





# Interim report January – September 2023

## NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 172 per share, compared with SEK 159 per share at the start of the year. This is an increase of 10.8 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 4.6 per cent. The net asset value was SEK 173 per share at 6 November.<sup>1</sup>
- The total return on the Latour share was -0.5 per cent during the period measured against the SIXRX, which rose 4.6 per cent.

## INDUSTRIAL OPERATIONS

### Third quarter

- The industrial operations' order intake rose 5 per cent to SEK 5,565 m (5,281 m). Adjusted for currency effects, this represents a decrease of 8 per cent for comparable entities.
- The industrial operations' net sales rose 9 per cent to SEK 6,109 m (5,629 m). Adjusted for currency effects, this represents a decrease of 2 per cent for comparable entities.
- The industrial operations' operating profit increased by 20 per cent to SEK 942 m (784 m), which equates to an operating margin of 15.4 (13.9) per cent.
- On 13 July, Latour Future Solutions invested in the Swedish company Quandify through a private placement of newly issued shares and became a minority shareholder in the company with a holding of approximately 22 per cent.

### January – September

- During the first quarter, Swegon completed the acquisition of the British company Dalair.
- The industrial operations' order intake rose 3 per cent to SEK 18,014 m (17,418 m). Adjusted for currency effects, this represents a decrease of 8 per cent for comparable entities.
- The industrial operations' net sales rose 18 per cent to SEK 19,087 m (16,209 m). Adjusted for currency effects, this represents an increase of 6 per cent for comparable entities.
- Operating profit rose 30 per cent to SEK 2,951 m (2,265 m), equating to an operating margin of 15.4 (14.0) per cent.

## THE GROUP

- Consolidated net sales totalled SEK 19,087 m (16,209 m), and profit after financial items was SEK 5,076 m (3,270 m). Net impairment losses and impairment loss reversals of shares in associated companies amounting to SEK 45 m (-1,465 m) were recognised in the income statement in the period. Write-down of goodwill was SEK 115 (0) m in the period.
- Consolidated profit after tax was SEK 4,491 m (2,753 m), which equates to a share price of SEK 7.01 (4.30).
- The Group reported net debt of SEK 13,115 m (11,175 m). Net debt, excluding lease liabilities recognised under IFRS 16, was SEK 11,697 m (9,933 m) and is equivalent to 10 (10) per cent of the market value of total assets.

## INVESTMENT PORTFOLIO

- During the 9-month period, the value of the investment portfolio increased by 1.3 per cent when adjusted for dividends. The benchmark index (SIXRX) rose 4.6 per cent.
- In the first quarter, Latour participated in the issue of new shares by Alimak Group, pro rata to its holding, purchasing 16,016,809 shares in the company for SEK 747 m. Also in the first quarter, Latour participated in the issue of preference shares by CTEK, pro rata to its holding, purchasing 6,112,324 shares in the company for SEK 107 m.

## EVENTS AFTER THE REPORTING PERIOD

- There were no material events subsequent to the end of the reporting period.

<sup>1</sup> The calculation of the net asset value on 6 November was based on the value of the investment portfolio at 1 p.m. on 6 November and the same values as at 30 September 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 had a market value of SEK 65 billion as at 30 September 2023. The wholly-owned industrial operations are grouped into six business areas: Bemsig, Caljan, Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. They generate annual sales amounting to approximately SEK 26 billion.

## Chief Executive's statement

"The third quarter continued with positive development for Latour's industrial operations. The order intake is 8 per cent lower than last year when adjusted for acquisitions and currency effects. It is important to understand, however, that the order intake does not fully reflect underlying demand. The supply chains have gradually and largely returned to normal after a couple of years of the adverse effects of the pandemic and the war in Ukraine. This also means that our customers are now placing orders with shorter lead times. In our view, most of the operations are now back to normal, which should mean that the reported order intake, going forward, will gradually align better with the underlying demand. At the same time, we are aware that we are in an economic recession. Once again, it is mainly the businesses that are exposed to the housing sector that have been impacted by a decline in new orders for some time. Caljan's order intake levels are also lower following very strong performances in 2021 and 2022. These have now returned to normal. The economic climate has also led to a generally increased focus among customers to hold back on major investments, and this is having a short-term, adverse impact on Caljan. We expect the conditions for the construction and property markets to become more challenging in general in the period ahead. Meanwhile, we are seeing a counterbalancing, positive trend for investments in the area of energy efficiency of buildings.

In the third quarter, the total order intake was up 5 per cent, although down 8 per cent when adjusted for acquisitions and currency effects. The total value of invoiced sales was up 9 per cent, but down 2 per cent when adjusted for acquisitions and currency effects. Operating profit grew strongly, up 20 per cent to SEK 942 m (784 m) with an operating margin of 15.4 (13.9) per cent. The falling order backlog signifies a return to more normal levels, and stood at SEK 5,749 m at the end of September compared with SEK 6,564 m at the start of the year. Caljan in particular has a significantly lower order backlog than at the start of the year.

The results are strong for the industrial operations. We are keeping a close watch on developments in the market and our operations are prepared to make adjustments as needed. Our operations are maintaining good control of costs. On the whole, supply chain disruption issues have been resolved and we are managing with lower stocks to provide our customers with a high level of service and good delivery capacity. This has provided a significant boost to our cash flow during the year.

Our strong financial position and profitable operations allow us to continue investing in the future of our businesses. Notwithstanding the short-term economic challenges, we remain committed to making continuous investments in our facilities, product development, sustainability initiatives and digitalisation. It is of utmost importance for us to keep our operations at the forefront of the industry to ensure we remain sustainable and profitable for years to come. Our long-term investment horizon creates stability and assurance for our companies, which is key to remaining competitive, increasing market shares and, equally important, attracting and retaining talent in our operations.

We have slowed our pace of acquisition activity so far this year after an intensive year in 2022. We are continuously engaging in analysis and discussions, and have a good pipeline to keep us busy. In the first quarter, we completed an acquisition through Swegon, which acquired the British company Dalair at the start of January. On 13 July, we invested in the Swedish company Quandify through Latour Future Solutions. More details can be found on page 4.

Most of the stock market increase that we saw in the first six months of the year has since fallen off again. However, our main task is to focus on the underlying development of our operations. The majority of our listed holdings have now submitted third-quarter reports and several report a good profit development but, similar with our wholly-owned operations, a mixed picture regarding order intake. Since the beginning of the year, Latour's net asset value has risen 10.8 per cent to SEK 172 per share and our listed investment portfolio has increased by 1.3 per cent. By comparison, the benchmark index SIXRX has risen 4.6 per cent."

*Johan Hjertonsson  
President and Chief Executive Officer*

# Industrial operations

## Order intake, invoiced sales and earnings

Order intake rose 5 per cent to SEK 5,565 m (5,281 m) in the third quarter, of which -8 per cent was on an organic basis. The value of invoiced sales rose 9 per cent to SEK 6,109 m (5,629 m), which is a decrease of 2 per cent for comparable entities and when adjusted for currency effects. The wholly-owned industrial operations' operating profit in the quarter was up 20 per cent to SEK 942 m (784 m). The operating margin was 15.4 (13.9) per cent.

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

## Acquisitions/disposals

On 13 July, Latour Future Solutions invested in the Swedish company Quandify through a private placement of newly issued shares and became a minority shareholder with approximately 22 per cent of the shares. Quandify is the provider of a smart water meter system that enables commercial and private property owners to perform a cost-effective analysis of water consumption, detect water leaks and turn water on and off remotely. Established in 2017, the company has 20 employees and its head office is in Stockholm.

