



2019

INTERIM REPORT
JANUARY - JUNE

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NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 127 per share, compared with SEK 100 per share at the start of the year. This is an increase of 30.3 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 20.7 per cent. The net asset value was SEK 125 per share at 19 August.¹
- The total return on the Latour share was 24.6 per cent during the year measured against the SIXRX, which rose 20.7 per cent.

INDUSTRIAL OPERATIONS

The second quarter

- The industrial operations' order intake rose 12 per cent to SEK 3,570 m (3,192 m), which represents a 3 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 18 per cent to SEK 3,512 m (2,983 m), which represents an 8 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 28 per cent to SEK 507 m (397 m), which equates to an operating margin of 14.5 (13.3) per cent for continuing operations.

January – June

- The industrial operations' order intake rose 17 per cent to SEK 6,897 m (5,914 m), which represents a 7 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 21 per cent to SEK 6,652 m (5,514 m), which represents a 10 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 36 per cent to SEK 919 m (676 m), which equates to an operating margin of 13.8 (12.3) per cent for continuing operations.
- Latour Industries acquired the Norwegian company, TKS Heis AS, in January.

THE GROUP

- Consolidated net sales totalled SEK 6,752 m (5 614 m), and profit after financial items was SEK 3,575 m (1,119 m). Capital gains and other items impacting comparability amounting to SEK 1,082 m (-570 m) are recognised in the income statement.
- Consolidated profit after tax was SEK 3,372 m (954 m), which is equivalent to SEK 5.27 (1.50) per share.
- Net debt, excluding impacts of IFRS 16, was SEK 4,613 m (5,229 m) and is equivalent to 5.4 per cent of the market value of total assets. Recognised Group net debt, where IFRS 16 had full impact, amounted to SEK 5,279 m.
- The entire shareholding in the part-owned holding in Terratech was divested on 25 April.

INVESTMENT PORTFOLIO

- During the first six months, the value of the investment portfolio increased by 31.2 per cent adjusted for dividends and net investments. The benchmark index (SIXRX) rose 20.7 per cent.
- The investment in Fagerhult increased during the quarter by SEK 995 m in connection with the holding's preference share issue to finance the acquisition of iGuzzini.
- Earlier in the year, all of the class A shares in Loomis were divested.

EVENTS AFTER THE REPORTING PERIOD

- On 13 August, Swegon acquired the Norwegian company Klimax A/S, with 12 employees and net sales of NOK 66 m.

¹ The calculation of the net asset value on 19 August was based on the value of the investment portfolio at 1 p.m. on 19 August, and the same values as at 30 June 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 that had a market value of SEK 61 billion as at 30 June 2019. 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 once again delivered a strong performance and we can report yet another record-breaking quarter. Nevertheless, it is becoming increasingly clear that a slowdown is imminent. The rate of organic growth for our wholly-owned companies was slightly lower during the latter part of the quarter. This is not, however, a general decline but rather relatively dispersed signs from different industries and markets. It is thus difficult to draw more precise conclusions. Regardless, our operations are well-positioned and equipped for a more widespread downturn in the economy. During the second quarter, the order intake grew by 12 per cent and, excluding acquisitions and foreign exchange effects, growth was 3 per cent. The rate was somewhat higher for invoicing, which grew by 18 per cent during the quarter, and, excluding acquisitions and foreign exchange effects, growth was 8 per cent. Even with the high invoicing rate, the order backlog continues to rise and, at the end of the quarter, it had reached a new record level of SEK 2,279 m (1,602 m), exceeding last year's level by 42 per cent. Despite the growing concern about a future downturn, we are proud to report profits of SEK 507 m (398 m) for the quarter, with an operating margin of 14.5 (13.3) per cent. In absolute terms, this is our best quarter to date.

Our stable earnings performance gives us confidence to act proactively regardless of the market climate. At an undiminished pace, we continue to invest in product development, as well as sales & marketing in our business areas. In addition, we're constantly searching for suitable companies to add to the Group as a way of supplementing organic growth. The number of interesting acquisition candidates is once again on the rise, despite a rather sluggish start to 2019. However, there is no guarantee that we will be successful in finding companies that satisfy our rather strict criteria for investment. Although we did not make any acquisitions during the second quarter, in August, we completed Swegon's acquisition of Klimax A/S.

Performance of the stock market has been very strong during the first half of the year. Our investment portfolio increased by 31.2 per cent, adjusted for dividends and changes in the portfolio, while the benchmark index SIXRX increased by 20.7 per cent. The net asset value in Latour increased by 30.3 per cent to SEK 127 per share in the same period.

Almost all of our listed holdings have, at this point, already reported their results. On the whole, these reports are good and stable, which again corroborates the high quality of the companies in our portfolio. The acquisition activities of the portfolio companies have continued, but, as with our wholly-owned companies, there were variations in organic growth. Accordingly, it is difficult to make predictions that are entirely positive or negative as regards future economic trends. During the first half of the year, Assa Abloy announced a number of acquisitions, including the acquisition of the listed Swiss company, 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 supported the acquisition as guarantor in the new share issue that occurred during the quarter.”

*Jan Svensson
President and Chief Executive Officer*

Industrial operations

Order intake, invoiced sales and earnings

In the second quarter, the order intake increased by 12 per cent to SEK 3,570 m (3,192 m), with organic growth accounting for 3 per cent of this. Invoiced sales rose 18 per cent to SEK 3,512 m (2,983 m), with organic growth accounting for 8 per cent of this. The operating profit in the wholly-owned industrial operations increased by 28 per cent to SEK 507 m (397 m) in the quarter. The operating margin was 14.5 (13.3) per cent.

The order intake increased in the first six months by 17 per cent to SEK 6,897 m (5,914 m), which is equivalent to 7 per cent organic growth. Invoiced sales rose 21 per cent to SEK 6,652 m (5,514 m), which is equivalent to 10 per cent organic growth. The operating profit in the wholly-owned industrial operations increased by 36 per cent to SEK 919 m (676 m) in the six-month period. The operating margin was 13.8 (12.3) per cent.

