

Presentation of the fourth quarter and full year 2019 ^{6 February 2020}





Development fourth quarter 2019

- Net sales increased by 15% to 6,221 MSEK (5,428)
 - Organic growth 16% (FX-effects -1%)
 - Aibel, HENT and Diab main contributors
 - 10 of 12 companies showed organic growth
- EBITA increased to 57 MSEK (-69) excl IFRS 16
 - Improved profitability in most companies across the portfolio
 - Costs for measures in TFS and Plantasjen totalling -106 MSEK
- Improved cash flow from operations
 - 635 MSEK (300), where of effect from of IFRS 16 appr. 200 MSEK
- EBT amounted to -36 MSEK (-765)
 - Impairment in Q4 2018 of -600 MSEK
- New CEOs in LEDiL, Speed Group, Plantasjen and TFS





Development full year 2019

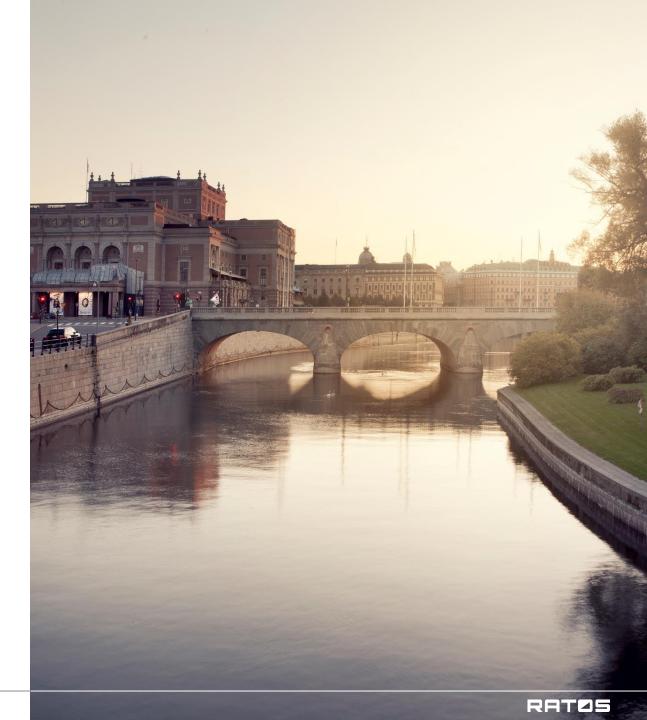
- Net sales increased by 14% (organic) to 24,475 MSEK (21,531)
 - All companies showed growth except LEDiL and Speed Group
- EBITA increased by 29% to 1,073 MSEK excl IFRS 16
- Improved cash flow from operations
 - 1,839 MSEK (341), where of effect from of IFRS 16 appr. 800
- EBT amounted to 1,061 MSEK (-107)
 - EBT adjusted for divestment and write down amounted to 673 MSEK (346) excl IFRS 16
- The Board proposes a dividend of 0.65 SEK/share (0.50)



Cash flow and Balance sheet

Full year 2019

- Increased focus on cash flow and capital employed in Ratos' companies
- Sequential improvement of cash flow from operations during 2019
 - Improved cash flow from operations for full year 2019 by appr 700 MSEK adjusted for IFRS16
 - Under-pinned by improved earnings and a reduced level of working capital
- Indebtedness in the companies impacted by
 - Capital contributions by -535 MSEK
 - Currency translation by +100 MSEK
- Net financial items amounted to -392 MSEK (-400) excl IFRS 16
 - Impacted negatively by fees due to renegotiating bank loans and by revaluations of financial instruments
 - Net interest expenses amounted to -265 MSEK (-300)



Financial position

- Lowered gearing in 10 of 12 companies
 - Improved EBITDA and lower net debt over all
- Aiming to reach ~2-3x over reasonable period of time, 9 companies achieving this
- Comments on outliers
 - Oase Outdoors quality issues identified and addressed. Capital contribution by 34 MSEK in Q4
 - Plantasjen bank debt reported as long again. New management is conducting a major overhaul to reach long term viability in earnings
 - Restructuring in TFS distorts EBITDA

Net debt / EBITDA LTM (Excl. IFRS 16)				
	31 Dec 2019	30 Sept 2019	31 Dec 2018	
Aibel	2,2	2,9	3,7	
Airteam	2,0	2,8	0,9	
Bisnode	2,4	2,1	2,3	
Diab	3,2	3,6	Neg	
HENT	Net cash	Net cash	Net cash	
HL Display	2,0	2,4	3,4	
Kvdbil	0,4	0,8	1,8	
LEDiL	2,0	2,5	2,4	
Oase Outdoors	18,4	13,2	7,1	
Plantasjen	13,7	10,7	12,7	
Speed Group	2,8	Neg	12,5	
TFS	Neg	2,9	17,0	

