

Presentation of the fourth quarter and full year 2020

8 February 2021

RATOS

Ratos - an active owner building great companies

Large / mid sized companies

12 500
Employees in 12 companies in 30+ countries

Total Sales

SEK 37 bn
(December 2020 100% ownership)

EBITA Growth

60%
(2019-2020)

1.9
Billion SEK in EBITA

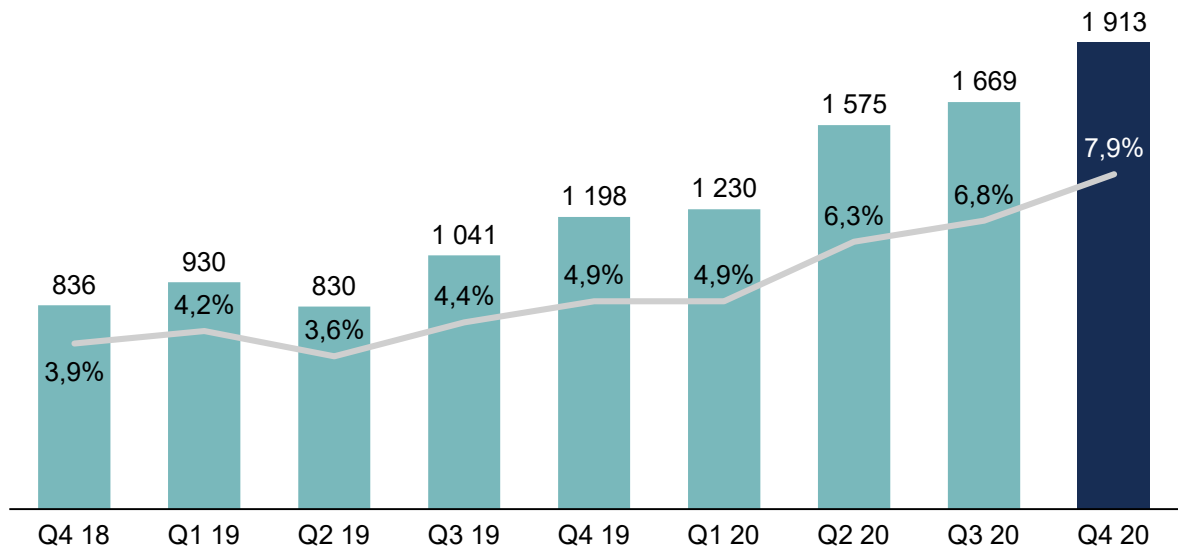
HQs in the Nordics



Long-term and active ownership



EBITA LTM (Ratos share, MSEK)



