

Interim report Q2 2023



Interim report January–June 2023

Q2 2023

- Adjusted¹⁾ EBITA amounted to SEK 1,078m (963)
- Operating profit amounted to SEK 1,038m (925)
- Profit for the period amounted to SEK 682m (689) and was impacted by weaker net financial items of SEK -107m
- Diluted earnings per share amounted to SEK 1.79 (1.83)
- Cash flow from operating activities amounted to SEK 2,024m (1,054)

January-June 2023

- Adjusted¹⁾ EBITA amounted to SEK 1,402m (1,215)
- Operating profit amounted to SEK 1,323m (930)
- Operating profit in the year-earlier period was negatively impacted by an unrealised loss of SEK -118m related to the revaluation of shares in Dun & Bradstreet Holding Inc and restructuring costs of SEK -130m attributable to Diab
- Diluted earnings per share amounted to SEK 1.71 (1.17)
- Cash flow from operating activities amounted to SEK 2,531m (674)
- Leverage excluding finance leases was 1.6x (0.6x)

Significant events during and after the end of the quarter

- During the second quarter, Ratos concluded the process for a compulsory buy-out of the remaining shares in Semcon. As of 30 June, the company is a wholly owned subsidiary
- On 3 April, HL Display acquired the companies Oechsle Display Systems and werba print & display
- On 2 June, Speed Group signed an agreement to acquire Supplier Partner, a Gothenburg-based company in industrial logistics

Ratos Group, SEKm

	Q2 2023	Q2 2022	Change %	Q1-2 2023	Q1-2 2022	Change%	LTM Full Year		
							Rolling	2022	Change%
Net sales	10,001	8,420	19%	17,818	14,640	22%	33,052	29,875	11%
EBITDA	1,421	1,239	15%	2,082	1,573	32%	3,467	2,958	17%
EBITA, adjusted ¹⁾	1,078	963	12%	1,402	1,215	15%	2,153	1,966	9%
EBITA %, adjusted ¹⁾	10.8%	11.4%		7.9%	8.3%		6.5%	6.6%	
EBITA	1,078	945	14%	1,402	967	45%	2,153	1,718	25%
EBITA %	10.8%	11.2%		7.9%	6.6%		6.5%	5.8%	
Operating profit	1,038	925	12%	1,323	930	42%	2,011	1,618	24%
Profit before tax	831	825	1%	921	727	27%	1,373	1,178	17%
Profit for the period	682	689	-1%	739	551	34%	1,067	879	21%
Basic earnings per share, SEK	1.80	1.84	-2%	1.71	1.18	45%	2.22	1.69	31%
Diluted earnings per share, SEK	1.79	1.83	-2%	1.71	1.17	46%	2.22	1.68	32%
Cash flow from operating activities ²⁾	2,024	1,054	92%	2,531	674	pos	3,288	1,431	130%
Leverage excl. financial leasing				1.6x	0.6x		1.6x	2.5x	
Return on capital employed excl. financial leasing				10.3%	10.5%		10.3%	10.2%	

¹⁾ For reconciliation of EBITA, adjusted see page 19. For definition see page 22.

²⁾ Cash flow metric is changed from January 1st 2023 retroactively, for more information see page 16 "Note 1 Accounting principles".

Increased EBITA, strong cash flow and decreased leverage

Adjusted EBITA amounted to SEK 1,078m (963) for the quarter, up 12%. Excluding the acquisitions of Knightec and Semcon, both of which were carried out in autumn 2022, EBITA increased 9%. The Group's sales in the quarter increased 19% to SEK 10,001m, of which 7% was organic growth. Cash flow improved, and Ratos's leverage declined to 1.6x compared with 2.5x by the end of 2022.

Sales for the period amounted to SEK 10,001m (8,420), up 19% year on year. Organic sales growth in the period amounted to 7%. Adjusted EBITA amounted to SEK 1,078m, up 12%. Reported EBITA totalled SEK 1,078m, an increase of 14%. Organic EBITA growth amounted to 9%.

The strong cash flow in the quarter, together with improved EBITDA, meant that Ratos's leverage continued to decrease to 1.6x compared with 2.5x by the end of 2022. Ratos's financial target is 1.5x–2.5x.

In order to create uniform business areas, we have decided to report Speed Group and Oase Outdoors in the Industry business area as of this quarter. The companies were previously reported in the Construction & Services and Consumer business areas, respectively.

Development of Ratos's business areas

EBITA for the **Construction & Services** business area amounted to SEK 293m (250), up 17%, and the EBITA margin was 6% (6). The business area's net sales for the quarter amounted to SEK 4,573m, a year-on-year increase of 20%. This increase was driven by strong organic growth (19%) and completed acquisitions (4%). Overall, the business area is well equipped with record-breaking order books and construction operations with very limited exposure to the housing market and a high share of partnering projects.

EBITA for the **Consumer** business area amounted to SEK 581m (587). The EBITA margin was 22% (22). Net sales in the business area for the second quarter amounted to SEK 2,630m (2,709), down 3% year on year. Organic growth was negative and amounted to -1%. Plantasjen's net sales for the second quarter amounted to SEK 2,132m, up 1% year on year. Plantasjen reported earnings of SEK 543m (565) for the second quarter. The decline in earnings in SEK was entirely attributable to the weak NOK. Despite a challenging consumer market, a weak start to the quarter and higher rental costs, Plantasjen delivered its strongest quarter to date in local currency, with the exception of the pandemic years 2020 and 2021.

Adjusted EBITA for the **Industry** business area amounted to SEK 258m (180) for the quarter, up 43% year on year. The adjusted EBITA margin was 9% (9). The improvement in earnings was mainly attributable to significantly improved earnings in Diab and

to the acquisitions of Knightec and Semcon. Net sales amounted to SEK 2,798m (1,911), up 46%. The organic growth in the quarter was negative and amounted to -8% and was entirely a result of lower sales in Oase Outdoors, which in the first quarter increased its sales by 27% and Speed Group whose sales decline was related to significantly lower volumes for one of the company's main customers. The structural effect was 48% and attributable to the acquired companies Semcon and Knightec. Demand in the business area varied during the period but improved at the end of the quarter.

Ratos companies are building, maintaining and developing a sustainable society

In recent years, we have captured significant positions in future-oriented industries in technology and infrastructure solutions. New technological solutions will be crucial to the successful transition to a long-term sustainable society. Engineers with technological expertise will play an important role. During the quarter, our technology consultancy companies continued to develop solutions for companies in the defence industry and other areas. TFS HealthScience, which delivers projects and resources to biotech and pharmaceutical companies involved in customised clinical development, displayed a strong performance during the quarter.

