



2018

INTERIM REPORT
JANUARY - JUNE

Interim report January - June 2018

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 105 per share, compared with SEK 95 per share at the start of the year. This is an increase of 13.1 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 4.1 per cent. The net asset value was SEK 106 per share at 20 August.¹
- In the period, the total return on the Latour share fell by 1.6 per cent measured against the SIXRX, which rose by 4.1 per cent.

INDUSTRIAL OPERATIONS

The second quarter

- The industrial operations' order intake rose 24 per cent to SEK 3,192 m (2,578 m), which represents a 14 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 20 per cent to SEK 2,983 m (2,478 m), which represents an 11 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 34 per cent to SEK 397 m (297 m), which equates to an operating margin of 13.3 per cent (12.0) for continuing operations.
- On 30 April, Hultafors Group acquired Johnson Level & Tool, based in Wisconsin, USA. Nord-Lock has concluded an agreement for the acquisition of its Spanish distributor IDQ.

January - June

- The industrial operations' order intake rose 19 per cent to SEK 5,944 m (5,004 m), which represents a 10 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 18 per cent to SEK 5,536 m (4,697 m), which represents a 9 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 24 per cent to SEK 677 m (549 m), which equates to an operating margin of 12.2 per cent (11.7) for continuing operations.

THE GROUP

- Consolidated net sales totalled SEK 5,614 m (4,807 m) and profit after financial items was SEK 1,119 m (1,476 m). Assa Abloy's goodwill write-down in the second quarter negatively impacted the income statement by SEK 570 m. Excluding this item, profit increased by 13 per cent to SEK 1,689 m (1,476 m).
- Consolidated profit after tax was SEK 954 m (1,351 m), which is equivalent to SEK 1.50 (2.12) per share.
- Net debt at the end of June was SEK 5,229 m (2,608 m) and is equivalent to 7 per cent of the market value of total assets.

INVESTMENT PORTFOLIO

- During the first six months, the value of the investment portfolio increased by 12.6 per cent adjusted for dividends and net investments. The benchmark index (SIXRX) rose 4.1 per cent.
- There were no changes in holdings in the investment portfolio during the quarter. Earlier in the year, however, the ownership stake in Alimak Group increased to 28.2 per cent of the capital following the purchase of 800,000 shares.

EVENTS AFTER THE REPORTING PERIOD

- In July, Hultafors Group acquired the Swedish company Hellberg Safety AB.

¹ The calculation of the net asset value on 20 August 2018 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 ten substantial holdings that on 30 June 2018 had a market value of about SEK 52 billion. The wholly-owned industrial operations are grouped into four business areas: Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. They generate a turnover of approximately SEK 10 billion.

Comments from the CEO

“All the business areas are making positive contributions to the continued acquisitive and organic growth of the wholly-owned industrial operations. In the second quarter, the order intake grew by an impressive 24 per cent and invoiced sales by 20 per cent. Excluding acquisitions and foreign exchange effects, order intake grew by 14 per cent and invoiced sales by 11 per cent. We are extremely pleased with these growth figures, which we take as evidence that our commitment to product development, sales and marketing in the companies is really paying dividends. The order backlog at the close of the period is SEK 1,571 m (1,310 m), up 20 per cent on the previous year's value. This strong growth means that in absolute terms we are yet again able to report the best quarter ever, with an operating profit that rose to SEK 398 m (297 m) to give an operating margin of 13.3 per cent (12.0). We have exceeded all our financial targets in the last 12-month period.

Despite the sense of unease and uncertainty in the world arising from trade barriers and heated exchanges between various political figures, most markets still seem to be enjoying strong economic growth. We are seeing some negative signals from operations or products that are supplied to the automotive industry, and also considerable hesitancy in decision making on major investments, particularly in North America and China. Although the auto industry is not a major segment for us, these signals should not be ignored as there could be knock-on effects in other industrial segments. There is still uncertainty surrounding investment trends in North America, but otherwise the outlook currently seems stable. Outside of Europe, we are viewing developments in Asia, including China and India, with continued optimism. In the industrial operations, it is primarily Nord-Lock that is represented in Asia, where it continues to perform well, with 28 per cent growth (organic) so far this year.

Our stable earnings performance and strong growth continue to give us confidence to act proactively regardless of the market climate. The search for suitable companies to add to the Group continues with unabated vigour, and the industrial operations were complemented by two acquisitions during the second quarter. These were of the American company Johnson Level & Tool for Hultafors Group and the Spanish company IDQ for Nord-Lock Group. Read more about our acquisitions and disposals on page 4 in the report.

There have been mixed reactions to the reports that the majority of our listed holdings have now presented. Assa Abloy's write-down of goodwill in the Chinese operations has affected our income statement, but it is important to keep in mind that Assa has built up a significant position in that market during a period of growth. We are confident that this will continue to be an important market for Assa and for most companies with global ambitions. The reports have otherwise been in line with our expectations.

The growth in value on the stock exchange has recovered slightly during the second quarter after a weak first quarter, and the value of our investment portfolio increased in the first six months by 12.6 per cent, adjusted for dividends and net investments. By comparison, the SIXRX increased by 4.1 per cent. In the same period, the net asset value in Latour increased by 13.1 per cent to SEK 105 per share, adjusted for dividends.

*Jan Svensson
President and Chief Executive Officer*

Industrial operations

Order intake, invoiced sales and earnings

The order intake increased in the second quarter by 24 per cent to SEK 3,192 m (2,578 m), which is equivalent to 14 per cent organic growth. Invoiced sales rose 20 per cent to SEK 2,983 m (2,478 m), which is equivalent to 11 per cent organic growth. The operating profit in the wholly-owned industrial operations increased by 34 per cent to SEK 398 m (297 m) in the quarter. The operating margin was 13.3 per cent (12.0). The order intake increased in the first six months by 19 per cent to SEK 5,944 m (5,004 m), which is equivalent to 10 per cent organic growth. Invoiced sales rose 20 per cent to SEK 5,536 m (4,697 m), which is equivalent to 9 per cent organic growth. The operating profit in the wholly-owned industrial operations increased by 24 per cent to SEK 677 m (549 m) in the six-month period. The operating margin was 12.2 per cent (11.7).

