



LUNDBERGS

Interim Report January – September 2020

- On September 30, 2020, net asset value after deferred tax amounted to SEK 101.9 billion (SEK 411 per share), compared with SEK 96.3 billion (SEK 388 per share) on December 31, 2019. The corresponding values on November 17, 2020 were SEK 105.2 billion (SEK 424 per share).
- Consolidated net sales amounted to SEK 14,667 m. (16,531).
- Profit after financial items amounted to SEK 2,205 m. (9,885) where earnings from participation in associated companies and joint ventures amounted to SEK 611 m. (3,474). Profit after financial items excluding unrealized changes in value amounted to SEK 3,501 m. (6,903).
- Profit after taxes amounted to SEK 1,863 m. (8,437) of which non-controlling interests accounted for SEK 426 m. (2,038).
- Earnings per share attributable to the Parent Company's shareholders totaled SEK 5.80 (25.80).
- The Covid-19 pandemic impacted sales mainly through a reduction in rental income and suspended dividends as well as a reduction in demand for paper. Furthermore, earnings were impacted by the decline in value of real estate, primarily in Hufvudstaden.
- Lundbergs' Board of Directors has considered the issue of dividends during 2020 and has decided not to convene an Extraordinary General Meeting to decide on a dividend.

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 4-10).

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

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

NET ASSET VALUE

On September 30, 2020, net asset value after deferred tax amounted to SEK 101.9 billion (SEK 411 per share), compared with SEK 96.3 billion (SEK 388 per share) at December 31, 2019; see table below.

On November 17, 2020, estimated net asset value after deferred tax amounted to SEK 105.2 billion (SEK 424 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 562 m. (1,824) were received. Funds received from L E Lundberg Kapitalförvaltning AB, amounted to SEK -118 m. (354).

Proceeds from the real estate operation amounted to SEK 809 m. (638).

During the period, the Parent Company invested a total of SEK 1,185 m. (483) in listed shares. The investments consisted of 5,000,000 series A shares in Handelsbanken acquired for SEK 410 m., 2,500,000 series C shares in Industrivärden acquired for SEK 583 m. and 1,000,000 series B shares in Skanska acquired for SEK 193 m.

A total of SEK 585 m. (801) was invested in the real estate operation.

Cash and interest-bearing assets amounted to SEK 718 m. (Dec 31, 2019: 441). Interest-bearing liabilities amounted to SEK 7,402 m. (Dec 31, 2019: 6,346). Interest-bearing net debt increased by SEK 779 m. to SEK 6,685 m. (Dec 31, 2019: 5,906). Indebtedness in relation to gross assets (properties and shares) measured at market value amounted to approximately 6%. In the following calculation of net asset value, the net debt of the Parent Company and the wholly owned subsidiaries (SEK 6,685 m.) has been attributed to Lundbergs Fastigheter.

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 37 m. (47), which on an annual basis corresponded to 0.05% (0.08) of the market value of the assets.

Lundbergs' Board of Directors has considered the issue of dividends during 2020. Due to continued uncertainties related to the Covid-19 pandemic and dividends from portfolio companies to a large extent being suspended, the Board of Directors has decided not to convene an Extraordinary General Meeting to decide on a dividend. Dividend proposal 2021 will be announced in connection with the publication of Lundbergs' Year-End Report on February 25, 2021.

COMPOSITION OF NET ASSET VALUE

	September 30, 2020						December 31, 2019		
	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	55,000,000	2.8	2.8	4,143	17	4	5,045	20	5
Holmen A	33,244,000	34.1	62.3	13,796	56	21	9,807	40	17
Holmen B	22,000,000			7,326	30		6,274	25	
Hufvudstaden A	85,200,000	46.2	88.4	10,641	43	11	15,771	64	18
Hufvudstaden C	8,177,680			1,124	5		1,665	7	
Husqvarna A	39,400,000	7.6	25.2	3,861	16	4	2,939	12	3
Husqvarna B	4,142,012			409	2		311	1	
Industrivärden A	67,100,000	17.7	24.0	16,292	66	18	15,567	63	18
Industrivärden C	10,000,000			2,389	10		1,694	7	
Indutrade	32,280,000	26.7	26.7	15,520	63	15	10,820	44	11
Sandvik	30,000,000	2.4	2.4	5,277	21	5	5,480	22	6
Skanska A	6,032,000	5.1	12.8	1,259	5	4	1,405	6	5
Skanska B	15,050,000			2,856	12		2,974	12	
Övriga värdepapper				685	3	1	571	2	1
Stock portfolio				85,579	345	83	80,323	324	83
Lundbergs Fastigheter									
Value of properties				25,183			24,367		
Interest-bearing net indebtedness ¹⁾				-6,685			-5,906		
Other net items, including deferred tax ²⁾				-1,546			-1,477		
Lundbergs Fastigheter				16,953	68	17	16,984	68	17
Total market-value holdings				102,531	413	100	97,308	392	100
Other net items, including deferred tax ²⁾				-644	-3		-988	-4	
Net asset value after deferred tax				101,888	411		96,320	388	
Market value				110,162	444		101,928	411	
Price/NAV, %					108			106	

