

# RATOS



## Interim report January-September 2017

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14 November 2017

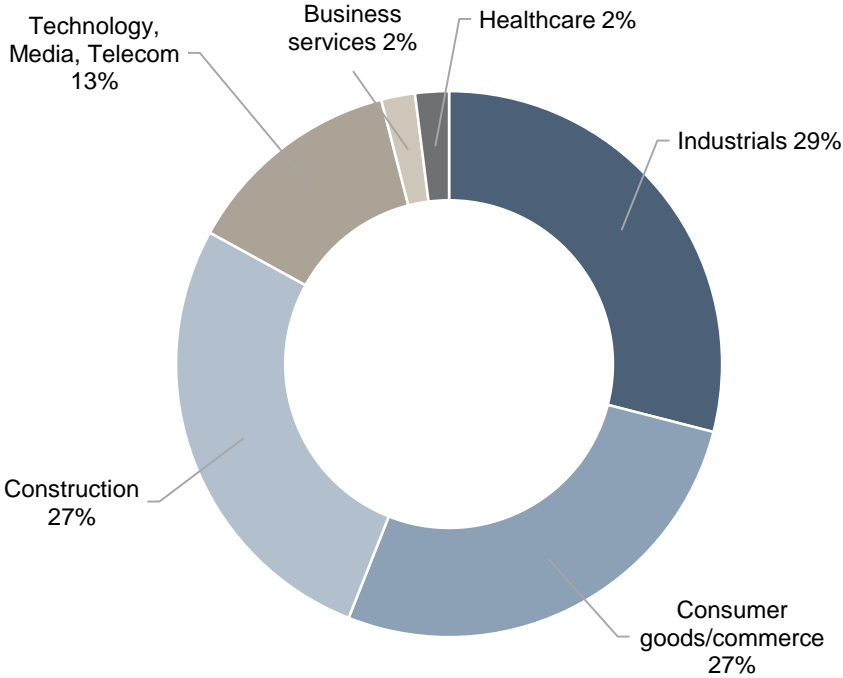
# Important divestments

- Four exits completed
  - Nebula
  - Serena Properties
  - Arcus
  - AH Industries
- Stable sales and profit development for the first nine months of 2017
  - Weaker development in the third quarter
- GS-Hydro Holding Oy and GS-Hydro Oy was declared in bankruptcy in September
- Strong financial position

