

Presentation – Q4 2022

13 February 2023



RATOS



Full year 2022: Strong year in a challenging environment

**Net sales
29,875 MSEK
growth 32%**



**Adj EBITA 1,966 MSEK
growth +9%**

- Adj EBITA 1,966 MSEK, +9%
- Companies acquired 2021 showed strong EBITA-growth in 2022
- Net sales +32%, whereof organic +8%
- Record high order backlog and order intake
- Weaker markets for wind power and Consumer
- Continued investments in infrastructure and Professional/Industrial services

Fourth quarter: Adjusted EBITA +41% - continued good demand

**Net sales
8,195 MSEK
growth 42%**



**Adj EBITA 318 MSEK
growth +41%**

- Adj EBITA +41%
- Net sales +42%, whereof organic +12%
- Continued strong order intake
- Cost reducing actions
- Semcon acquired end of October
- The wind power and consumer markets have deteriorated

Business Areas



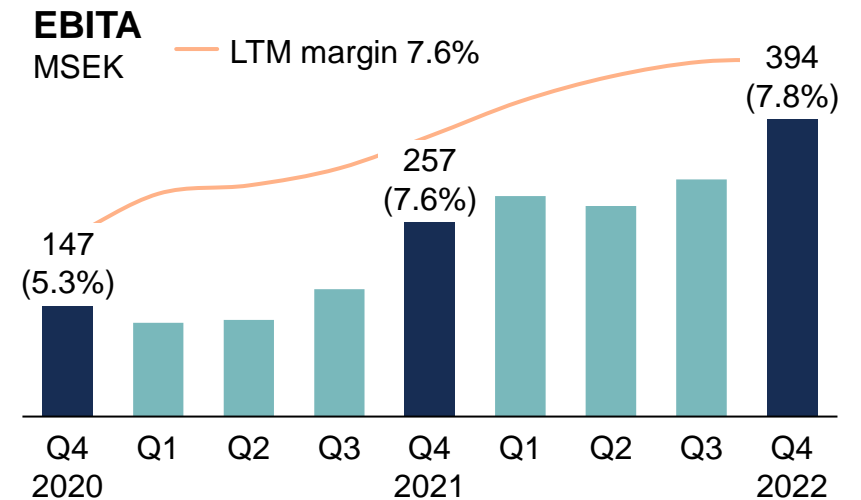
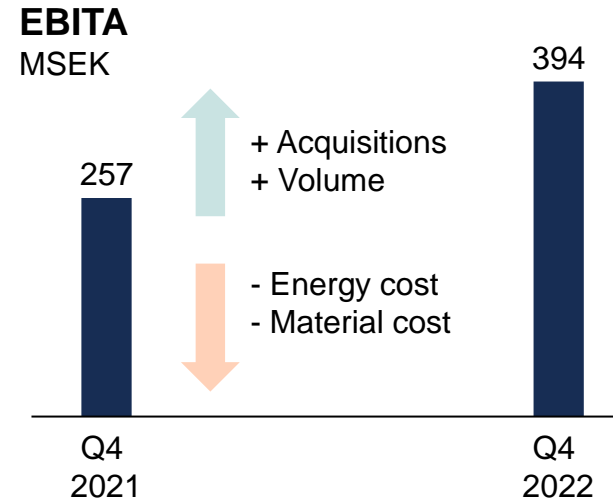
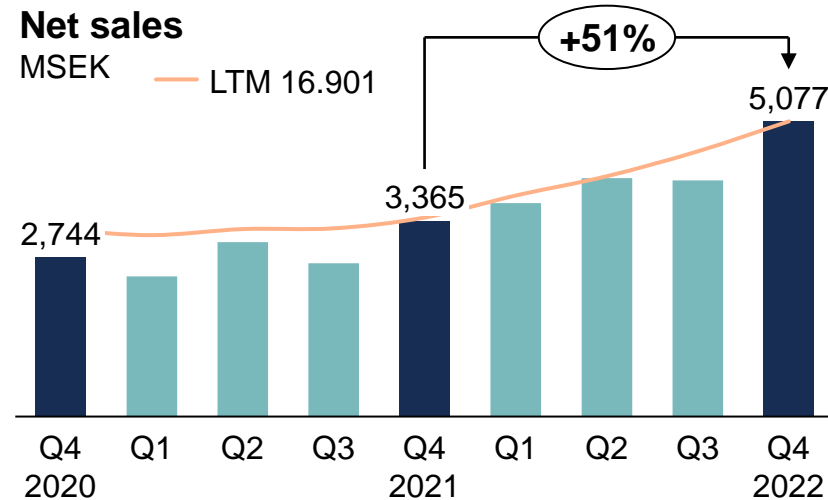
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Construction & Services: Strong net sales and EBITA growth

We build and maintain a sustainable society

Comments

- Record-breaking order backlog and order intake
- Net sales growth 51%, whereof organic 22%
- Limited exposure in housing construction and exposure in critical public buildings
- EBITA 394 MSEK (257), increased by 53%, EBITA margin up to 7.8% (7.6%) and LTM 7.6%

