

RATOS

CEO Susanna Campbell

Annual General Meeting 27 mars 2014

Ratos has many strengths to build on...

- Proven strategy
- Organisation
- Brand and values
- Long-term view
- Ownership structure
- Financing
- Active ownership

...but also challenges to overcome

- Macro environment
- Acquisitions / transactions
- Pressure on returns
 - Intensified competition
 - Value add
- Capital – need for flexibility

PEC 2.0: priorities

1. Further develop active ownership
2. Increase focus on transactions
3. Increase efficiency in the organisation
4. Ensure flexible access to financing

Active ownership has an effect

- Weak markets gradually stabilised
- Not “one-size fits all”
- Significant action programmes
 - Flexibility
 - Cost focus
- Selective growth focus
 - Offense after defense fixed
 - Take market share
- Gradual effect 2013

Improvement in the holdings 2013

	2010	2011	2012	2013
Sales	+2%	-1%	-2%	+1%
EBITA	-1%	-17%	-15%	+18%
EBITA, adjusted	+9%	-13%	-11%	+2%

High transaction activity 2013

Exits



IRR: -16%



IRR: 54%



IRR: neg

Acquisitions



Arcus-
Gruppen's
add-on



SF merger
with Finnkinno



Aibel



Accent Equity's
shares in Jøtul



Nebula



HENT

Organisation and people

- New organisational structure autumn 2012
- Industrial advisors
- Efficiency and effectiveness
- Continuous development, knowledge building
- Ratos's people initiatives
 - CEO Summit
 - CFO Executive programme
 - Talent Award

Flexible access to financing

- Ratos's business model different
 - Big flows of capital difficult to forecast
 - Dividend important
- Timing key – make acquisitions when they are available
- Overall risk – no leverage in holding company
- Ratos's financing tool box
 - B shares
 - Preference shares
 - Debt facility SEK 3 billion

Increased focus on Corporate Responsibility

- Credibility as responsible owner
- Preserve and create value
- Strengthen sustainability of holdings during ownership
- Examples of activities 2013/14
 - Signatory of UN Global Compact and PRI
 - New CR framework: clear and adaptable
 - Anti-corruption focus
 - Group code of conduct



Signatory of:



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The improvement journey
continues!

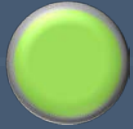
Outlook 2014

- Development heading in right direction
- Steady but slow recovery
- Additional effects of actions
- Increased profits in the holdings
- Operating leverage

Back to normal for Ratos

- 2005-2007 “perfect world”
- 2011-2012 “perfect storm”
 - Weak markets
 - Company specific challenges
 - Weak transaction market
- Now: back to normal
 - Normal distribution of company performance
 - Transaction market returning to normal

Normal performance distribution



Arcus-Gruppen
HENT
HL Display
Inwido
KVD
Mobile Climate Control
Nebula
Nordic Cinema Group
SB Seating



Aibel
Biolin Scientific
Bisnode
DIAB
Euromaint
GS-Hydro
Jøtul



AH Industries
Hafa Bathroom Group

Transaction market – more normal 2014?

- Sluggish 2013 – due to weak company development?
- Good access to bank financing
- Pent-up need to sell companies
- IPO market attractive
- Conditions exist for increased activity 2014

Good prospects for the future!

- Actions taken provide good starting point for holdings
- Steady, but slow recovery 2014
- Interesting transaction market
- Delivering on PEC 2.0 – the journey continues
- Leverage the Ratos platform
- Growth

RATOS