

An aerial photograph of a modern cable-stayed bridge spanning a large body of water. The bridge features two tall, slender concrete pylons supporting the deck with multiple stay cables. The water is a deep blue-green color, and the sky is clear. The bridge deck is light-colored, and a few vehicles are visible on it. The overall scene is bright and clear.

Interim report Q1 2021

RATOS

Interim report January–March 2021

Continued strong earnings trend in the first quarter

Performance Ratos Group

- Profit/loss for the period for the Ratos Group increased to SEK 1,733m (-113)
- Operating profit/loss from continuing operations for the Ratos Group amounted to SEK 154m (-14)
- Diluted earnings per share increased to SEK 5.27 (-0.38)
- Diluted earnings per share adjusted for capital gains amounted to SEK -0.04 (-0.38)
- Cash and cash equivalents in the parent company totalled SEK 2,285m (1,391)

Performance Ratos business group, adjusted for Ratos's holdings

- Net sales decreased to SEK 4,666m (5,588), mainly due to the divestment of Bisnode
- EBITA increased to SEK 173m (108)
- Cash flow from operations amounted to SEK -524m (-107)

Significant events during and after the end of the period

- On 8 January, Ratos completed the sale of Bisnode, excluding Bisnode Belgium, the sale of which was completed on 31 March. The equity value for Ratos's holding of 70% in both operations totalled SEK 3,879m, yielding a consolidated capital gain of SEK 1,773m in the first quarter.
- On 4 March, HL Display acquired the company Concept Group, thus strengthening its market-leading position in the UK.
- On 10 March, Ratos signed an agreement to acquire 63% of Vestia Construction Group, a complement to Ratos's building construction company, HENT, both geographically and in terms of expertise.
- On 1 April, HL Display acquired CoolPresentation, thus strengthening its market position in the Netherlands.

Financial performance

MSEK	Q1 2021	Q1 2020	Change %	LTM Full Year Rolling 2020	Change %	
Ratos Group						
Net sales	4,432	4,705	-6%	20,668	20,941	-1%
Profit/loss for the period ¹⁾	1,733	-113	pos	2,730	883	pos
Operating profit/loss, continuing operations	154	-14	pos	1,625	1,457	12%
Profit/loss before tax, continuing operations	67	-127	pos	1,067	873	22%
Diluted earnings per share total group, SEK ¹⁾	5.27	-0.38	pos	7.82	2.17	pos
Diluted earnings per share, continuing operations, SEK	-0.01	-0.41	pos	1.98	1.58	25%
Cash and cash equivalents in the parent company, at period end	2,285	1,391	64%		1,166	
Ratos business group, Ratos's holding^{1) 2)}						
Net sales	4,666	5,588	-16%	23,132	24,053	-4%
EBITDA	405	385	5%	3,062	3,041	1%
EBITA	173	108	61%	1,976	1,910	3%
EBITA margin	3.7%	1.9%		8.5%	7.9%	
Profit/loss before tax	77	-91	pos	1,353	1,185	14%
Cash flow from operations	-524	-107	neg	1,351	1,768	-24%
Leverage ³⁾	-0,6x	2,7x			1,1x	

¹⁾ 2020 includes Bisnode that was divested in January 2021.

²⁾ Tables in a tinged background are alternative performance measures, refer to Note 3 Alternative performance measures, page 23 for reconciliation and page 29 for definitions.

³⁾ Excluding financial lease liability and including cash and cash equivalents in the parent company.

Continued strong earnings growth despite the divestment of Bisnode

In the first quarter, which is seasonally small, the business group's EBITA increased 61%. This was despite the fact that Bisnode, which represented 54% of earnings in the first quarter of 2020, was not included in the business group this quarter. At the same time, profitability improved. The pandemic impacted the quarter, resulting in reduced sales. Nonetheless, all companies except for Diab and HENT recorded improved or significantly improved earnings. Two company divestments and two company acquisitions were completed during the quarter. After the end of the period, an additional acquisition was completed.

It is gratifying to note that the first quarter was Ratos's seventh consecutive quarter with strong EBITA growth. Profitability also increased significantly in the seasonally small quarter. Cash flow declined compared with the year-earlier period, mainly as a result of the negative cash flow for HENT, whose cash flow varies considerably between quarters depending on when invoicing for major projects is carried out.

Net sales declined 16%, including impact from Bisnode, which was included in 2020. Organic growth was -2%. Several of Ratos's companies continued to be negatively impacted by the pandemic. The companies that conduct international operations were impacted by travel restrictions, our Nordic companies faced various challenges such as lockdowns in parts of Norway and Finland, while Sweden continued to permit considerable freedom of movement and allowed stores to remain open. In addition, transportation costs for deliveries of inputs rose due to a global shortage of transport capacity. I can only note that our companies, their management teams and employees are doing a fantastic job!

All three business areas reported improved earnings and, at the company level, every company with the exception of Diab and HENT recorded improved or significantly improved earnings compared with the year-earlier period. Plantasjen, HL Display and Aibel accounted for the greatest increase in nominal figures, while Speed Group, airteam and Oase Outdoors accounted for the greatest improvement in terms of percentage.

In addition to our daily efforts to develop the companies, the quarter was dominated by transaction activities. During the period, we completed the previously announced divestment of Bisnode, followed by the final divestment of Bisnode in Belgium, which was not included in the initial transaction. The equity value for Ratos's holding of 70% in both operations totalled SEK 3,879m, yielding a consolidated capital gain of SEK 1,773m in the first quarter.

In February, we established new financial targets as a result of having attained stability and profitability in many of our companies, which has created the conditions for successful add-on acquisitions. One target is that EBITA is to amount to at least SEK 3 billion by 2025. The target will be reached through organic growth, margin growth and add-on acquisitions in the existing business group and through potential new acquisitions. We are in a favourable position, but also humble to the fact that there is much work to be done to reach our targets for 2025.

A clear example of a company that has achieved stability, profitability and scale is HL Display, which through add-on acquisitions can consolidate and streamline its markets. During the quarter Concept Group was acquired to further strengthen HL Display's market-leading position in the UK. After the end of the quarter, CoolPresentation was acquired to strengthen HL Display's market position in the Netherlands. The grocery retail sector is currently moving in two directions. On the one hand, colonial goods (dry goods) are increasingly being purchased online. On the other hand, the number of small and mid-sized grocery stores for purchasing items such as fresh produce is increasing. HL Display plays an important role in increasing sales, improving customer experience, and increasing sustainability in this growing segment of small and mid-sized stores.

In March, we signed an agreement to acquire 63% of Vestia Construction Group, a company active in the Gothenburg market. The acquisition of Vestia is a complement to Ratos's existing construction company, HENT, both geographically and in terms of expertise. The company has approximately SEK 750m in sales and has recorded average annual growth of 40% over the past five years, with an adjusted EBITA margin of 6%.

During the quarter, Ratos sold all of its treasury shares, which were no longer required to hedge previous incentive programmes, in accordance with the authorisation from the AGM on 10 March 2021. The sale corresponded to approximately 1.4% of the total number of shares and the shares were transferred to Carnegie Fonder and Nordea Fonder. We are pleased with the confidence that both of these well-renowned funds as well as our other 63,000 plus owners have shown in us.

Parts of Ratos's business group will be financed centrally going forward, initially with the parent company's own funds and in time, as loan requirements increase, with funds borrowed from banks. During the quarter, loans were issued by the parent company to HL Display, Diab and LEDiL.

Overall, I am pleased with the start of the year. Our efforts to develop our companies are continuing to yield results, while we are also increasing our acquisition activities. This paired with our strong financial position, means that we are well equipped to continue our journey to become a leading business group.

Jonas Wiström, President and CEO

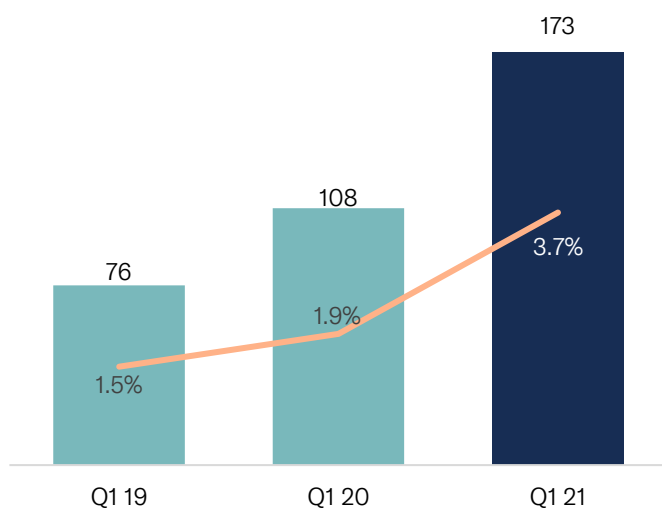
Overview, Ratos's business areas

The Ratos business group is divided into three business areas: Construction & Services, Consumer and Industry. Net sales for the last 12-month period for the Ratos business group, adjusted for Ratos's holdings, amounted to SEK 23,132m (24,857), down 7%. Organic net sales decreased by 2% during the quarter. EBITA for the last 12-month period increased to SEK 1,976m (1,230), adjusted for Ratos's holdings.

