

# Lantmännen's Interim Report

## January - April 2019

*The beginning of 2019 once again shows the strength of Lantmännen's broad business portfolio.*

*Although 2019 has been challenging for the agricultural operations so far, Lantmännen continues to develop positively and profitability has improved in most areas.*

*Per Olof Nyman, President & CEO*

### Financial development

- Net sales were MSEK 15,334 (13,744), an increase of 12 percent, including 7 percent organic growth.
- Operating income was MSEK 408 (358), an increase of MSEK 50. The largest improvements were in the Food Sector and the Swecon Business Area.
- Income after financial items was MSEK 335 (293).
- Cash flow before financing activities was MSEK –289 (–52).
- Investments totaled MSEK 673 (661) and business acquisitions MSEK 508 (0).

### Significant events

- In January, Lantmännen acquired a bakery business in Australia.
- In March, Lantmännen acquired an oat business in Kimstad, Östergötland, in order to expand capacity and invest further in oat processing.
- In February, about MSEK 55 was paid to members as the second part of Lantmännen's total action package of MSEK 220.

### Events after the end of the period

- Lantmännen's annual general meeting in May adopted a refund and supplementary payment, contribution dividend and contribution issue, which together represent a dividend of MSEK 620 to members.

### Lantmännen's key figures<sup>1)</sup>

	2019 Jan-Apr	2018 Jan-Apr	2018 Jan-Dec
Net sales, MSEK	15,334	13,744	43,962
Operating income, MSEK	408	358	1,443
Operating margin, %	2.7	2.6	3.3
Income after financial items, MSEK	335	293	1,250
Net income for the period, MSEK	292	246	1,182
Cash flow before financing activities, MSEK	–289	–52	–824
Return on equity, %	5.3	4.9	7.6
Return on operating capital, %	4.2	4.6	6.0
Total assets, MSEK	42,218	37,567	37,095
Equity ratio, %	40.3	41.4	43.2
Investments in non-current assets, MSEK	673	661	1,825
Net debt, MSEK	12,407	7,694	8,719
Interest coverage ratio, times	4.4	4.9	6.0
Average number of employees	10,074	9,811	9,940
Adjusted for items affecting comparability			
Operating income, MSEK	408	358	1,580
Operating margin, %	2.7	2.6	3.6
Income after financial items, MSEK	335	293	1,387
Net income for the period, MSEK	292	246	1,289
Return on equity, %	5.3	4.9	8.2
Return on operating capital, %	4.2	4.6	6.6

<sup>1)</sup> 2019 affected by the introduction of IFRS 16.

# President's overview



Lantmännen's income after net financial items for the first four-month period of 2019 is MSEK 335, an increase from MSEK 293 for the same period the previous year. However, the consequences of last summer's drought have continued to affect several of our businesses.

The beginning of 2019 once again shows the strength of Lantmännen's broad business portfolio. Last summer's drought and heat, which led to the lowest grain harvest in a very long time, has had a major impact on several of our businesses – notably in the Agriculture Sector, which is faced with higher costs for securing the supply of grain to industrial operations and lower export revenue than normal. At the same time, virtually all other businesses in the Group continue to develop positively: in particular, the Food Sector and the Swecon Business Area show significantly higher earnings than in the previous year.

At the time of writing, the situation in the lead-up to the next harvest is difficult to assess, with conditions in the country varying from large amounts of precipitation in some areas to very little rain in others. We obviously hope for a large and high-quality harvest: Lantmännen has continued to invest in the grain handling infrastructure in several locations, and we are ready to handle large harvest volumes. One example is the large new grain reception facility based at the port of Hargshamn, Uppland, which was inaugurated in May.

Interest in oats and oat-based products has recently increased considerably, and there are major opportunities for value creation in the value chain for oats. Lantmännen is well-positioned, and we have strong collaborations in areas such as research and plant breeding. As part of our aim to grow the oat business significantly, we acquired a mill and oat processing facility in Kimstad outside Norrköping in March. The acquisition significantly increases Lantmännen's

oat capacity and offers several new opportunities within for example ingredients.

I would like to thank everyone who attended this year's annual general meeting – as usual, there were many productive discussions, and it was pleasing to see so many districts submitting motions. Committed owners who are active in the governance of Lantmännen make us an even stronger company. The partnership between Lantmännen and the members is the foundation of our entire business, and one of our most important tasks is to strengthen the farmers' role in the value chain.

Although 2019 has been challenging for agricultural operations so far, Lantmännen continues to develop positively: profitability has improved in most areas, and we see significant opportunities for continued profitable growth within virtually all businesses. By maintaining the strong partnership between Lantmännen and the members, we have everything in place to continue the positive development – with the aim of contributing strongly to a world-class Swedish agriculture.

A handwritten signature in black ink, reading "Per Olof Nyman". The signature is written in a cursive, flowing style.

Per Olof Nyman  
President & CEO, Lantmännen

# Comments on the period

**The new reporting standard IFRS 16 is applied with effect from January 1, 2019**, which means that lessees/tenants report leases/rental agreements as a right-of-use asset and a financial liability. The new standard will have a significant impact on, among other things, *total assets*, *net debt* and *related key figures*. *Operating income* is affected by the fact that depreciation is reported instead of lease costs, and *net financial income* is affected by estimated interest expenses on lease liabilities. The introduction of IFRS 16 has had a minor impact on operating income and net financial income. In *cash flow*, lease payments, which were previously reported as an operating expense, are apportioned between the financial items paid and the reduction of the lease liability. The introduction of IFRS 16 has not had any effect on total cash flow for the period. Comparatives for previous periods have not been restated, in accordance with the applied transition method. More information in [Notes on page 21](#).

## The Group's net sales and earnings, January-April 2019

### Net sales

Lantmännen's net sales for the first four-month period amounted to MSEK 15,334 (13,744), an increase of 12 percent. The increase is distributed as follows: organic growth 7 percent, currency translation effects 2 percent, and the remainder is attributable to acquired and divested operations. Net sales have increased in all segments.

### Operating income

Operating income for the four-month period amounted to MSEK 408 (358), an increase of MSEK 50.

The largest improvements in operating income have occurred in the Food Sector and the Swecon Business Area, but the Energy Sector also reported a higher operating income than in the previous year. The Agriculture Sector and Real Estate Business Area reported a lower operating income than in the previous year. The Agriculture Sector is still feeling the effects of the drought in 2018. The Real Estate Business Area's lower operating income is due to lower income from property sales, which amounted to MSEK 18 compared with MSEK 47.

Lantmännen's operating income was positively affected by MSEK 12 from acquired operations and MSEK 6 from currency translation effects.

### Net financial income and income after financial items

Net financial income amounted to MSEK -73 (-65). The change is mainly due to increased interest expenses as an effect of the introduction of IFRS 16.

Income after financial items was MSEK 335 (293).

### Tax and income after tax

Tax expense for the period was MSEK 43 (47). Tax is calculated using the estimated tax rate for the full year.

Income after tax amounted to MSEK 292 (246), of which MSEK 287 (241) was attributable to members of the economic association and MSEK 5 (5) to non-controlling interests (minority ownership) in the Group's subsidiaries.

## Cash flow

Cash flow from operating activities was MSEK 807 (486). The operating surplus contributed MSEK 844 (622) to the figure, while cash flow from working capital contributed MSEK -37 (-136). Cash flow from the operating surplus, and therefore cash flow from operating activities, has been positively affected by MSEK 143 in 2019 as a result of the introduction of IFRS 16.

