	November 19, 2019		September 30, 2019		December 31, 2018	
	Market value ²⁾	Acquisition value ³⁾	Market value ²⁾	Acquisition value ³⁾	Market value ²⁾	Acquisition value ³⁾
Handelsbanken	4,792	3,700	4,517	3,604	4,522	3,336
Holmen	16,569	3,828	13,171	3,828	9,766	3,828
Hufvudstaden	16,202	2,830	16,786	2,830	12,895	2,830
Husqvarna	3,318	2,021	3,265	2,021	2,844	2,006
Industrivärden	17,062	11,263	16,041	10,927	13,099	10,727
Indutrade	10,007	2,510	8,909	2,510	6,637	2,510
Sandvik	5,235	2,729	4,601	2,729	3,791	2,729
Skanska	4,398	2,508	4,125	2,508	2,917	2,508
Other shares	443	364	293	244	543	496
TOTAL	78,025	31,753	71,707	31,201	57,013	30,971

1) The proportion of share capital and voting rights is calculated after a deduction for treasury shares.

2) Publicly traded assets are entered at the current market price. The market value of the Series C Hufvudstaden share has been calculated on a 10% premium on the price of publicly traded Series A shares and the market value of a Series A Skanska shares is calculated on the basis of a premium of 10% in relation to the price of the publicly traded Series B shares.

3) Acquisition value for accounting purposes when appropriate, after impairment losses or revaluation due to a transition to a associated company.

CASH FLOW REPORTS

SEK m.	January - September			Full year			
	2019	2018	2018	2017	2016	2015	2014
Dividends							
Handelsbanken	253	323	323	195	226	219	206
Holmen	373	359	359	331	290	276	249
Hufvudstaden	345	327	327	308	289	271	257
Husqvarna	33	33	98	85	72	72	65
Industrivärden	412	394	394	365	303	331	275
Indutrade	145	119	119	101	92	79	67
Sandvik	128	105	105	83	75	105	105
Skanska	120	166	166	145	124	112	101
Other	15	15	17	11	10	8	15
	1,824	1,840	1,907	1,624	1,482	1,473	1,339
Trading in securities¹⁾	354	5	-40	41	-62	6	-22
Real estate operations	609	569	735	705	702	690	650
Sales, real estate operations	29	47	118	237	964	84	26
TOTAL ASSETS CONTRIBUTED	2,816	2,461	2,719	2,607	3,086	2,252	1,993
Investments equity management							
Handelsbanken	268	307	403	360	153		
Husqvarna	15						171
Industrivärden	200			425	1,612	1,012	375
Indutrade		147	147		133		216
Skanska		407	407		176		204
	483	861	957	785	2,075	1,012	967
Investments, real estate operations	801	677	1,017	732	630	494	1,136
Own dividends	794	744	744	694	657	620	570
Corporate overheads	21	22	30	29	28	25	31
Taxes paid	83	105	136	132	129	115	154
Financial items	50	47	80	133	121	124	121
Other net	80	-12	31	-7	-6	47	11
TOTAL ASSETS USED	2,311	2,444	2,995	2,499	3,634	2,437	2,990
CHANGE IN NET DEBT	505	18	-275	108	-549	-184	-997
Closing net debt	-5,709	-5,921	-6,214	-5,938	-6,047	-5,499	-5,314
of which, interest-bearing	-4,959	-5,378	-5,562	-5,355	-5,440	-4,944	-4,772

1) L E Lundberg Kapitalförvaltning AB is recognized net.

GROUP

The Group's operations consist of real estate operations, forest and power operations, the manufacture and sale of paperboard, paper and sawn wood products, as well as equity management (including securities trading).

The Group's operations are described below. Information about the Group's business sectors (Lundbergs, Hufvudstaden and Holmen) is presented on pages 4, 5 and 8. The Parent Company is described on pages 5 and 9.

Sales and earnings

The consolidated net sales amounted to SEK 16,531 m. (15,420).

Operating profit amounted to SEK 10,051 m. (8,998). Unrealized changes in value had a positive effect of SEK 2,982 m. (3,337) on profit.