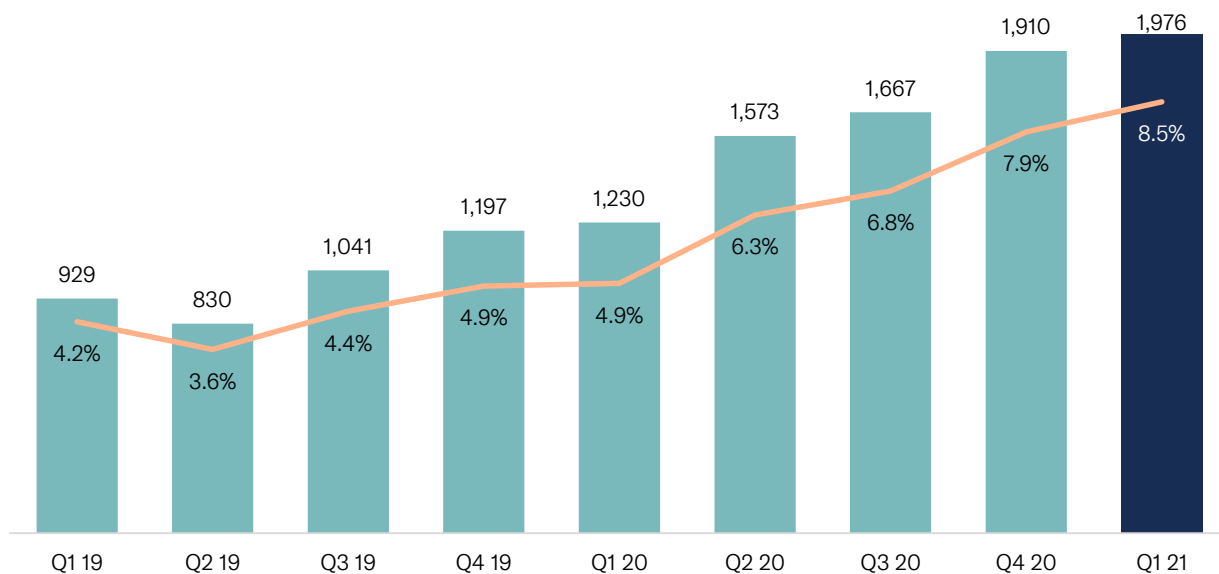
Net sales and EBITA in Ratos's business areas

LTM refers to the last 12-month period. The diagrams below are based on figures adjusted for the size of Ratos's holding.

EBITA (MSEK) and EBITA margin (%), Q1



EBITA (MSEK) and EBITA margin (%), LTM¹⁾



1) The effects of the transition to IFRS 16 impact the periods shown up to and including the third quarter of 2019.

Construction & Services

Business area development

During the first quarter of 2021, net sales for Construction & Services declined by 10% (-7% organically). EBITA increased to SEK 107m (76), primarily due to higher EBITA in Aibel and Speed Group. For details, see each company section.

MSEK	Net sales				EBITA			
	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020
Companies in its entirety								
Aibel	3,100	3,318	11,805	12,022	143	91	499	447
airteam	299	276	1,354	1,331	19	8	137	126
HENT	1,890	2,266	8,268	8,644	43	48	167	172
Speed Group	220	172	774	726	24	8	77	62
Companies total	5,509	6,032	22,201	22,723	228	156	879	807
Adjustment for Ratos's holding	-2,775	-3,004	-10,903	-11,131	-121	-80	-448	-407
Total, adjusted for Ratos's holding	2,734	3,028	11,298	11,592	107	76	431	400
Growth, net sales ¹⁾	-10%	16%	-3%	-5%				
EBITA margin ¹⁾					3.9%	2.5%	3.8%	3.4%

¹⁾ Adjusted for Ratos's holding

aibel®

The level of market activity was high in the quarter, with a large number of tenders outstanding in all of Aibel's segments. The order intake amounted to NOK 5.1 billion, which included a major contract for an HVDC platform for the wind farm Dogger Bank C. Overall, the order book at the end of the quarter amounted to NOK 12.8 billion, corresponding to an increase of 19% compared with the previous quarter. The share of "green projects" has increased and half of the order book is now comprised of projects related to offshore wind power and electrification.

Sales and EBITA vary from quarter to quarter depending on when deliveries are settled. Sales declined somewhat in the quarter compared with the year-earlier period. Profitability increased as a result of successfully completed projects.

MNOK	Q1 2021	Q1 2020	LTM 21/20
Net sales	3,142	3,248	12,180
EBITDA	212	150	780
EBITA	145	89	512
Cash flow from operations	7	-64	517
Interest-bearing net debt	2,035	2,982	
-whereof leasing liability	617	1,081	
Growth, Net sales	-3%	42%	
- whereof currency effect	0%	0%	
Growth, Organic	-3%	42%	
EBITDA margin	6.7%	4.6%	6.4%
EBITA margin	4.6%	2.7%	4.2%

Amounts referring to 100% of the company.

Holding

32%

Aibel is active within the offshore wind, oil and gas space. The company provides their customers with optimal and innovative solutions within engineering, construction, modifications and maintenance. Aibel's 4,000 skilled employees are located close to their customers at the company's offices in Norway and South East Asia. In addition, they operate two modern yards, one in Haugesund and one in Thailand, with complete prefabrication and construction capabilities. The average number of employees in the company amounted to 4,068 in 2020.



The level of market activity was high during the quarter. The order book rose 7% compared with the year-earlier period and totalled DKK 1,011m at the end of the quarter. airteam's customers are increasingly looking for advice pertaining to energy optimisation and more energy efficient ventilation solutions for new and already installed ventilation projects.

Sales rose in the quarter and the positive sales trend is expected to continue in 2021. Profitability increased during the quarter, mainly due to a continued focus on efficient project execution.

MDKK	Q1		LTM
	2021	2020	21/20
Net sales	220	193	973
EBITDA	16	8	106
EBITA	14	6	98
Cash flow from operations	-3	31	99
Interest-bearing net debt	42	113	
-whereof leasing liability	14	15	
Growth, Net sales	14%	15%	
- whereof currency effect	1%	0%	
- whereof acquisition		6%	
Growth, Organic	13%	9%	
EBITDA margin	7.4%	4.2%	10.9%
EBITA margin	6.5%	3.0%	10.0%

Amounts referring to 100% of the company.

Holding
70%

airteam offers high-quality, effective ventilation solutions in Denmark and Sweden. With the most talented employees in the industry, airteam develop advanced systems for a wide range of industries and are solely focused on ventilation, unlike certain competitors. The company focuses on project development, project management and procurement where the projects, to a large extent, are carried out by a broad network of quality-assured subcontractors. Furthermore, airteam offers maintenance and service of its installed ventilation solutions. The average number of employees in the company amounted to 326 in 2020.



The construction market was impacted negatively by the Covid-19 pandemic, particularly in Norway. The order intake during the quarter amounted to NOK 2.5 billion, of which over 60% related to the public sector. At the end of the quarter, the order book amounted to NOK 16.2 billion.

Sales declined in the quarter compared with the year-earlier period, mainly due to the effects of the Covid-19, such as project restrictions and postponements.

Profitability rose marginally compared with the year-earlier period despite higher costs related to the Covid-19 pandemic in conjunction with project execution. Restrictions on non-Norwegian employees travelling to Norway presented a challenge. The company is continuing to focus on minimising the impact of the pandemic on the operations.

MNOK	Q1		LTM
	2021	2020	21/20
Net sales	1,916	2,219	8,530
EBITDA	62	65	250
EBITA	43	47	172
Cash flow from operations	-184	172	-191
Interest-bearing net debt	-306	-539	
-whereof leasing liability	198	198	
Growth, Net sales	-14%	12%	
- whereof currency effect	1%	2%	
Growth, Organic	-14%	10%	
EBITDA margin	3.2%	2.9%	2.9%
EBITA margin	2.3%	2.1%	2.0%

Amounts referring to 100% of the company.

Holding
73%

HENT is a leading construction company that mainly works with new construction of public and commercial real estate. HENT focuses on project development, project management and purchasing. Its projects are carried out with their own project administration and in collaboration with a knowledgeable network of quality-assured subcontractors. They conduct projects throughout Norway and in selected segments in Sweden and Denmark. The average number of employees in the company amounted to 1,012 in 2020.



A high activity level in the logistics market had a positive impact on the operations, and sales for the quarter rose 28% compared with the year-earlier period. The business is working to increase its capacity in order to meet growing customer demand for the company's services.

Profitability increased substantially as a result of higher volumes and a continued focus on improved productivity. The Covid-19 pandemic has had a limited effect on the operations.

MSEK	Q1		LTM
	2021	2020	21/20
Net sales	220	172	774
EBITDA	51	30	183
EBITA	24	8	77
Cash flow from operations	20	15	68
Interest-bearing net debt	725	469	
-whereof leasing liability	736	415	
Growth, Net sales	28%	2%	
Growth, Organic	28%	2%	
EBITDA margin	22.9%	17.2%	23.6%
EBITA margin	10.8%	4.8%	10.0%

Amounts referring to 100% of the company.

Holding

70%

Speed Group is one of the Nordic region's leading third-party logistics providers, with effective automation solutions and a total of approximately 150,000 square meters of warehouse space in Borås, Gothenburg and Stockholm. With solutions for fast integration, balancing of volume fluctuations, smart distribution, and revenue-driving follow-ups, the company offers both warehouse space but also a full-service takeover and responsibility of its customers' logistics. Within staffing, Speed Group offers flexible staffing services of both blue and white-collar personnel. The average number of employees in the company amounted to 699 in 2020.

