



INWIDO

Great Windows & Doors



Inwido – on a mission:

From

Production orientation



To

Consumer focus

Construction material



Home living

Invisibility



Visibility

Improving people's well-being



The leading window and door group in Northern Europe

- » No. 1 or 2 position in all Nordic markets
- » Sales in 2011: MSEK 5 050
- » Employees: 3 500
- » Production sites: 30
- » Head office: Malmö, Sweden
- » Holding of Ratos since december 2004



New team for decentralized responsibilities



Håkan Jeppsson
President and Chief Executive Officer
Born: 1961
Employed since: 2009

Espen Hoff
Senior Vice
President, Norway
Born: 1965
Employed since: 2012



Peter Welin
Chief Financial
Officer
Born: 1973
Employed since: 1998

Olle Marköö
Senior Vice
President,
Emerging
Markets
Born: 1959
Employed since: 2010

Anders Isaksson
Chief Operating
Officer
Born: 1959
Employed since: 2001

Jonna Opitz
Senior Vice
President,
Marketing, Sales
& Communication
Born: 1969
Employed since: 2009

Timo Luhtaniemi
Senior Vice
President, Finland
Born: 1963
Employed since: 2006

Mads Storgaard Mehlsen
Senior Vice
President,
Denmark
Born: 1971
Employed since: 2007

Lena Wessner
Senior Vice
President, HR and
Sustainability
Born: 1961
Employed since: 2010

Jonas Netterström
Senior Vice
President, Sweden
Born: 1964
Employed since: 2010

Foundation of Inwido to date

1996-1999

How it all began

- Merger of Myresjöfönster and Elitfönster
- New management team
- Sales SEK 0.5bn

2000-2004

Swedish expansion

- Add-on acquisitions
- Focus on brand names and product portfolio
- Sales SEK 1.2bn

2005-2008

Nordic expansion

- Acquiring leading local companies
- Sourcing synergies
- Entry into selected European markets
- Sales SEK 5.6 bn

