

# Ratos Press Conference

## Divestment of Bisnode

2020-10-08

Jonas Wiström

The background of the slide features a 3D rendering of dark blue geometric shapes on a light-colored, textured surface. On the left, there is a stepped rectangular structure. On the right, there is a larger, rounded rectangular structure with a triangular cutout on its top surface.

**RATOS**

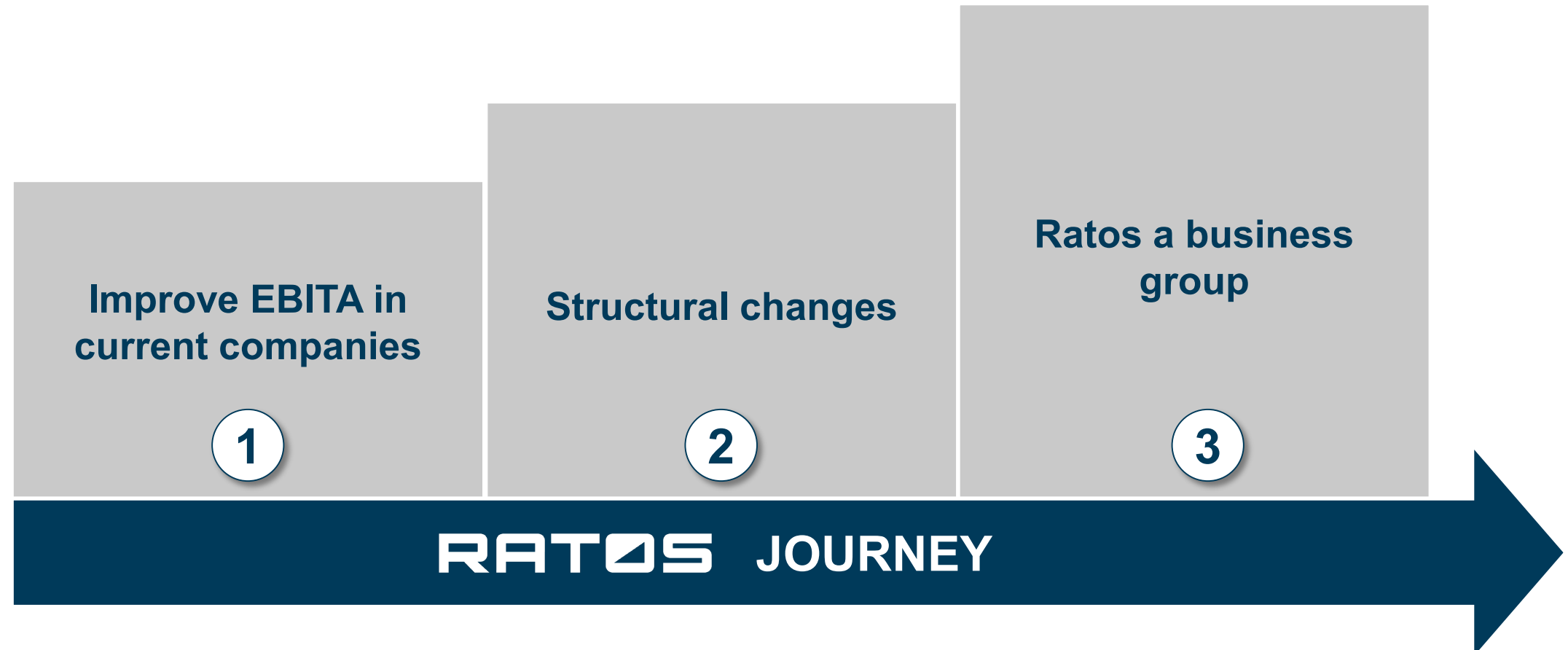
# Agenda

- **Recap of Ratos Transformation**
- Divestment of Bisnode
- Next step of the Ratos Journey
- Stephen C Daffron, President of Dun & Bradstreet
- Q&A

