



# Interim report Q3 2022

**RATOS**

# Interim report January–September 2022

## Strong earnings and important steps towards a more homogeneous Group

### Q3 2022

- Adjusted<sup>1)</sup> EBITA amounted to SEK 432m (365)
- Operating profit amounted to SEK 406m (208)
- Diluted earnings per share amounted to SEK 0.61 (0.04) for continuing operations
- Cash flow from operations amounted to SEK 562m (-228)

### January–September 2022

- Adjusted<sup>1)</sup> EBITA amounted to SEK 1,648m (1,576)
- Operating profit amounted to SEK 1,336m (1,277)
- Diluted earnings per share amounted to SEK 1.79 (1.88) for continuing operations
- Cash flow from operations amounted to SEK 897m (350)
- Leverage excluding financial leasing was 0.9x (-0.5x)

### Significant events during and after the end of the quarter

- On 1 July, NVBS, which is part of the Construction & Services business area, acquired the civil engineering company TKBM Entreprenad AB
- On 9 August, Ratos acquired 70% of the consulting firm Knightec, which is part of the Industry business area
- On 26 September, Ratos announced a recommended cash offer of SEK 157 per share to the shareholders of Semcon AB
- On 3 October, Speed Group, which is part of the Construction & Services business area, acquired the logistics company Scandi Terminal AB
- On 3 October, airteam, which is part of the Construction & Services business area, acquired the ventilation company Grundströms Plåt i Kiruna AB

### Ratos Group, SEKm

	Q3 2022	Q3 2021	Change %	Q1-3 2022	Q1-3 2021	Change %	LTM Rolling	Full Year 2021	Change %
Net sales	7,039	5,371	31%	21,680	16,797	29%	27,434	22,551	22%
EBITDA	739	464	59%	2,312	2,017	15%	2,964	2,669	11%
EBITA, adjusted <sup>1)</sup>	432	365	18%	1,648	1,576	5%	1,874	1,802	4%
EBITA %, adjusted <sup>1)</sup>	6.1%	6.8%		7.6%	9.4%		6.8%	8.0%	
EBITA	432	217	100%	1,400	1,296	8%	1,789	1,686	6%
EBITA %	6.1%	4.0%		6.5%	7.7%		6.5%	7.5%	
Operating profit	406	208	95%	1,336	1,277	5%	1,714	1,656	4%
Profit before tax	343	122	pos	1,069	1,017	5%	1,358	1,306	4%
Profit for the period <sup>2)</sup>	283	60	pos	834	2,472	-66%	1,217	2,855	-57%
Diluted earnings per share total group, SEK <sup>2)</sup>	0.61	0.04	pos	1.79	7.16	-75%	2.73	8.10	-66%
Diluted earnings per share, continuing operations, SEK	0.61	0.04	pos	1.79	1.88	-5%	2.73	2.83	-4%
Cash flow from operations	562	-228	pos	897	350	pos	972	425	129%
Leverage excl. financial leasing				0.9x	-0.5x		0.9x	0.1x	
Return on capital employed excl. financial leasing				10.6%	10.9%		10.6%	11.0%	

<sup>1)</sup> For definition see page 23. EBITA for Q3 2021 is adjusted with revaluation of listed shares SEK -149m. EBITA for Q1-3 2022 is adjusted with revaluation of listed shares SEK -118m (-280) and restructuring costs of SEK -130m attributable to Diab.

<sup>2)</sup> 2021 includes capital gain from the divestment of Bisnode in January 2021

## Strong earnings and important steps towards a more homogeneous Group

EBITA amounted to SEK 432m in the quarter and to SEK 1,648m accumulated for the three first quarters, which is the Group's highest earnings in many years excluding capital gains. Sales in the quarter amounted to SEK 7,039m, up 31 per cent year on year. During the quarter, we continued our path towards a more homogeneous Group. The acquisition of the innovative consulting company Knightec was completed and an offer to the shareholders of Semcon was announced. The path towards a more common structure will involve both sales of Group companies and acquisitions, which together will aim to maintain a strong balance sheet.

### Summary

Demand generally remained strong in the quarter, although we are seeing more frequent cause for concern. The year-on-year improvement in earnings was mainly attributable to the Construction & Services business area, which increased its earnings by SEK 145m (+86%) during the quarter. The Industry business area's earnings also increased during the quarter compared with the preceding year as a result of acquired EBITA in Knightec. The Consumer business area's earnings declined during the quarter as a result of a negative earnings trend primarily in Plantasjen. The acquisitions carried out during the year, including Knightec, and the offer for Semcon during the quarter should be viewed in light of the more homogeneous Group that Ratos is striving to create. The cash offer of SEK 157 per share, recommended by a unanimous board of Semcon AB to the shareholders in Semcon was announced on September 26. Competition clearance has been obtained and the acceptance period runs until October 27. The development towards a more homogeneous Group will also involve sales of Group companies and aim to maintain a strong balance.

### Development of Ratos's business areas

EBITA for the **Construction & Services** business area increased 86% to SEK 314m. This earnings improvement was attributable to a positive trend as well in the operations in critical infrastructure as in construction. Sales in the business area increased 54%, driven by strong organic growth in construction and the positive performance of Ratos's investments in critical infrastructure. During the ongoing uncertainty in the market, the business area's companies are well equipped with record-breaking order books, a low share of fixed-price projects in the construction operations, and very limited exposure to the housing market.

EBITA for the **Consumers** business area decreased to SEK 25m (105) for the quarter. The change in EBITA compared with the year-earlier period was mainly due to Plantasjen that had lower sales of durable consumer goods, significantly higher energy costs and increased logistics costs. As a result of declining sales, the company is adapting its purchasing volumes ahead of the upcoming season. Plantasjen is implementing cost-saving measures in order to reduce its cost base and compensate for lower sales volumes. Sales in the business area amounted to SEK 1,540m (1,489) for the third quarter, a year-on-year increase of 3%.

EBITA for the **Industry** business area increased 6% to SEK 123m (115). The improvement in earnings was mainly attributable to the acquired company Knightec. Diab was during the quarter still affected by significantly lower volumes in the wind segment, combined with higher production costs. The previously announced restructuring plan aimed at improving profitability is beginning to take effect. Johan Arvidsson took over as CEO of Diab in October. The prevailing uncertainty regarding inflation and high energy and raw material costs had a negative impact on the companies in the business area. Sales totalled SEK 1,441m (1,247), up 16% year on year.

### Impact

The word "impact" is often used when discussing the transition to a more sustainable society. The focus is mostly on reducing our negative impact, particularly when it comes to the climate. This is important. It is also vital that we increase our positive impact. Under upcoming EU legislation, we will need to measure and report more parameters of sustainability. Ratos is well positioned to do so, and we noted several examples of this during the quarter. One example is that the Norwegian construction company HENT signed an agreement to continue partnering with Freyr on the construction of the Giga Arctic battery factory in Mo i Rana. The factory marks the first stage in the development of a strong and sustainable battery industry in Norway. Another example is to be found in recently acquired Knightec. The company is working with a target-oriented school collaboration programme designed to inspire students to pursue an education in technology and to strengthen integration. Several major industrial companies are involved in the programme. The current goal is to partner with 30 schools by 2025 and to reach 3,000 students every year.

Overall, I am pleased with the quarter and with our strong earnings, cash flow and growth figures. In an operating environment that is both challenging and unpredictable, it is equally important to maintain a strong balance sheet. We are well equipped for this journey towards a more homogeneous business group in the challenging world around us.

Jonas Wiström, President and CEO

## Group performance Q3 2022

### Net sales

Net sales in the third quarter amounted to SEK 7,039m (5,371), up 31% year on year. All business areas had net sales growth. Organic net sales growth in the quarter amounted to 7%, and currency effects had a positive impact of SEK 243m (5%) on net sales. Structural effects had a positive impact of SEK 1,056m (20%) on net sales and were primarily attributable to the acquisitions of Presis Infra and NVBS in the Construction & Services business area as well as the acquisition of Knightec in the Industry business area. Construction & Services demonstrated 17% growth, while the Consumer and Industry business areas had negative organic growth of -1% and -4%, respectively.

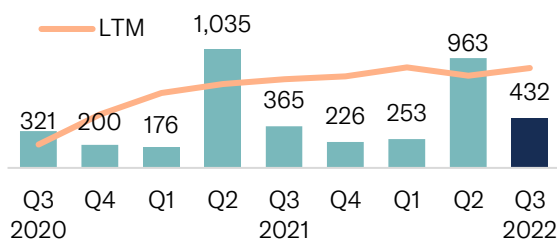
### EBITA

Adjusted EBITA during the quarter amounted to SEK 432m (365). The adjusted EBITA margin was 6.1% (6.8). The change in earnings was mainly due to higher earnings in Construction & Services and pertains to organic EBITA growth as well as acquired EBITA through Presis Infra and NVBS. Industry's earnings also increased during the quarter compared with the preceding year as a result of acquired EBITA in Knightec. Earnings in the Consumer business area declined during the quarter compared with the preceding year, primarily due to lower sales in Plantasjen.