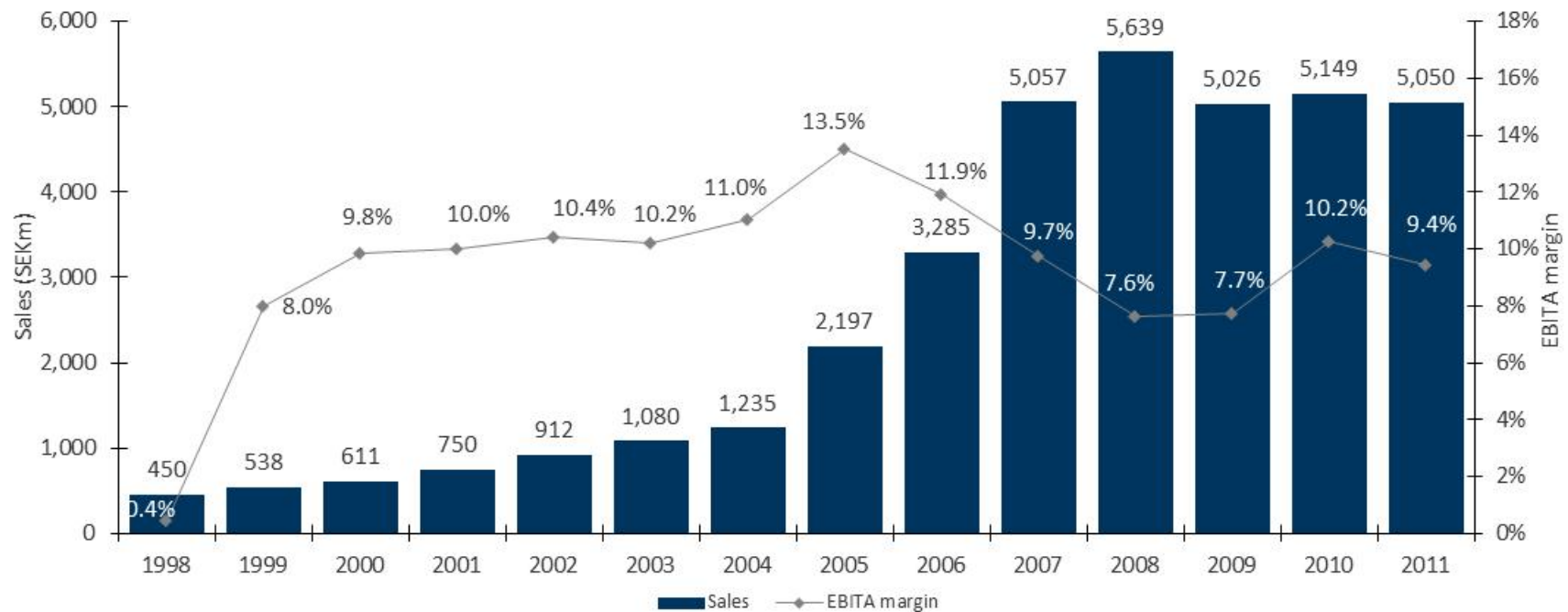
2009-2011

One Group

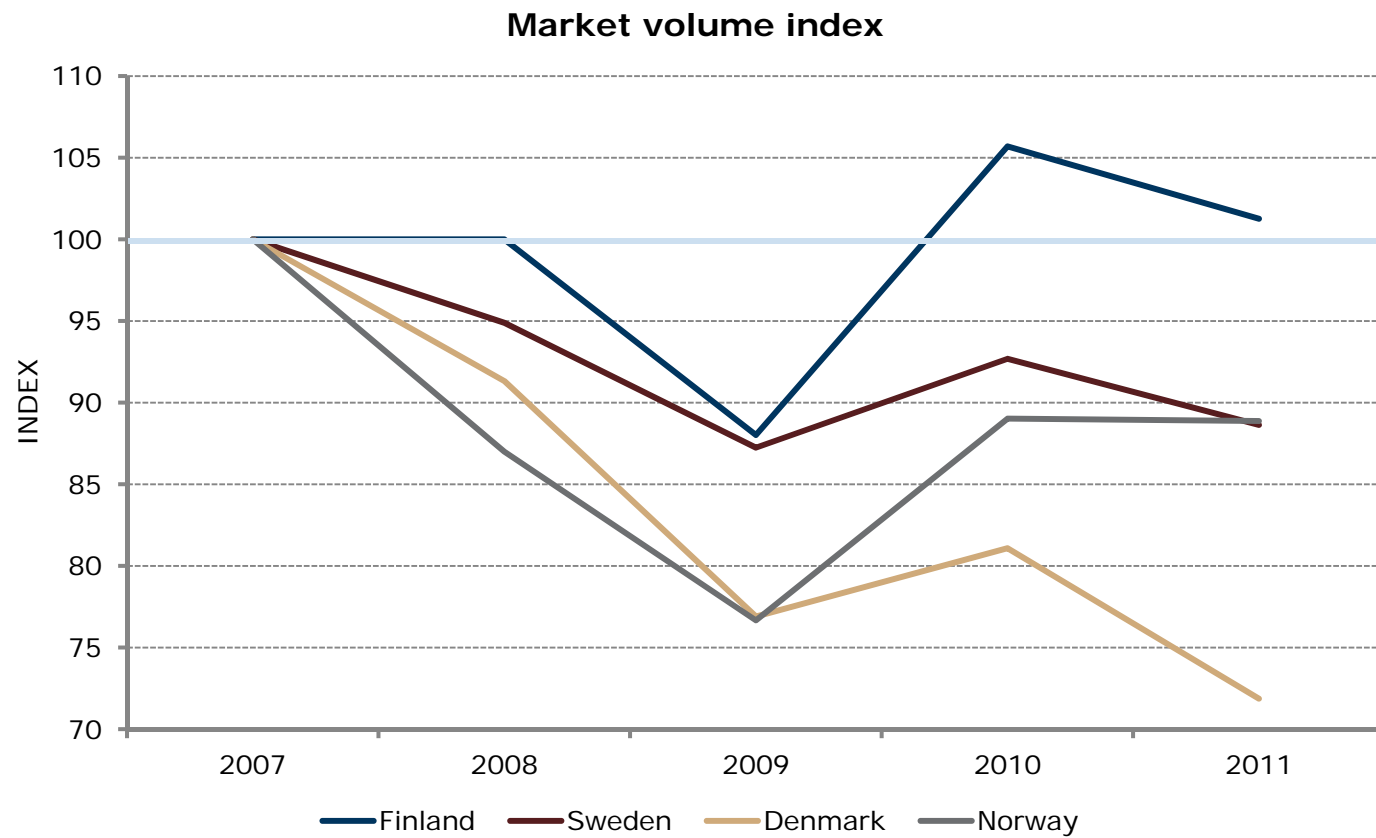
- Consolidation
- Revitalizing strategy
- Competence shift
- Sales SEK 5.1 bn

