

Year-end report 2022



RATOS

Year-end report 2022

Adjusted EBITA up 41% in the fourth quarter – continued good demand

Q4 2022

- Adjusted¹⁾ EBITA amounted to SEK 318m (226)
- Operating profit amounted to SEK 282m (379)
- Profit for the period last year was impacted positively by an unrealised gain of SEK 164m related to the revaluation of shares in Dun & Bradstreet Holding Inc.
- Diluted earnings per share amounted to SEK -0.11 (0.94)³⁾
- Cash flow from operations amounted to SEK -175m (75)

Full-year 2022

- Adjusted¹⁾ EBITA amounted to SEK 1,966m (1,802)
- Operating profit amounted to SEK 1,618m (1,656)
- Diluted earnings per share amounted to SEK 1.68 (2.83) for continuing operations
- Cash flow from operations amounted to SEK 723m (425)
- Leverage excluding finance leases was 2.5x (0.1x)
- The Board of Ratos proposes a dividend for full-year 2022 of SEK 0.84 per share (1.20)

Significant events during and after the end of the quarter

- On 27 October, Ratos completed the acquisition of Semcon, which is now part of the Industry business area
- On 1 December, HL Display, which is part of the Industry business area, acquired the company Allied POS
- On 23 December, TFS, which is part of the Industry business area, acquired the contract research organization (CRO) Appletree CI Group AG

Ratos Group, SEKm

	Q4 2022	Q4 2021	Change %	Q1-4 2022	Q1-4 2021	Change%
Net sales	8,195	5,754	42%	29,875	22,551	32%
EBITDA	646	652	-1%	2,958	2,669	11%
EBITDA, adjusted ¹⁾	318	226	41%	1,966	1,802	9%
EBITDA %, adjusted ¹⁾	3.9%	3.9%		6.6%	8.0%	
EBITDA	318	390	-18%	1,718	1,686	2%
EBITDA %	3.9%	6.8%		5.8%	7.5%	
Operating profit	282	379	-25%	1,618	1,656	-2%
Profit before tax	109	289	-62%	1,178	1,306	-10%
Profit for the period ²⁾	45	383	-88%	879	2,855	-69%
Basic earnings per share total group, SEK ²⁾	-0.11	0.95	-112%	1.69	8.17	-79%
Basic earnings per share, continuing operations, SEK	-0.11	0.95	-112%	1.69	2.84	-40%
Diluted earnings per share total group, SEK ²⁾	-0.11	0.94	-112%	1.68	8.10	-79%
Diluted earnings per share, continuing operations, SEK	-0.11	0.94	-112%	1.68	2.83	-41%
Cash flow from operations	-175	75	neg	723	425	70%
Leverage excl. financial leasing				2.5x	0.1x	
Return on capital employed excl. financial leasing				10.2%	11.0%	

¹⁾ For definition see page 24. EBITA for Q4 2021 is adjusted with revaluation of listed shares SEK 164m. EBITA for Q1-4 2022 is adjusted with revaluation of listed shares SEK -118m (-116) and restructuring costs of SEK -130m attributable to Diab.

²⁾ 2021 includes capital gain from the divestment of Bisnode in January 2021

³⁾ Earnings per share declined as a result of the fact that the profit for the period in the fourth quarter declined SEK -338m as a result of that the preceding year was impacted positively by the revaluation of the shares in D&B that were divested in 2022 (SEK 164m) and due to the recognition of a deferred tax asset (SEK 94m). Net financial items for the period declined due to financing of acquisitions and higher interest rates (SEK -45m) as well as negative currency effects (SEK -40m).

Adjusted EBITA up 41% in the fourth quarter – continued good demand

Adjusted EBITA amounted to SEK 318m for the quarter and SEK 1,966m accumulated for the full year, up 41% and 9%, respectively. Sales for the quarter amounted to SEK 8,195m, up 42% year on year, of which 12% was organic growth. The efforts to create a more homogeneous group continued during the fourth quarter with the acquisition of the consulting company Semcon. During the year, we continued to acquire infrastructure companies as well as companies in the Industry business area. These areas will also be our focus going forward. The path towards a more unified structure will involve both sales of Group companies and acquisitions and will enable us to maintain a strong balance sheet.

The fourth quarter was another strong operational quarter for Ratos. Adjusted EBITA amounted to SEK 318m, up 41% year on year. We are continuously working to reduce our cost base and improve our profitability. As part of our continuous efforts to increase profitability in the Group, cost-saving measures were carried out during the quarter at a cost of SEK 43m. These measures will reduce operating expenses in the Construction & Services and Consumer business areas by approximately SEK 120m. These restructuring costs are included in adjusted EBITA. Adjusted EBITA for full-year 2022 amounted to SEK 1,966m (1,802). We note that the platform acquisitions carried out in 2021 reported a total EBITA growth of 35% in 2022 with Ratos as their new owner.

Profit after tax for the fourth quarter declined SEK -338m as a result of the fact that profit for the fourth quarter of the preceding year was impacted positively by the revaluation of the shares in D&B that were divested in 2022 (SEK 164m) and due to the recognition of a deferred tax asset (SEK 94m). Net financial items for the period declined due to financing of acquisitions and higher interest rates (SEK -45m) as well as negative currency effects (SEK -40m).

Net sales for the fourth quarter amounted to SEK 8,195m, an increase of 42%, of which 12% comprised organic growth. Demand generally remained good. The general uncertainty in the macro environment, with high inflation and declining economic sentiment, is expected to continue going forward. Our position heading into 2023 is however strong, with record-breaking order books.

Development of Ratos's business areas

EBITA for the **Construction & Services** business area increased 53% to SEK 394m. This earnings improvement was attributable to a positive trend in the operations in critical infrastructure and in construction services. Sales increased 51%, of which 22% was organic growth. Demand in critical infrastructure remained favourable. Demand in construction services was also favourable, even though the market was impacted by higher construction costs and interest rates. This was due to the low (less than 3%) exposure to housing construction. The business area mainly builds properties for the state and municipalities. The order books are at record-breaking levels and the order intake remains strong.

EBITA for the **Consumer** business area in the quarter declined to SEK -189m (-33). This deterioration in earnings was mainly attributable to Plantasjen, which had lower sales and higher energy and logistics costs. Sales in the business area amounted to SEK 1,148m, a year-on-year decrease of 2%. The fourth quarter is a slow season for this business area. The consumer market was impacted by the high level

of inflation, with a decline in purchasing power and general concerns among consumers. The cost savings carried out in the quarter are expected to compensate for higher energy and logistics costs.

EBITA for the **Industry** business area more than tripled to SEK 160m. The improvement in earnings was mainly attributable to the acquired companies Semcon and Knightec. Diab reported improved EBITA in the fourth quarter compared to the preceding year due to the implemented restructuring programme. Demand in the wind power segment has further weakened, while the markets for other segments were strong. The prevailing uncertainty in the market continued, with inflation and high energy and raw material costs. Sales in the fourth quarter amounted to SEK 1,971m, up 61%. Anders Slettengren took over as President business area Industry on 1 February 2023. He will also continue to serve as President business area Consumer.

Sustainable business to be proud of

Over the past year, several high-profile contracts were secured that will accelerate the transition to a more sustainable society. We are proud that Aibel has become a key supplier to the world's largest facility for offshore wind in the North Sea and that HENT is building Norway's first battery factory, FREYR Batterys Giga Arctic. During the quarter, SSEA Group and Speed Group were recognised for their sustainability efforts, receiving distinguished awards that will make them more attractive as partners.

In 2021, Ratos announced that the company was considering, together with the other owners, the possibility of diversifying Aibel's ownership, preferably through a listing on the Oslo Stock Exchange. Since then, Aibel's earnings, order book and balance sheet have improved significantly, the financial markets and climate for stock market listings have deteriorated. Ratos, together with the other owners, has therefore decided to postpone the potential listing of the company.

A year ago, I summarised 2021 as a turbulent year, mainly due to the pandemic. 2022 turned out to be even more challenging, with a war close to our borders, high inflation and declining demand in parts of the consumer market. Despite this, Ratos delivered a strong performance for the year, with organic growth and strategic acquisitions on our path to becoming a more homogeneous group. Our acquisitions during the year were once again carried out within infrastructure and the Industry business area. These areas will be our focus going forward.

Jonas Wiström, President and CEO

Group performance Q4 2022

Net sales

Net sales in the fourth quarter amounted to SEK 8,195m (5,754), up 42% year on year. Construction & Services and Industry reported sales growth, while Consumers' sales declined compared with the preceding year. Organic sales growth in the quarter amounted to 12%, and currency effects had a positive impact of SEK 228m (4%) on net sales. Structural effects had a positive impact of SEK 1,523m (26%) on net sales and were primarily attributable to the acquisitions of Presis Infra and NVBS in the Construction & Services business area as well as the acquisitions of Semcon and Knightec in the Industry business area. The Construction & Services and Industry business areas displayed 22% and 1% organic growth, respectively, while the Consumer business area had negative organic growth of -5%.