Consumer

Business area development

During the first quarter of 2021, net sales for Consumer decreased by 40% (+9% organically). Excluding Bisnode, net sales increased 14%. EBITA increased to SEK -69 (-96) primarily owing to positive developments in Plantasjen and Oase Outdoors. For details, see each company section.

MSEK	Net sales				EBITA			
	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020
Companies in its entirety								
Bisnode		937	2,737	3,673		83	421	504
Kvdbil	103	93	402	393	8	5	40	37
Oase Outdoors	119	127	410	418	25	13	59	48
Plantasjen	646	548	4,680	4,582	-98	-170	639	566
Companies total	868	1,705	8,229	9,067	-65	-69	1,159	1,155
Adjustment for Ratos's holding	-32	-315	-956	-1,240	-4	-26	-146	-167
Total, adjusted for Ratos's holding	836	1,391	7,272	7,827	-69	-96	1,013	987
<i>Growth, net sales ¹⁾</i>	-40%	-6%	-7%	2%				
<i>EBITA margin ¹⁾</i>					-8.3%	-6.9%	13.9%	12.6%

¹⁾ Adjusted for Ratos's holding



During the first quarter, organic net sales rose 10%, mainly due to increased demand for second-hand vehicles and higher prices as a result.

Profitability improved and EBITA rose 71% as a result of increased income, an improved gross margin and lower costs in relation to sales.

The inflow of cars was sluggish in the first half of the quarter but gradually improved and ended the quarter on a positive note. The market for Kvdbil is assessed to have remained strong, with rising prices and an increase in online sales in relation to the total market.

MSEK	Q1		LTM
	2021	2020	21/20
Net sales	103	93	402
EBITDA	16	12	71
EBITA	8	5	40
Cash flow from operations	-4	12	43
Interest-bearing net debt	26	66	
-whereof leasing liability	53	61	
Growth, Net sales	10%	3%	
Growth, Organic	10%	3%	
EBITDA margin	15.7%	13.0%	17.7%
EBITA margin	8.0%	5.1%	10.0%

Amounts referring to 100% of the company.

Holding

100%

At Kvdbil, the belief is that a car trade should feel good – and be good – whether you are buying or selling a vehicle. Kvdbil is Sweden's largest online marketplace offering valuation and broker services for second-hand vehicles (company cars and private cars), machines and heavy vehicles as well as sales of related products and services. Every week more than 500 second-hand cars are sold via the online marketplace. Kvdbil handles the entire transaction from client order to end customer and guarantees the quality of the brokered car by means of testing. The average number of employees in the company amounted to 199 in 2020.

Net sales in the first quarter were in line with the year-earlier period. Following a weak start, net sales increased gradually during the quarter and finished strong. At the end of the quarter, the order book was 20% higher compared with the year-earlier period.

During the period, the company was impacted by delivery delays and increased transportation costs as a result of a global shortage of transportation capacity. Nonetheless, profitability grew considerably and the EBITA margin almost doubled, to 20.8%, compared with the year-earlier period. This improvement was mainly due to focused efforts related to category management, higher gross margins and a lower cost base.

Demand for outdoor leisure products is expected to remain high, partly driven by a growing interest in outdoor activities that was bolstered by the Covid-19 pandemic.

MDKK	Q1		LTM
	2021	2020	21/20
Net sales	87	89	295
EBITDA	19	11	48
EBITA	18	9	43
Cash flow from operations	-73	-57	78
Interest-bearing net debt	188	248	
-whereof leasing liability	12	14	
Growth, Net sales	-2%	-28%	
- whereof currency effect	0%	0%	
Growth, Organic	-2%	-28%	
EBITDA margin	22.2%	12.0%	16.2%
EBITA margin	20.8%	10.5%	14.5%

Amounts referring to 100% of the company.

Holding

78%

Oase Outdoors develops, designs and sells innovative camping and outdoor equipment under three strong brands, namely Outwell®, Easy Camp® and Robens®. Oase Outdoors offers a broad product range mainly comprising tents, camping furniture, sleeping bags and other outdoor equipment. The three independent brands clearly cater to different target groups – for example, families, beginners, festival goers and experienced adventurers – who have different requirements in terms of quality and price, and who want to enjoy the outdoors with high-quality equipment. The average number of employees in the company amounted to 79 in 2020.

PLANTASJEN

During the first quarter, which is the quietest quarter seasonally, organic net sales rose 21% compared with the year-earlier period. The increase was mainly the result of a growing number of customers and higher sales per customer due to an underlying increased interest in plants and cultivation.

Due to the Covid-19 restrictions, the company faced the closure of up to 38 stores in Norway from mid-March, corresponding to approximately 22% of Plantasjen's net sales on a quarterly basis. The decrease in net sales as a result of the closures in Norway is estimated to amount to just over NOK 50m. In addition, the company was impacted during the period by higher transportation costs for deliveries due to a global shortage of transport capacity.

The increase in earnings was mainly due to an improved gross margin and lower operational and administrative costs in relation to sales. Cash flow also developed positively compared with the year-earlier period, mainly due to higher profitability and more efficient management of working capital.

As the upcoming high season approaches, the Covid-19 pandemic is continuing to create considerable uncertainty for the business. The positive impact on sales as a result of the trend of staying home more often during the pandemic is offset by the risk that a higher number of stores may be forced to remain closed or partially closed due to regulatory restrictions.

MNOK	Q1		LTM
	2021	2020	21/20
Net sales	655	537	4,801
EBITDA	19	-47	1,135
EBITA	-99	-167	646
Cash flow from operations	-344	-382	503
Interest-bearing net debt	5,199	5,400	
-whereof leasing liability	3,843	3,459	
Growth, Net sales	22%	-7%	
- whereof currency effect	1%	2%	
- whereof divestment		-17%	
Growth, Organic	21%	8%	
EBITDA margin	2.9%	-8.8%	23.6%
EBITA margin	-15.1%	-31.1%	13.5%

Amounts referring to 100% of the company.

Holding

99%

Plantasjen is the Nordic region's leading chain for the sale of plants, flowers and related products. The company operates in a market with stable underlying growth and many committed customers. With just over 130 stores in Norway, Sweden and Finland, the vision is to create the Nordic region's loveliest greenhouse, which brings customers closer the positive power of nature. Plantasjen's employees provide customers with inspiration, knowledge and tools that serve as a natural spring for a growing life. The average number of employees in the company amounted to 1,185 in 2020.

Industry

Business area development

During the first quarter of 2021, net sales for Industry decreased 6% (-1% organically). EBITA amounted to SEK 136m (128), an improvement driven primarily by HL Display and LEDiL. For details, see each company section.

MSEK	Net sales				EBITA			
	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020
Companies in its entirety								
Diab	444	479	2,085	2,121	48	69	258	280
HL Display	407	405	1,522	1,520	59	36	186	163
LEDiL	114	110	393	389	29	21	85	76
TFS	190	233	785	828	11	11	42	42
Companies total	1,155	1,227	4,785	4,858	148	138	571	561
Adjustment for Ratos's holding	-59	-59	-224	-224	-12	-10	-40	-38
Total, adjusted for Ratos's holding	1,096	1,169	4,561	4,634	136	128	531	524
<i>Growth, net sales ¹⁾</i>	-6%	5%	-2%	1%				
<i>EBITA margin ¹⁾</i>					12.4%	11.0%	11.6%	11.3%

¹⁾ Adjusted for Ratos's holding



During the quarter, sales declined 7% compared with the year-earlier period and 1% when adjusted for currency effects. The decline was a result of a short-term decline in activity in the wind segment due to leading wind turbine manufacturers carrying out product updates. In addition, the market was negatively impacted by the phasing out of wind power subsidies in China and the US. The decline was somewhat offset by a high level of activity in the Marine and Industrial segments. Demand in the wind market is expected to rise during the second half of 2021.

EBITA declined 30%, mainly as a result of higher costs in conjunction with the start-up of new production sites and a considerable decline in production in Texas due to extreme weather. In addition, about one third of the decline in EBITA was a result of negative currency effects.

Diab is carrying out an investment programme in order to expand its production capacity to meet rising demand for PET-based materials, which negatively impacted cash flow during the quarter. Diab's sales of PET rose by over 70% during the quarter.

MSEK	Q1		LTM
	2021	2020	21/20
Net sales	444	479	2,085
EBITDA	74	92	361
EBITA	48	69	258
Cash flow from operations	-14	-1	52
Interest-bearing net debt	968	946	
-whereof leasing liability	124	129	
Growth, Net sales	-7%	9%	
- whereof currency effect	-7%	2%	
Growth, Organic	-1%	7%	
EBITDA margin	16.6%	19.3%	17.3%
EBITA margin	10.9%	14.5%	12.4%

Amounts referring to 100% of the company.

Holding

96%

Diab supports manufacturers in making products more competitive and sustainable, offering the broadest range of stronger, lighter, smarter core materials for sandwich composite structures. Diab's high-performance core materials can be found in applications all over the world, in industries like marine, aerospace, wind energy and transport. The core materials have a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance. The company has production units in Sweden, Italy, US, China, Lithuania and Ecuador combined with 14 sales units around the world. The average number of employees in the company amounted to 1,234 in 2020.



Net sales in the quarter were in line with the year-earlier period. However, when adjusted for currency effects, net sales increased 6%, primarily driven by strong sales growth in France.