Net financial items resulted in an expense of SEK 166 m. (176).

Profit after financial items amounted to SEK 9,885 m. (8,822). Profit after tax was SEK 8,437 m. (8,360). Earnings per share attributable to the Parent Company's shareholders amounted to SEK 25.80 (22.10).

The implementation of the new accounting standard IFRS 16 Leases (IFRS 16), which came into force on January 1, 2019, has caused the operating expenses to decrease by SEK 95 m., depreciation to increase by SEK 78 m. and interest expenses to increase by SEK 20 m.

Tax

The Group's tax cost amounted to SEK 1,448 m. (462).

Last year, the tax was positively affected by SEK 1,084 m. as a result of a reduced tax rate.

Investments

Investments are recognized under the different business sectors and the Parent Company below.

Shareholders' equity

The Group's shareholders' equity increased by SEK 6,552 m. The change primarily comprised profit for the period of SEK 8,437 m., other comprehensive income SEK 1,514 m., dividends paid amounted to an expense of SEK 1,972 m. and repurchase of own shares in Holmen amounted to an expense of SEK 1,430 m.

The Group's shareholders' equity amounted to SEK 102,396 m. (Dec 31, 2018: 95,844), of which non-controlling interests accounted for SEK 31,448 m. (Dec 31, 2018: 31,681).

Financing

The interest-bearing net debt increased by SEK 1,897 m. to SEK 16,640 m. (Dec 31, 2018: 14,743). Interest-bearing liabilities amounted to SEK 18,783 m. (Dec 31, 2018: 16,732) and interest-bearing assets to SEK 2,142 m. (Dec 31, 2018: 1,989). The implementation of IFRS 16 has resulted in an increase in debt of SEK 970 m.

The equity/assets ratio was 70% (Dec 31, 2018: 71%).

The debt/equity ratio was 0.16 (Dec 31, 2018: 0.15).

July - September

The Group's net sales amounted to SEK 5,144 m. (4,771).

Operating profit totaled SEK 1,465 m. (2,889). Unrealized changes in value had a positive impact of SEK 922 m. (742) on earnings.

Operating profit for the respective areas of operation is presented in the table on page 8.

Net financial items amounted to an expense of SEK 51 m. (62).

Profit after financial items amounted to SEK 1,414 m. (2,828). Profit after tax amounted to SEK 1,013 m. (2,458). Earnings per share attributable to Parent Company's shareholders amounted to SEK 1.73 (7.43).

Significant risks and uncertainties

Risks and uncertainties are described on pages 44-45 and in Notes 35 and 36 of the Annual Report for 2018. Britain's exit from the EU may affect the markets on which Holmen sells its products. Holmen also has production of cardboard in the UK. The negotiations concerning Britain's exit from the EU is followed closely. The outcome and the consequences of this are however hard to predict. In the company's assessment, no further significant risks and uncertainties have arisen.

BUSINESS SECTORS**Lundbergs**

In this context, Lundbergs is defined as the Parent Company L E Lundbergföretagen AB, its wholly owned subsidiaries and, where appropriate, the subsidiaries' groups of companies active within real estate operations and equity management operations (securities trading). The operations are divided into two business sectors, Real Estate Operations and Equity Management.

Sales and earnings

Net sales totaled SEK 2,297 m. (1,917) and operating profit amounted to SEK 5,593 m. (3,703).

Real Estate Operations

Net sales amounted to SEK 1,094 m. (1,042) and the operating profit to SEK 1,501 m. (1,159).

Investments in properties amounted to SEK 323 m. (278), in property projects to SEK 467 m. (375) and in equipment to SEK 1 m. (1). One residential project is currently under production in Linköping and one commercial project in Eskilstuna and one in Linköping.

An internal valuation was conducted of the real estate portfolio at September 30, 2019 by assessing the fair value of each individual property. The valuations of all of the properties were conducted in a similar manner based on both location-price data and on the present value of estimated future payment flows.