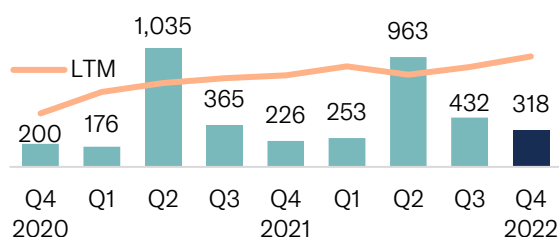
EBITA

Adjusted EBITA during the quarter amounted to SEK 318m (226). The adjusted EBITA margin was 3.9% (3.9). The change in earnings was mainly due to higher earnings in Construction & Services and pertains to organic EBITA growth as well as acquired EBITA through Presis Infra. Industry's earnings also increased during the quarter compared with the preceding year as a result of acquired EBITA in Semcon and Knightec as well as organic EBITA growth. Earnings in the Consumer business area declined during the quarter, primarily due to lower sales in Plantasjen. Construction & Services and Consumer were impacted in the quarter by non-recurring costs of SEK 43m for completed and ongoing restructuring programmes and cost-saving measures, which will reduce operating expenses by approximately SEK 120m. These restructuring costs are included in adjusted EBITA.

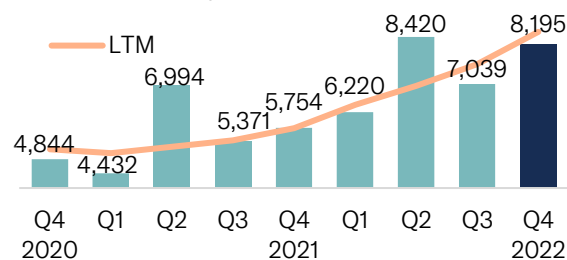
Financial performance Q4 2022

SEKm	Net sales			EBITA, adjusted		
	Q4 2022	Q4 2021	Change %	Q4 2022	Q4 2021	Change %
Construction & Services	5,077	3,365	51%	394	257	53%
Consumer	1,148	1,166	-2%	-189	-33	neg
Industry	1,971	1,223	61%	160	51	pos
Group costs				-46	-49	6%
Elimination of internal net sales	-0	0				
Net sales and adjusted EBITA	8,195	5,754	42%	318	226	41%
Revaluation and gain/loss listed shares					164	-100%
Amortisation and impairment of intangible assets in connection with company acquisitions				-36	-11	neg
Consolidated operating profit				282	379	-25%
Finance net				-173	-90	-93%
Profit before tax				109	289	-62%
Tax				-63	94	neg
Profit for the period				45	383	-88%

Adjusted EBITA, quarterly and LTM, SEKm



Net sales, quarterly and LTM, SEKm



Sales bridge Q4

	Net sales
2021, SEKm	5,754
Structure, %	26%
Currency, %	4%
Other, %	0%
Organic growth, %	12%
Total, %	42%
2022, SEKm	8,195

Group performance January–December 2022

Net sales

Net sales for the full year amounted to SEK 29,875m (22,551), up 32% year on year. Organic sales growth amounted to 8%, and currency effects had a positive impact of SEK 914m (4%) on net sales. Structural effects had a positive impact of SEK 4,622m (20%) on net sales and were primarily attributable to the acquisitions of Presis Infra and NVBS in the Construction & Services business area as well as the acquisitions of Semcon and Knightec in the Industry business area. Construction & Services and Consumer displayed positive organic sales growth for the full year, despite the prevailing uncertainty in the macro environment.

EBITA

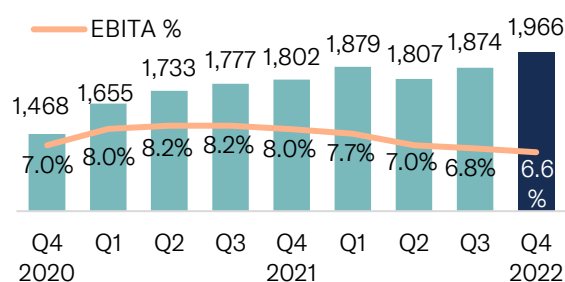
Adjusted EBITA for the full year amounted to SEK 1,966m (1,802). The adjusted EBITA margin was 6.6% (8.0). The improvement in earnings was due to higher earnings in Construction & Services and Industry and pertains to organic EBITA growth as well as acquired EBITA. Earnings in Consumer declined compared with the preceding year.

Financial performance January–December 2022

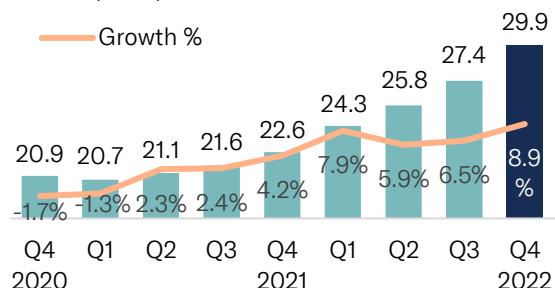
SEKm	Net sales			EBITA, adjusted		
	Q1-4 2022	Q1-4 2021	Change%	Q1-4 2022	Q1-4 2021	Change%
Construction & Services	16,901	11,406	48%	1,276	677	89%
Consumer	6,986	6,232	12%	424	845	-50%
Industry	6,002	4,913	22%	445	432	3%
Group costs				-179	-152	-18%
Elimination of internal sales	-15	-0				
Net sales and adjusted EBITA	29,875	22,551	32%	1,966	1,802	9%
Revaluation and gain/loss listed shares				-118	-116	-1%
Items affecting comparability				-130		
Amortisation and impairment of intangible assets in connection with company acquisitions				-100	-30	neg
Consolidated operating profit				1,618	1,656	-2%
Finance net				-440	-350	-26%
Profit before tax				1,178	1,306	-10%
Tax				-299	-166	-80%
Profit for the period, continuing operations				879	1,139	-23%
Profit for the period, discontinued operations ¹⁾					1,715	
Profit for the period				879	2,855	-69%

¹⁾Attributable to Bisnode and associated capital gain

Adjusted EBITA, LTM, SEKm



Net sales, LTM, SEKbn



Sales bridge January–December 2022

	Net sales
2021, SEKm	22,551
Structure, %	20%
Currency, %	4%
Other, %	0%
Organic growth, %	8%
Total, %	32%
2022, SEKm	29,875

Construction & Services

Net sales

Net sales for the fourth quarter amounted to SEK 5,077m, a year-on-year increase of 51%. This increase was driven by strong organic growth of 22% and by Ratos's continued investments in critical infrastructure through acquisitions.

The business area is well equipped with record-breaking order books, despite the uncertainty in the market. Both projects in progress and the order books contain a large share of partnering projects in the construction operations and have very limited exposure to the housing market.

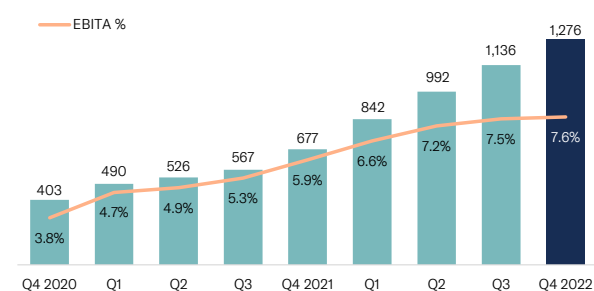
EBITA

EBITA for the business area increased 53% to SEK 394m (257) for the quarter and the EBITA margin rose to 7.8% (7.6). This earnings improvement was attributable to a positive trend in both the construction operations and critical infrastructure. The restructuring in SSEA Sweden had a negative impact of approximately SEK 10m on EBITA and adjusted EBITA for the business area.