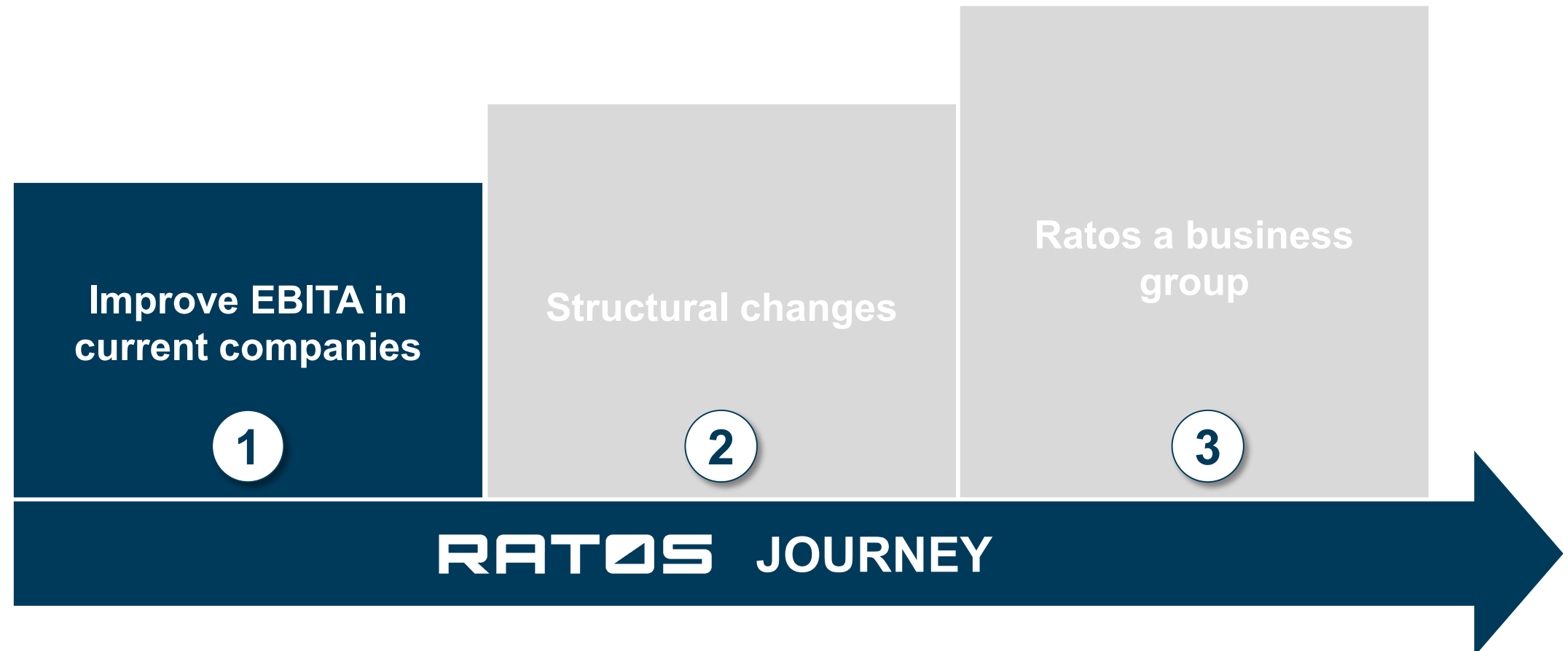
## Where we are heading

**A business group that enables  
independent mid sized companies to  
excel by being part of something larger**

# Our transformation journey



# Our transformation journey



# EBITA building blocks

**Structure**

*(Hard)*

**Processes**

*(Harder)*

**Culture**

*(Hardest)*

# EBITA building blocks

## Structure ✓ (Hard)

- Right CEO
- Right COB
- RatOS Business council
- RatOS business executive leadership programme
- Decentralized P&L
- No Matrix
- Majority of the Exec. team should consist of line managers

## Processes (Harder)

## Culture (Hardest)

# EBITA building blocks

## Structure

*(Hard)*

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## Processes

*(Harder)*



- Monthly business reviews
- Monthly forecast model
- Attractive Incentive plans
- Benchmarking
- RatOS network
- Customer surveys
- Employee surveys

