

INTERIM REPORT  
JANUARY - JUNE



# Interim report January – June 2021

## NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 188 per share, compared with SEK 153 per share at the start of the year. This is an increase of 25.4 per cent. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 22.4 per cent. The net asset value was SEK 197 per share at 20 August.<sup>1</sup>
- The total return on the Latour share was 42.3 per cent during the period measured against the SIXRX, which rose 22.4 per cent.

## INDUSTRIAL OPERATIONS

### The second quarter

- The industrial operations' order intake rose 61 per cent to SEK 5,676 m (3,527 m), which represents a 51 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 34 per cent to SEK 4,748 m (3,542 m), which represents a 26 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' operating profit increased by 59 per cent to SEK 753 m (474 m), which equates to an operating margin of 15.9 (13.4) per cent for continuing operations.
- Proidual, within the Latour Industries business area, acquired the Finnish company HK Instruments OY in May. Latour Future Solutions made an investment in Aqua Robur Technologies AB in June.

### January – June

- Within Latour Industries, January saw the acquisitions of Vega S.R.L. and Elsys AB finalised and the Danish company VM Kompensator A/S acquired. Hultafors Group finalised the acquisitions of Fristads AB, Kansas A/S, Kansas GmbH and Leijona Group Oy on 1 March.
- The industrial operations' order intake rose 35 per cent to SEK 10,176 m (7,523 m), which represents a 31 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 21 per cent to SEK 8,672 m (7,172 m), which represents a 17 per cent increase for comparable entities adjusted for foreign exchange effects.
- Operating profit increased by 43 per cent to SEK 1,322 m (922 m), which equates to an operating margin of 15.2 (12.9) per cent for continuing operations.

## THE GROUP

- Consolidated net sales totalled SEK 8,810 m (7,283 m), and profit after financial items was SEK 2,659 m (2,925 m). A revaluation of Alimak has had a positive impact on this year's income statement in the amount of SEK 189 m. Last year's income statement was positively affected by items impacting comparability in the amount of SEK 1,359 m.
- Consolidated profit after tax was SEK 2,390 m (2,746 m), which is equivalent to SEK 3.74 (4.29) per share.
- The Group reported net debt of SEK 7,532 m (6,843 m). Net debt, excluding lease liabilities recognised under IFRS 16, was SEK 6,748 m (6,267 m) and is equivalent to 5 (7) per cent of the market value of total assets.
- The Board's proposal for a dividend of SEK 3 per share for the 2020 financial year was approved by the Annual General Meeting.

## INVESTMENT PORTFOLIO

- During the first half of the year, the value of the investment portfolio increased by 22.2 per cent adjusted for changes in the portfolio. The benchmark index (SIXRX) rose 22.4 per cent.

## EVENTS AFTER THE REPORTING PERIOD

- On 5 July, Swegon signed an agreement to acquire a majority shareholding of the Finnish software company 720° (Seven Twenty degrees). And on 9 July, Aritco, within Latour Industries, signed an agreement to acquire the entire shareholding of the Swedish company Motala Hissar.

<sup>1</sup> The calculation of the net asset value on 20 August was based on the value of the investment portfolio at 1.00 p.m. on 20 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 82 billion as at 30 June 2021. The wholly-owned industrial operations are grouped into five business areas: Caljan, Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. They generate annual sales amounting to approximately SEK 16 billion.

## Comments from the CEO

"The development seen during the second quarter was very favourable for Latour. Industrial operations delivered record earnings with good organic growth. Although the pandemic is not over, the negative effects of measures such as restrictions and lockdowns gradually eased during the quarter. Should we encounter any further setbacks, we are well prepared to quickly adapt to new conditions as they arise. During the quarter, challenges regarding the supply of goods were significant. Component shortages, supply chain disruptions and increased raw material prices have affected our companies to varying extents. Product prices have been increased to compensate for rising raw material prices, not least that of steel.

Order intake for the quarter was up 51 per cent and invoiced sales 26 per cent when adjusted for acquisitions and foreign exchange effects. Prior-year comparatives have been negatively affected by the pandemic, although growth has been significant even compared to 2019. Our operations are well positioned in markets with good growth potential, as reflected in the reported strong growth.

Operating profit increased by 59 per cent in the quarter to SEK 753 m (473 m) with a strong operating margin of 15.9 (13.4) per cent. In absolute terms, this is our best quarter to date. This strong performance is driven to some extent by continued strict cost management but mostly by increased volumes.

We are maintaining our high investment rate and continuing to invest in product development, sales and marketing to retain our competitiveness and increase our market shares. The increasing volumes resulting from the strong growth of our industrial operations also require investments in production and logistics as well as the workforce, and several of our business areas are recruiting many new employees, which is pleasing.

Sustainability and digitalisation remain, as always, important focus areas for Latour. We have made great progress, but as owners we want to push for even greater progress. During the quarter, we began implementing TCFD (Task Force on Climate Related Financial Disclosures) at ownership level as well as across our business areas. TCFD aims to identify and analyse risks and opportunities linked to climate change, in both the short term and the long term. Following the extreme weather seen in various parts of the world this summer, the relevance has increased further for this work. We plan to publish the outcome of our analyses in our sustainability report for 2021.

The level of acquisition activity remains high. Produl, part of Latour Industries, acquired the Finnish company HK Instruments in May while Latour Future Solutions made an investment in Aqua Robur Technologies AB in June. After the second quarter came to an end, Swegon made an investment in the software company 720° to strengthen its digital services offering while Aritco signed an agreement to acquire Motala Hissar. Read more about our acquisitions on page 4.

Since the beginning of the year, the investment portfolio has increased by 22.2 per cent when adjusted for portfolio changes, while the benchmark index (SIXRX) increased by 22.4 per cent. Essentially all of our listed holdings have submitted their reports, showing favourable growth in order intake, invoicing and earnings, again confirming that we have quality companies in our portfolio. Acquisition activities are fervent here too, with, for example, ASSA ABLOY announcing four acquisitions during the quarter and Sweco three. The net asset value in Latour increased during the first half of the year by 25.4 per cent to SEK 188 per share.

All things considered, a very strong first half of the year, and we are pleased with how we have handled the pandemic thus far, in terms of both employee health and protecting and developing our holdings."

*Johan Hjertonsson  
President and Chief Executive Officer*

# Industrial operations

## Order intake, invoiced sales and earnings

During the second quarter, order intake grew by 61 per cent to SEK 5,676 m (3,527 m), with organic growth accounting for 51 per cent of this. Invoiced sales rose 34 per cent to SEK 4,748 m (3,542 m), which represents a 26 per cent increase for comparable entities and when adjusted for foreign exchange effects. Operating profit in the wholly-owned industrial operations increased by 59 per cent during the quarter to SEK 753 m (474 m). The operating margin was 15.9 (13.4) per cent.

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

## Acquisitions/disposals

On 27 May, Prodeal, within Latour Industries, acquired the entire shareholding of the Finnish company HK Instruments Oy, which generates net sales of EUR 8 m and has 50 employees. HK Instruments has its head office and manufacturing operations in Muurame, Finland, and offers advanced measuring devices for building automation. The company specialises in technologically advanced measuring instruments for applications within heating, ventilation and air conditioning, encompassing various pressure transmitters, switches, liquid meters and gas detectors.

On 11 June, Latour Future Solutions made an investment in Aqua Robur Technologies AB by means of a directed new issue of shares, making Latour Future Solutions a minority shareholder. Aqua Robur designs and manufactures IoT devices, sensors, energy-harvesting products and software for the water industry. The company offers water utilities complete solutions for digitalising their water networks by collecting data from all types of water pipes to enable them to secure safe and efficient water supply systems for the future.