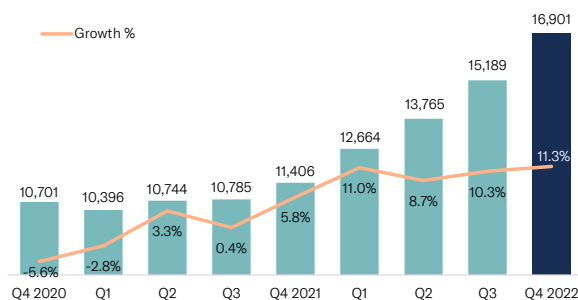
Financial performance

SEKm	Q4 2022	Q4 2021	Change %	Q1-4 2022	Q1-4 2021	Change %
Net sales	5,077	3,365	51%	16,901	11,406	48%
EBITA, adjusted	394	257	53%	1,276	677	89%
EBITA %, adjusted	7.8%	7.6%		7.6%	5.9%	
EBITA	394	257	53%	1,276	677	89%
EBITA %	7.8%	7.6%		7.6%	5.9%	
Operating profit	373	247	51%	1,199	652	84%
Operating profit %	7.3%	7.4%		7.1%	5.7%	
Cash flow from operations	63	358	-83%	1,272	224	pos
Return on capital employed excl. financial leasing %				16%	17%	
Interest-bearing net debt				1,636	893	83%
-whereof leasing liability				1,281	1,218	5%
Average number of employees				7,816	7,049	

EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q4 2022	Q1-4 2022
2021, SEKm	3,365	11,406
Structure, %	25%	28%
Currency, %	3%	4%
Other, %	0%	0%
Organic growth, %	22%	16%
Total, %	51%	48%
	5,077	16,901

The Construction & Services business area's focus is on building and maintaining a sustainable society. The service offering ranges from constructing new sustainable buildings and maintaining critical infrastructure to energy supply and managing material flows. The business area's operations benefit from current social developments and trends such as urbanisation, growing populations, the need for renewable energy and efficient resource management. The business area comprises the companies Aibel, airteam, HENT, NVBS, Presis Infra, Speed Group and SSEA Group.

Consumer

Net sales

Net sales in the business area for the fourth quarter amounted to SEK 1,148m (1,166), a year-on-year decrease of 2%. The fourth quarter is normally a slow season for this business area. Organic growth was negative and amounted to -5% for the quarter, driven by lower sales in Plantasjen.

There remains uncertainty in the market with respect to declining purchasing power and a general sense of caution among consumers.

EBITA

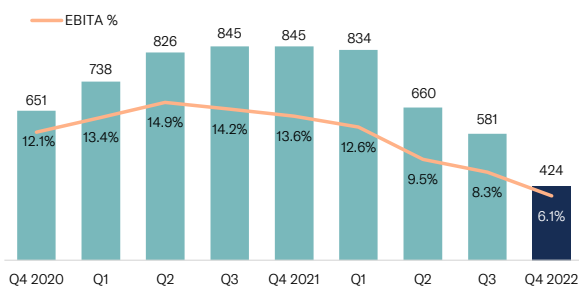
EBITA for the business area amounted to SEK -189m (-33) for the quarter. The EBITA margin was -16.5% (-2.8). The change in EBITA compared with the year-earlier period is mainly due to lower sales in Plantasjen.

Plantasjen continued to be negatively impacted by higher energy costs and increased costs for store rent and warehouse logistics. To adapt to the higher costs in Plantasjen, a cost-savings programme was implemented during the quarter, which had a negative impact of SEK 18m on adjusted EBITA in the form of non-recurring costs. KVD incurred costs for a restructuring programme during the quarter, which had a negative impact of SEK 15m on adjusted EBITA during the quarter. These restructuring programmes are expected to reduce the business area's operating expenses by approximately SEK 100m. Earnings in the fourth quarter of the preceding year were impacted positively by non-recurring items of NOK 28m related to the early termination of leases in Plantasjen.

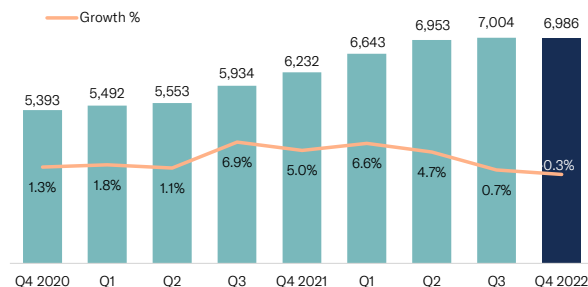
Financial performance

SEKm	Q4 2022	Q4 2021	Change %	Q1-4 2022	Q1-4 2021	Change %
Net sales	1,148	1,166	-2%	6,986	6,232	12%
EBITA, adjusted	-189	-33	neg	424	845	-50%
EBITA %, adjusted	-16.5%	-2.8%		6.1%	13.6%	
EBITA	-189	-33	neg	424	845	-50%
EBITA %	-16.5%	-2.8%		6.1%	13.6%	
Operating profit/loss	-191	-34	neg	420	840	-50%
Operating profit/loss %	-16.6%	-2.9%		6.0%	13.5%	
Cash flow from operations	-245	-366	33%	-491	2	neg
Return on capital employed excl. financial leasing %				6%	19%	
Interest-bearing net debt				6,338	5,532	15%
-whereof leasing liability				3,844	3,890	-1%
Average number of employees				1,609	1,639	

EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q4 2022	Q1-4 2022
2021, SEKm	1,166	6,232
Structure, %	2%	8%
Currency, %	2%	3%
Organic growth, %	-5%	1%
Total, %	-2%	12%
2022, SEKm	1,148	6,986

The Consumer business area works to simplify and improve life for consumers. To us, simplifying and improving life means, for example, making life healthier and more sustainable, and saving time. The business area consists of companies that are well positioned in relation to strong prevailing macrotrends such as spending holidays at home, growing interest in outdoor activities and interior design and horticulture. The business area comprises the companies KVD, Oase Outdoors and Plantasjen.

Industry

Net sales

Net sales in the business area for the fourth quarter amounted to SEK 1,971m (1,223), a year-on-year increase of 61%. The strategically important acquisitions of Knightec and Semcon contributed to the increase in sales. Organic growth amounted to 1%, driven by strong growth in the market for clinical trials. Diab continued to be negatively impacted by lower volumes in the wind power segment, while the markets for other segments were strong.

EBITA

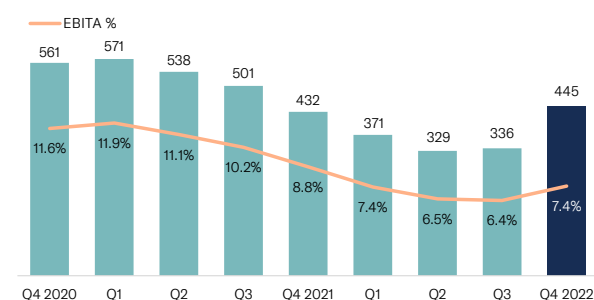
EBITA for the business area in the quarter amounted to SEK 160m (51), up 216% year on year. The EBITA margin was 8.1% (4.1). The improvement in earnings was mainly attributable to the acquired companies Knightec and Semcon. Diab reported higher earnings in the fourth quarter than in the preceding year due to the implemented restructuring programme.

Anders Slettengren took over as President business area Industry on 1 February 2023.

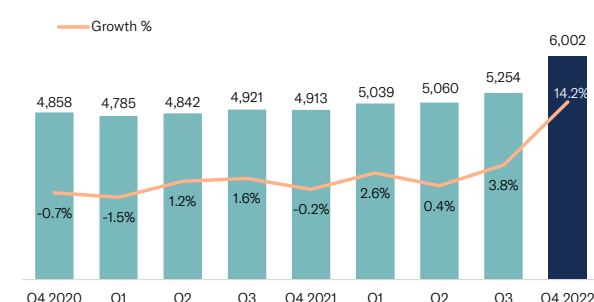
Financial performance

SEKm	Q4 2022	Q4 2021	Change %	Q1-4 2022	Q1-4 2021	Change %
Net sales	1,971	1,223	61%	6,002	4,913	22%
EBITA, adjusted	160	51	pos	445	432	3%
EBITA %, adjusted	8.1%	4.1%		7.4%	8.8%	
EBITA	160	51	pos	315	432	-27%
EBITA %	8.1%	4.1%		5.3%	8.8%	
Operating profit	152	51	pos	303	432	-30%
Operating profit %	7.7%	4.1%		5.1%	8.8%	
Cash flow from operations	93	135	-31%	167	342	-51%
Return on capital employed excl. financial leasing %				9%	9%	
Interest-bearing net debt				2,269	1,421	60%
-whereof leasing liability				514	365	41%
Average number of employees				5,659	2,926	

Adjusted EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q4 2022	Q1-4 2022
2021, SEKm	1,223	4,913
Structure, %	53%	18%
Currency, %	8%	6%
Other, %	-1%	0%
Organic growth, %	1%	-1%
Total, %	61%	22%
2022, SEKm	1,971	6,002

The Industry business area develops market-leading industrial companies that are based in the Nordics but export to the entire world. The companies are active in more than 30 countries across five continents. The companies in the Industry business area are exposed to high-growth markets such as energy-efficient lighting, lightweight material, renewable energy, grocery, product development in Swedish industry and pharmacology. The business area comprises the companies Diab, HL Display, Knightec, LEDiL, Semcon and TFS.

Financial overview, Ratos Group

Cash flow Q4

Cash flow for the quarter amounted to SEK 585m (-549), of which cash flow from operating activities accounted for SEK 121m (234). Cash flow from investing activities amounted to SEK -2,738m (-2,173) and cash flow from financing activities to SEK 3,202m (1,390).

