

Presentation of Second Quarter 2021

16 July 2021

RATOS

Ratos - an active owner building great companies

Large / mid sized companies

10 200

Employees in 12 companies in 30+ countries

Total Sales

SEK 23 bn
(Q2 21 LTM, Ratos share)
SEK 33 bn
(Total companies)

EBITA Growth

+139%
(LTM Q2 2019- Q2 2021)
2.0
Billion SEK in EBITA LTM Q2 2021

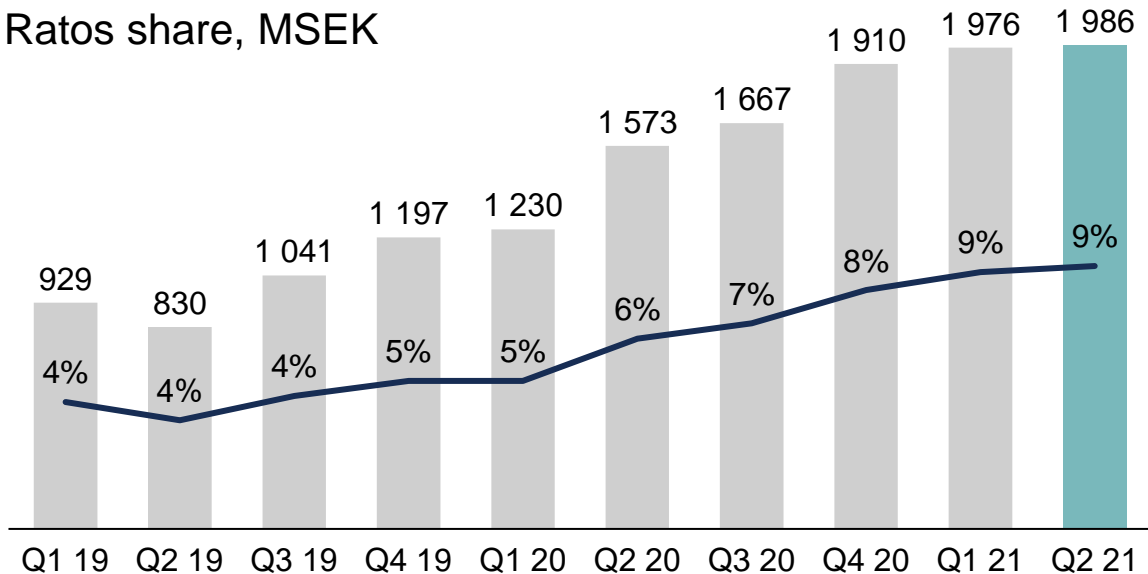