EBITA improved significantly, mainly due to a beneficial product mix combined with efficiency improvements. During the quarter, a vacant property was divested resulting in a capital gain of SEK 8m.

In March, HL Display acquired Concept Group, thus strengthening its market-leading position in the UK. The acquisition improves HL Display's offering and customer base in the UK as well as the company's position as the market-leading supplier of store communication solutions to grocery retailers in Europe. Following the acquisition, HL Display expects sales in the UK amounting to approximately SEK 400m.

After the end of the period, HL Display acquired CoolPresentation, thus strengthening its market position in the Netherlands. CoolPresentation has established a strong position in the Dutch market with high-quality products and services for grocery retailers, pharmacies and brand manufacturers. CoolPresentation has approximately SEK 40m in sales.

MSEK	Q1		LTM
	2021	2020	21/20
Net sales	407	405	1,522
EBITDA	75	55	271
EBITA	59	36	186
Cash flow from operations	13	39	227
Interest-bearing net debt	253	416	
-whereof leasing liability	99	99	
Growth, Net sales	0%	1%	
- whereof currency effect	-6%	2%	
- whereof acquisition	1%		
Growth, Organic	5%	-1%	
EBITDA margin	18.4%	13.7%	17.8%
EBITA margin	14.6%	9.0%	12.2%

Amounts referring to 100% of the company.

Holding

99%

HL Display help retailers and brands around the world to create attractive and profitable in-store environments that strengthen the consumer's shopping experience. The vision is to be the preferred partner in their industry leading the development of innovative and sustainable solutions for a better shopping experience around the world. From store communication, merchandising and secondary displays to bespoke design and services, HL Display is an expert in improving the shopping experience whilst increasing cost efficiency and maintaining environmental sustainability. HL Display has production sites in Sweden, Poland, China and the UK combined with sales units across more than 20 countries. The average number of employees in the company amounted to 995 in 2020.



Net sales rose 10% compared with the year-earlier period, driven by strong sales in Europe, particularly in the outdoor segment, despite ongoing restrictions related to the pandemic. Adjusted for currency effects, sales increased 12%.

EBITA rose 47%, driven by higher sales, an improved product mix and continued high operational efficiency.

Freight costs were high during the quarter compared with the preceding year. Despite this, LEDiL succeeded in increasing its EBITA margin by 6 percentage points to 26%.

The Covid-19 pandemic has created some short-term uncertainty in demand. However, the order intake was higher than ever before during the first quarter and is expected to normalise in the coming quarters.

MEUR	Q1		LTM
	2021	2020	21/20
Net sales	11.3	10.3	38.0
EBITDA	3.7	2.8	11.4
EBITA	2.9	2.0	8.2
Cash flow from operations	1.7	2.2	7.1
Interest-bearing net debt	13.3	19.1	
-whereof leasing liability	1.5	1.5	
Growth, Net sales	10%	-2%	
- whereof currency effect	-3%	0%	
Growth, Organic	12%	-3%	
EBITDA margin	33.0%	27.3%	30.1%
EBITA margin	25.6%	19.2%	21.6%

Amounts referring to 100% of the company.

Holding

66%

LEDiL designs, develops and sells secondary optics for LED lighting globally. Secondary optics process light from the LED to achieve the luminaries' optimal function, with the highest energy efficiency possible. Development and design are carried out in Salo, Finland. Products are sold worldwide through the company's own sales force, agents and distributors. Most production is performed by subcontractors in Finland, China and the US. The company's products are primarily used in commercial applications such as street lighting, retail and offices. The average number of employees in the company amounted to 107 in 2020.



Income from service sales* declined 11% compared with the year-earlier period. The decline is a result of continued low market activity due to the pandemic, particularly in the Clinical Development Services segment (low Covid-19 impact during the first quarter of 2020).

Despite lower sales, EBITA increased compared with the year-earlier period, driven by settled reserves and improved project efficiency.

The Covid-19 pandemic is expected to continue to have a negative impact in the coming quarters due to the longer time required to carry out projects. However, operations and sales have begun to recover.

*According to IFRS, TFS and other contract research organisations (CROs) generate two types of revenue:
1) Service sales (actual revenue-generating sales) and 2) re-invoicing of expenditure (for example, travel expenses, laboratory costs and other overheads) at no or a very low margin. In all material respects, service sales are the most important when it comes to the company's performance and earnings.

MEUR	Q1		LTM
	2021	2020	21/20
Net sales	18.7	21.8	75.9
EBITDA	1.7	1.7	6.4
EBITA	1.1	1.0	4.1
Cash flow from operations	0.1	1.0	1.1
Interest-bearing net debt	2.4	3.8	
-whereof leasing liability	2.7	4.3	
Growth, Net sales	-14%	2%	
- whereof currency effect	1%	0%	
Growth, Organic	-15%	1%	
EBITDA margin	9.3%	7.9%	8.5%
EBITA margin	5.9%	4.8%	5.3%

Amounts referring to 100% of the company.

Holding

100%

TFS is a global, mid-sized, clinical contract research organisation (CRO) that supports biotech companies through the entire clinical development process. TFS focuses its scientific and medical competence across a broad therapeutic spectrum, with industry-leading capabilities in dermatology, oncology and haematology. TFS has two business Areas: Clinical Development Services (CDS), which offers clinical trials for small pharmaceutical companies during the development process, and Strategic Resourcing Solutions (SRS), which offers resource solutions featuring clinical professionals and targeting major pharmaceutical companies. Over the past five years, TFS has been involved in approximately 1,100 studies in 40 countries across Europe and North America. The average number of employees in the company amounted to 636 in 2020.

Ratos's companies

Adjusted for Ratos's holdings

	Net sales				EBITDA			
	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020
MSEK								
Aibel	992	1,061	3,777	3,846	67	49	243	225
airteam	209	193	948	932	15	8	104	96
Diab	427	461	2,006	2,040	71	89	347	365
HENT	1,379	1,653	6,031	6,306	45	49	177	181
HL Display	404	402	1,510	1,508	74	55	269	250
Kvdbil	103	93	402	393	16	12	71	67
LEDiL	76	73	261	258	25	20	79	73
Oase Outdoors	93	100	321	328	21	12	52	43
Plantasjen	640	543	4,636	4,539	18	-48	1,103	1,037
Speed Group	154	121	542	508	35	21	128	113
TFS	189	232	784	827	18	18	66	67
	4,666	4,933	21,219	21,486	405	285	2,638	2,518
Bisnode		655	1,912	2,567		100	424	524
Total	4,666	5,588	23,132	24,053	405	385	3,062	3,041
Change	-16%		-4%		5%		1%	
Margin					8.7%	6.9%	13.2%	12.6%

	EBITA				Profit/loss before tax			
	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020
MSEK								
Aibel	46	29	160	143	31	-24	87	33
airteam	14	6	96	88	13	5	91	83
Diab	46	67	249	269	47	69	145	167
HENT	31	35	122	126	31	23	108	100
HL Display	59	36	185	162	60	27	163	131
Kvdbil	8	5	40	37	9	4	38	33
LEDiL	19	14	56	51	19	14	52	47
Oase Outdoors	19	11	47	38	17	7	37	27
Plantasjen	-97	-169	633	561	-164	-258	319	225
Speed Group	17	6	54	43	12	2	36	27
TFS	11	11	42	42	4	10	26	32
	173	50	1,682	1,558	77	-120	1,103	905
Bisnode		58	294	352		29	251	280
Total	173	108	1,976	1,910	77	-91	1,353	1,185
Change	61%		3%		pos		14%	
Margin	3.7%	1.9%	8.5%	7.9%	1.7%	-1.6%	5.9%	4.9%

	Cash flow from operations				Interest-bearing net debt				Ratos's holding (%)
	Q1 2021	Q1 2020	LTM Rolling	Full Year 2020	2021-03-31	2020-03-31	2020-12-31	2021-03-31	
MSEK									
Aibel	2	-21	163	140	666	915	620	32	
airteam	-3	31	97	131	41	117	21	70	
Diab	-13	-1	50	62	931	910	899	96	
HENT	-132	128	-143	118	-228	-377	-368	73	
HL Display	13	39	225	251	251	413	215	99	
Kvdbil	-4	12	43	58	26	66	22	100	
LEDiL	11	16	49	53	90	141	99	66	
Oase Outdoors	-78	-64	89	103	203	288	125	78	
Plantasjen	-336	-387	501	451	5,268	5,132	4,785	99	
Speed Group	14	10	48	44	507	328	533	70	
TFS	1	10	11	21	24	42	18	100	
	-524	-226	1,132	1,430	7,778	7,975	6,968		
Bisnode		118	219	337		1,220	1,181		
Total	-524	-107	1,351	1,768	7,778	9,195	8,149		
Change	neg		-24%		-15%				

Financial information

Ratos Group results January–March

Operating profit/loss from continuing operations amounted to SEK 154m (-14). All companies, with the exception of Diab and HENT, reported better earnings compared with the preceding year. Plantasjen and Aibel accounted for the greatest improvement in nominal figures, while Speed Group and airteam accounted for the greatest improvement in terms of percentage.