The change in cash flow for the quarter was mainly due to financing activities, with the change in external loans amounting to SEK 3,544m (1,583). Cash flow from investing activities compared to previous year, was mainly affected by the acquisition of Semcon. Cash flow from operating activities declined year on year as a result of higher tied-up working capital.

Cash flow from operations, which is the operative performance measure used for cash flow, amounted to SEK -175m (75) for the quarter. For a reconciliation against cash flow from operating activities and a definition, refer to pages 21 and 24.

Cash flow, January–December

Cash flow for the year amounted to SEK 165m (-1,037), of which cash flow from operating activities accounted for SEK 1,907m (1,448). Cash flow from investing activities amounted to SEK -4,239m (-258) and cash flow from financing activities to SEK 2,497m (-2,227).

The change in cash flow for the year from investing activities was mainly attributable to acquired companies, the sale of shares in Dun & Bradstreet and the sale of Bisnode in the preceding year. Cash flow from financing activities improved year on year as a result of increased external bank loans for financing company acquisitions. Cash flow from operating activities improved compared with the year-earlier period due to lower tied-up working capital and stronger operating profit.

Cash flow from operations, which is the operative performance measure used for cash flow, amounted to SEK 723m (425). For a reconciliation against cash flow from operating activities and a definition, refer to pages 21 and 24.

Tax Q4

Tax expense for the Group amounted to SEK -63m (94) and profit before tax to SEK 109m (289). The effective tax rate for the quarter was 58%, which mainly is attributable to Diab where tax loss carried-forward from current year not have been recognized and recognized tax loss carried-forward from previous years have been reversed.

Tax January–December

Tax expense for the Group amounted to SEK -299m (-166) and profit before tax to SEK 1,178m (1,306). The effective tax rate for the full year was thus 25% (13), which is primarily due to the reversal of capitalised loss carry-forwards from prior years, non-capitalised tax on profit for the year in Diab, non-deductible expenses and the revaluation/realised loss of listed shares (Dun & Bradstreet).

Financial position and leverage

The Group's cash and cash equivalents at the end of the year amounted to SEK 2,532m (2,230) and interest-bearing net debt totalled SEK 10,468m (5,850). The Group's leverage excluding financial lease liabilities amounted to 2.5x (0.1x) at year-end. Including financial lease liabilities, the Group's leverage at year-end was 3.5x (1.3x). The total translation effect of currency for interest-bearing liabilities amounted to approximately SEK 270m,

of which approximately SEK 130m related to liabilities to credit institutions and approximately SEK 140m to financial lease liabilities.

During the first quarter, a new financing agreement of SEK 650m was signed, with tenors of three years (SEK 350m) and five years (SEK 300m). The funds were used for the company's operating activities. A loan for EUR 66m with a tenor of two years (plus a one-year extension option) was also signed. The funds were used to repay the existing credit facility. During the fourth quarter, a new financing agreement of SEK 2,500m was signed with a tenor of three years (plus a one-year extension option). The funds were used to finance the acquisition of Semcon.

At the end of the year, the Group's interest-bearing liabilities to credit institutions amounted to SEK 6,869m (2,102).

When divesting Bisnode to Dun & Bradstreet at the beginning of 2021, Ratos chose to invest one quarter of the equity value in Dun & Bradstreet shares, which are listed on the New York Stock Exchange. The shares were acquired at a value of SEK 924m and were included in financial assets. On 1 June, Ratos divested all of its 4,358,257 shares in Dun & Bradstreet at a value of SEK 725m. The transaction strengthened Ratos's cash position by approximately SEK 700m and had an impact of SEK -118m on Ratos's EBITA for the full year of 2022.

Ratos's equity

At 31 December 2022, Ratos's equity (attributable to owners of the parent) amounted to SEK 12,289m (11,940), corresponding to SEK 38 (37) per share outstanding.

Parent company

The parent company's operating loss amounted to SEK -135m (-144) for the year. The parent company's profit before tax amounted to SEK 264m (1,755). The preceding year included capital gains of SEK 1,878m. The capital gains pertained to the divestment of Bisnode and Bisnode Belgium, which differs from the Group's capital gains due to different accounting methods. The parent company's cash and cash equivalents totalled SEK 410m (294).

The parent company has a related party relationship with its Group companies. For more information, refer to Note 29 in the 2021 Annual Report. No new types of significant transactions were carried out with related parties during the year compared with those presented in the most recent Annual Report.

Ratos share data

Earnings per share for the full year amounted to SEK 1.69 (8.17) before dilution and to SEK 1.68 (8.10) after dilution. Earnings per share for continuing operations amounted to SEK 1.69 (2.84) before dilution and to SEK 1.68 (2.83) after dilution. The closing price for Ratos's Class B shares on 31 December 2022 was SEK 41.49. The total return on Class B shares for full-year 2022 amounted to -26.6%, compared with the performance for the SIX Return Index, which was -22.8%.

Number of shares and repurchased/sold shares

At the beginning of the year, Ratos owned 62,500 Class B shares. During the first quarter, call option programmes from 2017 were redeemed whereby 62,500 treasury shares were divested through the redemption of call options. During the second quarter, 268,868 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture.

During the third quarter, 778,800 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture. During the fourth quarter, 112,500 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture. At 31 December 2022, the total number of shares in Ratos (Class A and B shares) amounted to 325,898,988, as did the number of shares outstanding, while the number of votes was 108,763,253.

Incentive programmes

During the year, the parent company issued warrants and a convertible debenture in accordance with the resolution of the Annual General Meeting (AGM) on 22 March 2022. In total, 832,500 warrants and 977,500 convertibles were issued.

2023 Annual General Meeting

The Annual General Meeting of Ratos will be held on 28 March 2023 at Lilla Cirkus, Cirkus in Stockholm. The Annual Report will be available on the company's website, www.ratos.com, not later than 7 March 2023.

Proposed dividend for Class A and B shares

The Board proposes a dividend for the 2022 financial year of SEK 0.84 (1.20) per Class A and Class B share. The record date for the dividend is proposed as 30 March 2023 and dividends are expected to be paid from Euroclear Sweden on 4 April 2023.

Significant events during and after the end of the quarter

On 3 October, Speed Group, which is part of the Construction & Services business area, acquired the company Scandi Terminal AB, an important provider of logistics and materials handling to customers in the process industry. The company operates in Stenungssund.

On 3 October, airteam, which is part of the Construction & Services business area, acquired the ventilation company Grundströms Plåt i Kiruna AB. The company carries out ventilation projects in renovations, expansions and new construction for companies in the mining industry as well as for construction projects and existing properties.

On 4 November, SSEA Group, which is part of the Construction & Services business area, acquired the construction and painting company Kiruna Målbygg AB. The company carries out construction and painting assignments in Kiruna and the surrounding area.

On 27 October, Ratos completed the acquisition of Semcon AB, which is now part of the Industry business area.

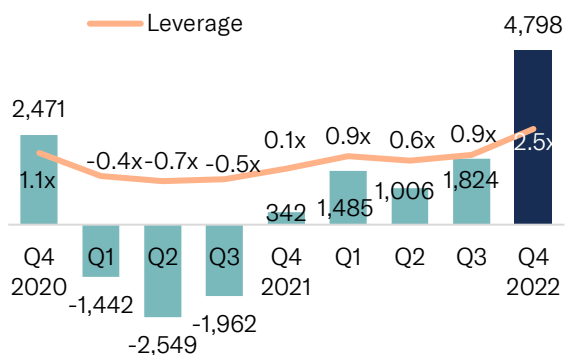
HL Display, which is part of the Industry business area, acquired the company Allied POS on 1 December. Allied POS is a leading provider of point of sale (POS) solutions to grocery retailers, pharmacies and other stores in Ireland.

TFS, which is part of the Industry business area, acquired the company Appletree CI Group AG on 23 December. The company is an expert, niche CRO and global regulatory service provider. The company operates in 11 European countries.

On 1 February 2023, Anders Slettengren took over as President business area Industry. He will also continue to serve as President Business Area Consumer

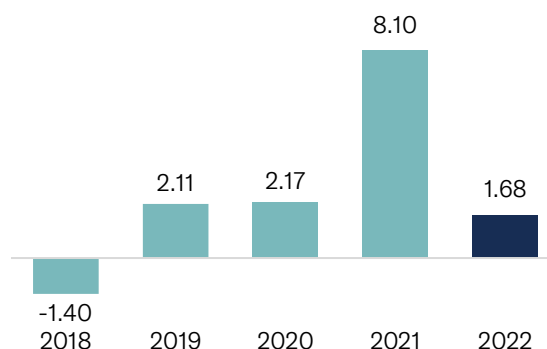
On May 20, 2021, Ratos announced that the company was considering, together with the other owners, the possibility of diversifying Aibel's ownership, preferably through a listing on Oslo Stock Exchange. Since then, Aibel has developed very strongly with an all-time high order backlog, and the balance sheet has been significantly strengthened through Aibel's own operating cash flow. At the same time the financial markets and the appetite for new IPOs have deteriorated significantly. Ratos has therefore, together with the other owners, decided to postpone a possible listing of the company.