The above figures do not include the jointly-owned subsidiaries that are not subsidiaries of the wholly-owned business areas. See the separate report on page 5.

Acquisitions/disposals

The wholly-owned industrial operations were complemented with two acquisitions in the second quarter. On 30 April, Hultafors Group acquired Johnson Level & Tool Mfg. Co., Inc., ("Johnson"), based in Wisconsin, USA. Johnson is a widely-recognised provider of measuring tools and a market leader in several channels of distribution in the USA. Net sales amounted to approximately USD 36 m in 2017 with a profitability well in line with Latour's financial targets. The company employs around 70 people. The acquisition is part of Hultafors Group's strategy to strengthen its presence in North America. This acquisition gives Hultafors Group access to a wide network of distribution points in relevant sales channels in the USA, as well as a complete product portfolio of levels, lasers and other measurement, marking and layout tools.

On 20 June, Nord-Lock Group signed an agreement to acquire all shares in the distributor IDQ Investigación Diseño y Calidad, S.A.U. (IDQ). Closing is expected to take place in September 2018. The acquisition is a natural step in the growth strategy of Nord-Lock Group and will strengthen its local presence in Spain, ensuring that Nord-Lock Group customers continue to receive the level of service and support that they expect. Spain is a significant market for bolt securing and tensioning and the aim is to assure that Nord-Lock Group continues on its trajectory of strong growth. IDQ reported a turnover of SEK 17 m and had 7 employees in 2017.

Earlier this year, the subsidiary Kabona AB was sold to Nordomatic AB, the largest independent system integrator within building automation in the Nordic region. The transfer is in line with Latour's long-standing policy of streamlining its operations to include investments in companies with clear product ownership and opportunities for internationalisation. Kabona AB was divided into two separate companies in 2017, with Ecopilot AB taking over the product ownership of the Ecopilot product concept. Kabona AB has subsequently had a more streamlined focus on energy efficiency projects in building automation.

Additionally in the first quarter, the subsidiary Bemsig AB acquired Sensortec Holding AG, a leading Swiss company active in sensors and transmitters for building automation. Sensortec is based in Ins in the canton of Bern in Switzerland. The product range includes a full line of field units for building automation, as well as touchless sensors for automatic door systems marketed under the brand name of SENSIR. Most of its products are based on proprietary design and technology but the portfolio also includes selected third-party products from leading suppliers, such as Proidual which is also part of Bemsig, in order to be able to offer a full range. The company has 10 employees and had an annual turnover of CHF 5.3 million in 2017.

Industrial operations summary

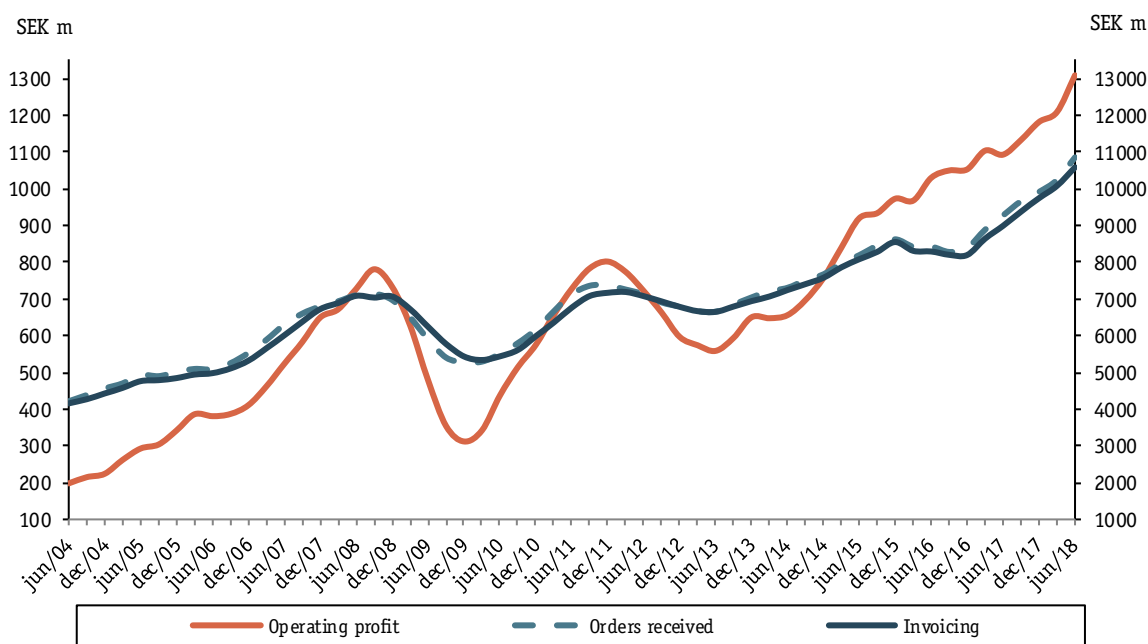
Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths
Hultafors Group	596	460	1,073	905	98	64	163	126	16.4	14.0	15.2	14.0
Latour Industries	700	556	1,351	1,019	48	36	79	68	6.9	6.4	5.9	6.6
Nord-Lock Group	341	286	645	569	108	86	202	176	31.7	30.2	31.3	30.9
Swegon	1,347	1,177	2,468	2,205	143	110	233	179	10.6	9.4	9.4	8.1
Eliminations	-1	-1	-1	-1	-	1	-	-	-	-	-	-
	2,983	2,478	5,536	4,697	397	297	677	549	13.3	12.0	12.2	11.7
Part-owned subsidiaries	41	45	78	79	-5	-4	-11	-8	-13.0	-9.6	-13.7	-9.7
	3,024	2,523	5,614	4,776	392	293	666	541	12.9	11.5	11.8	11.2
Gain/loss from sale/purchase of businesses	-	-	-	-	-10	-10	-11	-15				
Other companies and items	-	15	-	31	-11	-4	-17	-7				
	3,024	2,538	5,614	4,807	371	279	638	519				

SEK m	Operating capital ¹		Return on operating capital %		Growth in net sales, 2018 %			
	2018 Trailing 12	2017 Trailing 12	2018 Trailing 12	2017 Trailing 12	Total	Organic	Currency	Acquisitions
Hultafors Group	1,466	1,234	22.0	22.5	18.6	8.9	2.2	6.5
Latour Industries	3,002	2,346	6.1	6.3	32.6	9.0	2.7	18.6
Nord-Lock Group	975	943	37.5	32.3	13.3	12.4	0.8	-
Swegon	2,993	2,761	14.5	13.0	11.9	8.4	2.9	0.4
Total	8,436	7,284	15.5	15.0	17.9	9.1	2.5	5.5

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.