Fast acquisition based growth has eased off

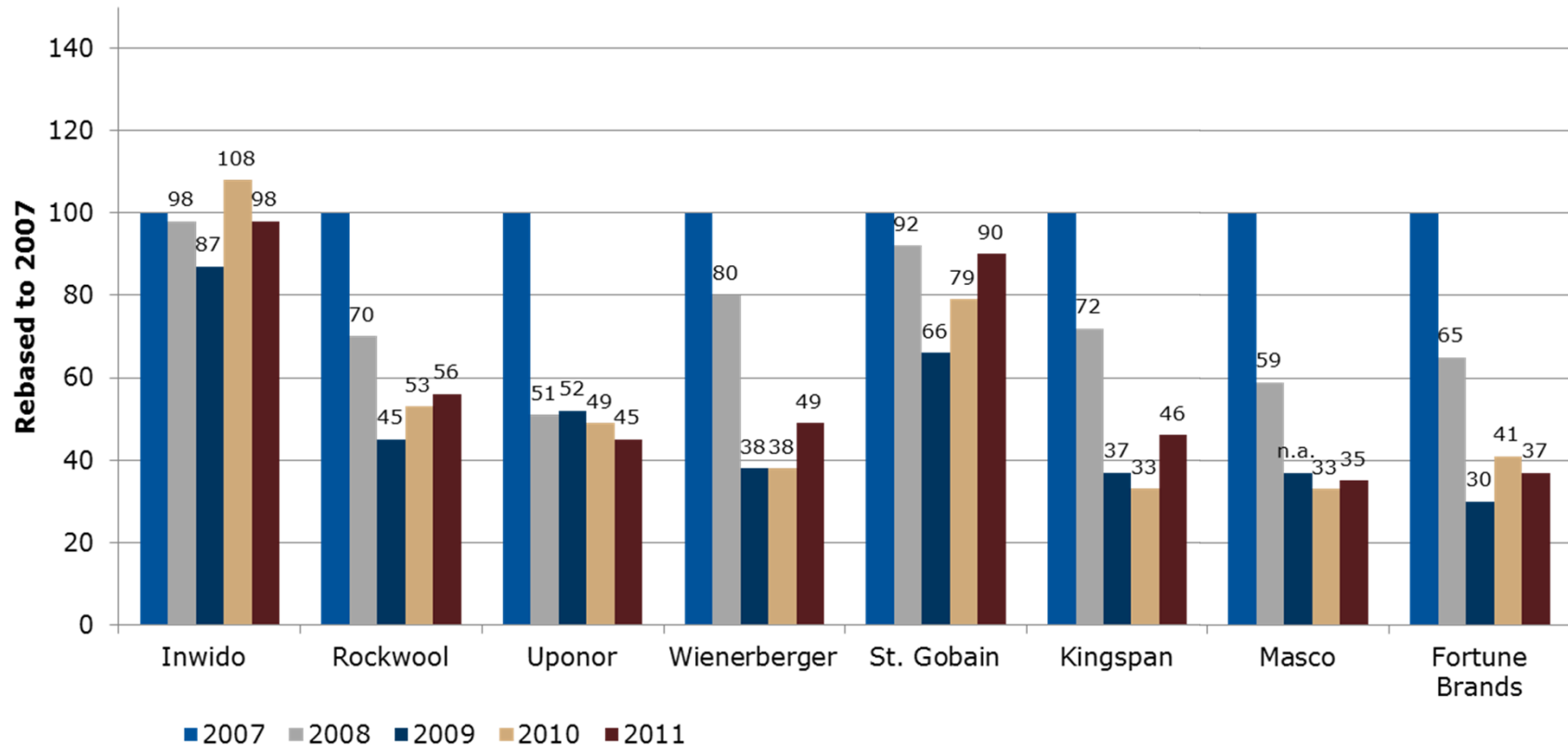
Sales and EBITA development



Window volumes far from top level....