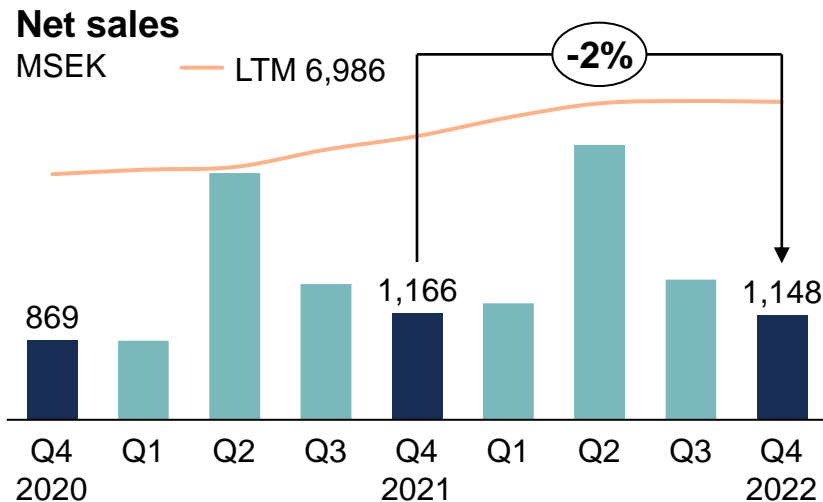


Consumer: Lower net sales in Plantasjen

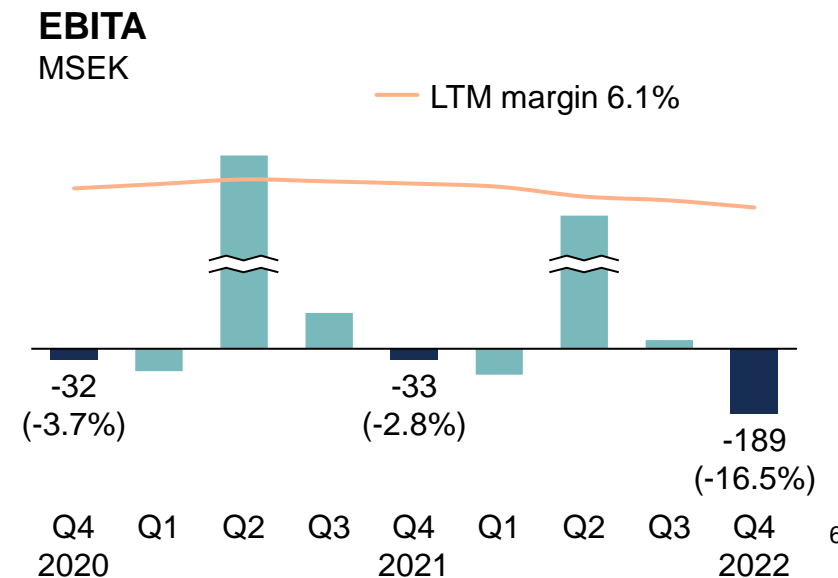
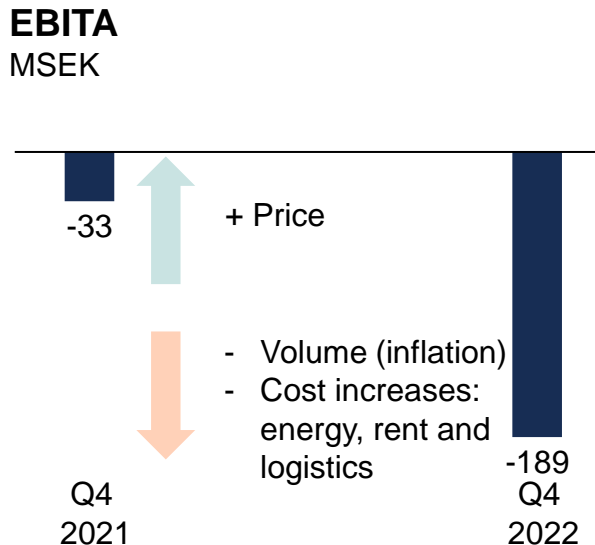
Provide a better and easier life for consumers

Comments

- Net sales declined -2%, whereof -5% organic, driven by lower sales in Plantasjen (-10% organic)
- EBITA -189 MSEK (-33), Plantasjen's EBITA negatively impacted by lower net sales and higher costs for energy, store rent and warehouse logistics
- Cost reducing actions in Plantasjen and KVD. Annual savings appr. 100 MSEK
- EBITA-margin -16.5% (-2.8%) and LTM 6.1%