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 27% (Dec 31, 2019: 24%) of the market value of properties.

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% has been computed based on 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 participation.

SHAREHOLDINGS

Percent ¹⁾	November 17, 2020		September 30, 2020		December 31, 2019	
	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
Handelsbanken	2.8	2.8	2.8	2.8	2.5	2.6
Holmen	34.1	62.3	34.1	62.3	34.1	62.3
Hufvudstaden	46.2	88.4	46.2	88.4	45.3	88.1
Husqvarna	7.6	25.2	7.6	25.2	7.6	25.2
Industrivärden	17.7	24.0	17.7	24.0	17.1	23.8
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	5.1	12.8	5.1	12.8	4.9	12.6

SEK m.	November 17, 2020		September 30, 2020		December 31, 2019	
	Market value ²⁾	Acquisition value ³⁾	Market value ²⁾	Acquisition value ³⁾	Market value ²⁾	Acquisition value ³⁾
Handelsbanken	4,686	4,110	4,143	4,110	5,045	3,700
Holmen	20,822	3,828	21,122	3,828	16,081	3,828
Hufvudstaden	13,121	2,830	11,765	2,830	17,436	2,830
Husqvarna	3,898	2,021	4,270	2,021	3,250	2,021
Industrivärden	20,352	11,957	18,681	11,957	17,261	11,375
Indutrade	15,010	2,510	15,520	2,510	10,820	2,510
Sandvik	5,669	2,729	5,277	2,729	5,480	2,729
Skanska	4,439	2,701	4,116	2,701	4,379	2,508
Övriga aktier	717	577	685	569	571	479
SUMMA	88,714	33,263	85,579	33,255	80,323	31,980

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

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

3) Acquisition value for accounting purposes, where applicable, after impairment losses and write-ups resulting from shareholdings having switched to being recognized as associated companies.

CASH FLOW REPORT

SEK m.	January - September			Full Year			
	2020	2019	2019	2018	2017	2016	2015
Dividends							
Handelsbanken		253	253	323	195	226	219
Holmen	193	373	373	359	331	290	276
Hufvudstaden	364	345	345	327	308	289	271
Husqvarna		33	98	98	85	72	72
Industrivärden		412	412	394	365	303	331
Indutrade		145	145	119	101	92	79
Sandvik		128	128	105	83	75	105
Skanska		120	120	166	145	124	112
Övrigt	5	15	16	17	11	10	8
	562	1,824	1,891	1,907	1,624	1,482	1,473
L E Lundberg Kapitalförvaltning AB	-118	354	110	-40	41	-62	6
Real estate operations	665	609	794	735	705	702	690
Sales, real estate operations	144	29	41	118	237	964	84
TOTAL ASSETS CONTRIBUTED	1,254	2,816	2,836	2,719	2,607	3,086	2,252
Investments equity management							
Handelsbanken	410	268	364	403	360	153	
Husqvarna		15	15				
Industrivärden	583	200	648		425	1,612	1,012
Indutrade				147		133	
Skanska	193			407		176	
	1,185	483	1,026	957	785	2,075	1,012
Investments, real estate operations	585	801	1,174	1,017	732	630	494
Own dividends		794	794	744	694	657	620
Corporate overheads	25	21	31	30	29	28	25
Taxes paid	62	83	197	136	132	129	115
Financial items	40	50	91	93	133	121	124
Other net	20	80	30	18	-7	-6	47
TOTAL ASSETS USED	1,917	2,311	3,342	2,995	2,499	3,634	2,437
CHANGE IN NET DEBT	-664	505	-506	-275	108	-549	-184
Closing net debt	-7,383	-5,709	-6,719	-6,214	-5,938	-6,047	-5,499
Of which, interest-bearing	-6,685	-4,959	-5,906	-5,562	-5,355	-5,440	-4,944

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 9. The Parent Company is described on pages 5 and 10.