Interest-bearing net debt and leverage¹⁾, SEKm



¹⁾ Excluding financial lease liabilities

Diluted earnings per share, SEK



Financial statements

Summary consolidated income statement

SEKm	Q4 2022	Q4 2021	Q1-4 2022	Q1-4 2021
Net sales	8,195	5,754	29,875	22,551
Other operating income	17	95	155	183
Cost of goods and services sold	-4,961	-3,600	-18,186	-13,445
Employee benefit costs	-1,969	-1,310	-6,494	-4,855
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets and right-of-use assets	-364	-273	-1,340	-1,014
Other external costs	-704	-552	-2,529	-1,840
Capital gain/loss from Group companies	0	2	-0	2
Share of profit/loss from investments recognised according to the equity method	68	99	255	189
Revaluation and capital gain/loss listed shares		164	-118	-116
Operating profit	282	379	1,618	1,656
Net financial items ¹⁾	-173	-90	-440	-350
Profit before tax	109	289	1,178	1,306
Income tax	-63	94	-299	-166
Profit for the period, continuing operations²⁾	45	383	879	1,139
Profit for the period, discontinued operations				1,715
Profit for the period	45	383	879	2,855
<i>Profit for the period attributable to:</i>				
Owners of the parent	-34	308	548	2,637
Non-controlling interests	79	75	331	218
Earnings per share, SEK				
- basic earnings per share	-0.11	0.95	1.69	8.17
- diluted earnings per share	-0.11	0.94	1.68	8.10
Earnings per share from continuing operations, SEK				
- basic earnings per share	-0.11	0.95	1.69	2.84
- diluted earnings per share	-0.11	0.94	1.68	2.83

¹⁾ See page 23 for a specification of the finance net

²⁾ Profit for the period from continuing operations attributable to the owners of the parent for Q4 2021 amounts to SEK 308m and for Q1-Q4 2021 to SEK 918m. Profit for the period from continuing operations attributable to non-controlling interests for Q4 2021 amounts to SEK 75m and for Q1-Q4 2021 to SEK 221m

Consolidated statement of comprehensive income

SEKm	Q4 2022	Q4 2021	Q1-4 2022	Q1-4 2021
Profit for the period	45	383	879	2,855
<i>Items that will not be reclassified to profit or loss:</i>				
Remeasurement of defined benefit pension obligations, net	-18	1	46	-49
Tax attributable to items that will not be reclassified to profit or loss	1	-2	-4	-2
	-17	-1	42	-51
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Translation differences for the period	159	112	392	291
Change in hedging reserve for the period	4	-17	-9	41
Tax attributable to items that may be reclassified subsequently to profit or loss	-1	4	1	-9
	162	99	384	323
Other comprehensive income for the period	145	97	426	271
Total comprehensive income for the period	190	480	1,305	3,126
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the parent	91	395	913	2,879
Non-controlling interest	99	85	392	247

Summary consolidated statement of financial position

SEKm	2022-12-31	2021-12-31
ASSETS		
Non-current assets		
Goodwill	14,811	10,028
Other intangible non-current assets	2,096	1,390
Property, plant and equipment	1,725	1,503
Right-of-use assets	5,100	5,006
Financial assets	1,675	2,157
Deferred tax assets	357	303
Total non-current assets	25,764	20,387
Current assets		
Inventories	2,477	1,903
Accounts receivable	3,699	2,746
Current receivables	2,703	1,119
Cash and cash equivalents	2,532	2,230
Total current assets	11,411	7,998
Total assets	37,175	28,385
EQUITY AND LIABILITIES		
Equity including non-controlling interests	13,788	13,326
Non-current liabilities		
Interest-bearing liabilities	11,318	7,191
Non-interest bearing liabilities	1,668	836
Pension provisions	60	76
Other provisions	44	39
Deferred tax liabilities	742	440
Total non-current liabilities	13,832	8,582
Current liabilities		
Interest-bearing liabilities	1,723	891
Non-interest bearing liabilities	7,393	5,166
Provisions	439	421
Total current liabilities	9,555	6,477
Total liabilities	23,387	15,059
Total equity and liabilities	37,175	28,385

Summary statement of changes in consolidated equity

SEKm	2022-12-31			2021-12-31		
	Owners of the parent	Non-controlling interest	Total equity	Owners of the parent	Non-controlling interest	Total equity
Opening equity	11,940	1,387	13,326	9,366	1,915	11,281
Total comprehensive income for the period	913	392	1,305	2,879	247	3,126
Dividends	-390	-262	-651	-303	-3	-306
Non-controlling interests' share of capital contribution and new issue		-0	-0		0	0
Transfer of treasury shares	2		2	227		227
Conversion of convertible loan to shares	33		33	16		16
The value of the conversion option of the convertible debentures	7		7	5		5
Option premiums	9		9	5		5
Share options redeemed by employees				-6		-6
Put options, future acquisitions from non-controlling interests	-227	-567	-794	-207	-357	-564
Acquisition of shares in subsidiaries from non-controlling interests	4	-10	-6	-31	-7	-38
Disposal of shares in subsidiaries to non-controlling interests	-1	36	35	-10	19	8
Non-controlling interests at acquisition		522	522		493	493
Non-controlling interests in disposals					-921	-921
Closing equity	12,289	1,499	13,788	11,940	1,387	13,326

Summary consolidated statement of cash flows

SEKm	Q4 2022	Q4 2021	Q1-4 2022	Q1-4 2021
Operating activities				
Operating profit, continuing operations	282	379	1,618	1,656
Operating profit, discontinued operations				1,721
Adjustment for non-cash items	234	-16	1,227	-960
	516	362	2,845	2,416
Income tax paid	-71	-114	-301	-265
Cash flow from operating activities before change in working capital	444	248	2,544	2,151
Cash flow from change in working capital				
Increase (-)/Decrease (+) in inventories	119	-306	-487	-459
Increase (-)/Decrease (+) in operating receivables	-676	71	-1,062	-38
Increase (+)/Decrease (-) in operating liabilities	234	221	913	-206
Cash flow from operating activities	121	234	1,907	1,448
Investing activities				
Acquisition, group companies	-2,627	-2,084	-4,542	-2,492
Disposal, group companies		8	5	2,634
Investments and disposal, intangible assets/property, plant and equipment	-126	-114	-405	-419
Investments and disposal, financial assets	1	14	685	15
Interest received	13	2	18	4
Cash flow from investing activities	-2,738	-2,173	-4,239	-258
Financing activities				
Non-controlling interests' share of issue/capital contribution		0	0	0
Transfer of treasury shares		8	2	227
Option premiums paid	1	0	17	5
Repurchase/final settlements options	-2	-5	-11	-243
Acquisition and disposal of shares in subsidiaries from non-controlling interests	0	2	-0	-29
Dividends paid	0		-390	-303
Dividends paid, non-controlling interests	-59	-3	-248	-3
Borrowings	6,487	1,825	9,957	2,361
Amortisation of loans	-2,939	-250	-5,519	-3,279
Interest paid	-114	-88	-495	-339
Amortisation of financial lease liabilities	-173	-99	-816	-623
Cash flow from financing activities	3,202	1,390	2,497	-2,227
Cash flow for the period	585	-549	165	-1,037
Cash and cash equivalents at the beginning of the period	1,901	2,788	2,230	3,182
Exchange differences in cash and cash equivalents	47	-9	138	84
Cash and cash equivalents at the end of the period	2,532	2,230	2,532	2,230

Summary parent company income statement

SEKm	Q4 2022	Q4 2021	Q1-4 2022	Q1-4 2021
Other operating income	8	5	15	8
Administrative expenses	-33	-48	-149	-152
Depreciation of property, plant and equipment	-0	-0	-1	-0
Operating profit/loss	-25	-43	-135	-144
Gain from sale of participating interests in group companies	110		110	1,878
Dividends from group companies	102		102	
Net financial items ¹⁾	15	-10	94	-76
Profit/loss after financial items	202	-53	172	1,658
Group contribution, recieved	92	97	92	97
Profit before tax	294	44	264	1,755
Income tax	9	75	56	76
Profit for the period	303	119	320	1,831

¹⁾ See page 23 for a specification of the finance net

Parent company statement of comprehensive income

SEKm	Q4 2022	Q4 2021	Q1-4 2022	Q1-4 2021
Profit for the period	303	119	320	1,831
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	303	119	320	1,831