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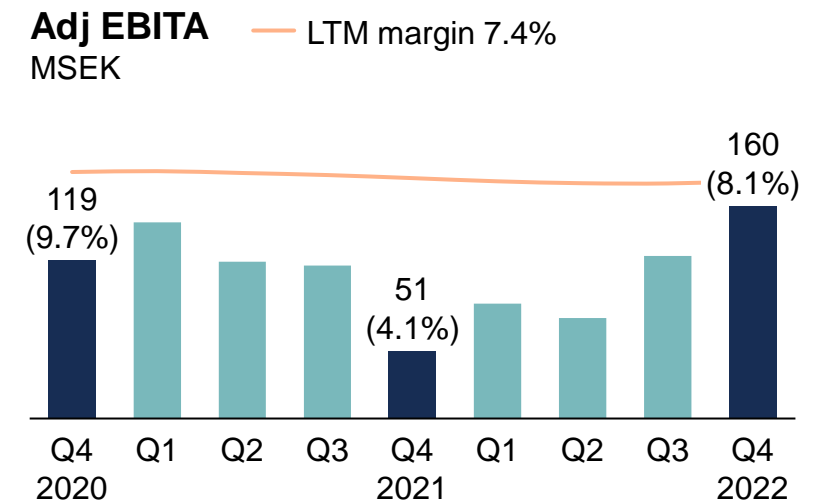
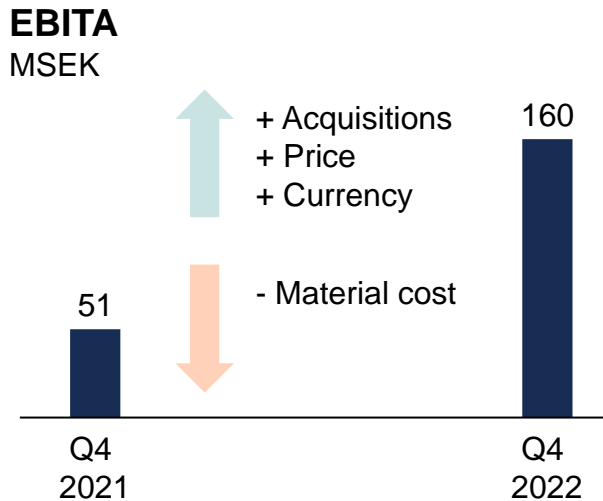
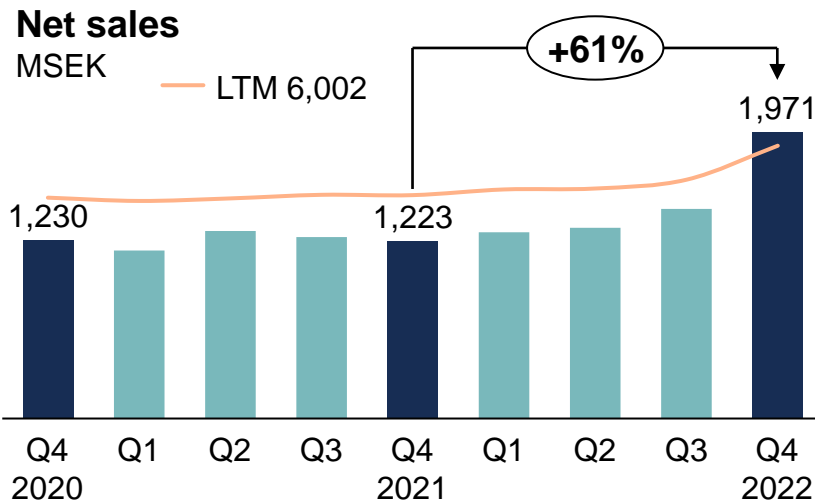


Industry: Strong EBITA growth and strategic acquisition

Building industrial market leaders, based in the Nordics who exporting to the world

Comments

- Net sales increased 61%, whereof 1% organic
- Continued low sales in wind segment Diab
- EBITA 160 MSEK (51)
- EBITA-margin 8.1% (4.1%) and Adj. EBITA-margin LTM 7.4%
- Strategic acquisition of Semcon in November – important step taken to become a more homogeneous group



Acquisition journey



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Platform acquisitions – important steps to become a homogeneous group