Earlier in the year, four acquisitions were finalised within our wholly-owned industrial operations. On 8 January, Densiq, within Latour Industries, acquired the entire shareholding of the Danish company VM Kompensator A/S, which in 2020 generated net sales of DKK 23 m. The company is a leading Danish designer and manufacturer of compensators for use in industrial applications.

In January, Latour Industries finalised the acquisition of the Italian company VEGA S.R.L. (VEGA) while Bemsiq, within Latour Industries, finalised the acquisition of the Swedish company Elsys. On 1 March, Hultafors Group finalised the acquisitions of Fristads AB, Kansas A/S, Kansas GmbH and Leijona Group Oy.

## *Events after the reporting period*

On 5 July, Swegon signed an agreement to acquire a majority shareholding of the Finnish software company 720° (Seven Twenty degrees). The company offers software that can analyse, measure and visualise the indoor environments of buildings. 720° has eight employees and generated sales of EUR 0.5 m in 2020. This investment will speed Swegon's expansion within digital indoor environment services and strengthen its position as a leading supplier of products and services for indoor environments. The services offered by 720° are currently used in more than 200 buildings, primarily in Finland.

On 9 July, Aritco, within Latour Industries, signed an agreement to acquire the entire shareholding of the Swedish company Motala Hissar, a well-established and leading platform lift manufacturer. The company has its head office, development operations and production facilities in Motala while sales are handled primarily by distributors spread across much of Europe. Net sales for 2020 totalled some SEK 200 m, with the majority being export sales. The company has about 50 employees.

# Industrial operations summary

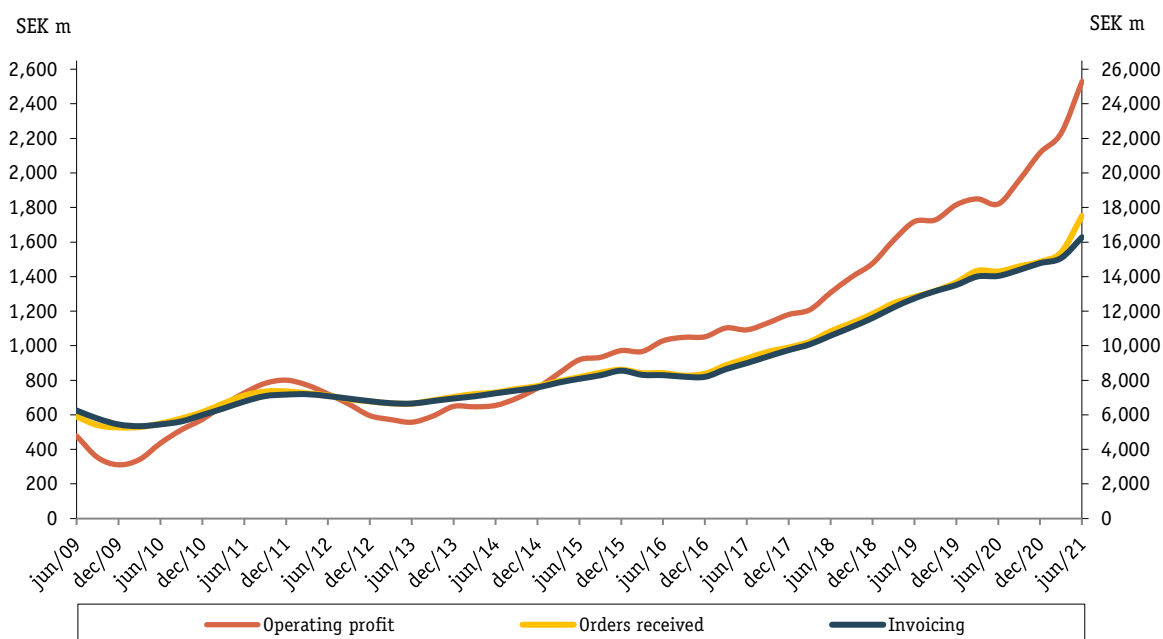
## Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths
Caljan	361	219	570	441	61	27	80	56	17.0	12.8	14.1	12.8
Hultafors Group	1,473	839	2,586	1,684	266	114	449	222	18.0	13.6	17.4	13.2
Latour Industries	974	689	1,861	1,501	102	48	214	119	10.4	7.0	11.5	7.9
Nord-Lock Group	376	324	729	681	97	84	196	181	26.0	25.8	26.9	26.6
Swegon	1,566	1,472	2,927	2,866	227	201	383	344	14.5	13.7	13.1	12.0
Eliminations	-	-1	-1	-1	-	-	-	-	-	-	-	-
	4,748	3,542	8,672	7,172	753	474	1,322	922	15.9	13.4	15.2	12.9
Part-owned subsidiaries	75	63	138	111	4	2	5	2	5.0	3.5	3.5	1.7
	4,823	3,605	8,810	7,283	757	476	1,327	924	15.7	13.2	15.1	12.7
Gain/loss from sale/purchase of businesses	-	-	-	-	-4	-10	-18	-27				
Other companies and items	-	-	-	-	-12	-9	-22	-17				
	4,823	3,605	8,810	7,283	741	457	1,287	880				
Effect IFRS 16	-	-	-	-	-	4	1	6				
	4,823	3,605	8,810	7,283	741	461	1,288	886				

SEK m	Operating capital <sup>1</sup>		Return on operating capital %		Growth in net sales, 2021 %			
	2021 Trailing 12	2020 Trailing 12	2021 Trailing 12	2020 Trailing 12	Total	Organic	Currency	Acquisitions
Caljan	2,581	1,806	8.9	4.2	29.2	37.8	-6.3	-
Hultafors Group	4,063	3,532	19.4	12.9	53.5	30.0	-5.2	24.6
Latour Industries	3,827	3,350	11.1	7.6	24.0	18.2	-3.0	8.2
Nord-Lock Group	1,194	1,167	27.7	29.7	7.1	15.3	-7.2	-
Swegon	3,196	3,301	23.8	20.8	2.1	3.2	-3.4	2.5
Total	14,861	13,156	17.1	13.8	20.9	16.6	-4.4	8.5

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

## Industrial operations trailing 12 months



## Development by business area



(MEUR)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Net sales	35.6	20.5	56.3	41.4	112.1	127.0
EBITDA	6.6	2.9	9.0	6.1	21.3	24.3
EBITDA <sup>1</sup>	6.6	2.8	8.9	5.9	21.0	24.0
EBITA <sup>1</sup>	6.2	2.7	8.2	5.6	20.3	22.9
EBIT <sup>1</sup>	6.1	2.5	7.9	5.3	19.7	22.4
EBITA % <sup>1</sup>	17.4	13.0	14.6	13.6	18.1	18.0
EBIT % <sup>1</sup>	17.0	12.2	14.1	12.8	17.6	17.6
Total growth %	73.3	-	35.9	-	21.6	
Organic %	75.4	-22.9	37.8	-9.1	22.3	
Exchange effects %	-1.2	0.1	-1.4	0.3	-0.6	
Acquisitions %	-	-	-	-	-	
Average number of employees	568	487	547	484	493	

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

### Highlights

- High demand results in strong order intake of EUR 85 m during the quarter and a new order backlog record at the end of the period.
- Net sales develops extremely well during the quarter, surpassing the previous year by 75 per cent.
- To enable growth, extensive recruitment activities have been implemented during the first half of the year, with further recruitment activities planned for the third quarter.
- Increased raw material prices and component shortages require a strong focus on securing supply chains and access to essential components to avoid delays in customer deliveries.
- Caljan's expansion continues at an undiminished pace. The construction of the 10,000 m<sup>2</sup> factory in the USA is completed and the first products are ready for delivery.