Ratos's infrastructure initiative in Norway had a good start to the year, with new contracts worth more than NOK 2 billion secured, while the first contracts in Sweden have been signed. On the construction side, we also announced several new partnering contracts during the quarter, including a partnership between Vestia (part of SSEA Group) and HENT to build Kaj 16, a new wooden landmark that will reshape the skyline of Gothenburg.

The external environment remains difficult to assess, with several well-known challenges affecting the market. Our structural capital and our Ratos Business System (RBS) operational model provide us with all the necessary conditions to create shareholder value.

I look forward to our continued development into a more streamlined group with a focus on technology and infrastructure solutions in an improved M&A market.

Jonas Wiström, President and CEO

Group performance Q2 2023

Net sales

Net sales for the period amounted to SEK 10,001m (8,420), up 19% year on year. Organic sales growth in the period amounted to 7%. Construction & Services reported organic sales growth (19%), while Consumer (-1%) and Industry (-8%) declined organically. Currency effects had a negative effect of SEK -50m (-1%) on net sales. The structural effect amounted to SEK 1,071m (13%) and was mainly attributable to the acquisitions of Semcon and Knightec in the Industry business area.

Adjusted EBITA

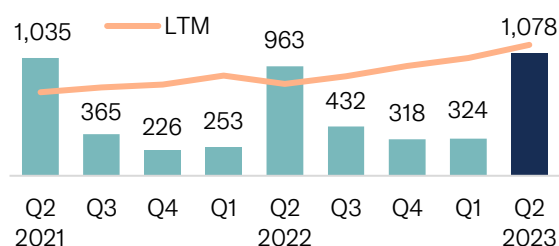
Adjusted EBITA during the quarter amounted to SEK 1,078m (963). The adjusted EBITA margin was 10.8% (11.4). The improvement in earnings was due to higher earnings in the Construction & Services and Industry business areas and pertains to organic EBITA growth as well as acquired EBITA in Industry through Semcon and Knightec. In Construction & Services, the construction-related operations reported a positive earnings trend, while Aibel's earnings increased compared with the same quarter last year. In the Consumer business area, Plantasjen delivered slightly weaker earnings than in the corresponding quarter last year, exclusively as a result of the weak NOK. In the Industry business area, Diab reported a strong improvement in earnings driven by a favourable performance in marine, industry and aerospace.

Financial performance Q2 2023

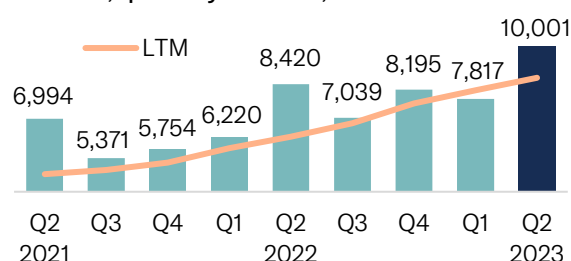
SEKm	Net sales			EBITA, adjusted		
	Q2 2023	Q2 2022	Change%	Q2 2023	Q2 2022	Change %
Construction & Services	4,573	3,802	20%	293	250	17%
Consumer	2,630	2,709	-3%	581	587	-1%
Industry	2,798	1,911	46%	258	180	43%
Group costs				-53	-54	1%
Elimination of internal net sales		-1				
Net sales and adjusted EBITA	10,001	8,420	19%	1,078	963	12%
Revaluation and gain/loss listed shares					-18	100%
Amortisation and impairment of intangible assets in connection with company acquisitions				-40	-20	-97%
Consolidated operating profit				1,038	925	12%
Finance net				-207	-100	-107%
Profit before tax				831	825	1%
Tax				-149	-135	-10%
Profit for the period				682	689	-1%

From Q2 2023, Ratos has changed the composition of its business areas. For more information see page 16 "Note 1 Accounting principles".

Adjusted EBITA, quarterly and LTM, SEKm



Net sales, quarterly and LTM, SEKm



Sales bridge Q2

	Net sales
2022, SEKm	8,420
Structure, %	13%
Currency, %	-1%
Other, %	0%
Organic growth, %	7%
Total, %	19%
2023, SEKm	10,001

Group performance January–June 2023

Net sales

Net sales for the period amounted to SEK 17,818m (14,640), up 22% year on year. Organic sales growth in the period amounted to 7%. Construction & Services reported organic sales growth, while Consumer and Industry's sales declined organically. Currency effects had a negative effect of SEK -51m (-0%) on net sales. The structural effect amounted to SEK 2,154m (15%), which was mainly attributable to the acquisitions of Semcon and Knightec.

Adjusted EBITA

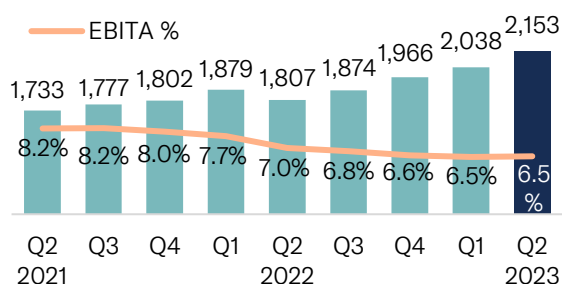
Adjusted EBITA in the period amounted to SEK 1,402m (1,215). The adjusted EBITA margin was 7.9% (8.3). The improvement in earnings was due to higher earnings in the Construction & Services and Industry business areas and pertains to organic EBITA growth as well as acquired EBITA. Earnings in the Consumer business area declined during the period due to Plantasjen, whose sales were lower in the first quarter than in the same quarter last year.

Financial outlook January–June 2023

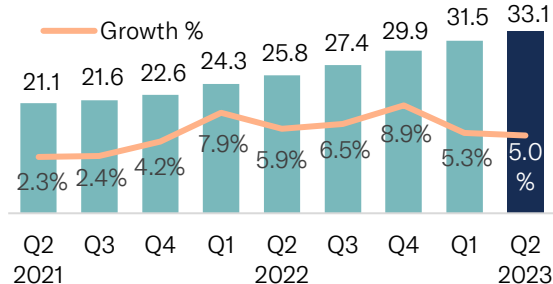
SEKm	Net sales					EBITA, adjusted				
	Q1-2 2023	Q1-2 2022	Change%	Rolling LTM	Full Year 2022	Q1-2 2023	Q1-2 2022	Change%	Rolling LTM	Full Year 2022
Construction & Services	8,832	7,161	23%	17,400	15,730	577	508	13%	1,198	1,130
Consumer	3,460	3,841	-10%	6,011	6,392	368	482	-24%	212	326
Industry	5,526	3,639	52%	9,641	7,755	561	330	70%	901	671
Group costs						-103	-104	1%	-159	-160
Elimination of internal sales	-0	-1		-0	-1					
Net sales and adjusted EBITA	17,818	14,640	22%	33,052	29,875	1,402	1,215	15%	2,153	1,966
Revaluation and gain/loss listed shares							-118	100%		-118
Items affecting comparability							-130	100%		-130
Amortisation and impairment of intangible assets in connection with company acquisitions						-79	-38	-111%	-142	-100
Consolidated operating profit						1,323	930	42%	2,011	1,618
Finance net						-401	-203	-98%	-638	-440
Profit before tax						921	727	27%	1,373	1,178
Tax						-182	-176	-4%	-305	-299
Profit for the period						739	551	34%	1,067	879

From Q2 2023, Ratos has changed the composition of its business areas. For more information see page 16 "Note 1 Accounting principles".

