

KVD Kvarndammen



Ratos capital market day 15 March 2012

Ulrika Drotz-Molin

CEO KVD Kvarndammen

KVD in brief 2011

Founded:	1991
Head office:	Gothenburg
Employees:	178
Facilities:	12
Auction items:	31,700
Sales:	SEK 276m
Gross sales value:	SEK 2,500m

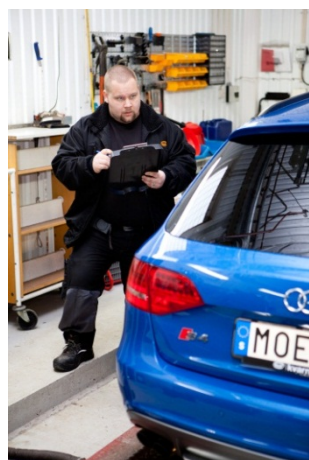
Acquired by Ratos 2010





What is KVD Kvarndammen?

- Independent marketplace
- Transparent broker
- Physical handling, tests and descriptions
- Control of payment flows



KVD's business model

We act as broker for items, we do not own them

- Finance companies
- Banks
- Insurance companies
- Fleet owners
- Companies
- Municipalities
- Public authorities
- Receivers
- Individuals

KVD Kvarndammen
- ledande inom auktioner och värderingar

- Vi säljer bilar, bilar, husbilar och maskiner utan mellanhänder direkt för myndigheter, finansbolag och stora svenska bolagslag
- Alla fordon genomgår en utförlig teknisk och visuell test
- Varning/ansvarskörning erbjuds från våra elva anläggningar
- Vi erbjuder finansiering, bilförsäkring, garanti och gratis värdering

Viningsstider: Måndagar kl: 13:00-18:00.
Nyhett Varning även Lördagar kl: 11-15 i Åkersberga, Kungälv och Kärlared.

Personbil	Bil, MC, Bussar & Maskiner	Nyttfordon	Hästen & Entreprenad	Överskottsvagnar	Skötsel & Avveckling	Fartighet	Auktoriserad
År	År	År	År	År	År	År	År
Volvo V70 II 2.5T Momentum AWD	2011	219 000 kr	220 000 kr	14/2 19:00	BTHM, Åkersberga		
Volvo V70 II 2.5T Momentum	2010	229 000 kr	181 000 kr	14/2 19:05	Landöarna		
Volvo V70 II 2.5T Momentum	2009	205 000 kr	133 000 kr	14/2 19:05	ÖBB, Kungälv		
Volvo V70 II 2.4D Momentum	2010	199 000 kr	111 111 kr	14/2 19:10	Österlund		
Volvo V70 II 2.5T Momentum	2008	198 000 kr	130 000 kr	14/2 19:15	ÖBB, Kungälv		
Volvo V70 II 2.0D Momentum	2009	190 000 kr	143 500 kr	14/2 19:15	Strängnäs		
Volvo V70 II 2.5T Momentum	2009	189 000 kr	137 300 kr	14/2 19:20	Strängnäs		
Volvo V70 II 2.5T Momentum	2009	185 000 kr	132 000 kr	14/2 19:23	ÖBB, Kungälv		
Volvo V70 II 2.5T Momentum	2008	179 000 kr	130 000 kr	14/2 19:30	Landöarna		