### Breakdown of net sales

(MEUR)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Telescopes	22.9	13.4	32.0	28.3	59.5	64.0
Document Handling & Labelling	0.9	1.5	2.2	2.4	10.0	9.8
Depot Automation Solutions	4.3	1.1	7.9	1.5	18.2	24.6
Aftermarket	7.5	4.5	14.2	9.3	24.4	28.6
	35.6	20.5	56.3	41.4	112.1	127.0

**Caljan** is a global supplier of automation technology for parcel handling in the logistics and e-commerce sectors. Caljan's products help packing companies, distributors and manufacturers around the world to optimise their supply chains. Flows are increased, costs are reduced and working environments are made safer and more ergonomic. Caljan has its head office in Aarhus, Denmark, and subsidiaries in the USA and several European countries.

## HULTAFORS GROUP

(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Net sales	1,473	839	2,586	1,684	3,641	4,543
EBITDA	297	130	500	254	628	874
EBITDA <sup>1</sup>	286	123	481	241	602	842
EBITA <sup>1</sup>	272	116	458	227	573	804
EBIT <sup>1</sup>	266	114	449	222	561	788
EBITA % <sup>1</sup>	18.5	13.9	17.7	13.5	15.7	17.7
EBIT % <sup>1</sup>	18.0	13.6	17.4	13.2	15.4	17.3
Total growth %	75.6	21.7	53.5	26.0	25.7	
Organic %	36.9	-3.1	30.0	-1.1	7.3	
Exchange effects %	-4.8	-0.1	-5.2	1.1	-1.8	
Acquisitions %	34.7	25.8	24.6	26.0	19.3	
Average number of employees	1,676	978	1,667	980	977	

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

### Highlights

- Continued exceptional sales development with organic growth of 37 per cent during the quarter.
- A combination of strict cost control and high volumes results in an operating margin of 18.0 per cent, to be compared with 13.6 per cent for the same quarter in 2020.
- Increasing supply chain challenges, mainly due to higher purchase prices and delivery disruptions for products and components imported from Asia.
- The integration of Fristads, Kansas and Leijona progresses well, with the companies developing favourably since the acquisition.
- Hultafors Group's new distribution centre in Poland is commissioned during the quarter.

### Breakdown of net sales

(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
PPE/Workwear	985	462	1,691	938	2,066	2,819
Hardware	488	376	895	746	1,575	1,724
	1,473	839	2,586	1,684	3,641	4,543
Pro forma adjustment <sup>1</sup>						807
Trailing 12 month pro forma						5,350

<sup>1</sup> 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, Hultafors, Solid Gear, EMMA Safety Footwear, Toe Guard, Hellberg Safety, Wibe Ladders, CLC Work Gear, Johnson Level & Tool, EripioWear, Kuny's, Fristads, Kansas and Leijona. Hultafors Group is also a distributor for the German manufacturing company Fein in the Swedish market.

(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Net sales	974	689	1,861	1,501	3,081	3,441
EBITDA	129	77	269	176	425	520
EBITDA <sup>1</sup>	117	63	245	150	374	469
EBITA <sup>1</sup>	105	52	221	127	328	422
EBIT <sup>1</sup>	102	48	214	119	312	407
EBITA % <sup>1</sup>	10.8	7.6	11.9	8.5	10.7	12.3
EBIT % <sup>1</sup>	10.4	7.0	11.5	7.9	10.1	11.8
Total growth %	41.3	-12.6	24.0	-1.7	0.2	
Organic %	31.3	-19.8	18.2	-11.5	-8.0	
Exchange effects %	-2.6	-1.4	-3.0	-0.1	-1.6	
Acquisitions %	10.5	10.4	8.2	11.1	10.6	
Average number of employees	1,780	1,545	1,768	1,539	1,547	

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

### Highlights

- Both order intake and net sales at considerably higher levels than the previous year.
- Operating profit develops well, despite negative impact of a non-recurring cost of SEK 20 m.
- Supply chain challenges and increased raw material prices have a short-term impact on gross margins.
- Covid-19 continues to cause difficulties in some regions, primarily impacting the ability to visit customers and conduct service.
- Acquisition of the entire shareholding of the Finnish company HK Instruments OY. Agreement to acquire Motala Hissar AB after the reporting period. More details can be found on page 4.

### Breakdown of net sales

(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Bemsiq	210	173	417	370	725	771
Aritco Group	258	183	505	405	843	942
Vimec	125	84	226	185	450	492
VEGA	64	-	121	-	-	121
MS Group	135	109	251	237	470	484
LSAB	140	105	268	236	445	478
Densiq	48	37	86	72	159	173
Elimination	-7	-2	-13	-3	-11	-20
	974	689	1,861	1,501	3,081	3,441
Pro forma adjustment <sup>1</sup>						272
Trailing 12 month pro forma						3,713

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

**Latour Industries** consists of a number of operating areas, each with its own business concept and business model. Our ambition is to develop independent entities within the business area, so that they are eventually able to become established as separate business areas within Latour.

(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Net sales	376	324	729	681	1,275	1,323
EBITDA	117	99	234	212	380	402
EBITDA <sup>1</sup>	109	92	218	199	353	372
EBITA <sup>1</sup>	100	86	200	186	326	340
EBIT <sup>1</sup>	97	84	196	181	316	331
EBITA % <sup>1</sup>	26.5	26.5	27.4	27.3	25.5	25.7
EBIT % <sup>1</sup>	26.0	25.8	26.9	26.6	24.8	25.0
Total growth %	15.8	-17.8	7.1	-12.5	-12.0	
Organic %	24.4	-18.2	15.3	-14.1	-10.1	
Exchange effects %	-6.9	0.4	-7.2	1.9	-2.1	
Acquisitions %	-	-	-	-	-	
Average number of employees	614	562	599	576	566	

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

### Highlights

- Strong organic growth during the quarter, driven by EMEA and Americas, across all technologies, despite a lack of major project deliveries.
- Order intake significantly higher than invoicing, which is reassuring for the future.
- Increased raw material costs have a negative effect on profitability during the quarter. Price adjustments have been made and will gradually attain full effect during the third and fourth quarters.
- Further growth initiatives have been implemented within, among others, Expander. A webshop have been launched in Japan.
- Recruitment of new personnel have been made to meet the rising demand.
- The video "When Safety Really Matters" won a silver medal in the Video B2B category at the Swedish Content Awards.

### Breakdown of net sales

(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
EMEA	174	123	339	302	564	601
Americas	93	79	180	179	331	332
Asia Pacific	109	122	210	200	379	390
	376	324	729	681	1,275	1,323
Pro forma adjustment <sup>1</sup>						-
Trailing 12 month pro forma						1,323

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

**Nord-Lock Group** is a world leader in secure bolting solutions. The Group offers a wide range of innovative technologies including Nord-Lock wedge-locking, Superbolt multi-jackbolt tensioning, Boltight hydraulic tensioning and Expander System pivot technology. With a global sales organization and international partners the customers benefit from bolting expertise and the optimum solution for any bolting challenge.



(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Net sales	1,566	1,472	2,927	2,866	5,614	5,675
EBITDA	264	239	456	418	867	905
EBITDA <sup>1</sup>	250	223	428	387	806	847
EBITA <sup>1</sup>	230	205	390	352	736	774
EBIT <sup>1</sup>	227	201	383	344	721	760
EBITA % <sup>1</sup>	14.7	13.9	13.3	12.3	13.1	13.6
EBIT % <sup>1</sup>	14.5	13.7	13.1	12.0	12.8	13.4
Total growth %	6.4	-10.2	2.1	-4.7	-6.2	
Organic %	7.5	-11.9	3.2	-7.2	-7.0	
Exchange effects %	-2.7	-1.4	-3.4	-0.1	-2.1	
Acquisitions %	1.7	3.4	2.5	2.7	3.0	
Average number of employees	2,509	2,634	2,637	2,614	2,625	

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

### Highlights

- Fewer restrictions promote recovery in several markets. Good growth in Sweden and the UK, among others.
- Order intake sees organic growth of 28 per cent.
- High profitability driven by factors such as increased productivity.
- Strong price inflation for raw materials mitigated by measures such as price increases and cost savings.
- Supply chain disruptions pose operational challenges.