Adjusted EBITA, LTM, SEKm



Net sales, LTM, SEKbn



Sales bridge, January–June

	Net sales
2022, SEKm	14,640
Structure, %	15%
Currency, %	0%
Other, %	0%
Organic growth, %	7%
Total, %	22%
2023, SEKm	17,818

Construction & Services

Net sales

Net sales for the second quarter amounted to SEK 4,573m (3,802), a year on year increase of 20%, whereof 19% was driven by strong organic growth of services in construction and critical infrastructure and 4% was driven by completed acquisitions.

The business area has record-breaking order books and construction operations with very limited exposure to the housing market and a high share of partnering projects. For Aibel, projects in offshore wind and electrification continued to deliver a strong performance.

EBITA

EBITA for the business area amounted to SEK 293m (250) for the quarter, up 17%, and the EBITA margin was 6.4% (6.6).

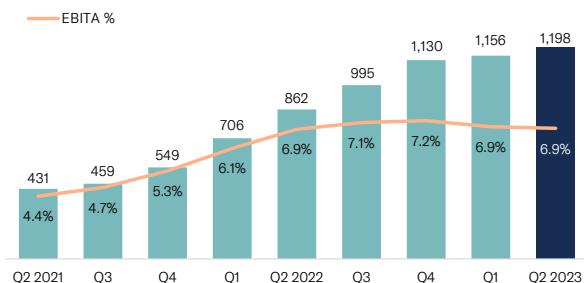
Financial performance

SEKm	Q2 2023	Q2 2022	Change %	Q1-2 2023	Q1-2 2022	Change %	LTM Full Year Rolling	2022	Change%
Net sales	4,573	3,802	20%	8,832	7,161	23%	17,400	15,730	11%
EBITA, adjusted	293	250	17%	577	508	13%	1,198	1,130	6%
EBITA %, adjusted	6.4%	6.6%		6.5%	7.1%		6.9%	7.2%	
EBITA	293	250	17%	577	508	13%	1,198	1,130	6%
EBITA %	6.4%	6.6%		6.5%	7.1%		6.9%	7.2%	
Operating profit	272	233	17%	537	477	13%	1,121	1,061	6%
Operating profit %	6.0%	6.1%		6.1%	6.7%		6.4%	6.7%	
Cash flow from operating activities ¹⁾	485	301	61%	981	483	103%	1,987	1,490	33%
Return on capital employed, business area %				17%	19%		17%	15%	
Average number of employees								6,798	

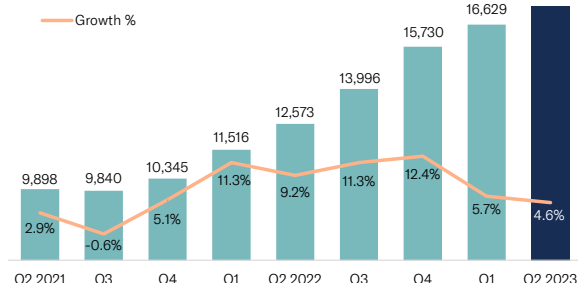
1) Cash flow metric is changed from January 1st 2023 retroactively, for more information see page 16 "Note 1 Accounting principles".

From Q2 2023, Speed Group is included in the business area Industry. For more information see page 16 "Note 1 Accounting principles".

EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2023	Q1-2 2023
2022, SEKm	3,802	7,161
Structure, %	4%	5%
Currency, %	-3%	-3%
Other, %	0%	0%
Organic growth, %	19%	21%
Total, %	20%	23%
2023, SEKm	4,573	8,832

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 and SSEA Group.

Consumer

Net sales

Net sales in the business area for the second quarter amounted to SEK 2,630m (2,709), down 3% year on year. Organic growth was negative and amounted to -1%, driven by a planned reduction in KVD's sales from its own inventory. Plantasjen's net sales for the second quarter amounted to SEK 2,132m, a year on year increase of 1%. Despite a challenging consumer market, a weak start to the quarter and higher rental costs, Plantasjen delivered its strongest quarter to date in terms of sales and earnings in local currency, with the exception of the pandemic years 2020 and 2021.

EBITA

EBITA for the business area amounted to SEK 581m (587) for the quarter. The EBITA margin was 22.1% (21.7). Plantasjen reported earnings of SEK 543m (565) in the second quarter. The decline in earnings in SEK was entirely attributable to the weak NOK. KVD improved its earnings during the quarter as a result of a completed restructuring.

Financial performance

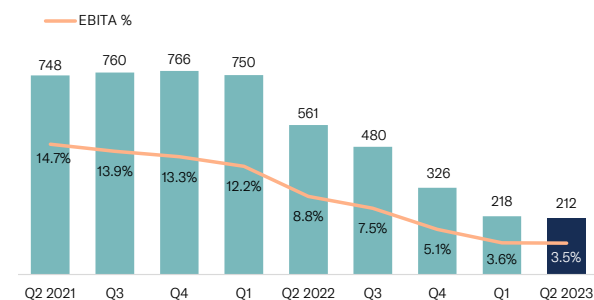
SEKm	Q2 2023	Q2 2022	Change %	Q1-2 2023	Q1-2 2022	Change %	LTM Full Year Rolling	2022	Change%
Net sales	2,630	2,709	-3%	3,460	3,841	-10%	6,011	6,392	-6%
EBITA, adjusted	581	587	-1%	368	482	-24%	212	326	-35%
EBITA %, adjusted	22.1%	21.7%		10.6%	12.5%		3.5%	5.1%	
EBITA	581	587	-1%	368	482	-24%	212	326	-35%
EBITA %	22.1%	21.7%		10.6%	12.5%		3.5%	5.1%	
Operating profit	580	586	-1%	366	480	-24%	208	321	-35%
Operating profit %	22.0%	21.6%		10.6%	12.5%		3.5%	5.0%	
Cash flow from operating activities ²⁾	1,197	692	73%	994	366	pos	584	-45	pos
Return on capital employed, business area %				1%	12%		1%	4%	
Average number of employees								1,521	

1) Refer to page 20 for Plantasjens Net sales and EBITA, adjusted.

