

Lantmännen's Interim Report

January-April 2020

Financial development

- Net sales were MSEK 15,730 (15,334), an increase of 2.6 percent, including 1.7 percent organic growth.
- Operating income was MSEK 500 (408) and there were no items affecting comparability. The largest improvements were in the Agriculture Sector and the Energy Sector.
- Income after financial items was MSEK 447 (335).
- Cash flow before financing activities was MSEK 489 (–289).
- Investments totaled MSEK 631 (673).

Significant events

- Lantmännen's good development continued in all Sectors and Business Areas until the outbreak of the coronavirus in mid-March.
- Lantmännen's earnings have been negatively affected by approximately MSEK 150 due to lockdowns and lower economic activity as a result of covid-19, primarily within Lantmännen Unibake and Swecon.
- Lantmännen's annual general meeting was held digitally on May 7. At the meeting, Jan Ehrensvärd was elected as a new Board member, and Sonat Burman-Olsson and Per Wijkander were re-elected.

Lantmännen's key figures

	2020 Jan-Apr	2019 Jan-Apr	2019 Jan-Dec
Net sales, MSEK	15,730	15,334	48,523
Operating income, MSEK	500	408	1,983
Operating margin, %	3.2	2.7	4.1
Income after financial items, MSEK	447	335	1,773
Net income for the period, MSEK	376	292	1,551
Cash flow before financing activities, MSEK	489	–289	1,837
Return on equity, %	6.4	5.3	9.1
Return on operating capital, %	5.4	4.2	6.8
Total assets, MSEK	42,381	42,218	41,194
Equity ratio, %	41.7	40.3	42.5
Investments in non-current assets, MSEK	631	673	2,201
Net debt, MSEK	9,878	12,407	10,165
Interest coverage ratio, times	5.8	4.4	7.4
Average number of employees	10,021	10,074	10,250
Adjusted for items affecting comparability			
Operating income, MSEK	500	408	2,087
Operating margin, %	3.2	2.7	4.3
Income after financial items, MSEK	447	335	1,877
Net income for the period, MSEK	376	292	1,652
Return on equity, %	6.4	5.3	9.7
Return on operating capital, %	5.4	4.2	7.2



President's overview

Lantmännen's income after financial items for the first four-month period of 2020 amounts to MSEK 447 – a clear improvement compared with the previous year's income of MSEK 335. Earnings have been negatively affected by approximately MSEK 150 due to lockdowns and lower economic activity as a result of covid-19.

Lantmännen's good development continued in all Sectors and Business Areas until the outbreak of the coronavirus in mid-March. The impact of the pandemic during the four-month period was most significant in our international bakery business, where Foodservice sales – i.e. sales to restaurants, fast food outlets and similar – have virtually ground to a halt. Swecon's earnings are also weaker than in the previous year, as a result of a decline in demand for construction machinery and the emerging effects of Volvo's factory closures.

At the same time, sales of dry goods such as pasta, muesli and flour, and ready meals, have been positively affected, as consumers are eating at home more. Earnings have also been strengthened within the Agriculture Sector, largely driven by our return to a normal situation compared with the first four-month period of the previous year, which was significantly affected by the drought in 2018. The Energy Sector has strengthened its earnings compared with the previous year.

In the ongoing corona crisis, we focus on three priority areas. Our first priority is to protect our employees. We do this by, among other things, social distancing, working from home, shift work with separate groups and of course following the health authorities' guidelines and recommendations.

Our second priority is to protect our businesses. In addition to the above safety procedures, we have established crisis management and contingency planning teams at all levels of the company, who make necessary adjustments and actions on a daily basis according to the current situation. All operations have also further sharpened their focus on general cost savings.

Our third priority is to take our social responsibility, and Lantmännen has a particularly important role to play in terms of food supply. Our position and opportunity to take responsibility throughout the value chain from field to fork is unique, and places great demands on our operations.

Swedish agriculture and our food production around the world are directly social-critical functions that must also function in times of crisis.

Lantmännen's financial situation remains strong and it is our assessment that we have the cash resources needed to get through the crisis. However, it is difficult to assess the economic impact in the long term and how strongly the current recession will affect us. We will therefore continue to postpone investments and reduce costs throughout the Group.

I would like to thank everyone who participated in this year's general meeting, which in the present circumstances was held digitally for the first time. Although we could not meet physically, it is always very pleasing to see democracy in our association working so well – and we had several good contributions from representatives of our members. The reports on this year's spring tillage show that the work has proceeded well in most places in the country. We hope that it continues to do so and look forward to a good harvest.

At present, it is difficult to look beyond the corona crisis, and it is impossible to assess what the overall social and economic consequences will be. It remains my view that Lantmännen as a company is well prepared to deal with the crisis. The good results in recent years have contributed to our strong financial position, and our broad, diversified business portfolio is a strength in uncertain times. Another success factor is our responsible and solution-oriented employees who do a fantastic job – I would like to extend warm thanks to all employees for their many good efforts so far this year. All in all, I am convinced that we will meet the challenges we face and emerge as an even stronger company.



Per Olof Nyman

President & CEO, Lantmännen

Comments on the period

The Group's net sales and earnings, January-April 2020

Net sales

Lantmännen's net sales in the first four-month period were MSEK 15,730 (15,334), an increase of 2.6 percent, including 1.7 percent organic growth. Sales increased in all segments apart from the Food Sector.

Operating income

Operating income amounted to MSEK 500 (408), an increase of MSEK 92. Operating income improved in the Agriculture Sector and the Energy Sector, and the Real Estate Business Area's operating income excluding property sales is also slightly higher than in the same period the previous year. Operating income for the Food Sector and the Swecon Business Area was lower than in the previous year. The Food Sector is Lantmännen's business that has been most affected by the lockdowns resulting from covid-19.