### Breakdown of net sales

(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Sweden	351	328	658	634	1,178	1,201
Rest of Nordic region	284	292	553	566	1,085	1,072
Rest of world	931	852	1,716	1,666	3,351	3,402
	1,566	1,472	2,927	2,866	5,614	5,675
Pro forma adjustment <sup>1</sup>						36
Trailing 12 month pro forma						5,711

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

(SEK m)	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	2020 Full Year	Trailing 12 mths
Air Handling Unit	449	399	833	811	1,548	1,570
Cooling Heating	341	342	596	608	1,194	1,182
Room Unit	332	344	618	658	1,269	1,229
Services	110	96	217	192	410	435
Residential	145	141	300	276	544	568
North America	84	82	158	158	322	322
UK	193	153	371	328	664	707
Eliminations	-88	-85	-167	-165	-337	-339
	1,566	1,472	2,927	2,866	5,614	5,675

**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. A detailed description can be found on page 31 of Latour's Annual Report for 2020.

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 188 per share from SEK 153 at the start of the year. The net asset value thus increased by 25.4 per cent, which can be compared against the SIXRX which increased by 22.4 per cent.

For some time, Latour's guideline for the net asset value has been considerably lower than the value that the stock market assigns to Latour's listed share. The share price was SEK 281 at 30 June 2021, to be compared with the indicated net asset value of SEK 188. As stated above, Latour does not claim that the valuation of the wholly-owned industrial operation is anything other than a cautious indication. A net asset value can be calculated from different starting points. For example, the entire industrial operations could be compared with other established listed industrial groups with mixed industrial holdings and a distinct growth agenda, where the EV/EBIT multiple for these companies is significantly higher.

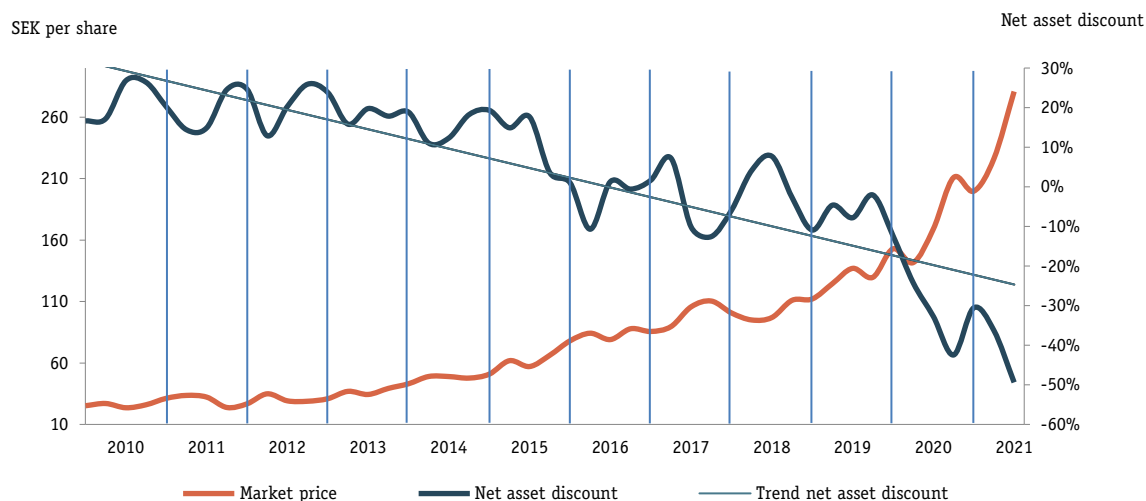
SEK m	Net sales <sup>1</sup>	EBIT <sup>1</sup>	EBIT multiple	Valuation <sup>2</sup> Range	Valuation <sup>2</sup> Average	Valuation <sup>2</sup> SEK/share <sup>3</sup> Range
Caljan	1,304	231	19 - 23	4,389 - 5,313	4,851	7 - 8
Hultafors Group	5,350	845	13 - 17	10,985 - 14,365	12,675	17 - 23
Latour Industries	3,703	455	16 - 20	7,281 - 9,101	8,191	11 - 14
Nord-Lock Group	1,323	331	15 - 19	4,965 - 6,289	5,627	8 - 10
Swegon	5,711	763	16 - 20	12,208 - 15,260	13,734	19 - 24
	17,391	2,625		39,828 - 50,328		62 - 79
Industrial operations valuation, average					45,078	71
Listed shares (see table on page 10 for breakdown)					82,155	129
Latour Future Solutions					46	0
<i>Unlisted part-owned holdings</i>						
Neuffer <sup>4</sup> , 66.1 %					149	0
Oxeon <sup>4</sup> , 31.3 %					18	0
<i>Other assets</i>						
Short trading portfolio					2	0
Dilution effect of option programme					-195	0
<b>Consolidated net debt (excl IFRS 16)</b>					<b>-6,748</b>	<b>-11</b>
Estimated value					120,505	188
					(115 255 - 125 756)	(180 - 197)

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

<sup>2</sup> EBIT and EV/sales recalculated taking into consideration the listed share price on 30 of June 2021 for comparable companies in each business area.

<sup>3</sup> Calculated on the basis of the number of outstanding shares.

<sup>4</sup> Valued according to the book value.



## The investment portfolio at 30 June 2021

During the first half of the year, the value of the investment portfolio increased by 22.2 per cent, adjusted for changes in the portfolio, while the benchmark index (SIXRX) increased by 22.4 per cent.

Share <sup>1</sup>	Number	Cost SEK m	Listed share price <sup>2</sup> SEK	Market value SEK m	Share of votes %	Share of equity %
Alimak Group	16,016,809	2,134	140	2,236	29.7	29.6
Assa Abloy <sup>3</sup>	105,495,729	1,697	258	27,197	29.5	9.5
Fagerhult	84,708,480	1,899	69	5,811	48.1	47.8
HMS Networks	12,109,288	250	362	4,383	26.0	25.9
Nederman	10,538,487	306	170	1,786	30.0	30.0
Securitas <sup>3</sup>	39,732,600	1,081	135	5,368	29.6	10.9
Sweco <sup>3 4</sup>	97,867,440	479	156	15,238	21.0	26.9
Tomra <sup>5</sup>	31,200,000	1,600	487 NOK	15,088	21.1	21.1
Troax	18,060,000	397	280	5,048	30.2	30.1
Total		9,843		82,155		

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

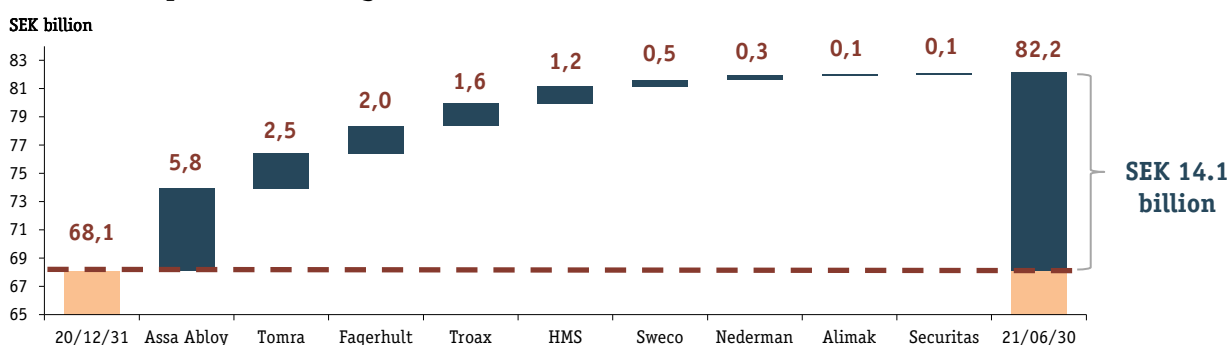
<sup>2</sup> The last price paid is used as the listed share price.