In total, it is estimated that the fair value amounted to SEK 23,088 m. (Dec 31, 2018: 21,427).

Condensed change in fair value

Opening fair value	21,427
Investments in properties	323
Investments in real estate projects	467
Unrealized change in value	871
Closing fair value	23,088

The development properties are recognized in the balance sheet in an amount of SEK 123 m. (Dec 31, 2018: 116), constituting the lower of the acquisition value and net realizable value. Development properties were sold for SEK 29 m. (47).

Equity Management

Net sales totaled SEK 1,203 m. (875) and operating profit was SEK 4,092 m. (2,544).

Operating profit includes shares in associated companies of SEK 3,473 m. (1,908) of which SEK 220 m. (161), refers to Husqvarna, SEK 282 m. (265) to Indutrade and SEK 2,970 m. (1,483) to Industrivärden.

During the period, the Parent Company invested a total of SEK 483 m. (861) in listed shares. The investment comprised 192,012 series B shares in Husqvarna for SEK 15 m., 3,000,000 series A shares in Handelsbanken for SEK 268 m. and 1,000,000 series C shares in Industrivärden for SEK 200 m.

Net investments in shares amounted to SEK 102 m. (828).

Hufvudstaden

Hufvudstaden's operations involve the ownership and management of commercial office and retail properties in central Stockholm and central Gothenburg.

Sales and earnings

Net sales totaled SEK 1,469 m. (1,396). The operating profit amounted to SEK 2,721 m. (3,456), where profit before unrealized changes increased with SEK 51 m.

Real estate management

During the period SEK 607 m. (496) was invested in properties and SEK 45 m. (9) in other fixed assets.

An internal valuation was conducted of the real estate portfolio at September 30, 2019 by assessing the fair value of each individual property. The assessment was made by applying a version of the location price method known as the net capitalization method. This method entails placing the market's return requirement in relation to the property's net operating income.

In total, it is estimated that the fair value amounted to SEK 46,395 m. (Dec 31, 2018: 44,089).

Condensed change in fair value

Opening fair value	44,089
Investments in existing properties	607
Unrealized change in value	1,700
Closing fair value	46,395

Holmen

Holmen operates in forestry and energy and manufactures cardboard, paper and wood products.

Sales and earnings

Net sales amounted to SEK 12,765 m. (12,108).

Operating profit amounted to SEK 1,758 m. (1,862).

The result had a negative impact of SEK 210 m. (60) from maintenance stop in paperboard. Rising wood costs has been outweighed by higher prices for paper.

Investments

Investments in fixed assets amounted to SEK 580 m. (582).

Repurchase of own shares

During the period Holmen has repurchased shares amounted to SEK 1,430 m. which equals to 3.7% of total shares.

Presentation of the forest holdings

Holmen is planning to change the presentation of the forest holdings at year end, so it's based on marketvalue calculated from transactions in the areas where Holmen owns property. Preliminary calculations show that the value amounts to between SEK 39 billion and SEK 43 billion compared with today's carrying amount of SEK 19 billion.

PARENT COMPANY

The Parent Company is an investment company that owns, manages and develops companies.

Profit after financial items amounted to SEK 1,853 m. (1,861). The result includes dividends totaling SEK 1,874 m. (1,890). Net investments in exchange-listed shares amounted to SEK 483 m. (861). The investment comprised 192,012 series B shares in Husqvarna for SEK 15 m., 3,000,000 series A shares in Handelsbanken for SEK 268 m. and 1,000,000 series C shares in Industrivärden for SEK 200 m.

Significant risks and uncertainties

The Parent Company's risks and uncertainties are described on page 44 and in notes 35 and 36 of the Annual Report for 2018. In the company's assessment, no further significant risks and uncertainties have arisen.

Significant related-party transactions

No significant related-party transactions occurred during the period.

Repurchase of own shares

No own shares were repurchased during the period, which means that on September 30, 2019 the company held no shares in treasury. The Annual General Meeting on April 3, 2019 resolved to renew the Board's authorization to make decisions regarding the repurchase of up to 10% of the company's shares.