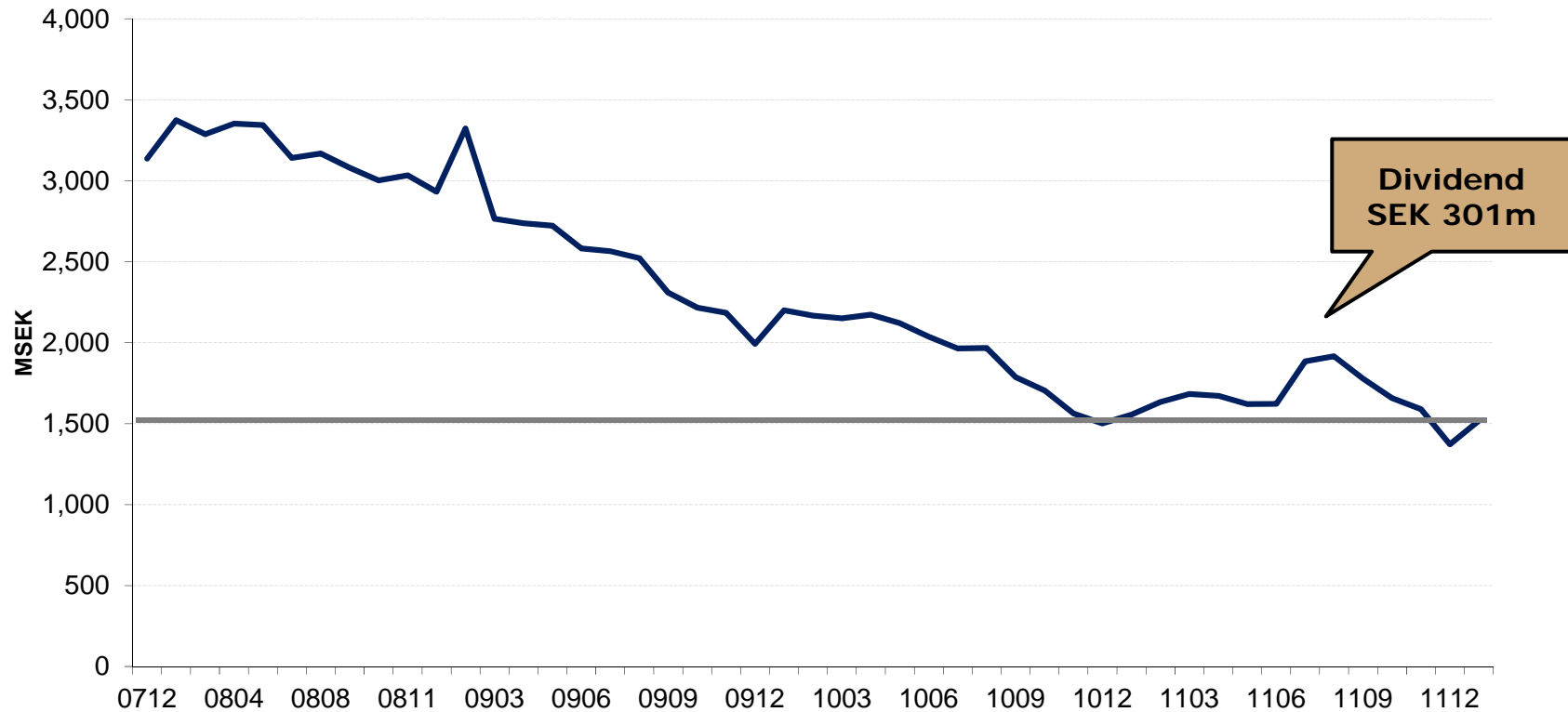


Profit development compared to other construction material suppliers in Europe positive