Group trailing 12 months



Development by business area

HULTAFORS GROUP

(SEK m)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
Net sales	596	460	1,073	905	1,901	2,069
EBITDA	102	68	170	133	300	338
EBITA	98	64	163	126	287	323
EBIT	98	64	163	126	287	323
EBITA %	16.4	14.0	15.2	14.0	15.1	15.6
EBIT %	16.4	14.0	15.2	14.0	15.1	15.6
Total growth %	29.5	9.0	18.6	12.4	11.9	
Organic %	13.5	4.2	8.9	8.9	9.3	
Exchange effects %	2.4	1.9	2.2	1.4	0.3	
Acquisitions %	11.3	2.6	6.5	1.8	2.1	
Average number of employees	771	691	750	689	696	

Highlights

- All business units are reporting organic growth and increasing demand in most markets.
- The continued organic growth results in a solid performance for the quarter.
- The organisation is focusing on maintaining organic growth and investing in sales organisations, product development and marketing.
- Johnson Level & Tool in Wisconsin, USA, was acquired during the quarter. More details can be found on page 4.
- The Swedish company Hellberg Safety AB was acquired after the end of the second quarter.

Breakdown of net sales

(SEK m)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
Personal Protective Equipment	344	282	644	559	1,195	1,280
Tools	206	138	342	268	548	622
Access Solutions	46	41	87	79	158	166
	596	460	1,073	905	1,901	2,069
Pro forma adjustment ¹						293
Trailing 12 month pro forma						2,362

¹ Pro forma for completed acquisitions.

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



(SEK m)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
Net sales	700	556	1,351	1,019	2,314	2,646
EBITDA	63	47	108	88	221	242
EBITA	54	39	90	73	189	205
EBIT	48	36	79	68	171	183
EBITA %	7.7	7.1	6.7	7.2	8.2	7.8
EBIT %	6.9	6.4	5.9	6.6	7.4	6.9
Total growth %	25.9	37.1	32.6	36.4	43.0	
Organic %	8.4	2.6	9.0	4.6	6.3	
Exchange effects %	3.1	1.7	2.7	1.2	0.7	
Acquisitions %	12.6	31.4	18.6	28.9	33.4	
Average number of employees	1,418	1,359	1,403	1,241	1,422	

Highlights

- Net sales continue to increase and grew by 26 per cent, of which 8 per cent was organic growth.
- There was a slight improvement in the operating profit during the second quarter, but the figures are still much lower than what is acceptable in the long term.
- Our investments in marketing, sales and product development continue at an unabated pace.
- The recently-acquired company Sensortec is making positive contributions to sales and earnings.

Breakdown of net sales

(SEK m)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
Produal	54	48	106	95	188	199
Sensortec	13	-	13	-	-	13
Ecopilot	1	2	2	4	6	4
Elvaco	33	24	68	50	110	127
Bastec	18	14	33	28	53	58
NODA	1	-	4	-	2	6
Elimination	-1	-	-1	-1	-1	-2
Sum Bemsig	119	88	223	175	356	404
Aritco Group	119	111	245	212	458	492
VIMEC	130	41	241	41	276	476
REAC	133	119	250	199	445	497
LSAB	155	127	295	256	502	541
DENSIQ	44	36	75	68	143	151
Kabona	-	38	22	77	145	89
Elimination	-	-5	-1	-7	-11	-4
	700	556	1,351	1,019	2,314	2,646
Pro forma adjustment ¹						-33
Trailing 12 month pro forma						2,613

¹ 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)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
Net sales	341	286	645	569	1,114	1,190
EBITDA	117	93	219	189	368	398
EBITA	110	88	206	178	345	373
EBIT	108	86	202	176	340	366
EBITA %	32.3	30.7	32.0	31.3	31.0	31.4
EBIT %	31.7	30.2	31.3	30.9	30.5	30.8
Total growth %	19.3	22.1	13.3	24.2	20.2	
Organic %	16.6	8.0	12.4	10.5	15.4	
Exchange effects %	2.4	4.0	0.8	3.1	-0.3	
Acquisitions %	-	8.6	-	8.9	4.4	
Average number of employees	546	492	531	480	488	

Highlights

- The best ever quarter in terms of net sales and operating profit.
- Net sales are experiencing organic growth in all markets. Sales in Asia Pacific are continuing to boom with 35 per cent organic growth during the quarter.
- Fredrik Meuller took over as the new CEO of Nord-Lock Group on 1 June.
- An agreement for the acquisition of IDQ in Spain was concluded during the quarter. More details can be found on page 4.

Breakdown of net sales

(SEK m)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
EMEA	168	141	335	289	559	606
Americas	85	79	153	160	322	315
Asia Pacific	89	66	157	121	233	269
	341	286	645	569	1,114	1,190
Pro forma adjustment ¹						-
Trailing 12 month pro forma						1,190

¹ Pro forma for completed acquisitions.



(SEK m)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
Net sales	1,347	1,177	2,468	2,205	4,378	4,641
EBITDA	166	132	278	221	462	519
EBITA	147	114	239	183	391	447
EBIT	143	110	233	179	381	435
EBITA %	10.9	9.7	9.7	8.3	8.9	9.6
EBIT %	10.6	9.4	9.4	8.1	8.7	9.4
Total growth %	14.5	10.0	11.9	15.9	11.9	
Organic %	10.1	-2.3	8.4	3.0	3.1	
Exchange effects %	4.0	2.3	2.9	1.9	0.6	
Acquisitions %	-	10.1	0.4	10.4	7.9	
Average number of employees	2,383	2,215	2,308	2,190	2,228	

Highlights

- Organic net sales are growing at a good rate in all business units, except for North America where sales were somewhat more sluggish in the second quarter. Commercial Ventilation is reporting particularly good growth.
- Growth is positive in all geographic markets in Europe.
- The order backlog was at a record high at the close of the second quarter, 22 per cent above same period last year.
- The most recent product launches were received enthusiastically by the market.