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

Acquisitions/disposals

The entire shareholding in the part-owned holding in Terratech was divested in the second quarter. The disposal date was 25 April and it occurred as a result of interest within the circle of owners to find a new owner for the company. The transaction generated a return for Latour of 300 per cent.

Earlier in the year, a transaction occurred within the scope of our 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 partly-owned Diamorph was sold in March for just over SEK 290 m.

Industrial operations summary

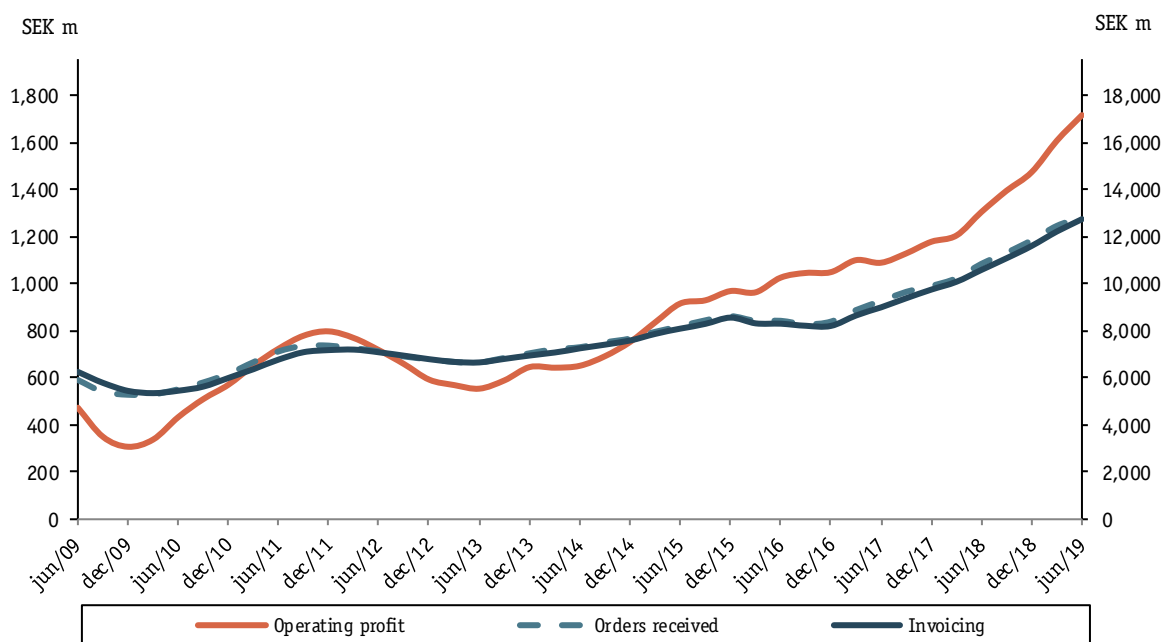
Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths
Hultafors Group	689	596	1,337	1,073	90	98	178	163	13.1	16.4	13.3	15.2
Latour Industries	790	700	1,529	1,330	67	48	123	78	8.5	6.9	8.0	5.9
Nord-Lock Group	395	341	778	645	124	108	245	202	31.6	31.7	31.5	31.3
Swegon	1,639	1,347	3,009	2,468	226	143	373	233	13.8	10.6	12.4	9.4
Eliminations	-1	-1	-1	-2	-	-	-	-	-	-	-	-
	3,512	2,983	6,652	5,514	507	397	919	676	14.5	13.3	13.8	12.3
Part-owned subsidiaries	55	41	100	79	3	-5	1	-11	4.9	-13.0	1.7	-13.7
	3,567	3,024	6,752	5,593	510	392	920	665	14.3	12.9	13.6	11.8
Gain/loss from sale/purchase of business	-	-	-	-	108	-10	107	-11				
Other companies and items	-	-	-	21	-20	-11	-17	-16				
	3,567	3,024	6,752	5,614	598	371	1,010	638				
Changed accounting policies	-	-	-	-	1	-	2	-				
	3,567	3,024	6,752	5,614	599	371	1,012	638				

SEK m	Operating capital ¹		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	2,331	1,466	16.8	22.0	24.6	5.5	3.5	14.2
Latour Industries	3,044	3,002	7.7	6.1	15.0	6.7	1.9	5.8
Nord-Lock Group	1,077	975	40.8	37.5	20.7	12.7	6.1	0.9
Swegon	3,215	2,981	20.3	14.6	21.9	12.6	2.8	5.3
Total	9,667	8,424	17.8	15.5	20.6	9.7	3.1	6.6

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

Industrial operations trailing 12 months



Development by business area

HULTAFORS GROUP

(SEK m)	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
Net sales	689	596	1,337	1,073	2,407	2,671
EBITDA	102		203			428
EBITDA ¹	95	102	189	170	395	414
EBITA ¹	91	98	180	163	378	395
EBIT ¹	90	98	178	163	375	391
EBITA % ¹	13.2	16.4	13.4	15.2	15.7	14.8
EBIT % ¹	13.1	16.4	13.3	15.2	15.6	14.6
Total growth %	15.6	29.5	24.6	18.6	26.6	
Organic %	1.6	13.7	5.5	9.0	9.8	
Exchange effects %	2.8	2.4	3.5	2.2	3.3	
Acquisitions %	10.6	11.2	14.2	6.5	12.5	
Average number of employees	855	771	852	750	821	

¹ Excl. IFRS 16.

Highlights

- Total growth remained good during the quarter for all product areas, yet with slightly lower organic growth than before due to higher uncertainty in certain markets.
- Performance declined slightly compared to last year. Tariffs on most products in the US have a negative impact on growth and profitability.
- There is now a higher rate of investment in sales & marketing and IT aimed at supporting continued growth.