In early January, Swegon completed its acquisition of the entire shareholding of Dalair Ltd. Dalair is a manufacturer of modular air handling units and is a family-owned company based in Wednesbury near Birmingham. The company is a leading manufacturer of AHUs in the UK with a highly regarded brand. Its units are used in offices and commercial buildings as well as several sectors, including the retail, healthcare and pharmaceutical industries. The company has 150 employees and its head office is located in Wednesbury. It also has two sales offices in London and Manchester. The company generates sales of approximately GBP 18 m.

# Industrial operations summary

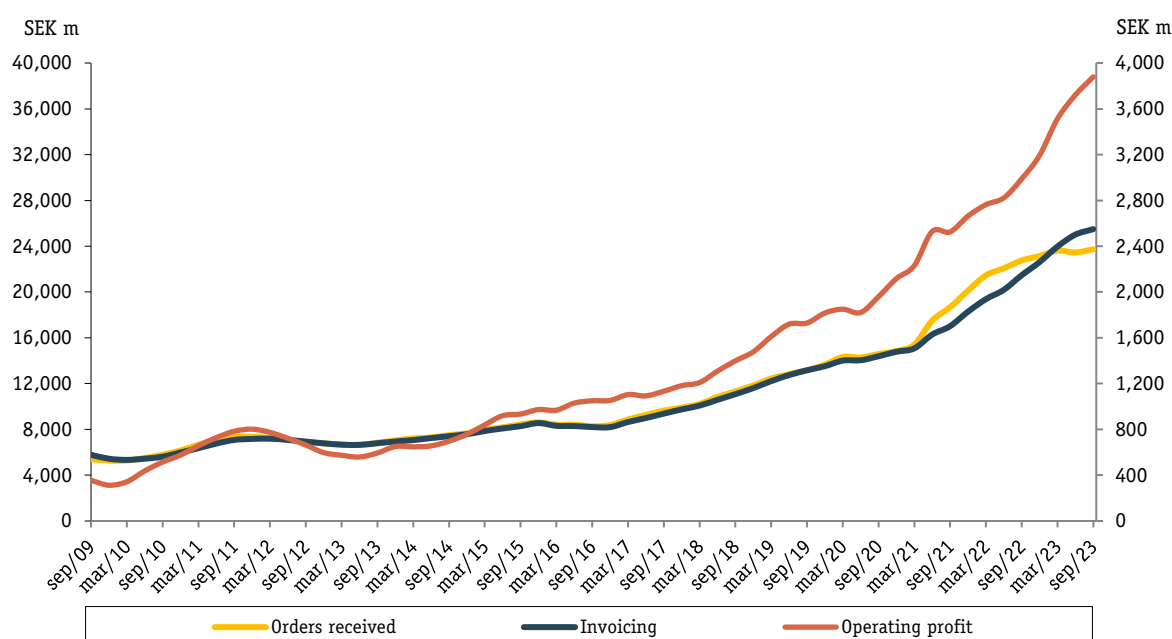
## Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths
Bemsiq	380	312	1,237	940	94	80	311	234	24.8	25.7	25.1	24.9
Caljan	457	669	1,513	1,577	60	156	261	347	13.1	23.3	17.3	22.0
Hultafors Group	1,631	1,563	5,127	4,773	266	176	819	661	16.3	11.2	16.0	13.8
Latour Industries	1,044	933	3,173	2,731	105	82	285	219	10.0	8.8	9.0	8.0
Nord-Lock Group	458	425	1,405	1,247	127	104	374	319	27.8	24.6	26.6	25.6
Swegon	2,142	1,728	6,643	4,945	290	186	901	485	13.5	10.8	13.6	9.8
Eliminations	-3	-1	-11	-4	-	-	-	-	-	-	-	-
	6,109	5,629	19,087	16,209	942	784	2,951	2,265	15.4	13.9	15.5	14.0
Gain/loss from sale/purchase of businesses	-	-	-	-	-3	-6	-27	34				
Write-down	-	-	-	-	-115	-	-115	-				
Other companies and items	-	-	-	-	-20	-18	-70	-53				
	6,109	5,629	19,087	16,209	804	760	2,739	2,246				
Effect IFRS 16	-	-	-	-	-	4	2	5				
	6,109	5,629	19,087	16,209	804	764	2,741	2,251				

SEK m	Operating capital <sup>1</sup>		Return on operating capital %		Growth in net sales, 2023 %			
	2023 Trailing 12	2022 Trailing 12	2023 Trailing 12	2022 Trailing 12	Total	Organic	Currency	Acquisitions
Bemsiq	2,828	2,138	13.1	13.0	31.6	12.2	5.5	11.8
Caljan	3,326	2,934	11.0	15.9	-4.1	-10.9	6.8	-
Hultafors Group	6,865	6,086	16.5	14.8	7.4	1.1	5.2	1.0
Latour Industries	3,743	3,182	9.5	9.0	16.2	4.9	5.0	5.7
Nord-Lock Group	1,482	1,325	30.2	29.6	12.6	6.6	6.0	-
Swegon	5,014	3,782	24.1	17.5	34.3	14.8	6.0	11.2
Total	23,258	19,447	16.7	15.4	17.8	6.1	5.7	5.4

<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



(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Order intake	379	343	1,174	1,037	1,342	1,479
Net sales	380	312	1,237	940	1,266	1,563
EBITDA	102	86	332	252	318	398
EBITDA <sup>1</sup>	98	83	321	242	305	383
EBITA <sup>1</sup>	95	81	313	235	295	372
EBIT <sup>1</sup>	94	80	311	234	293	370
EBITA % <sup>1</sup>	25.0	25.9	25.3	25.0	23.3	23.8
EBIT % <sup>1</sup>	24.8	25.7	25.1	24.9	23.1	23.7
Total growth in net sales %	21.8	52.3	31.6	58.5	36.5	
Organic %	3.1	14.4	12.2	14.7	7.0	
Exchange effects %	5.2	7.0	5.5	5.5	5.5	
Acquisitions %	12.5	25.5	11.8	32.0	21.3	
Average number of employees	535	508	525	479	481	

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

### Highlights

- Demand remains stable and the order intake is at a good level.
- Net sales are increasing, although the organic growth rate is lower than in the first two strong quarters of the year.
- Good delivery capacity within the group without any serious adverse effects within the supply chain.
- The operating margin remains high in the whole business area.
- The North American company DENT, acquired at the end of 2022, is contributing positively to both volume and margin growth.

### Breakdown of net sales

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Building Automation	265	245	822	726	970	1,066
Metering	116	70	421	219	306	507
Elimination	-1	-3	-6	-5	-10	-10
	380	312	1,237	940	1,266	1,563

Pro forma adjustment<sup>1</sup> 39

Trailing 12 month pro forma 1,602

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

**Bemsiq** is a leading global supplier of technology and products for measurement, control and connectivity in built environments. Its mission is to improve the indoor climate of properties and reduce their carbon footprint through the use of smart technologies. Bemsiq is a group of innovative and fast-growing companies that share the ambition of offering the market a comprehensive portfolio of products in its field.



