Interim report January-March 2018

January-March 2018

- Consolidated net sales SEK 4,911m (5,561)
- Loss before tax SEK -147m (-32)
- Loss per share before and after dilution SEK -0.47 (-0.38)
- Cash and cash equivalents in the parent company SEK 2,174m (3,386)

Development of the company portfolio, January-March 2018

- Net sales in the portfolio SEK 4,503m (4,635)
- EBITA in the portfolio SEK -18m (102)
- Adjusted EBITA in the portfolio SEK 13m (105)

Development of the company portfolio in comparison with corresponding period in preceding year pro forma. Adjusted EBITA excluding items affecting comparability.

Acquisitions and divestments

- Divestment of Jøtul signed and completed in the first quarter, capital gain of approximately SEK 26m

Financial performance in the Group

SEKm	2018 Q1	2017 Q1	2017
Net sales	4,911	5,561	23,059
Operating profit	-36	78	1,081
Profit before tax	-147	-32	658
of which, Profit/share of profits in portfolio companies	-116	9	679
Earnings per share before and after dilution	-0.47	-0.38	0.72
Cash flow for the period from operating activities	-324	-166	1,299
Cash and cash equivalents in the parent company	2,174	3,386	2,226

CEO comments on performance in the first quarter of 2018

Weak start to the year

Compared with the year-earlier period, earnings in the company portfolio were significantly weaker in the first quarter, which, due to seasonal variations, is historically Ratos's weakest quarter in terms of earnings. While the decline in earnings was largely attributable to Plantasjen, which was impacted by an unusually cold March and restructuring costs, and Diab, several other companies also reported a negative earnings trend. Ratos's performance thus remains unsatisfactory.

I have now been CEO of Ratos for just over a quarter and during this time, I continued my review of the portfolio companies and their management, boards of directors, markets and earnings as well as the practical application of Ratos's corporate governance. Our focus is on achieving stability and profitability in order to reverse the negative earnings trend in the company portfolio.

Earnings trend

For the first quarter of 2018, sales in the company portfolio fell 3%, and EBITA declined from SEK 102m to SEK -18m, pro forma and adjusted for Ratos's holdings. The weak earnings were largely due to the performance of Plantasjen and Diab. Earnings in Plantasjen, which normally posts a loss for the first quarter, declined SEK 60m due to the unusually cold weather in March. Plantasjen's earnings were charged with costs of SEK 23m for a restructuring programme intended to reduce the cost base and enhance the efficiency of the operations. Diab continued to face a weak market with high commodity costs. Kvdbil, TFS and Speed Group also reported unsatisfactory earnings for the quarter.

The Ratos Group posted a loss before tax of SEK -147m (-32) for the first quarter of 2018. The decline in earnings was attributable to the weak earnings in the company portfolio, particularly due to Plantasjen and Bisnode. Bisnode was impacted by negative currency effect in net financial items. The divestment of Jøtul had a positive impact of SEK 26m on earnings.

Events in portfolio companies

During the first quarter, HENT secured orders pertaining to the construction of a hotel in Denmark for Nordic Choice, a new cultural centre in Skellefteå Municipality and the construction of a new hospital in Stockholm for Ersta Diakoni. airteam strengthened its market position by expanding to Sweden through the acquisition of Luftkontroll Energy. Speed Group acquired Samdistribution, thereby establishing a geographic presence in the Stockholm region. After the end of the period, Aibel signed a letter of intent with Statoil concerning engineering, procurement and construction for a process platform (P2) for the expansion of the Johan Sverdrup field, with an estimated contract value of approximately NOK 8 billion. The final contract is expected to be signed later in the year, with engineering beginning immediately and construction commencing in the first quarter of 2019 for final delivery in 2022.

Transactions

Jøtul was divested during the first quarter, generating a capital gain of approximately SEK 26m. In recent years, the company's focus has been on enhancing the efficiency of the operations in an effort to improve profitability, which yielded results in 2017. Ratos has owned Jøtul since 2006 and this was an appropriate time for the company to develop further under a new owner.

Focus on earnings in portfolio companies

We are continuing to review our companies with a focus on stability, profitability and growth. Ratos has implemented a number of important organisational changes and a new incentive system that is more closely aligned with the shareholders' return. Ratos also have an ongoing review of our corporate governance in order to create a more stable base for the future. Ratos continues to command a strong financial position, and our assessment is that we have all the necessary prerequisites to reverse the earnings trend in the portfolio companies.

Jonas Wiström, Chief Executive Officer

Important events, January-March 2018

- In February, airteam signed an agreement to acquire Luftkontroll Energy i Örebro AB, a leading installer of ventilation solutions in the Mälardalen region. The company's sales in 2017 amounted to approximately SEK 80m. The acquisition was completed in the first quarter. Ratos did not provide any capital in conjunction with the acquisition.
- In February, Ratos signed an agreement to sell all of its shares in Jøtul A/S (Jøtul) to OpenGate Capital for NOK 364m (enterprise value). The transaction was completed in the first quarter. The divestment generated a capital gain of approximately SEK 26m. The investment generated a negative internal rate of return (IRR).
- In March, Ratos implemented changes to its management group and investment organisation in order to adapt the company to the next phase of its development. In conjunction with these changes, a total of five people left their positions at Ratos.

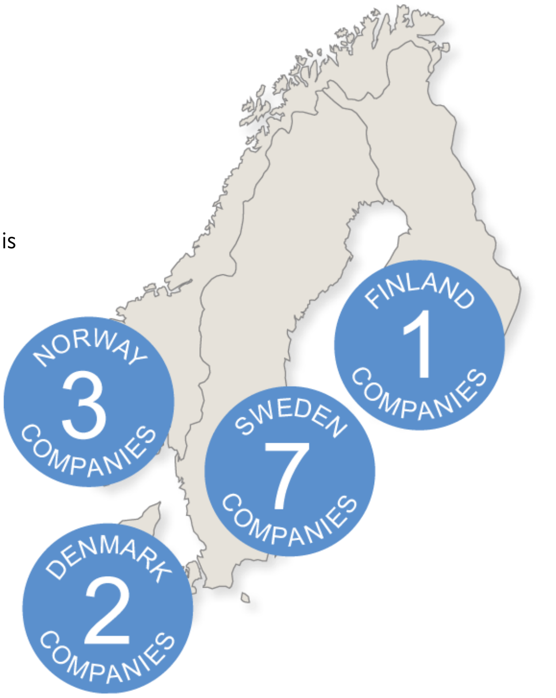
Events after the end of the period

- In April, Statoil signed a letter of intent with Aibel concerning engineering, procurement and construction of the deck for a process platform at the Johan Sverdrup field. The final contract is expected to be signed later in the year and has an estimated value of approximately NOK 8 billion.
- Ratos's subsidiary HENT has signed an agreement to sell its residential development operations, HENT Eiendomsinvest, to Fredensborg Bolig. The sale will generate a capital gain of approximately NOK 85m.

Refer to pages 6-11 for more information about significant events in the companies.

Companies overview

The Ratos Group's net sales for the first quarter of 2018 amounted to SEK 4,911m (5,561). The operating loss for the same period totalled SEK -36m (profit: 78). To facilitate a comparison of the ongoing performance of Ratos's company portfolio, the section below presents certain financial information that is not defined in accordance with IFRS. For a reconciliation of the alternative performance measures used in this report with the most directly reconcilable IFRS measures, refer to Note 3. Complete income statements, statements of financial position and statements of cash flows for all of the companies are available at www.ratos.se.