Net financial income and income after financial items

Net financial income amounted to MSEK -53 (-73). The change in net financial items is mainly explained by positive currency translation effects.

Income after financial items was MSEK 447 (335).

Tax and income after tax

Tax expense for the period was MSEK 71 (43). Tax is calculated using the estimated tax rate for the full year.

Income after tax amounted to MSEK 376 (292), of which MSEK 369 (287) was attributable to members of the economic association and MSEK 7 (5) to non-controlling interests (minority ownership) in Group companies.

Cash flow

Cash flow from operating activities was MSEK 1,102 (807). The operating surplus contributed MSEK 1,032 (844), while cash flow from working capital contributed MSEK 70 (-37).

Investments in non-current assets were MSEK -631 (-673) and sales of non-current assets contributed MSEK 76 (73), which meant that net investments for the period were MSEK -555 (-600). The investments include Lantmännen Agroetanol's investments in new feed dryers and Swecon's new facility in Tallinn and investments in rental machines. Net acquisitions and divestments of operations amounted to MSEK -8 (-508).

Cash flow before financing activities was MSEK 489 (-289), an increase of MSEK 778, partly created in operating activities and partly a result of low levels of investments in operations in 2020 compared with the same period the previous year.

The change in interest-bearing liabilities was MSEK 195 (324). The change includes MSEK 250 from Lantmännen's subordinated debenture program, issued in January 2020. The period's cash flow including financing activities was MSEK 684 (35).

Financial position

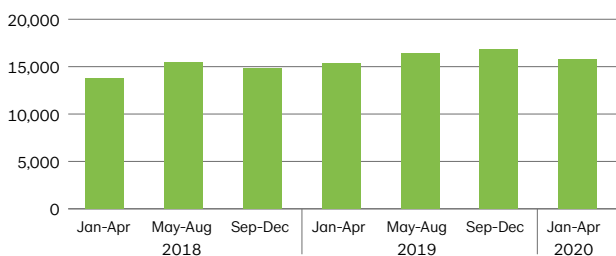
Equity amounted to MSEK 17,685 on April 30 (17,505, year-end). This includes MSEK 101 (94, year-end) attributable to owners other than members of the economic association, i.e. the minority interest in Group companies.

Net debt was MSEK 9,878 (10,165, year-end) and has declined by a total of MSEK 287 since year-end.

Cash and cash equivalents at April 30 amounted to MSEK 1,868 (1,183, year-end) and total assets were MSEK 42,381 (41,194, year-end). Total assets have increased by MSEK 1,187, with the majority relating to increased operating receivables and operating liabilities. The equity ratio was 41.7 percent (42.5, year-end).

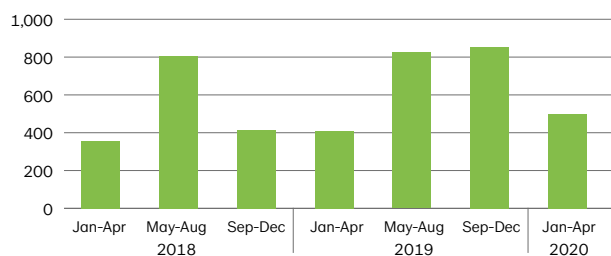
Net sales

MSEK



Operating income

Adjusted for items affecting comparability, MSEK





Risks and uncertainties

The risks in Lantmännen's operations are strategic risks associated with for example 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 → [Lantmannen.com/en](https://lantmannen.com/en)

Updates of these risks and uncertainties that Lantmännen sees and considers relevant in the short term are related to pandemics. The outbreak of the novel coronavirus across the world has led to extensive disruptions to the economies of many countries, including Lantmännen's most important markets. The disruptions affect Lantmännen's operations in various ways, including reduced demand for goods and services, delivery disruptions and limited supply of input goods.

Changes in the Group

No significant acquisitions or divestments were made in the Group during the four-month period.

Human resources

The average number of employees was 10,021 (10,074) and, taking into account furloughs, the number of full-time employees on April 30 was 9,366 (10,064). The decline is mainly attributable to Lantmännen Unibake.

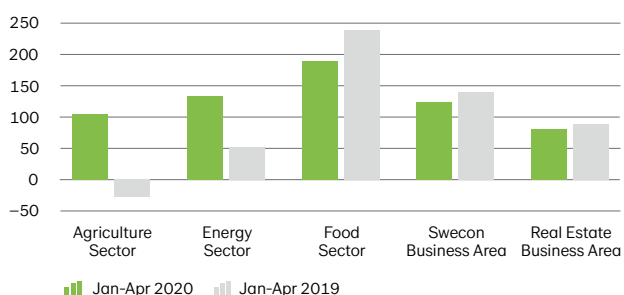
Other significant events during the four-month period

Per Arfvidsson, Lantmännen's Executive Vice President, was appointed to the Swedish Government's cooperation group for skills supply and lifelong learning.

Lantmännen was named Sweden's second most sustainable food brand in the Sustainable Brand Index (SBI) survey

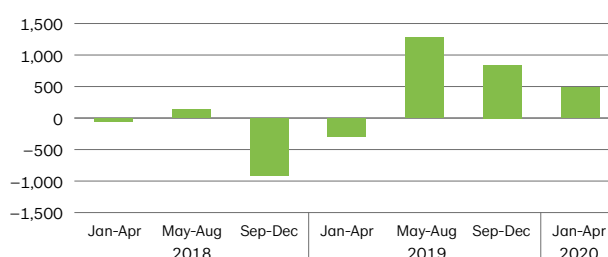
Operating income per segment, accumulated Jan-Apr

Adjusted for items affecting comparability, MSEK



Cash flow before financing activities

MSEK





of Swedish consumers. Overall, in all categories included in the survey, Lantmännen came in sixth place.