Breakdown of net sales

(SEK m)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
Sweden	312	273	595	539	1,022	1,078
Rest of Nordic region	252	204	462	415	817	865
Rest of world	783	700	1,411	1,251	2,539	2,698
	1,347	1,177	2,468	2,205	4,378	4,641
Pro forma adjustment ¹						-
Trailing 12 month pro forma						4,641

¹ Pro forma for completed acquisitions.

(SEK m)	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	2017 Full Year	Trailing 12 mths
Cooling	412	364	689	621	1,241	1,309
Home Solutions	107	98	201	188	358	371
Light Commercial	63	57	118	108	220	229
Commercial Ventilation	636	536	1,200	1,041	2,068	2,227
North America	59	65	124	125	248	247
UK	155	127	291	247	502	546
Eliminations	-85	-70	-155	-125	-259	-288
	1,347	1,177	2,468	2,205	4,378	4,641

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, this is reflected in the table 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 therefore not been taken into consideration.

A more detailed description can be found on page 21 in Latour's Annual Report for 2017.

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 105 per share from SEK 95 at the beginning of the year. The net asset value consequently increased by 13.1 per cent, adjusted for dividends, measured against SIXRX which increased by 4.1 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	2,362	368	11 - 15	4,048 - 5,520	4,784	6 - 9
Latour Industries	2,613	196	12 - 16	2,352 - 3,136	2,744	4 - 5
Nord-Lock Group	1,190	366	12 - 16	4,392 - 5,856	5,124	7 - 9
Swegon	4,641	435	13 - 17	5,655 - 7,395	6,525	9 - 12
	10,806	1,365		16,447 - 21,907		26 - 34
Industrial operations valuation, average					19,177	30
Listed shares (see table on page 9 for breakdown)					52,361	82
Unlisted part-owned companies						
Diamorph ⁵ , 28.2%					246	1
Neuffer ⁵ , 66.1 %					197	0
Oxeon ⁵ , 31.6 %					15	0
Terratech ⁵ , 21.6 %					45	0
Other assets						
Short trading portfolio					46	0
Dilution effect of option programme					-17	0
Consolidated net debt					-5,229	-8
Estimated value					66,841	105
					(64 112 - 69 572)	(100 - 109)

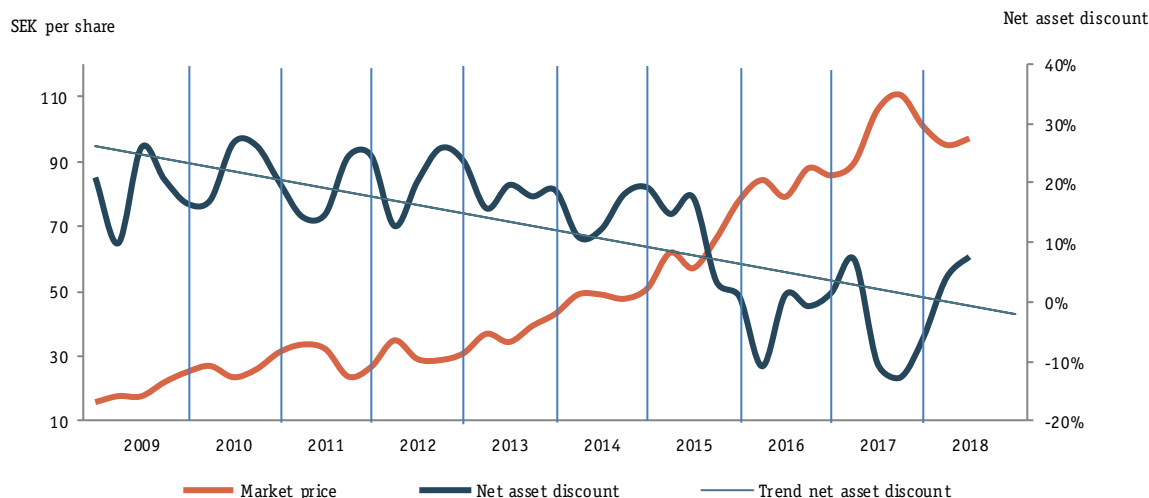
¹ Trailing 12 months for current company structure. EBIT is reported before restructuring costs.

² EBIT and EV/sales recalculated taking into consideration the listed share price on 30 June 2018 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 2018

During the first six months of the year, the value of the investment portfolio increased by 12.6 per cent, adjusted for dividends and net investments, while the benchmark index (SIXRX) was up 4.1 per cent.

During the first quarter, the ownership stake in Alimak Group increased to 28.2 per cent of the capital following the acquisition of 800,000 shares. No transactions were conducted during the second quarter.

Share ¹	Number	Listed share price ²		Market value SEK m	Share of votes %	Share of equity %
		Cost SEK m	SEK			
Alimak Group	15,261,809	2,045	137	2,094	28.2	28.2
Assa Abloy ³	105,495,729	1,697	191	20,139	29.5	9.5
Fagerhult	55,861,200	571	77	4,285	48.8	48.3
HMS Networks	12,109,288	250	153	1,855	26.1	25.9
Loomis ³	2,528,520	44	311	787	23.8	3.4
Nederman	10,538,487	306	101	1,060	30.0	30.0
Nobia ⁵	4,649,894	94	69	321	2.8	2.7
Securitas ³	39,732,600	1,081	147	5,859	29.6	10.9
Sweco ^{3 4}	32,622,480	445	211	6,890	21.0	26.9
Tomra ⁶	39,000,000	2,000	171 NOK	7,336	26.4	26.3
Troax	6,020,000	397	289	1,737	30.1	30.1
Total		8,930		52,363		