Ratos's company portfolio

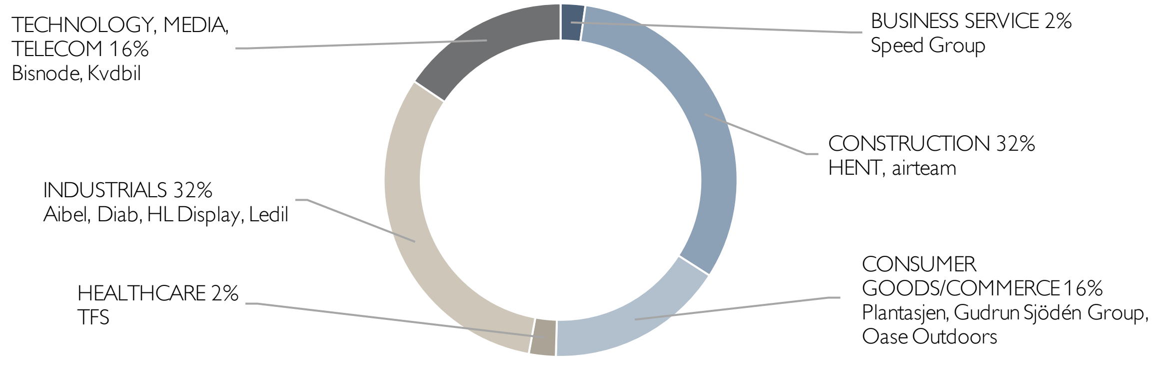
Ratos invests mainly in unlisted medium-sized Nordic companies and has 13 companies in its portfolio. The largest industries in terms of sales are Industrials and Construction.

13 companies with approximately

12,700* employees

* The number of employees is based on the average number of employees for full-year 2017 for the 13 companies.

Sales breakdown by segment**

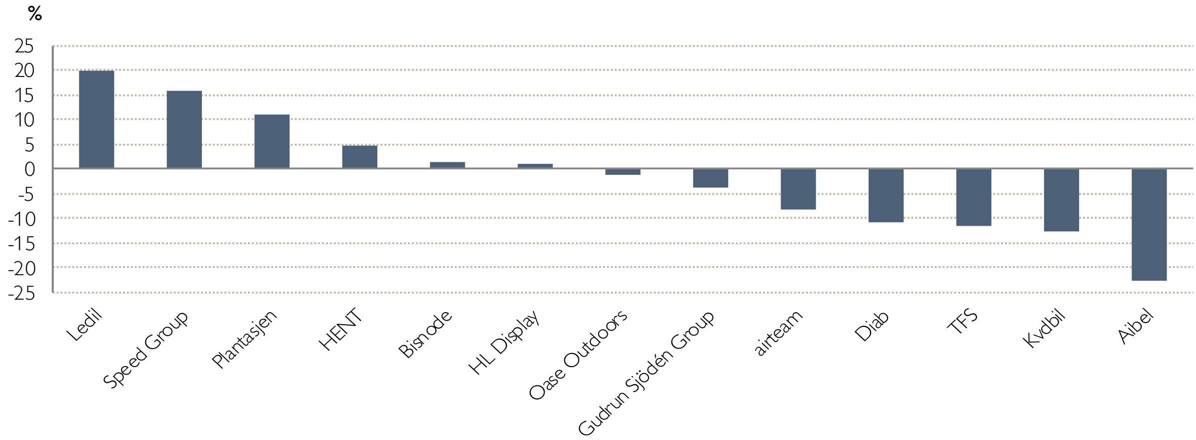


** Adjusted for the size of Ratos's holdings.

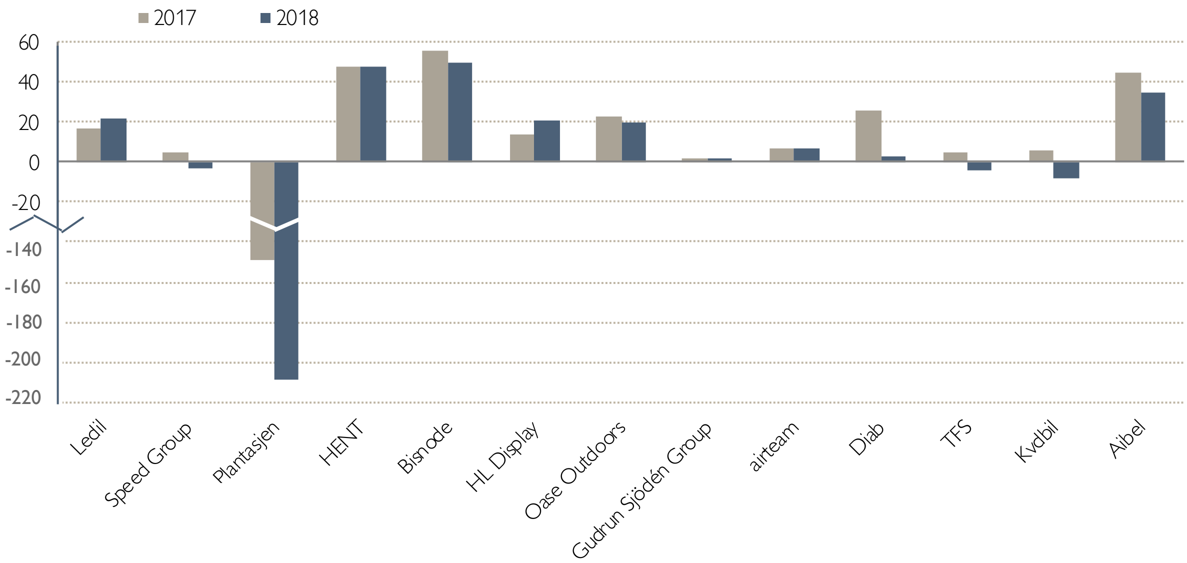
Ratos's companies

Q1 2018

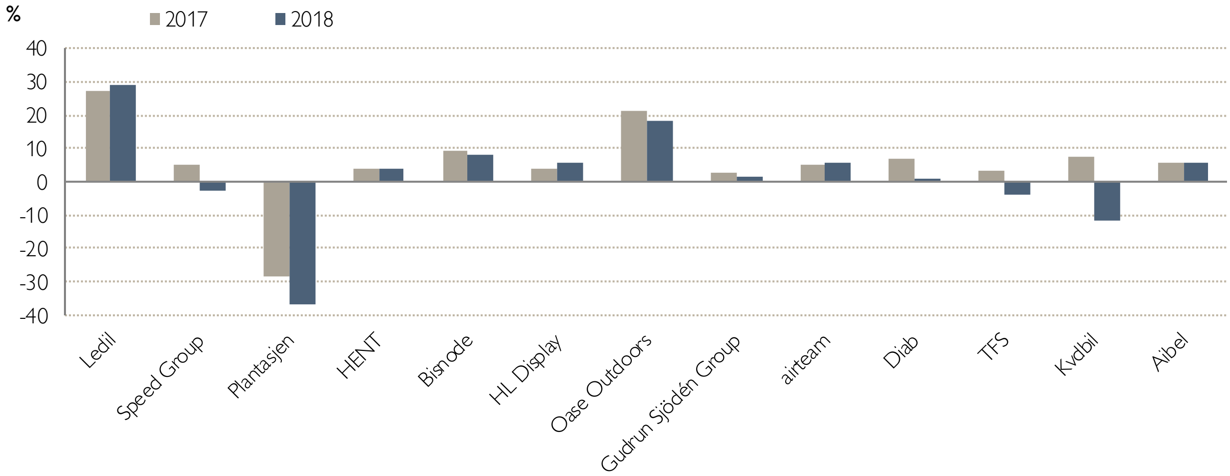
Sales trend – 100%
Local currency



EBITA – adjusted for the size of Ratos's holding
SEKm



EBITA margin – 100%
Local currency



The information presented for each company on pages 6-11 refers to the company in its entirety and has not been adjusted for the size of Ratos's holding.