ACCOUNTING PRINCIPLES

The interim report for the Group has been prepared in accordance with IAS 34, Interim Reporting. In addition, applicable regulations from the Annual Accounts Act and the Securities Markets Act have been applied. For the Parent Company, the report has been prepared in accordance with the Annual Accounts Act and the Securities Markets Act, which comply with the regulations contained in RFR 2, Accounting for Legal Entities.

The Group's and the Parent Company's accounting principles are unchanged compared with the annual report 2018 apart from the new accounting standard IFRS 16 Leasing Agreement, which entered into force on January 1, 2019 and which replaces the previous IAS 17 Leasing Agreement and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases, with some exceptions, are reported in the balance sheet. In the income statement, the leasing cost is broken down into depreciation and interest expenses. Agreements that are affected by the new rules are primarily leasehold contracts, office rents, leasing cars and ships. The simplified forward-looking method has been used, which means that assets and liabilities are set to the same value in connection with the transition. Thus, no effects have been reported in equity at the time of introduction.

Assets and liabilities as of January 1, 2019 were reported at an amount of SEK 999 m. On September 30, 2019, the assets amounted to SEK 970 m. and the liabilities amounted to SEK 970 m., of which SEK 55 m. was reported as short-term.

As a lessor, it is stated that the introduction of IFRS 16 has not had any significant effects on the Group's financial statements.

The stated values in parentheses refer to comparative figures for the corresponding period last year unless otherwise stated. The figures reported have in some cases been rounded off, which means that tables and calculations do not always sum up.

Stockholm, November 21, 2019
L E Lundbergföretagen AB (publ)

Fredrik Lundberg
President

AUDITORS' REVIEW REPORT

To the Board of Directors for L E Lundbergföretagen AB (publ), registration number 556056-8817

Introduction

We have reviewed the condensed interim financial information (interim report) for L E Lundbergföretagen AB (publ), as of September 30, 2018 and the nine-month period then ended. The Board and President are responsible for preparing and presenting this interim report in accordance with the Annual Accounts Act and IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that could have been identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

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

Stockholm, November 21, 2019

KPMG AB

Joakim Thilstedt
Authorized Public Accountant

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK m.	January - September		July - September		Full Year
	2019	2018	2019	2018	2018
Net sales	16,531	15,420	5,144	4,771	20,219
Operating expenses	-12,067	-10,913	-3,914	-3,503	-14,659
Depreciation	-870	-771	-288	-254	-1,022
Devaluation					-25
Results from participations in associated companies and joint ventures	3,474	1,908	-426	1,127	-925
Change in value of investment properties and derivatives	2,574	3,041	801	618	4,446
Change in value of biological assets	408	313	148	131	425
Operating profit	10,051	8,998	1,465	2,889	8,458
Result from financial items					
Financial income	10	14	4	5	18
Financial expense	-176	-190	-55	-67	-246
Profit after financial items	9,885	8,822	1,414	2,828	8,230
Tax	-1,448	-462	-401	-369	-747
Net profit for the period	8,437	8,360	1,013	2,458	7,483
Attributable to:					
Parent Company's shareholders	6,399	5,481	429	1,842	3,590
Non-controlling interests	2,038	2,879	584	616	3,893
	8,437	8,360	1,013	2,458	7,483
Earnings per share attributable to Parent Company's shareholders	25.80	22.10	1.73	7.43	14.48