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

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

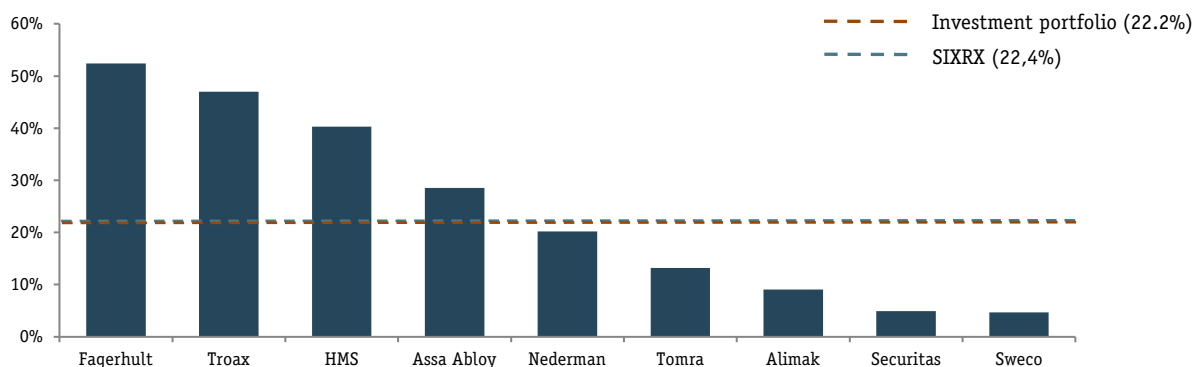
<sup>5</sup> At the end of the report period, the listed share price was NOK 486,50 which has been translated to SEK at the exchange rate on the balance sheet date.

### Investment portfolio during 2021



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

### Total return 2021 for the portfolio companies



# Results and financial position

## The Group

The Group's profit after financial items was SEK 2,659 m (2,925 m). Profit after tax was SEK 2,390 m (2,746 m), which is equivalent to SEK 3.74 (4.29) per share. A revaluation of the holding in Alimak has had a positive impact on the income statement in the amount of SEK 189 m.

The Group's cash in hand and liquid investments reached SEK 1,765 m (4,673 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 8,450 m (10,862 m). The Group's net debt was SEK 7,532 m (6,843 m). Net debt, excluding lease liabilities, was SEK 6,748 m (6,267 m). The equity ratio was 87 (82) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

In the first quarter, Latour updated the base prospectus for its existing MTN programme and, at the same time, increased the framework amount to SEK 12 billion at the Swedish Financial Supervisory Authority. Four new bond loans totalling SEK 2,200 m were issued in June. As of 30 June 2021, the MTN programme had an outstanding balance of SEK 7,416 m.

There have been no transactions with related parties that have had a material effect on the results or financial position of the Group.

## Investments

During the period, SEK 282 m (282 m) was invested in property, plant and equipment, of which SEK 263 m (128 m) was machinery and equipment, SEK 0 m (12 m) was vehicles, and SEK 19 m (142 m) was buildings. Fixed assets in newly acquired companies account for SEK 114 m (129 m) of investments for the year.

## Parent company

The parent company's profit/loss after financial items was SEK 1,672 m (2,875 m). The parent company's equity ratio was 62 (63) per cent.

The number of class A shares issued is 47,635,048 and the number of class B shares is 592,204,952. Not including repurchased shares, the number of outstanding shares on 30 June 2021 amounted to 639,472,800. At the end of the period, Latour holds 367,200 repurchased class B shares.

The total number of issued call options is 1,594,900, which give the right to purchase the same number of shares.

## Events after the reporting period

On 5 July, Swegon signed an agreement to acquire a majority shareholding of the Finnish software company 720° (Seven Twenty degrees). And on 9 July, Aritco, within Latour Industries, signed an agreement to acquire the entire shareholding of the Swedish company Motala Hissar.

## 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 nine listed holdings and five wholly-owned business areas. This means that the development and performance of an individual holding will not have a drastic impact on the portfolio as a whole. As the wholly-owned industrial operations have increased in size, Latour as a whole is influenced to a higher degree by changes attributable to these operations. On the whole, Latour is deemed to have a good risk diversification in its portfolio, which covers several industries, with a certain emphasis on sectors linked to the construction industry. Construction can also be divided into several dimensions, such as new builds or government-subsidised repair, conversion or extension work, locally or globally, and housing, office and industrial premises or infrastructure projects. No material risks are deemed to have arisen other than those described in Note 34 of Latour's 2020 Annual Report, except for the possible consequences of the coronavirus pandemic which have been commented on in other sections of this 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 Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board in respect of the parent company.

New accounting standard requirements that came into effect on 1 January 2021 have not had any impact on the Group's or parent company's accounting as of 30 June 2021.

The Latour Group uses a number of economic indicators that are not defined in the set of accounting rules used by the Group, so-called alternative performance measures. Definitions of the economic indicators can be found on page 20 of this report and in Latour's latest Annual Report. For an explanation of how the financial performance measures have been calculated for the current and prior periods, please see the table in this report and Latour's latest Annual Report.

The Annual Reports for 1984 to 2020 are available for viewing on Latour's website [www.latour.se](http://www.latour.se).

Gothenburg, 23 August 2021  
Johan Hjertansson  
*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 the principal risks and uncertainties faced by the company and the Group's companies.

Gothenburg, 23 August 2021  
Investment AB Latour

Mariana Burenstam Linder  
*Board member*

Olle Nordström  
*Chairman*

Anders Böös  
*Board member*

Carl Douglas  
*Board member*

Johan Hjertonsson  
*Board member and  
Chief Executive Officer*

Eric Douglas  
*Board member*

Lena Olving  
*Board member*

Ulrika Kolsrud  
*Board member*

Joakim Rosengren  
*Board member*

## Consolidated income statement

SEK m	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	12 mths Jul-Jun 2020/2021	Full Year 2020
Net sales	4,823	3,605	8,810	7,283	16,555	15,028
Cost of goods sold	-2,924	-2,209	-5,347	-4,443	-10,055	-9,151
Gross profit	1,899	1,396	3,463	2,840	6,500	5,877
Sales costs	-705	-545	-1,321	-1,152	-2,423	-2,254
Administrative costs	-333	-305	-638	-615	-1,212	-1,189
Research and development costs	-120	-102	-230	-205	-431	-406
Other operating income	30	45	64	70	128	134
Other operating expenses	-30	-28	-50	-52	-103	-105
Operating profit	741	461	1,288	886	2,459	2,057
Income from interests in associates	621	2,475	1,343	2,134	3,186	3,977
Income from portfolio management	1	-	1	-7	-	-8
Management costs	-6	-6	-13	-13	-28	-28
Profit before financial items	1,357	2,930	2,619	3,000	5,617	5,998
Finance income	-26	-95	86	14	103	31
Finance expense	-16	-26	-46	-89	-233	-276
Profit after financial items	1,315	2,809	2,659	2,925	5,487	5,753
Taxes	-136	-67	-269	-179	-519	-429
Profit for the period	1,179	2,742	2,390	2,746	4,968	5,324
Attributable to:						
Parent company shareholders	1,178	2,741	2,389	2,745	4,964	5,320
Non-controlling interests	1	1	1	1	4	4
Earnings per share regarding profit attributable to parent company shareholders						
Basic share, SEK	1.84	4.29	3.74	4.29	7.76	8.32
Diluted share, SEK	1.84	4.27	3.72	4.28	7.74	8.29
Average number of basic shares outstanding	639,409,233	639,313,412	639,394,449	639,297,956	639,389,913	639,338,951
Average number of diluted shares outstanding	641,391,122	641,432,945	641,446,454	641,522,973	641,396,226	641,434,414
Number of outstanding shares	639,472,800	639,379,500	639,472,800	639,379,500	639,472,800	639,379,500