Consumer goods/Commerce

Plantasjen

- Sales growth of 11% during the quarter, driven by the acquisition of SABA. The sales trend in comparable units was negative and impacted by the cold weather in March, with weak sales for outdoor plants
- Lower EBITA compared with the year-earlier period due to weaker sales and ongoing price campaigns to drive traffic to the stores
- EBITA was charged with restructuring costs of NOK 23m during the quarter due to a reorganisation intended to reduce the cost base going forward

	Q1	
MNOK	2018	2017
Sales	557	501
EBITA	-205	-144
EBITA margin	-36.8%	-28.7%
Cash flow from operations	-268	-266

The Nordic region's leading chain for sales of plants and gardening accessories with more than 120 stores in Norway, Sweden and Finland and a primary focus on consumers.

Holding

99%

Gudrun Sjödén Group

- Sales declined 4% during the first quarter due to calendar effects resulting from the fact that Easter fell during the first quarter of the year and to a late start to the season. Sales was positively impacted by currency effect
- Lower EBITA margin due to weaker sales
- Continued focus on e-commerce and digital transformation of media and marketing

	Q1	
MSEK	2018	2017
Sales	184	191
EBITA	3	5
EBITA margin	1.5%	2.4%
Cash flow from operations	-14	-10

International design company with a unique, colorful style and a clear sustainability profile.

Holding

30%

Oase Outdoors

- Sales on par with the year-earlier period. Earnings were charged with ongoing investments in growth initiatives and product development
- E-commerce platform for the Outwell brand launched in April

	Q1	
MDKK	2018	2017
Sales	105	106
EBITA	19	23
EBITA margin	18.0%	21.2%
Cash flow from operations	-57	-56

Danish company that develops, produces and sells high-quality camping and outdoor equipment.

Holding

78%

Construction

HENT

- Sales growth of 5%, driven by a strong order book. Strong order intake of approximately NOK 3.2 billion in the first quarter (NOK 2.1 billion in first quarter of 2017). New orders include the construction of a hotel in Denmark for Nordic Choice, a new cultural centre in Skellefteå Municipality and the construction of a new hospital in Stockholm for Ersta Diakoni. At 31 March 2018, the value of the order book was approximately NOK 12.5 billion (approximately NOK 11.0 billion at 31 December 2017)
- The EBITA margin of 3.7% was positively impacted by a capital gain of NOK 7m related to the partial sale of a project in the residential development operations
- After the end of the quarter, HENT's residential development operations were divested to the Norwegian housing developer Fredensborg Bolig AS. The sale will generate a capital gain of approximately NOK 85m. The sale is expected to be completed in the second quarter

	Q1	
MNOK	2018	2017
Sales	1,727	1,651
EBITA	64	62
EBITA margin	3.7%	3.8%
Cash flow from operations	-17	47

Leading Norwegian construction contractor with projects in Norway and Sweden. The company focuses on newbuilds of public and commercial real estate, and focuses its resources on project development, project management and procurement. The projects are largely carried out by a broad network of quality-assured subcontractors.

Holding

73%

airteam

- Despite lower sales than in the year-earlier period due to project delays, good cost control allowed the company to maintain its profitability. Strong order intake during the quarter
- airteam's acquisition of Luftkontroll Energy i Örebro AB was completed during the quarter. The sales and earnings of the acquired company are not included in the figures for the first quarter of 2018

	Q1	
MDKK	2018	2017
Sales	136	149
EBITA	8	8
EBITA margin	5.6%	5.3%
Cash flow from operations	-20	-1

Danish company that offers high-quality and effective ventilation solutions.

Holding

70%

Industrials

Aibel

- The weaker sales during the quarter are attributable to lower activity according to plan in the successful Johan Sverdrup Drilling Platform contract. At 31 March 2018, the value of the order book was approximately NOK 10 billion, down about 30% compared with 31 March 2017
- Favourable profitability driven by the successful delivery of existing projects
- In April, Aibel signed a letter of intent with Statoil concerning engineering, procurement and construction (EPC) for a process platform (P2) for the expansion of the Johan Sverdrup field, with an estimated contract value of approximately NOK 8 billion. The final contract is expected to be signed later in the year, with engineering beginning immediately and construction commencing in the first quarter of 2019 for final delivery in 2022
- In April, Aibel was awarded a contract by Statoil for the refurbishment of the Njord Bravo FSU (Floating Storage Unit), with a contract value of NOK 1.3 billion. Aibel will have overall responsibility for fabrication, installation, construction and procurement

	Q1	
MNOK	2018	2017
Sales	1,907	2,466
EBITA	105	135
EBITA margin	5.5%	5.5%
Cash flow from operations	-253	538

Leading Norwegian supplier of maintenance and modification services (Modification and Yard Services) for production platforms and onshore installations for oil and gas as well as new construction projects (Field Development) in oil and gas and renewable energy (Renewables). The company has operations along the Norwegian coast and in Asia. Customers are primarily the major oil companies operating on the Norwegian continental shelf.

Holding

32%

Diab

- Decline in sales due to a continued weak trend in the wind power segment, while the marine segment continued to perform well
- As in late 2017, the company's weak EBITA was due to lower sales and continued high commodity costs
- Measures are being implemented to counteract the weak market trend

	Q1	
MSEK	2018	2017
Sales	357	401
EBITA	3	26
EBITA margin	0.8%	6.6%
Cash flow from operations	1	13

Global company that develops, manufactures and sells core materials for sandwich composite structures including blades for wind turbines, hulls and decks for leisure boats, and components for aircraft, trains, industrial applications and buildings. The core materials have a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance.

Holding

96%

HL Display

- Sales were in line with the year-earlier period, with Western and Central Europe performing well and a weaker performance in the UK. Sales was positively impacted by currency effect
- Improved profitability due to a higher gross margin in the sales operations and enhanced efficiency at the factories
- Measures to strengthen long-term profitability are under way

	Q1	
MSEK	2018	2017
Sales	374	370
EBITA	21	14
EBITA margin	5.7%	3.8%
Cash flow from operations	-12	-16

Global supplier of products and systems for merchandising and in-store communication with operations in 47 countries. Manufacturing takes place in Poland, Sweden, China and the UK.

Holding
99%

Ledil

- Strong sales growth of 20%, mainly driven by expansion in Asia and improved demand in Europe
- Continued focus on global expansion and investments in R&D for new products
- Jyri Järvinen, who has extensive operational experience from the ABB Group, was appointed as the new CEO of Ledil and assumed the position on 1 February 2018

	Q1	
MEUR	2018	2017
Sales	11.8	9.8
EBITA	3.4	2.7
Adjusted EBITA margin	28.8%	27.3%
Cash flow from operations	2.6	1.1

Finnish leading global player within secondary optics for LED lighting. The products are sold by the company's own sales force as well as via agents and distributors in Europe, North America and Asia. Production is carried out by subcontractors in Finland and China.

Holding
66%

Technology, Media, Telecom

Bisnode

- The organic sales growth was weak in the quarter. Restructuring of the product mix continuous
- EBITA was impacted by non-recurring costs related to the ongoing change programme. The adjusted EBITA margin was on par with the year-earlier period
- The extensive change initiatives to strengthen the core business and modernise the customer offering continued

	Q1	
MSEK	2018	2017
Sales	899	888
EBITA	72	80
EBITA margin	8.0%	9.0%
Cash flow from operations	135	135

Leading European data and analysis company. The customer base comprises companies and organisations in Europe which use Bisnode's services to convert data into knowledge for both day-to-day issues and major strategic decisions.