Sales and earnings

The consolidated net sales amounted to SEK 14,667 m. (16,531).

Operating profit amounted to SEK 2,402 m. (10,051) of which earnings from participation in associated companies and joint ventures amounted to SEK 611 m. (3,474).

Unrealized changes in value have affected earnings by SEK -1,297 m. (pos: 2,982).

Net financial items resulted in an expense of SEK 197 m. (166). Profit after financial items amounted to SEK 2,205 m. (9,885). Profit after tax was SEK 1,863 m. (8,437). Earnings per share attributable to the Parent Company's shareholders amounted to SEK 5.80 (25.80).

The Covid-19 pandemic impacted sales mainly through a reduction in rental income and suspended dividends as well as a reduction in demand for paper. Furthermore, earnings were impacted by the decline in value of real estate, primarily in Hufvudstaden.

Tax

The Group's tax expense amounted to SEK 341 m. (1,448).

Investments

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

Shareholders' equity

The Group's shareholders' equity decreased by SEK 1,435 m. The change mainly comprised profit for the period of SEK 1,863 m., other comprehensive income SEK -1,986 m., dividends paid amounting to an expense of SEK 814 m. and repurchases of shares amounting to an expense of SEK 500 m.

The Group's shareholders' equity amounted to SEK 123,975 m. (2019-12-31: 125,410) of which non-controlling interests accounted for SEK 42,562 m. (2019-12-31: 44,214).

Financing

The interest-bearing net debt increased by SEK 1,370 m. to SEK 18,578 m. (2019-12-31: 17,208). Interest-bearing liabilities amounted to SEK 21,289 m. (2019-12-31: 20,325) and interest-bearing assets to SEK 2,711 m. (2019-12-31: 3,117).

The equity/assets ratio was 71% (2019-12-31: 72%).

The debt/equity ratio was 0.15 (2019-12-31: 0.14).

July - September

The Group's net sales amounted to SEK 4,555 m. (5,144).

Operating profit totaled SEK 2,444 m. (1,465).

Unrealized changes in value had an impact of SEK 180 m. (922) on earnings. Operating profit for the respective areas of operation is presented in the table on page 9.

Net financial items amounted to an expense of SEK 76 m. (51). Profit after financial items amounted to SEK 2,368 m. (1,414). Profit after tax amounted to SEK 2,111 m. (1,013). Earnings per share attributable to Parent Company's shareholders amounted to SEK 6.84 (1.73).

Significant risks and uncertainties

Risks and uncertainties are described on pages 48-51 and in Notes 35 and 36 of the Annual Report for 2019. In addition to these, there is now great uncertainty regarding the Covid-19 pandemic. The uncertainty about how long and how much economic activity will be affected by the pandemic is great which makes it difficult to predict its consequences and financial impact.

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 1,223 m. (2,297) and operating profit amounted to SEK 1,673 m. (5,593).

Real Estate Operations

Net sales amounted to SEK 1,193 m. (1,094). The increase is related to changes in rental levels, increased income from sales of development properties and additional rental income from completed real estates.

Rental discount agreements having an adverse impact on earnings in the period amounts to approximately SEK 16 m., of which approximately SEK 2 m. relating to the third quarter. Approximately SEK 6 m. are expected to be reimbursed by the government.

The operating profit amounted to SEK 1,062 m. (1,501), where the decrease is mainly explained by lower unrealized changes in the value of the property portfolio.

Investments in properties amounted to SEK 250 m. (323), in property projects to SEK 319 m. (467) and in equipment to SEK 2 m. (1). Two residential projects and one commercial project are currently under production in Linköping.

An internal valuation of the real estate portfolio was conducted on September 30, 2020 by assessing the fair value of each individual property. The outbreak of Covid-19 makes the valuation uncertainty greater than normal, particularly for retail properties and a risk premium has been applied for this category.

In total, it is estimated that the fair value amounted to SEK 24,794 m. (Dec 31, 2019: 23,945).