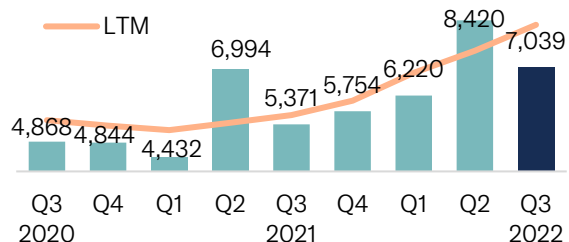
### Financial performance Q3 2022

SEKm	Net sales			EBITA, adjusted		
	Q3 2022	Q3 2021	Change %	Q3 2022	Q3 2021	Change %
Construction & Services	4,059	2,635	54%	314	169	86%
Consumer	1,540	1,489	3%	25	105	-76%
Industry	1,441	1,247	16%	123	115	6%
Group costs				-30	-23	-26%
Elimination of internal net sales	-2	-0				
<b>Net sales and adjusted EBITA</b>	<b>7,039</b>	<b>5,371</b>	<b>31%</b>	<b>432</b>	<b>365</b>	<b>18%</b>
Revaluation and gain/loss listed shares					-149	100%
Amortisation and impairment of intangible assets in connection with company acquisitions				-26	-9	neg
<b>Consolidated operating profit</b>				<b>406</b>	<b>208</b>	<b>95%</b>
Finance net				-63	-86	26%
<b>Profit before tax</b>				<b>343</b>	<b>122</b>	<b>pos</b>
Tax				-60	-63	5%
<b>Profit for the period</b>				<b>283</b>	<b>60</b>	<b>pos</b>

Adjusted EBITA, quarterly and LTM, SEKm



Net sales, quarterly and LTM, SEKm



### Sales bridge Q3

	Net sales
2021, SEKm	5,371
Structure, %	20%
Currency, %	5%
Other, %	0%
Organic growth, %	7%
Total, %	31%
2022, SEKm	7,039

## Group performance January–September 2022

### Net sales

Net sales in the period amounted to SEK 21,680m (16,797), up 29% year on year. Organic net sales growth in the period amounted to 6%, and currency effects had a positive impact of SEK 864m (5%) on net sales. Structural effects had a positive impact of SEK 3,027m (18%) on net sales and were primarily attributable to the acquisitions of Presis Infra and NVBS in the Construction & Services business area as well as the acquisition of Knightec in the Industry business area. Construction & Services and Consumer demonstrated positive organic growth during the period, despite the prevailing uncertainties.

### EBITA

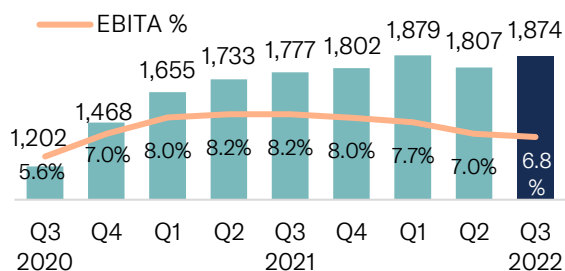
Adjusted EBITA in the period amounted to SEK 1,648m (1,576). The adjusted EBITA margin was 7.6% (9.4). The improvement in earnings was due to higher earnings in Construction & Services and pertains to organic EBITA growth as well as acquired EBITA through Presis Infra and NVBS. Earnings in both Consumer and Industry declined in the period compared with the year-earlier period.

## Financial performance January–September 2022

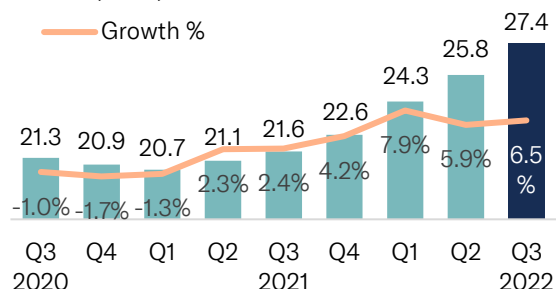
SEKm	Net sales					EBITA, adjusted				
	Q1-3 2022	Q1-3 2021	Change %	Rolling LTM	Full Year 2021	Q1-3 2022	Q1-3 2021	Change %	Rolling LTM	Full Year 2021
Construction & Services	11,825	8,041	47%	15,189	11,406	884	420	110%	1,141	677
Consumer	5,838	5,065	15%	7,004	6,232	614	877	-30%	581	845
Industry	4,031	3,691	9%	5,254	4,913	285	382	-25%	336	432
Group costs						-135	-103	-31%	-184	-152
Elimination of internal sales	-14	-0		-14	-0					
<b>Net sales and adjusted EBITA</b>	<b>21,680</b>	<b>16,797</b>	<b>29%</b>	<b>27,434</b>	<b>22,551</b>	<b>1,648</b>	<b>1,576</b>	<b>5%</b>	<b>1,874</b>	<b>1,802</b>
Revaluation and gain/loss listed shares						-118	-280	58%	46	-116
Items affecting comparability						-130			-130	
Amortisation and impairment of intangible assets in connection with company acquisitions						-64	-20	neg	-75	-31
<b>Consolidated operating profit</b>						<b>1,336</b>	<b>1,277</b>	<b>5%</b>	<b>1,714</b>	<b>1,656</b>
Finance net						-267	-260	-2%	-356	-350
<b>Profit before tax</b>						<b>1,069</b>	<b>1,017</b>	<b>5%</b>	<b>1,358</b>	<b>1,306</b>
Tax						-236	-260	9%	-141	-166
<b>Profit for the period, continuing operations</b>						<b>834</b>	<b>756</b>	<b>10%</b>	<b>1,217</b>	<b>1,139</b>
Profit for the period, discontinued operations <sup>1)</sup>							1,715			1,715
<b>Profit for the period</b>						<b>834</b>	<b>2,472</b>	<b>-66%</b>	<b>1,217</b>	<b>2,855</b>

<sup>1)</sup>Attributable to Bisnode and associated capital gain

### Adjusted EBITA, LTM, SEKm



### Net sales, LTM, SEKbn



### Sales bridge, January–September

	Net sales
2021, SEKm	16,797
Structure, %	18%
Currency, %	5%
Other, %	0%
Organic growth, %	6%
Total, %	29%
2022, SEKm	21,680

# Construction & Services

## Net sales

Net sales for the third quarter amounted to SEK 4,059m, a year-on-year increase of 54% driven by strong organic growth in the construction operations and Ratos's investments in critical infrastructure through acquisitions.

Despite the ongoing uncertainty in the market, the business area's companies are well equipped with record-breaking order books, a large share of partnering projects in the construction operations, and limited exposure to the housing market.

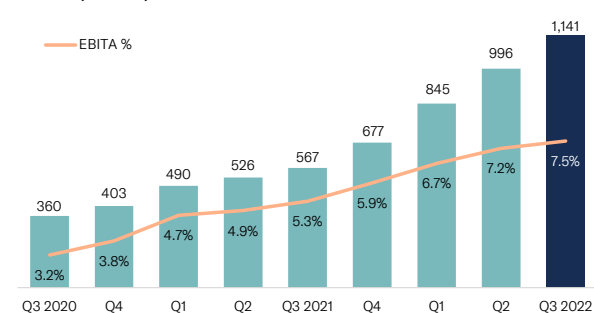
## EBITA

EBITA for the business area increased 86% to SEK 314m (169) for the quarter and the EBITA margin rose to 7.7% (6.4). This earnings improvement was attributable to a positive trend in both the construction and critical infrastructure operations. EBITA for the business area was negatively impacted by approximately SEK 25m attributable to unrealised exchange losses in Aibel.