Holding

70%

Kvdbil

- Weak sales as a result of a lower inflow of cars in Kvdbil's two main segments: Private Cars and Company Cars
- Decline in EBITA due to lower volume and costs related to IT and service development
- New IT platform (including a new website) launched in mid-March that provides better possibilities for more customised offerings and enhanced efficiency of internal processes

	Q1	
MSEK	2018	2017
Sales	71	81
EBITA	-8	6
EBITA margin	-11.8%	7.4%
Cash flow from operations	-7	-4

Sweden's largest independent online marketplace offering broker services for second-hand vehicles. The company operates the auction sites kvd.se, kvdnorge.no, kvdpro.com and kvdauctions.com, where cars, heavy vehicles and machines are offered for sale at weekly online auctions. The number of unique visitors totals approximately 200,000 per week. The company's service offering includes valuation portals for cars.

Holding

100%

Healthcare

TFS

- Service sales* in the first quarter amounted to EUR 14.1m (15.5). Negative organic service sales growth due to a weak order intake and cancellations in 2017
- EBITA was negatively impacted by lower sales, costs for strengthening the organisation and negative currency effects. A cost-cutting programme has been implemented and is proceeding according to plan
- János Filakovský was appointed as the new CEO of TFS, bringing operational and international experience of the life science sector, including experience at Quintiles. János assumed his new position in February 2018

* According to IFRS, TFS and other contract research organisations (CRO) 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.

	Q1	
MEUR	2018	2017
Sales	20.0	22.6
EBITA	-0.7	0.8
EBITA margin	-3.6%	3.5%
Cash flow from operations	-0.9	0.0

Performs clinical trials in the human phase on behalf of the pharmaceutical, biotechnology and medical device industries.

Holding

60%

Business services

Speed Group

- Sales growth during the quarter, driven by add-on acquisition of Samdistribution
- Profitability and cash flow for the quarter were charged with start-up costs for new business
- Samdistribution was acquired during the quarter, giving Speed Group a geographic presence in the Stockholm region

	Q1	
MSEK	2018	2017
Sales	145	125
EBITA	-4	6
EBITA margin	-2.7%	5.2%
Cash flow from operations	-14	38

Swedish provider of services that extend from staffing and recruitment to full-scale warehouse management as well as production and education.

Holding

70%

Ratos's companies, adjusted for the size of Ratos's holdings

	Net sales in portfolio			EBITA in portfolio		
SEKm	2018 Q1	2017 Q1	2017	2018 Q1	2017 Q1	2017
Aibel	629	825	2,992	35	45	102
airteam	127	132	571	7	7	54
Bisnode	628	620	2,484	50	56	277
Diab	343	385	1,382	3	25	1
Gudrun Sjödén Group	55	57	238	1	1	25
HENT	1,303	1,264	5,300	48	48	190
HL Display	369	364	1,424	21	14	42
Kvdbil	71	81	346	-8	6	30
Ledil	78	62	257	22	17	70
Oase Outdoors	111	107	321	20	23	42
Plantasjen	569	520	3,960	-209	-149	217
Speed Group	101	87	359	-3	5	17
TFS	119	129	529	-4	5	-4
Total adjusted for Ratos's holding	**4,503**	**4,635**	**20,162**	**-18**	**102**	**1,063**
Change	**-3%**			**-118%**		

	Adjusted EBITA in portfolio A)			Cash flow from operations in portfolio B)	Interest-bearing net debt in portfolio	Ratos's holding (%)
SEKm	2018 Q1	2017 Q1	2017	2018 Q1	18-03-31	18-03-31
Aibel	35	45	131	-84	855	32
airteam	7	7	54	-19	127	70
Bisnode	57	57	297	94	1,065	70
Diab	3	25	1	1	756	96
Gudrun Sjödén Group	1	1	25	-4	-25	30
HENT	48	48	184	-13	-487	73
HL Display	21	14	49	-12	526	99
Kvdbil	-8	7	42	-7	158	100
Ledil	22	17	70	17	238	66
Oase Outdoors	20	23	42	-60	289	78
Plantasjen	-186	-148	229	-274	2,496	99
Speed Group	-3	5	17	-10	24	70
TFS	-3	5	2	-6	33	60
Total adjusted for Ratos's holding	**13**	**105**	**1,143**	**-376**	**6,055**	
Change	**-88%**					

A) EBITA, adjusted for non-recurring items.
B) Cash flow from operations, excluding paid tax and interest, but including investments and divestments of intangible assets and property, plant and equipment, respectively.

All figures in the above table are based on Ratos's holdings. In order to facilitate comparisons between years and provide a comparable structure, where appropriate some holdings are reported pro forma.

Complete income statements, statements of financial position and statements of cash flows for all of the companies are available at www.ratos.se.

Financial information

Ratos's results

The Group posted a loss before tax of SEK -147m (-32) for the first quarter of 2018. Earnings include an exit gain of SEK 26m (2).

This includes a loss/share of loss from the companies in the amount of SEK -116m (profit: 9). The decline is mainly attributable to Bisnode and Plantasjen. Bisnode was impacted by major negative exchange rate changes in net financial items, SEK -38m (4). Plantasjen was affected by the late arrival of spring and costs for reorganisation.

Ratos's adjusted management costs amounted to SEK -49m (-44). Earnings for the period were charged with SEK 13m in personnel costs due to organisational changes.

Cash flow and financial position

Cash flow for the period was SEK -132m (780), of which cash flow from operating activities accounted for SEK -324m (-166), cash flow from investing activities for SEK -183m (585) and cash flow from financing activities for SEK 375m (361). In addition to the conditions in the portfolio companies' operating activities, Ratos's cash flow was impacted by changes in the company portfolio. The portfolio companies with the most significant negative changes during the period were HENT, Speed Group and airteam.

The Group's cash and cash equivalents at the end of the period amounted to SEK 3,805m (5,194) and interest-bearing net debt totalled SEK 3,609 (3,843).

Ratos's equity

At 31 March 2018, Ratos's equity (attributable to owners of the parent) amounted to SEK 9,788m (SEK 9,660m at 31 December 2017), corresponding to SEK 31 per share outstanding (SEK 30 at 31 December 2017).

Parent company

The parent company's operating loss totalled SEK -50m (-44). The parent company's loss before tax amounted to SEK -80m (805). The parent company's cash and cash equivalents totalled SEK 2,174m (3,386). Cash and cash equivalents in the parent company has decrease by SEK 1,212m compared with 31 March 2017, which SEK 1,300m is related to redemption of preference shares.

Ratos's Class B share

Earnings per share before and after dilution amounted to SEK -0.47 (-0.38). The closing price for Ratos's Class B shares on 31 March 2018 was SEK 32.54. The total return on Class B shares in the first quarter of 2018 amounted to -9%, compared with the performance for the SIX Return Index, which was -1%.

Treasury shares and number of shares

No Class B shares were repurchased and no call options were exercised during the period. At the end of March, Ratos owned 5,126,262 Class B shares (corresponding to 1.6% of the total number of shares), repurchased at an average price of SEK 68.

At 31 March 2018, 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. The number of outstanding Class A and B shares was 319,014,634. The average number of Class B treasury shares in Ratos in the first quarter of 2018 was 5,126,262 (5,126,262 in full-year 2017).