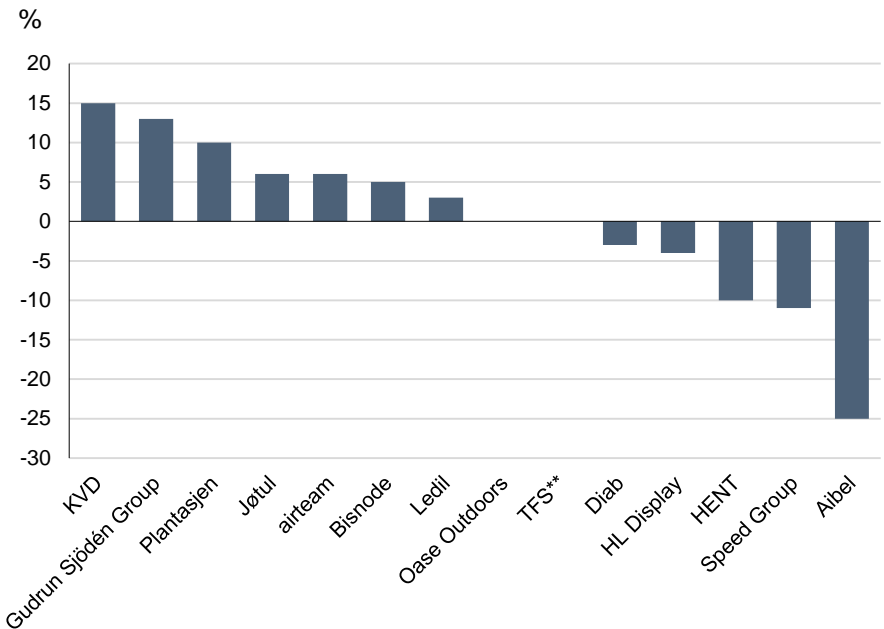


# Diversified company portfolio

Sales breakdown by segment\*, at 30 September 2017



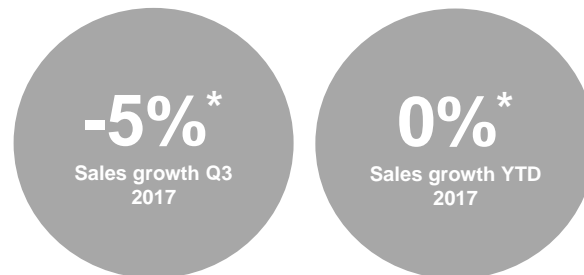
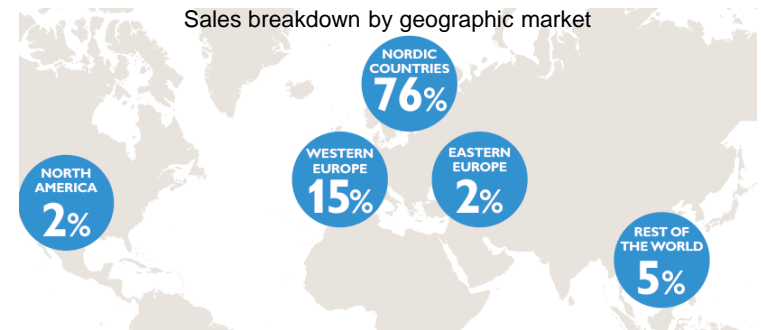
Net sales trend\* at 30 September 2017 (Local currency, Q3 2017)



\* Adjusted for the size of Ratos's holding. \*\*TFS, service sales development.

# Varied market situation

- Unchanged and overall positive market development
- Varies between the companies, which are exposed to different segments and geographies



\* Adjusted for the size of Ratos's holding.

# Focus on earnings improvement

- Good earnings trend Q1-Q3
  - EBITA +7%
- Weaker earnings in Q3
  - EBITA -18%
  - Negative EBITA-development in Diab, TFS and Plantasjen
- Improved profit before tax
  - Changed company portfolio
  - Improved earnings in Bisnode and lower non-recurring costs
  - Lowered central management costs
  - Exit gains
- Continued focus on earnings and development of the portfolio companies



# Performance in the companies<sup>1)</sup>

January-September 2017, MSEK

	Ratos's holding	
Sales in the portfolio	15,874	+0%
The portfolio's EBITA	1,006	+7%
Adjusted EBITA <sup>2)</sup> in the portfolio	1,045	-7%
EBT	1,255	-2,220

<sup>1)</sup> Comparison with corresponding period last year and for comparable companies.

<sup>2)</sup> Excluding items affecting comparability.

# Performance in the companies<sup>1)</sup>




Q3 2017, MSEK

	Ratos's holding	
Sales in the portfolio	4,861	-5%
The portfolio's EBITA	202	-18%
Adjusted EBITA <sup>2)</sup> in the portfolio	222	-15%
EBT	741	-2,227

<sup>1)</sup> Comparison with corresponding period last year and for comparable companies.

<sup>2)</sup> Excluding items affecting comparability.

# Company overview – development status

GOOD DEVELOPMENT 			DEVIATIONS 			CHALLENGES 		
airteam	Sales	+1%	Aibel	Sales	-1%	Diab	Sales	+3%
Bisnode	EBITA	+14%	HL Display	EBITA	+4%	Jøtul	EBITA	-69%
Gudrun Sjödén Group	EBITA marg	8.1% (7.2)	TFS	EBITA marg	3.5% (3.3)		EBITA marg	1.1% (3.7)
HENT								
Kvdbil								
Ledil								
Oase Outdoors								
Plantasjen								
Speed Group								
<b>83%</b> <small>Share of EBITA*</small>			<b>12%</b> <small>Share of EBITA*</small>			<b>6%</b> <small>Share of EBITA*</small>		

\*) Rolling 12 months



# Important exits for Ratos

- Nebula
  - Sold to Telia Company
  - Exit gain SEK 515m, IRR 37%, Money Multiple 3.3x
- Serena Properties
  - Sold to Fastighets AB Balder
  - Exit gain SEK 79m, IRR 26%, Money Multiple 1.4x



# GS-Hydro

- Filed for bankruptcy in September
- Liquidity and profitability problems, largest customers could not meet its payment commitments
- Extensive action programme and substantial capital contributions since 2015



# Net seller in strong transaction market

- Continued high activity and challenging valuations
- Opportunities for Ratos to capture value creation through exits
- Continued good access to bank financing
- Challenging work to find attractive investment opportunities
- Cash position SEK 2,405m



# Summary

- Market development varies between segments and geographies
- Focus on earnings in portfolio companies
- High activity in the transaction market but challenging valuations
- Looking for companies that fits Ratos's unique offering



# Q&A