



# Mobile Climate Control

Ratos's Capital Market Day

2016-03-16

Clas Gunneberg, CEO



# OUR VISION

The leading global HVAC provider  
to the commercial vehicle industry

# Creating Climate Comfort



Bus

**59%**



Off Road

**31%**



Defense

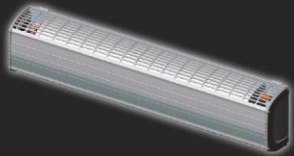
**8%**



Utility

**2%**

# Custom engineered products for heating and cooling systems



Heaters



Defrosters



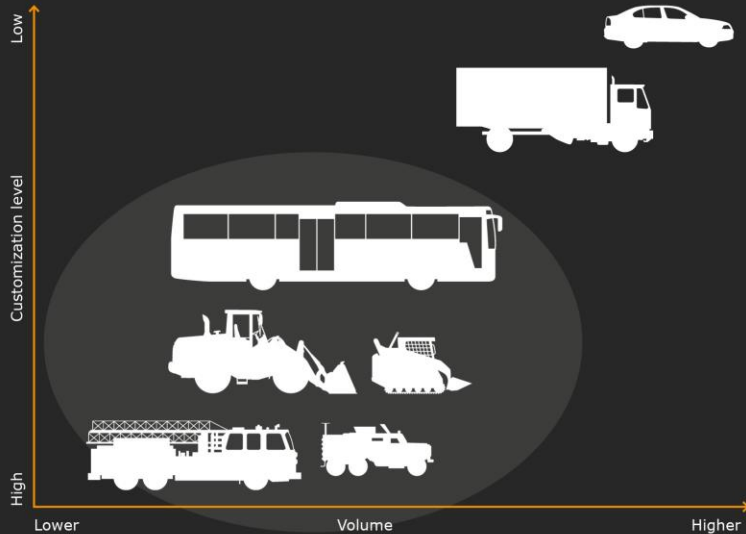
Roof Top AC's



Electronics

# Niche market segments

- High level of customization
- Low to medium volumes (10–10 000)
- Competition on function rather than price



Component  
Supplier

System  
Supplier

Customer

End  
Customer

Marketing activities to create end customer pull

# Strong growth drivers

- GDP growth
- Environmental
- Urbanization
- Infrastructure

**Number of vehicles**

- Increased comfort requirements
- Improved working conditions
- Legislation

**HVAC penetration**

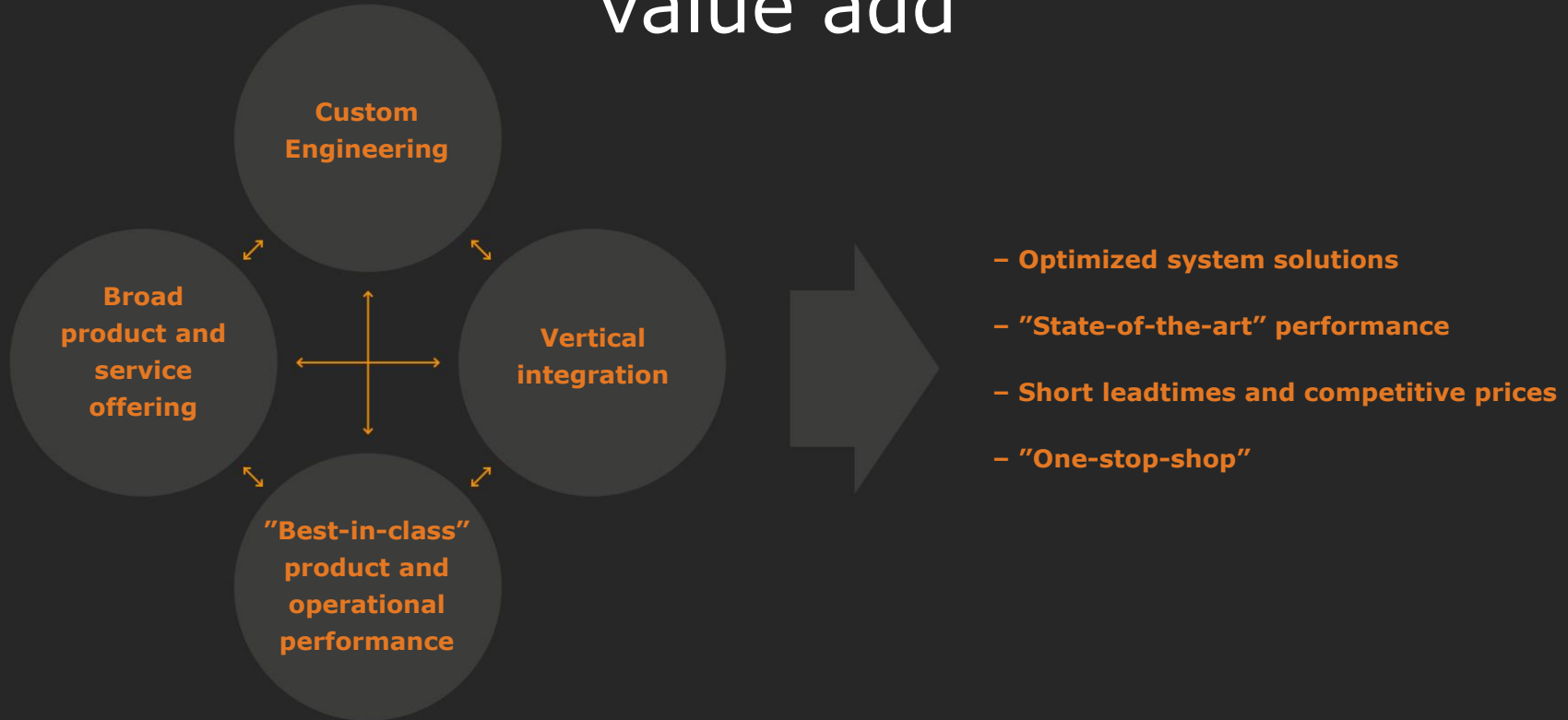
- System complexity
- Electrification
- Connectivity (IoT)