Credit facilities and new issue mandate

The parent company has a credit facility of SEK 2.2 billion including a bank overdraft facility. The purpose of the facility is to be able to use it when bridge financing is required for acquisitions and to be able to finance dividends and day-to-day running costs in periods with few or no exits. The parent company should normally be unleveraged. The credit facility was unutilised at the end of the period. In addition, there is also a mandate from the 2017 Annual General Meeting to issue a maximum of 35 million Ratos Class B shares in conjunction with agreements on acquisitions and an authorisation to issue a maximum total of 1,250,000 Class C and/or Class D preference shares in conjunction with acquisitions.

Proposals to the Annual General Meeting 2018

Annual General Meeting

Ratos's Annual General Meeting (AGM) will be held on 3 May 2018 at 2:00 p.m. at Skandiascenen, Cirkus, in Stockholm, Sweden.

Proposed dividend for Class A and B shares

The Board proposes an ordinary dividend for the 2017 financial year of SEK 2.00 (2.00) per Class A and Class B share. The record date for the right to receive dividends is proposed as 7 May 2018 and dividends are expected to be paid from Euroclear Sweden on 11 May 2018.

Key figures for Ratos's share

SEKm	2018 Q1	2017 Q1	2017
Key figures per share [1)]			
Total return, %	-9	-2	-13
Dividend yield, %			5.6
Market price, SEK	32.54	42.12	35.84
Dividend, SEK			2.00
Equity attributable to owners of the parent, SEK [2)]	31	31	30
Earnings per share before and after dilution, SEK [3)]	-0.47	-0.38	0.72
Average number of ordinary shares outstanding:			
– before dilution	319,014,634	319,014,634	319,014,634
– after dilution	319,014,634	319,014,634	319,014,634
Total number of registered shares	324,140,896	324,970,896	324,140,896
Number of shares outstanding	319,014,634	319,722,042	319,014,634
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	234,377,574	234,377,574	234,377,574
– of which, Class C shares		707,408	

[1)] Relates to Class B shares unless specified otherwise.

[2)] Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period. Comparison periods have been adjusted for outstanding preference share capital. All preference shares were redeemed by the end of the second quarter 2017.

[3)] Profit for the period attributable to owners of the parent minus dividend for the period on preference shares divided by the average number of outstanding ordinary shares.

Financial statements

Consolidated income statement

SEKm	2018 Q1	2017 Q1	2017
Net sales	4,911	5,561	23,059
Other operating income	23	17	79
Change in inventories of products in progress, finished goods and work in progress	-9	-128	-16
Work performed by the company for its own use and capitalised	27	15	70
Raw materials and consumables	-2,655	-2,749	-12,123
Employee benefit costs	-1,521	-1,608	-6,098
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-126	-157	-1,163
Other costs	-732	-911	-3,467
Capital gain/loss from group companies	26	-32	559
Impairment and capital gain from investments recognised according to the equity method	8	33	161
Share of pre-tax profit/loss from investments recognised according to the equity method [1)]	12	37	19
Operating profit/loss	**-36**	**78**	**1,081**
Financial income	8	16	77
Financial expenses	-120	-127	-500
Net financial items	**-112**	**-111**	**-423**
Profit/loss before tax	**-147**	**-32**	**658**
Tax	26	-21	-234
Share of tax from investments recognised according to the equity method [1)]	-3	-14	-17
Profit/loss for the period	**-125**	**-67**	**407**
Profit/loss for the period attributable to:			
Owners of the parent	-149	-105	268
Non-controlling interests	25	37	139
Earnings per share, SEK			
– before dilution	-0.47	-0.38	0.72
– after dilution	-0.47	-0.38	0.72

[1)] Tax attributable to shares of profit/loss before tax from investments recognised according to the equity method are presented on a separate line.

Consolidated statement of comprehensive income

SEKm	2018 Q1	2017 Q1	2017
Profit/loss for the period	**-125**	**-67**	**407**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension obligations, net			8
Tax attributable to items that will not be reclassified to profit or loss			2
			10
Items that may be reclassified subsequently to profit or loss:			
Translation differences for the period	384	18	-29
Change in hedging reserve for the period	-14	-1	-1
Tax attributable to items that may be reclassified subsequently to profit or loss	2	1	0
	372	**17**	**-30**
Other comprehensive income for the period	**372**	**17**	**-20**
Total comprehensive income for the period	**248**	**-50**	**387**
Total comprehensive income for the period attributable to:			
Owners of the parent	137	-90	248
Non-controlling interest	111	40	139

Summary consolidated statement of financial position

SEKm	2018-03-31	2017-03-31	2017-12-31
ASSETS			
Non-current assets			
Goodwill	12,007	12,957	11,583
Other intangible non-current assets	1,738	1,829	1,841
Property, plant and equipment	1,716	1,935	1,827
Financial assets	1,401	1,709	1,323
Deferred tax assets	573	614	478
Total non-current assets	**17,435**	**19,044**	**17,053**
Current assets			
Inventories	1,223	1,560	1,136
Current receivables	3,681	3,658	3,253
Cash and cash equivalents	3,805	5,194	3,881
Total current assets	**8,709**	**10,412**	**8,270**
Total assets	**26,144**	**29,456**	**25,323**
EQUITY AND LIABILITIES			
Equity including non-controlling interests	**11,794**	**13,150**	**11,546**
Non-current liabilities			
Interest-bearing liabilities	5,493	7,309	5,819
Non-interest bearing liabilities	364	389	356
Pension provisions	504	490	486
Other provisions	22	227	61
Deferred tax liabilities	559	370	500
Total non-current liabilities	**6,942**	**8,785**	**7,222**
Current liabilities			
Interest-bearing liabilities	1,502	1,583	1,019
Non-interest bearing liabilities	5,207	5,375	4,880
Provisions	699	564	656
Total current liabilities	**7,408**	**7,522**	**6,555**
Total equity and liabilities	**26,144**	**29,456**	**25,323**

Summary statement of changes in consolidated equity

SEKm	2018-03-31 Owners of the parent	2018-03-31 Non-controlling interest	2018-03-31 Total equity	2017-03-31 Owners of the parent	2017-03-31 Non-controlling interest	2017-03-31 Total equity	2017-12-31 Owners of the parent	2017-12-31 Non-controlling interest	2017-12-31 Total equity
Opening equity	**9,660**	**1,886**	**11,546**	**11,283**	**2,003**	**13,287**	**11,283**	**2,003**	**13,286**
Adjustment				0		-0	0	0	-0
Adjusted equity	**9,660**	**1,886**	**11,546**	**11,283**	**2,003**	**13,287**	**11,283**	**2,004**	**13,286**
Total comprehensive income for the period	137	111	248	-90	40	-50	248	139	387
Dividends					-88	-88	-659	-90	-749
Non-controlling interests' share of capital contribution and new issue								27	27
Repurchase/redemption of treasury shares, net effect							-1,300		-1,300
Option premiums	-0		-0				1		1
Put options, future acquisitions from non-controlling interests	-9		-9		-4	-4	-3	-2	-5
Acquisition of shares in subsidiaries from non-controlling interests	-0		-0				-1	-6	-6
Disposal of shares in subsidiaries to non-controlling interests	0	1	1	0	4	4	1	6	6
Non-controlling interests at acquisition		9	9						
Non-controlling interests in disposals					0	0		-101	-101
Adjusted non-controlling interests				88	-88		91	-91	
Closing equity	**9,788**	**2,006**	**11,794**	**11,281**	**1,868**	**13,150**	**9,660**	**1,886**	**11,546**