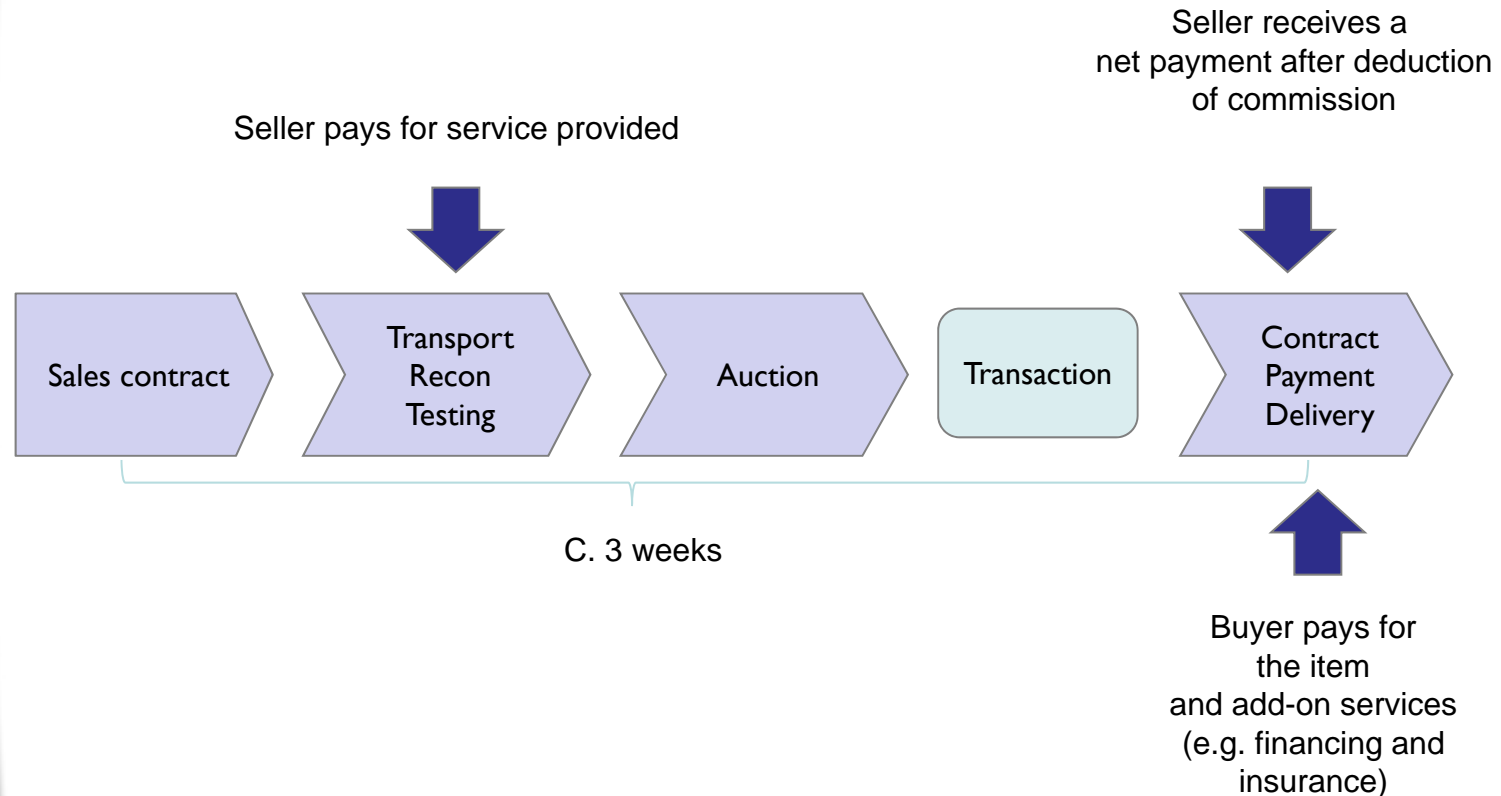
- Private individuals
- Companies

Add-on services

Valuations

Consistently high completion rate

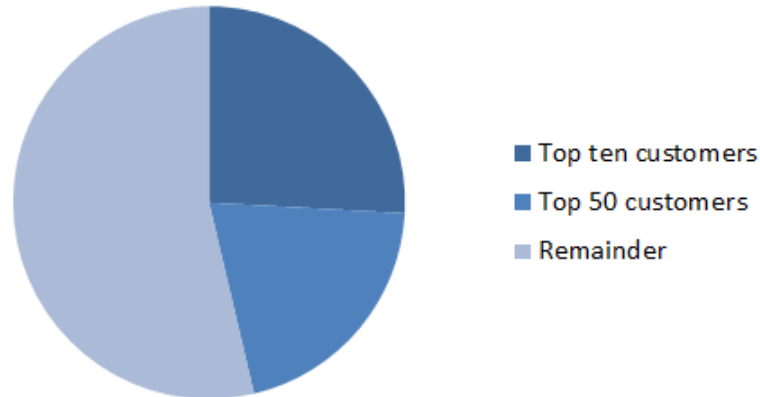
Effective and independent brokerage of capital goods