Alarik Sandrup, Lantmännen's Director of Public and Regulatory Affairs, was elected as chairman of the Swedish Bioenergy Association, Svebio.

The Head of the Energy Sector, Magnus Kagevik, was appointed as Lantmännen's Chief Operating Officer (COO) – a newly established role within Lantmännen.

Events after the end of the period

With the focus on farmers, Lantmännen, LRF, Hushållnings-sällskapet and Växa Sverige have established a partnership to develop a common data platform – Lantbrukets Dataplattform – for increased profitability, sustainability and innovation in farming.

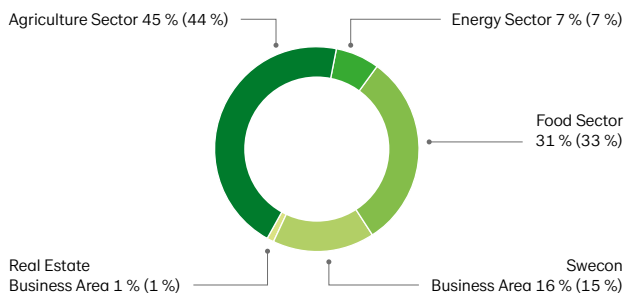
Lantmännen's Annual General Meeting

At Lantmännen's annual general meeting in May, which was conducted digitally due to the corona pandemic, Jan Ehrensvärd was elected as a new Board member for two years, and Board members Sonat Burman-Olsson and Per Wijkander were re-elected for two years. The other Board members are Per Lindahl, Gunilla Aschan, Johan Bygge, Johan Mattsson, Henrik Wahlberg and Hans Wallemyr. The meeting adopted a refund and supplementary payment, contribution dividend and contribution issue, which together represent a dividend of MSEK 733 to members. In addition, Svensk Kooperation's code for the governance of cooperatives and mutual undertakings was adopted.

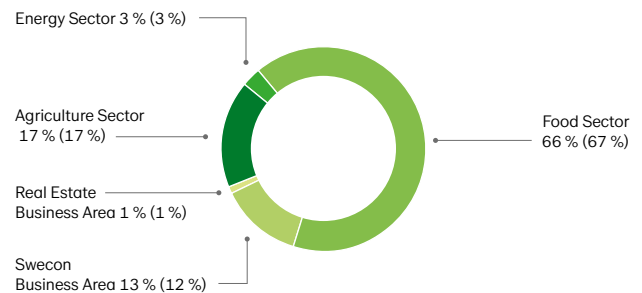
At the statutory Board meeting, Per Lindahl was re-elected Chairman and Hans Wallemyr Vice Chairman.

Distribution of the Group's sales

Including intra-Group sales



Distribution of the Group's employees





Agriculture Sector

The Agriculture Sector's net sales for the first four-month period are higher than in the previous year. Volumes in all businesses in the Sector have developed positively during the four-month period and have been largely unaffected by the corona crisis. The Sector's operating income is significantly higher than in the previous year: MSEK 104 (-28). However, the first half of 2019 was severely affected by the consequences of the 2018 drought.

Swedish spring tillage is almost over, and work on deliveries to agriculture, among other things, has gone well. Conditions so far have been relatively good, and in combination with the mild winter and extensive fall sowing, there are high hopes for a good harvest, both in terms of volume and quality.

The corona pandemic has led to many canceled events and bar and restaurant closures, which has resulted in lower demand for malting barley from breweries and distilleries. At the same time, interest in oat cultivation is increasing, partly as a result of increased consumer demand for oat products.

Demand for feed remains high for all species, although the temporary increase in demand due to the 2018 drought is over. Consumption of Swedish meat has continued to increase, and settlement prices for most production categories are stable. Lantmännen Krafft, which manufactures horse feed, has had a positive first four-month period and has increased its sales volume in Sweden.

The Finnish agricultural operations continue to show positive development and delivers satisfactory earnings. Since January 1, 2020, all operations in the country have been run as a single entity, and the focus has been on integration work during the four-month period.

The Sector's international holdings in Germany, Poland and the Baltic region have delivered higher earnings than in the previous year.

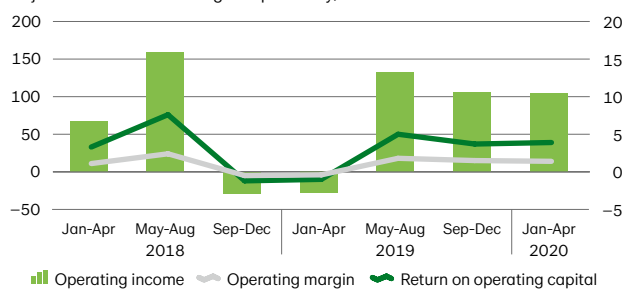
Within Lantmännen Maskin, the corona pandemic has led to some supply chain disruptions. So far, the overall

market for tractors is slightly better than in the previous year, but there is great uncertainty about developments for the rest of the year and total demand for combines is at a historically low level. The fact that many European factories have stayed closed has also made component deliveries more difficult. Spare parts sales have been stable so far. Lantmännen Maskin launched a new e-commerce solution during the four-month period.

Several of the summer agricultural fairs which Lantmännen usually attends, including Borgeby Fält dagar, have been canceled. The digital initiative on communication of news, crop production strategies and similar information continues – including in social media and on the LM² portal.