## Culture

*(Hardest)*



# EBITA building blocks

## Structure

*(Hard)*

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*(Harder)*

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## Culture

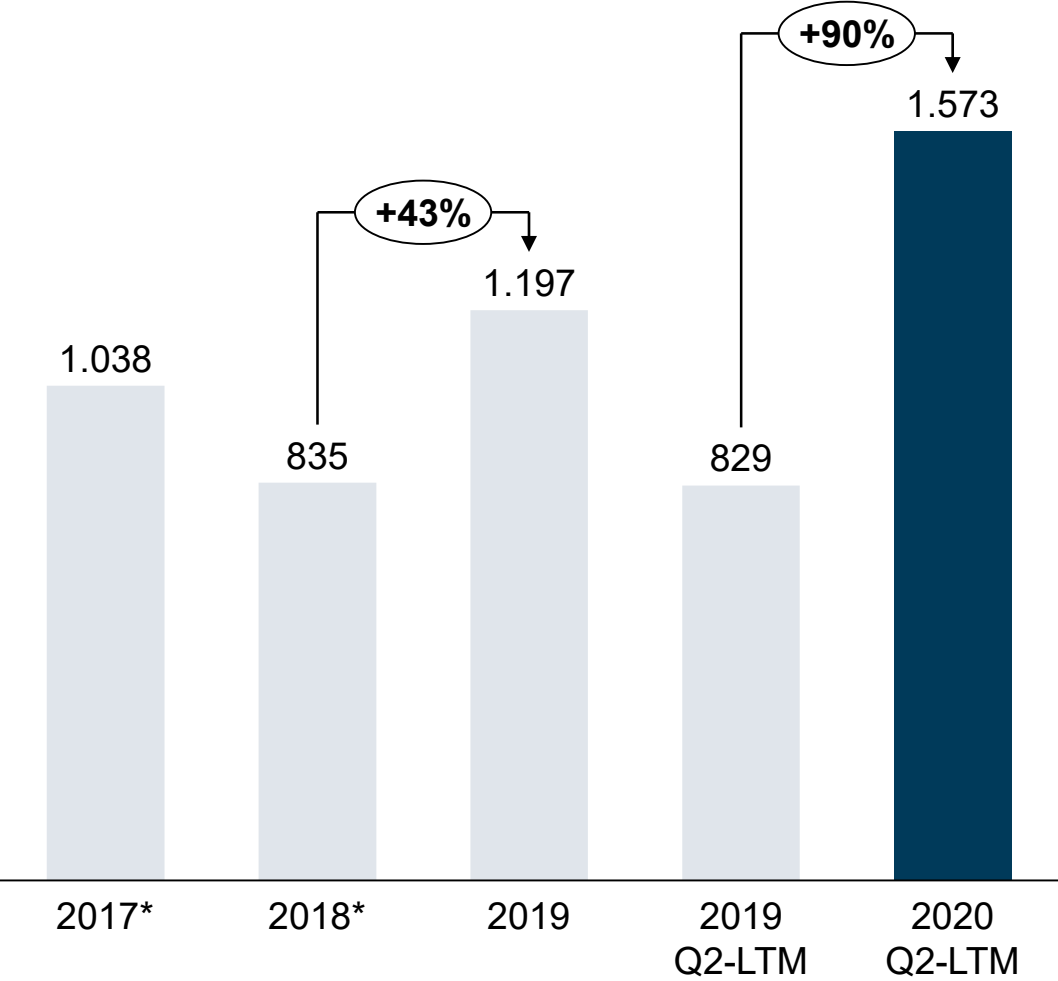
*(Hardest)*



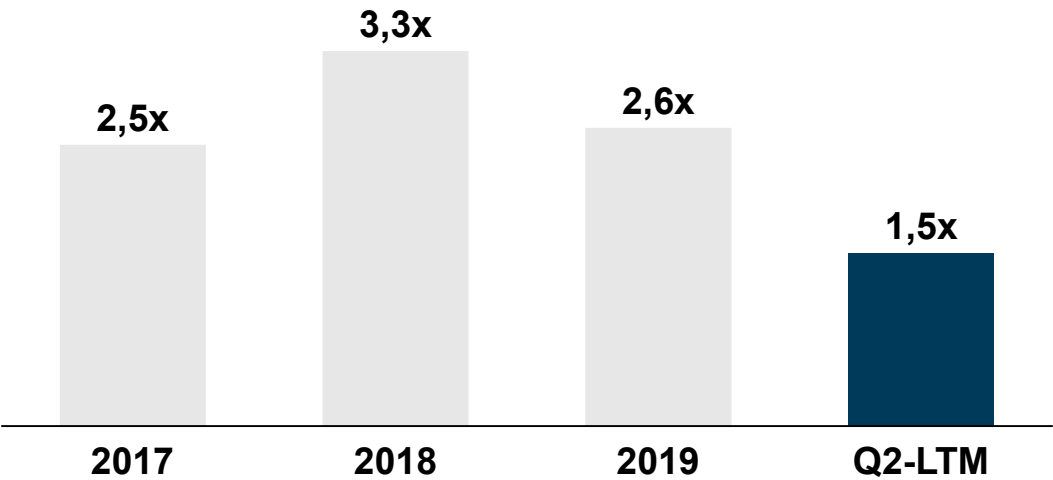
- What does good look and feel like?
- Trust
- It's all about people
- Speed
- Simplicity
- Part of something larger
- Build on strengths
- Execution 80% & Strategy 20%