Ratos companies

PLANTASJEN

aibel

LEDIL

OASE OUTDOORS

Diab

airteam

SPEED GROUP

KVD

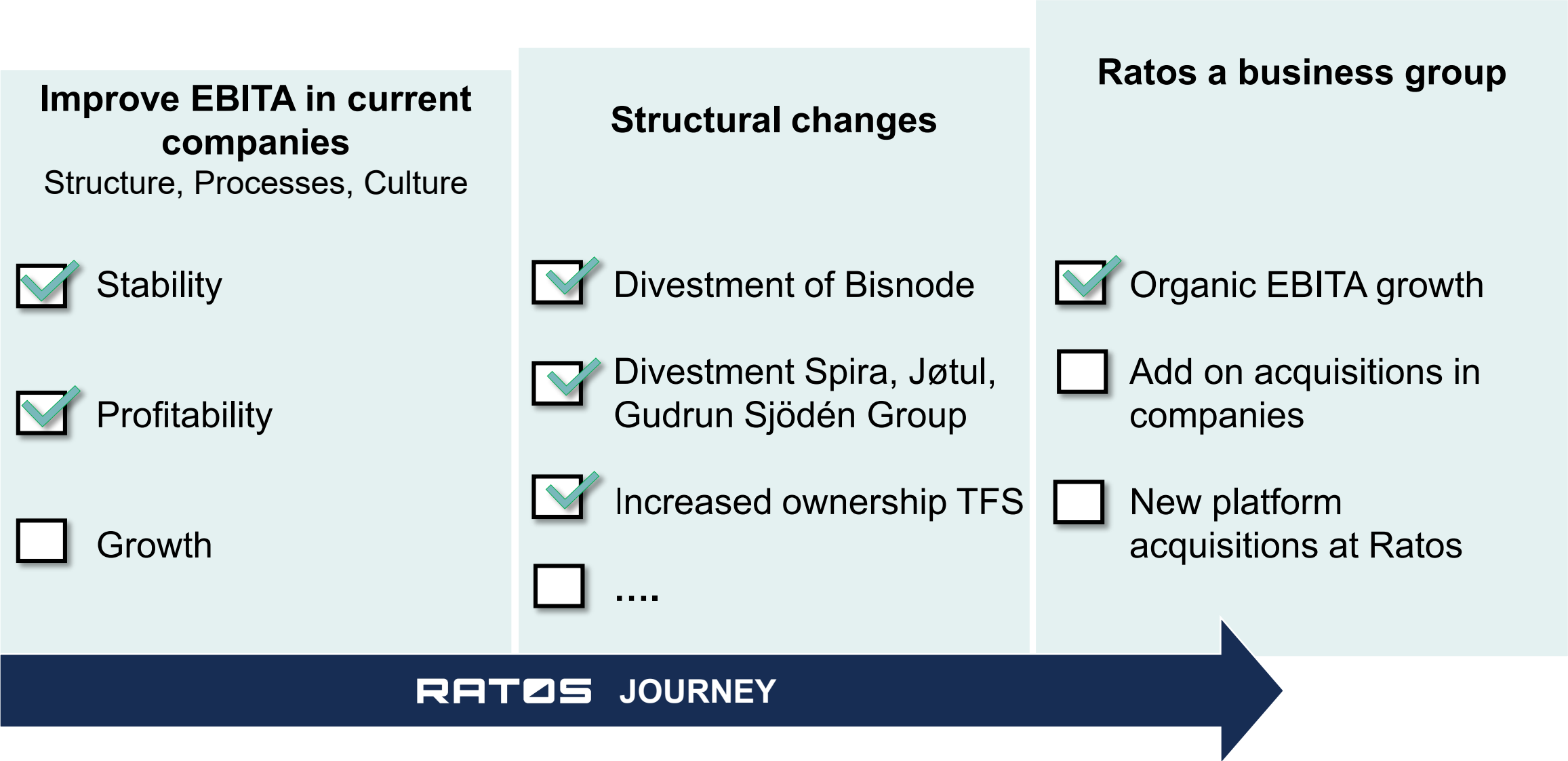
H-

HENT

TFS
It's all about trust

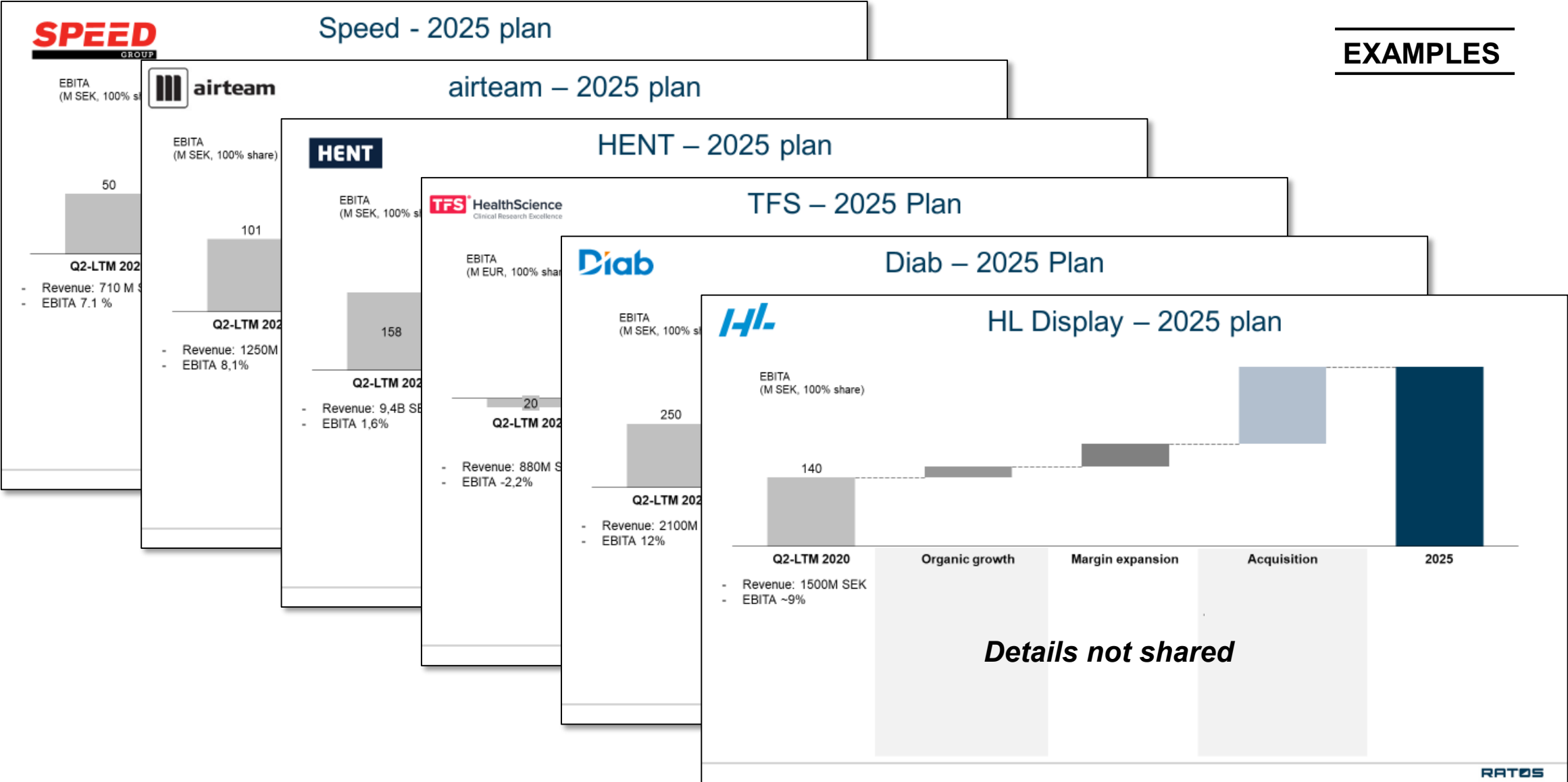
Bisnode
A Dun & Bradstreet Company
Divested

Transformation completed – focus on profitable growth



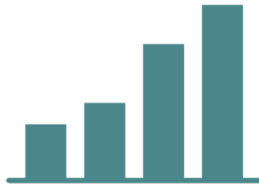
Ambitious plans across our portfolio - and new platforms

EXAMPLES



New financial targets

EBITA
3 Billion SEK



EBITA is to amount to at least SEK 3 billion by 2025.

Net Debt / EBITDA
1.5 – 2.5x



Net debt in relation to EBITDA should normally range from 1.5 to 2.5x, excluding financial leasing liabilities. The target includes the cash balances of Ratos's parent company.