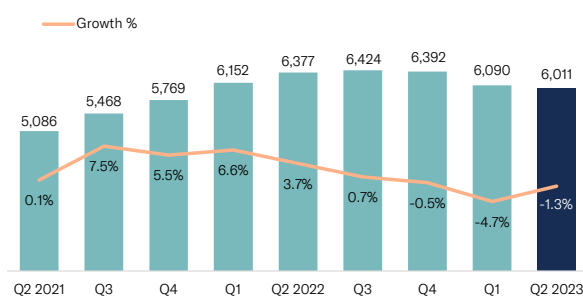
2) Cash flow metric is changed from January 1st 2023 retroactively, for more information see page 16 "Note 1 Accounting principles".

From Q2 2023, Oase Outdoors is included in the business area Industry. For more information see page 16 "Note 1 Accounting principles".

EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2023	Q1-2 2023
2022, SEKm	2,709	3,841
Structure, %	0%	0%
Currency, %	-2%	-2%
Organic growth, %	-1%	-8%
Total, %	-3%	-10%
2023, SEKm	2,630	3,460

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 and Plantasjen.

Industry

Net sales

Net sales in the business area for the second quarter amounted to SEK 2,798m (1,911), a year on year increase of 46%. The increase was attributable to the acquired companies Semcon and Knightec. Organic growth was negative and amounted to -8% for the quarter. The structural effect amounted to 48%. Demand in the quarter varied, but improved towards the end of the quarter.

Organic sales growth was negative, exclusively as a result of lower sales in Oase Outdoors and Speed Group. Oase Outdoors' sales decreased in the quarter, mainly as a result of an early start to the season with favourable sales in the first quarter. The decline in sales for Speed Group was attributable to lower volumes for one of its main customers.

Adjusted EBITA

Adjusted EBITA for the business area amounted to SEK 258m (180) for the quarter, up 43% year on year. The adjusted EBITA margin was 9.2% (9.4). The improvement in earnings was mainly attributable to improved earnings in Diab and to the acquired companies Semcon and Knightec.

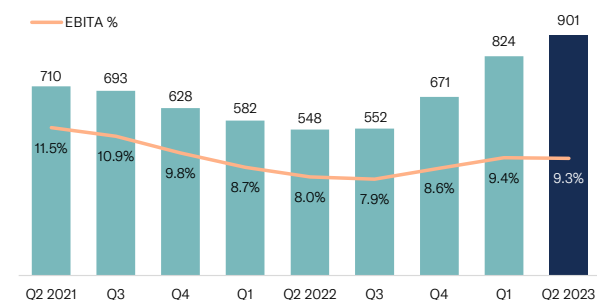
Financial performance

SEKm	Q2 2023	Q2 2022	Change %	Q1-2 2023	Q1-2 2022	Change %	LTM Rolling	Full Year 2022	Change%
Net sales	2,798	1,911	46%	5,526	3,639	52%	9,641	7,755	24%
EBITA, adjusted	258	180	43%	561	330	70%	901	671	34%
EBITA %, adjusted	9.2%	9.4%		10.1%	9.1%		9.3%	8.6%	
EBITA	258	180	43%	561	200	pos	901	540	67%
EBITA %	9.2%	9.4%		10.1%	5.5%		9.3%	7.0%	
Operating profit	239	178	35%	523	195	pos	841	514	64%
Operating profit %	8.6%	9.3%		9.5%	5.4%		8.7%	6.6%	
Cash flow from operating activities ¹⁾	414	250	66%	640	141	pos	929	430	116%
Return on capital employed, business area %				10%	9%		10%	10%	
Average number of employees								6,765	

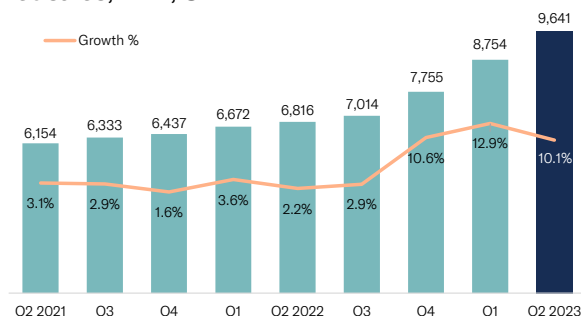
1) Cash flow metric is changed from January 1st 2023 retroactively, for more information see page 16 "Note 1 Accounting principles".

From Q2 2023, Speed Group and Oase Outdoors is included in the business area Industry. For more information see page 16 "Note 1 Accounting principles".

Adjusted EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2023	Q1-2 2023
2022, SEKm	1,911	3,639
Structure, %	48%	49%
Currency, %	6%	5%
Other, %	0%	0%
Organic growth, %	-8%	-2%
Total, %	46%	52%
2023, SEKm	2,798	5,526

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, Oase Outdoors, Semcon, Speed Group and TFS HealthScience.

Financial overview, Ratos Group

Cash flow Q2

Cash flow from operating activities amounted to SEK 2,024m (1,054). Cash flow from investing activities amounted to SEK -272m (-161) and cash flow from financing activities to SEK -1,879m (-1,417). Cash flow for the quarter amounted to SEK -127m (-525).

The change in cash flow for the quarter was mainly attributable to operating activities, with changes in working capital amounting to SEK 754m (20). Financing activities were mainly impacted by a decline in external loans, which amounted to SEK -1,243m (-996), as well as dividends to shareholders of SEK -274m.

Cash flow January–June

Cash flow from operating activities amounted to SEK 2,531m (674). Cash flow from investing activities amounted to SEK -435m (-288) and cash flow from financing activities to SEK -2,628m (-1,376). Cash flow for the period amounted to SEK -532m (-990).

The change in cash flow for the period was mainly attributable to operating activities, with operating profit amounting to SEK 1,323m (930), dividends received from associates amounting to SEK 122m (-) and changes in working capital amounting to SEK 701m (-561). Investing activities were mainly affected by lower purchase prices for acquired companies of SEK -238m (-768). In the year-earlier period, cash flow was positively affected by the sale of listed shares (SEK 690m). Financing activities were mainly impacted by the change in external loans, which amounted to SEK -1,737m (-327), as well as dividends to shareholders of SEK -274m (-390).

Tax Q2

The tax expense for the Group amounted to SEK -149m (-135) and profit before tax to SEK 831m (825). The effective tax rate for the quarter was 18% (16).

Tax January–June

The tax expense for the Group amounted to SEK -182m (-176) and profit before tax to SEK 921m (727). The effective tax rate for the period was 20% (24), which is in line with the Group's nominal tax rate of approximately 20%.

Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 1,987m (2,532 at 31 December 2022) and interest-bearing net debt excluding financial lease liabilities amounted to SEK 3,750m (4,798 at 31 December 2022). The Group's leverage excluding financial lease liabilities at the end of the period amounted to 1.6x (2.5x at 31 December 2022). The Group's interest-bearing net debt including financial lease liabilities totalled SEK 9,498m (10,468 at 31 December 2022). Including financial lease liabilities, the Group's leverage at the end of the period amounted to 2.7x (3.5x at 31 December 2022). The total translation effect of currency for interest-bearing liabilities amounted to approximately SEK -77m, of which approximately SEK -15m related to liabilities to credit institutions and approximately SEK -63m to financial lease liabilities.

At the end of the period, the Group's interest-bearing liabilities to credit institutions amounted to SEK 5,108m (6,869 at 31 December 2022).

Ratos's equity

At 30 June 2023, Ratos's equity (attributable to owners of the parent) amounted to SEK 12,258m (12,289 at 31 December 2022), corresponding to SEK 38 (38) per share outstanding.

Parent company

The parent company's operating loss amounted to SEK -102m (-83) for the January–June period. The parent company's profit before tax amounted to SEK 88m (-56) and was positively impacted by dividends from Group companies of SEK 192m. Cash and cash equivalents in the parent company amounted to SEK 1,222m (410 at 31 December 2022).

The parent company has a related party relationship with its Group companies. For more information, refer to Note 28 in the 2022 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 January–June period amounted to SEK 1.71 (1.18) before dilution and to SEK 1.71 (1.17) after dilution. The closing price for Ratos's Class B shares on 30 June 2023 was SEK 30.22. The total return on Class B shares in the January–June period amounted to -25.1%, compared with the performance for the SIX Return Index, which was 11.3%.

Number of shares and repurchased/sold shares

Ratos owned no treasury shares during the period. During the second quarter, 117,500 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture. At 30 June 2023, the total number of shares and shares outstanding in Ratos (Class A and B shares) amounted to 326,016,488 and the number of votes to 108,775,003.

Incentive programmes

During the period, the parent company issued warrants and a convertible debenture in accordance with the resolution of the Annual General Meeting (AGM) on 28 March 2023. In total, 650,000 warrants and 990,000 convertibles were issued.

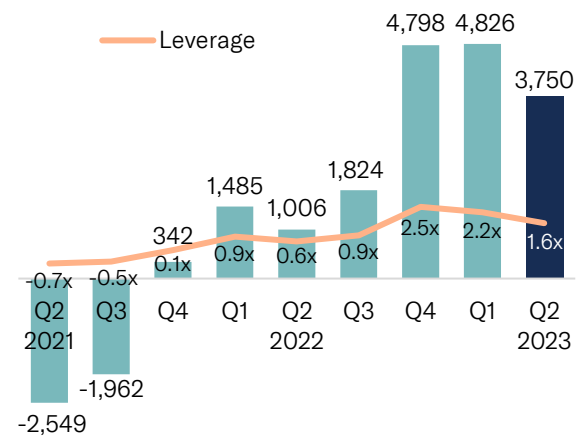
Significant events during and after the end of the quarter

During the second quarter, Ratos concluded the process for a compulsory buy-out of the remaining shares in Semcon. As of 30 June, the company is a wholly owned subsidiary.

On 3 April, HL Display acquired the companies Oechsle Display Systems and werba print & display

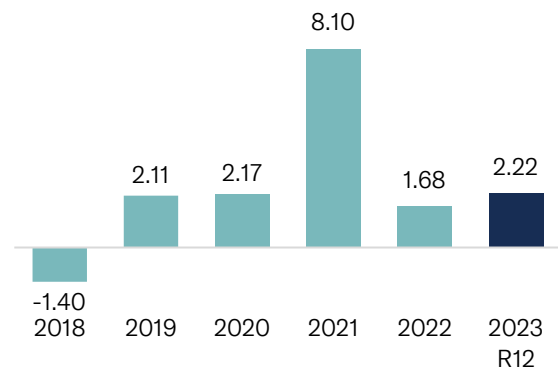
On 2 June, Speed Group signed an agreement to acquire Supplier Partner, a Gothenburg-based company in industrial logistics.

Interest-bearing net debt and leverage¹⁾, SEKm



¹⁾ Excluding financial lease liabilities

Diluted earnings per share, SEK



Financial statements

Summary consolidated income statement

SEKm	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022	Full Year 2022
Net sales	10,001	8,420	17,818	14,640	29,875
Other operating income	36	43	67	87	155
Cost of goods and services sold	-5,625	-5,089	-10,018	-8,912	-18,186
Employee benefit costs	-2,267	-1,543	-4,368	-3,035	-6,494
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets and right-of-use assets	-383	-314	-759	-644	-1,340
Other external costs	-805	-637	-1,567	-1,239	-2,529
Capital gain/loss from Group companies		0		-0	-0
Share of profit/loss from investments recognised according to the equity method	82	63	151	150	255
Revaluation and capital gain/loss listed shares		-18		-118	-118
Operating profit	1,038	925	1,323	930	1,618
Net financial items ¹⁾	-207	-100	-401	-203	-440
Profit before tax	831	825	921	727	1,178
Income tax	-149	-135	-182	-176	-299
Profit for the period, continuing operations	682	689	739	551	879
<i>Profit for the period attributable to:</i>					
Owners of the parent	586	598	558	383	548
Non-controlling interests	96	92	181	168	331
Earnings per share, SEK					
- basic earnings per share	1.80	1.84	1.71	1.18	1.69
- diluted earnings per share	1.79	1.83	1.71	1.17	1.68

¹⁾ See page 21 for a specification of the finance net

Consolidated statement of comprehensive income

SEKm	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022	Full Year 2022
Profit for the period	682	689	739	551	879
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of defined benefit pension obligations, net	-9	59	-9	59	46
Tax attributable to items that will not be reclassified to profit or loss					-4
	-9	59	-9	59	42
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation differences for the period	360	-93	18	143	392
Change in hedging reserve for the period	-179	1	-174	-10	-9
Tax attributable to items that may be reclassified subsequently to profit or loss	-3	-0	-4	2	1
	178	-93	-160	135	384
Other comprehensive income for the period	169	-34	-169	194	426
Total comprehensive income for the period	851	655	570	744	1,305
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the parent	760	573	480	549	913
Non-controlling interest	91	82	90	195	392