CONDENSED CONSOLIDATED STATEMENT COMPREHENSIVE INCOME

SEK m.	January - September		July - September		Full Year
	2019	2018	2019	2018	2018
Net profit for the period	8,437	8,360	1,013	2,458	7,483
Other comprehensive income					
<i>Items that cannot be transferred to profit or loss</i>					
Financial assets measured at fair value	1,745	565	161	777	-1,696
Revaluation of defined-benefit pension plans	-47	-17	-77	6	-57
Tax attributable to items that cannot be reversed to profit or loss	-103	-45	116	-110	286
Proportion of other comprehensive income in associated companies	-27	6	-15	4	-9
	1,568	509	185	676	-1,476
<i>Items that can be reversed/have been reversed to the net profit for the period</i>					
Cash flow hedges	-332	111	-63	190	329
Translation difference on foreign operations	116	87	46	-41	55
Hedging of risk in foreign operations	-4	-8	-2	5	-8
Tax attributable to items that can be or have been transferred to profit or loss	71	-27	13	-41	-69
Proportion of other comprehensive income in associated companies and joint ventures	95	84	45	-20	51
	-54	247	39	93	358
Other comprehensive income after tax	1,514	756	225	769	-1,118
Total comprehensive income	9,951	9,116	1,238	3,228	6,365
Comprehensive income for the period attributable to:					
Parent Company shareholders	8,040	6,136	700	2,531	2,309
Non-controlling interests	1,911	2,980	538	636	4,056
	9,951	9,116	1,238	3,228	6,365

CONDENSED CONSOLIDATED BALANCE SHEET

SEK m.	September 30 2019	September 30 2018	December 31 2018
ASSETS			
Intangible fixed assets	209	181	168
Tangible fixed assets	98,260	90,707	93,030
Financial fixed assets	38,419	38,358	33,318
	136,888	129,246	126,516
Current assets			
Properties classified as current assets	123	113	116
Other current assets	8,757	8,856	9,110
	8,880	8,969	9,226
TOTAL ASSETS	145,767	138,214	135,742
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to			
Parent Company shareholders	70,948	67,990	64,163
Non-controlling interests	31,448	30,603	31,681
Total shareholders' equity	102,396	98,593	95,844
Long-term liabilities (including provisions)	31,386	29,107	28,934
Current liabilities (including provisions)	11,985	10,515	10,965
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	145,767	138,214	135,742

CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

SEK m.	September 30, 2019			September 30, 2018		
	Shareholders' equity attributable to Parent Company shareholders	Non-controlling interests	Total share- holders' equity	Shareholders' equity attributable to Parent Company shareholders	Non-controlling interests	Total share- holders' equity
Opening shareholders' equity	64,163	31,681	95,844	62,596	28,756	91,352
Profit for the period	6,399	2,038	8,437	5,481	2,879	8,360
Other comprehensive income	1,641	-126	1,514	656	101	756
Dividends	-794	-1,179	-1,972	-744	-1,128	-1,872
Repurchase of own shares ¹⁾	-466	-964	-1,430			
Ownership program ¹⁾	1	2	3	-1	-1	-2
Changes in Group structure	4	-3	0	2	-3	-1
Closing shareholders' equity	70,948	31,448	102,396	67,990	30,603	98,593

1) Pertains solely to Holmen

CONDENSED CONSOLIDATED CASH-FLOW STATEMENTS

SEK m.	January - September		Full year
	2019	2018	2018
Profit before tax	9,885	8,822	8,230
Adjustments for items not included in cash flow	-5,011	-4,018	-2,308
Taxes paid	-237	-556	-694
Changes in working capital	435	-469	-167
Cash flow from operating activities	5,071	3,779	5,061
Acquisition of fixed assets	-2,487	-3,052	-4,311
Sale of fixed assets	20	126	204
Cash flow from investing activities	-2,467	-2,926	-4,107
Changes in financial receivables and liabilities	945	1,610	1,505
Dividend paid	-1,972	-1,872	-1,872
Repurchase own shares Holmen	-1,430		
Cash flow from financing activities	-2,457	-262	-367
Cash flow during the period	148	592	587
Cash and cash equivalent at the beginning of the year	1,466	880	880
Cash and cash equivalents at the end of the period	1,614	1,472	1,466

Disclosures required by IAS 34.16A are presented in the financial statements and their related notes, as well as in other parts of the interim report.