Dividend payout
30–50%
of profit after tax



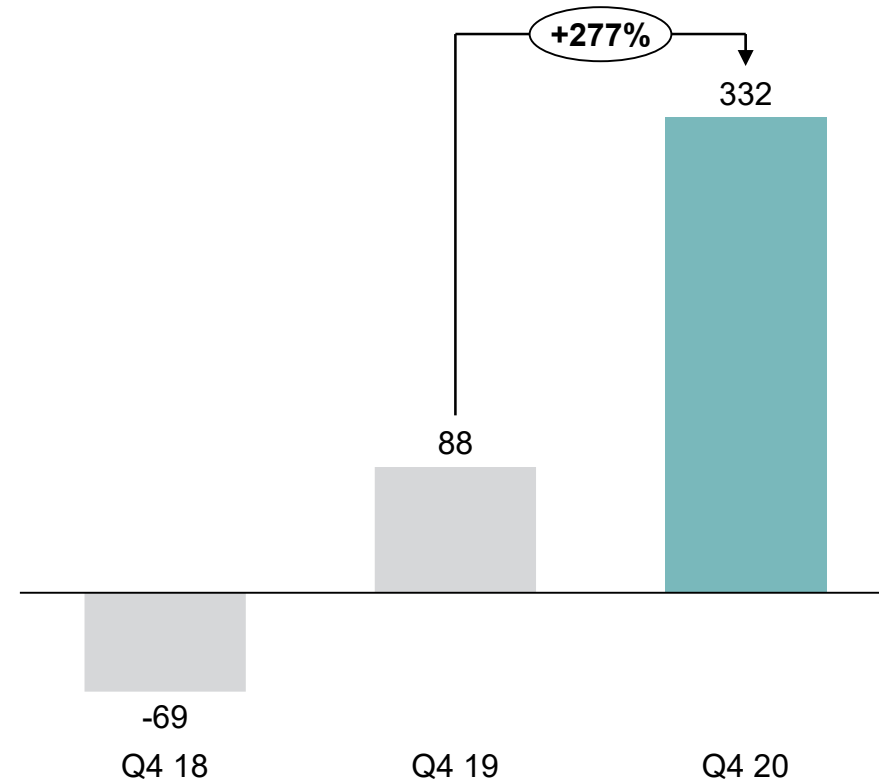
The dividend payout ratio should amount to 30–50% of profit after tax attributable to owners of the parent, excluding capital gains and losses.

Strong EBITA in Q4 2020

Comments

- Net sales amounted to 5,671 MSEK (6,277)
 - Negative currency effects, Covid-19 and project phasing in Aibel
 - Organic growth of -3%
 - Strong growth in Plantasjen, airteam and Diab
- EBITA increased to 332 MSEK (88)
 - 10 out of 12 companies increased EBITA
- EBITA-margin increased to 5,8% (1,4)
 - 11 out of 12 companies increased EBITA-margin
- Improved cash flow from operations 439 MSEK (425)
 - Improved earnings and increased focus on working capital
- Improved financial position
 - Net Debt / EBITDA, 1.1x (2.6x in Q4 2019)

Quarterly EBITA (Ratos Share, MSEK)

