

# RATOS

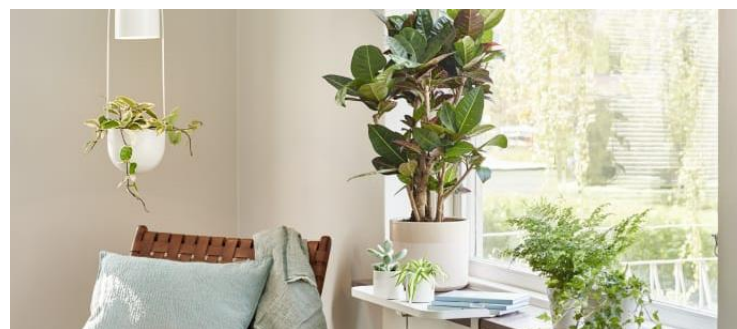


## Q1 Report 2019

8 May 2019













# Improved earnings and higher rate of growth

- Net sales increased by 15% and amounted to 5,207 MSEK (4,530)
  - A majority of Ratos's companies show both increased net sales and an improved order situation
  - Organic growth of 14%
- EBITA, excluding IFRS 16, improved to 44 MSEK (-19)
  - Actions implemented in 2018 are starting to yield results
  - 8 of 12 companies reports improved EBITA
- Earnings in the company portfolio, last 12 months, 895 MSEK (838)
- Operating cashflow -40 MSEK (-324)



# New organisation from 1 March 2019

Business areas with a clear P&L responsibility

	Construction & Services	Consumer & Technology	Industry
	   	   	   
<i>Net sales, last 12 months 31 March (MSEK)</i>	10,423	7,554	4,221
<i>EBITA last 12 months 31 March (MSEK)</i>	351	479	60

# Business Area Construction & Services

- Increased Net sales by 21%
- Decreased EBITA from 91 MSEK to 69 MSEK due to lower earnings in HENT in connection with the project impairments that were carried out at the end of 2018

MSEK	Net sales				EBITA			
	Q1 2019	Q1 2018	LTM 18/ 19	Full Year 2018	Q1 2019	Q1 2018	LTM 18/ 19	Full Year 2018
<b>Companies in its entirety</b>								
Aibel	2,444	1,972	8,921	8,450	156	121	683	648
airteam	235	183	970	918	4	10	83	89
HENT	2,123	1,786	8,731	8,394	24	66	114	155
Speed Group	169	145	763	738	-2	-4	-11	-12
<b>Companies total</b>	<b>4,971</b>	<b>4,086</b>	<b>19,385</b>	<b>18,500</b>	<b>182</b>	<b>193</b>	<b>868</b>	<b>880</b>
Adjustment for Ratos's holding	-2,361	-1,925	-8,962	-8,526	-113	-102	-518	-507
<b>Total, adjusted for Ratos's holding</b>	<b>2,610</b>	<b>2,160</b>	<b>10,423</b>	<b>9,974</b>	<b>69</b>	<b>91</b>	<b>351</b>	<b>373</b>
<i>Reported growth, % <sup>1)</sup></i>	21%	-6%	5%	8%				
<i>EBITA margin, % <sup>1)</sup></i>					2.6%	4.2%	3.7%	3.4%
<sup>1)</sup> Adjusted for Ratos's holding								

# Business Area Consumer & Technology

- Net sales growth 8%
- EBITA improvement mainly driven by Plantasjen
- EBITA for Consumer & Technology in the first quarter was affected by Plantasjens seasonal nature and is therefore negative

MSEK	Net sales				EBITA			
	Q1 2019	Q1 2018	LTM 18/ 19	Full Year 2018	Q1 2019	Q1 2018	LTM 18/ 19	Full Year 2018
<b>Companies in its entirety</b>								
Bisnode	927	899	3,725	3,696	63	72	462	471
Kvdbil	91	71	352	332	5	-8	22	8
Oase Outdoors	172	141	452	421	28	25	39	36
Plantasjen	616	576	4,273	4,233	-185	-212	104	77
<b>Companies total</b>	<b>1,806</b>	<b>1,687</b>	<b>8,802</b>	<b>8,682</b>	<b>-88</b>	<b>-123</b>	<b>627</b>	<b>591</b>
Adjustment for Ratos's holding	-320	-305	-1,247	-1,232	-24	-26	-148	-150
<b>Total, adjusted for Ratos's holding</b>	<b>1,486</b>	<b>1,382</b>	<b>7,554</b>	<b>7,450</b>	<b>-112</b>	<b>-149</b>	<b>479</b>	<b>441</b>
<i>Reported growth, % <sup>1)</sup></i>	8%	4%	1%	4%				
<i>EBITA margin, % <sup>1)</sup></i>					-7.5%	-10.8%	5.9%	6.3%

<sup>1)</sup> Adjusted for Ratos's holding

# Business Area Industry

- Growth in Net sales 12%
- EBITA improved by 48 MSEK, primarily driven by Diab and HL Display