- Ratos growth journey started 2021

Construction & Services

Industry

2021

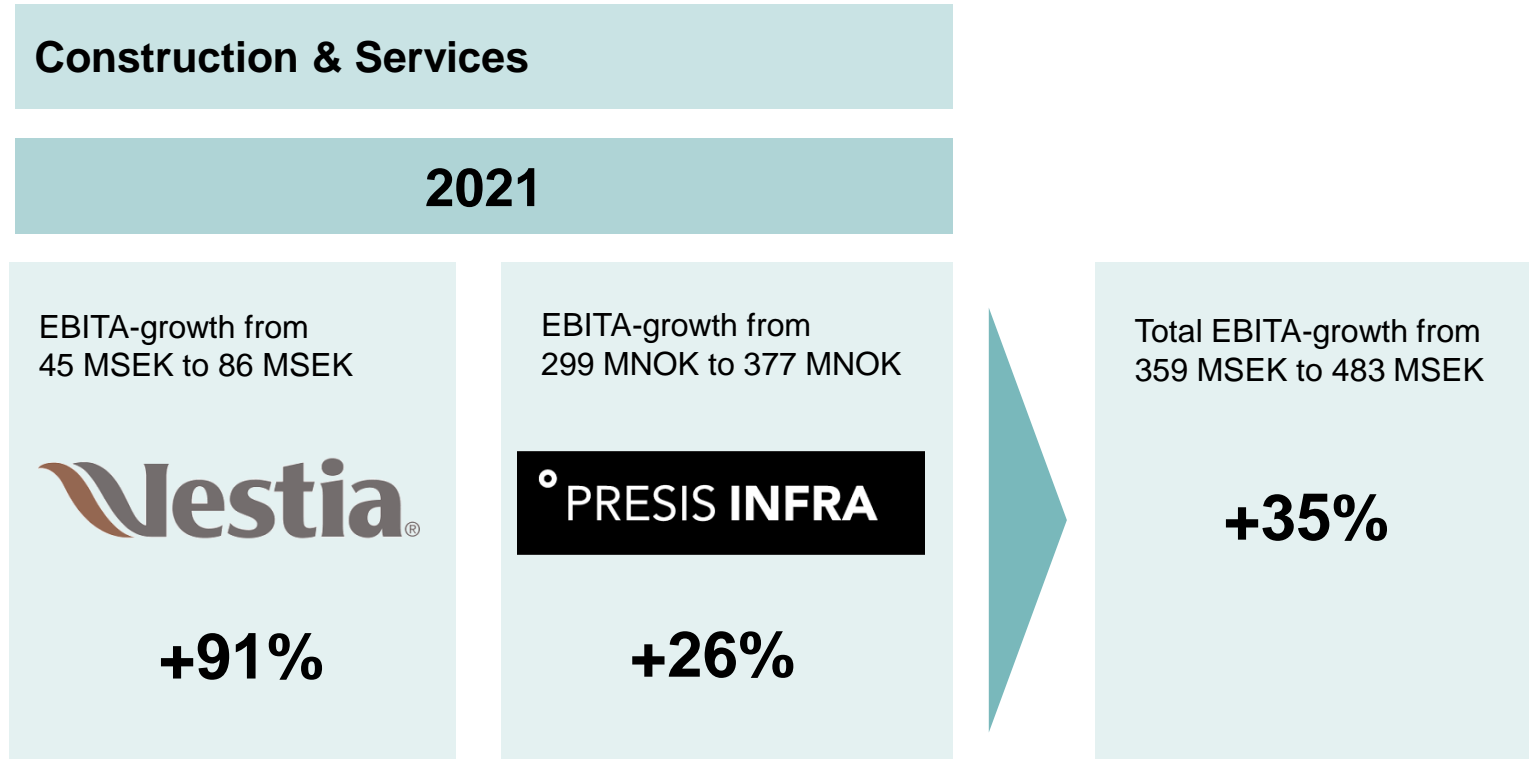
2022

The Nestia logo features a stylized brown and orange wave icon to the left of the word "Nestia" in a dark grey sans-serif font, with a registered trademark symbol (®) to the right.The Presis Infra logo consists of a white circle with a degree symbol (°) to the left of the words "PRESIS INFRA" in white uppercase letters on a black rectangular background.The NVBS logo features the letters "NVBS" in white uppercase font centered within a red rectangular background.

KNIGHTTEC

The Semcon logo features the word "SEMCON" in white uppercase letters centered within a red rectangular background.

EBITA growth 2022 for platform acquisitions in 2021



M&A activity: 6 add-on acquisitions completed in 2022

M&A Activity 2022

- 6 add-on acquisitions completed in 2022 (4 within Construction & Services and 2 within Industry) to strengthen offering and position

Construction & Services



Industry



Sustainability

- a prerequisite for profitable growth

WOOD
HOTEL

RATOS



Sustainability Q4 2022

Recognitions and sustainable business to be proud of

Speed Group receives Stora hållbarhetspriset



- The sustainability award is Swedish and was established in 2021 by the city of Borås, the Borås local business association, the University of Borås, and Sparbanken Sjuhärad.
- In the justification, it is stated that Speed Group have environmental focus at the core of the customer dialogue and shows that ecological, social and economic responsibility goes hand in hand. Speed Group also supports innovation and contribute to a safer local community where young people get a fair chance.

Vestia (part of SSEA Group) appointed Company of the Year



- The award is Swedish and given by the Gothenburg region's school and work council.
- In the justification, it is stated that Vestia build bridges and demonstrates its power of action through collaborative efforts. Vestia also works to create job opportunities for people outside the labor market.