Breakdown of net sales

(SEK m)	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
PPE/Workwear	395	344	770	644	1,415	1,541
Hardware	294	252	567	429	992	1,130
	689	596	1,337	1,073	2,407	2,671
Pro forma adjustment ¹						4
Trailing 12 month pro forma						2,675

¹ Pro forma for completed acquisitions.



(SEK m)	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
Net sales	790	700	1,529	1,330	2,737	2,936
EBITDA	95		178			324
EBITDA ¹	81	63	151	107	254	298
EBITA ¹	71	54	132	89	216	258
EBIT ¹	67	48	123	78	190	234
EBITA % ¹	9.0	7.7	8.6	6.7	7.9	8.8
EBIT % ¹	8.5	6.9	8.0	5.9	6.9	8.0
Total growth %	12.9	25.9	15.0	30.5	18.3	
Organic %	4.8	8.4	6.7	9.0	7.8	
Exchange effects %	1.5	3.1	1.9	2.8	3.2	
Acquisitions %	6.2	12.6	5.8	16.5	6.3	
Average number of employees	1,490	1,418	1,480	1,403	1,412	

¹ Excl. IFRS 16.

Highlights

- Performance during the quarter is in line with expectations, with net sales increasing by 13 per cent, of which 5 per cent was organic growth.
- Profitability continues to gradually improve in accordance with what we previously communicated.
- The investments in marketing and product development are proceeding according to plan.

Breakdown of net sales

(SEK m)	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
Bemsiq	123	119	250	223	442	469
Aritco Group	195	119	367	245	527	650
VIMEC	135	130	246	241	505	510
REAC	139	133	283	250	525	558
LSAB	145	155	291	295	570	566
DENSIQ	55	44	97	75	168	189
Elimination	-3	-	-4	-	-1	-6
	790	700	1,529	1,330	2,737	2,936
Pro forma adjustment ¹						102
Trailing 12 month pro forma						3,038

¹ Pro forma for completed acquisitions.

Hultafors Group offers products in the Personal Protective Equipment/Workwear and Hardware 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 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
Net sales	395	341	778	645	1,309	1,442
EBITDA	140		275			487
EBITDA ¹	134	117	263	219	431	475
EBITA ¹	127	110	250	206	406	449
EBIT ¹	124	108	245	202	397	440
EBITA % ¹	32.2	32.3	32.1	32.0	31.0	31.1
EBIT % ¹	31.6	31.7	31.5	31.3	30.3	30.5
Total growth %	15.7	19.3	20.7	13.3	17.5	
Organic %	9.3	16.6	12.7	12.4	13.0	
Exchange effects %	4.9	2.4	6.1	0.8	3.7	
Acquisitions %	0.8	-	0.9	-	0.2	
Average number of employees	600	546	598	531	542	

¹ Excl. IFRS 16.

Highlights

- In absolute terms, as regards both invoicing and operating profit, it was another record quarter.
- Strong order intake, however, signs of a slowdown in parts of Europe towards the end of the quarter.
- Asia Pacific and the Americas posted very strong organic sales growth of 25 and 16 per cent respectively in the quarter.
- It was decided that strategically important investments would be made to upgrade facilities in USA and Sweden.
- There were some exciting product launches for future profitable growth, such as SMART sensor technology.

Breakdown of net sales

(SEK m)	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
EMEA	172	167	345	335	655	665
Americas	109	87	203	152	340	391
Asia Pacific	114	87	230	157	314	387
	395	341	778	645	1,309	1,442
Pro forma adjustment ¹						1
Trailing 12 month pro forma						1,443

¹ Pro forma for completed acquisitions.

(SEK m)	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
Net sales	1,639	1,347	3,009	2,468	5,137	5,677
EBITDA	265		451			772
EBITDA ¹	248	166	417	278	599	738
EBITA ¹	230	147	381	239	528	669
EBIT ¹	226	143	373	233	514	654
EBITA % ¹	14.0	10.9	12.7	9.7	10.3	11.8
EBIT % ¹	13.8	10.6	12.4	9.4	10.0	11.5
Total growth %	21.7	14.5	21.9	11.9	17.3	
Organic %	12.4	10.1	12.6	8.4	11.5	
Exchange effects %	2.3	4.0	2.8	2.9	4.0	
Acquisitions %	5.8	-	5.3	0.4	1.2	
Average number of employees	2,514	2,383	2,471	2,308	2,293	

¹ Excl. IFRS 16.

Highlights

- For all business units, there has been continued strong organic growth in net sales, at the same rate as in the first quarter. The growth rate for order intake has slowed down somewhat from record high levels, particularly in the Swedish market.
- High net sales were reported by business unit Cooling, particularly in the European market.
- Earnings performance has been strong, fuelled by rising volumes, high capacity utilisation at factories, and the successful launch of new products.
- Performance in North America remains strong.

Breakdown of net sales

(SEK m)	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
Sweden	332	312	632	595	1,137	1,174
Rest of Nordic region	278	252	535	462	969	1,042
Rest of world	1,029	783	1,842	1,411	3,031	3,461
	1,639	1,347	3,009	2,468	5,137	5,677
Pro forma adjustment ¹						109
Trailing 12 month pro forma						5,786

¹ Pro forma for completed acquisitions.

(SEK m)	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	2018 Full Year	Trailing 12 mths
Cooling	510	412	859	689	1,502	1,673
Home Solutions	127	107	237	201	413	449
Light Commercial	68	63	127	118	225	235
Commercial Ventilation	687	636	1,314	1,200	2,388	2,503
North America	88	59	169	124	281	326
UK	180	155	336	291	583	628
Eliminations	-21	-85	-33	-155	-255	-137
	1,639	1,347	3,009	2,468	5,137	5,677

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.

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 127 per share from SEK 100 at the start of the year. The net asset value consequently increased by 30.3 per cent, adjusted for dividends, measured against SIXRX which increased by 20.7 per cent.