Condensed change in fair value

Opening fair value	23,945
Investments in properties	250
Investments in real estate properties	319
Divested properties	-78
Unrealized change in value	358
Closing fair value	24,794

The development properties are recognized in the balance sheet at SEK 122 m. (Dec 31, 2019: 122), constituting the lower of the acquisition value and net realizable value.

Development properties were sold for SEK 55 m. (29).

Equity Management

Net sales totaled SEK 31 m. (1,203) due to suspended dividends and significantly lower transaction volumes in other securities.

Operating profit was SEK 611 m. (4,092). Operating profit includes return from shares in associated companies of SEK 614 m. (3,473) of which SEK 243 m. (220) refers to Husqvarna, SEK 325 m. (282) to Indutrade and SEK 47 m. (2,970) to Industrivärden.

During the period, the Parent Company invested a total of SEK 1,185 m. (483) in listed shares. The investments consisted of 5,000,000 series A shares in Handelsbanken acquired for SEK 410 m., 2,500,000 series C shares in Industrivärden acquired for SEK 583 m. and 1,000,000 series B shares in Skanska acquired for SEK 193 m.

Net investments in shares during the period amounted to SEK 1,291 m. (102).

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 1,366 m. (1,469). The decline is primarily related to temporary discounts for rental costs and increased bad debts due to Covid-19. Rental discount agreements, adjusted for government support, had an adverse effect on earnings of approximately SEK 92 m. in the period, of which approximately SEK 42 m. is related to the third quarter.

Earnings from ongoing operations are expected to be affected also in the coming quarter.

The operating profit amounted to SEK -1,130 m. (pos: 2,721), where the decrease primarily is explained by negative unrealized changes in the value of the property portfolio.

Repurchases of shares

During the period, Hufvudstaden has repurchased own shares for a total of SEK 500 m., corresponding to 1.87 percent of the total number of shares.

Real estate management

During the period, SEK 656 m. (607) was invested in existing properties and SEK 43 m. (45) in other fixed assets.

An internal valuation of the real estate portfolio was conducted on September 30, 2020 by assessing the fair value of each individual property.

The outbreak of Covid-19 makes the valuation uncertainty greater than normal. The unrealized depreciation is due to decline in rental levels, primarily in retail, and the effect of rising return requirements, predominantly for real estates with a significant share of retail premises.

In total, it is estimated that the fair value amounts to SEK 46,267 m. (Dec 31, 2019: 47,681).

Condensed change in fair value

Opening fair value	47,681
Investments in existing properties	656
Unrealized change in value	-2,070
Closing fair value	46,267

Holmen

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

Sales and earnings

Net sales amounted to SEK 12,078 m. (12,765).

Operating profit amounted to SEK 1,884 m. (1,758). Profits was positively impacted by improved profits from paperboard and forest, while price decreases and production curtailments within paper had an adverse impact.

Covid-19 had an adverse effect on profitability for business area paper while the effect on other business areas has been limited. The demand for paper continues to be somewhat weaker in the fourth quarter due to Covid-19.

Investments

Investments in fixed assets amounted to SEK 835 m. (580).

PARENT COMPANY

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

Profit after financial items amounted to SEK 1,004 m. (1,853). The result includes dividends totaling SEK 1,058 m. (1,874).

During the period, the Parent Company invested a total of SEK 1,185 m. (483) in listed shares. The investments consisted of 5,000,000 series A shares in Handelsbanken acquired for SEK 410 m., 2,500,000 series C shares in Industrivärden acquired for SEK 583 m. and 1,000,000 series B shares in Skanska acquired for SEK 193 m.

Significant risks and uncertainties

The parent company's risks and uncertainties are described on page 49 and in notes 35 and 36 of the 2019 annual report. In addition, there is now great uncertainty as a result of the Covid-19 pandemic. The uncertainty about how long and how much economic activity will be affected by the pandemic is large, which makes it difficult to predict its consequences and financial impact.

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, 2020 the company held no shares in treasury.

Dividend

The Board of Directors has considered the issue of dividends for the financial year 2019. Due to continued uncertainties related to the Covid-19 pandemic and dividends from portfolio companies to a large extent being suspended, the Board of Directors has decided not to convene an Extraordinary General Meeting to decide on a dividend. Dividend proposal 2021 will be announced in connection with the publication of Lundebergs' Year-End Report on February 25, 2021.

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.