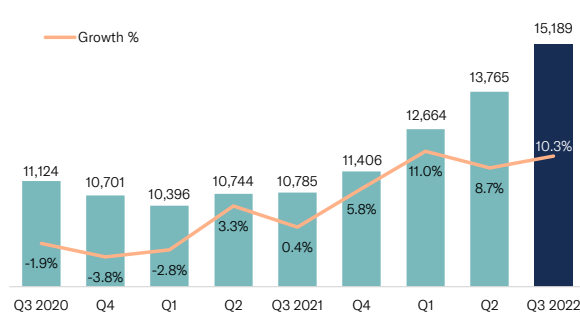
## Financial performance

SEKm	Q3 2022	Q3 2021	Change %	Q1-3 2022	Q1-3 2021	Change %	LTM Rolling	Full Year 2021	Change %
Net sales	4,059	2,635	54%	11,825	8,041	47%	15,189	11,406	33%
EBITA, adjusted	314	169	86%	884	420	110%	1,141	677	68%
EBITA %, adjusted	7.7%	6.4%		7.5%	5.2%		7.5%	5.9%	
EBITA	314	169	86%	884	420	110%	1,141	677	68%
EBITA %	7.7%	6.4%		7.5%	5.2%		7.5%	5.9%	
Operating profit	293	161	82%	828	404	105%	1,075	652	65%
Operating profit %	7.2%	6.1%		7.0%	5.0%		7.1%	5.7%	
Cash flow from operations	930	75	pos	1,475	-133	pos	1,833	224	pos
Return on capital employed excl. financial leasing %				18%	22%		18%	17%	
Return on capital employed				15%	16%		15%	14%	
Interest-bearing net debt				759	405	88%		885	
-whereof leasing liability				1,251	969	29%		1,218	
Average number of employees								7,049	

## EBITA, LTM, SEKm



## Net sales, LTM, SEKm



## Sales bridge, net sales

	Q3 2022	Q1-3 2022
2021, SEKm	2,635	8,041
Structure, %	33%	29%
Currency, %	4%	6%
Other, %	0%	0%
Organic growth, %	17%	12%
Total, %	54%	47%
2022, SEKm	4,059	11,825

The Construction & Services business area's focus is on building and maintaining a sustainable society. The service offering ranges from constructing new sustainable buildings and maintaining critical infrastructure to energy supply and managing material flows. The business area's operations benefit from current social developments and trends such as urbanisation, growing populations, the need for renewable energy and efficient resource management. The business area comprises the companies Aibel, airteam, HENT, NVBS, Presis Infra, Speed Group and SSEA Group.

# Consumer

## Net sales

Net sales in the business area for the third quarter amounted to SEK 1,540m (1,489), a year-on-year increase of 3%. Organic growth was negative and amounted to -1% for the quarter, primarily driven by lower net sales in Plantasjen, whose net sales declined 9% organically.

Plantasjen's lower net sales were mainly attributable to lower sales of durable consumer goods. The company continued to be negatively impacted by significantly higher energy costs and increased costs for warehouse management. As a result of declining net sales, the company is adjusting its purchasing volumes ahead of the upcoming season. There remains uncertainty in the market with respect to declining purchasing power and a general sense of caution among consumers.

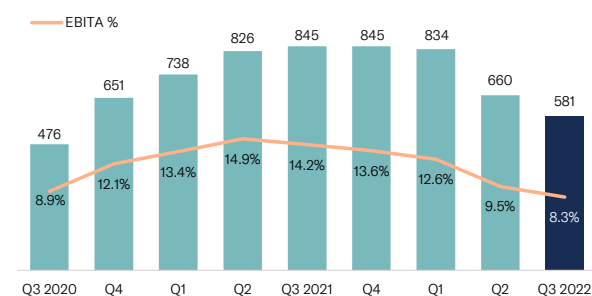
## EBITA

EBITA for the business area amounted to SEK 25m (105) for the quarter. The EBITA margin was 1.7% (7.0). The change in EBITA compared with the year-earlier period is mainly due to lower sales in Plantasjen. Plantasjen is implementing cost-saving measures in order to reduce its cost base and compensate for lower sales volumes.

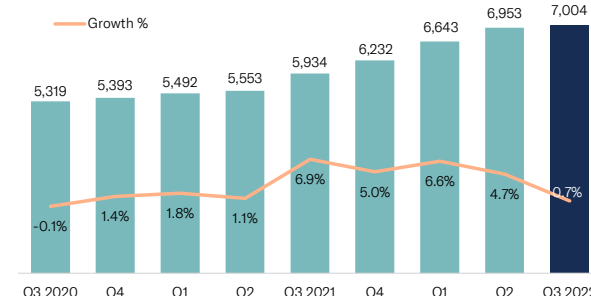
## Financial performance

SEKm	Q3 2022	Q3 2021	Change %	Q1-3 2022	Q1-3 2021	Change %	LTM Rolling	Full Year 2021	Change %
Net sales	1,540	1,489	3%	5,838	5,065	15%	7,004	6,232	12%
EBITA, adjusted	25	105	-76%	614	877	-30%	581	845	-31%
EBITA %, adjusted	1.7%	7.0%		10.5%	17.3%		8.3%	13.6%	
EBITA	25	105	-76%	614	877	-30%	581	845	-31%
EBITA %	1.7%	7.0%		10.5%	17.3%		8.3%	13.6%	
Operating profit	24	104	-76%	610	874	-30%	576	840	-31%
Operating profit %	1.6%	6.9%		10.5%	17.3%		8.2%	13.5%	
Cash flow from operations	-336	-351	4%	-246	368	neg	-612	2	neg
Return on capital employed excl. financial leasing %				11%	21%		11%	19%	
Return on capital employed				7%	12%		7%	11%	
Interest-bearing net debt				5,980	4,817	24%		5,532	
-whereof leasing liability				3,837	3,801	1%		3,890	
Average number of employees								1,639	

## EBITA, LTM, SEKm



## Net sales, LTM, SEKm



## Sales bridge, net sales

	Q3 2022	Q1-3 2022
2021, SEKm	1,489	5,065
Structure, %	1%	10%
Currency, %	4%	4%
Organic growth, %	-1%	2%
Total, %	3%	15%
2022, SEKm	1,540	5,838

*The Consumer business area works to simplify and improve life for consumers. To us, simplifying and improving life means, for example, making life healthier and more sustainable, and saving time. The business area consists of companies that are well positioned in relation to strong prevailing macrotrends such as spending holidays at home, growing interest in outdoor activities and interior design and horticulture. The business area comprises the companies KVD, Oase Outdoors and Plantasjen.*

## Industry

### Net sales

Net sales in the business area for the third quarter amounted to SEK 1,441m (1,247), a year-on-year increase of 16%. The strategically important acquisition of Knightec and add-on acquisitions in HL Display contributed to the increased net sales during the quarter. Organic growth was negative and amounted to -4%, mainly driven by DIAB (-22%), which continues to be impacted by lower volumes in the wind segment.

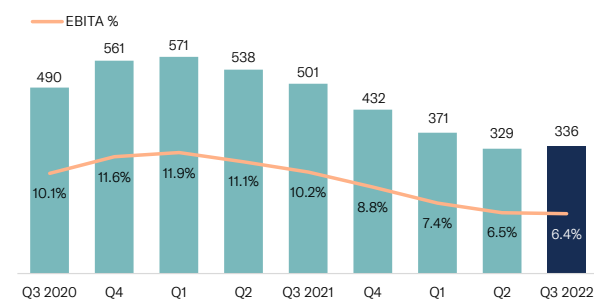
### EBITA

EBITA for the business area in the third quarter amounted to SEK 123m (115), down 6% year on year. The EBITA margin was 8.5% (9.3). The improvement in earnings was attributable to Knightec. Diab continued to be affected by lower volumes in the wind segment during the third quarter, combined with higher production costs. The previously announced restructuring plan aimed at improving profitability is beginning to take effect. Johan Arvidsson took over as the new CEO of Diab in October 2022.