Investments in non-current assets were MSEK -673 (-661) and sales of non-current assets amounted to MSEK 73 (44), which meant that net investments for the period were MSEK -600 (-617). Among the investments are Lantmännen Unibake's continuing investments in the bakery in Poland and the Real Estate Business Area's investments in, for example, Bjuv and Kalmar.

Net acquisitions and divestments of operations amounted to MSEK -508 (0). During the period, Lantmännen Unibake acquired the Australian pastry manufacturer Bakery Du Jour and the Energy Sector acquired an oat business in Kimstad. There were no divestments during the four-month period.

Cash flow before financing activities was MSEK -289 (-52). The change in interest-bearing liabilities was MSEK 324 (882). The change has been affected by MSEK -143 from the introduction of IFRS 16.

The period's cash flow including financing activities was MSEK 35 (830).

## Financial position

Equity at April 30 was MSEK 17,016 (16,027, year-end). This includes MSEK 97 (92, year-end) attributable to owners other than members of the economic association, i.e. the minority interest in Group companies.

Net debt was MSEK 12,407 (8,719, year-end). Since year-end, net debt has increased by a total of MSEK 3,688, of which MSEK 2,588 is an effect of the introduction of IFRS 16.

Cash and cash equivalents at April 30 were MSEK 770 (720, year-end) and total assets were MSEK 42,218 (37,095, year-end). Total assets have increased by MSEK 5,123. About half of the figure is due to the introduction of IFRS 16 and the



remainder is attributable to increased operating receivables and liabilities, new borrowings for the acquisition of operations and currency translation effects related to foreign operations.

The equity ratio was 40.3 percent (43.2, year-end). The equity ratio would have been in line with the equity ratio at year-end without the introduction of IFRS 16.

#### Risks and uncertainties

The risks in Lantmännen's operations are strategic risks associated with trademarks, climate, external regulations, the economy, operational risks (e.g., fluctuating energy, ethanol and commodity prices) and financial risks. The risks are described in detail in Lantmännen's Annual Report.

#### Changes in the Group

In January, the Australian pastry manufacturer Bakery Du Jour was acquired (renamed Lantmännen Unibake Australia). The company has an annual turnover of just over MSEK 200 and 90 employees.

In March, the Energy Sector completed its acquisition of the UK company Tate & Lyle's oat business in Kimstad,

which included property, a mill and non-current assets. The business has an annual turnover of approximately MSEK 50 and complements Lantmännen's existing heat-treated oat operations. About 35 employees are included in the acquisition.

#### Human resources

The average number of employees on April 30 was 10,074 (9,811) and the number of full-time employees was 10,064 (9,836). The increase is mainly attributable to Swecon and Unibake.

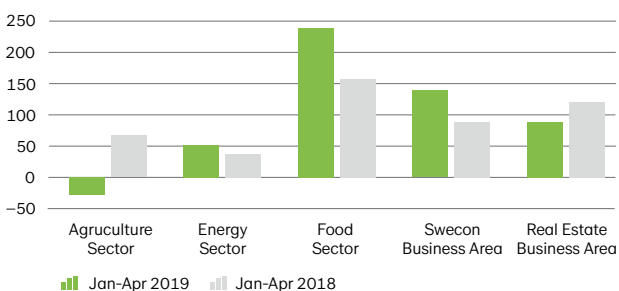
#### Other significant events during the four-month period

In February, about MSEK 55 was paid to members as the second part of Lantmännen's total action package of MSEK 220. The payment is based on members' trading with Lantmännen Lantbruk Sweden from September to December 2018.

Lantmännen achieved a top position in the Sustainable Brand Index (SBI) again this year. The SBI is the Nordic region's largest independent brand study focusing on sustainability. According to the survey, Lantmännen is Sweden's third most sustainable brand overall and second in the food category.

#### Operating income per segment, accumulated Jan-Apr

Adjusted for items affecting comparability, MSEK



#### Distribution of Group's sales

Including Intra-Group sales







Lantmännen was ranked number one in Inter Business Index 2019, which measures, analyzes and ranks Sweden's 50 largest companies in terms of how well they utilize sustainability to create value throughout their operations.

Following an evaluation process, Lantmännen was elected as a member of Transparency International Sweden's *Corporate Supporters Forum*, which works actively to tackle corruption.

#### Events after the end of the period

In May, Lars-Gunnar Edh took over as MD of Lantmännen Agroetanol. Lars-Gunnar comes most recently from a MD role for Assa Abloy's operations in China.

The company Viking Malt was named 2019 Food Exporter of the Year by the Swedish Food Federation industry association. Lantmännen has a 37.5 percent ownership share in the company.

As announced in a press release from HK Scan's Board on May 8, 2019, a new share issue of up to EUR 72 million is proposed. Lantmännen, which owns about 6 percent of the shares with about 10 percent of the votes in HK Scan, intends to participate in the issue in order to maintain its share of the votes.

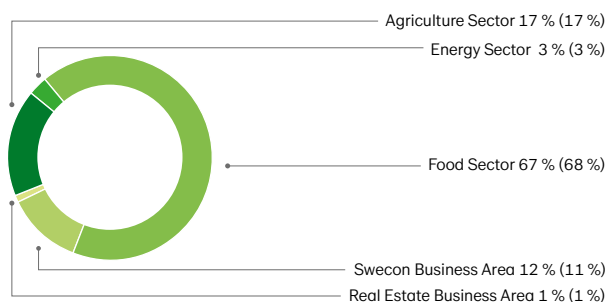
#### Lantmännen's Annual General Meeting

At Lantmännen's Annual General Meeting in May, Per Wijkander and Johan Bygge were elected as new Board members. Per Lindahl, Gunilla Aschan, Johan Mattsson, Henrik Wahlberg and Hans Wallemyr were re-elected to the Board. The other Board members are Ove Gustafsson and Sonat Burman-Olsson. Ulf Gundemark, who declared himself unavailable for re-election, steps down after seven years of Board service.

The meeting adopted a refund and supplementary payment, contribution dividend and contribution issue, which together represent a dividend of MSEK 620 to members.

At the statutory Board meeting, Per Lindahl was re-elected Chairman and Hans Wallemyr Vice Chairman.

#### Distribution of Group's employees





## Agriculture Sector

The Agriculture Sector's net sales for the first four-month period are higher than in the previous year, which is largely due to continued high demand for feed, generally higher price levels for grain and good development in the Finnish operations. The Sector's operating income is lower than in the previous year: MSEK –28, compared with MSEK 67 for the same period the previous year. The lower operating income is due to the consequences of the previous year's low grain harvest.

Now that Sweden is an exporter rather than an importer of grain, the cost of providing grain to the industrial operations has increased. Lantmännen's intake for the 2018 harvest was about 1 million tonnes lower than in the previous year. In addition, there are also some quality problems in the imported grain. The market price of malting and feed barley fell drastically in January and February, as the market had expected higher demand.

Investments in updated infrastructure within the grain business in Österlen and in the Mälaren area continue as planned prior to this year's harvest. On May 16, the new grain receiving facility in Hargshamn, Uppland, was inaugurated.

The seed business has also been affected by last year's extreme weather: the volume of grain seed delivered so far this year is lower than in the previous year due to a shortage of spring seed and the extensive fall sowing. According to the Board of Agriculture's preliminary figures, the fall-sown acreage was the largest since records began in 1916. Demand for feed remains very high, and during spring there have been intensive sales and logistics efforts to meet customer needs.

In March, a collaboration was initiated with Granngården aimed at giving Swedish farmers more access to inputs during the growing season. A wider range of Lantmännen's products will be available in Granngården's stores, and a number of stores will also offer plant protection.