# Financial Development

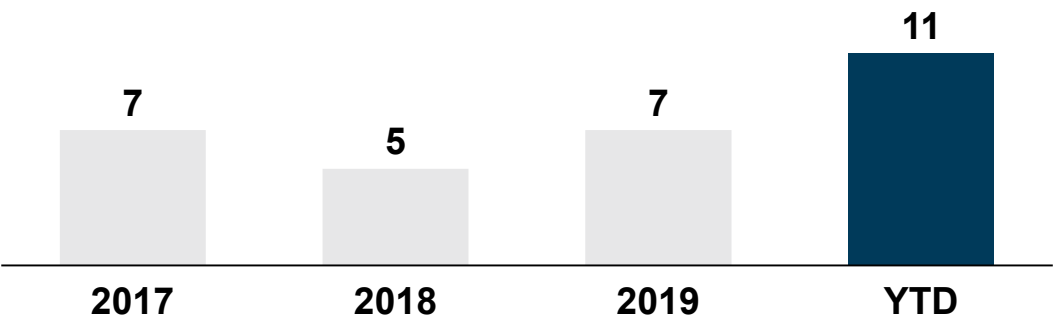
EBITA  
(Ratos business areas, Ratos's holding MSEK)



Consolidated leverage  
(Excluding IFRS 16, including Ratos cash)



# of companies improving result vs. previous period

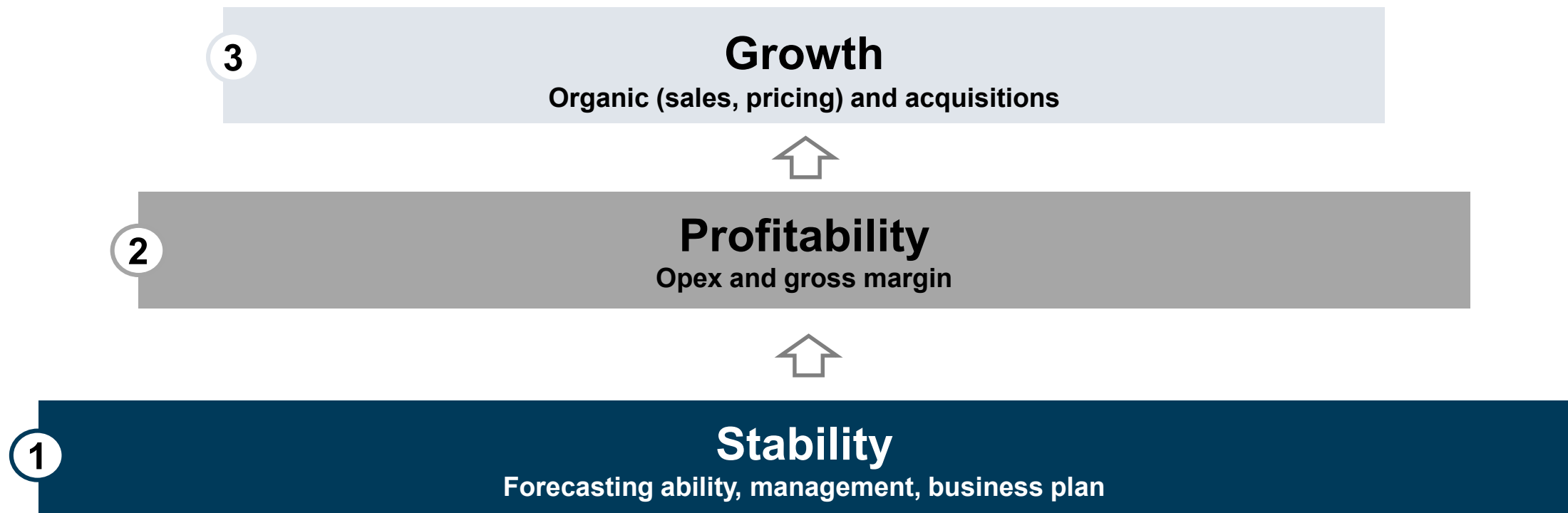




# Continue to focus on our current companies

## Ratos priority

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# Successful Bisnode transformation