HQs in the Nordics



Long-term and active ownership



EBITA LTM
Ratos share, MSEK



Ratos companies

PLANTASJEN

Diab

SPEED
GROUP

TFS



HENT

OASE
OUTDOORS

KVD

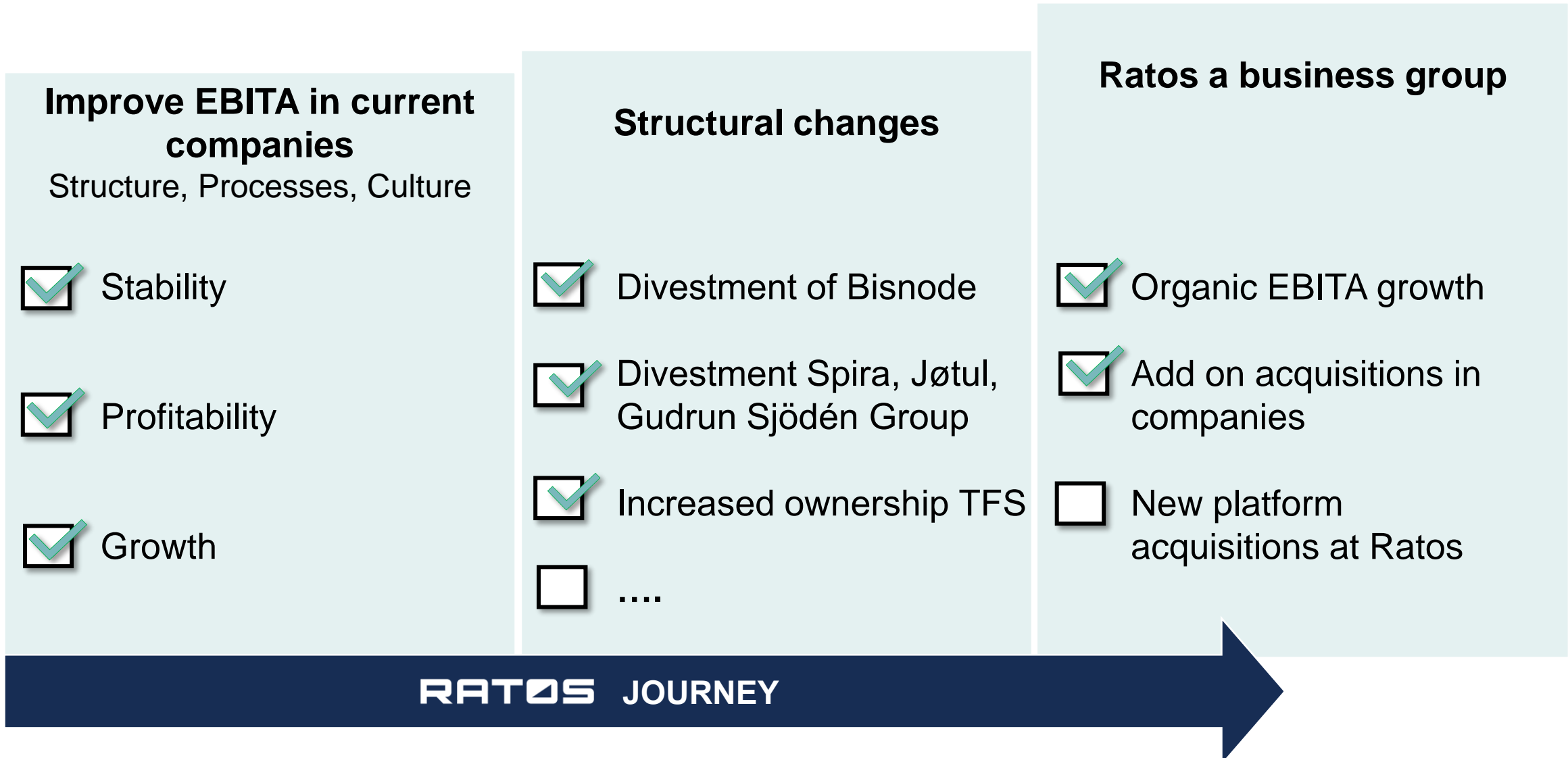
aibel

airteam

LEDiL

nestia

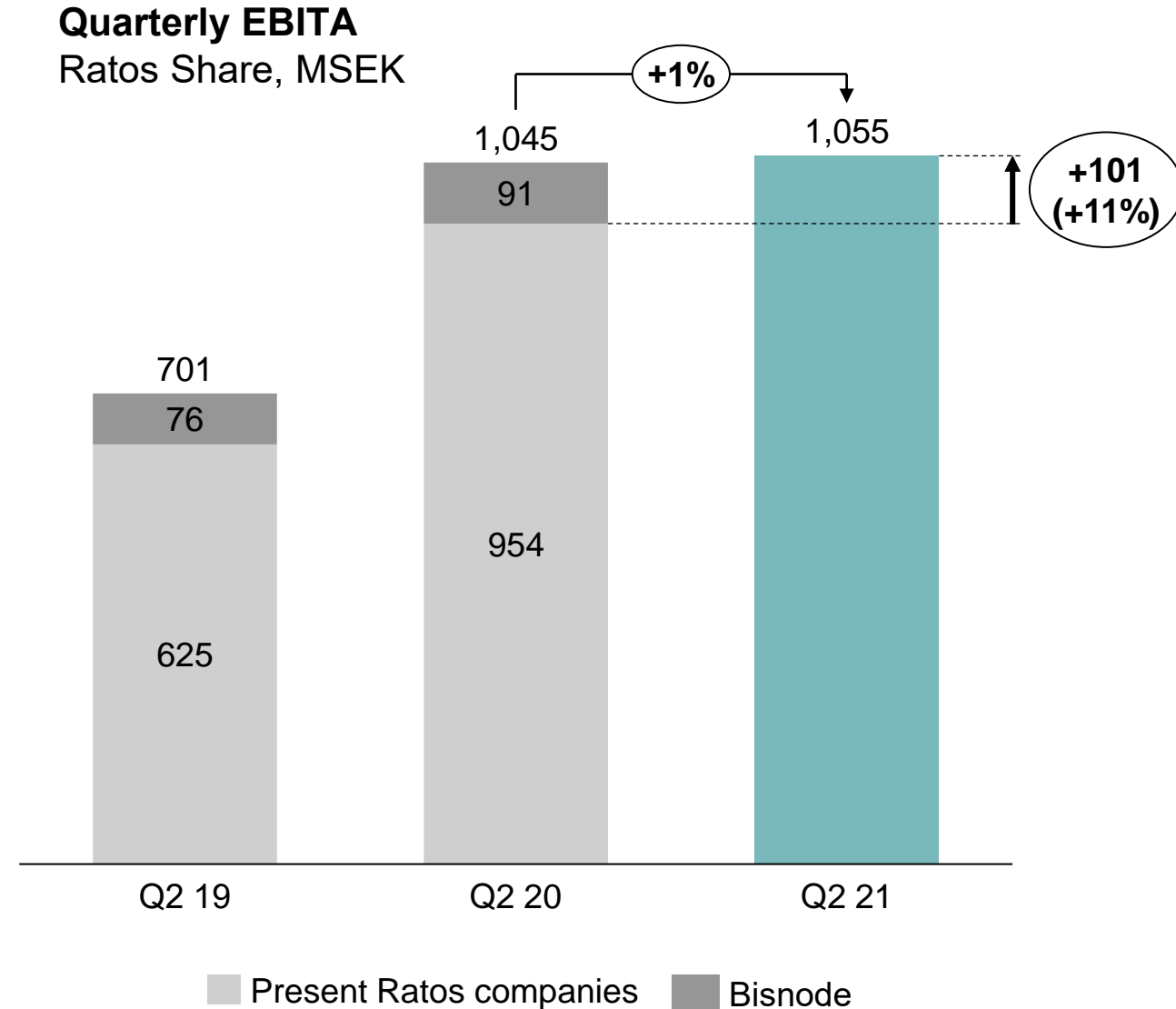
Transformation completed – focus on profitable growth



Strong EBITA development in company group in Q2 2021

Comments

- Net sales amounted to 6,949 MSEK (7,221)
 - Quarterly organic growth of 2%
- EBITA increased to 1,055 MSEK (1 045)
 - 11 out of 12 companies increased EBITA
- EBITA-margin increased to 15.2% (14.5%)
 - 11 out of 12 companies increased EBITA margin
- Improved EBITA & profitability despite impact of Bisnode divestment
- Cash flow from operations decreased to 1,105 MSEK (1,232)