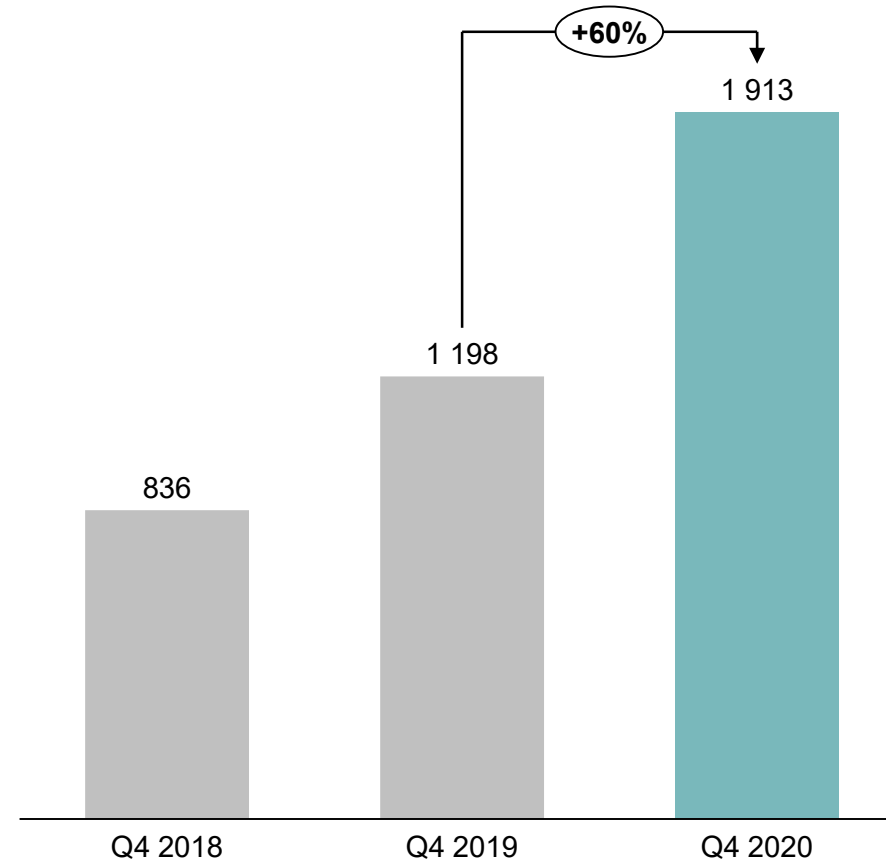


Strong EBITA for full year 2020

Comments

- Net sales amounted to 24,071 MSEK (24,499)
 - Negative currency effects and Covid-19
 - Organic growth of 4%
 - Strong growth in airteam, Diab and Plantasjen
- EBITA increased to 1,913 MSEK (1,198)
 - 10 out of 12 companies increased EBITA
- EBITA-margin increased to 7,9% (4,9)
 - 11 out of 12 companies increased EBITA-margin
- Improved cash flow from operations 1,770 MSEK (949)
- Ratos Group EPS, adjusted for capital gain 2019, increased to 2,17 SEK (0,59)
- The Board proposes a dividend of 0.95 SEK/share (0,65)

FY EBITA (Ratos share, MSEK)