Consolidated statement of cash flows

SEKm	2018 Q1	2017 Q1	2017
Operating activities			
Profit/loss before tax	-36	78	1,081
Adjustment for non-cash items	100	142	522
	65	220	1,602
Income tax paid	-79	-45	-251
Cash flow from operating activities before change in working capital	**-14**	**175**	**1,351**
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-192	-181	-26
Increase (-)/Decrease (+) in operating receivables	-320	87	232
Increase (+)/Decrease (-) in operating liabilities	202	-248	-258
Cash flow from operating activities	**-324**	**-166**	**1,299**
Investing activities			
Acquisition, group companies	-71	-29	-365
Disposal, group companies	-4	-42	709
Acquisitions, investments recognised according to the equity method		-16	-16
Disposals, investments recognised according to the equity method	8	781	1,065
Purchase and disposal, intangible assets/property, plant and equipment	-119	-116	-572
Investments and disposal, financial assets	0	7	288
Received interest	3	1	25
Cash flow from investing activities	**-183**	**585**	**1,135**
Financing activities			
Non-controlling interests' share of issue/capital contribution			41
Repurchase/redemption of treasury shares			-1,300
Option premiums paid	2	1	19
Repurchase/final settlements options	-2	-4	-24
Acquisition and disposal of shares in subsidiaries from non-controlling interests	-3		0
Dividends paid		-18	-677
Dividends paid, non-controlling interests		-88	-90
Borrowings	590	790	662
Amortisation of loans	-132	-249	-1,199
Paid interest	-74	-65	-330
Amortisation of financial lease liabilitities	-7	-7	-30
Cash flow from financing activities	**375**	**361**	**-2,928**
Cash flow for the period	**-132**	**780**	**-494**
Cash and cash equivalents at the beginning of the year	3,881	4,389	4,389
Exchange differences in cash and cash equivalents	56	-8	-46
Increase (-)/Decrease (+) of cash and cash equivalents classified as Assets held for sale		32	32
Cash and cash equivalents at the end of the period	3,805	5,194	3,881

Parent company income statement

SEKm	2018 Q1	2017 Q1	2017
Other operating income	1	1	10
Other external costs	-17	-16	-81
Personnel costs	-34	-28	-98
Depreciation of property, plant and equipment	-1	-1	-3
Operating loss	**-50**	**-44**	**-172**
Gain from sale of participating interests in group companies			844
Dividends from group companies		169	572
Impairment of shares in group companies	-26	-95	-533
Gain from sale of interests in associates		778	778
Result from other securities and receivables accounted for as non-current assets			2
Other interest income and similar profit/loss items	8	2	22
Interest expenses and similar profit/loss items	-11	-4	-21
Profit/loss after financial items	**-80**	**805**	**1,491**
Tax			
Profit/loss for the period	**-80**	**805**	**1,491**

Parent company statement of comprehensive income

SEKm	2018 Q1	2017 Q1	2017
Profit/loss for the period	**-80**	**805**	**1,491**
Other comprehensive income			
Change in fair value reserve for the period	-7		
Other comprehensive income for the period	-7		
Total comprehensive income for the period	**-86**	**805**	**1,491**

Summary parent company balance sheet

SEKm	2018-03-31	2017-03-31	2017-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	60	63	61
Financial assets	8,248	8,997	8,267
Receivables, group companies	9		12
Total non-current assets	**8,317**	**9,060**	**8,340**
Current assets			
Current receivables	22	27	12
Receivables, group companies	2	47	2
Cash and cash equivalents	2,174	3,386	2,226
Total current assets	**2,198**	**3,460**	**2,240**
Total assets	**10,515**	**12,520**	**10,581**
EQUITY AND LIABILITIES			
Equity	**8,679**	**10,037**	**8,765**
Non-current liablities			
Interest-bearing liabilities, group companies	312	2,214	306
Non-interest bearing liabilities	9	18	18
Other financial liabilities	37	43	30
Total non-current liablities	**358**	**2,275**	**354**
Current provisions	**155**	**97**	**140**
Current liabilities			
Interest-bearing liabilities, group companies	12		13
Non-interest bearing liabilities, group companies	1,250		1,250
Non-interest bearing liabilities	62	112	59
Total current liabilities	**1,324**	**112**	**1,322**
Total equity and liabilities	**10,515**	**12,520**	**10,581**

Summary statement of changes in parent company's equity

SEKm	2018-03-31	2017-03-31	2017-12-31
Opening equity	**8,765**	**9,232**	**9,232**
Comprehensive income for the period	-86	805	1,491
Dividends			-659
Repurchase/redemption of treasury shares, net effect			-1,300
Option premiums			1
Closing equity	**8,679**	**10,037**	**8,765**

Parent company cash flow statement

SEKm	2018 Q1	2017 Q1	2017
Operating activities			
Profit/loss before tax	-80	805	1,491
Adjustment for non-cash items	47	-670	-1,463
	-32	135	27
Income tax paid			
Cash flow from operating activities before change in working capital	**-32**	**135**	**27**
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in operating receivables	-6	-73	-19
Increase (+)/Decrease (-) in operating liabilities	-13	-95	-69
Cash flow from operating activities	**-51**	**-34**	**-61**
Investing activities			
Investment, shares in subsidiaries		-20	-422
Liabilities to group companies [1)]			1,228
Disposal, shares in associates		781	781
Acquisition, property, plant and equipment		-0	-0
Cash flow from investing activities	**0**	**760**	**1,587**
Financing activities			
Repurchase/redemption of treasury shares			-1,300
Option premiums paid		1	4
Repurchase/final settlements options	-1		-16
Dividends paid		-18	-677
Cash flow from financing activities	**-1**	**-16**	**-1,989**
Cash flow for the period	**-53**	**710**	**-463**
Cash and cash equivalents at the beginning of the year	2,226	2,677	2,677
Exchange differences in cash and cash equivalents	1	-2	12
Cash and cash equivalents at the end of the period	2,174	3,386	2,226

[1)] Liability to centrally administrated group company that arose in conjuction with divestment of group company.

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.

Changed accounting principles due to new IFRS

As of 2018, Ratos applies IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. The following changes have been made with respect to the application of the new standards. In all other respects, reporting and measurement principles are unchanged compared with those applied in Ratos's 2017 Annual Report.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is to be applied from 2018 and addresses the recognition of revenue from contracts with customers and the sale of certain non-financial assets. It has replaced IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. The new standard introduces a new model for revenue recognition based on the core principle that revenue is to be recognised when control over goods or services has been passed to the customer and in an amount that reflects the consideration to which the company is entitled in exchange for those goods or services. The transition to IFRS 15 has not had any material impact on the Ratos Group's financial earnings or position.

Ratos has chosen to apply the full retrospective approach during the transition, using the practical solutions provided in the standard. All of Ratos's portfolio companies concluded that the application of IFRS 15 will not have any material impact on revenue recognition in the individual company and thus will not have any material impact on Ratos's consolidated financial statements. Since the transition to IFRS 15 has not had any material impact on the Ratos Group, no comparative figures have been restated and the Group has therefore not presented any disclosures regarding the transition.

Ratos is an investment company whose business comprises the acquisition, development and divestment of unlisted enterprises. At the end of the first quarter of 2018, the portfolio comprises 11 subsidiaries and 2 associated companies. The portfolio companies are active in different sectors, and operate strategically, operationally and financially independent of each other. Since the operations of Ratos's subsidiaries are so varied, the most relevant basis for revenue classification is considered to be by portfolio company and the industries in which the companies operate. These two categories provide information about the Ratos Group's primary analysis requirement and give the reader an opportunity to gain an understanding of the various industries in which Ratos is involved in order to assess the Group's sensitivity to market trends and other economic factors that could impact revenue.