The Finnish agricultural businesses are developing well and delivering in line with expectations. Like Sweden, the operations in Finland have been affected by the price and availability of grain, and increased demand for feed. The cattle feed business in Lantmännen Feed Oy, which was acquired at the end of last year, is developing well.

### Key figures Agriculture Sector

	2019 Jan-Apr	2018 Jan-Apr	Change
Net sales, MSEK	7,229	6,342	14 %
Operating income, MSEK	–28	67	–95
Operating margin, %	–0.4	1.1	
Return on operating capital, %	–1.0	3.3	
Average number of employees	1, 645	1,616	2 %

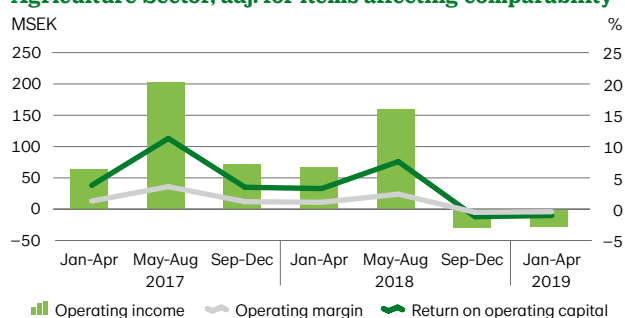


The Sector's international agricultural holdings in Germany, Poland and the Baltic region have also been adversely affected by the drought: both HaGe Kiel and Scandagra report lower earnings than in the previous year.

The dry, hot summer of 2018 has also affected Lantmännen Maskin, due to reduced investment capacity among farmers. For tractors, demand and sales in the first four-month period are lower than in the previous year, and competition is becoming increasingly intense. Demand for workshop services remains good.

The cost-saving and efficiency program within Lantmännen Maskin continues as planned: among other things, the workforce has been reduced and the range is continuously shifting towards more machine-related products and a project with a focus on e-commerce is in progress.

#### Agriculture Sector, adj. for items affecting comparability



#### Key figures, Lantmännen Lantbruk Sweden

	2019 Jan-Apr	2018 Jan-Apr	Change
Net sales, MSEK	4,449	3,928	13 %
Operating income, MSEK	-6	76	-82
Operating margin, %	-0.1	1.9	
Return on operating capital, %	-0.5	7.6	
Average number of employees	723	718	1 %

#### Key figures, Lantmännen Maskin Sweden

	2019 Jan-Apr	2018 Jan-Apr	Change
Net sales, MSEK	1,123	1,224	-8 %
Operating income, MSEK	-11	-15	4
Operating margin, %	-1.0	-1.2	
Return on operating capital, %	-2.2	-4.4	
Average number of employees	748	809	-8 %





## Energy Sector

The Sector's net sales for the first four-month period are higher than the previous year. Operating income is MSEK 52 – an improvement from MSEK 38 the previous year.

Lantmännen Agroetanol's operating income is better than in the previous year thanks to a significantly higher ethanol price during the first months of the year and an improved price relationship between ethanol, feed products and inputs. However, grain prices have increased at the same time compared with the previous year, which has dampened the earnings effect. In May, Lars-Gunnar Edh took over as CEO of Lantmännen Agroetanol.

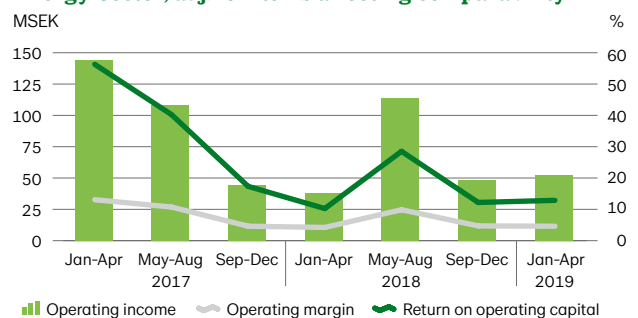
In January, work began on Etanolarena Östergötland, an innovation cluster for sustainable heavy goods transport. Private and public players are working together to promote innovation and conversion to green transport – Agroetanol's contribution includes ED95, fuel ethanol for heavy goods vehicles.

Lantmännen Aspen continues to develop well, with both sales volumes and earnings higher than in the previous year. Continuous work is in progress to develop the organization and benefit further from synergies with Marline and Agro Oil.

Lantmännen Reppe's operating income is better than in the previous year, and demand for gluten and potable spirits remains good. The closure of the glucose syrup factory in Växjö has proceeded according to plan.

In March, a mill and oat processing facility in Kimstad, Östergötland, was acquired from the UK company Tate & Lyle. The oat mill has a capacity of 55,000 tonnes and presents new opportunities to develop and produce products with oats as a raw material. The facility currently produces oat protein, beta glucan and oat flour.

### Energy Sector, adj. for items affecting comparability



### Key figures Energy Sector

	2019 Jan-Apr	2018 Jan-Apr	Change
Net sales, MSEK	1,163	930	25 %
Operating income, MSEK	52	38	14
Operating margin, %	4.5	4.1	
Return on operating capital, %	13.0	10.3	
Average number of employees	275	277	-1 %





## Food Sector

Net sales in the Food Sector are higher than in the previous year, mainly due to continued sales increases within Lantmännen Unibake. Operating income is MSEK 239, compared with MSEK 157 for the same period the previous year. Both Lantmännen Cerealia and Lantmännen Unibake have been affected by rising raw material prices as a result of the summer drought.

Lantmännen Cerealia has improved its operating income compared with the previous year, mainly due to strong developments in the international operations in Russia, Ukraine and the export market. Demand for oat products continues to increase, and since last year, Cerealia has increased its market shares in both the oat and pasta categories in Sweden.

Cerealia's ongoing improvement program has started to produce effects through, among other things, process improvements in the flow of goods, which has brought increased stability throughout the supply chain. A new organizational structure with an increased focus on geographic markets was established in the first four-month period. This has led to improvements such as smoother work and shorter decision channels.

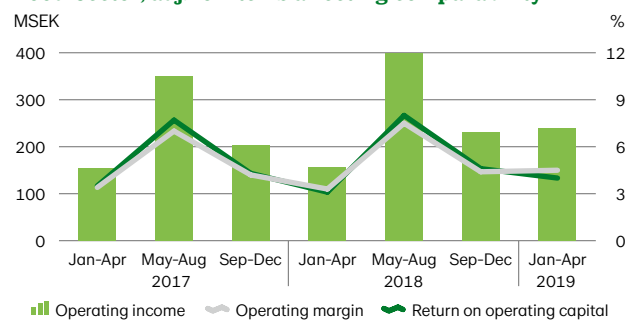
Lantmännen Unibake continues to perform well and reported higher earnings than in the previous year. Sales have shown a marked increase compared with the previous year. Among the reasons are positive developments in the

UK, Norway and Russia, and the addition of the Australian company Bakery Du Jour (now renamed Lantmännen Unibake Australia). The main growth is in frozen bread.

As a result of a fire at a competitor's bakery in Norway last year, Lantmännen Unibake's sales, particularly to the large grocery group Norgesgruppen, will be temporarily higher in 2019.

The operations of the partly owned company Viking Malt are developing according to plan, but, as other grain-intensive businesses are also finding, the 2018 drought has meant that it is a major challenge to secure raw material supply with the right quality until the new harvest.