SEK m	Net sales ¹	EBIT ¹	EBIT multiple	Valuation ² Range	Valuation ² Average	Valuation ² SEK/share ³ Range
Hultafors Group	2,675	391	11 - 15	4,301 - 5,865	5,083	7 - 9
Latour Industries	3,038	240	12 - 16	2,880 - 3,840	3,360	5 - 6
Nord-Lock Group	1,443	440	12 - 16	5,280 - 7,040	6,160	8 - 11
Swegon	5,786	661	13 - 17	8,593 - 11,237	9,915	13 - 18
	12,942	1,732		21,054 - 27,982		33 - 44
Industrial operations valuation, average					24,518	38
Listed shares (see table on page 9 for breakdown)					60,984	95
<i>Unlisted part-owned holdings</i>						
Neuffer ⁵ , 66.1 %					166	0
Oxeon ⁴ , 31.6 %					15	0
<i>Other assets</i>						
Short trading portfolio					-3	0
Dilution effect of option programme					18	0
Nobia shares					-61	0
Consolidated net debt (excl IFRS 16)					252	0
Estimated value					-4,613	-6
					81,276	127
					(77 812 - 84 740)	(122 - 133)

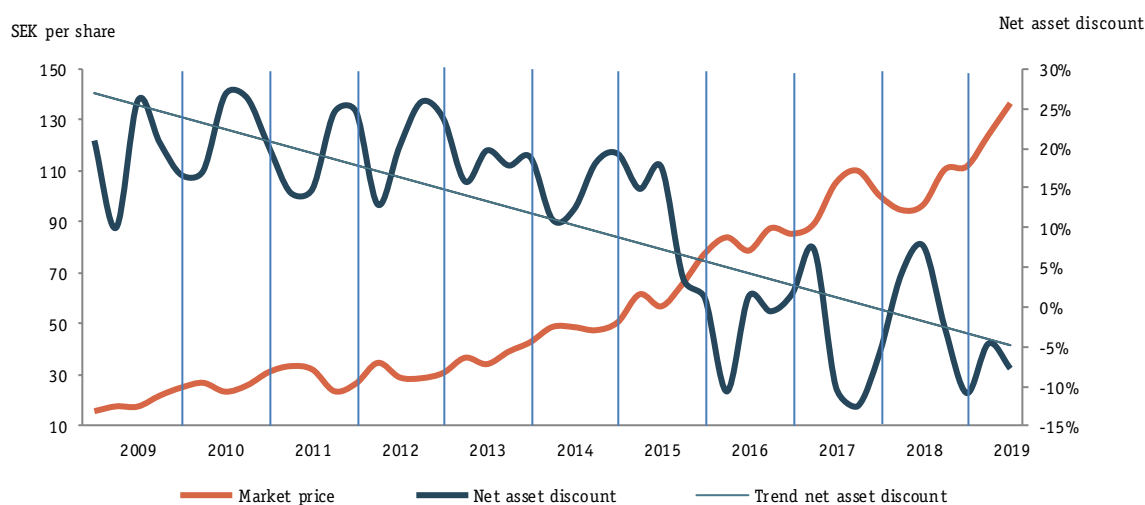
¹ Trailing 12 months for current company structure (proforma). EBIT is, as appropriate, reported before restructuring costs.

² EBIT and EV/sales recalculated taking into consideration the listed share price on 30 of June 2019 for comparable companies in each business area.

³ Calculated on the basis of the number of outstanding shares.

⁴ Valued according to the latest transaction.

⁵ Valued according to Latour's latest acquisition price.



The investment portfolio at 30 June 2019

During the first half of the year, the value of the investment portfolio increased by 31.2 per cent, adjusted for changes in the portfolio, while the benchmark index (SIXRX) increased by 20.7 per cent. The investment in Fagerhult increased during the quarter by SEK 995 m in connection with the holding's preference share issue to finance the acquisition of

iGuzzini. Latour's ownership stake in Fagerhult thus increased to 44.3 per cent of the capital and 44.5 per cent of the voting rights. In March, all 2,528,520 class 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 ¹	Number	Cost SEK m	Listed share price ² SEK	Market value SEK m	Share of votes %	Share of equity %
Alimak Group	15,806,809	2,113	143	2,254	29.2	29.2
Assa Abloy ³	105,495,729	1,697	210	22,144	29.5	9.5
Fagerhult	78,410,480	1,566	62	4,822	44.5	44.3
HMS Networks	12,109,288	250	178	2,158	26.0	25.9
Nederman	10,538,487	306	114	1,197	30.0	30.0
Securitas ³	39,732,600	1,081	163	6,472	29.6	10.9
Sweco ^{3 4}	32,622,480	479	255	8,312	21.3	26.9
Tomra ⁵	39,000,000	2,000	280 NOK	11,909	26.4	26.3
Troax	18,060,000	397	95	1,716	30.1	30.1
Total		9,889		60,984		

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

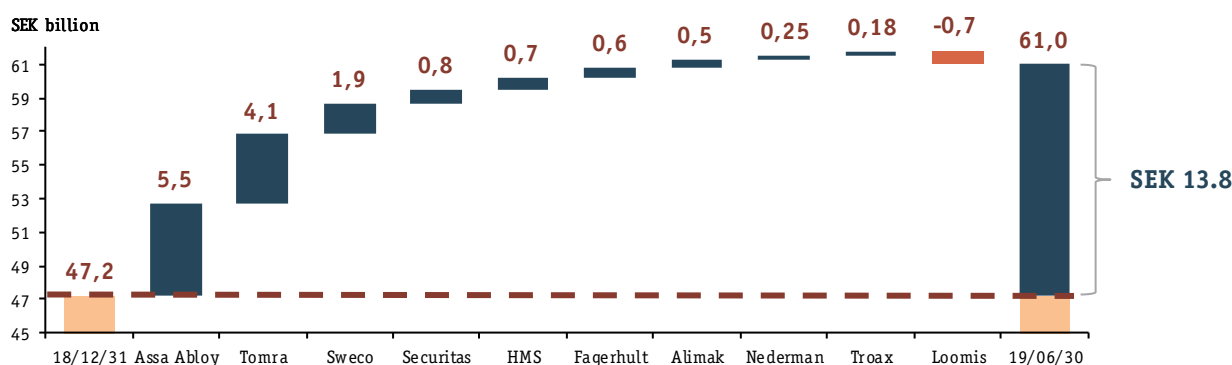
² The last price paid is used as the listed share price.