Summary parent company balance sheet

SEKm	2022-12-31	2021-12-31
ASSETS		
Non-current assets		
Property, plant and equipment	3	2
Financial assets	10,150	7,975
Receivables from group companies	6,180	4,029
Deferred tax assets	130	75
Total non-current assets	16,464	12,081
Current assets		
Current receivables	48	35
Receivables from group companies	1,741	1,145
Cash and cash equivalents	410	294
Total current assets	2,199	1,474
Total assets	18,663	13,555
EQUITY AND LIABILITIES		
Equity	9,975	9,994
Non-current liabilities		
Interest-bearing liabilities, group companies	206	670
Interest-bearing liabilities	6,237	1,908
Convertible debentures	79	75
Deferred tax liabilities	3	2
Total non-current liabilities	6,524	2,655
Current provisions	86	65
Current liabilities		
Interest-bearing liabilities, group companies	1,464	664
Interest-bearing liabilities	590	41
Non-interest bearing liabilities, group companies		79
Non-interest bearing liabilities	25	57
Total current liabilities	2,079	842
Total equity and liabilities	18,663	13,555

Summary parent company statement of changes in equity

SEKm	2022-12-31	2021-12-31
Opening equity	9,994	8,219
Comprehensive income for the period	320	1,831
Dividends	-390	-303
Transfer of treasury shares	2	227
Exercise of options		-6
Conversion of convertible loan to shares	33	16
The value of the conversion option of the convertible debentures	8	6
Deferred tax, conversion option	-2	-1
Option premiums	9	5
Closing equity	9,975	9,994

Note 1 Accounting principles

Ratos's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and associated interpretations (IFRIC), as endorsed by the EU. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act. The parent company also applies RFR 2 Accounting for Legal Entities. Reporting and measurement principles are unchanged compared with those applied in Ratos's 2021 Annual Report. The new and revised IFRS standards which came into force in 2022 have not had any material effect on the Ratos Group's financial statements.

Amounts are presented in SEK million (SEKm) unless otherwise stated. Rounding may apply in tables and calculations, which means that the stipulated total amounts are not always an exact amount of the rounded amounts.

In this report, Ratos reports its previous holding in Bisnode as a discontinued operation since Ratos signed an agreement pertaining to the sale to Dun & Bradstreet in October 2020. The sale was completed in January 2021. In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, Bisnode's profit after tax is reported on a separate row in the income statement for 2021. The holding in Bisnode Belgium that was acquired and divested in 2021 is also reported as discontinued operations in the income statement for 2021. Neither Bisnode nor Bisnode Belgium had any impact in 2022.

As a result of Ratos's transition from an investment company to an operating company, the reporting format has changed as of 2022. The companies will no longer be reported individually or adjusted for Ratos's holding. Instead, they are reported as part of the Group's Construction & Services, Consumer and Industry business segments. The change does not entail any restatement of previous financial reports, but rather is only a new format that reflects how Ratos's management monitors operations.

Note 2 Risks and uncertainties

Ratos is a business group that makes it possible for independent mid-sized companies to develop more rapidly by being a part of something larger. A focus on people, leadership, culture and values is a key component of Ratos. These operations include inherent risks attributable to both Ratos and the companies. These mainly comprise market, operational and transaction risks and can include both general risks, such as external factors and macroeconomic development, as well as company and sector-specific risks.

The financial risks consist of liquidity risk, interest rate risk, credit risk and currency risk. There are several financial risks to which most of the companies are exposed, primarily related to loans, trade receivables, trade payables and derivative instruments. The risks to which the companies are exposed are managed by each individual company.

Ratos is exposed to financial risks, mainly in terms of value changes in the companies and liquidity risk. Ratos's future earnings development is dependent to a large extent on the success of the underlying companies, which in turn is

dependent on, among other things, how successful each company's management group and board of directors are at developing the company and implementing value-adding initiatives.

A more detailed description of the material risks and uncertainties to which the Group and the parent company are exposed is provided in the Directors' Report and in Notes 25 and 31 in the 2021 Annual Report.

Ratos AB's taxation under the rules for investment companies are considered to have ceased as of the third quarter of 2021 due to changed operations, and instead the company is taxed under conventional income tax regulations. This means that the Parent Company can receive Group contributions from, or provide Group contributions to, subsidiaries and that portions of the loss carry-forward were capitalised with deferred tax based on likely future tax surpluses.

The Covid-19 pandemic impacted earnings for the year and is creating uncertainty when it comes to Ratos's financial development for 2023. The impact of the Covid-19 pandemic on Ratos's companies varies, since they are active in different segments, industries and geographies. Ratos's business model, with clearly decentralised earnings responsibility, entails that the companies make decisions independently and make adaptations to the prevailing circumstances. The effect on the measurement of balance-sheet items has been limited to date.

The invasion of Ukraine had an impact on earnings during the year. The direct impact on Ratos was the cessation of all sales to Russia, in line with EU sanctions, and the divestment of a subsidiary in Russia, which entailed costs during the first quarter although they were not significant for the Group. The direct impact on Ratos for 2023 is expected to be limited, since sales to Russia previously accounted for less than 0.5% of Ratos's total sales. However, the indirect impact from our customers and suppliers is creating uncertainty about the future.

Note 3 Financial instruments

Ratos applies fair value measurements to a limited extent and mainly for derivatives, synthetic options, contingent considerations and put options. These items are measured according to levels two and three, respectively, in the fair value hierarchy.

In the statement of financial position at 31 December 2022, the total value of financial instruments measured at fair value in accordance with level three was SEK 2,058m (1,167). This change was mainly attributable to the revaluation and redemption of synthetic options as well as options to minority holders in conjunction with acquisitions.

In the statement of financial position at 31 December 2022, the net value of derivatives amounted to SEK 1m (-36), of which SEK 7m (13) was recognised as an asset and SEK 6m (49) as a liability.

Note 4 Acquired and divested companies

Acquisitions within business areas

Construction & Services

On 4 November, SSEA Group acquired the construction and painting company Kiruna Målbygg AB. The company carries out construction and painting assignments in Kiruna and the surrounding area and had sales of SEK 28m for the most recent financial year, with EBITA of SEK 1m.

On 3 October, airteam acquired the ventilation company Grundströms Plåt i Kiruna AB. The company carries out ventilation projects in renovations, expansions and new construction for companies in the mining industry as well as for construction projects and existing properties and had sales of SEK 25m in 2022, with EBITA of SEK 4m.

On 3 October, Speed Group acquired the logistics company Scandi Terminal AB, an important provider of logistics and materials handling to customers in the process industry. The company operates in Stenungssund and had sales of SEK 48m for the last 12 months, with operating profit of SEK 8m.

On 1 July, NVBS acquired the shares in the civil engineering company TKBM Entreprenad AB. TKBM holds a strong position in cable and trunking installations and had sales of SEK 58m in 2021, with adjusted EBITA of SEK 1m.

On 18 May, NVBS acquired the shares of the Finnish company Ratatek. Ratatek specialises in the design, installation and maintenance of overhead contact lines and electrical systems on tram tracks and railways, with operations in Finland and Sweden. Ratatek had sales of EUR 25.5m in 2021, with adjusted EBITA of EUR 2.7m.

On 30 December 2021, Speed Group acquired shares in a subsidiary of Dream Logistics that provides transport management services, known as fourth-party logistics (4PL). The preliminary acquisition analysis during the first quarter of 2022 was updated after the final acquisition balance was determined, which entailed a payment of SEK 0.5m.

Consumer

On 15 September, KVD acquired a minor company, WF inventarier AB, which became part of Forsbergs' operations.

On 1 March, Plantasjen acquired Flyinge Plantshop AB, one of the leading nurseries in Sweden. The company's sales amounted to SEK 82m in 2021, with EBITDA of SEK 12m.

Industry

TFS, which is part of the Industry business area, acquired the company Appletree CI Group AG on 23 December. The company is an expert, niche CRO and global regulatory service provider. The company operates in five European countries and had sales for 2022 of CHF 3.3m, with EBITA of CHF 0.6m.

HL Display, which is part of the Industry business area, acquired the Irish company Allied POS on 1 December. Allied POS is a leading provider of point of sale (POS) solutions to grocery retailers, pharmacies and other stores in Ireland. The company has annual sales of EUR 2m and annual EBITA of EUR 0.3m.

The preliminary acquisition analyses for the add-on acquisitions carried out during the year are presented below.

	SEKm
Intangible assets	6
Property, plant and equipment	40
Right-of-use assets	25
Financial assets	1
Trade receivables	69
Current assets	63
Cash and cash equivalents	28
Innehav utan bestämmande inflytande	-1
Deferred tax liability	-4
Non-current liabilities	-35
Current liabilities	-127
Net identifiable assets and liabilities	63
Goodwill	285
Purchase price	348
of which, paid in cash	298
of which, contingent consideration	50

Acquisition of Semcon

On 27 October, Ratos acquired Semcon AB (publ) through a public takeover offer. The offer was accepted by 98.7% of the shareholders.

