

# RATOS

CEO Susanna Campbell

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# New CEO and Chairman 2012

- Undramatic
- Focus on continuity
- Strategic overview
  - Ratios good but continual improvement key

# Intense competition

- PE sector here to stay
- No more easy money
- Requires more than financial expertise and cash
- Ratos's business model strong(er)
- 20% IRR unchanged

# Ratos strong in troubled environment

- Proven, effective strategy
- Organisation
- Brand
- Long-term approach
- Financing
- Active ownership
- Challenging market = opportunities for Ratos

# PEC 2.0



Introducing  
**MacBook Pro**  
with 13-inch Retina display

Over 4 million pixels. Under 3.6 pounds.  
It's impressive by any measure.

# PEC 2.0: focus areas

- Continued development of active ownership
- Increased focus on transactions
- Organisational development
- Flexible access to financing

# Corporate Responsibility at Ratos

- Professional – active – **responsible**
- CR value creating
- Ratos CR standard, with individual adjustments
- Integrated part of business processes at Ratos and in the holdings
- Increased focus 2013 and beyond
- Zero tolerance for corruption
  - Principles in code of conduct apply to all employees in the Ratos Group
  - Focus areas 2013: risk analysis and review of anti-corruption work in the holdings

# Economic conditions 2012

- Weak and volatile business environment development
- Big question marks (China, USA, Europe)
- Restrained consumers
- More stable towards end of 2012



# Mixed performance in holdings (1)



Arcus-Gruppen

Bisnode

Finnkino

GS-Hydro

HL Display

KVD Kvarndammen

Mobile Climate Control

Stofa



Biolin Scientific

Contex

Euromaint

Hafa Bathroom Group

Inwido

SB Seating



AH Industries

DIAB

Jøtul

# Mixed performance in holdings (2)

|   | Total | Ratos's share |
|---|-------|---------------|
| Sales   | -2%   | -2%           |
| EBITA excluding items affecting comparability | -12%  | -11%          |

# Total return

|                  | 1999-2012 | 2012 | 2013  |
|------------------|-----------|------|-------|
| Ratos, B shares  | +907%     | -17% | +9,1% |
| Six Return Index | +170%     | +16% | +9,8% |

# High transaction activity: sales

- Anticimex: 24% IRR
- Contex: -16% IRR
- Lindab: 23% (11%) IRR
- Stofa: 55% IRR
- BTJ

# High transaction activity: acquisitions

- Arcus-Gruppen's add-on
- Aibel
- SF Bio
- Nebula

# Acquisition of Aibel

- Leading Norwegian service company within oil, gas and renewable energy
- EV approx NOK 8.6 billion, Ratos provides approx NOK 1.4 billion (32% holding)
- Co-ownership with Ferd and Sixth AP Fund
- Attractive market
- Maintenance relatively non-cyclical
- Strong order book with long visibility
- Good cash flows
- Experienced management group

# Flexible access to financing – why?

- Ratos's business model different
  - Difficult to predict and large capital flows
- Timing key
- Make acquisitions when opportunities arise
  - Requires a “smorgasbord” of financing alternatives
- Total risk – unleveraged parent company

# Flexible access to financing

- Reduced dividend
  - Maximise value creation over time
  - Dividend priority for Ratos
  - Updated dividend policy
- Mandate to issue B shares
- Proposed mandate to issue preference shares
  - Manage inflows and outflows
  - Similar to bonds
- Enables value-creating investments



# 2013 for Ratos

- Significant exposure to Nordic region and Western Europe
- Brighter towards end of 2013?
- Conditions exist for improved earnings in holdings – main emphasis on second half

# Ratos stands strong

- Strategy unchanged
- Attractive acquisition opportunities
- 20% IRR
- Challenging 2013, at least in first half
- Focused and motivated organisation

RATOS