## Consolidated statement of comprehensive income

SEK m	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	12 mths Jul-Jun 2020/2021	Full Year 2020
Profit for the period	1,179	2,742	2,390	2,746	4,968	5,324
Other comprehensive income:						
Items that will not be recycled to the income statement						
Restatement of net pension obligations	-	-	-	-	3	3
	0	0	0	0	3	3
Items that may subsequently be recycled to the income statement						
Change in translation reserve for the period	-137	-580	165	-32	-374	-571
Change in fair value reserve for the period	-	-	-	-	-	-
Change in hedging reserve for the period	34	161	-45	-10	90	125
Change in associated companies' equity	678	586	-79	6	-1,079	-994
	575	167	41	-36	-1,363	-1,440
Other comprehensive income, net after tax	575	167	41	-36	-1,360	-1,437
Comprehensive income for the period	1,754	2,909	2,431	2,710	3,608	3,887
Attributable to:						
Parent company shareholders	1,754	2,908	2,431	2,709	3,608	3,886
Non-controlling interests	-	1	-	1	-	1

## Consolidated cash flow

SEK m	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	12 mths Jul-Jun 2020/2021	Full Year 2020
Operating cash flows before movements in working capital	779	529	1,314	904	2,530	2,120
Movements in working capital	-255	190	-553	-92	-246	215
Operating cash flows	524	719	761	812	2,284	2,335
Acquisitions of subsidiaries	-105	-41	-1,077	-797	-972	-692
Other investments	-87	-94	-170	-182	-518	-530
Portfolio management	837	2,798	807	2,734	1,297	3,224
Cash flow after investments	1,169	3,382	321	2,567	2,091	4,337
Financial payments	-1,044	-1,329	-2,622	1,092	-4,949	-1,235
Cash flow for the period	125	2,053	-2,301	3,659	-2,858	3,102

## Consolidated balance sheet

SEK m	2021/06/30	2020/06/30	2020/12/31
<b>ASSETS</b>			
Goodwill	11,081	10,704	10,063
Other intangible assets	329	260	241
Property, plant and equipment	2,365	1,903	2,072
Financial assets	20,923	19,879	20,440
Inventories etc.	2,899	2,378	2,127
Current receivables	4,366	3,439	3,110
Cash and bank	1,765	4,673	4,033
<b>Total assets</b>	<b>43,728</b>	<b>43,236</b>	<b>42,086</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to parent company shareholders	29,506	27,886	29,067
Non-controlling interests	83	80	81
<i>Total equity</i>	<i>29,589</i>	<i>27,966</i>	<i>29,148</i>
Interest-bearing long-term liabilities	8,932	9,100	7,509
Non-interest-bearing long-term liabilities	635	526	587
Interest-bearing current liabilities	536	2,435	2,016
Non-interest-bearing current liabilities	4,036	3,209	2,826
<b>Equity and liabilities</b>	<b>43,728</b>	<b>43,236</b>	<b>42,086</b>

## Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 2020	133	-67	442	25,502	80	26,090
Total comprehensive income for the period			-43	2,752	0	2,709
Exercise of call options		79		-18		61
Own shares repurchase		-95				-95
Dividends				-799		-799
Closing balance 30 June 2020	133	-83	399	27,437	80	27,966
Opening balance 1 July 2020	133	-83	399	27,437	80	27,966
Total comprehensive income for the period			-400	1,577	1	1,178
Issued call options				11		11
Exercise of call options				-7		-7
Closing balance 31 December 2020	133	-83	-1	29,018	81	29,148
Opening balance 1 Jan 2021	133	-83	-1	29,018	81	29,148
Total comprehensive income for the period			119	2,310	2	2,431
Issued call options			1			1
Exercise of call options			102	-42		60
Own shares repurchase			-133			-133
Dividends				-1,918		-1,918
Closing balance 30 June 2021	133	-83	88	29,368	83	29,589

## Key ratios, Group

	2021/06/30	2020/06/30	2020/12/31
Return on equity (%)	16	20	19
Return on total capital (%)	13	15	15
Equity ratio, incl IFRS 16 (%)	68	65	69
Equity ratio, excl IFRS 16 (%)	69	66	70
Adjusted equity ratio, incl IFRS 16 <sup>1</sup> (%)	87	82	86
Adjusted equity ratio, excl IFRS 16 <sup>1</sup> (%)	87	82	86
Adjusted equity <sup>1</sup> (SEK m)	91,363	67,933	77,245
Surplus value in associated companies <sup>2</sup> (SEK m)	61,754	39,967	48,097
Net debt/equity ratio 1 (%) <sup>3</sup>	8.4	10.1	7.1
Net debt/equity ratio 2 (%) <sup>4</sup>	6.0	7.8	5.3
Listed share price (SEK)	281	169	200
Repurchased shares	367,200	460,500	460,500
Average number of repurchased shares	445,551	542,044	501,049
Average number of employees	7,278	6,253	6,251
Issued call options corresponds to number of shares	1,594,900	1,668,500	2,122,900

<sup>1</sup> Incl. fair value gain in associated companies.

<sup>2</sup> The difference between the carrying amount and market value.

<sup>3</sup> The ratio of net debt to adjusted equity.

<sup>4</sup> The ratio of net debt to the market value of total assets.

## Parent company income statement

SEK m	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	12 mths Jul-Jun 2020/2021	Full Year 2020
Income from interests i Group companies	970	440	970	440	1,029	499
Income from interest in associates companies	709	2,440	709	2,440	1,111	2,842
Income from portfolio management	-	-	-	-	-	-
Management costs	-5	-5	-10	-10	-22	-22
Profit before financial items	1,674	2,875	1,669	2,870	2,118	3,319
Interest income and similar items	10	20	19	36	27	44
Interest expense and similar items	-8	69	-16	-31	-20	-35
Profit after financial items	1,676	2,964	1,672	2,875	2,125	3,328
Taxes	-	-	-	-	-	-
Profit for the period	1,676	2,964	1,672	2,875	2,125	3,328

## Parent company statement of comprehensive income

SEK m	2021 Q2	2020 Q2	2021 6 mths	2020 6 mths	12 mths Jul-Jun 2020/2021	Full Year 2020
Profit for the period	1,676	2,964	1,672	2,875	2,125	3,328
Change in fair value reserve for the period	-	-	-	-	-	-
Total other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	1,676	2,964	1,672	2,875	2,125	3,328

## Parent company balance sheet

SEK m	2021/06/30	2020/06/30	2020/12/31
<b>ASSETS</b>			
Financial assets	12,386	10,840	12,385
Long-term receivables from Group companies	6,666	6,250	5,650
Current receivables from Group companies	396	1,781	16
Other current liabilities	23	24	12
Cash and bank	-	12	706
Total assets	19,471	18,907	18,769
<b>EQUITY AND LIABILITIES</b>			
Equity	12,030	11,891	12,348
Interese-bearing long-term lilabilities	7,416	7,000	6,400
Non-interest-bearing long-term liabilities	-	-	-
Interese-bearing current liabilities	-	-	-
Non-interest-bearing current liabilities	25	16	21
Equity and liabilities	19,471	18,907	18,769

