

Presentation – Q1 2022

2 May 2022



RATOS

High growth and strong EBITA despite challenges and uncertainties in the world

**Net Sales
6 220 MSEK
growth 40%**

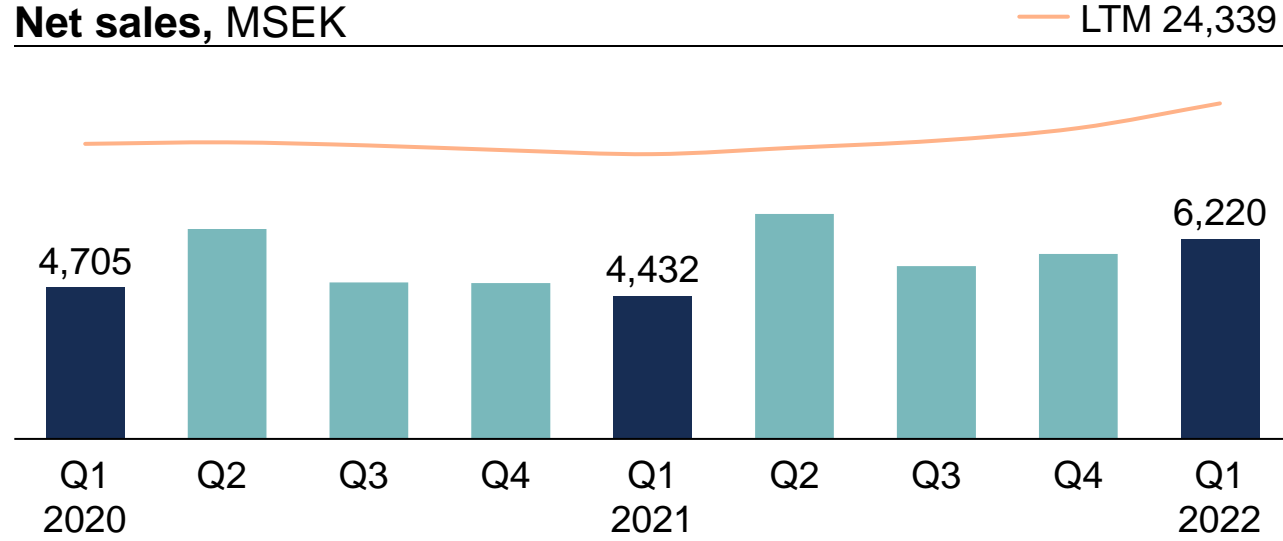


**EBITA* 253 MSEK
growth 44%**

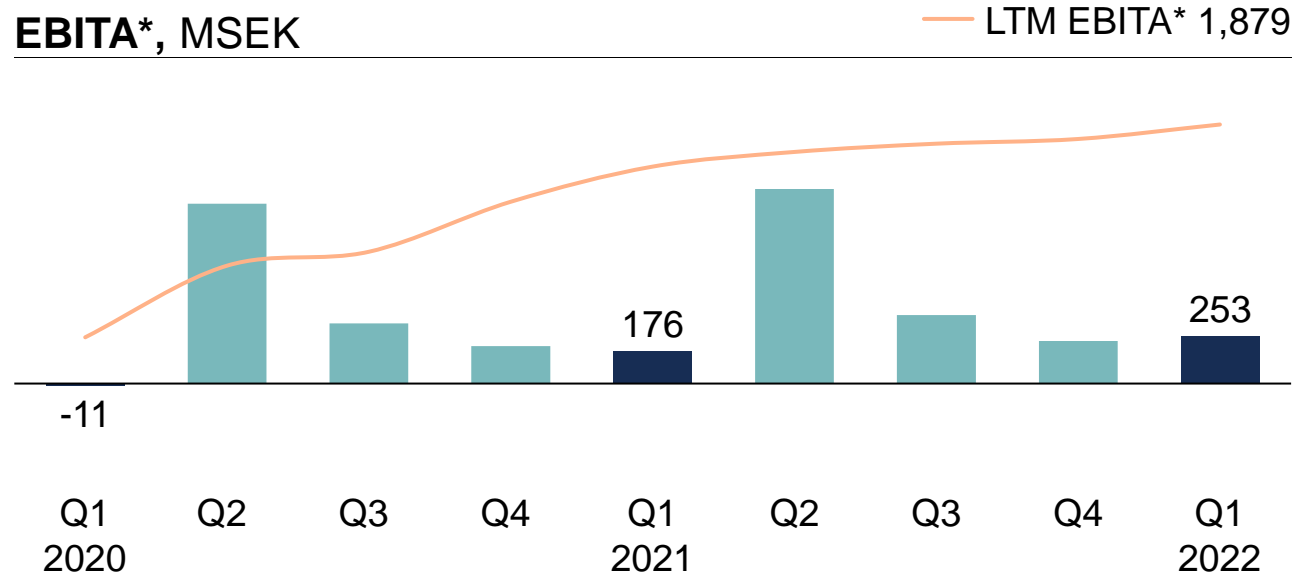
- EBITA* growth 44%
- Strong organic net sales growth
- Strength through a diversified portfolio
- Strong order growth and backlog
- Closed acquisition of Flyinge Plantshop
- Agreement signed to acquire NVBS with an EBITA of 113 MSEK
- All business activity in Russia indefinite suspended