Agriculture Sector

Adjusted for items affecting comparability, MSEK





Key figures, Agriculture Sector

	2020 Jan-Apr	2019 Jan-Apr	Change
Net sales, MSEK	7,593	7,229	5 %
Operating income, MSEK	104	-28	132
Operating margin, %	1.4	-0.4	
Return on operating capital, %	3.9	-1.0	
Average number of employees	1,682	1,645	2 %

Lantmännen Lantbruk Sweden

	2020 Jan-Apr	2019 Jan-Apr	Change
Net sales, MSEK	4,640	4,449	4 %
Operating income, MSEK	88	-6	94
Operating margin, %	1.9	-0.1	
Return on operating capital, %	7.3	-0.5	
Average number of employees	748	723	3 %

Lantmännen Maskin Sweden

	2020 Jan-Apr	2019 Jan-Apr	Change
Net sales, MSEK	1,155	1,123	3 %
Operating income, MSEK	-10	-11	1
Operating margin, %	-0.9	-1.0	
Return on operating capital, %	-2.1	-2.2	
Average number of employees	757	748	1 %



Energy Sector

The Sector's net sales for the first period are in line with the previous year, while operating income is MSEK 133 – a clear improvement from MSEK 52 for the same period the previous year.

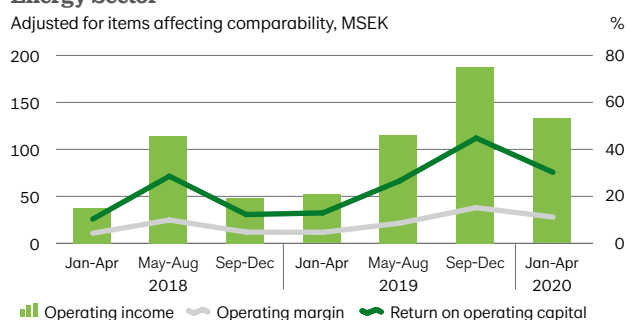
Lantmännen Agroetanol shows higher earnings than in the previous year, which is mainly due to higher production and a more favorable ethanol-grain price relationship in the early part of the year. Ethanol prices fell sharply in March, but have subsequently stabilized, albeit at a lower level than average prices in 2019. Continuing production improvements have been implemented in the Norrköping facility, and the last of four feed dryers was replaced and commissioned during the period.

Lantmännen Reppe continues to develop positively and has improved production efficiency in Lidköping. In March, Reppe decided to shift its distribution in order to supply raw material for production of hand sanitizer and disinfectants in addition to spirits. In the space of about six weeks, 750,000 liters of raw material have been delivered. Earnings were also positively affected by lower raw material costs.

Within Lantmännen Aspen, demand in the Nordic region remains good but earnings, particularly in the French operations, have been negatively affected by the lockdowns that have been imposed to counter the spread of the coronavirus. Work on establishing a larger business in North America has also been delayed by the pandemic.

Energy Sector

Adjusted for items affecting comparability, MSEK



Key figures, Energy Sector

Net sales, MSEK
 Operating income, MSEK
 Operating margin, %
 Return on operating capital, %
 Average number of employees

	2020 Jan-Apr	2019 Jan-Apr	Change
Net sales, MSEK	1,186	1,163	2 %
Operating income, MSEK	133	52	81
Operating margin, %	11.2	4.5	
Return on operating capital, %	30.8	13.0	
Average number of employees	323	275	17 %



Food Sector

Net sales in the Food Sector are lower than in the previous year, which is mainly due to reduced Foodservice sales – i.e. sales to restaurants, fast food outlets and similar – within Lantmännen Unibake as a result of lower demand during the ongoing corona crisis. The Sector's operating income is also lower than in the previous year: MSEK 190 (239).

Unibake's geographical markets have been affected to varying degrees, with the largest sales decline occurring in the markets where customers consist mainly of hotels, restaurants, fast food chains and airlines. Demand for bake-off products has in general shown a sharp decline in March and April, partly due to sales outlets keeping their store bakeries closed. At the same time, demand for fresh bread has increased. Substantial measures are being taken within Unibake to reduce costs and adapt production to the new situation – among other things, furloughs have been implemented and some bakery lines have been temporarily closed.

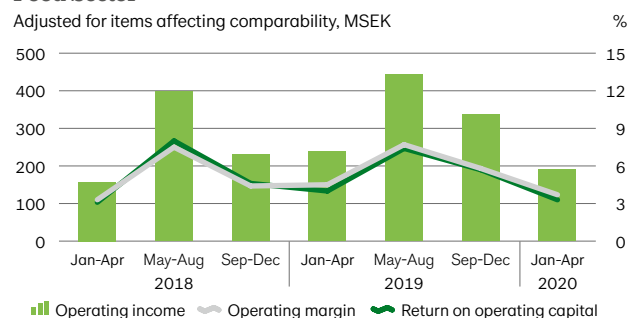
Lantmännen Cerealia has continued to improve its earnings, both through greater demand and increased sales of consumer products as a result of the corona pandemic – and also the improvement program implemented during the last year. The more efficient organizational structure and the streamlined product range showed improvements even before the outbreak of covid-19. Methodical work is being conducted to scale up production in line with increased

demand. Sales of the products that were launched in breakfast and rye snacks towards the end of last year have developed strongly during the first four-month period.

Earnings for the partly-owned company Viking Malt are slightly higher than in the previous year. However, demand for malting barley from breweries and distilleries has declined, particularly in April.