Semcon is an international technology company headquartered in Gothenburg that offers services in advanced engineering, strategic innovation, digital services and product information solutions.

The purchase price for the shares in Semcon amounted SEK 2,734m. Goodwill, which has been identified for 100% of the shares, amounts to SEK 2,144m in the preliminary acquisition analysis and is attributable to synergies as well as the company's growth and business model. This goodwill is not tax-deductible.

Semcon has been included in the Ratos Group from the date of acquisition, with net sales of SEK 360m and profit before tax of SEK 47m. For full-year 2022, net sales amounted to SEK 1,957m and profit before tax to SEK 162m. Acquisition-related transaction costs amounted to SEK 20.2m.

Preliminary acquisition analysis Semcon

	SEKm
Intangible assets	403
Property, plant and equipment	23
Right-of-use assets	66
Deferred tax asset	3
Trade receivables	306
Current assets	249
Cash and cash equivalents	203
Non-controlling interest	-36
Deferred tax liability	-152
Non-current liabilities and provisions	-36
Current liabilities and provisions	-440
Net identifiable assets and liabilities	590
Goodwill	2,144
Purchase price	2,734
of which, paid in cash	2,734

Acquisition of Knightec

On 9 August, Ratos acquired 70% of the consulting company Knightec, thereby entering into a partnership with co-founder and CEO Dimitris Gioulekas.

Through its unique customer offerings and strong community involvement, Knightec has established a strong market position in technology, design and digitalisation of products and services.

The purchase price for the shares in Knightec amounted to SEK 1,261m. Goodwill, which has been identified for 100% of the shares, amounts to SEK 1,293m in the preliminary acquisition analysis and is attributable to synergies as well as the company's growth and business model. This goodwill is not tax-deductible.

Knightec has been included in the Ratos Group from the date of acquisition, with net sales of SEK 442m and profit before tax of SEK 53m. For full-year 2022, net sales amounted to SEK 990m and profit before tax to SEK 91m. Acquisition-related transaction costs amounted to SEK 3.8m.

Preliminary acquisition analysis Knightec

	SEKm
Intangible assets	273
Property, plant and equipment	12
Right-of-use assets	53
Financial assets	0
Trade receivables	179
Current assets	62
Cash and cash equivalents	121
Deferred tax liability	-69
Non-current liabilities	-167
Current liabilities	-190
Net identifiable assets and liabilities	274
Recognised put- and call option issued to owners with non-controlling interests	-306
Goodwill	1,293
Purchase price	1,261
of which, paid in cash	1,261

Acquisition of NVBS

On 16 May, Ratos acquired 74% of the shares in the Swedish company NVBS Rail Group Holding AB (NVBS). NVBS will become a Nordic platform company for Ratos in the attractive and growing railway infrastructure market, with a presence in Sweden, Finland and Norway.

The purchase price for the shares in NVBS amounted to SEK 546m. Goodwill, which has been identified for 100% of the shares, amounts to SEK 666m in the preliminary acquisition analysis and is attributable to synergies as well as the company's growth and business model. This goodwill is not tax-deductible.

NVBS has been included in the Ratos Group from the date of acquisition, with net sales of SEK 917m and profit before tax of SEK 23m. For full-year 2022, net sales amounted to SEK 1,058m and the company's loss before tax to SEK -30m. Acquisition-related transaction costs amounted to SEK 16.5m.

Preliminary acquisition analysis NVBS

	SEKm
Intangible assets	79
Property, plant and equipment	14
Right-of-use assets	25
Financial assets	1
Deferred tax asset	11
Trade receivables	65
Current assets	383
Cash and cash equivalents	4
Deferred tax liability	-24
Non-current liabilities	-114
Current liabilities	-391
Net identifiable assets and liabilities	53
Recognised put- and call option issued to owners with non-controlling interests	-173
Goodwill	666
Purchase price	546
of which, paid in cash	546

Acquisition of Presis Infra

On 30 November 2021, Ratos acquired 75% of the shares in Presis Infra, a leading Norwegian maintenance group in critical transportation infrastructure. The preliminary acquisition analysis during the first quarter of 2022 was updated after the final acquisition balance was determined, which entailed a payment of SEK 12m. Updating the acquisition analysis has not entailed any significant effects for the Group.

Divestment of Bisnode

In October 2020, Ratos signed an agreement to divest all of the shares in Bisnode, excluding its operations in Belgium, for an enterprise value of SEK 7,200m for 100% of the company. Ratos's holding amounts to 70%. In January 2021, Ratos completed the sale of Bisnode to Bisnode's partner Dun & Bradstreet. The equity value for Ratos's holding of 70% was SEK 3,860m, yielding a consolidated capital gain of SEK 1,816m.

Acquisition and divestment of Bisnode Belgium

For the divestment of Bisnode to Dun & Bradstreet, Bisnode's Belgian operations were not included in the transaction. On 31 March 2021, Ratos signed an agreement to divest Bisnode Belgium. The consolidated capital loss amounted to SEK 25m.

Income statement from discontinued operations

SEKm	Q4 2021	Q1-4 2021
Income		105
Expenses		-116
Profit/loss before tax		-10
Tax		-1
Profit/loss after tax		-11
whereof Bisnode		9
Capital gain from divestment of discontinued operations		1,727
whereof Bisnode		1,816
Total profit for the period		1,715
<i>Profit for the period attributable to:</i>		
Owners of the parent		1,719
Non-controlling interests		-3
Earnings per share, SEK		
- basic earnings per share		5.33
- diluted earnings per share		5.29

Cash flow statement from discontinued operations

SEKm	Q1-4 2021
Cash flow from operating activities	61
Cash flow from investing activities	2,636
Cash flow from financing activities	-191
Change in cash and cash equivalents	2,506

Net assets at time of divestment

Assets and liabilities that were part of the discontinued operation in Bisnode are presented below.

SEKm	2021-01-08
Goodwill	4,186
Other intangible non-current assets	720
Property, plant and equipment	28
Right-of-use assets	141
Financial assets	24
Deferred tax assets	206
Current receivables	650
Cash and cash equivalents	247
Non-controlling interest	-881
Non-current interest-bearing liabilities	-631
Non-current non-interest bearing liabilities	-148
Current interest-bearing liabilities	-1,162
Current non-interest bearing liabilities	-1,338
Divested net assets	2,044
Capital gain, excluding transaction costs	1,816
Consideration transferred	3,860
Shares in Dun & Bradstreet, non-cash	-924
Less: cash in divested operations	-247
Total effect on cash flow	2,690

Key figures

For definitions, see page 24

SEKm	Q1-4 2022	Q1-4 2021
Leverage excl. financial leasing	2.5x	0.1x
Leverage	3.5x	1.3x
Equity ratio, %	37.1	47.0
Return on equity, %	4.6	23.7
Return on equity, continuing operations, %	4.6	8.2
Return on capital employed excl. financial leasing, %	10.2	11.0
Return on capital employed, %	8.6	9.0
Key figures per share¹⁾		
Total return, %	-26.6	53.7
Dividend yield, %	2.0	2.1
Market price, SEK	41.49	57.95
Dividend, SEK	0.84 ⁴⁾	1.20
Equity attributable to owners of the parent, SEK ²⁾	37.71	36.77
Basic earnings per share, SEK	1.69	8.17
Diluted earnings per share, SEK	1.68	8.10
Average number of ordinary shares outstanding:		
– before dilution	325,223,889	322,945,842
– after dilution	326,442,359	326,332,029
Total number of registered shares	325,898,988	324,738,820
Number of shares outstanding ³⁾	325,898,988	324,676,320
– of which, Class A shares	84,637,060	84,637,060
– of which, Class B shares	241,261,928	240,039,260

¹⁾ Relates to Class B shares unless specified otherwise

²⁾ Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period

³⁾ After redemption and transfer of Ratos own shares

⁴⁾ Proposed dividend

Reconciliations between alternative performance measures (APM) and IFRS

Ratos applies financial measures that are not defined in IFRS but are so-called alternative performance measures (APMs).

The alternative performance measures presented are considered to be valuable supplementary information for analysts and other stakeholders for the evaluation and assessment of the Group's financial performance and position. Ratos's definitions of these performance measures may differ from other companies and, accordingly, these are

not always comparable with similar performance measures used in other companies.

The following reconciliations and accounts pertain to sub-components included in the material alternative performance measures used in this report. Reconciliation is made against the most reconcilable item, subtotal or total provided in the financial statements for the corresponding period. Definitions are available at www.ratos.com and on page 24 of this report.