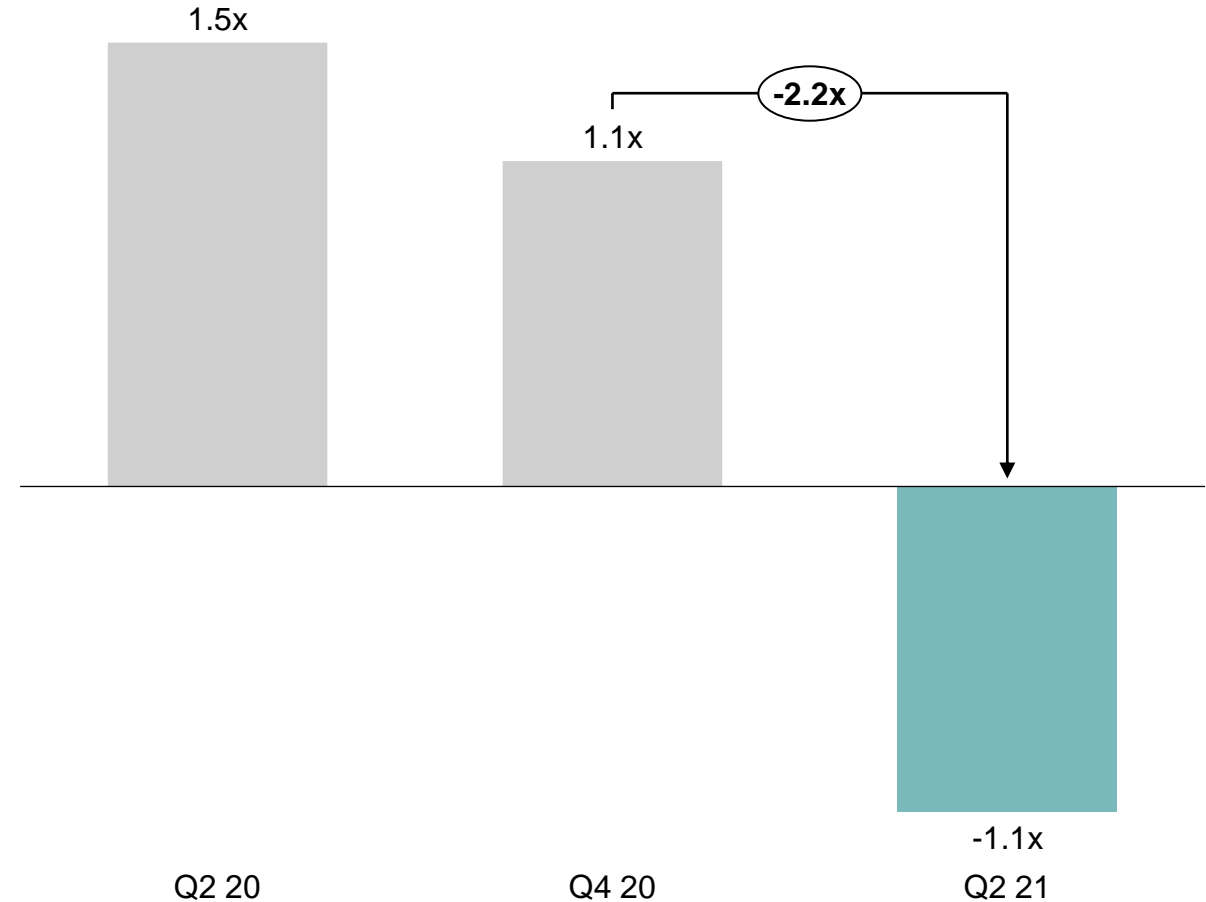


Leverage is decreasing

Comments

- Net Debt / EBITDA amounted to -1.1x in Q2 2021 (1.5x)
- Net Debt decreased to -2,071 MSEK in Q2 2021 versus Q4 2020 (2,382)
- Cash flow from operations decreased to 1,105 MSEK compared to Q2 2020 (1,232)
- Cash and cash equivalents in Ratos AB 2,338 MSEK

Net Debt / EBITDA LTM



Business Area: Construction & Services



	Organic growth	EBITA		
	Q2 2021	Q2 2021	Q2 2020	Δ
Aibel	-2%	51	30	+21
airteam	+1%	24	19	+6
HENT	-1%	22	20	+2
Speed Group	+39%	23	11	+12
Vestia	(+113%)*	9	(5)*	+9
Total	+0.5%	129	79	+50

Adjusted for Ratos share, (MSEK)

**Vestia acquired in Q1 21*

Comments Q2 2021

- Organic sales development, +0,5%
 - Lower project volumes in Aibel and HENT
 - Covid-19 pandemic continued to impact sales in Aibel and HENT
 - Strong growth in Speed and Vestia

- EBITA increased by 63%
 - Increased earnings in Aibel
 - Higher profitability in airteam's Swedish and Danish operations
 - Stabilized project portfolio in HENT
 - Higher volumes led to increased EBITA in Speed Group



airteam – a leading Nordic technical ventilation solution provider

- A leading Nordic technical ventilation solution provider operating on a growing market, fuelled by an increasing need for energy efficient ventilation solutions
- No. 1 position on the Danish market and growing Swedish business, with industry leading profit margins
- New offering within energy efficiency, enables airteam to capture business both in the newbuild segment as well as replacement of existing installations in order to reduce the building energy consumptions
- Our ventilation solution for the pharmaceutical group Ferring's research center "Soundport" has placed great demands on our knowledge both in relation to ventilation of the large atrium, laboratories and clean air ventilation as well as comfort ventilation of office workplaces. The total air volume is approx. 400,000 m³ / hour
- Our project ensures both a good and safe ventilation and an energy efficient solution for the 24,000 m² new research center next to the Blue Planet near Copenhagen Airport