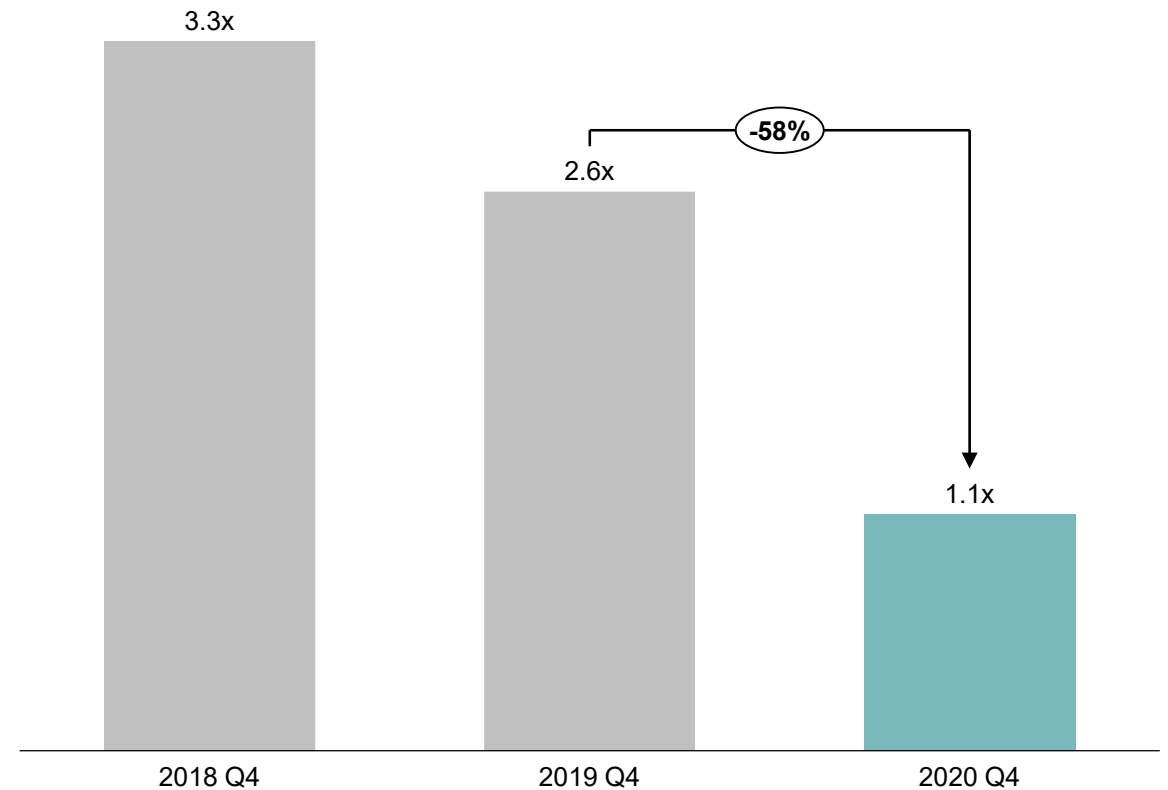
Leverage

Decreased Net Debt and increased EBITDA

- Net Debt / EBITDA amounted to 1.1x in Q4 2020 (2,6)
- EBITDA improved by 55%, Net Debt decreased by 1,1 bn SEK
- Net cash position in Ratos AB 1,166 MSEK
 - Ratos AB has a loan facility of 1,000 MSEK
- After closing of Bisnode divestment in January 2021
 - Net debt / EBITDA -0,9x
 - Net cash position in Ratos AB approximately 4 bn* SEK

*Additional 1 bn SEK invested in D&B shares

Net Debt / EBITDA LTM Q4 2020



Net Debt / EBITDA: Ratos's companies total leverage, excluding financial leasing liabilities and including Ratos parent company cash.



Summary of Covid-19 impact 2020

- Negative impact on net sales in all companies except Plantasjen and Oase Outdoors
- In total less negative impact from Covid-19 in the fourth quarter
 - Government support, in all countries, amounted to approximately 79 MSEK in 2020
- Our priorities are employees' health and safety, liquidity and EBITA
- Focus on mitigating risks and negative impact of a continued, and possible worse, pandemic impact in the first quarter of 2021

Business Area: Construction & Services

EBITA change

Q4
 +13%

2020
 +27%

	Organic growth Q4	EBITA Q4 2020			EBITA 2020		
		Q4 2020	Q4 2019	Change, %	2020	2019	Change, %
Aibel	-14%	46	52	-12%	143	237	-40%
airteam	+11%	38	28	+34%	88	63	+39%
HENT	-11%	27	22	+23%	126	18	+607%
Speed Group	+6%	12	6	+107%	43	-3	Pos
Total	-9%	122	107	+13%	400	315	+27%

Adjusted for Ratos share, (MSEK)

Comments Q4 2020

- Organic sales development, -9%
 - Lower project volumes in Aibel and HENT
 - Covid-19 pandemic impacted sales in Aibel and HENT

- EBITA increased by 13%
 - Stabilized earnings in Aibel
 - Higher profitability in airteam's Swedish and Danish operations
 - Stabilized project portfolio in HENT
 - Higher volumes and lower costs led to high EBITA in Speed Group



Aibel – provides solutions for the transition into renewable energy

- The global transition into renewable energy creates significant business opportunities for Aibel within Offshore Wind
 - EU goal: fivefold capacity by 2030
- Aibel has 6 years experience from innovative solutions and can build on existing know how and capabilities in the design and construction of HVDC Offshore Wind converter stations
- Focus on reducing the carbon footprint on the Norwegian continental shelf creates additional opportunities: Electrification of offshore production facilities
- Projects in offshore Wind and Electrification of offshore production facilities has increased to 45% of Aibel's order book