Organic growth

SEKm	Q4 2022	Q4 2021	Q1-4 2022	Q1-4 2021
Growth Net Sales, %	42%	19%	32%	8%
Net sales	8,195	5,754	29,875	22,551
Acquired net sales	1,525	400	4,629	1,483
Effects from change in currency	228	357	914	16
Other	-15		-39	
Net sales, adjusted	6,458	4,998	24,371	21,052
Divested net sales in the comparison period	2		7	
Net sales, adjusted in the comparison period	5,752	4,844	22,544	20,941
Elimination of internal net sales	0	0	-15	0
Organic growth	706	154	1,841	111
Organic growth, %	12%	3%	8%	1%

EBITDA, EBITA and operating profit

SEKm	Q4 2022	Q4 2021	Q1-4 2022	Q1-4 2021
EBITDA	646	652	2,958	2,669
Depreciations and impairment	-328	-262	-1,240	-983
EBITA	318	390	1,718	1,686
Revaluation and capital gain/loss listed shares		164	-118	-116
Restructuring costs			-130	
Adjusted EBITA	318	226	1,966	1,802
Amortisation and impairment of intangible assets in connection with company acquisitions	-36	-11	-100	-30
Operating profit	282	379	1,618	1,656

Cash flow from operations

SEKm	Q4 2022	Q4 2021	Q1-4 2022	Q1-4 2021
Cash flow from operating activities	121	234	1,907	1,448
Investment and disposals, intangible assets/property, plant and equipment	-126	-114	-405	-419
Lease payments	-242	-159	-1,081	-870
Income tax paid	71	114	301	265
Cash flow from operations	-175	75	723	425

Interest-bearing net debt

SEKm	2022-12-31	2021-12-31
Interest-bearing liabilities, other	7,371	2,575
Financial leasing liabilities	5,670	5,507
Provisions for pensions	60	76
Interest-bearing assets	-101	-78
Cash and cash equivalents	-2,532	-2,230
Interest-bearing net debt	10,468	5,850

Segments by quarter, summary

	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Net sales, SEKm	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
Construction & Services	3,668	4,098	4,059	5,077	16,901	2,410	2,997	2,635	3,365	11,406
Consumer	1,279	3,018	1,540	1,148	6,986	868	2,708	1,489	1,166	6,232
Industry	1,280	1,310	1,441	1,971	6,002	1,155	1,289	1,247	1,223	4,913
Elimination of internal net sales	-7	-6	-2	0	-15	0	0	0	0	0
Ratos group	6,220	8,420	7,039	8,195	29,875	4,432	6,994	5,371	5,754	22,551
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
EBITDA, SEKm	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
Construction & Services	374	369	410	493	1,646	172	178	221	321	892
Consumer	62	799	162	-42	982	61	973	233	101	1,368
Industry	178	142	195	239	754	204	176	181	115	676
Revaluation and capital gain/loss listed shares	-100	-18			-118	-19	-113	-149	164	-116
Items affecting comparability	-130				-130					
Group costs	-49	-53	-28	-45	-175	-31	-48	-23	-49	-151
Ratos group	334	1,239	739	646	2,958	387	1,167	464	652	2,669
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
EBITA, adjusted, SEKm	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
Construction & Services	292	278	313	394	1,276	124	128	169	257	677
Consumer	-75	664	25	-189	424	-65	838	105	-33	845
Industry	87	76	123	160	445	148	118	115	51	432
Group costs	-50	-54	-29	-46	-179	-31	-48	-23	-49	-152
Ratos group	253	963	432	318	1,966	176	1,035	365	226	1,802
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Operating profit/loss, SEKm	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
Construction & Services	276	259	292	373	1,199	122	121	161	247	652
Consumer	-77	662	24	-191	420	-66	837	104	-34	840
Industry	87	76	118	152	433	148	118	115	51	432
Revaluation and capital gain/loss listed shares	-100	-18			-118	-19	-113	-149	164	-116
Items affecting comparability	-130				-130					
Group costs	-50	-54	-29	-53	-186	-31	-48	-23	-49	-152
Ratos group	5	925	406	282	1,618	154	915	208	379	1,656
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Profit/loss before tax, SEKm	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
Construction & Services	239	234	257	340	1,070	115	115	146	228	604
Consumer	-134	592	-32	-294	132	-135	753	39	-108	549
Industry	64	58	94	4	221	139	112	102	-48	305
Revaluation and capital gain/loss listed shares	-100	-18			-118	-19	-113	-149	164	-116
Items affecting comparability	-130				-130					
Group costs	-37	-42	24	59	4	-33	-39	-16	53	-36
Ratos group	-98	825	343	109	1,178	67	827	122	289	1,306

Specification of net financial items

	Q4 2022	Q4 2021	Change %	Q1-4 2022	Q1-4 2021	Change %
Ratos Group, SEKm						
Interest income	10	2	pos	15	4	pos
Interest expense	-60	-15	neg	-124	-74	-68%
Interest expense financial leasing	-70	-61	-15%	-266	-246	-8%
Net interest	-119	-74	-62%	-375	-316	-19%
Net exchange rate effects	-46	-6	neg	-9	-4	-141%
Other financial items	-8	-10	15%	-56	-30	-82%
Net financial items	-173	-90	-93%	-440	-350	-26%

	Q4 2022	Q4 2021	Change %	Q1-4 2022	Q1-4 2021	Change %
Parent company, SEKm						
Net interest	40	19	110%	149	39	pos
Net exchange rate effects	-13	-19	32%	-19	-29	34%
Other financial items	-12	-10	-17%	-36	-87	59%
Net financial items	15	-10	pos	94	-76	pos

Definitions

Dividend yield

Proposed dividend on ordinary shares expressed as a percentage of the Class B share's closing price at the period's last trading day.

Total return

Price development of Class B shares including reinvested dividends (this year's paid dividend) on ordinary shares.

Return on equity

Profit for the period attributable to owners of the parent for the last 12 months divided by average equity attributable to owners of the parent during the five most recent quarters.

Return on equity, continuing operations

Profit for the period from continuing operations attributable to owners of the parent for the last 12 months divided by average equity attributable to owners of the parent during the five most recent quarters.

Return on capital employed

Adjusted EBITA for the last 12 months as a percentage of average capital employed during the five most recent quarters.

EBITDA

EBITA with depreciation, amortisation and impairment reversed (Earnings Before Interest, Tax, Depreciation and Amortisation).

EBITDA margin

EBITDA expressed as a percentage of net sales.

EBITA

Operating profit before impairment of goodwill as well as amortisation and impairment of other intangible assets that arose in conjunction with company acquisitions and similar transactions (Earnings Before Interest, Tax and Amortisation).

EBITA margin

EBITA expressed as a percentage of net sales.

Equity per share

Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period.

Adjusted EBITA

EBITA adjusted for capital gains and the revaluation of listed shares and non-recurring items affecting comparability at the business area level.

Adjusted EBITA margin

Adjusted EBITA expressed as a percentage of net sales.

Average number of employees

Total number of hours worked during the most recent full year restated as full-time positions. Also includes average number of employees in key associates.

Organic growth

Net sales growth in comparable units. The effects of acquisitions, divestments and exchange rate changes are excluded.

Basic earnings per share

Profit for the period attributable to owners of the parent company divided by the average number of outstanding ordinary shares.

Diluted earnings per share

When calculating diluted earnings per share, earnings and the average number of shares are adjusted to take into account the effects of potential ordinary shares, which, for the reported periods, pertain to convertible debt instruments and warrants issued to employees.

Interest-bearing net debt

Interest-bearing liabilities and pension provisions minus interest-bearing assets and cash and cash equivalents.

Cash flow from operations

Cash flow from operating activities, excluding paid tax, but including cash flow from investments and divestments of intangible assets and property, plant and equipment, as well as amortisation of lease liabilities and interest paid on leasing.

Capital employed

Equity, non-controlling interests and interest-bearing liabilities.

Leverage

Interest-bearing net debt in relation to EBITDA for the last 12 months.

Equity ratio

Reported equity expressed as a percentage of total assets. Non-controlling interests are included in equity.

Last 12-month period

The most recent 12 months.

Investor presentation

13 February at 9:00 a.m.

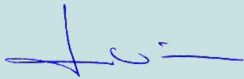
Webcast: <https://youtu.be/6rBHv2vp6t4>

Financial calendar**2023**

Publication of Ratos's 2022 Annual Report	7 March
Annual General Meeting	28 March
Interim report Q1 2023	27 April
Interim report Q2 2023	19 July
Interim report Q3 2023	23 October

Stockholm, 13 February 2023

Ratos AB (publ)



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This report has not been reviewed by Ratos's auditors.

This is information that Ratos AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 7:00 a.m. CET on 13 February 2023.

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Ratos is a business group consisting of 16 companies divided into three business areas: Construction & Services, Consumer and Industry. Our business concept is to own and develop companies that are or can become market leaders. We have a distinct corporate culture and strategy – everything we do is based on our core values: Simplicity, Speed in Execution and It's All About People. We enable independent companies to excel by being part of something larger. People, leadership, culture and values are key focus areas.