Food Sector, adj. for items affecting comparability



### Key figures Food Sector

	2019 Jan-Apr	2018 Jan-Apr	Change
Net sales, MSEK	5,306	4,800	11 %
Operating income, MSEK	239	157	82
Operating margin, %	4.5	3.3	
Return on operating capital, %	4.0	3.1	
Average number of employees	6,661	6,547	2 %



## Swecon Business Area

The Swecon Business Area's net sales are higher than in the previous year. Operating income is MSEK 139, a marked increase from MSEK 88 in the previous year.

The activity level remains high in all Swecon's markets – particularly in Germany, where demand has increased from the previous year.

In all markets, the service and spare parts market continues to increase, due to a larger machine population and increased use of the machines by Swecon's customers. Growth in the spare parts market has been strong over the last three years, and demand is expected to remain at a high level.

Deliveries to the Swedish Defence Materiel Administration (FMV), which began in 2018, are continuing as planned. The agreement with the FMV covers about 50 new wheel loaders per year over two years, and also includes technical system and other support, spare parts and service availability.

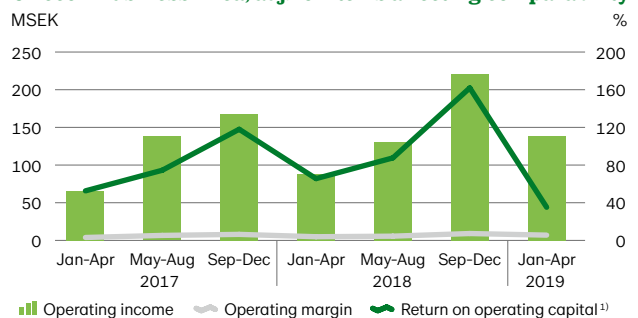
Work on developing the mySwecon digital portal continues, and there has been a broad launch of the service in Sweden during the first four-month period. The launch in Germany takes place in the second four-month period and the service will eventually be launched in the Baltic region. Customers can use mySwecon to book servicing and to view instant information about the machine's operating hours, fuel consumption and position. New functionality is being added continuously.

A new facility is currently being built in Mölndal to replace the current facility which the business has now outgrown. New facilities are also planned in Berlin and Tallinn.

Rally Sweden was held in Värmland in February, with Swecon being partner and arena sponsor for the third consecutive year. About 200,000 spectators visited the rally – an event that is watched by a total of about 100 million TV viewers around the world.

Bauma, the world's largest construction machinery trade fair, took place in Munich in April. More than 500,000 individuals visited the fair, which consisted of 3,500 exhibitors from just over fifty countries. Volvo CE presented two new electrically powered machines, and Swecon sold its first electric compact wheel loader during the first days of the trade fair.

### Swecon Business Area, adj. for items affecting comparability



### Key figures Swecon Business Area

	2019 Jan-Apr	2018 Jan-Apr	Change
Net sales, MSEK	2,503	2,277	10 %
Operating income, MSEK	139	88	51
Operating margin, %	5.6	3.9	
Return on operating capital, adjusted for property sales, % <sup>1)</sup>	35.2	65.6	
Average number of employees	1,178	1,079	9 %

<sup>1)</sup> The introduction of IFRS 16 in 2019 has had a material effect on the key figure Return on operating capital



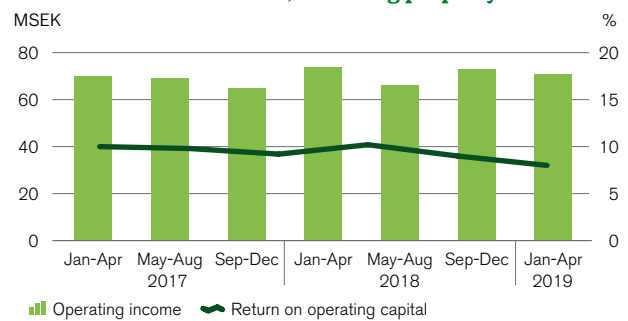
## Real Estate Business Area

The Real Estate Business Area's net sales are in line with the previous year, and operating income excluding property sales is MSEK 71, compared with MSEK 74 for the same period the previous year. Income from property sales amounts to MSEK 18 (47).

Lantmännen Fastigheter is currently building a new facility for Swecon in Mölndal, which is expected to be ready for occupancy in the fourth quarter of 2019. The new facility is larger and more efficient than the current one and is located next to Volvo's premises in Mölndal.

Lantmännen Agrovärme's operations continue to develop according to plan. The result is a little lower than in the previous year, due to the mild winter and higher fuel costs.

### Real Estate Business Area, excluding property sales



### Key figures Real Estate Business Area

	2019 Jan-Apr	2018 Jan-Apr	Change
Net sales, MSEK	195	189	3 %
Operating income, excluding property sales, MSEK	71	74	-3
Operating income, MSEK	89	121	-32
Return on operating capital, adjusted for property sales, %	8.0	10.2	
Average number of employees	47	46	2 %



## Condensed consolidated income statement

MSEK	2019 Jan-Apr	2018 Jan-Apr	May 2018- Apr 2019	2018 Jan-Dec
<b>Net sales</b>	<b>15,334</b>	<b>13,744</b>	<b>45,552</b>	<b>43,962</b>
Other operating income	50	118	211	279
Changes in inventories of finished goods and work in progress	-406	-969	262	-301
Raw materials and consumables	-4,537	-3,416	-13,888	-12,767
Merchandise	-5,082	-4,526	-16,139	-15,583
Employee benefits expense	-2,134	-1,998	-6,173	-6,037
Depreciation, amortization and impairment	-629	-437	-1,555	-1,363
Other operating expenses	-2,187	-2,197	-6,856	-6,866
Share of income of equity accounted companies	-1	39	79	119
<b>Operating income</b>	<b>408</b>	<b>358</b>	<b>1,493</b>	<b>1,443</b>
Finance income	37	42	91	96
Finance costs	-110	-107	-292	-289
<b>Income after financial items</b>	<b>335</b>	<b>293</b>	<b>1,292</b>	<b>1,250</b>
Tax	-43	-47	-64	-68
<b>Net income for the period</b>	<b>292</b>	<b>246</b>	<b>1,228</b>	<b>1,182</b>
<b>Net income for the period attributable to:</b>				
Members of the economic association	287	241	1,222	1,176
Non-controlling interests	5	5	6	6

## Condensed consolidated statement of comprehensive income

MSEK	2019 Jan-Apr	2018 Jan-Apr	May 2018- Apr 2019	2018 Jan-Dec
<b>Net income for the period</b>	<b>292</b>	<b>246</b>	<b>1,228</b>	<b>1,182</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to the income statement</i>				
Actuarial gains and losses on defined benefit pension plans, net before tax	39	3	6	-30
Financial assets at fair value through other comprehensive income, net before tax	41	-3	-25	-69
Tax attributable to items that will not be reclassified	-10	1	1	12
<b>Total</b>	<b>70</b>	<b>1</b>	<b>-18</b>	<b>-87</b>
<i>Items that will be reclassified to the income statement</i>				
Cash flow hedges, net before tax	33	-109	172	30
Exchange differences on translation of foreign operations	497	433	262	198
Hedge of net investment in foreign operations, net before tax	-78	-89	-39	-50
Tax attributable to items that will be reclassified	-3	44	-32	15
<b>Total</b>	<b>449</b>	<b>279</b>	<b>363</b>	<b>193</b>
<i>Share of OCI in equity accounted companies</i>				
Items that will be reclassified to the income statement	63	97	49	83
<b>Total</b>	<b>63</b>	<b>97</b>	<b>49</b>	<b>83</b>
<b>Other comprehensive income, net of tax</b>	<b>582</b>	<b>377</b>	<b>394</b>	<b>189</b>
<b>Total comprehensive income for the period</b>	<b>874</b>	<b>623</b>	<b>1,622</b>	<b>1,371</b>
<b>Total comprehensive income attributable to:</b>				
Members of the economic association	869	618	1,616	1,365
Non-controlling interests	5	5	6	6