Group financials Q1 2022

Net sales, MSEK



EBITA*, MSEK



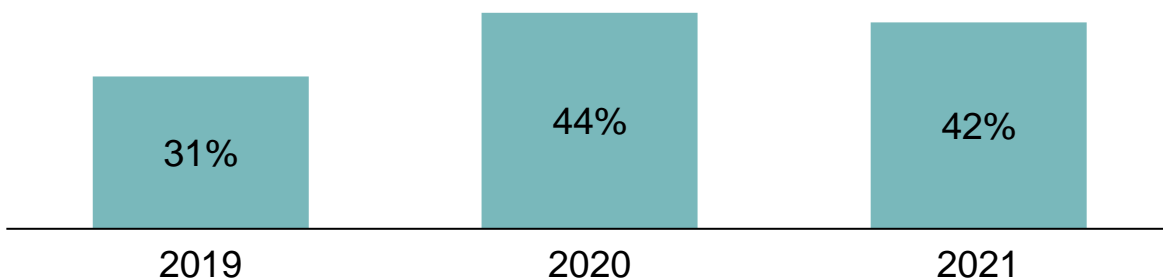
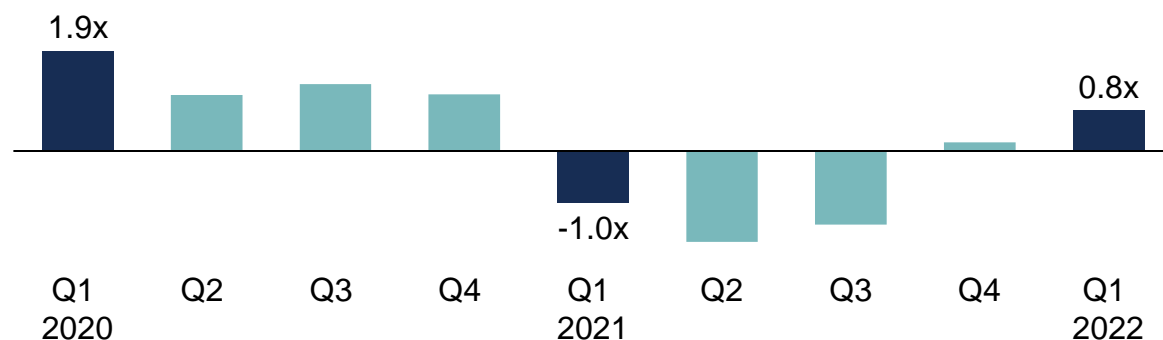
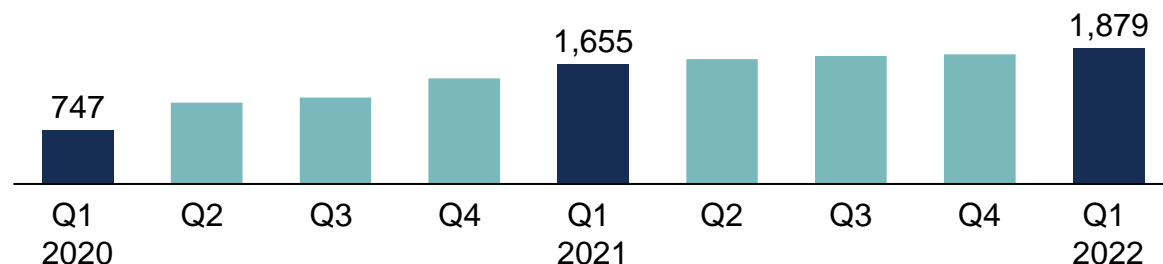
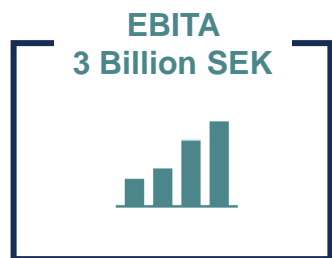
Comments

- Net sales growth 40%
- Organic growth in all business areas
- LTM net sales growth 18%

- EBITA* increased by 44%
- Seasonally small quarter
- Negative impact from increased raw material and energy prices