Since the agreement to divest Bisnode was signed in October 2020 and the transaction was completed in January 2021, Bisnode is recognised as a discontinued operation. This means that's Bisnode's earnings after tax are included in "Profit/loss for the period from discontinued operations" for all periods in the consolidated income statement. Bisnode Belgium, which was acquired in January 2021 as part of the divestment of Bisnode to Dun & Bradstreet, was divested on 31 March. Bisnode Belgium is also included in "Profit/loss for the period from discontinued operations," as are the profit or loss effects and costs attributable to the divestment of Bisnode and Bisnode Belgium.

Operating profit from continuing operations includes profit and share of profits from the companies of SEK 204m (19).

Consolidated operating profit totalled SEK 1,857m (61), of which SEK 1,773m was attributable to capital gains connected to the divestment of Bisnode and Bisnode Belgium. Operating profit includes profit/a share of profits from the companies of SEK 198m (94).

Ratos's income and expenses attributable to the parent company and central companies amounted to SEK -32m (-35).

Net financial items from continuing operations amounted to SEK -87m (-113).

For continuing operations, profit/loss before tax amounted to SEK 67m (-127), including profit and share of profits from the companies of SEK 119m (-106). Tax expense for the period amounted to SEK -31m (3).

Refer to Note 5 on page 27 for more details on earnings for the period.

Ratos Group cash flow January–March

Cash flow for the quarter was SEK 540m (-17), of which cash flow from operating activities accounted for SEK -389m (259). Cash flow from investing activities amounted to SEK 2,527m (-181) and cash flow from financing activities to SEK -1,597m (-95).

The improvement in cash flow for the quarter was mainly due to investing activities and the sale of Bisnode. Cash flow from operating activities declined as a result of higher tied-up capital. Increased amortisation of loans and dividends paid during the quarter had a negative impact on cash flow from financing activities.

Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 3,789m (3,182 per 31 December 2020) and interest-bearing net debt totalled SEK 3,913m (7,269 at 31 December 2020). The Group's leverage at the end of the period amounted to 0.8x (2.3x at 31 December 2020).

Excluding financial lease liabilities, leverage amounted to -0.4x (1.1x) at the end of the period. The total translation effect of currency for interest-bearing liabilities amounted to approximately SEK 265m, of which approximately SEK 100m related to liabilities to credit institutions and approximately SEK 150m to financial lease liabilities.

At divestment of Bisnode to Dun & Bradstreet, in beginning of the year, Ratos decided to invest one fourth of the purchase price in Dun & Bradstreet shares listed at New York Stock Exchange. Fair value of the shares at the end of the period amounted to SEK 905m and are included in Financial assets.

Ratos's equity

At 31 March 2021, Ratos's equity (attributable to owners of the parent) amounted to SEK 10,954m (9,366 per 31 December 2020), corresponding to SEK 34 per share outstanding (29 at 31 December 2020).

Parent company

The parent company posted an operating loss of SEK -32m (-33) for the period. The parent company's profit before tax amounted to SEK 1,750m (213), of which SEK 1,860m (65) pertains to capital gains. The capital gains pertain to the divestment of Bisnode and Bisnode Belgium, which differs from the Group's capital gains due to different accounting methods. The preceding year's capital gains pertain to the liquidation of dormant companies and had no impact on the group's consolidated profit. Cash and cash equivalents in the parent company amounted to SEK 2,285m (1,166 per 31 December 2020).

Parts of Ratos's business group will be financed centrally going forward, initially with the parent company's own funds and in time, as loan requirements increase, with funds borrowed from external banks. The aim is to achieve savings in the form of a return on Ratos's existing funds, and in time, lower financing costs for the Group. During the period, loans were issued by the parent company to HL Display, Diab and LEDiL. More companies will be financed by Ratos AB during the course of the year.

Ratos's share

Earnings per share for the period amounted to SEK 5.32 (-0.39) before dilution and to SEK 5.27 (-0.38) after dilution. Earnings per share for continuing operations before and after dilution amounted to SEK -0.01 (-0.41). The closing price for Ratos's Class B shares on 31 March 2021 was SEK 47.44. The total return on Class B shares in the first quarter amounted to 25.8%, compared with the performance for the SIX Return Index, which was 14.3%.

Number of shares and redemption /divestment of shares

At the beginning of the year Ratos owned 5,126,262 Class B shares (corresponding to 1.6% of the total number of shares). During the period, call option programmes from 2016 and part of 2017 were redeemed whereby 478,000 treasury shares were divested through the redemption of call options. After

the redemption, Ratos owned 4,648,262 Class B shares (corresponding to 1.4% of the total number of shares). On 29 March, Ratos board decided to transfer 4,430,762 treasury shares. The sales process was carried out by Skandinaviska Enskilda Banken AB (publ) and resulted in the shares being transferred to Carnegie Fonder and Nordea Fonder. After the transfer of treasury shares, Ratos owned 217,500 shares (corresponding to 0.1% of the total number of shares). After the redemption and divestment of Ratos treasury shares, the total number of Class A and B shares amounted to 323,923,396. On 31 March 2021 the total number of shares in Ratos (Class A and B shares) amounted to 324,140,896 and the number of votes to 108,587,444.

New issue mandate

There is a mandate from the 2021 AGM to issue a maximum of 35 million Ratos Class B shares in conjunction with agreements on acquisitions.

Resolutions at the 2021 AGM

Information on resolutions passed at the 2021 AGM is available at www.ratos.com. The Board of Directors proposed an ordinary dividend for the 2020 financial year of SEK 0.95 per share (0.65) per Class A and B share. Disbursement from Euroclear Sweden took place on 17 March 2021.

Important events during and after the end of the period

On 8 January, Ratos completed the sale of Bisnode, excluding its operations in Belgium. The equity value amounted SEK 3,860m, yielding a consolidated capital gain of SEK 1,816m in the first quarter.

On 31 March, Ratos completed the sale of Bisnode Belgium. The equity value for Ratos's holding of 70% amounted to SEK 18m, yielding a consolidated capital gain of SEK 43m in the first quarter.

On 8 February, Ratos decided on new financial targets:

- EBITA is to amount to at least SEK 3 billion by 2025.
- Net debt in relation to EBITDA should normally range from 1.5 to 2.5x.
- The dividend payout ratio should amount to 30–50% of profit after tax attributable to owners of the parent, excluding capital gains and losses.

On 4 March, HL Display acquired Concept Group, thus strengthening its market-leading position in the UK. The acquisition improves HL Display's offering and customer base in the UK as well as the company's position as the market-leading supplier of store communication solutions to grocery retailers in Europe. Following the acquisition, HL Display's expected sales in the UK amounted to approximately SEK 400m.

On 10 March, Ratos acquired 63% of the construction company Vestia Construction Group, active in the Gothenburg market. Vestia Construction Group has recorded average annual growth of 40% over the past five years, with an adjusted EBITA margin of 6% during the most recent 2019/2020 financial year. Vestia's sales for the current financial year are estimated to be approximately SEK 750m. The acquisition of Vestia is a complement to Ratos's existing construction company, HENT, both geographically and in terms of expertise.

On 29 March, Ratos board decided to transfer treasury shares, pursuant to the authority granted by the annual general meeting on 10 March 2021, representing 1.37% of the total number of shares outstanding. The sales process was carried out by Skandinaviska Enskilda Banken AB (publ) and resulted in that the shares were transferred to Carnegie Fonder and Nordea Fonder. The transaction was completed with a discount of 4.05% compared with the closing price on 29 March 2021 and a discount of 3.97% compared with the volume-weighted average share price in the month prior to the transaction as well as a premium of 2.61% compared with the volume-weighted average share price in the three months prior to the transaction.

On 1 April, HL Display acquired CoolPresentation, thus strengthening its market position in the Netherlands. CoolPresentation has established a position in the Dutch market with high-quality products and services for grocery retailers, pharmacies and brand manufacturers. CoolPresentation has approximately SEK 40m in sales yearly.

Key figures

For definitions, see page 29

MSEK	Q1 2021	Q1 2020	Full Year 2020
Leverage, Ratos Group	0,8x	3,2x	2,3x
Leverage, Ratos business group incl. parent company cash ¹⁾	-0,6x	2,7x	1,1x
Equity ratio, Ratos Group %	47.5	37.5	39.4
Return on equity, Ratos Group %	17.1	-1.3	7.3
Return on capital employed, Ratos Group %	18.0	8.0	9.3
Return on capital employed, Ratos business group %	11.3	6.5	10.6
Key figures per share ²⁾			
Total return, %	25.8	-38.1	17.3
Dividend yield, %			2.5
Market price, SEK	47.44	20.70	38.48
Dividend, SEK			0.95
Equity attributable to owners of the parent, SEK ³⁾	34.28	28.65	29.36
Basic earnings per share, SEK	5.32	-0.39	2.17
Diluted earnings per share, SEK	5.27	-0.38	2.17
Average number of ordinary shares outstanding:			
– before dilution	319,096,623	319,014,634	319,014,634
– after dilution	321,755,796	320,490,462	321,037,084
Total number of registered shares	324,140,896	324,140,896	324,140,896
Number of shares outstanding ⁴⁾	319,492,634	319,014,634	319,014,634
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	234,855,574	234,377,574	234,377,574