In addition to the accounting principles set out in the annual report for 2019, IAS 20 Accounting for Government Grants and Disclosures of Government Aid has been applied. Primarily, the aid expected to be received is related to compensation for part of rental discounts. A government grant is recognised when there is reasonable assurance that the entity will comply with any conditions attached to the grant and there is a reasonable assurance that grant will be received. Aid related to rental discounts are recognized in the income statement in the same period as the reduced rental income and amounted to approximately SEK 45 m. in the period.

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 19, 2020

L E Lundbergföretagen AB (publ)

Fredrik Lundberg
Chief Executive Officer

REVIEW REPORT

Introduction

We have reviewed the condensed interim financial information (interim report) for L E Lundbergföretagen AB (publ) as per 30 September 2020 and the nine-month reporting period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 '*Review of interim Financial Information Performed by the Independent Auditor of the Entity*'. A review 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 interim report was not, in all material respects, prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and, for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Stockholm November 19, 2020

KPMG AB

Joakim Thilstedt
Authorised public accountant

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK m.	January - September		July - September		Full Year
	2020	2019	2020	2019	2019
Net sales	14,667	16,531	4,555	5,144	21,655
Operating expenses	-10,703	-12,067	-3,104	-3,914	-16,037
Depreciation	-880	-870	-297	-288	-1,161
Devaluation					-109
Results from participation in associated companies and joint ventures	611	3,474	1,142	-426	5,566
Change in value of investment properties and derivatives	-1,706	2,574	-19	801	4,079
Change in value of biological assets	412	408	166	148	9,566
Operating profit	2,402	10,051	2,444	1,465	23,560
Result from financial items					
Financial income	10	10	2	4	14
Financial expense	-207	-176	-78	-55	-239
Profit after financial items	2,205	9,885	2,368	1,414	23,335
Tax	-341	-1,448	-256	-401	-3,800
Net profit for the period	1,863	8,437	2,111	1,013	19,535
Attributable to:					
Parent Company's shareholders	1,438	6,399	1,696	429	11,927
Non-controlling interests	426	2,038	415	584	7,607
	1,863	8,437	2,111	1,013	19,535
Earnings per share attributable to Parent Company's shareholders	5.80	25.80	6.84	1.73	48.09

CONDENSED CONSOLIDATED STATEMENT COMPREHENSIVE INCOME

SEK m.	January - September		July - September		Full Year
	2020	2019	2020	2019	2019
Net profit for the period	1,863	8,437	2,111	1,013	19,535
Other comprehensive income					
<i>Items that cannot be transferred to profit or loss</i>					
Revaluation of forest assets					13,055
Financial assets measured at fair value	-1,971	1,745	-626	161	3,311
Revaluation of defined-benefit pension plans	-58	-47	31	-77	-9
Tax attributable to items that cannot be transferred to profit or loss	323	-103	125	116	-3,056
Proportion of other comprehensive income in associated companies	-9	-27	4	-15	-32
	-1,714	1,568	-467	185	13,269
<i>Items that can be or have been transferred to profit or loss</i>					
Cash flow hedging	-149	-332	-39	-63	-37
Translation difference on foreign operations	-107	116	12	46	141
Hedging of currency risk in foreign operations	16	-4	-2	-2	-2
Tax attributable to items that can be or have been transferred to profit or loss	29	71	9	13	8
Proportion of other comprehensive income in associated companies and JV	-60	95	-13	45	50
	-271	-54	-33	39	161
Other comprehensive income after tax	-1,986	1,514	-500	225	13,430
Total comprehensive income	-122	9,951	1,611	1,238	32,965
Comprehensive income for the period attributable to:					
Parent Company shareholders	-384	8,040	1,186	700	18,288
Non-controlling interests	262	1,911	425	538	14,677
	-122	9,951	1,611	1,238	32,965

CONDENSED CONSOLIDATED BALANCE SHEET

SEK m.	2020-09-30	2019-09-30	2019-12-31
ASSETS			
Intangible, fixed, assets	269	209	227
Tangible, fixed, assets	122,543	98,260	122,870
Financial, fixed, assets	42,157	38,419	42,467
	164,969	136,888	165,564
Current assets			
Properties, classified, as, current, asset	122	123	122
Other, current, assets	9,267	8,757	9,617
	9,389	8,880	9,739
TOTAL ASSETS	174,358	145,767	175,302
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to Parent Company shareholders	81,413	70,948	81,196
Non-controlling interests	42,562	31,448	44,214
Total shareholders' equity	123,975	102,396	125,410
Long-term liabilities (including provisions)	41,906	31,386	39,045
Current liabilities (including provisions)	8,476	11,985	10,847
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	174,358	145,767	175,302

CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

SEK m.	2020-09-30			2019-09-30		
	Shareholders' equity attributable to Parent Company shareholders	Non-controlling interests	Total shareholders' equity	Shareholders' equity attributable to Parent Company shareholders	Non-controlling interests	Total shareholders' equity
Opening shareholders' equity	81,196	44,214	125,410	64,163	31,681	95,844
Profit for the period	1,438	426	1,863	6,399	2,038	8,437
Other comprehensive income	-1,822	-164	-1,986	1,641	-126	1,514
Dividends		-814	-814	-794	-1,179	-1,972
Cancellation of shares ¹⁾	570	-570				
Share saving program ¹⁾	0	1	1	1	2	3
Repurchase of shares ²⁾	-231	-269	-500	-466	-964	-1,430
Changes in Group structure	262	-262	0	4	-3	0
Closing shareholders' equity	81,413	42,562	123,975	70,948	31,448	102,396

1) Pertains solely to Holmen.

2) In 2020 referring to repurchase of shares in Hufvudstaden and in 2019 referring to repurchases of shares in Holmen.

CONDENSED CONSOLIDATED CASH-FLOW STATEMENTS

SEK m.	January - September		Full Year
	2020	2019	2019
Profit before tax	2,205	9,885	23,335
Adjustments for items not included in cash flow	1,625	-5,011	-17,208
Taxes paid	-409	-237	-482
Changes in working capital	-198	435	544
Cash flow from operating activities	3,223	5,071	6,189
Acquisition of fixed assets	-3,154	-2,487	-4,182
Sale of fixed assets	163	20	21
Cash flow from investing activities	-2,991	-2,467	-4,161
Changes in financial receivables and liabilities	799	945	2,535
Dividend paid	-814	-1,972	-1,972
Repurchases of shares	-500	-1,430	-1,430
Cash flow from financing activities	-515	-2,457	-867
Cash flow during the period	-282	148	1,161
Cash and cash equivalent at the beginning of the year	2,628	1,466	1,466
Cash and cash equivalents at the end of the period	2,345	1,614	2,628

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

	2020-09-30	2019-09-30	2019-12-31
Shareholders' equity per share attributable to Parent Company shareholders, SEK	328	286	327
Debt/equity ratio	0.15	0.16	0.14
Equity/assets ratio, %	71	70	72

Information concerning business segments

January – September

SEK m.	Lundbergs Real Estate Operations		Lundbergs Equity Management		Hufvudstaden		Holmen		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales ¹⁾	1,193	1,094	31	1,203	1,366	1,469	12,078	12,765	14,667	16,531
Operating expenses	-494	-459	-30	-583	-419	-445	-9,736	-10,559	-10,678	-12,046
Depreciations	-5	-5	-0	-0	-7	-7	-867	-858	-879	-869
Result from participation in group companies, JV			614	3,473			-3	1	611	3,474
Change in value ²⁾	368	871	-4		-2,070	1,704	412	408	-1,294	2,982
Profit per business segment	1,062	1,501	611	4,092	-1,130	2,721	1,884	1,758	2,427	10,072
Undistributed costs									-25	-21
Operating profit	1,062	1,501	611	4,092	-1,130	2,721	1,884	1,758	2,402	10,051

1) Net sales in the Real Estate Operations comprise SEK 49 m. (44) income from service and SEK 55 m. (29) from sales of development properties.

Of the net sales in Asset management, dividends account for SEK 5 m. (515) and share trading SEK 26 m. (687).

Hufvudstadens income from services amounted to SEK 69 m. (67).

Net sales in Holmen are 17% (17) from Forest, 39% (37) from Paperboard, 31% (34) from Paper, 11% (10) from Wood Products and 2% (2) from Energy.