(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Order intake	282	263	889	1,735	1,980	1,134
Net sales	457	669	1,513	1,577	2,140	2,075
EBITDA	72	166	297	373	489	413
EBITDA <sup>1</sup>	70	165	289	369	483	403
EBITA <sup>1</sup>	63	159	270	354	462	378
EBIT <sup>1</sup>	60	156	261	347	452	366
EBITA % <sup>1</sup>	13.8	23.7	17.9	22.4	21.6	18.2
EBIT % <sup>1</sup>	13.1	23.3	17.3	22.0	21.1	17.6
Total growth in net sales %	-31.6	65.9	-4.1	62.1	40.1	
Organic %	-36.7	52.9	-10.9	50.5	29.0	
Exchange effects %	5.1	13.0	6.8	11.2	10.9	
Acquisitions %	-	0.0	-	0.2	0.2	
Average number of employees	607	675	636	664	652	

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

### Highlights

- Caljan's very strong growth in 2021 and 2022 has normalised, with the result that the order intake for some time has been significantly lower. The economic climate has also led to a generally stronger focus among customers to hold back on major investments. The order book has been reduced to a lower level.
- When adjusted for exchange rate effects, the third-quarter order intake is at the same level as the prior year. Activities have started to increase and the pipeline is filling.
- Net sales are thus lower than last year. A short-term decrease in the level of invoicing is expected.
- Profit for the quarter is significantly lower than the previous year and is due mainly to a drop in volumes.
- Measures aimed at reducing the cost base have been implemented, for example by reducing the number of employees, closing the production facility in Denmark, and consolidating production in Latvia and the USA.

### Breakdown of net sales

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Loading & Unloading	207	336	800	861	1,130	1,070
Document Handling & Labelling	69	69	228	185	306	348
Automated Solutions	50	136	98	166	204	136
Aftermarket	131	128	387	366	500	521
	457	669	1,513	1,577	2,140	2,075

Pro forma adjustment<sup>1</sup> -

Trailing 12 month pro forma 2,075

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

**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)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Order intake	1,524	1,599	5,040	4,855	6,637	6,822
Net sales	1,631	1,563	5,127	4,773	6,649	7,003
EBITDA	313	217	956	781	1,131	1,309
EBITDA <sup>1</sup>	291	199	894	728	1,067	1,232
EBITA <sup>1</sup>	273	182	840	680	1,002	1,162
EBIT <sup>1</sup>	266	176	819	661	977	1,135
EBITA % <sup>1</sup>	16.7	11.7	16.4	14.2	15.1	16.6
EBIT % <sup>1</sup>	16.3	11.2	16.0	13.8	14.7	16.2
Total growth in net sales %	4.3	19.3	7.4	22.5	19.9	
Organic %	-2.0	4.1	1.1	3.5	3.1	
Exchange effects %	5.4	6.8	5.2	5.5	6.0	
Acquisitions %	0.9	7.6	1.0	12.4	9.8	
Average number of employees	1,812	1,833	1,789	1,829	1,826	

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

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Order intake	1,042	876	3,296	2,981	3,998	4,313
Net sales	1,044	933	3,173	2,731	3,820	4,262
EBITDA	137	112	381	305	406	482
EBITDA <sup>1</sup>	123	98	338	264	352	426
EBITA <sup>1</sup>	109	85	296	230	304	370
EBIT <sup>1</sup>	105	82	285	219	290	356
EBITA % <sup>1</sup>	10	9	9	8	8	9
EBIT % <sup>1</sup>	10.0	8.8	9.0	8.0	7.6	8.3
Total growth in net sales %	11.9	34.7	16.2	27.8	26.4	
Organic %	0.9	16.0	4.9	10.2	9.9	
Exchange effects %	6.9	3.2	5.0	2.8	3.3	
Acquisitions %	3.8	13.0	5.7	13.1	11.7	
Average number of employees	1,731	1,890	1,727	1,750	1,760	

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

<sup>2</sup> EBIT exclusive a writedown of SEK 115 m referring to a subsidiary within MS Group conducted in September, 2023.

## Highlights

- Stable net sales development in the quarter, affected favourably by exchange rate effects and previously implemented price increases.
- Good growth in PPE Europe.
- The Nordic countries reported weaker growth than other areas of Europe during the quarter, while North American operations were more stable than earlier in the year.
- The continued strong gross margin and healthy cost control contributed in bringing the operating margin up to 16.3 per cent.
- Investments in marketing, product development, sustainability and digitalisation are continuing according to plan.

## Breakdown of net sales

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
PPE Europe	993	946	3,217	2,862	4,051	4,405
Hardware Europe	330	325	1,007	983	1,328	1,352
Hardware North America	313	294	910	928	1,270	1,252
Elimination	-4	-1	-7	-0	-	-7
Pro forma adjustment <sup>1</sup>	1,631	1,563	5,127	4,773	6,649	7,003
Trailing 12 month pro forma						7,004

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

## Highlights

- Although the order intake volume is higher than last year, the market conditions are more cautious and the order intake is rather volatile.
- Net sales up 12 per cent on last year and in line with last year's figure when adjusted for currency effects and acquisitions.
- Good quarterly performance with an operating margin of 10.0 per cent. Profit is rising gradually.
- Market developments are being carefully monitored and there are measures in place for adjusting the cost base should order intake fall.

## Breakdown of net sales

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Aritco Group	313	301	952	911	1,246	1,287
Vimec	203	184	556	451	667	773
VEGA	73	63	211	184	259	287
Esse-Ti	39	32	129	77	108	160
MS Group	168	149	501	457	607	651
LSAB	127	123	446	427	578	597
Densiq	96	79	283	233	322	372
MAXAGV	31	9	119	9	55	165
Elimination	-6	-7	-24	-18	-23	-29
	1,044	933	3,173	2,731	3,820	4,262
Pro forma adjustment <sup>1</sup>						3
Trailing 12 month pro forma						4,265

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

**Hultafors Group** offers products in the PPE Europe, Hardware Europe and Hardware North America segments. The products are marketed under brands with strong positions in their respective markets: Snickers Workwear, Solid Gear, EMMA Safety Footwear, Toe Guard, Hellberg Safety, Fristads, Kansas, Leijona, EripioWear, Hultafors, Wibe Ladders, Scangrip, Telesteps, CLC Work Gear, Johnson Level & Tool, Martinez Tool Company and Kuny's. Distributor of Fein on the Swedish market.

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

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Order intake	465	400	1,404	1,249	1,700	1,854
Net sales	458	425	1,405	1,247	1,660	1,818
EBITDA	149	124	437	377	473	533
EBITDA <sup>1</sup>	141	117	414	355	443	501
EBITA <sup>1</sup>	129	107	380	326	402	457
EBIT <sup>1</sup>	127	104	374	319	393	448
EBITA % <sup>1</sup>	28.3	25.1	27.1	26.1	24.2	25.1
EBIT % <sup>1</sup>	27.8	24.6	26.6	25.6	23.7	24.6
Total growth in net sales %	7.8	19.1	12.6	14.8	15.3	
Organic %	3.3	7.0	6.6	5.6	5.6	
Exchange effects %	4.5	12.1	6.0	9.2	9.7	
Acquisitions %	-	-	-	-	-	
Average number of employees	657	649	655	651	656	

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

## Highlights

- Demand remains strong and the order intake is up 11 per cent year over year on an organic basis. EMEA is recovering after a weaker first six months. The Americas and APAC continue to post positive growth.
- The order book is up on the previous quarter and has reached historically high levels. All regions are growing organically.
- Net sales are increasing, up 8 per cent on last year with organic growth of just over 3 per cent.
- Strong operating profit with an operating margin of 27.8 per cent. One of the best quarters to date for Nord-Lock Group.
- Investments for future growth continue to be made in combination with a number of sustainability initiatives.
- CEO Fredrik Meuller has after five successful years decided to leave Nord-Lock Group in favour of an assignment outside the Latour Group.