- Since 2016, Bisnode has achieved stability and profitability with improved EBITA margin from 7-14% and improved cash conversion
- Stability and profitability achieved by:
  - Divesting non-core products
  - Cost reduction & efficiency measures
  - Investing in new products & functions
  - Integrate and reposition offering and brand
- Customer Net Promoter Score
  - 2016: 6, 2018: 14 and 2020: 39
- Employee Net Promoter Score
  - 2016: -16, 2018: 20 and 2020: 22





**Growth**

**Profitability** ✓

**Stability** ✓

# Bisnode ready for growth

*Consolidation is a necessary next step*

- Having achieved stability and profitability, Bisnode is set for growth
- The data & analytics market is under consolidation driven by economies of scale and increasingly global customers
- Bisnode expansion would require significant investments on a stand-alone basis. Too high risk. Bisnode revenue from D&B products approx. 33%
- Taking part in a consolidation by investing 1 bn SEK is therefore an attractive route to growth and value creation



# Powerful business combination

*Strong combination of footprint & capabilities*

- Bisnode is a member of the Dun & Bradstreet Worldwide Network since 2003
- Bisnode and D&B has complementary geographical footprint and capabilities
- The acquisition is expected to result in cost and revenue synergies
- Continued value creation for Ratos through investment in D&B





# Details of the transaction

- Enterprise value of 7200 MSEK, excl leasing, equivalent to 13,8 EV/EBITA LTM as of Q2 2020
- Estimated equity value attributable to Ratos of approximately 3900 MSEK\* (excl dividend of 175 MSEK)
  - 75% MSEK will be paid in cash and
  - 25% MSEK through D&B shares
- Completion of the deal is subject to regulatory clearance

\* Final equity value and net consideration subject to final closing calculation at closing date