¹⁾ Excluding financial leasing liability

²⁾ Relates to Class B shares unless specified otherwise

³⁾ Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period

⁴⁾ After redemption and transfer of Ratos own shares

Financial statements

Consolidated income statement

MSEK	Q1 2021	Q1 2020	Full Year 2020
Net sales	4,432	4,705	20,941
Other operating income	44	15	70
Cost of goods and services sold	-2,573	-2,921	-12,624
Employee benefit costs	-1,124	-1,114	-4,358
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets and right-of-use assets	-233	-236	-966
Other external costs	-412	-435	-1,650
Capital gain/loss from Group companies		0	0
Share of profit/loss from investments recognised according to the equity method	38	-28	44
Revaluation listed shares	-19		
Operating profit/loss	154	-14	1,457
Financial income	28	17	26
Financial expenses	-114	-130	-610
Net financial items	-87	-113	-584
Profit/loss before tax	67	-127	873
Income tax	-31	3	-258
Profit/loss for the period, continuing operations¹⁾	36	-124	614
Profit/loss for the period, discontinued operations	1,697	10	269
Profit/loss for the period	1,733	-113	883
<i>Profit/loss for the period attributable to:</i>			
Owners of the parent	1,696	-124	693
Non-controlling interests	37	10	191
Earnings per share, SEK			
- basic earnings per share	5.32	-0.39	2.17
- diluted earnings per share	5.27	-0.38	2.17
Earnings per share from continuing operations, SEK			
- basic earnings per share	-0.01	-0.41	1.58
- diluted earnings per share	-0.01	-0.41	1.58

¹⁾ Profit/loss for the period from continuing operations attributable to the owners of the parent for Q1 2021 amounts to SEK -5m (-131) and for full year 2020 to SEK 505m. Profit for the period from continuing operations attributable to non-controlling interests for Q1 2021 amounts to SEK 40m (7) and for full year 2020 to SEK 109m.

Consolidated statement of comprehensive income

MSEK	Q1 2021	Q1 2020	Full Year 2020
Profit/loss for the period	1,733	-113	883
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit pension obligations, net	-44	-8	-30
Tax attributable to items that will not be reclassified to profit or loss		0	5
	-44	-8	-25
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation differences for the period	238	-28	-480
Change in hedging reserve for the period	33	-22	-34
Tax attributable to items that may be reclassified subsequently to profit or loss	-7	8	2
	263	-42	-512
Other comprehensive income for the period	220	-49	-537
Total comprehensive income for the period	1,953	-163	346
<i>Total comprehensive income for the period attributable to:</i>			
Owners of the parent	1,882	-150	278
Non-controlling interest	71	-12	69

Summary consolidated statement of financial position

MSEK	2021-03-31	2020-03-31	2020-12-31
ASSETS			
Non-current assets			
Goodwill	7,190	11,603	6,958
Other intangible non-current assets	1,189	1,859	1,123
Property, plant and equipment	1,249	1,224	1,198
Right-of-use assets	4,723	4,155	4,677
Financial assets	2,081	1,059	1,072
Deferred tax assets	159	426	156
Total non-current assets	16,591	20,327	15,185
Current assets			
Inventories	1,495	1,364	1,075
Current receivables	3,538	4,425	3,094
Cash and cash equivalents	3,789	3,184	2,826
	8,823	8,973	6,995
Assets held for sale			6,458
Total current assets	8,823	8,973	13,453
Total assets	25,414	29,300	28,638
EQUITY AND LIABILITIES			
Equity including non-controlling interests	12,059	10,978	11,281
Non-current liabilities			
Interest-bearing liabilities	6,309	7,597	6,760
Non-interest bearing liabilities	257	281	257
Pension provisions	86	672	86
Other provisions	29	24	28
Deferred tax liabilities	307	367	275
Total non-current liabilities	6,988	8,939	7,405
Current liabilities			
Interest-bearing liabilities	1,356	2,784	1,601
Non-interest bearing liabilities	4,573	6,168	4,403
Provisions	438	431	447
	6,367	9,384	6,451
Liabilities attributable to assets held for sale			3,501
Total current liabilities	6,367	9,384	9,952
Total liabilities	13,355	18,323	17,357
Total equity and liabilities	25,414	29,300	28,638

Summary statement of changes in consolidated equity

	2021-03-31			2020-03-31			2020-12-31		
	Owners of the parent	Non-controlling interest	Total equity	Owners of the parent	Non-controlling interest	Total equity	Owners of the parent	Non-controlling interest	Total equity
MSEK									
Opening equity	9,366	1,915	11,281	9,298	1,920	11,218	9,298	1,920	11,218
Total comprehensive income for the period	1,882	71	1,953	-150	-12	-163	278	69	346
Dividends	-303		-303		-75	-75	-207	-75	-283
Non-controlling interests' share of capital contribution and new issue		-0	-0		2	2		2	2
Transfer of treasury shares	22		22						
The value of the conversion option of the convertible debentures							2		2
Option premiums	-1		-1				0		0
Share options redeemed by employees	-4		-4						
Put options, future acquisitions from non-controlling interests		-7	-7	-8	3	-4		-5	-5
Acquisition of shares in subsidiaries from non-controlling interests	0	-0	-0				-12	-7	-19
Disposal of shares in subsidiaries to non-controlling interests	-9	10	1				7	11	19
Non-controlling interests at acquisition		38	38						
Non-controlling interests in disposals		-921	-921						
Closing equity	10,954	1,105	12,059	9,140	1,838	10,978	9,366	1,915	11,281

Consolidated statement of cash flows

MSEK	Q1 2021	Q1 2020	Full Year 2020
Operating activities			
Operating profit, continuing operations	154	-14	1,457
Operating profit, discontinued operations	1,703	75	472
Adjustment for non-cash items	-1,594	401	1,332
	263	462	3,261
Income tax paid	-82	-94	-223
Cash flow from operating activities before change in working capital	180	368	3,038
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-343	-341	-109
Increase (-)/Decrease (+) in operating receivables	-210	-77	264
Increase (+)/Decrease (-) in operating liabilities	-16	308	7
Cash flow from operating activities	-389	259	3,201
Investing activities			
Acquisition, group companies	1	-28	-38
Disposal, group companies	2,616	0	2
Investments and disposal, intangible assets/property, plant and equipment	-91	-158	-664
Investments and disposal, financial assets		0	0
Interest received	1	4	6
Cash flow from investing activities	2,527	-181	-694
Financing activities			
Non-controlling interests' share of issue/capital contribution	0		2
Transfer of treasury shares	22		
Option premiums paid		3	3
Repurchase/final settlements options	-217	-1	-39
Acquisition and disposal of shares in subsidiaries from non-controlling interests	3		-0
Dividends paid	-303		-207
Dividends paid, non-controlling interests			-75
Borrowings	442	498	795
Amortisation of loans	-1,305	-307	-1,832
Interest paid	-90	-114	-439
Amortisation of financial lease liabilities	-149	-173	-673
Cash flow from financing activities	-1,597	-95	-2,467
Cash flow for the period	541	-17	40
Cash and cash equivalents at the beginning of the period	3,182	3,219	3,219
Exchange differences in cash and cash equivalents	67	-18	-77
Cash and cash equivalents at the end of the period	3,789	3,184	3,182
- attributable to continuing operations	3,789	3,184	2,826
- attributable to discontinued operations			356

Parent company income statement

MSEK	Q1 2021	Q1 2020	Full Year 2020
Other operating income	0	0	5
Administrative expenses	-32	-33	-155
Depreciation of property, plant and equipment	-0	-0	-0
Operating loss	-32	-33	-150
Gain from sale of participating interests in group companies	1,860	65	134
Dividends from group companies		175	175
Result from other securities and receivables accounted for as non-current assets	-70		1
Other interest income and similar profit/loss items	6	8	0
Interest expenses and similar profit/loss items	-14	-1	-18
Profit after financial items	1,750	213	142
Income tax	0	0	0
Profit for the period	1,750	213	143

Parent company statement of comprehensive income

MSEK	Q1 2021	Q1 2020	Full Year 2020
Profit for the period	1,750	213	143
Other comprehensive income for the period	0	0	0
Total comprehensive income for the period	1,750	213	143

Summary parent company balance sheet

MSEK	2021-03-31	2020-03-31	2020-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	1	1	1
Financial assets	6,742	7,744	7,602
Receivables from group companies	1,128	1	
Total non-current assets	7,871	7,747	7,603
Current assets			
Current receivables	27	41	16
Receivables from group companies	9	181	7
Cash and cash equivalents	2,285	1,391	1,166
Total current assets	2,321	1,613	1,189
Total assets	10,192	9,360	8,792
EQUITY AND LIABILITIES			
Equity	9,684	8,495	8,219
Non-current liabilities			
Interest-bearing liabilities, group companies	320	355	391
Interest-bearing liabilities	52	36	48
Non-interest bearing liabilities	2	2	14
Convertible debentures	55	35	54
Deferred tax liabilities	1	1	1
Total non-current liabilities	430	429	508
Current provisions	11	298	10
Current liabilities			
Interest-bearing liabilities, group companies		92	
Interest-bearing liabilities	8	0	1
Non-interest bearing liabilities	59	46	53
Total current liabilities	67	138	54
Total equity and liabilities	10,192	9,360	8,792

Summary statement of changes in parent company's equity

MSEK	2021-03-31	2020-03-31	2020-12-31
Opening equity	8,219	8,281	8,281
Comprehensive income for the period	1,750	213	143
Dividends	-303		-207
Transfer of treasury shares	22		
Exercise of options	-4		
The value of the conversion option of the convertible debentures			3
Deferred tax, conversion option			-1
Option premiums	-1		0
Closing equity	9,684	8,495	8,219

Note 1 Accounting principles

Ratos's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and associated interpretations (IFRIC), as endorsed by the EU. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act. The parent company also applies RFR 2 Accounting for Legal Entities. Reporting and measurement principles are unchanged compared with those applied in Ratos's 2020 Annual Report. The new and revised IFRS standards which came into force in 2021 have not had any material effect on the Ratos Group's financial statements.