## Parent company statement of changes in equity

SEK m	2021/06/30	2020/06/30	2020/12/31
Amount at beginning of year	12,348	9,849	9,849
Total comprehensive income for the period	1,672	2,875	3,328
Issued call options	1	-	11
Exercise of call options	-42	-18	54
Repurchased treasury shares	-31	-16	-95
Dividends	-1,918	-799	-799
Amount at end of year	12,030	11,891	12,348

## Segment reporting:

### Development by business area 1 Jan 2021 – 30 June 2021

SEK m	Industrial operations						Portfolio management	Total
	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
<b>INCOME</b>								
External sales	570	2,586	1,860	729	2,927	138		8,810
Internal sales			1					1
<b>RESULT</b>								
Operating profit	80	449	214	196	383	-34		1,288
Income from portfolio management							1,331	1,331
Finance income								86
Finance expense								-46
Taxes								-269
Profit for the period								2,390
<b>OTHER DISCLOSURES</b>								
Investments in:								
property, plant and equipment	9	169	37	10	57	-	-	282
intangible assets	2	398	584	-	2	-	-	986
Depreciation/amortisation	10	32	31	22	45	98	-	238

### Development by business area 1 Jan 2020 – 30 June 2020

SEK m	Industrial operations						Portfolio management	Total
	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
<b>INCOME</b>								
External sales	441	1,684	1,500	681	2,866	111		7,283
Internal sales			1					1
<b>RESULTS</b>								
Operating result	56	222	119	181	344	-36		886
Income from portfolio management							2,114	2,114
Finance income								14
Finance expense								-89
Taxes								-179
Profit for the period								2,746
<b>OTHER DISCLOSURES</b>								
Investments in:								
property, plant and equipment	98	108	33	4	27	12	-	282
intangible assets	-	304	502	1	67	-	-	874
Depreciation/amortisation	7	19	30	17	43	94	-	210

### Change in consolidated interest-bearing net debt

SEK m	2020/12/31	Change in cash	Change in loans	Other changes	2021/06/30
Interest-bearing receivables	22			-1	21
Swap	200			-50	150
Cash	4,033	-2,403		135	1,765
Pensions provisions	-91			-143	-234
Long-term liabilities	-7,420		-828	-450	-8,698
Utilised bank overdraft facilities	-85		22		-63
Interest-bearing current liabilities	-1,932		1,521	-62	-473
Interest-bearing net debt	-5,273	-2,403	715	-571	-7,532



## Five-year overview

SEK m	Jul-Jun 2020/2021	2020	2019	2018	2017
Net sales, SEK m	16,555	15,028	13,738	11,785	9,930
Operating profit, SEK m	2,459	2,057	1,819	1,397	1,125
Income from interest in associated companies, SEK m	3,166	3,977	3,955	1,278	2,006
Income from portfolio management, SEK m	-28	-36	194	2	-8
Profit after finance items, SEK m	5,487	5,753	5,725	2,646	3,069
Earnings per share, SEK	7.76	8.32	8.33	3.66	4.37
Return on equity, %	17.3	19.0	22.0	11.0	14.2
Return on total capital, %	13.1	15.0	17.0	9.0	12.6
Adjusted equity ratio, %	87	86	86	86	88
Net debt/equity ratio, %	8.4	7.1	11.3	9.2	7.9

## Note 1 Business combinations

### Specification of acquisitions

Transfer date		Country	Business area	Share	Contributed		
					Revenues	EBIT	nber of employees
11 January 2021	Vega Srl	Italy	Latour Industries	100%	57	13	203
8 January 2021	VM Kompensator A/S	Denmark	Latour Industries	100%	4	1	17
20 January 2021	Elsys AB	Sweden	Latour Industries	70%	12	5	6
28 February 2021	Fristads AB, Kansas AS	Sweden	Hultafors Group	100%	455	35	640
1 June 2021	Kansas GmbH, Leijona Group OY HK Instruments Oy	Finland	Latour Industries	100%	9	2	47

### Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	126
Property, plant and equipment	126
Inventories	398
Account receivable	275
Other receivable	24
Cash	83
Long-term liabilities	-604
Current liabilities	-319
Net identifiable assets and liabilities	606
Group goodwill	827
Total purchase price	1,433
Additional purchase price	-245
Cash settlement purchase price	1,188
Acquisition of non-cash items	-28
Acquired cash	-68
Effect of Group cash	1,092

Elsys AB will be fully consolidated into the Group when an agreement on the acquisition of outstanding shares is in place. All acquisitions have been made with the aim of strengthening and developing the Latour Group's existing operations. The acquisition cost calculations are preliminary and may change if new information becomes available. Transaction costs for acquisitions made during the period amount to SEK 14 m. Estimated additional purchase prices amounting to SEK 27 m for the acquisition of VM Kompensator, SEK 116 m for the acquisition of Vega, SEK 90 m for the acquisition of Fristads and SEK 12 m for the acquisition of HK Instruments have been booked.

## Note 2 Disclosures about financial assets and liabilities

### Classification of financial instruments

THE GROUP 30 JUNE 2021

	Available-for-sales financial assets	Financial assets values at fair value via profit and loss	Derivatives used for hedging purposes	Total carrying amount
<b>FINANCIAL ASSETS</b>				
Listed shares, management	0 <sup>1</sup>			0
Other long-term securities holdings	54 <sup>2</sup>			54
Other long-term receivables			27 <sup>3</sup>	26
Listed shares, trading		2 <sup>1</sup>		2
Unrealised gains, currency derivatives	153 <sup>2</sup>			153
Other current receivables			3 714 <sup>3</sup>	3,714
Cash			1 765 <sup>3</sup>	1,765
<b>Total</b>	<b>207</b>	<b>2</b>	<b>5,505</b>	<b>5,714</b>
<b>FINANCIAL LIABILITIES</b>				
Long-term loans			8 091 <sup>3</sup>	8,091
Bank overdraft facilities			63 <sup>3</sup>	63
Current loans			306 <sup>3</sup>	306
Other liabilities			2 419 <sup>3</sup>	2,419
Unrealised gains, currency derivatives	1 <sup>2</sup>			1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>10,879</b>	<b>10,880</b>

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

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

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

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

Hedging instruments consist of forward exchange contracts and interest rate and currency swaps and are included in level 2. Valuation at fair value of forward exchange contracts is based on levels established by the bank on an active market.

The fair value of accounts receivable and other receivables, current receivables, cash and other liquid funds, accounts payable and other liabilities as well as long-term liabilities 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 2021

SEK m	2021 6 mths	2020 6 mths
Revenue from goods	8,323	6,895
Revenue from services	487	388
	<b>8,810</b>	<b>7,283</b>
Fix-price contract	7,213	5,590
Time-and-materials contracts	1,597	1,693
	<b>8,810</b>	<b>7,283</b>
Sweden	1,669	1,325
Nordics, excl. Sweden	1,328	1,311
Europe, excl. Nordics	4,082	3,330
Other markets	1,731	1,317
	<b>8,810</b>	<b>7,283</b>