Financial targets

Announced in February 2021



Comments

- LTM EBITA at 1.879 MSEK - ahead of plan
- Leverage increased to 0.8x as a result of acquisitions and planned inventory increase
- Dividend 2021: SEK 1:20 (0:95). In line with policy

Acquisition activity and strategy

M&A Activity Q1 2022

- Two acquisitions during the quarter
- Attractive pipeline, strong balance sheet with more than 5 BSEK in acquisition capacity

NVBS

- New platform
- Expanding infrastructure servicing business
- Expected closing Q2 2022

Flyinge Plantshop
Jordnära sedan 1969

- Add-on to Plantasjen
- Expand B2B business
- Well managed business and established strong brand

Add-on Acquisitions

- Decentralized company-driven processes
- Cost & revenue synergies
- Bilateral processes
- More attractive valuations
- Low risk and valuation, high reward
- Ratos provides support as needed

Adjacent (1)

- Identified by companies and or Ratos
- Acquisition process driven by Ratos
- Targets in relation to current platforms
- Soft synergies with cross-pollination
- Different degrees of integration
- Can result in hard synergies

New platforms (1)

- Market leaders or potential to be
- Sizeable EBITA
- Attractive & growing markets
- Focus on high-quality companies with solid track record
- Natural consolidators in fragmented markets

Business Areas

RATOS

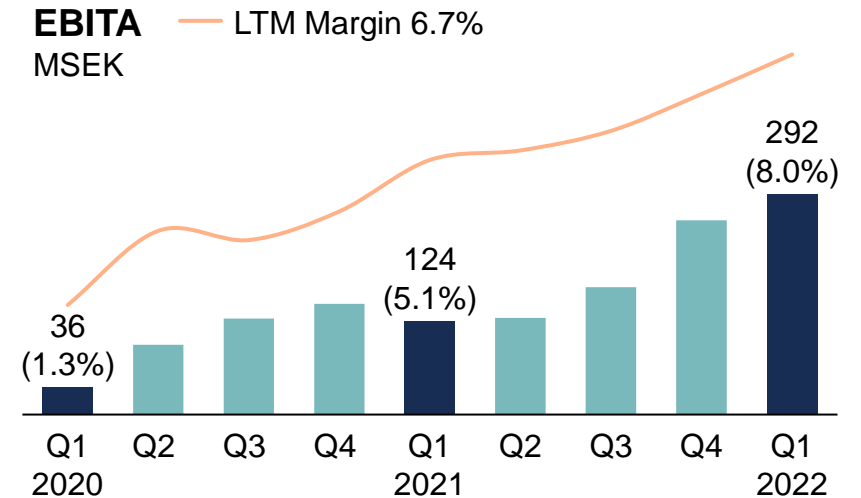
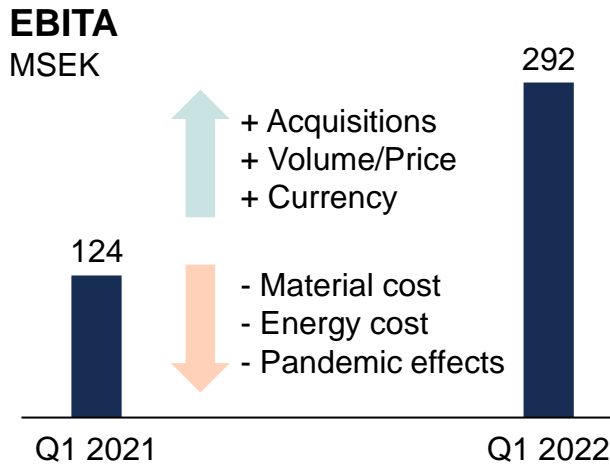
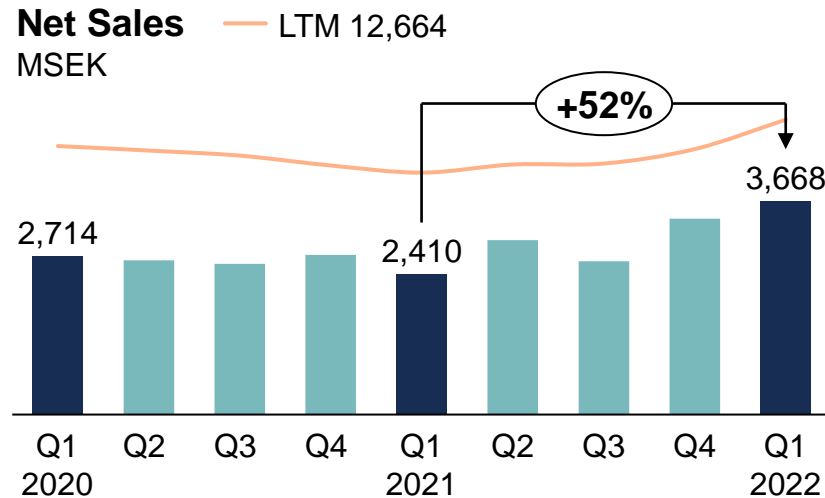