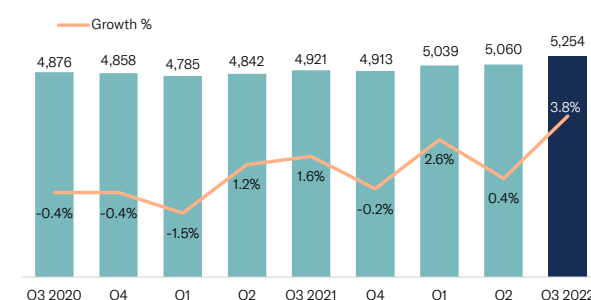
## Financial performance

SEKm	Q3 2022	Q3 2021	Change %	Q1-3 2022	Q1-3 2021	Change %	LTM Rolling	Full Year 2021	Change %
Net sales	1,441	1,247	16%	4,031	3,691	9%	5,254	4,913	7%
EBITA, adjusted	123	115	6%	285	382	-25%	336	432	-22%
EBITA %, adjusted	8.5%	9.3%		7.1%	10.3%		6.4%	8.8%	
EBITA	123	115	6%	155	382	-59%	206	432	-52%
EBITA %	8.5%	9.3%		3.9%	10.3%		3.9%	8.8%	
Operating profit	118	115	3%	151	381	-60%	201	432	-53%
Operating profit %	8.2%	9.2%		3.7%	10.3%		3.8%	8.8%	
Cash flow from operations	49	66	-25%	74	207	-64%	209	342	-39%
Return on capital employed excl. financial leasing %				7%	10%		7%	9%	
Return on capital employed				7%	10%		7%	8%	
Interest-bearing net debt				2,388	1,465	63%		1,421	
-whereof leasing liability				452	311	46%		365	
Average number of employees								2,926	

### Adjusted EBITA, LTM, SEKm



### Net sales, LTM, SEKm



### Sales bridge, net sales

	Q3 2022	Q1-3 2022
2021, SEKm	1,247	3,691
Structure, %	14%	6%
Currency, %	6%	6%
Other, %	-1%	0%
Organic growth, %	-4%	-2%
Total, %	16%	9%
2022, SEKm	1,441	4,031

The Industry business area develops market-leading industrial companies that are based in the Nordics but export to the entire world. The companies are active in more than 30 countries across five continents. The companies in the Industry business area are exposed to high-growth markets such as energy-efficient lighting, lightweight material, renewable energy, grocery, product development in Swedish industry and pharmacology. The business area comprises the companies Diab, HL Display, Knightec, LEDiL and TFS.



# Financial overview, Ratos Group

## Cash flow Q3

Cash flow for the quarter amounted to SEK 569m (-1,727), of which cash flow from operating activities accounted for SEK 867m (142). Cash flow from investing activities amounted to SEK -1,215m (-396) and cash flow from financing activities to SEK 917m (-1,473).

The change in cash flow for the quarter was mainly due to financing activities, with the change in external loans amounting to SEK 1,313m (-1,180). Cash flow from investing activities declined year on year as a result of the acquisition of Knightec. Cash flow from operating activities improved compared with the year-earlier period due to lower tied-up working capital and stronger operating profit.

## Cash flow January–September

Cash flow for the period amounted to SEK -420m (-488), of which cash flow from operating activities amounted to SEK 1,786m (1,214). Cash flow from investing activities amounted to SEK -1,501m (1,916) and cash flow from financing activities to SEK -705m (-3,617).

The change in cash flow for the period was mainly due to investing activities, which were affected positively in the preceding year by the sale of Bisnode. Cash flow from financing activities improved year on year due to the introduction of a central treasury function and subsequent repayment of external bank loans during the first half of the preceding year. Cash flow from operating activities improved compared with the year-earlier period due to lower working capital and stronger operating profit.

## Tax Q3

Tax expense for the Group amounted to SEK -60m (-63) and profit before tax to SEK 343m (122). The effective tax rate for the quarter was thus 17% (51), which is primarily due to the capitalisation loss carry-forwards from prior years and the non-deductible expenses from the revaluation of listed shares (Dun & Bradstreet) in the preceding year.

## Tax January–September

Tax expense for the Group amounted to SEK -236m (-260) and profit before tax to SEK 1,069m (1,017). The effective tax rate for the quarter is thus 22% (26), which is primarily due to restructuring costs and the revaluation of/realised loss on listed shares (Dun & Bradstreet).

## Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 1,901m (2,230 at 31 December 2021) and interest-bearing net debt totalled SEK 7,397m (5,850 at 31 December 2021). The Group's leverage excluding financial lease liabilities at the end of the period amounted to 0.9x (0.1x at 31 December 2021). Including financial lease liabilities, the Group's leverage at the end of the period amounted to 2.5x (1.3x at 31 December 2021). The total translation effect of currency for interest-bearing liabilities amounted to approximately SEK 200m, of which approximately SEK 98m related to liabilities to credit institutions and approximately SEK 102m to financial lease liabilities.

During the first quarter, a new financing agreement of SEK 650m was signed, with tenors of three years (SEK 350m) and five years (SEK 300m). The funds were used for the company's operating activities. A loan for EUR 66m with a tenor of two years (plus a one-year extension option) was also signed. The funds were used to repay the existing credit facility.

At the end of the period, the Group's interest-bearing liabilities to credit institutions amounted to SEK 3,351m (2,102 at 31 December 2021).

When divesting Bisnode to Dun & Bradstreet at the beginning of 2021, Ratos chose to invest one quarter of the equity value in Dun & Bradstreet shares, which are listed on the New York Stock Exchange. The shares were acquired at a value of SEK 924m and were included in financial assets. On 1 June, Ratos divested all of its 4,358,257 shares in Dun & Bradstreet at a value of SEK 725m. The transaction strengthened Ratos's cash position by approximately SEK 700m and had an impact of SEK -18m on Ratos's EBITA for the second quarter of 2022.

## Ratos's equity

At 30 September 2022, Ratos's equity (attributable to owners of the parent) amounted to SEK 12,354 (11,940 at 31 December 2021), corresponding to SEK 38 per share outstanding (37 at 31 December 2021).

## Parent company

The parent company's operating loss amounted to SEK -109m (-101) for the January–September period. The parent company's loss before tax amounted to SEK -30m (1,711). The preceding year included capital gains of SEK 1,878m. The capital gains pertained to the divestment of Bisnode and Bisnode Belgium, which differs from the Group's capital gains due to different accounting methods. Cash and cash equivalents in the parent company amounted to SEK 858m (294 at 31 December 2021).

The parent company has a related party relationship with its Group companies. For more information, refer to Note 29 in the 2021 Annual Report. No new type of significant transactions was carried out with related parties during the period compared with those presented in the most recent Annual Report.

## Ratos share data

Earnings per share for the January–September period amounted to SEK 1.79 (7.22) before dilution and to SEK 1.79 (7.16) after dilution. Earnings per share for continuing operations amounted to SEK 1.79 (1.89) before dilution and to SEK 1.79 (1.88) after dilution. The closing price for Ratos's Class B shares on 30 September 2022 was SEK 38.09. The total return on Class B shares for the January–September period amounted to -32.6%, compared with the performance for the SIX Return Index, which was -30.5%.

## Number of shares and repurchased/sold shares

At the beginning of the year, Ratos owned 62,500 Class B shares. During the first quarter, call option programmes from 2017 were redeemed whereby 62,500 treasury shares were divested through the redemption of call options. During the second quarter, 268,868 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture. During the third quarter, 778,800 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture. At 30 September 2022, the total number of shares and shares outstanding in Ratos (Class A and B shares) amounted to 325,786,488 and the number of votes to 108,752,003.

## Incentive programmes

During the period, the parent company issued warrants and a convertible debenture in accordance with the resolution of the Annual General Meeting (AGM) on 22 March 2022. In total, 832,500 warrants and 977,500 convertibles were issued.

## Significant events during and after the end of the quarter

On 1 July, NVBS, which is part of the Construction & Services business area, acquired the civil engineering company TKBM Entreprenad AB. TKBM has its operations in and around Stockholm. TKBM holds a strong position in cable and trunking installations and had sales of SEK 58m in 2021, with adjusted EBITA of SEK 1m.

On 9 August, Ratos acquired 70% of the consulting company Knightec, thereby entered into a partnership with co-founder and CEO Dimitris Gioulekas. The cash-free, debt-free purchase price for 100% of the company (enterprise value) amounted to SEK 1,625m, corresponding to a multiple of 11.6 (EV/EBITA). Knightec is part of Ratos's Industry business area and, over the past 12 months, had sales of SEK 941m, with adjusted EBITA of SEK 140m.

On 26 September, Ratos announced a recommended cash offer of SEK 157 per share to the shareholders of Semcon AB.

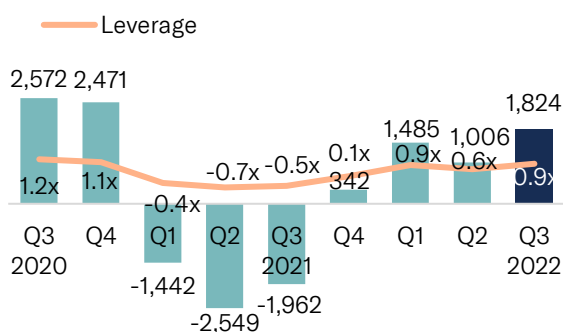
The offer represents a valuation of Semcon corresponding to approximately SEK 2.8 billion. Semcon's Board of Directors has recommended unanimously that the shareholder accept the offer. Competition approval has been granted for the acquisition. The acceptance period will end on 27 October.

On 3 October, Speed Group, which is part of the Construction & Services business area, acquired the company Scandi Terminal AB, an important provider of logistics and materials handling to customers in the process industry. The company operates in Stenungssund and had sales of just over SEK 40m for in 2021/22.