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

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

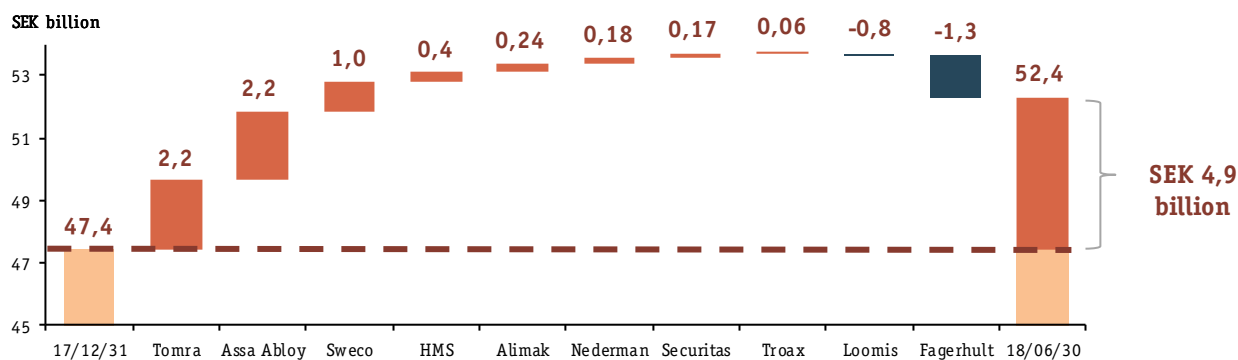
³ Due to the limited trading in class A shares in Sweco, and the fact that the class A shares in Assa Abloy, Loomis and Securitas are unlisted, they have been given the same listed share price as the companies' class B shares. Holdings consisting of both class A and B shares are reported in the table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

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

⁵ The majority of the shareholding in Nobia was sold in December 2015, and Latour is therewith no longer a principal owner.

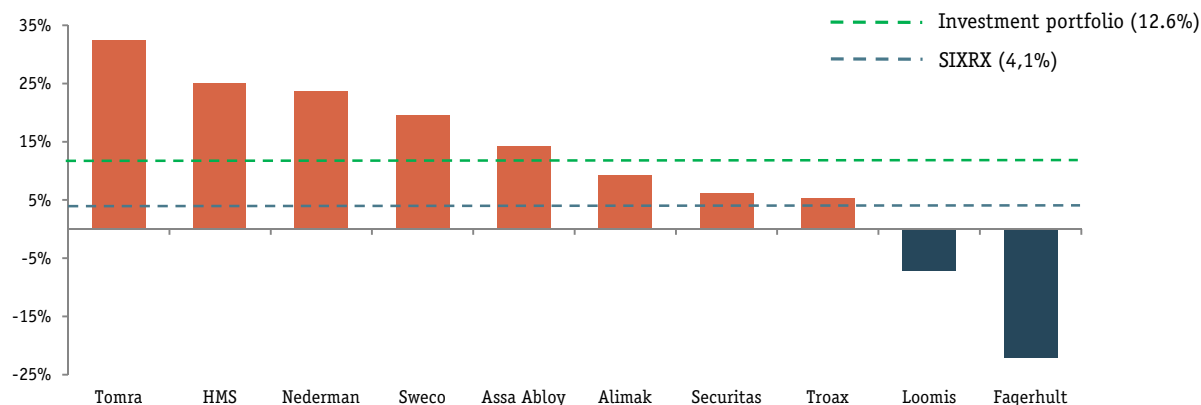
⁶ At the end of the report period, the listed share price was NOK 171 which has been translated to SEK at the exchange rate on the balance sheet date.

Investment portfolio during 2018



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

Total return 2018 for the portfolio companies



Results and financial position

The Group

The Group's profit after financial items was SEK 1,119 m (1,476 m). Of this figure, SEK 0 m (0 m) is capital gains. Profit after tax was SEK 954 m (1,351 m), which is equivalent to SEK 1.50 (2.12) per share. The decision by our largest holding, Assa Abloy, to make a significant goodwill write-down in the second quarter of 2018 negatively impacted the income statement this year by SEK 570 m.

The Group's cash in hand and liquid investments reached SEK 668 m (806 m). Interest-bearing debt, excluding pension liabilities, totalled SEK 5,835 m (3,374 m). The Group's net debt, including pension liabilities, was SEK 5,229 m (2,608 m). The equity ratio was 87 per cent (90) calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

During the first quarter, Latour registered an SEK 4 billion Medium Term Note (MTN) programme with the Swedish Financial Supervisory Authority (Finansinspektionen), which gives yet another source of finance. This was followed up in March with a successful issue of Latour's first three bonds with a total value of SEK 2.5 billion, and another bond issue totalling SEK 600 m was carried out in May. The first bond loan amounts to SEK 1,000 m with a tenor of 4 years at an annual floating rate equal to three-month STIBOR plus a credit margin of 0.70 per cent. The second and third bond loans were issued with a tenor of 2 years. One of the loans amounts to SEK 750 m at an annual floating rate equal to three-month STIBOR plus a credit margin of 0.40 per cent. The other loan amounts to SEK 750 m at an annual fixed rate of 0.24 per cent. The fourth bond loan amounts to SEK 600 m and was issued with a tenor of 2.5 years at an annual fixed rate of 0.36 per cent.

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 86 m (175 m) was invested in property, plant and equipment, of which SEK 64 m (67 m) was machinery and equipment, SEK 22 m (21 m) vehicles and SEK 0 m (87 m) buildings. Out of total investments for the year, SEK 13 m (102 m) refers to fixed assets in new acquisitions.

Parent company

The parent company's profit after financial items was SEK 1,415 m (1,085 m). The parent company's equity ratio was 76 per cent (100).

The number of class A shares issued is 47,642,448, and the number of class B shares is 592,197,552. Not including repurchased shares, the number of outstanding shares on 30 June 2018 amounted to 639,117,500. At the end of the period, Latour holds 722,500 repurchased class B shares.

The total number of issued call options is 918,000, which give the right to purchase 1,863,000 shares.

Events after the reporting period

In July, Hultafors Group acquired the Swedish company Hellberg Safety AB. The company generated sales of SEK 66 m in 2017 and has around 20 employees.

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 is generally 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 2017 Annual Report.

Accounting policies

The Group's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union. The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, "Accounting for Legal Entities".

The Group has started to apply IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers with effect as of 1 January 2018.

IFRS 9 comprises three parts: Classification and measurement; Impairment; and Hedge accounting. Latour's reporting of financial instruments is only marginally affected by this new accounting standard. No impact has been identified relating to the classification and measurement requirements. With regard to impairment, the impact of the impairment model for expected credit losses is likely to be immaterial. No impact on opening balances can be identified relating to the hedge accounting requirements. Since the effects are immaterial, the opening balance for 2018 is not affected.