Construction & Services: Acquisitions as a launchpad for growth

We build and maintain a sustainable society

Comments

- Strong market and order backlog
- Net sales growth 52%, whereof organic 9%
- Negative impact from increased material and energy costs, and lingering pandemic effects
- EBITA 292 MSEK (124), increased by 135%, EBITA margin up to 8.0% (5.1%)



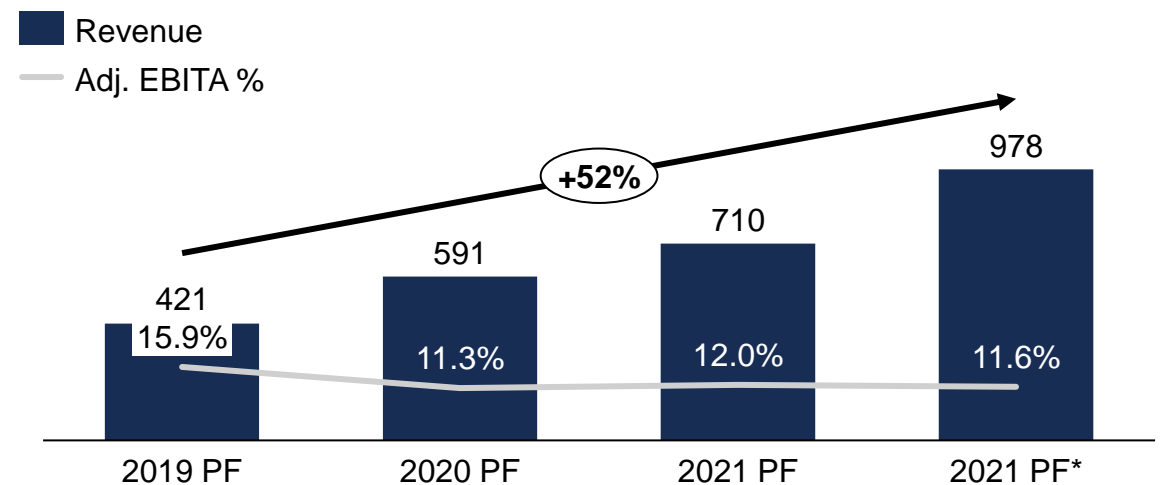


NVBS

About the business

- NVBS is a Swedish railway maintenance provider, focusing on BEST (Bana, El, Signal, Tele) and groundwork related to railways
- Headquartered in Sweden and business in Nordics.
~175 employees
- Founded in 2012 and founders will remain shares amounting to 26% post acquisition
- Customers are public agencies, municipalities and large private corporations

Key financials (MSEK)



