

# RATOS



## Interim report January - June 2017

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17 August 2017

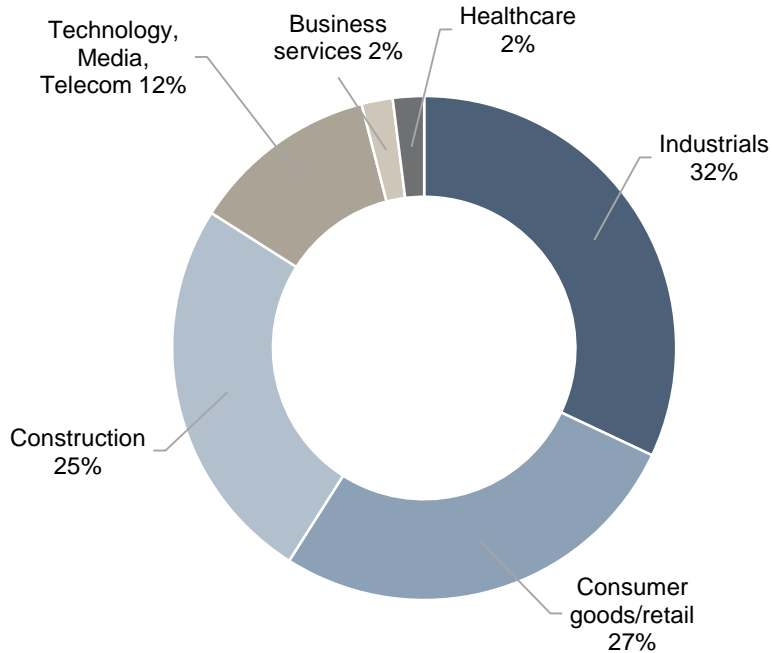
# An eventful first half of the year with improved profit

- Updated strategic agenda presented on Ratos's Capital Markets Day
- Important divestments signed in the second quarter
  - Nebula and Serena Properties
- Divestment of AH Industries and the remaining shares of Arcus in the first quarter
- Redemption of all Class C preference shares
- Good result development

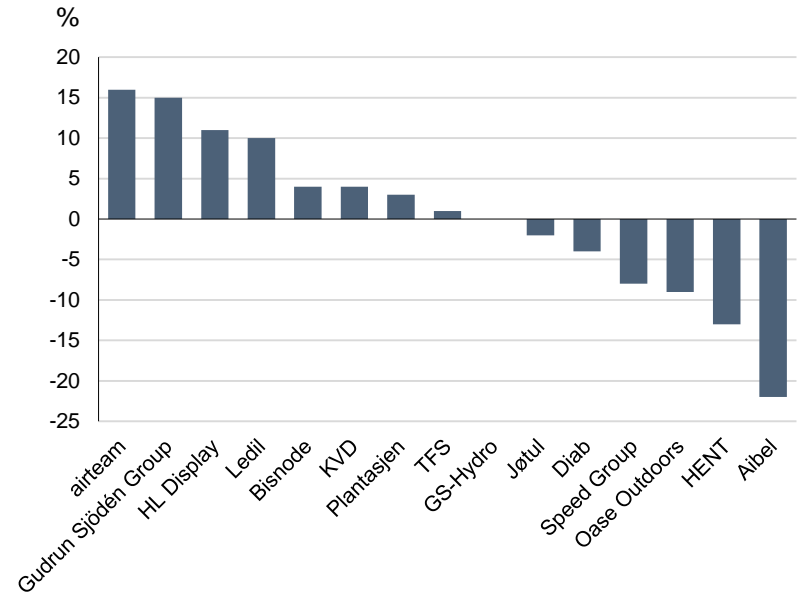


# Diversified company portfolio

Sales breakdown by segment\*, at 30 June 2017



Net sales trend\* at 30 June 2017 (Local currency)



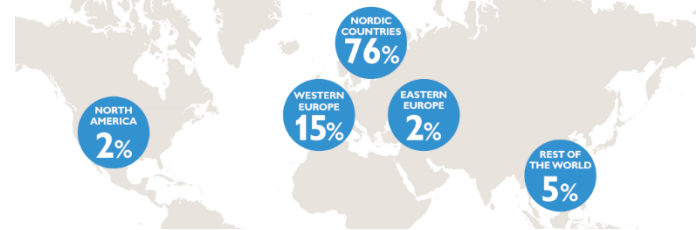
\* Adjusted for the size of Ratos's holding.