IFRS 15 provides a single model to determine how and when an entity should recognise revenue. Latour has opted to use the prospective approach, which means that prior-year comparatives will not be restated. The transition to IFRS 15 did not result in any material changes regarding the identification of the performance obligations or allocation of the transaction price to the performance obligations, or regarding the timing of revenue recognition when the

performance obligations have been met. This means that the IFRS 15 standard has not had a significant impact on revenue recognition compared with the former revenue recognition standard. On the other hand, participating interests in associates and participating equity have increased by SEK 29 m as a consequence of an increase in Securitas' equity with the introduction of IFRS 15.

The parent company's financial statements are not affected by the transition to IFRS 9 and IFRS 15.

The Latour Group uses a number of economic indicators that are not defined in the set of accounting rules used by the

Group, so-called alternative performance measures. Definitions of the economic indicators can be found on page 19 of this report and in Latour's latest Annual Report. For an explanation of how the financial performance indicators have been calculated for the current and prior periods, please see the table in this report and Latour's latest Annual Report.

The Annual Reports for 1986 to 2017 are available for viewing on Latour's website www.latour.se.

This report has not been audited by the company's auditors.

Gothenburg, 21 August 2018
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, 21 August 2018
Investment AB Latour

Olle Nordström
Chairman

Mariana Burenstam Linder
Board member

Anders Böös
Board member

Anders G. Carlberg
Board member

Carl Douglas
Board member

Eric Douglas
Board member

Lena Olving
Board member

Jan Svensson
Board member/CEO

For further information please contact:

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

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

Conference call

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

The number to call is +46 (0)8 566 426 93. 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 2018 will be published on 6 November 2018

The 2018 Year-End Report will be published on 14 February 2019

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 21 August 2018 at 08.30 CEST.

Consolidated income statement

SEK m	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	12 mths Jul-Jun 2017/2018	Full Year 2017
Net sales	3,024	2,538	5,614	4,807	10,737	9,930
Cost of goods sold	-1,802	-1,512	-3,346	-2,839	-6,392	-5,885
Gross profit	1,222	1,026	2,268	1,968	4,345	4,045
Sales costs	-531	-466	-1,018	-909	-1,965	-1,856
Administrative costs	-241	-218	-467	-426	-878	-837
Research and development costs	-87	-72	-170	-133	-323	-286
Other operating income	21	24	53	39	155	141
Other operating expenses	-13	-15	-28	-20	-90	-82
Operating profit	371	279	638	519	1,244	1,125
Income from interests in associates	68	588	462	971	1,497	2,006
Income from portfolio management	44	12	35	14	31	10
Management costs	-6	-3	-11	-7	-22	-18
Profit before financial items	477	876	1,124	1,497	2,750	3,123
Finance income	54	31	112	63	186	137
Finance expense	-68	-42	-117	-84	-224	-191
Profit after financial items	463	865	1,119	1,476	2,712	3,069
Taxes	-95	-68	-165	-125	-321	-281
Profit for the period	368	797	954	1,351	2,391	2,788
Attributable to:						
Parent company shareholders	370	799	958	1,355	2,396	2,793
Non-controlling interests	-2	-2	-4	-4	-5	-5
Earnings per share regarding profit attributable to parent company shareholders ¹						
Basic share, SEK	0.58	1.25	1.50	2.12	3.75	4.37
Diluted share, SEK	0.58	1.25	1.49	2.11	3.74	4.36
Average number of basic shares outstanding ¹	638,933,885	638,632,044	638,891,180	638,589,260	638,794,060	638,719,595
Average number of diluted shares outstanding ¹	641,189,324	640,944,220	641,237,892	640,979,580	641,049,551	640,982,564
Number of outstanding shares ¹	639,117,500	638,836,000	639,117,500	638,836,000	638,848,000	638,848,000

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

Consolidated statement of comprehensive income

SEK m	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	12 mths Jul-Jun 2017/2018	Full Year 2017
Profit for the period	368	797	954	1,351	2,391	2,788
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	72	1	264	5	331	72
Change in fair value reserve for the period	-29	-31	-2	2	-76	-72
Change in hedging reserve for the period	-5	-4	-46	-8	-72	-34
Change in associated companies' equity	291	-92	662	112	114	-436
		-126	878	111	297	-470
Other comprehensive income, net after tax	329	-126	878	111	290	-477
Comprehensive income for the period	697	671	1,832	1,462	2,681	2,311
Attributable to:						
Parent company shareholders	699	673	1,836	1,466	2,686	2,316
Non-controlling interests	-2	-2	-4	-4	-5	-5

Consolidated cash flow statement

SEK m	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	12 mths Jul-Jun 2017/2018	Full Year 2017
Operating cash flows before movements in working capital	368	248	569	448	1,152	1,031
Movements in working capital	-243	-94	-463	-153	-414	-104
Operating cash flows	125	154	106	295	738	927
Acquisitions of subsidiaries	-673	-462	-761	-596	-827	-662
Other investments	-37	-6	-80	-77	-194	-191
Portfolio management	1,053	-44	926	-82	-1,028	-2,036
Cash flow after investments	468	-358	229	-460	-1,266	-1,955
Financial payments	-443	117	-257	-42	1,043	1,258
Cash flow for the period	25	-241	-28	-502	-223	-697

Consolidated balance sheet

SEK m	2018/06/30	2017/06/30	2017/12/31
ASSETS			
Goodwill	6,569	5,740	5,796
Other intangible assets	210	201	210
Property, plant and equipment	926	892	885
Financial assets	16,750	14,117	16,508
Inventories etc.	1,788	1,431	1,455
Current receivables	2,605	2,138	1,977
Cash and bank	668	806	626
Total assets	29,516	25,325	27,457
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	20,665	19,392	20,245
Non-controlling interests	104	105	102
<i>Total equity</i>	<i>20,769</i>	<i>19,497</i>	<i>20,347</i>
Interest-bearing long-term liabilities	3,633	612	596
Non-interest-bearing long-term liabilities	401	368	391
Interest-bearing current liabilities	2,278	2,812	4,146
Non-interest-bearing current liabilities	2,435	2,037	1,977
Equity and liabilities	29,516	25,326	27,457

Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 2017	133	-72	394	18,757	107	19,319
Total comprehensive income for the period			-37	2,350	-2	2,311
Non-controlling interests on acquisitions				-1	-3	-4
Issued call options		37		-9		28
Exercise of call options				7		7
Own shares repurchase		-37				-37
Dividends				-1,277		-1,277
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			210	1,620	2	1,832
Issued call options		42		-14		28
Own shares repurchase		-30				-30
Dividends				-1,437		-1,437
Closing balance 30 June 2018	133	-60	567	20,025	104	20,769

Key ratios, Group

	2018/06/30	2017/06/30	2017/12/31
Return on equity (%)	9	14	14
Return on total capital (%)	9	13	13
Equity ratio (%)	70	77	74
Adjusted equity ratio ¹ (%)	87	90	88
Adjusted equity ¹ (SEK m)	56,880	53,222	51,758
Surplus value in associated companies ² (SEK m)	36,111	33,725	31,411
Net debt/equity ratio 1 (%) ⁴	9.2	4.9	7.9
Net debt/equity ratio 2 (%) ⁵	7.3	4.1	6.3
Listed share price (SEK)	97	105	101
Repurchased shares ³	722,500	1,004,000	992,000
Average number of repurchased shares ³	947,820	1,250,740	1,141,858
Average number of employees	5,098	4,706	4,902
Issued call options on repurchased shares	918,000	462,000	1,062,000

¹ Incl. fair value gain in associated companies.

² The difference between the carrying amount and market value.

³ Comparative years recalculated with regard to the 4:1 share split carried out in June 2017.

⁴ The ratio of net debt to adjusted equity.

⁵ The ratio of net debt to the market value of total assets.

Parent company income statement

SEK m	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	12 mths Jul-Jun 2017/2018	Full Year 2017
Income from interest in associates companies	800	-340	800	1,091	375	666
Income from portfolio management	-	-	-	-	-	-
Management costs	-5	-4	-8	-6	-15	-13
Profit before financial items	1,420	-344	1,417	1,085	1,410	1,078
Interest income and similar items	-	-	-	-	-	-
Interest expense and similar items	-2	-	-2	-	-2	-
Profit after financial items	1,418	-344	1,415	1,085	1,408	1,078
Taxes	-	-	-	-	-	-
Profit for the period	1,418	-344	1,415	1,085	1,408	1,078

Parent company statement of comprehensive income

SEK m	2018 Q2	2017 Q2	2018 6 mths	2017 6 mths	12 mths Jul-Jun 2017/2018	Full Year 2017
Profit for the period	1,418	-344	1,415	1,085	1,408	1,078
Change in fair value reserve for the period	-	-	-	-	-	-
Total other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	1,418	-344	1,415	1,085	1,408	1,078

Parent company balance sheet

SEK m	2018/06/30	2017/06/30	2017/12/31
ASSETS			
Financial assets	9,763	7,718	9,661
Current receivables from Group companies	3,420	2,392	447
Other current liabilities	6	2	2
Cash and bank	-	-	-
Total assets	13,189	10,112	10,110
EQUITY AND LIABILITIES			
Equity	10,083	10,107	10,107
Interest-bearing long-term liabilities	3,100	-	-
Non-interest-bearing long-term liabilities	-	4	-
Interest-bearing current liabilities	-	-	-
Non-interest-bearing current liabilities	6	1	3
Equity and liabilities	13,189	10,112	10,110

Parent company statement of changes in equity

SEK m	2018/06/30	2017/06/30	2017/12/31
Amount at beginning of year	10,107	10,308	10,308
Total comprehensive income for the period	1,415	1,085	1,078
Issued call options	-	-	7
Exercise of call options	28	28	28
Repurchased treasury shares	-30	-37	-37
Dividends	-1,437	-1,277	-1,277
Amount at end of year	10,083	10,107	10,107

Segment reporting:

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	1,350	645	2,468	78		5,614
Internal sales		1					1
RESULT							
Operating profit	163	79	202	233	-39		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	3	14	8	22	6		53

Segment reporting:

Development by business area 1 Jan 2017 – 30 June 2017

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME							
External sales	905	1,018	569	2,205	110		4,807
Internal sales		1					1
RESULTS							
Operating result	126	68	176	178	-29		519
Income from portfolio management						978	978
Finance income							63
Finance expense							-84
Taxes							-125
Profit for the period							1,351
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	6	112	11	25	21		175
intangible assets	32	516		163	2		713
Depreciation/amortisation	7	21	14	42	10		94

Change in consolidated interest-bearing net debt

SEK m	2017/12/31	Change in cash	Change in loans	Other changes	2018/06/30
Interest-bearing receivables	32			-18	14
Cash	626	42			668
Pensions provisions	-75			-1	-76
Long-term liabilities	-521		-3,036		-3,557
Utilised bank overdraft facilities	-151		-2		-153
Interest-bearing current liabilities	-3,995		1,870		-2,125
Interest-bearing net debt	-4,084	42	-1,168	-19	-5,229

Five-year overview

SEK m	Jul-Jun 2017/2018	2017	2016	2015	2014
Net sales, SEK m	10,737	9,930	8,344	8,555	7,581
Operating profit, SEK m	1,244	1,125	1,021	975	746
Income from interest in associated companies, SEK m	2,006	2,006	2,676	1,952	1,347
Income from portfolio management, SEK m	9	-8	101	1,493	36
Profit after finance items, SEK m	2,712	3,069	3,754	4,405	2,064
Earnings per share, SEK ¹	4	4	6	6	3
Return on equity, %	12	14	21	28	15
Return on total capital, %	11	13	17	22	13
Adjusted equity ratio, %	87	88	91	89	86
Net debt/equity ratio, %	9	8	3	5	10
Listed share price, SEK ¹	97	101	86	78	51

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
23 March 2018	Sensortec Holding AG	Switzerland	Latour Industries	10
30 June-18	Jonson Level & Tool Mfg. Co., Inc.	USA	Hultafors Group	70

Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	4
Property, plant and equipment	14
Inventories	93
Account receivable	77
Other receivable	2
Cash	22
Long-term liabilities	-1
Current liabilities	-27
Net identifiable assets and liabilities	184
Group goodwill	599
Cash settlement purchase price	783
Acquired cash	-22
Effect of Group cash	761

During 2018, Latour has acquired the entire shareholdings of Sensortec Holding AG and of Johnson Level & Tool Mfg. Co., Inc.