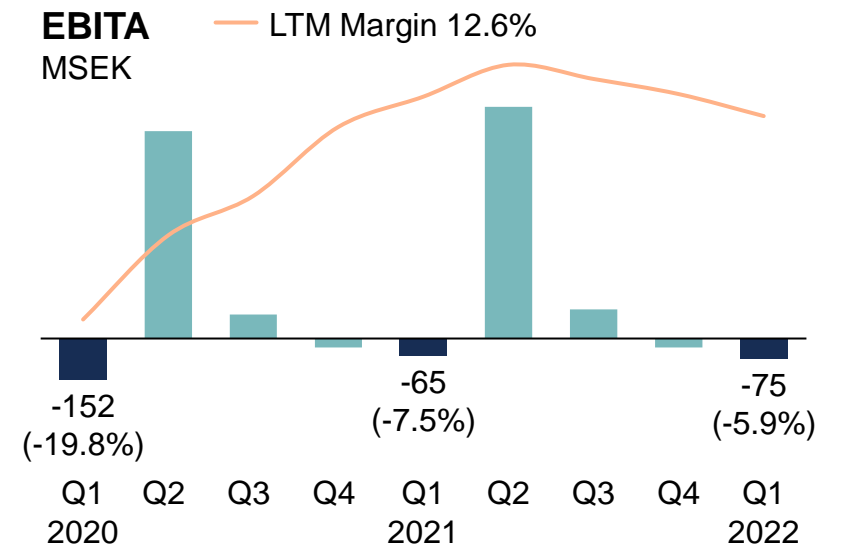
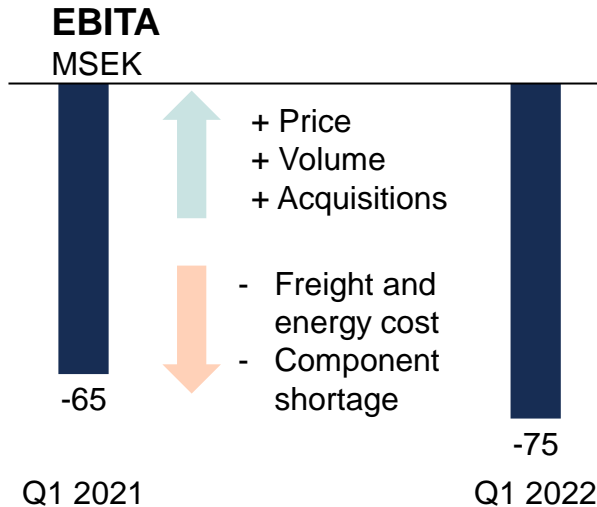
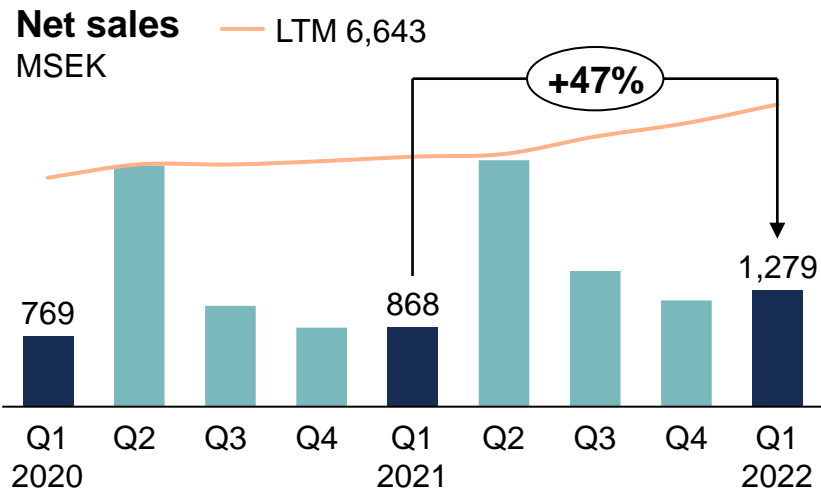
*Pro forma (including Ratatek)

Consumer: Stable quarter for the business area

Provide a better and easier life for consumers

Comments

- Q1 is a seasonally small quarter
- Organic sales growth 27%, mainly driven by change in KVD's business model and strong growth in Oase Outdoors
- EBITA amounted to -75 MSEK (-65), Plantasjen's EBITA and sales in line with previous year
- EBITA-margin -5.9% (-7.5%) and LTM 12.6%

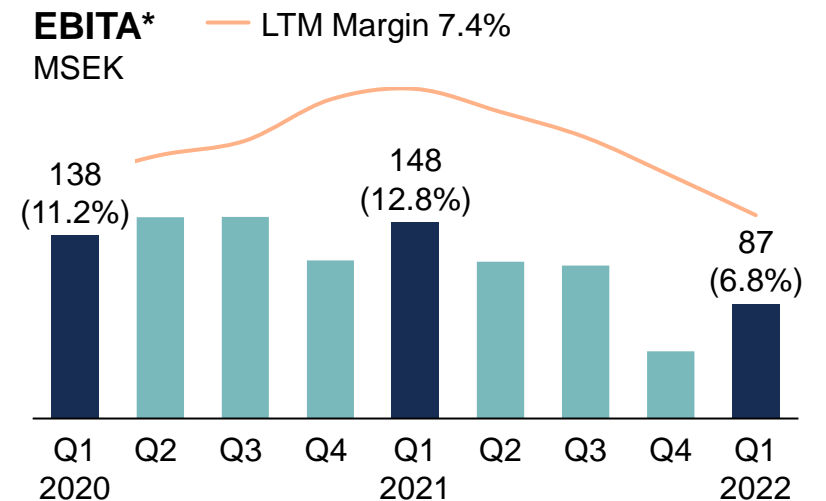
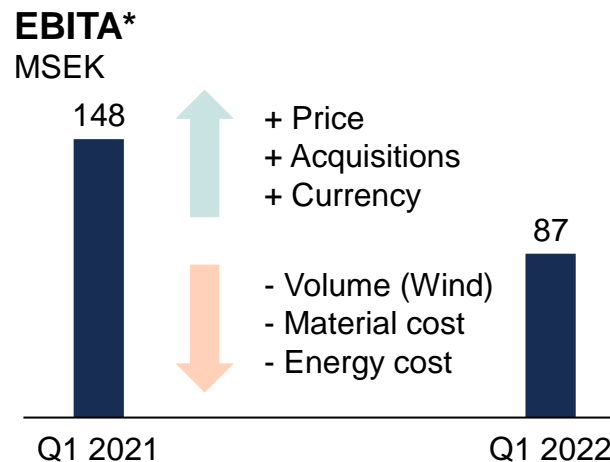
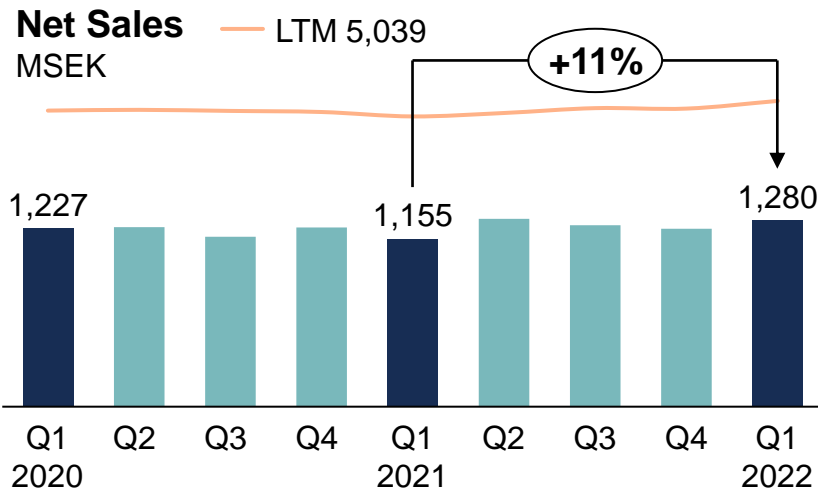