## Condensed consolidated statement of financial position

MSEK	2019 30 Apr	2018 30 Apr	2018 31 Dec
<b>ASSETS</b>			
Property, plant and equipment	13,185	9,937	10,012
Investment property	670	651	661
Goodwill	5,776	5,460	5,350
Other intangible assets	3,709	3,394	3,451
Equity accounted holdings	2,496	2,281	2,299
Non-current financial assets	676	729	629
Deferred tax assets	259	206	248
Other non-current assets	59	46	57
<b>Total non-current assets</b>	<b>26,830</b>	<b>22,704</b>	<b>22,707</b>
Inventories	6,726	5,986	6,943
Trade and other receivables	7,775	7,030	6,668
Current interest-bearing assets	40	37	39
Current tax assets	77	36	18
Cash and cash equivalents	770	1,774	720
<b>Total current assets</b>	<b>15,388</b>	<b>14,863</b>	<b>14,388</b>
<b>TOTAL ASSETS</b>	<b>42,218</b>	<b>37,567</b>	<b>37,095</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to members of the economic association	16,919	15,477	15,935
Non-controlling interests	97	94	92
<b>Total equity</b>	<b>17,016</b>	<b>15,571</b>	<b>16,027</b>
Non-current interest-bearing liabilities <sup>1)</sup>	7,907	6,178	5,493
Provisions for pensions	557	539	611
Deferred tax liabilities	670	630	650
Other non-current provisions	247	224	208
Other non-current liabilities	43	32	43
<b>Total non-current liabilities</b>	<b>9,424</b>	<b>7,603</b>	<b>7,005</b>
Current interest-bearing liabilities	5,027	3,512	4,002
Trade and other payables	9,972	10,103	9,280
Current tax liabilities	144	107	103
Current provisions	635	671	678
<b>Total current liabilities</b>	<b>15,778</b>	<b>14,393</b>	<b>14,063</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,218</b>	<b>37,567</b>	<b>37,095</b>
Equity ratio	40.3	41.4	43.2
<sup>1)</sup> Including subordinated debentures, MSEK	250	250	250

## Condensed consolidated statement of cash flows

MSEK	2019 Jan-Apr	2018 Jan-Apr	2018 Jan-Dec
Operating income	408	358	1,443
Adjustment for non-cash items <sup>1)</sup>	604	368	1,191
Financial items paid, net	-90	-40	-234
Taxes paid	-78	-64	-132
<b>Cash flow from operating activities before changes in working capital</b>	<b>844</b>	<b>622</b>	<b>2,268</b>
Change in working capital	-37	-136	-1,245
<b>Cash flow from operating activities</b>	<b>807</b>	<b>486</b>	<b>1,023</b>
Acquisitions and divestments of operations, net	-508	0	-333
Investments in property, plant & equipment and intangible assets	-673	-661	-1,825
Sale of property, plant & equipment and intangible assets	73	44	199
Change in financial investments	12	79	112
<b>Cash flow from investing activities</b>	<b>-1,096</b>	<b>-538</b>	<b>-1,847</b>
<b>Cash flow before financing activities</b>	<b>-289</b>	<b>-52</b>	<b>-824</b>
Change in interest-bearing liabilities and pension provisions	324	882	1,108
Change in contributed capital	0	0	100
Dividend paid	0	0	-603
<b>Cash flow from financing activities</b>	<b>324</b>	<b>882</b>	<b>605</b>
<b>Cash flow for the period</b>	<b>35</b>	<b>830</b>	<b>-219</b>
Cash and cash equivalents at beginning of period	720	927	927
Exchange differences in cash and cash equivalents	15	17	12
<b>Cash and cash equivalents at the end of the period</b>	<b>770</b>	<b>1,774</b>	<b>720</b>
<sup>1)</sup> Depreciation and impairment of non-current assets	629	437	1,363
Share of income of equity accounted companies	5	-11	-58
Capital gains/losses on sale of non-current assets and operations	-19	-45	-45
Other non-cash items	-11	-13	-69
<b>Adjustment for non-cash items</b>	<b>604</b>	<b>368</b>	<b>1,191</b>



## Condensed consolidated statement of changes in equity

MSEK	2019 Jan-Apr			2018 Jan-Apr			2018 Jan-Dec		
	Members of the association	Non- controlling interest	Total equity	Members of the association	Non- controlling interest	Total equity	Members of the association	Non- controlling interest	Total equity
Closing balance	15,935	92	16,027	14,859	89	14,948	14,859	89	14,948
Changes due to amended accounting policies in associates	115	-	115	-	-	0	-33	-	-33
Opening balance, January 1	16,050	92	16,142	14,859	89	14,948	14,826	89	14,915
Total comprehensive income for the period	869	5	874	618	5	623	1,365	6	1,371
Distribution to owners	-	-	-	-	-	-	-356	-3	-359
Contributed capital paid in by members	0	-	0	0	-	0	161	-	161
Contributed capital paid out to members	-	-	-	-	-	-	-61	-	-61
<b>Closing balance</b>	<b>16,919</b>	<b>97</b>	<b>17,016</b>	<b>15,477</b>	<b>94</b>	<b>15,571</b>	<b>15,935</b>	<b>92</b>	<b>16,027</b>
<b>Equity attributable to members of the economic association</b>									
Contributed capital, paid in	1,318			1,208			1,318		
Contributed capital, issued	1,346			1,256			1,346		
Other equity	14,255			13,013			13,271		
<b>Total equity attributable to members of the economic association</b>	<b>16,919</b>			<b>15,477</b>			<b>15,935</b>		

## Condensed consolidated four-monthly income statements

MSEK	2019 Jan-Apr	2018 Sep-Dec	2018 May-Aug	2018 Jan-Apr
Net sales	15,334	14,786	15,432	13,744
Other operating income	50	70	91	118
Changes in inventories of finished goods and work in progress	-406	649	19	-969
Raw materials and consumables	-4,537	-4,502	-4,849	-3,416
Merchandise	-5,082	-5,824	-5,233	-4,526
Employee benefits expense	-2,134	-2,081	-1,958	-1,998
Depreciation, amortization and impairment	-629	-484	-442	-437
Other operating expenses	-2,187	-2,362	-2,307	-2,197
Share of income of equity accounted companies	-1	27	53	39
<b>Operating income</b>	<b>408</b>	<b>279</b>	<b>806</b>	<b>358</b>
Finance income	37	18	36	42
Finance costs	-110	-105	-77	-107
<b>Income after financial items</b>	<b>335</b>	<b>192</b>	<b>765</b>	<b>293</b>
Tax	-43	80	-101	-47
<b>Net income for the period</b>	<b>292</b>	<b>272</b>	<b>664</b>	<b>246</b>
<b>Net income for the period attributable to:</b>				
Members of the economic association	287	272	663	241
Non-controlling interests	5	0	1	5