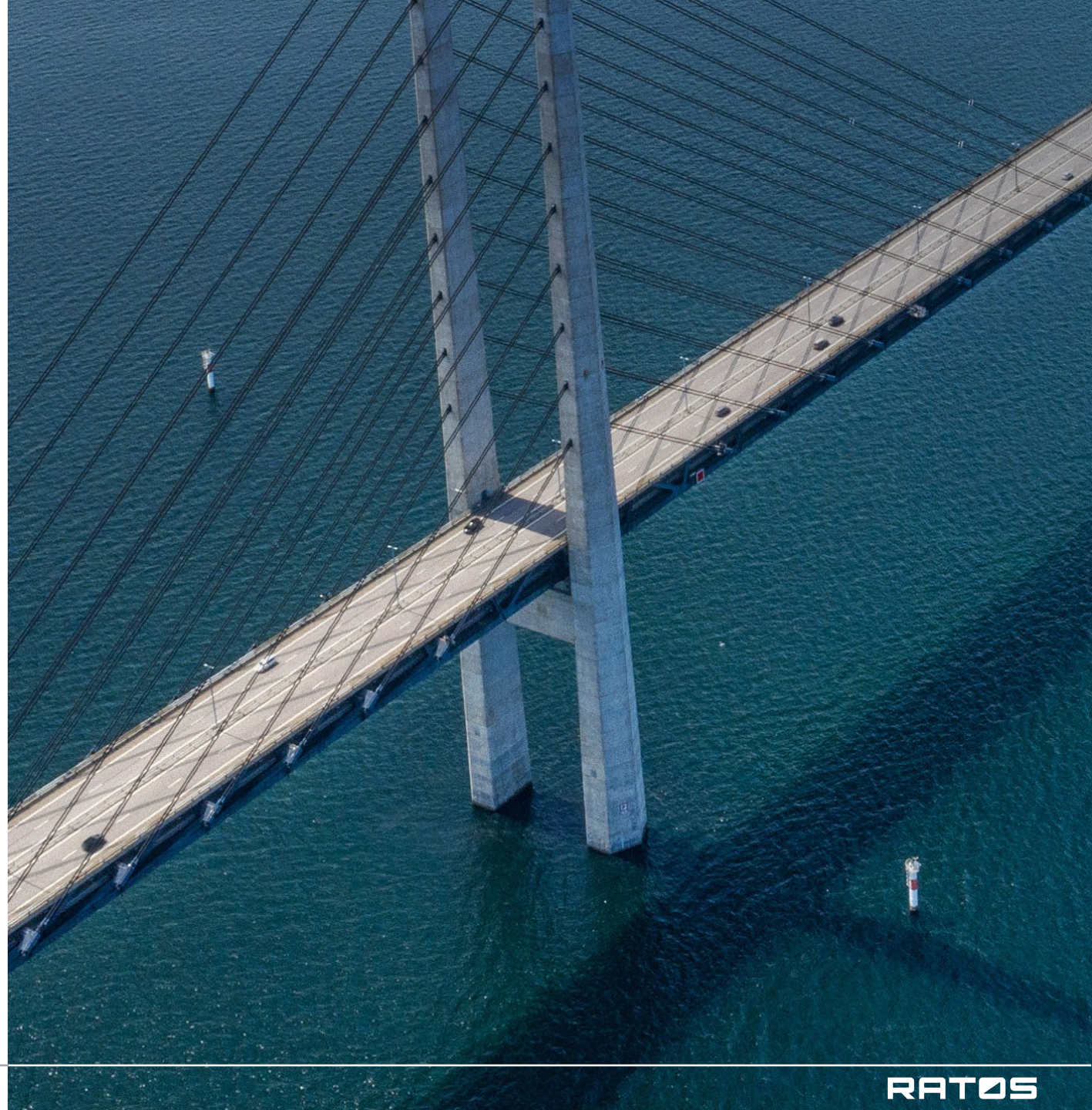


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# Continue to grow EBITA -including acquisitional growth

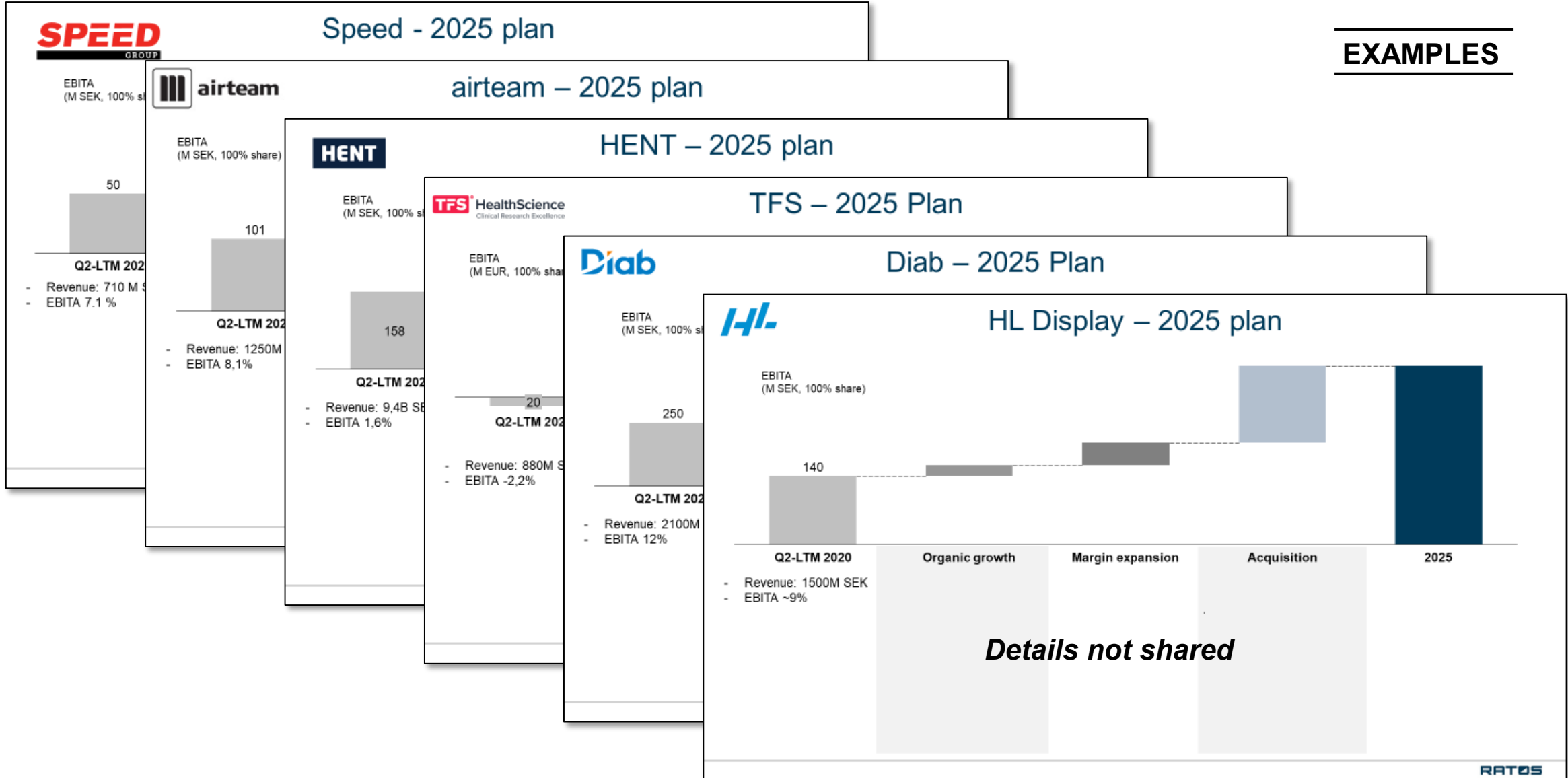
- 1 As we have **stabilized** our companies...
- 2 ...and they generate acceptable **profitability**
- 3 It is now time to focus on **growth**, both organically and through acquisitions