Consolidated key figures

	September 30 2019	September 30 2018	December 31 2018
Shareholders' equity per share attributable to Parent Company shareholders	286	274	259
Debt/equity ratio	0.16	0.15	0.15
Equity/assets ratio, %	70	71	71

Information concerning business segments

January - September	Lundbergs		Lundbergs		Hufvudstaden		Holmen		Total	
	Real Estate Operations		Asset Management							
SEK m.	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net sales ¹⁾	1,094	1,042	1,203	875	1,469	1,396	12,765	12,108	16,531	15,420
Operating expenses	-459	-430	-583	-239	-445	-427	-10,559	-9,796	-12,046	-10,891
Depreciation	-5	-4	-0	-0	-7	-2	-858	-763	-869	-770
Result from participations in										
Group companies, joint ventures			3,473	1,908			1	0	3,474	1,908
Change in value ²⁾	871	551			1,704	2,489	408	313	2,982	3,354
Profit per business segment	1,501	1,159	4,092	2,544	2,721	3,456	1,758	1,862	10,072	9,021
Undistributed costs									-21	-23
Operating profit	1,501	1,159	4,092	2,544	2,721	3,456	1,758	1,862	10,051	8,998

July - September	Lundbergs		Lundbergs		Hufvudstaden		Holmen		Total	
	Real Estate Operations		Asset Management							
SEK m.	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net sales	379	337	132	126	489	465	4,144	3,844	5,144	4,771
Operating expenses	-154	-131	-140	-90	-145	-143	-3,469	-3,133	-3,907	-3,497
Depreciation	-2	-1	-0	-0	-2	-1	-283	-252	-288	-254
Result from participations in										
Group companies, joint ventures			-427	1,126			1	1	-426	1,127
Change in value ²⁾	393	184			409	434	147	131	949	749
Profit per business segment	616	389	-435	1,161	751	755	541	591	1,472	2,896
Undistributed costs									-7	-7
Operating profit	616	389	-435	1,161	751	755	541	591	1,465	2,889

¹⁾ Net sales in the Real Estate Operations comprise SEK 44 m. (44) income from service and SEK 29 m. (47) from sales of development properties.

Of the net sales in Asset management, dividends account for SEK 515 m. (608) and share trading SEK 687 m. (267).

Hufvudstadens income from services amounted to SEK 67 m. (59).

Net sales in Holmen (internal and external) are 31% (30) from Forest, 31% (30) from Paperboard, 28% (29) from Paper, 9% (9) from Wood Products and 2% (2) from Energy.

²⁾ Refers to investment properties and derivatives in Lundbergs and Hufvudstaden as well as biological assets in Holmen.

Financial instruments measured at fair value

In accordance with IFRS 7, financial instruments are recognized based on the fair value hierarchy on three levels in accordance with the input data used in the measurement.

The measurement of financial investments (shares), and shares in listed companies is based on the listed prices of similar instruments that entail that they are attributable to level one.

Input data for measuring derivatives and other financial liabilities has been based on observable market prices, entailing that they are attributable to level two.

Series A shares in Skanska are not listed, which is why these are calculated with a 10% premium on the listed Series B shares. This measurement is in accordance with assumptions that are not based on prices of observable data and is thus attributable to level three.

Offsetting of assets and liabilities is not applied in the financial report. The recognized derivatives in terms of assets amounted to SEK 276 m. (Dec 31, 2018: 557) and to SEK 503 m. (Dec 31, 2018: 389) in terms of liabilities.

SEK m.	September 30, 2019				December 31, 2018			
	Level 1	Level 2	Level 3 ¹⁾	Total	Level 1	Level 2	Level 3 ¹⁾	Total
Assets								
Financial investments	11,919		1,323	13,242	10,293		936	11,229
Shares in listed companies	293			293	543			543
Derivatives		276		276		557		557
Total assets	12,211	276	1,323	13,811	10,836	557	936	12,329
Liabilities								
Derivatives		503		503		389		389
Total liabilities		503		503		389		389

¹⁾ The value has changed by SEK 387 m. (Dec 31, 2018: negative 192), which is attributable in its entirety to unrealized value changes and has been recognized in other comprehensive income under Financial assets measured at fair value.