# Varied market situation

- Varies between the companies, which are exposed to different segments and geographies
- Overall positive market development
- Continued uncertainty in the offshore market
  - Weak market development in offshore affecting Aibel and GS-Hydro



Sales breakdown by geographic market



-1%\*

Sales growth Q2  
2017

+2%\*

Sales growth YTD  
2017

\* Adjusted for the size of Ratos's holding.

# Improved earnings

- Development in company portfolio
  - Increased reported EBITA
- Improved profit before tax
  - Increased from SEK 7m to SEK 514m
- Lowered central management costs
  - From SEK -145m to SEK -84m, YTD 2017
  - From SEK -100m to SEK -39m, Q2 2017
- Continued focus on earnings and development of the portfolio companies



# Continued focus on long-term value creation

- Growth initiatives through add-on acquisitions
  - Plantasjen, Bisnode and Speed Group
- Strategic and operational investments
  - Plantasjen and HENT
  - Ledil, Oase Outdoors, Speed Group, Diab and TFS
- Efficiency enhancement of Ratos's central organisation
- Capital contributions
  - HL Display
  - GS-Hydro (after the end of the period)



# Performance in the companies<sup>1)</sup> Jan-Jun 2017

	Ratos's holding	
Sales in the portfolio	11,421	+2%
The portfolio's EBITA	757	+21%
Adjusted EBITA <sup>2)</sup> in the portfolio	777	-4%
EBT	514	7

<sup>1)</sup> Comparison with corresponding period last year and for comparable companies.

<sup>2)</sup> Excluding items affecting comparability.

# Performance in the companies<sup>1)</sup> Q2 2017




	Ratos's holding	
Sales in the portfolio	6,383	-1%
The portfolio's EBITA	694	+7%
Adjusted EBITA <sup>2)</sup> in the portfolio	706	-6%
EBT	546	32

<sup>1)</sup> Comparison with corresponding period last year and for comparable companies.

<sup>2)</sup> Excluding items affecting comparability.



# Company overview – development status

GOOD DEVELOPMENT 			DEVIATIONS 			CHALLENGES 		
HENT	Sales	+1%	Aibel	Sales	+5%	GS-Hydro	Sales	-1%
KVD	EBITA	+1%	Bisnode	EBITA	+68%	Jøtul	EBITA	+27%
Ledil	EBITA marg	+9.4% (9.3)	Diab	EBITA marg	+5.5% (3.5)		EBITA marg	-8.1% (-11.0)
Plantasjen			HL Display					
airteam			TFS					
Gudrun Sjødén Group								
Oase Outdoors								
Speed Group								
<b>64%</b> <small>Share of EBITA*</small>			<b>49%</b> <small>Share of EBITA*</small>			<b>-13%</b> <small>Share of EBITA*</small>		

\*) Rolling 12 months

# Important exits for Ratos

- **Nebula**
  - Sold to Telia Company
  - Exit gain SEK 515m, IRR 37%, Money Multiple 3,3x
- **Serena Properties**
  - Sold to Fastighets AB Balder
  - Exit gain appr SEK 90m, IRR appr 30%, Money Multiple appr 1,5x



Divestment of Nebula was completed in July, Serena is expected to be completed in the third quarter

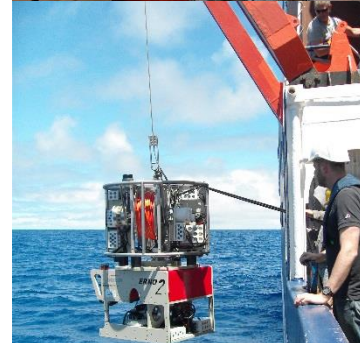
# Activity level in the transaction market still good

- Continued high activity and challenging valuations
- Continued good access to bank financing
- Cash position SEK 1,281m
  - Cash position after closing of the divestments of Nebula and Serena Properties approximately 2,4 bn SEK



# Outlook

- Market development varies between segments and geographies
  - Continued weak development within offshore
- Focus on earnings in portfolio companies
- High activity in the transaction market but challenging valuations
- Looking for companies that fits Ratos's unique offering
- Further effects from lowered central management costs



# Q&A