Sensortec has contributed SEK 13 m in income and SEK 5 m in operating profit during the period. Johnson has contributed SEK 59 m in income and SEK 12 m in operating profit during the period. The acquisitions have 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 9 m.

Note 2 Information regarding financial assets and liabilities

Classification of financial instruments

THE GROUP 30 June 2018

	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	320 ¹			320
Other long-term securities holdings	1 ²			1
Other long-term receivables			14 ³	14
Listed shares, trading		44 ¹		44
Unrealised gains, currency derivatives	0 ²			0
Other current receivables			2 304 ³	2,304
Total	321	44	2,318	2,683
FINANCIAL LIABILITIES				
Long-term loans			3 556 ³	3,556
Bank overdraft facilities			153 ³	153
Current loans			2 125 ³	2,125
Other liabilities			1 446 ³	1,446
Unrealised gains, currency derivatives	32 ²			32
Total	32	0	7,280	7,312

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 2018

SEK m	2018 Q2	2017 Full Year
Revenue from goods	5,295	8,609
Revenue from services	319	1,320
	5,614	9,929
Fix-price contract	4,459	7,650
Time-and-materials contracts	1,155	2,279
	5,614	9,929
Sold directly to consumers	3,057	5,095
Sold through intermediaries	2,557	4,834
	5,614	9,929

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

Information by quarter

SEK m	2018		2017					2016				
	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT												
Net sales	3,024	2,590	9,930	2,699	2,423	2,538	2,269	8,344	2,315	2,033	2,179	1,818
Cost of goods sold	-1,802	-1,544	-5,885	-1,600	-1,445	-1,512	-1,327	-4,859	-1,361	-1,182	-1,262	-1,055
Gross profit	1,222	1,046	4,045	1,099	978	1,026	942	3,485	954	851	917	763
Costs etc. for the operation	-851	-779	-2,920	-802	-669	-747	-702	-2,464	-723	-579	-606	-373
Operating profit	371	267	1,125	297	309	279	240	1,021	231	272	311	390
Total portfolio management	106	380	1,998	506	514	597	381	2,761	526	579	385	1,271
Profit before financial items	477	647	3,123	803	823	876	621	3,782	757	851	696	1,661
Net financial items	-14	9	-54	-22	-11	-11	-10	-28	-18	15	-13	-12
Profit after financial items	463	656	3,069	781	812	865	611	3,754	739	866	683	1,649
Taxes	-95	-70	-281	-83	-73	-68	-57	-267	-87	-72	-61	-47
Profit for the period	368	586	2,788	698	739	797	554	3,670	652	794	622	1,602
KEY RATIOS												
Earnings per share, SEK ¹	0.58	0.92	4.37	1.09	1.16	1.25	3.48	5.75	1.03	1.24	0.98	2.51
Cash flow for the period	25	-53	-697	-60	-135	-241	-261	420	206	203	-895	905
Adjusted equity ratio, %	87	88	88	88	88	90	92	91	91	90	90	91
Adjusted equity	56,880	54,105	51,758	51,758	54,343	53,222	51,995	47,208	47,208	47,319	43,272	41,546
Net asset value	66,841	63,016	60,521	60,521	62,625	61,450	60,742	55,500	55,500	55,673	51,083	48,665
Net asset value per share, SEK ¹	105	99	95	95	98	96	95	87	87	87	80	76
Listed share price, SEK ¹	97	95	101	101	110	105	90	86	86	88	79	84
NET SALES												
Hultafors Group	596	477	1,901	542	454	460	444	1,698	498	395	422	383
Latour Industries	700	652	2,357	706	601	571	479	1,671	477	419	421	354
Nord-Lock Group	341	303	1,114	268	277	286	283	927	240	229	234	224
Swegon	1,347	1,121	4,378	1,130	1,043	1,177	1,029	3,913	1,063	947	1,070	833
	2,984	2,553	9,750	2,646	2,375	2,494	2,235	8,209	2,278	1,990	2,147	1,794
Other companies and eliminations	40	37	180	53	49	44	34	135	37	43	32	24
	3,024	2,590	9,930	2,699	2,424	2,538	2,269	8,344	2,315	2,033	2,179	1,818
OPERATING PROFIT												
Hultafors Group	98	65	287	92	68	64	62	264	95	56	60	52
Latour Industries	48	31	173	55	49	36	33	167	35	45	51	36
Nord-Lock Group	108	94	340	76	88	86	89	270	61	69	72	68
Swegon	143	89	381	98	104	110	68	351	81	101	124	45
	397	279	1,181	321	309	297	252	1,052	272	271	307	201
Gain/loss from sale/purchase of	-10	-1	-30	-10	-5	-10	-5	-21	-24	-4	-1	191
Other companies and items	-16	-11	-26	-14	5	-8	-7	-10	-17	5	5	-2
	371	267	1,125	297	309	279	240	1,021	231	272	311	390
OPERATING MARGIN (%)												
Hultafors Group	13.6	13.6	15.1	17.0	15.0	14.0	14.0	15.6	19.1	14.3	14.2	13.7
Latour Industries	4.7	4.7	7.4	7.8	8.2	6.3	6.9	10.0	7.2	10.7	12.2	10.3
Nord-Lock Group	30.9	30.9	30.5	28.3	31.8	30.2	31.5	29.2	25.6	30.1	30.9	30.1
Swegon	8.0	8.0	8.7	8.7	10.0	9.4	6.6	9.0	7.6	10.6	11.6	5.4
	10.9	10.9	12.1	12.1	13.1	11.9	11.3	12.8	11.9	13.6	14.4	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 2018: $954/638,891,180 \times 1000=1.50$

Jan-June 2017: $1,352/638,589,260 \times 1000=2.12$

Diluted earnings per share

Calculations:

Jan-June 2018: $954/641,237,892 \times 1000=1.42$

Jan-June 2017: $1,351/640,979,580 \times 1000=2.11$

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

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

Share of equity

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

Other

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

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