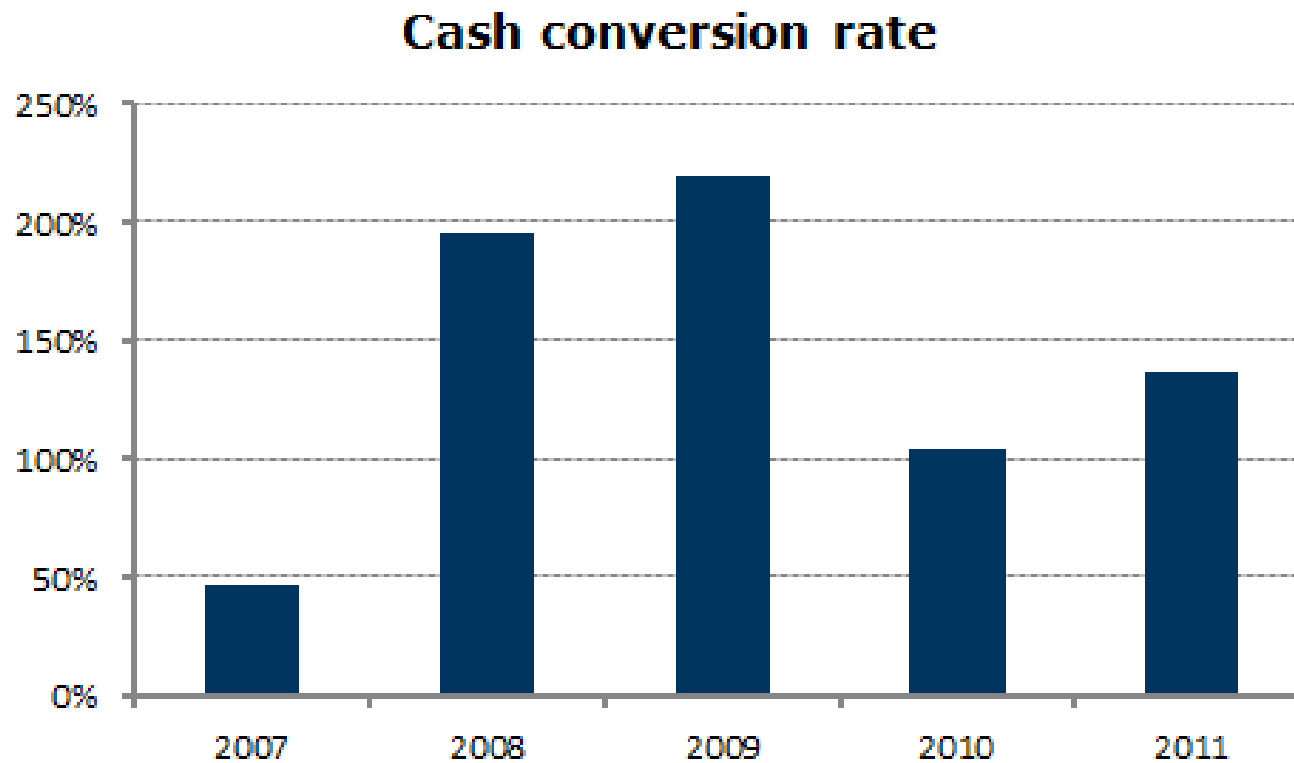
Source: Bloomberg, Factset as of 5 March 2012

Strong cash flow has reduced net debt



- » Strong underlying performance combined with efficiency measures
- » Less working capital tied up