Food Sector

Adjusted for items affecting comparability, MSEK



Key figures, Food Sector

Net sales, MSEK
 Operating income, MSEK
 Operating margin, %
 Return on operating capital, %
 Average number of employees

	2020 Jan-Apr	2019 Jan-Apr	Change
Net sales, MSEK	5,104	5,306	-4 %
Operating income, MSEK	190	239	-49
Operating margin, %	3.7	4.5	
Return on operating capital, %	3.3	4.0	
Average number of employees	6,462	6,661	-3 %



Swecon Business Area

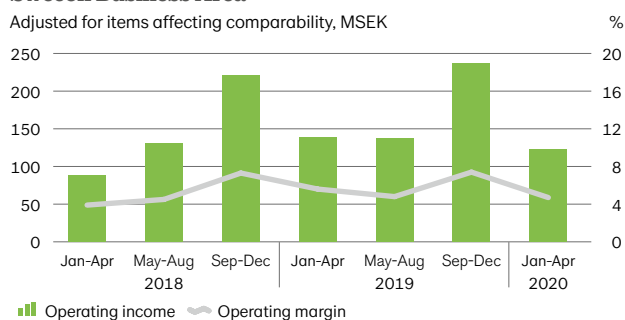
The Swecon Business Area's net sales are slightly higher than in the previous year. However, the order intake has been lower during the first four-month period due to the corona pandemic. Operating income is lower than in the previous year: MSEK 123 (139).

Swecon has further strengthened its market share in Sweden during the four-month period and the German and Baltic operations also continue to develop positively. The total market and order intake have been significantly affected by the covid-19 situation. Volvo has chosen to keep all or parts of its production closed since the end of March, and customers have hesitated to order new machines as it is difficult to set a fixed delivery date. As a result of the reduced demand and challenges in the supply chain, some categories of personnel have been placed on furlough – mainly office staff and employees who equip new machines. The market for spare parts and servicing remains stable, although customers' utilization of the machines has decreased slightly during the first four-month period.

The new facility in Tallinn was completed during the first four-month period and is operational. The new facility in Berlin is expected to be completed in the coming weeks, and occupancy is scheduled for June.

Joakim Arndorw, former Business Manager Service & Spare Parts, has taken over as new Managing Director of Swecon Sweden. Joakim succeeds Christer Söderberg, who now assumes overall responsibility for market and business development for the entire Swecon Group.

Swecon Business Area



Key figures, Swecon Business Area

	2020 Jan-Apr	2019 Jan-Apr	Change
Net sales, MSEK	2,615	2,503	4 %
Operating income, MSEK	123	139	-16
Operating margin, %	4.7	5.6	
Return on operating capital, %	25.0	35.2	
Average number of employees	1,230	1,178	4 %



Real Estate Business Area

The Real Estate Business Area's net sales are in line with the previous year. Operating income excluding property sales amounts to MSEK 75 (71).

The Business Area's major projects are proceeding according to plan and include the construction of Lantmännen's new offices, housing and retirement homes in Malmö – and construction of a new facility for Lantmännen Maskin in Vara.

Lantmännen has begun a review of which properties are strategically important from a preparedness and contingency perspective – for example, with regard to food supply and logistics for agriculture. The issue had already been raised before the coronavirus broke out, but the current situation clearly underlines the national need.

Lantmännen Agrovärme's earnings are lower than in the previous year, due to the mild winter and slightly increased fuel costs.

Real Estate Business Area

Excluding property sales, MSEK



Key figures, Real Estate Business Area

Net sales, MSEK	195	195	0 %
Operating income, excluding property sales, MSEK	75	71	4
Operating income, MSEK	80	89	-9
Operating margin, adjusted for property sales, %	38.5	36.4	
Return on operating capital, adj. for property sales, %	8.1	8.0	
Average number of employees	43	47	-7 %

	2020 Jan-Apr	2019 Jan-Apr	Change
Net sales, MSEK	195	195	0 %
Operating income, excluding property sales, MSEK	75	71	4
Operating income, MSEK	80	89	-9
Operating margin, adjusted for property sales, %	38.5	36.4	
Return on operating capital, adj. for property sales, %	8.1	8.0	
Average number of employees	43	47	-7 %

Condensed consolidated income statement

MSEK	2020 Jan-Apr	2019 Jan-Apr	May 2019- Apr 2020	2019 Jan-Dec
Net sales	15,730	15,334	48,919	48,523
Other operating income	124	50	556	482
Changes in inventories of finished goods and work in progress	-336	-406	-137	-207
Raw materials and consumables	-4,429	-4,537	-14,190	-14,298
Merchandise	-5,354	-5,082	-17,006	-16,734
Employee benefits expense	-2,209	-2,134	-6,648	-6,573
Depreciation, amortization and impairment	-692	-629	-2,126	-2,063
Other operating expenses	-2,364	-2,187	-7,290	-7,113
Share of income of equity accounted companies	30	-1	-3	-34
Operating income	500	408	2,075	1,983
Finance income	34	37	109	112
Finance costs	-87	-110	-299	-322
Income after financial items	447	335	1,885	1,773
Tax	-71	-43	-250	-222
Net income for the period	376	292	1,635	1,551
Net income for the period attributable to:				
Members of the economic association	369	287	1,627	1,545
Non-controlling interests	7	5	8	6