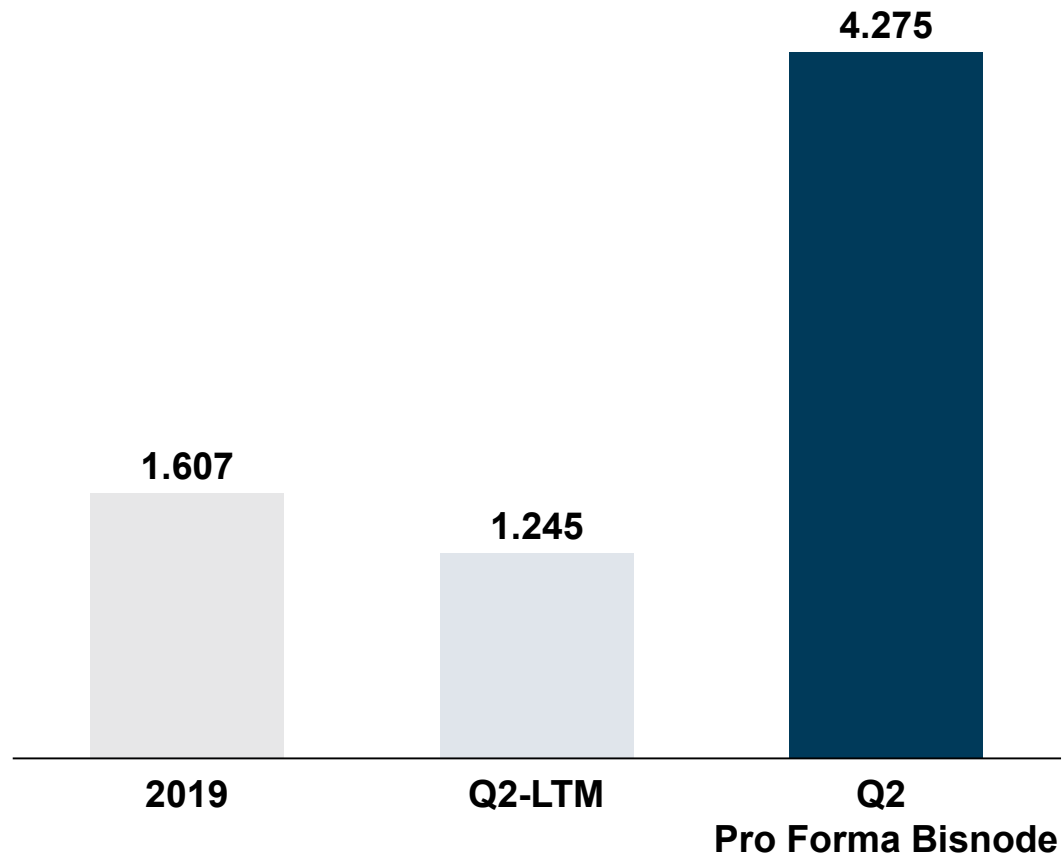
# Ambitions plans across our portfolio

## EXAMPLES

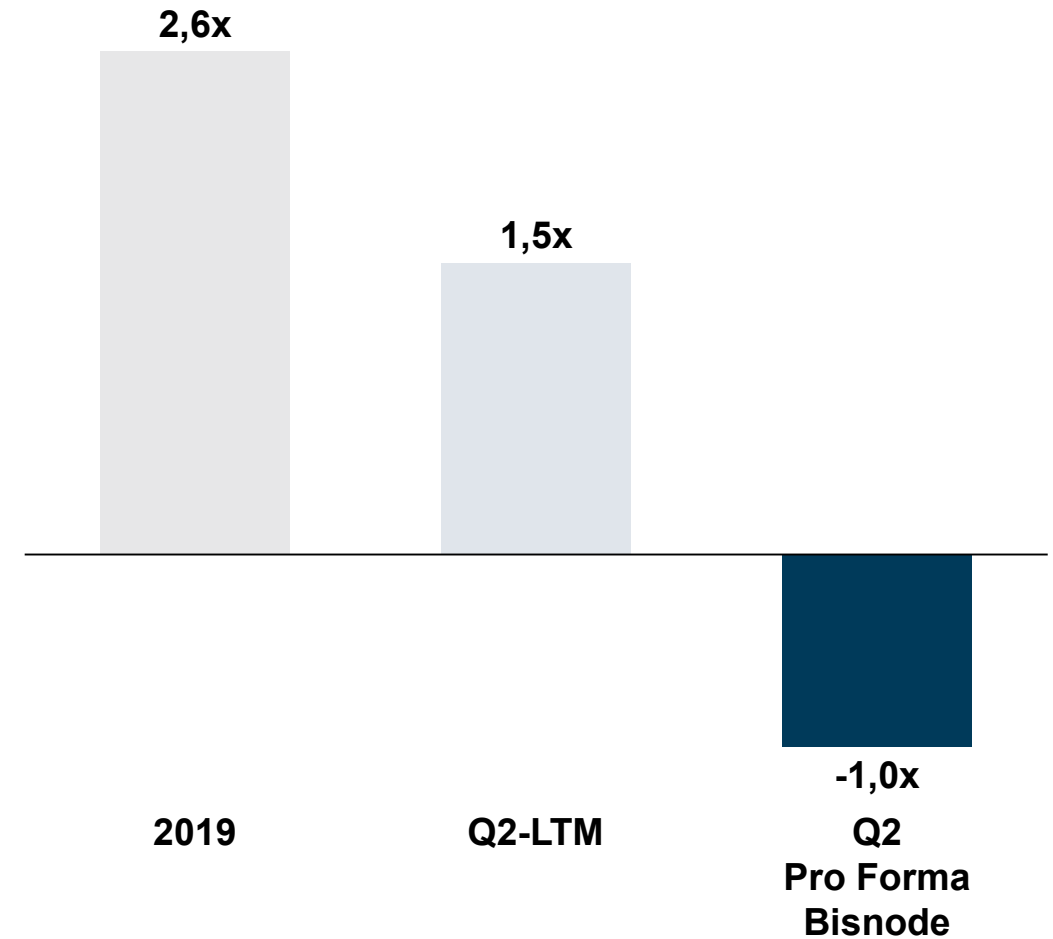


# The divestment of Bisnode gives us the financial strength to grow EBITA

Ratos AB Cash  
(M SEK)



Consolidated leverage  
(Excluding IFRS 16, including Ratos cash)



# **My task**

**To increase shareholder value in a  
growing RatOS**


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# Coming together to create a Business Intelligence powerhouse

dun & bradstreet

 Founded in 1841

 A global presence with operations in North America, Europe and Asia

 Dun & Bradstreet's Data Cloud contains comprehensive information on more than 360 million total businesses and is compiled from approximately 16,000 sources worldwide

 Approximately 135,000 clients, including approximately 90% of the Fortune 500 and 80% of the Fortune 1000

 4,000 employees



Strategic Partners for  
**nearly two decades**

Owned presence in **27 markets across North America, Europe and Asia**, and coverage across 243 countries via the Worldwide Network alliances

Approximately **250,000 clients**, with a presence in 340 of the Global 500's headquartered markets

**6,000 employees**

 **Bisnode**

Founded in 1989

Long-standing Worldwide Network Partner, with ~33% of revenues from D&B solutions

Headquartered in Sweden with operations across Europe in 19 markets

Direct access to high quality data, including 33 million companies from 550+ sources

Approximately 110,000 clients, from Government agencies to small and mid-sized companies as well as global corporations

2,000 employees

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# Q&A