## Breakdown of net sales

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
EMEA	205	162	618	563	743	798
Americas	142	148	459	393	530	595
Asia Pacific	111	115	328	291	388	425
	458	425	1,405	1,247	1,660	1,818
Pro forma adjustment <sup>1</sup>						-
Trailing 12 month pro forma						1,818

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

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Order intake	1,873	1,799	6,211	5,559	7,491	8,142
Net sales	2,142	1,728	6,643	4,945	7,086	8,783
EBITDA	343	228	1,058	614	972	1,417
EBITDA <sup>1</sup>	319	211	988	558	886	1,317
EBITA <sup>1</sup>	294	190	913	497	806	1,221
EBIT <sup>1</sup>	290	186	901	484	789	1,206
EBITA % <sup>1</sup>	13.7	11.0	13.7	10.1	11.4	13.9
EBIT % <sup>1</sup>	13.5	10.8	13.6	9.8	11.1	13.7
Total growth in net sales %	24.0	24.4	34.3	13.8	21.7	
Organic %	8.2	10.4	14.8	5.8	10.8	
Exchange effects %	7.7	5.2	6.0	4.4	5.1	
Acquisitions %	6.9	7.6	11.2	3.2	5.0	
Average number of employees	3,178	2,892	3,176	2,795	2,843	

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

## Highlights

- On the back of the general slowdown in the market, the order intake was slightly weaker, down 15 per cent on the previous year when adjusted for currency effects and acquisitions, partly explained by shorter lead times both internally and when customers place their orders.
- Good organic increase in net sales across all the product areas, except for the residential sector where activity remains subdued.
- Developments in the residential sector are having an adverse impact on the Nordic markets, while the rest of Europe and North America are seeing positive growth.
- Good gross margin growth and high invoicing volumes contribute to a strong performance with an operating margin of 13.5 per cent. The four businesses acquired last year are all making positive contributions.

## Breakdown of net sales

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Sweden	337	310	1,228	960	1,432	1,700
Rest of Nordics	278	276	921	913	1,255	1,264
Rest of Europe	1,338	996	3,914	2,614	3,755	5,055
North America	130	100	403	306	422	519
Rest of world	59	46	176	153	222	245
	2,142	1,728	6,643	4,945	7,086	8,783
Pro forma adjustment <sup>1</sup>						132
Trailing 12 month pro forma						8,915

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

(SEK m)	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	2022 Full Year	Trailing 12 mths
Air Handling, Cooling & Heating	1,187	896	3,762	2,624	3,798	4,936
Room Units	737	628	2,191	1,689	2,429	2,931
Services	147	124	444	361	502	584
Other	71	81	246	271	358	332
	2,142	1,729	6,643	4,945	7,086	8,783

**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. The method used to calculate the value of the wholly-owned industrial operations is described in greater detail on the company's website, latour.se.

In some cases, the valuation multiples for comparable companies span a very large 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.

The net asset value increased in the 9-month period to SEK 172 per share from SEK 159 at the start of the year. The net asset value consequently increased by 10.8 per cent when

adjusted for dividends, measured against SIXRX which increased by 4.6 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 193 at 30 September 2023, to be compared with the indicated net asset value of SEK 172. As stated above, Latour does not claim that the valuation of the wholly-owned industrial operation is anything other than an indication. A net asset value can be calculated on a number of different bases. For example, the industrial operations as a whole could be measured against other established listed industrial groups with mixed industrial holdings and a clear growth agenda. The EV/EBIT multiple for these companies is higher.

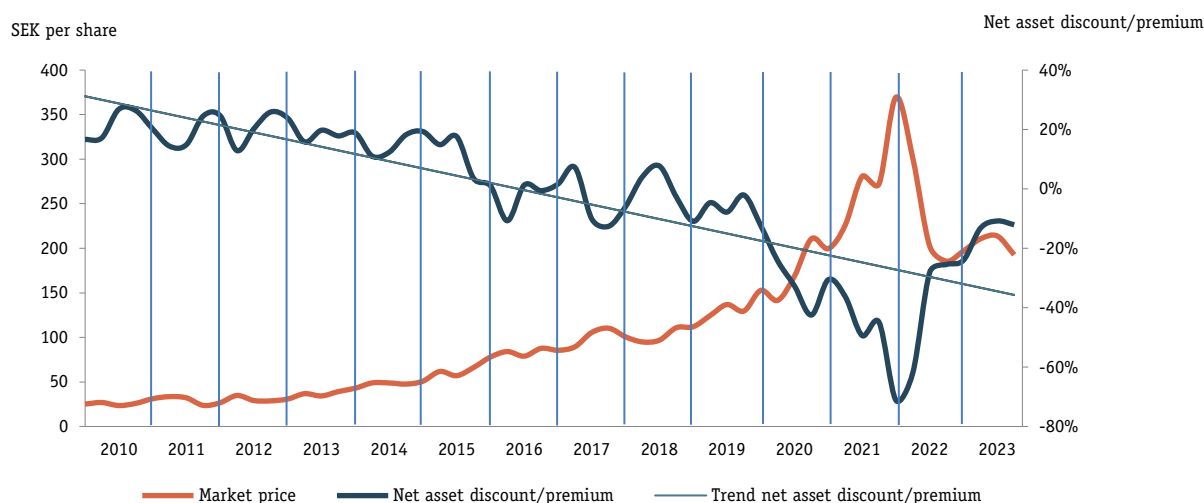
SEK m	Net sales <sup>1</sup>	EBIT <sup>1</sup>	EBIT multiple	Valuation <sup>2</sup> Range	Valuation <sup>2</sup> Average	Valuation <sup>2</sup> SEK/share <sup>3</sup> Range
Bemsiq	1,602	374	16 – 20	5,985 – 7,481	6,733	9 – 12
Caljan	2,075	366	16 – 20	5,856 – 7,320	6,588	9 – 11
Hultafors Group	7,004	1,135	9 – 13	10,215 – 14,755	12,485	16 – 23
Latour Industries	4,265	357	13 – 17	4,641 – 6,069	5,355	7 – 9
Nord-Lock Group	1,818	448	14 – 18	6,272 – 8,064	7,168	10 – 13
Swegon	8,915	1,227	13 – 17	15,951 – 20,859	18,405	25 – 33
	25,679	3,907		48,920 – 64,548		76 – 101
Industrial operations valuation, average					56,734	89
Listed shares (see table on page 10 for breakdown)					64,827	101
Latour Future Solutions					170	0
<i>Unlisted part-owned holdings</i>						
Composite Sound <sup>4</sup> , 10.3 %					10	0
Oxeon <sup>4</sup> , 31.3 %					18	0
Other assets					-	0
Short trading portfolio					-	0
Dilution effect of option programme					-1	-0
Consolidated net debt (excl IFRS 16)					-11,697	-18
Estimated value					110,061	172
					(102 246 – 117 875)	(160 – 184)

<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 September 2023 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 September 2023

The value of the investment portfolio increased by 1.3 per cent in the 9-month period when adjusted for dividends. This compares with an increase of 4.6 per cent in the benchmark index (SIXRX). In March, Latour participated in the issue of new shares by Alimak Group, pro rata to its holding,

purchasing 16,016,809 shares in the company for SEK 747 m. In the same month, Latour participated in the issue of preference shares by CTEK, pro rata to its holding, purchasing 6,112,324 shares in the company for SEK 107 m.