Business Area: Consumer

Q2

Organic growth		EBITA
+2%		-7 MSEK

	Organic growth	EBITA		
	Q2 2021	Q2 2021	Q2 2020	Δ
Bisnode	NA		91	-91
KVD	+41%	13	7	+6
Oase Outdoors	+41%	49	34	+15
Plantasjen	-2%	756	694	+62
Total	+2%	817	825	-7

Adjusted for Ratos share, (MSEK)

Comments Q2 2021

- Organic sales development, +2%
 - Strong sales in KVD and Oase Outdoors
 - Plantasjen negatively impacted by closed stores and poor weather conditions in April

- EBITA decreased by 1%
 - Bisnode divested
 - Higher EBITA in KVD driven by increased sales
 - Improved EBITA in Oase Outdoors due to sales growth and improved product mix
 - Strong EBITA in Plantasjen as a result of improved assortment mix, increased efficiency and lower logistics costs



KVD – Building the strongest consumer brand for used cars

- Sweden's largest independent online marketplace for used cars
 - ~26 000 used car transactions p.a.
- Strong position with solid online footprint as digital channels become preferred route for consumers buying cars
- Strategic repositioning from corporate to consumer customer base
- Increased focus on improved consumer offering through the acquisition of Forsbergs Fritidscenter, establishing "KVD Fritid"
 - Strong commercial rationale and significant synergy potential
 - Leading reseller of camper vans and caravans in Sweden with an addressable market of SEK 14bn, growing at ~8% p.a.
 - KVD leverages its digital footprint by expanding the range and offering to the end consumer, accelerating its growth journey

Business Area: Industry



	Organic growth	EBITA		
	Q2 2021	Q2 2021	Q2 2020	Δ
Diab	-9%	14	84	-70
HL Display	+22%	58	42	+16
LEDiL	+42%	19	14	+5
TFS	+14%	18	1	+17
Total	+7%	109	141	-32

Adjusted for Ratos share, (MSEK)

Comments Q2 2021

- Organic sales development, +7%
 - Considerably lower sales for Diab on the wind turbine market in China
 - Strong growth for remaining companies

- EBITA decrease of 23%
 - Diab’s EBITA decreased by 83% as a result of increased raw material prices and lower sales
 - Higher EBITA in HL Display due to increased sales and improved efficiency
 - Strong EBITA in Ledil as a result of higher sales and improved product mix
 - Improved EBITA in TFS due to higher sales and improved utilization rate

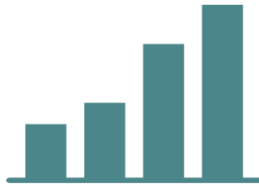


TFS – Helping Biotechs develop new treatments and vaccines

- TFS is a Contract Research Organization (“CRO”) that plans and conducts clinical trials for biotech and pharmaceutical companies
- Leading mid sized CRO in Europe with global reach, with specialty focus on dermatology, ophthalmology, hematology and oncology
- During the last 12 months TFS has grown their US footprint supported by a strategic partnership with Duke Clinical Research Institute, the world’s largest academic clinical research organization
- The CRO market is expected to grow 5-10% over the coming decade, due to increased complexity in drug development and increased outsourcing trend

Financial targets

EBITA
3 Billion SEK



EBITA is to amount to at least SEK 3 billion by 2025.

Net Debt / EBITDA
1.5 – 2.5x



Net debt in relation to EBITDA should normally range from 1.5 to 2.5x, excluding financial leasing liabilities. The target includes the cash balances of Ratos's parent company.

Dividend payout
30–50%
of profit after tax



The dividend payout ratio should amount to 30–50% of profit after tax attributable to owners of the parent, excluding capital gains and losses.

Summary Q2, 2021

- Lower EBITA in Diab due to raw material cost increases and a 33% volume drop in sales in the wind segment
- Eleven of twelve companies increased EBITA and EBITA-margin in the quarter
- EBITA continued to increase in the quarter even though Bisnode was divested
- Organic net sales growth of 2%
- Cash flow from operations was strong
- High M&A activity within add-on as well as new platform acquisitions
- We have all the ingredients we need to make successful acquisitions
 - Financial position
 - Team with strong M&A experience
 - Brand

Q&A

An aerial photograph of a long, multi-span bridge crossing a vast body of water. The bridge features several cable-stayed sections supported by tall, white concrete pylons. The water is a deep blue-green color, and the sky is a pale, hazy blue. The bridge extends from the bottom left towards the top right of the frame.

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