## The Group's items affecting comparability

MSEK	2019 Jan-Apr	2018 Jan-Apr	2018 Jan-Dec
Recognized operating income	408	358	1,443
<i>Items affecting comparability in operating income:</i>			
Action package, Agriculture Sector	-	-	-66
Restructuring costs, Energy Sector	-	-	-32
Restructuring costs, Food Sector	-	-	-39
Total items affecting comparability in operating income	-	-	-137
<b>Operating income, adjusted for items affecting comparability</b>	<b>408</b>	<b>358</b>	<b>1,580</b>
Recognized income after financial items	335	293	1,250
Items affecting comparability in operating income according to above	-	-	-137
<b>Income after financial items adjusted for items affecting comparability</b>	<b>335</b>	<b>293</b>	<b>1,387</b>
Return on equity, adjusted for items affecting comparability, %	5.3	4.9	8.2
Return on operating capital, adjusted for items affecting comparability, %	4.2	4.6	6.6

## The Group's net sales per segment and business

MSEK	2019 Jan-Apr	2018 Jan-Apr	Change Jan-Apr, %	May 2018- Apr 2019	2018 Jan-Dec
<b>Net sales excluding leasing activities</b>					
Lantmännen Lantbruk Sweden	4,449	3,928	13 %	12,143	11,622
Lantmännen Lantbruk Finland	1,581	1,145	38 %	4,048	3,612
Lantmännen Maskin Sweden	1,123	1,224	-8 %	3,774	3,875
Agriculture Sector, other and eliminations	76	45	69 %	260	229
<b>Agriculture Sector</b>	<b>7,229</b>	<b>6,342</b>	<b>14 %</b>	<b>20,225</b>	<b>19,338</b>
Lantmännen Agroetanol	685	504	36 %	1,915	1,734
Lantmännen Reppe	164	151	9 %	485	472
Lantmännen Aspen	317	278	14 %	967	928
Energy Sector, other and eliminations	-3	-3	0 %	-17	-17
<b>Energy Sector</b>	<b>1,163</b>	<b>930</b>	<b>25 %</b>	<b>3,350</b>	<b>3,117</b>
Lantmännen Cerealia	1,451	1,342	8 %	4,248	4,139
Lantmännen Unibake	3,985	3,581	11 %	11,988	11,584
Food Sector, other and eliminations	-134	-123	-9 %	-386	-375
<b>Food Sector</b>	<b>5,302</b>	<b>4,800</b>	<b>10 %</b>	<b>15,850</b>	<b>15,348</b>
Swecon Sweden	1,296	1,171	11 %	4,241	4,116
Swecon Germany	969	893	9 %	3,470	3,394
Swecon Baltic	91	80	14 %	298	287
Swecon Business Area, other and eliminations	-2	-1	-100 %	-4	-3
<b>Swecon Business Area</b>	<b>2,354</b>	<b>2,143</b>	<b>10 %</b>	<b>8,005</b>	<b>7,794</b>
<b>Real Estate Business Area</b>	<b>47</b>	<b>50</b>	<b>-6 %</b>	<b>111</b>	<b>114</b>
<b>Other operations</b>	<b>193</b>	<b>176</b>	<b>10 %</b>	<b>615</b>	<b>598</b>
<b>Eliminations</b>	<b>-1,163</b>	<b>-885</b>	<b>-31 %</b>	<b>-3,245</b>	<b>-2,967</b>
<b>Total</b>	<b>15,125</b>	<b>13,556</b>	<b>12 %</b>	<b>44,911</b>	<b>43,342</b>
<b>Net sales from leasing activities</b>					
Food Sector	4	0		7	3
Swecon Business Area	149	134	11 %	473	458
Real Estate Business Area	147	139	6 %	419	411
Eliminations	-91	-85	-7 %	-258	-252
<b>Total</b>	<b>209</b>	<b>188</b>	<b>11 %</b>	<b>641</b>	<b>620</b>
<b>Total net sales</b>	<b>15,334</b>	<b>13,744</b>	<b>12 %</b>	<b>45,552</b>	<b>43,962</b>



## Segment information, adjusted for items affecting comparability

### Operating income per segment, adjusted for items affecting comparability

MSEK	2019 Jan-Apr	2018 Jan-Apr	May 2018- Apr 2019	2018 Jan-Dec
Agriculture Sector	-28	67	102	197
Energy Sector	52	38	214	200
Food Sector	239	157	869	787
Swecon Business Area	139	88	491	440
Real Estate Business Area <sup>1)</sup>	89	121	233	265
Other operations	-48	-78	-150	-180
Group items	-35	-35	-129	-129
<b>Total</b>	<b>408</b>	<b>358</b>	<b>1,630</b>	<b>1,580</b>
<sup>1)</sup> Including capital gain on sale of property	18	47	23	52

### Operating margin per segment, adjusted for items affecting comparability

%	2019 Jan-Apr	2018 Jan-Apr	May 2018- Apr 2019	2018 Jan-Dec
Agriculture Sector	-0.4	1.1	0.5	1.0
Energy Sector	4.5	4.1	6.4	6.4
Food Sector	4.5	3.3	5.5	5.1
Swecon Business Area	5.6	3.9	5.8	5.3
<b>Total</b>	<b>2.7</b>	<b>2.6</b>	<b>3.6</b>	<b>3.6</b>

### Return on operating capital per segment, adjusted for items affecting comparability

%	2019 Jan-Apr	2018 Jan-Apr	May 2018- Apr 2019	2018 Jan-Dec
Agriculture Sector	-1.0	3.3	1.4	3.0
Energy Sector	13.0	10.3	18.1	17.4
Food Sector	4.0	3.1	5.4	5.3
Swecon Business Area	35.2	65.6	72.1	104.6
Real Estate Business Area <sup>1)</sup>	8.0	10.2	8.8	9.6
<b>Total</b>	<b>4.2</b>	<b>4.6</b>	<b>6.3</b>	<b>6.6</b>

<sup>1)</sup> Adjusted for gain on sale of property.

## Segment information

### Operating income per segment

MSEK	2019 Jan-Apr	2018 Jan-Apr	May 2018- Apr 2019	2018 Jan-Dec
Agriculture Sector	-28	67	36	131
Energy Sector	52	38	182	168
Food Sector	239	157	830	748
Swecon Business Area	139	88	491	440
Real Estate Business Area <sup>1)</sup>	89	121	233	265
Other operations	-48	-78	-150	-180
Group items	-35	-35	-129	-129
<b>Total</b>	<b>408</b>	<b>358</b>	<b>1,493</b>	<b>1,443</b>
<sup>1)</sup> Including capital gain on sale of property	18	47	23	52

### Operating margin per segment

%	2019 Jan-Apr	2018 Jan-Apr	May 2018- Apr 2019	2018 Jan-Dec
Agriculture Sector	-0.4	1.1	0.2	0.7
Energy Sector	4.5	4.1	5.4	5.4
Food Sector	4.5	3.3	5.2	4.9
Swecon Business Area	5.6	3.9	5.8	5.3
<b>Total</b>	<b>2.7</b>	<b>2.6</b>	<b>3.3</b>	<b>3.3</b>

### Return on operating capital per segment

%	2019 Jan-Apr	2018 Jan-Apr	May 2018- Apr 2019	2018 Jan-Dec
Agriculture Sector	-1.0	3.3	0.5	2.0
Energy Sector	13.0	10.3	15.4	14.6
Food Sector	4.0	3.1	5.2	5.0
Swecon Business Area	35.2	65.6	72.1	104.6
Real Estate Business Area <sup>1)</sup>	8.0	10.2	8.8	9.6
<b>Total</b>	<b>4.2</b>	<b>4.6</b>	<b>5.8</b>	<b>6.0</b>

<sup>1)</sup> Adjusted for gain on sale of property.

## Parent Company

The activities of the Parent Company Lantmännen ek för consist of Lantmännen Lantbruk's Swedish operations in the Agriculture Sector, Agro Oil and the corporate functions.