³ Due to the limited trading in class A shares in Sweco, and the fact that the class A shares in Assa Abloy and Securitas are unlisted, they have been given the same listed share price as the companies' class B shares. Holdings consisting of both class A and B shares are reported in the table as unit.

⁴ The cost of the class B shares are SEK 34 m higher than in the parent company through the exercise of call options.

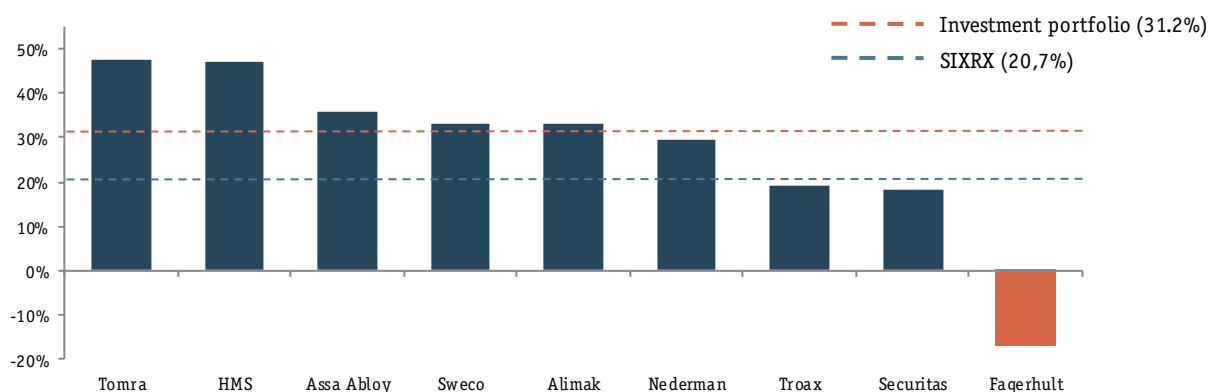
⁵ At the end of the report period, the listed share price was NOK 280,40 which has been translated to SEK at the exchange rate on the balance sheet date.

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 3,575 m (1,119 m). Profit after tax was SEK 3,372 m (954 m), which is equivalent to SEK 5.27 (1.50) per share. There has been a positive impact on earnings from a reversal of previous impairment of the holding in Alimak of SEK 467 m along with capital gains of SEK 615 m.

The Group's cash in hand and liquid investments reached SEK 734 m (668 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 4,522 m (5,835 m). The Group's net debt, including pension liabilities, was SEK 5,279 m. Net debt, excluding lease liabilities, was SEK 4,613 m (5,229 m). The equity ratio was 88 (87) per cent 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 55 m (86 m) was invested in property, plant and equipment, of which SEK 42 m (64 m) was machinery and equipment, SEK 10 m (22 m) was vehicles, and SEK 3 m (0 m) was buildings. Fixed assets in newly acquired companies account for SEK 4 m (13 m) of investments for the year.

Parent company

The parent company's profit/loss after financial items was SEK 1,385 m (1,415 m). The parent company's equity ratio was 70 (76) per cent.

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 30 June 2019 amounted to 639,282,500. At the end of the period, Latour holds 557,500 repurchased class B shares.

The total number of issued call options is 1,251,500, which give the right to purchase 1,748,000 shares.

Events after the reporting period

On 13 August, Swegon acquired the Norwegian company Klimax A/S, with 12 employees and net sales of NOK 66 m. 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 20 of this report and in Latour's latest Annual Report. For an explanation of how the financial performance measures have been calculated for the current and prior periods, please see the table in this report and Latour's latest Annual Report.

The Annual Reports for 1986 to 2018 are available for viewing on Latour's website 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	CB	IFRS 16 effect	OB
SEK m	1,812		1,901
Assets			
Property, plant and equipment	959	729	1,688
Total assets	30,167	729	30,896
Liabilities and equity			
Equity	21,863	-	21,863
Liabilities	8,304	729	8,304
Total liabilities and equity	30,167	729	30,896

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 six months of 2019, the operating profit was impacted positively by SEK 2 m, and net profit was impacted adversely by SEK -2 m. Lease payments of SEK 89 m were reversed, while depreciation of SEK -87 m and interest expenses of SEK -4 m have been recognised in the income statement. 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 0.2 m are not included in the recognised liabilities or the right-of-use assets.

As of 1 January 2019, Latour reports its leases in accordance with IFRS 16. The following accounting policies have thus been applied:

The Group's leasing agreements primarily consist of rights-of-use to facilities and equipment. Leases are reported as right-of-use assets with the corresponding lease liabilities as of the date when the leased asset is available for use by the Group. Short-term leases and leases where the underlying asset has a low value are not included.

Each lease payment is divided between the amortization of the lease liability and the financial expense. The financial expense is allocated over the lease term such that an amount is recognised corresponding to a fixed interest rate on the reported liability in each reporting period.

The lease term is equivalent to the non-cancellable period, which includes optional lease periods when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease.

The Group's lease liabilities are reported at the present value of its fixed fees (including any fees which, in substance, are fixed payments). Call options are included in the fees if it is reasonably certain that these will be used to acquire the underlying asset. Penalties associated with termination of the leasing agreement are included if the lease term reflects that the lessee will exercise an option to terminate the lease. Leasing payments are discounted using the implied interest rate of the leasing agreement if this rate can easily be determined, otherwise the Group's marginal borrowing rate is used.