Business Area: Consumer & Technology

EBITA change

Q4 | **2020**

+160 MSEK | **+86%**

	Organic growth Q4	EBITA Q4 2020			EBITA 2020		
		Q4 2020	Q4 2019	Change, %	2020	2019	Change, %
Bisnode	-1%	127	139	-8%	352	338	+4%
Kvdbil	-3%	13	12	+14%	37	31	+18%
Oase Outdoors	+2%	-12	-20	+40%	38	8	+366%
Plantasjen	+18%	-30	-192	+84%	563	153	+268%
Total	+7%	98	-62	pos	989	531	+86%

Adjusted for Ratos share, (MSEK)

Comments Q4 2020

- Organic sales development, +7%
 - Strong sales in Plantasjen +18%
- EBITA increase of +160 MSEK
 - Higher margins in Kvdbil driven by higher efficiency
 - Improved EBITA in Oase Outdoors due to cost programme and positive effects of the pandemic
 - Strong EBITA in Plantasjen due to higher sales and increased gross margin



Plantasjen - # 1 in the Nordics

- Large and steadily growing market
 - Favourable megatrend “green living”
 - Nordic market size > 3.5 bn EUR
 - Resilient and non-cyclical consumption demand
 - Additional benefit from “staycations” 2020
- Plantasjen key success factors
 - Most inspiring Nordic Garden Center
 - Sales growth through customer focused omnichannel capabilities and services
- New Executive Management Team delivering on profitability
 - Gross margin
 - In store and logistics operational efficiency
 - Assortment and concept development

Business Area: Industry

EBITA change

Q4		2020
+161%		+49%

	Organic growth Q4	EBITA Q4 2020			EBITA 2020		
		Q4 2020	Q4 2019	Change, %	2020	2019	Change, %
Diab	+15%	54	39	+37%	269	186	+45%
HL Display	+2%	38	31	+23%	162	139	+17%
LEDiL	-3%	11	8	+29	51	54	-6%
TFS	-12%	10	-35	Pos	42	-27	Pos
Total	+3%	111	43	+161%	524	352	+49%

Adjusted for Ratos share, (MSEK)

Comments Q4 2020

- Organic sales development, +3%
 - Higher sales mainly driven by Diab
- EBITA increase of 161%
 - Diab increased EBITA by 37% due to higher operational efficiency and investments in production capacity and automation
 - Higher EBITA in HL Display due to favorable product mix and increased efficiency in production
 - Higher EBITA in Ledil due to lower costs, higher operational efficiency and product mix
 - Improved EBITA in TFS due to improved efficiency in projects and restructuring program



Diab - Strong position in renewables market

- Design and produce material and solutions for lightweight designs to marine, industry, aerospace, transportation and the wind market
- Wind power market has grown +50% 2018 - 2020, with further growth expected as more countries commit to carbon neutrality
- Wind market expected to continue with strong growth due to energy transition
 - In September 2020: China committed to a zero carbon pledge - expected to fuel market further
 - China already represent +30% of global market



Summary 2020

- Continued strong EBITA growth
- Revenue growth impacted by Covid-19
- Continued reduction of leverage
- Strong financial position after divestment of Bisnode
- EPS 2,17 SEK (0,59) excluding capital gain in 2019
- New Financial Targets
- The Board proposes a dividend of 0.95 SEK/share (0.65)

An aerial photograph of a long, multi-span bridge crossing a vast body of blue water. The bridge features several tall, white, A-frame pylons supporting the deck with numerous stay cables. The bridge extends from the bottom left towards the top right, curving slightly. The water is a deep blue-green, and the sky is a pale, hazy blue. The overall scene is serene and emphasizes the scale and engineering of the bridge.

Relentless
since 1866

www.ratos.com

RATOS