Net sales were MSEK 4,596 (4,068) and operating income was MSEK –89 (14).

Income from financial items was MSEK 1 (–117). Net financial income was affected by net interest income of MSEK 61 (64) and exchange losses of MSEK –71 (–218).

Income after financial items was MSEK –88 (–103).

Net investments in non-current assets totaled MSEK 82 (34).

The equity ratio was 43.4 percent (44.9, year-end).

The average number of employees in the Parent Company was 934 (919).

## Parent Company condensed income statement

MSEK	2019 Jan-Apr	2018 Jan-Apr
Net sales	4,596	4,068
Other operating income	79	84
Changes in inventories of finished goods and work in progress	–439	–679
Raw materials and consumables	–2,583	–1,878
Merchandise	–814	–719
Employee benefits expense	–296	–276
Depreciation, amortization and impairment	–58	–57
Other operating expenses	–574	–529
Operating income	–89	14
Income from financial items	1	–117
Income after financial items	–88	–103
Tax	44	32
Net income for the period	–44	–71

## Parent Company statement of comprehensive income<sup>1)</sup>

MSEK	2019 Jan-Apr
Net income for the period	–44
Other comprehensive income	
<i>Items that will not be reclassified to the income statement</i>	
Financial assets at fair value through other comprehensive income, net before tax	31
Tax attributable to items that will not be reclassified	–
Total	31
<i>Items that will be reclassified to the income statement</i>	
Cash flow hedges, net before tax	33
Tax attributable to items that will be reclassified	–19
Total	14
Other comprehensive income, net of tax	45
Total comprehensive income	1

<sup>1)</sup> The Parent Company introduced IFRS 9 Financial Instruments on January 1, 2019.

## Parent Company condensed statement of financial position

MSEK	2019 30 April	2018 30 April
<b>ASSETS</b>		
Intangible assets	473	487
Property, plant and equipment	776	719
Investments in Group companies	10,243	7,795
Investments in joint ventures/associates	1,258	1,222
Receivables from Group companies	6,140	4,598
Other securities held as non-current assets	164	167
Other non-current receivables	319	313
<b>Total non-current assets</b>	<b>19,373</b>	<b>15,301</b>
Inventories	1,995	1,824
Receivables from Group companies	8,715	12,410
Other current receivables	3,111	2,396
Short-term investments, incl. cash and bank balances	116	1,174
<b>Total current assets</b>	<b>13,937</b>	<b>17,804</b>
<b>TOTAL ASSETS</b>	<b>33,310</b>	<b>33,105</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	14,087	13,700
Untaxed reserves	466	466
Provisions	90	120
Non-current liabilities	5,320	5,710
Current liabilities to Group companies	7,036	7,353
Other current liabilities	6,311	5,756
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,310</b>	<b>33,105</b>
Equity ratio	43.4	42.5



## Notes

### Accounting policies

Lantmännen applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Accounting policies and calculation methods are unchanged from those applied in the 2018 annual report, apart from the application of IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments with effect from January 1, 2019. IFRS 16 and IFRIC 23 and their effects on Lantmännen are commented on below.

Reporting for the Parent Company is in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Accounting policies and calculation methods are unchanged from those applied in the 2018 annual report, apart from the reporting of financial instruments, for which the Parent Company, with effect from January 1, 2019, has adopted the application of IFRS 9 Financial instruments as a legal entity. The introduction of IFRS 9 means that the Parent Company and the Group apply the same principles for reporting financial instruments. The transition has resulted in an increase of just over MSEK 30, net after tax, in the Parent Company's equity at January 1, 2019.

### IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 Leases from January 1, 2019. The new standard makes no distinction between operating and finance leases/ rental agreements for the lessee. Under the new standard, lessees report leases as a right-of-use asset, i.e. the right to use the asset during the lease term, and a financial liability, i.e. the lessee's commitment to make lease payments. Depreciation of the right-of-use asset and interest on the lease liability are reported in the income statement. Lease payments are apportioned between the finance charge and reduction of the lease liability.

Lantmännen has chosen to apply the simplified transition approach, which means that comparative amounts for previous periods have not been restated.

On transition to IFRS 16, Lantmännen reported an additional MSEK 2,632 as right-of-use assets and MSEK 2,593 million as financial liabilities. The difference between right-of-use assets and lease liabilities relates to prepaid lease payments. Identified operating leases primarily concern land, office premises, production and warehouse premises, rental machines, service vehicles and company cars.

The reporting of depreciation of right-of-use assets instead of lease costs has had a slightly positive impact on operating income. Interest on lease liabilities has had a negative impact on net financial income.

Further information about the transition effects and new accounting policies based on IFRS 16 are presented in Lantmännen's 2018 annual report.

### IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 is a new interpretation that deals with uncertainty in the treatment of income taxes under IAS 12 Income Taxes. The introduction of IFRIC 23 will not have any material impact on the reporting of tax risks.

### Provision in connection with the EU Commission's investigation

A provision of MSEK 440 has been recognized since 2017 in connection with the European Commission's investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law. Lantmännen has cooperated fully with the EU Commission during the investigation and is now engaged in a settlement process.

**Financial assets and liabilities with information on fair value, April 30, 2019**

MSEK	Carrying amount	Fair value
<b>Assets</b>		
Other shares and interests	405	405
Other financial assets	270	270
Other non-current assets	42	42
Trade and other receivables	7,241	7,241
Current interest-bearing assets	39	39
Cash and cash equivalents	770	770
<b>Total financial assets</b>	<b>8,767</b>	<b>8,767</b>
<b>Liabilities</b>		
Non-current interest-bearing liabilities	7,907	8,014
Other non-current liabilities	43	43
Current interest-bearing liabilities	5,027	5,070
Trade and other payables	6,346	6,346
<b>Total financial liabilities</b>	<b>19,323</b>	<b>19,473</b>

**Financial assets and liabilities with information on fair value, April 30, 2018**

MSEK	Carrying amount	Fair value
<b>Assets</b>		
Other shares and interests	437	437
Other financial assets	291	291
Other non-current assets	38	38
Trade and other receivables	5,812	5,812
Current interest-bearing assets	37	37
Cash and cash equivalents	1,774	1,774
<b>Total financial assets</b>	<b>8,389</b>	<b>8,389</b>
<b>Liabilities</b>		
Non-current interest-bearing liabilities	6,178	6,168
Other non-current liabilities	30	30
Current interest-bearing liabilities	3,512	3,512
Trade and other payables	5,904	5,904
<b>Total financial liabilities</b>	<b>15,624</b>	<b>15,614</b>

**Financial assets and liabilities measured at fair value, by level, April 30, 2019**

MSEK	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives with positive fair value	486	10	-	496
Other financial assets measured at fair value	298	-	107	405
<b>Total assets</b>	<b>784</b>	<b>10</b>	<b>107</b>	<b>901</b>
<b>Liabilities</b>				
Derivatives with negative fair value	314	329	0	643
<b>Total liabilities</b>	<b>314</b>	<b>329</b>	<b>0</b>	<b>643</b>

**Financial assets and liabilities measured at fair value, by level, April 30, 2018**

MSEK	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives with positive fair value	95	6	-	101
Other financial assets measured at fair value	317	0	120	437
<b>Total assets</b>	<b>412</b>	<b>6</b>	<b>120</b>	<b>538</b>
<b>Liabilities</b>				
Derivatives with negative fair value	80	23	-	103
<b>Total liabilities</b>	<b>80</b>	<b>23</b>	<b>-</b>	<b>103</b>

**Fair value hierarchy with information on inputs used to measure fair value**

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices included in level 1 that are observable for the asset or liability, i.e. quoted prices or data derived therefrom.