Knightec and Alfa Wall Oceanbird

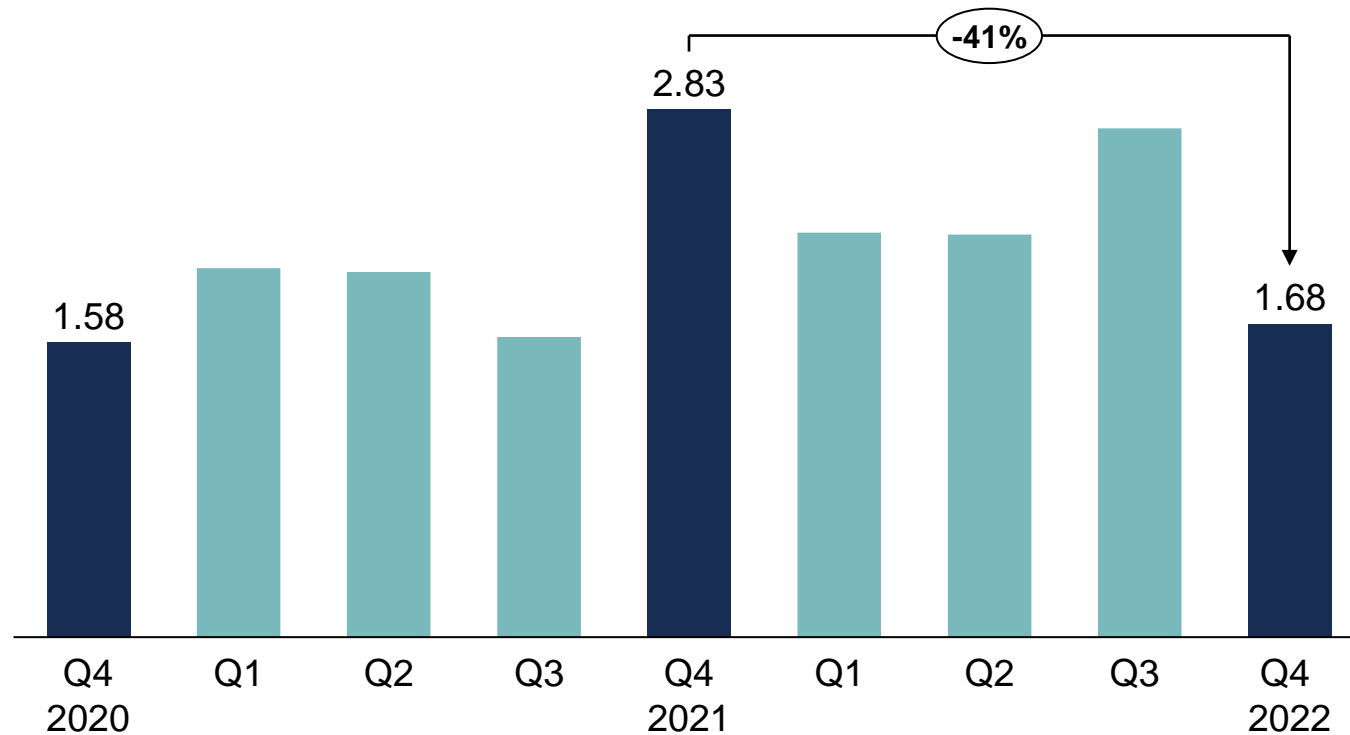


- The Alfa Laval and Wallenius joint venture Alfa Wall Oceanbird want to change the shipping industry. Maritime transport emits around 940 million tonnes of CO2 annually (about 3% of global greenhouse gas emissions, more than airplanes).
- Knightec is part of the development team at Oceanbird, developing new technology for wind-powered vessel propulsion.