Summary consolidated statement of financial position

SEKm	2023-06-30	2022-06-30	2022-12-31
ASSETS			
Non-current assets			
Goodwill	14,814	11,074	14,811
Other intangible non-current assets	2,084	1,443	2,096
Property, plant and equipment	1,774	1,642	1,725
Right-of-use assets	5,167	5,063	5,100
Financial assets	1,433	1,565	1,675
Deferred tax assets	417	371	357
Total non-current assets	25,689	21,157	25,764
Current assets			
Inventories	2,401	2,487	2,477
Accounts receivable	3,716	3,351	3,699
Current receivables	2,430	1,641	2,703
Cash and cash equivalents	1,987	1,267	2,532
Total current assets	10,534	8,745	11,411
Total assets	36,223	29,902	37,175
EQUITY AND LIABILITIES			
Equity including non-controlling interests	13,698	13,521	13,788
Non-current liabilities			
Interest-bearing liabilities	10,078	6,911	11,318
Non-interest bearing liabilities	1,893	1,078	1,668
Pension provisions	60	56	60
Other provisions	47	34	44
Deferred tax liabilities	787	480	742
Total non-current liabilities	12,865	8,559	13,832
Current liabilities			
Interest-bearing liabilities	1,447	989	1,723
Non-interest bearing liabilities	7,609	6,290	7,393
Provisions	605	542	439
Total current liabilities	9,660	7,822	9,555
Total liabilities	22,525	16,381	23,387
Total equity and liabilities	36,223	29,902	37,175

Summary statement of changes in consolidated equity

SEKm	2023-06-30			2022-06-30			2022-12-31		
	Owners of the parent	Non-controlling interest	Total equity	Owners of the parent	Non-controlling interest	Total equity	Owners of the parent	Non-controlling interest	Total equity
Opening equity	12,289	1,499	13,788	11,940	1,387	13,326	11,940	1,387	13,326
Total comprehensive income for the period	480	90	570	549	195	744	913	392	1,305
Dividends	-274	-112	-386	-390	-176	-566	-390	-262	-651
Non-controlling interests' share of capital contribution and new issue		0	0		0	0		-0	-0
Transfer of treasury shares				2		2	2		2
Conversion of convertible loan to shares	3		3	8		8	33		33
The value of the conversion option of the convertible debentures	3		3	7		7	7		7
Option premiums	6		6	9		9	9		9
Put options, future acquisitions from non-controlling interests	-247	23	-224	-21	-196	-218	-227	-567	-794
Acquisition of shares in subsidiaries from non-controlling interests	-6	-64	-70				4	-10	-6
Disposal of shares in subsidiaries to non-controlling interests	3	4	7	-2	33	31	-1	36	35
Non-controlling interests at acquisition					177	177		522	522
Closing equity	12,258	1,440	13,698	12,102	1,419	13,521	12,289	1,499	13,788

Summary consolidated statement of cash flows

SEKm	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022	Full Year 2022
Operating activities					
Operating profit	1,038	925	1,323	930	1,618
Adjustment for non-cash items	466	266	889	722	1,227
	1,504	1,190	2,212	1,652	2,845
Received dividends from associated companies			122		
Interest and financial items, net	-161	-91	-299	-244	-476
Income tax paid	-73	-66	-205	-172	-301
Cash flow from operating activities before change in working capital	1,270	1,034	1,831	1,236	2,068
Cash flow from change in working capital					
Increase (-)/Decrease (+) in inventories	440	51	110	-590	-487
Increase (-)/Decrease (+) in operating receivables	284	-259	374	-438	-1,062
Increase (+)/Decrease (-) in operating liabilities	30	228	217	466	913
Cash flow from operating activities	2,024	1,054	2,531	674	1,431
Investing activities					
Acquisition, group companies	-190	-715	-238	-768	-4,542
Disposal, group companies				5	5
Investments and disposal, intangible assets/property, plant and equipment	-81	-132	-195	-210	-405
Investments and disposal, financial assets	-1	686	-2	686	685
Cash flow from investing activities	-272	-161	-435	-288	-4,257
Financing activities					
Non-controlling interests' share of issue/capital contribution		0	0	0	0
Transfer of treasury shares				2	2
Option premiums paid		15		15	17
Repurchase/final settlements options		-7	-0	-7	-11
Acquisition and disposal of shares in subsidiaries from non-controlling interests	-23	0	-27	1	-0
Dividends paid	-274		-274	-390	-390
Dividends paid, non-controlling interests	-114	-153	-129	-161	-248
Borrowings	1,052	1,127	1,829	1,979	9,957
Amortisation of loans	-2,295	-2,210	-3,566	-2,402	-5,519
Amortisation of financial lease liabilities	-225	-189	-461	-415	-816
Cash flow from financing activities	-1,879	-1,417	-2,628	-1,376	2,991
Cash flow for the period	-127	-525	-532	-990	165
Cash and cash equivalents at the beginning of the period	2,072	1,836	2,532	2,230	2,230
Exchange differences in cash and cash equivalents	42	-45	-13	27	138
Cash and cash equivalents at the end of the period	1,987	1,267	1,987	1,267	2,532

Summary parent company income statement

SEKm	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022	Full Year 2022
Other operating income	-0	-0	0	6	15
Administrative expenses	-53	-48	-101	-89	-149
Depreciation of property, plant and equipment	-0	-0	-0	-0	-1
Operating profit/loss	-53	-48	-102	-83	-135
Gain from sale of participating interests in group companies					110
Dividends from group companies			192		102
Net financial items ¹⁾	9	13	-3	26	94
Profit/loss after financial items	-44	-36	88	-56	172
Group contribution, recieved					92
Profit/loss before tax	-44	-36	88	-56	264
Income tax	25	35	39	38	56
Profit/loss for the period	-18	-0	127	-18	320

¹⁾ See page 21 for a specification of the finance net

Parent company statement of comprehensive income

SEKm	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022	Full Year 2022
Profit/loss for the period	-18	-0	127	-18	320
Other comprehensive income for the period	0	0	0	0	0
Total comprehensive income for the period	-18	-0	127	-18	320

Summary parent company balance sheet

SEKm	2023-06-30	2022-06-30	2022-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	4	3	3
Financial assets	10,737	7,984	10,150
Receivables from group companies	4,347	5,172	6,180
Deferred tax assets	169	112	130
Total non-current assets	15,257	13,271	16,464
Current assets			
Current receivables	35	50	48
Receivables from group companies	2,197	1,340	1,741
Cash and cash equivalents	1,222	295	410
Total current assets	3,455	1,684	2,199
Total assets	18,712	14,955	18,663
EQUITY AND LIABILITIES			
Equity	9,840	9,611	9,975
Non-current liabilities			
Interest-bearing liabilities, group companies	40	1,909	206
Interest-bearing liabilities	4,973	1,733	6,237
Convertible debentures	110	116	79
Deferred tax liabilities	3	3	3
Total non-current liabilities	5,127	3,761	6,524
Current provisions	96	70	86
Current liabilities			
Interest-bearing liabilities, group companies	3,457	1,345	1,464
Interest-bearing liabilities	97	2	590
Non-interest bearing liabilities, group companies	53	133	
Non-interest bearing liabilities	42	32	25
Total current liabilities	3,649	1,512	2,079
Total equity and liabilities	18,712	14,955	18,663

Summary parent company statement of changes in equity

SEKm	2023-06-30	2022-06-30	2022-12-31
Opening equity	9,975	9,994	9,994
Comprehensive income for the period	127	-18	320
Dividends	-274	-390	-390
Transfer of treasury shares		2	2
Conversion of convertible loan to shares	3	8	33
The value of the conversion option of the convertible debentures	4	8	8
Deferred tax, conversion option	-1	-2	-2
Option premiums	6	9	9
Closing equity	9,840	9,611	9,975

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.