The Group's right-of-use assets are reported at cost, which includes the initial present value of the lease liability, adjusted for any lease payments made before or after the start date, along with any initial direct expenditure. Restoration costs are included in the cost of the asset if a corresponding provision for the restoration costs has also been made. Right-of-use assets are depreciated on a straight-line basis over the useful life or the lease term, whichever is shorter.

Gothenburg, 20 August 2019

Jan Svensson

President and CEO

The Board of Directors and the Chief Executive Officer declare that the statements for the six month period give a true and fair view of the company's and the Group's operations, financial positions and performance, and describe significant risks and uncertainties faced by the company and the Group's companies.

Gothenburg, 20 August 2019
Investment AB Latour

Olle Nordström
Chairman

Mariana Burenstam Linder
Board member

Anders Böös
Board member

Carl Douglas
Board member

Jan Svensson
CEO

Eric Douglas
Board member

Johan Hjertonsson
Board member

Lena Olving
Board member

Joakim Rosengren
Board member

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Conference call

Investment AB Latour invites you to participate in a conference call with Jan Svensson and Anders Mörck commencing at 1 p.m. today.

The number to call is +46 (0)8 505 583 54. The conference will be broadcast on the Internet.

To follow the presentation, please visit our website, www.latour.se.

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 20 August 2019 08.30 CEST.

Consolidated income statement

SEK m	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	12 mths Jul-Jun 2018/2019	Full Year 2018
Net sales	3,567	3,024	6,752	5,614	12,923	11,785
Cost of goods sold	-2,137	-1,802	-4,041	-3,346	-7,768	-7,073
Gross profit	1,430	1,222	2,711	2,268	5,155	4,712
Sales costs	-575	-531	-1,122	-1,018	-2,167	-2,063
Administrative costs	-277	-241	-534	-467	-1,020	-953
Research and development costs	-87	-87	-171	-170	-329	-328
Other operating income	115	21	141	53	231	143
Other operating expenses	-7	-13	-13	-28	-99	-114
Operating profit	599	371	1,012	638	1,771	1,397
Income from interests in associates	1,196	68	2,568	462	3,384	1,278
Income from portfolio management	-23	44	-12	35	-24	23
Management costs	36	-6	30	-11	20	-21
Profit before financial items	1,808	477	3,598	1,124	5,151	2,677
Finance income	30	54	98	112	30	44
Finance expense	-54	-68	-121	-117	-79	-75
Profit after financial items	1,784	463	3,575	1,119	5,102	2,646
Taxes	-113	-95	-203	-165	-360	-322
Profit for the period ¹	1,671	368	3,372	954	4,742	2,324
Attributable to:						
Parent company shareholders	1,670	370	3,371	958	4,749	2,336
Non-controlling interests	1	-2	1	-4	-7	-12
Earnings per share regarding profit attributable to parent company shareholders						
Basic share, SEK	2.61	0.58	5.27	1.50	7.43	3.66
Diluted share, SEK	2.60	0.58	5.26	1.49	7.41	3.64
Average number of basic shares outstanding	639,170,082	638,933,885	639,143,936	638,891,180	639,130,610	639,005,270
Average number of diluted shares outstanding	641,325,511	641,189,324	641,394,124	641,237,892	641,307,355	641,229,881
Number of outstanding shares	639,282,500	639,117,500	639,282,500	639,117,500	639,282,500	639,117,500

¹ Profit for the period 2019 has been negatively affected by SEK -2 m through the introduction of IFRS 16.

Consolidated statement of comprehensive income

SEK m	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	12 mths Jul-Jun 2018/2019	Full Year 2018
Profit for the period	1,671	368	3,372	954	4,742	2,324
Other comprehensive income:						
Items that will not be recycled to the income statement						
Restatement of net pension obligations	-	-	-	-	-7	-7
	0	0	0	0	-7	-7
Items that may subsequently be recycled to the income statement						
Change in translation reserve for the period	54	72	163	264	95	196
Change in fair value reserve for the period	-2	-29	23	-2	-69	-94
Change in hedging reserve for the period	2	-5	-1	-46	22	-23
Change in associated companies' equity	176	291	272	662	135	525
			457	878	183	604
Other comprehensive income, net after tax	230	329	457	878	176	597
Comprehensive income for the period	1,901	697	3,829	1,832	4,918	2,921
Attributable to:						
Parent company shareholders	1,900	699	3,828	1,836	4,925	2,933
Non-controlling interests	1	-2	1	-4	-7	-12

Consolidated cash flow

SEK m	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	12 mths Jul-Jun 2018/2019	Full Year 2018
Operating cash flows before movements in working capital	518	368	940	569	1,697	1,326
Movements in working capital	-70	-243	-293	-463	-42	-212
Operating cash flows	448	125	647	106	1,655	1,114
Acquisitions of subsidiaries	-	-673	-62	-761	-358	-1,057
Sale of subsidiaries	-	-	-	38	34	72
Other investments	-59	-37	-89	-80	-223	-214
Portfolio management	328	1,053	1,430	926	1,353	849
Cash flow after investments	717	468	1,926	229	2,461	764
Financial payments	-1,888	-443	-1,968	-257	-2,408	-697
Cash flow for the period	-1,171	25	-42	-28	53	67

Consolidated balance sheet

SEK m	2019/06/30	2018/06/30	2018/12/31
ASSETS			
Goodwill	6,757	6,569	6,565
Other intangible assets	214	210	216
Property, plant and equipment ¹	1,628	926	959
Financial assets	19,027	16,750	17,448
Inventories etc.	1,940	1,788	1,770
Current receivables	2,952	2,605	2,465
Cash and bank	734	668	744
Total assets¹	33,252	29,516	30,167
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	23,977	20,665	21,768
Non-controlling interests	98	104	95
Total equity	24,075	20,769	21,863
Interest-bearing long-term liabilities ¹	5,157	3,633	3,563
Non-interest-bearing long-term liabilities	432	401	424
Interest-bearing current liabilities ¹	889	2,278	2,029
Non-interest-bearing current liabilities	2,699	2,435	2,288
Equity and liabilities¹	33,252	29,516	30,167

¹ Through the introduction of IFRS 16, fixed assets and interest-bearing liabilities have increased by SEK 666 m on 30 June.