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	32,033,618	2,883	67	2,133	30.0	29.8
Assa Abloy <sup>3</sup>	105,495,729	1,697	238	25,129	29.5	9.5
CTEK	21,393,134	1,161	19	415	30.6	30.6
Fagerhult	84,708,480	1,899	51	4,346	48.1	47.8
HMS Networks	12,109,288	250	400	4,844	26.0	25.9
Nederman	10,538,487	306	187	1,971	30.0	30.0
Securitas <sup>3</sup>	62,436,942	2,125	87	5,411	29.6	10.9
Sweco <sup>3 4</sup>	97,867,440	479	102	10,002	21.0	26.9
Tomra <sup>5</sup>	62,420,000	1,605	122 NOK	7,777	21.1	21.1
Troax	18,060,000	397	155	2,799	30.2	30.1
Total		12,804		64,827		

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

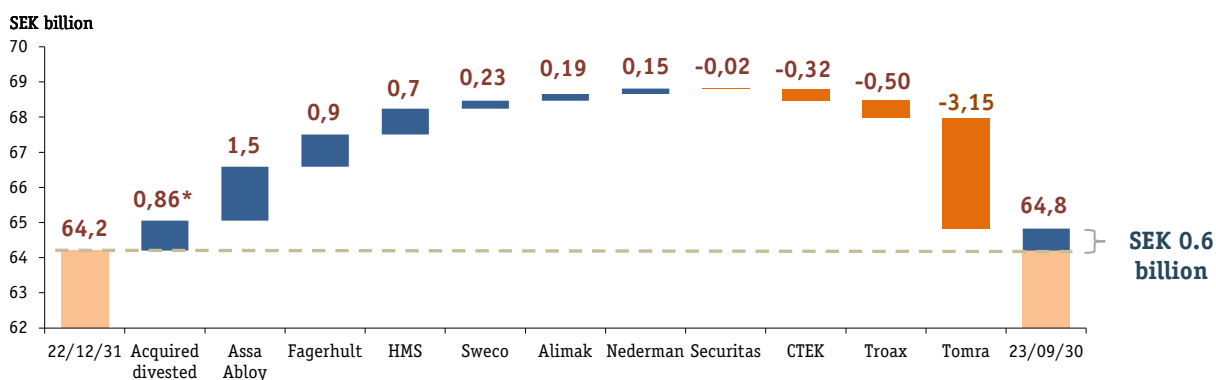
<sup>2</sup> The last price paid is used as the listed share price.

<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 122 which has been translated to SEK at the exchange rate on the balance sheet date.

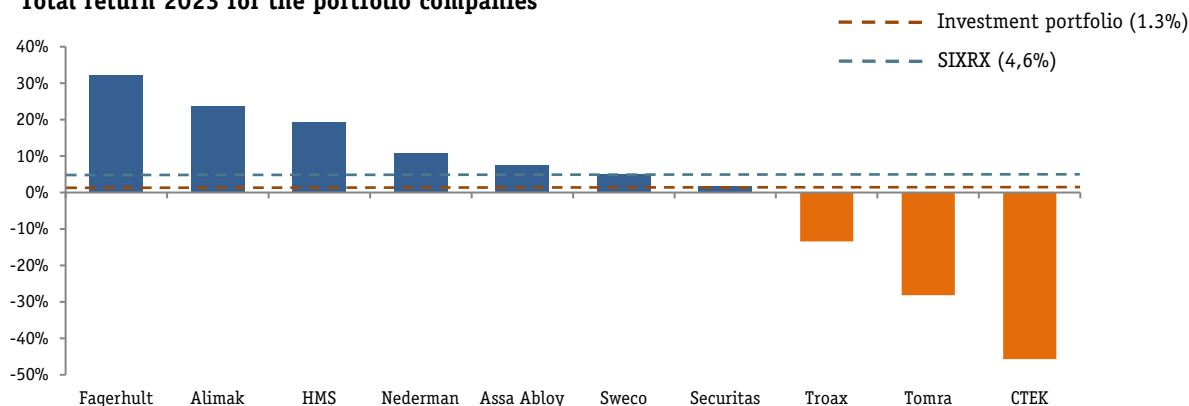
### Investment portfolio during 2023



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

\* Acquisition of 6,112,324 shares in CTEK and 16,016,809 shares in Alimak in connection with rights issues.

### Total return 2023 for the portfolio companies



# Results and financial position

## The Group

The Group's profit after financial items was SEK 5,076 m (3,270 m). Profit after tax was SEK 4,491 m (2,753 m), which equates to SEK 7.01 (4.30) per share. In the period, net impairment losses and impairment loss reversals of shares in associated companies amounting to SEK 45 m (-1,465 m) were recognised in the income statement. Write-down of goodwill was SEK 115 (0) m in the period.

The operating cash flow of SEK 3,007 m (461 m) was significantly better than the previous year. The Group's reported cash flow after acquisitions and financial items amounted to SEK -11 m (-144 m). The Group's cash in hand and liquid investments reached SEK 1,764 m (1,511 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 12,931 m (11,266 m). The Group's net debt was SEK 13,115 m (11,175 m). Net debt, excluding lease liabilities, was SEK 11,697 m (9,933 m). The equity ratio was 79 (80) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

During the first quarter, Latour updated the base prospectus for its existing MTN programme at the Swedish Financial Supervisory Authority. A total of three bond loans totalling SEK 2,100 m were issued in May. As at 30 September 2023, the MTN programme had an outstanding balance of SEK 9,150 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 295 m (237 m) was invested in property, plant and equipment, of which SEK 196 m (192 m) was machinery and equipment and SEK 99 m (45 m) was buildings. Fixed assets in newly acquired companies account for SEK 73 m (50 m) of investments for the year.

## Parent company

The parent company's profit after financial items was SEK 1,869 m (2,032 m). The parent company's equity ratio was 55 (58) per cent.

The number of class A shares issued is 47,600,448 and the number of class B shares is 592,239,552. Not including repurchased shares, the number of outstanding shares at 30 September 2023 amounted to 639,287,800. At the end of the period, Latour holds 552,200 repurchased class B shares.

The total number of issued call options is 2,623,200, which give the right to purchase the same number of shares.

## Events after the reporting period

There were no material events subsequent to the end of the reporting period.

## Risks and uncertainties

The main risk to which the Group and the parent company are exposed is the risk attributable to adverse changes in the values of financial instruments, including a general decline in the stock market or in the value of an individual holding. This includes uncertainties relating to inflation, changes in exchange rates and interest rates. We managed these risks well in 2022 and are confident that we are ready and prepared to address any that may arise. Latour has a well-diversified holding of shares, spread

across ten listed holdings and six 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 2022 Annual Report.

## Accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Reporting in respect of the Group, and in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board in respect of the parent company.

Amendments to accounting standards that came into effect on 1 January 2023 have not had any impact on the Group's or parent company's accounting as at 30 September 2023.

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 2022 are available for viewing on Latour's website [www.latour.se](http://www.latour.se).

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

## Nomination Committee

The Nomination Committee for the Annual General Meeting on 14 May 2024 comprises the following members:

Jan Svensson, Chairman (Förvaltnings AB Wasatornet including related entities), Eric Douglas (Wasatornet Holding AB including related entities), Fredrik Palmstierna (own holding including related entities) and Anders Oscarsson (AMF).

The Nomination Committee can be contacted through Latour's website [www.latour.se](http://www.latour.se) under Corporate Governance, Nomination Committee.