PARENT COMPANY, INCOME STATEMENT

SEK m.	January - September		July - September		Full year
	2019	2018	2019	2018	2018
Personnel costs	-9	-10	-3	-2	-14
Depreciation	-0	-1	-0	-0	-1
Other external costs	-11	-12	-4	-5	-17
Operating loss	-21	-23	-7	-7	-31
Result from financial items					
Result from participations in Group companies	718	686			686
Result from participations in associated companies	655	611			611
Result from other securities and receivables classed as fixed assets	501	593			593
Interest income	39	39	13	13	52
Interest expense and similar costs	-39	-45	-8	-16	-61
Profit after financial items	1,853	1,861	-2	-10	1,850
Appropriations	-121	-62	25	15	-63
Profit before taxes	1,732	1,799	23	5	1,787
Tax	-141	-74	-5	-1	-73
Net profit for the period	1,590	1,724	18	3	1,715

PARENT COMPANY, CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK m.	January - September		July - September		Full year
	2019	2018	2019	2018	2018
Net profit for the period	1,590	1,724	18	3	1,715
Other comprehensive income					
<i>Items that cannot be transferred to profit or loss</i>					
Financial assets measured at fair value	1,745	565	161	777	-1,696
Tax attributable to other comprehensive income	-111	-48	102	-110	275
	1,635	517	263	667	-1,421
Total comprehensive income for the period	3,225	2,241	281	670	293

PARENT COMPANY, CONDENSED BALANCE SHEET

SEK m.	September 30 2019	September 30 2018	December 31 2018
ASSETS			
Fixed assets			
Tangible fixed assets	8	6	6
Financial fixed assets	35,540	35,478	33,312
	35,548	35,484	33,319
Current assets			
Current receivables	3,282	3,348	3,425
Cash and bank balances	269	123	118
	3,551	3,471	3,543
TOTAL ASSETS	39,099	38,955	36,861
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	33,900	33,417	31,469
Untaxed reserves	728	628	607
Provisions	545	758	435
Long-term liabilities	2,511	2,506	2,505
Current liabilities	1,415	1,647	1,846
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	39,099	38,955	36,861

Alternative Performance Measures

In the report alternative performance measures is used to supplement measures defined by IFRS in order to clarify the company's financial position and performance. Aside from net asset value and cash flow on pages 2 and 3, the other alternative performance measures are outlined below.

Adjusted profit after financial items

Adjusted profit after financial items are reported separately in the statement. The purpose is to increase comparison between different periods. Items of the earnings that have been adjusted consists of impairment losses and unrealized changes and is shown in the table below.

SEK m.	January - September		July - September		Full year
	2019	2018	2019	2018	2018
Profit after financial items	9,885	8,822	1,414	2,828	8,230
Devaluation					25
Changes in value of investment properties and derivatives	-2,574	-3,041	-801	-618	-4,447
Changes in value of biological assets	-408	-313	-148	-131	-425
Other changes in value	1	17	28	8	62
Adjusted profit after financial items	6,903	5,486	492	2,086	3,445

Interest-bearing net debt

Interest-bearing net debt is used to illustrate the Group's financial position and comprises the following components.

SEK m.	September 30 2019	September 30 2018	December 31 2018
Long-term financial liabilities	10,925	10,501	10,133
Long-term rights of use	915		
Provision for pensions	244	161	194
Current financial liabilities	6,644	6,174	6,405
Short-term rights of use	55		
Long-term financial receivables	-509	-502	-486
Current financial receivables	-19	-39	-36
Cash and cash equivalents	-1,614	-1,472	-1,466
Interest-bearing net debt	16,640	14,822	14,743

Definitions

The debt/equity ratio is calculated by dividing interest-bearing net debt by total shareholders' equity.

The equity/assets ratio is calculated by dividing total shareholders' equity by total assets.

Forthcoming information

Year-End Report 2019

Annual Report 2019

Annual general assembly 2020

February 20, 2020

March, 2020

April 1, 2020

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This information is such information that L E Lundbergföretagen AB (publ) is obliged to publish in accordance with the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was published by the aforementioned CFO on November 21, 2019 at 12:45 CET.