Revenue classification according to the aforementioned categories is in line with IFRS 8 Operating Segments, where segment reporting is based on recognition and measurement in accordance with IFRS 15.

IFRS 9 Financial Instruments

IFRS 9 is to be applied from 2018 and has replaced IAS 39 Financial Instruments: Recognition and Measurement. For the Ratos Group, IFRS 9 does not entail any changes with respect to recognition in and derecognition from the Statement of financial position. However, changes will occur with respect to the classification and measurement of financial instruments. On initial recognition, all financial instruments are to be measured at fair value, which complies with IAS 39. After initial recognition, financial assets are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income. The classification of financial assets is determined based on the company's business model and the contractual cash flows the company will receive from the financial asset.

The category of amortised cost includes trade receivables, financial receivables and cash and cash equivalents. The category of fair value through profit or loss includes derivatives not used as hedging instruments, synthetic options, contingent considerations and other securities held as non-current assets. The Ratos Group has no financial assets in the category of fair value through other comprehensive income. The measurement of financial liabilities is largely unchanged compared with IAS 39.

Under IFRS 9, the impairment requirement for receivables is to be determined based on expected credit losses, which for the Ratos Group mainly impacts the recognition of bad debts. The Group's bad debts have been non-material, and remain so after the transition to the new standard. Each portfolio company applies its own impairment model for trade receivables based on assumptions and historical information. Most portfolio companies have chosen to apply a simplified impairment model. Three portfolio companies apply factoring for invoices to a small number of customers, which are regarded as separate business models since they can be distinguished from the other receivables.

With respect to hedge accounting, IFRS 9 has had no impact on the Ratos Group's financial position and earnings. The comparative figures for 2017 are based on earlier principles and have not been restated. The transition to IFRS 9 has not had any impact on opening balance.

Refer to Note 16 Financial instruments and Note 26 Financial risks and risk policy in Ratos's 2017 Annual Report for a description of the hedges within the Ratos Group.

New IFRS that have not yet come into force

IFRS 16 Leases replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease and related rules. The standard is effective from 2019. Under the new standard, the lessee is required to recognise all contracts that meet the definition of a lease (except leases of 12 months or less and leases of low-value assets) as a right-of-use asset and liability in the statement of financial position. Leases that currently comprise operating leases will subsequently be recognised in the balance sheet, which entails that the current operating expense, corresponding to the leasing charges for the period, will be replaced by amortisation and interest expense in the income statement. Ratos's financial statements will largely be impacted as follows: improved operating profit, increased total assets, cash flow from leases moved from operating activities to financing activities (amortisation and interest paid).

IFRS 16 will impact Ratos's portfolio companies to varying degrees and at year-end 2017, each company had developed a transition plan, including an inventory and analysis of existing leases and other factors concerning materiality, discount rates and the need for system support.

Note 2 Risks and uncertainties

Ratos invests in and develops unlisted enterprises in the Nordic region.

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. Ratos's future earnings development is dependent to a large extent on the success and returns of the underlying companies which is also dependent, among other things, on how successful those responsible for the investments and each company's management group and board are at developing and implementing value-enhancing initiatives.

Ratos is also exposed to various types of financial risks, primarily related to loans, trade receivables, trade payables and derivative instruments. The financial risks consist of financing risk, interest rate risk, credit risk and currency risk.

It is also essential that Ratos has the ability to attract and retain employees with the right skills and experience.

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 26 and 33 in the 2017 Annual Report.

Note 3 Alternative performance measures

Due to the nature of Ratos's operations – acquisition, development and divestment of companies – differences may arise in the structure of the Group between periods. Accordingly, consolidated sales, earnings, cash flow and financial position may vary significantly from period to period as a result of differences in the composition of the company portfolio. Moreover, earnings from company divestments normally arise at irregular intervals, generating significant non-recurrent effects. To facilitate a comparison between periods and enable follow-up of the ongoing earnings and performance of the company portfolio, Ratos presents certain financial information that is not defined in accordance with IFRS.

This information is intended to give the reader a better opportunity to evaluate Ratos's investments and should be regarded as a complement to the financial information recognised for the Group.

The following reconciliations and accounts pertain to components included in the alternative performance measures used in this report. Definitions are available at www.ratos.se.

Net sales

SEKm	2018 Q1	2017 Q1	Change	2017
Net sales in the portfolio, Ratos's holding	**4,503**	**4,635**	**-3%**	**20,162**
Net sales in subsidiaries, holding not owned by Ratos	1,023	1,007		4,140
Subsidiaries divested during current year	70	803		1,987
Investments recognised according to the equity method	-684	-883		-3,230
Net sales in accordance with IFRS	**4,911**	**5,561**	**-12%**	**23,059**

Adjusted EBITA, EBITA and operating profit

SEKm	2018 Q1	2017 Q1	Change	2017
Adjusted EBITA, Ratos's holding	**13**	**105**	**-88%**	**1,143**
Items affecting comparability, Ratos's holding	-31	-3		-80
EBITA, Ratos's holding	**-18**	**102**	**-118%**	**1,063**
EBITA in subsidiaries, holding not owned by Ratos	47	56		272
Subsidiaries divested during current year	0	-2		-30
Exit gain/loss from portfolio companies	26	1		663
Investments recognised according to the equity method	-23	-9		-110
Income and expenses in the parent company and central companies	-49	-41		-119
Amortisation and impairment of intangible assets in connection with company acquisitions	-18	-28		-660
Consolidated operating profit	**-36**	**78**		**1,081**

Cash flow from operations

SEKm	2018 Q1
Cash flow from operations in portfolio	**-376**
Cash flow from operations, holding not owned by Ratos	8
Cash flow from operations, holdings divested during current year	-30
Investments recognised according to the equity method	88
Acquisitions and disposals, intangible assets/property, plant and equipment	119
Income tax paid	-79
Attributable to the parent company	-51
Eliminations	-3
Cash flow from operating activities	**-324**

Interest bearing net debt

SEKm	2018-03-31
Total interest-bearing net debt in the portfolio, Ratos's holding	**6,055**
Interest-bearing net debt in subsidiaries, holding not owned by Ratos	637
Investments recognised according to the equity method	-830
Attributable to the parent company and central companies	-2,254
Consolidated interest-bearing net debt	**3,609**

	2018-03-31	2017-03-31	2017-12-31
Non-current interest-bearing liabilities	5,493	7,309	5,819
Current interest-bearing liabilities	1,502	1,583	1,019
Provisions for pensions	504	490	486
Interest-bearing assets	-85	-345	-118
Cash and cash equivalents	-3,805	-5,194	-3,881
Consolidated interest-bearing net debt	**3,609**	**3,843**	**3,324**

Note 4 Acquired and divested businesses

Divestment of Jøtul

In February 2018, Ratos divested all of its shares in the subsidiary Jøtul A/S (Jøtul) for NOK 364m (enterprise value). The sale was concluded in February 2017 and payment was received in April 2018. Jøtul's cash balance of SEK 4m in conjunction with the sale is recognised in cash flow for the quarter. The capital gain from the divestment amounted to approximately SEK 26m.

Acquisitions within subsidiaries

Speed Group acquired Samdistribution Logistik Sverige AB during the quarter. Samdistribution Logistik Sverige AB is currently the leading logistics partner for the Swedish book market and conducts its operations from its 22,000-square-metre premises in Rosersberg in northern Stockholm.

airteam completed the acquisition of Luftkontroll Energy i Örebro AB, a leading installer of ventilation solutions in the Mälardalen region. Luftkontroll Energy has approximately 35 employees and offices in Örebro. Sales for 2017 amounted to about SEK 80m. The company offers efficient ventilation and energy solutions, including after-sales and maintenance services. Through the acquisition of Luftkontroll Energy, airteam is taking its first, strategically important steps into Sweden.