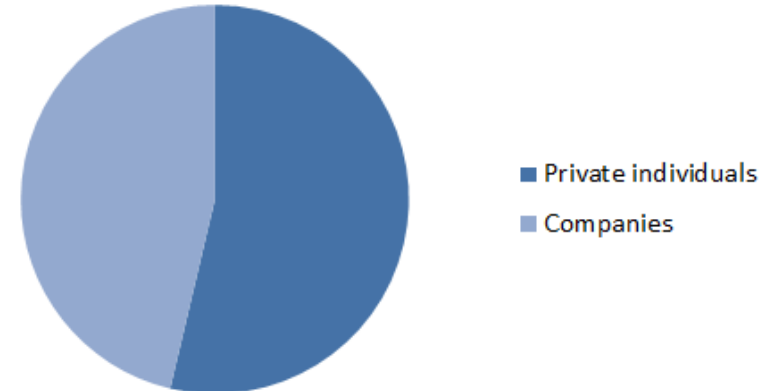
- Full responsibility for items through the Consumer Sales Act and the Sale of Goods Act
- Pricing model that provides objectivity

KVD Kvarndammen's customers

Sales Sekm



Share of sales



Seller – value creating, fast and easy

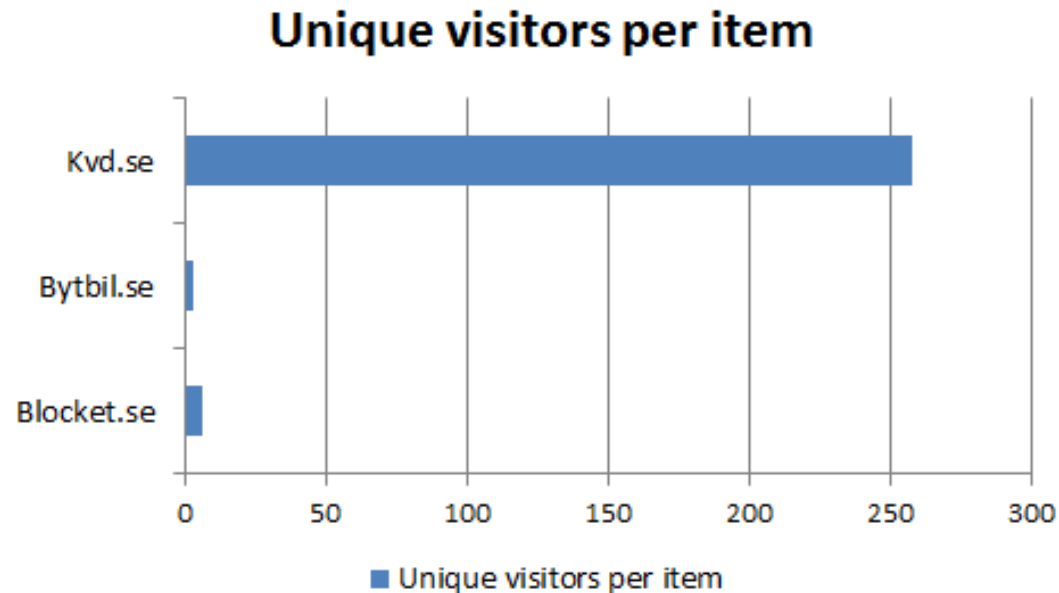
- Higher realised value
- Low transaction cost
- Fast process
- Value creating add-on services
- Broad base of returning customers
- Long-term relationship with seller

Buyer – simple, secure and fast

- Large range
- Independent testing and valuation
- Easily accessible
- Add-on services provide simplicity
- 98 % recommend

WIN-WIN-WIN – a good deal for buyer, seller and KVD!