Financials

Decreased EPS – affected by one-off effects

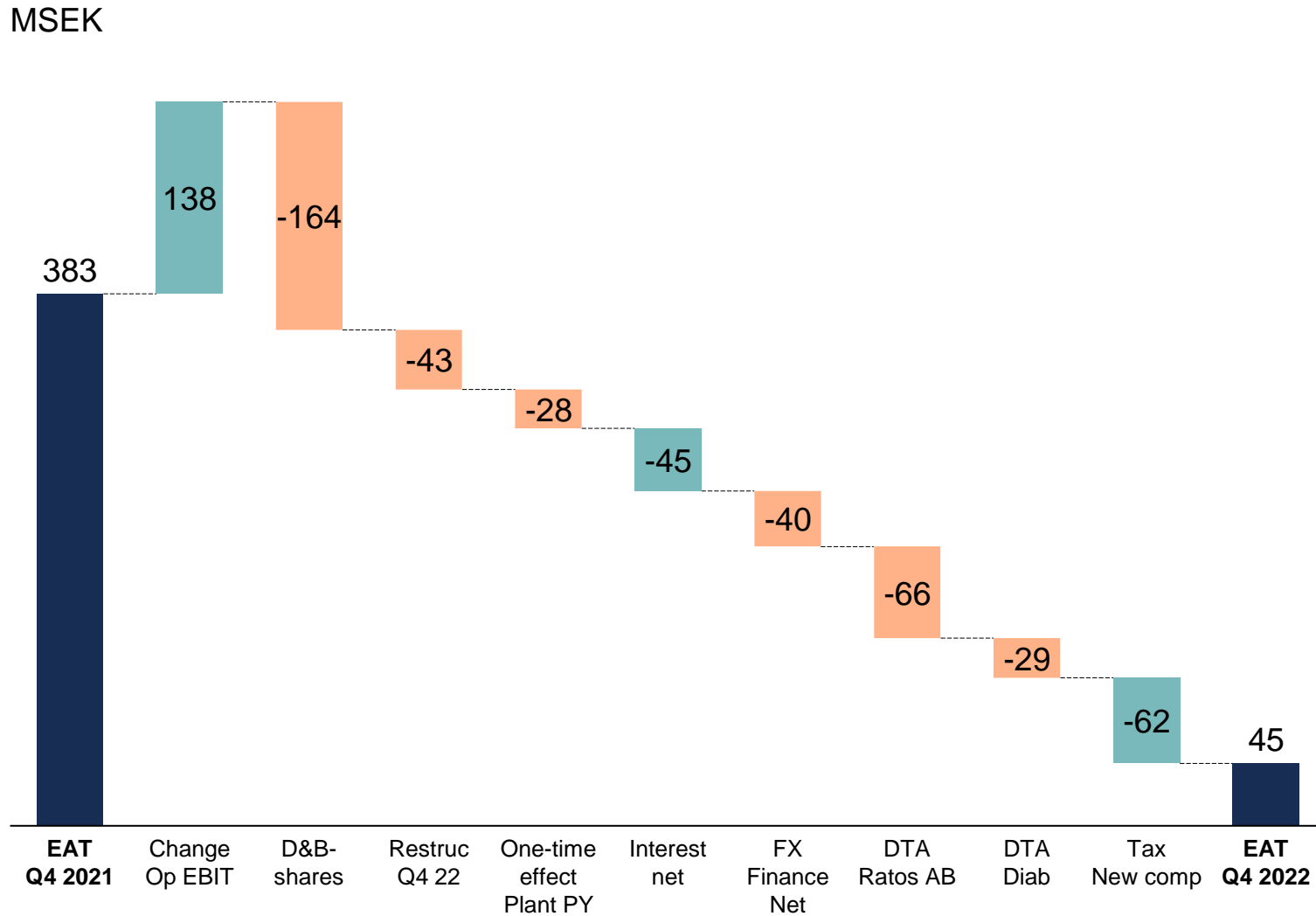
LTM EPS



Comments

- LTM EPS decreased 41%, affected by one-off effects:
 - Unrealized revaluation D&B shares in Q4 2021
 - DTA recognized in Q4 2021
 - One-time effects in Q4 2022
 - Increased debt and interest rates

Profit for the period affected by one-time effects of -370 MSEK (vs Q4 PY)