Industry: Business area net sales growth 11%

Building industrial market leaders, based in the Nordics who exporting to the world

Comments

- Net sales increased 11% whereof 3% organic
- Strong quarter for HL Display, LEDiL and TFS
- Lower Wind segment sales and increased material and energy prices
- Restructuring of Diab (-130 MSEK) announced in Q4 report
- EBITA* 87 MSEK (148)
- EBITA*-margin 6.8% (12.8%) and LTM 7.4%



A large-scale offshore wind farm is shown at sunset. The sky is a mix of orange, yellow, and blue, with the sun low on the horizon. The water is dark blue with a shimmering reflection of the sun. In the foreground, a large white wind turbine is partially visible on the left. In the middle ground, a central service vessel or platform is visible, surrounded by numerous other wind turbines stretching into the distance.

Sustainable growth and profitability in practice

Examples from Q1 2022

Starting 2022, several messages of strength came from our companies, which leads how the Ratos companies contribute to a more sustainable business in their industry in proof.

Production of green electricity - Speed Group solar cell plant in Sweden



- In 2021, Speed Group built the Nordic region's largest roof-based solar cell plant
- During Q1 2022 green electricity corresponding to just over 6,500 electric car charges was produced. On an annual basis, production of the equivalent of 56,600 electric car charges is expected
- Speed Group's warehouse will be 20 percent self-sufficient in green electricity in 2022

Presis Infra awarded “Green” contract in Norway



- The contract was awarded based on criteria that included, among other things, price and reduction of CO2. Presis received highest rating on all criteria and has committed to electrify its vehicle fleet and use biofuels on heavier vehicles.
- In total, this would mean a reduction of CO2 emissions by 76%

HL Display switching to 100% renewable energy in the Poland factory



- HL Display continued to make progress towards reducing the environmental footprint
- In Q1 they switched to 100% renewable energy sources in the HL factory in Poland – previously the single biggest contributor to HL's scope 2 emissions