Inwido's cash conversion rate



$(EBITDA + \text{change in WC} - \text{net capex}) / EBIT$



Products and services



Doors, sliding doors, services and accessories important parts of the offer

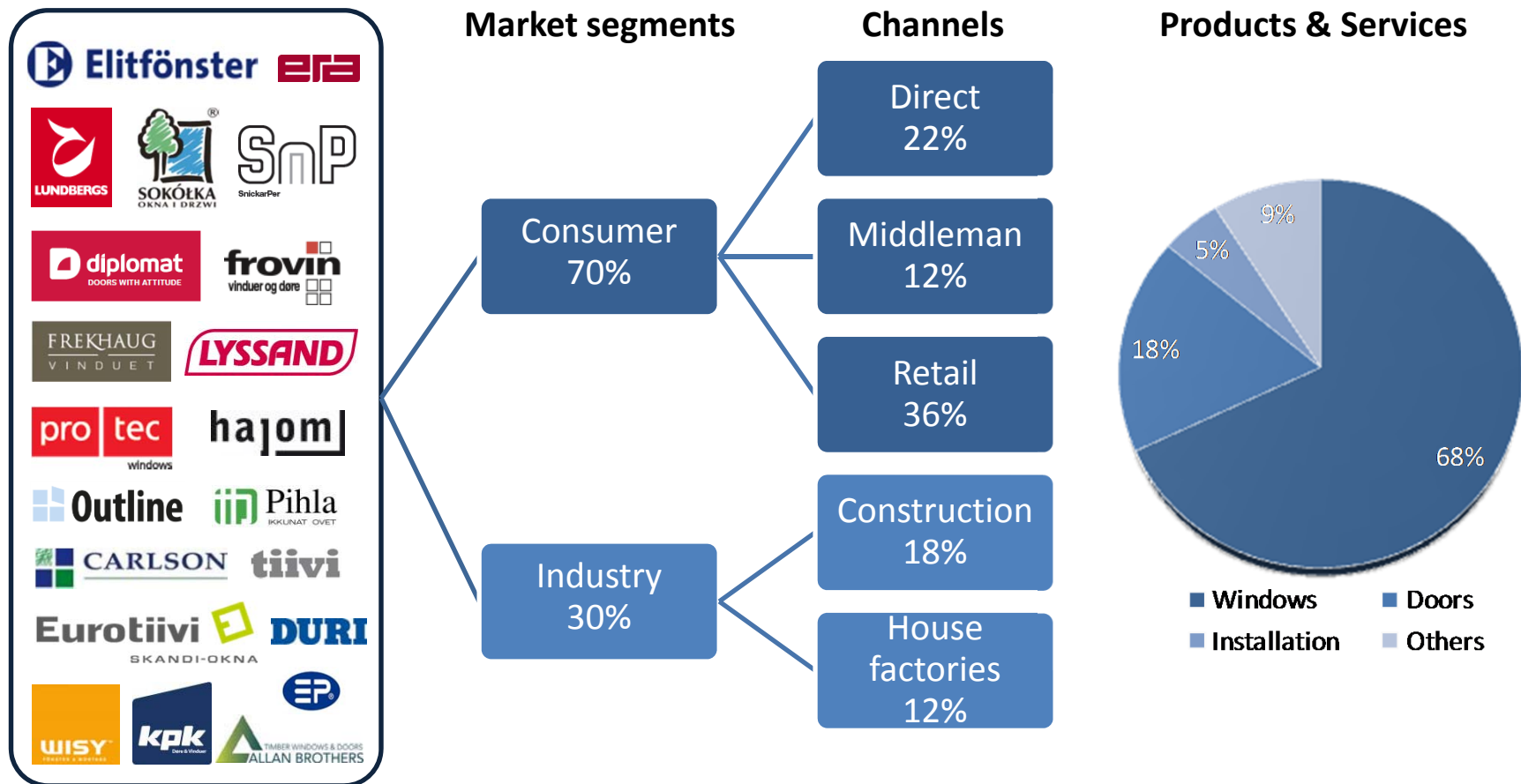




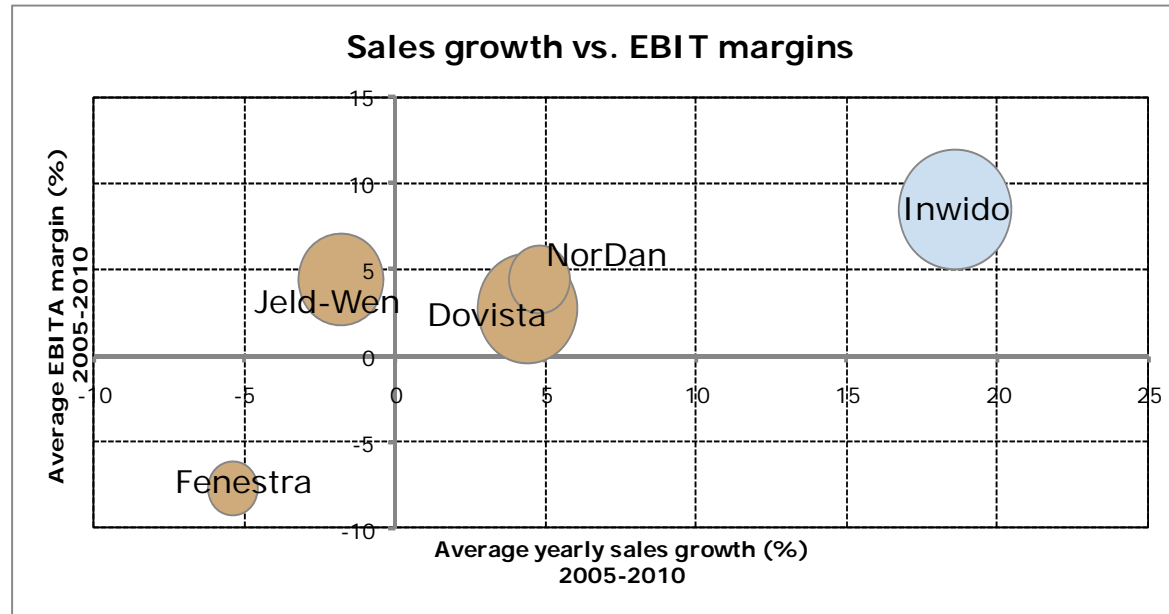
Segments and market position



Consumer the dominating segment



Inwido takes 45% of all profits in the Nordics







○ The size of the circle reflects the relative size of sales in 2010

Note: All are based on actual financials. Fenestra sales growth and EBIT margins are based on the period 2007-2010.

Leading position in the Nordic window markets


Inwido

	Total market value (EUR)	Wood share	Market share	Market position
	575m	92%	39%	No. 1
	590m	83%	12%	No. 2
	405m	90%	8%	No. 4
	290m	100%	32%	No. 1

- » Each market dominated by 2-5 players
- » Wood and wood/alu dominates the Nordic markets

Challenger position in fragmented European window markets

Inwido

	Total market value (EUR)	Wood share	Market share	Market position
	1 950m	22%	<1%	No. 5 in wood
	100m	18%	~ 3%	No. 3 in wood
	1100m	20%	~1%	No. 3 in wood
	4 050m	10%	<1%	No. 3 in wood

- » Very fragmented markets without any dominating player
- » Plastic windows dominating



Focus going forward



To reach our challenging financial targets

- » EBITA margin >12% sustainable
- » Turnover of SEK 10 billion with
 - » Profitable acquisitions
 - » 8% organic growth yearly
- » ROOC >20%



With a consumer company position

- » Higher profitability
- » Better stability (than new built/construction)
- » Sales and marketing driven culture impacts the whole company positively
- » Closer to the end user demands and needs