Condensed consolidated statement of comprehensive income

MSEK	2020 Jan-Apr	2019 Jan-Apr	May 2019- Apr 2020	2019 Jan-Dec
Net income for the period	376	292	1,635	1,551
Other comprehensive income				
<i>Items that will not be reclassified to the income statement</i>				
Actuarial gains and losses on defined benefit pension plans, net before tax	-128	39	-465	-298
Shares in companies measured at fair value through other comprehensive income, net before tax	-81	41	-1	121
Tax attributable to items that will not be reclassified	33	-10	96	53
Total	-176	70	-370	-124
<i>Items that will be reclassified to the income statement</i>				
Cash flow hedges, net before tax	-70	33	-163	-60
Exchange differences on translation of foreign operations	34	497	-146	317
Net gain on hedge of net investment in foreign operations, net before tax	-55	-78	-8	-31
Tax attributable to items that will be reclassified	27	-3	39	9
Total	-64	449	-278	235
<i>Share of OCI in equity accounted companies</i>				
Items that will be reclassified to the income statement	44	63	11	30
Total	44	63	11	30
Other comprehensive income, net of tax	-196	582	-637	141
Total comprehensive income for the period	180	874	998	1,692
Total comprehensive income attributable to:				
Members of the economic association	173	869	990	1,686
Non-controlling interests	7	5	8	6

Condensed consolidated statement of financial position

MSEK	2020 30 Apr	2019 30 Apr	2019 31 Dec
ASSETS			
Property, plant and equipment	13,165	13,185	13,297
Investment property	674	670	630
Goodwill	5,811	5,776	5,724
Other intangible assets	3,614	3,709	3,620
Equity accounted holdings	2,550	2,496	2,490
Non-current financial assets	543	676	620
Deferred tax assets	306	259	252
Other non-current assets	202	59	137
Total non-current assets	26,865	26,830	26,770
Inventories	6,251	6,726	6,561
Trade and other receivables	7,161	7,775	6,488
Current interest-bearing assets	119	40	123
Current tax assets	117	77	69
Cash and cash equivalents	1,868	770	1,183
Total current assets	15,516	15,388	14,424
TOTAL ASSETS	42,381	42,218	41,194
EQUITY AND LIABILITIES			
Equity attributable to members of the economic association	17,584	16,919	17,411
Non-controlling interests	101	97	94
Total equity	17,685	17,016	17,505
Non-current interest-bearing liabilities ¹⁾	5,490	7,907	5,263
Provisions for pensions	1,057	557	942
Deferred tax liabilities	733	670	720
Other non-current provisions	242	247	251
Other non-current liabilities	80	43	14
Total non-current liabilities	7,602	9,424	7,190
Current interest-bearing liabilities	5,861	5,027	5,886
Trade and other payables	10,284	9,972	9,714
Current tax liabilities	148	144	149
Current provisions	801	635	750
Total current liabilities	17,094	15,778	16,499
TOTAL EQUITY AND LIABILITIES	42,381	42,218	41,194
Equity ratio	41.7	40.3	42.5
¹⁾ Including subordinated debentures, MSEK	250	250	0

Condensed consolidated statement of cash flows

MSEK	2020 Jan-Apr	2019 Jan-Apr	2019 Jan-Dec
Operating income	500	408	1,983
Adjustment for non-cash items ¹⁾	669	604	2,037
Financial items paid, net	-33	-90	-210
Taxes paid	-104	-78	-173
Cash flow from operating activities before changes in working capital	1,032	844	3,637
Change in working capital	70	-37	589
Cash flow from operating activities	1,102	807	4,226
Acquisitions and divestments	-8	-508	-473
Investments in property, plant & equipment and intangible assets	-631	-673	-2,201
Sale of property, plant & equipment and intangible assets	76	73	272
Change in financial investments	-50	12	13
Cash flow from investing activities	-613	-1,096	-2,389
Cash flow before financing activities	489	-289	1,837
Change in interest-bearing liabilities and pension provisions	195	324	-1,054
Change in contributed capital	0	0	45
Dividend paid	0	0	-374
Cash flow from financing activities	195	324	-1,383
Cash flow for the period	684	35	454
Cash and cash equivalents at beginning of period	1,183	720	720
Exchange differences in cash and cash equivalents	1	15	9
Cash and cash equivalents at end of period	1,868	770	1,183
¹⁾ Depreciation and impairment of non-current assets	692	629	2,063
Share of income of equity accounted companies	-16	5	92
Capital gains/losses on sale of non-current assets and operations	-12	-19	-130
Other non-cash items	5	-11	12
Adjustment for non-cash items	669	604	2,037

Condensed consolidated statement of changes in equity

	2020 Jan-Apr			2019 Jan-Apr			2019 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
MSEK									
Closing balance	17,411	94	17,505	15,935	92	16,027	15,935	92	16,027
Changes due to amended accounting policies in associates	-	-	-	115	-	115	115	-	115
Opening balance, January 1	17,411	94	17,505	16,050	92	16,142	16,050	92	16,142
Total comprehensive income for the period	173	7	180	869	5	874	1,686	6	1,692
Distribution to owners	-	-	-	-	-	-	-370	-4	-374
Contributed capital paid in by members	-	-	-	-	-	-	114	-	114
Contributed capital paid out to members	-	-	-	-	-	-	-69	-	-69
Closing balance	17,584	101	17,685	16,919	97	17,016	17,411	94	17,505
Equity attributable to members of the economic association									
Contributed capital, paid in	1,373			1,318			1,373		
Contributed capital, issued	1,586			1,346			1,586		
Other equity	14,625			14,255			14,452		
Total equity attributable to members of the economic association	17,584			16,919			17,411		

Condensed consolidated four-monthly income statements

MSEK	2020 Jan-Apr	2019 Sep-Dec	2019 May-Aug	2019 Jan-Apr
Net sales	15,730	16,794	16,395	15,334
Other operating income	124	256	176	50
Changes in inventories of finished goods and work in progress	-336	-224	423	-406
Raw materials and consumables	-4,429	-4,393	-5,368	-4,537
Merchandise	-5,354	-6,047	-5,605	-5,082
Employee benefits expense	-2,209	-2,269	-2,170	-2,134
Depreciation, amortization and impairment	-692	-736	-698	-629
Other operating expenses	-2,364	-2,532	-2,394	-2,187
Share of income of equity accounted companies	30	-83	50	-1
Operating income	500	766	809	408
Finance income	34	41	34	37
Finance costs	-87	-109	-103	-110
Income after financial items	447	698	740	335
Tax	-71	-83	-96	-43
Net income for the period	376	615	644	292
Net income for the period attributable to:				
Members of the economic association	369	615	643	287
Non-controlling interests	7	0	1	5