Level 3: Unobservable inputs for measurement of the asset or liability.

There has not been any movement between levels

## Alternative performance measures

In addition to the application of IFRS, Lantmännen has also chosen to follow new guidelines on definitions of alternative performance measures issued by the European Securities and Markets Authority (ESMA). An APM is a measure that is used to evaluate an entity's financial position but is not defined in any of the IASB's issued international reporting standards. The Guidelines require entities to provide an explanation of the basis of calculation of the alternative performance measures used. These principles are aimed at giving external parties better understanding of an entity's financial statements.

Current loan agreements were concluded before the introduction of IFRS 16, and all definitions for components included in the calculation of the liquidity reserve are calculated excluding the effects of IFRS 16 – i.e., Liquidity reserve, EBITDA according to bank definition, Net Debt according to bank definition and Net Debt according to bank definition/EBITDA according to bank definition.

## Description of financial performance measures (including alternative performance measures)

Key figures	Description	Reason for use
Adjusted income	Adjusted income is income net of items affecting comparability.	An adjustment to exclude items affecting comparability.
Average equity/operating capital	Average capital is computed on the closing balance of each month in the accounting period, i.e. twelve periods for the full year. All average capital ratios are calculated in this way.	Ensures accurate calculation of return on equity and operating capital.
Capital turnover rate	Net sales divided by average operating capital.	Shows the efficiency of the use of operating capital.
Cash flow from operating activities	Net income for the period adjusted for items that are not cash inflows or outflows but accounting costs, such as depreciation and capital gains/losses. Adjustments are also made for financial items and income taxes paid, and changes in inventories, operating receivables and operating liabilities.	Shows cash flow from operations that can be used for investments and acquisitions.
EBITDA according to bank definition.	Operating income, excluding income from associates, and excluding depreciation, amortization and impairment. Operating income is also adjusted for acquired and divested companies, and refers to the last 12 months.	To calculate the key ratio Net debt according to bank definition/EBITDA according to bank definition.
Equity ratio	Equity divided by total assets.	Shows the proportion of the assets that are financed by the owners.
Interest coverage ratio	Interest coverage ratio is calculated as income after financial items plus interest expenses divided by interest expenses.	Shows the ability to cover interest expenses.
Investments in non-current assets	Total of the period's investments in property, plant & equipment and intangible assets.	The size of the investments made to maintain existing capacity and to achieve expansion and growth.
Items affecting comparability	The Group's income can be inflated or reduced by certain items that affect comparability. These are one-time items not directly related to the planned future operations and outside the range of MSEK +/-30.	Accounting for items that have been adjusted due to specific events that otherwise affect comparability between different periods. Provides a better understanding of the operating activities.
Liquidity reserve	Cash and cash equivalents and loans granted under the provisions in the existing loan agreements.	Shows the available borrowing capacity based on the current loan agreements.
Net debt	Net debt comprises interest-bearing liabilities, including pension liabilities and accrued interest, less financial assets.	Shows the net of interest-bearing assets and interest-bearing liabilities.
Net debt according to bank definition	Net debt according to bank definition is based on net debt, but it is calculated as the effect of no financial assets being included, except cash and cash equivalents and certain listed (liquid) shares, and less subordinated debentures.	To calculate the key ratio Net debt according to bank definition/EBITDA according to bank definition.
Net debt according to bank definition/EBITDA according to bank definition.	Net debt according to bank definition divided by EBITDA according to bank definition.	Indicates how fast a company can repay its debt (expressed in years).
Net debt/equity ratio	Net debt divided by equity.	Shows financial risk and is therefore used to view the level of debt funding.
Net financial income	Net financial income is finance income less finance costs.	Shows the net result of the company's financial operations.
Operating capital	Operating capital is calculated as non-interest-bearing assets minus non-interest-bearing liabilities. Tax assets and tax liabilities are not included in operating capital's assets and liabilities.	Shows how much capital is used in the operations.
Operating income	Operating income consists of net sales and other operating income less operating expenses.	Shows the result of operating activities.
Operating margin	The operating margin is operating income as a percentage of net sales for the period.	Shows the profitability of the operations.
Return on equity	Return on equity is calculated as annualized net income for the period divided by average equity.	Shows owners the return on their invested capital.
Return on operating capital	Return on operating capital is calculated as annualized operating income for the period divided by average operating capital.	Measures the return on the capital used in the business.

On assignment for the Board of Directors  
Stockholm, May 28, 2019



Per Olof Nyman  
President & CEO  
Lantmännen

## Review report

This interim report has not been reviewed or audited by the Company's auditors.

## For more information, please contact

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*This information is information that Lantmännen ek för is required to disclose under the EU Market Abuse Regulation.  
The information was submitted by the above contact person for publication at 08.00 CET on May 29, 2019.*

## Financial Reporting

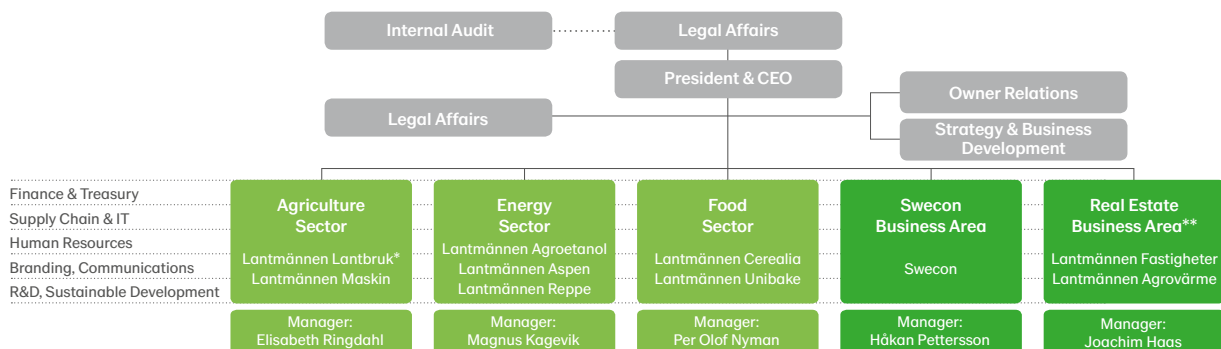
Interim 2nd four months 2019 • October 3, 2019  
Year-end report 2019 • February 10, 2020

*This report can be downloaded from [www.lantmannen.com/en/financialinformation](http://www.lantmannen.com/en/financialinformation)  
For more information: [lantmannen.com/en](http://lantmannen.com/en) Follow us on: [facebook.com/jordtillbord](https://facebook.com/jordtillbord) and [twitter.com/lantmannen](https://twitter.com/lantmannen)*

## About Lantmännen

Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 25,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 45 billion (approximately EUR 4.3 billion). With grain as our basis, we create value from farmland resources to make farming thrive. Some of our best-known food brands are AXA, Bonjour, Kungsörnen, GoGreen, Gooh, FINN CRISP, Korvbrödsbagarn and Hatting.

Our company is founded on knowledge and values built up through generations of owners. Having research, development and operations throughout the value chain means that we can take responsibility together – from field to fork.



\* Lantmännen Lantbruk Sweden and international operations.

\*\* Real Estate Business Area consist of Lantmännen Real Estate (Lantmännen Fastigheter) and Lantmännen District Heating (Lantmännen Agrovärme).