In addition to the transactions reported above, a small number of minor add-on acquisitions took place in the portfolio companies during the quarter.

Note 5 Operating segments

	Sales			EBT [1]		
SEKm	2018 Q1	2017 Q1	2017	2018 Q1	2017 Q1	2017
Aibel				12	27	-24
airteam	183	190	820	9	0	37
Bisnode	892	888	3,555	5	52	280
Diab	357	401	1,439	3	16	-41
Gudrun Sjödén Group				0	1	23
HENT	1,786	1,733	7,266	64	64	250
HL Display	374	370	1,445	8	9	17
Kvdbil	71	81	346	-9	7	27
Ledil	117	93	388	31	14	93
Oase Outdoors	141	136	409	23	25	40
Plantasjen	576	526	4,009	-249	-196	51
Speed Group	145	125	513	-9	3	10
TFS	199	216	882	-14	-1	-30
Total companies in portfolio all reported periods	**4,842**	**4,759**	**21,072**	**-126**	**20**	**732**
AH Industries		265	265		-2	-2
Arcus					-0	-0
GS-Hydro		198	542		-25	-79
Jøtul	70	222	944	10	-21	-46
Nebula		86	177		20	40
Serena Properties					15	33
Total companies divested during reported periods	**70**	**771**	**1,929**	**10**	**-11**	**-53**
Total	**4,911**	**5,530**	**23,001**	**-116**	**9**	**679**
AH Industries					-32	-32
Arcus					33	33
Jøtul				26		
Nebula						515
Serena Properties						79
Total exit gain/loss				**26**	**2**	**596**
Impairment Diab						-200
Impairment and result from bankruptcy GS-Hydro						68
Impairment HL Display						-350
Companies total	**4,911**	**5,530**	**23,001**	**-90**	**11**	**792**
Income and expenses in the parent company and central companies						
Operating management costs				-49	-44	-153
Other income and expenses, incl. transaction costs		31	58	-0	2	34
Costs which will be charged to portfolio companies				-0	3	0
Financial items				-8	-4	-16
Group total	**4,911**	**5,561**	**23,059**	**-147**	**-32**	**658**

[1] Subsidiaries are included with 100% in consolidated profit. Investments recognised according to the equity method are included with holding percentage of pre-tax profit/loss.

SEKm	2018 Q1	2017 Q1	2017
	Sales breakdown by segment [1]		
Construction			
airteam	183	190	820
HENT	1,786	1,733	7,266
	1,969	**1,923**	**8,086**
Technology, Media, Telecom			
Bisnode	892	888	3,555
Kvdbil	71	81	346
Nebula [2]		86	177
	963	**1,055**	**4,078**
Industrials			
AH Industries [3]		265	265
Diab	357	401	1,439
GS-Hydro [4]		198	542
HL Display	374	370	1,445
Ledil	117	93	388
	849	**1,327**	**4,079**
Consumer goods/ Commerce			
Jøtul [5]	70	222	944
Plantasjen	576	526	4,009
Oase Outdoors	141	136	409
	787	**885**	**5,363**
Healthcare			
TFS	199	216	882
	199	**216**	**882**
Business service			
Speed Group	145	125	513
	145	**125**	**513**
Sales in central companies		31	58
Total	**4,911**	**5,561**	**23,059**

[1] Breakdown of revenues according to the table above is in line with IFRS 8 Operating Segments where segment reporting is based on recognition and measurement in accordance with IFRS 15. For description of transition to IFRS 15, refer to note 1. Note 5 Operating segments includes sales from subsidiaries. Associates are recognized according to the equity method.

[2] Nebula was divested in July 2017

[3] AH Industries was divested in March 2017

[4] GS-Hydro was declared bankrupt in September 2017

[5] Jøtul was divested in February 2018

	Consolidated value [1]		
SEKm	**2018-03-31**	**2017-03-31**	**2017-12-31**
Aibel	730	619	679
airteam	404	355	383
Bisnode	2,003	1,717	1,929
Diab	629	723	623
GS-Hydro		-23	
Gudrun Sjödén Group	185	166	183
HENT	471	330	410
HL Display	592	850	566
Jøtul		-17	-34
Kvdbil	369	360	376
Ledil	456	365	418
Nebula		293	
Oase Outdoors	177	147	155
Plantasjen	1,144	1,128	1,275
Serena Properties		399	
Speed Group	292	297	297
TFS	225	166	239
Total	**7,677**	**7,875**	**7,497**
Other net assets in the parent company and central companies [2]	2,112	3,406	2,163
Equity (attributable to owners of the parent)	**9,789**	**11,281**	**9,660**

[1] Holdings are shown at consolidated figures, which correspond to the Group's share of the holdings' equity, any residual values on consolidated surplus and deficit values minus any intra-group profits. Shareholder loans are also included.

[2] Of which cash and cash equivalents in the parent company totalled SEK 2,174m (3,386).

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.

For a description of IFRS 9, refer to Note 1. The transition to the new standard did not result in any changes to the company's measurement techniques during the period.

In the statement of financial position at 31 March 2018, the total value of financial instruments measured at fair value in accordance with level three was SEK 381m (340 at 31 December 2017). This change was attributable to the remeasurement of put options and synthetic options as well as an additional contingent consideration.

In the statement of financial position at 31 March 2018, the net value of derivatives amounted to SEK -1m (-1), of which SEK 31m (29) was recognised as an asset and SEK 32m (30) as a liability.

Note 7 Goodwill

Goodwill changed during the period as shown below.

SEKm	Accumulated cost	Accumulated impairment	Total
Opening balance 1 January 2018	13,173	-1,589	11,583
Business combinations	58		58
Divested companies	-496	486	-10
Translation differences for the year	390	-14	376
Closing balance 31 March 2018	**13,125**	**-1,117**	**12,007**

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 2017 Annual Report. The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 277m (294). In addition, the parent company guarantees that Medcro Intressenter AB and Outdoor Intressenter AB will fulfil their obligations in connection with the acquisition of TFS and Oase Outdoors, respectively. The parent company also guarantees that Sophion Holding AB, EMaint AB and AHI Intressenter AB will fulfil their obligations in connection with the divestment of Sophion Bioscience, Euromaint and AH Industries, respectively.

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.

SEKm	Capital contribution	Dividend
2018 Q1		
2017 Q1	57	169
2017	316	572

SEKm	Receivable	Provision	Liability	Contingent liability
2018-03-31	11	119	1,574	277
2017-03-31	47	69	2,228	294
2017-12-31	15	112	1,569	358

Telephone conference	
3 May at 10:00 a.m.	UK: +44 20 3008 9807 SE: +46 8 566 426 69 US: +1 855 831 5948

Financial calendar	
2018	
Annual General Meeting 2018	3 May 2018
Capital Markets Day 2018	4 June 2018
Interim report January-June 2018	17 August 2018
Interim report January-September 2018	25 October 2018

Stockholm, 2 May 2018
Ratos AB (publ)

Jonas Wiström
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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 person set out above, at 8.00 CET on 3 May 2018.

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Ratos owns and develops unlisted medium-sized companies in the Nordic countries. Our goal as an active owner is to contribute to long-term and sustainable business development in the companies we invest in and to make value-generating transactions. Ratos's portfolio consists of 13 medium-sized Nordic companies, with the largest segments in terms of sales being Industrials, Construction and Consumer goods/Commerce. Ratos is listed on Nasdaq Stockholm and has a total of approximately 12,700 employees.