On 3 October, airteam, which is part of the Construction & Services business area, acquired the ventilation company Grundströms Plåt i Kiruna AB. The company carries out ventilation projects in renovations, expansions and new construction for companies in the mining industry as well as for construction projects and existing properties.

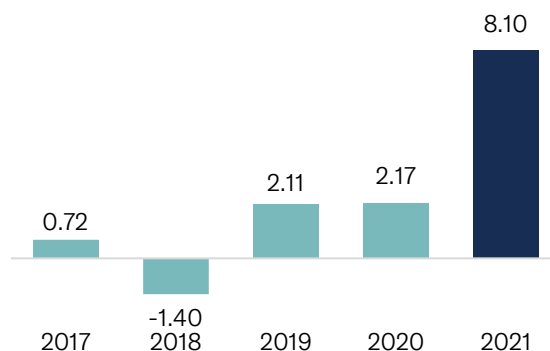
The process of preparing for a potential listing of Aibel is under way, although it is not currently in an active phase due to the prevailing market conditions.

## Interest-bearing net debt and leverage<sup>1)</sup>, SEKm



<sup>1)</sup> Excluding financial lease liabilities

## Diluted earnings per share, SEK



# Financial statements

## Summary consolidated income statement

SEKm	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Full Year 2021
Net sales	7,039	5,371	21,680	16,797	22,551
Other operating income	51	20	137	89	183
Cost of goods and services sold	-4,313	-3,293	-13,224	-9,845	-13,445
Employee benefit costs	-1,490	-1,106	-4,525	-3,545	-4,855
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets and right-of-use assets	-333	-256	-976	-740	-1,014
Other external costs	-585	-415	-1,824	-1,288	-1,840
Capital gain/loss from Group companies	-0		-0		2
Share of profit/loss from investments recognised according to the equity method	37	35	187	90	189
Revaluation and capital gain/loss listed shares		-149	-118	-280	-116
<b>Operating profit</b>	<b>406</b>	<b>208</b>	<b>1,336</b>	<b>1,277</b>	<b>1,656</b>
Net financial items <sup>1)</sup>	-63	-86	-267	-260	-350
<b>Profit before tax</b>	<b>343</b>	<b>122</b>	<b>1,069</b>	<b>1,017</b>	<b>1,306</b>
Income tax	-60	-63	-236	-260	-166
<b>Profit for the period, continuing operations<sup>2)</sup></b>	<b>283</b>	<b>60</b>	<b>834</b>	<b>756</b>	<b>1,139</b>
Profit for the period, discontinued operations				1,715	1,715
<b>Profit for the period</b>	<b>283</b>	<b>60</b>	<b>834</b>	<b>2,472</b>	<b>2,855</b>
<i>Profit for the period attributable to:</i>					
Owners of the parent	200	13	583	2,329	2,637
Non-controlling interests	83	47	251	143	218
Earnings per share, SEK					
- basic earnings per share	0.61	0.04	1.79	7.22	8.17
- diluted earnings per share	0.61	0.04	1.79	7.16	8.10
Earnings per share from continuing operations, SEK					
- basic earnings per share	0.61	0.04	1.79	1.89	2.84
- diluted earnings per share	0.61	0.04	1.79	1.88	2.83

<sup>1)</sup> See page 22 for a specification of the finance net

<sup>2)</sup> Profit for the period from continuing operations attributable to the owners of the parent for Q3 2021 amounts to SEK 13m, for Q1-Q3 2021 to SEK 610m and for full year 2021 to SEK 918m. Profit for the period from continuing operations attributable to non-controlling interests for Q3 2021 amounts to SEK 47m, for Q1-Q3 2021 to SEK 146m and for full year 2021 to SEK 221m

## Consolidated statement of comprehensive income

SEKm	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Full Year 2021
<b>Profit for the period</b>	<b>283</b>	<b>60</b>	<b>834</b>	<b>2,472</b>	<b>2,855</b>
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of defined benefit pension obligations, net	5	-6	64	-50	-49
Tax attributable to items that will not be reclassified to profit or loss	-5		-5		-2
	<b>0</b>	<b>-6</b>	<b>59</b>	<b>-50</b>	<b>-51</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation differences for the period	90	32	233	179	291
Change in hedging reserve for the period	-3	12	-13	58	41
Tax attributable to items that may be reclassified subsequently to profit or loss	0	-3	2	-13	-9
	<b>87</b>	<b>42</b>	<b>222</b>	<b>224</b>	<b>323</b>
<b>Other comprehensive income for the period</b>	<b>87</b>	<b>36</b>	<b>281</b>	<b>174</b>	<b>271</b>
<b>Total comprehensive income for the period</b>	<b>371</b>	<b>96</b>	<b>1,115</b>	<b>2,646</b>	<b>3,126</b>
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the parent	273	47	822	2,484	2,879
Non-controlling interest	98	49	293	162	247

## Summary consolidated statement of financial position

SEKm	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	12,517	7,556	10,028
Other intangible non-current assets	1,676	1,201	1,390
Property, plant and equipment	1,683	1,333	1,503
Right-of-use assets	5,072	4,617	5,006
Financial assets	1,611	1,866	2,157
Deferred tax assets	382	185	303
<b>Total non-current assets</b>	<b>22,941</b>	<b>16,759</b>	<b>20,387</b>
<b>Current assets</b>			
Inventories	2,549	1,489	1,903
Current receivables	5,233	3,564	3,865
Cash and cash equivalents	1,901	2,788	2,230
<b>Total current assets</b>	<b>9,682</b>	<b>7,841</b>	<b>7,998</b>
<b>Total assets</b>	<b>32,623</b>	<b>24,599</b>	<b>28,385</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity including non-controlling interests</b>	<b>13,805</b>	<b>13,026</b>	<b>13,326</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	8,306	5,104	7,191
Non-interest bearing liabilities	1,504	282	836
Pension provisions	57	85	76
Other provisions	35	41	39
Deferred tax liabilities	549	309	440
<b>Total non-current liabilities</b>	<b>10,451</b>	<b>5,822</b>	<b>8,582</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	1,071	810	891
Non-interest bearing liabilities	6,770	4,533	5,166
Provisions	526	408	421
<b>Total current liabilities</b>	<b>8,367</b>	<b>5,752</b>	<b>6,477</b>
<b>Total liabilities</b>	<b>18,818</b>	<b>11,574</b>	<b>15,059</b>
<b>Total equity and liabilities</b>	<b>32,623</b>	<b>24,599</b>	<b>28,385</b>

## Summary statement of changes in consolidated equity

SEKm	2022-09-30			2021-09-30			2021-12-31		
	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
<b>Opening equity</b>	<b>11,940</b>	<b>1,387</b>	<b>13,326</b>	<b>9,366</b>	<b>1,915</b>	<b>11,281</b>	<b>9,366</b>	<b>1,915</b>	<b>11,281</b>
Total comprehensive income for the period	822	293	1,115	2,484	162	2,646	2,879	247	3,126
Dividends	-390	-189	-579	-303		-303	-303	-3	-306
Non-controlling interests' share of capital contribution and new issue		0	0		-0	-0		0	0
Transfer of treasury shares	2		2	218		218	227		227
Conversion of convertible loan to shares	29		29	15		15	16		16
The value of the conversion option of the convertible debentures	7		7	5		5	5		5
Option premiums	9		9	5		5	5		5
Share options redeemed by employees				-4		-4	-6		-6
Put options, future acquisitions from non-controlling interests	-64	-556	-620		-25	-25	-207	-357	-564
Acquisition of shares in subsidiaries from non-controlling interests		-2	-2	-31	-9	-41	-31	-7	-38
Disposal of shares in subsidiaries to non-controlling interests	-2	33	31	-8	14	6	-11	19	8
Non-controlling interests at acquisition		486	486		140	140		493	493
Non-controlling interests in disposals					-918	-918		-921	-921
<b>Closing equity</b>	<b>12,354</b>	<b>1,451</b>	<b>13,805</b>	<b>11,747</b>	<b>1,279</b>	<b>13,026</b>	<b>11,940</b>	<b>1,387</b>	<b>13,326</b>