**Value per system**

# Global reach with local presence

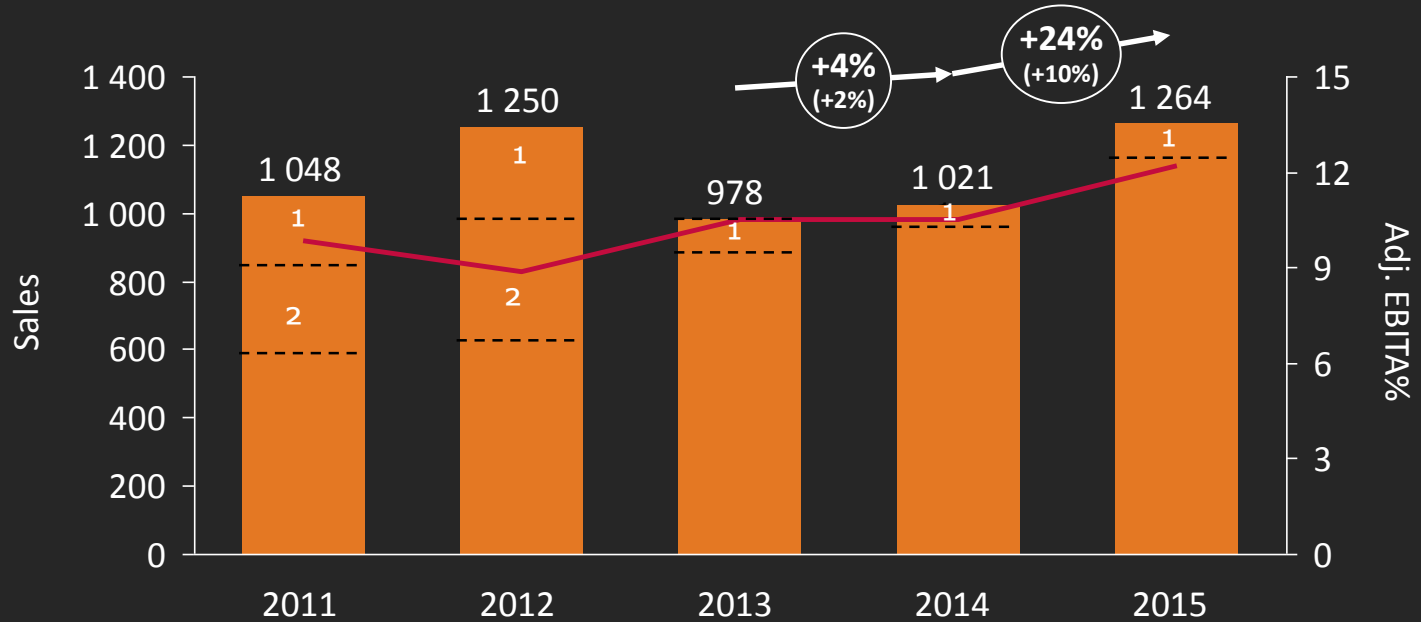


# Business model providing strong value add





# Good underlying growth and improved margins



1 Defense  
2 Carrier Bus

**Adj. EBITA**

<b>103</b>	<b>111</b>	<b>103</b>	<b>107</b>	<b>154</b>
<b>9.8%</b>	<b>8.9%</b>	<b>10.5%</b>	<b>10.5%</b>	<b>12.2%</b>

# Financial targets

## **Profitability**

EBITA-margin >15%<sup>1</sup>

## **Organic growth**

CAGR >10%<sup>2</sup>

<sup>1</sup> Over a business cycle

<sup>2</sup> Over the coming 5 years

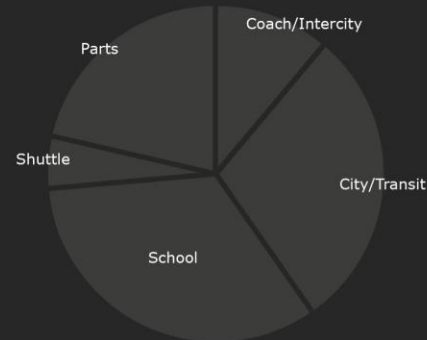


# Strong positions in the Bus segment

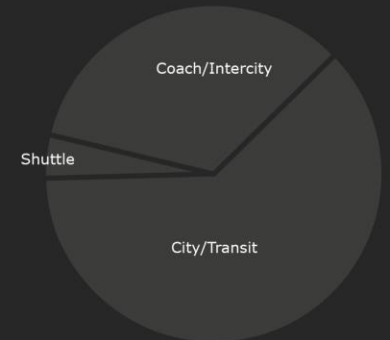
**North America – Market leader**

**Europe – Strong position in heating**

**China – Accelerating growth**



North America



Europe



Bus strategy:

# Optimized total cost of ownership

- **Bus operators**
- **Weight saving and Fuel efficiency**
- **Electrification and Digitalization**
- **Service concepts**
- **Strategic acquisitions**