Gothenburg, 7 November 2023  
Johan Hjertén  
President and CEO

## Auditor's review report

Investmentaktiebolaget Latour, Corporate ID no. 556026-3237

### Introduction

We have conducted a review of the condensed financial statements for the interim period (interim report) for Investmentaktiebolaget Latour as at 30 September 2023 and the nine-month period ending on that date. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

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

The review procedures that are undertaken do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

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

Gothenburg, 7 November 2023

Ernst & Young AB

Staffan Landén  
Authorised Public Accountant



## Consolidated income statement

SEK m	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	12 mths Oct-Sep 2022/2023	Full Year 2022
Net sales	6,109	5,629	19,087	16,209	25,489	22,611
Cost of goods sold	-3,710	-3,573	-11,634	-10,116	-15,655	-14,137
Gross profit	2,399	2,056	7,453	6,093	9,834	8,474
Sales costs	-875	-794	-2,711	-2,358	-3,582	-3,229
Administrative costs	-473	-399	-1,469	-1,212	-1,910	-1,653
Research and development costs	-152	-130	-483	-408	-638	-563
Other operating income	53	53	146	183	301	338
Other operating expenses	-148	-22	-195	-47	-269	-121
Operating profit	804	764	2,741	2,251	3,736	3,246
Income from interests in associates	40	16	2,562	797	3,316	1,551
Income from portfolio management	-	-1	-	-	-	-
Management costs	-8	-7	-24	-23	-31	-30
Profit before financial items	836	772	5,279	3,025	7,021	4,767
Finance income	-3	121	114	345	-8	223
Finance expense	-117	-29	-317	-100	-374	-157
Profit after financial items	716	864	5,076	3,270	6,639	4,833
Taxes	-160	-182	-585	-517	-733	-665
Profit for the period	556	682	4,491	2,753	5,906	4,168
Attributable to:						
Parent company shareholders	555	679	4,485	2,747	5,900	4,162
Non-controlling interests	1	3	6	6	6	6
Earnings per share regarding profit attributable to parent company shareholders						
Basic share, SEK	0.87	1.06	7.01	4.30	9.23	6.51
Diluted share, SEK	0.87	1.06	6.99	4.28	9.19	6.49
Average number of basic shares outstanding	639,378,833	639,399,013	639,352,524	639,359,351	639,345,612	639,350,718
Average number of diluted shares outstanding	641,532,272	641,426,142	641,670,215	641,498,640	641,706,658	641,578,330
Number of outstanding shares	639,287,800	639,325,100	639,287,800	639,325,100	639,287,800	639,325,100

## Consolidated statement of comprehensive income

SEK m	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	12 mths Oct-Sep 2022/2023	Full Year 2022
Profit for the period	556	682	4,491	2,753	5,906	4,168
Other comprehensive income:						
Items that will not be recycled to the income statement						
Restatement of net pension obligations	-	-	-	-	44	44
	0	0	0	0	44	44
Items that may subsequently be recycled to the income statement						
Change in translation reserve for the period	-382	406	493	1,112	589	1,208
Change in fair value reserve for the period	-	-	-	-	-	-
Change in hedging reserve for the period	139	17	-272	-48	-412	-188
Change in associated companies' equity	1,144	972	311	1,519	1,343	2,551
	901	1,395	532	2,583	1,520	3,571
Other comprehensive income, net after tax	901	1,395	532	2,583	1,564	3,615
Comprehensive income for the period	1,457	2,077	5,023	5,336	7,470	7,783
Attributable to:						
Parent company shareholders	1,456	2,074	5,017	5,330	7,464	7,777
Non-controlling interests	1	3	6	6	6	6

## Consolidated cash flow

SEK m	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	12 mths Oct-Sep 2022/2023	Full Year 2022
Operating cash flows before movements in working capital	872	836	2,769	2,284	3,716	3,231
Movements in working capital	404	-454	238	-1,823	413	-1,648
Operating cash flows	1,276	382	3,007	461	4,129	1,583
Acquisitions of subsidiaries	-	-127	-371	-483	-1,245	-1,357
Sale of subsidiaries	-	-	-	100	-	100
Other investments	-106	-71	-291	-14	-425	-148
Portfolio management	-45	-5	165	1,095	-604	326
Cash flow after investments	1,125	179	2,510	1,159	1,855	504
Financial payments	-972	181	-2,521	-1,303	-1,671	-453
Cash flow for the period	153	360	-11	-144	184	51

## Consolidated balance sheet

SEK m	2023/09/30	2022/09/30	2022/12/31
<b>ASSETS</b>			
Goodwill	14,955	13,519	14,425
Other intangible assets	383	406	399
Property, plant and equipment	3,419	3,054	3,374
Financial assets	29,331	23,993	26,650
Inventories etc.	5,169	5,470	5,282
Current receivables	6,148	5,680	5,533
Cash and bank	1,764	1,511	1,710
<b>Total assets</b>	<b>61,169</b>	<b>53,633</b>	<b>57,373</b>
<b>EQUITY AND LIABILITIES</b>			
Equity and reserves attributable to parent company shareholders	39,802	34,736	37,186
Non-controlling interests	53	57	55
<i>Total equity</i>	<i>39,855</i>	<i>34,793</i>	<i>37,241</i>
Interest-bearing long-term liabilities	10,323	10,440	10,632
Non-interest-bearing long-term liabilities	890	775	844
Interest-bearing current liabilities	4,295	2,321	3,588
Non-interest-bearing current liabilities	5,806	5,304	5,068
<b>Equity and liabilities</b>	<b>61,169</b>	<b>53,633</b>	<b>57,373</b>

## Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Closing balance 31 Dec 2021	133	-164	357	31,227	133	31,686
Total comprehensive income for the period			1,060	4,270	6	5,336
Non-controlling interests on acquisitions					-83	-83
Exercise of call options		144		-94		50
Own shares repurchase		-101				-101
Dividends				-2,110		-2,110
Closing balance 30 September 2022	133	-121	1,417	33,308	56	34,793
Total comprehensive income for the period			-42	2,491	-2	2,447
Non-controlling interests on acquisitions					1	1
Issued call options				-		-
Own shares repurchase		-				-
Closing balance 31 December 2022	133	-121	1,375	35,799	55	37,241
Total comprehensive income for the period			221	4,797	5	5,023
Non-controlling interests on acquisitions					-7	-7
Issued call options				14		14
Exercise of call options		130		-55		75
Own shares repurchase		-125				-125
Dividends				-2,366		-2,366
Closing balance 30 September 2023	133	-116	1,596	38,189	53	39,855

## Key ratios, Group

	2023/09/30	2022/09/30	2022/12/31
Return on equity (%)	16	11	12
Return on total capital (%)	12	9	9
Equity ratio, incl IFRS 16 (%)	65	65	65
Equity ratio, excl IFRS 16 (%)	67	66	67
Adjusted equity ratio, incl IFRS 16 <sup>1</sup> (%)	78	79	79
Adjusted equity ratio, excl IFRS 16 <sup>1</sup> (%)	79	80	80
Adjusted equity <sup>1</sup> (SEK m)	76,127	69,206	75,522
Surplus value in associated companies <sup>2</sup> (SEK m)	36,272	34,413	38,281
Net debt/equity ratio 1 (%) <sup>3</sup>	16.9	16.3	16.5
Net debt/equity ratio 2 (%) <sup>4</sup>	10.5	10.8	11.1
Listed share price (SEK)	193	186	197
Repurchased shares	552,200	514,900	514,900
Average number of repurchased shares	487,476	480,649	489,282
Average number of employees	8,524	8,319	8,375
Issued call options corresponds to number of shares	2,623,200	2,489,700	2,489,700

<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	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	12 mths Oct-Sep 2022/2023	Full Year 2022
Income from interests i Group companies	-	-	1,200	1,057	1,200	1,057
Income from interest in associates companies	-	-	947	983	1,109	1,145
Income from portfolio management	-	-	-	-	-	-
Management costs	-6	-6	-13	-19	-18	-24
Profit before financial items	-6	-6	2,134	2,021	2,291	2,178
Interest income and similar items	50	23	140	46	176	82
Interest expense and similar items	72	-14	-405	-35	-484	-114
Profit after financial items	116	3	1,869	2,032	1,983	2,146
Taxes	-	-	-	-	-	-
Profit for the period	116	3	1,869	2,032	1,983	2,146

