

# SCANDINAVIAN BUSINESS SEATING



Henrik Lundh

12 March 2014

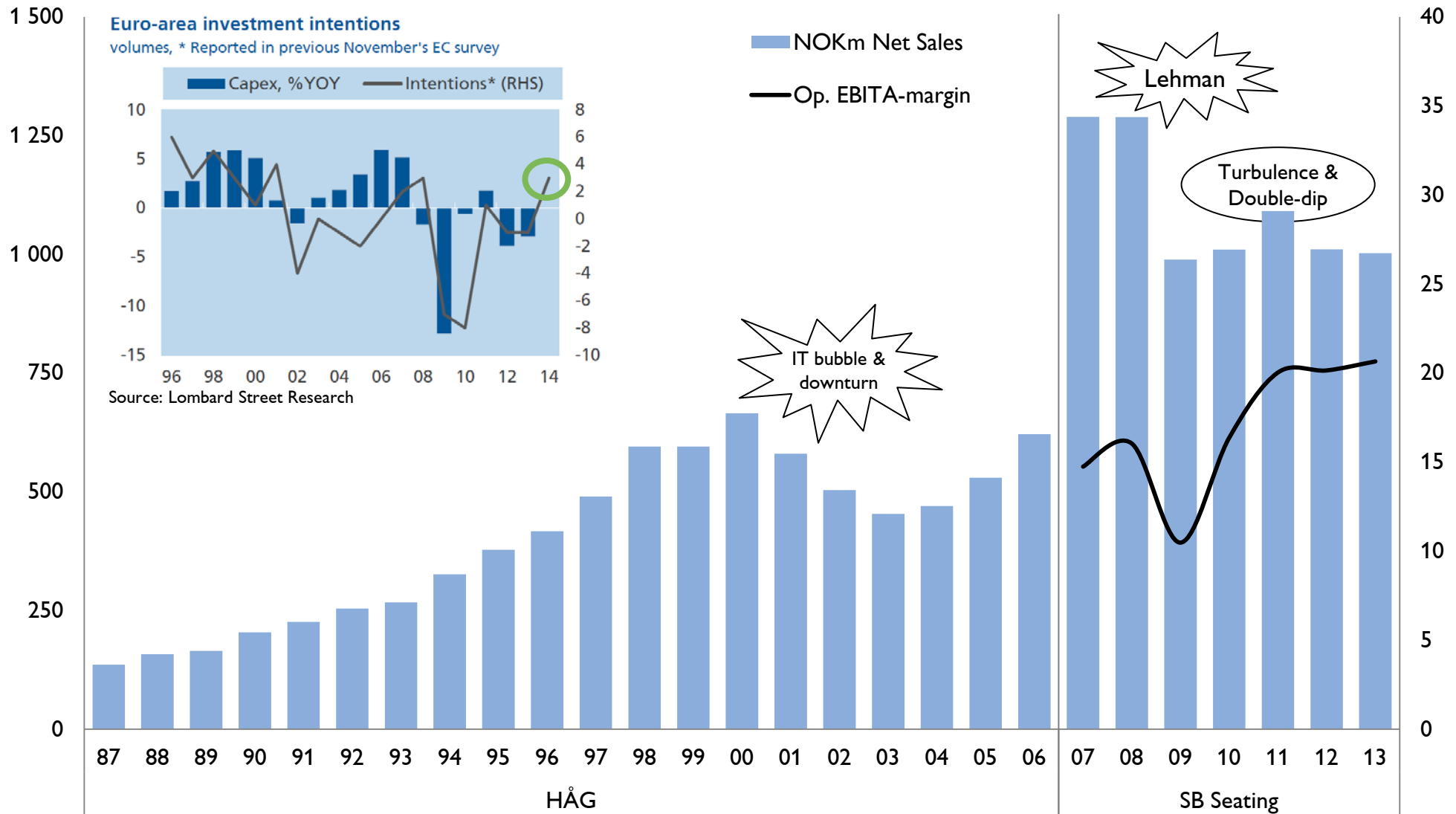
# Ratos's investment in SB Seating

- Group created through three acquisitions in 2007
  - Ratos invested SEK 747m
  - Significant investment from management and board members
- Since then, two recapitalisations: 2011 and 2013
  - Ratos's net investment SEK 39m
- Ratos's ownership
  - 85% of ordinary shares
- Ratos's team
  - Henrik Lundh (responsible for holding)
  - Oscar Hermansson

# Our view on performance so far

- Investment thesis proven correct
  - Solid business with Nordic consolidation, synergy and industrialisation potential
- Successful merger of three companies
  - Significant overlaps enabled near full integration
- Well handled volume drop during financial crisis
  - Pricing power
  - Operating leverage, but fixed cost base highly controllable
- Focus on efficiency, product development and now sales force efficiency
  - Brick-by-brick strengthening of position and potential, cementing profitability
- Stable sales due to slow market in recent years. But:
  - Strong market position and product pipeline
  - Activities for growth
  - Cyclical market rebound potential

# Stable market means rebound potential



# Value creation going forward

- Growth potential
  - Sales force investment
  - Newly developed product platforms
  - Market-leading cost position
  - In Scandinavia (with or without market growth)
  - In other European markets
  - And in Asia, with a continued new market hub strategy
  - Add-on acquisitions
- Profit expansion and continued high cash conversion
  - Spare capacity in production and sales force
  - High and solid gross margin
  - Positioned to benefit from own efforts and cyclical rebound
- SB Seating is a specialist, offering differentiated branded products with high value-add and leading efficiency

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## Q&A