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			182	3,644	3	3,829
Dividends				-1,598		-1,598
Closing balance 30 June 2019	133	-68	614	23,298	98	24,075

Key ratios, Group

	2019/06/30	2018/06/30	2018/12/31
Return on equity (%)	29	9	11
Return on total capital (%)	23	9	9
Equity ratio, incl IFRS 16 (%)	72		
Equity ratio, excl IFRS 16 (%)	74	70	72
Adjusted equity ratio, incl IFRS 16 ¹ (%)	88		
Adjusted equity ratio, excl IFRS 16 ¹ (%)	89	87	86
Adjusted equity ¹ (SEK m)	66,481	56,880	52,395
Surplus value in associated companies ² (SEK m)	42,406	36,111	30,532
Net debt/equity ratio 1 (%) ³	7.9	9.2	9.2
Net debt/equity ratio 2 (%) ⁴	6.1	7.3	7.0
Listed share price (SEK)	137	97	112
Repurchased shares	557,500	722,500	722,500
Average number of repurchased shares	696,064	992,000	834,730
Average number of employees	5,447	5,098	5,128
Issued call options corresponds to number of shares	1,748,000	918,000	2,346,000

¹ Incl. fair value gain in associated companies.

² The difference between the carrying amount and market value.

³ The ratio of net debt to adjusted equity.

⁴ The ratio of net debt to the market value of total assets.

Parent company income statement

SEK m	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	12 mths Jul-Jun 2018/2019	Full Year 2018
Income from interests i Group companies	440	-	440	625	440	625
Income from interest in associates companies	953	-2	953	800	951	798
Income from portfolio management	-	-	-	-	-	-
Management costs	-4	-7	-8	-8	-15	-15
Profit before financial items	1,389	-9	1,385	1,417	1,376	1,408
Interest income and similar items	4	6	7	-	13	6
Interest expense and similar items	-4	-4	-7	-2	-11	-6
Profit after financial items	1,389	-7	1,385	1,415	1,378	1,408
Taxes	-	-	-	-	-	-
Profit for the period	1,389	-7	1,385	1,415	1,378	1,408

Parent company statement of comprehensive income

SEK m	2019 Q2	2018 Q2	2019 6 mths	2018 6 mths	12 mths Jul-Jun 2018/2019	Full Year 2018
Profit for the period	1,389	-7	1,385	1,415	1,378	1,408
Change in fair value reserve for the period	-	-	-	-	-	-
Total other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	1,389	-7	1,385	1,415	1,378	1,408

Parent company balance sheet

SEK m	2019/06/30	2018/06/30	2018/12/31
ASSETS			
Financial assets	10,936	9,763	9,831
Long-term receivables from Group companies	3,100	-	3,100
Current receivables from Group companies	-	3,420	252
Other current liabilities	9	6	6
Cash and bank	-	-	-
Total assets	14,045	13,189	13,189
EQUITY AND LIABILITIES			
Equity	9,850	10,083	10,081
Interese-bearing long-term lilabilities	3,100	3,100	3,100
Non-interest-bearing long-term liabilities	-	-	-
Interese-bearing current liabilities	1,089	-	-
Non-interest-bearing current liabilities	6	6	8
Equity and liabilities	14,045	13,189	13,189

Parent company statement of changes in equity

SEK m	2019/06/30	2018/06/30	2018/12/31
Amount at beginning of year	10,081	10,107	10,107
Total comprehensive income for the period	1,385	1,415	1,408
Issued call options	-	-	5
Exercise of call options	39	28	28
Repurchased treasury shares	-57	-30	-30
Dividends	-1,598	-1,437	-1,437
Amount at end of year	9,850	10,083	10,081

Segment reporting:

Development by business area 1 Jan 2019 – 30 June 2019

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME							
External sales	1,337	1,528	778	3,009	100		6,752
Internal sales		1					1
RESULT							
Operating profit	178	123	245	373	93		1,012
Income from portfolio management						2,586	2,586
Finance income							98
Finance expense							-121
Taxes							-203
Profit for the period							3,372
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	7	16	11	11	10		55
intangible assets	-	53	1	14			68
Depreciation/amortisation	11	28	17	45	11		112

Development by business area 1 Jan 2018 – 30 June 2018

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME							
External sales	1,073	1,329	645	2,468	99		5,614
Internal sales		1			1		2
RESULTS							
Operating result	163	78	202	233	-38		638
Income from portfolio management						486	486
Finance income							112
Finance expense							-117
Taxes							-165
Profit for the period							954
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	18	21	8	17	22		86
intangible assets	500	84	1	10	1		596
Depreciation/amortisation	8	29	17	45	10		109

Change in consolidated interest-bearing net debt

SEK m	2018/12/31	Change in cash	Change in loans	IFRS 16	Other changes	2019/06/30
Interest-bearing receivables	36				-2	34
Cash	744	-11				733
Pensions provisions	-89				-2	-91
Long-term liabilities	-3,474		-1,087	-505		-5,066
Utilised bank overdraft facilities	-72		-12			-84
Interest-bearing current liabilities	-1,957		1,313	-161		-805
Interest-bearing net debt	-4,812	-11	214	-666	-4	-5,279

Five-year overview

SEK m	Jul-Jun 2018/2019	2018	2017	2016	2015
Net sales, SEK m	12,923	11,785	9,930	8,344	8,555
Operating profit, SEK m	1,771	1,397	1,125	1,021	975
Income from interest in associated companies, SEK m	3,384	1,278	2,006	2,676	1,952
Income from portfolio management, SEK m	-4	2	-8	101	1,493
Profit after finance items, SEK m	5,102	2,646	3,069	3,754	4,405
Earnings per share, SEK ¹	7	4	4	6	6
Return on equity, %	21	11	14	21	28
Return on total capital, %	17	9	13	17	22
Adjusted equity ratio, %	89	86	88	91	89
Net debt/equity ratio, %	8	9	8	3	5
Listed share price, SEK ¹	137	112	101	86	78