## Parent company statement of comprehensive income

SEK m	2023 Q3	2022 Q3	2023 9 mths	2022 9 mths	12 mths Oct-Sep 2022/2023	Full Year 2022
Profit for the period	116	3	1,869	2,032	1,983	2,146
Change in fair value reserve for the period	-	-	-	-	-	-
Total other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	116	3	1,869	2,032	1,983	2,146

## Parent company balance sheet

SEK m	2023/09/30	2022/09/30	2022/12/31
<b>ASSETS</b>			
Financial assets	15,005	13,440	14,152
Long-term receivables from Group companies	5,900	7,000	7,000
Current receivables from Group companies	152	337	-
Other current liabilities	17	33	38
Cash and bank	-	-	-
Total assets	21,074	20,810	21,190
<b>EQUITY AND LIABILITIES</b>			
Equity	11,619	12,038	12,152
Interese-bearing long-term lilabilities	7,400	8,750	8,750
Non-interest-bearing long-term liabilities	-	-	-
Interese-bearing current liabilities	1,750	-	196
Non-interest-bearing current liabilities	305	22	92
Equity and liabilities	21,074	20,810	21,190

## Parent company statement of changes in equity

SEK m	2023/09/30	2022/09/30	2022/12/31
Amount at beginning of year	12,152	12,152	12,152
Total comprehensive income for the period	1,869	2,032	2,146
Issued call options	14	15	15
Exercise of call options	75	50	50
Repurchased treasury shares	-125	-101	-101
Dividends	-2,366	-2,110	-2,110
Amount at end of year	11,619	12,038	12,152

## Segment reporting:

### Development by business area 1 Jan 2023 – 30 Sept 2023

SEK m	Industrial operations							Portfolio management	Total
	Bemsiq	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME									
External sales	1,226	1,513	5,127	3,173	1,405	6,643			19,087
Internal sales	11								11
RESULT									
Operating profit	311	261	819	285	374	901	-210		2,741
Income from portfolio management								2,538	2,538
Finance income									114
Finance expense									-317
Taxes									-585
Profit for the period									4,491
OTHER DISCLOSURES									
Investments in:									
property, plant and equipment	18	15	39	43	27	153	-		295
intangible assets	17	-	10	4	-	271			302
Depreciation/amortisation	10	28	75	53	40	87	147		440

### Development by business area 1 Jan 2022 – 30 Sept 2022

SEK m	Industrial operations							Portfolio management	Total
	Bemsiq	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
INCOME									
External sales	982	1,578	4,773	2,731	1,247	4,898			16,209
Internal sales	3								3
RESULTS									
Operating result	240	347	661	219	319	479	-14		2,251
Income from portfolio management								774	774
Finance income									345
Finance expense									-100
Taxes									-517
Profit for the period									2,753
OTHER DISCLOSURES									
Investments in:									
property, plant and equipment	11	41	30	61	18	75	1		237
intangible assets	33	60	120	268	-	166			647
Depreciation/amortisation	8	23	67	44	37	73	193		445

## Change in consolidated interest-bearing net debt

SEK m	2022/12/31	Change in cash	Change in loans	Other changes	2023/09/30
Interest-bearing receivables	37			1	38
Swap	-59			-240	-299
Cash	1,710	0		54	1,764
Pensions provisions	-196			-5	-201
Leas liabilities long-term	-1,208			50	-1,158
Long-term liabilities	-9,228		264		-8,964
Utilised bank overdraft facilities	-151			94	-57
Leas liabilities short-term	-258			-2	-260
Interest-bearing current liabilities	-3,179		-799		-3,978
Interest-bearing net debt	-12,532	0	-535	-48	-13,115

## Credit maturity structure

SEK m	MTN	Bank/RCF	Other debts	Additional purchase price	Total	%	Undrawn bank facilities
Overdraft facilities		0	18		18	0%	320
0-1 year	1,750	1,953	53	86	3,842	30%	1,512
1-2 year	3,450	220	66	0	3,736	29%	4,315
2-3 year	2,200		63		2,263	17%	
3-4 year	1,750		13	110	1,873	14%	
4-5 year				21	21	0%	
>5 years		1,149	58		1,207	9%	
	9,150	3,322	271	217	12,960	100%	6,147
Undrawn MTN	5,850						
Frame MTN	15,000						



## Five-year overview

SEK m	Oct-Sep 2022/2023	2022	2021	2020	2019
Net sales, SEK m	25,489	22,611	18,567	15,028	13,738
Operating profit, SEK m	3,736	3,246	2,556	2,057	1,819
Income from interest in associated companies, SEK m	3,316	1,551	2,379	3,977	3,955
Income from portfolio management, SEK m	-31	-30	-16	-36	194
Profit after finance items, SEK m	6,639	4,833	4,985	5,753	5,725
Earnings per share, SEK	9.23	6.51	6.87	8.32	8.33
Return on equity, %	15.8	12.0	14.0	19.0	22.0
Return on total capital, %	12.2	8.9	11.0	15.0	17.0
Adjusted equity ratio, %	79	80	88	86	86
Net debt/equity ratio, %	16.9	16.4	8.9	7.1	11.3

## Note 1 Business combinations

### Specification of acquisitions

				Contributed			
Transfer date		Country	Business area	Share	Revenues	EBIT	No. of employees
3 January 2023	Dalair Ltd.	Great Britain	Swegon	100%	62	12	155

### Assets and liabilities in acquisitions

SEK m	Consolidated carrying amount
Property, plant and equipment	71
Inventories	14
Account receivable	50
Other receivable	5
Cash	54
Current liabilities	-40
Net identifiable assets and liabilities	154
Group goodwill	263
Total purchase price	417
Additional purchase price	-
Cash settlement purchase price	417
Acquired cash	-54
Effect of Group cash	363

The acquisition has been made with the aim of strengthening and developing the Latour Group's existing operations. The acquisition cost calculation is preliminary and may change if new information becomes available. Transaction costs for the acquisition made during the period amount to SEK 7 m.

## Note 2 Correction of errors

The item share of other comprehensive income from associates (in the interim report called Change in associated companies' equity) was reported in the Annual Report 2022 with a too high amount of SEK 783 m. Correction of comparison figures is made retroactively in this interim report, which means that the Group's determined Other comprehensive income, Equity and Interest in associates (in the interim report under the name Financial assets) as of December 31, 2022 have been corrected as follows:

SEK m	According to established Annual report 2022	Corrected	Attributable to
Other comprehensive income	4 398	3 615	Share of other comprehensive income from associates
Equity	38 024	37 241	Share of other comprehensive income from associates
Financial assets	27 433	26 650	Shares in associated companies

Previously presented interim reports Q4 2022 – Q2 2023 are affected by the corresponding amount.