July - September

SEK m.	Lundbergs Real Estate Operations		Lundbergs Equity Management		Hufvudstaden		Holmen		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales	384	379	0	132	445	489	3,727	4,144	4,555	5,144
Operating expenses	-146	-154	80	-140	-148	-145	-2,883	-3,469	-3,096	-3,907
Depreciation	-2	-2	-0	-0	-2	-2	-291	-283	-296	-288
Result from participation in group companies, JV			1,145	-427			-3	1	1,142	-426
Change in value ²⁾	137	393	-1		-156	409	166	147	148	949
Profit per business segment	373	616	1,225	-435	140	751	714	541	2,451	1,472
Undistributed costs									-8	-7
Operating profit	373	616	1,225	-435	140	751	714	541	2,444	1,465

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 168 m. (Dec 31, 2019: 326) and to SEK 208 m. (Dec 31, 2019: 194) in terms of liabilities.

SEK m.	2020-09-30				2019-12-31			
	Nivå 1	Nivå 2	Nivå 3 ¹⁾	Summa	Nivå 1	Nivå 2	Nivå 3 ¹⁾	Summa
Assets								
Financial investments	12,276		1,259	13,535	13,499		1,405	14,904
Shares in listed companies	685			685	571			571
Derivates		168		168		326		326
Total assets	12,961	168	1,259	14,389	14,070	326	1,405	15,801
Liabilities								
Derivates		208		208		194		194
Total liabilities		208		208		194		194

1) The value has changed by SEK -145 m. (Dec 31, 2019: pos: 469), 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
	2020	2019	2020	2019	2019
Personnel costs	-9	-9	-3	-3	-14
Depreciation	-0	-0	-0	-0	-0
Other external costs	-16	-11	-5	-4	-17
Operating loss	-25	-21	-8	-7	-31
Result from financial items					
Result from participations in Group companies	1,058	718	193		718
Result from participations in associated companies		655			655
Result from other securities and receivables classed as fixed assets		501			501
Interest income	38	39	14	13	52
Interest expense and similar cost	-65	-39	-33	-8	-55
Profit after financial items	1,004	1,853	166	-2	1,840
Appropriations	57	-121	19	25	-24
Profit before tax	1,062	1,732	186	23	1,816
Tax	-6	-141	-2	-5	-161
Net profit for the period	1,056	1,590	184	18	1,655

PARENT COMPANY, STATEMENT OF COMPREHENSIVE INCOME

SEK m.	January - September		July - September		Full Year
	2020	2019	2020	2019	2019
Net profit for the period	1,056	1,590	184	18	1,655
Other comprehensive income					
<i>Items that cannot be transferred to profit or loss</i>					
Financial assets measured at fair value	-1,971	1,745	-626	161	3,311
Tax attributable to other comprehensive income	312	-111	131	102	-381
	-1,659	1,635	-495	263	2,930
Total comprehensive income for the period	-603	3,225	-312	281	4,585

PARENT COMPANY, CONDENSED BALANCE SHEET

SEK m.	2020-09-30	2019-09-30	2019-12-31
ASSETS			
Fixed assets			
Tangible fixed assets	7	8	8
Financial fixed assets	36,864	35,540	37,649
	36,871	35,548	37,657
Current assets			
Current receivables	4,816	3,282	4,049
Cash and bank balances	715	269	438
	5,532	3,551	4,487
TOTAL ASSETS	42,403	39,099	42,144
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	34,658	33,900	35,260
Untaxed reserves	668	728	725
Provisions	503	545	815
Long-term liabilities	6,530	2,511	4,514
Current liabilities	44	1,415	829
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	42,403	39,099	42,144

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
	2020	2019	2020	2019	2019
Profit after financial items	2,205	9,885	2,368	1,414	23,335
Devaluation					109
Changes in value of investment properties and derivatives	1,717	-2,574	19	-801	-4,079
Changes in value of biological assets	-412	-408	-166	-148	-9,566
Other changes in value	-8	1	-33	28	-38
Adjusted profit after financial items	3,501	6,903	2,188	492	9,760

Interest-bearing net debt

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

SEK m.	2020-09-30	2019-09-30	2019-12-31
Long-term financial liabilities	16,626	10,925	13,218
Long-term right of use	934	915	907
Provisions for pensions	259	244	210
Current financial liabilities	3,441	6,644	5,936
Short-term rights of use	28	55	54
Long-term financial receivables	-334	-509	-474
Current financial receivables	-32	-19	-15
Cash and cash equivalents	-2,345	-1,614	-2,628
Interest-bearing net debt	18,578	16,640	17,208

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 2020	February 25, 2021
Annual Report 2020	March, 2021
Annual General Meeting 2021	April 15, 2021

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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 19, 2020 at 13:30 CET.