Business Area: Construction & Services

Q4

28%	104 MSEK
Net sales growth Q4 2019	EBITA increased to 104 MSEK (11) due to HENT and Speed Group

Adjusted for Ratos share, ex. IFRS 16, (MSEK)		!!		1	
Company	Organic revenue growth (Q4 19)	EBITA Q4 2019	EBITA Q4 2018	EBITA FY 2019	EBITA FY 2018
Aibel	+89%	47	72	221	207
airteam	+2%	28	24	62	62
HENT	+9%	21	-75	16	118
Speed Group	-2%	7	-11	4	-5
Construction & Services, Total MSEK	+26%	104	11	302	382
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Business Area: Consumer & Technology

Q4

	-5%	-88 MSEK
Ne	et sales growth Q4 2019	EBITA decreased to -88 MSEK (-46) primarily due to Plantasjen

Adjusted for Ratos share, ex.	IFRS 16, (MSEK)			1	
Company	Organic revenue growth (Q4 19)	EBITA Q4 2019	EBITA Q4 2018	EBITA FY 2019	EBITA FY 2018
Bisnode	+2%	139	131	336	329
Kvdbil	+22%	11	5	30	8
Oase Outdoors	+11%	-20	-17	8	28
Plantasjen	-2%	-217	-165	53	76
Consumer & Technology, Total MSEK	+0%	-88	-46	427	441
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Business Area: Industry

Q4

Adjusted for Ratos share, e	x. IFRS 16, (MSEK)	10% Net sales growth Q4 2019	41 MSEK EBITA increased to 41 MSEK (-34) primarily driven by Diab and HL Display	1	
Company	Organic revenue growth (Q4 19)	EBITA Q4 2019	EBITA Q4 2018	EBITA FY 2019	EBITA FY 2018
Diab	+19%	38	-78	182	-149
HL Display	+2%	30	21	136	94
LEDiL	+3%	8	11	54	72
TFS	+6%	-36	11	-28	-6
Industry, Total MSEK	+10%	41	-34	344	11



Actions taken during 2019

- Continued to focus on existing portfolio
 - Stability, Profitability, Growth
 - Improved results and strong growth
- Strong management teams in our companies
 - Changed CEOs in four companies
- Focus on right Governance with efficient board work
 - Changed Chair in eight boards, Ratos holds the Chair position in seven companies
- Closer interaction with Ratos' companies
 - Monthly Business reviews
 - Monthly follow up on value creation activities
 - OPEX initiatives in most companies
 - Ratos Executive Network created



Who we are

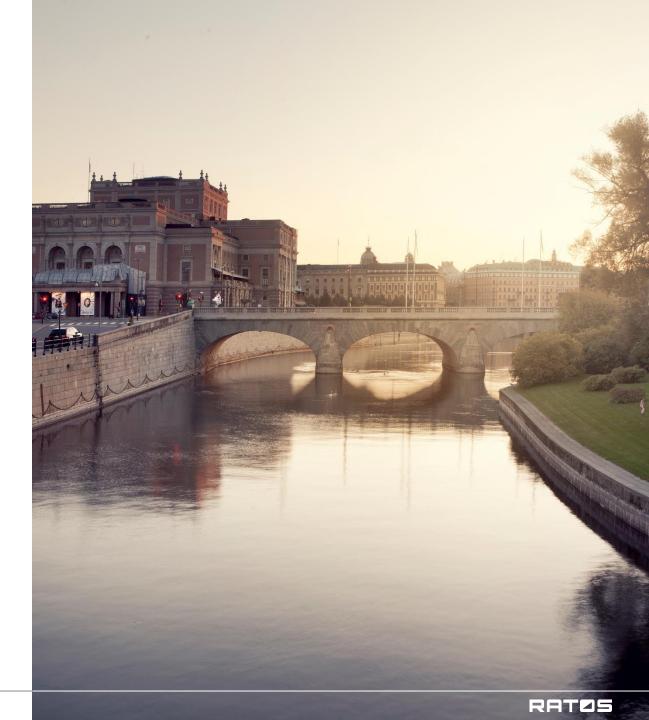
Ratos is a business group that enables independent mid-sized companies to excel by **being part of something larger**

Our Mission

We develop mid-sized companies, with a headquarter in the Nordics, who are or can become market leaders

Summary 2019

- The companies showed increased earnings and favourable growth
- Improved financial position
- The Board proposes a dividend of 0.65 SEK/share (0.50)
- Positive momentum in majority of the companies
 - Work remains for the companies to achieve a profit that is leading in each industry and market





Thank you! Q&A



Financial Calendar & Contact details

- Publication Annual Report, week 10
- AGM, April 1
- Interim Report, Q1 2020, 28 April
- Interim Report, Q2 2020, 17 July
- Interim Report, Q3 2020, 22 October

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