Financials

Group financials

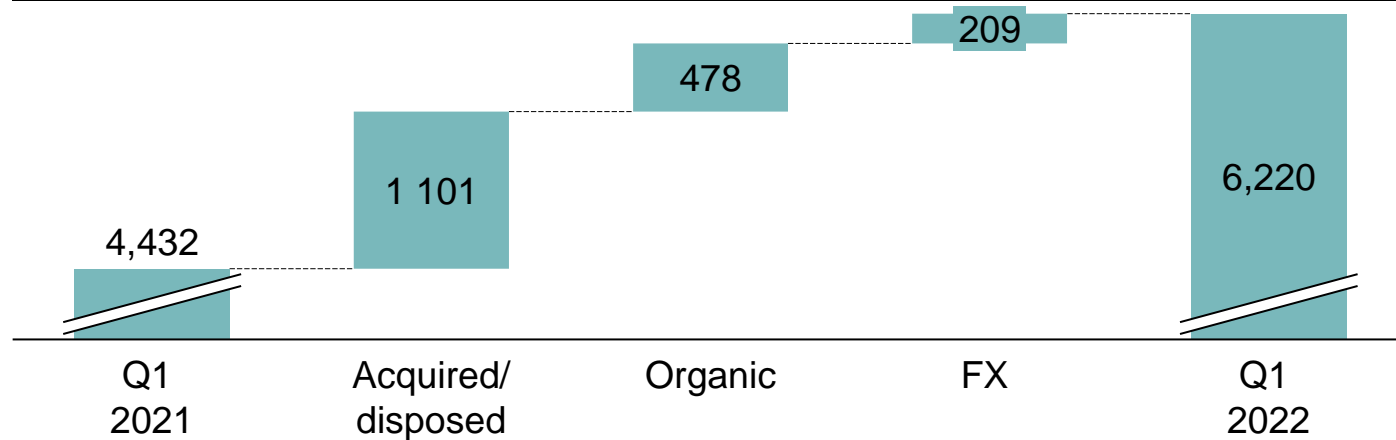
	2022 Q1	2021 Q1	2022 Q1 LTM	2021 FY
Net sales	6,220	4,432	24,339	22,551
EBITA*	253	176	1,879	1,802
- margin	4.1%	4.0%	7.7%	8.0%
Net debt	1,485	-1,442		342
Net financial items	-103	-87	-367	-350
Tax	-41	-31	-175	-166
EPS remaining business	-0.66	- 0.01	2.17	2.83
Cash flow from operations	- 489	- 610	546	425
Net debt / Adj EBITDA	0.8x	-1.0x		0.2x

Comments

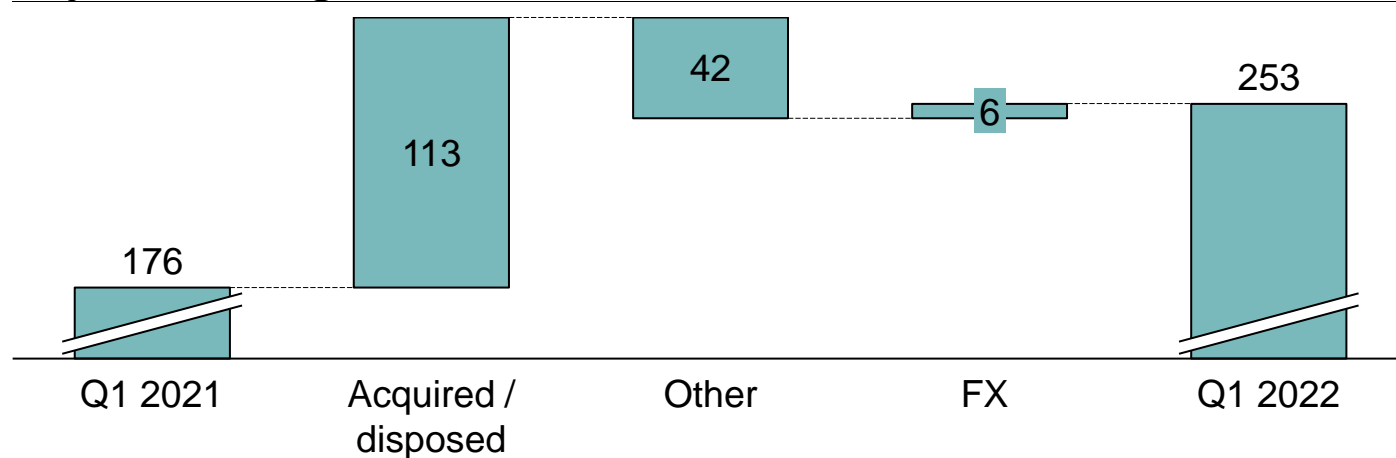
- Net debt increased, from a net cash position last year, as a result of acquisitions and strategic stock
- Net financial cost increased, primarily due to positive FX impact first quarter last year
- Tax cost increased due to non-deductible one-off costs
- Cash flow from operations increased from last year and leverage increased towards target range