Strong purchasing power gives high realised value



- 200,000 unique visitors every week
- 250 unique visitors per item
- 390,000 members, annual increase of 26%
- 1,200 new members every week



Three business areas

CARS

- Volume: 20,700 items
- Sales: SEK 200m
- Market share 10%
- Export
- Average volume increase 15%
- Long-term relationships
- Closed auctions
- Add-on services



MACHINES AND HEAVY VEHICLES

- Volume: 11,000 items
- Sales: SEK 67m
- Market share below 5%
- Export
- Direct auction concept
- Closed auctions
- Add-on services
- Focus on contracting, agriculture and construction, as well as materials handling, forest machines and boats



VALUATIONS

Of cars and light vehicles

- Lot valuations
- Individual valuations
- Residual values
- Buy-out valuations
- Free valuations for private individuals
- Supplementary valuations

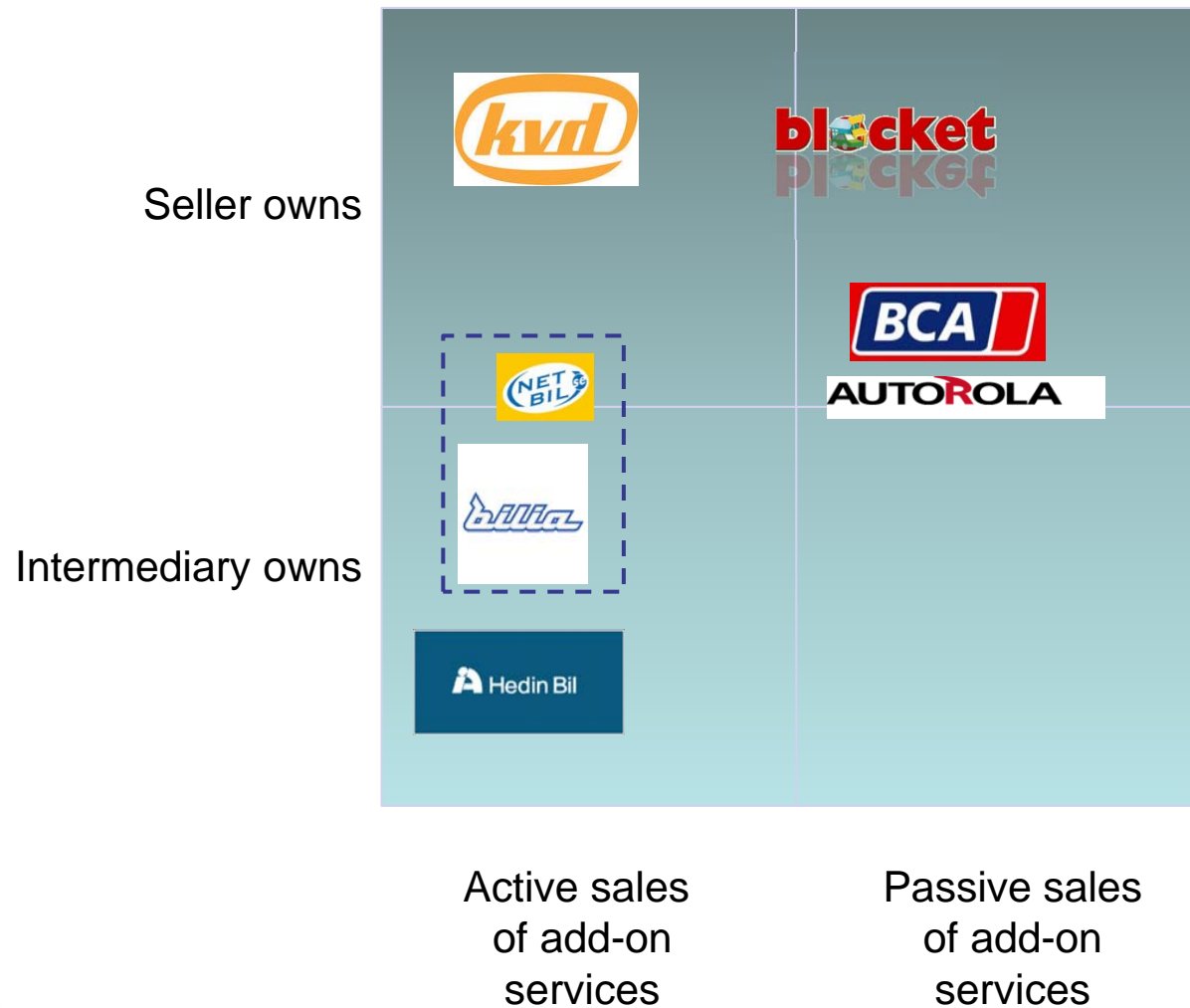
Total of 13 million valuations in 2011



bilpriser.se

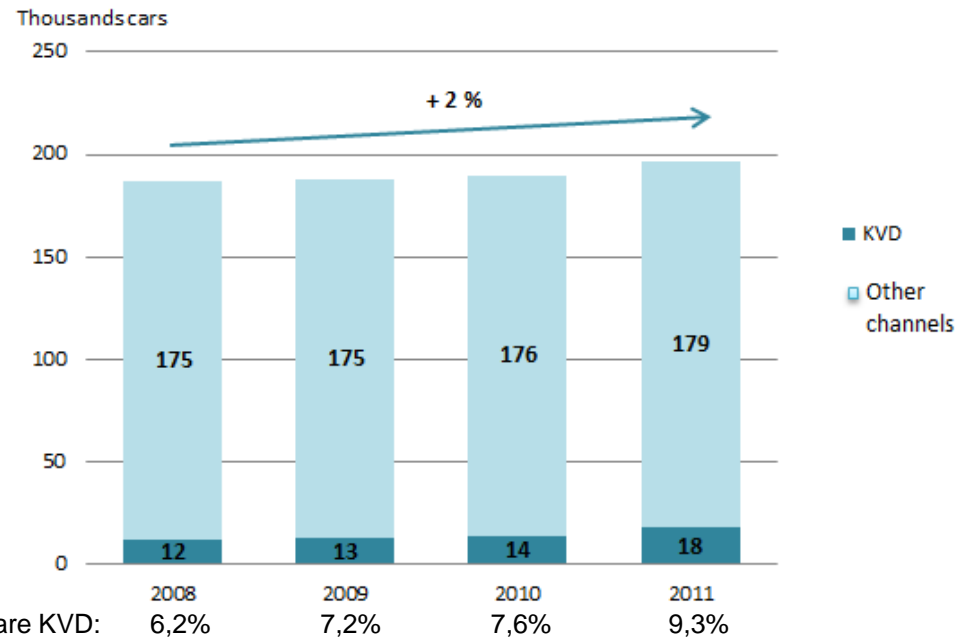
VAD ÄR DIN BIL VÄRD?