The Group's items affecting comparability

MSEK	2020 Jan-Apr	2019 Jan-Apr	2019 Jan-Dec
Recognized operating income	500	408	1,983
<i>Items affecting comparability in operating income:</i>			
Competition case, associate, Agriculture Sector	-	-	-127
Adjusted provision, Energy Sector	-	-	-60
Fair value adjustment, Energy Sector	-	-	80
Restructuring costs, Food Sector	-	-	-94
Capital gains, Real Estate Business Area	-	-	97
Total items affecting comparability in operating income	-	-	-104
Operating income, adjusted for items affecting comparability	500	408	2,087
Recognized income after financial items	447	335	1,773
Items affecting comparability in operating income according to above	-	-	-104
Income after financial items adjusted for items affecting comparability	447	335	1,877
Return on equity, adjusted for items affecting comparability, %	6.4	5.3	9.7
Return on operating capital, adjusted for items affecting comparability, %	5.4	4.2	7.2

The Group's net sales per segment and business

MSEK	2020 Jan-Apr	2019 Jan-Apr	Change Jan-Apr, %	May 2019- Apr 2020	2019 Jan-Dec
Net sales excluding leasing activities					
Lantmännen Lantbruk Sweden	4,640	4,449	4 %	13,372	13,181
Lantmännen Lantbruk Finland	1,633	1,581	3 %	4,669	4,617
Lantmännen Maskin Sweden	1,155	1,123	3 %	3,785	3,753
Agriculture Sector, other and eliminations	165	76		379	290
Agriculture Sector	7,593	7,229	5 %	22,205	21,841
Lantmännen Agroetanol	715	685	4 %	2,312	2,282
Lantmännen Reppe	161	164	-2 %	476	479
Lantmännen Aspen	301	317	-5 %	955	971
Energy Sector, other and eliminations	9	-3		21	9
Energy Sector	1,186	1,163	2 %	3,764	3,741
Lantmännen Unibake	3,724	3,985	-7 %	12,591	12,852
Lantmännen Cerealia	1,502	1,451	4 %	4,470	4,419
Food Sector, other and eliminations	-122	-134		-392	-404
Food Sector	5,104	5,302	-4 %	16,669	16,867
Swecon Sweden	1,371	1,296	6 %	4,553	4,478
Swecon Germany	978	969	1 %	3,342	3,333
Swecon Baltic	118	91	30 %	320	293
Swecon Business Area, other and eliminations	-2	-2		-5	-5
Swecon Business Area	2,465	2,354	5 %	8,210	8,099
Real Estate Business Area	48	47	2 %	117	116
Other operations	225	193	17 %	681	649
Eliminations	-1,097	-1,163		-3,377	-3,443
Total	15,524	15,125	3 %	48,269	47,870
Net sales from leasing activities					
Swecon Business Area	147	147	0 %	440	440
Real Estate Business Area	150	149	1 %	490	489
Eliminations	-91	-87		-280	-276
Total	206	209	-1 %	650	653
Total net sales	15,730	15,334	3 %	48,919	48,523

Segment information, adjusted for items affecting comparability

Operating income per segment, adjusted for items affecting comparability

MSEK	2020 Jan-Apr	2019 Jan-Apr	May 2019- Apr 2020	2019 Jan-Dec
Agriculture Sector	104	-28	342	210
Energy Sector	133	52	436	355
Food Sector	190	239	969	1 018
Swecon Business Area	123	139	498	514
Real Estate Business Area ¹⁾	80	89	243	252
Other operations	-54	-48	-168	-162
Group items	-76	-35	-141	-100
Total	500	408	2,179	2,087
¹⁾ Including capital gain on sale of property	5	18	16	29

Operating margin per segment, adjusted for items affecting comparability

%	2020 Jan-Apr	2019 Jan-Apr	May 2019- Apr 2020	2019 Jan-Dec
Agriculture Sector	1.4	-0.4	1.5	1.0
Energy Sector	11.2	4.5	11.6	9.5
Food Sector	3.7	4.5	5.8	6.0
Swecon Business Area	4.7	5.6	5.7	6.0
Total	3.2	2.7	4.5	4.3

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

%	2020 Jan-Apr	2019 Jan-Apr	May 2019- Apr 2020	2019 Jan-Dec
Agriculture Sector	3.9	-1.0	4.2	2.5
Energy Sector	30.8	13.0	34.4	28.7
Food Sector	3.3	4.0	5.5	5.7
Swecon Business Area	25.0	35.2	33.9	37.4
Real Estate Business Area ²⁾	8.1	8.0	8.2	8.2
Total	5.4	4.2	7.6	7.2

²⁾ Adjusted for gain/loss on sale of property.