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

# Information by quarter

SEK m	2021			2020				2019				
	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>												
Net sales	4,823	3,987	15,028	4,053	3,692	3,605	3,678	13,738	3,647	3,339	3,567	3,185
Cost of goods sold	-2,924	-2,423	-9,151	-2,472	-2,236	-2,209	-2,234	-8,301	-2,219	-2,041	-2,137	-1,904
Gross profit	1,899	1,564	5,877	1,581	1,456	1,396	1,444	5,437	1,428	1,298	1,430	1,281
Costs etc. for the operation	-1,158	-1,017	-3,820	-1,006	-860	-935	-1,019	-3,618	-1,064	-855	-831	-868
Operating profit	741	547	2,057	575	596	461	425	1,819	364	443	599	413
Total portfolio management	616	715	3,941	991	836	2,469	-355	3,965	1,029	350	1,209	1,377
Profit before financial items	1,357	1,262	5,998	1,566	1,432	2,930	70	5,784	1,393	793	1,808	1,790
Net financial items	-42	82	-245	-120	-40	-121	46	-59	-67	31	-24	1
Profit after financial items	1,315	1,344	5,753	1,446	1,382	2,809	116	5,725	1,326	824	1,784	1,791
Taxes	-136	-133	-429	-157	93	-67	-112	-415	-79	-133	-113	-90
Profit for the period	1,179	1,211	5,324	1,289	1,289	2,742	4	5,310	1,247	691	1,671	1,701
<b>KEY RATIOS</b>												
Earnings per share, SEK	1.84	1.89	8.32	2.01	2.02	4.29	0.01	8.33	1.98	1.08	2.61	2.66
Cash flow for the period	125	-2426	3102	537	483	2053	1606	249	169	122	-1171	1129
Adjusted equity ratio, %	87	88	86	86	85	82	80	86	86	87	88	87
Adjusted equity	91,363	83,820	77,245	77,245	77,112	67,933	59,626	71,398	71,398	65,229	66,481	62,720
Net asset value	120,505	106,003	98,024	98,024	94,584	81,418	72,863	86,974	86,974	81,027	81,276	76,054
Net asset value per share, SEK	188	166	153	153	148	127	114	136	136	127	127	119
Listed share price, SEK	281	226	200	200	211	169	142	153	153	130	137	125
<b>NET SALES</b>												
Caljan	859	209	1,176	424	311	219	222	113	113	0	0	0
Hultafors Group	1,353	1,113	3,641	1,041	915	839	846	2,896	866	693	689	648
Latour Industries	1,083	887	3,081	855	725	689	812	3,079	810	739	790	740
Nord-Lock Group	402	354	1,275	294	300	324	357	1,448	330	340	395	384
Swegon	1,796	1,361	5,614	1,376	1,372	1,472	1,394	5,986	1,473	1,505	1,639	1,370
	5,675	3,924	14,783	3,989	3,622	3,542	3,631	13,519	3,591	3,276	3,512	3,142
Other companies and eliminations	87	63	245	64	70	63	47	219	56	63	55	43
	5,762	3,987	15,028	4,053	3,692	3,605	3,678	13,738	3,647	3,339	3,567	3,185
<b>OPERATING PROFIT</b>												
Caljan	61	19	207	93	58	27	30	20	20	0	0	0
Hultafors Group	266	183	561	182	157	114	108	412	138	97	90	88
Latour Industries	102	112	312	105	87	48	71	257	60	74	67	56
Nord-Lock Group	97	99	316	52	83	84	97	411	71	94	124	121
Swegon	227	156	721	160	217	201	143	717	145	199	226	147
	753	569	2,117	593	602	474	449	1,817	434	464	507	412
Gain/loss from sale/purchase of	-4	-14	-38	-12	1	-10	-17	29	-63	-15	108	-1
Other companies and items	-8	-9	-22	-6	-4	-7	-8	-27	-7	-6	-17	2
	741	546	2,057	575	599	457	424	1,819	364	443	598	413
<b>OPERATING MARGIN (%)</b>												
Caljan	17.0	9.1	17.6	21.8	18.7	12.2	13.3	17.4	17.4	0.0	0.0	0.0
Hultafors Group	18.0	16.5	15.4	17.5	17.1	13.6	12.8	14.2	15.9	13.9	13.3	13.6
Latour Industries	10.4	12.6	10.1	12.3	12.0	7.0	8.8	8.3	7.4	10.0	7.7	7.6
Nord-Lock Group	26.0	27.8	24.8	17.7	27.6	25.8	27.3	28.4	21.6	27.8	40.8	31.4
Swegon	14.5	11.5	12.8	11.6	15.8	13.7	10.2	12.0	9.9	13.2	10.7	10.7
	15.9	14.5	14.3	14.8	16.6	13.4	12.4	13.4	12.1	14.2	13.1	13.1

## Definitions of key ratios

### **Organic growth**

Change in sales in comparable entities after adjustment for acquisitions and foreign exchange effects.

### **Operating profit (EBITDA)**

Earnings before interest, tax, depreciation of property, plant and equipment and amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability.

### **Operating profit (EBITA)**

Earnings before interest, tax, amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability.

### **Operating margin (EBITA) %**

Earnings before interest, tax, amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability, as a percentage of net sales.

### **Operating profit (EBIT)**

Earnings before interest and tax.

### **Operating margin (EBIT) %**

Operating profit divided by net sales.

### **Operating capital**

Total assets less cash and cash equivalents, other interest-bearing assets and non-interest-bearing liabilities. Calculated on the average for the past 12 months.

### **Total growth**

Increase in revenue for the period as a percentage of the previous year's revenue.

### **Currency-driven growth**

Increase in revenue due to currency changes for the period as a percentage of the previous year's revenue.

### **Organic growth**

Increase in revenue for the period, adjusted for acquisitions/disposals and exchange rate changes, as a percentage of the previous year's revenue adjusted for acquisitions and disposals.

### **Basic earnings per share**

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

Calculations:

Jan-June 2021:  $2,390/639,394,449 \times 1000=3.74$

Jan-June 2020:  $2,746/639,297,956 \times 1000=4.29$

### **Diluted earnings per share**

Calculations:

Jan-June 2021:  $2,390/641,446,454 \times 1000=3.72$

Jan-June 2020:  $2,746/641,522,973 \times 1000=4.28$

### **Equity ratio**

The ratio of shareholder equity to total assets.

### **Adjusted equity ratio**

The ratio of shareholder equity plus gains in associated companies to total assets including gains in associated companies.

### **Net borrowings**

Interest-bearing liabilities less cash and cash equivalents and interest-bearing receivables.

### **Net debt/equity ratio**

The ratio of net borrowings to either adjusted equity or the market value of total assets.

### **Return on equity**

The ratio of net income booked in the income statement to average equity.

### **Return on total capital**

The ratio of profit/loss after financial items plus finance expense to average total assets.

### **Return on operating capital**

The ratio of operating profit to average operating capital.

### **Direct return**

Dividends as a percentage of the share purchase price.

### **EBIT multiple**

The ratio of operating profit to market value adjusted for net debt.

### **Net asset value**

The difference between the company's assets and liabilities, when the investment portfolio (incl. associated companies) is recognised at market value and operative subsidiaries that are owned at the end of the period are recognised in an interval based on EBIT multiples for comparable listed companies in each business area.

### **Share of voting rights**

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

### **Share of equity**

Share of equity is calculated on total number of issued shares.

### **Other**

The amounts in tables and other charts have each been rounded off. There may therefore be minor differences in the totals due to rounding-off.

**For further information, please contact:**

Johan Hjertonsson, President and CEO, tel. +46 (0)702-29 77 93.

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

**Presentation of performance for the quarter:**

Investment AB Latour invites you to participate in a conference call with Johan Hjertonsson and Anders Mörck commencing at 10 a.m. today.

The number to call is +46 (0)8 505 583 75. The conference will be broadcast on the Internet.

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

**Financial dates:**

*The interim report for the period January – September 2021 will be published on 9 November 2021*

*The 2021 Year-End Report will be published on 11 February 2022*

*The interim report for the period January – March 2022 will be published on 29 April 2022*

*The interim report for the period January – June 2022 will be published on 23 August 2022*

*The interim report for the period January – September 2022 will be published on 8 November 2022*

*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 23 August 2021 at 8.30 a.m. CEST.*

Investment AB Latour (publ)

Corporate ID no. 556026-3237

J A Wettergrens gata 7, Box 336, SE-401 25 Gothenburg, Sweden

Tel +46 (0)31 89 17 90

[info@latour.se](mailto:info@latour.se), [www.latour.se](http://www.latour.se)