¹ 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 30 JUNE 2019

	Available-for-sales financial assets	Financial assets values at fair value via profit and loss	Derivatives used for hedging purposes	Total carrying amount
FINANCIAL ASSETS				
Listed shares, management	252 ¹			252
Other long-term securities holdings	3 ²			3
Other long-term receivables			36 ³	36
Listed shares, trading		18 ¹		18
Unrealised gains, currency derivatives				0
Other current receivables			2 584 ³	2,584
Cash			734 ³	734
Total	255	18	3,354	3,627
FINANCIAL LIABILITIES				
Long-term loans			4 561 ³	4,561
Bank overdraft facilities			84 ³	84
Current loans			644 ³	644
Other liabilities			1 518 ³	1,518
Unrealised gains, currency derivatives	3 ²			3
Total	3	0	6,807	6,810

¹ Level 1 – valued at fair value based on quoted prices on an active market for identical assets.

² Level 2 – valued at fair value based on other observable inputs for assets and liabilities than quoted price included in level 1.

³ Level 3 – valued at fair value based on inputs for assets and liabilities unobservable to the market.

The basis of fair value for listed financial assets is the quoted market price at the balance sheet date. The basis of fair value for unlisted financial assets is determined using valuation techniques, such as recent transactions, the price of comparable instruments or discounted cash flows.

Hedging instruments consist of forward exchange contracts and interest rate 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 30 JUNE 2019

SEK m	2019 6 mths	2018 6 mths	2018 Full Year
Revenue from goods	6,017	5,296	10,528
Revenue from services	735	319	1,247
	6,752	5,614	11,785
Fix-price contract	4,902	4,459	9,107
Time-and-materials contracts	1,850	1,155	2,678
	6,752	5,614	11,785
Sold directly to consumers	3,880	3,057	6,135
Sold through intermediaries	2,872	2,557	5,650
	6,752	5,614	11,785

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

Information by quarter

SEK m	2019		2018					2017				
	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT												
Net sales	3,567	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	-2,137	-1,904	-7,073	-1,984	-1,743	-1,802	-1,544	-5,885	-1,600	-1,445	-1,512	-1,327
Gross profit	1,430	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	-831	-868	-3,315	-899	-786	-851	-779	-2,920	-802	-669	-747	-702
Operating profit	599	413	1,397	385	374	371	267	1,125	297	309	279	240
Total portfolio management	1,209	1,377	1,280	321	473	106	380	1,998	506	514	597	381
Profit before financial items	1,808	1,790	2,677	706	847	477	647	3,123	803	823	876	621
Net financial items	-24	1	-31	-12	-14	-14	9	-54	-22	-11	-11	-10
Profit after financial items	1,784	1,791	2,646	694	833	463	656	3,069	781	812	865	611
Taxes	-113	-90	-322	-67	-90	-95	-70	-281	-83	-73	-68	-57
Profit for the period	1,671	1,701	2,324	627	743	368	586	2,788	698	739	797	554
KEY RATIOS												
Earnings per share, SEK ¹	2.61	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	-1171	1129	67	73	22	25	-53	-697	-60	-135	-241	-261
Adjusted equity ratio, %	88	87	86	86	87	87	88	88	88	88	90	92
Adjusted equity	66,481	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	81,276	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 ¹	127	119	100	100	108	105	99	95	95	98	96	95
Listed share price, SEK ¹	137	125	112	112	111	97	95	101	101	110	105	90
NET SALES												
Hultafors Group	689	648	2,407	716	618	596	477	1,901	542	454	460	444
Latour Industries	790	740	2,758	747	660	700	652	2,314	706	601	571	479
Nord-Lock Group	395	384	1,309	333	332	341	303	1,114	268	277	286	283
Swegon	1,639	1,370	5,137	1,421	1,248	1,347	1,121	4,378	1,130	1,043	1,177	1,029
	3,512	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	55	43	174	51	45	40	37	223	53	49	44	34
	3,567	3,185	11,785	3,268	2,903	3,024	2,590	9,930	2,699	2,424	2,538	2,269
OPERATING PROFIT												
Hultafors Group	90	88	375	119	93	98	65	287	92	68	64	62
Latour Industries	67	56	191	55	57	48	31	171	55	49	36	33
Nord-Lock Group	124	121	397	89	106	108	94	340	76	88	86	89
Swegon	226	147	514	138	144	143	89	381	98	104	110	68
	507	412	1,477	401	399	397	279	1,179	321	309	297	252
Gain/loss from sale/purchase of	108	-1	-38	-17	-10	-10	-1	-30	-10	-5	-10	-5
Other companies and items	-17	2	-42	1	-15	-16	-11	-24	-14	5	-8	-7
	598	413	1,397	385	374	371	267	1,125	297	309	279	240
OPERATING MARGIN (%)												
Hultafors Group	13.3	13.6	15.6	16.6	15.1	13.6	13.6	15.1	17.0	15.0	14.0	14.0
Latour Industries	7.7	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	40.8	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	10.7	10.0	9.7	11.5	8.0	8.0	8.7	8.7	10.0	9.4	6.6
	13.1	13.1	12.7	12.5	14.0	10.9	10.9	12.1	12.1	13.1	11.9	11.3

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

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-June 2019: $3,371/639,143,936 \times 1,000=5.27$

Jan-June 2018: $958/638,891,180 \times 1,000=1.50$

Diluted earnings per share

Calculations:

Jan-June 2019: $3,371/641,394,124 \times 1,000=5.26$

Jan-June 2018: $958/641,237,892 \times 1,000=1.49$

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.

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