## Note 3 Disclosures about financial assets and liabilities

### Classification of financial instruments

THE GROUP 30 SEPT 2023

SEK m	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	30 <sup>2</sup>			30
Other long-term receivables			49	49
Listed shares, trading		0 <sup>1</sup>		0
Unrealised gains, derivatives	9 <sup>2</sup>			9
Other current receivables			5,249	5,249
Cash			1,764	1,764
<b>Total</b>	<b>39</b>	<b>0</b>	<b>7,062</b>	<b>7,101</b>
<b>FINANCIAL LIABILITIES</b>				
Long-term loans		204 <sup>3</sup>	8,760	8,964
Bank overdraft facilities			57	57
Current loans		13 <sup>3</sup>	3,978	3,991
Other liabilities			3,213	3,213
Unrealised gains, derivatives	301 <sup>2</sup>			301
<b>Total</b>	<b>301</b>	<b>217</b>	<b>16,008</b>	<b>16,526</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, other current receivables, cash and other liquid funds, accounts payable and other liabilities as well as long-term liabilities is estimated to be the same 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 4 Breakdown of revenues

### Revenue by category

THE GROUP 30 SEPT 2023

SEK m	2023 9 mths	2022 9 mths	2022 Full Year
Revenue from goods	17,755	15,356	21,377
Revenue from services	1,332	853	1,234
	19,087	16,209	22,611
Revenue reported at one in time	17,829	15,588	21,896
Revenue reported over time	1,258	621	715
	19,087	16,209	22,611
Sweden	3,032	2,827	3,737
Nordics, excl. Sweden	2,534	2,217	3,355
Germany	2,857	1,055	3,095
Great Britain	1,740	689	2,020
Rest of Europe	5,146	5,967	5,655
USA	2,317	2,372	2,799
Other markets	1,461	1,082	1,950

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

# Information by quarter

SEK m	2023			2022					2021				
	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>													
Net sales	6,109	6,605	6,372	22,611	6,402	5,629	5,561	5,019	18,567	5,324	4,433	4,823	3,987
Cost of goods sold	-3,710	-4,045	-3,878	-14,137	-4,021	-3,573	-3,439	-3,104	-11,479	-3,344	-2,788	-2,924	-2,423
Gross profit	2,399	2,560	2,494	8,474	2,381	2,056	2,122	1,915	7,088	1,980	1,645	1,899	1,564
Costs etc. for the operation	-1,595	-1,583	-1,534	-5,228	-1,386	-1,292	-1,320	-1,230	-4,532	-1,297	-1,060	-1,158	-1,017
Operating profit	804	977	960	3,246	995	764	802	685	2,556	683	585	741	547
Total portfolio management	32	1,148	1,358	1,521	747	8	204	562	2,363	412	620	616	715
Profit before financial items	836	2,125	2,318	4,767	1,742	772	1,006	1,247	4,919	1,095	1,205	1,357	1,262
Net financial items	-120	11	-94	66	-179	92	136	17	66	9	17	-42	82
Profit after financial items	716	2,136	2,224	4,833	1,563	864	1,142	1,264	4,985	1,104	1,222	1,315	1,344
Taxes	-160	-234	-191	-665	-148	-182	-202	-133	-604	-171	-164	-136	-133
Profit for the period	556	1,902	2,033	4,168	1,415	682	940	1,131	4,381	933	1,058	1,179	1,211
<b>KEY RATIOS</b>													
Earnings per share, SEK	0.87	2.97	3.18	6.51	2.21	1.06	1.47	1.77	6.85	1.46	1.65	1.84	1.89
Cash flow for the period	153	54	-218	51	195	360	154	-658	-2586	566	-851	125	-2426
Adjusted equity ratio, %	79	81	80	80	80	80	82	86	88	88	86	87	88
Adjusted equity	76,127	88,216	85,841	75,522	75,522	69,206	75,323	89,576	108,004	108,004	91,673	91,363	83,820
Net asset value	110,061	123,527	119,185	101,707	101,707	94,396	101,150	119,142	137,845	137,845	120,046	120,505	106,003
Net asset value per share, SEK	172	193	186	159	159	148	158	186	216	216	188	188	166
Listed share price, SEK	193	214	211	197	197	186	202	301	369	369	272	281	226
<b>NET SALES</b>													
Bemsiq	380	425	447	1,334	349	326	338	321	927	291	220	210	206
Caljan	457	595	461	2,140	562	669	556	352	1,527	554	403	859	209
Hultafors Group	1,631	1,688	1,808	6,649	1,876	1,563	1,614	1,596	5,546	1,648	1,310	1,353	1,113
Latour Industries	1,044	1,113	1,016	3,820	1,089	933	977	821	3,022	884	693	873	681
Nord-Lock Group	458	470	477	1,660	413	425	416	406	1,439	353	357	402	354
Swegon	2,142	2,319	2,165	7,015	2,117	1,714	1,661	1,524	5,824	1,523	1,374	1,796	1,361
	6,109	6,605	6,374	22,611	6,402	5,629	5,561	5,019	18,280	5,252	4,356	5,675	3,924
Other companies and eliminations	0	0	-2	0	0	0	0	0	287	71	77	87	63
	6,109	6,605	6,372	22,611	6,402	5,629	5,561	5,019	18,567	5,323	4,433	5,762	3,987
<b>OPERATING PROFIT</b>													
Bemsiq	94	101	118	304	64	82	77	81	198	45	58	45	50
Caljan	60	129	72	452	105	156	143	48	276	118	77	61	19
Hultafors Group	266	258	296	977	316	176	236	250	860	241	170	266	183
Latour Industries	105	107	73	290	71	82	90	47	244	68	57	57	62
Nord-Lock Group	127	117	129	393	74	104	112	103	367	74	98	97	99
Swegon	290	308	301	778	299	184	154	140	718	177	158	227	156
	942	1,020	989	3,194	929	784	812	669	2,663	723	618	753	569
Gain/loss from sale/purchase of business	-118	-9	-15	110	76	-6	11	29	-51	-8	-25	-4	-14
Other companies and items	-20	-32	-18	-75	-23	-18	-21	-14	-56	-32	-9	-8	-9
	804	979	956	3,229	982	760	802	684	2,556	683	584	741	546
<b>OPERATING MARGIN (%)</b>													
Bemsiq	24.8	23.7	26.4	22.8	18.5	25.1	22.8	25.1	21.4	15.5	26.2	21.4	24.4
Caljan	13.1	21.6	15.7	21.1	18.6	23.3	25.7	13.7	18.1	21.4	19.2	17.0	9.1
Hultafors Group	16.3	15.3	16.3	14.7	16.8	11.2	14.6	15.6	15.5	14.6	13.0	18.0	16.5
Latour Industries	10.0	9.6	7.2	7.6	6.5	8.8	9.2	5.7	8.1	7.7	8.3	7.4	9.1
Nord-Lock Group	27.8	25.0	27.0	23.7	17.9	24.6	26.8	25.3	25.5	20.8	27.3	26.0	27.8
Swegon	13.5	13.3	13.9	11.1	14.1	10.7	9.3	9.2	12.3	11.6	11.5	14.5	11.5
	15.4	15.4	15.5	14.1	14.5	13.9	14.6	13.3	14.6	13.8	14.2	15.9	14.5

## Definitions of key ratios

### Organic growth

Change in sales in comparable entities after adjustment for acquisitions and currency 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 finance income/expenses 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-Sept 2023:  $4,485/639,352,524 \times 1000' = 7.01$

Jan-Sept 2022:  $2,747/639,359,351 \times 1000' = 4.30$

### Diluted earnings per share

Calculations:

Jan-Sept 2023:  $4,485/641,670,215 \times 1000' = 6.99$

Jan-Sept 2022:  $2,747/641,498,640 \times 1000' = 4.28$

### 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 debt

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

### Net debt/equity ratio

The ratio of net debt 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.



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**Presentation of performance for the quarter:**

President and CEO Johan Hjertonsson will present the report together with CFO Anders Mörck today at 10.00 a.m.

The presentation will be streamed online.

To watch the presentation and have the opportunity to ask questions, please visit our website [www.latour.se](http://www.latour.se).

**Financial dates:**

*The 2023 Year-End Report will be published on 12 February 2024*

*The interim report for the period January – March 2024 will be published on 26 April 2024*

*The Annual General Meeting will be held on 14 May 2024*

*The interim report for the period January – June 2024 will be published on 20 August 2024*

*The interim report for the period January – September 2024 will be published on 6 November 2024*

*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 7 November 2023 at 08.30 CET.*

Investment AB Latour (publ)

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