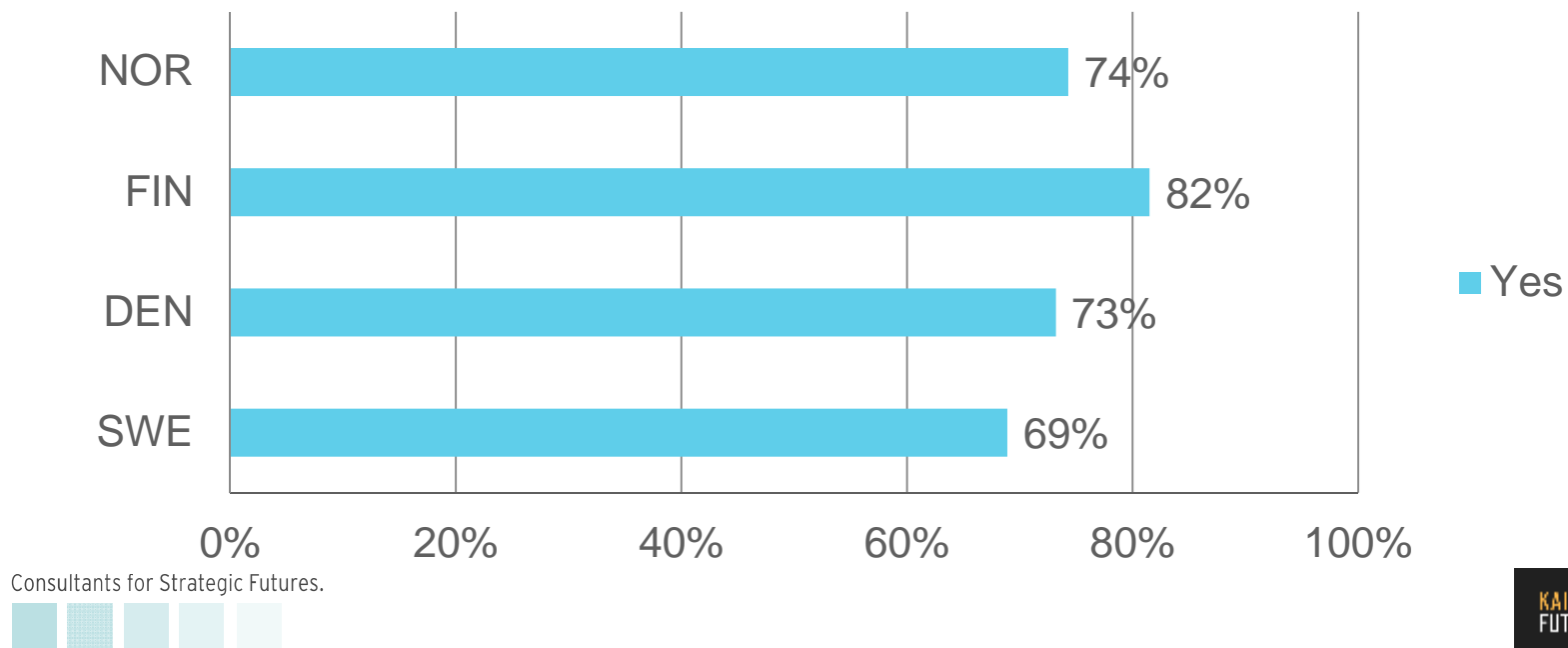
Business drivers

- » Growth in gross domestic product (GDP) and households' real disposable income
- » Consumer confidence
- » Age and condition of housing stock
- » House prices
- » Level of home ownership
- » Interest rates
- » Public subsidiaries but ...



Subsidies not impacting to the extent you might think

Are you planning on doing a major renovation regardless of whether you get government subsidies or not (ex: tax reductions)?



Consumer trends impacting us

- » The "home trend" with nesting for togetherness
- » Downscaling and rurbanism
- » Light and landscaping windows
- » The return of craftsmanship and tradition
- » Energy is the new consumer currency
- » Smartifying everything





Strategic initiatives 2012



Prioritized strategic initiatives

1. Back to growth mode
2. Improve organizational efficiency
 - Structure and processes
 - Competence and corporate values
3. New products and concepts
 - R&D-organisation
 - Automatic and digital solutions
 - Energy/green
 - Accessories



Prioritized strategic initiatives

4. Restructuring operations

- Platform strategy
- Automatisation
- Fewer factories and cost saving program

5. Channel mix shift

- Internet
- Using market and consumer insights
- Branding towards the consumer



Conclusions

- » Growth opportunities
- » Consumer focus
- » Restructuring ongoing
- » One Group wanted





Improve people's well-being



RATOS

Inwido

Thomas Hofvenstam

15 March 2012

Ratos's investment in Inwido

- Elitfönster acquired in 2005
- 31 add-on acquisitions
- Total (net) investment
 - 1 120 MSEK (book value 1 983 MSEK)
 - Ratos owns 96 %
- Ratos team
 - Thomas Hofvenstam (responsible for holding)
 - Leif Johansson
 - Henrik Lundh

Investment attractions

- Attractive market drivers
- Solid positions in consolidated Nordic markets
- Resilient business model
- High cash conversion
- Interesting development opportunities
- Devoted management team

Key value creation opportunities going forward

- **Margin opportunity**
 - Full operational potential
 - Improvement of underperforming businesses
- **Growth potential**
 - Product innovation and market development
 - Grow from strong Nordic platform
 - European opportunity, organically and M&A
- **Market demand with accelerator: insulation/energy**
- **Exit – IPO, industrial buyer or financial sponsor**