## Summary consolidated statement of cash flows

SEKm	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Full Year 2021
<b>Operating activities</b>					
Operating profit, continuing operations	406	208	1,336	1,277	1,656
Operating profit, discontinued operations				1,721	1,721
Adjustment for non-cash items	271	345	994	-944	-960
	677	553	2,329	2,054	2,416
Income tax paid	-58	-14	-230	-151	-265
<b>Cash flow from operating activities before change in working capital</b>	<b>620</b>	<b>539</b>	<b>2,099</b>	<b>1,903</b>	<b>2,151</b>
Cash flow from change in working capital					
Increase (-)/Decrease (+) in inventories	-16	96	-606	-153	-459
Increase (-)/Decrease (+) in operating receivables	52	192	-386	-109	-38
Increase (+)/Decrease (-) in operating liabilities	212	-685	678	-427	-206
<b>Cash flow from operating activities</b>	<b>867</b>	<b>142</b>	<b>1,786</b>	<b>1,214</b>	<b>1,448</b>
<b>Investing activities</b>					
Acquisition, group companies	-1,147	-292	-1,916	-408	-2,492
Disposal, group companies	0	5	5	2,625	2,634
Investments and disposal, intangible assets/property, plant and equipment	-69	-110	-279	-304	-419
Investments and disposal, financial assets	-2	0	684	0	15
Interest received	4	1	6	2	4
<b>Cash flow from investing activities</b>	<b>-1,215</b>	<b>-396</b>	<b>-1,501</b>	<b>1,916</b>	<b>-258</b>
<b>Financing activities</b>					
Non-controlling interests' share of issue/capital contribution			0	0	0
Transfer of treasury shares	-0		2	218	227
Option premiums paid		2	15	5	5
Repurchase/final settlements options	-2	-2	-9	-238	-243
Acquisition and disposal of shares in subsidiaries from non-controlling interests	-2	-1	-1	-32	-29
Dividends paid			-390	-303	-303
Dividends paid, non-controlling interests	-28		-189		-3
Borrowings	1,490	13	3,470	537	2,361
Amortisation of loans	-178	-1,192	-2,580	-3,029	-3,279
Interest paid	-135	-80	-381	-251	-339
Amortisation of financial lease liabilities	-228	-212	-643	-525	-623
<b>Cash flow from financing activities</b>	<b>917</b>	<b>-1,473</b>	<b>-705</b>	<b>-3,617</b>	<b>-2,227</b>
<b>Cash flow for the period</b>	<b>569</b>	<b>-1,727</b>	<b>-420</b>	<b>-488</b>	<b>-1,037</b>
Cash and cash equivalents at the beginning of the period	1,267	4,492	2,230	3,182	3,182
Exchange differences in cash and cash equivalents	64	23	91	93	84
Cash and cash equivalents at the end of the period	1,901	2,788	1,901	2,788	2,230

## Summary parent company income statement

SEKm	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Full Year 2021
Other operating income	0	0	7	3	8
Administrative expenses	-27	-24	-116	-104	-152
Depreciation of property, plant and equipment	-0	-0	-0	-0	-0
<b>Operating profit/loss</b>	<b>-27</b>	<b>-24</b>	<b>-109</b>	<b>-101</b>	<b>-144</b>
Gain from sale of participating interests in group companies				1,878	1,878
Net financial items <sup>1)</sup>	53	6	79	-66	-76
<b>Profit/loss after financial items</b>	<b>26</b>	<b>-18</b>	<b>-30</b>	<b>1,711</b>	<b>1,658</b>
Group contribution, recieved					97
<b>Profit/loss before tax</b>	<b>26</b>	<b>-18</b>	<b>-30</b>	<b>1,711</b>	<b>1,755</b>
Income tax	9	0	47	0	76
<b>Profit/loss for the period</b>	<b>35</b>	<b>-18</b>	<b>17</b>	<b>1,712</b>	<b>1,831</b>

<sup>1)</sup> See page 22 for a specification of the finance net

## Parent company statement of comprehensive income

SEKm	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Full Year 2021
<b>Profit/loss for the period</b>	<b>35</b>	<b>-18</b>	<b>17</b>	<b>1,712</b>	<b>1,831</b>
<b>Other comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>35</b>	<b>-18</b>	<b>17</b>	<b>1,712</b>	<b>1,831</b>

## Summary parent company balance sheet

SEKm	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1	2
Financial assets	8,801	6,923	7,975
Receivables from group companies	5,682	2,587	4,029
Deferred tax assets	121		75
<b>Total non-current assets</b>	<b>14,608</b>	<b>9,510</b>	<b>12,081</b>
<b>Current assets</b>			
Current receivables	58	40	35
Receivables from group companies	1,878	178	1,145
Cash and cash equivalents	858	1,033	294
<b>Total current assets</b>	<b>2,794</b>	<b>1,252</b>	<b>1,474</b>
<b>Total assets</b>	<b>17,402</b>	<b>10,762</b>	<b>13,555</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>9,668</b>			
<b>9,867</b>			
<b>9,994</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities, group companies	1,906	621	670
Interest-bearing liabilities	3,055	52	1,908
Non-interest bearing liabilities		10	
Convertible debentures	97	79	75
Deferred tax liabilities	3	2	2
<b>Total non-current liabilities</b>	<b>5,060</b>	<b>764</b>	<b>2,655</b>
<b>Current provisions</b>			
	<b>76</b>	<b>65</b>	<b>65</b>
<b>Current liabilities</b>			
Interest-bearing liabilities, group companies	2,428		664
Interest-bearing liabilities	10	30	41
Non-interest bearing liabilities, group companies	133		79
Non-interest bearing liabilities	27	35	57
<b>Total current liabilities</b>	<b>2,598</b>	<b>65</b>	<b>842</b>
<b>Total equity and liabilities</b>	<b>17,402</b>	<b>10,762</b>	<b>13,555</b>

## Summary parent company statement of changes in equity

SEKm	2022-09-30	2021-09-30	2021-12-31
<b>Opening equity</b>	<b>9,994</b>	<b>8,219</b>	<b>8,219</b>
Comprehensive income for the period	17	1,712	1,831
Dividends	-390	-303	-303
Transfer of treasury shares	2	218	227
Exercise of options		-4	-6
Conversion of convertible loan to shares	29	15	16
The value of the conversion option of the convertible debentures	8	6	6
Deferred tax, conversion option	-2	-1	-1
Option premiums	9	5	5
<b>Closing equity</b>	<b>9,668</b>	<b>9,867</b>	<b>9,994</b>



## 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 2021 Annual Report. The new and revised IFRS standards which came into force in 2022 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 this report, Ratos reports its previous 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. The holding in Bisnode Belgium that was acquired and divested in 2021 is also reported as discontinued operations in the income statement for 2021. Neither Bisnode nor Bisnode Belgium had any impact in 2022.

As a result of Ratos's transition from an investment company to an operating company, the reporting format has changed as of 2022. The companies will no longer be reported individually or adjusted for Ratos's holding. Instead, they are reported as part of the Group's Construction & Services, Consumer and Industry business segments. The change does not entail any restatement of previous financial reports, but rather is only a new format that reflects how Ratos's management monitors operations.

## 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-adding 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 2021 Annual Report.

Ratos AB's taxation under the rules for investment companies are considered to have ceased as of the third quarter of 2021 due to changed operations, and instead the company is taxed under conventional income tax regulations. This means that the Parent Company can receive Group contributions from, or provide Group contributions to, subsidiaries and that portions of the loss carry-forward were capitalised with deferred tax based on assumed future tax surpluses.

The Covid-19 pandemic had an impact on earnings for the period and creates uncertainty about Ratos's financial performance for the rest of 2022. The impact of the Covid-19 pandemic 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.

The invasion of Ukraine had an impact on earnings during the period. The direct impact on Ratos was the cessation of all sales to Russia, in line with EU sanctions, and the divestment of a subsidiary in Russia, which entailed costs during the first quarter although they were not significant for the Group. The direct impact on Ratos for the rest of 2022 is limited, since sales to Russia account for less than 0.5% of Ratos's total sales, but the indirect impact from our customers and suppliers has created uncertainty going forward.

## Note 3 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 30 September 2022, the total value of financial instruments measured at fair value in accordance with level three was SEK 1,838m (1,167 per 31 December 2021). This change was mainly attributable to the revaluation and redemption of synthetic options as well as options to minority holders in conjunction with acquisitions.

In the statement of financial position at 30 September 2022, the net value of derivatives amounted to SEK 38m (-36 at 31 December 2021), of which SEK 39m (13 at 31 December 2021) was recognised as an asset and SEK 1m (49 at 31 December 2021) as a liability.

## Note 4 Acquired and divested companies

### Acquisitions within business areas

#### Construction & Services

On 30 December 2021, Speed Group acquired shares in a subsidiary of Dream Logistics that provides transport management services, known as fourth-party logistics (4PL). The preliminary acquisition analysis during the first quarter of 2022 was updated after the final acquisition balance was determined, which entailed a payment of SEK 1m.