MSEK	Net sales				EBITA			
	Q1 2019	Q1 2018	LTM 18/ 19	Full Year 2018	Q1 2019	Q1 2018	LTM 18/ 19	Full Year 2018
<b>Companies in its entirety</b>								
Diab	439	357	1,578	1,496	38	3	-120	-155
HL Display	400	374	1,579	1,554	31	21	106	96
LEDiL	110	117	432	439	27	34	102	109
TFS	223	199	864	841	2	-7	3	-6
<b>Companies total</b>	<b>1,172</b>	<b>1,048</b>	<b>4,454</b>	<b>4,330</b>	<b>99</b>	<b>51</b>	<b>91</b>	<b>43</b>
Adjustment for Ratos's holding	-61	-60	-233	-232	-11	-12	-32	-32
<b>Total, adjusted for Ratos's holding</b>	<b>1,111</b>	<b>989</b>	<b>4,221</b>	<b>4,098</b>	<b>87</b>	<b>39</b>	<b>60</b>	<b>11</b>
<i>Reported growth, % <sup>1)</sup></i>	12%	-4%	3%	4%				
<i>EBITA margin, % <sup>1)</sup></i>					7.9%	3.9%	0.3%	1.4%
<sup>1)</sup> Adjusted for Ratos's holding								

# Financial targets



Increase  
profit each  
year

The earnings of the  
company portfolio  
should increase each  
year



Leverage  
< 2.5x

A conservative leverage  
in the portfolio companies  
with an aggregated debt  
ratio including RatOS AB  
less than 2.5x (Net debt /  
EBITDA)

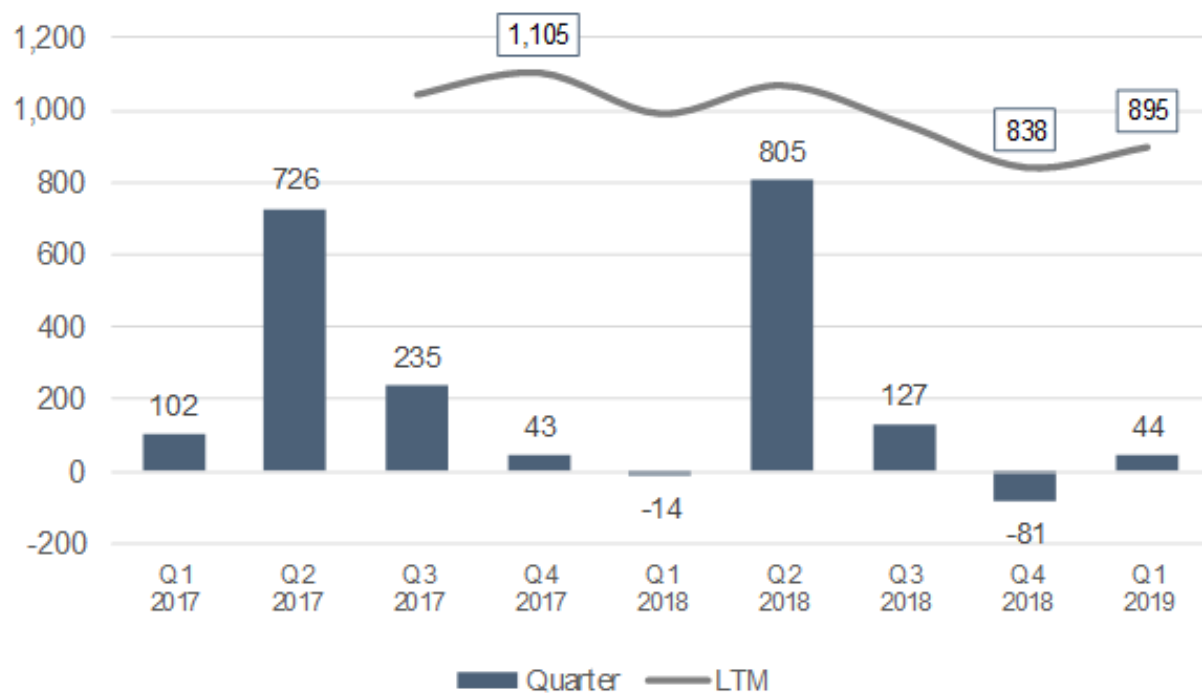


Total share return  
should outperform  
index

Total return of the RatOS  
share should over time  
outperform the average  
on Nasdaq Stockholm

# Earnings (EBITA) in Ratos company portfolio

EBITA-development, MSEK



Earnings in Ratos company portfolio last 12 months, 31 March 2019, amounted to 895 MSEK (838)



# Ratos net debt target will no longer be part of Ratos's financial targets

- Ratos is still striving for a well balanced net debt to EBITDA
- Important to create a sustainable dividend base in the portfolio companies



A conservative leverage in the portfolio companies with an aggregated debt ratio including Ratos AB less than 2.5x (Net debt / EBITDA)

# Dividend history 2013-2017

- Accumulated dividend amounted to 4.6 bn SEK
- Accumulated profit amounted to 2.1 bn SEK, including exit gains and impairments
- Excluding exit gains and impairments, the accumulated profit for the period amounted to approximately 0.6 bn

# New dividend policy

- Dividends from Ratos should grow consistently over time based on growth in earnings and by maintaining a stable financial position
- The dividend should range between 30-50 percent of profit after tax attributable to owners of the parent

# Summary Q1 2019

- Improved earnings and higher growth rate in a small quarter
- Measures taken in portfolio companies starting to yield results
- Modification of financial targets
- New dividend policy
- Aibel won a larger order within strategically important offshore wind power - DoIWin5, after the end of the period



# Q&A