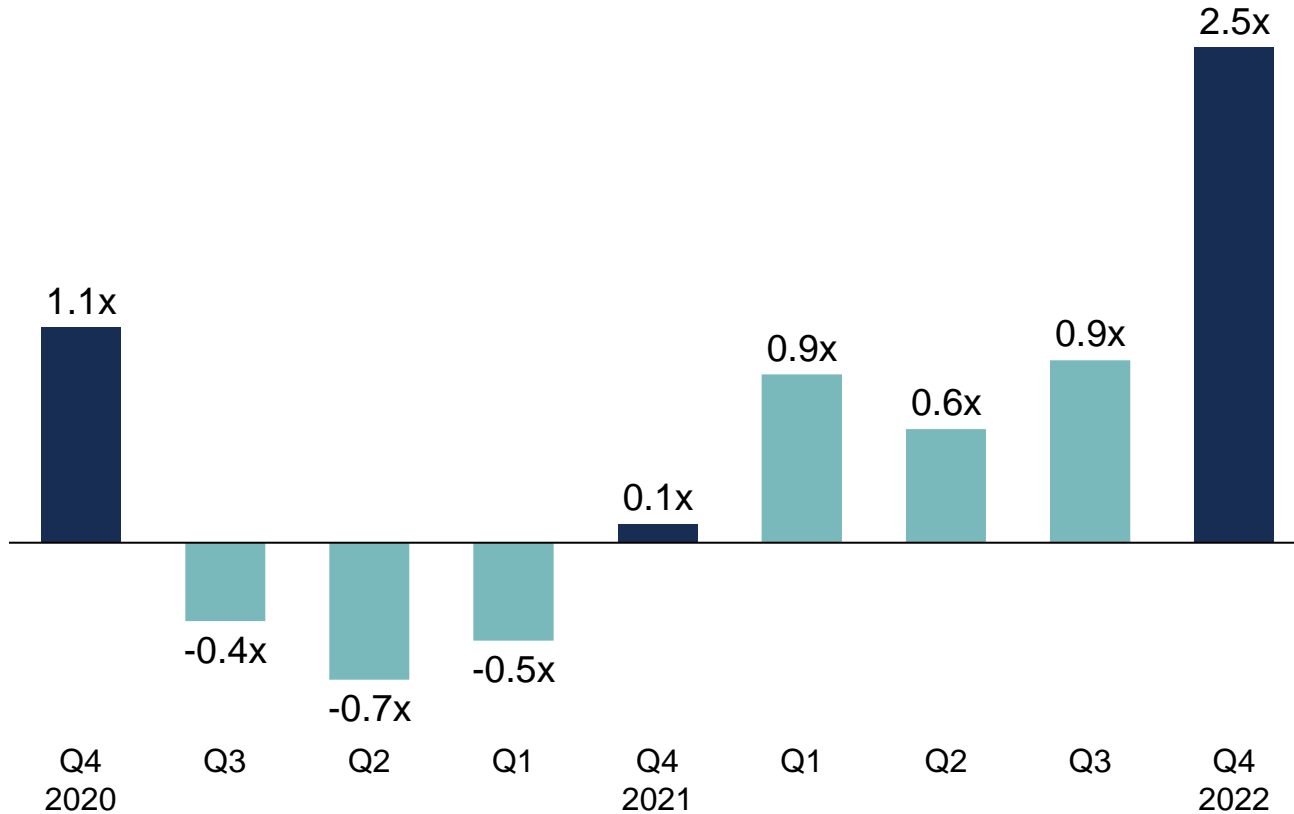


Comments

- Op EBIT referring to change in EBIT compared to previous year, excluding one-time effects
- D&B-shares referring to unrecognized revaluation of D&B-shares in Q4 2021 of 164 MSEK
- Tax in new entities referring to tax in acquired companies not included in financial reports last year
- One-time effects marked with orange, in total -370 MSEK

Leverage development

Leverage

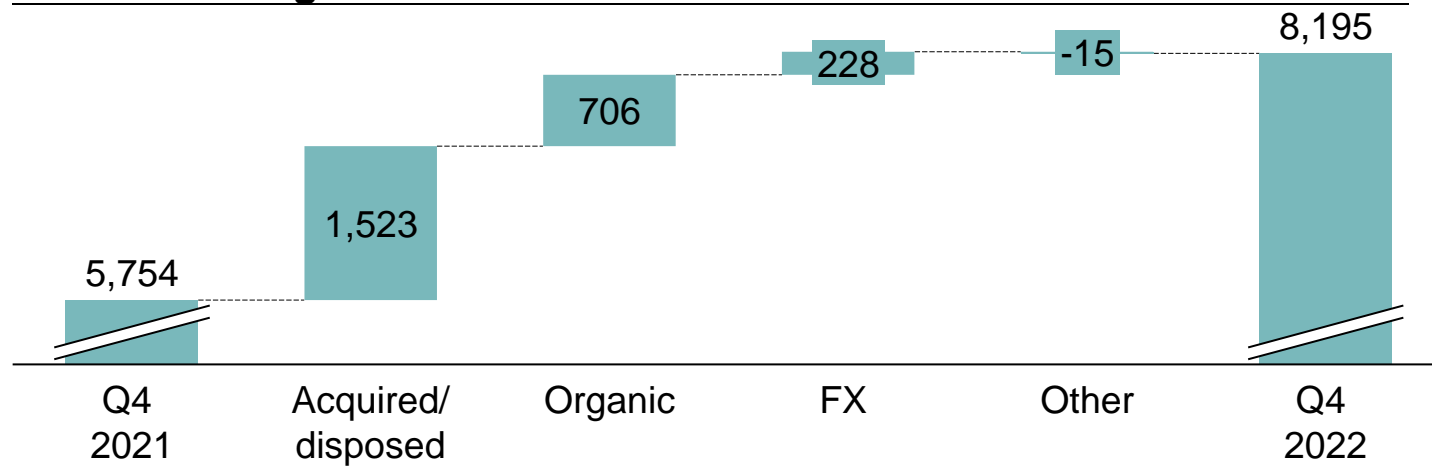


Comments

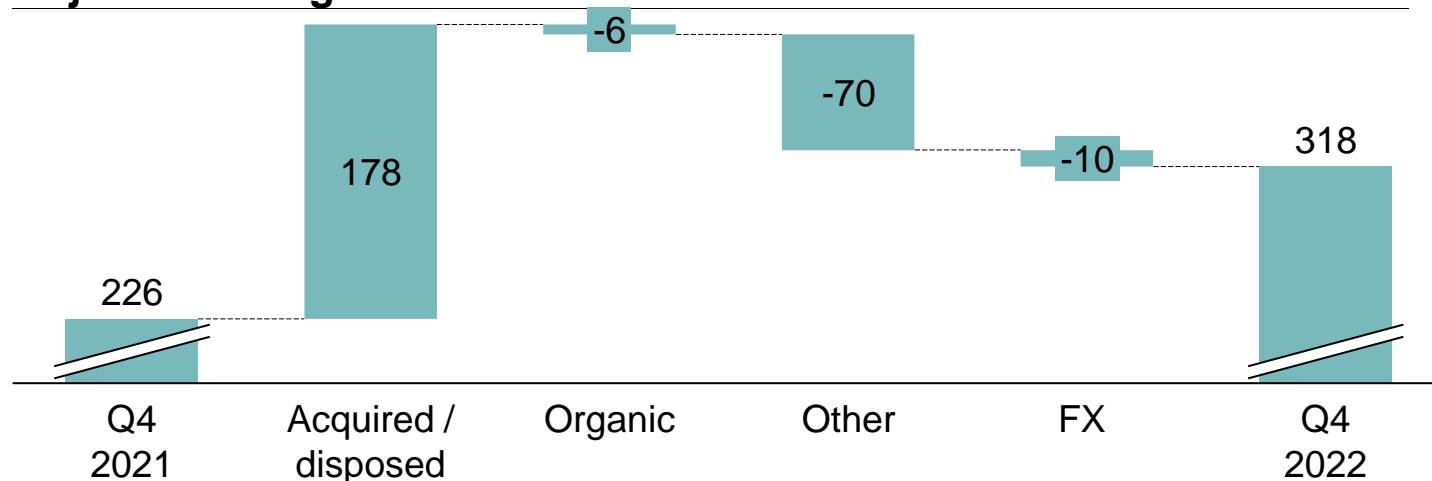
- Leverage at 2.5x - in the higher end of the range (1.5x – 2.5x)
- Increased leverage mainly due to financing related to acquisition of Semcon
- Net debt 4,798 MSEK (342)