Segment information

Operating income per segment

MSEK	2020 Jan-Apr	2019 Jan-Apr	May 2019- Apr 2020	2019 Jan-Dec
Agriculture Sector	104	-28	215	83
Energy Sector	133	52	456	375
Food Sector	190	239	875	924
Swecon Business Area	123	139	498	514
Real Estate Business Area ¹⁾	80	89	340	349
Other operations	-54	-48	-168	-162
Group items	-76	-35	-141	-100
Total	500	408	2,075	1,983
¹⁾ Including capital gain on sale of property	5	18	113	126

Operating margin per segment

%	2020 Jan-Apr	2019 Jan-Apr	May 2019- Apr 2020	2019 Jan-Dec
Agriculture Sector	1.4	-0.4	1.0	0.4
Energy Sector	11.2	4.5	12.1	10.0
Food Sector	3.7	4.5	5.3	5.5
Swecon Business Area	4.7	5.6	5.7	6.0
Total	3.2	2.7	4.2	4.1

Return on operating capital per segment

%	2020 Jan-Apr	2019 Jan-Apr	May 2019- Apr 2020	2019 Jan-Dec
Agriculture Sector	3.9	-1.0	2.6	1.0
Energy Sector	30.8	13.0	36.0	30.3
Food Sector	3.3	4.0	4.9	5.2
Swecon Business Area	25.0	35.2	33.9	37.4
Real Estate Business Area ²⁾	8.1	8.0	8.2	8.2
Total	5.4	4.2	7.2	6.8

²⁾ Adjusted for gain/loss 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 4,777 (4,596) and operating income was MSEK 13 (–89).

Net financial items were MSEK 106 (1) and income after financial items was MSEK –119 (–88).

Investments in non-current assets during the period totaled MSEK 85 (82).

The equity ratio at the end of the period was 45.1 percent (45.2 percent at year-end).

The average number of employees in the Parent Company was 964 (934).

Parent Company condensed income statement

MSEK	2020 Jan-Apr	2019 Jan-Apr
Net sales, total	4,777	4,596
Other operating income	73	79
Change in products in progress, finished goods and work in progress for third parties	–418	–439
Raw materials and consumables	–2,501	–2,583
Merchandise	–950	–814
Employee benefits expense	–309	–296
Depreciation, amortization and impairment	–50	–58
Other operating expenses	–609	–574
Operating income	13	–89
Income from financial items	106	1
Income after financial items	119	–88
Tax	–5	44
Net income for the year	114	–44

Parent Company statement of comprehensive income

MSEK	2020 Jan-Apr	2019 Jan-Apr
Net income for the period	114	–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	–47	31
Total	–47	31
<i>Items that will be reclassified to the income statement</i>		
Cash flow hedges, net before tax	–71	33
Tax attributable to items that will be reclassified	15	–19
Total	–56	14
Other comprehensive income, net of tax	–103	45
Total comprehensive income	11	1

Parent Company condensed statement of financial position

MSEK	2020 30 April	2019 30 April
ASSETS		
Intangible assets	464	473
Property, plant and equipment	851	776
Investments in Group companies	11,049	10,243
Investments in joint ventures/associates	1,371	1,258
Receivables from Group companies	4,297	6,140
Other securities held as non-current assets	255	164
Other non-current receivables	115	319
Total non-current assets	18,402	19,373
Inventories	1,826	1,995
Receivables from Group companies	8,388	8,715
Other current receivables	3,059	3,111
Short-term investments, incl. cash and bank balances	1,403	116
Total current assets	14,676	13,937
TOTAL ASSETS	33,078	33,310
EQUITY AND LIABILITIES		
Equity	14,564	14,087
Untaxed reserves	466	466
Provisions	76	90
Non-current liabilities	3,195	5,320
Current liabilities to Group companies	6,937	7,036
Other current liabilities	7,840	6,311
TOTAL EQUITY AND LIABILITIES	33,078	33,310

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 2019 annual report.

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 2019 annual report

Provision in connection with the EU Commission's investigation

A provision of MSEK 500 has been recognized since 2019 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, 2020

MSEK	Carrying amount	Fair value
Assets		
Other shares and interests	507	507
Other financial assets	36	36
Other non-current assets	56	56
Trade and other receivables	6,617	6,617
Current interest-bearing assets	119	119
Cash and cash equivalents	1,868	1,868
Total financial assets	9,203	9,203
Liabilities		
Non-current interest-bearing liabilities	5,490	5,562
Other non-current liabilities	79	79
Current interest-bearing liabilities	5,861	5,910
Trade and other payables	6,365	6,365
Total financial liabilities	17,795	17,916

Financial assets and liabilities measured at fair value, by level, April 30, 2020

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	422	32	-	454
Other financial assets measured at fair value	387	-	120	507
Total assets	809	32	120	961
Liabilities				
Derivatives with negative fair value	474	222	-	696
Total liabilities	474	222	-	696

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.

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

MSEK	Carrying amount	Fair value
Assets		
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
Total financial assets	8,767	8,767
Liabilities		
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
Total financial liabilities	19,323	19,473

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

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

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 what proportion of the assets 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 excluding right-of-use 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/equity ratio	Net debt divided by equity.	Shows financial risk and is therefore used to view the level of debt funding.
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 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 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, June 2, 2020



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

Per Olof Nyman
President & CEO
per.olof.nyman@lantmannen.com

Christian Johansson
Senior Vice President & CFO
christian.johansson@lantmannen.com

Lantmännen's press department
010-556 88 00
press@lantmannen.com

*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 persons for publication at 08.00 CET on June 3, 2020.*

Financial Reports

Interim 2nd four months 2020 • October 2, 2020
Year-end report 2020 • February 9, 2021
Annual report 2020 • February 24, 2021

*This report can be downloaded from lantmannen.com/en
For more information: lantmannen.com/en Follow us on: facebook.com/jordtillbord and twitter.com/lantmannen*

Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 20,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 50 billion. With grain at the heart of our operations, we refine arable land resources to make farming thrive. Some of our best-known food brands are AXA, Bonjour, Kungsörnen, GoGreen, Gooh, FINN CRISP, Schulstad and Vaasan. 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. For more information → lantmannen.com/en