Competitors Cars business area



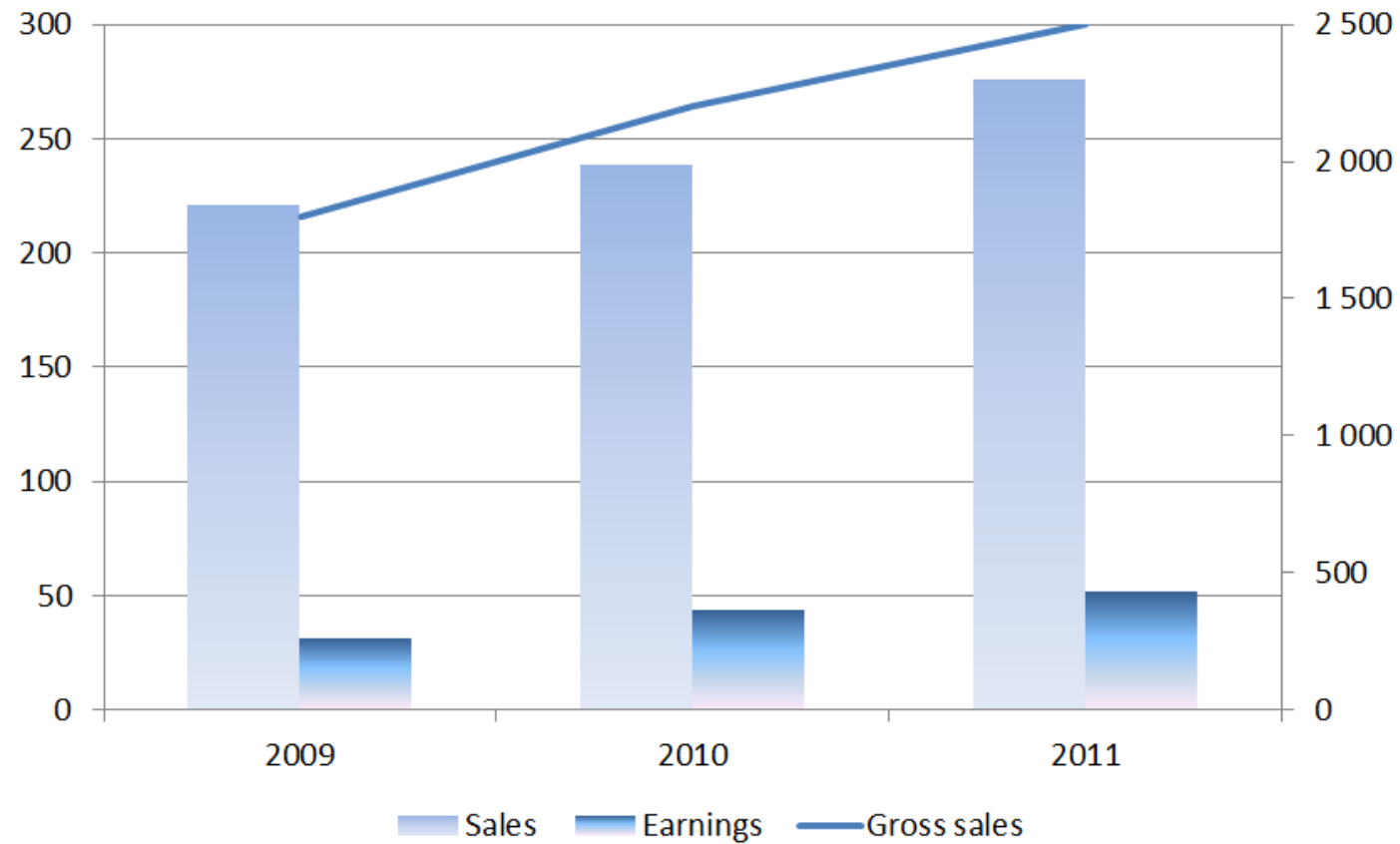
Market outlook cars

Market shares in the commercial market for second-hand company cars
2008-2011 (thousands)



- Market for sales of second-hand company cars is approximately 200,000 cars per year and private cars approximately 800,000.
- Market growth about 1-2% per year
- KVD gains market shares due to effective business model and strong market position
- Member cars

KVD financial performance



Gross sales: average increase +15.4% since 2009
 Sales: average increase +12.5% since 2009
 Earnings: average increase +35.9% since 2009

*Earnings 2010 SEK 44m, reported SEK 32m. SEK 12m attributable to exit costs

Strategies for growth

- Continued focus on cars, heavy vehicles and machines
- Focus on member cars
- Increase exports
- Improve service by:
 - Improving accessibility to bidding and auctions
 - Shortening lead times
 - Making production more efficient
 - Offering more add-on services
- Establishment in Nordic countries, starting with Norway





RATOS

KVD

Jonathan Wallis

15 March 2012

KVD – Ratos's investment

- Wholly owned subsidiary December 2010
 - Seller: AP6 and founder
- Ratos's investment for 100% of the capital: SEK 360m
- Ratos Team
 - Jonathan Wallis (responsible for the holding)
 - Henrik Joelsson
 - Anders Borg

Ratos's investment hypotheses

- Competitive business model
- Strong and growing market position in car business
- Growth opportunities
- Margin expansion
- Strong cash flows
- Management
- Culture

**Potential to accelerate
development through structured
and active ownership**

First year

- New board
- Business plan
 - Goals
 - Value drivers
- Project-based development work (25 projects)
 - Today, Tomorrow, Future
 - Board and management in active co-operation
- Organisation
- Method for continuous development!
- Customer value

Future

- Brand Values (trust, confidence and security)
- Increased market shares company cars in Sweden
- Production efficiency
- Add-on services
- Member car
- Norway