On 18 May, NVBS acquired the shares of the Finnish company Ratatek. Ratatek specialises in the design, installation and maintenance of overhead contact lines and electrical systems on tram tracks and railways, with operations in Finland and Sweden. Ratatek had sales of EUR 25.5m in 2021, with adjusted EBITA of EUR 2.7m.

On 1 July, NVBS acquired the shares in the civil engineering company TKBM Entreprenad AB. TKBM holds a strong position in cable and trunking installations and had sales of SEK 58m in 2021, with adjusted EBITA of SEK 1m.

#### Consumer

On 1 March, Plantasjen acquired Flyinge Plantshop AB, one of the leading nurseries in Sweden. The company's sales amounted to SEK 82m in 2021, with EBITDA of SEK 12m.

On 15 September, KVD acquired a minor company, WF Inventarier AB, which became part of Forsbergs' operations.

The preliminary acquisition analyses for the add-on acquisitions carried out during the period are presented below.

	SEKm
Property, plant and equipment	38
Right-of-use assets	24
Financial assets	0
Trade receivables	15
Current assets	73
Cash and cash equivalents	8
Innehav utan bestämmande inflytande	-0
Deferred tax liability	-3
Non-current liabilities	-34
Current liabilities	-96
<b>Net identifiable assets and liabilities</b>	<b>25</b>
Goodwill	240
<b>Purchase price</b>	<b>265</b>
of which, paid in cash	226
of which, contingent consideration	38

### Acquisition of Knightec

On 9 August, Ratos acquired 70% of the consulting company Knightec, thereby entering into a partnership with co-founder and CEO Dimitris Gioulekas.

Through its unique customer offerings and strong community involvement, Knightec has established a strong market position in technology, design and digitalisation of products and services.

The purchase price for the shares in Knightec amounted to SEK 1,567m. Goodwill in the preliminary purchase price allocation amounts to SEK 1,317m and is attributable to synergies, growth and business model. This goodwill is not tax-deductible.

Knightec has been included in the Ratos Group from the date of acquisition, with net sales of SEK 165m and profit before tax of SEK 41m. For the January–September period, net sales amounted to SEK 713m and profit before tax to SEK 80m. Acquisition-related transaction costs amounted to SEK 4.5m.

#### Preliminary purchase price allocation Knightec

	SEKm
Intangible assets	243
Property, plant and equipment	12
Right-of-use assets	53
Financial assets	0
Trade receivables	179
Current assets	62
Cash and cash equivalents	121
Non-controlling interest	
Deferred tax liability	-63
Non-current liabilities	-167
Current liabilities	-190
<b>Net identifiable assets and liabilities</b>	<b>250</b>
Recognised put- and call option issued to owners with non-controlling interests	-306
Goodwill	1,317
<b>Purchase price</b>	<b>1,261</b>
of which, paid in cash	1,261

## Acquisition of NVBS

On 16 May, Ratos acquired 74% of the shares in the Swedish company NVBS Rail Group Holding AB (NVBS). NVBS will become a Nordic platform company for Ratos in the attractive and growing railway infrastructure market, with a presence in Sweden, Finland and Norway.

The purchase price for the shares in NVBS amounted to SEK 546m. Goodwill, which has been identified for 100% of the shares, amounts to SEK 666m in the preliminary acquisition analysis and is attributable to synergies, growth and business model. This goodwill is not tax-deductible.

NVBS has been included in the Ratos Group from the date of acquisition, with net sales of SEK 620m and profit before tax of SEK 49m. For the January–September period, net sales amounted to SEK 761m and the loss before tax to SEK -5m. Acquisition-related transaction costs amounted to SEK 16.5m.

### Preliminary acquisition analysis NVBS

	SEKm
Intangible assets	79
Property, plant and equipment	14
Right-of-use assets	25
Financial assets	12
Trade receivables	65
Current assets	383
Cash and cash equivalents	4
Non-controlling interest	-0
Deferred tax liability	-24
Non-current liabilities	-114
Current liabilities	-391
<b>Net identifiable assets and liabilities</b>	<b>53</b>
Recognised put- and collocation issued to owners with non-controlling interests	-173
Goodwill	666
<b>Purchase price</b>	<b>546</b>
of which, paid in cash	546

## Acquisition of Presis Infra

On 30 November 2021, Ratos acquired 75% of the shares in Presis Infra, a leading Norwegian maintenance group in critical transportation infrastructure. The preliminary acquisition analysis during the first quarter of 2022 was updated after the final acquisition balance was determined, which entailed a payment of SEK 12m. Updating the acquisition analysis has not entailed any significant effects for the Group.

## 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 amounted 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.

## Acquisition and divestment of Bisnode Belgium

For the divestment of Bisnode to Dun & Bradstreet, Bisnode's Belgian operations were not included in the transaction. On 31 March 2021, Ratos signed an agreement to divest Bisnode Belgium. The consolidated capital loss amounted to SEK 25m.

### Income statement from discontinued operations

SEKm	Q3 2021	Q1-3 2021	Full Year 2021
Income		105	105
Expenses		-116	-116
<b>Profit/loss before tax</b>		<b>-10</b>	<b>-10</b>
Tax		-1	-1
<b>Profit/loss after tax</b>		<b>-11</b>	<b>-11</b>
whereof Bisnode		9	9
Capital gain from divestment of discontinued operations whereof Bisnode		1,727	1,727
		1,816	1,816
<b>Total profit for the period</b>		<b>1,715</b>	<b>1,715</b>

#### Profit for the period attributable to:

Owners of the parent	1,719	1,719
Non-controlling interests	-3	-3
Earnings per share, SEK		
- basic earnings per share	5.33	5.32
- diluted earnings per share	5.29	5.28

### Cash flow statement from discontinued operations

SEKm	Q1-3 2021	Full Year 2021
Cash flow from operating activities	61	61
Cash flow from investing activities	2,636	2,636
Cash flow from financing activities	-191	-191
<b>Change in cash and cash equivalents</b>	<b>2,506</b>	<b>2,506</b>

### Net assets at time of divestment

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

SEKm	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
<b>Divested net assets</b>	<b>2,044</b>
Capital gain, excluding transaction costs	1,816
<b>Consideration transferred</b>	<b>3,860</b>
Shares in Dun & Bradstreet, non-cash	-924
Less: cash in divested operations	-247
<b>Total effect on cash flow</b>	<b>2,690</b>

## Key figures

For definitions, see page 23

SEKm	Q1-3 2022	Q1-3 2021	Full Year 2021
Leverage excl. financial leasing	0.9x	-0.5x	0.1x
Leverage	2.5x	0.7x	1.3x
Equity ratio, %	42.3	53.0	47.0
Return on equity, %	7.5	21.3	23.7
Return on equity, continuing operations, %	7.5	4.9	8.2
Return on capital employed excl. financial leasing, %	10.6	10.9	11.0
Return on capital employed, %	8.8	9.0	9.0
<b>Key figures per share<sup>1)</sup></b>			
Total return, %	-32.6	36.6	53.7
Dividend yield, %			2.1
Market price, SEK	38.09	51.50	57.95
Dividend, SEK			1.20
Equity attributable to owners of the parent, SEK <sup>2)</sup>	37.92	36.20	36.77
Basic earnings per share, SEK	1.79	7.22	8.17
Diluted earnings per share, SEK	1.79	7.16	8.10
Average number of ordinary shares outstanding:			
– before dilution	325,010,394	322,411,632	322,945,842
– after dilution	327,787,875	325,748,419	326,332,029
Total number of registered shares	325,786,488	324,698,820	324,738,820
Number of shares outstanding <sup>3)</sup>	325,786,488	324,481,320	324,676,320
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	241,149,428	239,844,260	240,039,260

<sup>1)</sup> Relates to Class B shares unless specified otherwise

<sup>2)</sup> Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period

<sup>3)</sup> After redemption and transfer of Ratos own shares

## 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. 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](http://www.ratos.com) and on page 23 of this report.