As of 1 January 2023, Ratos has changed the presentation of its cash flow statement to harmonise its reporting against comparable companies. The difference entails that, as of 1 January 2023, interest rates and other incoming and outgoing financial payments are classified as operating activities rather than investing and financing activities, as was previously the case. The operational key figure "Cash flow from operations" has been replaced with "Cash flow from operating activities" in the tables for the Group and the business areas.

From the second quarter of 2023, Ratos has changed the composition of its business areas to better reflect the companies' business focus. Speed Group, which was previously part of the Construction & Services business area, and Oase Outdoors, which was previously part of the Consumer business area, now belong to the Industry business area. From the second quarter of 2023, Ratos's central holding companies are reported in their respective business areas rather than as "Group costs" as was the case in the past.

All comparative figures have been retroactively restated in accordance with the above changes, and in all other respects, the reporting and measurement principles are unchanged compared with those applied in Ratos's 2022 Annual Report.

The new and revised IFRS standards which came into force in 2023 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.

Note 2 Risks and uncertainties

Ratos is a 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 2022 Annual Report.

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 30 June 2023, the net value of derivatives (level two) amounted to SEK -7m (1 at 31 December 2022), of which SEK 3m (7 at 31 December 2022) was recognised as an asset and SEK 10m (6 at 31 December 2022) as a liability.

In the statement of financial position at 30 June 2023, the total value of financial instruments measured at fair value in accordance with level three was SEK 2,341m (2,058 at 31 December 2022). The change is presented in the table below.

Change, level 3 SEKm	Synthetic options		Call and put options		Contingent considerations	
	2023-06-30	2022-12-31	2023-06-30	2022-12-31	2023-06-30	2022-12-31
Opening balance	153	144	1,669	830	236	194
Recognised in comprehensive income	38	18	2	44		12
Recognised against equity			224	221		
Newly issued/subsequent expenditure		2		566	79	49
Acquisitions, Group companies				8		26
Settlements		-11			-60	-46
Closing balance	191	153	1,895	1,669	255	236

Note 4 Acquired and divested companies

Acquisitions within business areas

Construction & Services

In 2022, NVBS acquired the companies Ratatek and TKBM Entreprenad AB. The preliminary acquisition analyses were updated in 2023 after the final acquisition balances were determined. This has not entailed any significant effects for the Group.

In 2022, SSEA Group acquired the company Kiruna Målbygg AB. The preliminary acquisition analysis was updated in 2023 after the final acquisition balance was determined. This has not entailed any significant effects for the Group.

Consumer

In 2022, Plantasjen acquired Flyinge Plantshop AB. The preliminary acquisition analysis was updated in the first quarter of 2023 after the final acquisition balance was determined. This has not entailed any significant effects for the Group.

Industry

On 15 February, HL Display acquired the Swedish company Akriform Plast AB. The company is a producer of bulk bins and custom-made solutions for grocery retail and branded goods suppliers throughout the Nordics. The company's sales for the last 12 months amounted to SEK 85m at 31 March 2023.

In the first quarter of 2023, TFS conducted a minor acquisition of assets and liabilities in its subsidiary in Israel. The total purchase price amounted to EUR 0.2m.

On 3 April, HL Display acquired the company Oechsle Display Systems, a manufacturer of communication and shelf management solutions, and its sister company werba print & display, a provider of print and display solutions. Both companies have annual sales of EUR 13m.

On 2 June, Speed Group acquired the Swedish company Supplier Partner, a Gothenburg-based company in industrial logistics with annual sales of approximately SEK 60m.

The preliminary acquisition analyses for the add-on acquisitions carried out during the year and updated items pertaining to established acquisition analyses for previous acquisitions are presented below.

	SEKm
Intangible assets	81
Property, plant and equipment	34
Right-of-use assets	40
Financial assets	0
Deferred tax asset	0
Trade receivables	55
Current assets	87
Cash and cash equivalents	14
Deferred tax liability	-16
Non-current liabilities	-5
Current liabilities	-101
Net identifiable assets and liabilities	189
Goodwill	57
Purchase price	247
of which, paid in cash	192
of which, contingent consideration	55

Acquisition of Semcon

In 2022, Ratos acquired Semcon AB (publ) through a public offer. The preliminary acquisition analysis during the first quarter of 2023 was updated after the final acquisition balance was determined. No material changes were identified.

During the quarter, Ratos concluded the process for a compulsory buy-out of the remaining shares in Semcon. As of 30 June 2023, the company is a wholly owned subsidiary.

Final acquisition analysis Semcon

	SEKm
Intangible assets	427
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	-157
Non-current liabilities and provisions	-36
Current liabilities and provisions	-440
Net identifiable assets and liabilities	609
Goodwill	2,125
Purchase price	2,734
of which, paid in cash	2,734

Key figures

For definitions, see page 22

SEKm	Q1-2 2023	Q1-2 2022	Full Year 2022
Leverage excl. financial leasing	1.6x	0.6x	2.5x
Leverage	2.7x	2.4x	3.5x
Equity ratio, %	37.8	45.2	37.1
Return on equity, %	6.0	6.0	4.6
Return on capital employed excl. financial leasing, %	10.3	10.5	10.2
Return on capital employed, %	8.8	8.7	8.6
Key figures per share¹⁾			
Total return, %	-25.1	-23.0	-26.6
Dividend yield, %			2.0
Market price, SEK	30.22	43.52	41.49
Dividend, SEK			0.84
Equity attributable to owners of the parent, SEK ²⁾	37.60	37.24	37.71
Basic earnings per share, SEK	1.71	1.18	1.69
Diluted earnings per share, SEK	1.71	1.17	1.68
Average number of ordinary shares outstanding:			
– before dilution	325,927,096	324,759,233	325,223,889
– after dilution	329,024,073	328,048,058	326,442,359
Total number of registered shares	326,016,488	325,007,688	325,898,988
Number of shares outstanding ³⁾	326,016,488	325,007,688	325,898,988
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	241,379,428	240,370,628	241,261,928

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

Reconciliations between alternative performance measures 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 22 of this report.