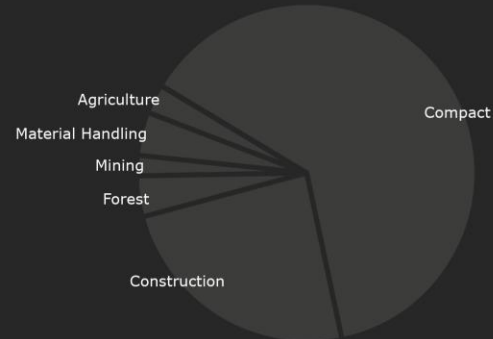


# Potential to be no 1 in the Off Road segment

North America – **Number 2**

Europe – **Number 2**

China – **Number 2 with blue chip Western OEM's**



North America



Europe



Off Road strategy:

# Comfort and Performance

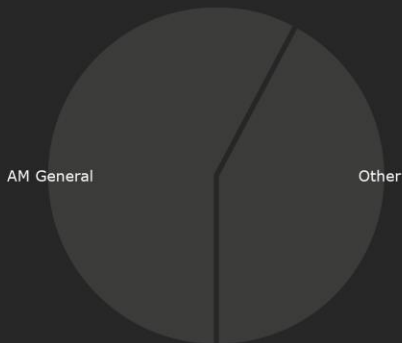
- **Compact Vehicles**
- **Micro Channel Aluminum Heat exchangers**
- **Cabin Manufacturers**
- **Strategic acquisitions**





# Leader in the North American Defense segment

North America – **Number 1 in personnel carriers**





Defense strategy:

# Defend current position

- Active dialogue with industry players
- Seize any retrofit opportunity
- Be ready for the next “HMMWV”





# Poised for continued profitable growth

- **Strong market positions in niche markets**
- **Attractive underlying market fundamentals**
  - **Strategic position in the value chain**
    - **Extensive Engineering resources**
    - **State-of-the-art product portfolio**
      - **40 years of experience**



**Mobile Climate Control**