Amounts are presented in SEK million (SEKm) unless otherwise stated. Rounding may apply in tables and calculations, which means that the stipulated total amounts are not always an exact amount of the rounded amounts.

In the report, Ratos reports its holding in Bisnode as a discontinued operation since Ratos signed an agreement pertaining to the sale to Dun & Bradstreet in October 2020. The sale was completed in January 2021. In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, Bisnode's profit after tax is reported on a separate row in the income statement for 2021 and 2020. In the statement of financial position, Bisnode's assets and related liabilities are reported on separate rows for 31 December 2020. The holding in Bisnode Belgium that was acquired and divested in 2021 is also reported as discontinued operations in the income statement for 2021.

Note 2 Risks and uncertainties

Ratos is a business group that makes it possible for independent mid-sized companies to develop more rapidly by being a part of something larger. A focus on people, leadership, culture and values is a key component of Ratos. These operations include inherent risks attributable to both Ratos and the companies. These mainly comprise market, operational and transaction risks and can include both general risks, such as external factors and macroeconomic development as well as company and sector-specific risks.

The financial risks consist of liquidity risk, interest rate risk, credit risk and currency risk. There are several financial risks to which most of the companies are exposed, primarily related to loans, trade receivables, trade payables and derivative instruments. The risks to which the companies are exposed are managed by each individual company.

Ratos is exposed to financial risks, mainly in terms of value changes in the companies and liquidity risk. Ratos's future earnings development is dependent to a large extent on the success of the underlying companies, which in turn is dependent on, among other things, how successful each company's management group and board of directors are at developing the company and implementing value-creating initiatives.

A more detailed description of the material risks and uncertainties to which the Group and the parent company are exposed is provided in the Directors' report and in Notes 25 and 31 in the 2020 Annual Report.

The ongoing Covid-19 pandemic had an impact on earnings for the period and creates uncertainty for Ratos's financial development for the rest of 2021. The impact of Covid-19 on Ratos's companies varies, since they are active in different segments, industries and geographies. Ratos's business model, with clearly decentralised earnings responsibility, entails that the companies make decisions independently and make adaptations to the prevailing circumstances. The effect on the measurement of balance-sheet items has been limited to date.

Note 3 Alternative performance measures

Reconciliations between alternative performance measures (APM) and IFRS

Ratos applies financial measures that are not defined in IFRS but are so-called alternative performance measures (APMs). The alternative performance measures presented are considered to be valuable supplementary information for analysts and other stakeholders for the evaluation and assessment of the Group's financial performance and position. The tables displayed with a tinted background are APMs. Ratos's definitions of these performance measures may differ from other companies and, accordingly, these are

not always comparable with similar performance measures used in other companies.

The following reconciliations and accounts pertain to sub-components included in the material alternative performance measures used in this report. Reconciliation is made against the most reconcilable item, subtotal or total provided in the financial statements for the corresponding period. Definitions are available at www.ratos.com and on page 29 of this report.

Net sales

MSEK	Q1 2021	Q1 2020	Full Year 2020
Ratos business group, Net sales	4,666	5,588	24,053
Net sales in subsidiaries, holding not owned by Ratos	757	1,121	4,419
Subsidiaries divested during current year		-937	-3,673
Investments recognised according to the equity method	-992	-1,061	-3,846
Eliminations	-0	-6	-12
Ratos Group, Net sales continued operations	4,432	4,705	20,941

Organic growth, Ratos's holding

MSEK	Q1 2021	Q1 2020	Full Year 2020
Ratos business group, Growth Net Sales, %	-16.5%	7.2%	-1.8%
Ratos business group, Net sales	4,666	5,588	24,053
Acquired net sales	6	15	40
Effects from change in currency	-178	-71	-1,227
Ratos business group, adjusted Net Sales	4,839	5,643	25,240
Divested net sales in the comparison period	655	90	231
Ratos business group, adjusted Net Sales in the comparison period	4,933	5,122	24,251
Ratos business group, Organic growth	-94	521	989
Ratos business group, Organic growth, %	-1.7%	10.2%	4.0%

EBITDA, EBITA and Group operating profit/loss

MSEK	Q1 2021	Q1 2020	Full Year 2020
Ratos business group, EBITDA	405	385	3,041
Depreciation and impairment	-232	-277	-1,131
Ratos business group, EBITA	173	108	1,910
Ratos business group, EBITA margin	3.7%	1.9%	7.9%
EBITA in subsidiaries, holding not owned by Ratos	41	54	308
Subsidiaries divested during current year		-83	-504
Investments recognised according to the equity method	-8	-57	-100
Income and expenses attributable to the parent company and central companies	-51	-35	-151
Other	1	1	3
Ratos Group, EBITA continued operations	157	-11	1,468
Amortisation and impairment of intangible assets in connection with company acquisitions	-3	-3	-12
Ratos Group, Operating profit/loss continued operations	154	-14	1,457

Cash flow from operations

MSEK	Q1 2021	Q1 2020	Full Year 2020
Ratos business group, Cash flow from operations	-524	-107	1,768
Cash flow from operations in subsidiaries, holding not owned by Ratos	-63	103	327
Cash flow from operations, holdings divested during current year	40		
Investments recognised according to the equity method	-2	21	-140
Investment and disposals, intangible assets/property, plant and equipment	91	158	664
Lease payment	211	233	932
Income tax paid	-82	-94	-223
Attributable to the parent company and central companies	-132	-55	51
Eliminations	72	0	-180
Ratos Group, Cash flow from operating activities	-389	259	3,201

Interest-bearing net debt

MSEK	2021-03-31	2020-03-31	2020-12-31
Ratos business group, Interest-bearing net debt	7,778	9,195	8,149
Interest-bearing net debt in subsidiaries, holding not owned by Ratos	340	815	777
Investments recognised according to the equity method	-666	-915	-620
Internal loans	-1,294		
Attributable to the parent company and central companies	-2,268	-1,319	-1,061
Other	23	24	23
Ratos Group, Interest-bearing net debt	3,913	7,799	7,269

	2021-03-31	2020-03-31	2020-12-31
Interest-bearing liabilities, other	2,436	5,770	4,503
Interest-bearing liabilities, leasing	5,229	4,610	5,362
Provisions for pensions	86	672	629
Interest-bearing assets	-49	-69	-43
Cash and cash equivalents	-3,789	-3,184	-3,182
Ratos Group, Interest-bearing net debt	3,913	7,799	7,269

Note 4 Acquired and divested businesses

Acquisitions within subsidiaries

During the period, HL Display acquired Concept Group, a UK supplier of store solutions and services with sales of approximately GBP 5.4m and 65 employees.

Agreement on acquisition of Vestia

In March, Ratos signed an agreement to acquire approximately 63% of the shares of the construction company Vestia Construction Group, active in the Gothenburg market. Vestia works in accordance with a so-called "partnering model", whereby work is based on a target budget and Vestia is paid running costs coupled with a predetermined fee. Vestia reported an adjusted EBITA margin of 6% for the 2019/2020 financial year. Sales for Vestia's current financial year are estimated to amount to approximately SEK 750m. The enterprise value for 100% of the company amounts to approximately SEK 280m, of which SEK 95m is contingent. Ratos will pay a total of approximately SEK 176m for its holding. The acquisition was completed on 9 April. Purchase price analysis has not been established as important data for the calculation are incomplete at the time of the report.

Divestment of Bisnode

In October 2020, Ratos signed an agreement to divest all of the shares in Bisnode, excluding its operations in Belgium, for an enterprise value of SEK 7,200m for 100% of the company. Ratos's holding amounts to 70%. In January 2021, Ratos completed the sale of Bisnode to Bisnode's partner Dun & Bradstreet. The equity value for Ratos's holding of 70% was SEK 3,860m, yielding a consolidated capital gain of SEK 1,816m.

A specification of Bisnode's divested operations and the effect on the consolidated statement of financial position and statement of cash flows is presented below.

Acquisitions and divestment of Bisnode Belgium

For the divestment of Bisnode to Dun & Bradstreet, Bisnode's Belgian operations were not included in the transaction. Bisnode Belgium was included in the Ratos Group in the first quarter. On 31 March 2021, Ratos signed an agreement to divest Bisnode Belgium. The consolidated capital loss amounted to SEK 43m.

Income statement from discontinued operations

MSEK	Q1 2021	Q1 2020	Full Year 2020
Income	105	940	3,691
Expenses	-116	-898	-3,291
Profit before tax	-10	42	400
Tax	-1	-31	-131
Profit after tax	-11	10	269
whereof Bisnode	9	10	269
Capital gain from divestment of discontinued operations	1,708		
whereof Bisnode	1,816		
Total profit for the period	1,697	10	269
<i>Profit/loss for the period attributable to:</i>			
Owners of the parent	1,701	7	189
Non-controlling interests	-3	3	81
Earnings per share, SEK			
- basic earnings per share	5.33	0.02	0.59
- diluted earnings per share	5.29	0.02	0.59

Cash flow statement from discontinued operations

MSEK	Q1 2021	Q1 2020	Full Year 2020
Cash flow from operating activities	61	170	655
Cash flow from investing activities	2,636	-74	-224
Cash flow from financing activities	-191	-31	-192
Change in cash and cash equivalents	2,506	65	238

Net assets at time of divestment

Assets and liabilities that were part of the discontinued operation in Bisnode are presented below.