### Organic growth

SEKm	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Full Year 2021
<b>Growth Net Sales, %</b>	<b>31%</b>	<b>10%</b>	<b>29%</b>	<b>4%</b>	<b>8%</b>
<b>Net sales</b>	<b>7,039</b>	<b>5,371</b>	<b>21,680</b>	<b>16,797</b>	<b>22,551</b>
Acquired net sales	1,058	294	3,032	329	1,483
Effects from change in currency	243	146	864	184	16
Other	-12		-24		
<b>Net sales, adjusted</b>	<b>5,750</b>	<b>4,931</b>	<b>17,807</b>	<b>16,285</b>	<b>21,052</b>
Divested net sales in the comparison period	-2		-5		
<b>Net sales, adjusted in the comparison period</b>	<b>5,369</b>	<b>4,868</b>	<b>16,792</b>	<b>16,098</b>	<b>20,941</b>
<b>Organic growth</b>	<b>381</b>	<b>62</b>	<b>1,015</b>	<b>187</b>	<b>111</b>
<b>Organic growth, %</b>	<b>7%</b>	<b>1%</b>	<b>6%</b>	<b>1%</b>	<b>1%</b>

### EBITDA, EBITA and operating profit

SEKm	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Full Year 2021
<b>EBITDA</b>	<b>739</b>	<b>464</b>	<b>2,312</b>	<b>2,017</b>	<b>2,669</b>
Depreciations and impairment	-307	-247	-913	-721	-983
<b>EBITA</b>	<b>432</b>	<b>217</b>	<b>1,400</b>	<b>1,296</b>	<b>1,686</b>
Revaluation and capital gain/loss listed shares		-149	-118	-280	-116
Restructuring costs			-130		
<b>Adjusted EBITA</b>	<b>432</b>	<b>365</b>	<b>1,648</b>	<b>1,576</b>	<b>1,802</b>
Amortisation and impairment of intangible assets in connection with company acquisitions	-26	-9	-64	-20	-31
<b>Operating profit</b>	<b>406</b>	<b>208</b>	<b>1,336</b>	<b>1,277</b>	<b>1,656</b>

### Cash flow from operations

SEKm	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Full Year 2021
<b>Cash flow from operating activities</b>	<b>867</b>	<b>142</b>	<b>1,786</b>	<b>1,214</b>	<b>1,448</b>
Investment and disposals, intangible assets/property, plant and equipment	-69	-110	-279	-304	-419
Lease payments	-293	-273	-839	-710	-870
Income tax paid	58	14	230	151	265
<b>Cash flow from operations</b>	<b>562</b>	<b>-228</b>	<b>897</b>	<b>350</b>	<b>425</b>

### Interest-bearing net debt

SEKm	2022-09-30	2021-09-30	2021-12-31
Interest-bearing liabilities, other	3,804	832	2,575
Financial leasing liabilities	5,573	5,082	5,507
Provisions for pensions	57	85	76
Interest-bearing assets	-136	-93	-78
Cash and cash equivalents	-1,901	-2,788	-2,230
<b>Interest-bearing net debt</b>	<b>7,397</b>	<b>3,120</b>	<b>5,850</b>

## Segments by quarter, summary

	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2022	2021	2021	2021	2021	2021
<b>Net sales, SEKm</b>								
Construction & Services	3,668	4,098	4,059	2,410	2,997	2,635	3,365	11,406
Consumer	1,279	3,018	1,540	868	2,708	1,489	1,166	6,232
Industry	1,280	1,310	1,441	1,155	1,289	1,247	1,223	4,913
Elimination of internal net sales	-7	-6	-2	0	0	0	0	0
<b>Ratos group</b>	<b>6,220</b>	<b>8,420</b>	<b>7,039</b>	<b>4,432</b>	<b>6,994</b>	<b>5,371</b>	<b>5,754</b>	<b>22,551</b>
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2022	2021	2021	2021	2021	2021
<b>EBITDA, SEKm</b>								
Construction & Services	374	370	410	172	178	221	321	892
Consumer	62	799	162	61	973	233	101	1,368
Industry	178	142	195	204	176	181	115	676
Revaluation and capital gain/loss listed shares	-100	-18		-19	-113	-149	164	-116
Items affecting comparability	-130							
Group costs	-49	-54	-29	-31	-48	-23	-49	-151
<b>Ratos group</b>	<b>334</b>	<b>1,239</b>	<b>739</b>	<b>387</b>	<b>1,167</b>	<b>464</b>	<b>652</b>	<b>2,669</b>
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2022	2021	2021	2021	2021	2021
<b>EBITA, adjusted, SEKm</b>								
Construction & Services	292	279	314	124	128	169	257	677
Consumer	-75	664	25	-65	838	105	-33	845
Industry	87	76	123	148	118	115	51	432
Group costs	-50	-55	-30	-31	-48	-23	-49	-152
<b>Ratos group</b>	<b>253</b>	<b>963</b>	<b>432</b>	<b>176</b>	<b>1,035</b>	<b>365</b>	<b>226</b>	<b>1,802</b>
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2022	2021	2021	2021	2021	2021
<b>Operating profit/loss, SEKm</b>								
Construction & Services	276	260	293	122	121	161	247	652
Consumer	-77	662	24	-66	837	104	-34	840
Industry	87	76	118	148	118	115	51	432
Revaluation and capital gain/loss listed shares	-100	-18		-19	-113	-149	164	-116
Items affecting comparability	-130							
Group costs	-50	-55	-30	-31	-48	-23	-49	-152
<b>Ratos group</b>	<b>5</b>	<b>925</b>	<b>406</b>	<b>154</b>	<b>915</b>	<b>208</b>	<b>379</b>	<b>1,656</b>
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2022	2021	2021	2021	2021	2021
<b>Profit/loss before tax, SEKm</b>								
Construction & Services	244	240	263	115	115	146	228	604
Consumer	-134	592	-32	-135	753	39	-108	549
Industry	64	58	94	139	112	102	-48	305
Revaluation and capital gain/loss listed shares	-100	-18		-19	-113	-149	164	-116
Items affecting comparability	-130							
Group costs	-42	-47	17	-33	-40	-16	53	-36
<b>Ratos group</b>	<b>-98</b>	<b>825</b>	<b>343</b>	<b>67</b>	<b>827</b>	<b>122</b>	<b>289</b>	<b>1,306</b>

## Specification of net financial items

Ratos Group, SEKm	Q3 2022	Q3 2021	Change %	Q1-3 2022	Q1-3 2021	Change %	Full Year 2021
Interest income	3	1	pos	5	2	121%	4
Interest expense	-26	-14	-88%	-64	-59	-8%	-74
Interest expense financial leasing	-64	-61	-5%	-196	-185	-6%	-246
<b>Net interest</b>	<b>-87</b>	<b>-74</b>	<b>-17%</b>	<b>-256</b>	<b>-242</b>	<b>-6%</b>	<b>-316</b>
Exchange rate income	337	2	pos	692	28	pos	30
Exchange rate expenses	-304	-4	neg	-656	-26	neg	-34
<b>Net exchange rate effects</b>	<b>33</b>	<b>-2</b>	<b>pos</b>	<b>36</b>	<b>2</b>	<b>pos</b>	<b>-4</b>
Other financial items	-9	-9	-2%	-47	-21	-129%	-30
<b>Net financial items</b>	<b>-63</b>	<b>-86</b>	<b>26%</b>	<b>-267</b>	<b>-260</b>	<b>-2%</b>	<b>-350</b>

Parent company, SEKm	Q3 2022	Q3 2021	Change %	Q1-3 2022	Q1-3 2021	Change %	Full Year 2021
Net interest	43	14	pos	109	20	pos	39
Net exchange rate effects	15	-7	pos	-7	-10	37%	-29
Other financial items	-5	-1	neg	-23	-76	69%	-87
<b>Net financial items</b>	<b>53</b>	<b>6</b>	<b>pos</b>	<b>79</b>	<b>-66</b>	<b>pos</b>	<b>-76</b>

# Definitions

## **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 for the last 12 months divided by average equity attributable to owners of the parent during the five most recent quarters.

## **Return on equity, continuing operations**

Profit for the period from continuing operations, attributable to owners of the parent for the last 12 months divided by average equity attributable to owners of the parent during the five most recent quarters.

## **Return on capital employed**

Adjusted 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.

## **Adjusted EBITA**

EBITA adjusted for capital gains and the revaluation of listed shares and non-recurring items affecting comparability at the business area level.

## **Average number of employees**

Total number of hours worked during the most recent full year restated as full-time positions. Also includes average number of employees in key associates.

## **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.

## **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.



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**Investor presentation**

24 October 9:00 a.m.

Webcast: <https://youtu.be/HTWvYJxQdyk>

**Financial calendar**

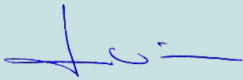
**2023**

Year-end report 2022

13 February

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Stockholm, 24 October 2022  
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, at 7:00 a.m. CEST on 24 October 2022.

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Ratos is a business group consisting of 15 companies divided into three business areas: Construction & Services, Consumer and Industry. Our business concept is to own and develop companies that are or can become market leaders. We have a distinct corporate culture and strategy – everything we do is based on our core values: Simplicity, Speed in Execution and It's All About People. We enable independent companies to excel by being part of something larger. People, leadership, culture and values are key focus areas.



**RATOS**