Organic growth for the quarter account for one third of the increased net sales

Net sales bridge



Adj EBITA bridge

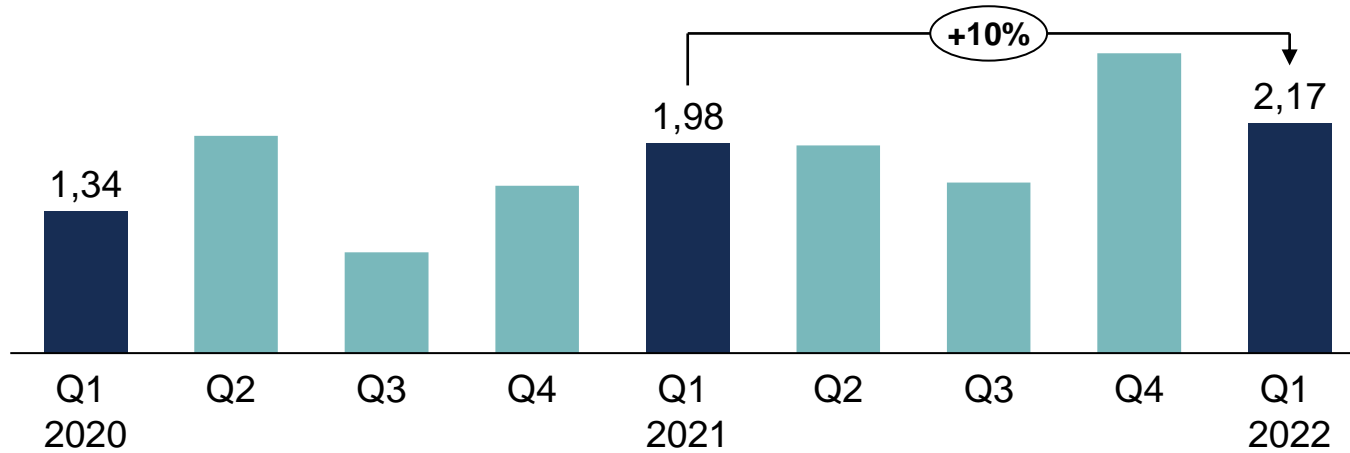


Comments

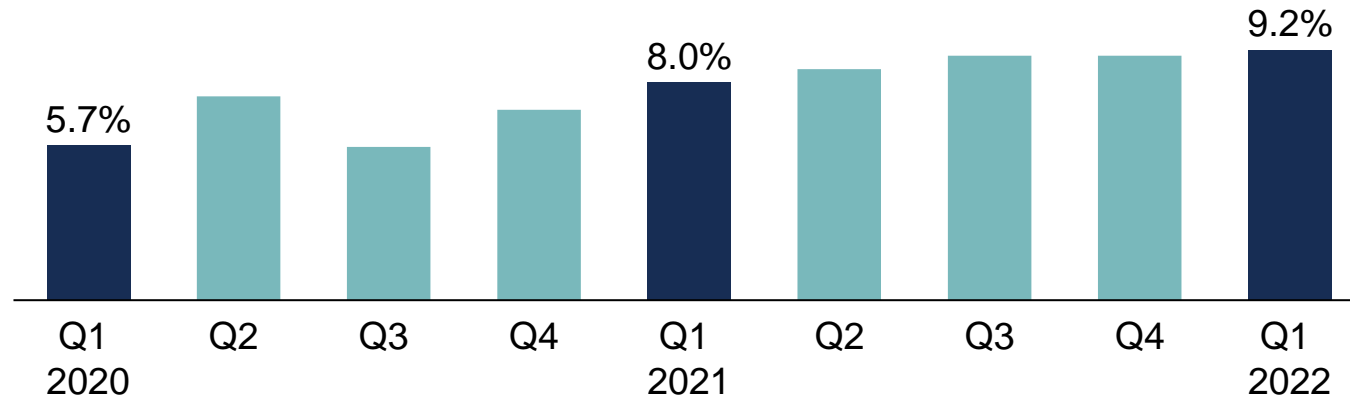
- Strong order and sales growth across the business areas
- Net sales up 40%
62% of the increase is inorganic, 27% organic and 12% from FX
- Seasonally small quarter
- Large EBITA increase from acquisitions
- Organic growth increase offset by increased energy, logistics and material costs and lower volume, primarily, in the Wind segment

Increasing EPS and positive return on capital employed trajectory

LTM EPS



LTM ROCE



Comments

- LTM EPS increased 10% as a result of increased earnings levels
- ROCE positive trajectory at 9.2% compared to 8.0% last year driven by improved earnings

Final Remarks



RATOS

The Ratos model shows strength in difficult times

**A group of market leaders
with a strong culture and
being part of something
larger**



**The leading company
builder in the Nordics**

- First quarter show our progress on the growth journey delivering increasing results despite significant challenges in our operating environment
- Proof of concept, for the Ratos model, with decentralised structure and speed in execution to maneuver uncertainty and challenges
- We are structurally and financially equipped to reach or exceed our 2025 financial targets

Q&A

RATOS

The leading company builder in the Nordics

A group of market leaders

Ratos is a sustainable long-term owner with no exit horizon

We own companies that are or can become market leaders

Profitable organic growth, margin expansion and targeted acquisitions

A clear culture

It's all about people

Simplicity

Speed in execution

Part of something larger

Decentralized structure

Gain benefits of the larger group through contacts and network

Executive leadership program

Access to special competences

Active ownership