MSEK	2021-01-08
Goodwill	4,186
Other intangible non-current assets	720
Property, plant and equipment	28
Right-of-use assets	141
Financial assets	24
Deferred tax assets	206
Current receivables	650
Cash and cash equivalents	247
Non-controlling interest	-881
Non-current interest-bearing liabilities	-631
Non-current non-interest bearing liabilities	-148
Current interest-bearing liabilities	-1,162
Current non-interest bearing liabilities	-1,338
Divested net assets	2,044
Capital gain, excluding transaction costs	1,816
Consideration transferred	3,860
Shares in Dun & Bradstreet, non-cash	-924
Less: cash in divested operations	-247
Total effect on cash flow	2,690

Note 5 Operating segments

MSEK	Net sales			EBITA and operating profit ¹⁾		
	Q1 2021	Q1 2020	Full Year 2020	Q1 2021	Q1 2020	Full Year 2020
Aibel				38	-28	43
airteam	299	276	1,331	19	8	126
HENT	1,890	2,266	8,644	43	48	172
Speed Group	220	172	726	24	8	62
Total Construction & Services	2,410	2,714	10,701	124	36	403
Kvdbil	103	93	393	8	5	37
Oase Outdoors	119	127	418	25	13	48
Plantasjen	646	548	4,582	-98	-170	566
Total Consumer & Technology	868	769	5,393	-65	-152	651
Diab	444	479	2,121	48	69	280
HL Display	407	405	1,520	59	36	163
LEDiL	114	110	389	29	21	76
TFS	190	233	828	11	11	42
Total Industry	1,155	1,227	4,858	148	138	561
Total companies all reported periods	4,432	4,710	20,952	207	22	1,615
Elimination of sales internal	-0	-6	-12			
Total Net Sales and EBITA, companies	4,432	4,705	20,941	207	22	1,615
Revaluation listed shares				-19		
Income and expenses in the parent company and central companies				-32	-35	-151
Other				1	1	3
Consolidated EBITA continued operations				157	-11	1,468
Amortisation and impairment of intangible assets in connection with company acquisitions				-3	-3	-12
Consolidated operating profit continued operations				154	-14	1,457
Bisnode	60	937	3,673	13	75	473
Bisnode Belgium	45			-19		
Total companies divested during reported periods	104	937	3,673	-6	75	473
Bisnode				1,816		
Other				-108		
Total exit gains				1,708		
Consolidated net sales and operating profit	4,537	5,641	24,614	1,857	61	1,929

¹⁾ Subsidiaries are included with 100% in consolidated profit/loss. Investments recognised according to the equity method are included with holding percentage of profit/loss including tax for the period.

MSEK	Q1 2021	Q1 2020	Full Year 2020
<i>Break down of net sales</i>			
Sales of goods	1,810	1,737	9,314
Service contracts	388	370	1,461
Construction contracts	2,189	2,537	9,964
Reimbursable expenditures	45	61	202
	4,432	4,705	20,941

Note 6 Financial instruments

Ratos applies fair value measurements to a limited extent and mainly for derivatives, synthetic options, contingent considerations and put options. These items are measured according to levels two and three, respectively, in the fair value hierarchy.

In the statement of financial position at 31 March 2021, the total value of financial instruments measured at fair value in accordance with level three was SEK 438m (643 at 31 December 2020). This change was mainly attributable to the exercising of synthetic options in conjunction with the sale of subsidiaries.

In the statement of financial position at 31 March 2021, the net value of derivatives amounted to SEK -29m (-31 at 31 December 2020), of which SEK 6m (1 at 31 December 2020) was recognised as an asset and SEK 35m (33 at 31 December 2020) as a liability.

Note 7 Goodwill

Goodwill changed during the period as shown below.

MSEK	Accumulated cost	Accumulated impairment	Total
Opening balance 1 January 2021	8,302	-1,344	6,958
Business combinations	9		9
Translation differences for the period	263	-40	223
Closing balance 31 March 2021	8,573	-1,383	7,190

Note 8 Related party disclosures

Transactions with related parties are made on market terms.

Parent company

The parent company has a related party relationship with its Group companies. For more information, refer to Note 29 in the 2020 Annual Report. The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 540m (554 at 31 December 2020).

The parent company's transactions with subsidiaries and associates for the period and the parent company's balance sheet items in relation to its subsidiaries and associates at the end of the period are presented below. During the period, the parent company commenced work for Ratos's business group to be financed centrally and issued loans to HL Display, Diab and LEDiL.

No unusual business transactions of material value occurred between Ratos and Board members or other senior executives of the Group.

MSEK	Financial income	Other income	Capital contribution	Dividend
2021 Q1	0			
2020 Q1				175
2020 Full Year		5	288	175

MSEK	Receivable	Provision	Liability	Contingent liability
2021-03-31	1,137		320	540
2020-03-31	182	288	447	557
2020-12-31	7		391	554

Note 9 Exchange rates

Exchange rates, average

SEK	Q1 2021	Q1 2020	Full Year 2020
Danish crowns, DKK	1.360	1.427	1.407
Euro, EUR	10.118	10.665	10.487
Norwegian crowns, NOK	0.986	1.021	0.979

Exchange rates, closing

SEK	2021-03-31	2020-03-31	2020-12-31
Danish crowns, DKK	1.377	1.484	1.349
Euro, EUR	10.238	11.083	10.038
Norwegian crowns, NOK	1.023	0.959	0.955

Definitions

Certain of the following performance measures are presented for Ratos's business group – both for the companies in their entirety (100%) regardless of Ratos's holding and also presented adjusted for the size of Ratos's holding in each company. When performance measures are presented adjusted for Ratos's holdings the performance measure is multiplied by the percentage of the holding. For example: Ratos's holding amounts to 70% and the company's EBITA is SEK 100m for the period, EBITA adjusted for Ratos's holdings then amounts to SEK 70m (70% x SEK 100m). If the holdings change, comparative periods are adjusted to show the owned share at the end of the relevant reporting period.

Dividend yield

Proposed dividend on ordinary shares expressed as a percentage of the Class B share's closing price at the period's last trading day.

Total return

Price development of Class B shares including reinvested dividends (this year's paid dividend) on ordinary shares.

Return on equity

Profit for the period attributable to owners of the parent divided by average equity attributable to owners of the parent.

Return on capital employed

EBITA for the last 12 months as a percentage of average capital employed during the five most recent quarters.

EBITDA

EBITA with depreciation, amortisation and impairment reversed (Earnings Before Interest, Tax, Depreciation and Amortisation).

EBITDA margin

EBITDA expressed as a percentage of net sales.

EBITA

Operating profit before impairment of goodwill as well as amortisation and impairment of other intangible assets that arose in conjunction with company acquisitions and similar transactions. (Earnings Before Interest, Tax and Amortisation).

EBITA margin

EBITA expressed as a percentage of net sales.

Equity per share

Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period.

Organic growth

Net sales growth in comparable units. The effects of acquisitions, divestments and exchange rate changes are excluded.

Basic earnings per share

Profit for the period attributable to owners of the parent company divided by the average number of outstanding ordinary shares.

Diluted earnings per share

When calculating diluted earnings per share, earnings and the average number of shares are adjusted to take into account the effects of potential ordinary shares, which, for the reported periods, pertain to convertible debt instruments and warrants issued to employees. Dilution resulting from convertible debt instruments is calculated by increasing the number of shares by the total number of shares to which the convertibles correspond and increasing earnings by the recognised interest expense after tax. Potential ordinary shares are considered to have a dilutive effect only during periods when they result in lower earnings or a higher loss per share.

Interest-bearing net debt

Interest-bearing liabilities and pension provisions minus interest-bearing assets and cash and cash equivalents.

Cash flow from operations

Cash flow from operating activities, excluding paid tax, but including cash flow from investments and divestments of intangible assets and property, plant and equipment, as well as amortisation of lease liabilities and interest paid on leasing.

Capital employed

Equity, non-controlling interests and interest-bearing liabilities.

Leverage

Interest-bearing net debt in relation to EBITDA for the last 12 months.

Equity ratio

Reported equity expressed as a percentage of total assets. Non-controlling interests are included in equity.

Last 12-month period

The most recent 12 months.

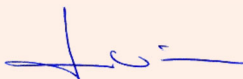
Telephone conference

30 April 9:00 am SE: +46 8 505 583 59
UK: +44 33 3300 9265
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Financial calendar

2021
Interim report Q2 2021 16 July
Interim report Q3 2021 22 October

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Ratos AB (publ)



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This report has not been reviewed by Ratos's auditors.

This is information that Ratos AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 30 April 2021 at 7:00 a.m. CET.

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Ratos is a business group consisting of 12 companies divided into three business areas: Construction & Services, Consumer and Industry. Our business concept is to develop companies headquartered in the Nordics that are or can become market leaders. We enable independent companies to excel by being part of something larger. A focus on people, leadership, culture and values is a key component of Ratos. Everything we do is based on Ratos's core values: Simplicity, Speed in Execution and It's All About People.