Organic growth

SEKm	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022	Full Year 2022
Growth Net Sales, %	19%	20%	22%	28%	32%
Net sales	10,001	8,420	17,818	14,640	29,875
Acquired net sales	1,071	1,049	2,154	1,974	4,629
Effects from change in currency	-50	234	-51	621	914
Other	-1	-12	-4	-12	-39
Net sales, adjusted	8,981	7,148	15,718	12,057	24,371
Divested net sales in the comparison period		1		3	7
Net sales, adjusted in the comparison period	8,420	6,992	14,640	11,423	22,544
Elimination of internal net sales	-8	-6	-8	-12	-15
Organic growth	569	162	1,086	646	1,841
Organic growth, %	7%	2%	7%	6%	8%

EBITDA, EBITA and operating profit

SEKm	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022	Full Year 2022
EBITDA	1,421	1,239	2,082	1,573	2,958
Depreciations and impairment	-343	-294	-680	-606	-1,240
EBITA	1,078	945	1,402	967	1,718
Revaluation and capital gain/loss listed shares		-18		-118	-118
Restructuring costs		0		-130	-130
Adjusted EBITA	1,078	963	1,402	1,215	1,966
Amortisation and impairment of intangible assets in connection with company acquisitions	-40	-20	-79	-38	-100
Operating profit/loss	1,038	925	1,323	930	1,618

Interest-bearing net debt

SEKm	2023-06-30	2022-06-30	2022-12-31
Interest-bearing liabilities, other	5,776	2,324	7,371
Provisions for pensions	60	56	60
Interest-bearing assets	-98	-108	-101
Cash and cash equivalents	-1,987	-1,267	-2,532
Interest-bearing net debt excl. financial leasing	3,750	1,006	4,798
Financial leasing liabilities	5,748	5,576	5,670
Interest-bearing net debt inc. financial leasing	9,498	6,582	10,468

Segments by quarter, summary

	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2023	2023	2022	2022	2022	2022	2022
Net sales, SEKm							
Construction & Services	4,259	4,573	3,360	3,802	3,788	4,780	15,730
Consumer	830	2,630	1,132	2,709	1,424	1,127	6,392
- whereof Plantasjen	542	2,132	661	2,118	887	740	4,407
Industry	2,728	2,798	1,728	1,911	1,827	2,288	7,755
Elimination of internal net sales	0		0	-1	0	0	-1
Ratos group	7,817	10,001	6,220	8,420	7,039	8,195	29,875
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2023	2023	2022	2022	2022	2022	2022
EBITDA, SEKm							
Construction & Services	349	358	309	310	333	418	1,370
Consumer	-67	724	31	721	145	-19	877
Industry	427	391	274	279	272	290	1,115
Revaluation and capital gain/loss listed shares			-100	-18			-118
Items affecting comparability			-130				-130
Group costs	-48	-52	-49	-53	-11	-43	-156
Ratos group	661	1,421	334	1,239	739	646	2,958
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2023	2023	2022	2022	2022	2022	2022
EBITA, adjusted, SEKm							
Construction & Services	284	293	258	250	268	353	1,130
Consumer	-213	581	-105	587	10	-166	326
- whereof Plantasjen	-215	543	-103	565	6	-142	325
Industry	303	258	150	180	166	175	671
Group costs	-50	-53	-50	-54	-12	-44	-160
Ratos group	324	1,078	253	963	432	318	1,966
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2023	2023	2022	2022	2022	2022	2022
Operating profit/loss, SEKm							
Construction & Services	265	272	244	233	250	335	1,061
Consumer	-214	580	-106	586	9	-167	321
Industry	284	239	148	178	160	158	644
Revaluation and capital gain/loss listed shares			-100	-18			-118
Items affecting comparability			-130				-130
Group costs	-50	-53	-50	-54	-12	-44	-160
Ratos group	285	1,038	5	925	406	282	1,618
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2023	2023	2022	2022	2022	2022	2022
Profit/loss before tax, SEKm							
Construction & Services	230	235	211	215	221	300	947
Consumer	-308	482	-162	517	-46	-268	41
Industry	230	158	119	153	127	10	410
Revaluation and capital gain/loss listed shares			-100	-18			-118
Items affecting comparability			-130				-130
Group costs	-62	-45	-36	-42	40	67	29
Ratos group	90	831	-98	825	343	109	1,178

From Q2 2023, Ratos has changed the composition of its business areas. For more information see page 16 "Note 1 Accounting principles".

Specification of net financial items

	Q2	Q2		Q1-2	Q1-2		Full Year
Ratos Group, SEKm	2023	2022	Change%	2023	2022	Change%	2022
Interest income	19	1	pos	37	2	pos	15
Interest expense	-89	-22	neg	-170	-38	neg	-124
Interest expense financial leasing	-67	-66	0%	-137	-132	-4%	-266
Net interest	-137	-87	-57%	-270	-169	-60%	-375
Net exchange rate effects	-43	3	neg	-70	4	neg	-9
Other financial items	-28	-16	-72%	-61	-38	-61%	-56
Net financial items	-207	-100	-107%	-401	-203	-98%	-440

	Q2	Q2		Q1-2	Q1-2		Full Year
Parent company, SEKm	2023	2022	Change%	2023	2022	Change%	2022
Net interest	19	35	-46%	45	66	-33%	149
Net exchange rate effects	-1	-12	91%	-17	-22	22%	-19
Other financial items	-9	-10	17%	-30	-18	-67%	-36
Net financial items	9	13	-26%	-3	26	-110%	94

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 capital employed

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

Return on capital employed, business area

Adjusted EBITA for the business area's operating companies for the last 12 months as a percentage of average capital employed excluding financial lease liabilities 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.

Cash flow from operating activities

Includes cash flow from operating profit, dividends received from associates, interest and financial items, income tax paid, and changes in working capital.

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 (including financial lease liabilities) and pension provisions minus interest-bearing assets and cash and cash equivalents.

Capital employed

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

Leverage excl. finance leases

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

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.

The six-month report provides a true and fair overview of the parent company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, 19 July 2023
Ratos AB (publ)

Per-Olof Söderberg
Chairman

Ulla Litzén
Board member

Karsten Slotte
Board member

Tone Lunde Bakker
Board member

Jan Söderberg
Deputy Chairman

Jonas Wiström
Board member, President and CEO

THIS REPORT IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Auditor's review report

Ratos AB (publ), Corp. Reg. No. 556008-3585

Introduction

We have reviewed the condensed interim report for Ratos AB (publ) as at 30 June 2023 and for the six months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Stockholm, on the date specified in our electronic signature.

Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Investor presentation

19 July, 9:00 a.m. CEST

Webcast: <https://youtube.com/live/7LR1TozAeYg?feature=share>

Financial calendar

2023

Interim report Q3 2023

23 October

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This is information that Ratos AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 7:00 a.m. CEST on 19 July 2023.

Ratos AB (publ)

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Reg. no. 556008-3585

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.