Strong organic net sales growth in the quarter

Net sales bridge



Adj EBITA bridge

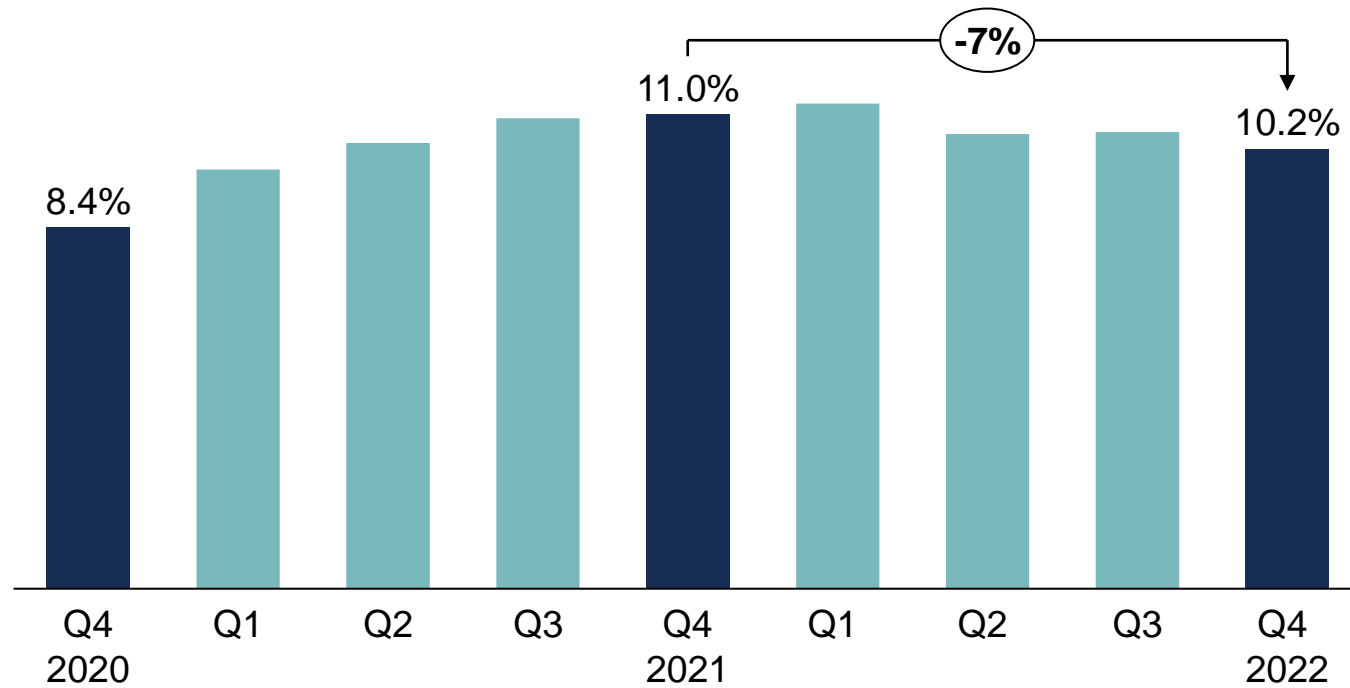


Comments

- Strong organic net sales growth in the quarter
- Net sales up 42%, of which 26% acquired, 12% organic and 4% FX
- EBITA increased due to acquisitions
- Organic growth decreased attributable to Consumer
- Other impacted by one-off effects referring to restructuring costs and one-off effects in Plantasjen Q4 prior year

ROCE

LTM ROCE



Comments

- ROCE 10.2% compared to 11.0% last year

Final Remarks

RATOS

A good year and an even better fourth quarter in a challenging environment

A group of market leaders with a strong culture and being part of something larger



The leading company builder in the Nordics

- Adj EBITA growth of +9% in the full year and +41% in the fourth quarter
- Companies acquired 2021 showed strong EBITA-growth in 2022
- Record high order backlog and order intake
- Challenges in the wind and consumer markets
- Continued investments in infrastructure and industrial services
- Further steps towards a more homogeneous group

Q&A

RATOS

The leading company builder in the Nordics

A group of market leaders

Ratos is a sustainable long-term owner with no exit horizon

We own companies that are or can become market leaders

Profitable organic growth, margin expansion and targeted acquisitions

A clear culture

It's all about people

Simplicity

Speed in execution

Part of something larger

Decentralized structure

Gain benefits of the larger group through contacts and network

Executive leadership program

Access to special competences

Active ownership